

# CIFA SRF WORKSHOP

## November 2023



**Arkansas Regionalization Projects**  
**Debby Dickson**

# REGIONALIZATION AN OPTION FOR ARKANSAS WATER SYSTEMS



Arkansas WATER provider legislative task force issues final report and retail provider oversight legislation enacted.



Regionalization study project starts.



Regionalization projects seek funding.

# WATER PROVIDER OVERSIGHT

# ARKANSAS WATER PROVIDER LEGISLATIVE TASK FORCE ESTABLISHED BY ACT 1056 OF 2017

Study and provide a blueprint for water security and development for the state; and

Recommend best practices to enhance economic development in the state through a dependable and structured way to aid as many Arkansans as possible in obtaining basic water service



# OVERSIGHT OF RETAIL WATER PROVIDERS ACT 605 OF 2021 AND ACT 545 OF 2023

Final report from the task force



- Act 605 of 2021 tasked retail water providers with additional responsibilities in managing and operating their water systems.
  - Rate Studies required every 5 years ~~and/or prior to any major development project~~
  - Requires Retail Water Board Training
  - Creation of municipal advisory committee
  - Requirements for service outside of municipal boundaries
  - Prohibits new systems with less than 300 customers in most cases
- Arkansas Natural Resources Commission Rules Implementing Act 605 of 2021
  - <https://www.agriculture.arkansas.gov/wp-content/uploads/2022/02/Leg-CounANRC.04-SOS-and-BLR-FINAL-RULE-Rules-Implementing-Act-605-of-2021-1.pdf>



# WHO IS EXEMPT

- A water system regulated by the Arkansas Public Service Commission
- A municipal utility system owned or operated by a municipality that provides electric service to retail customers in addition to water service
- A privately owned provider that supplies the majority of its retail water service to nonresidential customers; or
- A water system operated jointly between two (2) municipalities in which each municipality is located in a different state.
- A provider during the time that the provider is subject to a federal court decree or judgement for remediation efforts related to the provider's water system, wastewater system, or water and wastewater systems for the purpose of compliance with federal law.



# RATE STUDIES SCHEDULE ACT 605 OF 2021 AND ACT 545 OF 2023

- ~~Major Development Project~~
  - ~~Drinking Water Only~~
  - ~~Projects that exceed 20% of the gross revenues for the proceeding fiscal year~~
- Rate Study Deadlines
  - Less than 500 customers - July 1, 2024
  - 500 to 1000 customers - July 1, 2025
  - More than 1,000 customers - July 1, 2026
- Every five years



# RATE STUDY PROVIDERS

- Required to Maintain a List of Approved Rate Study Providers
- Qualifications
  - Arkansas Rural Water Association
  - Professional Engineers
  - Certified Public Accountants
  - Economists
  - Actuaries
  - 1 Rate Study in the Previous 5 years
- Application Online
- Removal From List



## ARKANSAS DEPARTMENT OF AGRICULTURE NATURAL RESOURCES DIVISION

### RATE STUDY PROVIDER APPROVED LIST Updated March 18, 2022

Per the Act 605 of 2021, the Arkansas Natural Resources Commission shall maintain an approved list of entities to conduct rate studies for Water Service Providers. The following entities have been determined to have meet the qualifications for inclusion on this list

#### **Arkansas Rural Water Association**

240 Dee Dee Lane  
Lonoke, AR 72086  
[info@arwa.net](mailto:info@arwa.net)  
(501) 676-2266

#### **Bond Consulting Engineers, Inc.**

2601 T.P. White Dr.  
Jacksonville, AR 72076  
[tbond@bondce.com](mailto:tbond@bondce.com)  
[arobinson@bondce.com](mailto:arobinson@bondce.com)  
(501) 982-1538

#### **Burns & McDonnell Engineering Company, Inc.**

9400 Ward Parkway  
Kansas City, Missouri 64114  
[dnaumann@burnsmcd.com](mailto:dnaumann@burnsmcd.com)  
(816) 822-4207

#### **Communities Unlimited, Inc.**

3 East Colt Square  
Fayetteville, AR 72701  
[Jerry.kopke@communitiesu.org](mailto:Jerry.kopke@communitiesu.org)  
(479) 445-2727

#### **Hawkins-Weir Engineers, Inc.**

110 South 7th Street  
Van Buren, Arkansas 72956  
[brett.peters@hawkins-weir.com](mailto:brett.peters@hawkins-weir.com)  
(479) 474-1227



# RATE STUDY REQUIREMENTS

- Comprehensive cost analysis(minimum)
  - Operations and maintenance Expenses
  - Financing expenses
  - Required cash reserves - annual refurbishment and replacement account
  - Depreciation expenses
  - Future capital expenses
  - Preparation of an Annual Audit
- Comprehensive revenue earnings analysis
  - Available Cash balance
  - Non-rate revenue – Clarified by Act 545 of 2023
  - Rate revenue without recommended increases/With Recommended Rate Increases
  - Debt Service Coverage Ratios
  - Annualized revenue requirement
- Asset management plan
- Chosen rate design
- Recommendations for any changes to the provider's operations
- Certification by the entity performing the rate study that such study complies with Act 605 and the Rules

**Objective and  
unbiased review  
of the Water  
Service  
Provider's fiscal  
status**



# RECOMMENDED RATES

- New rates must be implemented within one year
- Unless
  1. The Rates Recommended increase the providers rates by 50% or more from previous you get 2 years or
  2. **Based on the recommendations of the Rate Study**



# REFURBISHMENT AND REPLACEMENT ACCOUNT

- You must have one
- 5% per year or different amount determined by rate study
- Act 545 clarified that you can spend it on refurbishment and replacement



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# FISCAL DISTRESS AGENCY RESPONSIBILITY

- 
- Required to Maintain a List of Systems in Fiscal Distress
  - A system **shall** be in fiscal distress if they fail to:
    - Obtain and Submit a Rate Study
    - Implement Rates in Rate Study
    - Maintain a 1.05 Debt Service Coverage Ratio
  - A system **may** be in fiscal distress if they fail to:
    - Obtain required training
    - File annual audits
    - Adopt an adequate budget
    - Make appropriate tax/fee payments
    - Make debt payments
    - Stay in compliance with DOH, ADEQ, and EPA

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# FISCAL DISTRESS SYSTEM RESPONSIBILITY

- 
- Systems placed in fiscal distress :
    - Will be added to a list of ‘fiscally distressed systems”
    - Shall submit an Improvement Plan within 90 days
    - Can not receive State Financial Assistance
    - Can not incur additional debt without ANRC approval
    - Can not accept assistance for the refurbishment or replacement of facilities of construction of facilities without approval
    - Can not transfer assets to another entity without approval

# WATER PROVIDER BOARD TRAINING

- Required within One Year of Becoming a Board Member
- >10 Years of Service – Exempt
- Existing Board Member deadline – ~~12/31/2022~~ **Now 12/31/2023**
  - Majority Trained or Fiscal Distress
- ~~Advisory Board~~ Approved Curriculum



## ARKANSAS DEPARTMENT OF AGRICULTURE NATURAL RESOURCES DIVISION

### RETAIL WATER PROVIDER BOARD OF DIRECTORS TRAINING CURRICULUM

Approved March 29, 2022

Per Act 605 of 2021, within one (1) year of election or appointment, a majority of the members of a retail water provider board shall receive a minimum of eight (8) hours of provider training. A member of a provider board on January 1, 2021, shall receive the training required under this section by December 31, 2022. If a majority of the members of a provider board do not receive the training required under this section, the Arkansas Natural Resources Commission may find the provider is in fiscal distress. These requirements do not apply to a member of a provider board who has served on the provider board for ten (10) years or more.

