City of Bentonville
Bentonville Utility Board Meeting
Tuesday, April 4^{th} – 11:30 am
Bentonville City Hall 305 SW "A" St.
City Council Chambers

AGENDA

Call to Order
Pledge of Allegiance
Attendance
Approval of Minutes: March 21^{st}, 2023

New Business

1. Resolution/Budget Adjustment– Addendum #6 WMT Campus MSA – Travis Matlock, PE (pages 2-12)
2. Resolution – Change Order Ampirical Contract – Travis Matlock, PE (pages 13-15)
3. Ordinance/Waiver of Bid – Pick-up Truck – Travis Matlock, PE (pages 16-18)
4. Resolution – Agreement w/ Invoice Cloud to accept Echeck/ACH – Gary Wilson (pages 19-25)
5. Resolution – Agreement w/ Invoice Cloud to accept PayPal – Gary Wilson (pages 26-33)
6. Informational – Raftelis Final Update – Wastewater Rate Study – Mike Bender, PE (pages 34-49)
7. Resolution – Setting Public Hearing Date – Wastewater Rate Study – Mike Bender, PE (pages 50-51)
8. Adjournment

Agenda Item Form

Date of City Council Meeting	4/11/2023
Department	Electric
Submitted by	Travis Matlock
Phone	479-271-5941

Item Type: (*Check All That Apply*)

☑ Budget Adjustment	☐ Change Order	☐ Informational	☐ Ordinance	☑ Resolution	☐ Bid Award

Recommendation/Suggested Action *(Enter recommendation in space below):*

Resolution authorizing the Mayor and City Clerk to enter into Addendum #6 to the Wal-Mart Master Development Agreement and approving a budget adjustment related to final engineering, procurement, and construction for the electric upgrades on Hwy 102 and "J" St. required for the WMT Global Home Office for $3,735,474.50. This item requires a budget adjustment recognizing payment of this expense by Wal-Mart.

Estimated Cost	$3,735,474.50
Is this Item Budgeted?	☐ Yes ☑ No

If no, please explain how item will be funded *(briefly explain in space below)* :

The developer will pay the costs of the electric imporvements for the campus. A budget adjustment will recognize the money from the developer.

Budget Adjustment Request

Date of City Council Meeting	4/11/2023
Department	Electric
Submitted by	Travis Matlock, PE
Phone	479-271-5941

Purpose of Budget Adjustment *(Enter purpose in space below):*

Budget adjustment to recognize $3,735,474.50 from Wal-Mart to cover the costs of the engineering, procurement, and construction portion of the Ampicial agreement for the Wal-Mart Global Home Office electric improvements on Hwy 102 and "J" St.

General Ledger Account Information*				
Org (Department)	Object	Account Description	Revenue + (-)	Expense + (-)
503010	34410	Billed Services	$ 3,735,474.50	
503010	47310	Improvements Other than Electric		$ 3,735,474.50
		Totals	$ 3,735,474.50	$ 3,735,474.50
		Net Impact on Fund Balance	$ -	

*Final Account Number will be determined by Accounting Department after approval and purchase

M E M O R A N D U M

DATE: April 11, 2023

TO: **City Council, Mayor Orman**

FROM: Travis Matlock, Electric Utility Director

RE: **Addendum #6 WMT Global Home Office Electric Improvements – Hwy 102 & "J" St.**

Electric Dept. staff recommends entering into an Addendum #6 to the MSA with WMT for the Global Home Office concerning the engineering, procurement, and construction for the required electric upgrades at Hwy 102 & "J" St. for $3,735,474.50 and a budget adjustment recognizing the grant from WMT.

This is a continuation of the overall Global Home Office improvements. WMT will cover the costs of the final engineering, procurement, and construction of the OH electric requirements associated with the widening of the intersection of Hwy 102 and "J" St. This money will cover the costs of the change order with Ampirical Solutions, Inc.

ADDENDUM 6
TO
MASTER DEVELOPMENT AGREEMENT
GLOBAL HOME OFFICE PROJECT

FINAL DESIGN PROCUREMENT AND CONSTRUCTION FOR THE OVERHEAD RELOCATION AT THE INTERSECTION OF HWY 102 AND SE "J" ST. FOR GLOBAL HOME OFFICE

This FINAL DESIGN PROCUREMENT AND CONSTRUCTION FOR THE OVERHEAD RELOCATION AT THE INTERSECTION OF HWY 102 AND SE "J" ST. FOR GLOBAL HOME OFFICE (this "Addendum 6") is made as of the ____ day of March, 2023 (the "Effective Date"), by and between the CITY OF BENTONVILLE, ARKANSAS, with offices at 117 West Central, Bentonville, Arkansas 72712 ("City") and WALMART INC., a Delaware corporation, with offices at 2001 SE 10th Street, Bentonville, Arkansas 72716 ("Walmart"). City and Walmart shall collectively be referred to herein as the "Parties."

W I T N E S S E T H

WHEREAS, Walmart and the City are parties to that certain Master Development Agreement-Global Home Office Project, dated July 14, 2020, including all addendums thereto ("Master Development Agreement"), and pursuant to Section 1 of the Master Development Agreement this Addendum 6 is incorporated into the Master Development Agreement as an Addendum (as defined therein) for all purposes. Unless expressly set forth herein, the terms of the Master Development Agreement shall control;

WHEREAS, City is the owner of certain property (the "Overhead Line") in the City of Bentonville, County of Benton, State of Arkansas, upon which the City currently provides electric distribution services to the rate payers of Bentonville;

WHEREAS, City and Walmart desire the SE 14th St. and SE "J" St., including the intersection, to be widened and improved due to the development of the Global Home Office Project;

WHEREAS, City and Walmart desire (i) the Overhead Line to be designed to be relocated and (ii) the Overhead line to be thereafter relocated, to provide adequate room for the improvements to be constructed by Walmart and the work described on Exhibit "A" attached hereto, (collectively, the "City Work");

WHEREAS, pursuant to the Addendum 1 to the Master Development Agreement, the City entered into that certain Engineer Services Agreement with Ampirical;

WHEREAS, City and Walmart desire to cause the City to engage Ampirical in connection with the City Work, pursuant to a Change Order to the Engineer Services Agreement and a new procurement and construction agreement, as set forth herein; and

WHEREAS, the Parties desire to enter into this Addendum 6 to set for their mutual responsibilities and obligations.

NOW, THEREFORE, for and in consideration of the mutual exchange of the covenants and agreements hereinafter set forth, the sufficiency of which is hereby acknowledged, the parties hereby agree as follows:

1. Engineering Services Agreement. Within five (5) days following the Effective Date, the City shall engage Ampirical pursuant to that certain Change Order ("Change Order") to the Engineer Services Agreement for engineering design regarding the City work on a fixed price basis (collectively the costs of City Work under the Change Order, the "Engineering Costs").

2. Payment of Engineering Costs. Within thirty (30) days of the City signing the Change Order Walmart shall pay to the City the Change Order Maximum Amount. Walmart's maximum aggregate reimbursement payments to the City for Engineering Costs under the Change Order shall not exceed $98,104.68 ("Change Order Maximum Amount"). The City shall enforce the Engineer Services Agreement and Change Order pursuant to the terms therein, and not default, amend, alter, or request a change to the Capital Change Order without the prior written consent of Walmart.

3. Procurement and Construction Agreement. Within five (5) days following the Effective Date, the City shall engage Ampirical pursuant to that certain Agreement Between Owner and Engineer (On the Basis of a Stipulated Price) (Project: SE 14th and SE "J" Overhead Electric Relocation) ("Overhead Line Procurement and Construction Agreement") for construction of the City Work on a fixed price basis ("P&C Costs"). The Overhead Line Procurement and Construction Agreement shall be on the same form and terms (subject to the revised scope for the City Work and as otherwise provided herein) as entered into by the City and Ampirical, which was approved by Walmart under Addendum 4 to the Master Development Agreement.

