AGENDA
VILONIA CITY COUNCIL
TUESDAY, SEPTEMBER 16, 2025 @ 7:00 P.M.

1. CALL MEETING TO ORDER
2. INVOCATION
3. PLEDGE OF ALLEGIANCE
4. ROLL CALL
5. APPROVAL OF MINUTES FROM THE MEETING IN JULY
6. APPROVAL OF FINANCIAL STATEMENT FOR JULY
7. REPORTS OF CITY DEPARTMENTS
   (A) FIRE DEPT.
   (B) PLANNING COMMISSION
   (C) POLICE DEPT.
   (D) SEWER DEPT.
   (E) STREET DEPT.
   (F) PARK & REC.
8. PUBLIC COMMENT
9. ANNOUNCEMENTS
   (A) 2025 FAULKNER COUNTY CLEAN UP, OCT 17 & 18
   (B) DEPARTMENT RECOGNITION BY COUNCIL PERSON BEENE
   (C) VCDC
   (D) CHAMBER OF COMMERCE
10. OLD BUSINESS
    (A) 2025-PDO-01 BUILDING MATERIALS
11. NEW BUSINESS
    (A) PROCLAMATION FOR GO PINK FOR THE CURE DAY
    (B) 2025-PDO-03 SEWER DEPT RATE ORDINANCE
12. ADJOURNMENT

Meeting of the Vilonia City Council
August 19, 2025

Members present: Mike Matos, Brady Zweifel, Joe Maxwell, James Firestone, Lacosta Beene, Steven Craig

Meeting Prayer: Led by Mayor Scroggin

Pledge of Allegiance: By all.

Meeting called to order by Mayor Preston Scroggin.

Established quorum.

Approval of minutes for July 15, 2025, meeting: Motion to approve made by Maxwell, seconded by Firestone, all in favor, motion passed.

Approval of Financial Statement for July: Motion to approve made by Zweifel, seconded by Craig, all in favor, motion passed.

Fund Balances: General Fund $169,663.60, Street Fund $350,863.54, Fire Department Fund $58,762.12, ACT 833 Fund $17,748.25, Park and Rec General Fund $69,912.78.

Reports of City Departments:

(A) Fire Department: Chief Jimmy Hoofman presented.

a. There is a Burn Ban in effect for Faulkner County.
b. Building Permits: 17 in July, 12 so far in August, Year-To-Date Total is 101.
c. Code Enforcement: none
d. Fire Department: Approximately 710 runs YTD.
    1) Training in the last month included Community CPR Class, Stress Management Training, Fire Attack and Hose Advancement Training, Ethanol Safety and Steel Drum Class, and Urban Interface Class.
    2) The Open House, originally scheduled August 2nd, has been rescheduled for Saturday, September 20th, 10AM to 2PM. There will be kid activities like bounce houses, fire safety information for the adults, with hamburgers and hot dogs.

(B) Planning Commission: Next meeting will be August 28, 2025, at 7PM. The meeting will be preceded by a public hearing for three topics. Please see the agenda for details. At the July meeting, the Central Christian Academy building was tentatively approved. The potential development across from Bill Jones, where the Vilonia Treasure Chest is wanting to go, was tabled. We (Mayor and others) had a meeting Friday at 2PM with Mr. Berrier and his people. Current agenda items: see the Planning Commission Agenda for August 28, 2025.

(C) **Police Department:** Chief McNew presented. Crawford has completed the academy, but has one more week of FTO. New officer McJunkins introduced; this is his third week on the job.
(D) **Sewer Department:** Council Person Maxwell presented. Nothing to report.
(E) **Street Department:** Mayor presented. Working on cleaning out ditches.
(F) **Parks & Rec:** Mayor reported. Big turnout on Sunday for the benefit event. Received estimates on field work; they were very high, roughly $110,000 for 2 fields. Director Shannon still looking for more affordable bids.

Public Comment: None

Announcements:

(A) **Quincy McKinney** spoke on his declaration to run for the Fifth Division of 20th Judicial Circuit. He spoke on his history – life, family, education, and work.
(B) **Final payment made on property next to City Hall.** Mayor stated the City is basically debt-free, having paid off all property – the only debt is the Sewer Bond.
(C) **City Hall Offices Closed Monday, September 1, 2025, for Labor Day.**
(D) **Department Recognition by Council Person Beene** – This month she thanked the Court Department ladies, specifically Sherry Lee, Trisha Barnard, and Brandy Hillman.
(E) **Vilonia Community Development Corporation:** Steven Craig presented. The Teacher Fair was this week at Frank Mitchell with the certified staff. Around 25 vendors.
(F) **Vilonia Area Chamber of Commerce:** On behalf of the Vilonia Chamber of Commerce, President Jackie Fowlkes presented:

- We participated in the Teacher Fair and gave away an iPad, which was won by Ms. Trina Atkins.
- New ribbon cutting at Just Dance Vilonia.
- Our monthly luncheon is this Thursday, August 21, at 11:30 at Simple Simons and our speaker is Wendy Orvis, a startup specialist with the University of Arkansas Little Rock and Arkansas Small Business and Technology Development Center.

Old Business: None

New Business:

(A) **Proclamation for Constitution Week 2025**
(B) **2025-PDO-01 Ordinance for Building Materials –** Firestone requested it be presented by Trey Foster (the author and city engineer). Motion to table until September meeting when author could be present to explain it made by Firestone, seconded by Beene, all in favor, motion passed.
(C) **2025-PDO-02 Publication of Ordinances –** motion to read by title only made by Matos, seconded by Maxwell, all in favor, motion passed. Read by title only. Craig referenced a conversation with city attorney in which it was recommended three votes be made: first, to waive the second and third reading and read by title only; second, to vote to adopt the ordinance; and third, to pass the emergency clause. Craig stated the ordinance would require an amendment to add the fifth location for posting (the first four locations being Vilonia City Hall, Harps Food Store, Kieths Service Center, and Centennial Bank). Motion to waive second and third reading with the addition of a fifth location of First

Security Bank at 1137 Main Street made by Craig, seconded by Matos, voice vote called, all in favor, motion passed. Motion to adopt the ordinance made by Craig, seconded by Beene, voice vote called, all in favor, motion passed. Motion to adopt the emergency clause so the ordinance would go into effect tonight made by Craig, seconded by Beene, voice vote called, all in favor, motion passed.

Motion to adjourn made by Firestone. Meeting adjourned.

Date: ______________________________

Mayor: ____________________________

Recorder: __________________________

General Fund
Income Statement
8/1/2025 to 8/31/2025

	Aug 2025 Aug 2025 Actual
Revenue	
Accid./ Incid. Report	20.00
Admin Justice Fund	7,809.67
Building Permits	5,900.00
Copy Costs	70.00
County Tax	4,081.25
Fines Income	14,304.46
Misc. Income	351.39
Notary Revenue	20.00
Privilege Tax	200.00
Salary Reimb. Fire Dept.	41,077.88
Salary Reimb. Park & Rec.	7,002.25
Salary Reimbursement Street De	10,828.04
Sales Tax Turnback	145,047.67
School Resource Reim	4,517.00
State Turnbacks	3,527.37
Workmans Comp Reimb.	4,030.86
Total Revenue	**$248,787.84**
Total Gross Profit	**$248,787.84**
Expenses	
PD Evaluations-Psychological	125.00
AD Computer/ Maint	2,250.31
Admin Legal Expense	1,125.00
Admin Salaries	16,460.06
Admin Supplies	1,308.93
APERS Match	4,705.40
AU - Summit Utilities	53.95
AU Entergy	1,338.25
AU Phone & Fax	1,058.68
AU Sewer	45.80
AU Trash	93.28
AU Water	38.48
Building Maintenance	104.26
City Maintenance	89.25
Contract Work	494.19
Copier Expense	7,257.17
County Court Cost	345.53
Engineering Expense	2,340.00
Entergy Sen Cit. Cen	885.57
Entergy Storm Warn SIRENS	13.86
Health Insurance	26,867.40
LOPFI Expense	6.02
Medicare	1,327.96
PD Communications	7,587.77
PD Equipment Supply	274.38
PD Gas	1,551.08
PD Maintenance	8,448.52
Petty Cash Replace	15.00
Police Clothing Exp	707.08
Police Salaries	40,629.59
Purchase Police Car	4,642.57

General Fund

Income Statement

8/1/2025 to 8/31/2025

	Aug 2025 Aug 2025 Actual
REVENUE DEPT EXPENSE	194.00
Salaries	35,812.39
Senior Citizens	1,020.68
Senior Citizens Summit Utilit	518.05
Social Security	5,678.30
State Court Costs	12,924.90
Storm Siren Expense	6,000.00
Training Expense	638.50
Traning Facility Expense	44.01
Transfer City Sales	58,617.10
Unemployment Insurance	5.93
Veteran Museum	244.41
Total Expenses	**$253,888.61**
Total Net Income (Loss) From Operations	**($5,100.77)**

Other Revenue

Interest Income	238.31
Total Other Revenue	**$238.31**
Total Net Income (Loss)	**($4,862.46)**

Balance as of 8/31/2025
$310,390.28

Street Fund

Income Statement

8/1/2025 to 8/31/2025

	Aug 2025 Aug 2025 Actual
Revenue	
County Turnbacks	1,905.53
Sales Tax Turnback	14,654.28
State Turnbacks	30,523.61
Total Revenue	**$47,083.42**
Total Gross Profit	**$47,083.42**
Expenses	
Maintenance Building Utilities	228.96
Salary Reimb. Street Dept.	10,828.04
Street Utilities	4,776.91
Supplies	278.43
Traffic Light	38.20
Traffic Light Maint.	2,377.00
Total Expenses	**$18,527.54**
Total Net Income (Loss) From Operations	**$28,555.88**
Other Revenue	
Interest Income	364.48
Total Other Revenue	**$364.48**
Total Net Income (Loss)	**$28,920.36**

Balance as of 8/31/2025
$343,431.36

Fire Dept. Fund

Income Statement

8/1/2025 to 8/31/2025

	Aug 2025 Aug 2025 Actual
Revenue	
Donation	200.00
Donation	400.00
Dues Income	2,031.88
GRANT MONEY REC	10,000.00
Sales Tax Turnback	29,308.55
Volunteer Tax	105.96
Total Revenue	**$42,046.39**
Total Gross Profit	**$42,046.39**
Expenses	
Admin Utilities	1,302.21
Equip Repair/ Purchase	1,101.99
Equipment Repair\Maint.	3,557.87
Fire Salary Reimb.	16,540.67
Gasoline	45.00
LOPFI Expense	132.00
Misc Expenses	1,003.76
SUPPLIES	1,829.12
Total Expenses	**$25,512.62**
Total Net Income (Loss) From Operations	**$16,533.77**
Other Revenue	
Interest Income	65.82
Total Other Revenue	**$65.82**
Total Net Income (Loss)	**$16,599.59**

Balance as of 8/31/2025
$56,466.19

City of Vilonia Parks & Rec General Account

Income Statement

8/1/2025 to 8/31/2025

	Aug 2025 Aug 2025 Actual
Revenue	
Concession	1,864.29
Interest Income	82.76
Registration	6,240.00
Sales Tax Turnback	14,654.27
Total Revenue	**$22,841.32**
Total Gross Profit	**$22,841.32**
Expenses	
Concession	938.71
Insurance	1,393.00
Refund Registration Dues	55.00
Reimbursement	138.29
Salary Reimbursement	7,002.25
Supplies	3,128.46
Umpire	5,880.00
Utilities - Internet	65.00
Utilities- Electric	5,885.77
Utilities- Sewer	68.00
Utilities- Trash	351.20
Utilities- Water	160.56
Total Expenses	**$25,066.24**
Total Net Income (Loss) From Operations	**($2,224.92)**
Total Net Income (Loss)	**($2,224.92)**

Balance as of 8/31/2025
$73,863.82

General Fund
Income Statement
Current vs Year-to-Date
8/1/2025 to 8/31/2025
Accrual

	Aug 2025 Aug 2025 Actual	Jan 2025 Aug 2025 Actual
Revenue		
Fees & Permits		
Building Permits	5,900.00	30,175.00
Food Truck Fees		750.00
Planning Comm. Fees		291.04
Sign Permit		325.00
Fines and Forfeitures		
Fines Income	14,304.46	111,035.66
Other Revenue		
Admin Justice Fund	7,809.67	69,840.80
Copy Costs	70.00	350.00
GRANT MONEY REC		75,000.00
Insurance Reimburse		891.94
Misc. Income	351.39	58,380.73
Notary Revenue	20.00	25.00
Other Income		29,669.22
Salary Reimb. Fire Dept.	41,077.88	142,365.30
Salary Reimb. Park & Rec.	7,002.25	57,864.00
Salary Reimbursement Street De	10,828.04	95,232.91
Sales Tax Turnback	145,047.67	1,047,282.58
School Resource Reim	4,517.00	34,699.00
Senior Citizens Donation		725.00
State Turnbacks	3,527.37	46,153.40
Workmans Comp Reimb.	4,030.86	21,045.05
Service Revenue		
Accid./ Incid. Report	20.00	240.00
Tax Receipts		
County Tax	4,081.25	138,040.95
Franchise Tax		130,217.68
Privilege Tax	200.00	10,000.00
State Building M. Tax		1,342.95
Revenue	**$248,787.84**	**$2,101,943.21**
Gross Profit	**$248,787.84**	**$2,101,943.21**
Expenses		
Labor Expense		
Admin Salaries	16,460.06	139,411.34
Police Salaries	40,629.59	360,237.11
Salaries	35,812.39	310,300.96
Administrative Expense		
Workmans Comp		11,693.68
Benefits Expense		
Medicare	1,327.96	11,589.54
Social Security	5,678.30	49,557.06
Unemployment Insurance	5.93	443.37
Dues and Subscriptions Expense		
Dues Expense		6,230.34

General Fund
Income Statement
Current vs Year-to-Date
8/1/2025 to 8/31/2025
Accrual

