

Pleyte, Beth (Treasury)

From: SaxtonT@michigan.gov
Sent: Thursday, February 11, 2016 5:37 AM
To: wayne workman
Subject: Fwd: FWICC subcommittee

See below. In talking to Nick yesterday (if it can work out) I was thinking this would be a good first task for you to 'shepherd'. My morning is sort of bad; maybe later in the afternoon we can chat.

Begin forwarded message:

From: "Baird, Richard (GOV)" <bairdr@michigan.gov>
Date: February 10, 2016 at 11:27:06 PM EST
To: "Khouri, Nick (TREASURY)" <KhouriN@michigan.gov>
Cc: "Saxton, Thomas (Treasury)" <SaxtonT@michigan.gov>, "Hollins, Harvey (GOV)" <hollinsh@michigan.gov>, "Steckelberg, Larry (TREASURY)" <SteckelbergL@michigan.gov>
Subject: Re: FWICC subcommittee

I already weighed in by phone on this one. Let me know if you need anything. I think an impact analysis around the switching process is the right approach. GC should not panic nor should anyone conclude without reason that anything is "off the table" if reasoned experts conclude it makes no sense.

Sent from my Verizon Wireless 4G LTE DROID

On Feb 10, 2016 10:29 AM, "Khouri, Nick (TREASURY)" <KhouriN@michigan.gov> wrote:

Rich and Harvey

Similar to Zimmer's email, I was going to send this to the FWICC KWA subcommittee (including Jamie Curtis)

Does this capture our subcommittee's to-do?

I miss one meeting, and look what happens

We are the “KWA Subcommittee” of the FWIC

My understanding, and why I want to check-in with you, is we are to address 3 questions (our 3 objectives):

- (1) What is the updated, long-term, financial cost/benefit analysis for Flint residents of KWA vs staying with DWSD?*
- (2) What are Flint’s formal commitments to KWA?*
- (3) What are updated projections for Flint resident’s water rates? What is driving future rates in the city?*

I think the tasks fall into:

- (1) Update the prior cost/benefit analysis with revised estimates, including transition costs*
- (2) Review the long term assumptions of Flint rates if they stay with DWSD*
- (3) Agree on any non-financial reasons for Flint to choose one option or the other*
- (4) Review bond covenants and other contractual relations between Flint and KWA*
- (5) Given reasonable assumptions, project typical Flint water rates for the next 5 and 10 years*

We still need to work up a specific work plan and schedule, but the goal is to report back to the full committee by early June

Please let me know your thoughts