4. Payment of P&C Costs. Attached hereto as Exhibit "B" is Ampirical's milestone date payment schedule for P&C Costs ("Ampirical Milestones"). Walmart shall pay the City, on or before thirty (30) days prior to the stated Ampirical Milestones dates, the scheduled payment due on Ampirical Milestones dates, as set forth on Exhibit "B". Walmart's maximum aggregate payments to the City for P&C Costs under the Overhead Line Procurement and Construction Agreement shall not exceed $3,637,369.82 ("Overhead Line Maximum Amount"). The City shall enforce the Overhead Line Procurement and Construction Agreement pursuant to the terms therein, and not default, amend, alter or request a Change Order without the prior written consent of Walmart. In the event Walmart approves a Change Order which reduces the costs to the City under the Overhead Line Procurement and Construction Agreement, the Overhead Line Maximum Amount under this Section 2 shall be reduced by an amount equal to the amount of such reduction of costs under the Overhead Line Procurement and Construction Agreement. If requested by Walmart, the City shall exercise the termination right set forth in Article 14 of the Terms and Conditions of the Overhead Line Procurement and Construction Agreement. The Parties hereby expressly agree that the Walmart payments shall not be used for any other costs and expenses other than the P&C Costs for the City Work.

5. Compliance by City. City shall cause such action necessary and required to be taken to be in full compliance and meet all requirements set forth in applicable codes, laws, and ordinances, including, without limitation, those required by city, county, state, and federal governmental authorities.

6. Performance by City. The City shall cause the City Work to be substantially completed on or before March 22, 2024 (the period of time commencing on the Effective Date through March 22, 2024 is herein referred to as the "Construction Term". Notwithstanding anything herein contained to the contrary, if in the reasonable opinion of Walmart, City has not commenced or is not proceeding with due diligence to perform its obligations hereunder in a workmanlike manner according to the provisions of this Addendum 6 to fully complete the City Work on or before the expiration of the Construction Term, then Walmart shall notify City in writing, in accordance with this Addendum 6, of such default, specifying the nature and circumstances of the default with particularity. If City shall continue to be in default under any of the provisions of this paragraph for sixty (60) days, or in the event that such default may not be reasonably cured within sixty (60) days, such additional time as is necessary to cure such default, or if City has failed to proceed with due diligence to cure such default, then Walmart shall have the right at its sole election and upon twenty-one (21) days advance written notice to City, to terminate this Addendum 6 as provided herein and City shall refund to Walmart an amount equal to the Walmart payments to the City as of the date of such termination, or pursue all such other rights or remedies at law.

7. No Implied Obligation. It is expressly agreed that nothing contained in this Addendum 4 shall be construed to contain a covenant, either expressed or implied, to either commence the construction of a building or the operation of a business or thereafter continuously operate a business on the Walmart Property.

8. Notices. All notices and other communications required or permitted to be given hereunder shall be in writing and shall be mailed by certified or registered mail, return receipt requested and postage prepaid, or reputable overnight delivery service with proof of delivery, addressed as follows.

If to City:

Travis Matlock, PE
Electric Utility Director
City of Bentonville
3200 SW Municipal Drive
Bentonville, Arkansas 72712

With a copy to:

Camille Thompson
City Attorney
City of Bentonville
3200 SW Municipal Drive
Bentonville, Arkansas 72712

If to Walmart:

Walmart Inc.

2608 SE J Street
Bentonville, Arkansas 72716-0550
Attn: Myles Cochran,
Managing Counsel Realty Operations

With a copy to:

Kutak Rock, LLP
5111 West JB Hunt Drive, Suite 300
Rogers, Arkansas 72758
Attn: Terry W. Pool

Notice shall be deemed to have been given upon receipt. Refusal of delivery for any reason shall be deemed receipt.

9. Modification. No modification of this Addendum 6 shall be valid or binding unless such modification is in writing, duly dated and signed by both parties.

10. No Partnership. This Addendum 6 does not create any obligation or relationship such as a partnership, joint venture, or other similar legal relationship under the laws of any state or the federal government. Any correspondence or other references to “partners” or other similar terms will not be deemed to alter, amend or change the relationship between the parties hereto unless there is a formal written Addendum 6 specifically detailing the rights, liabilities, and obligations of the parties as to a new, specifically defined legal relationship.

11. Binding. It is mutually understood and specifically agreed that this Addendum 1 is binding upon the respective heirs, successors, administrators, executors, and assigns of the parties hereto.

12. Choice of Law; Forum. This Addendum 6 shall be interpreted and construed in accordance with the laws of the State of Arkansas, and any dispute with respect to it and the rights and duties thereby created shall be litigated in U.S. District Court for the Western District of the State of Arkansas.

13. Entire Agreement. This Addendum 6, including the above Recitals which are incorporated herein, and the Master Development Agreement contains the entire agreement of the parties, and all prior communications, oral or written, are without any force and effect as it is the specific intent of the parties that this Addendum 6 and the Master Development Agreement sets forth the terms on which the parties have mutually agreed. Each party specifically agrees that it enters into this Addendum 6 based on its own understanding of the terms hereof and does not rely, in whole or in part, on any interpretation or representation of the other party, except as provided in the Master Development Agreement. Each party agrees that this Addendum 6 is the result of good faith arm’s length negotiations. The Master Development Agreement and this Addendum 6 supersedes any prior agreements between the parties concerning City Work, and no oral statements, representations or prior written matter relating to the subject matter hereof, but not contained in the Master Development Agreement or this Addendum 6, shall have any force or effect. ANY REPRESENTATION OF WALMART’S AGENTS OR ANY THIRD PARTY WHICH IS NOT INCORPORATED IN THE MASTER DEVELOPMENT AGREEMENT OR

THIS ADDENDUM 4 SHALL NOT BE BINDING UPON WALMART AND SHOULD BE CONSIDERED AS UNAUTHORIZED. This Addendum 6 shall not be amended or added to in any way except by written instruments executed by both Parties and their respective successors in interest.

[*Signature Page Follows*]

IN WITNESS WHEREOF, this Addendum 6 has been executed on the date above written.

CITY

CITY OF BENTONVILLE,
ARKANSAS

By:______________________
Name:____________________
Title:_____________________

WALMART

WALMART INC.,
a Delaware corporation

By:______________________
Name:____________________
Title:_____________________

EXHIBIT "A"
City Work

In addition to such City Work described in this Addendum 6, the City Work shall include the following:

- The overhead electric line (and attachments) along SE "J" St., approximately 750' north of the intersection of SE "J" and SE 14^{th}., and approximately 450' south of the intersection will need to be relocated to allow for the SE "J" St. and the intersection to be improved to handle the increased traffic due to the Global Home Office Project.

- The overhead electric line (and attachments) along SE 14^{th} St., approximately 350' west of the intersection of SE "J" and SE 14^{th} St., extending to the intersection of SE 14^{th} St. and SE Boeing Ave will need to be relocated to allow SE 14^{th} St. to be improved to handle the increased traffic due to the Global Home Office Project.

- Relocation of any existing services currently being serviced from the overhead line.

- Street lightings will be attached to the relocated poles.

<u>EXHIBIT B</u>

Ampirical Milestones

Bentonville Electric Utility Department: 14th St. Overhead Relocation
(Ampirical Project No. 20081)