	Aug 2025 Aug 2025 Actual	Jan 2025 Aug 2025 Actual
Fuel Expense		
PD Gas	1,551.08	12,075.72
Insurance Expense		
Health Insurance	26,867.40	113,860.45
Insurance for City Equipment		319.19
Police Car Insurance		5,291.90
Machinery Hire Expense		
Purchase Police Car	4,642.57	143,281.94
Repair / Maintenance Expense		
AD Computer/ Maint	2,250.31	20,102.42
Building Maintenance	104.26	1,929.60
PD Maintenance	8,448.52	13,102.71
PD Radar Cert Repair		495.00
Vehicle Maint.		404.80
Supplies Expense		
Admin Supplies	1,308.93	7,111.56
PD Equipment Supply	274.38	26,468.99
PD Office Supplies		10.43
SUPPLIES		6,854.87
Utilities Expense		
AU - Summit Utilities	53.95	900.58
AU Entergy	1,338.25	6,174.35
AU Phone & Fax	1,058.68	8,393.87
AU Sewer	45.80	178.40
AU Water	38.48	282.04
Veteran Museum	244.41	1,369.70
Professional Services Expense		
Admin Legal Expense	1,125.00	26,885.36
Engineering Expense	2,340.00	4,680.00
Publication Expense		3,080.30
Training Expense	638.50	1,358.81
Rent / Lease Expense		
Copier Expense	7,257.17	8,149.57
Other Expense		
PD Evaluations-Psychological	125.00	250.00
APERS Match	4,705.40	39,110.08
AU Trash	93.28	2,877.44
City Maintenance	89.25	89.25
Contract Work	494.19	23,012.99
County Court Cost	345.53	2,764.24
Entergy Sen Cit. Cen	885.57	5,248.90
Entergy Storm Warn SIRENS	13.86	713.41
grant money paid		64,625.89
LOPFI Expense	6.02	74,125.69
Misc Expenses		316.24
Other Admin		572.15
PD Communications	7,587.77	20,095.68
Petty Cash Replace	15.00	47.00

General Fund
Income Statement
Current vs Year-to-Date
8/1/2025 to 8/31/2025
Accrual

	Aug 2025 Aug 2025 Actual	Jan 2025 Aug 2025 Actual
Police Clothing Exp	707.08	3,490.18
POLICE DEPT TRAINING		1,160.00
Police Other		3,623.03
Reimbursement		30.58
REVENUE DEPT EXPENSE	194.00	1,503.00
Senior Citizens	1,020.68	3,187.72
Senior Citizens Summit Utilit	518.05	3,389.83
STATE BUILDING TAX		872.05
State Court Costs	12,924.90	65,608.64
Storm Siren Expense	6,000.00	6,000.00
Traning Facility Expense	44.01	616.27
Transfer City Sales	58,617.10	381,661.22
Uniform Allowance		450.46
Indirect Expenses		
VOID		0.00
Expenses	**$253,888.61**	**$2,007,667.90**
Income (Loss) From Operations	**($5,100.77)**	**$94,275.31**
Other Revenue		
Interest Income		
Interest Income	238.31	2,240.65
Extraordinary Income		
Contract Police Services		1,888.00
Insurance Reimb.		58,070.52
Other Revenue	**$238.31**	**$62,199.17**
Net Other	**$238.31**	**$62,199.17**
Net Income (Loss)	**($4,862.46)**	**$156,474.48**

Report Options
Period: 8/1/2025 to 8/31/2025
Display Level: Level 3 Accounts
Display Account Categories: Yes
Display Subtotals: None
Reporting Method: Accrual
Fund: General Fund
Include Accounts: With Activity

Street Fund
Income Statement
Current vs Year-to-Date
8/1/2025 to 8/31/2025
Accrual

	Aug 2025 Aug 2025 Actual	Jan 2025 Aug 2025 Actual
Revenue		
Other Revenue		
County Turnbacks	1,905.53	64,945.22
Misc. Income		1,408.84
Other Income		9,520.27
Sales Tax Turnback	14,654.28	111,406.52
State Turnbacks	30,523.61	241,955.33
Revenue	**$47,083.42**	**$429,236.18**
Gross Profit	**$47,083.42**	**$429,236.18**
Expenses		
Labor Expense		
Salary Reimb. Street Dept.	10,828.04	80,800.47
Administrative Expense		
Workmans Comp		2,484.00
Insurance Expense		
Insurance for City Equipment		4,779.19
Machinery Hire Expense		
Equipment Purcahses		17,404.06
Repair / Maintenance Expense		
Traffic Light Maint.	2,377.00	2,883.28
Supplies Expense		
Supplies	278.43	34,062.76
SUPPLIES		5,701.41
Utilities Expense		
Gas For Equipment		9,452.72
Street Utilities	4,776.91	27,856.77
Professional Services Expense		
Culvert Ditch Work		3,929.04
Engineering Expense		15,855.00
Other Expense		
Maintenance Building Utilities	228.96	2,779.74
Reimbursement		1,413.80
Sidewalk & Street Lighting		187,655.10
Street Other		12,500.00
Traffic Light	38.20	259.56
Uniform Allowance		458.03
Expenses	**$18,527.54**	**$410,274.93**
Income (Loss) From Operations	**$28,555.88**	**$18,961.25**
Other Revenue		
Interest Income		
Interest Income	364.48	3,227.80
Other Revenue	**$364.48**	**$3,227.80**
Net Other	**$364.48**	**$3,227.80**

Street Fund
Income Statement
Current vs Year-to-Date
8/1/2025 to 8/31/2025
Accrual

	Aug 2025 Aug 2025 Actual	Jan 2025 Aug 2025 Actual
Net Income (Loss)	**$28,920.36**	**$22,189.05**

Report Options
Period: 8/1/2025 to 8/31/2025
Display Level: Level 3 Accounts
Display Account Categories: Yes
Display Subtotals: None
Reporting Method: Accrual
Fund: Street Fund
Include Accounts: With Activity

Fire Dept. Fund
Income Statement
Current vs Year-to-Date
8/1/2025 to 8/31/2025
Accrual

	Aug 2025 Aug 2025 Actual	Jan 2025 Aug 2025 Actual
Revenue		
Fees & Permits		
Dues Income	2,031.88	37,033.84
Other Revenue		
Donation	200.00	225.00
Donation	400.00	400.00
GRANT MONEY REC	10,000.00	10,000.00
Other Income		205.03
Sales Tax Turnback	29,308.55	222,813.00
Tax Receipts		
Volunteer Tax	105.96	383.32
Revenue	**$42,046.39**	**$271,060.19**
Gross Profit	**$42,046.39**	**$271,060.19**
Expenses		
Administrative Expense		
Fire Salary Reimb.	16,540.67	116,568.39
Benefits Expense		
Workmans Comp		6,446.00
Fuel Expense		
Gasoline	45.00	9,762.40
Insurance Expense		
Vehicle Insurance		9,789.91
Machinery Hire Expense		
Equip Repair/ Purchase	1,101.99	4,265.12
Repair / Maintenance Expense		
Building Maintenance		3,058.61
Computer/ Maint		2,169.44
Equipment Repair\Maint.	3,557.87	51,198.88
Vehicle Maint.		4,510.25
Supplies Expense		
Office Supplies		786.63
SUPPLIES	1,829.12	16,557.60
Utilities Expense		
Admin Utilities	1,302.21	10,001.94
Professional Services Expense		
Fire Dept Training		2,405.15
Publication Expense		145.45
Other Expense		
Contract Work		165.72
LOPFI Expense	132.00	12,205.88
Membership Dues		900.00
Misc Expenses	1,003.76	1,149.21
Misc.Other		2,204.60
Reimbursement		577.22

Fire Dept. Fund

Income Statement

Current vs Year-to-Date

8/1/2025 to 8/31/2025

Accrual

	Aug 2025 Aug 2025 Actual	Jan 2025 Aug 2025 Actual
Uniform Allowance		616.94
Expenses	**$25,512.62**	**$255,485.34**
Income (Loss) From Operations	**$16,533.77**	**$15,574.85**
Other Revenue		
Interest Income		
Interest Income	65.82	506.32
Other Revenue	**$65.82**	**$506.32**
Net Other	**$65.82**	**$506.32**
Net Income (Loss)	**$16,599.59**	**$16,081.17**

Report Options
Period: 8/1/2025 to 8/31/2025
Display Level: Level 3 Accounts
Display Account Categories: Yes
Display Subtotals: None
Reporting Method: Accrual
Fund: Fire Dept. Fund
Include Accounts: With Activity

City of Vilonia Parks & Rec General Account
Income Statement
Current vs Year-to-Date
8/1/2025 to 8/31/2025
Accrual

	Aug 2025 Aug 2025 Actual	Jan 2025 Aug 2025 Actual
Revenue		
Other Revenue		
Banner Sales		5,500.00
Co-Ed Softball		6,400.00
Concession	1,864.29	49,169.74
Gate		16,127.52
Interest Income	82.76	917.96
Registration	6,240.00	30,542.46
Reimbursement Income		400.00
Sales Tax Turnback	14,654.27	111,406.49
Season Passes		3,340.00
Tournament		450.00
Revenue	**$22,841.32**	**$224,254.17**
Gross Profit	**$22,841.32**	**$224,254.17**
Expenses		
Labor Expense		
Part-Time Workers		5,736.98
Umpire	5,880.00	26,088.00
Materials Expense		
Reimbursement	138.29	968.22
Supplies	3,128.46	24,190.01
Repair / Maintenance Expense		
Building Maintenance		3,015.03
Utilities Expense		
Portable Toilets		581.44
Utilities - Internet	65.00	465.00
Other Expense		
Awards		1,324.42
Banner Purchase		1,777.99
Concession	938.71	27,786.16
Equipment Purchase		565.88
Gas/ Fuel		2,663.03
Insurance	1,393.00	3,004.88
Licenses & Permits		70.00
Office Supplies		646.37
Other Expense		103.99
Refund Registration Dues	55.00	455.00
Repairs & Maintenance		2,735.06
Salary Reimbursement	7,002.25	51,834.04
Start Up Money		1,800.00
Team Expenses		2,239.40
Uniform Allowance		565.79
Utilities- Electric	5,885.77	24,587.74
Utilities- Sewer	68.00	272.00
Utilities- Trash	351.20	2,437.97
Utilities- Water	160.56	957.36
Expenses	**$25,066.24**	**$186,871.76**

City of Vilonia Parks & Rec General Account

Income Statement

Current vs Year-to-Date

8/1/2025 to 8/31/2025

Accrual

	Aug 2025 Aug 2025 Actual	Jan 2025 Aug 2025 Actual
Income (Loss) From Operations	**($2,224.92)**	**$37,382.41**
Net Income (Loss)	**($2,224.92)**	**$37,382.41**

Report Options
Period: 8/1/2025 to 8/31/2025
Display Level: Level 3 Accounts
Display Account Categories: Yes
Display Subtotals: None
Reporting Method: Accrual
Fund: City of Vilonia Parks & Rec General Account
Include Accounts: Accounts With Activity

2025

~~2024~~ Free County Wide Clean-Up

October ~~18~~ 17, 2024 8:00 am - 3:00 pm

October ~~19~~ 18, 2024 8:00 am - 12:00 pm

LOCATIONS:

Faulkner County Road Department
65 Acklin Gap Rd. / Conway

Guy City Hall
405 Highway 25 N / Guy

Wooster Fire Department
14 Hankins St. / Wooster

Holland City Hall
18 Lodge Dr / Holland

Vilonia Street Department
47 North Mount Olive St. / Vilonia

Department of Sanitation, Conway
4550 Highway 64 W / Conway

Conway Expo Center & Fairgrounds
2505 East Oak St. / Conway

Hours at all locations are the same.

Open to all Faulkner County Residents

Not for use by commercial haulers

Due to State Environmental Regulations, the
Following Items Will *NOT* Be Accepted:

Tires
Paint
Liquids
Motor Oil
Anti-Freeze
Car Batteries

Household Hazardous Waste
Herbicides/Pesticides
Electronic Equipment
Construction Debris
Fluorescent Bulbs
Yard Waste

Tire Disposal will be available at Faulkner County Road Dept., Vilonia Street Dept., Conway Expo Center, and City of Conway Sanitation Department.

For more information contact:
Faulkner County Solid Waste Management District: 501-336-0758

2025-PDO-01

AN ORDINANCE AMENDING THE BUILDING CODES FOR RESIDENTIAL AND COMMERCIAL CONSTRUCTION WITHIN THE CITY OF VILONIA, ARKANSAS, DECLARING AN EMERGENCY, AND PRESCRIBING OTHER MATTERS THERETO

WHEREAS, the City of Vilonia has the authority, responsibility, and obligation to ensure public safety which from time to time requires amendment to the rules and regulations pertaining thereto, and

WHEREAS, it has been determined that the need exists to amend Title 11, Buildings and Construction, of the Vilonia Municipal Code to impart additional requirements on the construction of residential and commercial structures; and,

WHEREAS, an emergency is declared to exist, necessitating the need for the additional requirements to take effect immediately for the preservation of public safety, beginning with all building permits issued by the City of Vilonia hereinafter the date affixed hereto.

NOW, THEREFORE, BE IT ORDAINED by the City Council of the City of Vilonia, Arkansas:

<u>Section 1</u>. Title 11, Building and Construction, Section 11.08.01 Building Codes of the Vilonia Municipal Code shall be amended with the following text:

(a) <u>International Building Code is amended as follows:</u>

1. All wood-framed "stick-built" residential and commercial structures constructed with 2"x4" (nominal) wood studs shall be constructed using a maximum spacing of sixteen (16") inches center-to-center between studs and all roof framing, stick-built or pre-engineered trusses, shall have a maximum spacing of sixteen (16") inches center-to-center between trusses.
2. For residential and commercial structures using 2"x6" or larger lumber for roof framing, contractors may extend the center-to-spacing of trusses to a maximum of twenty-four (24") inches.
3. All wood-framed "stick-built" wall sheathing and roof decking for residential and commercial structures shall consist of 1/2" (nominal) plywood or oriented strand board (OSB).

(b) Arkansas Mechanical Code is amended as follows:

1. All trunk lines, constructed in attic space or above a typical drop ceiling, within the heating and cooling system shall be rigid aluminum material for residential and commercial construction. No "Flex-duct" or similar flexible ductwork material shall be acceptable. The only exception being the use of polyester, fire retardant fabric duct for use in areas where ductwork material is intended to be exposed.

2. Drops in ductwork, not greater than six (6) feet in length may use flexible ductwork materials.

(c) National Electrical Code and local amendments are amended as follows:

1. All electrical cabling used in commercial construction shall be metallic. No nonmetallic cabling will be allowed. Conduit is required as required by the latest edition of the National Electrical Code.

