

City of Fayetteville, Arkansas

113 West Mountain Street

Fayetteville, AR 72701

(479) 575-8323



City Council Final Agenda

Tuesday, August 15, 2023

5:30 PM

City Hall Room 219

City Council Members

Vacant Ward 1

Council Member D'Andre Jones Ward 1

Council Member Sarah Moore Ward 2

Council Member Mike Wiederkehr Ward 2

Council Member Scott Berna Ward 3

Council Member Sarah Bunch Ward 3

Council Member Teresa Turk Ward 4

Council Member Holly Hertzberg Ward 4

Mayor Lioneld Jordan

City Attorney Kit Williams

City Clerk Treasurer Kara Paxton

ZOOM INFORMATION:

1. **WEBINAR: 818 4546 0844**
PUBLIC REGISTRATION LINK:
[HTTPS://US06WEB.ZOOM.US/WEBINAR/REGISTER/
WN Q-IX6NUQEYYEHU27LVHEQ](https://us06web.zoom.us/join/9tNfowktipY?pwd=Q-IX6NUQEYYEHU27LVHEQ)

CALL TO ORDER**ROLL CALL****PLEDGE OF ALLEGIANCE****MAYOR' S ANNOUNCEMENTS, PROCLAMATIONS AND RECOGNITIONS****CITY COUNCIL MEETING PRESENTATIONS, REPORTS AND DISCUSSION ITEMS****PROPOSED AGENDA ADDITIONS****A. CONSENT**

- A.1. APPROVAL OF THE AUGUST 1, 2023 CITY COUNCIL MEETING MINUTES**
(2023-558)

A.2. RAILROAD LIABILITY POLICY (BUDGET ADJUSTMENT):

A RESOLUTION TO AUTHORIZE THE PURCHASE OF A RAILROAD GENERAL LIABILITY POLICY TO COVER CURRENT AND FUTURE RAILROAD CROSSING IMPROVEMENTS AT A COST OF \$54,000.00 FOR ONE YEAR OF COVERAGE, AND TO APPROVE A BUDGET ADJUSTMENT (2023-961)

A.3. EXCELLERATE FOUNDATION GRANT TO THE SAFE PROGRAM (BUDGET ADJUSTMENT):

A RESOLUTION TO APPROVE A BUDGET ADJUSTMENT IN THE AMOUNT OF \$25,000.00 TO RECOGNIZE AND BUDGET AN EXCELLERATE FOUNDATION GRANT TO THE CITY OF FAYETTEVILLE SHELTER ASSISTANCE FROM EXTREME WEATHER PROGRAM (2023-954)

A.4. JWC ENVIRONMENTAL (EQUIPMENT REPAIR):

A RESOLUTION TO ACCEPT A QUOTE IN THE AMOUNT OF \$81,151.09 PLUS APPLICABLE TAXES AND FREIGHT CHARGES FROM JWC ENVIRONMENTAL FOR THE REPAIR OF A CHANNEL MONSTER GRINDER USED AT THE HAMESTRING SEWER LIFT STATION (2023-947)

A.5. USGS STREAM GAUGE OPERATION (FUNDING AGREEMENT):

A RESOLUTION TO APPROVE A JOINT FUNDING AGREEMENT WITH THE U.S. GEOLOGICAL SURVEY FOR STREAM GAUGE OPERATION AND MAINTENANCE AND WATER QUALITY SAMPLING AND MONITORING AT VARIOUS LOCATIONS IN THE CITY OF FAYETTEVILLE IN 2023 WITH THE AMOUNT PAID BY THE CITY NOT TO EXCEED \$56,930.00 (2023-956)

A.6. FIRE DEPARTMENT ADMINISTRATIVE POLICIES APPROVAL (POLICY CHANGES):

A RESOLUTION TO APPROVE REVISED FAYETTEVILLE FIRE DEPARTMENT POLICIES WITHIN SECTION 100 GENERAL INFORMATION AND INTRODUCTION, AND SECTION 200 SAFETY, HEALTH & WELLNESS (2023-963)

A.7. INVERIS VIRTUAL REALITY SIMULATOR (PURCHASE AGREEMENT):

A RESOLUTION TO AWARD RFP 23-09 AND AUTHORIZE THE PURCHASE OF A VIRTUAL REALITY SIMULATOR FROM INVERIS FOR THE AMOUNT OF \$106,149.53 PLUS ANY APPLICABLE TAXES OR FREIGHT CHARGES FOR POLICE PERSONNEL TRAINING (2023-946)

B. PUBLIC HEARING**B.1. PUBLIC HEARING ON MONTHLY WATER AND SEWER RATE AMENDMENT:**

ITEM 2022-319, DISCUSSION ON RECOMMENDATION FOR WATER AND SEWER RATES EFFECTIVE JANUARY 1, 2024 HAS BEEN PLACED UNDER UNFINISHED BUSINESS AS C.1. THE PUBLIC WILL BE ALLOWED TO SPEAK AFTER THE ORDINANCE HAS BEEN READ (2023-948)

C. UNFINISHED BUSINESS**C.1. AMEND §51.136 MONTHLY WATER RATES AND §51.137 MONTHLY SEWER RATES:**

AN ORDINANCE TO AMEND §51.136 MONTHLY WATER RATES AND §51.137 MONTHLY SEWER RATES TO CHANGE WATER AND SEWER RATES AS RECOMMENDED BY THE COST OF SERVICE STUDY CONDUCTED BY BLACK & VEATCH (2022-319)

FOR ITEM HISTORY FROM JUNE 21, 2022 THROUGH APRIL 18, 2023 CONTACT THE OFFICE OF THE CITY CLERK TREASURER.

AT THE MAY 16, 2023 CITY COUNCIL MEETING, THIS ITEM WAS LEFT ON THE SECOND READING AND TABLED TO THE JULY 18, 2023 CITY COUNCIL MEETING.

AT THE JULY 18, 2023 CITY COUNCIL MEETING, THIS ITEM WAS LEFT ON THE SECOND READING AND TABLED TO THE AUGUST 15, 2023 CITY COUNCIL MEETING.

D. NEW BUSINESS

D.1. RENTAL EQUIPMENT PROCUREMENT PROCEDURE (BIDDING WAIVER):

A RESOLUTION TO WAIVE COMPETITIVE BIDDING AND AUTHORIZE THE PROCUREMENT OF RENTAL EQUIPMENT FROM VARIOUS VENDORS IN EXCESS OF \$35,000.00 BUT TO REQUIRE AT LEAST 3 WRITTEN OR PUBLISHED QUOTES FOR EACH RENTAL (2023-1005)

D.2. NABHOLZ CONSTRUCTION CO. (CHANGE ORDER):

A RESOLUTION TO APPROVE CHANGE ORDER NO. 13 TO THE CONTRACT WITH NABHOLZ CONSTRUCTION CORPORATION IN THE AMOUNT OF \$5,521,396.00 FOR WORK RELATED TO THE CULTURAL ARTS CORRIDOR, AND TO APPROVE A BUDGET ADJUSTMENT – 2019 CULTURAL ARTS CORRIDOR BOND PROJECT (2023-953)

D.3. FAYETTEVILLE FIRE RELIEF AND PENSION PROGRAM CONSOLIDATION (LOPFI):

AN ORDINANCE TRANSFERRING ADMINISTRATION OF RETIREMENT COVERAGE FOR ELIGIBLE MEMBERS OF THE FAYETTEVILLE FIRE RELIEF AND PENSION FUND TO THE ARKANSAS LOCAL POLICE AND FIRE RETIREMENT SYSTEM (LOPFI) AND AUTHORIZING THE MAYOR TO ENTER INTO AN IRREVOCABLE AGREEMENT WITH LOPFI (2023-942)

D.4. UDC §157 - NOTICE OF ADMINISTRATIVELY APPROVED DEVELOPMENT APPLICATIONS (AMENDMENT):

AN ORDINANCE TO AMEND §157 NOTIFICATION AND PUBLIC HEARINGS TO CLARIFY THE OFFICIAL APPROVAL DATE FOR ADMINISTRATIVELY APPROVED DEVELOPMENT APPLICATIONS (2023-950)

D.5. REZONING - 2023-0017: (N. TRUCKERS DR./THE LENNON, 208):

AN ORDINANCE TO REZONE THAT PROPERTY DESCRIBED IN REZONING PETITION RZN 23-017 LOCATED NEAR NORTH TRUCKERS DRIVE IN WARD 2 FOR APPROXIMATELY 20.23 ACRES FROM RPZD, RESIDENTIAL PLANNED ZONING DISTRICT TO RMF-18, RESIDENTIAL MULTI-FAMILY, 18 UNITS PER ACRE (2023-952)

D.6. MISTY SIMPSON (WATER DAMAGE CLAIM):

A RESOLUTION PURSUANT TO §39.10(C)(4) OF THE FAYETTEVILLE CITY CODE TO AUTHORIZE THE MAYOR TO PAY THE AMOUNT OF \$50,000.00

TO MISTY SIMPSON FOR A WATER DAMAGE CLAIM ARISING AT 2425
EAST SHARON STREET (2023-962)

E. CITY COUNCIL AGENDA SESSION PRESENTATIONS

F. CITY COUNCIL TOUR

G. ANNOUNCEMENTS

H. ADJOURNMENT

NOTICE TO MEMBERS OF THE AUDIENCE

All interested persons may appear and address the City Council on Unfinished Business, New Business, and Public Hearings at City Council meetings. If you wish to address the City Council on an agenda item, please wait for the Mayor or Chair to request public comment. When the Mayor or Chair recognizes you, please start your public comment by giving your name and address. Comments are to be addressed to the Mayor or Chair. The Mayor or Chair will direct your comments to the appropriate elected officials, staff, or others for response. Keep your comments respectful, brief, to the point, and relevant to the agenda item being considered. Each speaker from the public will be allowed one turn to speak for discussion of an agenda item.

Below is a portion of the Rules of Order and Procedure of the Fayetteville City Council pertaining to City Council meetings:

Agenda Additions: A new item which is requested to be added to the agenda at a City Council meeting should only be considered if it requires immediate City Council consideration and if the normal agenda setting process is not practical. The City Council may only place such new item on the City Council meeting's agenda by suspending the rules by two-thirds vote. Such agenda addition shall be heard prior to the Consent Agenda.

Consent Agenda: Consent Agenda items shall be read by the Mayor and voted upon as a group without discussion by the City Council. If a Council Member wishes to comment upon or discuss a Consent Agenda item that item shall be removed and considered immediately after the Consent Agenda has been voted upon.

Unfinished Business and New Business:

Overview Period: Agenda items at a City Council meeting shall be introduced by the Mayor and, if an ordinance, read by the City Attorney. City staff shall then present a report. An agenda applicant (city contractor, rezoning or development applicant, etc.) may present its proposal only during this presentation period, but may be recalled by a Council Member later to answer questions. City staff, Council Members and applicants may use electronic visual aids in the City Council meeting as part of the presentation of the agenda item. City staff's presentation and an Applicant's presentation whether presented by one or more than one presenter shall each be limited to a maximum of ten (10) minutes unless the City Council by unanimous consent or majority vote allows additional time.

Public Comments: Speakers shall be limited to a maximum of five (5) minutes to discuss the agenda item being considered by the City Council. Amendments may receive public comments only if approved by the City Council by unanimous consent or majority vote. If public comment is allowed for an amendment, speakers will only be allowed to speak for three (3) minutes. The City Council may allow both a speaker additional time and an unsigned-up person to speak by unanimous consent or majority vote. As part of a person's public comments allowed above, the speaker may use electronic visual aids during their five (5) minutes presentation period concerning the agenda item being considered by the City Council.

Courtesy and Respect: All members of the public, all city staff and elected officials shall accord the utmost courtesy and respect to each other at all times. All shall refrain from comments that are harassing or amount to a personal attack against any identifiable individual including abusive comments and derogatory remarks about integrity or offer any other comments that are also not limited to the discussion of the specific agenda item being considered by the City Council. Any member of the public who violates these standards shall be ruled out of order by the Mayor, must immediately cease speaking and shall leave the podium.

Interpreters or Telecommunications Device for the Deaf (TDD), for hearing impaired are available for all City Council meetings, a 72-hour advance notice is required. For further information or to request an interpreter, please call 479-575-8330.

A copy of the complete City Council agenda is available on our website at www.fayetteville-ar.gov or in the Office of the City Clerk, 113 W. Mountain, Fayetteville, Arkansas (479) 575-8323.

All cell phones must be silenced and may not be used within the City Council Chambers.



MEETING OF AUGUST 15, 2023

TO: Mayor Jordan and City Council

THRU: Paul Becker, Chief Financial Officer
Susan Norton, Chief of Staff

FROM: Les McGaugh, Purchasing Director
Chris Brown, Public Works Director

DATE:

SUBJECT: Purchase of a Protective Railroad General Liability Policy

RECOMMENDATION:

A Resolution to authorize the purchase of a railroad general liability policy for current and future railroad crossing improvements utilizing the City's insurance broker HUB International, and to approve a budget adjustment.

BACKGROUND:

The City has historically carried a railroad protective liability policy for the Arkansas & Missouri railroad to protect the City and the Railroad during maintenance and improvements along the trails bordering the railroad property and at railroad crossings.

DISCUSSION:

As a result of the additional crossings at Futrall and Shiloh, the Arkansas & Missouri Railroad has requested a more comprehensive and larger general liability Policy. The City's insurance broker, HUB International solicited competitive rates and has provided the City with a quote of \$54,600.00 for this Railroad General Liability Policy.

BUDGET/STAFF IMPACT:

A budget adjustment for this policy is attached.

ATTACHMENTS: Staff Review Form - BA For RR Liability Policy, 2023-961 BA General Liability RR, COFGLapp, COFExcessLiabapp, City of Fayetteville RSUI XS Quote, City of Fayetteville RSUI GL Quote (003)



City of Fayetteville, Arkansas

113 West Mountain Street
Fayetteville, AR 72701
(479) 575-8323

Legislation Text

File #: 2023-961

Purchase of a Protective Railroad General Liability Policy

A RESOLUTION TO AUTHORIZE THE PURCHASE OF A RAILROAD GENERAL LIABILITY POLICY TO COVER CURRENT AND FUTURE RAILROAD CROSSING IMPROVEMENTS AT A COST OF \$54,000.00 FOR ONE YEAR OF COVERAGE, AND TO APPROVE A BUDGET ADJUSTMENT

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF FAYETTEVILLE, ARKANSAS:

Section 1: That the City Council of the City of Fayetteville, Arkansas hereby authorizes the purchase of a railroad general liability policy to cover current and future railroad crossing improvements at a cost of \$54,000.00 for one year of coverage.

Section 2: That the City Council of the City of Fayetteville, Arkansas hereby approves a budget adjustment, a copy of which is attached to this Resolution.

City of Fayetteville Staff Review Form

2023-961

Item ID

8/15/2023

City Council Meeting Date - Agenda Item Only
N/A for Non-Agenda Item

Les McGaugh

7/27/2023

PURCHASING (160)

Submitted By

Submitted Date

Division / Department

Action Recommendation:

A Resolution to authorize the purchase of a railroad general liability policy for current and future railroad crossing improvements utilizing the City's insurance broker HUB International, and to approve a budget adjustment.

Budget Impact:

1010.520.5260-5311

General

Account Number

Fund

N/A

N/A

Project Number

Project Title

Budgeted Item? Yes

Total Amended Budget

\$ 20,208.00

Expenses (Actual+Encum)

\$ 20,208.00

Available Budget

\$ -

Does item have a direct cost? Yes

Item Cost

\$ 54,600.00

Is a Budget Adjustment attached? Yes

Budget Adjustment

\$ 54,600.00

Remaining Budget

\$ -

V20221130

Purchase Order Number: _____

Previous Ordinance or Resolution # _____

Change Order Number: _____

Approval Date: _____

Original Contract Number: _____

Comments:

Budget Year	Division	Adjustment Number
2023	PURCHASING (160)	
	Requestor: Les McGaugh	

A Resolution to authorize the purchase of a railroad general liability policy for current and future railroad crossing improvements utilizing the City's insurance broker HUB International, and to approve a budget adjustment.

RESOLUTION/ORDINANCE

COUNCIL DATE: 8/15/2023

ITEM ID#: 2023-961

Holly Black
7/27/2023 1:00 PM

Budget Division Date

D - (City Council)

TYPE:

JOURNAL #:

GLDATE:

CHKD/POSTED: /

[illegible]



COMMERCIAL INSURANCE APPLICATION

APPLICANT INFORMATION SECTION

DKING1

DATE (MM/DD/YYYY)
07/05/2023

AGENCY Hub International Mid-America 6100 S. Yale Avenue Suite 1900 Tulsa, OK 74136		CARRIER		NAIC CODE N/A	
		COMPANY POLICY OR PROGRAM NAME		PROGRAM CODE	
		POLICY NUMBER			
CONTACT NAME:		UNDERWRITER		UNDERWRITER OFFICE	
PHONE (A/C, No, Ext): (918) 359-6000					
FAX (A/C, No): (918) 359-6001					
E-MAIL ADDRESS:		STATUS OF TRANSACTION		QUOTE ☐ ISSUE POLICY ☐ RENEW ☐	
CODE:				BOUND (Give Date and/or Attach Copy):	
SUBCODE:				CHANGE DATE TIME ☐ AM ☐ PM	
AGENCY CUSTOMER ID: FAYETTE-01		License # 100101891			

LINES OF BUSINESS

INDICATE LINES OF BUSINESS	PREMIUM		PREMIUM		PREMIUM
BOILER & MACHINERY	\$		CYBER AND PRIVACY	\$	
BUSINESS AUTO	\$		FIDUCIARY LIABILITY	\$	
BUSINESS OWNERS	\$		GARAGE AND DEALERS	\$	
☒ COMMERCIAL GENERAL LIABILITY	\$		LIQUOR LIABILITY	\$	
COMMERCIAL INLAND MARINE	\$		MOTOR CARRIER	\$	
COMMERCIAL PROPERTY	\$		TRUCKERS	\$	
CRIME	\$		UMBRELLA	\$	

ATTACHMENTS

ACCOUNTS RECEIVABLE / VALUABLE PAPERS	GLASS AND SIGN SECTION	STATEMENT / SCHEDULE OF VALUES
ADDITIONAL INTEREST SCHEDULE	HOTEL / MOTEL SUPPLEMENT	STATE SUPPLEMENT (If applicable)
ADDITIONAL PREMISES INFORMATION SCHEDULE	INSTALLATION / BUILDERS RISK SECTION	VACANT BUILDING SUPPLEMENT
APARTMENT BUILDING SUPPLEMENT	INTERNATIONAL LIABILITY EXPOSURE SUPPLEMENT	VEHICLE SCHEDULE
CONDO ASSN BYLAWS (for D&O Coverage only)	INTERNATIONAL PROPERTY EXPOSURE SUPPLEMENT	
CONTRACTORS SUPPLEMENT	LOSS SUMMARY	
COVERAGES SCHEDULE	OPEN CARGO SECTION	
DEALERS SECTION	PREMIUM PAYMENT SUPPLEMENT	
DRIVER INFORMATION SCHEDULE	PROFESSIONAL LIABILITY SUPPLEMENT	
ELECTRONIC DATA PROCESSING SECTION	RESTAURANT / TAVERN SUPPLEMENT	

POLICY INFORMATION

PROPOSED EFF DATE 07/15/2023	PROPOSED EXP DATE 07/15/2024	BILLING PLAN ☐ DIRECT ☐ AGENCY	PAYMENT PLAN	METHOD OF PAYMENT	AUDIT	DEPOSIT \$	MINIMUM PREMIUM \$	POLICY PREMIUM \$
---------------------------------	---------------------------------	---	--------------	-------------------	-------	---------------	-----------------------	----------------------

APPLICANT INFORMATION

NAME (First Named Insured) AND MAILING ADDRESS (including ZIP+4) City of Fayetteville 113 W Mountain, Room 306 Fayetteville, AR 72701		GL CODE	SIC 9121	NAICS 921120	FEIN OR SOC SEC #
		BUSINESS PHONE #: (479) 575-8289			
		WEBSITE ADDRESS			
☐ CORPORATION	☐ JOINT VENTURE	☐ NOT FOR PROFIT ORG	☐ SUBCHAPTER "S" CORPORATION		
☐ INDIVIDUAL	☐ LLC NO. OF MEMBERS AND MANAGERS: _____	☐ PARTNERSHIP	☐ TRUST		
NAME (Other Named Insured) AND MAILING ADDRESS (including ZIP+4)		GL CODE	SIC	NAICS	FEIN OR SOC SEC #
		BUSINESS PHONE #:			
		WEBSITE ADDRESS			
☐ CORPORATION	☐ JOINT VENTURE	☐ NOT FOR PROFIT ORG	☐ SUBCHAPTER "S" CORPORATION		
☐ INDIVIDUAL	☐ LLC NO. OF MEMBERS AND MANAGERS: _____	☐ PARTNERSHIP	☐ TRUST		
NAME (Other Named Insured) AND MAILING ADDRESS (including ZIP+4)		GL CODE	SIC	NAICS	FEIN OR SOC SEC #
		BUSINESS PHONE #:			
		WEBSITE ADDRESS			
☐ CORPORATION	☐ JOINT VENTURE	☐ NOT FOR PROFIT ORG	☐ SUBCHAPTER "S" CORPORATION		
☐ INDIVIDUAL	☐ LLC NO. OF MEMBERS AND MANAGERS: _____	☐ PARTNERSHIP	☐ TRUST		

CONTACT INFORMATION

AGENCY CUSTOMER ID: FAYETTE-01

DKING1

CONTACT TYPE:				CONTACT TYPE:			
CONTACT NAME:				CONTACT NAME:			
PRIMARY PHONE # ☐ HOME ☐ BUS ☐ CELL		SECONDARY PHONE # ☐ HOME ☐ BUS ☐ CELL		PRIMARY PHONE # ☐ HOME ☐ BUS ☐ CELL		SECONDARY PHONE # ☐ HOME ☐ BUS ☐ CELL	
PRIMARY E-MAIL ADDRESS:				PRIMARY E-MAIL ADDRESS:			
SECONDARY E-MAIL ADDRESS:				SECONDARY E-MAIL ADDRESS:			

PREMISES INFORMATION (Attach ACORD 823 for Additional Premises)

LOC # 1	STREET Futrell Drive and Gregg St,		CITY LIMITS ☒ INSIDE	INTEREST ☐ OWNER ☐ TENANT	# FULL TIME EMPL	ANNUAL REVENUES: \$
BLD # 1	CITY: Fayetteville	STATE: AR	OUTSIDE		# PART TIME EMPL	OCCUPIED AREA: SQ FT
						OPEN TO PUBLIC AREA: SQ FT
						TOTAL BUILDING AREA: SQ FT
DESCRIPTION OF OPERATIONS:						ANY AREA LEASED TO OTHERS? Y / N
LOC # 2	STREET Shiloh Drive and Gregg St		CITY LIMITS ☐ INSIDE	INTEREST ☐ OWNER ☐ TENANT	# FULL TIME EMPL	ANNUAL REVENUES: \$
BLD # 1	CITY: Fayetteville	STATE: AR	OUTSIDE		# PART TIME EMPL	OCCUPIED AREA: SQ FT
						OPEN TO PUBLIC AREA: SQ FT
						TOTAL BUILDING AREA: SQ FT
DESCRIPTION OF OPERATIONS:						ANY AREA LEASED TO OTHERS? Y / N
LOC # 3	STREET Razorback Road & W. 15th. St		CITY LIMITS ☐ INSIDE	INTEREST ☐ OWNER ☐ TENANT	# FULL TIME EMPL	ANNUAL REVENUES: \$
BLD # 1	CITY: Fayetteville	STATE: AR	OUTSIDE		# PART TIME EMPL	OCCUPIED AREA: SQ FT
						OPEN TO PUBLIC AREA: SQ FT
						TOTAL BUILDING AREA: SQ FT
DESCRIPTION OF OPERATIONS:						ANY AREA LEASED TO OTHERS? Y / N
LOC # 4	STREET Various-Walking Trail		CITY LIMITS ☒ INSIDE	INTEREST ☐ OWNER ☐ TENANT	# FULL TIME EMPL	ANNUAL REVENUES: \$
BLD # 1	CITY: Fayetteville	STATE: AR	OUTSIDE		# PART TIME EMPL	OCCUPIED AREA: SQ FT
						OPEN TO PUBLIC AREA: SQ FT
						TOTAL BUILDING AREA: SQ FT
DESCRIPTION OF OPERATIONS:						ANY AREA LEASED TO OTHERS? Y / N

NATURE OF BUSINESS

☐ APARTMENTS	☐ CONTRACTOR	☐ MANUFACTURING	☐ RESTAURANT	☐ SERVICE	☒ Contact Curt Mathews-HUB Idaho cur	DATE BUSINESS STARTED (MM/DD/YYYY)
☐ CONDOMINIUMS	☐ INSTITUTIONAL	☐ OFFICE	☐ RETAIL	☐ WHOLESALE		

DESCRIPTION OF PRIMARY OPERATIONS

Walking trail, railroad crossings

RETAIL STORES OR SERVICE OPERATIONS % OF TOTAL SALES:	INSTALLATION, SERVICE OR REPAIR WORK %	OFF PREMISES INSTALLATION, SERVICE OR REPAIR WORK %
---	--	---

DESCRIPTION OF OPERATIONS OF OTHER NAMED INSUREDS

ADDITIONAL INTEREST (Not all fields apply to all scenarios - provide only the necessary data) Attach ACORD 45 for more Additional Interests

INTEREST	NAME AND ADDRESS RANK:	EVIDENCE:	CERTIFICATE	POLICY	SEND BILL	INTEREST IN ITEM NUMBER	
☐ ADDITIONAL INSURED	Arkansas & Missouri Railroad Company 306 East Emma Springdale, AR 72764					LOCATION:	BUILDING:
☐ BREACH OF WARRANTY						VEHICLE:	BOAT:
☐ CO-OWNER						AIRPORT:	AIRCRAFT:
☐ EMPLOYEE AS LESSOR						ITEM CLASS:	ITEM:
☐ LEASEBACK OWNER						ITEM DESCRIPTION	
☐ LENDER'S LOSS PAYABLE	REFERENCE / LOAN #:	INTEREST END DATE:					
☒ Specific Contract	LIEN AMOUNT:	PHONE (A/C, No, Ext):		FAX (A/C, No):			
REASON FOR INTEREST: Contract		E-MAIL ADDRESS:					

GENERAL INFORMATION

EXPLAIN ALL "YES" RESPONSES				Y / N
1a. IS THE APPLICANT A SUBSIDIARY OF ANOTHER ENTITY ?				N
PARENT COMPANY NAME	RELATIONSHIP DESCRIPTION	% OWNED		
1b. DOES THE APPLICANT HAVE ANY SUBSIDIARIES?				N
SUBSIDIARY COMPANY NAME	RELATIONSHIP DESCRIPTION	% OWNED		
2. IS A FORMAL SAFETY PROGRAM IN OPERATION?				Y
☐ SAFETY MANUAL	☐ SAFETY POSITION	☐ MONTHLY MEETINGS	☐ OSHA	☐
3. ANY EXPOSURE TO FLAMMABLES, EXPLOSIVES, CHEMICALS?				N
4. ANY OTHER INSURANCE WITH THIS COMPANY? (List policy numbers)				N
LINE OF BUSINESS	POLICY NUMBER	LINE OF BUSINESS	POLICY NUMBER	
5. ANY POLICY OR COVERAGE DECLINED, CANCELLED OR NON-RENEWED DURING THE PRIOR THREE (3) YEARS FOR ANY PREMISES OR OPERATIONS? (Missouri Applicants - Do not answer this question)				N
☐ NON-PAYMENT	☐ AGENT NO LONGER REPRESENTS CARRIER	☐		
☐ NON-RENEWAL	☐ UNDERWRITING	☐ CONDITION CORRECTED (Describe):		
6. ANY PAST LOSSES OR CLAIMS RELATING TO SEXUAL ABUSE OR MOLESTATION ALLEGATIONS, DISCRIMINATION OR NEGLIGENT HIRING?				N
7. DURING THE LAST FIVE YEARS (TEN IN RI), HAS ANY APPLICANT BEEN INDICTED FOR OR CONVICTED OF ANY DEGREE OF THE CRIME OF FRAUD, BRIBERY, ARSON OR ANY OTHER ARSON-RELATED CRIME IN CONNECTION WITH THIS OR ANY OTHER PROPERTY? (In RI, this question must be answered by any applicant for property insurance. Failure to disclose the existence of an arson conviction is a misdemeanor punishable by a sentence of up to one year of imprisonment).				N
8. ANY UNCORRECTED FIRE AND/OR SAFETY CODE VIOLATIONS?				N
OCCUR DATE	EXPLANATION	RESOLUTION	RESOLVE DATE	
9. HAS APPLICANT HAD A FORECLOSURE, REPOSSESSION, BANKRUPTCY OR FILED FOR BANKRUPTCY DURING THE LAST FIVE (5) YEARS?				N
OCCUR DATE	EXPLANATION	RESOLUTION	RESOLVE DATE	
10. HAS APPLICANT HAD A JUDGEMENT OR LIEN DURING THE LAST FIVE (5) YEARS?				N
OCCUR DATE	EXPLANATION	RESOLUTION	RESOLVE DATE	
11. HAS BUSINESS BEEN PLACED IN A TRUST? NAME OF TRUST:				N
12. ANY FOREIGN OPERATIONS, FOREIGN PRODUCTS DISTRIBUTED IN USA, OR US PRODUCTS SOLD / DISTRIBUTED IN FOREIGN COUNTRIES? (If "YES", attach ACORD 815 for Liability Exposure and/or ACORD 816 for Property Exposure)				N
13. DOES APPLICANT HAVE OTHER BUSINESS VENTURES FOR WHICH COVERAGE IS NOT REQUESTED?				N
14. DOES APPLICANT OWN / LEASE / OPERATE ANY DRONES? (If "YES", describe use)				N
15. DOES APPLICANT HIRE OTHERS TO OPERATE DRONES? (If "YES", describe use)				N

REMARKS / PROCESSING INSTRUCTIONS (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

PRIOR CARRIER INFORMATION

YEAR	CATEGORY	GENERAL LIABILITY	AUTOMOBILE	PROPERTY	OTHER:
	CARRIER				
	POLICY NUMBER				
	PREMIUM	\$	\$	\$	\$
	EFFECTIVE DATE				
	EXPIRATION DATE				

PRIOR CARRIER INFORMATION (continued)

AGENCY CUSTOMER ID: FAYETTE-01

DKING1

YEAR	CATEGORY	GENERAL LIABILITY	AUTOMOBILE	PROPERTY	OTHER:
	CARRIER				
	POLICY NUMBER				
	PREMIUM	\$	\$	\$	\$
	EFFECTIVE DATE				
	EXPIRATION DATE				
	CARRIER				
	POLICY NUMBER				
	PREMIUM	\$	\$	\$	\$
	EFFECTIVE DATE				
	EXPIRATION DATE				

LOSS HISTORY
☐ Check if none (Attach Loss Summary for Additional Loss Information)

ENTER ALL CLAIMS OR LOSSES (REGARDLESS OF FAULT AND WHETHER OR NOT INSURED) OR OCCURRENCES THAT MAY GIVE RISE TO CLAIMS FOR THE LAST YEARS						TOTAL LOSSES: \$		
DATE OF OCCURRENCE	LINE	TYPE / DESCRIPTION OF OCCURRENCE OR CLAIM	DATE OF CLAIM	AMOUNT PAID	AMOUNT RESERVED	SUBROGATION Y / N	CLAIM OPEN Y / N	

SIGNATURE
☐ Copy of the Notice of Information Practices (Privacy) has been given to the applicant. (Not required in all states, contact your agent or broker for your state's requirements.)

PERSONAL INFORMATION ABOUT YOU, INCLUDING INFORMATION FROM A CREDIT OR OTHER INVESTIGATIVE REPORT, MAY BE COLLECTED FROM PERSONS OTHER THAN YOU IN CONNECTION WITH THIS APPLICATION FOR INSURANCE AND SUBSEQUENT AMENDMENTS AND RENEWALS. SUCH INFORMATION AS WELL AS OTHER PERSONAL AND PRIVILEGED INFORMATION COLLECTED BY US OR OUR AGENTS MAY IN CERTAIN CIRCUMSTANCES BE DISCLOSED TO THIRD PARTIES WITHOUT YOUR AUTHORIZATION. CREDIT SCORING INFORMATION MAY BE USED TO HELP DETERMINE EITHER YOUR ELIGIBILITY FOR INSURANCE OR THE PREMIUM YOU WILL BE CHARGED. WE MAY USE A THIRD PARTY IN CONNECTION WITH THE DEVELOPMENT OF YOUR SCORE. YOU MAY HAVE THE RIGHT TO REVIEW YOUR PERSONAL INFORMATION IN OUR FILES AND REQUEST CORRECTION OF ANY INACCURACIES. YOU MAY ALSO HAVE THE RIGHT TO REQUEST IN WRITING THAT WE CONSIDER EXTRAORDINARY LIFE CIRCUMSTANCES IN CONNECTION WITH THE DEVELOPMENT OF YOUR CREDIT SCORE. THESE RIGHTS MAY BE LIMITED IN SOME STATES. PLEASE CONTACT YOUR AGENT OR BROKER TO LEARN HOW THESE RIGHTS MAY APPLY IN YOUR STATE OR FOR INSTRUCTIONS ON HOW TO SUBMIT A REQUEST TO US FOR A MORE DETAILED DESCRIPTION OF YOUR RIGHTS AND OUR PRACTICES REGARDING PERSONAL INFORMATION.

(Not applicable in AZ, CA, DE, KS, MA, MN, ND, NY, OR, VA, or WV. Specific ACORD 38s are available for applicants in these states.)

(Applicant's Initials): _____

Applicable in AL, AR, DC, LA, MD, NM, RI and WV: Any person who knowingly (or willfully)* presents a false or fraudulent claim for payment of a loss or benefit or knowingly (or willfully)* presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison. *Applies in MD Only.

Applicable in CO: It is unlawful to knowingly provide false, incomplete, or misleading facts or information to an insurance company for the purpose of defrauding or attempting to defraud the company. Penalties may include imprisonment, fines, denial of insurance and civil damages. Any insurance company or agent of an insurance company who knowingly provides false, incomplete, or misleading facts or information to a policyholder or claimant for the purpose of defrauding or attempting to defraud the policyholder or claimant with regard to a settlement or award payable from insurance proceeds shall be reported to the Colorado Division of Insurance within the Department of Regulatory Agencies.

Applicable in FL and OK: Any person who knowingly and with intent to injure, defraud, or deceive any insurer files a statement of claim or an application containing any false, incomplete, or misleading information is guilty of a felony (of the third degree)*. *Applies in FL Only.

Applicable in KS: Any person who, knowingly and with intent to defraud, presents, causes to be presented or prepares with knowledge or belief that it will be presented to or by an insurer, purported insurer, broker or any agent thereof, any written statement as part of, or in support of, an application for the issuance of, or the rating of an insurance policy for personal or commercial insurance, or a claim for payment or other benefit pursuant to an insurance policy for commercial or personal insurance which such person knows to contain materially false information concerning any fact material thereto; or conceals, for the purpose of misleading, information concerning any fact material thereto commits a fraudulent insurance act.

Applicable in KY, NY, OH and PA: Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim containing any materially false information or conceals for the purpose of misleading, information concerning any fact material thereto commits a fraudulent insurance act, which is a crime and subjects such person to criminal and civil penalties (not to exceed five thousand dollars and the stated value of the claim for each such violation)*. *Applies in NY Only.

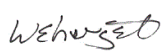
Applicable in ME, TN, VA and WA: It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties (may)* include imprisonment, fines and denial of insurance benefits. *Applies in ME Only.

Applicable in NJ: Any person who includes any false or misleading information on an application for an insurance policy is subject to criminal and civil penalties.

Applicable in OR: Any person who knowingly and with intent to defraud or solicit another to defraud the insurer by submitting an application containing a false statement as to any material fact may be violating state law.

Applicable in PR: Any person who knowingly and with the intention of defrauding presents false information in an insurance application, or presents, helps, or causes the presentation of a fraudulent claim for the payment of a loss or any other benefit, or presents more than one claim for the same damage or loss, shall incur a felony and, upon conviction, shall be sanctioned for each violation by a fine of not less than five thousand dollars (\$5,000) and not more than ten thousand dollars (\$10,000), or a fixed term of imprisonment for three (3) years, or both penalties. Should aggravating circumstances [be] present, the penalty thus established may be increased to a maximum of five (5) years, if extenuating circumstances are present, it may be reduced to a minimum of two (2) years.

THE UNDERSIGNED IS AN AUTHORIZED REPRESENTATIVE OF THE APPLICANT AND REPRESENTS THAT REASONABLE INQUIRY HAS BEEN MADE TO OBTAIN THE ANSWERS TO QUESTIONS ON THIS APPLICATION. HE/SHE REPRESENTS THAT THE ANSWERS ARE TRUE, CORRECT AND COMPLETE TO THE BEST OF HIS/HER KNOWLEDGE.

PRODUCER'S SIGNATURE 	PRODUCER'S NAME (Please Print)	STATE PRODUCER LICENSE NO (Required in Florida)
APPLICANT'S SIGNATURE	DATE	NATIONAL PRODUCER NUMBER



COMMERCIAL GENERAL LIABILITY SECTION

DATE (MM/DD/YYYY)
07/05/2023

AGENCY Hub International Mid-America	License # 100101891	CARRIER	NAIC CODE N/A
POLICY NUMBER	EFFECTIVE DATE 07/15/2023	APPLICANT / FIRST NAMED INSURED City of Fayetteville	

IMPORTANT - If CLAIMS MADE is checked in the COVERAGE / LIMITS section below, this is an application for a claims-made policy.
Read all provisions of the policy carefully.

COVERAGES

LIMITS

☒ COMMERCIAL GENERAL LIABILITY	GENERAL AGGREGATE	\$	2,000,000	PREMIUMS
☐ CLAIMS MADE ☐ OCCURRENCE	LIMIT APPLIES PER: ☐ POLICY ☐ LOCATION			PREMISES/OPERATIONS
☐ OWNER'S & CONTRACTOR'S PROTECTIVE	☐ PROJECT ☐ OTHER:			
	PRODUCTS & COMPLETED OPERATIONS AGGREGATE	\$	2,000,000	PRODUCTS
	PERSONAL & ADVERTISING INJURY	\$	1,000,000	
	EACH OCCURRENCE	\$	1,000,000	OTHER
	DAMAGE TO RENTED PREMISES (each occurrence)	\$	50,000	
	MEDICAL EXPENSE (Any one person)	\$	5,000	TOTAL
	EMPLOYEE BENEFITS	\$		
		\$		

OTHER COVERAGES, RESTRICTIONS AND/OR ENDORSEMENTS (For hired/non-owned auto coverages attach the applicable state Business Auto Section, ACORD 137)

APPLICABLE ONLY IN WISCONSIN: IF NON-OWNED ONLY AUTO COVERAGE IS TO BE PROVIDED UNDER THE POLICY:

1. UM / UIM COVERAGE ☐ IS ☐ IS NOT AVAILABLE. 2. MEDICAL PAYMENTS COVERAGE ☐ IS ☐ IS NOT AVAILABLE.

SCHEDULE OF HAZARDS

LOC #	HAZ #	CLASSIFICATION	CLASS CODE	PREMIUM BASIS	EXPOSURE	TERR	RATE		PREMIUM	
							PREM/OPS	PRODUCTS	PREM/OPS	PRODUCTS
1	1	Railroad Street Crossing		U	1					
2	1	Railroad Street Crossing		U	1					
3	1	Railroad Street Crossing		U	1					
4	1	Walking Trail		F	2734					

RATING AND PREMIUM BASIS
(S) GROSS SALES - PER \$1,000/SALES (P) PAYROLL - PER \$1,000/PAY (C) TOTAL COST - PER \$1,000/COST (U) UNIT - PER UNIT
(A) AREA - PER 1,000/SQ FT (M) ADMISSIONS - PER 1,000/ADM (T) OTHER

CLAIMS MADE (Explain all "Yes" responses)

EXPLAIN ALL "YES" RESPONSES	Y / N
1. PROPOSED RETROACTIVE DATE:	
2. ENTRY DATE INTO UNINTERRUPTED CLAIMS MADE COVERAGE:	
3. HAS ANY PRODUCT, WORK, ACCIDENT, OR LOCATION BEEN EXCLUDED, UNINSURED OR SELF-INSURED FROM ANY PREVIOUS COVERAGE?	
4. WAS TAIL COVERAGE PURCHASED UNDER ANY PREVIOUS POLICY?	

EMPLOYEE BENEFITS LIABILITY

1. DEDUCTIBLE PER CLAIM: \$	3. NUMBER OF EMPLOYEES COVERED BY EMPLOYEE BENEFITS PLANS:
2. NUMBER OF EMPLOYEES:	4. RETROACTIVE DATE:

CONTRACTORSAGENCY CUSTOMER ID: **FAYETTE-01****DKING1**

EXPLAIN ALL "YES" RESPONSES (For all past or present operations)					Y / N
1. DOES APPLICANT DRAW PLANS, DESIGNS, OR SPECIFICATIONS FOR OTHERS?					N
2. DO ANY OPERATIONS INCLUDE BLASTING OR UTILIZE OR STORE EXPLOSIVE MATERIAL?					N
3. DO ANY OPERATIONS INCLUDE EXCAVATION, TUNNELING, UNDERGROUND WORK OR EARTH MOVING?					N
4. DO YOUR SUBCONTRACTORS CARRY COVERAGES OR LIMITS LESS THAN YOURS?					N
5. ARE SUBCONTRACTORS ALLOWED TO WORK WITHOUT PROVIDING YOU WITH A CERTIFICATE OF INSURANCE?					N
6. DOES APPLICANT LEASE EQUIPMENT TO OTHERS WITH OR WITHOUT OPERATORS?					N
DESCRIBE THE TYPE OF WORK SUBCONTRACTED	\$ PAID TO SUB-CONTRACTORS:	% OF WORK SUBCONTRACTED:	# FULL-TIME STAFF:	# PART-TIME STAFF:	

PRODUCTS / COMPLETED OPERATIONS

PRODUCTS	ANNUAL GROSS SALES	# OF UNITS	TIME IN MARKET	EXPECTED LIFE	INTENDED USE	PRINCIPAL COMPONENTS	
EXPLAIN ALL "YES" RESPONSES (For all past or present products or operations) PLEASE ATTACH LITERATURE, BROCHURES, LABELS, WARNINGS, ETC.							Y / N
1. DOES APPLICANT INSTALL, SERVICE OR DEMONSTRATE PRODUCTS?							
2. FOREIGN PRODUCTS SOLD, DISTRIBUTED, USED AS COMPONENTS? (If "YES", attach ACORD 815)							
3. RESEARCH AND DEVELOPMENT CONDUCTED OR NEW PRODUCTS PLANNED?							
4. GUARANTEES, WARRANTIES, HOLD HARMLESS AGREEMENTS?							
5. PRODUCTS RELATED TO AIRCRAFT/SPACE INDUSTRY?							
6. PRODUCTS RECALLED, DISCONTINUED, CHANGED?							
7. PRODUCTS OF OTHERS SOLD OR RE-PACKAGED UNDER APPLICANT LABEL?							
8. PRODUCTS UNDER LABEL OF OTHERS?							
9. VENDORS COVERAGE REQUIRED?							
10. DOES ANY NAMED INSURED SELL TO OTHER NAMED INSURED?							

ADDITIONAL INTEREST / CERTIFICATE RECIPIENT

ACORD 45 attached for additional names

INTEREST	NAME AND ADDRESS	RANK:	EVIDENCE:	CERTIFICATE	INTEREST IN ITEM NUMBER
☐ ADDITIONAL INSURED					LOCATION:
☐ EMPLOYEE AS LESSOR					BUILDING:
☐ LIENHOLDER					ITEM CLASS:
☐ LOSS PAYEE					ITEM:
☐ MORTGAGEE					ITEM DESCRIPTION
	REFERENCE / LOAN #:				

GENERAL INFORMATION

EXPLAIN ALL "YES" RESPONSES (For all past or present operations)					Y / N
1. ANY MEDICAL FACILITIES PROVIDED OR MEDICAL PROFESSIONALS EMPLOYED OR CONTRACTED?					N
2. ANY EXPOSURE TO RADIOACTIVE/NUCLEAR MATERIALS?					N
3. DO/HAVE PAST, PRESENT OR DISCONTINUED OPERATIONS INVOLVE(D) STORING, TREATING, DISCHARGING, APPLYING, DISPOSING, OR TRANSPORTING OF HAZARDOUS MATERIAL? (e.g. landfills, wastes, fuel tanks, etc)					N
4. ANY OPERATIONS SOLD, ACQUIRED, OR DISCONTINUED IN LAST FIVE (5) YEARS?					N
5. DO YOU RENT OR LOAN EQUIPMENT TO OTHERS?					N
EQUIPMENT		TYPE OF EQUIPMENT		INSTRUCTION GIVEN (Y/N)	
		SMALL TOOLS	LARGE EQUIPMENT		
		SMALL TOOLS	LARGE EQUIPMENT		
6. ANY WATERCRAFT, DOCKS, FLOATS OWNED, HIRED OR LEASED?					N
7. ANY PARKING FACILITIES OWNED/RENTED?					N
8. IS A FEE CHARGED FOR PARKING?					N
9. RECREATION FACILITIES PROVIDED?					N
10. ARE THERE ANY LODGING OPERATIONS INCLUDING APARTMENTS? (If "YES", answer the following):					N
# APTS	TOTAL APT AREA Sq. Ft.	DESCRIBE OTHER LODGING OPERATIONS			
11. IS THERE A SWIMMING POOL ON PREMISES? (Check all that apply)					N
☐ APPROVED FENCE ☐ LIMITED ACCESS ☐ DIVING BOARD ☐ SLIDE ☐ ABOVE GROUND ☐ IN GROUND ☐ LIFE GUARD					
12. ARE SOCIAL EVENTS SPONSORED?					N
13. ARE ATHLETIC TEAMS SPONSORED?					N
TYPE OF SPORT		CONTACT SPORT (Y/N)	AGE GROUP		
			13 - 18		
			12 & UNDER		
			OVER 18		
EXTENT OF SPONSORSHIP:		EXTENT OF SPONSORSHIP:			
14. ANY STRUCTURAL ALTERATIONS CONTEMPLATED?					N
15. ANY DEMOLITION EXPOSURE CONTEMPLATED?					N

GENERAL INFORMATION (continued)

AGENCY CUSTOMER ID: FAYETTE-01

DKING1

EXPLAIN ALL "YES" RESPONSES (For all past or present operations)

16. HAS APPLICANT BEEN ACTIVE IN OR IS CURRENTLY ACTIVE IN JOINT VENTURES?

Y / N
N

17. DO YOU LEASE EMPLOYEES TO OR FROM OTHER EMPLOYERS?

N

LEASE TO	WORKERS COMPENSATION COVERAGE CARRIED (Y/N)	LEASE FROM	WORKERS COMPENSATION COVERAGE CARRIED (Y/N)

18. IS THERE A LABOR INTERCHANGE WITH ANY OTHER BUSINESS OR SUBSIDIARIES?

N

19. ARE DAY CARE FACILITIES OPERATED OR CONTROLLED?

N

20. HAVE ANY CRIMES OCCURRED OR BEEN ATTEMPTED ON YOUR PREMISES WITHIN THE LAST THREE (3) YEARS?

N

21. IS THERE A FORMAL, WRITTEN SAFETY AND SECURITY POLICY IN EFFECT?

N

22. DOES THE BUSINESSES' PROMOTIONAL LITERATURE MAKE ANY REPRESENTATIONS ABOUT THE SAFETY OR SECURITY OF THE PREMISES?

N

REMARKS (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

SIGNATURE

Applicable in AL, AR, DC, LA, MD, NM, RI and WV: Any person who knowingly (or willfully)* presents a false or fraudulent claim for payment of a loss or benefit or knowingly (or willfully)* presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison. *Applies in MD Only.

Applicable in CO: It is unlawful to knowingly provide false, incomplete, or misleading facts or information to an insurance company for the purpose of defrauding or attempting to defraud the company. Penalties may include imprisonment, fines, denial of insurance and civil damages. Any insurance company or agent of an insurance company who knowingly provides false, incomplete, or misleading facts or information to a policyholder or claimant for the purpose of defrauding or attempting to defraud the policyholder or claimant with regard to a settlement or award payable from insurance proceeds shall be reported to the Colorado Division of Insurance within the Department of Regulatory Agencies.

Applicable in FL and OK: Any person who knowingly and with intent to injure, defraud, or deceive any insurer files a statement of claim or an application containing any false, incomplete, or misleading information is guilty of a felony (of the third degree)*. *Applies in FL Only.

Applicable in KS: Any person who, knowingly and with intent to defraud, presents, causes to be presented or prepares with knowledge or belief that it will be presented to or by an insurer, purported insurer, broker or any agent thereof, any written statement as part of, or in support of, an application for the issuance of, or the rating of an insurance policy for personal or commercial insurance, or a claim for payment or other benefit pursuant to an insurance policy for commercial or personal insurance which such person knows to contain materially false information concerning any fact material thereto; or conceals, for the purpose of misleading, information concerning any fact material thereto commits a fraudulent insurance act.

Applicable in KY, NY, OH and PA: Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim containing any materially false information or conceals for the purpose of misleading, information concerning any fact material thereto commits a fraudulent insurance act, which is a crime and subjects such person to criminal and civil penalties (not to exceed five thousand dollars and the stated value of the claim for each such violation)*. *Applies in NY Only.

Applicable in ME, TN, VA and WA: It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties (may)* include imprisonment, fines and denial of insurance benefits. *Applies in ME Only.

Applicable in NJ: Any person who includes any false or misleading information on an application for an insurance policy is subject to criminal and civil penalties.

Applicable in OR: Any person who knowingly and with intent to defraud or solicit another to defraud the insurer by submitting an application containing a false statement as to any material fact may be violating state law.

Applicable in PR: Any person who knowingly and with the intention of defrauding presents false information in an insurance application, or presents, helps, or causes the presentation of a fraudulent claim for the payment of a loss or any other benefit, or presents more than one claim for the same damage or loss, shall incur a felony and, upon conviction, shall be sanctioned for each violation by a fine of not less than five thousand dollars (\$5,000) and not more than ten thousand dollars (\$10,000), or a fixed term of imprisonment for three (3) years, or both penalties. Should aggravating circumstances [be] present, the penalty thus established may be increased to a maximum of five (5) years, if extenuating circumstances are present, it may be reduced to a minimum of two (2) years.

THE UNDERSIGNED IS AN AUTHORIZED REPRESENTATIVE OF THE APPLICANT AND REPRESENTS THAT REASONABLE INQUIRY HAS BEEN MADE TO OBTAIN THE ANSWERS TO QUESTIONS ON THIS APPLICATION. HE/SHE REPRESENTS THAT THE ANSWERS ARE TRUE, CORRECT AND COMPLETE TO THE BEST OF HIS/HER KNOWLEDGE.

PRODUCER'S SIGNATURE <i>Wehner</i>	PRODUCER'S NAME (Please Print)	STATE PRODUCER LICENSE NO (Required in Florida)
APPLICANT'S SIGNATURE	DATE	NATIONAL PRODUCER NUMBER



COMMERCIAL INSURANCE APPLICATION

APPLICANT INFORMATION SECTION

DKING1

DATE (MM/DD/YYYY)
07/05/2023

AGENCY Hub International Mid-America 6100 S. Yale Avenue Suite 1900 Tulsa, OK 74136		CARRIER		NAIC CODE N/A	
		COMPANY POLICY OR PROGRAM NAME		PROGRAM CODE	
		POLICY NUMBER			
CONTACT NAME:		UNDERWRITER		UNDERWRITER OFFICE	
PHONE (A/C, No, Ext): (918) 359-6000					
FAX (A/C, No): (918) 359-6001					
E-MAIL ADDRESS:		STATUS OF TRANSACTION		☒ QUOTE ☐ ISSUE POLICY ☐ RENEW	
CODE:				BOUND (Give Date and/or Attach Copy):	
SUBCODE:				CHANGE DATE TIME ☐ AM ☐ PM	
AGENCY CUSTOMER ID: FAYETTE-01		License # 100101891			

LINES OF BUSINESS

INDICATE LINES OF BUSINESS	PREMIUM		PREMIUM		PREMIUM		PREMIUM
BOILER & MACHINERY	\$		CYBER AND PRIVACY	\$		YACHT	\$
BUSINESS AUTO	\$		FIDUCIARY LIABILITY	\$	☒	Excess Liability	\$
BUSINESS OWNERS	\$		GARAGE AND DEALERS	\$			\$
COMMERCIAL GENERAL LIABILITY	\$		LIQUOR LIABILITY	\$			\$
COMMERCIAL INLAND MARINE	\$		MOTOR CARRIER	\$			\$
COMMERCIAL PROPERTY	\$		TRUCKERS	\$			\$
CRIME	\$		UMBRELLA	\$			\$

ATTACHMENTS

ACCOUNTS RECEIVABLE / VALUABLE PAPERS	GLASS AND SIGN SECTION	STATEMENT / SCHEDULE OF VALUES
ADDITIONAL INTEREST SCHEDULE	HOTEL / MOTEL SUPPLEMENT	STATE SUPPLEMENT (If applicable)
ADDITIONAL PREMISES INFORMATION SCHEDULE	INSTALLATION / BUILDERS RISK SECTION	VACANT BUILDING SUPPLEMENT
APARTMENT BUILDING SUPPLEMENT	INTERNATIONAL LIABILITY EXPOSURE SUPPLEMENT	VEHICLE SCHEDULE
CONDO ASSN BYLAWS (for D&O Coverage only)	INTERNATIONAL PROPERTY EXPOSURE SUPPLEMENT	
CONTRACTORS SUPPLEMENT	LOSS SUMMARY	
COVERAGES SCHEDULE	OPEN CARGO SECTION	
DEALERS SECTION	PREMIUM PAYMENT SUPPLEMENT	
DRIVER INFORMATION SCHEDULE	PROFESSIONAL LIABILITY SUPPLEMENT	
ELECTRONIC DATA PROCESSING SECTION	RESTAURANT / TAVERN SUPPLEMENT	

POLICY INFORMATION

PROPOSED EFF DATE 07/15/2023	PROPOSED EXP DATE 07/15/2024	BILLING PLAN ☐ DIRECT ☐ AGENCY	PAYMENT PLAN	METHOD OF PAYMENT	AUDIT	DEPOSIT \$	MINIMUM PREMIUM \$	POLICY PREMIUM \$
---------------------------------	---------------------------------	---	--------------	-------------------	-------	---------------	-----------------------	----------------------

APPLICANT INFORMATION

NAME (First Named Insured) AND MAILING ADDRESS (including ZIP+4) City of Fayetteville 113 W Mountain, Room 306 Fayetteville, AR 72701		GL CODE	SIC 9121	NAICS 921120	FEIN OR SOC SEC #
		BUSINESS PHONE #: (479) 575-8289			
		WEBSITE ADDRESS			
☐ CORPORATION ☐ INDIVIDUAL	☐ JOINT VENTURE NO. OF MEMBERS AND MANAGERS: _____ ☐ LLC	☐ NOT FOR PROFIT ORG ☐ PARTNERSHIP	☐ SUBCHAPTER "S" CORPORATION ☐ TRUST		
NAME (Other Named Insured) AND MAILING ADDRESS (including ZIP+4)		GL CODE	SIC	NAICS	FEIN OR SOC SEC #
		BUSINESS PHONE #:			
		WEBSITE ADDRESS			
☐ CORPORATION ☐ INDIVIDUAL	☐ JOINT VENTURE NO. OF MEMBERS AND MANAGERS: _____ ☐ LLC	☐ NOT FOR PROFIT ORG ☐ PARTNERSHIP	☐ SUBCHAPTER "S" CORPORATION ☐ TRUST		
NAME (Other Named Insured) AND MAILING ADDRESS (including ZIP+4)		GL CODE	SIC	NAICS	FEIN OR SOC SEC #
		BUSINESS PHONE #:			
		WEBSITE ADDRESS			
☐ CORPORATION ☐ INDIVIDUAL	☐ JOINT VENTURE NO. OF MEMBERS AND MANAGERS: _____ ☐ LLC	☐ NOT FOR PROFIT ORG ☐ PARTNERSHIP	☐ SUBCHAPTER "S" CORPORATION ☐ TRUST		

CONTACT INFORMATION

AGENCY CUSTOMER ID: FAYETTE-01

DKING1

CONTACT TYPE:				CONTACT TYPE:			
CONTACT NAME:				CONTACT NAME:			
PRIMARY PHONE # ☐ HOME ☐ BUS ☐ CELL		SECONDARY PHONE # ☐ HOME ☐ BUS ☐ CELL		PRIMARY PHONE # ☐ HOME ☐ BUS ☐ CELL		SECONDARY PHONE # ☐ HOME ☐ BUS ☐ CELL	
PRIMARY E-MAIL ADDRESS:				PRIMARY E-MAIL ADDRESS:			
SECONDARY E-MAIL ADDRESS:				SECONDARY E-MAIL ADDRESS:			

PREMISES INFORMATION (Attach ACORD 823 for Additional Premises)

LOC # 1	STREET Futrell Drive and Gregg St,		CITY LIMITS ☒ INSIDE	INTEREST ☐ OWNER	# FULL TIME EMPL	ANNUAL REVENUES: \$
BLD # 1	CITY: Fayetteville	STATE: AR	OUTSIDE	TENANT	# PART TIME EMPL	OCCUPIED AREA: SQ FT
						OPEN TO PUBLIC AREA: SQ FT
						TOTAL BUILDING AREA: SQ FT
DESCRIPTION OF OPERATIONS:						ANY AREA LEASED TO OTHERS? Y / N
LOC # 2	STREET Shiloh Drive and Gregg St		CITY LIMITS ☐ INSIDE	INTEREST ☐ OWNER	# FULL TIME EMPL	ANNUAL REVENUES: \$
BLD # 1	CITY: Fayetteville	STATE: AR	OUTSIDE	TENANT	# PART TIME EMPL	OCCUPIED AREA: SQ FT
						OPEN TO PUBLIC AREA: SQ FT
						TOTAL BUILDING AREA: SQ FT
DESCRIPTION OF OPERATIONS:						ANY AREA LEASED TO OTHERS? Y / N
LOC # 3	STREET Razorback Road & W. 15th. St		CITY LIMITS ☐ INSIDE	INTEREST ☐ OWNER	# FULL TIME EMPL	ANNUAL REVENUES: \$
BLD # 1	CITY: Fayetteville	STATE: AR	OUTSIDE	TENANT	# PART TIME EMPL	OCCUPIED AREA: SQ FT
						OPEN TO PUBLIC AREA: SQ FT
						TOTAL BUILDING AREA: SQ FT
DESCRIPTION OF OPERATIONS:						ANY AREA LEASED TO OTHERS? Y / N
LOC # 4	STREET Various-Walking Trail		CITY LIMITS ☒ INSIDE	INTEREST ☐ OWNER	# FULL TIME EMPL	ANNUAL REVENUES: \$
BLD # 1	CITY: Fayetteville	STATE: AR	OUTSIDE	TENANT	# PART TIME EMPL	OCCUPIED AREA: SQ FT
						OPEN TO PUBLIC AREA: SQ FT
						TOTAL BUILDING AREA: SQ FT
DESCRIPTION OF OPERATIONS:						ANY AREA LEASED TO OTHERS? Y / N

NATURE OF BUSINESS

☐ APARTMENTS	☐ CONTRACTOR	☐ MANUFACTURING	☐ RESTAURANT	☐ SERVICE	☒ Contact Curt Mathews-HUB Idaho cur	DATE BUSINESS STARTED (MM/DD/YYYY)
☐ CONDOMINIUMS	☐ INSTITUTIONAL	☐ OFFICE	☐ RETAIL	☐ WHOLESALE		
DESCRIPTION OF PRIMARY OPERATIONS Walking trail, railroad crossings						
RETAIL STORES OR SERVICE OPERATIONS % OF TOTAL SALES:						
INSTALLATION, SERVICE OR REPAIR WORK %						
OFF PREMISES INSTALLATION, SERVICE OR REPAIR WORK %						
DESCRIPTION OF OPERATIONS OF OTHER NAMED INSUREDS						

ADDITIONAL INTEREST (Not all fields apply to all scenarios - provide only the necessary data) Attach ACORD 45 for more Additional Interests

INTEREST	NAME AND ADDRESS RANK:	EVIDENCE:	CERTIFICATE	POLICY	SEND BILL	INTEREST IN ITEM NUMBER	
☐ ADDITIONAL INSURED	Arkansas & Missouri Railroad Company 306 East Emma Springdale, AR 72764					LOCATION:	BUILDING:
☐ BREACH OF WARRANTY						VEHICLE:	BOAT:
☐ CO-OWNER						AIRPORT:	AIRCRAFT:
☐ EMPLOYEE AS LESSOR						ITEM CLASS:	ITEM:
☐ LEASEBACK OWNER						ITEM DESCRIPTION	
☐ LENDER'S LOSS PAYABLE	REFERENCE / LOAN #:	INTEREST END DATE:					
☒ Specific Contract	LIEN AMOUNT:	PHONE (A/C, No, Ext):		FAX (A/C, No):			
REASON FOR INTEREST: Contract				E-MAIL ADDRESS:			

GENERAL INFORMATION

EXPLAIN ALL "YES" RESPONSES				Y / N
1a. IS THE APPLICANT A SUBSIDIARY OF ANOTHER ENTITY ?				N
PARENT COMPANY NAME	RELATIONSHIP DESCRIPTION	% OWNED		
1b. DOES THE APPLICANT HAVE ANY SUBSIDIARIES?				N
SUBSIDIARY COMPANY NAME	RELATIONSHIP DESCRIPTION	% OWNED		
2. IS A FORMAL SAFETY PROGRAM IN OPERATION?				Y
☐ SAFETY MANUAL	☐ SAFETY POSITION	☐ MONTHLY MEETINGS	☐ OSHA	☐
3. ANY EXPOSURE TO FLAMMABLES, EXPLOSIVES, CHEMICALS?				N
4. ANY OTHER INSURANCE WITH THIS COMPANY? (List policy numbers)				N
LINE OF BUSINESS	POLICY NUMBER	LINE OF BUSINESS	POLICY NUMBER	
5. ANY POLICY OR COVERAGE DECLINED, CANCELLED OR NON-RENEWED DURING THE PRIOR THREE (3) YEARS FOR ANY PREMISES OR OPERATIONS? (Missouri Applicants - Do not answer this question)				N
☐ NON-PAYMENT	☐ AGENT NO LONGER REPRESENTS CARRIER	☐		
☐ NON-RENEWAL	☐ UNDERWRITING	☐ CONDITION CORRECTED (Describe):		
6. ANY PAST LOSSES OR CLAIMS RELATING TO SEXUAL ABUSE OR MOLESTATION ALLEGATIONS, DISCRIMINATION OR NEGLIGENT HIRING?				N
7. DURING THE LAST FIVE YEARS (TEN IN RI), HAS ANY APPLICANT BEEN INDICTED FOR OR CONVICTED OF ANY DEGREE OF THE CRIME OF FRAUD, BRIBERY, ARSON OR ANY OTHER ARSON-RELATED CRIME IN CONNECTION WITH THIS OR ANY OTHER PROPERTY? (In RI, this question must be answered by any applicant for property insurance. Failure to disclose the existence of an arson conviction is a misdemeanor punishable by a sentence of up to one year of imprisonment).				N
8. ANY UNCORRECTED FIRE AND/OR SAFETY CODE VIOLATIONS?				N
OCCUR DATE	EXPLANATION	RESOLUTION	RESOLVE DATE	
9. HAS APPLICANT HAD A FORECLOSURE, REPOSSESSION, BANKRUPTCY OR FILED FOR BANKRUPTCY DURING THE LAST FIVE (5) YEARS?				N
OCCUR DATE	EXPLANATION	RESOLUTION	RESOLVE DATE	
10. HAS APPLICANT HAD A JUDGEMENT OR LIEN DURING THE LAST FIVE (5) YEARS?				N
OCCUR DATE	EXPLANATION	RESOLUTION	RESOLVE DATE	
11. HAS BUSINESS BEEN PLACED IN A TRUST? NAME OF TRUST:				N
12. ANY FOREIGN OPERATIONS, FOREIGN PRODUCTS DISTRIBUTED IN USA, OR US PRODUCTS SOLD / DISTRIBUTED IN FOREIGN COUNTRIES? (If "YES", attach ACORD 815 for Liability Exposure and/or ACORD 816 for Property Exposure)				N
13. DOES APPLICANT HAVE OTHER BUSINESS VENTURES FOR WHICH COVERAGE IS NOT REQUESTED?				N
14. DOES APPLICANT OWN / LEASE / OPERATE ANY DRONES? (If "YES", describe use)				N
15. DOES APPLICANT HIRE OTHERS TO OPERATE DRONES? (If "YES", describe use)				N

REMARKS / PROCESSING INSTRUCTIONS (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

PRIOR CARRIER INFORMATION

YEAR	CATEGORY	GENERAL LIABILITY	AUTOMOBILE	PROPERTY	OTHER:
	CARRIER				
	POLICY NUMBER				
	PREMIUM	\$	\$	\$	\$
	EFFECTIVE DATE				
	EXPIRATION DATE				

PRIOR CARRIER INFORMATION (continued)

AGENCY CUSTOMER ID: FAYETTE-01

DKING1

YEAR	CATEGORY	GENERAL LIABILITY	AUTOMOBILE	PROPERTY	OTHER:
	CARRIER				
	POLICY NUMBER				
	PREMIUM	\$	\$	\$	\$
	EFFECTIVE DATE				
	EXPIRATION DATE				
	CARRIER				
	POLICY NUMBER				
	PREMIUM	\$	\$	\$	\$
	EFFECTIVE DATE				
	EXPIRATION DATE				

LOSS HISTORY
☐ Check if none (Attach Loss Summary for Additional Loss Information)

ENTER ALL CLAIMS OR LOSSES (REGARDLESS OF FAULT AND WHETHER OR NOT INSURED) OR OCCURRENCES THAT MAY GIVE RISE TO CLAIMS FOR THE LAST YEARS						TOTAL LOSSES: \$		
DATE OF OCCURRENCE	LINE	TYPE / DESCRIPTION OF OCCURRENCE OR CLAIM	DATE OF CLAIM	AMOUNT PAID	AMOUNT RESERVED	SUBROGATION Y / N	CLAIM OPEN Y / N	

SIGNATURE

Copy of the Notice of Information Practices (Privacy) has been given to the applicant. (Not required in all states, contact your agent or broker for your state's requirements.)

PERSONAL INFORMATION ABOUT YOU, INCLUDING INFORMATION FROM A CREDIT OR OTHER INVESTIGATIVE REPORT, MAY BE COLLECTED FROM PERSONS OTHER THAN YOU IN CONNECTION WITH THIS APPLICATION FOR INSURANCE AND SUBSEQUENT AMENDMENTS AND RENEWALS. SUCH INFORMATION AS WELL AS OTHER PERSONAL AND PRIVILEGED INFORMATION COLLECTED BY US OR OUR AGENTS MAY IN CERTAIN CIRCUMSTANCES BE DISCLOSED TO THIRD PARTIES WITHOUT YOUR AUTHORIZATION. CREDIT SCORING INFORMATION MAY BE USED TO HELP DETERMINE EITHER YOUR ELIGIBILITY FOR INSURANCE OR THE PREMIUM YOU WILL BE CHARGED. WE MAY USE A THIRD PARTY IN CONNECTION WITH THE DEVELOPMENT OF YOUR SCORE. YOU MAY HAVE THE RIGHT TO REVIEW YOUR PERSONAL INFORMATION IN OUR FILES AND REQUEST CORRECTION OF ANY INACCURACIES. YOU MAY ALSO HAVE THE RIGHT TO REQUEST IN WRITING THAT WE CONSIDER EXTRAORDINARY LIFE CIRCUMSTANCES IN CONNECTION WITH THE DEVELOPMENT OF YOUR CREDIT SCORE. THESE RIGHTS MAY BE LIMITED IN SOME STATES. PLEASE CONTACT YOUR AGENT OR BROKER TO LEARN HOW THESE RIGHTS MAY APPLY IN YOUR STATE OR FOR INSTRUCTIONS ON HOW TO SUBMIT A REQUEST TO US FOR A MORE DETAILED DESCRIPTION OF YOUR RIGHTS AND OUR PRACTICES REGARDING PERSONAL INFORMATION.

(Not applicable in AZ, CA, DE, KS, MA, MN, ND, NY, OR, VA, or WV. Specific ACORD 38s are available for applicants in these states.)

(Applicant's Initials):

Applicable in AL, AR, DC, LA, MD, NM, RI and WV: Any person who knowingly (or willfully)* presents a false or fraudulent claim for payment of a loss or benefit or knowingly (or willfully)* presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison. *Applies in MD Only.

Applicable in CO: It is unlawful to knowingly provide false, incomplete, or misleading facts or information to an insurance company for the purpose of defrauding or attempting to defraud the company. Penalties may include imprisonment, fines, denial of insurance and civil damages. Any insurance company or agent of an insurance company who knowingly provides false, incomplete, or misleading facts or information to a policyholder or claimant for the purpose of defrauding or attempting to defraud the policyholder or claimant with regard to a settlement or award payable from insurance proceeds shall be reported to the Colorado Division of Insurance within the Department of Regulatory Agencies.

Applicable in FL and OK: Any person who knowingly and with intent to injure, defraud, or deceive any insurer files a statement of claim or an application containing any false, incomplete, or misleading information is guilty of a felony (of the third degree)*. *Applies in FL Only.

Applicable in KS: Any person who, knowingly and with intent to defraud, presents, causes to be presented or prepares with knowledge or belief that it will be presented to or by an insurer, purported insurer, broker or any agent thereof, any written statement as part of, or in support of, an application for the issuance of, or the rating of an insurance policy for personal or commercial insurance, or a claim for payment or other benefit pursuant to an insurance policy for commercial or personal insurance which such person knows to contain materially false information concerning any fact material thereto; or conceals, for the purpose of misleading, information concerning any fact material thereto commits a fraudulent insurance act.

Applicable in KY, NY, OH and PA: Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim containing any materially false information or conceals for the purpose of misleading, information concerning any fact material thereto commits a fraudulent insurance act, which is a crime and subjects such person to criminal and civil penalties (not to exceed five thousand dollars and the stated value of the claim for each such violation)*. *Applies in NY Only.

Applicable in ME, TN, VA and WA: It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties (may)* include imprisonment, fines and denial of insurance benefits. *Applies in ME Only.

Applicable in NJ: Any person who includes any false or misleading information on an application for an insurance policy is subject to criminal and civil penalties.

Applicable in OR: Any person who knowingly and with intent to defraud or solicit another to defraud the insurer by submitting an application containing a false statement as to any material fact may be violating state law.

Applicable in PR: Any person who knowingly and with the intention of defrauding presents false information in an insurance application, or presents, helps, or causes the presentation of a fraudulent claim for the payment of a loss or any other benefit, or presents more than one claim for the same damage or loss, shall incur a felony and, upon conviction, shall be sanctioned for each violation by a fine of not less than five thousand dollars (\$5,000) and not more than ten thousand dollars (\$10,000), or a fixed term of imprisonment for three (3) years, or both penalties. Should aggravating circumstances [be] present, the penalty thus established may be increased to a maximum of five (5) years, if extenuating circumstances are present, it may be reduced to a minimum of two (2) years.

THE UNDERSIGNED IS AN AUTHORIZED REPRESENTATIVE OF THE APPLICANT AND REPRESENTS THAT REASONABLE INQUIRY HAS BEEN MADE TO OBTAIN THE ANSWERS TO QUESTIONS ON THIS APPLICATION. HE/SHE REPRESENTS THAT THE ANSWERS ARE TRUE, CORRECT AND COMPLETE TO THE BEST OF HIS/HER KNOWLEDGE.

PRODUCER'S SIGNATURE <i>Wehwe</i>	PRODUCER'S NAME (Please Print)	STATE PRODUCER LICENSE NO (Required in Florida)
APPLICANT'S SIGNATURE	DATE	NATIONAL PRODUCER NUMBER



COMMERCIAL GENERAL LIABILITY SECTION

DATE (MM/DD/YYYY)
07/05/2023

AGENCY Hub International Mid-America	License # 100101891	CARRIER	NAIC CODE N/A
POLICY NUMBER	EFFECTIVE DATE 07/15/2023	APPLICANT / FIRST NAMED INSURED City of Fayetteville	

IMPORTANT - If CLAIMS MADE is checked in the COVERAGE / LIMITS section below, this is an application for a claims-made policy.
Read all provisions of the policy carefully.

COVERAGES

LIMITS

☒ COMMERCIAL GENERAL LIABILITY	GENERAL AGGREGATE \$ 5,000,000	PREMIUMS
☐ CLAIMS MADE ☐ OCCURRENCE	LIMIT APPLIES PER: ☐ POLICY ☐ LOCATION	PREMISES/OPERATIONS
☐ OWNER'S & CONTRACTOR'S PROTECTIVE	☐ PROJECT ☐ OTHER:	
	PRODUCTS & COMPLETED OPERATIONS AGGREGATE \$ 5,000,000	PRODUCTS
DEDUCTIBLES	PERSONAL & ADVERTISING INJURY \$	
☐ PROPERTY DAMAGE \$	EACH OCCURRENCE \$ 5,000,000	OTHER
☐ BODILY INJURY \$	DAMAGE TO RENTED PREMISES (each occurrence) \$	
☐ \$ ☐ PER CLAIM ☐ PER OCCURRENCE	MEDICAL EXPENSE (Any one person) \$	TOTAL
	EMPLOYEE BENEFITS \$	
	\$	

OTHER COVERAGES, RESTRICTIONS AND/OR ENDORSEMENTS (For hired/non-owned auto coverages attach the applicable state Business Auto Section, ACORD 137)

APPLICABLE ONLY IN WISCONSIN: IF NON-OWNED ONLY AUTO COVERAGE IS TO BE PROVIDED UNDER THE POLICY:

1. UM / UIM COVERAGE ☐ IS ☐ IS NOT AVAILABLE. 2. MEDICAL PAYMENTS COVERAGE ☐ IS ☐ IS NOT AVAILABLE.

SCHEDULE OF HAZARDS

LOC #	HAZ #	CLASSIFICATION	CLASS CODE	PREMIUM BASIS	EXPOSURE	TERR	RATE		PREMIUM	
							PREM/OPS	PRODUCTS	PREM/OPS	PRODUCTS
1	1	Railroad Street Crossing		U	1					
2	1	Railroad Street Crossing		U	1					
3	1	Railroad Street Crossing		U	1					
4	1	Walking Trail		F	2734					

RATING AND PREMIUM BASIS
(S) GROSS SALES - PER \$1,000/SALES (P) PAYROLL - PER \$1,000/PAY (C) TOTAL COST - PER \$1,000/COST (U) UNIT - PER UNIT
(A) AREA - PER 1,000/SQ FT (M) ADMISSIONS - PER 1,000/ADM (T) OTHER

CLAIMS MADE (Explain all "Yes" responses)

EXPLAIN ALL "YES" RESPONSES	Y / N
1. PROPOSED RETROACTIVE DATE:	
2. ENTRY DATE INTO UNINTERRUPTED CLAIMS MADE COVERAGE:	
3. HAS ANY PRODUCT, WORK, ACCIDENT, OR LOCATION BEEN EXCLUDED, UNINSURED OR SELF-INSURED FROM ANY PREVIOUS COVERAGE?	
4. WAS TAIL COVERAGE PURCHASED UNDER ANY PREVIOUS POLICY?	

EMPLOYEE BENEFITS LIABILITY

1. DEDUCTIBLE PER CLAIM: \$	3. NUMBER OF EMPLOYEES COVERED BY EMPLOYEE BENEFITS PLANS:
2. NUMBER OF EMPLOYEES:	4. RETROACTIVE DATE:

CONTRACTORSAGENCY CUSTOMER ID: **FAYETTE-01****DKING1**

EXPLAIN ALL "YES" RESPONSES (For all past or present operations)					Y / N
1. DOES APPLICANT DRAW PLANS, DESIGNS, OR SPECIFICATIONS FOR OTHERS?					N
2. DO ANY OPERATIONS INCLUDE BLASTING OR UTILIZE OR STORE EXPLOSIVE MATERIAL?					N
3. DO ANY OPERATIONS INCLUDE EXCAVATION, TUNNELING, UNDERGROUND WORK OR EARTH MOVING?					N
4. DO YOUR SUBCONTRACTORS CARRY COVERAGES OR LIMITS LESS THAN YOURS?					N
5. ARE SUBCONTRACTORS ALLOWED TO WORK WITHOUT PROVIDING YOU WITH A CERTIFICATE OF INSURANCE?					N
6. DOES APPLICANT LEASE EQUIPMENT TO OTHERS WITH OR WITHOUT OPERATORS?					N
DESCRIBE THE TYPE OF WORK SUBCONTRACTED	\$ PAID TO SUB-CONTRACTORS:	% OF WORK SUBCONTRACTED:	# FULL-TIME STAFF:	# PART-TIME STAFF:	

PRODUCTS / COMPLETED OPERATIONS

PRODUCTS	ANNUAL GROSS SALES	# OF UNITS	TIME IN MARKET	EXPECTED LIFE	INTENDED USE	PRINCIPAL COMPONENTS	
EXPLAIN ALL "YES" RESPONSES (For all past or present products or operations) PLEASE ATTACH LITERATURE, BROCHURES, LABELS, WARNINGS, ETC.							Y / N
1. DOES APPLICANT INSTALL, SERVICE OR DEMONSTRATE PRODUCTS?							
2. FOREIGN PRODUCTS SOLD, DISTRIBUTED, USED AS COMPONENTS? (If "YES", attach ACORD 815)							
3. RESEARCH AND DEVELOPMENT CONDUCTED OR NEW PRODUCTS PLANNED?							
4. GUARANTEES, WARRANTIES, HOLD HARMLESS AGREEMENTS?							
5. PRODUCTS RELATED TO AIRCRAFT/SPACE INDUSTRY?							
6. PRODUCTS RECALLED, DISCONTINUED, CHANGED?							
7. PRODUCTS OF OTHERS SOLD OR RE-PACKAGED UNDER APPLICANT LABEL?							
8. PRODUCTS UNDER LABEL OF OTHERS?							
9. VENDORS COVERAGE REQUIRED?							
10. DOES ANY NAMED INSURED SELL TO OTHER NAMED INSURED?							

ADDITIONAL INTEREST / CERTIFICATE RECIPIENT

ACORD 45 attached for additional names

INTEREST	NAME AND ADDRESS	RANK:	EVIDENCE:	CERTIFICATE	INTEREST IN ITEM NUMBER	
☐ ADDITIONAL INSURED					LOCATION:	BUILDING:
☐ EMPLOYEE AS LESSOR					ITEM CLASS:	ITEM:
☐ LIENHOLDER					ITEM DESCRIPTION	
☐ LOSS PAYEE						
☐ MORTGAGEE						
REFERENCE / LOAN #:						

GENERAL INFORMATION

EXPLAIN ALL "YES" RESPONSES (For all past or present operations)										Y / N
1. ANY MEDICAL FACILITIES PROVIDED OR MEDICAL PROFESSIONALS EMPLOYED OR CONTRACTED?										N
2. ANY EXPOSURE TO RADIOACTIVE/NUCLEAR MATERIALS?										N
3. DO/HAVE PAST, PRESENT OR DISCONTINUED OPERATIONS INVOLVE(D) STORING, TREATING, DISCHARGING, APPLYING, DISPOSING, OR TRANSPORTING OF HAZARDOUS MATERIAL? (e.g. landfills, wastes, fuel tanks, etc)										N
4. ANY OPERATIONS SOLD, ACQUIRED, OR DISCONTINUED IN LAST FIVE (5) YEARS?										N
5. DO YOU RENT OR LOAN EQUIPMENT TO OTHERS?										N
EQUIPMENT				TYPE OF EQUIPMENT				INSTRUCTION GIVEN (Y/N)		
				SMALL TOOLS		LARGE EQUIPMENT				
				SMALL TOOLS		LARGE EQUIPMENT				
6. ANY WATERCRAFT, DOCKS, FLOATS OWNED, HIRED OR LEASED?										N
7. ANY PARKING FACILITIES OWNED/RENTED?										N
8. IS A FEE CHARGED FOR PARKING?										N
9. RECREATION FACILITIES PROVIDED?										N
10. ARE THERE ANY LODGING OPERATIONS INCLUDING APARTMENTS? (If "YES", answer the following):										N
# APTS	TOTAL APT AREA Sq. Ft.		DESCRIBE OTHER LODGING OPERATIONS							
11. IS THERE A SWIMMING POOL ON PREMISES? (Check all that apply)										N
☐ APPROVED FENCE ☐ LIMITED ACCESS ☐ DIVING BOARD ☐ SLIDE ☐ ABOVE GROUND ☐ IN GROUND ☐ LIFE GUARD										
12. ARE SOCIAL EVENTS SPONSORED?										N
13. ARE ATHLETIC TEAMS SPONSORED?										N
TYPE OF SPORT		CONTACT SPORT (Y/N)	AGE GROUP		TYPE OF SPORT		CONTACT SPORT (Y/N)	AGE GROUP		
			☐ 13 - 18 ☐ 12 & UNDER ☐ OVER 18					☐ 13 - 18 ☐ 12 & UNDER ☐ OVER 18		
EXTENT OF SPONSORSHIP:					EXTENT OF SPONSORSHIP:					
14. ANY STRUCTURAL ALTERATIONS CONTEMPLATED?										N
15. ANY DEMOLITION EXPOSURE CONTEMPLATED?										N

GENERAL INFORMATION (continued)

AGENCY CUSTOMER ID: FAYETTE-01

DKING1

EXPLAIN ALL "YES" RESPONSES (For all past or present operations)

16. HAS APPLICANT BEEN ACTIVE IN OR IS CURRENTLY ACTIVE IN JOINT VENTURES?

Y / N
N

17. DO YOU LEASE EMPLOYEES TO OR FROM OTHER EMPLOYERS?

N

LEASE TO	WORKERS COMPENSATION COVERAGE CARRIED (Y/N)	LEASE FROM	WORKERS COMPENSATION COVERAGE CARRIED (Y/N)

18. IS THERE A LABOR INTERCHANGE WITH ANY OTHER BUSINESS OR SUBSIDIARIES?

N

19. ARE DAY CARE FACILITIES OPERATED OR CONTROLLED?

N

20. HAVE ANY CRIMES OCCURRED OR BEEN ATTEMPTED ON YOUR PREMISES WITHIN THE LAST THREE (3) YEARS?

N

21. IS THERE A FORMAL, WRITTEN SAFETY AND SECURITY POLICY IN EFFECT?

N

22. DOES THE BUSINESSES' PROMOTIONAL LITERATURE MAKE ANY REPRESENTATIONS ABOUT THE SAFETY OR SECURITY OF THE PREMISES?

N

REMARKS (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

SIGNATURE

Applicable in AL, AR, DC, LA, MD, NM, RI and WV: Any person who knowingly (or willfully)* presents a false or fraudulent claim for payment of a loss or benefit or knowingly (or willfully)* presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison. *Applies in MD Only.

Applicable in CO: It is unlawful to knowingly provide false, incomplete, or misleading facts or information to an insurance company for the purpose of defrauding or attempting to defraud the company. Penalties may include imprisonment, fines, denial of insurance and civil damages. Any insurance company or agent of an insurance company who knowingly provides false, incomplete, or misleading facts or information to a policyholder or claimant for the purpose of defrauding or attempting to defraud the policyholder or claimant with regard to a settlement or award payable from insurance proceeds shall be reported to the Colorado Division of Insurance within the Department of Regulatory Agencies.

Applicable in FL and OK: Any person who knowingly and with intent to injure, defraud, or deceive any insurer files a statement of claim or an application containing any false, incomplete, or misleading information is guilty of a felony (of the third degree)*. *Applies in FL Only.

Applicable in KS: Any person who, knowingly and with intent to defraud, presents, causes to be presented or prepares with knowledge or belief that it will be presented to or by an insurer, purported insurer, broker or any agent thereof, any written statement as part of, or in support of, an application for the issuance of, or the rating of an insurance policy for personal or commercial insurance, or a claim for payment or other benefit pursuant to an insurance policy for commercial or personal insurance which such person knows to contain materially false information concerning any fact material thereto; or conceals, for the purpose of misleading, information concerning any fact material thereto commits a fraudulent insurance act.

Applicable in KY, NY, OH and PA: Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim containing any materially false information or conceals for the purpose of misleading, information concerning any fact material thereto commits a fraudulent insurance act, which is a crime and subjects such person to criminal and civil penalties (not to exceed five thousand dollars and the stated value of the claim for each such violation)*. *Applies in NY Only.

Applicable in ME, TN, VA and WA: It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties (may)* include imprisonment, fines and denial of insurance benefits. *Applies in ME Only.

Applicable in NJ: Any person who includes any false or misleading information on an application for an insurance policy is subject to criminal and civil penalties.

Applicable in OR: Any person who knowingly and with intent to defraud or solicit another to defraud the insurer by submitting an application containing a false statement as to any material fact may be violating state law.

Applicable in PR: Any person who knowingly and with the intention of defrauding presents false information in an insurance application, or presents, helps, or causes the presentation of a fraudulent claim for the payment of a loss or any other benefit, or presents more than one claim for the same damage or loss, shall incur a felony and, upon conviction, shall be sanctioned for each violation by a fine of not less than five thousand dollars (\$5,000) and not more than ten thousand dollars (\$10,000), or a fixed term of imprisonment for three (3) years, or both penalties. Should aggravating circumstances [be] present, the penalty thus established may be increased to a maximum of five (5) years, if extenuating circumstances are present, it may be reduced to a minimum of two (2) years.

THE UNDERSIGNED IS AN AUTHORIZED REPRESENTATIVE OF THE APPLICANT AND REPRESENTS THAT REASONABLE INQUIRY HAS BEEN MADE TO OBTAIN THE ANSWERS TO QUESTIONS ON THIS APPLICATION. HE/SHE REPRESENTS THAT THE ANSWERS ARE TRUE, CORRECT AND COMPLETE TO THE BEST OF HIS/HER KNOWLEDGE.

PRODUCER'S SIGNATURE <i>Wehner</i>	PRODUCER'S NAME (Please Print)	STATE PRODUCER LICENSE NO (Required in Florida)
APPLICANT'S SIGNATURE	DATE	NATIONAL PRODUCER NUMBER



DATE: 07/20/2023

From: Janie Williams
Graham-Rogers
501 SE Frank Phillips Blvd
Bartlesville, OK 74003

To: Eric Herget
HUB International

RE: City of Fayetteville

Renewal of Policy #: NEW

QUOTATION

We are pleased to offer the following quotation. Please review this quotation carefully, as the terms and conditions offered may be different than requested. You must contact us in writing to bind coverage, as your office holds no binding authority.

Policy Term: **07/21/2023 - 07/21/2023**

Quote Exp Date: **07/21/2023 12:01 AM**

Quotation Premium

Excluding TRIA		Including TRIA	
Premium:	\$25,000.00	Premium:	\$25,000.00
Broker Fee	\$1,250.00	Broker Fee	\$1,250.00
AR SL Tax(4%)	\$1,050.00	TRIA:	\$500.00
Total:	\$27,300.00	AR SL Tax(4%)	\$1,070.00
		Total:	\$27,820.00

Payment Terms: Premium Due Within 20 Days of Effective Date.

Minimum Earned Percentage: 25.00 %

Note: Fees are fully earned

Policy Type: Occurrence

Carrier(s): Landmark American Ins Co - Non-Admitted
Please be sure to check the Carrier's current A.M. Best rating to satisfy you and your client's interests.

Commercial Umbrella

Limit \$5,000,000

Endorsements/Exclusions: (Standard Company or ISO Exclusions are applicable including, but not limited to the following terms, conditions and exclusions. The state specific forms vary per state, and may not be listed on this proposal. It is your responsibility as agent of the insured to check coverage and terms.)

See Attached

Terms and Conditions:

- No Flat Cancellation(s) Permitted
- Should any loss occur between the date of this quotation/binder and the effective date, the company(ies) reserve the right to withdraw this quotation/binder.

- Signed and dated Acord application due at binding (must be signed and dated by both the Agent and Insured). If there are terms/conditions that are inconsistent with the coverage bound, please note that your binder/policy prevails and any changes to terms/conditions, etc. must be made by endorsement request and are subject to carrier approval.
- Terrorism Coverage is being offered for an additional premium. Please confirm your choice to purchase or decline terrorism coverage as outlined in this quote in writing at time of binding.
- The taxes and fees shown above are based on this account's home state's taxes and rules. If the schedule is altered (mailing address change, amended TIV, adding or deleting properties) prior to binding, it may affect the determination of the home state is and thus the tax/fee percentages may change.
- See Attached for Additional Terms/Conditions/Subjectives



RE: Lead Excess Quote

Submission Number: **761545**
Company: Landmark American Insurance Company - Non-Admitted
(A.M. Best rating: A++ XIV and S&P rating: AA+)
Coverage: Excess Liability
Insured: **City of Fayetteville**
Fayetteville, AR
Policy Dates: July 21, 2023 - July 21, 2024
Form: Form 2007
Please contact the underwriter if you have any questions about the standard provisions of this form.
Limit: \$5,000,000
In Excess Of:
General Liability : \$1,000,000 Occurrence Limit
\$2,000,000 General Aggregate Limit
\$2,000,000 Completed Ops/Products Aggregate Limit
\$1,000,000 Personal & Advertising Injury Limit
Form 2013
Defense Outside Limits

Policy Attachments and Forms

- Absolute Asbestos Exclusion RSG 36003 0904
- Absolute Automobile Exclusion RSG 36112 0821
- Arkansas Changes - Cancellation and Nonrenewal RSG 33028 1208
- Arkansas Surplus Lines Disclosure Notice RSG 99069 0106
- Communicable Disease, Epidemic, and Pandemic Exclusion RSG 36138 0920
- Exclusion - Fluorinated Compounds (PFAS) RSG 36149 0522
- Exclusion - Real and Personal Property - Care Custody and Control RSG 36016 0408
- Exclusion - Sublimited Underlying Coverage RSG 36093 0905
- Exclusion of Certified Acts of Terrorism and Other Nuclear, Bio, Chem or Radio Acts of Terrorism RSG 36045 0315
- Pollution Exclusion Endorsement - Total RSG 36030 0803
- Professional Services Exclusion RSG 36031 0205
- Service of Suit Clause RSG 34006 0407
- State Fraud Statement RSG 99022 1022
- Uninsured Underinsured Motorist Exclusion RSG 36037 0116
- War Liability Exclusion RSG 36044 0404

Lead Company Attachments and Forms

- As per underlying quote submitted to carrier

Premium Amount

Flat Charge:	\$25,000.00
Terrorism Premium:	\$500.00
Gross Premium:	\$25,500.00

Comments:

THE PREMIUM AMOUNT DOES NOT INCLUDE SURPLUS LINES TAX.
YOUR OFFICE IS RESPONSIBLE FOR THE COLLECTION AND FILINGS.

Based on the insured's operations we have identified the Home State as AR.

Please read all terms and conditions shown above carefully as they may not conform to specifications shown on your submission.

Please note: Certificates of Insurance do not amend, extend or alter coverage afforded by any Landmark American Insurance Company policy and are the responsibility of the insured to maintain for their records.

We greatly appreciate your business.



A member of Alleghany Insurance Holdings LLC

OFFER OF TERRORISM COVERAGE

In accordance with the Terrorism Risk Insurance Act, we are required to offer the insured coverage for losses resulting from an act of terrorism, not otherwise excluded by this policy and as covered by the Terrorism Risk Insurance Act. All other policy provisions will apply to coverage for such act of terrorism. The insured must choose whether or not to pay the premium described below under **DISCLOSURE OF PREMIUM** for coverage for acts of terrorism that are ***certified by the Secretary of the Treasury*** as covered acts under the Terrorism Risk Insurance Act, or not to pay the premium, and reject this offer of coverage at the time of binding.

In any case, if the insured rejects terrorism coverage in any scheduled underlying policy, this policy is written to exclude terrorism.

If the premium shown in the **DISCLOSURE OF PREMIUM** is not collected and the insured does not reject coverage for terrorism this policy will be issued excluding acts of terrorism.

DISCLOSURE OF PREMIUM

If you accept this offer, the portion of your premium for the policy term attributable to coverage for all acts of terrorism covered under this policy including terrorist acts certified under the Act is

\$ 500.00 .

DISCLOSURE OF FEDERAL PARTICIPATION IN PAYMENT OF TERRORISM LOSSES

The United States Government, Department of the Treasury, will pay a share of terrorism losses insured under the federal program. The federal share equals 80% of that portion of the amount of such insured losses that exceed the applicable insurer retention. However, if aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a calendar year, the Treasury shall not make any payment for any portion of the amount of such losses that exceeds \$100 billion.

CAP INSURER PARTICIPATION IN PAYMENT OF TERRORISM LOSSES

If aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a calendar year and the Insurer has met our Insurer deductible under the Terrorism Risk Insurance Act, the Insurer will not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.



DATE: 07/20/2023

FROM: Janie Williams
Graham-Rogers
501 SE Frank Phillips Blvd
Bartlesville, OK 74003
Agency Fax: (918)337-3627

TO: Eric Herget
HUB International

RE: City of Fayetteville

Renewal of Policy #: NEW

QUOTATION

We are pleased to offer the following quotation. Please review this quotation carefully, as the terms and conditions offered may be different than requested. You must contact us in writing to bind coverage, as your office holds no binding authority.

Policy Term: 07/20/2023 - 07/20/2024

Quote Exp Date: 07/20/2023 12:01 AM

Quotation Premium

Premium:	\$25,000.00
Broker Fee	\$1,250.00
AR SL Tax(4%)	\$1,050.00
Total:	\$27,300.00

Payment Terms: Premium Due Within 20 Days of Effective Date.

Minimum Earned Percentage: 25.00 %

Note: Fees are fully earned

Policy Type: Occurrence

Carrier(s): Landmark American Ins Co Non-Admitted
Please be sure to check the Carrier's current A.M. Best rating to satisfy you and your client's interests.

Locations: Per Schedule on file with the Company.

Commercial General Liability

General Aggregate:	\$2,000,000	
Products/Completed Operations Aggregate:	\$2,000,000	
Each Occurrence:	\$1,000,000	
Personal and Advertising Injury:	\$1,000,000	
Damages to Premises Rented To You:	\$50,000	
Medical Payments (any one person):	\$5,000	
Deductible (BI/PD)	\$5,000	Per Occurrence

Endorsements/Exclusions: (Standard Company or ISO Exclusions are applicable including, but not limited to the following terms, conditions and exclusions. The state specific forms vary per state, and may not be listed on this proposal. It is your responsibility as agent of the insured to check coverage and terms.)
See Attached

Terms and Conditions:

- No Flat Cancellation(s) Permitted
- Should any loss occur between the date of this quotation/binder and the effective date, the company(ies) reserve the right to withdraw this quotation/binder.
- Signed and dated Acord application due at binding (must be signed and dated by both the Agent and Insured). If there are terms/conditions that are inconsistent with the coverage bound, please note that your binder/policy prevails and any changes to terms/conditions, etc. must be made by endorsement request and are subject to carrier approval.
- Terrorism coverage has been Accepted by the Insured.
- The taxes and fees shown above are based on this account's home state's taxes and rules. If the schedule is altered (mailing address change, amended TIV, adding or deleting properties) prior to binding, it may affect the determination of the home state is and thus the tax/fee percentages may change.
- See Attached for Additional Terms/Conditions/Subjectives



RE: Primary Casualty Quote

Submission Number: 761348

Company: Landmark American Insurance Company - Non-Admitted
(A.M. Best rating: A++ XIV and S&P rating: AA+)

Coverage: Commercial General Liability Including Products Liability

Insured: City of Fayetteville
Fayetteville , AR

Policy Dates: July 20, 2023 - July 20, 2024

Form And Coverages

2013 ISO - Occurrence With Defense Outside Limit - Commercial General Liability Including Products Liability. Please contact the underwriter if you have any questions about the standard provisions of this form.

Each Occurrence: \$1,000,000

General Aggregate: \$2,000,000

Products/Comp. Oper. Aggregate: \$2,000,000

Personal Injury and Advertising Limit: \$1,000,000

Medical Payments: \$5,000

Damage to Premises Rented: \$50,000

Deductible

Each Occurrence: \$5,000 Aggregate: \$0 Defense Outside Deductible

Policy Attachments and Forms

- Amendment of Insured Contract Definition CG 2426 0413
- Arkansas Changes - Cancellation and Nonrenewal IL 0231 1022
- Arkansas Changes - Transfer of Rights of Recovery Against Others to Us IL 0199 0702

- Arkansas Surplus Lines Disclosure Notice RSG 99069 0106
- Commercial General Liability Coverage Form CG 0001 0413
- Common Policy Conditions IL 0017 1198
- Communicable Disease Exclusion CG 2132 0509
- Contractual Liability - Railroads CG 2417 1001
- Deductible Liability Insurance CG 0300 0196
- Exclusion - Absolute Asbestos RSG 16004 0903
- Exclusion - Assault And Battery RSG 16008 1208
- Exclusion - Cross Suits RSG 16014 0604
- Exclusion - Cyber Liability, Data Compromise or Breach, and Statutes Related to Data Security RSG 16123 0821
- Exclusion - Employment Related Practices CG 2147 1207
- Exclusion - Fluorinated Compounds RSG 16132 0522
- Exclusion - Lead RSG 16032 0903
- Exclusion - Sexual Abuse, Molestation, or Human Trafficking RSG 16133 0822
- Exclusion - Silica or Mixed Dust RSG 16080 0304
- Fungi or Bacteria Exclusion CG 2167 1204
- Limitation - Of Coverage To Designated Premises Project Or Operation CG 2144 0417
- Minimum Premium and Minimum Retained Premium RSG 14024 0112
- Non - Accumulation of Limits RSG 14046 0714
- Nuclear Energy Liability Exclusion Endorsement IL 0021 0702
- Primary and Noncontributory - Other Insurance Condition CG 2001 1219
- Service Of Suit RSG 94022 0407
- State Fraud Statement RSG 99022 1022
- Total Pollution Exclusion Endorsement CG 2149 0999

Premium Amount

Flat Charge:	\$25,000.00		
Minimum Premium:	\$25,000.00		
Minimum Earned Premium:	\$6,250.00		
Gross Premium:	\$25,000.00	Based on Estimate Of:	\$0.00

Comments:

THE PREMIUM AMOUNT DOES NOT INCLUDE SURPLUS LINES TAX.
YOUR OFFICE IS RESPONSIBLE FOR THE COLLECTION AND FILINGS.

Based on the insured's operations we have identified the Home State as AR.

Please read all terms and conditions shown above carefully as they may not conform to specifications shown on your submission.

Please note: Certificates of Insurance do not amend, extend or alter coverage afforded by any Landmark American Insurance Company policy and are the responsibility of the insured to maintain for their records.

We greatly appreciate your business.



A member of Alleghany Insurance Holdings LLC



OFFER OF TERRORISM COVERAGE

In accordance with the Terrorism Risk Insurance Act, we are required to offer the insured coverage for losses resulting from an act of terrorism, not otherwise excluded by this policy and as covered by the Terrorism Risk Insurance Act. All other policy provisions will apply to coverage for such act of terrorism. The insured must choose whether or not to pay the premium described below under **DISCLOSURE OF PREMIUM** for coverage for acts of terrorism that are **certified by the Secretary of the Treasury** as covered acts under the Terrorism Risk Insurance Act, or not to pay the premium, and reject this offer of coverage at the time of binding.

In any case, if the insured rejects terrorism coverage in any scheduled underlying policy, this policy is written to exclude terrorism.

If the premium shown in the **DISCLOSURE OF PREMIUM** is not collected and the insured does not reject coverage for terrorism this policy will be issued excluding acts of terrorism.

DISCLOSURE OF PREMIUM

If you accept this offer, the portion of your premium for the policy term attributable to coverage for all acts of terrorism covered under this policy including terrorist acts certified under the Act is

\$ 0 .

DISCLOSURE OF FEDERAL PARTICIPATION IN PAYMENT OF TERRORISM LOSSES

The United States Government, Department of the Treasury, will pay a share of terrorism losses insured under the federal program. The federal share equals 80% of that portion of the amount of such insured losses that exceeds the applicable **Insurer** retention. However, if aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a calendar year, the Treasury shall not make any payment for any portion of the amount of such losses that exceeds \$100 billion.

CAP INSURER PARTICIPATION IN PAYMENT OF TERRORISM LOSSES

If aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a calendar year and the Insurer has met our Insurer deductible under the Terrorism Risk Insurance Act, the Insurer will not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of Treasury.



MEETING OF AUGUST 15, 2023

TO: Mayor Jordan and City Council
THRU: Susan Norton, Chief of Staff
FROM: Yolanda Fields, Comm. Resources Dir./Equity Off.
DATE:
SUBJECT: **Approval of a Budget Adjustment to recognize and budget an Excellerate Foundation grant to the SAFE Program**

RECOMMENDATION:

Staff recommends approval of a budget adjustment to recognize and budget an Excellerate Foundation grant to the SAFE (Shelter Assistance From Extreme Weather) Program in the amount of \$25,000.

BACKGROUND:

The SAFE Program is an internal program that will provide sheltering services for the Fayetteville unsheltered community during times of extreme weather. Community Resources would like to recognize the funds provided by the Excellerate Foundation to the SAFE Program.

DISCUSSION:

The SAFE Program will provide extra emergency shelter beds for people who are homeless during periods of weather that threaten the health and safety of homeless individuals and families in our community when there is not sufficient emergency shelter bed capacity. The program is designed to fund time-limited, temporary shelter beds. It will not provide funding for shelter beds outside of weather-related emergencies.

The Excellerate grant being recognized is \$25,000.

BUDGET/STAFF IMPACT:

Increase Grants & Donations CDBG Projects SAFE Program by \$25,000.00.

ATTACHMENTS: Staff Review - SAFE program, 2023-954 BA Excellerate Grant - SAFE program



City of Fayetteville, Arkansas

113 West Mountain Street
Fayetteville, AR 72701
(479) 575-8323

Legislation Text

File #: 2023-954

Approval of a Budget Adjustment to recognize and budget an Excellerate Foundation grant to the SAFE Program

A RESOLUTION TO APPROVE A BUDGET ADJUSTMENT IN THE AMOUNT OF \$25,000.00 TO RECOGNIZE AND BUDGET AN EXCELLERATE FOUNDATION GRANT TO THE CITY OF FAYETTEVILLE SHELTER ASSISTANCE FROM EXTREME WEATHER PROGRAM

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF FAYETTEVILLE, ARKANSAS:

Section 1: That the City Council of the City of Fayetteville, Arkansas hereby approves a budget adjustment, a copy of which is attached to this Resolution, recognizing and budgeting an Excellerate Foundation grant to the City of Fayetteville Shelter Assistance from Extreme Weather Program.

City of Fayetteville Staff Review Form

2023-954

Item ID

8/15/2023

City Council Meeting Date - Agenda Item Only
N/A for Non-Agenda Item

Yolanda Fields

7/26/2023

COMMUNITY RESOURCES (642)

Submitted By

Submitted Date

Division / Department

Action Recommendation:

Staff recommends approval of a budget adjustment to recognize and budget an Excellerate Foundation grant to the SAFE (Shelter Assistance From Extreme Weather) Program in the amount of \$25,000.00.

Budget Impact:

2180.642.4960-5390.74

Community Resources

Account Number

Fund

32306.2023

Excellerate Grant - SAFE #2023.07.13.CEO04

Project Number

Project Title

Budgeted Item? No

Total Amended Budget

\$ -

Expenses (Actual+Encum)

\$ -

Available Budget

\$ -

Does item have a direct cost? No

Item Cost

\$ -

Is a Budget Adjustment attached? Yes

Budget Adjustment

\$ 25,000.00

Remaining Budget

\$ 25,000.00

V20221130

Purchase Order Number: _____

Previous Ordinance or Resolution # _____

Change Order Number: _____

Approval Date: _____

Original Contract Number: _____

Comments:

Budget Year	Division	Adjustment Number
2023	COMMUNITY RESOURCES (642)	
	Requestor: Yolanda Fields	

Staff recommends approval of a budget adjustment to recognize and budget and Excellerate Foundation grant to the SAFE (Shelter Assistance From Extreme Weather) Program in the amount of \$25,000.

COUNCIL DATE:	8/15/2023
ITEM ID#:	2023-954
Holly Black	
7/27/2023 2:27 PM	
Budget Division	Date
TYPE:	D - (City Council)
JOURNAL #:	
GLDATE:	
CHKD/POSTED:	/

[illegible]



MEETING OF AUGUST 15, 2023

TO: Mayor Jordan and City Council

THRU: Susan Norton, Chief of Staff

FROM: Tim Nyander, Utilities Director

DATE:

SUBJECT: JWC Environmental - Channel Monster Repair for Hamestring Sewer Lift Station

RECOMMENDATION:

Staff recommends approval of a quote in the amount of \$81,151.09 plus applicable taxes and freight charges from JWC Environmental for the repair of a Channel Monster Grinder for the Hamestring Sewer Lift Station.

BACKGROUND:

A Channel Monster is a grinder that shreds large debris and trash. Incoming flow to the Hamestring Sewer Lift Station (LS7) passes through a Channel Monster before reaching the station's seven pumps as well as downstream process systems, such as the West Side Water Resource Recovery Facility (WRRF). The Channel Monster assists by removing material that would damage the downstream pumps, pipes, and process equipment.

DISCUSSION:

There are two Channel Monster units assigned to the Hamestring Lift Station, one that is in-service and a critical spare. The units require preventive maintenance exchange, approximately every 2 years, which requires the in-service unit removed from service and rebuilt. The critical spare unit is then utilized as the primary unit for continued screening and grinder operation until service or repairs are needed and then the process is repeated.

The critical spare Channel Monster was recently removed from service by staff and sent to JWC Environmental for an inspection and repair estimate. The JWC technicians completed their evaluation and identified several parts that need to be replaced. They provided a quote in the amount of \$81,151.09 plus applicable taxes to complete the repair. Freight is included in the quoted price, and taxes are estimated at \$7,885.23 for a total estimated cost of \$89,063.32. A bid waiver is requested because JWC Environmental is the only authorized company to sell and service the Channel Monster equipment.

BUDGET/STAFF IMPACT:

Funds are available in the WWTP Upgrade/Replace Lift Stations account within the Water & Sewer fund.

ATTACHMENTS: SRF JWC Environmental, Quote from JWC Environmental

Mailing address:

113 W. Mountain Street
Fayetteville, AR 72701

www.fayetteville-ar.gov



City of Fayetteville, Arkansas

113 West Mountain Street
Fayetteville, AR 72701
(479) 575-8323

Legislation Text

File #: 2023-947

JWC Environmental - Channel Monster Repair for Hamestring Sewer Lift Station

A RESOLUTION TO ACCEPT A QUOTE IN THE AMOUNT OF \$81,151.09 PLUS APPLICABLE TAXES AND FREIGHT CHARGES FROM JWC ENVIRONMENTAL FOR THE REPAIR OF A CHANNEL MONSTER GRINDER USED AT THE HAMESTRING SEWER LIFT STATION

WHEREAS, a Channel Monster grinder used at the Hamestring Sewer Lift Station was recently shipped to JWC Environmental to disassemble, inspect, and provide a quote for repair of the grinder; and

WHEREAS, pursuant to Ark. Code Ann. §19-11-203(14)(DD), formal competitive bidding is not necessary for the repair of "hidden or unknown damages."

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF FAYETTEVILLE, ARKANSAS:

Section 1: That the City Council of the City of Fayetteville, Arkansas hereby determines that because of Ark. Code Ann. § 19-11-203(14)(DD), repair of "hidden or unknown damages," the repair of the pump does not require formal competitive bidding and, therefore, accepts the quote in the amount of \$81,151.09 (plus any applicable taxes and freight charges) from JWC Environmental for the repair of a Channel Monster grinder used at the Hamestring Sewer Lift Station.

City of Fayetteville Staff Review Form

2023-947

Item ID

8/15/2023

City Council Meeting Date - Agenda Item Only
N/A for Non-Agenda Item

Tim Nyander

7/20/2023

WASTEWATER TREATMENT (730)

Submitted By

Submitted Date

Division / Department

Action Recommendation:

Staff recommends approval of a quote in the amount of \$81,151.09 plus applicable taxes and freight charges from JWC Environmental for the repair of the Channel Monster Grinder for the Hamstring Sewer Lift Station.

Budget Impact:

5400.7303.5800-5414.00

Water and Sewer

Account Number

Fund

02068.1

WWTP Upgrade/Replace Lift Stations

Project Number

Project Title

Budgeted Item? Yes

Total Amended Budget

\$ 1,030,701.00

Expenses (Actual+Encum)

\$ 269,895.99

Available Budget

\$ 760,805.01

Does item have a direct cost? Yes

Item Cost

\$ 89,063.32

Is a Budget Adjustment attached? No

Budget Adjustment

\$ -

Remaining Budget

\$ 671,741.69

V20221130

Purchase Order Number:

Previous Ordinance or Resolution #

Change Order Number:

Approval Date:

Original Contract Number:

Comments: Freight is included in the quoted price, and taxes are estimated at \$7,885.23 for a total estimated cost of \$89,063.32.



Customer Service Center
2600 S. Garnsey Street
Santa Ana, CA 92707 USA
Phone: 949 833-3888
Toll Free: 800 331-2277
Fax: 714 242-0240

Customer:

Jacobs Engineering
10816 Executive Center Drive, Suite 300
C/O: Josh Alleman
Little Rock, AR 72211
US

Quote Number: 68872 RevB
Quote Date: 07/14/2023
Terms: Net 30
Pricing: Valid 60 Days
FOB: Origin
Lead Time: 10-12 Weeks ARO
Grinder Serial #: 110269-1-1
Ticket #: CAS-115630-T9N2

Project: OMI/CH2M Hill

Part Number	Description	Qty	Unit Price	Extended Price
EVAL_CA	CDD6020-XDM2.5 Repair Evauation SN: 110269-1-1	1	\$0.00	\$0.00
CDD6020-XDM2.5	CDD6020-XDM2.5 Repair 7-tooth 2-zone Monster Stack™ Zone 2: 11-tooth .438 thick cam cutters Zone 1: 7-tooth .875 thick cam cutters, double-stacked Alloy Steel Buna N Elastomers Cork & Rubber Gaskets Drum Side Rails Vertical Shaft Support with Grease Lines Motor Type: Electric Less Motor Less Reducer Less Spool 1/2" Diameter Coil Drums with brushes Paint: Epoxy Green Grinder SN: TBD	1	\$71,613.00	\$71,613.00
A20313-0377-145T-IM -SV	REDUCER ASY, 377:1 145TC IMM (SRV) Paint: Epoxy Green-Assemble to grinder	1	\$4,192.09	\$4,192.09
RL	Repair Labor	1	\$0.00	\$0.00
Shipping	Shipping & Handling	1	\$5,346.00	\$5,346.00

Please verify serial number is correct.

Sub Total **\$81,151.09**
Tax



Customer Service Center
2600 S. Garnsey Street
Santa Ana, CA 92707 USA
Phone: 949 833-3888
Toll Free: 800 331-2277
Fax: 714 242-0240

Total \$81,151.09

Notes:

1. Please fax or mail a Purchase Order for the total amount and we can process your order. Please include the following:
Bill to Address, Ship to Address, and sales tax exemption certificate.
2. Reference the JWC quote number on your purchase order..
3. Availability of parts are subject to change at any time.
4. 20% restocking fee on all returns.
5. Sales tax is not included in price.
6. JWCE standard one year warranty included except for older models i.e. GTS, MS and SPF models.
7. Subject to attached JWC Environmental Standard Terms and Conditions of Sale.

Thank-You for your Business!

JWC Environmental Inc
Irene Gomez
Customer Service



Customer Service Center
2600 S. Garnsey Street
Santa Ana, CA 92707 USA
Phone: 949 833-3888
Toll Free: 800 331-2277
Fax: 714 242-0240

Please provide the following information. Failure to do so may delay processing of order. Quote #: 68872 RevB

All orders will be billed the applicable sales tax, based on the "ship to address", unless a valid tax exemption certificate is provided prior to shipment.

Bill To Name & Address:

City of Fayetteville, AR
113 W Mountain St
Fayetteville, AR 72701

Ship To Name & Address:

Provided by Jacobs Engineering.

Email Address: kfankhouser@fayetteville-ar.gov

PO# _____

Payment terms: Net 30 **FOB:** Origin

Preferred Shipping Method (Required to Process Your Order):

☒ Prepay & Add to Invoice

☐ Collect **Account #:** _____

Carrier: _____

JWCE will add shipping and handling charges to invoices unless otherwise specified.

Please fax or email your PO and most recent tax certificate to:
Fax (714) 242-0240
Email servicesales@jwce.com

Signature: _____

Date: _____



Customer Service Center
2600 S. Garnsey Street
Santa Ana, CA 92707 USA
Phone: 949 833-3888
Toll Free: 800 331-2277
Fax: 714 242-0240

JWC ENVIRONMENTAL TERMS AND CONDITIONS OF SALE

Unless otherwise specifically agreed to in writing by the buyer ("Buyer") of the products and or related services purchased hereunder (the "Products") and JWC Environmental (the "Seller"), the sale of the Products is made only upon the following terms and conditions. Whether these terms are included in an offer or an acceptance by Seller, such offer or acceptance is conditioned on Buyer's assent to these terms. Seller rejects all additional, conditional and different terms in Buyer's form or documents.

PAYMENT TERMS

Subject to any contrary terms set forth in our price quotation, order acceptance or invoice the full net amount of each invoice is due and payable in cash within 30 days from the date of the invoice. If any payment is not received within such 30-day period, Buyer shall pay Seller the lesser of 1 ½% per month or the maximum legal rate on all amounts not received by the due date of the invoice, from the 31st day after the date of invoice until said invoice and charges are paid in full. Unless Seller's documents provide otherwise, freight, storage, insurance and all taxes, duties or other governmental charges related to the Products shall be paid by the Buyer. If Seller is required to pay any such charges, Buyer shall immediately reimburse Seller for said charges. In all cases, regardless of partial payment, title to the Products shall remain the Seller's until payment for the Products has been made in full. All orders are subject to credit approval by Seller. All offers by Seller and/or acceptance of Buyer's order shall be nullified by any failure of Buyer to obtain credit approval. Furthermore, Buyer shall not assert any claim against Seller due to Buyer's inability to obtain credit approval. Irrevocable Letter of Credit from Buyer in form and term acceptable to Seller is required for Product orders delivered outside the United States of America

DELIVERY

Unless otherwise provided in our price quotation, delivery of the Products shall be made F.O.B. place of manufacture. Any shipment, delivery, installation or service dates quoted by the Seller are estimated and the Seller shall be obligated only to use reasonable efforts to meet such dates. The Seller shall in no event be liable for any delays in delivery or failure to give notice of delay or for any other failure to perform hereunder due to causes beyond the reasonable control of the Seller. Such causes shall include, but not be limited to, acts of God, the elements, acts or omissions of manufacturers or suppliers of the Products or parts thereof, acts or omissions of Buyer or civil and military authorities, fires, labor disputes or any other inability to obtain the Products, parts thereof, or necessary power, labor, materials or supplies. The Seller will be entitled to refuse to make, or to delay, any shipments of the Products if Buyer shall fail to pay when due any amount owed by it to the Seller, whether under this or any other contract between the Seller and Buyer. Any claims for shortages must be made to the Company in writing within five calendar days from the delivery date and disposition of the claim is solely subject to Seller's determination

PRICES

Prices of the Seller's Products are subject to change without notice. Quotations are conditioned upon acceptance within 30 days unless otherwise stated and are subject to correction for errors and/or omissions. Prices include charges for regular packaging but, unless expressly stated, do not include charges for special requirements of government or other purchaser. Prices are subject to adjustment should Buyer place an order past the validity period of the quotation or delay delivery of Products beyond the quoted lead time for any reason.

RETURNS

No Products may be returned for cash. No Product may be returned for credit after delivery to Buyer without Buyer first receiving written permission from the Seller. Buyer must make a request for return of Product in writing to Seller at its place of business in Costa Mesa, California. A return material authorization number must be issued by the Seller to the Buyer before a Product may be returned. Permission to return Product to Seller by Buyer is solely and exclusively the Seller's. Product must be returned to Seller at Buyer's expense, including packaging, insurance, transportation and any governmental fees. Any credit for Product returned to Seller shall be subject to the inspection of and acceptance of the Product by the Seller and is at the sole discretion of the Seller.

LIMITED WARRANTY

Subject to the terms and conditions hereof, the Seller warrants until one year after commissioning (written notification to Seller by Buyer required) of the Product or until 18 months after delivery of such Product to Buyer, whichever is earlier, that each Product will be free of defects in material and workmanship. If (a) the Seller receives written notification of such defect during the warranty period and the defective Products use is discontinued promptly upon discovery of alleged defect, and (b) if the owner ("Owner") forwards the Product to the Seller's nearest service/repair facility, transportation and related insurance charges prepaid. The Seller will cause any Products whose defect is covered under this warranty to either be replaced or be repaired at no cost to the Owner. The foregoing warranty does not cover repairs required due to repair or alteration other than by the Seller's personnel, accident, neglect, misuse, transportation or causes other than ordinary use and maintenance in accordance with the Seller's instructions and specifications. In addition, the foregoing warranty does not cover any Products, or components thereof, which are not directly manufactured by the Seller. To the extent a warranty for repair or replacement of such Products or components not manufactured directly by the Seller is available to Buyer under agreements of the Seller with its vendors; the Seller will make such warranties available to Buyer. Costs of transportation of any covered defective item to and from the nearest service/repair center and related insurance will be paid or reimbursed by Buyer. Any replaced Products will become the property of the Seller. Any replacement Products will be warranted only for any remaining term of the original limited warranty period and not beyond that term.

DISCLAIMER OF WARRANTIES AND LIMITATIONS OF LIABILITIES

THE SELLER'S FOREGOING LIMITED WARRANTY IS THE EXCLUSIVE AND ONLY WARRANTY WITH RESPECT TO THE PRODUCTS AND SHALL BE IN LIEU OF ALL OTHER WARRANTIES (OTHER THAN THE WARRANTY OF TITLE), EXPRESS, STATUTORY OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, ANY IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE AND ANY STATEMENTS MADE BY EMPLOYEES, AGENTS OF THE SELLER OR OTHERS REGARDING THE PRODUCTS. THE OBLIGATIONS OF THE SELLER UNDER THE FOREGOING WARRANTY SHALL BE FULLY SATISFIED BY THE REPAIR OR THE REPLACEMENT OF THE DEFECTIVE PRODUCT OR PART, AS PROVIDED ABOVE. IN NO EVENT SHALL THE SELLER BE LIABLE FOR LOST PROFITS OR OTHER SPECIAL, INDIRECT OR CONSEQUENTIAL DAMAGES, EVEN IF THE SELLER HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. THE TOTAL LIABILITY OF THE SELLER TO BUYER AND OTHERS ARISING FROM ANY CAUSE WHATSOEVER IN CONNECTION WITH BUYER'S PURCHASE, USE AND DISPOSITION OF ANY PRODUCT COVERED HEREBY SHALL, UNDER NO CIRCUMSTANCES, EXCEED THE PURCHASE PRICE PAID FOR THE PRODUCT BY BUYER. NO ACTION, REGARDLESS OF FORM, ARISING FROM THIS AGREEMENT OR BASED UPON BUYER'S PURCHASE, USE OR DISPOSITION OF THE PRODUCTS MAY BE BROUGHT BY EITHER PARTY MORE THAN ONE YEAR AFTER THE CAUSE OF ACTION ACCRUES, EXCEPT THAT ANY CAUSE OF ACTION FOR THE NONPAYMENT OF THE PURCHASE PRICE MAY BE BROUGHT AT ANY TIME

The remedies provided to Buyer pursuant to the limited warranty, disclaimer of warranties and limitations of liabilities, described herein are the sole and exclusive remedies.

Unless specifically agreed to in writing by the Seller, no charges may be made to the Seller by Buyer or any third party employed by buyer for removing, installing or modifying any Product.

The Seller and its representatives may furnish, at no additional expense, data and engineering services relating to the application, installation, maintenance or use of the Products by Buyer. The Seller will not be responsible for, and does not assume any liability whatsoever for, damages of any kind sustained either directly or indirectly by any person through the adoption or use of such data or engineering services in whole or in part.

CONFIDENTIAL INFORMATION

Except with the Seller's prior written consent, Buyer shall not use, duplicate or disclose any confidential proprietary information delivered or disclosed by the Seller to Buyer for any purpose other than for operation or maintenance of the Products.

CANCELLATION AND DEFAULT

Absolutely no credit will be allowed for any change or cancellation of an order for Products by Buyer after fabrication of the Products to fill Buyer's order has been commenced. If Buyer shall default in paying for any Products purchased hereunder, Buyer shall be responsible for all reasonable costs and expenses, including (without limitation) attorney's fees incurred by the Seller in collecting any sums owed by Buyer. All rights and remedies to the Seller hereunder or under applicable laws are cumulative and none of them shall be exclusive of any other right to remedy. No failure by the Seller to enforce any right or remedy hereunder shall be deemed to be a waiver of such right or remedy, unless a written waiver is signed by an authorized management employee of the Seller and the Seller's waiver of a breach of this agreement by Buyer shall not be deemed to be a waiver of any other breach of the same or any other provision.

CHANGES IN PRODUCTS

Changes may be made in materials, designs and specifications of the Products without notice. The Seller shall not incur any obligation to furnish or install any such changes or modifications on Products previously ordered by, or sold to, Buyer.

APPLICABLE LAW, RESOLUTION OF DISPUTES AND SEVERABILITY

This agreement is entered into in Costa Mesa, California. This agreement and performance by the parties hereunder shall be construed in accordance with, and governed by, the laws of the State of California. Any claim or dispute arising from or based upon this agreement or the Products which form its subject matter shall be resolved by binding arbitration before the American Arbitration Association in Los Angeles, California, pursuant to the Commercial Arbitration Rules, excepting only that each of the parties shall be entitled to take no more than two depositions, and serve no more than 30 interrogatories, 10 requests for admissions and 20 individual requests for production of documents, such discovery to be served pursuant to the California Code of Civil Procedure. Any award made by the arbitrator may be entered as a final judgment, in any court having jurisdiction to do so. If any provision of this agreement shall be held by a court of competent jurisdiction or an arbitrator to be unenforceable to any extent, that provision shall be enforced to the full extent permitted by law and the remaining provisions shall remain in full force and effect.

ASSIGNMENT

This agreement shall be binding upon the parties and their respective successors and assigns. However, except for rights expressly provided to subsequent Owners of the Products under "Limited Warranty" above, any assignment of this agreement or any rights hereunder by Buyer shall be void without the Company's written consent first obtained. Any exercise of rights by an Owner other than Buyer shall be subject to the Company's written consent first obtained.



Customer Service Center
2600 S. Garnsey Street
Santa Ana, CA 92707 USA
Phone: 949 833-3888
Toll Free: 800 331-2277
Fax: 714 242-0240

to all of the limitations on liability and other related terms and conditions set forth in this agreement.

EXCLUSIVE TERMS AND CONDITIONS

The terms and conditions of this agreement may be changed or modified only by an instrument in writing signed by an authorized management employee of the Seller. This instrument, together with any amendment or supplement hereto specifically agreed to in writing by an authorized management employee of the Seller, contains the entire and the only agreement between the parties with respect to the sale of the Products covered hereby and supersedes any alleged related representation, promise or condition not specifically incorporated herein.

SELLER'S PRODUCTS ARE OFFERED FOR SALE AND SOLD ONLY ON THE TERMS AND CONDITIONS CONTAINED HEREIN. NOTWITHSTANDING ANY DIFFERENT OR ADDITIONAL TERMS OR CONDITIONS CONTAINED IN BUYER'S SEPARATE PURCHASE ORDERS OR OTHER ORAL OR WRITTEN COMMUNICATION, BUYER'S ORDER IS OR SHALL BE ACCEPTED BY THE COMPANY ONLY ON THE CONDITION THAT BUYER ACCEPTS AND CONSENTS TO THE TERMS AND CONDITIONS CONTAINED HEREIN. IN THE ABSENCE OF BUYER'S ACCEPTANCE OF THE TERMS AND CONDITIONS CONTAINED HEREIN THE SELLER'S COMMENCEMENT OF PERFORMANCE AND/OR DELIVERY OF THE PRODUCTS, OR THE SELLER'S STATEMENT OF ACKNOWLEDGMENT OF THE RECEIPT OF BUYER'S PURCHASE ORDER, SHALL BE FOR BUYER'S CONVENIENCE ONLY AND SHALL NOT BE DEEMED OR CONSTRUED TO BE ACCEPTANCE OF BUYER'S DIFFERING TERMS OR CONDITIONS, OR ANY OF THEM. ANY DIFFERENT OR ADDITIONAL TERMS ARE HEREBY REJECTED UNLESS SPECIFICALLY AGREED UPON IN WRITING BY AN AUTHORIZED MANAGEMENT EMPLOYEE OF THE SELLER. IF A CONTRACT IS NOT EARLIER FORMED BY MUTUAL AGREEMENT IN WRITING, BUYER'S ACCEPTANCE OF ANY PRODUCTS COVERED HEREBY SHALL BE DEEMED ACCEPTANCE OF ALL OF THE TERMS AND CONDITIONS STATED HEREIN. THE SELLER'S FAILURE TO OBJECT TO PROVISIONS INCONSISTENT HERewith CONTAINED IN ANY COMMUNICATION FROM BUYER SHALL NOT BE DEEMED A WAIVER OF THE PROVISIONS CONTAINED HEREIN.

F360JWCE0107



MEETING OF AUGUST 15, 2023

TO: Mayor Jordan and City Council
THRU: Chris Brown, Public Works Director
FROM: Alan Pugh, Staff Engineer
DATE:
SUBJECT: Approval of the 2023 USGS joint funding agreement in the amount of \$56,930 (City's share) for stream gauge operation and maintenance for various locations within the City of Fayetteville.

RECOMMENDATION:

Staff recommends approval of the 2023 USGS joint funding agreement in the amount of \$56,930 (City's share) for stream gauge operation and maintenance for various locations within the City of Fayetteville.

BACKGROUND:

In 2015 the City of Fayetteville modified its contract with USGS to begin monitoring both flow and major pollutants at two location on major outfalls from the City, Town Branch and Mud Creek . This data is being gathered continuously and through sampling at various times in order to more closely model the pollutant concentrations in these streams. This combined with the flow data will give accurate information on the total amount of the various constituents being measured leaving the City at these points. The information produced by the gauges can be viewed on the USGS website by following:

Town Branch: <http://waterdata.usgs.gov/usa/nwis/uv?07048495>

Mud Creek: http://waterdata.usgs.gov/ar/nwis/uv?site_no=071948095

DISCUSSION:

Staff has proposed revisions from the 2022 program with the USGS. The main revision would include a separate agreement with the Watershed Resource Center for all sampling while maintaining this agreement with the USGS for stream gauge monitoring and maintenance as well as the real time monitoring of certain constituents. The program would continue to include continuous monitoring of flow, turbidity, temperature and conductance at two locations within the City of Fayetteville. However, one of the locations is proposed to move from the Armstrong Bridge at Town Branch to the Morningside Bridge at Town Branch directly upstream. The main reason is to avoid backwater impacts from the West Fork White River currently influencing the gauge. The Town Branch Bridge has recently been removed from the scour critical list and the gauge will be moved in the upcoming months.

The first station is located on Town Branch near Armstrong currently and would monitor a largely developed area that discharges into the West Fork White River. The West Fork White River currently has Total Maximum Daily Load (TMDL) defined by ADEQ for turbidity. Monitoring just upstream of the West Fork allows the City to determine Fayetteville's contribution to this TMDL. Results indicate that the stream may meet the TMDL for

Mailing address:

113 W. Mountain Street
Fayetteville, AR 72701

www.fayetteville-ar.gov

base flow conditions, however, it much higher during storm events. If/when the gauge is moved it will continue to run in the same fashion as that listed here.

The second station is located on Mud Creek near Greg Avenue and monitors a largely developed area that discharges into the Illinois River via Clear Creek. Clear Creek is currently on the impaired list for pathogens, however, has been found to meet water quality standards over the last few years. This gauge is in place to meet the sampling requirements in the Municipal Separate Storm Sewer (MS4) permit for discharge into an impaired waterway.

BUDGET/STAFF IMPACT:

The total cost for the program described above would be \$61,930 with the USGS contributing \$5,000 in Cooperative Funding for a total cost to the City of Fayetteville of \$56,930. In addition to the Cooperative Funds, the USGS provided and installed the equipment in 2015 at no cost to the City. The City portion is proposed to be split between the Engineering Division and the Water and Sewer Department. As the information collected would benefit both departments equally, it is proposed to split the required funds 50/50 between the two projects, or a total of \$28,465 each.

ATTACHMENTS: Staff Review Form 2023 USGS-City Joint Funding Agreement, 2023 USGS_City Joint Funding Agreement

Mailing address:

113 W. Mountain Street
Fayetteville, AR 72701

www.fayetteville-ar.gov



City of Fayetteville, Arkansas

113 West Mountain Street
Fayetteville, AR 72701
(479) 575-8323

Legislation Text

File #: 2023-956

Approval of the 2023 USGS joint funding agreement in the amount of \$56,930 (City's share) for stream gauge operation and maintenance for various locations within the City of Fayetteville.

A RESOLUTION TO APPROVE A JOINT FUNDING AGREEMENT WITH THE U.S. GEOLOGICAL SURVEY FOR STREAM GAUGE OPERATION AND MAINTENANCE AND WATER QUALITY SAMPLING AND MONITORING AT VARIOUS LOCATIONS IN THE CITY OF FAYETTEVILLE IN 2023 WITH THE AMOUNT PAID BY THE CITY NOT TO EXCEED \$56,930.00

WHEREAS, since 1998, the City of Fayetteville has participated in a joint funding agreement with the U.S. Geological Survey for the operation and maintenance of urban stream gauging stations to record data concerning rainfall and runoff; and

WHEREAS, in 2015, the City modified its agreement with the USGS to begin monitoring major pollutants at Town Branch and Mud Creek and the City will continue this monitoring to provide more accurate information regarding the pollutants leaving the City at these points; and

WHEREAS, the USGS, which purchased and installed the monitoring equipment at no cost to the City, provides these services at a cost much lower than the City could receive from any other provider; and

WHEREAS, pursuant to A.C.A. §14-58-104 the City may renew or extend the term of an existing contract without soliciting bids.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF FAYETTEVILLE, ARKANSAS:

Section 1: That the City Council of the City of Fayetteville, Arkansas hereby approves and authorizes Mayor Jordan to sign a joint funding agreement, a copy of which is attached to this Resolution and made a part hereof, between the City of Fayetteville and the U.S. Geological Survey for stream gauge operation and maintenance and water quality sampling and monitoring at various locations in the City of Fayetteville in 2023 with the amount paid by the City of Fayetteville not to exceed \$56,930.00.

