

Byrne, Randall (Treasury)

From: Elizabeth Murphy <emurphy@cityofflint.com>
Sent: Friday, February 13, 2015 1:56 PM
To: Koryzno, Edward (Treasury); Byrne, Randall (Treasury)
Subject: Re: DWSD - Flint Cost Comparison
Attachments: Re-Establishing Water Service 2015.pdf

I forgot to attach letter from Sue McCormick which details proposed DWSD terms/rates.
LIZ

On Fri, Feb 13, 2015 at 1:31 PM, Elizabeth Murphy <emurphy@cityofflint.com> wrote:

Ed and Randy,

Please review the attached chart and let me know if this meets your expectations. Jerry has reviewed this.

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Liz Murphy
Assistant to the Emergency Manager
City of Flint
810 237 2025

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Assistant to the Emergency Manager
City of Flint
810 237 2025

January 12, 2015

Mr. Darnell Earley, Emergency Manager
Mr. Dayne Walling, Mayor
City of Flint
1101 S. Saginaw Street
Flint, Michigan 48502

Dear Messrs. Earley and Walling:

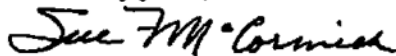
Regarding: Re-establishing Detroit Water and Sewerage Department Water Service

I was recently referred to a report in MLive in which there was reference to the City of Flint (City) potentially re-visiting its decision to utilize Flint River water as a water source prior to the completion of the KWA pipeline. Within that report, there appeared to be some incorrect assumptions about the cost of water service from the Detroit Water and Sewerage Department (DWSD). I write to you today to express the willingness of DWSD to resume delivery of drinking water to the City and its residents. We have monitored the water quality issues that have troubled the City since May, 2014, and understand that many of the difficulties stem from the limited access to source water. Please know that DWSD is ready, willing and able to resume service to the City if you so desire.

If the City is interested in a long term arrangement with DWSD, with this goal in mind, we offer that the City can immediately reconnect to the DWSD system at no additional charge to the City and at the same "expired contract" rate that the City was paying in April, 2014, modified to reflect the 4% increase experienced by all other wholesale customers in July, 2014. The resulting rate structure is a fixed monthly rate of \$846,700 and a commodity rate of \$14.92/Mcf. In order to facilitate contract negotiations, DWSD is willing to extend this rate to the City (and to Genesee County as the City's partner and former customer) until June 30, 2015.

We at DWSD take very seriously the matter of drinking water quality, and we are as concerned as you must be by the continued quality issues faced by the City. We are confident that DWSD can provide you with a solution for reliable, safe, high quality water on an expeditious timeline. Please contact me directly at (313) 224-4701 if you wish to discuss this offer further.

Sincerely yours,



Sue F. McCormick
Director

cc: Governor Rick Snyder – (via U.S. Mail)
Flint City Council, (via U.S. Mail and Electronic Mail)
Eric Mays; Jacqueline Poplar (c/o Jennie Johnson); Kerry Nelson (c/o Jennie Johnson); Joshua Freeman;
Wantwaz Davis; Herbert Winfrey (c/o Jennie Johnson); Monica Galloway, Vicki VanBuren; Scott
Kincaid (c/o Jennie Johnson)
Jeff Wright, GCDC – (via Electronic Mail)
Mayor Mike Duggan (via Electronic Mail)
James Fausone, BOWC (via Electronic Mail)
Robert Daddow, GLWA (via Electronic Mail)