Section 2. Following adoption, this Ordinance shall be publicly posted in accordance with City Ordinance for posting of notices complying with Arkansas State Law. In addition, a complete copy shall be provided to anyone requesting a residential or commercial building permit for a period of one-year from the date of passage.

Section 3. The provisions of this Ordinance are separable and if a section, phrase or provision shall be declared invalid, such declaration shall not affect the validity of the remainder of this Ordinance.

Section 4. Emergency Clause: It has been determined that this Ordinance is necessary and is vital to the health, welfare, and safety of the public, therefore, and emergency is hereby declared to exist and this Ordinance shall be in full force and effect from and after its passage, approval, and publication.

PROCLAMATION

WHEREAS: The Pink Ribbon reminds us that breast cancer is the most commonly diagnosed cancer in women and the second most common cause of cancer deaths in women in the United States. When breast cancer is detected in the early stage, there is a 99% and 87% five-year survival rate for localized and regional female breast cancer, respectively. However, when breast cancer is detected when it is already spread to distant parts of the body, the five-year survival is 32%; and

WHEREAS: Many counties in Arkansas do not have fixed mammography facilities, and this creates a barrier for many women to easily access mammography, thereby possibly increasing their mortality rate; and

WHEREAS: Breast cancer knows no boundaries, be it age, gender, socio-economic status, or geographical location. Despite tremendous progress by research breakthroughs for breast cancer, more than 42,000 people still die of breast cancer every year in the United States; and

WHEREAS: It is estimated that in the United States, 316,950 women and 2,800 men will be diagnosed with invasive breast cancer during 2025, and approximately 42,170 women and 510 men will die of the disease. In Arkansas this year, an estimated 2,690 new cases will be detected and 400 breast cancer deaths will occur; and

WHEREAS: October is National Breast Cancer Awareness Month, and the first Friday of October is designated as Go Pink for the Cure Day to bring awareness of the importance of mammography and to renew its commitment to removing obstacles that prevent women from seeking mammograms;

NOW, THEREFORE, I, PRESTON SCROGGIN, MAYOR of the City of Vilonia, Arkansas, by virtue of the authority vested in me by the laws of the State of Arkansas, do hereby proclaim October 3, 2025, as

GO PINK FOR THE CURE DAY

Across the City, and I urge all of my fellow citizens to join me in helping to promote efforts for the prevention and treatment of this deadly disease.

IN TESTIMONY WHEREOF, I have hereunto set my hand and caused the Great Seal of the City of Vilonia, Arkansas to be affixed this 19th day of September, in the year of our Lord 2025.

Signed: ____ Date: ______________________________

Preston Scroggin – Mayor

Attest: ____

SEAL

2025-PDO-03

AN ORDINANCE ESTABLISHING RATES FOR SERVICES RENDERED BY THE SEWER DEPARTMENT OF THE CITY OF VILONIA, ARKANSAS, DECLARING AND EMERGENCY; AND PRESCRIBING OTHER MATTERS RELATING THERETO.

WHEREAS, the City of Vilonia, Arkansas (the "City") owns and operates a wastewater collection and treatment system (the "System"); and

WHEREAS, the State of Arkansas passed Act 925 of 2025 and rules implementing the Act requiring all public and private operators of sewer systems to perform rate studies for sewer rates to ensure that all providers meet certain requirements and remain fiscally responsible; and,

WHEREAS, the City engaged Civil Engineering Associates, LLC (the "Qualified Rate Analyst"), to conduct a rate study pursuant to Act 925 of 2025 ("Act 925"); and

WHEREAS, the purpose of this Ordinance is to implement the rates recommended by the Qualified Rate Analyst in its 2025 Sewer Rate Study dated September 2025 (the "Rate Study") which was presented to the City Council on September 16th, 2025.

NOW, THEREFORE, BE IT ORDAINED by the City Council of the City of Vilonia, Arkansas:

Section 1.

a) The basic monthly rates set forth in Exhibit A hereto, which the City Council hereby finds and declares are fair, reasonable and necessary, are hereby established as the basic monthly rates to be charged for services rendered by the System.
b) As set forth on Exhibit A hereto, the modified rates become effective on January 1, 2026, and such modifications continue annually on each January 1 thereafter through and including January 1, 2031.

Section 2. The Sewer Department will annually review the Asset Management Plan in the Rate Study as recommended by and necessitated by the Rate Study.

Section 3. In accordance with the provisions of Act 925, the Mayor is directed to submit the Rate Study to the Arkansas Department of Agriculture, Natural Resources Division and Arkansas Legislative Audit for final approval.

Section 4. Following adoption, this Ordinance shall be publicly posted in accordance with City Ordinances for posting of notices complying with Arkansas State Law.

Section 5. The provisions of this Ordinance are separable and if a section, phrase or provision shall be declared invalid, such declaration shall not affect the validity of the remainder of this Ordinance.

Section 6. Emergency Clause: It has been determined that this Ordinance is necessary and is vital to the health, welfare, and safety of the public, therefore, and emergency is hereby declared to exist and this Ordinance shall be in full force and effect from and after its passage, approval, and publication.

EXHIBIT A

WATER AND SEWER SERVICE

Effective January 2026

Customer Type	Base Rate (1st 1000-Gal - I)	Uniform Rate Over 1000-Gal - I (per 1000)
Sewer		
Residential	$ 18.40	$ 6.90
Commercial	18.40	6.90
School	18.40	6.90
Well - 1	16.10	------
Well -2	26.45	------

Effective January 2027

Customer Type	Base Rate (1st 1000-Gal - I) (1st 1000-Gal - O)	Uniform Rate Over 1000-Gal - I Over 1000-Gal - O (per 1000)
Sewer		
Residential	$ 19.32	$ 7.25
Commercial	19.32	7.25
School	19.32	7.25
Well - 1	16.91	------
Well -2	27.77	------

Effective January 2028

Customer Type	Base Rate (1st 1000-Gal - I) (1st 1000-Gal - O)	Uniform Rate Over 1000-Gal - I Over 1000-Gal - O (per 1000)
Sewer		
Residential	$ 20.29	$ 7.61
Commercial	20.29	7.61
School	20.29	7.61
Well - 1	17.75	------
Well -2	29.16	------

Effective January 2029

Customer Type	Base Rate (1st 1000-Gal - I) (1st 1000-Gal - O)	Uniform Rate Over 1000-Gal - I Over 1000-Gal - O (per 1000)
Sewer		
Residential	$ 21.30	$ 7.99
Commercial	21.30	7.99
School	21.30	7.99
Well - 1	18.64	------
Well -2	30.62	------

Effective January 2030

Customer Type	Base Rate (1st 1000-Gal - I) (1st 1000-Gal - O)	Uniform Rate Over 1000-Gal - I Over 1000-Gal - O (per 1000)
Sewer		
Residential	$ 22.37	$ 8.39
Commercial	22.37	8.39
School	22.37	8.39
Well - 1	19.57	------
Well -2	32.15	------

Effective January 2031

Customer Type	Base Rate (1st 1000-Gal - I) (1st 1000-Gal - O)	Uniform Rate Over 1000-Gal - I Over 1000-Gal - O (per 1000)
Sewer		
Residential	$ 23.48	$ 8.81
Commercial	23.48	8.81
School	23.48	8.81
Well - 1	20.55	------
Well -2	33.76	------

2025 Sewer Rate Study

Prepared For:

City of Vilonia, AR

Sewer Department

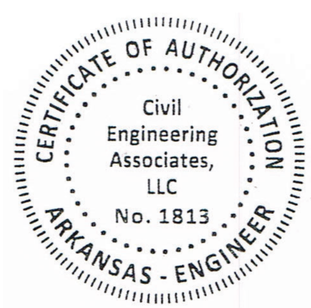
September 2025

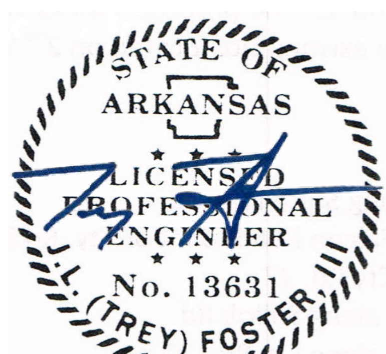
Prepared By:

CEA

CIVIL ENGINEERING ASSOCIATES, LLC

CONWAY • JONESBORO • POPLAR BLUFF





9/10/2025

1163 MAIN STREET, SUITE 104
VILONIA, ARKANSAS 72173
(501) 504-2455
FAX (870) 932-0432

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Overview - What is Act 925 of 2025

In the 95th General Assembly Regular Session of the Arkansas State Legislature a Bill was enacted that modified Arkansas Code Title 14, Chapter 239 to add Subchapter 1 - Oversight of Wastewater and Sewer Retail Providers. The purpose of this Bill is to amend the law concerning retail wastewater and sewer providers and related service, and for other purposes **(See Appendix A for full text of Act 925 of 2025).**

The Arkansas Department of Agriculture, Natural Resources Division (NRD) will be responsible for compliance oversight implemented by Act 925. Formal rules have not been provided at this time, but the rules are expected to mirror those of rules implementing Act 605 of 2021, as amended by Act 545 f 2023. The following categories of rules are to be adhered to **(See Appendix B for text of Rules Implementing Act 605)**;

1. Requirement to establish Refurbishment and Replacement Account(s)
2. Requirements of Rate Studies for Retail Water Providers
3. Determination of Fiscal Distress
4. Miscellaneous
5. Requirements for Training

Background (Source - Arkansas Department of Agriculture, Natural Resources Division)

Act 925 of 2025 tasked retail wastewater and sewer providers with additional responsibilities in managing and operating their systems, with some exceptions. These responsibilities include preparation of a rate study every 5 years. Rates determined from the study are required to be implemented within one year of the completion of the study, or two years if the recommended rates increase the provider's rates by fifty percent or more. Failure to complete a rate study or implement the required rate increases will result in a determination that the provider is in fiscal distress. Rate studies must be filed with the Arkansas Legislative Audit and the Arkansas Department of Agriculture's Natural Resources Division.

Under the legislation, all members of a provider's governing board must complete eight hours of training. The training must be completed within one year of becoming a board member. A member with 10 years or more service on the governing board is exempt from training. The Act provides that the NRD shall consult with an advisory training board for the development of the required training.

All rate studies performed by an approved rate study provider shall be an objective and unbiased review of the Provider's fiscal status. All submitted rate studies must include a certification by the approved rate study provider that the study complies with Act 925 of 2025 and the rules implementing the Act, as amended. The NRD may remove an approved rate study provider from its list of approved entities if it determines that an entity violated Arkansas law or Commission rules in performing a rate study.

Rate studies shall be based on the guidelines of the American Water Works Association and the Water Environment Federation.

Data Collection and Analytical Review

For the purpose of this Study, the City of Vilonia Sewer Department provided information for analysis in compliance with the requirements of Act 925. Civil Engineering Associates, LLC (CEA) is an approved Rate Study provider and has been retained to perform an analytical review of the Vilonia Sewer System for the purpose of ensuring compliance with the rules and regulations of Act 925. The conclusion of the review will result in a report that meets all requirements and is suitable for submission to the Arkansas Legislative Audit and NRD, including a recommended rate structure to be implemented.

Required Information to be Provided for Complete Rate Study

The following shall be incorporated into Rate Study Analysis for compliance with Act 925

1. Reports containing the following information for the current year and projections for the next five (5) years:
   A. A comprehensive cost analysis, including:
      i. Operations and maintenance (O&M) expenses;
      ii. Financing expenses, including but not limited to, debt service payments, bond issuance costs, and commercial paper fees, if applicable;
      iii. Any required cash reserves unavailable to pay for expenses, including but not limited to the annual refurbishment and replacement account deposit requirement as set out in Ark. Code Ann. § 14-234-802(e);
      iv. Depreciation expenses;
      v. Future capital expenses;
      vi. Expenses required for an annual audit or agreed-upon procedures and compilation report;
      vii. Expenses required for rate studies required under Ark. Code Ann. § 14-234-802; and
      viii. Any other expenses not accounted for in paragraphs (i) through (vii).
   B. A comprehensive revenue earnings analysis, including:
      i. Available Cash balance;
      ii. Non-rate revenue;
      iii. Rate revenue without recommended increases;
      iv. For the five projected years, recommended rate increases and the projected additional revenue derived therefrom;
      v. Debt Service Coverage Ratios;
      vi. The number of days that the available cash balance could cover O&M expenses without additional revenue;
      vii. Annualized revenue requirement.
2. The provider's asset management plan, including:
   A. An inventory of essential assets. For each essential asset, the provider shall provide the following information:

i. Asset type;
   a. Annual maintenance costs;
   b. Year installed;
   c. Vendor-specified useful life, if available;
   d. Anticipated date of replacement;
   e. Installation or replacement cost estimate; and
   f. Projected consequence of failure.

B. The provider's plan for replacement of essential assets.

3. An explanation of the provider's chosen rate design.
4. Recommendations for any changes to the provider's operations, including a plan on how the changes should be implemented.
5. Certification by the entity performing the rate study that such study complies with Ark. Code Ann. § 14-234-801 et. seq. and the Rules.

Financial Sustainability

Providers of public and private sewer systems are required to establish rate structures that consistently generate sufficient revenues to pay all debt service obligations, operate and maintain the system(s) within regulatory compliance, and maintain reserve accounts for repairs and replacements within the system(s). In order to maintain revenues in excess of expenses, Providers should periodically review their rates to ensure an adequate revenue stream that keeps up with the rising costs associated with operating and maintaining a system. Should a Provider not be proactive in keeping up with rising costs, they tend to defer maintenance obligations and deplete reserve accounts. Neither of these would be considered good management practices and could lead to a system being found as distressed and/or non-compliant with regulatory agencies.

