

# COMMUNITIES ... Unlimited

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February 19, 2018

Mark Grimmatt  
Public Works Director  
City of Bryant  
1017 SW 2<sup>nd</sup> Street  
Bryant, AR 72022

Subject: Water & Wastewater Rate Analysis and Recommendations

Dear Mr. Grimmatt:

Per your request, I have reviewed my rate recommendations I presented at last December's Water and Wastewater Advisory Committee and the Bryant City Council

The original analysis recommended a one-step increase to water and sewer rates. The following describes recommended rate increases if implemented over a three year period:

- Water Rates: Increase the minimum charge and charges for usage over the minimum by 2% per year for three years.
- Wastewater Rates: Increase the minimum charge and charges for usage over the minimum by 1.5% per year for three years. were reviewed to consider increasing rates over a three year period.

Water rate recommendations are anticipated to cover the increased cost of purchased water over the three year period.

Both recommendations will generate sufficient revenues to meet the target ratios described in the Water & Wastewater Rate Analysis.

Attached are detailed descriptions of the recommendations phased in over three year.

Also attached are water and wastewater rate comparisons with similar systems within Saline and surrounding counties. Highlighted are the statewide percentiles for the minimum charge (2,000 gallons) and the charge for average residential usage (4,000 gallons).

City of Bryant water rates are comparatively low: ranked in the low 9<sup>th</sup> percentile for 2,000 gallons, and 24<sup>th</sup> for 4,000 gallons. City of Bryant wastewater rates are higher, ranked 59<sup>th</sup> for 2,000 gallons, and 85<sup>th</sup> for 4,000 gallons.

The survey data was taken from the Arkansas Retail Sewer Rate Survey completed by the Arkansas Natural Resources Commission, October 2016.

Water and wastewater rates, however, reflect the unique debt service, operating, and maintenance costs associated with a specific utility. Public financing agencies typically use an “affordability index” to determine debt capacity of a public water or wastewater system. The affordability index represents the percent of Median Household Income needed by an average 4,000 gallons per month residential customer to pay their water or sewer charge. Residential rates within 1.5% to 2.0% of MHI are considered affordable.

Both current and recommended water and wastewater rates are well within the affordability index.

A modest adjustment in user rates of approximately 6% for water and 4.5% for wastewater should be sufficient for at least the next three years. Beyond that time, decisions related to the funding of capital improvements may have an impact on future rates.

Communities Unlimited appreciates the assistance provided in the development of this report and remains available to explain the report and answer questions as needed. Should you have any questions concerning the report, please do not hesitate to contact me.

Sincerely,

A handwritten signature in blue ink, appearing to read "Jerry Kopke", is written over a horizontal line.

Jerry Kopke  
Arkansas State Coordinator  
Rural Community Assistance Program  
Communities Unlimited, Inc.

Attachments:

- A-1 Water Rate Recommendations
- A-2 Wastewater Rate Recommendations
- A-3 CAW Wholesale Rates
- A-4 Water Rate Comparison
- A-5 Wastewater Rate Comparison
- A-6 Affordability Index

City of Bryant  
Water & Wastewater Department  
Water Rate Recommendations

Rate Recommendations

- |        |    |  |
|--------|----|--|
| Year 1 | 1. | Increase minimum bill and usage charges by 2% (\$.23 for residential |
| Year 2 | 1. | Additional 2% increase on minimum and usage charges                  |
| Year 3 | 1. | Additional 2% increase on minimum and usage charges                  |

