

BELLA VISTA WATER INDEPENDENCE PLAN

Securing Bella Vista's Water Future for the Next Generation

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Prioritizing Our Residents. Planning for Our Future.

EXECUTIVE SUMMARY

Water is not simply another service. It is one of the most important pieces of infrastructure a city depends upon. It affects our homes, businesses, development, fire protection, emergency preparedness and ultimately Bella Vista's ability to grow responsibly.

Today, much of Bella Vista's water infrastructure is operated by the Bella Vista Property Owners Association. The POA has played an important role in developing and maintaining infrastructure that helped Bella Vista become the community it is today.

That deserves recognition, but Bella Vista has changed. We are now a rapidly growing incorporated city facing infrastructure decisions that will affect residents for generations and I believe it is time to seriously investigate whether Bella Vista's water infrastructure should eventually become a municipally owned and operated public utility.

My position is not that the City should simply take the water system from the POA. My position is rather It's about determining whether Bella Vista's most essential infrastructure should evolve with the City of Bella Vista. This plan establishes a deliberate process to answer that question.

- Study it
- Value it
- Understand it
- Determine the risks
- Determine the opportunities
- Engage the POA
- Engage the residents
- Negotiate responsibly

Once these things are determined, only then determine whether municipal ownership is in Bella Vista's best long-term interest.

1. THE PROBLEM

Bella Vista's growth is changing the demands placed upon our infrastructure. Every new home creates additional demand for:

- Water
- Roads
- Fire protection
- Police services
- Emergency medical services
- Sewer and wastewater solutions
- Electrical infrastructure

- Communications infrastructure

Yet many of these systems are controlled or operated by different organizations which creates a fundamental planning challenge.

- The City makes decisions involving development
- The City plans streets
- The City operates the Fire Department
- The City establishes building and development requirements
- The City is responsible for emergency management

But the City does not control much of the water infrastructure upon which those responsibilities depend.

That doesn't necessarily mean the existing system is failing. It means we should ask whether the current organizational structure is the best structure for the Bella Vista of the future.

2. WHY THIS MATTERS

Water planning cannot be separated from growth planning. Imagine Bella Vista 20 years from now. There be hundreds of additional homes. There will be significantly more residents. There may be new commercial development. There will be new fire stations. Finally there will certainly be additional roads and infrastructure and every one of those developments depends upon water.

We therefore need to know:

- Where will the water come from?
- How much will we need?
- How will it reach residents?
- Will adequate pressure exist?
- Will adequate fire flow exist?
- What infrastructure must be replaced?
- What infrastructure must be expanded?
- Who will pay for it?
- Who is responsible for making sure all of those pieces work together?

Bella Vista cannot responsibly plan its growth without also planning its water future.

3. WHAT WE KNOW TODAY

- We know that Bella Vista already has an established water distribution system serving a substantial portion of the community.
- We know the POA has invested considerable resources into operating and maintaining that residents depend on every day.
- We know the City's Fire Department depends upon portions of the water system for fire protection.
- We know Bella Vista continues to grow.
- We know that Arkansas municipalities can own and operate municipal water utilities.

What we do not yet know is equally important. We do not yet have all of the information necessary to determine whether transferring the existing system to municipal ownership would be financially,

operationally or legally beneficial and that is precisely why this plan begins with investigation rather than acquisition.

4. QUESTIONS THAT MUST BE ANSWERED

Before Bella Vista makes any decision, we need answers.

Asset Questions

- What exactly does the POA water system own?
- What is the condition of those assets?
- How old are the major components?
- What is their remaining useful life?
- What land, buildings, easements, pumps, tanks, lines, meters, vehicles and equipment belong to the system?
- What is the fair value of those assets?

Financial Questions

- What is the annual water revenue?
- What are annual operating expenses?
- What reserves exist?
- What debt exists?
- What contractual obligations exist?
- What major capital expenditures are anticipated?
- What would the system cost to operate under municipal ownership?

Operational Questions

- How many employees are necessary?
- What specialized expertise must be retained?
- What technology systems are used?
- What regulatory licenses and certifications are required?
- What emergency-response capabilities currently exist?
- Future Questions
- What will water demand look like in 10 years?
- 20 years?
- 30 years?
- 50 years?
- What infrastructure will be required to serve that demand?
- Where will that water ultimately come from?

5. MY PROPOSAL

I propose establishing a formal ***BELLA VISTA WATER FUTURE INITIATIVE***

Its purpose would initially be investigation, not acquisition. The City should commission an independent professional analysis of the feasibility of municipal water ownership.

The analysis should include:

- Engineering
- Finance
- Utility operations
- Asset valuation
- Legal authority
- Water supply
- Infrastructure condition
- Future capacity
- Fire protection
- Rate impacts
- Financing opportunities
- Transition costs
- Regulatory requirements
- The results should be presented publicly.

Residents should then be able to evaluate the same facts being considered by City leadership.

