

STREETS/PARKS:

As you are all aware, we experienced a Winter storm last week. City Hall was closed most of the week, but water, sewer and street crews were on the job. The street crew did a great job of keeping our roads passible, although at times they were fighting a losing battle as the snow, freezing rain and sleet was falling faster than they could clean it off. Fortunately, we did not have any major mechanical problems with the snow plows. Usually, when you start using equipment that sits idle for ten or eleven months a year, problems arise. The guys did a good job this year preparing the plows for the season. Thanks to Scott, Steve and Charles for the good work. I also want to thank the water crew Mark VanDyke and James Ireland. At the beginning of the storm, they were called out to repair a water leak on Harmon Road. Below freezing temperatures, metal tools and wet hands are a bad combination. But they completed the repair as always.

WATER/SEWER:

We finally have a date for the pre-construction conference for the Highway 412 water line project. The Public Works Department along with Garver engineers will meet with the contractor (Goodwin & Goodwin) on Monday, February 27th. At that time, we will discuss sensitive areas and timelines for the project. Such as the first two weeks of August, when the Grape Festival takes place. We do not want any work or open ditches in that area during that time. We will also convey our procedure for acquiring pipe and materials and how those will be recorded and accounted. We will discuss inspection procedures and define who will be responsible for inspecting the installation. Most importantly, we will acquire contact phone numbers for the construction crew, so that all complaints can be routed directly to them.

On January 20th, Mayor Russell, Mark Latham, Justin Eichmann and I met with Garver and Clancy Mullen of Duncan Associates to discuss our Water & Sewer Impact Fee Study. At this time, we are planning to proceed implementing the fees at 15% of their recommended amount. As you can see on the following two pages of the study, the full amount recommended is somewhat pricey. In the Implementation Options section, there are three ways to approach. We are going utilize all three. Obviously, we will not begin assessing fees until we have an ordinance in place. As I mentioned, we will adopt 15% of the full amount in the beginning. Once those fees are in place, we will phase in increases over a period of time. Mr. Eichmann is working on the ordinance to get the process started. Next on the agenda is a study for Streets, Police and Fire.

At the last meeting of the Benton Washington Regional Public Water Authority they discussed a study of their own. This study is related to water rates. If the board approves at the March 24th meeting BWRPWA will increase water rates over the next three years. Currently, the rate at which their customer cities purchase water is \$2.80 per thousand. If approved, this amount will increase to \$3.20 in January of 2024 and \$3.45 in January 2025. Next month, I will have a three year plan for Tontitown water rates to pass on the increases we will see from BWRPWA, plus a little extra to keep up with maintenance and operation of our system. The reason for the increases from BWRPWA is their Master Plan includes approximately \$500 million in upgrades to their system to be able to keep up with the increasing demand of their customer cities.

EXECUTIVE SUMMARY

This study calculates the maximum impact fees that the City of Tontitown can charge for water and wastewater facilities. Impact fees are authorized by Arkansas state law as a way for local governments to require new developments to pay a proportionate share of the infrastructure costs they impose on the community. The fees are a one-time, up-front charge, with payment typically required at the time of water meter purchase.

Impact fees are most appropriate for communities that are experiencing rapid growth. The population within the current city limits increased by 75% in the last decade and is projected to increase by 2,600 new residents each of the next two decades. Assessing impact fees on new developments would provide a source of funding to construct the water and wastewater improvements needed to serve growth, without imposing an undue burden on existing residents and ratepayers.

Fee Summary

The water and wastewater impact fees calculated in this study are summarized in Table 1. Fees have been calculated separately for the City and regional components and then combined into the recommended water and wastewater impact fees, because both components are integral to the City's provision of water and wastewater services to its customers. The fees for the smallest meter size of 5/8" by 3/4", which is typically used for a single-family detached unit, are \$6,594 for water and \$7,011 for wastewater. For a new City utility customer who uses the smallest meter size and both services, the total utility impact fee is \$13,605.

These fees represent the fair-share costs of the capacity required to serve new utility customers. They represent the maximum fees the City can charge consistent with the Arkansas impact fee statute and impact fee case law.

