

AGENDA REQUEST FORM

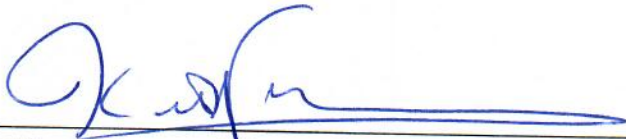
FOR: Council Meeting of July 19th, 2022

FROM: City Attorney Kit Williams

ORDINANCE OR RESOLUTION TITLE AND SUBJECT:

A RESOLUTION TO CONDUCT A PUBLIC HEARING ON THE PROPOSED
ORDINANCE TO CHANGE OR ESTABLISH WATER AND SEWER RATES

APPROVED FOR AGENDA:



City Attorney Kit Williams
Approved

June 27, 2022



OFFICE OF THE
CITY ATTORNEY

DEPARTMENTAL CORRESPONDENCE



Kit Williams
City Attorney

Blake Pennington
Assistant City Attorney

Jodi Batker
Paralegal

TO: Mayor Jordan
City Council

CC: Susan Norton, Chief of Staff
Paul Becker, Chief Financial Officer
Tim Nyander, Utilities Director

FROM: Kit Williams, City Attorney

A handwritten signature in blue ink, appearing to read "Kit Williams", with a long horizontal line extending to the right.

DATE: June 27, 2022

RE: Public Hearing on July 19, 2022, on Water & Sewer Rates

The City Council, after the first reading of the proposed ordinance adopting new water and sewer rates, scheduled the statutorily required Public Hearing on those rates for July 19, 2022, which will be at least 10 days since publication of the Notice for this Public Hearing.

The Legistar system that the City uses to prepare all City Council Agendas requires each item (such as a Public Hearing) to have a Resolution or Ordinance as part of the Agenda Item. Therefore, I have drafted this Resolution to Conduct a Public Hearing on the Proposed Ordinance to Change or Establish Water and Sewer Rates to meet the Legistar requirement. After completion of the Public Hearing on July 19, the City Council's passage of the Resolution "affirms the Public Hearing discussed above was properly held in City Hall..."

Then you may legally advance to Unfinished Business to consider passage of the Water and Sewer Rates Ordinance.



CITY OF
FAYETTEVILLE
ARKANSAS

CITY OF FAYETTEVILLE, ARKANSAS

Notice of Public Hearing on Proposed Water and Sewer Rate Changes

City Council Meeting: Tuesday, July 19, 2022 at 5:30 PM

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

On the date and at the approximate time mentioned above, the Fayetteville City Council will hold a public hearing as part of the Fayetteville City Council Meeting prior to the consideration and possible adoption of the 2023 water and sewer rate increase ordinance. The public will also be able to comment during the public comment portion during consideration of the rate ordinance prior to its final consideration and vote by the Fayetteville City Council. The public can attend in person or remotely via the link on the City's website, www.fayetteville-ar.gov.

If adopted, the proposed new rates would take effect on or after January 1, 2023, with 3% increases annually thereafter. All persons are invited to attend the public hearing and be heard on the matter.

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

The proposed water and sewer rate changes below are necessary for the City of Fayetteville to continue to provide safe and reliable water and sewer services to its citizens and other customers because extensive new capital needs are required now and will be required in the future and operating costs have increased and will continue to increase above the revenue increases generated by the current annual 3% proportional adjustment.

