

- **The next City Council Committee Meeting date will be held on Monday, December 2<sup>nd</sup>, 2024.**
- **Agenda Packet will be available on the Friday before the meeting.**

**SPRINGDALE CITY COUNCIL  
REGULAR MEETING  
CITY COUNCIL CHAMBERS  
201 SPRING STREET (2<sup>ND</sup> FLOOR)  
Tuesday, November 26<sup>th</sup>, 2024**

5:55 p.m. Pre-Meeting Activities

Pledge of Allegiance

Invocation – Councilman Mike Overton

1. Call to Order – Mayor Doug Sprouse
2. Roll Call – Denise Pearce, City Clerk/Treasurer.
3. Recognition of a Quorum
4. Comments from Citizens

The Council will hear brief comments from citizens present at the meeting during this period on issues not on the agenda. No action will be taken tonight. All comments will be taken under advisement.

5. Approval of Minutes – **Tuesday, November 12<sup>th</sup>, 2024.**

**Pgs. 173-182**

6. Procedural Motions

A. Entertain Motion to read all Ordinances and Resolutions by title only.

B. Entertain Motion to dispense with the rule requiring that ordinances be fully and distinctly read on three (3) different days for ordinances listed on this agenda as *item number(s)* **7A-7B, 8F, 9B-9D, 10, and 11** (*Motion must be approved by two-thirds (2/3) of the council members*).

7. Planning Commission Report and Recommendation by Patsy Christie, Director of Planning and Community Development

- A. **An Ordinance** amending Ordinance No. 3307 the same being the Zoning Ordinance of the City of Springdale, Arkansas, and the plat pertaining thereto by rezoning (R24-49) certain lands located at 2541 E. Emma Avenue from Agricultural District (A-1) to Institutional District (P-1) within Springdale, Arkansas, and Declaring an Emergency. Pgs. 1-3
- B. **An Ordinance** amending Ordinance No. 3307 the same being the Zoning Ordinance of the City of Springdale, Arkansas, and the plat pertaining thereto by rezoning (R24-51) certain lands located at 1501 W. Huntsville Avenue from Low/Medium Density Single Family Residential District (SF-2) to Low Density Multi-Family Residential District (MF-2) within Springdale, Arkansas, and Declaring an Emergency. Pgs. 4-6
- C. **A Resolution** approving a Conditional Use (C24-17) for Juan Martinez of La Favorita Food Truck at 1528 W. Sunset as set forth in Ordinance No. 4030. Pgs. 7-9
- D. **A Resolution** approving a Waiver (W24-23) of Street Improvements, Drainage, Curbs, Gutters, Sidewalks, and Street Lights as set forth in ordinance No. 3725 to State of Arkansas Law Enforcement Training Academy in connection with L24-33, a Large Scale Development. Pgs. 10-11
- E. **A Resolution** approving a Waiver (W24-24) of Street Improvements, Drainage, Curbs, Gutters, Sidewalks, and Street Lights as set forth in ordinance No. 3725 to Jose Manuel Martinez, in connection with 1355 & 1373 Gary Street, and Parker Avenue, two Single-Family Dwellings. Pgs. 12-13
- F. **A Resolution** approving a Waiver (W24-26) of Street Improvements, Drainage, Curbs, Gutters, Sidewalks, and Street Lights as set forth in ordinance No. 3725 to Holden Buildings, in connection with L24-24, a Large Scale Development. Pgs. 14-15
- G. **A Resolution** approving a Waiver (W24-25) of Street Improvements, Drainage, Curbs, Gutters, Sidewalks, and Street Lights as set forth in ordinance No. 3725 to 1100 E. Huntsville Road, in connection with N24-25, a Non-Large-Scale Development. *Tabled from the 11/12/2024 City Council Meeting.* Pgs. 16-19

8. Finance Committee by Chairwoman Amelia Taldo – **Item (s) 8A-8D forwarded from Committee with recommendation for approval.**

A. **A Resolution** to waive competitive bidding and authorization to enter into an agreement for improvements to the Allen building. Presented by Colby Fulfer, Chief of Staff. **Pgs. 20-21**

B. **A Resolution** amending the budget and authorizing the creation of a new position. Presented by Colby Fulfer, Chief of Staff. **Pg. 22**

C. **A Resolution** authorizing the execution of a contract for architect services at Shiloh Museum of Ozark History. Presented by Angie Albright, Museum Director. **Pgs. 23-39**

D. **A Resolution** authorizing the Mayor and City Clerks to enter into an agreement with the Teslar Developer for a cost share to improve Apple Rd from Gene George Blvd to 64<sup>th</sup> Street. Presented by Ben Peters, Engineering Director. **Pgs. 40-42**

E. **A Resolution** approving the City of Springdale, Arkansas, budget for the year 2025. Presented by Mayor Doug Sprouse. *Forwarded from Committee without recommendation for approval.* **Pg. 43**

F. **An Ordinance** setting the salaries of the Elected Officials and Planning Commission Members of the City of Springdale, Arkansas; and repealing Ordinance No. 5907. *Forwarded from Committee without recommendation for approval.* **Pg. 44**

9. Committee of the Whole – **Item (s) 9B-9D were forwarded from 11/04/2024 Committee with recommendation for approval**

A. **A Public Hearing** on a proposed Ordinance setting rates for Sanitary Sewer Service.

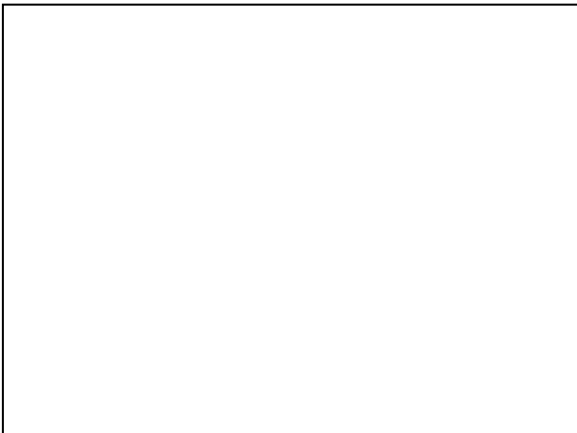
B. **An Ordinance** establishing and setting rates for Sanitary Sewer Services; repealing Ordinance No. 5429, and pertaining to other matters relating thereto. Presented by Ernest Cate, City Attorney. **Pgs. 45-47**

C. **An Ordinance** repealing Ordinance No.5430; establishing Water Rates to be charged by the City of Springdale; and for other purposes. Presented by Ernest Cate, City Attorney. **Pgs. 48-49**

D. **An Ordinance** to enact Water and Wastewater Development Impact Fees, adopting rules and regulations related thereto,

pursuant to Ark. Code Ann. §14-56-103; and amending Chapter 118 of the Code of Ordinances of the City of Springdale, Arkansas. Presented by Ernest Cate, City Attorney. Pgs. 50-127

10. **An Ordinance** authorizing the City Clerk to file a Clean-Up Lien for the removal of overgrown brush and debris on property located within the City of Springdale, Arkansas, and declaring an emergency. Presented by Ernest Cate, City Attorney. Pgs. 128-144
11. **An Ordinance** authorizing the City Clerk to file a Clean-Up Lien for the removal of overgrown brush and debris on property located within the City of Springdale, Arkansas, and declaring an emergency. Presented by Ernest Cate, City Attorney. Pgs. 145-172
12. Comments from Department Heads.
13. Comments from Council Members.
14. Comments from City Attorney.
15. Comments from Mayor.
16. Adjournment.



**ORDINANCE NO. \_\_\_\_\_**

**AN ORDINANCE AMENDING ORDINANCE NO. 3307, THE SAME BEING THE ZONING ORDINANCE OF THE CITY OF SPRINGDALE, ARKANSAS, AND THE PLAT PERTAINING THERETO BY REZONING (R24-49) CERTAIN LANDS FROM AGRICULTURAL DISTRICT (A-1) TO INSTITUTIONAL DISTRICT (P-1) WITHIN SPRINGDALE, ARKANSAS, AND DECLARING AN EMERGENCY.**

**WHEREAS**, the Planning Commission of the City of Springdale, Arkansas, Washington County gave notice required by law and set a hearing date of November 5, 2024, for hearing the matter of Iglesia de Dios Fuente de Vida, a petition requesting that the following described tract of real estate be rezoned from Agricultural District (A-1) to Institutional District (P-1):

**Layman’s Description: 2541 E. Emma Avenue**

**Legal Description:**

**PART OF THE NORTH HALF OF LOT ONE (1) OF THE TOM CARREL SUBDIVISION IN THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 32, TOWNSHIP 18 NORTH, RANGE 29 WEST, WASHINGTON COUNTY, ARKANSAS, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS, TO-WIT: BEGINNING AT THE SOUTHWEST CORNER OF THE NORTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SAID SECTION 32, RUNNING THENCE EAST ALONG HIGHWAY NO. 68 A DISTANCE OF 165.00 FEET, THENCE SOUTH 225.00 FEET, THENCE WEST 165.00 FEET, THENCE NORTH 225.00 FEET TO THE POINT OF BEGINNING, SUBJECT TO A 70 FOOT EASEMENT ON THE WEST SIDE THEREOF, AND SUBJECT TO HIGHWAY NO. 68 ON THE NORTH SIDE THEREOF.**

**AND WHEREAS**, after notice as required by law, the Springdale Planning Commission held a hearing and recommends to the Springdale City Council that the area described herein should be rezoned (R24-49) from Agricultural District (A-1) to Institutional District (P-1) for the purposes of the Zoning Ordinance would

be more properly carried out by such rezoning, and that unless granted, citizens of Springdale will suffer intolerable harm and damage, and will be substantially deprived of the use of their property.

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

**SECTION 1:** That Ordinance No. 3307, the Amendments thereto, and the Zoning Plat pertaining thereto of the City of Springdale, Arkansas, should be and the same is amended by rezoning the above described tract of real estate as follows:

From Agricultural District (A-1) to Institutional District (P-1) zone.

**SECTION 2:** That all ordinances and parts of ordinances in conflict herewith are hereby repealed.

**SECTION 3: EMERGENCY CLAUSE:** It is hereby declared that an emergency exists and this ordinance, being necessary for the preservation of the health, safety, and welfare of the citizens of Springdale, Arkansas, shall be in effect immediately upon its passage and approval.

**PASSED AND APPROVED** this \_\_\_\_\_ day of \_\_\_\_\_, 2024.

\_\_\_\_\_  
Doug Sprouse, Mayor

ATTEST:

\_\_\_\_\_  
Denise Pearce, City Clerk

APPROVED AS TO FORM:

\_\_\_\_\_  
Ernest Cate, City Attorney

PUBLIC HEARING SIGN POSTED BY PLANNING STAFF PRIOR/ON: 10/25/24

**S** PUBLIC HEARING SIGN LOCATION



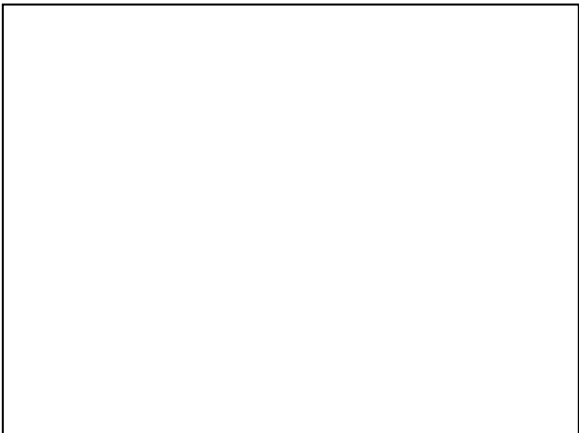
City Council Meeting  
November 26, 2024



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Feet

PROJECT: R24-49  
APPLICANT: Iglesia de Dios Fuente de Vida  
LOCATION: 2541 E. Emma Avenue  
REQUEST: Rezoning from A-1 to P-1





**ORDINANCE NO. \_\_\_\_\_**

**AN ORDINANCE AMENDING ORDINANCE NO. 3307, THE SAME BEING THE ZONING ORDINANCE OF THE CITY OF SPRINGDALE, ARKANSAS, AND THE PLAT PERTAINING THERETO BY REZONING (R24-51) CERTAIN LANDS FROM LOW/MEDIUM DENSITY SINGLE FAMILY RESIDENTIAL DISTRICT (SF-2) TO LOW DENSITY MULTI-FAMILY RESIDENTIAL DISTRICT (MF-2) WITHIN SPRINGDALE, ARKANSAS, AND DECLARING AN EMERGENCY.**

**WHEREAS**, the Planning Commission of the City of Springdale, Arkansas, Washington County gave notice required by law and set a hearing date of November 5, 2024, for hearing the matter of a petition by Bryant and Kim Dillard requesting that the following described tract of real estate be rezoned from Low/Medium Density Single Family Residential District (SF-2) to Low Density Multi-Family Residential District (MF-2):

**Layman’s Description: 1501 W. Huntsville Avenue**

**Legal Description:**

**THE EAST THIRTY (30) FEET OF LOT NUMBERED ELEVEN (11) AND THE WEST FORTY (40) FEET OF LOT NUMBERED TWELVE (12) IN BLOCK NUMBERED FIFTEEN (15) OF THE RE-PLAT OF BLOCKS FOURTEEN (14) AND FIFTEEN (15) OF A.L. TRENT'S PLAT OF CITY PARK ADDITION TO THE CITY OF FAYETTEVILLE, ARKANSAS.**

**PART OF THE NORTHWEST QUARTER OF THE NORTHWEST QUARTER OF THE SOUTHEAST QUARTER (PT. NW % OF NW % OF SE %) OF SECTION THIRTY FIVE (35), TOWNSHIP EIGHTEEN (18) NORTH, RANGE THIRTY (30) WEST, DESCRIBED AS BEGINNING AT THE NORTHEAST CORNER OF SAID TEN-ACRE TRACT, AND RUNNING THENCE WEST 100 FEET, FOR A BEGINNING CORNER OF THE LANDS HEREIN CONVEYED, THENCE SOUTH 150 FEET, THENCE WEST 100 FEET, THENCE NORTH 150 FEET, THENCE EAST 100 FEET TO THE PLACE OF BEGINNING, LYING AND BEING IN WASHINGTON COUNTY, ARKANSAS.**

**AND WHEREAS**, after notice as required by law, the Springdale Planning Commission held a hearing and recommends to the Springdale City Council that the area described herein should be rezoned (R24-51) from Low/Medium Density Single Family Residential District (SF-2) to Low Density Multi-Family Residential District (MF-2) for the purposes of the Zoning Ordinance would be more properly carried out by such rezoning, and that unless granted, citizens of Springdale will suffer intolerable harm and damage, and will be substantially deprived of the use of their property.

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

**SECTION 1:** That Ordinance No. 3307, the Amendments thereto, and the Zoning Plat pertaining thereto of the City of Springdale, Arkansas, should be and the same is amended by rezoning the above-described tract of real estate as follows:

From Low/Medium Density Single Family Residential District (SF-2) to Low Density Multi-Family Residential District (MF-2).

**SECTION 2:** That all ordinances and parts of ordinances in conflict herewith are hereby repealed.

**SECTION 3: EMERGENCY CLAUSE:** It is hereby declared that an emergency exists and this ordinance, being necessary for the preservation of the health, safety, and welfare of the citizens of Springdale, Arkansas, shall be in effect immediately upon its passage and approval.

**PASSED AND APPROVED** this \_\_\_\_\_ day of \_\_\_\_\_, 2024.

\_\_\_\_\_  
Doug Sprouse, Mayor

ATTEST:

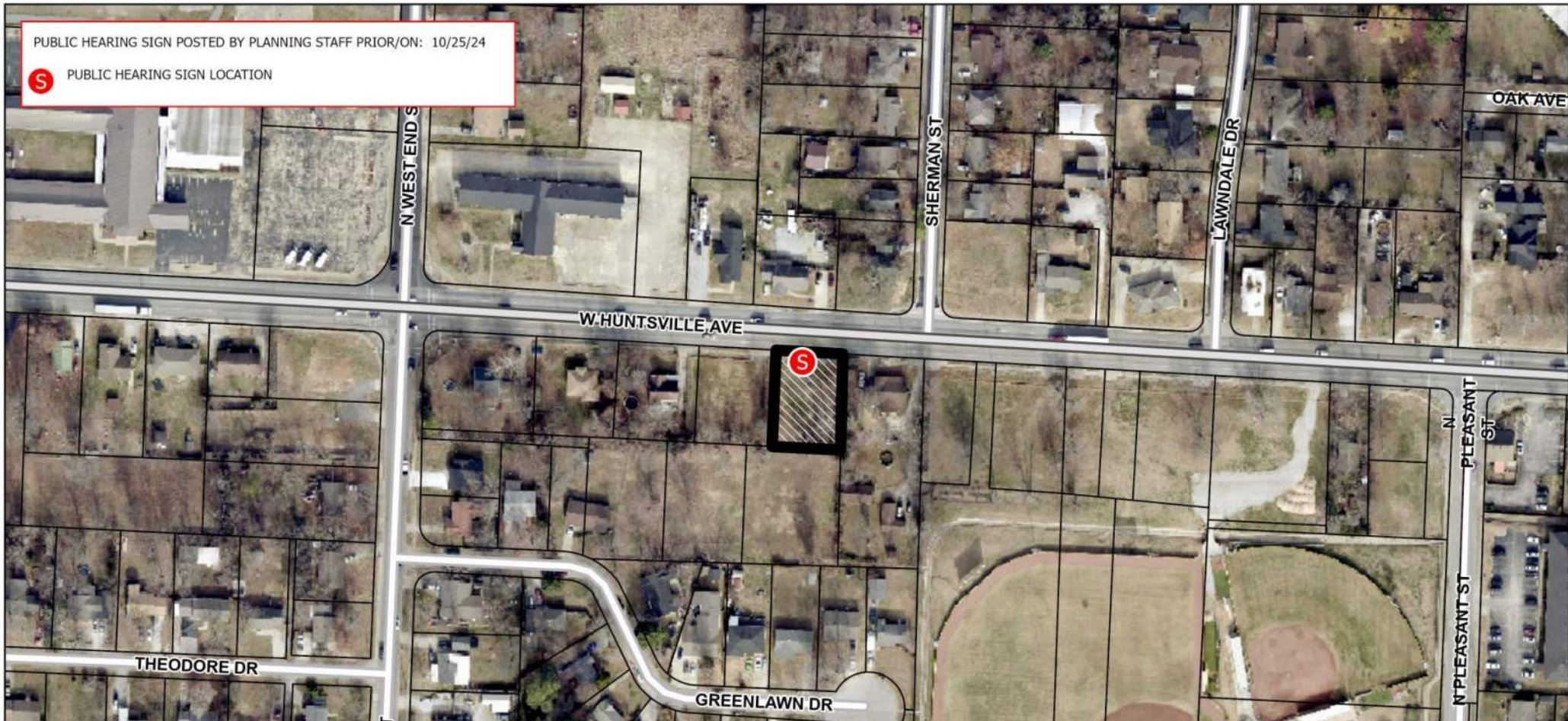
\_\_\_\_\_  
Denise Pearce, City Clerk

APPROVED AS TO FORM:

\_\_\_\_\_  
Ernest Cate, City Attorney

PUBLIC HEARING SIGN POSTED BY PLANNING STAFF PRIOR/ON: 10/25/24

**S** PUBLIC HEARING SIGN LOCATION



City Council Meeting  
November 26, 2024



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Feet

PROJECT: R24-51  
APPLICANT: Bryant Dillard  
LOCATION: 1501 W. Huntsville Avenue  
REQUEST: Rezoning from SF-2 to MF-2



**RESOLUTION NO. \_\_\_\_\_**

**A RESOLUTION APPROVING A CONDITIONAL USE  
(C24-17) FOR JUAN MARTINEZ OF LA FAVORITA FOOD  
TRUCK AT 2255 W. SUNSET AS SET FORTH IN  
ORDINANCE NO. 4030**

**WHEREAS**, Ordinance #4030 amending Chapter 130 (Zoning Ordinance) of the Springdale Code of Ordinance provides that an application for a conditional use on appeal must be heard first by the Planning Commission and a recommendation made to the City Council; and

**WHEREAS**, the Planning Commission held a public hearing on November 5, 2024, on a request by Juan Martinez of La Favorita Food Truck for a Conditional Use (C24-17) for a Use Unit 44 (Mobile Vending) in a Thoroughfare Commercial District (C-5).

**WHEREAS**, following the public hearing, the Planning Commission by a vote of seven (7) yeases and zero (0) nays recommends that a Conditional Use (C24-17) be granted to Juan Martinez of La Favorita Food Truck for a Use Unit 44 (Mobile Vending) in a Thoroughfare Commercial District (C-5) with the following conditions:

1. May not operate between the hours of 10:00 p.m. and 7:00 a.m.
2. No obstruction of parking spaces required for the operation of any other use on the site
3. Maintain on the site a minimum of three parking spaces designated for their use.
4. If a health certificate is required, display the health certificate in a manner visible to customers.
5. No obstruction of pedestrian or motor vehicle traffic flow.
6. No obstruction of traffic signals or regulatory signs.
7. No vending upon a public way.
8. Sound any device that produces a loud and raucous noise in violation of city ordinance, or violate any other city ordinances in connection with the vending operation.
9. Keep vending sites clean and free of paper or refuse of any kind generated from the operation of their business. All trash or debris accumulating within twenty (20) feet of any vending stand collect and deposit into a trash container.

**NOW, THEREFORE BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SPRINGDALE**, that the City Council hereby grants a Conditional Use (C24-17) to Juan Martinez of La Favorita Food Truck for a Use Unit 44 (Mobile Vending) in a Thoroughfare Commercial District (C-5) with the following conditions:

1. May not operate between the hours of 10:00 p.m. and 7:00 a.m.
2. No obstruction of parking spaces required for the operation of any other use on the site
3. Maintain on the site a minimum of three parking spaces designated for their use.
4. If a health certificate is required, display the health certificate in a manner visible to customers.
5. No obstruction of pedestrian or motor vehicle traffic flow.
6. No obstruction of traffic signals or regulatory signs.
7. No vending upon a public way.
8. Sound any device that produces a loud and raucous noise in violation of city ordinance, or violate any other city ordinances in connection with the vending operation.
9. Keep vending sites clean and free of paper or refuse of any kind generated from the operation of their business. All trash or debris accumulating within twenty (20) feet of any vending stand collect and deposit into a trash container.

PASSED AND APPROVED THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 2024.

\_\_\_\_\_  
Doug Sprouse, Mayor

ATTEST:

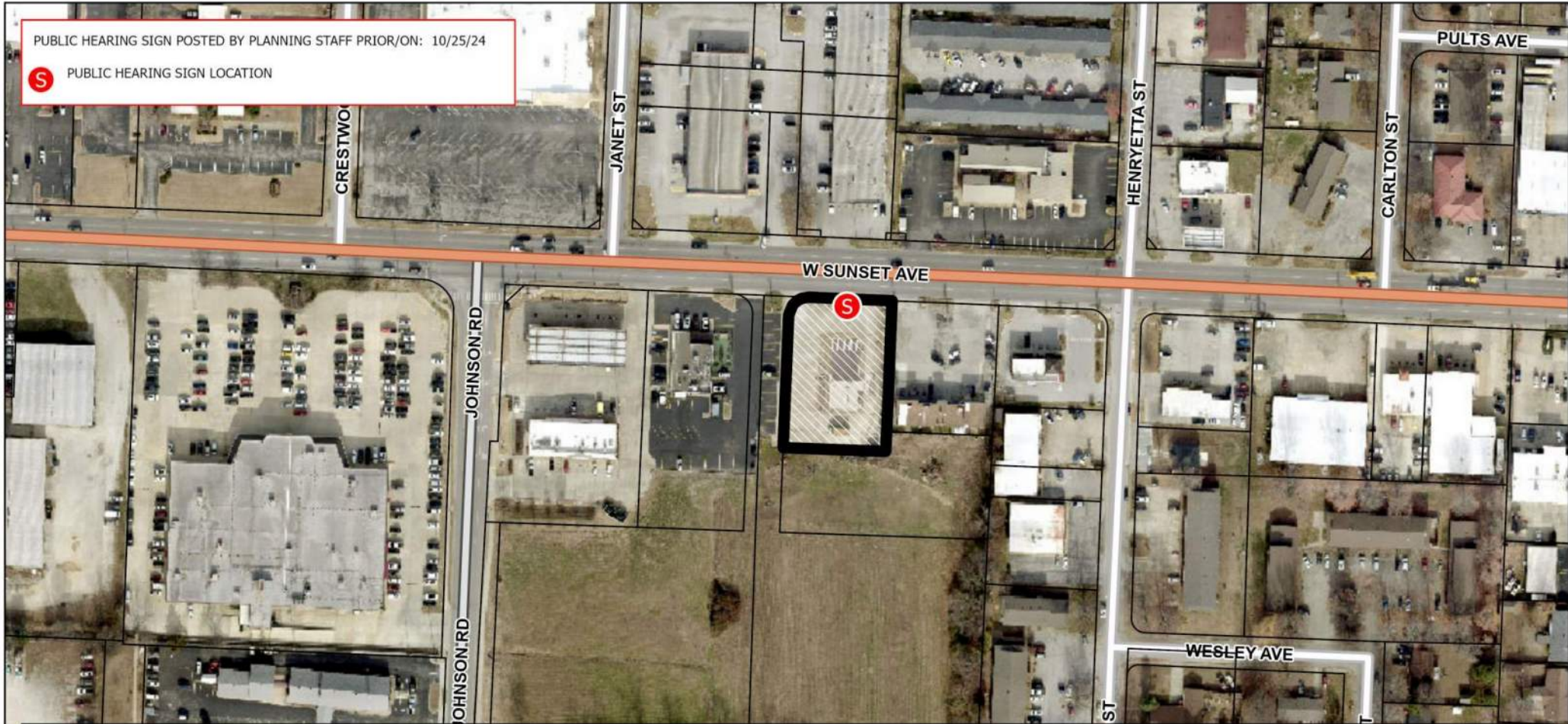
\_\_\_\_\_  
Denise Pearce, City Clerk

APPROVED AS TO FORM:

\_\_\_\_\_  
Ernest Cate, City Attorney

PUBLIC HEARING SIGN POSTED BY PLANNING STAFF PRIOR/ON: 10/25/24

**S** PUBLIC HEARING SIGN LOCATION



City Council Meeting  
November 26, 2024



0 210 420  
Feet

PROJECT: C24-17

APPLICANT: Juan Martinez, La Favorita Food Truck

LOCATION: 2255 W. Sunset Avenue

REQUEST: Use Unit 44 (Mobile Vending)



RESOLUTION NO. \_\_\_\_\_

**A RESOLUTION APPROVING A WAIVER (W24-23) OF STREET IMPROVEMENTS, DRAINAGE, CURBS, GUTTERS, SIDEWALKS, AND STREET LIGHTS AS SET FORTH IN ORDINANCE NO. 3725 TO STATE OF ARKANSAS LAW ENFORCEMENT TRAINING ACADEMY IN CONNECTION WITH L24-33, A LARGE SCALE DEVELOPMENT.**

**WHEREAS**, Ordinance #3047 provides for the waiver (W24-23) of street improvements, drainage relating thereto, curbs, gutters, sidewalks, and street lights to be first heard by the Planning Commission and a recommendation made to the City Council, with any waivers to be granted by the City Council only; and

**WHEREAS**, the Planning Commission reviewed a request for waiver (W24-23) of street improvements to S. Downum Street including drainage improvements related thereto, curbs, gutters, sidewalks, and street lights in connection with the State of Arkansas Law Enforcement Training Academy, L24-33, a Large Scale Development, and the Planning Commission recommends denial of the waiver request.

**NOW, THEREFORE BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SPRINGDALE**, that the City Council hereby:

**Option 1: Grants** a waiver (W24-23) of street improvements to S. Downum Road including drainage improvements related thereto, curbs, gutters, sidewalks, and street lights in connection with L24-33, a Large Scale Development for the State of Arkansas Law Enforcement Training Academy.

**Option 2: Denies** a waiver (W24-23) of street improvements to S. Downum Road including drainage improvements related thereto, curbs, gutters, sidewalks, and street lights in connection with L24-33, a Large Scale Development for the State of Arkansas Law Enforcement Training Academy.

**Option 3: Approves** payment in lieu of improvements to S. Downum Road in connection with L24-33, a Large Scale Development for the State of Arkansas Law Enforcement Training Academy with estimated cost to be submitted by the developer's engineer for confirmation by the Planning Department.

**Option 4: Denies** a waiver (W24-23) and allow a Bill of Assurance for a period not to exceed \_\_\_\_\_ years for street improvements to S. Downum Road including drainage improvements related thereto, curbs, gutters, sidewalks, and street lights to be built in connection with L24-33, a Large Scale Development for the State of Arkansas Law Enforcement Training Academy.

**PASSED AND APPROVED THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 2024.**

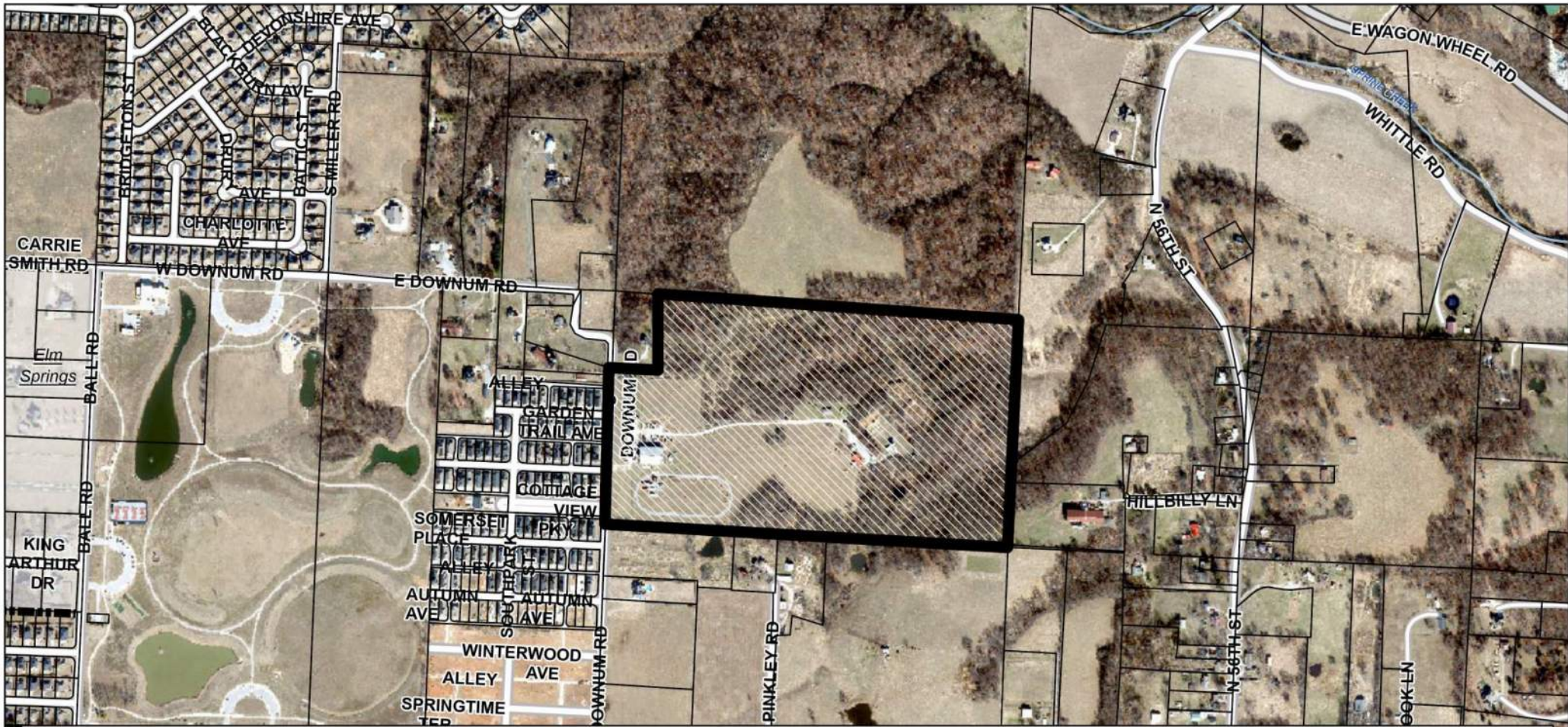
\_\_\_\_\_  
Doug Sprouse, Mayor

ATTEST:

\_\_\_\_\_  
Denise Pearce, City Clerk

APPROVED AS TO FORM:

\_\_\_\_\_  
Ernest Cate, City Attorney



City Council Meeting  
November 26, 2024



0 975 1950  
Feet

PROJECT: W24-23

APPLICANT: Arkansas Law Enforcement Training Academy

LOCATION: 3434 S. Downum Road

REQUEST: Waiver of Street Improvements



RESOLUTION NO. \_\_\_\_\_

**A RESOLUTION APPROVING A WAIVER (W24-24) OF STREET IMPROVEMENTS, DRAINAGE, CURBS, GUTTERS, SIDEWALKS, AND STREET LIGHTS AS SET FORTH IN ORDINANCE NO. 3725 TO JOSE MANUEL MARTINEZ IN CONNECTION WITH 1355 & 1373 GARY STREET, AND PARKER AVENUE, TWO SINGLE-FAMILY DWELLINGS.**

**WHEREAS**, Ordinance #3047 provides for the waiver (W24-24) of street improvements, drainage relating thereto, curbs, gutters, sidewalks, and street lights to be first heard by the Planning Commission and a recommendation made to the City Council, with any waivers to be granted by the City Council only; and

**WHEREAS**, the Planning Commission reviewed a request for waiver (W24-24) of street improvements to Gary Street and Parker Avenue including drainage improvements related thereto, curbs, gutters, sidewalks, and street lights in connection with 1355 & 1373 Gary Street, two single-family dwellings, and the Planning Commission recommends denial of the waiver request.

**NOW, THEREFORE BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SPRINGDALE**, that the City Council hereby:

**Option 1: Grants** a waiver (W24-24) of street improvements to Gary Street and Parker Avenue including drainage improvements related thereto, curbs, gutters, sidewalks, and street lights in connection with 1355 & 1373 Gary Street, two single-family dwellings.

**Option 2: Denies** a waiver (W24-24) of street improvements to Gary Street and Parker Avenue including drainage improvements related thereto, curbs, gutters, sidewalks, and street lights in connection with 1355 & 1373 Gary Street, two single-family dwellings.

**Option 3: Approves** payment in lieu of improvements to Gary Street and Parker Avenue in connection with 1355 & 1373 Gary Street, two single-family dwellings with estimated cost to be submitted by the developer’s engineer for confirmation by the Planning Department.

**Option 4: Denies** a waiver (W24-24) and allow a Bill of Assurance for a period not to exceed \_\_\_\_\_ years for street improvements to Gary Street and Parker Avenue including drainage improvements related thereto, curbs, gutters, sidewalks, and street lights to be built in connection with 1355 & 1373 Gary Street, two single-family dwellings.

**PASSED AND APPROVED THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 2024.**

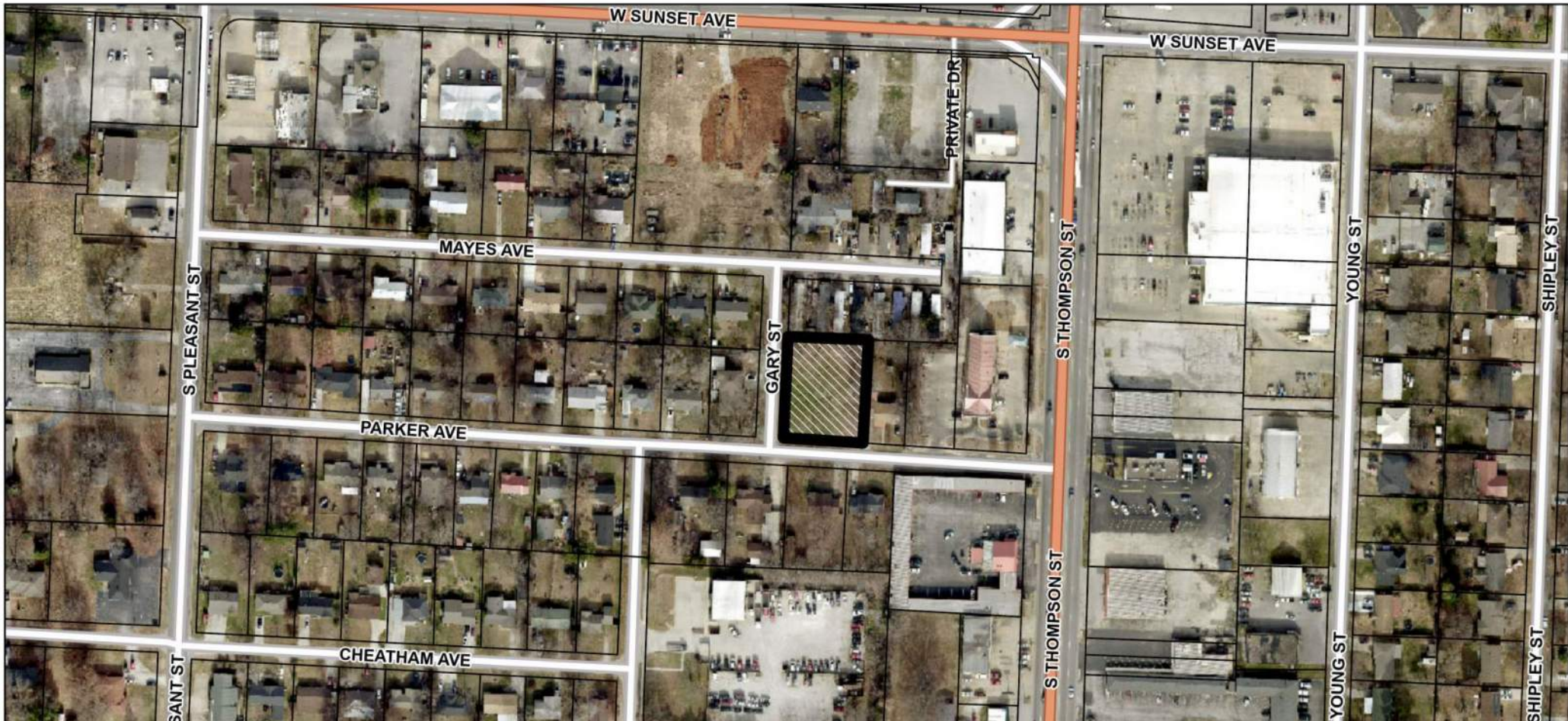
\_\_\_\_\_  
Doug Sprouse, Mayor

ATTEST:

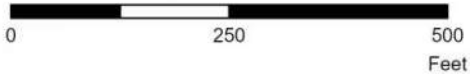
\_\_\_\_\_  
Denise Pearce, City Clerk

APPROVED AS TO FORM:

\_\_\_\_\_  
Ernest Cate, City Attorney



City Council Meeting  
November 26, 2024



PROJECT: W24-24  
APPLICANT: Jose Manuel Martinez  
LOCATION: 1355 & 1373 Gary Street  
REQUEST: Waiver of Street Improvements



RESOLUTION NO. \_\_\_\_\_

**A RESOLUTION APPROVING A WAIVER (W24-26) OF STREET IMPROVEMENTS, DRAINAGE, CURBS, GUTTERS, SIDEWALKS, AND STREET LIGHTS AS SET FORTH IN ORDINANCE NO. 3725 TO HOLDEN BUILDINGS IN CONNECTION WITH L24-24, A LARGE SCALE DEVELOPMENT.**

**WHEREAS**, Ordinance #3047 provides for the waiver (W24-26) of street improvements, drainage relating thereto, curbs, gutters, sidewalks, and street lights to be first heard by the Planning Commission and a recommendation made to the City Council, with any waivers to be granted by the City Council only; and

**WHEREAS**, the Planning Commission reviewed a request for waiver (W24-26) of street improvements to N. Thompson Street including drainage improvements related thereto, curbs, gutters, sidewalks, and street lights in connection with Holden Buildings, L24-24, a Large Scale Development, and the Planning Commission recommends denial of the waiver request.

**NOW, THEREFORE BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SPRINGDALE**, that the City Council hereby:

**Option 1: Grants** a waiver (W24-26) of street improvements to N. Thompson Street including drainage improvements related thereto, curbs, gutters, sidewalks, and street lights in connection with L24-24, a Large Scale Development for Holden Buildings.

**Option 2: Denies** a waiver (W24-26) of street improvements to N. Thompson Street including drainage improvements related thereto, curbs, gutters, sidewalks, and street lights in connection with L24-24, a Large Scale Development for Holden Buildings.

**Option 3: Approves** payment in lieu of improvements to N. Thompson Street in connection with L24-24, a Large Scale Development for Holden Buildings with estimated cost to be submitted by the developer's engineer for confirmation by the Planning Department.

**Option 4: Denies** a waiver (W24-26) and allow a Bill of Assurance for a period not to exceed \_\_\_\_\_ years for street improvements to N. Thompson Street including drainage improvements related thereto, curbs, gutters, sidewalks, and street lights to be built in connection with L24-24, a Large Scale Development for Holden Buildings.

**PASSED AND APPROVED THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 2024.**

\_\_\_\_\_  
Doug Sprouse, Mayor

ATTEST:

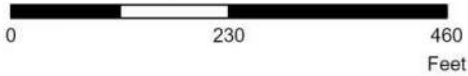
\_\_\_\_\_  
Denise Pearce, City Clerk

APPROVED AS TO FORM:

\_\_\_\_\_  
Ernest Cate, City Attorney



City Council Meeting  
November, 26 2024



PROJECT: W24-26  
APPLICANT: Holden Buildings  
LOCATION: 3645 N. Thompson Street  
REQUEST: Waiver of Street Improvements





November 15<sup>th</sup>, 2024

Springdale Planning Department  
123 Main Street  
Springdale, AR 72764

**RE: Request for Waiver from Commercial Street Improvements - [1100 E. Huntsville Road, Springdale, AR 72762]**

Dear City Council Members,

Erika Forest is requesting a waiver from the requirement to construct and make payment in lieu of commercial street improvements for the master street plan future street on the south side of the project site.

Waiver from Commercial Street Improvements: This request is for the current 8ft sidewalk to remain. The majority of Huntsville Avenue is currently 8ft of sidewalk along the north side and if we were to replace the sidewalk and place per master street plan (10ft) this would not align with the existing adjacent properties. See the images in the next pages.

This request is made in good faith and with careful consideration of both regulatory requirements and community interests. Our goal is to develop a project that enhances the local area and aligns with the vision of city planners for a functional and inclusive urban landscape while also respecting relevant guidelines and standards.

Thank you for considering our requests. Please let me know if you have any questions or concerns.

Sincerely,

**Bates & Associates, Inc.**

A handwritten signature in black ink that reads 'Addie Manzi'. The signature is written in a cursive, flowing style.

Addie Manzi



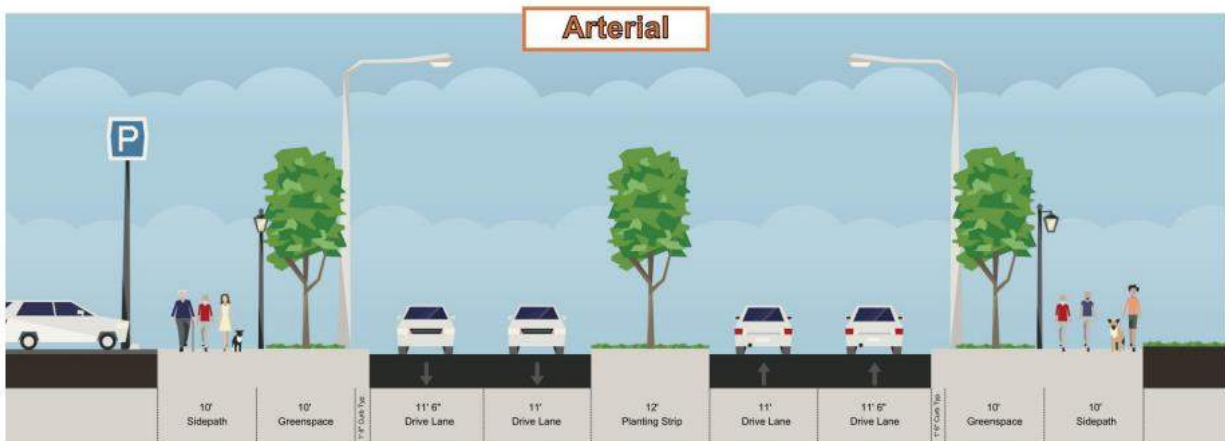
This image is looking west of the site. The 8ft sidewalk extends well past the site.



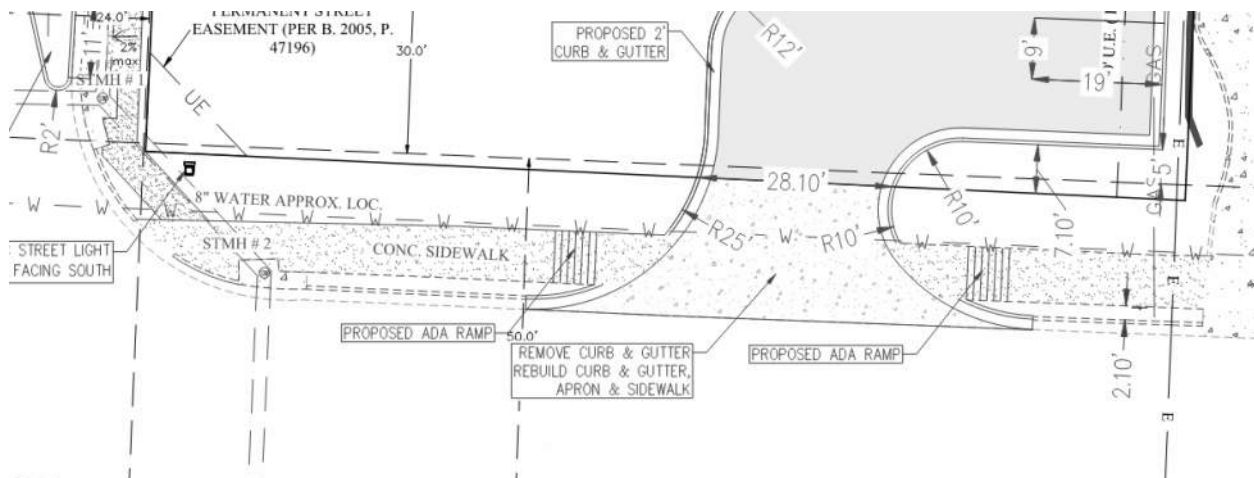
This image is the sidewalk along the south side of Kum & Go (along the north side of Huntsville)



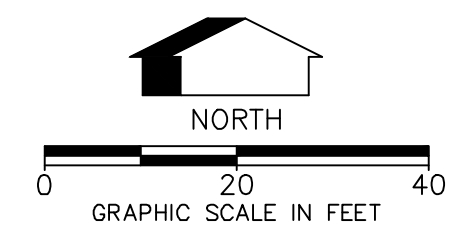
Measurement of said Kum & Go sidewalk



Current Master Street Plan showing 10ft of greenspace and 10ft of sidewalk



Existing layout of the right of way



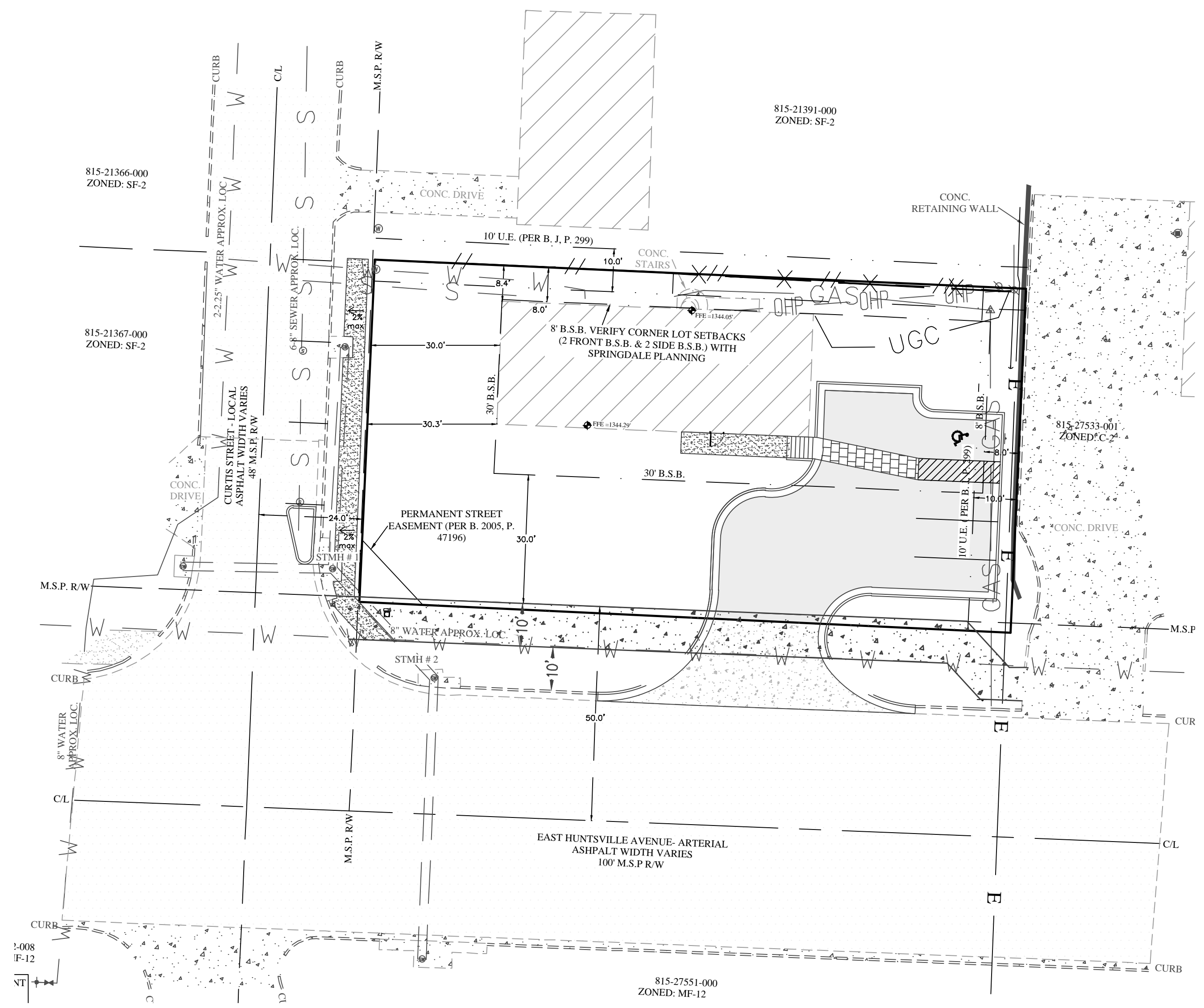
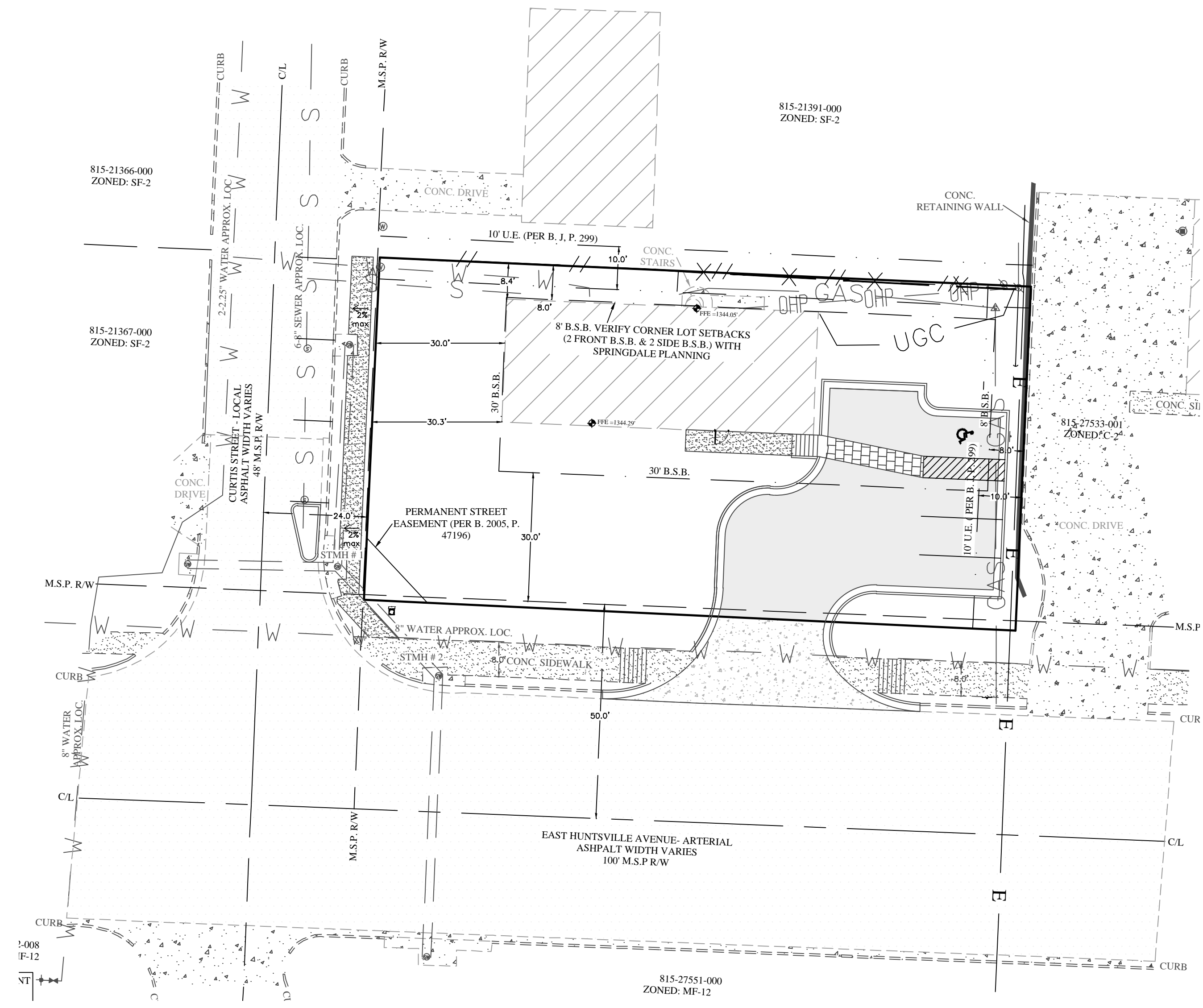
ENGINEER: G. Bates  
 DRAWN BY: A. Manzi  
 PROJECT NO. BA# 24-039  
 CITY# N24-25  
 STATE OF ARKANSAS  
 REGISTERED PROFESSIONAL ENGINEER  
 No. 9810  
 GEFFEREY H. BATES  
 10-31-2024  
 BATES & ASSOCIATES, INC.  
 #335  
 ARKANSAS ENGINEER  
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REVISIONS	DATE
1st Submittal	08/07/24
2nd Submittal	09/20/24
3rd Submittal	10/17/24
4th Submittal	10/31/24

1100 HUNTSVILLE PARKING  
 LOT EXPANSION  
 SIDEWALK EXAMPLE  
 SPRINGDALE, ARKANSAS

**BATES**  
 Engineers • Surveyors  
 7230 S Pleasant Ridge Dr / Fayetteville, AR 72704  
 PH: (479) 442-9350 / batesnwa.com

PROJECT NO. BA# 24-039  
 CITY# N24-25  
 DRAWING NO. 03.1



**RESOLUTION NO. \_\_\_\_\_**

**A RESOLUTION TO WAIVE COMPETITIVE  
BIDDING AND AUTHORIZATION TO ENTER INTO  
AN AGREEMENT FOR IMPROVEMENTS TO THE  
ALLEN BUILDING**

**WHEREAS**, the Allen Building is in need of repairs, and

**WHEREAS**, significant damage has compromised the roof of the building, resulting in an insurance claim in the amount of \$561,740.00 to replace the roof, and

**WHEREAS**, the exterior of the Allen Building needs exterior painting and updating, and

**WHEREAS**, Milestone Construction Company, LLC has proposed a contract in the amount of \$647,435.00 for the roof replacement and painting,

**WHEREAS**, Milestone Construction Company, LLC was the chosen contractor for upgrades to the Allen Building during the construction of the municipal complex,

**NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL FOR THE CITY OF SPRINGDALE, ARKANSAS**, that

1. The Mayor and City Clerk are authorized to enter into an agreement in an amount not to exceed \$647,435.00 with Milestone Construction Company, LLC for improvements to the Allen Building.
2. Insurance proceeds in the amount of \$561,740 should be paid directly from the insurance company to Milestone Construction Company, LLC.
3. An amount not to exceed \$85,695.00 shall be paid from the unrestricted general fund.

