Benton Washington Regional Public Water Authority, AR

2025 Wholesale Water Rate Study

WILLDAN

BENTON WASHINGTON REGIONAL PUBLIC WATER AUTHORITY
WATER RATE STUDY
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Acknowledgements

During the course of this rate study, several BWRPWA employees expended considerable time and effort in assisting the project team. The team led by General Manager Scott Borman has fulfilled every data request, clarification inquiry, and document production that we have needed. The project team owes a debt of gratitude to the hard work, dedication and professionalism to Mr. Borman and other Staff members, without whom this project would not have been successfully completed.

The project team has relied upon the extensive data supplied by BWRPWA. Thus, the integrity of the study is largely dependent upon the accuracy of this financial and customer data. Every effort has been made by the project team to validate and confirm the information contained herein prior to the preparation of the final study documents. **This report presents no assurance or guarantee that the forecast contained herein will be consistent with actual results or performances**. These represent forecasts based on a series of assumptions about future behavior and are not guarantees. Any changes in assumptions or actual events may result in significant revisions to the forecast and its conclusions. The cash flow projections and debt service coverage calculations are not intended to present overall financial positions, results of operations, and/or cash flows for the periods indicated, which is in conformity with guidelines for presentation of a forecast established by the American Institute of Certified Public Accountants.

Executive Summary

Executive Summary

Background

In October 2024, Benton Washington Regional Public Water Authority ("BWRPWA" or the "Authority") engaged **Willdan Financial Services** to conduct a water rate study and long-term financial plan. BWRPWA was interested in developing an updated comprehensive water rate plan for FY 2025 and beyond. The objective is to develop a long-term rate plan that will enable the Authority to recover sufficient funds to meet operating expenses, capital outlays, debt service and coverage requirements, while at the same time minimizing the impact on ratepayers.

The Authority identified numerous objectives for this study, including but not limited to the following:

- A comprehensive analysis and evaluation of the water system's current cost of service and revenue requirements.
- A forecast of operating expenses over the next decade, taking into consideration salient factors such as cost of water treatment, inflation, system expansion, and increases in staffing levels.
- A thorough review of the water system's known capital improvement needs, as well as a determination of the need for funding capital requirements through the issuance of long-term debt for the identified capital improvements.
- An estimate of current and forecast accounts, volumes, and billing units for the ten-year forecast period.
- A detailed analysis and comparison of BWRPWA's current and proposed rates to rates of other wholesale providers.

Water Rate Comparison

It is always difficult to accurately compare the cost of water across various systems. This comparison is even more challenging for wholesale water systems that maintain numerous rate

structures. That said, the project team has identified several systems that are in many ways comparable to BWRPWA. In each case, we have attempted to put the cost of water in terms of BWRPWA's rate structure which charges no annual minimum and does not have a take-or-pay provision as part of the rate structure.

Table ES-1 compares BWRPWA's monthly water charges to these comparable wholesale providers, two of which are in Arkansas and two of which are in Texas. The price each provider charges per 1,000 gallons was used for the wholesale comparison. We believe the North Texas Municipal Water District (NTMWD) which serves the fast-growing areas north and east of Dallas, Texas to be the best available comparison due to similar growth, customer dynamics, and quality targets. **Table ES-2** compares BWRPWA's rates under the proposed rate plan with NTMWD's rates projected over the next ten years. The table reveals that while we expect BWRPWA's rates to continue to have upward pressure, the trajectory and magnitude of increases are below what is projected for NTMWD.

The rate data is based on published rates and ordinances posted by each wholesale provider on their website and their most recent financial audit. These rates do not include sales tax, activation or other charges beyond the basic minimum and volume charges.

TABLE ES-1

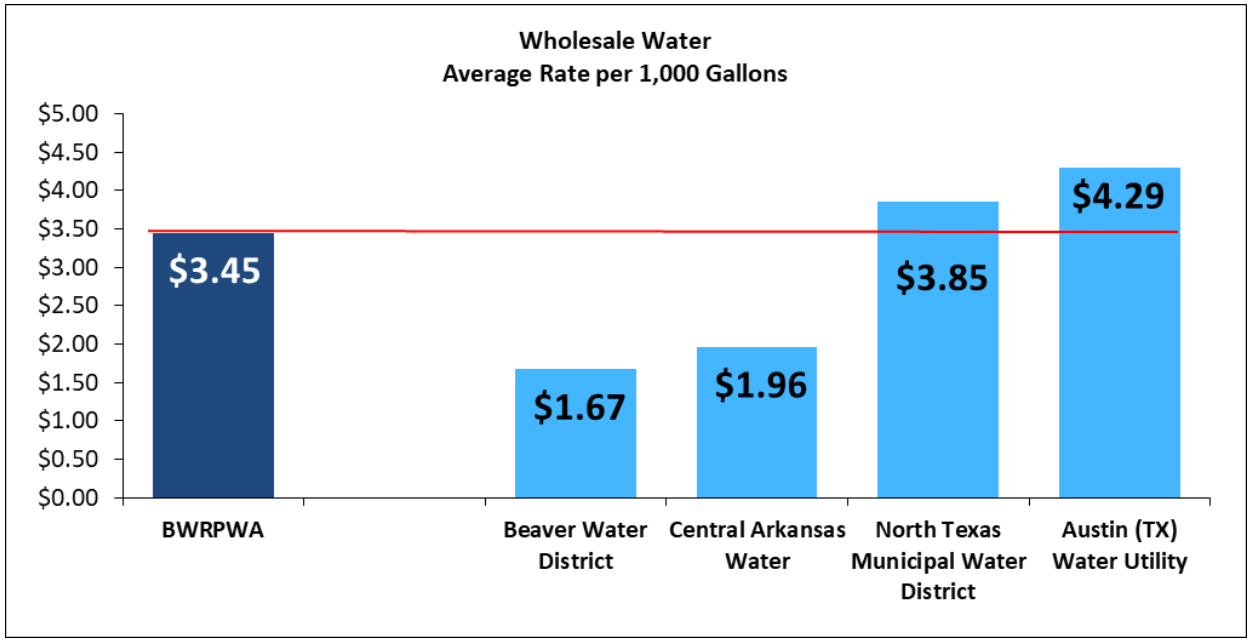
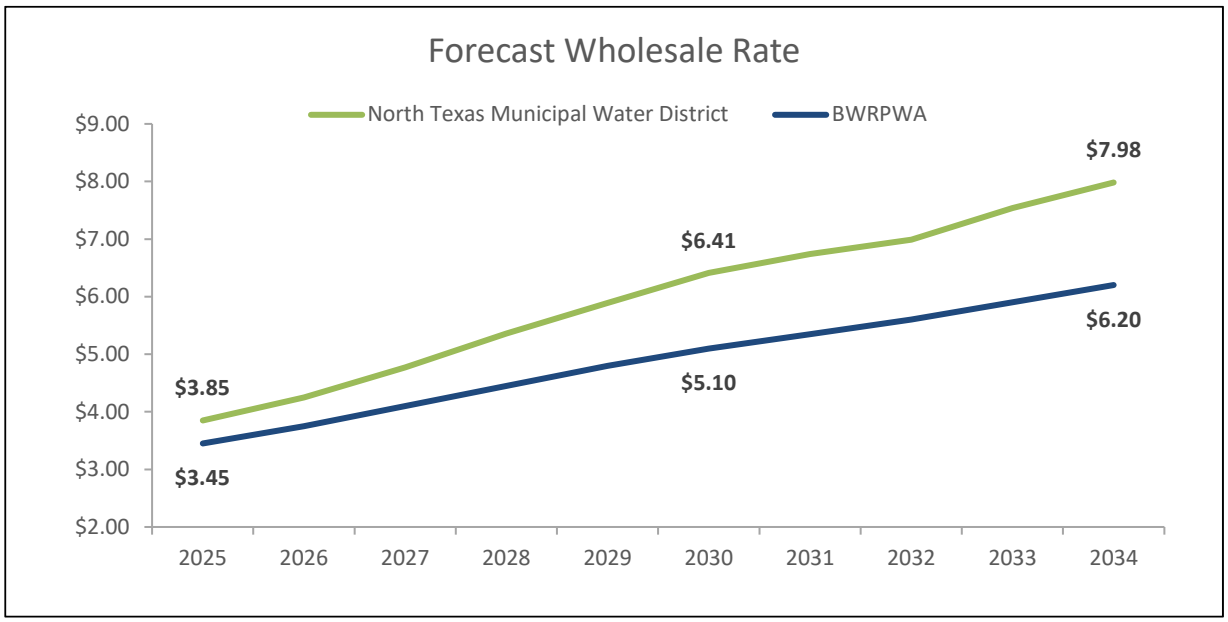


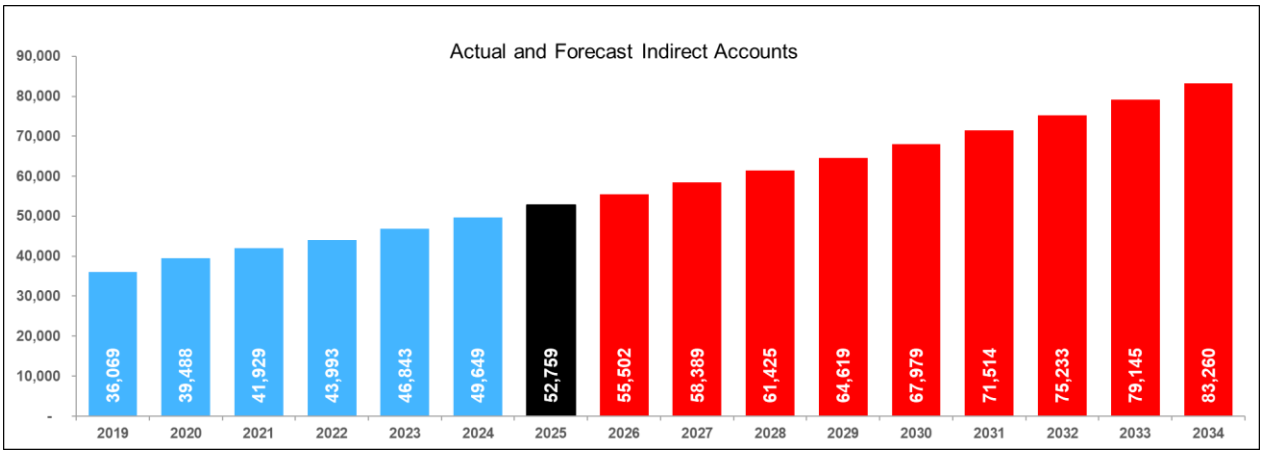
TABLE ES-2



Water Customers and Meters – Test Year & Forecast

All of the water accounts served directly by BWRPWA are wholesale customer city accounts. However, system demand is determined by a combination of the number of direct-served wholesale customers and the retail customers served by BWRPWA's customer entities, which we view as "indirect" customers. **Chart ES-3** presents total indirect water accounts (or "connections") for BWRPWA for the test year and forecast period. For each of the historical years, the average number of indirect accounts for the year is shown and the growth reflects the difference from one fiscal year end to the next. Overall indirect water accounts are forecast to increase from **52,759** in the test year to **83,260** in FY 2034, an average annual increase of **5.2%** for all customer classes.

CHART ES-3



Net Revenue Requirement

Table ES-4 presents the test year and ten-year forecast for BWRPWA's net revenue requirement to be raised from rates for the water utility for the test year 2025 and forecast period. The net revenue requirement is expected to increase from **$17.2 million** in FY 2025 to **$49.1 million** in FY 2034. Detailed calculations are presented in the rate model contained in **Appendix A** of this report.

TABLE ES-4

BWRPWA

CURRENT AND FORECAST REVENUE REQUIREMENT

SCENARIO: **2025 04 02 -- Status Quo**

	Operating Expenses	Debt Service	Cost of Service	Non-Rate Revenues	Revenue Requirement
	TOTAL Revenue Requirement				
2025	$ 7,864,492	$ 9,598,520	$ 17,463,012	$ 220,000	**$ 17,243,012**
2026	8,127,241	11,596,914	19,724,154	220,000	**19,504,154**
2027	8,448,748	14,916,297	23,365,045	220,000	**23,145,045**
2028	8,784,710	18,233,377	27,018,087	220,000	**26,798,087**
2029	9,135,858	21,550,881	30,686,739	220,000	**30,466,739**
2030	9,502,969	24,870,778	34,373,747	220,000	**34,153,747**
2031	9,886,860	28,183,464	38,070,323	220,000	**37,850,323**
2032	10,288,396	31,483,999	41,772,395	220,000	**41,552,395**
2033	10,708,490	34,812,935	45,521,425	220,000	**45,301,425**
2034	11,148,108	38,135,683	49,283,791	220,000	**49,063,791**

As shown in Table ES-4, Debt Service charge is currently the largest annual expense paid by BWRPWA. While Operating Expenses and Capital Outlays are forecast to increase steadily over time (at 4% annually), Debt Service expense is expected to quadruple over the forecast period. The reason behind this growth is the fact that the Authority is faced with several large capital projects expected to be financed by long-term debt. It should be noted that at the time of this study, the forecast assumes that the Authority will issue up to **$280 million** in new debt between FY2025 and FY2030, and $430 million by FY 2034. Interest rates are assumed to be 5.0% with thirty-year terms.

Table ES-5 on the next page presents the assumptions for the bond issuances necessary to fund these CIP projects based on the conversations with BWRPWA's Staff.

Any changes in BWRPWA's debt forecast estimates used in determining BWRPWA's water revenue requirement for this rate study could require significant changes to the rate plan presented in this report.

