

Pleyte, Beth (Treasury)

From: SaxtonT@michigan.gov
Sent: Saturday, January 30, 2016 2:44 PM
To: Darnell.earley@detroitk12.org
Subject: Fwd: Timeline Follow-up Questions
Attachments: Jerry Ambrose 3-3-15 Memo.pdf; ATT00001.htm

Darnell - attached is the Jerry A memo I mentioned. This email was in response to a press query.

Begin forwarded message:

From: "Byrne, Randall (Treasury)" <ByrneR1@michigan.gov>
Date: January 20, 2016 at 1:44:40 PM EST
To: "Saxton, Thomas (Treasury)" <SaxtonT@michigan.gov>
Cc: "Workman, Wayne (TREASURY)" <WorkmanW@michigan.gov>, "Schafer, Suzanne K. (Treasury)" <SchaferS7@michigan.gov>, "Stanton, Terry A. (Treasury)" <StantonT@michigan.gov>
Subject: FW: Timeline Follow-up Questions

Tom:

This is in response to your earlier email.

Randy

From: Heimann, Alexandr (TREASURY)
Sent: Wednesday, January 20, 2016 1:36 PM
To: Byrne, Randall (Treasury) <ByrneR1@michigan.gov>
Subject: Timeline Follow-up Questions

Hello Randy,

I have finished reviewing the follow-up questions that you sent to me, and after reviewing all of our documents, here are my responses:

Timeline questions follow-up

Response

1. Most of these dates involve DEP et al in which we/Treasury did not play a role i.e., someone else [DEQ] would need to confirm their accuracy
2. Just quickly, items we would question from the document or need to investigate further...
3. 12/20/12 (p.1) – we don't have the notification that is referenced
"The City of Flint notifies the Treasury that it is no longer considering using the Flint River as a water supply"
 - Cannot find documentation that this occurred.

- During that time period, the Treasury was analyzing the report from Tucker and Young study, and had not even received a proposal from DWSD.

4. 3/29/13 (p.2) – we are not aware of any veto by Kurtz

“EM Kurtz Vetoes Flint City Council’s changes to the KWA resolution, and signs an executive order to join KWA”

- We were able to confirm that the City Council voted to connect to water from KWA
- No Executive Order was filed with the Treasury overriding the City Council’s changes to the KWA agreement, nor was there an Executive Order filed with the Treasury to join the KWA

5. The early offers by DWSD to reconnect were rejected because of the add’l cost, they were long term and the fact the city had executed a contract with KWA. On Jan 12 ’15 they waived the reconnect fee but were still issues re length/term of commitment.

- Per Jerry Ambrose’s memo dated 3/3/15 (attached), the water from DWSD would still cost the city an additional estimated \$12M annually, which would have raised water rates by an additional 30%. As such, he strongly disagreed with restoring the water to DWSD at the time.

6. 3/12/15 – The Veolia report did mention corrosion control but the focus was on TTHM which was chlorination issue not related to the lead problem. I believe Treasury funded the study.

- No documentation was found to conclude that this study was funded by the Treasury.

Alexandr Heimann

Municipal Analyst

Local Government Financial Services Division

Michigan Department of Treasury

Office (517) 335-2434