

November 21, 2023

EGLE
Phil Argiroff (via email ARGIROFFP@michigan.gov)
Assistant Division Director
Water Resources Division

RE: CWSRF FY 2024 loan offer

Phil,

The Village of Beulah received an email on October 31st, 2023, informing the Village that CWSRF FY 2024 funds are available. The offer included a 30-year \$12,125,000 loan with an interest rate of 2.75%. The Village applied for CWSRF FY 2024 loan funding due to the administrative consent order that was in draft during the application process and finalized July 19th, 2023, looking for a project score high enough for loan forgiveness.

The Village did not accept the SRF FY 2024 loan offer due to the following concerns:

Significant financial burden on customers

The Village of Beulah has accepted the SPHRP grant of \$2,000,000. This grant is a great asset to the Village and will be used to complete most of the ACO's interim tasks. ACO interim tasks include spray irrigation zone tree clearing, security fencing, Imhoff tank security, evaluating and inspecting lagoons, lagoon vegetation maintenance, existing O&M manual, ferric chloride study, wetland delineation, HGI study, seasonal high water table study, electrical service upgrade, and design plans for the wastewater treatment process.

With the SPHRP grant, the possible project cost is \$10,125,000 CWSRF loan. However, that increases the approximate monthly user rates from \$49.67 to \$218.17, a 439% increase. This is the greatest concern of the Village Council. In addition to the sewer rates, the Village customer water charge is approximately \$50 per month. Total water and sewer rates would be \$268.17 per customer. Communities of similar size include Village of Honor, Village of Suttons Bay, and Village of Roscommon. Below are the monthly current monthly bills for each customer based on a 4,500 gal. usage.

Community	Monthly-Ready-To-Serve Charge	Consumption Charge per 1,000 gal.	Approx. No. of Customers	Monthly Bill (Based on 4,500 gal. usage)
Village of Beulah	\$22.67	\$6.00	485	\$49.67
Village of Honor	\$43.38		319	\$43.38
Village of Suttons Bay	\$17.00	\$6.63	485	\$46.84
Village of Roscommon	\$17.80		467	\$36.61

Of the communities listed, the Village of Beulah already has the highest monthly customer charge for sewer bills. The Village of Beulah is interested in a CWSRF FY2025 loan, if EGLE financial division can work with the Village to lower the loan cost to the Village customers.

The Village of Beulah is applying for financing through USDA rural development, which gives the possibility for grant monies.

Respectfully Submitted,

Jeri VanDePerre, Pres. Village of Beulah

CC via email: Joel Felsk, EGLE Project Manager
 Barry Christian, P.E., EGLE Water Resources Division
 Claire Handley, EGLE Water Resources Division
 Mark Hurley, P.E., Director of Engineering Sciences
 Elizabeth Pringing, P.E., Senior Project Engineer