Milestone No.	Baseline Milestone Completion Date	Baseline Milestone Completion Month	Baseline Milestone Completion Year	Milestone Completion Date	Milestone Completion Month	Milestone Completion Year	Status	Contract	Purchase Order	Funded By	Milestone Category	Milestone	Milestone Description	% of Contract WO	Total Milestone Payment
57	2/13/2023	2	2023							BEUD	Contract	Contract Execution	Dual execution of the procurement and construction contract for the OH relocation project on HWY 102.	11%	$ 395,184.76
58	3/1/2023	3	2023							BEUD	Procurement	Major Materials Progress Payment	Contractor is in the process of working with the engineers and vendors for the major material purchase orders	5%	$ 192,768.60
59	4/1/2023	4	2023							BEUD	Procurement	Major Materials Progress Payment	Contractor has executed Major Material purchase orders	5%	$ 192,768.60
60	8/1/2023	8	2023							BEUD	Procurement	Major Materials Progress Payment	Contractor has executed all Minor Material purchase orders	2%	$ 88,602.06
61	10/26/2023	10	2023							BEUD	Procurement	Major Materials Received	100% of major and minor material has been received onsite(BEUD laydown area)	8%	$ 296,935.15
62	11/1/2023	11	2023							BEUD	Construction	Mobilization	Contractor mobilized to site to commence construction activities	7%	$ 250,695.74
63	11/30/2023	11	2023							BEUD	Construction	Foundations 50% Installed	Contractor has installed 50% of the foundations	9%	$ 347,944.34
64	12/20/2023	12	2023							BEUD	Construction	Foundations 100% Installed	Contractor has installed all foundations	9%	$ 347,944.34
65	12/20/2023	12	2023							BEUD	Construction	Structures 50% Installed	Contractor has installed 50% of the structures	9%	$ 347,944.34
66	2/2/2024	2	2024							BEUD	Construction	Structures 100% Installed	Contractor has installed all structures	9%	$ 347,944.34
67	1/8/2024	1	2024							BEUD	Construction	Conductor 50% Installed	Contractor has strung 50% of the conductor	9%	$ 347,944.34
68	2/7/2024	2	2024							BEUD	Construction	Substantial Completion	Contractor has strung all conductor	9%	$ 347,944.34
69	1/30/2024	1	2024							BEUD	Construction	Pole Removal	Pole removals are 50% complete	1%	$ 22,039.90
70	2/8/2024	2	2024							BEUD	Construction	Pole Removal	Pole removals are 100% complete	1%	$ 22,039.90
71	4/12/2024	4	2024							BEUD	Engineering	Closeout and As-Builts	Submittal of closeout documents. QA/QC inspection forms, and as-built engineering drawings.	5%	$ 186,773.73

4886-3405-6023.2

Agenda Item Form

Date of City Council Meeting	**4/11/2023**
Department	**Electric**
Submitted by	**Travis Matlock, PE**
Phone	**479-271-5941**

Item Type: (*Check All That Apply)*

☐ Budget Adjustment	☑ Change Order	☐ Informational	☐ Ordinance	☑ Resolution	☐ Bid Award

Recommendation/Suggested Action *(Enter recommendation in space below):*

Resolution authorizing the Mayor and City Clerk to enter into a Change Order with Ampirical to perform engineering, procurement, and construction for the electric upgrades at Hwy 102 & "J" St. required for the WMT Global Home Office for $3,735,474.50. This will be paid for by the developer.

Estimated Cost	**$3,735,474.50**
Is this Item Budgeted?	☐ Yes ☑ No

If no, please explain how item will be funded *(briefly explain in space below)* :

A grant from Wal-Mart Stores, Inc. to the City of Bentonville will cover the costs of this projects.

M E M O R A N D U M

DATE: April 11, 2023

TO: **City Council, Mayor Orman**

FROM: Travis Matlock, Electric Utility Director

RE: **EPC For Electric Upgrades for the WMT Global Home Office – Hwy 102 & "J" St.**

Electric Dept. staff recommends entering into a change order with Ampirical to perform the engineering, procurement, and construction for the required electric upgrades at Hwy 102 & "J" St. associated with the WMT Global Home Office $3,735,474.50.

This is a continuation of the overall Global Home Office improvements. At this time, the two substations are fully operational, 8th St. OH to UG has been completed and energized, and both CUPS are up and running. This change order will encompass the final engineering, procurement, and construction associated with the road widening at the intersection of Hwy 102 and "J" St. The costs of these improvements will be covered the same way the other electric upgrades. Bentonville will enter into an agreement with WMT to cover the costs.

AMPIRICAL	CLIENT CHANGE ORDER CLIENT PROJECT TITLE	Doc. No.:	SFM-PC-0203-#	
		Project No.:	20081.14	
		Client Contract No.:	TBD	
		Rev. No./Date:	2	12/6/2021
		Issue for:	Approval	
		File Loc.:	SFM-PC-0203	

To:

City of Bentonville
Stephanie Orman
Mayor
305 SW "A" Street
Bentonville, AR 72712
Phone (479) 271-5941

Existing Contract No:

TBD

Date of Existing Contract:

8/11/2020

Description of Change:

The costs below are inclusive of all procurement and construction costs necessary to compelte the overhead relocation work as apart of the 14th St. Project. This price is subject to a final revision based on lead time and material price at the time the purchase orderes are released by Ampirical Solutions. This covers one continuous mobilization, any additional moblizations are subject to a change in price.

Estimated Change Costs:	Project No.	Phase	Total
14th St. Engineering Cost (Change Order)	20081.14	130	$98,104.68
14th St. Procurement Cost	20081.14	560	$1,041,665.42
14th St. Construction Cost	20081.14	300	$2,506,957.40
14th St. Bond and Builder's Risk	20081.14	999	$88,747.00
			$0.00
			$0.00
			$0.00
			$0.00
Total Cost Change:			**$3,735,474.50**

Client Comments:

WE AGREE hereby to make the change(s) specified above at this price		**$3,735,474.50**
Date:	**PREVIOUS CONTRACT AMOUNT**	**$3,346,729.00**
Authorized Signature (Contractor)	**NEW CONTRACT TOTAL**	**$7,082,203.50**

ACCEPTED - The above prices and specifications of this Change Order are satisfactory and are hereby accepted. All work to be performed under same terms and conditions as specified in original contract unless otherwise stipulated.

Date of Acceptance:

Signature:

{Name, Title} *Authorizing Agent*

1654 Ochsner Boulevard, Covington, LA 70433 Phone (985) 809-5240 Fax (985) 809-5250

Agenda Item Form

Date of City Council Meeting	**4/11/2023**
Department	**Electric**
Submitted by	**Travis Matlock**
Phone	**479-271-5941**

Item Type: (*Check All That Apply)*					
☐ Budget Adjustment	☐ Change Order	☐ Informational	☑ Ordinance	☐ Resolution	☐ Bid Award

Recommendation/Suggested Action *(Enter recommendation in space below):*

Ordinance to enter into an agreement with McLarty Daniel Buick GMC for the purchase of a 2023 GMC Sierra 1500 for $50,000 and waiving the requirements of competitive bidding. This is a 2023 budgeted item and requries an emergency clause.

Estimated Cost	**$50,000.00**
Is this Item Budgeted?	☑ Yes ☐ No

If no, please explain how item will be funded *(briefly explain in space below)* :

M E M O R A N D U M

DATE: April 11, 2023

TO: **City Council, Mayor Orman**

FROM: Travis Matlock, Electric Utility Director

RE: **Electric Dept. Pick-up purchase and waiver of bid**

Electric Dept. staff recommends entering into an agreement with McLarty Daniel Buick GMC for the purchase of a 2023 GMC Sierra 1500 for $50,000 and waive the requirements of competitive bidding.

BEUD budgeted in 2023 for the purchase of a foreman pickup truck. However, due to continuing supply chain issues, the State Bid was closed before BEUD could order the new truck. Over the course of the first few months, BEUD searched through different dealerships in the area for a similar vehicle. One was located at McLarty Daniel Buick GMC, but because there was no bid, or purchased off the State Bid contract, it because necessary to waive the requirements of competitive bidding.

This is a 2023 budgeted item and is available for immediately delivery.

McLarty Daniel Buick GMC

Date: *3/27/2023 4:23 PM*
Salesperson: *Tracy Everhart*
Manager: *Todd McPherson*

FOR INTERNAL USE ONLY

CUSTOMER *City Bentonville* Home Phone :

Address : , Work Phone :

E-Mail : Cell Phone :

VEHICLE

Stock # : *PZ113613* New / Used : **New** VIN : *1GTUUAED8PZ113613* Mileage: *2*

Vehicle : *2023 GMC Sierra 1500* Color : *Summit White*

Type : *Pro 4x4 Crew Cab 5.75 ft. box 147.4* *TK10543*

Body Size : Style : Weight : *7100* Unit Class :

Loan Payments	*Estimated*		
Cash Down	***.00***	***1,000.00***	***2,500.00***
48 Months / 7.99 *	***1224.42***	***1199.93***	***1163.20***
60 Months / 7.99 *	***1016.91***	***996.57***	***966.06***
72 Months / 7.99 *	***879.30***	***861.71***	***835.33***

*** A.P.R. Subject to equity and credit requirements.***

Market Value Selling Price	52,850.00
Discount	3,681.00
Adjusted Price	49,169.00
Brake Plus/Wheel Locks	699.00
Total Purchase	49,868.00
S and H Fee	129.00
Filing Fee	3.00
Balance	50,000.00

Customer Approval: __________ Management Approval: __________

By signing this authorization form, you certify that the above personal information is correct and accurate, and authorize the release of credit and employment information. By signing above, I provide to the dealership and its affiliates consent to communicate with me about my vehicle or any future vehicles using electronic, verbal and written communications including but not limited to eMail, text messaging, SMS, phone calls and direct mail. Terms and Conditions subject to credit approval. For Information Only. This is not an offer or contract for sale.

