

1 State of Arkansas  
2 92nd General Assembly  
3 Regular Session, 2019

# A Bill

HOUSE BILL 1729

4  
5 By: Representatives Love, A. Davis  
6 By: Senators J. English, Bond

## For An Act To Be Entitled

7  
8  
9 AN ACT TO AMEND THE LAW CONCERNING INTERLOCAL  
10 COOPERATION; AND FOR OTHER PURPOSES.

## Subtitle

11  
12  
13  
14 TO AMEND THE LAW CONCERNING INTERLOCAL  
15 COOPERATION.

16  
17  
18 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

19  
20 SECTION 1. Arkansas Code § 25-20-103, concerning definitions, is  
21 amended to add an additional subdivision to read as follows:

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

30  
31 SECTION 2. Arkansas Code § 25-20-306(a)(14)-(18), concerning the  
32 general powers of a public body, are amended to read as follows:

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



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

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

8 (A) Storm water system;

9 (B) Water system; or

10 (C) Wastewater system;

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

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

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

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

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

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

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

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

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

8  
9 SECTION 5. Arkansas Code § 25-20-308 is amended to read as follows:  
10 25-20-308. Out-of-area sales and services.

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

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

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

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

27  
28 SECTION 6. Arkansas Code § 25-20-310(e) and (f), concerning  
29 improvements and financing with bonds, are amended to read as follows:

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

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

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

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

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

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

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

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

19 (C) Establishing any necessary reserves for the bonds;

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

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

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

33  
 34  
 35 **APPROVED: 3/29/19**