TABLE ES-5

BWRPWA
Forecast Bond Issues

Year	Water
2025	$ 30,000,000
2026	50,000,000
2027	50,000,000
2028	50,000,000
2029	50,000,000
2030	50,000,000
Total 2025-2030	**280,000,000**
2031	50,000,000
2032	50,000,000
2033	50,000,000
2034	-
Total 2031-2034	**150,000,000**
Total 2025-2034	**430,000,000**

Water Rate Design

The water rates developed in this study are designed to recover the test year and forecast revenue requirement while providing funding for the currently identified operating expenses, capital expenditures, capital outlays, and debt service. The following is notable regarding this rate plan:

- While the rate model presents a ten-year forecast, **the project team recommends that BWRPWA adopt a 5-year rate plan**, with rates to be automatically implemented in January of each year.
- Given the significant growth in BWRPWA and potential for unexpected events, the project team recommends that the Authority not commit itself to a rate plan beyond five years. Further, the project team recommends that the Authority periodically review these rates during the next five years to incorporate any changes to costs, volumes or growth assumptions that may occur during that time.
- The most significant impact on rates is the additional debt service expenses associated with the issuance of long-term debt to fund the CIP. Debt service expenses are forecast to nearly quadruple within the ten-year study period to fund $300 million in additional

debt. Due to the significant impact on rates, debt terms, timing, and amounts must be closely monitored for conformity with the assumptions in this study.

- The second largest impact on rates are operating costs. Should inflation continue to rise and create higher operational costs, BWRPWA should undertake an immediate review of its rate plan.
- The rate plan assumes that long-term revenue-supported debt will be used to fund the current Capital Improvement Plan.

Proposed Rate Plan

Under the proposed rate plan, there would be a continuation of the fundamental rate structure with annual increases to volumetric rates over the next five years while per meter assessment charge would remain at its current level of $1.50 per connection. Annual increases allow for the gradual absorption of additional costs, enable the Authority to maintain appropriate debt service ratios, and smooth the impact of future bond sales in any given year.

Table ES-6 presents a 5-year summary of the proposed rate plan and **Table ES-7** presents the impact on customer entities at various usage levels for the proposed rate plan assuming the proposed rate structure is adopted by the Board.

The projected rate revenues developed in this study are forecast to be sufficient to fund all operating and current scheduled capital obligations during the forecast period. Forecast rate revenues by year are presented in **Appendix A.**

TABLE ES-6

BWRPWA

	Three-Year Rate Plan			Forecast		
	January	January	January	January	January	January
	Current					
	2025	**2026**	**2027**	**2028**	**2029**	**2030**
Volume ($/kGal)	**$ 3.45**	**$ 3.80**	**$ 4.15**	**$ 4.50**	**$ 4.90**	**$ 5.20**
% Change		10.1%	9.2%	8.4%	8.9%	6.1%
$ Change		$ 0.35	$ 0.35	$ 0.35	$ 0.40	$ 0.30
Per Meter Charge	**$ 1.50**	**$ 1.50**	**$ 1.50**	**$ 1.50**	**$ 1.50**	**$ 1.50**
% Change		0%	0%	0%	0%	0%
$ Change		$ -	$ -	$ -	$ -	$ -
2022 Rate Plan Volume Charge	**$ 3.45**	**$ 3.75**	**$ 4.05**	**$ 4.35**	**$ 4.65**	**$ 4.80**

TABLE ES-7

BWRPWA

	Current 2025	2026	2027	2028	2029	2030
20 Million Gallons	$ 69,000	$ 76,000	$ 83,000	$ 90,000	$ 98,000	$ 104,000
50 Million Gallons	172,500	190,000	207,500	225,000	245,000	260,000
100 Million Gallons	345,000	380,000	415,000	450,000	490,000	520,000
500 Million Gallons	1,725,000	1,900,000	2,075,000	2,250,000	2,450,000	2,600,000
1 Billion Gallons	3,450,000	3,800,000	4,150,000	4,500,000	4,900,000	5,200,000

Section I

SECTION I

Introduction and Demographic Profile

Background

In October 2024, Benton Washington Regional Public Water Authority ("BWRPWA" or the "Authority") engaged **Willdan Financial Services** to conduct a water rate study and long-term financial plan. BWRPWA was interested in developing an updated comprehensive water rate plan for FY 2025 and beyond. The objective is to develop a long-term rate plan that will enable the Authority to recover sufficient funds to meet operating expenses, capital outlays, debt service and coverage requirements, while at the same time minimizing the impact on ratepayers.

BWRPWA identified numerous objectives for this study, including but not limited to the following:

- A comprehensive analysis and evaluation of the water system's current cost of service and revenue requirements.
- A forecast of operating expenses over the next decade, taking into consideration salient factors such as cost of water treatment, inflation, system expansion, and increases in staffing levels.
- A thorough review of the water system's known capital improvement needs, as well as a determination of the need for funding capital requirements through the issuance of long-term debt for the identified capital improvements.
- An estimate of current and forecast accounts, volumes, and billing units for the ten-year forecast period.
- A detailed analysis and comparison of BWRPWA's current and proposed rates to rates of other wholesale providers.

Report Organization

This report is organized into the following sections:

Section I – Introduction and Demographic Profile - outlines the background, objectives and scope of this rate study and long-term financial plan. It also presents BWRPWA's current rate structure and a community profile. This includes a comparison of BWRPWA's water charges with other similarly situated providers.

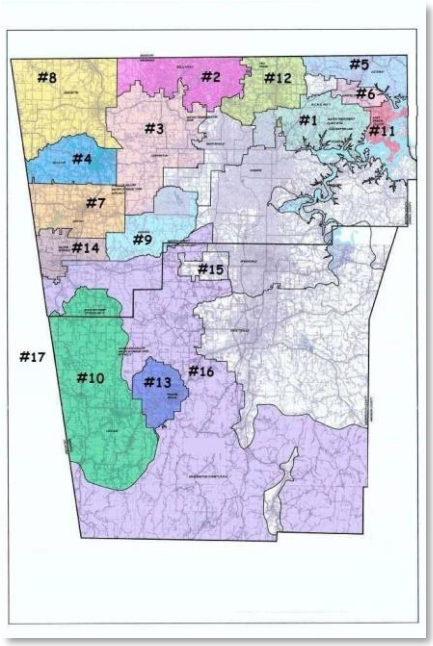
Section II – Water Test Year and Forecast Volumes – analyzes the BWRPWA's customer base, total accounts served, and current volumes of treated water. This section presents totals for the current year and a ten-year forecast.

Section III – Water Test Year and Forecast Revenue Requirement – outlines the process of analyzing the Authority's current water utility cost structure. The total current or "test year" revenue requirements are developed, and costs are functionalized between treatment, distribution/collection, administration, and customer billing. Using the test year as a basis, costs are forecast for a ten-year period.

Section IV – Water Rate Design – presents rate recommendations for BWRPWA's Board and Staff to consider which would enable the Authority to meet its revenue requirements over the next decade. This section also presents an analysis of the customer impact of the proposed plan.

Appendix A – presents a hard copy printout of the interactive Microsoft Excel spreadsheet model summary developed for BWRPWA to calculate current and future revenue requirements and rate impacts. The model automatically generates all calculations based on a set of defined user inputs and has an executive dashboard for users to develop real-time "what-if" scenarios.

Utility Overview



Benton Washington Regional Public Water Authority (BWRPWA) is the regional wholesale provider for northwest Arkansas and eastern Oklahoma. It maintains over 135 miles of water transmission lines and has the ability to serve approximately 37 million gallons of water per day to over 157,000 people[1]. BWRPWA has continuously provided the region with dependable, quality wholesale water service for over thirty years.

The Authority is constituted of seventeen service areas and is governed by a fourteen-member Board of Directors who oversee the General Manager responsible for the day-to-day operations of the Authority.

Current Rates & Structure

BWRPWA's current rate structure consists of a uniform **$3.45** per 1,000 gallons (kGal) volume rate for all customers and an assessment charge of **$1.50** per meter connection served by each customer. **Table I-1** summarizes BWRPWA's current water rate structure. We believe the current rate structure to be fair and reasonable and allows for a consistent rate to be applied across the system. While there are many different rate structures available to wholesale providers, the Authority's flat rate plus assessment charge per meter is a reasonable approach to recover the revenues required by the system.

TABLE I-1

BWRPWA

CURRENT WATER RATES

Wholesale			
Assesment Charge by Meter		$	1.50
Volume Rate (per 1,000 Gallons)			
	1 Above	$	3.45

BWRPWA implemented these rates in January 2025, with an adjustment to volumetric rates only. No adjustment has been applied to the per meter charge.

[1] Source: BWRPWA Water Rate and System Growth History Report. *www.bwrpwa.com*

Water Rate Comparison

Chart I-2 compares the authority's monthly water charges to similarly situated wholesale providers in Arkansas and Texas. The rate each provider charges per 1,000 gallons was used for the wholesale comparison. **Chart I-3** compares BWRPWA's proposed long-term rate plan with rates projected by the North Texas Municipal Water District (NTMWD) over the next ten years. After discussion with BWRPWA staff, NTMWD was deemed to be the most accurate comparison between wholesale providers due to similar growth trajectory, rate structure, and operational dynamics. The rate data is based on published rates and ordinances posted by each wholesale provider on their website and their most recent financial audit. These rates do not include sales tax, activation or other charges beyond the basic minimum and volume charges.

It is difficult at best to accurately compare water rates across wholesale providers. Rate structures, regional dynamics, geographic realities, and regulatory issues all impact wholesale water providers in different ways. Rate comparisons, while helpful for the general context, should always be taken with an understanding of the fundamentally different cost structures often present among different providers.

CHART I-2

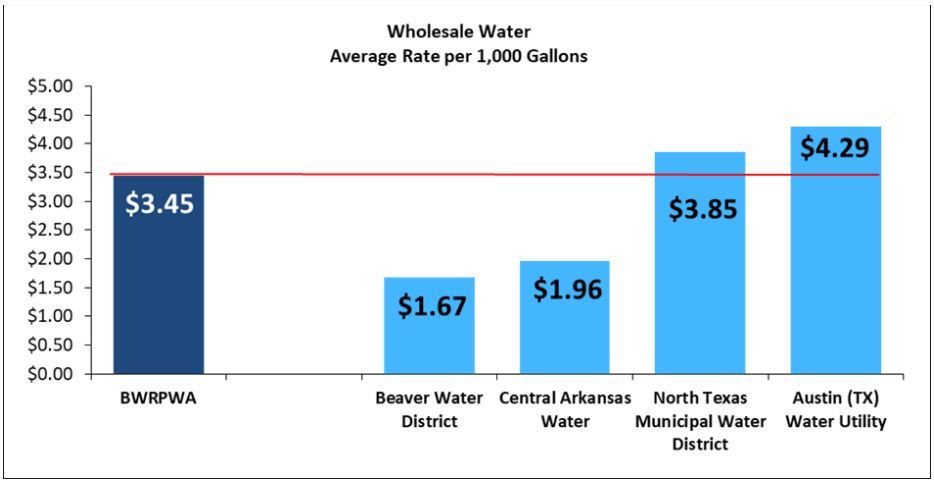
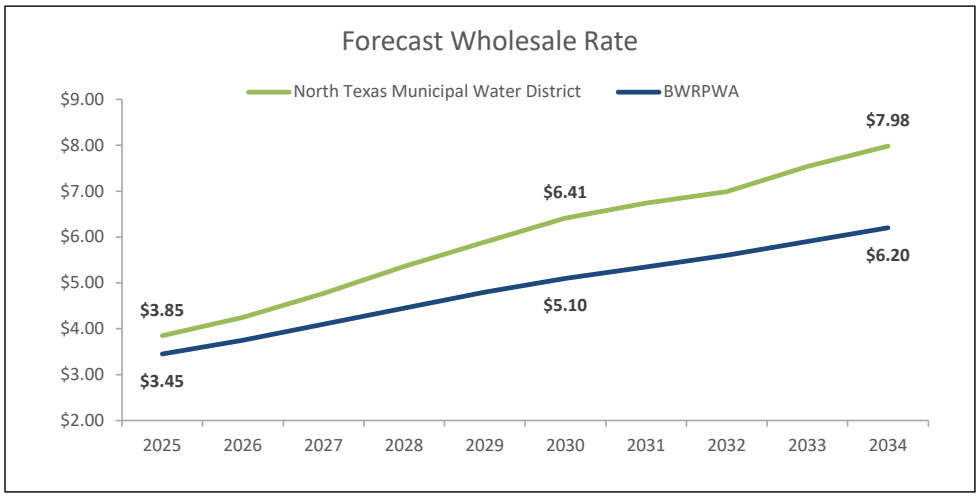


CHART I-3



Section II

SECTION II

Water Test Year and Forecast Volumes

In order to accurately forecast future revenues and expenses, it is necessary to examine current water utility conditions. The first step in developing cost of service rates is to analyze patterns of usage for the system as a whole.

For BWRPWA, monthly water records were reviewed for the period January 2019 through December 2024. These records provided summary information on the monthly water volumes distributed system-wide as well as the number of accounts for each period by customer entity and the associated revenues.

After thoroughly examining volume and customer data, the project team made no revisions to BWRPWA's existing rate structure. The project team finds the rate structure to be reasonable and appropriate, meeting the criteria of standard ratemaking methodologies.

In this section, the Authority's functional customer classes and test year usage patterns are thoroughly analyzed. A ten-year projection of customers and usage is also presented. These forecasts, along with the revenue requirements, will form the basis of the proposed rate designs.

Water Customers and Meters – Test Year & Ten-Year Forecast

All of the water accounts served directly by BWRPWA are wholesale customer entity accounts. However, the volumes and costs of the system are intrinsically driven by the "indirect" customers (the retail customers served by the wholesale entities). **Table II-1** and **Chart II-2** on the next page present total indirect water accounts served by BWRPWA for the test year and forecast period.