**PASSED AND APPROVED** this 26<sup>th</sup> day of November, 2024.

\_\_\_\_\_  
Doug Sprouse, Mayor

ATTEST:

\_\_\_\_\_  
Denise Pearce, City Clerk

APPROVED AS TO FORM:

\_\_\_\_\_  
Ernest B. Cate, City Attorney

October 31, 2024

Colby Fulfer  
City of Springdale  
201 Spring St  
Springdale, AR 72762

Re: Allen Building Roofing & Misc. Work

Mr. Fulfer:

Please see the roofing options below for re-roofing and re-painting of the Allen building. Let me know if you have any questions or need additional information.

**A. Metal Roofing Replacement - \$561,740.00**

This option includes the following:

- Supervision to ensure safety, scheduling and quality of work.
- Removal of all existing metal roofing panels and metal building insulation.
- Remove all gutters and downspouts.
- Dumpster for foam removal and construction debris.
- Provide and install new 6" VRR+ metal building insulation.
- Provide and install a new 24ga Central Seam plus mechanically seamed standing seam roof with all new trims, roof vents, gutters and downspouts. All roofing panels will be a galvalume finish and all trims exposed to view will be painted in a color selected from the manufacturer's standard color chart.

**B. Painting of the Exterior of the Building - \$85,695.00**

- Prep and paint the exterior metal wall panels, CMU, OH doors, misc steel bollards, dock plates.
- Replace plywood on door opening with metal wall panel.

Sincerely,



Mike Davis  
Vice President

**RESOLUTION NO. \_\_\_\_\_**

**A RESOLUTION AMENDING THE BUDGET AND  
AUTHORIZING THE CREATION OF A NEW POSITION**

**WHEREAS**, the Shiloh Museum director will restructure her staff positions in the 2025 budget, and

**WHEREAS**, the Shiloh Museum position of Image Collections Manager (Grade 23) will be replaced with Exhibit Developer (Grade 20) in the 2025 budget, and

**WHEREAS**, the director would like to advertise and potentially fill the position between now and the end of the year, and

**WHEREAS**, it is in the city's best interest to create the Exhibit Developer position on November 26, 2024 in order to post the new position before the end of the year, and

**WHEREAS**, the new position of Exhibit Developer is rated as a grade 20 with a starting pay of \$48,329.00.

**NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL FOR THE CITY OF SPRINGDALE, ARKANSAS, that**

Section 1. An additional position of Exhibit Developer is hereby created at a pay scale Grade 20.

Section 2. The budget shall reflect that Exhibit Developer replaces the Image Collections Manager position.

**PASSED AND APPROVED** this 26<sup>th</sup> day of November, 2024.

---

Doug Sprouse, Mayor

ATTEST:

---

Denise Pearce, City Clerk

APPROVED AS TO FORM:

---

Ernest B. Cate, City Attorney

**RESOLUTION NO. \_\_\_\_\_**

**A RESOLUTION AUTHORIZING THE EXECUTION  
OF A CONTRACT FOR ARCHITECT SERVICES AT SHILOH  
MUSEUM OF OZARK HISTORY**

**WHEREAS**, the Smith-Searcy House, located on the grounds of Shiloh Museum of Ozark History, is in need chimney repairs and roofing system replacement, and

**WHEREAS**, due to the historic nature of this structure, Shiloh Museum of Ozark History has chosen Clements & Associates/Architecture, Inc., for Architect Services, and

**WHEREAS**, the total for chimney repairs and roofing system replacement is \$66,134.00, and

**WHEREAS**, the Arkansas Historic Preservation Program will pay for the contractor fees related to the project, Shiloh Museum will be paying for the Architect Services out of the Shiloh Museum Board Reserves, in an amount of \$8,626.00.

**NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL  
FOR THE CITY OF SPRINGDALE, ARKANSAS, that**

**Section 1.** Expenditures for the architectural work on this project will be paid for from the Shiloh Museum Board Reserves, in an amount of \$8,626.00.

**Section 2.** The Arkansas Historic Preservation Program will pay for all contractor fees related to the project, in an amount of \$57,508.00.

**Section 3.** The Mayor and City Clerk are hereby authorized to execute an architecture services contract with Clements & Associates/Architecture, Inc., for chimney repairs and roofing system repairs to the Smith-Searcy House at Shiloh Museum.

**PASSED AND APPROVED** this 26<sup>th</sup> day of November, 2024.

\_\_\_\_\_  
Doug Sprouse, Mayor

ATTEST:

\_\_\_\_\_  
Denise Pearce, City Clerk

APPROVED AS TO FORM:

\_\_\_\_\_

Ernest B. Cate, City Attorney

# AIA<sup>®</sup> Document B104<sup>®</sup> – 2017

## ***Standard Abbreviated Form of Agreement Between Owner and Architect***

**AGREEMENT** made as of the 17th day of June in the year 2024  
(*In words, indicate day, month and year.*)

**BETWEEN** the Architect's client identified as the Owner:  
(*Name, legal status, address and other information*)

City of Springdale  
City Administration Building  
201 Spring Street  
Springdale, Arkansas 72764  
Telephone Number: 5013753380

and the Architect:  
(*Name, legal status, address and other information*)

Clements & Associates/Architecture, Inc.  
507 Main Street  
North Little Rock, Arkansas 72114

for the following Project:  
(*Name, location and detailed description*)

Chimney Repairs & Roofing System Replacement  
Shiloh Museum of Ozark History  
Springdale, Arkansas

The Owner and Architect agree as follows.

### **ADDITIONS AND DELETIONS:**

The author of this document has added information needed for its completion. The author may also have revised the text of the original AIA standard form. An *Additions and Deletions Report* that notes added information as well as revisions to the standard form text is available from the author and should be reviewed. A vertical line in the left margin of this document indicates where the author has added necessary information and where the author has added to or deleted from the original AIA text.

This document has important legal consequences. Consultation with an attorney is encouraged with respect to its completion or modification.

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## TABLE OF ARTICLES

- 1 INITIAL INFORMATION
- 2 ARCHITECT'S RESPONSIBILITIES
- 3 SCOPE OF ARCHITECT'S BASIC SERVICES
- 4 SUPPLEMENTAL AND ADDITIONAL SERVICES
- 5 OWNER'S RESPONSIBILITIES
- 6 COST OF THE WORK
- 7 COPYRIGHTS AND LICENSES
- 8 CLAIMS AND DISPUTES
- 9 TERMINATION OR SUSPENSION
- 10 MISCELLANEOUS PROVISIONS
- 11 COMPENSATION
- 12 SPECIAL TERMS AND CONDITIONS
- 13 SCOPE OF THE AGREEMENT

### ARTICLE 1 INITIAL INFORMATION

§ 1.1 This Agreement is based on the Initial Information set forth below:

*(State below details of the Project's site and program, Owner's contractors and consultants, Architect's consultants, Owner's budget for the Cost of the Work, and other information relevant to the Project.)*

The scope of this project includes the replacement of the asphalt shingle roof and masonry repairs to the central chimney of the historic house.

§ 1.2 The Owner and Architect may rely on the Initial Information. Both parties, however, recognize that such information may materially change and, in that event, the Owner and the Architect shall appropriately adjust the schedule, the Architect's services and the Architect's compensation. The Owner shall adjust the Owner's budget for the Cost of the Work and the Owner's anticipated design and construction milestones, as necessary, to accommodate material changes in the Initial Information.

§ 1.3 The parties shall agree upon protocols governing the transmission and use of Instruments of Service or any other information or documentation in digital form. The parties will use AIA Document E203™-2013, Building Information Modeling and Digital Data Exhibit, to establish the protocols for the development, use, transmission, and exchange of digital data.

§ 1.3.1 Any use of, or reliance on, all or a portion of a building information model without agreement to protocols governing the use of, and reliance on, the information contained in the model and without having those protocols set forth, shall be at the using or relying party's sole risk and without liability to the other party and its contractors or consultants, the authors of, or contributors to, the building information model, and each of their agents and employees.

### ARTICLE 2 ARCHITECT'S RESPONSIBILITIES

§ 2.1 The Architect shall provide the professional services set forth in this Agreement consistent with the professional skill and care ordinarily provided by architects practicing in the same or similar locality under the same

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or similar circumstances. The Architect shall perform its services as expeditiously as is consistent with such professional skill and care and the orderly progress of the Project.

§ 2.2 The Architect shall maintain the following insurance until termination of this Agreement. If any of the requirements set forth below are in addition to the types and limits the Architect normally maintains, the Owner shall pay the Architect as set forth in Section 11.8:

*(Identify types and limits of insurance coverage, and other insurance requirements applicable to the Agreement, if any.)*

.1 General Liability

\$1,000,000.00

.2 Automobile Liability

\$1,000,000.00

.3 Workers' Compensation

\$500,000.00

.4 Professional Liability

\$1,000,000.00

**ARTICLE 3 SCOPE OF ARCHITECT'S BASIC SERVICES**

§ 3.1 The Architect's Basic Services consist of those described in this Article 3 and include usual and customary structural, mechanical, and electrical engineering services. Services not set forth in this Article 3 are Supplemental or Additional Services.

§ 3.1.1 The Architect shall coordinate its services with those services provided by the Owner and the Owner's consultants. The Architect shall be entitled to rely on (1) the accuracy and completeness of the services and information furnished by the Owner and (2) the Owner's approvals. The Architect shall provide prompt written notice to the Owner if the Architect becomes aware of any error, omission, or inconsistency in such services or information.

§ 3.1.2 As soon as practicable after the date of this Agreement, the Architect shall submit for the Owner's approval a schedule for the performance of the Architect's services. Once approved by the Owner, time limits established by the schedule shall not, except for reasonable cause, be exceeded by the Architect or Owner. With the Owner's approval, the Architect shall adjust the schedule, if necessary, as the Project proceeds until the commencement of construction.

§ 3.1.3 The Architect shall assist the Owner in connection with the Owner's responsibility for filing documents required for the approval of governmental authorities having jurisdiction over the Project.

**§ 3.2 Design Phase Services**

§ 3.2.1 The Architect shall review the program and other information furnished by the Owner, and shall review laws, codes, and regulations applicable to the Architect's services.

§ 3.2.2 The Architect shall discuss with the Owner the Owner's program, schedule, budget for the Cost of the Work, Project site, and alternative approaches to design and construction of the Project. The Architect shall reach an understanding with the Owner regarding the Project requirements.

§ 3.2.3 The Architect shall consider the relative value of alternative materials, building systems and equipment, together with other considerations based on program, aesthetics, and any sustainable objectives, in developing a design for the Project that is consistent with the Owner's schedule and budget for the Cost of the Work.

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§ 3.2.4 Based on the Project requirements, the Architect shall prepare Design Documents for the Owner's approval consisting of drawings and other documents appropriate for the Project and the Architect shall prepare and submit to the Owner an estimate of the Cost of the Work prepared in accordance with Section 6.3.

§ 3.2.5 The Architect shall submit the Design Documents to the Owner, and request the Owner's approval.

### § 3.3 Construction Documents Phase Services

§ 3.3.1 Based on the Owner's approval of the Design Documents, the Architect shall prepare for the Owner's approval Construction Documents consisting of Drawings and Specifications setting forth in detail the requirements for the construction of the Work. The Owner and Architect acknowledge that in order to construct the Work the Contractor will provide additional information, including Shop Drawings, Product Data, Samples and other similar submittals, which the Architect shall review in accordance with Section 3.4.4.

§ 3.3.2 The Architect shall incorporate the design requirements of governmental authorities having jurisdiction over the Project into the Construction Documents.

§ 3.3.3 The Architect shall submit the Construction Documents to the Owner, update the estimate for the Cost of the Work and advise the Owner of any adjustments to the estimate of the Cost of the Work, take any action required under Section 6.5, and request the Owner's approval.

§ 3.3.4 The Architect, following the Owner's approval of the Construction Documents and of the latest estimate of the Cost of the Work, shall assist the Owner in obtaining bids or proposals and awarding and preparing contracts for construction.

### § 3.4 Construction Phase Services

#### § 3.4.1 General

§ 3.4.1.1 The Architect shall provide administration of the Contract between the Owner and the Contractor as set forth below and in AIA Document A104™-2017, Standard Abbreviated Form of Agreement Between Owner and Contractor. If the Owner and Contractor modify AIA Document A104-2017, those modifications shall not affect the Architect's services under this Agreement unless the Owner and the Architect amend this Agreement.

§ 3.4.1.2 The Architect shall advise and consult with the Owner during the Construction Phase Services. The Architect shall have authority to act on behalf of the Owner only to the extent provided in this Agreement. The Architect shall not have control over, charge of, or responsibility for the construction means, methods, techniques, sequences or procedures, or for safety precautions and programs in connection with the Work, nor shall the Architect be responsible for the Contractor's failure to perform the Work in accordance with the requirements of the Contract Documents. The Architect shall be responsible for the Architect's negligent acts or omissions, but shall not have control over or charge of and shall not be responsible for, acts or omissions of the Contractor or of any other persons or entities performing portions of the Work.

§ 3.4.1.3 Subject to Section 4.2, the Architect's responsibility to provide Construction Phase Services commences with the award of the Contract for Construction and terminates on the date the Architect issues the final Certificate for Payment.

#### § 3.4.2 Evaluations of the Work

§ 3.4.2.1 The Architect shall visit the site at intervals appropriate to the stage of construction, or as otherwise required in Section 4.2.2, to become generally familiar with the progress and quality of the portion of the Work completed, and to determine, in general, if the Work observed is being performed in a manner indicating that the Work, when fully completed, will be in accordance with the Contract Documents. However, the Architect shall not be required to make exhaustive or continuous on-site inspections to check the quality or quantity of the Work. On the basis of the site visits, the Architect shall keep the Owner reasonably informed about the progress and quality of the portion of the Work completed, and promptly report to the Owner (1) known deviations from the Contract Documents, (2) known deviations from the most recent construction schedule submitted by the Contractor, and (3) defects and deficiencies observed in the Work.

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§ 3.4.2.2 The Architect has the authority to reject Work that does not conform to the Contract Documents and has the authority to require inspection or testing of the Work.

§ 3.4.2.3 The Architect shall interpret and decide matters concerning performance under, and requirements of, the Contract Documents on written request of either the Owner or Contractor. The Architect's response to such requests shall be made in writing within any time limits agreed upon or otherwise with reasonable promptness.

§ 3.4.2.4 When making such interpretations and decisions, the Architect shall endeavor to secure faithful performance by both Owner and Contractor, shall not show partiality to either, and shall not be liable for results of interpretations or decisions rendered in good faith.

§ 3.4.2.5 The Architect shall render initial decisions on Claims between the Owner and Contractor as provided in the Contract Documents.

#### § 3.4.3 Certificates for Payment to Contractor

§ 3.4.3.1 The Architect shall review and certify the amounts due the Contractor and shall issue certificates in such amounts. The Architect's certification for payment shall constitute a representation to the Owner, based on the Architect's evaluation of the Work as provided in Section 3.4.2 and on the data comprising the Contractor's Application for Payment, that, to the best of the Architect's knowledge, information and belief, the Work has progressed to the point indicated, the quality of the Work is in accordance with the Contract Documents, and that the Contractor is entitled to payment in the amount certified.

§ 3.4.3.2 The issuance of a Certificate for Payment shall not be a representation that the Architect has (1) made exhaustive or continuous on-site inspections to check the quality or quantity of the Work, (2) reviewed construction means, methods, techniques, sequences or procedures, (3) reviewed copies of requisitions received from Subcontractors and suppliers and other data requested by the Owner to substantiate the Contractor's right to payment, or (4) ascertained how or for what purpose the Contractor has used money previously paid on account of the Contract Sum.

#### § 3.4.4 Submittals

§ 3.4.4.1 The Architect shall review and approve, or take other appropriate action, upon the Contractor's submittals such as Shop Drawings, Product Data and Samples, but only for the limited purpose of checking for conformance with information given and the design concept expressed in the Contract Documents. Review of such submittals is not for the purpose of determining the accuracy and completeness of other information such as dimensions, quantities, and installation or performance of equipment or systems, which are the Contractor's responsibility. The Architect's review shall not constitute approval of safety precautions or any construction means, methods, techniques, sequences or procedures.

§ 3.4.4.2 If the Contract Documents specifically require the Contractor to provide professional design services or certifications by a design professional related to systems, materials or equipment, the Architect shall specify the appropriate performance and design criteria that such services must satisfy. The Architect shall review and take appropriate action on Shop Drawings and other submittals related to the Work designed or certified by the Contractor's design professional, provided the submittals bear such professional's seal and signature when submitted to the Architect. The review shall be for the limited purpose of checking for conformance with information given and the design concept expressed in the Contract Documents. The Architect shall be entitled to rely upon, and shall not be responsible for, the adequacy and accuracy of the services, certifications, and approvals performed or provided by such design professionals.

§ 3.4.4.3 The Architect shall review and respond to written requests for information about the Contract Documents. The Architect's response to such requests shall be made in writing within any time limits agreed upon, or otherwise with reasonable promptness.

#### § 3.4.5 Changes in the Work

The Architect may order minor changes in the Work that are consistent with the intent of the Contract Documents and do not involve an adjustment in the Contract Sum or an extension of the Contract Time. Subject to Section 4.2.3, the Architect shall prepare Change Orders and Construction Change Directives for the Owner's approval and execution in accordance with the Contract Documents.

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**§ 3.4.6 Project Completion**

The Architect shall conduct inspections to determine the date or dates of Substantial Completion and the date of final completion; issue Certificates of Substantial Completion; forward to the Owner, for the Owner’s review and records, written warranties and related documents required by the Contract Documents and received from the Contractor; and issue a final Certificate for Payment based upon a final inspection indicating that, to the best of the Architect’s knowledge, information, and belief, the Work complies with the requirements of the Contract Documents.

**ARTICLE 4 SUPPLEMENTAL AND ADDITIONAL SERVICES**

**§ 4.1** Supplemental Services are not included in Basic Services but may be required for the Project. The Architect shall provide the Supplemental Services indicated below, and the Owner shall compensate the Architect as provided in Section 11.2. Supplemental Services may include programming, site evaluation and planning, environmental studies, civil engineering, landscape design, telecommunications/data, security, measured drawings of existing conditions, coordination of separate contractors or independent consultants, detailed cost estimates, on-site project representation beyond requirements of Section 4.2.2, value analysis, interior architectural design, tenant related services, preparation of record drawings, commissioning, sustainable project services, and any other services not otherwise included in this Agreement.

*(Identify below the Supplemental Services that the Architect is required to provide and insert a description of each Supplemental Service, if not further described in an exhibit attached to this document.)*

No Supplemental or Additional Services are known at this time.

**§ 4.2** The Architect may provide Additional Services after execution of this Agreement without invalidating the Agreement. Upon recognizing the need to perform Additional Services, the Architect shall notify the Owner. The Architect shall not provide the Additional Services until the Architect receives the Owner’s written authorization. Except for services required due to the fault of the Architect, any Additional Services provided in accordance with this Section 4.2 shall entitle the Architect to compensation pursuant to Section 11.3.

**§ 4.2.1** The Architect shall provide services necessitated by a change in the Initial Information, changes in previous instructions or approvals given by the Owner, or a material change in the Project including size; quality; complexity; the Owner’s schedule or budget for Cost of the Work; or procurement or delivery method as an Additional Service.

**§ 4.2.2** The Architect has included in Basic Services four ( 4 ) visits to the site by the Architect during construction. The Architect shall conduct site visits in excess of that amount as an Additional Service.

**§ 4.2.3** The Architect shall, as an Additional Service, provide services made necessary by a Contractor’s proposed change in the Work. The Architect shall prepare revisions to the Architect’s Instruments of Service necessitated by Change Orders and Construction Change Directives as an Additional Service.

**§ 4.2.4** If the services covered by this Agreement have not been completed within twelve ( 12 ) months of the date of this Agreement, through no fault of the Architect, extension of the Architect’s services beyond that time shall be compensated as Additional Services.

**ARTICLE 5 OWNER’S RESPONSIBILITIES**

**§ 5.1** Unless otherwise provided for under this Agreement, the Owner shall provide information in a timely manner regarding requirements for and limitations on the Project, including a written program which shall set forth the Owner’s objectives, schedule, constraints and criteria, including space requirements and relationships, flexibility, expandability, special equipment, systems and site requirements.

**§ 5.2** The Owner shall establish the Owner’s budget for the Project, including (1) the budget for the Cost of the Work as defined in Section 6.1; (2) the Owner’s other costs; and, (3) reasonable contingencies related to all of these costs. The Owner shall update the Owner’s budget for the Project as necessary throughout the duration of the Project until final completion. If the Owner significantly increases or decreases the Owner’s budget for the Cost of the Work, the Owner shall notify the Architect. The Owner and the Architect shall thereafter agree to a corresponding change in the Project’s scope and quality.

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§ 5.3 The Owner shall furnish surveys to describe physical characteristics, legal limitations and utility locations for the site of the Project; a written legal description of the site; and services of geotechnical engineers or other consultants, when the Architect requests such services and demonstrates that they are reasonably required by the scope of the Project.

§ 5.4 The Owner shall coordinate the services of its own consultants with those services provided by the Architect. Upon the Architect's request, the Owner shall furnish copies of the scope of services in the contracts between the Owner and the Owner's consultants. The Owner shall require that its consultants and contractors maintain insurance, including professional liability insurance, as appropriate to the services or work provided.

§ 5.5 The Owner shall furnish tests, inspections and reports required by law or the Contract Documents, such as structural, mechanical, and chemical tests; tests for air and water pollution; and tests for hazardous materials.

§ 5.6 The Owner shall furnish all legal, insurance and accounting services, including auditing services, that may be reasonably necessary at any time for the Project to meet the Owner's needs and interests.

§ 5.7 The Owner shall provide prompt written notice to the Architect if the Owner becomes aware of any fault or defect in the Project, including errors, omissions or inconsistencies in the Architect's Instruments of Service.

§ 5.8 The Owner shall endeavor to communicate with the Contractor through the Architect about matters arising out of or relating to the Contract Documents.

§ 5.9 The Owner shall provide the Architect access to the Project site prior to commencement of the Work and shall obligate the Contractor to provide the Architect access to the Work wherever it is in preparation or progress.

§ 5.10 Within 15 days after receipt of a written request from the Architect, the Owner shall furnish the requested information as necessary and relevant for the Architect to evaluate, give notice of, or enforce lien rights.

#### **ARTICLE 6 COST OF THE WORK**

§ 6.1 For purposes of this Agreement, the Cost of the Work shall be the total cost to the Owner to construct all elements of the Project designed or specified by the Architect and shall include contractors' general conditions costs, overhead and profit. The Cost of the Work also includes the reasonable value of labor, materials, and equipment, donated to, or otherwise furnished by, the Owner. The Cost of the Work does not include the compensation of the Architect; the costs of the land, rights-of-way, financing, or contingencies for changes in the Work; or other costs that are the responsibility of the Owner.

§ 6.2 The Owner's budget for the Cost of the Work is provided in Initial Information, and shall be adjusted throughout the Project as required under Sections 5.2, 6.4 and 6.5. Evaluations of the Owner's budget for the Cost of the Work, and the preliminary estimate of the Cost of the Work and updated estimates of the Cost of the Work prepared by the Architect, represent the Architect's judgment as a design professional. It is recognized, however, that neither the Architect nor the Owner has control over the cost of labor, materials or equipment; the Contractor's methods of determining bid prices; or competitive bidding, market or negotiating conditions. Accordingly, the Architect cannot and does not warrant or represent that bids or negotiated prices will not vary from the Owner's budget for the Cost of the Work, or from any estimate of the Cost of the Work, or evaluation, prepared or agreed to by the Architect.

§ 6.3 In preparing estimates of the Cost of Work, the Architect shall be permitted to include contingencies for design, bidding and price escalation; to determine what materials, equipment, component systems and types of construction are to be included in the Contract Documents; to recommend reasonable adjustments in the program and scope of the Project; and to include design alternates as may be necessary to adjust the estimated Cost of the Work to meet the Owner's budget. The Architect's estimate of the Cost of the Work shall be based on current area, volume or similar conceptual estimating techniques. If the Owner requires a detailed estimate of the Cost of the Work, the Architect shall provide such an estimate, if identified as the Architect's responsibility in Section 4.1, as a Supplemental Service.

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§ 6.4 If, through no fault of the Architect, construction procurement activities have not commenced within 90 days after the Architect submits the Construction Documents to the Owner the Owner's budget for the Cost of the Work shall be adjusted to reflect changes in the general level of prices in the applicable construction market.

§ 6.5 If at any time the Architect's estimate of the Cost of the Work exceeds the Owner's budget for the Cost of the Work, the Architect shall make appropriate recommendations to the Owner to adjust the Project's size, quality or budget for the Cost of the Work, and the Owner shall cooperate with the Architect in making such adjustments.

§ 6.6 If the Owner's current budget for the Cost of the Work at the conclusion of the Construction Documents Phase Services is exceeded by the lowest bona fide bid or negotiated proposal, the Owner shall

- .1 give written approval of an increase in the budget for the Cost of the Work;
- .2 authorize rebidding or renegotiating of the Project within a reasonable time;
- .3 terminate in accordance with Section 9.5;
- .4 in consultation with the Architect, revise the Project program, scope, or quality as required to reduce the Cost of the Work; or
- .5 implement any other mutually acceptable alternative.

§ 6.7 If the Owner chooses to proceed under Section 6.6.4, the Architect shall modify the Construction Documents as necessary to comply with the Owner's budget for the Cost of the Work at the conclusion of the Construction Documents Phase Services, or the budget as adjusted under Section 6.6.1. If the Owner requires the Architect to modify the Construction Documents because the lowest bona fide bid or negotiated proposal exceeds the Owner's budget for the Cost of the Work due to market conditions the Architect could not reasonably anticipate, the Owner shall compensate the Architect for the modifications as an Additional Service pursuant to Section 11.3; otherwise the Architect's services shall be without additional compensation. In any event, the Architect's modification of the Construction Documents shall be the limit of the Architect's responsibility under this Article 6.

## ARTICLE 7 COPYRIGHTS AND LICENSES

§ 7.1 The Architect and the Owner warrant that in transmitting Instruments of Service, or any other information, the transmitting party is the copyright owner of such information or has permission from the copyright owner to transmit such information for its use on the Project.

§ 7.2 The Architect and the Architect's consultants shall be deemed the authors and owners of their respective Instruments of Service, including the Drawings and Specifications, and shall retain all common law, statutory and other reserved rights, including copyrights. Submission or distribution of Instruments of Service to meet official regulatory requirements or for similar purposes in connection with the Project is not to be construed as publication in derogation of the reserved rights of the Architect and the Architect's consultants.

§ 7.3 The Architect grants to the Owner a nonexclusive license to use the Architect's Instruments of Service solely and exclusively for purposes of constructing, using, maintaining, altering and adding to the Project, provided that the Owner substantially performs its obligations under this Agreement, including prompt payment of all sums when due pursuant to Article 9 and Article 11. The Architect shall obtain similar nonexclusive licenses from the Architect's consultants consistent with this Agreement. The license granted under this section permits the Owner to authorize the Contractor, Subcontractors, Sub-subcontractors, and suppliers, as well as the Owner's consultants and separate contractors, to reproduce applicable portions of the Instruments of Service, subject to any protocols established pursuant to Section 1.3, solely and exclusively for use in performing services or construction for the Project. If the Architect rightfully terminates this Agreement for cause as provided in Section 9.4, the license granted in this Section 7.3 shall terminate.

§ 7.3.1 In the event the Owner uses the Instruments of Service without retaining the authors of the Instruments of Service, the Owner releases the Architect and Architect's consultant(s) from all claims and causes of action arising from such uses. The Owner, to the extent permitted by law, further agrees to indemnify and hold harmless the Architect and its consultants from all costs and expenses, including the cost of defense, related to claims and causes of action asserted by any third person or entity to the extent such costs and expenses arise from the Owner's use of the Instruments of Service under this Section 7.3.1. The terms of this Section 7.3.1 shall not apply if the Owner rightfully terminates this Agreement for cause under Section 9.4.

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§ 7.4 Except for the licenses granted in this Article 7, no other license or right shall be deemed granted or implied under this Agreement. The Owner shall not assign, delegate, sublicense, pledge or otherwise transfer any license granted herein to another party without the prior written agreement of the Architect. Any unauthorized use of the Instruments of Service shall be at the Owner's sole risk and without liability to the Architect and the Architect's consultants.

§ 7.5 Except as otherwise stated in Section 7.3, the provisions of this Article 7 shall survive the termination of this Agreement.

## ARTICLE 8 CLAIMS AND DISPUTES

### § 8.1 General

§ 8.1.1 The Owner and Architect shall commence all claims and causes of action against the other and arising out of or related to this Agreement, whether in contract, tort, or otherwise, in accordance with the requirements of the binding dispute resolution method selected in this Agreement and within the period specified by applicable law, but in any case not more than 10 years after the date of Substantial Completion of the Work. The Owner and Architect waive all claims and causes of action not commenced in accordance with this Section 8.1.1.

§ 8.1.2 To the extent damages are covered by property insurance, the Owner and Architect waive all rights against each other and against the contractors, consultants, agents, and employees of the other, for damages, except such rights as they may have to the proceeds of such insurance as set forth in AIA Document A104-2017, Standard Abbreviated Form of Agreement Between Owner and Contractor. The Owner or the Architect, as appropriate, shall require of the contractors, consultants, agents, and employees of any of them, similar waivers in favor of the other parties enumerated herein.

§ 8.1.3 The Architect and Owner waive consequential damages for claims, disputes or other matters in question, arising out of or relating to this Agreement. This mutual waiver is applicable, without limitation, to all consequential damages due to either party's termination of this Agreement, except as specifically provided in Section 9.6

### § 8.2 Mediation

§ 8.2.1 Any claim, dispute or other matter in question arising out of or related to this Agreement shall be subject to mediation as a condition precedent to binding dispute resolution. If such matter relates to or is the subject of a lien arising out of the Architect's services, the Architect may proceed in accordance with applicable law to comply with the lien notice or filing deadlines prior to resolution of the matter by mediation or by binding dispute resolution.

§ 8.2.2 Mediation, unless the parties mutually agree otherwise, shall be administered by the American Arbitration Association in accordance with its Construction Industry Mediation Procedures in effect on the date of this Agreement. The parties shall share the mediator's fee and any filing fees equally. The mediation shall be held in the place where the Project is located, unless another location is mutually agreed upon. Agreements reached in mediation shall be enforceable as settlement agreements in any court having jurisdiction thereof.

§ 8.2.3 If the parties do not resolve a dispute through mediation pursuant to this Section 8.2, the method of binding dispute resolution shall be the following:  
(Check the appropriate box.)

- [ X ] Arbitration pursuant to Section 8.3 of this Agreement
- [ ] Litigation in a court of competent jurisdiction
- [ ] Other: (Specify)

If the Owner and Architect do not select a method of binding dispute resolution, or do not subsequently agree in writing to a binding dispute resolution method other than litigation, the dispute will be resolved in a court of competent jurisdiction.

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### **§ 8.3 Arbitration**

**§ 8.3.1** If the parties have selected arbitration as the method for binding dispute resolution in this Agreement, any claim, dispute or other matter in question arising out of or related to this Agreement subject to, but not resolved by, mediation shall be subject to arbitration which, unless the parties mutually agree otherwise, shall be administered by the American Arbitration Association in accordance with its Construction Industry Arbitration Rules in effect on the date of the Agreement.

**§ 8.3.1.1** A demand for arbitration shall be made no earlier than concurrently with the filing of a request for mediation, but in no event shall it be made after the date when the institution of legal or equitable proceedings based on the claim, dispute or other matter in question would be barred by the applicable statute of limitations. For statute of limitations purposes, receipt of a written demand for arbitration by the person or entity administering the arbitration shall constitute the institution of legal or equitable proceedings based on the claim, dispute or other matter in question.

**§ 8.3.2** The foregoing agreement to arbitrate, and other agreements to arbitrate with an additional person or entity duly consented to by parties to this Agreement, shall be specifically enforceable in accordance with applicable law in any court having jurisdiction thereof.

**§ 8.3.3** The award rendered by the arbitrator(s) shall be final, and judgment may be entered upon it in accordance with applicable law in any court having jurisdiction thereof.

### **§ 8.3.4 Consolidation or Joinder**

**§ 8.3.4.1** Either party, at its sole discretion, may consolidate an arbitration conducted under this Agreement with any other arbitration to which it is a party provided that (1) the arbitration agreement governing the other arbitration permits consolidation; (2) the arbitrations to be consolidated substantially involve common questions of law or fact; and (3) the arbitrations employ materially similar procedural rules and methods for selecting arbitrator(s).

**§ 8.3.4.2** Either party, at its sole discretion, may include by joinder persons or entities substantially involved in a common question of law or fact whose presence is required if complete relief is to be accorded in arbitration, provided that the party sought to be joined consents in writing to such joinder. Consent to arbitration involving an additional person or entity shall not constitute consent to arbitration of any claim, dispute or other matter in question not described in the written consent.

**§ 8.3.4.3** The Owner and Architect grant to any person or entity made a party to an arbitration conducted under this Section 8.3, whether by joinder or consolidation, the same rights of joinder and consolidation as the Owner and Architect under this Agreement.

**§ 8.4** The provisions of this Article 8 shall survive the termination of this Agreement.

## **ARTICLE 9 TERMINATION OR SUSPENSION**

**§ 9.1** If the Owner fails to make payments to the Architect in accordance with this Agreement, such failure shall be considered substantial nonperformance and cause for termination or, at the Architect's option, cause for suspension of performance of services under this Agreement. If the Architect elects to suspend services, the Architect shall give seven days' written notice to the Owner before suspending services. In the event of a suspension of services, the Architect shall have no liability to the Owner for delay or damage caused the Owner because of such suspension of services. Before resuming services, the Owner shall pay the Architect all sums due prior to suspension and any expenses incurred in the interruption and resumption of the Architect's services. The Architect's fees for the remaining services and the time schedules shall be equitably adjusted.

**§ 9.2** If the Owner suspends the Project, the Architect shall be compensated for services performed prior to notice of such suspension. When the Project is resumed, the Architect shall be compensated for expenses incurred in the interruption and resumption of the Architect's services. The Architect's fees for the remaining services and the time schedules shall be equitably adjusted.

**§ 9.3** If the Owner suspends the Project for more than 90 cumulative days for reasons other than the fault of the Architect, the Architect may terminate this Agreement by giving not less than seven days' written notice.

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§ 9.4 Either party may terminate this Agreement upon not less than seven days' written notice should the other party fail substantially to perform in accordance with the terms of this Agreement through no fault of the party initiating the termination.

§ 9.5 The Owner may terminate this Agreement upon not less than seven days' written notice to the Architect for the Owner's convenience and without cause.

§ 9.6 In the event of termination not the fault of the Architect, the Architect shall be compensated for services performed prior to termination, Reimbursable Expenses incurred, and all costs attributable to termination, including the costs attributable to the Architect's termination of consultant agreements.

§ 9.7 In addition to any amounts paid under Section 9.6, if the Owner terminates this Agreement for its convenience pursuant to Section 9.5, or the Architect terminates this Agreement pursuant to Section 9.3, the Owner shall pay to the Architect the following fees:

*(Set forth below the amount of any termination or licensing fee, or the method for determining any termination or licensing fee.)*

.1 Termination Fee:

N/A

.2 Licensing Fee if the Owner intends to continue using the Architect's Instruments of Service:

N/A

§ 9.8 Except as otherwise expressly provided herein, this Agreement shall terminate one year from the date of Substantial Completion.

#### ARTICLE 10 MISCELLANEOUS PROVISIONS

§ 10.1 This Agreement shall be governed by the law of the place where the Project is located excluding that jurisdiction's choice of law rules. If the parties have selected arbitration as the method of binding dispute resolution, the Federal Arbitration Act shall govern Section 8.3.

§ 10.2 Terms in this Agreement shall have the same meaning as those in AIA Document A104-2017, Standard Abbreviated Form of Agreement Between Owner and Contractor.

§ 10.3 The Owner and Architect, respectively, bind themselves, their agents, successors, assigns and legal representatives to this Agreement. Neither the Owner nor the Architect shall assign this Agreement without the written consent of the other, except that the Owner may assign this Agreement to a lender providing financing for the Project if the lender agrees to assume the Owner's rights and obligations under this Agreement, including any payments due to the Architect by the Owner prior to the assignment.

§ 10.4 If the Owner requests the Architect to execute certificates or consents, the proposed language of such certificates or consents shall be submitted to the Architect for review at least 14 days prior to the requested dates of execution. The Architect shall not be required to execute certificates or consents that would require knowledge, services or responsibilities beyond the scope of this Agreement.

§ 10.5 Nothing contained in this Agreement shall create a contractual relationship with, or a cause of action in favor of, a third party against either the Owner or Architect.

§ 10.6 The Architect shall have no responsibility for the discovery, presence, handling, removal or disposal of, or exposure of persons to, hazardous materials or toxic substances in any form at the Project site.

§ 10.7 The Architect shall have the right to include photographic or artistic representations of the design of the Project among the Architect's promotional and professional materials. However, the Architect's materials shall not include information the Owner has identified in writing as confidential or proprietary. The Owner shall provide professional credit for the Architect in the Owner's promotional materials for the Project. This Section 10.7 shall

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survive the termination of this Agreement unless the Owner terminates this Agreement for cause pursuant to Section 9.4.

**§ 10.8** The invalidity of any provision of the Agreement shall not invalidate the Agreement or its remaining provisions. If it is determined that any provision of the Agreement violates any law, or is otherwise invalid or unenforceable, then that provision shall be revised to the extent necessary to make that provision legal and enforceable. In such case the Agreement shall be construed, to the fullest extent permitted by law, to give effect to the parties' intentions and purposes in executing the Agreement.

**ARTICLE 11 COMPENSATION**

**§ 11.1** For the Architect's Basic Services described under Article 3, the Owner shall compensate the Architect as follows:

.1 Stipulated Sum  
(Insert amount)

Lump Sum of \$8,626.00

.2 Percentage Basis  
(Insert percentage value)

( ) % of the Owner's budget for the Cost of the Work, as calculated in accordance with Section 11.6.

.3 Other  
(Describe the method of compensation)

**§ 11.2** For Supplemental Services identified in Section 4.1, the Owner shall compensate the Architect as follows:  
(Insert amount of, or basis for, compensation. If necessary, list specific services to which particular methods of compensation apply.)

Unless otherwise negotiated, Supplement Services will be compensated on an hourly basis as per Section 11.7.

**§ 11.3** For Additional Services that may arise during the course of the Project, including those under Section 4.2, the Owner shall compensate the Architect as follows:  
(Insert amount of, or basis for, compensation.)

Unless otherwise negotiated, Additional Services will be compensated on an hourly basis as per Section 11.7

**§ 11.4** Compensation for Supplemental and Additional Services of the Architect's consultants when not included in Section 11.2 or 11.3, shall be the amount invoiced to the Architect plus fifteen percent ( 15 %), or as follows:

**§ 11.5** Where compensation for Basic Services is based on a stipulated sum or percentage of the Cost of the Work, the compensation for each phase of services shall be as follows:

Design Phase	Twenty	percent (	20	%)
Construction Documents Phase	Sixty	percent (	60	%)
Construction Phase	Twenty	percent (	20	%)
<hr/>				
Total Basic Compensation	one hundred	percent (	100	%)

**§ 11.6** When compensation identified in Section 11.1 is on a percentage basis, progress payments for each phase of Basic Services shall be calculated by multiplying the percentages identified in this Article by the Owner's most

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recent budget for the Cost of the Work. Compensation paid in previous progress payments shall not be adjusted based on subsequent updates to the Owner's budget for the Cost of the Work.

**§ 11.6.1** When compensation is on a percentage basis and any portions of the Project are deleted or otherwise not constructed, compensation for those portions of the Project shall be payable to the extent services are performed on those portions. The Architect shall be entitled to compensation in accordance with this Agreement for all services performed whether or not the Construction Phase is commenced.

**§ 11.7** The hourly billing rates for services of the Architect and the Architect's consultants, if any, are set forth below. The rates shall be adjusted in accordance with the Architect's and Architect's consultants' normal review practices.

*(If applicable, attach an exhibit of hourly billing rates or insert them below.)*

Employee or Category	Rate
Principal's Hourly Rate at \$174.00/hour	
Project Architect's Hourly Rate at \$145.00/hour	
Project Manager's Hourly Rate at \$128.00/hour	
Intern Architect's Hourly Rate at \$100.00/hour	
Technician's Hourly Rate at \$86.00/hour	
Office Manager/Clerical Hourly Rate at \$76.00/hour	
Other's Hourly Rate at Three (3) Times Direct Expenses	

**§ 11.8 Compensation for Reimbursable Expenses**

**§ 11.8.1** Reimbursable Expenses are in addition to compensation for Basic, Supplemental, and Additional Services and include expenses incurred by the Architect and the Architect's consultants directly related to the Project, as follows:

- .1 Transportation and authorized out-of-town travel and subsistence;
- .2 Long distance services, dedicated data and communication services, teleconferences, Project web sites, and extranets;
- .3 Permitting and other fees required by authorities having jurisdiction over the Project;
- .4 Printing, reproductions, plots, and standard form documents;
- .5 Postage, handling, and delivery;
- .6 Expense of overtime work requiring higher than regular rates if authorized in advance by the Owner;
- .7 Renderings, physical models, mock-ups, professional photography, and presentation materials requested by the Owner or required for the Project;
- .8 Expense of professional liability insurance dedicated exclusively to this Project or the expense of additional insurance coverage or limits requested by the Owner in excess of that normally maintained by the Architect and the Architect's consultants;
- .9 All taxes levied on professional services and on reimbursable expenses;
- .10 Site office expenses; and
- .11 Other similar Project-related expenditures.

**§ 11.8.2** For Reimbursable Expenses the compensation shall be the expenses incurred by the Architect and the Architect's consultants plus Fifteen percent ( 15 %) of the expenses incurred.

**§ 11.9 Payments to the Architect**

**§ 11.9.1 Initial Payment**

An initial payment of N/A (\$) shall be made upon execution of this Agreement and is the minimum payment under this Agreement. It shall be credited to the Owner's account in the final invoice.

**§ 11.9.2 Progress Payments**

**§ 11.9.2.1** Unless otherwise agreed, payments for services shall be made monthly in proportion to services performed. Payments are due and payable upon presentation of the Architect's invoice. Amounts unpaid thirty ( 30 ) days after the invoice date shall bear interest at the rate entered below, or in the absence thereof at the legal rate

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prevailing from time to time at the principal place of business of the Architect.  
(Insert rate of monthly or annual interest agreed upon.)

10 % per annum

§ 11.9.2.2 The Owner shall not withhold amounts from the Architect's compensation to impose a penalty or liquidated damages on the Architect, or to offset sums requested by or paid to contractors for the cost of changes in the Work unless the Architect agrees or has been found liable for the amounts in a binding dispute resolution proceeding.

§ 11.9.2.3 Records of Reimbursable Expenses, expenses pertaining to Additional Services, and services performed on the basis of hourly rates shall be available to the Owner at mutually convenient times.

**ARTICLE 12 SPECIAL TERMS AND CONDITIONS**

Special terms and conditions that modify this Agreement are as follows:  
(Include other terms and conditions applicable to this Agreement.)

Unknown at this time.

**ARTICLE 13 SCOPE OF THE AGREEMENT**

§ 13.1 This Agreement represents the entire and integrated agreement between the Owner and the Architect and supersedes all prior negotiations, representations or agreements, either written or oral. This Agreement may be amended only by written instrument signed by both the Owner and Architect.

§ 13.2 This Agreement is comprised of the following documents identified below:

- .1 AIA Document B104™-2017, Standard Abbreviated Form of Agreement Between Owner and Architect

(Paragraph Deleted)

**.3 Exhibits:**

(Clearly identify any other exhibits incorporated into this Agreement, including any exhibits identified in Section 4.1.)

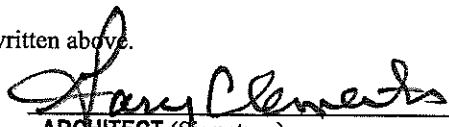
- 1. Opinion of Probable Construction Cost, dated February 5, 2024

**.4 Other documents:**

(List other documents, if any, including additional scopes of service forming part of the Agreement.)

This Agreement entered into as of the day and year first written above.

\_\_\_\_\_  
**OWNER (Signature)**  
Honorable Doug Sprouse Mayor of City of  
Springdale  
(Printed name and title)

  
\_\_\_\_\_  
**ARCHITECT (Signature)**  
Gary Clements, AIA Clements &  
Associates/Architecture, Inc.  
(Printed name, title, and license number, if required)

**PHASE I – STABILIZATION INTERIOR CEILING REPAIR  
AND ROOF SYSTEM REPLACEMENT  
SMITH-SEARCY HOUSE  
SHILOH MUSEUM OF OZARK HISTORY  
SPRINGDALE, ARKANSAS**

**OPINION OF PROBABLE CONSTRUCTION COST  
February 5, 2024**

**DINING & KITCHEN CEILING REPAIRS:**

Containment/Protection:	\$5,000.00
Demolition:	2,000.00
Gypsum Board:	2,000.00
Painting:	4,416.00
Carpentry:	4,000.00
General Conditions:	5,225.00
Architectural Services:	<u>3,396.00</u>

Sub-Total Dining & Kitchen Ceiling Repairs: ~~\$26,037.00~~

**CHIMNEY REPAIRS & ROOFING SYSTEM REPLACEMENT**

Asphalt Shingle System:	\$30,337.00
Flashings:	3,500.00
Masonry Repair:	5,400.00
Carpentry:	5,000.00
General Conditions:	13,271.00
Architectural Services:	<u>8,626.00</u>

Sub-Total Chimney Repairs & Roofing System Replacement: **\$66,134.00**

**TOTAL OPINION OF CONSTRUCTION COST: ~~\$92,171.00~~**

**RESOLUTION NO. \_\_\_\_\_**

**A RESOLUTION AUTHORIZING THE MAYOR AND CITY CLERK TO ENTER INTO AN AGREEMENT WITH THE TESLAR DEVELOPER FOR A COST SHARE TO IMPROVE APPLE RD FROM GENE GEORGE BLVD TO 64<sup>TH</sup> STREET.**

**WHEREAS**, Certain improvements to Apple Rd are required as part of LSD 23-65 (Tesla).

**WHEREAS**, the developer would like to complete all of Apple Rd to collector standards from Gene George Blvd to 64<sup>th</sup> street;

**WHEREAS**, the developer has agreed to perform the work in its entirety if the City of Springdale acquires the Right of Way for the two properties on the north side of Apple Rd and immediately west of Gene George Blvd and pay for that offsite portion of the improvements;

**WHEREAS**, the anticipated cost of acquisition is \$180,000 and the quoted price of improvements is \$322,186;

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL FOR THE CITY OF SPRINGDALE, ARKANSAS**, that the Mayor and City Clerk are hereby authorized to enter into the cost share agreement with the developer of LSD 23-65 (Tesla) to complete Apple Rd from Gene George Blvd to 64<sup>th</sup> street for the cost of ROW acquisition and a construction cost of \$322,186 with the funds being paid out of the 2023 Bond Fund.

