

Pleyte, Beth (Treasury)

From: Muchmore, Dennis (GOV)
Sent: Saturday, February 21, 2015 7:14 PM
To: Saxton, Thomas (Treasury)
Cc: Baird, Richard (GOV); Workman, Wayne (TREASURY); Hollins, Harvey (GOV)
Subject: Re: Flint

Let's hope that you're right since people are paying the same or more than with Detroit water and getting pretty shaky quality. We're just diverting money that went to DWSD originally into the Flint repayment and debt scheme. I assume the advantage will disappear when KWA is up and running to pay the debt and costs of intake. Let's hope the community can see the value of this somehow.

Sent from my iPhone

> On Feb 19, 2015, at 5:31 AM, Saxton, Thomas (Treasury) <SaxtonT@michigan.gov> wrote:

>

> I traded calls yesterday with Bob D. And talked to Jerry A. My intent was to get the 3 of us on the phone to resolve any confusion, etc on ongoing questions relating to Flint hooking back up with DWSD. I will try again today.

> But again, unless I am missing something (which has been known to happen); going back to DWSD represents (lets say in round \$s) \$10mm in net add'l costs to the Flint system. There is no money to pay that other than raising rates to customers. The calculations show that would be an approx 30% increase in rates.

> Momentarily, I will forward a preliminary analysis/presentation from the City's newly hired consultant. I just blasted thru the document but it seems to say that reconnecting with DWSD will not necessarily cure the issues that they are currently dealing with e.g., discoloration, TTHM.

>

>> On Feb 18, 2015, at 10:03 AM, "Muchmore, Dennis (GOV)" <muchmored@michigan.gov> wrote:

>>

>> This train is leaving and we'll be holding the bag if we don't work out a deal on DWSD for Flint.

>>

>>

>> Begin forwarded message:

>>

>> From: "Baird, Richard (GOV)" <bairdr@michigan.gov<mailto:bairdr@michigan.gov>>

>> To: "Muchmore, Dennis (GOV)" <muchmored@michigan.gov<mailto:muchmored@michigan.gov>>

>> Subject: Fwd: FW: Flint

>>

>> Need to bring this to ground today if we can.

>>

>> Sent from my Verizon Wireless 4G LTE DROID

>> ----- Forwarded message -----

>> From: "Daddow, Robert" <daddowr@oakgov.com<mailto:daddowr@oakgov.com>>

>> Date: Feb 17, 2015 9:05 AM

>> Subject: FW: Flint

>> To: "Baird, Richard (GOV)" <bairdr@michigan.gov<mailto:bairdr@michigan.gov>>

>> Cc:

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>> Rich - it takes two to negotiate and Flint representatives are not at the table. In fact, they are actively trying to avoid even considering this as an alternative course of action. Me - what I'd be doing is a dual track; if the local solution fails, I'd have the second option to fall back on. But, heh, that is just me. They are over 21, have been elected to represent

their residents / commercial entities and therefore are responsible for their actions - to the same people who put them there.

>>

>> While I'd like to pick up a few percentage point reduction in the water rate increases for the retention of Flint, it would be short-term anyway. If we don't have a willing partner on that side, then it can only lead to further distractions from a DWSD management already stressed in dealing with the transition, normal business, and the new Financial Review Board / two policy boards that they are reporting to.

>>

>> -----Original Message-----

>> From: Robert Daddow [mailto:daddowr@oakgov.com]

>> Sent: Tuesday, February 17, 2015 9:01 AM

>> To: 'Nicolette Bateson'

>> Cc: 'Brian Baker'; 'Bart Foster'; 'jfausone@fb-firm.com<mailto:jfausone@fb-firm.com>'; 'Sue McCormick'; 'William Wolfson'

>> Subject: RE: Flint

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>> Yesterday, I received a voice mail from R. Baird (still have not connected) that indicated that the City is actively working to resolve the water matter so as to avoid connecting to the DWSD. Veolia is assisting in this matter and will be issuing a report shortly. Nikki shared the above article that provides additional guidance as well.

>>

>> The voice mail from Mr. Baird indicated that the City is saving a fair amount of dollars in treating the water locally - albeit notwithstanding the known quality issues. The difference between DWSD and Flint treated water is helping to remediate other fiscal issues (potentially capital and operating) as the rates charged to the residents / commercial entities have not been changed, including perhaps other City fiscal issues. Given the active involvement of Flint in securing a resolution of this matter locally and not actively engaging DWSD in the discussions as an alternative course of action, I see no reason to pursue this matter any further. The ball is squarely in the court of the EM and Flint elected officials to resolve. RJD

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>> -----Original Message-----

>> From: Nicolette Bateson [mailto:bateson@dwsd.org]

>> Sent: Friday, February 13, 2015 6:45 PM

>> To: Robert Daddow

>> Cc: Brian Baker; Bart Foster; jfausone@fb-firm.com<mailto:jfausone@fb-firm.com>; Sue McCormick; William Wolfson

>> Subject: Re: Flint

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>> Hi Bob: I just saw your message. Interesting development!

>>

>> All: May I suggest a conference call to evaluate the options? I am available at any time and can send out the call-in number.

>>

>> Regards,

>>

>> Nickie

>>

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