



NEWS RELEASE

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BEAVER WATER DISTRICT BOARD DEFERS RATE INCREASE

Approximately two years ago, on April 17, 2007, Beaver Water District board members approved a long-range financial plan that proposed increases of 2¢/1000 gallons for 2008, 2009, 2010, 2011 and 3¢/1000 gallons in 2012. But that was before the global economic downturn that has impacted Northwest Arkansas as well. At the meeting today, Board members decided to defer the planned 2-cent increase for 2010.

“During these difficult times, the Board feels it is necessary to be sensitive to our customer cities. Deferring this increase is the right thing to do,” said David Short, President of the Board.

“Our intent with the original 5-year plan of increases was to minimize the impact while also bearing in mind the increased costs the District would be incurring with rising chemical costs and capital improvement needs. But right now, it’s important that all of us tighten our belts and look for ways to economize. We’re doing that at the District and the cities are doing it, too. It’s a team effort to keep the water flowing and do so at a price that everyone can afford.”

Alan D. Fortenberry P.E., CEO of the District, said staff developed the long-range financial plan at the direction of the Board two years ago, and plans are never set in stone. Adjustments can always be made to meet current needs.

“The idea was to give the Board a long-range financial plan that would minimize rate increases and avoid large rate increases in any one year while providing financial resources to ensure the District has the capacity to meet future demands of its customer cities. The plan called for the board to revisit and approve the increase each year. Management suggested the increase be deferred this year, in light of the economic downturn.”

Chris Weiser, a member of the District’s Board who also sits on the Springdale Water & Sewer Commission, agreed with Fortenberry’s statement.

“The goal of the plan was to establish future long term financial needs to meet operational, debt service and capital requirements of the District and to spread out proposed rate increases over several years so that the District’s customers would have multiple small increases in lieu of a single large increase. Right now, we are simply putting this plan on hold for a year and holding to the \$1.20 per 1000 gallons that we approved last year. As a member of the Springdale Water & Sewer Commission, I can say this delay is in line with what we need right now. Springdale, like our sister cities in Northwest Arkansas, is doing everything it can to operate efficiently in the face of lowered revenues.”

Tyson Foods also responded positively to the news.

“Like others in the business community, we extend our appreciation to the board for holding the line on costs during these challenging economic times,” said Archie Schaffer, senior vice president of External Relations for Tyson Foods. “Water is a vital resource to everyone in northwest Arkansas, including food processors like Tyson. Keeping it affordable is important to all us.”

Tom McAlister, Superintendent of Rogers Water Utility, said no rate increase for 2010 is great news, especially right now. “It’s a positive for us, obviously,” he said.

Beaver Water District supplies drinking water to more than 250,000 people and industries in Fayetteville, Springdale, Rogers, Bentonville and surrounding areas. These cities then resell the water to surrounding towns and communities. The District’s mission is to serve our customers in the Benton and Washington County area by providing high quality drinking water that meets or exceeds all federal and state regulatory requirements in such quantities as meets their demands and is economically priced consistent with our quality standards. For more information, visit www.bwdh2o.org.

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