



December 11, 2015

HAND DELIVERED

The Honorable Joe Smith
Mayor, City of North Little Rock
North Little Rock City Hall
300 Main Street
North Little Rock, AR 72114

RE: PROPOSED ADJUSTMENTS TO BASIC WATER RATE SCHEDULE

Dear Mayor Smith:

At our regular monthly meeting on December 10, 2015, the Board of Commissioners, Central Arkansas Water, adopted Resolution 2015-20, as the new schedule of rates for water customers. The Board of Commissioners respectfully requests that the North Little Rock City Council accept this Resolution, as well as our official date of notice for your 90-day review period beginning on December 11, 2015.

The new rate schedule reflects revenue requirements for operations, maintenance, and capital improvements for the years 2017, 2018, and 2019. Rates for 2016 will not change from presently adopted rate schedule. Please let me know if you wish to schedule a presentation to the North Little Rock City Council.

Our Water Utilities Consolidation Agreement requires that we conduct one (1) public hearing and that we give the North Little Rock City Council and the Little Rock Board of Directors three months' notice on the new rates. We have not set the date of the public hearing but will do so in the near future and will notify you. No action on the Resolution is required on your part. Absent a call for a vote of disapproval and the passage of same by both the cities of North Little Rock and Little Rock, the rates established by Resolution 2015-20 will become effective January 1, 2017.

If you have questions or would like to discuss the rate changes, please contact me at 377.1342 or Jeff Mascagni, Chief Financial Officer, at 377.1339.

CENTRAL ARKANSAS WATER

Graham W. Rich, P.E.
Chief Executive Officer

GWR:md

Enclosures

Cc: Mr. Jason Carter, City Attorney, City of North Little Rock
 Ms. Diane Whitbey, City Clerk, City of North Little Rock
 Ms. Julie Fisher, Executive Secretary to the Mayor, City of North Little Rock

FILED _____ A.M. 1:55 P.M.
BY CAW Courier
DATE 12/11/15
Diane Whitbey, City Clerk and Collector
North Little Rock, Arkansas
RECEIVED by [Signature]

RESOLUTION 2015-20

A RESOLUTION TO ESTABLISH A SCHEDULE OF RATES FOR CENTRAL ARKANSAS WATER; TO FIX THE EFFECTIVE DATE FOR THESE RATES; AND FOR OTHER PURPOSES

WHEREAS, The Board of Commissioners of Central Arkansas Water is vested with the authority to establish water rates for Central Arkansas Water customers; and

WHEREAS, Raftelis Financial Consultants, Inc., Central Arkansas Water's rate consultants, have completed a Rate Study and made recommendations to modify Central Arkansas Water's current schedule of rates; and

WHEREAS, the Board of Commissioners, upon the recommendation of staff, finds that the rates established herein are adequate to meet the revenue requirements that include the cost of operating and maintaining the system, as well as funding for needed capital improvements.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF CENTRAL ARKANSAS WATER THAT THE RATE SCHEDULES OF CENTRAL ARKANSAS WATER ADOPTED BY RESOLUTION 2012-07 AND RESOLUTION 2014-10 SHALL BE AMENDED AND RESTATED, AS FOLLOWS:

RATE SCHEDULE OF CENTRAL ARKANSAS WATER

Section 1.

Effective Dates

This schedule shall become effective for water billed on or after January 1, 2017, January 1, 2018, and January 1, 2019, as hereinafter set forth unless otherwise noted. Calendar year 2016 rates for Residential, Commercial, Large Volume, Sprinkler, Private Fire Services, and Raw Water Customers are established in Resolution 2012-07. Calendar year 2016 rates for Wholesale-Metered Customers are established in Resolution 2014-10.

Meter Measurement

Except for public and private fire services, all water used shall be measured through meters. The size of each meter shall be determined by Central Arkansas Water commensurate with its estimate of the amount of water to be used for the premises. One cubic foot of water is equal to 7.48 gallons weighing 62.5 pounds avoirdupois.

Section 2. Except as otherwise provided in Section 12, the following schedule of rates is hereby established by Central Arkansas Water for Residential, Commercial, Large Volume, and Sprinkler customer classes inside and outside of the corporate limits of the City of Little Rock ("LR"), Arkansas, and the City of North Little Rock ("NLR"), Arkansas, and whose water service meters are located both south (LR) and north (NLR) of the Arkansas River.

Minimum Monthly Charge

The Minimum Monthly Charge for all customers governed by this Section 2, except public and private fire service, includes payment for the first 200 cubic feet (cf) of water delivered by Central Arkansas Water, effective as of the dates stated.