	<u>Current</u>	<u>Recommended Rates</u>		
	<u>Rates</u>	<u>1st Year</u>	<u>2nd Year</u>	<u>3rd Year</u>
<u>Minimum Charge: Based on Meter Size and includes 2,000 gallons of service</u>				
5/8" - 3/4"	\$ 11.34	\$ 11.57	\$ 11.80	\$ 12.03
1"	\$ 17.01	\$ 17.35	\$ 17.70	\$ 18.05
1 1/2"	\$ 28.35	\$ 28.92	\$ 29.50	\$ 30.09
2"	\$ 56.70	\$ 57.83	\$ 58.99	\$ 60.17
3"	\$ 90.72	\$ 92.53	\$ 94.39	\$ 96.27
4"	\$ 170.10	\$ 173.50	\$ 176.97	\$ 180.51
6"	\$ 567.00	\$ 578.34	\$ 589.91	\$ 601.70
 <u>Usage Charge: Per thousand metered gallons over 2,000 gallons</u>				
<u>Charge per 1,000</u>	\$ 5.45	\$ 5.56	\$ 5.67	\$ 5.78
 Cost for				
4,000 gallons:	<u>\$ 22.24</u>	<u>\$ 22.68</u>	<u>\$ 23.14</u>	<u>\$ 23.60</u>

City of Bryant  
Water & Wastewater Department  
Wastewater Rate Recommendations

Rate Recommendations

- |        |    |  |
|--------|----|--|
| Year 1 | 1. | Increase minimum bill and usage charges by 1.5% (\$.25 for residential |
| Year 2 | 1. | Additional 1.5% increase on minimum and usage charges                  |
| Year 3 | 1. | Additional 1.5% increase on minimum and usage charges                  |

	<u>Current</u>	<u>Recommended Rates</u>		
	<u>Rates</u>	<u>1st Year</u>	<u>2nd Year</u>	<u>3rd Year</u>
First 2,000 gal.	\$ 16.45	\$ 16.70	\$ 16.95	\$ 17.20
Over 2,000 gals:	\$ 8.77	\$ 8.90	\$ 9.04	\$ 9.17
 Cost for				
4,000 gallons:	<u>\$ 33.99</u>	<u>\$ 34.50</u>	<u>\$ 35.02</u>	<u>\$ 35.54</u>

City of Bryant  
Water & Wastewater Department  
Central Arkansas Water Wholesale Rates

CAW Wholesale Water Rates (Off Peak)

<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Per 100 cubic feet			
1.15	1.29	1.45	1.52
Per 1000 gallons			
\$ 1.54	\$ 1.72	\$ 1.94	\$ 2.03
Percent Change			
	12.2%	12.4%	4.8%

CAW Wholesale Water Rates (Peak)

<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Per 100 cubic feet			
\$ 1.31	\$ 1.43	\$ 1.57	\$ 1.65
Per 1000 gallons			
\$ 1.75	\$ 1.91	\$ 2.10	\$ 2.21

Savings for Off Peak Purchasing (600 million Gallons/Month)

<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
\$ 128,352	\$ 112,308	\$ 96,264	\$ 104,286

**City of Bryant Water**  
**Residential Water Rate Comparison Similar Systems**  
**Minimum Bill (2,000 gallons) and Average Bill (4,000 gallons)**

