



STATEMENT: Flint Source Water Decision

Tuesday, April 18, 2017

Today, the city of Flint announced its intention to remain with the Great Lakes Water Authority (GLWA) for its treated drinking water under a 30-year water supply model contract. Together, in collaboration with the state of Michigan, the Genesee County Drain Commissioner's Office (GCDC) and the Karegnondi Water Authority (KWA), Flint residents can be assured that they will continue to receive water of unquestionable quality, at a significant cost savings.

As a result of this cooperative agreement, GLWA is partnering with the KWA and the GCDC for back-up service for the city of Flint, as well as for customers of the GCDC.

Through this partnership, redundancy will also be created for all of GLWA's member communities west of our Imlay City Pump Station through the leveraging of already made public investments – which is an ongoing goal of GLWA throughout its system. This will address a long-standing redundancy issue for our customer communities in this region, and save the Authority approximately \$600 million in comparison to prior estimates. This redundancy means that these member communities will be more secure in their water service should an emergency or issue with the GLWA system arise.

GLWA will also provide a credit to the city of Flint in like amount to debt paid for KWA bonds (approximately \$7 million annually), as long as the city keeps current on its debt service payments. As a result, GLWA will receive the rights to the raw water that Flint has through the KWA. Flint will also receive approximately \$1.8 million in savings annually for the 30-year model contract, as compared to the non-contracted charges they otherwise would have incurred. In addition, Flint anticipates it will be able to redirect its priority funding previously slated for water treatment plant improvements to the city's water distribution system – including Mayor Weaver's "Fast Start" initiative to replace all of the lead service lines in Flint.

Flint residents will also be able to participate in GLWA's Water Residential Assistance Program (WRAP), Michigan's first-ever sustainable water assistance program. Most importantly, however, Flint residents will receive stability through a long-term agreement with GLWA for treated drinking water from a trusted source.

GLWA is happy to continue stabilizing the water supply in the city of Flint and provide affordable, quality water to its citizens well into the future. The Authority was formed through regional collaboration, serving nearly 40 percent of Michigan's population, and today's announcement is an example of how that continuing collaboration has worked to benefit all parties involved while maintaining economies of scale for each participant.

--Sue McCormick, CEO, GLWA