



## GENESEE COUNTY DRAIN COMMISSIONER'S OFFICE

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FOR IMMEDIATE RELEASE

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**What:** Joint Statement by Jeff Wright and Ed Kurtz regarding Detroit's Final Offer on Water Service

**When:** April 16, 2013

**Additional Info:** Jeff Wright, Genesee County Drain Commissioner, and Ed Kurtz, City of Flint Emergency Manager, today released comments regarding a final offer from Detroit, received last evening.

Ed Kurtz, City of Flint officials, Commissioner Wright and appropriate staff thoroughly reviewed the proposed alternative from DWSD. After this review it is abundantly clear that the document contains the same proposals that have been levied by DWSD in the past, and does not offer any savings over KWA.

"When Treasurer Andy Dillon gave DWSD one last opportunity to make their best offer to Flint and Genesee County, I was hopeful Detroit would take this seriously and base their offer on our numbers and provide the type of guarantee we have been asking from them for years," said Wright.

"Unfortunately, but not surprisingly, this did not occur."

The offer by Detroit has zero guarantees that over the course of the 30 year contract we will not find ourselves back in the same position we are in today, with yearly unsustainable double digit rate increases. The report is incomplete when it comes to explanations of key points, and lacks any sort of transparency needed to go forward and trust that DWSD has our best interests in mind.

Detroit has a history of making flashy offers to their customers, only to raise rates after year one to recoup that money. They did the same thing to both Flint and Oakland County, making seemingly great proposals, only to raise rates so that within a matter of a few years the residents were paying even more than what they were paying initially.

"This is exactly why we have been asking for some sort of guarantee," said Wright. "Detroit's own past history, and the fact that they refused to make that assurance, proves that KWA will save us money."

The offer also obligates this region to cover any capital costs associated with water supply, and offers no answer if Detroit regionalizes their water system or declares bankruptcy, either of which would be a game changer and likely cost suburban customers more money.

The DWSD proposal also does not compare apples to apples, in that it is based on 40 mgd while KWA is based on 60 mgd, and provides less water to the region. "The math does not add up with this offer," said Wright." There is no redundancy, meaning Flint and the region will have to bear those costs as well. Specifically it would not allow Flint to utilize investments they have made in raw water.

After reviewing the proposal, both Ed Kurtz and Jeff Wright were in agreement, the Karegnondi Pipeline is still the best option for our residents, saving them the most money both in the short and long term. The offer from Detroit, even on its surface, will cost residents more money than KWA.

"After reviewing the proposal Genesee County will not change course," said Wright. "We are going forward with KWA, because our residents need a guarantee of the best quality drinking water at the lowest possible price. I am happy that Ed Kurtz and Flint officials concur, and will be partners with us in this process. This is a historic day for our region. There will be no looking back."