#### Minimum Training Requirements

Length – 8 Hours

Style – Virtual or In-person

#### Required Topics

1. State and Federal Rules
  - a. Act 605 of 2021
  - b. Arkansas State Board of Health - Rules
  - c. Safe Drinking Water Act
  - d. Arkansas Water Operator Licensing Law
  - e. Federal Lead and Copper Rules
2. Board Organization and Governance
  - a. Types of Water Provider Boards
  - b. Member Roles and Responsibilities
    - i. Legal
    - ii. Fiduciary
    - iii. Financial
  - c. Arkansas Freedom of Information Act

# Water Provider Board Training Providers

- Arkansas Environmental Training Academy
  - In Person
  - ZOOM
  - Internet
- Arkansas Rural Water Association
  - In Person
- Communities Unlimited
  - Contact for Scheduling



**COMMUNITIES**Unlimited



# Water Provider Board Training - Reporting

- By January 31 - Annually
  - Names and Contact Info for Each Board Member
  - Identify which Members have obtained 8 hours training
  - Identify Members with 10+ Years of Service – Exempt
  - Report



## Retail Water Provider Board Annual Reporting Form

Reporting year  
 01/01/22 - 12/31/22  01/01/23 - 12/31/23  01/01/24 - 12/31/24  01/01/25 - 12/31/25  
 01/01/26 - 12/31/26

Retail Water Provider Name\*

Total Number of Board Members\*

**Board Member #1**  
Board Member Name and Title (You must complete for every board member.)\*

Address\*  
Address Line 1  
  
Address Line 2  
  
City  State  Zip Code

Phone\*  Email\*

Number of Years on Provider Board\*  Has Board Member Received Required Training?\*  
 yes  no

Date of Training Received\*  Method of Training Received\*  
 In Person  Internet-Zoom

Board Member is exempt from training. Served on board for 10+ years.  
 Yes  No





# WATER TO NONRESIDENT CUSTOMERS

- Obligation to Serve Outside City Limits/Service Area
  - Agree to Serve or ANRC Can Release the Service Area
  - Nonresident property owner may be required to pay the costs
  - No Release if Area is tied to debt
  - Affected property owner applies for service from provider
  - Requirement to annex must be clearly defined, or invalid
- A consumer shall not be denied access to service if suitable distribution and collection infrastructure already exists or if the consumer is willing to pay for suitable distribution and collection infrastructure, unless:
  - A municipal provider has made the decision not to extend service outside the municipal boundaries of the municipal provider;
  - An engineering, capacity, physical feasibility, or fiscal feasibility issue exists as determined by a professional engineer or certified public accountant; or
  - A consumer does not submit an application for service.



# ADVISORY BOARD

- Non-voting Advisory Board Required
  - Required if 20% of customers outside of City Limits
  - The makeup and duties of an advisory committee created under determined by the governing body
  - Must Include two (2) nonresident customers from the area served outside
- New ANRC Roles and Responsibilities
  - The commission shall intervene if a municipal provider is prohibited from providing water to potential customers within the municipal provider's service area by the political subdivision
  - Practices business irresponsibly in relation to consumer rights; or Is not following best management practices in providing water service.



# WATER STUDY PROJECT

# REVITALIZATION OF WATER SYSTEMS IN SELECT REGIONS

RFQ selection: Hawkins Weir engineers Inc. & Central Arkansas Water



## PROJECT SCOPE

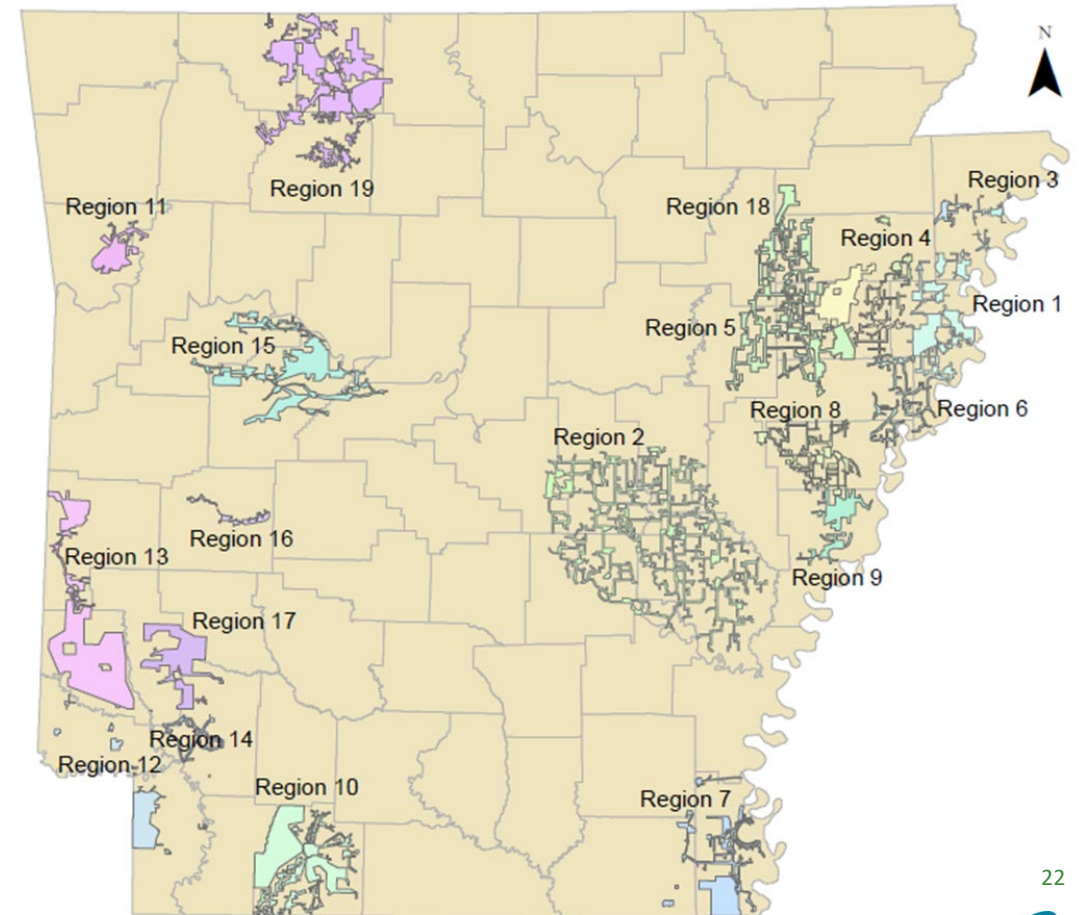
- Task: Evaluate options for regionalization and consolidation of underserved and small or disadvantaged communities
- Goals: Provide recommendations to improve public water systems long-term viability



