

Dear Customer of the Shiloh Water System;

The West Manchester Township Authority operates the Shiloh Water System and provides its customers with quality water at a reasonable price. In fact, the water is the cheapest in York County if not the entire state. The system was begun in 1950 and has expanded tremendously in the last 71 years, including the addition of water tanks, many additional miles of water mains and several new wells.

The system's extremely low price for water can't continue without putting the entire system in danger of not having the funds to replace its infrastructure when needed. For instance, the current repainting of the Deerford Way standpipe will cost \$650,000. Replacement of one mile of water main (and there are over 51 miles of pipe in the system) is estimated to cost over \$750,000 per mile at today's prices. Because of these future costs, the Authority has authorized three small rate hikes over a six-year period with all the proceeds from the increases going into increasing the Authority's construction reserves. At the conclusion of these gradual increases, we will still have high quality water and the price will still be far lower than neighboring systems.

This letter is to inform you that the second of these increases is due to take effect starting with the first quarter billing cycle of 2022. This includes water used after December 1, 2021. The new rate will increase the quarterly base charge from its current \$18.00 per quarter to \$21.00 per quarter. Water usage rates will increase from \$2.20 per thousand gallons to \$2.50 per thousand gallons.

With the periodic small increases planned, it is expected that your water system will increase its reserve funds so that main replacement, water tank maintenance and unexpected repairs can be funded without incurring debt or causing large spikes in your rates.

Questions about these rate hikes can be directed to John Horvatinovic, the Manager of the Shiloh Water System at 717-309-1244.

Sincerely,

Jim Bentzel Jr., Chairman
West Manchester Township Authority