



RICK SNYDER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF ENVIRONMENTAL QUALITY
LANSING



C. HEIDI GREYER
DIRECTOR

June 5, 2018

Mr. Hughey Newsome, CFO
City of Flint
1101 South Saginaw Street
Flint, Michigan 48502

Dear Mr. Newsome:

I am writing in response to your May 24, 2018, letter regarding program management costs for the development of the Water Infrastructure Improvements for the Nation (WIIN) Project Plan. We understand from your letter that AECOM has invoiced the City of Flint (City) a total of \$433,276 for the development of the WIIN Project Plan and program administration costs. As you are aware, there are multiple funding agreements in place with different funding sources, including both State and Federal dollars.

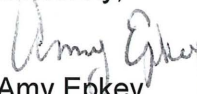
The costs related to AECOM that were originally budgeted in the existing \$40 million WIIN agreement were allocated to the completion of the Phase IV Service Line Replacement (SLR) project. Due to the language in the Concerned Pastor's et al Settlement Agreement, any funds in the \$40 million agreement not used for Phase IV will need to be utilized for Phase V or future SLR projects. Therefore, AECOM costs unrelated to SLR work cannot be disbursed from this agreement.

It is difficult without having the invoices from AECOM to determine funding eligibility and from what funding source they may be paid. If the City is able to forward the aforementioned invoices to the Department of Environmental Quality (DEQ), we may be able to assist the City in determining the correct funding allocation.

Additionally, the DEQ is urging the City to expedite remaining disbursement requests related to the \$40 million WIIN agreement. The most recent disbursement the DEQ received was in late March 2018. To date, the DEQ has reimbursed \$22,010,665. Closing out the \$40 million WIIN agreement is essential to understanding the remaining balance of funding available.

Thank you for your prompt attention to this matter. If you have questions, please contact Mr. Eric Oswald, Division Director, Drinking Water and Municipal Assistance Division, at 517-284-6524; oswalde1@michigan.gov; or DEQ, Drinking Water and Municipal Assistance Division, P.O. Box 30817, Lansing, Michigan 48909-8311.

Sincerely,


Amy Epkey
Administration Deputy Director
517-284-5002

cc: Mr. Eric Oswald, DEQ
Ms. Kelly Green, DEQ