



Asa Hutchinson
Governor

ARKANSAS DEPARTMENT OF AGRICULTURE

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Wes Ward
Secretary of Agriculture

December 20, 2022

The Honorable Bill Edwards via email at bedwards@centertonar.us
Mayor, City of Centerton
Post Office Box 208
Centerton, Arkansas 72719

RE: City of Centerton (Centerton Utilities) – Revised Rate Study

Mayor Edwards,

The Natural Resources Division has received the revised rate study performed and submitted for **Centerton Utilities** as required by Act 605 of 2021. It is our understanding that this revised study was submitted as planning is underway for a major development project of approximately \$13,000,000.00. Your rate study provider has provided certification that the rate study complies with all rate study provider requirements and is in compliance with Act 605 of 2021 and the Rules implementing the Act.

Our review of the revised rate study indicates what appears to be an objective and unbiased review of the Utilities' fiscal status and indicates that a **rate increase is necessary for compliance**. In order to avoid a finding of fiscal distress as determined by the Act, such rate increase must be implemented in accordance with the Act and a **copy of the enacted Rate Ordinance provided to the Department**.

As this study was submitted considering the city's currently anticipated major development project, please be aware that an updated study including the required Asset Management Plan must be submitted by the established deadline of **July 1, 2026**. Should the city/utility desire to undertake an additional major development project prior to that date, an updated rate study including the required Asset Management Plan would be required prior to that undertaking.

Should you have questions, please contact me at 501-682-3977 or via email at darla.brooks@agriculture.arkansas.gov.

Sincerely,

Darla Brooks
Audit Coordinator

cc: Mr. Malcolm Attwood, Director of Public Works via email at malcolm@centertonutilities.com
Mr. Mark Johnson, PE, PL, ESI via email at mjohnson@engineeringservices.com
Mr. Tim Mays, PE, ESI via email at tmays@engineeringservices.com
Mr. Jeff Dehnhardt, PE, ESI via email at jdehnhardt@engineeringservices.com