METER SIZE (diameter)	MINIMUM MONTHLY CHARGE	
	EFFECTIVE JANUARY 1, 2017	
	INSIDE	OUTSIDE
5/8"	\$ 6.85	\$ 8.97
3/4"	\$ 8.85	\$ 11.59
1"	\$ 12.58	\$ 16.46
1 1/2"	\$ 21.26	\$ 27.83
2"	\$ 34.48	\$ 45.14
3"	\$ 63.76	\$ 83.46
4"	\$ 103.71	\$ 135.76
6"	\$ 205.14	\$ 268.52
8"	\$ 346.98	\$ 454.20
10"	\$ 499.56	\$ 653.92
12"	\$ 909.83	\$ 1,190.97

METER SIZE (diameter)	MINIMUM MONTHLY CHARGE	
	EFFECTIVE JANUARY 1, 2018	
	INSIDE	OUTSIDE
5/8"	\$ 7.85	\$ 10.28
3/4"	\$ 10.14	\$ 13.28
1"	\$ 14.41	\$ 18.87
1 1/2"	\$ 24.37	\$ 31.90
2"	\$ 39.52	\$ 51.73
3"	\$ 73.07	\$ 95.64
4"	\$ 118.85	\$ 155.58
6"	\$ 235.08	\$ 307.72
8"	\$ 397.64	\$ 520.51
10"	\$ 572.49	\$ 749.38
12"	\$ 1,042.65	\$ 1,364.83

Additional Monthly Charge

In addition to the Minimum Monthly Charge, the following table of rates shall apply to the amount of water delivered by Central Arkansas Water in excess of 200 cubic feet (CF) per month effective January 1, 2017:

CUSTOMER CLASS	INSIDE-CITY \$ PER 100 CF 3 - 33	INSIDE-CITY \$ PER 100 CF OVER 33	OUTSIDE-CITY \$ PER 100 CF 3 - 33	OUTSIDE-CITY \$ PER 100 CF OVER 33
RESIDENTIAL	\$ 1.65	\$ 2.15	\$ 2.64	\$ 3.44
COMMERCIAL	\$ 1.54	\$ 1.54	\$ 2.47	\$ 2.47
LARGE VOLUME	\$ 1.26	\$ 1.26	\$ 2.02	\$ 2.02
SPRINKLER	\$ 1.65	\$ 2.15	\$ 2.64	\$ 3.44

In addition to the Minimum Monthly Charge, the following table of rates shall apply to the amount of water delivered by Central Arkansas Water in excess of 200 cubic feet (CF) per month effective January 1, 2018:

CUSTOMER CLASS	INSIDE-CITY \$ PER 100 CF 3 - 33	INSIDE-CITY \$ PER 100 CF OVER 33	OUTSIDE-CITY \$ PER 100 CF 3 - 33	OUTSIDE-CITY \$ PER 100 CF OVER 33
RESIDENTIAL	\$ 1.71	\$ 2.22	\$ 2.73	\$ 3.57
COMMERCIAL	\$ 1.60	\$ 1.60	\$ 2.56	\$ 2.56
LARGE VOLUME	\$ 1.30	\$ 1.30	\$ 2.09	\$ 2.09
SPRINKLER	\$ 1.71	\$ 2.22	\$ 2.73	\$ 3.57

Nonresident Consumers

The term "outside city" used in the foregoing rates refers to any consumer receiving service outside the municipal boundaries of the City of Little Rock and the City of North Little Rock and to nonresident consumers and Wholesale-Metered Customers who purchase water within the municipal boundaries for transport to a point outside the municipal boundaries for use or resale.

Private Fire Services

Private fire service connections for private premises in both the City of Little Rock, Arkansas and the City of North Little Rock, Arkansas and consumers outside the municipal boundaries of each city both north and south of the Arkansas River shall pay the following annual fire service charges, effective as of the dates stated.

	RATES			
	EFFECTIVE JANUARY 1, 2017		EFFECTIVE JANUARY 1, 2018	
	INSIDE	OUTSIDE	INSIDE	OUTSIDE
FIRE HYDRANTS	\$ 74.24	\$ 107.39	\$ 79.51	\$ 115.02
FIRE CONNECTION MINIMUM CHARGE	\$ 86.08	\$ 124.54	\$ 92.20	\$ 133.38
AUTOMATIC SPRINKLER SYSTEM MINIMUM CHARGE (1,000 HEADS)	\$ 86.08	\$ 124.54	\$ 92.20	\$ 133.38
ADDITIONAL HEADS, EACH	\$ 0.09	\$ 0.14	\$ 0.09	\$ 0.15
STANDPIPE 1 1/4" (OR SMALLER) DIAMETER, EACH	\$ 16.84	\$ 24.37	\$ 18.03	\$ 26.10
1 1/2" DIAMETER, EACH AT	\$ 26.21	\$ 37.90	\$ 28.07	\$ 40.59
2" DIAMETER, EACH AT	\$ 43.06	\$ 62.27	\$ 46.12	\$ 66.69
2 1/2" DIAMETER, EACH	\$ 86.08	\$ 124.54	\$ 92.20	\$ 133.38

Section 3. Inside City Residential accounts with a single house meter (no sprinkler meter) using 100, 200 or 300 cubic feet of monthly usage shall be given a **Conservation Rate Discount** of 15%. The discount shall not apply to zero consumption billings.