**PASSED AND APPROVED** this \_\_\_\_\_ day of \_\_\_\_\_, 2024.

\_\_\_\_\_  
Doug Sprouse, Mayor

ATTEST:

\_\_\_\_\_  
Denise Pearce, City Clerk

APPROVED:

\_\_\_\_\_  
Ernest Cate, City Attorney

**Preliminary Quantity Takeoff**  
For Site Work, Utilities, & Paving

**APPLE ROAD IMPROVEMENTS - GEORGE FUNDED PORTION**

**Earthwork**

Undercut and Backfill	2,614	C.Y.	\$ 35.00	\$ 91,490.00
Excavation	7,272	C.Y.	\$ 4.00	\$ 29,088.00
Enbankment	12,606	C.Y.	\$ 2.00	\$ 25,212.00
Subgrade Preparation	7,842	S.Y.	\$ 1.00	\$ 7,842.00
Sub-total				\$ 153,632.00

**Pavements**

3" ACHM Surface Course (1/2 inch, Nmax = 115) (Apple Road)	4,444	S.Y.	\$ 30.00	\$ 133,320.00
10" Aggregate Base Course (Class 7) (Apple Road)	4,444	S.Y.	\$ 16.00	\$ 71,104.00
4" Aggregate Base Course (Class 7) (Apple Road Median)	2,792	S.Y.	\$ 8.00	\$ 22,336.00
6" PCC Surface Course (min. 4000 psi) (Apple Road Median)	770	S.Y.	\$ 84.00	\$ 64,680.00
Sub-total				\$ 291,440.00

**Concrete & Curb**

Sidewalk	3,011	S.Y.	\$ 66.00	\$ 198,726.00
Standard 6" Curb and Gutter (18" Wide)	3,328	L.F.	\$ 21.00	\$ 69,893.67
Mountable Curb and Gutter	2,990	L.F.	\$ 21.00	\$ 62,794.20
Sub-total				\$ 331,413.87

**Storm Sewer**

4' Curb Inlet	9	EACH	\$ 8,971.00	\$ 80,739.00
18" RCP	100	L.F.	\$ 80.00	\$ 8,000.00
24" RCP	500	L.F.	\$ 95.00	\$ 47,500.00
30" RCP	500	L.F.	\$ 270.00	\$ 135,000.00
Sub-total				\$ 271,239.00

**APPLE ROAD IMPROVEMENTS - CITY FUNDED PORTION**

**Earthwork**

Undercut and Backfill	871	C.Y.	\$ 35.00	\$ 30,485.00
Excavation	2,424	C.Y.	\$ 4.00	\$ 9,696.00
Enbankment	4,202	C.Y.	\$ 2.00	\$ 8,404.00
Subgrade Preparation	2,614	S.Y.	\$ 1.00	\$ 2,614.00
Sub-total				\$ 51,199.00

**Pavements**

3" ACHM Surface Course (1/2 inch, Nmax = 115) (Apple Road)	1,344	S.Y.	\$ 30.00	\$ 40,320.00
10" Aggregate Base Course (Class 7) (Apple Road)	1,344	S.Y.	\$ 16.00	\$ 21,504.00
4" Aggregate Base Course (Class 7) (Apple Road Median)	974	S.Y.	\$ 8.00	\$ 7,792.00
6" PCC Surface Course (min. 4000 psi) (Apple Road Median)	583	S.Y.	\$ 84.00	\$ 48,972.00
Sub-total				\$ 118,588.00

**Concrete & Curb**

Sidewalk	1,045	S.Y.	\$ 66.00	\$ 68,970.00
Standard 6" Curb and Gutter (18" Wide)	1,173	L.F.	\$ 21.00	\$ 24,639.93
Mountable Curb and Gutter	1,066	L.F.	\$ 21.00	\$ 22,375.50
Sub-total				\$ 115,985.43

**Storm Sewer**

4' Curb Inlet	3	EACH	\$ 8,971.00	\$ 26,913.00
18" RCP	-	L.F.	\$ 80.00	\$ -
24" RCP	100	L.F.	\$ 95.00	\$ 9,500.00
30" RCP	-	L.F.	\$ 270.00	\$ -
Sub-total				\$ 36,413.00

George Improvements Subtotal

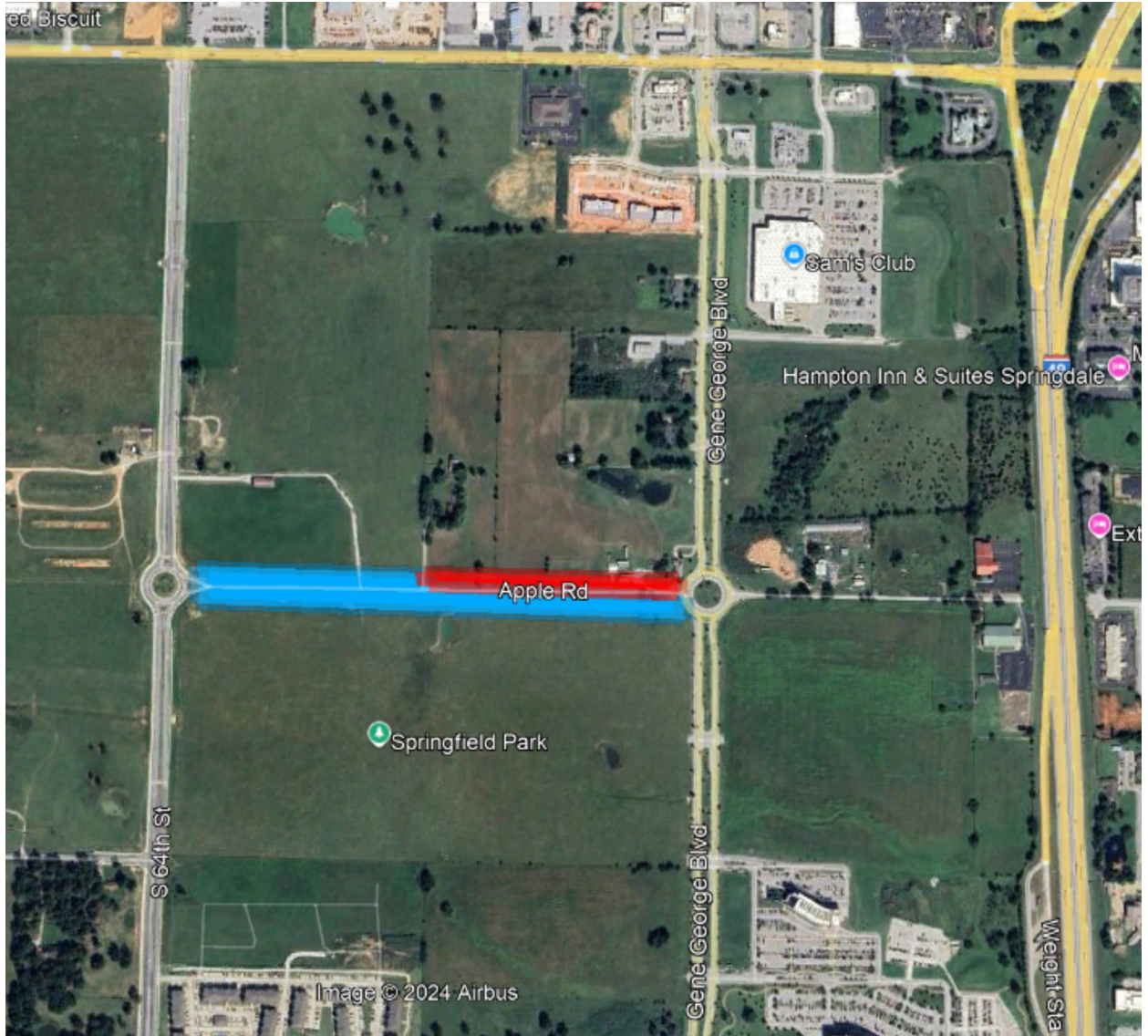
\$ 1,047,724.87

City Improvements Subtotal

\$ 322,185.43

**CONSTRUCTION GRAND TOTAL**

\$ 1,369,910.30



**RESOLUTION NO. \_\_\_\_\_**

**A RESOLUTION APPROVING THE CITY OF  
SPRINGDALE, ARKANSAS, BUDGET FOR THE YEAR  
2025.**

**WHEREAS**, the Mayor of the City of Springdale, Arkansas, has presented a budget for the calendar year 2025 to the City Council for the City of Springdale, Arkansas, as required by Ark. Code Ann. §14-58-201;

**WHEERAS**, the Mayor's proposed budget includes salary increases for City employees; and,

**WHEREAS**, the Finance Committee of the Springdale City Council held budget work sessions to review, study, discuss, and adjust the 2025 budget proposed by the Mayor and has requested this resolution be placed on the City Council agenda;

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL FOR THE CITY OF SPRINGDALE, ARKANSAS**, that the 2025 Mayor's budget, the salary increases included therein, the changes in authorized positions included therein, and any changes made by the Finance Committee, are hereby passed and approved with the compensation increases to be effective January 1, 2025.

**PASSED AND APPROVED** this \_\_\_\_\_ day of \_\_\_\_\_, 2024.

\_\_\_\_\_  
Doug Sprouse, MAYOR

ATTEST:

\_\_\_\_\_  
Denise Pearce, CITY CLERK

APPROVED:

\_\_\_\_\_  
Ernest B. Cate, CITY ATTORNEY

ORDINANCE NO. \_\_\_\_\_

**AN ORDINANCE SETTING THE SALARIES OF THE ELECTED OFFICIALS AND PLANNING COMMISSION MEMBERS OF THE CITY OF SPRINGDALE, ARKANSAS; AND REPEALING ORDINANCE NO. 5907.**

**WHEREAS**, the Arkansas Municipal League legal staff has recommended that salaries of elected officials be established by Ordinance; and

**WHEREAS**, the proposed 2025 budget of the City of Springdale, Arkansas, includes increases in compensation for elected officials.

**NOW THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL FOR THE CITY OF SPRINGDALE, ARKANSAS**, that:

**Section 1:** Effective January 1, 2025, the annual compensation for Springdale elected officials and Planning Commission members shall be as shown below:

City Council Members	\$	13,626.00
Planning Commission Members	\$	5,450.22
Mayor	\$	167,525.00
City Clerk/Treasurer	\$	117,362.00
City Attorney	\$	153,476.00

**Section 2:** Ordinance Number 5907 setting salaries for elected officials is hereby repealed effective January 1, 2025.

**Section 3: Emergency Clause.** It is hereby declared that an emergency exists and this ordinance, being necessary for the preservation of the health, safety and welfare of the citizens of Springdale, Arkansas, shall be effective January 1, 2025.

**PASSED AND APPROVED** this \_\_\_\_\_ day of \_\_\_\_\_, 2024.

\_\_\_\_\_  
Doug Sprouse, Mayor

ATTEST:

\_\_\_\_\_  
Denise Pearce, CITY CLERK

APPROVED AS TO FORM:

\_\_\_\_\_  
Ernest B. Cate, CITY ATTORNEY

**ORDINANCE NO. \_\_\_\_\_**

**AN ORDINANCE ESTABLISHING AND SETTING RATES FOR  
SANITARY SEWER SERVICE; REPEALING ORDINANCE 5429, AND  
PERTAINING TO OTHER MATTERS RELATING THERETO.**

**WHEREAS**, the City of Springdale, after conducting a public hearing as required by Ark. Code Ann. §14-235-223, has found it necessary to increase sanitary sewer rates in order to maintain the operation and maintenance of wastewater facilities and to provide the revenue required for future expansion and improvements to the city’s wastewater facilities;

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

**SECTION 1:** That Ordinance No. 5429 of the City of Springdale, Arkansas is hereby specifically repealed as of the effective date of the schedule herein established and that all other ordinances and parts of ordinances establishing schedules of rates for sanitary sewer supplied or to be supplied by Springdale Water Utilities are also repealed.

**SECTION 2:** That all customers whose premises are connected to and use the sanitary sewer system of the City of Springdale, or whose premises are in any way served by the Springdale sanitary sewer system are hereby classified as Domestic or Industrial Users. A Domestic User is defined as a user whose wastewater from residential property flows into and is treated by the Springdale sanitary sewer system. An Industrial User is defined as a user whose liquid waste from commercial, industrial, manufacturing, processing, trade or business, except domestic waste, that flows into and is treated by the Springdale sanitary sewer system.

**SECTION 3:** That the following schedule of rates are hereby established for sanitary sewer service furnished by the City of Springdale Water and Sewer Commission. The charges for all sewer collection and treatment shall be determined each month in accordance with Schedule (A) below. In addition, Industrial Users are subject to monthly surcharges for excessive Biochemical Oxygen Demand (BOD) and Total Suspended Solids (TSS) as established in Schedule (B) below.

**SCHEDULE A:**

The following charges shall be based on water metered, or approved direct sewer meters, for each Domestic and Industrial User, except as otherwise specifically provided below in Section 5 paragraph (b). The following monthly rates are hereby fixed as rates to be charged for sewer service and shall become effective for sewer services billed on or after January 1, 2025.

<u>Inside City:</u>	<u>1/01/25</u>	<u>10/01/25</u>	<u>10/01/26</u>	<u>10/01/27</u>	<u>10/01/28</u>
Minimum 1,000 Gallons	\$15.55	\$19.55	\$23.40	\$23.70	\$24.00
Next 24,000 Gallons	\$ 5.17	\$ 6.17	\$ 7.17	\$ 8.17	\$ 9.17
Next 225,000 Gallons	\$ 5.13	\$ 6.13	\$ 7.13	\$ 8.13	\$ 9.13
Next 350,000 Gallons	\$ 5.04	\$ 6.04	\$ 7.04	\$ 8.04	\$ 9.04
Next 400,000 Gallons	\$ 4.91	\$ 5.91	\$ 6.91	\$ 7.91	\$ 8.91
All Over 1,000,000 Gallons	\$ 3.96	\$ 4.16	\$ 4.36	\$ 4.56	\$ 4.76

<u>Outside City:</u>	<u>1/01/25</u>	<u>10/01/25</u>	<u>10/01/26</u>	<u>10/01/27</u>	<u>10/01/28</u>
Minimum 1,000 Gallons	\$16.80	\$20.80	\$24.65	\$24.95	\$25.25
Next 24,000 Gallons	\$ 5.48	\$ 6.48	\$ 7.48	\$ 8.48	\$ 9.48
Next 225,000 Gallons	\$ 5.40	\$ 6.40	\$ 7.40	\$ 8.40	\$ 9.40
Next 350,000 Gallons	\$ 5.27	\$ 6.27	\$ 7.27	\$ 8.27	\$ 9.27
Next 400,000 Gallons	\$ 5.24	\$ 6.24	\$ 7.24	\$ 8.24	\$ 9.24
All Over 1,000,000 Gallons	\$ 4.06	\$ 4.26	\$ 4.46	\$ 4.66	\$ 4.86

**SCHEDULE B:**

All Industrial Users are subject to an additional monthly sewer service charge (surcharge) to defray the long or short term costs associated with the treatment of high strength wastewater.

Monthly average discharges of Biochemical Oxygen Demand (BOD) of 289 mg/L and Total Suspended Solids (TSS) of 300 mg/L shall not be exceeded without incurring a surcharge.

(a) A surcharge shall be added to the monthly sewer bill of any Industrial User whose wastewater discharge exceeds the allowable base established herein. Such surcharge shall be calculated using the following formula:

FORMULA FOR CALCULATING SURCHARGES:

$$S = V_{ww} \times 8.34 [ Y ( TSS - 300 ) + Z ( BOD - 289 ) ]$$

Where:

S	=	Surcharge in Dollars (monthly)
V <sub>ww</sub>	=	Volume wastewater in million gallons (monthly)
8.34	=	Pounds per gallon of water
Y	=	Unit charge of TSS in dollars per pound
TSS	=	Total Suspended Solids strength index in milligrams per liter by weight (300 mg/L or more)
300	=	Maximum TSS strength in milligrams per liter by weight
Z	=	Unit charge for BOD in dollars per pound
BOD	=	Five day Biochemical Oxygen Demand strength index in milligrams per liter by weight (289 mg/L or more)
289	=	Maximum BOD strength in milligrams per liter

Current charges for Y = \$1.124

Current charges for Z = \$0.658

- (b) The Springdale Water and Sewer Commission is authorized to suspend part or all of the surcharge based upon preapproved authorization to make scheduled repairs or installation of equipment.
- (c) The current unit charge for Total Suspended Solids (Y) and the current unit charge for Biochemical Oxygen Demand (Z), as listed above, shall remain effective for sewer service billed. The Springdale Water and Sewer Commission shall review annually on a fiscal year basis the actual cost of treating high strength waste and shall increase or decrease the unit charge for Y and Z of the Formula for Calculating Surcharges in accordance with the finding of such review.

**SECTION 4:** That no free facilities or sewer services shall be furnished. In the event that the city or any department, agency or instrumentality thereof shall avail itself of the facilities or services afforded by the sanitary sewer service of the City of Springdale, the reasonable value of the service or facilities so afforded shall be charged against the city or such department, agency or instrumentality and shall be paid for as the charges therefore accrue at industrial rates.

**SECTION 5:** That the above schedule of rates be, and they are hereby fixed as rates to be charged for services to be rendered and benefits to be received from the wastewater collection and treatment facilities, to-wit:

- (a) All bills for sewage collection and treatment shall be rendered to the user monthly, such statements to be rendered and collected by the City of Springdale, and shall cover the same period and collection procedures as corresponding water bills. All bills shall be rendered in the net amount due and the charge shall be determined by each thousand gallons of water, or portion thereof, furnished to each user.
- (b) The gallonage of sewage collected and treated shall be based on water metered to each Domestic and Industrial User, exclusive of seasonal water and other water uses metered separately which do not directly or indirectly discharge flows into the sanitary sewer system. Direct sewer meters may also provide monthly treatment if approved in advance by Springdale Water Utilities.
- (c) All users shall be connected to the Springdale water system and the discharge of all liquid waste to the sanitary system shall be derived from metered water supplied by the City of Springdale. The discharge of seasonal water, storm water, surface water, groundwater, roof runoff, or water from other sources which are not metered for sewer charges are prohibited.

**SECTION 6:** Any user who feels that their user charge is unjust and inequitable may make written application to the business office of Springdale Water Utilities (the assumed name under which the Springdale Water and Sewer Commission does business) requesting a review of the user's charge. Said written request shall, where necessary, show the actual or estimated average flow and/or strength of the user's wastewater in comparison with the values upon which the charge is based, including how the measurements or estimates were made. Review of the request shall be made by the Office Manager or a designated representative of Springdale Water Utilities. If the user's request for an adjustment of the billing charges is substantiated, the sewer charges for that user may be adjusted in conformance with the adjustment policy of the Springdale Water and Sewer Commission. Billing adjustments shall be based on

the revised flow and/or strength data.

**SECTION 7:** The provisions of this Ordinance are separable from any development impact fee ordinance which may be adopted by the City Council pursuant to Ark. Code Ann. §14-56-103, and if any portion, section, provision, or phrase of any such development impact fee ordinance shall be declared invalid or unconstitutional, such action shall not affect the validity of this Ordinance. The rates stated hereinabove were reduced because it is anticipated that impact fees will pay for a portion of the capital improvements needed for the sewer system.

**SECTION 8:** That if any section, sub-section, sentence, clause or phrase of this ordinance is for any reason declared unconstitutional or invalid, such unconstitutionality or invalidity shall not affect the validity of the remaining sections of this ordinance. This ordinance shall take precedence over any terms or conditions or agreements or contracts which are inconsistent with the requirements of Section 204 (b) (1) (A) of the Clean Water Act, as amended or 40 CFR Part 35, Subpart I, Section 35.2140 promulgated by the United States Environmental Protection Agency on February 17, 1984.

**SECTION 9:** That the Springdale City Council, after investigation, finds that the above rates are reasonable and necessary rates to be charged for sewer service by the City of Springdale, Arkansas. The Council further specifically finds that said rates are sufficient to provide for the operation and maintenance of the Springdale sewer system and are necessary for the payment of principal and interest on bonds to be issued to finance sewer works construction and to expand such system as may from time to time be required, and to provide depreciation funds for replacement of the sewer system.

PASSED AND APPROVED THIS \_\_\_\_ DAY OF \_\_\_\_\_, 2024.

APPROVED:

\_\_\_\_\_  
DOUG SPROUSE, MAYOR

ATTEST:

\_\_\_\_\_  
DENISE PEARCE, CITY CLERK

APPROVED AS TO FORM:

\_\_\_\_\_  
ERNEST CATE, CITY ATTORNEY

**ORDINANCE NO. \_\_\_\_\_**

**AN ORDINANCE REPEALING ORDINANCE NO. 5430; ESTABLISHING WATER RATES TO BE CHARGED BY THE CITY OF SPRINGDALE; AND FOR OTHER PURPOSES.**

**WHEREAS**, the City of Springdale has found that it is necessary to increase water rates because of progressive cost advances in water purchases, general operating expenses, and capital improvements;

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

**SECTION 1:** That Ordinance No. 5430 of the City of Springdale, Arkansas is hereby specifically repealed and that all ordinances and parts of ordinances establishing schedules of rates for water to be supplied by Springdale Water Utilities are repealed as of the effective date of the schedule herein established.

**SECTION 2:** That the following schedule of rates is hereby established for water furnished by the Springdale Water and Sewer Commission. Except for public fire services, all water used shall be measured through meters. The size of each meter shall be determined by the Springdale Water and Sewer Commission commensurate with its estimate of the amount of water to be used for each premise. This schedule shall become effective for water billed on or after January 1, 2025.

(a) FOR EACH THOUSAND GALLONS OR PORTION THEREOF FURNISHED TO USERS, EXCLUSIVE OF SEASONAL WATER METERED SEPARATELY, THE FOLLOWING RATES SHALL APPLY TO THE AMOUNT OF WATER USED:

<u>Inside City:</u>		<u>1/01/25</u>	<u>10/01/25</u>	<u>10/01/26</u>	<u>10/01/27</u>	<u>10/01/28</u>
Minimum	1,000 Gallons	\$13.20	\$14.80	\$16.40	\$16.70	\$17.00
Next	24,000 Gallons	\$ 4.37	\$ 4.67	\$ 4.97	\$ 5.27	\$ 5.57
Next	225,000 Gallons	\$ 4.32	\$ 4.62	\$ 4.92	\$ 5.22	\$ 5.52
Next	350,000 Gallons	\$ 4.22	\$ 4.52	\$ 4.82	\$ 5.12	\$ 5.42
Next	400,000 Gallons	\$ 4.07	\$ 4.37	\$ 4.67	\$ 4.97	\$ 5.27
All Over	1,000,000 Gallons	\$ 3.90	\$ 4.20	\$ 4.50	\$ 4.80	\$ 5.10

<u>Outside City:</u>		<u>1/01/25</u>	<u>10/01/25</u>	<u>10/01/26</u>	<u>10/01/27</u>	<u>10/01/28</u>
Minimum	1,000 Gallons	\$14.95	\$16.55	\$18.15	\$18.45	\$18.75
Next	24,000 Gallons	\$ 4.72	\$ 5.02	\$ 5.32	\$ 5.62	\$ 5.92
Next	225,000 Gallons	\$ 4.62	\$ 4.92	\$ 5.22	\$ 5.52	\$ 5.82
Next	350,000 Gallons	\$ 4.47	\$ 4.77	\$ 5.07	\$ 5.37	\$ 5.67
Next	400,000 Gallons	\$ 4.32	\$ 4.62	\$ 4.92	\$ 5.22	\$ 5.52
All Over	1,000,000 Gallons	\$ 4.02	\$ 4.32	\$ 4.62	\$ 4.92	\$ 5.22

(b) FOR EACH THOUSAND GALLONS OF WATER OR PORTION THEREOF FURNISHED TO USERS WHO ARE OUTSIDE THE CITY LIMITS OF THE CITY OF SPRINGDALE, ARKANSAS, AND WITHIN THE SERVICE AREA PREVIOUSLY SERVICED BY THE WHITE RIVER RURAL WATER ASSOCIATION:

	<u>1/01/25</u>	<u>10/01/25</u>	<u>10/01/26</u>	<u>10/01/27</u>	<u>10/01/28</u>
Minimum (first 1,000 Gallons)	\$21.80	\$23.40	\$25.00	\$25.30	\$25.60
Next 4,000 Gallons	\$ 5.47	\$ 5.77	\$ 6.07	\$ 6.37	\$ 6.67
Next 5,000 Gallons	\$ 5.22	\$ 5.52	\$ 5.82	\$ 6.12	\$ 6.42
Next 10,000 Gallons	\$ 4.97	\$ 5.27	\$ 5.57	\$ 5.87	\$ 6.17
All Over 20,000 Gallons	\$ 4.72	\$ 5.02	\$ 5.32	\$ 5.62	\$ 5.92

(c) FOR EACH SEASONAL METER, A MINIMUM CHARGE SHALL BE BILLED FOR MONTHLY SERVICE BASED UPON THE CUSTOMER'S METER SIZE:

<u>Meter Size</u>	<u>Inside City</u>	<u>Outside City</u>
5/8" x 3/4"	\$ 3.50	\$ 4.50
1"	\$ 4.00	\$ 5.50
1-1/2"	\$ 5.50	\$ 8.00
2"	\$ 8.00	\$13.00
3"	\$11.50	\$20.00
4"	\$19.00	\$36.00
6"	\$38.00	\$75.00

(d) IN ADDITION TO THE MINIMUM MONTHLY CHARGE FOR SEASONAL WATER SERVICE, THE FOLLOWING RATES SHALL BE CHARGED FOR EACH THOUSAND GALLONS OF WATER OR PORTION THEREOF MEASURED THROUGH A SEASONAL METER:

	<u>1/01/25</u>	<u>10/01/25</u>	<u>10/01/26</u>	<u>10/01/27</u>	<u>10/01/28</u>
Inside City	\$ 4.34	\$ 4.64	\$ 4.94	\$ 5.24	\$ 5.54
Outside City	\$ 4.64	\$ 4.94	\$ 5.24	\$ 5.54	\$ 5.84

**SECTION 3:** The schedule of rates set forth above in Section 2 does not apply to special contracts which are deemed to be contracts for the sale of bulk water to neighboring communities and entities operating public water systems, except where said contracts specifically incorporate the schedule of rates set forth above.

**SECTION 4:** Any charge incurred by the Springdale Water and Sewer Commission pursuant to the Safe Drinking Water Act or other federal or state legislation, shall be added to the foregoing schedule of rates.

**SECTION 5:** The City Council finds that the forgoing schedule of rates is required to provide the funds necessary to provide depreciation funds for replacement or repairs of the water system, to provide sufficient revenue for the reasonable operation and maintenance expenses of the water system, and to provide ample reserves for future capital improvements.

**SECTION 6:** The provisions of this Ordinance are separable from any development impact fee ordinance which may be adopted by the City Council pursuant to Ark. Code Ann. §14-56-103, and if any portion, section, provision, or phrase of any such development impact fee ordinance shall be declared invalid or unconstitutional, such action shall not affect the validity of this Ordinance. The rates stated hereinabove were reduced because it is anticipated that impact fees will pay for a portion of the capital improvements needed for the water system.

**SECTION 7:** This ordinance shall not affect meter deposits to be maintained by the Springdale Water and Sewer Commission, which deposits shall be established and maintained in accordance with the policies of the Springdale Water and Sewer Commissions; and by state law.

**SECTION 8:** The provisions of this Ordinance are separable, and if any portion, section, provision or phrase of this Ordinance shall be declared invalid or unconstitutional, such action shall not affect the validity of the remainder of this Ordinance.

PASSED AND APPROVED THIS \_\_\_\_ DAY OF \_\_\_\_\_, 2024.

APPROVED:

\_\_\_\_\_  
DOUG SPROUSE, MAYOR

ATTEST:

\_\_\_\_\_  
DENISE PEARCE, CITY CLERK

APPROVED AS TO FORM:

\_\_\_\_\_  
ERNEST CATE, CITY ATTORNEY

ORDINANCE NO. \_\_\_\_\_

**AN ORDINANCE TO ENACT WATER AND WASTEWATER DEVELOPMENT IMPACT FEES, ADOPTING RULES AND REGULATIONS RELATED THERETO, PURSUANT TO ARK. CODE ANN. §14-56-103; AND AMENDING CHAPTER 118 OF THE CODE OF ORDINANCES OF THE CITY OF SPRINGDALE, ARKANSAS.**

**WHEREAS**, the City of Springdale, Arkansas has created the Springdale Water & Sewer Commission (“the Commission”), wherein the Commission has full and complete authority to manage, operate, improve, extend, and maintain the City’s municipal water works and distribution system; has full and complete authority to manage, operate, extend, and maintain the City’s sewer system; and, operates a water and wastewater system for the citizens of the City of Springdale and for certain properties outside of the municipal limits of the City of Springdale, all pursuant to the laws of the State of Arkansas;

**WHEREAS**, the Commission has the authority to adopt such rules and regulations as it deems necessary and expedient for the proper operation and management of the water works and distribution system and sewer plant and collection system, and shall have authority to alter, change or amend such rules and regulations as deemed appropriate by the Commission, and pursuant to the laws of the State of Arkansas;

**WHEREAS**, the City of Springdale is experiencing substantial growth in population, business and industry which has put a strain on existing water and wastewater services and facilities and has created a need for the expansion of such water and wastewater services and facilities;

**WHEREAS**, Ark. Code. Ann. §14-56-103 allows a city to enact development impact fees upon or against a development in order to generate revenue for funding for recouping expenditures of the municipality or municipal service agency that are reasonably attributable to the use and occupancy of the development;

**WHEREAS**, the Commission and the City Council of the City of Springdale find that the cost of increasing the capacity of existing water works, water distribution systems, and wastewater distribution systems within the City of Springdale to accommodate the anticipated growth in the City of Springdale should be borne by those developments that make such increases necessary; and

**WHEREAS**, the Commission and the City Council of the City of Springdale finds that development impact fees, as authorized by Ark. Code Ann. §14-56-103, are necessary for the health, safety and welfare of the citizens of the City of Springdale as well as for other reasons set forth in this Ordinance.

**NOW THEREFORE, BE IT ENACTED AND ORDAINED**, by the City Council of the City of Springdale, Arkansas, as follows:

**Section 1. Legislative Findings.**

The City Council of Springdale, Arkansas, finds, determines and declares that:

- a) System expansion required. The protection of the health, safety, and general welfare of the citizens of the City of Springdale requires that the City’s water and wastewater facilities be expanded and improved to accommodate growth and development with the city.
- b) System demand. New residential and nonresidential development imposes increased and excessive demands upon the existing water and wastewater facilities and

often overburdens the existing system facilities. Provided, further, new development is expected to continue, and will place ever-increasing demands on the city to provide these facilities to serve new development.

c) Revenues. Revenues generated from new development often does not generate sufficient funds to provide the necessary water and wastewater facilities to accommodate new development; therefore, the creation of an equitable local water and wastewater impact fee system would enable the city to impose a proportionate share of the costs of the needed improvements to capital facilities to accommodate new development.

d) Study conducted. In order to implement equitable development impact fees, the Commission caused to be a prepared a Water and Sewer Rate Study and Impact Fee Study with a Capital Plan contained therein, hereinafter termed "Capital Plan". Said Capital Plan is incorporated herein by reference and sets forth reasonable methodologies and analysis for determining the impacts of various types of development on the City's system capital facilities, and for determining the costs of acquiring the improvements necessary to meet the demands for such services created by new development.

e) Standards established. The City hereby establishes as City standards the assumptions and level of service standards in the study as part of its current plans for future expansions to the City's system capital facilities.

f) Impact fee use limited. The impact fees described in this ordinance are based on the study, and do not exceed the costs of improvements to serve new development that will pay the impact fees. This is intended to be a local improvement impact fee as to water and wastewater.

g) Benefit. Those capital water and wastewater facilities/improvements listed in the Capital Plan will benefit all new development that depends on city services, and it is therefore appropriate to treat the entire system as a single service area for purposes of calculating, collecting, and spending the local government impact fees as to water and wastewater.

h) Impact fee relationship. There is both a rational nexus and rough proportionality between the development impacts created by each type of development covered by this ordinance and the development impact fees that such development will be required to pay for water and wastewater.

i) Impact fee purpose. This ordinance creates a system by which water and wastewater development impact fees paid by new development will be used to finance, defray or reimburse all or a portion of the costs incurred by the Commission and the City to construct improvements for system's capital water and wastewater facilities in ways that benefit the development that paid each fee within a reasonable period of time after the fee is paid.

## **Section 2. Intent.**

a) Capital Plan. This ordinance is adopted to assist in the implementation of the Capital Plan for water and wastewater as set forth in the Capital Plan, which plan was reviewed and approved by the Commission and the City Council and used in the independent fee calculation study. To that end, the intent of this ordinance is to ensure that new development bears a proportionate share of the costs of improvements to capital wastewater facilities; to ensure that such proportionate share does not exceed the costs of improvements for capital wastewater facilities required to accommodate new development; and to ensure that funds collected from new development are actually used for improvements for capital wastewater facilities that benefit such new development.

b) Impact Fee purpose. It is further intent of this ordinance that new development pays for its fair share of the costs of local improvements for capital water and wastewater facilities required to accommodate new development though imposition of impact fees that will be used to finance, defray, or reimburse all or a portion of the

costs incurred by the Commission and the City to construct improvements to the capital water and wastewater facilities that serve or benefit such new development. It is not the intent of this ordinance to collect any money from any new development in excess of the actual amount necessary to offset new demands for capital water and wastewater facilities.

c) Funds restricted. It is not the intent of this ordinance that any monies collected from any development impact fee deposited in the wastewater impact fee trust ever be commingled with monies from any other City funds or accounts, other Commission funds or accounts, or ever be used for a type of facility or equipment different from that for which the fees are paid, or are ever used to replace or rehabilitate existing improvements as set forth in the Capital Plan.

**Section 3. Water and Waste Water Development Impact Fee Imposed.**

The provisions of this section shall apply to all of the territory within the jurisdiction of the City of Springdale and areas outside of the City's jurisdiction where the Commission and the City provide water and wastewater service. To that end, Chapter 118 of the Code of Ordinances of the City of Springdale is hereby amended to add a new Article, to be known as:

**CHAPTER 118. ARTICLE VI. WATER AND WASTEWATER DEVELOPMENT IMPACT FEES.**

**Sec. 118-261. Definitions.**

When used in this section, the terms listed below shall have the following meanings unless the context requires otherwise. Singular terms shall include their plural.

“Capital Plan” means the Water and Sewer Rate Study and Impact Fee Study prepared by TischlerBise in September of 2024 and adopted by the Commission and the City, or a subsequent similar study, which serves as the basis for the calculation of the water and wastewater development impact fees and is hereby adopted and incorporated by reference.

“City” means the City of Springdale, Arkansas or its authorized representative.

“City Council” means the governing body of the City of Springdale.

“Commission” means the Springdale Water & Sewer Commission.

“Sewer Improvements” means the sewer improvements identified in the Capital Plan; more specifically: #1377 – Johnson Force Main Improvements (\$12,653,152); these improvements enhance the capacity of the wastewater system, including planning, engineering, acquisition, construction, and interest on debt incurred to finance capital improvements, but does not include the operation, maintenance, replacement, or repair of existing improvements. A replacement of an existing improvement or facility with a new improvement or facility of greater capacity shall be partially eligible based on the increase in capacity.

“Wastewater System” means the set of eligible wastewater collection facilities owned and operated by the Commission and the City.

“Water Improvements” means the water improvements identified in the Capital Plan; more specifically: #1339 – West side Water Elevated Tank (\$11,500,000); and, #1338 – West side Water Lines (\$44,152,707); these improvements enhance the capacity of the water system, including planning, engineering, acquisition, construction, and interest on debt incurred to finance capital improvements, but does not include the operation, maintenance, replacement, or repair of existing improvements. A replacement of an existing improvement or facility with a new improvement or facility of greater capacity shall be partially eligible based on the increase in capacity.

“Water System” means the set of eligible water distribution facilities owned and operated by the Commission and the City.

**Sec. 118-262. Fee Assessment and Collection.**

(1) No water meter shall be installed or wastewater connection made until the applicable water and wastewater development impact fees have been paid to Springdale Water Utilities based on the size of the meter according to the following schedule. These represent the fees calculated in the Capital Plan.

<u>Meter Size</u>	<u>Water</u>	<u>Wastewater</u>
5/8" x 3/4"	\$ 4,712	\$ 1,154
1"	\$ 7,869	\$ 1,927
1-1/2"	\$ 15,690	\$ 3,843
2"	\$ 25,113	\$ 6,150
3"	\$ 50,274	\$12,312
4"	\$ 78,544	\$19,236
6"	\$157,041	\$38,460

(2) In the event of the replacement of an existing water meter with a larger one, the applicable impact fee shall be the difference between the fees for the two meter sizes.

(3) In the event that the proposed water meter size is not shown in the schedule set forth in subsection (B)(1) above, the City shall calculate the appropriate impact fee using the same methodology used in the Technical Report.

(4) No wastewater impact fee shall be assessed for meters that are dedicated exclusively for irrigation purposes.

**Sec. 118-263. Accounting and Expenditure of Funds.**

(1) For both water and wastewater, a special interest-bearing development impact fee account that is distinct from the general fund of the Commission and the City is created, and the development impact fees received shall be deposited in the special account, along with accrued interest. No other revenues or funds shall be deposited in the impact fee account.

(2) The funds in the water and wastewater development impact fee accounts shall be used only for the following purposes:

- (a) to acquire or construct the Sewer Improvements;
- (b) to acquire or construct the Water Improvements;
- (c) to pay debt service on the portion of any current or future general obligation bond or revenue bond used to finance the Water or Sewer Improvements and attributable to excess capacity available to serve new water or wastewater customers;
- (d) to pay fees to an independent qualified professional, who is not an employee of the Commission or the City, for the preparation or updating of the Capital Plan; or
- (e) to make refunds pursuant to Section 118-264 herein.

(3) The Commission shall maintain accurate records of each development impact fee paid, including the name of the person paying the fee, the tax parcel number and address for which the fee was paid, the date of payment, and the amount received in payment.

(4) The fee assessment and collection of the water development impact fees authorized herein shall cease at such time as the Water Improvements are completed as provided in the Capital Plan;

(5) The fee assessment and collection of the wastewater development impact fees authorized herein shall cease at such time as the Sewer Improvements are completed as provided in the Capital Plan;

**Sec. 118-264. Refunds.**

(1) Fees not spent within seven (7) years after the date on which the fee was paid shall be eligible for refund according to the following provisions. Money in each impact fee account shall be considered to be spent in the order collected on a first-in/first-out basis.

(2) A refund shall be paid to the present owner of the property that was the subject of new development and against which the fee was assessed and collected.

(3) Notice of the right to a refund, including the amount of the refund and the procedure for applying for and receiving the refund, shall be sent or served in writing to the present owners of the property no later than thirty (30) days after the date on which the refund becomes due.

(4) The sending by regular mail of the notices to all present owners of record shall be sufficient to satisfy the requirement of notice.

(5) The refund shall be made on a pro rata basis.

(6) The refund shall be paid in full not later than ninety (90) days after the date certain upon which the refund becomes due.

**Sec. 118-265. Appeals.**

Any determination made by an official of the Commission or City charged with the administration of any part of this ordinance may be appealed to the City Council by filing with the City Clerk within fifteen (15) days of the date of the determination being appealed: (1) a written notice of appeal on a form provided by the Commission or the City, (2) a written explanation of why the appellant feels that a determination was in error, and (3) an appeal fee established by the City, if any. The City Council shall promptly fix a time and place for hearing the appeal, and the City Clerk or designee shall mail notice of the hearing to the appellant at the address given in the notice of appeal by first-class mail postage prepaid. The hearing shall be conducted at the time and place stated in such notice given by the City Council. The determination of the City Council shall be the final administrative determination of the City.

**Sec. 118-266. Effective Date/Application.**

The provisions of this section shall be effective on April 1, 2025. Provided, however, that any Preliminary Plat, Large Scale Development, or Non-Large Scale Development approved by the Springdale Planning Commission pursuant to Chapter 112 of the Code of Ordinances of the City of Springdale, Arkansas, and approved by Springdale Water Utilities prior to the effective date shall be exempt from the development impact fees set forth herein.

**Sec. 118-267. Penalty.**

The penalty for violation of this ordinance shall, upon conviction in the Springdale District Court, or any other court of competent jurisdiction, be such fines and penalties as set forth in Section 1-9 of the Code of Ordinances of the City of Springdale, Arkansas, as may now or hereafter be enacted by the City Council.

**PASSED AND APPROVED** this 26<sup>th</sup> day of November, 2024.

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Doug Sprouse, MAYOR

ATTEST:

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Denise Pearce, CITY CLERK

APPROVED AS TO FORM:

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Ernest B. Cate, CITY ATTORNEY

# **Water and Sewer Rate Study and Impact Fee Study**

**Prepared for:  
Springdale Water Utilities**

**November 19, 2024**



**4701 Sangamore Road**

**Suite S240**

**Bethesda, MD 20816**

**301.320.6900**

**[www.TischlerBise.com](http://www.TischlerBise.com)**

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## TABLE OF CONTENTS

<b>EXECUTIVE SUMMARY .....</b>	<b>1</b>
Impact Fee Summary .....	1
Water and Sewer Rate Study Summary – Scenario 1 .....	2
Water and Sewer Rate Study Summary – Scenario 2 .....	4
<b>IMPACT FEE STUDY.....</b>	<b>6</b>
Arkansas Development Impact Fee Enabling Legislation.....	6
Introduction to Development Impact Fees .....	7
Required Findings .....	8
Methodologies.....	9
Evaluation of Credits/Offsets .....	10
Conceptual Impact Fee Calculation.....	10
Impact Fee Components .....	10
Service Area .....	11
Proposed Impact Fees .....	12
<b>WATER IMPACT FEES.....</b>	<b>13</b>
Methodology .....	13
Proportionate Share.....	13
Service Area .....	13
Ratio of Service Unit to Development Unit.....	13
Existing and Projected Demand for Public Services.....	14
Water Improvements – Cost Recovery .....	15
Water Impact Fee Schedule.....	16
Water Impact Fee Revenue .....	17
<b>SEWER IMPACT FEES .....</b>	<b>18</b>
Methodology .....	18
Proportionate Share.....	18
Service Area .....	18
Ratio of Service Unit to Development Unit.....	19
Existing and Projected Demand for Public Services.....	20
Sewer Improvements – Plan-Based.....	20
Sewer Impact Fee Schedule .....	21
Sewer Impact Fee Revenue .....	22
<b>RATE STUDY .....</b>	<b>23</b>
Overview of the Rate Setting Process .....	23
Project Assumptions .....	23
Proposed Rates.....	24
<b>WATER UTILITY .....</b>	<b>28</b>
Current Water Rates .....	28
Projected Revenue from Current Water Rates .....	29
Operating Revenue .....	30
Revenue Requirement Analysis .....	31
Proposed Financial Plan – Scenario 1 .....	35
Proposed Financial Plan – Scenario 2.....	39
Cost of Service.....	44
Rate Design.....	45
<b>SEWER UTILITY .....</b>	<b>48</b>
Current Sewer Rates .....	48
Projected Revenue from Current Sewer Rates .....	49

**Water and Sewer Rate Study and Impact Fee Study**

*Springdale Water Utilities*

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Operating Revenue .....	50
Revenue Requirement Analysis .....	51
Proposed Financial Plan – Scenario 1 .....	55
Proposed Financial Plan – Scenario 2 .....	59
Cost of Service .....	64
Rate Design.....	65
<b>IMPACT ANALYSIS.....</b>	<b>68</b>

## EXECUTIVE SUMMARY

Springdale Water Utilities (SWU) contracted with TischlerBise to update water and sewer rates and to calculate impact fees. This study includes proposed water and sewer impact fees and two options for water and sewer rates. Scenario 1 calculates water and sewer rates without impact fee revenue, and Scenario 2 calculates water and sewer rates with impact fee revenue.

### IMPACT FEE SUMMARY

Municipalities and municipal service agencies in Arkansas may assess impact fees to offset costs to the municipality or the municipal service agency that are reasonably attributable to providing necessary public facilities to new development. Impact fees are one-time payments used to construct system improvements needed to accommodate new development. The fee represents future development’s proportionate share of infrastructure costs, and impact fees may be used for infrastructure improvements or debt service for growth-related infrastructure. In contrast to general taxes, impact fees may not be used for operations, maintenance, replacement, or correcting existing deficiencies.

Proposed impact fees will be assessed per meter according to meter size. The proposed fees represent the maximum allowable fees. SWU may adopt fees that are less than the amounts shown; however, a reduction in impact fee revenue will necessitate an increase in other revenues, a decrease in planned capital improvements, and/or a decrease in level-of-service standards. If costs change significantly over time, SWU should update the impact fees.

SWU will use water impact fees to fund a portion of construction and all future debt service payments related to the west side water lines and the west side elevated tank. The total cost of water improvements is \$55.7 million and future development within the five-year study period generates approximately \$46.5 million of water impact fee revenue. SWU will use sewer impact fees to fund construction of the Johnson force main improvements. The total cost of this improvement is approximately \$12.7 million, and future development within the five-year study period generates approximately \$11.4 million of sewer impact fee revenue.

**Figure 1: Proposed Impact Fees**

Fees per Meter			
Meter Size	Water	Sewer	Proposed Fees
3/4" or smaller	\$4,712	\$1,154	\$5,866
1.00"	\$7,869	\$1,927	\$9,796
1.50"	\$15,690	\$3,843	\$19,533
2.00"	\$25,113	\$6,150	\$31,263
3.00"	\$50,274	\$12,312	\$62,586
4.00"	\$78,544	\$19,236	\$97,780
6.00"	\$157,041	\$38,460	\$195,501

**WATER AND SEWER RATE STUDY SUMMARY – SCENARIO 1**

Springdale Water Utilities (SWU) retained TischlerBise to prepare a financial plan and rate study to ensure the utility has sufficient revenues to meet operational, capital, and loan obligations in FY 2025 through FY 2029 (study period). Springdale does not currently assess water and sewer impact fees to new development, however, SWU directed TischlerBise to develop two rate options. Scenario 1 assumes Springdale does not adopt water and sewer impact fees, and the utility continues to fund growth-related infrastructure with utility rate revenue.

**Figure 2: Proposed Water Rates – Scenario 1**

Proposed Water Rates per 1,000 Gallons - Scenario 1							
Inside City							
Rate Brackets	Current	1/1/25	10/1/25	10/1/26	10/1/27	10/1/28	
Minimum 1,000 Gallons	\$11.20	\$22.00	\$23.25	\$24.50	\$25.75	\$27.00	
Next 24,000 Gallons	\$4.07	\$4.67	\$5.27	\$5.87	\$6.47	\$7.07	
Next 225,000 Gallons	\$4.02	\$4.62	\$5.22	\$5.82	\$6.42	\$7.02	
Next 350,000 Gallons	\$3.92	\$4.52	\$5.12	\$5.72	\$6.32	\$6.92	
Next 400,000 Gallons	\$3.77	\$4.37	\$4.97	\$5.57	\$6.17	\$6.77	
All Over 1,000,000 Gallons	\$3.60	\$3.85	\$4.10	\$4.35	\$4.60	\$4.85	
Outside City							
Rate Brackets	Current	1/1/25	10/1/25	10/1/26	10/1/27	10/1/28	
Minimum 1,000 Gallons	\$12.95	\$23.75	\$25.00	\$26.25	\$27.50	\$28.75	
Next 24,000 Gallons	\$4.42	\$5.02	\$5.62	\$6.22	\$6.82	\$7.42	
Next 225,000 Gallons	\$4.32	\$4.92	\$5.52	\$6.12	\$6.72	\$7.32	
Next 350,000 Gallons	\$4.17	\$4.77	\$5.37	\$5.97	\$6.57	\$7.17	
Next 400,000 Gallons	\$4.02	\$4.62	\$5.22	\$5.82	\$6.42	\$7.02	
All Over 1,000,000 Gallons	\$3.72	\$3.97	\$4.22	\$4.47	\$4.72	\$4.97	
White River							
Rate Brackets	Current	1/1/25	10/1/25	10/1/26	10/1/27	10/1/28	
Minimum 1,000 Gallons	\$19.80	\$30.60	\$31.85	\$33.10	\$34.35	\$35.60	
Next 4,000 Gallons	\$5.17	\$5.77	\$6.37	\$6.97	\$7.57	\$8.17	
Next 5,000 Gallons	\$4.92	\$5.52	\$6.12	\$6.72	\$7.32	\$7.92	
Next 10,000 Gallons	\$4.67	\$5.27	\$5.87	\$6.47	\$7.07	\$7.67	
All Over 20,000 Gallons	\$4.42	\$5.02	\$5.62	\$6.22	\$6.82	\$7.42	
Seasonal							
Seasonal Minimum	Inside City		Outside City				
Meter Size	Current	1/1/25	Current	1/1/25			
5/8" x 3/4"	\$2.50	\$3.50	\$3.50	\$4.50			
1"	\$3.00	\$4.00	\$4.50	\$5.50			
1-1/2"	\$4.50	\$5.50	\$7.00	\$8.00			
2"	\$7.00	\$8.00	\$12.00	\$13.00			
3"	\$10.50	\$11.50	\$19.00	\$20.00			
4"	\$18.00	\$19.00	\$35.00	\$36.00			
6"	\$37.00	\$38.00	\$74.00	\$75.00			
Seasonal Volume							
Rate Brackets	Current	1/1/25	10/1/25	10/1/26	10/1/27	10/1/28	
Inside City 1,000 Gallons	\$4.04	\$4.64	\$5.24	\$5.84	\$6.44	\$7.04	
Outside City 1,000 Gallons	\$4.34	\$4.94	\$5.54	\$6.14	\$6.74	\$7.34	

**Figure 3: Proposed Sewer Rates – Scenario 1**

Proposed Sewer Rates per 1,000 Gallons - Scenario 1							
Inside City							
Rate Brackets		Current	1/1/25	10/1/25	10/1/26	10/1/27	10/1/28
Minimum	1,000 Gallons	\$11.20	\$22.00	\$26.50	\$31.00	\$35.50	\$40.00
Next	24,000 Gallons	\$4.17	\$5.17	\$6.17	\$7.17	\$8.17	\$9.17
Next	225,000 Gallons	\$4.13	\$5.13	\$6.13	\$7.13	\$8.13	\$9.13
Next	350,000 Gallons	\$4.04	\$5.04	\$6.04	\$7.04	\$8.04	\$9.04
Next	400,000 Gallons	\$3.91	\$4.91	\$5.91	\$6.91	\$7.91	\$8.91
All Over	1,000,000 Gallons	\$3.76	\$4.01	\$4.26	\$4.51	\$4.76	\$5.01
Outside City							
Rate Brackets		Current	1/1/25	10/1/25	10/1/26	10/1/27	10/1/28
Minimum	1,000 Gallons	\$12.45	\$23.25	\$27.75	\$32.25	\$36.75	\$41.25
Next	24,000 Gallons	\$4.48	\$5.48	\$6.48	\$7.48	\$8.48	\$9.48
Next	225,000 Gallons	\$4.40	\$5.40	\$6.40	\$7.40	\$8.40	\$9.40
Next	350,000 Gallons	\$4.27	\$5.27	\$6.27	\$7.27	\$8.27	\$9.27
Next	400,000 Gallons	\$4.24	\$5.24	\$6.24	\$7.24	\$8.24	\$9.24
All Over	1,000,000 Gallons	\$3.86	\$4.11	\$4.36	\$4.61	\$4.86	\$5.11

**WATER AND SEWER RATE STUDY SUMMARY – SCENARIO 2**

Springdale Water Utilities (SWU) retained TischlerBise to prepare a financial plan and rate study to ensure the utility has sufficient revenues to meet operational, capital, and loan obligations in FY 2025 through FY 2029 (study period). Springdale does not currently assess water and sewer impact fees to new development, however, SWU directed TischlerBise to develop two rate options. Scenario 2 assumes Springdale adopts the proposed water and sewer impact fees shown in Figure 1.