Agenda Item Form

Date of City Council Meeting	**4/11/2023**
Department	**Utility Billing and Collections**
Submitted by	**Gary Wilson**
Phone	**(479) 271-3104**

Item Type: (*Check Applicable Item Type)*					
☐ Budget Adjustment	☐ Change Order	☐ Informational	☐ Ordinance	☑ Resolution	☐ Bid Award

Recommendation/Suggested Action *(Enter recommendation in space below):*

Resolution authorizing the City to add to our agreement with Invoice Cloud to accept Echeck/ACH payments via our Utility Billing website. This is a 2023 budgeted item.

Estimated Cost	**$**
Is this Item Budgeted?	☑ Yes ☐ No

If no, please explain how item will be funded *(briefly explain in space below)* :

City of Bentonville

Memorandum

To: Recipient Name
From: Your Name
CC: CC Name

The Utility Billing Department is requesting approval to begin accepting Electronic Checks and PayPal payments via our website.

A number of customers, including business customers have requested the ability to make a payment via a one-time ACH/E-Check. For business customers using a corporate card is not always an option and many are not able to use our bank drafting program. This will allow an option for those customers other than mailing or overnighting a payment to us. The cost to the City is $1.00 per transaction.

We have also had requests to accept PayPal. Many customers feel more comfortable using PayPal for the perceived security that using the service provides. PayPal also has Pay in 4, an option that may be beneficial to some of our customers. This option allows a payment to be broken up over 4 payments. The City will receive the full amount at the time of the transaction and the customer would be debited for the first payment that time. Then every two weeks after that the customer would be debited for each of the three remaining payments. The cost to the City for PayPal is the same as a credit card payment.

RESOLUTION NO. ____________

A RESOLUTION AUTHORIZING THE MAYOR AND CLERK TO ENTER INTO AN AGREEMENT TO ADD-ON ACH/EFT SERVICE BETWEEN THE CITY OF BENTONVILLE AND INVOICE CLOUD; AND FOR OTHER PURPOSES.

WHEREAS, the City of Bentonville Utility Billing Department would benefit from the use of ACH/EFT Services in order to process utility payments;

WHEREAS, Invoice Cloud is the City's current vendor for payment services; and

WHEREAS, this service is available from our current vendor through execution of an add-on agreement to our existing contract.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL FOR THE CITY OF BENTONVILLE, ARKANSAS.

Section 1: That the Mayor and Clerk be and are hereby authorized to enter into an add-on agreement with Invoice Cloud to provide for ACH/EFT Services for the Utility Billing Department.

Section 2 – Severability Provision: If any part of this Resolution is held invalid, the remainder of this Resolution shall continue in effect as if such invalid portion never existed; and

Section 3 – Repeal of Conflicting Resolutions: All Ordinances, Resolutions, or Orders of the City Council, or parts of the same, in conflict with this Resolution are repealed to the extent of such conflict.

.

PASSED this _____ day of ________________, 2023.

APPROVED:

____
Stephanie Orman, Mayor

ATTEST:

____
Kirby Romines, City Clerk

InvoiceCloud™

Add-On to the Biller Order Form

SALES INFORMATION

IC Sales Rep	John Hengge			Vertical	Local Gov (Util, Tax, Misc)
Order Date	3/15/2023	Sales Partner		Software Partner	Tyler - Munis

PRODUCTS AND SERVICES

Products	[EBPP]

PAYMENT METHODS ACCEPTED

Payment Types	[ACH/EFT]

BILLER INFORMATION

Ownership Type	Government		Phone	4792715941	Fax
Legal Name	City of Bentonville		Website URL	https://www.bentonvillear.com	
Address 1	1000 SW 14th St		Bus. Open Date	01/01/1873	
Address 2			Federal Tax ID	71-6000642	
City	Bentonville			**Federal Tax ID and Legal Name must match on all documents*	
State	AR	ZIP 72712			

BILLER CONTACT

Primary Contact Name	Stephanie Orman
Phone	4792715941
Email Address	sorman@bentonvillear.com

SIGNING AUTHORITY

Name	Stephanie Orman			Title	Mayor
Phone	4792715941	Fax		Email Address	sorman@bentonvillear.com

BILLER PRICING

Description	Interval	Cost Type	Cost
EFT - ACH Reject Fee Non-Submitter	Per Transaction	Fixed ($)	$10.00

HARDWARE

Card Reader Type		Quantity		Cost per Reader	
Card Reader				Billing Interval	Monthly
Shipping Addr. *(if different than location address)*					

Kiosk Type	Device Quantity	Per Device Txn Min
Standard/In-Door		750
Thru-Wall		800
Outdoor Model		850

Note: Biller will be charged for the minimum number of transactions listed to left each month per kiosk unity. In addition, if the Biller's order includes kiosks then the terms and conditions of Kiosk Managed Standard SOW (and applicable schedules) are hereby agreed and incorporated by reference

BILLER BANK INFO

Note: Must include voided business check or bank letter for each unique account

Billing Method	Direct Debit		
Name on Account		Bank Name	
Bank Address		Phone	
Routing #		Last 4 Acct #	

DATA RETENTION		
Months to Keep	24	*Additional Fees apply if greater than 24 months
NOTES/SPECIAL HANDLING		
CERTIFICATION AND AGREEMENT		

A. By signing below, the Biller hereby ratifies its authorization for Invoice Cloud, Inc. ("Invoice Cloud") to execute debit/credit entries to its checking/deposit account(s) indicated above at the depository financial institution(s) named above and to debit/credit the same such account(s). The Biller acknowledges that the origination of ACH transactions to its account(s) must comply with the provisions of U.S. law. This authority is to remain in full force and effect until (i) Invoice Cloud has received written notification (by electronic or U.S. mail) from the Biller of its revocation in such time and manner as to allow Invoice Cloud a reasonable opportunity to act on it, but not less than 10 business days notice; and (ii) all obligations of the Biller to Invoice Cloud that have arisen under this Agreement and all other agreements have been paid in full. The Biller must also notify Invoice Cloud, in writing, (by electronic or U.S. mail) when a change in account number(s) or bank has occurred at which time this authorization shall apply to such new/changed account. This notification must be received within 10 business days of change. A fee will be charged for any returned ACH debits.

B. By signing below, the Biller named: (1) has read, agreed to, ratifies the Biller Agreement, Biller T+C and other Order Forms previously executed by the Biller, and (2) certifies to Invoice Cloud that he/she is authorized to sign this Add on to the Biller Order Form; (3) certifies that all information and documents submitted in connection with this Order Form are true and complete; (4) authorizes Invoice Cloud or its agent to verify any of the information given, including credit references, and to obtain credit reports (including a spouse if in a community property state); (5) agrees to pay the Monthly Access Fee through the last day of the month following the effective date of termination as provided in the Billing Agreement; (6) agrees that Biller and each transaction submitted will continue to be bound by the Order Form and the Biller Agreement in its entirety and any new agreement forms executed herewith; (7) If the Biller's order includes kiosks, then the terms and conditions of Kiosk Managed Services Standard SOW (and applicable schedules) are hereby agreed and incorporated by reference.(8) agrees that Biller will submit transactions only in accordance with the information in this Add on to the Biller Order Form and Biller Agreement and will immediately inform Invoice Cloud, by email (contracts@invoicecloud.com) if any information in this Order Form changes, and (9) the Biller agrees and understands that outstanding sums due and owing to Invoice Cloud., will be charged daily or monthly and debited from its current depository account. Non-sufficient funds for these debits are grounds for a change in fees or termination of this Agreement. In the event of non-payment of any sums due, Invoice Cloud reserves the right to withdraw such sums from the current depository account at any time to ensure payment of the same.