TABLE II-1

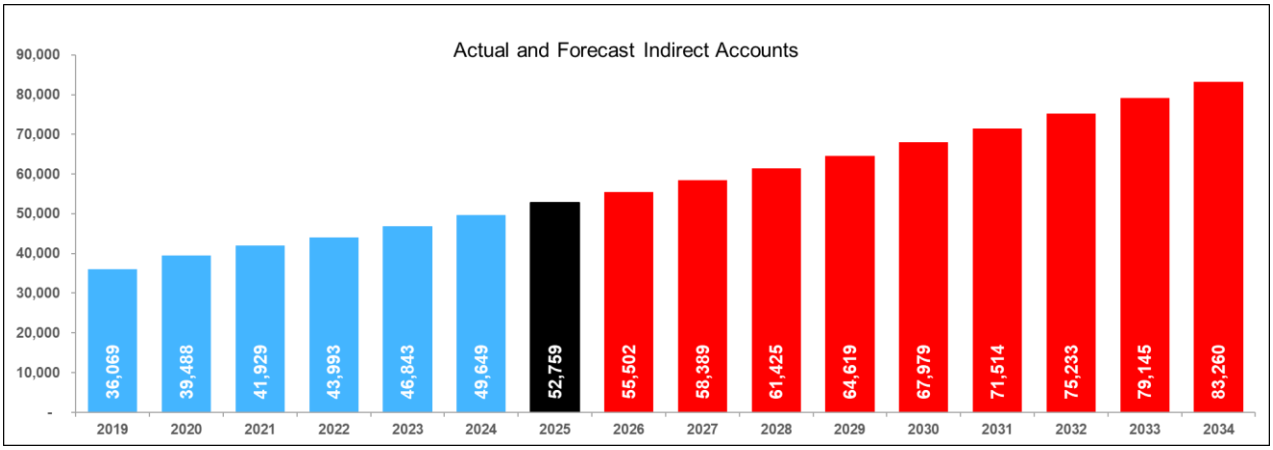
BWRPWA

FORECAST TOTAL CUSTOMERS

WATER Customer Classes

Fiscal Year	Siloam Springs	BCWD	Bella Vista	Centerton	Decatur	Garfield	Gateway	Gentry	Gravette	Highfill	Lincoln	Lost Bridge	Pea Ridge	Prairie Grove	Tontitown	WCRDA	Westville	Total
WATER Total Customers																		
FY 2019	29	2,351	3,081	7,416	929	267	811	2,381	1,608	898	2,451	404	2,902	2,859	-	6,936	746	**36,069**
FY 2020	31	2,410	3,232	7,905	925	264	839	2,512	1,679	1,011	2,504	405	3,047	3,009	1,842	7,130	745	**39,488**
FY 2021	31	2,466	3,383	8,822	960	269	855	2,686	1,761	1,200	2,541	411	3,295	3,123	2,075	7,298	753	**41,929**
FY 2022	46	2,517	3,581	9,584	969	272	876	2,702	1,814	1,314	2,605	411	3,583	3,200	2,274	7,493	751	**43,993**
FY 2023	49	2,570	3,866	10,480	986	281	889	2,844	1,863	1,497	2,641	412	3,936	3,402	2,506	7,861	760	**46,843**
FY 2024	49	2,600	4,141	11,154	1,132	297	910	2,959	1,892	1,711	2,664	414	4,374	3,689	2,780	8,121	764	**49,649**
TY 2025	50	2,707	4,371	11,903	1,184	310	950	3,080	1,963	1,875	2,740	427	4,747	4,176	3,059	8,429	790	**52,759**
FY 2026	53	2,847	4,598	12,522	1,246	326	999	3,240	2,065	1,972	2,883	449	4,994	4,393	3,218	8,867	831	**55,502**
FY 2027	56	2,995	4,837	13,173	1,310	343	1,051	3,409	2,172	2,075	3,033	472	5,254	4,621	3,385	9,328	874	**58,389**
FY 2028	59	3,151	5,089	13,858	1,378	361	1,106	3,586	2,285	2,182	3,191	497	5,527	4,862	3,561	9,813	920	**61,425**
FY 2029	62	3,315	5,353	14,578	1,450	380	1,164	3,772	2,404	2,296	3,356	523	5,814	5,115	3,746	10,323	968	**64,619**
FY 2030	65	3,487	5,632	15,336	1,526	399	1,224	3,969	2,529	2,415	3,531	550	6,117	5,380	3,941	10,860	1,018	**67,979**
FY 2031	68	3,669	5,924	16,134	1,605	420	1,288	4,175	2,660	2,541	3,715	579	6,435	5,660	4,146	11,425	1,071	**71,514**
FY 2032	72	3,860	6,233	16,973	1,688	442	1,355	4,392	2,799	2,673	3,908	609	6,770	5,955	4,361	12,019	1,127	**75,233**
FY 2033	75	4,060	6,557	17,855	1,776	465	1,425	4,620	2,944	2,812	4,111	640	7,122	6,264	4,588	12,644	1,185	**79,145**
FY 2034	79	4,271	6,898	18,784	1,869	489	1,499	4,861	3,097	2,958	4,325	674	7,492	6,590	4,827	13,301	1,247	**83,260**
WATER Annual New Customers																		
2020	2	58	151	489	(4)	(2)	28	130	71	113	52	1	145	150	1,842	194	(1)	**3,420**
2021	-	57	151	917	35	5	17	174	83	189	37	6	248	114	233	168	8	**2,440**
2022	15	51	199	762	9	3	21	16	53	114	65	(0)	288	77	199	195	(2)	**2,064**
2023	3	52	284	896	17	9	13	142	49	183	36	1	353	202	233	368	9	**2,850**
2024	-	30	276	674	146	16	21	114	29	214	23	2	438	286	274	260	5	**2,805**
2025	1	107	229	749	52	13	40	121	71	164	77	13	374	487	278	308	26	**3,110**
2026	3	141	227	619	62	16	49	160	102	97	143	22	247	217	159	438	41	**2,743**
2027	3	148	239	651	65	17	52	168	107	103	150	23	260	228	167	461	43	**2,886**
2028	3	156	252	685	68	18	55	177	113	108	158	25	273	240	176	485	45	**3,036**
2029	3	164	265	721	72	19	58	186	119	113	166	26	287	253	185	510	48	**3,194**
2030	3	172	278	758	75	20	61	196	125	119	175	27	302	266	195	537	50	**3,360**
2031	3	181	293	797	79	21	64	206	132	126	184	29	318	280	205	565	53	**3,535**
2032	4	191	308	839	83	22	67	217	138	132	193	30	335	294	216	594	56	**3,719**
2033	4	201	324	883	88	23	70	228	146	139	203	32	352	310	227	625	59	**3,912**
2034	4	211	341	928	92	24	74	240	153	146	214	33	370	326	239	657	62	**4,116**

CHART II-2



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to increase from **52,759** in the test year to **83,260** in FY 2034. This represents an average annual increase of **5.2%** across the system.

Historical and Forecast Water Consumption

Total water system consumption data was analyzed over the same period as customer data. The project team used a combination of consumption over the past twelve months and historical trends from the past several years to develop the forecast water consumption.

The project team prepared a ten-year forecast of water usage based on the same principles on which customer accounts were projected. The results of this forecast for water usage are presented in **Chart II-3** and **Chart II-4.** Water usage is expected to increase by **5.2%** annually over the next decade. By FY2034 annual consumed water is expected to reach **9.06 billion** gallons.

CHART II-3

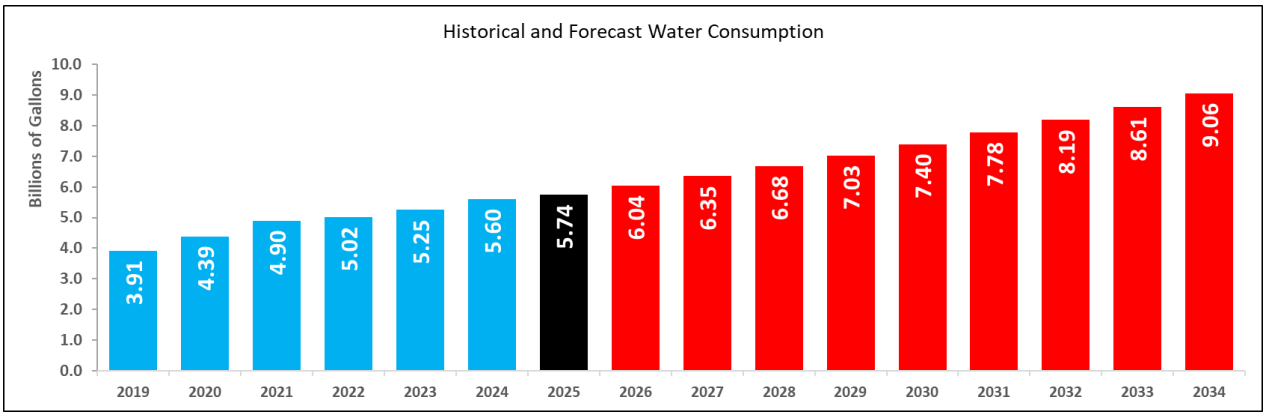
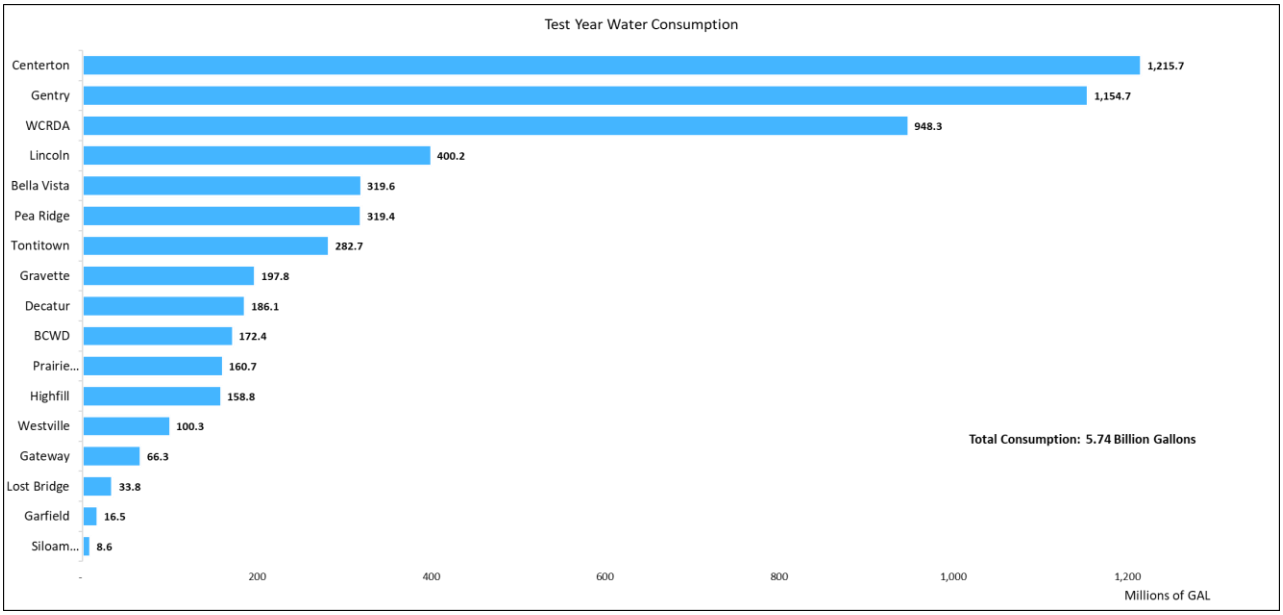


CHART 4



Peaking Factors

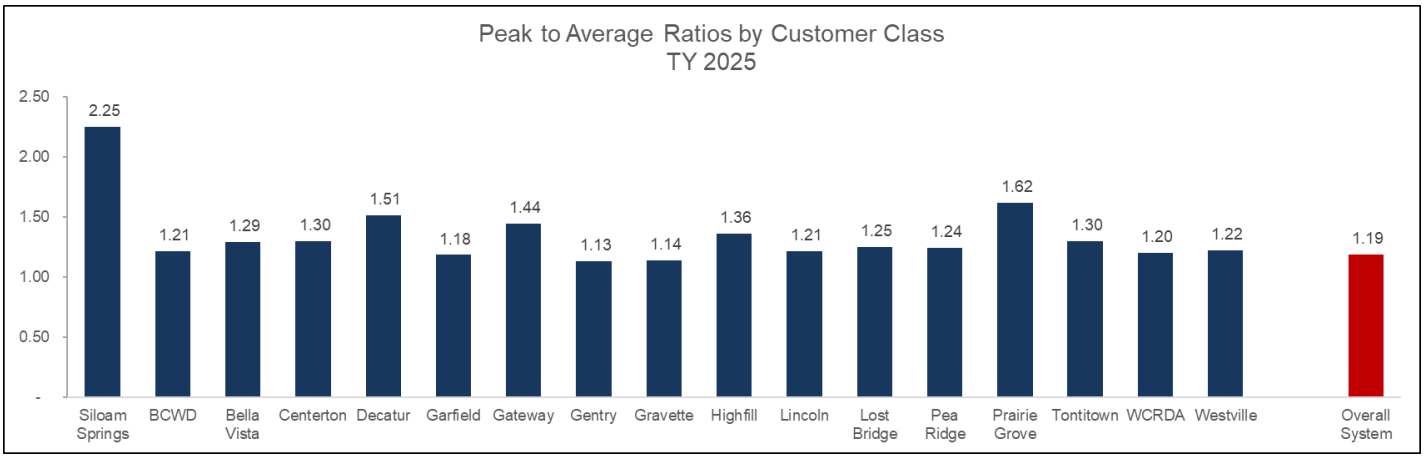
The cost of providing water to customers depends not only on the amount of water each customer entity uses, but also on how that usage occurs over time. The maximum-day and maximum-hour peaking requirements of a water utility's customers are an important influence on the utility's costs. Because water utilities attempt to meet all the demands of their customers, water systems are sized to meet customers' peak requirements. Therefore, during off-peak periods, there are usually significant costs associated with the unused capacity of the system. These costs may be allocated to customers in proportion to the contribution of each customer to the system peak in order to develop equitable cost-based rates. Thus, it is necessary to determine the peak rate of use relative to the average rate of use for each class. This ratio is called a ***Peaking Factor***.

The calculation of peaking factors for individual customers relies on available pumping and consumption information as well as professional judgment. If customer meters recorded daily or hourly flow rates for each customer, more refined information could be obtained on peaking factors. When this level of data is not available it is accepted practice in the water industry to develop peaking factor estimates based on standard formulas using system peak day information and monthly customer class usage records. This is a conservative methodology, since customer class peaking factors based on peak months will inevitably be lower than the system-wide peaking factor, which is based on the peak day.