6. PHASE ONE — THE WATER FUTURE STUDY

The first formal action should be a comprehensive feasibility study. I would seek City Council authorization to engage qualified independent professionals.

Engineering Assessment

Engineers should evaluate:

- Distribution lines
- Storage facilities
- Pumping facilities
- Pressure zones
- Hydrants
- Meters
- System capacity
- Infrastructure age
- Deferred maintenance
- Future expansion requirements
- Fire-flow capability

The result should be a complete picture of what we would potentially be acquiring and what investment it will require.

Financial Assessment

Financial professionals should examine:

- Revenue
- Expenses
- Debt

- Reserves
- Capital requirements
- Employee costs
- Insurance
- Equipment
- Financing
- Rate structures
- Transition expenses

The City should know the true financial picture before entering negotiations.

Legal Assessment

Municipal and utility attorneys should determine:

- City authority
- POA authority
- Regulatory requirements
- Contractual obligations
- Existing debt restrictions
- Required approvals
- Member approval requirements, if applicable
- State approval requirements
- Financing restrictions
- Water-supply agreements
- Property and easement issues

We should not speculate about these questions rather we should obtain professional answers.

7. CITY/POA PARTNERSHIP

This initiative should not begin with confrontation, it should begin with a conversation.

I would request that the City and POA establish a **JOINT WATER FUTURE WORKING GROUP**

Representatives could include:

- City leadership
- City Council
- POA leadership
- POA Board members
- Water-system professionals
- Fire Department representatives
- Engineers
- Financial professionals
- Legal counsel

The group's purpose would not be to predetermine an outcome. Its purpose would be to exchange information and determine whether there is a mutually beneficial path forward.

The POA deserves a seat at the table, so does the City and most importantly, so do the residents.

8. FINANCIAL ANALYSIS

I will not support an acquisition simply because municipal ownership sounds appealing. The facts and data must work.

The analysis must determine:

Acquisition Cost

- What is a reasonable value for the system?

Debt

- Would the City assume existing obligations?
- Would those obligations remain with the POA?
- Could they be refinanced?

Rates

- What happens to residents' water bills?
- Could rates remain stable?
- What future increases would be necessary regardless of ownership?

Capital Improvements

- How much must be invested during the next:
- 5 years?
- 10 years?
- 20 years?

Financing

Could a municipal utility qualify for:

- Revenue bonds
- State water infrastructure programs
- Revolving loan programs
- Federal infrastructure funding
- Grants
- Other public financing opportunities

Every available financing mechanism should be investigated.

9. LEGAL AUTHORITY

Arkansas law provides mechanisms for municipal ownership and operation of water utilities. However, the specific structure of any potential Bella Vista transaction must be professionally evaluated.

Questions include:

- What authority does the City have?
- What authority does the POA Board have?
- What authority belongs to POA members?
- What state approvals would be required?

- What happens to existing contracts?
- What happens to existing debt?
- What regulatory approvals are necessary?
- How would assets and easements legally transfer?

This portion of the plan must be developed with experienced Arkansas municipal and utility counsel before any binding agreement is considered.

10. WATER RESOURCES & FUTURE SUPPLY

Acquiring existing pipes is not enough. Bella Vista needs a long-term water strategy. I want Bella Vista to investigate something much larger:

WATER SECURITY

- Where will Bella Vista's water come from in 2050?
- What about 2075?
- Could Bella Vista secure long-term water rights?
- Could we participate in regional water infrastructure?
- Could we secure additional sources?
- Could we negotiate long-term supply agreements?
- Could strategic land acquisition protect future infrastructure sites?
- Could additional storage increase Bella Vista's resilience?

The ultimate goal should not simply be owning today's system. It should be securing tomorrow's water.

11. INFRASTRUCTURE & FIRE PROTECTION

Water infrastructure and fire protection are inseparable and our firefighters need dependable:

- Hydrants
- Pressure
- Flow
- Storage
- Distribution

Future fire stations must be coordinated with future water infrastructure. Future development must consider fire-flow requirements and areas experiencing rapid development should not be allowed to outgrow the infrastructure necessary to protect them. Under municipal ownership, water planning could potentially become directly integrated with:

- Fire Department planning
- Street planning
- Development planning
- Building inspections
- Emergency management
- Capital improvement planning

That potential advantage deserves serious analysis.

12. PUBLIC TRANSPARENCY

A project this significant cannot happen behind closed doors. I would establish a public Water Future Dashboard where residents would be able to see:

- Studies
- Financial information
- Meeting schedules
- Engineering findings
- Legal findings
- Proposed agreements
- Projected rates
- Capital requirements
- Frequently asked questions
- Project milestones

Major public presentations would be recorded and made available online. Residents would have opportunities to participate/submit questions and those questions will receive answers.