C. Pay by Text: Standard data rates and text messaging rates may apply based on the payer's plan with their mobile phone carrier. Payer can opt out of text messaging at any time with Invoice Cloud. Partial payment or overpayment is not supported. Service fees may apply based on the biller set up with Invoice Cloud. Biller may not use the service for activities that violate any law, statute, ordinance or regulation.

D. By signing below, the Biller hereby gives permission to Invoice Cloud to access his / her credit history via Trans Union, Equifax, or other credit-reporting agency.

E. This Add on to the Order Form will become effective only when counter-signed by Invoice Cloud and upon execution by the Biller of such third party agreement required by Invoice Cloud to permit use of the payment function of the Service.

F. If the Biller's order includes kiosks, then the terms and conditions of Kiosk Managed Services Standard SOW (and applicable schedules) are hereby agreed and incorporated by reference.

In WITNESS WHEREOF, the parties have executed this Agreement as of this day

Accepted by Biller:	**Accepted by Invoice Cloud, Inc.:**
X	X Kevin W. O'Brien
Corporate Officer	**Corporate Officer**
Stephanie Orman	Kevin W. O'Brien
Printed Name	**Printed Name**
Mayor	President
Title	**Title**

BILLER ORDER FORM
INVOICE TYPE PARAMETER SHEET
Invoice Type Parameters must be completed for each invoice type

Invoice Type	All Invoice Types	Pricing Model	Non-Submitter	
		Biller Pays Network Fees	Yes	

CURRENT BILLING DETAILS											
Please indicate how many bills are sent monthly by placing the bill count for each month below:											
JAN	**FEB**	**MAR**	**APR**	**MAY**	**JUN**	**JUL**	**AUG**	**SEP**	**OCT**	**NOV**	**DEC**
22500	22500	22500	22500	22500	22500	22500	22500	22500	22500	22500	22500

Avg CC Transaction $	277.00	Max Invoice $	125,000.00	Bill Frequency	Monthly	Avg. Bills Per Month	22500

PRODUCTS AND SERVICES	
Products and Services	[EBPP]

TRANSACTIONAL PRICING (Paid by Biller)				
Payment Source Description	**Payment Method**	**Fee Rate %**	**Fee Amount $**	**Additional Fee $**
All Payment Sources	ACH/EFT		$1.00	
TRANSACTIONAL PRICING EXCEPTIONS				

SERVICE FEES (Paid by Payer)				
Payment Source Description	**Payment Method**	**Fee Amount**	**Calculation Type**	**Min. Fee ($) per Transaction**
SERVICE FEE EXCEPTIONS				

MAX PAYMENT CAP				
Card and PayPal Max ($)	125,000	ACH Max ($)	125,000	

BILLER BANK ACCOUNT (FOR DEPOSITS AND CHARGEBACKS)				
Note: must include voided business check or bank letter for each unique account				
Routing #		Last 4 Acct #		

NOTES / SPECIAL HANDLING

Agenda Item Form

Date of City Council Meeting	**4/11/2023**
Department	**Utility Billing and Collections**
Submitted by	**Gary Wilson**
Phone	**(479) 271-3104**

Item Type: (*Check Applicable Item Type)*					
☐ Budget Adjustment	☐ Change Order	☐ Informational	☐ Ordinance	☑ Resolution	☐ Bid Award

Recommendation/Suggested Action ***(Enter recommendation in space below):***

Resolution authorizing the City to add to our agreement with Invoice Cloud to accept PayPal payments via our Utility Billing website. This is a 2023 budgeted item.

Estimated Cost	**$**
Is this Item Budgeted?	☑ Yes ☐ No

If no, please explain how item will be funded ***(briefly explain in space below)*** **:**

City of Bentonville

Memorandum

To: Recipient Name
From: Your Name
CC: CC Name

The Utility Billing Department is requesting approval to begin accepting Electronic Checks and PayPal payments via our website.

A number of customers, including business customers have requested the ability to make a payment via a one-time ACH/E-Check. For business customers using a corporate card is not always an option and many are not able to use our bank drafting program. This will allow an option for those customers other than mailing or overnighting a payment to us. The cost to the City is $1.00 per transaction.

We have also had requests to accept PayPal. Many customers feel more comfortable using PayPal for the perceived security that using the service provides. PayPal also has Pay in 4, an option that may be beneficial to some of our customers. This option allows a payment to be broken up over 4 payments. The City will receive the full amount at the time of the transaction and the customer would be debited for the first payment that time. Then every two weeks after that the customer would be debited for each of the three remaining payments. The cost to the City for PayPal is the same as a credit card payment.

RESOLUTION NO. ____________

A RESOLUTION AUTHORIZING THE MAYOR AND CLERK TO ENTER INTO AN AGREEMENT TO ADD-ON PAYPAL BRANDS SERVICE BETWEEN THE CITY OF BENTONVILLE AND INVOICE CLOUD; AND FOR OTHER PURPOSES.

WHEREAS, the City of Bentonville Utility Billing Department would benefit from the use of PayPal Services in order to process utility payments;

WHEREAS, Invoice Cloud is the City's current vendor for payment services; and

WHEREAS, this service is available from our current vendor through execution of an add-on agreement to our existing contract.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL FOR THE CITY OF BENTONVILLE, ARKANSAS.

Section 1: That the Mayor and Clerk be and are hereby authorized to enter into an add-on agreement with Invoice Cloud to provide for Paypal Services for the Utility Billing Department.

Section 2 – Severability Provision: If any part of this Resolution is held invalid, the remainder of this Resolution shall continue in effect as if such invalid portion never existed; and

Section 3 – Repeal of Conflicting Resolutions: All Ordinances, Resolutions, or Orders of the City Council, or parts of the same, in conflict with this Resolution are repealed to the extent of such conflict.

.

PASSED this _____ day of ________________, 2023.

APPROVED:

____

Stephanie Orman, Mayor

ATTEST:

____

Kirby Romines, City Clerk

InvoiceCloud™

Add-On To the Biller Order Form

PAYMENT METHODS ACCEPTED

Payment Types	PayPal Brands (PayPal, Pay Later, Venmo)

BILLER INFORMATION

Ownership Type	Government			Phone	479-271-3100	Fax	
Legal Name	City of Bentonville, Arkansas			Website URL	http://www.bentonvillear.com/		
Address 1	117 W. Central Ave.			Bus. Open Date	1897		
Address 2				Federal Tax ID	71-6000642		
City	Bentonville	State	AR	ZIP	72712		

** Federal Tax ID and Legal Name must match on all documents.*

BILLER CONTACTS

Project Manager	Jerry Walls			**Technical Support**			
Phone	479-418-7138	Ext		Phone		Ext	
Email Address	jwalls@bentonvillear.com			Email Address			
Marketing				**Billing/Accounting**			
Phone		Ext		Phone		Ext	
Email Address				Email Address			

SIGNATORY AUTHORITY

Name	Stephanie Orman			Title	Mayor
Phone	203-794-8509	Fax		Email Address	sorman@bentonvillear.com

COSTS AND/OR FEES

For Billers where fees are paid by their payers:
Fees for PayPal Brands will be equal to current credit card fees as provided in the Biller Order Form. For example, if Payers are paying 3.95% for credit card, they will pay 3.95% for PayPal Brand payment transactions.
Similarly, if Payers are paying $4.95 per credit card transaction, they will pay $4.95 per PayPal Brand payment transaction.

For Billers who absorb both passthrough credit card and processing costs:
Instead of Credit Card Interchange, dues, assessments, and processing fees Billers will be charged 1.50% of the payment amount for each PayPal Brand payment transaction. For example, for a $100.00 transaction, the passthrough cost will be $1.50.
In addition, Billers will also pay the Invoice Cloud credit card payment fee as provided in the Biller Order Form. For example, if you pay $4.95 per credit card transaction, you will pay $4.95 per PayPal Brand payment transaction. Or, if you pay 2.0% (200 BPs), you will pay $2.00 on a $100 transaction.

For Billers who pay a credit card transaction fee, but do not absorb Credit Card Interchange, dues, assessments, and processing fees:
Fees for PayPal Brands will be equal to current Invoice Cloud credit card fees as provided in the Biller Order Form. For example, if you pay 3.95% per credit card transaction, you will pay 3.95% per PayPal Brand payment transaction.