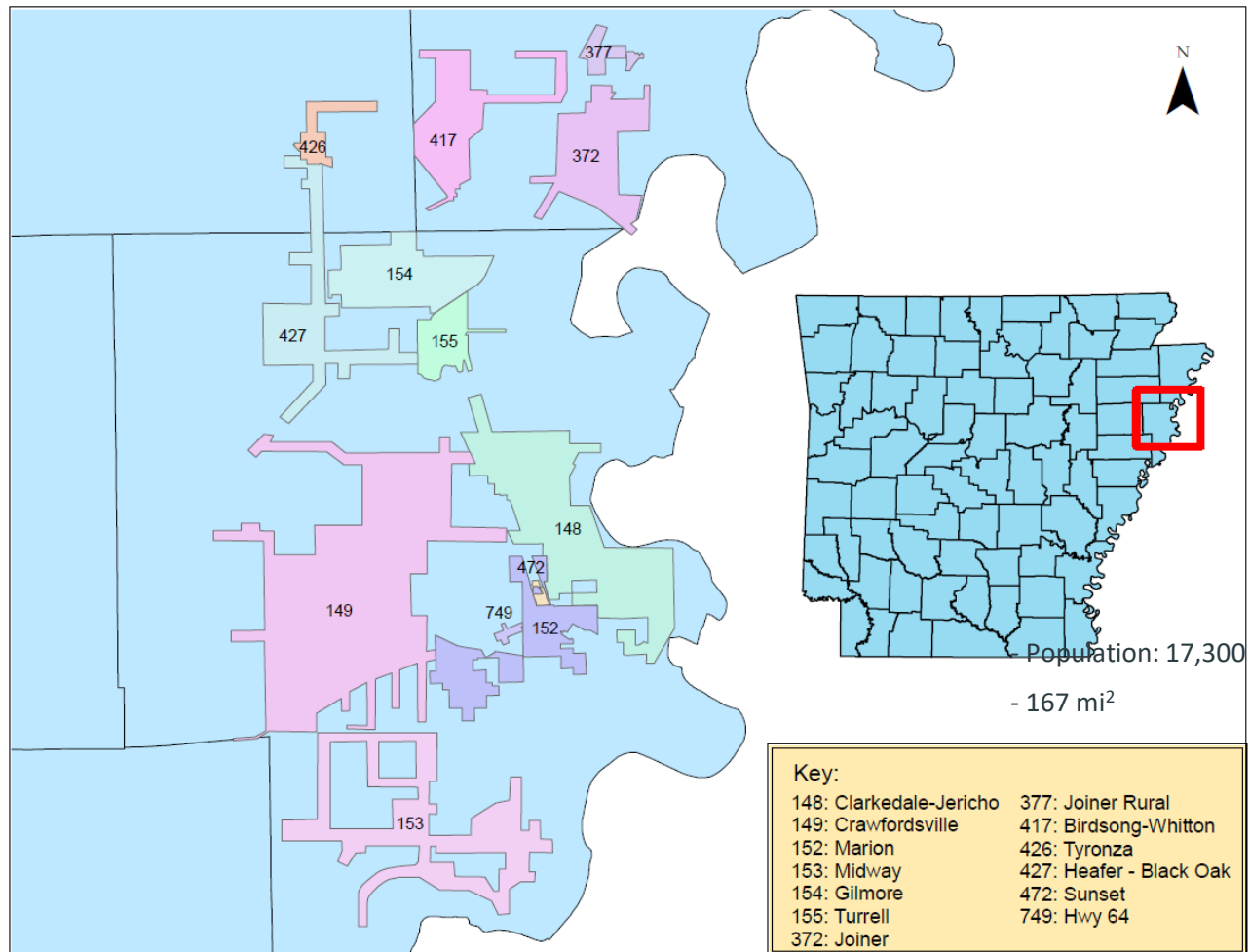
# REGIONAL STUDIES

## Regional studies:

- 19 Study Regions
  - ~125 Water Providers
  - 60 Utilities of Concern
    - Repeat Violations
    - Economic Concern



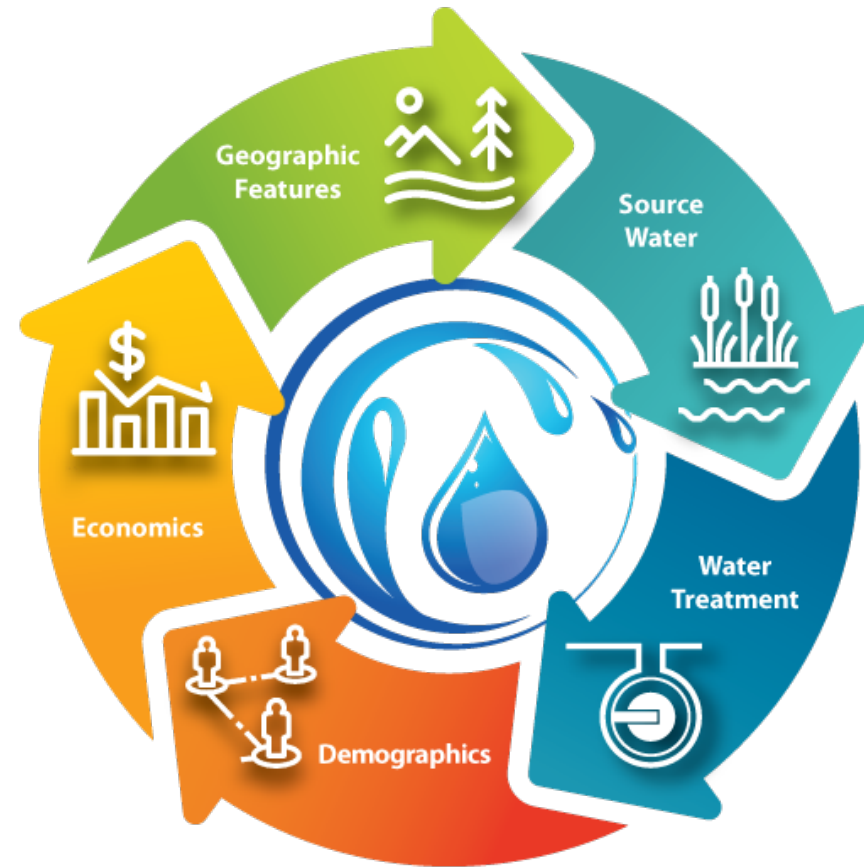
# REGION 1



# SUSTAINABILITY MATRIX

Develop a Tool to Evaluate each public water system on Multiple Factors:

- Demographics
- Economic Factors
- Source Water
- Water Treatment
- Geographic Features