City of Fayetteville Staff Review Form

2023-956

Item ID

8/15/2023

City Council Meeting Date - Agenda Item Only
N/A for Non-Agenda Item

Chris Brown

7/26/2023

ENGINEERING (621)

Submitted By

Submitted Date

Division / Department

Action Recommendation:

Approval of the 2023 USGS joint funding agreement in the amount of \$56,930 (City's share) for stream gauge operation and maintenance for various locations within the City of Fayetteville.

Budget Impact:

4470.621.8810-5314.00 and 5400.730.5800-5314.00

Account Number

02108.1 and 13018.1

Project Number

4470-Sales Tax Capital Improvement 5400-Water and Sewer

Fund

Other Drainage Improvements and Wastewater Treatment/Water Quality

Project Title

Budgeted Item? Yes

Total Amended Budget

\$ 1,244,735.00

Expenses (Actual+Encum)

\$ 129,472.32

Available Budget

\$ 1,115,262.68

Does item have a direct cost? Yes

Item Cost

\$ 56,930.00

Is a Budget Adjustment attached? No

Budget Adjustment

\$ -

Remaining Budget

\$ 1,058,332.68

V20221130

Purchase Order Number:

Previous Ordinance or Resolution #

Change Order Number:

Approval Date:

Original Contract Number:

Comments:



United States Department of the Interior

U.S. GEOLOGICAL SURVEY
Lower Mississippi-Gulf Water Science Center
640 Grassmere Park, Suite 100
Nashville, TN 37211

June 29, 2023

Mr. Lioneld Jordan
Mayor
City of Fayetteville
113 West Mountain Street
Fayetteville, AR 72701

Dear Mr. Jordan:

Enclosed is a standard joint-funding agreement between the U.S. Geological Survey and City of Fayetteville for the operation and maintenance of two stream gages and two continuous water-quality meters, one on Mud Creek and one on Town Branch, during the period December 1, 2023 through December 31, 2023 in the amount of \$56,930 from your agency. U.S. Geological Survey contributions for this agreement are \$5,000 for a combined total of \$61,930. Please sign and return one fully-executed original to My-Chae' J. May, Budget Analyst at **3535 S. Sherwood Forest Boulevard, Ste. 120 Baton Rouge, LA 70816**.

Federal law requires that we have a signed agreement before we start or continue work. Please return the signed agreement **as soon as possible**. If, for any reason, the agreement cannot be signed and returned by the date shown above, please contact Drew Westerman by phone number (501) 228-3643 or email dawester@usgs.gov to make alternative arrangements.

This is a fixed cost agreement to be billed **quarterly** via Down Payment Request (automated Form DI-1040). Please allow 30-days from the end of the billing period for issuance of the bill. If you experience any problems with your invoice(s), please contact My-Chae May at phone number (225) 298-5481 or email at gs-w-lmg-agreements@usgs.gov.

The results of all work performed under this agreement will be available for publication by the U.S. Geological Survey. We look forward to continuing this and future cooperative efforts in these mutually beneficial water resources studies.

Sincerely,

Shannon D. Williams, acting for:

Rodney R. Knight
Director, LMG Water Science Center

Enclosure
23MLJFAARDA150 (2)

U.S. Department of the Interior
U.S. Geological Survey
Joint Funding Agreement
FOR
Water Resource Investigations

Customer #: 6000000775
Agreement #: 23MLJFAARDA150
Project #: ML009Z5
TIN #: 71-6018462

Fixed Cost Agreement YES[X] NO[]

THIS AGREEMENT is entered into as of the January 1, 2023, by the U.S. GEOLOGICAL SURVEY, Lower Mississippi-Gulf Water Science Center, UNITED STATES DEPARTMENT OF THE INTERIOR, party of the first part, and the City of Fayetteville party of the second part.

1. The parties hereto agree that subject to the availability of appropriations and in accordance with their respective authorities there shall be maintained in cooperation the operation and maintenance of stream gages and continuous water-quality meters, herein called the program. The USGS legal authority is 43 USC 36C; 43 USC 50, and 43 USC 50b.

2. The following amounts shall be contributed to cover all of the cost of the necessary field and analytical work directly related to this program. 2(b) include In-Kind-Services in the amount of \$0.00

- (a) \$5,000 by the party of the first part during the period
January 1, 2023 to December 31, 2023
- (b) \$56,930 by the party of the second part during the period
January 1, 2023 to December 31, 2023
- (c) Contributions are provided by the party of the first part through other USGS regional or national programs, in the amount of: \$0

Description of the USGS regional/national program:

- (d) Additional or reduced amounts by each party during the above period or succeeding periods as may be determined by mutual agreement and set forth in an exchange of letters between the parties.
- (e) The performance period may be changed by mutual agreement and set forth in an exchange of letters between the parties.

3. The costs of this program may be paid by either party in conformity with the laws and regulations respectively governing each party.

4. The field and analytical work pertaining to this program shall be under the direction of or subject to periodic review by an authorized representative of the party of the first part.

5. The areas to be included in the program shall be determined by mutual agreement between the parties hereto or their authorized representatives. The methods employed in the field and office shall be those adopted by the party of the first part to insure the required standards of accuracy subject to modification by mutual agreement.

6. During the course of this program, all field and analytical work of either party pertaining to this program shall be open to the inspection of the other party, and if the work is not being carried on in a mutually satisfactory manner, either party may terminate this agreement upon 60 days written notice to the other party.

7. The original records resulting from this program will be deposited in the office of origin of those records. Upon request, copies of the original records will be provided to the office of the other party.

8. The maps, records or reports resulting from this program shall be made available to the public as promptly as possible. The maps, records or reports normally will be published by the party of the first part. However, the party of the second part reserves the right to publish the results of this program, and if already published by the party of the first part shall, upon request, be furnished by the party of the first part, at cost, impressions suitable for purposes of reproduction similar to that for which the original copy was prepared. The maps, records or reports published by either party shall contain a statement of the cooperative relations between the parties. The Parties acknowledge that scientific information and data developed as a result of the Scope of Work (SOW) are subject to applicable USGS review, approval, and release requirements, which are available on the USGS Fundamental Science Practices website (<https://www2.usgs.gov/fsp/>).

U.S. Department of the Interior
U.S. Geological Survey
Joint Funding Agreement
FOR
Water Resource Investigations

Customer #: 6000000775
Agreement #: 23MLJFAARDA150
Project #: ML009Z5
TIN #: 71-6018462

9. Billing for this agreement will be rendered quarterly. Invoices not paid within 60 days from the billing date will bear Interest, Penalties, and Administrative cost at the annual rate pursuant the Debt Collection Act of 1982, (codified at 31 U.S.C. § 3717) established by the U.S. Treasury.

USGS Technical Point of Contact

Name: Drew Westerman
Assistant Director - Data Chief, AR/TN
Address: 401 Hardin Road
Little Rock, AR 72211
Telephone: (501) 228-3643
Fax: (501) 228-3601
Email: dawester@usgs.gov

Customer Technical Point of Contact

Name: Alan Pugh
Staff Engineer
Address: 113 West Mountain Street
Fayetteville, AR 72701
Telephone: (479) 575-8208
Fax:
Email: apugh@fayetteville-ar.gov

USGS Billing Point of Contact

Name: My-Chae May
Budget Analyst
Address: 3535 South Sherwood Forest Blvd.
Baton Rouge, LA 70816
Telephone: (225) 298-5481
Fax:
Email: mjmaj@usgs.gov

Customer Billing Point of Contact

Name: Lioneld Jordan
Mayor
Address: 113 West Mountain Street
Fayetteville, Arkansas 72701
Telephone: (479) 575-8330
Fax:
Email: mayor@fayetteville-ar.gov

U.S. Geological Survey
United States
Department of Interior

City of Fayetteville

Signature

SHANNON WILLIAMS

Digitally signed by SHANNON WILLIAMS
Date: 2023.06.30 13:49:58 -05'00'

By _____ acting for: _____ Date: **6/29/2023**

Name: Rodney R. Knight

Title: Director, LMG Water Science Center

Signatures

By _____ Date: _____

Name:

Title:

By _____ Date: _____

Name:

Title:

By _____ Date: _____

Name:

Title:



MEETING OF AUGUST 15, 2023

TO: Mayor Jordan and City Council
THRU: Brad Hardin, Fire Chief
FROM: Granville Wynn, Financial Analyst - Fire
DATE:
SUBJECT: Fire Department Administrative Policies Approval

RECOMMENDATION:

FIRE DEPARTMENT ADMINISTRATIVE POLICIES APPROVAL (POLICY CHANGES):

BACKGROUND:

The Fayetteville Fire Department is currently in the process of reviewing policies and updating as necessary to make changes as recommended and to meet best practices while working through the CFAI accreditation process. Formatting changes are due to a prior change in policy management software.

DISCUSSION:

These changes are part of the following Policies:

Section 100 General Information & Introduction

Electronic Communications & Devices

External Customer Relations

General Information and Introduction

Human Resources

Incentive Plan

Internal Customer Relations

Labor & Management Relations

Mission & Vision Statement

Operations Reporting and Documentation

Personnel

Physical Resources

Special Operations Section (SOS)

Section 200 Safety, Health & Wellness

Personal Protective Equipment

These changes include wording and formatting to aid in the process for maintaining and modifying policies and procedures.

BUDGET/STAFF IMPACT:

Mailing address:

113 W. Mountain Street

Fayetteville, AR 72701

www.fayetteville-ar.gov

No Budget Impact with these Policy Changes

ATTACHMENTS: FFD Council Packet _SRF & Policy Documents for File #2023-963



City of Fayetteville, Arkansas

113 West Mountain Street
Fayetteville, AR 72701
(479) 575-8323

Legislation Text

File #: 2023-963

Fire Department Administrative Policies Approval

A RESOLUTION TO APPROVE REVISED FAYETTEVILLE FIRE DEPARTMENT POLICIES WITHIN SECTION 100 GENERAL INFORMATION AND INTRODUCTION, AND SECTION 200 SAFETY, HEALTH & WELLNESS

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF FAYETTEVILLE, ARKANSAS:

Section 1: That the City Council of the City of Fayetteville, Arkansas hereby approves the revised Fayetteville Fire Department policies within Section 100 **General Information & Introduction** and Section 200 **Safety, Health & Wellness**, copies of which are attached to this Resolution.

City of Fayetteville Staff Review Form

2023-963

Item ID

8/15/2023

City Council Meeting Date - Agenda Item Only
N/A for Non-Agenda Item

Brad Hardin

7/27/2023

FIRE (300)

Submitted By

Submitted Date

Division / Department

Action Recommendation:

Staff is requesting Council Approval adopting Fayetteville Fire Department Administrative Policy Changes.

Budget Impact:

Account Number

Fund

Project Number

Project Title

Budgeted Item? No

Total Amended Budget

\$ -

Expenses (Actual+Encum)

\$ -

Available Budget

\$ -

Does item have a direct cost? No

Item Cost

\$ -

Is a Budget Adjustment attached? No

Budget Adjustment

\$ -

Remaining Budget

\$ -

V20221130

Purchase Order Number:

Previous Ordinance or Resolution #

Change Order Number:

Approval Date:

Original Contract Number:

Comments:

Old Administrative Operating Policy (AOP)



Fayetteville Fire Department
Administrative Policies
Policy 101 General Information and Introduction
Version 8 Date Created 11/14/2022
SOG Reference: All SOG & EOG
CFAI Reference: 7A.3,



Purpose

The Fayetteville Fire Department (FFD) Administrative Policies, the City of Fayetteville Policies and Procedures and Standard Operating Procedures, the Rules and Regulations of the Civil Service Commission of the City of Fayetteville, the FFD Standard Operating Guidelines (SOG), and the FFD Emergency Operating Guidelines (EOG) are the official controlling documents and requirements of the Fayetteville Fire Department and as such, are intended for the general guidance of the Firefighters and members of the Fayetteville Fire Department.

Scope

Much is left to the zeal and discretion of the individual, and efficiency ratings as well as disciplinary actions will depend upon the way the Firefighters and members conduct themselves in the performance of their duties. Compliance with the operating procedures and careful attention to the orders of department officers is necessary to retain the respect and goodwill of the public which this department enjoys.

Violations of any of the operating procedures, neglect, or omission of any of the duties prescribed herein, are considered offenses, and any member found guilty will, at the discretion of the Fire Chief, be subject to reprimand, suspension, demotion, or dismissal from the department.

Administrative Policies

~~Administrative Policies of the Fayetteville Fire Department will contain administrative information related to the overall operation of the department throughout all divisions, programs, and services provided. All Administrative Policies will be reviewed by, and formally approved by the Fayetteville City Council. Any new Administrative Policy or change to existing Administrative Policy will be approved through the Labor Management Team (LMT) process, then submitted to and approved by the City Council before it can be published. Any new Administrative Policy or change to an Administrative Policy that has not been fully approved by LMT and City Council will not be considered valid except as outlined below in the section titled Administrative Directives.~~

Administrative Directives

~~Administrative directives will be issued only in emergency situations where changes are time sensitive and vital to the continuance of safe operations. Administrative Directives related to existing policies will reference the policy number, be maintained in the policy management software, and be emailed out to all personnel. Administrative directives will expire in 60 days unless through LMT Consensus action is taken to extend or modify them. Efforts will be made to change the current policy or create a new one during that time. If the Administrative directive must be extended or modified, it will be resent to all personnel by email. Once a new policy draft has been created it must go through the process for approval by the LMT and City Council before being published. Once published, the approved version will be sent out as a reading assignment through the policy management system and the Administrative Directive will be archived.~~

Standard Operating Guidelines.

~~Standard Operating Guidelines (SOG) of the Fayetteville Fire Department will contain detailed guidelines and procedures for the administration of the related approved Administrative Policy. The SOG document must remain flexible to ensure the ability to swiftly enact procedural updates. Any Change to the SOG will be assigned to FFD Personnel through the policy management system for review. SOGs shall not be put in place without the existence of a related Administrative Policy that will define the purpose and parameters of the SOG. All new SOG documents or changes to those in existence will be approved by the LMT.~~

Emergency Operating Guidelines

~~Emergency Operating Guidelines (EOG) of the Fayetteville Fire Department will contain more detailed information regarding fire ground and emergency scene organization, strategies, and tactics. The EOG document must remain flexible to ensure the ability to swiftly enact procedural updates and technological changes based on fire service industry standards. EOGs shall not be put in place without the existence of a related Administrative Policy that will define the purpose and parameters of the EOG. All new EOG documents or changes to those in existence will be approved by the LMT.~~

Policy Maintenance

~~Maintenance of policies and procedures will be the responsibility of a designated Chief Officer. Additions, deletions, and modifications will be implemented as necessary to reconcile changing conditions, and to reflect revisions in policies and procedures. All policies whether in published, draft or archived status will be stored and maintained utilizing a policy management software program. Current PDF versions of all policies will be available to all personnel in the designated policy software program.~~

New Administrative Policy (AP)



Fayetteville Fire Department		
Administrative Policies		
General Information and Introduction		
Version 15	Created: November 8, 2016	Revised: July 27, 2023
SOG Reference:	All SOGs	
CFAI Reference:	Criterion 1A: Governing Body	

Purpose

The Fayetteville Fire Department (FFD) Administrative Policies, the City of Fayetteville Policies and Procedures and Standard Operating Procedures, the Rules and Regulations of the Civil Service Commission of the City of Fayetteville, the FFD Standard Operating Guidelines (SOG), and FFD Administrative Directives are the official controlling documents and requirements of the Fayetteville Fire Department and as such, are intended for the general guidance of the uniformed and nonuniformed members of the Fayetteville Fire Department.

Scope

Much is left to the zeal and discretion of the individual, and efficiency ratings as well as disciplinary actions will depend upon the way the Firefighters and members conduct themselves in the performance of their duties. Compliance with the operating procedures and careful attention to the orders of department officers is necessary to retain the respect and goodwill of the public which this department enjoys.

Violations of any of the operating procedures, neglect, or omission of any of the duties prescribed herein, are considered offenses, and any member found guilty will, at the discretion of the Fire Chief, be subject to reprimand, suspension, demotion, or dismissal from the department.

Administrative Policies

Administrative Policies of the Fayetteville Fire Department will contain administrative information related to the overall operation of the department throughout all divisions, programs, and services provided. All Administrative Policies will be reviewed and formally approved by the Fayetteville City Council. Any new Administrative Policy or change to an existing Administrative Policy will be approved through the Labor Management Team (LMT) process as outlined in the [Labor & Management Relations](#) policy, then submitted to and approved by the City Council before it will be published.

Any new Administrative Policy or change to an Administrative Policy that has not been fully approved by LMT and City Council will not be considered valid except as outlined below in the section titled "Administrative Directives."



Fayetteville Fire Department		
Administrative Policies		
General Information and Introduction		
Version 15	Created: November 8, 2016	Revised: July 27, 2023
SOG Reference:	All SOGs	
CFAI Reference:	Criterion 1A: Governing Body	

Administrative Directives

Administrative Directives will be issued only in emergency situations where changes are time-sensitive and vital to the continuance of safe operations. Administrative Directives related to existing Administrative Policies and SOGs shall reference the policy or SOG number, be maintained in the current policy management software, and be emailed out to all FFD personnel.

Administrative Directives will expire 60 days from the date of implementation, unless through LMT Consensus, action is taken to extend or modify them. Efforts will be made to change the current policy or create a new policy during the first 60 days a directive is active. If the Administrative Directive must be extended or modified, it will be sent to all personnel by email.

Once a new policy draft has been created it must go through the process for approval by the LMT and City Council before being published. Once published, the approved version will be sent out as a reading assignment through the current policy management software utilized by the department and the Administrative Directive will be archived.

Standard Operating Guidelines (SOG)

Standard Operating Guidelines (SOGs) of the Fayetteville Fire Department will contain detailed guidelines and procedures for the implementation of the related approved Administrative Policy. The SOG document must remain flexible to ensure the ability to swiftly enact procedural updates.

Any change to a SOG will be assigned to FFD personnel through the policy management software for review. SOGs shall not be put in place without the existence of a related Administrative Policy that will define the purpose and parameters of the SOG. All new SOG documents or changes to those in existence will be approved by the LMT.

Policy Maintenance

Maintenance of policies and procedures will be the responsibility of a Chief Officer or their designee. Additions, deletions, and modifications will be implemented as necessary to reconcile changing conditions, and to reflect revisions in policies and procedures. All policies whether published, draft, or archived status will be stored and maintained in the current policy management software utilized by the Fayetteville Fire Department.

Current PDF versions of all department Administrative Policies, Administrative Directives, and Standard Operating Guidelines will be available to all department personnel in the designated policy software program.



The following Administrative Policies are newly created documents. These policies have been created to better organize the supporting Standard Operating Guidelines (SOGs) that the Fayetteville Fire Department uses for day-to-day operations, emergency operations, and carrying out the mission of the FFD.

These new Administrative Policies shall replace any prior approved Fayetteville Fire Department Administrative Operating Policies (FFD AOPs).

New Administrative Policy (AP)



Fayetteville Fire Department		
Administrative Policies		
Electronic Communications & Devices		
Version 2	Created: March 9, 2023	Revised: July 10, 2023
SOG Reference:	113, 120,	
CFAI Reference:	Criterion 9D: Information Technology	

Purpose

The purpose of this policy is to ensure the proper use of all fire department electronic communications systems, networks, and devices. These systems and devices are for the official use of Fayetteville Fire Department (FFD) employees and are intended to improve the efficiency and quality of departmental operations. Access to the system permits employees to connect to information resources on a global basis. Each employee has a responsibility to use all types of electronic communication including: Internet, city intranet (COFI), Mobile Data Terminal (MDT), telephones, tablets, computers, and email in a productive manner consistent with a good public image. This policy outlines the minimum requirements for use of these tools within the COFI, FFD, and any other future networks. This policy covers appropriate use of any email sent from a FFD email address and applies to all uniformed and non-uniformed members of the FFD.

Scope

Standard Operating Guidelines (SOGs) will outline specific department policies concerning the use of social media, citywide email, city intranet (COFI), internet usage, and department issued electronic communication devices. The discretion and good judgement of the individual is relied upon to make correct choices in situations they might find themselves in. If an employee is found to have intentionally misused or abused an electronic communications medium, disciplinary actions will depend upon the nature and severity of the infraction. Compliance with the standard operating guidelines is necessary to retain the respect and goodwill of the public which this department enjoys.

Policy

Intentional violations of any of the SOGs, neglect, or omission of any of the duties prescribed therein, are considered offenses, and any member found guilty after an investigation will, at the discretion of the Fire Chief, be subject to reprimand, suspension, demotion, or dismissal from the department.



Fayetteville Fire Department		
Administrative Policies		
External Customer Relations		
Version 2	Created: February 23, 2023	Revised: July 7, 2023
SOG Reference:	102, 105, 107, 129	
CFAI Reference:	Category 1	

Purpose

To define the groups of people outside of the Fire Department with whom our personnel come into contact. To offer guidelines to promote educational opportunities, allow station visits, apparatus visit requests, “Safe-Place” program, how to address citizen complaints, and “ride-a-longs” for citizens. This policy and following guidelines address these opportunities and programs while taking into consideration safety, security, and liability.

Customer Relations

Customer Relations is simply how we treat people. How we treat people is what determines how our customers think of us. The Fayetteville Fire Department is committed to maintaining the highest standard of customer care.

1. External customers are the citizens and visitors of the city.
2. Internal customers are Fire Department personnel and other City employees.
3. All customers, internal and external, will be treated with dignity and respect.

All employees of the Fayetteville Fire Department, regardless of rank, are empowered and expected to foster a positive working relationship and image within and throughout the community.

Policy

This policy will apply to everyone within the fire department to ensure the safety of our personnel and that of the public.

1. The fire department will provide guidelines addressing the following.
 - Customer Service
 - Station Visitors
 - Department Ride-a-Longs
 - Department Safe Place Program
 - Citizen Complaints
2. SOGs shall be created and maintained detailing all procedures related to this policy.
3. All creation, maintenance, and changes of SOGs shall follow the LMT process established in the [Labor & Management Relations](#) policy.



Fayetteville Fire Department		
Administrative Policies		
Human Resources		
Version 1	Created: March 9, 2023	Revised: July 10, 2023
SOG Reference:	101 , 106 , 108 , 112 , 204	
CFAI Reference:	Criterion 7A: Human Resources Administration	

Purpose

The purpose of this policy is to provide general guidance for the development and deployment of Standard Operating Guidelines (SOGs) for the management of the uniformed and non-uniformed members of the Fayetteville Fire Department. These guidelines will be used for retention, recruitment, promotion, awards recognition, discipline, and internal investigations. Other guidelines not listed can be added as they are needed in the future.

Scope

Recruitment, development, and retention of quality employees is a recognized necessity not just in the fire service, but in every industry. The Fayetteville Fire Department (FFD) invests a great deal of time and capital in every uniformed fire fighter from the minute they take their Duty Oath until they retire. The FFD recognizes it is in the department and the city's best interest to foster positive and productive workplace culture by promoting employee engagement, addressing employee concerns and grievances, and providing opportunities for professional development and growth. Overall, SOGs developed under the Human Resources Policy are designed to support the FFD's mission and objectives by ensuring that it has a capable and motivated workforce that is aligned with the department's values and goals.



Fayetteville Fire Department		
Administrative Policies		
Incentive Plan		
Version 2	Created: March 28, 2023	Revised: July 10, 2023
SOG Reference:	126	
CFAI Reference:	Category 7: Human Resources	

Purpose

The purpose of this policy is to provide information on the Fayetteville Fire Department Incentive Plan, which was approved by the City Council on March 7, 2023, as well as how it shall be implemented by the department.

Scope

Resolution 79-23 of 2023 was approved at the recommendation of a pay and benefits study and reads as follows.

A RESOLUTION TO APPROVE THE FIRE DEPARTMENT INCENTIVE PLAN, AND TO APPROVE A BUDGET ADJUSTMENT

WHEREAS the 2023 Fire and Police Pay and Benefits Study completed by JER HR Group was approved by the City Council on March 7, 2023; and

WHEREAS the study identified areas for improvement for the Fire Department to remain competitive in the job market with respect to incentive pay for longevity, education, and certification/assignment; and

WHEREAS offering these incentives will allow market competitiveness for the Fire Department, help with the retention of staff in specialized assignments, encourage pursuit of higher education within the department, provide the community with well-trained and certified personnel in the areas of Aircraft Rescue & Firefighting, Haz-mat/Weapons of Mass Destruction/Urban Search and Rescue, Emergency Response Team, field Training Officers and Peer-to-Peer Wellness/Fitness Trainers, as well as provide incentive for bi-lingual certification to better communicate with Fayetteville's diverse population.

Policy

- The fire department will provide guidelines on the following:
 - Definition of incentive pay.
 - Distribution of pay.
 - Number of qualifying team/assignment positions.
 - Required training, education, and or certificates.
- The Fire Chief or his/her/their designee will be the final authority.
- SOGs shall be created and maintained detailing all procedures related to this policy.
- All creation, maintenance, and changes of SOGs shall follow the LMT process established in the [Labor & Management Relations](#) policy.



Fayetteville Fire Department		
Administrative Policies		
Incentive Plan		
Version 2	Created: March 28, 2023	Revised: July 10, 2023
SOG Reference:	126	
CFAI Reference:	Category 7: Human Resources	



Incentive Parameters

- Longevity Pay
 - 5-9 years \$700 per year
 - 10+ years \$1,400 per year
 - 15+ years \$2,100 per year
 - 20+ years \$2,800 per year
 - 25+ years \$3,500 per year
- Education Pay
 - Associate Degree \$25 per pay period
 - Bachelor's Degree \$100 per pay period
 - Master's Degree \$150 per pay period
- Certificate/Assignment Pay
 - Hazmat Tech 2%
 - Hazmat Team Leader 4%
 - ARFF Certified 2%
 - ARFF Team Leader 4%
 - ERT Team 2%
 - Peer Team 2%
 - FTO 2%
 - Bilingual 2%



Fayetteville Fire Department		
Administrative Policies		
Internal Customer Relations		
Version 1	Created: February 23, 2023	Revised: May 31, 2023
SOG Reference:	108	
CFAI Reference:	Category 7: Human Resources	

Purpose

The purpose of this policy is to provide guidelines for members of the Fayetteville Fire Department, uniformed and civilian, on how we treat our internal customers. Our members, and fellow City of Fayetteville employees, are the most valuable asset the Fire Department and the City has, and we should all strive to do our absolute best to treat each other with respect and dignity.

Customer Relations

Customer Relations is simply how we treat people. All Fayetteville Fire Department members should be committed to maintaining the highest standard of customer care. How we treat each other can determine the success or failure of the department, a company, a call, and ultimately the firefighter. How we treat other city employees can and will affect relationships between our department and other city departments for years to come.

Policy

1. Treat internal customers with respect and dignity always. All members of the department are expected to behave in a professional manner and to maintain a positive and courteous attitude when interacting with other members of the Fire Department and other City employees.
2. Communicate effectively with internal customers. Members of the department are expected to provide clear and concise communication when interacting with internal customers, whether in person, over the phone, or via email. If a member of the department is unsure about how to respond to a question or concern, they should seek guidance from their supervisor or another appropriate authority.
3. Respond promptly to internal customer requests. Members of the department are expected to respond to internal customer requests in a timely and efficient manner. This includes promptly returning phone calls and emails, as well as addressing any concerns or issues in a timely manner.
4. Maintain confidentiality. Members of the department are expected to maintain the confidentiality of any information shared by internal customers, in accordance with departmental policies and procedures.
5. Provide a safe and healthy work environment. Members of the department are expected to take steps to ensure a safe and healthy work environment for themselves and their colleagues, including following all safety protocols and reporting any hazards or concerns to their supervisor.
6. Seek feedback and continuously improve. Members of the department are expected to seek feedback from their internal customers and use this feedback to continuously improve their service. This includes actively seeking out opportunities to learn and grow and being receptive to constructive criticism.



Fayetteville Fire Department		
Administrative Policies		
Labor & Management Relations		
Version 2	Created: March 8, 2023	Revised: July 10, 2023
SOG Reference:	109	
CFAI Reference:	Category 1 Governance and Administration	

Purpose

The purpose of the Labor/Management Team process is to improve the workplace. It is a tool used by labor and management to investigate, study, create/maintain policies & SOGs, and discuss possible solutions to mutual problems affecting labor & management relations. Below is an abbreviated outline of the LMT, for a detailed definition of the team, meeting rules that both sides have agreed to abide by, and goals reference [SOG-109 Labor/Management Team](#).

Scope

The Labor/Management Team (LMT) process promotes cooperative decision making between Management and Labor to make the Fayetteville Fire Department (FFD) more effective as an organization. The focus of our efforts is the total commitment to the members of the FFD and the public we serve. The members of the Fire Department and other City of Fayetteville employees (COF) are internal customers. The people who receive FFD services are external customers. Every decision, at every level of the LMT process must consider the customer first. The labor/management process assists in planning policy and procedures as well as resolving a variety of challenges that arise.

General Outline

1. The LMT consists of labor leaders and fire administration managers meeting monthly to create/maintain departmental policies/guidelines, and resolve issues or problems within the FFD.
2. Long-standing problems may not generally be solved by quick or easy solutions. However, the LMT provides a forum to tackle these problems.
3. The Union leaders and management must be committed to the success of the LMT.
4. The increased communications between the parties will lead to a better Labor/Management relationship.
5. The LMT process will be invaluable in reaching solutions to mutual problems.



Fayetteville Fire Department		
Administrative Policies		
Labor & Management Relations		
Version 2	Created: March 8, 2023	Revised: July 10, 2023
SOG Reference:	109	
CFAI Reference:	Category 1 Governance and Administration	

The Basic Formula for Success

1. Willingness to recognize that problems may exist.
2. Desire to improve the current situation.
3. Commitment to allocating resources (time and energy).
4. Expectations must be realistic in nature.
5. Long term cooperation and relationships are greater than any single issue, policy, or guideline.
6. Divisive topics must be removed from the LMT. Certain topics may arise that are so divisive that they threaten the LMT process and divide the department. If a consensus cannot be reached, the Fire Chief shall withdraw the topic from the LMT process and make the final decision on said topic.

Labor/Management Team Members

1. The number of team members is made up equally of representatives from IAFF Local 2866 (labor) and Fayetteville Fire Administration (management).
2. The Labor members should include the local union leadership, stewards, and representatives of each shift and/or members appointed by the Union President.
3. Management members must include Chief Officers and/or other members appointed by the Fire Chief.
4. Additional members may be included as required.

General guidelines

1. It is recognized that recommendations growing out of these meetings are not binding.
2. No grievances shall be discussed, and no bargaining shall take place.
3. Topics that could lead to grievances may be discussed.
4. Each person wishing to speak shall be recognized by the Chair before speaking.
5. The Chair shall recognize a motion from either party to table a topic for further study.
6. Either party may initiate a request to the Federal Mediation and Conciliation Service for assistance.



Fayetteville Fire Department		
Administrative Policies		
Mission & Vision Statement		
Version 2	Created: February 23, 2023	Revised: July 14, 2023
SOG Reference:	100, 101	
CFAI Reference:	Category 3	

Purpose

This policy is the foundational core of the Fayetteville Fire Department. This is our mission, our vision, what we strive to achieve every day, on every call, and in every contact, we have with the citizens of our city.

Just Cause, Mission, & Vision Statement

Just Cause: To save lives and property.

Mission Statement: To put other's needs in front of our own to save life and property. What we do is for you.

Vision Statement: Our vision is to ensure our firefighters are trained in the latest firefighting techniques, have the best equipment available, are physically fit, and are physically and mentally intact. By ensuring our people are at their best, we will provide the best quality service possible to our customers.

Core Values

The core values of the Fayetteville Fire Department are Commitment, Courage, & Honor. These values form the foundation of our policies, decisions, and goals.

- **Commitment**: To serve each other, our families, and our customers.
- **Commitment**: To advance our purpose through our vision and mission.
- **Commitment**: To continuously improve ourselves and the department.
- **Courage**: To do the right thing in the face of adversity.
- **Courage**: To face our fears.
- **Courage**: To put the needs of others above our own.
- **Honor**: To instill and maintain the trust of the community of our members, through our actions and commitment to service.
- **Honor**: To respect the service and sacrifice of the past, present, and future.
- **Honor**: To have the integrity to do the right thing.



Fayetteville Fire Department		
Administrative Policies		
Operations Reporting and Documentation		
Version 2	Created: March 22, 2023	Revised: July 10, 2023
SOG Reference:	104 , 107 , 108 , 111 , 123	
CFAI Reference:	9C.4 , 9D.2	



Purpose

The purpose of this policy is to establish guidelines for thorough record keeping, report writing, and documentation in the Fayetteville Fire Department (FFD). The accurate and detailed record keeping of all incidents, responses, inspections, accidents, calls for service, public contact, training activities, and community outreach is essential for the efficient and effective operation of the department. Proper documentation ensures that information is available for analysis, future planning, and decision-making.

Policy

All uniformed and civilian members of the Fayetteville Fire Department are required to maintain thorough record keeping, report writing, and documentation to ensure accurate and complete records of all incidents, inspections, training, and any other activities related to the department's mission. This includes, but is not limited to, fire incidents, medical emergencies, hazardous materials incidents, rescues, citizen complaints, general calls for service, educational demonstrations, equipment maintenance, inspections, and repairs. The documentation will be completed in a timely and efficient manner to ensure that it is available for use in various areas of the department.

All records and reports will be written and kept in the current software/program the Fayetteville Fire Department is utilizing. This will ensure consistency and ease of access to information. Members must ensure that all required data fields are filled out accurately and completely, including incident date and time, location, type of incident, and a detailed narrative of the incident or activity.

All department members are responsible for providing detailed report narratives.

Narratives are an essential component of the report, they provide a record of the incident, and are a legal document that can and will be used in legal proceedings. The narratives should be objective and detailed, providing information on the circumstances surrounding the incident or activity, the actions taken by the company or individual, and the outcome of those actions. When documenting an incident, members should include observations, actions taken, and results. Members should also include any relevant environmental factors, such as weather or other conditions, which may have impacted the incident.

It is the responsibility of the individual making the report or creating documentation to ensure that records are legible, complete, and accurate. Any corrections or additions to records must be made in a timely manner and clearly marked as such. Any member who becomes aware of inaccuracies in reports or documentation must report the error to a supervisor for correction.

All records and reports are considered confidential and are only accessible to authorized personnel. Any unauthorized access to records or reports will result in disciplinary action.



Fayetteville Fire Department		
Administrative Policies		
Personal Protective Equipment (PPE)		
Version 2	Created: June 26, 2023	Revised: July 17, 2023
SOG Reference:	208, 209, 210, 211	
CFAI Reference:	11A	

Purpose

The purpose of this policy is to identify and define what Personal Protective Equipment (PPE) is. As well this policy will provide a framework for Standard Operating Guidelines to follow, addressing the purchasing, issuing, use, inspection, cleaning, maintenance, and ultimate destruction/disposal of degraded fire department owned PPE.

Definitions

Bunker Gear (Bunkers)	Bunker Gear, also known as bunkers or turnout gear, is the protective ensemble a fire fighter wears during various emergency operations, including structural firefighting. Bunker Gear consists of a helmet, flash hood, coat, gloves, suspenders, pants, and boots. Ensemble shall be compliant to the current NFPA Standard.
Structural Ensemble	Full bunker gear ensemble plus SCBA, integrated PASS device, and face mask. The full structural ensemble will be worn anytime a firefighter is working in an immediate danger to life and health (IDLH) environment at a structure fire.
Wildland Gear	Wildland gear (Light Gear) is a limited protective light ensemble. Wildland gear consists of a helmet, eye protection (when applicable) coat, pants, boots, appropriate gloves for the task being performed. Light gear may be worn during technical operations, wildland firefighting, automobile extrications/rescues, outside training operations, or other appropriate situations. Wildland gear is not to be worn during interior firefighting operations. Ensemble shall be compliant to the current NFPA Standard.
Swiftwater Gear	Swiftwater gear is a complete PPE ensemble consisting of a helmet, eye protection (when applicable), wet or dry suit, gloves, footwear, personal flotation device (PFD), rescue knife, whistle, and personal locator beacon (PLB). Ensemble shall be compliant to the current NFPA Standard.
Vapor-Protective Ensemble	Vapor-Protective Ensemble (VPE) shall consist of an appropriate helmet, eye protection, appropriate HAZMAT encapsulation suit, appropriate gloves, footwear, and SCBA with facemask. Ensemble shall be compliant to the current NFPA Standard.



Fayetteville Fire Department		
Administrative Policies		
Personal Protective Equipment (PPE)		
Version 2	Created: June 26, 2023	Revised: July 17, 2023
SOG Reference:	208, 209, 210, 211	
CFAI Reference:	11A	

Liquid Splash Ensemble

A full liquid splash protective ensemble shall consist of adequate head, eye, and airway protection, appropriate liquid splash protection suit, appropriate gloves, and footwear. Ensemble shall be compliant to the current NFPA Standard.

Medical Call Ensemble

All department members are encouraged to exercise their best judgment when responding to an emergency medical call. At a minimum liquid proof non latex exam gloves should be worn on every medical call and discarded in the appropriate manner after the call is terminated. N95 masks will be available on all apparatus for use.

Hearing Protection

Hearing protection will be provided to all members of the FFD operating in environments where sound levels equal or exceed eighty-five (85) dbA. Hearing protection will meet or exceeds the minimum requirements set forth in [29 Code of Federal Regulations 1910.95, Occupational Noise Exposure](#) and [NFPA 1500, Standard on Fire Department Occupational Safety and Health Program, Section 7.21](#).

Hearing protection will consist of headphones inside fire apparatus that must be worn while members are riding an apparatus. Hearing protection consisting of ear plugs will be provided to all members and should be worn anytime a member is working in an environment outside of an apparatus where sound levels equal or exceed eighty-five (85) dbA.

Eye Protection

Eye Protection shall be provided on every apparatus. Eye protection will conform to [29 Code of Federal Regulations 1910.133, Eye and face protection](#) and [NFPA 1500, Standard on Fire Department Occupational Safety and Health Program, Section 7.21](#).

Other PPE

While this policy lists specific forms of PPE there are numerous forms utilized by department members that are unlisted here. These forms of PPE are typically for day-to-day operations such as housekeeping or yard work and do not need to be specifically cited. Department members are expected to use their experience, training, and best judgement when and how these forms of PPE should be utilized.



Fayetteville Fire Department		
Administrative Policies		
Personal Protective Equipment (PPE)		
Version 2	Created: June 26, 2023	Revised: July 17, 2023
SOG Reference:	208, 209, 210, 211	
CFAI Reference:	11A	



Policy

Standard Operating Guidelines (SOGs) will be developed and maintained by the Fayetteville Fire Department (FFD) concerning the use of the defined types of PPE. It will be the policy of the FFD to purchase and provide PPE that conforms to the current NFPA standard for each type of ensemble.

The department recognizes that not every situation or every call will require every member to be in full PPE.

- Example: A Driver/Operator will not need to be in a full structural ensemble while working at a pump panel during a structure fire, however, a Safety Officer might need a full ensemble if they are downwind outside of the same burning structure. Department members are expected to rely on their training and best judgment when operating at a scene.
- ANY department member that is entering or working in an IDLH environment will wear the correct full ensemble for the environment they are in.

For further information, reference specific SOGs for each type of PPE.



Fayetteville Fire Department		
Administrative Policies		
Personnel		
Version 2	Created: March 13, 2023	Revised: July 20, 2023
SOG Reference:	110 , 114 , 115 , 116 , 117 , 121 , 124	
CFAI Reference:	7B , 7C , 7E	

Purpose

The purpose of this policy is to establish Standard Operating Guidelines (SOGs) for the fair and consistent treatment of all uniformed and civilian Fayetteville Fire Department (FFD) employees. Those guidelines will outline the responsibilities of administration and employees, while ensuring compliance with local, state, and federal laws & regulations. This policy is designed to create a positive work environment that promotes teamwork, professionalism, and accountability.

Policy

This policy shall apply to all uniformed and civilian employees of the FFD, regardless of position or classification. This policy should not be interpreted as superseding any City of Fayetteville Human Resources (HR) policies.

All FFD SOGs referenced in or created under this policy shall align with city HR policies. If a city HR policy changes and a department SOG conflicts with the change the SOG will be scheduled for review and amendment in accordance with the [Labor & Management Relations](#) policy. If necessary, the Fire Chief will issue an Administrative Directive to make an immediate change to the SOG, and the SOG will then be amended within 60 days of the Administrative Directive's effective date.

All employees are expected to comply with this policy, as well as any other applicable departmental standard operating guidelines (SOGs), Administrative Policies, and Administrative Directives.

This policy is subject to change, and all fire department employees will be notified of any updates or revisions.



Fayetteville Fire Department		
Administrative Policies		
Physical Resources – 2023 Revision		
Version 2	Created: March 22, 2023	Revised: July 10, 2023
SOG Reference:	118, 122	
CFAI Reference:	Category 6: Physical Resources	

Purpose

The purpose of this policy is to provide a systematic process for the inspection and evaluation of physical resources daily, quarterly, semi-annually, and annually.

Policy

Self-Contained Breathing Apparatus (SCBA)

All FFD owned SCBAs shall be inspected annually. The inspection shall include back frames, hoses/reducers, face mounted regulator, electronics, and bottle. Spare SCBA bottles shall be inspected annually. The bottle inspection will be a visual inspection and hydrostatic date check. All inspection results shall be documented in the current software/program being utilized by the FFD. The current revision of NFPA 1852 shall be utilized for all SCBA related inspections. After January 1, 2025 the current revision of NFPA 1850 shall be utilized in accordance with the NFPA Emergency Response and Responder Safety Document Consolidation Plan.

SCBA Fill Stations

All SCBA fill stations will have air sampling conducted quarterly in accordance with the current revision of NFPA 1989. Air samples will be tested by an independent accredited laboratory. Fixed breathing air storage cylinders shall be inspected and tested in accordance with the current revision of DOT - Qualification, Maintenance and use of Cylinders 49 CFR 173.34. All test results will be documented in the current software/program being utilized by the FFD. After January 1, 2025 the current revision of NFPA 1985 shall be utilized in accordance with the NFPA Emergency Response and Responder Safety Document Consolidation Plan.

SCBA Mask Fit Testing

Annual mask fit testing shall be performed for every member of the FFD that could possibly be tasked with internal firefighting operations. Fit testing will be conducted annually, or if a department member has a significant change in body weight. For members that are unavailable during testing, makeup tests will be scheduled as soon as possible after they return to duty. The current revision of OSHA - Respiratory Protection Standard 29 CFR 1910.134 & the current revision of NFPA 1404 shall be utilized for fit testing. After January 1, 2025 the current revision of NFPA 1400 shall be utilized in accordance with the NFPA Emergency Response and Responder Safety Document Consolidation Plan. All test results will be documented in the current software/program being utilized by the FFD.



Fayetteville Fire Department		
Administrative Policies		
Physical Resources – 2023 Revision		
Version 2	Created: March 22, 2023	Revised: July 10, 2023
SOG Reference:	118, 122	
CFAI Reference:	Category 6: Physical Resources	



Bunker Gear

Inspection of all FFD issued Bunker Gear shall be conducted annually. The inspection results shall be documented in the current software/program being utilized by the FFD. The current revision of NFPA 1851 shall be utilized for inspections. After January 1, 2025 the current revision of NFPA 1850 shall be utilized in accordance with the NFPA Emergency Response and Responder Safety Document Consolidation Plan.

Fire Apparatus, Trailers, & Staff Vehicles

All fire apparatus, trailers, and staff vehicles shall be inspected at their annual Preventative Maintenance (PM) appointment by a member of the Fayetteville Fleet Operations Division. The inspection shall include the following vehicular components: brake system, exhaust system, fuel system, cab condition, exterior components, lighting devices, steering mechanism, windshield, pump panel (if applicable), pump (if applicable), frame, tires, wheels, suspension, engine compartment, drive train and auxiliary equipment (generators, etc.). All fire apparatus and staff vehicles will have annual, semi-annual, and quarterly PM conducted by the Fleet Operations Division on their schedule. All maintenance records will be maintained by the Fleet Operations Division concerning fire apparatus, staff vehicles, and trailers.

Front line and reserve fire apparatus will have daily and weekly function inspections performed by the FFD personnel assigned to the apparatus. Daily and weekly inspection results will be documented in the software/program being utilized by the FFD by the members performing the inspections.

Tools, Supplies & Small Equipment

Tools and small equipment assigned to front line and reserve fire apparatus will be inspected, tested, or ran during daily and weekly apparatus function inspections by FFD personnel assigned to said apparatus. Daily and weekly tool and equipment inspection results will be documented in the software/program being utilized by the FFD by the members performing the inspections. Any equipment found to be broken or otherwise nonfunctional will be removed from service and a repair ticket will be submitted in the program/software being utilized by the FFD for equipment repair.

Consumable supplies (hand sanitizer, rubber gloves, N95 masks, medical supplies, etc.) will be replenished as they are used from the supply locker located at Station 1. All consumables that are removed from the supply locker will be logged in the program/software or method currently being utilized to track consumables usage.



Fayetteville Fire Department		
Administrative Policies		
Physical Resources – 2023 Revision		
Version 2	Created: March 22, 2023	Revised: July 10, 2023
SOG Reference:	118, 122	
CFAI Reference:	Category 6: Physical Resources	

Facilities

Inspection of all facilities will be conducted yearly by Fayetteville Facilities Management Division on their schedule. Inspection of facilities shall include all areas inside and outside, concealed spaces, HVAC equipment, sprinkler and alarm systems, and appliances. When maintenance issues arise throughout the year, members assigned to the building will coordinate with the Facilities Management Division via the [Facilities Management Work Request Form](#) located on the COFI home page. If it is determined the repair(s) are beyond the scope of the Facilities Management Division an outside contractor will be hired. All records will be maintained by the Facilities Management Division.

Training Props, Equipment, and Tower Inspections/Maintenance

The Fayetteville Fire Department Training Center (FFD-TC) burn tower shall be inspected and certified every 5 years by an outside licensed professional engineer with live fire training structure experience in accordance with the most recent revision of NFPA 1402. After January 1, 2025 the current revision of NFPA 1400 shall be utilized in accordance with the NFPA Emergency Response and Responder Safety Document Consolidation Plan.

Training Division personnel will conduct an annual inspection of the FFD-TC. Any major deficiencies, damage, or needed repairs will be recorded in the program/software being utilized by the FFD and turned in to the Facilities Management Division via the [Facilities Management Work Request Form](#) located on the COFI home page for repairs. If it is determined the repair(s) are beyond the scope of the Facilities Management Division an outside contractor will be hired.

All fixed burn props that are not attached to the training tower will be inspected annually and their condition recorded and documented in the program/software being utilized by the FFD. Any other training props or tools not listed here will be inspected and function tested before every scheduled training day said prop is to be utilized.



Fayetteville Fire Department		
Administrative Policies		
Special Operations Section		
Version 2	Created: February 4, 2023	Revised: July 10, 2023
SOG Reference:	125 , 127 , 128	
CFAI Reference:	5G , 5H , 5L	

Purpose

The purpose of this policy is to provide the framework for the Fayetteville Fire Department (FFD) Special Operations Section (SOS). The intent is to facilitate training, define positions, and address daily staffing requirements for the SOS. Maintaining qualified, and highly trained personnel is vital to the safe and efficient mitigation of specialized technical rescue and hazardous materials incidents.

Policy

1. SOGs will be created and maintained regarding required operational levels, certifications, training, application process, appointment process, and continuing education.
2. All creation, maintenance, and changes of SOGs will follow the LMT process established in the [Labor & Management Relations Policy](#).
3. The Fayetteville Fire Department will provide an attainable and manageable path for any individual to participate in the SOS.



MEETING OF AUGUST 15, 2023

TO: Mayor Jordan and City Council
THRU:
FROM: Mike Reynolds, Police Chief
DATE:
SUBJECT: Purchase of Virtual Reality Simulator for Training of Police Personnel

RECOMMENDATION:

Staff recommends City Council approval of a resolution awarding Request for Proposal (RFP) #23-09 to InVeris for the purchase of a Virtual Reality Simulator system to provide de-escalation training techniques to all sworn Fayetteville police officers in the amount of \$106,149.99 plus tax. (Items included: base package @ \$99,999.99; 3 haptic vests @ \$900.00 each; 3 heart rate monitors @ \$600.00 each; extended service agreement @ \$1,650.00) Grant funds awarded from the Arkansas Department of Public Safety will fund \$100,000.00 of this purchase.

BACKGROUND:

The Fayetteville Police Department previously utilized a single-screen simulation machine via a mounted projector. This system was purchased in 2011. The equipment and software are outdated. The scenarios used are pre-recorded video from the 1990s and early 2000s, giving officers limited options to exercise their discretion and de-escalation techniques. The equipment does not allow for complete scenario emergent and realistic training experiences. The Fayetteville Police Department is looking to replace the current simulation system with a virtual reality simulator.

DISCUSSION:

This system will allow officers to participate with state-of-the-art equipment tailored for law enforcement use and training. The simulator will allow for realistic training scenarios such as deescalation, crisis intervention, traffic stops, domestic violence, and many more. Through an onsite demonstration of the equipment, police department personnel used the simulator and recommended it for use over a projection screen simulator. The equipment purchase will include annual updates, keeping the agency at the forefront of virtual reality technology upgrades in training software. Virtual reality training is a top leading trend in police simulator training.

The Inveris Virtual Reality Simulator has the following features, making it superior to a singlescreen projector simulator:

- The instructor can communicate with the officer as the victim and/or suspect in a real-time scenario;
- The officer can wear a haptic vest to feel pulses when touched or injured in scenarios;
- Instructors can monitor officers' heart rate during and after the scenarios;
- A playback option allows officers and instructors to watch the completed scenario and give critiques and training points;
- The equipment is mobile, allowing for many more training opportunities; and,

Mailing address:

113 W. Mountain Street
Fayetteville, AR 72701

www.fayetteville-ar.gov

- Up to three officers can be in a single scenario.

BUDGET/STAFF IMPACT:

Budgeted grant funds awarded from the Arkansas Department of Public Safety, as approved by City Council Resolution 314-22, in the amount of \$100,000.00 will partially fund the purchase of the virtual reality simulator. Budgeted law enforcement forfeiture funds will be used for the balance of this purchase. There is no staffing impact associated with this purchase.

PURCHASE ORDER DETAILS

G/L ACCOUNT	PROJECT	AMOUNT
1010.200.2920-5210.00	32209.1	\$100,000.00
1010.200.2920-5210.00	33046.1	\$16,499.61
TOTAL		\$116,499.61

ATTACHMENTS: SRF - Virtual Reality Simulator, VR Specs and Info

Mailing address:

113 W. Mountain Street
Fayetteville, AR 72701

www.fayetteville-ar.gov



City of Fayetteville, Arkansas

113 West Mountain Street
Fayetteville, AR 72701
(479) 575-8323

Legislation Text

File #: 2023-946

Purchase of Virtual Reality Simulator for Training of Police Personnel

A RESOLUTION TO AWARD RFP 23-09 AND AUTHORIZE THE PURCHASE OF A VIRTUAL REALITY SIMULATOR FROM INVERIS FOR THE AMOUNT OF \$106,149.53 PLUS ANY APPLICABLE TAXES OR FREIGHT CHARGES FOR POLICE PERSONNEL TRAINING

WHEREAS, on December 20, 2022, the City Council approved Resolution 314-22 authorizing Mayor Jordan to sign a memorandum of understanding with the Arkansas Department of Public Safety and accept a grant in the amount of \$100,000.00 for the purchase of body worn camera devices or virtual reality training equipment; and

WHEREAS, a virtual reality training system will allow officers to utilize state-of-the-art equipment tailored for law enforcement use including realistic training scenarios such as de-escalation, crisis intervention, traffic stops, and domestic violence.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF FAYETTEVILLE, ARKANSAS:

Section 1: That the City Council of the City of Fayetteville, Arkansas hereby awards RFP 23-09 and authorizes the purchase of a virtual reality simulator from InVeris for the amount of \$106,149.53 plus any applicable taxes or freight charges for police personnel training.

City of Fayetteville Staff Review Form

2023-0946

Item ID

8/15/2023

City Council Meeting Date - Agenda Item Only
N/A for Non-Agenda Item

Mike Reynolds

7/24/2023

POLICE (200)

Submitted By

Submitted Date

Division / Department

Action Recommendation:

Staff recommends City Council approval of a resolution awarding Request for Proposal (RFP) #23-09 to InVeris for the purchase a Virtual Reality Simulator system to provide de-escalation training techniques to all sworn Fayetteville police officers in the amount of \$106,149.99 plus tax. Grant funds awarded from the Arkansas Department of Public Safety will fund \$100,000.00 of this purchase.

Budget Impact:

1010.200.2920-5210.00

General Fund

Account Number

Fund

32209.2022 / 33046.1

DPS Equipment Grant / Federal Forfeitures

Project Number

Project Title

Budgeted Item? Yes

Total Amended Budget
Expenses (Actual+Encum)

\$ 429,758.00

\$ -

Available Budget

\$ 429,758.00

Does item have a direct cost? Yes

Item Cost

\$ 116,499.61

Is a Budget Adjustment attached? No

Budget Adjustment

\$ -

Remaining Budget

\$ 313,258.39

V20221130

Purchase Order Number:

Previous Ordinance or Resolution #

Change Order Number:

Approval Date:

Original Contract Number:

Comments:

City of Fayetteville
Fayetteville Police Department



Virtual Reality Simulator

In Response To: RFP 23-09

Proposal



Submitted To:

City of Fayetteville
Amanda Beilfuss
Purchasing Division – Room 306
113 West Mountain Street
Fayetteville, AR 72701
479-587-3555
abeilfuss@fayetteville-ar.gov

InVeris Point of Contact:

Robert Griffin
Sr. Sales Representative
InVeris Training Solutions
470-337-0287
Robert.Griffin@inveristraining.com
[SURVIVR company purchased by InVeris]

Doc. No.: 24077-22-USL

Submit Date: June 20, 2023

Valid To: September 20, 2023

Prepared by: Amber Carroll
Proposal Coordinator

End User:

Fayetteville Police Department

USE AND DISCLOSURE OF DATA: Any and all information and data contained herein is the property of InVeris Training Solutions, Inc. (InVeris); and shall not for any reason, whether tangible or intangible, be disclosed, duplicated, or used, in whole or in part, for any reason other than to evaluate this proposal. If, however, a contract is awarded to InVeris because of, or in connection with this proposal offer, the recipient (Buyer) shall have the right to duplicate, use, or disclose the information and data contained herein to the extent provided in the resulting contract. These restrictions do not limit Buyer's right to use information or if it is obtained from another, legitimate source without restriction.

DESTINATION CONTROL STATEMENT: The enclosed document contains Technical Data that is subject to the Export Administration Regulations. Diversion contrary to U.S. Law is prohibited.

Table of Contents

Executive Summary	4
1 Company Background.....	6
1.1 Experience, Expertise and Qualifications.....	6
1.2 Project Resumes	7
1.2.1 Chief Executive Officer	7
1.2.2 Program Management	8
1.2.3 Virtual System Sales	8
1.2.4 Engineering	9
1.2.5 Product Management	9
1.2.6 Operations	10
1.2.7 Commercial/Contracts	10
1.2.8 Customer Support, Quality, Environmental Health, and Safety	11
2 Specifications	12
2.1 Overview of System Features and Benefits	12
2.2 Portability	13
2.3 After Action Review	14
2.4 Hardware	14
2.5 Software	16
2.6 Virtual Reality Training Area	16
2.7 Export of Training Records	16
2.8 Multiple Users	16
2.9 Instructor / Student Interaction	17
2.10 Multiple Users	17
2.11 Sustainability	17
3 Proposed Work Effort.....	18
3.1 Program Management.....	18
3.2 System Production.....	18
3.3 Shipping	18
3.4 Installation and Training	19
3.5 Warranty.....	19
3.5.1 Exception to Warranty	19
4 Previous Project Experience	20
4.1 Contract 1 – Cuyahoga Falls Police Department	20
4.2 Contract 2 – Talbot County Sheriff’s Office	21
4.3 Contract 3 – City of Madison	22

5	Pricing	23
5.1	Pricing – Base Package.....	23
5.2	Pricing – Optional Extended Service Agreement Package.....	24
6	Notes and Assumptions.....	25
7	List of Annexes and Attachments	26
	Annex A – Disclosure Form	27

Executive Summary

InVeris Training Solutions, Inc. (InVeris) is pleased to offer our SVR training system in response to the **City of Fayetteville [City]** Request for Proposal (RFP) for a Virtual Reality Police Training Simulator RFP 23-09 for the **Fayetteville Police Department [FPD]**. The SVR training system allows officers to train in fully immersive close engagement scenarios where trainee interaction with an adversary is required to determine the appropriate level of force, from less-lethal action to fatal action. SVR is compact so that it can easily be moved from location to location and can be scaled from a 10' x 10' up to a 35' x 35' training area. With the SVR, up-to-date, effective, and cost-efficient training comes to the officers.

The following is a brief summary of information regarding InVeris and the sales representative who will handle the proposed contract.

Company Name: InVeris Training Solutions, Inc.
Address: 296 Brogdon Road, Suwanee, Georgia 30024
Point of Contact: Rob Griffin
Phone Number: 470-337-0287
Email Address: Robert.Griffin@inveristraining.com

InVeris has 38+ years of experience in the virtual law enforcement and military simulation and training business. InVeris has developed various technologies used in our training systems and we have evolved from our 1980s custom projection-based systems using large scenario laser discs to our current systems using VR technology. During this time, training requirements have also shifted from “shoot/don’t shoot” scenarios towards techniques focused more on communication skills and the range of force options now common within law enforcement. InVeris has been a leader through all this technology and training evolution, providing us with a wide breadth of training experience and technical expertise needed to provide FPD officers with training systems that not only meet current training needs, but are also able to support future upgrades as training needs evolve.

InVeris’ SVR Virtual Reality Law Enforcement Training System offers the next generation of simulators for first responder training. The SVR simulators are interactive, responsive, and realistic. Our SVR simulator is an advanced training solution that uses virtual reality (VR) for critical, real-world preparation for de-escalation of force situations, officer safety drills, critical decision making, protocol, and much more. The SVR simulator provides law enforcement agencies access to cutting edge technology to maximize readiness and correctly educate officers for field experiences. The simulator combines forward-looking hardware, scalable software and a content library that is always increasing.

The SVR system comes with all necessary components to fully immerse a trainee into a realistic training environment. After the scenario begins, the trainee can move, interact, communicate, and search just as they would in the real world. The use of SVR enables law enforcement agencies to train without needing scene locations, actors, or simulation guns and rounds, saving a great deal of time and expense for the department.

The SVR system was created by a combination of experts in VR development and prior law enforcement officers for effective, realistic training. Officers train in fully immersive environments that put them in the action. The virtual environments and ambient features increase the trainee's psychological immersion and focus when dealing with the situation at hand. By increasing the immersion, the trainee's mental recall is heightened, therefore enhancing their overall training experience. The instructor can review trainee decision-making skills to ensure proper tactics are used. Table 1 below provides a summary of a subset of the key features provided by our SVR system.

Table 1 - Summary of SVR Features and Capabilities

• Multiple trainees -Up to 4	• Custom environments	• Instructor review/playback
• Dynamic scenarios	• Six degrees of freedom	• Total instructor control
• Pre-constructed scenarios	• Hand tracking	• Instructor led voice response
• Duty-matched weapons (all specified weapons/devices)	• Body cam playback	• Metrics (distance, time)
	• Eye Tracking	• Over 120 drag-and-drop props

InVeris looks forward to working closely with the **City's** Purchasing Office to provide the most advanced and effective training capabilities needed to prepare your law enforcement personnel to meet the challenges of the current and future law enforcement environment. Please let us know if you have any questions regarding our proposed training solutions.

1 Company Background

1.1 Experience, Expertise and Qualifications

InVeris Training Solutions (InVeris) combines an agile approach with an unmatched expertise in training technology to design and deliver customized, cutting-edge training solutions that keep military, law enforcement, and private and commercial range clients safe, prepared and ready to serve – Because Seconds Matter™. The InVeris employs more than 350 people at its headquarters in Atlanta, Georgia (USA) and at facilities in Australia, Canada, Singapore, the Netherlands and the United Kingdom. **The company has fielded over 15,000 live-fire ranges, over 7,100 firearms simulation training systems, and over 55,000 simulated weapons globally in its 90+ year history.** The Company's advanced training solutions prepare clients in more than 55 countries to safely protect the communities they serve.

InVeris Training Solutions provides both live-fire and virtual firearms simulation training systems to law enforcement, military and security forces agencies and commercial shooting range owners, as well as first responders and corrections units around the world. InVeris Training Solutions – through its legacy brands FATS® and Caswell – has been a leading live-fire and virtual systems provider for more than 90 years.

- 1926: Founded in 1926, Caswell International provided high-quality live-fire range systems, serving the law enforcement community, commercial gun ranges and security forces. Caswell provided shooting range innovations resulting in many successful product launches including: 1) the world's first moving target system; 2) the industry's first environmentally friendly bullet trap that reduces lead dust; 3) the industry's first wireless range control device; and 4) the world's first fully mobile shooting range.
- 1984: Fast forward to 1984 and the emergence of Firearms Training Systems Inc. or FATS, an innovative simulation company that transformed the law enforcement and defense firearms simulation training markets.
- 2003: In 2003, the UK company Meggitt PLC acquired Caswell International. This acquisition was based on Caswell's reputation as an innovator in the live-fire shooting industry.
- 2006: In 2006, Meggitt PLC acquired FATS. This acquisition was based on FATS' reputation as the leader in the development, manufacturing and support of simulation small and combined arms training systems, indirect fire/forward air control and vehicle trainers. The FATS military simulators are the systems of record for the US Army, US Marines (USMC), United Kingdom Ministry of Defence (UK MOD), US National Guard, US Air Force (USAF), Canadian Army, Royal Canadian Navy, Royal Canadian Air Force, Australia Defense Forces (ADF), Singapore Army and Singapore Police Coast Guard. FATS invented BlueFire® wireless weapon simulators (patented) that replicate the form, fit and function of live weapons, and provide the same accurate, real-time training diagnostics as tethered weapon simulators.
- 2008: In 2008, Meggitt PLC merged Caswell and FATS to create Meggitt Training Systems. This merger sought to capitalize on synergies resulting from combining the operations of Caswell and FATS to provide both live fire and simulation training as an integrated product offering.

- 2020: In 2020, Pine Island Capital Partners, a private equity firm headquartered in Washington, D.C., acquired Meggitt Training Systems. Pine Island Capital Partners offers a differentiated approach to private equity investing in the middle market through the composition and specialized knowledge of its team. The firm has combined an experienced investment team with a group of Washington-based partners that includes former prominent members of Congress, ambassadors, and military and defense leaders with significant private sector experience. The team and its partners were drawn to the acquisition because of the technological leadership and customer-centric commitment they saw in Meggitt Training Systems. They now see the opportunity to expand the new InVeris Training Solutions to meet the changing training needs of training for an ever-wider group of customers and stakeholders.
- TODAY: Today, military forces, law enforcement officers, first responders, correction officers and security agency personnel face unprecedented issues. As the world leader in integrated live-fire and virtual training systems, InVeris Training Solutions answers this need. InVeris Training Solutions provides the design experience, state-of-the-art products, backed by dedicated support, necessary in today's fast-paced training environments. Our product offerings include virtual simulation systems (projection-based, virtual reality and augmented reality technology) and live fire training systems (indoor and outdoor ranges with automated target systems).

1.2 Project Resumes

1.2.1 Chief Executive Officer



CLYDE TUGGLE

Chief Executive Officer - Interim

678-288-1265 (t), 404-414-1426 (m)

clyde.tuggle@InVerisTraining.com

BA – Hamilton College;

Masters – Yale University;

Studied at Ludwig-Maximillian Universität, Munich, Germany and

University of Virginia's Darden Business School

Clyde Tuggle is a Partner and Co-Founder of Pine Island Capital Partners. He previously spent 30 years at the Coca-Cola Company where he was a member of Coca-Cola's Executive Committee and managed the company's corporate productivity activity. Clyde held multiple senior management roles and was most recently Senior Vice President and Chief Public Affairs and Communications Officer, where he managed Coca-Cola's global public affairs and reported directly to the Chairman and CEO.

He was also President of the Russia, Ukraine and Belarus Division, Senior Vice President of Worldwide Public Affairs and Communication, Deputy Division President of Central Europe and Executive Assistant (chief of staff) to former CEO Roberto C. Goizueta. Clyde currently serves as a Member of the Board of Directors at the Georgia Power Company and at Oxford Industries, Inc.

1.2.2 Program Management



ANGIE GARRISON
Program Manager, Virtual Systems
678-288-1227
angie.garrison@InVerisTraining.com

Angie is a Program Manager at InVeris Training Solutions™ and manages Virtual Law Enforcement and commercial agency programs, as well as a number of military programs (e.g., U.S. Navy, U.S. Air Force, and General Supply Administrative (GSA)). Her primary territories include Italy, South America, and Caribbean territories. She

joined the company in 1994 and has served in various capacities ranging from Documentation Control Specialist, Manager of Documentation Control, Sr. Quality Engineer, Marketing/Competitive Analyst. In addition, Angie was promoted to the role of Account Manager in 2011 and has since developed Program Management skills that led to her current position. Her experience in these various positions within the company give Angie a very good understanding of our business from the front end to the back end of the business.

1.2.3 Virtual System Sales



ROBERT GRIFFIN (ROB)
Sr Sales Representative – LE/Commercial Virtual Systems
470-337-0287
robert.griffin@InVerisTraining.com

Bachelor of Science – Information Systems

Rob is an InVeris Senior Sales Representative for Virtual Law Enforcement Systems in the United States south central region. He joined InVeris in 2021. Previously, Rob was a Co-Founder and Lead Salesperson for the company SURVIVR, which was acquired by InVeris in 2021. For the twelve years prior to that time, Rob was a Police Officer for the Henderson Police Department in Nevada. During his time there, Rob worked in Patrol for four years and spent the remainder of his career as a detective. He also was an instructor for nine years. Overall, Rob has 38 years of work experience with most of his jobs, excluding his police career, being in sales, customer service and sales management. He has won national recognition for outstanding sales, sales management, and leadership in several different companies. Rob's wide range of law enforcement and sales experience enables him to work closely with LE agencies to provide training solutions that better prepare their officers to safely and effectively deal with the wide range of encounters that they face on a regular basis.

1.2.4 Engineering



JAMES NAPIER (JIM)
Senior Vice President, Engineering
678-288-1324
james.napier@InVerisTraining.com

Massachusetts Institute of Technology (MIT), B.S. Computer Science and Engineering;
Massachusetts Institute of Technology (MIT), M.E. Electrical Engineering & Computer Science

Jim is the InVeris Senior Vice President of Engineering at InVeris Training Solutions and oversees all engineering work associated with virtual and live fire training systems. He has over 20 years of experience in the simulation industry and has served in various capacities since joining the company in 1996. In his seven (7) years as the Director of Software Engineering, Jim migrated the department to more agile development methodologies. In his role as engineering lead, he helped design and develop the Singapore Police Coast Guard Integrated Tactical Training Center (ITTC) during the three-year project. The ITTC is a large training simulator combining computer graphics simulation, motion platforms, bridge simulation, boat hydrodynamics, and weapons simulation to help the PCG train their students in correct boat handling, communications, and weapon handling. Jim also served as lead engineer focused on computer graphics in multiple small arms training simulators for Firearms Training Systems (FATS) prior to FATS being acquired by Meggitt. These simulators were used by the USMC, U.S. Army, UK MoD, ADF and others. Prior to his employment with the company, Jim worked for Charles Stark Draper Laboratories (1993-1996) on software control systems for the International Space Station.

1.2.5 Product Management



MARWAN KODEIH
Director of VR/AR Strategy
512-299-7544
Marwan.kodeih@InVerisTraining.com

BS, Computer Science

Marwan is InVeris' Director of Virtual Reality (VR) / Augmented Reality (AR) Strategy. In this role, he leads and assists with the go to market strategy, product roadmaps, and numerous innovative products in the extended reality realm. He also manages the development team for InVeris' flagship VR product. In his previous role at InVeris, he led the Virtual Reality development team to bring cutting edge technology into police departments to improve de-escalation training. Prior to joining InVeris, Marwan co-founded the company Immosis, a VR/AR and web development studio that created applications for numerous clients. He also was one of the co-founders of the company SURVIVR, which brought VR de-escalation training to law enforcement. SURVIVR was purchased by InVeris in 2021 at which time Marwan joined InVeris.

1.2.6 Operations



KELLY JAMIESON
Senior Vice President, Operations
678-288-1488
kelly.jamieson@InVerisTraining.com

Kelly serves as the Senior Vice President of Operations at InVeris Training Solutions. She has been a member of the Operations Team since 1996. During her tenure with the company, Kelly has held various positions, including Senior Buyer, Enterprise Resource Planning (ERP) Manager, Materials Manager, Director of Materials, Director of Supply Chain for the Meggitt Equipment & Energy Division, and her current position as Vice President of Operations. Her team has had successes in executing record breaking quarterly production deliverables in short turnaround, inventory reduction, and successful implementation of the Company Production System.

1.2.7 Commercial/Contracts



RONDA BUTLER
Director, Contracts and Commercial
678-288-1369
ronda.butler@InVerisTraining.com

University of Georgia, Terry College of Business, BBA-Management

Ronda is Director of Contracts and Commercial at InVeris Training Solutions™. She manages the overall Commercial/Contracts function across the organization. Ronda is responsible for the leadership and guidance of a staff of Contract Specialists and Managers. She is also responsible in advising senior management with respect to all commercial issues and the nature of on-going and necessary corrective actions. Ronda joined the company in 2015 and has over 11 years of overall experience in Government, Procurement, and Commercial Contracting for both services and products. Prior to joining the company, Ronda served as Senior Contracts Administrator at SA Technologies, a Human Factors and Situational Awareness Engineering Firm, where she oversaw all contract functions.

1.2.8 Customer Support, Quality, Environmental Health, and Safety



JULES FIJUX, MBA, ASQ CMQ/OE

Director of Customer Support, Quality, Environmental Health, and Safety

678-288-1147

jules.fijux@InVerisTraining.com

Master of Business Administration – University of Phoenix;

Bachelor of Science, Quality Management – SUNY at Empire State;

ASQ Certified Manager of Quality/Organizational Excellence;

Georgia Oglethorpe Board of Examiners, Member 2006; Senior Examiner, 2007, 2008, 2010 – 2012

Jules is the Director of Customer Support, Quality, Environmental, and Health & Safety for InVeris Training Solutions. He joined the company in April of 2021 with over 25+ years of experience as a Quality professional and 15+ years as an Environmental and Health & Safety leader. Jules' background includes Director of Registration Services for an ISO Registrar, being an ISO Certification Auditor for ISO 9001:2015, ISO 14001:2015, and ISO 45001:2018, as well as the Global Product Development Manager in the Currency Industry. Additionally, Jules has led Quality, Environmental and Health & Safety organizations as a corporate leader in The Coca-Cola Company and in the telecommunications industry, as well as working within the Automotive Industry, government contracting to the DoD and to the Israeli Ministry of Defense manufacturing night vision and fire control systems.

2 Specifications

2.1 Overview of System Features and Benefits

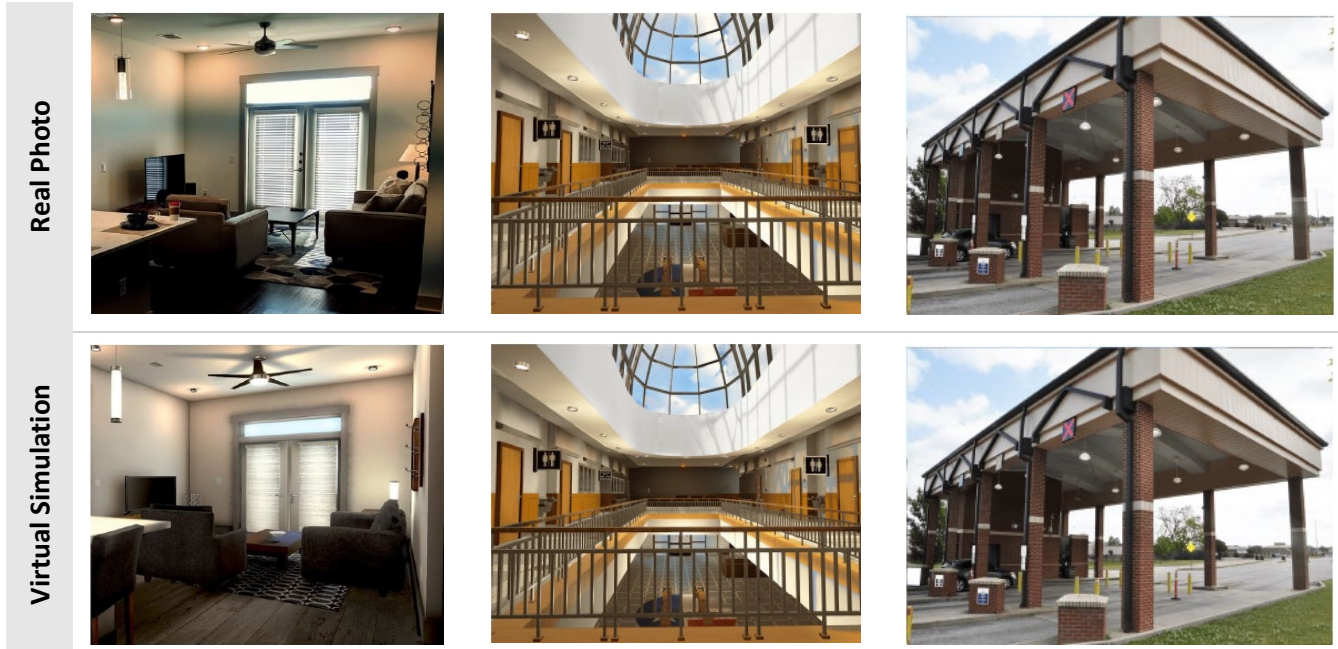
The use of VR enables law enforcement agencies to train without needing scene locations, actors, or simulation guns and rounds, which saves a great deal of time and expense for the department. As an option, InVeris can simulate real locations that are usually inaccessible for live actor training, allowing for a reduction in response times. We are the only company producing VR force options simulators that have a dedicated art team for 3D scans of existing environments. Our VR simulator eliminates the need for live actors or role players and provides the end user with consistent training for all law enforcement officers. Figure 3.1-1 shows a few examples of our VR environments and associated realism.

InVeris' SVR training system offers a multitude of environments allowing for the creation of unlimited scenarios that will reflect real world police interactions. Our system allows for a scenario to go from a casual encounter to having to deal with a hostage situation, which is all up to the trainer and how the trainee reacts. SVR is designed to be fully immersive and interactive and allows for freedom of movement to create space or take cover or concealment depending on action required in the scenarios, additionally haptic feedback is provided through our wearable haptic feedback vest. SVR offers a wide range of environments to build agency specific scenarios that will cover all the most common incidents that officers encounter.

A benefit of our simulator is the numerous scanned locations loaded on the system. These locations include military bases, courthouses, and apartments for a variety of hyper-relevant training scenarios with photo-realistic quality. The following is a list is an example of a few of these locations, some of which have multiple variations:

- Alleyway
- Apartment
- Bank
- Bar
- Church
- High School
- Hospital
- Jail Interior and Exterior
- Motel
- Park and Playground
- Parking Lot
- Residential House, Backyard, and Garage
- Street
- Underpass

Figure 2.1-1. Examples of scenes and associated realism



2.2 Portability

Agencies can easily move the SVR simulator to different locations as needed. It is as simple as relocating the computer(s), tripods, headset(s), and calibrating the room. The VR training system is packaged in weather-resistant pelican-style cases with wheels that allow it to easily be rolled from room to room and transported to other locations by vehicle.

The SVR training system was developed to be easily set up, taken down and moved as needed. With each purchase we provide rugged cases for the equipment to be transported and stored in. The system is made up of simple components for which most non-technical LE personnel are already familiar. After purchase we will provide installation and initial training. Additionally, we provide a digital manual and a 24/7 customer support number to help troubleshoot issues.

2.3 After Action Review

Our SVR training platform offers a after action review feature that allows for the instructor and officer to view a recording of the officer's performance. After the scenario, the trainee and instructor can review the scenario together from any angle at any time. They can see shot placement, the distance from the suspect, and talk about what the trainee did well and areas for improvement. Instead of merely talking about these things, the trainee will see precisely where things went right or wrong, which increases the learning experience for maximum retention.

After the instructor is finished analysing the scenario playback, they can choose to track certain metrics, such as draw time, shots fired, suspect distance, and more. Instructors have the option to export and store these metrics alongside the body camera footage for later review.

2.4 Hardware

The VR system makes maximum use of Commercial-Off-the-Shelf (COTS) components such as the computers, projectors, cameras, etc. These components are selected for their reliability and robustness as well as their technical performance.

Computer:

The specifications for the system computer are provided below:

Processor:	Intel® Core i7-11700K Processor (3.60GHz, Turbo 5.00GHz) 8 Core
System Memory:	16GB DDR4-3200 MHz (2 - 8GB DIMMS)
M.2 Storage:	500GB SSD NVMe/PCIe 3.0/4.0 M.2 Drive
Expansion Card Slot(s):	NVIDIA GeForce RTX 30 series (Extended Lead Times - 3 Slot)
Operating System:	Microsoft Windows 10 Professional Edition 64-Bit
Keyboard:	USB Keyboard
Mouse:	Logitech M100 Corded Mouse

Cameras and Speakers:

Our VR training platform comes with Virtual Reality Cameras that track trainee movement and orientation, plus with external speakers to provide realistic scenario sound.

Head Mounted Displays:

The system currently uses HTC Vive Pro Eye Wireless Headsets with impressive 360-degree fields of view. A picture of the HTC Vive Pro Eye Wireless Headset is shown below in Figure 2.2-2.

Figure 2.2-2. High-Resolution Head Mounted Display

HTC Vive Pro Eye Wireless Headset



Virtual Reality Weapons and Tools:

Each of the VR weapons and tools are similar in weight, feel, and accuracy of the live weapon or tool. The Taser is programmed to account for loose clothing and distance to match the same fail rate that could occur in a real-life situation. InVeris believes this unparalleled realism is vital to creating a quality training experience. Weapons include:

- Handgun (Glock, SIG, Smith & Wesson, Beretta – select one model)
- OC Spray
- Flashlight
- Shotgun (Optional Add on)
- Haptic Feedback Vest: Numerous haptic points wrapped around the upper body to wirelessly deliver haptic feedback to simulate a hit detection to trainee. (Optional Add on)
- Rifle
- Taser (X26P, X2 & 7 – select one model)
- Hand Tracking
- 40MM Less Lethal Launcher (Optional Add on)
- Bio Feedback Heart Rate Monitor: Heart rate monitoring device worn by the trainee on the arm or wrist during training. Enables the instructor to view trainees' heart rate in real-time during live training and after-action reviews. (Optional Add on)

2.5 Software

The software allows users to create thousands of different scenarios with varying options and possibilities, giving officers the ability to fully prepare for the real world. The user can customize the environment, props, suspect appearances, bystander, audio and much more. The software also comes equipped with stater scenarios created by law enforcement veterans, simulating the most common calls and real-life encounters. Below are some examples of distinct types of scenarios that are possible to create with our proprietary solution:

- De-escalation
- School Active Shooter
- Emotionally Disturbed Person
- Domestic Violence
- Traffic Stop
- Felony Stop
- Terry Stop
- Crowd Control/Riot/Protest
- Dynamic Building Entry
- Suspicious Person
- Suicidal Adult
- Suicidal University Student
- Security Gate
- Vehicle Searches
- Security Entrances
- Duty to Intervene

The training platform also offers a practice shooting range for trainees to practice weapon deployment on targets and training dummies.

The VR training platform is separate from the customer's domain and does not need to connect to the customer's network. Software patches and new scenarios can be downloaded via the internet or provided via a thumb drive, depending on the customer's needs.

2.6 Virtual Reality Training Area

Our system allows the customer to set up a virtual training area in rooms sized between 10' X 10' up to 35' X 35', using the provided lighthouse tracking base stations.

2.7 Export of Training Records

Training records can easily be emailed or exported from the training system to any storage device. All training data is controlled by the customer and only stored locally.

2.8 Multiple Users

Training that matches the practices for officer safety, protocol, and the appropriate response in the real-world is vital, which is why InVeris built a training simulator that supports multiple users. Our VR platform allows for up to four (4) officers to train simultaneously. With our open mic option, the system can provide training for various entities of the criminal justice field, such as law enforcement, corrections, and telecommunications. Two-way instructor to trainee communication is only available for multiuser setups.

2.9 Instructor / Student Interaction

In addition to pre-recorded responses from suspects, instructors have the ability to respond as the suspect using a microphone. This feature provides an enhanced level of communication between the officer and the suspect. A lightweight, fully customized laptop allows the instructor to influence the scenarios, environments, and weapons. Depending on the trainee's actions, the instructor can branch the scenarios to escalate or de-escalate the situation and review their decision-making skills to ensure proper tactics are used from any angle during after action review. These virtual environments and ambient features increase the student's psychological immersion and focus when dealing with the situation at hand. By increasing the immersions, the trainee's mental recall is heightened, therefore enhancing their overall training experience.

InVeris' VR training platform is designed for instructor / student interaction via replay of the scenario / incident. The VR simulator is built as a tool for instructors to use with the maximum level of freedom available in simulators. For example, Instructor's control the following:

- Scenario Setup
- Suspect's Responses and Actions
- Instructor-Led Voice Response
- Presence and Location of Contraband
- Witness/Complainant Responses and Actions
- Complexity of Scenario

At the conclusion of the training scenario, the trainee and instructor can playback the scenario from any angle to review the trainee's actions, distance from suspect, shot placement, and much more.

2.10 Multiple Users

Training that matches the practices for officer safety, protocol, and the appropriate response in the real-world is vital, which is why InVeris built a training simulator that supports multiple users. Our VR platform allows for up to four (4) officers to train simultaneously.

With our open mic option, the system can provide training for various entities of the criminal justice field, such as law enforcement, corrections, and telecommunications. Two-way instructor to trainee communication is only available for multiuser setups.

2.11 Sustainability

The SVR product is sustainable as it is not a single use product. The system saves departments from having to utilize ammunition, which causes waste and often litters the environment. Moving away from single use products like ammunition and other resources for live actor training will have a net positive impact on the environment that outweighs any recycling issues that might happen several years down the line, if at all. Additionally, our system can be completely powered off when not in use to save power.

3 Proposed Work Effort

3.1 Program Management

Once a contract has been awarded and booked, an InVeris Program Manager (PgM) will be assigned to the project. The PgM is responsible for all coordination with **FPD** as well as management of internal InVeris efforts. The PgM will coordinate the production, shipping, delivery, installation, and training for the proposed system. The PgM will communicate with **FPD** via email and phone as needed to schedule events for which InVeris will participate.

Delivery Schedule – The Base Contract items (reference the Pricing Table) delivery is 90 days after receipt and acceptance of order.

Event	Approximate Date	Comments
Contract Award	Contract Award (CA)	InVeris is awarded the Contract
Production	1 week After Contract Award (ACA)	Once the Contract is booked, the PgM will coordinate with Production Department to meet the set shipment date.
Shipping	6-8 Weeks ACA	Production is complete and the PgM is coordinating with the Shipping Department to meet shipment date.
Delivery	3-5 Days after Shipment	Once the product is delivered the PgM coordinates Installation and Training with the customer.
Installation and Training	Takes place 1-2 Weeks After Delivery	InVeris Installation Technician Installs and Trains the trainer on the SVR Training System. Training starts immediately upon completion of installation.

3.2 System Production

The primary InVeris effort for this contract will be production of existing InVeris products including the SVR Training System and weapon simulators in the quantities defined in the Pricing Table. These are items that InVeris produces on a regular basis and therefore is a low-risk production. InVeris will follow our internal production processes. InVeris is certified to ISO 9001:2015.

3.3 Shipping

InVeris will ship the proposed system, weapon simulators and accessories to the designated customer location. The equipment will be sent CONUS F.O.B., **Fayetteville Police Department; Fayetteville, AR** in accordance with INCOTERMS® 2020.

3.4 Installation and Training

InVeris personnel will install the proposed systems at the **FPD** site. The **FPD** will be responsible for any/all facility modifications prior to the installation date.

Installation and training are contingent on **FPD** agreement to arrange clearances or other similar requirements to enter **FPD** facility and the relevant locations for work to be performed. To support installation, InVeris personnel will be provided with full access to the **FPD** facility on the specified installation dates. Any delays in access to the facility and/or equipment will result in additional pricing on a Time and Material (T&M) basis using our commercial catalog daily rates. As part of system installation, InVeris personnel will unpack the system, perform assembly and perform a general check of the system to ensure that the system is running properly.

3.5 Warranty

Each training system sold will come with one (1) year of warranty and a one (1) year Service Agreement that covers software patches and provides new scenarios created by InVeris within the coverage period. The Service Agreement (SA) that covers software patches and provides all new scenarios created can be purchased for an additional 3 years if desired.

Help Desk Hotline:

InVeris operates a responsive Help Desk Hotline to support our customers. This Hotline will be available to the **FPD** for problem resolution for the warranty period as stated in the pricing table. Hotline support includes answering questions on maintenance issues, providing additional information, confirming problems and investigating their cause and providing suggestions for corrective actions and recommendations. The Help Desk Hotline is manned by our Repair Technicians during normal operating hours of 8:00am to 5:00pm EST. After these hours, an InVeris Technician is on standby to respond to emergency situations. Because of the time differences between various locations within the US, email is a common form of Hotline communication. A time may be set up to have an InVeris Technician assist the buyer outside normal InVeris operating hours. If spare parts are required to support operations, our service department is able to assist with placing these orders as well.

3.5.1 Exception to Warranty

InVeris includes one (1) year of warranty that covers hardware and a one (1) year Service Agreement that covers software patched and provides new scenarios created by InVeris within the coverage period. The Service Agreement that covers software patched and provides all new scenarios created can be purchased for an additional 3 years if desired.

The InVeris Help Desk Hotline is manned by our Repair Technicians during normal operation hours of 8:00am to 5:00pm EST. After these hours, an InVeris Technician is on standby to respond to emergency situations.

4 Previous Project Experience

InVeris has a long rich 38+ year history of providing firearms simulation training systems for law enforcement and military agencies under Government contracts. InVeris has provided our training system products under government contracts for city, state, federal and international government agencies. Defined in subsections below is a key contract similar to the training system being procured for the **Fayetteville Police Department**.

4.1 Contract 1 – Cuyahoga Falls Police Department

InVeris delivered our 2-person SVR Virtual Reality Law Enforcement Training System to the Cuyahoga Falls Police Department under contract with the Cuyahoga Falls Police Department, Ohio.

Cuyahoga Falls Police Department	
Point of Contact:	Capt. Todd Shafer
Address:	2310 2nd St, Cuyahoga Falls, OH 44221
Telephone Number:	330-971-8359
Email Address:	Shafertm@cityofcf.com
Project Title:	Cuyahoga Falls Police Department – SVR
Description of System Installed:	Two (2) Trainee System with 1-Year Warranty and Service Package: Computer System (includes keyboard, mouse, and monitors) – Qty 2 Virtual Reality Software – Qty 1 Laptop – Qty 1 Router – Qty 1 Head Mounted Display – Qty 2 (each headset includes charging station, wireless adapter, and two (2) batteries) Lighthouse Tracking System – Qty 4 Virtual Reality Hand Trackers – Qty 4 (2 pairs) Speakers – Qty 1 Tripods – Qty 6 USB Charging Hub – Qty 2 Headphones – Qty 1 Keyboard – Qty 2 Mouse – Qty 2 Virtual Reality Weapon Simulators include two (2) each of the following: Handgun, Rifle, Taser, OC Spray, and Flashlight
Contract Date:	June 2022 to June 2023
Performance Outcome:	Good

4.2 Contract 2 – Talbot County Sheriff’s Office

InVeris delivered our 2-person SVR Virtual Reality Law Enforcement Training System to the Talbot County Sheriff’s Office under contract with the Talbot County Sheriff’s Office, Maryland.

Talbot County Sheriff’s Office	
Point of Contact:	Capt. John Bollinger
Address:	28712 Glebe Rd Suite 1, Easton, MD 21601
Telephone Number:	410-822-1020
Email Address:	Jbollinger@talbgov.org
Project Title:	Talbot County Sheriff’s Office – SVR
Description of System Installed:	Two (2) Trainee System with 1-Year Warranty and Service Package: Computer System (includes keyboard, mouse, and monitors) – Qty 2 Virtual Reality Software – Qty 1 Laptop – Qty 1 Router – Qty 1 Head Mounted Display – Qty 2 (each headset includes charging station, wireless adapter, and two (2) batteries) Lighthouse Tracking System – Qty 4 Virtual Reality Hand Trackers – Qty 4 (2 pairs) Speakers – Qty 1 Tripods – Qty 6 USB Charging Hub – Qty 2 Headphones – Qty 1 Keyboard – Qty 2 Mouse – Qty 2 Virtual Reality Weapon Simulators include two (2) each of the following: Handgun, Rifle, Taser, OC Spray, and Flashlight
Contract Date:	February 2023 to February 2024
Performance Outcome:	Good

4.3 Contract 3 – City of Madison

InVeris delivered our 2-person SVR Virtual Reality Law Enforcement Training System to the City of Madison under contract with the City of Madison, Wisconsin.

City of Madison	
Point of Contact:	Jon Drollinger
Address:	5702 Femrite Dr, Madison, WI 53718
Telephone Number:	813-616-0612
Email Address:	Jdrollinger@cityofmadison.com
Project Title:	City of Madison – SVR
Description of System Installed:	Customer purchased their first one-person system and then later decided to purchase a second one-person system to make a two-person training system. Two (2) – One (1) Trainee System with 1-Year Warranty and Service Package: Computer System (includes keyboard, mouse, and monitors) – Qty 1 Virtual Reality Software – Qty 1 Router – Qty 1 Head Mounted Display – Qty 1 (each headset includes charging station, wireless adapter, and one (1) battery) Lighthouse Tracking System – Qty 4 Virtual Reality Hand Trackers – Qty 2 (1 pair) Speakers – Qty 1 Tripods – Qty 5 USB Charging Hub – Qty 2 Headphones – Qty 1 Keyboard – Qty 1 Mouse – Qty 1 Virtual Reality Weapon Simulators include one (1) each of the following: Handgun, Rifle, Taser, OC Spray, and Flashlight
Contract Date:	October 2022 to October 2023 December 2022 to December 2023
Performance Outcome:	Good

5 Pricing

5.1 Pricing – Base Package

Table 1 below provides pricing for items proposed as part of the Base Package.

TABLE 1 – BASE PACKAGE						
GSA / OPEN MKT	CATALOG NO.	DESCRIPTION	QTY	UNIT	UNIT PRICE (USD)	TOTAL PRICE (USD)
OPEN MKT	VR-SIMULATOR	VIRTUAL REALITY SIMULATOR: 1-Person simulator configuration with Service Package. Includes the following: - One VR head-mounted display that fully immerses a trainee into a realistic training environment. - One VR-Optimized Computer system with wireless adapter and two batteries. - One portable lighthouse tracking system with hand tracking to track the trainee in up to a 35' x 35' space. - One VR Toolset with one each of the following: VR Handgun, VR Rifle, VR Taser, VR OC Spray, and VR Flashlight. - One Desktop Computer with keyboard, external keypad, mouse, charging hub, audio/microphone, headset & speakers. - Two Monitors for initial simulator. - Miscellaneous wires/parts. - One year Warranty that covers hardware. - One year Service Package that provides software updates and new features. - Includes on-site Installation and Training	3	LOT	\$45,666.66	\$136,999.98
OPEN MKT	VR-NETWORK KIT	MULTI-USER NETWORKING: Advanced networking software and configuration needed for multi-user functionality.	1	LOT	\$5,000.00	\$5,000.00
SUBTOTAL (USD)						\$141,999.98
One-Time Discount (USD)						(\$41,999.99)
TOTAL PRICE (USD)						\$99,999.99

5.2 Pricing – Optional Extended Service Agreement Package

Table 2 provides pricing for the optional Extended Service Agreement Package that can be purchased along with the Base Package.

TABLE 2 – OPTIONAL EXTENDED SERVICE AGREEMENT PACKAGE						
GSA / OPEN MKT	CATALOG NO.	DESCRIPTION	QTY	UNIT	UNIT PRICE (USD)	TOTAL PRICE (USD)
OPEN MKT	EXT WRTY	EXTENDED SERVICE AGREEMENT PACKAGE: Additional year Service Agreement provides software updates and technical support. ○ Covers a 1-year period starting after the Initial Coverage Period ends.	1	YR	\$1,650.00	\$1,650.00
TOTAL PRICE – OPTION (USD)						\$1,650.00

Optional Additional Items:

Table 3 defines optional additional items that are available for purchase in addition to the Base Package and optional Extended Service Agreement Package defined in Tables 1 and 2 respectively.

GSA / OPEN MKT	CATALOG NO.	DESCRIPTION	QTY	UNIT	UNIT PRICE (USD)
MKT	--	SVR HAPTIC VEST	1	EA	\$900.00
MKT	--	BIO FEEDBACK HEART RATE MONITOR	1	EA	\$600.00
MKT	--	VR SHOTGUN	1	EA	\$1,800.00
MKT	--	VR BATON	1	EA	\$700.00
MKT	--	40MM LESS LETHAL LAUNCHER	1	EA	\$1,900.00
MKT	--	VR HAND TRACKING EQUIPMENT	1	EA	\$900.00
MKT	--	VR SCENARIO – CUSTOM OUTDOOR: Scenario includes up to 20,000 sq. ft. of a single outdoor environment	1	EA	\$22,500.00
MKT	--	VR SCENARIO – CUSTOM INDOOR: Scenario includes up to 10,000 sq. ft. of a single indoor environment	1	EA	\$28,350.00

6 Notes and Assumptions

1. **Quote Reference:** Please reference InVeris quote number **24077-22-USL** for future correspondence with InVeris.
2. **Supplied by Buyer with Purchase Order:** Please fill out the attached VR Configuration Questionnaire form to be provided with Purchased Order.
3. **Currency:** All prices are fixed price, quoted in US Dollars, and do not include any taxes or any other fees not expressly included herein.
4. **Open Market:** All items included herein are OPEN MARKET items unless specified otherwise in the pricing table.
5. **Delivery:** Delivery on all items is 90 days after receipt and acceptance of order.
 - Delivery time frame is subject to availability of weapons from the manufacturer.
6. **Documentation:** All products, documentation, manuals, training, training materials, etc. will be provided in US English only in InVeris content and format. No language translations have been priced or included.
7. **Payment Terms:** 100% NET 30 days
8. **Payment Address:** InVeris Training Solutions, Inc., 296 Brogdon Road, Suwanee, GA 30024
Business Size: Large
CAGE Code: 087W6
TIN: 58-2272995
Unique Entity Identifier (UEI): For DUNs 007655863 is H3BJSKLEF57
9. **Sales Tax:** If your organization is federal or state tax exempt, provide a copy of the tax exemption. InVeris is responsible for collecting sales tax in the following states: CA, CT, FL, MN, GA, IL, KY, VA, NJ, SD, and WA. If work is to be performed in any of these states under a Purchase order issued as a result of this proposal, any applicable sales tax will be added to the final invoice. If your organization is exempt from state sales tax, a copy of the tax exemption certificate will be required. Otherwise, please include the sales tax value on any resulting purchase order.
10. **Bonds:** N/A – no bonds are required.
11. **Special Markings:** Pricing does not include any special markings or certifications. If markings or certifications must be provided, a price can be provided upon request and further specifications.
12. **Design Modifications:** InVeris reserves the right to make modifications in the design of its products without prior notification.
13. **Terms and Conditions:** The InVeris Training Solutions, Inc. (InVeris) *Standard Terms & Conditions [ITSI-DOM-001REV7_08.17.2021]* incorporated by reference herein shall apply to all Open Market Items. Any subsequent purchase order will be subject to the Standard Terms & Conditions which can be provided upon request. Please contact ITS-ContractsMailUsers@inveristraining.com to request a copy.

7 List of Annexes and Attachments

- Annex A – Disclosure Form

Annex A – Disclosure Form

1. DISCLOSURE INFORMATION

Proposer must disclose any possible conflict of interest with the City of Fayetteville, including, but not limited to, any relationship with any City of Fayetteville employee. Proposer response must disclose if a known relationship exists between any principal or employee of your firm and any City of Fayetteville employee or elected City of Fayetteville official.

If, to your knowledge, no relationship exists, this should also be stated in your response. Failure to disclose such a relationship may result in cancellation of a purchase and/or contract as a result of your response. This form must be completed and returned in order for your bid/proposal to be eligible for consideration.

PLEASE CHECK ONE OF THE FOLLOWING TWO OPTIONS, AS IT APPROPRIATELY APPLIES TO YOUR FIRM:

X 1) NO KNOWN RELATIONSHIP EXISTS

2) RELATIONSHIP EXISTS (Please explain):

I certify that; as an officer of this organization, or per the attached letter of authorization, am duly authorized to certify the information provided herein is accurate and true; and my organization shall comply with all State and Federal Equal Opportunity and Non-Discrimination requirements and conditions of employment.

Pursuant Arkansas Code Annotated §25-1-503, the Contractor agrees and certifies that they do not currently boycott Israel and will not boycott Israel during any time in which they are entering into, or while in contract, with any public entity as defined in §25-1-503. If at any time during contract the contractor decides to boycott Israel, the contractor must notify the contracted public entity in writing.

2. PRIMARY CONTACT INFORMATION

At the discretion of the City, one or more firms may be asked for more detailed information before final ranking of the firms, which may also include oral interviews. **NOTE: Each Proposer shall submit to the City a primary contact name, e-mail address, and phone number (preferably a cell phone number) where the City selection committee can call for clarification or interview via telephone.**

Corporate Name of Firm: [InVeris Training Solutions, Inc.](#)

Primary Contact: Amy Krebsbach Title of Primary Contact: Senior Contracts Specialist

Phone#1 (cell preferred): 678-288-1090 Phone#2: 678-288-1338

E-Mail Address: ITS-ContractsMailUsers@inveristraining.com



DEPARTMENTAL CORRESPONDENCE



OFFICE OF THE
CITY ATTORNEY

TO: **Mayor Jordan**
City Council
Kara Paxton, City Clerk/Treasurer

Kit Williams
City Attorney

Blake Pennington
Assistant City Attorney

Jodi Batker
Paralegal

CC: **Paul Becker**, Chief Financial Officer
Tim Nyander, Utilities Director
Steven Dotson, Deputy Chief Finance Officer
Corey Granderson, Utilities Engineer

FROM: **Kit Williams**, City Attorney

DATE: **July 21, 2023**

RE: **Contracting with other political subdivisions**

The City of Fayetteville has constructed a very efficient and effective wastewater system for our residents, businesses, and factories which we have graciously allowed residents and businesses outside our city limits to access for decades. The City is authorized to contract with other cities or their residents (Elkins, Greenland, Farmington, Johnson, and West Fork) by A.C.A. §14-235-212 **Contracting with other political subdivisions.**

These contracts are statutorily authorized, "but only to the extent of the capacity of the works without impairing the usefulness of them to the owners (Fayetteville), **upon such terms and conditions as may be fixed by the sewer committee ...**" *Id.* at (a)(1)(B). (emphasis added)

In a sewer rate challenge case, the Arkansas Supreme Court held:

"Rate making being a legislative act, unless the city council has acted arbitrarily and unreasonably in fixing these rates, there is a prima facie presumption in favor of their correctness, and the burden is on complainant to show otherwise." *Lawrence v. Jones*, 228 Ark. 1136, 313 S.W. 2d. 228, 231 (1958).

In the 1990s, the City of Fayetteville was sued because it substantially increased its rates to a nonresident wholesale water customer.

“Water may be supplied to nonresident consumers at such rates as the legislative body of the municipality may deem just and reasonable, and the rates need not be the same as the rates charged residents of the municipality.” *Mount Olive Water Association v. City of Fayetteville*, 313 Ark. 606, 856 S.W. 2d 864, 866 (1993).

The water association challenged a 9.8% rate of return for computing revenue requirements. *Id.* The Arkansas Supreme Court rejected the water association’s argument that the 9.8% rate of return establishing the water rates was not just or reasonable. The Court ruled:

“We have stated no hard and fast rule regarding what constitutes a reasonable rate or the variables properly employed by which a municipality may charge in these situations. Reasonableness of rates must therefore be dictated by the facts of each situation and the definition of ‘reasonable’ established by the common meaning of the term.

Webster's Third New International Dictionary (Unabridged) (1968) gives several definitions of ‘reasonable’ including ‘not conflicting with reason: not absurd: not ridiculous . . . b. being or remaining within the bounds of reason.’” *Mount Olive Water Association v. City of Fayetteville*, *Supra* at 867.

The Arkansas Supreme Court cited “the *Report on Revenue Requirements, Cost of Service, and Rates for Water and Sewer Services for Fayetteville, Arkansas* prepared by Black and Veatch/Engineers – Architects of Kansas City,” *Id.* as “evidence presented by the City (which) showed the rates were based upon ‘reason’ and were ‘reasonable’ in accordance with the dictionary definitions quoted.” *Id.*

Once the City Council is satisfied that Black and Veatch has properly considered all relevant factors including realistic and relevant concerns of all the cities and customers served by Fayetteville, rates based upon the *Report* should satisfy the reasonableness standard here just as they did in the *Mount Olive Water Association* case. The Court in that case found that the charge per 1000 gallon rate there which more than tripled in four years was reasonable and legal.

“The burden of proving the city’s rate schedule to be arbitrary and unreasonable rested upon the plaintiffs, for the ordinance is entitled to the presumption of validity that legislative enactments ordinarily receive.” *Lawrence v. Jones*, Supra at 231.

CONCLUSION

The City of Fayetteville has always strived to fairly apportion the costs of building, maintaining, and operating its water and sewer systems among all of its customers. The law clearly gives the City Council the right to protect the interests of our citizens and businesses by crediting their recent 200 Million Dollar investment into the wastewater system project. Included it the new water rates must be the 80–90 Million Dollar estimated cost of our new western main water transmission line from the Beaver Lake Water district. The new and updated wastewater treatment system is needed to service not only our intown customers, but our many out of town customers in Farmington, Greenland and Johnson as well as our wholesale customers of Elkins and West Fork. The new western water transmission watermain will provide the safety of redundancy (if an older transmission line fails) for all water customers and a sufficient capacity to better serve all of our increasing water customers’ needs.

A reasonable rate of return from our out-of-town customers to compensate our citizens’ 200 Million Dollar investment is not only legal, but fair and reasonable. Increasing the water rates for all customers to pay for the necessary new western water transmission line is also fair and reasonable.

PROPOSED WATER RATE CHANGES - ON OR AFTER JANUARY 1, 2024

FIXED BASE CHARGE \$/MONTH	WATER INSIDE CITY			WATER OUTSIDE CITY			WATER WHOLESALE		
Meter Size	EXISTING	PROPOSED	CHANGE	EXISTING	PROPOSED	CHANGE	EXISTING	PROPOSED	CHANGE
5/8"	6.59	6.99	6.1%	7.54	7.99	6.0%	7.54	8.81	16.8%
¾ x ¾ inch	6.59	6.99	6.1%	7.54	7.99	6.0%	7.54	8.81	16.8%
1"	9.14	10.06	10.1%	10.52	13.84	31.6%	10.52	13.84	31.6%
1.5"	15.93	19.18	20.4%	18.31	27.40	49.6%	18.31	27.40	49.6%
2"	23.20	26.27	13.2%	26.66	37.95	42.3%	28.56	37.95	32.9%
3"	54.05	57.29	6.0%	62.18	79.11	27.2%	64.38	79.11	22.9%
4"	89.50	94.87	6.0%	102.93	115.76	12.5%	112.25	118.99	6.0%
6"	178.99	189.73	6.0%	205.82	218.17	6.0%	213.02	225.53	5.9%
8"	268.41	284.51	6.0%	308.67	327.19	6.0%	319.47	352.88	10.5%
		AVG	8.9%		AVG	20.8%		AVG	21.4%
QUANTITY CHARGE \$/1,000 GALLONS									
Residential									
First 2,000 gallons	3.51	3.59	2.3%	4.04	4.54	12.4%			
Next 13,000 gallons	4.65	4.75	2.2%	5.35	6.01	12.3%			
All over 15,000 gallons	6.59	6.74	2.3%	7.54	8.52	13.0%			
		AVG	2.2%		AVG	12.6%			
Non-Residential									
First 300,000 gallons	3.79	4.20	10.8%	4.38	5.11	16.7%			
All over 300,000 gallons	3.39	4.20	23.9%	3.90	5.11	31.0%			
		AVG	17.4%		AVG	23.8%			
Major Industrial									
All Usage	2.96	3.14	6.1%	3.40	3.49	2.6%			
Irrigation									
First 300,000 gallons	5.04	4.75	-5.8%	5.80	5.89	1.6%			
All over 300,000 gallons	4.53	4.75	4.9%	5.22	5.89	12.8%			
		AVG	-0.4%		AVG	7.2%			
Wholesale									
Reduced Peak Demand							2.87	3.30	15.0%
Peak Demand							3.20	3.30	3.1%
									9.1%

PROPOSED WATER RATE CHANGES - ON OR AFTER JANUARY 1, 2025

FIXED BASE CHARGE \$/MONTH	WATER INSIDE CITY			WATER OUTSIDE CITY			WATER WHOLESALE		
Meter Size	2024 Rates	PROPOSED	CHANGE	2024 Rates	PROPOSED	CHANGE	2024 Rates	PROPOSED	CHANGE
5/8"	6.99	7.41	6.0%	7.99	8.47	6.0%	8.81	9.34	6.0%
¾ x ¾ inch	6.99	7.41	6.0%	7.99	8.47	6.0%	8.81	9.34	6.0%
1"	10.06	10.66	6.0%	13.84	14.67	6.0%	13.84	14.67	6.0%
1.5"	19.18	20.33	6.0%	27.4	29.04	6.0%	27.40	29.04	6.0%
2"	26.27	27.85	6.0%	37.95	40.23	6.0%	37.95	40.23	6.0%
3"	57.29	60.73	6.0%	79.11	83.86	6.0%	79.11	83.86	6.0%
4"	94.87	100.56	6.0%	115.76	122.71	6.0%	118.99	126.13	6.0%
6"	189.73	201.11	6.0%	218.17	231.26	6.0%	225.53	239.06	6.0%
8"	284.51	301.58	6.0%	327.19	346.82	6.0%	352.88	374.05	6.0%
		AVG	6.0%		AVG	6.0%		AVG	6.0%
QUANTITY CHARGE \$/1,000 GALLONS									
Residential									
First 2,000 gallons	3.59	3.81	6.1%	4.54	4.81	5.9%			
Next 13,000 gallons	4.75	5.04	6.1%	6.01	6.37	6.0%			
All over 15,000 gallons	6.74	7.14	5.9%	8.52	9.03	6.0%			
		AVG	6.1%		AVG	6.0%			
Non-Residential									
First 300,000 gallons	4.20	4.45	6.0%	5.11	5.42	6.1%			
All over 300,000 gallons	4.20	4.45	6.0%	5.11	5.42	6.1%			
		AVG	6.0%		AVG	6.1%			
Major Industrial									
All Usage	3.14	3.33	6.1%	3.49	3.7	6.0%			
Irrigation									
First 300,000 gallons	4.75	5.04	6.1%	5.89	6.24	5.9%			
All over 300,000 gallons	4.75	5.04	6.1%	5.89	6.24	5.9%			
		AVG	6.1%		AVG	5.9%			
Wholesale									
Reduced Peak Demand							3.30	3.50	6.1%
Peak Demand							3.30	3.50	6.1%
									6.1%

PROPOSED WATER RATE CHANGES - ON OR AFTER JANUARY 1, 2026

FIXED BASE CHARGE \$/MONTH	WATER INSIDE CITY			WATER OUTSIDE CITY			WATER WHOLESALE		
Meter Size	2025 Rates	PROPOSED	CHANGE	2025 Rates	PROPOSED	CHANGE	2025 Rates	PROPOSED	CHANGE
5/8"	7.41	7.85	5.9%	8.47	8.98	6.0%	9.34	9.90	6.0%
¾ x ¾ inch	7.41	7.85	5.9%	8.47	8.98	6.0%	9.34	9.90	6.0%
1"	10.66	11.30	6.0%	14.67	15.55	6.0%	14.67	15.55	6.0%
1.5"	20.33	21.55	6.0%	29.04	30.78	6.0%	29.04	30.78	6.0%
2"	27.85	29.52	6.0%	40.23	42.64	6.0%	40.23	42.64	6.0%
3"	60.73	64.37	6.0%	83.86	88.89	6.0%	83.86	88.89	6.0%
4"	100.56	106.59	6.0%	122.71	130.07	6.0%	126.13	133.70	6.0%
6"	201.11	213.18	6.0%	231.26	245.14	6.0%	239.06	253.40	6.0%
8"	301.58	319.67	6.0%	346.82	367.63	6.0%	374.05	396.49	6.0%
		AVG	6.0%		AVG	6.0%		AVG	6.0%
QUANTITY CHARGE \$/1,000 GALLONS									
Residential									
First 2,000 gallons	3.81	4.04	6.0%	4.81	5.10	6.0%			
Next 13,000 gallons	5.04	5.34	6.0%	6.37	6.75	6.0%			
All over 15,000 gallons	7.14	7.57	6.0%	9.03	9.57	6.0%			
		AVG	6.0%		AVG	6.0%			
Non-Residential									
First 300,000 gallons	4.45	4.72	6.1%	5.42	5.75	6.1%			
All over 300,000 gallons	4.45	4.72	6.1%	5.42	5.75	6.1%			
		AVG	6.1%		AVG	6.1%			
Major Industrial									
All Usage	3.33	3.53	6.0%	3.70	3.92	5.9%			
Irrigation									
First 300,000 gallons	5.04	5.34	6.0%	6.24	6.61	5.9%			
All over 300,000 gallons	5.04	5.34	6.0%	6.24	6.61	5.9%			
		AVG	6.0%		AVG	5.9%			
Wholesale									
Reduced Peak Demand							3.50	3.71	6.0%
Peak Demand							3.50	3.71	6.0%
									6.0%

PROPOSED WATER RATE CHANGES - ON OR AFTER JANUARY 1, 2027

FIXED BASE CHARGE \$/MONTH	WATER INSIDE CITY			WATER OUTSIDE CITY			WATER WHOLESALE		
Meter Size	2026 Rates	PROPOSED	CHANGE	2026 Rates	PROPOSED	CHANGE	2026 Rates	PROPOSED	CHANGE
5/8"	7.85	8.32	6.0%	8.98	9.52	6.0%	9.90	10.49	6.0%
¾ x ¾ inch	7.85	8.32	6.0%	8.98	9.52	6.0%	9.90	10.49	6.0%
1"	11.30	11.98	6.0%	15.55	16.48	6.0%	15.55	16.48	6.0%
1.5"	21.55	22.84	6.0%	30.78	32.63	6.0%	30.78	32.63	6.0%
2"	29.52	31.29	6.0%	42.64	45.20	6.0%	42.64	45.20	6.0%
3"	64.37	68.23	6.0%	88.89	94.22	6.0%	88.89	94.22	6.0%
4"	106.59	112.99	6.0%	130.07	137.87	6.0%	133.70	141.72	6.0%
6"	213.18	225.97	6.0%	245.14	259.85	6.0%	253.40	268.60	6.0%
8"	319.67	338.85	6.0%	367.63	389.69	6.0%	396.49	420.28	6.0%
		AVG	6.0%		AVG	6.0%		AVG	6.0%
QUANTITY CHARGE \$/1,000 GALLONS									
Residential									
First 2,000 gallons	4.04	4.28	5.9%	5.10	5.41	6.1%			
Next 13,000 gallons	5.34	5.66	6.0%	6.75	7.16	6.1%			
All over 15,000 gallons	7.57	8.02	5.9%	9.57	10.14	6.0%			
		AVG	6.0%		AVG	6.0%			
Non-Residential									
First 300,000 gallons	4.72	5.00	5.9%	5.75	6.10	6.1%			
All over 300,000 gallons	4.72	5.00	5.9%	5.75	6.10	6.1%			
		AVG	5.9%		AVG	6.1%			
Major Industrial									
All Usage	3.53	3.74	5.9%	3.92	4.16	6.1%			
Irrigation									
First 300,000 gallons	5.34	5.66	6.0%	6.61	7.01	6.1%			
All over 300,000 gallons	5.34	5.66	6.0%	6.61	7.01	6.1%			
		AVG	6.0%		AVG	6.1%			
Wholesale									
Reduced Peak Demand							3.71	3.93	5.9%
Peak Demand							3.71	3.93	5.9%
									5.9%

PROPOSED WASTEWATER RATE CHANGES ON OR AFTER JANUARY 2024

MONTHLY BASE CHARGE	INSIDE CITY			OUTSIDE CITY			FARMINGTON		
Meter Size	EXISTING	PROPOSED	CHANGE	EXISTING	PROPOSED	CHANGE	EXISTING	PROPOSED	CHANGE
5/8"	18.28	18.83	3.0%	18.28	15.71	-14.1%	16.74	15.71	-6.2%
¾ x ¾ inch	18.28	18.83	3.0%	18.28	16.01	-12.4%	16.74	16.01	-4.4%
1"	23.74	24.45	3.0%	33.92	31.32	-7.7%	31.28	31.32	0.1%
1.5"	38.77	44.81	15.6%	60.37	63.14	4.6%	55.50	63.14	13.8%
2"	55.43	61.64	11.2%	79.73	87.88	10.2%	73.45	87.88	19.6%
3"	128.73	132.59	3.0%	184.24	184.50	0.1%	169.29	184.50	9.0%
4"	212.13	218.49	3.0%	303.44	270.52	-10.8%	278.93	270.52	-3.0%
6"	420.39	433.00	3.0%	601.46	501.48	-16.6%	553.70	501.48	-9.4%
8"	628.73	647.59	3.0%	899.76	558.03	-38.0%	826.81	558.03	-32.5%
		AVG	5.3%		AVG	-9.4%		AVG	-1.4%
QUANTITY CHARGE \$/1,000 GALLONS									
Residential									
First 2,000 gallons	4.35	3.84	-11.7%						
> 2,000 gallons	5.80	5.13	-11.6%						
All Usage				8.18	7.56	-7.6%	7.52	7.56	0.5%
		AVG	-11.6%						
Non-Residential									
All Usage	4.40	5.36	21.8%	8.18	7.56	-7.6%	7.52	7.56	0.5%
Major Industrial									
All Usage	4.71	5.82	23.6%	8.18	7.56	-7.6%	7.52	7.56	0.5%
Wholesale									
85% of metered water usage				5.19	6.26	20.6%			
Above 85% of metered water				2.71	6.26	131.0%			
					AVG	75.8%			
Surcharge									
BOD - \$/lb strength excess 300 ppm	0.3148	0.5410	71.9%						
TSS - \$/lb strength excess 300 ppm	0.4483	0.6674	48.9%						
		AVG	60.4%						

PROPOSED WASTEWATER RATE CHANGES ON OR AFTER JANUARY 2025

MONTHLY BASE CHARGE	INSIDE CITY			OUTSIDE CITY			FARMINGTON		
Meter Size	2024 Rates	PROPOSED	CHANGE	2024 Rates	PROPOSED	CHANGE	2024 Rates	PROPOSED	CHANGE
5/8"	18.83	19.39	3.0%	15.71	16.18	3.0%	15.71	16.18	3.0%
¾ x ¾ inch	18.83	19.39	3.0%	16.01	16.49	3.0%	16.01	16.49	3.0%
1"	24.45	25.19	3.0%	31.32	32.26	3.0%	31.32	32.26	3.0%
1.5"	44.81	46.15	3.0%	63.14	65.03	3.0%	63.14	65.03	3.0%
2"	61.64	63.48	3.0%	87.88	90.52	3.0%	87.88	90.52	3.0%
3"	132.59	136.57	3.0%	184.50	190.04	3.0%	184.50	190.04	3.0%
4"	218.49	225.05	3.0%	270.52	278.63	3.0%	270.52	278.63	3.0%
6"	433.00	445.99	3.0%	501.48	516.52	3.0%	501.48	516.52	3.0%
8"	647.59	667.02	3.0%	558.03	574.77	3.0%	558.03	574.77	3.0%
		AVG	3.0%		AVG	3.0%		AVG	3.0%
QUANTITY CHARGE \$/1,000 GALLONS									
Residential									
First 2,000 gallons	3.84	3.96	3.1%						
> 2,000 gallons	5.13	5.28	2.9%						
All Usage				7.56	7.79	3.0%	7.56	7.79	3.0%
		AVG	3.0%						
Non-Residential									
All Usage	5.36	5.52	3.0%	7.56	7.79	3.0%	7.56	7.79	3.0%
Major Industrial									
All Usage	5.82	5.99	2.9%	7.56	7.79	3.0%	7.56	7.79	3.0%
Wholesale									
85% of metered water usage				6.26	6.45	3.0%			
Above 85% of metered water				6.26	6.45	3.0%			
					AVG	3.0%			
Surcharge									
BOD - \$/lb strength excess 300 ppm	0.5410	0.5572	3.0%						
TSS - \$/lb strength excess 300 ppm	0.6674	0.6875	3.0%						
		AVG	3.0%						

PROPOSED WASTEWATER RATE CHANGES ON OR AFTER JANUARY 2026

MONTHLY BASE CHARGE	INSIDE CITY			OUTSIDE CITY			FARMINGTON		
Meter Size	2025 Rates	PROPOSED	CHANGE	2025 Rates	PROPOSED	CHANGE	2025 Rates	PROPOSED	CHANGE
5/8"	19.39	19.98	3.0%	16.18	16.66	3.0%	16.18	16.66	3.0%
¾ x ¾ inch	19.39	19.98	3.0%	16.49	16.98	3.0%	16.49	16.98	3.0%
1"	25.19	25.94	3.0%	32.26	33.23	3.0%	32.26	33.23	3.0%
1.5"	46.15	47.53	3.0%	65.03	66.98	3.0%	65.03	66.98	3.0%
2"	63.48	65.39	3.0%	90.52	93.23	3.0%	90.52	93.23	3.0%
3"	136.57	140.67	3.0%	190.04	195.74	3.0%	190.04	195.74	3.0%
4"	225.05	231.80	3.0%	278.63	286.99	3.0%	278.63	286.99	3.0%
6"	445.99	459.37	3.0%	516.52	532.02	3.0%	516.52	532.02	3.0%
8"	667.02	687.03	3.0%	574.77	592.02	3.0%	574.77	592.02	3.0%
		AVG	3.0%		AVG	3.0%		AVG	3.0%
QUANTITY CHARGE \$/1,000 GALLONS									
Residential									
First 2,000 gallons	3.96	4.08	3.0%						
> 2,000 gallons	5.28	5.44	3.0%						
All Usage				7.79	8.02	3.0%	7.79	8.02	3.0%
		AVG	3.0%						
Non-Residential									
All Usage	5.52	5.68	2.9%	7.79	8.02	3.0%	7.79	8.02	3.0%
Major Industrial									
All Usage	5.99	6.17	3.0%	7.79	8.02	3.0%	7.79	8.02	3.0%
Wholesale									
85% of metered water usage				6.45	6.64	2.9%			
Above 85% of metered water				6.45	6.64	2.9%			
					AVG	2.9%			
Surcharge									
BOD - \$/lb strength excess 300 ppm	0.5572	0.5739	3.0%						
TSS - \$/lb strength excess 300 ppm	0.6875	0.7081	3.0%						
		AVG	3.0%						

PROPOSED WASTEWATER RATE CHANGES ON OR AFTER JANUARY 2027

MONTHLY BASE CHARGE	INSIDE CITY			OUTSIDE CITY			FARMINGTON		
Meter Size	2026 Rates	PROPOSED	CHANGE	2026 Rates	PROPOSED	CHANGE	2026 Rates	PROPOSED	CHANGE
5/8"	19.98	20.57	3.0%	16.66	17.16	3.0%	16.66	17.16	3.0%
¾ x ¾ inch	19.98	20.57	3.0%	16.98	17.49	3.0%	16.98	17.49	3.0%
1"	25.94	26.72	3.0%	33.23	34.23	3.0%	33.23	34.23	3.0%
1.5"	47.53	48.96	3.0%	66.98	68.99	3.0%	66.98	68.99	3.0%
2"	65.39	67.35	3.0%	93.23	96.03	3.0%	93.23	96.03	3.0%
3"	140.67	144.89	3.0%	195.74	201.61	3.0%	195.74	201.61	3.0%
4"	231.80	238.75	3.0%	286.99	295.60	3.0%	286.99	295.60	3.0%
6"	459.37	473.15	3.0%	532.02	548.00	3.0%	532.02	548.00	3.0%
8"	687.03	707.64	3.0%	592.02	609.78	3.0%	592.02	609.78	3.0%
		AVG	3.0%		AVG	3.0%		AVG	3.0%
QUANTITY CHARGE \$/1,000 GALLONS									
Residential									
First 2,000 gallons	4.08	4.2	2.9%						
> 2,000 gallons	5.44	5.61	3.1%						
All Usage				8.02	8.26	3.0%	8.02	8.26	3.0%
		AVG	3.0%						
Non-Residential									
All Usage	5.68	5.85	3.0%	8.02	8.26	3.0%	8.02	8.26	3.0%
Major Industrial									
All Usage	6.17	6.36	3.1%	8.02	8.26	3.0%	8.02	8.26	3.0%
Wholesale									
85% of metered water usage				6.64	6.84	3.0%			
Above 85% of metered water				6.64	6.84	3.0%			
					AVG	3.0%			
Surcharge									
BOD - \$/lb strength excess 300 ppm	0.5739	0.5911	3.0%						
TSS - \$/lb strength excess 300 ppm	0.7081	0.7293	3.0%						
		AVG	3.0%						

***Beginning January 1, 2028, all monthly water and sewer rates shall be increased by 3% per year**

For more information or questions about the proposed water and sewer rate changes, contact the City of Fayetteville, Utilities Financial Service Division at (479) 575-8224 or visit the City's website at www.fayetteville-ar.gov.



CITY OF
FAYETTEVILLE
ARKANSAS

CITY OF FAYETTEVILLE, ARKANSAS
Notice of Public Hearing on Proposed Water and Sewer Rate Changes
City Council Meeting: Tuesday, August 15, 2023 at 5:30 PM

City of Fayetteville Administration Building, City Hall
113 W. Mountain – Room 219 or via Zoom link at www.fayetteville-ar.gov

On August 15, 2023 shortly after the beginning of the Council Meeting at 5:30 PM, the Fayetteville City Council will hold a public hearing prior to the consideration and possible adoption of the 2024-2027 water and sewer rates ordinance. The public will be able to comment during this Public Hearing and also during consideration of the rate ordinance prior to its final consideration and vote by the Fayetteville City Council. The public can attend in person or remotely via the link on the City's website, www.fayetteville-ar.gov. If adopted, the proposed new rates would take effect on or after January 1, 2024, with 3% increases annually after the rates shown for 2027. All persons are invited to attend the public hearing and be heard on the matter.

A water and sewer cost of service study was conducted by Black & Veatch pursuant to Fayetteville City Council Resolution 212-20 and State Law to perform a cost analysis to determine if costs allocations are fair and equitable among customer classes and to review the existing rate structure and design proposed rates that provide adequate revenues to operate and maintain the utilities and ensure sufficient funds will be available for necessary capital expansions. The rate study was conducted following the industry standard methodology from the American Water Works Association (M1 Principles of Water Rates, Fees, and Charges).

The proposed water and sewer rate changes below are necessary for the City of Fayetteville to continue to provide safe and reliable water and sewer services to its citizens and other customers because extensive new capital needs are required now and will be required in the future, and operating costs have increased and will continue to increase.