Table 1. Water and Wastewater Impact Fee Summary

	5/8"x3/4" Meter	1" Meter	2" Meter
Water System	\$6,594	\$19,782	\$65,940
Wastewater System	\$7,011	\$21,033	\$70,110
Water/Wastewater Total	\$13,605	\$40,815	\$136,050

Source: Water fees from Table 18; wastewater fees from Table 35.

The City has a number of options for implementing these fees, as described in the next section.

Implementation Options

The City has a number of options for implementing the fees calculated in this report, as discussed below. These approaches can be employed singly or in combination with each other.

Delay Initial Assessment. The City may choose to delay assessment of impact fees after ordinance adoption, in order to prepare administrative procedures for fee collection, accounting, and expenditure, or to give builders and developers time to adjust.

Adopt at Less than 100%. The City has the option to adopt the calculated fees at any percentage up to the full amounts. Different percentages could be adopted for water and wastewater.

Phase in Increases. The City can phase in fee increases over a period of time. For example, the adopted fees could be assessed at 25% in the first year, 50% in the second year, 75% in the third year, and 100% in the fourth year.

James Clark

From: Scott Borman <scott.borman@bwrpwa.com>
Sent: Thursday, January 26, 2023 12:14 PM
To: Gateway Public Water Authority; Chris Mckenzie; Charlie Holt; City of Siloam Springs; Gary Blackburn; Chuck Wiley; Lost Bridge Village; Ken Hayes; Malcom Attwood; Zak Johnston; Centerton Water; Nathan See; City of Garfield; Richard Sutherland; Janet Hall; Jerry Lovell; Zeb Black; Dustin Kahrl; City of Highfill; Mike Jones; James Boston; Doug Thompson; Rhonda Hulse; Mike Taggart; James Clark; Red; Herb England; Rick Craft; Kevin Johnston; rtharp@decatur.us; Doug Hutchens; Jana Wright; Bob Wright; Matt Dunn
Cc: Steve Casteel; Steve Davis; Jeremy S. McCrary; Eddie Cooper; Will Smith
Subject: BWRPWA Rate Study Implementation Notice
Attachments: 2023 01 10 BWRPWA Rate Study Report -- DRAFT (1).pdf

Follow Up Flag: Follow up
Flag Status: Flagged

This Email provides Customer Systems of the Benton Washington Regional Public Water Authority notice that there will be a vote of the BWRPWA Board of Directors on March 24, 2023 to implement the 2022 Rate Study conducted by Wildan Financial. The proposed manner of implementation is listed below.

The BWRPWA Board of Directors made a motion on 1/26/2023 to implement the recent BWRPWA Rate Study with some modifications for a 3 year period. Those modifications are as follows:

1. Leave the current rate of \$2.80 per 1000 in place for FY 2023 (through 12/31/2023)
2. On January 1, 2024 the rate would go to \$3.20 per 1000 This includes the \$0.15 suggested 2023 mid-year increase of \$0.15 per 1000 and the \$0.25 increase suggested for 2024.
3. In January 2025, the rate would go to \$3.45 per 1000 following the rate study recommendation.
4. In 2025 the rate study will be reviewed to address any changes in economic conditions and other potential variable factors before looking at 2026 rates
5. The assessment will remain at \$1.50 instead of the suggested \$1.60 or \$1.70 per meter

As a reminder, BWRPWA, as a solely regional wholesaler, is exempt from the requirements of Act 605. Consequently we are not required to implement the rate study as presented like retail water providers are required to do. By doing the increases as presented above, all of our customer Utilities will have time to plan for their needs and avoid a short turn around on a mid-year increase, and still hold true to the numbers presented in order to meet our anticipated future financial needs moving forward.