Periodic evaluation of system costs should be evaluated to maintain financial sustainability. The primary indicator of financial sustainability is the Debt Service Coverage Ratio (DSCR). This ratio is the comparison of system expenses and revenues and is calculated by the total revenues less the total expenses of the system divided by the total existing and anticipated debt payments of the system. The rules developed by the NRD state that the minimum DSCR is 1.05, but the recommended minimum DSCR is between 1.10 & 1.25. However, higher ratios may be warranted depending on circumstances within the system. One indicator that warrants a higher DSCR ratio is the Median Affordability Ratio. This ratio is calculated using the customer cost of 4,000-gallons of sewer (or water, depending on the system being evaluated) and multiplying the cost by 12-months, then dividing by the Median Household Income of the system, then multiplying by 100 for a percentage. If this ratio is 1.25 (for entities with LMI > 51%) or 1.5 (for entities with LMI < 51%), or higher, this value indicates that rates are sufficiently high without causing undue financial hardship on rate payers. Systems that maintain a Median Affordability Ratio that meets the criteria can be deemed a disadvantaged community; therefore, potentially qualifying for grant funds for capital improvement projects from certain state/federal lenders.

Comprehensive Cost Analysis

CEA has completed a comprehensive cost analysis based on information provided by the Vilonia Sewer Department. For this analysis, financial data from year-end 2024 of the Vilonia Sewer Department was used for the required calculations to determine compliance with Act 925. The results of this analysis are as follows;

Sewer Department 2024 Revenue & Expenses				
Revenues	2024 YTD (Dec-31)	2024 Budget	2024 Year End Total (Estimated)	Est (Over)/Under Budget
Total Revenues:	$ 898,446.47	$ 978,250.00	$ 898,446.47	$ 79,803.53
Expenses				
Sub-total Expenses:	$ 801,329.93	$ 764,050.00	$ 801,329.93	$ (37,279.93)
Depreciation				
Sewer Depreciation	$ 167,581.00	$ 167,581.00	$ 167,581.00	$ -
Sub-total Expenses:	$ 167,581.00	$ 167,581.00	$ 167,581.00	$ -
Total Expenses:	$ 968,910.93	$ 931,631.00	$ 968,910.93	$ (37,279.93)
Revenue less Expense:			$ (70,464.46)	$ 42,523.60
		Net Profit/(Loss):	$ (27,940.86)	
		Net Profit/(Loss) w/o Depreciation:	$ 97,116.54	

The review of financial information provided shows that the Vilonia Sewer Department will end FY-2024 with a surplus of funds due to conservative management of available funds. However, Operation and Maintenance of the sewer system is expected to dip into the "Red" during the study evaluation period due to proactive management of facilities and planning for future growth.

Sewer Department Debt Service Coverage Ratio (DSCR) 7-Yr Projection of Revenue v. Expenses (Based on Current Rate Structure)							
Revenues	2024	2025	2026	2027	2028	2029	2030
Total Revenues:	$ 898,446.47	$ 872,478.76	$ 889,499.56	$ 906,583.27	$ 924,179.83	$ 942,291.54	$ 960,473.00
Expenses	2024	2025	2026	2027	2028	2029	2030
Total Expenses:	$ 801,329.93	$ 826,490.36	$ 988,053.36	$ 1,033,337.59	$ 1,104,306.51	$ 1,238,982.96	$ 1,313,186.75
DSCR (Current Rates):	1.51	1.24	0.50	0.35	0.08	-0.52	-0.80

The above projections are based on an estimated slight yearly increase in population based on available information developed by the Institute for Economic Advancement, Arkansas Census State Data Center coupled with historical customer count data within the system. As can be seen, the DSCR for sewer is below the minimum of 1.05 after 2025. Based on this calculation, if the system continues to operate in this manner, the system could be designated as fiscally distressed and be subjected to more stringent oversight by regulatory agencies.

For a full summary of the Financial Sustainability, **see Appendix C for Sewer.**

Rate Structure

The Vilonia Sewer Department uses a Single Block or Uniform Rate Structure and has established rates based on customer type. This type of rate structure is common throughout Arkansas and charges customers a flat rate for service availability coupled with a constant rate based on usage. The current rate structures are as follows;

City of Vilonia, AR		
Sewer Department		
Estimated Revenues Per Current Rate Structure		
Rate Structure (2024)		
Customer Type	Base Rate (1st 1000-Gal)	Uniform Rate (Over 1000-Gal)
Residential	$ 16.00	$ 6.00
Commercial	16.00	6.00
School	16.00	6.00
Well - 1	14.00	-
Well - 2	23.00	-

The rate structures shown above coincide with the tables from the Comprehensive Cost Analysis. Based on these rates, the Vilonia Sewer Department will operate in a net surplus in the sewer department over the evaluation period, but will not meet the required debt service coverage ratio. The primary causes of not meeting the requirements are due to continual rise in operating cost coupled with planned capital improvements.

Financial Analysis

The purpose of the financial analysis is to determine whether the Vilonia Sewer Department is properly positioned to sustain the sewer system under its control and determine whether required revenues meet the requirements of the system. This analysis must include consideration for revenues needed to adequately fund all aspects of the system, including but not limited to, principal and interest payments for existing debt, estimated operating expenses, funding reserves for equipment replacement, depreciation funds, and new debt associated with planned and/or emergency capital improvements. This need for sufficient revenue can be summarized as Asset Management and is a requirement to be in full compliance with Act 925.

Currently, the outstanding debt associated with the sewer system includes one (1) loan for the system. Payment schedules for all bonds are as follows;

Debt Service Requirements

Sewer Department		
Assets & Long-Term Liabilities		
Long-Term Liabilities		
Account Type	Annual Payment	Est Payoff Year
2020 Revenue Bond	$195,631.26	2050
Total:	195,631.26	

The loan associated with the sewer system is current and it appears that all reserve requirements are being met.

Revenues v. Expenses

In order to estimate revenues and expenses through 2031, CEA utilized current budget information from the Sewer Department, average usage data per customer type, estimated population trends, and minimal non-rate revenue. All calculations disregarded existing cash-on-hand and strictly reviewed what it would take to sustain the system with the estimated revenue stream. Calculating in this manner is a conservative approach and allows for any cash reserves to be utilized according to their specified intent. The table below was produced as described and is based on the recommended rate structures for the water and sewer system.

Sewer Department							
7-Yr Projection of Revenue v. Expenses (Based on Proposed Rate Structure)							
Revenues	2025	2026	2027	2028	2029	2030	2031
Total Revenues:	$ 872,478.28	$ 1,010,451.35	$ 1,077,058.57	$ 1,148,455.08	$ 1,224,982.96	$ 1,306,378.67	$ 1,393,598.17
Expenses	2025	2026	2027	2028	2029	2030	2031
Total Expenses:	$ 823,441.87	$ 986,256.13	$ 1,029,446.25	$ 1,103,376.90	$ 1,184,232.83	$ 1,259,619.21	$ 1,350,746.63

Compliance with Act 925 requires minimum annual reserve deposits totaling 5% of gross system revenue. The above calculations account for these deposits. **For a complete listing of the revenues and expenses, see Appendix C for Sewer.**

Debt Service Coverage Ratio (DSCR)

As previously mentioned, the rules implementing Act 925 will require a minimum DSCR 1.05. Existing and proposed DSCR are shown in the table below through 2031.

Sewer Department							
Debt Service Coverage Ratio (DSCR)							
7-Yr Projection							
	2025	2026	2027	2028	2029	2030	2031
DSCR (Current Rates):	1.24	0.50	0.35	0.08	-0.52	-0.80	-1.19
DSCR (Proposed Rates):	1.25	1.13	1.25	1.23	1.21	1.24	1.22

The target DSCR should be between 1.10 and 1.25, but lower percentages can be warranted.

Median Affordability

When evaluating the financial sustainability of a sewer system, careful consideration of rate payer affordability is vital. Affordability ratios are based on the cost of 4000-gallons of usage and the median household income for the area served by the Provider. Below is a table showing the estimated current and proposed affordability ratio through 2031.

Sewer Department								
Median Affordability								
Median Affordability as a Percentage of MHI (Current Rate Structure & Yearly Increase)								
	Current MHI %	2025 MHI %	2026 MHI %	2027 MHI %	2028 MHI %	2029 MHI %	2030 MHI %	2031 MHI %
Residential	0.53	0.53	0.61	0.64	0.67	0.71	0.74	0.78

The target median affordability ratio for communities with a low-moderate income (LMI) percentage of 51% or greater is 1.25, and 1.5 for communities with a low-moderate income percentage less than 51%. Communities that implement rates that increase the median affordability ratio to the specified percentages can be classified as disadvantaged, meaning the rates charged for 4000-gallons of usage have increased to a point in which they could be considered a hardship on rate payers. Only residential rates are used in this calculation. Typically, if a community is classified as disadvantaged, additional grant funding may be made available for certain capital improvement projects. For a detailed summary of how median affordability ratio is calculated, **see Appendix C for Sewer.**

Conclusions and Recommendations

Debt Service: The Vilonia Sewer Department maintains one (1) outstanding bond issue for the sewer system. In order to maintain an adequate debt service coverage ratio, the sewer system will need to increase their revenues through a rate increase. It is recommended that the department adopt the rate structure proposed in **Appendix C (Pgs. 10-12).** Adopting the recommended rates for the sewer system is expected to maintain a DSCR that is compliant with the requirements of Act 925 of 2025.

Operating/Depreciation Reserve: The Vilonia Sewer Department has maintained reserves for the sewer system. It is recommended that 5% of gross revenues from the sewer system continue to be deposited into an unrestricted account for the purpose of replacement and refurbishment of infrastructure related to the system. This recommendation will comply with the minimum requirements of Act 925, specific to reserve fund requirements.

Capital Improvement Plan: The Vilonia Sewer Department has developed a capital improvement plan that addresses the major components of the sewer system. It is recommended that this plan be reviewed on an annual basis and updated as needed.

Budget & Rate Reviews: The Vilonia Sewer Department has implemented a process to review rates based on required revenues and expenses. Development of a comprehensive Rate Study for compliance with Act 925 is an additional check to ensure that the rate structures being implemented for the water and sewer system are sufficient to maintain the required debt service coverage ratio. It is recommended that the incrementally increasing rate structure proposed in **Appendix C (Pgs. 10-12)** be adopted by the City Council, and be reviewed every five (5) years, at a minimum, to remain compliant with Act 925. Any future reviews of rate structures should be mindful of maintaining a DSCR above the required minimums.

Affordability: It is recommended that the Vilonia Sewer Department strive to adopt rate structures that generate the necessary revenue to properly operate and maintain the sewer system while being mindful of implementing rates that are excessive and create undue hardships on rate payers. A good measure of affordability is to maintain a median affordability ratio as a percentage of median household income at 1.5 and this ratio should be based on residential rates.

Water & Sewer Rates: The Vilonia Sewer Department is expected to be non-compliant with the minimum DSCR of 1.05 specified in Act 925 should the existing rate structures for the sewer system remain in place. This non-compliance may result in the Vilonia Sewer Department being designated as fiscally distressed and result in more stringent regulatory oversight, including but not limited to, fines and penalties imposed by the State of Arkansas. It is recommended that the City Council of Vilonia, Arkansas pass a rate ordinance adopting the proposed rate structures included with this report. **See Appendix C (Pgs. 10-12).**

Asset Management Plan: The Vilonia Sewer Department has developed an Asset Management Plan in accordance with the requirements of Act 925. It is recommended that this plan be reviewed on an annual basis. A copy of the current plan is included in **Appendix D.**

RATE STUDY CERTIFICATION

Civil Engineering Associates, LLC is a duly authorized Rate Study Provider and is listed as such on the approved provider list published by the Arkansas Department of Agriculture, Natural Resources Division. The undersigned representative of Civil Engineering Associates, LLC hereby certifies the following;

1. The Rate Study provided herein was provided at the request of the City of Vilonia, AR, Sewer Department and has been completed in an objective and unbiased manner of the Provider's fiscal status.
2. The Rate Study provided herein was completed in compliance with Act 925 of 2025, otherwise codified as Ark. Code Annotated §14-239-101 and the implementing rules adopted by the Arkansas Natural Resources Commission.

____
Trey Foster, P.E.
Member/Principal
Civil Engineering Associates, LLC

APPENDIX A

ACT 925 OF 2025

State of Arkansas *As Engrossed: H3/20/25 S4/7/25*
95th General Assembly

A Bill

Regular Session, 2025 HOUSE BILL 1701

By: Representatives Gonzales, L. Johnson
By: Senator G. Stubblefield

For An Act To Be Entitled

AN ACT TO AMEND THE LAW CONCERNING SEWER COLLECTION AND SEWER TREATMENT PROVIDERS AND RELATED SERVICES; AND FOR OTHER PURPOSES.

Subtitle

TO AMEND THE LAW CONCERNING SEWER COLLECTION AND SEWER TREATMENT PROVIDERS AND RELATED SERVICES.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

SECTION 1. Arkansas Code Title 14, Chapter 239, is amended to add an additional subchapter to read as follows:

Subchapter 1 — Oversight of Wastewater and Sewer Retail Providers

14-239-101. Legislative findings.

The General Assembly finds that:

(1) Oversight of providers in the state is primarily handled by the Arkansas Natural Resources Commission and the Division of Environmental Quality;

(2) Wastewater and sewer systems need to have rates that support capital improvement needs; and

(3) It is necessary to improve the operations and infrastructures of wastewater and sewer systems in the state similar to the reform of retail water providers by Acts 2021, No. 605.

14-239-102. Definitions.

As used in this subchapter:

(1) "Provider" means any public or private provider of a sewage collection service or sewage treatment service; and

(2) "Provider's board" means the governing body of a provider, whether the governing body is organized as a board, commission, committee, council, or other type of entity.

14-239-103. Fiscal distress —— Improvement plans —— Rates and rate studies —— Definition.

(a)(1) For the purposes of this section, a provider is in fiscal distress if the provider:

(A) Fails to obtain a rate study as required under this section;

(B) Fails to implement a completed rate study required under this section; or

(C) Has been found by the Arkansas Natural Resources *Commission* to be in significant noncompliance with rules of the commission because of inadequate funds for operation and maintenance or inadequate compliance with rules of the commission.

(2) A provider may be found by *the commission* to be subject to this section if a member of the provider's board does not receive the training required under § 14-239-105.

(b) The commission shall maintain and publish on the commission's website a list of providers in fiscal distress.

(c)(1) A provider shall obtain a rate study on the following schedule:

(A) By July 1, 2028, and every five (5) years thereafter for a provider that serves five hundred (500) or fewer customers;

(B) By July 1, 2029, and every five (5) years thereafter for a provider that serves not less than five hundred one (501) and not more than one thousand (1,000) customers; and

(C) By July 1, 2030, and every five (5) years thereafter for a provider that serves more than one thousand (1,000) customers.

