

City Council Agenda Items  
and  
Contracts, Leases or Agreements

~~11/20/2012~~ 12/4/2012

City Council Meeting Date  
Agenda Items Only

David Jurgens  
Submitted By

Utilities Capital Projects  
Division

Utilities  
Department

Action Required:

Approval of Resolution of Intent to provide wholesale wastewater service to the City of West Fork.

\$ -	\$ -	Water & Sewer
Cost of this request	Category / Project Budget	Program Category / Project Name
	\$ -	Sanitary System Rehab
Account Number	Funds Used to Date	Program / Project Category Name
	\$ -	Water & Sewer
Project Number	Remaining Balance	Fund Name

Budgeted Item

Budget Adjustment Attached

*D. Jurgens*  
Department Director

31 Oct 12  
Date

Previous Ordinance or Resolution # \_\_\_\_\_

*J. Bluff*  
City Attorney

11-2-12  
Date

Original Contract Date: \_\_\_\_\_

Original Contract Number: \_\_\_\_\_

*Paul a. Becher*  
Finance and Internal Services Director

11-2-2012  
Date

Received in City Clerk's Office  
**ENTERED**  
*See* 11-01-12  
*per*

*Don Ma*  
Chief of Staff

11-2-12  
Date

Received in Mayor's Office  
**ENTERED**  
11/2/12


*Donald Jurgens*  
Mayor

11/8/12  
Date

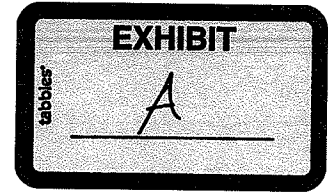
Comments:

To: Fayetteville City Council

Thru: Mayor Lioneld Jordan  
Don Marr, Chief of Staff

From: David Jurgens, Utilities Director  
Water/Sewer/Solid Waste Committee 

Date: October 30, 2012



Subject: Resolution of Intent to Provide Wholesale Wastewater Service to the City of West Fork

### RECOMMENDATION

City Administration recommends approval of a Resolution of Intent to provide wholesale wastewater service to the City of West Fork.

### BACKGROUND

The City of West Fork has operated its own wastewater treatment system, including both collection system and wastewater treatment plant (WWTP) for over 40 years. The WWTP has consistently violated its National Pollutant Discharge Elimination System (NPDES) permit for years, and floods under large storm events. These occurrences cause poorly or untreated wastewater to enter the White River upstream of the City of Fayetteville. Due to these recurring problems, the Arkansas Department of Environmental Quality has stated West Fork must either build a completely new and relocated WWTP or connect to the City of Fayetteville wastewater system. Over the last six years, West Fork's average monthly flow is 120,200 gallons per day, with the highest month averaging 390,000 gallons per day (April 2011).

### DISCUSSION

The proposed arrangement would be very similar to the service Fayetteville currently provides Elkins, wherein West Fork would continue to operate and maintain their own collection system, and there would be a specific point of connection where Fayetteville would both accept the flow and own the piping and/or pump station. Flow would be into the Noland WWTP, which has 11.21 million gallons per day (mgd) permitted capacity, 12.6 mgd hydraulic capacity, and currently treats an average of 6.0 mgd. West Fork's 0.120 mgd is less than 2% of Noland's average daily flow. Specific impacts to the City of Fayetteville are listed below by category.

#### - Environmental Impacts:

- West Fork's NPDES standards are currently not as strict as Fayetteville's (as a small permit, they are not held to as high of a standard), so there would be a net reduction in pollutants reaching the White River (and thence to Beaver Lake) if West Fork's wastewater was treated by Fayetteville.
- It is likely that several homes and subdivisions that are currently served by septic systems or decentralized sewer systems (including the Homestead Addition, where the decentralized sewer system is currently failing) would connect to the sewer collection system West Fork would install in order to pump to us. This could remove a number of septic systems in the White River bottoms north of West Fork, further reducing pollutants in the White River and Beaver Lake.