According to AWWA Manual M-1, in the base-extra capacity method, care must be taken in separating costs between those devoted to base capacity and those devoted to extra capacity. The peak to average factor is calculated by dividing the volume on the peak day of the year by the average daily volume. Facilities designed to meet maximum-day requirements, such as the treatment and distribution functions, are allocated 84% (1/1.19) to base, and 16% to extra capacity (Max Day). This means that facilities designed to meet maximum-day requirements, such as the treatment and distribution functions, are allocated 84% to base, and 16% to extra capacity.

Based on AWWA guidelines, the customer class peaking factors calculated in this study are for non-coincidental peaks. The peaking factors developed for this analysis are based on the annualized water consumption by customer class for the twelve months ending December 2024. The calculations of the peaking factors by class are presented graphically in **Chart II-5** on the next page. Based on this analysis, we see that there is some minor differentiation among the Authority's wholesale customers, but on the whole, the customers of the system have generally consistent peaking factors. This general consistency supports the Authority's flat-rate structure.

CHART II-5


Peak to Average Ratios by Customer Class
TY 2025
2.50
2.00
1.50
1.00
0.50
-
2.25
1.21
1.29
1.30
1.51
1.18
1.44
1.13
1.14
1.36
1.21
1.25
1.24
1.62
1.30
1.20
1.22
1.19
Siloam Springs
BCWD
Bella Vista
Centerton
Decatur
Garfield
Gateway
Gentry
Gravette
Highfill
Lincoln
Lost Bridge
Pea Ridge
Prairie Grove
Tontitown
WCRDA
Westville
Overall System

Section III

SECTION III

Water Forecast Revenue Requirement

In this section of the water rate study and long-term financial plan, BWRPWA's test year and forecast water utility revenue requirements are developed. The test year consists of BWRPWA's fiscal year, from January 1st, 2025, through December 31st, 2025. The estimates presented in this section are based on BWRPWA's FY2025 approved budget.

The calculation of a revenue requirement differs from a utility's budget in that it represents only that amount that must be raised through BWRPWA's user rates. This means that non-rate revenue (such as indirect meter fees, late payment charges and interest) must be subtracted from the budgeted operating and capital expenditures to determine the net revenue requirement to be raised from rates.

As is typical for publicly owned utilities, BWRPWA's system revenue requirements were developed using the cash basis of ratemaking. Under the cash basis, as defined by the AWWA Manual M-1, system revenue requirements consist of cash expenditures and other financial commitments (such as debt service coverage or reserves) that must be met through system operating revenues and other revenue sources.

All data used in the development of the revenue requirements was obtained from the financial statements, budgets, and other information provided by the Authority. Detailed calculations are presented in the rate model contained in **Appendix A** of this report.

The assumptions utilized in this expense forecast will be thoroughly detailed in this section of the report. These assumptions are critical to the development of both the revenue requirement and the ultimate rate recommendation. The project team reviewed these assumptions with Utility staff and considers all to be consistent with staff recommendations.

In this section, current and forecast Operating Costs, Capital Outlays, and Debt Service will be examined first. Non-rate revenues will be subtracted from the total to yield the Net Revenue Requirement.

Operating Expenses and Capital Outlays – Test Year

Table III-1 summarizes the test year FY2025 water system operating expenses and capital outlays in detail by expense category item.

The following is noteworthy about these tables:

- The Authority budgets based on functional area, including:
  - **Personnel Services**, which includes all direct and indirect personnel costs, such as salary and benefit expenses, medical insurance, and payroll taxes.
  - **Contractual Services, Supplies, Operations, and Utilities** which are those goods and services directly required to provide the service, including Chemicals, Electricity, Solid Waste service, Professional Fees, Laboratory, General Maintenance & Repairs, Insurance, Taxes & Fees, Office Supplies, and Vehicle Maintenance.
  - **Capital Outlays** which include purchases of small-ticket capital items such as machinery and equipment required for water operations.

Tables III-1 allocates total budget expenses between the water functions based on function and general ratemaking principles. As the tables show, total operating expenses, transfers, and capital outlays in the test year are **$7,864,492** for the water utility.

TABLE III-1

BWRPWA

WATER Operating Expenses, Transfers, and Capital Outlays

	Net Budget	Treatment	Distribution	Admin
Operating & Maintenance				
Personnel Svcs	$ 3,415,092	$ 1,361,037	$ 1,361,037	$ 693,018
Contractual	466,000	186,400	186,400	93,200
Supplies	1,301,150	1,172,800	5,400	122,950
Operations	689,100	225,900	248,400	214,800
Utilities	1,663,150	1,652,650	10,500	-
Total Operating & Maintenanc	**7,534,492**	**4,598,787**	**1,811,737**	**1,123,968**
Transfers	**-**	**-**	**-**	**-**
Capital Outlays	**330,000**	**165,000**	**165,000**	**-**
Total WATER Operating Expenses, Transfers and Capital Outlays	**$ 7,864,492**	**$ 4,763,787**	**$ 1,976,737**	**$ 1,123,968**

Operating and Capital Outlays – Ten Year Forecast

Table III-2 presents the water utility operating expense, transfers and capital outlay forecast for the ten-year period FY 2025 – FY 2034. Details behind these calculations can be found in the rate model contained in **Appendix A**. This forecast is based on the following set of assumptions:

- Most operating costs are expected to increase at an annual rate of 3.0% to 4.0%, which is approximately equivalent to the historical rate of inflation.
- Certain expenses will increase at above-inflation rates, to reflect the rapid rate of increase of these costs. These expenses include chemicals, utilities, workers compensation, and health insurance.

TABLE III-2

BWRPWA

FORECAST OPERATING EXPENSES AND CAPITAL OUTLAYS

	Water		
	Operating Expense	Capital Outlays	Total
2025	$ 7,534,492	$ 330,000	**$ 7,864,492**
2026	7,790,641	336,600	**8,127,241**
2027	8,105,416	343,332	**8,448,748**
2028	8,434,511	350,199	**8,784,710**
2029	8,778,655	357,203	**9,135,858**
2030	9,138,622	364,347	**9,502,969**
2031	9,515,226	371,634	**9,886,860**
2032	9,909,329	379,066	**10,288,396**
2033	10,321,842	386,648	**10,708,490**
2034	10,753,727	394,381	**11,148,108**

Capital Improvement Plan

BWRPWA has developed a comprehensive long-term capital improvements plan for the water system that is intended to cover its needs over the next five years. The purpose of the CIP is primary to expand the existing system and to service new growth.

The capital improvement plan is an integral part of any long-term rate and financing plan. The Authority finances its capital improvements through revenue-funded long-term debt. Only the revenue bonds impact BWRPWA's rate plan.

Table III-3 on the following pages summarizes BWRPWA's short-term (2025-2030) CIP projects. The timing of these projects has been projected in coordination with the Authority's engineers and staff and is, of course, subject to Board review and approval.

TABLE III-3

BWRPWA

CAPITAL IMPROVEMENT PLAN
FY 2025 - FY 2030

SHORT-TERM CIP (2025-2030)		
Beaver Lake Raw Water Intake	$	192,740,000
Raw Water Chlorine Dioxide Facility	$	4,170,000
Carroll Electric Substation -Intake	$	2,957,000
Carroll Electric Substation -WTP	$	2,957,000
Chlorine Booster Station South Pressure Plane	$	1,016,000
HSP Capacity Expansion	$	15,732,000
24 MGD WTP Capacity Expansion	$	92,200,000
Phase 2B Transmission Line to Centerton	$	37,311,000
Phase 2C Transmission Line to Decatur Tank Farm	$	45,688,000
10 MG Storage Tank Decatur Tank Farm	$	12,644,000
72" Raw Water Line	$	45,668,000
Lincoln Tank Farm Property Acquisition	$	347,000
Total Short-Term Water Projects	**$**	**453,430,000**

Existing and Forecast Debt Service

Table III-4 on the following page presents current and forecast debt service assuming that BWRPWA issues new water revenue bonds annually from FY 2025 through FY 2034 to fund the CIP. The Utility has five bond issues (including Series 2024) currently outstanding that were issued to fund water system improvements. Debt service on these issues is being paid from Utility System Revenue. All future debt is assumed to have a 30-year term and 5.0% interest rate.

While the rate model projects a ten-year period, we have focused here mainly on the next five years and forecasts beyond this timeframe are less and less reliable. As shown in **Table III-4A**, BWRPWA is assumed to issue approximately **$280,000,000** in water-related debt through FY2030, and $430,000,000 through FY 2034. BWRPWA is assumed to issue a $30,000,000 bond in 2025 and $50,000,000 bonds in FY 2026 – Fy 2033. The timing and amount of debt issues can vary based on many factors, but the totals listed in this study are sufficient for the purpose of setting a long-term rate plan. The remainder of the CIP is assumed to be funded through a combination of existing rates and cash reserves.

These assumptions are preliminary in nature and subject to change. **Should the authority choose to issue more or less revenue debt than assumed in this study or should different financing terms be available at the time the debt is issued, then the rate plans contained in this study may require revision.**

TABLE III-4

CURRENT AND FORECAST DEBT SERVICE

Year	Water Current	Water Forecast	Water Total
2025	$ 9,598,520	$ -	**$ 9,598,520**
2026	9,606,340	1,990,574	**11,596,914**
2027	9,608,100	5,308,197	**14,916,297**
2028	9,607,557	8,625,820	**18,233,377**
2029	9,607,438	11,943,443	**21,550,881**
2030	9,609,711	15,261,067	**24,870,778**
2031	9,604,774	18,578,690	**28,183,464**
2032	9,587,686	21,896,313	**31,483,999**
2033	9,598,999	25,213,936	**34,812,935**
2034	9,604,124	28,531,559	**38,135,683**

TABLE III-4A

BWRPWA
Forecast Bond Issues

Year	Water
2025	$ 30,000,000
2026	50,000,000
2027	50,000,000
2028	50,000,000
2029	50,000,000
2030	50,000,000
Total 2025-2030	**280,000,000**
2031	50,000,000
2032	50,000,000
2033	50,000,000
2034	-
Total 2031-2034	**150,000,000**
Total 2025-2034	**430,000,000**

Non-Rate Revenues

Although sales revenues constitute most of the revenue received by BWRPWA for water service, a certain amount of revenue is accrued from non-rate sources. These revenues include other general revenues, miscellaneous charges, and contractual receipts. These non-rate revenues are subtracted from the overall budget to determine the revenue requirement to be raised from rates. Non-rate revenues are conservatively forecasted to stay flat during the next ten years. Annual non-rate revenue totals are presented in **Table III-5.** Note that for the purposes of this study, the per-meter charges assessed for each indirect meter are considered rate revenues.

TABLE III-5

BWRPWA

FORECAST NON-RATE REVENUES

	Water
2025	$ 220,000
2026	220,000
2027	220,000
2028	220,000
2029	220,000
2030	220,000
2031	220,000
2032	220,000
2033	220,000
2034	220,000

Net Revenue Requirement

Table III-6 presents the test year and ten-year forecast for BWRPWA's net revenue requirement to be raised from rates for the water utility for the test year 2025 and beyond. The water net revenue requirement is expected to increase from **$17.2 million** in FY 2025 to **$49.1 million** in FY 2034.

TABLE III-6

BWRPWA

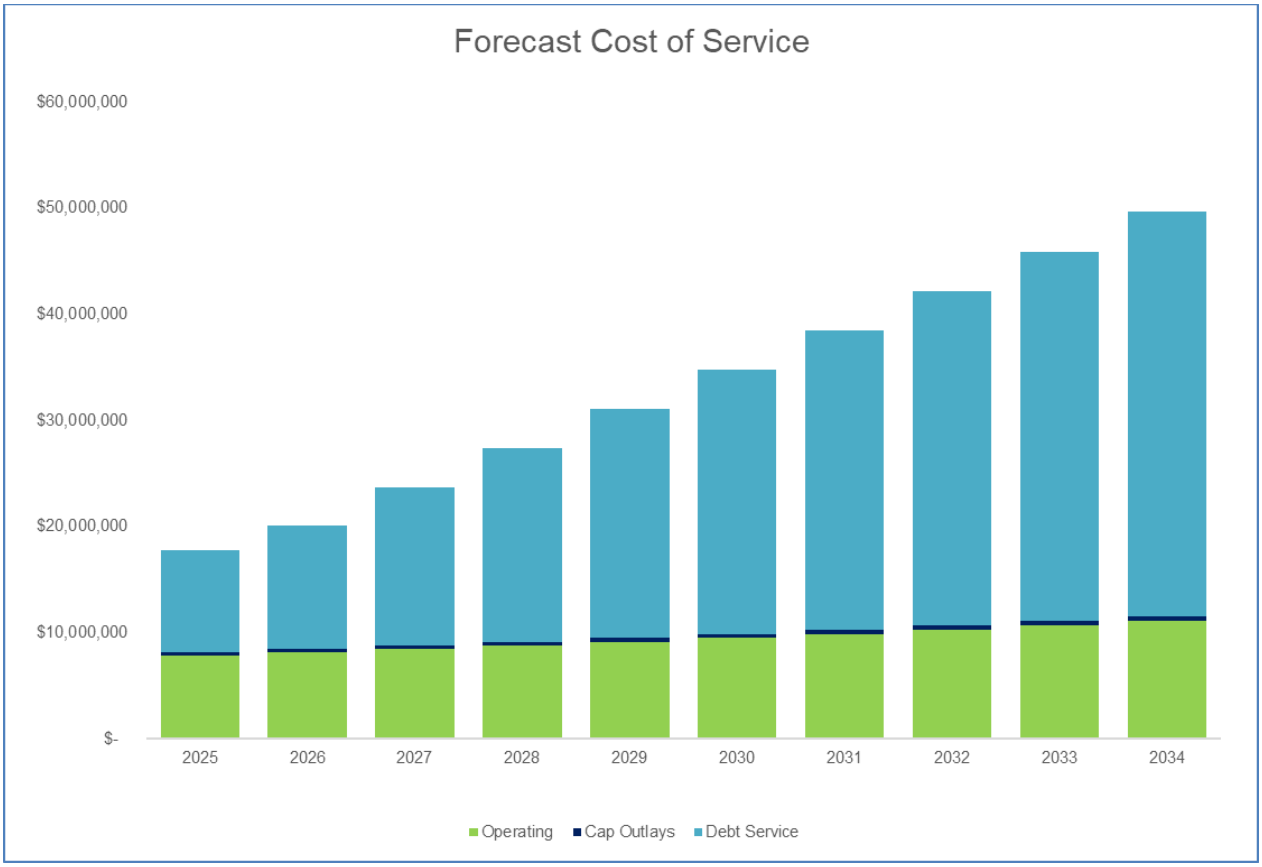
CURRENT AND FORECAST REVENUE REQUIREMENT

SCENARIO: 2025 04 02 -- Status Quo

	Operating Expenses	Debt Service	Cost of Service	Non-Rate Revenues	Revenue Requirement
	TOTAL Revenue Requirement				
2025	$ 7,864,492	$ 9,598,520	$ 17,463,012	$ 220,000	**$ 17,243,012**
2026	8,127,241	11,596,914	19,724,154	220,000	**19,504,154**
2027	8,448,748	14,916,297	23,365,045	220,000	**23,145,045**
2028	8,784,710	18,233,377	27,018,087	220,000	**26,798,087**
2029	9,135,858	21,550,881	30,686,739	220,000	**30,466,739**
2030	9,502,969	24,870,778	34,373,747	220,000	**34,153,747**
2031	9,886,860	28,183,464	38,070,323	220,000	**37,850,323**
2032	10,288,396	31,483,999	41,772,395	220,000	**41,552,395**
2033	10,708,490	34,812,935	45,521,425	220,000	**45,301,425**
2034	11,148,108	38,135,683	49,283,791	220,000	**49,063,791**

Chart III-7 also illustrates the total water annual cost of service through FY 2034. This includes operating expenses, capital outlays, transfers, and debt service.

