

Stanton, Terry A. (Treasury)

From: Buhs, Caleb (GOV)
Sent: Friday, March 29, 2013 5:05 PM
To: Wurfel, Sara (GOV); Wurfel, Brad (DEQ); Stanton, Terry A. (Treasury); Stibitz, Brom (Treasury)
Cc: Weiss, Kurt (GOV); Silfven, Ken (GOV)
Subject: Flint Water TPs

Here is the start of some topline messages for Flint ... I don't think that we need to get too deep into the specifics on the deal, we can leave that to Ed and others to discuss. Please let me know of any suggestions and additions that you have. I plan to also put together some background information that we can have on hand when discussing the topic. As I mentioned before, it likely won't be until the week of Apr 8th that we discuss this publicly.

- This is a decision made by the City of Flint and is a local decision that affects their local water supply.
- Flint Emergency Manager Ed Kurtz has heavily involved the city's elected officials throughout the decision-making process and all agree that this is best for the citizens and businesses in Flint.
- This will save Flint at least \$100 million over the next 25 years, and possibly as much as \$300 million.
- The Departments of Treasury and Environmental Quality have approved the financial and environmental soundness of KWA's plan.
- Flint accounts for only 2% of DWSD's capacity.

Thanks,
Caleb

Lamphier, Wendy (Treasury)

From: Dillon, Andy (Treasury)
Sent: Friday, March 29, 2013 6:45 PM
To: Muchmore, Dennis (GOV)
Cc: Stibitz, Brom (Treasury); Wyant, Dan (DEQ)
Subject: Re: Flint

Follow Up Flag: Follow up
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We grilled them on that quite a bit. There is a maximum guaranteed price on key construction items and the path allegedly presents limited risk- rural, thru areas w no gas or water lines, existing easements etc. I was the skeptic but view of my staff and deq was universal in favor of kwa. I was won over as well. I can't make a legitimate case that financially this is worse for Flint unless today's threat from Shank (DWSD will bill Flint for past capex) is real. We are sorting thru that.

I see lots of political downside as well. Community is invested in this.

Sent from my iPhone

On Mar 29, 2013, at 3:10 PM, "Muchmore, Dennis (GOV)" <muchmored@michigan.gov> wrote:

> How does Kurtz propose to protect them from cost overruns? Did they get a low ball price and how do we keep it from ballooning? Finally, what does that do to the sale value of DWSD?

>

> Sent from my iPhone