

Pleyte, Beth (Treasury)

From: Hollins, Harvey (GOV)
Sent: Thursday, February 12, 2015 3:59 PM
To: Workman, Wayne (TREASURY); Saxton, Thomas (Treasury); Baird, Richard (GOV); Muchmore, Dennis (GOV)
Subject: RE: Flint water

Thanks Wayne.

From: Workman, Wayne (TREASURY)
Sent: Wednesday, February 11, 2015 3:02 PM
To: Saxton, Thomas (Treasury); Hollins, Harvey (GOV); Baird, Richard (GOV); Muchmore, Dennis (GOV)
Subject: Fwd: Flint water

See below from Jerry

Sent from my iPhone

Begin forwarded message:

From: "Gerald Ambrose" <gambrose@cityofflint.com>
To: "Workman, Wayne (TREASURY)" <WorkmanW@michigan.gov>
Cc: "Widigan, Robert (TREASURY)" <WidiganR@michigan.gov>, "amooney@cityofflint.com" <amooney@cityofflint.com>, "Saxton, Thomas (Treasury)" <SaxtonT@michigan.gov>
Subject: Re: FW: Flint water

We followed the recommendations of the RFC rate study. Their recommendations encompassed the knowledge of leaving DWSD, as well as the impending increase in costs associated with KWA once connected (City share of debt service), and the need for significant reinvestment in the utility system infrastructure, and a desire to level out future rate increases.

Copy of the RFC study attached.

Jerry

On Wed, Feb 11, 2015 at 12:31 PM, Workman, Wayne (TREASURY) <WorkmanW@michigan.gov<<mailto:WorkmanW@michigan.gov>>> wrote:
Please see Harvey's question as to rationale for 2014 rate increase

From: Hollins, Harvey (GOV)
Sent: Wednesday, February 11, 2015 12:27 PM
To: Saxton, Thomas (Treasury)
Cc: Muchmore, Dennis (GOV); Wisniewski, Wendy (GOV); Workman, Wayne (TREASURY)
Subject: Re: Flint water

Why did the rates go up after the connection to the Flint river?

Best,

Harvey

On Feb 11, 2015, at 12:21 PM, Saxton, Thomas (Treasury)

<SaxtonT@michigan.gov<<mailto:SaxtonT@michigan.gov>>> wrote:

Dennis – the attached pdf is the memo & table that hopefully addresses some of the info needs stemming from the meeting with the pastors last week. Jerry A. has looked at this document as well. In terms of key items at this point (that are mentioned in the memo)....

KWA may be hooked up by the end of this calendar year; weather permitting, etc. Even allowing for some slippage that is positive news

Whether you hooked to DWSD thru the county or directly; it is a \$1mm add'l impact to the budget... an add'l 30% increase in rates over existing

They have \$2mm already baked in the budget to fix that two mile 'bad' section of pipeline that might address a good portion of the current issues

They now have an outside consultant on the ground who is suppose to provide some preliminary indications next week to help improve the situation

Don't forget about the \$2mm SRF loan restructuring (which we have not officially put on the table). Those \$s would be available for more system improvements.

Again, sorry this took as long as it did. Let us know if this is what you had in mind or if you need anything else. Wayne – chime in if I missed anything.

See you @ 1:30

<FlintWater.pdf>