CHART III-7



As shown in these charts and tables, forecast future debt service payments will be by far the largest annual expense paid by BWRPWA. While debt service comprises just over half of the total cost of service today, by FY2034 debt service will make up over three-quarters of all costs. This forecast assumes that the Authority will begin to issue new debt starting in FY2025 through FY2034 for the expansive CIP currently in planning. The second largest expense facing the Authority is operating costs, which are expected to grow at an annual rate of approximately 4%.

Water Utility Cost Functionalization

Once the total water system costs have been identified, the next step in the rate development process is to isolate the costs associated with each system function. Some of these expenditures are a function of base water demand; others are based on the peak demands placed on the system. Certain costs are associated with serving customers regardless of the volume of water use. The basic steps used to allocate the BWRPWA's water revenue requirements include the following:

1. Each system's costs (revenue requirements) are categorized by utility function (i.e., treatment, distribution, administrative, customer). This process is known as *functionalization*.
2. Functionalized costs are classified based on the service characteristics or the types of demand served by the utility (base and maximum day). This process is known as *classification.*
3. Costs by service characteristic are allocated to customer classes in proportion to the service demands demonstrated by each class.

This three-step process allows for the allocation of system costs in the same terms as customer classes. The approaches described in this section follow standard industry practices. Water system costs are allocated to the following functions:

Treatment – the process by which raw water is converted to potable water.

Distribution – the lines that carry water to individual customers' properties.

Administration – miscellaneous overhead and other non-operating costs.

The project team allocated operating budget line-item expenses individually to system functions based on general guidelines, specific research, and input from BWRPWA's staff. The results of the allocation process for the test year are summarized in **Table III-8.**

TABLE III-8

BWRPWA

TEST YEAR WATER COST FUNCTIONALIZATION

2025 04 02 -- Status Quo

Function	2025 Revenue Requirement	Percent
Treatment	$ 9,442,571	54.8%
Distribution	6,690,632	38.8%
Administration	1,109,809	6.4%
Total	**17,243,012**	**100.0%**

Water Utility Cost Classification

The allocation of functionalized water system costs to service characteristics follows the base-extra capacity cost allocation method recommended by AWWA. Using this method, costs are segregated into the following categories:

Base costs – capital costs and O&M expenses associated with service to customers under average demand conditions. This category does not include any costs attributable to variations in water use resulting from peaks in demand. Base costs tend to vary directly with the total quantity of water used.

Maximum Day/Extra Capacity costs – costs attributable to facilities that are designed to meet peaking requirements. These costs include capital and operating charges for additional plant and system capacity beyond that required for average usage.

All customer service-related costs are allocated 100% to customer billing. Administration costs are generally not directly assignable to individual classifications. Therefore, it is standard rate-making practice to allocate these costs on an indirect basis to service characteristics.

The system-wide costs by service characteristics are shown in **Table III-9**. As with cost functionalization, these percentages are not expected to change significantly in the forecast period.

TABLE III-9

BWRPWA

TEST YEAR WATER COST CLASSIFICATION

SCENARIO:
2025 04 02 -- Status Quo

Function	2025 Revenue Requirement	Percent
Base	$ 14,489,926	84.03%
Maximum Day	2,753,086	15.97%
Total	**17,243,012**	**100.0%**

Water Utility Cost Allocation

Allocation of costs by service characteristic to customer classes is based on the proportionate use levels of each characteristic by each class. The total water utility costs by customer class for the test year are summarized in **Table III-10** and for the ten-year forecast period in **Table III-11** on the next page.

TABLE III-10

BWRPWA

TEST YEAR WATER COST ALLOCATION

SCENARIO:
2025 04 02 -- Status Quo

Function	2025 Revenue Requirement	Percent
Siloam Springs	$ 42,170	0.2%
BCWD	505,736	2.9%
Bella Vista	982,599	5.7%
Centerton	3,765,754	21.8%
Decatur	651,725	3.8%
Garfield	47,538	0.3%
Gateway	223,757	1.3%
Gentry	3,208,379	18.6%
Gravette	550,729	3.2%
Highfill	509,492	3.0%
Lincoln	1,172,293	6.8%
Lost Bridge	101,488	0.6%
Pea Ridge	952,899	5.5%
Prairie Grove	595,813	3.5%
Tontitown	875,469	5.1%
WCRDA	2,761,346	16.0%
Westville	295,823	1.7%
Total	**17,243,012**	**100.0%**

TABLE III-11

BWRPWA

FORECAST WATER COST ALLOCATION

Year	Siloam Springs	BCWD	Bella Vista	Centerton	Decatur	Garfield	Gateway	Gentry	Gravette	Highfill	Lincoln	Lost Bridge	Pea Ridge	Prairie Grove	Tontitown	WCRDA	Westville	Total
2025	$ 42,170	$ 505,736	$ 982,599	$ 3,765,754	$ 651,725	$ 47,538	$ 223,757	$ 3,208,379	$ 550,729	$ 509,492	$ 1,172,293	$ 101,488	$ 952,899	$ 595,813	$ 875,469	$ 2,761,346	$ 295,823	**$ 17,243,012**
2026	47,700	572,055	1,111,451	4,259,571	737,189	53,772	253,099	3,629,106	622,949	576,303	1,326,020	114,797	1,077,857	673,945	990,272	3,123,452	334,616	**19,504,154**
2027	56,605	678,842	1,318,929	5,054,717	874,801	63,809	300,346	4,306,560	739,236	683,883	1,573,552	136,226	1,279,063	799,752	1,175,129	3,706,515	397,079	**23,145,045**
2028	65,539	785,986	1,527,099	5,852,515	1,012,874	73,881	347,751	4,986,276	855,911	791,823	1,821,909	157,727	1,480,941	925,979	1,360,602	4,291,524	459,752	**26,798,087**
2029	74,511	893,587	1,736,158	6,653,724	1,151,536	83,995	395,358	5,668,896	973,085	900,223	2,071,328	179,320	1,683,681	1,052,745	1,546,869	4,879,033	522,691	**30,466,739**
2030	83,528	1,001,726	1,946,264	7,458,940	1,290,892	94,160	443,203	6,354,931	1,090,846	1,009,166	2,321,995	201,021	1,887,436	1,180,145	1,734,067	5,469,481	585,946	**34,153,747**
2033	110,792	1,328,687	2,581,518	9,893,516	1,712,235	124,893	587,863	8,429,161	1,446,895	1,338,554	3,079,887	266,633	2,503,490	1,565,341	2,300,061	7,254,703	777,197	**45,301,425**
2034	119,993	1,439,037	2,795,918	10,715,190	1,854,439	135,266	636,686	9,129,219	1,567,062	1,449,723	3,335,678	288,778	2,711,409	1,695,346	2,491,085	7,857,219	841,745	**49,063,791**

Section IV

SECTION IV

Water Rate Design

Rate design involves determining charges for each class of customers that will generate a desired level of revenue in accordance with AWWA and other industry cost of service rate-making principles. The water rates developed in this section are designed to recover the test year and forecast revenue requirements while providing funding for the identified capital improvements and existing debt service.

The following is notable regarding the proposed rate plan:

- While the rate model presents a forecast of rates for ten years, the project team recommends that BWRPWA adopt a 5-year rate plan, with rates to be automatically implemented on January 1st of each year.
- Given the significant growth in BWRPWA and potential for unexpected events, **the project team recommends that the Authority not commit itself to a rate plan beyond five years**. Further, the project team recommends that the Authority periodically review these rates during the next five years to incorporate any changes to costs, volumes or growth assumptions that may occur during that time.
- The most significant impact on rates will be debt issued to fund the CIP. Any changes in debt forecast estimates used in determining BWRPWA's water revenue requirement for this rate study could require significant changes to the rate plan presented in this report.
- The second largest impact on rates is operating costs. Should inflation continue to rise and create higher operational costs, BWRPWA should undertake an immediate review of its rate plan.
- The rate plan assumes that long-term debt will be used to fund the current Capital Improvement Plan, starting in FY2025.

Proposed Rate Plan

Under the proposed rate plan, there would be a continuation of the current fundamental rate structure while keeping the indirect per-meter base charges unchanged.

- Uniform percentage adjustments are applied to all existing customers annually during the suggested 5-year recommendation.
- Rate adjustments apply only to volume charges, per meter assessment charge stays flat at $1.50 per connection
- The project team recommends that BWRPWA continues its practice of annual water rate adjustments in January of each year.

The rate plan and forecast revenues and expenses under this scenario are presented in **Appendix A.**

Table IV-1 presents a 5-year summary of the rate plan proposed for water for all customer classes and a comparison to the 2022 rate study recommendations.

TABLE IV-1

BWRPWA

	Three-Year Rate Plan			Forecast		
	January	January	January	January	January	January
	Current					
	2025	**2026**	**2027**	**2028**	**2029**	**2030**
Volume ($/kGal)	**$ 3.45**	**$ 3.80**	**$ 4.15**	**$ 4.50**	**$ 4.90**	**$ 5.20**
% Change		10.1%	9.2%	8.4%	8.9%	6.1%
$ Change		$ 0.35	$ 0.35	$ 0.35	$ 0.40	$ 0.30
Per Meter Charge	**$ 1.50**	**$ 1.50**	**$ 1.50**	**$ 1.50**	**$ 1.50**	**$ 1.50**
% Change		0%	0%	0%	0%	0%
$ Change		$ -	$ -	$ -	$ -	$ -
2022 Rate Plan Volume Charge	**$ 3.45**	**$ 3.75**	**$ 4.05**	**$ 4.35**	**$ 4.65**	**$ 4.80**

Table IV-2 presents the customer impact at various consumption levels for the proposed rate plan assuming the proposed rate structure is adopted by the Board.

The projected rate revenues developed are forecast to be sufficient to fund all operating and current scheduled capital obligations in each of the next ten years (FY2025 through FY2034). Forecast rate revenues by year are presented in **Appendix A.**

TABLE IV-2

BWRPWA

	Current 2025	2026	2027	2028	2029	2030
20 Million Gallons	$ 69,000	$ 76,000	$ 83,000	$ 90,000	$ 98,000	$ 104,000
50 Million Gallons	172,500	190,000	207,500	225,000	245,000	260,000
100 Million Gallons	345,000	380,000	415,000	450,000	490,000	520,000
500 Million Gallons	1,725,000	1,900,000	2,075,000	2,250,000	2,450,000	2,600,000
1 Billion Gallons	3,450,000	3,800,000	4,150,000	4,500,000	4,900,000	5,200,000

Notes on Rate Recommendations

The forecast and recommendations presented in this study represent a combination of the best information available from BWRPWA and the project team's expertise. However, this forecast relies in part on assumptions about future events and events beyond the control of the project team (such as consumption growth within the areas served). The forecast and recommendations contained in this study may be subject to revision if any of the following events occur:

- Actual growth in accounts and consumed volumes is less than (or significantly greater than) forecast.
- Capital improvement plan funding costs increase significantly due to the rising cost of materials or other factors such as personnel costs.
- An unforeseen event impacts BWRPWA, such as an extended recession, natural catastrophe, or terrorist attack.
- Significant and long-lasting changes in weather patterns.
- Increases or decreases in interest rates, coverage requirements, or reserve requirements for long-term debt.
- BWRPWA budget levels or priorities change significantly from those forecast in this study.