Community Public Water System	Principal County	# Meters	1,000	2,000	3,000	4,000	2,000	4,000
			Gal WATER	Gal WATER	Gal WATER	Gal WATER	Gallons STATEWIDE PERCENTILE	Gallons STATEWIDE PERCENTILE
Central AR Water	Pulaski	139,799	\$6.30	\$7.38	\$9.54	\$11.69	2nd	2nd
Hot Springs Water	Garland	43,361	\$5.23	\$7.87	\$10.51	\$13.15	2nd	3rd
Conway Water	Faulkner	25,276	\$6.98	\$9.53	\$12.08	\$14.63	5th	5th
Central AR Water OUT	Pulaski	139,799	\$8.11	\$9.85	\$13.30	\$16.75	6th	10th
Benton Water	Saline	12,714	\$11.75	\$11.75	\$15.12	\$18.48	11th	14th
Hot Springs Village Water	Garland	9,185	\$12.89	\$12.89	\$14.85	\$18.77	17th	15th
Hot Springs Water OUT	Garland	43,361	\$7.94	\$11.91	\$15.88	\$19.85	13rd	18th
East End WID #1	Saline	2,235	\$13.75	\$13.75	\$17.00	\$20.25	19th	20th
<b>Bryant Water</b>	<b>Saline</b>	<b>7,734</b>	<b>\$11.14</b>	<b>\$11.14</b>	<b>\$16.39</b>	<b>\$21.64</b>	<b>9th</b>	<b>24th</b>
Malvern Water	Hot Spring	4,362	\$14.00	\$14.00	\$18.35	\$22.70	21st	28th
Salem PWA	Saline	6,000	\$15.30	\$15.30	\$19.05	\$22.80	27th	25th
Benton Water OUT	Saline	12,714	\$16.75	\$16.75	\$20.12	\$23.48	33rd	31st
Sardis PWA	Saline	5,270	\$14.10	\$17.65	\$21.20	\$24.75	37th	35th
Maumelle SID #500	Pulaski	9,811	\$17.38	\$20.76	\$24.14	\$27.52	51st	44th
Jacksonville Water	Pulaski	9,801	\$16.49	\$16.49	\$22.42	\$28.35	32nd	47th
Vilonia Water	Faulkner	8,359	\$12.50	\$17.90	\$23.30	\$28.70	38th	45th
Greenbrier Water	Faulkner	3,775	\$19.60	\$23.14	\$26.68	\$30.22	61st	52nd
Kimzey RWD Phase I West	Hot Spring	4,535	\$17.00	\$21.45	\$25.90	\$30.35	53rd	52nd
Vilonia Water OUT LCP	Faulkner	8,359	\$16.50	\$21.90	\$27.30	\$32.70	55th	61st
Vilonia Water OUT EMV	Faulkner	8,359	\$20.00	\$25.40	\$30.80	\$36.20	65th	71st
North Garland Co RWD	Garland	2,875	\$22.37	\$27.30	\$32.23	\$37.16	76th	74th
Mayflower Water	Faulkner	3,043	\$19.90	\$26.30	\$32.70	\$39.10	62nd	78th
Southwest Water Users	Saline	2,954	\$27.00	\$31.05	\$35.10	\$39.15	86th	78th
Jacksonville Water OUT	Pulaski	9,801	\$23.67	\$23.67	\$32.40	\$41.13	62nd	83rd
Mid-AR (former No Pulaski)	Pulaski	4,097	\$32.05	\$32.05	\$37.45	\$42.85	88th	85th
Kimzey RWD Phase II East	Hot Spring	4,535	\$20.40	\$28.05	\$35.70	\$43.35	78th	87th
Malvern Water OUT	Hot Spring	4,362	\$28.00	\$28.00	\$36.75	\$45.50	78th	90th
Beaverfork WFB	Faulkner	1,174	\$32.00	\$37.58	\$43.16	\$48.74	95th	93rd

Note: Systems surveyed include all public water systems serving at least 2,000 customers within Saline County and surrounding counties. Survey data taken from the **Arkansas CPSS Retail Water Rate Survey** completed by the Arkansas Natural Resources Commission, October 2016.

**City of Bryant Wastewater**  
**Residential Sewer Rate Comparison Similar Systems**  
**Minimum Bill (2,000 gallons) and Average Bill (4,000 gallons)**