PROPOSED WATER RATE CHANGES - ON OR AFTER JANUARY 1, 2024

FIXED BASE CHARGE \$/MONTH Meter Size	WATER INSIDE CITY			WATER OUTSIDE CITY			WATER WHOLESALE		
	EXISTING	PROPOSED	CHANGE	EXISTING	PROPOSED	CHANGE	EXISTING	PROPOSED	CHANGE
5/8"	6.59	6.99	6.1%	7.54	7.99	6.0%	7.54	8.81	16.8%
¾ x ¾ inch	6.59	6.99	6.1%	7.54	7.99	6.0%	7.54	8.81	16.8%
1"	9.14	10.06	10.1%	10.52	13.84	31.6%	10.52	13.84	31.6%
1.5"	15.93	19.18	20.4%	18.31	27.40	49.6%	18.31	27.40	49.6%
2"	23.20	26.27	13.2%	26.66	37.95	42.3%	28.56	37.95	32.9%
3"	54.05	57.29	6.0%	62.18	79.11	27.2%	64.38	79.11	22.9%
4"	89.50	94.87	6.0%	102.93	115.76	12.5%	112.25	118.99	6.0%
6"	178.99	189.73	6.0%	205.82	218.17	6.0%	213.02	225.53	5.9%
8"	268.41	284.51	6.0%	308.67	327.19	6.0%	319.47	352.88	10.5%
		AVG	8.9%		AVG	20.8%		AVG	21.4%
QUANTITY CHARGE \$/1,000 GALLONS									
Residential									
First 2,000 gallons	3.51	3.59	2.3%	4.04	4.54	12.4%			
Next 13,000 gallons	4.65	4.75	2.2%	5.35	6.01	12.3%			
All over 15,000 gallons	6.59	6.74	2.3%	7.54	8.52	13.0%			
		AVG	2.2%		AVG	12.6%			
Non-Residential									
First 300,000 gallons	3.79	4.20	10.8%	4.38	5.11	16.7%			
All over 300,000 gallons	3.39	4.20	23.9%	3.90	5.11	31.0%			
		AVG	17.4%		AVG	23.8%			
Major Industrial									
All Usage	2.96	3.14	6.1%	3.40	3.49	2.6%			
Irrigation									
First 300,000 gallons	5.04	4.75	-5.8%	5.80	5.89	1.6%			
All over 300,000 gallons	4.53	4.75	4.9%	5.22	5.89	12.8%			
		AVG	-0.4%		AVG	7.2%			
Wholesale									
Reduced Peak Demand							2.87	3.30	15.0%
Peak Demand							3.20	3.30	3.1%
									9.1%

PROPOSED WATER RATE CHANGES - ON OR AFTER JANUARY 1, 2025

FIXED BASE CHARGE \$/MONTH Meter Size	WATER INSIDE CITY			WATER OUTSIDE CITY			WATER WHOLESALE		
	2024 Rates	PROPOSED	CHANGE	2024 Rates	PROPOSED	CHANGE	2024 Rates	PROPOSED	CHANGE
5/8"	6.99	7.41	6.0%	7.99	8.47	6.0%	8.81	9.34	6.0%
¾ x ¾ inch	6.99	7.41	6.0%	7.99	8.47	6.0%	8.81	9.34	6.0%
1"	10.06	10.66	6.0%	13.84	14.67	6.0%	13.84	14.67	6.0%
1.5"	19.18	20.33	6.0%	27.4	29.04	6.0%	27.40	29.04	6.0%
2"	26.27	27.85	6.0%	37.95	40.23	6.0%	37.95	40.23	6.0%
3"	57.29	60.73	6.0%	79.11	83.86	6.0%	79.11	83.86	6.0%
4"	94.87	100.56	6.0%	115.76	122.71	6.0%	118.99	126.13	6.0%
6"	189.73	201.11	6.0%	218.17	231.26	6.0%	225.53	239.06	6.0%
8"	284.51	301.58	6.0%	327.19	346.82	6.0%	352.88	374.05	6.0%
		AVG	6.0%		AVG	6.0%		AVG	6.0%
QUANTITY CHARGE \$/1,000 GALLONS									
Residential									
First 2,000 gallons	3.59	3.81	6.1%	4.54	4.81	5.9%			
Next 13,000 gallons	4.75	5.04	6.1%	6.01	6.37	6.0%			
All over 15,000 gallons	6.74	7.14	5.9%	8.52	9.03	6.0%			
		AVG	6.1%		AVG	6.0%			
Non-Residential									
First 300,000 gallons	4.20	4.45	6.0%	5.11	5.42	6.1%			
All over 300,000 gallons	4.20	4.45	6.0%	5.11	5.42	6.1%			
		AVG	6.0%		AVG	6.1%			
Major Industrial									
All Usage	3.14	3.33	6.1%	3.49	3.7	6.0%			
Irrigation									
First 300,000 gallons	4.75	5.04	6.1%	5.89	6.24	5.9%			
All over 300,000 gallons	4.75	5.04	6.1%	5.89	6.24	5.9%			
		AVG	6.1%		AVG	5.9%			
Wholesale									
Reduced Peak Demand							3.30	3.50	6.1%
Peak Demand							3.30	3.50	6.1%
									6.1%

PROPOSED WATER RATE CHANGES - ON OR AFTER JANUARY 1, 2026

FIXED BASE CHARGE \$/MONTH	WATER INSIDE CITY			WATER OUTSIDE CITY			WATER WHOLESALE		
	2025 Rates	PROPOSED	CHANGE	2025 Rates	PROPOSED	CHANGE	2025 Rates	PROPOSED	CHANGE
Meter Size									
5/8"	7.41	7.85	5.9%	8.47	8.98	6.0%	9.34	9.90	6.0%
¾ x ¾ inch	7.41	7.85	5.9%	8.47	8.98	6.0%	9.34	9.90	6.0%
1"	10.66	11.30	6.0%	14.67	15.55	6.0%	14.67	15.55	6.0%
1.5"	20.33	21.55	6.0%	29.04	30.78	6.0%	29.04	30.78	6.0%
2"	27.85	29.52	6.0%	40.23	42.64	6.0%	40.23	42.64	6.0%
3"	60.73	64.37	6.0%	83.86	88.89	6.0%	83.86	88.89	6.0%
4"	100.56	106.59	6.0%	122.71	130.07	6.0%	126.13	133.70	6.0%
6"	201.11	213.18	6.0%	231.26	245.14	6.0%	239.06	253.40	6.0%
8"	301.58	319.67	6.0%	346.82	367.63	6.0%	374.05	396.49	6.0%
		AVG	6.0%		AVG	6.0%		AVG	6.0%
QUANTITY CHARGE \$/1,000 GALLONS									
Residential									
First 2,000 gallons	3.81	4.04	6.0%	4.81	5.10	6.0%			
Next 13,000 gallons	5.04	5.34	6.0%	6.37	6.75	6.0%			
All over 15,000 gallons	7.14	7.57	6.0%	9.03	9.57	6.0%			
		AVG	6.0%		AVG	6.0%			
Non-Residential									
First 300,000 gallons	4.45	4.72	6.1%	5.42	5.75	6.1%			
All over 300,000 gallons	4.45	4.72	6.1%	5.42	5.75	6.1%			
		AVG	6.1%		AVG	6.1%			
Major Industrial									
All Usage	3.33	3.53	6.0%	3.70	3.92	5.9%			
Irrigation									
First 300,000 gallons	5.04	5.34	6.0%	6.24	6.61	5.9%			
All over 300,000 gallons	5.04	5.34	6.0%	6.24	6.61	5.9%			
		AVG	6.0%		AVG	5.9%			
Wholesale									
Reduced Peak Demand							3.50	3.71	6.0%
Peak Demand							3.50	3.71	6.0%
									6.0%

PROPOSED WATER RATE CHANGES - ON OR AFTER JANUARY 1, 2027

FIXED BASE CHARGE \$/MONTH	WATER INSIDE CITY			WATER OUTSIDE CITY			WATER WHOLESALE		
	2026 Rates	PROPOSED	CHANGE	2026 Rates	PROPOSED	CHANGE	2026 Rates	PROPOSED	CHANGE
Meter Size									
5/8"	7.85	8.32	6.0%	8.98	9.52	6.0%	9.90	10.49	6.0%
¾ x ¾ inch	7.85	8.32	6.0%	8.98	9.52	6.0%	9.90	10.49	6.0%
1"	11.30	11.98	6.0%	15.55	16.48	6.0%	15.55	16.48	6.0%
1.5"	21.55	22.84	6.0%	30.78	32.63	6.0%	30.78	32.63	6.0%
2"	29.52	31.29	6.0%	42.64	45.20	6.0%	42.64	45.20	6.0%
3"	64.37	68.23	6.0%	88.89	94.22	6.0%	88.89	94.22	6.0%
4"	106.59	112.99	6.0%	130.07	137.87	6.0%	133.70	141.72	6.0%
6"	213.18	225.97	6.0%	245.14	259.85	6.0%	253.40	268.60	6.0%
8"	319.67	338.85	6.0%	367.63	389.69	6.0%	396.49	420.28	6.0%
		AVG	6.0%		AVG	6.0%		AVG	6.0%
QUANTITY CHARGE \$/1,000 GALLONS									
Residential									
First 2,000 gallons	4.04	4.28	5.9%	5.10	5.41	6.1%			
Next 13,000 gallons	5.34	5.66	6.0%	6.75	7.16	6.1%			
All over 15,000 gallons	7.57	8.02	5.9%	9.57	10.14	6.0%			
		AVG	6.0%		AVG	6.0%			
Non-Residential									
First 300,000 gallons	4.72	5.00	5.9%	5.75	6.10	6.1%			
All over 300,000 gallons	4.72	5.00	5.9%	5.75	6.10	6.1%			
		AVG	5.9%		AVG	6.1%			
Major Industrial									
All Usage	3.53	3.74	5.9%	3.92	4.16	6.1%			
Irrigation									
First 300,000 gallons	5.34	5.66	6.0%	6.61	7.01	6.1%			
All over 300,000 gallons	5.34	5.66	6.0%	6.61	7.01	6.1%			
		AVG	6.0%		AVG	6.1%			
Wholesale									
Reduced Peak Demand							3.71	3.93	5.9%
Peak Demand							3.71	3.93	5.9%
									5.9%

PROPOSED WASTEWATER RATE CHANGES ON OR AFTER JANUARY 2024

MONTHLY BASE CHARGE				INSIDE CITY			OUTSIDE CITY			FARMINGTON		
Meter Size	EXISTING	PROPOSED	CHANGE	EXISTING	PROPOSED	CHANGE	EXISTING	PROPOSED	CHANGE	EXISTING	PROPOSED	CHANGE
5/8"	18.28	18.83	3.0%	18.28	15.71	-14.1%	16.74	15.71	-6.2%			
¾ x ¾ inch	18.28	18.83	3.0%	18.28	16.01	-12.4%	16.74	16.01	-4.4%			
1"	23.74	24.45	3.0%	33.92	31.32	-7.7%	31.28	31.32	0.1%			
1.5"	38.77	44.81	15.6%	60.37	63.14	4.6%	55.50	63.14	13.8%			
2"	55.43	61.64	11.2%	79.73	87.88	10.2%	73.45	87.88	19.6%			
3"	128.73	132.59	3.0%	184.24	184.50	0.1%	169.29	184.50	9.0%			
4"	212.13	218.49	3.0%	303.44	270.52	-10.8%	278.93	270.52	-3.0%			
6"	420.39	433.00	3.0%	601.46	501.48	-16.6%	553.70	501.48	-9.4%			
8"	628.73	647.59	3.0%	899.76	558.03	-38.0%	826.81	558.03	-32.5%			
		AVG	5.3%		AVG	-9.4%		AVG	-1.4%			
QUANTITY CHARGE \$/1,000 GALLONS												
Residential												
First 2,000 gallons	4.35	3.84	-11.7%									
> 2,000 gallons	5.80	5.13	-11.6%									
All Usage				8.18	7.56	-7.6%	7.52	7.56	0.5%			
		AVG	-11.6%									
Non-Residential												
All Usage	4.40	5.36	21.8%	8.18	7.56	-7.6%	7.52	7.56	0.5%			
Major Industrial												
All Usage	4.71	5.82	23.6%	8.18	7.56	-7.6%	7.52	7.56	0.5%			
Wholesale												
85% of metered water usage				5.19	6.26	20.6%						
Above 85% of metered water				2.71	6.26	131.0%						
					AVG	75.8%						
Surcharge												
BOD - \$/lb strength excess 300 ppm	0.3148	0.5410	71.9%									
TSS - \$/lb strength excess 300 ppm	0.4483	0.6674	48.9%									
		AVG	60.4%									

PROPOSED WASTEWATER RATE CHANGES ON OR AFTER JANUARY 2025

MONTHLY BASE CHARGE				INSIDE CITY			OUTSIDE CITY			FARMINGTON		
Meter Size	2024 Rates	PROPOSED	CHANGE	2024 Rates	PROPOSED	CHANGE	2024 Rates	PROPOSED	CHANGE	2024 Rates	PROPOSED	CHANGE
5/8"	18.83	19.39	3.0%	15.71	16.18	3.0%	15.71	16.18	3.0%			
¾ x ¾ inch	18.83	19.39	3.0%	16.01	16.49	3.0%	16.01	16.49	3.0%			
1"	24.45	25.19	3.0%	31.32	32.26	3.0%	31.32	32.26	3.0%			
1.5"	44.81	46.15	3.0%	63.14	65.03	3.0%	63.14	65.03	3.0%			
2"	61.64	63.48	3.0%	87.88	90.52	3.0%	87.88	90.52	3.0%			
3"	132.59	136.57	3.0%	184.50	190.04	3.0%	184.50	190.04	3.0%			
4"	218.49	225.05	3.0%	270.52	278.63	3.0%	270.52	278.63	3.0%			
6"	433.00	445.99	3.0%	501.48	516.52	3.0%	501.48	516.52	3.0%			
8"	647.59	667.02	3.0%	558.03	574.77	3.0%	558.03	574.77	3.0%			
		AVG	3.0%		AVG	3.0%		AVG	3.0%			
QUANTITY CHARGE \$/1,000 GALLONS												
Residential												
First 2,000 gallons	3.84	3.96	3.1%									
> 2,000 gallons	5.13	5.28	2.9%									
All Usage				7.56	7.79	3.0%	7.56	7.79	3.0%			
		AVG	3.0%									
Non-Residential												
All Usage	5.36	5.52	3.0%	7.56	7.79	3.0%	7.56	7.79	3.0%			
Major Industrial												
All Usage	5.82	5.99	2.9%	7.56	7.79	3.0%	7.56	7.79	3.0%			
Wholesale												
85% of metered water usage				6.26	6.45	3.0%						
Above 85% of metered water				6.26	6.45	3.0%						
					AVG	3.0%						
Surcharge												
BOD - \$/lb strength excess 300 ppm	0.5410	0.5572	3.0%									
TSS - \$/lb strength excess 300 ppm	0.6674	0.6875	3.0%									
		AVG	3.0%									

PROPOSED WASTEWATER RATE CHANGES ON OR AFTER JANUARY 2026

MONTHLY BASE CHARGE				INSIDE CITY			OUTSIDE CITY			FARMINGTON		
Meter Size	2025 Rates	PROPOSED	CHANGE	2025 Rates	PROPOSED	CHANGE	2025 Rates	PROPOSED	CHANGE	2025 Rates	PROPOSED	CHANGE
5/8"	19.39	19.98	3.0%	16.18	16.66	3.0%	16.18	16.66	3.0%	16.18	16.66	3.0%
¾ x ¾ inch	19.39	19.98	3.0%	16.49	16.98	3.0%	16.49	16.98	3.0%	16.49	16.98	3.0%
1"	25.19	25.94	3.0%	32.26	33.23	3.0%	32.26	33.23	3.0%	32.26	33.23	3.0%
1.5"	46.15	47.53	3.0%	65.03	66.98	3.0%	65.03	66.98	3.0%	65.03	66.98	3.0%
2"	63.48	65.39	3.0%	90.52	93.23	3.0%	90.52	93.23	3.0%	90.52	93.23	3.0%
3"	136.57	140.67	3.0%	190.04	195.74	3.0%	190.04	195.74	3.0%	190.04	195.74	3.0%
4"	225.05	231.80	3.0%	278.63	286.99	3.0%	278.63	286.99	3.0%	278.63	286.99	3.0%
6"	445.99	459.37	3.0%	516.52	532.02	3.0%	516.52	532.02	3.0%	516.52	532.02	3.0%
8"	667.02	687.03	3.0%	574.77	592.02	3.0%	574.77	592.02	3.0%	574.77	592.02	3.0%
		AVG	3.0%		AVG	3.0%		AVG	3.0%		AVG	3.0%
QUANTITY CHARGE \$/1,000 GALLONS												
Residential												
First 2,000 gallons	3.96	4.08	3.0%									
> 2,000 gallons	5.28	5.44	3.0%									
All Usage				7.79	8.02	3.0%	7.79	8.02	3.0%	7.79	8.02	3.0%
		AVG	3.0%									
Non-Residential												
All Usage	5.52	5.68	2.9%	7.79	8.02	3.0%	7.79	8.02	3.0%	7.79	8.02	3.0%
Major Industrial												
All Usage	5.99	6.17	3.0%	7.79	8.02	3.0%	7.79	8.02	3.0%	7.79	8.02	3.0%
Wholesale												
85% of metered water usage				6.45	6.64	2.9%						
Above 85% of metered water				6.45	6.64	2.9%						
					AVG	2.9%						
Surcharge												
BOD - \$/lb strength excess 300 ppm	0.5572	0.5739	3.0%									
TSS - \$/lb strength excess 300 ppm	0.6875	0.7081	3.0%									
		AVG	3.0%									

PROPOSED WASTEWATER RATE CHANGES ON OR AFTER JANUARY 2027

MONTHLY BASE CHARGE				INSIDE CITY			OUTSIDE CITY			FARMINGTON		
Meter Size	2026 Rates	PROPOSED	CHANGE	2026 Rates	PROPOSED	CHANGE	2026 Rates	PROPOSED	CHANGE	2026 Rates	PROPOSED	CHANGE
5/8"	19.98	20.57	3.0%	16.66	17.16	3.0%	16.66	17.16	3.0%	16.66	17.16	3.0%
¾ x ¾ inch	19.98	20.57	3.0%	16.98	17.49	3.0%	16.98	17.49	3.0%	16.98	17.49	3.0%
1"	25.94	26.72	3.0%	33.23	34.23	3.0%	33.23	34.23	3.0%	33.23	34.23	3.0%
1.5"	47.53	48.96	3.0%	66.98	68.99	3.0%	66.98	68.99	3.0%	66.98	68.99	3.0%
2"	65.39	67.35	3.0%	93.23	96.03	3.0%	93.23	96.03	3.0%	93.23	96.03	3.0%
3"	140.67	144.89	3.0%	195.74	201.61	3.0%	195.74	201.61	3.0%	195.74	201.61	3.0%
4"	231.80	238.75	3.0%	286.99	295.60	3.0%	286.99	295.60	3.0%	286.99	295.60	3.0%
6"	459.37	473.15	3.0%	532.02	548.00	3.0%	532.02	548.00	3.0%	532.02	548.00	3.0%
8"	687.03	707.64	3.0%	592.02	609.78	3.0%	592.02	609.78	3.0%	592.02	609.78	3.0%
		AVG	3.0%		AVG	3.0%		AVG	3.0%		AVG	3.0%
QUANTITY CHARGE \$/1,000 GALLONS												
Residential												
First 2,000 gallons	4.08	4.2	2.9%									
> 2,000 gallons	5.44	5.61	3.1%									
All Usage				8.02	8.26	3.0%	8.02	8.26	3.0%	8.02	8.26	3.0%
		AVG	3.0%									
Non-Residential												
All Usage	5.68	5.85	3.0%	8.02	8.26	3.0%	8.02	8.26	3.0%	8.02	8.26	3.0%
Major Industrial												
All Usage	6.17	6.36	3.1%	8.02	8.26	3.0%	8.02	8.26	3.0%	8.02	8.26	3.0%
Wholesale												
85% of metered water usage				6.64	6.84	3.0%						
Above 85% of metered water				6.64	6.84	3.0%						
					AVG	3.0%						
Surcharge												
BOD - \$/lb strength excess 300 ppm	0.5739	0.5911	3.0%									
TSS - \$/lb strength excess 300 ppm	0.7081	0.7293	3.0%									
		AVG	3.0%									

***Beginning January 1, 2028, all monthly water and sewer rates shall be increased by 3% per year**

For more information or questions about the proposed water and sewer rate changes, contact the City of Fayetteville, Utilities Financial Service Division at (479) 575-8224 or visit the City's website at www.fayetteville-ar.gov.



A WEHCO MEDIA COMPANY

Account #: NWC5182985

Company: CITY OF FAYETTEVILLE-PIA LEGAL

Ad number #: 310604

PO #:

Matter of: PH Proposed Water & Sewer Rate Change

AFFIDAVIT • STATE OF ARKANSAS • COUNTY OF WASHINGTON

I, Carla Gardner, do solemnly swear that I am the Finance Director of the **Northwest Arkansas Democrat Gazette**, a daily newspaper printed and published in said county, State of Arkansas; that I was so related to this publication at and during the publication of the annexed legal advertisement in the matter of :

PH Proposed Water & Sewer Rate Change

Pending in the court, in said County, and at the dates of the several publications of said advertisement stated below, and that during said periods and at said dates, said newspaper was printed and had a bona fide circulation in said County, that said newspaper had been regularly printed and published in said county, and had a bona fide circulation therein for the period of one month before the date of the first publication of said advertisement; and that said advertisement was published in the regular daily issues of said newspaper as stated below.

And that there is due or has been paid the **Northwest Arkansas Democrat Gazette** for publication the sum of \$1,365.00. (Includes \$0.00 Affidavit Charge).

NWA Democrat Gazette 08/03/23

Finance Director

NOTARY PUBLIC





City of Fayetteville, Arkansas

113 West Mountain Street
Fayetteville, AR 72701
(479) 575-8323

Legislation Text

File #: 2022-319

AN ORDINANCE TO AMEND §51.136 MONTHLY WATER RATES AND §51.137 MONTHLY SEWER RATES TO CHANGE WATER AND SEWER RATES:

AN ORDINANCE TO AMEND §51.136 MONTHLY WATER RATES AND §51.137 MONTHLY SEWER RATES TO CHANGE WATER AND SEWER RATES AS RECOMMENDED BY THE COST OF SERVICE STUDY CONDUCTED BY BLACK & VEATCH

WHEREAS, the City of Fayetteville's current water and sewer rates were adopted in 2008 based on a Cost of Service Study conducted by HDR Engineering; and

WHEREAS, on August 18, 2020, the City Council approved Resolution 212-20 authorizing a contract with Black & Veatch for an updated Cost of Service Study; and

WHEREAS, the Black & Veatch Cost of Service Study recommends initial changes in both water and sewer rates that reflect the true cost of service by customer class and a 3% annual increase in rates each year thereafter until a new study is conducted; and

WHEREAS, the City Council has determined, after the public hearing required by Ark. Code Ann. § 14-235-223, that the proposed rate changes reflecting the true cost of service should be adopted and that the new rates shall take effect on January 1, 2024.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF FAYETTEVILLE, ARKANSAS:

Section 1: That the City Council of the City of Fayetteville, Arkansas hereby repeals §51.136 Monthly Water Rates and enacts a new §51.136 as shown in Exhibit A attached to this Ordinance.

Section 2: That the City Council of the City of Fayetteville, Arkansas hereby repeals §51.137 Monthly Sewer Rates and enacts a new §51.137 as shown in Exhibit B attached to this Ordinance.

Final Draft

WATER AND WASTEWATER COMPREHENSIVE RATE STUDY

B&V PROJECT NO. 406577

PREPARED FOR

City of Fayetteville, Arkansas

11 AUGUST 2023

Table of Contents

1.0	Executive Summary.....	ES 1-0
1.1	Summary of Findings	ES 1-0
1.1.1	Revenue Under Existing Rates	ES 1-0
1.1.2	Revenue Requirements.....	ES 1-1
1.1.3	Summary of Cash Flow Results	ES 1-2
1.1.4	Cost of Service Analysis.....	ES 1-2
1.2	Proposed Rate Adjustments	ES 1-3
1.3	Disclaimer	ES 1-3
2.0	Introduction	2-0
2.1	Purpose	2-0
2.2	Scope.....	2-0
2.3	Study Methodology	2-1
2.3.1	Financial Plan.....	2-1
2.3.2	Cost of Service	2-1
2.3.3	Rate Design.....	2-2
3.0	Rate Structure Overview	3-0
3.1	Fixed Charge.....	3-0
3.2	Volumetric (Usage) Charge	3-0
3.3	Existing Rate Structure.....	3-0
3.3.1	Water Rate Structure	3-0
3.3.2	Wastewater Rate Structure.....	3-1
4.0	Water Utility.....	4-1
4.1	Water Revenue Projections Under Existing Rates	4-1
4.1.1	Water Revenue Under Existing Rates	4-1
4.1.2	Projection of Service Revenue Under Existing Rates	4-2
4.1.3	Other Water Revenue	4-3
4.2	Water Capital Improvements Program.....	4-4
4.3	Water Revenue Requirements	4-4
4.3.1	Water Operation and Maintenance Expenses	4-4
4.3.2	Water Bad Debt.....	4-5
4.3.3	Water Payment In Lieu of Taxes	4-5
4.3.4	Safe Drinking Water Fee Reimbursement.....	4-5
4.3.5	Water Debt Service Requirements.....	4-6
4.3.6	Transfer to Shop Fund.....	4-6
4.3.7	Transfer to Operating Reserve	4-6
4.3.8	Water Cash Financed Capital	4-6
4.3.9	Transfer to Capital Reserve	4-6
4.4	Water Proposed Revenue Adjustments.....	4-6

4.5	Water Cost of Service	4-8
4.5.1	Determination of Cost of Service	4-8
4.5.2	Determination of Functional Costs	4-9
4.5.3	Allocation of Costs to the Functional Cost Components	4-10
4.5.4	Distribution of Water Utility Costs to Customer Classes	4-12
5.0	Water Rate Design	5-14
5.1	Existing Water Rates	5-14
5.2	Proposed Water Rates	5-14
6.0	Wastewater Utility.....	6-1
6.1	Wastewater Revenue Projections Under Existing Rates	6-1
6.1.1	Wastewater Revenue Under Existing Rates.....	6-1
6.1.2	Projection of Service Revenue Under Existing Rates	6-2
6.1.3	Other Wastewater Revenue.....	6-3
6.2	Wastewater Capital Improvements Program	6-4
6.3	Wastewater Utility Revenue Requirements	6-4
6.3.1	Wastewater Operation and Maintenance Expenses	6-4
6.3.2	Wastewater Bad Debt	6-5
6.3.3	Wastewater Payment In Lieu of Taxes.....	6-5
6.3.4	Wastewater Debt Service Requirements	6-5
6.3.5	Transfer to Shop Fund	6-5
6.3.6	Transfer to Operating Reserve	6-5
6.3.7	Wastewater Cash Financed Capital.....	6-6
6.3.8	Transfer to Capital Reserve	6-6
6.4	Wastewater Proposed Revenue Adjustments.....	6-6
6.5	Wastewater Cost of Service.....	6-7
6.5.1	Determination of Cost of Service	6-8
6.5.2	Determination of Functional Costs	6-8
6.5.3	Allocation of Costs to the Functional Cost Components	6-9
6.5.4	Distribution of Wastewater Utility Costs to Customer Classes.....	6-11
6.5.5	Wastewater Utility Customer Class Costs of Service	6-12
7.0	Wastewater Rate Design	7-13
7.1	Existing Wastewater Rates	7-13
7.2	Proposed Wastewater Rates	7-13
8.0	Combined Water and Wastewater Utilities.....	8-14
9.0	Disclaimer.....	9-15
10.0	Appendix 1: Water Tables	10-1
11.0	Appendix 2: Wastewater Tables	11-1

LIST OF EXECUTIVE SUMMARY TABLES

Table ES - 1 –Water 2023 Cost of Service	1-2
Table ES - 2 –Wastewater 2023 Cost of Service	1-3

LIST OF FIGURES

Figure 4-1 - Historical and Projected Water Accounts.....	4-2
Figure 4-2 - Historical and Projected Water Billed Volume	4-2
Figure 4-3 - Historical and Projected Water Service Revenue	4-3
Figure 4-4 - Projected Annual Water O&M Expenses.....	4-5
Figure 4-5 - Water Revenues and Revenue Requirements.....	4-7
Figure 6-1 - Historical and Projected Wastewater Accounts	6-2
Figure 6-2 - Historical and Projected Wastewater Billed Volume	6-2
Figure 6-3 - Historical and Projected Wastewater Service Revenue	6-3
Figure 6-4 - Projected Annual Water O&M Expense	6-5
Figure 6-5 - Wastewater Revenues and Revenue Requirements	6-7

LIST OF WATER TABLES

Table W - 1 - Water Projected Number of Accounts	10-1
Table W - 2 - Water Projected Billed Volume (1,000 Gallons).....	10-2
Table W - 3 - Water Existing Rates.....	10-3
Table W - 4 - Water Projected Revenues Under Existing Rates.....	10-4
Table W - 5 - Water Projected Other Revenues.....	10-4
Table W - 6 - Water Capital Improvement Program	10-5
Table W - 7 - Water Projected O&M Expenses.....	10-5
Table W - 8 - Capital Program Financing.....	10-6
Table W - 9 - Water Operating Cash Flow.....	10-7
Table W - 10 - Water Fund Balances.....	10-8
Table W - 11 - Water 2023 Cost of Service	10-9
Table W - 12 - Water 2023 Allocation of Net Plant Investment to Functional Cost Components	10-10
Table W - 13 - Water 2023 Allocation of Net Annual Depreciation to Functional Cost Components.....	10-10
Table W - 14 - Water 2023 Allocation of O&M Expenses to Functional Cost Components	10-10
Table W - 15 - Water 2023 Estimated Units of Service.....	10-11
Table W - 16 - Water 2023 Unit Cost of Service	10-12
Table W - 17 - Water 2023 Cost of Service by Customer Class.....	10-13
Table W - 18 - Water Proposed 2023 Rates.....	10-14
Table W - 19 - Water 2023 Cost of Service Under Proposed Rates	10-15
Table W - 20 - Water 2023 Bill Impact.....	10-16

LIST OF WASTEWATER TABLES

Table S - 1 - Wastewater Projected Accounts.....	11-1
Table S - 2 - Wastewater Projected Billed Volume (1,000 Gallons).....	11-2
Table S - 3 - Wastewater Existing Charges.....	11-3
Table S - 4 - Wastewater Projected Revenues at Existing Rates.....	11-4
Table S - 5 - Wastewater Projected Other Revenues.....	11-4
Table S - 6 - Wastewater Capital Improvement Program.....	11-5
Table S - 7 - Wastewater Projected O&M Expenses.....	11-5
Table S - 8 - Wastewater Cash Financed Capital.....	11-6
Table S - 9 - Wastewater Operating Cash Flow.....	11-7
Table S - 10 - Wastewater Projected Fund Balances.....	11-8
Table S - 11 - Wastewater 2023 Cost of Service.....	11-9
Table S - 12 - Wastewater 2023 Allocation of Net Plant Investment.....	11-10
Table S - 13 - Wastewater 2023 Allocation of Depreciation.....	11-11
Table S - 14 - Wastewater 2023 Allocation of O&M Expenses.....	11-12
Table S - 15 - Wastewater 2023 Units of Service.....	11-13
Table S - 16 - Wastewater 2023 Unit Cost of Service.....	11-14
Table S - 17 - Wastewater 2023 Cost of Service by Customer Class.....	11-15
Table S - 18 - Wastewater Proposed 2023 Charges.....	11-16
Table S - 19 - Wastewater 2023 Cost of Service Under Proposed Rates.....	11-17
Table S - 20 - Wastewater 2023 Bill Impact.....	11-17

LIST OF COMBINED TABLES

Table C - 1 - Combined Projected Fund Balances.....	12-1
Table C - 2 - Combined Operating Cash Flow.....	12-2
Table C - 3 - Combined 2022 Bill Impact.....	12-3

1.0 Executive Summary

The City of Fayetteville (City) provides water and wastewater services to retail and wholesale customers. The Water and Wastewater fund is an Enterprise Fund, which is funded by the operating and capital revenues from the users of the system. Due to multiple factors including increasing operating costs, significant capital investments to meet regulatory requirements, and the need for infrastructure rehabilitation and replacement, revenues under existing rates are not adequate to meet the annual revenue requirements. Therefore, to maintain financial sufficiency and to assure equitable cost recovery, the City engaged Black & Veatch Management Consulting, LLC (Black & Veatch) to perform a Water and Wastewater Comprehensive Rate Study (Study).

The primary objectives of the Study are to develop a balanced financial plan, determine cost of service allocations for each customer class and design rates to recover costs from customer classes in reasonable accord with the allocated costs of service. The financial plan was developed for the six-year period of 2022 through 2027, also referred to as the study period or the forecast period. The city's fiscal year is a calendar year, starting on January 1 and ending on December 31.

As a result of our evaluations and analyses, the following summary of findings and recommendations are offered for the City's consideration.

1.1 Summary of Findings

1.1.1 Revenue Under Existing Rates

1. The City provides retail water services to approximately 41,300 customers inside the City and about 7,400 customers outside the City. The number of retail water service customers inside the City is projected to increase to about 44,600 by 2027 and the number of outside City water customers is projected to increase to about 8,300. The City also provides treated water to four wholesale customers. Retail wastewater collection and treatment service is provided to approximately 36,600 customers inside the City and about 3,000 customers outside the City. The number of inside City wastewater service customers is projected to increase to about 39,700 by 2027 and the number of outside City wastewater service customers is projected to increase to about 3,200.
2. Treated water sales to inside City retail customers are projected to increase from approximately 3,454,000 kgals (1,000 gallons) in 2022 to approximately 3,664,400 kgals by 2027. Treated water sales to outside City retail customers are projected to increase from approximately 560,700 kgals in 2022 to approximately 629,300 kgals by 2027. Treated water sales to wholesale customers is projected to be approximately 224,200 kgals in 2022 and remain at that level through 2027. Billed wastewater volume from inside City retail customers is projected to increase from approximately 3,013,300 kgals in 2022 to approximately 3,190,000 kgals by 2027. Billed wastewater volume from outside City retail customers is projected to increase from 133,300 kgals in 2022 to about 114,200 kgals by 2027. Billed wastewater volume from wholesale customers is projected to remain at the 2022 level of 195,700kgals through 2027.
3. The City's current water rates became effective January 1, 2022. For both retail and wholesale customers, the water rates include a monthly base charge, which varies by meter size and a volume charge that varies by customer class. The existing schedule of rates for wastewater service became effective on January 1, 2022. For retail customers, the wastewater rates include

a monthly base charge, which varies by meter size. The volume charge varies by customer class. Surcharge rates are based on excess strength of Biochemical Oxygen Demand (BOD) and Total Suspended Solids (TSS). The existing wastewater rate structure is described in Section 3.3.2.

4. Revenue is currently derived principally from charges for treated water and wastewater service, with some revenue also obtained fire protection charges and other miscellaneous sources. Revenue from treated water sales, under existing rates, is projected to increase from \$23,380,300 in 2022 to about \$25,129,700 in 2027, reflecting a 5-year cumulative increase of 7.3%. Miscellaneous water revenues are estimated to increase from \$1,588,800 in 2022 to approximately \$1,609,000 in 2027, reflecting a 5-year cumulative increase of 1.3%. Revenue for wastewater collection and treatment services is projected to increase from \$26,571,400 in 2022 to about \$28,119,400 in 2027, under existing rates, reflecting a 5-year cumulative increase of 5.7%. Miscellaneous wastewater revenue is estimated at \$1,420,200 per year from 2022 through 2027.

1.1.2 Revenue Requirements

1. Costs of service to be recovered from water and wastewater service charges include (1) operation and maintenance (O&M) expenses; (2) bad debt; (3) Payment In Lieu of Taxes; (4) Safe Drinking Water Fee Reimbursement; (5) debt service (consisting of principal and interest payments); (6) transfer to shop fund; (7) transfer to operating reserve; (8) cash financed capital; and (9) transfer to capital reserve. The water and wastewater utilities do not have any outstanding debt service; however, a future debt issuance of \$90,000,000 is projected in 2024. No transfers to the shop fund are planned over the study period.
2. The annual O&M expense includes the cost of labor, materials, power, chemicals, purchased water, contract services and other expenses associated with each utility's operation. In this study, FY 2021 is defined as the base budget year, based on which the O&M costs are projected for the forecast period. O&M expense for the water utility is projected to increase from \$15,961,700 in 2021 to \$20,686,900 by 2027 due to the combined effects of inflation and system growth. O&M expense for the wastewater utility is projected to increase from \$15,662,800 in 2021 to \$18,980,400 by 2027 due to the combined effects of inflation and system growth.
3. Bad debt expense refers to outstanding balances from customers that are deemed uncollectible. The water and wastewater bad debt in 2019 was 0.5% of revenue. Bad debt projections for the study period assume 0.5% of annual revenues. Annual bad debt expense for the water utility is projected to increase from \$116,900 in 2022 to \$157,900 by 2027. Annual bad debt expense for the wastewater utility is projected to increase from \$132,900 in 2022 to \$157,900 by 2027.
4. The Payment In Lieu of Taxes (PILOT) are paid by public utilities to municipal entity as a compensation for utilization of streets, easements, right of ways or other public places. The PILOT amount is determined per City Ordinance 4449 that requires the water and wastewater funds to pay 4.25% of annual total gross sales revenues to the City. Annual PILOT amount for the water utility is anticipated to increase from \$993,700 in 2022 to \$1,342,000 in 2027. Annual PILOT amount for the wastewater utility is projected to increase from \$1,129,300 in 2022 to \$1,341,800 in 2027.
5. The Safe Drinking Water Fee (SDWF) revenue collected for each metered customer is reimbursed to the state of Arkansas Department of Public Health. The SDWF reimbursement is

projected to increase from \$230,400 in 2022 to \$250,600 in 2027. The SDWF is a pass-through fee and is treated as a “revenue reduction” by the City.

6. The City maintains an operating reserve balance equivalent of ninety (90) days of following years’ O&M budget. The transfer to operating reserve for the water utility is projected to increase from \$133,100 in 2022 to \$256,600 in 2027. The transfer to operating reserve for wastewater is projected to increase from \$129,500 in 2022 to \$157,900 in 2027.
7. The City currently utilizes the following two sources of funding for the water and wastewater utility capital projects (1): transfer from operating revenues and (2) transfer from the impact fee fund. A capital project meets the requirements of using impact fees if the existing water or wastewater capacity is expanded due to growth. The water capital improvement for the study period is \$134.6 million, of which \$47.5 million is projected to be funded from operating revenues, and \$4.3 million is from the impact fee fund, and \$90 million from a new revenue bond. The wastewater capital improvement program for the study period is \$43.2 million, of which \$39.7 million is projected to be funded from operating revenues and \$3.5 million is from the impact fee fund.

1.1.3 Summary of Cash Flow Results

1. The cash flow analysis performed based on the projected annual revenues under existing rates and the projected annual revenue requirements indicates a funding gap for both utilities beginning in 2024.
2. A series of 6% annual revenue adjustment is needed in the water utility and a series of 3% annual revenue adjustment is needed in the wastewater utility, starting in 2024, to achieve the goal of the operating fund revenues being self-sufficient and adequate to cover all of the O&M expenses, cash financing of the capital program, required transfers, and to maintain the minimum reserve requirements. Table W - 9, in Appendix 1 presents the cash flow analysis and the proposed series of revenue increases for the water utility, and Table S - 9, in Appendix 2 presents the same for the wastewater utility.

1.1.4 Cost of Service Analysis

1. The revenue requirements less any revenues from other sources provides the “net” annual operating fund revenue requirements (also referred to as “cost of service”) that needs to be recovered through user rates and charges. A summary of the projected annual cost of service for 2023 is shown for water and wastewater in tables ES-1 and ES-2, respectively.

Table ES - 1 –Water 2023 Cost of Service

Line No.	Description	Operating Expense	Capital Cost	Total Cost
		\$	\$	\$
1	O&M Expenses	17,946,400		17,946,400
2	Depreciation		2,886,700	2,886,700
3	Return		2,926,500	2,926,500
4	Net Cost of Service	17,946,400	5,813,200	23,759,600

Table ES - 2 –Wastewater 2023 Cost of Service

Line No.	Description	Operating Expense	Capital Cost	Total Cost
		\$	\$	\$
1	O&M Expenses	17,377,400		17,377,400
2	Depreciation		8,187,000	8,187,000
3	Return		1,195,100	1,195,100
4	Net Cost of Service	17,377,400	9,382,100	26,759,500

2. As a basis for design of a schedule of water and wastewater rates, the costs of service are allocated to the classes of customers in accordance with respective service requirements of each customer class. The resulting costs of service allocated to customer classes are summarized in Table W - 17 for water and Table S - 17 for wastewater.

1.2 Proposed Recommendations

Based on the financial planning and cost of service analysis performed for the study period, the Black & Veatch team proffers the following series of recommendations:

1. Implement a series of 6% annual revenue increase from 2024 to 2027 for the water utility and a series of 3% annual revenue increases from 2024 to 2027 for the wastewater utility.
2. Implement cost of service-based rates for water and wastewater utilities in 2023.
3. Transition the existing monthly Base charge to the proposed Base Charge, derived based on cost of service, if cost of service based proposed Base Charge is greater than the existing Base charge.
4. Eliminate the minimum volume charge billing of 1,000 gallons from the volumetric portion of the rate structure.
5. Continue with the existing tier block structure for customer classes that have an inclining block (residential) or a uniform block (industrial) for the volumetric rate structure.
6. Change to uniform block for customers that currently have a declining block (non-residential and irrigation) volumetric rate structure.

These recommendations enable the water and wastewater utilities to meet all its financial obligations, so that the City can continue to provide reliable service to serve the needs of existing and future customers.

1.3 Disclaimer

This report was prepared for the City of Fayetteville (Client) by Black & Veatch Management Consulting, LLC (Black & Veatch) and is based on information provided by the Client not within the control of Black & Veatch. While it is believed that the information, data and opinions contained herein will be reliable

under the conditions and subject to the limitations set forth in this report, Black & Veatch does not guarantee the accuracy thereof. Black & Veatch has assumed that the information provided by others, both verbal and written, is complete and correct. The projections set forth in this report are intended as "forward-looking statements." In formulating these projections, Black & Veatch has made certain assumptions with respect to conditions, events, and circumstances that may occur in the future. While Black & Veatch believes the assumptions are reasonable actual results may differ materially from those projected, as influenced by the conditions, events, and circumstances that occur. As such, Black & Veatch does not take responsibility for the accuracy of data or projections provided by or prepared on behalf of the Client, nor does Black & Veatch have any responsibility for updating this report for events occurring after the date of this report.

Use of this report or any information contained therein by any party other than the Client, shall constitute a waiver and release by such third party of Black & Veatch from and against all claims and liability, including but not limited to liability for special, incidental, indirect or consequential damages in connection with such use. Such use of this report by a third party shall constitute agreement by the third party user that its rights, if any, arising from this report shall be subject to the terms of this Report Limitations, and in no event shall the third party's rights, if any, exceed those of the Client under its contract with B&V. The benefit of such releases, waivers, or limitations of liability shall extend to the related companies and subcontractors of any tier of B&V, and the shareholders, directors, officers, partners, employees, and agents of all released or indemnified parties.

2.0 Introduction

The City of Fayetteville water utility provides treated water and water distribution services to approximately 41,300 customers within the corporate limits of Fayetteville, and to approximately 7,400 customers in areas contiguous to, but outside of the City's corporate limits. The wastewater utility provides retail wastewater collection and treatment service to approximately 36,600 customers within the corporate city limits and to approximately 3,000 customers outside of the City's corporate limits. The City also provides treated water to four wholesale customers and wastewater treatment to two wholesale customers.

In providing water and wastewater service, the City incurs considerable expense related to the ongoing operating and capital needs of the utilities. These operating and capital expenditures tend to increase annually due to the combined effects of inflation and the need to repair, replace, or extend existing service facilities to meet customer service requirements, as well as to meet more stringent state and federal water quality requirements and EPA requirements.

The City of Fayetteville, recognizing the importance of financial planning and cost of service analysis to equitably recover the increasing costs to replace, renew, expand, improve, and operate its water and wastewater service facilities, retained Black & Veatch to perform this comprehensive study of revenue requirements, cost of service, and rates for potable water service and wastewater service.

2.1 Purpose

This report examines the respective projected revenue and rate requirements of the water and wastewater systems of the City. The purpose of this report is (1) to project the future revenues of the water and wastewater utilities under existing rates and charges, as well as the operating expenses and capital financing revenue requirements of the two utilities, and to examine the adequacy of projected revenues to meet these revenue requirements through calendar year 2027; (2) to allocate these revenue requirements, or costs of service, for a representative test year to the various customer classes in accordance with the respective service requirements that each class places on the systems; and (3) to develop a suitable schedule of water and wastewater rates that will produce revenues adequate to meet the financial needs of the utility on a basis that recognizes customer costs of service, existing wholesale service agreements and practical bill impact considerations.

2.2 Scope

This report presents the results of a comprehensive study of the projected revenue and revenue requirements, costs of service allocations, and proposed rates for treated water and wastewater service. Revenue and revenue requirements are projected for the six calendar years from 2022 through 2027, recognizing anticipated growth in number of customers, water use, and wastewater flows throughout the service area. The study of revenue requirements recognizes projected operation and maintenance expense, capital improvement requirements met from revenues, principal and interest payments on outstanding and proposed bond issues, and reserve fund requirements. Requirements of existing revenue bond indentures are also recognized.

Costs of treated water and wastewater service are developed for each group of customers and type of service based on consideration of utility revenue needs and projected customer service requirements. Rate adjustments are designed for retail and wholesale customers in accordance with allocated costs of service, wholesale service agreement terms, and customer bill impact considerations.

2.3 Study Methodology

The development of user rates and charges requires the integration of three critical components: (i) financial plan; (ii) cost of service allocations; and (iii) rate design.

2.3.1 Financial Plan

The development and update of a financial plan is necessary to continue to focus on financial discipline, build financial stability, and maintain sustainable financial planning practices. The financial planning process helps to establish a financial roadmap to meet all of the water and wastewater utility's obligations.

As illustrated in Figure 2 - 1, the key components of a financial plan are: (i) projection of revenues from user rates and other sources; (ii) development of a capital financing plan to decide the mix of debt and cash funding of capital program; (iii) projection of revenue requirements (O&M and capital costs, and target reserves); and (iv) determination of the level and timing of revenue adjustments needed to maintain financial viability.

The annual revenue requirements are typically developed on a *cash-needs basis* for public utility rate setting. The revenue requirements, under the cash-needs basis approach, include the following:

- O&M expenditures;
- Debt service expenses;
- Cash financing of capital program;
- Contributions to operating reserves; and
- Other obligations such as payments and transfers for specific purposes.

To establish financial stability, a financial plan is typically prepared for a multi-year period. A six-year financial plan was developed for the water and wastewater utility to achieve the financial objectives and target metrics defined to build and sustain financial integrity. 2022 through 2027 is the forecast period for both revenues and revenue requirement projections.

The revenue adjustments represent the level of annual revenue increases necessary to meet the annual net revenue requirements.

2.3.2 Cost of Service

Cost of service can be described as the revenue that the water and wastewater utility need to generate, *net of funding from other miscellaneous sources of revenues*. Therefore, Cost of Service is essentially the "net revenue requirement" that is to be recovered through user rates and charges. As illustrated in Figure 2 - 2, Cost of service analysis enables an equitable apportioning of the net annual revenue requirements (also referred to as cost of service) to the various cost components and customer

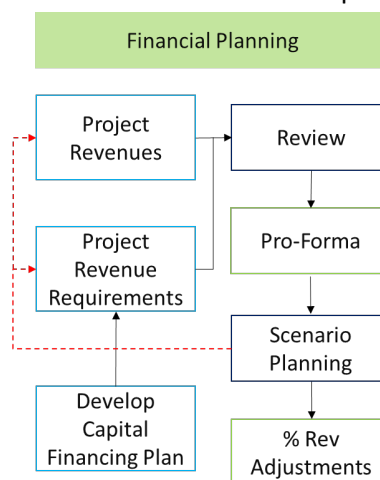


Figure 2 - 1: Financial Plan

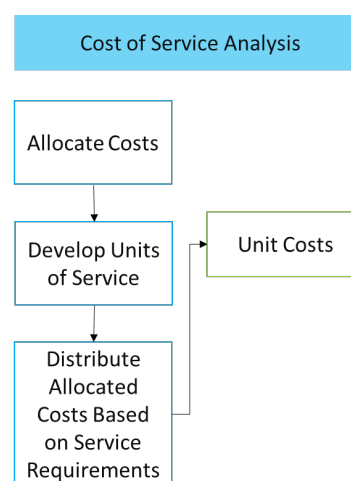


Figure 2 - 2: Cost of Service

classes. The level and types of allocation performed depend on the existing and anticipated rate structure.

As municipal utilities are *public utilities that cannot make a profit*, the equitable allocation of costs is a critical step that is necessary to establish a reasonable nexus between costs incurred in providing service and the fees charged from customers, and to establish defensible user rates and charges.

2.3.3 Rate Design

The third and final component is an evaluation of the existing rate structure components and the development of proposed user rates and charges. The user rates and charge schedules typically include fixed charge, volumetric charge, and other special charge rate components. As illustrated in Figure 2 - 3, the rates and charges are designed to recover the annual cost of service allocated to these different rate components and based on local policy and practical considerations.

The study methodology described above and used in the financial planning, cost of service and rate design analysis reflect the application of industry accepted rate setting approaches that are provided in the following two guidance manuals:

- American Water Works Association (AWWA) *Manual M-1: Principles of Water Rates, Fees, and Charges* for water rate setting; and
- Water Environment Foundation (WEF) *Financing and Charges for Wastewater Systems* for wastewater.

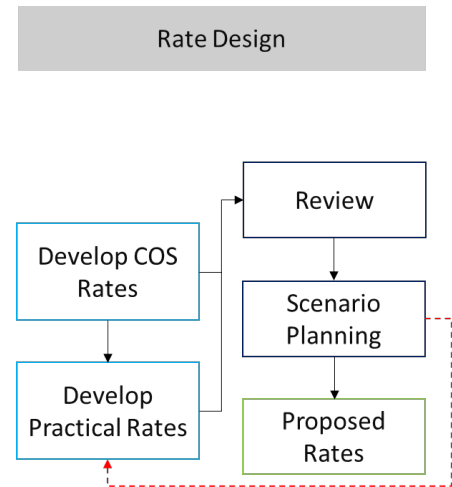


Figure 2 - 3: Rate Design

3.0 Rate Structure Overview

The revenue requirements of a water and wastewater utility, net of any miscellaneous sources of revenues, are recovered from user rates and charges. A water rate structure usually consists of two primary components, namely, a fixed charge and a volumetric charge. Similarly, a wastewater rate structure more commonly consists of a fixed charge, a volumetric charge, and pollutant charge (for wastewater pollutants such as Bio-chemical Oxygen Demand (BOD) and Total Suspended Solids (TSS)). Occasionally, a utility's water and wastewater rate structures may include special surcharges and/or special assessments to recover costs associated with certain service situations such as purchased water, pumping to elevations, drought conditions, readiness-to-serve, environmental conditions, and extra-strength wastewater discharges.

3.1 Fixed Charge

A utility's annual revenue requirements comprise mostly of fixed costs such as salaries and benefits, pension obligations, debt service, cash financing for infrastructure renewal, and costs related to the provision of adequate capacity for service. These types of fixed costs occur on a recurring basis regardless of the amount of water used by the customer.

Therefore, rate structures need to afford the ability to recover at least some of the fixed costs based on billing parameters that are not related to water usage or wastewater flow. The fixed charge, which is assessed regardless of the volume of water used, provides a mechanism to reliably recover some of the fixed annual operating costs of the utility, and provide for some level of revenue stability.

In the utility industry, fixed charges are designed to recover one or more of the following types of costs, namely, (i) metering; (ii) billing; (iii) readiness-to-serve cost; (iv) specific capital investment; and (v) other specific costs. The costs of providing these functions vary among types of customers and/or by factors such as size and capacity of the meters. Therefore, to provide for equitable cost recovery, water and wastewater fixed charges are usually assessed based on meter size and also by customer class.

3.2 Volumetric (Usage) Charge

In the utility industry, usage charges are designed to recover all other costs (except those that are recovered through fixed charge) associated with the treatment and delivery of water service and the collection, treatment, and disposal of wastewater.

The three common types of volumetric charge are: (i) inclining block rate, where the usage in the next higher usage block is priced at a higher rate per unit; (ii) uniform block rate, where all units of usage are priced at the same unit rate; and (iii) declining block rate, where the usage in the next higher usage block is priced at a lower rate per unit. As usage patterns vary among customer classes and consequently different classes place different levels of service demands, different volumetric rates can be established for the various customer classes. In designing the volumetric rate structure, practical considerations including conservation, equity, affordability, and ease of administration are addressed.

3.3 Existing Rate Structure

3.3.1 Water Rate Structure

Consistent with industry rate structures, the City's water rate structure comprises of both Fixed Charge and Volumetric Charge components. The water rate structure includes the following two components:

- Base Charge (Fixed Charge); and
- Volume Charge (Volumetric Charge).

Some of these components are applicable to only specific customer classes. The revenues derived from the above charges are collectively referred to as **“Water Service Revenues.”**

- **Base Charge:** The existing Base Charge for all customer classes is based on meter size.
- **Volume Charge:** The existing Volume Charge is based on the quantity of water used by the customers.
- **Safe Drinking Water Fee:** This is a regulatory charge per bill that is collected by the City on behalf of the state of Arkansas Department of Public Health.

The customer classes to which the specific charge components apply is illustrated in Figure 3 - 1. The existing water rate schedule for 2022, for these rate components, is presented in Table W - 3 in Appendix 1. All customers are billed monthly.

Figure 3 - 1: Existing Water Rate Structure

Rate Component	Applicable Customer Classes
● Base Charge by Meter Size	● Retail Inside City (Residential, Non-Residential, Major Industrial, Irrigation, Fire Protection); ● Retail Outside City (Residential, Non-Residential, Major Industrial, Irrigation, Fire Protection); ● Wholesale
● Volume Rate (3-Tier Inclining Block) ● Minimum Usage (1,000 Gallons)	● Retail Inside City Residential; and ● Retail Outside City Residential
● Volume Rate (2-Tier Declining Block) ● Minimum Usage (1,000 Gallons)	● Retail Inside City Non-Residential, Irrigation; and ● Retail Outside City Non-Residential, Irrigation
● Volume Rate (Uniform) ● Minimum Usage (1,000 Gallons)	● Retail Inside City Major Industrial ● Retail Outside City Major Industrial
● Volume Rate (Uniform) ● 2 rates (Reduced Peak Demand and Peak Demand)	● Wholesale
● Safe Drinking Water Fee (per month)	● All customer classes

3.3.2 Wastewater Rate Structure

The City’s Operating Fund wastewater rate structure also comprises of both Fixed Charge and Volumetric Charge components. The wastewater rate structure includes the following three components:

- Base Charge (Fixed Charge);

- Volume Charge (Volumetric Charge); and
- BOD and TSS Charge (Surcharge).

The revenues derived from all these three sources are collectively referred to as **“Wastewater Service Revenues.”** Some of these user rate components are applicable to only specific customer classes.

- **Base Charge:** The existing Base Charge for all retail customers is based on meter size.
- **Volume Charge:** The existing volume wastewater charge is based on the quantity of water used by the customer classes.

Surcharge: The existing wastewater surcharge is based on the excess strengths of BOD and TSS, of certain customers.

The customer classes to which the specific rate components are applicable is illustrated in Figure 3 - 2. The existing wastewater rate schedule for 2022 is presented in [Table S - 3](#) in Appendix 2.

Figure 3 - 2: Existing Wastewater Rate Structure

Rate Component	Applicable Customer Classes
Base Charge by Meter Size	- Retail Inside City (Residential, Non-Residential and Major Industrial); - Retail Outside City (Residential, Non-Residential and Major Industrial);
- Volume Rate (2-Tier Inclining Block) - Based on winter water usage of December, January and February	Retail Inside City Residential
Volume Rate (Uniform)	- Retail Inside City (Non-Residential and Major Industrial) - Retail Outside City (Residential, Non-Residential and Major Industrial)
- Volume Rate (Uniform) 2 tiered rates (85% of metered water usage and Above 85% of metered water usage)	Wholesale

4.0 Water Utility

The financial plan and rate design were developed to meet all the funding obligations of the water utility, and to achieve the financial adequacy and equitable cost recovery discussed in Section 2.3.

The water utility financial plan was developed for the six-year forecast period of 2021 through 2026, and includes the following key components:

- Revenue projections (user rate revenues and non-rate revenues);
- Capital improvement program financing;
- Annual revenue requirement projections; and
- Annual proposed revenue increases

4.1 Water Revenue Projections Under Existing Rates

The water utility revenues are derived from the following sources:

- Water Service Revenues (Base and Volume Charge)
- Other Revenues

As a first step in the development of the financial plan, Water Service Revenues under the 2022 existing rates are projected for the forecast period.

4.1.1 Water Revenue Under Existing Rates

As described in Section 3.3.1, the Water Service Revenue consists of two charge components. For each of the two components, revenues are projected based on billing units and applicable existing rate schedules. The billing units necessary to compute the Base Charge revenues are the *number of accounts* based on meter size and customer class. The billing units necessary to compute the Volume Charge are the *annual water usage* by customer class and by applicable blocks of usage.

4.1.1.1 Projection of Customer Accounts

Typically, historical billing units are reviewed and used to project billing units for the forecast period. The project team reviewed historical accounts and average usage trends for each customer class referenced in Section 3.3.1.

Based on the review of historical trends, two annual adjustment factors were applied to project billing units for the forecast period. The two adjustment factors applied at the customer class level are *accounts growth rate* and *usage factor*. The number of accounts is projected to grow in all customer classes except for Fire protection and wholesale where the number of accounts is anticipated to remain at the 2021 level.

The total number of water accounts (not including private fire connections) is anticipated to increase from about 48,000 in 2022 to about 52,200 in 2027, at an overall annual system growth rate of 1.7%. The number of private fire connections is anticipated to remain at 727 throughout the study period. Table W - 1 in Appendix 1 presents the projected annual number of water accounts and private fire connections for the period of 2022 through 2027.

Figure 4-1 presents both the historical and projected number of accounts for the water utility.

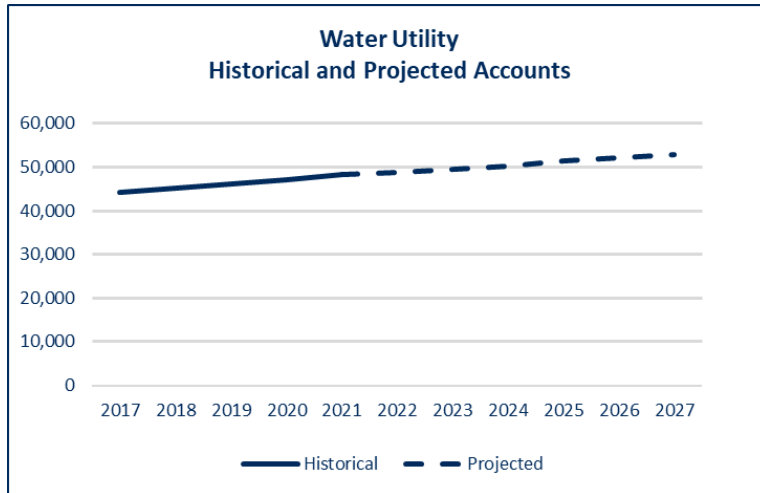


Figure 4-1 - Historical and Projected Water Accounts

4.1.1.2 Projection of Water Usage

Billed water volumes are projected based on estimates of the number of water accounts and the average billed usage per account. Average water use per account is determined based on historical usage. Customer water usage projections are based on 2022 actuals.

Total system water usage is projected to increase from 4,238,900 kgals in 2022 to 4,517,900 kgals in 2027. Table W - 2 in Appendix 1 presents the projected annual volume for the period of 2022 through 2027.

Figure 4-2 presents both the historical and projected annual billed volume for the water utility.

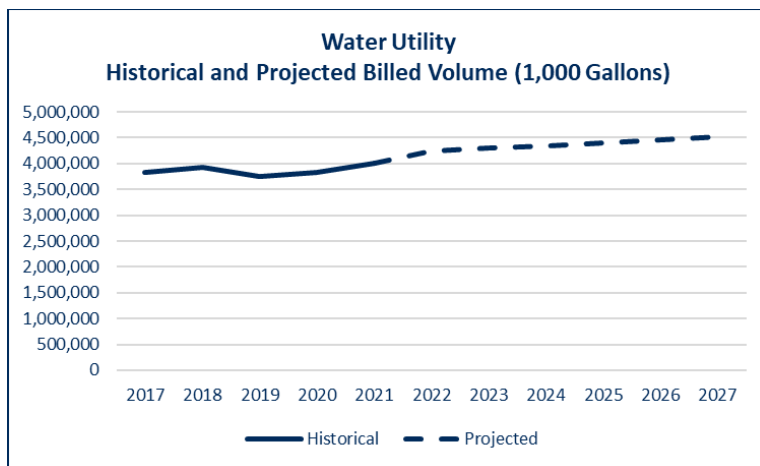


Figure 4-2 - Historical and Projected Water Billed Volume

4.1.2 Projection of Water Service Revenue Under Existing Rates

Water service revenues for the period 2022 through 2027 are projected for each charge component (base and volume) based on the projections of accounts by meter size, projected water usage for each

customer class, and the application of the 2022 rate schedule. Water service revenue under existing rates is projected to increase slightly from \$23.4 million in 2022 to \$25.1 million in 2027. This growth is due to increase in water sales due to the growth in the number of accounts over the study period. Table W - 4 in Appendix 1 presents the projected annual service revenues for the period of 2022 through 2027.

Figure 4-3 presents both the historical and projected annual service revenues under existing rates for the water utility.

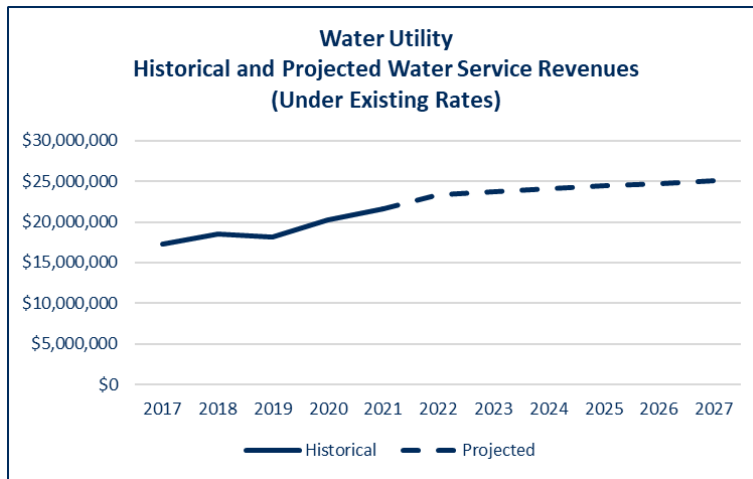


Figure 4-3 - Historical and Projected Water Service Revenue

4.1.3 Other Water Revenues

The other revenues include the following major components:

- Impact Fee Revenue;
- Water/Rural Water Connection Fees;
- Miscellaneous Fees (Water Sales Not on Computer, Trip Fees, Tampering-Billed Service);
- Penalties; and
- Safe Drinking Water Fee (pass-through)

The annual revenues from water impact fees, water connection fees and miscellaneous fees for 2022 to 2027 are projected based on historical three-year (2018 to 2020) average revenues for each of the fees. The penalties revenue in 2020 reflects only the first two and half months of revenues, as the City stopped assessing penalties for non-payment due to the pandemic. The revenue for penalties in 2021 is projected to be half of the historical three -year (2017 to 2019) average revenues due to continued waiver of the penalties as a result of the COVID pandemic during the first half for 2021. The revenue from penalties in 2022 and beyond is projected as the historical three-year average (2017 to 2019) average revenues. Table W - 5 in Appendix 1 presents the projected annual service revenues for the period of 2022 through 2027.

The Safe Drinking Water Fee (SDWF) is assessed for all water users in the state of Arkansas. The current rate is \$0.40 per bill per month and is collected by all water utilities in the state. The SDWF revenue is projected by applying the current rate to the number of meters for the period 2022 to 2027. The revenue collected as part of this fee is reimbursed to the state.

4.2 Water Capital Improvements Program

The capital project costs provided by the City were based on 2020 dollars. Based on discussions with the City, the project costs are inflated at an annual rate of 3.0% to accurately reflect the costs of projects for 2021 and beyond. The water utility Capital Improvement Plan (CIP) provides for a total of \$134.6 million of investments during the study period of 2022 through 2027. Table W - 6 in Appendix 1 presents the CIP list of projects and schedule for 2022 through 2027. The CIP is expected to be financed from a funding mix of cash financing from service revenue and impact fees.

Included in the 2022 – 2027 Water capital program is \$93.5 million for the West Water Transmission Line. This project consists of approximately 11.3 miles of 48” diameter pipeline to convey treated water from Beaver Water District to the City. This project is to be funded from a mix of bond financing and revenue from water rates.

4.3 Water Revenue Requirements

Projection of reliable revenue requirements includes: (1) operation and maintenance expenses; (2) bad debt; (3) Payment In Lieu of Taxes; (4) SDWF Reimbursement; (5) debt service (consisting of principal and interest payments); (6) transfer to shop fund; (7) transfer to operating reserve; (8) cash financed capital; and (9) transfer to capital reserve. The projections of annual revenue requirements for the study period are discussed in this section.

4.3.1 Water Operation and Maintenance Expenses

The O&M expenses for the water utility include the annual expenses associated with the water purchases from Beaver Water District; storage and distribution; meters and services; billing and collection, and general administrative services. These expenses include personnel costs (salaries and benefits), costs for materials and supplies, costs of utilities, and contracted services.

The 2021 O&M budget provided by the City was used as the baseline for projection of O&M expenses for the study period. In addition, costs associated with a water inspector (not included in the 2021 budget) recurring salary and benefits costs, recurring vehicle maintenance costs and one-time cost of the vehicle purchase was added per City’s direction. Based on historical O&M costs, industry experience, and discussions with the City management, appropriate escalation factors were applied to various categories of costs to project future annual O&M expenses. Annual escalation factors used for major cost categories include the following:

- Salaries: 4.00%
- Benefits: 5.00%
- Energy: 3.00%
- Chemicals: 3.00%
- Purchased Water: 3.00%

The annual O&M expenses for water utility are budgeted at \$16.5 million in 2022 and are projected to grow to \$20.7 million by 2027. Table W - 7 in Appendix 1 presents a summary of total projected operation and maintenance expense for the period 2022 through 2027.

Figure 4-4 presents the historical and projected O&M expenses for the water utility.

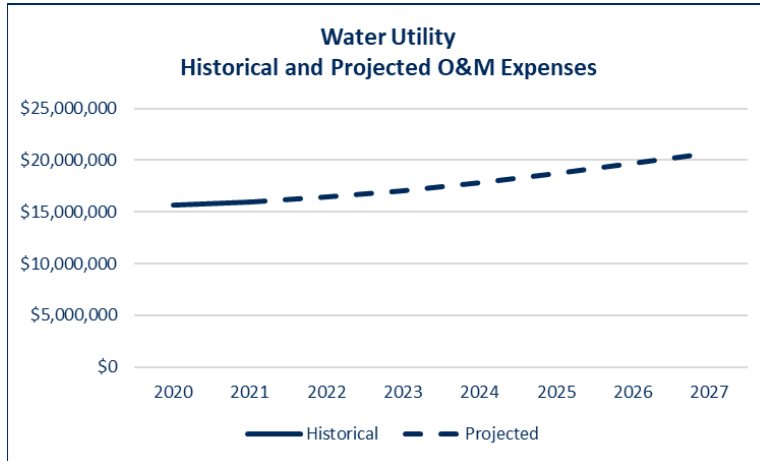


Figure 4-4 - Projected Annual Water O&M Expenses

4.3.2 Water Bad Debt

Bad debt expense refers to outstanding balances owed that are deemed uncollectible. The water bad debt in 2019 was 0.5% of revenue. Hence, bad debt projections for the study period assume 0.5% of annual revenues. Annual bad debt expense for water utility is projected to increase from \$116,900 in 2022 to \$157,900 by 2027 reflecting the increase in projected revenues. Line 11 in Table W - 9 in Appendix 1 presents the projected bad debt for the period 2022 through 2027.

4.3.3 Water Payment In Lieu of Taxes

The PILOT costs are paid by public utilities to municipal entity as a compensation for utilization of streets, easements, right of ways or other public places. The PILOT amount is determined per City Ordinance 4449 that requires that the water and wastewater funds to pay 4.25% of annual total gross sale revenues to the City. Annual PILOT amount for the water utility is calculated by multiplying actual water revenues from prior year (Water sales on Computer and Water sales not on Computer/ Bulk Water Sales, and Fire Hydrant and Protection). Annual PILOT amount for the water utility is anticipated to increase from \$993,700 in 2022 to \$1,342,000 in 2027. Line 12 in Table W - 9 in Appendix 1 presents the projected PILOT expenses for the period 2022 through 2027.

4.3.4 Safe Drinking Water Fee Reimbursement

The SDWF revenue collected for each metered customer is reimbursed to the state of Arkansas department of Public Health. The SDWF reimbursement is projected to increase from \$230,400 in 2022 to \$250,600 in 2027. Line 13 in Table W - 9 in Appendix 1 presents the projected SDWF reimbursement for the period 2022 through 2027.

4.3.5 Water Debt Service Requirements

The water utility does not have any outstanding debt service obligations; however, it does anticipate a \$90 million debt issuance in 2024 for the West Water Transmission Line. Projected debt service is \$3.2 million in 2024 and increasing to \$ 6.3 million in 2025 as shown in Line 14 in Table W - 9 in Appendix 1.

4.3.6 Transfer to Shop Fund

The transfer to the shop fund is made by the utility whenever a new vehicle (associated with new personnel) is purchased, thereby expanding the existing fleet. There are no projected transfers to the shop fund over the study period as shown in Line 16 in Table W - 9 in Appendix 1.

4.3.7 Transfer to Operating Reserve

The City maintains an operating reserve balance equivalent of ninety (90) days of following years' O&M budget. The transfer to operating reserve is projected to increase from \$133,100 in 2022 to \$256,600 in 2027 reflecting the growth in the O&M budget. Line 17 in Table W - 9 in Appendix 1 presents the projected transfers to the operating reserve for the period 2022 through 2027.

4.3.8 Water Cash Financed Capital

The City currently utilizes the following two sources of funding for the water utility capital projects (1): transfer from operating revenues and (2) transfer from the impact fee fund. As stated in Section 4.2, the water capital improvement program for the study period is \$134.6 million, of which \$47.5 million is projected to be funded from operating revenues, \$4.3 million is from the impact fee fund, and \$90 million from a new revenue bond. A capital project meets the requirements of using impact fees if the existing water capacity is expanded due to growth. The construction contract and the budget amendment to change the source of funding to impact fee must be approved by the City Council. Table W - 8 in Appendix 1 presents the sources of funding for the water capital improvement program. Line 18 in Table W - 9 in Appendix 1 presents the projected transfers for cash financed capital for the period 2022 through 2027.

4.3.9 Transfer to Capital Reserve

The water utility, after meeting all the obligations stated in sections above, transfers the excess funds to the capital reserve fund. The capital reserve fund is used as a source for funding the capital program in the years that the revenues are not sufficient to meet the capital funding requirements. Line 19 in Table W - 9 in Appendix 1 presents the projected transfers to and from the capital reserve for the period 2022 through 2027.

4.4 Water Proposed Revenue Adjustments

The annual revenue adjustments that are needed to achieve the defined financial performance objectives are determined by evaluating the funding gap between the projected annual revenue requirements and the projected revenues under existing rates. Table W - 9 in Appendix 1, provides a summary of the revenue and revenue requirements (financial plan) for the study period.

Projected Revenue Under Existing Rates: Line 1 indicates that under existing 2022 rates water utility revenues will increase from \$23.8 million in 2022 to \$25.1 million in 2027.

Projected Other Revenues: Line 8 indicates that the other revenues are anticipated to increase from \$645,600 in 2022 to \$684,100 in 2027. This increase is due to the growth in SDWF, which is pass-

through. It is anticipated that all other categories of other revenues will remain flat throughout the study period.

Projected Expenses: Line 15 indicates the total annual expenses for the water utility are anticipated to increase from \$17.8 million in 2022 to \$28.7 million in 2027.

Projected Transfers: Line 20 indicates the total annual transfers for the water utility are anticipated to decrease from \$6.2 million in 2022 to \$3.5 million in 2027.

Funding Gap: The cash flow analysis indicates that the sum of revenues under existing rates and the other revenues is not adequate to fund the projected annual revenue requirements, thereby causing an operating deficit.

Proposed Revenue Adjustments: To address the funding gap in the water utility, a series of revenue adjustments are proposed as follows:

- 2024: 6% effective (January 1, 2024)
- 2025: 6% effective (January 1, 2025)
- 2026: 6% effective (January 1, 2026)
- 2027: 6% effective (January 1, 2027)

Lines 2 through 7 present the amount of additional revenues generated each year with the proposed magnitude and timing of revenue adjustments. Figure 4-5 presents the projected revenue and revenue requirements through 2027 for the water utility.

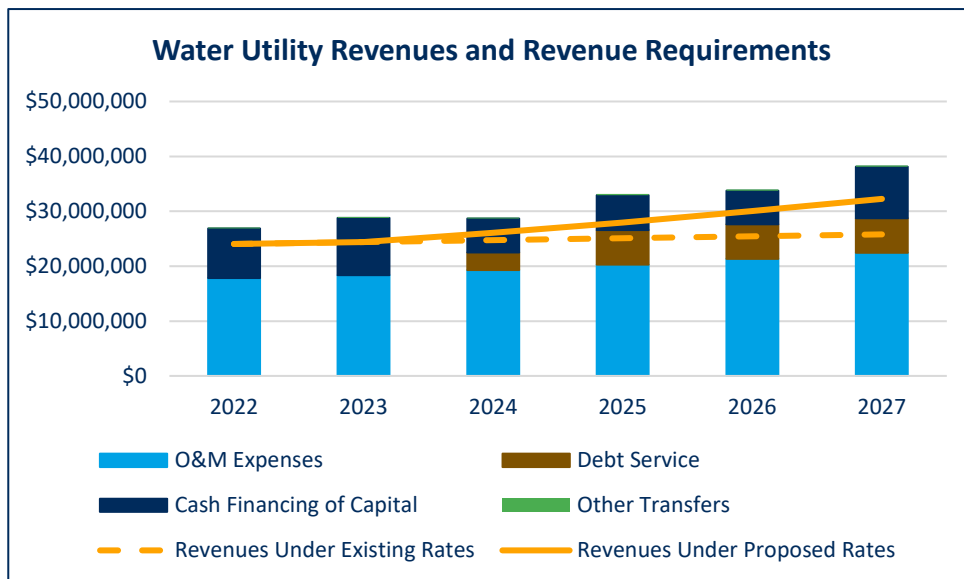


Figure 4-5 - Water Revenues and Revenue Requirements

Table W - 10 in Appendix 1 presents the water utility's operating reserve, capital reserve and impact fee fund balances. The City has identified the minimum balance requirements for each of the following funds:

- **O&M Reserve Balance:** A cash balance of at least 90 days of the follow's year operating expenses.
- **Operating Fund Balance:** A minimum target of \$100,000.
- **Capital Fund Balance:** A minimum target of \$500,000.
- **Capital Reserve Fund Balance:** An amount necessary to fully fund anticipated capital projects.

As shown in Table W - 10, the proposed annual revenue adjustments will allow the water utility to meeting the minimum fund balance requirements for the O&M Reserve, Operating and Capital funds through 2027. The water utility Capital Reserve fund balance is negative beginning 2025, however, the combined water and wastewater utility Capital Reserve fund is positive through 2027.

4.5 Water Cost of Service

A key step to developing an equitable rate structure involves the cost of service analysis. The financial plan discussed in sub sections 4.1 through 4.4 provides an estimate of the total annual revenue requirements for a given fiscal year. The cost of service analysis provides a mechanism to defensibly allocate the total annual revenue requirements to the various customer classes.

The cost of service is typically performed for a single year, referred to as the "Test Year" for which the rates are to be designed. The test year for which the cost of service study was performed is 2023.

The key components of the cost of service analysis are:

- Determination of Cost of Service (net revenue requirements);
- Determination of Functional Costs;
- Allocation of Functional Costs to Cost Components; and
- Distribution of Water Utility Costs to Customer Classes

4.5.1 Determination of Cost of Service

The first step is to determine the cost of service that is to be recovered from user rates and charges. As briefly discussed in Section 2.3, cost of service is defined as, and synonymous with, the "net revenue requirement" that is to be recovered for the test year through user rates and charges. Table W - 11 in Appendix 1 presents the derivation of the cost of service to be recovered through water charges. As Line 18 in Table W - 11 indicates, the water cost of service for 2023 is projected to be \$23.8 million. This cost of service consists of \$17.9 million of net O&M expense and \$5.8 million of net capital costs.

Costs of service is apportioned among customer classes in this study on a "Utility Basis", that is, in terms of operating expense, depreciation expense, and return. For a municipal utility, the total of depreciation expense and return is equal to the capital cost related portion of the total cost of service.

Depreciation is the loss in value of the original plant investment, not restored by current maintenance, due to wear, decay, inadequacy, and obsolescence. Annual depreciation is determined as a percentage of original investment based on expected service lives of the various facilities. Unless funds are provided for normal annual replacement of original plant items, operating reliability of the system, as well as the value, will decrease. Depreciation funds are used to finance principal payments on bond issues and provide normal annual capital expenditures.

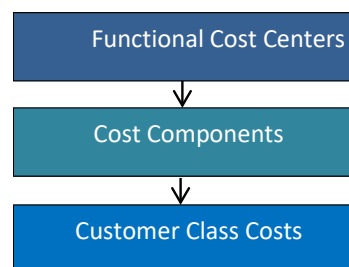
The depreciation expense associated with the water utility is estimated in this study recognizing depreciation rates presently in use by the water utility. This results in a projected test year depreciation expense of \$2.9 million exclusive of depreciation on contributed plant, which is not recognized for cost allocation or rate design purposes. The contributed plant adjustment is consistent with generally accepted regulatory practices.

Total return on the system investment provides funds for bond interest payments and any other costs that may be incurred. In developing the level of return on net plant serving the requirements of outside City customers, provisions for a reasonable margin should be made to meet interest on borrowed funds, and to recognize the business risk assumed by the City in providing reliable facilities to serve nonresident customers. Total return for the test year is projected to be \$2,926,500 as shown on Line 17 of Table W - 11 in Appendix 1.

4.5.2 Determination of Functional Costs

As a basis for developing an equitable rate structure, the test year cost of service should be allocated to the various customer classes according to respective service requirements.

The basic underlying principle in developing cost of service rates is the determination of what elements in a water system are responsible for causing the level of revenue requirements that is needed. To allocate the costs to customer classes, first the operating and capital costs of service are aggregated into “Functional Cost Centers.” The functional costs are then further allocated to cost components. Each component cost is then apportioned to customer classes



Functional Cost Centers

Functional cost centers of a water utility represent the activities that contribute to the incurrence of O&M and capital costs. For a water utility, they often include source of *water supply, pumping, treatment, storage, distribution, meters, billing, and other administration* costs. Both the O&M and capital costs defined for the Test Year, discussed in 4.5.1, need to be allocated to functional cost centers.

Functional Costs

The **capital costs** associated with the functional cost centers are determined using detailed fixed assets data, provided by the City, for each class of asset that is currently in service, construction work in progress and projected capital improvement program for the test year. The total value of the fixed assets (referred to as “Net Plant Investment”) in the system is usually presented as Original Cost Less Depreciation (“OCLD”). The total estimated OCLD of the water system is \$107.5 million, as presented in Line 9 in Table W - 12 in Appendix 1. This plant investment data is subsequently used as a basis for the allocation to cost components, discussed in the following subsection 4.5.3.2.

The **O&M costs** for the Test Year are allocated to the various functional cost centers based on the specific nature of costs. The allocation of the projected O&M cost of service (net operating revenue requirement) of \$17.9 million, to the various functional cost centers, is presented in Table W - 14 in Appendix 1.

The various cost elements of water service are assigned to functional cost components as the first step in the subsequent distribution of the costs of service to customer classes.

4.5.3 Allocation of Costs to the Functional Cost Components

The principal functional cost components consist of *Base Costs*, *Extra-Capacity Costs*, and *Customer Costs*.

Base costs are those which vary directly with the quantity of water used, as well as those costs associated with serving customers under average load conditions without the elements necessary to meet water use variations or peak demands. Base costs include purchased power and treatment chemicals, and other operating and capital costs of the water system associated with serving customers to the extent required for a constant, or average annual rate of use.

Extra-Capacity costs represent those operating costs incurred due to demands in excess of average, and capital related costs for additional plant and system capacity beyond that required for the average rate of use. Total extra capacity costs are subdivided into costs associated with maximum day and maximum hour demand.

Customer Costs are defined as costs which tend to vary in proportion to the number of customers connected to the system. These include meter reading, billing, collection and accounting costs, and maintenance and capital charges associated with meters and services.

The delineation of costs of service into these principal categories provides the means of further allocating such costs to the various customer classes based on the respective base, extra capacity, and customer service requirements of each customer class.

Wholesale customers generally do not use smaller water distribution mains as do retail users. Therefore, separate functional cost of service categories are designated for costs which are common to all customer classes and those which are common to retail service classes only.

4.5.3.1 Water Utility Allocation to Cost Components

The water utility is comprised of a variety of service facilities, each designed and operated to fulfill a given function. In order to provide adequate service to its customers at all times, the utility must be capable of not only providing the total amount of water used, but also supplying water at maximum rates of demand.

Since all customers do not exert their maximum demand for water at the same time, capacities of water facilities are designed to meet the peak coincidental demands that all classes of customers, as a whole, place on the system. For every water service facility on the system, there is an underlying average demand, or uniform rate of usage exerted by the customers for which the base cost component applies. For those facilities designed solely to meet average day demand, costs are allocated 100% to the base cost component. Extra capacity requirements associated with coincidental demands in excess of average use are further related to maximum daily and maximum hourly demands.

Analysis of historical system maximum day and maximum hour demands to average day demands results in appropriate ratios for the allocation of capital costs and operating expenses to base and extra capacity cost components. A maximum day to average day ratio of 2.10 is used based on experienced demands in the water system. This indicates that approximately 47.6% of the capacity of facilities designed and operated to meet maximum day demand is required for average or base use. According, the remaining 52.4% is required for maximum day extra capacity requirements.

The costs associated with facilities required to meet maximum hour demand are allocable to base, maximum day extra capacity, and maximum hour extra capacity. A ratio of maximum hour to annual average day water use of 2.73 is used, based on demands experienced by the system. This ratio indicates that 36.6% of the capacity of facilities designed and operated for maximum hour demand is needed for average or base use, while 40.3% is utilized for maximum day extra capacity uses, and the remaining 23.1% is required to meet maximum hour extra capacity demand in excess of maximum day needs.

4.5.3.2 Allocation of Net Water Plant Investment

The estimated test year net plant investment in water facilities consists of net plant in service as of December 31, 2019, the 2020 construction work in progress, and the estimated cost of proposed capital improvements expected to be in service by the end of calendar year 2022. As the wholesale customers have their own storage tanks, the plant investment associated with tanks was allocated to the retail customers only. The total estimated OCLD of the water system is \$107.5 million, as presented in Line 9 in Table W - 12 in Appendix 1.

Plant investment is allocated to cost components on a design basis recognizing the principal function governing the design of the facility. The allocation of net plant investment provides the basis for allocation of depreciation expense.

4.5.3.3 Allocation of Water Facilities Depreciation Expense

Depreciation is a real part of the cost of operating a utility. In utility accounting, it is generally accepted practice to use depreciation funds to finance system replacements, improvements, and extensions. While such action does not restore the value lost in each property unit every year, the total value lost through depreciation is restored to the system as a whole. Depreciation funds can be reinvested in the system either by direct payment of routine capital additions and replacements or by principal payments on bonded debt.

The total estimated depreciation cost (excluding depreciation on contributed facilities) for the water system is \$2.9 million, as presented on Line 9 in Table W - 13 in Appendix 1. As the wholesale customer have their own storage tanks, the depreciation costs associated with tanks was allocated to the retail customers only.

4.5.3.4 Allocation of Water Utility Operating Expenses

Table W - 14 in Appendix 1 presents the allocation of O&M expense to functional cost components. Total test year O&M expense, as shown on Line 7 of this table, amounts to \$17.9 million. Operating expenses are allocated to functional cost components in generally the same manner as plant investment.

4.5.4 Distribution of Water Utility Costs to Customer Classes

As a basis for determining the cost of water service to each customer class, the elements of cost of service previously allocated to functional cost components are distributed among the classes in proportion to their respective service requirements. Estimates of these requirements, or units of service, reflect the average number of accounts with recognition to relative meter sizes serving each account, annual water sales, and estimated peak water demands placed on the system by each customer class. Analysis of resulting costs of service to each class and comparison of allocated costs with revenues under existing rates provide a basis for future water rate adjustments.

4.5.4.1 Water Customer Classification

Customer classes consist of residential, non-residential, industrial, irrigation, wholesale, and public and private fire protection. The residential class includes single family residential, duplex, fourplex, apartment, multi-unit residential, and rooming house customers. The non-residential class includes commercial, combination, construction, government, and non-profit classes. Industrial includes major and minor industrial. Outside City includes Farmington, Greenland, Washington/Growth Area, Johnson, and Goshen/ White River. Wholesale includes the communities of Elkins, West Fork, Mt. Olive, and RDA/WWA. These classes group together customers with similar service requirement characteristics and provide a means for allocating costs to customers.

4.5.4.2 Water Units of Service

The cost of service responsibility for base costs varies with the annual volume of water usage and is distributed to customer classes on that basis. Extra capacity costs are those costs associated with meeting peak rates of water use and are distributed to customer classes on the basis of their respective system capacity requirements in excess of average requirement rates. Customer costs, which consist of meter related costs, billing, collection and accounting costs, are allocated on the basis of the number of equivalent meters and monthly bills.

The estimated units of service for the various customer classifications are presented in Table W - 15 in Appendix 1. Estimates of test year annual water volumes, shown in Column 1, are based on the projections of total water sales for the test year 2023. Average daily water use is presented in Column 2. Columns 3 through 8 present the estimated maximum day and maximum hour capacity factors for each customer class, the resulting demands, and extra capacity requirements, respectively.

Customer related meter and service costs are allocated on the basis of the number of equivalent 3/4 inch meters serving each customer class. The number of equivalent meters in each customer class (Column 10) is estimated by relating typical costs for meters and services larger than 5/8 inch in size to the typical cost of a 3/4 inch meter and its related service line. Customer billing and accounting costs are distributed to classes on the basis of the number of bills for each customer class in Column 11.

Extra capacity requirements for fire protection service recognize, in part, peak fire flow requirements, and system capabilities established by the Insurance Service Office. One fire is estimated with peak fire flow requirements of 9,000 gallons per minute for 10 hours (maximum day) and 24 hours (maximum hour). Direct fire protection costs have been allocated between inside City and outside City customers in proportion to the number of equivalent 6-inch fire hydrants, as shown in Columns 12 and 13.

4.5.4.3 Water Utility Customer Class Costs of Service

Unit costs of service are developed by dividing the total cost allocated to each functional cost component by the total applicable units of service. The customer class responsibility for service is

obtained by applying unit costs of service to the number of units for which the customer class is responsible.

The water utility has been built with provision for service to customers outside the City, yet the inside City customers must bear the responsibility for providing system facilities by undertaking the necessary investment. Revenues derived from outside City service should provide a margin of return on capital adequate to induce the citizens of Fayetteville to bear the risks of providing outside City service. To recognize the proprietary interest and responsibility of inside City customers in the system, it is proper to charge outside City customers, in addition to their share of operating expense and depreciation, a reasonable return on their allocated portion of value. A 7.0% (4.0% for future debt service plus 3.0% risk component) annual rate of return on the value of water facilities serving outside City customers is recognized for purposes of this study.

Table W - 16 in Appendix 1 shows the development of the unit costs of service applicable to each cost function. Lines 1 through 3 summarize the units of service developed in Table W - 15. Total allocated costs or investment shown on Lines 4, 6, and 8 were previously developed in Table W - 14, Table W - 13, and Table W - 12, respectively. Unit costs of service for each component are determined by dividing the allocated cost or investment by the total units of service.

Total allocated unit costs of service for inside and outside City customers (Lines 15 and 16) are determined by adding the unit costs for net operating expense (Line 5) and depreciation expense (Line 7) to the respective inside and outside City unit costs for return on investment (Lines 10 and 11). These unit costs applied to the respective units of service shown on Lines 1 and 2 determine the allocated total costs of service for inside and outside City customers shown on Lines 17 and 18. In order to determine the allocated costs for each customer class, the costs are allocated to the various customer classes by applying the appropriate unit cost of service to the respective service requirements of each customer class.

Table W - 17 in Appendix 1 shows the resulting allocated and adjusted cost of service by customer class, revenue under existing rates, and the additional revenue required from each class. Costs associated with public fire protection are not recovered through direct charges, therefore, the cost of service for this class is reallocated to all other retail customers in proportion to their allocated cost of service as shown in Column 3. The test year adjusted cost of service, reflecting the reallocation of these costs, is shown in Column 4. The indicated increase or decrease in revenue required to meet adjusted cost of service is shown in Column 6.

5.0 Water Rate Design

The principal consideration in establishing water rate schedules is to establish rates to customers to recover costs that reasonably commensurate with the cost of providing water service. Theoretically, the only method of assessing entirely equitable rates for water service would be the determination of each customer's bill based upon each customer's particular service requirements. Since this is impractical, schedules of rates are normally designed to meet average conditions for groups of customers having similar service requirements. Rates should provide for equitable cost recovery, ease of customer understanding and be simple to administer.

The revenue requirements and cost of service allocations described in the preceding sections provide the basis for adjusting water rates. The revenue requirements reflect the need for adjustment and the level of revenue required. The cost of service analysis provides the unit costs of service used in the rate design process and gives a basis for determining whether resultant rates will develop revenues which recover costs of service from customer classes in proportion to service required and provide the total level of revenue required.

5.1 Existing Water Rates

The existing schedule of rates for water service became effective on January 1, 2022. For both retail and wholesale customers, these rates include a monthly base charge bill, which varies by meter size. The volume charge varies by customer class. The existing water rate structure is described in Section 3.3.1. The existing schedule of base and volumetric water rates is shown in Table W - 3.

5.2 Proposed Water Rates

The cost of service analysis described in the preceding sections of this report provides a basis for the design of a schedule of water rates to meet those costs. Proposed water base charge and volume rates have been designed to meet the 2024 allocated costs of service and are presented in Table W - 18. The proposed rate structure eliminates the minimum volume charge associated with 1,000 gallons. Additionally, volumetric rate structure for non-residential and irrigation customers classes both inside and outside city were changed from declining block rates to uniform block rates Figure 5 - 1 below presents the proposed water rate structure.

Figure 5 - 1 Proposed Water Rate Structure

Rate Component	Applicable Customer Classes
Base Charge by Meter Size	- Retail Inside City (Residential, Non-Residential, Major Industrial, Irrigation, Fire Protection); - Retail Outside City (Residential, Non-Residential, Major Industrial, Irrigation, Fire Protection); - Wholesale
Volume Rate (3-Tier Inclining Block)	- Retail Inside City Residential; and - Retail Outside City Residential
Volume Rate (Uniform)	Retail Inside City Non-Residential, Major Industrial, Irrigation; and

Rate Component	Applicable Customer Classes
	Retail Outside City Non-Residential, Irrigation
Volume Rate (Uniform)	Wholesale
Safe Drinking Water Fee (per month)	All customer classes

In developing proposed schedules of water rates, it must be recognized that the cost of service studies are the result of engineering estimates, based to some extent upon judgment and experience, and detailed results should not be used as literal and exact answers but as guides for potential rate adjustments. Practical considerations such as previous rate levels, bill impact on customers, and magnitude of cost of service shifts among customer classes, and past local practices are commonly recognized in making rate adjustments.

A comparison of estimated test year revenue under the proposed rates with allocated costs of service for each of the customer classes is presented in Table W - 19 in Appendix 1. This comparison indicates the proposed rates will recover revenues from inside and outside City customer groups reasonably commensurate with the cost of service and practical considerations previously noted.

To better reflect the total effect the proposed rates have on customer bills, a comparison of typical inside city and outside city customer water charges under existing rates and the rates proposed to become effective January 1, 2024, is presented in Table W - 20.

6.0 Wastewater Utility

The financial plan and rate design were developed to meet all the funding obligations of the wastewater utility, and to achieve the financial adequacy and equitable cost recovery discussed in Section 2.3.

The wastewater utility financial plan was developed for the forecast period of 2022 through 2027, and includes the following key components:

- Revenue projections (user rate revenues and non-rate revenues);
- Capital improvement program financing;
- Annual revenue requirement projections; and
- Annual proposed revenue increases

6.1 Wastewater Revenue Projections Under Existing Rates

The wastewater utility revenues are derived from the following sources:

- Wastewater Service Revenues (Base and Volume Charge)
- Other Revenues

As a first step in the development of the financial plan, Wastewater Service Revenues under the 2022 existing rates are projected for the forecast period.

6.1.1 Wastewater Revenue Under Existing Rates

As described in Section 3.3.2, the Wastewater Service Revenue consists of two charge components. For each of the two components, revenues are projected based on billing units and applicable existing rate schedules. The billing units necessary to compute the Base Charge revenues are the *number of accounts* based on meter size and customer class. The billing units necessary to compute the Volume Charge are the *annual wastewater billed volumes* by customer class and by applicable blocks of billable wastewater volume.

6.1.1.1 Projection of Customer Accounts

Typically, historical billing units are reviewed and used to project billing units for the forecast period. The project team reviewed historical accounts and billed volume trends for each customer class referenced in Section 3.3.1.

Based on the review of historical trends, two annual adjustment factors were applied to project billing units for the forecast period. The two adjustment factors applied at the customer class level are *accounts growth rate* and *volume factor*. The number of accounts is projected to grow for residential customer classes Fayetteville (Inside City) and Farmington (Outside City), whereas all other customer classes are anticipated to remain at the 2021 level.

The total number of wastewater accounts is anticipated to increase from about 39,603 in 2022 to about 42,900 in 2027, at an overall annual system growth rate of 1.6%. Table S - 1 in Appendix 2 presents the projected annual number of accounts for the period of 2022 through 2027.

Figure 6-1 presents both the historical and projected number of accounts for the wastewater utility.

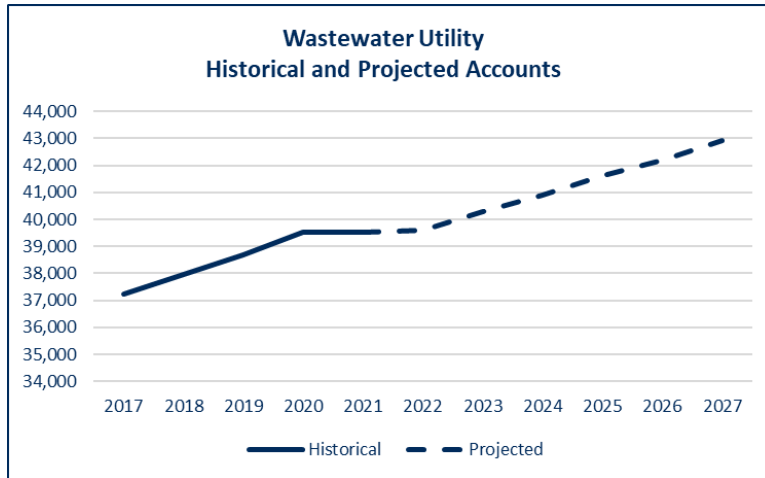


Figure 6-1 - Historical and Projected Wastewater Accounts

6.1.1.2 Projection of Wastewater Volume

Billed wastewater volumes are projected based on estimates of the number of wastewater accounts and the average billed volume per account. Average billed volume per account is determined based on historical billed volume. Wastewater customer usage projections are based on 2022 actuals.

Total system wastewater billed volume is projected to increase from 3,342,300 kgals in 2022 to 3,499,900 kgals in 2027. Table S - 2 in Appendix 2 presents the projected annual volume for the period of 2022 through 2027.

Figure 6-2 presents both the historical and projected annual billed volume for the wastewater utility.

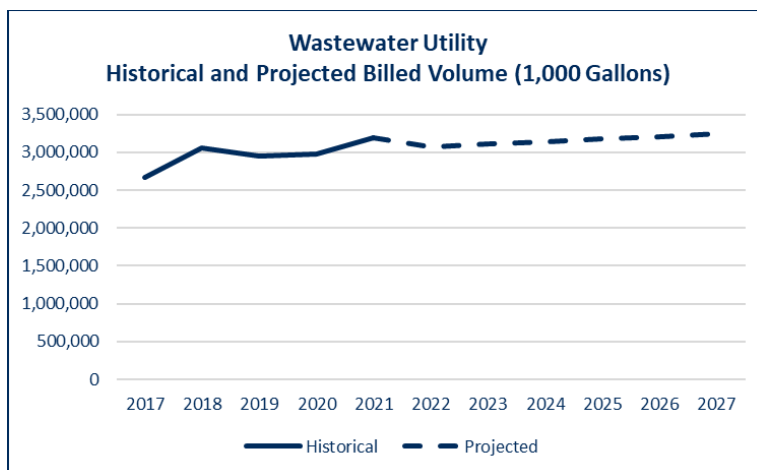


Figure 6-2 - Historical and Projected Wastewater Billed Volume

6.1.2 Projection of Wastewater Service Revenue Under Existing Rates

Wastewater service revenues for the period 2022 through 2027 are projected for each charge component (base and volume) based on the projections of accounts by meter size, projected billed volume for each customer class, and the application of the 2022 rate schedule. Wastewater service

revenue under existing rates is projected to increase slightly from \$26.5 million in 2022 to \$28.1 million in 2027. This growth is due to increase in wastewater sales due to the growth in the number of accounts over the study period. Table S - 4 in Appendix 2 presents the historical and projected annual service revenues for the period of 2022 through 2027.

Figure 6-3 presents both the historical and projected annual service requirements under existing rates for the wastewater utility.

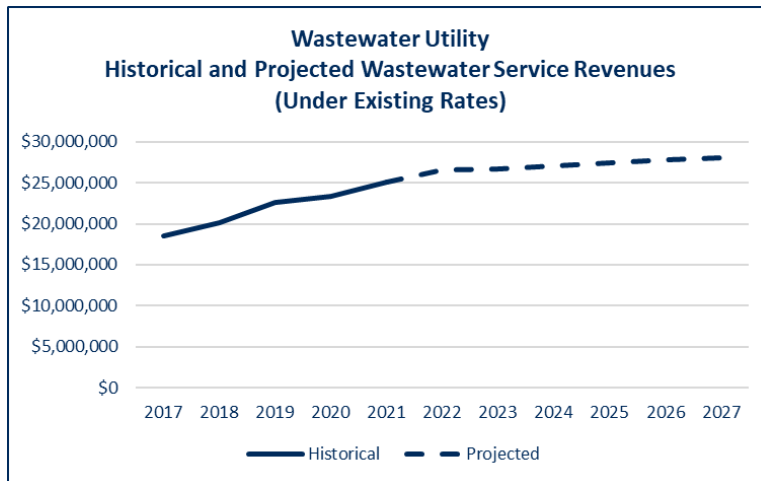


Figure 6-3 - Historical and Projected Wastewater Service Revenue

6.1.3 Other Wastewater Revenue

The other revenues include the following major components:

- Impact Fee Revenue;
- Wastewater Connection Fees;
- Wastewater Sales Not on Computer;
- Penalties; and
- WWTP Fees (Hay Sales, Biosolids/ Fertilizer Sales & Water Treatment Residual)

The annual revenues from wastewater impact fees, wastewater connection fees, wastewater sales not on computer, and WWTP Fees for 2022 to 2027 are projected based on historical three-year (2018 to 2020) average revenues for each of the fees. The penalties revenue in 2020 reflects only the first two and half months of revenues, as the City stopped assessing penalties for non-payment due to the pandemic. The revenue for penalties in 2021 is projected to be half of the historical three-year (2017 to 2019) average revenues due to continued waiver of the penalties as a result of the COVID pandemic during the first half for 2021. The revenue from penalties in 2022 and beyond is projected as the historical three-year average (2017 to 2019) average revenues. Table S - 5 in Appendix 2 presents the projected annual other revenues for the period of 2022 through 2027.

6.2 Wastewater Capital Improvements Program

The capital project costs provided by the City were based on 2020 dollars. Based on discussions with the City, the project costs are inflated at an annual rate of 3.0% to accurately reflect the costs of projects for 2021 and beyond. The City's wastewater utility Capital Improvement Plan (CIP) provides for a total of \$43.2 million of investments during the study period of 2022 through 2027. Major wastewater projects include sanitary wastewater rehabilitation totaling \$20.5 million and Biosolids Dryer Replacement totaling \$3.2 million. Table S - 6 in Appendix 2 presents the CIP list of projects for 2022 through 2027. The CIP is expected to be financed from a funding mix of cash financing from service revenue and impact fees.

6.3 Wastewater Utility Revenue Requirements

Projection of reliable revenue requirements includes: (1) O&M expenses; (2) bad debt; (3) Payment In Lieu of Taxes; (4) debt service (consisting of principal and interest payments); (5) transfer to shop fund; (6) transfer to operating reserve; (7) cash financed capital; and (8) transfer to capital reserve. The projections of annual revenue requirements for the study period are discussed in this section.

6.3.1 Wastewater Operation and Maintenance Expenses

The O&M expenses for the wastewater utility include the annual expenses associated with the wastewater conveyance, pumping, treatment and disposal; meters and services; billing and collection, and general administrative services. These expenses include personnel costs (salaries and benefits), costs for materials and supplies, costs of utilities, and contracted services.

The 2021 O&M budget provided by the City was used as the baseline for projection of O&M expenses for the study period. In addition, costs associated with a wastewater inspector (not included in the 2021 budget) recurring salary and benefits costs, recurring vehicle maintenance costs and one-time cost of the vehicle purchase was added per City's direction. Based on historical O&M costs, industry experience, and discussions with the City management, appropriate escalation factors were applied to various categories of costs to project future annual O&M expenses. Annual escalation factors used for major cost categories include the following:

- Salaries: 4.00%
- Benefits: 5.00%
- Energy: 3.00%
- Chemicals: 3.00%
- Wastewater Treatment Plant Contract: 3.00%

The annual O&M expenses for wastewater utility are budgeted at \$16.2 million in 2022 and are projected to grow to \$19 million by 2027. Table S - 7 in Appendix 2 presents a summary of projected operation and maintenance expense for the period 2022 through 2027.

Figure 6-4 presents the historical and projected O&M expenses for the wastewater utility.

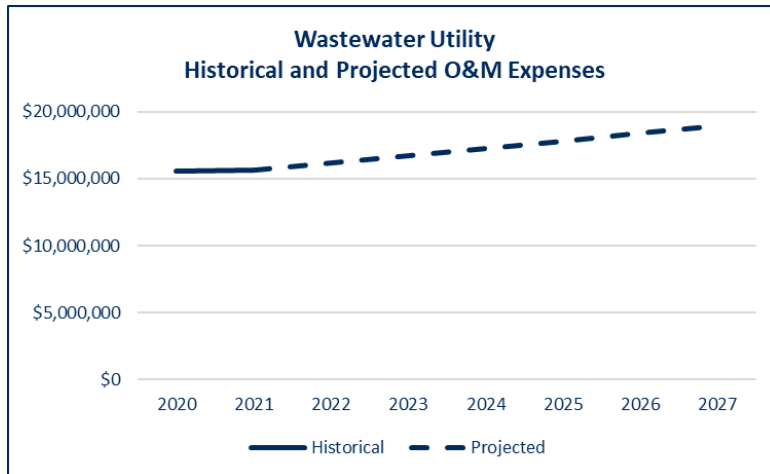


Figure 6-4 - Projected Annual Wastewater O&M Expense

6.3.2 Wastewater Bad Debt

Bad debt expense refers to outstanding balances owed that are deemed uncollectible. The wastewater bad debt in 2019 was 0.5% of revenue. Hence, the bad debt projections for the study period assume 0.5% of annual revenues. Annual bad debt expense for wastewater utility is projected to increase from \$132,900 in 2022 to \$157,900 by 2027 reflecting the increase in projected revenues. Line 11 in Table S - 9 in Appendix 2 presents bad debt expense for the period 2022 through 2027.

6.3.3 Wastewater Payment In Lieu of Taxes

The PILOT costs are paid by public utilities to municipal entity as a compensation for utilization of streets, easements, right of ways or other public places. The PILOT amount is determined per City Ordinance 4449 that requires that the water and wastewater funds to pay 4.25% of annual total gross sale revenues to the City. Annual PILOT amount for the wastewater utility is calculated by multiplying actual wastewater revenues from prior year (Wastewater sales on Computer and Wastewater sales not on Computer/ Dump Fees) and is projected to increase from \$1,129,300 in 2022 to \$1,341,800 in 2027. Line 12 in in Appendix 2 presents PILOT expense for the period 2022 through 2027.

6.3.4 Wastewater Debt Service Requirements

The wastewater utility does not have any outstanding debt service obligations. The City does not anticipate any debt issuances during the study period, therefore no projected debt service for future debt as shown in Line 18 in Table S - 9 in Appendix 2.

6.3.5 Transfer to Shop Fund

The transfer to the shop fund is made by the utility whenever a new vehicle (associated with new personnel) is purchased, thereby expanding the existing fleet. There are no projected transfers to the shop fund over the study period as shown in Line 15 in Table S - 9 in Appendix 2.

6.3.6 Transfer to Operating Reserve

The City maintains an operating reserve balance equivalent of ninety (90) days of following years' O&M budget. The transfer to operating reserve is projected to increase from \$129,500 in 2022 to \$152,700 in 2027 reflecting the growth in the O&M budget. Line 16 in Table S - 9 in Appendix 2 presents transfer to the operating reserve for the period 2022 through 2027.

6.3.7 Wastewater Cash Financed Capital

The City currently utilizes the following two sources of funding for the wastewater utility capital projects (1): transfer from operating revenues and (2) transfer from the impact fee fund. As stated in Section 6.2, the wastewater capital improvement program for the study period is \$43.2 million, of which \$39.7 million is projected to be funded from operating revenues and \$3.5 million is from the impact fee fund. A capital project meets the requirements of using impact fees if the existing wastewater capacity is expanded due to growth. The construction contract and the budget amendment to change the source of funding to impact fee must be approved by the City Council. Table S - 8 in Appendix 2 presents the sources of funding for the wastewater capital improvement program. Line 22 in Table S - 9 in Appendix 2 presents transfer for cash financing of capital program for the period 2022 through 2027.

6.3.8 Transfer to Capital Reserve

The wastewater utility, after meeting all the obligations stated in sections above, transfers the excess funds to the capital reserve fund. The capital reserve fund is used as a source for funding the capital program in the years that the revenues are not sufficient to meet the capital funding requirements. Line 18 in Table S - 9 in Appendix 2 presents transfer to and from the capital reserve for the period 2022 through 2027.

6.4 Wastewater Proposed Revenue Adjustments

The annual revenue adjustments that are needed to achieve the defined financial performance objectives are determined by evaluating the funding gap between the projected annual revenue requirements and the projected revenues under existing rates. Table S - 9 in Appendix 2 provides a summary of the revenue and revenue requirements (financial plan) for the study period.

Projected Revenue Under Existing Rates: Line 1 indicates that under existing 2022 rates wastewater utility revenues will increase from \$26.6 million in 2022 to \$28.1 million in 2027.

Projected Other Revenues: Line 8 indicates that the other revenues and interest income are anticipated to increase from \$726,000 in 2022 to \$735,900 in 2027. It is anticipated that all categories of other revenues will remain flat throughout the study period. The slight growth is due to the increase in interest income on the operating reserve.

Projected Expenses: Line 14 indicates the total annual expenses for the wastewater utility are anticipated to increase from \$17.4 million in 2022 to \$20.5 million in 2027.

Projected Transfers: Line 19 indicates the total annual transfers for the wastewater utility are anticipated to increase from \$9.9 million in 2022 to \$11.8 million in 2027.

Funding Gap: The cash flow analysis indicates that the sum of revenues under existing rates and the other revenues is not adequate to fund the projected annual revenue requirements, thereby causing an operating deficit.

Proposed Revenue Adjustments: To address the funding gap in the wastewater utility, a series of revenue adjustments are proposed as follows:

- 2024: 3% effective (January 1, 2024)
- 2025: 3% effective (January 1, 2025)

- 2026: 3% effective (January 1, 2026)
- 2027: 3% effective (January 1, 2027)

Lines 2 through 7 in Table S - 9 present the amount of additional revenues generated each year with the proposed magnitude and timing of revenue adjustments. Figure 6-5 presents the projected revenue and revenue requirements through 2027 for the wastewater utility.

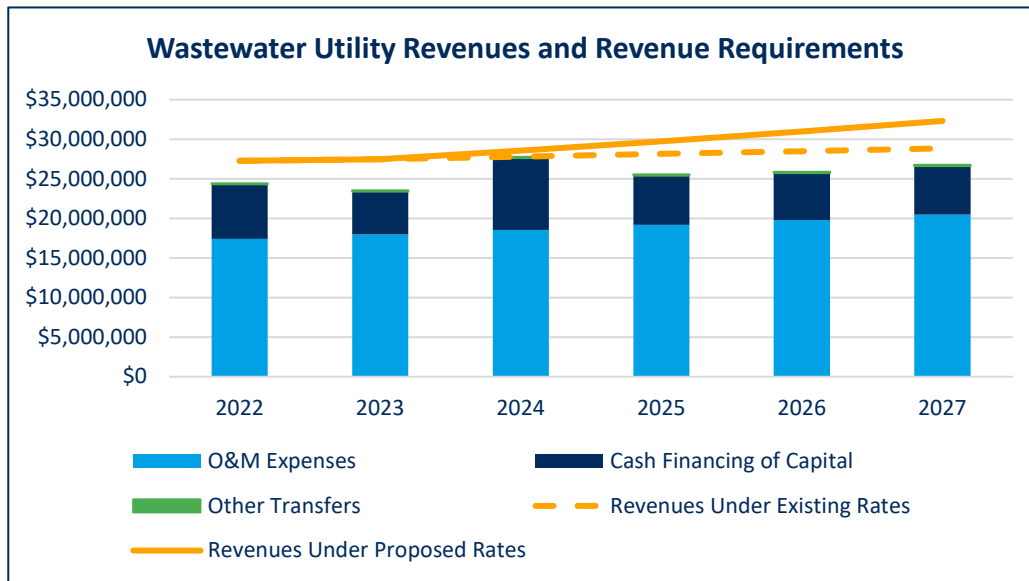


Figure 6-5 - Wastewater Revenues and Revenue Requirements

Table S - 10 in Appendix 2 presents the wastewater utility's operating reserve, capital reserve and impact fee fund balances. The City has identified the minimum balance requirements for each of the following funds:

- **O&M Reserve Balance:** A cash balance of at least 90 days of the follow's year operating expenses.
- **Operating Fund Balance:** A minimum target of \$100,000.
- **Capital Fund Balance:** A minimum target of \$500,000.
- **Capital Reserve Fund Balance:** An amount necessary to fully fund anticipate capital projects.

As shown in Table S - 9, the proposed annual revenue adjustments will allow the water utility to meet the minimum fund balance requirements for all funds through 2027.

6.5 Wastewater Cost of Service

A key step to developing an equitable rate structure involves the cost of service analysis. The financial plan discussed in sub sections 6.1 through 6.4 provides an estimate of the total annual revenue requirements for a given fiscal year. The test year for which the cost of service study was performed is 2023.

The key components of the cost of service analysis are:

- Determination of Cost of Service (net revenue requirements);
- Determination of Functional Costs;
- Allocation of Functional Costs to Cost Components; and
- Distribution of Wastewater Utility Costs to Customer Classes

6.5.1 Determination of Cost of Service

The first step is to determine the cost of service that is to be recovered from user rates and charges. As briefly discussed in Section 2.3, cost of service is defined as, and synonymous with, the “net revenue requirement” that is to be recovered for the test year through user rates and charges. Table S - 11 in Appendix 2 presents the derivation of the cost of service to be recovered through the wastewater charges. As Line 18 in Table S - 11 indicated, wastewater cost of service for 2023 is projected to be \$26.8 million. This cost of service consists of \$17.4 million of net operation and maintenance expense and \$9.4 million of net capital costs.

As performed for the water utility, costs of services are apportioned among customer classes in this study on a Utility Basis.

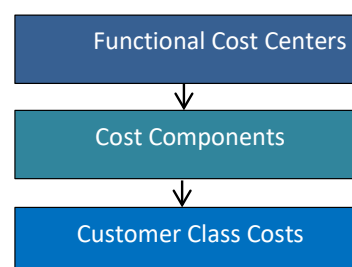
The depreciation expense and return on system investments that were already explained in Section 4.5.1 are applicable to the wastewater utility cost of service analysis as well. The depreciation expense associated with the wastewater utility is estimated in this study recognizing depreciation rates presently in use by the wastewater utility. This results in a projected test year depreciation expense of \$8.2 million exclusive of depreciation on contributed plant, which is not recognized for cost allocation or rate design purposes. The contributed plant adjustment is consistent with generally accepted regulatory practices.

Total return for the test year is projected to be \$ 1,195,100 as shown on Line 17 of Table S - 11.

6.5.2 Determination of Functional Costs

As a basis for developing an equitable rate structure, the test year cost of service should be allocated to the various customer classes according to respective service requirements.

The basic underlying principle in developing cost of service rates is the determination of what elements in a wastewater system are responsible for causing the level of revenue requirements that is needed. To allocate the costs to customer classes, first the operating and capital costs of service are aggregated into “Functional Cost Centers.” The functional costs are then further allocated to cost components. Each component cost is then apportioned to customer classes.



Functional Cost Centers

Functional cost centers of a wastewater utility represent the activities that contribute to the incurrence of O&M and capital costs. For a wastewater utility, they often include source of *collection, pumping, conveyance, treatment, disposal, meters, billing, and other administration* costs. Both the O&M and capital costs defined for the Test Year, discussed in 6.5.1, need to be allocated to functional cost centers.

Functional Costs

The **capital costs** associated with the functional cost centers are determined using detailed fixed assets data, provided by the City, for each class of asset that is currently in service, construction work in progress and projected capital improvement program for the test year. The total value of the fixed assets (referred to as “Net Plant Investment”) in the system is usually presented as Original Cost Less Depreciation (“OCLD”). The total estimated OCLD value of the wastewater system is \$196.8 million, as presented in Line 26 in Table S - 12 in Appendix 2. This plant investment is subsequently used as a basis for the allocation to cost components, discussed in the following subsection 6.5.3.2.

The **O&M costs** for the Test Year are allocated to the various functional cost centers based on specific nature of costs. The allocation of the projected O&M cost of service (net operating revenue requirement) of \$17.4 million, to the various functional cost centers is presented in Table S - 14 in Appendix 2.

The various cost elements of wastewater service are assigned to functional cost components as the first step in the subsequent distribution of the costs of service to customer classes.

6.5.3 Allocation of Costs to the Functional Cost Components

The principal functional cost components consist of volume related costs, strength related costs, and customer related costs.

Volume costs are those which vary directly with the quantity of wastewater contributed. They consist of capital costs related to investment in system facilities which are sized on the basis of, or required because of, wastewater volume. This also includes operation and maintenance expense related to those facilities, and the expense of volume related treatment chemicals and purchased power.

Wastewater strength costs consist of the operation and maintenance expense and capital costs related to system facilities which are designed principally to treat the wastewater pollutant loadings of pollutants such as BOD, TSS, and other pollutants. BOD costs reflect costs associated with the treatment of influent BOD and include costs related to activated sludge aeration and disposal of BOD related sludge. Suspended solids strength costs are those costs of wastewater treatment which tend to vary according to the quantity of suspended solids in the raw wastewater.

Customer costs are those which tend to vary in proportion to the number of customer bills or customers served. These include the wastewater utility share of customer related meter reading, billing, collection, and account expense.

The delineation of costs of service into functional components provides a means of distributing such costs to the various customer classes based on the respective total wastewater volume, strength, and customer cost requirements of each.

Wholesale customers generally do not use lateral wastewater lines as do retail users. Therefore, separate functional cost of service categories are designated for costs which are common to all customer classes and those which are common to retail service classes only.

6.5.3.1 Wastewater Utility Cost Allocation to Cost Components

In establishing the costs associated with each functional cost component, the return portion of the test year cost of service is distributed to cost functions based on an allocation of the estimated test year value of wastewater system facilities. The test year depreciation expense associated with each major element of plant facilities is allocated to cost functions in the same manner as the plant value. Operating expense is similarly allocated to cost functions based on the projected test year expense estimated for each wastewater system component.

6.5.3.2 Allocation of Net Wastewater Plant Investment

The estimated test year value of wastewater facilities consists of net plant in service as of December 31, 2019, the 2020 construction work in progress, and the estimated cost of proposed capital improvements expected to be in service by the end of calendar year 2022. Table S - 12 in Appendix 2 presents the allocation of the wastewater utility's total estimated plant value less contributions on an original cost less depreciation value basis. Total plant investment is estimated to be \$196.8 million as indicated by Line 26 of the Table S - 12.

Plant investment is allocated to cost components on a design basis recognizing the principal purpose governing the design of the facility. The allocation of net plant investment provides the basis for allocation of depreciation expense.

The Owl Creek Lift Station and Force Main serve only the City of Fayetteville, hence the plant investment associated with Owl Creek is allocated directly to the City of Fayetteville customers. Additionally, the outside City customers maintain their own wastewater connections, hence, the plant investment associated with wastewater connections is allocated 100% to the City of Fayetteville customers.

Wastewater collection net plant is allocated 41% to both retail and wholesale (common to all) and 59% to retail only based on the ratio of interceptors (large diameter mains) which is 41% of the collection system.

6.5.3.3 Allocation of Wastewater Facilities Depreciation Expense

As explained in Section 4.5.3.3, depreciation expense is a real part of the cost of operating a utility.

The total estimated depreciation cost (excluding depreciation on contributed facilities) for the wastewater system is \$8.2 million as presented on Line 26 in Table S - 13 in Appendix 2. The items of expense are allocated to cost components on the same design or cost causative basis used to allocate plant investment. Hence, the depreciation expense associated with Owl Creek Lift Station and Force main and Wastewater connections is directly allocated to the City of Fayetteville customers.

6.5.3.4 Allocation of Wastewater Utility Operating Expenses

Table S - 14 in Appendix 2 presents the allocation of operation and maintenance expense to functional cost components. Total test year operation and maintenance expense, as shown on Line 10 of this table,

amounts to \$17.4 million. Operating expenses are allocated to functional cost components in generally the same manner as plant investment.

6.5.4 Distribution of Wastewater Utility Costs to Customer Classes

The total cost responsibility of each customer class is determined by developing unit costs of service for each cost component and applying the unit costs to the respective service requirements of each class. In accomplishing this, each customer class is allocated the share of volume, strength, and customer costs for which it is responsible.

6.5.4.1 Wastewater Customer Classification

Customer classes consist of residential, non-residential, industrial and wholesale. The residential class includes single family residential, duplex, fourplex, apartment, multi-unit residential and rooming house customers. The non-residential class includes commercial, combination, construction, government, and non-profit customers. Outside City includes Farmington, Greenland, Washington County/Growth Area and Johnson. Wholesale includes the community of Elkins and West Fork.

6.5.4.2 Wastewater Units of Service

Derivation of the responsibility of customer classes for costs of service require that each class be allocated a portion of the volume, strength, and customer costs of service according to their respective service requirements.

The cost of service responsibility for volume costs, which vary with the volume of wastewater contributed to the wastewater system, is distributed to customer classes on that basis. Strength costs are principally related to the function of reducing wastewater suspended solids, and BOD strength loading. Customer costs, which consist of meter related costs, billing, collection and accounting costs, are allocated on the basis of equivalent meters and monthly bills.

The estimated test year service requirements or units of service for the various customer classes are shown in Table S - 15 in Appendix 2. Wastewater collected and treated consists of two elements: (1) sanitary wastewater flow and (2) infiltration/inflow (I/I) of ground water into the sewers. Contributed wastewater flow is that portion of the annual water use and/or other flows from each customer class that are discharged to the wastewater system. Estimates of the contributed volume of each class is generally based upon wastewater billing records. For residential customers, the billed wastewater volume is based on average water consumption for the preceding months of December, January and February. This methodology of using a winter quarter average for quantity of wastewater flows is used to exclude outdoor uses such as irrigation, which do not return water to the collection system. For all other customer classes, the billed wastewater volume is the same as the water volume.

The difference between the measured plant influent and the customer contributed wastewater flow is attributed to Infiltration and Inflow (I/I) volume. Based on discussions with the City staff, 40% of the total treated volume is assumed to be I/I flows. Each customer class should bear its proportionate share of the costs associated with I/I, as it is integral aspect of wastewater system costs. The number of customer connections to a wastewater collection system and the volume of customer flows conveyed both influence the extent of I/I in a system. Recognizing that the major cost responsibility for I/I is allocable on an individual connection basis, two-thirds of the total I/I volume projected is allocated to customer classes based on the number of customers with the remaining one-third allocated on the basis of contributed volume.

Estimated total strength units shown for each customer class are based on an average BOD concentration of 365 milligrams per liter (mg/l) and an average suspended solids concentration of 285 mg/l. I/I strength allowances for BOD and suspended solids are assumed at 25 mg/l and 50 mg/l, respectively. Estimated BOD and suspended solids responsibilities of each customer class presented in Table S - 15 in Appendix 2 are based on the respective indicated average strength concentrations and contributed wastewater and I/I volumes for each class.

Customer billing and accounting costs are distributed to classes on the basis of the number of bills for each customer class (Column 7) in Table S - 15. Customer related meter and service costs are allocated on the basis of the number of equivalent 3/4 inch meters serving each customer class. The number of equivalent meters in each customer class (Column 8) is estimated by relating typical costs for meters and services larger than 3/4 inch in size to the typical cost of a 3/4 inch meter.

6.5.5 Wastewater Utility Customer Class Costs of Service

Unit costs of service are developed by dividing the total cost allocated to each functional cost component by the total applicable units of service. The customer class responsibility for service is obtained by applying unit costs of service to the number of units for which the customer class is responsible.

The wastewater utility has been built with the provision for service to customers outside the City, yet the inside City customers must bear the responsibility of providing system facilities by undertaking the necessary investment. Revenues derived from outside City service should provide a margin of return on capital adequate to induce the citizens of Fayetteville to bear the risks of providing outside City service. To recognize the proprietary interest and responsibility of inside City customers in the system, it is proper to charge outside City customers, in addition to their share of operating expense and depreciation, a reasonable return on their allocated portion of value. A 4.36% annual rate of return on the value of wastewater facilities serving outside City customers is recognized for purposes of this study.

Table S - 16 in Appendix 2 shows the development of the unit costs of service applicable to each cost function. Lines 1 through 6 summarize the units of service developed in Table S - 15. Total allocated costs or investment shown on Lines 5, 7, and 9 were previously developed in Table S - 14, Table S - 13 and Table S - 12, respectively.

Total allocated unit costs of service for inside City and outside City customers (Line 18, Line 19, Line 20 and Line 21) are determined by adding the unit costs for net operating expense (Line 6) and depreciation expense (Line 8) to the respective inside and outside City unit costs for return on investment (Lines 11 and 12). These unit costs applied to the respective units of service shown on Lines 1, 2 and 3 determine the allocated total costs of service for inside and outside City customers shown on Lines 18 through 21. In order to determine the allocated costs for each customer class, the costs are allocated to the various customer classes by applying the appropriate unit cost of service to the respective service requirements of each customer class.

Table S - 17 in Appendix 2 shows the resulting allocated cost of service by customer class, revenue under existing rates, and the indicated increase or decrease in revenue required to meet the allocated cost of service.

7.0 Wastewater Rate Design

The principal consideration in establishing wastewater rate schedules is to establish charges to recover costs that are reasonably commensurate with the cost of providing wastewater service.

The revenue requirements and cost of service allocations described in the preceding sections provide the basis for adjusting wastewater rates. The revenue requirements show the need for adjustment and the level of revenue required. This cost of service analysis provides the unit costs of service to be used in the rate design process and gives a basis for determining whether resultant rates will generate revenues which recover costs of service from customer classes in proportion to service required and provide the total level of revenue required.

7.1 Existing Wastewater Rates

The existing schedule of rates for wastewater service became effective on January 1, 2022. For retail customers, these rates include a monthly base charge bill, which varies by meter size. The volume charge varies by customer class. Surcharge rates are based on excess strength of BOD and TSS. The existing wastewater rate structure is described in Section 3.3.2. The existing schedule of base and volume rates for wastewater service is shown in Table S - 3 in Appendix 2.

7.2 Proposed Wastewater Rates

The cost of service study described in preceding sections of this report provides a basis for the design of a schedule of wastewater rates to meet those costs. Proposed wastewater rates have been designed to meet the 2024 allocated costs of service and are presented in Table S - 18. The proposed rate structure presented in Figure 7 - 1 is similar to the existing structure.

Figure 7 - 1 Proposed Wastewater Rate Structure

Rate Component	Applicable Customer Classes
Base Charge by Meter Size	- Retail Inside City (Residential, Non-Residential and Major Industrial); - Retail Outside City (Residential, Non-Residential and Major Industrial);
Volume Rate (2-Tier Inclining Block)	Retail Inside City Residential
Volume Rate (Uniform)	- Retail Inside City (Non-Residential and Major Industrial) - Retail Outside City (Residential, Non-Residential and Major Industrial)
Volume Rate (Uniform)	Wholesale

As already explained in Section 5.2, practical rate design should consider multiple factors including previous rate levels, customer bill impact, and magnitude of cost shifts among customer classes.

A comparison of estimated test year revenue under the proposed rates with allocated costs of service for each of the customer classes is shown in Table S - 19 in Appendix 2. This comparison indicates the proposed rates will recover revenues from inside and outside City customer groups reasonably commensurate with the cost of service and practical considerations previously noted.

To better reflect the total effect the proposed rates have on customer bills, a comparison of typical bills under existing rates and the rates proposed to become effective January 1, 2024, is shown in Table S - 20.

8.0 Combined Water and Wastewater Utilities

Table C - 1 in Appendix 3 presents the combined operating reserve, capital reserve and impact fee fund balances.

Table C - 2 in Appendix 3 provides a summary of the combined revenue and revenue requirements (financial plan) for the study period.

The revenue under existing rates are not sufficient to meet the obligations of the two utilities. As discussed in Section 4 and Section 6, a series of annual 6% and 3% proposed revenue adjustments for water and wastewater respectively will enable the utilities to meet their operating, capital and reserve obligations. Figure 8-1 presents the projected revenue and revenue requirements through 2027 for the wastewater utility.

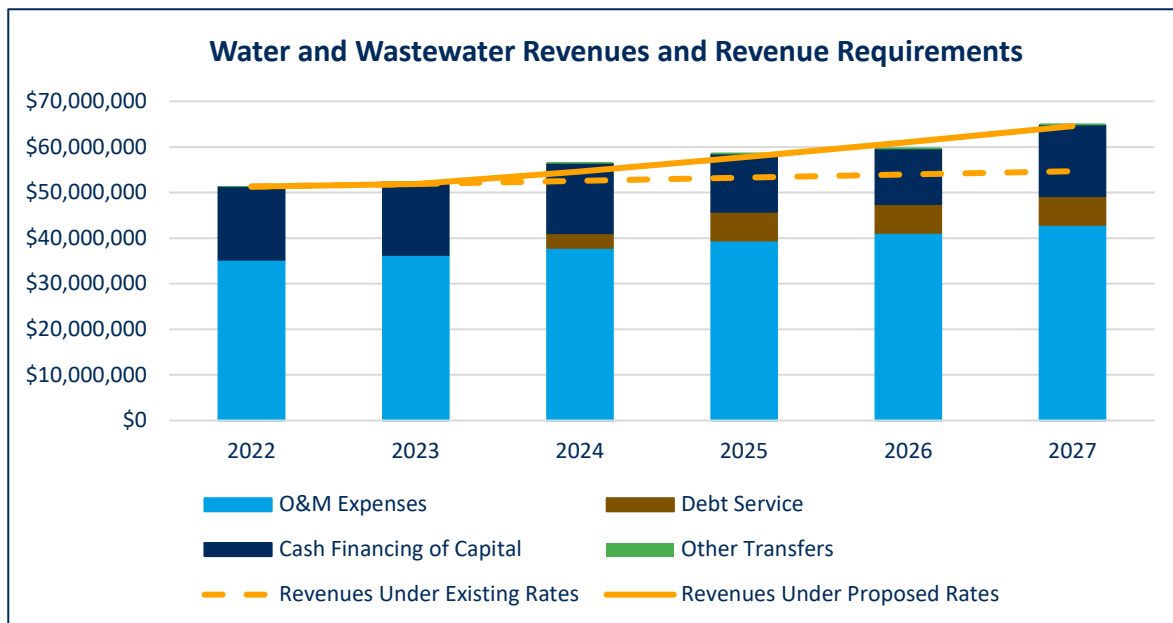


Figure 8-1 - Water and Wastewater Revenues and Revenue Requirements

Table C - 2 in Appendix 3 presents the combined water and wastewater operating reserve, capital reserve and impact fee fund balances. The City has identified the minimum balance requirements for each of the following funds:

O&M Reserve Balance: A cash balance of at least 90 days of the follow's year operating expenses.

Operating Fund Balance: A minimum target of \$200,000.

Capital Fund Balance: A minimum target of \$1,000,000.

Capital Reserve Fund Balance: An amount necessary to fully fund anticipated capital projects.

As shown in Table C - 2, the proposed annual revenue adjustments will allow the utilities on a combined basis to meet the minimum fund balance requirements for all funds through 2027.

A comparison of combined water and wastewater typical bills under existing rates and the rates proposed to become effective January 1, 2024, is shown in Table C - 3.

9.0 Disclaimer

This report was prepared for the City of Fayetteville (Client) by Black & Veatch Management Consulting, LLC (Black & Veatch) and is based on information provided by the Client not within the control of Black & Veatch. While it is believed that the information, data and opinions contained herein will be reliable under the conditions and subject to the limitations set forth in this report, Black & Veatch does not guarantee the accuracy thereof. Black & Veatch has assumed that the information provided by others, both verbal and written, is complete and correct. The projections set forth in this report are intended as "forward-looking statements." In formulating these projections, Black & Veatch has made certain assumptions with respect to conditions, events, and circumstances that may occur in the future. While Black & Veatch believes the assumptions are reasonable actual results may differ materially from those projected, as influenced by the conditions, events, and circumstances that occur. As such, Black & Veatch does not take responsibility for the accuracy of data or projections provided by or prepared on behalf of the Client, nor does Black & Veatch have any responsibility for updating this report for events occurring after the date of this report.

Use of this report or any information contained therein by any party other than the Client, shall constitute a waiver and release by such third party of Black & Veatch from and against all claims and liability, including but not limited to liability for special, incidental, indirect or consequential damages in connection with such use. Such use of this report by a third party shall constitute agreement by the third party user that its rights, if any, arising from this report shall be subject to the terms of this Report Limitations, and in no event shall the third party's rights, if any, exceed those of the Client under its contract with B&V. The benefit of such releases, waivers, or limitations of liability shall extend to the related companies and subcontractors of any tier of B&V, and the shareholders, directors, officers, partners, employees, and agents of all released or indemnified parties.

10.0 Appendix 1: Water Tables

Table W - 1 - Water Projected Number of Accounts

Line No.	Customer Class	Projected						Change
		2022	2023	2024	2025	2026	2027	5-Year
Inside City								
1	Residential	35,800	36,400	37,000	37,700	38,300	39,000	3,200
2	Non-Residential	3,300	3,300	3,300	3,300	3,300	3,300	0
3	Industrial	21	21	21	21	21	21	0
4	Irrigation	1,500	1,500	1,600	1,600	1,600	1,600	100
5	Private Fire	713	713	713	713	713	713	0
6	Subtotal	41,334	41,934	42,634	43,334	43,934	44,634	3,300
Outside City								
7	Residential	6,800	7,000	7,100	7,300	7,500	7,600	800
8	Non-Residential	400	400	400	500	500	500	100
9	Industrial	0	0	0	0	0	0	0
10	Irrigation	181	186	191	196	201	207	26
11	Private Fire	14	14	14	14	14	14	0
12	Subtotal	7,395	7,600	7,705	8,010	8,215	8,321	926
Wholesale								
13	Elkins	1	1	1	1	1	1	0
14	Mount Olive	2	2	2	2	2	2	0
15	West Fork	1	1	1	1	1	1	0
16	RDA/WWA	4	4	4	4	4	4	0
17	Subtotal	8	8	8	8	8	8	0
18	Total	48,737	49,542	50,347	51,352	52,157	52,963	4,226
19	% Change	0.76%	1.65%	1.62%	2.00%	1.57%	1.54%	8.74%

Table W - 2 - Water Projected Billed Volume (1,000 Gallons)

Line No.	Customer Class	Projected						Change 5-Year
		2022	2023	2024	2025	2026	2027	
		1,000 gal.	1,000 gal.	1,000 gal.	1,000 gal.	1,000 gal.	1,000 gal.	
Inside City								
1	Residential	1,984,500	2,019,200	2,054,500	2,090,500	2,127,100	2,164,300	179,800
2	Non-Residential	804,000	803,900	803,900	803,900	803,900	803,900	-100
3	Industrial	327,500	327,500	327,500	327,500	327,500	327,500	0
4	Irrigation	338,000	343,900	350,000	356,100	362,300	368,700	30,700
5	Subtotal	3,454,000	3,494,500	3,535,900	3,578,000	3,620,800	3,664,400	210,400
Outside City								
6	Residential	463,300	474,300	485,500	497,200	509,200	521,700	58,400
7	Non-Residential	62,300	63,200	64,200	65,300	66,400	67,500	5,200
8	Irrigation	35,100	36,000	37,000	38,000	39,000	40,100	5,000
9	Subtotal	560,700	573,500	586,700	600,500	614,600	629,300	68,600
Wholesale								
10	Elkins	90,900	90,900	90,900	90,900	90,900	90,900	0
11	Mount Olive	67,300	67,300	67,300	67,300	67,300	67,300	0
12	West Fork	66,000	66,000	66,000	66,000	66,000	66,000	0
13	RDA/WWA	0	0	0	0	0	0	0
14	Subtotal	224,200	224,200	224,200	224,200	224,200	224,200	0
15	Total	4,238,900	4,292,200	4,346,800	4,402,700	4,459,600	4,517,900	279,000
16	% Change	5.92%	1.26%	1.27%	1.29%	1.29%	1.31%	6.97%

Table W - 3 - Water Existing Rates

Existing Water Rates Effective January 1, 2022

Monthly Base Charge					
Meter Size	Inside City	Outside City	Wholesale	Inside City Private Fire	Outside City Private Fire
Inches	\$/month	\$/month	\$/month	\$/month	\$/month
5/8	6.59	7.54	8.31		
3/4	6.59	7.54	8.31		
1	9.14	10.52	11.49	9.75	11.68
1 1/2	15.93	18.31	20.00	10.17	12.10
2	23.20	26.66	29.07	20.33	23.37
3	54.05	62.18	64.38	30.48	35.06
4	89.50	102.93	112.25	60.97	70.11
6	178.99	205.82	212.76	169.34	197.74
8	268.41	308.67	332.91	355.65	409.00
10				609.68	701.11

Volume Charge			
Monthly Water Usage	Inside City	Outside City	Wholesale
1,000 gal.	1,000 gal.	1,000 gal.	1,000 gal.

Residential

0 - 2,000 Gallons 3.51 4.04

2,000 - 15,000 Gallons 4.65 5.35

Over 15,000 Gallons 6.59 7.54

Non-Residential

First 300,000 Gallons 3.79 4.38

Over 300,000 Gallons 3.39 3.90

Major Industrial

All Usage 2.96 3.40

Irrigation

First 300,000 Gallons 5.04 5.80

Over 300,000 Gallons 4.53 5.22

Wholesale

Reduced Peak Demand 2.87

Peak Demand 3.20

Table W - 4 - Water Projected Revenues Under Existing Rates

Line No.	Customer Class	Projected						Change 5-Year
		2022 (a)	2023	2024	2025	2026	2027	
		\$	\$	\$	\$	\$	\$	
Inside City								
1	Residential	11,982,900	12,222,300	12,436,200	12,653,800	12,875,200	13,100,600	1,117,700
2	Non-Residential	3,362,700	3,370,900	3,370,900	3,370,900	3,370,900	3,370,900	8,200
3	Industrial	977,500	980,000	980,000	980,000	980,000	980,000	2,500
4	Irrigation	1,833,700	1,870,400	1,903,100	1,936,400	1,970,300	2,004,800	171,100
5	Private Fire	967,600	967,600	967,600	967,600	967,600	967,600	0
6	Subtotal	19,124,400	19,411,200	19,657,800	19,908,700	20,164,000	20,423,900	1,299,500
Outside City								
7	Residential	3,045,300	3,124,000	3,197,500	3,273,300	3,351,700	3,432,600	387,300
8	Non-Residential	312,900	318,800	324,100	329,800	335,700	341,900	29,000
9	Industrial	0	0	0	0	0	0	0
10	Irrigation	223,700	230,100	236,200	242,500	249,000	255,800	32,100
11	Private Fire	27,100	27,100	27,100	27,100	27,100	27,100	0
12	Subtotal	3,609,000	3,700,000	3,784,900	3,872,700	3,963,500	4,057,400	448,400
Wholesale								
13	Elkins	261,700	262,300	262,300	262,300	262,300	262,300	600
14	Mount Olive	194,900	195,300	195,300	195,300	195,300	195,300	400
15	West Fork	190,300	190,800	190,800	190,800	190,800	190,800	500
16	RDA/WWA	0	0	0	0	0	0	0
17	Subtotal	646,900	648,400	648,400	648,400	648,400	648,400	1,500
18	Total	23,380,300	23,759,600	24,091,100	24,429,800	24,775,900	25,129,700	1,749,400
19	% Change	8.05%	1.62%	1.40%	1.41%	1.42%	1.43%	8.08%

(a) Reflects 3.0% revenue increase effective January 1, 2022.