It should be noted that none of these events are foreseen by the project team or BWRPWA at this time, however, i**f any of these events occur, BWRPWA may be compelled to consider further adjustments to its water rates.**

Appendix A

BWRPWA

Ten Year Rate Analysis and Pro Forma

Fiscal Years: 2025 - 2034

WILLDAN FINANCIAL SERVICES

Utility System

Water
Sewer
Combined

Dashboard

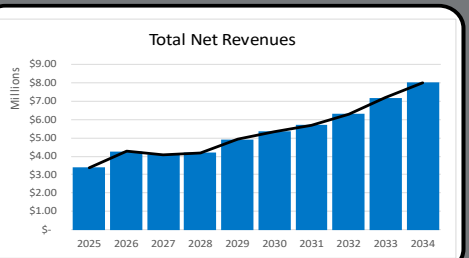
Projections
Bill Comparison
Comparable Utilities

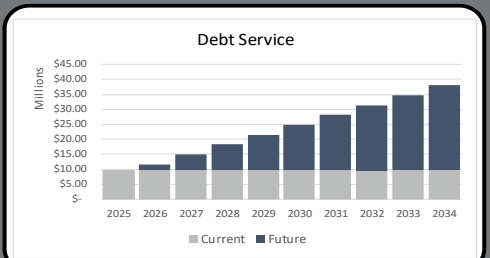
Customer Class

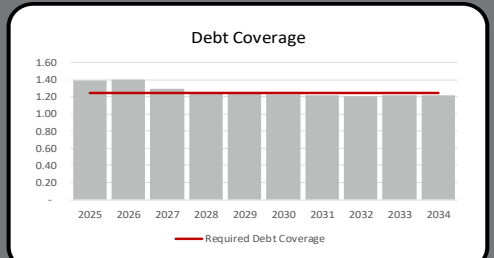
All Classes

Years

10
5







Water Sewer **Combined Projections**

Future Debt Term 30

Water Future Bond Issues

	Alternative	Proposed
2025		$ 30,000,000
2026		$ 50,000,000
2027		$ 50,000,000
2028		$ 50,000,000
2029		$ 50,000,000
2030		$ 50,000,000
2031		$ 50,000,000
2032		$ 50,000,000
2033		$ 50,000,000
2034		$ -
		$ 430,000,000

Interest Only for first 2 Years? NO

Interest 4.00%

Water Rate Adjustments

	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Assesment Charge	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Volume Charge	8.00%	10.00%	9.00%	9.00%	9.00%	6.00%	5.00%	5.00%	4.00%	3.00%
Days of Fund Balance (goal =90 days)	93	162	202	232	263	292	318	346	375	406

WILLDAN

BWRPWA
WATER/WASTEWATER COST OF SERVICE MODEL

Revenue and Expense Summary
Scen: **2025 04 02 -- Status Quo**

		2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
1	**TOTAL Revenues and Expenses -- CASH BASIS**										
	Beginning Fund Balance	$ 962,879	$ 4,358,962	$ 8,630,913	$ 12,722,379	$ 16,916,800	$ 21,837,864	$ 27,193,183	$ 32,884,539	$ 39,184,883	$ 46,377,869
	Rate Revenues										
	Water Rate Revenue										
W1	Siloam Springs	30,360	35,027	40,175	45,764	52,308	58,441	64,439	70,852	77,758	84,569
W2	BCWD	639,797	735,021	840,009	953,927	1,087,098	1,212,106	1,334,519	1,465,362	1,606,204	1,745,264
W3	Bella Vista	1,174,484	1,350,416	1,544,417	1,754,942	2,001,124	2,232,136	2,458,301	2,700,051	2,960,297	3,217,194
W4	Centerton	4,383,100	5,047,986	5,781,380	6,577,397	7,508,812	8,382,248	9,236,958	10,150,669	11,134,430	12,105,121
W5	Decatur	659,353	760,517	872,135	993,304	1,135,162	1,268,110	1,398,154	1,537,188	1,686,901	1,834,569
W6	Garfield	62,282	71,464	81,586	92,566	105,397	117,447	129,251	141,867	155,446	168,857
W7	Gateway	244,558	281,116	321,426	365,169	416,316	464,316	511,312	561,546	615,622	669,006
W8	Gentry	4,015,034	4,638,847	5,327,328	6,074,869	6,950,567	7,770,731	8,572,619	9,430,030	10,353,431	11,263,849
W9	Gravette	713,465	821,645	940,971	1,070,484	1,222,024	1,364,134	1,503,199	1,651,864	1,811,925	1,969,862
W10	Highfill	578,357	665,516	761,641	865,963	987,990	1,102,462	1,214,506	1,334,277	1,463,222	1,590,481
W11	Lincoln	1,421,605	1,639,366	1,879,620	2,140,428	2,445,743	2,731,905	3,011,833	3,311,108	3,633,365	3,951,237
W12	Lost Bridge	123,545	142,113	162,590	184,813	210,804	235,189	259,059	284,575	312,044	339,156
W13	Pea Ridge	1,180,766	1,356,973	1,551,258	1,762,080	2,008,563	2,239,905	2,466,423	2,708,545	2,969,178	3,226,490
W14	Prairie Grove	626,381	716,729	816,262	924,209	1,050,199	1,168,670	1,284,819	1,408,934	1,542,482	1,674,483
W15	Tontitown	1,024,362	1,179,229	1,350,038	1,535,423	1,752,306	1,955,724	2,154,805	2,367,624	2,596,748	2,822,854
W16	WCRDA	3,403,576	3,921,410	4,492,642	5,112,679	5,838,285	6,518,617	7,184,290	7,895,933	8,662,161	9,418,134
W17	Westville	358,070	412,731	473,032	538,490	615,105	686,926	757,192	832,312	913,198	992,992
W18	Class 18	-	-	-	-	-	-	-	-	-	-
W19	Class 19	-	-	-	-	-	-	-	-	-	-
W20	Class 20	-	-	-	-	-	-	-	-	-	-
	Total	20,639,095	23,776,106	27,236,511	30,992,508	35,387,803	39,509,066	43,541,680	47,852,739	52,494,411	57,074,118
	Non-Rate Revenues	220,000	220,000	220,000	220,000	220,000	220,000	220,000	220,000	220,000	220,000
	Total Revenues	**20,859,095**	**23,996,106**	**27,456,511**	**31,212,508**	**35,607,803**	**39,729,066**	**43,761,680**	**48,072,739**	**52,714,411**	**57,294,118**

BWRPWA
WATER/WASTEWATER COST OF SERVICE MODEL

Revenue and Expense Summary
Scen: **2025 04 02 -- Status Quo**

		2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
	Cost of Service										
	Cost Center Code										
1	Personnel	3,884,592	3,954,780	4,073,423	4,195,626	4,321,495	4,451,139	4,584,674	4,722,214	4,863,880	5,009,797
3	Customer Operations	2,597,800	2,746,788	2,904,562	3,071,656	3,248,634	3,436,100	3,634,691	3,845,086	4,068,008	4,304,222
5	Maintenance	687,250	708,818	731,080	754,059	777,781	802,269	827,549	853,649	880,595	908,417
7	Water Distribution	66,500	69,955	73,592	77,420	81,451	85,693	90,160	94,864	99,816	105,030
99	Non-Departmental	160,600	168,418	176,621	185,227	194,256	203,731	213,671	224,102	235,046	246,530
11	Admin	137,750	141,883	146,139	150,523	155,039	159,690	164,481	169,415	174,498	179,733
762	Other	-	-	-	-	-	-	-	-	-	-
	Total	7,534,492	7,790,641	8,105,416	8,434,511	8,778,655	9,138,622	9,515,226	9,909,329	10,321,842	10,753,727
	Budget Code										
100	Personnel Svcs	3,415,092	3,517,545	3,623,071	3,731,763	3,843,716	3,959,028	4,077,798	4,200,132	4,326,136	4,455,920
200	Contractual	466,000	433,630	446,639	460,038	473,839	488,054	502,696	517,777	533,310	549,310
300	Supplies	1,301,150	1,379,841	1,463,644	1,552,904	1,647,991	1,749,297	1,857,244	1,972,282	2,094,890	2,225,585
400	Operations	689,100	713,723	739,282	765,816	793,363	821,965	851,665	882,508	914,542	947,814
500	Utilities	1,663,150	1,745,903	1,832,780	1,923,990	2,019,747	2,120,278	2,225,823	2,336,630	2,452,964	2,575,099
600	Capital Outlay	-	-	-	-	-	-	-	-	-	-
	Total	7,534,492	7,790,641	8,105,416	8,434,511	8,778,655	9,138,622	9,515,226	9,909,329	10,321,842	10,753,727
	Total Operating Expenses	**7,534,492**	**7,790,641**	**8,105,416**	**8,434,511**	**8,778,655**	**9,138,622**	**9,515,226**	**9,909,329**	**10,321,842**	**10,753,727**
	Net Revenues for Transfers,CO and Debt Service	13,324,603	16,205,465	19,351,095	22,777,997	26,829,147	30,590,444	34,246,454	38,163,409	42,392,569	46,540,391
	Capital Outlays	**330,000**	**336,600**	**343,332**	**350,199**	**357,203**	**364,347**	**371,634**	**379,066**	**386,648**	**394,381**
	Debt Service										
	Debt Service -- Current	9,598,520	9,606,340	9,608,100	9,607,557	9,607,438	9,609,711	9,604,774	9,587,686	9,598,999	9,604,124
	Debt Service -- Future	-	1,990,574	5,308,197	8,625,820	11,943,443	15,261,067	18,578,690	21,896,313	25,213,936	28,531,559
	Total Debt Service	**9,598,520**	**11,596,914**	**14,916,297**	**18,233,377**	**21,550,881**	**24,870,778**	**28,183,464**	**31,483,999**	**34,812,935**	**38,135,683**
	Net Revenues for Contingencies & Transfers	3,396,083	4,271,951	4,091,466	4,194,422	4,921,063	5,355,319	5,691,357	6,300,344	7,192,986	8,010,327
	Total Contingencies & Transfers	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	Total Cost of Service	**17,463,012**	**19,724,154**	**23,365,045**	**27,018,087**	**30,686,739**	**34,373,747**	**38,070,323**	**41,772,395**	**45,521,425**	**49,283,791**
	Net Revenues	**3,396,083**	**4,271,951**	**4,091,466**	**4,194,422**	**4,921,063**	**5,355,319**	**5,691,357**	**6,300,344**	**7,192,986**	**8,010,327**
	Percent of COS	16.3%	17.8%	14.9%	13.4%	13.8%	13.5%	13.0%	13.1%	13.6%	14.0%
	Ending Fund Balance	**4,358,962**	**8,630,913**	**12,722,379**	**16,916,800**	**21,837,864**	**27,193,183**	**32,884,539**	**39,184,883**	**46,377,869**	**54,388,196**
	Revenue Adequacy Tests										
	Total Operating + Debt Service + Transfers	17,133,012	19,387,554	23,021,713	26,667,888	30,329,537	34,009,400	37,698,690	41,393,329	45,134,777	48,889,410
	Expenses Per Day	46,940	53,117	63,073	73,063	83,095	93,176	103,284	113,406	123,657	133,944
	Days of Operating Expenses	**93**	**162**	**202**	**232**	**263**	**292**	**318**	**346**	**375**	**406**
	Debt Coverage										
	Excluding Cap Outlays, G/F Transfers	1.39	1.40	1.30	1.25	1.24	1.23	1.22	1.21	1.22	1.22
	All Inclusive	1.35	1.37	1.27	1.23	1.23	1.22	1.20	1.20	1.21	1.21

WILLDAN

BWRPWA
WATER/WASTEWATER COST OF SERVICE MODEL

Revenue Summary
Scenario: 2025 04 02 -- Status Quo

		2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
	WATER Revenues -- Total										
W1	Siloam Springs	$ 30,360	$ 35,027	$ 40,175	$ 45,764	$ 52,308	$ 58,441	$ 64,439	$ 70,852	$ 77,758	$ 84,569
W2	BCWD	639,797	735,021	840,009	953,927	1,087,098	1,212,106	1,334,519	1,465,362	1,606,204	1,745,264
W3	Bella Vista	1,174,484	1,350,416	1,544,417	1,754,942	2,001,124	2,232,136	2,458,301	2,700,051	2,960,297	3,217,194
W4	Centerton	4,383,100	5,047,986	5,781,380	6,577,397	7,508,812	8,382,248	9,236,958	10,150,669	11,134,430	12,105,121
W5	Decatur	659,353	760,517	872,135	993,304	1,135,162	1,268,110	1,398,154	1,537,188	1,686,901	1,834,569
W6	Garfield	62,282	71,464	81,586	92,566	105,397	117,447	129,251	141,867	155,446	168,857
W7	Gateway	244,558	281,116	321,426	365,169	416,316	464,316	511,312	561,546	615,622	669,006
W8	Gentry	4,015,034	4,638,847	5,327,328	6,074,869	6,950,567	7,770,731	8,572,619	9,430,030	10,353,431	11,263,849
W9	Gravette	713,465	821,645	940,971	1,070,484	1,222,024	1,364,134	1,503,199	1,651,864	1,811,925	1,969,862
W10	Highfill	578,357	665,516	761,641	865,963	987,990	1,102,462	1,214,506	1,334,277	1,463,222	1,590,481
W11	Lincoln	1,421,605	1,639,366	1,879,620	2,140,428	2,445,743	2,731,905	3,011,833	3,311,108	3,633,365	3,951,237
W12	Lost Bridge	123,545	142,113	162,590	184,813	210,804	235,189	259,059	284,575	312,044	339,156
W13	Pea Ridge	1,180,766	1,356,973	1,551,258	1,762,080	2,008,563	2,239,905	2,466,423	2,708,545	2,969,178	3,226,490
W14	Prairie Grove	626,381	716,729	816,262	924,209	1,050,199	1,168,670	1,284,819	1,408,934	1,542,482	1,674,483
W15	Tontitown	1,024,362	1,179,229	1,350,038	1,535,423	1,752,306	1,955,724	2,154,805	2,367,624	2,596,748	2,822,854
W16	WCRDA	3,403,576	3,921,410	4,492,642	5,112,679	5,838,285	6,518,617	7,184,290	7,895,933	8,662,161	9,418,134
W17	Westville	358,070	412,731	473,032	538,490	615,105	686,926	757,192	832,312	913,198	992,992
W18	Class 18	-	-	-	-	-	-	-	-	-	-
W19	Class 19	-	-	-	-	-	-	-	-	-	-
W20	Class 20	-	-	-	-	-	-	-	-	-	-
	Total Rate Revenue	20,639,095	23,776,106	27,236,511	30,992,508	35,387,803	39,509,066	43,541,680	47,852,739	52,494,411	57,074,118
	Non-Rate Revenue	220,000	220,000	220,000	220,000	220,000	220,000	220,000	220,000	220,000	220,000
	Total Revenue	**20,859,095**	**23,996,106**	**27,456,511**	**31,212,508**	**35,607,803**	**39,729,066**	**43,761,680**	**48,072,739**	**52,714,411**	**57,294,118**
	Water Revenues -- Additional										
W1	Siloam Springs		4,666	5,149	5,589	6,544	6,133	5,998	6,413	6,906	6,811
W2	BCWD		95,224	104,987	113,918	133,171	125,008	122,414	130,843	140,842	139,060
W3	Bella Vista		175,932	194,000	210,525	246,182	231,012	226,164	241,751	260,246	256,897
W4	Centerton		664,886	733,394	796,017	931,415	873,436	854,710	913,711	983,760	970,691
W5	Decatur		101,164	111,618	121,170	141,858	132,948	130,044	139,034	149,713	147,668
W6	Garfield		9,182	10,121	10,981	12,830	12,050	11,804	12,616	13,579	13,411
W7	Gateway		36,558	40,311	43,743	51,146	48,000	46,996	50,234	54,076	53,384
W8	Gentry		623,813	688,482	747,540	875,699	820,164	801,887	857,411	923,401	910,417
W9	Gravette		108,180	119,325	129,513	151,540	142,110	139,065	148,665	160,061	157,937
W10	Highfill		87,159	96,125	104,322	122,028	114,471	112,044	119,772	128,944	127,259
W11	Lincoln		217,761	240,255	260,808	305,314	286,162	279,928	299,276	322,256	317,873
W12	Lost Bridge		18,569	20,477	22,223	25,991	24,385	23,870	25,516	27,469	27,113
W13	Pea Ridge		176,207	194,285	210,822	246,483	231,342	226,518	242,122	260,633	257,312
W14	Prairie Grove		90,348	99,533	107,947	125,990	118,471	116,150	124,114	133,548	132,001
W15	Tontitown		154,866	170,810	185,385	216,883	203,418	199,081	212,818	229,125	226,106
W16	WCRDA		517,835	571,232	620,037	725,606	680,332	665,674	711,643	766,227	755,974
W17	Westville		54,661	60,302	65,457	76,615	71,822	70,266	75,120	80,885	79,794
W18	Class 18		-	-	-	-	-	-	-	-	-
W19	Class 19		-	-	-	-	-	-	-	-	-
W20	Class 20		-	-	-	-	-	-	-	-	-
	Total Rate Revenue		3,137,011	3,460,405	3,755,997	4,395,295	4,121,263	4,032,614	4,311,059	4,641,672	4,579,707
	Non-Rate Revenue		-	-	-	-	-	-	-	-	-
	Total Revenue		**3,137,011**	**3,460,405**	**3,755,997**	**4,395,295**	**4,121,263**	**4,032,614**	**4,311,059**	**4,641,672**	**4,579,707**

