

SOUTH HAVEN AREA WATER SEWER AUTHORITY

May 17, 2022

Dear Customer,

As we shared with you in 2020, the South Haven Area Water-Sewer Authority has begun a series of capital improvement projects to ensure we are prepared to meet the current and future needs of our residential and business customers. While some of these improvements are mandated by the State of Michigan, others are necessary to update and enhance our critical infrastructure.

Work continues to go well on our seven-year capital improvement plan, which total \$37.8 million. Since we launched two years ago, we have accomplished much – despite the pandemic – including the replacement of 91 lead services and the installation of a new altitude valve at one of our elevated tanks.

I am pleased to announce the Van Buren County Board of Commissioners approved SHAWSA's request of \$480,468.75 in ARPA funds to replace 153 lead services. With that amount and \$160,156.25 of matching ARPA funds from the City of South Haven, South Haven Township and Casco Township, we now have \$960,937.50 of outside funding going towards the \$15.9 million needed to replace the 2,000 lead services over the next 20 years.

As a reminder, here are the projects underway:

- An annual investment of \$690,000 for the next 18 years as part of our \$15.9 million commitment to meet copper and lead requirements under the Safe Water Drinking Act. I am again pleased to share your drinking water contains **no traces of lead**, according to the most recent test results.
- Infrastructure to totaling \$12 million to replace and support a concrete standpipe, or water storage tank, that serves our 11,305 residential, business and school customers.
- Equipment replacement and improvements for disinfection and biological treatments for our Wastewater Treatment Plant totaling \$7.28 million.
- Addressing high-water issues on Lake Michigan by investing \$1 million to ensure we maintain capacity and water quality at our Wastewater Treatment Plant.

Additionally, we have begun to service approximately \$41 million in debt for our water and sewer systems that will enable us to avoid a budget shortfall. These annual payments of \$620,000 will continue over the next 26 years.

We again relied on the expertise of Utility Financial Solutions, LLC to help guide our rate setting to support these initiatives. UFS, which is one of the largest and most respected providers of financial services to utilities in our country, recommended additional adjustments to our water and sewer rates to ensure we had the necessary income and operating reserves to meet our capital needs. On March 29, the Authority approved a 4.5% annual effective July 1 through 2026 for both water and sewer.

SHAWSA remains committed to serving our community by providing safe, clean drinking water and reliable sewer services residents and businesses. We are also committed to keeping our rates as affordable as possible while still investing in the critical infrastructure our growing community needs to meet demand now – and for decades to come. If you have any questions, please feel free to contact me at 269.637.0737.

Best regards,

William Hunter

William Hunter
Director, SHAWSA