

CITY OF VAN BUREN MUNICIPAL UTILITIES COMMISSION AGENDA

Tuesday, May 19, 2026

12:00 Noon

City of Van Buren Municipal Utilities Conference Room
2806 Bryan Road, Van Buren, Arkansas

1. Call to Order
2. Minutes of April 21, 2026, Commission Meeting
3. Financial Reports
4. Commission Engineer and Capital Improvements Report
 - a) Terry & Todd/Rickey Sewer Interceptor
 - b) Lee Creek and I-40 Crossing Water Line Emergency Replacement
Requesting Commission's authorization to proceed with bid advertisement.
 - c) Lovers Lane & Fir Drive Emergency Water Line Relocation Phase II
Requesting Commission's authorization to proceed with project through the On-Call Services Contract.
 - d) Water Tank Recoating and Mixing: Lovers Lane, Crestview, Dora
 - e) Downtown Water Line Improvements
 - f) Parkview Drive/Woodrow Street Gravity Sewer Improvements
 - g) South 28th Street Interceptor Sewer (I-540 Crossing)
 - h) Arkansas Department of Transportation (ArDOT) Job 040872 Highway 59
5. Capital Improvement Plan Discussion:
 - a) Lead Service Line Inventory: Next Steps
Arkansas Department of Health Presentation
6. General Information and Open Discussion:
 - a) Fort Smith Water News Media Articles

VBMU COMMISSION MEETING MINUTES

April 21, 2026

The regular meeting of the City of Van Buren Municipal Utilities (VBMU) Commission was held on April 21, 2026, at 12:00 P.M. in the VBMU Conference Room. Those in attendance were, Chairman: Todd Young, Commissioners: Jim Williamson, and Tracy Burba, Keith Hefner, Blaine Bell. Commission Attorney: Sean Brister. Commission Engineer: Larry Weir. VBMU Staff: Director of Utilities: Steve Dufresne, Administrative Assistant: Kathy Geppert, Assistant Director of Utilities: Chris Coombes, Chief Water & Wastewater Plant Operator: James Dunn, Meter Services Supervisor: Brett Painter, Line Maintenance Supervisor: Rick Davis. Office Manager: Tonya Griffiths Visitors: Barry McCormick, Wes Lemonier, Hawkins-Weir Engineers, Inc.

1. Chairman Todd Young called the meeting to order.
2. Minutes of March 17, 2026, Commission Meeting: A Motion to approve made by Commissioner Williamson and Seconded by Commissioner Burba Motion Carried.
3. Financial Reports: After review and discussion, a Motion to accept made by Commissioner Burba and seconded by Commissioner Bell. Motion Carried.
4. Commission Engineer and Capital Improvements Report (Report attached):
 - a) Terry & Todd/Rickey Sewer Pump Station Interceptor.
 - b) Rena Road Tank Recoating & Mixing
 - c) Lee Creek and I-40 Crossing Water Line Emergency Replacement
 - d) Lovers Lane Emergency Water Line Relocation
 - e) Water Tank Recoating and Mixing: Lovers Lane, Crestview, Dora
 - f) Downtown Water Line Improvements:
 - g) Parkview Drive/Woodrow Street Gravity Sewer Improvements:
 - h) South 28th Street Interceptor Sewer (I-540 Crossing):
 - i) Arkansas Department of Transportation (ARDOT) Job 040872 HWY 59.
5. Capital Improvement Plan Discussion:
 - a) Capital Improvement Plan - Equipment Replacement Item 6. Lawn Mower Requesting the Commission's authorization to purchase new mower and dispose of the old one by public auction. Motion to approve made by Commissioner Williamson and seconded by Commissioner Bell. Motion Carried.
 - b) Lovers Lane & Fir Drive Water Line Relocation Phase II, Water Capital Improvement Item 4: This project includes the installation of approximately 160-foot of 8 inch water line near the intersection of Fir Drive and Lovers Lane. This will allow an existing 8 inch water line, installed in 1893, located in a backyard to be abandoned. This project will be constructed under the on-call contract with Goodwin & Goodwin, Inc.

VBMU COMMISSION MEETING MINUTES

6. General Information to Commission and Open Discussion:
 - a) Director of Utilities Dufresne presented and the Van Buren-Fort Smith Water Purchase Agreement History and Information. (Memorandum attached to these minutes)
 - b) Fort Smith Water News Media Articles

There being no further business, a Motion to adjourn made by Commissioner Williamson and seconded by Commissioner Burba. Motion Carried.