WILLDAN

BWRPWA
WATER/WASTEWATER COST OF SERVICE MODEL

City Rate Plan -- Three Year Summary
***Scen:* 2025 04 02 -- Status Quo**

				Prior	Effective Jan-25	Effective Jan-26	Effective Jan-27	Effective Jan-28	Effective Jan-29	Effective Jan-30
1	**Water Monthly Rates and Charges**									
	CITY Water Rate and Charges									
W1	**Siloam Springs**									
	Monthly Minimum Charge									
			All Meters	$ 1.50	$ 1.50	$ 1.50	$ 1.50	$ 1.50	$ 1.50	$ 1.50
	Volume Rate/1,000 Gal									
		1	Above	3.20	3.45	3.80	4.15	4.50	4.90	5.20
W2	**BCWD**									
	Monthly Minimum Charge									
			All Meters	$ 1.50	$ 1.50	$ 1.50	$ 1.50	$ 1.50	$ 1.50	$ 1.50
	Volume Rate/1,000 Gal									
		1	Above	3.20	3.45	3.80	4.15	4.50	4.90	5.20
W3	**Bella Vista**									
	Monthly Minimum Charge									
			All Meters	$ 1.50	$ 1.50	$ 1.50	$ 1.50	$ 1.50	$ 1.50	$ 1.50
	Volume Rate/1,000 Gal									
		1	Above	3.20	3.45	3.80	4.15	4.50	4.90	5.20
W4	**Centerton**									
	Monthly Minimum Charge									
			All Meters	$ 1.50	$ 1.50	$ 1.50	$ 1.50	$ 1.50	$ 1.50	$ 1.50
	Volume Rate/1,000 Gal									
		1	Above	3.20	3.45	3.80	4.15	4.50	4.90	5.20

BWRPWA
WATER/WASTEWATER COST OF SERVICE MODEL

City Rate Plan -- Three Year Summary
***Scen:* 2025 04 02 -- Status Quo**

			Prior	Effective Jan-25	Effective Jan-26	Effective Jan-27	Effective Jan-28	Effective Jan-29	Effective Jan-30
W5 Decatur									
Monthly Minimum Charge									
	All Meters	$	1.50	$ 1.50	$ 1.50	$ 1.50	$ 1.50	$ 1.50	$ 1.50
Volume Rate/1,000 Gal									
1	Above		3.20	3.45	3.80	4.15	4.50	4.90	5.20
W6 Garfield									
Monthly Minimum Charge									
	All Meters	$	1.50	$ 1.50	$ 1.50	$ 1.50	$ 1.50	$ 1.50	$ 1.50
Volume Rate/1,000 Gal									
1	Above		3.20	3.45	3.80	4.15	4.50	4.90	5.20
W7 Gateway									
Monthly Minimum Charge									
	All Meters	$	1.50	$ 1.50	$ 1.50	$ 1.50	$ 1.50	$ 1.50	$ 1.50
Volume Rate/1,000 Gal									
1	Above		3.20	3.45	3.80	4.15	4.50	4.90	5.20
W8 Gentry									
Monthly Minimum Charge									
	All Meters	$	1.50	$ 1.50	$ 1.50	$ 1.50	$ 1.50	$ 1.50	$ 1.50
Volume Rate/1,000 Gal									
1	Above		3.20	3.45	3.80	4.15	4.50	4.90	5.20

BWRPWA
WATER/WASTEWATER COST OF SERVICE MODEL

City Rate Plan -- Three Year Summary
***Scen:* 2025 04 02 -- Status Quo**

			Prior	Effective Jan-25	Effective Jan-26	Effective Jan-27	Effective Jan-28	Effective Jan-29	Effective Jan-30
W9 Gravette									
Monthly Minimum Charge									
	All Meters	$	1.50	$ 1.50	$ 1.50	$ 1.50	$ 1.50	$ 1.50	$ 1.50
Volume Rate/1,000 Gal									
1	Above		3.20	3.45	3.80	4.15	4.50	4.90	5.20
W10 Highfill									
Monthly Minimum Charge									
	All Meters	$	1.50	$ 1.50	$ 1.50	$ 1.50	$ 1.50	$ 1.50	$ 1.50
Volume Rate/1,000 Gal									
1	Above		3.20	3.45	3.80	4.15	4.50	4.90	5.20
W11 Lincoln									
Monthly Minimum Charge									
	All Meters	$	1.50	$ 1.50	$ 1.50	$ 1.50	$ 1.50	$ 1.50	$ 1.50
Volume Rate/1,000 Gal									
1	Above		3.20	3.45	3.80	4.15	4.50	4.90	5.20
W12 Lost Bridge									
Monthly Minimum Charge									
	All Meters	$	1.50	$ 1.50	$ 1.50	$ 1.50	$ 1.50	$ 1.50	$ 1.50
Volume Rate/1,000 Gal									
1	Above		3.20	3.45	3.80	4.15	4.50	4.90	5.20
W13 Pea Ridge									
Monthly Minimum Charge									
	All Meters	$	1.50	$ 1.50	$ 1.50	$ 1.50	$ 1.50	$ 1.50	$ 1.50
Volume Rate/1,000 Gal									
1	Above		3.20	3.45	3.80	4.15	4.50	4.90	5.20

BWRPWA
WATER/WASTEWATER COST OF SERVICE MODEL

City Rate Plan -- Three Year Summary
***Scen:* 2025 04 02 -- Status Quo**

			Prior	Effective Jan-25	Effective Jan-26	Effective Jan-27	Effective Jan-28	Effective Jan-29	Effective Jan-30
W14 Prairie Grove									
Monthly Minimum Charge									
	All Meters	$	1.50	$ 1.50	$ 1.50	$ 1.50	$ 1.50	$ 1.50	$ 1.50
Volume Rate/1,000 Gal									
1	Above		3.20	3.45	3.80	4.15	4.50	4.90	5.20
W15 Tontitown									
Monthly Minimum Charge									
	All Meters	$	1.50	$ 1.50	$ 1.50	$ 1.50	$ 1.50	$ 1.50	$ 1.50
Volume Rate/1,000 Gal									
1	Above		3.20	3.45	3.80	4.15	4.50	4.90	5.20
W16 WCRDA									
Monthly Minimum Charge									
	All Meters	$	1.50	$ 1.50	$ 1.50	$ 1.50	$ 1.50	$ 1.50	$ 1.50
Volume Rate/1,000 Gal									
1	Above		3.20	3.45	3.80	4.15	4.50	4.90	5.20
W17 Westville									
Monthly Minimum Charge									
	All Meters	$	1.50	$ 1.50	$ 1.50	$ 1.50	$ 1.50	$ 1.50	$ 1.50
Volume Rate/1,000 Gal									
1	Above		3.20	3.45	3.80	4.15	4.50	4.90	5.20

BWRPWA
WATER/WASTEWATER COST OF SERVICE MODEL

Model Summary
Scenario: 2025 04 02 -- Status Quo

		Current	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
1	**Water and Wastewater Rates**											
	Water Rates -- Residential											
	Monthly Minimum Charge-- Per Meter	$ 1.50	$ 1.50	$ 1.50	$ 1.50	$ 1.50	$ 1.50	$ 1.50	$ 1.50	$ 1.50	$ 1.50	$ 1.50
	Volume Rate Per 1,000 Gal											
	1 Above	3.20	3.45	3.80	4.15	4.50	4.90	5.20	5.45	5.70	5.95	6.15
3	**Fund Balance, Revenues and Expenses**											
	Beginning Fund Balance		**$ 962,879**	**$ 4,358,962**	**$ 8,630,913**	**$ 12,722,379**	**$ 16,916,800**	**$ 21,837,864**	**$ 27,193,183**	**$ 32,884,539**	**$ 39,184,883**	**$ 46,377,869**
	Revenues and Expenses											
	Water Rate Revenues - Volume		$ 19,689,433	$ 22,777,062	$ 26,185,517	$ 29,886,862	$ 34,224,663	$ 38,285,443	$ 42,254,429	$ 46,498,551	$ 51,069,805	$ 55,575,432
	Water Rate Revenues - Assesment		949,661	999,044	1,050,994	1,105,646	1,163,139	1,223,623	1,287,251	1,354,188	1,424,606	1,498,685
	Non-Rate Revenues		220,000	220,000	220,000	220,000	220,000	220,000	220,000	220,000	220,000	220,000
	Total Revenues		20,859,095	23,996,106	27,456,511	31,212,508	35,607,803	39,729,066	43,761,680	48,072,739	52,714,411	57,294,118
	Operating Expenses		7,534,492	7,790,641	8,105,416	8,434,511	8,778,655	9,138,622	9,515,226	9,909,329	10,321,842	10,753,727
	Net Revenues for Transfers,Capital Outlays and Debt		13,324,603	16,205,465	19,351,095	22,777,997	26,829,147	30,590,444	34,246,454	38,163,409	42,392,569	46,540,391
	Capital Outlays		330,000	336,600	343,332	350,199	357,203	364,347	371,634	379,066	386,648	394,381
	Current Debt Service		9,598,520	9,606,340	9,608,100	9,607,557	9,607,438	9,609,711	9,604,774	9,587,686	9,598,999	9,604,124
	Future Debt Service		-	1,990,574	5,308,197	8,625,820	11,943,443	15,261,067	18,578,690	21,896,313	25,213,936	28,531,559
	Total Debt Service		9,598,520	11,596,914	14,916,297	18,233,377	21,550,881	24,870,778	28,183,464	31,483,999	34,812,935	38,135,683
	Total Contingencies & Transfers		-	-	-	-	-	-	-	-	-	-
	Total Cost of Service		17,463,012	19,724,154	23,365,045	27,018,087	30,686,739	34,373,747	38,070,323	41,772,395	45,521,425	49,283,791
	Net Revenues for Contingency/Coverage		**3,396,083**	**4,271,951**	**4,091,466**	**4,194,422**	**4,921,063**	**5,355,319**	**5,691,357**	**6,300,344**	**7,192,986**	**8,010,327**
	Percent of COS		19.4%	21.7%	17.5%	15.5%	16.0%	15.6%	14.9%	15.1%	15.8%	16.3%
	Debt Coverage											
	Excluding Transfers, CO, Debt		**1.39**	**1.40**	**1.30**	**1.25**	**1.24**	**1.23**	**1.22**	**1.21**	**1.22**	**1.22**
	All Inclusive		**1.35**	**1.37**	**1.27**	**1.23**	**1.23**	**1.22**	**1.20**	**1.20**	**1.21**	**1.21**
	Ending Water & Sewer Combined Fund Balance		**4,358,962**	**8,630,913**	**12,722,379**	**16,916,800**	**21,837,864**	**27,193,183**	**32,884,539**	**39,184,883**	**46,377,869**	**54,388,196**
	One Day Operating Expenditures (Op.Exp+Det Svc)		46,940	53,117	63,073	73,063	83,095	93,176	103,284	113,406	123,657	133,944
	Days of Operating Expenditures		**93**	**162**	**202**	**232**	**263**	**292**	**318**	**346**	**375**	**406**
			211	**404**	**573**	**732**	**908**	**1,086**	**1,261**	**1,443**	**1,640**	**1,846**
	Fund Balance Goal Days	90	4,224,578	4,780,493	5,676,587	6,575,644	7,478,516	8,385,879	9,295,567	10,206,574	11,129,123	12,054,923
	Over (Short) of Requirement		134,383	3,850,420	7,045,792	10,341,157	14,359,348	18,807,303	23,588,972	28,978,309	35,248,746	42,333,273

