

State of Arkansas
92nd General Assembly
Regular Session, 2019

A Bill

HOUSE BILL 1729

By: Representatives Love, A. Davis

By: Senators J. English, Bond

For An Act To Be Entitled

AN ACT TO AMEND THE LAW CONCERNING INTERLOCAL
COOPERATION; AND FOR OTHER PURPOSES.

Subtitle

TO AMEND THE LAW CONCERNING INTERLOCAL
COOPERATION.

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

SECTION 1. Arkansas Code § 25-20-103, concerning definitions, is amended to add an additional subdivision to read as follows:

(7) "Storm water system" means all or any portion of the collective facilities and parts designed, organized, and implemented for the collection, storage, transmission, and disposition of excess storm water runoff in its entirety, or any integral parts thereof, that is formed under the authority of state law and includes without limitation inlets, street gutters, roadway gutters, roadside ditches, channels, swales, aboveground drain pipes, underground drain pipes, natural waterways, conduits, and water impoundments.

SECTION 2. Arkansas Code § 25-20-306(a)(14)-(18), concerning the general powers of a public body, are amended to read as follows:

(14) Have such other and further powers relating to the ownership and operation of ~~waterworks systems~~ a water system, a wastewater system, and a storm water system as are now by law given to the governing body of any participating public agency and do any and all other acts and



things necessary, convenient, or desirable to carry out the purposes of, and to exercise the powers granted to, the public body by this subchapter;

(15) Own and operate or operate on behalf of a ~~wastewater system that the public body acquires from a~~ municipality, county, corporation, organization, other public body, or entity ~~from which the public body simultaneously acquires or previously acquired a water system~~ authorized by law any one (1) or more of the following:

(A) Storm water system;

(B) Water system; or

(C) Wastewater system;

~~(16) Manage or operate a water system under a contract executed by the public body and a municipality, county, corporation, organization, other public body, or entity authorized by law to own and operate the water system;~~

~~(17)~~ Purchase goods and services under applicable law for the public body; and

~~(18)~~(17) Purchase professional services under § 19-11-801 et seq. or by any method of competitive bidding including without limitation reverse auctions.

SECTION 3. Arkansas Code § 25-20-307(a), concerning the operation of a consolidated waterworks system, is amended to read as follows:

(a) "Consolidated waterworks system" means and includes+

~~(1) A waterworks and distribution system in its entirety, or any integral part thereof, including land, mains, pipelines, hydrants, meters, valves, standpipes, storage tanks, storage basins, pumping tanks, intakes, wells, clear water wells, impounding reservoirs, lakes, watercourses, pumps, purification plants and units thereof, filtration plants and units thereof, as well as all other real and personal property, buildings, structures, and other improvements and facilities as may be necessary or advisable for the proper and efficient operation of the public body's facilities; and~~

~~(2) One (1) or more wastewater systems, if any, acquired by the public body~~ real property, personal property, buildings, structures, improvements, equipment, and facilities of a system or systems of a public body formed under this subchapter.

SECTION 4. Arkansas Code § 25-20-307(c)(1), concerning the operation of a consolidated waterworks system, is amended to read as follows:

(c)(1) Unless the interlocal agreement provides otherwise, a public body created under this subchapter shall have full authority to fix, charge, and collect and from time to time change the rates for water, wastewater service, storm water service, and other goods and services provided by the public body.

SECTION 5. Arkansas Code § 25-20-308 is amended to read as follows:
25-20-308. Out-of-area sales and services.

(a) Any public body created under this subchapter may:

(1) Extend its distribution system and provide water, wastewater service, storm water service, and other goods and services to any consumer located outside the jurisdictions of the public body's participating public agencies; and

(2) Sell surplus water to any municipality, improvement district, or other entity that sells and distributes water subject to regulation of the Department of Health, whether the municipality, improvement district, or other entity is located within or outside the jurisdictions of the public body's participating agencies.

(b) Sales of water, wastewater service, storm water service, and other goods and ~~extensions of~~ services authorized under this section may be made at ~~such~~ rates and on ~~such~~ other terms as the board of commissioners ~~may~~ deem just and reasonable, and the rates need not be the same as the rates charged customers within the jurisdictions of the public body's participating public agencies.

SECTION 6. Arkansas Code § 25-20-310(e) and (f), concerning improvements and financing with bonds, are amended to read as follows:

(e)(1) The resolution shall fix the minimum rate or rates for water or other services provided by the consolidated ~~water~~ waterworks system to be collected ~~prior to~~ before the payment of all of the bonds, with exceptions as may be provided in the resolution, and shall pledge the revenues derived from the consolidated waterworks system or any specified portion of the consolidated waterworks system for the purpose of paying the bonds and interest ~~thereon~~.

(2) The rates to be charged for the water or other services of the consolidated waterworks system or the specified portion of the consolidated waterworks system with revenues pledged to the payment of the bonds shall be sufficient to provide:

(A) For the payment of all principal of and interest on all bonds as and when due;

(B) For the operation and maintenance of the consolidated waterworks system or the specified portion of the consolidated waterworks system with revenues pledged to the payment of the bonds; and

(C) An adequate depreciation account for the consolidated waterworks system or the specified portion of the consolidated waterworks system with revenues pledged to the payment of the bonds.

(f)(1) The proceeds derived from the sale of the bonds shall be used solely for the purpose of:

(A) Making betterments, improvements, and extensions to the consolidated waterworks system owned and operated by the public body;

(B) Paying interest on the bonds during the period of construction of the betterments, improvements, and extensions;

(C) Establishing any necessary reserves for the bonds;

(D) Paying the costs of issuing the bonds; and

(E) Paying any other costs and expenditures of whatever nature incidental to the accomplishment of the betterments, improvements, and extensions.

(2) The terms "betterments", "improvements", and "extensions" include ~~land, mains, pipelines, hydrants, meters, valves, standpipes, storage tanks, storage basins, pumping tanks, intakes, wells, clear water wells, impounding reservoirs, lakes, watercourses, pumps, purification plants and units thereof, and filtration plants and units thereof, as well as all other~~ real and property, personal property, buildings, structures, ~~or other~~ improvements or, equipment, and facilities as may be necessary or advisable for the proper and efficient operation of the public body's consolidated waterworks system.

APPROVED: 3/29/19