BILLER SETTLEMENT BANK ACCOUNT

For PayPal Brand transactions, Invoice Cloud will use the same BIller Settlement Bank account(s) as currently designated by Biller for credit card processing.

NOTES/SPECIAL HANDLING

InvoiceCloud™

Add-On To the Biller Order Form

CERTIFICATION AND AGREEMENT

A. By signing below, the Biller named: (1) has read, agreed to, ratifies the Biller Agreement, Biller T+C and other Order Forms previously executed by the Biller; (2) shall enter into and agree to the PayPal Processing Services Agreement (as may be amended); (3) certifies to Invoice Cloud, Inc. ("Invoice Cloud") that he/she is authorized to sign this Add-on to the Biller Order Form; (4) certifies that all information and documents submitted in connection with this Order Form are true and complete; (5) authorizes Invoice Cloud, its affiliates, payment processors and each of their agents (including PayPal), to process transactions for the Biller, and to verify any of the information given, including credit references, and to obtain credit reports; (6) agrees that Biller and each transaction submitted will continue to be bound by the Order Form and the Biller Agreement in its entirety and any new Order Forms and Agreements executed herewith; and (7) agrees that Biller will submit transactions only in accordance with the information in this Add-on to the Biller Order Form and Biller Agreement and will immediately inform Invoice Cloud, by email (contracts@invoicecloud.com) if any information in this Order Form changes. Biller agrees that all agreements and authorizations reflected in A and B herein shall remain in effect, and shall not be revoked, without the express written consent of Invoice Cloud.

B. By signing below, the Biller named agrees: (1) that, with respect to PayPal, Venmo, Pay Later transactions and any other transactions, e.g., credit card, ACH, processed by PayPal, PayPal will disburse funds to and collect funds from the Biller in accordance with instructions provided to PayPal by Invoice Cloud, and as otherwise permitted pursuant to the PayPal Processing Services Agreement that Biller has accepted; (2) and authorizes that outstanding sums due and owing to Invoice Cloud, including, but not limited to chargebacks, ACH rejects or reversals, disputes, over-payments, payment errors, and invalidated payments and other refunds or credits (collectively "Chargebacks"), and pass-through costs including interchange, fees, dues, assessment, processing fees, and PayPal fees, will automatically be debited from Biller's settlement or other account designated by Biller on any Biller Order Form or otherwise ("Biller Settlement Accounts") for such purpose on a daily or monthly basis at Invoice Cloud's sole discretion; and (3) non-sufficient funds for these debits, or blocking or otherwise rendering inaccessible any Biller Settlement Accounts, are grounds for an increase in fees, suspension of the Service or termination of this Agreement. In the event of any such occurrence leading to non-payment of any sums due, Invoice Cloud reserves the right to withdraw such sums from the Biller Settlement Accounts, offset or net settle these sums (i.e., deduct funds owed from daily disbursements to Biller) against future deposits, or withhold future deposits until such sums are paid in full, at any time to ensure payment of the same.

C. This Add on to the Order Form will become effective only when counter-signed by Invoice Cloud and upon execution by the Biller of such third party agreement required by Invoice Cloud to permit use of the payment function of the Service.

In WITNESS WHEREOF, the parties hereto have executed this Agreement as of this day

Accepted by Biller:	**Accepted by Invoice Cloud, Inc.:**
X	X Kevin W. O'Brien
Corporate Officer	**Corporate Officer**
Stephanie Orman	Kevin O'Brien
Printed Name	**Printed Name**
Mayor	President
Title	**Title**

PayPal Processing Services Agreement

This PayPal Processing Services Agreement (this "Agreement") is between PayPal, a Delaware corporation whose address is 2211 North First Street, San Jose, CA 95131 and you, the entity who enters into this Agreement, and governs your use of the services provided by PayPal on or through Invoice Cloud ("Invoice Cloud") to enable you to accept bill payments from your customers. This Agreement is effective as of the date you accept this Agreement in writing or online. You agree to the terms and conditions of this Agreement. You agree that PayPal may amend this agreement by arranging with Invoice Cloud to provide you with notice of amended terms and by posting a revised version on our website. You appoint Invoice Cloud as your agent for purposes of receiving notice of amendments to this Agreement and your use of the Services after the effective date of the posted amendment shall constitute acceptance of such amendment.

This Agreement includes and incorporates by reference the Commercial Entity Agreements which are required by the card networks so that you may accept Visa and MasterCard and Discover card payments.

1. PayPal Processing Services. "PayPal Processing Services" or the "Services" means the payment processing services offered by PayPal and solely through Invoice Cloud which provide you with the ability to accept PayPal payments, ACH/E-Check, credit cards, debit cards and other payment types for bill payments from your customers, as applicable per your agreement with Invoice Cloud.

2. Invoice Cloud Services. Invoice Cloud may provide certain services to you in relation to the PayPal Processing Services, including pricing for the services. The services provided by Invoice Cloud are governed by your agreement with Invoice Cloud and are not provided by PayPal.

3. Indirect Processing Transaction Volume. "Indirect Processing Transaction Volume" refers to funds from payments processed by payment processing services other than PayPal, in each case under a direct agreement you and Invoice Cloud have with each such third party payment processing service provider and which you have instructed to settle funds to PayPal on your behalf.

4. Settlement Account and Payouts. PayPal will arrange to settle payment processing funds including Indirect Processing Transaction Volume to the bank account that you designate to Invoice Cloud and as provided to us by Invoice Cloud (the "Settlement Account") and on a schedule communicated to us by Invoice Cloud, net of any amounts owed to Invoice Cloud (including for fees and/or invalidated payments (described below). You agree that we may debit your Settlement Account for the applicable amounts, and/or setoff the applicable amounts against future payouts. Payouts to your Settlement Account, including timing thereof, will be in accordance with terms and conditions established by, and communicated to you by, Invoice Cloud.

5. Compliance with Applicable Laws. You must use the Services in a lawful manner, and must obey all laws, rules, and regulations ("Laws") applicable to your use of the Services and to transactions and comply with any rule, guideline, or bylaw of any of the card networks (e.g., Visa, Mastercard, American Express and Discover) or of the Platform.

6. Liability for Invalidated Payments. You are liable for all claims, expenses, fines and liabilities we incur arising out of: a chargeback, refund, over-payment, payment error, or other invalidated payment you cause ("Invalidated Payment"); b. any error, negligence, misconduct or fraud by you, your employees, or someone acting on your behalf; and c. any losses resulting from your failure to comply with the terms of this Agreement, or your usage of the PayPal Processing Services. Notwithstanding any other provision in this Agreement, PayPal is not liable for any losses resulting from the settlement and payout of the Indirect Processing Transaction Volume in accordance with Invoice Cloud's direction.

7. Taxes. You are solely responsible for and obligated to pay any and all taxes, fees and other charges imposed by any governmental authority ("Taxes"), including any value added tax, goods and services tax, provincial sales tax and/or harmonized sales tax on the Services provided under this Agreement. If you are tax-exempt, you may be asked to provide us with an original certificate, or other evidence of tax exemption, that satisfies applicable legal requirements attesting to your tax-exempt status

8. Term and Termination. The term of this Agreement shall commence as of the earlier of the date you accept this Agreement online or you begin using the PayPal Processing Services through Invoice Cloud and shall continue for as long as you are enabled to use the PayPal Processing Services through Invoice Cloud. After permitted termination by either party, you shall no longer have access to, and shall cease all use of the PayPal Processing Services. Any termination of this Agreement does not relieve you of any obligations to pay any fees, costs, penalties, chargebacks or any other amounts owed by you to us as provided under this Agreement, whether accrued prior to or after termination.

9. Notices. Any notices required by this Agreement will be provided to you by Invoice Cloud on our behalf. Electronic notices and disclosures will have the same meaning and effect as if we had provided you with a paper copy. Any notices to PayPal shall be considered valid only if sent by postal mail to PayPal, Inc., Attn: Legal Department, 2211 North First Street, San Jose, CA 95131.