WILLDAN

BWRPWA
WATER/WASTEWATER COST OF SERVICE MODEL

	Current	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Model Summary											
Scenario:	***2025 04 02 -- Status Quo***										
5 Total Accounts											
Water Accounts											
Total Accounts		52,759	55,502	58,389	61,425	64,619	67,979	71,514	75,233	79,145	83,260
New Accounts		-	2,743	2,886	3,036	3,194	3,360	3,535	3,719	3,912	4,116
Avg. Annual Growth Rate			5.20%	5.20%	5.20%	5.20%	5.20%	5.20%	5.20%	5.20%	5.20%
Wastewater Accounts											
Total Accounts		-	-	-	-	-	-	-	-	-	-
New Accounts		-	-	-	-	-	-	-	-	-	-
Avg. Annual Growth Rate			0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
6 Annual Volume											
Water Volume											
Siloam Springs		8,589,672	9,036,335	9,506,224	10,000,548	10,520,577	11,067,647	11,643,164	12,248,609	12,885,536	13,555,584
BCWD		172,368,000	181,331,136	190,760,355	200,679,894	211,115,248	222,093,241	233,642,089	245,791,478	258,572,635	272,018,412
Total System		5,741,754,552	6,040,325,789	6,354,422,730	6,684,852,712	7,032,465,053	7,398,153,235	7,782,857,204	8,187,565,778	8,613,319,199	9,061,211,797
Wastewater Billing Units											
Residential Inside		-	-	-	-	-	-	-	-	-	-
Residential Outside		-	-	-	-	-	-	-	-	-	-
Total System		-	-	-	-	-	-	-	-	-	-

BWRPWA
WATER/WASTEWATER COST OF SERVICE MODEL

Water Summary
Scen: **2025 04 02 -- Status Quo**

1 Water Monthly Rates and Charges

		Current	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Monthly Minimum Charge												
Base Charge		$ 1.50	$ 1.50	$ 1.50	$ 1.50	$ 1.50	$ 1.50	$ 1.50	$ 1.50	$ 1.50	$ 1.50	$ 1.50
Volume Rate/1,000 Gal												
1	Above	3.20	3.45	3.80	4.15	4.50	4.90	5.20	5.45	5.70	5.95	6.15

3 Total Accounts

Total Accounts	**52,759**	**55,502**	**58,389**	**61,425**	**64,619**	**67,979**	**71,514**	**75,233**	**79,145**	**83,260**
New Accounts		2,743	2,886	3,036	3,194	3,360	3,535	3,719	3,912	4,116
Avg. Annual Growth Rate		5.20%	5.20%	5.20%	5.20%	5.20%	5.20%	5.20%	5.20%	5.20%

4 Annual Water Consumption

W.1	Siloam Springs	8,589,672	9,036,335	9,506,224	10,000,548	10,520,577	11,067,647	11,643,164	12,248,609	12,885,536	13,555,584
W.2	BCWD	172,368,000	181,331,136	190,760,355	200,679,894	211,115,248	222,093,241	233,642,089	245,791,478	258,572,635	272,018,412
W.3	Bella Vista	319,555,908	336,172,815	353,653,802	372,043,799	391,390,077	411,742,361	433,152,964	455,676,918	479,372,117	504,299,468
W.4	Centerton	1,215,704,322	1,278,920,947	1,345,424,836	1,415,386,927	1,488,987,048	1,566,414,374	1,647,867,922	1,733,557,054	1,823,702,020	1,918,534,525
W.5	Decatur	186,063,048	195,738,326	205,916,719	216,624,389	227,888,857	239,739,078	252,205,510	265,320,196	279,116,846	293,630,922
W.6	Garfield	16,536,042	17,395,916	18,300,504	19,252,130	20,253,241	21,306,409	22,414,343	23,579,888	24,806,043	26,095,957
W.7	Gateway	66,329,874	69,779,027	73,407,537	77,224,729	81,240,415	85,464,916	89,909,092	94,584,365	99,502,752	104,676,895
W.8	Gentry	1,154,680,920	1,214,724,328	1,277,889,993	1,344,340,273	1,414,245,967	1,487,786,757	1,565,151,668	1,646,539,555	1,732,159,612	1,822,231,912
W.9	Gravette	197,755,344	208,038,622	218,856,630	230,237,175	242,209,508	254,804,403	268,054,231	281,993,051	296,656,690	312,082,838
W.10	Highfill	158,818,644	167,077,213	175,765,229	184,905,020	194,520,082	204,635,126	215,276,152	226,470,512	238,246,979	250,635,822
W.11	Lincoln	400,177,962	420,987,216	442,878,551	465,908,236	490,135,464	515,622,508	542,434,879	570,641,492	600,314,850	631,531,222
W.12	Lost Bridge	33,787,206	35,544,141	37,392,436	39,336,843	41,382,359	43,534,241	45,798,022	48,179,519	50,684,854	53,320,466
W.13	Pea Ridge	319,411,242	336,020,627	353,493,699	371,875,372	391,212,891	411,555,961	432,956,871	455,470,628	479,155,101	504,071,166
W.14	Prairie Grove	160,743,420	169,102,078	177,895,386	187,145,946	196,877,535	207,115,167	217,885,156	229,215,184	241,134,373	253,673,361
W.15	Tontitown	282,666,078	297,364,714	312,827,679	329,094,719	346,207,644	364,210,441	383,149,384	403,073,152	424,032,956	446,082,670
W.16	WCRDA	948,294,864	997,606,197	1,049,481,719	1,104,054,769	1,161,465,617	1,221,861,829	1,285,398,644	1,352,239,373	1,422,555,821	1,496,528,723
W.17	Westville	100,272,006	105,486,150	110,971,430	116,741,944	122,812,526	129,198,777	135,917,113	142,984,803	150,420,013	158,241,854
W.18	Class 18	-	-	-	-	-	-	-	-	-	-
W.19	Class 19	-	-	-	-	-	-	-	-	-	-
W.20	Class 20	-	-	-	-	-	-	-	-	-	-
	Total System	**5,741,754,552**	**6,040,325,789**	**6,354,422,730**	**6,684,852,712**	**7,032,465,053**	**7,398,153,235**	**7,782,857,204**	**8,187,565,778**	**8,613,319,199**	**9,061,211,797**

WILLDAN

BWRPWA
WATER/WASTEWATER COST OF SERVICE MODEL

Water Summary
Scen: **2025 04 02 -- Status Quo**

		Current	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
5	**Revenues and Expenses -- CASH BASIS**											
	Water Revenues											
	Water Rate Revenue											
W.1	Siloam Springs		$ 30,360	$ 35,027	$ 40,175	$ 45,764	$ 52,308	$ 58,441	$ 64,439	$ 70,852	$ 77,758	$ 84,569
W.2	BCWD		639,797	735,021	840,009	953,927	1,087,098	1,212,106	1,334,519	1,465,362	1,606,204	1,745,264
W.3	Bella Vista		1,174,484	1,350,416	1,544,417	1,754,942	2,001,124	2,232,136	2,458,301	2,700,051	2,960,297	3,217,194
W.4	Centerton		4,383,100	5,047,986	5,781,380	6,577,397	7,508,812	8,382,248	9,236,958	10,150,669	11,134,430	12,105,121
W.5	Decatur		659,353	760,517	872,135	993,304	1,135,162	1,268,110	1,398,154	1,537,188	1,686,901	1,834,569
W.6	Garfield		62,282	71,464	81,586	92,566	105,397	117,447	129,251	141,867	155,446	168,857
W.7	Gateway		244,558	281,116	321,426	365,169	416,316	464,316	511,312	561,546	615,622	669,006
W.8	Gentry		4,015,034	4,638,847	5,327,328	6,074,869	6,950,567	7,770,731	8,572,619	9,430,030	10,353,431	11,263,849
W.9	Gravette		713,465	821,645	940,971	1,070,484	1,222,024	1,364,134	1,503,199	1,651,864	1,811,925	1,969,862
W.10	Highfill		578,357	665,516	761,641	865,963	987,990	1,102,462	1,214,506	1,334,277	1,463,222	1,590,481
W.11	Lincoln		1,421,605	1,639,366	1,879,620	2,140,428	2,445,743	2,731,905	3,011,833	3,311,108	3,633,365	3,951,237
W.12	Lost Bridge		123,545	142,113	162,590	184,813	210,804	235,189	259,059	284,575	312,044	339,156
W.13	Pea Ridge		1,180,766	1,356,973	1,551,258	1,762,080	2,008,563	2,239,905	2,466,423	2,708,545	2,969,178	3,226,490
W.14	Prairie Grove		626,381	716,729	816,262	924,209	1,050,199	1,168,670	1,284,819	1,408,934	1,542,482	1,674,483
W.15	Tontitown		1,024,362	1,179,229	1,350,038	1,535,423	1,752,306	1,955,724	2,154,805	2,367,624	2,596,748	2,822,854
W.16	WCRDA		3,403,576	3,921,410	4,492,642	5,112,679	5,838,285	6,518,617	7,184,290	7,895,933	8,662,161	9,418,134
W.17	Westville		358,070	412,731	473,032	538,490	615,105	686,926	757,192	832,312	913,198	992,992
W.18	Class 18		-	-	-	-	-	-	-	-	-	-
W.19	Class 19		-	-	-	-	-	-	-	-	-	-
W.20	Class 20		-	-	-	-	-	-	-	-	-	-
			20,639,095	23,776,106	27,236,511	30,992,508	35,387,803	39,509,066	43,541,680	47,852,739	52,494,411	57,074,118
	Non-Rate Revenues		220,000	220,000	220,000	220,000	220,000	220,000	220,000	220,000	220,000	220,000
	Total Revenues		**20,859,095**	**23,996,106**	**27,456,511**	**31,212,508**	**35,607,803**	**39,729,066**	**43,761,680**	**48,072,739**	**52,714,411**	**57,294,118**
	Water Cost of Service											
	Cost Center Code											
1	Personnel		$ 3,884,592	$ 3,954,780	$ 4,073,423	$ 4,195,626	$ 4,321,495	$ 4,451,139	$ 4,584,674	$ 4,722,214	$ 4,863,880	$ 5,009,797
3	Customer Operations		2,597,800	2,746,788	2,904,562	3,071,656	3,248,634	3,436,100	3,634,691	3,845,086	4,068,008	4,304,222
5	Maintenance		687,250	708,818	731,080	754,059	777,781	802,269	827,549	853,649	880,595	908,417
7	Water Distribution		66,500	69,955	73,592	77,420	81,451	85,693	90,160	94,864	99,816	105,030
11	Admin		137,750	141,883	146,139	150,523	155,039	159,690	164,481	169,415	174,498	179,733
762	Other		-	-	-	-	-	-	-	-	-	-
0	#N/A		-	-	-	-	-	-	-	-	-	-
	Total		7,534,492	7,790,641	8,105,416	8,434,511	8,778,655	9,138,622	9,515,226	9,909,329	10,321,842	10,753,727
	Budget Code											
100	Personnel Svcs		$ 3,415,092	$ 3,517,545	$ 3,623,071	$ 3,731,763	$ 3,843,716	$ 3,959,028	$ 4,077,798	$ 4,200,132	$ 4,326,136	$ 4,455,920
200	Contractual		466,000	433,630	446,639	460,038	473,839	488,054	502,696	517,777	533,310	549,310
300	Supplies		1,301,150	1,379,841	1,463,644	1,552,904	1,647,991	1,749,297	1,857,244	1,972,282	2,094,890	2,225,585
400	Operations		689,100	713,723	739,282	765,816	793,363	821,965	851,665	882,508	914,542	947,814
500	Utilities		1,663,150	1,745,903	1,832,780	1,923,990	2,019,747	2,120,278	2,225,823	2,336,630	2,452,964	2,575,099
600	Capital Outlay		-	-	-	-	-	-	-	-	-	-
	Total		7,534,492	7,790,641	8,105,416	8,434,511	8,778,655	9,138,622	9,515,226	9,909,329	10,321,842	10,753,727

BWRPWA
WATER/WASTEWATER COST OF SERVICE MODEL

Water Summary
Scen: **2025 04 02 -- Status Quo**

	Current	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Total Operating Expenses		**7,534,492**	**7,790,641**	**8,105,416**	**8,434,511**	**8,778,655**	**9,138,622**	**9,515,226**	**9,909,329**	**10,321,842**	**10,753,727**
Net Revenues for Transfers,Capital Outlays and Debt Service		13,324,603	16,205,465	19,351,095	22,777,997	26,829,147	30,590,444	34,246,454	38,163,409	42,392,569	46,540,391
Capital Outlays		**330,000**	**336,600**	**343,332**	**350,199**	**357,203**	**364,347**	**371,634**	**379,066**	**386,648**	**394,381**
Debt Service											
Debt Service -- Current		9,598,520	9,606,340	9,608,100	9,607,557	9,607,438	9,609,711	9,604,774	9,587,686	9,598,999	9,604,124
Debt Service -- Future		-	1,990,574	5,308,197	8,625,820	11,943,443	15,261,067	18,578,690	21,896,313	25,213,936	28,531,559
Total Debt Service		**9,598,520**	**11,596,914**	**14,916,297**	**18,233,377**	**21,550,881**	**24,870,778**	**28,183,464**	**31,483,999**	**34,812,935**	**38,135,683**
Net Revenues for Contingencies & Transfers		3,396,083	4,271,951	4,091,466	4,194,422	4,921,063	5,355,319	5,691,357	6,300,344	7,192,986	8,010,327
Total Contingencies & Transfers		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total Cost of Service		**17,463,012**	**19,724,154**	**23,365,045**	**27,018,087**	**30,686,739**	**34,373,747**	**38,070,323**	**41,772,395**	**45,521,425**	**49,283,791**
Net Revenues		**3,396,083**	**4,271,951**	**4,091,466**	**4,194,422**	**4,921,063**	**5,355,319**	**5,691,357**	**6,300,344**	**7,192,986**	**8,010,327**
Percent of COS		16.3%	17.8%	14.9%	13.4%	13.8%	13.5%	13.0%	13.1%	13.6%	14.0%
Debt Coverage											
Excludes Capital Outlays, G/F Transfers		1.39	1.40	1.30	1.25	1.24	1.23	1.22	1.21	1.22	1.22
All Inclusive		1.35	1.37	1.27	1.23	1.23	1.22	1.20	1.20	1.21	1.21