Table W - 5 - Water Projected Other Revenues

Line No.	Description	Projected						Change 5-Year
		2022	2023	2024	2025	2026	2027	
		\$	\$	\$	\$	\$	\$	
1	Water Impact Fee Revenue	976,300	976,300	976,300	976,300	976,300	976,300	0
2	Water Sales Not on Computer	300	300	300	300	300	300	0
3	Water Connection Fees	162,000	162,000	162,000	162,000	162,000	162,000	0
4	Rural Water Connection Fees	2,700	2,700	2,700	2,700	2,700	2,700	0
5	Service Charge/Trip Fee - Billed Service	9,500	9,500	9,500	9,500	9,500	9,500	0
6	Tampering Fee - Billed Service	200	200	200	200	200	200	0
7	Penalties	207,400	207,400	207,400	207,400	207,400	207,400	0
8	Safe Drinking Water Fee	230,400	234,300	238,200	242,300	246,400	250,600	20,200
9	Total	1,588,800	1,592,700	1,596,600	1,600,700	1,604,800	1,609,000	20,200
10	% Change	7.14%	0.25%	0.24%	0.26%	0.26%	0.26%	1.36%

Table W - 6 - Water Capital Improvement Program

Line No.	Description	Projected (a)					2027
		2022	2023	2024	2025	2026	
		\$	\$	\$	\$	\$	\$
1	Water System Rehabilitation/Replacement	0	2,185,500	2,533,500	2,687,800	2,388,100	2,459,700
2	Water Tank Improvements	1,060,900	1,092,700	1,266,800	1,159,300	1,194,100	1,229,900
3	Water Storage & Pump Station Maintenance	106,100	109,300	126,700	134,400	119,400	123,000
4	Water Meters	875,200	901,500	1,045,000	1,159,300	1,194,100	1,229,900
5	Backflow Prevention Assemblies	53,000	54,600	63,400	67,200	59,700	61,500
6	W/S Improvements defined by Study (West Water Transmission Line)-Cash	636,500	4,237,800	675,300	695,600	716,400	737,900
7	W/S Improvements defined by Study (West Water Transmission Line)-Bond	0	0	16,137,500	22,443,500	21,079,700	26,138,900
8	Water Impact Fee Improvements	424,400	437,100	506,700	537,600	477,600	491,900
9	Utilities Financial Services Improvements	11,100	3,300	1,900	10,100	9,400	3,100
10	Water/Sewer Relocations - Bond Projects	265,200	273,200	316,700	289,800	298,500	307,500
11	Water/Sewer Impact Fee Cost Sharing	79,600	82,000	95,000	100,700	89,600	92,200
12	Utilities Technology Improvements	228,100	234,900	15,500	36,200	12,100	89,600
13	Water/Sewer Building-Office Improvements	26,500	27,300	31,600	33,600	59,700	61,500
14	Water/Sewer Equipment Expansions	26,500	27,300	31,600	33,600	29,900	30,700
15	Water & Sewer Rate/Operational Studies	10,600	10,900	12,700	13,400	11,900	12,300
16	Phosphorus Standards Management	26,500	27,300	31,600	33,600	29,900	30,700
17	Water & Sewer Technology Equipment Replacements	0	0	0	0	0	0
18	Water & Sewer Improvements Defined By Study	0	0	0	0	0	0
19	Huntsville Water Line Replacement (6 -inch upto 8-inch)	0	0	0	0	0	0
20	Benson Water Tank	338,200	0	0	0	0	0
21	East Water Service Improvements - Township	0	0	0	0	0	0
22	South Garland Ave Waterline Replacement	0	0	0	0	0	0
23	East Water Service Improvements CS 3 (Gulley, PS, Goshen Lines)	5,304,500	0	0	0	0	0
24	Ila/Oaks Manor/Persimmon Waterline Replacements	0	0	0	0	0	0
25	Western Park Waterline Replacement	0	0	0	0	0	0
26	N. College Waterline Replacement - upgrade from 8" to 12"	0	2,185,400	0	0	0	0
27	Total Capital Improvement Program	9,472,900	11,890,100	22,891,500	29,435,700	27,770,100	33,100,300

(a) Capital costs reflect 3% annual inflation starting in 2021.

Table W - 7 - Water Projected O&M Expenses

Line No.	Description	Projected					2027
		2022	2023	2024	2025	2026	
		\$	\$	\$	\$	\$	\$
1	Personal Costs	3,587,800	3,740,500	3,899,900	4,066,100	4,239,500	4,420,300
2	Materials and Supplies	998,100	1,028,000	1,058,800	1,090,600	1,123,300	1,157,000
3	Services and Charges	10,296,700	10,605,600	11,212,100	11,854,100	12,533,800	13,253,200
4	Motorpool	862,800	888,600	915,300	942,800	971,000	1,000,200
5	Cost Allocation	650,100	669,600	689,700	710,400	731,700	753,600
6	Maintenance	88,500	91,200	93,900	96,700	99,600	102,600
7	Total	16,484,000	17,023,500	17,869,700	18,760,700	19,698,900	20,686,900
8	% Change	3.27%	3.27%	4.97%	4.99%	5.00%	5.02%

Table W - 8 - Capital Program Financing

Line No.	Description	Year Ending December 31,					
		2022	2023	2024	2025	2026	2027
		\$	\$	\$	\$	\$	\$
Sources of Funds							
1	Funds Available at Beginning of Year	506,800	501,700	501,700	67,164,200	44,720,700	23,641,000
2	Revenue Bond or Loan Proceeds	0	0	90,000,000	0	0	0
3	Cash Financing of Capital Projects	9,050,000	10,442,200	6,152,300	6,353,900	6,123,200	9,377,300
4	Transfer from Impact Fee Fund	417,800	1,447,900	601,700	638,300	567,200	584,100
5	Subtotal	9,974,600	12,391,800	97,255,700	74,156,400	51,411,100	33,602,400
Application of Funds							
6	Major Capital Improvements	9,472,900	11,890,100	22,891,500	29,435,700	27,770,100	33,100,300
7	Issuance Costs	0	0	900,000	0	0	0
8	Bond Reserve Funds	0	0	6,300,000	0	0	0
9	Subtotal	9,472,900	11,890,100	30,091,500	29,435,700	27,770,100	33,100,300
10	End of Year Balance	501,700	501,700	67,164,200	44,720,700	23,641,000	502,100
11	Capital Reserve EOY Balance - Cumulative	10,339,000	5,709,000	2,889,000	-2,311,000	-6,271,000	-12,381,000

Table W - 9 - Water Operating Cash Flow

Line No.	Description	Year Ending December 31,					
		2022	2023	2024	2025	2026	2027
		\$	\$	\$	\$	\$	\$
Revenues							
1	Revenue Under Existing Rates	23,380,400	23,759,600	24,091,100	24,429,900	24,776,000	25,129,700
Revenue Increases							
2	6.00 % Increase Effective January 1, 2024			1,325,000	1,465,800	1,486,600	1,507,800
3	6.00 % Increase Effective January 1, 2025				1,424,300	1,575,800	1,598,300
4	6.00 % Increase Effective January 1, 2026					1,531,100	1,694,100
5	6.00 % Increase Effective January 1, 2027						1,646,100
7	Total Revenue from Rates	23,380,400	23,759,600	25,416,100	27,320,000	29,369,500	31,576,000
8	Other Revenues (a)	645,600	648,600	656,200	665,100	674,300	684,100
9	Total Revenue	24,026,000	24,408,200	26,072,300	27,985,100	30,043,800	32,260,100
Expenses							
10	Operating Expenses	16,484,000	17,023,500	17,869,700	18,760,700	19,698,900	20,686,900
11	Bad Debt	116,900	118,800	127,100	136,600	146,800	157,900
12	PILOT	993,700	1,009,800	1,080,200	1,161,100	1,248,200	1,342,000
13	Safe Drinking Water Fee	230,400	234,300	238,200	242,300	246,400	250,600
14	Debt Service	0	0	3,200,000	6,300,000	6,300,000	6,300,000
15	Total Expenses	17,825,000	18,386,400	22,515,200	26,600,700	27,640,300	28,737,400
Transfers							
16	Transfer to Shop Fund	0	0	0	0	0	0
17	Transfer to Operating Reserve	133,100	208,600	219,700	231,400	243,600	256,600
18	Cash Financing of Capital	9,050,000	10,442,200	6,152,300	6,353,900	6,123,200	9,377,300
19	Transfer to/from Capital Reserve	-2,979,000	-4,630,000	-2,820,000	-5,200,000	-3,960,000	-6,110,000
20	Total Transfers	6,204,100	6,020,800	3,552,000	1,385,300	2,406,800	3,523,900
Fund Balance							
21	Beginning Balance	104,900	101,800	102,800	107,900	107,000	103,700
22	Annual Operating Balance	-3,100	1,000	5,100	-900	-3,300	-1,200
23	Ending Fund Balance	101,800	102,800	107,900	107,000	103,700	102,500
Performance Metrics							
24	Debt Service Coverage (b)	NA	NA	2.56	1.46	1.64	1.84
25	O&M Reserve Balance (Days) (c)	90	90	90	90	90	90

(a) Includes interest income on operating fund balance.

(b) Minimum requirement is 2.0 X the net revenues. Net revenues is total revenues less operating expenses (excluding bad debt, PILOT and Safe Drinking Water Fee)

(c) Minimum requirement is 90 days of following year's Operating Expenses.

Table W - 10 - Water Fund Balances

Line No.	Description	Year Ending December 31,					
		2022	2023	2024	2025	2026	2027
		\$	\$	\$	\$	\$	\$
Operating Funds							
1	O&M Reserve Balance (a)	4,197,600	4,406,200	4,625,900	4,857,300	5,100,900	5,357,500
2	Operating Fund Balance (b)	101,800	102,800	107,900	107,000	103,700	102,500
3	Total (d)	4,299,400	4,509,000	4,733,800	4,964,300	5,204,600	5,460,000
Capital Funds							
4	Capital Fund Balance (c)	501,700	501,700	67,164,200	44,720,700	23,641,000	502,100
5	Capital Reserve Fund Balance	10,339,000	5,709,000	2,889,000	-2,311,000	-6,271,000	-12,381,000
6	Total (d)	10,840,700	6,210,700	70,053,200	42,409,700	17,370,000	-11,878,900
7	Impact Fee Fund Balance (d)	581,300	109,700	484,300	822,300	1,231,400	1,623,600

(a) Calculated as 90 days of following year's Operating Expenses.

(b) Target minimum balance is \$100,000 to account for any adjustments that may be needed to the O&M balance at the end of the

(c) Target minimum balance is \$500,000.

(d) All balances are cumulative.

Table W - 11 - Water 2023 Cost of Service

Line No.	Description	Operating Expense	Capital Cost	Total Cost
		\$	\$	\$
Statement of Net Revenue Requirements (Cash Basis)				
	Revenue Requirements			
1	O&M Expenses	17,023,500		17,023,500
2	Bad Debt Expense	118,800		118,800
3	PILOT	1,009,800		1,009,800
4	Debt Service	0		0
	Other Expenditures & Transfers:			
	Transfer to Shop Fund (Capital Outlay)			
5	Transfer to Operating Reserve	208,600		208,600
6	Cash Funding of Capital Projects		10,442,200	10,442,200
7	Transfer to Capital Reserve		-4,630,000	-4,630,000
8	Subtotal	18,360,700	5,812,200	24,172,900
	Less Revenue Requirements Met from Other Sources			
9	Other Revenues	382,100		382,100
10	Interest Earned	32,200		32,200
11	Net Balance Available		-1,000	-1,000
12	Full Year Rate Adjustment			
13	Subtotal	414,300	-1,000	413,300
14	Net Revenue Requirements to be Recovered by Rates	17,946,400	5,813,200	23,759,600
Restatement of Net Cost of Service (Utility Basis)				
15	O&M Expenses	17,946,400		17,946,400
16	Depreciation		2,886,700	2,886,700
17	Return		2,926,500	2,926,500
18	Net Cost of Service	17,946,400	5,813,200	23,759,600

Table W - 12 - Water 2023 Allocation of Net Plant Investment to Functional Cost Components

Line No.	Description	Total	Common to All			Retail Only			Customers		
			Base	Extra Capacity		Base	Extra Capacity		Meters and Services	Billing &	Fire
				Max. Day	Max. Hour		Max. Day	Max. Hour			
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Net Plant Investment:											
1	Water Land and Land Rights	2,191,756	1,043,693	1,148,063							
2	Water Supply	6,819,846	3,247,546	3,572,300							
3	Water Storage and Pumping	6,090,361				2,900,172	3,190,189				
4	Water Transmission	29,560,218	14,076,294	15,483,924							
5	Water Distribution	47,479,642				17,391,810	9,565,496	5,478,420	15,043,916		
6	Water Meters	3,306,241							3,306,241		
7	Fire Hydrants	7,535,573									7,535,573
8	Water General System	4,537,618	809,302	890,232		894,096	562,035	241,388	808,536		332,029
9	Total Net Plant Investment	107,521,256	19,176,835	21,094,519	0	21,186,078	13,317,720	5,719,808	19,158,693	0	7,867,602
10	Percent of Total	100.0%	17.8%	19.6%	0.0%	19.7%	12.4%	5.3%	17.8%	0.0%	7.3%

Table W - 13 - Water 2023 Allocation of Net Annual Depreciation to Functional Cost Components

Line No.	Description	Total	Common to All			Retail Only			Customers		
			Base	Extra Capacity		Base	Extra Capacity		Meters and Services	Billing &	Fire
				Max. Day	Max. Hour		Max. Day	Max. Hour			
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Net Depreciation Expense:											
1	Water Land and Land Rights										
2	Water Supply	277,295	132,045	145,250							
3	Water Storage and Pumping	219,139				104,352	114,787				
4	Water Transmission	771,897	367,570	404,327							
5	Water Distribution	1,134,421				415,539	228,546	130,895	359,441		
6	Water Meters	170,293							170,293		
7	Fire Hydrants	215,879									215,879
8	Water General System	97,816	17,523	19,275		18,234	12,042	4,591	18,579		7,571
9	Total Net Depreciation Expense	2,886,739	517,138	568,852	0	538,125	355,375	135,486	548,313	0	223,450
10	Percent of Total	100%	18%	20%	0%	19%	12%	5%	19%	0%	8%

Table W - 14 - Water 2023 Allocation of O&M Expenses to Functional Cost Components

Line No.	Description	Total	Common to All		Retail Only			Customers		Fire Protection	
			Base	Extra Capacity	Base	Extra Capacity		Meters and Services	Billing & Collection	Public	Private
				Max. Day		Max. Day	Max. Hour				
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
1	Water Purchased	9,611,754	4,577,026	5,034,728							
2	Water Storage and Pumping	269,987			98,896	108,786	62,305				
3	Water Distribution (a)	3,105,785			1,005,654	1,251,415	716,720			100,938	31,058
4	Meter Services (b)	1,012,843						1,012,843			
5	Customer Billing (c)	1,057,071							1,057,071		
6	All Other Cost	3,303,260	1,004,095	1,104,505	242,313	298,397	170,900	222,195	231,897	22,144	6,813
7	Subtotal	18,360,700	5,581,121	6,139,233	1,346,864	1,658,598	949,925	1,235,038	1,288,968	123,082	37,871
Less:											
8	Water Connection Fees (d)	164,700						164,700			
9	Other Income Sources	249,600	92,661	83,458	18,310	22,547	12,914		17,523	1,673	515
10	Subtotal	414,300	92,661	83,458	18,310	22,547	12,914	164,700	17,523	1,673	515
11	Net O&M Expenses	17,946,400	5,488,461	6,055,775	1,328,554	1,636,051	937,011	1,070,338	1,271,445	121,408	37,356

(a) 3.25% of 2020 water repair costs was associated with hydrants.

(b) Includes costs for Meter Reading and Meter Maintenance and Backflow prevention

(c) Includes costs under Utilities Financial Services

(d) Includes revenues from Water Connection Fees and Rural Water Connection Fees

Table W - 15 - Water 2023 Estimated Units of Service

	(1)	(2)	(3)	(4)	(5)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
Line No.	Description	Consumption		Maximum Day		Maximum Hour			Customer		Direct Fire protection	
		Annual	Avg. Day	Capacity Factor	Total	Capacity Factor	Total	Extra	Eq. Meters	Billing/ Collection	Public	Private
		1,000 gal.	1,000 gal. (1)/365		1,000 gal. (2) x (3)		1,000 gal. (2) x (6)	1,000 gal. (7) - (4)	Equiv. Meters	Bills	Equiv. Hydrants	Equiv. Hydrants
Inside City												
1	Residential	2,019,203	5,532	250%	13,830	370%	20,469	6,638	34,939	436,593		
2	Non-Residential	803,940	2,203	240%	5,286	355%	7,819	2,533	6,761	39,012		
3	Industrial	327,534	897	200%	1,795	295%	2,647	852	261	252		
4	Irrigation	343,941	942	240%	2,262	355%	3,345	1,084	3,141	18,449		
5	Subtotal	3,494,618	9,574		23,173		34,280	11,108	45,102	494,306		
Fire Protection												
6	Public				4,201		10,083	5,882			4,035	
7	Private				491		1,179	688				472
8	Subtotal	3,494,618	9,574		27,865		45,542	17,678	45,102	494,306	4,035	472
Outside City												
Farmington												
9	Residential	98,894	271	250%	677	370%	1,002	325	1,762	28,974		
10	Non-Residential	19,943	55	240%	131	355%	194	63	245	2,142		
11	Industrial			200%		295%						
12	Irrigation	2,688	7	240%	18	355%	26	8	46	256		
13	Subtotal	121,525	333		826		1,223	396	2,053	31,373		
Greenland												
14	Residential	20,454	56	250%	140	370%	207	67	458	5,736		
15	Non-Residential	2,847	8	240%	19	355%	28	9	59	552		
16	Industrial			200%		295%						
17	Irrigation	698	2	240%	5	355%	7	2	20	24		
18	Subtotal	23,999	66		163		242	78	537	6,312		
Washington County/Growth												
19	Residential	242,049	663	250%	1,658	370%	2,454	796	2,618	33,223		
20	Non-Residential	21,511	59	240%	141	355%	209	68	109	1,608		
21	Industrial			200%		295%						
22	Irrigation	22,197	61	240%	146	355%	216	70	188	1,270		
23	Subtotal	285,757	783		1,945		2,879	933	2,915	36,101		
Johnson												
24	Residential	6,652	18	250%	46	370%	67	22	158	2,064		
26	Non-Residential	9,716	27	240%	64	355%	94	31	35	240		
27	Industrial			200%		295%						
28	Irrigation	68	0	240%	0	355%	1	0	3	24		
29	Subtotal	16,436	45		110		163	53	196	2,328		
Goshen/White River												
30	Residential	106,213	291	250%	727	370%	1,077	349	1,054	13,898		
31	Non-Residential	9,209	25	240%	61	355%	90	29	52	696		
32	Industrial			200%		295%						
33	Irrigation	10,382	28	240%	68	355%	101	33	86	655		
34	Subtotal	125,804	345		856		1,267	411	1,192	15,249		
Fire Protection												
35	Public				696		1,669	973			668	
36	Private				12		29	17				12
37	Subtotal	573,521	1,571		4,609		7,471	2,862	6,892	91,363	668	12
38	Total Retail	4,068,138	11,146		32,474		53,013	20,540	51,994	585,669		
Wholesale												
39	Elkins	90,935	249	240%	598	355%	884	287	23	12		
40	Mount Olive	67,314	184	240%	443	355%	655	212	38	24		
41	West Fork	65,996	181	240%	434	355%	642	208	23	12		
42	RDA/WWA			240%		355%				48		
43	Subtotal	224,244	614		1,474		2,181	707	83	96		
44	Subtotal (Inside Cit	3,494,618	9,574		27,865		45,542	17,678	45,102	494,306	4,035	472
45	Subtotal (Outside C	573,521	1,571		4,609		7,471	2,862	6,892	91,363	668	12
46	Subtotal (Wholesal	224,244	614		1,474		2,181	707	83	96		
47	Total System	4,292,382	11,760		33,948		55,194	21,246	52,077	585,765	4,703	483

Table W - 16 - Water 2023 Unit Cost of Service

Line No.	Description	Total	Common to All Customers			Common to Retail Customers			Customer		Direct Fire Protection	
			Base	Extra Capacity		Base	Extra Capacity		Eq. Meters	Billing / Collection	Public	Private
		\$	1,000 gal.	1,000 gpd.	1,000 gpd.	1,000 gal.	1,000 gpd.	1,000 gpd.	Equiv. Meters	Bills	Hydrants	Hydrants
Units of Service												
1	Inside City		3,494,618	18,290	17,678	3,494,618	18,290	17,678	45,102	494,306	4,035	472
2	Outside City		797,765	3,898	3,568	573,521	3,038	2,862	6,975	91,459	668	12
3	Total System		4,292,382	22,188	21,246	4,068,138	21,328	20,540	52,077	585,765	4,703	483
Costs of Service												
Net Operating Costs												
4	Total - \$	17,946,400	5,488,461	6,055,775	0	1,328,554	1,636,051	937,011	1,070,338	1,271,445	121,408	37,356
5	Unit Cost - \$/unit		1.28	272.93	0.00	0.33	76.71	45.62	20.55	2.17	25.82	77.28
Depreciation Expense												
6	Total - \$	2,886,739	517,138	568,852	0	538,125	355,375	135,486	548,313		223,450	
7	Unit Cost - \$/unit		0.12	25.64	0.00	0.13	16.66	6.60	10.53		47.51	
Net Plant Investment												
8	Total - \$	107,521,256	19,176,835	21,094,519	0	21,186,078	13,317,720	5,719,808	19,158,693		7,867,602	
9	Unit Cost - \$/unit		4.47	950.71	0.00	5.21	624.42	278.48	367.89		1,672.89	
Return on Investment												
10	Inside City, Unit Return - \$/unit		0.09	18.43	0.00	0.10	12.11	5.40	7.13		32.43	
11	Outside City, Unit Return - \$/Unit		0.31	66.55	0.00	0.36	43.71	19.49	25.75		117.10	
Total Return												
12	Inside City - \$	1,762,073	302,691	337,125	0	352,839	221,422	95,441	321,688		130,868	
13	Outside City - \$	1,164,388	249,489	259,402	0	209,075	132,779	55,789	179,630		78,224	
14	Total Return - \$	2,926,461	552,180	596,526	0	561,913	354,201	151,230	501,318		209,092	
Total Unit Cost of Service												
15	Inside City Unit Cost - \$/unit		1.49	317.00	0.00	0.56	105.48	57.62	38.21	2.17	105.76	77.28
16	Outside City Unit Cost - \$/unit		1.71	365.12	0.00	0.82	137.08	71.71	56.83	2.17	190.43	77.28
17	Inside City - Cost of Service - \$	19,153,831	5,192,113	5,797,984	0	1,956,356	1,929,210	1,018,497	1,723,535	1,072,927	426,744	36,465
18	Outside City- Cost of Service - \$	4,605,769	1,365,665	1,423,169	0	472,237	416,416	205,230	396,434	198,518	127,207	892
19	Total Cost of Service - \$	23,759,600	6,557,779	7,221,153	0	2,428,593	2,345,627	1,223,727	2,119,969	1,271,445	553,951	37,356

Table W - 17 - Water 2023 Cost of Service by Customer Class

	(1)	(2)	(3)	(4)	(5)	(6)
Line No.	Description	Allocated Cost of Service	Allocation Public Fire	Adjusted Cost of Service	Existing Revenues	Indicated Revenue Increase
	\$	\$	\$	\$	\$	
Inside City						
1	Residential	10,301,400	1,602,600	11,904,100	12,222,300	-2.6%
2	Non-Resident	3,436,200	534,600	3,970,800	3,370,900	17.8%
3	Industrial	1,108,700	172,500	1,281,200	980,000	30.7%
4	Irrigation	1,483,400	230,800	1,714,200	1,870,400	-8.4%
Fire Protectio						
5	Public	2,540,500	-2,540,500			
6	Private	283,500		283,500	967,600	-70.7%
7	Subtotal	19,153,700	0	19,153,800	19,411,200	-1.3%
Outside City						
8	Residential	2,818,900	460,100	3,279,000	3,124,000	5.0%
9	Non-Resident	336,200	54,900	391,100	318,800	22.7%
10	Industrial					0.0%
11	Irrigation	193,200	31,500	224,800	230,100	-2.3%
Fire Protectio						
12	Public	546,500	-546,500			
13	Private	8,100		8,100	27,100	-70.1%
14	Subtotal	3,902,900	0	3,903,000	3,700,000	5.5%
Wholesale						
15	Elkins	284,300		284,300	262,300	8.4%
16	Mount Olive	211,700		211,700	195,300	8.4%
17	West Fork	206,700		206,700	190,800	8.3%
18	RDA/WWA	0		0	0	0.0%
19	Subtotal Whol	702,700	0	702,700	648,400	8.4%
20	Total Retail	23,056,600	0	23,056,800	23,111,200	-0.2%
21	Total Wholesi	702,700	0	702,700	648,400	8.4%
22	Total	23,759,300	0	23,759,500	23,759,600	0.0%

Table W - 18 - Water Proposed 2024 Rates

Proposed Water Rates Effective January 1, 2024

Monthly Base Charge					
Meter Size	Inside City	Outside City	Wholesale	Inside City Private Fire	Outside City Private Fire
Inches	\$/month	\$/month	\$/month	\$/month	\$/month
5/8	6.99	7.99	8.81		
3/4	6.99	7.99	8.81		
1	10.06	13.84	13.84	10.34	12.38
1.5	19.18	27.40	27.40	10.78	12.83
2	26.27	37.95	37.95	21.55	24.77
3	57.29	79.11	79.11	32.31	37.16
4	94.87	115.76	118.99	64.63	74.32
6	189.73	218.17	225.53	179.50	209.60
8	284.51	327.19	352.88	376.99	433.54
10				646.26	743.18

Volume Charge			
Monthly Water Usage	Inside City	Outside City	Wholesale
1,000 gal.	1,000 gal.	1,000 gal.	1,000 gal.

Residential

0 - 2,000 Gallons	3.59	4.54
2,000 - 15,000 Gallons	4.75	6.01
Over 15,000 Gallons	6.74	8.52

Non-Residential

First 300,000 Gallons	4.20	5.11
Over 300,000 Gallons	4.20	5.11

Major Industrial

All Usage	3.14	3.49
-----------	------	------

Irrigation

First 300,000 Gallons	4.75	5.89
Over 300,000 Gallons	4.75	5.89

Wholesale

Reduced Peak Demand	3.30
Peak Demand	3.30

Table W - 19 - Water 2023 Cost of Service Under Proposed Rates

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Line No.	Description	Adjusted Cost of Service	Revenue Under Existing Rates	Indicated Revenue Increase	Revenues Under Proposed Rates	Proposed Revenue as % Cost of Service	Indicated Revenue Increase	Indicated Revenue Increase
		\$	\$		\$			\$
Inside City								
1	Residential	11,904,100	12,222,300	-2.6%	11,899,100	100%	-3%	-323,200
2	Non-Residential	3,970,800	3,370,900	17.8%	3,602,200	91%	7%	231,300
3	Industrial	1,281,200	980,000	30.7%	980,400	77%	0%	400
4	Irrigation	1,714,200	1,870,400	-8.4%	1,712,800	100%	-8%	-157,600
5	Subtotal	18,870,300	18,443,600	2.3%	18,194,500	96%	-1%	-249,100
Outside City								
6	Residential	3,279,000	3,124,000	5.0%	3,279,200	100%	5%	155,200
7	Non-Residential	391,100	318,800	22.7%	356,100	91%	12%	37,300
8	Irrigation	224,800	230,100	-2.3%	224,700	100%	-2%	-5,400
9	Subtotal	3,894,900	3,672,900	6.0%	3,860,000	99%	5%	187,100
Private Fire								
10	Inside City	283,500	967,600	-70.7%	967,600	341%	0%	0
11	Outside City	8,100	27,100	-70.1%	27,100	335%	0%	0
12	Subtotal	291,600	994,700	-70.7%	994,700	341%	0%	0
Wholesale								
13	Elkins	284,300	262,300	8.4%	284,200	100%	8%	21,900
14	Mount Olive	211,700	195,300	8.4%	211,600	100%	8%	16,300
15	West Fork	206,700	190,800	8.3%	206,600	100%	8%	15,800
16	RDA/WWA	0	0		0	0%	0%	
17	Subtotal	702,700	648,400	8.4%	702,400	100%	8%	54,000
18	Total	23,759,500	23,759,600	0.0%	23,751,600	100%	0%	-8,000

Table W - 20 - Water 2024 Bill Impact

Line No.	Meter Size	Monthly Usage	Inside City				Outside City			
			Existing Rates	Proposed Rates	Increase / Decrease	Increase / Decrease	Existing Rates	Proposed Rates	Increase / Decrease	Increase / Decrease
	Inches	1,000 gal.	\$	\$	\$		\$	\$	\$	
Residential										
1	3/4	0.5	9.91	8.79	-1.12	-11.3%	11.36	10.26	-1.10	-9.7%
2	3/4	2	13.42	14.17	0.75	5.6%	15.40	17.07	1.67	10.8%
3	3/4	4	22.72	23.67	0.95	4.2%	26.10	29.09	2.99	11.5%
4	3/4	8	41.32	42.67	1.35	3.3%	47.50	53.13	5.63	11.9%
5	3/4	10	50.62	52.16	1.54	3.0%	58.20	65.15	6.95	11.9%
6	3/4	15	73.87	75.91	2.04	2.8%	84.95	95.20	10.25	12.1%
Non-Residential										
7	3/4	10	44.30	48.96	4.66	10.5%	51.12	59.08	7.96	15.6%
8	3/4	20	82.20	90.94	8.74	10.6%	94.92	110.18	15.26	16.1%
9	1	50	198.37	219.94	21.57	10.9%	229.21	269.30	40.09	17.5%
10	1	100	387.87	429.82	41.95	10.8%	448.21	524.76	76.55	17.1%
11	1 1/2	50	204.97	229.06	24.09	11.8%	236.78	282.86	46.08	19.5%
12	1 1/2	100	394.47	438.94	44.47	11.3%	455.78	538.32	82.54	18.1%
13	2	100	401.52	446.03	44.51	11.1%	463.88	548.87	84.99	18.3%
14	2	500	1,837.52	2,125.07	287.55	15.6%	2,119.88	2,592.55	472.67	22.3%
Industrial										
15	2	100	318.52	340.03	21.51	6.8%	362.52	386.69	24.17	6.7%
16	2	1,000	2,982.52	3,163.87	181.35	6.1%	3,422.52	3,525.35	102.83	3.0%
17	4	500	1,566.89	1,663.67	96.78	6.2%	1,786.89	1,859.46	72.57	4.1%
18	4	1,500	4,526.89	4,801.27	274.38	6.1%	5,186.89	5,346.86	159.97	3.1%
19	6	2,500	7,573.78	8,033.73	459.95	6.1%	8,673.78	8,936.67	262.89	3.0%
20	6	5,000	14,973.78	15,877.73	903.95	6.0%	17,173.78	17,655.17	481.39	2.8%
21	6	10,000	29,773.78	31,565.73	1,791.95	6.0%	34,173.78	35,092.17	918.39	2.7%

11.0 Appendix 2: Wastewater Tables

Table S - 1 - Wastewater Projected Accounts

Line No.	Customer Class	Projected						Change
		2022	2023	2024	2025	2026	2027	5-Year
Inside City								
1	Residential	34,100	34,700	35,300	35,900	36,500	37,200	3,100
2	Non-Residential	2,500	2,500	2,500	2,500	2,500	2,500	0
3	Industrial	19	19	19	19	19	19	0
4	Subtotal	36,619	37,219	37,819	38,419	39,019	39,719	3,100
			96.1%					
Outside City								
5	Residential	2,800	2,900	2,900	3,000	3,000	3,000	200
6	Non-Residential	181	181	181	181	181	181	0
7	Industrial	0	0	0	0	0	0	0
8	Subtotal	2,981	3,081	3,081	3,181	3,181	3,181	200
			114.8%					
Wholesale								
9	Elkins	2	2	2	2	2	2	0
10	West Fork	1	1	1	1	1	1	0
11	Subtotal	3	3	3	3	3	3	0
11	Total	39,603	40,303	40,903	41,603	42,203	42,903	3,300
12	% Change	0.25%	1.77%	1.49%	1.71%	1.44%	1.66%	8.35%

Table S - 2 - Wastewater Projected Billed Volume (1,000 Gallons)

Line No.	Customer Class	Projected					Change
		2022	2023	2024	2025	2027	5-Year
		1,000 gal.	1,000 gal.	1,000 gal.	1,000 gal.	1,000 gal.	
Inside City							
1	Residential	1,949,400	1,983,600	2,018,300	2,053,600	2,126,100	176,700
2	Non-Residential	740,400	740,400	740,400	740,400	740,400	0
3	Industrial	323,500	323,500	323,500	323,500	323,500	0
4	Subtotal	3,013,300	3,047,500	3,082,200	3,117,500	3,190,000	176,700
Outside City							
5	Residential	114,700	93,600	94,900	96,300	99,000	-15,700
6	Non-Residential	18,600	15,200	15,200	15,200	15,200	-3,400
7	Industrial	0	0	0	0	0	0
8	Subtotal	133,300	108,800	110,100	111,500	114,200	-19,100
Wholesale							
8	Elkins	90,900	90,900	90,900	90,900	90,900	0
9	West Fork	104,800	104,800	104,800	104,800	104,800	0
10	Subtotal	195,700	195,700	195,700	195,700	195,700	0
10	Total	3,342,300	3,352,000	3,388,000	3,424,700	3,499,900	157,600
11	% Change	4.78%	0.29%	1.07%	1.08%	1.09%	4.94%

Table S - 3 - Wastewater Existing Charges**Existing Wastewater Rates Effective January 1, 2022**

Monthly Base Charge			
Meter Size	Inside City	Outside City	Farmington
Inches	\$/month	\$/month	\$/month
5/8	18.28	18.28	16.74
3/4	18.28	18.28	16.74
1	23.74	33.92	31.28
1 1/2	38.77	60.37	55.50
2	55.43	79.73	73.45
3	128.73	184.24	169.29
4	212.13	303.44	278.93
6	420.39	601.46	553.70
8	628.73	899.76	826.81

Volume Charge			
Monthly Water Usage	Inside City	Outside City	Farmington
1,000 gal.	1,000 gal.	1,000 gal.	1,000 gal.

Residential

First 2,000 Gallons	4.35		
> 2,000 Gallons	5.80		
All Usage		8.18	7.52

Non-Residential

All Usage	4.40	8.18	7.52
-----------	------	------	------

Major Industrial

All Usage	4.71	8.18	7.52
-----------	------	------	------

Wholesale

85% of metered water usage		5.19	
Above 85% of metered water		2.71	

Surcharge

BOD - \$/lb for strength in excess of 300 ppm		0.4352	
TSS - \$/lb for strength in excess of 300 ppm		0.3056	

Table S - 4 - Wastewater Projected Revenues at Existing Rates

Line No.	Customer Class	Projected						Change
		2022 (a)	2023	2024	2025	2026	2027	5-Year
		\$	\$	\$	\$	\$	\$	
Inside City								
1	Residential	17,544,700	17,895,800	18,208,900	18,527,600	18,851,800	19,181,700	1,637,000
2	Non-Residential	3,989,200	3,999,000	3,999,000	3,999,000	3,999,000	3,999,000	9,800
3	Industrial	1,543,800	1,547,600	1,547,600	1,547,600	1,547,600	1,547,600	3,800
4	Subtotal	23,077,700	23,442,400	23,755,500	24,074,200	24,398,400	24,728,300	1,650,600
Outside City								
5	Residential	1,459,000	1,305,500	1,323,500	1,341,900	1,360,500	1,379,500	-79,500
6	Non-Residential	186,900	161,300	161,300	161,300	161,300	161,300	-25,600
7	Industrial	0	0	0	0	0	0	0
8	Subtotal	1,645,900	1,466,800	1,484,800	1,503,200	1,521,800	1,540,800	-105,100
Wholesale								
9	Elkins	470,800	472,000	472,000	472,000	472,000	472,000	1,200
10	West Fork	542,400	543,700	543,700	543,700	543,700	543,700	1,300
11	Subtotal	1,013,200	1,015,700	1,015,700	1,015,700	1,015,700	1,015,700	2,500
12	Surcharge	834,600	834,600	834,600	834,600	834,600	834,600	24,300
13	Total	26,571,400	26,759,500	27,090,600	27,427,700	27,770,500	28,119,400	1,572,300
14	% Change	6.09%	0.71%	1.24%	1.24%	1.25%	1.26%	6.28%

Table S - 5 - Wastewater Projected Other Revenues

Line No.	Description	Projected						Change
		2022	2023	2024	2025	2026	2027	5-Year
		\$	\$	\$	\$	\$	\$	
1	Sewer Impact Fee Revenue	743,900	743,900	743,900	743,900	743,900	743,900	0
2	Sewer Sales Not on Computer	11,800	11,800	11,800	11,800	11,800	11,800	0
3	Sewer Connection Fees	47,900	47,900	47,900	47,900	47,900	47,900	0
4	WWTP Hay Sales	134,800	134,800	134,800	134,800	134,800	134,800	0
5	WWTP Biosolids/Fertilizer Sales	54,900	54,900	54,900	54,900	54,900	54,900	0
6	WWTP Water Treatment Residual Sales	180,800	180,800	180,800	180,800	180,800	180,800	0
7	Penalties	246,100	246,100	246,100	246,100	246,100	246,100	0
8	Total	1,420,200	1,420,200	1,420,200	1,420,200	1,420,200	1,420,200	0
9	% Change	9.49%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Table S - 6 - Wastewater Capital Improvement Program

Line No.	Description	Projected (a)					
		2022	2023	2024	2025	2026	2027
		\$	\$	\$	\$	\$	\$
1	Sanitary Sewer Rehabilitation	3,044,800	3,136,100	3,635,600	3,752,700	3,426,900	3,529,700
2	Plant Pumps and Equipment - W.W.T.P.	530,500	546,400	1,125,500	1,159,300	1,194,100	1,229,900
3	W.W.T.P. Building Improvements	1,750,500	163,900	190,000	347,800	358,200	369,000
4	Upgrade/Replace Lift Stations - W.W.T.P.	318,300	327,800	380,100	403,200	358,200	369,000
5	Lake Sequoyah Sediment Removal/Dredging	530,500	546,400	0	0	0	0
6	Wastewater Treatment/Water Quality Improvements	106,100	109,300	126,700	134,400	119,400	123,000
7	Wastewater Impact Fee Improvements	318,300	327,800	380,100	347,800	358,200	369,000
8	Utilities Financial Services Improvements	11,100	3,300	1,900	10,100	9,100	3,000
9	Water/Sewer Relocations - Bond Projects	265,200	273,200	316,700	289,800	298,500	307,500
10	Water/Sewer Impact Fee Cost Sharing	79,600	82,000	95,000	100,700	89,600	92,200
11	Utilities Technology Improvements	228,100	234,900	15,500	36,200	12,100	89,600
12	Water/Sewer Building-Office Improvements	26,500	27,300	31,600	33,600	59,700	61,500
13	Water/Sewer Equipment Expansions	26,500	27,300	31,600	33,600	29,900	30,700
14	Water & Sewer Rate/Operational Studies	10,600	10,900	12,700	13,400	11,900	12,300
15	Phosphorus Standards Management	26,500	27,300	31,600	33,600	29,900	30,700
16	Water & Sewer Technology Equipment Replacements	0	0	0	0	0	0
17	Water & Sewer Improvements Defined By Study	0	0	0	0	0	0
18	Biosolids Dryer Replacement	0	0	3,172,100	0	0	0
19	Filter Cell Upgrade/Replacement at Noland WWTP	0	0	0	0	0	0
20	Upgrade Automation at both WWTPs	0	0	0	0	0	0
21	CIPP of 36" Sewer Line from Armstrong Ave to Noland WWTP	0	0	0	0	0	0
22	Bypass Sewer Fulbright & North Gregg	0	0	0	0	0	0
23	Hamstring Lift Station Bottle Neck Resolution	848,700	0	0	0	0	0
24	Total Capital Improvement Program	8,121,800	5,843,900	9,546,700	6,696,200	6,355,700	6,617,100

(a) Capital costs reflect 3% annual inflation starting in 2021.

Table S - 7 - Wastewater Projected O&M Expenses

Line No.	Description	Projected					
		2022	2023	2024	2025	2026	2027
		\$	\$	\$	\$	\$	\$
1	Personal Costs	3,198,200	3,334,400	3,476,600	3,624,900	3,779,500	3,940,900
2	Materials and Supplies	745,400	767,800	790,800	814,500	839,000	864,200
3	Services and Charges	6,261,000	6,448,800	6,642,300	6,841,600	7,046,800	7,258,200
4	WWTP Contract	4,115,500	4,238,900	4,366,100	4,497,100	4,632,000	4,771,000
5	Motorpool	1,062,900	1,094,800	1,127,600	1,161,400	1,196,300	1,232,200
6	Cost Allocation	701,100	722,100	743,800	766,100	789,100	812,700
7	Maintenance	87,300	89,900	92,600	95,400	98,300	101,200
8	Total	16,171,400	16,696,700	17,239,800	17,801,000	18,381,000	18,980,400
9	% Change	3.25%	3.25%	3.25%	3.26%	3.26%	3.26%

Table S - 8 - Wastewater Cash Financed Capital

Line No.	Description	Year Ending December 31,					2027
		2022	2023	2024	2025	2026	
		\$	\$	\$	\$	\$	\$
Sources of Funds							
1	Funds Available at Beginning of Year	501,900	506,700	506,700	506,700	506,700	506,700
2	Cash Financing of Capital Projects	6,880,000	5,434,100	9,071,600	6,247,700	5,907,900	6,155,900
3	Transfer from Impact Fee Fund	1,246,600	409,800	475,100	448,500	447,800	461,200
4	Subtotal	8,628,500	6,350,600	10,053,400	7,202,900	6,862,400	7,123,800
Application of Funds							
5	Major Capital Improvements	8,121,800	5,843,900	9,546,700	6,696,200	6,355,700	6,617,100
6	Subtotal	8,121,800	5,843,900	9,546,700	6,696,200	6,355,700	6,617,100
7	End of Year Balance	506,700	506,700	506,700	506,700	506,700	506,700
8	Capital Reserve EOY Balance - Cumulative	23,439,000	27,389,000	28,179,000	32,359,000	37,489,000	43,009,000

Table S - 9 - Wastewater Operating Cash Flow

Line No.	Description	Year Ending December 31,					
		2022	2023	2024	2025	2026	2027
		\$	\$	\$	\$	\$	\$
Revenues							
1	Revenues Under Existing Rates	26,571,600	26,759,500	27,090,700	27,427,700	27,770,600	28,119,500
Revenue Increases							
2	3.00 % Increase Effective January 1, 2024	0	0	745,000	822,800	833,100	843,600
3	3.00 % Increase Effective January 1, 2025	0	0	0	776,900	858,100	868,900
4	3.00 % Increase Effective January 1, 2026	0	0	0	0	810,200	895,000
5	3.00 % Increase Effective January 1, 2027	0	0	0	0	0	845,000
7	Total Revenue from Rates	26,571,600	26,759,500	27,835,700	29,027,400	30,272,000	31,572,000
8	Other Revenues (a)	726,000	724,300	726,700	729,600	732,700	735,900
9	Total Revenues	27,297,600	27,483,800	28,562,400	29,757,000	31,004,700	32,307,900
Expenses							
10	Operating Expenses	16,171,400	16,696,700	17,239,800	17,801,000	18,381,000	18,980,400
11	Bad Debt	132,900	133,800	139,200	145,100	151,400	157,900
12	PILOT	1,129,300	1,137,300	1,183,000	1,233,700	1,286,600	1,341,800
13	Debt Service	0	0	0	0	0	0
14	Total Expenses	17,433,600	17,967,800	18,562,000	19,179,800	19,819,000	20,480,100
Transfers							
15	Transfer to Shop Fund	0	0	0	0	0	0
16	Transfer to Operating Reserve	129,500	133,900	138,400	143,000	147,800	152,700
17	Cash Financing of Capital	6,880,000	5,434,100	9,071,600	6,247,700	5,907,900	6,155,900
18	Transfer to/from Capital Reserve	2,850,000	3,950,000	790,000	4,180,000	5,130,000	5,520,000
19	Total Transfers	9,859,500	9,518,000	10,000,000	10,570,700	11,185,700	11,828,600
Fund Balance							
20	Beginning Balance	100,000	104,500	102,500	102,900	109,400	109,400
21	Annual Operating Balance	4,500	-2,000	400	6,500	0	-800
22	Ending Fund Balance	104,500	102,500	102,900	109,400	109,400	108,600
Performance Metrics							
23	Debt Service Coverage	NA	NA	NA	NA	NA	NA
24	O&M Reserve Balance (Days) (b)	✓ 90.00	✓ 90.00	✓ 90.00	✓ 90.00	✓ 90.00	✓ 90.00

(a) Includes interest income on operating fund balance.

(b) Minimum requirement is 90 days of following year's Operating Expenses.

Table S - 10 - Wastewater Projected Fund Balances

Line No.	Description	Year Ending December 31,					2027
		2022	2023	2024	2025	2026	
		\$	\$	\$	\$	\$	\$
Operating Funds							
1	O&M Reserve Balance (a)	4,117,000	4,250,900	4,389,300	4,532,300	4,680,100	4,832,800
2	Operating Fund Balance (b)	104,500	102,500	102,900	109,400	109,400	108,600
3	Total (e)	4,221,500	4,353,400	4,492,200	4,641,700	4,789,500	4,941,400
Capital Funds							
4	Capital Fund Balance (c)	506,700	506,700	506,700	506,700	506,700	506,700
5	Capital Reserve Fund Balance (d)	23,439,000	27,389,000	28,179,000	32,359,000	37,489,000	43,009,000
6	Total (e)	23,945,700	27,895,700	28,685,700	32,865,700	37,995,700	43,515,700
7	Impact Fee Fund Balance (e)	3,935,100	4,269,200	4,538,000	4,833,400	5,129,500	5,412,200

(a) Calculated as 90 days of following year's Operating Expenses.

(b) Target minimum balance is \$100,000 to account for any adjustments that may be needed to the O&M balance at the end of the year.

(c) Target minimum balance is \$500,000.

(d) Does not include expenses associated with facilities master plan to be completed in FY 2022.

(e) All balances are cumulative.

Table S - 11 - Wastewater 2023 Cost of Service

Line No.	Description	Operating Expense	Capital Cost	Total Cost
		\$	\$	\$
Statement of Net Revenue Requirements (Cash Basis)				
	Revenue Requirements			
1	O&M Expenses	16,696,700		16,696,700
2	Bad Debt	133,800		133,800
3	PILOT	1,137,300		1,137,300
4	Debt Service		0	0
	Other Expenditures & Transfers:			
	Transfer to Shop Fund (Capital Outlay)		0	0
5	Transfer to Operating Reserve	133,900		133,900
6	Cash Funding of Capital Projects		5,434,100	5,434,100
7	Transfer to Capital Reserve		3,950,000	3,950,000
8	Subtotal	18,101,700	9,384,100	27,485,800
	Less Revenue Requirements Met from Other Sources			
9	Other Revenues and Adjustments	676,300		676,300
10	Interest Earned	48,000		48,000
11	Net Balance Available		2,000	2,000
12	Full Year Rate Adjustment			
13	Subtotal	724,300	2,000	726,300
14	Net Revenue Requirements to be Recovered by Rat	17,377,400	9,382,100	26,759,500
Restatement of Net Cost of Service (Utility Basis)				
15	O&M Expenses	17,377,400		17,377,400
16	Depreciation		8,187,000	8,187,000
17	Return		1,195,100	1,195,100
18	Net Cost of Service	17,377,400	9,382,100	26,759,500

Table S - 12 - Wastewater 2023 Allocation of Net Plant Investment

Line No.	Description	Total	Volume		Wastewater Strength		Customer Billing	Customer Connections	Fayetteville Direct
			Common to All	Retail Only	BOD	TSS			
		\$	\$	\$	\$	\$	\$	\$	\$
Net Plant Investment:									
1	Sewer Collection	106,713,735	43,521,511	63,192,224					
2	Sewer Connections	319,887							319,887
3	Water Meters	2,723,783						2,723,783	
4	Owl Creek Lift Station and Force Main	14,103							14,103
5	Lift Stations	5,257,834	5,257,834						
Sewer Treatment Plant- Noland									
6	Sewage Pumping	229,919	229,919						
7	Mechanical Bar Screens	172,282			51,685	120,597			
8	Grit Removal								
9	Primary Sedimentation								
10	Disinfection	1,684,829	1,684,829						
11	Aeration Equipment	1,120,704			560,352	560,352			
12	Sludge Handling	400,690			220,380	180,311			
13	Other Plant and Misc Equipment	961,187	510,038		221,733	229,416			
14	General Treatment	13,296,075	7,055,330		3,067,233	3,173,512			
Sewer Treatment Plant- West									
15	Sewage Pumping	921,333	921,333						
16	Mechanical Bar Screens	169,727			50,918	118,809			
17	Grit Removal	1,380,570				1,380,570			
18	Primary Sedimentation	6,927,776			2,078,333	4,849,443			
19	Disinfection	667,246	667,246						
20	Aeration Equipment	1,490,202			745,101	745,101			
21	Sludge Handling	34,604,278			19,032,353	15,571,925			
22	Other Plant and Misc Equipment	3,425,729	1,799,980		1,625,749				
23	General Treatment	6,163,399	3,238,433		2,924,966				
24	Sewer Land and Land Rights	6,358,594	2,055,231	2,484,085	893,874	924,850			554
25	General Plant	1,768,105	608,158	592,278	286,604	252,406		25,529	3,130
26	Total Net Plant Investment	196,771,987	67,549,842	66,268,587	31,759,281	28,107,292	0	2,749,312	337,674

Table S - 13 - Wastewater 2023 Allocation of Depreciation

Line No.	Description	Total	Volume		Wastewater Strength		Customer Billing	Customer Connections	Fayetteville Direct
			Common to All	Retail Only	BOD	TSS			
	Net Depreciation Expense:	\$	\$	\$	\$	\$	\$	\$	\$
1	Sewer Collection	2,890,541	1,178,861	1,711,680					
2	Sewer Connections	22,463							22,463
3	Water Meters	140,292						140,292	
4	Owl Creek Lift Station and Force Main	6,509							6,509
5	Lift Stations	113,991	113,991						
	Sewer Treatment Plant- Noland								
6	Sewage Pumping	42,418	42,418						
7	Mechanical Bar Screens	33,421			10,026	23,395			
8	Grit Removal								
9	Primary Sedimentation								
10	Disinfection	282,757	282,757						
11	Aeration Equipment	124,523	(1)		62,262	62,262			
12	Sludge Handling	83,361	(1)		45,849	37,513			
13	Other Plant and Misc Equipment	68,718	36,464		15,852	16,402			
14	General Treatment	870,537	461,935		200,822	207,780			
	Sewer Treatment Plant- West								
15	Sewage Pumping	117,218	117,218						
16	Mechanical Bar Screens	55,071			16,521	38,550			
17	Grit Removal	135,374				135,374			
18	Primary Sedimentation	397,767			119,330	278,437			
19	Disinfection	41,250	41,250						
20	Aeration Equipment	140,345	(1)		70,173	70,173			
21	Sludge Handling	2,080,224			1,144,123	936,101			
22	Other Plant and Misc Equipment	320,819	168,568		152,251				
23	General Treatment	47,759	25,094		22,665				
24	Sewer Land and Land Rights	4,692	1,517	1,833	660	682			
25	General Plant	166,936	57,419	55,920	27,060	23,831		2,410	296
26	Total Net Depreciation Expense	8,186,986	2,527,489	1,769,433	1,887,594	1,830,500	0	142,702	29,268
27	Percent of Total - Depreciation Expense	100.0%	30.9%	21.6%	23.1%	22.4%		1.7%	0.4%

Table S - 14 - Wastewater 2023 Allocation of O&M Expenses

Line No.	Description	Total	Volume		Wastewater Strength		Customer Billing	Customer Connections	Fayetteville Direct
			Common to All	Retail Only	BOD	TSS			
		\$	\$	\$	\$	\$	\$	\$	\$
1	Sewer Mains Maintenance	2,527,372	1,030,749	1,496,623					
2	Wastewater Treatment Plant	1,930,453	409,563		747,493	773,396			
3	Wastewater Treatment Plant-Noland	5,578,707	1,183,574		2,160,139	2,234,994			
4	Wastewater Treatment Plant-West	2,025,047	429,632		784,121	811,293			
5	Lift Stations	990,432	990,432						
6	Meter Operations (a)	1,705,258					1,705,258		
7	Water & Sewer Connections	204,404							204,404
8	Operations and Administration	1,443,897	390,267	144,434	356,278	368,624	164,568		19,726
9	All Other O&M Cost	1,696,131	458,442	169,665	418,516	433,019	193,317		23,172
10	Subtotal	18,101,700	4,892,658	1,810,722	4,466,548	4,621,327	2,063,143	0	247,302
	Less: Other Income Sources								
11	Sewer Connection Fees	47,900							47,900
12	Other Income Sources	676,400	147,869	72,452	178,719	184,912	82,552		9,895
13	Subtotal	724,300	147,869	72,452	178,719	184,912	82,552	0	57,795
14	Net O&M Expenses	17,377,400	4,744,789	1,738,270	4,287,829	4,436,415	1,980,591	0	189,507

Table S - 15 - Wastewater 2023 Units of Service

Line	(1) Customer Classes	(2)	(3)	(4)	(5)		(6)	(7)		(8)
		Contributed Volume 1,000 gal.	Infiltration & Inflow 1,000 gal.	Total Treated Volume 1,000 gal. (2) + (3)	Strength		BOD	TSS	Customer	
					Pounds	Pounds			Bills	Equiv. Meters
Inside City										
1	Residential	1,983,604	1,725,364	3,708,968	6,398,027	5,434,305	416,068			34,346
2	Non-Residential	740,356	255,613	995,969	2,307,012	1,866,343	29,508			5,157
3	Industrial	323,545	72,596	396,141	1,000,041	799,307	228			249
4	Subtotal	3,047,505	2,053,572	5,101,077	9,705,080	8,099,955	445,804			39,752
Outside City										
Farmington										
5	Residential	75,955	101,284	177,238	252,331	222,771	27,338			1,603
6	Non-Residential	13,136	8,143	21,278	41,684	34,618	1,692			157
7	Industrial									
8	Subtotal	89,090	109,426	198,516	294,015	257,389	29,030			
Greenland										
9	Residential	10,113	18,030	28,144	34,545	31,557	5,112			435
10	Non-Residential	1,995	1,777	3,773	6,445	5,484	432			22
11	Industrial									
12	Subtotal	12,109	19,808	31,916	40,990	37,041	5,544			
Washington County/ Growth Area										
13	Residential	1,158	1,035	2,193	3,740	3,184	252			74
14	Non-Residential		74	74	15	31	24			
15	Industrial									
16	Subtotal	1,158	1,109	2,267	3,755	3,215	276			
Johnson										
17	Residential	6,357	7,044	13,401	20,819	18,046	1,824			151
18	Non-Residential	43	84	126	146	136	24			18
19	Industrial									
20	Subtotal	6,399	7,128	13,527	20,965	18,182	1,848			
21	Total Retail	3,149,862	2,183,915	5,333,777	10,043,840	8,397,600	480,654			39,752
Wholesale										
22	Elkins	90,935	20,280	111,215	281,043	224,600	24			23
23	West Fork	104,762	23,315	128,077	323,766	258,730	12			23
24	Subtotal	195,697	43,595	239,292	604,809	483,330	36			45
25	Subtotal (Inside City)	3,047,505	2,053,572	5,101,077	9,705,080	8,099,955	445,804			39,752
26	Subtotal (Outside City)	108,756	137,471	246,227	359,725	315,827	36,698			-
27	Subtotal (Wholesale)	195,697	43,595	239,292	604,809	483,330	36			45
28	Surcharge Customers				1,282,742	910,900				
29	Total System	3,351,958	2,234,638	5,586,596	11,952,356	9,810,012	482,538			42,258

Table S - 16 - Wastewater 2023 Unit Cost of Service

Line No.	Description	Total	Volume		Wastewater Strength		Customer Billing	Customer Connections	Fayetteville Direct
			Common to All	Retail Only	BOD	TSS			
		\$	1,000 gal.	1,000 gal.	Pounds	Pounds	Bills	Equiv. Meters	Bills
Units of Service									
1	Inside City		5,101,077	5,101,077	9,705,080	8,099,955	445,804	39,752	445,804
2	Outside City-w/o Farmington & Greenland		255,085	15,794	629,529	504,727	2,160	288	
3	Outside City-Farmington		198,516	198,516	294,015	257,389	29,030	1,761	
4	Outside City-Greenland		31,916	31,916	40,990	37,041	5,544	458	
5	Surcharge		198,516	198,516	294,015	257,389	29,030	1,761	
6	Total System		5,785,112	5,545,821	10,963,629	9,156,501	511,568	44,018	445,804
Costs of Service									
Net Operating Expense									
7	Total - \$	17,377,400	4,744,789	1,738,270	\$ 4,287,829	\$ 4,436,415	1,980,591		189,507
8	Unit Cost - \$/unit		0.85	0.33	\$ 0.3587	\$ 0.4522	4.10		0.43
Depreciation Expense:									
9	Total - \$	8,186,987	2,527,489	1,769,433	\$ 1,887,594	\$ 1,830,500		\$ 142,702	29,268
10	Unit Cost - \$/unit		0.45	0.33	\$ 0.1579	\$ 0.1866		\$ 3.3769	0.07
Net Plant Investment:									
11	Total - \$	196,771,987	67,549,842	66,268,587	\$ 31,759,281	\$ 28,107,292		2,749,312	337,674
12	Unit Cost - \$/unit		12.09	12.39	\$2.6572	\$2.8652		65.06	0.76
Return on Investment									
13	Inside City, Unit Return - \$/unit		0.04	0.04	\$0.0085	\$0.0092		0.21	0.00
14	Outside City (Exc Farmington & Greenland), Unit Return - \$/Unit		0.53	0.54	\$0.1159	\$0.1249		2.84	
15	Farmington, Unit Return - \$/Unit		0.53	0.54	\$0.1159	\$0.1249		2.84	
16	Greenland, Unit Return - \$/Unit		0.53	0.54	\$0.1159	\$0.1249		2.84	
Total Return									
17	Inside City	587,427	198,169	203,110	\$ 93,805	\$ 82,949		8,309	1,085
18	Outside City-w/o Farmington & Greenland	279,812	134,477	8,534	\$ 72,932	\$ 63,051		817	
19	Outside City- Farmington	283,129	104,655	107,264	\$ 34,062	\$ 32,153		4,994	
20	Outside City - Greenland	44,745	16,826	17,245	\$ 4,749	\$ 4,627		1,298	
21	Total Return - \$	1,195,113	454,127	336,154	\$ 205,548	\$ 182,781		15,419	1,085
Total Unit Cost of Service									
22	Inside City - \$/unit		1.34	0.70	\$ 0.5252	\$ 0.6480	4.10	3.59	0.49
23	Outside City (w/o Farmington & Greenland)- \$/unit		1.83	1.20	\$ 0.6325	\$ 0.7637	4.10	6.21	
24	Outside City - Farmington - \$/unit		1.83	1.20	\$ 0.6325	\$ 0.7637	4.10	6.21	
25	Outside City - Greenland - \$/unit		1.83	1.20	\$ 0.6325	\$ 0.7637	4.10	6.21	
Total Cost of Service									
26	Inside City - Retail - \$	22,926,169	6,838,430	3,549,294	5,097,177	5,249,045	1,829,815	142,548	219,860
27	Inside City-Surcharge - \$	1,263,999			673,705	590,294			
28	Outside City - Except Farmington - \$	1,279,758	466,531	18,894	398,191	385,485	8,866	1,790	
29	Outside City - Farmington - \$	1,113,204	363,071	237,487	185,971	196,581	119,155	10,939	
30	Outside City - Greenland	176,370	58,373	38,182	25,927	28,290	22,756	2,843	
31	Total Cost of Service - \$	26,759,500	7,726,405	3,843,857	6,380,971	6,449,695	1,980,591	158,121	219,860

Table S - 17 - Wastewater 2023 Cost of Service by Customer Class

(1)		(2)	(3)	(4)
Line	Description	Allocated Cost of Service	Existing Revenues	Indicated Revenue Increase
		\$	\$	
	Inside City			
1	Residential	16,470,886	17,895,771	-8.0%
2	Non-Residential	4,603,442	3,999,013	15.1%
3	Industrial	1,851,842	1,547,635	19.7%
4	Subtotal	22,926,169	23,442,418	-2.2%
	Outside City			
5	Residential	1,231,727	1,305,506	-5.7%
6	Non-Residential	147,832	161,315	-8.4%
7	Industrial			100.0%
8	Subtotal	1,379,559	1,466,821	-5.9%
9	Total Retail	24,305,728	24,909,239	-2.4%
10	Wholesale	1,189,772	1,015,665	17.1%
11	Surcharge	1,263,999	834,607	51.4%
12	Total	26,759,499	26,759,511	0.0%

Table S - 18 - Wastewater Proposed 2024 Charges

Proposed Wastewater Rates Effective January 1, 2024

Monthly Base Charge		
Meter Size	Inside City	Outside City
Inches	\$/month	\$/month
5/8	12.75	15.71
3/4	12.75	16.01
1	24.45	31.32
1 1/2	44.81	63.14
2	61.64	87.88
3	132.59	184.50
4	218.49	270.52
6	433.00	501.48
8	647.59	558.03

Volume Charge		
Monthly	Inside	Outside
1,000 gal.	1,000 gal.	1,000 gal.

Residential

First 2,000 Gallons	4.91	
> 2,000 Gallons	6.56	
All Usage		7.56

Non-Residential

All Usage	5.51	7.56
-----------	------	------

Major Industrial

All Usage	5.82	7.56
-----------	------	------

Wholesale

85% of metered water usage		6.26
Above 85% of metered water		6.26

Surcharge

BOD - \$/lb for strength in excess of 300 ppm		0.5410
TSS - \$/lb for strength in excess of 300 ppm		0.6674

Table S - 19 - Wastewater 2023 Cost of Service Under Proposed Rates

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Line No.	Description	Adjusted Cost of Service	Revenue Under Existing Rates	Indicated Revenue Increase	Revenues Under Proposed Rates	Proposed Revenue as % Cost of Service	Indicated Revenue Increase	Indicated Revenue Increase
		\$	\$		\$			\$
Inside City								
1	Residential	16,470,900	17,895,800	-8.0%	16,472,800	100%	-8%	-1,423,000
2	Non-Residential	4,603,400	3,999,000	15.1%	4,601,500	100%	15%	602,500
3	Industrial	1,851,800	1,547,600	19.7%	1,852,100	100%	20%	304,500
4	Subtotal	22,926,100	23,442,400	-2.2%	22,926,400	100%	-2%	-516,000
Outside City								
5	Residential	1,231,700	1,305,500	-5.7%	1,224,600	99%	-6%	-80,900
6	Non-Residential	147,800	161,300	-8.4%	154,700	105%	-4%	-6,600
7	Industrial					0%	0%	
8	Subtotal	1,379,500	1,466,800	-6.0%	1,379,300	100%	-6%	-87,500
Wholesale								
9	Elkins	552,900	472,000	17.1%	552,900	100%	17%	80,900
10	West Fork	636,800	543,700	17.1%	637,000	100%	17%	93,300
11	Subtotal	1,189,700	1,015,700	17.1%	1,189,900	100%	17%	174,200
12	Surcharge	1,264,000	834,600	51.4%	1,264,000	100%	51%	429,400
13	Total	26,759,300	26,759,500	0.0%	26,759,600	100%	0%	100

Table S - 20 - Wastewater 2024 Bill Impact

Line No.	Meter Size	Monthly Usage	Inside City				Outside City			
			Existing Rates	Proposed Rates	Increase / Decrease	Increase / Decrease	Existing Rates	Proposed Rates	Increase / Decrease	Increase / Decrease
	Inches	1,000 gal.	\$	\$	\$		\$	\$	\$	
Residential										
1	3/4	0.5	22.10	14.77	-7.34	-33.2%	26.46	19.21	-7.25	-27.4%
2	3/4	2	26.45	21.92	-4.53	-17.1%	34.64	30.22	-4.42	-12.8%
3	3/4	4	38.05	31.46	-6.59	-17.3%	51.00	44.90	-6.10	-12.0%
4	3/4	8	61.25	50.54	-10.71	-17.5%	83.72	74.26	-9.46	-11.3%
5	3/4	10	72.85	60.08	-12.77	-17.5%	100.08	88.94	-11.14	-11.1%
6	3/4	15	101.85	83.93	-17.92	-17.6%	140.98	125.64	-15.34	-10.9%
Non-Residential										
7	3/4	10	61.75	65.88	4.13	6.7%	100.08	88.94	-11.14	-11.1%
8	3/4	20	105.75	119.38	13.63	12.9%	181.88	162.34	-19.54	-10.7%
9	1	50	243.05	291.24	48.19	19.8%	442.92	397.41	-45.51	-10.3%
10	1	100	463.05	558.74	95.69	20.7%	851.92	764.41	-87.51	-10.3%
11	1 1/2	50	257.64	311.00	53.36	20.7%	469.37	428.30	-41.07	-8.8%
12	1 1/2	100	477.64	578.50	100.86	21.1%	878.37	795.30	-83.07	-9.5%
13	2	100	493.82	594.84	101.02	20.5%	897.73	819.32	-78.41	-8.7%
14	2	500	2,253.82	2,734.84	481.02	21.3%	4,169.73	3,755.32	-414.41	-9.9%
Industrial										
15	2	100	493.52	624.84	131.32	26.6%	897.73	819.32	-78.41	-8.7%
16	2	1,000	4,732.52	5,709.84	977.32	20.7%	8,259.73	7,425.32	-834.41	-10.1%
17	4	500	2,441.89	3,037.13	595.24	24.4%	4,393.44	3,932.64	-460.80	-10.5%
18	4	1,500	7,151.89	8,687.13	1,535.24	21.5%	12,573.44	11,272.64	-1,300.80	-10.3%
19	6	2,500	11,948.78	14,545.39	2,596.61	21.7%	21,051.46	18,836.87	-2,214.59	-10.5%
20	6	5,000	23,723.78	28,670.39	4,946.61	20.9%	41,501.46	37,186.87	-4,314.59	-10.4%
21	6	10,000	47,273.78	56,920.39	9,646.61	20.4%	82,401.46	73,886.87	-8,514.59	-10.3%

12.0 Appendix 3: Combined Tables

Table C - 1 - Combined Projected Fund Balances

Line No.	Description	Year Ending December 31,					
		2022	2023	2024	2025	2026	2027
		\$	\$	\$	\$	\$	\$
	Operating Funds						
1	O&M Reserve Balance (a)	8,314,600	8,657,100	9,015,200	9,389,600	9,781,000	10,190,300
2	Operating Fund Balance (b)	206,300	205,300	210,800	216,400	213,100	211,100
3	Subtotal Operating Funds Balance (d)	8,520,900	8,862,400	9,226,000	9,606,000	9,994,100	10,401,400
	Capital Funds						
4	Capital Fund Balance (c)	1,008,400	1,008,400	67,670,900	45,227,400	24,147,700	1,008,800
5	Capital Reserve Fund Balance	33,778,000	33,098,000	31,068,000	30,048,000	31,218,000	30,628,000
6	Subtotal Capital Funds Balance (d)	34,786,400	34,106,400	98,738,900	75,275,400	55,365,700	31,636,800
7	Impact Fee Fund Balance (d)	4,516,400	4,378,900	5,022,300	5,655,700	6,360,900	7,035,800

(a) Calculated as 90 days of following year's Operating Expenses.

(b) Target minimum combined balance is \$200,000 to account for any adjustments that may be needed to the O&M balance at the end of the year.

(c) Target minimum combined balance is \$1,000,000. Includes unspent revenue bond proceed amounts at the end of the fiscal years 2024 (\$67M), 2025 (\$44M) and 2026 (\$23M).

(d) All balances are cumulative.

Table C - 2 - Combined Operating Cash Flow

Line No.	Description	Year Ending December 31,					
		2022	2023	2024	2025	2026	2027
		\$	\$	\$	\$	\$	\$
Revenues							
1	Revenues Under Existing Rates	49,952,000	50,519,100	51,181,800	51,857,600	52,546,600	53,249,200
Revenue Increases							
2	4.4 % Increase Effective January 1, 2024	0	0	2,070,000	2,288,600	2,319,700	2,351,400
3	4.4 % Increase Effective January 1, 2025	0	0	0	2,201,200	2,433,900	2,467,200
4	4.5 % Increase Effective January 1, 2026	0	0	0	0	2,341,300	2,589,100
5	4.5 % Increase Effective January 1, 2027	0	0	0	0	0	2,491,100
6	4.5 % Increase Effective January 1, 2028	0	0	0	0	0	0
7	Total Revenue from Rates	49,952,000	50,519,100	53,251,800	56,347,400	59,641,500	63,148,000
8	Other Revenues (a)	1,371,600	1,372,900	1,382,900	1,394,700	1,407,000	1,420,000
9	Subtotal Revenues	51,323,600	51,892,000	54,634,700	57,742,100	61,048,500	64,568,000
Expenses							
10	Operating Expenses	32,655,400	33,720,200	35,109,500	36,561,700	38,079,900	39,667,300
11	Bad Debt	249,800	252,600	266,300	281,700	298,200	315,800
12	PILOT	2,123,000	2,147,100	2,263,200	2,394,800	2,534,800	2,683,800
13	SDWF-Reimbursement to ADPH	230,400	234,300	238,200	242,300	246,400	250,600
14	Debt Service	0	0	3,200,000	6,300,000	6,300,000	6,300,000
15	Total Expenses	35,258,600	36,354,200	41,077,200	45,780,500	47,459,300	49,217,500
Transfers							
16	Transfer to Shop Fund	0	0	0	0	0	0
17	Transfer to Operating Reserve	262,600	342,500	358,100	374,400	391,400	409,300
18	Cash Financing of Capital	15,930,000	15,876,300	15,223,900	12,601,600	12,031,100	15,533,200
19	Transfer to/from Capital Reserve	-129,000	-680,000	-2,030,000	-1,020,000	1,170,000	-590,000
20	Total Transfers	16,063,600	15,538,800	13,552,000	11,956,000	13,592,500	15,352,500
Fund Balance							
21	Beginning Balance	204,900	206,300	205,300	210,800	216,400	213,100
22	Annual Operating Balance	1,400	-1,000	5,500	5,600	-3,300	-2,000
23	Ending Fund Balance	206,300	205,300	210,800	216,400	213,100	211,100
Performance Metrics							
24	Debt Service Coverage (b)	NA	NA	6.10	3.36	3.65	3.95
25	O&M Reserve Balance (Days)(c)	90.00	90.00	90.00	90.00	90.00	90.00

(a) Includes interest income on operating fund balance.

(b) Minimum requirement is 2.0 X the net revenues. Net revenues is total revenues less operating expenses (excluding bad debt, PILOT and Safe Drinking Water Fee)

(c) Minimum requirement is 90 days of following year's Operating Expenses.

Table C - 3 - Combined 2024 Bill Impact

Line No.	Meter Size	Monthly Usage	Inside City				Outside City			
			Existing Rates	Proposed Rates	Increase / Decrease	Increase / Decrease	Existing Rates	Proposed Rates	Increase / Decrease	Increase / Decrease
	Inches	1,000 gal.	\$	\$	\$		\$	\$	\$	
Residential										
1	3/4	1	32.01	24.00	-8.01	-25.0%	37.82	30.05	-7.77	-20.5%
2	3/4	2	39.87	36.75	-3.12	-7.8%	50.04	48.20	-1.84	-3.7%
3	3/4	4	60.77	56.07	-4.70	-7.7%	77.10	75.34	-1.76	-2.3%
4	3/4	8	102.57	94.73	-7.84	-7.6%	131.22	129.62	-1.60	-1.2%
5	3/4	10	123.47	114.04	-9.43	-7.6%	158.28	156.76	-1.52	-1.0%
6	3/4	15	175.72	162.36	-13.36	-7.6%	225.93	224.61	-1.32	-0.6%
Non-Residential										
7	3/4	10	106.05	116.82	10.77	10.2%	151.20	150.69	-0.51	-0.3%
8	3/4	20	187.95	213.90	25.95	13.8%	276.80	277.39	0.59	0.2%
9	1	50	441.42	519.92	78.50	17.8%	672.13	678.63	6.50	1.0%
10	1	100	850.92	1,005.32	154.40	18.2%	1,300.13	1,312.10	11.97	0.9%
11	1.5	50	462.61	549.39	86.78	18.8%	706.15	724.01	17.86	2.5%
12	1.5	100	872.11	1,034.80	162.69	18.7%	1,334.15	1,357.48	23.33	1.8%
13	2	100	895.34	1,058.72	163.38	18.3%	1,361.61	1,392.77	31.16	2.3%
14	2	500	4,091.34	4,941.96	850.62	20.8%	6,289.61	6,460.53	170.92	2.7%
Industrial										
15	2	100	812.04	983.62	171.58	21.1%	1,260.25	1,230.59	-29.66	-2.4%
16	2	1,000	7,715.04	9,045.01	1,329.97	17.2%	11,682.25	11,173.43	-508.82	-4.4%
17	4	500	4,008.78	4,791.91	783.13	19.5%	6,180.33	5,910.08	-270.25	-4.4%
18	4	1,500	11,678.78	13,749.01	2,070.23	17.7%	17,760.33	16,957.68	-802.65	-4.5%
19	6	2,500	19,522.56	23,015.48	3,492.92	17.9%	29,725.24	28,338.64	-1,386.60	-4.7%
20	6	5,000	38,697.56	45,408.23	6,710.67	17.3%	58,675.24	55,957.64	-2,717.60	-4.6%
21	6	10,000	77,047.56	90,193.73	13,146.17	17.1%	116,575.24	111,195.64	-5,379.60	-4.6%

EXHIBIT A

51.136 Monthly Water Rates

Effective as of the first billing statements issued after December 31, 2023, the following monthly rates shall be fixed as rates to be charged for water furnished by the waterworks system of the city, which rates the City Council finds and declares to be reasonable and necessary minimum rates to be charged. All non-emergency water uses shall be billed to the user, to include but not limited to water used for: use within structures; business; manufacturing; irrigation; retail by another water utility; city uses; educational purposes; medical purposes; water system routine non-emergency uses; wastewater system routine non-emergency uses; non-profit uses; fire department non-emergency uses to include training and equipment calibration; construction of new water mains; street cleaning; and wet down of construction sites and materials. Emergency water use that does not pass through a water system meter shall not be billed, including firefighting, water leaks, water leak repair, and emergency water line flushing. The volumes used for these emergency purposes should be estimated and submitted monthly to the Business Office Manager and the Water/Sewer Operations Manager.

(A) Monthly Water Rates.

- (1) The water usage of each customer shall be determined each month by meter measurement and the amount per 1,000 gallons to be paid for water usage by each customer shall be computed on the basis of the following schedule of rates.

Table A-1 Monthly Water Rates Prior to January 1, 2024 Cost per 1,000 gallons			
Class	Usage Rate (In Gallons)	Inside City	Outside City
Residential	First 2,000	\$3.51	\$4.04
	Next 13,000	\$4.65	\$5.35
	Over 15,000	\$6.59	\$7.54
Non-Residential	First 300,000	\$3.79	\$4.38
	Over 300,000	\$3.39	\$3.90
Major Industrial	All Usage	\$2.96	\$3.40
Irrigation	First 300,000	\$5.04	\$5.80
	Over 300,000	\$4.53	\$5.22
Wholesale	Reduced Peak Demand	\$2.87	\$2.87
	Peak Demand	\$3.20	\$3.20

Table A-2 Monthly Water Rates After December 31, 2023 Cost per 1,000 gallons			
Class	Usage Rate (In Gallons)	Inside City	Outside City
Residential	First 2,000	\$3.59	\$4.54
	Next 13,000	\$4.75	\$6.01
	Over 15,000	\$6.74	\$8.52
Non-Residential	First 300,000	\$4.20	\$5.11
	Over 300,000	\$4.20	\$5.11
Major Industrial	All Usage	\$3.14	\$3.49

Irrigation	First 300,000	\$4.75	\$5.89
	Over 300,000	\$4.75	\$5.89
Wholesale	Reduced Peak Demand	\$3.30	\$3.30
	Peak Demand	\$3.30	\$3.30

Table A-3 Monthly Water Rates After December 31, 2024 Cost per 1,000 gallons			
Class	Usage Rate (In Gallons)	Inside City	Outside City
Residential	First 2,000	\$3.81	\$4.81
	Next 13,000	\$5.04	\$6.37
	Over 15,000	\$7.14	\$9.03
Non-Residential	First 300,000	\$4.45	\$5.42
	Over 300,000	\$4.45	\$5.42
Major Industrial	All Usage	\$3.33	\$3.70
Irrigation	First 300,000	\$5.04	\$6.24
	Over 300,000	\$5.04	\$6.24
Wholesale	Reduced Peak Demand	\$3.50	\$3.50
	Peak Demand	\$3.50	\$3.50

Table A-4 Monthly Water Rates After December 31, 2025 Cost per 1,000 gallons			
Class	Usage Rate (In Gallons)	Inside City	Outside City
Residential	First 2,000	\$4.04	\$5.10
	Next 13,000	\$5.34	\$6.75
	Over 15,000	\$7.57	\$9.57
Non-Residential	First 300,000	\$4.72	\$5.75
	Over 300,000	\$4.72	\$5.75
Major Industrial	All Usage	\$3.53	\$3.92
Irrigation	First 300,000	\$5.34	\$6.61
	Over 300,000	\$5.34	\$6.61
Wholesale	Reduced Peak Demand	\$3.71	\$3.71
	Peak Demand	\$3.71	\$3.71

Table A-5 Monthly Water Rates After December 31, 2026 Cost per 1,000 gallons			
Class	Usage Rate (In Gallons)	Inside City	Outside City

Residential	First 2,000	\$4.28	\$5.41
	Next 13,000	\$5.66	\$7.16
	Over 15,000	\$8.02	\$10.14
Non-Residential	First 300,000	\$5.00	\$6.10
	Over 300,000	\$5.00	\$6.10
Major Industrial	All Usage	\$3.74	\$4.16
Irrigation	First 300,000	\$5.66	\$7.01
	Over 300,000	\$5.66	\$7.01
Wholesale	Reduced Peak Demand	\$3.93	\$3.93
	Peak Demand	\$3.93	\$3.93

- (2) Beginning January 1, 2028, all monthly water rates shall be increased by 3% per year.
 - (3) All bills under such schedules shall be computed by adding the applicable meter service charge prescribed by subsection (B) to the amount determined to be due for water usage under this schedule. Applicable sales tax and franchise fees shall be added to the bill so computed.
 - (4) When a common facility/building is served by multiple water meters and the water usage is for the same purpose, customers may petition the Water & Wastewater Director and/or the Finance & Internal Services Director to have the water consumption aggregated and have the tiered rates apply to the aggregated quantity.
 - (5) Water used for flushing and sampling of newly constructed water lines, Fire Department training and equipment calibration, and other similar uses requiring a large volume and/or high velocity of water movement shall employ a fire hydrant meter of the appropriate size for the use. If a fire hydrant meter cannot be used due to high flow or volume requirements, then the volume of water used shall be measured by using a pitot gauge to determine the gallons per minute and by timing the flow of water to be able to calculate total volume. In the cases of fire department training and equipment calibration, sewer line washing, street sweeping, and other uses where the equipment employed has a built-in water meter, these built in water meters may be used. All such meters other than those on fire trucks must be evaluated by the Meter Superintendent. These water uses shall be billed at the same rates as non-residential customers.
 - (6) Monthly wholesale treated water rates outside city limits are based on Cost of Service Methodology.
- (B) *Monthly Water Service Charge.*
- (1) In addition to the above, each customer shall pay a monthly water service charge in accordance with the following schedule:

Table B-1 Monthly Water Service Charge Prior to January 1, 2024			
Meter Size	Inside City	Outside City	Wholesale
5/8"	\$6.59	\$7.54	\$7.54
¾ x ¾ inch	\$6.59	\$7.54	\$7.54

1 inch	\$9.14	\$10.52	\$10.52
1 ½ inch	\$15.93	\$18.31	\$18.31
2 inch	\$23.20	\$26.66	\$28.56
3 inch	\$54.05	\$62.18	\$64.38
4 inch	\$89.50	\$102.93	\$112.25
6 inch	\$178.99	\$205.82	\$213.02
8 inch	\$268.41	\$308.67	\$319.47

Table B-2
Monthly Water Service Charge After
December 31, 2023

Meter Size	Inside City	Outside City	Wholesale
5/8"	\$6.99	\$7.99	\$8.81
¾ x ¾ inch	\$6.99	\$7.99	\$8.81
1 inch	\$10.06	\$13.84	\$13.84
1 ½ inch	\$19.18	\$27.40	\$27.40
2 inch	\$26.27	\$37.95	\$37.95
3 inch	\$57.29	\$79.11	\$79.11
4 inch	\$94.87	\$115.76	\$118.99
6 inch	\$189.73	\$218.17	\$225.53
8 inch	\$284.51	\$327.19	\$352.88

Table B-3
Monthly Water Service Charge After
December 31, 2024

Meter Size	Inside City	Outside City	Wholesale
5/8"	\$7.41	\$8.47	\$9.34
¾ x ¾ inch	\$7.41	\$8.47	\$9.34
1 inch	\$10.66	\$14.67	\$14.67
1 ½ inch	\$20.33	\$29.04	\$29.04
2 inch	\$27.85	\$40.23	\$40.23
3 inch	\$60.73	\$83.86	\$83.86
4 inch	\$100.56	\$122.71	\$126.13
6 inch	\$201.11	\$231.26	\$239.06
8 inch	\$301.58	\$346.82	\$374.05

Table B-4
Monthly Water Service Charge After
December 31, 2025

Meter Size	Inside City	Outside City	Wholesale
5/8"	\$7.85	\$8.98	\$9.90
¾ x ¾ inch	\$7.85	\$8.98	\$9.90

1 inch	\$11.30	\$15.55	\$15.55
1 ½ inch	\$21.55	\$30.78	\$30.78
2 inch	\$29.52	\$42.64	\$42.64
3 inch	\$64.37	\$88.89	\$88.89
4 inch	\$106.59	\$130.07	\$133.70
6 inch	\$213.18	\$245.14	\$253.40
8 inch	\$319.67	\$367.63	\$396.49

Table B-5
Monthly Water Service Charge After
December 31, 2026

Meter Size	Inside City	Outside City	Wholesale
5/8"	\$8.32	\$9.52	\$10.49
¾ x ¾ inch	\$8.32	\$9.52	\$10.49
1 inch	\$11.98	\$16.48	\$16.48
1 ½ inch	\$22.84	\$32.63	\$32.63
2 inch	\$31.29	\$45.20	\$45.20
3 inch	\$68.23	\$94.22	\$94.22
4 inch	\$112.99	\$137.87	\$141.72
6 inch	\$225.97	\$259.85	\$268.60
8 inch	\$338.85	\$389.69	\$420.28

- (2) Beginning January 1, 2028, all monthly water service charges shall be increased by 3% per year.
 - (3) The monthly treated water rates and the monthly meter service charge rates prescribed by subsections (A) and (B) of this section shall commence as of the first billing statements issued after December 31, 2023.
 - (4) The State of Arkansas mandated Safe Drinking Water Act fee shall be added to the monthly water utility bill.
- (C) *Monthly Standby Fire Protection Service Charge.*
- (1) Charges for unmetered service connections for standby fire protection and fire hydrants shall be based on the incoming line size or the backflow preventer size, whichever is smaller, as set forth in the following table:

Monthly Standby Fire Protection Service Charge		
Line Size or Backflow Preventer Size	Inside City	Outside City
1 inch	\$10.34	\$12.38
2 inch	\$10.78	\$12.83
2.5 inch	\$21.55	\$24.77
3 inch	\$32.31	\$37.16
4 inch	\$64.63	\$74.32

6 inch	\$179.50	\$209.60
8 inch	\$376.99	\$433.54
10 inch	\$646.26	\$743.18

- (2) The Utilities Department shall review the monthly standby fire protection service charges every two (2) years and shall make recommendations to the City Council following such review. Fire protection lines shall not be connected to the water system downstream from a meter.

(Code 1965, §21-25; Ord. No. 1165, 4-18-58; Ord. No. 2144, 9-2-75; Ord. No. 2594, 2-5-80; Ord. No. 3197, 7-1-86; Ord. No. 3409, 2-21-89; Ord. No. 3431, 6-6-89; Ord. No. 3491, 7-17-90; Ord. No. 3513, 9-18-90; Ord. No. 3519, 11-20-90; Ord. No. 4059, §1, 10-7-97; Ord. No. 4223, 2-15-00; Code 1991, §51.136; Ord. No. 4530 12-02-02; Ord. No. 4540, 02-03-04; Ord. No. 5123, 4-1-08; Ord. No. 6169 , §1, 4-2-2019)

EXHIBIT B

51.137 Monthly Sewer Rates

(A) *Monthly Sewer Rates.*

- (1) All monthly sewer charges shall be calculated from the customer's monthly water usage. The following monthly rates are hereby fixed as rates to be charged for sewer services:

Table D-1 Monthly Sewer Rates Per 1,000 Gallons Before January 1, 2024		
Class	Usage Rate (In Gallons)	Cost per 1,000 gallons
Residential	First 2,000 gallons	\$4.35
	Greater than 2,000 gallons	\$5.80
Non-Residential	All Usage	\$4.40
Major Industrial	All Usage	\$4.71
Farmington	All Usage	\$7.52
Outside city	All Usage	\$8.18
Wholesale	85% of metered water usage	\$5.19
	Usage above 85% of metered water usage	\$2.71

Table D-2 Monthly Sewer Rates Per 1,000 Gallons After December 31, 2023		
Class	Usage Rate (In Gallons)	Cost per 1,000 gallons
Residential	First 2,000 gallons	\$3.84
	Greater than 2,000 gallons	\$5.13
Non-Residential	All Usage	\$5.36
Major Industrial	All Usage	\$5.82
Farmington	All Usage	\$7.56
Outside city	All Usage	\$7.56
Wholesale	85% of metered water usage	\$6.26
	Usage above 85% of metered water usage	\$6.26
Table D-3 Monthly Sewer Rates Per 1,000 Gallons After December 31, 2024		

Class	Usage Rate (In Gallons)	Cost per 1,000 gallons
Residential	First 2,000 gallons	\$3.96
	Greater than 2,000 gallons	\$5.28
Non-Residential	All Usage	\$5.52
Major Industrial	All Usage	\$5.99
Farmington	All Usage	\$7.79
Outside city	All Usage	\$7.79
Wholesale	85% of metered water usage	\$6.45
	Usage above 85% of metered water usage	\$6.45

Table D-4
Monthly Sewer Rates Per 1,000 Gallons
After December 31, 2025

Class	Usage Rate (In Gallons)	Cost per 1,000 gallons
Residential	First 2,000 gallons	\$4.08
	Greater than 2,000 gallons	\$5.44
Non-Residential	All Usage	\$5.68
Major Industrial	All Usage	\$6.17
Farmington	All Usage	\$8.02
Outside city	All Usage	\$8.02
Wholesale	85% of metered water usage	\$6.64
	Usage above 85% of metered water usage	\$6.64

Table D-5
Monthly Sewer Rates Per 1,000 Gallons
After December 31, 2026

Class	Usage Rate (In Gallons)	Cost per 1,000 gallons
Residential	First 2,000 gallons	\$4.20
	Greater than 2,000 gallons	\$5.61
Non-Residential	All Usage	\$5.85
Major Industrial	All Usage	\$6.36
Farmington	All Usage	\$8.26
Outside city	All Usage	\$8.26
Wholesale	85% of metered water usage	\$6.84
	Usage above 85% of metered water usage	\$6.84

- (2) Beginning January 1, 2028, all monthly sewer quantity charge- usage rates per 1,000 gallons shall be increased by 3% per year.
- (3) Sewer related fees levied by the Cities of Farmington or Greenland shall be added to the wastewater utility bill at the request of Farmington or Greenland. These fees may be calculated on a per-thousand volumetric usage or a per month basis.

(B) *Monthly Sewer Service Charge.*

- (1) In addition to the above, each customer shall pay a monthly sewer service charge in accordance with the following schedule:

Table E-1 Monthly Sewer Service Charge Prior to January 1, 2024			
Meter Size	Inside City	Outside City†	Farmington†
5/8"	\$18.28	\$18.28	\$16.74
¾ x ¾ inch	\$18.28	\$18.28	\$16.74
1 inch	\$23.74	\$33.92	\$31.28
1½ inch	\$38.77	\$60.37	\$55.50
2 inch	\$55.43	\$79.73	\$73.45
3 inch	\$128.73	\$184.24	\$169.29
4 inch	\$212.13	\$303.44	\$278.93
6 inch	\$420.39	\$601.46	\$553.70
8 inch	\$628.73	\$899.76	\$826.81

Table E-2 Monthly Sewer Service Charge After December 31, 2023			
Meter Size	Inside City	Outside City†	Farmington†
5/8"	\$18.83	\$15.71	\$15.71
¾ x ¾ inch	\$18.83	\$16.01	\$16.01
1 inch	\$24.45	\$31.32	\$31.32
1½ inch	\$44.81	\$63.14	\$63.14
2 inch	\$61.64	\$87.88	\$87.88
3 inch	\$132.59	\$184.50	\$184.50
4 inch	\$218.49	\$270.52	\$270.52
6 inch	\$433.00	\$501.48	\$501.48
8 inch	\$647.59	\$558.03	\$558.03

Table E-3 Monthly Sewer Service Charge After December 31, 2024			
Meter Size	Inside City	Outside City†	Farmington†
5/8"	\$19.39	\$16.18	\$16.18
¾ x ¾ inch	\$19.39	\$16.49	\$16.49
1 inch	\$25.19	\$32.26	\$32.26
1½ inch	\$46.15	\$65.03	\$65.03
2 inch	\$63.48	\$90.52	\$90.52

3 inch	\$136.57	\$190.04	\$190.04
4 inch	\$225.05	\$278.63	\$278.63
6 inch	\$445.99	\$516.52	\$516.52
8 inch	\$667.02	\$574.77	\$574.77

**Table E-4 Monthly Sewer Service Charge
After December 31, 2025**

Meter Size	Inside City	Outside City†	Farmington†
5/8"	\$19.98	\$16.66	\$16.66
¾ x ¾ inch	\$19.98	\$16.98	\$16.98
1 inch	\$25.94	\$33.23	\$33.23
1½ inch	\$47.53	\$66.98	\$66.98
2 inch	\$65.39	\$93.23	\$93.23
3 inch	\$140.67	\$195.74	\$195.74
4 inch	\$231.80	\$286.99	\$286.99
6 inch	\$459.37	\$532.02	\$532.02
8 inch	\$667.02	\$592.02	\$592.02

**Table E-5 Monthly Sewer Service Charge
After December 31, 2026**

Meter Size	Inside City	Outside City†	Farmington†
5/8"	\$20.57	\$17.16	\$17.16
¾ x ¾ inch	\$20.57	\$17.49	\$17.49
1 inch	\$26.72	\$34.23	\$34.23
1½ inch	\$48.96	\$68.99	\$68.99
2 inch	\$67.35	\$96.03	\$96.03
3 inch	\$144.89	\$201.61	\$201.61
4 inch	\$238.75	\$295.60	\$295.60
6 inch	\$473.15	\$548.00	\$548.00
8 inch	\$707.64	\$609.78	\$609.78

†Cost of Service Methodology required by contract.

- (2) Beginning January 1, 2028, all monthly sewer service charges shall be increased by 3% per year.
- (C) *Determination of Sewer Quantity Charge for Residential Customers.*
- (1) In the case of residential customers residing in a single family home, duplex, triplex, and/or fourplex, the average monthly water consumption for the preceding months of December, January, and February shall be computed separately for each customer, and a uniform monthly charge for each customer shall be determined by applying the schedule of rates set out in subsection (A) of this section to such average monthly water consumption. In the case of a residential user for whom a uniform monthly charge has been established and who moves to a new location the same uniform monthly charge shall apply at the new location. In the case of new residential customers, sewer averages shall be established based on the number of individuals residing within the dwelling unit, at a rate of 2,100

gallons per customer per month. This methodology of sewer averaging shall not apply to multi-family structures containing five (5) or more units in a contiguous building.

- (2) In the case of sewer customers who do not have a water meter provided by a public water utility, the sewer usage volume billed shall be the average volume of all users in the sewer system in like dwellings from the most recent system-wide sewer average calculation.
- (D) *Determination of Charge for Non-residential and Major Industrial Customers.* In the case of non-residential and/or major industrial customers, the monthly sewer charge shall be determined by applying the schedule of rates prescribed in subsection (A) of this section to the monthly water usage of such customers. In the event that a non-residential or major industrial customer discharging waste into the city's sanitary sewer system produces evidence to the Water and Wastewater Director demonstrating that a substantial portion of the total amount of water from all sources used for all purposes does not reach the sanitary sewer which is in excess of the factors used in establishing the rates in subsection (A) of this section, an estimated percentage of total water consumption to be used in computing charges may be established by the Water and Wastewater Director. The factors used in establishing said rates are on file in the office of the Water and Wastewater Director and are incorporated herein by reference thereto. Any rate so adjusted by the Water and Wastewater Director shall be effective for a twelve (12) month period beginning with the billing for the month when rates adjudged hereby go into effect.
- (E) *Extra Strength Surcharge.*
 - (1) For all significant industrial users as defined in §51.074, whose wastewater discharge is greater than 300 mg/l of BOD₅ and/or TSS, the city shall levy an Extra Strength Surcharge for each parameter in accordance with the following unit charges:

Table F1 Extra Strength Surcharges Prior to January 31, 2024	
	Prior to 01/01/2024
Extra Strength BOD ₅	\$0.3148 per pound
Extra Strength TSS	\$0.4483 per pound

Table F2 Extra Strength Surcharges After December 31, 2023	
	After 12/31/2023
Extra Strength BOD ₅	\$0.5410 per pound
Extra Strength TSS	\$0.6674 per pound

Table F3 Extra Strength Surcharges After December 31, 2024	
	After 12/31/2024
Extra Strength BOD ₅	\$0.5572 per pound
Extra Strength TSS	\$0.6875 per pound

Table F4 Extra Strength Surcharges After December 31, 2025	
	After 12/31/2025
Extra Strength BOD ₅	\$0.5739 per pound
Extra Strength TSS	\$0.7081 per pound

Table F5 Extra Strength Surcharges After December 31, 2026	
	After 12/31/2026
Extra Strength BOD ₅	\$0.5911 per pound
Extra Strength TSS	\$0.7293 per pound

- (2) Starting after December 31, 2026, Extra Strength Surcharges shall be increased by 3% per year.
- (3) Extra Strength Surcharges shall be billed monthly and shall be computed on the basis of water meter reading (wastewater discharge volume).
- (4) All sampling and analyses of the wastewater characteristics shall be performed in accordance with U.S. Environmental Protection Agency 40 Code of Federal Regulations Part 136 approved methods.
- (5) The volume of flow used in computing surcharge shall be based upon metered water consumption as shown in the records of meter readings maintained by the city's business office. In the event that a user discharging waste into the city sanitary sewer system produces evidence to the city demonstrating that a portion of the total amount of water used for all purposes is not discharged into the sanitary sewer, a separate meter or meters or other approved flow measuring device may be installed at the user's expense, upon its request, to measure only that portion of the total flow being discharged into the city sewer system. If a surcharge is assessed by the city, it shall be shown separately on the monthly billing.
- (6) Any person discharging industrial waste into the sanitary sewers of the city who procures any part or all of the user's water supply from sources other than the city, all or part of which is discharged into the sanitary sewer, shall install and maintain at the user's expense water meters of the type approved by the city for the purpose of determining the proper volume of flow to be used in computing sewer service charges. Such meter will be read monthly and tested for accuracy when deemed necessary by the city. Where it can be shown that a portion of the water measured by the aforesaid meter or meters does not enter the sanitary sewer system of the city, a separate meter or meters or other approved flow measuring device may be installed at the user's expense, upon its request, to measure only that portion of the total flow being discharged into the city sewer system. If a surcharge is assessed by the city, it shall be shown separately on the monthly billing.
- (7) Computation of extra strength surcharges shall be based on the following formula:
 - (a) Extra strength surcharge:

S	$= V \times 8.34 \times [\text{BOD Unit Charge (BOD - 300)} + \text{SS Unit Charge (TSS - 300)}]$
-----	---

(b) Where:

S	= Surcharge in dollars
V	= Sewer volume in million gallons
8.34	= Pounds per gallon of water
BOD Unit Charge	= Unit charge for BOD in dollars per pound
BOD	= BOD strength in parts per million
300	= Allowed BOD strength in parts per million
TSS Unit Charge	= Unit charge for suspended solids in dollars per pound
TSS	= Suspended solids strength in parts per million

300	= Allowed TSS Strength in parts per million
-----	---

(F) *Elkins Sewer Charges.*

- (1) Elkins' payment for wastewater treatment shall be based on 85% of the metered water purchased. The volume of wastewater received by Fayetteville at the "Point of Connection" shall be measured by the installed wastewater meter. Volumes of wastewater below or above the agreed upon percentage (85%) of metered water, as measured by the wastewater meter, shall be recorded on a monthly basis, with a reconciliation of the net difference to occur semiannually in June and December. If the reconciliation volume is over the agreed upon percentage, this amount shall be billed to Elkins in June and December at the actual computed cost of wastewater collection to and treatment at the Noland Wastewater Treatment Plant, not including the calculated rate of return and not including depreciation charges, but including any capacity surcharge, based on the most recent rate as determined in paragraph B of this contract. If the reconciliation volume is below the agreed upon percentage, the actual amount billed for the difference shall be refunded to Elkins in June and December.
- (2) Elkins Impact Fee Charges. The City of Elkins shall pay an additional \$0.25 per 1,000 gallons of wastewater, for all wastewater volume charges including both the 85% of metered water volume and for wastewater in excess of the 85% of the metered water purchased billed volume.

(G) *Hauled Wastewater Fees.*

- (1) Application fee. An application to discharge hauled domestic waste must be accompanied by a fee of \$100.00.
- (2) Discharge fee. A fee of \$50.00 must be paid for each hauled domestic waste load discharged.

(H) *Industrial Wastewater Discharge Permit Fee.*

- (1) Application Fee. An application for an industrial wastewater discharge permit must be accompanied by a fee of \$500.00.

(Code 1965, §21-26; Ord. No. 1165, 4-18-58; Ord. No. 3197, 7-1-86; Ord. No. 3285, 8-4-87; Ord. No. 3398, 1-3-89; Ord. No. 3491, 7-17-90; Ord. No. 3637, §§1, 2, 8-18-92; Ord. No. 4059, §2, 10-7-97; Code 1991, §51.137; Ord. No. 4530, 12-02-03; Ord. No. 4803, 12-20-05; Ord. No. 4998, 4-3-07; Ord. No. 5129, 4-15-08; Ord. No. 5438, 9-20-11; Ord. No. 5739, 2-17-15)

EXHIBIT A

51.136 Monthly Water Rates

Effective as of the first billing statements issued after December 31, 2022, the following monthly rates shall be fixed as rates to be charged for water furnished by the waterworks system of the city, which rates the City Council finds and declares to be reasonable and necessary minimum rates to be charged. All non-emergency water uses shall be billed to the user, to include but not limited to water used for: use within structures; business; manufacturing; irrigation; retail by another water utility; city uses; educational purposes; medical purposes; water system routine non-emergency uses; wastewater system routine non-emergency uses; non-profit uses; fire department non-emergency uses to include training and equipment calibration; construction of new water mains; street cleaning; and wet down of construction sites and materials. Emergency water use that does not pass through a water system meter shall not be billed, including firefighting, water leaks, water leak repair, and emergency water line flushing. The volumes used for these emergency purposes should be estimated and submitted monthly to the Business Office Manager and the Water/Sewer Operations Manager.

(A) *Monthly Water Rates.*

- (1) The water usage of each customer shall be determined each month by meter measurement and the amount per 1,000 gallons to be paid for water usage by each customer shall be computed on the basis of the following schedule of rates.

Table A-1 Monthly Water Rates Prior to January 1, 2023 Cost per 1,000 gallons			
Class	Usage Rate (In Gallons)	Inside City	Outside City
Residential	First 2,000	\$3.51	\$4.04
	Next 13,000	\$4.65	\$5.35
	Over 15,000	\$6.59	\$7.54
Non-Residential	First 300,000	\$3.79	\$4.38
	Over 300,000	\$3.39	\$3.90
Major Industrial	All Usage	\$2.96	\$3.40
Irrigation	First 300,000	\$5.04	\$5.80
	Over 300,000	\$4.53	\$5.22
Wholesale	Reduced Peak Demand	\$2.87	\$2.87
	Peak Demand	\$3.20	\$3.20

Table A-2 Monthly Water Rates After December 31, 2022 Cost per 1,000 gallons			
Class	Usage Rate (In Gallons)	Inside City	Outside City
Residential	First 2,000	\$3.30	\$4.47
	Next 13,000	\$4.37	\$5.91
	Over 15,000	\$6.20	\$8.38
Non-Residential	First 300,000	\$3.93	\$5.05
	Over 300,000	\$3.93	\$5.05

Created: 2022-05-17 11:20:05 [EST]

EXHIBIT A

Major Industrial	All Usage	\$3.14	\$3.49
Irrigation	First 300,000	\$4.29	\$5.43
	Over 300,000	\$4.29	\$5.43
Wholesale	Reduced Peak Demand	\$3.16	\$3.16
	Peak Demand	\$3.16	\$3.16

Table A-3 Monthly Water Rates After December 31, 2023 Cost per 1,000 gallons			
Class	Usage Rate (In Gallons)	Inside City	Outside City
Residential	First 2,000	\$3.40	\$4.60
	Next 13,000	\$4.50	\$6.09
	Over 15,000	\$6.39	\$8.63
Non-Residential	First 300,000	\$4.05	\$5.20
	Over 300,000	\$4.05	\$5.20
Major Industrial	All Usage	\$3.23	\$3.59
Irrigation	First 300,000	\$4.42	\$5.59
	Over 300,000	\$4.42	\$5.59
Wholesale	Reduced Peak Demand	\$3.25	\$3.25
	Peak Demand	\$3.25	\$3.25

Table A-4 Monthly Water Rates After December 31, 2024 Cost per 1,000 gallons			
Class	Usage Rate (In Gallons)	Inside City	Outside City
Residential	First 2,000	\$3.50	\$4.74
	Next 13,000	\$4.64	\$6.27
	Over 15,000	\$6.58	\$8.89
Non-Residential	First 300,000	\$4.17	\$5.36
	Over 300,000	\$4.17	\$5.36
Major Industrial	All Usage	\$3.33	\$3.70
Irrigation	First 300,000	\$4.55	\$5.76
	Over 300,000	\$4.55	\$5.76
Wholesale	Reduced Peak Demand	\$3.35	\$3.35
	Peak Demand	\$3.35	\$3.35

EXHIBIT A

- (2) Beginning January 1, 2026, all monthly water rates shall be increased by 3% per year.
 - (3) All bills under such schedules shall be computed by adding the applicable meter service charge prescribed by subsection (B) to the amount determined to be due for water usage under this schedule. Applicable sales tax and franchise fees shall be added to the bill so computed.
 - (4) When a common facility/building is served by multiple water meters and the water usage is for the same purpose, customers may petition the Water & Wastewater Director and/or the Finance & Internal Services Director to have the water consumption aggregated and have the tiered rates apply to the aggregated quantity.
 - (5) Water used for flushing and sampling of newly constructed water lines, Fire Department training and equipment calibration, and other similar uses requiring a large volume and/or high velocity of water movement shall employ a fire hydrant meter of the appropriate size for the use. If a fire hydrant meter cannot be used due to high flow or volume requirements, then the volume of water used shall be measured by using a pitot gauge to determine the gallons per minute and by timing the flow of water to be able to calculate total volume. In the cases of fire department training and equipment calibration, sewer line washing, street sweeping, and other uses where the equipment employed has a built-in water meter, these built in water meters may be used. All such meters other than those on fire trucks must be evaluated by the Meter Superintendent. These water uses shall be billed at the same rates as non-residential customers.
 - (6) Monthly wholesale treated water rates outside city limits are based on Cost of Service Methodology.
- (B) *Monthly Water Service Charge.*
- (1) In addition to the above, each customer shall pay a monthly water service charge in accordance with the following schedule:

Table B-1 Monthly Water Service Charge Prior to January 1, 2023			
Meter Size	Inside City	Outside City	Wholesale
¾ x ¾ inch	\$6.59	\$7.54	\$7.54
1 inch	\$9.14	\$10.52	\$10.52
1 ½ inch	\$15.93	\$18.31	\$18.31
2 inch	\$23.20	\$26.66	\$28.56
3 inch	\$54.05	\$62.18	\$64.38
4 inch	\$89.50	\$102.93	\$112.25
6 inch	\$178.99	\$205.82	\$213.02
8 inch	\$268.41	\$308.67	\$319.47

Table B-2 Monthly Water Service Charge After December 31, 2022			
Meter Size	Inside City	Outside City	Wholesale
¾ x ¾ inch	\$6.59	\$7.54	\$7.54
1 inch	\$9.14	\$12.26	\$12.26

Created: 2022-05-17 11:20:05 [EST]

EXHIBIT A

1 ½ inch	\$15.93	\$24.22	\$24.22
2 inch	\$23.20	\$33.52	\$33.52
3 inch	\$54.05	\$69.84	\$69.84
4 inch	\$89.50	\$102.93	\$102.93
6 inch	\$178.99	\$205.82	\$205.82
8 inch	\$268.41	\$308.67	\$308.67

Table B-3
Monthly Water Service Charge After
December 31, 2023

Meter Size	Inside City	Outside City	Wholesale
¾ x ¾ inch	\$6.79	\$7.77	\$7.77
1 inch	\$9.41	\$12.63	\$12.63
1 ½ inch	\$16.41	\$24.95	\$24.95
2 inch	\$23.90	\$34.53	\$34.53
3 inch	\$55.67	\$71.94	\$71.94
4 inch	\$92.19	\$106.02	\$106.02
6 inch	\$184.36	\$211.99	\$211.99
8 inch	\$276.46	\$317.93	\$317.93

Table B-4
Monthly Water Service Charge After
December 31, 2024

Meter Size	Inside City	Outside City	Wholesale
¾ x ¾ inch	\$6.99	\$8.00	\$8.00
1 inch	\$9.70	\$13.01	\$13.01
1 ½ inch	\$16.90	\$25.69	\$25.69
2 inch	\$24.61	\$35.56	\$35.56
3 inch	\$57.34	\$74.09	\$74.09
4 inch	\$94.95	\$109.20	\$109.20
6 inch	\$189.89	\$218.35	\$218.35
8 inch	\$284.76	\$327.47	\$327.47

- (2) Beginning January 1, 2026, all monthly water service charges shall be increased by 3% per year.
- (3) The monthly treated water rates and the monthly meter service charge rates prescribed by subsections (A) and (B) of this section shall commence as of the first billing statements issued after December 31, 2022.

EXHIBIT A

- (4) The State of Arkansas mandated Safe Drinking Water Act fee shall be added to the monthly water utility bill.

(C) *Monthly Standby Fire Protection Service Charge.*

- (1) Charges for unmetered service connections for standby fire protection and fire hydrants shall be based on the incoming line size or the backflow preventer size, whichever is smaller, as set forth in the following table:

Monthly Standby Fire Protection Service Charge		
Line Size or Backflow Preventer Size	Inside City	Outside City
1 inch	\$9.75	\$11.68
2 inch	10.17	12.10
2.5 inch	20.33	23.37
3 inch	30.48	35.06
4 inch	60.97	70.11
6 inch	169.34	194.74
8 inch	355.65	409.00
10 inch	609.68	701.11

- (2) The Utilities Department shall review the monthly standby fire protection service charges every two (2) years and shall make recommendations to the City Council following such review. Fire protection lines shall not be connected to the water system downstream from a meter.

(Code 1965, §21-25; Ord. No. 1165, 4-18-58; Ord. No. 2144, 9-2-75; Ord. No. 2594, 2-5-80; Ord. No. 3197, 7-1-86; Ord. No. 3409, 2-21-89; Ord. No. 3431, 6-6-89; Ord. No. 3491, 7-17-90; Ord. No. 3513, 9-18-90; Ord. No. 3519, 11-20-90; Ord. No. 4059, §1, 10-7-97; Ord. No. 4223, 2-15-00; Code 1991, §51.136; Ord. No. 4530 12-02-02; Ord. No. 4540, 02-03-04; Ord. No. 5123, 4-1-08; Ord. No. 6169, §1, 4-2-2019)

EXHIBIT B

51.137 Monthly Sewer Rates

(A) *Monthly Sewer Rates.*

- (1) All monthly sewer charges shall be calculated from the customer's monthly water usage. The following monthly rates are hereby fixed as rates to be charged for sewer services:

Table D-1 Monthly Sewer Rates Per 1,000 Gallons Before January 1, 2023		
Class	Usage Rate (In Gallons)	Cost per 1,000 gallons
Residential	First 2,000 gallons	\$4.35
	Greater than 2,000 gallons	\$5.80
Non-Residential	All Usage	\$4.40
Major Industrial	All Usage	\$4.71
Farmington	All Usage	\$7.52
Outside city	All Usage	\$8.18
Elkins	85% of metered water usage	\$5.19
	Usage above 85% of metered water usage	\$2.71

Table D-2 Monthly Sewer Rates Per 1,000 Gallons After December 31, 2022		
Class	Usage Rate (In Gallons)	Cost per 1,000 gallons
Residential	First 2,000 gallons	\$3.39
	Greater than 2,000 gallons	\$4.52
Non-Residential	All Usage	\$5.10
Major Industrial	All Usage	\$5.71
Farmington	All Usage	\$8.27
Outside city	All Usage	\$8.55
Elkins	85% of metered water usage	\$7.20
	Usage above 85% of metered water usage	\$7.20

EXHIBIT B

Table D-3 Monthly Sewer Rates Per 1,000 Gallons After December 31, 2023		
Class	Usage Rate (In Gallons)	Cost per 1,000 gallons
Residential	First 2,000 gallons	\$3.49
	Greater than 2,000 gallons	\$4.66
Non-Residential	All Usage	\$5.25
Major Industrial	All Usage	\$5.88
Farmington	All Usage	\$8.52
Outside city	All Usage	\$8.81
Elkins	85% of metered water usage	\$7.42
	Usage above 85% of metered water usage	\$7.42

Table D-4 Monthly Sewer Rates Per 1,000 Gallons After December 31, 2024		
Class	Usage Rate (In Gallons)	Cost per 1,000 gallons
Residential	First 2,000 gallons	\$3.60
	Greater than 2,000 gallons	\$4.80
Non-Residential	All Usage	\$5.41
Major Industrial	All Usage	\$6.06
Farmington	All Usage	\$8.77
Outside city	All Usage	\$9.07
Elkins	85% of metered water usage	\$7.64
	Usage above 85% of metered water usage	\$7.64

- (2) Beginning January 1, 2026, all monthly sewer quantity charge- usage rates per 1,000 gallons shall be increased by 3% per year.
- (3) Sewer related fees levied by the Cities of Farmington or Greenland shall be added to the wastewater utility bill at the request of Farmington or Greenland. These fees may be calculated on a per-thousand volumetric usage or a per month basis.

(B) *Monthly Sewer Service Charge.*

EXHIBIT B

- (1) In addition to the above, each customer shall pay a monthly sewer service charge in accordance with the following schedule:

Table E-1 Monthly Sewer Service Charge Prior to January 1, 2023			
Meter Size	Inside City	Outside City†	Farmington†
¾ x ¾ inch	\$18.28	\$18.28	\$16.74
1 inch	\$23.74	\$33.92	\$31.28
1½ inch	\$38.77	\$60.37	\$55.50
2 inch	\$55.43	\$79.73	\$73.45
3 inch	\$128.73	\$184.24	\$169.29
4 inch	\$212.13	\$303.44	\$278.93
6 inch	\$420.39	\$601.46	\$553.70
8 inch	\$628.73	\$899.76	\$826.81

Table E-2 Monthly Sewer Service Charge After December 31, 2022			
Meter Size	Inside City	Outside City†	Farmington†
¾ x ¾ inch	\$18.28	\$18.28	\$25.10
1 inch	\$23.74	\$33.92	\$52.62
1½ inch	\$38.77	\$66.73	\$109.78
2 inch	\$55.43	\$93.11	\$154.24
3 inch	\$128.73	\$196.10	\$327.83
4 inch	\$212.13	\$303.44	\$482.37
6 inch	\$420.39	\$601.46	\$897.30
8 inch	\$628.73	\$899.76	\$998.92

Table E-3 Monthly Sewer Service Charge After December 31, 2023			
Meter Size	Inside City	Outside City†	Farmington†
¾ x ¾ inch	\$18.83	\$18.83	\$25.85
1 inch	\$24.45	\$34.94	\$54.20
1½ inch	\$39.93	\$68.73	\$113.07
2 inch	\$57.09	\$95.90	\$158.87
3 inch	\$132.59	\$201.98	\$337.66
4 inch	\$218.49	\$312.54	\$496.84
6 inch	\$433.00	\$619.50	\$924.22
8 inch	\$647.59	\$926.75	\$1,028.89

EXHIBIT B

Table E-4 Monthly Sewer Service Charge After December 31, 2024			
Meter Size	Inside City	Outside City†	Farmington†
¾ x ¾ inch	\$19.39	\$19.39	\$26.63
1 inch	\$25.19	\$35.99	\$55.82
1½ inch	\$41.13	\$70.79	\$116.47
2 inch	\$58.81	\$98.78	\$163.63
3 inch	\$136.57	\$208.04	\$347.79
4 inch	\$225.05	\$321.92	\$511.75
6 inch	\$445.99	\$638.09	\$951.95
8 inch	\$667.02	\$954.56	\$1,059.75

†Cost of Service Methodology required by contract.

- (2) Beginning January 1, 2026, all monthly sewer service charges shall be increased by 3% per year.
- (C) *Determination of Sewer Quantity Charge for Residential Customers.*
- (1) In the case of residential customers residing in a single family home, duplex, triplex, and/or fourplex, the average monthly water consumption for the preceding months of December, January, and February shall be computed separately for each customer, and a uniform monthly charge for each customer shall be determined by applying the schedule of rates set out in subsection (A) of this section to such average monthly water consumption. In the case of a residential user for whom a uniform monthly charge has been established and who moves to a new location the same uniform monthly charge shall apply at the new location. In the case of new residential customers, sewer averages shall be established based on the number of individuals residing within the dwelling unit, at a rate of 2,100 gallons per customer per month. This methodology of sewer averaging shall not apply to multi-family structures containing five (5) or more units in a contiguous building.
- (2) In the case of sewer customers who do not have a water meter provided by a public water utility, the sewer usage volume billed shall be the average volume of all users in the sewer system in like dwellings from the most recent system-wide sewer average calculation.
- (D) *Determination of Charge for Non-residential and Major Industrial Customers.* In the case of non-residential and/or major industrial customers, the monthly sewer charge shall be determined by applying the schedule of rates prescribed in subsection (A) of this section to the monthly water usage of such customers. In the event that a non-residential or major industrial customer discharging waste into the city's sanitary sewer system produces evidence to the Water and Wastewater Director demonstrating that a substantial portion of the total amount of water from all sources used for all purposes does not reach the sanitary sewer which is in excess of the factors used in establishing the rates in subsection (A) of this section, an estimated percentage of total water consumption to be used in computing charges may be established by the Water and Wastewater Director. The factors used in establishing said rates are on file in the office of the Water and Wastewater Director and are incorporated herein by reference thereto. Any rate so adjusted by the Water and Wastewater Director shall be effective for a twelve (12) month period beginning with the billing for the month when rates adjudged hereby go into effect.
- (E) *Extra Strength Surcharge.*

Created: 2022-05-17 11:20:05 [EST]

EXHIBIT B

- (1) For all significant industrial users as defined in §51.074, whose wastewater discharge is greater than 300 mg/l of BOD₅ and/or TSS, the city shall levy an Extra Strength Surcharge for each parameter in accordance with the following unit charges:

Table F3 Extra Strength Surcharges	
	After 12/31/2022
Extra Strength BOD ₅	\$0.5426 per pound
Extra Strength TSS	\$0.6921 per pound

- (2) Starting after December 31, 2023, Extra Strength Surcharges shall be increased by 3% per year.
- (3) Extra Strength Surcharges shall be billed monthly and shall be computed on the basis of water meter reading (wastewater discharge volume).
- (4) All sampling and analyses of the wastewater characteristics shall be performed in accordance with U.S. Environmental Protection Agency 40 Code of Federal Regulations Part 136 approved methods.
- (5) The volume of flow used in computing surcharge shall be based upon metered water consumption as shown in the records of meter readings maintained by the city's business office. In the event that a user discharging waste into the city sanitary sewer system produces evidence to the city demonstrating that a portion of the total amount of water used for all purposes is not discharged into the sanitary sewer, a separate meter or meters or other approved flow measuring device may be installed at the user's expense, upon its request, to measure only that portion of the total flow being discharged into the city sewer system. If a surcharge is assessed by the city, it shall be shown separately on the monthly billing.
- (6) Any person discharging industrial waste into the sanitary sewers of the city who procures any part or all of the user's water supply from sources other than the city, all or part of which is discharged into the sanitary sewer, shall install and maintain at the user's expense water meters of the type approved by the city for the purpose of determining the proper volume of flow to be used in computing sewer service charges. Such meter will be read monthly and tested for accuracy when deemed necessary by the city. Where it can be shown that a portion of the water measured by the aforesaid meter or meters does not enter the sanitary sewer system of the city, a separate meter or meters or other approved flow measuring device may be installed at the user's expense, upon its request, to measure only that portion of the total flow being discharged into the city sewer system. If a surcharge is assessed by the city, it shall be shown separately on the monthly billing.
- (7) Computation of extra strength surcharges shall be based on the following formula:

- (a) Extra strength surcharge:

S	= $V \times 8.34 \times [\text{BOD Unit Charge (BOD - 300)} + \text{SS Unit Charge (TSS - 300)}]$
---	---

- (b) Where:

S	= Surcharge in dollars
V	= Sewer volume in million gallons
8.34	= Pounds per gallon of water
BOD Unit Charge	= Unit charge for BOD in dollars per pound

Created: 2022-05-17 11:20:05 [EST]

EXHIBIT B

BOD	= BOD strength in parts per million
300	= Allowed BOD strength in parts per million
TSS Unit Charge	= Unit charge for suspended solids in dollars per pound
TSS	= Suspended solids strength in parts per million
300	= Allowed TSS Strength in parts per million

(F) *Elkins Sewer Charges.*

- (1) Elkins' payment for wastewater treatment shall be based on 85% of the metered water purchased. The volume of wastewater received by Fayetteville at the "Point of Connection" shall be measured by the installed wastewater meter. Volumes of wastewater below or above the agreed upon percentage (85%) of metered water, as measured by the wastewater meter, shall be recorded on a monthly basis, with a reconciliation of the net difference to occur semiannually in June and December. If the reconciliation volume is over the agreed upon percentage, this amount shall be billed to Elkins in June and December at the actual computed cost of wastewater collection to and treatment at the Noland Wastewater Treatment Plant, not including the calculated rate of return and not including depreciation charges, but including any capacity surcharge, based on the most recent rate as determined in paragraph B of this contract. If the reconciliation volume is below the agreed upon percentage, the actual amount billed for the difference shall be refunded to Elkins in June and December
- (2) Elkins Impact Fee Charges. The City of Elkins shall pay an additional \$0.25 per 1,000 gallons of wastewater, for all wastewater volume charges including both the 85% of metered water volume and for wastewater in excess of the 85% of the metered water purchased billed volume.

(G) *Hauled Wastewater Fees.*

- (1) Application fee. An application to discharge hauled domestic waste must be accompanied by a fee of \$100.00.
- (2) Discharge fee. A fee of \$50.00 must be paid for each hauled domestic waste load discharged.

(H) *Industrial Wastewater Discharge Permit Fee.*

- (1) Application Fee. An application for an industrial wastewater discharge permit must be accompanied by a fee of \$500.00.

(Code 1965, §21-26; Ord. No. 1165, 4-18-58; Ord. No. 3197, 7-1-86; Ord. No. 3285, 8-4-87; Ord. No. 3398, 1-3-89; Ord. No. 3491, 7-17-90; Ord. No. 3637, §§1, 2, 8-18-92; Ord. No. 4059, §2, 10-7-97; Code 1991, §51.137; Ord. No. 4530, 12-02-03; Ord. No. 4803, 12-20-05; Ord. No. 4998, 4-3-07; Ord. No. 5129, 4-15-08; Ord. No. 5438, 9-20-11; Ord. No. 5739, 2-17-15)



A WEHCO MEDIA COMPANY

Account #: NWC5182985

Company: CITY OF FAYETTEVILLE-PIA LEGAL

Ad number #: 310604

PO #:

Matter of: PH Proposed Water & Sewer Rate Change

AFFIDAVIT • STATE OF ARKANSAS • COUNTY OF WASHINGTON

I, Carla Gardner, do solemnly swear that I am the Finance Director of the **Northwest Arkansas Democrat Gazette**, a daily newspaper printed and published in said county, State of Arkansas; that I was so related to this publication at and during the publication of the annexed legal advertisement in the matter of :

PH Proposed Water & Sewer Rate Change

Pending in the court, in said County, and at the dates of the several publications of said advertisement stated below, and that during said periods and at said dates, said newspaper was printed and had a bona fide circulation in said County, that said newspaper had been regularly printed and published in said county, and had a bona fide circulation therein for the period of one month before the date of the first publication of said advertisement; and that said advertisement was published in the regular daily issues of said newspaper as stated below.

And that there is due or has been paid the **Northwest Arkansas Democrat Gazette** for publication the sum of \$1,365.00. (Includes \$0.00 Affidavit Charge).

NWA Democrat Gazette 08/03/23

Finance Director

NOTARY PUBLIC



City of Fayetteville Staff Review Form

2022-0517

Legistar File ID

6/21/2022

City Council Meeting Date - Agenda Item Only
N/A for Non-Agenda Item

Paul Becker

6/2/2022

WATER SEWER (720)

Submitted By

Submitted Date

Division / Department

Action Recommendation:

Approval of the Water and Sewer Rate changes, rescinding and replacing sections 51.136 and 51.137 of the City Code of Ordinances and holding a Public Hearing based on a Rate Study conducted by Black and Veatch recommended by the Fayetteville Water and Sewer Committee.

Budget Impact:

N/A		Water/Sewer	
Account Number		Fund	
N/A		N/A	
Project Number		Project Title	
Budgeted Item?	No	Current Budget	\$ -
		Funds Obligated	\$ -
		Current Balance	\$ -
Does item have a cost?	No	Item Cost	\$ -
Budget Adjustment Attached?	No	Budget Adjustment	\$ -
		Remaining Budget	\$ -

V20210527

Purchase Order Number: _____

Previous Ordinance or Resolution # _____

Change Order Number: _____

Approval Date: _____

Original Contract Number: _____

Comments:



MEETING OF AUGUST 15, 2023

TO: Mayor and City Council

FROM: Paul Becker, Chief Financial Officer

DATE: August 7, 2022

SUBJECT: Approval of the Water and Sewer Rate changes, rescinding and replacing sections 51.136 and 51.137 of the City Code of Ordinances.

RECOMMENDATION:

Administration recommends approval of an ordinance changing the water and sewer rates based on a Cost of Service Study conducted by Black and Veatch as presented to the Water and Sewer Committee in open meetings. These recommended rates are reflected in the attached replacement for sections 51.136 and 51.137 of the Fayetteville code of Ordinances.

BACKGROUND:

Black and Veatch was selected pursuant to RFQ 20-01 by the City Council on August 18, 2020 with the approval of Resolution 212-20. The current water and sewer rates were adopted by the City of Fayetteville in 2008 based on a Cost of Service Study reformed by HDR Engineering. As a part of that study an annual 3% inflationary increase for each rate classification was authorized. This was sufficient to fund operations and capital need until now without a full rate study. Rate studies were delayed during the period between for 2008 to 2020 primarily because the City was working on the permitting process for our two plants and the possibility of significant discharge effluent reductions were being considered which would have required very expensive capital expenditures at both plants which would have required dramatic rate increases. Those issues have been resolved at this time and new permits have been issued, however, extensive new capital needs are required at this point in time and operating cost have increased above the revenue increases generated by an annual 3% proportional adjustment.

DISCUSSION:

State code dictates a schedule of events for any change in water and sewer rates. These require that the rate change ordinance be read, a public hearing be scheduled and announced, the ordinance be published, and the public hearing take place at least ten days after the initial reading and publication of the ordinance. The rate ordinance can then be approved any time after the public hearing ..

The rate study prepared by Black and Veatch reflects some of the following guidelines:

1. The City has adopted a cost of service rate schedule based on customer class.
2. The City is using a volumetric block system within customer class to encourage conservation
3. New rates reflecting the true cost of service by customer class as determined by the rate study will be implemented as soon as this ordinance takes effect.
4. These rates will begin taking effect January 1 ,2024 and continue pursuant to the approved ordinance through 2027 unless amended prior to the end of 2027.

BUDGET/STAFF IMPACT:

Adoption of these new rates will provide necessary revenues to address current operating costs and capital needs

.

Attachments:

Staff Review form, Staff Memo, Black and Veatch Rate Study

51.136 Monthly Water Rates

Effective as of the first billing statements issued after December 31, 2023, the following monthly rates shall be fixed as rates to be charged for water furnished by the waterworks system of the city, which rates the City Council finds and declares to be reasonable and necessary minimum rates to be charged. All non-emergency water uses shall be billed to the user, to include but not limited to water used for: use within structures; business; manufacturing; irrigation; retail by another water utility; city uses; educational purposes; medical purposes; water system routine non-emergency uses; wastewater system routine non-emergency uses; non-profit uses; fire department non-emergency uses to include training and equipment calibration; construction of new water mains; street cleaning; and wet down of construction sites and materials. Emergency water use that does not pass through a water system meter shall not be billed, including firefighting, water leaks, water leak repair, and emergency water line flushing. The volumes used for these emergency purposes should be estimated and submitted monthly to the Business Office Manager and the Water/Sewer Operations Manager.

(A) *Monthly Water Rates.*

- (1) The water usage of each customer shall be determined each month by meter measurement and the amount per 1,000 gallons to be paid for water usage by each customer shall be computed on the basis of the following schedule of rates.

Table A-1 Monthly Water Rates Prior to January 1, 2024 Cost per 1,000 gallons			
Class	Usage Rate (In Gallons)	Inside City	Outside City
Residential	First 2,000	\$3.51	\$4.04
	Next 13,000	\$4.65	\$5.35
	Over 15,000	\$6.59	\$7.54
Non-Residential	First 300,000	\$3.79	\$4.38
	Over 300,000	\$3.39	\$3.90
Major Industrial	All Usage	\$2.96	\$3.40
Irrigation	First 300,000	\$5.04	\$5.80
	Over 300,000	\$4.53	\$5.22
Wholesale	Reduced Peak Demand	\$2.87	\$2.87
	Peak Demand	\$3.20	\$3.20

Table A-2 Monthly Water Rates After December 31, 2023 Cost per 1,000 gallons			
Class	Usage Rate (In Gallons)	Inside City	Outside City
Residential	First 2,000	\$3.59	\$4.54
	Next 13,000	\$4.75	\$6.01
	Over 15,000	\$6.74	\$8.52
Non-Residential	First 300,000	\$4.20	\$5.11
	Over 300,000	\$4.20	\$5.11

Major Industrial	All Usage	\$3.14	\$3.49
Irrigation	First 300,000	\$4.75	\$5.89
	Over 300,000	\$4.75	\$5.89
Wholesale	Reduced Peak Demand	\$3.30	\$3.30
	Peak Demand	\$3.30	\$3.30

Table A-3 Monthly Water Rates After December 31, 2024 Cost per 1,000 gallons			
Class	Usage Rate (In Gallons)	Inside City	Outside City
Residential	First 2,000	\$3.81	\$4.81
	Next 13,000	\$5.04	\$6.37
	Over 15,000	\$7.14	\$9.03
Non-Residential	First 300,000	\$4.45	\$5.42
	Over 300,000	\$4.45	\$5.42
Major Industrial	All Usage	\$3.33	\$3.70
Irrigation	First 300,000	\$5.04	\$6.24
	Over 300,000	\$5.04	\$6.24
Wholesale	Reduced Peak Demand	\$3.50	\$3.50
	Peak Demand	\$3.50	\$3.50

Table A-4 Monthly Water Rates After December 31, 2025 Cost per 1,000 gallons			
Class	Usage Rate (In Gallons)	Inside City	Outside City
Residential	First 2,000	\$4.04	\$5.10
	Next 13,000	\$5.34	\$6.75
	Over 15,000	\$7.57	\$9.57
Non-Residential	First 300,000	\$4.72	\$5.75
	Over 300,000	\$4.72	\$5.75
Major Industrial	All Usage	\$3.53	\$3.92
Irrigation	First 300,000	\$5.34	\$6.61
	Over 300,000	\$5.34	\$6.61
Wholesale	Reduced Peak Demand	\$3.71	\$3.71
	Peak Demand	\$3.71	\$3.71

Table A-5 Monthly Water Rates After December 31, 2026 Cost per 1,000 gallons			
Class	Usage Rate (In Gallons)	Inside City	Outside City
Residential	First 2,000	\$4.28	\$5.41
	Next 13,000	\$5.66	\$7.16
	Over 15,000	\$8.02	\$10.14
Non-Residential	First 300,000	\$5.00	\$6.10
	Over 300,000	\$5.00	\$6.10
Major Industrial	All Usage	\$3.74	\$4.16
Irrigation	First 300,000	\$5.66	\$7.01
	Over 300,000	\$5.66	\$7.01
Wholesale	Reduced Peak Demand	\$3.93	\$3.93
	Peak Demand	\$3.93	\$3.93

- (2) Beginning January 1, 2028, all monthly water rates shall be increased by 3% per year.
 - (3) All bills under such schedules shall be computed by adding the applicable meter service charge prescribed by subsection (B) to the amount determined to be due for water usage under this schedule. Applicable sales tax and franchise fees shall be added to the bill so computed.
 - (4) When a common facility/building is served by multiple water meters and the water usage is for the same purpose, customers may petition the Water & Wastewater Director and/or the Finance & Internal Services Director to have the water consumption aggregated and have the tiered rates apply to the aggregated quantity.
 - (5) Water used for flushing and sampling of newly constructed water lines, Fire Department training and equipment calibration, and other similar uses requiring a large volume and/or high velocity of water movement shall employ a fire hydrant meter of the appropriate size for the use. If a fire hydrant meter cannot be used due to high flow or volume requirements, then the volume of water used shall be measured by using a pitot gauge to determine the gallons per minute and by timing the flow of water to be able to calculate total volume. In the cases of fire department training and equipment calibration, sewer line washing, street sweeping, and other uses where the equipment employed has a built-in water meter, these built in water meters may be used. All such meters other than those on fire trucks must be evaluated by the Meter Superintendent. These water uses shall be billed at the same rates as non-residential customers.
 - (6) Monthly wholesale treated water rates outside city limits are based on Cost of Service Methodology.
- (B) *Monthly Water Service Charge.*
- (1) In addition to the above, each customer shall pay a monthly water service charge in accordance with the following schedule:

Table B-1 Monthly Water Service Charge Prior to January 1, 2024			
Meter Size	Inside City	Outside City	Wholesale
5/8"	\$6.59	\$7.54	\$7.54
¾ x ¾ inch	\$6.59	\$7.54	\$7.54
1 inch	\$9.14	\$10.52	\$10.52
1 ½ inch	\$15.93	\$18.31	\$18.31
2 inch	\$23.20	\$26.66	\$28.56
3 inch	\$54.05	\$62.18	\$64.38
4 inch	\$89.50	\$102.93	\$112.25
6 inch	\$178.99	\$205.82	\$213.02
8 inch	\$268.41	\$308.67	\$319.47

Table B-2 Monthly Water Service Charge After December 31, 2023			
Meter Size	Inside City	Outside City	Wholesale
5/8"	\$6.99	\$7.99	\$8.81
¾ x ¾ inch	\$6.99	\$7.99	\$8.81
1 inch	\$10.06	\$13.84	\$13.84
1 ½ inch	\$19.18	\$27.40	\$27.40
2 inch	\$26.27	\$37.95	\$37.95
3 inch	\$57.29	\$79.11	\$79.11
4 inch	\$94.87	\$115.76	\$118.99
6 inch	\$189.73	\$218.17	\$225.53
8 inch	\$284.51	\$327.19	\$352.88

Table B-3 Monthly Water Service Charge After December 31, 2024			
Meter Size	Inside City	Outside City	Wholesale
5/8"	\$7.41	\$8.47	\$9.34
¾ x ¾ inch	\$7.41	\$8.47	\$9.34
1 inch	\$10.66	\$14.67	\$14.67
1 ½ inch	\$20.33	\$29.04	\$29.04
2 inch	\$27.85	\$40.23	\$40.23
3 inch	\$60.73	\$83.86	\$83.86
4 inch	\$100.56	\$122.71	\$126.13
6 inch	\$201.11	\$231.26	\$239.06
8 inch	\$301.58	\$346.82	\$374.05

Table B-4 Monthly Water Service Charge After December 31, 2025			
Meter Size	Inside City	Outside City	Wholesale
5/8"	\$7.85	\$8.98	\$9.90
5/8 x 3/4 inch	\$7.85	\$8.98	\$9.90
1 inch	\$11.30	\$15.55	\$15.55
1 1/2 inch	\$21.55	\$30.78	\$30.78
2 inch	\$29.52	\$42.64	\$42.64
3 inch	\$64.37	\$88.89	\$88.89
4 inch	\$106.59	\$130.07	\$133.70
6 inch	\$213.18	\$245.14	\$253.40
8 inch	\$319.67	\$367.63	\$396.49

Table B-5 Monthly Water Service Charge After December 31, 2026			
Meter Size	Inside City	Outside City	Wholesale
5/8"	\$8.32	\$9.52	\$10.49
5/8 x 3/4 inch	\$8.32	\$9.52	\$10.49
1 inch	\$11.98	\$16.48	\$16.48
1 1/2 inch	\$22.84	\$32.63	\$32.63
2 inch	\$31.29	\$45.20	\$45.20
3 inch	\$68.23	\$94.22	\$94.22
4 inch	\$112.99	\$137.87	\$141.72
6 inch	\$225.97	\$259.85	\$268.60
8 inch	\$338.85	\$389.69	\$420.28

- (2) Beginning January 1, 2028, all monthly water service charges shall be increased by 3% per year.
 - (3) The monthly treated water rates and the monthly meter service charge rates prescribed by subsections (A) and (B) of this section shall commence as of the first billing statements issued after December 31, 2023.
 - (4) The State of Arkansas mandated Safe Drinking Water Act fee shall be added to the monthly water utility bill.
- (C) *Monthly Standby Fire Protection Service Charge.*
- (1) Charges for unmetered service connections for standby fire protection and fire hydrants shall be based on the incoming line size or the backflow preventer size, whichever is smaller, as set forth in the following table:

Monthly Standby Fire Protection Service Charge		
Line Size or Backflow Preventer Size	Inside City	Outside City
1 inch	\$10.34	\$12.38
2 inch	\$10.78	\$12.83
2.5 inch	\$21.55	\$24.77
3 inch	\$32.31	\$37.16
4 inch	\$64.63	\$74.32
6 inch	\$179.50	\$209.60
8 inch	\$376.99	\$433.54
10 inch	\$646.26	\$743.18

- (2) The Utilities Department shall review the monthly standby fire protection service charges every two (2) years and shall make recommendations to the City Council following such review. Fire protection lines shall not be connected to the water system downstream from a meter.

