Dempkowski, Angela (Treasury)

From: Workman, Wayne (TREASURY)
Sent: Friday, October 02, 2015 10:15 AM
To: Saxton, Thomas (Treasury)
Subject: Fwd: follow up

Do you want us to check out an ELB loan for the $10, million?

Sent from my iPhone

Begin forwarded message:

> **From:** "Muchmore, Dennis (GOV)" <muchmored@michigan.gov>
> **Date:** October 2, 2015 at 10:10:36 AM EDT
> **To:** "Saxton, Thomas (Treasury)" <SaxtonT@michigan.gov>
> **Cc:** "Khouri, Nick (TREASURY)" <KhouriN@michigan.gov>, "Workman, Wayne (TREASURY)" <WorkmanW@michigan.gov>, "Stanton, Terry A. (Treasury)" <StantonT@michigan.gov>
> **Subject: Re: follow up**
>
> I think that Bob Daddow, Rich Baird and Mike Duggan have something to do with the more "reasonable" approach. The Mayor in particular is very concerned about the issues of a fellow community and Daddow is perhaps the finest public administrator in the state. So, their involvement and Rich's management skills are powerful forces.
>
> On Oct 1, 2015, at 8:25 PM, Saxton, Thomas (Treasury) <SaxtonT@michigan.gov> wrote:
>
>> Dennis - in response to your earlier email; Wayne's guys came up with a ballpark estimate for reconnecting to DWSD. Let me emphasize 'ballpark'. They used your assumptions & they talked to Natasha H. after 5:00. Bottom line... **the estimated cost is approx $10.5mm to reconnect until June '16.**
>>
>> These numbers on their surface seem much improved over previous DWSD $offers. [Is Daddow in the loop on this ?] We need to give some more thought as to whether this is all inclusive. e.g., there might be some costs from turning down operations at the plant
>>
>> I am being told this can happen in a relatively short time i.e., less than a week. Which seems aggressive. Obviously that does not mean the lead concerns nor discolored water, etc goes away in a week. The pipe section they sold to the county won't be an impediment to this deal.

There apparently are no 'upfront' costs we need to worry about. In theory, it seems like it can be paid over the 9-10 months (vs a lump sum). But I am not clear Dennis on those couple ideas/sources the Mayor & Senator mentioned i.e., at this point I am not sure where the $10.5mm comes from.

My guess is we will keep refining this estimate. Let us know if you need anything else. Again, "credit " Wayne's guys for pulling this together quickly.

From: Cline, Richard (Treasury)
Sent: Thursday, October 1, 2015 6:08 PM
To: Saxton, Thomas (Treasury); Koryzno, Edward (Treasury); Byrne, Randall (Treasury)
Subject: RE: follow up

City's usage is 14 MGD/Day

Timeline is 9 months until June 2016

Fixed Cost is $662,100 for 9 months or $5,958,900

Commodity Rate is $501,383/month

Total Monthly Cost is $1,163,483

Cost until June 2016 is $10,471,347

The City does not know the cost to move the water plant into stand-by mode. However, they have indicated that there might be some reduced costs as lower chemical costs will be incurred.

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