

We're still carrying \$12m as the cost to reconnect, and that's the number the Governor is using too. John would like your assessment of the need given the information in this letter. We plan to send a supplemental request to the Legislature for our \$6m share this afternoon.

From: Saxton, Thomas (Treasury)

Sent: Wednesday, October 07, 2015 2:43 PM

To: Wyant, Dan (DEQ); Sygo, Jim (DEQ); Muchmore, Dennis (GOV); Roberts, John (DTMB); Baird, Richard (GOV); Lyon, Nick (DHHS); Hollins, Harvey (GOV)

Cc: Workman, Wayne (TREASURY); Khouri, Nick (TREASURY); Duncan, Nancy (DTMB)

Subject: FW: letter from John O'Brien

Importance: High

Here is the letter from the Genesee Co Drain Commission. My interpretation of the contents would be their estimate is \$13.2mm (vs the \$12mm discussed this morning).

They included their contract with the City. Sec 5.7 references prevailing rates the City would be charged; that is different than the rates reflected in the \$13.2mm. So that contract may need to be modified.

They also raise some other items (under *Procedure to Activate Supply* – p.3) that may have cost implications.

Workman, Wayne (TREASURY)

From: Byrne, Randall (Treasury)
Sent: Friday, October 09, 2015 8:44 AM
To: Workman, Wayne (TREASURY)
Subject: RE: Flint Water Issue

Thanks,

Randy

From: Workman, Wayne (TREASURY)
Sent: Friday, October 09, 2015 8:31 AM
To: Byrne, Randall (Treasury)
Cc: Schafer, Suzanne K. (Treasury) ; Cline, Richard (Treasury) ; Vandegrift, Drew (TREASURY)
Subject: Re: Flint Water Issue

I think we stay back unless asked to get involved. They need to talk to each other

Sent from my iPhone

On Oct 9, 2015, at 7:52 AM, Byrne, Randall (Treasury) <ByrneR1@michigan.gov> wrote:

Wayne and Suzanne:

Drew reviewed the water contract between Flint and Genesee County. His last comment is the best way forward to reconnect to the DWSD. Please let me know if you have any comments.

Randy,

From: Vandegrift, Drew (TREASURY)
Sent: Thursday, October 08, 2015 4:32 PM
To: Byrne, Randall (Treasury) <ByrneR1@michigan.gov>
Subject: FW: Flint Water Issue
Importance: High

Good Afternoon,

I have examined the portion of the 2014 Genesee/Flint contract in question. To ensure a complete understanding, I discussed that matter with Flint attorney Tony Chubb. Two options exist:

- 1.) Honor the provision. The City is waiting for a new quote from Detroit for what the countywide rate would be. Note that the rate is expected to be lower than the county is currently paying per unit, because a new contract for water would increase the quantity purchased (estimated to double). Also, I am told that credit risk is a factor for the per unit cost that Detroit charges, and so the county rate might save the city the cost of their poor credit rating. The County told Tony that this option can be implemented quickly (next week) if the City accepts the terms as presented.