(2)(A) Rates and other revenue dedicated to the support of the provider's wastewater and sewer systems shall adequately address costs for:

(i) Operation and maintenance;

(ii) Debt service;

(iii) Required reserves;

(iv) Depreciation;

(v) Future capital expenses;

(vi) Preparation and publication of an annual financial report as currently required by law; and

(vii) Other expenses as necessary.

(B)(i) The rates recommended in the rate study that is obtained and chosen by the provider shall be implemented by the provider in the manner provided under the applicable law for modifying rates.

(ii) Except as provided in subdivision (c)(2)(B)(iii) and (c)(2)(B)(iv) of this section, an increase in rates recommended in the rate study shall be implemented within one (1) year of the receipt of the rate study.

(iii) Except as provided in subdivision (c)(2)(B)(iv) of this section, if recommended rates increase the provider's rates by fifty percent (50%) or more from the fiscal year before the rate study was completed, the provider may phase in the rate increase over a two-year period.

(iv) If, through the rate study, it is recommended that a series of rate increases be implemented over a period of time that exceeds the periods of time required in subdivisions (c)(2)(B)(ii) and (c)(2)(B)(iii) of this section, the provider may implement the series of rate increases without regard to the limitations of subdivisions (c)(2)(B)(ii) and (c)(2)(B)(iii) of this section, provided that the series of rate increases conform with the recommendations of the rate study.

(d)(1) The commission shall determine by rule the requirements of the rate study, including without limitation a review of the provider's refurbishment and replacement account and asset management plan.

(2)(A) The rate study shall use as its basis the guidelines of the American Water Works Association and the Water Environment Federation.

(B) The commission shall determine by rule an appropriate entity to provide guidelines for the rate study to use as its basis if guidelines of the American Water Works Association and the Water Environment Federation are unavailable.

(e)(1) A provider shall deposit a minimum of five percent (5%) per annum of gross revenues in a dedicated refurbishment and replacement account.

(2) The provider may spend any amount of the provider's cash savings referenced in subdivision (e)(1) of this section at any time for refurbishment and replacement of the provider's *wastewater system* facilities and other real property.

(3) If a different amount to be deposited per annum is determined by a rate study, then the amount determined by the rate study shall be deposited into a dedicated refurbishment and replacement account.

(f)(1) The commission shall maintain an approved list of entities to conduct rate studies required by this section, including without limitation the Arkansas Rural Water Association, professional engineers, certified public accountants, economists, and actuaries.

(2) If a provider chooses an entity to conduct the rate study that is not on the approved list of entities, the entity shall have conducted at least one (1) rate study in the state in the previous five-year period.

(g)(1) To ensure fiscal soundness, the commission shall consider and approve a new provider with fewer than three hundred (300) customers within the proposed service area only if:

(A) The commission determines that public health or the environment is threatened without the approval of the new provider; or

(B) There is no other viable alternative.

(2) A new provider with fewer than three hundred (300) customers seeking approval shall:

(A) Be organized through a political subdivision, including without limitation an improvement district, a county, or a municipality;

(B) Demonstrate the ability to remain fiscally sustainable; and

(C) Complete a technical, financial, and managerial capacity review conducted by the commission.

(h) A provider shall file its most recent rate study annually with Arkansas Legislative Audit at the same time the provider files its audit report or agreed-upon procedures and compilation report as required under § 14-234-120.

(i)(1) The commission shall annually identify and notify a provider if the provider is in fiscal distress.

(2) The provider may appeal the finding to Pulaski County

Circuit Court.

(j)(1) A provider found to be in fiscal distress shall file an improvement plan with *the Division of Environmental Quality and the commission*, including without limitation specific action to be taken to correct financial, technical, and managerial deficiencies, within ninety (90) days of the finding of fiscal distress.

(2)(A) Upon receipt of an improvement plan under this subsection, the *division and the commission* shall review the improvement plan and:

(i) Approve the improvement plan in whole or in part;

(ii) Modify the improvement plan; or

(iii) Deny the improvement plan.

(B) At the time the commission determines that the provider is no longer in fiscal distress, the commission shall remove the fiscal distress designation and notify the provider.

(k) If a provider is found to be in fiscal distress, the provider shall not receive state financial assistance for sewage collection or sewage treatment operations until an improvement plan that has been approved by the commission is in place, unless the financial assistance is immediately necessary to ensure preservation of the public peace, health, and safety, as determined by the commission.

(l) If the provider is found to be in fiscal distress, the provider shall obtain written authorization from the commission to:

(1) Incur additional debt;

(2) Accept assistance for the refurbishment or replacement of facilities or construction of facilities not within the provider's *improvement plan; or*

(3) Transfer assets to another entity.

14-239-104. Workforce recruitment and retention — Education.

A provider shall:

(1) Work with the Association of Arkansas Counties and the Arkansas Municipal League to develop training for leaders of the county or municipality that the provider serves;

(2) Provide suitable compensation and incentives to encourage individuals to consider a career with the provider; and

(3) Promote the recruitment, education, and licensing of employees of the provider.

14-239-105. Training.

(a)(1)(A) Within one (1) year of election or appointment, a majority of the members of a provider's board shall receive a minimum of eight (8) hours of provider training as promulgated by rule of the Arkansas Natural Resources *Commission.*

(B) A member of a provider's board as of January 1, 2025, shall receive the training required under this section by December 31, 2026.

(2) If a majority of the members of a provider's board do not receive the training required under this section, the commission may find the provider is subject to § 14-239-103.

(3) This section does not apply to a member of a provider's board who has served on the provider's board for ten (10) years or more.

(b) The commission shall consult with an advisory training board for the development of the training required under this section, whose members shall include without limitation:

(1) The Secretary of the Department of Health or his or her designee;

(2) The Director of the *Division of Environmental Quality* or his or her designee;

(3) The State Director of the United States Department of Agriculture Rural Development in Arkansas or his or her designee;

(4) The Chief Executive Officer of the Arkansas Rural Water Association or his or her designee;

(5) The Executive Director of the Association of Arkansas Counties or his or her designee;

(6) The President of the Arkansas Municipal League or his or her designee;

(7) The Chair of the Board of Directors of Communities Unlimited, Inc., or his or her designee;

(8) The Chair of the Arkansas Water Works and Water Environment Association, Inc., or his or her designee;

(9) The Director of the Arkansas Environmental Training Academy or his or her designee;

(10) The Chair of the House Committee on City, County, and Local Affairs;

(11) The Vice Chair of the House Committee on City, County, and Local Affairs;

(12) The Chair of the Senate Committee on City, County, and Local Affairs;

(13) The Vice Chair of the Senate Committee on City, County, and Local Affairs; and

(14) The President of the Arkansas Water and Wastewater Managers Association, Inc.

14-239-106. Applicability.

This subchapter does not apply to:

(1) A wastewater system regulated by the Arkansas Public Service Commission as a public utility under § 23-1-101 et seq.;

(2) A municipal utility system owned or operated by a municipality that provides electric service to retail customers in addition to wastewater service, including without limitation an electric system:

(A) Managed or operated by a nonprofit corporation under § 14-199-701 et seq.; or

(B) Owned or operated by a municipality or by a consolidated utility district under the General Consolidated Public Utility System Improvement District Law, § 14-217-101 et seq.;

(3) A privately owned provider that supplies the majority of its wastewater service to nonresidential customers;

(4) A wastewater system operated jointly between two (2) municipalities in which each municipality is located in a different state;

(5) A provider during the time that the provider is subject to a federal court decree or judgment for remediation efforts related to the provider's water system or wastewater system, or both, for the purpose of compliance with federal law; or

(6) An individual homeowner.

14-239-107. Rules.

The Arkansas Natural Resources Commission shall promulgate rules to implement this subchapter.

SECTION 2. TEMPORARY LANGUAGE. DO NOT CODIFY. Rules.

(a) When adopting the initial rules to implement this act, the Arkansas Natural Resources Commission shall file the final rules with the Secretary of State for adoption under § 25-15-204(f):

(1) On or before January 1, 2026; or

(2) If approval under § 10-3-309 has not occurred by January 1, 2026, as soon as practicable after approval under § 10-3-309.

(b) *The commission* shall file the proposed rules with the Legislative Council under § 10-3-309(c) sufficiently in advance of January 1, 2026, so that the Legislative Council may consider the rules for approval before January 1, 2026.

/s/Gonzales

APPROVED: 4/21/25

APPENDIX B

RULES IMPLEMENTING ACT 605

FINAL RULE
AGENCY NO. ANRC 138.00

Rules Implementing Act 605 of 2021

I. Purpose

1. The purpose of these rules is to:
    a. Implement Ark. Code Ann. § 14-234-801 et. seq.;
    b. Provide oversight of retail water providers to promote efficiency in service and stability in fiscal management;
    c. Provide training and education to governing bodies of retail water providers; and
    d. Provide training of local, state, and federal leaders on the issues surrounding provider personnel, finances, compliance, and environmental factors.
2. The rules shall be read in conjunction with Ark. Code Ann. § 14-234-801 et. seq.

II. Definitions

The following definitions are supplemental to the definitions in Ark. Code Ann. § 14-234-801 et. seq.:

1. "Annualized Revenue Requirement" means the projected revenue if the recommended increase, as well as all previous recommended increases, is in effect for the full 12-month period.
2. "Commission" means the Arkansas Natural Resources Commission.
3. "Debt Service Coverage Ratio" ("DSCR") means Net Operating Income divided by Total Debt Service.
4. "Department" means the Arkansas Department of Agriculture, including the Natural Resources Division thereof.
5. "Future Capital Expenses" means the design and construction of new and replacement infrastructure, including any associated labor and fees.
6. "Major Development Project" means a project that exceeds twenty percent (20%) of gross revenues of the provider for the immediately preceding fiscal year.
7. "Non-operating Revenue" means revenue derived from sources other than water use charges.
8. "Net Operating Income" means earnings before interest, tax, depreciation, and amortization (EBITDA) less capital expenditures.
9. "Provider board" as used herein shall have the definition provided in Ark. Code Ann. § 14-234-801(b)(3).
10. "System" means:
    a. For a provider that provides water service only, the provider's water system.
    b. For a provider that provides water service and sewer service, but where the water system and the sewer system are not operated as a joint and integrated undertaking (i.e., when a separate audit is prepared for water and for sewer), the provider's water system.

c. For a provider that provides water service and sewer service, and the water facilities are operated as a joint and integrated undertaking (i.e., when water and sewer are combined in a single audit), the provider's joint and integrated water and sewer system.

11. "Total Debt Service" means current debt obligations, including but not limited to any interest, principal, sinking fund, and lease payments due in a given year.

III. Refurbishment and Replacement Account

1. Refurbishment and Replacement accounts, as required under Ark. Code Ann. § 14-234-802(e), shall only be used to make repairs or to replace ~~water system~~ System appurtenances.
2. Providers may designate existing depreciation or replacement accounts as the Refurbishment and Replacement Account required by Ark. Code Ann. § 14-234-802(e), so long as the amount deposited therein complies with the provisions of Ark. Code Ann. § 14-234-802(e).
3. The calculation of the amount required to be deposited into a Refurbishment and Replacement Account pursuant to these Rules and Ark. Code Ann. § 14-234-802(e) shall be based on the gross operating revenues of a System.
4. The funds shall not be used for routine repairs. Expenditures of $1,000 or less shall be considered routine repairs.
5. Utilization of funds from the Refurbishment and Replacement account must be approved by the Provider Board prior to its use.

IV. Rate Studies for Retail Water Providers

1. Retail water providers shall obtain rate studies pursuant to the requirements in Ark. Code Ann. § 14-234-802.
2. A provider that plans to undertake a major development project, as defined above and in Ark. Code Ann. § 14-234-802(h)(2), shall obtain a rate study or amend the provider's existing rate study before beginning the major development project to include consideration of the financial impact of the major development project on the fiscal sustainability of the provider.
3. Rate studies shall be based on the guidelines of the American Water Works Association and the Water Environment Federation.
    a. The rate studies shall include:
        i. Reports containing the following information for the current year and projections for the next five years:
            1. A comprehensive cost analysis, including:
                a. Operations and maintenance (O&M) expenses;
                b. Financing expenses, including but not limited to debt service payments, bond issuance costs, and commercial paper fees, if applicable;
                c. Any required cash reserves unavailable to pay for expenses, including but not limited to the annual refurbishment and replacement account deposit requirement as set out in Ark. Code Ann. § 14-234-802(e);
                d. Depreciation expenses;
                e. Future capital expenses;
                f. Expenses required for an annual audit or agreed-upon procedures and compilation report;

g. Expenses required for rate studies required under Ark. Code Ann. § 14-234-802; and
h. Any other expenses not accounted for in paragraphs (a) through (g).

2. A comprehensive revenue earnings analysis, including:
    a. Available Cash balance;
    b. Non-rate revenue;
    c. Rate revenue without recommended increases;
3. For the five projected years, recommended rate increases and the projected additional revenue derived therefrom;
4. Debt Service Coverage Ratios;
5. The number of days that the available cash balance could cover O&M expenses without additional revenue;
6. Annualized revenue requirement.

ii. The provider's asset management plan, including:
1. inventory of essential assets and for each essential asset, without limitation, the following information:
    a. Asset type;
    b. Annual maintenance costs;
    c. Year installed;
    d. Vendor-specified useful life, if available;
    e. Anticipated date of replacement;
    f. Installation or replacement cost estimate; and
    g. Projected consequence of failure.
2. The provider's plan for replacement of essential assets.

iii. Proposed changes in rates should be based on achieving and maintaining a Debt Service Coverage Ratio of 1.1 or higher.
iv. An explanation of the provider's chosen rate design; and
v. Recommendations for any changes to the provider's operations, including a plan on how the changes should be implemented.
vi. Certification by the entity performing the rate study that such study complies with Ark. Code Ann. § 14-234-801 et. seq. and these Rules.

b. Rate studies shall be provided to the Department at the time it is provided to Arkansas Legislative Audit under Ark. Code Ann. § 14-234-802(i).
c. The Commission may request further information necessary to determine a provider's fiscal status, and providers shall cooperate with the Commission's requests.
d. The Commission may waive any one or more requirement in Section IV(3)(a), above, upon written request.