**Figure 4: Proposed Water Rates – Scenario 2**

Proposed Water Rates per 1,000 Gallons - Scenario 2							
Inside City							
Rate Brackets		Current	1/1/25	10/1/25	10/1/26	10/1/27	10/1/28
Minimum	1,000 Gallons	\$11.20	\$13.20	\$14.80	\$16.40	\$16.70	\$17.00
Next	24,000 Gallons	\$4.07	\$4.37	\$4.67	\$4.97	\$5.27	\$5.57
Next	225,000 Gallons	\$4.02	\$4.32	\$4.62	\$4.92	\$5.22	\$5.52
Next	350,000 Gallons	\$3.92	\$4.22	\$4.52	\$4.82	\$5.12	\$5.42
Next	400,000 Gallons	\$3.77	\$4.07	\$4.37	\$4.67	\$4.97	\$5.27
All Over	1,000,000 Gallons	\$3.60	\$3.90	\$4.20	\$4.50	\$4.80	\$5.10
Outside City							
Rate Brackets		Current	1/1/25	10/1/25	10/1/26	10/1/27	10/1/28
Minimum	1,000 Gallons	\$12.95	\$14.95	\$16.55	\$18.15	\$18.45	\$18.75
Next	24,000 Gallons	\$4.42	\$4.72	\$5.02	\$5.32	\$5.62	\$5.92
Next	225,000 Gallons	\$4.32	\$4.62	\$4.92	\$5.22	\$5.52	\$5.82
Next	350,000 Gallons	\$4.17	\$4.47	\$4.77	\$5.07	\$5.37	\$5.67
Next	400,000 Gallons	\$4.02	\$4.32	\$4.62	\$4.92	\$5.22	\$5.52
All Over	1,000,000 Gallons	\$3.72	\$4.02	\$4.32	\$4.62	\$4.92	\$5.22
White River							
Rate Brackets		Current	1/1/25	10/1/25	10/1/26	10/1/27	10/1/28
Minimum	1,000 Gallons	\$19.80	\$21.80	\$23.40	\$25.00	\$25.30	\$25.60
Next	4,000 Gallons	\$5.17	\$5.47	\$5.77	\$6.07	\$6.37	\$6.67
Next	5,000 Gallons	\$4.92	\$5.22	\$5.52	\$5.82	\$6.12	\$6.42
Next	10,000 Gallons	\$4.67	\$4.97	\$5.27	\$5.57	\$5.87	\$6.17
All Over	20,000 Gallons	\$4.42	\$4.72	\$5.02	\$5.32	\$5.62	\$5.92
Seasonal							
Seasonal Minimum		Inside City		Outside City			
Meter Size		Current	1/1/25	Current	1/1/25		
5/8" x 3/4"		\$2.50	\$3.50	\$3.50	\$4.50		
1"		\$3.00	\$4.00	\$4.50	\$5.50		
1-1/2"		\$4.50	\$5.50	\$7.00	\$8.00		
2"		\$7.00	\$8.00	\$12.00	\$13.00		
3"		\$10.50	\$11.50	\$19.00	\$20.00		
4"		\$18.00	\$19.00	\$35.00	\$36.00		
6"		\$37.00	\$38.00	\$74.00	\$75.00		
Seasonal Volume							
Rate Brackets		Current	1/1/25	10/1/25	10/1/26	10/1/27	10/1/28
Inside City	1,000 Gallons	\$4.04	\$4.34	\$4.64	\$4.94	\$5.24	\$5.54
Outside City	1,000 Gallons	\$4.34	\$4.64	\$4.94	\$5.24	\$5.54	\$5.84

**Figure 5: Proposed Sewer Rates – Option 2**

Proposed Sewer Rates per 1,000 Gallons - Scenario 2							
Inside City							
Rate Brackets		Current	1/1/25	10/1/25	10/1/26	10/1/27	10/1/28
Minimum	1,000 Gallons	\$11.20	\$15.55	\$19.55	\$23.40	\$23.70	\$24.00
Next	24,000 Gallons	\$4.17	\$5.17	\$6.17	\$7.17	\$8.17	\$9.17
Next	225,000 Gallons	\$4.13	\$5.13	\$6.13	\$7.13	\$8.13	\$9.13
Next	350,000 Gallons	\$4.04	\$5.04	\$6.04	\$7.04	\$8.04	\$9.04
Next	400,000 Gallons	\$3.91	\$4.91	\$5.91	\$6.91	\$7.91	\$8.91
All Over	1,000,000 Gallons	\$3.76	\$3.96	\$4.16	\$4.36	\$4.56	\$4.76
Outside City							
Rate Brackets		Current	1/1/25	10/1/25	10/1/26	10/1/27	10/1/28
Minimum	1,000 Gallons	\$12.45	\$16.80	\$20.80	\$24.65	\$24.95	\$25.25
Next	24,000 Gallons	\$4.48	\$5.48	\$6.48	\$7.48	\$8.48	\$9.48
Next	225,000 Gallons	\$4.40	\$5.40	\$6.40	\$7.40	\$8.40	\$9.40
Next	350,000 Gallons	\$4.27	\$5.27	\$6.27	\$7.27	\$8.27	\$9.27
Next	400,000 Gallons	\$4.24	\$5.24	\$6.24	\$7.24	\$8.24	\$9.24
All Over	1,000,000 Gallons	\$3.86	\$4.06	\$4.26	\$4.46	\$4.66	\$4.86

## **IMPACT FEE STUDY**

Springdale Water Utilities contracted with TischlerBise to calculate water and sewer impact fees. Municipalities and municipal service agencies in Arkansas may assess impact fees to offset costs to the municipality or the municipal service agency that are reasonably attributable to providing necessary public facilities to new development. Impact fees are one-time payments used to construct system improvements needed to accommodate new development. The fee represents future development's proportionate share of infrastructure costs, and impact fees may be used for infrastructure improvements or debt service for growth-related infrastructure. In contrast to general taxes, impact fees may not be used for operations, maintenance, replacement, or correcting existing deficiencies.

### **ARKANSAS DEVELOPMENT IMPACT FEE ENABLING LEGISLATION**

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The Enabling Legislation governs how development impact fees are calculated for municipalities and municipal service agencies in Arkansas. Springdale Water Utilities will assess its water and sewer impact fees under the authority of AR Code § 14-56-103.

#### **Public Facilities**

Under the requirements of the Enabling Legislation, a municipality or municipal service agency may assess, collect, and expend development impact fees related to public facilities that create capacity available to serve new development. "Public facilities" means publicly owned facilities that are one (1) or more of the following systems or a portion of those systems:

1. Water supply, treatment, and distribution for either domestic water or for suppression of fires;
2. Wastewater treatment and sanitary sewerage;
3. Storm water drainage;
4. Roads, streets, sidewalks, highways, and public transportation;
5. Library;
6. Parks, open space, and recreation areas;
7. Police or public safety;
8. Fire protection; and
9. Ambulance or emergency medical transportation and response.

#### **Eligible Costs**

A municipality or a municipal service agency may assess by ordinance a development impact fee to offset costs to the municipality or to a municipal service agency that are reasonably attributable to providing necessary public facilities to new development. Eligible costs include the following:

1. A municipality or municipal service agency may assess, collect, and expend development impact fees only for the planning, design, and construction of new public facilities or of capital improvements to existing public facilities that expand its capacity or for the recoupment of prior capital improvements to public facilities that created capacity available to serve new development.

2. The development impact fee may be pledged to the payment of bonds issued by the municipality or municipal service agency to finance capital improvements or public facilities for which the development impact fee may be imposed.
3. No development impact fee shall be assessed for or expended upon the operation or maintenance of any public facility or for the construction or improvement of public facilities that does not create additional capacity.

### **Ordinance**

A development impact fee ordinance shall be adopted or amended by the governing body of a municipality or municipal service agency only after the municipality or municipal service agency has adopted a capital plan and level-of-service standards for all public facilities that are to be so financed. The development impact fee ordinance shall contain:

1. A statement of the new public facilities and capital improvements to existing public facilities that are to be financed by impact fees and the level-of-service standards included in the capital plan for the public facilities that are to be financed with impact fees;
2. The actual formula or formulas for assessing the impact fee, which shall be consistent with the level-of-service standards;
3. The procedure by which impact fees are to be assessed and collected; and
4. The procedure for refund of excess impact fees not expended seven (7) years from the date the fees were paid.

### **INTRODUCTION TO DEVELOPMENT IMPACT FEES**

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Development impact fees are one-time payments used to fund capital improvements necessitated by future development. Development impact fees have been utilized by local governments in various forms for at least fifty years. Development impact fees do have limitations and should not be regarded as the total solution for infrastructure financing needs. Rather, they should be considered one component of a comprehensive portfolio to ensure adequate provision of public facilities with the goal of maintaining current levels of service in a community. Any community considering facility fees should note the following limitations:

- 1) Fees can only be used to finance capital infrastructure and cannot be used to finance ongoing operations and / or maintenance and rehabilitation costs.
- 2) Fees cannot be deposited in the General Fund. The funds must be accounted for separately in individual accounts and earmarked for the capital expenses for which they were collected.
- 3) Fees cannot be used to correct existing infrastructure deficiencies unless there is a funding plan in place to correct the deficiency for all current residents and businesses in the community.

## REQUIRED FINDINGS

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There are three reasonable relationship requirements for development fees that are closely related to “rational nexus” or “reasonable relationship” requirements enunciated by a number of state courts. Although the term “dual rational nexus” is often used to characterize the standard by which courts evaluate the validity of development fees under the U. S. Constitution, we prefer a more rigorous formulation that recognizes three elements: “impact or need,” “benefit,” and “proportionality.” The dual rational nexus test explicitly addresses only the first two, although proportionality is reasonably implied, and was specifically mentioned by the U.S. Supreme Court in the *Dolan* case. The reasonable relationship language of the statute is considered less strict than the rational nexus standard used by many courts. Individual elements of the nexus standard are discussed further in the following paragraphs.

**Demonstrating an Impact.** All future development in a community creates additional demands on some, or all, public facilities provided by local government. If the supply of facilities is not increased to satisfy that additional demand, the quality or availability of public services for the entire community will deteriorate. Development fees may be used to recover the cost of development-related facilities, but only to the extent that the need for facilities is a consequence of development that is subject to the fees. The *Nollan* decision reinforced the principle that development exactions may be used only to mitigate conditions created by the developments upon which they are imposed. That principle clearly applies to development fees. In this study, the impact of development on improvement needs is analyzed in terms of quantifiable relationships between various types of development and the demand for specific facilities, based on applicable level-of-service standards.

**Demonstrating a Benefit.** A sufficient benefit relationship requires that development fee revenues be segregated from other funds and expended only on the facilities for which the fees were charged. Fees must be expended in a timely manner and the facilities funded by the fees must serve the development paying the fees. However, nothing in the U.S. Constitution or the State enabling Act authorizing development fees requires that facilities funded with fee revenues be available *exclusively* to development paying the fees. In other words, existing development may benefit from these improvements as well.

Procedures for the earmarking and expenditure of fee revenues are typically mandated by the State Enabling Legislation, as are procedures to ensure that the fees are expended expeditiously or refunded. All requirements are intended to ensure that developments benefit from the fees they are required to pay. Thus, an adequate showing of benefit must address procedural as well as substantive issues.

**Demonstrating Proportionality.** The requirement that exactions be proportional to the impacts of development was clearly stated by the U.S. Supreme Court in the *Dolan* case (although the relevance of that decision to development fees has been debated) and is logically necessary to establish a proper nexus. Proportionality is established through the procedures used to identify development-related facility costs, and in the methods used to calculate development fees for various types of facilities and categories of development. The demand for facilities is measured in terms of relevant and measurable attributes of development.

## METHODOLOGIES

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Development fees for the necessary public services made necessary by new development must be based on the same level of service (LOS) provided to existing development in the service area. There are three basic methodologies used to calculate development fees. They examine the past, present, and future status of infrastructure. The objective of evaluating these different methodologies is to determine the best measure of the demand created by new development for additional infrastructure capacity. Each methodology has advantages and disadvantages in a particular situation and can be used simultaneously for different cost components.

Reduced to its simplest terms, the process of calculating development fees involves two main steps: (1) determining the cost of development-related capital improvements and (2) allocating those costs equitably to various types of development. In practice, though, the calculation of development fees can become quite complicated because of the many variables involved in defining the relationship between development and the need for facilities within the designated service area. The following paragraphs discuss basic methodologies for calculating development fees and how those methodologies can be applied.

- **Cost Recovery** (past improvements) - The rationale for recouping, often called cost recovery, is that new development is paying for its share of the useful life and remaining capacity of facilities already built, or land already purchased, from which new growth will benefit. This methodology is often used for utility systems that must provide adequate capacity before new development can take place.
- **Incremental Expansion** (concurrent improvements) - The incremental expansion methodology documents current LOS standards for each type of public facility, using both quantitative and qualitative measures. This approach assumes there are no existing infrastructure deficiencies or surplus capacity in infrastructure. New development is only paying its proportionate share for growth-related infrastructure. Revenue will be used to expand or provide additional facilities, as needed, to accommodate new development. An incremental expansion cost method is best suited for public facilities that will be expanded in regular increments to keep pace with development.
- **Plan-Based** (future improvements) - The plan-based methodology allocates costs for a specified set of improvements to a specified amount of development. Improvements are typically identified in a long-range facility plan and development potential is identified by a land use plan. There are two basic options for determining the cost per demand unit: (1) total cost of a public facility can be divided by total demand units (average cost), or (2) the growth-share of the public facility cost can be divided by the net increase in demand units over the planning timeframe (marginal cost).

**EVALUATION OF CREDITS/OFFSETS**

Regardless of the methodology, a consideration of credits/offsets is integral to the development of a legally defensible development impact fee. There are two types of credits/offsets that should be addressed in development impact fee studies and ordinances. The first is a revenue credit/offset due to possible double payment situations, which could occur when other revenues may contribute to the capital costs of infrastructure covered by the development impact fee. This type of credit/offset is integrated into the fee calculation, thus reducing the fee amount. The second is a site-specific credit or developer reimbursement for dedication of land or construction of system improvements. This type of credit is addressed in the administration and implementation of the development impact fee program. For ease of administration, TischlerBise recommends developer reimbursements for system improvements.

**CONCEPTUAL IMPACT FEE CALCULATION**

In contrast to project-level improvements, development impact fees fund growth-related infrastructure that will benefit multiple development projects, or the entire service area (usually referred to as system improvements). The first step is to determine an appropriate demand indicator for the particular type of infrastructure. The demand indicator measures the number of service units for each unit of development. For example, an appropriate indicator of the demand for water infrastructure is population growth and the increase in population can be estimated from the average number of persons per housing unit. The second step in the development impact fee formula is to determine infrastructure improvement units per service unit, typically called level-of-service (LOS) standards. In keeping with the water example, a common LOS standard is gallons per person. The third step in the development impact fee formula is the cost of various infrastructure units. To complete the water example, this part of the formula would establish a cost per gallon for water infrastructure.

**IMPACT FEE COMPONENTS**

Shown below, Figure A1 summarizes service areas, methodologies, and infrastructure cost components for the proposed fees.

**Figure A1: Proposed Impact Fee Service Areas, Methodologies, and Cost Components**

Public Facility	Service Area	Cost Recovery	Incremental	Plan-Based	Cost Allocation
Water	Springdale Water Utilities	Water Improvements	N/A	N/A	Average Day Gallons
Sewer	Springdale Water Utilities	N/A	N/A	Sewer Improvements	Peak Day Gallons

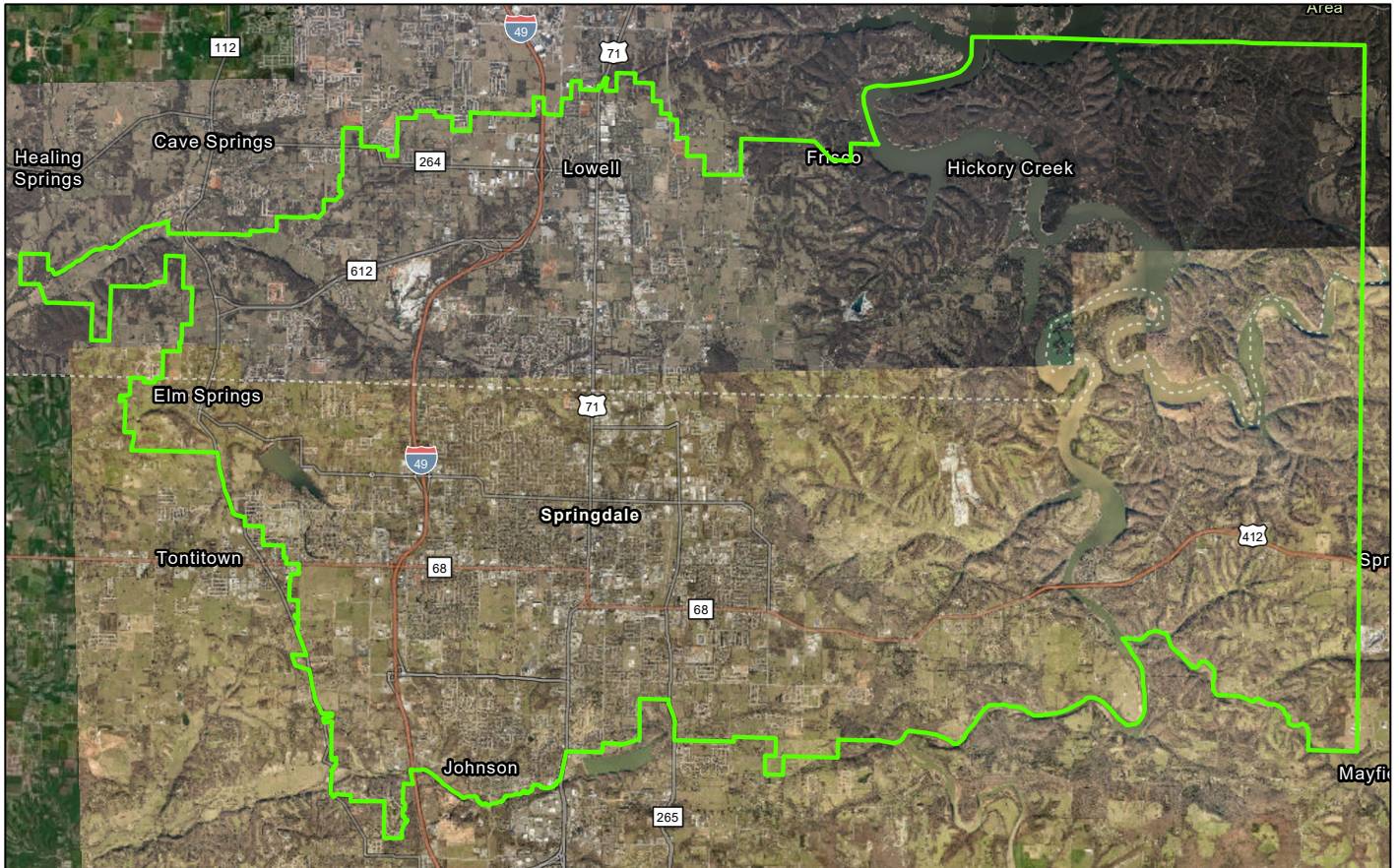
Calculations throughout this report are based on an analysis conducted using Excel software. Most results are discussed in the report using two, three, and four decimal places, which represent rounded figures. However, the analysis itself uses figures carried to their ultimate decimal places; therefore, the sums and products generated in the analysis may not equal the sum or product if the reader replicates the calculation with the factors shown in the report (due to the rounding of figures shown, not in the analysis).

## SERVICE AREA

The Water and Sewer Impact Fee Study uses the Springdale Water Utilities service area shown below to define the boundaries of the impact fee service area.

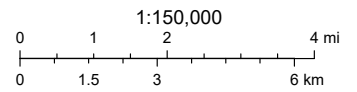
Figure A2: Impact Fee Service Area

### Impact Fee Service Area



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 Service Boundary



Earthstar Geographics, City of Springdale, AR, Arkansas GIS Office, Missouri Dept. of Conservation, Missouri DNR, Texas Parks & Wildlife, Esri, TomTom,

Springdale Water Utilities

2022 | State of Missouri, Earthstar Geographics | City of Springdale, AR, Arkansas GIS Office, Missouri Dept. of Conservation, Missouri DNR, Texas Parks & Wildlife, Esri, TomTom, Garmin, SafeGraph, GeoTechnologies, Inc, METI/NASA, USGS, EPA, NPS, USDA,

**PROPOSED IMPACT FEES**

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Proposed impact fees will be assessed per meter according to meter size. The proposed fees represent the maximum allowable fees. Springdale Water Utilities may adopt fees that are less than the amounts shown; however, a reduction in impact fee revenue will necessitate an increase in other revenues, a decrease in planned capital improvements, and/or a decrease in level-of-service standards. If costs change significantly over time, Springdale Water Utilities should update the impact fees.

**Figure A3: Proposed Impact Fees**

Fees per Meter			
Meter Size	Water	Sewer	Proposed Fees
3/4" or smaller	\$4,712	\$1,154	\$5,866
1.00"	\$7,869	\$1,927	\$9,796
1.50"	\$15,690	\$3,843	\$19,533
2.00"	\$25,113	\$6,150	\$31,263
3.00"	\$50,274	\$12,312	\$62,586
4.00"	\$78,544	\$19,236	\$97,780
6.00"	\$157,041	\$38,460	\$195,501

## WATER IMPACT FEES

AR Code § 14-56-103(a)(7)(A) defines eligible public facilities as:

*“Water supply, treatment, and distribution for either domestic water or for suppression of fires.”*

### METHODOLOGY

The analysis uses a cost recovery methodology to calculate water impact fees.

### PROPORTIONATE SHARE

AR Code § 14-56-103(d)(1) states that the impact fee shall be in reasonable proportion to the demand for additional capacity in public facilities that is reasonably attributable to the use and occupancy of that new development. The analysis allocates the cost of necessary public facilities to new development based on average day demand and the associated meter size.

### SERVICE AREA

As shown in Figure A2, the analysis uses a single service area for water impact fees.

### RATIO OF SERVICE UNIT TO DEVELOPMENT UNIT

According to estimates used in the 2024 Springdale Water Utilities Master Plan, average day demand from single-family units is 254 gallons. Water impact fees are assessed by meter size, and the analysis uses average day demand from single-family units of 254 gallons as the demand factor for a 3/4-inch meter (base meter). The analysis calculates average day demand for larger meters by multiplying average day demand from a 3/4-inch meter by the capacity ratio for the corresponding meter size. The capacity ratios shown below represent the safe operating flow for each meter size divided by the safe operating flow of a 3/4-inch meter. This represents the additional demand from the larger meter when compared to the 3/4-inch meter, and the analysis uses this to calculate proportionate impact fees for larger meters.

**Figure B1: Water Ratio of Service Unit to Development Unit**

Demand per Meter		
Meter Size	Capacity Ratio <sup>2</sup>	Average Day Gallons
3/4" or smaller	1.00	254
1.00"	1.67	424
1.50"	3.33	846
2.00"	5.33	1,354
3.00"	10.67	2,710
4.00"	16.67	4,234
6.00"	33.33	8,466

1. Springdale Water Utilities Master Plan, 2024
2. AWWA Manual of Water Supply Practices M-1, 7th Edition

**EXISTING AND PROJECTED DEMAND FOR PUBLIC SERVICES**

**Master Plan Demand**

Shown below, Figure B2 includes water demand from the 2024 Springdale Water Utilities Master Plan. Average day demand from water customers in 2023 was approximately 18.8 mgd, and projected demand in 2030 is approximately 22.7 mgd.

**Figure B2: Master Plan Water Demand**

Design Horizon	Average Day Demand (MGD)				Customers*
	Residential	Commercial	Industrial	Total	
Current	9.7	4.6	4.5	18.8	38,054
Phase I (2030)	12.3	5.9	4.5	22.7	48,432
Phase II (2035)	14.2	6.8	4.5	25.5	55,883
Phase III (2045)	18.8	8.9	4.5	32.2	73,713

Source: Springdale Water Utilities Master Plan, 2024.  
 \*Total Customers for Current Phase based on July 2023.

**Projected Demand**

Shown below, Figure B3 includes projected average day demand over the next five years. To estimate annual water demand beyond the current design horizon (2023), the analysis uses a straight-line allocation of 2023 and 2030 average day demand from the 2024 Springdale Water Utilities Master Plan. Based on this analysis, projected average day demand increases from 19.36 mgd in the 2024 base year to 22.14 mgd in 2029 – approximately 2.79 mgd over the next five years.

**Figure B3: Projected Demand**

Customer Type	Current	Base	Study Timeframe					5-Year
	2023	2024	2025	2026	2027	2028	2029	Increase
Residential	9.68	10.06	10.44	10.81	11.19	11.57	11.94	1.89
Commercial	4.62	4.80	4.98	5.16	5.34	5.52	5.70	0.90
Industrial	4.50	4.50	4.50	4.50	4.50	4.50	4.50	0.00
<b>Total, Average Day</b>	<b>18.80</b>	<b>19.36</b>	<b>19.91</b>	<b>20.47</b>	<b>21.03</b>	<b>21.59</b>	<b>22.14</b>	<b>2.79</b>
Customers	38,054	39,537	41,019	42,502	43,984	45,467	46,950	7,413

Source: TischlerBise calculation based on Springdale Water Utilities Master Plan, 2024.

**WATER IMPROVEMENTS – COST RECOVERY**

The capital improvement plan includes the growth-related water improvements shown below. The west side water elevated tank and west side water lines have an estimated cost of \$55,652,707 and will provide 3,000,000 gallons of capacity to serve future development. Springdale Water Utilities will fund construction of these water improvements with a combination of Arkansas Natural Resources Commission (ANRC) debt and cash reserves. Springdale Water Utilities will use impact fees for ANRC debt service payments and to repay cash reserves. Dividing the total cost of \$55,652,707 by the total capacity of 3,000,000 gallons provides a cost of \$18.55 per gallon. Based on projected average day demand growth of 2,786,000 gallons, future development during the next five years demands approximately 93 percent of planned capacity (2,786,000 gallons of demand / 3,000,000 gallons of capacity). The analysis does not include a credit for future ANRC debt service payments, because Scenario 2 of the proposed water rate study includes impact fee revenue to offset all future ANRC debt service payments related to these improvements.

**Figure B4: Cost Factors**

Water Improvements	
#1339 - West Side Water Elevated Tank	\$11,500,000
#1338 - West Side Water Lines	\$44,152,707
Total Cost	\$55,652,707
÷ Total Capacity (gallons)	3,000,000
Cost per Gallon	\$18.55

Source: Springdale Water Utilities

**WATER IMPACT FEE SCHEDULE**

The cost per service unit is \$18.55 per gallon for water impact fees, and Springdale will assess water impact fees by meter size to new development. The base 3/4-inch meter is equivalent to a single-family unit, and a capacity ratio is used to convert the base meter fee proportionately for larger meters. The capacity ratios are calculated based on data published in *AWWA Manual of Water Supply Practices M-1, 7<sup>th</sup> Edition*.

Water impact fees are calculated by multiplying the cost per gallon by the average day gallons per single-family unit / base meter and the associated capacity ratio. The 3/4-inch meter fee (single-family fee) of \$4,712 per meter is calculated using a cost per service unit of \$18.55 per gallon, multiplied by 254 average day gallons, multiplied by a capacity ratio of 1.00. The 1.50-inch meter fee of \$15,690 per meter is calculated using a cost per service unit of \$18.55 per gallon, multiplied by 254 average day gallons, multiplied by a capacity ratio of 3.33.

**Figure B5: Water Impact Fee Schedule**

Fee Component		Cost per Gallon
Water Improvements		\$18.55

Base Meter Demand	
Average Day Gallons	254

Fees per Meter		
Meter Size	Capacity Ratio <sup>1</sup>	Proposed Fees
3/4" or smaller	1.00	\$4,712
1.00"	1.67	\$7,869
1.50"	3.33	\$15,690
2.00"	5.33	\$25,113
3.00"	10.67	\$50,274
4.00"	16.67	\$78,544
6.00"	33.33	\$157,041

1. AWWA Manual of Water Supply Practices M-1, 7th Edition

**WATER IMPACT FEE REVENUE**

Projected fee revenue shown in Figure B6 is based on projected average day demand growth and the cost per gallon used to calculate the proposed water impact fees in Figure B5. If development occurs faster than projected, the demand for infrastructure will increase along with impact fee revenue. If development occurs slower than projected, the demand for infrastructure will decrease and impact fee revenue will decrease at a similar rate. Projected impact fee revenue equals \$46,504,850 (based on the proposed effective date of 4/1/25 for impact fees) and projected expenditures equal \$55,652,707. Based on the actual mix of meter sizes used by future nonresidential accounts, the projected impact fee revenue shown below will change.

**Figure B6: Water Impact Fee Revenue**

Fee Component	Total
Water Improvements	\$55,652,707
<b>Total</b>	<b>\$55,652,707</b>

		Water \$18.55 per gallon
Year	Gallon	Gallon
Base <sup>1</sup>	2024	19,636,000
Year 1	2025	19,914,000
Year 2	2026	20,471,000
Year 3	2027	21,029,000
Year 4	2028	21,586,000
Year 5	2029	22,143,000
5-Year Increase		2,507,000
<b>Projected Revenue</b>		<b>\$46,504,850</b>

<b>Projected Fee Revenue</b>	<b>\$46,504,850</b>
<b>Total Expenditures</b>	<b>\$55,652,707</b>

1. Represents proposed 4/1/25 effective date

## **SEWER IMPACT FEES**

AR Code § 14-56-103(a)(7)(B) defines eligible public facilities as:

*“Wastewater treatment and sanitary sewerage.”*

### **METHODOLOGY**

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The analysis uses a plan-based methodology to calculate sewer impact fees.

### **PROPORTIONATE SHARE**

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AR Code § 14-56-103(d)(1) states that the impact fee shall be in reasonable proportion to the demand for additional capacity in public facilities that is reasonably attributable to the use and occupancy of that new development. The analysis allocates the cost of necessary public facilities to new development based on peak day flow and the associated meter size.

### **SERVICE AREA**

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As shown in Figure A2, the analysis uses a single service area for sewer impact fees.

**RATIO OF SERVICE UNIT TO DEVELOPMENT UNIT**

According to estimates used in the 2024 Springdale Water Utilities Master Plan, average day demand from single-family units is 254 gallons. To convert average day demand to average day sewer flow, the master plan uses a return flow factor of 70 percent. The analysis uses peak day flow to allocate the cost of sewer improvements, so the calculation includes a peaking factor of 3.75 to convert average day flow to peak day flow. Based on these factors, peak day sewer flow from a single-family unit is approximately 667 gallons (254 average day demand X 70 percent return flow X 3.75 peaking factor).

Sewer impact fees are assessed by meter size, and the analysis uses peak day flow from single-family units of 667 gallons as the demand factor for a 3/4-inch meter (base meter). The analysis calculates peak day flow for larger meters by multiplying peak day flow from a 3/4-inch meter by the capacity ratio for the corresponding meter size. The capacity ratios shown below represent the safe operating flow for each meter size divided by the safe operating flow of a 3/4-inch meter. This represents the additional flow from the larger meter when compared to the 3/4-inch meter, and the analysis uses this to calculate proportionate impact fees for larger meters.

**Figure C1: Sewer Ratio of Service Unit to Development Unit**

Peak Day Gallons	
Single-Family Unit / Base Meter <sup>1</sup>	667

Flow per Meter		
Meter Size	Capacity Ratio <sup>2</sup>	Peak Day Gallons
3/4" or smaller	1.00	667
1.00"	1.67	1,114
1.50"	3.33	2,221
2.00"	5.33	3,555
3.00"	10.67	7,117
4.00"	16.67	11,119
6.00"	33.33	22,231

1. Springdale Water Utilities Master Plan, 2024. 254 average day gallons X 70% return flow X 3.75 peaking factor.
2. AWWA Manual of Water Supply Practices M-1, 7th Edition

**EXISTING AND PROJECTED DEMAND FOR PUBLIC SERVICES**

Shown below, Figure C2 includes average day flow calculated from average day demand shown in Figure B3. The analysis uses a 70 percent return flow rate for residential and commercial customers and a 99 percent return flow rate for industrial customers. Average day flow from sewer customers in the 2024 base year is approximately 14.86 mgd, and projected flow in 2029 is approximately 16.81 mgd.

The analysis uses peak day flow to allocate the cost of sewer improvements, so the calculation includes a peaking factor of 3.75 to convert average day flow to peak day flow. Shown below, Figure C2 includes projected peak day flow over the next five years. Based on this analysis, projected peak day flow increases from 55.71 mgd in the 2024 base year to 63.02 mgd in 2029 – approximately 7.31 mgd over the next five years. The analysis uses additional peak day flow to estimate demand for sewer improvements.

**Figure C2: Projected Flow**

Customer Type	Base		Study Timeframe					5-Year Increase
	2023	2024	2025	2026	2027	2028	2029	
Residential	6.78	7.04	7.30	7.57	7.83	8.10	8.36	1.32
Commercial	3.23	3.36	3.49	3.61	3.74	3.86	3.99	0.63
Industrial	4.46	4.46	4.46	4.46	4.46	4.46	4.46	0.00
<b>Total, Average Day</b>	<b>14.47</b>	<b>14.86</b>	<b>15.25</b>	<b>15.64</b>	<b>16.03</b>	<b>16.42</b>	<b>16.81</b>	<b>1.95</b>
Customers	31,348	32,569	33,791	35,012	36,233	37,455	38,676	6,107

Source: TischlerBise calculation. 70% return flow from residential and commercial average day demand (Figure W3).

Customer Type	Base		Study Timeframe					5-Year Increase
	2023	2024	2025	2026	2027	2028	2029	
Residential	25.41	26.40	27.39	28.38	29.37	30.36	31.35	4.95
Commercial	12.12	12.60	13.07	13.54	14.01	14.49	14.96	2.36
Industrial	16.71	16.71	16.71	16.71	16.71	16.71	16.71	0.00
<b>Total, Peak Day</b>	<b>54.24</b>	<b>55.71</b>	<b>57.17</b>	<b>58.63</b>	<b>60.09</b>	<b>61.56</b>	<b>63.02</b>	<b>7.31</b>
Customers	31,348	32,569	33,791	35,012	36,233	37,455	38,676	6,107

Source: TischlerBise calculation. Average day flow X 3.75 peaking factor.

**SEWER IMPROVEMENTS – PLAN-BASED**

The capital improvement plan includes the growth-related sewer improvements shown below. The Johnson force main improvements have an estimated cost of \$12,653,152 and will serve additional peak day flow generated by the next five years of development equal to 7,313,000 gallons. Dividing the total cost of \$12,653,152 by the five-year flow increase of 7,313,000 gallons provides a cost of \$1.73 per gallon.

**Figure C3: Cost Factors**

Sewer Improvements	
#1377 - Johnson Force Main Improvements	\$12,653,152
÷ 5-Year Peak Flow Increase (gallons)	7,313,000
<b>Cost per Gallon</b>	<b>\$1.73</b>

Source: Springdale Water Utilities

**SEWER IMPACT FEE SCHEDULE**

The cost per service unit is \$1.73 per gallon for sewer impact fees, and Springdale will assess sewer impact fees by meter size to new development. The base 3/4-inch meter is equivalent to a single-family unit, and a capacity ratio is used to convert the base meter fee proportionately for larger meters. The capacity ratios are calculated based on data published in *AWWA Manual of Water Supply Practices M-1, 7<sup>th</sup> Edition*.

Sewer impact fees are calculated by multiplying the cost per gallon by the peak day gallons per single-family unit / base meter and the associated capacity ratio. The 3/4-inch meter fee (single-family fee) of \$1,154 per meter is calculated using a cost per service unit of \$1.73 per gallon, multiplied by 667 peak day gallons, multiplied by a capacity ratio of 1.00. The 1.50-inch meter fee of \$3,843 per meter is calculated using a cost per service unit of \$1.73 per gallon, multiplied by 667 peak day gallons, multiplied by a capacity ratio of 3.33.

**Figure C4: Sewer Impact Fee Schedule**

Fee Component	Cost per Gallon
Sewer Improvements	\$1.73

Base Meter Flow	
Peak Day Gallons	667

Fees per Meter		
Meter Size	Capacity Ratio <sup>1</sup>	Proposed Fees
3/4" or smaller	1.00	\$1,154
1.00"	1.67	\$1,927
1.50"	3.33	\$3,843
2.00"	5.33	\$6,150
3.00"	10.67	\$12,312
4.00"	16.67	\$19,236
6.00"	33.33	\$38,460

1. AWWA Manual of Water Supply Practices M-1, 7th Edition

**SEWER IMPACT FEE REVENUE**

Projected fee revenue shown in Figure C5 is based on projected peak day flow growth and the cost per gallon used to calculate the proposed sewer impact fees in Figure C4. If development occurs faster than projected, the demand for infrastructure will increase along with impact fee revenue. If development occurs slower than projected, the demand for infrastructure will decrease and impact fee revenue will decrease at a similar rate. Projected impact fee revenue equals \$11,385,130 (based on the proposed effective date of 4/1/25 for impact fees) and projected expenditures equal \$12,653,152. Based on the actual mix of meter sizes used by future nonresidential accounts, the projected impact fee revenue shown below will change.

**Figure C5: Sewer Impact Fee Revenue**

Fee Component	Total
Sewer Improvements	\$12,653,152
<b>Total</b>	<b>\$12,653,152</b>

Year		Sewer \$1.73 per gallon
		Gallon
Base <sup>1</sup>	2024	56,438,000
Year 1	2025	57,169,000
Year 2	2026	58,631,000
Year 3	2027	60,094,000
Year 4	2028	61,556,000
Year 5	2029	63,019,000
5-Year Increase		6,581,000
<b>Projected Revenue</b>		<b>\$11,385,130</b>

<b>Projected Fee Revenue</b>	<b>\$11,385,130</b>
<b>Total Expenditures</b>	<b>\$12,653,152</b>

1. Represents proposed 4/1/25 effective date

## RATE STUDY

Springdale Water Utilities (SWU) retained TischlerBise to prepare a financial plan and rate study to ensure the utility has sufficient revenues to meet operational, capital, and loan obligations in FY 2025 through FY 2029 (study period). Springdale does not currently assess water and sewer impact fees to new development, however, SWU directed TischlerBise to develop two rate options. Scenario 1 assumes Springdale does not adopt water and sewer impact fees, and the utility continues to fund growth-related infrastructure with utility rate revenue. Scenario 2 assumes Springdale adopts the proposed water and sewer impact fees shown in Figure A3. This report documents the results of the analysis and describes the cost-of-service analysis for the rates.

SWU desires rates and fees that fully fund operations, maintenance, and capital costs. During the five-year study period, SWU anticipates annual water cost increases from Beaver Water, construction of over \$200 million of capital improvements, and additional operating expense increases while continuing to provide high-quality operations. Customer growth, as projected in the 2024 Springdale Water Utilities Master Plan, is projected to equal between three and four percent per year. The existing utility infrastructure is aging and SWU will continue repair and rehabilitation projects during the study period. Therefore, the purpose of the financial plan and rate study is to provide recommendations on changes to the current utility rate to meet these challenges.

### OVERVIEW OF THE RATE SETTING PROCESS

The financial planning and rate study efforts were conducted in coordination with SWU staff to review, explore, and analyze rate setting principles and utility financial, operational, and capital issues. The scope of the study resulted in the development of cost-based utility rates through a comprehensive cost of service and rate design study process. Utility rates must be set at a level where a utility's operating and capital expenses are met with the revenues received from customers. This is a significant point, as failure to achieve this level may lead to insufficient funds being available to appropriately maintain the system and meet other obligations such as reserve requirements. The analysis includes a comprehensive rate study to evaluate the adequacy of existing rates. A comprehensive rate analysis consists of three interrelated analyses as illustrated below.

1. Revenue Requirement Analysis: Create a five-year plan to support an orderly, efficient program of on-going maintenance and operating costs, capital improvement and replacement activities, and retirement of projected outstanding debt. In addition, the long-term plan should fund and maintain reserve balances to adequate levels based on industry standards and SWU fiscal policies.
2. Cost of Service Analysis: Identifies annual revenue requirements to be funded with rate revenues.
3. Rate Design: Develops a schedule of rates to proportionately recover costs. The policy objectives are balanced with the cost-of-service objectives to maintain a balance between customer equity and financial stability.

### PROJECT ASSUMPTIONS

To project future revenues and expenditures, the analysis uses growth, inflation, and financial factors provided by SWU. The following lists these factors:

## Water and Sewer Rate Study and Impact Fee Study

### Springdale Water Utilities

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1. The budgeted financial results for the fiscal year ending September 30, 2024, are used as the base year for the five-year financial plan.
2. The analysis includes Beaver Water cost increases from \$1,540 per million gallons in FY 2024 to \$2,510 per million gallons in FY 2029.
3. For operating expenses, the analysis uses an annual inflation rate of five percent, and this is consistent with SWU projections.
4. For capital expenses, the analysis uses a combination of costs from the existing capital improvement plan and the 2024 Springdale Water Utilities Master Plan.
5. In Scenario 2, SWU will utilize approximately \$14.5 million of water impact fees to retire debt and \$10.0 million of water impact fees to repay the Water Construction Fund related to west side water improvements and approximately \$11.4 million of sewer impact fees to fund construction of the Johnson force main improvements during the study period to alleviate rate increases.

### PROPOSED RATES

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The proposed rate schedules demonstrate proposed rates, by customer class, during the study period. Scenario 1 represents proposed rates without adoption of impact fees, and Scenario 2 represents proposed rates with adoption of impact fees. The rate structures provide for ongoing costs, capital needs, and expenses using fund balances to limit rate increases. This cost-of-service (COS) analysis identifies annual revenue requirements to be funded with rate revenues. This study identifies the COS and designs the proposed water and sewer rates to generate 100 percent of costs.

## Proposed Water Rates

Figure D1: Scenario 1

Proposed Water Rates per 1,000 Gallons - Scenario 1							
Inside City							
Rate Brackets	Current	1/1/25	10/1/25	10/1/26	10/1/27	10/1/28	
Minimum 1,000 Gallons	\$11.20	\$22.00	\$23.25	\$24.50	\$25.75	\$27.00	
Next 24,000 Gallons	\$4.07	\$4.67	\$5.27	\$5.87	\$6.47	\$7.07	
Next 225,000 Gallons	\$4.02	\$4.62	\$5.22	\$5.82	\$6.42	\$7.02	
Next 350,000 Gallons	\$3.92	\$4.52	\$5.12	\$5.72	\$6.32	\$6.92	
Next 400,000 Gallons	\$3.77	\$4.37	\$4.97	\$5.57	\$6.17	\$6.77	
All Over 1,000,000 Gallons	\$3.60	\$3.85	\$4.10	\$4.35	\$4.60	\$4.85	
Outside City							
Rate Brackets	Current	1/1/25	10/1/25	10/1/26	10/1/27	10/1/28	
Minimum 1,000 Gallons	\$12.95	\$23.75	\$25.00	\$26.25	\$27.50	\$28.75	
Next 24,000 Gallons	\$4.42	\$5.02	\$5.62	\$6.22	\$6.82	\$7.42	
Next 225,000 Gallons	\$4.32	\$4.92	\$5.52	\$6.12	\$6.72	\$7.32	
Next 350,000 Gallons	\$4.17	\$4.77	\$5.37	\$5.97	\$6.57	\$7.17	
Next 400,000 Gallons	\$4.02	\$4.62	\$5.22	\$5.82	\$6.42	\$7.02	
All Over 1,000,000 Gallons	\$3.72	\$3.97	\$4.22	\$4.47	\$4.72	\$4.97	
White River							
Rate Brackets	Current	1/1/25	10/1/25	10/1/26	10/1/27	10/1/28	
Minimum 1,000 Gallons	\$19.80	\$30.60	\$31.85	\$33.10	\$34.35	\$35.60	
Next 4,000 Gallons	\$5.17	\$5.77	\$6.37	\$6.97	\$7.57	\$8.17	
Next 5,000 Gallons	\$4.92	\$5.52	\$6.12	\$6.72	\$7.32	\$7.92	
Next 10,000 Gallons	\$4.67	\$5.27	\$5.87	\$6.47	\$7.07	\$7.67	
All Over 20,000 Gallons	\$4.42	\$5.02	\$5.62	\$6.22	\$6.82	\$7.42	
Seasonal							
Seasonal Minimum	Inside City		Outside City				
Meter Size	Current	1/1/25	Current	1/1/25			
5/8" x 3/4"	\$2.50	\$3.50	\$3.50	\$4.50			
1"	\$3.00	\$4.00	\$4.50	\$5.50			
1-1/2"	\$4.50	\$5.50	\$7.00	\$8.00			
2"	\$7.00	\$8.00	\$12.00	\$13.00			
3"	\$10.50	\$11.50	\$19.00	\$20.00			
4"	\$18.00	\$19.00	\$35.00	\$36.00			
6"	\$37.00	\$38.00	\$74.00	\$75.00			
Seasonal Volume							
Rate Brackets	Current	1/1/25	10/1/25	10/1/26	10/1/27	10/1/28	
Inside City 1,000 Gallons	\$4.04	\$4.64	\$5.24	\$5.84	\$6.44	\$7.04	
Outside City 1,000 Gallons	\$4.34	\$4.94	\$5.54	\$6.14	\$6.74	\$7.34	

**Figure D2: Scenario 2**

<b>Proposed Water Rates per 1,000 Gallons - Scenario 2</b>							
<b>Inside City</b>							
Rate Brackets		Current	1/1/25	10/1/25	10/1/26	10/1/27	10/1/28
Minimum	1,000 Gallons	\$11.20	\$13.20	\$14.80	\$16.40	\$16.70	\$17.00
Next	24,000 Gallons	\$4.07	\$4.37	\$4.67	\$4.97	\$5.27	\$5.57
Next	225,000 Gallons	\$4.02	\$4.32	\$4.62	\$4.92	\$5.22	\$5.52
Next	350,000 Gallons	\$3.92	\$4.22	\$4.52	\$4.82	\$5.12	\$5.42
Next	400,000 Gallons	\$3.77	\$4.07	\$4.37	\$4.67	\$4.97	\$5.27
All Over	1,000,000 Gallons	\$3.60	\$3.90	\$4.20	\$4.50	\$4.80	\$5.10
<b>Outside City</b>							
Rate Brackets		Current	1/1/25	10/1/25	10/1/26	10/1/27	10/1/28
Minimum	1,000 Gallons	\$12.95	\$14.95	\$16.55	\$18.15	\$18.45	\$18.75
Next	24,000 Gallons	\$4.42	\$4.72	\$5.02	\$5.32	\$5.62	\$5.92
Next	225,000 Gallons	\$4.32	\$4.62	\$4.92	\$5.22	\$5.52	\$5.82
Next	350,000 Gallons	\$4.17	\$4.47	\$4.77	\$5.07	\$5.37	\$5.67
Next	400,000 Gallons	\$4.02	\$4.32	\$4.62	\$4.92	\$5.22	\$5.52
All Over	1,000,000 Gallons	\$3.72	\$4.02	\$4.32	\$4.62	\$4.92	\$5.22
<b>White River</b>							
Rate Brackets		Current	1/1/25	10/1/25	10/1/26	10/1/27	10/1/28
Minimum	1,000 Gallons	\$19.80	\$21.80	\$23.40	\$25.00	\$25.30	\$25.60
Next	4,000 Gallons	\$5.17	\$5.47	\$5.77	\$6.07	\$6.37	\$6.67
Next	5,000 Gallons	\$4.92	\$5.22	\$5.52	\$5.82	\$6.12	\$6.42
Next	10,000 Gallons	\$4.67	\$4.97	\$5.27	\$5.57	\$5.87	\$6.17
All Over	20,000 Gallons	\$4.42	\$4.72	\$5.02	\$5.32	\$5.62	\$5.92
<b>Seasonal</b>							
Seasonal Minimum		Inside City		Outside City			
Meter Size		Current	1/1/25	Current	1/1/25		
5/8" x 3/4"		\$2.50	\$3.50	\$3.50	\$4.50		
1"		\$3.00	\$4.00	\$4.50	\$5.50		
1-1/2"		\$4.50	\$5.50	\$7.00	\$8.00		
2"		\$7.00	\$8.00	\$12.00	\$13.00		
3"		\$10.50	\$11.50	\$19.00	\$20.00		
4"		\$18.00	\$19.00	\$35.00	\$36.00		
6"		\$37.00	\$38.00	\$74.00	\$75.00		
<b>Seasonal Volume</b>							
Rate Brackets		Current	1/1/25	10/1/25	10/1/26	10/1/27	10/1/28
Inside City	1,000 Gallons	\$4.04	\$4.34	\$4.64	\$4.94	\$5.24	\$5.54
Outside City	1,000 Gallons	\$4.34	\$4.64	\$4.94	\$5.24	\$5.54	\$5.84

**Proposed Sewer Rates**

**Figure D3: Scenario 1**

Proposed Sewer Rates per 1,000 Gallons - Scenario 1							
Inside City							
Rate Brackets	Current	1/1/25	10/1/25	10/1/26	10/1/27	10/1/28	
Minimum 1,000 Gallons	\$11.20	\$22.00	\$26.50	\$31.00	\$35.50	\$40.00	
Next 24,000 Gallons	\$4.17	\$5.17	\$6.17	\$7.17	\$8.17	\$9.17	
Next 225,000 Gallons	\$4.13	\$5.13	\$6.13	\$7.13	\$8.13	\$9.13	
Next 350,000 Gallons	\$4.04	\$5.04	\$6.04	\$7.04	\$8.04	\$9.04	
Next 400,000 Gallons	\$3.91	\$4.91	\$5.91	\$6.91	\$7.91	\$8.91	
All Over 1,000,000 Gallons	\$3.76	\$4.01	\$4.26	\$4.51	\$4.76	\$5.01	
Outside City							
Rate Brackets	Current	1/1/25	10/1/25	10/1/26	10/1/27	10/1/28	
Minimum 1,000 Gallons	\$12.45	\$23.25	\$27.75	\$32.25	\$36.75	\$41.25	
Next 24,000 Gallons	\$4.48	\$5.48	\$6.48	\$7.48	\$8.48	\$9.48	
Next 225,000 Gallons	\$4.40	\$5.40	\$6.40	\$7.40	\$8.40	\$9.40	
Next 350,000 Gallons	\$4.27	\$5.27	\$6.27	\$7.27	\$8.27	\$9.27	
Next 400,000 Gallons	\$4.24	\$5.24	\$6.24	\$7.24	\$8.24	\$9.24	
All Over 1,000,000 Gallons	\$3.86	\$4.11	\$4.36	\$4.61	\$4.86	\$5.11	

**Figure D4: Scenario 2**

Proposed Sewer Rates per 1,000 Gallons - Scenario 2							
Inside City							
Rate Brackets	Current	1/1/25	10/1/25	10/1/26	10/1/27	10/1/28	
Minimum 1,000 Gallons	\$11.20	\$15.55	\$19.55	\$23.40	\$23.70	\$24.00	
Next 24,000 Gallons	\$4.17	\$5.17	\$6.17	\$7.17	\$8.17	\$9.17	
Next 225,000 Gallons	\$4.13	\$5.13	\$6.13	\$7.13	\$8.13	\$9.13	
Next 350,000 Gallons	\$4.04	\$5.04	\$6.04	\$7.04	\$8.04	\$9.04	
Next 400,000 Gallons	\$3.91	\$4.91	\$5.91	\$6.91	\$7.91	\$8.91	
All Over 1,000,000 Gallons	\$3.76	\$3.96	\$4.16	\$4.36	\$4.56	\$4.76	
Outside City							
Rate Brackets	Current	1/1/25	10/1/25	10/1/26	10/1/27	10/1/28	
Minimum 1,000 Gallons	\$12.45	\$16.80	\$20.80	\$24.65	\$24.95	\$25.25	
Next 24,000 Gallons	\$4.48	\$5.48	\$6.48	\$7.48	\$8.48	\$9.48	
Next 225,000 Gallons	\$4.40	\$5.40	\$6.40	\$7.40	\$8.40	\$9.40	
Next 350,000 Gallons	\$4.27	\$5.27	\$6.27	\$7.27	\$8.27	\$9.27	
Next 400,000 Gallons	\$4.24	\$5.24	\$6.24	\$7.24	\$8.24	\$9.24	
All Over 1,000,000 Gallons	\$3.86	\$4.06	\$4.26	\$4.46	\$4.66	\$4.86	

**WATER UTILITY**

Springdale Water Utilities (SWU) retained TischlerBise to prepare a financial plan and rate study to ensure the utility has sufficient revenues to meet operational, capital, and loan obligations in FY 2025 through FY 2029 (study period).

**CURRENT WATER RATES**

The current water rate structure consists of monthly minimum charges and tiered charges for each billing class. SWU bills customers for monthly services, and Figure E1 includes current monthly water rates for FY 2024.

**Figure E1: Current Monthly Water Rates**

Description	Budget FY 2024
<b>Water Rate / 1,000 Gallons</b>	
<b>In Town</b>	
Min, 1,500 gallons	\$11.20
Next 23,500 gallons	\$4.07
Next 225,000 gallons	\$4.02
Next 350,000 gallons	\$3.92
Next 400,000 gallons	\$3.77
Over 1,000,000 gallons	\$3.60
<b>Out of Town</b>	
Min, 1,500 gallons	\$12.95
Next 23,500 gallons	\$4.42
Next 225,000 gallons	\$4.32
Next 350,000 gallons	\$4.17
Next 400,000 gallons	\$4.02
Over 1,000,000 gallons	\$3.72
<b>White River Rural</b>	
Min, 1,000 gallons	\$19.80
Next 4,000 gallons	\$5.17
Next 5,000 gallons	\$4.92
Next 10,000 gallons	\$4.67
Over 20,000 gallons	\$4.42
Seasonal, In Town	\$4.04
Seasonal, Out of Town	\$4.34

**PROJECTED REVENUE FROM CURRENT WATER RATES**

Shown below, Figure E2 includes projected water rate revenue, by billing class and tier, based on current water rates.