Todd Young, Chairman

Respectfully Submitted:

Kathy D. Geppert, Secretary

Van Buren Municipal Utilities Commission

Report by C. Larry Weir, P.E.

Commission Engineer Report

April 21, 2026

Item 4

a) Terry & Todd/Rickey Pump Station Interceptor

The consulting engineers report that the Contractor is still on schedule with construction of this project and is approximately 75% complete. The construction is nearing the existing Todd/Terry Pump Station Site and will be in a position to begin bypass pumping and decommissioning the pump station in the coming weeks. The contract designated substantial completion date for this project is May 10, 2026.

b) Rena Road Tank Recoating and Mixing

It is reported that this project is fully complete.

c) Water Line Emergency Replacement: Lee Creek and I-40 Crossing

Plans and Specifications for this project are approved by the Arkansas Department of Health (ADH). The project is ready to proceed with the advertisement for construction bids when the Commission authorizes.

d) Lovers Lane Emergency Water Line Relocation

This project is reported to be fully completed.

e) Water Tank Recoating and Mixing/ Lovers Lane, Crestview, Dora

The loan closing for this project occurred on March 26, 2026. The project is awarded to the low bidder, Dixie Painting and Sandblasting, LLC. Construction on this project will not commence until Fall 2026.

f) Downtown Water Line Improvements

The loan was closed for this project on March 26, 2026. The project construction contract is awarded to the low bidder, Harris United LLC. A Preconstruction Conference is scheduled for April 30, 2026. An additional

Relevant project information regarding the engineering issues in progress for the preparation of this report for the Commission was provided by Wes Lemonier, P.E. of Hawkins-Weir Engineers, Inc.

Van Buren Municipal Utilities Commission

funding request has been submitted to ANRD to expand the scope of this project to include the section along Main Street between 4th Street and Highway 59.

g) Parkview Drive/ Woodrow Street Gravity Sewer Improvements

The loan was closed for this project on March 26, 2026. The construction contract is awarded to the low bidder, Harris United LLC. A Preconstruction Conference is scheduled for April 30, 2026.

h) South 28th Street Interceptor Sewer (I540 Crossing)

The loan was closed for this project on March 26, 2026. The construction contract for the project was awarded to the low bidder, Crawford Construction Company. A Preconstruction Conference is scheduled for April 30, 2026

i) Arkansas Department of Transportation (ArDOT) Job 040872 Highway 59

It is reported by HWEI that the Engineering Agreement for this project has been submitted to ARDOT for their use in developing a Preliminary Engineering (PE) Agreement. Survey and design of this project will then be ready to commence once the PE Agreement is executed.

Relevant project information regarding the engineering issues in progress for the preparation of this report for the Commission was provided by Wes Lemonier, P.E. of Hawkins-Weir Engineers, Inc.

To: City of Van Buren Municipal Utilities Commission
Mayor Joseph Hurst

From: Steve Dufresne, Director of Utilities

Date: 4/21/2026

Subject: Van Buren – Fort Smith Water Supply and Purchase Agreement
History and Information

Van Buren - Fort Smith Water Supply and Purchase Agreements and Contracts

1936-1969: Van Buren and Fort Smith entered into Agreements for Fort Smith to furnish and sell water to Van Buren, to supplement water from Van Buren’s Lee Creek Facility, at rates set by Fort Smith, with no volume restrictions, except for restrictions imposed on all water users during drought conditions. After 1969 the majority of Van Buren’s water was purchased from Fort Smith and Van Buren’s Impoundment and Treatment Facility was used to supplement water purchased from Fort Smith until it was taken out of service in the 1980’s as part of the 1983 Agreement with Fort Smith. Van Buren’s Water Treatment Facility was demolished in 1992-1993.

1936-1938: First Van Buren/Fort Smith Water Purchase Agreement (effective August 1, 1936). Van Buren had been purchasing water from Fort Smith for “some time” prior to the Agreement date to supplement water produced at Van Buren’s Lee Creek Water Impoundment and Treatment Facility.

1939-1949: No Agreement located - possibly continuance of previous Agreement

1950-1953: Agreement to furnish and sell water

1954-1955: No Agreement located - possibly continuance of previous Agreement

1956-1959: Agreement to furnish and sell water. Fort Smith can disconnect service if Van Buren causes hazardous condition.