There will be continued discussion on this matter at the February 23, 2023 BWRPWA Board of Directors Meeting and a vote on implementation as described above at the March 24, 2023 Board of Directors Meeting

Please let me know if you need any additional information and a copy of the Rate study has been included. Thank you

Scott Borman

Scott Borman, General Manager
Benton Washington Regional Public Water Authority
15531 Woods Lodge Rd
Rogers AR 72756
Phone:(479) 925-7655

Tontitown Building Activity Report

Commercial Valuation

	2023 Project Valuation	2022 Project Valuation	2021 Project Valuation	2020 Project Valuation
January	\$421,500	\$1,576,430	\$821,133	\$7,584,609
February		\$5,305,753	\$0	\$2,266,105
March		\$364,084	\$1,497,008	\$335,300
April		\$1,678,371	\$308,019	\$568,376
May		\$578,233	\$1,433,803	\$6,624,879
June		\$265,300	\$501,074	\$14,201,590
July		\$489,380	\$30,725	\$95,340
August		\$165,715	\$888,031	\$313,000
September		\$364,785	\$2,574,086	\$149,658
October		\$955,531	\$385,818	\$2,666,997
November		\$152,090	\$803,371	\$16,836,388
December		\$249,450	\$156,525	\$1,273,741
	\$421,500	\$12,145,122	\$9,399,593	\$52,915,983

Commercial Building Fees

2023 Project Fee's Assessed	2022 Project Fee's Assessed	2021 Project Fee's Assessed	2020 Project Fee's Assessed
\$2,788	\$10,145	\$7,464	\$38,946
	\$26,381	\$0	\$5,789
	\$3,167	\$6,484	\$159
	\$7,952	\$146	\$270
	\$4,219	\$7,846	\$28,832
	\$669	\$2,776	\$72,815
	\$4,684	\$258	\$45
	\$1,268	\$5,769	\$149
	\$168	\$16,440	\$520
	\$455	\$3,086	\$11,653
	\$1,073	\$5,200	\$57,956
	\$118	\$605	\$0
\$2,788	\$60,299	\$56,074	\$217,134

Comm Permits

2023 #	2022 #	2021 #	2020 #
3	14	19	17
	11	2	27
	15	6	37
	5	4	1
	9	4	8
	5	8	17
	13	5	5
	6	14	31
	7	21	6
	6	12	28
	4	9	20
	5	7	8
3	100	111	205

Residential Valuation

	2023 Project Valuation	2022 Project Valuation	2021 Project Valuation	2020 Project Valuation
January	\$ 533,289	\$9,939,770	\$5,268,259	\$4,330,252
February		\$3,514,598	\$3,645,436	\$7,957,844
March		\$18,796,721	\$3,398,038	\$5,759,277
April		\$ 1,702,348.00	\$1,604,230	\$5,526,538
May		\$ 2,455,736.00	\$1,736,855	\$3,580,573
June		\$ 1,148,628.00	\$6,506,465	\$6,455,457
July		\$526,673	\$13,210,249	\$1,957,513
August		\$611,557	\$18,012,805	\$4,726,713
September		\$1,663,090	\$454,469	\$3,225,987
October		\$4,213,108	\$1,516,140	\$5,309,643
November		\$2,439,492	\$9,651,548	\$1,323,769
December		\$2,629,974	\$16,250,039	\$1,791,330
	\$533,289	\$49,641,695	\$81,254,533	\$51,944,896

Residential Building Fees

2023 Project Fee's Assessed	2022 Project Fee's Assessed	2021 Project Fee's Assessed	2020 Project Fee's Assessed
\$2,192	\$43,415	\$22,577	\$18,699
	\$14,436	\$14,785	\$32,996
	\$79,283	\$14,552	\$23,461
	\$6,964	\$6,872	\$23,579
	\$10,169	\$7,104	\$15,896
	\$7,823	\$27,157	\$27,674
	\$2,662	\$56,643	\$8,864
	\$2,789	\$78,249	\$19,629
	\$9,231	\$2,404	\$14,275
	\$20,693	\$7,342	\$22,913
	\$9,986	\$41,376	\$5,623
	\$11,527	\$67,647	\$7,057
\$2,192	\$218,978	\$346,708	\$220,666

Resi Permits

2023 #	2022 #	2021 #	2020 #
3	42	20	19
	15	51	30
	84	12	18
	11	12	23
	12	9	17
	7	28	34
	7	56	14
	9	83	20
	12	9	14
	21	10	30
	12	41	6
	8	67	11
3	240	398	236