4. Rate studies for providers that operate a joint and integrated water and sewer system shall analyze the total System.
5. Rate studies performed shall be an objective and unbiased review of the provider's fiscal status.
6. The Commission will maintain a list of approved entities to conduct rate studies as required under Ark. Code Ann. § 14-234-802(f)(1). The Commission may remove an approved entity from its list of approved entities if it determines that an entity violated Arkansas law or Commission rules in performing a rate study.

V. Determinations of Fiscal Distress

1. A Provider will be in Fiscal Distress if the Provider:
   a. Fails to obtain a rate study as required;
   b. Fails to implement the rates contained in the completed rate study required within one (1) or two (2) years as provided under ACA 14-234-802(c)(2)(B)(ii)-(iii); or
   c. Fails to maintain a Debt Service Coverage Ratio of 1.05 or higher.
2. A Provider may be determined to be in fiscal distress if the Provider:
   a. Does not comply with the training required by Ark. Code Ann. § 14-234-805 and Section VII, below;
   b. Fails to file with Arkansas Legislative Audit an audit report or agreed-upon procedures and compilation report required by Ark. Code Ann. § 14-234-120;
   c. Fails to maintain unincumbered cash or cash equivalents in an amount equal to one-twelfth of the total expenses from the most recent fiscal year;
   d. Fails to adopt budget before the beginning of a new fiscal year providing for sufficient revenues to meet or exceed anticipated expenses during that fiscal year;
   e. Fails to make all required payments due to the United States Treasury – Internal Revenue Service, Arkansas Department of Finance and Admission, or Arkansas Department of Health;
   f. Fails to make any bond, loan, or lease payment; or
   g. Fails to comply with an administrative order of the US Environmental Protection Agency, Arkansas Department of Health or Arkansas Division of Environmental Quality concerning operation and maintenance of the system.
3. Providers determined to be in fiscal distress shall submit to the Department an improvement plan as required in Ark. Code Ann. § 14-234-802(k) detailing in writing the provider's plan to resolve the violation or violations of rule or law or the provider's plan to resolve its fiscal insufficiency that caused it to be considered in fiscal distress.
4. A provider will be determined by the Commission to no longer be in fiscal distress if:
   a. The provider resolves the violation of rule or law that caused it to be considered in fiscal distress and obtains written verification from the Commission that the violation has been resolved; or
   b. The provider implements a change of rates that is shown by the study to resolve the provider's fiscal insufficiency.

VI. Miscellaneous

1. A provider seeking approval from the Commission under Ark. Code Ann. § 14-234-802(g) shall demonstrate its fiscal sustainability by submitting to the Commission a business plan demonstrating its technical, financial, and managerial capacity.
2. Pursuant to provisions relating to Commission intervention under the conditions provided for in Ark. Code Ann. § 14-234-804(d), upon request of a municipal provider or a customer or unserved customer of a municipal provider, the Department will assist in the resolution of the issue or issues if the party or parties involved demonstrate that all parties involved made a good faith effort to resolve the issue or issues.

a. Such intervention may include without limitation negotiation or mediation with the party or parties involved.
b. If the Department determines that a party is not acting in good faith, the Department may end its intervention.

VII. Training

1. The Advisory Training Board created under Ark. Code Ann. § 14-234-805 shall develop the training protocol for provider board members, including training protocol for rate studies performed under the guidelines of the American Water Works Association and the Water Environment Federation.
2. By December 31, 2022, a majority of the members of provider boards shall receive a minimum of eight hours of provider training.
3. If a change in membership of a provider board causes the provider board to have less than a majority of members who have undergone provider training, enough members of the provider board shall receive provider training within one year of the change in membership such that a majority of the board has received training.
4. Each provider board shall report the following information annually, by January 31, to the Department:
    a. the names and contact information of each member on the provider board;
    b. an identification of which members have obtained eight hours of provider training; and
    c. an identification of which members have served on the board for more than ten (10) years and are exempt from the training requirement pursuant to Ark. Code Ann. § 14-234-805(a)(3).

APPENDIX C

SEWER SYSTEM FINANCIAL ANALYSIS

City of Vilonia, AR
Sewer Department
2024 Revenue & Expenses

Revenues	2024 YTD (Dec-31)	2024 Budget	2024 Year End Total (Estimated)	Est (Over)/Under Budget
Sewer Revenue	$ 730,826.46	$ 720,000.00	$ 730,826.46	$ (10,826.46)
Hookup Fees	17,700.00	30,000.00	17,700.00	12,300.00
Interest Checking Acct	15,051.10	10,000.00	15,051.10	(5,051.10)
Tap Fees	-	250.00	-	250.00
Reconnection Fees	2,360.00	1,000.00	2,360.00	(1,360.00)
Late Fees	14,508.91	17,000.00	14,508.91	2,491.09
Consumption Fees	118,000.00	200,000.00	118,000.00	82,000.00
Total Revenues:	$ 898,446.47	$ 978,250.00	$ 898,446.47	$ 79,803.53

Expenses	2024 YTD (Dec-31)	2024 Budget	2024 Year End Total (Estimated)	Est (Over)/Under Budget
Sewer Department				
FICA Payroll	$ 16,222.41	$ 18,275.00	$ 16,222.41	$ 2,052.59
SUTA Payroll	143.29	350.00	143.29	206.71
Retirement Payroll	27,634.10	29,000.00	27,634.10	1,365.90
Salaries Payroll	219,259.99	213,500.00	219,259.99	(5,759.99)
Interest Expense - Bonds	91,631.28	125,000.00	91,631.28	33,368.72
Principal Expense - Bonds	100,000.00	100,000.00	100,000.00	-
Auto Fuel	24,922.78	15,000.00	24,922.78	(9,922.78)
Auto Maintenance	3,952.19	3,000.00	3,952.19	(952.19)
Auto Repairs	972.99	2,000.00	972.99	1,027.01
Tractor - Maint/Repair	-	350.00	-	350.00
Mower/Weedeater - Maint/Repair	360.68	500.00	360.68	139.32
Medical Insurance	42,072.97	52,800.00	42,072.97	10,727.03
Building Property Insurance	4,070.08	5,000.00	4,070.08	929.92
Auto Insurance	3,001.74	2,500.00	3,001.74	(501.74)
Pipe Parts Maint	529.21	250.00	529.21	(279.21)
Equipment - Plant Maint	26,393.47	30,000.00	26,393.47	3,606.53
Testing	4,639.50	5,000.00	4,639.50	360.50

Quail Hollow Pump Station 1	7,293.74	600.00	7,293.74	(6,693.74)
Quail Hollow Pump Station 2	-	600.00	-	600.00
Dove Creek Pump Station	22,924.62	5,000.00	22,924.62	(17,924.62)
Hwy 107 Pump Station	33,556.11	10,000.00	33,556.11	(23,556.11)
Fox Run Pump Station	39,419.09	5,000.00	39,419.09	(34,419.09)
Janski Lane Pump Station	4,947.40	600.00	4,947.40	(4,347.40)
Saddle Creek Pump Station	-	600.00	-	600.00
Cudd Pump Station	-	600.00	-	600.00
Industrial Pump Station	347.40	600.00	347.40	252.60
Elementary Pump Station	-	600.00	-	600.00
Pheasant Kreek Pump Station	347.40	600.00	347.40	252.60
Vilonia Commons Pump Station	347.40	600.00	347.40	252.60
Braden Pump Station	347.40	600.00	347.40	252.60
Bypass Pump Station	-	600.00	-	600.00
Barnard Pump Station	-	600.00	-	600.00
Church Pump Station	-	600.00	-	600.00
Collection System - Maint/Repair	3,912.60	5,000.00	3,912.60	1,087.40
Office Expense	9,400.67	7,000.00	9,400.67	(2,400.67)
Dues/Subscriptions - Office	479.00	1,200.00	479.00	721.00
Postage	13,573.02	10,000.00	13,573.02	(3,573.02)
PO Box Rental	74.00	75.00	74.00	1.00
PSN Expense	1,803.70	1,750.00	1,803.70	(53.70)
Water Utilities	313.52	300.00	313.52	(13.52)
Electric Utilities	59,767.20	65,000.00	59,767.20	5,232.80
Phone Utilities	8,273.94	7,500.00	8,273.94	(773.94)
One-Call Expense	1,447.96	1,500.00	1,447.96	52.04
Engineering - Legal/Prof Fees	-	5,000.00	-	5,000.00
Audit - Legal/Prof Fees	14,146.75	14,000.00	14,146.75	(146.75)
Wastewater Permit - Legal/Prof Fees	3,000.00	3,000.00	3,000.00	-
License - Legal/Prof Fees	177.64	2,000.00	177.64	1,822.36

City of Vilonia, AR
Sewer Department
2024 Revenue & Expenses

Computer Maint Agreement	4,655.00	4,500.00	4,655.00	(155.00)
Uniforms	2,454.02	2,500.00	2,454.02	45.98
Jet Trailer - Maint/Repair	508.70	150.00	508.70	(358.70)
Trackhoe - Maint/Repair	-	350.00	-	350.00
VAC Trailer - Maint/Repair	-	150.00	-	150.00
Tilt Trailer - Maint/Repair	-	150.00	-	150.00
Workmans Comp Insurance	2,004.97	2,000.00	2,004.97	(4.97)
EQ Pond Pump Station	-	600.00	-	600.00
Sub-total Expenses:	$ 801,329.93	$ 764,050.00	$ 801,329.93	$ (37,279.93)
Depreciation				
Sewer Depreciation	$ 167,581.00	$ 167,581.00	$ 167,581.00	$ -
Sub-total Expenses:	$ 167,581.00	$ 167,581.00	$ 167,581.00	$ -
Total Expenses:	$ 968,910.93	$ 931,631.00	$ 968,910.93	$ (37,279.93)
Total Revenue less Expense:			$ (70,464.46)	$ 42,523.60
		Net Profit/(Loss):	$ (27,940.86)	
		Net Profit/(Loss) w/o Depreciation:	$ 97,116.54	

City of Vilonia, AR
Sewer Department
Assets & Long-Term Liabilities

Assets

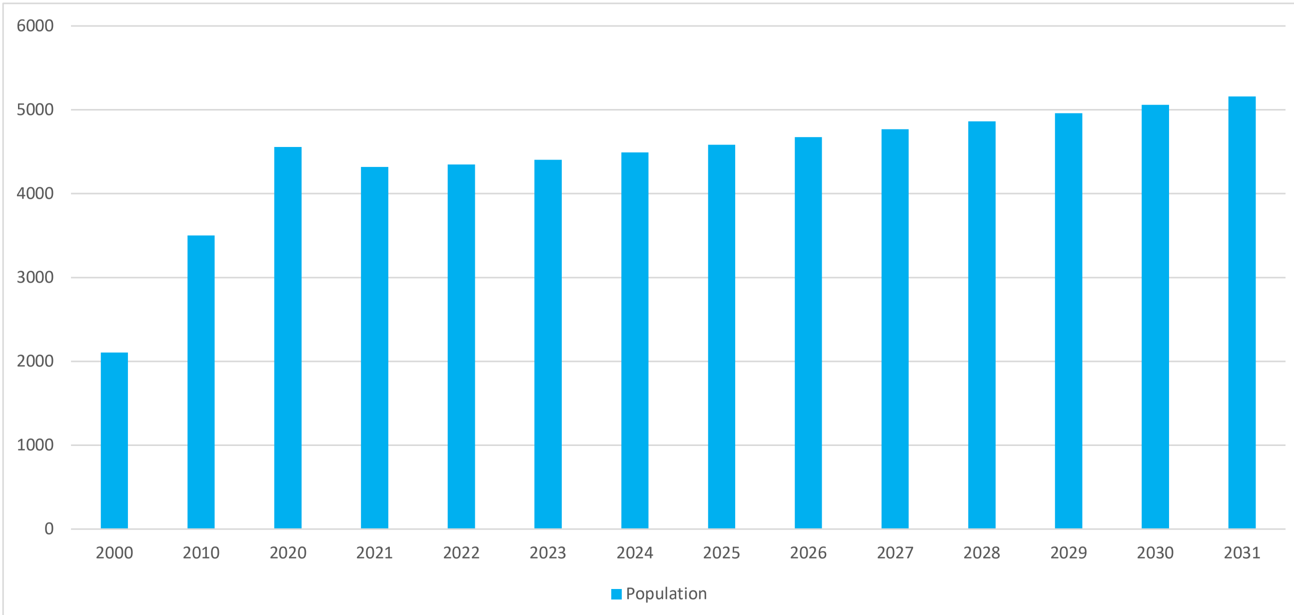
Account Type	Restricted	Non-Restricted	Current Balance (Dec-24)
Expansion Acct		X	102,839.52
Deposit Acct	X		88,703.24
O&M Acct		X	1,314.82
Revenue Acct	X		46,573.31
Reserve Acct		X	-
Savings Acct		X	71,893.92
Total:	$ 135,276.55	$ 176,048.26	$ 311,324.81

Long-Term Liabilities

Account Type	Annual Payment	Est Payoff Year
2020 Revenue Bond	$ 195,631.26	2050
Total:	195,631.26	

City of Vilonia, AR
Sewer Department
Population Trends

							Estimated							
	2000	2010	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Population	2106	3503	4556	4318	4348	4405	4493	4583	4675	4769	4864	4961	5060	5161



Note:
Population estimates are based on average percent change per year extrapolated to the end of the study period

City of Vilonia, AR
Sewer Department
Asset Management Plan
Inflation Factor 3.0%

Short-Lived Assets/Maintenance	2024	2025	2026	2027	2028	2029	2030	2031
WTP Yearly Maintenance	$ 30,000.00	$ 30,900.00	$ 31,827.00	$ 32,782.00	$ 33,765.00	$ 34,778.00	$ 35,821.00	$ 36,896.00
Collection System Yearly Maintenance	16,200.00	20,000.00	20,600.00	21,218.00	21,855.00	22,511.00	23,186.00	23,882.00
Vehicle Replacement/Maint	7,000.00	7,210.00	7,426.00	7,649.00	7,878.00	8,274.00	8,522.00	43,778.00
Heavy Equipment Replacement/Maint	4,000.00	4,120.00	4,244.00	4,371.00	4,502.00	4,728.00	4,870.00	15,016.00
Total Maintenance:	$ 57,200.00	$ 62,230.00	$ 64,097.00	$ 66,020.00	$ 68,000.00	$ 70,291.00	$ 72,399.00	$119,572.00