1960-1980: Agreement to furnish and sell water. Fort Smith can disconnect service if Van Buren causes hazardous condition

1967: Van Buren agrees to transfer funds received from US Corp of Engineers to Fort Smith in lieu of construction for Fort Smith water treatment/transmission facilities, Van Buren to maintain its present water treatment facilities for emergency use.

1969 (November 1969) - “until such time as Pine Mountain Dam, or any additional source of water supply not presently in use in the Fort Smith or Van Buren water supply system is completed.”: Terminates the 1960 Agreement - Van Buren’s Treatment Facility was to be temporarily taken out of service by Corps of Engineers for repairs to the Dam due to flooding. Van Buren agrees to provide Fort Smith with right and option to use Van Buren’s Dam as a Diversion Dam for Fort Smith potential Pine Mountain Dam Project in exchange for set water rates through 1972 and future water supply from Fort Smith’s Pine Mountain Dam.

1975-1977: Agreement to furnish and sell water with volume restrictions -Van Buren limited to 4.2 Million Gallons per Day (MGD) of water. Fort Smith and Van Buren were experiencing water shortages and in the process of cooperatively studying additional sources of supply and long-term solutions including a potential regional Water Impoundment and Treatment Facility to be jointly owned by Fort Smith, Van Buren, and the U.S. Department of the Army (Sunbelt Regional Water District).

1978-1982: No Agreement located - possibly continuance of previous Agreement

1983-2001: Cooperative Water Supply Agreement referred to as the "1983 Agreement"

The provisions of the parties' Agreement set forth herein reflect the full and complete agreement of the parties. All discussions, representations and warranties made by either of the parties to the other during negotiations leading up to this Agreement are hereby merged into this Agreement. The provisions of this Agreement may not be altered by the parties except by written addition hereto approved by the governing bodies of the parties.

The desire of the 1983 Agreement was for Van Buren and Fort Smith *to set forth a cooperative arrangement whereby the Fort Smith Lee Creek Impoundment and Treatment Facility would be constructed and operated for the mutual benefit of the citizens and inhabitants of Fort Smith, Van Buren, and surrounding areas.* The parties agreed and recognized that area needs call for a long-term approach to water management. Van Buren contributed approximately 170 acres of property and flowage easements as well as joint use easements for water transmission lines through Van Buren to Fort Smith to facilitate the development of the Lee Creek Impoundment and Treatment Facility, including the area where Van Buren's Water Impoundment had been located since 1893. The parties agreed that *Van Buren shall be treated as an ordinary, customary user of the Fort Smith Water System and shall not be treated as a "surplus user", and that, To the extent that Fort Smith water system is able to supply water to its ordinary, customary users (its own citizens and users located within its corporate limits and Van Buren - with there being no distinction between the same) Van Buren will be supplied water in a quantity sufficient to meet its present and all future customer needs.* The parties also agreed on rate setting procedures for water supplied to Van Buren.

2002-2021: 2001 Settlement and Release Agreement, Addendum to the 1983 Agreement, and related Supplements and Addendums. The Settlement and Release Agreement was the result of a rate dispute and legal claim filed by Van Buren in 2001 and included agreements regarding: dismissing the lawsuit, setting agreed upon Arbitration procedures, reconciling rates Van Buren paid for water 1999-2001, setting rates Van Buren to pay for water 2002-2003, setting Rate Study and True-up requirements and methods for 2004-2021, ratifying and readopting the terms of the 1983 Agreement, and setting a 4.8 MGD minimum purchase requirement for Van Buren 2004-2021. 2004-2021: "True-up" Rate Study Models prepared by Fort Smith (consultant) in accordance with the Settlement and Release Agreement. Van Buren paid, or Fort Smith credited, differences of Actual billed vs. True-up Rate Model Allocated results.

2022 - Present: The 2001 Settlement and Release Agreement, Addendum to the 1983 Agreement, and related Supplements and Addendums period ended December 31, 2021: Water supply and rate setting procedures reverted back to the 1983 Agreement.

