

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

REGIONAL ADMINISTRATOR REGION 5 77 WEST JACKSON BOULEVARD CHICAGO, IL 60604-3590

AUG 0 1 2017

C. Heidi Grether, Director Michigan Department of Environmental Quality 525 West Allegan Street PO Box 30473 Lansing, Michigan 48909

Dear Director Grether:

Thank you for your May 2, 2017 letter seeking clarification as to whether the Michigan Department of Environmental Quality (MDEQ) may forgive current outstanding Drinking Water State Revolving Fund (DWSRF) debt for the City of Flint, Michigan. The \$20,770,336 in debt is from four DWSRF loans originated between 1999-2003. It is MDEQ's option on whether and how much of the outstanding DWSRF debt to forgive due to the Consolidated Appropriation Act, 2017, Pub. Law 115-31, signed by the President on May 5, 2017. The City of Flint is the only Michigan community eligible for this action. MDEQ would need to articulate the plans in the intended use plan and annual report.

We look forward to continuing our efforts working together to improve the City's water system. If you have any questions about this letter, please do not hesitate to contact me.

Sincerely,

Robert A. Kaplan

Acting Regional Administrator

cc: Mr. Keith Creagh, Director, Michigan Department of Natural Resources

Ms. Mary Martin, Michigan Finance Authority, Michigan Department of Treasury

Mr. John Barton, Michigan Finance Authority, Michigan Department of Treasury

Ms. Amy Epkey, Deputy Director, MDEQ

Ms. Sonya Butler, MDEQ

Robert D. Kgl

Ms. Kelly Green, MDEQ