



First, some good news. The Salem Water system has experienced growth throughout the system, particularly for the purpose of this notice in the Avilla Project area. Because we have more residents paying the same bond debt than we did several years ago, that produces two results. First, we are able to again reduce the Avilla Debt surcharge, from the \$18.70 per month that has been paid for the last two years, to \$16.85 for Saline County residents (a 10% decrease – the fourth such decrease since the project was initiated). Second, with excess funds that have accumulated as a result of the increase in residents paying the bond debt, we are able to pre-pay the last two years of debt service, resulting in termination of this surcharge two years earlier than it would have ended (reducing the bond payment end date from 2038 to 2036).

Next, some news we would rather not relate. Obviously, inflation has impacted everything. In the case of Salem Water, even though our cost of water has been locked in for some time, that means pipes, materials, equipment, vehicles, overhead, and gasoline have all increased. Yet, Salem Water has not increased its water rates in over ten years, and remains one of the least expensive water providers in central Arkansas. We will still be among the cheapest, but in view of the costs of service, we find we must adjust rates to avoid continuing negative cash flow for water delivery. The Board is sensitive to low-use customers, and has raised the base charge for the first 2,000 gallons by only eight percent, resulting in less than a \$1.50 increase, and additional units of 1,000 gallons by twelve percent, resulting in a rise of about \$0.55 per additional 1,000 gallons.

What this means is that the customers over most of the system will see an increase in an average 5,000-gallon bill of about \$3.00 per month. In the Avilla area, these adjustments will nearly “offset” each other and result in an increase of less than \$1.00 per month. Obviously, with such a long period between water rate increases, we hate to raise rates, but we hope you will understand we have held the line with 2012 prices as long as we could. These new rates will be effective on January 1st, 2025.

Please contact us here at the Water Users office with any additional questions you may have.
501-776-2212

Thank you,
Salem Water Users PWA