**Misconception that Van Buren does not pay an equitable or fair share
for water purchased from Fort Smith:**

1. The rate per CCF charged to Van Buren by Fort Smith may be adjusted by an AWWA approved method cost of service analysis (Rate Study) performed by a Professional Engineering Firm mutually acceptable to both parties, limited to the costs of Impoundment, Treatment, and Transmission, and associated operations, maintenance, and improvements, of water delivered to Van Buren's eight (8) Master Meters resulting in Van Buren paying a fair and equitable rate for water. No special assessments, surcharges, meter charges, etc., should be applied to Van Buren, unless such charges are to be used for water impoundment, transmission and/or treatment purposes and also applied to all Fort Smith's customers. The rate charged to Van Buren should not include costs associated with delivering water south of the Arkansas River or Fort Smith's Water Distribution and Metering System.

2. Fort Smith is not required to sell water to Van Buren at a rate which produces revenues less than Fort Smith's actual cost of producing the water so sold to Van Buren as identified by an AWWA approved method cost of service analysis (Rate Study) performed by a Professional Engineering Firm mutually acceptable to both parties.

3. A Comprehensive Water Rate Study will include a calculated water rate per CCF result for each Fort Smith Water user class: Residential, Commercial, Industrial, Wholesale, etc.

As Fort Smith is currently exempt from the Oversight of Retail Water Providers Act- Arkansas Code 14-234-801 through 807, by 14-234-807(5): Fort Smith may elect to defer implementation of calculated rates for user classes other than Van Buren and adjust only the Wholesale Water Rate charged to Van Buren (with the exception that Van Buren's rate should not be adjusted in a method that subsidizes the rate charged to any other user class). This method would likely not be recommended because, although it would result in Van Buren paying the actual cost of its water purchased; other user classes would not be billed for the actual cost of water used, resulting in Fort Smith not meeting the overall Revenue Requirement and Cost of Service as set by the Rate Study for the cost of Water Impoundment, Treatment, Transmission, Storage, Pumping, Distribution, and Metering.

**Fort Smith water user rates should not subsidize Van Buren water purchase rate.
Van Buren water purchase rate should not subsidize Fort Smith water user rates.**

4. 2004-2021*: True-up Rate Models prepared by Fort Smith (consultant) in accordance with the Settlement and Release Agreement resulted in Van Buren paying the actual cost of Impoundment, Treatment, and Transmission, and associated operations, maintenance, and improvements, of water delivered to Van Buren's Master Meters regardless of rates charged by Fort Smith (Van Buren paid, or Fort Smith credited, differences of Actual billed vs. True-up Rate Model Allocated results). No other Fort Smith Water user class, including other Wholesale users, were charged additional costs or credited additional charges allocated by the True-up results. Fort Smith did not increase water rates for any user class between 2011-2024.

2015-2021 True-up calculations included Van Buren paying for a minimum of 4.8 MGD of water (Settlement and Release Agreement), Van Buren used an average of 4.5 MGD of water during the same period = Van Buren paid for approximately 766 Million Gallons above its actual usage.

5. With the Fort Smith 2024 Rate Study Wholesale Rate of \$2.52 per CCF (effective August 2024) including a Peaking Factor (2%**) greater than Van Buren's actual Peaking Factor (1.46%) and a 2% Rate of Return Factor Surcharge for Wholesale water users: Van Buren is currently paying a fair and equitable rate equal to or greater than its share of the cost of Impoundment, Treatment, and Transmission, and associated operations, maintenance, and improvements, of Fort Smith Water delivered to Van Buren Master Meters.

*2004-2021 Fort Smith True-up Rate Study Model

Revenue Requirement: Cash Basis = O&M costs with 1.46% Peaking Factor, Debt Service, Revenue Financed Capital Improvements

**2024 Fort Smith Rate Study Model

Revenue Requirement: Utility Basis = O&M costs with 2.00% Peaking Factor (verbal from rate presentation) , Depreciation, 2% Rate of Return Factor Surcharge for Wholesale users

Misconception that Van Buren residents pay less for water than Fort Smith residents:

1. Water: The average Van Buren residential water user (4,000 gallons/5.35 ccf) currently pays around 86% more than a Fort Smith residential water user:

Van Buren: \$31.64 Fort Smith: \$17.04 (Base Charge and Sales Tax not included)

2. Sewer: The average Van Buren residential sewer user (4,000 gallons/5.35 ccf) currently pays around 41% less than a Fort Smith residential sewer user:

Van Buren: \$28.44 Fort Smith: \$48.40 (Base Charge not included)

3. Municipal Utility Services: The average Van Buren residential municipal utility user (4,000 gallons/5.35 ccf) currently pays 2% less than a Fort Smith residential municipal utility user for water, sewer, and weekly residential sanitation services:

Van Buren: \$90.51 (\$2.98/day) Fort Smith: \$92.55(\$3.04/day)

(Base Charge and Sales Tax not included)

AVERAGE RESIDENTIAL MUNICIPAL UTILITY BILL @ 4,000 GALLONS		
(TAX NOT INCLUDED)	Fort Smith	Van Buren
WATER	\$17.04	\$31.64
WATER BASE	\$6.00	\$8.46
SDWF	\$0.40	\$0.40
SEWER	\$48.40	\$28.44
SEWER BASE	\$4.82	\$3.63
SANITATION	\$15.89	\$17.94
TOTAL	\$92.55	\$90.51

VAN BUREN - FORT SMITH WATER PURCHASED DATA 2011-2025

YEAR	ORDINANCE RATE CCF	TRUE-UP RESULT CCF	VB PAID pre-true up	VB PAID* post-true up & Minimum	Fort Smith Water Revenue	VB allocation
2011	\$1.44	\$1.36	\$4,049,359	\$3,851,591	\$28,013,720	14%
2012	\$1.44	\$1.27	\$3,935,003	\$3,483,400	\$27,763,735	13%
2013	\$1.44	\$1.44	\$3,424,263	\$3,414,001	\$25,684,295	13%
2014	\$1.44	\$1.51	\$3,248,372	\$3,401,420	\$24,225,410	14%
2015	\$1.44	\$1.39	\$3,274,315	\$3,345,426	\$25,199,139	13%
2016	\$1.44	\$1.37	\$3,285,042	\$3,256,878	\$25,239,685	13%
2017	\$1.44	\$1.41	\$3,286,373	\$3,399,042	\$24,627,677	14%
2018	\$1.44	\$1.42	\$3,217,085	\$3,410,177	\$25,285,946	13%
2019	\$1.44	\$1.57	\$3,197,139	\$3,762,198	\$24,534,094	15%
2020	\$1.44	\$1.67	\$3,320,643	\$3,990,832	\$24,020,777	17%
2021	\$1.44	\$1.59	\$3,351,728	\$3,819,520	\$25,477,095	15%
2022	\$1.44		\$3,576,822		\$28,182,021	13%
2023	\$1.44		\$3,487,292		\$26,628,995	13%
2024	\$2.52		\$4,619,975		\$32,246,155	14%
2025	\$2.52		\$5,978,446		\$38,328,000	16%

YEAR	FS TOTAL CCF	VB CCF	VB % of TOTAL	VB AVG MGD PURCHASED	VB MAX MGD PURCHASED	VB PEAK DEMAND FACTOR	VB UNACCOUNTED
2011	11,509,392	2,760,252	24%	5.65	8.10	1.43%	14%
2012	11,289,861	2,672,789	24%	5.49	7.49	1.36%	14%
2013	10,376,028	2,318,107	22%	4.72	7.36	1.56%	17%
2014	9,801,051	2,195,961	22%	4.56	6.81	1.49%	21%
2015	10,308,392	2,213,977	21%	4.49	6.38	1.42%	19%
2016	10,328,015	2,201,867	21%	4.47	6.02	1.35%	21%
2017	10,091,366	2,225,351	22%	4.53	6.83	1.51%	20%
2018	10,351,063	2,174,234	21%	4.53	7.85	1.73%	17%
2019	10,038,108	2,160,383	22%	4.41	6.94	1.57%	17%
2020	9,932,243	2,246,149	23%	4.64	6.46	1.39%	18%
2021	10,486,593	2,267,736	22%	4.59	6.22	1.36%	18%
2022	11,150,362	2,436,271	22%	4.99	7.52	1.51%	21%
2023	10,762,865	2,361,851	22%	4.84	6.96	1.44%	19%
2024	11,116,833	2,441,166	22%	5.00	6.84	1.37%	20%
2025		2,356,372		4.83	7.03	1.46%	23%

2011-2021 Data from True-up Rate Model
 *2015-2021 True-up Model included a Van Buren minimum water purchase of 4.8 Million Gallons per Day
 2022-2025 Van Buren Data from Van Buren Reports - Fort Smith Data from Fort Smith CAFR
 Fort Smith 2024 Rate Study Water Revenue Requirement**: \$39,536,900 Van Buren Allocation: 15%
 **(Wholesale Water Rate Study Briefing Presentation Page 11)
 Fort Smith Water Rate Increase August 2024: 71% increase in Van Buren's cost of water purchased