Section 4. The **Watershed Protection Fee** of \$0.45 per month per 5/8" or 3/4" equivalent meter will continue as implemented in 2009, and be added to the monthly bill for all customers. The fee will accumulate to establish a fund that may be used for small land purchases, to service the debt on larger land purchases, and/or fund the administration of the Watershed Protection Program.

METER SIZE (diameter)	WATERSHED PROTECTION FEE
5/8"	\$ 0.45
3/4"	\$ 0.45
1"	\$ 0.68
1 1/2"	\$ 1.13
2"	\$ 2.25
3"	\$ 3.60
4"	\$ 6.75
6"	\$ 11.25
8"	\$ 22.50
10"	\$ 36.00

Section 5. The following schedule of rates is established by Central Arkansas Water for Wholesale-Metered Customers, whether such Wholesale-Metered Customers are located within or without the political boundaries of any retail area served by Central Arkansas Water.

All Wholesale-Metered Customers shall pay a Minimum Monthly Charge in accordance with Section 2 for the first 200 cubic feet of water delivered by Central Arkansas Water and an additional amount determined by the following rates for all water in excess of 200 cubic feet per month delivered by Central Arkansas Water, effective as of the dates stated.

TIME WATER IS TAKEN	RATES		
	EFFECTIVE 1/1/2017	EFFECTIVE 1/1/2018	EFFECTIVE 1/1/2019
	\$ PER 100 CF	\$ PER 100 CF	\$ PER 100 CF
ON PEAK Customers taking any water from: 4:01am to 8:59am and/or 5:01pm to 9:59pm	\$ 1.43	\$ 1.57	\$ 1.65
OFF PEAK Customers taking all water from: 10pm to 4am and/or 9am to 5pm	\$ 1.29	\$ 1.45	\$ 1.52

The **Watershed Protection Fee**, pursuant to Section 4 herein, shall not apply to the sale of water by Central Arkansas Water to Wholesale-Metered Customers at the wholesale meter(s), but instead each Wholesale-Metered Customer shall pay the Watershed Protection

Fee based on the number of individually metered customers (at each applicable meter size) of the Wholesale-Metered Customer as well as those of any subsequent wholesale purchasers from the Wholesale-Metered Customer. Wholesale-Metered Customers obtaining less than one hundred percent (100%) of their total supply from Central Arkansas Water will pay only a proportional share of the Watershed Protection Fee based on the percentage of water supplied by Central Arkansas Water compared to the total amount of water utilized by the Wholesale-Metered Customer each month. If a Wholesale-Metered Customer takes less than the required minimum amount of water pursuant to the contract between the Wholesale-Metered Customer and Central Arkansas Water, the allocation for determining the amount of the Watershed Protection Fee to be paid shall be based on the required minimum under the contract, not the amount of water actually taken by the Wholesale-Metered Customer. Wholesale-Metered Customers shall report each month the total metered consumption and number of active meters by size. Wholesale-Metered Customers may pass the fee through directly or include it in their rates. Each Wholesale-Metered Customer must assure that each and every wholesale customer of the Wholesale-Metered Customer is paying the applicable amount of Watershed Protection Fees each month in accordance with the requirements of and calculations provided for in this Section 5.

Section 6. The following schedule of rates is hereby established by Central Arkansas Water for Raw Water Customers.

All Raw Water Customers purchasing raw water shall pay a Minimum Monthly Charge in accordance with Section 2 for the first 200 cubic feet of water used and an additional amount determined by the following rates for all water in excess of 200 cubic feet per month, effective as of the dates stated.

	RATES		
	EFFECTIVE 1/1/2017	EFFECTIVE 1/1/2018	EFFECTIVE 1/1/2019
	\$ PER 100 CF	\$ PER 100 CF	\$ PER 100 CF
Raw Water Customer	\$ 0.60	\$ 0.62	\$ 0.66

Section 7. Bills for service shall be rendered and paid monthly, with the exception of payments for private fire service and Wholesale-Metered Customers. Payments for private fire service shall be due in semi-annual installments in advance of the first (1st) day of January and July of each year. For Wholesale-Metered Customers, bills for service shall be rendered and paid monthly in accordance with the terms and conditions of the agreement for the purchase and sale of surplus water between Central Arkansas Water and the Wholesale-Metered Customer.

