

Workman, Wayne (TREASURY)

From: Saxton, Thomas (Treasury)
Sent: Tuesday, September 15, 2015 10:48 AM
To: Muchmore, Dennis (GOV)
Cc: Wurfel, Brad (DEQ); Agen, Jarrod (GOV); Clement, Elizabeth (GOV); Hollins, Harvey (GOV); Roberts, John (DTMB); Wyant, Dan (DEQ); Lyon, Nick (DCH); Khouri, Nick (TREASURY); Workman, Wayne (TREASURY)
Subject: Flint
Attachments: Fwd: PRESS RELEASE: Coalition for Clean Water Lawsuit Dismissed by Circuit Court

Wayne & I have a call scheduled with the Mayor, City Atty, & the City Mgr @ 4:00 today. We are following up to see if in fact they inadvertently missed filing the appeal on the rate case. If so, in my mind that would be a huge, costly blunder (but that is why we are talking to them) which will greatly exacerbate the financial condition/solvency of the system.

And recall (not that long ago) I believe we gave them approx. \$2mm in SRF loan relief and approx. \$2mm in grant money[*cgap?*] to improve the system.

We are having staff look at possible other assistance from a financing or loan perspective. My sense is there will not be much there if any.

p.s. – the Flint coalition lawsuit was dismissed (see attached)

From: Muchmore, Dennis (GOV)
Sent: Tuesday, September 15, 2015 9:52 AM
To: Khouri, Nick (TREASURY) <KhouriN@michigan.gov>; Saxton, Thomas (Treasury) <SaxtonT@michigan.gov>; Workman, Wayne (TREASURY) <WorkmanW@michigan.gov>; Lyon, Nick (DCH) <LyonN2@michigan.gov>; Wyant, Dan (DEQ) <WyantD@michigan.gov>
Cc: Wurfel, Brad (DEQ) <WurfelB@michigan.gov>; Agen, Jarrod (GOV) <AgenJ@michigan.gov>; Clement, Elizabeth (GOV) <clemente@michigan.gov>; Hollins, Harvey (GOV) <hollinsh@michigan.gov>; Roberts, John (DTMB) <RobertsJ9@michigan.gov>
Subject: Flint

Nice of Dayne Walling to work with us before he called yesterday to tell me he was going to announce to City Council last night that Flint needs and deserves \$30M from the state for upgrades to their water system and a lead abatement program. Any thoughts on this?

Stanton, Terry A. (Treasury)

From: Saxton, Thomas (Treasury)
Sent: Tuesday, September 15, 2015 10:59 AM
To: Stanton, Terry A. (Treasury)
Cc: Headen, Frederick (Treasury); Workman, Wayne (TREASURY)
Subject: RE: walling request for \$30 million
Attachments: Flint

I don't know how you respond. Attached is an email I just sent to Dennis et al. We/Treasury don't do the distressed cities \$s. Shouldn't that come from TED ?

If the state gives Flint money; all of the urban communities will be standing in line.

They all have problematic water systems.

From: Stanton, Terry A. (Treasury)
Sent: Tuesday, September 15, 2015 10:50 AM
To: Saxton, Thomas (Treasury) <SaxtonT@michigan.gov>; Workman, Wayne (TREASURY) <WorkmanW@michigan.gov>; Headen, Frederick (Treasury) <HeadenF@michigan.gov>
Subject: FW: walling request for \$30 million
Importance: High

Guys...

The Flint Journal is asking for a reaction from the Gov's Office...on Walling's "request." The letter is attached and does indicate that Walling understands "forgiveness" is not an option on the existing loans...but that he seems to be requesting a "new" loan that could be forgiven...which I doubt is feasible or legal, etc.

Please advise on what you feel is a most appropriate response...

Should we say we "encourage" the city to apply for a distressed cities grant (total grant is only \$5m) and suggest they work with their respective legislators to increase the grant limit, if they feel that is an appropriate avenue? If we do that, Dave will be asked if the G supports an increase...not sure we want to go there???

From: Murray, David (GOV)
Sent: Tuesday, September 15, 2015 10:14 AM
To: Stanton, Terry A. (Treasury) <StantonT@michigan.gov>
Subject: FW: walling request for \$30 million

Hi Terry,

The Journal is asking for a response to Mayor Walling's letter.

I just want to double check: I see he's again asking for loans to be forgiven, but didn't we say earlier that there's no legal path to do that?

His letter is attached.

Thanks!

Dave