## Demographics - Region 1 Scoring Summary

| PWS ID# | System Name                          | Total Score | Demographic Subsection | Socioeconomic Subsection | Notes                                     |
|---------|--------------------------------------|-------------|------------------------|--------------------------|---|
| 148     | Clarkedale-Jericho Water Association | 55%         | 30%                    | 80%                      |   |
| 149     | Crawfordsville Waterworks            | 65%         | 50%                    | 80%                      |   |
| 152     | Marion Waterworks                    | N/A         | N/A                    | N/A                      | Missing Sanitary Survey                   |
| 153     | Midway Water Association             | N/A         | N/A                    | N/A                      | Missing Sanitary Survey                   |
| 154     | Gilmore Waterworks                   | 27%         | 4%                     | 50%                      |   |
| 155     | Turrell Waterworks                   | 45%         | 10%                    | 80%                      |   |
| 372     | Joiner Waterworks                    | 15%         | 10%                    | 20%                      |   |
| 377     | Joiner Rural                         | N/A         | N/A                    | N/A                      | Missing Sanitary Survey, missing GIS data |
| 417     | Birdsong Whitton Water Association   | 12%         | 4%                     | 20%                      |   |
| 426     | Tyronza Waterworks                   | 40%         | 30%                    | 50%                      |   |
| 427     | Heafer-Black Oak Water Association   | 27%         | 4%                     | 50%                      |   |
| 472     | Sunset Water Association             | N/A         | N/A                    | N/A                      | Missing Sanitary Survey                   |
| 749     | HWY 64 Water Association             | N/A         | N/A                    | N/A                      | Missing Sanitary Survey, missing GIS data |
| 695     | Wright Pastoria Water Association    | 17%         | 24%                    | 10%                      |   |

Highest Score: 65%    ♦    Lowest Score: 12%    ♦    Average Score: 34%

## Economic Factors - Region 1 Scoring Summary

| PWS ID# | System Name                          | Total Score | Budget | Procedure | Rates | Notes                   |
|---------|--------------------------------------|-------------|--------|-----------|-------|-------------------------|
| 148     | Clarkedale-Jericho Water Association | 89%         | 86%    | 100%      | 80%   |                         |
| 149     | Crawfordsville Waterworks            | 53%         | 34%    | 88%       | 60%   |                         |
| 152     | Marion Waterworks                    | N/A         | N/A    | N/A       | N/A   | Missing Sanitary Survey |
| 153     | Midway Water Association             | N/A         | N/A    | N/A       | N/A   | Missing Sanitary Survey |
| 154     | Gilmore Waterworks                   | 39%         | 20%    | 72%       | 50%   | Missing Financial Audit |
| 155     | Turrell Waterworks                   | 53%         | 26%    | 88%       | 100%  |                         |
| 372     | Joiner Waterworks                    | 56%         | 30%    | 100%      | 80%   |                         |
| 377     | Joiner Rural                         | N/A         | N/A    | N/A       | N/A   | Missing Sanitary Survey |
| 417     | Birdsong Whitton Water Association   | 42%         | 20%    | 72%       | 80%   | Missing Financial Audit |
| 426     | Tyronza Waterworks                   | 62%         | 46%    | 88%       | 80%   |                         |
| 427     | Heafer-Black Oak Water Association   | 39%         | 20%    | 72%       | 50%   | Missing Financial Audit |
| 472     | Sunset Water Association             | N/A         | N/A    | N/A       | N/A   | Missing Sanitary Survey |
| 749     | HWY 64 Water Association             | N/A         | N/A    | N/A       | N/A   | Missing Sanitary Survey |
| 695     | Wright Pastoria Water Association    | 29%         | 0%     | 88%       | 30%   |                         |

Highest Score:89%    ◆    Lowest Score:29%    ◆    Average Score:51%



# Sustainability Scale, Source Water - Region 1 Scoring Summary

| PWS ID# | System Name                          | Total Score | Interconnection | Primary Source | Security | Quantity | Quality | Secondary Source | Security | Quantity | Quality | Notes                   |
|---------|--------------------------------------|-------------|-----------------|----------------|----------|----------|---------|------------------|----------|----------|---------|-------------------------|
| 148     | Clarkedale-Jericho Water Association | 69%         | 100%            | Wholesale      | -        | 100%     | -       | Wholesale        | -        | 27%      | -       |                         |
| 149     | Crawfordsville Waterworks            | 69%         | 0%              | Groundwater    | 30%      | 67%      | 100%    | -                | -        | -        | -       |                         |
| 152     | Marion Waterworks                    | N/A         | N/A             | N/A            | N/A      | N/A      | N/A     | N/A              | N/A      | N/A      | N/A     | Missing Sanitary Survey |
| 153     | Midway Water Association             | N/A         | N/A             | N/A            | N/A      | N/A      | N/A     | N/A              | N/A      | N/A      | N/A     | Missing Sanitary Survey |
| 154     | Gilmore Waterworks                   | 42%         | 0%              | Groundwater    | 30%      | 30%      | 70%     | -                | -        | -        | -       |                         |
| 155     | Turrell Waterworks                   | 55%         | 0%              | Groundwater    | 20%      | 50%      | 85%     | -                | -        | -        | -       |                         |
| 372     | Joiner Waterworks                    | 56%         | 0%              | Groundwater    | 30%      | 50%      | 85%     | -                | -        | -        | -       |                         |
| 377     | Joiner Rural                         | N/A         | N/A             | N/A            | N/A      | N/A      | N/A     | N/A              | N/A      | N/A      | N/A     | Missing Sanitary Survey |
| 417     | Birdsong Whitton Water Association   | 56%         | 0%              | Groundwater    | 30%      | 50%      | 85%     | -                | -        | -        | -       |                         |
| 426     | Tyronza Waterworks                   | 58%         | 0%              | Groundwater    | 40%      | 50%      | 85%     | -                | -        | -        | -       |                         |
| 427     | Heafer-Black Oak Water Association   | 75%         | 0%              | Wholesale      | -        | 20%      | 0%      | -                | -        | -        | -       |                         |
| 472     | Sunset Water Association             | N/A         | N/A             | N/A            | N/A      | N/A      | N/A     | N/A              | N/A      | N/A      | N/A     | Missing Sanitary Survey |
| 749     | HWY 64 Water Association             | N/A         | N/A             | N/A            | N/A      | N/A      | N/A     | N/A              | N/A      | N/A      | N/A     | Missing Sanitary Survey |
| 695     | Wright Pastoria Water Association    | 50%         | 0%              | Groundwater    | 50%      | 50%      | 55%     | -                | -        | -        | -       |                         |