**Figure E2: Projected Revenue from Current Water Rates**

Description	Budget FY 2024	Forecast FY 2025	Forecast FY 2026	Forecast FY 2027	Forecast FY 2028	Forecast FY 2029
<b>Water Rate Revenue</b>						
In Town	\$18,240,777	\$18,423,200	\$18,607,400	\$18,793,500	\$18,981,400	\$19,171,200
<i>Min, 1,500 gallons</i>	\$4,066,536	\$4,107,200	\$4,148,300	\$4,189,800	\$4,231,700	\$4,274,000
<i>Next 23,500 gallons</i>	\$4,719,823	\$4,767,000	\$4,814,700	\$4,862,800	\$4,911,400	\$4,960,500
<i>Next 225,000 gallons</i>	\$1,727,330	\$1,744,600	\$1,762,000	\$1,779,600	\$1,797,400	\$1,815,400
<i>Next 350,000 gallons</i>	\$785,243	\$793,100	\$801,000	\$809,000	\$817,100	\$825,300
<i>Next 400,000 gallons</i>	\$417,000	\$421,200	\$425,400	\$429,700	\$434,000	\$438,300
<i>Over 1,000,000 gallons</i>	\$6,524,844	\$6,590,100	\$6,656,000	\$6,722,600	\$6,789,800	\$6,857,700
Out of Town	\$2,305,813	\$2,328,900	\$2,352,100	\$2,375,600	\$2,399,300	\$2,423,200
<i>Min, 1,500 gallons</i>	\$920,432	\$929,600	\$938,900	\$948,300	\$957,800	\$967,400
<i>Next 23,500 gallons</i>	\$993,077	\$1,003,000	\$1,013,000	\$1,023,100	\$1,033,300	\$1,043,600
<i>Next 225,000 gallons</i>	\$299,975	\$303,000	\$306,000	\$309,100	\$312,200	\$315,300
<i>Next 350,000 gallons</i>	\$78,705	\$79,500	\$80,300	\$81,100	\$81,900	\$82,700
<i>Next 400,000 gallons</i>	\$13,624	\$13,800	\$13,900	\$14,000	\$14,100	\$14,200
<i>Over 1,000,000 gallons</i>	\$0	\$0	\$0	\$0	\$0	\$0
White River Rural	\$1,271,710	\$1,284,400	\$1,297,200	\$1,310,100	\$1,323,100	\$1,336,400
<i>Min, 1,000 gallons</i>	\$594,762	\$600,700	\$606,700	\$612,800	\$618,900	\$625,100
<i>Next 4,000 gallons</i>	\$324,773	\$328,000	\$331,300	\$334,600	\$337,900	\$341,300
<i>Next 5,000 gallons</i>	\$120,487	\$121,700	\$122,900	\$124,100	\$125,300	\$126,600
<i>Next 10,000 gallons</i>	\$73,493	\$74,200	\$74,900	\$75,600	\$76,400	\$77,200
<i>Over 20,000 gallons</i>	\$158,195	\$159,800	\$161,400	\$163,000	\$164,600	\$166,200
Seasonal, In Town	\$1,253,673	\$1,266,200	\$1,278,900	\$1,291,700	\$1,304,600	\$1,317,600
Seasonal, Out of Town	\$297,127	\$300,100	\$303,100	\$306,100	\$309,200	\$312,300
<b>Total</b>	<b>\$23,369,100</b>	<b>\$23,602,800</b>	<b>\$23,838,700</b>	<b>\$24,077,000</b>	<b>\$24,317,600</b>	<b>\$24,560,700</b>

**OPERATING REVENUE**

Shown below, Figure E3 provides a summary of projected revenues used in this analysis. Rate revenue represents projected revenue from current rates shown in Figure E2. Other operating revenue and non-operating revenue represent projected non-rate revenue used in the analysis.

**Figure E3: Operating Revenue**

Description	Budget FY 2024	Forecast FY 2025	Forecast FY 2026	Forecast FY 2027	Forecast FY 2028	Forecast FY 2029
<b>Revenue</b>						
<b>Rate Revenue</b>						
Sales	23,369,100	23,602,800	23,838,700	24,077,000	24,317,600	24,560,700
<b>Total Rate Revenue</b>	<b>\$23,369,100</b>	<b>\$23,602,800</b>	<b>\$23,838,700</b>	<b>\$24,077,000</b>	<b>\$24,317,600</b>	<b>\$24,560,700</b>
<b>Other Operating Revenue</b>						
Impact Fees	0	0	0	0	0	0
Penalties	375,000	378,800	382,600	386,400	390,300	394,200
Service Fees	650,000	656,500	663,100	669,700	676,400	683,200
Other	134,000	135,300	136,700	138,100	139,500	140,900
<b>Total Other Revenue</b>	<b>\$1,159,000</b>	<b>\$1,170,600</b>	<b>\$1,182,400</b>	<b>\$1,194,200</b>	<b>\$1,206,200</b>	<b>\$1,218,300</b>
<b>Total Operating Revenue</b>	<b>\$24,528,100</b>	<b>\$24,773,400</b>	<b>\$25,021,100</b>	<b>\$25,271,200</b>	<b>\$25,523,800</b>	<b>\$25,779,000</b>
<b>Non-Operating Revenue</b>						
Interest Income	800,000	1,438,800	813,600	317,300	0	0
Miscellaneous	28,000	28,800	29,700	30,600	31,500	32,400
Rental Income	4,000	4,000	4,000	4,000	4,000	4,000
Sanitation Billing Fees	466,000	470,700	475,400	480,200	485,000	489,900
<b>Total Non-Operating Revenue</b>	<b>\$1,298,000</b>	<b>\$1,942,300</b>	<b>\$1,322,700</b>	<b>\$832,100</b>	<b>\$520,500</b>	<b>\$526,300</b>
<b>Total Revenue Before Transfers</b>	<b>\$25,826,100</b>	<b>\$26,715,700</b>	<b>\$26,343,800</b>	<b>\$26,103,300</b>	<b>\$26,044,300</b>	<b>\$26,305,300</b>
<b>Transfers</b>						
From Water Impact Fee Fund	0	0	0	0	0	0
From Wastewater Construction Fund	0	0	0	0	0	0
<b>Total Transfers</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Total Revenue After Transfers</b>	<b>\$25,826,100</b>	<b>\$26,715,700</b>	<b>\$26,343,800</b>	<b>\$26,103,300</b>	<b>\$26,044,300</b>	<b>\$26,305,300</b>

## REVENUE REQUIREMENT ANALYSIS

This section describes the assumptions used in projecting operating and capital expenses that determine the overall revenue adjustments required to ensure the financial health of the utility. Developing a financial plan includes an analysis of annual operating revenues under the current rates, operating expenses, capital expenditures, and transfers between funds.

### Operating Expenses

Operating expenses include costs related to water supply and treatment, transmission and distribution, meter department, and general and administrative. The five-year financial plan includes projected operating expenses shown in Figure E4. Based on recent trends, the analysis uses an annual inflation adjustment of five percent for transmission and distribution, meter department, and general and administrative expenses. The next section includes a more detailed description of projected water supply and treatment expenses.

**Figure E4: Projected Operating Expenses**

Description	Budget FY 2024	Forecast FY 2025	Forecast FY 2026	Forecast FY 2027	Forecast FY 2028	Forecast FY 2029
<b>Expenses</b>						
<b>Operating Expenses</b>						
Water Supply and Treatment	11,327,777	12,898,000	15,246,000	17,797,000	20,564,000	23,564,000
Transmission and Distribution	7,756,100	8,143,900	8,551,100	8,978,700	9,427,600	9,899,000
Meter Department	1,757,500	1,845,400	1,937,700	2,034,600	2,136,300	2,243,100
General and Administrative	2,713,600	2,849,300	2,991,800	3,141,400	3,298,500	3,463,400
<b>Total Operating Expenses</b>	<b>\$23,554,977</b>	<b>\$25,736,600</b>	<b>\$28,726,600</b>	<b>\$31,951,700</b>	<b>\$35,426,400</b>	<b>\$39,169,500</b>

Water supply and treatment expenses include the cost to purchase treated water from Beaver Water, and Beaver Water is currently evaluating water rate increase scenarios. At the direction of SWU staff, the analysis includes an increase of \$130 per million gallons in FY 2024 and annual increases of \$210 per million gallons in the remaining years of the study period.

**Figure E5: Projected Water Supply and Treatment Expenses**

Description	Budget FY 2024	Forecast FY 2025	Forecast FY 2026	Forecast FY 2027	Forecast FY 2028	Forecast FY 2029
<b>Water Cost</b>						
Million Gallons	7,355.7	7,723.5	8,109.7	8,515.1	8,940.9	9,387.9
Price / Million	\$1,540	\$1,670	\$1,880	\$2,090	\$2,300	\$2,510
Beaver Cost Increase		\$130	\$210	\$210	\$210	\$210
Estimated Water Cost	\$11,327,777	\$12,898,000	\$15,246,000	\$17,797,000	\$20,564,000	\$23,564,000
Estimated Beaver Cost Increase	\$0	\$1,004,053	\$1,703,028	\$1,788,180	\$1,877,589	\$1,971,468

**Capital Improvement Plan**

SWU plans to construct the capital improvements shown below during the study period. SWU issued debt of \$50.0 million to fund the west side water lines and a portion of the west side elevated tank. The remaining projects in the capital improvement plan (CIP) will be funded through rate revenue (Scenario 1) or a combination of rate revenue and impact fees (Scenario 2).

**Figure E6: Projected Capital Expenses**

Description	Budget FY 2024	Forecast FY 2025	Forecast FY 2026	Forecast FY 2027	Forecast FY 2028	Forecast FY 2029
<b>Capital Improvement Plan - Water</b>						
Silent Grove Rd	0	0	0	133,000	133,000	133,000
12 Inch to Nob Hill Storage Tank (V-1, S-1)	0	1,500,000	0	0	0	0
#1303- Nob Hill Water	500,000	866,654	0	0	0	0
#1339- West Side Water Elevated Tank	3,900,000	5,900,000	1,700,000	0	0	0
#1338- West Side Water Lines	2,000,000	35,000,000	7,152,707	0	0	0
#1342- Dixieland Road W&S Extension	100,000	0	0	0	0	0
#1310- HWY 112 Water Relocation HWY 612 to HWY 412	75,000	3,313,250	0	0	0	0
#1312- HWY 264/Belview Relocation	75,000	400,000	0	0	0	0
#1313- Albright Rd Water Extension	75,000	1,025,000	0	0	0	0
#1314- HWY 112 Water Relocation HWY 612 to Spring Creek	75,000	1,305,000	0	0	0	0
#1309- Thornberry/Lowell Water Line (SWU)	350,000	0	0	0	0	0
#1304- Harber Ave Road Ext. W & S	175,000	0	0	0	0	0
#1331- 40th Street Waterline Extension City Bond Project	600,000	0	0	0	0	0
#1333- 64th Street Waterline Extension City Bond Project	860,000	0	0	0	0	0
#1337- Gene George Blvd. W&S Project	400,000	0	0	0	0	0
#1342- Dixieland Road W&S Extension	450,000	0	0	0	0	0
HWY 112 South Relocation (Grid)	0	0	166,667	166,667	166,667	0
W Gibbs Road (Grid)	0	0	113,667	113,667	113,667	0
County Line Road	0	0	66,667	66,667	66,667	0
56th St (Upgrade 6"-8") (Grid)	0	0	66,667	66,667	66,667	0
71B at 612 (Grid)	0	0	733,333	733,333	733,333	0
County Line HWY 71 to .5 Mile West (Grid)	0	0	276,667	276,667	276,667	0
S Butterfield Coach R	0	0	666,667	666,667	666,667	0
Monitor, Butterfield, Friendship	0	1,308,000	1,308,000	1,308,000	1,308,000	1,308,000
10 MG Storage Tank	0	0	0	0	0	0
Hwy 71 from HWY 412 to Main Dr (Don Tyson)	0	43,000	258,000	172,000	0	0
E Don Tyson From HWY 265 to George Anderson Rd	0	6,500	39,000	26,000	0	0
Annual Participation w/ Developers 5yr	500,000	500,000	500,000	500,000	500,000	500,000
Water Master Plan Update	800,000	0	0	0	0	500,000
System Rehabilitation 5 Yr	500,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
Capital Expense: Meters/Equip	917,000	650,000	650,000	650,000	650,000	650,000
Capital Expense: All Other Items	1,041,500	325,000	325,000	325,000	325,000	325,000
<b>Total</b>	<b>\$13,393,500</b>	<b>\$54,142,404</b>	<b>\$16,023,040</b>	<b>\$7,204,333</b>	<b>\$7,006,333</b>	<b>\$5,416,000</b>

**Debt Service**

Existing debt service includes the Arkansas Natural Resources Commission (ANRC) bond used to fund the west side water lines and a portion of the west side elevated tank. SWU will begin debt service payments in FY 2026, and Scenario 2 assumes SWU will use impact fees to make annual debt service payments.

**Figure E7: Existing Debt Service**

Description	Budget FY 2024	Forecast FY 2025	Forecast FY 2026	Forecast FY 2027	Forecast FY 2028	Forecast FY 2029
<b>Water</b>						
<b>Outstanding Long Term Debt (LTD)</b>						
ANRC West Side Water	3,000,000	48,000,000	50,000,000	48,333,792	46,599,700	44,794,958
<b>Total</b>	<b>\$3,000,000</b>	<b>\$48,000,000</b>	<b>\$50,000,000</b>	<b>\$48,333,792</b>	<b>\$46,599,700</b>	<b>\$44,794,958</b>
<b>Annual Principal Debt Service</b>						
ANRC West Side Water	0	0	1,666,208	1,734,092	1,804,742	1,878,270
<b>Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,666,208</b>	<b>\$1,734,092</b>	<b>\$1,804,742</b>	<b>\$1,878,270</b>
<b>Annual Interest Debt Service</b>						
ANRC West Side Water	0	0	1,969,673	1,901,789	1,831,139	1,757,611
<b>Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,969,673</b>	<b>\$1,901,789</b>	<b>\$1,831,139</b>	<b>\$1,757,611</b>
<b>Annual Combined Debt Service</b>						
ANRC West Side Water	0	0	3,635,881	3,635,881	3,635,881	3,635,881
<b>Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$3,635,881</b>	<b>\$3,635,881</b>	<b>\$3,635,881</b>	<b>\$3,635,881</b>

## Summary of Revenue Requirements Analysis

Figure E8 shows the current revenue requirements based on projected operating, CIP, and debt service expenses with no rate adjustments. Under the current rates, SWU does not generate sufficient revenue to cover these outlays, and the utility uses the remaining fund balance in FY 2028. The components discussed in this section comprise the foundation of the revenue requirement analysis.

**Figure E8: Summary of Revenue Requirement Analysis**

Description	Budget FY 2024	Forecast FY 2025	Forecast FY 2026	Forecast FY 2027	Forecast FY 2028	Forecast FY 2029
<b>Expenses</b>						
<b>Operating Expenses</b>						
Water Supply and Treatment	11,327,777	12,898,000	15,246,000	17,797,000	20,564,000	23,564,000
Transmission and Distribution	7,756,100	8,143,900	8,551,100	8,978,700	9,427,600	9,899,000
Meter Department	1,757,500	1,845,400	1,937,700	2,034,600	2,136,300	2,243,100
General and Administrative	2,713,600	2,849,300	2,991,800	3,141,400	3,298,500	3,463,400
<b>Total Operating Expenses</b>	<b>\$23,554,977</b>	<b>\$25,736,600</b>	<b>\$28,726,600</b>	<b>\$31,951,700</b>	<b>\$35,426,400</b>	<b>\$39,169,500</b>
<b>Net Operating Income</b>	<b>\$973,123</b>	<b>(\$963,200)</b>	<b>(\$3,705,500)</b>	<b>(\$6,680,500)</b>	<b>(\$9,902,600)</b>	<b>(\$13,390,500)</b>
<b>Non-Operating Expenses</b>						
Interest on Bond Indebtedness	0	0	1,969,673	1,901,789	1,831,139	1,757,611
Other Expenses	28,000	28,000	28,000	28,000	28,000	28,000
<b>Total Non-Operating Expenses</b>	<b>\$28,000</b>	<b>\$28,000</b>	<b>\$1,997,673</b>	<b>\$1,929,789</b>	<b>\$1,859,139</b>	<b>\$1,785,611</b>
<b>Expenses Before Cash Obligations</b>	<b>\$23,582,977</b>	<b>\$25,764,600</b>	<b>\$30,724,273</b>	<b>\$33,881,489</b>	<b>\$37,285,539</b>	<b>\$40,955,111</b>
<b>Total Revenue Less Expenses</b>	<b>\$2,243,123</b>	<b>\$951,100</b>	<b>(\$4,380,473)</b>	<b>(\$7,778,189)</b>	<b>(\$11,241,239)</b>	<b>(\$14,649,811)</b>
<b>Conversion to Cash Basis</b>						
<b>Add Back Non-Cash Expenses</b>						
Depreciation	4,950,000	5,247,000	5,561,800	5,895,500	6,249,200	6,624,200
<b>Net Cash Flow Before Cash Obligations</b>	<b>\$7,193,123</b>	<b>\$6,198,100</b>	<b>\$1,181,327</b>	<b>(\$1,882,689)</b>	<b>(\$4,992,039)</b>	<b>(\$8,025,611)</b>
<b>Less Cash Obligations</b>						
Annual Principal Debt Service	0	0	1,666,208	1,734,092	1,804,742	1,878,270
<b>Total Cash Obligations</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,666,208</b>	<b>\$1,734,092</b>	<b>\$1,804,742</b>	<b>\$1,878,270</b>
<b>Available Cash for Capital</b>						
Cash Flow After Cash Obligations	7,193,123	6,198,100	(484,881)	(3,616,781)	(6,796,781)	(9,903,881)
<b>Total Available Cash for Capital</b>	<b>\$7,193,123</b>	<b>\$6,198,100</b>	<b>(\$484,881)</b>	<b>(\$3,616,781)</b>	<b>(\$6,796,781)</b>	<b>(\$9,903,881)</b>
<b>Capital</b>						
Capital Costs Funded by Rates	10,393,500	9,142,404	14,023,040	7,204,333	7,006,333	5,416,000
<b>Total Capital Improvements</b>	<b>\$10,393,500</b>	<b>\$9,142,404</b>	<b>\$14,023,040</b>	<b>\$7,204,333</b>	<b>\$7,006,333</b>	<b>\$5,416,000</b>
<b>Total Expenses</b>	<b>\$29,026,477</b>	<b>\$29,660,004</b>	<b>\$40,851,721</b>	<b>\$36,924,414</b>	<b>\$39,847,414</b>	<b>\$41,625,181</b>
<b>Net Annual Cash Flow</b>	<b>(3,200,377)</b>	<b>(2,944,304)</b>	<b>(14,507,921)</b>	<b>(10,821,114)</b>	<b>(13,803,114)</b>	<b>(15,319,881)</b>
Beginning Fund Balance	36,898,600	33,698,223	30,753,919	16,245,998	5,424,884	(8,378,231)
<b>Net Cumulative Fund Balance</b>	<b>\$33,698,223</b>	<b>\$30,753,919</b>	<b>\$16,245,998</b>	<b>\$5,424,884</b>	<b>(\$8,378,231)</b>	<b>(\$23,698,112)</b>

**PROPOSED FINANCIAL PLAN – SCENARIO 1**

The revenue requirement analysis, shown in Figure E8, provides a basis for evaluating the timing and level of water revenue increases required to meet the projected required revenue for the study period. The dollar amounts shown at the top of Figure E9 show the recommended annual rate adjustments. To meet operational expenses and fund capital projects, TischlerBise recommends the following rate adjustments over the next five years:

1. Minimum Bill: Decrease minimum bill from 1,500 gallons per month to 1,000 gallons per month. Increase of \$10.80 per month in FY 2025 and annual increases of \$1.25 per month in FY 2026 through FY 2029.
2. Volume: Increase of \$0.60 per 1,000 gallons for customers with monthly demand of 1,000,000 gallons or less. Increase of \$0.25 per 1,000 gallons for customers with monthly demand over 1,000,000 gallons.

**Figure E9: Proposed Financial Plan (Scenario 1)**

Description	Budget FY 2024	Forecast FY 2025	Forecast FY 2026	Forecast FY 2027	Forecast FY 2028	Forecast FY 2029
<b>Water</b>						
<b>Rate Adjustments (Annual)</b>						
Minimum Bill (First 1,000 Gallons)	\$0.00	\$10.80	\$1.25	\$1.25	\$1.25	\$1.25
Per 1,000 Gallons: 1,000,000 or Less	\$0.00	\$0.60	\$0.60	\$0.60	\$0.60	\$0.60
Per 1,000 Gallons: Over 1,000,000	\$0.00	\$0.25	\$0.25	\$0.25	\$0.25	\$0.25
Fiscal Year - Month Effective	October	January	October	October	October	October
Impact Fees	No	No	No	No	No	No
<b>Operating Results</b>						
Total Revenue	25,826,100	31,784,200	35,912,800	38,782,800	41,923,900	45,090,000
Total Expenses	23,582,977	41,764,600	36,390,481	35,615,581	39,090,281	44,833,381
Net Annual Operating Results	\$2,243,123	(\$9,980,400)	(\$477,681)	\$3,167,219	\$2,833,619	\$256,619
<b>Capital Results</b>						
Sources of Funds	4,950,000	5,247,000	5,561,800	5,895,500	6,249,200	6,624,200
Uses of Funds	10,393,500	9,142,404	14,023,040	7,204,333	7,006,333	5,416,000
Net Annual Capital Results	(\$5,443,500)	(\$3,895,404)	(\$8,461,240)	(\$1,308,833)	(\$757,133)	\$1,208,200
Net Annual Cash Flow	(3,200,377)	(13,875,804)	(8,938,921)	1,858,386	2,076,486	1,464,819
Beginning Fund Balance	36,898,600	33,698,223	19,822,419	10,883,498	12,741,884	14,818,369
Net Cumulative Fund Balance	\$33,698,223	\$19,822,419	\$10,883,498	\$12,741,884	\$14,818,369	\$16,283,188
Unrestricted Fund Balance	29,514,745	14,000,611	4,356,631	6,215,016	8,291,502	9,756,321
Restricted Fund Balance	4,183,479	5,821,809	6,526,867	6,526,867	6,526,867	6,526,867
Net Cumulative Fund Balance	\$33,698,223	\$19,822,419	\$10,883,498	\$12,741,884	\$14,818,369	\$16,283,188
Debt Coverage Ratio	0.0	0.0	1.7	1.6	1.5	1.4

### Proposed Capital Flows

Based on projects identified in Figure E6, SWU plans to use a combination of bond proceeds and rate revenue to fund capital improvements.

**Figure E10: Proposed Capital Flows**

Description	Budget FY 2024	Forecast FY 2025	Forecast FY 2026	Forecast FY 2027	Forecast FY 2028	Forecast FY 2029
<b>Water Capital</b>						
Total Capital Costs	13,393,500	54,142,404	16,023,040	7,204,333	7,006,333	5,416,000
Less Outside Funding						
Bond Proceeds Balance	3,000,000	45,000,000	2,000,000	0	0	0
Impact Fee Funds	0	0	0	0	0	0
Total Capital Costs Funded by Rates	\$10,393,500	\$9,142,404	\$14,023,040	\$7,204,333	\$7,006,333	\$5,416,000

### Reserve/Fund Balances

Shown below, Figure E11 includes ending fund balances for each water fund. SWU will use Water Operating Fund balance and Water Construction Fund balance to fund projected expenses. As required by the ANRC bond, SWU is required to put six percent of sales revenue in the Depreciation Fund - ANRC until the balance reaches 10 percent of total bond principal. SWU will split this requirement between water and sewer funds, so the required water balance is \$2.5 million (\$50.0 million ANRC West Side Water principal X 10 percent required balance X 50 percent water share).

**Figure E11: Reserve/Fund Balances**

Description	Budget FY 2024	Forecast FY 2025	Forecast FY 2026	Forecast FY 2027	Forecast FY 2028	Forecast FY 2029
<b>Reserve/Fund Balances</b>						
<b>Unrestricted Fund Balance</b>						
Operating Fund	2,177,076	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Health Insurance Fund	63,865	63,865	63,865	63,865	63,865	63,865
Water Construction Fund	27,273,804	12,936,746	3,292,766	5,151,151	7,227,637	8,692,456
Total Unrestricted Fund Balance	\$29,514,745	\$14,000,611	\$4,356,631	\$6,215,016	\$8,291,502	\$9,756,321
<b>Restricted Fund Balance</b>						
Meter Deposit Fund	2,868,095	2,868,095	2,868,095	2,868,095	2,868,095	2,868,095
Depreciation Fund	1,158,772	1,158,772	1,158,772	1,158,772	1,158,772	1,158,772
Depreciation Fund - ANRC	156,611	1,794,941	2,500,000	2,500,000	2,500,000	2,500,000
Total Restricted Fund Balance	\$4,183,479	\$5,821,809	\$6,526,867	\$6,526,867	\$6,526,867	\$6,526,867
Total Fund Balance	\$33,698,223	\$19,822,419	\$10,883,498	\$12,741,884	\$14,818,369	\$16,283,188

## Proposed Revenues

Shown below, Figure E12 includes proposed revenues for Scenario 1. Applying the rate adjustments shown in Figure E9 to revenue from current rates provides total rate revenue.

**Figure E12: Proposed Revenues (Scenario 1)**

Description	Budget FY 2024	Forecast FY 2025	Forecast FY 2026	Forecast FY 2027	Forecast FY 2028	Forecast FY 2029
<b>Revenue</b>						
<b>Rate Revenue</b>						
Revenue from Current Rates	23,369,100	23,602,800	23,838,700	24,077,000	24,317,600	24,560,700
Year	Months Effective					
FY 2025	9	5,314,400	7,156,800	7,228,400	7,300,700	7,373,700
FY 2026	12		2,697,400	2,724,400	2,751,600	2,779,100
FY 2027	12			2,697,300	2,724,300	2,751,500
FY 2028	12				2,697,400	2,724,400
FY 2029	12					2,697,400
Increased Revenue from Adjustments		5,314,400	9,854,200	12,650,100	15,474,000	18,326,100
<b>Total Rate Revenue</b>	<b>\$23,369,100</b>	<b>\$28,917,200</b>	<b>\$33,692,900</b>	<b>\$36,727,100</b>	<b>\$39,791,600</b>	<b>\$42,886,800</b>
<b>Other Operating Revenue</b>						
Impact Fees	0	0	0	0	0	0
Penalties	375,000	378,800	382,600	386,400	390,300	394,200
Service Fees	650,000	656,500	663,100	669,700	676,400	683,200
Other	134,000	135,300	136,700	138,100	139,500	140,900
<b>Total Other Revenue</b>	<b>\$1,159,000</b>	<b>\$1,170,600</b>	<b>\$1,182,400</b>	<b>\$1,194,200</b>	<b>\$1,206,200</b>	<b>\$1,218,300</b>
<b>Total Operating Revenue</b>	<b>\$24,528,100</b>	<b>\$30,087,800</b>	<b>\$34,875,300</b>	<b>\$37,921,300</b>	<b>\$40,997,800</b>	<b>\$44,105,100</b>
<b>Non-Operating Revenue</b>						
Interest Income	800,000	1,192,900	528,400	346,700	405,600	458,600
Miscellaneous	28,000	28,800	29,700	30,600	31,500	32,400
Rental Income	4,000	4,000	4,000	4,000	4,000	4,000
Sanitation Billing Fees	466,000	470,700	475,400	480,200	485,000	489,900
<b>Total Non-Operating Revenue</b>	<b>\$1,298,000</b>	<b>\$1,696,400</b>	<b>\$1,037,500</b>	<b>\$861,500</b>	<b>\$926,100</b>	<b>\$984,900</b>
<b>Total Revenue Before Transfers</b>	<b>\$25,826,100</b>	<b>\$31,784,200</b>	<b>\$35,912,800</b>	<b>\$38,782,800</b>	<b>\$41,923,900</b>	<b>\$45,090,000</b>
<b>Transfers</b>						
From Water Impact Fee Fund	0	0	0	0	0	0
From Wastewater Construction Fund	0	0	0	0	0	0
<b>Total Transfers</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Total Revenue After Transfers</b>	<b>\$25,826,100</b>	<b>\$31,784,200</b>	<b>\$35,912,800</b>	<b>\$38,782,800</b>	<b>\$41,923,900</b>	<b>\$45,090,000</b>

## Proposed Revenue Requirements

Shown in Figure E13 are the proposed revenue requirements for the five-year study period. The water utility is projected to include a deficit in FY 2025 and FY 2026 and a surplus in FY 2027 through FY 2029. SWU will use Water Construction Fund balance instead of issuing new debt.

**Figure E13: Proposed Revenue Requirements (Scenario 1)**

Description	Budget FY 2024	Forecast FY 2025	Forecast FY 2026	Forecast FY 2027	Forecast FY 2028	Forecast FY 2029
<b>Expenses</b>						
<b>Operating Expenses</b>						
Water Supply and Treatment	11,327,777	12,898,000	15,246,000	17,797,000	20,564,000	23,564,000
Transmission and Distribution	7,756,100	8,143,900	8,551,100	8,978,700	9,427,600	9,899,000
Meter Department	1,757,500	1,845,400	1,937,700	2,034,600	2,136,300	2,243,100
General and Administrative	2,713,600	2,849,300	2,991,800	3,141,400	3,298,500	3,463,400
<b>Total Operating Expenses</b>	<b>\$23,554,977</b>	<b>\$25,736,600</b>	<b>\$28,726,600</b>	<b>\$31,951,700</b>	<b>\$35,426,400</b>	<b>\$39,169,500</b>
<b>Net Operating Income</b>	<b>\$973,123</b>	<b>\$4,351,200</b>	<b>\$6,148,700</b>	<b>\$5,969,600</b>	<b>\$5,571,400</b>	<b>\$4,935,600</b>
<b>Non-Operating Expenses</b>						
Interest on Bond Indebtedness	0	0	1,969,673	1,901,789	1,831,139	1,757,611
Other Expenses	28,000	28,000	28,000	28,000	28,000	28,000
<b>Total Non-Operating Expenses</b>	<b>\$28,000</b>	<b>\$28,000</b>	<b>\$1,997,673</b>	<b>\$1,929,789</b>	<b>\$1,859,139</b>	<b>\$1,785,611</b>
<b>Total Expenses Before Cash Obligations</b>	<b>\$23,582,977</b>	<b>\$25,764,600</b>	<b>\$30,724,273</b>	<b>\$33,881,489</b>	<b>\$37,285,539</b>	<b>\$40,955,111</b>
<b>Total Revenue Less Expenses</b>	<b>\$2,243,123</b>	<b>\$6,019,600</b>	<b>\$5,188,527</b>	<b>\$4,901,311</b>	<b>\$4,638,361</b>	<b>\$4,134,889</b>
<b>Conversion to Cash Basis</b>						
<b>Add Back Non-Cash Expenses</b>						
Depreciation	4,950,000	5,247,000	5,561,800	5,895,500	6,249,200	6,624,200
<b>Net Cash Flow Before Other Cash Obligations</b>	<b>\$7,193,123</b>	<b>\$11,266,600</b>	<b>\$10,750,327</b>	<b>\$10,796,811</b>	<b>\$10,887,561</b>	<b>\$10,759,089</b>
<b>Less Cash Obligations</b>						
Annual Principal Debt Service	0	0	1,666,208	1,734,092	1,804,742	1,878,270
<b>Total Cash Obligations</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,666,208</b>	<b>\$1,734,092</b>	<b>\$1,804,742</b>	<b>\$1,878,270</b>
<b>Available Cash for Capital</b>						
Cash Flow After Cash Obligations	7,193,123	11,266,600	9,084,119	9,062,719	9,082,819	8,880,819
<b>Total Available Cash for Capital</b>	<b>\$7,193,123</b>	<b>\$11,266,600</b>	<b>\$9,084,119</b>	<b>\$9,062,719</b>	<b>\$9,082,819</b>	<b>\$8,880,819</b>
<b>Capital</b>						
Capital Costs Funded by Rates	10,393,500	9,142,404	14,023,040	7,204,333	7,006,333	5,416,000
<b>Total Capital Costs Funded by Rates</b>	<b>\$10,393,500</b>	<b>\$9,142,404</b>	<b>\$14,023,040</b>	<b>\$7,204,333</b>	<b>\$7,006,333</b>	<b>\$5,416,000</b>
<b>Transfers</b>						
To Wastewater Construction Fund	0	16,000,000	4,000,000	0	0	2,000,000
<b>Total Transfers</b>	<b>\$0</b>	<b>\$16,000,000</b>	<b>\$4,000,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$2,000,000</b>
<b>Total Expenses</b>	<b>\$29,026,477</b>	<b>\$45,660,004</b>	<b>\$44,851,721</b>	<b>\$36,924,414</b>	<b>\$39,847,414</b>	<b>\$43,625,181</b>
<b>Net Annual Cash Flow</b>	<b>(3,200,377)</b>	<b>(13,875,804)</b>	<b>(8,938,921)</b>	1,858,386	2,076,486	1,464,819
<b>Beginning Fund Balance</b>	<b>36,898,600</b>	<b>33,698,223</b>	<b>19,822,419</b>	<b>10,883,498</b>	<b>12,741,884</b>	<b>14,818,369</b>
<b>Net Cumulative Fund Balance</b>	<b>\$33,698,223</b>	<b>\$19,822,419</b>	<b>\$10,883,498</b>	<b>\$12,741,884</b>	<b>\$14,818,369</b>	<b>\$16,283,188</b>

**PROPOSED FINANCIAL PLAN – SCENARIO 2**

The revenue requirement analysis, shown in Figure E8, provides a basis for evaluating the timing and level of water revenue increases required to meet the projected required revenue for the study period. The dollar amounts shown at the top of Figure E14 show the recommended annual rate adjustments. To meet operational expenses and fund capital projects, TischlerBise recommends the following rate adjustments over the next five years:

1. Minimum Bill: Decrease minimum bill from 1,500 gallons per month to 1,000 gallons per month. Increase of \$2.00 per month in FY 2025, annual increases of \$1.60 per month in FY 2026 and FY 2027, and annual increases of \$0.30 per month in FY 2028 and FY 2029.
2. Volume: Annual increase of \$0.30 per 1,000 gallons for all customers in FY 2025 through FY 2029.

**Figure E14: Proposed Financial Plan (Scenario 2)**

Description	Budget FY 2024	Forecast FY 2025	Forecast FY 2026	Forecast FY 2027	Forecast FY 2028	Forecast FY 2029
<b>Water</b>						
Rate Adjustments (Annual)						
Minimum Bill (First 1,000 Gallons)	\$0.00	\$2.00	\$1.60	\$1.60	\$0.30	\$0.30
Per 1,000 Gallons: 1,000,000 or Less	\$0.00	\$0.30	\$0.30	\$0.30	\$0.30	\$0.30
Per 1,000 Gallons: Over 1,000,000	\$0.00	\$0.30	\$0.30	\$0.30	\$0.30	\$0.30
Fiscal Year - Month Effective	October	January	October	October	October	October
Impact Fees	No	Yes	Yes	Yes	Yes	Yes
<b>Operating Results</b>						
Total Revenue	25,826,100	28,104,200	38,989,181	41,357,781	38,324,081	40,145,381
Total Expenses	23,582,977	42,264,600	34,890,481	35,615,581	39,090,281	42,833,381
Net Annual Operating Results	\$2,243,123	(\$14,160,400)	\$4,098,700	\$5,742,200	(\$766,200)	(\$2,688,000)
<b>Capital Results</b>						
Sources of Funds	4,950,000	5,247,000	5,561,800	5,895,500	6,249,200	6,624,200
Uses of Funds	10,393,500	9,142,404	14,023,040	7,204,333	7,006,333	5,416,000
Net Annual Capital Results	(\$5,443,500)	(\$3,895,404)	(\$8,461,240)	(\$1,308,833)	(\$757,133)	\$1,208,200
Net Annual Cash Flow	(3,200,377)	(18,055,804)	(4,362,540)	4,433,367	(1,523,333)	(1,479,800)
Beginning Fund Balance	36,898,600	33,698,223	15,642,419	11,279,879	15,713,246	14,189,912
Net Cumulative Fund Balance	\$33,698,223	\$15,642,419	\$11,279,879	\$15,713,246	\$14,189,912	\$12,710,112
Unrestricted Fund Balance	29,514,745	9,984,834	4,753,012	9,186,378	7,663,045	6,183,245
Restricted Fund Balance	4,183,479	5,657,586	6,526,867	6,526,867	6,526,867	6,526,867
Net Cumulative Fund Balance	\$33,698,223	\$15,642,419	\$11,279,879	\$15,713,246	\$14,189,912	\$12,710,112

### Proposed Capital Flows

Based on projects identified in Figure E6, SWU plans to use a combination of bond proceeds and rate revenue to fund capital improvements.

**Figure E15: Proposed Capital Flows**

Description	Budget FY 2024	Forecast FY 2025	Forecast FY 2026	Forecast FY 2027	Forecast FY 2028	Forecast FY 2029
<b>Water Capital</b>						
Total Capital Costs	13,393,500	54,142,404	16,023,040	7,204,333	7,006,333	5,416,000
Less Outside Funding						
Bond Proceeds Balance	3,000,000	45,000,000	2,000,000	0	0	0
Impact Fee Funds	0	0	0	0	0	0
Total Capital Costs Funded by Rates	\$10,393,500	\$9,142,404	\$14,023,040	\$7,204,333	\$7,006,333	\$5,416,000

### Reserve/Fund Balances

Shown below, Figure E16 includes ending fund balances for each water fund. SWU will use Water Operating Fund balance and Water Construction Fund balance to fund projected expenses. As required by the ANRC bond, SWU is required to put six percent of sales revenue in the Depreciation Fund - ANRC until the balance reaches 10 percent of total bond principal. SWU will split this requirement between water and sewer funds, so the required water balance is \$2.5 million (\$50.0 million ANRC West Side Water principal X 10 percent required balance X 50 percent water share).

**Figure E16: Reserve/Fund Balances**

Description	Budget FY 2024	Forecast FY 2025	Forecast FY 2026	Forecast FY 2027	Forecast FY 2028	Forecast FY 2029
<b>Reserve/Fund Balances</b>						
<b>Unrestricted Fund Balance</b>						
Operating Fund	2,177,076	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Health Insurance Fund	63,865	63,865	63,865	63,865	63,865	63,865
Water Construction Fund	27,273,804	8,920,969	3,689,147	8,122,513	6,599,180	5,119,380
Total Unrestricted Fund Balance	\$29,514,745	\$9,984,834	\$4,753,012	\$9,186,378	\$7,663,045	\$6,183,245
<b>Restricted Fund Balance</b>						
Meter Deposit Fund	2,868,095	2,868,095	2,868,095	2,868,095	2,868,095	2,868,095
Depreciation Fund	1,158,772	1,158,772	1,158,772	1,158,772	1,158,772	1,158,772
Depreciation Fund - ANRC	156,611	1,630,718	2,500,000	2,500,000	2,500,000	2,500,000
Total Restricted Fund Balance	\$4,183,479	\$5,657,586	\$6,526,867	\$6,526,867	\$6,526,867	\$6,526,867
Total Fund Balance	\$33,698,223	\$15,642,419	\$11,279,879	\$15,713,246	\$14,189,912	\$12,710,112

### Water Impact Fee Fund

Scenario 2 includes revenue generated from proposed water impact fees. Projected impact fee revenue generated during the study period equals \$46.51 million, and SWU will use impact fee revenue to fund costs associated with the west side water lines and the west side water elevated tank. SWU will use impact fee revenue to fund debt service payments (ANRC West Side Water) of approximately \$3.64 million per year beginning in FY 2026, and SWU will transfer \$5.0 million to the Water Construction Fund in FY 2026 and FY 2027 to repay the portion of the west side elevated tank ineligible for debt funding.

**Figure E17: Water Impact Fee Fund**

Description	Budget FY 2024	Forecast FY 2025	Forecast FY 2026	Forecast FY 2027	Forecast FY 2028	Forecast FY 2029
<b>Water Impact Fee Fund</b>						
<b>Source of Funds</b>						
Impact Fee Revenue	0	5,168,030	10,336,060	10,336,060	10,336,060	10,336,060
Earnings from Investments	0	119,000	307,700	324,200	385,900	601,700
<b>Total Sources</b>	<b>\$0</b>	<b>\$5,287,030</b>	<b>\$10,643,760</b>	<b>\$10,660,260</b>	<b>\$10,721,960</b>	<b>\$10,937,760</b>
<b>Use of Funds</b>						
Water Operating Fund (Debt)	0	0	3,635,881	3,635,881	3,635,881	3,635,881
Water Construction Fund	0	0	5,000,000	5,000,000	0	0
Interest to Water Operating Fund	0	0	0	0	0	0
<b>Total Uses</b>	<b>\$0</b>	<b>\$0</b>	<b>\$8,635,881</b>	<b>\$8,635,881</b>	<b>\$3,635,881</b>	<b>\$3,635,881</b>
Net Annual Balance	0	5,287,030	2,007,879	2,024,379	7,086,079	7,301,879
Beginning Balance	0	0	5,287,030	7,294,909	9,319,288	16,405,367
<b>Net Cumulative Fund Balance</b>	<b>\$0</b>	<b>\$5,287,030</b>	<b>\$7,294,909</b>	<b>\$9,319,288</b>	<b>\$16,405,367</b>	<b>\$23,707,246</b>

### Proposed Revenues

Figure E18 includes proposed revenues for Scenario 2. Applying the rate adjustments shown in Figure E14 to revenue from current rates provides total rate revenue. Proposed revenues include impact fee revenue used to fund debt service payments (ANRC West Side Water) of approximately \$3.64 million per year beginning in FY 2026 and transfers of \$5.0 million in FY 2026 and FY 2027 to repay the Water Construction Fund for the portion of the west side elevated tank ineligible for debt funding.

**Figure E18: Proposed Revenues (Scenario 2)**

Description	Budget FY 2024	Forecast FY 2025	Forecast FY 2026	Forecast FY 2027	Forecast FY 2028	Forecast FY 2029
<b>Revenue</b>						
<b>Rate Revenue</b>						
Revenue from Current Rates	23,369,100	23,602,800	23,838,700	24,077,000	24,317,600	24,560,700
Year	Months Effective					
FY 2025	9	1,728,500	2,327,600	2,350,900	2,374,400	2,398,100
FY 2026	12		2,120,800	2,142,000	2,163,400	2,185,000
FY 2027	12			2,120,800	2,142,000	2,163,400
FY 2028	12				1,523,400	1,538,600
FY 2029	12					1,523,500
Increased Revenue from Adjustments		1,728,500	4,448,400	6,613,700	8,203,200	9,808,600
<b>Total Rate Revenue</b>	<b>\$23,369,100</b>	<b>\$25,331,300</b>	<b>\$28,287,100</b>	<b>\$30,690,700</b>	<b>\$32,520,800</b>	<b>\$34,369,300</b>
<b>Other Operating Revenue</b>						
Impact Fees	0	0	3,635,881	3,635,881	3,635,881	3,635,881
Penalties	375,000	378,800	382,600	386,400	390,300	394,200
Service Fees	650,000	656,500	663,100	669,700	676,400	683,200
Other	134,000	135,300	136,700	138,100	139,500	140,900
<b>Total Other Revenue</b>	<b>\$1,159,000</b>	<b>\$1,170,600</b>	<b>\$4,818,281</b>	<b>\$4,830,081</b>	<b>\$4,842,081</b>	<b>\$4,854,181</b>
<b>Total Operating Revenue</b>	<b>\$24,528,100</b>	<b>\$26,501,900</b>	<b>\$33,105,381</b>	<b>\$35,520,781</b>	<b>\$37,362,881</b>	<b>\$39,223,481</b>
<b>Non-Operating Revenue</b>						
Interest Income	800,000	1,098,800	374,700	322,200	440,700	395,600
Miscellaneous	28,000	28,800	29,700	30,600	31,500	32,400
Rental Income	4,000	4,000	4,000	4,000	4,000	4,000
Sanitation Billing Fees	466,000	470,700	475,400	480,200	485,000	489,900
<b>Total Non-Operating Revenue</b>	<b>\$1,298,000</b>	<b>\$1,602,300</b>	<b>\$883,800</b>	<b>\$837,000</b>	<b>\$961,200</b>	<b>\$921,900</b>
<b>Total Revenue Before Transfers</b>	<b>\$25,826,100</b>	<b>\$28,104,200</b>	<b>\$33,989,181</b>	<b>\$36,357,781</b>	<b>\$38,324,081</b>	<b>\$40,145,381</b>
<b>Transfers</b>						
From Water Impact Fee Fund	0	0	5,000,000	5,000,000	0	0
From Wastewater Construction Fund	0	0	0	0	0	0
<b>Total Transfers</b>	<b>\$0</b>	<b>\$0</b>	<b>\$5,000,000</b>	<b>\$5,000,000</b>	<b>\$0</b>	<b>\$0</b>
<b>Total Revenue After Transfers</b>	<b>\$25,826,100</b>	<b>\$28,104,200</b>	<b>\$38,989,181</b>	<b>\$41,357,781</b>	<b>\$38,324,081</b>	<b>\$40,145,381</b>

### Proposed Revenue Requirements

Shown in Figure E19 are the proposed revenue requirements for the five-year study period. The water utility is projected to generate a deficit in all years of the study period except FY 2028. These deficits will use most of the Water Construction Fund balance without requiring SWU to issue new debt. The revenue requirement also includes transfers to the Wastewater Construction Fund to limit sewer rate increases. These transfers include \$16.5 million if FY 2025 and \$2.5 million in FY 2026.

**Figure E19: Proposed Revenue Requirements (Scenario 2)**

Description	Budget FY 2024	Forecast FY 2025	Forecast FY 2026	Forecast FY 2027	Forecast FY 2028	Forecast FY 2029
<b>Expenses</b>						
<b>Operating Expenses</b>						
Water Supply and Treatment	11,327,777	12,898,000	15,246,000	17,797,000	20,564,000	23,564,000
Transmission and Distribution	7,756,100	8,143,900	8,551,100	8,978,700	9,427,600	9,899,000
Meter Department	1,757,500	1,845,400	1,937,700	2,034,600	2,136,300	2,243,100
General and Administrative	2,713,600	2,849,300	2,991,800	3,141,400	3,298,500	3,463,400
<b>Total Operating Expenses</b>	<b>\$23,554,977</b>	<b>\$25,736,600</b>	<b>\$28,726,600</b>	<b>\$31,951,700</b>	<b>\$35,426,400</b>	<b>\$39,169,500</b>
<b>Net Operating Income</b>	<b>\$973,123</b>	<b>\$765,300</b>	<b>\$4,378,781</b>	<b>\$3,569,081</b>	<b>\$1,936,481</b>	<b>\$53,981</b>
<b>Non-Operating Expenses</b>						
Interest on Bond Indebtedness	0	0	1,969,673	1,901,789	1,831,139	1,757,611
Other Expenses	28,000	28,000	28,000	28,000	28,000	28,000
<b>Total Non-Operating Expenses</b>	<b>\$28,000</b>	<b>\$28,000</b>	<b>\$1,997,673</b>	<b>\$1,929,789</b>	<b>\$1,859,139</b>	<b>\$1,785,611</b>
<b>Total Expenses Before Cash Obligations</b>	<b>\$23,582,977</b>	<b>\$25,764,600</b>	<b>\$30,724,273</b>	<b>\$33,881,489</b>	<b>\$37,285,539</b>	<b>\$40,955,111</b>
<b>Total Revenue Less Expenses</b>	<b>\$2,243,123</b>	<b>\$2,339,600</b>	<b>\$8,264,908</b>	<b>\$7,476,292</b>	<b>\$1,038,542</b>	<b>(\$809,730)</b>
<b>Conversion to Cash Basis</b>						
<b>Add Back Non-Cash Expenses</b>						
Depreciation	4,950,000	5,247,000	5,561,800	5,895,500	6,249,200	6,624,200
<b>Net Cash Flow Before Other Cash Obligations</b>	<b>\$7,193,123</b>	<b>\$7,586,600</b>	<b>\$13,826,708</b>	<b>\$13,371,792</b>	<b>\$7,287,742</b>	<b>\$5,814,470</b>
<b>Less Cash Obligations</b>						
Annual Principal Debt Service	0	0	1,666,208	1,734,092	1,804,742	1,878,270
<b>Total Cash Obligations</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,666,208</b>	<b>\$1,734,092</b>	<b>\$1,804,742</b>	<b>\$1,878,270</b>
<b>Available Cash for Capital</b>						
Cash Flow After Cash Obligations	7,193,123	7,586,600	12,160,500	11,637,700	5,483,000	3,936,200
<b>Total Available Cash for Capital</b>	<b>\$7,193,123</b>	<b>\$7,586,600</b>	<b>\$12,160,500</b>	<b>\$11,637,700</b>	<b>\$5,483,000</b>	<b>\$3,936,200</b>
<b>Capital</b>						
Capital Costs Funded by Rates	10,393,500	9,142,404	14,023,040	7,204,333	7,006,333	5,416,000
<b>Total Capital Costs Funded by Rates</b>	<b>\$10,393,500</b>	<b>\$9,142,404</b>	<b>\$14,023,040</b>	<b>\$7,204,333</b>	<b>\$7,006,333</b>	<b>\$5,416,000</b>
<b>Transfers</b>						
To Wastewater Construction Fund	0	16,500,000	2,500,000	0	0	0
<b>Total Transfers</b>	<b>\$0</b>	<b>\$16,500,000</b>	<b>\$2,500,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Total Expenses</b>	<b>\$29,026,477</b>	<b>\$46,160,004</b>	<b>\$43,351,721</b>	<b>\$36,924,414</b>	<b>\$39,847,414</b>	<b>\$41,625,181</b>
<b>Net Annual Cash Flow</b>	<b>(3,200,377)</b>	<b>(18,055,804)</b>	<b>(4,362,540)</b>	<b>4,433,367</b>	<b>(1,523,333)</b>	<b>(1,479,800)</b>
Beginning Fund Balance	36,898,600	33,698,223	15,642,419	11,279,879	15,713,246	14,189,912
<b>Net Cumulative Fund Balance</b>	<b>\$33,698,223</b>	<b>\$15,642,419</b>	<b>\$11,279,879</b>	<b>\$15,713,246</b>	<b>\$14,189,912</b>	<b>\$12,710,112</b>

**COST OF SERVICE**

The cost-of-service analysis identifies the net revenue requirement to be recovered by rates for the FY 2025 test year. As shown below, the net revenue requirement for FY 2025 is approximately \$28.92 million in Scenario 1 and approximately \$25.33 million in Scenario 2.

**Figure E20: Cost of Service – Scenario 1**

Description	Operating Expense	Capital Cost	Total Cost
<b>Revenue Requirements</b>			
O&M Expenses	25,736,600		25,736,600
Debt Service		0	0
Other Expenses	28,000		28,000
Non-Cash Expenses		(5,247,000)	(5,247,000)
Cash Funding of Capital Expenses		9,142,404	9,142,404
Transfer to/from Wastewater Construction Fund		16,000,000	16,000,000
<b>Subtotal</b>	<b>\$25,764,600</b>	<b>\$19,895,404</b>	<b>\$45,660,004</b>
<b>Revenue Requirement Met from Other Sources</b>			
Other Operating Revenue	2,867,000	0	2,867,000
Transfer from Water Impact Fee Fund		0	0
Transfer to/from Annual Cash Balance		13,875,804	13,875,804
<b>Subtotal</b>	<b>\$2,867,000</b>	<b>\$13,875,804</b>	<b>\$16,742,804</b>
<b>Net Revenue Requirements to be Recovered by Rates</b>	<b>\$22,897,600</b>	<b>\$6,019,600</b>	<b>\$28,917,200</b>

**Figure E21: Cost of Service – Scenario 2**

Description	Operating Expense	Capital Cost	Total Cost
<b>Revenue Requirements</b>			
O&M Expenses	25,736,600		25,736,600
Debt Service		0	0
Other Expenses	28,000		28,000
Non-Cash Expenses		(5,247,000)	(5,247,000)
Cash Funding of Capital Expenses		9,142,404	9,142,404
Transfer to/from Wastewater Construction Fund		16,500,000	16,500,000
<b>Subtotal</b>	<b>\$25,764,600</b>	<b>\$20,395,404</b>	<b>\$46,160,004</b>
<b>Revenue Requirement Met from Other Sources</b>			
Other Operating Revenue	2,772,900	0	2,772,900
Transfer from Water Impact Fee Fund		0	0
Transfer to/from Annual Cash Balance		18,055,804	18,055,804
<b>Subtotal</b>	<b>\$2,772,900</b>	<b>\$18,055,804</b>	<b>\$20,828,704</b>
<b>Net Revenue Requirements to be Recovered by Rates</b>	<b>\$22,991,700</b>	<b>\$2,339,600</b>	<b>\$25,331,300</b>

## **RATE DESIGN**

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The revenue requirements and cost of service (COS) analyses provide a basis for the design of water rates, and rate design involves the development of rate schedules to recover the annual COS. TischlerBise met with SWU staff and the Springdale Water and Sewer Commission to develop multiple financial plans and alternative scenarios. Based on these meetings, the proposed water rates include two scenarios: Scenario 1 does not include impact fees and Scenario 2 includes impact fees.

### **Rate Structure**

The primary emphasis in the design of rate structures is ordinarily placed on achieving fairness and equity, with the objective being to ensure that each customer class pays their fair share of costs. In addition, rate structures should be easy to understand, simple to administer, and compliant with regulatory requirements.