(Code 1965, §21-25; Ord. No. 1165, 4-18-58; Ord. No. 2144, 9-2-75; Ord. No. 2594, 2-5-80; Ord. No. 3197, 7-1-86; Ord. No. 3409, 2-21-89; Ord. No. 3431, 6-6-89; Ord. No. 3491, 7-17-90; Ord. No. 3513, 9-18-90; Ord. No. 3519, 11-20-90; Ord. No. 4059, §1, 10-7-97; Ord. No. 4223, 2-15-00; Code 1991, §51.136; Ord. No. 4530 12-02-02; Ord. No. 4540, 02-03-04; Ord. No. 5123, 4-1-08; Ord. No. 6169, §1, 4-2-2019)

51.137 Monthly Sewer Rates

(A) *Monthly Sewer Rates.*

- (1) All monthly sewer charges shall be calculated from the customer's monthly water usage. The following monthly rates are hereby fixed as rates to be charged for sewer services:

Table D-1 Monthly Sewer Rates Per 1,000 Gallons Before January 1, 2024		
Class	Usage Rate (In Gallons)	Cost per 1,000 gallons
Residential	First 2,000 gallons	\$4.35
	Greater than 2,000 gallons	\$5.80
Non-Residential	All Usage	\$4.40
Major Industrial	All Usage	\$4.71
Farmington	All Usage	\$7.52
Outside city	All Usage	\$8.18
Wholesale	85% of metered water usage	\$5.19
	Usage above 85% of metered water usage	\$2.71

Table D-2 Monthly Sewer Rates Per 1,000 Gallons After December 31, 2023		
Class	Usage Rate (In Gallons)	Cost per 1,000 gallons
Residential	First 2,000 gallons	\$3.84
	Greater than 2,000 gallons	\$5.13
Non-Residential	All Usage	\$5.36
Major Industrial	All Usage	\$5.82
Farmington	All Usage	\$7.56
Outside city	All Usage	\$7.56
Wholesale	85% of metered water usage	\$6.26
	Usage above 85% of metered water usage	\$6.26
Table D-3 Monthly Sewer Rates Per 1,000 Gallons After December 31, 2024		
Class	Usage Rate (In Gallons)	Cost per 1,000 gallons
Residential	First 2,000 gallons	\$3.96
	Greater than 2,000 gallons	\$5.28
Non-Residential	All Usage	\$5.52
Major Industrial	All Usage	\$5.99
Farmington	All Usage	\$7.79
Outside city	All Usage	\$7.79
Wholesale	85% of metered water usage	\$6.45
	Usage above 85% of metered water usage	\$6.45
Table D-4 Monthly Sewer Rates Per 1,000 Gallons After December 31, 2025		
Class	Usage Rate (In Gallons)	Cost per 1,000 gallons
Residential	First 2,000 gallons	\$4.08
	Greater than 2,000 gallons	\$5.44
Non-Residential	All Usage	\$5.68
Major Industrial	All Usage	\$6.17
Farmington	All Usage	\$8.02

Outside city	All Usage	\$8.02
Wholesale	85% of metered water usage	\$6.64
	Usage above 85% of metered water usage	\$6.64

Table D-5 Monthly Sewer Rates Per 1,000 Gallons After December 31, 2026		
Class	Usage Rate (In Gallons)	Cost per 1,000 gallons
Residential	First 2,000 gallons	\$4.20
	Greater than 2,000 gallons	\$5.61
Non-Residential	All Usage	\$5.85
Major Industrial	All Usage	\$6.36
Farmington	All Usage	\$8.26
Outside city	All Usage	\$8.26
Wholesale	85% of metered water usage	\$6.84
	Usage above 85% of metered water usage	\$6.84

- (2) Beginning January 1, 2028, all monthly sewer quantity charge- usage rates per 1,000 gallons shall be increased by 3% per year.
- (3) Sewer related fees levied by the Cities of Farmington or Greenland shall be added to the wastewater utility bill at the request of Farmington or Greenland. These fees may be calculated on a per-thousand volumetric usage or a per month basis.

(B) *Monthly Sewer Service Charge.*

- (1) In addition to the above, each customer shall pay a monthly sewer service charge in accordance with the following schedule:

Table E-1 Monthly Sewer Service Charge Prior to January 1, 2024			
Meter Size	Inside City	Outside City†	Farmington†
5/8"	\$18.28	\$18.28	\$16.74
¾ x ¾ inch	\$18.28	\$18.28	\$16.74
1 inch	\$23.74	\$33.92	\$31.28
1½ inch	\$38.77	\$60.37	\$55.50
2 inch	\$55.43	\$79.73	\$73.45
3 inch	\$128.73	\$184.24	\$169.29
4 inch	\$212.13	\$303.44	\$278.93
6 inch	\$420.39	\$601.46	\$553.70
8 inch	\$628.73	\$899.76	\$826.81

Table E-2 Monthly Sewer Service Charge After December 31, 2023			
Meter Size	Inside City	Outside City†	Farmington†
5/8"	\$18.83	\$15.71	\$15.71
¾ x ¾ inch	\$18.83	\$16.01	\$16.01
1 inch	\$24.45	\$31.32	\$31.32
1½ inch	\$44.81	\$63.14	\$63.14
2 inch	\$61.64	\$87.88	\$87.88
3 inch	\$132.59	\$184.50	\$184.50
4 inch	\$218.49	\$270.52	\$270.52
6 inch	\$433.00	\$501.48	\$501.48
8 inch	\$647.59	\$558.03	\$558.03

Table E-3 Monthly Sewer Service Charge After December 31, 2024			
Meter Size	Inside City	Outside City†	Farmington†
5/8"	\$19.39	\$16.18	\$16.18
¾ x ¾ inch	\$19.39	\$16.49	\$16.49
1 inch	\$25.19	\$32.26	\$32.26
1½ inch	\$46.15	\$65.03	\$65.03
2 inch	\$63.48	\$90.52	\$90.52
3 inch	\$136.57	\$190.04	\$190.04
4 inch	\$225.05	\$278.63	\$278.63
6 inch	\$445.99	\$516.52	\$516.52
8 inch	\$667.02	\$574.77	\$574.77

Table E-4 Monthly Sewer Service Charge After December 31, 2025			
Meter Size	Inside City	Outside City†	Farmington†
5/8"	\$19.98	\$16.66	\$16.66
¾ x ¾ inch	\$19.98	\$16.98	\$16.98
1 inch	\$25.94	\$33.23	\$33.23
1½ inch	\$47.53	\$66.98	\$66.98
2 inch	\$65.39	\$93.23	\$93.23
3 inch	\$140.67	\$195.74	\$195.74
4 inch	\$231.80	\$286.99	\$286.99
6 inch	\$459.37	\$532.02	\$532.02
8 inch	\$667.02	\$592.02	\$592.02

Table E-5 Monthly Sewer Service Charge After December 31, 2026			
Meter Size	Inside City	Outside City†	Farmington†
5/8"	\$20.57	\$17.16	\$17.16
¾ x ¾ inch	\$20.57	\$17.49	\$17.49
1 inch	\$26.72	\$34.23	\$34.23
1½ inch	\$48.96	\$68.99	\$68.99
2 inch	\$67.35	\$96.03	\$96.03
3 inch	\$144.89	\$201.61	\$201.61
4 inch	\$238.75	\$295.60	\$295.60
6 inch	\$473.15	\$548.00	\$548.00
8 inch	\$707.64	\$609.78	\$609.78

†Cost of Service Methodology required by contract.

- (2) Beginning January 1, 2028, all monthly sewer service charges shall be increased by 3% per year.
- (C) *Determination of Sewer Quantity Charge for Residential Customers.*
- (1) In the case of residential customers residing in a single family home, duplex, triplex, and/or fourplex, the average monthly water consumption for the preceding months of December, January, and February shall be computed separately for each customer, and a uniform monthly charge for each customer shall be determined by applying the schedule of rates set out in subsection (A) of this section to such average monthly water consumption. In the case of a residential user for whom a uniform monthly charge has been established and who moves to a new location the same uniform monthly charge shall apply at the new location. In the case of new residential customers, sewer averages shall be established based on the number of individuals residing within the dwelling unit, at a rate of 2,100 gallons per customer per month. This methodology of sewer averaging shall not apply to multi-family structures containing five (5) or more units in a contiguous building.
- (2) In the case of sewer customers who do not have a water meter provided by a public water utility, the sewer usage volume billed shall be the average volume of all users in the sewer system in like dwellings from the most recent system-wide sewer average calculation.
- (D) *Determination of Charge for Non-residential and Major Industrial Customers.* In the case of non-residential and/or major industrial customers, the monthly sewer charge shall be determined by applying the schedule of rates prescribed in subsection (A) of this section to the monthly water usage of such customers. In the event that a non-residential or major industrial customer discharging waste into the city's sanitary sewer system produces evidence to the Water and Wastewater Director demonstrating that a substantial portion of the total amount of water from all sources used for all purposes does not reach the sanitary sewer which is in excess of the factors used in establishing the rates in subsection (A) of this section, an estimated percentage of total water consumption to be used in computing charges may be established by the Water and Wastewater Director. The factors used in establishing said rates are on file in the office of the Water and Wastewater Director and are incorporated herein by reference thereto. Any rate so adjusted by the Water and Wastewater Director shall be effective for a twelve (12) month period beginning with the billing for the month when rates adjudged hereby go into effect.
- (E) *Extra Strength Surcharge.*
- (1) For all significant industrial users as defined in §51.074, whose wastewater discharge is greater than 300 mg/l of BOD₅ and/or TSS, the city shall levy an Extra Strength Surcharge for each parameter in accordance with the following unit charges:

Table F1 Extra Strength Surcharges Prior to January 31, 2024	
	Prior to 01/01/2024
Extra Strength BOD ₅	\$0.3148 per pound
Extra Strength TSS	\$0.4483 per pound

Table F2 Extra Strength Surcharges After December 31, 2023	
	After 12/31/2023
Extra Strength BOD ₅	\$0.5410 per pound
Extra Strength TSS	\$0.6674 per pound

Table F3 Extra Strength Surcharges After December 31, 2024	
	After 12/31/2024
Extra Strength BOD ₅	\$0.5572 per pound
Extra Strength TSS	\$0.6875 per pound

Table F4 Extra Strength Surcharges After December 31, 2025	
	After 12/31/2025
Extra Strength BOD ₅	\$0.5739 per pound
Extra Strength TSS	\$0.7081 per pound

Table F5 Extra Strength Surcharges After December 31, 2026	
	After 12/31/2026
Extra Strength BOD ₅	\$0.5911 per pound
Extra Strength TSS	\$0.7293 per pound

- (2) Starting after December 31, 2026, Extra Strength Surcharges shall be increased by 3% per year.
- (3) Extra Strength Surcharges shall be billed monthly and shall be computed on the basis of water meter reading (wastewater discharge volume).
- (4) All sampling and analyses of the wastewater characteristics shall be performed in accordance with U.S. Environmental Protection Agency 40 Code of Federal Regulations Part 136 approved methods.
- (5) The volume of flow used in computing surcharge shall be based upon metered water consumption as shown in the records of meter readings maintained by the city's business office. In the event that a user discharging waste into the city sanitary sewer system produces evidence to the city demonstrating that a portion of the total amount of water used for all purposes is not discharged into the sanitary sewer, a separate meter or meters or other approved flow measuring device may be installed at the user's expense, upon its request, to measure only that portion of the total flow being discharged into

the city sewer system. If a surcharge is assessed by the city, it shall be shown separately on the monthly billing.

- (6) Any person discharging industrial waste into the sanitary sewers of the city who procures any part or all of the user's water supply from sources other than the city, all or part of which is discharged into the sanitary sewer, shall install and maintain at the user's expense water meters of the type approved by the city for the purpose of determining the proper volume of flow to be used in computing sewer service charges. Such meter will be read monthly and tested for accuracy when deemed necessary by the city. Where it can be shown that a portion of the water measured by the aforesaid meter or meters does not enter the sanitary sewer system of the city, a separate meter or meters or other approved flow measuring device may be installed at the user's expense, upon its request, to measure only that portion of the total flow being discharged into the city sewer system. If a surcharge is assessed by the city, it shall be shown separately on the monthly billing.

- (7) Computation of extra strength surcharges shall be based on the following formula:

- (a) Extra strength surcharge:

S	= $V \times 8.34 \times [\text{BOD Unit Charge (BOD - 300)} + \text{SS Unit Charge (TSS - 300)}]$
---	---

- (b) Where:

S	= Surcharge in dollars
V	= Sewer volume in million gallons
8.34	= Pounds per gallon of water
BOD Unit Charge	= Unit charge for BOD in dollars per pound
BOD	= BOD strength in parts per million
300	= Allowed BOD strength in parts per million
TSS Unit Charge	= Unit charge for suspended solids in dollars per pound
TSS	= Suspended solids strength in parts per million
300	= Allowed TSS Strength in parts per million

(F) *Elkins Sewer Charges.*

- (1) Elkins' payment for wastewater treatment shall be based on 85% of the metered water purchased. The volume of wastewater received by Fayetteville at the "Point of Connection" shall be measured by the installed wastewater meter. Volumes of wastewater below or above the agreed upon percentage (85%) of metered water, as measured by the wastewater meter, shall be recorded on a monthly basis, with a reconciliation of the net difference to occur semiannually in June and December. If the reconciliation volume is over the agreed upon percentage, this amount shall be billed to Elkins in June and December at the actual computed cost of wastewater collection to and treatment at the Noland Wastewater Treatment Plant, not including the calculated rate of return and not including depreciation charges, but including any capacity surcharge, based on the most recent rate as determined in paragraph B of this contract. If the reconciliation volume is below the agreed upon percentage, the actual amount billed for the difference shall be refunded to Elkins in June and December.
- (2) Elkins Impact Fee Charges. The City of Elkins shall pay an additional \$0.25 per 1,000 gallons of wastewater, for all wastewater volume charges including both the 85% of metered water volume and for wastewater in excess of the 85% of the metered water purchased billed volume.

(G) *Hauled Wastewater Fees.*

- (1) Application fee. An application to discharge hauled domestic waste must be accompanied by a fee of \$100.00.
- (2) Discharge fee. A fee of \$50.00 must be paid for each hauled domestic waste load discharged.

(H) *Industrial Wastewater Discharge Permit Fee.*

- (1) Application Fee. An application for an industrial wastewater discharge permit must be accompanied by a fee of \$500.00.

(Code 1965, §21-26; Ord. No. 1165, 4-18-58; Ord. No. 3197, 7-1-86; Ord. No. 3285, 8-4-87; Ord. No. 3398, 1-3-89; Ord. No. 3491, 7-17-90; Ord. No. 3637, §§1, 2, 8-18-92; Ord. No. 4059, §2, 10-7-97; Code 1991, §51.137; Ord. No. 4530, 12-02-03; Ord. No. 4803, 12-20-05; Ord. No. 4998, 4-3-07; Ord. No. 5129, 4-15-08; Ord. No. 5438, 9-20-11; Ord. No. 5739, 2-17-15)

CITY OF FAYETTEVILLE, ARKANSAS

Notice of Public Hearing on Proposed Water and Sewer Rate Changes

City Council Agenda Session: Tuesday, June 14, 2022 at 4:30 PM

City Council Meeting: Tuesday, June 21, 2022 at 5:30 PM

City of Fayetteville Administration Building, City Hall

113 W. Mountain – Room 219 or via Zoom link at www.fayetteville-ar.gov

The City of Fayetteville AR, on the dates and times mentioned above, will hold a public hearing as part of the City Council Agenda Session and City Council Meeting with Fayetteville City Council prior to the adoption of the 2023 water and sewer rate increases. The public can attend in person or remotely via the link on the City's website, www.fayetteville-ar.gov.

If adopted, the proposed new rates would take effect on or after January 01, 2023, with 3% increases annually thereafter. All property owners/tenants and other interested parties are invited to attend the public hearing and be heard on the matter.

A water and sewer cost of service study was conducted by Black & Veatch pursuant to Fayetteville City Council Resolution 212-20 to perform a cost analysis to determine if costs allocations are fair and equitable among customer classes, to review the existing rate structure and design proposed rates that provide adequate revenues.

The proposed water and sewer rate changes below are necessary for the City of Fayetteville to continue to provide safe and reliable water and sewer services to its citizens because extensive new capital needs are required at this point in time and operating costs have increased above the revenue increases generated by the current annual 3% proportional adjustment.

PROPOSED WATER RATE CHANGES – ON OR AFTER 1/1/2023

FIXED BASE CHARGE \$/MONTH		WATER INSIDE CITY			WATER OUTSIDE CITY		
Meter Size		EXISTING	PROPOSED	CHANGE	EXISTING	PROPOSED	CHANGE
5/8"		6.59	6.59	0.0%	7.54	7.54	0.0%
3/4"		6.59	6.59	0.0%	7.54	7.54	0.0%
1"		9.14	9.14	0.0%	10.52	12.26	16.5%
1.5"		15.93	15.93	0.0%	18.31	24.22	32.3%
2"		23.20	23.20	0.0%	26.66	33.52	25.7%
3"		54.05	54.05	0.0%	62.18	69.84	12.3%
4"		89.50	89.50	0.0%	102.93	102.93	0.0%
6"		178.99	178.99	0.0%	205.82	205.82	0.0%
8"		268.41	268.41	0.0%	308.67	308.67	0.0%
			AVG	0.0%		AVG	9.7%
QUANTITY CHARGE \$/1,000 GALLONS							
Residential							
First 2,000 gallons		3.51	3.30	-6.0%	4.04	4.47	10.6%
Next 13,000 gallons		4.64	4.37	-5.8%	5.34	5.91	10.7%
All over 15,000 gallons		6.59	6.20	-5.9%	7.54	8.38	11.1%
			AVG	-5.9%		AVG	10.8%
Non-Residential							
First 300,000 gallons		3.79	3.93	3.7%	4.38	5.05	15.3%
All over 300,000 gallons		3.38	3.93	16.3%	3.90	5.05	29.5%
			AVG	10.0%		AVG	22.4%
Major Industrial							
All Usage		2.96	3.14	6.1%	3.20	3.49	9.1%
Irrigation							
First 300,000 gallons		5.04	4.29	-14.9%	5.80	5.43	-6.4%
All over 300,000 gallons		4.53	4.29	-5.3%	5.22	5.43	4.0%
			AVG	-10.1%		AVG	-1.2%
Wholesale							
Reduced Peak Demand					2.87	3.16	10.1%
Peak Demand					3.20	3.16	-1.3%
						AVG	4.4%

*Beginning January 1, 2024, all monthly water rates shall be increased by 3% per year

PROPOSED SEWER RATE CHANGES – ON OR AFTER 1/1/2023

FIXED BASE CHARGE \$/MONTH	SEWER INSIDE CITY			SEWER OUTSIDE CITY			SEWER FARMINGTON		
Meter Size	EXISTING	PROPOSED	CHANGE	EXISTING	PROPOSED	CHANGE	EXISTING	PROPOSED	CHANGE
5/8"	18.28	18.28	0.0%	18.28	18.28	0.0%	16.74	25.10	49.9%
3/4"	18.28	18.28	0.0%	18.28	18.28	0.0%	16.74	25.10	49.9%
1"	23.74	23.74	0.0%	33.92	33.92	0.0%	31.28	52.62	68.2%
1.5"	38.77	38.77	0.0%	60.37	66.73	10.5%	55.50	109.78	97.8%
2"	55.43	55.43	0.0%	79.73	93.11	16.8%	73.45	154.24	110.0%
3"	128.73	128.73	0.0%	184.24	196.10	6.4%	169.29	327.83	93.6%
4"	212.13	212.13	0.0%	303.44	303.44	0.0%	278.93	482.37	72.9%
6"	420.39	420.39	0.0%	601.46	601.46	0.0%	553.70	897.30	62.1%
8"	628.73	628.73	0.0%	899.76	899.76	0.0%	826.81	998.92	20.8%
		AVG	0.0%		AVG	3.8%		AVG	69.5%
QUANTITY CHARGE \$/1,000 GALLONS									
Residential									
First 2,000 Gallons				4.35	3.39	-22.1%	8.18	8.55	4.5%
All over 2,000 Gallons				5.80	4.52	-22.1%	8.18	8.55	4.5%
					AVG	-22.1%		AVG	4.5%
Non-Residential									
All Usage				4.40	5.10	15.9%	8.18	8.55	4.5%
Major Industrial									
All Usage				4.71	5.71	21.2%	8.18	8.55	4.5%
Wholesale									
Reduced Peak Demand							5.19	7.20	38.7%
Peak Demand							2.71	7.20	165.7%
								AVG	102.2%

*Beginning January 1, 2024, all monthly sewer rates shall be increased by 3% per year

For more information or questions about the proposed water and sewer rate changes, contact the City of Fayetteville, Utilities Financial Services Division at (479) 575-8224 or visit the City's website for at www.fayetteville-ar.gov.

Final Draft

WATER AND WASTEWATER COMPREHENSIVE RATE STUDY

B&V PROJECT NO. 406577

PREPARED FOR

City of Fayetteville, Arkansas

8 JUNE 2022



Table of Contents

1.0 Executive Summary ES 1-0

1.1 Summary of Findings ES 1-0

1.1.1 Revenue Under Existing Rates ES 1-0

1.1.2 Revenue Requirements ES 1-1

1.1.3 Summary of Cash Flow Results ES 1-2

1.1.4 Cost of Service Analysis ES 1-2

1.2 Proposed Rate Adjustments ES 1-3

1.3 Disclaimer ES 1-4

2.0 Introduction 2-0

2.1 Purpose 2-0

2.2 Scope 2-0

2.3 Study Methodology 2-1

2.3.1 Financial Plan 2-1

2.3.2 Cost of Service 2-1

2.3.3 Rate Design 2-2

3.0 Rate Structure Overview 3-0

3.1 Fixed Charge 3-0

3.2 Volumetric (Usage) Charge 3-0

3.3 Existing Rate Structure 3-0

3.3.1 Water Rate Structure 3-0

3.3.2 Wastewater Rate Structure 3-1

4.0 Water Utility 4-1

4.1 Water Revenue Projections Under Existing Rates 4-1

4.1.1 Water Revenue Under Existing Rates 4-1

4.1.2 Projection of Service Revenue Under Existing Rates 4-3

4.1.3 Other Water Revenue 4-3

4.2 Water Capital Improvements Program 4-4

4.3 Water Revenue Requirements 4-4

4.3.1 Water Operation and Maintenance Expenses 4-4

4.3.2 Water Bad Debt 4-5

4.3.3 Water Payment In Lieu of Taxes 4-5

4.3.4 Safe Drinking Water Fee Reimbursement 4-5

4.3.5 Water Debt Service Requirements 4-6

4.3.6 Transfer to Shop Fund 4-6

4.3.7 Transfer to Operating Reserve 4-6

4.3.8 Water Cash Financed Capital 4-6

4.3.9 Transfer to Capital Reserve 4-6

4.4 Water Proposed Revenue Adjustments 4-6

4.5 Water Cost of Service 4-8

4.5.1 Determination of Cost of Service 4-8

4.5.2 Determination of Functional Costs 4-9

4.5.3 Allocation of Costs to the Functional Cost Components 4-10

4.5.4 Distribution of Water Utility Costs to Customer Classes 4-11

5.0 Water Rate Design 5-14

5.1 Existing Water Rates 5-14

5.2 Proposed Water Rates 5-14

6.0 Wastewater Utility 6-1

6.1 Wastewater Revenue Projections Under Existing Rates 6-1

6.1.1 Wastewater Revenue Under Existing Rates..... 6-1

6.1.2 Projection of Service Revenue Under Existing Rates 6-3

6.1.3 Other Wastewater Revenue..... 6-3

6.2 Wastewater Capital Improvements Program 6-4

6.3 Wastewater Utility Revenue Requirements 6-4

6.3.1 Wastewater Operation and Maintenance Expenses 6-4

6.3.2 Wastewater Bad Debt 6-5

6.3.3 Wastewater Payment In Lieu of Taxes 6-5

6.3.4 Wastewater Debt Service Requirements 6-6

6.3.5 Transfer to Shop Fund 6-6

6.3.6 Transfer to Operating Reserve 6-6

6.3.7 Wastewater Cash Financed Capital..... 6-6

6.3.8 Transfer to Capital Reserve 6-6

6.4 Wastewater Proposed Revenue Adjustments 6-6

6.5 Wastewater Cost of Service..... 6-8

6.5.1 Determination of Cost of Service 6-8

6.5.2 Determination of Functional Costs 6-9

6.5.3 Allocation of Costs to the Functional Cost Components 6-9

6.5.4 Distribution of Wastewater Utility Costs to Customer Classes..... 6-11

6.5.5 Wastewater Utility Customer Class Costs of Service 6-12

7.0 Wastewater Rate Design 7-14

7.1 Existing Wastewater Rates 7-14

7.2 Proposed Wastewater Rates 7-14

8.0 Combined Water and Wastewater Utilities..... 8-15

9.0 Disclaimer 9-16

10.0 Appendix 1: Water Tables..... 10-1

11.0 Appendix 2: Wastewater Tables 11-1

LIST OF EXECUTIVE SUMMARY TABLES

Table ES - 1 –Water 2023 Cost of Service 1-2

Table ES - 2 –Wastewater 2023 Cost of Service 1-3

LIST OF FIGURES

Figure 4-1 - Historical and Projected Water Accounts..... 4-2

Figure 4-2 - Historical and Projected Water Billed Volume 4-3

Figure 4-3 - Historical and Projected Water Service Revenue 4-3

Figure 4-4 - Projected Annual Water O&M Expenses..... 4-5

Figure 4-5 - Water Revenues and Revenue Requirements..... 4-7

Figure 6-1 - Historical and Projected Wastewater Accounts 6-2

Figure 6-2 - Historical and Projected Wastewater Billed Volume 6-3

Figure 6-3 - Historical and Projected Wastewater Service Revenue 6-3

Figure 6-4 - Projected Annual Water O&M Expense 6-5

Figure 6-5 - Wastewater Revenues and Revenue Requirements 6-7

LIST OF WATER TABLES

Table W - 1 - Water Projected Number of Accounts 10-1

Table W - 2 - Water Projected Billed Volume (1,000 Gallons)..... 10-2

Table W - 3 - Water Existing Rates..... 10-3

Table W - 4 - Water Projected Revenues Under Existing Rates..... 10-4

Table W - 5 - Water Projected Other Revenues..... 10-4

Table W - 6 - Water Capital Improvement Program 10-5

Table W - 7 - Water Projected O&M Expenses 10-5

Table W - 8 - Capital Program Financing..... 10-6

Table W - 9 - Water Operating Cash Flow..... 10-7

Table W - 10 - Water Fund Balances..... 10-8

Table W - 11 - Water 2023 Cost of Service 10-9

Table W - 12 - Water 2023 Allocation of Net Plant Investment to Functional Cost Components 10-10

Table W - 13 - Water 2023 Allocation of Net Annual Depreciation to Functional Cost
Components..... 10-10

Table W - 14 - Water 2023 Allocation of O&M Expenses to Functional Cost Components 10-10

Table W - 15 - Water 2023 Estimated Units of Service..... 10-11

Table W - 16 - Water 2023 Unit Cost of Service 10-12

Table W - 17 - Water 2023 Cost of Service by Customer Class..... 10-13

Table W - 18 - Water Proposed 2023 Rates..... 10-14

Table W - 19 - Water 2023 Cost of Service Under Proposed Rates 10-15

Table W - 20 - Water 2023 Bill Impact..... 10-16

LIST OF WASTEWATER TABLES

Table S - 1 - Wastewater Projected Accounts..... 11-1

Table S - 2 - Wastewater Projected Billed Volume (1,000 Gallons) 11-1

Table S - 3 - Wastewater Existing Charges 11-2

Table S - 4 - Wastewater Projected Revenues at Existing Rates 11-3

Table S - 5 - Wastewater Projected Other Revenues..... 11-3

Table S - 6 - Wastewater Capital Improvement Program 11-4

Table S - 7 - Wastewater Projected O&M Expenses 11-4

Table S - 8 - Wastewater Cash Financed Capital 11-5

Table S - 9 - Wastewater Operating Cash Flow 11-5

Table S - 10 - Wastewater Projected Fund Balances 11-6

Table S - 11 - Wastewater 2023 Cost of Service 11-6

Table S - 12 - Wastewater 2023 Allocation of Net Plant Investment 11-7

Table S - 13 - Wastewater 2023 Allocation of Depreciation 11-7

Table S - 14 - Wastewater 2023 Allocation of O&M Expenses 11-8

Table S - 15 - Wastewater 2023 Units of Service 11-9

Table S - 16 - Wastewater 2023 Unit Cost of Service 11-10

Table S - 17 - Wastewater 2023 Cost of Service by Customer Class..... 11-10

Table S - 18 - Wastewater Proposed 2023 Charges 11-11

Table S - 19 - Wastewater 2023 Cost of Service Under Proposed Rates 11-12

Table S - 20 - Wastewater 2023 Bill Impact 11-12

LIST OF COMBINED TABLES

Table C - 1 - Combined Projected Fund Balances 12-1

Table C - 2 - Combined Operating Cash Flow..... 12-2

Table C - 3 - Combined 2022 Bill Impact 12-3

1.0 Executive Summary

The City of Fayetteville (City) provides water and wastewater services to retail and wholesale customers. The Water and Wastewater fund is an Enterprise Fund, which is funded by the operating and capital revenues from the users of the system. Due to multiple factors including increasing operating costs, significant capital investments to meet regulatory requirements, and the need for infrastructure rehabilitation and replacement, revenues under existing rates are not adequate to meet the annual revenue requirements. Therefore, to maintain financial sufficiency and to assure equitable cost recovery, the City engaged Black & Veatch Management Consulting, LLC (Black & Veatch) to perform a Water and Wastewater Comprehensive Rate Study (Study).

The primary objectives of the Study are to develop a balanced financial plan, determine cost of service allocations for each customer class and design rates to recover costs from customer classes in reasonable accord with the allocated costs of service. The financial plan was developed for the six-year period of 2021 through 2026, also referred to as the study period or the forecast period. The city's fiscal year is a calendar year, starting on January 1 and ending on December 31.

As a result of our evaluations and analyses, the following summary of findings and recommendations are offered for the City's consideration.

1.1 Summary of Findings

1.1.1 Revenue Under Existing Rates

1. The City provides retail water services to approximately 40,800 customers inside the City and about 7,000 customers outside the City. The number of retail water service customers inside the City is projected to increase to about 44,800 by 2026 and the number of outside City water customers is projected to increase to about 8,000. The City also provides treated water to four wholesale customers. Retail wastewater collection and treatment service is provided to approximately 36,900 customers inside the City and about 2,600 customers outside the City. The number of inside City wastewater service customers is projected to increase to about 40,600 by 2026 and the number of outside City wastewater service customers is projected to increase to about 2,700.
2. Treated water sales to inside City retail customers are projected to increase from approximately 3,146,800 1,000 gallons (kgals) in 2021 to approximately 3,388,000 kgals by 2026. Treated water sales to outside City retail customers are projected to increase from approximately 507,600 kgals in 2021 to approximately 519,400 kgals by 2026. Treated water sales to wholesale customers is projected to be approximately 219,100 kgals in 2021 and decrease to 202,300 kgals in 2022 and remain at that level through 2026. Billed wastewater volume from inside City retail customers is projected to increase from approximately 2,806,700 kgals in 2021 to approximately 2,961,800 kgals by 2026. Billed wastewater volume from outside City retail customers is projected to increase from 109,800 kgals in 2021 to about 117,400 kgals by 2026. Billed wastewater volume from wholesale customers is projected to increase from 81,000 kgals in 2021 to 126,600 kgals in 2026 due to the addition of West Fork as a wholesale wastewater customer starting December 2020. The annual wholesale wastewater volume is projected to remain at the 2021 level through 2026.

3. The City's current water rates became effective January 1, 2022. For both retail and wholesale customers, the water rates include a monthly base charge, which varies by meter size and a volume charge that varies by customer class. The existing schedule of rates for wastewater service became effective on January 1, 2022. For retail customers, the wastewater rates include a monthly base charge, which varies by meter size. The volume charge varies by customer class. Surcharge rates are based on excess strength of Biochemical Oxygen Demand (BOD) and Total Suspended Solids (TSS). The existing wastewater rate structure is described in Section 3.3.2.
4. Revenue is currently derived principally from charges for treated water and wastewater service, with some revenue also obtained from fire protection charges and other miscellaneous sources. Revenue from treated water sales, under existing rates, is projected to increase from \$21,186,400 in 2021 to about \$22,986,800 in 2026, reflecting a 5-year cumulative increase of 8%. Miscellaneous water revenues are estimated to increase from \$1,484,700 in 2021 to approximately \$1,608,600 in 2026, reflecting a 5-year cumulative increase of 8%. Revenue for wastewater collection and treatment services is projected to increase from \$24,461,900 in 2021 to about \$26,697,600 in 2026, under existing rates, reflecting a 5-year cumulative increase of 9%. Miscellaneous wastewater revenue is estimated at \$1,297,100 in 2021 and \$1,420,200 per year through 2022 to 2026, reflecting a 5-year cumulative increase of 9%.

1.1.2 Revenue Requirements

1. Costs of service to be recovered from water and wastewater service charges include (1) operation and maintenance (O&M) expenses; (2) bad debt; (3) Payment In Lieu of Taxes; (4) Safe Drinking Water Fee Reimbursement; (5) debt service (consisting of principal and interest payments); (6) transfer to shop fund; (7) transfer to operating reserve; (8) cash financed capital; and (9) transfer to capital reserve. The water and wastewater utilities do not have any outstanding debt service. There are no future debt issuances planned over the study period and no transfers to the shop fund over the study period.
2. The annual O&M expense includes the cost of labor, materials, power, chemicals, purchased water, contract services and other expenses associated with each utility's operation. In this study, FY 2021 is defined as the base budget year, based on which the O&M costs are projected for the forecast period. O&M expense for the water utility is projected to increase from \$15,949,600 in 2021 to \$18,739,400 by 2026 due to the combined effects of inflation and system growth. O&M expense for the wastewater utility is projected to increase from \$15,674,800 in 2021 to \$18,395,700 by 2026 due to the combined effects of inflation and system growth.
3. Bad debt expenses refer to outstanding balances from customers that are deemed uncollectible. The water and wastewater bad debt in 2019 was 0.5% of revenue. Bad debt projections for the study period assume 0.5% of annual revenues. Annual bad debt expenses for water utility is projected to increase from \$105,900 in 2021 to \$129,000 by 2026. Annual bad debt expenses for wastewater utility is projected to increase from \$122,300 in 2021 to \$149,900 by 2026.
4. The Payment In Lieu of Taxes (PILOT) are paid by public utilities to municipal entity as a compensation for utilization of streets, easements, right of ways or other public places. The PILOT amount is determined per City Ordinance 4449 that requires the water and wastewater funds to pay 4.25% of annual total gross sales revenues to the City. Annual PILOT amount for the water utility is anticipated to increase from \$900,400 in 2021 to \$1,096,900 in 2026. Annual

PILOT amount for the wastewater utility is projected to increase from \$1,039,600 in 2021 to \$1,274,000 in 2026.

5. The Safe Drinking Water Fee (SDWF) revenue collected for each metered customer is reimbursed to the state of Arkansas Department of Public Health. The SDWF reimbursement is projected to increase from \$230,000 in 2021 to \$250,200 in 2026. The SDWF is a pass-through fee and is treated as a “revenue reduction” by the City.
6. The City maintains an operating reserve balance equivalent of ninety (90) days of following years’ O&M budget. The transfer to operating reserve for the water utility is projected to increase from \$133,000 in 2022 to \$151,800 in 2026. The transfer to operating reserve for wastewater is projected to increase from \$129,600 in 2022 to \$147,900 in 2026.
7. The City currently utilizes the following two sources of funding for the water and wastewater utility capital projects (1): transfer from operating revenues and (2) transfer from the impact fee fund. A capital project meets the requirements of using impact fees if the existing water or wastewater capacity is expanded due to growth. The wastewater capital improvement program for the study period is \$69 million, of which \$67 million is projected to be funded from operating revenues and \$2 million is from the impact fee fund.

1.1.3 Summary of Cash Flow Results

1. The cash flow analysis performed based on the projected annual revenues under existing rates and the projected annual revenue requirements indicates a funding gap for both utilities beginning in 2021.
2. Therefore, a series of 3% annual revenue adjustment is needed in both the water and wastewater utilities to achieve the goal of the operating fund revenues being self-sufficient and adequate to cover all of the O&M expenses, cash financing of the capital program, required transfers, and to maintain the minimum reserve requirements. Table W - 9, in Appendix 1 presents the cash flow analysis and the proposed series of revenue increases for the water utility, and Table S - 9, in Appendix 2 presents the same for the wastewater utility.

1.1.4 Cost of Service Analysis

1. The revenue requirements less any revenues from other sources provides the “net” annual operating fund revenue requirements (also referred to as “cost of service”) that needs to be recovered through user rates and charges. A summary of the projected annual cost of service for 2023 is shown for water and wastewater in tables ES-1 and ES-2, respectively.

Table ES - 1 –Water 2023 Cost of Service

Line No.	Description	Operating Expense	Capital Cost	Total Cost
		\$	\$	\$
1	O&M Expenses	17,791,700		17,791,700
2	Depreciation		2,820,100	2,820,100
3	Return		1,476,000	1,476,000
4	Net Cost of Service	17,791,700	4,296,100	22,087,800

Table ES - 2 –Wastewater 2023 Cost of Service

Line No.	Description	Operating Expense	Capital Cost	Total Cost
		\$	\$	\$
1	O&M Expenses	17,346,000		17,346,000
2	Depreciation		8,259,600	8,259,600
3	Return		132,600	132,600
4	Net Cost of Service	17,346,000	8,392,200	25,738,200

2. As a basis for design of a schedule of water and wastewater rates, the costs of service are allocated to the classes of customers in accordance with respective service requirements of each customer class. The resulting costs of service allocated to customer classes are summarized in Table W - 17 for water and Table S - 17 for wastewater.

1.2 Proposed Recommendations

Based on the financial planning and cost of service analysis performed for the study period, the Black & Veatch team proffers the following series of recommendations:

1. Implement a series of 3% annual revenue increase from 2024 to 2026 for both water and wastewater utilities.
2. Implement cost of service-based rates for water and wastewater utilities in 2023.
3. Transition the existing monthly Base charge to the proposed Base Charge, derived based on cost of service, if cost of service based proposed Base Charge is greater than the existing Base charge.
4. Eliminate the minimum volume charge billing of 1,000 gallons from the volumetric portion of the rate structure.
5. Continue with the existing tier block structure for customer classes that have an inclining block (residential) or a uniform block (industrial) for the volumetric rate structure.
6. Change to uniform block for customers that currently have a declining block (non-residential and irrigation) volumetric rate structure.

The aforementioned recommendations enable the water and wastewater utilities to meet all its financial obligations, so that the City can continue to provide reliable service to serve the needs of existing and future customers.

1.3 Disclaimer

This report was prepared for the City of Fayetteville (Client) by Black & Veatch Management Consulting, LLC (Black & Veatch) and is based on information provided by the Client not within the control of Black & Veatch. While it is believed that the information, data and opinions contained herein will be reliable under the conditions and subject to the limitations set forth in this report, Black & Veatch does not guarantee the accuracy thereof. Black & Veatch has assumed that the information provided by others, both verbal and written, is complete and correct. The projections set forth in this report are intended as "forward-looking statements." In formulating these projections, Black & Veatch has made certain assumptions with respect to conditions, events, and circumstances that may occur in the future. While Black & Veatch believes the assumptions are reasonable actual results may differ materially from those projected, as influenced by the conditions, events, and circumstances that occur. As such, Black & Veatch does not take responsibility for the accuracy of data or projections provided by or prepared on behalf of the Client, nor does Black & Veatch have any responsibility for updating this report for events occurring after the date of this report.

Use of this report or any information contained therein by any party other than the Client, shall constitute a waiver and release by such third party of Black & Veatch from and against all claims and liability, including but not limited to liability for special, incidental, indirect or consequential damages in connection with such use. Such use of this report by a third party shall constitute agreement by the third party user that its rights, if any, arising from this report shall be subject to the terms of this Report Limitations, and in no event shall the third party's rights, if any, exceed those of the Client under its contract with B&V. The benefit of such releases, waivers, or limitations of liability shall extend to the related companies and subcontractors of any tier of B&V, and the shareholders, directors, officers, partners, employees, and agents of all released or indemnified parties.

2.0 Introduction

The City of Fayetteville water utility provides treated water and water distribution services to approximately 40,800 customers within the corporate limits of Fayetteville, and to approximately 7,000 customers in areas contiguous to, but outside of the City's corporate limits. The wastewater utility provides retail wastewater collection and treatment service to approximately 37,000 customers within the corporate city limits and to approximately 2,600 customers outside of the City's corporate limits. The City also provides treated water to four wholesale customers and wastewater treatment to two wholesale customers.

In providing water and wastewater service, the City incurs considerable expense related to the ongoing operating and capital needs of the utilities. These operating and capital expenditures tend to increase annually due to the combined effects of inflation and the need to repair, replace, or extend existing service facilities to meet customer service requirements, as well as to meet more stringent state and federal water quality requirements and EPA requirements.

The City of Fayetteville, recognizing the importance of financial planning and cost of service analysis to equitably recover the increasing costs to replace, renew, expand, improve, and operate its water and wastewater service facilities, retained Black & Veatch to perform this comprehensive study of revenue requirements, cost of service, and rates for potable water service and wastewater service.

2.1 Purpose

This report examines the respective projected revenue and rate requirements of the water and wastewater systems of the City. The purpose of this report is (1) to project the future revenues of the water and wastewater utilities under existing rates and charges, as well as the operating expenses and capital financing revenue requirements of the two utilities, and to examine the adequacy of projected revenues to meet these revenue requirements through calendar year 2026; (2) to allocate these revenue requirements, or costs of service, for a representative test year to the various customer classes in accordance with the respective service requirements that each class places on the systems; and (3) to develop a suitable schedule of water and wastewater rates that will produce revenues adequate to meet the financial needs of the utility on a basis that recognizes customer costs of service, existing wholesale service agreements and practical bill impact considerations.

2.2 Scope

This report presents the results of a comprehensive study of the projected revenue and revenue requirements, costs of service allocations, and proposed rates for treated water and wastewater service. Revenue and revenue requirements are projected for the five calendar years from 2022 through 2026, recognizing anticipated growth in number of customers, water use, and wastewater flows throughout the service area. The study of revenue requirements recognizes projected operation and maintenance expense, capital improvement requirements met from revenues, principal and interest payments on outstanding and proposed bond issues, and reserve fund requirements. Requirements of existing revenue bond indentures are also recognized.

Costs of treated water and wastewater service are developed for each group of customers and type of service based on consideration of utility revenue needs and projected customer service requirements. Rate adjustments are designed for retail and wholesale customers in accordance with allocated costs of service, wholesale service agreement terms, and customer bill impact considerations.

2.3 Study Methodology

The development of user rates and charges requires the integration of three critical components: (i) financial plan; (ii) cost of service allocations; and (iii) rate design.

2.3.1 Financial Plan

The development and update of a financial plan is necessary to continue to focus on financial discipline, build financial stability, and maintain sustainable financial planning practices. The financial planning process helps to establish a financial roadmap to meet all of the water and wastewater utility's obligations.

As illustrated in Figure 2 - 1, the key components of a financial plan are: (i) projection of revenues from user rates and other sources; (ii) development of a capital financing plan to decide the mix of debt and cash funding of capital program; (iii) projection of revenue requirements (O&M and capital costs, and target reserves); and (iv) determination of the level and timing of revenue adjustments needed to maintain financial viability.

The annual revenue requirements are typically developed on a *cash-needs basis* for public utility rate setting. The revenue requirements, under the cash-needs basis approach, include the following:

- O&M expenditures;
- Debt service expenses;
- Cash financing of capital program;
- Contributions to operating reserves; and
- Other obligations such as payments and transfers for specific purposes.

To establish financial stability, a financial plan is typically prepared for a multi-year period. A six-year financial plan was developed for the water and wastewater utility to achieve the financial objectives and target metrics defined to build and sustain financial integrity. 2022 through 2026 is the forecast period for both revenues and revenue requirement projections.

The revenue adjustments represent the level of annual revenue increases necessary to meet the annual net revenue requirements.

2.3.2 Cost of Service

Cost of service can be described as the revenue that the water and wastewater utility need to generate, *net of funding from other miscellaneous sources of revenues*. Therefore, Cost of Service is essentially the "net revenue requirement" that is to be recovered through user rates and charges. As illustrated in Figure 2 - 2, Cost of service analysis enables an equitable apportioning of the net annual revenue requirements (also referred to as cost of service) to the various cost components and customer

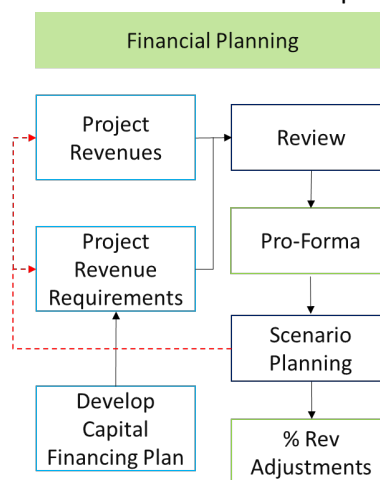


Figure 2 - 1: Financial Plan

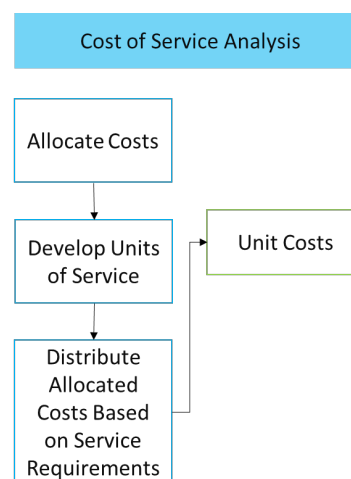


Figure 2 - 2: Cost of Service

classes. The level and types of allocation performed depend on the existing and anticipated rate structure.

As municipal utilities are *public utilities that cannot make a profit*, the equitable allocation of costs is a critical step that is necessary to establish a reasonable nexus between costs incurred in providing service and the fees charged from customers, and to establish defensible user rates and charges.

2.3.3 Rate Design

The third and final component is an evaluation of the existing rate structure components and the development of proposed user rates and charges. The user rates and charge schedules typically include fixed charge, volumetric charge, and other special charge rate components. As illustrated in Figure 2 - 3, the rates and charges are designed to recover the annual cost of service allocated to these different rate components and based on local policy and practical considerations.

The study methodology described above and used in the financial planning, cost of service and rate design analysis reflect the application of industry accepted rate setting approaches that are provided in the following two guidance manuals:

- American Water Works Association (AWWA) *Manual M-1: Principles of Water Rates, Fees, and Charges* for water rate setting; and
- Water Environment Foundation (WEF) *Financing and Charges for Wastewater Systems* for wastewater.

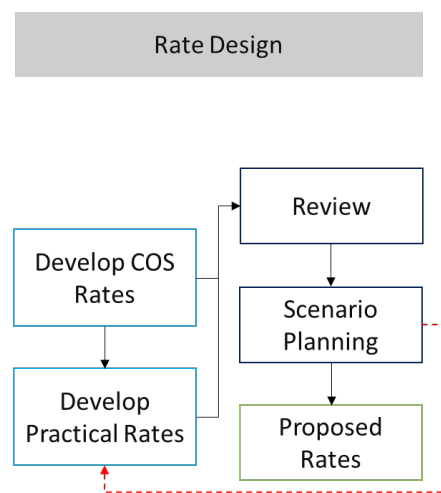


Figure 2 - 3: Rate Design

3.0 Rate Structure Overview

The revenue requirements of a water and wastewater utility, net of any miscellaneous sources of revenues, are recovered from user rates and charges. A water rate structure usually consists of two primary components, namely, a fixed charge and a volumetric charge. Similarly, a wastewater rate structure more commonly consists of a fixed charge, a volumetric charge, and pollutant charge (for wastewater pollutants such as Bio-chemical Oxygen Demand (BOD) and Total Suspended Solids (TSS)). Occasionally, a utility's water and wastewater rate structures may include special surcharges and/or special assessments to recover costs associated with certain service situations such as purchased water, pumping to elevations, drought conditions, readiness-to-serve, environmental conditions, and extra-strength wastewater discharges.

3.1 Fixed Charge

A utility's annual revenue requirements comprise mostly of fixed costs such as salaries and benefits, pension obligations, debt service, cash financing for infrastructure renewal, and costs related to the provision of adequate capacity for service. These types of fixed costs occur on a recurring basis regardless of the amount of water used by the customer.

Therefore, rate structures need to afford the ability to recover at least some of the fixed costs based on billing parameters that are not related to water usage or wastewater flow. The fixed charge, which is assessed regardless of the volume of water used, provides a mechanism to reliably recover some of the fixed annual operating costs of the utility, and provide for some level of revenue stability.

In the utility industry, fixed charges are designed to recover one or more of the following types of costs, namely, (i) metering; (ii) billing; (iii) readiness-to-serve cost; (iv) specific capital investment; and (v) other specific costs. The costs of providing these functions vary among types of customers and/or by factors such as size and capacity of the meters. Therefore, to provide for equitable cost recovery, water and wastewater fixed charges are usually assessed based on meter size and also by customer class.

3.2 Volumetric (Usage) Charge

In the utility industry, usage charges are designed to recover all other costs (except those that are recovered through fixed charge) associated with the treatment and delivery of water service and the collection, treatment, and disposal of wastewater.

The three common types of volumetric charge are: (i) inclining block rate, where the usage in the next higher usage block is priced at a higher rate per unit; (ii) uniform block rate, where all units of usage are priced at the same unit rate; and (iii) declining block rate, where the usage in the next higher usage block is priced at a lower rate per unit. As usage patterns vary among customer classes and consequently different classes place different levels of service demands, different volumetric rates can be established for the various customer classes. In designing the volumetric rate structure, practical considerations including conservation, equity, affordability, and ease of administration are addressed.

3.3 Existing Rate Structure

3.3.1 Water Rate Structure

Consistent with industry rate structures, the City's water rate structure comprises of both Fixed Charge and Volumetric Charge components. The water rate structure includes the following two components:

- Base Charge (Fixed Charge); and
- Volume Charge (Volumetric Charge).

Some of these components are applicable to only specific customer classes. The revenues derived from the above charges are collectively referred to as **“Water Service Revenues.”**

- **Base Charge:** The existing Base Charge for all customer classes is based on meter size.
- **Volume Charge:** The existing Volume Charge is based on the quantity of water used by the customers.
- **Safe Drinking Water Fee:** This is a regulatory charge per bill that is collected by the City on behalf of the state of Arkansas Department of Public Health.

The customer classes to which the specific charge components apply is illustrated in Figure 3 - 1. The existing water rate schedule for 2022, for these rate components, is presented in Table W - 3 in Appendix 1. All customers are billed monthly.

Figure 3 - 1: Existing Water Rate Structure

Rate Component	Applicable Customer Classes
● Base Charge by Meter Size	● Retail Inside City (Residential, Non-Residential, Major Industrial, Irrigation, Fire Protection); ● Retail Outside City (Residential, Non-Residential, Major Industrial, Irrigation, Fire Protection); ● Wholesale
● Volume Rate (3-Tier Inclining Block) ● Minimum Usage (1,000 Gallons)	● Retail Inside City Residential; and ● Retail Outside City Residential
● Volume Rate (2-Tier Declining Block) ● Minimum Usage (1,000 Gallons)	● Retail Inside City Non-Residential, Irrigation; and ● Retail Outside City Non-Residential, Irrigation
● Volume Rate (Uniform) ● Minimum Usage (1,000 Gallons)	● Retail Inside City Major Industrial ● Retail Outside City Major Industrial
● Volume Rate (Uniform) ● 2 rates (Reduced Peak Demand and Peak Demand)	● Wholesale
● Safe Drinking Water Fee (per month)	● All customer classes

3.3.2 Wastewater Rate Structure

The City’s Operating Fund wastewater rate structure also comprises of both Fixed Charge and Volumetric Charge components. The wastewater rate structure includes the following three components:

- Base Charge (Fixed Charge);

- Volume Charge (Volumetric Charge); and
- BOD and TSS Charge (Surcharge).

The revenues derived from all these three sources are collectively referred to as **“Wastewater Service Revenues.”** Some of these user rate components are applicable to only specific customer classes.

- **Base Charge:** The existing Base Charge for all retail customers is based on meter size.
- **Volume Charge:** The existing volume wastewater charge is based on the quantity of water used by the customer classes.

Surcharge: The existing wastewater surcharge is based on the excess strengths of BOD and TSS, of certain customers.

The customer classes to which the specific rate components are applicable is illustrated in Figure 3 - 2. The existing wastewater rate schedule for 2022 is presented in [Table S - 3](#) in Appendix 2.

Figure 3 - 2: Existing Wastewater Rate Structure

Rate Component	Applicable Customer Classes
Base Charge by Meter Size	- Retail Inside City (Residential, Non-Residential and Major Industrial); - Retail Outside City (Residential, Non-Residential and Major Industrial);
- Volume Rate (2-Tier Inclining Block) - Based on winter water usage of December, January and February	Retail Inside City Residential
Volume Rate (Uniform)	- Retail Inside City (Non-Residential and Major Industrial) - Retail Outside City (Residential, Non-Residential and Major Industrial)
- Volume Rate (Uniform) 2 tiered rates (85% of metered water usage and Above 85% of metered water usage)	Wholesale

4.0 Water Utility

The financial plan and rate design were developed to meet all the funding obligations of the water utility, and to achieve the financial adequacy and equitable cost recovery discussed in Section 2.3.

The water utility financial plan was developed for the six-year forecast period of 2021 through 2026, and includes the following key components:

- Revenue projections (user rate revenues and non-rate revenues);
- Capital improvement program financing;
- Annual revenue requirement projections; and
- Annual proposed revenue increases

4.1 Water Revenue Projections Under Existing Rates

The water utility revenues are derived from the following sources:

- Water Service Revenues (Base and Volume Charge)
- Other Revenues

As a first step in the development of the financial plan, Water Service Revenues under the 2022 existing rates are projected for the forecast period.

4.1.1 Water Revenue Under Existing Rates

As described in Section 3.3.1, the Water Service Revenue consists of two charge components. For each of the two components, revenues are projected based on billing units and applicable existing rate schedules. The billing units necessary to compute the Base Charge revenues are the *number of accounts* based on meter size and customer class. The billing units necessary to compute the Volume Charge are the *annual water usage* by customer class and by applicable blocks of usage.

4.1.1.1 Projection of Customer Accounts

Typically, historical billing units are reviewed and used to project billing units for the forecast period. The project team reviewed historical accounts and average usage trends for each customer class referenced in Section 3.3.1.

Based on the review of historical trends, two annual adjustment factors were applied to project billing units for the forecast period. The two adjustment factors applied at the customer class level are *accounts growth rate* and *usage factor*. The number of accounts is projected to grow in all customer classes except for Fire protection and wholesale where the number of accounts is anticipated to remain at the 2020 level.

The total number of water accounts (not including private fire connections) is anticipated to increase from about 48,620 in 2021 to about 52,850 in 2026, at an overall annual system growth rate of 1.7%. The number of private fire connections is anticipated to remain at 727 throughout the study period. Table W - 1 in Appendix 1 presents the projected annual number of water accounts and private fire connections for the period of 2021 through 2026.

Figure 4-1 presents both the historical and projected number of accounts for the water utility.

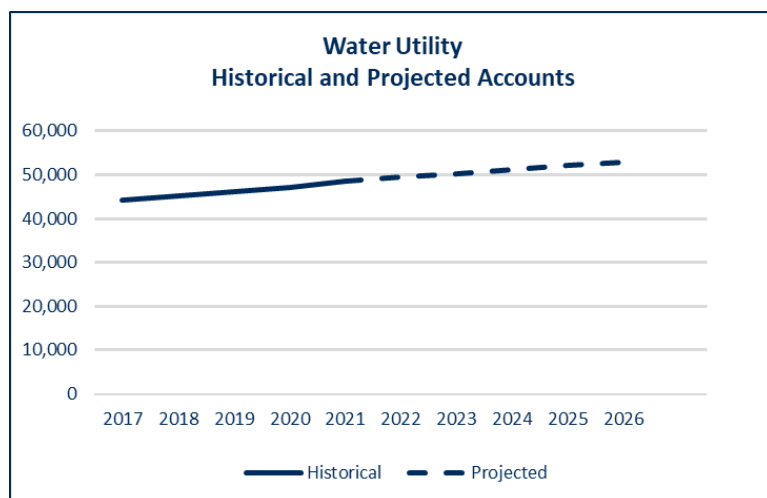


Figure 4-1 - Historical and Projected Water Accounts

4.1.1.2 Projection of Water Usage

Billed water volumes are projected based on estimates of the number of water accounts and the average billed usage per account. Average water use per account is determined based on historical usage. The historical usage per account for all customer classes varies each year between 2016 and 2020. In 2020, the COVID pandemic led to stay-at-home measures and shut down of non-essential businesses across the country. Consequently, the residential customers used more water in 2020, whereas the non-residential customers used less water as compared to previous years. The average use per account for 2021 was projected to remain at the 2020 levels assuming a lingering effect of the pandemic. The average usage per account for 2022 and beyond was projected to return to the 2019 level for all customer classes assuming a return to pre-pandemic levels.

Total system water usage is projected to increase from 3,873,500 kgals in 2021 to 4,109,400 kgals in 2026. Table W - 2 in Appendix 1 presents the projected annual volume for the period of 2021 through 2026.

Figure 4-2 presents both the historical and projected annual billed volume for the water utility.

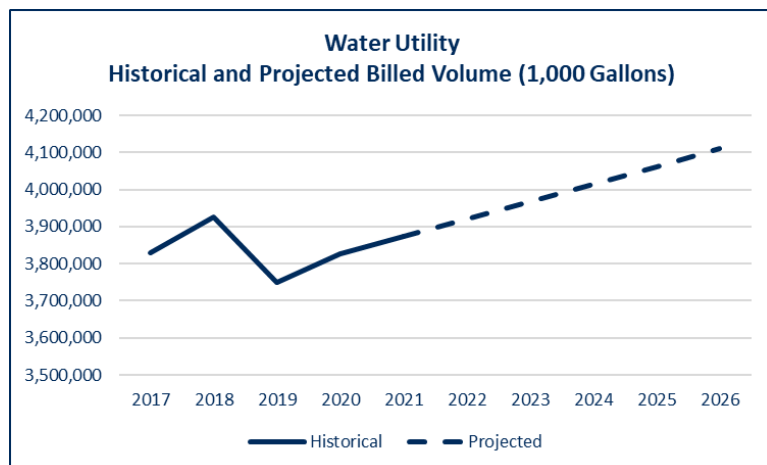
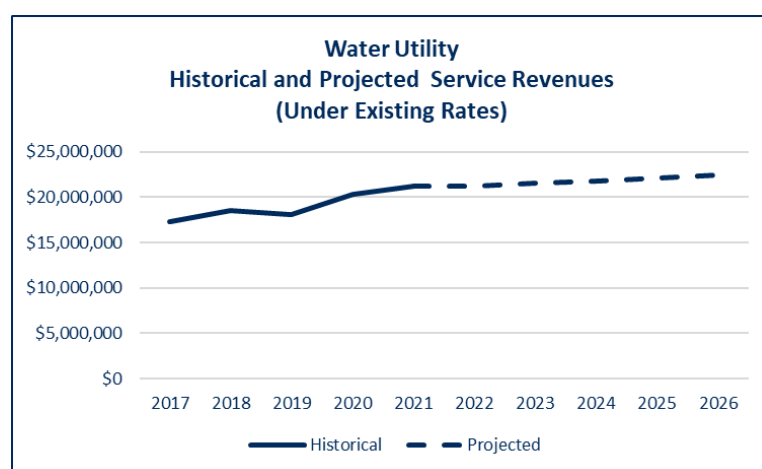


Figure 4-2 - Historical and Projected Water Billed Volume**4.1.2 Projection of Service Revenue Under Existing Rates**

Water service revenues for the period 2021 through 2026 are projected for each charge component (base and volume) based on the projections of accounts by meter size, projected water usage for each customer class, and the application of the 2021 rate schedule for 2021 revenues and 2022 rate schedule for 2022 through 2026 revenues. Water service revenue under existing rates is projected to increase slightly from \$21.2 million in 2021 to \$23.0 million in 2026. This growth is due to increase in water sales due to the growth in the number of accounts over the study period. Table W - 4 in Appendix 1 presents the projected annual service revenues for the period of 2021 through 2026.

Figure 4-3 presents both the historical and projected annual service revenues under existing rates for the water utility.

**Figure 4-3 - Historical and Projected Water Service Revenue****4.1.3 Other Water Revenues**

The other revenues include the following major components:

- Impact Fee Revenue;
- Water/Rural Water Connection Fees;
- Miscellaneous Fees (Water Sales Not on Computer, Trip Fees, Tampering-Billed Service)
- Penalties; and
- Safe Drinking Water Fee (pass-through)

The annual revenues from water impact fees, water connection fees and miscellaneous fees for 2021 to 2026 are projected based on historical three-year (2018 to 2020) average revenues for each of the fees. The penalties revenue in 2020 reflects only the first two and half months of revenues, as the City stopped assessing penalties for non-payment due to the pandemic. The revenue for penalties in 2021 is projected to be half of the historical three -year (2017 to 2019) average revenues due to continued waiver of the penalties as a result of the COVID pandemic during the first half for 2021. The revenue

from penalties in 2022 and beyond is projected as the historical three-year average (2017 to 2019) average revenues. Table W - 5 in Appendix 1 presents the historical and projected annual service revenues for the period of 2021 through 2026.

The Safe Drinking Water Fee (SDWF) is assessed for all water users in the state of Arkansas. The current rate is \$0.40 per bill per month and is collected by all water utilities in the state. The SDWF revenue is projected by applying the current rate to the number of meters for the period 2021 to 2026. The revenue collected as part of this fee is reimbursed to the state.

4.2 Water Capital Improvements Program

The capital project costs provided by the City were based on 2020 dollars. Based on discussions with the City, the project costs are inflated at an annual rate of 3.0% to accurately reflect the costs of projects for 2021 and beyond. The water utility Capital Improvement Plan (CIP) provides for a total of \$49.0 million of investments during the study period of 2021 through 2026. Table W - 6 in Appendix 1 presents the CIP list of projects and schedule for 2021 through 2026. The CIP is expected to be financed from a funding mix of cash financing from service revenue and impact fees.

4.3 Water Revenue Requirements

Projection of reliable revenue requirements includes: (1) operation and maintenance expenses; (2) bad debt; (3) Payment In Lieu of Taxes; (4) SDWF Reimbursement; (5) debt service (consisting of principal and interest payments); (6) transfer to shop fund; (7) transfer to operating reserve; (8) cash financed capital; and (9) transfer to capital reserve. The projections of annual revenue requirements for the study period is discussed in this section.

4.3.1 Water Operation and Maintenance Expenses

The O&M expenses for the water utility include the annual expenses associated with the water purchases from Beaver Water District; storage and distribution; meters and services; billing and collection, and general administrative services. These expenses include personnel costs (salaries and benefits), costs for materials and supplies, costs of utilities, and contracted services.

The 2021 O&M budget provided by the City was used as the baseline for projection of O&M expenses for the study period. In addition, costs associated with a water inspector (not included in the 2021 budget) recurring salary and benefits costs, recurring vehicle maintenance costs and one-time cost of the vehicle purchase was added per City's direction. Based on historical O&M costs, industry experience, and discussions with the City management, appropriate escalation factors were applied to various categories of costs to project future annual O&M expenses. Annual escalation factors used for major cost categories include the following:

- Salaries: 4.00%
- Benefits: 5.00%
- Energy: 3.00%
- Chemicals: 3.00%
- Purchased Water: 3.00%

The annual O&M expenses for water utility are budgeted at \$15.9 million in 2021 and are projected to grow to \$18.7 million by 2026. Table W - 7 in Appendix 1 presents a summary of total projected operation and maintenance expense for the period 2021 through 2026.

Figure 4-4 presents the historical and projected O&M expenses for the water utility.

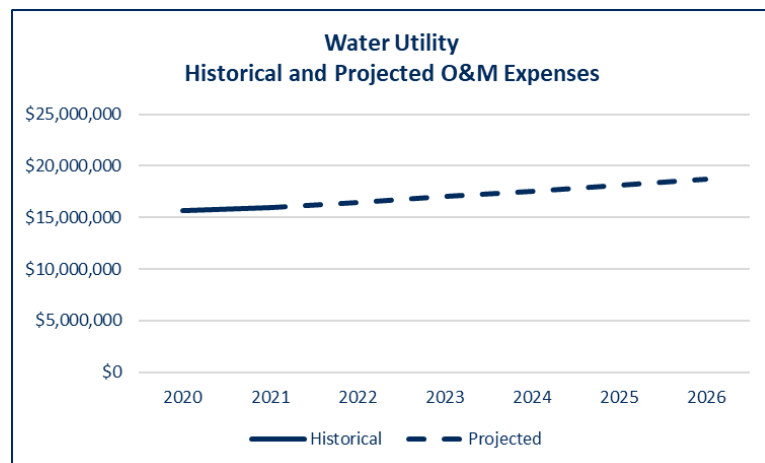


Figure 4-4 - Projected Annual Water O&M Expenses

4.3.2 Water Bad Debt

Bad debt expenses refer to outstanding balances owed that are deemed uncollectible. The water bad debt in 2019 was 0.5% of revenue. Hence, bad debt projections for the study period assume 0.5% of annual revenues. Annual bad debt expenses for water utility is projected to increase from \$105,900 in 2021 to \$125,300 by 2026 reflecting the increase in projected revenues. Line 12 in Table W - 9 in Appendix 1 presents the projected bad debt for the period 2021 through 2026.

4.3.3 Water Payment In Lieu of Taxes

The PILOT costs are paid by public utilities to municipal entity as a compensation for utilization of streets, easements, right of ways or other public places. The PILOT amount is determined per City Ordinance 4449 that requires that the water and wastewater funds to pay 4.25% of annual total gross sale revenues to the City. Annual PILOT amount for the water utility is calculated by multiplying actual water revenues from prior year (Water sales on Computer and Water sales not on Computer/ Bulk Water Sales, and Fire Hydrant and Protection). Annual PILOT amount for the water utility is anticipated to increase from \$900,400 in 2021 to \$1,064,900 in 2026. Line 13 in Table W - 9 in Appendix 1 presents the projected PILOT expenses for the period 2021 through 2026.

4.3.4 Safe Drinking Water Fee Reimbursement

The SDWF revenue collected for each metered customer is reimbursed to the state of Arkansas department of Public Health. The SDWF reimbursement is projected to increase from \$230,000 in 2021 to \$250,200 in 2026. Line 14 in Table W - 9 in Appendix 1 presents the projected SDWF reimbursement for the period 2021 through 2026.

4.3.5 Water Debt Service Requirements

The water utility does not have any outstanding debt service obligations. The City does not anticipate any debt issuances during the study period, therefore there is no projected debt service for future debt as shown in Line 15 in Table W - 9 in Appendix 1.

4.3.6 Transfer to Shop Fund

The transfer to the shop fund is made by the utility whenever a new vehicle (associated with new personnel) is purchased, thereby expanding the existing fleet. There are no projected transfers to the shop fund over the study period as shown in Line 17 in Table W - 9 in Appendix 1.

4.3.7 Transfer to Operating Reserve

The City maintains an operating reserve balance equivalent of ninety (90) days of following years' O&M budget. The transfer to operating reserve is projected to increase from \$133,000 in 2022 to \$151,800 in 2026 reflecting the growth in the O&M budget. Line 18 in Table W - 9 in Appendix 1 presents the projected transfers to the operating reserve for the period 2021 through 2026.

4.3.8 Water Cash Financed Capital

The City currently utilizes the following two sources of funding for the water utility capital projects (1): transfer from operating revenues and (2) transfer from the impact fee fund. As stated in Section 4.2, the water capital improvement program for the study period is \$52 million, of which \$50 million is projected to be funded from operating revenues and \$2 million is from the impact fee fund. A capital project meets the requirements of using impact fees if the existing water capacity is expanded due to growth. The construction contract and the budget amendment to change the source of funding to impact fee must be approved by the City Council. Table W - 8 in Appendix 1 presents the sources of funding for the water capital improvement program. Line 19 in Table W - 9 in Appendix 1 presents the projected transfers for cash financed capital for the period 2021 through 2026.

4.3.9 Transfer to Capital Reserve

The water utility, after meeting all the obligations stated in sections above, transfers the excess funds to the capital reserve fund. The capital reserve fund is used as a source for funding the capital program in the years that the revenues are not sufficient to meet the capital funding requirements. Line 20 in Table W - 9 in Appendix 1 presents the projected transfers to and from the capital reserve for the period 2021 through 2026.

4.4 Water Proposed Revenue Adjustments

The annual revenue adjustments that are needed to achieve the defined financial performance objectives are determined by evaluating the funding gap between the projected annual revenue requirements and the projected revenues under existing rates. Table W - 9 in Appendix 1, provides a summary of the revenue and revenue requirements (financial plan) for the study period.

Projected Revenue Under Existing Rates: Line 1 indicates that under existing rates (2022 rates) water utility revenues will increase from \$21.8 million in 2022 to \$23.0 million in 2026.

Projected Other Revenues: Line 8 indicates that the other revenues are anticipated to increase from \$641,500 in 2022 to \$662,300 in 2026. This increase is due to the growth in SDWF, which is a pass-through. It is anticipated that all other categories of other revenues will remain flat throughout the study period.

Projected Expenses: Line 15 indicates the total annual expenses for the water utility are anticipated to increase from \$17.7 million in 2022 to \$20.2 million in 2026.

Projected Transfers: Line 20 indicates the total annual transfers for the water utility are anticipated to increase from \$4.7 million in 2022 to \$5.6 million in 2026.

Funding Gap: The cash flow analysis indicates that the sum of revenues under existing rates and the other revenues is not adequate to fund the projected annual revenue requirements, thereby causing an operating deficit.

Proposed Revenue Adjustments: To address the funding gap in the water utility, a series of revenue adjustments are proposed as follows:

- 2024: 3% effective (January 1, 2024)
- 2025: 3% effective (January 1, 2025)
- 2026: 3% effective (January 1, 2026)

Lines 2 through 7 present the amount of additional revenues generated each year with the proposed magnitude and timing of revenue adjustments. Figure 4-5 presents the projected revenue and revenue requirements through 2026 for the wastewater utility.

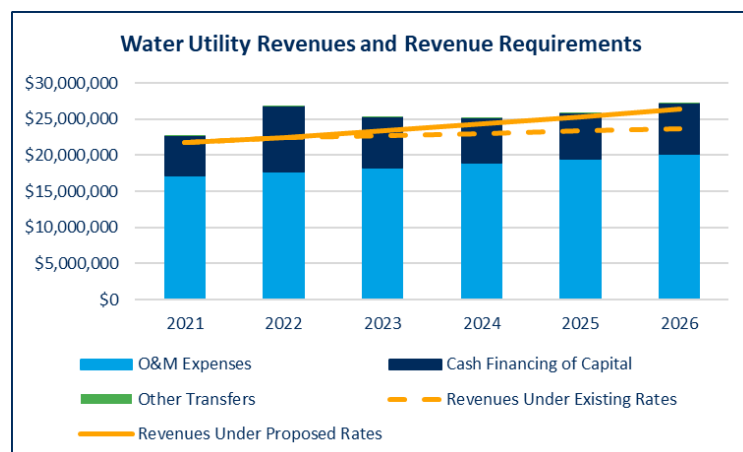


Figure 4-5 - Water Revenues and Revenue Requirements

Table W - 10 in Appendix 1 presents the water utility's operating reserve, capital reserve and impact fee fund balances. The City has identified the minimum balance requirements for each of the following funds:

- **O&M Reserve Balance:** A cash balance of at least 90 days of the follow's year operating expenses.
- **Operating Fund Balance:** A minimum target of \$100,000.

- **Capital Fund Balance:** A minimum target of \$500,000.
- **Capital Reserve Fund Balance:** An amount necessary to fully fund anticipated capital projects.

As shown in Table W - 10, the proposed annual revenue adjustments will allow the water utility to meeting the minimum fund balance requirements for all funds through 2026.

4.5 Water Cost of Service

A key step to developing an equitable rate structure involves the cost of service analysis. The financial plan discussed in sub sections 4.1 through 4.4 provides an estimate of the total annual revenue requirements for a given fiscal year. The cost of service analysis provides a mechanism to defensibly allocate the total annual revenue requirements to the various customer classes.

The cost of service is typically performed for a single year, referred to as the “Test Year” for which the rates are to be designed. The test year for which the cost of service study was performed is 2023.

The key components of the cost of service analysis are:

- Determination of Cost of Service (net revenue requirements);
- Determination of Functional Costs;
- Allocation of Functional Costs to Cost Components; and
- Distribution of Water Utility Costs to Customer Classes

4.5.1 Determination of Cost of Service

The first step is to determine the cost of service that is to be recovered from user rates and charges. As briefly discussed in Section 2.3, cost of service is defined as, and synonymous with, the “net revenue requirement” that is to be recovered for the test year through user rates and charges. Table W - 11 in Appendix 1 presents the derivation of the cost of service to be recovered through water charges. As Line 18 in Table W - 11 indicates, the water cost of service for 2023 is projected to be \$22.1 million. This cost of service consists of \$17.8 million of net O&M expense and \$4.3 million of net capital costs.

Costs of service is apportioned among customer classes in this study on a “Utility Basis”, that is, in terms of operating expense, depreciation expense, and return. For a municipal utility, the total of depreciation expense and return is equal to the capital cost related portion of the total cost of service.

Depreciation is the loss in value of the original plant investment, not restored by current maintenance, due to wear, decay, inadequacy, and obsolescence. Annual depreciation is determined as a percentage of original investment based on expected service lives of the various facilities. Unless funds are provided for normal annual replacement of original plant items, operating reliability of the system, as well as the value, will decrease. Depreciation funds are used to finance principal payments on bond issues and provide normal annual capital expenditures.

The depreciation expense associated with the water utility is estimated in this study recognizing depreciation rates presently in use by the water utility. This results in a projected test year depreciation expense of \$2.8 million exclusive of depreciation on contributed plant, which is not recognized for cost

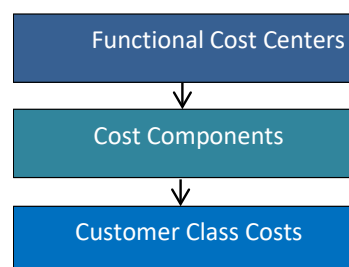
allocation or rate design purposes. The contributed plant adjustment is consistent with generally accepted regulatory practices.

Total return on the system investment provides funds for bond interest payments and any other costs that may be incurred. In developing the level of return on net plant serving the requirements of outside City customers, provisions for a reasonable margin should be made to meet interest on borrowed funds, and to recognize the business risk assumed by the City in providing reliable facilities to serve nonresident customers. Total return for the test year is projected to be \$1,476,030 as shown on Line 17 of Table W - 11 in Appendix 1.

4.5.2 Determination of Functional Costs

As a basis for developing an equitable rate structure, the test year cost of service should be allocated to the various customer classes according to respective service requirements.

The basic underlying principle in developing cost of service rates is the determination of what elements in a water system are responsible for causing the level of revenue requirements that is needed. To allocate the costs to customer classes, first the operating and capital costs of service are aggregated into “Functional Cost Centers.” The functional costs are then further allocated to cost components. Each component cost is then apportioned to customer classes



Functional Cost Centers

Functional cost centers of a water utility represent the activities that contribute to the incurrence of O&M and capital costs. For a water utility, they often include source of *water supply, pumping, treatment, storage, distribution, meters, billing, and other administration* costs. Both the O&M and capital costs defined for the Test Year, discussed in 4.5.1, need to be allocated to functional cost centers.

Functional Costs

The **capital costs** associated with the functional cost centers are determined using detailed fixed assets data, provided by the City, for each class of asset that is currently in service, construction work in progress and projected capital improvement program for the test year. The total value of the fixed assets (referred to as “Net Plant Investment”) in the system is usually presented as Original Cost Less Depreciation (“OCLD”). The total estimated OCLD of the water system is \$104 , as presented in Line 9 in Table W - 12 in Appendix 1. This plant investment data is subsequently used as a basis for the allocation to cost components, discussed in the following subsection 4.5.3.2.

The **O&M costs** for the Test Year are allocated to the various functional cost centers based on the specific nature of costs. The allocation of the projected O&M cost of service (net operating revenue requirement) of \$17.8 million, to the various functional cost centers, is presented in Table W - 14 in Appendix 1.

The various cost elements of water service are assigned to functional cost components as the first step in the subsequent distribution of the costs of service to customer classes.

4.5.3 Allocation of Costs to the Functional Cost Components

The principal functional cost components consist of *Base Costs*, *Extra-Capacity Costs*, and *Customer Costs*.

Base costs are those which vary directly with the quantity of water used, as well as those costs associated with serving customers under average load conditions without the elements necessary to meet water use variations or peak demands. Base costs include purchased power and treatment chemicals, and other operating and capital costs of the water system associated with serving customers to the extent required for a constant, or average annual rate of use.

Extra-Capacity costs represent those operating costs incurred due to demands in excess of average, and capital related costs for additional plant and system capacity beyond that required for the average rate of use. Total extra capacity costs are subdivided into costs associated with maximum day and maximum hour demand.

Customer Costs are defined as costs which tend to vary in proportion to the number of customers connected to the system. These include meter reading, billing, collection and accounting costs, and maintenance and capital charges associated with meters and services.

The delineation of costs of service into these principal categories provides the means of further allocating such costs to the various customer classes based on the respective base, extra capacity, and customer service requirements of each customer class.

Wholesale customers generally do not use smaller water distribution mains as do retail users. Therefore, separate functional cost of service categories are designated for costs which are common to all customer classes and those which are common to retail service classes only.

4.5.3.1 Water Utility Allocation to Cost Components

The water utility is comprised of a variety of service facilities, each designed and operated to fulfill a given function. In order to provide adequate service to its customers at all times, the utility must be capable of not only providing the total amount of water used, but also supplying water at maximum rates of demand.

Since all customers do not exert their maximum demand for water at the same time, capacities of water facilities are designed to meet the peak coincidental demands that all classes of customers, as a whole, place on the system. For every water service facility on the system, there is an underlying average demand, or uniform rate of usage exerted by the customers for which the base cost component applies. For those facilities designed solely to meet average day demand, costs are allocated 100% to the base cost component. Extra capacity requirements associated with coincidental demands in excess of average use are further related to maximum daily and maximum hourly demands.

Analysis of historical system maximum day and maximum hour demands to average day demands results in appropriate ratios for the allocation of capital costs and operating expenses to base and extra capacity cost components. A maximum day to average day ratio of 2.10 is used based on experienced demands in the water system. This indicates that approximately 47.6% of the capacity of facilities designed and operated to meet maximum day demand is required for average or base use. According, the remaining 52.4% is required for maximum day extra capacity requirements.

The costs associated with facilities required to meet maximum hour demand are allocable to base, maximum day extra capacity, and maximum hour extra capacity. A ratio of maximum hour to annual average day water use of 2.73 is used, based on demands experienced by the system. This ratio indicates that 36.6% of the capacity of facilities designed and operated for maximum hour demand is needed for average or base use, while 40.3% is utilized for maximum day extra capacity uses, and the remaining 23.1% is required to meet maximum hour extra capacity demand in excess of maximum day needs.

4.5.3.2 Allocation of Net Water Plant Investment

The estimated test year net plant investment in water facilities consists of net plant in service as of December 31, 2019, the 2020 construction work in progress, and the estimated cost of proposed capital improvements expected to be in service by the end of calendar year 2022. As the wholesale customers have their own storage tanks, the plant investment associated with tanks was allocated to the retail customers only. The total estimated OCLD of the water system is \$104 million, as presented in Line 9 in Table W - 12 in Appendix 1.

Plant investment is allocated to cost components on a design basis recognizing the principal function governing the design of the facility. The allocation of net plant investment provides the basis for allocation of depreciation expense.

4.5.3.3 Allocation of Water Facilities Depreciation Expense

Depreciation is a real part of the cost of operating a utility. In utility accounting, it is generally accepted practice to use depreciation funds to finance system replacements, improvements, and extensions. While such action does not restore the value lost in each property unit every year, the total value lost through depreciation is restored to the system as a whole. Depreciation funds can be reinvested in the system either by direct payment of routine capital additions and replacements or by principal payments on bonded debt.

The total estimated depreciation cost (excluding depreciation on contributed facilities) for the water system is \$2.8 million, as presented on Line 9 in Table W - 13 in Appendix 1. As the wholesale customer have their own storage tanks, the depreciation costs associated with tanks was allocated to the retail customers only.

4.5.3.4 Allocation of Water Utility Operating Expenses

Table W - 14 in Appendix 1 presents the allocation of O&M expense to functional cost components. Total test year O&M expense, as shown on Line 7 of this table, amounts to \$18.2 million. Operating expenses are allocated to functional cost components in generally the same manner as plant investment.

4.5.4 Distribution of Water Utility Costs to Customer Classes

As a basis for determining the cost of water service to each customer class, the elements of cost of service previously allocated to functional cost components are distributed among the classes in proportion to their respective service requirements. Estimates of these requirements, or units of service, reflect the average number of accounts with recognition to relative meter sizes serving each account, annual water sales, and estimated peak water demands placed on the system by each customer class. Analysis of resulting costs of service to each class and comparison of allocated costs with revenues under existing rates provide a basis for future water rate adjustments.

4.5.4.1 Water Customer Classification

Customer classes consist of residential, non-residential, industrial, irrigation, wholesale, and public and private fire protection. The residential class includes single family residential, duplex, fourplex, apartment, multi-unit residential, and rooming house customers. The non-residential class includes commercial, combination, construction, government, and non-profit classes. Industrial includes major and minor industrial. Outside City includes Farmington, Greenland, Washington/Growth Area, Johnson, and Goshen/ White River. Wholesale includes the communities of Elkins, West Fork, Mt. Olive, and RDA/WWA. These classes group together customers with similar service requirement characteristics and provide a means for allocating costs to customers.

4.5.4.2 Water Units of Service

The cost of service responsibility for base costs varies with the annual volume of water usage and is distributed to customer classes on that basis. Extra capacity costs are those costs associated with meeting peak rates of water use and are distributed to customer classes on the basis of their respective system capacity requirements in excess of average requirement rates. Customer costs, which consist of meter related costs, billing, collection and accounting costs, are allocated on the basis of the number of equivalent meters and monthly bills.

The estimated units of service for the various customer classifications are presented in Table W - 15 in Appendix 1. Estimates of test year annual water volumes, shown in Column 1, are based on the projections of total water sales for the test year 2023. Average daily water use is presented in Column 2. Columns 3 through 8 present the estimated maximum day and maximum hour capacity factors for each customer class, the resulting demands, and extra capacity requirements, respectively.

Customer related meter and service costs are allocated on the basis of the number of equivalent 3/4 inch meters serving each customer class. The number of equivalent meters in each customer class (Column 10) is estimated by relating typical costs for meters and services larger than 5/8 inch in size to the typical cost of a 3/4 inch meter and its related service line. Customer billing and accounting costs are distributed to classes on the basis of the number of bills for each customer class in Column 11.

Extra capacity requirements for fire protection service recognize, in part, peak fire flow requirements, and system capabilities established by the Insurance Service Office. One fire is estimated with peak fire flow requirements of 9,000 gallons per minute for 10 hours (maximum day) and 24 hours (maximum hour). Direct fire protection costs have been allocated between inside City and outside City customers in proportion to the number of equivalent 6-inch fire hydrants, as shown in Columns 12 and 13.

4.5.4.3 Water Utility Customer Class Costs of Service

Unit costs of service are developed by dividing the total cost allocated to each functional cost component by the total applicable units of service. The customer class responsibility for service is obtained by applying unit costs of service to the number of units for which the customer class is responsible.

The water utility has been built with provision for service to customers outside the City, yet the inside City customers must bear the responsibility for providing system facilities by undertaking the necessary investment. Revenues derived from outside City service should provide a margin of return on capital adequate to induce the citizens of Fayetteville to bear the risks of providing outside City service. To recognize the proprietary interest and responsibility of inside City customers in the system, it is proper to charge outside City customers, in addition to their share of operating expense and depreciation, a

reasonable return on their allocated portion of value. A 7.0% (4.0% for future debt service plus 3.0% risk component) annual rate of return on the value of water facilities serving outside City customers is recognized for purposes of this study.

Table W - 16 in Appendix 1 shows the development of the unit costs of service applicable to each cost function. Lines 1 through 3 summarize the units of service developed in Table W - 15. Total allocated costs or investment shown on Lines 4, 6, and 8 were previously developed in Table W - 12, Table W - 13 and Table W - 14 respectively. Unit costs of service for each component are determined by dividing the allocated cost or investment by the total units of service.

Total allocated unit costs of service for inside and outside City customers (Lines 15 and 16) are determined by adding the unit costs for net operating expense (Line 5) and depreciation expense (Line 7) to the respective inside and outside City unit costs for return on investment (Lines 10 and 11). These unit costs applied to the respective units of service shown on Lines 1 and 2 determine the allocated total costs of service for inside and outside City customers shown on Lines 17 and 18. In order to determine the allocated costs for each customer class, the costs are allocated to the various customer classes by applying the appropriate unit cost of service to the respective service requirements of each customer class.

Table W - 17 in Appendix 1 shows the resulting allocated and adjusted cost of service by customer class, revenue under existing rates, and the additional revenue required from each class. Costs associated with public fire protection are not recovered through direct charges, therefore, the cost of service for this class is reallocated to all other retail customers in proportion to their allocated cost of service as shown in Column 3. The test year adjusted cost of service, reflecting the reallocation of these costs, is shown in Column 4. The indicated increase or decrease in revenue required to meet adjusted cost of service is shown in Column 6.

5.0 Water Rate Design

The principal consideration in establishing water rate schedules is to establish rates to customers to recover costs that reasonably commensurate with the cost of providing water service. Theoretically, the only method of assessing entirely equitable rates for water service would be the determination of each customer's bill based upon each customer's particular service requirements. Since this is impractical, schedules of rates are normally designed to meet average conditions for groups of customers having similar service requirements. Rates should provide for equitable cost recovery, ease of customer understanding and be simple to administer.

The revenue requirements and cost of service allocations described in the preceding sections provide the basis for adjusting water rates. The revenue requirements reflect the need for adjustment and the level of revenue required. The cost of service analysis provides the unit costs of service used in the rate design process and gives a basis for determining whether resultant rates will develop revenues which recover costs of service from customer classes in proportion to service required and provide the total level of revenue required.

5.1 Existing Water Rates

The existing schedule of rates for water service became effective on January 1, 2022. For both retail and wholesale customers, these rates include a monthly base charge bill, which varies by meter size. The volume charge varies by customer class. The existing water rate structure is described in Section 3.3.1. The existing schedule of base and volumetric water rates is shown in Table W - 3.

5.2 Proposed Water Rates

The cost of service analysis described in the preceding sections of this report provides a basis for the design of a schedule of water rates to meet those costs. Proposed water base charge and volume rates have been designed to meet the test year allocated costs of service and are presented in Table W - 18. The proposed rate structure eliminates the minimum volume charge associated with 1,000 gallons. Additionally, volumetric rate structure for non-residential and irrigation customers classes both inside and outside city were changed from declining block rates to uniform block rates Figure 5 - 1 below presents the proposed water rate structure.

Figure 5 - 1 Proposed Water Rate Structure

Rate Component	Applicable Customer Classes
Base Charge by Meter Size	- Retail Inside City (Residential, Non-Residential, Major Industrial, Irrigation, Fire Protection); - Retail Outside City (Residential, Non-Residential, Major Industrial, Irrigation, Fire Protection); - Wholesale
Volume Rate (3-Tier Inclining Block)	- Retail Inside City Residential; and - Retail Outside City Residential
Volume Rate (Uniform)	Retail Inside City Non-Residential, Major Industrial, Irrigation; and

Rate Component	Applicable Customer Classes
	Retail Outside City Non-Residential, Irrigation
Volume Rate (Uniform)	Wholesale
Safe Drinking Water Fee (per month)	All customer classes

In developing proposed schedules of water rates, it must be recognized that the cost of service studies are the result of engineering estimates, based to some extent upon judgment and experience, and detailed results should not be used as literal and exact answers but as guides for potential rate adjustments. Practical considerations such as previous rate levels, bill impact on customers, and magnitude of cost of service shifts among customer classes, and past local practices are commonly recognized in making rate adjustments.

A comparison of estimated test year revenue under the proposed rates with allocated costs of service for each of the customer classes is presented in Table W - 19 in Appendix 1. This comparison indicates the proposed rates will recover revenues from inside and outside City customer groups reasonably commensurate with the cost of service and practical considerations previously noted.

To better reflect the total effect the proposed rates have on customer bills, a comparison of typical inside city and outside city customer water charges under existing rates and the rates proposed to become effective January 1, 2023, is presented in Table W - 20.

6.0 Wastewater Utility

The financial plan and rate design were developed to meet all the funding obligations of the wastewater utility, and to achieve the financial adequacy and equitable cost recovery discussed in Section 2.3.

The wastewater utility financial plan was developed for the forecast period of 2021 through 2026, and includes the following key components:

- Revenue projections (user rate revenues and non-rate revenues);
- Capital improvement program;
- Annual revenue requirement projections; and
- Annual proposed revenue increases

6.1 Wastewater Revenue Projections Under Existing Rates

The wastewater utility revenues are derived from the following sources:

- Wastewater Service Revenues (Base and Volume Charge)
- Other Revenues

As a first step in the development of the financial plan, Wastewater Service Revenues under the 2021 existing rates are projected for the forecast period.

6.1.1 Wastewater Revenue Under Existing Rates

As described in Section 3.3.2, the Wastewater Service Revenue consists of two charge components. For each of the two components, revenues are projected based on billing units and applicable existing rate schedules. The billing units necessary to compute the Base Charge revenues are the *number of accounts* based on meter size and customer class. The billing units necessary to compute the Volume Charge are the *annual wastewater billed volumes* by customer class and by applicable blocks of billable wastewater volume.

6.1.1.1 Projection of Customer Accounts

Typically, historical billing units are reviewed and used to project billing units for the forecast period. The project team reviewed historical accounts and billed volume trends for each customer class referenced in Section 3.3.1.

Based on the review of historical trends, two annual adjustment factors were applied to project billing units for the forecast period. The two adjustment factors applied at the customer class level are *accounts growth rate* and *volume factor*. The number of accounts is projected to grow for residential customer classes Fayetteville (Inside City) and Farmington (Outside City), whereas all other customer classes are anticipated to remain at the 2020 level.

The total number of wastewater accounts is anticipated to increase from about 40,100 in 2021 to about 43,300 in 2026, at an overall annual system growth rate of 1.6%. Table S - 1 in Appendix 2 presents the projected annual number of accounts for the period of 2021 through 2026.

Figure 6-1 presents both the historical and projected number of accounts for the wastewater utility.

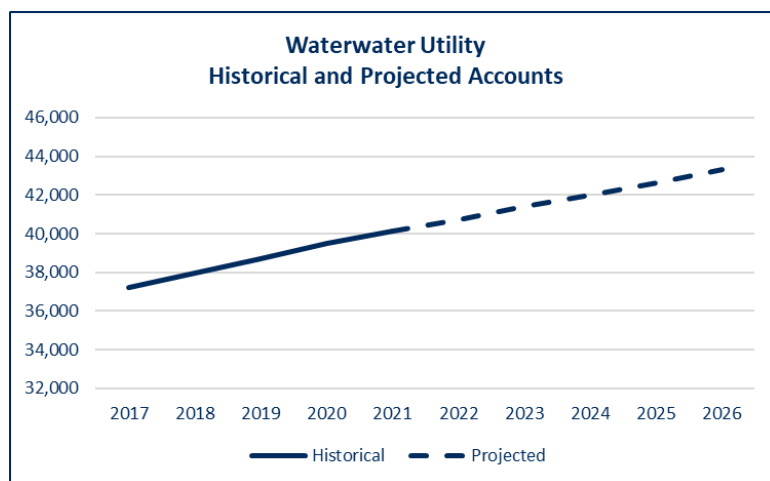


Figure 6-1 - Historical and Projected Wastewater Accounts

6.1.1.2 Projection of Wastewater Volume

Billed wastewater volumes are projected based on estimates of the number of wastewater accounts and the average billed volume per account. Average billed volume per account is determined based on historical billed volume. The historical billed volume per account for all customer classes varies each year between 2016 and 2020. In 2020, the COVID pandemic led to stay-at-home measures and shut down of non-essential businesses across the country. Consequently, the residential customers used more water in 2020, whereas the non-residential customers used less water as compared to previous years. The average billed volume per account for 2021 was projected to remain at the 2020 levels assuming a lingering effect of the pandemic. The average billed volume per account for 2022 and beyond was projected to return to the 2019 level for all customer classes assuming a return to pre-pandemic levels.

Total system wastewater billed volume is projected to increase from 3,043,100 kgals in 2021 to 3,205,800 kgals in 2026. Table S - 2 in Appendix 2 presents the historical and projected annual volume for the period of 2020 through 2026.

Figure 6-2 presents both the historical and projected annual billed volume for the wastewater utility.

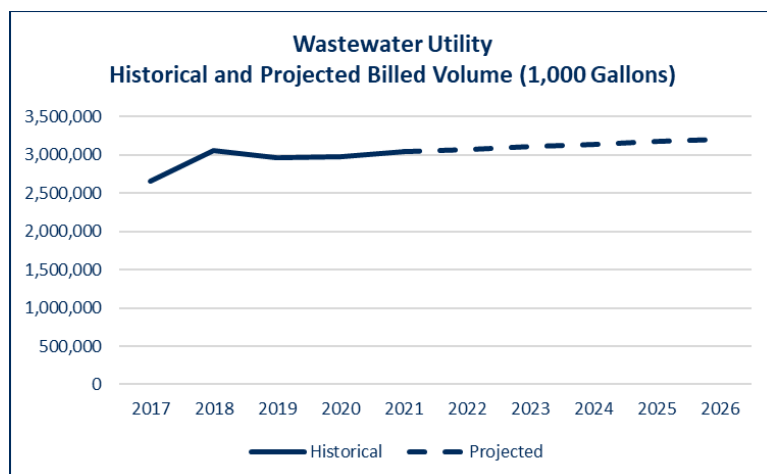


Figure 6-2 - Historical and Projected Wastewater Billed Volume

6.1.2 Projection of Service Revenue Under Existing Rates

Wastewater service revenues for the period 2021 through 2026 are projected for each charge component (base and volume) based on the projections of accounts by meter size, projected billed volume for each customer class, and the application of the 2021 rate schedule for 2021 revenues and 2022 rate schedule for 2022 through 2026. Wastewater service revenue under existing rates is projected to increase slightly from \$24.5 million in 2021 to \$26.7 million in 2026. This growth is due to increase in wastewater sales due to the growth in the number of accounts over the study period. Table S - 4 in Appendix 2 presents the historical and projected annual service revenues for the period of 2021 through 2026.

Figure 6-3 presents both the historical and projected annual service requirements under existing rates for the wastewater utility.

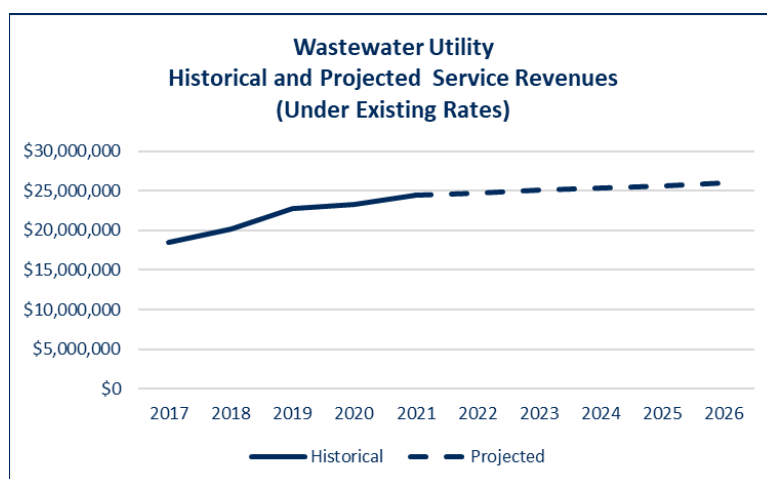


Figure 6-3 - Historical and Projected Wastewater Service Revenue

6.1.3 Other Wastewater Revenue

The other revenues include the following major components:

- Impact Fee Revenue;
- Wastewater Connection Fees;
- Wastewater Sales Not on Computer
- Penalties; and
- WWTP Fees (Hay Sales, Biosolids/ Fertilizer Sales & Water Treatment Residual)

The annual revenues from wastewater impact fees, wastewater connection fees, wastewater sales not on computer, and WWTP Fees for 2021 to 2026 are projected based on historical three-year (2018 to 2020) average revenues for each of the fees. The penalties revenue in 2020 reflects only the first two and half months of revenues, as the City stopped assessing penalties for non-payment due to the pandemic. The revenue for penalties in 2021 is projected to be half of the historical three-year (2017 to 2019) average revenues due to continued waiver of the penalties as a result of the COVID pandemic during the first half for 2021. The revenue from penalties in 2022 and beyond is projected as the historical three-year average (2017 to 2019) average revenues. Table S - 5 in Appendix 2 presents the historical and projected annual other revenues for the period of 2020 through 2026.

6.2 Wastewater Capital Improvements Program

The capital project costs provided by the City were based on 2020 dollars. Based on discussions with the City, the project costs are inflated at an annual rate of 3.0% to accurately reflect the costs of projects for 2021 and beyond. The City's wastewater utility Capital Improvement Plan (CIP) provides for a total of \$69.3 million of investments during the study period of 2021 through 2026. Major wastewater projects include sanitary wastewater rehabilitation totaling \$15.7 million and Biosolids Dryer Replacement totaling \$31.1 million. Table S - 6 in Appendix 2 presents the CIP list of projects for 2021 through 2026. The CIP is expected to be financed from a funding mix of cash financing from service revenue and impact fees.

6.3 Wastewater Utility Revenue Requirements

Projection of reliable revenue requirements includes: (1) O&M expenses; (2) bad debt; (3) Payment In Lieu of Taxes; (4) debt service (consisting of principal and interest payments); (5) transfer to shop fund; (6) transfer to operating reserve; (7) cash financed capital; and (8) transfer to capital reserve. The projections of annual revenue requirements for the study period is discussed in this section.

6.3.1 Wastewater Operation and Maintenance Expenses

The O&M expenses for the wastewater utility include the annual expenses associated with the wastewater conveyance, pumping, treatment and disposal; meters and services; billing and collection, and general administrative services. These expenses include personnel costs (salaries and benefits), costs for materials and supplies, costs of utilities, and contracted services.

The 2021 O&M budget provided by the City was used as the baseline for projection of O&M expenses for the study period. In addition, costs associated with a wastewater inspector (not included in the 2021 budget) recurring salary and benefits costs, recurring vehicle maintenance costs and one-time cost of the vehicle purchase was added per City's direction. Based on historical O&M costs, industry experience, and discussions with the City management, appropriate escalation factors were applied to various

categories of costs to project future annual O&M expenses. Annual escalation factors used for major cost categories include the following:

- Salaries: 4.00%
- Benefits: 5.00%
- Energy: 3.00%
- Chemicals: 3.00%
- Wastewater Treatment Plant Contract: 3.00%

The annual O&M expenses for wastewater utility are budgeted at \$15.7 million in 2021 and are projected to grow to \$18.4 million by 2026. Table S - 7 in Appendix 2 presents a summary of projected operation and maintenance expense for the period 2021 through 2026.

Figure 6-4 presents the historical and projected O&M expenses for the wastewater utility.

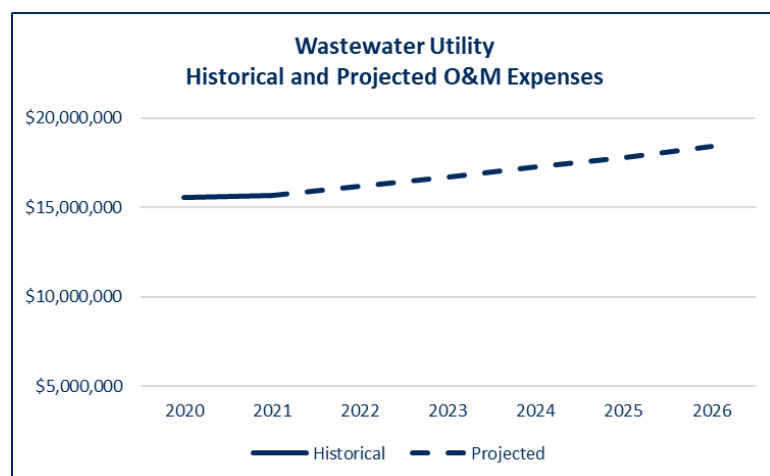


Figure 6-4 - Projected Annual Wastewater O&M Expense

6.3.2 Wastewater Bad Debt

Bad debt expenses refer to outstanding balances owed that are deemed uncollectible. The wastewater bad debt in 2019 was 0.5% of revenue. Hence, the bad debt projections for the study period assume 0.5% of annual revenues. Annual bad debt expenses for wastewater utility is projected to increase from \$122,300 in 2021 to \$145,500 by 2026 reflecting the increase in projected revenues. Line 16 in Table S - 9 in Appendix 2 presents bad debt expense for the period 2021 through 2026.

6.3.3 Wastewater Payment In Lieu of Taxes

The PILOT costs are paid by public utilities to municipal entity as a compensation for utilization of streets, easements, right of ways or other public places. The PILOT amount is determined per City Ordinance 4449 that requires that the water and wastewater funds to pay 4.25% of annual total gross sale revenues to the City. Annual PILOT amount for the wastewater utility is calculated by multiplying actual wastewater revenues from prior year (Wastewater sales on Computer and Wastewater sales not

on Computer/ Dump Fees) and is projected to increase from \$1,039,600 in 2021 to \$1,236,900 in 2026. Line 17 in Appendix 2 presents PILOT expense for the period 2021 through 2026.

6.3.4 Wastewater Debt Service Requirements

The wastewater utility does not have any outstanding debt service obligations. The City does not anticipate any debt issuances during the study period, therefore no projected debt service for future debt as shown in Line 18 in Table S - 9 in Appendix 2.

6.3.5 Transfer to Shop Fund

The transfer to the shop fund is made by the utility whenever a new vehicle (associated with new personnel) is purchased, thereby expanding the existing fleet. There are no projected transfers to the shop fund over the study period as shown in Line 20 in Table S - 9 in Appendix 2

6.3.6 Transfer to Operating Reserve

The City maintains an operating reserve balance equivalent of ninety (90) days of following years' O&M budget. The transfer to operating reserve is projected to increase from \$12,7100 in 2022 to \$145,500 in 2026 reflecting the growth in the O&M budget. Line 21 in Table S - 9 in Appendix 2 presents transfer to the operating reserve for the period 2021 through 2026.

6.3.7 Wastewater Cash Financed Capital

The City currently utilizes the following two sources of funding for the wastewater utility capital projects (1): transfer from operating revenues and (2) transfer from the impact fee fund. As stated in Section 6.2, the wastewater capital improvement program for the study period is \$69 million, of which \$67 million is projected to be funded from operating revenues and \$2 million is from the impact fee fund. A capital project meets the requirements of using impact fees if the existing wastewater capacity is expanded due to growth. The construction contract and the budget amendment to change the source of funding to impact fee must be approved by the City Council. Table S - 8 in Appendix 2 presents the sources of funding for the wastewater capital improvement program. Line 22 in Table S - 9 in Appendix 2 presents transfer for cash financing of capital program for the period 2021 through 2026.

6.3.8 Transfer to Capital Reserve

The wastewater utility, after meeting all the obligations stated in sections above, transfers the excess funds to the capital reserve fund. The capital reserve fund is used as a source for funding the capital program in the years that the revenues are not sufficient to meet the capital funding requirements. Line 23 in Table S - 9 in Appendix 2 presents transfer to and from the capital reserve for the period 2021 through 2026.

6.4 Wastewater Proposed Revenue Adjustments

The annual revenue adjustments that are needed to achieve the defined financial performance objectives are determined by evaluating the funding gap between the projected annual revenue requirements and the projected revenues under existing rates. Table S - 9 in Appendix 2 provides a summary of the revenue and revenue requirements (financial plan) for the study period.

Projected Revenue Under Existing Rates: Line 1 indicates that under existing rates (2022 rates) wastewater utility revenues will increase from \$25.4 million in 2022 to \$26.7 million in 2026.

Projected Other Revenues: Line 8 indicates that the other revenues and interest income are anticipated to increase from \$720,500 in 2022 to \$727,000 in 2026. It is anticipated that all categories of other revenues will remain flat throughout the study period. The slight growth is due to the increase in interest income on the operating reserve.

Projected Expenses: Line 14 indicates the total annual expenses for the wastewater utility are anticipated to increase from \$17.4 million in 2022 to \$19.8 million in 2026.

Projected Transfers: Line 19 indicates the total annual transfers for the wastewater utility are anticipated to increase from \$8.8 million in 2022 to \$10.1 million in 2026.

Funding Gap: The cash flow analysis indicates that the sum of revenues under existing rates and the other revenues is not adequate to fund the projected annual revenue requirements, thereby causing an operating deficit.

Proposed Revenue Adjustments: To address the funding gap in the wastewater utility, a series of revenue adjustments are proposed as follows:

- 2024: 3% effective (January 1, 2024)
- 2025: 3% effective (January 1, 2025)
- 2026: 3% effective (January 1, 2026)

Lines 2 through 7 in Table S - 9 present the amount of additional revenues generated each year with the proposed magnitude and timing of revenue adjustments. Figure 6-5 presents the projected revenue and revenue requirements through 2026 for the wastewater utility.

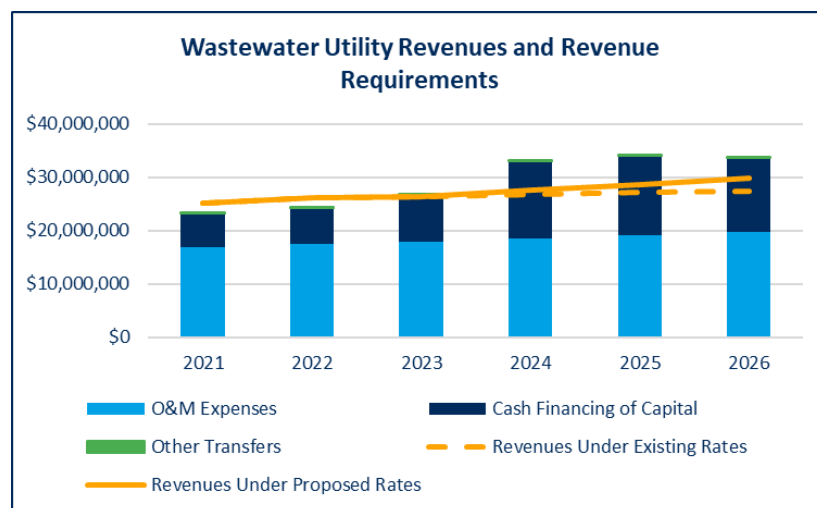


Figure 6-5 - Wastewater Revenues and Revenue Requirements

Table S - 10 in Appendix 2 presents the wastewater utility's operating reserve, capital reserve and impact fee fund balances. The City has identified the minimum balance requirements for each of the following funds:

- **O&M Reserve Balance:** A cash balance of at least 90 days of the follow's year operating expenses.
- **Operating Fund Balance:** A minimum target of \$100,000.
- **Capital Fund Balance:** A minimum target of \$500,000.
- **Capital Reserve Fund Balance:** An amount necessary to fully fund anticipate capital projects.

As shown in Table S - 9, the proposed annual revenue adjustments will allow the water utility to meet the minimum fund balance requirements for all funds through 2026.

6.5 Wastewater Cost of Service

A key step to developing an equitable rate structure involves the cost of service analysis. The financial plan discussed in sub sections 6.1 through 6.4 provides an estimate of the total annual revenue requirements for a given fiscal year. The test year for which the cost of service study was performed is 2023.

The key components of the cost of service analysis are:

- Determination of Cost of Service (net revenue requirements);
- Determination of Functional Costs;
- Allocation of Functional Costs to Cost Components; and
- Distribution of Wastewater Utility Costs to Customer Classes

6.5.1 Determination of Cost of Service

The first step is to determine the cost of service that is to be recovered from user rates and charges. As briefly discussed in Section 2.3, cost of service is defined as, and synonymous with, the "net revenue requirement" that is to be recovered for the test year through user rates and charges. Table S - 11 in Appendix 2 presents the derivation of the cost of service to be recovered through the wastewater charges. As Line 18 in Table S - 11 indicated, wastewater cost of service for 2023 is projected to be \$25.7 million. This cost of service consists of \$17.3 million of net operation and maintenance expense and \$8.4 million of net capital costs.

As performed for the water utility, costs of services are apportioned among customer classes in this study on a Utility Basis.

The depreciation expense and return on system investments that were already explained in Section 4.5.1 are applicable to the wastewater utility cost of service analysis as well. The depreciation expense associated with the wastewater utility is estimated in this study recognizing depreciation rates presently in use by the wastewater utility. This results in a projected test year depreciation expense of \$8.3 million

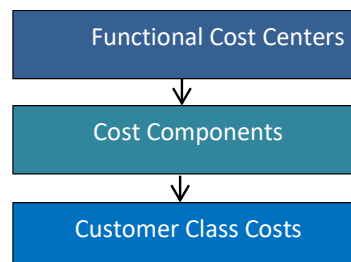
exclusive of depreciation on contributed plant, which is not recognized for cost allocation or rate design purposes. The contributed plant adjustment is consistent with generally accepted regulatory practices.

Total return for the test year is projected to be \$132,600 as shown on Line 17 of Table S - 11.

6.5.2 Determination of Functional Costs

As a basis for developing an equitable rate structure, the test year cost of service should be allocated to the various customer classes according to respective service requirements.

The basic underlying principle in developing cost of service rates is the determination of what elements in a wastewater system are responsible for causing the level of revenue requirements that is needed. To allocate the costs to customer classes, first the operating and capital costs of service are aggregated into “Functional Cost Centers.” The functional costs are then further allocated to cost components. Each component cost is then apportioned to customer classes.



Functional Cost Centers

Functional cost centers of a wastewater utility represent the activities that contribute to the incurrence of O&M and capital costs. For a wastewater utility, they often include source of *collection, pumping, conveyance, treatment, disposal, meters, billing, and other administration* costs. Both the O&M and capital costs defined for the Test Year, discussed in 6.5.1, need to be allocated to functional cost centers.

Functional Costs

The **capital costs** associated with the functional cost centers are determined using detailed fixed assets data, provided by the City, for each class of asset that is currently in service, construction work in progress and projected capital improvement program for the test year. The total value of the fixed assets (referred to as “Net Plant Investment”) in the system is usually presented as Original Cost Less Depreciation (“OCLD”). The total estimated OCLD value of the wastewater system is \$200.0 million, as presented in Line 26 in Table S - 12 in Appendix 2. This plant investment is subsequently used as a basis for the allocation to cost components, discussed in the following subsection 6.5.3.2.

The **O&M costs** for the Test Year are allocated to the various functional cost centers based on specific nature of costs. The allocation of the projected O&M cost of service (net operating revenue requirement) of \$17.3 million, to the various functional cost centers is presented in Table S - 14 in Appendix 2.

The various cost elements of wastewater service are assigned to functional cost components as the first step in the subsequent distribution of the costs of service to customer classes.

6.5.3 Allocation of Costs to the Functional Cost Components

The principal functional cost components consist of volume related costs, strength related costs, and customer related costs.

Volume costs are those which vary directly with the quantity of wastewater contributed. They consist of capital costs related to investment in system facilities which are sized on the basis of, or required

because of, wastewater volume. This also includes operation and maintenance expense related to those facilities, and the expense of volume related treatment chemicals and purchased power.

Wastewater strength costs consist of the operation and maintenance expense and capital costs related to system facilities which are designed principally to treat the wastewater pollutant loadings of pollutants such as BOD, TSS, and other pollutants. BOD costs reflect costs associated with the treatment of influent BOD and include costs related to activated sludge aeration and disposal of BOD related sludge. Suspended solids strength costs are those costs of wastewater treatment which tend to vary according to the quantity of suspended solids in the raw wastewater.

Customer costs are those which tend to vary in proportion to the number of customer bills or customers served. These include the wastewater utility share of customer related meter reading, billing, collection, and account expense.

The delineation of costs of service into functional components provides a means of distributing such costs to the various customer classes based on the respective total wastewater volume, strength, and customer cost requirements of each.

Wholesale customers generally do not use lateral wastewater lines as do retail users. Therefore, separate functional cost of service categories are designated for costs which are common to all customer classes and those which are common to retail service classes only.

6.5.3.1 Wastewater Utility Cost Allocation to Cost Components

In establishing the costs associated with each functional cost component, the return portion of the test year cost of service is distributed to cost functions based on an allocation of the estimated test year value of wastewater system facilities. The test year depreciation expense associated with each major element of plant facilities is allocated to cost functions in the same manner as the plant value. Operating expense is similarly allocated to cost functions based on the projected test year expense estimated for each wastewater system component.

6.5.3.2 Allocation of Net Wastewater Plant Investment

The estimated test year value of wastewater facilities consists of net plan in service as of December 31, 2019, the 2020 construction work in progress, and the estimated cost of proposed capital improvements expected to be in service by the end of calendar year 2022. Table S - 12 in Appendix 2 presents the allocation of the wastewater utility's total estimated plant value less contributions on an original cost less depreciation value basis. Total plant investment is estimated to be \$200.0 million as indicated by Line 26 of the Table S - 12.

Plant investment is allocated to cost components on a design basis recognizing the principal purpose governing the design of the facility. The allocation of net plant investment provides the basis for allocation of depreciation expense.

The Owl Creek Lift Station and Force Main serve only the City of Fayetteville, hence the plant investment associated with Owl Creek is allocated directly to the City of Fayetteville customers. Additionally, the outside City customers maintain their own wastewater connections, hence, the plant investment associated with wastewater connections is allocated 100% to the City of Fayetteville customers.

The City has a contract with the City of Farmington stipulating that Farmington will be allocated 8.2% of the costs associated with the West Treatment Plant. Hence, 8.2% of the West Treatment Plant's investment is allocated directly to the City of Farmington customers.

Wastewater collection net plant is allocated 41% to both retail and wholesale (common to all) and 59% to retail only based on the ratio of interceptors (large diameter mains) which is 41% of the collection system.

6.5.3.3 Allocation of Wastewater Facilities Depreciation Expense

As explained in Section 4.5.3.3, depreciation expense is a real part of the cost of operating a utility.

The total estimated depreciation cost (excluding depreciation on contributed facilities) for the wastewater system is \$8,259,600 as presented on Line 26 in Table S - 13 in Appendix 2. The items of expense are allocated to cost components on the same design or cost causative basis used to allocate plant investment. Hence, the depreciation expense associated with Owl Creek Lift Station and Force main and Wastewater connections is directly allocated to the City of Fayetteville customers and 8.2% of the West Treatment Plant's depreciation is allocated directly to the City of Farmington customers.

6.5.3.4 Allocation of Wastewater Utility Operating Expenses

Table S - 14 in Appendix 2 presents the allocation of operation and maintenance expense to functional cost components. Total test year operation and maintenance expense, as shown on Line 10 of this table, amounts to \$18.1 million. Operating expenses are allocated to functional cost components in generally the same manner as plant investment.

6.5.4 Distribution of Wastewater Utility Costs to Customer Classes

The total cost responsibility of each customer class is determined by developing unit costs of service for each cost component and applying the unit costs to the respective service requirements of each class. In accomplishing this, each customer class is allocated the share of volume, strength, and customer costs for which it is responsible.

6.5.4.1 Wastewater Customer Classification

Customer classes consist of residential, non-residential, industrial and wholesale. The residential class includes single family residential, duplex, fourplex, apartment, multi-unit residential and rooming house customers. The non-residential class includes commercial, combination, construction, government, and non-profit customers. Outside City includes Farmington, Greenland, Washington County/Growth Area and Johnson. Wholesale includes the community of Elkins and West Fork.

6.5.4.2 Wastewater Units of Service

Derivation of the responsibility of customer classes for costs of service require that each class be allocated a portion of the volume, strength, and customer costs of service according to their respective service requirements.

The cost of service responsibility for volume costs, which vary with the volume of wastewater contributed to the wastewater system, is distributed to customer classes on that basis. Strength costs are principally related to the function of reducing wastewater suspended solids, and BOD strength loading. Customer costs, which consist of meter related costs, billing, collection and accounting costs, are allocated on the basis of equivalent meters and monthly bills.

The estimated test year service requirements or units of service for the various customer classes are shown in Table S - 15 in Appendix 2. Wastewater collected and treated consists of two elements: (1) sanitary wastewater flow and (2) infiltration/inflow (I/I) of ground water into the sewers. Contributed wastewater flow is that portion of the annual water use and/or other flows from each customer class that are discharged to the wastewater system. Estimates of the contributed volume of each class is generally based upon wastewater billing records. For residential customers, the billed wastewater volume is based on average water consumption for the preceding months of December, January and February. This methodology of using a winter quarter average for quantity of wastewater flows is used to exclude outdoor uses such as irrigation, which do not return water to the collection system. For all other customer classes, the billed wastewater volume is the same as the water volume.

The difference between the measured plant influent and the customer contributed wastewater flow is attributed to Infiltration and Inflow (I/I) volume. Based on discussions with the City staff, 40% of the total treated volume is assumed to be I/I flows. Each customer class should bear its proportionate share of the costs associated with I/I, as it is integral aspect of wastewater system costs. The number of customer connections to a wastewater collection system and the volume of customer flows conveyed both influence the extent of I/I in a system. Recognizing that the major cost responsibility for I/I is allocable on an individual connection basis, two-thirds of the total I/I volume projected is allocated to customer classes based on the number of customers with the remaining one-third allocated on the basis of contributed volume.

Estimated total strength units shown for each customer class are based on an average BOD concentration of 365 milligrams per liter (mg/l) and an average suspended solids concentration of 285 mg/l. I/I strength allowances for BOD and suspended solids are assumed at 25 mg/l and 50 mg/l, respectively. Estimated BOD and suspended solids responsibilities of each customer class presented in Table S - 15 in Appendix 2 are based on the respective indicated average strength concentrations and contributed wastewater and I/I volumes for each class.

Customer billing and accounting costs are distributed to classes on the basis of the number of bills for each customer class (Column 7) in Table S - 15. Customer related meter and service costs are allocated on the basis of the number of equivalent 3/4 inch meters serving each customer class. The number of equivalent meters in each customer class (Column 8) is estimated by relating typical costs for meters and services larger than 3/4 inch in size to the typical cost of a 3/4 inch meter.

6.5.5 Wastewater Utility Customer Class Costs of Service

Unit costs of service are developed by dividing the total cost allocated to each functional cost component by the total applicable units of service. The customer class responsibility for service is obtained by applying unit costs of service to the number of units for which the customer class is responsible.

The wastewater utility has been built with the provision for service to customers outside the City, yet the inside City customers must bear the responsibility of providing system facilities by undertaking the necessary investment. Revenues derived from outside City service should provide a margin of return on capital adequate to induce the citizens of Fayetteville to bear the risks of providing outside City service. To recognize the proprietary interest and responsibility of inside City customers in the system, it is proper to charge outside City customers, in addition to their share of operating expense and depreciation, a reasonable return on their allocated portion of value. A 7.0% (4.0 % for future debt

service plus 3.0% risk component) annual rate of return on the value of wastewater facilities serving outside City customers is recognized for purposes of this study.

Table S - 16 in Appendix 2 shows the development of the unit costs of service applicable to each cost function. Lines 1 through 3 summarize the units of service developed in Table S - 15. Total allocated costs or investment shown on Lines 5, 7, and 9 were previously developed in Table S - 14, Table S - 13 and Table S - 12, respectively.

Total allocated unit costs of service for inside City and outside City customers (Line 18, Line 19, Line 20 and Line 21) are determined by adding the unit costs for net operating expense (Line 6) and depreciation expense (Line 8) to the respective inside and outside City unit costs for return on investment (Lines 11 and 12). These unit costs applied to the respective units of service shown on Lines 1, 2 and 3 determine the allocated total costs of service for inside and outside City customers shown on Lines 18 through 21. In order to determine the allocated costs for each customer class, the costs are allocated to the various customer classes by applying the appropriate unit cost of service to the respective service requirements of each customer class.

Table S - 17 in Appendix 2 shows the resulting allocated cost of service by customer class, revenue under existing rates, and the indicated increase or decrease in revenue required to meet the allocated cost of service.

7.0 Wastewater Rate Design

The principal consideration in establishing wastewater rate schedules is to establish charges to recover costs that are reasonably commensurate with the cost of providing wastewater service.

The revenue requirements and cost of service allocations described in the preceding sections provide the basis for adjusting wastewater rates. The revenue requirements show the need for adjustment and the level of revenue required. This cost of service analysis provides the unit costs of service to be used in the rate design process and gives a basis for determining whether resultant rates will generate revenues which recover costs of service from customer classes in proportion to service required and provide the total level of revenue required.

7.1 Existing Wastewater Rates

The existing schedule of rates for wastewater service became effective on January 1, 2022. For retail customers, these rates include a monthly base charge bill, which varies by meter size. The volume charge varies by customer class. Surcharge rates are based on excess strength of BOD and TSS. The existing wastewater rate structure is described in Section 3.3.2. The existing schedule of base and volume rates for wastewater service is shown in Table S - 3 in Appendix 2.

7.2 Proposed Wastewater Rates

The cost of service study described in preceding sections of this report provides a basis for the design of a schedule of wastewater rates to meet those costs. Proposed wastewater rates have been designed to meet the test year allocated costs of service and are presented in Table S - 18. The proposed rate structure presented in Figure 7 - 1 is similar to the existing structure.

Figure 7 - 1 Proposed Wastewater Rate Structure

Rate Component	Applicable Customer Classes
Base Charge by Meter Size	- Retail Inside City (Residential, Non-Residential and Major Industrial); - Retail Outside City (Residential, Non-Residential and Major Industrial);
- Volume Rate (2-Tier Inclining Block) - Based on winter water usage of December, January and February	Retail Inside City Residential
Volume Rate (Uniform)	- Retail Inside City (Non-Residential and Major Industrial) - Retail Outside City (Residential, Non-Residential and Major Industrial)
Volume Rate (Uniform)	Wholesale

As already explained in Section 5.2, practical rate design should consider multiple factors including previous rate levels, customer bill impact, and magnitude of cost shifts among customer classes.

A comparison of estimated test year revenue under the proposed rates with allocated costs of service for each of the customer classes is shown in Table S - 19 in Appendix 2. This comparison indicates the proposed rates will recover revenues from inside and outside City customer groups reasonably commensurate with the cost of service and practical considerations previously noted.

To better reflect the total effect the proposed rates have on customer bills, a comparison of typical bills under existing rates and the rates proposed to become effective January 1, 2023, is shown in Table S - 20.

8.0 Combined Water and Wastewater Utilities

Table C - 1 in Appendix 3 presents the combined operating reserve, capital reserve and impact fee fund balances.

Table C - 2 in Appendix 3 provides a summary of the combined revenue and revenue requirements (financial plan) for the study period.

The revenue under existing rates are not sufficient to meet the obligations of the two utilities. As discussed in Section 4 and Section 6, a series of annual 3% proposed revenue adjustments enable the utilities to meet their operating, capital and reserve obligations. Figure 8-1 presents the projected revenue and revenue requirements through 2026 for the wastewater utility.

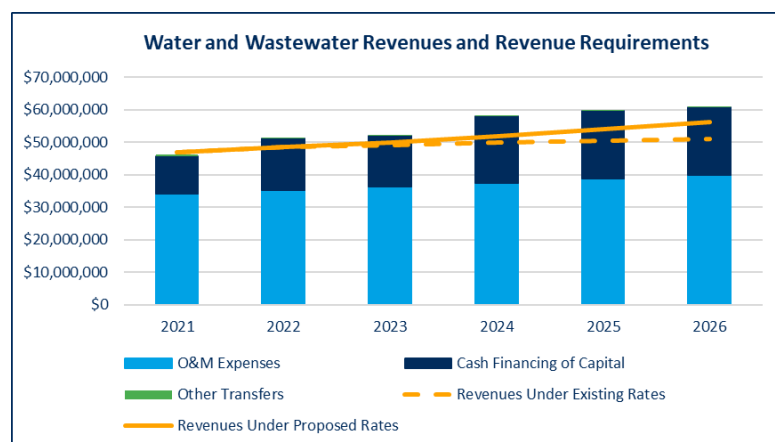


Figure 8-1 - Water and Wastewater Revenues and Revenue Requirements

Table C - 2 in Appendix 3 presents the combined water and wastewater operating reserve, capital reserve and impact fee fund balances. The City has identified the minimum balance requirements for each of the following funds:

O&M Reserve Balance: A cash balance of at least 90 days of the follow's year operating expenses.

Operating Fund Balance: A minimum target of \$200,000.

Capital Fund Balance: A minimum target of \$1,000,000.

Capital Reserve Fund Balance: An amount necessary to fully fund anticipated capital projects.

As shown in Table C - 2, the proposed annual revenue adjustments will allow the utilities on a combined basis to meet the minimum fund balance requirements for all funds through 2026.

A comparison of combined water and wastewater typical bills under existing rates and the rates proposed to become effective January 1, 2022, is shown in Table C - 3.

9.0 Disclaimer

This report was prepared for the City of Fayetteville (Client) by Black & Veatch Management Consulting, LLC (Black & Veatch) and is based on information provided by the Client not within the control of Black & Veatch. While it is believed that the information, data and opinions contained herein will be reliable under the conditions and subject to the limitations set forth in this report, Black & Veatch does not guarantee the accuracy thereof. Black & Veatch has assumed that the information provided by others, both verbal and written, is complete and correct. The projections set forth in this report are intended as "forward-looking statements." In formulating these projections, Black & Veatch has made certain assumptions with respect to conditions, events, and circumstances that may occur in the future. While Black & Veatch believes the assumptions are reasonable actual results may differ materially from those projected, as influenced by the conditions, events, and circumstances that occur. As such, Black & Veatch does not take responsibility for the accuracy of data or projections provided by or prepared on behalf of the Client, nor does Black & Veatch have any responsibility for updating this report for events occurring after the date of this report.

Use of this report or any information contained therein by any party other than the Client, shall constitute a waiver and release by such third party of Black & Veatch from and against all claims and liability, including but not limited to liability for special, incidental, indirect or consequential damages in connection with such use. Such use of this report by a third party shall constitute agreement by the third party user that its rights, if any, arising from this report shall be subject to the terms of this Report Limitations, and in no event shall the third party's rights, if any, exceed those of the Client under its contract with B&V. The benefit of such releases, waivers, or limitations of liability shall extend to the related companies and subcontractors of any tier of B&V, and the shareholders, directors, officers, partners, employees, and agents of all released or indemnified parties.

