SOUTH HAVEN AREA WATER SEWER AUTHORITY

October 16, 2024

Dear Customer,

The South Haven Area Water Sewer Authority is pleased to update you on our continued efforts to improve your water and sewer infrastructure. We also want to inform you about some upcoming water service line communications and remind you about the previously approved rate increases that went into effect July 1.

Capital Investment Update

We recently hosted a groundbreaking to celebrate the kickoff of \$42 million in systemwide investment projects happening within the next three years. These much-needed improvements will ensure our water and wastewater infrastructure can meet the needs of our growing community, meeting the highest standards of water quality and environmental stewardship.

To help offset costs, we secured \$20 million in grants and \$22 million in low-interest loans from state and federal agencies. This historic investment for South Haven was secured to complete mandated and necessary upgrades to our infrastructure.

Here are some highlights about the upcoming projects. We are working hard toward:

- Replacing 2,100 lead service lines to comply with the Safe Water Drinking Act. A \$5.7 million grant and matching loan was secured to fund these replacements.
- Building a new elevated water storage tank, booster pump station and associated pipe upgrades to help deliver clean water to our residential, business and school customers. A \$9.1 million grant and matching loan was secured for this and includes a water main extension linking Covert Township for increased reliability between the water systems.
- Improving disinfection and biological treatment at the Wastewater Treatment Plant along with protection from Lake Michigan high-water events. This project is funded by two grants totaling \$5.2 million and additional low-interest loans.

Water Service Line Material Notifications

We continue to identify and inventory water service pipe materials. In the coming weeks, we will be mailing additional letters based on the results of our initial investigation. You may receive a letter from us identifying your water service into one of three categories:

- **Known lead**: Your service line contains some portion that is lead and will be replaced by the Authority within the next 10 years.
- Galvanized previously connected to lead: Some portion of your service line has been verified as a galvanized pipe that was previously connected to a lead service. The Authority will replace galvanized pipes previously connected to lead within 10 years.
- **Unknown material**: We do not yet know the material composition of your water service pipe. There is the potential that some or all of your service line could be made of lead or galvanized pipe previously connected to lead. The Authority will continue working to verify unknown service lines and provide additional notification as materials are confirmed.

Your cooperation is essential in helping us schedule appointments for continued verifications and replacements. If you do not receive another letter, your service line has already been verified to not have any lead (or galvanized previously connected to lead). We will not send another letter if that is the case.

The complete inventory status is available on our website www.shawsa.org by service address.

Multiyear Water & Sewer Rates

As a reminder, the Authority previously approved rate increases to support these system investments and ensure sustainability for decades to come. Information about current water and sewer rates can be found on our website. These rate increases were recommended by third-party experts at Utility Financial Solutions LLC, ensuring we have the necessary income and operating reserves to continue to meet our infrastructure needs while maintaining customer affordability.

Water & Sewer – Multi-Year 2024-2027				
Effective	7/1/2024	7/1/2025	7/1/2026	7/1/2027
Sewer	6.9%	6.9%	6.9%	6.9%
Water	4.5%	4.5%	2.9%	2.9%

If you cannot afford your water bill, assistance may be available by calling 211 or by contacting the Michigan Department of Health and Human Services at <u>www.michigan.gov/mdhhs</u> and 517.241.3740. You can lower your bill by repairing leaking toilets and sinks, adjusting lawn sprinkling times and days, checking water powered sump pumps, inspecting furnace/humidifier valves or by using water conserving fixtures and appliances.

We continue to keep our customers at the forefront of our operations, making sure you have access to safe, clean drinking water and reliable sewer services. If you have additional questions, please contact us by calling 269.637.0737.

Best regards,

lunno 2

Dana R. Burd, P.E. Public Works Director, City of South Haven South Haven Area Water Sewer Authority