

# CITY OF DETROIT

## News Release

Water and Sewerage Department

Dave Bing, Mayor

**FOR IMMEDIATE RELEASE**

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### **FLINT'S KWA PROJECT DOESN'T PASS MUSTER**

Tucker, Young, Jackson & Tull, Inc., a prestigious engineering consulting firm, has found that the Karegnondi Water Authority Project (KWA) proposal, generally supported by Flint and Genesee County officials, is rife with financial discrepancies and false assumptions.

The firm, commissioned by State Treasurer Andy Dillon's office, found the economic benefits of the proposed multi-million dollar intake pipeline, extending from Lake Huron to Flint's treatment facility, isn't justified by the expenditure. In its report released in February, **City of Flint Water Supply Assessment**, Tucker, Young, Jackson & Tull, referenced the projected construction cost by the Genesee County Drain Commission as \$274 million. Upon closer examination, the study found that the construction costs would easily exceed \$375 million.

Flint has contemplated connecting to the proposed pipeline as a means of reducing water rates paid to the Detroit Water and Sewerage Department (DWSD). The Genesee County Drain Commission has claimed connecting to the new pipeline could mean \$4 million in savings.

However, the consulting firm's independent assessment questions the validity of those claims. In fact, the firm's report noted, "Cost overruns and delays in completion will both negatively impact Flint's final costs," wiping out any anticipated savings.

The report further cited a number of "unknown" risks and unforeseen expenses likely to come into play, which effectively takes the KWA project out of the running as a cost-saving mechanism.

DWSD continues to seek an agreement with Flint on a new 30-year contract. It offers real cost-saving options of as much as 30 percent. Under the planned structure in which DWSD becomes an independent public authority, a provision exists for Flint and Genesee County to have a seat on the board.

Please direct questions regarding DWSD's position on the report to Bill Johnson: (248) 840-1095.

DWSD supplies high-quality drinking water to Detroit and 127 communities in southeast Michigan. The Department provides wastewater services to Detroit and 76 other southeast Michigan communities.

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