



Water & Sewer Budget & Billing Rate Increase Notice

The Water & Sewer Budget approved by the City Commission on May 13, 2019 represents a 6% decrease from last year's budget: Operating Expenses and Bond Interest of \$1,588,305, Principal Debt Payments of \$215,450, Estimated Oxidation Ditch Bond Payment of \$175,000, and \$100,000 to be set aside in reserves, totaling \$2,078,755. To view the complete budget, simply go to www.cityofbuchanan.com, scroll down and click on 2019-20 City of Buchanan Budget.

The City's Wastewater Plant is reaching its 50-year life expectancy and in eight years we will be building a new Oxidation Ditch Plant that will cost approximately \$8 million. The Oxidation Ditch process is known for its stable operation, which minimizes the time and effort operators need to control or adjust the system. Even in cold weather conditions when microorganism activity is decreased, the process operates efficiently without special attention. *This system is much more efficient to operate, savings thousands a month in energy costs.*

The City hired Bakertilly Municipal Advisors to conduct a rate study, through the SAW Grant, and the study determined an 11% rate increase was needed this year, starting with the August billing (July usage). This increase will pay for water and wastewater operating expenses, including existing annual bond payments along with the upcoming Wastewater Oxidation Ditch Bond.

CITY OF BUCHANAN WATER & SEWER RATES – *Why so much?*

The Value of Water & Sewer:

Most people take water and sewer for granted simply because they don't realize the processes involved to ensure a safe, reliable supply delivered to residents consistently. It takes a lot of energy, infrastructure, expertise and maintenance to capture, treat and deliver water to homes and business, as well as treating wastewater which is approximately 58% of the City's water/sewer bill.

Of all your needs, *water is the single most important.* It is a life-essential resource, you need it every day for almost everything you do, yet few people understand how truly valuable it is.

Increasing Cost:

Your tap water costs less than a penny per gallon – a true bargain considering the energy and expertise it takes to treat and deliver safe and reliable water to your home. But like many basic services today, the cost of treating and delivering water to your tap along with treating wastewater increases for several reasons:

- Aging infrastructure – The majority of Buchanan's infrastructure was built in the 1920's & 30's. The repair and upgrade of our aging wastewater plant, pipelines, mains, pumps, and other facilities account for a significant portion of the monthly water/sewer bill.
- Increasing energy costs – It takes a lot of electricity to pump, treat and deliver water and dispose of sewer. Rising costs for energy directly affect the cost of providing this service to our residents.
- Rising treatment costs – Increasingly stringent drinking water and sewer regulations add to the cost of providing this service to our residents.