Self-Funded Capital Improvements	2024	2025	2026	2027	2028	2029	2030	2031
Replace 107 Submersible Pumps		$ 30,000.00						
Collection System Maintenance Program			175,000.00	200,000.00	200,000.00	225,000.00	275,000.00	300,000.00
Total Improvements:	$ -	$ 30,000.00	$ 175,000.00	$200,000.00	$ 200,000.00	$225,000.00	$ 275,000.00	$300,000.00

Bond-Funded Capital Improvements	2024	2025	2026	2027	2028	2029	2030	2031
EQ Basin Expansion	$ -	$ -	$ -	$ -	$ 50,000.00	$ 86,000.00	$ 86,000.00	$ 86,000.00
Assume 6% - 20yr								
Total Improvements:	$ -	$ -	$ -	$ -	$ 50,000.00	$ 86,000.00	$ 86,000.00	$ 86,000.00
Total Yearly Cost:	57,200.00	92,230.00	239,097.00	266,020.00	318,000.00	381,291.00	433,399.00	505,572.00

City of Vilonia, AR
Sewer Department
Estimated Revenues Per Current Rate Structure

Rate Structure (2024)

Customer Type	# Customer (Average)	% of Total Customer Base	Base Rate (1st 1000-Gal)	Uniform Rate (Over 1000-Gal)	Avg Monthly Usage per Customer	Average Revenue	% Change from Previous Year	Avg Yearly Rev
Residential	1646	98.74%	$ 16.00	$ 6.00	4,256	$ 35.54	0%	$ 701,999.40
Commercial	5	0.30%	16.00	6.00	50,742	314.45	0%	18,867.00
School	6	0.36%	16.00	6.00	36,294	227.77	0%	16,399.20
Well - 1	6	0.36%	14.00	-	0	14.00	0%	1,008.00
Well - 2	4	0.24%	23.00	-	0	23.00	0%	1,104.00
	1667						Total Avg Rev:	$ 720,866.40

Current (2025)

Customer Type	# Customer (Average)	% of Total Customer Base	Base Rate (1st 1000-Gal)	Uniform Rate (Over 1000-Gal)	Avg Monthly Usage per Customer	Average Revenue	% Change from Previous Year	Avg Yearly Rev
Residential	1679	98.76%	$ 16.00	$ 6.00	4,256	$ 35.54	0%	$ 716,071.37
Commercial	5	0.29%	16.00	6.00	50,742	314.45	0%	18,867.00
School	6	0.35%	16.00	6.00	36,294	227.77	0%	16,399.20
Well - 1	6	0.35%	14.00	-	0	14.00	0%	1,008.00
Well - 2	4	0.24%	23.00	-	0	23.00	0%	1,104.00
	1700						Total Avg Rev:	$ 753,449.57

Current (2026)

Customer Type	# Customer (Average)	% of Total Customer Base	Base Rate (1st 1000-Gal)	Uniform Rate (Over 1000-Gal)	Avg Monthly Usage per Customer	Average Revenue	% Change from Previous Year	Avg Yearly Rev
Residential	1713	98.79%	$ 16.00	$ 6.00	4,256	$ 35.54	0%	$ 730,569.76
Commercial	5	0.29%	16.00	6.00	50,742	314.45	0%	18,867.00
School	6	0.35%	16.00	6.00	36,294	227.77	0%	16,399.20
Well - 1	6	0.35%	14.00	-	0	14.00	0%	1,008.00
Well - 2	4	0.23%	23.00	-	0	23.00	0%	1,104.00
	1734						Total Avg Rev:	$ 767,947.96

City of Vilonia, AR
Sewer Department
Estimated Revenues Per Current Rate Structure

Current (2027)

Customer Type	# Customer (Average)	% of Total Customer Base	Base Rate (1st 1000-Gal)	Uniform Rate (Over 1000-Gal)	Avg Monthly Usage per Customer	Average Revenue	% Change from Previous Year	Avg Yearly Rev
Residential	1747	98.81%	$ 16.00	$ 6.00	4,256	$ 35.54	0%	$ 745,068.16
Commercial	5	0.28%	16.00	6.00	50,742	314.45	0%	18,867.00
School	6	0.34%	16.00	6.00	36,294	227.77	0%	16,399.20
Well - 1	6	0.34%	14.00	-	0	14.00	0%	1,008.00
Well - 2	4	0.23%	23.00	-	0	23.00	0%	1,104.00
	1768						Total Avg Rev:	$ 782,446.36

Current (2028)

Customer Type	# Customer (Average)	% of Total Customer Base	Base Rate (1st 1000-Gal)	Uniform Rate (Over 1000-Gal)	Avg Monthly Usage per Customer	Average Revenue	% Change from Previous Year	Avg Yearly Rev
Residential	1782	98.84%	$ 16.00	$ 6.00	4,256	$ 35.54	0%	$ 759,992.97
Commercial	5	0.28%	16.00	6.00	50,742	314.45	0%	18,867.00
School	6	0.33%	16.00	6.00	36,294	227.77	0%	16,399.20
Well - 1	6	0.33%	14.00	-	0	14.00	0%	1,008.00
Well - 2	4	0.22%	23.00	-	0	23.00	0%	1,104.00
	1803						Total Avg Rev:	$ 797,371.17

Current (2029)

Customer Type	# Customer (Average)	% of Total Customer Base	Base Rate (1st 1000-Gal)	Uniform Rate (Over 1000-Gal)	Avg Monthly Usage per Customer	Average Revenue	% Change from Previous Year	Avg Yearly Rev
Residential	1818	98.86%	$ 16.00	$ 6.00	4,256	$ 35.54	0%	$ 775,344.21
Commercial	5	0.27%	16.00	6.00	50,742	314.45	0%	18,867.00
School	6	0.33%	16.00	6.00	36,294	227.77	0%	16,399.20
Well - 1	6	0.33%	14.00	-	0	14.00	0%	1,008.00
Well - 2	4	0.22%	23.00	-	0	23.00	0%	1,104.00
	1839						Total Avg Rev:	$ 812,722.41

City of Vilonia, AR
Sewer Department
Estimated Revenues Per Current Rate Structure

Current (2030)

Customer Type	# Customer (Average)	% of Total Customer Base	Base Rate (1st 1000-Gal)	Uniform Rate (Over 1000-Gal)	Avg Monthly Usage per Customer	Average Revenue	% Change from Previous Year	Avg Yearly Rev
Residential	1854	98.88%	$ 16.00	$ 6.00	4,256	$ 35.54	0%	$ 790,695.45
Commercial	5	0.27%	16.00	6.00	50,742	314.45	0%	18,867.00
School	6	0.32%	16.00	6.00	36,294	227.77	0%	16,399.20
Well - 1	6	0.32%	14.00	-	0	14.00	0%	1,008.00
Well - 2	4	0.21%	23.00	-	0	23.00	0%	1,104.00
	1875						Total Avg Rev:	$ 828,073.65

Current (2031)

Customer Type	# Customer (Average)	% of Total Customer Base	Base Rate (1st 1000-Gal)	Uniform Rate (Over 1000-Gal)	Avg Monthly Usage per Customer	Average Revenue	% Change from Previous Year	Avg Yearly Rev
Residential	1891	98.90%	$ 16.00	$ 6.00	4,256	$ 35.54	0%	$ 806,473.11
Commercial	5	0.26%	16.00	6.00	50,742	314.45	0%	18,867.00
School	6	0.31%	16.00	6.00	36,294	227.77	0%	16,399.20
Well - 1	6	0.31%	14.00	-	0	14.00	0%	1,008.00
Well - 2	4	0.21%	23.00	-	0	23.00	0%	1,104.00
	1912						Total Avg Rev:	$ 843,851.31

City of Vilonia, AR
Sewer Department
Debt Service Coverage Ratio (DSCR)

7-Yr Projection of Revenue v. Expenses
(Based on Current Rate Structure)

Revenues	2024	2025	2026	2027	2028	2029	2030	2031
Sewer Revenue	$ 730,826.46	$ 753,449.57	$ 767,947.96	$ 782,446.36	$ 797,371.17	$ 812,722.41	$ 828,073.65	$ 843,851.31
Hookup Fees	17,700.00	18,319.50	18,960.68	19,624.31	20,311.16	21,022.05	21,757.82	22,519.34
Interest Checking Acct	15,051.10	15,577.89	16,123.11	16,687.42	17,271.48	17,875.99	18,501.64	19,149.20
Tap Fees	-	-	-	-	-	-	-	-
Reconnection Fees	2,360.00	2,442.60	2,528.09	2,616.57	2,708.15	2,802.94	2,901.04	3,002.58
Late Fees	14,508.91	15,016.72	15,542.31	16,086.29	16,649.31	17,232.03	17,835.15	18,459.39
Consumption Fees	118,000.00	30,000.00	30,000.00	30,000.00	30,000.00	30,000.00	30,000.00	30,000.00
Depreciation Reserve		37,672.48	38,397.40	39,122.32	39,868.56	40,636.12	41,403.68	42,192.57
Total Revenues:	$ 898,446.47	$ 872,478.76	$ 889,499.56	$ 906,583.27	$ 924,179.83	$ 942,291.54	$ 960,473.00	$ 979,174.39

Expenses	2024	2025	2026	2027	2028	2029	2030	2031
Sewer Department	$ 609,698.65	$ 463,457.10	$ 437,678.10	$ 452,996.83	$ 468,851.72	$ 537,011.53	$ 555,806.94	$ 575,260.18
Bond Payment (P&I)	191,631.28	195,631.26	195,631.26	195,631.26	195,631.26	195,631.26	195,631.26	195,631.26
Addl Employee x 1	-	37,500.00	77,250.00	79,567.50	81,954.53	84,413.16	86,945.56	89,553.92
Depreciation Reserve (5% Gross Revenue)	-	37,672.00	38,397.00	39,122.00	39,869.00	40,636.00	41,404.00	42,193.00
Asset Management - Maintenance	-	62,230.00	64,097.00	66,020.00	68,000.00	70,291.00	72,399.00	119,572.00
Asset Management - Self-Funded	-	30,000.00	175,000.00	200,000.00	200,000.00	225,000.00	275,000.00	300,000.00
Asset Management - Bond-Funded	-	-	-	-	50,000.00	86,000.00	86,000.00	86,000.00
Total Expenses:	$ 801,329.93	$ 826,490.36	$ 988,053.36	$ 1,033,337.59	$ 1,104,306.51	$ 1,238,982.96	$ 1,313,186.75	$ 1,408,210.36
Revenue/Expense Ratio:	1.12	1.06	0.90	0.88	0.84	0.76	0.73	0.70
DSCR (Current Rates):	1.51	1.24	0.50	0.35	0.08	-0.52	-0.80	-1.19

City of Vilonia, AR
Sewer Department
Estimated Revenues Per Proposed Rate Structure

Current Rate Structure (2024)

Customer Type	# Customer (Average)	% of Total Customer Base	Base Rate (1st 1000-Gal)	Uniform Rate (Over 1000-Gal)	Avg Monthly Usage per Customer	Average Revenue	% Change from Previous Year	Avg Yearly Rev
Residential	1646	98.74%	$ 16.00	$ 6.00	4,256	$ 35.54	0%	$ 701,999.40
Commercial	5	0.30%	16.00	6.00	50,742	314.45	0%	18,867.00
School	6	0.36%	16.00	6.00	36,294	227.77	0%	16,399.20
Well - 1	6	0.36%	14.00	-	0	14.00	0%	1,008.00
Well - 2	4	0.24%	23.00	-	0	23.00	0%	1,104.00
	1667						Total Avg Rev:	$ 720,866.40

Proposed Rate Structure (2025)

Customer Type	# Customer (Average)	% of Total Customer Base	Base Rate (1st 1000-Gal)	Uniform Rate (Over 1000-Gal)	Avg Monthly Usage per Customer	Average Revenue	% Change from Previous Year	Avg Yearly Rev
Residential	1679	98.76%	$ 16.00	$ 6.00	4,256	$ 35.54	0.0%	$ 716,071.37
Commercial	5	0.29%	16.00	6.00	50,742	314.45	0.0%	18,867.00
School	6	0.35%	16.00	6.00	36,294	227.77	0.0%	16,399.20
Well - 1	6	0.35%	14.00	-	0	14.00	0.0%	1,008.00
Well - 2	4	0.24%	23.00	-	0	23.00	0.0%	1,104.00
	1700						Total Avg Rev:	$ 753,449.57

Proposed Rate Structure (2026)

Customer Type	# Customer (Average)	% of Total Customer Base	Base Rate (1st 1000-Gal)	Uniform Rate (Over 1000-Gal)	Avg Monthly Usage per Customer	Average Revenue	% Change from Previous Year	Avg Yearly Rev
Residential	1713	98.79%	$ 18.40	$ 6.90	4,256	$ 40.87	15%	$ 840,155.23
Commercial	5	0.29%	18.40	6.90	50,742	361.62	15%	21,697.05
School	6	0.35%	18.40	6.90	36,294	261.93	15%	18,859.08
Well - 1	6	0.35%	16.10	-	0	16.10	15%	1,159.20
Well - 2	4	0.23%	26.45	-	0	26.45	15%	1,269.60
	1734						Total Avg Rev:	$ 883,140.16

City of Vilonia, AR
Sewer Department
Estimated Revenues Per Proposed Rate Structure

Proposed Rate Structure (2027)

Customer Type	# Customer (Average)	% of Total Customer Base	Base Rate (1st 1000-Gal)	Uniform Rate (Over 1000-Gal)	Avg Monthly Usage per Customer	Average Revenue	% Change from Previous Year	Avg Yearly Rev
Residential	1747	98.81%	$ 19.32	$ 7.25	4,256	$ 42.91	5%	$ 899,669.80
Commercial	5	0.28%	19.32	7.25	50,742	379.70	5%	22,781.90
School	6	0.34%	19.32	7.25	36,294	275.03	5%	19,802.03
Well - 1	6	0.34%	16.91	-	0	16.91	5%	1,217.16
Well - 2	4	0.23%	27.77	-	0	27.77	5%	1,333.08
	1768						Total Avg Rev:	$ 944,803.97

Proposed Rate Structure (2028)