**Proposed Water Rates – Scenario 1**

Figure E22 includes proposed monthly water rates for Scenario 1. The proposed rate structure includes a reduction in the current minimum bill from 1,500 gallons per month to 1,000 gallons per month, but there are no other adjustments to the current customer class tiers. The proposed rates include minimum bill increases of \$10.80 in FY 2025 and annual increases of \$1.25 in FY 2026 through FY 2029. Annual volume charges include increases of \$0.60 per 1,000 gallons for customers with monthly demand of 1,000,000 gallons or less and \$0.25 per 1,000 gallons for customers with monthly demand over 1,000,000 gallons.

**Figure E22: Proposed Water Rates – Scenario 1**

Proposed Water Rates per 1,000 Gallons - Scenario 1							
Inside City							
Rate Brackets	Current	1/1/25	10/1/25	10/1/26	10/1/27	10/1/28	
Minimum 1,000 Gallons	\$11.20	\$22.00	\$23.25	\$24.50	\$25.75	\$27.00	
Next 24,000 Gallons	\$4.07	\$4.67	\$5.27	\$5.87	\$6.47	\$7.07	
Next 225,000 Gallons	\$4.02	\$4.62	\$5.22	\$5.82	\$6.42	\$7.02	
Next 350,000 Gallons	\$3.92	\$4.52	\$5.12	\$5.72	\$6.32	\$6.92	
Next 400,000 Gallons	\$3.77	\$4.37	\$4.97	\$5.57	\$6.17	\$6.77	
All Over 1,000,000 Gallons	\$3.60	\$3.85	\$4.10	\$4.35	\$4.60	\$4.85	
Outside City							
Rate Brackets	Current	1/1/25	10/1/25	10/1/26	10/1/27	10/1/28	
Minimum 1,000 Gallons	\$12.95	\$23.75	\$25.00	\$26.25	\$27.50	\$28.75	
Next 24,000 Gallons	\$4.42	\$5.02	\$5.62	\$6.22	\$6.82	\$7.42	
Next 225,000 Gallons	\$4.32	\$4.92	\$5.52	\$6.12	\$6.72	\$7.32	
Next 350,000 Gallons	\$4.17	\$4.77	\$5.37	\$5.97	\$6.57	\$7.17	
Next 400,000 Gallons	\$4.02	\$4.62	\$5.22	\$5.82	\$6.42	\$7.02	
All Over 1,000,000 Gallons	\$3.72	\$3.97	\$4.22	\$4.47	\$4.72	\$4.97	
White River							
Rate Brackets	Current	1/1/25	10/1/25	10/1/26	10/1/27	10/1/28	
Minimum 1,000 Gallons	\$19.80	\$30.60	\$31.85	\$33.10	\$34.35	\$35.60	
Next 4,000 Gallons	\$5.17	\$5.77	\$6.37	\$6.97	\$7.57	\$8.17	
Next 5,000 Gallons	\$4.92	\$5.52	\$6.12	\$6.72	\$7.32	\$7.92	
Next 10,000 Gallons	\$4.67	\$5.27	\$5.87	\$6.47	\$7.07	\$7.67	
All Over 20,000 Gallons	\$4.42	\$5.02	\$5.62	\$6.22	\$6.82	\$7.42	
Seasonal							
Seasonal Minimum	Inside City		Outside City				
Meter Size	Current	1/1/25	Current	1/1/25			
5/8" x 3/4"	\$2.50	\$3.50	\$3.50	\$4.50			
1"	\$3.00	\$4.00	\$4.50	\$5.50			
1-1/2"	\$4.50	\$5.50	\$7.00	\$8.00			
2"	\$7.00	\$8.00	\$12.00	\$13.00			
3"	\$10.50	\$11.50	\$19.00	\$20.00			
4"	\$18.00	\$19.00	\$35.00	\$36.00			
6"	\$37.00	\$38.00	\$74.00	\$75.00			
Seasonal Volume							
Rate Brackets	Current	1/1/25	10/1/25	10/1/26	10/1/27	10/1/28	
Inside City 1,000 Gallons	\$4.04	\$4.64	\$5.24	\$5.84	\$6.44	\$7.04	
Outside City 1,000 Gallons	\$4.34	\$4.94	\$5.54	\$6.14	\$6.74	\$7.34	

**Proposed Water Rates – Scenario 2**

Figure E23 includes proposed monthly water rates for Scenario 2. The proposed rate structure includes a reduction in the current minimum bill from 1,500 gallons per month to 1,000 gallons per month, but there are no other adjustments to the current customer class tiers. The proposed rates include minimum bill increases of \$2.00 in FY 2025, \$1.60 in FY 2026 and FY 2027, and \$0.30 in FY 2028 and FY 2029. Annual volume charges include increases of \$0.30 per 1,000 gallons for all customers.

**Figure E23: Proposed Water Rates – Scenario 2**

Proposed Water Rates per 1,000 Gallons - Scenario 2							
Inside City							
Rate Brackets		Current	1/1/25	10/1/25	10/1/26	10/1/27	10/1/28
Minimum	1,000 Gallons	\$11.20	\$13.20	\$14.80	\$16.40	\$16.70	\$17.00
Next	24,000 Gallons	\$4.07	\$4.37	\$4.67	\$4.97	\$5.27	\$5.57
Next	225,000 Gallons	\$4.02	\$4.32	\$4.62	\$4.92	\$5.22	\$5.52
Next	350,000 Gallons	\$3.92	\$4.22	\$4.52	\$4.82	\$5.12	\$5.42
Next	400,000 Gallons	\$3.77	\$4.07	\$4.37	\$4.67	\$4.97	\$5.27
All Over	1,000,000 Gallons	\$3.60	\$3.90	\$4.20	\$4.50	\$4.80	\$5.10
Outside City							
Rate Brackets		Current	1/1/25	10/1/25	10/1/26	10/1/27	10/1/28
Minimum	1,000 Gallons	\$12.95	\$14.95	\$16.55	\$18.15	\$18.45	\$18.75
Next	24,000 Gallons	\$4.42	\$4.72	\$5.02	\$5.32	\$5.62	\$5.92
Next	225,000 Gallons	\$4.32	\$4.62	\$4.92	\$5.22	\$5.52	\$5.82
Next	350,000 Gallons	\$4.17	\$4.47	\$4.77	\$5.07	\$5.37	\$5.67
Next	400,000 Gallons	\$4.02	\$4.32	\$4.62	\$4.92	\$5.22	\$5.52
All Over	1,000,000 Gallons	\$3.72	\$4.02	\$4.32	\$4.62	\$4.92	\$5.22
White River							
Rate Brackets		Current	1/1/25	10/1/25	10/1/26	10/1/27	10/1/28
Minimum	1,000 Gallons	\$19.80	\$21.80	\$23.40	\$25.00	\$25.30	\$25.60
Next	4,000 Gallons	\$5.17	\$5.47	\$5.77	\$6.07	\$6.37	\$6.67
Next	5,000 Gallons	\$4.92	\$5.22	\$5.52	\$5.82	\$6.12	\$6.42
Next	10,000 Gallons	\$4.67	\$4.97	\$5.27	\$5.57	\$5.87	\$6.17
All Over	20,000 Gallons	\$4.42	\$4.72	\$5.02	\$5.32	\$5.62	\$5.92
Seasonal							
Seasonal Minimum		Inside City		Outside City			
Meter Size		Current	1/1/25	Current	1/1/25		
5/8" x 3/4"		\$2.50	\$3.50	\$3.50	\$4.50		
1"		\$3.00	\$4.00	\$4.50	\$5.50		
1-1/2"		\$4.50	\$5.50	\$7.00	\$8.00		
2"		\$7.00	\$8.00	\$12.00	\$13.00		
3"		\$10.50	\$11.50	\$19.00	\$20.00		
4"		\$18.00	\$19.00	\$35.00	\$36.00		
6"		\$37.00	\$38.00	\$74.00	\$75.00		
Seasonal Volume							
Rate Brackets		Current	1/1/25	10/1/25	10/1/26	10/1/27	10/1/28
Inside City	1,000 Gallons	\$4.04	\$4.34	\$4.64	\$4.94	\$5.24	\$5.54
Outside City	1,000 Gallons	\$4.34	\$4.64	\$4.94	\$5.24	\$5.54	\$5.84

**SEWER UTILITY**

Springdale Water Utilities (SWU) retained TischlerBise to prepare a financial plan and rate study to ensure the utility has sufficient revenues to meet operational, capital, and loan obligations in FY 2025 through FY 2029 (study period).

**CURRENT SEWER RATES**

The current sewer rate structure consists of monthly minimum charges and tiered charges for each billing class. SWU bills customers for monthly services, and Figure F1 includes current monthly sewer rates for FY 2024.

**Figure F1: Current Monthly Sewer Rates**

Description	Budget FY 2024
<b>Sewer Rate / 1,000 Gallons</b>	
In Town	
Min, 1,500 gallons	\$11.20
Next 23,500 gallons	\$4.17
Next 225,000 gallons	\$4.13
Next 350,000 gallons	\$4.04
Next 400,000 gallons	\$3.91
Over 1,000,000 gallons	\$3.76
Out of Town	
Min, 1,500 gallons	\$12.45
Next 23,500 gallons	\$4.48
Next 225,000 gallons	\$4.40
Next 350,000 gallons	\$4.27
Next 400,000 gallons	\$4.24
Over 1,000,000 gallons	\$3.86

**PROJECTED REVENUE FROM CURRENT SEWER RATES**

Shown below, Figure F2 includes projected sewer rate revenue, by billing class and tier, based on current sewer rates.

**Figure F2: Projected Revenue from Current Sewer Rates**

Description	Budget FY 2024	Forecast FY 2025	Forecast FY 2026	Forecast FY 2027	Forecast FY 2028	Forecast FY 2029
<b>Sewer Rate Revenue</b>						
In Town	\$17,565,470	\$17,741,100	\$17,918,500	\$18,097,600	\$18,278,600	\$18,461,300
<i>Min, 1,500 gallons</i>	\$3,785,137	\$3,823,000	\$3,861,200	\$3,899,800	\$3,938,800	\$3,978,200
<i>Next 23,500 gallons</i>	\$4,403,459	\$4,447,500	\$4,492,000	\$4,536,900	\$4,582,300	\$4,628,100
<i>Next 225,000 gallons</i>	\$1,443,674	\$1,458,100	\$1,472,700	\$1,487,400	\$1,502,300	\$1,517,300
<i>Next 350,000 gallons</i>	\$664,156	\$670,800	\$677,500	\$684,300	\$691,100	\$698,000
<i>Next 400,000 gallons</i>	\$384,062	\$387,900	\$391,800	\$395,700	\$399,700	\$403,700
<i>Over 1,000,000 gallons</i>	\$6,884,981	\$6,953,800	\$7,023,300	\$7,093,500	\$7,164,400	\$7,236,000
Out of Town	\$1,840,030	\$1,858,500	\$1,877,100	\$1,895,800	\$1,914,700	\$1,933,900
<i>Min, 1,500 gallons</i>	\$931,149	\$940,500	\$949,900	\$959,400	\$969,000	\$978,700
<i>Next 23,500 gallons</i>	\$678,924	\$685,700	\$692,600	\$699,500	\$706,500	\$713,600
<i>Next 225,000 gallons</i>	\$187,611	\$189,500	\$191,400	\$193,300	\$195,200	\$197,200
<i>Next 350,000 gallons</i>	\$41,400	\$41,800	\$42,200	\$42,600	\$43,000	\$43,400
<i>Next 400,000 gallons</i>	\$946	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000
<i>Over 1,000,000 gallons</i>	\$0	\$0	\$0	\$0	\$0	\$0
Surcharge	\$1,318,300	\$1,331,500	\$1,344,800	\$1,358,200	\$1,371,800	\$1,385,500
<b>Total</b>	<b>\$20,723,800</b>	<b>\$20,931,100</b>	<b>\$21,140,400</b>	<b>\$21,351,600</b>	<b>\$21,565,100</b>	<b>\$21,780,700</b>

**OPERATING REVENUE**

Shown below, Figure F3 provides a summary of projected revenues used in this analysis. Rate revenue represents projected revenue from current rates shown in Figure F2. Other operating revenue and non-operating revenue represent projected non-rate revenue used in the analysis.

**Figure F3: Operating Revenue**

Description	Budget FY 2024	Forecast FY 2025	Forecast FY 2026	Forecast FY 2027	Forecast FY 2028	Forecast FY 2029
<b>Revenue</b>						
<b>Rate Revenue</b>						
Sales	20,723,800	20,931,100	21,140,400	21,351,600	21,565,100	21,780,700
<b>Total Rate Revenue</b>	<b>\$20,723,800</b>	<b>\$20,931,100</b>	<b>\$21,140,400</b>	<b>\$21,351,600</b>	<b>\$21,565,100</b>	<b>\$21,780,700</b>
<b>Other Operating Revenue</b>						
Impact Fees	0	0	0	0	0	0
Penalties	350,000	353,500	357,000	360,600	364,200	367,800
Equipment Rental	6,000	6,100	6,200	6,300	6,400	6,500
Waste Hauler Fees	20,000	20,200	20,400	20,600	20,800	21,000
<b>Total Other Revenue</b>	<b>\$376,000</b>	<b>\$379,800</b>	<b>\$383,600</b>	<b>\$387,500</b>	<b>\$391,400</b>	<b>\$395,300</b>
<b>Total Operating Revenue</b>	<b>\$21,099,800</b>	<b>\$21,310,900</b>	<b>\$21,524,000</b>	<b>\$21,739,100</b>	<b>\$21,956,500</b>	<b>\$22,176,000</b>
<b>Non-Operating Revenue</b>						
Interest Income	1,200,000	1,273,400	0	0	0	0
Miscellaneous	10,000	10,300	10,600	10,900	11,200	11,500
Rental Income	18,000	18,000	18,000	18,000	18,000	18,000
<b>Total Non-Operating Revenue</b>	<b>\$1,228,000</b>	<b>\$1,301,700</b>	<b>\$28,600</b>	<b>\$28,900</b>	<b>\$29,200</b>	<b>\$29,500</b>
<b>Total Revenue Before Transfers</b>	<b>\$22,327,800</b>	<b>\$22,612,600</b>	<b>\$21,552,600</b>	<b>\$21,768,000</b>	<b>\$21,985,700</b>	<b>\$22,205,500</b>
<b>Transfers</b>						
From Sewer Impact Fee Fund	0	0	0	0	0	0
From Water Construction Fund	0	0	0	0	0	0
<b>Total Transfers</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Total Revenue After Transfers</b>	<b>\$22,327,800</b>	<b>\$22,612,600</b>	<b>\$21,552,600</b>	<b>\$21,768,000</b>	<b>\$21,985,700</b>	<b>\$22,205,500</b>

**REVENUE REQUIREMENT ANALYSIS**

This section describes the assumptions used in projecting operating and capital expenses that determine the overall rate adjustments required to ensure the financial health of the utility. Developing a financial plan includes an analysis of annual operating revenues under the current rates, operating expenses, capital expenditures, and transfers between funds.

**Operating Expenses**

Operating expenses include costs related to treatment, collection system, and general and administrative. The five-year financial plan includes projected operating expenses shown in Figure F4. Based on recent trends, the analysis uses an annual inflation adjustment of five percent for operating expenses. The FY 2026 collection system expense includes an additional \$2.75 million to account for additional depreciation related to Phase 1 improvements to the wastewater treatment plant.

**Figure F4: Projected Operating Expenses**

Description	Budget FY 2024	Forecast FY 2025	Forecast FY 2026	Forecast FY 2027	Forecast FY 2028	Forecast FY 2029
<b>Expenses</b>						
<b>Operating Expenses</b>						
Treatment	8,744,200	9,181,400	9,640,500	10,122,500	10,628,600	11,160,000
Collection System	7,645,500	8,027,800	11,179,200	11,738,200	12,325,100	12,941,400
General and Administrative	3,577,800	3,756,700	3,944,500	4,141,700	4,348,800	4,566,200
<b>Total Operating Expenses</b>	<b>\$19,967,500</b>	<b>\$20,965,900</b>	<b>\$24,764,200</b>	<b>\$26,002,400</b>	<b>\$27,302,500</b>	<b>\$28,667,600</b>

**Capital Improvement Plan**

SWU plans to construct the capital improvements shown below during the study period. The projects in the capital improvement plan (CIP) will be funded through rate revenue (Scenario 1) or a combination of rate revenue and impact fees (Scenario 2).

**Figure F5: Projected Capital Expenses**

Description	Budget FY 2024	Forecast FY 2025	Forecast FY 2026	Forecast FY 2027	Forecast FY 2028	Forecast FY 2029
<b>Capital Improvement Plan - Sewer</b>						
#1357- Benton Farm PS Upgrade	2,000,000	8,213,170	0	0	0	0
#1362- Brush Creek PS & Force Main (SWU)	100,000	1,557,786	0	0	0	0
#1365- Lowell Sewer Siphon (SWU)	250,000	4,250,000	0	0	0	0
#1377- Johnson Force Main Improvements	550,000	6,051,576	6,051,576	0	0	0
#1384- Spring Creek Interceptor	250,000	1,300,000	1,300,000	1,300,000	7,990,502	15,981,003
#1351- Bethel Heights Remediation	750,000	153,611	0	0	0	0
#1364- Johnson Lift Station Storage Improvements	100,000	1,286,025	0	0	0	0
#1368- Clear Creek Lift Station Storage Improvements	600,000	11,238,504	0	0	0	0
#1371- Emma Hotel Sewer Relocation	400,000	0	0	0	0	0
#1350- Emma Ave W&S Reloc.-RGW Realignment	329,876	0	0	0	0	0
#1354- Butterfield PS Upgrade	543,466	0	0	0	0	0
#1356- Clear Creek PS Upgrade	1,475,390	0	0	0	0	0
Phase 1 Sewer Study	0	130,000	130,000	130,000	130,000	130,000
Phase 1 Sewer Projects	0	3,115,250	3,115,250	3,115,250	3,115,250	0
Annual Participation w/ Developers 5yr	500,000	500,000	500,000	500,000	500,000	500,000
Sewer Master Plan Update	1,600,000	0	0	0	0	500,000
System Rehabilitation 5 Yr	500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000
Phase I Improv. (Clarification/influent Pumping) #1398	18,000,000	11,292,018	0	0	0	0
Grit Removal Improvements	0	0	40,000	80,000	80,000	0
Filter Improvements	0	0	0	2,904,000	5,808,000	5,808,000
EQ Basin Return Improvements	0	0	120,000	240,000	240,000	0
Grease Auger Replacement	0	0	0	0	0	0
Disinfection Improvements	0	0	0	0	0	0
Process Train 5	0	0	0	0	0	0
Wastewater Treatment Facility Master Plan	446,297	0	0	0	0	500,000
Capital Expense: All Other Items	1,041,500	325,000	325,000	325,000	325,000	325,000
<b>Total</b>	<b>\$29,436,529</b>	<b>\$51,912,940</b>	<b>\$14,081,826</b>	<b>\$11,094,250</b>	<b>\$20,688,752</b>	<b>\$26,244,003</b>

## Debt Service

Figure F6 includes existing debt service used to fund past sewer improvements. The analysis does not include additional debt service.

**Figure F6: Existing Debt Service**

Description	Budget FY 2024	Forecast FY 2025	Forecast FY 2026	Forecast FY 2027	Forecast FY 2028	Forecast FY 2029
<b>Sewer</b>						
<b>Outstanding Long Term Debt (LTD)</b>						
Series 2006	595,000	295,000	0	0	0	0
Series 2022 A	39,235,000	36,935,000	34,520,000	31,980,000	29,315,000	26,545,000
Series 2022 B	787,275	2,054,083	1,857,772	1,659,493	1,459,226	1,256,952
<b>Total</b>	<b>\$40,617,275</b>	<b>\$39,284,083</b>	<b>\$36,377,772</b>	<b>\$33,639,493</b>	<b>\$30,774,226</b>	<b>\$27,801,952</b>
<b>Annual Principal Debt Service</b>						
Series 2006	285,000	300,000	295,000	0	0	0
Series 2022 A	2,195,000	2,300,000	2,415,000	2,540,000	2,665,000	2,770,000
Series 2022 B	0	196,311	198,279	200,267	202,274	204,302
<b>Total</b>	<b>\$2,480,000</b>	<b>\$2,796,311</b>	<b>\$2,908,279</b>	<b>\$2,740,267</b>	<b>\$2,867,274</b>	<b>\$2,974,302</b>
<b>Annual Interest Debt Service</b>						
Series 2006	40,250	25,875	10,375	0	0	0
Series 2022 A	1,571,092	1,461,342	1,346,342	1,225,592	1,098,592	991,992
Series 2022 B	0	0	0	0	0	0
<b>Total</b>	<b>\$1,611,342</b>	<b>\$1,487,217</b>	<b>\$1,356,717</b>	<b>\$1,225,592</b>	<b>\$1,098,592</b>	<b>\$991,992</b>
<b>Annual Combined Debt Service</b>						
Series 2006	325,250	325,875	305,375	0	0	0
Series 2022 A	3,766,092	3,761,342	3,761,342	3,765,592	3,763,592	3,761,992
Series 2022 B	0	196,311	198,279	200,267	202,274	204,302
<b>Total</b>	<b>\$4,091,342</b>	<b>\$4,283,528</b>	<b>\$4,264,996</b>	<b>\$3,965,859</b>	<b>\$3,965,866</b>	<b>\$3,966,294</b>

## Summary of Revenue Requirements Analysis

Figure F7 shows the current revenue requirements based on projected operating, CIP, and debt service expenses with no rate adjustments. Under the current rates, SWU does not generate sufficient revenue to cover these outlays, and the utility uses the remaining fund balance in FY 2026. The components discussed in this section comprise the foundation of the revenue requirement analysis.

**Figure F7: Summary of Revenue Requirement Analysis**

Description	Budget FY 2024	Forecast FY 2025	Forecast FY 2026	Forecast FY 2027	Forecast FY 2028	Forecast FY 2029
<b>Expenses</b>						
<b>Operating Expenses</b>						
Treatment	8,744,200	9,181,400	9,640,500	10,122,500	10,628,600	11,160,000
Collection System	7,645,500	8,027,800	11,179,200	11,738,200	12,325,100	12,941,400
General and Administrative	3,577,800	3,756,700	3,944,500	4,141,700	4,348,800	4,566,200
<b>Total Operating Expenses</b>	<b>\$19,967,500</b>	<b>\$20,965,900</b>	<b>\$24,764,200</b>	<b>\$26,002,400</b>	<b>\$27,302,500</b>	<b>\$28,667,600</b>
<b>Net Operating Income</b>	<b>\$1,132,300</b>	<b>\$345,000</b>	<b>(\$3,240,200)</b>	<b>(\$4,263,300)</b>	<b>(\$5,346,000)</b>	<b>(\$6,491,600)</b>
<b>Non-Operating Expenses</b>						
Interest on Bond Indebtedness	1,611,342	1,487,217	1,356,717	1,225,592	1,098,592	991,992
Other Expenses	255,500	88,500	88,500	88,500	88,500	88,500
<b>Total Non-Operating Expenses</b>	<b>\$1,866,842</b>	<b>\$1,575,717</b>	<b>\$1,445,217</b>	<b>\$1,314,092</b>	<b>\$1,187,092</b>	<b>\$1,080,492</b>
<b>Total Expenses Before Cash Obligations</b>	<b>\$21,834,342</b>	<b>\$22,541,617</b>	<b>\$26,209,417</b>	<b>\$27,316,492</b>	<b>\$28,489,592</b>	<b>\$29,748,092</b>
<b>Total Revenue Less Expenses</b>	<b>\$493,458</b>	<b>\$70,983</b>	<b>(\$4,656,817)</b>	<b>(\$5,548,492)</b>	<b>(\$6,503,892)</b>	<b>(\$7,542,592)</b>
<b>Conversion to Cash Basis</b>						
<b>Add Back Non-Cash Expenses</b>						
Depreciation	5,950,000	6,307,000	9,435,400	10,001,500	10,601,600	11,237,700
<b>Net Cash Flow Before Other Cash Obligations</b>	<b>\$6,443,458</b>	<b>\$6,377,983</b>	<b>\$4,778,583</b>	<b>\$4,453,008</b>	<b>\$4,097,708</b>	<b>\$3,695,108</b>
<b>Less Cash Obligations</b>						
Annual Principal Debt Service	2,480,000	2,796,311	2,908,279	2,740,267	2,867,274	2,974,302
<b>Total Cash Obligations</b>	<b>\$2,480,000</b>	<b>\$2,796,311</b>	<b>\$2,908,279</b>	<b>\$2,740,267</b>	<b>\$2,867,274</b>	<b>\$2,974,302</b>
<b>Available Cash for Capital</b>						
Cash Flow After Cash Obligations	3,963,458	3,581,672	1,870,304	1,712,741	1,230,434	720,806
<b>Total Available Cash for Capital</b>	<b>\$3,963,458</b>	<b>\$3,581,672</b>	<b>\$1,870,304</b>	<b>\$1,712,741</b>	<b>\$1,230,434</b>	<b>\$720,806</b>
<b>Capital</b>						
Capital Costs Funded by Rates	5,459,848	51,912,940	14,081,826	11,094,250	20,688,752	26,244,003
<b>Total Capital Improvements</b>	<b>\$5,459,848</b>	<b>\$51,912,940</b>	<b>\$14,081,826</b>	<b>\$11,094,250</b>	<b>\$20,688,752</b>	<b>\$26,244,003</b>
<b>Total Expenses</b>	<b>\$23,824,190</b>	<b>\$70,943,868</b>	<b>\$33,764,122</b>	<b>\$31,149,509</b>	<b>\$41,444,018</b>	<b>\$47,728,697</b>
<b>Net Annual Cash Flow</b>	<b>(1,496,390)</b>	<b>(48,331,268)</b>	<b>(12,211,522)</b>	<b>(9,381,509)</b>	<b>(19,458,318)</b>	<b>(25,523,197)</b>
<b>Beginning Fund Balance</b>	<b>53,973,932</b>	<b>52,477,541</b>	<b>4,146,273</b>	<b>(8,065,249)</b>	<b>(17,446,758)</b>	<b>(36,905,075)</b>
<b>Net Cumulative Fund Balance</b>	<b>\$52,477,541</b>	<b>\$4,146,273</b>	<b>(\$8,065,249)</b>	<b>(\$17,446,758)</b>	<b>(\$36,905,075)</b>	<b>(\$62,428,273)</b>

**PROPOSED FINANCIAL PLAN – SCENARIO 1**

The revenue requirement analysis, shown in Figure F7, provides a basis for evaluating the timing and level of sewer revenue increases required to meet the projected required revenue for the study period. The dollar amounts shown at the top of Figure F8 show the recommended annual rate adjustments. To meet operational expenses and fund capital projects, TischlerBise recommends the following rate adjustments over the next five years:

1. Minimum Bill: Decrease minimum bill from 1,500 gallons per month to 1,000 gallons per month. Increase of \$10.80 per month in FY 2025 and annual increases of \$4.50 per month in FY 2026 through FY 2029.
2. Volume: Increase of \$1.00 per 1,000 gallons for customers with monthly demand of 1,000,000 gallons or less. Increase of \$0.25 per 1,000 gallons for customers with monthly demand over 1,000,000 gallons.

**Figure F8: Proposed Financial Plan (Scenario 1)**

Description	Budget FY 2024	Forecast FY 2025	Forecast FY 2026	Forecast FY 2027	Forecast FY 2028	Forecast FY 2029
<b>Sewer</b>						
<b>Rate Adjustments (Annual)</b>						
Minimum Bill (First 1,000 Gallons)	\$0.00	\$10.80	\$4.50	\$4.50	\$4.50	\$4.50
Per 1,000 Gallons: 1,000,000 or Less	\$0.00	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00
Per 1,000 Gallons: Over 1,000,000	\$0.00	\$0.25	\$0.25	\$0.25	\$0.25	\$0.25
Fiscal Year - Month Effective	October	January	October	October	October	October
Impact Fees	No	No	No	No	No	No
<b>Operating Results</b>						
Total Revenue	22,327,800	42,654,500	36,132,900	36,582,900	41,000,600	47,344,300
Total Expenses	24,314,342	25,337,928	29,117,696	30,056,759	31,356,866	32,722,394
Net Annual Operating Results	<b>(\$1,986,542)</b>	\$17,316,572	\$7,015,204	\$6,526,141	\$9,643,734	\$14,621,906
<b>Capital Results</b>						
Sources of Funds	5,950,000	6,307,000	9,435,400	10,001,500	10,601,600	11,237,700
Uses of Funds	5,459,848	51,912,940	14,081,826	11,094,250	20,688,752	26,244,003
Net Annual Capital Results	\$490,152	<b>(\$45,605,940)</b>	<b>(\$4,646,426)</b>	<b>(\$1,092,750)</b>	<b>(\$10,087,152)</b>	<b>(\$15,006,303)</b>
Net Annual Cash Flow	<b>(1,496,390)</b>	<b>(28,289,368)</b>	2,368,778	5,433,391	<b>(443,418)</b>	<b>(384,397)</b>
Beginning Fund Balance	35,936,290	34,439,900	6,150,532	8,519,310	13,952,701	13,509,283
Net Cumulative Fund Balance	\$34,439,900	\$6,150,532	\$8,519,310	\$13,952,701	\$13,509,283	\$13,124,886
Unrestricted Fund Balance	32,149,834	2,373,804	4,141,976	9,575,367	9,131,949	8,747,552
Restricted Fund Balance	2,290,066	3,776,728	4,377,334	4,377,334	4,377,334	4,377,334
Net Cumulative Fund Balance	\$34,439,900	\$6,150,532	\$8,519,310	\$13,952,701	\$13,509,283	\$13,124,886
Debt Coverage Ratio	0.3	1.2	1.7	2.6	3.3	4.1

**Proposed Capital Flows**

Based on projects identified in Figure F5, SWU plans to use a combination of bond proceeds, American Rescue Plan Act (ARPA) grant funds, and rate revenue to fund capital improvements.

**Figure F9: Proposed Capital Flows**

Description	Budget FY 2024	Forecast FY 2025	Forecast FY 2026	Forecast FY 2027	Forecast FY 2028	Forecast FY 2029
<b>Sewer Capital</b>						
Total Capital Costs	29,436,529	51,912,940	14,081,826	11,094,250	20,688,752	26,244,003
Less Outside Funding						
Bond Proceeds Balance	18,976,681	0	0	0	0	0
ANRC ARPA Grant	5,000,000	0	0	0	0	0
Impact Fee Funds	0	0	0	0	0	0
Total Capital Costs Funded by Rates	\$5,459,848	\$51,912,940	\$14,081,826	\$11,094,250	\$20,688,752	\$26,244,003

**Reserve/Fund Balances**

Shown below, Figure F10 includes ending fund balances for each sewer fund. SWU will use Sewer Operating Fund balance and Wastewater Construction Fund balance to fund projected expenses. As required by the ANRC bond (water), SWU is required to put six percent of sales revenue in the Depreciation Fund - ANRC until the balance reaches 10 percent of total bond principal. SWU will split this requirement between water and sewer funds, so the required sewer balance is \$2.5 million (\$50.0 million ANRC West Side Water principal X 10 percent required balance X 50 percent water share).

**Figure F10: Reserve/Fund Balances**

Description	Budget FY 2024	Forecast FY 2025	Forecast FY 2026	Forecast FY 2027	Forecast FY 2028	Forecast FY 2029
<b>Reserve/Fund Balances</b>						
<b>Unrestricted Fund Balance</b>						
Operating Fund	2,177,076	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Health Insurance Fund	63,865	63,865	63,865	63,865	63,865	63,865
Wastewater Construction Fund	29,908,893	1,158,271	3,078,112	8,511,503	8,068,085	7,683,688
Total Unrestricted Fund Balance	\$32,149,834	\$2,222,136	\$4,141,976	\$9,575,367	\$9,131,950	\$8,747,552
<b>Restricted Fund Balance</b>						
Series 2006 Lowell Bond Debt Service Fund	256,121	256,121	0	0	0	0
Series 2022A Rev Bond Debt Service Fund	718,552	718,552	718,552	718,552	718,552	718,552
Series 2022BC ANRC Bond Debt Service Fund	10	10	10	10	10	10
Depreciation Fund	1,158,772	1,158,772	1,158,772	1,158,772	1,158,772	1,158,772
Depreciation Fund - ANRC	156,611	1,794,941	2,500,000	2,500,000	2,500,000	2,500,000
Total Restricted Fund Balance	\$2,290,066	\$3,928,396	\$4,377,334	\$4,377,334	\$4,377,334	\$4,377,334
Total Fund Balance	\$34,439,900	\$6,150,532	\$8,519,310	\$13,952,701	\$13,509,283	\$13,124,886

## Proposed Revenues

Shown below, Figure F11 includes proposed revenues for Scenario 1. Applying the rate adjustments shown in Figure F8 to revenue from current rates provides total rate revenue. Proposed revenues include transfers of \$16.0 million in FY 2025, \$4.0 million in FY 2026, and \$2.0 million in FY 2029 from the Water Construction Fund to limit sewer rate increases.

**Figure F11: Proposed Revenues (Scenario 1)**

Description	Budget FY 2024	Forecast FY 2025	Forecast FY 2026	Forecast FY 2027	Forecast FY 2028	Forecast FY 2029
<b>Revenue</b>						
<b>Rate Revenue</b>						
Revenue from Current Rates	20,723,800	20,931,100	21,140,400	21,351,600	21,565,100	21,780,700
Year	Months Effective					
FY 2025	9	4,762,700	6,413,800	6,477,900	6,542,700	6,608,100
FY 2026	12		3,980,300	4,020,100	4,060,300	4,100,900
FY 2027	12			3,980,300	4,020,100	4,060,300
FY 2028	12				3,980,300	4,020,100
FY 2029	12					3,980,300
Increased Revenue from Adjustments		4,762,700	10,394,100	14,478,300	18,603,400	22,769,700
<b>Total Rate Revenue</b>	<b>\$20,723,800</b>	<b>\$25,693,800</b>	<b>\$31,534,500</b>	<b>\$35,829,900</b>	<b>\$40,168,500</b>	<b>\$44,550,400</b>
<b>Other Operating Revenue</b>						
Penalties	350,000	353,500	357,000	360,600	364,200	367,800
Equipment Rental	6,000	6,100	6,200	6,300	6,400	6,500
Waste Hauler Fees	20,000	20,200	20,400	20,600	20,800	21,000
<b>Total Other Revenue</b>	<b>\$376,000</b>	<b>\$379,800</b>	<b>\$383,600</b>	<b>\$387,500</b>	<b>\$391,400</b>	<b>\$395,300</b>
<b>Total Operating Revenue</b>	<b>\$21,099,800</b>	<b>\$26,073,600</b>	<b>\$31,918,100</b>	<b>\$36,217,400</b>	<b>\$40,559,900</b>	<b>\$44,945,700</b>
<b>Non-Operating Revenue</b>						
Interest Income	1,200,000	552,600	186,200	336,600	411,500	369,100
Miscellaneous	10,000	10,300	10,600	10,900	11,200	11,500
Rental Income	18,000	18,000	18,000	18,000	18,000	18,000
<b>Total Non-Operating Revenue</b>	<b>\$1,228,000</b>	<b>\$580,900</b>	<b>\$214,800</b>	<b>\$365,500</b>	<b>\$440,700</b>	<b>\$398,600</b>
<b>Total Revenue Before Transfers</b>	<b>\$22,327,800</b>	<b>\$26,654,500</b>	<b>\$32,132,900</b>	<b>\$36,582,900</b>	<b>\$41,000,600</b>	<b>\$45,344,300</b>
<b>Transfers</b>						
From Sewer Impact Fee Fund	0	0	0	0	0	0
From Water Construction Fund	0	16,000,000	4,000,000	0	0	2,000,000
<b>Total Transfers</b>	<b>\$0</b>	<b>\$16,000,000</b>	<b>\$4,000,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$2,000,000</b>
<b>Total Revenue After Transfers</b>	<b>\$22,327,800</b>	<b>\$42,654,500</b>	<b>\$36,132,900</b>	<b>\$36,582,900</b>	<b>\$41,000,600</b>	<b>\$47,344,300</b>

## Proposed Revenue Requirements

Shown in Figure F12 are the proposed revenue requirements for the five-year study period. The sewer utility is projected to include a deficit in all years except FY 2026 and FY 2027. These deficits will use most of the Wastewater Construction Fund balance without requiring SWU to issue new debt.

**Figure F12: Proposed Revenue Requirements (Scenario 1)**

Description	Budget FY 2024	Forecast FY 2025	Forecast FY 2026	Forecast FY 2027	Forecast FY 2028	Forecast FY 2029
<b>Expenses</b>						
<b>Operating Expenses</b>						
Treatment	8,744,200	9,181,400	9,640,500	10,122,500	10,628,600	11,160,000
Collection System	7,645,500	8,027,800	11,179,200	11,738,200	12,325,100	12,941,400
General and Administrative	3,577,800	3,756,700	3,944,500	4,141,700	4,348,800	4,566,200
<b>Total Operating Expenses</b>	<b>\$19,967,500</b>	<b>\$20,965,900</b>	<b>\$24,764,200</b>	<b>\$26,002,400</b>	<b>\$27,302,500</b>	<b>\$28,667,600</b>
<b>Net Operating Income</b>	<b>\$1,132,300</b>	<b>\$5,107,700</b>	<b>\$7,153,900</b>	<b>\$10,215,000</b>	<b>\$13,257,400</b>	<b>\$16,278,100</b>
<b>Non-Operating Expenses</b>						
Interest on Bond Indebtedness	1,611,342	1,487,217	1,356,717	1,225,592	1,098,592	991,992
Other Expenses	255,500	88,500	88,500	88,500	88,500	88,500
<b>Total Non-Operating Expenses</b>	<b>\$1,866,842</b>	<b>\$1,575,717</b>	<b>\$1,445,217</b>	<b>\$1,314,092</b>	<b>\$1,187,092</b>	<b>\$1,080,492</b>
<b>Total Expenses Before Cash Obligations</b>	<b>\$21,834,342</b>	<b>\$22,541,617</b>	<b>\$26,209,417</b>	<b>\$27,316,492</b>	<b>\$28,489,592</b>	<b>\$29,748,092</b>
<b>Total Revenue Less Expenses</b>	<b>\$493,458</b>	<b>\$20,112,883</b>	<b>\$9,923,483</b>	<b>\$9,266,408</b>	<b>\$12,511,008</b>	<b>\$17,596,208</b>
<b>Conversion to Cash Basis</b>						
<b>Add Back Non-Cash Expenses</b>						
Depreciation	5,950,000	6,307,000	9,435,400	10,001,500	10,601,600	11,237,700
<b>Net Cash Flow Before Other Cash Obligations</b>	<b>\$6,443,458</b>	<b>\$26,419,883</b>	<b>\$19,358,883</b>	<b>\$19,267,908</b>	<b>\$23,112,608</b>	<b>\$28,833,908</b>
<b>Less Cash Obligations</b>						
Annual Principal Debt Service	2,480,000	2,796,311	2,908,279	2,740,267	2,867,274	2,974,302
<b>Total Cash Obligations</b>	<b>\$2,480,000</b>	<b>\$2,796,311</b>	<b>\$2,908,279</b>	<b>\$2,740,267</b>	<b>\$2,867,274</b>	<b>\$2,974,302</b>
<b>Available Cash for Capital</b>						
Cash Flow After Cash Obligations	3,963,458	23,623,572	16,450,604	16,527,641	20,245,334	25,859,606
<b>Total Available Cash for Capital</b>	<b>\$3,963,458</b>	<b>\$23,623,572</b>	<b>\$16,450,604</b>	<b>\$16,527,641</b>	<b>\$20,245,334</b>	<b>\$25,859,606</b>
<b>Capital</b>						
Capital Costs Funded by Rates	5,459,848	51,912,940	14,081,826	11,094,250	20,688,752	26,244,003
<b>Total Capital Costs Funded by Rates</b>	<b>\$5,459,848</b>	<b>\$51,912,940</b>	<b>\$14,081,826</b>	<b>\$11,094,250</b>	<b>\$20,688,752</b>	<b>\$26,244,003</b>
<b>Transfers</b>						
To Water Construction Fund	0	0	0	0	0	0
<b>Total Transfers</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Total Expenses</b>	<b>\$23,824,190</b>	<b>\$70,943,868</b>	<b>\$33,764,122</b>	<b>\$31,149,509</b>	<b>\$41,444,018</b>	<b>\$47,728,697</b>
<b>Net Annual Cash Flow</b>	<b>(1,496,390)</b>	<b>(28,289,368)</b>	2,368,778	5,433,391	<b>(443,418)</b>	<b>(384,397)</b>
Beginning Fund Balance	35,936,290	34,439,900	6,150,532	8,519,310	13,952,701	13,509,283
<b>Net Cumulative Fund Balance</b>	<b>\$34,439,900</b>	<b>\$6,150,532</b>	<b>\$8,519,310</b>	<b>\$13,952,701</b>	<b>\$13,509,283</b>	<b>\$13,124,886</b>

**PROPOSED FINANCIAL PLAN – SCENARIO 2**

The revenue requirement analysis, shown in Figure F7, provides a basis for evaluating the timing and level of sewer revenue increases required to meet the projected required revenue for the study period. The dollar amounts shown at the top of Figure F13 show the recommended annual rate adjustments. To meet operational expenses and fund capital projects, TischlerBise recommends the following rate adjustments over the next five years:

1. Minimum Bill: Decrease minimum bill from 1,500 gallons per month to 1,000 gallons per month. Increase of \$4.35 per month in FY 2025, \$4.00 per month in FY 2026, \$3.85 per month in FY 2027, and \$0.30 per month in FY 2028 and FY 2029.
2. Volume: Increase of \$1.00 per 1,000 gallons for customers with monthly demand of 1,000,000 gallons or less. Increase of \$0.20 per 1,000 gallons for customers with monthly demand over 1,000,000 gallons.

**Figure F13: Proposed Financial Plan (Scenario 2)**

Description	Budget FY 2024	Forecast FY 2025	Forecast FY 2026	Forecast FY 2027	Forecast FY 2028	Forecast FY 2029
<b>Sewer</b>						
<b>Rate Adjustments (Annual)</b>						
Minimum Bill (First 1,000 Gallons)	\$0.00	\$4.35	\$4.00	\$3.85	\$0.30	\$0.30
Per 1,000 Gallons: 1,000,000 or Less	\$0.00	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00
Per 1,000 Gallons: Over 1,000,000	\$0.00	\$0.20	\$0.20	\$0.20	\$0.20	\$0.20
Fiscal Year - Month Effective	October	January	October	October	October	October
Impact Fees	No	Yes	Yes	Yes	Yes	Yes
<b>Operating Results</b>						
Total Revenue	22,327,800	41,252,000	31,800,700	35,858,630	38,602,330	41,204,030
Total Expenses	24,314,342	25,337,928	29,117,696	30,056,759	31,356,866	32,722,394
Net Annual Operating Results	(\$1,986,542)	\$15,914,072	\$2,683,004	\$5,801,871	\$7,245,464	\$8,481,636
<b>Capital Results</b>						
Sources of Funds	5,950,000	6,307,000	9,435,400	10,001,500	10,601,600	11,237,700
Uses of Funds	5,459,848	50,647,625	11,551,196	8,563,620	18,158,122	23,713,373
Net Annual Capital Results	\$490,152	(\$44,340,625)	(\$2,115,796)	\$1,437,880	(\$7,556,522)	(\$12,475,673)
Net Annual Cash Flow	(1,496,390)	(28,426,553)	567,208	7,239,751	(311,058)	(3,994,037)
Beginning Fund Balance	35,936,290	34,439,900	6,013,347	6,580,555	13,820,306	13,509,248
Net Cumulative Fund Balance	\$34,439,900	\$6,013,347	\$6,580,555	\$13,820,306	\$13,509,248	\$9,515,211
Unrestricted Fund Balance	32,149,834	2,236,619	2,203,221	9,442,972	9,131,914	5,137,877
Restricted Fund Balance	2,290,066	3,776,728	4,377,334	4,377,334	4,377,334	4,377,334
Net Cumulative Fund Balance	\$34,439,900	\$6,013,347	\$6,580,555	\$13,820,306	\$13,509,248	\$9,515,211
Debt Coverage Ratio	0.3	0.8	1.0	1.8	2.1	2.4

**Proposed Capital Flows**

Based on projects identified in Figure F14, SWU plans to use a combination of bond proceeds, American Rescue Plan Act (ARPA) grant funds, impact fees, and rate revenue to fund capital improvements.

**Figure F14: Proposed Capital Flows**

Description	Budget FY 2024	Forecast FY 2025	Forecast FY 2026	Forecast FY 2027	Forecast FY 2028	Forecast FY 2029
<b>Sewer Capital</b>						
Total Capital Costs	29,436,529	51,912,940	14,081,826	11,094,250	20,688,752	26,244,003
Less Outside Funding						
Bond Proceeds Balance	18,976,681	0	0	0	0	0
ANRC ARPA Grant	5,000,000	0	0	0	0	0
Impact Fee Funds	0	1,265,315	2,530,630	2,530,630	2,530,630	2,530,630
Total Capital Costs Funded by Rates	\$5,459,848	\$50,647,625	\$11,551,196	\$8,563,620	\$18,158,122	\$23,713,373

**Reserve/Fund Balances**

Shown below, Figure F15 includes ending fund balances for each sewer fund. SWU will use Sewer Operating Fund balance and Wastewater Construction Fund balance to fund projected expenses. As required by the ANRC bond (water), SWU is required to put six percent of sales revenue in the Depreciation Fund - ANRC until the balance reaches 10 percent of total bond principal. SWU will split this requirement between water and sewer funds, so the required sewer balance is \$2.5 million (\$50.0 million ANRC West Side Water principal X 10 percent required balance X 50 percent water share).

**Figure F15: Reserve/Fund Balances**

Description	Budget FY 2024	Forecast FY 2025	Forecast FY 2026	Forecast FY 2027	Forecast FY 2028	Forecast FY 2029
<b>Reserve/Fund Balances</b>						
<b>Unrestricted Fund Balance</b>						
Operating Fund	2,177,076	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Health Insurance Fund	63,865	63,865	63,865	63,865	63,865	63,865
Wastewater Construction Fund	29,908,893	1,185,309	1,139,357	8,379,108	8,068,050	4,074,013
Total Unrestricted Fund Balance	\$32,149,834	\$2,249,174	\$2,203,221	\$9,442,972	\$9,131,915	\$5,137,877
<b>Restricted Fund Balance</b>						
Series 2006 Lowell Bond Debt Service Fund	256,121	256,121	0	0	0	0
Series 2022A Rev Bond Debt Service Fund	718,552	718,552	718,552	718,552	718,552	718,552
Series 2022BC ANRC Bond Debt Service Fund	10	10	10	10	10	10
Depreciation Fund	1,158,772	1,158,772	1,158,772	1,158,772	1,158,772	1,158,772
Depreciation Fund - ANRC	156,611	1,630,718	2,500,000	2,500,000	2,500,000	2,500,000
Total Restricted Fund Balance	\$2,290,066	\$3,764,173	\$4,377,334	\$4,377,334	\$4,377,334	\$4,377,334
Total Fund Balance	\$34,439,900	\$6,013,347	\$6,580,555	\$13,820,306	\$13,509,248	\$9,515,211

### Sewer Impact Fee Fund

Scenario 2 includes revenue generated from proposed sewer impact fees. Projected impact fee revenue generated during the study period equals \$11.39 million, and SWU will use impact fee revenue to fund costs associated with the Johnson force main improvements. SWU will use impact fee revenue to fund approximately \$1.27 million in FY 2025 and \$2.53 million in FY 2026, and SWU will transfer \$2.53 million to the Wastewater Construction Fund in FY 2027, FY 2028, and FY 2029 to repay the Wastewater Construction Fund for the Sewer Impact Fee Fund shortfall related to the Johnson force main improvements.

**Figure F16: Sewer Impact Fee Fund**

Description	Budget FY 2024	Forecast FY 2025	Forecast FY 2026	Forecast FY 2027	Forecast FY 2028	Forecast FY 2029
<b>Sewer Impact Fee Fund</b>						
<b>Source of Funds</b>						
Impact Fee Revenue	0	1,265,315	2,530,630	2,530,630	2,530,630	2,530,630
Sewer Operating Fund	550,000	4,786,261	3,520,946	0	0	0
Earnings from Investments	0	0	0	0	0	0
<b>Total Sources</b>	<b>\$550,000</b>	<b>\$6,051,576</b>	<b>\$6,051,576</b>	<b>\$2,530,630</b>	<b>\$2,530,630</b>	<b>\$2,530,630</b>
<b>Use of Funds</b>						
Wastewater Construction Fund	0	0	0	2,530,630	2,530,630	2,530,630
Sewer Capital Fund	550,000	6,051,576	6,051,576	0	0	0
Interest to Sewer Operating Fund	0	0	0	0	0	0
<b>Total Uses</b>	<b>\$550,000</b>	<b>\$6,051,576</b>	<b>\$6,051,576</b>	<b>\$2,530,630</b>	<b>\$2,530,630</b>	<b>\$2,530,630</b>
Net Annual Balance	0	0	0	0	0	0
Beginning Balance	0	0	0	0	0	0
Net Cumulative Fund Balance	\$0	0	0	\$0	\$0	\$0

## Proposed Revenues

Shown below, Figure F17 includes proposed revenues for Scenario 2. Applying the rate adjustments shown in Figure F13 to revenue from current rates provides total rate revenue. Proposed revenues include impact fee revenue used to repay the Wastewater Construction Fund of approximately \$2.53 million per year beginning in FY 2027 and transfers of \$16.5 million in FY 2025 and \$2.5 million in FY 2026 from the Water Construction Fund to limit sewer rate increases.

**Figure F17: Proposed Revenues (Scenario 2)**

Description	Budget FY 2024	Forecast FY 2025	Forecast FY 2026	Forecast FY 2027	Forecast FY 2028	Forecast FY 2029
<b>Revenue</b>						
<b>Rate Revenue</b>						
Revenue from Current Rates	20,723,800	20,931,100	21,140,400	21,351,600	21,565,100	21,780,700
Year	Months Effective					
FY 2025	9	2,874,500	3,871,000	3,909,700	3,948,800	3,988,300
FY 2026	12		3,701,000	3,738,000	3,775,400	3,813,200
FY 2027	12			3,644,700	3,681,100	3,717,900
FY 2028	12				2,309,200	2,332,300
FY 2029	12					2,309,200
Increased Revenue from Adjustments		2,874,500	7,572,000	11,292,400	13,714,500	16,160,900
<b>Total Rate Revenue</b>	<b>\$20,723,800</b>	<b>\$23,805,600</b>	<b>\$28,712,400</b>	<b>\$32,644,000</b>	<b>\$35,279,600</b>	<b>\$37,941,600</b>
<b>Other Operating Revenue</b>						
Penalties	350,000	353,500	357,000	360,600	364,200	367,800
Equipment Rental	6,000	6,100	6,200	6,300	6,400	6,500
Waste Hauler Fees	20,000	20,200	20,400	20,600	20,800	21,000
<b>Total Other Revenue</b>	<b>\$376,000</b>	<b>\$379,800</b>	<b>\$383,600</b>	<b>\$387,500</b>	<b>\$391,400</b>	<b>\$395,300</b>
<b>Total Operating Revenue</b>	<b>\$21,099,800</b>	<b>\$24,185,400</b>	<b>\$29,096,000</b>	<b>\$33,031,500</b>	<b>\$35,671,000</b>	<b>\$38,336,900</b>
<b>Non-Operating Revenue</b>						
Interest Income	1,200,000	538,300	176,100	267,600	371,500	307,000
Miscellaneous	10,000	10,300	10,600	10,900	11,200	11,500
Rental Income	18,000	18,000	18,000	18,000	18,000	18,000
<b>Total Non-Operating Revenue</b>	<b>\$1,228,000</b>	<b>\$566,600</b>	<b>\$204,700</b>	<b>\$296,500</b>	<b>\$400,700</b>	<b>\$336,500</b>
<b>Total Revenue Before Transfers</b>	<b>\$22,327,800</b>	<b>\$24,752,000</b>	<b>\$29,300,700</b>	<b>\$33,328,000</b>	<b>\$36,071,700</b>	<b>\$38,673,400</b>
<b>Transfers</b>						
From Sewer Impact Fee Fund	0	0	0	2,530,630	2,530,630	2,530,630
From Water Construction Fund	0	16,500,000	2,500,000	0	0	0
<b>Total Transfers</b>	<b>\$0</b>	<b>\$16,500,000</b>	<b>\$2,500,000</b>	<b>\$2,530,630</b>	<b>\$2,530,630</b>	<b>\$2,530,630</b>
<b>Total Revenue After Transfers</b>	<b>\$22,327,800</b>	<b>\$41,252,000</b>	<b>\$31,800,700</b>	<b>\$35,858,630</b>	<b>\$38,602,330</b>	<b>\$41,204,030</b>

## Proposed Revenue Requirements

Shown in Figure F18 are the proposed revenue requirements for the five-year study period. The sewer utility is projected to generate a deficit in all years of the study period except FY 2027. These deficits will use most of the Wastewater Construction Fund balance without requiring SWU to issue new debt.