10.0 Appendix 1: Water Tables

Table W - 1 - Water Projected Number of Accounts

Line	Customer Class	Projected						Change
No.		2021	2022	2023	2024	2025	2026	5-Year
Inside City								
1	Residential	35,200	35,800	36,400	37,100	37,700	38,400	3,200
2	Non-Residential	3,500	3,500	3,500	3,500	3,500	3,500	0
3	Industrial	21	21	21	21	21	21	0
4	Irrigation	2,000	2,100	2,100	2,100	2,200	2,200	200
5	Private Fire	713	713	713	713	713	713	0
6	Subtotal	41,434	42,134	42,734	43,434	44,134	44,834	3,400
Outside City								
7	Residential	6,500	6,600	6,800	6,900	7,100	7,200	700
8	Non-Residential	400	400	400	500	500	500	100
9	Industrial	0	0	0	0	0	0	0
10	Irrigation	271	277	285	292	299	307	37
11	Private Fire	14	14	14	14	14	14	0
12	Subtotal	7,185	7,291	7,499	7,706	7,913	8,021	837
Wholesale								
13	Elkins	1	1	1	1	1	1	0
14	Mount Olive	2	2	2	2	2	2	0
15	West Fork	1	1	1	1	1	1	0
16	RDA/WWA	4	4	4	4	4	4	0
17	Subtotal	8	8	8	8	8	8	0
18	Total	48,627	49,433	50,241	51,148	52,055	52,863	4,237
19	% Change	3.26%	1.66%	1.63%	1.81%	1.77%	1.55%	8.71%

City of Fayetteville, Arkansas | Water and Wastewater Comprehensive Rate Study

Table W - 2 - Water Projected Billed Volume (1,000 Gallons)

Line No.	Customer Class	Projected						Change
		2021	2022	2023	2024	2025	2026	5-Year
		1,000 gal.	1,000 gal.	1,000 gal.	1,000 gal.	1,000 gal.	1,000 gal.	
	Inside City							
1	Residential	1,896,300	1,769,800	1,800,800	1,832,300	1,864,400	1,897,000	700
2	Non-Residential	678,600	827,100	827,100	827,100	827,100	827,100	148,500
3	Industrial	322,300	401,800	401,800	401,800	401,800	401,800	79,500
4	Irrigation	249,600	244,300	248,600	252,900	257,300	261,800	12,200
5	Subtotal	3,146,800	3,243,000	3,278,300	3,314,100	3,350,600	3,387,700	240,900
	Outside City							
6	Residential	427,900	385,700	394,600	403,800	413,300	423,100	-4,800
7	Non-Residential	51,300	65,600	66,400	67,300	68,300	69,200	17,900
8	Irrigation	28,400	24,400	25,000	25,700	26,400	27,100	-1,300
9	Subtotal	507,600	475,700	486,000	496,800	508,000	519,400	11,800
	Wholesale							
10	Elkins	81,000	75,000	75,000	75,000	75,000	75,000	-6,000
11	Mount Olive	68,900	62,100	62,100	62,100	62,100	62,100	-6,800
12	West Fork	69,200	65,200	65,200	65,200	65,200	65,200	-4,000
13	RDA/WWA	0	0	0	0	0	0	0
14	Subtotal	219,100	202,300	202,300	202,300	202,300	202,300	-16,800
15	Total	3,873,500	3,921,000	3,966,600	4,013,200	4,060,900	4,109,400	235,900
16	% Change	1.26%	1.23%	1.16%	1.17%	1.19%	1.19%	6.09%

City of Fayetteville, Arkansas | Water and Wastewater Comprehensive Rate Study

Table W - 3 - Water Existing Rates

Existing Water Rates Effective January 1, 2022

Monthly Base Charge					
Meter Size	Inside City	Outside City	Wholesale	Inside City Private Fire	Outside City Private Fire
Inches	\$/month	\$/month	\$/month	\$/month	\$/month
5/8	6.59	7.54	8.31		
3/4	6.59	7.54	8.31		
1	9.14	10.52	11.49	9.75	11.68
1 1/2	15.93	18.31	20.00	10.17	12.10
2	23.20	26.66	29.07	20.33	23.37
3	54.05	62.18	64.38	30.48	35.06
4	89.50	102.93	112.25	60.97	70.11
6	178.99	205.82	212.76	169.34	197.74
8	268.41	308.67	332.91	355.65	409.00
10				609.68	701.11

Volume Charge			
Monthly Water Usage	Inside City	Outside City	Wholesale
1,000 gal.	1,000 gal.	1,000 gal.	1,000 gal.

Residential

0 - 2,000 Gallons	3.51	4.04
2,000 - 15,000 Gallons	4.65	5.35
Over 15,000 Gallons	6.59	7.54

Non-Residential

First 300,000 Gallons	3.79	4.38
Over 300,000 Gallons	3.39	3.90

Major Industrial

All Usage	2.96	3.40
-----------	------	------

Irrigation

First 300,000 Gallons	5.04	5.80
Over 300,000 Gallons	4.53	5.22

Wholesale

Reduced Peak Demand	2.87
Peak Demand	3.20

City of Fayetteville, Arkansas | Water and Wastewater Comprehensive Rate Study

Table W - 4 - Water Projected Revenues Under Existing Rates

Line No.	Customer Class	Projected						Change
		2021	2022 (a)	2023	2024	2025	2026	5-Year
		\$	\$	\$	\$	\$	\$	
Inside City								
1	Residential	11,196,100	11,001,700	11,194,200	11,390,100	11,589,500	11,792,300	596,200
2	Non-Residential	2,844,700	3,476,000	3,476,000	3,476,000	3,476,000	3,476,000	631,300
3	Industrial	933,000	1,196,700	1,196,700	1,196,700	1,196,700	1,196,700	263,700
4	Irrigation	1,410,700	1,431,200	1,456,300	1,481,800	1,507,700	1,534,100	123,400
5	Private Fire	967,600	967,600	967,600	967,600	967,600	967,600	0
6	Subtotal	17,352,100	18,073,200	18,290,800	18,512,200	18,737,500	18,966,700	1,614,600
Outside City								
7	Residential	2,743,800	2,614,600	2,674,900	2,737,200	2,801,400	2,867,700	123,900
8	Non-Residential	258,700	328,200	333,000	338,000	343,300	348,800	90,100
9	Industrial	0	0	0	0	0	0	0
10	Irrigation	190,000	173,400	177,900	182,500	187,400	192,400	2,400
11	Private Fire	27,100	27,100	27,100	27,100	27,100	27,100	0
12	Subtotal	3,219,600	3,143,300	3,212,900	3,284,800	3,359,200	3,436,000	216,400
Wholesale								
13	Elkins	226,800	216,200	216,200	216,200	216,200	216,200	-10,600
14	Mount Olive	193,900	179,800	179,800	179,800	179,800	179,800	-14,100
15	West Fork	194,000	188,100	188,100	188,100	188,100	188,100	-5,900
16	RDA/WWA	0	0	0	0	0	0	0
17	Subtotal	614,700	584,100	584,100	584,100	584,100	584,100	-30,600
18	Total	21,186,400	21,800,600	22,087,800	22,381,100	22,680,800	22,986,800	1,800,400
19	% Change	4.28%	2.90%	1.32%	1.33%	1.34%	1.35%	8.50%

(a) Reflects 3.0% revenue increase effective January 1, 2022.

Table W - 5 - Water Projected Other Revenues

Line No.	Description	Projected						Change
		2021	2022	2023	2024	2025	2026	5-Year
		\$	\$	\$	\$	\$	\$	
1	Water Impact Fee Revenue	976,300	976,300	976,300	976,300	976,300	976,300	0
2	Water Sales Not on Computer	300	300	300	300	300	300	0
3	Water Connection Fees	162,000	162,000	162,000	162,000	162,000	162,000	0
4	Rural Water Connection Fees	2,700	2,700	2,700	2,700	2,700	2,700	0
5	Service Charge/Trip Fee - Billed Service	9,500	9,500	9,500	9,500	9,500	9,500	0
6	Tampering Fee - Billed Service	200	200	200	200	200	200	0
7	Penalties	103,700	207,400	207,400	207,400	207,400	207,400	103,700
8	Safe Drinking Water Fee	230,000	233,800	237,800	241,800	245,900	250,200	20,200
9	Total	1,484,700	1,592,200	1,596,200	1,600,200	1,604,300	1,608,600	123,900
10	% Change	-0.99%	7.24%	0.25%	0.25%	0.26%	0.27%	8.35%

City of Fayetteville, Arkansas | Water and Wastewater Comprehensive Rate Study

Table W - 6 - Water Capital Improvement Program

Line No.	Description	Projected (a)					
		2021	2022	2023	2024	2025	2026
		\$	\$	\$	\$	\$	\$
1	Water System Rehabilitation/Replacement	2,060,000	0	2,185,500	2,251,000	2,318,500	0
2	Water Tank Improvements	1,030,000	1,060,900	1,092,700	1,125,500	1,159,300	2,149,300
3	Water Storage & Pump Station Maintenance	103,000	106,100	109,300	112,600	115,900	0
4	Water Meters	849,800	875,200	901,500	928,500	956,400	0
5	Backflow Prevention Assemblies	51,500	53,000	54,600	56,300	58,000	0
6	W/S Improvements defined by Study (West Water Transmission Line)	618,000	636,500	655,600	675,300	695,600	4,776,200
7	Water Impact Fee Improvements	412,000	424,400	437,100	450,200	463,700	0
8	Utilities Financial Services Improvements	0	11,100	3,300	1,700	8,700	0
9	Water/Sewer Relocations - Bond Projects	174,600	265,200	273,200	281,400	289,800	0
10	Water/Sewer Impact Fee Cost Sharing	0	79,600	82,000	84,400	86,900	0
11	Utilities Technology Improvements	0	228,100	234,900	130,000	10,400	0
12	Water/Sewer Building-Office Improvements	0	26,500	27,300	28,100	29,000	0
13	Water/Sewer Equipment Expansions	0	26,500	27,300	28,100	29,000	0
14	Water & Sewer Rate/Operational Studies	0	10,600	10,900	11,300	11,600	0
15	Phosphorus Standards Management	0	26,500	27,300	28,100	29,000	0
16	Water & Sewer Technology Equipment Replacements	0	0	0	0	0	0
17	Water & Sewer Improvements Defined By Study	0	0	0	0	0	0
18	Huntsville Water Line Replacement (6 -inch upto 8-inch)	776,300	0	0	0	0	0
19	Benson Water Tank	1,030,000	338,200	0	0	0	0
20	East Water Service Improvements - Township	3,290,600	0	0	0	0	0
21	South Garland Ave Waterline Replacement	253,800	0	0	0	0	0
22	East Water Service Improvements CS 3 (Gulley, PS, Goshen Lines)	0	5,304,500	0	0	0	0
23	Ila/Oaks Manor/Persimmon Waterline Replacements	927,000	0	0	0	0	0
24	Western Park Waterline Replacement	309,000	0	0	0	0	0
25	N. College Waterline Replacement - upgrade from 8" to 12"	0	0	2,185,400	0	0	0
26	Total Capital Improvement Program	11,885,600	9,472,900	8,307,900	6,192,500	6,261,800	6,925,500

(a) Capital costs reflect 3% annual inflation starting in 2021.

Table W - 7 - Water Projected O&M Expenses

Line No.	Description	Projected					
		2021	2022	2023	2024	2025	2026
		\$	\$	\$	\$	\$	\$
1	Personal Costs	3,433,900	3,580,100	3,732,600	3,891,600	4,057,400	4,230,400
2	Materials and Supplies	968,100	997,100	1,027,000	1,057,800	1,089,600	1,122,200
3	Services and Charges	9,994,600	10,294,400	10,603,300	10,921,400	11,249,000	11,586,500
4	Motorpool	837,100	862,200	888,000	914,700	942,100	970,400
5	Cost Allocation	631,100	650,000	669,500	689,600	710,300	731,600
6	Maintenance	85,800	88,400	91,100	93,800	96,600	99,500
7	Total	15,950,600	16,472,200	17,011,500	17,568,900	18,145,000	18,740,600
8	% Change	1.91%	3.27%	3.27%	3.28%	3.28%	3.28%

City of Fayetteville, Arkansas | Water and Wastewater Comprehensive Rate Study

Table W - 8 - Capital Program Financing

Line No.	Description	Year Ending December 31,					
		2021	2022	2023	2024	2025	2026
		\$	\$	\$	\$	\$	\$
Sources of Funds							
1	Funds Available at Beginning of Year	500,200	506,800	501,700	501,700	503,600	508,700
2	Cash Financing of Capital Projects	5,460,000	9,050,000	6,860,000	6,110,000	6,180,000	6,920,000
3	Transfer from Impact Fee Fund	6,432,200	417,800	1,447,900	84,400	86,900	0
4	Subtotal	12,392,400	9,974,600	8,809,600	6,696,100	6,770,500	7,428,700
Application of Funds							
5	Major Capital Improvements	11,885,600	9,472,900	8,307,900	6,192,500	6,261,800	6,925,500
6	Subtotal	11,885,600	9,472,900	8,307,900	6,192,500	6,261,800	6,925,500
7	End of Year Balance	506,800	501,700	501,700	503,600	508,700	503,200
8	Capital Reserve EOY Balance - Cumulative	12,915,000	8,453,000	6,559,000	5,789,000	5,359,000	4,634,000

City of Fayetteville, Arkansas | Water and Wastewater Comprehensive Rate Study

Table W - 9 - Water Operating Cash Flow

Line No.	Description	Year Ending December 31,					
		2021	2022	2023	2024	2025	2026
		\$	\$	\$	\$	\$	\$
Revenues							
1	Revenue Under Existing Rates	21,186,600	21,800,700	22,087,800	22,381,200	22,680,800	22,986,900
Indicated Revenue Increases							
2	0 % Increase Effective January 1, 2022		0	0	0	0	0
3	0 % Increase Effective January 1, 2023		0	0	0	0	0
4	3 % Increase Effective January 1, 2024		0	0	615,500	680,400	689,600
5	3 % Increase Effective January 1, 2025		0	0	0	642,400	710,300
6	3 % Increase Effective January 1, 2026		0	0	0	0	670,600
7	Total Revenue from Rates	21,186,600	21,800,700	22,087,800	22,996,700	24,003,600	25,057,400
8	Other Revenues (a)	533,100	641,500	644,200	649,800	655,800	662,300
9	Total Revenue	21,719,700	22,442,200	22,732,000	23,646,500	24,659,400	25,719,700
Expenses							
10	Operating Expenses	15,950,600	16,472,200	17,011,500	17,568,900	18,145,000	18,740,600
11	Bad Debt	105,900	109,000	110,400	115,000	120,000	125,300
12	PILOT	900,400	926,500	938,700	977,400	1,020,200	1,064,900
13	Safe Drinking Water Fee	230,000	233,800	237,800	241,800	245,900	250,200
14	Debt Service	0	0	0	0	0	0
15	Total Expenses	17,186,900	17,741,500	18,298,400	18,903,100	19,531,100	20,181,000
Transfers							
16	Transfer to Shop Fund	33,000	0	0	0	0	0
17	Transfer to Operating Reserve	128,600	133,000	137,500	142,000	146,900	151,800
18	Cash Financing of Capital	5,460,000	9,050,000	6,860,000	6,110,000	6,180,000	6,920,000
19	Transfer to/from Capital Reserve	-1,093,000	-4,479,000	-2,567,500	-1,505,000	-1,210,000	-1,522,000
20	Total Transfers	4,528,600	4,704,000	4,430,000	4,747,000	5,116,900	5,549,800
Fund Balance							
21	Beginning Balance	99,400	103,600	100,300	103,900	100,300	111,700
22	Annual Operating Balance	4,200	-3,300	3,600	-3,600	11,400	-11,100
23	Ending Fund Balance	103,600	100,300	103,900	100,300	111,700	100,600
Performance Metrics							
24	Debt Service Coverage	NA	NA	NA	NA	NA	NA
25	O&M Reserve Balance (Days) (b)	90	90	90	90	90	90

(a) Includes interest income on operating fund balance.

(b) Minimum requirement is 90 days of following year's Operating Expenses.

City of Fayetteville, Arkansas | Water and Wastewater Comprehensive Rate Study

Table W - 10 - Water Fund Balances

Line No.	Description	Year Ending December 31,					
		2021	2022	2023	2024	2025	2026
		\$	\$	\$	\$	\$	\$
Operating Funds							
1	O&M Reserve Balance (a)	4,061,600	4,194,600	4,332,100	4,474,100	4,621,000	4,772,800
2	Operating Fund Balance (b)	103,600	100,300	103,900	100,300	111,700	100,600
3	Total (e)	4,165,200	4,294,900	4,436,000	4,574,400	4,732,700	4,873,400
Capital Funds							
4	Capital Fund Balance (c)	506,800	501,700	501,700	503,600	508,700	503,200
5	Capital Reserve Fund Balance (d)	12,915,000	8,436,000	5,868,500	4,363,500	3,153,500	1,631,500
6	Total (e)	13,421,800	8,937,700	6,370,200	4,867,100	3,662,200	2,134,700
7	Impact Fee Fund Balance (e)	22,800	581,300	109,700	1,001,600	1,891,000	2,867,300

(a) Calculated as 90 days of following year's Operating Expenses.

(b)

Target minimum balance is \$100,000 to account for any adjustments that may be needed to the O&M balance at the end of the year.

(c) Target minimum balance is \$500,000.

(d) Does not include expenses associated with facilities master plan to be completed in FY 2022

(e) All balances are cumulative.

City of Fayetteville, Arkansas | Water and Wastewater Comprehensive Rate Study

Table W - 11 - Water 2023 Cost of Service

Line No.	Description	Operating Expense \$	Capital Cost \$	Total Cost \$
Statement of Net Revenue Requirements (Cash Basis)				
	Revenue Requirements			
1	O&M Expenses	17,011,500		17,011,500
2	Bad Debt Expense	110,400		110,400
3	PILOT	938,700		938,700
4	Debt Service	0		0
	Other Expenditures & Transfers:			
	Transfer to Shop Fund (Capital Outlay)			
5	Transfer to Operating Reserve	137,500		137,500
6	Cash Funding of Capital Projects		6,860,000	6,860,000
7	Transfer to Capital Reserve		-2,567,500	-2,567,500
8	Subtotal	18,198,100	4,292,500	22,490,600
	Less Revenue Requirements Met from Other Sources			
9	Other Revenues	382,100		382,100
10	Interest Earned	24,300		24,300
11	Net Balance Available		-3,600	-3,600
12	Full Year Rate Adjustment			
13	Subtotal	406,400	-3,600	402,800
14	Net Revenue Requirements to be Recovered by	17,791,700	4,296,100	22,087,800
Restatement of Net Cost of Service (Utility Basis)				
15	O&M Expenses	17,791,700		17,791,700
16	Depreciation		2,820,100	2,820,100
17	Return		1,476,000	1,476,000
18	Net Cost of Service	17,791,700	4,296,100	22,087,800

City of Fayetteville, Arkansas | Water and Wastewater Comprehensive Rate Study

Table W - 12 - Water 2023 Allocation of Net Plant Investment to Functional Cost Components

Line No.	Description	Total	Common to All			Retail Only			Customers		
			Base	Extra Capacity		Base	Extra Capacity		Meters and Services	Billing &	Fire
				Max. Day	Max. Hour		Max. Day	Max. Hour			
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Net Plant Investment:											
1	Water Land and Land Rights	2,191,756	1,043,693	1,148,063							
2	Water Supply	6,819,846	3,247,546	3,572,300							
3	Water Storage and Pumping	6,090,361				2,900,172	3,190,189				
4	Water Transmission	26,043,791	12,401,805	13,641,986							
5	Water Distribution	47,479,642				17,391,810	9,565,496	5,478,420	15,043,916		
6	Water Meters	3,289,003							3,289,003		
7	Fire Hydrants	7,535,573									7,535,573
8	Water General System	4,537,529	761,641	837,805		925,847	581,994	249,960	836,462		343,820
9	Total Net Plant Investment	103,987,502	17,454,685	19,200,154	0	21,217,829	13,337,679	5,728,380	19,169,381	0	7,879,393

Table W - 13 - Water 2023 Allocation of Net Annual Depreciation to Functional Cost Components

Line No.	Description	Total	Common to All			Retail Only			Customers		
			Base	Extra Capacity		Base	Extra Capacity		Meters and Services	Billing &	Fire
				Max. Day	Max. Hour		Max. Day	Max. Hour			
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Net Depreciation Expense:											
1	Water Land and Land Rights										
2	Water Supply	277,295	132,045	145,250							
3	Water Storage and Pumping	219,139				104,352	114,787				
4	Water Transmission	706,125	336,250	369,875							
5	Water Distribution	1,134,421				415,539	228,546	130,895	359,441		
6	Water Meters	169,405							169,405		
7	Fire Hydrants	215,879									215,879
8	Water General System	97,807	16,825	18,508		18,679	12,336	4,703	19,001		7,756
9	Total Net Depreciation Expense	2,820,070	485,120	533,632	0	538,570	355,669	135,598	547,847	0	223,635

Table W - 14 - Water 2023 Allocation of O&M Expenses to Functional Cost Components

Line No.	Description	Total	Common to All			Retail Only			Customers		Fire Protection	
			Base	Extra Capacity		Base	Extra Capacity		Meters and Services	Billing & Collection	Public	Private
				Max. Day	Max. Hour		Max. Day	Max. Hour				
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
1	Water Purchased	9,611,754	4,577,026	5,034,728								
2	Water Storage and Pumping	269,987				98,896	108,786	62,305				
3	Water Distribution (a)	3,105,785				1,005,654	1,251,415	716,720			100,938	31,058
4	Meter Services (b)	1,007,563							1,007,563			
5	Customer Billing (c)	1,051,559								1,051,559		
6	All Other Cost	3,151,452	958,637	1,054,501		231,343	284,888	163,163	211,029	220,244	21,141	6,505
7	Subtotal	18,198,100	5,535,663	6,089,229	0	1,335,894	1,645,089	942,187	1,218,592	1,271,804	122,079	37,563
Less:												
8	Water Connection Fees (d)	164,700							164,700			
9	Other Income Sources	241,700	89,707	80,875		17,743	21,849	12,514		16,892	1,621	499
10	Subtotal	406,400	89,707	80,875		17,743	21,849	12,514	164,700	16,892	1,621	499
11	Net O&M Expenses	17,791,700	5,445,956	6,008,355		1,318,151	1,623,240	929,674	1,053,892	1,254,912	120,458	37,064

(a) 3.25% of 2020 water repair costs was associated with hydrants.

(b) Includes costs for Meter Reading and Meter Maintenance and Backflow prevention

(c) Includes costs under Utilities Financial Services

(d) Includes revenues from Water Connection Fees and Rural Water Connection Fees

City of Fayetteville, Arkansas | Water and Wastewater Comprehensive Rate Study

Table W - 15 - Water 2023 Estimated Units of Service

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
Line No.	Description	Consumption		Capacity Factor	Maximum Day		Capacity Factor	Maximum Hour		Customer		Direct Fire protection	
		Annual	Avg. Day		Total	Extra		Total	Extra	Eq. Meters	Billing/Collection	Public	Private
		1,000 gal.	1,000 gal. (1)/365		1,000 gal. (2) x (3)	1,000 gal. (4) - (2)		1,000 gal. (2) x (6)	1,000 gal. (7) - (4)	Equiv. Meters	Bills	Equiv. Hydrant	Equiv. Hydrants
Inside City													
1	Residential	1,800,801	4,934	250%	12,334	7,401	370%	18,255	5,920	34,939	437,192		
2	Non-Residential	827,079	2,266	240%	5,438	3,172	355%	8,044	2,606	6,761	41,712		
3	Industrial	401,767	1,101	200%	2,201	1,101	295%	3,247	1,046	261	252		
4	Irrigation	248,556	681	240%	1,634	953	355%	2,417	783	3,141	25,333		
5	Subtotal	3,278,204	8,981		21,608	12,627		31,964	10,355	45,102	504,489		
Fire Protection													
6	Public				4,201	4,201		10,083	5,882			4,035	
7	Private				491	491		1,179	688				472
8	Subtotal	3,278,204	8,981		26,300	17,319		43,226	16,925	45,102	504,489	4,035	472
Outside City													
Farmington													
9	Residential	85,288	234	250%	584	350	370%	865	280	1,762	23,614		
10	Non-Residential	17,853	49	240%	117	68	355%	174	56	245	2,431		
11	Industrial			200%			295%						
12	Irrigation	1,359	4	240%	9	5	355%	13	4	46	480		
13	Subtotal	104,500	286		710	424		1,051	341	2,053	26,525		
Greenland													
14	Residential	19,818	54	250%	136	81	370%	201	65	458	5,676		
15	Non-Residential	4,298	12	240%	28	16	355%	42	14	59	588		
16	Industrial			200%			295%						
17	Irrigation	1,230	3	240%	8	5	355%	12	4	20	96		
18	Subtotal	25,345	69		172	103		255	83	537	6,360		
Washington County/Growth													
19	Residential	198,114	543	250%	1,357	814	370%	2,008	651	2,618	34,384		
20	Non-Residential	24,123	66	240%	159	93	355%	235	76	109	1,368		
21	Industrial			200%			295%						
22	Irrigation	14,574	40	240%	96	56	355%	142	46	188	1,884		
23	Subtotal	236,811	649		1,611	963		2,385	773	2,915	37,635		
Johnson													
24	Residential	6,718	18	250%	46	28	370%	68	22	158	2,064		
26	Non-Residential	8,320	23	240%	55	32	355%	81	26	35	240		
27	Industrial			200%			295%						
28	Irrigation	77	0	240%	1	0	355%	1	0	3	24		
29	Subtotal	15,115	41		101	60		150	49	196	2,328		
Goshen/White River													
30	Residential	84,663	232	250%	580	348	370%	858	278	1,054	15,447		
31	Non-Residential	11,837	32	240%	78	45	355%	115	37	52	768		
32	Industrial			200%			295%						
33	Irrigation	7,781	21	240%	51	30	355%	76	25	86	931		
34	Subtotal	104,281	286		709	423		1,049	340	1,192	17,146		
Fire Protection													
35	Public				696	696		1,669	973			668	
36	Private				12	12		29	17				12
37	Subtotal	486,052	1,332		4,012	2,680		6,588	2,575	6,892	89,994	668	12
38	Total Retail	3,764,256	10,313		30,312	19,999		49,813	19,501	51,994	594,483		
Wholesale													
39	Elkins	75,031	206	240%	493	288	355%	730	236	23	12		
40	Mount Olive	62,062	170	240%	408	238	355%	604	196	38	24		
41	West Fork	65,226	179	240%	429	250	355%	634	206	23	12		
42	RDA/WWA			240%			355%				48		
43	Subtotal	202,319	554		1,330	776		1,968	637	83	96		
44	Subtotal (Inside City)	3,278,204	8,981		26,300	17,319		43,226	16,925	45,102	504,489	4,035	472
45	Subtotal (Outside City)	486,052	1,332		4,012	2,680		6,588	2,575	6,892	89,994	668	12
46	Subtotal (Wholesale)	202,319	554		1,330	776		1,968	637	83	96		
47	Total System	3,966,575	10,867		31,643	20,775		51,781	20,138	52,077	594,579	4,703	483

City of Fayetteville, Arkansas | Water and Wastewater Comprehensive Rate Study

Table W - 16 - Water 2023 Unit Cost of Service

Line No.	Description	Total	Common to All Customers			Common to Retail Customers			Customer		Direct Fire protection	
			Base	Extra Capacity		Base	Extra Capacity		Eq. Meters	Billing/Collectio	Public	Private
				Max. Day	Max. Hour		Max. Day	Max. Hour				
		\$	1,000 gal.	1,000 gpd.	1,000 gpd.	1,000 gal.	1,000 gpd.	1,000 gpd.	Equiv. Meters	Bills	Hydrants	Hydrants
Units of Service												
1	Inside City		3,278,204	17,319	16,925	3,278,204	17,319	16,925	45,102	504,489	4,035	472
2	Outside City		688,371	3,456	3,213	486,052	2,680	2,575	6,975	90,090	668	12
3	Total System		3,966,575	20,775	20,138	3,764,256	19,999	19,501	52,077	594,579	4,703	483
Costs of Service												
Net Operating Costs												
4	Total - \$	17,791,700	5,445,956	6,008,355	0	1,318,151	1,623,240	929,674	1,053,892	1,254,912	120,458	37,064
5	Unit Cost - \$/unit		1.37	289.20	0.00	0.35	81.16	47.67	20.24	2.11	25.61	76.68
Depreciation Expense												
6	Total - \$	2,820,070	485,120	533,632	0	538,570	355,669	135,598	547,847		223,635	
7	Unit Cost - \$/unit		0.12	25.69	0.00	0.14	17.78	6.95	10.52		47.55	
Net Plant Investment												
8	Total - \$	103,987,502	17,454,685	19,200,154	0	21,217,829	13,337,679	5,728,380	19,169,381		7,879,393	
9	Unit Cost - \$/unit		4.40	924.18	0.00	5.64	666.90	293.75	368.09		1,675.40	
Return on Investment												
10	Inside City, Unit Return - \$/unit		0.02	4.29	0.00	0.03	3.10	1.36	1.71		7.78	
11	Outside City, Unit Return - \$/Unit		0.31	64.69	0.00	0.39	46.68	20.56	25.77		117.28	
Total Return												
12	Inside City - \$	412,445	67,007	74,347	0	85,831	53,650	23,094	77,115		31,401	
13	Outside City - \$	1,063,585	212,040	223,605	0	191,780	125,131	52,959	179,730		78,342	
14	Total Return - \$	1,476,030	279,046	297,952	0	277,610	178,781	76,053	256,845		109,743	
Total Unit Cost of Service												
15	Inside City Unit Cost - \$/unit		1.52	319.18	0.00	0.52	102.05	55.99	32.47	2.11	80.95	76.68
16	Outside City Unit Cost - \$/unit		1.80	379.58	0.00	0.89	145.63	75.19	56.52	2.11	190.44	76.68
17	Inside City - Cost of Service - \$	17,806,421	4,968,786	5,527,935	0	1,702,806	1,767,336	947,674	1,464,315	1,064,768	326,620	36,179
18	Outside City- Cost of Service - \$	4,281,379	1,241,336	1,312,003	0	431,525	390,353	193,649	394,269	190,144	127,215	885
19	Total Cost of Service - \$	22,087,800	6,210,122	6,839,938	0	2,134,331	2,157,689	1,141,324	1,858,584	1,254,912	453,835	37,064

City of Fayetteville, Arkansas | Water and Wastewater Comprehensive Rate Study

Table W - 17 - Water 2023 Cost of Service by Customer Class

	(1)	(2)	(3)	(4)	(5)	(6)
Line No.	Description	Allocated Cost of Service	Allocation Public Fire	Adjusted Cost of Service	Existing Revenues	Indicated Revenue Increase
	\$	\$	\$	\$	\$	
Inside City						
1	Residential	9,170,800	1,473,200	10,644,000	11,194,200	-4.9%
2	Non-Residential	3,473,000	557,900	4,030,800	3,476,000	16.0%
3	Industrial	1,348,900	216,700	1,565,600	1,196,700	30.8%
4	Irrigation	1,106,700	177,800	1,284,500	1,456,300	-11.8%
Fire Protection						
5	Public	2,425,500	-2,425,500			
6	Private	281,500		281,500	967,600	-70.9%
7	Subtotal	17,806,400	100	17,806,400	18,290,800	-2.6%
Outside City						
8	Residential	2,524,400	469,500	2,994,000	2,674,900	11.9%
9	Non-Residential	368,000	68,400	436,500	333,000	31.1%
10	Industrial					0.0%
11	Irrigation	150,200	27,900	178,200	177,900	0.2%
Fire Protection						
12	Public	565,900	-565,900			
13	Private	8,500		8,500	27,100	-68.6%
14	Subtotal	3,617,000	-100	3,617,200	3,212,900	12.6%
Wholesale						
15	Elkins	245,800		245,800	216,200	13.7%
16	Mount Olive	204,500		204,500	179,800	13.7%
17	West Fork	213,900		213,900	188,100	13.7%
18	RDA/WWA	0		0	0	0.0%
19	Subtotal Wholesale	664,200	0	664,200	584,100	13.7%
20	Total Retail	21,423,400	0	21,423,600	21,503,700	-0.4%
21	Total Wholesale	664,200	0	664,200	584,100	13.7%
22	Total	22,087,600	0	22,087,800	22,087,800	0.0%

City of Fayetteville, Arkansas | Water and Wastewater Comprehensive Rate Study

Table W - 18 - Water Proposed 2023 Rates

Existing Water Rates Effective January 1, 2022

Monthly Base Charge					
Meter Size	Inside City	Outside City	Wholesale	Inside City Private Fire	Outside City Private Fire
Inches	\$/month	\$/month	\$/month	\$/month	\$/month
5/8	6.59	7.54	8.31		
3/4	6.59	7.54	8.31		
1	9.14	10.52	11.49	9.75	11.68
1 1/2	15.93	18.31	20.00	10.17	12.10
2	23.20	26.66	29.07	20.33	23.37
3	54.05	62.18	64.38	30.48	35.06
4	89.50	102.93	112.25	60.97	70.11
6	178.99	205.82	212.76	169.34	197.74
8	268.41	308.67	332.91	355.65	409.00
10				609.68	701.11

Volume Charge			
Monthly Water Usage	Inside City	Outside City	Wholesale
1,000 gal.	1,000 gal.	1,000 gal.	1,000 gal.

Residential

0 - 2,000 Gallons	3.51	4.04	
2,000 - 15,000 Gallons	4.65	5.35	
Over 15,000 Gallons	6.59	7.54	

Non-Residential

First 300,000 Gallons	3.79	4.38	
Over 300,000 Gallons	3.39	3.90	

Major Industrial

All Usage	2.96	3.40	
-----------	------	------	--

Irrigation

First 300,000 Gallons	5.04	5.80	
Over 300,000 Gallons	4.53	5.22	

Wholesale

Reduced Peak Demand			2.87
Peak Demand			3.20

Proposed Water Rates Effective January 1, 2023

Monthly Base Charge					
Meter Size	Inside City	Outside City	Wholesale	Inside City Private Fire	Outside City Private Fire
Inches	\$/month	\$/month	\$/month	\$/month	\$/month
5/8	6.59	7.54	8.31		
3/4	6.59	7.54	8.31		
1	9.14	12.26	12.26	9.75	11.68
1 1/2	15.93	24.22	24.22	10.17	12.10
2	23.20	33.52	33.52	20.33	23.37
3	54.05	69.84	69.84	30.48	35.06
4	89.50	102.93	112.25	60.97	70.11
6	178.99	205.82	212.76	169.34	197.74
8	268.41	308.67	332.91	355.65	409.00
10				609.68	701.11

Volume Charge			
Monthly Water Usage	Inside City	Outside City	Wholesale
1,000 gal.	1,000 gal.	1,000 gal.	1,000 gal.

Residential

0 - 2,000 Gallons	3.30	4.47	
2,000 - 15,000 Gallons	4.27	5.91	
Over 15,000 Gallons	6.20	8.38	

Non-Residential

First 300,000 Gallons	3.93	5.05	
Over 300,000 Gallons	3.93	5.05	

Major Industrial

All Usage	3.14	3.49	
-----------	------	------	--

Irrigation

First 300,000 Gallons	4.29	5.43	
Over 300,000 Gallons	4.29	5.43	

Wholesale

Reduced Peak Demand			3.16
Peak Demand			3.16

City of Fayetteville, Arkansas | Water and Wastewater Comprehensive Rate Study

Table W - 19 - Water 2023 Cost of Service Under Proposed Rates

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Line No.	Description	Adjusted Cost of Service	Revenue Under Existing Rates	Indicated Revenue Increase	Revenues Under Proposed Rates	Proposed Revenue as % Cost of Service	Indicated Revenue Increase	Indicated Revenue Increase
		\$	\$		\$			\$
Inside City								
1	Residential	10,644,000	11,194,200	-4.9%	10,652,800	100%	-5%	-541,400
2	Non-Residential	4,030,800	3,476,000	16.0%	3,687,200	91%	6%	211,200
3	Industrial	1,565,600	1,196,700	30.8%	1,272,200	81%	6%	75,500
4	Irrigation	1,284,500	1,456,300	-11.8%	1,294,800	101%	-11%	-161,500
5	Subtotal	17,524,900	17,323,200	1.2%	16,907,000	96%	-2%	-416,200
Outside City								
6	Residential	2,994,000	2,674,900	11.9%	2,903,900	97%	9%	229,000
7	Non-Residential	436,500	333,000	31.1%	387,400	89%	16%	54,400
8	Irrigation	178,200	177,900	0.2%	172,900	97%	-3%	-5,000
9	Subtotal	3,608,700	3,185,800	13.3%	3,464,200	96%	9%	278,400
Private Fire								
10	Inside City	281,500	967,600	-70.9%	967,600	344%	0%	0
11	Outside City	8,500	27,100	-68.6%	27,100	319%	0%	0
12	Subtotal	290,000	994,700	-70.8%	994,700	343%	0%	0
Wholesale								
13	Elkins	245,800	216,200	13.7%	238,400	97%	10%	22,200
14	Mount Olive	204,500	179,800	13.7%	198,300	97%	10%	18,500
15	West Fork	213,900	188,100	13.7%	207,500	97%	10%	19,400
16	RDA/WWA	0	0		0	0%	0%	
17	Subtotal	664,200	584,100	13.7%	644,200	97%	10%	60,100
18	Total	22,087,800	22,087,800	0.0%	22,010,100	100%	0%	-77,700

City of Fayetteville, Arkansas | Water and Wastewater Comprehensive Rate Study

Table W - 20 - Water 2023 Bill Impact

Line No.	Meter Size	Monthly Usage 1,000 gal.	Inside City				Outside City			
			Existing Rates	Proposed Rates	Increase / Decrease	Increase / Decrease	Existing Rates	Proposed Rates	Increase / Decrease	Increase / Decrease
	Inches		\$	\$	\$		\$	\$	\$	
Residential										
1	3/4	0.5	9.91	8.24	-1.67	-16.9%	11.36	9.78	-1.59	-14.0%
2	3/4	2	13.42	13.19	-0.23	-1.7%	15.40	16.48	1.08	7.0%
3	3/4	4	22.72	21.73	-0.99	-4.4%	26.10	28.30	2.20	8.4%
4	3/4	8	41.32	38.81	-2.51	-6.1%	47.50	51.94	4.44	9.3%
5	3/4	10	50.62	47.35	-3.27	-6.5%	58.20	63.76	5.56	9.6%
6	3/4	15	73.87	68.70	-5.17	-7.0%	84.95	93.31	8.36	9.8%
Non-Residential										
7	3/4	10	44.30	45.89	1.59	3.6%	51.12	58.04	6.92	13.5%
8	3/4	20	82.20	85.19	2.99	3.6%	94.92	108.54	13.62	14.3%
9	1	50	198.37	205.64	7.27	3.7%	229.21	264.76	35.55	15.5%
10	1	100	387.87	402.14	14.27	3.7%	448.21	517.26	69.05	15.4%
11	1 1/2	50	204.97	212.43	7.46	3.6%	236.78	276.72	39.94	16.9%
12	1 1/2	100	394.47	408.93	14.46	3.7%	455.78	529.22	73.44	16.1%
13	2	100	401.52	416.20	14.68	3.7%	463.88	538.52	74.64	16.1%
14	2	500	1,837.52	1,988.20	150.68	8.2%	2,119.88	2,558.52	438.64	20.7%
Industrial										
15	2	100	318.52	337.20	18.68	5.9%	362.52	382.52	20.00	5.5%
16	2	1,000	2,982.52	3,163.20	180.68	6.1%	3,422.52	3,523.52	101.00	3.0%
17	4	500	1,566.89	1,659.50	92.61	5.9%	1,786.89	1,847.93	61.04	3.4%
18	4	1,500	4,526.89	4,799.50	272.61	6.0%	5,186.89	5,337.93	151.04	2.9%
19	6	2,500	7,573.78	8,028.99	455.21	6.0%	8,673.78	8,930.82	257.04	3.0%
20	6	5,000	14,973.78	15,878.99	905.21	6.0%	17,173.78	17,655.82	482.04	2.8%
21	6	10,000	29,773.78	31,578.99	1,805.21	6.1%	34,173.78	35,105.82	932.04	2.7%

11.0 Appendix 2: Wastewater Tables

Table S - 1 - Wastewater Projected Accounts

Line No.	Customer Class	Projected						Change
		2021	2022	2023	2024	2025	2026	5-Year
Inside City								
1	Residential	34,600	35,200	35,800	36,400	37,000	37,700	3,100
2	Non-Residential	2,900	2,900	2,900	2,900	2,900	2,900	0
3	Industrial	21	21	21	21	21	21	0
4	Subtotal	37,521	38,121	38,721	39,321	39,921	40,621	3,100
Outside City								
5	Residential	2,400	2,400	2,500	2,500	2,500	2,500	100
6	Non-Residential	184	184	184	184	184	184	0
7	Industrial	0	0	0	0	0	0	0
8	Subtotal	2,584	2,584	2,684	2,684	2,684	2,684	100
Wholesale								
9	Elkins	2	2	2	2	2	2	0
10	West Fork	1	1	1	1	1	1	0
11	Subtotal	2	2	2	2	2	2	0
11	Total	40,107	40,707	41,407	42,007	42,607	43,307	3,200
12	% Change	1.52%	1.50%	1.72%	1.45%	1.43%	1.64%	7.98%

Table S - 2 - Wastewater Projected Billed Volume (1,000 Gallons)

Line No.	Customer Class	Projected						Change
		2021	2022	2023	2024	2025	2026	5-Year
		1,000 gal.	1,000 gal.	1,000 gal.	1,000 gal.	1,000 gal.	1,000 gal.	
Inside City								
1	Residential	1,861,300	1,741,200	1,771,800	1,802,800	1,834,400	1,866,500	5,200
2	Non-Residential	626,900	698,700	698,600	698,600	698,600	698,600	71,700
3	Industrial	318,500	396,700	396,700	396,700	396,700	396,700	78,200
4	Subtotal	2,806,700	2,836,600	2,867,100	2,898,100	2,929,700	2,961,800	155,100
Outside City								
5	Residential	94,500	97,400	98,700	100,100	101,400	102,800	8,300
6	Non-Residential	15,300	15,000	15,000	15,000	15,000	15,000	-300
7	Industrial	0	0	0	0	0	0	0
8	Subtotal	109,800	112,400	113,700	115,100	116,400	117,800	8,000
Wholesale								
8	Elkins	81,000	81,000	81,000	81,000	81,000	81,000	0
9	West Fork	45,600	45,600	45,600	45,600	45,600	45,600	0
10	Subtotal	126,600	126,600	126,600	126,600	126,600	126,600	0
10	Total	3,043,100	3,075,600	3,107,400	3,139,800	3,172,700	3,206,200	163,100
11	% Change	2.30%	1.07%	1.03%	1.04%	1.05%	1.06%	5.36%

City of Fayetteville, Arkansas | Water and Wastewater Comprehensive Rate Study

Table S - 3 - Wastewater Existing Charges

Existing Wastewater Rates Effective January 1, 2022

Monthly Base Charge			
Meter Size	Inside City	Outside City	Farmington
Inches	\$/month	\$/month	\$/month
5/8	18.28	18.28	16.74
3/4	18.28	18.28	16.74
1	23.74	33.92	31.28
1 1/2	38.77	60.37	55.50
2	55.43	79.73	73.45
3	128.73	184.24	169.29
4	212.13	303.44	278.93
6	420.39	601.46	553.70
8	628.73	899.76	826.81

Volume Charge			
Monthly Water Usage	Inside City	Outside City	Farmington
1,000 gal.	1,000 gal.	1,000 gal.	1,000 gal.

Residential

First 2,000 Gallons	4.35		
> 2,000 Gallons	5.80		
All Usage		8.18	7.52

Non-Residential

All Usage	4.40	8.18	7.52
-----------	------	------	------

Major Industrial

All Usage	4.71	8.18	7.52
-----------	------	------	------

Wholesale

85% of metered water usage		5.19	
Above 85% of metered water		2.71	

Surcharge

BOD - \$/lb for strength in excess of 300 ppm		0.4352	
TSS - \$/lb for strength in excess of 300 ppm		0.3056	

City of Fayetteville, Arkansas | Water and Wastewater Comprehensive Rate Study

Table S - 4 - Wastewater Projected Revenues at Existing Rates

Line No.	Customer Class	Projected						Change
		2021	2022 (a)	2023	2024	2025	2026	5-Year
		\$	\$	\$	\$	\$	\$	
Inside City								
1	Residential	16,696,700	16,719,800	17,013,000	17,310,700	17,613,700	17,921,900	1,225,200
2	Non-Residential	3,505,200	3,926,200	3,926,100	3,926,100	3,926,100	3,926,100	420,900
3	Industrial	1,477,500	1,890,100	1,890,100	1,890,100	1,890,100	1,890,100	412,600
4	Subtotal	21,679,400	22,536,100	22,829,200	23,126,900	23,429,900	23,738,100	2,058,700
Outside City								
5	Residential	1,177,400	1,242,000	1,258,300	1,274,800	1,291,700	1,308,800	131,400
6	Non-Residential	158,100	160,400	160,400	160,400	160,400	160,400	2,300
7	Industrial	0	0	0	0	0	0	0
8	Subtotal	1,335,500	1,402,400	1,418,700	1,435,200	1,452,100	1,469,200	133,700
Wholesale								
9	Elkins	407,300	419,500	419,500	419,500	419,500	419,500	12,200
10	West Fork	229,400	236,200	236,200	236,200	236,200	236,200	6,800
11	Subtotal	636,700	655,700	655,700	655,700	655,700	655,700	19,000
12	Surcharge	810,300	834,600	834,600	834,600	834,600	834,600	24,300
13	Total	24,461,900	25,428,800	25,738,200	26,052,400	26,372,300	26,697,600	2,235,700
14	% Change	4.90%	3.95%	1.22%	1.22%	1.23%	1.23%	9.14%

(a) Reflects 3.0% revenue increase effective January 1, 2022.

Table S - 5 - Wastewater Projected Other Revenues

Line No.	Description	Projected						Change
		2021	2022	2023	2024	2025	2026	5-Year
		\$	\$	\$	\$	\$	\$	
1	Sewer Impact Fee Rev	743,900	743,900	743,900	743,900	743,900	743,900	0
2	Sewer Sales Not on Cc	11,800	11,800	11,800	11,800	11,800	11,800	0
3	Sewer Connection Fee	47,900	47,900	47,900	47,900	47,900	47,900	0
4	WWTP Hay Sales	134,800	134,800	134,800	134,800	134,800	134,800	0
5	WWTP Biosolids/Fertil	54,900	54,900	54,900	54,900	54,900	54,900	0
6	WWTP Water Treatme	180,800	180,800	180,800	180,800	180,800	180,800	0
7	Penalties	123,000	246,100	246,100	246,100	246,100	246,100	123,100
8	Total	1,297,100	1,420,200	1,420,200	1,420,200	1,420,200	1,420,200	123,100
9	% Change	-1.52%	9.49%	0.00%	0.00%	0.00%	0.00%	9.49%

City of Fayetteville, Arkansas | Water and Wastewater Comprehensive Rate Study

Table S - 6 - Wastewater Capital Improvement Program

Line No.	Description	Projected (a)					
		2021	2022	2023	2024	2025	2026
		\$	\$	\$	\$	\$	\$
1	Sanitary Sewer Rehabilitation	2,956,100	3,044,800	3,136,100	3,230,200	3,327,100	0
2	Plant Pumps and Equipment - W.W.T.P.	515,000	530,500	546,400	562,800	579,600	0
3	W.W.T.P. Building Improvements	1,699,500	1,750,500	163,900	168,800	173,900	0
4	Upgrade/Replace Lift Stations - W.W.T.P.	309,000	318,300	327,800	337,700	347,800	0
5	Lake Sequoyah Sediment Removal/Dredging	515,000	530,500	546,400	562,800	579,600	0
6	Wastewater Treatment/Water Quality Improvements	103,000	106,100	109,300	112,600	115,900	0
7	Wastewater Impact Fee Improvements	309,000	318,300	327,800	337,700	347,800	0
8	Utilities Financial Services Improvements	0	11,100	3,300	1,700	8,700	0
9	Water/Sewer Relocations - Bond Projects	174,600	265,200	273,200	281,400	289,800	0
10	Water/Sewer Impact Fee Cost Sharing	0	79,600	82,000	84,400	86,900	0
11	Utilities Technology Improvements	0	228,100	234,900	130,000	10,400	0
12	Water/Sewer Building-Office Improvements	0	26,500	27,300	28,100	29,000	0
13	Water/Sewer Equipment Expansions	0	26,500	27,300	28,100	29,000	0
14	Water & Sewer Rate/Operational Studies	0	10,600	10,900	11,300	11,600	0
15	Phosphorus Standards Management	0	26,500	27,300	28,100	29,000	0
16	Water & Sewer Technology Equipment Replacements	0	0	0	0	0	0
17	Water & Sewer Improvements Defined By Study	0	0	0	0	0	0
18	Biosolids Dryer Replacement	0	0	3,278,200	9,004,100	9,274,200	9,552,400
19	Filter Cell Upgrade/Replacement at Noland WWTP	0	0	0	0	0	1,432,900
20	Upgrade Automation at both WWTPs	0	0	0	0	0	1,671,700
21	CIPP of 36" Sewer Line from Armstrong Ave to Nolan	0	0	0	0	0	1,194,100
22	Bypass Sewer Fulbright & North Gregg	1,442,000	0	0	0	0	0
23	Hamestring Lift Station Bottle Neck Resolution	0	848,700	0	0	0	0
24	Total Capital Improvement Program	8,023,200	8,121,800	9,122,100	14,909,800	15,240,300	13,851,100

(a) Capital costs reflect 3% annual inflation starting in 2021.

Table S - 7 - Wastewater Projected O&M Expenses

Line No.	Description	Projected					
		2021	2022	2023	2024	2025	2026
		\$	\$	\$	\$	\$	\$
1	Personal Costs	3,074,800	3,205,800	3,342,400	3,484,900	3,633,500	3,788,600
2	Materials and Supplies	724,700	746,400	768,800	791,800	815,600	840,100
3	Services and Charges	6,080,800	6,263,300	6,451,200	6,644,700	6,844,000	7,049,400
4	WWTP Contract	3,995,600	4,115,500	4,238,900	4,366,100	4,497,100	4,632,000
5	Motorpool	1,032,500	1,063,400	1,095,300	1,128,200	1,162,100	1,196,900
6	Cost Allocation	680,700	701,200	722,200	743,900	766,200	789,200
7	Maintenance	84,800	87,400	90,000	92,700	95,500	98,300
8	Total	15,673,900	16,183,000	16,708,800	17,252,300	17,814,000	18,394,500
9	% Change	0.81%	3.25%	3.25%	3.25%	3.26%	3.26%

City of Fayetteville, Arkansas | Water and Wastewater Comprehensive Rate Study

Table S - 8 - Wastewater Cash Financed Capital

Line No.	Description	Year Ending December 31,					
		2021	2022	2023	2024	2025	2026
		\$	\$	\$	\$	\$	\$
Sources of Funds							
1	Funds Available at Beginning of Year	504,100	501,900	506,700	504,400	506,700	501,100
2	Cash Financing of Capital Projects	6,270,000	6,880,000	8,710,000	14,490,000	14,800,000	13,850,000
3	Transfer from Impact Fee Fund	1,751,000	1,246,600	409,800	422,100	434,700	0
4	Subtotal	8,525,100	8,628,500	9,626,500	15,416,500	15,741,400	14,351,100
Application of Funds							
5	Major Capital Improvements	8,023,200	8,121,800	9,122,100	14,909,800	15,240,300	13,851,100
6	Subtotal	8,023,200	8,121,800	9,122,100	14,909,800	15,240,300	13,851,100
7	End of Year Balance	501,900	506,700	504,400	506,700	501,100	500,000
8	Capital Reserve EOY Balance - Cumulative	19,995,000	21,737,000	22,105,000	17,205,000	12,555,000	9,445,000

Table S - 9 - Wastewater Operating Cash Flow

Description	Year Ending December 31,					
	2021	2022	2023	2024	2025	2026
	\$	\$	\$	\$	\$	\$
Revenues						
Revenues Under Existing Rates	24,461,900	25,428,800	25,738,200	26,052,500	26,372,200	26,697,600
Revenue Increases						
0 % Increase Effective January 1, 2022		0	0	0	0	0
0 % Increase Effective January 1, 2023		0	0	0	0	0
3 % Increase Effective January 1, 2024		0	0	716,400	791,200	800,900
3 % Increase Effective January 1, 2025		0	0	0	747,000	825,000
3 % Increase Effective January 1, 2026		0	0	0	0	778,900
Total Revenue from Rates	24,461,900	25,428,800	25,738,200	26,768,900	27,910,400	29,102,400
Other Revenues (a)	594,700	720,500	719,400	721,600	724,200	727,000
Total Revenues	25,056,600	26,149,300	26,457,600	27,490,500	28,634,600	29,829,400
Expenses						
Operating Expenses	15,673,900	16,183,000	16,708,800	17,252,300	17,814,000	18,394,500
Bad Debt	122,300	127,100	128,700	133,800	139,600	145,500
PILOT	1,039,600	1,080,700	1,093,900	1,137,700	1,186,200	1,236,900
Debt Service	0	0	0	0	0	0
Total Expenses	16,835,800	17,390,800	17,931,400	18,523,800	19,139,800	19,776,900
Transfers						
Transfer to Shop Fund	33,000	0	0	0	0	0
Transfer to Operating Reserve	125,500	129,700	134,000	138,500	143,100	147,900
Cash Financing of Capital	6,270,000	6,880,000	8,710,000	14,490,000	14,800,000	13,850,000
Transfer to/from Capital Reserve	1,793,000	1,742,000	-312,000	-5,670,000	-5,450,000	-3,940,000
Total Transfers	8,221,500	8,751,700	8,532,000	8,958,500	9,493,100	10,057,900
Fund Balance						
Beginning Balance	106,700	106,000	112,800	107,000	115,200	116,900
Annual Operating Balance	-700	6,800	-5,800	8,200	1,700	-5,400
Ending Fund Balance	106,000	112,800	107,000	115,200	116,900	111,500
Performance Metrics						
Debt Service Coverage	NA	NA	NA	NA	NA	NA
O&M Reserve Balance (Days)	90.00	90.00	90.00	90.00	90.00	90.00

Includes interest income on operating fund balance.

Minimum requirement is 90 days of following year's Operating Expenses.

City of Fayetteville, Arkansas | Water and Wastewater Comprehensive Rate Study

Table S - 10 - Wastewater Projected Fund Balances

Line No.	Description	Year Ending December 31,					
		2021	2022	2023	2024	2025	2026
		\$	\$	\$	\$	\$	\$
Operating Funds							
1	O&M Reserve Balance (a)	3,990,300	4,120,000	4,254,000	4,392,500	4,535,600	4,683,500
2	Operating Fund Balance (b)	106,000	112,800	107,000	115,200	116,900	111,500
3	Total (e)	4,096,300	4,232,800	4,361,000	4,507,700	4,652,500	4,795,000
Capital Funds							
4	Capital Fund Balance (c)	501,900	506,700	504,400	506,700	501,100	500,000
5	Capital Reserve Fund Balance (d)	19,995,000	21,737,000	21,425,000	15,755,000	10,305,000	6,365,000
6	Total (e)	20,496,900	22,243,700	21,929,400	16,261,700	10,806,100	6,865,000
7	Impact Fee Fund Balance (e)	4,437,800	3,935,100	4,269,200	4,591,000	4,900,200	5,644,100

(a) Calculated as 90 days of following year's Operating Expenses.

(b) Target minimum balance is \$100,000 to account for any adjustments that may be needed to the O&M balance at the end of the year.

(c) Target minimum balance is \$500,000.

(d) Does not include expenses associated with facilities master plan to be completed in FY 2022

(e) All balances are cumulative.

Table S - 11 - Wastewater 2023 Cost of Service

Line No.	Description	Operating Expense	Capital Cost	Total Cost
		\$	\$	\$

Statement of Net Revenue Requirements (Cash Basis)

Revenue Requirements				
1	O&M Expenses	16,708,800		16,708,800
2	Bad Debt	128,700		128,700
3	PILOT	1,093,900		1,093,900
4	Debt Service		0	0
Other Expenditures & Transfers:				
	Transfer to Shop Fund (Capital Outlay)		0	0
5	Transfer to Operating Reserve	134,000		134,000
6	Cash Funding of Capital Projects		8,710,000	8,710,000
7	Transfer to Capital Reserve		(312,000)	(312,000)
8	Subtotal	18,065,400	8,398,000	26,463,400
Less Revenue Requirements Met from Other Sources				
9	Other Revenues and Adjustments	676,300		676,300
10	Interest Earned	43,100		43,100
11	Net Balance Available		5,800	5,800
12	Full Year Rate Adjustment			
13	Subtotal	719,400	5,800	725,200
14	Net Revenue Requirements to be Recovered by Rates	17,346,000	8,392,200	25,738,200

Restatement of Net Cost of Service (Utility Basis)

15	O&M Expenses	17,346,000		17,346,000
16	Depreciation		8,259,600	8,259,600
17	Return		132,600	132,600
18	Net Cost of Service	17,346,000	8,392,200	25,738,200

City of Fayetteville, Arkansas | Water and Wastewater Comprehensive Rate Study

Table S - 12 - Wastewater 2023 Allocation of Net Plant Investment

Line No.	Description	Total	Volume				Farmington Direct	Wastewater Strength				Customer Billing	Customer Connections	Fayetteville Direct
			Common to All		Retail Only			BOD		TSS				
			All	w/o Farmington	Volume	w/o Farmington		All	w/o Farmington	All	w/o Farmington			
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Net Plant Investment:														
1	Sewer Collection	106,713,735	43,521,511		63,192,224									
2	Sewer Connections	319,887												319,887
3	Water Meters	2,741,021											2,741,021	
4	Owl Creek Lift Station and Force Main	14,103												14,103
5	Lift Stations	5,257,834	5,257,834											
Sewer Treatment Plant- Noland														
6	Sewage Pumping	229,919		229,919										
7	Mechanical Bar Screens	172,282							51,685		120,597			
8	Grit Removal													
9	Primary Sedimentation													
10	Disinfection	1,684,829		1,684,829										
11	Aeration Equipment	1,120,704							560,352		560,352			
12	Sludge Handling	400,690							220,380		180,311			
13	Other Plant and Misc Equipment	961,187		510,038					221,733		229,416			
14	General Treatment	14,870,670		7,890,861					3,430,472		3,549,337			
Sewer Treatment Plant- West														
15	Sewage Pumping	921,333		845,784			75,549							
16	Mechanical Bar Screens	169,727							13,918					
17	Grit Removal	1,380,570					113,207				1,267,363			
18	Primary Sedimentation	6,927,776					568,078		1,907,909		4,451,789			
19	Disinfection	667,246		612,532			54,714							
20	Aeration Equipment	1,490,202					122,197		684,003		684,003			
21	Sludge Handling	34,604,278					2,837,551		17,471,700		14,295,027			
22	Other Plant and Misc Equipment	3,425,729		108,225			280,910		1,492,438		1,544,156			
23	General Treatment	7,795,332		246,269			639,217		3,396,080		3,513,766			
24	Sewer Land and Land Rights	6,358,594	1,917,514	132,595	2,484,085		148,797		823,260		851,789			554
25	General Plant	1,768,194	449,533	111,771	582,356		43,363		271,709		281,124		25,260	3,078
26	Total Net Plant Investment	199,995,842	51,146,392	12,372,823	66,258,665	0	4,897,501	0	30,578,464	0	31,638,096	0	2,766,281	337,622

Table S - 13 - Wastewater 2023 Allocation of Depreciation

Line No.	Description	Total	Volume				Farmington Direct	Wastewater Strength				Customer Billing	Customer Connections	Fayetteville Direct
			Common to All		Retail Only			BOD		TSS				
			All	w/o Farmington	Volume	w/o Farmington		All	w/o Farmington	All	w/o Farmington			
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Net Depreciation Expense:														
1	Sewer Collection	2,890,542	1,178,862		1,711,680									
2	Sewer Connections	22,463												22,463
3	Water Meters	141,180										141,180		
4	Owl Creek Lift Station and Force Main	6,509												6,509
5	Lift Stations	113,991	113,991											
Sewer Treatment Plant- Noland														
6	Sewage Pumping	42,418		42,418										
7	Mechanical Bar Screens	33,421							10,026		23,395			
8	Grit Removal													
9	Primary Sedimentation													
10	Disinfection	282,757		282,757										
11	Aeration Equipment	124,523	(1)						62,262		62,262			
12	Sludge Handling	83,361	(1)						45,849		37,513			
13	Other Plant and Misc Equipment	68,718		36,464					15,852		16,402			
14	General Treatment	935,042		496,164					215,702		223,176			
Sewer Treatment Plant- West														
15	Sewage Pumping	117,218		107,606			9,612							
16	Mechanical Bar Screens	55,071					4,516		15,167		35,388			
17	Grit Removal	135,374					11,101				124,273			
18	Primary Sedimentation	397,767					32,617		109,545		255,605			
19	Disinfection	41,250		37,868			3,382							
20	Aeration Equipment	140,345	1				11,508		64,418		64,418			
21	Sludge Handling	2,080,224					170,578		1,050,305		859,341			
22	Other Plant and Misc Equipment	320,819		10,135			26,307		139,767		144,610			
23	General Treatment	54,927	1	1,735			4,504		23,929		24,758			
24	Sewer Land and Land Rights	4,692	1,415	98	1,833		110		607		629			
25	General Plant	166,944	42,443	10,553	54,983		4,094		25,653		26,542		2,385	291
26	Total Net Depreciation Expense	8,259,556	1,336,711	1,025,798	1,768,496	0	278,329	0	1,779,082	0	1,898,312	0	143,565	29,263

City of Fayetteville, Arkansas | Water and Wastewater Comprehensive Rate Study

Table S - 14 - Wastewater 2023 Allocation of O&M Expenses

Line No.	Description	Total	Volume					Wastewater Strength				Customer Billing	Customer Connections	Fayetteville Direct
			Common to All		Retail Only		Farmington Direct	BOD		TSS				
			All	w/o Farmington	Volume	w/o Farmington		All	w/o Farmington	All	w/o Farmington			
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
1	Sewer Mains Maintenance	2,527,372	1,030,749		1,496,623									
2	Wastewater Treatment Plant	1,930,453		367,405			42,158		747,493		773,396			
3	Wastewater Treatment Plant-Noland	5,578,707		1,183,574					2,160,139		2,234,994			
4	Wastewater Treatment Plant-West	2,025,047		263,578			166,054		784,121		811,293			
5	Lift Stations	990,432	990,432											
6	Meter Operations (a)	1,716,051										1,716,051		
7	Water & Sewer Connections	205,698												205,698
8	Operations and Administration	1,443,897	194,900	174,975	144,317		20,078		355,990		368,326	165,476		19,835
9	All Other O&M Cost	1,647,745	222,415	199,678	164,692		22,912		406,249		420,326	188,838		22,635
10	Subtotal	18,065,400	2,438,495	2,189,210	1,805,632	0	251,202	0	4,453,993	0	4,608,336	2,070,365	0	248,168
	Less: Other Income Sources													
11	Sewer Connection Fees	47,900												47,900
12	Other Income Sources	671,500	49,206	87,179	71,904		10,003		177,367		183,513	82,446		9,883
13	Subtotal	719,400	49,206	87,179	71,904	0	10,003	0	177,367	0	183,513	82,446	0	57,783
14	Net O&M Expenses	17,346,000	2,389,289	2,102,031	1,733,728	0	241,199	0	4,276,626	0	4,424,823	1,987,918	0	190,386

City of Fayetteville, Arkansas | Water and Wastewater Comprehensive Rate Study

Table S - 15 - Wastewater 2023 Units of Service

Line	(1) Customer Classes	(2)	(3)	(4)	(5)	(6)	(7)	(8)
		Contributed	Infiltration	Total Treated	Strength		Customer	
		Volume	& Inflow	Volume	BOD	TSS	Bills	Meter
		1,000 gal.	1,000 gal.	1,000 gal. (2) + (3)	Pounds	Pounds	Bills	Equiv. Meters
Inside City								
1	Residential	1,771,796	1,590,308	3,362,104	5,725,103	4,874,540	429,266	34,346
2	Non-Residential	698,638	250,840	949,478	2,179,024	1,765,193	34,296	5,157
3	Industrial	396,716	88,853	485,569	1,226,169	980,006	252	249
4	Subtotal	2,867,150	1,930,001	4,797,151	9,130,296	7,619,739	463,814	39,752
Outside City								
Farmington								
5	Residential	77,284	77,958	155,242	251,513	216,205	21,806	1,603
6	Non-Residential	12,743	7,448	20,191	40,344	33,395	1,656	157
7	Industrial							
8	Subtotal	90,027	85,406	175,432	291,857	249,600	23,462	
Greenland								
9	Residential	10,633	17,382	28,016	35,993	32,523	5,388	435
10	Non-Residential	2,212	1,830	4,041	7,114	6,020	480	22
11	Industrial							
12	Subtotal	12,845	19,212	32,057	43,107	38,543	5,868	
Washington County/ Growth Area								
13	Residential	4,304	1,893	6,197	13,496	11,019	336	74
14	Non-Residential		67	67	14	28	24	
15	Industrial							
16	Subtotal	4,304	1,960	6,264	13,510	11,047	360	
Johnson								
17	Residential	6,479	6,692	13,171	21,119	18,191	1,884	151
18	Non-Residential	28	140	168	114	125	48	18
19	Industrial							
20	Subtotal	6,507	6,832	13,339	21,233	18,316	1,932	
21	Total Retail	2,974,326	2,036,578	5,010,904	9,478,770	7,918,929	493,504	39,752
Wholesale								
22	Elkins	81,017	18,069	99,086	250,391	200,104	24	23
23	West Fork	45,625	10,171	55,796	141,008	112,687	12	23
24	Subtotal	126,642	28,240	154,882	391,399	312,791	36	45
25	Subtotal (Inside City)	2,867,150	1,930,001	4,797,151	9,130,296	7,619,739	463,814	39,752
26	Subtotal (Outside City)	113,683	113,409	227,092	369,707	317,506	31,622	-
27	Subtotal (Wholesale)	126,642	28,240	154,882	391,399	312,791	36	45
28	Surcharge Customers				1,282,742	910,900		
29	Total System	3,107,475	2,071,650	5,179,125	11,174,144	9,160,936	495,472	42,258

City of Fayetteville, Arkansas | Water and Wastewater Comprehensive Rate Study

Table S - 16 - Wastewater 2023 Unit Cost of Service

Line No.	Description	Total	Volume				Wastewater Strength				Customer Billing	Customer Connections	Fayetteville Direct	
			Common to All		Retail Only		BOD		TSS					
			All	w/o Farmington	Volume	w/o Farmington	Farmington Direct	All	w/o Farmington	All				w/o Farmington
		\$	1,000 gal.	1,000 gal.	1,000 gal.	1,000 gal.	1,000 gal.	Pounds	Pounds	Pounds	Pounds	Bills	Equiv. Meters	Bills
Units of Service														
1	Inside City		4,797,151	4,797,151	4,797,151	4,797,151		9,130,296	9,130,296	7,619,739	7,619,739	463,814	39,752	463,814
2	Outside City-w/o Farmington		206,542	206,542	51,660	51,660		469,249	469,249	380,697	380,697	8,196	746	
3	Surcharge		175,432		175,432			291,857		249,600		23,462	1,761	
4	Total System		5,179,125	5,003,693	5,024,243	4,848,811	175,432	9,891,402	9,599,545	8,250,036	8,000,436	495,472	42,258	463,814
Costs of Service														
Net Operating Expense														
5	Total - \$	17,346,000	2,389,289	2,102,031	1,733,728		241,199		4,276,626		4,424,823	1,987,918		190,386
6	Unit Cost - \$/unit		0.46	0.42	0.35		1.37		0.39		0.50	4.01		0.41
Depreciation Expense:														
7	Total - \$	8,259,555	1,336,711	1,025,798	1,768,496		278,329		1,779,082		1,898,312		\$ 143,565	29,263
8	Unit Cost - \$/unit		0.26	0.21	0.35		1.59		0.16		0.21		\$ 3.3974	0.06
Net Plant Investment:														
9	Total - \$	199,995,842	51,146,392	12,372,823	66,258,665		4,897,501		30,578,464		31,638,096		2,766,281	337,622
10	Unit Cost - \$/unit		9.88	2.47	13.19		27.92		2.81		3.55		65.46	0.73
Return on Investment														
11	Inside City, Unit Return - \$/unit		(0.04)	(0.01)	(0.06)				(0.01)		(0.02)		(0.28)	(0.00)
12	Outside City - Except Farmington - Unit Return - \$/Unit		0.69	0.17	0.92				0.20		0.25		4.58	
13	Outside City - Farmington - Unit Return - \$/Unit		0.54		0.73		\$1.5354						3.60	
Total Return														
14	Inside City - \$	(782,136)	(200,302)	(50,154)	(267,484)				(123,713)		(128,054)		(11,002)	(1,427)
15	Outside City - Except Farmington - \$	416,547	142,779	35,751	47,689				92,299		94,612		3,417	
16	Outside City - Farmington - \$	498,234	95,286		127,246		269,363						6,339	
17	Total Return - \$	132,645	37,764	(14,403)	(92,549)		269,363		(31,414)		(33,442)		(1,247)	(1,427)
Total Unit Cost of Service														
18	Inside City - \$/unit		0.68	0.61	0.64				0.54		0.69	4.01	3.12	0.47
19	Outside City (Exc Farmington)- \$/uni		1.41	0.80	1.62				0.75		0.96	4.01	7.98	
20	Outside City - Farmington - \$/unit		1.26		1.42		\$ 4.4968					4.01	7.00	
Total Cost of Service														
21	Inside City - Retail - \$	21,743,660	3,250,896	2,948,565	3,076,442				4,972,298		5,292,288	1,860,902	124,048	218,221
22	Inside City-Surcharge - \$	1,331,238							698,572		632,665			
23	Outside City - Except Farmington - \$	1,296,928	291,370	164,861	83,700				353,424		364,739	32,884	5,950	
24	Outside City - Farmington - \$	1,366,374	221,497		249,534		788,890					94,133	12,320	
25	Total Cost of Service - \$	25,738,200	3,763,763	3,113,426	3,409,676	0	788,890	0	6,024,294	0	6,289,693	1,987,918	142,318	218,221

Table S - 17 - Wastewater 2023 Cost of Service by Customer Class

Line	Description	(1)	(2)	(3)	(4)
			Allocated Cost of Service	Existing Revenues	Indicated Revenue Increase
			\$	\$	
Inside City					
1	Residential		15,035,955	17,013,006	-11.6%
2	Non-Residential		4,418,463	3,926,109	12.5%
3	Industrial		2,289,243	1,890,075	21.1%
4	Subtotal		21,743,660	22,829,190	-4.8%
Outside City					
5	Residential		1,543,180	1,258,314	22.6%
6	Non-Residential		183,028	160,409	14.1%
7	Industrial				100.0%
8	Subtotal		1,726,208	1,418,723	21.7%
9	Total Retail		23,469,868	24,247,913	-3.2%
10	Wholesale		937,095	655,689	42.9%
11	Surcharge		1,331,238	834,607	59.5%
12	Total		25,738,201	25,738,209	0.0%

City of Fayetteville, Arkansas | Water and Wastewater Comprehensive Rate Study

Table S - 18 - Wastewater Proposed 2023 Charges

Existing Wastewater Rates Effective January 1, 2022

Monthly Base Charge			
Meter Size	Inside City	Outside City	Farmington
Inches	\$/month	\$/month	\$/month
5/8	18.28	18.28	16.74
3/4	18.28	18.28	16.74
1	23.74	33.92	31.28
1 1/2	38.77	60.37	55.50
2	55.43	79.73	73.45
3	128.73	184.24	169.29
4	212.13	303.44	278.93
6	420.39	601.46	553.70
8	628.73	899.76	826.81

Volume Charge			
Monthly Water Usage	Inside City	Outside City	Farmington
1,000 gal.	1,000 gal.	1,000 gal.	1,000 gal.

Residential

First 2,000 Gallons	4.35		
> 2,000 Gallons	5.80		
All Usage		8.18	7.52

Non-Residential

All Usage	4.40	8.18	7.52
-----------	------	------	------

Major Industrial

All Usage	4.71	8.18	7.52
-----------	------	------	------

Wholesale

85% of metered water usage	5.19		
Above 85% of metered water	2.71		

Surcharge

BOD - \$/lb for strength in excess of 300 ppm	0.4352		
TSS - \$/lb for strength in excess of 300 ppm	0.3056		

Proposed Wastewater Rates Effective January 1, 2023

Monthly Base Charge			
Meter Size	Inside City	Outside City	Farmington
Inches	\$/month	\$/month	\$/month
5/8	18.28	18.28	25.10
3/4	18.28	18.28	25.10
1	23.74	33.92	52.62
1 1/2	38.77	66.73	109.78
2	55.43	93.11	154.24
3	128.73	196.10	327.83
4	212.13	303.44	482.37
6	420.39	601.46	897.30
8	628.73	899.76	998.92

Volume Charge			
Monthly Water Usage	Inside City	Outside City	Farmington
1,000 gal.	1,000 gal.	1,000 gal.	1,000 gal.

Residential

First 2,000 Gallons	3.39		
> 2,000 Gallons	4.52		
All Usage		8.55	8.27

Non-Residential

All Usage	5.10	8.55	8.27
-----------	------	------	------

Major Industrial

All Usage	5.71	8.55	8.27
-----------	------	------	------

Wholesale

85% of metered water usage	7.20		
Above 85% of metered water	7.20		

Surcharge

BOD - \$/lb for strength in excess of 300 ppm	0.5426		
TSS - \$/lb for strength in excess of 300 ppm	0.6921		

City of Fayetteville, Arkansas | Water and Wastewater Comprehensive Rate Study

Table S - 19 - Wastewater 2023 Cost of Service Under Proposed Rates

(1) Line No.	(2) Description	(3) Adjusted Cost of Service \$	(4) Revenue Under Existing Rates \$	(5) Indicated Revenue Increase	(6) Revenues Under Proposed Rates \$	(7) Proposed Revenue as % Cost of Service	(8) Indicated Revenue Increase	(9) Indicated Revenue Increase \$
Inside City								
1	Residential	15,036,000	17,013,000	-11.6%	15,049,500	100%	-12%	-1,963,500
2	Non-Residential	4,418,500	3,926,100	12.5%	4,424,800	100%	13%	498,700
3	Industrial	2,289,200	1,890,100	21.1%	2,291,500	100%	21%	401,400
4	Subtotal	21,743,700	22,829,200	-4.8%	21,765,800	100%	-5%	-1,063,400
Outside City								
5	Residential	1,543,200	1,258,300	22.6%	1,510,400	98%	20%	252,100
6	Non-Residential	183,000	160,400	14.1%	193,500	106%	21%	33,100
7	Industrial					0%	0%	
8	Subtotal	1,726,200	1,418,700	21.7%	1,703,900	99%	20%	285,200
Wholesale								
9	Elkins	599,500	419,500	42.9%	583,300	97%	39%	163,800
10	West Fork	337,600	236,200	42.9%	328,500	97%	39%	92,300
11	Subtotal	937,100	655,700	42.9%	911,800	97%	39%	256,100
12	Surcharge	1,331,200	834,600	59.5%	1,326,400	100%	59%	491,800
13	Total	25,738,200	25,738,200	0.0%	25,707,900	100%	0%	-30,300

Table S - 20 - Wastewater 2023 Bill Impact

Line No.	Meter Size	Monthly Usage	Inside City				Outside City			
			Existing Rates	Proposed Rates	Increase / Decrease	Increase / Decrease	Existing Rates	Proposed Rates	Increase / Decrease	Increase / Decrease
	Inches	1,000 gal.	\$	\$	\$		\$	\$	\$	
Residential										
1	3/4	0.5	22.10	19.98	-2.13	-9.6%	26.46	22.56	-3.91	-14.8%
2	3/4	2	26.45	25.06	-1.39	-5.3%	34.64	35.38	0.74	2.1%
3	3/4	4	38.05	31.84	-6.21	-16.3%	51.00	52.48	1.48	2.9%
4	3/4	8	61.25	45.40	-15.85	-25.9%	83.72	86.68	2.96	3.5%
5	3/4	10	72.85	52.18	-20.67	-28.4%	100.08	103.78	3.70	3.7%
6	3/4	15	101.85	69.13	-32.72	-32.1%	140.98	146.53	5.55	3.9%
Non-Residential										
7	3/4	10	61.75	69.28	7.53	12.2%	100.08	103.78	3.70	3.7%
8	3/4	20	105.75	120.28	14.53	13.7%	181.88	189.28	7.40	4.1%
9	1	50	243.05	278.74	35.69	14.7%	442.92	461.42	18.50	4.2%
10	1	100	463.05	533.74	70.69	15.3%	851.92	888.92	37.00	4.3%
11	1 1/2	50	257.64	293.77	36.13	14.0%	469.37	494.23	24.86	5.3%
12	1 1/2	100	477.64	548.77	71.13	14.9%	878.37	921.73	43.36	4.9%
13	2	100	493.82	565.43	71.61	14.5%	897.73	948.11	50.38	5.6%
14	2	500	2,253.82	2,605.43	351.61	15.6%	4,169.73	4,368.11	198.38	4.8%
Industrial										
15	2	100	493.52	626.43	132.91	26.9%	897.73	948.11	50.38	5.6%
16	2	1,000	4,732.52	5,765.43	1,032.91	21.8%	8,259.73	8,643.11	383.38	4.6%
17	4	500	2,441.89	3,067.13	625.24	25.6%	4,393.44	4,578.44	185.00	4.2%
18	4	1,500	7,151.89	8,777.13	1,625.24	22.7%	12,573.44	13,128.44	555.00	4.4%
19	6	2,500	11,948.78	14,695.39	2,746.61	23.0%	21,051.46	21,976.46	925.00	4.4%
20	6	5,000	23,723.78	28,970.39	5,246.61	22.1%	41,501.46	43,351.46	1,850.00	4.5%
21	6	10,000	47,273.78	57,520.39	10,246.61	21.7%	82,401.46	86,101.46	3,700.00	4.5%

12.0 Appendix 3: Combined Tables

Table C - 1 - Combined Projected Fund Balances

Line No.	Description	Year Ending December 31,					
		2021	2022	2023	2024	2025	2026
		\$	\$	\$	\$	\$	\$
	Operating Funds						
1	O&M Reserve Balance (a)	8,051,900	8,314,600	8,586,100	8,866,600	9,156,600	9,456,300
2	Operating Fund Balance (b)	209,600	213,100	210,900	215,500	228,600	212,100
3	Subtotal Operating Funds Balance (e)	8,261,500	8,527,700	8,797,000	9,082,100	9,385,200	9,668,400
	Capital Funds						
4	Capital Fund Balance (c)	1,008,700	1,008,400	1,006,100	1,010,300	1,009,800	1,003,200
5	Capital Reserve Fund Balance (d)	32,910,000	30,173,000	27,293,500	20,118,500	13,458,500	7,996,500
6	Subtotal Capital Funds Balance (e)	33,918,700	31,181,400	28,299,600	21,128,800	14,468,300	8,999,700
7	Impact Fee Fund Balance (e)	4,460,597	4,516,397	4,378,897	5,592,597	6,791,197	8,511,397

(a) Calculated as 90 days of following year's Operating Expenses.

(b) Target minimum combined balance is \$200,000 to account for any adjustments that may be needed to the O&M balance at the end of the year.

(c) Target minimum combined balance is \$1,000,000.

(d) Does not include expenses associated with facilities master plan to be completed in FY 2022

(e) All balances are cumulative.

City of Fayetteville, Arkansas | Water and Wastewater Comprehensive Rate Study

Table C - 2 - Combined Operating Cash Flow

Line No.	Description	Year Ending December 31,					
		2021	2022	2023	2024	2025	2026
		\$	\$	\$	\$	\$	\$
Revenues							
1	Revenues Under Existing Rates	45,648,500	47,229,500	47,826,000	48,433,700	49,053,000	49,684,500
Revenue Increases							
2	0.0 % Increase Effective January 1, 2022		0	0	0	0	0
3	0.0 % Increase Effective January 1, 2023		0	0	0	0	0
4	3.0 % Increase Effective January 1, 2024		0	0	1,331,900	1,471,600	1,490,500
5	3.0 % Increase Effective January 1, 2025		0	0	0	1,389,400	1,535,300
6	3.0 % Increase Effective January 1, 2026		0	0	0	0	1,449,500
7	Total Revenue from Rates	45,648,500	47,229,500	47,826,000	49,765,600	51,914,000	54,159,800
8	Other Revenues (a)	1,127,800	1,362,000	1,363,600	1,371,400	1,380,000	1,389,300
9	Subtotal Revenues	46,776,300	48,591,500	49,189,600	51,137,000	53,294,000	55,549,100
Expenses							
10	Operating Expenses	31,624,500	32,655,200	33,720,300	34,821,200	35,959,000	37,135,100
11	Bad Debt	228,200	236,100	239,100	248,800	259,600	270,800
12	PILOT	1,940,000	2,007,200	2,032,600	2,115,100	2,206,400	2,301,800
13	SDWF-Reimbursement to ADPH	230,000	233,800	237,800	241,800	245,900	250,200
14	Debt Service	0	0	0	0	0	0
15	Total Expenses	34,022,700	35,132,300	36,229,800	37,426,900	38,670,900	39,957,900
Transfers							
16	Transfer to Shop Fund	66,000	0	0	0	0	0
17	Transfer to Operating Reserve	254,100	262,700	271,500	280,500	290,000	299,700
18	Cash Financing of Capital	11,730,000	15,930,000	15,570,000	20,600,000	20,980,000	20,770,000
19	Transfer to/from Capital Reserve	700,000	-2,737,000	-2,879,500	-7,175,000	-6,660,000	-5,462,000
20	Total Transfers	12,750,100	13,455,700	12,962,000	13,705,500	14,610,000	15,607,700
Fund Balance							
21	Beginning Balance	206,100	209,600	213,100	210,900	215,500	228,600
22	Annual Operating Balance	3,500	3,500	-2,200	4,600	13,100	-16,500
23	Ending Fund Balance	209,600	213,100	210,900	215,500	228,600	212,100
Performance Metrics							
24	Debt Service Coverage	NA	NA	NA	NA	NA	NA
25	O&M Reserve Balance (Days)(b)	✓ 90.00	✓ 90.00	✓ 90.00	✓ 90.00	✓ 90.00	✓ 90.00

(a) Includes interest income on operating fund balance.

(b) Minimum requirement is 90 days of following year's Operating Expenses.

City of Fayetteville, Arkansas | Water and Wastewater Comprehensive Rate Study

Table C - 3 - Combined 2023 Bill Impact

Line No.	Meter Size	Monthly Usage	Inside City				Outside City			
			Existing Rates	Proposed Rates	Increase / Decrease	Increase / Decrease	Existing Rates	Proposed Rates	Increase / Decrease	Increase / Decrease
	Inches	1,000 gal.	\$	\$	\$		\$	\$	\$	
Residential										
1	3/4	0.5	32.01	28.22	-3.80	-11.9%	37.82	32.33	-5.49	-14.5%
2	3/4	2	39.87	38.25	-1.62	-4.1%	50.04	51.86	1.82	3.6%
3	3/4	4	60.77	53.57	-7.20	-11.8%	77.10	80.78	3.68	4.8%
4	3/4	8	102.57	84.21	-18.36	-17.9%	131.22	138.62	7.40	5.6%
5	3/4	10	123.47	99.53	-23.94	-19.4%	158.28	167.54	9.26	5.9%
6	3/4	15	175.72	137.83	-37.89	-21.6%	225.93	239.84	13.91	6.2%
Non-Residential										
7	3/4	10	106.05	115.17	9.12	8.6%	151.20	161.82	10.62	7.0%
8	3/4	20	187.95	205.47	17.52	9.3%	276.80	297.82	21.02	7.6%
9	1	50	441.42	484.38	42.96	9.7%	672.13	726.18	54.05	8.0%
10	1.5	100	872.11	957.70	85.59	9.8%	1,334.15	1,450.95	116.80	8.8%
11	2	500	4,091.34	4,593.63	502.29	12.3%	6,289.61	6,926.63	637.02	10.1%
Industrial										
12	2	100	812.04	963.63	151.59	18.7%	1,260.25	1,330.63	70.38	5.6%
13	2	1,000	7,715.04	8,928.63	1,213.59	15.7%	11,682.25	12,166.63	484.38	4.1%
14	4	1,500	11,678.78	13,576.63	1,897.85	16.3%	17,760.33	18,466.37	706.04	4.0%
15	6	5,000	38,697.56	44,849.38	6,151.82	15.9%	58,675.24	61,007.28	2,332.04	4.0%
16	6	10,000	77,047.56	89,099.38	12,051.82	15.6%	116,575.24	121,207.28	4,632.04	4.0%



CITY OF FAYETTEVILLE, ARKANSAS

Notice of Public Hearing on Proposed Water and Sewer Rate Changes

City Council Agenda Session: Tuesday, June 14, 2022 at 4:30 PM

City Council Meeting: Tuesday, June 21, 2022 at 5:30 PM

City of Fayetteville Administration Building, City Hall
113 W. Mountain – Room 219 or via Zoom link at www.fayetteville-ar.gov

The City of Fayetteville AR, on the dates and times mentioned above, will hold a public hearing as part of the City Council Agenda Session and City Council Meeting with Fayetteville City Council prior to the adoption of the 2023 water and sewer rate increases. The public can attend in person or remotely via the link on the City's website, www.fayetteville-ar.gov.

If adopted, the proposed new rates would take effect on or after January 01, 2023, with 3% increases annually thereafter. All property owners/tenants and other interested parties are invited to attend the public hearing and be heard on the matter.

A water and sewer cost of service study was conducted by Black & Veatch pursuant to Fayetteville City Council Resolution 212-20 to perform a cost analysis to determine if costs allocations are fair and equitable among customer classes, to review the existing rate structure and design proposed rates that provide adequate revenues. The rate study was conducted following the industry standard methodology from the American Water Works Association (M1 Principles of Water Rates, Fees, and Charges).

The proposed water and sewer rate changes below are necessary for the City of Fayetteville to continue to provide safe and reliable water and sewer services to its citizens because extensive new capital needs are required at this point in time and operating costs have increased above the revenue increases generated by the current annual 3% proportional adjustment.

PROPOSED WATER RATE CHANGES – ON OR AFTER 1/1/2023

FIXED BASE CHARGE \$/MONTH		WATER INSIDE CITY			WATER OUTSIDE CITY		
Meter Size		EXISTING	PROPOSED	CHANGE	EXISTING	PROPOSED	CHANGE
5/8"		6.59	6.59	0.0%	7.54	7.54	0.0%
3/4"		6.59	6.59	0.0%	7.54	7.54	0.0%
1"		9.14	9.14	0.0%	10.52	12.26	16.5%
1.5"		15.93	15.93	0.0%	18.31	24.22	32.3%
2"		23.20	23.20	0.0%	26.66	33.52	25.7%
3"		54.05	54.05	0.0%	62.18	69.84	12.3%
4"		89.50	89.50	0.0%	102.93	102.93	0.0%
6"		178.99	178.99	0.0%	205.82	205.82	0.0%
8"		268.41	268.41	0.0%	308.67	308.67	0.0%
			AVG	0.0%		AVG	9.7%
QUANTITY CHARGE \$/1,000 GALLONS							
Residential							
First 2,000 gallons		3.51	3.30	-6.0%	4.04	4.47	10.6%
Next 13,000 gallons		4.64	4.37	-5.8%	5.34	5.91	10.7%
All over 15,000 gallons		6.59	6.20	-5.9%	7.54	8.38	11.1%
			AVG	-5.9%		AVG	10.8%
Non-Residential							
First 300,000 gallons		3.79	3.93	3.7%	4.38	5.05	15.3%
All over 300,000 gallons		3.38	3.93	16.3%	3.90	5.05	29.5%
			AVG	10.0%		AVG	22.4%
Major Industrial							
All Usage		2.96	3.14	6.1%	3.20	3.49	9.1%
Irrigation							
First 300,000 gallons		5.04	4.29	-14.9%	5.80	5.43	-6.4%
All over 300,000 gallons		4.53	4.29	-5.3%	5.22	5.43	4.0%
			AVG	-10.1%		AVG	-1.2%
Wholesale							
Reduced Peak Demand					2.87	3.16	10.1%
Peak Demand					3.20	3.16	-1.3%
						AVG	4.4%

***Beginning January 1, 2024, all monthly water rates shall be increased by 3% per year**

PROPOSED SEWER RATE CHANGES – ON OR AFTER 1/1/2023

FIXED BASE CHARGE \$/MONTH Meter Size	SEWER INSIDE CITY			SEWER OUTSIDE CITY			SEWER FARMINGTON		
	EXISTING	PROPOSED	CHANGE	EXISTING	PROPOSED	CHANGE	EXISTING	PROPOSED	CHANGE
5/8"	18.28	18.28	0.0%	18.28	18.28	0.0%	16.74	25.10	49.9%
3/4"	18.28	18.28	0.0%	18.28	18.28	0.0%	16.74	25.10	49.9%
1"	23.74	23.74	0.0%	33.92	33.92	0.0%	31.28	52.62	68.2%
1.5"	38.77	38.77	0.0%	60.37	66.73	10.5%	55.50	109.78	97.8%
2"	55.43	55.43	0.0%	79.73	93.11	16.8%	73.45	154.24	110.0%
3"	128.73	128.73	0.0%	184.24	196.10	6.4%	169.29	327.83	93.6%
4"	212.13	212.13	0.0%	303.44	303.44	0.0%	278.93	482.37	72.9%
6"	420.39	420.39	0.0%	601.46	601.46	0.0%	553.70	897.30	62.1%
8"	628.73	628.73	0.0%	899.76	899.76	0.0%	826.81	998.92	20.8%
		AVG	0.0%		AVG	3.8%		AVG	69.5%
QUANTITY CHARGE \$/1,000 GALLONS									
Residential									
First 2,000 Gallons	4.35	3.39	-22.1%	8.18	8.55	4.5%	7.52	8.27	10.0%
All over 2,000 Gallons	5.80	4.52	-22.1%	8.18	8.55	4.5%	7.52	8.27	10.0%
		AVG	-22.1%		AVG	4.5%		AVG	10.0%
Non-Residential									
All Usage	4.40	5.10	15.9%	8.18	8.55	4.5%	7.52	8.27	10.0%
Major Industrial									
All Usage	4.71	5.71	21.2%	8.18	8.55	4.5%	7.52	8.27	10.0%
Wholesale									
Reduced Peak Demand				5.19	7.20	38.7%			
Peak Demand				2.71	7.20	165.7%			
					AVG	102.2%			

***Beginning January 1, 2024, all monthly sewer rates shall be increased by 3% per year**

For more information or questions about the proposed water and sewer rate changes, contact the City of Fayetteville, Utilities Financial Services Division at (479) 575-8224 or visit the City's website for at www.fayetteville-ar.gov.

City of Fayetteville, Arkansas

By: Tim Nyander

Water & Sewer Utilities Director

Date: 06/08/2022



OFFICE OF THE
CITY ATTORNEY

DEPARTMENTAL CORRESPONDENCE



Kit Williams
City Attorney

Blake Pennington
Assistant City Attorney

Jodi Batker
Paralegal

TO: **Mayor Jordan**
City Council
Kara Paxton, City Clerk/Treasurer

CC: **Susan Norton**, Chief of Staff
Paul Becker, Chief Financial Officer
Tim Nyander, Utilities Director

FROM: **Kit Williams**, City Attorney

DATE: **July 15, 2022**

RE: **Statutory Procedure Required For Adopting New Sewer Rates**

There is a precise and unusual procedural schedule that is required by A.C.A. §14-235-223 **Rates and charges for services – Lien** for sewer rate changes. Prior to raising or changing sewer rates, the City must carefully follow every statutorily required step pursuant to A.C.A. §14-235-223 as shown below:

“(d)(1)(A) No rates or charges shall be established until after a public hearing, at which all the users of the works and owners of property served or to be served by them and others interested shall have opportunity to be heard concerning the proposed rates or charges.

(B) After introduction of the ordinance fixing the rates or charges, and before the ordinance is finally enacted, notice of the hearing, setting forth the proposed schedule of the rates or charges, shall be given by one (1) publication in a newspaper published ... at least ten (10) days before the date fixed in the notice for the hearing, which may be adjourned from time to time.

(2) After the hearing the ordinance establishing rates or charges, either as originally introduced or as modified and amended, shall be passed and put into effect.”

Statutorily Required Schedule

- (1) Introduce (Read) the ordinance proposing to change the sewer rates at a City Council meeting;
- (2) Publish "notice of the hearing setting forth the proposed schedule of the rates and charges ... by one publication in a newspaper..."
- (3) This notice must be published "at least ten (10) days before the date fixed in the notice for the hearing..."
- (4) After this public hearing, the ordinance may be passed.

The sewer rate ordinance will be read for the first time (introduced) at the June 21st City Council Meeting. **After such introduction** (reading), the City needs to set the date of the public hearing no earlier than ten (10) days from date such notice can be published (which might be Sunday, June 26, or if that cannot be accomplished, then Sunday July 3rd). Ten days after either publication date would allow the public hearing to be held at the July 19th City Council Meeting and the ordinance acted upon at that meeting after the Public Hearing.

As you see, the currently scheduled Public Hearing for next Tuesday does not fulfill the statutory requirement for such Public Hearing because the ordinance must be introduced (read) **BEFORE** the public hearing is even scheduled. Then the notice of such public hearing date must be published in the paper. Such notice must also set "forth the proposed schedule of the rates and charges" as well as the date of the public hearing.

Since the City has scheduled a public hearing for the next City Council Meeting, we may still wish to conduct one, but it will not suffice for our statutory requirement. The very first requirement is the reading of the ordinance which statutorily begins the full process which we must accomplish before the ordinance can be passed.

The Agenda for the June 21st City Council Meeting needs to have the sewer rate change ordinance as an item of New Business where it will be placed on its first reading. Since all such items of New Business allow public comment, persons wishing to speak to the proposed rate changes can publicly comment then so we do not need a separate public hearing on the June 21st Agenda. During the discussion of the sewer rate ordinance, the Council needs to agree that the Public Hearing will be scheduled for the July 19th City Council Meeting.

more than such sum turned over to it in maintaining the system, the city having been operating and maintaining this system out of general revenues with no expenses to the district, and the desire for audit of the accounts was made after the retirement of the bonds issued for the maintenance of the sewer. *Lawrence v. Jones*, 228 Ark. 1136, 313 S.W.2d 228 (1958).

Scope.

This section contemplates that revenue bonds authorized to construct sewers will

be paid from the revenues derived from that service and nothing in this subchapter authorizes any part of the revenues derived from the system to be devoted and appropriated to pay the cost of construction or operation of waterworks system. *Mathers v. Moss*, 202 Ark. 554, 151 S.W.2d 660 (1941).

14-235-223. Rates and charges for services — Lien.

(a)(1) The council of the municipality shall have power, and it shall be its duty, by ordinance to establish and maintain just and equitable rates or charges for the use of and the service rendered by the works, to be paid by each user of the sewerage system of the municipality.

(2) The council may change and readjust the rates or charges from time to time to such extent as will not render insecure the rights of the holders of revenue bonds or violate any sinking fund agreement, or other lawful agreement, with such bondholders.

(b) The rates or charges shall be sufficient in each year for the payment of the proper and reasonable expense of operation, repair, replacements, and maintenance of the works and for the payment of the sums required in this subchapter to be paid into the sinking fund.

(c) Revenues collected pursuant to this section shall be deemed the revenues of the works.

(d)(1)(A) No rates or charges shall be established until after a public hearing, at which all the users of the works and owners of property served or to be served by them and others interested shall have opportunity to be heard concerning the proposed rates or charges.

(B) After introduction of the ordinance fixing the rates or charges, and before the ordinance is finally enacted, notice of the hearing, setting forth the proposed schedule of the rates or charges, shall be given by one (1) publication in a newspaper published in the municipality if there is such a newspaper, but otherwise in a newspaper having general circulation in the municipality, at least ten (10) days before the date fixed in the notice for the hearing, which may be adjourned from time to time.

(2) After the hearing the ordinance establishing rates or charges, either as originally introduced or as modified and amended, shall be passed and put into effect.

(e) A copy of the schedule of the rates and charges established shall be kept on file in the office of the sewer committee having charge of the operation of the works, and also in the office of the municipal clerk or recorder, and shall be open to inspection by all parties interested.

(f)(1) The rates or charges so established for any class of users or property served shall be extended to cover any additional premises

Paxton, Kara

From: Paxton, Kara
Sent: Tuesday, June 14, 2022 5:07 PM
To: Bolinger, Bonnie; Pennington, Blake; Brown, Chris; Bunch, Sarah; CityClerk; Curth, Jonathan; Harvey, Sonia; Hertzberg, Holly; Batker, Jodi; Jones, D'Andre; Kelley, Courtney; Kinion, Mark; Johnson, Kimberly; Rogers, Kristin; Williams, Kit; Jordan, Lioneld; Mathis, Jeana; Paxton, Kara; Mulford, Patti; Rea, Christine; Scroggin, Sloan; Norton, Susan; Thurber, Lisa; Turk, Teresa; Wiederkehr, Mike
Subject: FW: Pre-Agenda Meeting

Good afternoon,

The Public Hearing item C.1 Public Hearing Discussion on Recommendations for Water and Sewer Rates Effective January 1, 2023 on the 06/14/2022 Tentative Agenda was placed on the agenda per the request I received via email on Wednesday, June 8, 2022 2:23 PM.

Based on the City Attorney requesting that this item now be moved the below email will be placed as additional documents in the agenda packet.

Thank you,

#

Kara Paxton, MSISM, CMC, CMO

City Clerk Treasurer

City of Fayetteville, Arkansas

kapaxton@fayetteville-ar.gov

T 479.575.8323#



From: Norton, Susan <snorton@fayetteville-ar.gov>
Sent: Thursday, June 9, 2022 3:12 PM
To: Paxton, Kara <kapaxton@fayetteville-ar.gov>
Subject: RE: Pre-Agenda Meeting

Thank you!

From: Paxton, Kara <kapaxton@fayetteville-ar.gov>
Sent: Thursday, June 9, 2022 3:02 PM
To: Norton, Susan <snorton@fayetteville-ar.gov>
Subject: RE: Pre-Agenda Meeting

I processed the change and uploaded the document. The agenda can be viewed at the below link.

https://accessfayetteville.granicus.com/GeneratedAgendaViewer.php?view_id=14&event_id=2591

Thank you,

#

Kara Paxton, MSISM, CMC, CMO

City Clerk Treasurer

City of Fayetteville, Arkansas

kapaxton@fayetteville-ar.gov

T 479.575.8323#



From: Norton, Susan <snorton@fayetteville-ar.gov>

Sent: Wednesday, June 8, 2022 4:07 PM

To: Paxton, Kara <kapaxton@fayetteville-ar.gov>; Williams, Kit <kwilliams@fayetteville-ar.gov>; Thurber, Lisa <lthurber@fayetteville-ar.gov>; Curth, Jonathan <jcurth@fayetteville-ar.gov>; Brown, Chris <cbrown@fayetteville-ar.gov>; Becker, Paul <pbecker@fayetteville-ar.gov>

Cc: Rogers, Kristin <kr Rogers@fayetteville-ar.gov>; Bolinger, Bonnie <bbolinger@fayetteville-ar.gov>

Subject: RE: Pre-Agenda Meeting

Kara - Please add the following descriptor to that Public Hearing title and include the attached as a link in the packet. Please let me know if you have any questions.

Public Hearing: Discussion on Recommendations for Water and Sewer Rates Effective January 1, 2023

Thank you.

Susan

From: Paxton, Kara <kapaxton@fayetteville-ar.gov>

Sent: Wednesday, June 8, 2022 3:37 PM

To: Williams, Kit <kwilliams@fayetteville-ar.gov>; Thurber, Lisa <lthurber@fayetteville-ar.gov>; Norton, Susan <snorton@fayetteville-ar.gov>; Curth, Jonathan <jcurth@fayetteville-ar.gov>; Brown, Chris <cbrown@fayetteville-ar.gov>; Becker, Paul <pbecker@fayetteville-ar.gov>

Cc: Rogers, Kristin <kr Rogers@fayetteville-ar.gov>; Bolinger, Bonnie <bbolinger@fayetteville-ar.gov>

Subject: RE: Pre-Agenda Meeting

Kit,

Thank you for your response. I have added the Public Hearing section and moved the item you mentioned. I have attached a copy of the agenda to this email for your records.

This agenda will be published on the website tomorrow afternoon.

Thank you,

#

Kara Paxton, MSISM, CMC, CMO

City Clerk Treasurer

City of Fayetteville, Arkansas

kapaxton@fayetteville-ar.gov

T 479.575.8323#



From: Williams, Kit <kwilliams@fayetteville-ar.gov>

Sent: Wednesday, June 8, 2022 2:23 PM

To: Paxton, Kara <kapaxton@fayetteville-ar.gov>; Thurber, Lisa <lthurber@fayetteville-ar.gov>; Norton, Susan <snorton@fayetteville-ar.gov>; Curth, Jonathan <jcurth@fayetteville-ar.gov>; Brown, Chris <cbrown@fayetteville-ar.gov>; Becker, Paul <pbecker@fayetteville-ar.gov>

Subject: RE: Pre-Agenda Meeting

Kara,

Looks very good to me. We need to have a separate place for a public hearing on the new water/sewer rates (before item for the ordinance.).

Kit

From: Paxton, Kara

Sent: Wednesday, June 08, 2022 12:31 PM

To: Thurber, Lisa <lthurber@fayetteville-ar.gov>; Norton, Susan <snorton@fayetteville-ar.gov>; Curth, Jonathan <jcurth@fayetteville-ar.gov>; Brown, Chris <cbrown@fayetteville-ar.gov>; Becker, Paul <pbecker@fayetteville-ar.gov>; Williams, Kit <kwilliams@fayetteville-ar.gov>

Cc: Bolinger, Bonnie <bbolinger@fayetteville-ar.gov>; Rogers, Kristin <kr Rogers@fayetteville-ar.gov>

Subject: Pre-Agenda Meeting

Good afternoon,

I have attached the draft version of the Tentative Agenda. Once you have had a chance to review this document please email me and let me know what your agenda item preferred order is for the Consent Agenda and New Business.

Thank you,

#

Kara Paxton, MSISM, CMC, CMO

City Clerk Treasurer

City of Fayetteville, Arkansas

kapaxton@fayetteville-ar.gov

T 479.575.8323#





OFFICE OF THE
CITY ATTORNEY

DEPARTMENTAL CORRESPONDENCE



Kit Williams
City Attorney

Blake Pennington
Assistant City Attorney

Jodi Batker
Paralegal

TO: Mayor Jordan
City Council
Kara Paxton, City Clerk/Treasurer

CC: Paul Becker, Chief Financial Officer
Tim Nyander, Utilities Director
Corey Granderson, Utilities Engineer

FROM: Kit Williams, City Attorney

A handwritten signature in blue ink, appearing to read "Kit Williams", with a long horizontal flourish extending to the right.

DATE: July 13, 2022

RE: Contracting with other political subdivisions

The City of Fayetteville has constructed a very efficient and effective wastewater system for our residents, businesses, and factories which we have graciously allowed residents and businesses outside our city limits to access for decades. The City is authorized to contract with other cities or their residents (Elkins, Greenland, Farmington, Johnson, and West Fork) by A.C.A. §14-235-212 **Contracting with other political subdivisions.**

These contracts are statutorily authorized, "but only to the extent of the capacity of the works without impairing the usefulness of them to the owners (Fayetteville), **upon such terms and conditions as may be fixed by the sewer committee ...**" *Id.* at (a)(1)(B). (emphasis added)

In a sewer rate challenge case, the Arkansas Supreme Court held:

"Rate making being a legislative act, unless the city council has acted arbitrarily and unreasonably in fixing these rates, there is a prima facie presumption in favor of their correctness, and the burden is on complainant to show otherwise." *Lawrence v. Jones*, 228 Ark. 1136, 313 S.W. 2d. 228, 231 (1958).

In a recent case, the City of Fayetteville was sued because it substantially increased its rates to a nonresident wholesale water customer.

“Water may be supplied to nonresident consumers at such rates as the legislative body of the municipality may deem just and reasonable, and the rates need not be the same as the rates charged residents of the municipality.” *Mount Olive Water Association v. City of Fayetteville*, 313 Ark, 606, 856 S.W. 2d 864, 866 (1993).

The water association challenged a 9.8% rate of return for computing revenue requirements. *Id.* The Arkansas Supreme Court rejected the water association’s argument that the 9.8% rate of return establishing the water rates was not just or reasonable. The Court ruled:

“We have stated no hard and fast rule regarding what constitutes a reasonable rate or the variables properly employed by which a municipality may charge in these situations. Reasonableness of rates must therefore be dictated by the facts of each situation and the definition of ‘reasonable’ established by the common meaning of the term.

Webster's Third New International Dictionary (Unabridged) (1968) gives several definitions of ‘reasonable’ including ‘not conflicting with reason: not absurd: not ridiculous . . . b. being or remaining within the bounds of reason.’” *Mount Olive Water Association v. City of Fayetteville*, *Supra* at 867.

The Arkansas Supreme Court cited “the *Report on Revenue Requirements, Cost of Service, and Rates for Water and Sewer Services for Fayetteville, Arkansas* prepared by Black and Veatch/Engineers - Architects of Kansas City,” *Id.* as “evidence presented by the City (which) showed the rates were based upon ‘reason’ and were ‘reasonable’ in accordance with the dictionary definitions quoted.” *Id.*

Although the current Black and Veatch report may need to be slightly modified, once the City Council is satisfied that Black and Veatch has properly considered all relevant factors including realistic and relevant concerns of the City of Farmington and others, rates based upon the *Report* should satisfy the reasonableness standard here just as they did in the *Mount Olive Water*

Association case. The Court in that case found that the charge per 1000 gallon rate there which more than tripled in four years was reasonable and legal.

“The burden of proving the city’s rate schedule to be arbitrary and unreasonable rested upon the plaintiffs, for the ordinance is entitled to the presumption of validity that legislative enactments ordinarily receive.” *Lawrence v. Jones*, Supra at 231.

CONCLUSION

The City of Fayetteville has always strived to fairly apportion the costs of building, maintaining, and operating its water and sewer systems among all of its customers. The law clearly gives the City Council the right to protect the interests of our citizens and businesses by crediting their recent 200 Million Dollar investment into the wastewater system project which was needed to service not only our intown customers, but our many out of town customers in Farmington, Greenland and Johnson as well as our wholesale customers of Elkins and West Fork.

A reasonable rate of return from our out-of-town customers to compensate our citizens’ 200 Million Dollar investment is not only legal, but fair and reasonable.



MEETING OF AUGUST 15, 2023

TO: Mayor Jordan and City Council
THRU: Paul Becker, Chief Financial Officer
FROM: Les McGaugh, Purchasing Director
DATE:
SUBJECT: Rental Equipment Procurement Procedure

RECOMMENDATION:

A resolution to waive competitive bidding for the procurement of rental equipment from various vendors in excess of \$35,000.00 annual City-wide aggregate spend but require 3 written or published quotes for each needed rental.

BACKGROUND:

City Policy requires the Purchasing Division to competitively solicit purchases that exceed \$35,000.00 with the same vendor for like or similar goods and services. Various departments use equipment rental vendors and they are unaware of other departments usage, and as a result, it is difficult for each department and Purchasing to verify and maintain compliance.

DISCUSSION:

With the nature of rental equipment being of unknown variables such as size of equipment, duration of rental, and equipment available at time of need, the City is not able to practically and feasibly solicit rental equipment. Purchasing recommends applying quote thresholds by department at time of need, rather than aggregate spends annually City Wide.

BUDGET/STAFF IMPACT:

This is a process change. Each department is responsible for their own budget for equipment rental.

ATTACHMENTS: SRF - Rental Equipment Procurement Procedure



City of Fayetteville, Arkansas

113 West Mountain Street
Fayetteville, AR 72701
(479) 575-8323

Legislation Text

File #: 2023-1005

Rental Equipment Procurement Procedure

A RESOLUTION TO WAIVE COMPETITIVE BIDDING AND AUTHORIZE THE PROCUREMENT OF RENTAL EQUIPMENT FROM VARIOUS VENDORS IN EXCESS OF \$35,000.00 BUT TO REQUIRE AT LEAST 3 WRITTEN OR PUBLISHED QUOTES FOR EACH RENTAL

WHEREAS, City policy and state law require the Purchasing Division to competitively solicit purchases that exceed \$35,000.00 with the same vendor for like or similar goods and services but it is difficult for each department and Purchasing to verify and maintain compliance when the same vendor is used by multiple departments; and

WHEREAS, with the nature of rental equipment being of unknown variables such as size of equipment, duration of rental, and equipment available at time of need, the City is not able to practically and feasibly solicit rental equipment within the competitive bidding timeframe; and

WHEREAS, Purchasing recommends applying quote thresholds by department at the time the rental equipment is needed, rather than setting an aggregate city-wide budget for this purpose.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF FAYETTEVILLE, ARKANSAS:

Section 1: That the City Council of the City of Fayetteville, Arkansas hereby determines an exceptional situation exists in which competitive bidding is deemed not feasible or practical and therefore waives the requirements of formal competitive bidding and authorizes the procurement of rental equipment from various vendors in excess of \$35,000.00, and authorizes the Purchasing Division or department in need of the equipment to solicit at least three informal written or published quotes without the need for further approval by the City Council.

City of Fayetteville Staff Review Form

2023-1005

Item ID

8/15/2023

City Council Meeting Date - Agenda Item Only
N/A for Non-Agenda Item

Les McGaugh

8/7/2023

PURCHASING (160)

Submitted By

Submitted Date

Division / Department

Action Recommendation:

A resolution to waive competitive bidding for the procurement of rental equipment from various vendors in excess of \$35,000.00 annual City-wide aggregate spend but require 3 written or published quotes for each needed rental.

Budget Impact:

NA

NA

Account Number

Fund

N/A

N/A

Project Number

Project Title

Budgeted Item? Yes

Total Amended Budget
Expenses (Actual+Encum)

Available Budget

\$ -

Does item have a direct cost? No

Item Cost

Is a Budget Adjustment attached? No

Budget Adjustment

Remaining Budget

\$ -

V20221130

Purchase Order Number:

Previous Ordinance or Resolution #

Change Order Number:

Approval Date:

Original Contract Number:

Comments: This is a process change. Each department is responsible for their own budget for equipment rental.



MEETING OF AUGUST 15, 2023

TO: Mayor Jordan and City Council

THRU: Paul Becker, Chief Financial Officer

FROM: Waylon Abernathy, Bond Projects & Construction Dir

DATE:

SUBJECT: Resolution to approve Change Order #13 to RFQ-18-11 with Nabholz Construction Corporation in the amount of \$5,521,396.00 for Civic Plaza construction in the Arts Corridor Project; to recognize interest revenue earned on the Arts Corridor and Streets bonds; and to approve a budget adjustment.

RECOMMENDATION:

Resolution to approve Change Order #13 to RFQ-18-11 with Nabholz Construction Corporation in the amount of \$5,521,396.00 for the remaining bid packages in the Arts Corridor Project for the Civic Plaza construction and street lighting infrastructure from Dickson to Watson; to recognize interest revenue earned on the Arts Corridor and Streets bonds; and to approve a budget adjustment.

BACKGROUND:

Resolution 117-23 passed in May of this year for many of the Civic Plaza Bid Packages. This resolution is for the remaining items.

DISCUSSION:

The scope of this change order includes demolition, earthwork, storm drainage, electrical, Structural and Miscelaneous Steel, Permeable Pavers, and Architectural Precast. Also included is the addition of infrastructure for new street lighting from Dickson to Watson, which will connect the Arts Corridor to the deck.

BUDGET/STAFF IMPACT:

A budget adjustment is provided that will allocate funding from the following accounts.

G/L ACCT	PROJECT	AMOUNT
4708.860.7800-5804.00	46080.7800	5,350,000.00
4608.860.7800-5804.00	46080.7800	68,495.00
4602.860.7214-5814.00	46020.7214.1030	102,901.00
TOTAL		5,521,396.00

ATTACHMENTS: 2023-953 SRF Nabholz CO 13 Civic Plaza, 2023-953 BA Nabholz CO13 Civic Plaza, PCCO 013 - Upper Ramble Civic Plaza Rebid GMP - To Be Executed, Nabholz Bidding Affidavit

Mailing address:

113 W. Mountain Street
Fayetteville, AR 72701

www.fayetteville-ar.gov



City of Fayetteville, Arkansas

113 West Mountain Street
Fayetteville, AR 72701
(479) 575-8323

Legislation Text

File #: 2023-953

Resolution to approve Change Order #13 to RFQ-18-11 with Nabholz Construction Corporation in the amount of \$5,521,396.00 for Civic Plaza construction in the Arts Corridor Project; to recognize interest revenue earned on the Arts Corridor and Streets bonds; and to approve a budget adjustment.

A RESOLUTION TO APPROVE CHANGE ORDER NO. 13 TO THE CONTRACT WITH NABHOLZ CONSTRUCTION CORPORATION IN THE AMOUNT OF \$5,521,396.00 FOR WORK RELATED TO THE CULTURAL ARTS CORRIDOR, AND TO APPROVE A BUDGET ADJUSTMENT – 2019 CULTURAL ARTS CORRIDOR BOND PROJECT

WHEREAS, Change Order No. 13 includes the remaining bid packages in the Arts Corridor Project for the Civic Plaza construction and street lighting infrastructure along West Avenue from Dickson Street to Watson Street.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF FAYETTEVILLE, ARKANSAS:

Section 1: That the City Council of the City of Fayetteville, Arkansas hereby approves Change Order No. 13 to the Construction Manager at Risk Services Contract with Nabholz Construction Corporation, a copy of which is attached to this Resolution, in the amount of \$5,521,396.00 for the remaining bid packages in the Arts Corridor Project for the Civic Plaza construction and street lighting infrastructure along West Avenue from Dickson Street to Watson Street.

Section 2: That the City Council of the City of Fayetteville, Arkansas hereby approves a budget adjustment, a copy of which is attached to this Resolution.

City of Fayetteville Staff Review Form

2023-953

Item ID

8/15/2023

City Council Meeting Date - Agenda Item Only

N/A for Non-Agenda Item

Wade Abernathy

7/28/2023

FACILITIES MANAGEMENT (140)

Submitted By

Submitted Date

Division / Department

Action Recommendation:

Resolution to approve Change Order #13 to RFQ-18-11 with Nabholz Construction Corporation in the amount of \$5,521,396.00 for the remaining bid packages in the Arts Corridor Project for the Civic Plaza construction and street lighting infrastructure from Dickson to Watson; to recognize interest revenue earned on the Arts Corridor and Streets bonds; and to approve a budget adjustment.

Budget Impact:

4708.860.7800-5804.00

Arts Corridor 2022 Bonds

4608.860.7800-5804.00

Arts Corridor 2019 Bonds

4602.860.7214-5814.00

Streets Projects 2019 Bonds

Account Number

Fund

46080.7800

Arts Corridor Improvements

46020.7214.1030

Streets Bond Projects - Dickson St Pedestrian Impr

Project Number

Project Title

Budgeted Item? Yes

Total Amended Budget

\$ 8,222,810.00

Expenses (Actual+Encum)

\$ 8,026,858.23

Available Budget

\$ 195,951.77

Does item have a direct cost? Yes

Item Cost

\$ 5,521,396.00

Is a Budget Adjustment attached? Yes

Budget Adjustment

\$ 5,418,495.00

Remaining Budget

\$ 93,050.77

Purchase Order Number: 2023-000589

Previous Ordinance or Resolution # 117-23

V20221130

Change Order Number: 13

Approval Date:

Original Contract Number: 2018-00000042

Comments:

City of Fayetteville, Arkansas - Budget Adjustment (Agenda)

Budget Year 2023	Division /Org2 FACILITIES MANAGEMENT (140) Requestor: Wade Abernathy	Adjustment Number
--------------------------------	---	--------------------------

BUDGET ADJUSTMENT DESCRIPTION / JUSTIFICATION:

Resolution to approve Change Order #13 to RFQ-18-11 with Nabholz Construction Corporation in the amount of \$5,521,396.00 for the remaining bid packages in the Arts Corridor Project for the Civic Plaza construction and street lighting infrastructure from Dickson to Watson; to recognize interest revenue earned on the Arts Corridor and Streets bonds; and to approve a budget adjustment.

RESOLUTION/ORDINANCE	COUNCIL DATE:	8/15/2023
	ITEM ID#:	2023-953
	<i>Holly Black</i>	
	<i>7/28/2023 9:28 AM</i>	
	Budget Division	Date
	TYPE:	D - (City Council)
	JOURNAL #:	
	GLDATE:	
	CHKD/POSTED:	/

TOTAL	578,843	578,843	v.202373			
	Increase / (Decrease)		Project.Sub#			
Account Number	Expense	Revenue	Project	Sub.Detl	AT	Account Name
4708.860.7800-5804.00	5,350,000	-	46080	7800	EX	Building Costs
4708.860.7999-5899.00	(5,350,000)	-	46080	7999	EX	Unallocated - Budget
4608.860.7800-5804.00	68,495	-	46080	7800	EX	Building Costs
4608.860.7999-5899.00	(68,495)	-	46080	7999	EX	Unallocated - Budget
	-	-				
4708.860.7000-4707.47	-	419,100	46080	7000	RE	Interest - 2022 Project Funds
4708.860.7999-5899.00	419,100	-	46080	7999	EX	Unallocated - Budget
4608.860.7000-4707.46	-	37,031	46080	7000	RE	Interest - 2019 Project Funds
4608.860.7999-5899.00	37,031	-	46080	7999	EX	Unallocated - Budget
4602.860.7000-4707.46	-	122,712	46020	7000	RE	Interest - 2019 Project Funds
4602.860.7999-5899.00	122,712	-	46020	7999	EX	Unallocated - Budget
	-	-				
	-	-				
	-	-				
	-	-				
	-	-				



Prime Contract Change Order

Fayetteville Cultural Arts Corridor
113 W. Mountain St.
Fayetteville, AR 72701

Project # 02-19-2526
Tel: Fax:

Nabholz Construction Corporation

Date: 7/27/2023
To Contractor:
Nabholz Construction Corporation

Architect's Project No:
Contract Date: 4/18/2018
Contract Number: 02-19-2526
Change Order Number: 013

The Contract is hereby revised by the following items:

Upper Ramble Civic Plaza Rebid GMP

PCO	Description		Amount
136	Upper Ramble Civic Plaza Rebid GMP	\$	5,521,396.00
137	West Ave. Lighting	\$	0.00

This is a partial change order for the remaining bid packages procured for the project identified as Upper Ramble Civic Plaza. Nabholz continues to seek opportunities for Value Engineering options. The following packages are included:

1. Cast-in-Place Concrete
2. Structural Steel & Misc Metals
3. Joint Sealants
4. Plumbing
5. Electrical
6. Site Demolition
7. Earthwork
8. Storm Drainage
9. Pavement Marking
10. Architectural Precast Concrete
11. Fencing & Gates
12. Pavers
13. Landscaping & Irrigation

These bids were based on 100% CD drawings dated 1/11/2023 and include the Addendum 1 drawings dated 1/30/2023. Included within this change is the remaining cost (77%) of the overall project GC/GR's and Fee.

This project is scheduled for a 10-month duration with no weather days incorporated. This project will be impacted significantly by weather events such as rain, snow, and wind. Therefore, it should be anticipated based on historical data that there will be approximately 90 days of weather impacts to the overall schedule. This work will start at the completion of the Parking Deck project, and the project start date and completion date will be established via zero-dollar change order upon completion of the Parking Deck.

Allowances are to be reconciled once the design documents are updated to reflect the approved Value Engineering options. Site Utilities and Electrical Systems designs should be updated by the relevant design consultant of record. Contractor agrees to coordinate with the City and Design Team to incorporate approved Value Engineering options into revised design documents under the criteria considered by the Subcontractors while obtaining deductions.

PROJECT CONFIDENTIAL

Property of Nabholz Construction Corporation Not for Duplication or Distribution

This document includes data prepared in conjunction with the Project that is deemed trade secret or proprietary to Nabholz. This document is shared with the Project team solely for use on this Project consistent with the responsibilities of the Project team. The Recipients shall not duplicate, use, or disclose, in whole or in part, to any person, entity, or party outside the Project team without Nabholz' prior written authorization.



Prime Contract Change Order
Private Confidential

The original Contract Value was.....	\$	80,000.00
Sum of changes by prior Prime Contract Change Orders.....	\$	10,859,585.28
The Contract Value prior to this Prime Contract Change Order was.....	\$	10,939,585.28
The Contract Value will be changed by this Prime Contract Change Order in the amount of.....	\$	5,521,396.00
The new Contract Value including this Prime Contract Change Order will be.....	\$	16,460,981.28
The Contract duration will be changed by.....		31 Days
The revised Substantial Completion date as of this Prime Contract Change Order is.....		10/31/2024

Nabholz Construction Corporation	City of Fayetteville
CONTRACTOR	OWNER
Address	Address
By Rob Dodd DocuSigned by:	By
SIGNATURE Rob Dodd	SIGNATURE
DATE 7/27/2023	DATE

PROJECT CONFIDENTIAL

Property of Nabholz Construction Corporation Not for Duplication or Distribution

This document includes data prepared in conjunction with the Project that is deemed trade secret or proprietary to Nabholz. This document is shared with the Project team solely for use on this Project consistent with the responsibilities of the Project team. The Recipients shall not duplicate, use, or disclose, in whole or in part, to any person, entity, or party outside the Project team without Nabholz' prior written authorization.

**Rebid Packages GMP**

PROJECT NAME Civic Plaza
PROJECT LOCATION Fayetteville, AR
REVIEW DATE 7/26/2023
ARCHITECT Nelson Byrd Woltz
ESTIMATED DURATION 13 Mnth

Job Phase	Nabholz	Description	Takeoff Quantity	Grand Total Amount
01		Civic Space		
03-0010		Concrete		
		Global Concrete Allowance	1.00 Isum	1,187,431
		03-0010 Concrete	1.00 Isum	1,187,431
05-1205		Structural Steel & Misc Metals		
		Shade Structure Allowance	1.00 Isum	161,598
		05-1205 Structural Steel & Misc Metals	1.00 Isum	161,598
07-1000		Joint Sealants		
		Crum & Marshall	1.00 Isum	17,848
		07-1000 Joint Sealants	1.00 Isum	17,848
22-0000		Plumbing		
		Allied Plumbing	1.00 Isum	148,639
		22-0000 Plumbing	1.00 Isum	148,639
26-1000		Electrical		
		Arnold & Blevins Allowance	1.00 Isum	2,254,717
		26-1000 Electrical	1.00 Isum	2,254,717
31-0000		Site Demolition		
		Garrett X	1.00 Isum	197,053
		31-0000 Site Demolition	1.00 Isum	197,053
31-1000		Earthwork		
		Garrett X - no topsoil	1.00 Isum	344,316
		SWPPP Maintenance Allowance	1.00 Isum	10,161
		31-1000 Earthwork	1.00 Isum	354,477
32-0000		Storm Drainage		
		Garrett X Allowance	1.00 Isum	704,358
		32-0000 Storm Drainage	1.00 Isum	704,358
32-1000		Pavement Marking		
		Custom Pavement	1.00 Isum	3,949
		32-1000 Pavement Marking	1.00 Isum	3,949
32-2000		Architectural Precast Concrete		
		Crete Cast Products	1.00 Isum	49,005
		Precast Bench Install Allowance	1.00 Isum	50,805
		32-2000 Architectural Precast Concrete	1.00 Isum	99,810
32-3113		Fencing & Gates		
		Temp Fence Allowance	1.00 Isum	18,290
		32-3113 Fencing & Gates	1.00 Isum	18,290
32-6000		Pavers		
		Elevated Paver Systems Allowance	1.00 Isum	937,960
		32-6000 Pavers	1.00 Isum	937,960
32-9323		Landscaping & Irrigation		
		Topsoil Add for Building Exteriors	1.00 Isum	38,408
		32-9323 Landscaping & Irrigation	1.00 Isum	38,408
		01 Civic Space	1.00 Isum	6,124,537



Rebid Packages GMP
PROJECT NAME Civic Plaza
PROJECT LOCATION Fayetteville, AR
REVIEW DATE 7/26/2023
ARCHITECT Nelson Byrd Woltz
ESTIMATED DURATION 13 Mnth

Estimate Totals

Description	Amount	Totals
Cost of Work	6,124,537	6,124,537
Building Permit NIC		
Municipal Fees		6,124,537
General Liability	68,595	
Builder's Risk	9,387	
Performance Payment Bond	36,103	
Insurance	114,085	6,238,622
Construction Contingency	30,000	
Contingency	30,000	6,268,622
GCs & GRs	620,492	
Entegrity Sustainability Consulting		
GCs/GRs	620,492	6,889,114
Preconstruction Services Fee		
Project Fee	331,423	4.590 %
Contractors Fee	331,423	7,220,537
Total		7,220,537

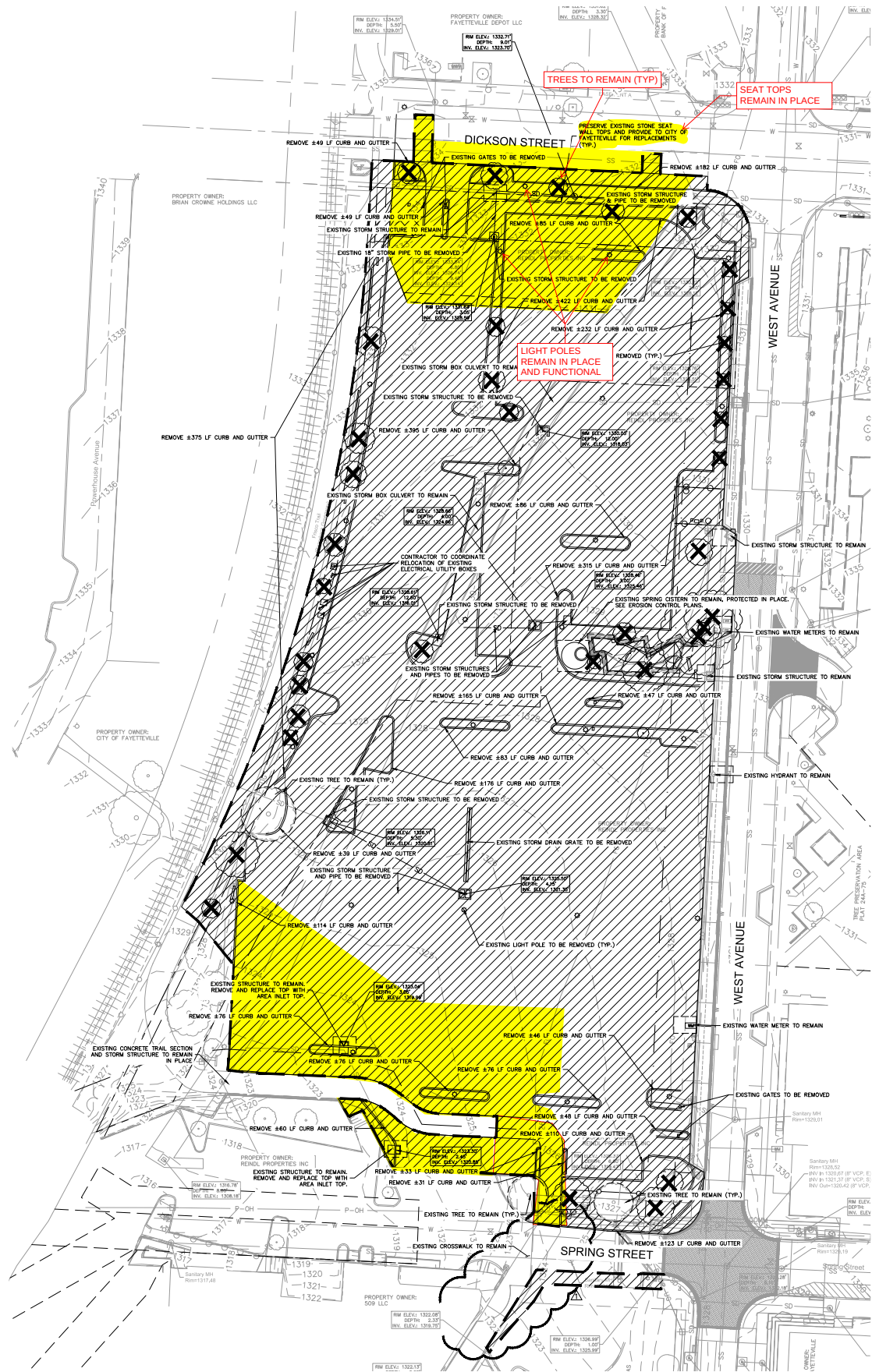
- Pricing excludes any/all work in the areas that are designated as future development and are highlighted in yellow on the attached Appendix A sheets.
- Only demolition work will be performed in the area highlighted in red on the attached Appendix A sheets.
- In the absence of a Geotechnical Report on the project site, the demolition pricing assumes the existing asphalt thickness is 3 inches.

PROJECT CONFIDENTIAL

Property of Nabholz Construction Corporation Not for Duplication or Distribution

This document includes data that is deemed trade secret or proprietary to Nabholz and prepared in conjunction with the Project. This document is shared with the Project team solely for use on this Project consistent with the responsibilities of the Project team. The Recipients shall not duplicate, use, or disclose, in whole or in part, to any person, entity, or party outside the Project team without Nabholz' prior written authorization.

Appendix A: Scope Clarifications (1 of 3)



NO WORK IN THESE AREAS

THE AREAS HIGHLIGHTED IN YELLOW ARE FUTURE CONSTRUCTION AND HAVE BEEN ELIMINATED FROM THE PROJECT.

