

City of Van Buren Average Residential Municipal Utilities Bill Summary					
AVERAGE CITY RESIDENTIAL CHARGES at 4,000 GALLONS WATER ONLY (Larger residential, commercial, industrial, and wholesale customer class charges will vary based on size of meter and amount of water used)	AVERAGE BILL April 2024	FORT SMITH WATER INCREASE August 2024	AVERAGE BILL September 2024		AVERAGE BILL JANUARY 2025**
Water volume charge (4,000 gallons)	\$23.20	\$7.60	\$30.80		\$30.80
Fixed Charge (Base)	\$6.80		\$6.80		\$6.80
Arkansas Drinking Water Fee	\$0.40		\$0.40		\$0.40
Sales Tax	<u>\$2.78</u>	\$0.70	<u>\$3.48</u>		<u>\$3.48</u>
TOTAL WATER	\$33.18	\$8.30	\$41.48		\$41.48
AVERAGE CITY RESIDENTIAL CHARGES at 4,000 GALLONS SEWER ONLY (Larger residential, commercial, industrial, and wholesale customer class charges will vary based on size of meter and amount of sewer used)					
Sewer volume charge (4,000 gallons)	\$27.60		\$27.60		\$27.60
Fixed Charge (Base)	\$3.50		\$3.50		\$3.50
TOTAL SEWER	\$31.10		\$31.10		\$31.10
Residential Sanitation (Contract increase January 2025)	\$16.24		\$16.24	\$1.70	\$17.94
Sanitation Sales Tax	\$1.50		\$1.50	\$0.16	\$1.66
TOTAL SANITATION	\$17.74		\$17.74	\$1.86	\$19.60
RESIDENTIAL WATER -SEWER-SANITATION AT 4,000 GALLONS	\$82.02	\$8.30	\$90.32	\$1.86	\$92.18
AVG COST WATER -SEWER-SANITATION/day	\$2.70		\$2.97		\$3.03
PERCENT INCREASE TO TOTAL WATER -SEWER-SANITATION BILL					
SEPTEMBER 2024		10%			
JANUARY 2025				2%	
**This summary does not include potential Fort Smith Water Rate increase in 2025					

Water Rate Increase Facts:

Van Buren April 2024 Increase: Arkansas Act 605 of 2021 tasked water providers with additional financial responsibilities for performing and implementing periodic rate studies and for generating funds for critical water infrastructure improvements, operations and maintenance, and reserve funds. Also, rising costs of materials, supplies and general operations, supply and demand challenges, and escalating energy prices contribute to the increased cost. Funds generated by this rate increase will be used for general operations and maintenance, repairing water leaks, needed water infrastructure upgrades, required water tank recoatings, aging water line replacements, pump and equipment replacements, etc. The last Van Buren Water Rate increase was in January 2016.

Van Buren's cost of purchasing water is set to increase by 75% for 2024 and potentially an additional 55% for 2025. Van Buren purchases water from the City of Fort Smith (average of 4.8 million gallons per day). Pursuant to the 1983 Agreement between the two cities, Van Buren should only be allocated costs associated with the Impoundment, Treatment, and Transmission of water delivered to Van Buren, and should not pay for costs associated with the City of Fort Smith Water Distribution System or Sewer System. The cost of purchasing water has not increased since 2011. Significant increases in the costs of treating water since 2011, and the need for upgrading the Water Treatment Plant and aging Water Transmission Line are primary drivers of these increases.

Sewer Rate Increase Facts:

Arkansas Act 605 of 2021 also tasked sewer providers (for combined water and sewer systems) with additional financial responsibilities for performing and implementing periodic rate studies and for generating funds for critical sewer infrastructure improvements, operations and maintenance, and reserve funds. Also, rising costs of materials, supplies and general operations, supply and demand challenges, and escalating energy prices contribute to the increased cost. Funds generated by this rate increase will be used for general operations and maintenance, needed and required sewer infrastructure upgrades, required aging sewer line replacements, required pump and equipment replacements, continued operation and upgrades of the City of Van Buren Public Sewer System Waste Water Treatment Facilities to stay in compliance with Arkansas Department of Energy & Environment and U.S. Environmental Protection Agency tightening Regulatory Requirements.

Residential Sanitation: The current Residential Sanitation Agreement (expires December 31, 2024)

January 2025 increase based on new Residential Sanitation Agreement - January 1, 2025 - December 31, 2030 selected through competitive bidding process.

The City of Van Buren Municipal Utilities realizes that these increases in cost of services are significant and challenging to all of Van Buren's Residents and Businesses. Like rising costs of services such as fuel, electricity, natural gas, communications, groceries, and general items; the cost of providing public water, sewer, and sanitation services has increased across the state and the nation as well.

After the approved rate increases - the cost of Water, Sewer, and Sanitation (garbage collection) services to the average Van Buren household will be around \$3.03 per day, which is less than a cup of coffee at an average drive-thru.

The City of Van Buren does not receive any state or federal funding to supplement the cost of providing Water, Sewer, or Sanitation Services. Federal and state funding for the Arkansas Low Income Household Water Assistance Program (LIHWAP) was discontinued in 2024. We will continue to stress to State and Federal Legislators the importance of that program and other programs.