#### - Financial Impacts and Considerations:

- West Fork is financially responsible for the full cost of connecting the Fayetteville sewer collection system
- Accepting West Fork's flow creates a steady revenue stream from a reliable source
- Negligible billings increase because we already bill West Fork for drinking water through a wholesale master meter

- There would be minimal increase in operational expenses, depending upon the system design
  - Pumping electrical expenses
  - Odor/corrosion control expenses
  - Minimal WWTP increases
  - Slight biosolids increase
- Based on rate setting guidelines and how we bill Elkins, we would build in a small rate of return for our capital investments, so West Fork's rates would fully cover all expenses that result from our providing service to them plus the small rate of return on investment (in the Elkins contract, this is set at a maximum of 2% above the average bond coupon outstanding debt at the time rates are determined or a rate study is performed).

**- Operational Impacts to the City of Fayetteville:**

- Accepting West Fork's flow creates a steady source of flow from a reliable source
- Flow is consistent, with good, predictable organic materials that are an excellent food source for our bacteria
- The Noland WWTF has too little flow to sustain our bacteria population during dry periods, on many weekends, and during manufacturing facility down periods, so we currently pump flow from the west side collection system to the Noland plant. Adding West Fork would increase our daily base flow, containing good organic matter, and would benefit Noland's operations.

**- Permit and Capacity Impacts to the City of Fayetteville:**

- Our Noland WWTF It is currently permitted for 11.21 mgd. We have requested ADEQ approve a 0.2 mgd increase to our permit if we accept the West Fork flow. This way, we do not relinquish any of our WWTF capacity. In 2011, we averaged 6.1 mgd of flow. From 2009 – 2011, we have averaged 6.0 mgd at Noland.
- The West Fork permit is for 0.1 mgd; their plant has averaged 0.12 mgd over the last three years.

**- Contractual Issues and Considerations:**

- The contract would be most similar to our Elkins contract, as they are both wholesale municipal customers for both water and wastewater. West Fork would continue to own and operate its own system, and would pump to us through a single pipe. We would measure actual wastewater flow from their system to ours, and bill accordingly. We already sell them drinking water.
- The contract would be developed prior to any funds being expended on detailed design or construction. Some design considerations would be integral to the contract. It would cover NPDES issues, operations and maintenance issues, impact fees, inflow and infiltration management, reporting, etc.
- Impact fees for initial connection- details to be determine. This would likely be structured similar to Elkins' contract, where they pay an additional \$0.25/1,000 gallons for future capacity expansions in both collection system and treatment.
- The contract would have to be reviewed by the ADEQ, Arkansas Natural Resources Commission, and the Arkansas Department of Health (ADH)

**BUDGET IMPACT**

This would increase wastewater revenue. West Fork's rates would be set to fully cover all expenses that result from our providing service to them plus the small rate of return on investment (in the Elkins contract, this is set at a maximum of 2% above the average bond coupon outstanding debt at the time rates are determined or a rate study is performed).

**RESOLUTION NO. \_\_\_\_\_**

**A RESOLUTION EXPRESSING THE INTENT OF THE CITY OF  
FAYETTEVILLE TO PROVIDE WHOLESAL WASTEWATER SERVICE  
TO THE CITY OF WEST FORK**

**BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF  
FAYETTEVILLE, ARKANSAS:**

Section 1: That the City Council of the City of Fayetteville, Arkansas hereby expresses the intent of the City of Fayetteville to provide wholesale wastewater service to the City of West Fork on terms expressed in the memorandum of the City Utilities Director, which is attached to this Resolution as Exhibit "A".

**PASSED and APPROVED** this 20<sup>th</sup> day of November, 2012.

APPROVED:

ATTEST:

By: \_\_\_\_\_  
**LIONELD JORDAN, Mayor**

By: \_\_\_\_\_  
**SONDRA E. SMITH, City Clerk/Treasurer**