

On Mar 11, 2015 3:28 PM, "Peter Bade" <pbade@cityofflint.com> wrote:
Jerry - please see the attached draft.

----- Forwarded message -----

From: **Gerald Ambrose** <gambrose@cityofflint.com>
Date: Mon, Mar 9, 2015 at 7:17 PM
Subject: Fwd: City of Flint Emergency Manager Order [MCPS-ACTIVE.FID982479]
To: Natasha Henderson <nhenderson@cityofflint.com>, Dayne Walling <dwalling@cityofflint.com>
Cc: Peter Bade <PBade@cityofflint.com>

For your thoughts -- Treasury appears willing to allow us to restructure the outstanding DWRFBonds to essentially move the April 2015 principal portion of the debt service payment to the end of the debt service. This would free up about \$2.24 million of cash in the water fund to use for other capital projects.. Time of course is of the essence and we will have to define that (or those) capital improvements. Looking at the existing list of projects, the easy answer is additional miles of pipeline replacement. But I do not know right now if that would be the best answer - and no, it cannot be used to reduce rates:). or to put into the GF and then transfer to the Water Fund:). This is one reason the recommendations from Veolia are needed asap.

This is confidential to you until we have a plan. Peter Bade is reviewing...my only question with the draft is what might be the potential of the bonds losing tax exempt status - what is the likelihood and what would it cost us? I am asking Pete to follow up on that...

J

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From: **Gerald Ambrose** <gambrose@cityofflint.com>
Date: Mon, Mar 9, 2015 at 7:02 PM
Subject: Fwd: City of Flint Emergency Manager Order [MCPS-ACTIVE.FID982479]
To: Peter Bade <PBade@cityofflint.com>

FYI... bottom line is that this will allow us to postpone the April 2015 principal portion of debt service in teh amount of \$2.24 million. This frees up cash which can be used for needed capital improvements...Obviously time is of the essence, given a payment date of April .

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From: **Bulger, Harold W., Jr.** <bulger@millercanfield.com>
Date: Mon, Mar 9, 2015 at 4:48 PM
Subject: City of Flint Emergency Manager Order [MCPS-ACTIVE.FID982479]
To: "Gerald Ambrose (gambrose@cityofflint.com)"

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<BartonJ@michigan.gov>, "Bowman, Matthew (Treasury)"
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<LambertA@michigan.gov>, "Danhof, William J."
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Attached for your review is an initial draft of the form of Emergency Manager Order to authorize the restructuring of the debt service schedules for the Flint Water Supply System Revenue Bonds, Series 1999, 2000, 2001 and 2002. I believe this draft incorporates the points we have discussed, but in the interest of time it has not been reviewed by Gerald Ambrose and therefore it is being circulated subject to any comments he may have. Please provide comments at your earliest opportunity.

Thanks,

Harold

Harold W. Bulger, Jr. | Attorney and Counselor at Law

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