

Pleyte, Beth (Treasury)

From: Barton, John (Treasury)
Sent: Wednesday, January 27, 2016 1:53 PM
To: Saxton, Thomas (Treasury); Stanton, Terry A. (Treasury)
Subject: FW: Media inquiry from Detroit News reporter
Attachments: DWRF project list for FY16.pdf

Just to keep you in the loop re: Flint media inquiry DEQ

From: Butler, Sonya (DEQ)
Sent: Wednesday, January 27, 2016 12:52 PM
To: Tommasulo, Karen (DEQ) <TommasuloK@michigan.gov>; Brown, Melanie (DEQ) <BrownM45@michigan.gov>; Epkey, Amy (DEQ) <epkeya@michigan.gov>
Cc: Dolehanty, Mary Ann (DEQ) <DOLEHANTYM@michigan.gov>; Sygo, Jim (DEQ) <SygoJ@michigan.gov>; Barton, John (Treasury) <BartonJ@michigan.gov>
Subject: RE: Media inquiry from Detroit News reporter

The information contained below is factual and correct.

Loans are awarded quarterly as the community directs their need for the funding. No loans have been awarded in the DWRF program to date for the current fiscal year. We expect to close on 2 loans in the second quarter. Attached is a list of what's to be funded this year.

Flint can apply immediately for DWRF funding. Staff from the Revolving Loan programs have been in recent contact with the consultant engineer Flint hired to prepare their project plan for DWRF. The amended intended use plan that DEQ will submit to EPA must include a description of the project that Flint intends to construct as well as the associated dollar amount. There is current funding available within the DWRF (as confirmed with the Michigan Finance Authority) for Flint to quickly begin work; Flint does NOT need to wait for the 2016 EPA funding to be awarded to the DEQ. EPA and DEQ have been in discussion and will work to expedite the plan and its review to get the money awarded. There is no estimate of when to expect the project plan from Flint.

From: Tommasulo, Karen (DEQ)
Sent: Wednesday, January 27, 2016 11:50 AM
To: Brown, Melanie (DEQ); Epkey, Amy (DEQ); Butler, Sonya (DEQ)
Subject: RE: Media inquiry from Detroit News reporter

Sonya,
Can you help draft some language for this inquiry as well? Thanks!

From: Brown, Melanie (DEQ)
Sent: Wednesday, January 27, 2016 11:37 AM
To: Epkey, Amy (DEQ); Tommasulo, Karen (DEQ)
Subject: Fwd: Media inquiry from Detroit News reporter

Begin forwarded message:

From: "Burke, Melissa" <mburke@detroitnews.com>
Date: January 27, 2016 at 11:35:14 AM EST
To: "Brown, Melanie (DEQ)" <BrownM45@michigan.gov>
Subject: RE: Media inquiry from Detroit News reporter

Thanks, Mel. I'm wondering whether the FY16 loans have been dispersed yet? I'd like to get an idea how soon, for instance, Flint can apply for the FY17 program and an estimate of how soon they could have that in hand to start working on, say, lead line replacement. Has the EPA indicated that it would expedite their consideration of Michigan's plan for how to spend the FY17 money?

Is there an estimate of when the project plan will be submitted by the city?

-----Original Message-----

From: Brown, Melanie (DEQ) [<mailto:BrownM45@michigan.gov>]
Sent: Tuesday, January 26, 2016 9:54 PM
To: Burke, Melissa <mburke@detroitnews.com>
Cc: Tommasulo, Karen (DEQ) <TommasuloK@michigan.gov>
Subject: RE: Media inquiry from Detroit News reporter

Hi Melissa -

Based on a conversation with EPA, the \$80 million referenced in recent media outlets is not new funding.

The federal funds are provided each year to support the state's water infrastructure revolving loan programs. The federal funds (\$59 million for wastewater and \$27 million for drinking water) plus the \$17 million of state match and loan repayments from prior years are used to support new infrastructure loans.

In 2016, the DEQ has committed to 33 loans totaling \$240 million to various communities, including Detroit, Burton, Pontiac, and others. In addition, the DEQ received applications for 45 additional projects totaling \$247 million. Flint did not apply for funding in 2016. The totals are more than the \$80 million due to the fact of local repayments by other communities.

Staff are working with the City of Flint and consulting engineers on a project plan. The project plan will be the top priority in relation to the other projects should/once the City submits a plan.

-----Original Message-----

From: Burke, Melissa [<mailto:mburke@detroitnews.com>]
Sent: Tuesday, January 26, 2016 4:14 PM
To: Brown, Melanie (DEQ)
Subject: Media inquiry from Detroit News reporter

Hi Mel,

I am the Washington correspondent for the Detroit News. I just left you a voicemail about a story that I'm working on about the Drinking Water Revolving Loan program.

I had a few questions about the \$80M for FY 17 mentioned by Obama last week, and how soon the DEQ may start accepting loan applications, etc, from municipalities, and what determines