PROPOSED WATER RATE CHANGES – ON OR AFTER 1/1/2023

FIXED BASE CHARGE \$/MONTH Meter Size	WATER INSIDE CITY			WATER OUTSIDE CITY		
	EXISTING	PROPOSED	CHANGE	EXISTING	PROPOSED	CHANGE
5/8"	6.59	6.59	0.0%	7.54	7.54	0.0%
3/4"	6.59	6.59	0.0%	7.54	7.54	0.0%
1"	9.14	9.14	0.0%	10.52	12.26	16.5%
1.5"	15.93	15.93	0.0%	18.31	24.22	32.3%
2"	23.20	23.20	0.0%	26.66	33.52	25.7%
3"	54.05	54.05	0.0%	62.18	69.84	12.3%
4"	89.50	89.50	0.0%	102.93	102.93	0.0%
6"	178.99	178.99	0.0%	205.82	205.82	0.0%
8"	268.41	268.41	0.0%	308.67	308.67	0.0%
		AVG	0.0%		AVG	9.7%
QUANTITY CHARGE \$/1,000 GALLONS						
Residential						
First 2,000 gallons	3.51	3.30	-6.0%	4.04	4.47	10.6%
Next 13,000 gallons	4.64	4.37	-5.8%	5.34	5.91	10.7%
All over 15,000 gallons	6.59	6.20	-5.9%	7.54	8.38	11.1%
		AVG	-5.9%		AVG	10.8%
Non-Residential						
First 300,000 gallons	3.79	3.93	3.7%	4.38	5.05	15.3%
All over 300,000 gallons	3.38	3.93	16.3%	3.90	5.05	29.5%
		AVG	10.0%		AVG	22.4%
Major Industrial						
All Usage	2.96	3.14	6.1%	3.20	3.49	9.1%
Irrigation						
First 300,000 gallons	5.04	4.29	-14.9%	5.80	5.43	-6.4%
All over 300,000 gallons	4.53	4.29	-5.3%	5.22	5.43	4.0%
		AVG	-10.1%		AVG	-1.2%
Wholesale						
Reduced Peak Demand				2.87	3.16	10.1%
Peak Demand				3.20	3.16	-1.3%
					AVG	4.4%

***Beginning January 1, 2024, all monthly water rates shall be increased by 3% per year**

PROPOSED SEWER RATE CHANGES – ON OR AFTER 1/1/2023

FIXED BASE CHARGE \$/MONTH Meter Size	SEWER INSIDE CITY			SEWER OUTSIDE CITY			SEWER FARMINGTON		
	EXISTING	PROPOSED	CHANGE	EXISTING	PROPOSED	CHANGE	EXISTING	PROPOSED	CHANGE
5/8"	18.28	18.28	0.0%	18.28	18.28	0.0%	16.74	25.10	49.9%
3/4"	18.28	18.28	0.0%	18.28	18.28	0.0%	16.74	25.10	49.9%
1"	23.74	23.74	0.0%	33.92	33.92	0.0%	31.28	52.62	68.2%
1.5"	38.77	38.77	0.0%	60.37	66.73	10.5%	55.50	109.78	97.8%
2"	55.43	55.43	0.0%	79.73	93.11	16.8%	73.45	154.24	110.0%
3"	128.73	128.73	0.0%	184.24	196.10	6.4%	169.29	327.83	93.6%
4"	212.13	212.13	0.0%	303.44	303.44	0.0%	278.93	482.37	72.9%
6"	420.39	420.39	0.0%	601.46	601.46	0.0%	553.70	897.30	62.1%
8"	628.73	628.73	0.0%	899.76	899.76	0.0%	826.81	998.92	20.8%
		AVG	0.0%		AVG	3.8%		AVG	69.5%
QUANTITY CHARGE \$/1,000 GALLONS									
Residential									
First 2,000 Gallons	4.35	3.39	-22.1%	8.18	8.55	4.5%	7.52	8.27	10.0%
All over 2,000 Gallons	5.80	4.52	-22.1%	8.18	8.55	4.5%	7.52	8.27	10.0%
		AVG	-22.1%		AVG	4.5%		AVG	10.0%
Non-Residential									
All Usage	4.40	5.10	15.9%	8.18	8.55	4.5%	7.52	8.27	10.0%
Major Industrial									
All Usage	4.71	5.71	21.2%	8.18	8.55	4.5%	7.52	8.27	10.0%
Wholesale									
Reduced Peak Demand				5.19	7.20	38.7%			
Peak Demand				2.71	7.20	165.7%			
					AVG	102.2%			

***Beginning January 1, 2024, all monthly sewer rates shall be increased by 3% per year**

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