**Figure F18: Proposed Revenue Requirements (Scenario 2)**

Description	Budget FY 2024	Forecast FY 2025	Forecast FY 2026	Forecast FY 2027	Forecast FY 2028	Forecast FY 2029
<b>Expenses</b>						
<b>Operating Expenses</b>						
Treatment	8,744,200	9,181,400	9,640,500	10,122,500	10,628,600	11,160,000
Collection System	7,645,500	8,027,800	11,179,200	11,738,200	12,325,100	12,941,400
General and Administrative	3,577,800	3,756,700	3,944,500	4,141,700	4,348,800	4,566,200
<b>Total Operating Expenses</b>	<b>\$19,967,500</b>	<b>\$20,965,900</b>	<b>\$24,764,200</b>	<b>\$26,002,400</b>	<b>\$27,302,500</b>	<b>\$28,667,600</b>
<b>Net Operating Income</b>	<b>\$1,132,300</b>	<b>\$3,219,500</b>	<b>\$4,331,800</b>	<b>\$7,029,100</b>	<b>\$8,368,500</b>	<b>\$9,669,300</b>
<b>Non-Operating Expenses</b>						
Interest on Bond Indebtedness	1,611,342	1,487,217	1,356,717	1,225,592	1,098,592	991,992
Other Expenses	255,500	88,500	88,500	88,500	88,500	88,500
<b>Total Non-Operating Expenses</b>	<b>\$1,866,842</b>	<b>\$1,575,717</b>	<b>\$1,445,217</b>	<b>\$1,314,092</b>	<b>\$1,187,092</b>	<b>\$1,080,492</b>
<b>Total Expenses Before Cash Obligations</b>	<b>\$21,834,342</b>	<b>\$22,541,617</b>	<b>\$26,209,417</b>	<b>\$27,316,492</b>	<b>\$28,489,592</b>	<b>\$29,748,092</b>
<b>Total Revenue Less Expenses</b>	<b>\$493,458</b>	<b>\$18,710,383</b>	<b>\$5,591,283</b>	<b>\$8,542,138</b>	<b>\$10,112,738</b>	<b>\$11,455,938</b>
<b>Conversion to Cash Basis</b>						
<b>Add Back Non-Cash Expenses</b>						
Depreciation	5,950,000	6,307,000	9,435,400	10,001,500	10,601,600	11,237,700
<b>Net Cash Flow Before Other Cash Obligations</b>	<b>\$6,443,458</b>	<b>\$25,017,383</b>	<b>\$15,026,683</b>	<b>\$18,543,638</b>	<b>\$20,714,338</b>	<b>\$22,693,638</b>
<b>Less Cash Obligations</b>						
Annual Principal Debt Service	2,480,000	2,796,311	2,908,279	2,740,267	2,867,274	2,974,302
<b>Total Cash Obligations</b>	<b>\$2,480,000</b>	<b>\$2,796,311</b>	<b>\$2,908,279</b>	<b>\$2,740,267</b>	<b>\$2,867,274</b>	<b>\$2,974,302</b>
<b>Available Cash for Capital</b>						
Cash Flow After Cash Obligations	3,963,458	22,221,072	12,118,404	15,803,371	17,847,064	19,719,336
<b>Total Available Cash for Capital</b>	<b>\$3,963,458</b>	<b>\$22,221,072</b>	<b>\$12,118,404</b>	<b>\$15,803,371</b>	<b>\$17,847,064</b>	<b>\$19,719,336</b>
<b>Capital</b>						
Capital Costs Funded by Rates	5,459,848	50,647,625	11,551,196	8,563,620	18,158,122	23,713,373
<b>Total Capital Costs Funded by Rates</b>	<b>\$5,459,848</b>	<b>\$50,647,625</b>	<b>\$11,551,196</b>	<b>\$8,563,620</b>	<b>\$18,158,122</b>	<b>\$23,713,373</b>
<b>Transfers</b>						
To Water Construction Fund	0	0	0	0	0	0
<b>Total Transfers</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Total Expenses</b>	<b>\$23,824,190</b>	<b>\$69,678,553</b>	<b>\$31,233,492</b>	<b>\$28,618,879</b>	<b>\$38,913,388</b>	<b>\$45,198,067</b>
<b>Net Annual Cash Flow</b>	<b>(1,496,390)</b>	<b>(28,426,553)</b>	567,208	7,239,751	<b>(311,058)</b>	<b>(3,994,037)</b>
Beginning Fund Balance	35,936,290	34,439,900	6,013,347	6,580,555	13,820,306	13,509,248
<b>Net Cumulative Fund Balance</b>	<b>\$34,439,900</b>	<b>\$6,013,347</b>	<b>\$6,580,555</b>	<b>\$13,820,306</b>	<b>\$13,509,248</b>	<b>\$9,515,211</b>

**COST OF SERVICE**

The cost-of-service analysis identifies the net revenue requirement to be recovered by rates for the FY 2025 test year. As shown below, the net revenue requirement for FY 2025 is approximately \$25.69 million in Scenario 1 and approximately \$23.81 million in Scenario 2.

**Figure F19: Cost of Service – Scenario 1**

Description	Operating Expense	Capital Cost	Total Cost
<b>Revenue Requirements</b>			
O&M Expenses	20,965,900		20,965,900
Debt Service		4,283,528	4,283,528
Other Expenses	88,500		88,500
Non-Cash Expenses		(6,307,000)	(6,307,000)
Cash Funding of Capital Expenses		51,912,940	51,912,940
<b>Subtotal</b>	<b>\$21,054,400</b>	<b>\$49,889,468</b>	<b>\$70,943,868</b>
<b>Revenue Requirement Met from Other Sources</b>			
Other Operating Revenue	960,700		960,700
Transfer from Sewer Impact Fee Fund		0	0
Transfer from Water Construction Fund		16,000,000	16,000,000
Transfer to/from Annual Cash Balance		28,289,368	28,289,368
<b>Subtotal</b>	<b>\$960,700</b>	<b>\$44,289,368</b>	<b>\$45,250,068</b>
<b>Net Revenue Requirements to be Recovered by Rates</b>	<b>\$20,093,700</b>	<b>\$5,600,100</b>	<b>\$25,693,800</b>

**Figure F20: Cost of Service – Scenario 2**

Description	Operating Expense	Capital Cost	Total Cost
<b>Revenue Requirements</b>			
O&M Expenses	20,965,900		20,965,900
Debt Service		4,283,528	4,283,528
Other Expenses	88,500		88,500
Non-Cash Expenses		(6,307,000)	(6,307,000)
Cash Funding of Capital Expenses		50,647,625	50,647,625
<b>Subtotal</b>	<b>\$21,054,400</b>	<b>\$48,624,153</b>	<b>\$69,678,553</b>
<b>Revenue Requirement Met from Other Sources</b>			
Other Operating Revenue	946,400		946,400
Transfer from Sewer Impact Fee Fund		0	0
Transfer from Water Construction Fund		16,500,000	16,500,000
Transfer to/from Annual Cash Balance		28,426,553	28,426,553
<b>Subtotal</b>	<b>\$946,400</b>	<b>\$44,926,553</b>	<b>\$45,872,953</b>
<b>Net Revenue Requirements to be Recovered by Rates</b>	<b>\$20,108,000</b>	<b>\$3,697,600</b>	<b>\$23,805,600</b>

## **RATE DESIGN**

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The revenue requirements and cost of service (COS) analyses provide a basis for the design of sewer rates, and rate design involves the development of rate schedules to recover the annual COS. TischlerBise met with SWU staff and the Springdale Water and Sewer Commission to develop multiple financial plans and alternative scenarios. Based on these meetings, the proposed sewer rates include two scenarios: Scenario 1 does not include impact fees and Scenario 2 includes impact fees.

### **Rate Structure**

The primary emphasis in the design of rate structures is ordinarily placed on achieving fairness and equity, with the objective being to ensure that each customer class pays their fair share of costs. In addition, rate structures should be easy to understand, simple to administer, and compliant with regulatory requirements.

**Proposed Sewer Rates – Scenario 1**

Figure F21 includes proposed monthly sewer rates for Scenario 1. The proposed rate structure includes a reduction in the current minimum bill from 1,500 gallons per month to 1,000 gallons per month, but there are no other adjustments to the current customer class tiers. The proposed rates include minimum bill increases of \$10.80 in FY 2025 and annual increases of \$4.50 in FY 2026 through FY 2029. Annual volume charges include increases of \$1.00 per 1,000 gallons for customers with monthly demand of 1,000,000 gallons or less and \$0.25 per 1,000 gallons for customers with monthly demand over 1,000,000 gallons.

**Figure F21: Proposed Sewer Rates – Scenario 1**

Proposed Sewer Rates per 1,000 Gallons - Scenario 1							
Inside City							
Rate Brackets		Current	1/1/25	10/1/25	10/1/26	10/1/27	10/1/28
Minimum	1,000 Gallons	\$11.20	\$22.00	\$26.50	\$31.00	\$35.50	\$40.00
Next	24,000 Gallons	\$4.17	\$5.17	\$6.17	\$7.17	\$8.17	\$9.17
Next	225,000 Gallons	\$4.13	\$5.13	\$6.13	\$7.13	\$8.13	\$9.13
Next	350,000 Gallons	\$4.04	\$5.04	\$6.04	\$7.04	\$8.04	\$9.04
Next	400,000 Gallons	\$3.91	\$4.91	\$5.91	\$6.91	\$7.91	\$8.91
All Over	1,000,000 Gallons	\$3.76	\$4.01	\$4.26	\$4.51	\$4.76	\$5.01
Outside City							
Rate Brackets		Current	1/1/25	10/1/25	10/1/26	10/1/27	10/1/28
Minimum	1,000 Gallons	\$12.45	\$23.25	\$27.75	\$32.25	\$36.75	\$41.25
Next	24,000 Gallons	\$4.48	\$5.48	\$6.48	\$7.48	\$8.48	\$9.48
Next	225,000 Gallons	\$4.40	\$5.40	\$6.40	\$7.40	\$8.40	\$9.40
Next	350,000 Gallons	\$4.27	\$5.27	\$6.27	\$7.27	\$8.27	\$9.27
Next	400,000 Gallons	\$4.24	\$5.24	\$6.24	\$7.24	\$8.24	\$9.24
All Over	1,000,000 Gallons	\$3.86	\$4.11	\$4.36	\$4.61	\$4.86	\$5.11

**Proposed Sewer Rates – Scenario 2**

Figure F22 includes proposed monthly sewer rates for Scenario 2. The proposed rate structure includes a reduction in the current minimum bill from 1,500 gallons per month to 1,000 gallons per month, but there are no other adjustments to the current customer class tiers. The proposed rates include minimum bill increases of \$4.35 in FY 2025, \$4.00 in FY 2026, \$3.85 in FY 2027, and \$0.30 in FY 2028 and FY 2029. Annual volume charges include increases of \$1.00 per 1,000 gallons for all customers with monthly demand of 1,000,000 gallons or less and \$0.20 per 1,000 gallons for customers with monthly demand over 1,000,000 gallons.

**Figure F22: Proposed Sewer Rates – Scenario 2**

<b>Proposed Sewer Rates per 1,000 Gallons - Scenario 2</b>							
<b>Inside City</b>							
<b>Rate Brackets</b>		<b>Current</b>	<b>1/1/25</b>	<b>10/1/25</b>	<b>10/1/26</b>	<b>10/1/27</b>	<b>10/1/28</b>
Minimum	1,000 Gallons	\$11.20	\$15.55	\$19.55	\$23.40	\$23.70	\$24.00
Next	24,000 Gallons	\$4.17	\$5.17	\$6.17	\$7.17	\$8.17	\$9.17
Next	225,000 Gallons	\$4.13	\$5.13	\$6.13	\$7.13	\$8.13	\$9.13
Next	350,000 Gallons	\$4.04	\$5.04	\$6.04	\$7.04	\$8.04	\$9.04
Next	400,000 Gallons	\$3.91	\$4.91	\$5.91	\$6.91	\$7.91	\$8.91
All Over	1,000,000 Gallons	\$3.76	\$3.96	\$4.16	\$4.36	\$4.56	\$4.76
<b>Outside City</b>							
<b>Rate Brackets</b>		<b>Current</b>	<b>1/1/25</b>	<b>10/1/25</b>	<b>10/1/26</b>	<b>10/1/27</b>	<b>10/1/28</b>
Minimum	1,000 Gallons	\$12.45	\$16.80	\$20.80	\$24.65	\$24.95	\$25.25
Next	24,000 Gallons	\$4.48	\$5.48	\$6.48	\$7.48	\$8.48	\$9.48
Next	225,000 Gallons	\$4.40	\$5.40	\$6.40	\$7.40	\$8.40	\$9.40
Next	350,000 Gallons	\$4.27	\$5.27	\$6.27	\$7.27	\$8.27	\$9.27
Next	400,000 Gallons	\$4.24	\$5.24	\$6.24	\$7.24	\$8.24	\$9.24
All Over	1,000,000 Gallons	\$3.86	\$4.06	\$4.26	\$4.46	\$4.66	\$4.86

**IMPACT ANALYSIS**

As indicated throughout this study, SWU revenue requirements for water and sewer service are expected to increase during the study period. For SWU to meet the revenue requirements, it will increase water and sewer rates in Scenario 1 or it will use impact fee revenues to minimize changes to water and sewer rates in Scenario 2.

**Average Residential Bill – Scenario 1**

Shown below, Figure G1 calculates the monthly bill for a residential customer with monthly demand of 4,000 gallons. The current combined bill is \$43.01 per month and increases to \$115.72 per month in FY 2029 based on the proposed water and sewer rates in Scenario 1. This represents a monthly increase of 169 percent from FY 2024 to FY 2029. Based on a median household income of \$59,027 (American Community Survey, 2022), the combined monthly bill increases from 0.87 percent of income to 2.35 percent of income.

**Figure G1: Average Residential Bill – Scenario 1**

In Town Customer - Monthly Bill						
Year	Water	Sewer	Combined	Monthly Change		Affordability
FY 2024	\$21.38	\$21.63	\$43.01			0.87%
FY 2025	\$36.01	\$37.51	\$73.52	\$30.51	71%	1.49%
FY 2026	\$39.06	\$45.01	\$84.07	\$10.55	14%	1.71%
FY 2027	\$42.11	\$52.51	\$94.62	\$10.55	13%	1.92%
FY 2028	\$45.16	\$60.01	\$105.17	\$10.55	11%	2.14%
FY 2029	\$48.21	\$67.51	\$115.72	\$10.55	10%	2.35%
Monthly Increase	\$26.83	\$45.88	\$72.71		169%	
Annual Increase	\$321.96	\$550.56	\$872.52			

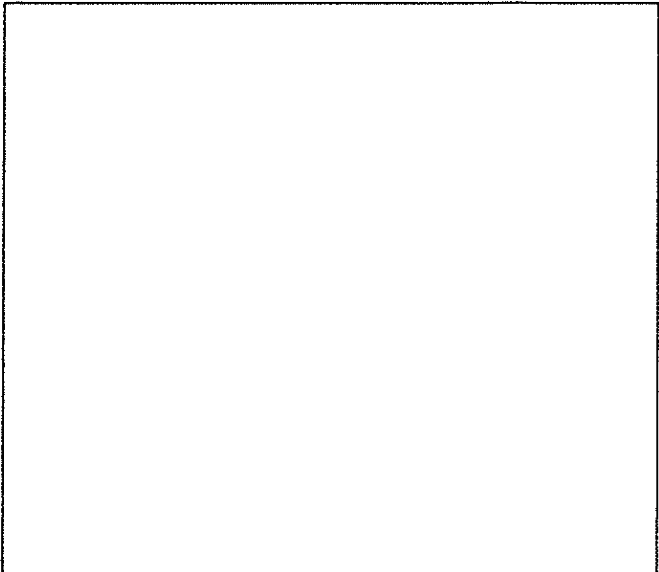
**Average Residential Bill – Scenario 2**

Shown below, Figure G2 calculates the monthly bill for a residential customer with monthly demand of 4,000 gallons. The current combined bill is \$43.01 per month and increases to \$85.22 per month in FY 2029 based on the proposed water and sewer rates in Scenario 2. This represents a monthly increase of 98 percent from FY 2024 to FY 2029. Based on a median household income of \$59,027 (American Community Survey, 2022), the combined monthly bill increases from 0.87 percent of income to 1.73 percent of income.

**Figure G2: Average Residential Bill – Scenario 2**

In Town Customer - Monthly Bill						
Year	Water	Sewer	Combined	Monthly Change		Affordability
FY 2024	\$21.38	\$21.63	\$43.01			0.87%
FY 2025	\$26.31	\$31.06	\$57.37	\$14.36	33%	1.17%
FY 2026	\$28.81	\$38.06	\$66.87	\$9.50	17%	1.36%
FY 2027	\$31.31	\$44.91	\$76.22	\$9.35	14%	1.55%
FY 2028	\$32.51	\$48.21	\$80.72	\$4.50	6%	1.64%
FY 2029	\$33.71	\$51.51	\$85.22	\$4.50	6%	1.73%
Monthly Increase	\$12.33	\$29.88	\$42.21		98%	
Annual Increase	\$147.96	\$358.56	\$506.52			

**ORDINANCE NO.** \_\_\_\_\_



**AN ORDINANCE AUTHORIZING THE CITY CLERK TO FILE A CLEAN-UP LIEN FOR THE REMOVAL OF OVERGROWN BRUSH AND DEBRIS ON PROPERTY LOCATED WITHIN THE CITY OF SPRINGDALE, ARKANSAS AND DECLARING AN EMERGENCY**

**WHEREAS**, the following real property located in Springdale, Washington County, Arkansas, is owned as set out below:

**PROPERTY OWNER:** Dream Structures Investment Properties 2, LLC

**LEGAL DESCRIPTION:** Lots 86, 88, 106, 107, 127, 137, 162, and 164, Hidden Hills Subdivision, Phase II, Springdale, Washington County, Arkansas, as shown on final plat record 23A at page 213.

**LAYMAN'S DESCRIPTION:** 2234 Carefree Lane

**PARCEL NO.:** 815-37633-000

**PROPERTY OWNER:** Dream Structures Investment Properties 2 LLC

**LEGAL DESCRIPTION:** Lot 5 and 3 feet of equal and uniform width off the North side of Lot 6, Block "D", of the Replat of Blocks C & D, Dandy Addition, to the City of Springdale, Washington County, Arkansas, as shown on plat record 1 at page 64

**LAYMAN'S DESCRIPTION:** 501 Carlton Street

**PARCEL:** 815-21227-000

**WHEREAS**, the owner was given notice, pursuant to Ark. Code Ann. §14-54-903, of the unsightly and unsanitary conditions on the properties described above, and instructed to clean the properties in accordance with Sections 42-77 and 42-78 of the Springdale Code of Ordinances;

**WHEREAS**, the property owner of record did not abate the situation on these properties, and as a result, the City of Springdale was required to abate the conditions on these properties and incurred cost as follows, and as shown in the attached Exhibits:

\$476.64 clean-up costs and \$32.45 administrative costs – 2234 Carefree Lane (815-37633-000)

\$388.32 clean up costs and \$24.92 administrative costs – 501 Carlton Street (815-21227-000)

**WHEREAS**, the property owners have been given at least 30 days written notice of the public hearing in accordance with Ark. Code Ann. §14-54-903, as shown in the attached Exhibits;

**WHEREAS**, Ark. Code Ann. §14-54-904 authorizes the City Council to assert a clean-up lien on these properties to collect the amounts expended by the City in cleaning up these properties;

**NOW THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL FOR THE CITY OF SPRINGDALE, ARKANSAS**, pursuant to Ark. Code Ann. §14-54-904, the City Council certifies that the

following real property shall be placed on the tax books of the Washington County Tax Collector as delinquent taxes and collected accordingly:

\$509.09 plus 10% for collection – 2234 Carefree Lane (815-37633-000)

\$413.24 plus 10% for collection – 501 Carlton Street (815-21227-000)

**Emergency Clause.** It is hereby declared that an emergency exists and this ordinance, being necessary for the preservation of the health, safety and welfare of the citizens of Springdale, Arkansas, shall be in effect immediately upon its passage and approval.

**PASSED AND APPROVED** this 26th day of November, 2024.

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Doug Sprouse, Mayor

ATTEST:

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Denise Pearce, CITY CLERK

APPROVED AS TO FORM:

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Ernest B. Cate, CITY ATTORNEY

# City Abatement

City of Springdale  
Neighborhood Service  
201 Spring Street  
Springdale, AR 72764  
479-756-7712  
Case Number: 2404103



Date: 07/25/2024  
Status: Abated  
Property: 2234 CAREFREE LN  
City, State, Zip: Springdale, AR 72764

Officer on Site: Shane Pegram  
Abatement Type: Lien  
Abatement Date: 07/25/2024  
Abatement Start Time: 1230 pm  
Abatement End Time: 130 pm

Fee	Amount
Disposal Cost Recovery	\$118.32
Employee Rate	\$30.00
Equipment Rate	\$90.00
<b>Total Fee: \$238.32</b>	

**Method of Compliance:** Property was mowed by 1 City Employee with tractor and brush hog.

Shane Pegram  
Code Enforcement Officer

07/25/2024  
Date



Ernest B. Cate  
City Attorney  
ecate@springdalear.gov

Taylor Samples  
Senior Deputy City Attorney  
tsamples@springdalear.gov

David D. Phillips  
Deputy City Attorney  
dphillips@springdalear.gov

Cameron Baker  
Deputy City Attorney  
cbaker@springdalear.gov



**SPRINGDALE**<sup>TM</sup>  
WE'RE MAKING IT HAPPEN

**OFFICE OF CITY ATTORNEY**

201 Spring Street • Springdale, Arkansas 72764  
Phone (479) 750-8173 • Fax (479) 750-4732  
[www.springdalear.gov](http://www.springdalear.gov)

Giselle Gonzalez  
Case Coordinator/Victim Advocate  
ggonzalez@springdalear.gov

Steve Helms  
Investigator  
shelms@springdalear.gov

Dixie Putt  
Administrative Legal Assistant/Paralegal  
dputt@springdalear.gov

Christy Pianalto  
File/Discovery Clerk  
cpianalto@springdalear.gov

August 27, 2024

**CERTIFIED MAIL  
RETURN RECEIPT REQUESTED  
AND REGULAR MAIL**

Dream Structures Investment Properties 2, LLC  
P.O. Box 39  
Lowell, AR 72745

RE: Notice of clean-up lien on property located at 2234 Carefree Lane, Springdale, Washington County, Arkansas, Tax Parcel No. 815-37633-000

Dear Property Owner/Lienholder:

On July 25, 2024 notice was posted on property located at 2234 Carefree Lane, Washington County, Springdale, Arkansas, that the property was in violation of Springdale City Ordinance 42-77 and 42-78, and needed to be remedied within seven (7) days. Notice was originally mailed to the owner of record on May 10, 2024, that the City intended to seek a clean-up lien on this property pursuant to Ark. Code Ann. §14-54-903 if the violations were not remedied. The notice also applied to any violations that may be found on the property within the next 12 months.

Subsequent to the above-referenced violation notice being issued, a city code violation was found to have existed on the property. As a result, the City of Springdale took action to remedy the violations on the property, as is allowed by Ark. Code Ann. §14-54-903, on or about July 25, 2024. As of this date, the total costs incurred by the City of Springdale to clean this property are \$238.32. I have enclosed an invoice evidencing the abatement costs incurred and paid by the City of Springdale to clean this property. Also, in accordance with Ark. Code Ann. §14-54-903(c)(4), administrative fees may be added to the total costs incurred by the City of Springdale, which will include certified mailing fee in the amount of \$7.53 per letter and a filing fee in the amount of \$15.00 to the Washington County Circuit Court.

This is to notify you that in the event this amount is not paid to the City of Springdale on or before October 2, 2024, a hearing confirming the amount of the lien will be held before the Springdale City Council pursuant to Ark. Code Ann. §14-54-903 to determine the amount of the

clean-up lien to which the City is entitled for cleaning up the property. The hearing confirming the amount of the lien will be held Tuesday, October 8, 2024, at 6:00 p.m. in the City Council Chambers at the City Administration Building, 201 Spring Street, Springdale, Arkansas. If this amount is paid prior to the hearing, no lien will be pursued.

Please remit the total sum of \$245.85, which includes \$238.32 for cleaning up the property and \$7.53 for certified mailings to the City of Springdale by the date listed above. Payment must be made payable to the City of Springdale and presented to the attention of Dixie Putt, Springdale City Attorney's Office, 201 Spring Street, Springdale, AR 72764. If you fail to pay this amount before the hearing, then an additional \$15.00 will be added for the costs of filing the ordinance with the Circuit Clerk's Office.

If you desire to contest the amount sought above, you will need to contact Neighborhood Services Division at 479-756-7712 for an appointment and you will be given a court date in Springdale District Court where you will have the opportunity to state your case before the District Court Judge.

This letter is also being mailed by regular mail to Dream Structures Investment Properties 2, LLC at the address above. Delivery of that letter by the U.S. Postal Service shall warrant service should the certified letter be returned.

If you should have any questions, please let me know.

Sincerely,



Ernest Cate  
City Attorney

Enclosures  
EBC:dp

**SENDER: COMPLETE THIS SECTION**

- Complete items 1, 2, and 3.
- Print your name and address on the reverse side so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Dream Structures  
 Investment Properties 2, LLC  
 P.O. Box 39  
 Lowell, AR 72745



9590 9402 8146 3030 4444 81

2. Article Number (Transfer from service label)

9589 0710 5270 0101 4262 1070

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature  Agent  
 Addre  
*[Signature]*

B. Received by (Printed Name) C. Date of Del  
*Steve Pen* 9-10

D. Is delivery address different from item 1?  Yes  
 If YES, enter delivery address below:  No

3. Service Type  Priority Mail Express  
 Registered Mail™  
 Adult Signature Restricted Delivery  Registered Mail Res  
 Certified Mail® Delivery  
 Certified Mail Restricted Delivery  Signature Confirma  
 Collect on Delivery  Signature Confirma  
 Collect on Delivery Restricted Delivery Restricted Delivery  
 Insured Mail

PS Form 3811, July 2020 PSN 7530-02-000-9053

Domestic Return Rec

USPS TRACKING #



First-Class Mail  
 Postage & Fees Paid  
 USPS  
 Permit No. G-10

9590 9402 8146 3030 4444 81

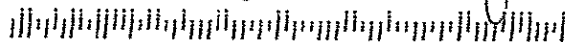
United States  
Postal Service

• Sender: Please print your name, address, and ZIP+4® in this box•



OFFICE OF THE  
 CITY ATTORNEY  
 201 NORTH SPRING STREET  
 SPRINGDALE, ARKANSAS 72764

*2234 Carefree Lane*



# City Abatement

City of Springdale  
Neighborhood Service  
201 Spring Street  
Springdale, AR 72764  
479-756-7712  
Case Number: 2404929



Date: 09/12/2024  
Status: Abated  
Property: 2234 CAREFREE LN  
City, State, Zip: Springdale, AR 72764

Officer on Site: Shane Pegram  
Abatement Type: Lien  
Abatement Date: 09/12/2024  
Abatement Start Time: 0800  
Abatement End Time: 0830

Fee	Amount
Disposal Cost Recovery	\$118.32
Employee Rate	\$30.00
Equipment Rate	\$90.00
<b>Total Fee: \$238.32</b>	

**Method of Compliance:** Tall grass and weeds removed from the vacant lot using city employees and equipment. 1 City employee and tractor and brush hog.

Shane Pegram  
Code Enforcement Officer

09/12/2024  
Date



Ernest B. Cate  
City Attorney  
ecate@springdalear.gov

David D. Phillips  
Deputy City Attorney  
dphillips@springdalear.gov

Cameron Baker  
Deputy City Attorney  
cbaker@springdalear.gov

George McManus  
Deputy City Attorney  
gmcmanus@springdalear.gov



**SPRINGDALE**<sup>™</sup>  
WE'RE MAKING IT HAPPEN

**OFFICE OF CITY ATTORNEY**

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Phone (479) 750-8173 • Fax (479) 750-4732  
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Case Coordinator/Victim Advocate  
ggonzalez@springdalear.gov

Steve Helms  
Investigator  
shelms@springdalear.gov

Dixie Putt  
Administrative Legal Assistant/Paralegal  
dputt@springdalear.gov

Christy Pianalto  
File/Discovery Clerk  
cpianalto@springdalear.gov

---

October 14, 2024

**CERTIFIED MAIL  
RETURN RECEIPT REQUESTED  
AND REGULAR MAIL**

Dream Structures Investment Properties 2, LLC  
P.O. Box 39  
Lowell, AR 72745

RE: Notice of clean-up lien on property located at 2234 Carefree Lane, Springdale, Washington County, Arkansas, Tax Parcel No. 815-37633-000

Dear Property Owner/Lienholder:

On September 5, 2024 notice was posted on property located at 2234 Carefree Lane, Washington County, Springdale, Arkansas, that the property was in violation of Springdale City Ordinance 42-77 and 42-78, and needed to be remedied within seven (7) days. Notice was originally mailed to the owner of record on May 10, 2024, that the City intended to seek a clean-up lien on this property pursuant to Ark. Code Ann. §14-54-903 if the violations were not remedied. The notice also applied to any violations that may be found on the property within the next 12 months.

Subsequent to the above-referenced violation notice being issued, a city code violation was found to have existed on the property. As a result, the City of Springdale took action to remedy the violations on the property, as is allowed by Ark. Code Ann. §14-54-903, on or about September 12, 2024. As of this date, the total costs incurred by the City of Springdale to clean this property are \$238.32. I have enclosed an invoice evidencing the abatement costs incurred and paid by the City of Springdale to clean this property. Also, in accordance with Ark. Code Ann. §14-54-903(c)(4), administrative fees may be added to the total costs incurred by the City of Springdale, which will include certified mailing fee in the amount of \$9.92 per letter and a filing fee in the amount of \$15.00 to the Washington County Circuit Court.

This is to notify you that in the event this amount is not paid to the City of Springdale on or before November 20, 2024, a hearing confirming the amount of the lien will be held before the Springdale City Council pursuant to Ark. Code Ann. §14-54-903 to determine the amount of the

clean-up lien to which the City is entitled for cleaning up the property. The hearing confirming the amount of the lien will be held Tuesday, November 26, 2024, at 6:00 p.m. in the City Council Chambers at the City Administration Building, 201 Spring Street, Springdale, Arkansas. If this amount is paid prior to the hearing, no lien will be pursued.

Please remit the total sum of \$248.24, which includes \$238.32 for cleaning up the property and \$9.92 for certified mailings to the City of Springdale by the date listed above. Payment must be made payable to the City of Springdale and presented to the attention of Dixie Putt, Springdale City Attorney's Office, 201 Spring Street, Springdale, AR 72764. If you fail to pay this amount before the hearing, then an additional \$15.00 will be added for the costs of filing the ordinance with the Circuit Clerk's Office.

If you desire to contest the amount sought above, you will need to contact Neighborhood Services Division at 479-756-7712 for an appointment and you will be given a court date in Springdale District Court where you will have the opportunity to state your case before the District Court Judge.

This letter is also being mailed by regular mail to Dream Structures Investment Properties 2, LLC at the address above. Delivery of that letter by the U.S. Postal Service shall warrant service should the certified letter be returned.

If you should have any questions, please let me know.

Sincerely,



Ernest Cate  
City Attorney

Enclosures  
EBC:dp

USPS TRACKING#



9590 9402 8146 3030 4443 13

First-Class Mail  
Postage & Fees Paid  
USPS  
Permit No. G-10

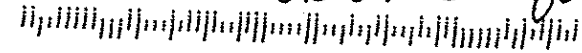
United States  
Postal Service

• Sender: Please print your name, address, and ZIP+4® in this box\*



OFFICE OF THE  
CITY ATTORNEY  
201 NORTH SPRING STREET  
SPRINGDALE, ARKANSAS 72764

2234 Carfree Lane



SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Dream Structures Investment  
Properties 2, LLC  
P.O. Box 39  
Lowell, AR 72745



9590 9402 8146 3030 4443 13

2. Article Number (Transfer from service label)

7589 0710 5270 1057 1512 47

COMPLETE THIS SECTION ON DELIVERY

A. Signature

*[Handwritten Signature]*

- Agent
- Addressee

B. Received by (Printed Name)

*Stacy Fole*

C. Date of Delivery

- D. Is delivery address different from item 1?  Yes
- If YES, enter delivery address below:  No

3. Service Type

- Adult Signature
- Adult Signature Restricted Delivery
- Certified Mail®
- Certified Mail Restricted Delivery
- Collect on Delivery
- Collect on Delivery Restricted Delivery
- Insured Mail
- Insured Mail Restricted Delivery (over \$500)
- Priority Mail Express®
- Registered Mail™
- Registered Mail Restricted Delivery
- Signature Confirmation™
- Signature Confirmation Restricted Delivery

# City Abatement

City of Springdale  
Neighborhood Service  
201 Spring Street  
Springdale, AR 72764  
479-756-7712  
Case Number: 2404155



Date: 09/06/2024  
Status: Abated  
Property: 501 CARLTON ST  
City, State, Zip: ,

Officer on Site: Ricardo Calderon  
Abatement Type: Lien  
Abatement Date: 08/29/2024  
Abatement Start Time: 0800  
Abatement End Time: 0830

Fee	Amount
Disposal Cost Recovery	\$118.32
Employee Rate	\$70.00
Equipment Rate	\$200.00
<b>Total Fee: \$388.32</b>	

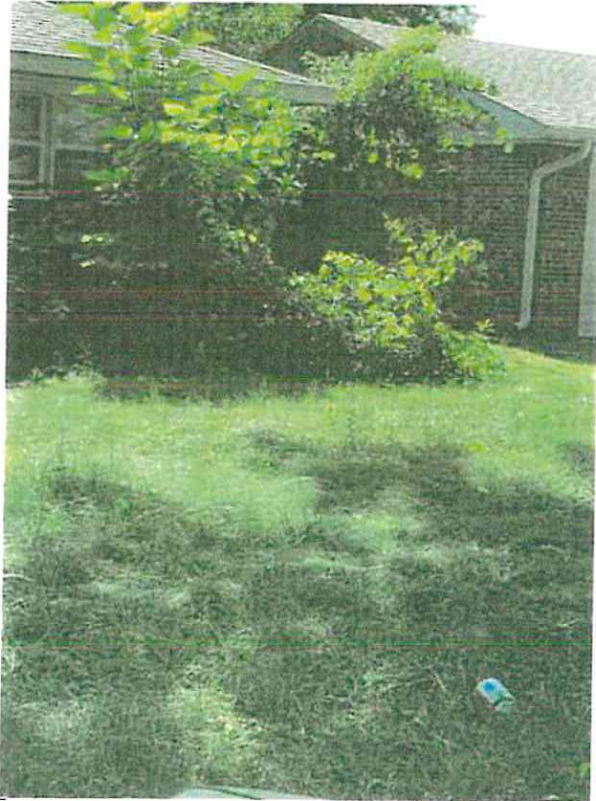
**Method of Compliance:** Property was already mowed upon arrival and the City removed all the mattress & box springs in the driveway.

2 City Employees & the bulk truck.

\_\_\_\_\_  
Ricardo Calderon  
Code Enforcement Officer

\_\_\_\_\_  
09/06/2024  
Date





Ernest B. Cate  
City Attorney  
ecate@springdalear.gov

David D. Phillips  
Deputy City Attorney  
dphillips@springdalear.gov

Cameron Baker  
Deputy City Attorney  
cbaker@springdalear.gov

George McManus  
Deputy City Attorney  
gmcmanus@springdalear.gov



**SPRINGDALE**<sup>™</sup>  
WE'RE MAKING IT HAPPEN

**OFFICE OF CITY ATTORNEY**  
201 Spring Street • Springdale, Arkansas 72764  
Phone (479) 750-8173 • Fax (479) 750-4732  
[www.springdalear.gov](http://www.springdalear.gov)

Giselle Gonzalez  
Case Coordinator/Victim Advocate  
ggonzalez@springdalear.gov

Steve Helms  
Investigator  
shelms@springdalear.gov

Dixie Putt  
Administrative Legal Assistant/Paralegal  
dputt@springdalear.gov

Christy Pianto  
File/Discovery Clerk  
cpianto@springdalear.gov

October 7, 2024

**CERTIFIED MAIL  
RETURN RECEIPT REQUESTED  
AND REGULAR MAIL**

Dream Structure Investment Properties 2 LLC  
P.O. Box 39  
Lowell, AR 72745

RE: Notice of clean-up lien on property located at 501 Carlton Steet, Springdale, Washington County, Arkansas, Tax Parcel No. 815-21227-000

Dear Property Owner/Lienholder:

On August 29, 2024, a notice was posted on property located at 501 Carlton Street, Springdale, Arkansas, that the property was in violation of Springdale City Ordinance 42-77 and 42-78, and needed to be remedied within seven (7) days. Notice was mailed to the owner of record on August 8, 2024 that the City intended to seek a clean-up lien on this property pursuant to Ark. Code Ann. §14-54-903 if the violations were not remedied. The notice also applied to any violations that may be found on the property within the next 12 months.

Subsequent to the above-referenced violation notice being issued, a city code violation was found to have existed on the property. As a result, the City of Springdale took action to remedy the violations on the property, as is allowed by Ark. Code Ann. §14-54-903, on or about September 6, 2024. As of this date, the total costs incurred by the City of Springdale to clean this property are \$388.32. I have enclosed an invoice evidencing the abatement costs incurred and paid by the City of Springdale to clean this property. Also, in accordance with Ark. Code Ann. §14-54-903(c)(4), administrative fees may be added to the total costs incurred by the City of Springdale, which will include certified mailing fee in the amount of \$9.92 per letter and a filing fee in the amount of \$15.00 to the Washington County Circuit Court.

This is to notify you that in the event this amount is not paid to the City of Springdale on or before November 20, 2024 a hearing confirming the amount of the lien will be held before the Springdale City Council pursuant to Ark. Code Ann. §14-54-903 to determine the amount of the clean-up lien to which the City is entitled for cleaning up the property. The hearing confirming the amount of the lien will be held Tuesday, November 26, 2024, at 6:00 p.m. in the City Council Chambers at the City Administration Building, 201 Spring Street, Springdale, Arkansas. If this amount is paid prior to the hearing, no lien will be pursued.

Please remit the total sum of \$398.24, which includes \$388.32 for cleaning up the property and \$9.92 for certified mailing to the City of Springdale by the date listed above. Payment must be made payable to the City of Springdale and presented to the attention of Dixie Putt, Springdale City Attorney's Office, 201 Spring Street, Springdale, AR 72764. If you fail to pay this amount before the hearing, then an additional \$15.00 will be added for the costs of filing the ordinance with the Circuit Clerk's Office.

If you desire to contest the amount sought above, you will need to contact Neighborhood Services Division at 479-756-7712 for an appointment and you will be given a court date in Springdale District Court where you will have the opportunity to state your case before the District Court Judge.

This letter is also being mailed by regular mail to Dream Structure Investment Properties 2 LLC at the address above. Delivery of that letter by the U.S. Postal Service shall warrant service should the certified letter be returned.

If you should have any questions, please let me know.

Sincerely,

A handwritten signature in black ink, appearing to read "Ernest B. Cate". The signature is fluid and cursive, with the first name being the most prominent.

Ernest B. Cate  
City Attorney

Enclosures  
EBC:dp



CITY OF SPRINGDALE  
OFFICE OF CITY ATTORNEY  
201 SPRING STREET  
SPRINGDALE, AR 72764

CERTIFIED MAIL



9589 0710 5270 1057 1511 79

US POSTAGE PAID FITNEY BOWES



ZIP 72701 \$010.72<sup>0</sup>  
02 7W  
0008029153 OCT 07 2024

Dream Structure Investment  
Properties 2 LLC  
P.O. Box 39  
Lowell, AR 72745

10/9

NIXIE 722 DE 1 0010/11/24

RETURN TO SENDER  
UNCLAIMED  
UNABLE TO FORWARD

UNC

72764>4554

BC: 72764455401 \*1255-09770-11-42

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Dream Structure Investment  
Properties 2 LLC  
P.O. Box 39  
Lowell, AR 72745



9590 9402 8146 3030 4443 82

2. Article Number (Transfer from service label)

9589 0710 5270 1057 1511 79

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

Agent

Addressee

B. Received by (Printed Name)

C. Date of Delivery

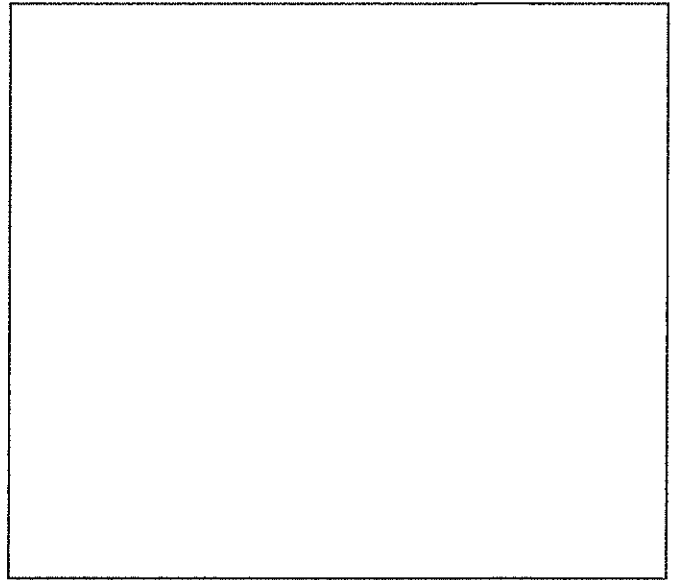
D. Is delivery address different from item 1?  Yes  
If YES, enter delivery address below:  No

3. Service Type

- Adult Signature
- Adult Signature Restricted Delivery
- Certified Mail®
- Certified Mail Restricted Delivery
- Collect on Delivery
- Collect on Delivery Restricted Delivery
- Insured Mail
- Insured Mail Restricted Delivery (over \$500)
- Priority Mail Express®
- Registered Mail™
- Registered Mail Restricted Delivery
- Signature Confirmation™
- Signature Confirmation Restricted Delivery

**ORDINANCE NO. \_\_\_\_\_**

**AN ORDINANCE AUTHORIZING THE CITY CLERK TO FILE A CLEAN-UP LIEN FOR THE REMOVAL OF OVERGROWN BRUSH AND DEBRIS ON PROPERTY LOCATED WITHIN THE CITY OF SPRINGDALE, ARKANSAS AND DECLARING AN EMERGENCY**



**WHEREAS**, the following real property located in Springdale, Benton County, Arkansas, is owned as set out below:

**PROPERTY OWNER:** Dream Structures , LLC

**LEGAL DESCRIPTION:** Lot 60, Thornbury Subdivision, Phase IV, to the City of Springdale, Benton County, Arkansas as shown on Final Plat Record “2002 at Pages 206 and 207

**LAYMAN’S DESCRIPTION:** Lankinshire Parcel 21-01159-000

**PARCEL NO.:** 21-01159-000

**PROPERTY OWNER:** Steve and Teresa Fisher

**LEGAL DESCRIPTION:** Lot 59, Thornbury Subdivision, Phase IV, Springdale, Benton County, Arkansas as shown in Plat Record 23A at Page 25, Plat Records of Benton County, Arkansas

**LAYMAN’S DESCRIPTION;** Lankinshire Parcel 21-01158-000

**PARCEL NO.:** 21-01158-000

**PROPERTY OWNER:** Steve and Teresa Fisher

**LEGAL DESCRIPTION:** Lots 55, 56, 59 and 60, Thornbury Subdivision, Phase IV, Springdale, Benton County, Arkansas, as shown in Plat Record 23A at Page 25, Plat Records of Benton County, Arkansas

**LAYMAN’S DESCRIPTION:** Cannonbury Place

**PARCEL NO.:** 21-01155-000

**PROPERTY OWNER:** Nexpoint SFR SPE 2 LLC

**LEGAL DESCRIPTION:** Lot 59, Heritage Heights, a Subdivision to the City of Springdale, as per plat on file in the Office of the Circuit Clerk and Ex-Officio recorded of Benton County, Arkansas.

**LAYMAN’S DESCRIPTION:** 3598 Alliance Drive

**PARCEL NO.:** 21-03079-000

**WHEREAS**, the owner was given notice, pursuant to Ark. Code Ann. §14-54-903, of the unsightly and unsanitary conditions on the properties described above, and instructed to clean the properties in accordance with Sections 42-77 and 42-78 of the Springdale Code of Ordinances;

**WHEREAS**, the property owner of record did not abate the situation on these properties, and as a result, the City of Springdale was required to abate the conditions on these properties and incurred cost as follows, and as shown in the attached Exhibits:

\$596.64 clean-up costs and \$24.92 administrative costs – Lankinshire Parcel 21-01159-000  
\$596.64 clean-up costs and \$24.92 administrative costs – Lankinshire Parcel 21-01158-000  
\$238.32 clean-up costs and \$24.92 administrative costs – Cannonbury Place 21-01155-000  
\$388.32 clean-up costs and \$24.92 administrative costs – 3598 Alliance Drive, 21-03079-000

**WHEREAS**, the property owners have been given at least 30 days written notice of the public hearing in accordance with Ark. Code Ann. §14-54-903, as shown in the attached Exhibits;

**WHEREAS**, Ark. Code Ann. §14-54-904 authorizes the City Council to assert a clean-up lien on these properties to collect the amounts expended by the City in cleaning up these properties;

**NOW THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL FOR THE CITY OF SPRINGDALE, ARKANSAS**, pursuant to Ark. Code Ann. §14-54-904, the City Council certifies that the following real property shall be placed on the tax books of the Benton County Tax Collector as delinquent taxes and collected accordingly:

\$621.56 plus 10% for collection – Lankinshire Parcel 21-01159-000  
\$621.56 plus 10% for collection – Lankinshire Parcel 21-01158-000  
\$263.24 plus 10% for collection – Cannonbury Place 21-01155-000  
\$413.24 plus 10% for collection – 3598 Alliance Drive 21-03079-000

**Emergency Clause.** It is hereby declared that an emergency exists and this ordinance, being necessary for the preservation of the health, safety and welfare of the citizens of Springdale, Arkansas, shall be in effect immediately upon its passage and approval.

**PASSED AND APPROVED** this 26th November, 2024.

\_\_\_\_\_  
Doug Sprouse, Mayor

ATTEST:

\_\_\_\_\_  
Denise Pearce, CITY CLERK

APPROVED AS TO FORM:

\_\_\_\_\_  
Ernest B. Cate, CITY ATTORNEY

# City Abatement

City of Springdale  
Neighborhood Service  
201 Spring Street  
Springdale, AR 72764  
479-756-7712  
Case Number: 2403172



Date: 07/01/2024  
Status: Abated  
Property: LANKINSHIRE PL  
City, State, Zip: ,

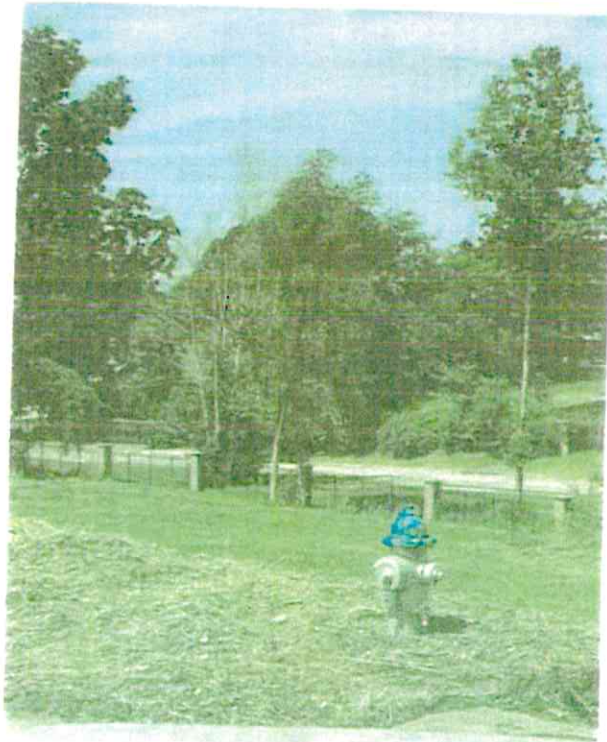
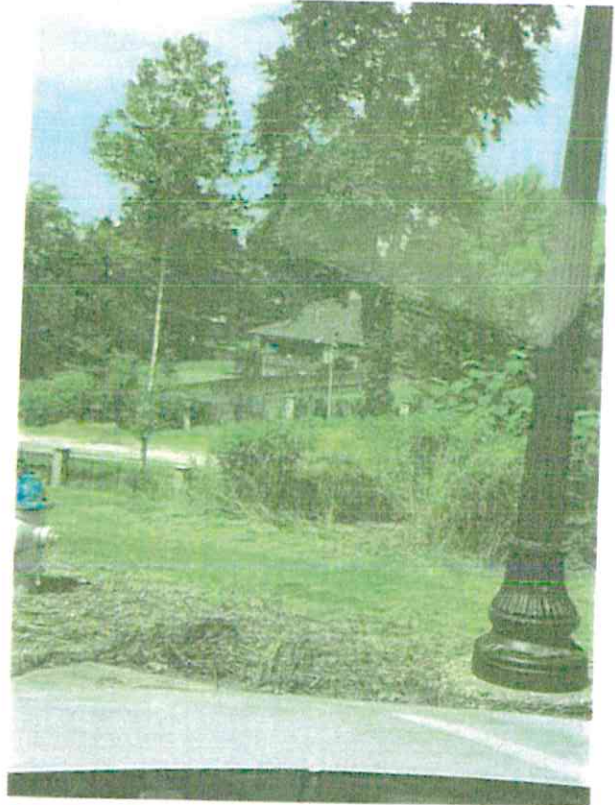
Officer on Site: Logan West  
Abatement Type: Lien  
Abatement Date: 06/28/2024  
Abatement Start Time: 0800  
Abatement End Time: 0900

Fee	Amount
Disposal Cost Recovery	\$118.32
Employee Rate	\$60.00
Equipment Rate	\$180.00
<b>Total Fee: \$358.32</b>	

**Method of Compliance:** Property was brush hog by 2 full time and 3 part time City Employees.

\_\_\_\_\_  
Logan West  
Code Enforcement Officer

\_\_\_\_\_  
06/28/2024  
Date



# City Abatement

City of Springdale  
Neighborhood Service  
201 Spring Street  
Springdale, AR 72764  
479-756-7712  
Case Number: 2404939



Date: 09/11/2024  
Status: Abated  
Property: LANKINSHIRE PL  
City, State, Zip: ,

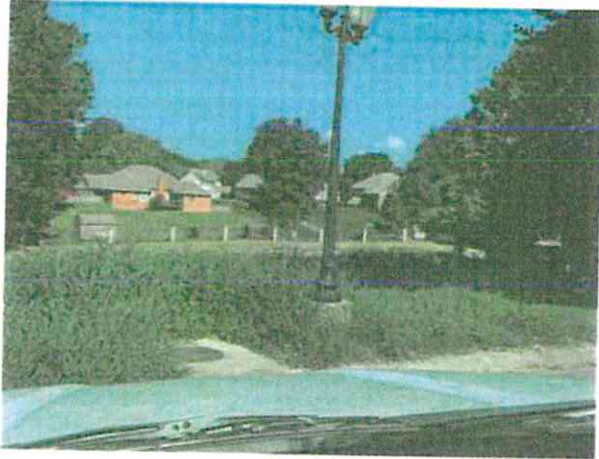
Officer on Site: Logan West  
Abatement Type: Lien  
Abatement Date: 09/11/2024  
Abatement Start Time: 0845  
Abatement End Time: 0945

Fee	Amount
Disposal Cost Recovery	\$118.32
Employee Rate	\$30.00
Equipment Rate	\$90.00
<b>Total Fee: \$238.32</b>	

**Method of Compliance:** Property was mowed with tractor and brush hog and 1 City employee.

\_\_\_\_\_  
Logan West  
Code Enforcement Officer

\_\_\_\_\_  
09/11/2024  
Date



Ernest B. Cate  
City Attorney  
ecate@springdalear.gov

David D. Phillips  
Deputy City Attorney  
dphillips@springdalear.gov

Cameron Baker  
Deputy City Attorney  
cbaker@springdalear.gov

George McManus  
Deputy City Attorney  
gmcmanus@springdalear.gov



**SPRINGDALE**<sup>™</sup>  
WE'RE MAKING IT HAPPEN

**OFFICE OF CITY ATTORNEY**

201 Spring Street • Springdale, Arkansas 72764  
Phone (479) 750-8173 • Fax (479) 750-4732  
[www.springdalear.gov](http://www.springdalear.gov)

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Case Coordinator/Victim Advocate  
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Steve Helms  
Investigator  
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Dixie Putt  
Administrative Legal Assistant/Paralegal  
dputt@springdalear.gov

Christy Pinalto  
File/Discovery Clerk  
cpinalto@springdalear.gov

October 11, 2024

**CERTIFIED MAIL  
RETURN RECEIPT REQUESTED  
AND REGULAR MAIL**

Dream Structures, LLC  
P.O. Box 39  
Lowell, AR 72745

RE: Notice of clean-up lien on property located at Lankinshire Parcel, Springdale, Benton County, Arkansas, Tax Parcel No. 21-01159-000

Dear Property Owner/Lienholder:

On September 5 2024 notice was posted on property located at Parcel No. 21-01159-000, Springdale, Arkansas, that the property was in violation of Springdale City Ordinance 42-77 and 42-78, and needed to be remedied within seven (7) days. Notice was originally mailed to the owner of record on April 9, 2024, that the City intended to seek a clean-up lien on this property pursuant to Ark. Code Ann. §14-54-903 if the violations were not remedied. The notice also applied to any violations that may be found on the property within the next 12 months.