10. Governing Law and Venue. The laws of the State of California, without regard to principles of conflict of laws, will govern this Agreement and any claim or dispute that has arisen or may arise between the parties. The parties agree that any dispute arising from this Agreement will be resolved in a court of competent jurisdiction in (a) Santa Clara County, California if PayPal is the defendant, or (b) the county where your business is headquartered if you are the defendant.

11. Entire Agreement. This Agreement sets forth the entire agreement and understanding of the parties in respect to the subject matter contained herein, and supersedes all prior agreements, promises, arrangements, communications, representations or warranties, whether oral or written, by any officer, partner, employee or representative of any party. This Agreement shall be binding upon and shall inure only to the benefit of the parties and their respective successors and permitted assigns. Nothing in this Agreement is intended to confer or shall be deemed to confer upon any persons or entities not parties to this Agreement, any rights or remedies under or by reason of this Agreement.

PARTNER BILLER

By: ______________________

Name: Stephanie Orman

Title: Mayor

Date: _____________

Agenda Item Form

Date of City Council Meeting	**Utility Board 4/04/2023: City Council 4/11/2023**
Department	**Water Utilities**
Submitted by	**Mike Bender**
Phone	**(479) 271-6873, (479) 271-3140**

Item Type: (*Check Applicable Item Type)*

☐ Budget Adjustment	☐ Change Order	☑ Informational	☐ Ordinance	☐ Resolution	☐ Bid Award

Recommendation/Suggested Action *(Enter recommendation in space below):*

Informational - Raftelis final update presentation on Wastewater Rate Study.

Estimated Cost	
Is this Item Budgeted?	☐ Yes ☐ No

If no, please explain how item will be funded *(briefly explain in space below)* :

RAFTELIS

City of Bentonville

Wastewater Rate Study

Utility Board - April 4, 2023

Agenda

1. Rate Study Process
2. Previous Meetings Recap
3. Financial Plan
4. Rate Recommendations & Bill Impacts
5. Additional Q&A

Rate Study Process

1. Forecast Revenue Under Existing Rates
2. Forecast Operating Expenditures
3. Forecast Capital Expenditures
4. Identify revenue adjustments needed to fund expenditures and maintain minimum reserve of **90 days O&M, Debt Service and Capital Expenditures**
5. Adjust rates as needed to achieve revenue sufficiency

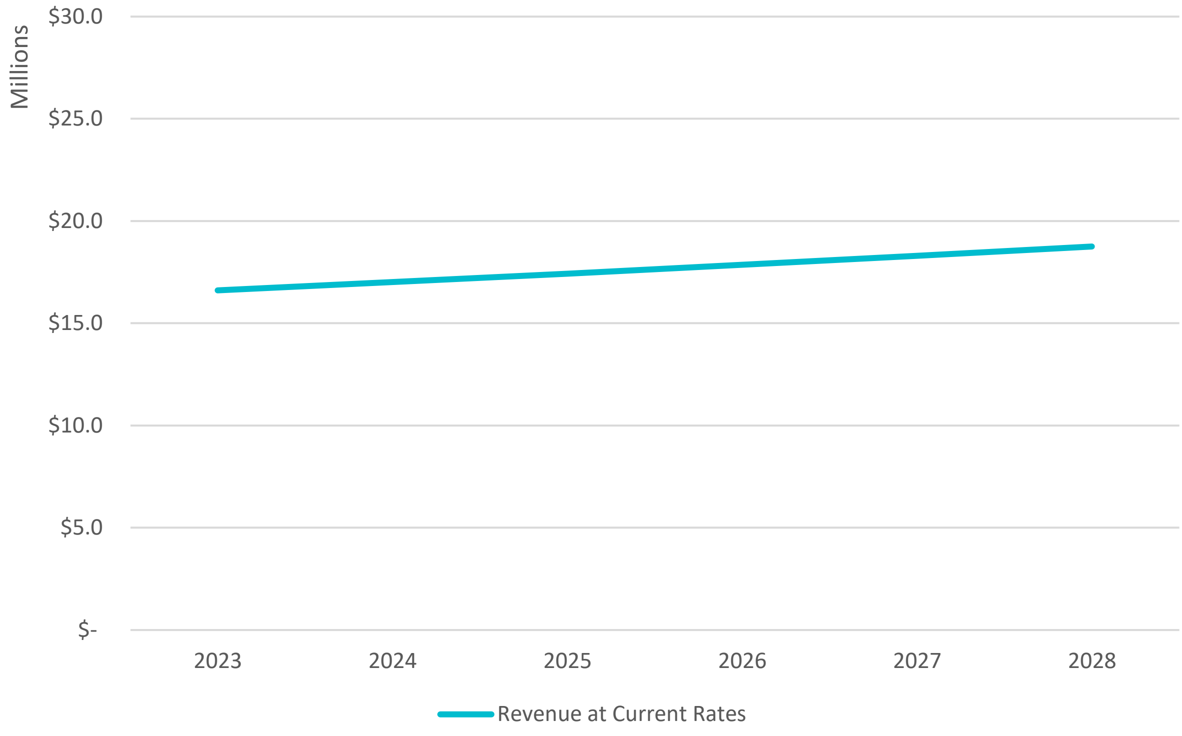
Previous Meetings - Recap

1. Raftelis met with the Utility Board and City Council last fall
2. Walked through rate model, key assumptions and preliminary projections
3. Forecasted increase – avg of 6.75%/year
4. Feedback from Previous Meetings:
    a) Adjust usage per account forecast to average full historical period to balance COVID years against non-COVID years
    b) Reduce NACA line from estimated to expected cost
    c) Explore/reflect grant funding opportunities for NACA projects
    d) Across the board increase (all rates increase the same %) preferred
    e) Equal annual % increases preferred
    f) Minimize impacts as much as possible

Financial Plan

Key Assumptions – Existing Revenue

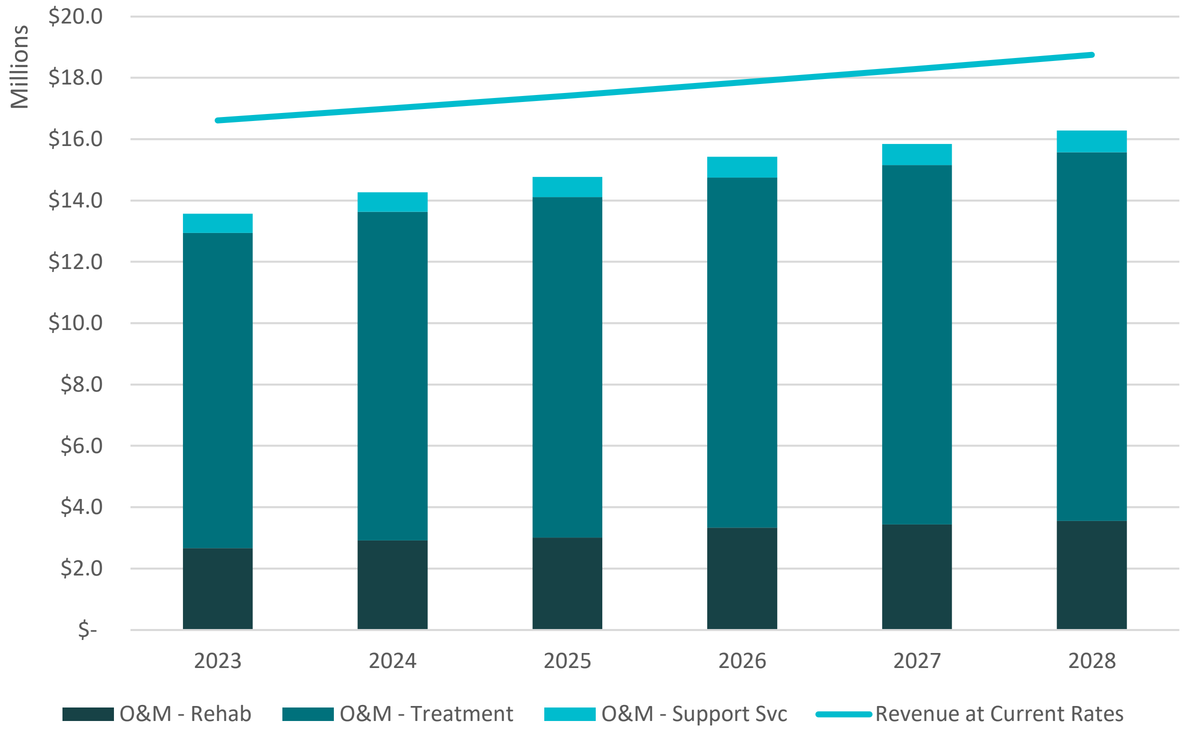
1. Account Growth
   a) Based on historical experience from 2016 – 2022
   b) Generally, 6-Year CAGR
   c) Overall – 2.7%/year
2. Usage Per Account
   a) Generally, 6-year average UPA
   b) No decline in UPA assumed
3. Considerations
   a) Rising interest rates/slowing economy
      i. Could slow pace of growth
      ii. Could reduce UPA for commercial
   b) Potential for water loss recovery
      i. Will realize additional revenue, but exact timing/amount is not known
      ii. 2-year adoption but looking at increases through 2028. Recovery could reduce or eliminate future increases.