City Public Sewer Utility	County	No. SEWER Cust	1,000 Gallons SEWER	2,000 Gallons SEWER	3,000 Gallons SEWER	4,000 Gallons SEWER	STATEWIDE PERCENTILE	
							2,000 Gallons	4,000 Gallons
Sheridan Sewer	Grant	1,448	\$6.62	\$6.62	\$8.42	\$10.22	3rd	4th
Cabot Sewer+	Lonoke	9,661	\$6.67	\$8.24	\$9.81	\$11.38	10th	7th
Lonoke Sewer	Lonoke	1,604	\$6.61	\$8.23	\$9.85	\$11.47	10th	7th
Maumelle SID #500	Pulaski	7,272	\$7.20	\$9.99	\$12.78	\$15.57	19th	28th
Ward Sewer	Lonoke	1,700	\$4.00	\$8.50	\$13.00	\$17.50	11th	39th
Greenbrier Sewer+	Faulkner	1,731	\$10.55	\$13.55	\$16.55	\$19.55	45th	50th
England Sewer	Lonoke	1,200	\$8.53	\$12.43	\$16.33	\$20.23	38th	51st
North Little Rock (NLR) Sewer CF	Pulaski	31,303	\$15.43	\$15.43	\$15.47	\$20.87	57th	54th
Benton Sewer	Saline	13,975	\$13.10	\$13.10	\$17.90	\$22.70	52nd	61st
Malvern Sewer	Hot Spring	3,822	\$15.00	\$18.00	\$21.00	\$24.00	52nd	65th
Jacksonville Sewer	Pulaski	8,918	\$14.63	\$14.63	\$19.76	\$24.89	60th	67th
Hot Springs Village Sewer	Garland	3,141	\$27.14	\$27.14	\$27.14	\$27.14	91st	74th
Little Rock Sewer CF	Pulaski	67,837	\$15.20	\$20.10	\$25.01	\$29.91	77th	80th
Conway Sewer	Faulkner	17,336	\$18.53	\$18.53	\$24.91	\$31.29	70th	82nd
<b>Bryant Sewer</b>	<b>Saline</b>	<b>3,279</b>	<b>\$16.46</b>	<b>\$16.46</b>	<b>\$24.96</b>	<b>\$33.46</b>	<b>59th</b>	<b>85th</b>
Hot Springs Sewer (2 plants)	Garland	25,711	\$19.95	\$24.61	\$29.27	\$33.93	88th	85th
Malvern Sewer OUT	Hot Spring		\$27.00	\$30.00	\$33.00	\$36.00	95th	90th
North Little Rock Sewer Runyan	Pulaski	1,400	\$36.00	\$36.00	\$36.00	\$36.00	98th	90th
Benton Sewer OUT	Saline		\$22.93	\$22.93	\$31.33	\$39.73	85th	94th
Little Rock Sewer OUT CF	Pulaski		\$22.61	\$29.77	\$36.94	\$44.10	94th	96th
Hot Springs Sewer OUT	Garland		\$27.78	\$34.27	\$40.76	\$47.25	98th	98th

Note: Systems surveyed include all public wastewater systems serving at least 1,000 customers within Saline County and surrounding counties. Survey data taken from the **Arkansas CPSS Retail Sewer Rate Survey** completed by the Arkansas Natural Resources Commission, October 2016.

**City of Bryant  
Water & Wastewater Department  
Affordability Index**

The Affordability Index represents the percent of MHI needed by an average 4,000 gal per month residential user to pay their water or sewer charge. Residential rates within 1.5% to 2.0% of MHI are considered affordable.

City of Bryant Median Household Income: \$ 60,162

Source: US Census: (2011-15 American Community Survey 5 yr. estimate)

Water Rates		Recommended Rates					
		Year 1		Year 2		Year 3	
(Charge 4,000 gal)	% of MHI	(Charge 4,000 gal)	% of MHI	(Charge 4,000 gal)	% of MHI	(Charge 4,000 gal)	% of MHI
\$ 22.24	0.44%	\$ 22.68	0.45%	\$ 23.14	0.46%	\$ 23.60	0.47%

  

Wastewater Rates		Recommended Rates					
		Year 1		Year 2		Year 3	
(Charge 4,000 gal)	% of MHI	(Charge 4,000 gal)	% of MHI	(Charge 4,000 gal)	% of MHI	(Charge 4,000 gal)	% of MHI
\$ 33.99	0.68%	\$ 34.50	0.69%	\$ 35.02	0.70%	\$ 35.54	0.71%