Highest Score:75%    ♦    Lowest Score:42%    ♦    Average Score:59%



## Water Treatment - Region 1 Scoring Summary

| PWS ID# | System Name                          | Total Score | General | Treatment | Distribution | Staffing | Monitoring | Notes:                           |
|---------|--------------------------------------|-------------|---------|-----------|--------------|----------|------------|----------------------------------|
| 148     | Clarkedale-Jericho Water Association | 81%         | 83%     | 0%        | 100%         | 67%      | 80%        | Exempt from treatment subsection |
| 149     | Crawfordsville Waterworks            | 91%         | 83%     | 100%      | 100%         | 83%      | 94%        |                                  |
| 152     | Marion Waterworks                    | N/A         | N/A     | N/A       | N/A          | N/A      | N/A        | Missing Sanitary Survey          |
| 153     | Midway Water Association             | N/A         | N/A     | N/A       | N/A          | N/A      | N/A        | Missing Sanitary Survey          |
| 154     | Gilmore Waterworks                   | 77%         | 70%     | 100%      | 100%         | 67%      | 68%        |                                  |
| 155     | Turrell Waterworks                   | 61%         | 67%     | 25%       | 0%           | 83%      | 70%        |                                  |
| 372     | Joiner Waterworks                    | 66%         | 17%     | 50%       | 0%           | 100%     | 94%        |                                  |
| 377     | Joiner Rural                         | N/A         | N/A     | N/A       | N/A          | N/A      | N/A        | Missing Sanitary Survey          |
| 417     | Birdsong Whitton Water Association   | 88%         | 87%     | 50%       | 100%         | 67%      | 94%        |                                  |
| 426     | Tyronza Waterworks                   | 96%         | 100%    | 25%       | 100%         | 100%     | 100%       |                                  |
| 427     | Heafer-Black Oak Water Association   | 54%         | 17%     | 0%        | 100%         | 50%      | 60%        | Exempt from treatment subsection |
| 472     | Sunset Water Association             | N/A         | N/A     | N/A       | N/A          | N/A      | N/A        | Missing Sanitary Survey          |
| 749     | HWY 64 Water Association             | N/A         | N/A     | N/A       | N/A          | N/A      | N/A        | Missing Sanitary Survey          |
| 695     | Wright Pastoria Water Association    | 65%         | 43%     | 50%       | 0%           | 100%     | 76%        |                                  |

Highest Score:93% ◆ Lowest Score:54% ◆ Average Score:73%



## Geographic Features - Region 1 Scoring Summary

| PWS ID# | System Name                          | Total Score | Subgrade | Topography | Population Density | Flood Hazard | Seismic Hazard | Notes                           |
|---------|--------------------------------------|-------------|----------|------------|--------------------|--------------|----------------|---------------------------------|
| 148     | Clarkedale-Jericho Water Association | 44%         | 44%      | 100%       | 0%                 | 48%          | 20%            |                                 |
| 149     | Crawfordsville Waterworks            | 40%         | 44%      | 100%       | 0%                 | 30%          | 20%            |                                 |
| 152     | Marion Waterworks                    | 55%         | 46%      | 100%       | 100%               | 48%          | 20%            |                                 |
| 153     | Midway Water Association             | 39%         | 40%      | 90%        | 0%                 | 30%          | 40%            |                                 |
| 154     | Gilmore Waterworks                   | 36%         | 40%      | 100%       | 0%                 | 30%          | 0%             |                                 |
| 155     | Turrell Waterworks                   | 50%         | 36%      | 100%       | 30%                | 83%          | 20%            |                                 |
| 372     | Joiner Waterworks                    | 39%         | 46%      | 100%       | 0%                 | 30%          | 0%             |                                 |
| 377     | Joiner Rural                         | 42%         | 58%      | 100%       | N/A                | 15%          | 0%             | Missing Population Density Data |
| 417     | Birdsong Whitton Water Association   | 35%         | 44%      | 100%       | 0%                 | 15%          | 0%             |                                 |
| 426     | Tyronza Waterworks                   | 51%         | 36%      | 100%       | 100%               | 65%          | 0%             |                                 |
| 427     | Heafer-Black Oak Water Association   | 33%         | 40%      | 100%       | 0%                 | 15%          | 0%             |                                 |
| 472     | Sunset Water Association             | 69%         | 50%      | 100%       | 100%               | 100%         | 40%            |                                 |
| 749     | HWY 64 Water Association             | 58%         | 54%      | 100%       | N/A                | 83%          | 40%            | Missing Population Density Data |
| 695     | Wright Pastoria Water Association    | 50%         | 38%      | 100%       | 0%                 | 65%          | 84%            |                                 |

Highest Score:69%   ◆   Lowest Score:33%   ◆   Average Score:46%

# Region 1 Summary

| System Name                                     | PWS ID# | Customers Served <sup>4</sup> | Treatment Capacity <sup>4</sup> (MGD) | Source Water | Demographics | Geographic Features | Economic Factors | Water Treatment | Total Score |
|---|---------|-------------------------------|---------------------------------------|--------------|--------------|---------------------|------------------|-----------------|-------------|
| Clarkedale-Jericho Water Association            | 148     | 925                           | 0.5                                   | 69%          | 55%          | 44%                 | 89%              | 81%             | 67%         |
| Crawfordsville Waterworks                       | 149     | 2571                          | 1.73                                  | 69%          | 65%          | 40%                 | 53%              | 91%             | 64%         |
| Tyrnza Waterworks                               | 426     | 1262                          | 0.47                                  | 58%          | 40%          | 51%                 | 62%              | 96%             | 61%         |
| Turrell Waterworks                              | 155     | 540                           | 0.47                                  | 55%          | 45%          | 50%                 | 53%              | 61%             | 53%         |
| Birdsong Whitton Water Association <sup>3</sup> | 417     | 464                           | 0.39                                  | 56%          | 12%          | 35%                 | 42%              | 88%             | 47%         |
| Joiner Waterworks                               | 372     | 513                           | 0.47                                  | 56%          | 15%          | 39%                 | 56%              | 66%             | 46%         |
| Heafer-Black Oak Water Association <sup>3</sup> | 427     | 436                           | 0.25                                  | 75%          | 27%          | 33%                 | 39%              | 54%             | 46%         |
| Gilmore Waterworks <sup>3</sup>                 | 154     | 248                           | 0.29                                  | 42%          | 27%          | 36%                 | 39%              | 77%             | 44%         |
| Wright Pastoria Water Association*              | 695     | 1229                          | 0.288                                 | 50%          | 17%          | 50%                 | 29%              | 65%             | 42%         |
| Marion Waterworks <sup>1</sup>                  | 152     | N/A                           | N/A                                   | N/A          | N/A          | 55%                 | N/A              | N/A             | N/A         |
| Midway Water Association <sup>1</sup>           | 153     | N/A                           | N/A                                   | N/A          | N/A          | 39%                 | N/A              | N/A             | N/A         |
| Joiner Rural <sup>2</sup>                       | 377     | N/A                           | N/A                                   | N/A          | N/A          | 42%                 | N/A              | N/A             | N/A         |
| Sunset Water Association <sup>1</sup>           | 472     | N/A                           | N/A                                   | N/A          | N/A          | 69%                 | N/A              | N/A             | N/A         |
| HWY 64 Water Association <sup>1</sup>           | 749     | N/A                           | N/A                                   | N/A          | N/A          | 58%                 | N/A              | N/A             | N/A         |

<sup>1</sup> Inconclusive scoring due to lack of Sanitary Survey data

<sup>2</sup> Inconclusive scoring due to lack of available data for this new PWS

<sup>3</sup> Economic factors scoring based on estimations of financial data due to lack of published PWS audits

