



RICK SNYDER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF ENVIRONMENTAL QUALITY
LANSING



C. HEIDI GREYER
DIRECTOR

August 4, 2016

Ms. JoLisa McDay, Utilities Director
City of Flint
1101 South Saginaw Street
Flint, Michigan 48502

Dear Ms. McDay:

SUBJECT: Drinking Water Revolving Fund (DWRP)
City of Flint
DWRP Project No. 7415-01

The city of Flint's final DWRP project plan was received by the Michigan Department of Environmental Quality (DEQ), Office of Drinking Water and Municipal Assistance (ODWMA) on June 30, 2016. After a review of the document, we have decided to rank the project on the draft fiscal year (FY) 2017 Project Priority List (PPL), with conditions. In order for the project to remain on the final FY 2017 PPL and loan funding to be offered, the city of Flint must satisfy the following conditions by the close of the DWRP public hearing record on September 28, 2016:

1. Provide documentation of the project's consistency with an approved general plan prepared pursuant to Section 324.5405(5)(f) of Part 54, Safe Drinking Water Assistance, of the Natural Resources and Environmental Protection Act, 1994 PA 451, as amended (NREPA).
2. Demonstrate the water system has adequate financial, technical, and managerial capacity to operate in compliance with the federal Safe Drinking Water Act pursuant to Title 40 Code of Federal Regulation, Part 35, State and Local Assistance, Section 35.3520 and Section 324.5405(5)(d) of Part 54 of the NREPA.
3. Demonstrate the city's ability to repay the proposed incurred debt, Section 324.5405(5)(c) of Part 54 of the NREPA.
4. Provide an approved reliability study, capital improvement plan, or asset management plan that accurately illustrates the city of Flint's 20-year needs pursuant to Section 324.5405(3)(d) of Part 54 of the NREPA.

These deficiencies need to be addressed prior to inclusion of the project on the final FY 2017 PPL. If the city of Flint cannot satisfy the above conditions, then the FY 2017 PPL funding will be delayed and the project will be considered for funding in FY 2018.

If you have any questions, please contact your project manager, Mr. Eric Poca, Revolving Loan Section, ODWMA, at 517-284-5416, pocane@michigan.gov, or DEQ, P.O. Box 30241, Lansing, Michigan 48909-7741; or you may contact me.

Sincerely,

Sonya T. Butler, Chief
Revolving Loan Section
Office of Drinking Water and Municipal Assistance
517-284-5433

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cc: Mr. Mark Adas, City of Flint
Ms. Amy Epkey, Deputy Director, DEQ
Mr. Bryce Feighner, DEQ
Mr. Jon Bloemker, DEQ
Mr. Eric Pohan, DEQ