- DEMOLITION NOTES:**
1. ALL DEMOLITION IS TO BE PERFORMED IN ACCORDANCE WITH ALL APPLICABLE CITY, COUNTY, STATE AND/OR GOVERNING BODY'S STANDARDS.
 2. THE CONTRACTOR IS RESPONSIBLE FOR OBTAINING ALL PERMITS ASSOCIATED WITH THE DEMOLITION WORK AS DESCRIBED & SHOWN ON THESE PLANS.
 3. ALL WORK WITHIN CITY RIGHT-OF-WAY WILL REQUIRE AN EXCAVATION PERMIT. IT IS THE CONTRACTORS RESPONSIBILITY TO OBTAIN THIS PERMIT.
 4. THE EXISTING UTILITY LOCATIONS SHOWN ON THE PLANS ARE APPROXIMATE AND MAY NOT INCLUDE ALL LINES PRESENT. THE CONTRACTOR SHALL BE RESPONSIBLE TO CALL "811", AND COORDINATE FIELD LOCATION OF EXISTING UNDERGROUND UTILITIES PRIOR TO BEGINNING DEMOLITION ACTIVITIES. IKNOW WHAT'S BELOW. CALL BEFORE YOU DIG!
 5. CONTRACTOR SHALL COORDINATE WITH WATER, GAS, ELECTRIC, TELEPHONE/FIBER, CABLE AND SANITARY SEWER PROVIDERS TO TERMINATE ALL EXISTING SERVICES TO BUILDINGS MARKED FOR DEMOLITION ON THESE PLANS. CONTRACTOR SHALL VERIFY WITH UTILITY PROVIDERS THAT SERVICES HAVE BEEN DISCONNECTED PRIOR TO ANY REMOVAL OF INTERNAL SERVICE LINES.
 6. THE DEMOLITION PLAN AND EXISTING CONDITIONS SHOWN ARE APPROXIMATE. CONTRACTOR SHALL INSPECT AND FIELD VERIFY THE EXISTING SITE CONDITIONS TO BECOME ACQUAINTED WITH ALL EXISTING CONDITIONS WHICH EFFECT ANY AND ALL WORK ASSOCIATED WITH THE DEMOLITION PLANS.
 7. ALL EXISTING SANITARY SEWER, STORM SEWERS, WATER SERVICE, GAS SERVICE, TELEPHONE SERVICE, ETC. WITHIN THE AREA OF THE BUILDINGS AND OUTSIDE THE BUILDINGS TO BE DEMOLISHED SHALL BE REMOVED FROM THE SITE AND DISPOSED BY THE CONTRACTOR.
 8. ALL EXISTING BUILDING FOUNDATIONS, CONCRETE, ASPHALT PAVEMENT, CURB & GUTTER, RETAINING WALLS AND MISCELLANEOUS STRUCTURES INCLUDING BUT NOT LIMITED TO LIGHT POLES AND BASES, AND MISCELLANEOUS DEBRIS SHALL BE DEMOLISHED AND REMOVED FROM THE SITE AND SHALL BE DISPOSED OFF-SITE AT CONTRACTORS EXPENSE TO AN APPROVED DUMP SITE, UNLESS OTHERWISE NOTED.
 9. IN THE EVENT THE CONTRACTOR ENCOUNTERS MATERIAL ON-SITE REASONABLY BELIEVED TO BE ASBESTOS, LEAD-BASED PAINT OR ANY OTHER HAZARDOUS MATERIAL, SAID MATERIAL SHALL BE REMOVED AND DISPOSED BY THE CONTRACTOR IN ACCORDANCE WITH CITY, COUNTY, STATE & FEDERAL REGULATIONS.
 10. DEBRIS SHALL NOT BE BURIED ONSITE. ALL UNSUITABLE MATERIAL AND DEBRIS SHALL BE REMOVED FROM THE SITE AND PROPERLY DISPOSED OFF-SITE IN ACCORDANCE WITH ALL CITY, STATE, COUNTY & FEDERAL LAWS AND ORDINANCES.
 11. IF EXISTING UN-CAPPED WATER WELLS ARE DISCOVERED ON-SITE, CONTRACTOR SHALL COORDINATE WITH AN AUTHORIZED COMPANY TO HAVE WELLS PLUGGED AND CAPPED IN ACCORDANCE WITH ALL CITY, COUNTY, STATE & FEDERAL LAWS AND ORDINANCES.
 12. IF EXISTING SEPTIC SYSTEMS ARE DISCOVERED ON-SITE, CONTRACTOR SHALL COORDINATE WITH A SEPTIC HAULER TO PUMP ANY REMAINING WASTEWATER AND SLUDGE FROM ALL THE TANKS IN THE SYSTEM. CONTRACTOR SHALL REMOVE EXISTING SEPTIC TANKS, LATERAL FIELDS AND ALL OTHER PARTS OF THE SYSTEM IN ACCORDANCE WITH CITY, COUNTY, STATE & FEDERAL LAWS AND ORDINANCES.
 13. ANY AREA DISTURBED BY DEMOLITION THAT WILL NOT BE DISTURBED IN PROPOSED GRADING ACTIVITIES SHOWN ON THESE PLANS SHALL HAVE TOPSOIL PLACED, SEEDED AND MULCHED ACCORDING TO THE CONTRACT SPECIFICATIONS.
 14. ALL GAS MAINS & STRUCTURES SHALL BE PROTECTED IN PLACE.

LEGEND

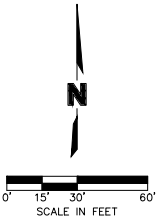
[Hatched Box]	AREA OF DEMOLITION: REMOVE AND DISPOSE OF EXISTING CONCRETE, ASPHALT, SIDEWALK AND CURB AND GUTTER.
[Dashed Line]	SAW CUT EXISTING CONCRETE, CURB AND GUTTER, ASPHALT, OR SIDEWALK.
[Long Dashed Line]	RIGHT-OF-WAY LINE
[Thin Solid Line]	PROPERTY LINE
[Dotted Line]	BUILDING SETBACK
[Dashed Line]	UTILITY EASEMENT
[SD]	EXIST. STORM LINE
[W]	EXIST. WATER LINE
[G]	EXIST. GAS LINE
[---]	EXIST. CONTOUR
[Triangle]	BENCHMARK
[Circle with X]	EXIST. LIGHT POLE TO REMAIN
[Circle with X]	EXIST. TRANSFORMER TO REMAIN
[Circle with X]	EXIST. GRATE INLET TO REMAIN
[Circle with X]	EXIST. TREE TO REMAIN
[Circle with X]	EXIST. CURB AND GUTTER TO REMAIN
[Circle with X]	EXIST. LIGHT POLE TO BE REMOVED
[Circle with X]	EXIST. TRANSFORMER TO BE REMOVED
[Circle with X]	EXIST. GRATE INLET TO BE REMOVED
[Circle with X]	EXIST. TREE TO BE REMOVED
[Circle with X]	EXIST. CURB AND GUTTER TO BE REMOVED
[Circle with X]	EXIST. TREE TO BE REMOVED
[Circle with X]	EXIST. TREE TO REMAIN
[Circle with X]	EXIST. STRUCTURE TO REMAIN

BENCHMARKS:

CHISELED "+" IN CONCRETE BESIDE SEAT WALL AT SW CORNER OF INTERSECTION OF DICKSON ADN WEST

N - 637841.242
E - 672341.530
ELEV. - 1331.48

MAG NAIL AT NORTH SIDE OF TRAIL CROSSING ALONG SPRING ST.
N - 637289.968
E - 672245.678
ELEV. - 1324.44



Nelson Byrd Woltz
Landscape Architects

310 East Market Street
Charlottesville, VA 22902
T.434.984.1358
F.434.984.4158
www.nbwla.com

flintlock
ARCHITECTURE & LANDSCAPE

olsson

TILLET
LIGHTING DESIGN
ASSOCIATES

HSA ENGINEERING

THRESHOLD ACOUSTICS LLC
141 W. Jackson Blvd., Suite 2080
Chicago, Illinois 60604
P: 312.388.1400
F: 312.388.1414

threshold

Hines Inc
SITE WATER MANAGEMENT SERVICES

Hydro
Dramatic

A
ARCHETYPE

NO.	Date	Issues/Revisions
1	10-01-21	70% DD
2	10-29-21	100% DD
3	07-22-22	50% CD
4	11-11-22	90% CD
5	12-02-22	100% CD
6	01-26-23	ADDENDUM 1

STAMP

Matthew K. Loe
LICENSED PROFESSIONAL ENGINEER
No. 19979
01/26/2023

PROJECT NAME

Upper Ramble
Public Spaces
Fayetteville,
Arkansas

100% CONSTRUCTION DOCUMENTS

PROJECT NO.: FVL1814
DRAWN BY: NF, ZP, EH, AG
CHECKED BY: ZP, NF, JA

DRAWING TITLE
DEMOLITION PLAN

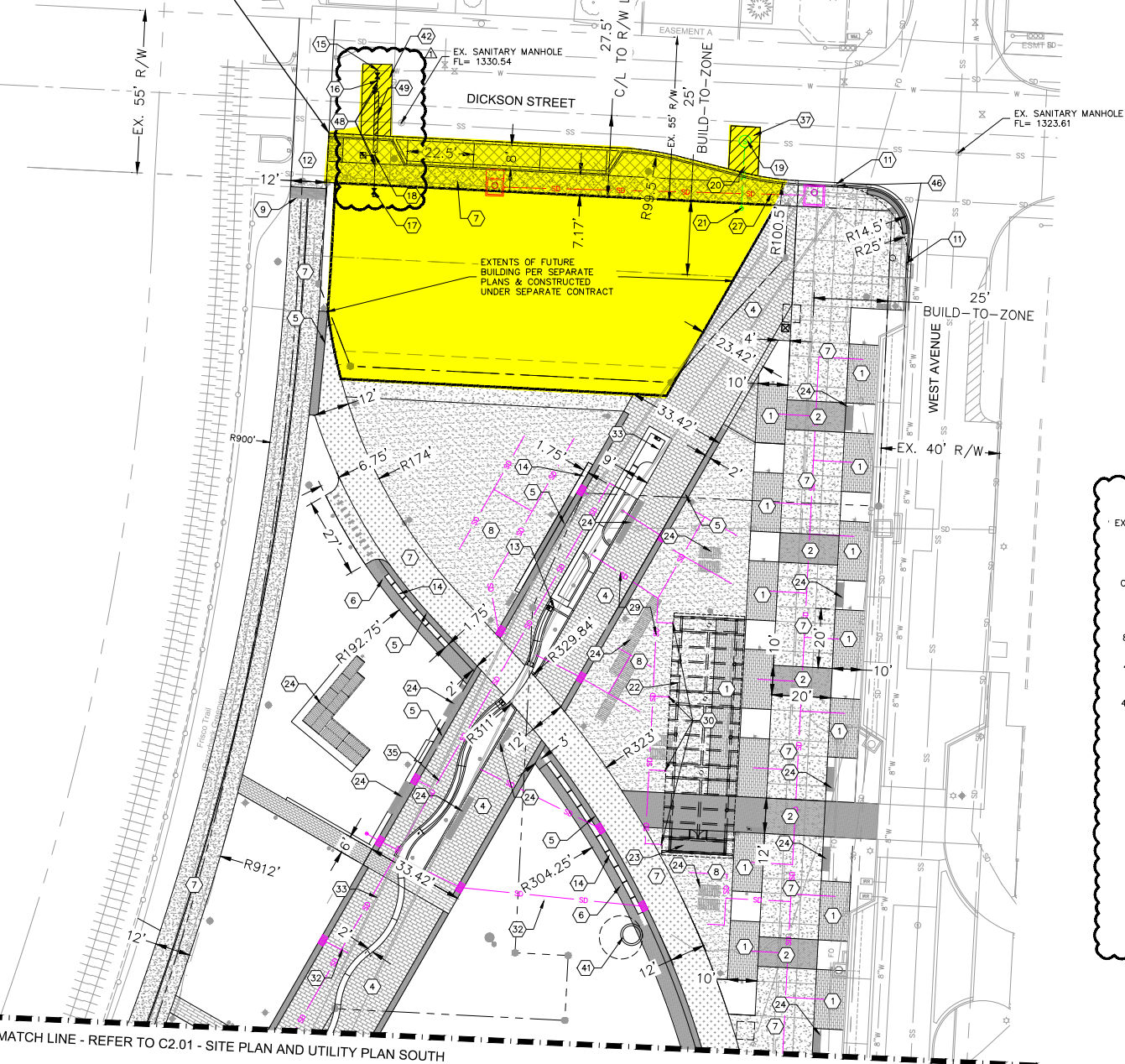
DATE: JANUARY, 26 2023
SCALE:

DRAWING NUMBER

C1.00

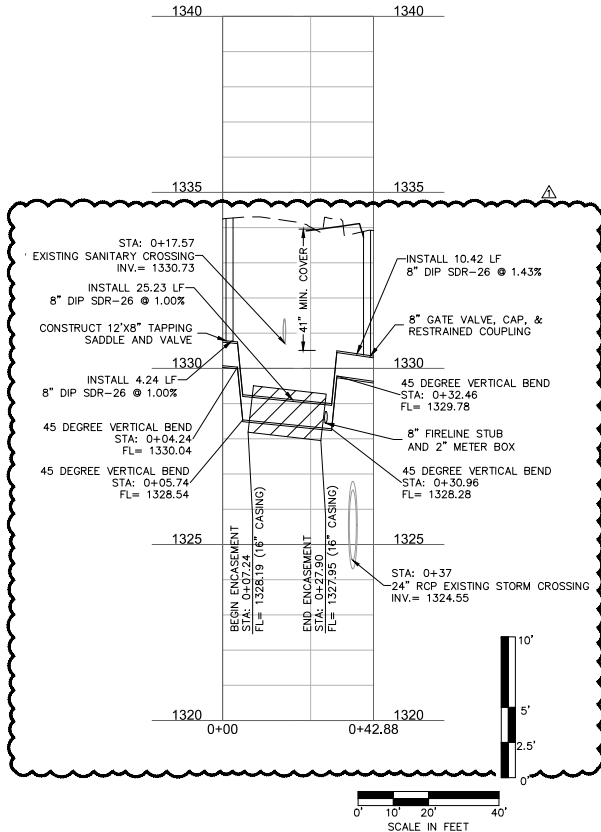
Appendix A: Scope Clarifications (2 of 3)

CROSS-HATCHED AREA TO BE CONSTRUCTED AFTER DEVELOPMENT IS COMPLETED - TO BE BID WITH CURRENT PROJECT



NO WORK IN THESE AREAS

WATER - CP PROFILE



NOTE:
CONTRACTOR TO REFER LANDSCAPE PLANS FOR LAYOUT OF ALL SITE FURNISHINGS, LIGHTPOLES, HARDWARE MATERIALS, AND STRUCTURES.

BENCHMARKS:

CHISELED "+" IN CONCRETE BESIDE SEAT WALL AT SW CORNER OF INTERSECTION OF DICKSON AND WEST N - 637841.242 E - 672341.530 ELEV. - 1331.48

MAG NAIL AT NORTH SIDE OF TRAIL CROSSING ALONG SPRING ST. N - 637289.968 E - 672245.678 ELEV. - 1324.44

KEYNOTES:

1. INSTALL COBBLES. SEE LANDSCAPE ARCHITECT PLANS FOR DETAIL.
2. INSTALL CONCRETE. SEE LANDSCAPE ARCHITECT PLANS FOR DETAIL.
3. INSTALL ASPHALT. SEE SHEET C6.00 FOR DETAIL.
4. INSTALL PAVERS. SEE LANDSCAPE ARCHITECT PLANS FOR DETAIL.
5. INSTALL GUTTER. SEE LANDSCAPE ARCHITECT PLANS FOR DETAIL.
6. INSTALL CONCRETE. SEE LANDSCAPE ARCHITECT PLANS FOR DETAIL.
7. INSTALL CONCRETE. SEE LANDSCAPE ARCHITECT PLANS FOR DETAIL.
8. INSTALL GRANITE. SEE LANDSCAPE ARCHITECT PLANS FOR DETAIL.
9. ADA ACCESSIBLE CURB RAMP. SEE SHEET C6.00 FOR DETAIL.
10. CONSTRUCT STANDARD CURB & GUTTER. SEE SHEET C6.00 FOR DETAIL.
11. PROVIDE 2' CURB TRANSITION TO PAVEMENT. SEE SHEET C6.00 FOR DETAIL.
12. CONSTRUCT CONCRETE SIDEWALK FLUSH WITH PAVEMENT.
13. CONSTRUCT OPEN AIR CHANNEL. SEE LANDSCAPE ARCHITECT PLANS FOR DETAILS.
14. CONSTRUCT CONCRETE SEAT WALL. SEE LANDSCAPE ARCHITECT PLANS FOR DETAILS.
15. CONSTRUCT 12"x8" TAPPING SADDLE AND DEMARCATION VALVE. VALVE LID MUST BE PAINTED RED WITH THE WORD "FIRE" CAST ON IT.
16. 43 LF WATER 8" D.I.P PUBLIC WATER MAIN W/ 42" MIN. COVER.
17. 8" GATE VALVE, CAP, & RESTRAINED COUPLING.
18. 8" FIRELINE STUB AND 2' METER BOX.
19. 4' DIAMETER SANITARY SEWER MANHOLE. SEE SHEET C6.01 FOR DETAIL.
20. 23 LF 6" SANITARY SERVICE LINE.
21. SANITARY SEWER CLEANOUT AND CAP.
22. STEEL SHADE STRUCTURE. REFER TO STRUCTURAL ENGINEER FOR DETAIL AND SPECIFICATIONS.
23. PROPOSED CONTROLS ROOM. SEE LANDSCAPE ARCHITECT AND STRUCTURAL PLANS FOR DETAILS.
24. LANDSCAPE FURNISHINGS. REFER TO LANDSCAPE ARCHITECT PLANS FOR DETAILS.
25. EXISTING WATER LINE STUB FOR FUTURE BUILDING CONNECTION.
26. EXISTING SANITARY SEWER STUB FOR FUTURE BUILDING CONNECTION.
27. EXISTING 36" RCP STORM RE-ROUTE.
28. CONSTRUCT CONCRETE STAIRS. SEE LANDSCAPE ARCHITECT PLANS FOR DETAIL.
29. INSTALL 6" HDPE STORM PIPE.
30. ROOF DRAIN CONNECTION TO BUILDING. REFER TO LANDSCAPE ARCHITECT PLANS FOR DETAILS.
31. INSTALL 6" UNDERDRAIN. CONNECT TO PROPOSED STORM SYSTEM.
32. INSTALL 12" HDPE STORM PIPE (TYP.).
33. APPROX. LOCATION OF EXISTING 6"x6" BOX CULVERT.
34. INSTALL 45 DEGREE BEND.
35. INSTALL FOUNTAIN DRAIN LINE, CONTRACTOR TO REFER TO FOUNTAIN MANUFACTURER FOR DETAILS.
36. PROPOSED IRRIGATION CISTERN. REFER TO IRRIGATION PLANS FOR DESIGN AND DETAILS.
37. ASPHALT PATCH FOR NEW SANITARY SERVICE CONNECTION. SEE SHEET C6.01 FOR DETAIL.
38. ELECTRIC TRANSFORMER PAD LOCATION.
39. ELECTRIC METER LOCATION.
40. IRRIGATION CABINET LOCATION.
41. EXISTING IRRIGATION CISTERN. EXTENDED MANHOLE TO FINISHED GRADE. SEE SHEET C6.01 FOR DETAIL.
42. ASPHALT PATCH FOR NEW WATER SERVICE CONNECTION. SEE SHEET C6.01 FOR DETAIL.
43. FURNISH AND INSTALL 43 LF 6" FIRE LINE STUB OUT.
44. FURNISH AND INSTALL 44 LF 2" DOMESTIC WATERLINE STUB OUT.
45. EXISTING 2" WATER METER.
46. CONSTRUCT MOUNTABLE CURB & GUTTER ALONG EFFECTIVE RADIUS. SEE SHEET C6.00 FOR DETAIL.
47. MULTIFLOW UNDERDRAIN SYSTEM. SEE LANDSCAPE ARCHITECT SHEET L-1.10 FOR DETAIL.
48. LOCATION OF 45 DEGREE VERTICAL BEND.
49. 21 LF STEEL ENCASMENT. SEE SHEET C6.03 FOR DETAIL.

LEGEND

- RIGHT-OF-WAY LINE
- PROPERTY LINE
- UTILITY EASEMENT
- PROPOSED BUILDING SETBACK
- BENCHMARK
- EXIST. DOMESTIC WATER SERVICE LINE
- INSTALL GAS SERVICE
- INSTALL STORM SEWER PIPE
- INSTALL SANITARY SEWER SERVICE
- INSTALL COMMUNICATION LINE
- INSTALL UNDERGROUND ELECTRIC LINE
- LOCATION OF PROPOSED STORM STRUCTURE
- BENCHMARK
- EXIST. LIGHT POLE
- EXIST. TRANSFORMER
- EXIST. WATER METER
- EXIST. GRATE INLET
- EXIST. POWER POLE
- EXIST. POWER POLE W/ LIGHT
- EXIST. STEEL POST
- EXIST. WATER VALVE
- PROP. LIGHT POLE LOCATION. SEE LANDSCAPE ARCHITECT PLANS FOR DETAIL.

PAVEMENT MARKING NOTES:

1. DO NOT APPLY PAVEMENT MARKING PAINT UNTIL LAYOUT, COLORS AND PLACEMENT HAVE BEEN VERIFIED WITH THE ARCHITECT.
2. ALLOW CONCRETE PAVING TO AGE FOR 28 DAYS BEFORE MARKING.
3. ALL PAVEMENT SURFACES SHALL BE CLEANED/CLEARED OF ANY DEBRIS OR CURING COMPOUNDS IN ACCORDANCE WITH MANUFACTURERS REQUIREMENTS PRIOR TO ANY MARKING APPLICATIONS.
4. DETAILS NOT SHOWN SHALL BE IN CONFORMITY WITH THE STATE STANDARDS FOR TRAFFIC CONTROL DEVICES FOR STREETS AND HIGHWAYS, AND SIMILAR REQUIREMENTS ESTABLISHED BY THE U.S. DEPARTMENT OF TRANSPORTATION, FEDERAL HIGHWAY ADMINISTRATION.
5. PAINT FOR MARKING PAVEMENT SHALL CONFORM TO FEDERAL HIGHWAY MARKING STANDARDS. USE SHERWIN WILLIAMS PROFESSIONAL FAST DRY ACRYLIC LATEX TRAFFIC MARKING PAINT OR EQUAL. USE WHITE, BLUE OR YELLOW, WHERE APPROPRIATE. UNLESS OTHERWISE DIRECTED, USE THE FOLLOWING:
A. BLACKTOP OR BITUMINOUS ASPHALT PAVING: USE YELLOW COLOR.
B. PORTLAND CEMENT CONCRETE PAVING: USE YELLOW COLOR.
C. ADA ACCESSIBLE PARKING AND ENTRYWAYS: USE YELLOW COLOR.
D. PROVIDE PAINTED CURBS AT FIRE LANE DESIGNATIONS PER FIRE MARSHAL REQUIREMENTS.
6. APPLY ALL MARKINGS USING APPROVED MECHANICAL EQUIPMENT (WITH PROVISIONS FOR CONSTANT AGITATION OF PAINT), CAPABLE OF APPLYING THE MARKING WIDTHS AS SHOWN. PROVIDE A MINIMUM WET FILM THICKNESS OF 15 MILS. USE PNEUMATIC SPRAY GUNS FOR HAND APPLICATION OF PAINT. ALL PAINTING EQUIPMENT AND OPERATIONS SHALL BE UNDER THE CONTROL OF EXPERIENCED TECHNICIANS THOROUGHLY FAMILIAR WITH EQUIPMENT AND MATERIALS AND MARKING LAYOUTS.
7. DETAIL PAVEMENT MARKINGS SHALL BE THAT MARKING, EXCLUSIVE OF ACTUAL TRAFFIC LANE MARKING, AT EXIT AND ENTRANCE ISLANDS AND TURNOUTS, ON CURBS, AT CROSSWALKS, AT PARKING BAYS AND AT SUCH OTHER LOCATIONS AS SHOWN. ADA ACCESSIBLE PARKING SPACES SHALL BE MARKED BY THE INTERNATIONAL ACCESSIBLE SYMBOL AT INDICATED PARKING SPACES. USE A SUITABLE TEMPLATE THAT WILL PROVIDE A PAVEMENT MARKING WITH TRUE, SHARP EDGES AND ENDS.

GENERAL NOTES:

1. CONTRACTOR SHALL HAVE ONE (1) SIGNED COPY OF THE PLANS (APPROVED BY CITY OF FAYETTEVILLE, AR) AND ONE (1) COPY OF THE APPROPRIATE DESIGN AND CONSTRUCTION STANDARDS & SPECIFICATIONS AT THE SITE AT ALL TIMES.
2. ALL REFERENCES CONTAINED WITHIN THESE PLANS TO THE OWNER'S ENGINEER ARE HEREBY REFERENCED OLSON, INC.
3. THE EXISTING UTILITY LOCATIONS SHOWN ON THE PLANS ARE APPROXIMATE AND MAY NOT INCLUDE ALL LINES PRESENT. THE CONTRACTOR SHALL BE RESPONSIBLE TO CALL 811 OR 1-800-482-8988, AND COORDINATE FIELD LOCATION OF EXISTING UNDERGROUND UTILITIES PRIOR TO BEGINNING GRADING ACTIVITIES. !!STOP!! CALL BEFORE YOU DIG!!
4. UTILITIES AS SHOWN WERE OBTAINED FROM INFORMATION INDICATED ON THE SURVEY OR BY FIELD OBSERVATION. CONTRACTOR SHALL FIELD VERIFY ALL HORIZONTAL AND VERTICAL LINES AND GRADES OF EXISTING UTILITIES PRIOR TO THE CONSTRUCTION OF IMPROVEMENTS. CONTRACTOR SHALL NOTIFY THE ENGINEER IMMEDIATELY UPON DISCOVERY OF A DISCREPANCY BETWEEN THE CONTRACT DRAWINGS AND ACTUAL FIELD CONDITIONS.
5. CONTRACTOR SHALL NOT CHANGE OR DEViate FROM THE PLANS WITHOUT FIRST OBTAINING WRITTEN APPROVAL FROM THE OWNER AND ENGINEER.
6. CONTRACTOR SHALL BE RESPONSIBLE TO OBTAIN ALL PERMITS AND PAY ALL FEES AS REQUIRED BY THE CONSTRUCTION COVERED IN THESE PLANS.
7. ALL WORK AND MATERIALS SHALL BE SUBJECT TO INSPECTION AND APPROVAL BY THE OWNER OR THE OWNER'S REPRESENTATIVE.
8. ANY ESTIMATES OF QUANTITIES ARE FOR INFORMATIONAL PURPOSES ONLY. CONTRACTOR AND SUBCONTRACTOR SHALL BE RESPONSIBLE FOR DETERMINING ALL QUANTITIES. CONTRACTOR SHALL PROVIDE ALL WORK AND MATERIALS TO COMPLETE CONSTRUCTION AS SHOWN ON PLANS.
9. THE CONTRACTOR SHALL BE RESPONSIBLE FOR THE RESTORATION OF THE RIGHT-OF-WAY AND FOR DAMAGED IMPROVEMENTS SUCH AS CURBS, SIDEWALKS, STREET LIGHT AND TRAFFIC SIGNAL JUNCTION BOXES, TRAFFIC SIGNAL LOOP LEAD INS, SIGNAL POLES, ETC. DAMAGED IMPROVEMENTS SHALL BE REPAIRED IN CONFORMANCE WITH THE LATEST CITY STANDARDS AND TO THE CITY'S SATISFACTION.
10. CONTRACTOR SHALL TAKE CARE NOT TO DAMAGE ANY EXISTING STREET, CURB AND GUTTER, SIDEWALK, DRIVEWAYS OR STRUCTURE UNLESS SHOWN TO BE REMOVED.
11. ALL WORK WITHIN ROAD RIGHT-OF-WAY SHALL CONFORM TO THE CITY OF FAYETTEVILLE, AR REQUIREMENTS, UNLESS OTHERWISE NOTED.
12. ALL TRAFFIC CONTROL SHALL BE IN CONFORMANCE WITH THE MANUAL OF UNIFORM TRAFFIC CONTROL DEVICES (MUTCD)
13. CONTRACTOR IS RESPONSIBLE FOR PROTECTION OF ALL PROPERTY CORNERS. ANY PROPERTY CORNER DISTURBED OR DAMAGED BY GRADING ACTIVITIES SHALL BE RESET BY A PROFESSIONAL LAND SURVEYOR LICENSED IN THE STATE OF ARKANSAS, AT THE CONTRACTOR'S EXPENSE.
14. CONTRACTOR AND SUBCONTRACTOR SHALL BE RESPONSIBLE FOR DETERMINING ALL EARTHWORK QUANTITIES. CONTRACTOR SHALL PROVIDE ALL WORK AND MATERIALS AS SHOWN TO COMPLETE CONSTRUCTION SHOWN ON PLANS.
15. THE CONTOUR LINES, SPOT ELEVATIONS AND BUILDING FLOOR ELEVATIONS SHOWN ARE TO FINISH GRADE FOR TOP OF PAVEMENT, SIDEWALKS, CURBS AND FLOOR SLABS, ETC. REFER TO TYPICAL SECTIONS FOR PAVING, SLAB AND AGGREGATE BASE THICKNESS TO DEDUCT FOR GRADING LINE ELEVATIONS.
16. CONTRACTOR SHALL FINISH GRADE SLOPES AS SHOWN NO STEEPER THAN 1 FOOT VERTICAL IN 3 FEET HORIZONTAL.
17. THE CONTRACTOR SHALL GRADE LANDSCAPED AREAS AT A MIN. OF 1% TO PROVIDE POSITIVE DRAINAGE AWAY FROM BUILDINGS AND SIDEWALKS WHEN FINISH LANDSCAPE MATERIALS ARE IN PLACE, UNLESS SPECIFIED OTHERWISE.
18. ALL BACKFILL SHALL BE DAMPED, BACKFILL WITHIN THE RIGHT-OF-WAY SHALL BE COMPACTED TO 95% MAX. DENSITY AS PER ASTM-D698 (STANDARD PROCTOR COMPACTION).
19. THE CONTRACTOR IS RESPONSIBLE FOR ATTENDING TO AND CORRECTING UNSUITABLE SOIL CONDITIONS RELATED TO PLOW ZONES, WET SOILS AND OTHER CONDITIONS. THE UNSUITABLE CONDITIONS THAT TAKE STORM WATER FROM THE AREA OF CONSTRUCTION.
20. ALL DISTURBED AREAS SHALL BE STABILIZED IN ACCORDANCE WITH THE APPROVED EROSION CONTROL PLAN.

UNLESS OTHERWISE STATED ON THESE PLANS, FLY ASH IS NOT A SUITABLE REPLACEMENT FOR PORTLAND CEMENT.

21. CONTRACTOR SHALL BE RESPONSIBLE FOR KEEPING THE PUBLIC STREETS IN THE VICINITY OF THE JOB SITE CLEAN AND FREE OF ROCKS, SOIL/MUD AND DEBRIS DURING ALL PHASES OF CONSTRUCTION.

22. CONTRACTOR SHALL CLEAN OUT ALL EXISTING AND PROPOSED INLETS, PIPES AND MANHOLES OF DEBRIS AND SEDIMENTATION AT COMPLETION OF SITEWORK. THIS WORK SHALL BE DONE TO THE SATISFACTION OF THE OWNER AND THE CITY OF FAYETTEVILLE, AR.

23. CONTRACTOR SHALL RETAIN FLOATABLE WIND BLOWN MATERIALS ON SITE BY STORING ALL TRASH AND BUILDING MATERIAL WASTE IN ENCLOSURES UNTIL PROPER DISPOSAL AT AN OFF-SITE FACILITY. CONTRACTOR TO CHECK ADJACENT AREAS DAILY AND PICK UP CONSTRUCTION WASTE MATERIALS AND DEBRIS THAT HAVE BLOWN OR WASHED OFF-SITE.

24. CONTRACTOR IS RESPONSIBLE FOR PROVIDING BERMS, SILT FENCES, OR OTHER MEANS TO PREVENT ERODED MATERIALS FROM REACHING THE PUBLIC RIGHT-OF-WAY AND ADJACENT PROPERTIES. IN THE EVENT THE PREVENTION MEASURES ARE NOT EFFECTIVE, THE CONTRACTOR SHALL REMOVE ANY DEBRIS, SILT, OR MUD AND RESTORE THE RIGHT-OF-WAY TO ORIGINAL OR BETTER CONDITION.

25. CONTRACTOR SHALL BE RESPONSIBLE TO CONTROL DOWNSTREAM EROSION AND SILTATION DURING ALL PHASES OF CONSTRUCTION. EROSION CONTROL PROCEDURES SHALL BE IN PLACE PRIOR TO BEGINNING GRADING ACTIVITIES.

26. CONSTRUCTION ACCESS TO THE SITE SHALL BE LIMITED TO THE APPROVED TEMPORARY CONSTRUCTION ENTRANCE(S) AS SHOWN ON SHEET C5.00.

27. TEMPORARY CONSTRUCTION ENTRANCE SHALL HAVE SHOT ROCK FOR ITS SURFACE.

28. EROSION CONTROL DEVICES SHALL BE MAINTAINED DURING THE WHOLE CONSTRUCTION PERIOD BY THE CONTRACTOR.

29. CONTRACTOR SHALL PROTECT ANY STORM INLETS FROM SEDIMENT THAT TAKE STORM WATER FROM THE AREA OF CONSTRUCTION.

30. ALL DISTURBED AREAS SHALL BE STABILIZED IN ACCORDANCE WITH THE APPROVED EROSION CONTROL PLAN.

Nelson Byrd Woltz
Landscape Architects

310 East Market Street
Charlottesville, VA 22902
T.434.984.1358
F.434.984.4158
www.nbwla.com

flintlock
ARCHITECTURE & LANDSCAPE

olsson

TILLET
LIGHTING DESIGN
ASSOCIATES

HSA
ENGINEERING

THRESHOLD ACOUSTICS LLC
141 W. Jackson Blvd., Suite 2080
Chicago, Illinois 60604
P: 312.388.1400
F: 312.388.1414

threshold

Hines Inc
SITE WATER MANAGEMENT SERVICES

Hydro
Dramatic

A
ARCHETYPE

NO.	Date	Issues/Revisions
1	10-01-21	70% DD
2	10-29-21	100% DD
3	07-22-22	50% CD
4	11-11-22	90% CD
5	12-02-22	100% CD
6	01-26-23	ADDENDUM 1



Upper Ramble
Public Spaces
Fayetteville,
Arkansas

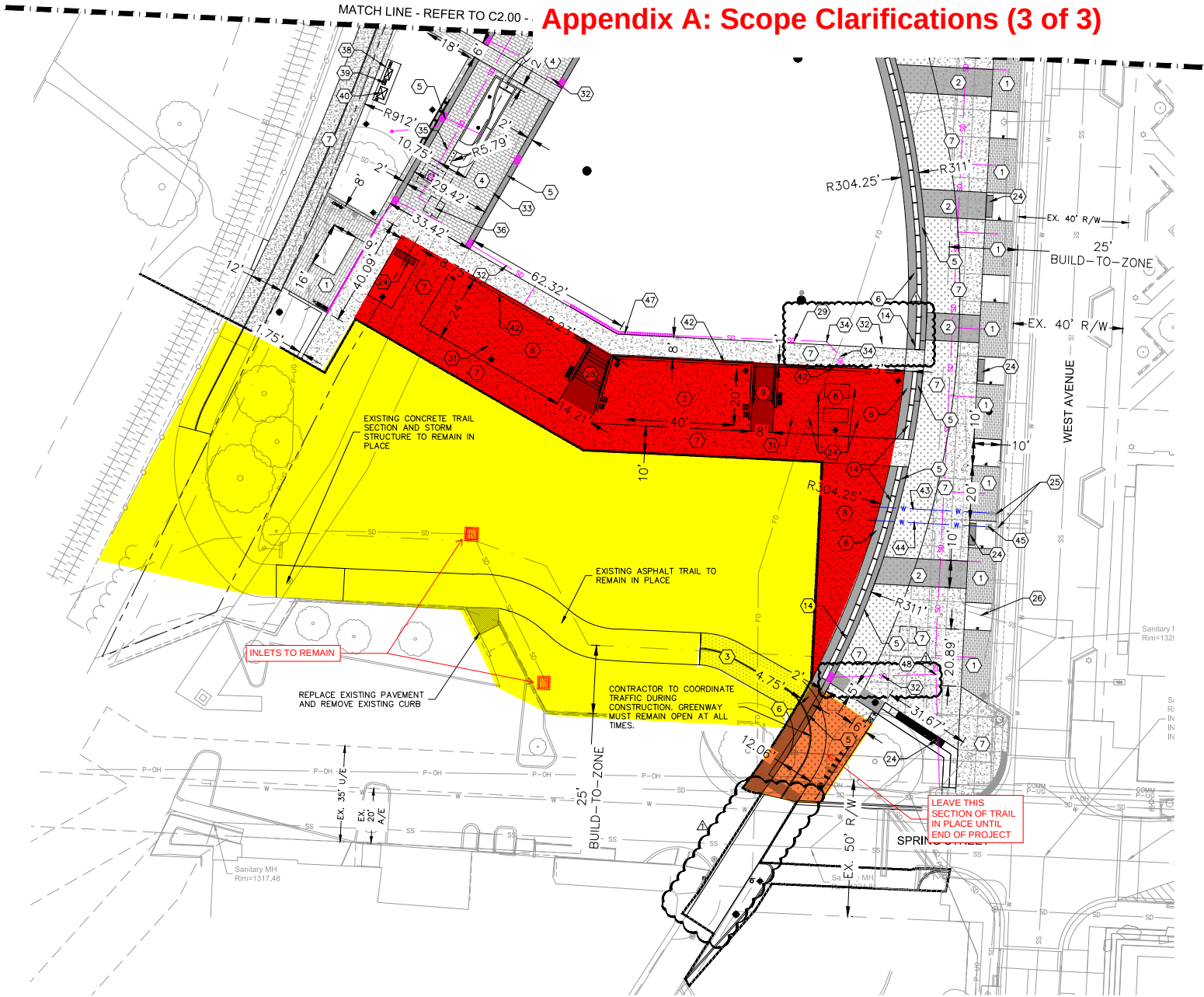
100% CONSTRUCTION DOCUMENTS

PROJECT NO.: FVL1814
DRAWN BY: NF, ZP, EH, AG
CHECKED BY: ZP, NF, JA

SITE PLAN AND
UTILITY PLAN NORTH

DATE: JANUARY, 26 2023
SCALE:

C2.00



Appendix A: Scope Clarifications (3 of 3)

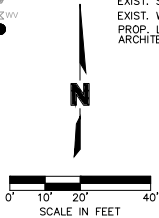
- KEYNOTES:**
1. INSTALL COBBLES. SEE LANDSCAPE ARCHITECT PLANS FOR DETAIL.
 2. INSTALL CONCRETE. SEE LANDSCAPE ARCHITECT PLANS FOR DETAIL.
 3. INSTALL ASPHALT. SEE SHEET C6.00 FOR DETAIL.
 4. INSTALL PAVERS. SEE LANDSCAPE ARCHITECT PLANS FOR DETAIL.
 5. INSTALL GUTTER. SEE LANDSCAPE ARCHITECT PLANS FOR DETAIL.
 6. INSTALL CONCRETE. SEE LANDSCAPE ARCHITECT PLANS FOR DETAIL.
 7. INSTALL CONCRETE. SEE LANDSCAPE ARCHITECT PLANS FOR DETAIL.
 8. INSTALL GRANITE. SEE LANDSCAPE ARCHITECT PLANS FOR DETAIL.
 9. ADA ACCESSIBLE CURB RAMP. SEE SHEET C6.00 FOR DETAIL.
 10. CONSTRUCT STANDARD CURB & GUTTER. SEE SHEET C6.00 FOR DETAIL.
 11. PROVIDE 2' CURB TRANSITION TO PAVEMENT. SEE SHEET C6.00 FOR DETAIL.
 12. CONSTRUCT CONCRETE SIDEWALK FLUSH WITH PAVEMENT.
 13. CONSTRUCT OPEN AIR CHANNEL. SEE LANDSCAPE ARCHITECT PLANS FOR DETAILS.
 14. CONSTRUCT CONCRETE SEAT WALL. SEE LANDSCAPE ARCHITECT PLANS FOR DETAILS.
 15. CONSTRUCT 12"x6" TAPPING SADDLE AND VALVE.
 16. 37 LF WATER 6" D.I.P FIRELINE W/ 42" MIN. COVER.
 17. 8" GATE VALVE, PLUG, & RESTRAINED COUPLING.
 18. 8" FIRELINE STUB AND 2" METER BOX.
 19. 4' DIAMETER SANITARY SEWER MANHOLE.
 20. 20 LF 6" SANITARY SERVICE LINE.
 21. SANITARY SEWER CLEANOUT.
 22. STEEL SHADE STRUCTURE. REFER TO STRUCTURAL ENGINEER FOR DETAIL AND SPECIFICATIONS.
 23. PROPOSED CONTROLS ROOM. SEE LANDSCAPE ARCHITECT AND STRUCTURAL PLANS FOR DETAILS.
 24. LANDSCAPE FURNISHINGS. REFER TO LANDSCAPE ARCHITECT PLANS FOR DETAILS.
 25. EXISTING WATER LINE STUB FOR FUTURE BUILDING CONNECTION.
 26. EXISTING SANITARY SEWER STUB FOR FUTURE BUILDING CONNECTION.
 27. EXISTING 36" RCP STORM RE-ROUTE.
 28. CONSTRUCT CONCRETE STAIRS. SEE LANDSCAPE ARCHITECT PLANS FOR DETAIL.
 29. INSTALL 6" HDPE STORM PIPE.
 30. ROOF DRAIN CONNECTION TO BUILDING. REFER TO LANDSCAPE ARCHITECT PLANS FOR DETAILS.
 31. INSTALL 6" UNDERDRAIN. CONNECT TO PROPOSED STORM SYSTEM.
 32. INSTALL 12" HDPE STORM PIPE (TYP.).
 33. APPROX. LOCATION OF EXISTING 6"x6" BOX CULVERT.
 34. INSTALL 45 DEGREE BEND.
 35. INSTALL FOUNTAIN DRAIN LINE. CONTRACTOR TO REFER TO FOUNTAIN MANUFACTURER FOR DETAILS.
 36. PROPOSED IRRIGATION CISTERN. REFER TO IRRIGATION PLANS FOR DESIGN AND DETAILS.
 37. ASPHALT PATCH FOR NEW SANITARY SERVICE CONNECTION. SEE SHEET C6.01 FOR DETAIL.
 38. ELECTRIC TRANSFORMER PAD LOCATION.
 39. ELECTRIC METER LOCATION.
 40. IRRIGATION CABINET LOCATION.
 41. EXISTING IRRIGATION CISTERN. EXTENDED MANHOLE TO FINISHED GRADE. SEE SHEET C6.01 FOR DETAIL.
 42. CONSTRUCT CONCRETE WALL. SEE LANDSCAPE ARCHITECT PLANS FOR DETAILS.
 43. FURNISH AND INSTALL 43 LF 6" FIRE LINE STUB OUT.
 44. FURNISH AND INSTALL 44 LF 2" DOMESTIC WATERLINE STUB OUT.
 45. EXISTING 2" WATER METER.
 46. CONSTRUCT MOUNTABLE CURB & GUTTER ALONG EFFECTIVE RADIUS. SEE SHEET C6.00 FOR DETAIL.
 47. 20 LF MULTIFLOW UNDERDRAIN SYSTEM. SEE LANDSCAPE ARCHITECT SHEET L5.10 FOR DETAIL.
 48. INSTALL 12" X 18" TEE.

- LEGEND**
- RIGHT-OF-WAY LINE
 - PROPERTY LINE
 - UTILITY EASEMENT
 - PROPOSED BUILDING SETBACK
 - BENCHMARK
 - INSTALL DOMESTIC WATER SERVICE LINE
 - INSTALL GAS SERVICE
 - INSTALL STORM SEWER PIPE
 - INSTALL SANITARY SEWER SERVICE
 - INSTALL COMMUNICATION LINE
 - INSTALL UNDERGROUND ELECTRIC LINE
 - LOCATION OF PROPOSED STORM STRUCTURE
 - BENCHMARK
 - EXIST. LIGHT POLE
 - EXIST. TRANSFORMER
 - EXIST. WATER METER
 - EXIST. GRATE INLET
 - EXIST. POWER POLE
 - EXIST. POWER POLE W/ LIGHT
 - EXIST. STEEL POST
 - EXIST. WATER VALVE
 - PROP. LIGHT POLE LOCATION. SEE LANDSCAPE ARCHITECT PLANS FOR DETAIL.

BENCHMARKS:

CHISELED "+" IN CONCRETE BESIDE SEAT WALL AT SW CORNER OF INTERSECTION OF DICKSON AND WEST
N - 637841.242
E - 672341.530
ELEV. - 1331.48

MAG NAIL AT NORTH SIDE OF TRAIL CROSSING ALONG SPRING ST.
N - 637289.968
E - 672245.678
ELEV. - 1324.44



Nelson Byrd Woltz
Landscape Architects

310 East Market Street
Charlottesville, VA 22902
T.434.984.1358
F.434.984.4158
www.nbwla.com

flintlock
ARCHITECTURE & LANDSCAPE

olsson

TILLET
LIGHTING DESIGN
ASSOCIATES

HSA
ENGINEERING

THRESHOLD ACOUSTICS LLC
141 W. Jackson Blvd., Suite 2080
Chicago, Illinois 60604
P: 312.388.1400
F: 312.388.1414

threshold

Hines Inc
SITE WATER MANAGEMENT SERVICES

Hydro
Dramatic

A
ARCHETYPE

NO.	Date	Issues/Revisions
1	10-01-21	70% DD
2	10-29-21	100% DD
3	07-22-22	50% CD
4	11-11-22	90% CD
5	12-02-22	100% CD
6	01-26-23	ADDENDUM 1



Upper Ramble
Public Spaces
Fayetteville,
Arkansas

100% CONSTRUCTION DOCUMENTS

PROJECT NO.: FVL1814
DRAWN BY: NF, ZP, EH, AG
CHECKED BY: ZP, NF, JA

SITE PLAN AND
UTILITY PLAN SOUTH

DATE: JANUARY, 26 2023
SCALE:

C2.01

		VALUE ANALYSIS SUMMARY REPORT						
		PROJECT NAME:	Civic Plaza Re-Bid Packages GMP					
		PROJECT #:						
		VA TEAM:						
		REPORT DATE:	7/27/2023					
Item #	Description	Approved	Pending	Rejected	Value	Exclusive	Date Approved	Comments
Alternates								
1	Alternate #1 Provide alternate paver options for all but paver type P4.				(\$308,972.00)	2		
2	Alternate #2 Provide alternate paver options for all paver types.	x			(\$408,212.00)	1		
3	Alternate #3 Provide alternate pricing to remove black granite aggregate and use typical aggregate with a sandblast finish.	x			(\$83,479.00)			
4	Alternate #4 Provide deductive alternate to remove the demolition of the existing asphalt.			x	(\$31,550.00)			
Value Engineering								
1	Remove Shade Structure Allowance from scope			x	(\$159,038.00)			Footings for Shade Structure would remain. An allowance would have to be held to provide an enclosure for the electrical panels.
2	Allowance to reduce Signage and Wayfinding scope to only include the signage along the trail.	x			(\$94,000.00)			This allowance is based on carrying \$60,000 for the signage package along the trail.
3	Removal of Site Furnishings scope completely included CO #12.	x			(\$261,678.00)			
4	Omit L Shaped Lounge Custom Furniture Piece included in CO #12.	x			(\$60,671.00)			
5	City to provide and install the MMCITE Bike Racks. Adjustment to pricing included in CO #12.	x			(\$13,364.00)			
6	Allowance for OFCI Multi-duct Comm Lines	x			(\$15,700.00)			
7	Allowance to Omit Camera Poles	x			(\$116,025.00)			
8	Allowance to Omit Lane Counter	x			(\$37,480.00)			
9	Allowance to Reduce 400A Company Switch to 200A	x			(\$12,500.00)			
10	Allowance for alternate Lighted Bollards	x			(\$20,000.00)			Excludes Bollards at fountain. Proposed alternate not accepted for fountain bollards.
11	Allowance to reduce Power Pedestals (6 Total)	x			(\$3,500.00)			
12	Allowance to reduce the lighting from Spring St. to Dickson.	x			(\$147,840.00)			
13	Allowance to remove the Irrigation Cistern from the Earthwork Scope.	x			(\$15,000.00)			
14	VE to utilize Nyoplast basins in lieu of concrete at Granite Cobble Gutter.				\$0.00			Pending further evaluation by the design team.
15	VE to utilize alternate steel grates at Granite Cobble Gutter.				\$0.00			Pending further evaluation by the design team.
16	Allowance to reduce the storm drainage piping depth and simplify the backfill requirements	x			(\$211,200.00)			
17	Allowance to downsize the 7 & 5 Gallon plants	x			(\$4,108.00)			
18	Allowance to reduce 6" Trees to 4" and 4" Trees to 3"	x			(\$16,955.00)			Combination of some trees and some shrub size reduction
19	Allowance to substitute Patriot Bermuda Sod for	x			(\$11,900.00)			
20	Allowance to omit Irrigation Pump	x			(\$62,000.00)			
21	Allowance to downsize the Pennsylvania Sedge from 1 gal to plugs	x			(\$9,370.00)			
22	OH&P	x			(\$133,837.00)			
23					\$0.00			
24	Use of owner contingency	x			(\$63,223.00)			
25					\$0.00			
26	Add for Street Light Infrastructure Dickson to Watson	x			\$102,901.00			OH&P was already applied to the change order previously.
27					\$0.00			
28					\$0.00			
29					\$0.00			
30					\$0.00			
31					\$0.00			
32					\$0.00			
TOTAL APPROVED: (\$1,699,141.00) TOTAL PENDING: \$0.00 TOTAL REJECTED: (\$190,588.00)								
SUMMARY								
WORKING BUDGET:		\$7,220,537.00				TARGET BUDGET:		\$5,521,396.00
ANTICIPATED SAVINGS:		(\$1,699,141.00)				CONTINGENCY / ESCALATION:		\$0.00
REVISED WORKING BUDGET:		\$5,521,396.00				DIFFERENCE:		\$0.00

**AFFIDAVIT OF COMPLIANCE
CONSTRUCTION MANAGER-AT-RISK**

PROJECT: Upper Ramble Public Spaces

I, Kyle Stout, having been first duly sworn and authorized, provide this Affidavit for and on behalf of Nabholz Construction Company and state the following to the best of my knowledge and belief in reference to the project solicited and Contracted under RFQ 18-11 and applicable to Change Order # 13:

1. My name is Kyle Stout and I am the Project Executive for Nabholz Construction Company. I am qualified and authorized to execute this affidavit.
2. Nabholz Construction Company, pursuant to its contract with the City of Fayetteville, hereby certifies that it has reviewed the provisions set forth in Ark. Code Ann. § 14-58-1001, and verifies that it has complied with applicable provisions of that statute and all other applicable rules and regulations, whether recited in §14-58-1001 or elsewhere in Arkansas law, for the above-identified project.
3. The City of Fayetteville shall be held harmless and indemnified for any disputes that arise regarding the procurement and bidding processes performed by Nabholz Construction Company.

FURTHER AFFIANT SAYETH NOT.

Signed this 25 day of July, 2023.

Kyle Stout
PRINTED NAME

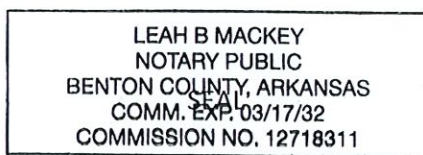

SIGNATURE

Project Executive
TITLE

STATE OF Arkansas)

COUNTY OF Benton)

Subscribed and sworn to before me, a Notary Public, this 25 day of July, 2023.




Notary Public
My Commission Expires: 3-17-32



MEETING OF AUGUST 15, 2023

TO: Mayor Jordan and City Council

THRU:

FROM: Paul Becker, Chief Financial Officer

DATE:

SUBJECT: Request by the Local Firemen's Pension and Relief Fund Board of Trustees for the City Council to approve the Consolidation of the Local Plan with LOPFI.

RECOMMENDATION:

The Administration recommends the City Council approve to consolidate the Local Firemen's Pension and Relief Fund with LOPFI.

BACKGROUND:

For over 15 years the Pension Review Board has reported the Local Fire Pension Fund to be actuarially unsound based on annual reports conducted by the firm of Osborn, Carreiro & Associates. Until recently, interest earnings and revenue sources, including a dedicated property tax approved by the citizens of Fayetteville, provided sufficient resources to pay pensioners the total amount of current pension benefits. However, available assets have been decreasing as benefit payments have exceeded investment earnings. In 2021 the assets available in the Local Fire Pension Fund fell below \$2,000,000, placing additional legal restrictions on investments. It is clear that in the near future, current pension benefits cannot be maintained due to reduced assets and restrictions on investment options.

The Mayor reports the status of the Local Pension Funds to the City Council annually as required by law. The Mayor indicated during this year's report that he would continue to monitor the conditions of the funds.

At the April 27, 2023 meeting of the Local Fire Pension Board, the feasibility of consolidation was reviewed, and the Trustees voted to pay for an actuarial study to be performed by the LOPFI actuaries (which is a required first step in the process) and to consider consolidation based on that study.

That study was completed and discussed at a subsequent meeting of the Local Fire Pension Board which took place on July 15, 2023. At that meeting, the Board unanimously voted to request the City Council approve a consolidation with LOPFI.

The actuarial report that was conducted indicated that if the consolidation is approved, the current revenues remitted to the City could pay the full costs of the plan in 2024. This is because the actuarial report is based on a 15-year amortization period and the LOPFI investment earning that the Local Fund would earn is projected at 7.25%.

DISCUSSION:

Mailing address:

113 W. Mountain Street
Fayetteville, AR 72701

www.fayetteville-ar.gov

If the plan is sent to LOPFI for administration, full irrevocable control of the plan would be assumed by LOPFI. This is a risk since LOPFI may not earn the projected investment earnings which would result in the City having to pay amounts over the current revenue stream being earned by the Local Fire Pension Fund. However, consolidation would guarantee pension benefits to the pension members and administration tasks would be transferred to LOPFI.

Based on the actuarial report, the administration is recommending this consolidation be approved. At this time, current pension amounts are being requested without an automatic COLA (there is no COLA at this time for Fayetteville Local Plans).

This is to ensure that current revenues are sufficient to pay current benefits. In the future, if the costs of the plan are sufficiently covered, a COLA can be considered based on plan performance.

BUDGET/STAFF IMPACT:

Based on the actuarial study no additional costs would be incurred in 2024.

ATTACHMENTS: 2023-942 SRF, Administrative Services Agreement for consolidation from LOPFI, Board of Trustees Resolution for consolidation, Actuarial Report for Firemen's Pension and Relief Fund, Mayor's report of Local Pension Report 2022 given Jan 2023



City of Fayetteville, Arkansas

113 West Mountain Street
Fayetteville, AR 72701
(479) 575-8323

Legislation Text

File #: 2023-942

Request by the Local Firemen's Pension and Relief Fund Board of Trustees for the City Council to approve the Consolidation of the Local Plan with LOPFI.

AN ORDINANCE TRANSFERRING ADMINISTRATION OF RETIREMENT COVERAGE FOR ELIGIBLE MEMBERS OF THE FAYETTEVILLE FIRE RELIEF AND PENSION FUND TO THE ARKANSAS LOCAL POLICE AND FIRE RETIREMENT SYSTEM (LOPFI) AND AUTHORIZING THE MAYOR TO ENTER INTO AN IRREVOCABLE AGREEMENT WITH LOPFI

WHEREAS, the Board of Trustees of the Fayetteville Fire Relief and Pension Fund (Local Plan) has elected to have its Local Plan administered by LOPFI as stated by Resolution approved and signed on July 10, 2023 (even though mistakenly dated August 10, 2023); and

WHEREAS, the Board of Trustees has requested through that Resolution that the City of Fayetteville, Arkansas act as its agent henceforth and agree by this ordinance to assign the Fayetteville Fire Relief and Pension Fund to be administered by the Arkansas Local Police and Fire Retirement System.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF FAYETTEVILLE, ARKANSAS:

SECTION 1. If accepted by Arkansas Local Police and Fire Retirement System (LOPFI), the City Council of the City of Fayetteville hereby determines that administration of the Fayetteville Fire Relief and Pension Fund (Local Plan) shall be transferred to LOPFI under authority of Arkansas Code Annotated 24-10-101, et. seq., as amended. Such transfer shall mean the administration of the Local Plan only and not a change in the Local Plan's benefit program unless a benefit increase is formally approved by the City Council of the City of Fayetteville, Arkansas, by ordinance.

SECTION 2. The City Council of the City of Fayetteville hereby authorizes Mayor Jordan to enter into an irrevocable Administrative Services Agreement which uses a fifteen (15) year amortization schedule and empowers LOPFI to administer the Local Plan as stated in Section 1 hereof.

SECTION 3. The City Council of the City of Fayetteville hereby determines that the provisions of this Ordinance prior to this section shall be codified into the *Fayetteville Code of Ordinances* as § 33.051 **Local Fire and Relief Plan Consolidated with LOFI** as part of **Article V Fire Department**.

City of Fayetteville Staff Review Form

2023-942

Item ID

8/15/2023

City Council Meeting Date - Agenda Item Only
N/A for Non-Agenda Item

Paul Becker

7/20/2023

CHIEF FINANCIAL OFFICER (110)

Submitted By

Submitted Date

Division / Department

Action Recommendation:

The Administration recommends the City Council approve to consolidate the Local Firemen's Pension and Relief Fund with LOPFI.

Budget Impact:

Account Number

Fund

Project Number

Project Title

Budgeted Item? No

Total Amended Budget

\$ -

Expenses (Actual+Encum)

\$ -

Available Budget

\$ -

Does item have a direct cost? No

Item Cost

\$ -

Is a Budget Adjustment attached? No

Budget Adjustment

\$ -

Remaining Budget

\$ -

V20221130

Purchase Order Number:

Previous Ordinance or Resolution #

Change Order Number:

Approval Date:

Original Contract Number:

Comments:

ADMINISTRATIVE SERVICES AGREEMENT

This Administrative Services Agreement (Agreement) is entered into by and between the ARKANSAS LOCAL POLICE AND FIRE RETIREMENT SYSTEM (LOPFI) and the CITY OF FAYETTEVILLE for the benefit of its FIRE Relief and Pension Fund (Local Plan).

PARTIES

The City of FAYETTEVILLE, a political subdivision, currently has and administers a Local Plan.

LOPFI is an agency created by statute (Arkansas Code Annotated 24-10-101, et. seq., as amended) for the purpose of providing a statewide retirement system with pooled administration.

The Mayor and City Council of FAYETTEVILLE desire to enter into an irrevocable Agreement with LOPFI to administer its Local Plan and in consideration of the mutual obligations hereinafter enumerated the parties agree to all of the following:

1. This Agreement is made pursuant to the authority of A.C.A. 24-10-101, et. seq., as amended.
2. This Agreement shall be effective and permanent upon the executed date entered on page two of this Agreement.
3. This Agreement is for the administration of the Local Plan and its benefit structure shall not change unless a benefit increase is formally approved by the City of FAYETTEVILLE by Ordinance.
4. The actuaries for LOPFI have computed the initial employer contribution rate(s) to be paid by the City of FAYETTEVILLE to support the benefits paid by the Local Plan. The City of FAYETTEVILLE agrees to always remit payment at the level established by the actuaries for LOPFI and in the monthly timeframe set by LOPFI.
5. Benefits and any member refunds shall be paid effective the first business day of each month and in accordance with LOPFI procedures and guidelines.
6. LOPFI covenants and agrees to provide the following services:
 - a. investment of Local Plan assets and the award of annual interest to the employer reserve account at the end of each fiscal year consistent with the interest awarded to other LOPFI employer accounts;
 - b. process retirement applications including determination of eligibility, calculation of service credit and benefit payment amounts, payment of benefits to eligible benefit recipients, and satisfaction of state and federal tax withholding requirements, all in accordance with LOPFI procedures and guidelines; and

7. The City of FAYETTEVILLE covenants and agrees as follows:
- upon execution of this Agreement all Local Plan assets and records shall be promptly transferred to LOPFI. In the sole discretion of LOPFI certain investments may be allowed to mature to avoid penalties;
 - all employer and applicable employee contributions shall be remitted to LOPFI in time to be recorded by the tenth (10th) day of each month for each reporting period. Remittance shall be made in the manner and amounts prescribed by LOPFI, which shall include the use of LOPFI's electronic reporting and LOPFI's e-Payment;
 - the City of FAYETTEVILLE shall execute all documents required by LOPFI to aid in the administrative process;
 - all members and beneficiaries of the Local Plan have been deemed eligible pursuant to the standards prevailing at the time of the determination of eligibility. The parties agree that LOPFI is bound by any determination of eligibility or ineligibility made by the board of trustees of the Local Plan as long as such determination(s) conform to state law. The Local Plan and the City of FAYETTEVILLE indemnify and hold LOPFI harmless for any eligibility decisions made by the Local Plan.
 - the City of FAYETTEVILLE has disclosed to LOPFI all pending claims, actions, suits, and threatened liabilities to the Local Plan.
8. FAYETTEVILLE Fire Relief and Pension Fund board of trustees' Resolution dated _____, 2023, and Ordinance No. _____, dated _____, 2023, of the City of FAYETTEVILLE, are incorporated by reference herein as though set forth word for word.

This irrevocable Agreement is executed this ____ day of _____, 2023.

CITY OF FAYETTEVILLE, ARKANSAS

BY: _____
Mayor Lioneld Jordan

ATTEST: _____
City Clerk Treasurer Kara Paxton

LOPFI BOARD OF TRUSTEES

BY: _____
LOPFI Board Chairman

ATTEST: _____

Resolution to Assign Local Plan Administration to LOPFI

Whereas, the Board of Trustees (the Board) of the FAYETTEVILLE FIRE Relief and Pension Fund (Local Plan), desires to assign administration of the Local Plan to the Arkansas Local Police and Fire Retirement System (LOPFI) pursuant to Arkansas Code Annotated 24-10-101, et. seq., as amended; and

Whereas, such action shall not change the benefit structure unless a benefit increase is formally approved by the governing body of FAYETTEVILLE, Arkansas, by Ordinance; and

Whereas, the Board received and reviewed the latest actuarial report from LOPFI, which states the initial required employer contribution rate(s); and

Whereas, the Board finds it is in the best interest of the Local Plan and its participants to have LOPFI administer the Local Plan; therefore,

BE IT RESOLVED, the Board hereby elects to assign administration of the Local Plan to LOPFI.

BE IT FURTHER RESOLVED the Board requests the CITY OF FAYETTEVILLE, a political subdivision of the State of Arkansas, to act as its agent henceforth.

BE IT FURTHER RESOLVED the Board understands any agreement to administer the Local Plan by LOPFI shall be entered into by and with the governing body of FAYETTEVILLE, Arkansas, as the Board's agent, and that such agreement shall dissolve said Board.

CERTIFICATION

We certify this Resolution accurately states the action of said Board. Approved this 10th day of August, 2023.

Chair

Sec/Treasurer

Member

Member

Member

Member

Member



May 10, 2023

Mr. David B. Clark, Executive Director
Arkansas Local Police and Fire Retirement System
620 West 3rd, Suite 200
Little Rock, Arkansas 72201-2212

**Re: Actuarial Analysis of Proposed Contribution Rates for the
Fayetteville Firemen's Pension and Relief Fund**

Dear Mr. Clark:

As requested, enclosed are the results of actuarial valuations which determine the employer contribution rates which would result from having the Fayetteville Fire Pension and Relief Fund administered by the Arkansas Local Police and Fire Retirement System (LOPFI).

Please call if you have any questions or comments.

Respectfully submitted,
Gabriel, Roeder, Smith & Company

A handwritten signature in black ink that reads "Heidi G. Barry". The signature is written in a cursive, flowing style.

Heidi G. Barry, ASA, FCA, MAAA

A handwritten signature in black ink that reads "Casey T. Ahlbrandt-Rains". The signature is written in a cursive, flowing style.

Casey T. Ahlbrandt-Rains, ASA, MAAA

HGB/CTA:sc
Enclosure

Arkansas Local Police and Fire Retirement System Fayetteville Firemen's Pension and Relief Fund Actuarial Valuation of Proposals Under Consideration as of December 31, 2022

Requested By: Mr. David B. Clark, Executive Director
Arkansas Local Police and Fire Retirement System

Date: May 10, 2023

Submitted By: Heidi G. Barry, ASA, FCA, MAAA and
Casey T. Ahlbrandt-Rains, ASA, MAAA
Gabriel, Roeder, Smith & Company

Submitted in this report are the results of actuarial valuations which determine the employer contribution rates which would result from having the Fayetteville Firemen's "closed plan" (the Local Pension and Relief Fund) administered by the Arkansas Local Police and Fire Retirement System (LOPFI).

The date of the study was as of December 31, 2022. This supplemental valuation does not predict the result of the December 31, 2023 valuation or of any other future actuarial valuations. (Future activities can affect future valuation results in an unpredictable manner.) Rather, the supplemental valuation gives an indication of the probable effect of the proposed changes on future valuations without comment on the complete end result of the future valuations.

In accordance with LOPFI Board policy, the employer contribution rates established by this valuation report are valid for purposes of joining the System until October 31, 2023.

This report is intended to describe the financial effect of the proposed plan changes. No statement in this report is intended to be interpreted as a recommendation in favor of the changes, or in opposition to them. GRS is not responsible for unauthorized use of this report.

Heidi G. Barry and Casey T. Ahlbrandt-Rains are Members of the American Academy of Actuaries (MAAA) and meet the Qualification Standards of the American Academy of Actuaries required to render the actuarial opinions contained herein. The signing actuaries are independent of the plan sponsor.

The calculations are based upon assumptions regarding future events, which may or may not materialize. They are also based upon present and proposed plan provisions that are outlined in the report. If you have reason to believe that the assumptions that were used are unreasonable, that the plan provisions are incorrectly described, that important plan provisions relevant to this proposal are not described, or that conditions have changed since the calculations were made, you should contact the authors of this report prior to relying on information in the report.

This report was prepared using our proprietary valuation model and related software which, in our professional judgment, has the capability to provide results that are consistent with the purposes of the valuation, and has no material limitations or known weaknesses. We performed tests to ensure that the model reasonably represents that which is intended to be modeled.



**Arkansas Local Police and Fire Retirement System
Fayetteville Firemen's Pension and Relief Fund
Actuarial Valuation of Proposals Under Consideration
as of December 31, 2022**

If you have reason to believe that the information provided in this report is inaccurate, or is in any way incomplete, or if you need further information in order to make an informed decision on the subject matter of this report, please contact the authors of the report prior to making such decision.

In the event that more than one plan change is being considered, it is very important to remember that the results of separate actuarial valuations cannot generally be added together to produce a correct estimate of the combined effect of all of the changes. The total can be considerably greater than the sum of the parts due to the interaction of various plan provisions with each other, and with the assumptions that must be used.

Arkansas Local Police and Fire Retirement System

Fayetteville Firemen's Pension and Relief Fund

Actuarial Valuation of Proposals Under Consideration as of December 31, 2022

The actuarial methods and assumptions were the same as those in use for the regular valuation as of December 31, 2022. In particular, the economic assumptions used in the supplemental actuarial valuation were net investment return of 7.25% per year, wage inflation of 3.00% per year, and price inflation of 2.25% per year.

Member information is summarized in the following table:

	December 31, 2022 Valuation Data	
	<u>Paid</u>	<u>Volunteer</u>
Members:		
Retired Lives:		
Number	38	2
Total Monthly Benefits	\$100,966	\$219
Active Members:		
Number	0	0
Average Age	N/A	N/A
Average Service	N/A	N/A

Major Local Fund Benefit Provisions:

Voluntary Retirement – Eligibility at 20 years of service regardless of age.

Paid base benefit: 90% of Final Salary per year (minimum \$4,200 per month); 10-Year DROP
Volunteer base benefit: \$1,200 per year.

Member Contributions – Member contribution rate 6% of pay for paid members and \$12 per year for volunteer members. Member contributions are refundable without interest if termination of employment occurs before monthly benefits are payable.

Automatic Post-Retirement Benefit Increases – None.

Death Benefit – None.

Arkansas Local Police and Fire Retirement System Fayetteville Firemen's Pension and Relief Fund Actuarial Valuation of Proposals Under Consideration as of December 31, 2022

Paid Results

Asset Information:

Asset information for the Fayetteville Firemen's Pension and Relief Fund was derived from the Fund's annual financial report provided to us. The date of the report was December 31, 2022. The reported market value of assets \$1,702,542 for the Local Fund, as of December 31, 2022, was used in computing the employer contribution rates. For the purposes of our calculation, we assumed the \$1,702,542 Local Fund balance was \$1,700,153 for paid members and \$2,389 for volunteer members. The computed employer contribution rates are sensitive to changes in overall asset value. The actual amount transferred to LOPFI will depend on the market value of Local Fund assets when they are actually liquidated and may differ substantially from the value as of December 31, 2022. This will likely impact the actual rate computed in the next valuation of the combined plans.

Results:

	No COLA	3% COLA
Actuarial Accrued Liabilities (AAL)		
Active Members	\$ -	\$ -
Benefit Recipients	11,458,453	14,700,533
Total AAL	\$ 11,458,453	\$ 14,700,533
Assets		
Available to Fund AAL	\$ 1,700,153	\$ 1,700,153
Member DROP Balance	-	-
Total Assets	\$ 1,700,153	\$ 1,700,153
Unfunded AAL	\$ 9,758,300	\$ 13,000,380

**Arkansas Local Police and Fire Retirement System
Fayetteville Firemen's Pension and Relief Fund
Actuarial Valuation of Proposals Under Consideration
as of December 31, 2022**

Paid Results

If the Local Fund becomes administered by LOPFI, the monthly employer contribution for calendar years 2023 and 2024 would be as follows:

COLA	Computed Employer Contribution (15-Year Amortization)	
	2023	2024
0.00%	\$69,243	\$71,320
3.00%	\$93,354	\$96,155

These monthly contributions are in addition to the contribution determined for LOPFI members only. These are the estimated contributions needed to pay off the unfunded accrued liability associated with Closed Plan benefits and would be deposited in the Local Fund Employer Accumulation Account. The contributions are assumed to increase with 3.00% wage inflation annually.

The Plan received \$788,720 from Local Millage Tax, \$217,164 from State Insurance Premium Tax, and \$108,582 in additional state allocations. The total from these revenue sources was split for this valuation such that \$1,112,902 was allocated to paid members and \$1,564 was allocated to volunteer members. It is expected that similar future inflows will partially or fully offset employer contributions.

Readers of this report may have an expectation that the contribution shown above will be paid for 15 years and the employer will be relieved of all liability at that time. That is not the case; as long as benefits are payable, there is a possibility that employer contributions will be needed.

**Arkansas Local Police and Fire Retirement System
Fayetteville Firemen's Pension and Relief Fund
Actuarial Valuation of Proposals Under Consideration
as of December 31, 2022**

**No COLA, 15-Year Amortization of UAL
Projected Cash Flow – Paid Members**

Year Ended December 31	Projected			
	Benefits	Contributions ¹	Investment Earnings	Assets (MV) ²
2022				\$ 1,700,153
2023	\$ 1,204,248	\$ 948,410	\$ 114,149	1,558,464
2024	1,188,043	855,843	101,157	1,327,421
2025	1,169,709	881,518	85,974	1,125,204
2026	1,149,113	907,964	72,989	957,044
2027	1,126,149	935,203	62,585	828,682
2028	1,100,734	963,259	55,183	746,391
2029	1,072,822	992,157	51,240	716,965
2030	1,042,412	1,021,921	51,250	747,725
2031	1,009,559	1,052,579	55,742	846,487
2032	974,379	1,084,156	65,280	1,021,544
2033	937,051	1,116,681	80,460	1,281,634
2034	897,797	1,150,181	101,907	1,635,926
2035	856,874	1,184,687	130,280	2,094,019
2036	814,555	1,220,227	166,265	2,665,956
2037	771,101	1,256,834	210,582	3,362,271
2038	726,768	1,294,539	263,986	4,194,028
2039	681,803	-	279,784	3,792,009
2040	636,442	-	252,253	3,407,820
2041	590,940	-	226,020	3,042,901
2042	545,562	-	201,180	2,698,518
2043	500,590	-	177,814	2,375,742
2044	456,318	-	155,989	2,075,413
2045	413,045	-	135,757	1,798,125
2046	371,065	-	117,148	1,544,208
2047	330,657	-	100,178	1,313,730
2048	292,066	-	84,843	1,106,507
2049	255,521	-	71,121	922,107
2050	221,245	-	58,973	759,835
2051	189,451	-	48,341	618,725
2052	160,324	-	39,147	497,548
2053	134,007	-	31,299	394,840
2054	110,565	-	24,688	308,964
2055	89,983	-	19,195	238,176
2056	72,177	-	14,697	180,696
2057	57,005	-	11,070	134,761
2058	44,278	-	8,193	98,676
2059	33,777	-	5,951	70,850
2060	25,268	-	4,237	49,819
2061	18,508	-	2,953	34,263
2062	13,251	-	2,012	23,025

**Arkansas Local Police and Fire Retirement System
Fayetteville Firemen's Pension and Relief Fund
Actuarial Valuation of Proposals Under Consideration
as of December 31, 2022**

**No COLA, 15-Year Amortization of UAL
Projected Cash Flow – Paid Members
(Concluded)**

Year Ended December 31	Projected			
	Benefits	Contributions ¹	Investment Earnings	Assets (MV) ²
2063	\$ 9,263	\$ -	\$ 1,339	\$ 15,101
2064	6,313	-	870	9,658
2065	4,191	-	551	6,018
2066	2,707	-	340	3,651
2067	1,700	-	204	2,155
2068	1,036	-	119	1,238
2069	614	-	68	692
2070	352	-	38	378
2071	197	-	20	201
2072	107	-	11	105
2073	56	-	6	54
2074	30	-	3	27
2075	15	-	1	14
2076	8	-	1	7
2077	4	-	-	3
2078	2	-	-	1
2079	1	-	-	-
2080	-	-	-	-

¹ Local Plan contributions only; \$69,243 monthly in 2023 in addition to the LOPFI rate (assumed to increase yearly by 3.00% wage inflation thereafter). The first-year contribution assumes that the City will be under LOPFI administration for the last seven (7) months of 2023. The last year contribution, based on a 15-year amortization schedule, would be applied to calendar year 2038.

² Reported market value of assets. Assets are projected at the assumed rate of return of 7.25% per year.

Note: The actual future contributions for this group are affected by investment return, number of active members and life expectancy. This projection does not show the effect on future employer contributions of differences between actual and assumed future experience. These differences can have a significant effect on these results.

**Arkansas Local Police and Fire Retirement System
Fayetteville Firemen's Pension and Relief Fund
Actuarial Valuation of Proposals Under Consideration
as of December 31, 2022**

**3% COLA, 15-Year Amortization of UAL
Projected Cash Flow – Paid Members**

Year Ended December 31	Projected			
	Benefits	Contributions ¹	Investment Earnings	Assets (MV) ²
2022				\$ 1,700,153
2023	\$ 1,222,311	\$ 1,117,191	\$ 119,517	1,714,550
2024	1,242,040	1,153,861	121,164	1,747,535
2025	1,259,558	1,188,477	124,165	1,800,619
2026	1,274,502	1,224,132	128,751	1,879,000
2027	1,286,503	1,260,855	135,314	1,988,666
2028	1,295,193	1,298,681	144,303	2,136,457
2029	1,300,221	1,337,642	156,226	2,330,103
2030	1,301,266	1,377,771	171,657	2,578,265
2031	1,298,062	1,419,104	191,235	2,890,542
2032	1,290,414	1,461,677	215,664	3,277,469
2033	1,278,207	1,505,527	245,713	3,750,502
2034	1,261,402	1,550,693	282,215	4,322,008
2035	1,240,024	1,597,214	326,067	5,005,265
2036	1,214,143	1,645,130	378,232	5,814,485
2037	1,183,855	1,694,484	439,737	6,764,850
2038	1,149,266	1,745,319	511,681	7,872,584
2039	1,110,505	-	531,211	7,293,290
2040	1,067,722	-	490,736	6,716,303
2041	1,021,126	-	450,564	6,145,741
2042	970,996	-	410,983	5,585,729
2043	917,684	-	372,281	5,040,326
2044	861,619	-	334,736	4,513,443
2045	803,309	-	298,614	4,008,749
2046	743,315	-	264,161	3,529,594
2047	682,239	-	231,597	3,078,952
2048	620,693	-	201,118	2,659,377
2049	559,319	-	172,884	2,272,942
2050	498,820	-	147,022	1,921,145
2051	439,951	-	123,614	1,604,807
2052	383,482	-	102,691	1,324,016
2053	330,150	-	84,233	1,078,098
2054	280,568	-	68,169	865,700
2055	235,190	-	54,387	684,897
2056	194,310	-	42,735	533,321
2057	158,068	-	33,036	408,289
2058	126,458	-	25,097	306,928
2059	99,363	-	18,713	226,279
2060	76,564	-	13,678	163,393
2061	57,760	-	9,789	115,422
2062	42,598	-	6,851	79,675

Arkansas Local Police and Fire Retirement System

Fayetteville Firemen's Pension and Relief Fund

Actuarial Valuation of Proposals Under Consideration as of December 31, 2022

3% COLA, 15-Year Amortization of UAL Projected Cash Flow – Paid Members (Concluded)

Year Ended December 31	Projected			
	Benefits	Contributions ¹	Investment Earnings	Assets (MV) ²
2063	\$ 30,669	\$ -	\$ 4,684	\$ 53,690
2064	21,531	-	3,126	35,285
2065	14,721	-	2,034	22,598
2066	9,794	-	1,290	14,093
2067	6,334	-	796	8,555
2068	3,979	-	479	5,055
2069	2,426	-	280	2,909
2070	1,436	-	160	1,633
2071	825	-	89	897
2072	462	-	49	483
2073	252	-	26	257
2074	136	-	14	135
2075	73	-	7	69
2076	38	-	4	35
2077	20	-	2	17
2078	10	-	1	7
2079	5	-	-	3
2080	2	-	-	1
2081	1	-	-	-
2082	-	-	-	-

¹ Local Plan contributions only; \$93,354 monthly in 2023 in addition to the LOPFI rate (assumed to increase yearly by 3.00% wage inflation thereafter). The first-year contribution assumes that the City will be under LOPFI administration for the last seven (7) months of 2023. The last year contribution, based on a 15-year amortization schedule, would be applied to calendar year 2038.

² Reported market value of assets. Assets are projected at the assumed rate of return of 7.25% per year.

Note: The actual future contributions for this group are affected by investment return, number of active members and life expectancy. This projection does not show the effect on future employer contributions of differences between actual and assumed future experience. These differences can have a significant effect on these results.

Arkansas Local Police and Fire Retirement System Fayetteville Firemen's Pension and Relief Fund Actuarial Valuation of Proposals Under Consideration as of December 31, 2022

Volunteer Results

Asset Information:

Asset information for the Fayetteville Firemen's Pension and Relief Fund was derived from the Fund's annual financial report provided to us. The date of the report was December 31, 2022. The reported market value of assets \$1,702,542 for the Local Fund, as of December 31, 2022, was used in computing the employer contribution rates. For the purposes of our calculation, we assumed the \$1,702,542 Local Fund balance was \$1,700,153 for paid members and \$2,389 for volunteer members. The computed employer contribution rates are sensitive to changes in overall asset value. The actual amount transferred to LOPFI will depend on the market value of Local Fund assets when they are actually liquidated and may differ substantially from the value as of December 31, 2022. This will likely impact the actual rate computed in the next valuation of the combined plans.

Results:

	No COLA	3% COLA
Actuarial Accrued Liabilities (AAL)		
Active Members	\$ -	\$ -
Benefit Recipients	<u>16,101</u>	<u>18,651</u>
Total AAL	\$ 16,101	\$ 18,651
Assets		
Available to Fund AAL	\$ 2,389	\$ 2,389
Member DROP Balance	<u>-</u>	<u>-</u>
Total Assets	\$ 2,389	\$ 2,389
Unfunded AAL	\$ 13,712	\$ 16,262

**Arkansas Local Police and Fire Retirement System
Fayetteville Firemen's Pension and Relief Fund
Actuarial Valuation of Proposals Under Consideration
as of December 31, 2022**

Volunteer Results

If the Local Fund becomes administered by LOPFI, the monthly employer contribution for calendar years 2023 and 2024 would be as follows:

COLA	Computed Employer Contribution (15-Year Amortization)	
	2023	2024
0.00%	\$102	\$105
3.00%	\$122	\$125

These monthly contributions are in addition to the contribution determined for LOPFI members only. These are the estimated contributions needed to pay off the unfunded accrued liability associated with Closed Plan benefits and would be deposited in the Local Fund Employer Accumulation Account. The contributions are assumed to increase with 2.25% price inflation annually.

The Plan received \$788,720 from Local Millage Tax, \$217,164 from State Insurance Premium Tax, and \$108,582 in additional state allocations. The total from these revenue sources was split for this valuation such that \$1,112,902 was allocated to paid members and \$1,564 was allocated to volunteer members. It is expected that similar future inflows will partially or fully offset employer contributions.

Readers of this report may have an expectation that the contribution shown above will be paid for 15 years and the employer will be relieved of all liability at that time. That is not the case; as long as benefits are payable, there is a possibility that employer contributions will be needed.

Arkansas Local Police and Fire Retirement System

Fayetteville Firemen's Pension and Relief Fund

Actuarial Valuation of Proposals Under Consideration as of December 31, 2022

No COLA, 15-Year Amortization of UAL Projected Cash Flow – Volunteer Members

Year Ended December 31	Projected			
	Benefits	Contributions ¹	Investment Earnings	Assets (MV) ²
2022				\$ 2,389
2023	\$ 2,574	\$ 1,368	\$ 130	1,313
2024	2,465	1,255	52	155
2025	2,339	1,283	(26)	(927)
2026	2,197	1,312	(99)	(1,911)
2027	2,038	1,341	(163)	(2,771)
2028	1,866	1,372	(219)	(3,484)
2029	1,684	1,402	(263)	(4,029)
2030	1,496	1,434	(294)	(4,385)
2031	1,307	1,466	(312)	(4,538)
2032	1,122	1,499	(316)	(4,476)
2033	947	1,533	(304)	(4,194)
2034	784	1,567	(276)	(3,686)
2035	637	1,603	(233)	(2,954)
2036	506	1,639	(174)	(1,995)
2037	393	1,676	(99)	(811)
2038	298	1,713	(8)	596
2039	221	-	35	410
2040	159	-	24	276
2041	112	-	16	180
2042	76	-	10	114
2043	50	-	6	70
2044	33	-	4	41
2045	20	-	2	24
2046	12	-	1	13
2047	7	-	1	7
2048	4	-	-	3
2049	2	-	-	1
2050	1	-	-	-
2051	-	-	-	-

¹ The Local Plan contributions only; \$102 monthly in 2023 in addition to the LOPFI rate (assumed to increase yearly by 2.25% price inflation thereafter). The first-year contribution assumes that the City will be under LOPFI administration for the last seven (7) months of 2023. The last year contribution, based on a 15-year amortization schedule, would be applied to calendar year 2038.

² Reported market value of assets. Assets are projected at the assumed rate of return of 7.25% per year. Assets are projected to be below \$0 during the projection period. Local Plan assets are assumed to be pooled with LOPFI assets. LOPFI would load the shortage until the financing period is completed and LOPFI has been paid back.

Note: The actual future contributions for this group are affected by investment return, number of active members and life expectancy. This projection does not show the effect on future employer contributions of differences between actual and assumed future experience. These differences can have a significant effect on these results.

Arkansas Local Police and Fire Retirement System

Fayetteville Firemen's Pension and Relief Fund

Actuarial Valuation of Proposals Under Consideration as of December 31, 2022

3% COLA, 15-Year Amortization of UAL Projected Cash Flow – Volunteer Members

Year Ended December 31	Projected			
	Benefits	Contributions ¹	Investment Earnings	Assets (MV) ²
2022				\$ 2,389
2023	\$ 2,613	\$ 1,507	\$ 134	1,417
2024	2,578	1,499	64	403
2025	2,519	1,533	(6)	(589)
2026	2,437	1,568	(74)	(1,532)
2027	2,329	1,603	(137)	(2,395)
2028	2,195	1,639	(193)	(3,145)
2029	2,040	1,676	(241)	(3,750)
2030	1,867	1,713	(277)	(4,181)
2031	1,681	1,752	(301)	(4,410)
2032	1,487	1,791	(309)	(4,415)
2033	1,292	1,832	(301)	(4,176)
2034	1,102	1,873	(275)	(3,680)
2035	921	1,915	(231)	(2,917)
2036	754	1,958	(169)	(1,882)
2037	604	2,002	(87)	(570)
2038	472	2,047	15	1,020
2039	360	-	61	721
2040	267	-	43	497
2041	193	-	29	333
2042	135	-	19	218
2043	92	-	13	138
2044	61	-	8	85
2045	39	-	5	51
2046	24	-	3	30
2047	14	-	2	17
2048	9	-	1	9
2049	5	-	-	5
2050	3	-	-	2
2051	1	-	-	1
2052	1	-	-	-
2053	-	-	-	-

¹ The Local Plan contributions only; \$122 monthly in 2023 in addition to the LOPFI rate (assumed to increase yearly by 2.25% price inflation thereafter). The first-year contribution assumes that the City will be under LOPFI administration for the last seven (7) months of 2023. The last year contribution, based on a 15-year amortization schedule, would be applied to calendar year 2038.

² Reported market value of assets. Assets are projected at the assumed rate of return of 7.25% per year. Assets are projected to be below \$0 during the projection period. Local Plan assets are assumed to be pooled with LOPFI assets. LOPFI would load the shortage until the financing period is completed and LOPFI has been paid back.

Note: The actual future contributions for this group are affected by investment return, number of active members and life expectancy. This projection does not show the effect on future employer contributions of differences between actual and assumed future experience. These differences can have a significant effect on these results.

LOCAL PENSION FUND REPORT 2022

In keeping with statutory requirements, I am presenting this report for 2022 on the local Police and Fire Retirement and Relief Funds for the City of Fayetteville. Both of these plans were closed, by law, in 1983 and there are no longer any active working members remaining. There are currently 38 Police and 39 fire retirees and beneficiaries in the system.

At December 2022 projected expenses from the fire pension fund were approximately \$1.3 million as compared to fund revenues of \$1.1 million. Projected police pension fund expenses were approximately \$1.5 million as compared to fund revenues in excess of \$1.1 million. This is before adjusting investments to current market value.

Actuarial evaluations are the responsibility of the State of Arkansas Fire and Police Pension Review Board. The last evaluations completed were as of May 2022 for the year ending December 31, 2021. Based on those evaluations the total pension liability of the Police and Fire Funds were \$15.3 million and \$13.8 million respectively. The net pension liabilities for these funds were approximately \$8.7 million for police and \$11.9 million for fire. In the annual reports

issued by the Arkansas Pension Review Board neither the fire nor police pension fund were found to be actuarially sound pursuant to established financial tests.

The Fire Pension Fund has been classified as "projected insolvent "since 2009. The Fire Pension Board has been discussing the unstable condition of the fund and possible alternatives since that time.

No specific request was made by the Fire Pension Board to the City Council in 2020.

The Police Pension Fund is also considered actuarially unsound but not in immediate danger of becoming insolvent. The Police Pension Board is also aware of the Police Pension Fund status and has been considering options that would guarantee long term solvency.

I will continue to monitor these pension funds in the future and keep you apprised of any new developments if necessary.



MEETING OF AUGUST 15, 2023

TO: Mayor Jordan and City Council

THRU:

FROM: Blake Pennington, Assistant City Attorney

DATE:

SUBJECT: Ordinance to Amend UDC Chapter 157 - Public Notification of Administratively Approved Developments

RECOMMENDATION:

Councilmember Turk is sponsoring an ordinance to amend Chapter 157 to provide a uniform final approval date for administratively approved development applications.

BACKGROUND:

DISCUSSION:

BUDGET/STAFF IMPACT:

ATTACHMENTS: Agenda Request - Amend Ch. 157 - Public Notification of Administrative Approval of Developments - Approved for Agenda



City of Fayetteville, Arkansas

113 West Mountain Street
Fayetteville, AR 72701
(479) 575-8323

Legislation Text

File #: 2023-950

Ordinance to Amend UDC Chapter 157 - Public Notification of Administratively Approved Developments

AN ORDINANCE TO AMEND §157 NOTIFICATION AND PUBLIC HEARINGS TO CLARIFY THE OFFICIAL APPROVAL DATE FOR ADMINISTRATIVELY APPROVED DEVELOPMENT APPLICATIONS

WHEREAS, § 157.11 of the Unified Development Code provides a method of determining the official approval date of Large Site Improvement Plans but not any other development application types; and

WHEREAS, for purposes of consistency and to ensure both the applicant and the public are clearly informed the Unified Development Code should be amended to include a uniform final approval date for administratively approved development applications.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF FAYETTEVILLE, ARKANSAS:

Section 1: That the City Council of the City of Fayetteville, Arkansas hereby repeals § 157.11(E) regarding public notification of approval of Large Site Improvement Plans.

Section 2: That the City Council of the City of Fayetteville, Arkansas hereby enacts § 157.12 as follows:

“157.12 Public Notification of Administratively Approved Development Applications

The Planning Division's administrative approval of an application under any of the development categories listed in § 166.01(B) and (C) shall be placed as an informational item on the final agenda of the Planning Commission, and the date of the Planning Commission meeting shall constitute the official date of approval by the Zoning and Development Administrator regarding the development application. The date of the Planning Commission meeting shall also constitute the date of the final action taken for purposes of appeals.”

AGENDA REQUEST FORM

FOR: Council Meeting of August 15, 2023

FROM: Council Member Teresa Turk

ORDINANCE OR RESOLUTION TITLE AND SUBJECT:

AN ORDINANCE TO AMEND CHAPTER 157 NOTIFICATION AND PUBLIC
HEARINGS TO CLARIFY THE OFFICIAL APPROVAL DATE FOR
ADMINISTRATIVELY APPROVED DEVELOPMENT APPLICATIONS

APPROVED FOR AGENDA:

Approved by email

City Council Member
Teresa Turk

July 24, 2023

Blake Pennington

Senior Assistant City Attorney
Blake Pennington
Approved as to form

July 24, 2023

ORDINANCE NO. _____

AN ORDINANCE TO AMEND CHAPTER 157 NOTIFICATION AND PUBLIC HEARINGS TO CLARIFY THE OFFICIAL APPROVAL DATE FOR ADMINISTRATIVELY APPROVED DEVELOPMENT APPLICATIONS

WHEREAS, § 157.11 of the Unified Development Code provides a method of determining the official approval date of Large Site Improvement Plans but not any other development application types; and

WHEREAS, for purposes of consistency and to ensure both the applicant and the public are clearly informed the Unified Development Code should be amended to include a uniform final approval date for administratively approved development applications.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF FAYETTEVILLE, ARKANSAS:

Section 1: That the City Council of the City of Fayetteville, Arkansas hereby repeals § 157.11(E) regarding public notification of approval of Large Site Improvement Plans.

Section 2: That the City Council of the City of Fayetteville, Arkansas hereby enacts § 157.12 as follows:

“157.12 Public Notification of Administratively Approved Development Applications

The Planning Division's administrative approval of an application under any of the development categories listed in § 166.01(B) and (C) shall be placed as an informational item on the final agenda of the Planning Commission, and the date of the Planning Commission meeting shall constitute the official date of approval by the Zoning and Development Administrator regarding the development application. The date of the Planning Commission meeting shall also constitute the date of the final action taken for purposes of appeals.”



OFFICE OF THE
CITY ATTORNEY

DEPARTMENTAL CORRESPONDENCE



Kit Williams
City Attorney

Blake Pennington
Assistant City Attorney

Jodi Batker
Paralegal

TO: **Mayor Jordan**
City Council

CC: **Susan Norton**, Chief of Staff
Jonathan Curth, Development Services Director
Jessie Masters, Development Review Manager

FROM: **Blake Pennington**, Senior Assistant City Attorney

DATE: **July 24, 2023**

RE: **Amendment to Chapter 157**

Councilmember Turk is sponsoring an ordinance amending Chapter 157 of the Unified Development Code to codify a uniform “final action” date for administratively approved development applications. These include lot splits, large site improvement plans, and small site improvement plans. Section 157.11 provides this for large site improvement plans, but not the other two development application types.

Property owners and residents near these projects receive notice that an application has been submitted but, because there is no required public hearing, they may find out much later that a project has been administratively approved. Planning Division staff have always included a list of administratively approved projects at the end of Planning Commission agendas as a form of public notification so there should be no staff or budget impact.

Using the Planning Commission meeting as the date of the “final action” will also help make the appeal process more transparent for both applicants and members of the public.

This amendment does not include administratively approved property line adjustments, which have no impact on City infrastructure, or modifications to previously approved projects.

Pennington, Blake

From: Turk, Teresa
Sent: Monday, July 24, 2023 8:57 AM
To: Pennington, Blake
Subject: Re: Amendment to Ch. 157 - Notification of Administratively Approved Items

Perfect! This looks great and thank you for work on this issue.

Teresa

From: Pennington, Blake <bpennington@fayetteville-ar.gov>
Sent: Monday, July 24, 2023 8:50 AM
To: Turk, Teresa <teresa.turk@fayetteville-ar.gov>
Subject: RE: Amendment to Ch. 157 - Notification of Administratively Approved Items

Certainly. How does this sound?

“The Planning Division’s administrative approval of an application under any of the development categories listed in § 166.01(B) and (C) shall be placed as an informational item on the final agenda of the Planning Commission, and the date of the Planning Commission meeting shall constitute the official date of approval by the Zoning and Development Administrator regarding the development application. The date of the Planning Commission meeting shall also constitute the date of the final action taken for purposes of appeals.”

The language “the date of the final action taken” is straight from Section 155.02: “Appeals. Appeals shall be submitted within ten (10) working days from the date of the final action taken.”

Blake E. Pennington
Senior Assistant City Attorney
City of Fayetteville, Arkansas
bpennington@fayetteville-ar.gov
Direct: 479.575.8312
www.fayetteville-ar.gov



From: Turk, Teresa <teresa.turk@fayetteville-ar.gov>
Sent: Monday, July 24, 2023 8:44 AM
To: Pennington, Blake <bpennington@fayetteville-ar.gov>
Subject: Re: Amendment to Ch. 157 - Notification of Administratively Approved Items

Hi Blake,

Thank you very much for drafting this clarification to our UDC. I am wondering if adding an additional sentence to further clarify that if an appeal is initiated, the start date of the appeal is the date the PC agenda is published? Or is there a reference to the 10 day start for an appeal that can be cited in this section?

I want to make this crystal clear to the public.

Thanks for your thoughts and consideration,
Teresa

From: Pennington, Blake <bpennington@fayetteville-ar.gov>
Sent: Friday, July 21, 2023 11:24 AM
To: Turk, Teresa <teresa.turk@fayetteville-ar.gov>
Subject: Amendment to Ch. 157 - Notification of Administratively Approved Items

Teresa,

Attached is a draft ordinance for your consideration which would codify the City's existing practice. Basically, it would require the administrative approval of lot splits, final plats, large site improvement plans, and small site improvement plans to be published in the Planning Commission agenda (as they have always been) and makes the date of the Planning Commission meeting the official approval date for purposes of appeals. The rest of the applications under 166.01(B) and (C), which include preliminary plats, concurrent plats, large scale developments, and concept plans, have to go to the subdivision committee or Planning Commission for final approval. Variances always have to go to the Planning Commission even if the underlying project can be approved administratively.

I suggest excluding 166.01(A) *Property line adjustments* and 166.01(D) *Modifications* which have never been published in the planning commission agenda and have never been the subject of any controversy in the time I've been here.

Property line adjustments will always retain the same number of lots and we are not able to ask for any dedication of right of way or other improvements since there is no impact to the City's infrastructure by moving the property line.

Minor modifications are done primarily for things like moving doors or slight variations in building placement. Staff approves probably hundreds of these each year. Major modifications are more significant changes to projects and the approval of these is tied to the approval process of the underlying project. So if a large site improvement plan is approved by staff, then a major modification to an LSIP would also be approved by staff. If an LSIP is approved by staff but appealed to the Planning Commission and approved there, then the major modification would go to the Planning Commission. Very few of these are done administratively and there really aren't that many that end up at the Planning Commission either.

I look forward to your feedback and am glad to answer any questions.

Thanks,

Blake

Blake E. Pennington
Senior Assistant City Attorney
City of Fayetteville, Arkansas
bpennington@fayetteville-ar.gov
Direct: 479.575.8312
www.fayetteville-ar.gov





MEETING OF AUGUST 15, 2023

TO: Mayor Jordan and City Council

THRU: Susan Norton, Chief of Staff
Jonathan Curth, Development Services Director
Jessica Masters, Development Review Manager

FROM: Donna Wonsower, Planner

DATE:

SUBJECT: **RZN-2023-0017: Rezoning (N. TRUCKERS DR./THE LENNON, 208): Submitted by ELDRIDGE BROOKS PLLC for property located at N. TRUCKERS DR in WARD 2. The property is zoned RPZD, RESIDENTIAL PLANNED ZONING DISTRICT and contains approximately 20.23 acres. The request is to rezone the property to RMF-18, RESIDENTIAL MULTI-FAMILY, EIGHTEEN UNITS PER ACRE.**

RECOMMENDATION:

City Planning staff and the Planning Commission recommend approval of a request to rezone the subject property as described and shown in the attached Exhibits 'A' and 'B'.

BACKGROUND:

The subject property is located in north Fayetteville between Hwy 112 and Deane Solomon Rd., and contains one 20.23-acre parcel originally part of the Park West RPZD, Residential Planned Zoning District. The Park West RPZD was a mixed-use development approved by City Council in 2006 with Ordinance 4820. The RPZD zoning expired in 2011 without development and the property is effectively without a zoning designation. The Park West development was originally planned on approximately 140 acres; however, much of the original RPZD has been rezoned since the original approval expired. This includes areas currently developed with Fellowship Bible Church to the north and Grand Retirement to the south. The subject proposal will rezone 20.2 acres of the remaining 59.6 acres of the remaining RPZD. A more detailed zoning history of the subject property and nearby land is included in the attached Planning Commission memo.

Request: The request is to rezone the property from RPZD, Residential Planned Zoning District to RMF-18, Residential Multi-Family, Eighteen Units per Acre.

Public Comment: Five members of the public have emailed staff expressing conditional support for the project. All stated that the proposed density could be beneficial provided impacts to sensitive natural areas and drainage are carefully considered.

Land Use Compatibility: Staff finds the request to be compatible with the surrounding context. The parcel is adjacent to residential properties of mixed densities to the west and south, with a commercial church property to the north and another parcel with the existing RPZD zoning to the east. During the staff-initiated rezoning in 2015, staff recommended CS, Community Services, which has no density cap. RMF-18 has a maximum

Mailing address:

113 W. Mountain Street
Fayetteville, AR 72701

www.fayetteville-ar.gov

density cap of eighteen units per acre but would allow both single- and multi-family dwellings on this parcel to support adjacent commercial developments. Additionally, some commercial uses, such as limited business, professional offices, cultural and recreational facilities, and home occupations are allowed by conditional use permit in the RMF-18 zoning district.

Land Use Plan Analysis: Staff finds that the request is consistent with adopted land use policies, the Future Land Use Map designation, and goals of City Plan 2040. The infill score is 5 at the highest level, indicating the area can support additional density if it, but to the extent limited by the proposed RMF-18 zoning district. The request meets Goal 1: Appropriate Infill; Goal 2: Discourage Suburban Sprawl; Goal 3: Growing a Livable Transportation Network; and Goal 6: Create Opportunities for Attainable Housing of City Plan 2040. Access to existing infrastructure near an interstate interchange, employment opportunities, and services makes the property suitable for a variety of housing types.

CITY PLAN 2040 INFILL MATRIX: City Plan 2040's Infill Matrix indicates five attributes for this site that may contribute to appropriate infill. The following elements of the matrix contribute to the score, which ranges from 2-5:

- Near Sewer Main (10" Sewer Main bisecting parcel)
- Near Water Main (6" PVC, N. Gilbert St.)
- Near Grocery Store (Sam's Club)
- Near Paved Trail (Clabber Creek Trail)
- Appropriate Future Land Use

DISCUSSION:

At the July 24, 2023 Planning Commission meeting, a vote of 8-0-0 forwarded the request to City Council with a recommendation of approval. Commissioner Garlock made the motion and Commissioner Madden seconded. There was some discussion regarding adjacent streets and planned connections indicated on the Master Street Plan; staff clarified that these connections would be evaluated at the time of a development proposal. No members of the public spoke during the meeting.

BUDGET/STAFF IMPACT:

N/A

ATTACHMENTS: SRF, Exhibit A, Exhibit B, Planning Commission Staff Report, RZN-23-17 Hydric Soil Exhibit, RZN-23-17 Floodplain Exhibit, RZN-23-17 Topography Exhibit

Mailing address:

113 W. Mountain Street
Fayetteville, AR 72701

www.fayetteville-ar.gov



City of Fayetteville, Arkansas

113 West Mountain Street
Fayetteville, AR 72701
(479) 575-8323

Legislation Text

File #: 2023-952

RZN-2023-0017: Rezoning (N. TRUCKERS DR./THE LENNON, 208): Submitted by ELDRIDGE BROOKS PLLC for property located at N. TRUCKERS DR in WARD 2. The property is zoned RPZD, RESIDENTIAL PLANNED ZONING DISTRICT and contains approximately 20.23 acres. The request is to rezone the property to RMF-18, RESIDENTIAL MULTI-FAMILY, EIGHTEEN UNITS PER ACRE.

AN ORDINANCE TO REZONE THAT PROPERTY DESCRIBED IN REZONING PETITION RZN 23-017 LOCATED NEAR NORTH TRUCKERS DRIVE IN WARD 2 FOR APPROXIMATELY 20.23 ACRES FROM RPZD, RESIDENTIAL PLANNED ZONING DISTRICT TO RMF-18, RESIDENTIAL MULTI-FAMILY, 18 UNITS PER ACRE

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF FAYETTEVILLE, ARKANSAS:

Section 1: That the City Council of the City of Fayetteville, Arkansas hereby changes the zone classification of the property shown on the map (Exhibit A) and the legal description (Exhibit B) both attached to the Planning Department's Agenda Memo from RPZD, Residential Planned Zoning District to RMF-18, Residential Multi-Family, 18 Units Per Acre.

Section 2: That the City Council of the City of Fayetteville, Arkansas hereby amends the official zoning map of the City of Fayetteville to reflect the zoning change provided in Section 1.

City of Fayetteville Staff Review Form

2023-952

Item ID

8/15/2023

City Council Meeting Date - Agenda Item Only
N/A for Non-Agenda Item

Jonathan Curth

7/28/2023

DEVELOPMENT REVIEW (630)

Submitted By

Submitted Date

Division / Department

Action Recommendation:

RZN-2023-0017: Rezoning (N. TRUCKERS DR./THE LENNON, 208): Submitted by ELDRIDGE BROOKS PLLC for property located at N. TRUCKERS DR in WARD 2. The property is zoned RPZD, RESIDENTIAL PLANNED ZONING DISTRICT and contains approximately 20.23 acres. The request is to rezone the property to RMF-18, RESIDENTIAL MULTI-FAMILY, EIGHTEEN UNITS PER ACRE.

Budget Impact:

Account Number

Fund

Project Number

Project Title

Budgeted Item? No

Total Amended Budget

\$ -

Expenses (Actual+Encum)

\$ -

Available Budget

\$ -

Does item have a direct cost? No

Item Cost

\$ -

Is a Budget Adjustment attached? No

Budget Adjustment

\$ -

Remaining Budget

\$ -

V20221130

Purchase Order Number:

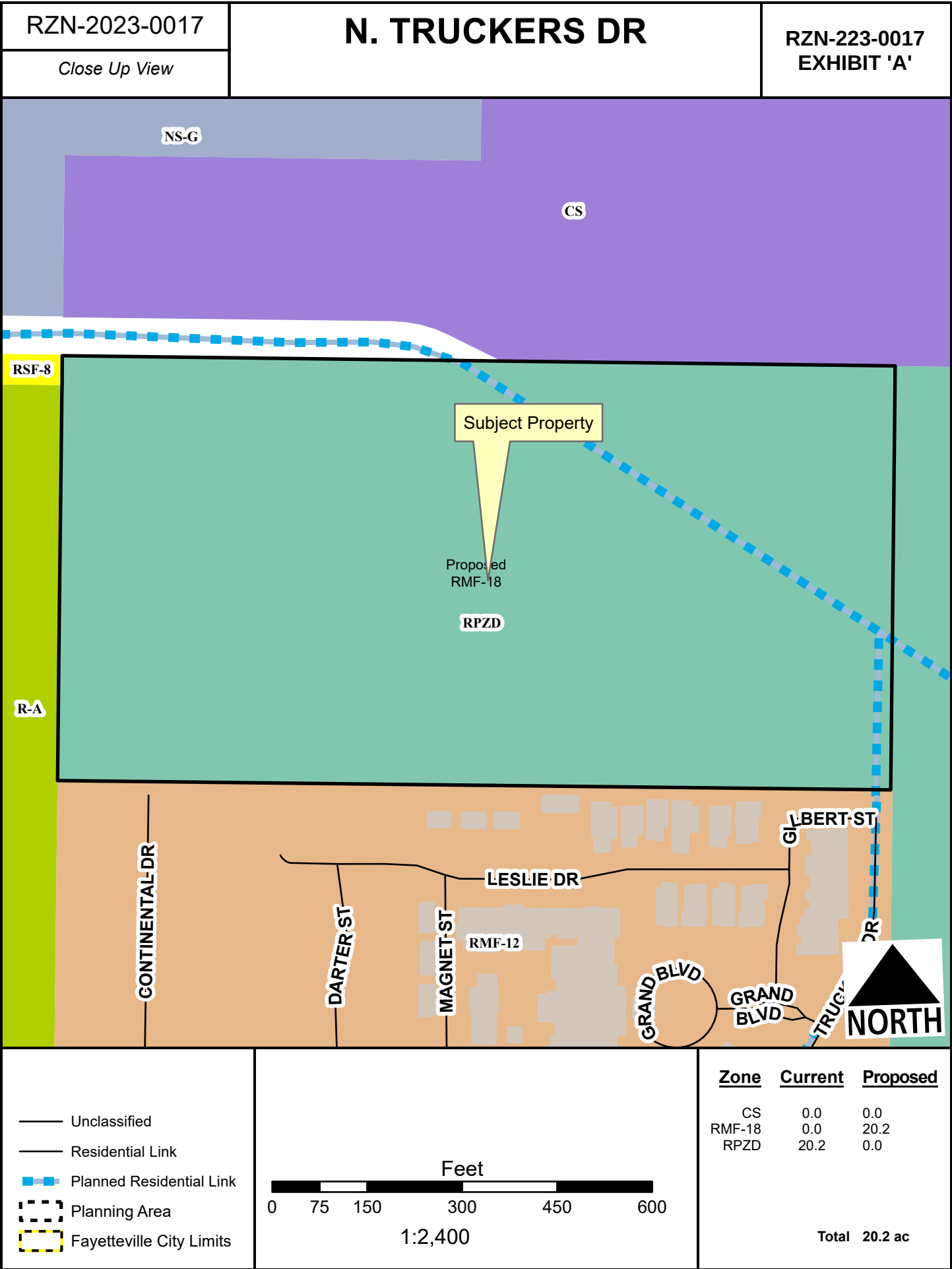
Previous Ordinance or Resolution #

Change Order Number:

Approval Date:

Original Contract Number:

Comments:



RZN-2023-0017
EXHIBIT 'B'

Legal Description

A PART OF THE EAST HALF (E 1/2) OF THE SOUTHWEST QUARTER (SW1/4) SECTION TWENTY-EIGHT (28), TOWNSHIP SEVENTEEN (17) NORTH, RANGE THIRTY (30) WEST OF THE FIFTH PRINCIPAL MERIDIAN, WASHINGTON COUNTY ARKANSAS, AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHWEST CORNER OF THE NE 1/4 OF THE SW 1/4 OF SAID SECTION 28 BEING A FOUND "MAG" NAIL IN ASPHALT ROADWAY; THENCE ALONG THE WEST LINE OF SAID NE 1/4 OF THE SW 1/4, S02°34'52"W A DISTANCE OF 1283.11 FEET TO THE **POINT OF BEGINNING** SAID POINT BEING A FOUND IRON PIN WITH CAP "PLS 1439"; THENCE LEAVING SAID WEST LINE, S87°19'58"E A DISTANCE OF 1315.10 FEET TO A FOUND IRON PIN WITH CAP "PLS 1156"; THENCE S02°32'22"W A DISTANCE OF 668.88 FEET TO A FOUND IRON PIN; THENCE N87°26'22"W A DISTANCE OF 1315.59 FEET TO THE WEST LINE OF SAID E 1/2 OF THE SW 1/4 AND A FOUND IRON PIN WITH CAP "PLS 1439"; THENCE ALONG SAID WEST LINE, N02°34'52"E A DISTANCE OF 671.33 FEET TO THE **POINT OF BEGINNING**.

SAID TRACT OR PARCEL OF LAND CONTAINING 20.23 ACRES (881,425 SQUARE FEET), MORE OR LESS.



TO: Fayetteville Planning Commission

THRU: Jessie Masters, Development Review Manager

FROM: Donna Wonsower, Planner

MEETING DATE: July 24, 2023 (UPDATED WITH MEETING RESULTS)

SUBJECT: **RZN-2023-0017: Rezoning (N. TRUCKERS DR./THE LENNON, 208):**
Submitted by ELDRIDGE BROOKS PLLC for property located at N. TRUCKERS DR. The property is zoned RPZD, RESIDENTIAL PLANNED ZONING DISTRICT and contains approximately 20.23 acres. The request is to rezone the property to RMF-18, RESIDENTIAL MULTI-FAMILY, EIGHTEEN UNITS PER ACRE.

RECOMMENDATION:

Staff recommends forwarding **RZN-2023-0017** to City Council with a recommendation of approval.

RECOMMENDED MOTION:

*"I move to forward **RZN-2023-0017** to City Council with a recommendation of approval."*

BACKGROUND:

The subject property is located in north Fayetteville between Hwy 112 and Deane Solomon Rd., and contains one 20.23-acre parcel originally part of the Park West RPZD, Residential Planned Zoning District. The Park West PZD was a mixed-use development approved by City Council in 2006 by ordinance number 4820. The RPZD zoning expired in 2011 without development and the property is effectively without a zoning designation at this time.

The Park West development was originally planned on approximately 140 acres; however, most of the original PZD has been rezoned since the original approval expired:

1. 25.0 acres was rezoned to CS, Community Services on January 7, 2014.
2. 20.5 acres was rezoned to RMF-12, Residential Multi-Family, twelve Units per Acre on December 16, 2014.
3. 33.38 acres was rezoned to RSF-8 Residential, Single Family, eight units per Acre on February 17, 2015 (staff initiated).
 - o This area has since been rezoned again on April 19, 2022 to a mix of 1) NS-G, Neighborhood Services General, 2) CS, Community Services, and 3) UT, Urban Thoroughfare.
4. 59.6 Acres retains the original expired RPZD designation, including the parcel being requested in this report. These parcels were originally included in the staff-initiated rezoning listed above. Staff and Planning Commission recommended the properties be rezoned to CS, Community Service; however, the parcels were pulled from the ordinance for further review by the Environmental Action Committee (see attached email). The committee provided several recommendations; however, it is unclear

what happened to the rezoning efforts after the Environmental Action Committee made these recommendations.

The subject proposal will rezone 20.2 acres of the remaining 59.6 acres of remaining RPZD zoning district. The surrounding zoning and land uses are depicted below in Table 1.

**Table 1:
Surrounding Land Uses and Zoning**

Direction	Land Use	Zoning
North	Religious Facility	CS, Community Services
South	Retirement Community	RMF-12, Residential Multi-Family, 12 Units per Acre
East	Undeveloped	RPZD, Residential Planned Zoning District (Expired)
West	Single-Family Residential	RA, Residential Agriculture

Request: The request is to rezone the property from RPZD, Residential Planned Zoning District to RMF-18, Residential Multi-Family, Eighteen Units per Acre.

Public Comment: Four members of the public have emailed staff expressing conditional support for the project. All stated that the proposed density could be beneficial provided impacts to sensitive natural areas and drainage are carefully considered.

INFRASTRUCTURE AND ENVIRONMENTAL REVIEW

Streets: The subject area has frontage along North Truckers Drive, a fully improved residential link street with asphalt paving, curb and gutter and sidewalk. Any street improvements required in these areas would be determined at the time of development proposal. Any additional improvements or requirements for drainage will be determined at time of development.

Water: Public water is available to the Subject area. Existing 8-inch water main is present on the South side of Subject Property.

Sewer: Sanitary Sewer is available to the Subject area. Existing 12-inch sewer main is present in the Southwest corner of the subject property. Existing 10-inch sewer main is present across the subject property.

Fire: Fire apparatus access and fire protection water supplies will be reviewed for compliance with the Arkansas Fire Prevention Code at the time of development. Station 8, located at 2266 W. Deane St., protects this site. The property is located approximately 2.5 miles from the fire station with an anticipated drive time of approximately 5 minutes using existing streets. The anticipated response time would be approximately 7.2 minutes. Fire Department response time is calculated based on the drive time plus 1 minute for dispatch and 1.2 minutes for turn-out time. Within the City Limits, the Fayetteville Fire Department has a response time goal of 6 minutes for an engine and 8 minutes for a ladder truck.

Police: The Police Department expressed no concerns with this request.

Drainage: No portion of the property is within a FEMA floodplain or have hydric soils. The property is also not located within the Hillside-Hilltop Overlay District. A protected stream cuts through the western third of the property. Streamside Protection Zones

generally consists of a protected area on each side of a stream or creek. This “protected area” is meant to preserve woody vegetation and natural areas along stream corridors to improve/protect stream health. At a minimum, it will be 50ft wide as measured from the top of bank but depending on the shape and extents of the floodway, it could be substantially more. Certain construction activities such as trails and some utilities are allowed in these zones, but in general, improvements such as parking lots or buildings are prohibited.

Tree Preservation:

The proposed zoning district of RMF-18, Residential Multi-Family, Eighteen Units per Acre requires **20% minimum canopy preservation**. The current zoning district of RPZD, Residential Planned Zoning District requires **25% minimum canopy preservation**.

CITY PLAN 2040 FUTURE LAND USE PLAN: City Plan 2040 Future Land Use Plan designates the property within the proposed rezone as **City Neighborhood Area**.

City Neighborhood Areas are more densely developed than residential neighborhood areas and provide a mix of non-residential and residential uses. This designation supports the widest spectrum of uses and encourages density in all housing types, from single-family to multi-family. Non-residential and commercial uses are primarily located at street intersections and along major corridors. Ideally, commercial uses would have a residential component and vary in size, variety, and intensity. The street network should have a high number of intersections creating a system of small blocks with a high level on connectivity between neighborhoods. Building setbacks and landscaping are urban in form with street trees typically being located within the sidewalk zone.

CITY PLAN 2040 INFILL MATRIX: City Plan 2040’s Infill Matrix indicates a ranged score of 2-5 for this site, with a weighted score of 6 at the highest. The following elements of the matrix contribute to the score:

- Near Sewer Main (10” Sewer Main bisecting parcel)
- Near Water Main (6” PVC, N. Gilbert St.)
- Near Grocery Store (Sam’s Club)
- Near Paved Trail (Clabber Creek Trail)
- Appropriate Future Land Use

FINDINGS OF THE STAFF

1. A determination of the degree to which the proposed zoning is consistent with land use planning objectives, principles, and policies and with land use and zoning plans.

Finding: ***Land Use Compatibility:*** Staff finds the request to be compatible with the surrounding context. The parcel is adjacent to residential properties of mixed densities to the west and south, with a commercial church property to the north and another parcel with the existing RPZD zoning to the east. During the staff-initiated rezoning in 2015, staff recommended CS, Community Services which has no density cap. RMF-18 has a maximum density cap of eighteen units per acre but would allow both single- and multi-family dwellings on this parcel to support adjacent commercial developments. Additionally, some commercial uses, such as limited

business, professional offices, cultural and recreational facilities, and home occupations are allowed by conditional use permit in RMF-18 zoning district.

Land Use Plan Analysis: Staff finds that the request is consistent with adopted land use policies, the Future Land Use Map designation, and goals of City Plan 2040. The property has a weighted infill score of 6. A moderate infill score indicates that the area can likely support additional density if it is feasible under the proposed zoning entitlements. The request meets Goals 1 and 6 of City Plan 2040, by providing appropriate infill development, as well as by providing a potential for a variety of housing types, which could help fulfill a goal towards the provision of more attainable housing.

2. A determination of whether the proposed zoning is justified and/or needed at the time the rezoning is proposed.

Finding: Staff finds that a rezoning to RMF-18 is justified. Currently, the property is zoned RPZD Park West, but all development rights have expired. This creates challenges for both the current property owner and any future buyers as nothing may be developed on the property without a rezoning. Several parts of the RPZD have been rezoned, with this parcel being one of two remaining.

3. A determination as to whether the proposed zoning would create or appreciably increase traffic danger and congestion.

Finding: The property is currently undeveloped and there are no development rights since the PZD approval has expired. Any rezoning action will increase congestion in the area. However, new development will also create the requirement for new streets and street improvements consistent with the master street plan that will help facilitate traffic flows. Adequate street connections to Deane Solomon, Hwy 112, and Truckers Drive, as well as internal connectivity between developments should minimize traffic danger and congestion.

4. A determination as to whether the proposed zoning would alter the population density and thereby undesirably increase the load on public services including schools, water, and sewer facilities.

Finding: Rezoning the property to RMF-18 is likely to increase population density and therefore the load on public services; however, the impact is not expected to be detrimental. Adequate water and sewer connections are available to the site, suggesting the area can support the increase and avoid costly extensions to services. Fayetteville Public Schools did not comment on this request.

5. If there are reasons why the proposed zoning should not be approved in view of considerations under b (1) through (4) above, a determination as to whether the proposed zoning is justified and/or necessitated by peculiar circumstances such as:

- a. It would be impractical to use the land for any of the uses permitted under its existing zoning classifications;

- b. There are extenuating circumstances which justify the rezoning even though there are reasons under b (1) through (4) above why the proposed zoning is not desirable.

Finding: N/A

RECOMMENDATION: Planning staff recommend forwarding RZN-2023-0017 to City Council with a recommendation of approval.

PLANNING COMMISSION ACTION:				Required	<u>YES</u>
Date: <u>July 24, 2023</u>	☐ Tabled	☒ Forwarded	☐ Denied		
Motion: GARLOCK					
Second: MADDEN					
Vote: 8-0-0					

BUDGET/STAFF IMPACT:

None

Attachments:

- Unified Development Code:
 - §161.15 District RMF-18, Residential Multi-Family – Eighteen (18) Units Per Acre
- Zoning Background
 - ORD-4820 Park West RPZD excerpts
 - Original Planning Areas and Current Zoning Exhibit
 - City Council Minutes
 - Environmental Action Committee Recommendations
 - Email from Legal
- Applicant Request Letter
- One Mile Map
- Close-up Map
- Current Land Use Map
- Future Land Use Map

161.15 District RMF-18, Residential Multi-Family — Eighteen (18) Units Per Acre

(A) *Purpose.* The RMF-18 Multi-family Residential District is designed to permit and encourage the development of multi-family residences at a medium density that is appropriate to the area.

(B) *Uses.*

(1) *Permitted Uses.*

Unit 1	City-wide uses by right
Unit 8	Single-family dwellings
Unit 9	Two-family dwellings
Unit 10	Three (3) and four (4) family dwellings
Unit 26	Multi-family dwellings
Unit 41	Accessory dwellings
Unit 44	Cluster Housing Development
Unit 46	Short-term rentals

(2) *Conditional Uses.*

Unit 2	City-wide uses by conditional use permit
Unit 3	Public protection and utility facilities
Unit 4	Cultural and recreational facilities
Unit 5	Government facilities
Unit 11	Manufactured home park
Unit 12a	Limited business
Unit 24	Home occupations
Unit 25	Professional offices
Unit 36	Wireless communications facilities

(C) *Density.*

Units per acre	Eighteen (18) or less
----------------	-----------------------

(D) *Bulk and Area Regulations.*

(1) *Lot Width Minimum.*

Manufactured home park	100 feet
Lot within a manufactured home park	50 feet
Single-family	40 feet
Two (2) family	40 feet
Three (3) and more	75 feet
Professional offices	100 feet

(2) *Lot Area Minimum.*

Manufactured home park	3 acres
Lot within a manufactured home park	4,200 square feet
Townhouse: Individual lot	2,500 square feet
Single-family	4,000 square feet
Two (2) family	5,000 square feet

Three (3) or more	7,500 square feet
Fraternity or Sorority	2 acres
Professional offices	1 acre

(3) *Land Area Per Dwelling Unit.*

Manufactured Home	3,000 square feet
-------------------	-------------------

(E) *Setback Requirements.*

Front	Side Other Uses	Side Single & Two (2) Family	Rear Other Uses	Rear Single Family
A build-to zone that is located between the front property line and a line 25 feet from the front property line.	8 feet	5 feet	20 feet	5 feet

(F) *Building Height Regulations.*

Building height maximum	2 stories/3 stories*
-------------------------	----------------------

* A building or a portion of a building that is located between 0 and 10 feet from the front property line or any master street plan right-of-way line shall have a maximum height of two (2) stories. Buildings or portions of the building set back greater than 10 feet from the master street plan right-of-way shall have a maximum height of three (3) stories.

If a building exceeds the height of two (2) stories, the portion of the building that exceeds two (2) stories shall have an additional setback from any side boundary line of an adjacent single family district. The amount of additional setback for the portion of the building over two (2) stories shall be equal to the difference between the total height of that portion of the building, and two (2) stories.

(G) *Building Area.* The area occupied by all buildings shall not exceed 50% of the total lot area. Accessory ground mounted solar energy systems shall not be considered buildings.

(H) *Minimum Buildable Street Frontage.* 50% of the lot width.

(Ord. No. 4325, 7-3-01; Ord. No. 5028, 6-19-07; Ord. No. 5224, 3-3-09; Ord. No. 5262, 8-4-09; Ord. No. 5312, 4-20-10; Ord. No. 5462, 12-6-11; Ord. No. 5592, 6-18-13; Ord. No. 5664, 2-18-14; Ord. No. 5800 , §1(Exh. A), 10-6-15; Ord. No. 5921 , §1, 11-1-16; Ord. No. 5945 , §§5, 8, 9, 1-17-17; Ord. No. 6015 , §1(Exh. A), 11-21-17; Ord. No. 6245 , §2, 10-15-19; Ord. No. 6427 , §§1(Exh. C), 2, 4-20-21)

Editor's note(s)—Ord. No. 6625 , §1 adopted December 6, 2022, "determines that Section 2 of Ordinance 6427 (Sunset Clause) be amended so that Ordinance 6427 and all amendments to Code Sections ordained or enacted by Ordinance 6427 shall automatically sunset, be repealed and become void on December 31, 2023, unless prior to that date the City Council amends this ordinance to repeal or further amend this sunset, repeal and termination section."

Planning Area 1 (PA-1) – Single Family Residential

AREA: 26.05 acres

(A) *Purpose.* See project booklet

(B) *Uses.*

(1) *Permitted uses.*

Unit 1	City-wide uses by right
Unit 8	Single-family dwelling
Unit 9	Two-family dwellings
Unit 10	Three-family dwellings
Unit 24	Home occupations

(2) *Conditional uses.*

Unit 2	City-wide uses by conditional use permit
--------	--

(C) *Density.*

	Single-family, Two- and Three-family dwellings
Units per acre	4 or less

(D) *Bulk and area regulations.*

(1) *Lot width minimum.*

Single family	30 ft.
Two-family	30 ft. (per unit)
Three-family	30 ft. (per unit)

(2) *Lot area minimum.*

Townhouse:	
Individual lot	2,500 sq. ft.
Single-family	4,000 sq. ft.
Two-family	2,400 sq. ft. (per unit)
Three-family	2,400 sq. ft. (per unit)

(3) *Land area per dwelling unit.*

Townhouses & apartments	
No bedroom	1,700 sq. ft.
One bedroom	1,700 sq. ft.
Two or more bedrooms	2,000 sq. ft.

(E) *Setback requirements.*

	Front	Side	Rear
Single-family	14' *	6'	Minimum 10' **
Two- and Three-family	14' *	0'	Minimum 10' **

* A build-to line.

** The rear building setbacks may range from 10' to 20' depending on the location of utilities. All structures shall be setback 20' from the centerline of any alley or easement.

(F) *Height.* No structure shall exceed three stories, exclusive of the basement.

(G) *Building area.*

Detached dwelling Units: On any lot the area occupied by all buildings shall not exceed 60% of the total area of such lot.

Attached dwelling Units: On any lot the area occupied by all buildings shall not exceed 80% of the total area of such lot.

(H) *Maximum Dwelling Units:* 91

(I) *Architectural Design Standards:*
Reference the Project Booklet

**Planning Area 2 (PA-2) – Town
Homes/Single Family Attached**

AREA: 12.15 acres

(A) *Purpose.* See project booklet

(B) *Uses.*

(1) *Permitted uses.*

Unit 1	City-wide uses by right
Unit 8	Single-family dwelling
Unit 9	Two-family dwellings
Unit 10	Three-family dwellings
Unit 24	Home occupations
Unit 26	Multi-family dwellings

(2) *Conditional uses.*

Unit 2	City-wide uses by conditional use permit
--------	--

(C) *Density.*

	Single-family, Two- and Three-family dwellings
Units per acre	6 or less

(D) *Bulk and area regulations.*

(1) *Lot width minimum.*

Single family	30 ft.
Two-family	30 ft. (per unit)
Three and more	30 ft. (per unit)

(2) *Lot area minimum.*

Townhouse:	
Individual lot	2,700 sq. ft.
Single-family	2,700 sq. ft.
Two-family	2,700 sq. ft. (per unit)
Three or more	2,700 sq. ft. (per unit)

(3) *Land area per dwelling unit.*

Townhouses & apartments	
No bedroom	1,000 sq. ft.
One bedroom	1,000 sq. ft.
Two or more bedrooms	1,200 sq. ft.

(E) *Setback requirements.*

	Front	Side	Rear
Single-family	10' *	0'	Minimum 20'; 30' from centerline of alley or easement
Two- and Three-family	10' *	0'	Minimum 20'; 30' from centerline of alley or easement

* A build-to line, wherever possible.

(F) *Height.* Minimum two (2) stories.
Maximum 45 feet.

(G) *Building area.* On any lot the area occupied by all buildings shall not exceed 80% of the total area of such lot.

(H) *Maximum Dwelling Units:* 72

(I) *Architectural Design Standards:*
Reference the Project Booklet

Planning Area 3 (PA-3) – Plaza Condominium

AREA: 4.01 acres

(A) *Purpose.* See project booklet

(B) *Uses.*

(1) *Permitted uses.*

Unit 1	City-wide uses by right
Unit 8	Single-family dwelling
Unit 9	Two-family dwellings
Unit 10	Three-family dwellings
Unit 12	Offices, studios and related services
Unit 13	Eating places
Unit 15	Neighborhood shopping goods
Unit 16	Shopping goods
Unit 25	Professional offices
Unit 26	Multi-family dwellings

(2) *Conditional uses.*

Unit 2	City-wide uses by conditional use permit
Unit 14	Hotel, motel, amusement facilities
Unit 24	Home occupations

(C) *Density.*

Units per acre	40 or less
----------------	------------

(D) *Bulk and area regulations.*

(1) *Lot width minimum.*

Single family	30 ft.
Two-family	30 ft.
Three and more	30 ft.
Non-residential	0 ft

(2) *Lot area minimum.*

Townhouse:	
Individual lot	3,000 sq. ft.
Single-family	3,000 sq. ft.
Two-family	3,000 sq. ft.
Three or more	3,000 sq. ft.
Non-Residential	No Minimum

(3) *Land area per dwelling unit.*

Townhouses & apartments	
No bedroom	1,000 sq. ft.
One bedroom	1,000 sq. ft.
Two or more bedrooms	1,200 sq. ft.

(E) *Setback requirements.*

Front	Side	Rear
20	0'	20'

(F) *Height.* Minimum two (2) stories.
Maximum seven (7) stories.

(G) *Building area.* 85% of the site

(H) *Maximum Dwelling Units:* 160

(I) *Maximum Bedrooms:* 320

(J) *Maximum Intensity:* 26,000 sq. ft. non-residential use

(K) *Architectural Design Standards:*
Reference the Project Booklet

**Planning Area 4 (PA-4) – Courtyard
Multi-Family**

AREA: 7.83 acres

(A) *Purpose.* See project booklet

(B) *Uses.*

(1) *Permitted uses.*

Unit 1	City-wide uses by right
Unit 8	Single-family dwelling
Unit 9	Two-family dwellings
Unit 10	Three-family dwellings
Unit 12	Offices, studios and related services
Unit 13	Eating places
Unit 15	Neighborhood shopping goods
Unit 16	Shopping goods
Unit 25	Professional offices
Unit 26	Multi-family dwellings

(2) *Conditional uses.*

Unit 2	City-wide uses by conditional use permit
Unit 3	Public protection and utility facilities
Unit 4	Cultural and recreational facilities
Unit 24	Home occupations

(C) *Density.*

Units per acre	40 or less
----------------	------------

(E) *Bulk and area regulations.*

(1) *Lot width minimum.*

Single family	30 ft.
Two-family	30 ft.
Three and more	30 ft.

(2) *Lot area minimum.*

Townhouse:	
Individual lot	3,000 sq. ft.
Single-family	3,000 sq. ft.
Two-family	3,000 sq. ft.
Three or more	3,000 sq. ft.
Non-Residential	No Minimum

(3) *Land area per dwelling unit.*

Townhouses & apartments	
No bedroom	1,000 sq. ft.
One bedroom	1,000 sq. ft.
Two or more bedrooms	1,200 sq. ft.

(E) *Setback requirements.*

Front	Side	Rear
16' from a public street or alley	16'	16'
10' from a private drive or access easement		

(F) *Height.* Minimum two (2) stories.
Maximum four (4) stories.

(G) *Building area.* 85% of the site

(H) *Maximum Dwelling Units:* 313

(I) *Maximum Bedrooms:* 626

(J) *Maximum Intensity:* 25,000 sq. ft. non-residential use

(K) *Architectural Design Standards:*
Reference the Project Booklet

Planning Area 5 (PA-5) – Multi-Family Residential

AREA: 4.79 acres

(A) *Purpose.* See project booklet

(B) *Uses.*

(1) *Permitted uses.*

Unit 1	City-wide uses by right
Unit 8	Single-family dwelling
Unit 9	Two-family dwellings
Unit 10	Three-family dwellings
Unit 12	Offices, studios and related services
Unit 13	Eating places
Unit 15	Neighborhood shopping goods
Unit 16	Shopping goods
Unit 25	Professional offices
Unit 26	Multi-family dwellings

(2) *Conditional uses.*

Unit 2	City-wide uses by conditional use permit
Unit 3	Public protection and utility facilities
Unit 4	Cultural and recreational facilities
Unit 24	Home occupations

(C) *Density.*

Units per acre	36 or less
----------------	------------

(F) *Bulk and area regulations.*

(1) *Lot width minimum.*

Single family	30 ft.
Two-family	30 ft.
Three and more	30 ft.

(2) *Lot area minimum.*

Townhouse:	
Individual lot	3,000 sq. ft.
Single-family	3,000 sq. ft.
Two-family	3,000 sq. ft.
Three or more	3,000 sq. ft.

(3) *Land area per dwelling unit.*

Townhouses & apartments	
No bedroom	1,000 sq. ft.
One bedroom	1,000 sq. ft.
Two or more bedrooms	1,200 sq. ft.

(E) *Setback requirements.*

Front	Side	Rear
30' from a public street	10'	20'
10' from a private drive or access easement		

(F) *Height.* Minimum two (2) stories.
Maximum 4 stories otherwise.