<sup>4</sup> Per ADH Sanitary Survey



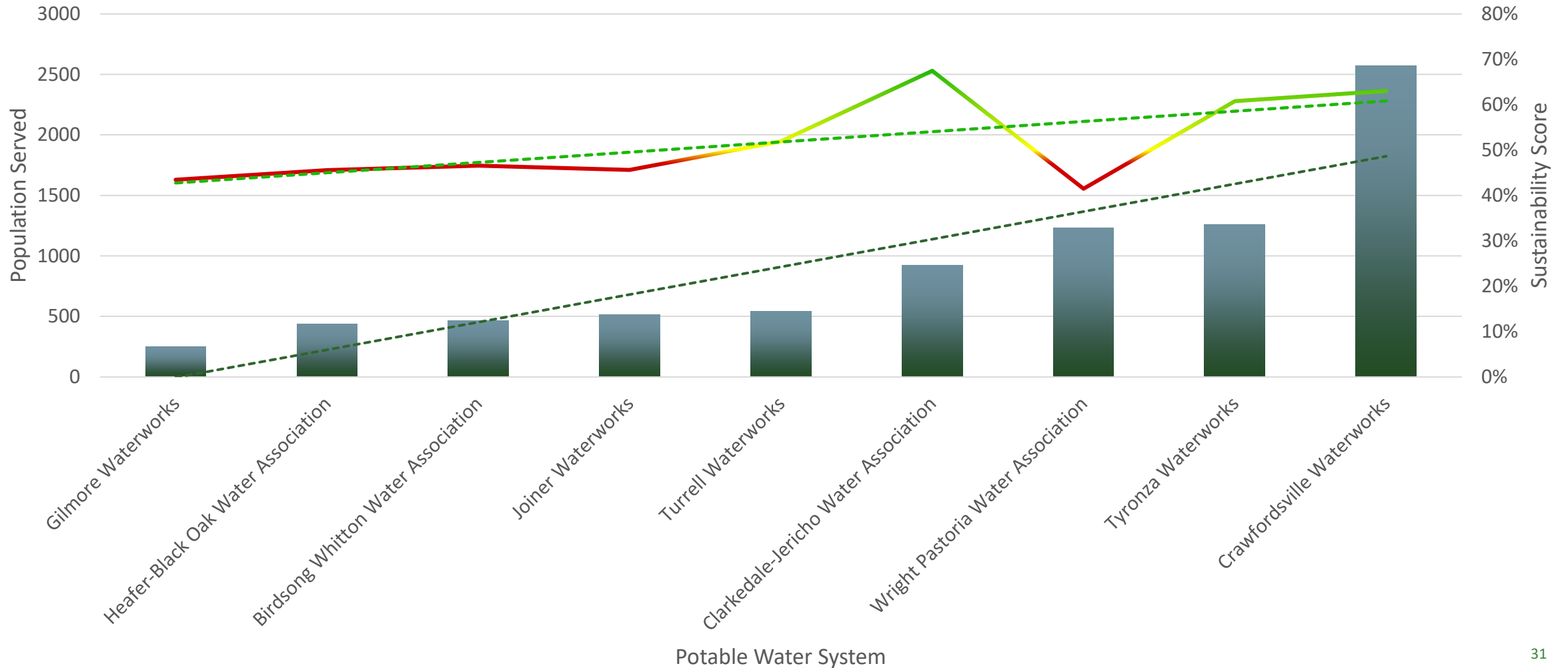
- Recommended for Further Evaluation – Scores <50%
- At Risk – Scores 50%-55%
- Sustainable – Scores >55%

- 21% identified as “Sustainable” (3/14)
- 36% recommended for “Further Evaluation” (5/14)
- 7% identified as “At-Risk” (1/14)
- 36% identified as “Inconclusive” (5/14)  
- Sanitary Survey data unavailable for evaluation



# SUSTAINABILITY SCALE – REGION 1 TRENDDING

Region 1 PWS Population vs. Sustainability Score



Population Served

Sustainability Score

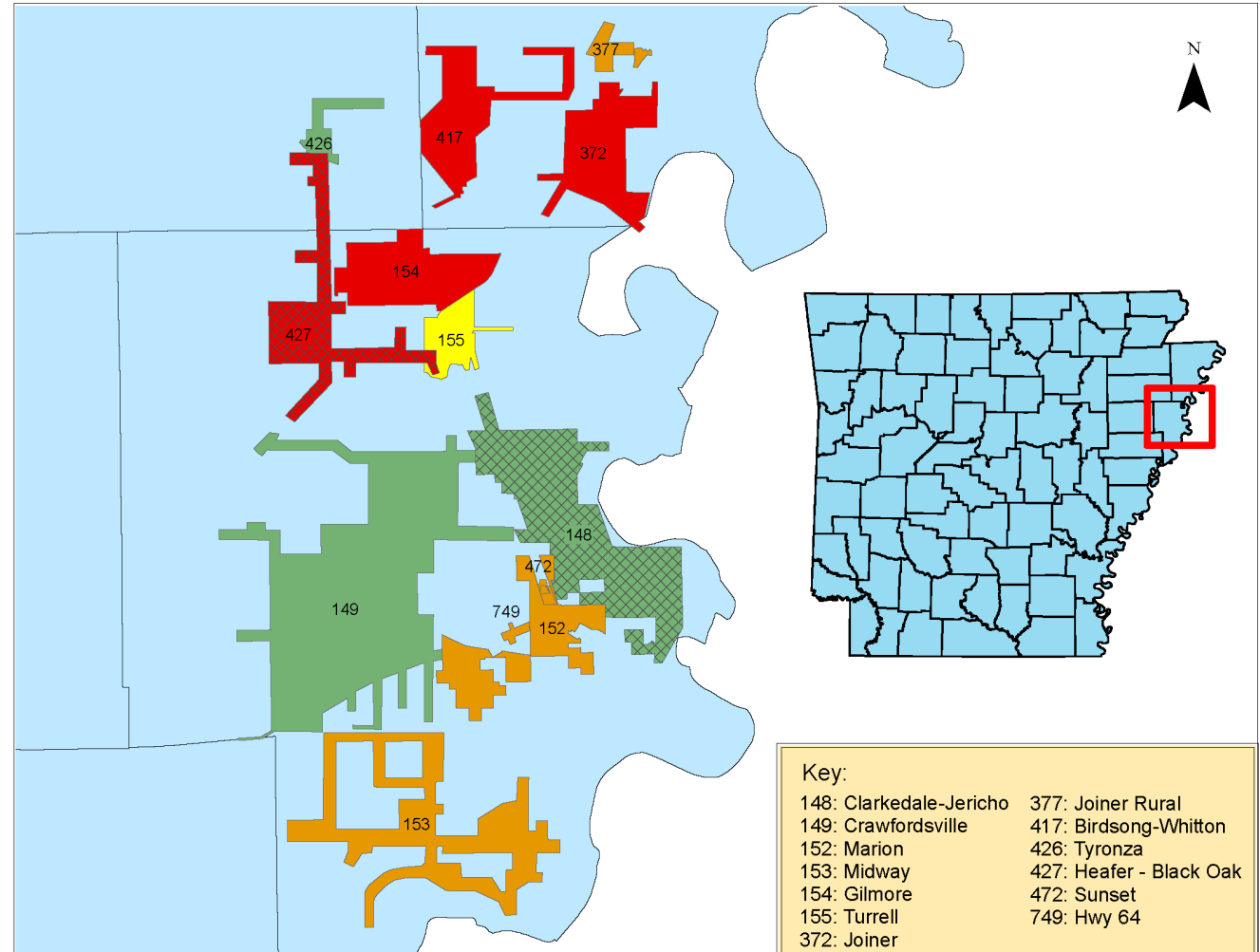
Linear (Population Served)