13. THE 2027 POA CONVERSATION

The 2027 POA Board election presents an important opportunity for residents to discuss Bella Vista's water future. I do not believe candidates for the POA Board should be asked to blindly promise that they will transfer the water system as that would be irresponsible. They should instead be asked something much more reasonable:

"Will you support an independent evaluation of municipal water ownership and participate in good-faith discussions with the City if the analysis demonstrates potential benefits for both POA members and Bella Vista residents?"

That is a fair question.

- Residents should ask candidates where they stand
- Residents should ask whether they support transparency
- Residents should ask whether they support obtaining an independent valuation
- residents should ask whether they are willing to consider changing a system established for yesterday if a better system can be demonstrated for tomorrow

The objective should not be electing an anti-POA board. The objective should be electing thoughtful board members willing to evaluate a major opportunity based upon facts.

14. IMPLEMENTATION TIMELINE

PHASE 1 — ASK THE QUESTIONS

- Begin the public conversation.
- Gather resident questions.
- Meet with water professionals.
- Meet with POA leadership.
- Identify available information.

PHASE 2 — STUDY THE SYSTEM

Commission:

- Engineering study
- Financial study
- Legal review
- Asset valuation
- Water-supply analysis
- Rate analysis

PHASE 3 — PUBLIC REVIEW

- Publish findings.
- Hold public meetings.
- Allow residents to question the professionals who conducted the studies.
- Correct misinformation.
- Identify concerns.

PHASE 4 — CITY/POA NEGOTIATIONS

If the studies demonstrate potential benefits, begin formal discussions and possible structures should all remain available for consideration.

The answer could include:

- Purchase
- Phased acquisition
- Transfer with assumption of obligations
- Long-term agreement
- Joint operation
- Another structure identified through professional analysis

The structure should follow the facts.

PHASE 5 — FINAL PROPOSAL

Develop a complete proposal identifying:

- Purchase or transfer terms
- Financing
- Rate impacts
- Employee transition
- Governance
- Capital improvements
- Water supply
- Regulatory approvals
- Implementation schedule

- Resident protections

Residents should be able to see exactly what is proposed before final commitments are made.

PHASE 6 — TRANSITION

If approved, transition should occur gradually.

- Water service cannot be disrupted.
- Customers should see continuity.
- Employees should know their future.
- Emergency operations should remain intact.
- Billing systems must function.
- Regulatory compliance must continue.

A successful transition should be almost invisible to the resident turning on the faucet.

15. SAFEGUARDS FOR RESIDENTS

There are several principles we should all insist upon before supporting a final acquisition.

NO COMPROMISE ON WATER QUALITY

- Water quality and regulatory compliance come first.

NO INTERRUPTION OF SERVICE

- Transition planning must ensure continuous service.

PROTECT RESIDENTS FROM FINANCIAL SURPRISES

- Projected rate impacts must be disclosed before approval.

PROFESSIONAL MANAGEMENT

- A municipal utility must be professionally managed by qualified water professionals.

PROTECT EXISTING EXPERTISE

- Experienced employees should be treated as assets, not obstacles.

MAINTAIN FINANCIAL DISCIPLINE

- Water-system revenue should support the operation, maintenance, debt obligations and long-term needs of the water system.

BUILD RESERVES

- Future infrastructure replacement must be planned rather than postponed.

PUBLIC ACCOUNTABILITY

- Residents should be able to see where their water dollars are going.

16. THE LONG-TERM VISION

Imagine Bella Vista several decades from now. Instead of reacting to growth, we planned for it.

- Instead of wondering whether enough water infrastructure exists for future development, we already know.
- Instead of planning fire protection separately from water capacity, the systems are coordinated.
- Instead of waiting for infrastructure to fail, replacement schedules are funded years ahead.
- Instead of wondering where Bella Vista's future water will come from, long-term supply has been secured.
- Instead of multiple organizations separately planning pieces of the same infrastructure puzzle, Bella Vista has a coordinated infrastructure strategy.

That is the opportunity I want us to investigate.

THE BOTTOM LINE

I am not asking Bella Vista residents to support purchasing or taking over the POA water system today. I am asking Bella Vista to have the courage to investigate whether doing so could make our community stronger tomorrow. Maybe the analysis tells us municipal ownership isn't financially responsible. If so, we stop. Maybe it identifies risks we haven't considered. Then we address them.

But perhaps it shows that Bella Vista has an opportunity to bring one of its most essential pieces of infrastructure under municipal ownership, coordinate it with our growth, strengthen our public-safety planning and secure our water future for generations. If that opportunity exists, I want Bella Vista to know about it because the responsibility of leadership isn't simply managing the city we inherited. It is preparing the city we are leaving behind.

This isn't about the City taking something from the POA. It's about determining whether Bella Vista's most essential infrastructure should evolve with Bella Vista.

LET'S ASK THE QUESTIONS - LET'S GET THE FACTS - LET'S BUILD THE PLAN - THEN LET'S DECIDE WHAT IS BEST FOR BELLA VISTA.

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