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August 31, 2021

Dear Registered Voter(s):

On August 10, 2021, the Township Board voted to initiate the process to sell municipal bonds in the amount of \$30 million for both “Phase 1 & 2” of sewer expansion in specific neighborhoods of the Township – see map on reverse side. This issue was before voters last November, and it was defeated. This letter is an opportunity to share with ALL voters why this issue is back, and how it is different from the last one.

After the voters defeated the ballot proposal, which would have authorized the Township to issue bonds, Township staff and officials went back to the drawing board to rework the plan so that it reflected what Oshtemo residents stated was their biggest concern - high connection fees - and achieve balanced needs for the entire community. This includes adding a dedicated road construction and maintenance funding source, as well as reducing the sewer connection fee to a flat cost of \$5,000 for homeowners. These are the biggest changes.

The new proposed financing structure, with a flat single-family, residential connection fee of \$5,000, is made possible by the large project area coupled with the US Department of Agriculture’s (USDA) low interest rate financing, and long-term (40-year) repayment period. Without the use of municipal bonding, sewer expansion and road reconstruction in these denser, aging residential areas can only be done in smaller projects—a street or two at a time. If the use of USDA’s financing for this project does not move forward, individual homeowners will be disadvantaged as payment terms will reflect the interest rates at the time of the project, plus shorter terms.

Prior to the Board’s vote to proceed with the process to issue bonds for sanitary sewers, the Board voted to collect 1.08 mils for road funding. This millage will raise the annual dollar amount recommended by the Road Commission of Kalamazoo County for Oshtemo to maintain its local road network. These monies are for ALL local roads throughout the Township and can *only be used on road construction and maintenance*. A majority of the aged, failed local roads in the Township currently exist within the proposed sanitary sewer expansion areas. 28% of the annual road funding will go towards road reconstruction where the sewer is installed. *This millage will be collected even if the sewer expansion project does not proceed, as the roads still need maintenance and repair.*

Oshtemo is not unique in bonding for infrastructure projects, constructing and expanding sanitary sewer, or mandatory connections. The intention behind the sewer expansion project is to benefit the entire community in both the short and long-term and to be proactive before the need becomes much more expensive.

Many concerns have been raised and questions asked to Public Works and Board Members. This has resulted in many productive conversations with people of all opinions. Answers to resident questions are now posted on our website at <https://oshtemo.org/officials-and-departments/public-works-department/>. These improvements to the sewer expansion plan and policies are a direct reflection of what people said they wanted. We encourage residents to reach out for further information to develop their own opinions about these complex public challenges. Please contact [publicworks@oshtemo.org](mailto:publicworks@oshtemo.org) or (269) 216-2558.