Linear (Sustainability Score)



# REGION 1 SCORE-BASED MAPPING

- Preliminarily Identify Regionalization Opportunities
  - Geographic proximity of higher and lower scoring systems
  - Available capacity from higher scoring systems
  - Maximum demand of lower scoring systems
  - Compare system source water
  - Identify outlying geographic limitations between systems





# TECHNICAL ASSISTANCE PARTNERSHIP

# REGIONALIZATION AT THE COMMUNITY LEVEL



Communities Unlimited is the southern regional affiliate of the Rural Community Assistance Partnership (RCAP). CU serves Alabama, Arkansas, Louisiana, Mississippi, Oklahoma, Tennessee, and Texas.



# COMMUNITIES UNLIMITED MANAGERIAL ASSISTANCE

- Developing, as well as updating policies and procedures for testing, recording keeping, etc.
- Long range planning
- Budgeting
- Bookkeeping - Board member training Financial Assistance
- Rate analysis
- Assistance with RD 442 reporting
- Assistance with identifying funding options for projects





PRE-DEVELOPMENT  
LOANS

INTERIM  
FINANCING

# PRE-DEVELOPMENT LOANS REQUIREMENTS

- Residents must be in a rural area, town or community with a population not exceeding 10,000
- Existing Environmental System, no start-up systems, no private entities
- Project must meet State Revolving Fund Intended-Use guidelines for eligible entities and projects
- System revenue used as collateral
- Monthly interest payments made by automatic draft
- Multiple disbursements



# PRE-DEVELOPMENT PROGRAM AND LOAN TERMS

- Up to \$1million
- 1% Origination Fee
- Maturity up to 2 years (Interest Only)
- Full repayment of CU loan from SRF or USDA grant/loan



# REGIONALIZATION PROJECTS

# INCENTIVES

- Additional points on PPL (CW & DW) , higher chance of Principal Forgiveness
- Reduced Lending Rates: DWSRF & CWSRF
  - 1.5% (0.50% interest and 1% fee) for Regionalization projects addressing water quality concerns for a lending rate of 1.5% for a maximum of 30 years or the life of the project, whichever is less.
  - Regionalization is the physical interconnection and consolidation of two or more systems including the transfer of all assets to a single system. At least one of the systems must be a small public water/sewer system servicing 10,000 or fewer customers. In cases where a regional solution is clearly feasible but is not pursued, those systems should not expect to receive priority for government-subsidized funding. Small systems may maintain their independence, but their users must be willing to pay for it. Conversely, when a system is pursuing a regional alternative that has large capital costs but will provide a better long-term solution, that project will be given priority for funding incentives. As a result, special lending rates and additional subsidization (where applicable) have been incorporated for regionalization projects that are specifically designed to regionalize one or more small systems.





# DUMAS

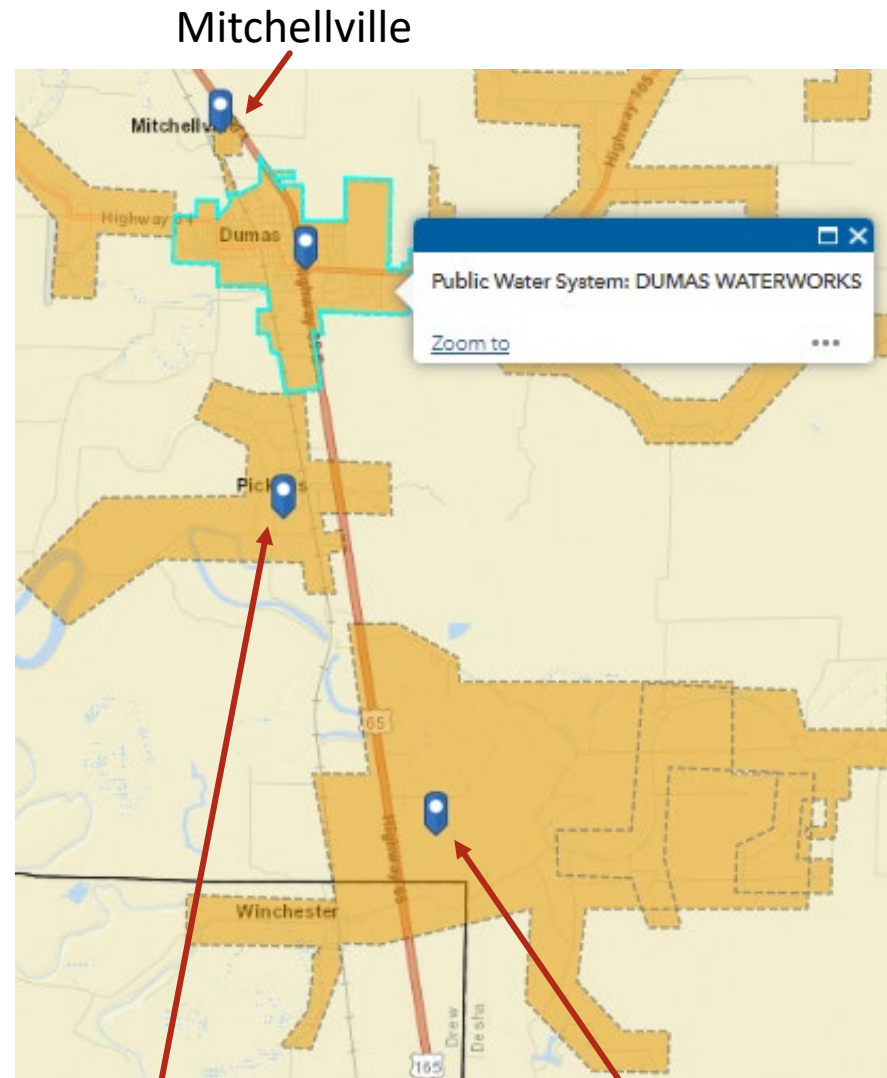
## Water

- Pickens
  - Non-compliant system
  - \$531,878.93 DWSRF Loan

## Wastewater

- Winchester
  - Non-compliant system
  - \$175,525 state loan
  - \$975,000 CWSRF Loan
  - \$3,000,000 CWSRF PF
- Mitchellville
  - Non-compliant system
  - \$2,440,172 CWSRF Loan
  - \$1,626,781 CWSRF PF





