

Byrne, Randall (Treasury)

From: Byrne, Randall (Treasury)
Sent: Tuesday, October 06, 2015 3:56 PM
To: John O'Brien
Subject: RE: City of Flint - correspondence regarding reconnection to Water Supply System

John:

Mr. Workman indicated to use 15MGD for your analysis. Please let me know if you have any questions.

Randy

From: John O'Brien [mailto:jfobrien@gcdcwws.com]
Sent: Tuesday, October 06, 2015 3:48 PM
To: Byrne, Randall (Treasury) <ByrneR1@michigan.gov>
Subject: RE: City of Flint - correspondence regarding reconnection to Water Supply System

Randy

Took a quick look To make a good estimate I need Flints water usage
Can you get from DEQ Flints Water Monthly Operating Reports (MORs) for the last 12 months
John O'Brien

From: Byrne, Randall (Treasury) [mailto:ByrneR1@michigan.gov]
Sent: Tuesday, October 06, 2015 3:43 PM
To: John O'Brien <jfobrien@gcdcwws.com>
Cc: Workman, Wayne (TREASURY) <WorkmanW@michigan.gov>; Schafer, Suzanne K. (Treasury) <SchaferS7@michigan.gov>
Subject: FW: City of Flint - correspondence regarding reconnection to Water Supply System

John:

I have attached a copy of the DWSD letter for your review and analysis as per our telephone call with Mr. Workman. If you have any questions, please give me a call at 517-335-2521.

Thanks,
Randy



CITY OF DETROIT
WATER AND SEWERAGE DEPARTMENT
OFFICE OF THE DIRECTOR

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September 30, 2015

*Via email: nhenderson@cityofflint.com
and U.S. Mail*

Ms. Natasha L. Henderson, City Administrator
City of Flint
1101 S. Saginaw St.
Flint, Michigan 48502

Dear Ms. Henderson:

Thank you for your inquiry regarding the possibility of reconnecting the City of Flint to the Detroit Water and Sewerage Department's (DWSD) Water Supply system. Director McCormick has asked me to respond to you and provide a brief outline of the basis for that reconnection. However, I want to again emphasize what Ms. McCormick has previously stated to your City Council on this issue: DWSD is willing to sit down and talk with the City of Flint without pre-condition, if that is mutually desirable.

I would be remiss if I did not point out that on June 12, 2015, the City of Detroit and the Great Lakes Water Authority (GLWA) executed a Lease Agreement that provides for the GLWA's operation of the Regional Water Supply System. At present, we are transitioning management of the system from DWSD to the GLWA while certain Conditions Precedent of the Lease Agreement are satisfied. We have made substantial progress towards satisfying these Conditions Precedent with a goal of having GLWA commence full system operations on or before January 1, 2016. I can assure you that, like DWSD, the GLWA is concerned with the challenges Flint's residents have faced in recent months, and will be willing to discuss service to your City.

That said, here is a likely list of issues that would need to be addressed:

1) Rates: In Sue McCormick's January 12, 2015 letter to Flint, she indicated that the rates Flint would pay for the remainder of the then current 2014-2015 Fiscal Year (FY) would be "the same rates Flint was paying as a terminated customer when it left the system but modified to include the 4% increase experienced by all other DWSD wholesale customers in 2014." As we are now in the 2015-16 FY, that offer must be modified to include an additional adjustment similar to that which was received by other customers. In this regard we propose that the rates be adjusted as follows:

- a) Starting with the 2013-2014 FY terminated rate; and
- b) Adding a 4% adjustment to that rate to account for the 2014-2015 FY increases; and
- c) Adding an adjustment equal to the average Suburban Wholesale Charge Adjustment for the current 2015-2016 FY. This rate would remain in place until June 30, 2016, the end of the current 2015-2016 FY.