Subsequent to the above-referenced violation notice being issued, a city code violation was found to have existed on the property. As a result, the City of Springdale took action to remedy the violations on the property, as is allowed by Ark. Code Ann. §14-54-903, on or about July 1, and September 11, 2024. As of this date, the total costs incurred by the City of Springdale to clean this property are \$596.64. I have enclosed an invoice evidencing the abatement costs incurred and paid by the City of Springdale to clean this property. Also, in accordance with Ark. Code Ann. §14-54-903(c)(4), administrative fees may be added to the total costs incurred by the City of Springdale, which will include certified mailing fee in the amount of \$9.92 per letter and a filing fee in the amount of \$15.00 to the Benton County Circuit Court.

This is to notify you that in the event this amount is not paid to the City of Springdale on or before November 20, 2024, a hearing confirming the amount of the lien will be held before the Springdale City Council pursuant to Ark. Code Ann. §14-54-903 to determine the amount of the clean-up lien to which the City is entitled for cleaning up the property. The hearing confirming

the amount of the lien will be held Tuesday, November 26, 2024, at 6:00 p.m. in the City Council Chambers at the City Administration Building, 201 Spring Street, Springdale, Arkansas. If this amount is paid prior to the hearing, no lien will be pursued.

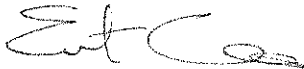
Please remit the total sum of \$606.56, which includes \$596.64 for cleaning up the property and \$9.92 for certified mailings to the City of Springdale by the date listed above. Payment must be made payable to the City of Springdale and presented to the attention of Dixie Putt, Springdale City Attorney's Office, 201 Spring Street, Springdale, AR 72764. If you fail to pay this amount before the hearing, then an additional \$15.00 will be added for the costs of filing the ordinance with the Circuit Clerk's Office.

If you desire to contest the amount sought above, you will need to contact Neighborhood Services Division at 479-756-7712 for an appointment and you will be given a court date in Springdale District Court where you will have the opportunity to state your case before the District Court Judge.

This letter is also being mailed by regular mail to Dream Structures, LLC at the address above. Delivery of that letter by the U.S. Postal Service shall warrant service should the certified letter be returned.

If you should have any questions, please let me know.

Sincerely,



Ernest Cate  
City Attorney

Enclosures  
EBC:dp

USPS TRACKING #



9590 9402 8146 3030 4443 44

First-Class Mail  
Postage & Fees Paid  
USPS  
Permit No. G-10

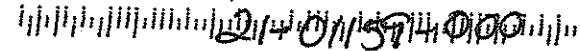
United States  
Postal Service

\* Sender: Please print your name, address, and ZIP+4® in this box\*



OFFICE OF THE  
CITY ATTORNEY  
201 NORTH SPRING STREET  
SPRINGDALE, ARKANSAS 72764

*Lankinshew*



**SENDER: COMPLETE THIS SECTION**

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Dream Structures LLC  
P.O. Box 39  
Lowell, AR 72745-0039



9590 9402 8146 3030 4443 44

2. Article Number (Transfer from service label)

7589 0710 5270 1057 1512 16

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature  Agent  
 Addressee

B. Received by (Printed Name) C. Date of Delivery  
*Stuefer*

D. Is delivery address different from item 1?  Yes  
 If YES, enter delivery address below:  No

3. Service Type
- Adult Signature
  - Adult Signature Restricted Delivery
  - Certified Mail®
  - Certified Mail Restricted Delivery
  - Collect on Delivery
  - Collect on Delivery Restricted Delivery
  - Insured Mail
  - Insured Mail Restricted Delivery (over \$500)
  - Priority Mail Express®
  - Registered Mail™
  - Registered Mail Restricted Delivery
  - Signature Confirmation™
  - Signature Confirmation Restricted Delivery

# City Abatement

City of Springdale  
Neighborhood Service  
201 Spring Street  
Springdale, AR 72764  
479-756-7712  
Case Number: 2403171



Date: 07/01/2024  
Status: Abated  
Property: LANKINSHIRE PL  
City, State, Zip: Springdale, Arkansas

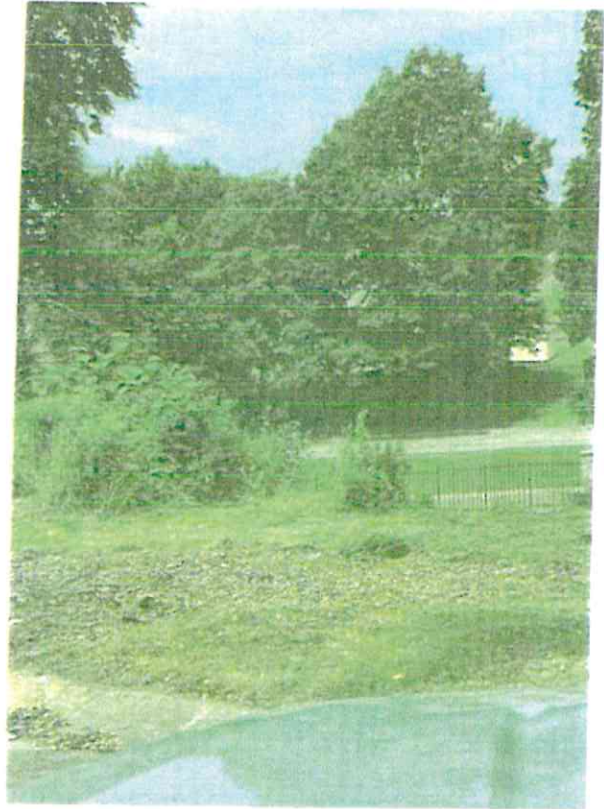
Officer on Site: Ricardo Calderon  
Abatement Type: Lien  
Abatement Date: 06/28/2024  
Abatement Start Time: 0900  
Abatement End Time: 1000

Fee	Amount
Disposal Cost Recovery	\$118.32
Employee Rate	\$60.00
Equipment Rate	\$180.00
<b>Total Fee: \$358.32</b>	

**Method of Compliance:** Property was mowed by 2 full time employees and 3 temps. and 2 brush hogs.

Ricardo Calderon  
Code Enforcement Officer

06/28/2024  
Date





# City Abatement

City of Springdale  
Neighborhood Service  
201 Spring Street  
Springdale, AR 72764  
479-756-7712  
Case Number: 2404940



Date: 09/11/2024  
Status: Abated  
Property: LANKINSHIRE PL  
City, State, Zip: Springdale, Arkansas

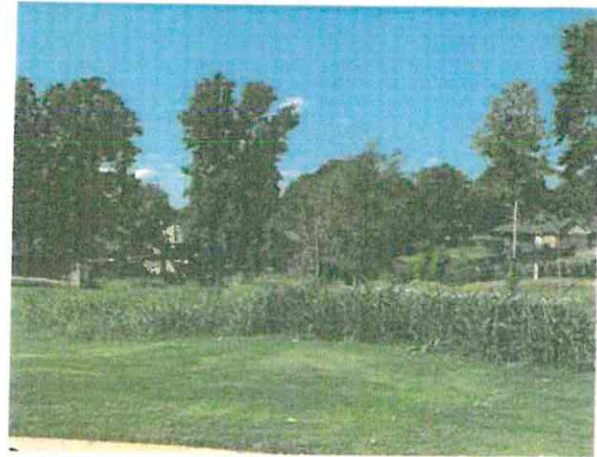
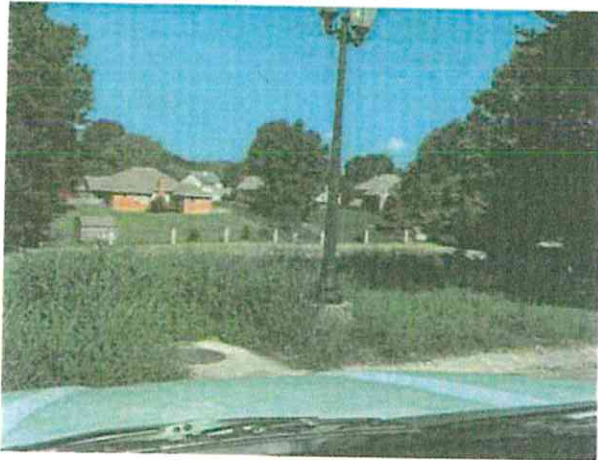
Officer on Site: Logan West  
Abatement Type: Lien  
Abatement Date: 09/11/2024  
Abatement Start Time: 0745  
Abatement End Time: 0845

Fee	Amount
Disposal Cost Recovery	\$118.32
Employee Rate	\$30.00
Equipment Rate	\$90.00
<b>Total Fee: \$238.32</b>	

Method of Compliance: Property was mowed with tractor and brush hog and 1 City employee.

\_\_\_\_\_  
Logan West  
Code Enforcement Officer

\_\_\_\_\_  
09/11/2024  
Date



Ernest B. Cate  
City Attorney  
ecate@springdalear.gov

David D. Phillips  
Deputy City Attorney  
dphillips@springdalear.gov

Cameron Baker  
Deputy City Attorney  
cbaker@springdalear.gov

George McManus  
Deputy City Attorney  
gmcmamus@springdalear.gov



**SPRINGDALE**<sup>™</sup>  
WE'RE MAKING IT HAPPEN

**OFFICE OF CITY ATTORNEY**

201 Spring Street • Springdale, Arkansas 72764  
Phone (479) 750-8173 • Fax (479) 750-4732  
[www.springdalear.gov](http://www.springdalear.gov)

Giselle Gonzalez  
Case Coordinator/Victim Advocate  
ggonzalez@springdalear.gov

Steve Helms  
Investigator  
shelms@springdalear.gov

Dixie Putt  
Administrative Legal Assistant/Paralegal  
dputt@springdalear.gov

Christy Pinalto  
File/Discovery Clerk  
cpinalto@springdalear.gov

---

October 11, 2024

**CERTIFIED MAIL  
RETURN RECEIPT REQUESTED  
AND REGULAR MAIL**

Steve and Teresa Fisher  
P.O. Box 39  
Lowell, AR 72745

RE: Notice of clean-up lien on property located at Lankinshire Parcel, Springdale, Benton County, Arkansas, Tax Parcel No. 21-01158-000

Dear Property Owner/Lienholder:

On September 5, 2024 notice was posted on property located at Parcel No. 21-01158-000, Springdale, Arkansas, that the property was in violation of Springdale City Ordinance 42-77 and 42-78, and needed to be remedied within seven (7) days. Notice was originally mailed to the owner of record on April 9, 2024, that the City intended to seek a clean-up lien on this property pursuant to Ark. Code Ann. §14-54-903 if the violations were not remedied. The notice also applied to any violations that may be found on the property within the next 12 months.

Subsequent to the above-referenced violation notice being issued, a city code violation was found to have existed on the property. As a result, the City of Springdale took action to remedy the violations on the property, as is allowed by Ark. Code Ann. §14-54-903, on or about July 1, and September 11, 2024. As of this date, the total costs incurred by the City of Springdale to clean this property are \$596.64. I have enclosed an invoice evidencing the abatement costs incurred and paid by the City of Springdale to clean this property. Also, in accordance with Ark. Code Ann. §14-54-903(c)(4), administrative fees may be added to the total costs incurred by the City of Springdale, which will include certified mailing fee in the amount of \$9.92 per letter and a filing fee in the amount of \$15.00 to the Benton County Circuit Court.

This is to notify you that in the event this amount is not paid to the City of Springdale on or before November 20, 2024, a hearing confirming the amount of the lien will be held before the Springdale City Council pursuant to Ark. Code Ann. §14-54-903 to determine the amount of the clean-up lien to which the City is entitled for cleaning up the property. The hearing confirming

the amount of the lien will be held Tuesday, November 26, 2024, at 6:00 p.m. in the City Council Chambers at the City Administration Building, 201 Spring Street, Springdale, Arkansas. If this amount is paid prior to the hearing, no lien will be pursued.

Please remit the total sum of \$606.56, which includes \$596.64 for cleaning up the property and \$9.92 for certified mailings to the City of Springdale by the date listed above. Payment must be made payable to the City of Springdale and presented to the attention of Dixie Putt, Springdale City Attorney's Office, 201 Spring Street, Springdale, AR 72764. If you fail to pay this amount before the hearing, then an additional \$15.00 will be added for the costs of filing the ordinance with the Circuit Clerk's Office.

If you desire to contest the amount sought above, you will need to contact Neighborhood Services Division at 479-756-7712 for an appointment and you will be given a court date in Springdale District Court where you will have the opportunity to state your case before the District Court Judge.

This letter is also being mailed by regular mail to Steve and Teresa Fisher at the address above. Delivery of that letter by the U.S. Postal Service shall warrant service should the certified letter be returned.

If you should have any questions, please let me know.

Sincerely,

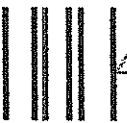


Ernest Cate  
City Attorney

Enclosures  
EBC:dp

First-Class Mail  
Postage & Fees Paid  
USPS  
Permit No. G-10

USPS TRACKING#  
9590 9402 8146 3030 4443 51  
FIRST CLASS MAIL  
ELECTRONIC MAIL



United States Postal Service  
• Sender: Please print your name, address, and ZIP+4® in this box\*  
OFFICE OF THE  
CITY ATTORNEY  
201 NORTH SPRING STREET  
SPRINGDALE, ARKANSAS 72764

*Jankins*  
21-0158-00

COMPLETE THIS SECTION ON DELIVERY

A. Signature *[Signature]*  
□ Agent  
□ Addressee  
B. Received by (Printed Name) *Steve Fisher*  
C. Date of Delivery

D. Is delivery address different from item 1?  Yes  No  
If YES, enter delivery address below:

3. Service Type  
 Priority Mail Express®  
 Registered Mail™  
 Registered Mail Restricted Delivery  
 Adult Signature Restricted Delivery  
 Certified Mail®  
 Certified Mail Restricted Delivery  
 Collect on Delivery  
 Collect on Delivery Restricted Delivery  
 Insured Mail (over \$500)  
 Insured Mail Restricted Delivery

SENDER, COMPLETE THIS SECTION

■ Complete items 1, 2, and 3.  
■ Print your name and address on the reverse so that we can return the card to you.  
■ Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:  
Steve and Teresa Fisher  
P.O. Box 39  
Lowell, AR 72745

2. Article Number (Transfer from service label)  
9590 9402 8146 3030 4443 51  
1589 0710 5270 1057 1512 09

# City Abatement

City of Springdale  
Neighborhood Service  
201 Spring Street  
Springdale, AR 72764  
479-756-7712  
Case Number: 2404941



Date: 09/11/2024  
Status: Abated  
Property: CANNONBURY PL  
City, State, Zip: Springdale, Arkansas 72762

Officer on Site: Logan West  
Abatement Type: Lien  
Abatement Date: 09/11/2024  
Abatement Start Time: 0845  
Abatement End Time: 0945

Fee	Amount
Disposal Cost Recovery	\$118.32
Employee Rate	\$30.00
Equipment Rate	\$90.00
<b>Total Fee: \$238.32</b>	

Method of Compliance: Property was mowed with brush hog and 1 City Employee.

Logan West  
Code Enforcement Officer

09/11/2024  
Date



Ernest B. Cate  
City Attorney  
ecate@springdalear.gov

David D. Phillips  
Deputy City Attorney  
dphillips@springdalear.gov

Cameron Baker  
Deputy City Attorney  
cbaker@springdalear.gov

George McManus  
Deputy City Attorney  
gmcmanus@springdalear.gov



**SPRINGDALE**<sup>TM</sup>  
WE'RE MAKING IT HAPPEN

**OFFICE OF CITY ATTORNEY**

201 Spring Street • Springdale, Arkansas 72764  
Phone (479) 750-8173 • Fax (479) 750-4732  
[www.springdalear.gov](http://www.springdalear.gov)

Giselle Gonzalez  
Case Coordinator/Victim Advocate  
ggonzalez@springdalear.gov

Steve Helms  
Investigator  
shelms@springdalear.gov

Dixie Putt  
Administrative Legal Assistant/Paralegal  
dputt@springdalear.gov

Christy Pianalto  
File/Discovery Clerk  
cpianalto@springdalear.gov

October 11, 2024

**CERTIFIED MAIL  
RETURN RECEIPT REQUESTED  
AND REGULAR MAIL**

Steve and Teresa Fisher  
P.O. Box 39  
Lowell, AR 72745

RE: Notice of clean-up lien on property located at Cannonbury Place, Springdale, Benton County, Arkansas, Tax Parcel No. 21-01155-000

Dear Property Owner/Lienholder:

On September 5 notice was posted on property located at Parcel No. 21-01155-000, Springdale, Arkansas, that the property was in violation of Springdale City Ordinance 42-77 and 42-78, and needed to be remedied within seven (7) days. Notice was originally mailed to the owner of record on April 9, 2024, that the City intended to seek a clean-up lien on this property pursuant to Ark. Code Ann. §14-54-903 if the violations were not remedied. The notice also applied to any violations that may be found on the property within the next 12 months.

Subsequent to the above-referenced violation notice being issued, a city code violation was found to have existed on the property. As a result, the City of Springdale took action to remedy the violations on the property, as is allowed by Ark. Code Ann. §14-54-903, on or about September 11, 2024. As of this date, the total costs incurred by the City of Springdale to clean this property are \$238.32. I have enclosed an invoice evidencing the abatement costs incurred and paid by the City of Springdale to clean this property. Also, in accordance with Ark. Code Ann. §14-54-903(c)(4), administrative fees may be added to the total costs incurred by the City of Springdale, which will include certified mailing fee in the amount of \$9.92 per letter and a filing fee in the amount of \$15.00 to the Benton County Circuit Court.

This is to notify you that in the event this amount is not paid to the City of Springdale on or before November 20, 2024, a hearing confirming the amount of the lien will be held before the Springdale City Council pursuant to Ark. Code Ann. §14-54-903 to determine the amount of the clean-up lien to which the City is entitled for cleaning up the property. The hearing confirming the amount of the lien will be held Tuesday, November 26, 2024, at 6:00 p.m. in the City Council

Please remit the total sum of \$248.24, which includes \$238.32 for cleaning up the property and \$9.92 for certified mailings to the City of Springdale by the date listed above. Payment must be made payable to the City of Springdale and presented to the attention of Dixie Putt, Springdale City Attorney's Office, 201 Spring Street, Springdale, AR 72764. If you fail to pay this amount before the hearing, then an additional \$15.00 will be added for the costs of filing the ordinance with the Circuit Clerk's Office.

If you desire to contest the amount sought above, you will need to contact Neighborhood Services Division at 479-756-7712 for an appointment and you will be given a court date in Springdale District Court where you will have the opportunity to state your case before the District Court Judge.

This letter is also being mailed by regular mail to Steve and Teresa Fisher at the address above. Delivery of that letter by the U.S. Postal Service shall warrant service should the certified letter be returned.

If you should have any questions, please let me know.

Sincerely,

A handwritten signature in black ink, appearing to read 'Ernest Cate', written in a cursive style.

Ernest Cate  
City Attorney

Enclosures  
EBC:dp

**SENDER: COMPLETE THIS SECTION**

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Steve and Teresa Fisher  
 P.O. Box 39  
 Lowell, AR 72745



9590 9402 8146 3030 4443 37

2. Article Number (transfer from service label)

9589 0710 5270 1057 1512 23

PS Form 3811, July 2020 PSN 7530-02-000-9053

**COMPLETE THIS SECTION ON DELIVERY**

- A. Signature  *[Signature]*  Agent  
 Addressee
- B. Received by (Printed Name) *Stael-sher* C. Date of Delivery
- D. Is delivery address different from item 1?  Yes  
 If YES, enter delivery address below:  No

3. Service Type
- |  |   |
|--|---|
| <input type="checkbox"/> Adult Signature                               | <input type="checkbox"/> Priority Mail Express®                     |
| <input type="checkbox"/> Adult Signature Restricted Delivery           | <input type="checkbox"/> Registered Mail™                           |
| <input checked="" type="checkbox"/> Certified Mail®                    | <input type="checkbox"/> Registered Mail Restricted Delivery        |
| <input type="checkbox"/> Certified Mail Restricted Delivery            | <input checked="" type="checkbox"/> Signature Confirmation™         |
| <input type="checkbox"/> Collect on Delivery                           | <input type="checkbox"/> Signature Confirmation Restricted Delivery |
| <input type="checkbox"/> Collect on Delivery Restricted Delivery       |   |
| <input type="checkbox"/> Insured Mail                                  |   |
| <input type="checkbox"/> Insured Mail Restricted Delivery (over \$500) |   |

Domestic Return Receipt

USPS TRACKING #



9590 9402 8146 3030 4443 37

United States Postal Service

First-Class Mail  
 Postage & Fees Paid  
 USPS  
 Permit No. G-10

\* Sender: Please print your name, address, and ZIP+4® in this box\*



OFFICE OF THE  
 CITY ATTORNEY  
 201 NORTH SPRING STREET  
 SPRINGDALE, ARKANSAS 72764

*Cannonburg Place*



# City Abatement

City of Springdale  
Neighborhood Service  
201 Spring Street  
Springdale, AR 72764  
479-756-7712  
Case Number: 2404147



Date: 09/06/2024  
Status: Abated  
Property: 3598 ALLIANCE DR  
City, State, Zip: ,

Officer on Site: Shane Pegram  
Abatement Type: Lien  
Abatement Date: 08/15/2024  
Abatement Start Time: 0830  
Abatement End Time: 0850

Fee	Amount
Disposal Cost Recovery	\$118.32
Employee Rate	\$70.00
Equipment Rate	\$200.00
<b>Total Fee: \$388.32</b>	

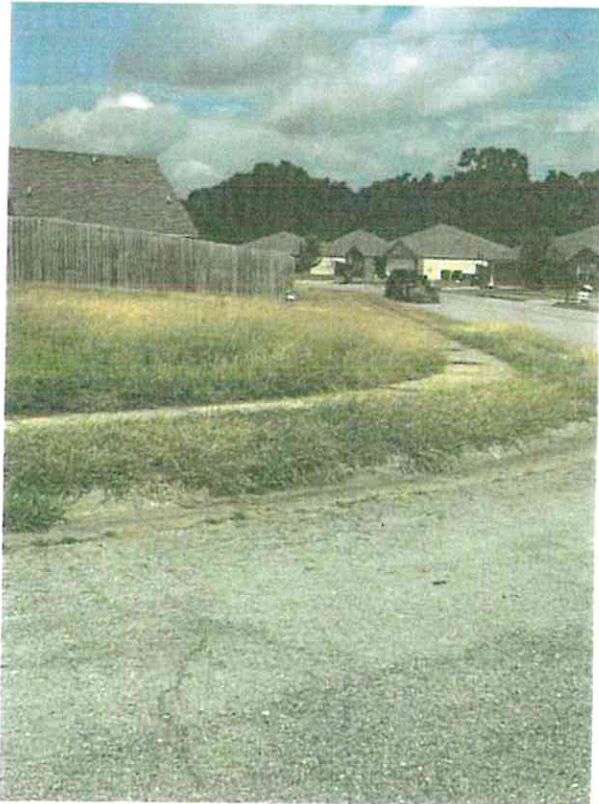
Method of Compliance: Removed all junk and trash from the property using city employees and equipment the property had been mowed.

2 Full time City Employees and the bulk truck.

Shane Pegram  
Code Enforcement Officer

09/06/2024  
Date







Ernest B. Cate  
City Attorney  
ecate@springdalear.gov

David D. Phillips  
Deputy City Attorney  
dphillips@springdalear.gov

Cameron Baker  
Deputy City Attorney  
cbaker@springdalear.gov

George McManus  
Deputy City Attorney  
gmcmanus@springdalear.gov



**SPRINGDALE**<sup>TM</sup>  
WE'RE MAKING IT HAPPEN

**OFFICE OF CITY ATTORNEY**

201 Spring Street • Springdale, Arkansas 72764

Phone (479) 750-8173 • Fax (479) 750-4732

[www.springdalear.gov](http://www.springdalear.gov)

Giselle Gonzalez  
Case Coordinator/Victim Advocate  
ggonzalez@springdalear.gov

Steve Helms  
Investigator  
shelms@springdalear.gov

Dixie Putt  
Administrative Legal Assistant/Paralegal  
dputt@springdalear.gov

Christy Pinalto  
File/Discovery Clerk  
cpinalto@springdalear.gov

October 7, 2024

**CERTIFIED MAIL  
RETURN RECEIPT REQUESTED  
AND REGULAR MAIL**

Nexpoint SFR SPE 2 LLC  
8615 Cliff Cameron Dr., Ste. 200  
Charlotte, NC 28269

RE: Notice of clean-up lien on property located at 3598 Alliance Drive, Springdale, Benton County, Arkansas, Tax Parcel No. 21-03079-000

Dear Property Owner/Lienholder:

On August 15, 2024, a notice was posted on property located at 3598 Alliance Drive, Springdale, Arkansas, that the property was in violation of Springdale City Ordinance 42-77 and 42-78, and needed to be remedied within seven (7) days. Notice was mailed to the owner of record on July 26, 2024 that the City intended to seek a clean-up lien on this property pursuant to Ark. Code Ann. §14-54-903 if the violations were not remedied. The notice also applied to any violations that may be found on the property within the next 12 months.

Subsequent to the above-referenced violation notice being issued, a city code violation was found to have existed on the property. As a result, the City of Springdale took action to remedy the violations on the property, as is allowed by Ark. Code Ann. §14-54-903, on or about September 6, 2024. As of this date, the total costs incurred by the City of Springdale to clean this property are \$388.32. I have enclosed an invoice evidencing the abatement costs incurred and paid by the City of Springdale to clean this property. Also, in accordance with Ark. Code Ann. §14-54-903(c)(4), administrative fees may be added to the total costs incurred by the City of Springdale, which will include certified mailing fee in the amount of \$9.92 per letter and a filing fee in the amount of \$15.00 to the Benton County Circuit Court.

This is to notify you that in the event this amount is not paid to the City of Springdale on or before November 20, 2024 a hearing confirming the amount of the lien will be held before the Springdale City Council pursuant to Ark. Code Ann. §14-54-903 to determine the amount of the clean-up lien to which the City is entitled for cleaning up the property. The hearing confirming the amount of the lien will be held Tuesday, November 26, 2024, at 6:00 p.m. in the City Council Chambers at the City Administration Building, 201 Spring Street, Springdale, Arkansas. If this amount is paid prior to the hearing, no lien will be pursued.

Please remit the total sum of \$398.24, which includes \$388.32 for cleaning up the property and \$9.92 for certified mailing to the City of Springdale by the date listed above. Payment must be made payable to the City of Springdale and presented to the attention of Dixie Putt, Springdale City Attorney's Office, 201 Spring Street, Springdale, AR 72764. If you fail to pay this amount before the hearing, then an additional \$15.00 will be added for the costs of filing the ordinance with the Circuit Clerk's Office.

If you desire to contest the amount sought above, you will need to contact Neighborhood Services Division at 479-756-7712 for an appointment and you will be given a court date in Springdale District Court where you will have the opportunity to state your case before the District Court Judge.

This letter is also being mailed by regular mail to Nexpoint SFR SPE 2 LLC at the address above. Delivery of that letter by the U.S. Postal Service shall warrant service should the certified letter be returned.

If you should have any questions, please let me know.

Sincerely,



Ernest B. Cate  
City Attorney

Enclosures  
EBC:dp

# USPS Tracking®

[FAQs >](#)

Tracking Number:

[Remove X](#)

## 9589071052701057151186

[Copy](#)

[Add to Informed Delivery \(https://informedelivery.usps.com/\)](https://informedelivery.usps.com/)

Feedback

### Latest Update

Your item was delivered to an individual at the address at 2:28 pm on October 16, 2024 in CHARLOTTE, NC 28269.

Get More Out of USPS Tracking:

**USPS Tracking Plus®**

### Delivered

**Delivered, Left with Individual**

CHARLOTTE, NC 28269

October 16, 2024, 2:28 pm

[See All Tracking History](#)

[What Do USPS Tracking Statuses Mean? \(https://faq.usps.com/s/article/Where-is-my-package\)](https://faq.usps.com/s/article/Where-is-my-package)

**Text & Email Updates**



**USPS Tracking Plus®**



**Product Information**



**See Less ^**

Track Another Package

Enter tracking or barcode numbers

SPRINGDALE CITY COUNCIL  
NOVEMBER 12, 2024

The City Council of the City of Springdale met in regular session on Tuesday, November 12, 2024 in the Council Chambers, City Administration Building. City Attorney Ernest Cate called the meeting to order at 6:00 p.m., due to the absence of Mayor Sprouse.

Roll call was answered by:

Doug Sprouse	Mayor (Absent)
Brian Powell	Ward 3
Amelia Taldo	Ward 4
Jeff Watson	Ward 3
Mike Overton	Ward 2 (Absent)
Mike Lawson	Ward 1
Rex Bailey	Ward 2
Randall Harriman	Ward 1
Mark Fougerousse	Ward 4
Ernest Cate	City Attorney
Denise Pearce	City Clerk/Treasurer

Department heads present:

Derek Hudson	Assistant Police Chief
Patsy Christie	Planning Director
Mike Chamlee	Buildings Director
James Smith	Public Works Director
Blake Holte	Fire Chief
Ron Findley	Neighborhood Services Director
Anne Gresham	Library Director

ELECTION ON MAYOR PRO TEMPORE

Council Member Taldo moved to elect Brian Powell as Mayor Pro Tempore. Council Member Fougerousse made the second.

After the vote was taken, motion carried unanimously by 7-0.

APPROVAL OF MINUTES

Council Member Harriman moved the minutes of the October 22, 2024 City Council meeting be approved as presented. Council Member Taldo made the second.

There was a voice vote of all ayes and no nays.

ORDINANCES AND RESOLUTIONS READ BY TITLE ONLY

Council Member Taldo made the motion to read all Ordinances and Resolutions by title only and to dispense with the rule requiring that ordinances be fully and distinctly read on three (3) different days for all items listed on this agenda. Council Member Harriman made the second.

After the vote was taken, motion carried unanimously by 7-0.

ORDINANCE NO. 6013 – ACCEPTING THE REPLAT (R24-07) OF BLOCK 6, LOTS 7 – 10, COLLEGE HEIGHTS ADDITION, TO THE CITY OF SPRINGDALE, ARKANSAS, AND DECLARING AN EMERGENCY.

Patsy Christie presented an Ordinance accepting the replat (R24-07) of Block 6, Lots 7 – 10, College Heights Addition, to the City of Springdale, Arkansas, and declaring an Emergency.

Planning Commission recommended approval at their meeting.

After reading the title of the Ordinance, Council Member Watson moved the Ordinance “Do Pass”. Council Member Bailey made the second.

After the vote was taken, motion carried 7-0.

Council Member Harriman moved the Emergency Clause be adopted. Council Member Taldo made the second.

After the vote was taken, motion carried 7-0.

The Ordinance was numbered 6013.

ORDINANCE NO. 6014 – ACCEPTING THE FINAL PLAT (FP24-12) OF JACOB’S CROSSING, PHASE I, TO THE CITY OF SPRINGDALE, ARKANSAS, AND DECLARING AN EMERGENCY

Patsy Christie presented an Ordinance accepting the final plat (FP24-12) of Jacob’s Crossing, Phase I, to the City of Springdale, Arkansas, and declaring an emergency.

Planning Commission recommended approval at their meeting.

After reading the title of the Ordinance, Council Member Watson moved the Ordinance “Do Pass”. Council Member Harriman made the second.

After the vote was taken, motion carried by 7-0.

Council Member Harriman moved the Emergency Clause be adopted. Council Member Taldo made the second.

After the vote was taken, motion carried by 7-0.

The Ordinance was numbered 6014.

ORDINANCE NO. 6015 – ACCEPTING THE FINAL PLAT (FP24-13) OF GRAY’S CROSSING, PHASES 1 AND 2, TO THE CITY OF SPRINGDALE, ARKANSAS, AND DECLARING AN EMERGENCY.

Patsy Christie presented an Ordinance accepting the final plat (FP24-13) of Gray’s Crossing, Phases 1 and 2, to the City of Springdale, Arkansas, and declaring an emergency.

Planning Commission recommended approval at their meeting.

After reading the title of the Ordinance, Council Member Harriman moved the Ordinance “Do Pass”. Council Member Taldo made the second.

After the vote was taken, motion carried by 7-0.

Council Member Harriman moved the Emergency Clause be adopted. Council Member Taldo made the second.

After the vote was taken, motion carried by 7-0.

The Ordinance was numbered 6015.

ORDINANCE NO. 6016 – REZONING (R24-47) 6.307 ACRES OWNED BY CHANCAD LLC LOCATED AT 552 S. 48<sup>TH</sup> STREET, FROM (A-1) TO (C-5) WITHIN SPRINGDALE, ARKANSAS, AND DECLARING AN EMERGENCY

Patsy Christie presented an Ordinance rezoning (R24-47) 6.307 acres owned by Chancad LLC located at 552 S. 48<sup>th</sup> Street, from (A-1) to (C-5) within Springdale, Arkansas, and declaring an emergency.

Planning Commission recommended approval at their meeting.

After reading the title of the Ordinance, Council Member Harriman moved the Ordinance “Do Pass”. Council Member Taldo made the second.

After the vote was taken, motion carried by 7-0.

Council Member Harriman moved the Emergency Clause be adopted. Council Member Fougousse made the second.

After the vote was taken, motion carried by 7-0.

The Ordinance was numbered 6016.

ORDINANCE NO. 6017 – ACCEPTING THE FINAL PLAT (FP24-14) OF SOUTH 48<sup>TH</sup> STREET SUBDIVISION, TO THE CITY OF SPRINGDALE, ARKANSAS, AND DECLARING AN EMERGENCY.

Patsy Christie presented an Ordinance accepting the final plat (FP24-24) of South 48<sup>th</sup> Street Subdivision, to the City of Springdale, Arkansas, and Declaring an Emergency.

Planning Commission recommended approval at their meeting.

After reading the title of the Ordinance, Council Member Bailey moved the Ordinance “Do Pass”. Council Member Harriman made the second.

After the vote was taken, motion carried by 7-0.

Council Member Harriman moved the Emergency Clause be adopted. Council Member Taldo made the second.

After the vote was taken, motion carried by 7-0.

The Ordinance was numbered 6017.

PROPOSED RESOLUTION (TABLED) – APPROVING A WAIVER (W24-25) OF STREET IMPROVEMENTS, DRAINAGE, CURBS, GUTTERS, SIDEWALKS AND STREET LIGHTS AS SET FORTH IN ORDINANCE NO. 3725 TO 1100 E. HUNTSVILLE ROAD, IN CONNECTION WITH N24-25, A NON-LARGE-SCALE DEVELOPMENT.

Planning Director Patsy Christie presented a waiver (W24-25) of street improvements, drainage, curbs, gutters, sidewalks and street lights as set forth in Ordinance No. 3725 to 1100 E. Huntsville Road, in connection with N24-25, a non-large-scale development.

Planning Commission recommended the waiver be denied.

After discussion, Council Member Taldo moved the Resolution be tabled to the November 26, 2024 City Council meeting. Council Member Fougousse made the second.

After the vote was taken, motion carried by 7-0.

RESOLUTION NO. 149-24 – AUTHORIZING THE PURCHASE OF TWO SNOW PLOWS FOR THE PUBLIC WORKS DEPARTMENT; TO WAIVE COMPETITIVE BIDDING; AND FOR OTHER PURPOSES.

Public Works Director James Smith presented a resolution authorizing the purchase of two snow plows from Ozark Kenworth, LLC, in an amount not to exceed \$493,500.00, to be paid for out of the Unrestricted General Fund.

**RESOLUTION NO. 149-24**

**A RESOLUTION AUTHORIZING THE PURCHASE OF TWO SNOW PLOWS FOR THE PUBLIC WORKS**

**DEPARTMENT; TO WAIVE COMPETITIVE BIDDING;  
AND FOR OTHER PURPOSES**

**WHEREAS**, in 2022, Council approved the purchase of two (2) snow plows (Resolution No. 134-22) for the Springdale Public Works Department, and

**WHEREAS**, the snow plows were ordered but never received, resulting in a full refund being issued back to the city, and

**WHEREAS**, this Resolution shall override the Resolution from November 2022 (Resolution No. 134-22), and

**WHEREAS**, the Public Works Department is in need of two (2) new snow plows to adequately clear City streets in a winter weather event;

**WHEREAS**, Public Works has requested to repurchase two (2) new snow plows that are available on the Arkansas buy board which allows the governing body to waive competitive bidding, in an amount not to exceed \$493,500.00.

**NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SPRINGDALE, ARKANSAS** that due to the complexities and unique nature of this kind of equipment competitive bidding is not deemed feasible or practical in the purchase of snow plows and therefore competitive bidding is hereby waived, and the Mayor is hereby authorized to execute any contracts related to the purchase of two (2) snow plows from Ozark Kenworth, LLC, in an amount not to exceed \$493,500.00, to be paid for out of the Unrestricted General Fund.

**PASSED AND APPROVED** this 12<sup>th</sup> day of November, 2024

\_\_\_\_\_  
Brian Powell, Mayor Pro Tempore

ATTEST:

\_\_\_\_\_  
Denise Pearce, City Clerk/Treasurer

APPROVED AS TO FORM:

\_\_\_\_\_  
Ernest B. Cate, City Attorney

Council Member Powell moved the Resolution be adopted. Council Member Taldo made the second.

After the vote was taken, motion carried 7-0.

The Resolution was numbered 149-24.

RESOLUTION NO. 150-24 – AUTHORIZING THE EXPENDITURE OF FUNDS TO ACQUIRE PROPERTY FROM BRANDON ANGLIN AND LACY ANGLIN FOR THE GENE GEORGE BLVD EXTENSION PROJECT (ELM SPRINGS ROAD TO COUNTY LINE ROAD), PROJECT NO. 23BPS4

Ernest Cate presented a resolution authorizing the expenditure of funds to acquire property from Brandon Anglin and Lacy Anglin for the Gene George Blvd Extension Project (Elm Springs Road to County Line Road), Project No. 23BPS4.

**RESOLUTION NO. 150-24**

**A RESOLUTION AUTHORIZING THE EXPENDITURE OF FUNDS TO ACQUIRE PROPERTY FROM BRANDON ANGLIN AND LACY ANGLIN FOR THE GENE GEORGE BLVD. EXTENSION PROJECT (ELM SPRINGS RD. TO COUNTY LINE RD.), PROJECT NO. 23BPS4.**

**WHEREAS**, the City of Springdale is in need of acquiring lands for the Gene George Blvd. Extension Project (Elm Springs Rd. to County Line Rd.), Project No. 23BPS4 (Tract 25), said lands being owned by Brandon Anglin and Lacy Anglin, also known as Washington County Tax Parcel No. 815-29789-235, located at 2861 N. 56<sup>th</sup> Street, Springdale, Washington County, Arkansas (“the Property”);

**WHEREAS**, the acquisition of the Property will result in the displacement of the owner of the Property;

**WHEREAS**, the City’s estimate of compensation for the acquisition of the Property, as determined by an appraisal, is \$513,000.00;

**WHEREAS**, the property owner has extended a counter-offer that the City pay the total sum of \$573,700.00 to acquire the Property, said amount being justified by an Opinion of Market Value obtained by the Property owner, and is recommended by the City’s land acquisition agent for the Project; and,

**WHEREAS**, it is the recommendation of the City Attorney and the Mayor that the City Council approve the additional sum of \$60,700.00 to acquire the Property, as this amount is reasonable, is justified, and will avoid the cost, expense, and risk of acquiring the Property by eminent domain proceedings.

**NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL FOR THE CITY OF SPRINGDALE, ARKANSAS**, that the City is hereby authorized to acquire the aforementioned parcel of land for the Gene George Blvd. Extension Project (Elm Springs Rd. to County Line Rd.), Project No. 23BPS4 (Tract 25), said lands being owned by Brandon Anglin and Lacy Anglin, for the total sum of \$573,700.00 to be paid from the 2023 Street Bond.

**PASSED AND APPROVED** this 12<sup>th</sup> day of November, 2024.

\_\_\_\_\_  
Brian Powell, Mayor Pro Tempore

ATTEST:

\_\_\_\_\_  
Denise Pearce, City Clerk/Treasurer

APPROVED AS TO FORM:

\_\_\_\_\_  
Ernest B. Cate, City Attorney

Council Member Bailey moved the Resolution be adopted. Council Member Watson made the second.

After the vote was taken, motion carried 7-0.

The Resolution was numbered 150-24.

**RESOLUTION NO. 151-24 – AUTHORIZING THE EXECUTION OF THE CONSTRUCTION CONTRACT FOR THE SPRINGDALE PUBLIC LIBRARY EXPANSION PROJECT**

Library Director Anne Gresham presented a resolution authorizing the execution of the construction contract with Milestone Construction Company LLC for the Springdale Public Library Expansion Project.

**RESOLUTION NO. 151-24**

**A RESOLUTION AUTHORIZING THE EXECUTION OF  
A CONSTRUCTION CONTRACT FOR THE  
SPRINGDALE PUBLIC LIBRARY EXPANSION PROJECT**

**WHEREAS**, the Springdale Public Library serves numerous residents of the City of Springdale, and

**WHEREAS**, the Library is in need of an expansion and other related improvements, and

**WHEREAS**, this project is eligible for the use of American Rescue Plan Act (ARPA) funds, and

**WHEREAS**, Request for Qualifications were submitted by the Evaluation Committee, with Milestone Construction Company, LLC, receiving the top score, and

**WHEREAS**, the Guaranteed Maximum Price presented by Milestone Construction Company, LLC, is in an amount not to exceed \$1,889,306.00.

**NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL FOR THE CITY OF SPRINGDALE, ARKANSAS, THAT**

**Section 1.** Expenditures for the construction of this project will be paid for out of regular American Rescue Plan Act (ARPA) funds, in an amount not to exceed \$1,889,306.00.

**Section 2.** The Mayor and City Clerk are hereby authorized to execute a Guaranteed Maximum Price Construction Contract with Milestone Construction Company, LLC, for Springdale Public Library Expansion Project.

**PASSED AND APPROVED** this 12<sup>th</sup> day of November, 2024.

\_\_\_\_\_  
Brian Powell, Mayor Pro Tempore

ATTEST:

\_\_\_\_\_  
Denise Pearce, City Clerk/Treasurer

APPROVED AS TO FORM:

\_\_\_\_\_  
Ernest B. Cate, City Attorney

Council Member Taldo moved the Resolution be adopted. Council Member Bailey made the second.

After the vote was taken, motion carried 7-0.

The Resolution was numbered 151-24.

RESOLUTION NO. 152-24 – ACCEPTING THE GUARANTEED MAXIMUM PRICE FROM MILESTONE CONSTRUCTION COMPANY LLC FOR THE CONSTRUCTION OF SPRINGDALE FIRE STATION #4.

Anna McKinney presented a resolution accepting the guaranteed maximum price of \$5,090,483.50 from Milestone Construction Company LLC for the construction of Springdale Fire Station #4. This will be paid out of the Unrestricted General Fund and 2023 Fire Bond Fund.

**RESOLUTION NO. 152-24**

**A RESOLUTION ACCEPTING THE GUARANTEED MAXIMUM PRICE FOR THE CONSTRUCTION OF SPRINGDALE FIRE STATION #4**

**WHEREAS**, the City of Springdale desires to build a new Fire Station #4 to replace the current, outdated facility, and

**WHEREAS**, Fire Station #4 has already been designed and Milestone Construction Company, LLC has been hired on as the Construction Manager for this project, and

**WHEREAS**, Milestone Construction Company, LLC has proposed a guaranteed maximum price of \$5,090,483.50 for the construction of Fire Station #4, to be paid for out of the Unrestricted General Fund and 2023 Fire Bond Fund.

**NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL FOR THE CITY OF SPRINGDALE, ARKANSAS**, that

1. The City Council accepts the guaranteed maximum price of \$5,090,483.50, submitted by Milestone Construction for the construction of Fire Station #4, to be paid for out of the Unrestricted General Fund and 2023 Fire Bond Fund.
2. The Mayor is authorized to approve construction change orders as long as the cumulative total of the change orders do not exceed 10% of the guaranteed maximum price.

**PASSED AND APPROVED** this 12<sup>th</sup> day of November, 2024.

\_\_\_\_\_  
Brian Powell, Mayor Pro Tempore

ATTEST:

\_\_\_\_\_  
Denise Pearce, City Clerk/Treasurer

APPROVED AS TO FORM:

\_\_\_\_\_  
Ernest B. Cate, City Attorney

Council Member Bailey moved the Resolution be adopted. Council Member Lawson made the second.

After the vote was taken, motion carried 7-0.

The Resolution was numbered 152-24.

RESOLUTION NO. 153-24 - A RESOLUTION SETTING A PUBLIC HEARING DATE, PURSUANT TO ARK. CODE ANN. §14-235-223, ON A PROPOSED ORDINANCE ESTABLISHING AND SETTING RATES FOR SANITARY SEWER SERVICE IN THE CITY OF SPRINGDALE, ARKANSAS.

City Attorney Ernest Cate presented a resolution setting a public hearing date, pursuant to Ark. Code Ann. §14-235-223, on a proposed ordinance establishing and setting rates for sanitary sewer service in the City of Springdale, Arkansas.

**RESOLUTION NO. 153-24**

**A RESOLUTION SETTING A PUBLIC HEARING DATE, PURSUANT TO ARK. CODE ANN. §14-235-223, ON A PROPOSED ORDINANCE ESTABLISHING AND SETTING RATES FOR SANITARY SEWER SERVICE IN THE CITY OF SPRINGDALE, ARKANSAS.**

**WHEREAS**, the City of Springdale, Arkansas, has found it necessary to consider an increase in sanitary sewer rates in order to maintain the operation and maintenance of wastewater facilities, and to provide the revenue required for future expansion and improvements to the city's wastewater facilities;

**WHEREAS**, attached hereto as Exhibit "A" and incorporated herein by reference is a proposed ordinance, entitled "An Ordinance Establishing and Setting Rates for Sanitary Sewer Service; Repealing Ordinance 5429, and Pertaining to Other Matters Relating Thereto" ("the Ordinance"), which is hereby introduced for consideration by the City Council for the City of Springdale, Arkansas;

**WHEREAS**, Ark. Code Ann. §14-235-223 provides that no sewer 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 sewer rates or changes; and

**WHEREAS**, Ark. Code Ann. §14-235-223 provides that after the introduction of the Ordinance, and before the enactment of the Ordinance, that notice of the public hearing, setting forth the proposed schedule of the rates or charges, shall be given by one (1) publication in a newspaper published in or having general circulation in the municipality at least ten (10) days before the date fixed for the public hearing.

**NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL FOR THE CITY OF SPRINGDALE, ARKANSAS**, that November 26, 2024, at 6:00 p.m. be set as the date and time for the City Council to hold a public hearing on the Ordinance; that the City Clerk shall give notice of the date and time of the public hearing as required by Ark. Code Ann. §14-235-223; and such notice shall also contain the proposed schedule of the rates or charges contained in the Ordinance.

**PASSED AND APPROVED** this 12<sup>th</sup> day of November, 2024.

\_\_\_\_\_  
Brian Powell, Mayor Pro Tempore

ATTEST:

\_\_\_\_\_  
Denise Pearce, City Clerk/Treasurer

APPROVED AS TO FORM:

\_\_\_\_\_  
Ernest B. Cate, City Attorney

Council Member Watson moved the Resolution be adopted. Council Member Harriman made the second.

After the vote was taken, motion carried 7-0.

The Resolution was numbered 153-24.

**RESOLUTION NO. 154-24 – AMENDING RESOLUTION NO. 132-24 TO LEVY BENTON COUNTY AD VALOREM TAXES OF THE CITY OF SPRINGDALE, ARKANSAS.**

City Attorney Ernest Cate presented a resolution amending Resolution No. 132-24 to levy Benton County Ad Valorem taxes of the City of Springdale, Arkansas.

**RESOLUTION NO. 154-24**

**A RESOLUTION AMENDING RESOLUTION NO. 132-24  
TO LEVY BENTON COUNTY AD VALOREM TAXES OF  
THE CITY OF SPRINGDALE, ARKANSAS.**

**WHEREAS**, governing bodies of the municipalities of the State of Arkansas are required by law to levy ad valorem taxes no later than October of each year;

**WHEREAS**, on September 25, 2024, the City Council for the City of Springdale, Arkansas, passed Resolution No. 132-24, establishing the Benton County ad valorem taxes to be approved for collection in the year 2025;

**WHEREAS**, the City has now been notified by the Benton County Assessor’s Office that the millage levy for collection in 2025 is required to be rolled back, pursuant to Ark. Code Ann. §26-26-402;

**WHEREAS**, certain levies are needed to properly finance the operation of the City of Springdale, Arkansas.

**WHEREAS**, all property taxes will be collected by the County Clerk and Tax Collector of Benton County.

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

**SECTION 1:** That the following levies be approved for collection in the year 2025 and that copies of this Resolution be sent to the County Clerk and Tax Collector of Benton County.

The 2024 property tax levy to be collected by the Benton County Tax Collector are as follows:

	<b>REAL ESTATE</b>	<b>PERSONAL PROPERTY</b>
<b>GENERAL FUND</b>	.0047	.00453
<b>FIREMEN’S PENSION</b>	.0005	.00049
<b>POLICEMEN’S PENSION</b>	.0005	.00049
<b>TOTAL</b>	<u>.0057</u>	<u>.00551</u>

**SECTION 2:** The provisions of Resolution No. 132-24 are hereby repealed.

**PASSED AND APPROVED** this 12<sup>th</sup> day of November, 2024.

\_\_\_\_\_  
Brian Powell, Mayor Pro Tempore

ATTEST:

\_\_\_\_\_  
Denise Pearce, City Clerk/Treasurer

APPROVED AS TO FORM:

\_\_\_\_\_  
Ernest B. Cate, City Attorney

Council Member Watson moved the Resolution be adopted. Council Member Bailey made the second.

After the vote was taken, motion carried unanimously by 7-0.

The Resolution was numbered 154-24.

ORDINANCE NO. 6018 – AUTHORIZING THE CITY CLERK TO FILE A CLEAN-UP LIEN FOR THE REMOVAL OF OVERGROWN BRUSH AND DEBRIS ON PROPERTY LOCATED WITHIN THE CITY OF SPRINGDALE, ARKANSAS, AND DECLARING AN EMERGENCY (EDC REALTY LLC, 777 WHITE RD, PARCEL 815-33984-000)

Ernest Cate presented an Ordinance authorizing the City Clerk to file a Clean-Up Lien for the removal of overgrown brush and debris on property located within the City of Springdale, Arkansas, and Declaring an Emergency. The property is owned by EDC Realty LLC, and located at 777 White Road, Parcel 815-33984-000.

After reading the title of the Ordinance, Council Member Harriman moved the Ordinance “Do Pass”. Council Member Lawson made the second.

After the vote was taken, motion carried by 7-0.

Council Member Harriman moved the Emergency Clause be adopted. Council Member Lawson made the second.

After the vote was taken, motion carried by 7-0.

The Ordinance was numbered 6018.

ADJOURNMENT

Council Member Taldo made the motion to adjourn. Council Member Lawson made the second.

After a voice vote of all ayes and no nays, the meeting adjourned at 6:38 p.m.

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Doug Sprouse, Mayor

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Denise Pearce, City Clerk/Treasurer