Pickens

Winchester

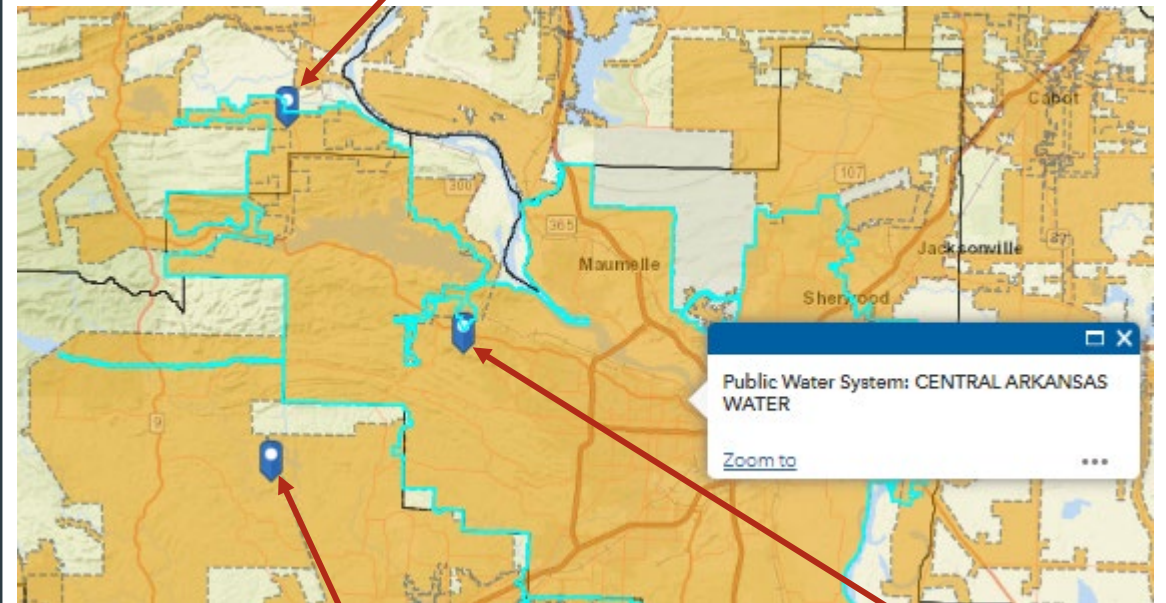
# CENTRAL ARKANSAS WATER

- Paron-Owensville
  - Non-compliant system
  - \$6,050,000 DWSRF Loan
- Ridgefield
  - Distribution system, high water loss
  - \$1,757,000 DWSRF Loan
- Wye Mountain Water Association
  - Distribution System, high water loss
  - \$1,383,953 DWSRF Loan
- Perla (receiver)
  - Non-compliant, customer complaints
  - Working with system and neighboring systems to establish sustainable long-term solution
  - \$775,000 DWSRF Loan, \$1,050,000 PF
- Wrightsville – wastewater system
  - Non-compliant
  - Working with system to establish sustainable long-term solution
  - \$5,000,000 ARPA, \$15,893,000 CWSRF Loan



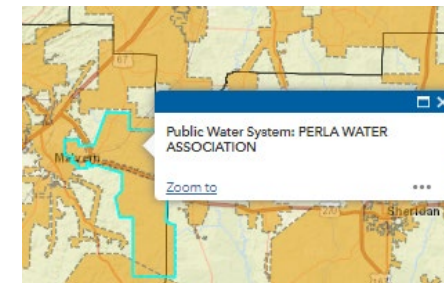


## Wye Mountain Water Association



Paron-Owensville Water Authority

Ridgefield Estates



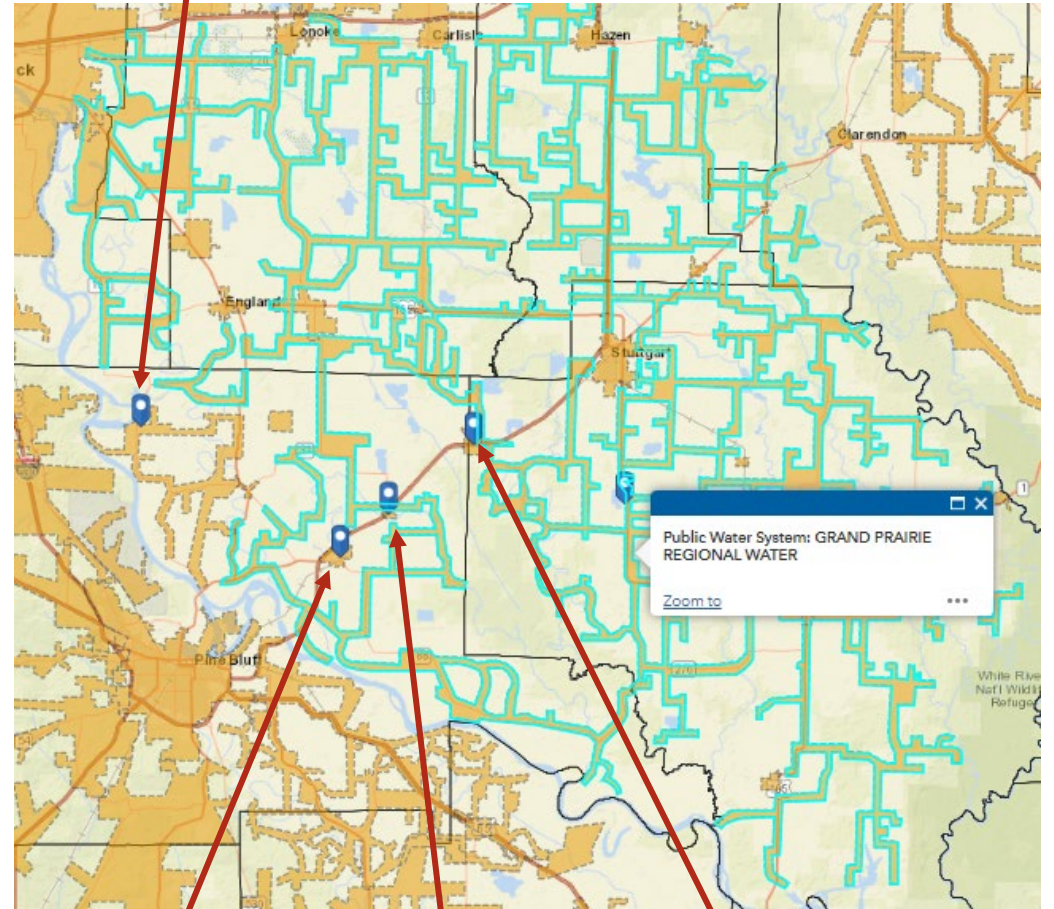
# GRAND PRAIRIE REGIONAL WATER

- Wright-Pastoria Water Association
  - Estimates anticipate lower user rates
  - \$5,000,000 ARPA, \$1,025,000 DWSRF Loan, \$1,025,000 DWSRF PF
- Humphrey – application submitted
- Altheimer – Pending study
- Wabaseka – Pending study





## Wright-Pastoria



Alzheimer

Wabaseka

Humphrey

# PERFECT STORM FOR REGIONALIZATION



Arkansas WATER provider legislative task force issues final report and retail provider oversight legislation enacted.



Regionalization study project starts.



Regionalization projects seek funding.

# Questions?

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Link to website

