

Stanton, Terry A. (Treasury)

From: Heaton, Anna (GOV)
Sent: Wednesday, January 27, 2016 10:16 AM
To: Stanton, Terry A. (Treasury), Murray, David (GOV)
Subject: RE: lawsuit

Thanks Terry.

The state's top priority right now is making sure the people of Flint immediately have access to safe, clean water, and that includes reaching every home to supply water, filters, replacement filter cartridges and water testing kits. The administration is also working with independent experts on testing of the water and will continue to work with them going forward.

From: Stanton, Terry A. (Treasury)
Sent: Wednesday, January 27, 2016 8:52 AM
To: Murray, David (GOV) <MurrayD1@michigan.gov>
Cc: Heaton, Anna (GOV) <HeatonA@michigan.gov>
Subject: Fwd: lawsuit

Dave...

We generally don't comment on litigation, especially lawsuits we have either just received or have not been able to review.

That said, seems we should (after noting we do not comment on litigation) point to on-going State efforts etc.

If you agree, could you provide a couple sentences that would reflect consistently with what the administration has been saying in relation to on-going State efforts?

Please advise and thanks.

Terry

Begin forwarded message:

From: "Eggert, David" <DEggert@ap.org>
Date: January 27, 2016 at 8:06:08 AM EST
To: "Stanton, Terry A. (Treasury)" <StantonT@michigan.gov>
Subject: lawsuit

Terry,

Treasurer Khouri is named as a defendant in a new lawsuit filed this morning that asks a federal judge to force him, members of the transition advisory board, the city of Flint and Natasha Henderson to comply with the safe drinking water act, including the replacement of lead service lines. I wanted to reach out for a response. Thx.

Dave

Schafer, Suzanne K. (Treasury)

From: Vaughn, Cary J. (Treasury)
Sent: Wednesday, January 27, 2016 10:26 AM
To: Steckelberg, Larry (TREASURY)
Cc: Schafer, Suzanne K. (Treasury)
Subject: FW: Bullet Points for State
Attachments: Summary of Water Crisis Financial Needs 1.15.16 (1).xlsx

Follow Up Flag: Follow up
Flag Status: Completed

Please let me know if this is not what you are looking for
cary

From: Jody Lundquist [mailto:jlundquist@cityofflint.com]
Sent: Wednesday, January 27, 2016 10:20 AM
To: Vaughn, Cary J. (Treasury) <VaughnC2@michigan.gov>
Cc: Natasha Henderson <nhenderson@cityofflint.com>; Karen Weaver <kweaver@cityofflint.com>
Subject: Bullet Points for State

Good morning, Mr. Vaughn.

Please find below a summary of three of the top critical needs/concerns currently facing the City of Flint as a result of the Water Crisis.

1. Cash Flow - The City's cash flow continues to decline at an increasing rate as a result of decrease collections and reduced water rates.

a. Collection Rate - By not performing shut offs, the City's collection rate has dropped drastically. This trend is confirmed by the steadily decreasing number of payments received each day which is tracked on a daily basis.

b. Billed Revenue - The City was required to reduce its water and sewer rates as a result of the Preliminary Injunction Order issued by Judge Hayman. Although the amended order authorizes the City to restore rates to those included in the EM adopted Master Fee Schedule, the City has not implemented any changes at this time. This has resulted in an average loss of monthly billed revenue of over \$600,000. However, billed revenue is meaningless if it cannot be collected (see bullet point 1).

c. Delinquent Accounts prior to August 17, 2015 - As a result of the original preliminary injunction order, the City was prohibited from performing shut offs on any delinquent accounts as of the date of the Order. The City was forced to effectively "set aside" all past due accounts as of August 17 in the amount of \$10.2 million.

2. Capital Needs - All scheduled FY2016 capital improvement projects for General Fund, Water and Sewer postponed or cancelled as well as those necessary to prepare for receipt of KWA water and all water infrastructure replacement and repairs related to removal of lead lines.

3. Litigation - Shears litigation costs and litigation costs of emerging class action lawsuits against the City as a result of the lead water crisis.

I have also attached a Summary of Water Crisis Financial Needs provided to the Governor on January 15, 2016.

Please let me know if you have any questions or require any additional information.