Section 8. For customers other than Wholesale-Metered Customers, a penalty of ten percent (10%) shall be added to a customer bill not paid before the 20th day following the billing date. If a bill is not paid within 30 days after the billing date, service for the affected premise or customer, together with all other premises or accounts in the name of the same customer, may be disconnected. In such event, Central Arkansas Water may levy a reconnection charge. For Wholesale-Metered Customers, a penalty of ten percent (10%) shall be added to a Wholesale-Metered Customer bill not paid before the 20th day following the billing date. If a bill is not paid within 30 days after the billing date, service for the affected Wholesale-Metered Customer may be restricted, limited or even fully disconnected, at Central

Arkansas Water's discretion. In such event, Central Arkansas Water may levy a service charge for installation and removal of the device installed to restrict or limit flow or a reconnection charge in the case of disconnection.

Section 9. Repealer. Except as otherwise provided in Sections 1 and 12, and with the understanding that current rates shall remain in effect until the effective date of the new rates established by this Resolution, all previous rate schedule Resolutions are hereby repealed as of the effective date of the rate schedules established herein.

~~Section 10. Severability. The provisions of this Resolution are separable, and if any portion, section, provision, or phrase of this Resolution shall be declared invalid or unconstitutional, such action shall not affect the validity of the remainder of this Resolution.~~

Section 11. Definitions. The customer classes described in this Resolution shall be defined as follows:

"Commercial" shall mean all customers receiving water service at (i) a building containing two or more apartments or family units that are rented or leased to tenants as residences and are not separately metered; (ii) a building occupied by a retail or service business; (iii) a building owned or occupied by a public utility, a department of a municipality, or a state or federal governmental agency; or (iv) a non-residential customer that does not fit the definition of a Large Volume Class customer.

"Large Volume" shall mean any commercial customer (i) who uses at least 1,500,000 cubic feet of water per meter during the 12-month period from September 1 to August 31; or (ii) who agrees to take or pay for a minimum of 125,000 cubic feet of water per meter per month on an annual basis. Customers who qualify for Large Volume service described in (i) above shall be assigned to the Large Volume Class for the calendar year beginning the following January.

"Raw Water Customers" shall mean all customers receiving raw (untreated) rather than potable water pursuant to a special arrangement with Central Arkansas Water.

"Residential" shall mean all customers receiving water service at a single building or building unit that is owned, leased, or rented by one party, separately metered, and occupied as a residence.

"Sprinkler" shall mean all customers receiving separately-metered water service used exclusively for irrigation sprinkler systems or other outdoor purposes.

"Wholesale-Metered Customer" shall mean any entity regulated by the Arkansas Department of Health as a "public water system" purchasing water from Central Arkansas Water pursuant to a written agreement for the purchase and sale of surplus water. Any public water system acquiring water from Central Arkansas Water without a written agreement for the purchase and sale of surplus water shall be charged the rates applicable to the "outside the city" Commercial customer class, as established in accordance with Section 2 of this Resolution, as amended from time to time.

Section 12. This Resolution does not effect, modify or otherwise change those rates established by Central Arkansas Water for customers within the water service area formerly

served by Maumelle Water Management. Rates for those customers were established by and shall continue to be levied pursuant to Resolution 2015-15.

Section 13. This Resolution shall be in effect upon its adoption and approval.

Section 14. A copy of this Resolution shall be filed in the corporate offices of Central Arkansas Water where it will be available for public inspection.

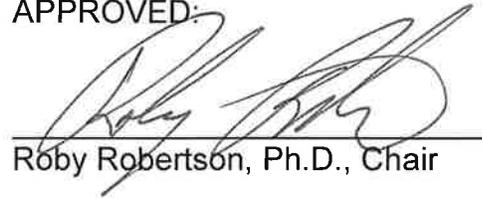
ADOPTED: December 10, 2015

Attest:



Jay Hartman, Secretary/Treasurer

APPROVED:



Roby Robertson, Ph.D., Chair

CERTIFICATE

STATE OF ARKANSAS)
)
COUNTY OF PULASKI)

I, Jay Hartman, Secretary/Treasurer of Central Arkansas Water, do hereby certify that the foregoing is a true and correct copy of Resolution 2015-20 of the Resolutions of Central Arkansas Water, entitled: **A RESOLUTION TO ESTABLISH A SCHEDULE OF RATES FOR CENTRAL ARKANSAS WATER; TO FIX THE EFFECTIVE DATE FOR THESE RATES; AND FOR OTHER PURPOSES**, adopted December 10, 2015

IN WITNESS WHEREOF, I have hereunto set my hand this 10th day of December, 2015.



Jay Hartman, Secretary/Treasurer
Central Arkansas Water Board of Commissioners