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## City Studies Water Rates

In response to increasing regulation and growing capacity needs, the City of Siloam Springs is examining existing water rates and considering rate increases that could go into effect this fall.

The Environmental Protection Agency (EPA) is implementing new federal regulations which require the city's water treatment plant to increase the effectiveness of its treatment process. Similarly, the Arkansas Department of Health requires a water system to evaluate production options when water demand exceeds 80% of a treatment system's ability. Daily demand exceeded 90% of the city's production ability on several occasions last summer.

"The city is working with consultants to design and construct the required water treatment and system improvements, the cost of which totals approximately \$20 million," said Adam Roark, City Engineer.

Roark said the project will increase capacity of the water system from 9 million gallons a day to 13.5 million gallons a day. Additional equipment including filters, a clarifier, and a new raw water line are a part of the project, along with the replacement of intake pumps and other equipment. Two water towers and one water tank will also be repainted. The planning, design and permitting process is expected to take 15 to 18 months. Another 18 months of construction would lead to project completion in early 2014.

"We must comply with EPA regulations and also increase the capacity of our water system. These improvements are necessary to meet the growing needs of our current residents, business and industry. The project will also prepare us to meet the water needs of any new industrial customers that will hopefully come to Siloam Springs in the future," Roark said.

As with any major project, funding is a primary concern. City staff has evaluated several options to determine the best funding method. Roark said a rate increase is unavoidable.



A rate analysis is underway that will determine actual costs of water service and allow staff to responsibly calculate rate adjustments. Increases will likely be phased in semi-annually to have the least impact possible on residents, business and industry.

“We want to keep residents in the loop on this and let everyone know what to expect. As more information becomes available, we will let everyone know. We are not planning any adjustments that will go into effect before October 1, 2011,” Roark said.

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