Stanton, Terry A. (Treasury)

From: Stanton, Terry A. (Treasury)
Sent: Monday, February 01, 2016 12:40 PM
To: Murray, David (GOV)
Subject: Fwd: Questions for story

Dave-

I will work up a draft response and share w you for thoughts etc.

Begin forwarded message:

> **From:** Ryan Felton <ryanfelton13@gmail.com>
> **Date:** February 1, 2016 at 12:12:46 PM EST
> **To:** Terry Stanton <stantont@michigan.gov>
> **Cc:** "Murray, David (GOV)" <MurrayD1@michigan.gov>
> **Subject: Questions for story**
>
> Hi Terry and David,
>
> I'm working on a story about the negotiations between Flint and Detroit in 2013 and 2014. I had some questions for the both of you:
>
> -- According to a letter sent in February 2014 by DWSD to Flint's EM, the utility "to date" had received no official confirmation on Flint's plans for a water source, despite months of negotiations. This has been explained to me as an attempt to confirm what Flint actually planned to do after its 1965 contract with DWSD expired in April 2014 - and to either to strike a short-term deal until the KWA was online, or strike a new long-term deal with Detroit. As it was explained to me, DWSD was essentially still "in the dark" about the city's plans at this point.
>
> The governor's timeline says Flint made the decision to use the river in June 2013. Can you explain what that means, and how that decision was made? Was that decision ever officially conveyed to DWSD? Why or why not?
>
> -- Despite the commitment of Flint and Genesee County to use a new system, negotiations were clearly still ongoing until a final letter was sent by Darnell Earley in March 2014 to DWSD, saying the city's plan was to use the river. Discussions over regionalizing DWSD were ongoing at the time. Do you have any comment on why DWSD was "left in the dark" about Flint and Genesee's plan going forward, even though it represented a substantial customer base for the system?
>
> -- Emails released this week indicate DWSD offered a nearly 50% discount to Flint in April 2014 to stay with Detroit. That deal was ultimately rejected by Flint's emergency manager. As you've explained to me previously, Treasury was aware of the negotiations. Did this deal ever come across then-Treasurer Dillon's desk? If so, why was it rejected?

And the decision to use the KWA was painted as a cost-cutting measure. If DWSD's estimates of $800m in savings over 30 years is accurate, is that still an accurate description?

I appreciate your time and look forward to your response.

Best,

Ryan Felton
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