(G) *Building area.* 85% of the site

(H) *Maximum Dwelling Units:* 172

(I) *Maximum Bedrooms:* 344

(J) *Maximum Intensity:* 10,000 sq. ft. non-residential use

(K) *Architectural Design Standards:*
Reference the Project Booklet

Planning Area 6, 7, 8, 9 (PA-6, PA-7, PA-8, PA-9) – Preserve/Botanical/Detention

AREA:

PA-6: 4.85 acres
PA-7: 1.17 acres
PA-8: 2.31 acres
PA-9: 10.47 acres

(A) *Purpose.* See project booklet

(B) *Uses.*

(1) *Permitted uses.*

Unit 1	City-wide uses by right
--------	-------------------------

(2) *Conditional uses.*

Unit 4	Cultural and recreational facilities
--------	--------------------------------------

(C) *Density.* None (not applicable)

(G) *Bulk and area regulations.* None (not applicable)

(E) *Setback requirements.*

Front	Side	Rear
15'	10'	15'

(F) *Height.* No maximum height.

(G) *Building area.* No maximum building area.

(H) *Maximum Dwelling Units:* Not applicable

(I) *Maximum Bedrooms:* Not applicable

(J) *Architectural Design Standards:* Not applicable

Planning Area 10 (PA-10) – Civic Lawn

AREA: 1.29

(A) *Purpose.* See project booklet

(B) *Uses.*

(1) *Permitted uses.*

Unit 1	City-wide uses by right
--------	-------------------------

(2) *Conditional uses.*

Unit 4	Cultural and recreational facilities
--------	--------------------------------------

(C) *Density.* None (not applicable)

Bulk and area regulations. None (not applicable)

(E) *Setback requirements.*

Front	Side	Rear
15'	10'	15'

(F) *Height.* No maximum height.

(G) *Building area.* No maximum building area.

(H) *Maximum Dwelling Units:* Not applicable

(I) *Maximum Bedrooms:* Not applicable

(J) *Architectural Design Standards:* Not applicable

**Planning Area 11, 12 (PA-11, PA-12) –
Mixed Use Districts**

AREA:

PA-11: 31.82 acres

PA-12: 5.77 acres

(A) *Purpose.* See project booklet

(B) Uses.

(1) Permitted uses.

Unit 1	City-wide uses by right
Unit 3	Public protection and utility facilities
Unit 4	Cultural and recreational facilities
Unit 8	Single-family dwelling
Unit 9	Two-family dwellings
Unit 10	Three-family dwellings
Unit 12	Offices, studios and related services
Unit 13	Eating places
Unit 14	Hotel, motel, and amusement facilities
Unit 15	Neighborhood shopping goods
Unit 16	Shopping goods
Unit 17	Trades and services
Unit 19	Commercial recreation, small sites
Unit 24	Home occupations
Unit 25	Professional offices
Unit 26	Multi-family dwellings
Unit 34	Liquor store

(2) Conditional uses.

Unit 2	City-wide uses by conditional use permit
Unit 5	Government facilities
Unit 18	Gasoline, service stations, and drive-in restaurants
Unit 21	Warehousing and wholesale
Unit 29	Dance halls
Unit 35	Outdoor music establishments

(C) Density.

Units per acre	24 or less
----------------	------------

(H) *Bulk and area regulations.*

(1) Lot width minimum.

Single family	30 ft.
Two-family	30 ft.
Three and more	30 ft.
Non-residential	0 ft.

(2) Lot area minimum.

Townhouse:	
Individual lot	3,000 sq. ft.
Single-family	3,000 sq. ft.
Two-family	3,000 sq. ft.
Three or more	3,000 sq. ft.
Non-residential	0 sq. ft.

(3) Land area per dwelling unit.

Townhouses & apartments	
No bedroom	1,000 sq. ft.
One bedroom	1,000 sq. ft.
Two or more bedrooms	1,200 sq. ft.

(E) Setback requirements.

Front	Side	Rear
8' to 12' *	20' from public or private access 0' from internal side property lines	5'

* A build-to line

(F) *Height.* Structures immediately adjacent to the civic lawn shall have a minimum height of 30'. Structures adjacent to main streets shall be a minimum two-stories in height. Maximum height of four (4) stories otherwise.

(G) *Building area.* 85% of the site

(H) *Maximum Dwelling Units:*

PA-11: 783

PA-12: 138

(I) *Maximum Intensity:*

PA-11: 520,000 sq. ft.

PA-12: 60,000 sq. ft.

(J) *Architectural Design Standards:*

Reference the Project Booklet

**Planning Area 13 (PA-13) –
Neighborhood Commercial**

AREA: 4.21 acres

(A) *Purpose.* See project booklet

(B) *Uses.*

(1) *Permitted uses.*

Unit 1	City-wide uses by right
Unit 12	Offices, studios and related services
Unit 13	Eating places
Unit 15	Neighborhood shopping goods
Unit 18	Gasoline, service stations, and drive-in restaurants
Unit 25	Professional offices
Unit 26	Multi-family dwellings

(2) *Conditional uses.*

Unit 2	City-wide uses by conditional use permit
Unit 3	Public protection and utility facilities
Unit 35	Outdoor music establishments
Unit 36	Wireless communication facilities

(C) *Density.*

Units per acre	24 or less
----------------	------------

(D) *Bulk and area regulations.*

(1) *Lot width minimum.*

Residential Use – None
Non-residential – None

(2) *Lot area minimum.*

Residential Use – None
Non-residential – None

(3) *Land area per dwelling unit.*

Townhomes or Apartments:	
•No bedroom	1,700 sq. ft.
•One bedroom	1,700 sq. ft.
•Two bedroom	2,000 sq. ft.

(E) *Setback requirements.*

Front	Side	Rear
50'	0' 25' when contiguous to residential district	20'

(F) *Height.* Maximum 4 stories

(G) *Building area.* 85% of the site

(H) *Maximum Dwelling Units:* 15

(I) *Maximum Bedrooms:* 30

(J) *Maximum Intensity:* 15,000 sq. ft.

(K) *Architectural Design Standards:*
Reference the Project Booklet

**Planning Area 14 (PA-14) --
Thoroughfare Commercial**

AREA: 15.55 acres

(A) *Purpose.* See project booklet

(B) *Uses.*

(1) Permitted uses.

Unit 1	City-wide uses by right
Unit 4	Cultural and recreational facilities
Unit 5	Government facilities
Unit 12	Offices, studios and related services
Unit 13	Eating places
Unit 14	Hotel, motel, and amusement facilities
Unit 15	Neighborhood shopping goods
Unit 16	Shopping goods
Unit 17	Trades and services
Unit 18	Gasoline, service stations, and drive-in restaurants
Unit 19	Commercial recreation, small sites
Unit 25	Professional offices
Unit 34	Liquor store

(2) Conditional uses.

Unit 1	City-wide uses by right
Unit 2	City-wide uses by conditional use permit
Unit 3	Public protection and utility facilities
Unit 21	Warehousing and wholesale
Unit 29	Dance halls
Unit 35	Outdoor music establishments
Unit 36	Wireless communication facilities

(C) *Density.* None

(I) *Bulk and area regulations.* None.

(E) *Setback requirements.*

Front	Side	Rear
40'	0' 25' when contiguous to residential district	20' 25' when contiguous to residential district

(F) *Height.* Maximum 7 stories.

(G) *Building area.* On any lot the area occupied by all buildings shall not exceed 70% of the total area of such lot.

(H) *Maximum Dwelling Units:* Not Applicable

(I) *Maximum Bedrooms:* Not Applicable

(J) *Maximum Intensity:* 200,000 sq. ft.

(J) *Architectural Design Standards:*
Reference the Project Booklet

Planning Area 15 (PA-15) – Parks and Trails

AREA: 7.18 acres

(A) *Purpose.* See project booklet

(B) *Uses.*

(1) *Permitted uses.*

Unit 1	City-wide uses by right
--------	-------------------------

(C) *Density.* None (not applicable)

(D) *Bulk and area regulations.* None (not applicable)

(E) *Setback requirements.*

Front	Side	Rear
15'	10'	15'

(F) *Height.* No maximum height.

(G) *Building area.* No maximum building area.

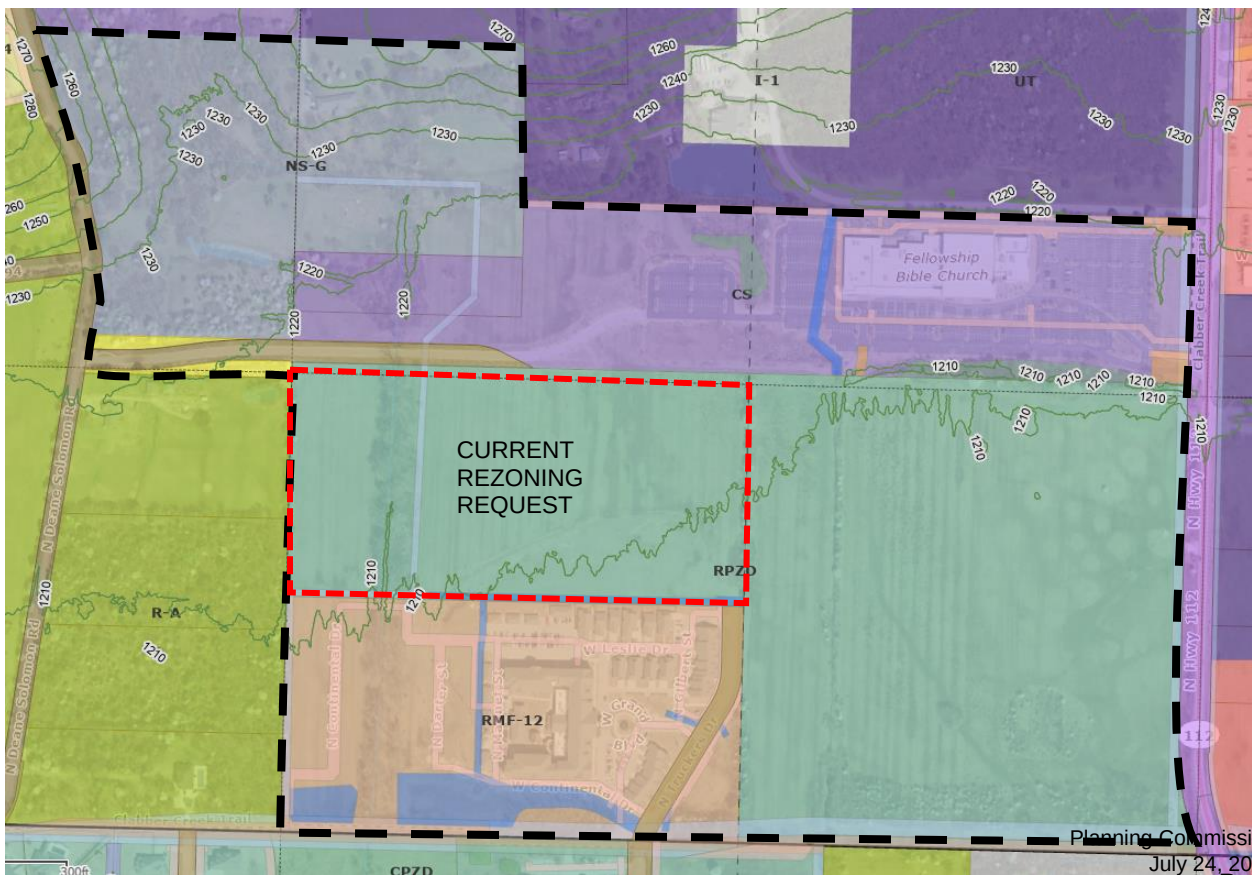
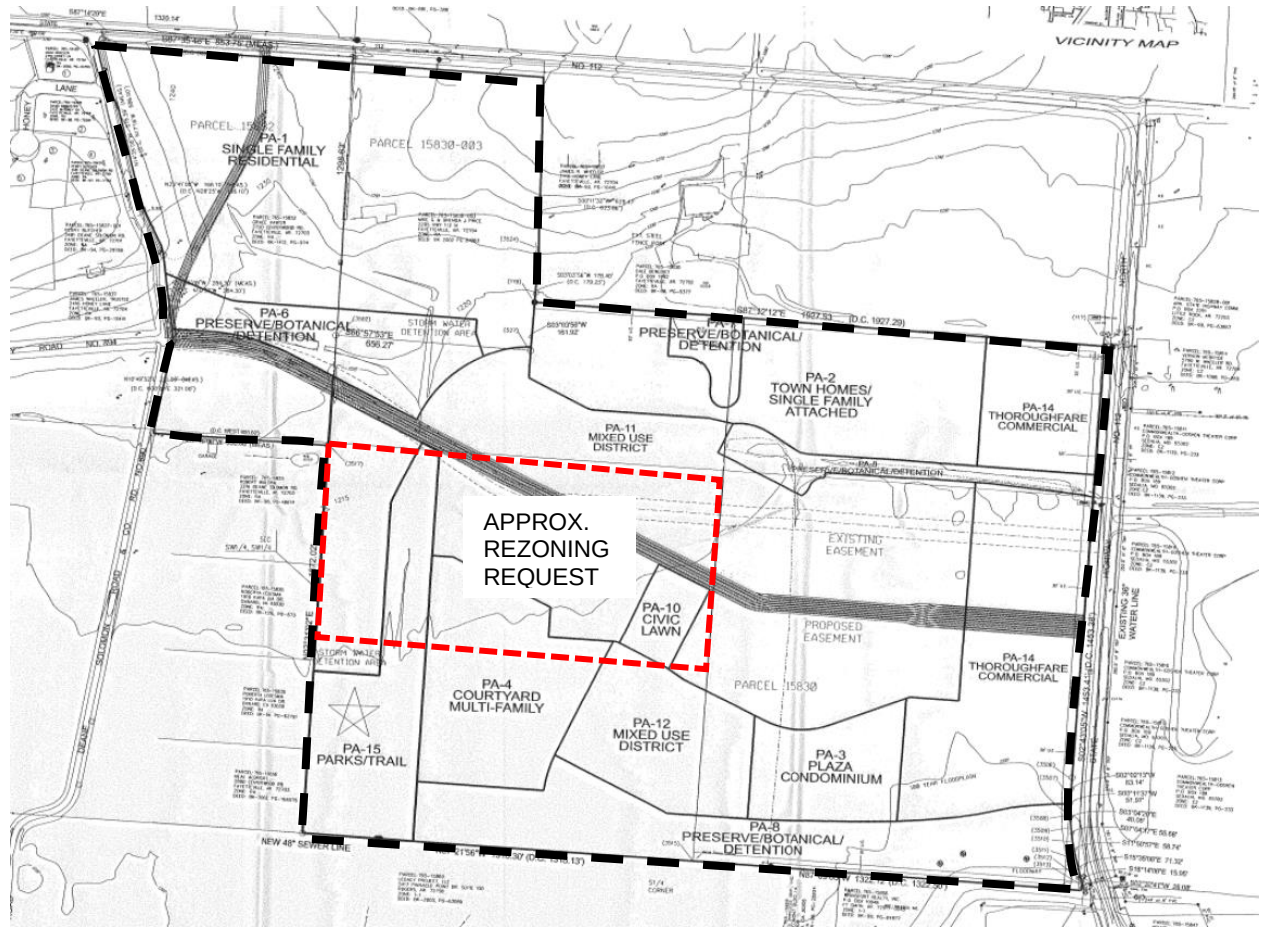
(H) *Maximum Dwelling Units:* Not applicable

(I) *Maximum Bedrooms:* Not applicable

(J) *Architectural Design Standards:* Not applicable



ORIGINAL PLANNING AREAS / CURRENT ZONING EXHIBIT



Alderman Kinion: This is the language to take our current code and put it into compliance with the suggestion of the ADEQ and the EPA. This specific revision of the code that we are talking about tonight doesn't have a direct impact on rates. We are bringing some terminology up, to make it in line with current usage.

City Attorney Kit Williams: It was under an abundance of caution that we went ahead and publicized this, as if it did affect the rate. The effect on rates with this particular ordinance should be very minimal, if any.

Mayor Jordan asked shall the ordinance pass. Upon roll call the ordinance passed 7-0. Alderman Schoppmeyer was absent.

Ordinance 5739 as Recorded in the office of the City Clerk

RZN 14-4882 (East Side of Ruppel RD./Westside Village): An ordinance rezoning that property described in Rezoning Petition RZN 14-4882, for approximately 21.63 acres, located on the east side of Ruppel Road North of the Boys and Girls Club, from R-PZD, Residential Planned Zoning District R-PZD 06-1884 Westside Village, to NS, Neighborhood Services. ***This ordinance was left on the First Reading at the February 3, 2015 City Council meeting.***

Alderman Gray moved to suspend the rules and go to the second reading. Alderman Marsh seconded the motion. Upon roll call the motion passed 6-1. Alderman Long voting no. Alderman Schoppmeyer was absent.

City Attorney Kit Williams read the ordinance.

A discussion followed about leaving the ordinance on the second reading. Council members from Ward 4 requested more time to visit with citizens.

This ordinance was left on the Second Reading.

RZN 14-4883 (HWY. 112 North of Truckers Drive/Parkwest): An ordinance rezoning that property described in Rezoning Petition RZN 14-4883, for approximately 93.04 acres, located at HWY 112 North of Truckers Drive from R-PZD 05-1796, Residential Planned Zoning District Park West, to RSF-8, Residential Single Family, 8 units per acre, and CS, Community Services. ***This ordinance was left on the First Reading at the February 3, 2015 City Council meeting.***

Alderman Gray moved to suspend the rules and go to the second reading. Alderman Kinion seconded the motion. Upon roll call the motion passed 7-0. Alderman Schoppmeyer was absent.

City Attorney Kit Williams read the ordinance.

Jeremy Pate, Director of Development Services gave a brief description of the ordinance. He stated the item was a staff initiated rezoning. The Planning Commission is recommending approval 9-0 in favor of the request.

Alderman Marsh: I've gotten a few concerned inquiries regarding the sensitive riparian areas on the site. What protection will those areas have if this were to go forward?

Jeremy Pate: Any zoning district would have to look at the development proposal. We would look at whether there is a streamside protection area and designated wetlands.

Alderman Marsh: Just to be clear, our Streamside Protection ordinance will protect the critical areas.

Jeremy Pate: If it applies. We don't know if it applies currently without a development proposal and seeing if there is actually a stream bank that drains at least 100 acres. We would have to look at our maps to understand that.

Joe Neal, 145 East Cleburn stated his concerns about a portion of the acreage with the proposed rezoning request. He stated he is not sure that anyone has looked at the seasonal wetlands issue. He stated that wetland soils, wetland plants, wetland birds and all kinds of wetland ecological issues need to be taken into consideration. He stated if we continue to lose wetlands, he would like the Council to mitigate losses and take into account what is being lost if authorization of the development of the property is granted.

Aubrey Shepherd, Citizen stated he would like the City Council to engage in some change to ordinances that would require the Planning and Engineering Departments to go back to having a Corp of Engineers delineation of seasonal wetlands. He expressed his concerns if all the acreage was rezoned to eight houses per acre.

Alderman Marsh: Has this been through the Environmental Action Committee?

Alderman Long: It was not on the last agenda. It can be added to the next one.

Alderman Marsh: I would like to see that done. Maybe we could split off the 33.38 acre parcel and go ahead and rezone that, then refer the balance in the critical areas to the Environmental Action Committee.

A discussion followed about sending the item to the Environmental Action Committee for review.

Alderman La Tour: Do we know if the current landowner has an opinion?

Jeremy Pate: I don't know. It's owned by a bank. We have notified them of what staff is presenting. Rezoning's do not go to the Environmental Action Committee, unless the Council sends it there. There are no eminent plans that we are aware of to sell the balance of this property or to develop it at this time.

A discussion followed about rezoning the property to allow it to be more marketable within the city, whereas the property currently has no developing or rezoning rights.

Alderman Gray: Is it possible to break this off as Alderman Marsh has suggested?

City Attorney Kit Williams: This was proposed by staff. Staff would have the right to divide it. My advice is that we need to have some zoning on it that would allow at least some kind of development to go on it, whatever zoning you believe is the most appropriate.

Jeremy Pate: It would be fine to split it off or leave it all and have it go through at the same time.

Alderman Marsh encouraged City Council members to rezone only 33.38 acres and send the ordinance to the Environmental Action Committee for review.

Mayor Jordan: What do Ward 4 Council members think?

Alderman Long: I haven't heard anything from people who live in the area. I didn't want it to move to the second reading at the last meeting, because I usually do hear from people in this area. I haven't had any objections from constituents. I'm happy to take it to the Environmental Action Committee next month.

Alderman La Tour: I haven't heard from any constituents. If I were a stockholder in that bank, I would feel very imposed upon to have City Council say this is wetland and you can't do anything with it. That takes away economic value.

Alderman Long: This isn't restricting the bank's rights. It is allowing them to do something with it. Right now they can't build anything on it. This discussion will put value in their property.

A discussion followed regarding how the ordinance and exhibits would be written if it was amended to rezone 33.38 acres to RSF-8.

Alderman Marsh moved to amend the ordinance to rezone only 33.38 acres with an RSF-8 zoning and not rezone the additional property. **Alderman Gray** seconded the motion. Upon roll call the motion to amend passed 7-0. **Alderman Schoppmeyer** was absent.

Alderman Marsh moved to suspend the rules and go to the third and final reading. **Alderman Gray** seconded the motion. Upon roll call the motion passed 7-0. **Alderman Schoppmeyer** was absent.

City Attorney Kit Williams read the ordinance.

Mayor Jordan asked shall the ordinance pass. Upon roll call the ordinance passed 7-0. **Alderman Schoppmeyer** was absent.

Ordinance 5740 as Recorded in the office of the City Clerk

Garner, Andrew

From: Nierengarten, Peter
Sent: Monday, April 27, 2015 8:59 AM
To: Garner, Andrew
Cc: Pate, Jeremy; Brown, Chris
Subject: EAC Recommendation regarding Parkwest Rezoning

Hi Andrew,

On Monday, April 20th, the Environmental Action Committee (EAC) passed a recommendation to City Council regarding the proposed rezoning of 59.66 acres along Hwy 112 (formerly Park West). The Environmental Committee:

- Encourages preservation in this area
- Encourages LID when developed
- Recommends front zoning be broken off (different) from the remainder of the property
- Encourages family element to the zoning so that Parkland Dedication can be contiguous to the property
- Recommends EAC review this property again if rezoned in the future

Let me know if you have any questions about this.

Peter Nierengarten
Sustainability & Resilience Department Director
City of Fayetteville, Arkansas
479.575.8272

Wonsower, Donna

From: Masters, Jessica
Sent: Wednesday, June 28, 2023 7:58 AM
To: Pennington, Blake; Wonsower, Donna
Subject: RE: Ordinance 5740 - CS?

Thanks Blake and Donna for looking into the matter! We'll include some inclusion of this conversation in the background section of the report.

Jessie

Jessie Masters, AICP
Development Review Manager
City of Fayetteville, Arkansas
(479) 575-8239
www.fayetteville-ar.gov
[Website](#) | [Facebook](#) | [Twitter](#) | [Instagram](#) | [YouTube](#)



From: Pennington, Blake <bpennington@fayetteville-ar.gov>
Sent: Tuesday, June 27, 2023 5:23 PM
To: Wonsower, Donna <dwonsower@fayetteville-ar.gov>; Masters, Jessica <jmasters@fayetteville-ar.gov>
Subject: RE: Ordinance 5740 - CS?

If this was a staff-initiated rezoning then it must have been one of the PZDs that had lost all development rights (at that time PZDs expired after a certain amount of time). Our office had recommended bringing all of those PZDs in similar situations back to the City Council to be rezoned so they could have some development entitlement. Sometimes it was to revert to the zoning just prior to the PZD zoning; in other cases, I think the property owner had some input.

Just glancing through this report, staff had recommended both the RSF-8 and CS. It's not entirely clear who should have shepherded the CS area back to the City Council after the EAC made its recommendation. I have never seen that situation before and I'm not sure how Andrew and Jeremy handled it after that.

In any event it needs to be rezoned to something because it sounds like there is no development entitlement at all.

Blake E. Pennington
Senior Assistant City Attorney
City of Fayetteville, Arkansas
bpennington@fayetteville-ar.gov
Direct: 479.575.8312
www.fayetteville-ar.gov



RZN 2023-0017

Public water is available to the Subject area. Existing 8-inch water main is present on the South side of Subject Property.

Sanitary Sewer is available to the Subject area. Existing 12-inch sewer main is present in the Southwest corner of the subject property. Existing 10-inch sewer main is present across the subject property.

The subject area has frontage along North Truckers Drive. North Truckers Drive is a Fully improved Residential Link street with asphalt paving, curb & gutter and Sidewalk. Any street improvements required in these areas would be determined at the time of development proposal. Any additional improvements or requirements for drainage will be determined at time of development.

Does any portion of the subject area lie within the Hillside-Hilltop Overlay District?

☐ Yes ☒ No

Comments: If Yes, additional restrictions will apply at the time of development. Engineered footing designs will be required at the time of building permit submittal, as well as grading, erosion control and abbreviated tree preservation plans.

Does any portion of the subject area lie within a FEMA Floodplain?

☐ Yes ☒ No

Comments: If Yes, a floodplain development review will be required at the time of permit or plan submittal. This will restrict the type of development and impact in flood zones; and may require additional documentation such as flood studies or elevation certificates depending on the type of development. If a development impacts a floodplain, those impacts may require review and approval from FEMA.

Is a protected Stream present in the subject area?

☒ Yes ☐ No

Comments: If Yes, Streamside Protection Zones generally consists of a protected area on each side of a stream or creek. This "protected area" is meant to preserve woody vegetation and natural areas along stream corridors to improve/protect stream health. At a minimum, it will be 50ft wide as measured from the top of bank but depending on the shape and extents of the floodway, it could be substantially more. Certain construction activities such as trails and some utilities are allowed in these zones, but in general, improvements such as parking lots or buildings are prohibited.

Are any Hydric Soils present in the subject area?

☐ Yes ☒ No

Comments: If Yes, Hydric soils are a known indicator of wetlands. However, for an area to be classified as wetlands, it may also need other characteristics such as hydrophytes (plants that grow in water), and shallow water during parts of the year. Hydric Soils can be found across many areas of Fayetteville, including valleys, floodplains, and open prairies. It's important to identify these natural resources during development, so when these soils are identified on a property, further environmental studies will be required at the time of development. Before permits will be issued for the property a statement/report from an environmental professional must be provided summarizing the existence of wetlands on the property. If this statement/report indicates that wetlands may be present on site, a USACE Determination of Jurisdictional Wetlands will be required at the time of development submittal.



To: Jesse Masters, Planner

CC: Battalion Chief Jeremy Ashley, Fire Marshal

From: Captain Clint Price, Deputy Fire Marshal

Date: 6/6/2023

Subject: RZN-2023-0017: Rezone: For parcel number 765-15830-007

Fire apparatus access and fire protection water supplies will be reviewed for compliance with the Arkansas Fire Prevention Code at the time of development.

Station 8, located at 2266 W Deane St., protects this site. The property is located approximately 2.5 miles from the fire station with an anticipated drive time of approximately 5 minutes using existing streets. The anticipated response time would be approximately 7.2 minutes. Fire Department response time is calculated based on the drive time plus 1 minute for dispatch and 1.2 minutes for turn-out time. Within the City Limits, the Fayetteville Fire Department has a response time goal of 6 minutes for an engine and 8 minutes for a ladder truck.

May 19, 2023

VIA CITY OF FAYETTEVILLE PORTAL

City of Fayetteville Planning Division
125 West Mountain Street
Fayetteville, Arkansas 72701

RE: Rezoning of Parcel No. 765-15830-007

To Whom It May Concern:

I write on behalf of our client, Lennon Fayetteville Holdings, LLC, developer and owner of “The Lennon,” a proposed project to be located near North Highway 112 in Fayetteville, Arkansas, owned by Willow Bend OptionCo, LLC (the “Applicant”). This letter regards the rezoning of Parcel No. 765-15830-007, as more particularly described on the attached as Exhibit “A”, from its current designation of RPZD, Residential Planned Zoning District, to RMF-18, Residential Multi-Family – Eighteen (18) Units Per Acre. While RPZD allows for Applicant’s intended use, which is to construct a multi-family residence that will accommodate a proposed density of 16 units/acre, RMF-18 is the tailored and best designation for both the City and Applicant.

The subject property is bound by other residential use properties: to the west by Residential-Agricultural and the south by Residential Multi-family – Twelve (12) Units per Acre. Further, The Lennon is to be located adjacent to Fellowship Bible Church and near “The Aronson” mixed-use development recently approved by the City. The proposed rezone is compatible with and will not adversely affect these neighboring properties but instead, will add additional much-needed housing and planned connectivity to a fast-growing area.

The City Plan 2040 Future Land Use designates the subject property as within a City Neighborhood Area, which are more densely developed than residential neighborhood areas and provide a mix of non-residential and residential uses. Rezoning to RMF-18 will allow for the development of multi-family residences at a medium density to address future land use goals and the City Neighborhood’s dense residential use development, while leaving the lands directly adjacent to Hwy-112 available for future commercial development.

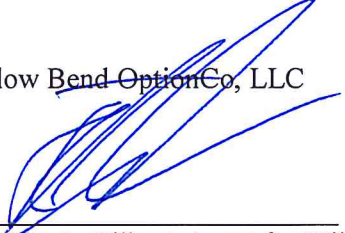
In conclusion, the proposed rezoning for The Lennon will not unreasonably adversely affect or conflict with the surrounding land uses, is the highest and best use of the subject property, is in line with the City’s 2040 Future Land Use and provides for efficient approval of a development plan under the Unified Development Code. Applicant respectfully requests the Planning Commission to vote in favor of Applicant’s rezoning request. We appreciate your consideration of our proposal and look forward to working with you to create a vibrant and sustainable community.

Sincerely Yours,



Steve Brooks

Willow Bend OptionCo, LLC

By: 
John L. Gilbert, Agent for Willow Bend OptionCo, LLC

Wonsower, Donna

From: Planning Shared
Sent: Monday, July 10, 2023 10:01 AM
To: Wonsower, Donna
Subject: FW: RZN-2023-0017

fyi

Mirinda Hopkins
Development Coordinator
Planning Division
City of Fayetteville
479-575-8267
[Website](#) | [Facebook](#) | [Twitter](#) | [Instagram](#) | [YouTube](#)



From: David Criswell <david.t.criswell@gmail.com>
Sent: Monday, July 10, 2023 8:41 AM
To: Planning Shared <planning@fayetteville-ar.gov>
Subject: RZN-2023-0017

CAUTION: This email originated from outside of the City of Fayetteville. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Hello,

I live near the area of RZN-2023-0017 and frequent the natural spaces near this property. I am writing to express conditional support for RZN 2023-0017 in the event that a bill of assurance is written agreeing to implement low impact development best practices to reduce impacts to the stream this property overlaps and the wetland that it drains into. The proposed density will be beneficial to the surrounding area. Excessive runoff and pollutants, however, will not be.

Sincerely,
David Criswell
2437 W Honey Ln

Wonsower, Donna

From: Planning Shared
Sent: Monday, July 17, 2023 12:54 PM
To: Wonsower, Donna
Subject: FW: RZN-2023-0017

Follow Up Flag: Follow up
Flag Status: Flagged

For you

Thank you

Mirinda Hopkins
Development Coordinator
Planning Division
City of Fayetteville
479-575-8267

[Website](#) | [Facebook](#) | [Twitter](#) | [Instagram](#) | [YouTube](#)



**CITY OF
FAYETTEVILLE
ARKANSAS**

From: Meredith Castin <meredithcastin@gmail.com>
Sent: Monday, July 17, 2023 12:18 PM
To: Planning Shared <planning@fayetteville-ar.gov>
Subject: RZN-2023-0017

CAUTION: This email originated from outside of the City of Fayetteville. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Hello!

I live near the area of RZN-2023-0017 and frequent the natural spaces near this property. I am writing to express conditional support for RZN 2023-0017 in the event that a bill of assurance is written agreeing to implement low impact development best practices to reduce impacts to the stream this property overlaps and the wetland that it drains into.

The proposed density will be beneficial to the surrounding area to provide additional housing and as it will encourage much needed services be developed closer to the neighborhood at large. However, excessive runoff and pollutants into our preserved natural spaces will not be supported.

Thank you for your consideration!

Sincerely,
Meredith Castin

Wonsower, Donna

From: Planning Shared
Sent: Tuesday, July 18, 2023 9:48 AM
To: Wonsower, Donna
Subject: FW: RZN-2023-0017

FYI

Thank you

Mirinda Hopkins
Development Coordinator
Planning Division
City of Fayetteville
479-575-8267

[Website](#) | [Facebook](#) | [Twitter](#) | [Instagram](#) | [YouTube](#)



From: Clark Eckels <clark.eckels@gmail.com>
Sent: Tuesday, July 18, 2023 9:45 AM
To: Planning Shared <planning@fayetteville-ar.gov>
Subject: RZN-2023-0017

CAUTION: This email originated from outside of the City of Fayetteville. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Hello,

I live near the area of RZN-2023-0017 and frequent the natural spaces and the greenway near this property. I am writing to express conditional support for RZN 2023-0017 in the event that a bill of assurance is written agreeing to implement low impact development best practices to reduce impacts to the stream this property overlaps and the wetland that it drains into. The proposed density will be beneficial to the surrounding area to provide additional housing and as it will encourage much needed services be developed closer to the neighborhood at large. However, excessive runoff and pollutants into our preserved natural spaces will not be supported.

Clark Eckels

Wonsower, Donna

From: Planning Shared
Sent: Tuesday, July 11, 2023 10:17 AM
To: Wonsower, Donna
Subject: FW: RZN-2023-0017

Follow Up Flag: Follow up
Flag Status: Flagged

For you

Mirinda Hopkins
Development Coordinator
Planning Division
City of Fayetteville
479-575-8267

[Website](#) | [Facebook](#) | [Twitter](#) | [Instagram](#) | [YouTube](#)



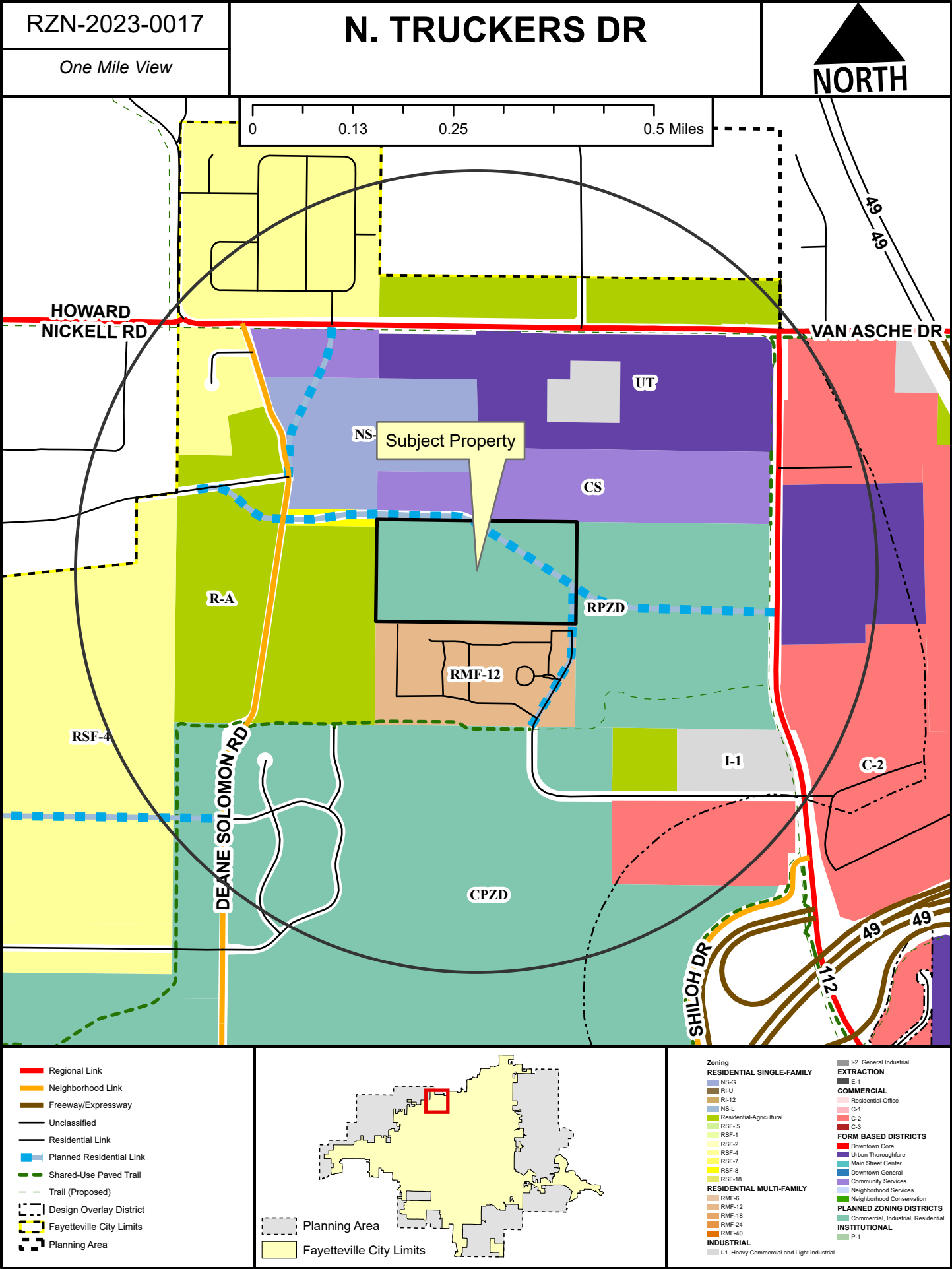
From: Matt Phillips <matt.phillips96@gmail.com>
Sent: Monday, July 10, 2023 5:50 PM
To: Planning Shared <planning@fayetteville-ar.gov>
Subject: RZN-2023-0017

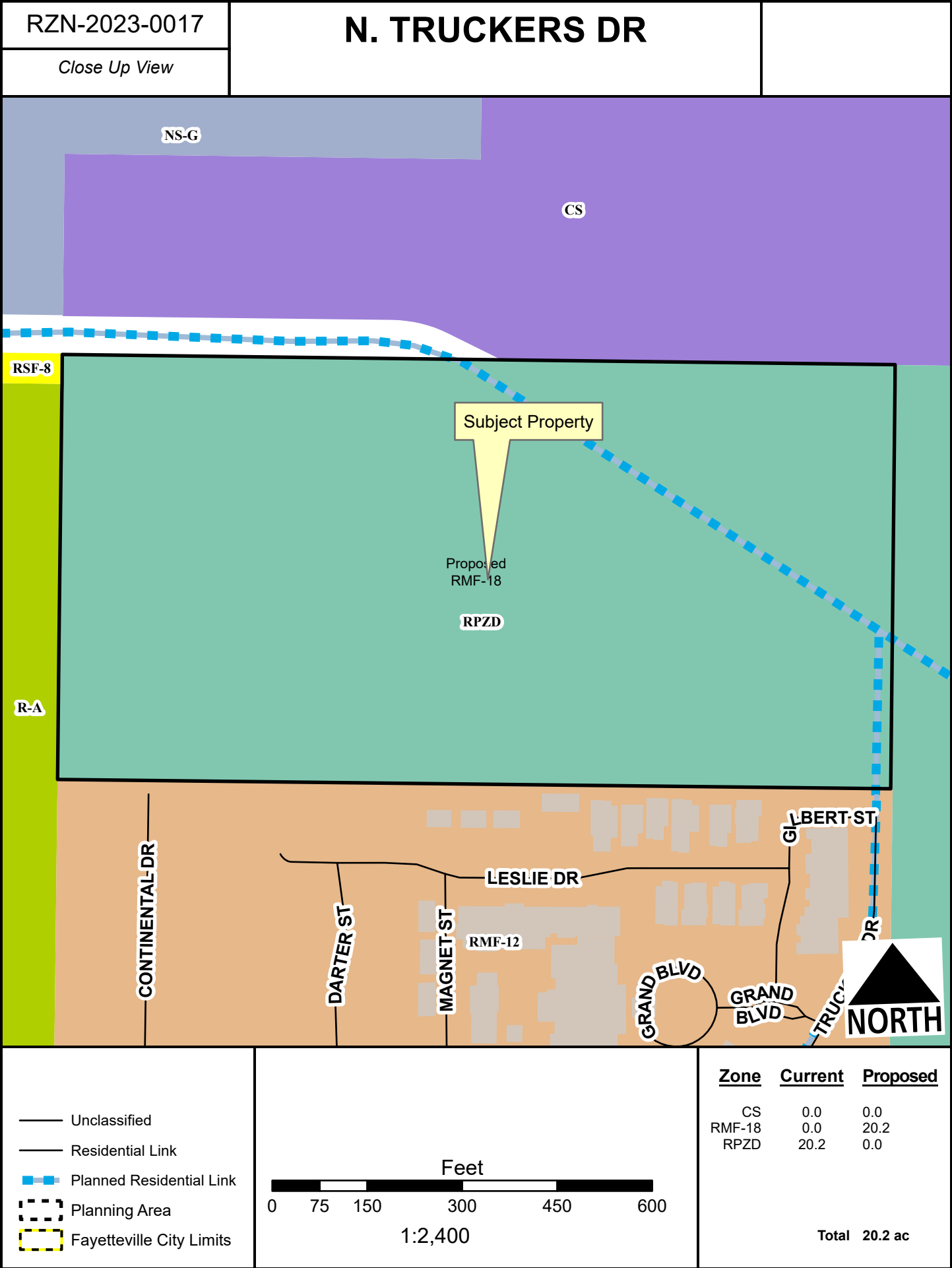
CAUTION: This email originated from outside of the City of Fayetteville. Do not click links or open attachments unless you recognize the sender and know the content is safe.

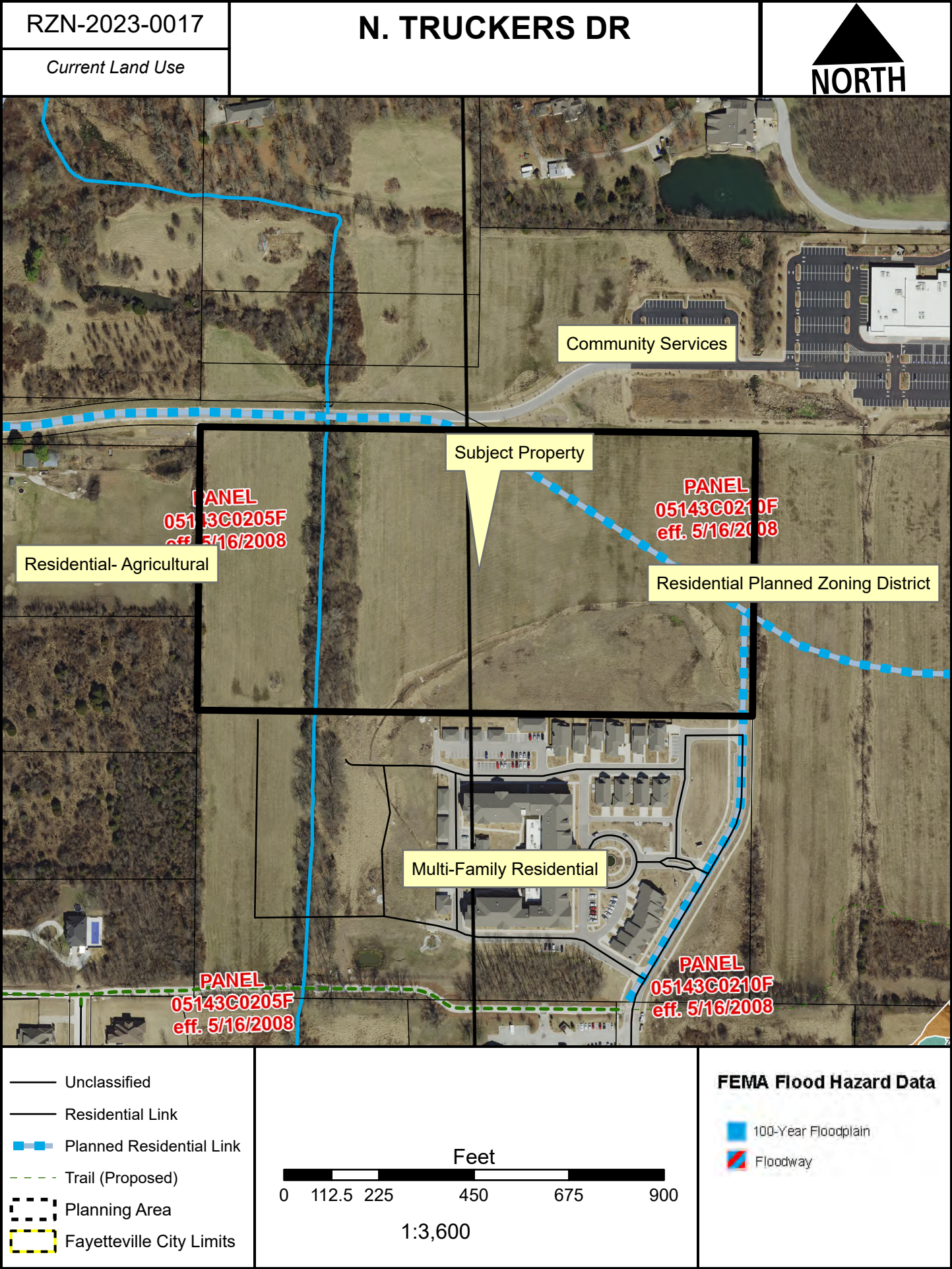
Hello,

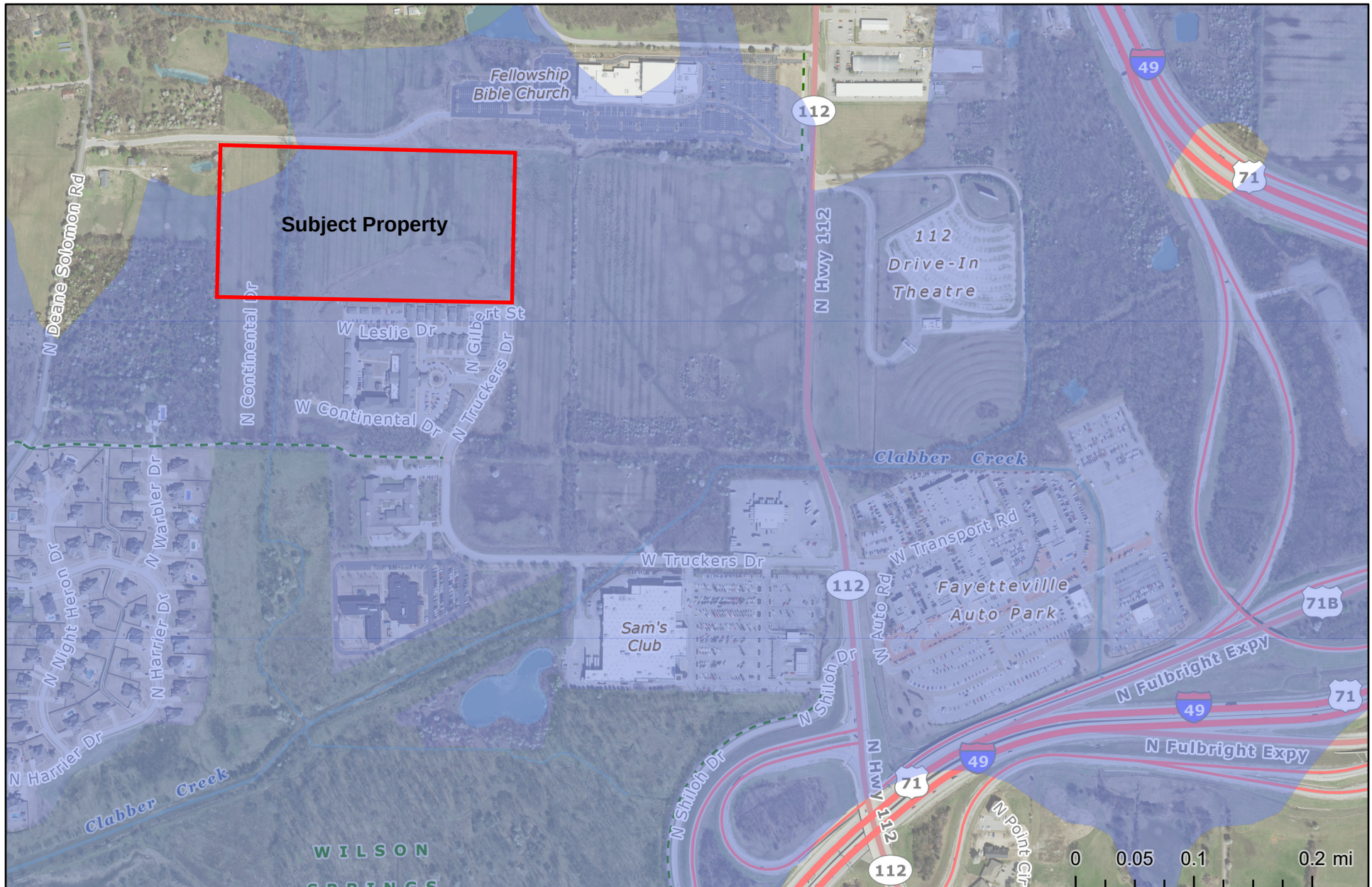
I live near the area of RZN-2023-0017 and I support this rezoning. I think higher density will help make this area more financially sound for the city as most of this area are single family homes. I do think as planning continues the water runoff would need to be carefully watched.

Thanks,
Matt Phillips
3549 West Grouse Rd









Subject Property

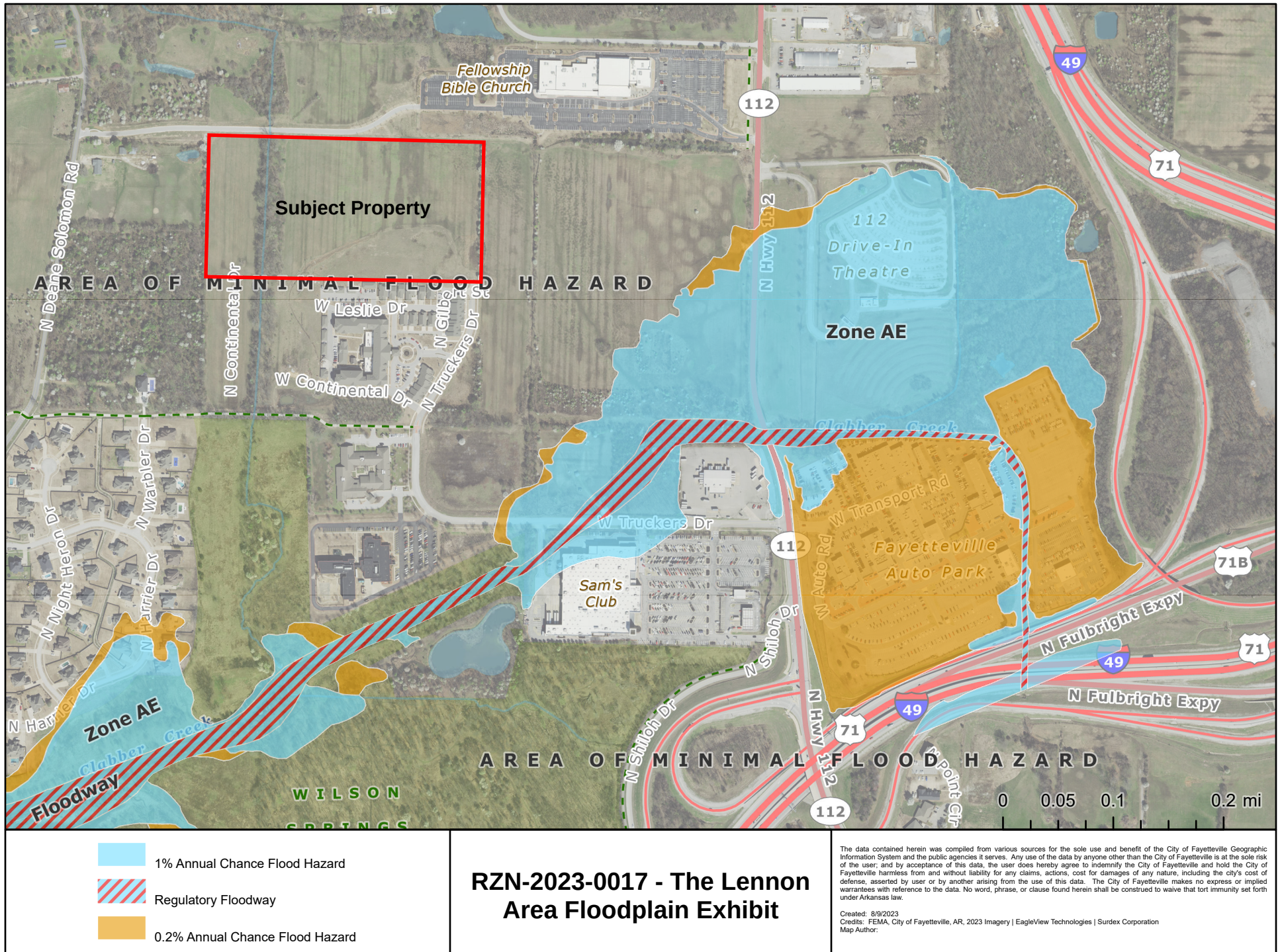


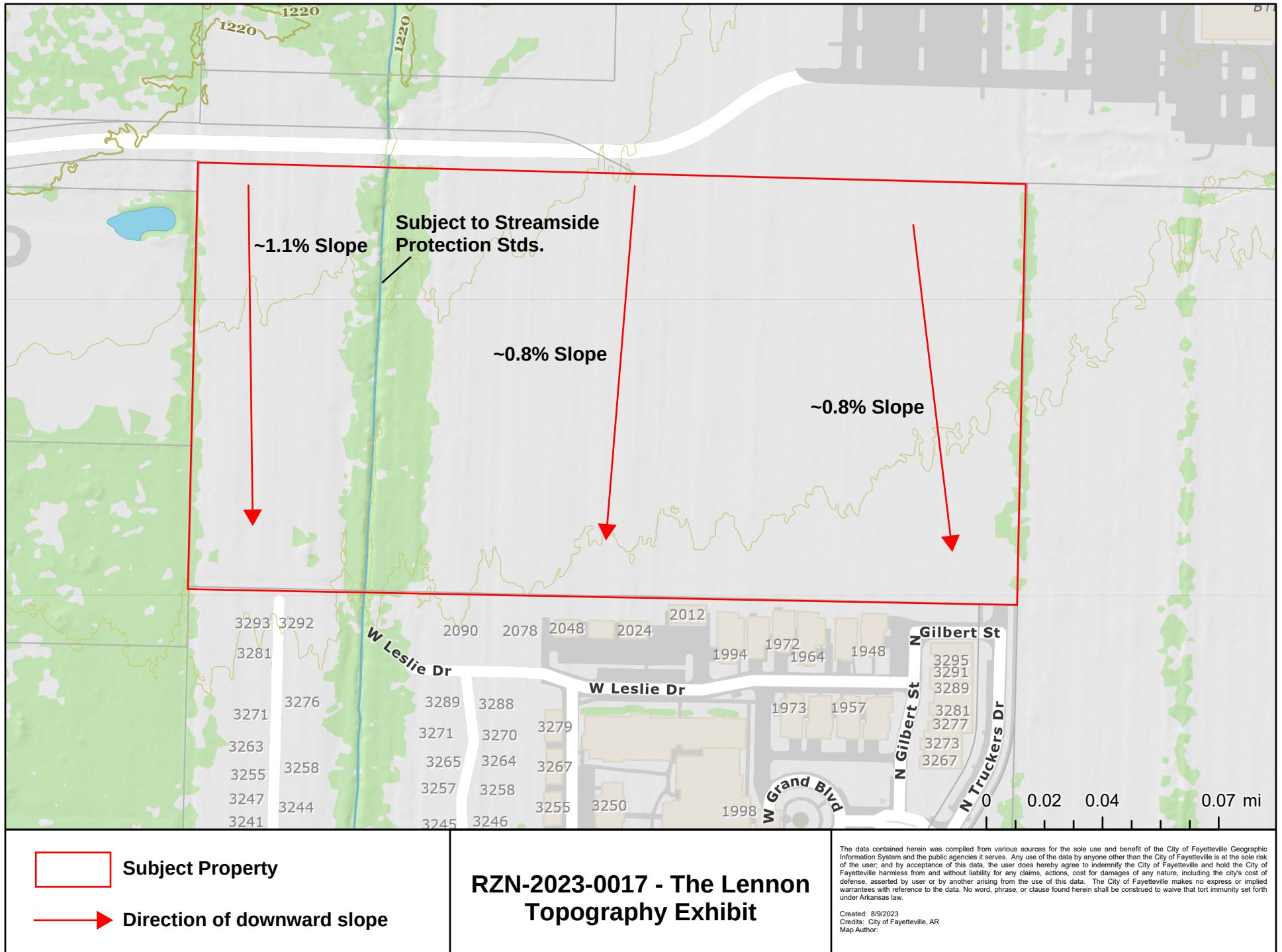
Hydric Soil

RZN-2023-0017 - The Lennon Area Hydric Soil Exhibit

The data contained herein was compiled from various sources for the sole use and benefit of the City of Fayetteville Geographic Information System and the public agencies it serves. Any use of the data by anyone other than the City of Fayetteville is at the sole risk of the user; and by acceptance of this data, the user does hereby agree to indemnify the City of Fayetteville and hold the City of Fayetteville harmless from and without liability for any claims, actions, cost for damages of any nature, including the city's cost of defense, asserted by user or by another arising from the use of this data. The City of Fayetteville makes no express or implied warranties with reference to the data. No word, phrase, or clause found herein shall be construed to waive that tort immunity set forth under Arkansas law.

Created: 8/9/2023
Credits: City of Fayetteville, AR, 2023 Imagery | EagleView Technologies | Surdex Corporation, USDA | Watershed Conservation Resource Center
Map Author:







MEETING OF AUGUST 15, 2023

TO: Mayor Jordan and City Council
THRU: Susan Norton, Chief of Staff
FROM: Tim Nyander, Utilities Director
DATE:
SUBJECT: Misty Simpson Water Damage Claim at 2425 E. Sharon St.

RECOMMENDATION:

The Utilities Department Director recommends to the Mayor to request approval of payment to Misty Simpson for water damage to the residence located at 2425 E. Sharon Street resulting from a large City water main break.

BACKGROUND:

On September 20, 2021, the City of Fayetteville experienced a large 36-inch diameter water main break on N. Makeig Ct. Misty Simpson owns the home located at 2425 E. Sharon St. This large water main break caused substantial amounts of flooding and damage to the neighborhood and to the Simpson residence. Misty Simpson's insurance company denied her claim, so she immediately filed a damage claim with the City after the incident.

DISCUSSION:

Per City Code Section 39.10 – Water and Wastewater Damage Claims, “The Utilities Department Director may not authorize any payment greater than \$10,000.00 for any claim pursuant to this section. The Mayor may request the City Council to authorize an amount greater than \$10,000.00 by resolution, but in no case shall the city pay more than \$25,000.00 pursuant to this claims procedure for a damage claim related to a water or wastewater utility infrastructure occurrence unless in an extraordinary case the Mayor recommends and the City Council by two-thirds ($\frac{2}{3}$) majority approves an exemption from the \$25,000.00 damage cap and approves a payment up to \$50,000.00.”

Partial payments have previously been made to Misty Simpson, Privacy Fence Inc., A Clean-Cut Lawn Care, Stanley Steemer, and Hall Engineering in the amount of \$19,961.77 for loss of personal belongings, flooring and ductwork cleaning, structural investigation, fence replacement, and landscaping services.

The water main break flooded the residence and caused major damage to the foundation of the home. The claimant is requesting payment in the amount of \$61,200.00 for the repair of the foundation, driveway and sidewalk. The water main break also damaged areas in a bathroom and bedroom with a repair request of \$16,075. The claimant is requesting payment in the amount of \$5861.33 plus any taxes for remediation of the front and side yard and the repositioning of a storage shed. The claimant is requesting payment in the amount of \$14,801.98 for rebuilding a back patio. The claimant requested payment for fencing and back yard landscaping in the amount of \$12,610, but the City has previously paid for these services. They do not qualify

Mailing address:

113 W. Mountain Street
Fayetteville, AR 72701

www.fayetteville-ar.gov

for consideration.

The total repair amount Misty Simpson is requesting, excluding those repairs already paid by the City, is in the amount of \$97,938.31. Below is a summary list of the expenses Misty Simpson has provided quotes for:

Date	Business	Amount	Description
2/22/2023	Precision Foundation Specialists	\$61,200.00	Foundation repair
5/31/2023	Fanning Construction	\$16,075.00	Bathroom and bedroom repair
5/4/2023	NWA Creative Spaces LLC	\$5,861.33	Yard repair – taxes not included
7/6/2023	Fanning Construction	\$14,801.98	Patio repair
	Total	\$97,938.31	

Staff requests approval to reimburse Misty Simpson for the maximum amount allowed by Section §39.10 of the City Code.

BUDGET/STAFF IMPACT:

Funds are available in the Insurance Self (Non-Vehicle Damage) account within the Water & Sewer fund.

ATTACHMENTS: SRF Misty Simson Water Damage Claim, Claim Documentation

Mailing address:

113 W. Mountain Street
Fayetteville, AR 72701

www.fayetteville-ar.gov



City of Fayetteville, Arkansas

113 West Mountain Street
Fayetteville, AR 72701
(479) 575-8323

Legislation Text

File #: 2023-962

Misty Simpson Water Damage Claim at 2425 E. Sharon St.

A RESOLUTION PURSUANT TO §39.10(C)(4) OF THE FAYETTEVILLE CITY CODE TO AUTHORIZE THE MAYOR TO PAY THE AMOUNT OF \$50,000.00 TO MISTY SIMPSON FOR A WATER DAMAGE CLAIM ARISING AT 2425 EAST SHARON STREET

WHEREAS, pursuant to §39.10(C)(4) of the City Code, the City Council may, in an extraordinary case upon the Mayor's recommendation and by two-thirds majority, approve the payment of water or sewer damage claims exceeding \$25,000.00 up to \$50,000.00; and

WHEREAS, the City has already made partial payments on a damage claim at 2425 East Sharon Street to Misty Simpson, Privacy Fence, Inc., A Clean-Cut Lawn Care, Stanley Steemer, and Hall Engineering in the amount of \$19,961.77.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF FAYETTEVILLE, ARKANSAS:

Section 1: That the City Council of the City of Fayetteville, Arkansas, pursuant to § 39.10(C)(4) of the Fayetteville City Code, authorizes Mayor Jordan to pay the total amount of \$50,000.00 (of which \$19,961.77 has already been paid) to or on behalf of Misty Simpson for expenses related to the water main break damage at 2425 East Sharon Street.

City of Fayetteville Staff Review Form

2023-962

Item ID

8/15/2023

City Council Meeting Date - Agenda Item Only
N/A for Non-Agenda Item

Tim Nyander

7/27/2023

WATER SEWER (720)

Submitted By

Submitted Date

Division / Department

Action Recommendation:

The Utilities Department Director recommends to the Mayor to request approval of payment to Misty Simpson for water damage to the residence located at 2425 E. Sharon Street resulting from a large City water main break.

Budget Impact:

5400.720.4310-5311.04

Water and Sewer

Account Number

Fund

N/A

N/A

Project Number

Project Title

Budgeted Item? Yes

Total Amended Budget

\$ 40,095.91

Expenses (Actual+Encum)

\$ -

Available Budget

\$ 40,095.91

Does item have a direct cost? Yes

Item Cost

\$ 30,038.23

Is a Budget Adjustment attached? No

Budget Adjustment

\$ -

Remaining Budget

\$ 10,057.68

V20221130

Purchase Order Number:

Previous Ordinance or Resolution #

Change Order Number:

Approval Date:

Original Contract Number:

Comments:

DOCUMENTATION OF PREVIOUS PAYMENTS

Details of 2425 E Sharon St claim-Misty Simpson

Paid to Privacy Fence Inc.	\$9,840.00
Paid to A Clean Cut Lawn Care	\$6,524.65
Paid to M. Simpson (partial) (contents)	1,015.71
Paid to Stanley Steemer	2,031.41
Paid to Hall Engineering	550.00
Total	19,961.77

CHECK REQUEST

Date: 4/1/2022

Manual Check ☐

Vendor Number: -

Misty Simpson

Payable to:

2425 E. Sharon St.

Fayetteville, AR 72703

For:

Reimbursement for personal belongings destroyed after a City water main break and subsequent flooding of the residence.

Separate Check Code

Bank Number

Payable From: Fund Name

Water & Sewer

Amount of Check

\$ 1015.71

Account Name	Item Description	Amount	Fund	Div	Program	Base	Detail	Project	Sub Project
Insurance Self (Non-Vehicle Damage)	Damage Claim	1,015.71	5400	720	4310	5311	04		
TOTAL		\$1,015.71							

Additional
Approval: ☐ Does Not Meet
Purchasing
Policy
Approved

Prepared by:	<u>Shea Fankhauser</u>	G/L Account Number	Accounting Use - Receipting
Approved by:	<u>Tim Nyander</u> <i>[Signature]</i> 1 APR 2022		
Entered:		Key Code	



Claim Request

Although the City of Fayetteville is immune from any claim for liability or damages caused by alleged negligence of its employees, the City Council has authorized a very limited property damage claims procedure.

INSTRUCTIONS: Please complete this form clearly stating the reason for the claim, amount you are requesting, all contact information, and attach appropriate documentation including receipts, estimates, photos, etc. Three (3) itemized written estimates must be provided prior to repairs being made. Substantive documentation **MUST** be provided to establish all monetary values. Additional sheets may be added. Failure to provide all information and fully substantiate your claim will result in the claim being denied. Please do not discard any items that are being claimed as damaged. **Filing a claim does not imply approval;** claims will be investigated before a decision is rendered; claims received more than **30 days** after the incident will be denied. Claims containing inaccurate or fraudulent information will be denied. Please mail to or hand-deliver documents to: **Mayor's Office – Claims, City of Fayetteville, 113 W. Mountain St., Fayetteville, AR 72701 OR Fax to 479-575-8257**

CLAIMANT INFORMATION

First Name	Last Name	Middle Initial
Misty	Simpson	D

Claim Type What type of claim are you requesting?
☐ General ☒ Water and Sewer

Email misty@starpedtherapy.com

Address
Street Address
2425 E Sharon St
Address Line 2

City	State / Province / Region
FAYETTEVILLE	AR
Postal / Zip Code	Country
72703	United States

Daytime Phone

479-283-5121

Alternate Phone**Incident Location**

Address/Location of Occurrence

Street Address

2425 E Sharon St

Address Line 2

City

FAYETTEVILLE

Postal / Zip Code

72703

State / Province / Region

AR

Country

United States

INCIDENT INFORMATION**Date of Incident**

9/20/2021

Time of Incident

6:30 AM ✓

Amount being Claimed

\$ 12000.00

Incident Nature

Nature of Occurrence

- ☐ Automotive Related ☒ Home Related ☐ Personal
☐ other

Insurance

Do you have any insurance which covers your damage?

- ☐ Yes ☒ No

The City cannot pay a claim in an amount exceeding a Claimant's insurance deductible, if covered. The undersigned hereby files a claim against the City of Fayetteville, Arkansas for the following reason(s): Attach additional sheets if necessary

**Incident
Description**

The undersigned hereby files a claim against the City of Fayetteville, Arkansas for the following reason(s):

My bedroom received water damage to the floor and door frame. My fence is damaged. My yard is covered in mud. I lost patio furniture, huge outdoor dog bed. Large fan ruined. Huge indoor dog bed.

File Upload

Upload

20210920_195253.jpg	1.72MB
20210920_200939.jpg	1.28MB
20210920_200943.jpg	1.3MB
20210921_073132.jpg	1.94MB

Attach appropriate documentation including receipts, itemized estimates, photos, etc. If vehicle related, please include proof of insurance if applicable.

Agreement☒ I Agree.

By checking the "I agree" box below, you agree and acknowledge that 1) your application will not be signed in the sense of a traditional paper document, 2) by signing in this alternate manner, you authorize your electronic signature to be valid and binding upon you to the same force and effect as a handwritten signature, and 3) you may still be required to provide a traditional signature at a later date.

Signature

By signing below, I acknowledge that the above-provided information is true and correct to the best of my knowledge and belief.

**Refer To**

Shea Fankhouser

**Department**

WATER & SEWER

**Additional
Documentation**

Upload

Memo

Misty Simpson Damage Claim
Personal Contents Destroyed
2425 E. Sharon St.
Fayetteville, AR 72703

Dog Bed	\$ 114.53
Dog Bed	\$ 196.47
8x10 Rug	\$ 123.23
Nike Shoes	\$ 140.00
Nike Shoes	\$ 185.00
2 Outdoor Cushions	\$ 74.48
Chair Set	\$ 182.00
Total	\$ 1,015.71



FREE SHIPPING + RETURNS. FREE
MEMBERSHIP. EXCLUSIVE PRODUCTS [Join Now](#)

Member Access

Nike Air Force 1 Low FM Change By Daryl Homer

Custom Shoes

\$140

Inspiration Your Designs

Customize

Sold Out

Customize and save your design so it's
ready for purchase.

Share

Celebrate the Future Movement (FM) in an AF1 that delivers personalized style with a story inspired by Black innovators and creators. The translucent option on the upper (placed over mesh and leather) transforms to reveal an intricate pattern, symbolizing perpetual rebirth into something precious and brilliant. Then personalize it with a message on the duvree, lace up and speak your truth.

- Shown: Multi-Color/Multi-Color/Multi-Color
- Style: OQ8918-991

[View Product Details](#)

Kaden's
shoes
covered in clay
rippled from
kicking down fence

Outdoor dog bed - custom
\$250-

Engineers Report
\$1550-



Bag
1 Item | \$193.00

Free Shipping for Members

Become a Nike Member for fast and free shipping. [Join Us](#) or [Sign In](#)

Not in a hurry?

Select [No Rush Shipping](#) at checkout



Nike Air Max 97 SE

Men's Shoes

Size 13 ▾

Quantity 1 ▾



\$185.00

Shipping

Arrives Thu, Mar 3 - Mon, Mar 7 [Edit Location](#)

Free Pickup

[Find a Store](#)



Summary

Do you have a Promo Code? ▾ ●

Subtotal ●

Estimated Shipping & Handling

Estimated Tax ●

Total

\$185.00

\$8.00

\$193.00

Favorites

Want to view your favorites? [Join Us](#) or [Sign In](#)

You Might Also Like



Nike Air Max 97
Men's Shoes

\$175.00



Nike Air Max 95 SE
Men's Shoes

\$175.00



Nike Air Force 1 '07
Men's Shoes

\$100.00

Ni
Tr

\$
x

Your Cart (8)

[Share](#)

FREE Shipping on eligible items. View Details

Quick Add

[Save All to List](#) [Remove All Items](#)

Carolina Pet Company Large/X-Large Sage Classic Canvas Bolster Bed **\$114.53**

Store SKU #1005201873 Model #019470



Ship To Home
Free with \$45 order

Scheduled Delivery
Not Available for this item

Curbside Available

[Save for Later](#) [Save to List](#) [Remove](#)

JONATHAN Y Zinnia Navy/Green 8 ft. x 10 ft. Floral Indoor/Outdoor Area Rug **\$123.23**

Color/Finish: Navy/Green
Shape: Rectangle, 7'9" x 10'0"



Ship To Home
Estimated Arrival: Mon, Feb 28
FREE

Scheduled Delivery
Not Available for this item

☐ Add a Home Depot Protection Plan by Allstate?
2-year Protection for \$20.00

[Learn More](#)

[Save for Later](#) [Save to List](#) [Remove](#)

Large Ortho Sleeper Comfort Couch Pet Bed with Removable Cushion - Camel **\$196.47**

Store SKU #1005201427 Model #01536



Ship To Home
Estimated Arrival: Wed, Mar 2
FREE

Scheduled Delivery
Not Available for this item

[Save for Later](#) [Save to List](#) [Remove](#)

ARDEN SELECTIONS 24 in. x 24 in. 2-Piece Deep Seating Outdoor Lounge Chair Cushion in Sapphire Blue Leala **\$146.96** (\$36.74/item ~~\$45.99~~) Save 20%

Cushion Style: Welled
Seat Width (in.) x Seat Depth (in.): 24 x 24
Cushion Color or Pattern: Sapphire Blue Leala



Ship To Home
Estimated Arrival: Tue, Mar 1
FREE

Scheduled Delivery
Not Available for this item

Curbside Available

[Save for Later](#) [Save to List](#) [Remove](#)

Barton 3-Piece Wicker Rattan Furniture Outdoor Bistro Patio Set Chairs with Removable Beige Cushions and Round Table **\$182.00**

Store SKU #1007523713 Model #93519-H



Ship To Home
Estimated Arrival: Tue, Mar 1
FREE

Scheduled Delivery
Not Available for this item

[Save for Later](#) [Save to List](#) [Remove](#)



April 1, 2022

Misty Simpson
2425 E. Sharon St.
Fayetteville, AR 72703

Subject: Water Claim

Dear Misty Simpson,

The City of Fayetteville is in receipt of your claim form concerning the City water main break near your residence located at 2425 E. Sharon St. in Fayetteville on September 20, 2021, which resulted in damage to your home and personal contents.

The City of Fayetteville offers to reimburse you in the amount of \$1,015.71 for the personal contents you lost as a result of the water main break and subsequent flooding.

The City will pay Hall Engineering directly for the engineering consultation in the amount of \$550.00. The City will also pay Stanley Steemer directly for the home and vent cleaning in the amount of \$1,742.50.

The City is processing the payment to you in the amount of \$1,015.71, and the payment issued will not finalize your damage claim. The claim will be finalized when the home repairs are completed, and the remaining payment will be issued at that time, pending City Council approval.

Sincerely,

City of Fayetteville

A handwritten signature in blue ink, appearing to read "Tim Nyander", is written over a horizontal line.

Tim Nyander
Utilities Director

PO# 2021-0000688

PRIVACY FENCE, INC

ESTIMATE: M T W T F S	PO Box 7582	INV# 22- 0081
Date: 1/26/22 AM / PM	Springdale, AR 72766	AR Contractor License # 0156100422
APPROV DATE: / / 21	Office: 479-751-7894	UTILITIES
APPROX START: / / 21	PrivacyFenceNWA.com	ATT AWG BHILLS CARROLL CITY/VILLE COX
ADVERTISING	Proposal / Invoice	G-TEL LC OZGO OZARK PGT SWEPD WS
A LIST CURN CONTR INET M&N		REF #:
ESTER PREV RED REF SIGN SOCIAL YB		ARKUPS: / / AM / PM

Client: City of Fayetteville Email: Cashworth@fayetteville-ar.gov

Address: 2425 E Sharon St, Fayetteville AR Phone: 479-575-8388

- ☐ TREES/BRUSH
- ☐ HILLSIDE
- ☐ ROCKY
- ☐ WATER AVAILABLE
- ☐ 0"-2" OFF GROUND
- ☐ ELECTRICITY AVAILABLE
- ☐ FENCE OFF GROUND > 2"
- ☐ FINISHED SIDE OUTSIDE
- ☐ FINISHED SIDE INSIDE
- ☐ DOGS

PO# 2021-688 Fence Repairs

work completed 1/26/22

Misty Simpson Residence

PRESSURE TREATED RAILS AND POSTS USED UNLESS OTHERWISE NOTED ON THIS PROPOSAL

FENCE TYPE	PICKETS	HEIGHT	FOOTAGE	We propose to furnish material and labor, with the included specifications for the sum of:
☐ BOARD TO BOARD	☐ PRESSURE TREATED PINE	4FT / 5FT / 6FT		CHECK/CASH PRICE: \$ <u>9,840.00</u>
☐ SHADOW BOX	☐ EASTERN CEDAR	4FT / 5FT / 6FT		CREDIT CARD PRICE: \$ _____
☐ BOARD ON BOARD	☐ WESTERN CEDAR	4FT / 5FT / 6FT		
☐ ORNAMENTAL IRON	☐ MAJESTIC (SMOOTH TOP)			
☐ 2 RAIL	☐ CLASSIC (PINCHED PICKET)	4FT / 5FT / 6FT		
☐ 3 RAIL	☐ GENESIS (EXTENDED PICKET)			
☐ CHAIN LINK _____ GAUGE	TERM POSTS _____			
☐ GALVANIZED	LINE POSTS _____	4FT / 5FT / 6FT		
☐ VINYL COATED	TOP RAIL _____			
BLACK GREEN BROWN				

OTHER:

SINGLE GATES:

- ☐ WOOD FRAME
- ☐ STEEL FRAME
- ☐ CHAIN LINK
- ☐ ORNAMENTAL
- ☐ TEAR OUT
- ☐ HAUL OFF

DECORATIVE POSTS

WOOD STARTERS

DOUBLE GATES:

- ☐ WOOD FRAME
- ☐ STEEL FRAME
- ☐ CHAIN LINK
- ☐ ORNAMENTAL

STARTERS ROUND STEEL POSTS

POSTMASTERS STEEL POSTS

*Acceptance of Proposal

Client Signature: _____

Date: 1/26 / 2021

PFI Signature: [Signature]

Date: 1/26 / 2021

RESPONSIBILITY OF CLIENT AND PRIVACY FENCE, INC

Privacy Fence, Inc. agrees to guarantee the above fence to be free from defects in workmanship for one (1) year - (Not included are: alignment due to warping, splitting, twisting, shrinking, checking, or other changes in the shape of the wood). All other warranties come from manufacturer material used under this contract. It is recommended that sealer be applied to the wood in approximately 90 days to help lessen wood warping or checking.

Responsibility for complying with zone regulations and obtaining any required permits shall rest with the client. Under no circumstances does Privacy Fence, Inc. assume any responsibility concerning property lines. If property pins cannot be located, it is recommended that the client have the property surveyed. The client will defend Privacy Fence, Inc. in connection with any claims made by anyone about the location of the fence.

Privacy Fence, Inc. will assume the responsibility for having underground public utilities located and marked. However, Privacy Fence, Inc. assumes no responsibility for unmarked sprinkler lines or any other unmarked buried lines or objects. The client will assume all liability for damages caused by directing Privacy Fence, Inc. to dig in the immediate vicinity of known or unknown utilities.

Any additions or changes made by the client that requires extra labor and material will be added to the price established on this contract and will become due and payable to Privacy Fence, Inc. Right of access and removal is granted to Privacy Fence, Inc. in the event of non-payment under the terms of the contract. The client agrees to pay all interest and costs incurred in collecting this debt.

\$35.00 Returned Check Fee

SHIP TO
 City of Fayetteville
 2435 S Industrial Dr
 Fayetteville, AR 72701

BILL TO
 City of Fayetteville
 113 W Mountain St
 FAYETTEVILLE, AR 72701

**REPRINT PURCHASE
 ORDER**
 NO. 2021-00000688

DATE 11/24/2021

VENDOR 18784 Privacy Fence Inc

CONTACT
 Privacy Fence Inc
 PO Box 7582
 Springdale, AR 72766



DELIVER BY
SHIP VIA
FREIGHT TERMS 1
ORIGINATOR Cody Ashworth
RESOLUTION #
PAYMENT TERMS 30

QUANTITY	U/M	DESCRIPTION	UNIT COST	TOTAL COST
1.0000	Each	Professional Services - Other - 2425 E Sharon St, Fence Repair 5400.720.4310-5311.04 (Insurance Self (Non-Vehicle Damage)) \$9,840.00	\$9,840.0000	\$9,840.00
		TOTAL COST \$9,840.00		
		AMOUNT VOIDED \$0.00		
		AMOUNT EXPENSED \$0.00		
		AMOUNT ENCUMBERED \$9,840.00		
		AMOUNT DISCOUNTED \$0.00		
		AMOUNT REMAINING \$9,840.00		
			SUBTOTAL	\$9,840.00
			SALES TAX	\$0.00
			TOTAL DUE	\$9,840.00

M. Jones

PAGE 1 OF 1

APPROVED BY

SPECIAL INSTRUCTIONS

A Clean Cut Lawn Care
P.O. BOX 1403
Farmington, AR 72730
479-856-9800

PO# 2021-00000727

A CLEAN CUT
LAWN CARE

Follow Us on Facebook @ A Clean Cut Lawn Care

Invoice #	Account #	PO #	Period Beginning	Period Ending	Invoice Date	Payment Due
37555			2/2/2022	2/2/2022	2/2/2022	2/2/2022

To: City of Fayetteville
2425 Sharon St.
Fayetteville, AR 72703

Payments Since 3/2/2022	0
Sub Total	6160.00
Sales Tax	364.65
Invoice Total	6524.65
Account Balance	\$6,524.65

Email: info@acleancutlawnrcare.com
Website: www.acleancutlawnrcare.com
For: 2425 Sharon St., Fayetteville AR 72703

Date	Description	Qty	Price	Total
2/2/2022	Landscape Installation	1.00	1414.00	1414.00
2/2/2022	Topsoil Truck Load	1.00	395.00	395.00
2/2/2022	Landscape Installation	1.00	250.00	250.00
2/2/2022	Sod Installation	1.00	756.00	756.00
2/2/2022	Zoysia Sod	8.00	395.00	3160.00
2/2/2022	Sod Delivery Charge	1.00	185.00	185.00

Thank You - We Appreciate Your Business

From: City of Fayetteville
2425 Sharon St.
Fayetteville, AR 72703

Invoice Number	37555
Invoice Due Date	2/2/2022
PO Number	
Account Balance	\$6,524.65

We are currently Scheduling Landscape Installation and
Irrigation Start-Up, Repair & Installation

Please detach and return bottom portion with your payment
Retain top portion for your records.

To: A Clean Cut Lawn Care
P.O. BOX 1403
Farmington, AR 72730

Capt. [Signature]

Ashworth, Cody

lof3

TXN00264367

From: Rogers, Mark
Sent: Tuesday, May 3, 2022 3:19 PM
To: Ashworth, Cody
Subject: FW: Stanley Steemer - Order Invoice #147962
Attachments: imagejpeg; imagejpeg; imagejpeg

attached

From: Misty D Simpson <misty@starpedtherapy.com>
Sent: Monday, April 25, 2022 11:20 AM
To: Rogers, Mark <mrogers@fayetteville-ar.gov>
Subject: Fwd: Stanley Steemer - Order Invoice #147962

CAUTION: This email originated from outside of the City of Fayetteville. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Im sure you have this, but just in case.....

----- Forwarded message -----

From: <no-reply@stanleysteemer.com>
Date: Fri, Apr 22, 2022 at 2:25 PM
Subject: Stanley Steemer - Order Invoice #147962
To: <misty@starpedtherapy.com>

Keep your home bright and healthy with Stanley Steemer products and regular cleanings.

Visit our webpage. Call 1-800-763-3637 for water damage emergencies.



FOR A CLEANER & HEALTHIER HOME™

CARPET | TILE & GROUT | HARDWOOD | UPHOLSTERY | AREA RUG

THANK YOU FOR YOUR RECENT PURCHASE.

SERVICE ADDRESS	Servicing location:
Simpson, Misty 2425 East Sharon Street, Fayetteville, AR 72703	Stanley Steemer Carpet Cleaner 699 Madison St

[Handwritten signatures]

dot 3

TXN 0264367

INVOICE DETAILS

Service Date 4/22/2022
 Invoice Number 147962
 Customer Number 179073
 Claim/P.O. Number
 Vehicle 426
 Crew Brady Stevens, Luis Acosta

Springdale, AR 72762
 (479) 927-0909
 Please remit all payments to:
 Stanley Steemer
 699 Madison St
 Springdale, AR 72762

Qty	Item	Description	Unit Price	Amount
790	Room Grout Seal	(RM) all tile	\$0.29	\$229.10
1	Std Area Tile Clean	(RM) den, laundry, 2bt	\$99.00	\$99.00
99	Std Area Tile Clean	(99RM) hallway	\$0.50	\$49.50
84	Std Area Tile Clean	(84RM) 12*7 entry	\$0.50	\$42.00
357	Std Area Tile Clean	(357RM) living room 21*17	\$0.50	\$178.50
790	Std Area Santi-T 10	(790RM) sanitize	\$0.20	\$158.00
1	Furnace/Air Handler Duct Clean	(AHU)	\$800.00	\$800.00
1	Return Vent Duct Clean	5 total returns	\$200.00	\$200.00
1	Std Area Duct Clean	13 total supplies	\$105.00	\$105.00
			Subtotal:	\$1,861.10
			Estimate:	\$0.00
			Discount:	\$0.00
			Tax:	\$170.31
			Total:	\$2,031.41

Payments:

Payment Method	Amount
Visa *2095	\$2,031.41
Balance:	\$0.00

WARNING: Customer acknowledges being informed and understands that carpet is damp during and after cleaning and that care should be taken in stepping onto non-carpeted surfaces to avoid slipping and hereby releases Stanley Steemer from any and all liability for injuries which might be sustained as a result thereof.

5045

TxN^o 264367



(Misty Simpson)

Carpets loose at seams or along walls or concrete floors, or that have been incorrectly or defectively installed, are cleaned at customer's risk. Carpets that have been exposed to pets may sometimes not be able to deodorize effectively. Any questions regarding our workmanship must be reported within 10 days after completion of work or will be subject to a service charge at our option.

Visa *2095 - Misty Simpson

Customer unavailable for signature

I HAVE AUTHORIZED THE SERVICES OUTLINED ABOVE AND UNDERSTAND THE CHARGES THEREFOR ARE DUE UPON THE COMPLETION OF WORK



(Misty Simpson)

This email was sent by: Stanley Steemer Carpet Cleaner, an independently owned and operated franchise dba Stanley Steemer®

Misty Simpson, MS, CCC-SLP



Date: 4/7/2022

Vendor Number: 26868

Payable to: Hall Engineering LTD
PO Box 241302
Little Rock, AR 72223

Return Check to:

For: Payment for an engineering consult for Misty Simpson at 2425 E. Sharon St. to design home repairs after a City water main break. Separate Check Code

Payable From:	Fund Name	Water & Sewer	Amount of Check	\$ 550.00
---------------	-----------	---------------	-----------------	-----------

Charged as follows:

Account Name	Item Description	Amount	Fund	Div	Program	Base	Detail	Project	Sub Project
Insurance Self (Non-Vehicle Damage)	Damage Claim	550.00	5400	720	4310	5311	04		
TOTAL		\$550.00							

Prepared by: Shea Fankhauser

Approved by: Tim Nyander

Entered:

Accounting Use - Receipting

G/L Account Number

Key Code

Additional _____
 Approval: _____
☐ Does Not Meet _____
 Purchasing _____
 Policy _____
 Approved _____
 Approved _____

Version Updated: 08/12/16



Hall Engineering, Ltd.
P.O. Box 241302
Little Rock, AR 72223-1302
Tax ID#: 20-0427046

Structural Inspection, Design,
& Construction Consultation

NWA/MO

INVOICE

For questions about this invoice, call
our billing line at 501.588.3355 -or-
justin@hall-engr.com

To: Simpson

Invoices: 21-13951

Date: 12/2/2021

RE:
2425 E. Sharon St Fayetteville

DATE	DESCRIPTION	UNIT PRICE	TOTAL
11/27/21	Consult	\$550.00	\$550.00
SEE BELOW FOR PAYMENT OPTIONS			
	See invoice email for link to W-9		
		Grand Total	\$550.00

Payment Options:

Always include invoice number with payment

- **Venmo** ID is Justin-Hall-HEG (last four of phone # is 1369 for verification)
- **Cash app** ID is \$HallEngineering
- **Credit Card** payments go here -----> <https://secure.designpay.com/pages/hallengineering/payments>
- **Paypal payments** ID is paypal@hall-engr.com
- **Google Pay** ID is HallEngineeringLTD@gmail.com
- **Checks:** Please make Checks out to Justin Hall

Payments later than 30 days may be subject to a \$25/mo late fee. Arrangements can be made to pay through closing. Contact Justin at Justin@hall-engr.com for those arrangements.

Please note that if this invoice is not paid in full that the bill will be sent to collections and the recipient of services will be liable for the collection fees involved with collecting the debt.

Late payments may be subject to interest of 2% and collections fees.

QUOTATIONS FOR REPAIRS



6302 S. Wilkerson St
Fayetteville, Arkansas
72704

Office (479)441-9515

20FEB2023

Misty Simpson
2425 E. Sharon St.
Fayetteville, Arkansas 72703

RE: 23-02201 Cursory Foundation Assessment and Proposal

Dear Misty,

Thank you contacting our licensed foundation specialist company to provide a foundation assessment on the residence referenced above. This report shall serve as our opinions as to the current foundation conditions and recommendations for repairs to be done. All references and recommendations are based the Non-Destructive Test (NDT) Methods and local building code by visual observations only. The visual assessment was conducted by Dr. Matthew Johnston, PhD, VP Operations and our International Code Council Certified Master Special Inspector (#8053368).

The foundation was constructed utilizing a concrete continuous footing with ASTM C90 hollow stem concrete masonry unit (CMU) block for s foundation stem wall a minimum of three (3) courses tall with a concrete slab on grade for the top out. The concrete slab on grade should be a minimum of four (4") inches in thickness with at least 6"x6" wire mesh for horizontal reinforcement. The concrete should have been placed with a in minimum compressive strength of 3,000 psi and all exterior concrete should have been placed with 3,500 psi concrete should have been core-filled by building code, with a four (4") inch concrete slab on grade . The footing should have been installed with a minimum of 18" in width and 18" in depth with 3,000 psi concrete and horizontal reinforcement consisting of three (3) #4 bars at equal spacing and cross bracing at 2'-0" O.C. Below shall serve as our opinion(s):

Background

It is our understanding that a 36" water main ruptured about 345 linear feet to the South of the rear of the residence on September 22, 2021; discharging close to multi-millions of gallons of water based upon local sources, neighbors and background research. This is not to be considered 100% factual as this is all second hand information as nothing could be found to actually determine the exact gallon quantity/flow of the discharge.

Opinion(s)

1. We are of the opinion the entire perimeter foundation should be underpinned due to flooding of the property as described above. The existing soils are classified as a Gravelly Clay with high plasticity indices. The Unified Soils Classification System (USCS) classifies the clays with plastic/liquid limits above 20/40; meaning the soils will shrink and swell with limited moisture introduced. . This is known in geotechnical engineering as "linear shrinkage" and can be tested by performing an Atterberg Limits test according to ASTM D4318

2. We are of the opinion the interior concrete slab on grade should have a lightweight/high density polyurethane foam injected through the slab to consolidate the unconfined sub-surface soils and to stabilize the concrete slab on grade.
3. We are of the opinion the existing concrete slab on grade consisting of the rear patio and the driveway is displaying differential soil settlement. The rear patio will require replacement (at a minimum) to install the rear foundation piers (underpinning)

Recommendation(s)

1. We are under the recommendation the perimeter foundation should be underpinned to provide stabilization by the installation of up to (6) hydraulic pressed steel piers consisting of 2 7/8" @ 0.25" wall internally sleeved with a 2 3/8" @ 0.25" wall pipe while supporting the footing and the foundation stem wall with an engineered bracket to bedrock/soil bearing strata (whichever occurs first, providing bearing pressures greater than 3,500 pounds per square foot (psf) which may result recovery and crack closure (which cannot be guaranteed) The cost of the foundation stabilization is estimated at \$32,000.00;
2. We are under the recommendation the interior crack in the slab on grade should have 4 lbs/ft³ polyurethane foam injected beneath the slab to for soils stabilization and potential lifting of the concrete. The cost of the interior stabilization is estimated at \$16,000.00;
3. We are under the recommendation the driveway and rear patio will have to be replaced. The cost associated with this replacement is \$13,200.00

The total cost of the foundation stabilization and replacement of concrete as required for the installation of piers and differential settlement is \$61,200.00.

CONCLUSION

We are of the professional opinion the existing issues will continue to worsen over time due to the existing sub-surface soils providing bearing to the perimeter footing.

PFS Inc. reserves the right to adjust the pricing based upon current market value. Pricing is valid for 30 days from the date of this survey.

Below are some specifications for minimum construction standards that are referenced for our cursory surveys.

International Residential Code (IRC)

Section R301.1 Design (Comment: The code requires that buildings and structures have adequate strength to support the loads and forces without exceeding the allowable stresses on any element)

Section R301.5 Minimum Uniform Live Loads (Comment: The code requires that the minimum live loads be not less than the minimums established by the code)

Section R301.7 Deflections (Comment: The code establishes standards for the deflection of members)

Section R401.2 Foundation Construction (Comment: The code requires that the foundation construction be capable of accommodating of all loads. Structural fill can also be utilized with appropriate engineering design.)

Section R401.3 Drainage (Comment: The code requires that surface drainage shall be diverted to a storm sewer conveyance or other approved point of collection so as to not create a hazard. Lots shall be graded to drain surface water away from foundation walls. The grade shall fall a minimum of 6 inches (152 mm) within the first 10 feet (3048 mm))

Section R403.1.4 Minimum Depth (Comment: The code requires that the bottom of foundations extend below the frost penetration level, but not less than twelve inches)

Section R403.1.8 Expansive Soils (Comment: The code requires that foundations in expansive soils be designed for that condition)

ASTM C1754 Standard Test Method for Density and Void Content of Hardened Pervious Concrete (Comment: The code requires for the concrete to be free of porosity and consolidation by vibratory screed methods, not hand vibration)

All opinions and references are in accordance with the International Code Council, the International Residential Code and the Arkansas Fire Prevention Code as it pertained to the minimum specifications as required by local building codes.

This professional opinion was based upon a cursory examination of the crawlspace construction materials visible at the time of examination on this specific day within the given range of environmental factors on the date of this report above. Other opinions could perhaps be developed as the result of a technically exhaustive engineering design by a licensed engineering firm. Such a study could involve several hours of information gathering at the site, laboratory testing, research, and engineering analysis; involving a substantially higher fee (beginning at \$1,500.00). This cursory survey should not be construed as a guarantee or warranty of any kind in the construction methods utilized.

This professional opinion is for the sole use of the Precision Foundation Specialists Inc's (PFS Inc.) client and is the intellectual property of PFS Inc. Client will defend, indemnify, represent and hold harmless PFS, Inc. from and against any claim, action or proceeding brought by any party claiming to rely upon information or opinions contained in this document. No release without having obtained PFS, Inc's written consent prior. PFS Inc. does not authorize client to share this information with competing companies. Unauthorized use is will be punished by to the full extent of the law through all legal avenues. By release of this report all parties promise to in indemnify, represent and defend any and all claims for any damages claimed by others in the use of this report including loss of real estate contract. Liability is limited to the fees for the services provided. Thank you for calling upon PFS Inc. for this service.

Respectfully submitted,

Precision Foundation Specialists Inc.

By: Dr. Matthew Johnston, Ph.D; C/O PFS Inc.
Dr. Matthew Johnston, PhD., ASCE, CSE CSI





Prepared by:
Billy Clark
bclark@vestafs.com
VESTA Foundation Solutions
www.vestaofarkansas.com
TF 479-424-1188
O Arkansas Admin 2021
Prepared on:
7-21-23

Prepared for:
Misty Simpson
misty@starpedtherapy.com
P (479) 283-5121
Job location:
2425 E Sharon St
Fayetteville, AR 72703

Project Summary

Lift and Level

Permanently Stabilize Foundation

Total Investment	\$44,816.75
Same Day Coupon	\$2,240.84
Total Contract Price	\$42,575.91
Deposit Required - 25%	\$10,643.98
Deposit Paid	\$0.00
Amount Due Upon Installation	\$42,575.91

Customer Consent

Any alteration from the above specifications and corresponding price adjustment (if necessary) will be made only at the Customer's request or approval. Completing the work in this Proposal at the time scheduled is contingent upon accidents or delays beyond our control. This Proposal is based primarily on the Customer's description of the problem. This Proposal may be withdrawn if not accepted by the Customer within 10 business days due to prices being subject to market fluctuations.

Authorized Signature _____ **Date** _____

Acceptance of Contract— I am/we are aware of and agree to the contents of this Proposal, the attached Job Detail sheet(s), and the attached Limited Warranty, (together, the "Contract"). You are authorized to do the work as specified in the Contract. I/we will make the payment set forth in this Contract at the time it is due. I/we will pay your service charge of 1-1/3% per month (16% per annum) if my/our account is 5 days or more past due, plus your attorney's fees and costs to collect and enforce this Contract. NO VERBAL COMMITMENTS AND PROMISES ARE EXPRESSED OR IMPLIED OUTSIDE OF THIS WRITTEN DOCUMENT.

Customer Signature _____ **Date** _____

Customer understands VFS is not liable for damage caused by lift.

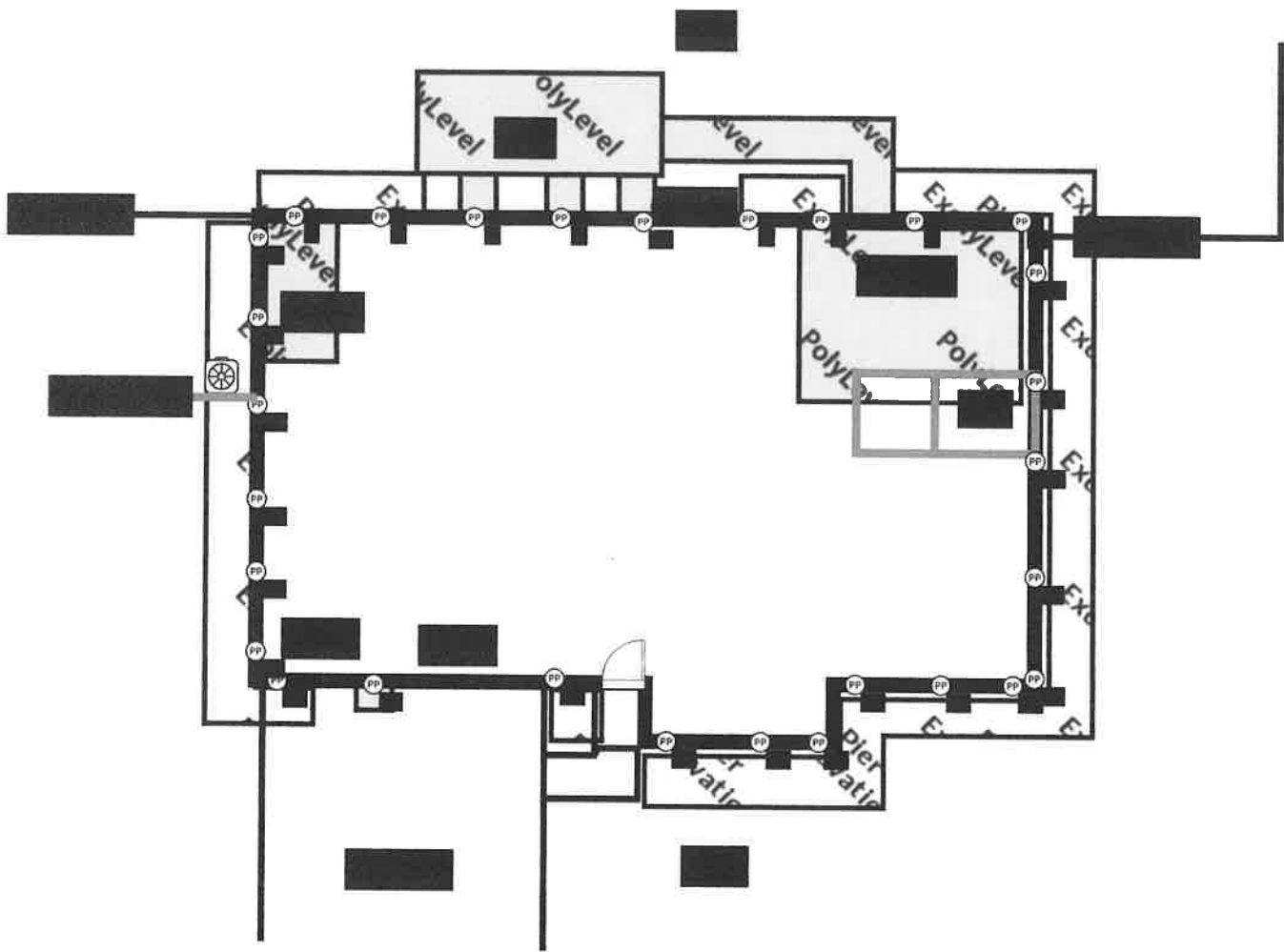
Initial _____

Customer understands original position may not be possible.

Initial _____

No Concrete Work

Job Details



Job Details (Continued)

Specifications

1) Install PolyLEVEL as indicated on job drawing. 2) Install Push Pier(s) to support the foundation as shown on job drawing using a standard bracket. Final Location of pier(s) is subject to field conditions. Footer will be prepared by notching the concrete to seat bracket. External sleeve will be installed to re-enforce the pier system. The friction reducing collar will be utilized to ensure proper depths and load testing. Once complete the pier will be locked, benchmarked, and documents. Load testing and depth logs to be delivered upon completion. 3) Excavate the soil at each pier location to the footing. Backfill and tamp soil after the system is installed. 4) Remove and replace concrete as indicated on job drawing.

Contractor Will

- 1.) Remove and replace concrete as necessary in the workplace. Concrete will vary in color from what is existing.
- 2.) LIFT IS ALWAYS ATTEMPTED BUT NOT GUARANTEED. Every house or concrete fixture responds differently.
- 3.) Attempt to lift the foundation, but is not responsible for cosmetic damage that may result.
- 4.) Install dates are given but can be changed for circumstances outside of Vesta's control, such as weather, or equipment failure
- 5.) Install piers to any depth necessary at no additional cost to the customer.
- 6.) Benchmark the foundation and provide depth logs to customer when complete.
- 7.) Inject POLY Level foam on the inside of each pier to ensure settlement does not occur inside of the home.
- 8.) Coordinate to have utilities marked.
- 9.) Vesta can not guarantee that cracks will close either inside or outside. The customer is responsible for tuckpoint on exterior brick, or drywall interior cracks.
- 10.) Consult the customer if additional work is needed. This could be true if while doing work the production team comes across additional areas of concern that were not previously noted. No additional work will be done without the consent of the customer.
- 11.) The landscape will be disrupted. Vesta is not responsible for replacement.
- 12.) Remove and replace concrete as necessary in the workplace. Concrete will vary in color from what is existing. Vesta is not a concrete finisher therefore the texture will be different.

Customer Will

- 1.) Move items out of the work area space. If items are not moved and the production crew has to move items, the customer will be charged accordingly. If the job has to be rescheduled because items are not moved, the customer will be charged \$750.00
- 2.) Have flooring repaired or replaced once the project is complete.
- 3.) Remove carpet.
- 4.) Mark any private lines that may be hidden underground, and assumes all liability if damage should occur to such lines.
- 5.) Be available at START and FINISH of the project for a walk-through with the Foreman. This is intended to provide any changes needed for a successful installation.
- 6.) Customer will have HVAC duct lines in slab scoped and mapped prior to installation by third party provider.
- 7.) Call prior to 10 days of install date if rescheduling is necessary. If customer calls within those 10 days prior to installation a \$750.00 rescheduling fee can be applied.
- 8.) Be responsible for any replacement of landscape.

Job Details (Continued)

Additional Notes

Underground lines that cannot be located may be subject to damage during excavation. Vesta is not liable for damage to underground hidden lines that may be damaged. _____

Customer understands to move personal belongings away from work area prior to installation date. If items are not moved then the project will need to be rescheduled and subject to a fee of \$750. _____

The design of your system may be subject to change based on field conditions but is not limited to movement of product or possible additional products to help correct the issue. _____

Customer understands that VFS will attempt to confirm installation date and time 10 business days prior to installation. If we are unable to confirm the installation date, the project will need to be rescheduled and subject to a fee of \$750. _____

Jobs with multiple services are subject to payment of each service upon completion of that service _____

Product List

Lift and Level

PolyLEVEL 3 areas

Permanently Stabilize Foundation

3" Push Pier, Standard Bracket 29

Pier Excavation, 0-5' 29 ft

Concrete R & R, Per Pier 4

Lift and Level - Areas

Area Title	LxWxD	Lbs	Location	Notes
Back patio/sidewalk Lifting	25x10x1	80	Back	Patio and sidewalk have settled
Interior bedroom floor Lifting (Indoor)	16x16x1	82	Other	Bedroom floor slab has settled
Kitchen floor Lifting (Indoor)	10x16x1	51	Other	Kitchen floor has settled



CONTRACT AGREEMENT



EARTH, hereinafter referred to as the "CONTRACTOR" and

Misty Simpson hereinafter referred to as "OWNER".

Witnessed: On this 15 day of NOV 2022 in consideration of the mutual agreements and provisions set forth below in this Contract by and between "CONTRACTOR" and "OWNER" who warrants that he/she is the owner of the premises at 2425 E Sharon St and he/she has the right and authority to contract for the enumerated work, described below, and do hereby agree as follows:

I. DESCRIPTION OF THE WORK TO BE PERFORMED BY CONTRACTOR:

36 Exterior Pier ☐ Interior Pier ☐ Support Pier ☐ Discharge ☐ Exterior Wall
☐ Interior Wall Braces ☐ Wall Pull Back ☐ Exterior Deep Drain ☐ Interior Floor Drain ☐ Sump Pump
☐ Back-up Pump ☐ Surface Drain ☐ Epoxy Injections ☐ Wall Membrane ☐ Support Beam

Warranty: Lifetime Transferable Warranty on Steel Piers

Other: Install 36 Stabil-loc Steel Piers to stabilize, in wet slab with mortar after pier installation to fill voids \$45,000.00

Tear out driveway and replace \$13,800.00

Put 4 inch cap on sunken back porch and sidewalk \$3800.00

Mailing Address: 2425 E Sharon St Fayetteville, AR

Misty@starpdtherapy.com 479-283-5121

Work shall be completed in 30 days. Contractor shall remove and haul away all construction and/or installation debris and/or trash from the premises. Contractor shall furnish all necessary equipment, material and supplies and perform and complete all labor and services in a good workmanlike manner. Contractor warrants that the Company is insured, and qualified to perform and complete the above-described work. All the above-described construction, installation, and work is presumed to improve and enhance the value of the property and all labors and material, furnished by Contractor shall become part of the Owner's real property.

II. PRICE AND PAYMENT SCHEDULE: Total cost to the owner for the above-described work is \$ _____ of which \$ _____ is due upon acceptance of this contract, \$ _____ when work begins, and \$ _____ on completion. Any and all building permits, license fees, inspection fees by governmental agency including, but not limited to the City/State of _____ shall be paid by Contractor. In the event of the Owner's failure to promptly pay Contractor pursuant to this payment schedule, Owner shall be liable for any and all collection fees including attorney's fees, for the filing and enforcement of a mechanics' lien and/or other legal remedies available to the Contractor to enforce this Contract.

III. MODIFICATIONS AND CHANGES: Any changes or variations from the above descriptions and specifications in this Contract involving extra costs will be binding and executed only in writing, signed by all parties and shall be an extra charge, over and above the Contract price.

IV. DISCLAIMERS: 1. Contractor will take great care for plants and shrubs temporarily removed for work to be performed. All plants will be replanted by Contractor but will not be responsible for life or longevity. 2. Contractor will attempt to stop any water intrusion caused by work performed, but will not be responsible for any water damages caused to any items or objects inside of the foundation system. 3. Any damage to the structure or utilities caused by the Contractor as a result of negligence or accident will be repaired by the Contractor. Lifting a structure can cause some cosmetic damage, such as cracks in sheet-rock, concrete and other rigid materials. Therefore, damage resulting from lifting the structure as called for in the Agreement will not be the responsibility of the Contractor. 4. The warranties cover the performance of systems installed by the Contractor. Piering Systems cover stabilization only. Contractor will achieve lift recovery as the structure allows. 5. This Contract is contingent upon there not being any "unfavorable delays" that shall be construed to mean delays due to strikes, lockouts, acts of God, inability to obtain labor or materials, governmental restrictions, enemy or terrorist action, civil condition, fire, unavoidable casualty or similar causes beyond the control of Contractor.

V. NOTICE TO OWNER: FAILURE OF THIS CONTRACTOR TO PAY THOSE PERSONS SUPPLYING MATERIAL OR SERVICES TO COMPLETE THE CONTRACT CAN RESULT IN THE FILING OF A MECHANIC'S LIEN ON THE PROPERTY WHICH IS THE SUBJECT OF THE CONTRACT. TO AVOID THIS RESULT, YOU MAY ASK THIS CONTRACTOR FOR A "LIEN WAIVERS" FOR ALL PERSONS SUPPLYING MATERIALS OR SERVICES FOR THE WORK DESCRIBED IN THIS CONTRACT. FAILURE TO SECURE LIEN WAIVERS MAY RESULT IN YOUR PAYING FOR THE LABOR AND MATERIALS TWICE.

VI. COUNTERPARTS: This Contract may be executed in counterpart, each of which shall be deemed an original but all of which together shall constitute one and the same Contract.

VII. ENTIRE AGREEMENT: This contract constitutes the entire understanding and agreement between the Contractor and Owner with regard to all matters herein. There are no other agreements, conditions, or representation, oral or written, expressed or implied, with regard thereto. The Contract may be amended only in writing, and signed by both Contractor and Owner.

VIII. BINDING EFFECT: The provisions of this Contract shall be binding upon acceptance by Contractor and Owner and their respective successors and assigns.

IX. GOVERNING LAW: This Contract shall be construed and enforced in accordance with the laws of the State of Arkansas.

X. ACCEPTANCE: We have read and agree to the terms and conditions of this Contract as set forth above. Note- This Contract Agreement "BID" may be drawn by us if not accepted within 30 days.

Owner

Contractor

Total Work Quoted \$62,600

Fanning Construction

RECIPIENT:**Misty Simpson**

2425 East Sharon Street
Fayetteville, Arkansas 72703
Phone: 4792835121

Quote #25

Sent on

May 31, 2023

Total**\$16,075.00**

PRODUCT / SERVICE	DESCRIPTION	QTY	UNIT PRICE	TOTAL
Bathroom	Demo and Remodel	1	\$5,950.00	\$5,950.00
Bedroom Flooring		1	\$4,725.00	\$4,725.00
Marble Shower	36"x59"x88" Pan, walls, trim, & soap dish	1	\$5,400.00	\$5,400.00

A 30% deposit will be required to begin.

Bathroom/Shower
Fanning Construction
\$16,075.00

Jun 07, 2023

Date

Client Signature

Total**\$16,075.00**

This quote is valid for the next 30 days, after which values may be subject to change.

Bath Makeover of Arkansas
8215 I-30 West Suite A
Little Rock, AR 72209 US
+1 8005164214

Estimate 1509



Bath Makeover
of Arkansas

ADDRESS

Misty Simpson
2425 E Sharon St
Fayetteville, AR 72703

DATE
05/16/2023

TOTAL
\$12,200.00

ACTIVITY	DESCRIPTION	QTY	RATE	AMOUNT
Shower Replacement	Demo of Existing Bathtub, Inspect Plumbing, Treat Mold and Mildew, Haul off Debris	1	13,400.00	13,400.00
	58 x 34 Biscuit Shower Base			
	Horizon Beige Standard Wall System			
	4x Single Tier Shelves (Black)			
	Matte Black Fixtures			
	Universal Shower Head			
	Double Sliding Clear Glass Door			
	Flooring (Labor Only)			
Discounts Applied	Spring Into Savings Event	1	-1,200.00	-1,200.00
	\$1000 off Installation			
	\$200 Senior/Military Discount			
	\$200 Target Gift Card			
Added Value	5 Year Workmanship Warranty	1	0.00	0.00
	Acrylic Lifetime Warranty			
Taxes included. Wants Target Gift Card				

TOTAL

\$12,200.00

THANK YOU.

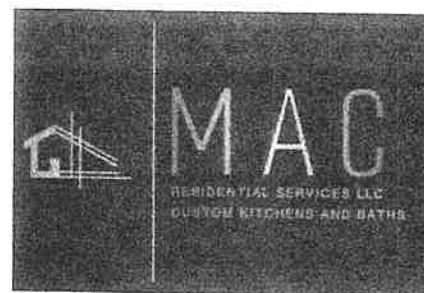
Accepted By

Accepted Date

No bid
cannot do
shop on
sheet rock

Mac Residential Services LLC

1905 Town West Dr
Rogers, AR 72756
mmacleay@hotmail.com
macresidentialservices.com



Estimate

ADDRESS

Misty Simpson
2425 E Sharon St.
Fayetteville AR United States
AR 72703

ESTIMATE # 1711**DATE 05/14/2023****START DATE ON (OR AROUND)**

July 24

APPROXIMATE INSTALL LENGTH

12 Days

ACTIVITY	QTY	RATE	AMOUNT
Sales Onyx Collection Shower:	1	7,600.00	7,600.00
1) Demo existing tile shower and dispose of all job-related debris. 2) Apply necessary mold inhibitor and clean studs, concrete, and walls to address mold. 3) Repair wood and interior wall board damaged by water intrusion. 4) Install new moisture-resistant drywall. 5) Provide and install Onyx Collection shower kit (60x34" pan, walls, shower caddy, and door); color is TBD.			
Sales Bathroom drywall and flooring:	1	4,500.00	4,500.00
1) Remove and save for reinstall bathroom vanity, top, toilet, and mirror. Demo existing drywall approx. 4 feet high around the bathroom. Demo existing tile floor and window. 2) Clean all mold and treat with mold inhibitor. 3) Reinstall drywall, finish, texture, and prime. 4) Provide and install new luxury vinyl plank flooring including baseboards. 5) Provide and install new window to replace moisture-damaged unit. Provide and install appropriate trim. 6) Reinstall vanity and top, mirror, and toilet.			
Sales Bedroom flooring:	1	3,400.00	3,400.00

ACTIVITY

QTY

RATE

AMOUNT

- 1) Demo existing laminate flooring and baseboards in master bedroom.
- 2) Provide and install necessary underlayment in master bedroom.
- 3) Provide and install luxury vinyl plank flooring in master bedroom.
- 4) Provide and install painted baseboards in master bedroom.

Sales

Drywall ceiling repair:

1

1,950.00

1,950.00

- 1) Repair drywall cracking that has occurred on the ceiling area of the master bedroom, hallway, and front entry that has occurred due to movement caused by water damage.

TOTAL

\$17,450.00

Accepted By

Accepted Date

NWA Creative Spaces Llc

Kevin Fronterhouse

Business Number 479-530-4767

25 Wallin Mountain Road

West Fork, Arkansas, 72774

479-305-4631

www.nwacreativespaces.com

kfrontin2011@gmail.com

ESTIMATE

EST0218

DATE

May 4, 2023

TOTAL

USD \$10,088.90

TO

Misty Simpson

2425 E. Sharron St.

Fayetteville

479 283 5121

Misty@starpedtherapy.com

DESCRIPTION	RATE	QTY	AMOUNT
Remove old retaining wall in back of fence Remove old retaining wall in back of fence and haul off. 425.	\$425.00	1	\$425.00
Move shed. and re form foundation Move storage shed and Grade out soil underneath. put back in place and stand up on shed foundation blocks. Foundation blocks. 90. run treated 2x4 in slots in blocks and screw shed skids to them for support.	* \$1,500.00	* 1	\$1,500.00
Remove bad soil ie clay from back yard. Remove bad clay soil from back yard. re slope yard for proper drainage. Appx 6" bad soil. Appx 36 to 48 cubic yards bad soil. Including haul off.	\$2,820.00	1	\$2,820.00
Add one load topsoil back blade out one load topsoil to back lawn. soil 425. Machine and hand work. 1050. 14	\$1,475.00	1	\$1,475.00
Sod back yard with fescue sod. 6 pallets fescue sod. 2100. delivery 300.	\$2,400.00	1	\$2,400.00
labor laying sod.	\$650.00	1	\$650.00*
SUBTOTAL			\$9,270.00
TAX (9.5%)			\$818.90
TOTAL			USD \$10,088.90

* Indicates non-taxable line item

Creative Spaces is licensed and insured to perform duties listed above. All work will be performed in a timely and professional manner using top quality materials. Half payment due upfront to cover material costs. Final payment due upon completion and client satisfaction. Includes all material tax and labor tax. 3 percent added if paid with credit card.

Estimate is good for 2 weeks as material costs is constantly changing. Any changes to contract may incur additional costs.

NWA Creative Spaces Llc

Kevin Fronterhouse

Business Number 479-530-4767

25 Wallin Mountain Road

West Fork, Arkansas, 72774

479-305-4631

www.nwacreativespaces.com

kfrontin2011@gmail.com

ESTIMATE

EST0220

DATE

May 4, 2023

TOTAL

USD \$4,361.33

TO

Misty Simpson

2425 E. Sharron St.

Fayetteville

479 283 5121

Misty@starpedtherapy.com

DESCRIPTION	RATE	QTY	AMOUNT
Side and front yards except west side of house. Blade off excess soil appx 3 inches and haul off. Front and side yard. remove appx 11 yards of old soil. one truck load.	\$1,460.00	1	\$1,460.00
Fescue sod front and sides. 5 pallets. 1750. delivery 250.	\$1,975.00	1	\$1,975.00
Labor installing sod.	\$600.00	1	\$600.00*
SUBTOTAL			\$4,035.00
TAX (9.5%)			\$326.33
TOTAL			USD \$4,361.33

* Indicates non-taxable line item

Creative Spaces is licensed and insured to perform duties listed above. All work will be performed in a timely and professional manner using top quality materials. Half payment due upfront to cover material costs. Final payment due upon completion and client satisfaction. Includes all material tax and labor tax. 3 percent added if paid with credit card.

Estimate is good for 2 weeks as material costs is constantly changing. Any changes to contract may incur additional costs.



Fay-Ark Lawn Co. LLC

155 Whitney Lane | Farmington, Arkansas 72730
4799666409 | office@fay-ark.com | landscapefayetteville.com

RECIPIENT:

Misty Simpson

2425 East Sharon Street
Fayetteville, AR 72703

Quote #912

Sent on Jun 14, 2023

Total \$21,370.89

PRODUCT / SERVICE	DESCRIPTION	QTY.	UNIT PRICE	TOTAL
Landscape Projects	Remove 3 wooden decks, and haul away. Dig up and haul away approx. 4-6" of soil that washed into yard from water leak. Install approx. 4" of sifted topsoil in the backyard. Grade lawn properly to drain to the south side of backyard (into back drainage ditch) Install fescue sod in the entire backyard. Move shed to remove soil from water leak, then reset shed on cinder blocks in the southwest corner of yard (where it is sitting currently) Remove approx. 4" of soil in front yard (west side 1/2 of front yard), then install topsoil, and seed/straw those disturbed areas. Cleanup brush/debris on west side yard. Haul away all debris cleaned up.	1	\$19,472.34	\$19,472.34

A deposit of \$10,685.45 will be required to begin.

This quote is valid for the next 10 days, after which values may be subject to change.

By signing this quote you have agreed to the terms and conditions attached.

Subtotal	\$19,472.34
Sales Tax (9.75%)	\$1,898.55
Total	\$21,370.89

Signature: _____ Date: _____

Bid

1 message

Joel Scott <jmsenterprisesofar@gmail.com>
To: Misty@starpedtherapy.com

Fri, Jun 9, 2023 at 3:59 PM

Good afternoon

I am sorry but I am unable to bid on your project due to:

1. Concern about damaging the roots of the large pine trees during excavation
2. Concern about proper eradication of fungus/mold on current soil

I appreciate you thinking of us and hope we can work together on a future project.

Joel Michael Scott
The Lillian Co. LLC
License No. 0409410122
landscaping, maintenance and home repair
479.966.7334
<https://www.thelillianco.com/>

Yard No Bid

PRIVACY FENCE, INC

EQ 7/18/23

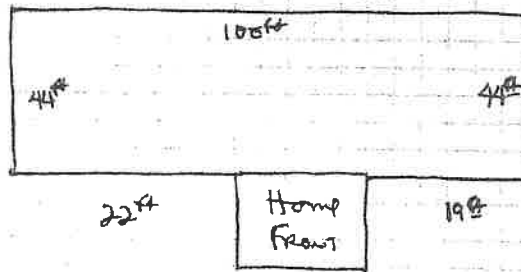
ESTIMATE: <u>1</u> T W T F S	PO Box 7582	INV# 23- 0952
Date: <u>7/17</u> /2023 AM / PM	Springdale, AR 72766	AR Contractor License # 0156100422
APPROV DATE: ____ / ____ / 2023	Office: 479-751-7894	UTILITIES
APPROX START: ____ / ____ / 2023	PrivacyFenceNWA.com	ATT AWG BHILLS CARROLL CITY-BVILLE COX
ADVERTISING	Proposal / Invoice	C-TEL LC OZGO OZARK PGT SWEPD WS
A LIST CBRN CONTR INET NBN		REF #:
ESTER <u>PREV</u> RED REF SIGN SOCIAL YB		ARKUPS: ____ / ____ / ____ AM / PM

Client: Misty Simpson Email: MISTY@STARPedTherapy.com

Address: 2425 E. SHAWAN ST Fayetteville AR Phone: 479-283-5121

- ☐ TREES/BRUSH
- ☐ HILLSIDE
- ☐ ROCKY
- ☐ WATER AVAILABLE
- ☒ 0"-2" OFF GROUND
- ☒ ELECTRICITY AVAILABLE
- ☐ FENCE OFF GROUND >2"
- ☐ FINISHED SIDE OUTSIDE
- ☐ FINISHED SIDE INSIDE
- ☐ DOGS

Redo fence / Reinstall fence panels / Replace upto (52) pressurized pickets
Plus Add 2x6 Rot Board to bottom of fence



City to take down fence panels BUT NOT POSTS
City to regrade yard.
Privacy fence to Reinstall fence back to steel posts
PLUS ADD 2x6 Rot Board to bottom of fence.

PRESSURE TREATED RAILS AND POSTS USED UNLESS OTHERWISE NOTED ON THIS PROPOSAL

FENCE TYPE	PICKETS	HEIGHT	FOOTAGE
☒ BOARD TO BOARD	☒ PRESSURE-TREATED PINE	4FT / 5FT / 6FT	<u>229</u>
☐ SHADOW BOX	☐ EASTERN CEDAR	4FT / 5FT / 6FT	
☐ BOARD ON BOARD	☐ WESTERN CEDAR	4FT / 5FT / 6FT	
☐ ORNAMENTAL IRON	☐ MAJESTIC (SMOOTH TOP)	4FT / 5FT / 6FT	
<u>2</u> RAIL	☐ CLASSIC (PINCHED PICKET)	4FT / 5FT / 6FT	
<u>3</u> RAIL	☐ GENESIS (EXTENDED PICKET)	4FT / 5FT / 6FT	
☐ CHAIN LINK	TERM POSTS		
<u>GAUGE</u>	LINE POSTS	4FT / 5FT / 6FT	
<u>GALVANIZED</u>			
<u>VINYL COATED</u>			
<u>BLACK GREEN BROWN</u>	TOP RAIL		
☐ TEAR OUT	<u>Add 2x6 Rot Board Pressure-treated pine</u>		
☐ HAUL OFF	<u>OTHER: + Re install fence panels to existing posts</u>		
SINGLE GATES:	DOUBLE GATES:		
☐ WOOD FRAME	☐ WOOD FRAME		
☒ STEEL FRAME	☐ STEEL FRAME		
☐ CHAIN LINK	☐ CHAIN LINK		
☐ ORNAMENTAL	☐ ORNAMENTAL		
Optional: Y / N - Postmaster Steel Posts, add to total \$			
Y / N - Galvanized Steel Gate Frames, add to total \$			

We propose to furnish material and labor, with the included specifications for the sum of:

CHECK/CASH PRICE: \$ 4,840.00

CREDIT CARD PRICE: \$ X

VISA X

(3.5% processing fee applicable)

TAX: \$ N/A

DEPOSIT: \$ X

BALANCE DUE UPON COMPLETION \$ 4,840.00

FINANCING

Hearth helps you find monthly payments for your project. Visit our website or Scan the QR code below

<http://PrivacyFenceNWA.com>



*Acceptance of Proposal

Client Signature: _____

Date: 1 / 2023

PFI Signature: [Signature]

Date: 7/17 /2023

Privacy Fence, Inc. agrees to shrinking, checking, or other be applied to the wood in:

Responsibility for complyin responsibility concerning prc

Privacy Fence, Inc. will assun sprinkler lines or any other u

Any additions or changes Privacy Fence, Inc. Right

Repair to fence after yard is regraded

cluded are: alignment due to warping, splitting, twisting, used under this contract. It is recommended that sealer ner damage caused by acts of God, weather, incidental air control.

no circumstances does Privacy Fence, Inc. assume any property surveyed. The client will defend Privacy Fence, the fence.

Privacy Fence, Inc. assumes no responsibility for unmarked recting Privacy Fence, Inc. to dig in the immediate vicinity

and on this contract and will become due and payable to the terms of the contract. The client agrees to pay all

Fanning Construction

RECIPIENT:**Misty Simpson**

2425 East Sharon Street
Fayetteville, Arkansas 72703
Phone: (479) 283-5121

Quote #28

Sent on

Jul 06, 2023

Total**\$14,801.98**

PRODUCT / SERVICE	DESCRIPTION	QTY	UNIT PRICE	TOTAL
Labor	labor charge includes demo, rebuild, back patio build, and haul off/cleanup.	1	\$9,226.35	\$9,226.35
Materials	Materials needed for demo & construction.	1	\$5,575.63	\$5,575.63

A 30% deposit will be required to begin.

Patio Cover

Job consists of demoing 10x20 patio cover & rebuilding, building a 10x20 deck attached to front of bedroom. 30% deposit will be required to began.

This quote is valid for the next 30 days, after which values may be subject to change.

Total**\$14,801.98**

Signature: _____ **Date:** _____

North Creative Spaces LLC
 Kevin Fronterhouse
Business Number 479-530-4767
 25 Wallin Mountain Road
 West Fork, Arkansas, 72774
 479-305-4631
 www.nwacreativespaces.com
 kfrontin2011@gmail.com

ESTIMATE
 EST0219

DATE
 May 4, 2023

TOTAL
 USD \$8,617.65

TO

Misty Simpson

2425 E. Sharron St.
 Fayetteville
 479 283 5121
 Misty@starpedtherapy.com

DESCRIPTION	RATE	QTY	AMOUNT
Back pergola torn down and hauled off. Totally remove back pergola. Dump fee 250. labor 820.	\$970.00	1	\$970.00
Install new patio on top of old concrete patio. 200 sq ft.	\$3,000.00	1	\$3,000.00
New Pergola New cedar 10 x20 ft. made of cedar pergola with clear top drained away from house with gutter in front. still have to clear this price could be more or less.	\$3,900.00	1	\$3,900.00
	\$0.00	1	\$0.00
SUBTOTAL			\$7,870.00
TAX (9.5%)			\$747.65
TOTAL			USD \$8,617.65

Creative Spaces is licensed and insured to perform duties listed above. All work will be performed in a timely and professional manner using top quality materials. Half payment due upfront to cover material costs. Final payment due upon completion and client satisfaction. Includes all material tax and labor tax. 3 percent added if paid with credit card.

Estimate is good for 2 weeks as material costs is constantly changing. Any changes to contract may incur additional costs.

Kevin Fronterhouse
Business Number 479-530-4767
25 Wallin Mountain Road
West Fork, Arkansas, 72774
479-305-4631
www.nwacreativespaces.com
kfrontin2011@gmail.com

DATE
May 4, 2023

TOTAL
USD \$8,617.65

TO

Misty Simpson

2425 E. Sharron St.
Fayetteville
479 283 5121
Misty@starpdtherapy.com

DESCRIPTION	RATE	QTY	AMOUNT
Back pergola torn down and hauled off. Totally remove back pergola. Dump fee 250. labor 820.	\$970.00	1	\$970.00
Install new patio on top of old concrete patio. 200 sq ft.	\$3,000.00	1	\$3,000.00
New Pergola New cedar 10 x20 ft. made of cedar pergola with clear top drained away from house with gutter in front. still have to clear this price could be more or less.	\$3,900.00	1	\$3,900.00
	\$0.00	1	\$0.00
SUBTOTAL			\$7,870.00
TAX (9.5%)			\$747.65
TOTAL			USD \$8,617.65

Creative Spaces is licensed and insured to perform duties listed above. All work will be performed in a timely and professional manner using top quality materials. Half payment due upfront to cover material costs. Final payment due upon completion and client satisfaction. Includes all material tax and labor tax. 3 percent added if paid with credit card.

Estimate is good for 2 weeks as material costs is constantly changing. Any changes to contract may incur additional costs.

This is not built into my house
like the existing cover and
patio will be permed by
foundation repair



Pennington Home Repair & Remodeling
479-601-6100
14485 Elkhorn Springs RD
Fayetteville, AR 72704

Prepared For
Misty Simpson
2425 East Sharron st.
Fayetteville, AR

Estimate Date
05/17/2023

Estimate Number
51624

Reference
2425 E. Sharron st.

Description	Rate	Qty	Line Total
Remove back roof over concrete slab & haul off debris.	\$1,500.00	1	\$1,500.00
Frame old slab & pour slab on top.	\$4,000.00	1	\$4,000.00
Build new 10'x20' cedar pergola. Install clear corrugated roofing panels, install gutter on the pergola on the low side.	\$4,750.00	1	\$4,750.00

Subtotal 10,250.00

Tax 0.00

Estimate Total (USD) \$10,250.00

Notes

Thank you, Michael Pennington

Terms

There will be a 4% additional charge for all payments made by credit card.

*Not built into house
like existing*



The rot on the overhang from the pillar sinking that holds it up. I can get more photos if you need.



Shows the fence being on top of garden beams



October 25, 2021

Jan Phillips Insurance Agency, Inc.
3612 W Sunset Ave
Springdale, AR 72762

RE: Misty D. Simpson
2425 E Sharon St
Fayetteville, AR 72703
Policy Number 04-BE-B130-OF

This is to inform whomever it may concern that Misty D. Simpson does not have a flood insurance policy with this agency.

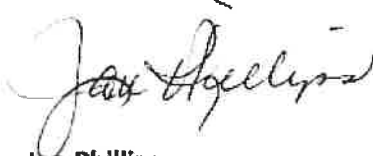
Furthermore, her homeowners policy with State Farm includes the following exclusion:

c. Water, meaning:

(1) flood; (2) surface water. This does not include water solely caused by the release of water from a swimming pool, spigot, sprinkler system, hose, or hydrant; (3) waves (including tidal wave, tsunami, and seiche); (4) tides or tidal water; (5) overflow of any body of water (including any release, escape, or rising of any body of water, or any water held contained controlled, or diverted by a dam, levee, dike or any type of water containment, diversion, or flood control device); (6) spray or surge from any of the items c.(1) through c.(5) described above, all whether driven by wind or not; (7) water or sewage from outside the residence premises plumbing system that enters through sewers or drains, or water or sewage that enters into and overflows from within a sump pump, sump pump well, or any other system designed to remove subsurface water that is drained from the foundation area; (8) water or sewage below the surface of the ground, including water or sewage that exerts pressure on, or seeps or leaks through a building structure, sidewalk, driveway, swimming pool, or other structure; or (9) material carried or otherwise moved by any of the water or sewage, as described in items c.(1) through c.(8) above. However, we will pay for any accidental direct physical loss by fire, explosion, or theft resulting from water, provided the resulting loss is itself a loss insured.

Please contact us if you have further questions regarding this matter.

Sincerely,

A handwritten signature in cursive script, appearing to read "Jan Phillips".

Jan Phillips

Agent

479-756-3505

jan.phillips.b2yb@statefarm.com