Customer Type	# Customer (Average)	% of Total Customer Base	Base Rate (1st 1000-Gal)	Uniform Rate (Over 1000-Gal)	Avg Monthly Usage per Customer	Average Revenue	% Change from Previous Year	Avg Yearly Rev
Residential	1782	98.84%	$ 20.29	$ 7.61	4,256	$ 45.05	5%	$ 963,576.09
Commercial	5	0.28%	20.29	7.61	50,742	398.68	5%	23,921.00
School	6	0.33%	20.29	7.61	36,294	288.78	5%	20,792.14
Well - 1	6	0.33%	17.75	-	0	17.75	5%	1,278.02
Well - 2	4	0.22%	29.16	-	0	29.16	5%	1,399.73
	1803						Total Avg Rev:	$ 1,010,966.98

Proposed Rate Structure (2029)

Customer Type	# Customer (Average)	% of Total Customer Base	Base Rate (1st 1000-Gal)	Uniform Rate (Over 1000-Gal)	Avg Monthly Usage per Customer	Average Revenue	% Change from Previous Year	Avg Yearly Rev
Residential	1818	98.86%	$ 21.30	$ 7.99	4,256	$ 47.31	5%	$ 1,032,191.52
Commercial	5	0.27%	21.30	7.99	50,742	418.62	5%	25,117.05
School	6	0.33%	21.30	7.99	36,294	303.22	5%	21,831.74
Well - 1	6	0.33%	18.64	-	0	18.64	5%	1,341.92
Well - 2	4	0.22%	30.62	-	0	30.62	5%	1,469.72
	1839						Total Avg Rev:	$ 1,081,951.95

City of Vilonia, AR
Sewer Department
Estimated Revenues Per Proposed Rate Structure

Proposed Rate Structure (2030)

Customer Type	# Customer (Average)	% of Total Customer Base	Base Rate (1st 1000-Gal)	Uniform Rate (Over 1000-Gal)	Avg Monthly Usage per Customer	Average Revenue	% Change from Previous Year	Avg Yearly Rev
Residential	1854	98.88%	$ 22.37	$ 8.39	4,256	$ 49.67	5%	$ 1,105,259.55
Commercial	5	0.27%	22.37	8.39	50,742	439.55	5%	26,372.90
School	6	0.32%	22.37	8.39	36,294	318.38	5%	22,923.33
Well - 1	6	0.32%	19.57	-	0	19.57	5%	1,409.01
Well - 2	4	0.21%	32.15	-	0	32.15	5%	1,543.21
	1875						Total Avg Rev:	$ 1,157,508.00

Proposed Rate Structure (2031)

Customer Type	# Customer (Average)	% of Total Customer Base	Base Rate (1st 1000-Gal)	Uniform Rate (Over 1000-Gal)	Avg Monthly Usage per Customer	Average Revenue	% Change from Previous Year	Avg Yearly Rev
Residential	1891	98.90%	$ 23.48	$ 8.81	4,256	$ 52.16	5%	$ 1,183,679.78
Commercial	5	0.26%	23.48	8.81	50,742	461.53	5%	27,691.54
School	6	0.31%	23.48	8.81	36,294	334.30	5%	24,069.50
Well - 1	6	0.31%	20.55	-	0	20.55	5%	1,479.47
Well - 2	4	0.21%	33.76	-	0	33.76	5%	1,620.37
	1912						Total Avg Rev:	$ 1,238,540.66

City of Vilonia, AR
Sewer Department
Debt Service Coverage Ratio (DSCR)

7-Yr Projection of Revenue v. Expenses
(Based on Proposed Rate Structure)

Revenues	2025	2026	2027	2028	2029	2030	2031
Sewer Revenue	$ 753,449.57	$ 883,140.16	$ 944,803.97	$ 1,010,966.98	$ 1,081,951.95	$ 1,157,508.00	$ 1,238,540.66
Hookup Fees	18,319.50	18,960.68	19,624.31	20,311.16	21,022.05	21,757.82	22,519.34
Interest Checking Acct	15,577.89	16,123.11	16,687.42	17,271.48	17,875.99	18,501.64	19,149.20
Tap Fees	-	-	-	-	-	-	-
Reconnection Fees	2,442.60	2,528.09	2,616.57	2,708.15	2,802.94	2,901.04	3,002.58
Late Fees	15,016.72	15,542.31	16,086.29	16,649.31	17,232.03	17,835.15	18,459.39
Consumption Fees	30,000.00	30,000.00	30,000.00	30,000.00	30,000.00	30,000.00	30,000.00
Depreciation Reserve	37,672.00	44,157.00	47,240.00	50,548.00	54,098.00	57,875.00	61,927.00
Total Revenues:	$ 872,478.28	$ 1,010,451.35	$ 1,077,058.57	$ 1,148,455.08	$ 1,224,982.96	$ 1,306,378.67	$ 1,393,598.17

Expenses	2025	2026	2027	2028	2029	2030	2031
Sewer Department	$ 460,408.61	$ 432,220.87	$ 445,187.49	$ 458,543.12	$ 472,299.41	$ 486,468.39	$ 501,062.45
Bond Payment (P&I)	195,631.26	193,531.26	191,431.26	194,331.26	192,131.26	194,931.26	192,631.26
Addl Employee x 1	37,500.00	77,250.00	79,567.50	81,954.53	84,413.16	86,945.56	89,553.92
Depreciation Reserve (5% Gross Revenue)	37,672.00	44,157.00	47,240.00	50,548.00	54,098.00	57,875.00	61,927.00
Asset Management - Maintenance	62,230.00	64,097.00	66,020.00	68,000.00	70,291.00	72,399.00	119,572.00
Asset Management - Self-Funded	30,000.00	175,000.00	200,000.00	200,000.00	225,000.00	275,000.00	300,000.00
Asset Management - Bond-Funded	-	-	-	50,000.00	86,000.00	86,000.00	86,000.00
Total Expenses:	$ 823,441.87	$ 986,256.13	$ 1,029,446.25	$ 1,103,376.90	$ 1,184,232.83	$ 1,259,619.21	$ 1,350,746.63
Revenue/Expense Ratio:	1.06	1.02	1.05	1.04	1.03	1.04	1.03
DSCR (Proposed Rates):	1.25	1.13	1.25	1.23	1.21	1.24	1.22

City of Vilonia, AR
Sewer Department
Median Affordability

City of Vilonia Median Household Income (MHI)

2021 MHI	2022 MHI	2023 MHI	3-Yr MHI Average
$ 70,143.00	$ 77,524.00	$ 82,753.00	$ 76,806.67

Fualkner County Median Household Income (MHI)

2021 MHI	2022 MHI	2023 MHI	3-Yr MHI Average
$ 54,845.00	$ 61,273.00	$ 65,071.00	$ 60,396.33

Arkansas Median Household Income

2021 MHI	2022 MHI	2023 MHI	3-Yr MHI Average
$ 52,123.00	$ 56,335.00	$ 58,773.00	$ 55,743.67

Calculation: Median Affordability as a Percentage of MHI
[(4000-Gal Water Bill x 12-Mo) / MHI] x (100)

Residential $ 34.00 Current Rate Structure

Result: If < 1.25 => Non-Disadvantaged Community, If 1.25 or > => Disadvantaged Community (For Communities with LMI 51% or >)
Vilonia LMI = 34.50%
Faulkner County LMI = 43.10% (1.5 or > for Communities with LMI < 51%)

Median Affordability as a Percentage of MHI (Current Rate Structure & Yearly Increase)

	Current MHI %	2024 MHI %	2025 MHI %	2026 MHI %	2027 MHI %	2028 MHI %	2029 MHI %	2030 MHI %	2031 MHI %
Residential	0.53	0.53	0.53	0.61	0.64	0.67	0.71	0.74	0.78

Note:
MHI Data Source: Arkansas Economic Development Institute (arstatedatacenter.youraedi.com)

APPENDIX D

ASSET MANAGEMENT PLAN

City of Vilonia, AR
Sewer Department
Asset Management Plan

Wastewater Treatment Facilities						
Service Date	Useful Life (Yrs)	Last Major Upgrade	Annual Maintenance	Estimated Replacement Cost	Estimated Replacement Date	Consequence of Failure
1994	50	2006	$ 30,000.00	$ 10,000,000.00	2056 Based on Ex. Cond. & Upgrades	Non-compliance with NPDES permitting and contamination of fresh water streams

5-Yr Capital Improvement Needs

Description of Need	Date	Cost	Method of Financing
Treatment Expansion	2030	$ 3,000,000.00	S&U Tax Refinance
EQ Basin Expansion	2028	$ 1,000,000.00	Bond-Funded

Collection System						
Service Date	Useful Life (Yrs)	Last Major Upgrade	Annual Maintenance	Estimated Replacement Cost	Estimated Replacement Date	Consequence of Failure
1994	100	2023	$ 6,000.00	$ 11,500,000.00	2094 Based on Ex. Cond. & Upgrades	Non-compliance with NPDES permitting and contamination of fresh water streams
Quail Hollow - PS 1						
2000's	50	Unk	$ 600.00	$ 125,000.00	2050 Based on Ex. Cond. & Upgrades	Non-compliance with NPDES permitting and contamination of fresh water streams
Quail Hollow - PS 2						
2000's	50	Unk	$ 600.00	$ 125,000.00	2050 Based on Ex. Cond. & Upgrades	Non-compliance with NPDES permitting and contamination of fresh water streams
Dove Creek - PS						
1990's	50	Unk	$ 600.00	$ 125,000.00	2040 Based on Ex. Cond. & Upgrades	Non-compliance with NPDES permitting and contamination of fresh water streams
Hwy 107 - PS						
1994	50	2020	$ 600.00	$ 350,000.00	2044 Based on Ex. Cond. & Upgrades	Non-compliance with NPDES permitting and contamination of fresh water streams
Fox Run - PS						
2000's	50	2024	$ 600.00	$ 125,000.00	2050 Based on Ex. Cond. & Upgrades	Non-compliance with NPDES permitting and contamination of fresh water streams
Janski - PS						
1994	50	Unk	$ 600.00	$ 200,000.00	2030 Based on Ex. Cond. & Upgrades	Non-compliance with NPDES permitting and contamination of fresh water streams

Saddle Creek - PS						
2000's	50	Unk	$ 600.00	$ 125,000.00	2050 Based on Ex. Cond. & Upgrades	Non-compliance with NPDES permitting and contamination of fresh water streams
Cudd - PS						
2000's	50	Unk	$ 600.00	$ 90,000.00	2050 Based on Ex. Cond. & Upgrades	Non-compliance with NPDES permitting and contamination of fresh water streams
Industrial - PS						
2000's	50	Unk	$ 600.00	$ 125,000.00	2050 Based on Ex. Cond. & Upgrades	Non-compliance with NPDES permitting and contamination of fresh water streams
Elementary - PS						
1990's	50	Unk	$ 600.00	$ 90,000.00	2040 Based on Ex. Cond. & Upgrades	Non-compliance with NPDES permitting and contamination of fresh water streams
Pheasant Kreek - PS						
2000's	50	Unk	$ 600.00	$ 90,000.00	2050 Based on Ex. Cond. & Upgrades	Non-compliance with NPDES permitting and contamination of fresh water streams
Vilonia Commons - PS						
2010's	50	Unk	$ 600.00	$ 90,000.00	2060 Based on Ex. Cond. & Upgrades	Non-compliance with NPDES permitting and contamination of fresh water streams
Braden - PS						
2000's	50	Unk	$ 600.00	$ 90,000.00	2050 Based on Ex. Cond. & Upgrades	Non-compliance with NPDES permitting and contamination of fresh water streams

Bypass - PS						
2023	50	NA	$ 600.00	$ 275,000.00	2073 Based on Ex. Cond. & Upgrades	Non-compliance with NPDES permitting and contamination of fresh water streams
Barnard - PS						
2023	50	NA	$ 600.00	$ 125,000.00	2073 Based on Ex. Cond. & Upgrades	Non-compliance with NPDES permitting and contamination of fresh water streams
Church - PS						
2023	50	NA	$ 600.00	$ 125,000.00	2073 Based on Ex. Cond. & Upgrades	Non-compliance with NPDES permitting and contamination of fresh water streams
EQ Pond - PS						
1994	50	Unk	$ 600.00	$ 75,000.00	2044 Based on Ex. Cond. & Upgrades	Non-compliance with NPDES permitting and contamination of fresh water streams

5-Yr Capital Improvement Needs

Description of Need	Date	Cost	Method of Financing
Replace 107 Submersible Pumps	2025	$ 30,000.00	Self-Funded
Collection System Maintenance Program	2026 - 2031	$ 1,400,000.00	Self-Funded

City of Vilonia, AR
Sewer Department
Asset Management Plan

Wastewater - Heavy Equipment						
Asset	Service Date	Useful Life (Yrs)	Annual Maintenance	Estimated Replacement Cost	Estimated Replacement Date	Consequence of Failure
2500 Dodge Ram Pickup	2023	10	$ 1,000.00	$ 45,000.00	2033	Increased cost to maintain facilities and down time
1500 Dodge Ram Pickup	2018	10	$ 2,000.00	$ 35,000.00	2028	Increased cost to maintain facilities and down time
3500 Dodge Ram Pickup	2012	15	$ 4,000.00	$ 55,000.00	2027	Increased cost to maintain facilities and down time
Kohler Generator	2001	20	$ 500.00	$ 150,000.00	TBD	Increased cost to maintain facilities and down time
Kubota Trackhoe	2020	20	$ 1,000.00	$ 125,000.00	2040	Increased cost to maintain facilities and down time
Kubota Tractor	2014	20	$ 350.00	$ 80,000.00	2034	Increased cost to maintain facilities and down time
Vermeer VAC Trailer	2017	20	$ 750.00	$ 135,000.00	2037	Increased cost to maintain facilities and down time
Pipehunter Jet Machine	2020	20	$ 750.00	$ 130,000.00	2040	Increased cost to maintain facilities and down time
Big Tex Trailer	2020	30	$ 150.00	$ 25,000.00	2050	Increased cost to maintain facilities and down time
Hustler Mower	2018	10	$ 500.00	$ 10,000.00	2028	Increased cost to maintain facilities and down time

5-Yr Capital Improvement Needs

Description of Need	Date	Cost	Method of Financing
Replace 1500 Dodge Pickup	2031	$ 35,000.00	Self-Funded
Replace Hustler Mower	2031	$ 10,000.00	Self-Funded