![GLWA Great Lakes Water Authority]

Memorandum

To:	**Honorable Board of Directors**
From:	Sue McCormick, Chief Executive Officer
	William M. Wolfson, Chief Administrative and Compliance Officer
CC:	
Date:	September 26, 2018
RE:	**Flint Update**

This morning we received a call from the Genesee County Drain Commission regarding the General Motors Plant located in Flint Township. As you probably remember from the time of your approval of the Master Agreement that returned Flint to the GLWA system and set up a reciprocal back-up arrangement between GLWA and Genesee, Governor Snyder agreed to write a letter to General Motors asking that they considering returning to the City of Flint for their water supply.

In our call this morning we were advised that General Motors has agreed to return to the City of Flint's system now that it is using GLWA water as its supply source. We were also advised that GM wishes to use Flint Township water, supplied by the Genesee County Drain Commission, as the back-up source for its water supply. This type of arrangement is consistent with our reciprocal back-up supply arrangement with Genesee and the cooperative relationship we have established.

In our call this morning, the Genesee County Drain Commission advised that they would be sending a letter with further details tomorrow. After we receive the letter we will review the engineering, discuss the issue with the City of Flint, and perform whatever due diligence is necessary, so that we may respond as quickly as possible.

This development is certainly positive news for Flint and for GLWA as it will add a strategic customer and increase the volume of water supplied by the City. This change will also result, in increased revenue for both the City of Flint and GLWA. While we do not anticipate that any formal approvals will be required, we wanted to let you know about this exciting development at our first opportunity and will keep you updated on this matter as it is completed.