Financial Plan

Key Assumptions – Operating Expenses

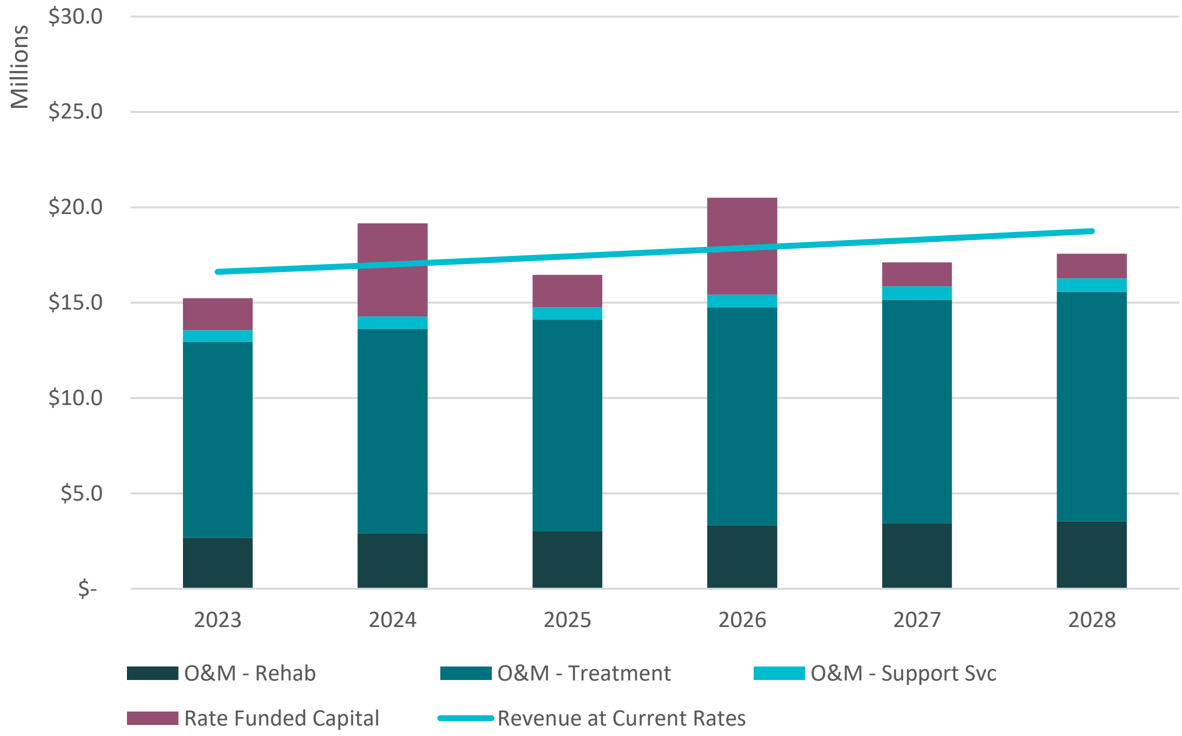
1. Starting Point - 2023 WW Budget and:
   a) WW Share of Support Services
   b) Additional 200k for XNA Interceptor Design
2. 2024 and beyond
   a) Incremental expenses for new positions
   b) Salaries and Wages – 3%
   c) Benefits – 5%
   d) Chemicals – 10%, 6.2%, 2.4%
   e) General Inflation
      i. 2024: Average of Core CPI (Feb 23) and Fed Forecast (Q1, 2023) – 4.1%
      ii. 2025: Interpolation – 3.2%
      iii. 2026: Long-Run Core CPI – 2.4%



Financial Plan

Key Assumptions – Rate Funded Capital

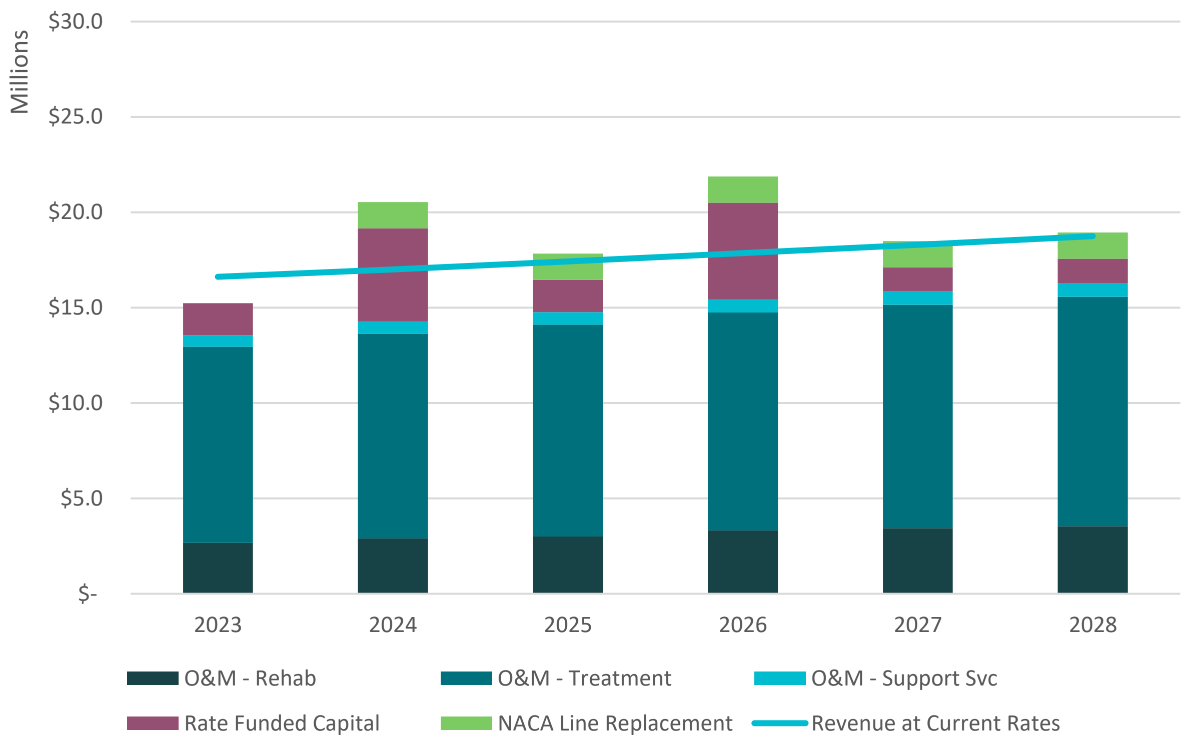
1. Funded from current revenues/cash above minimum reserve
2. Projects/equipment purchases that will recur regularly
3. Examples:
   a) Sewer/Manhole maintenance
   b) Utility truck purchases
   c) XNA/Haxton Projects
4. Construction cost inflation
   a) Engineering News Record Indices
   b) 2024 – Average of lower (2020 and earlier) and higher (2021 through 2023 YTD) environments – 5.25%
   c) 2025 – Interpolation – 3.98%
   d) 2026 and beyond - lower (2020 and earlier) inflationary environment – 2.7%



Financial Plan

Key Assumptions – NACA Line Replacement

1. Construction underway
2. Cost
   a) Initial estimate – $40MM
   b) Expected – $35MM
3. 5MM ARPA Grant
4. $30MM ANRC Loan
   a) 2.25%, 30 Years
   b) Payments begin 2024

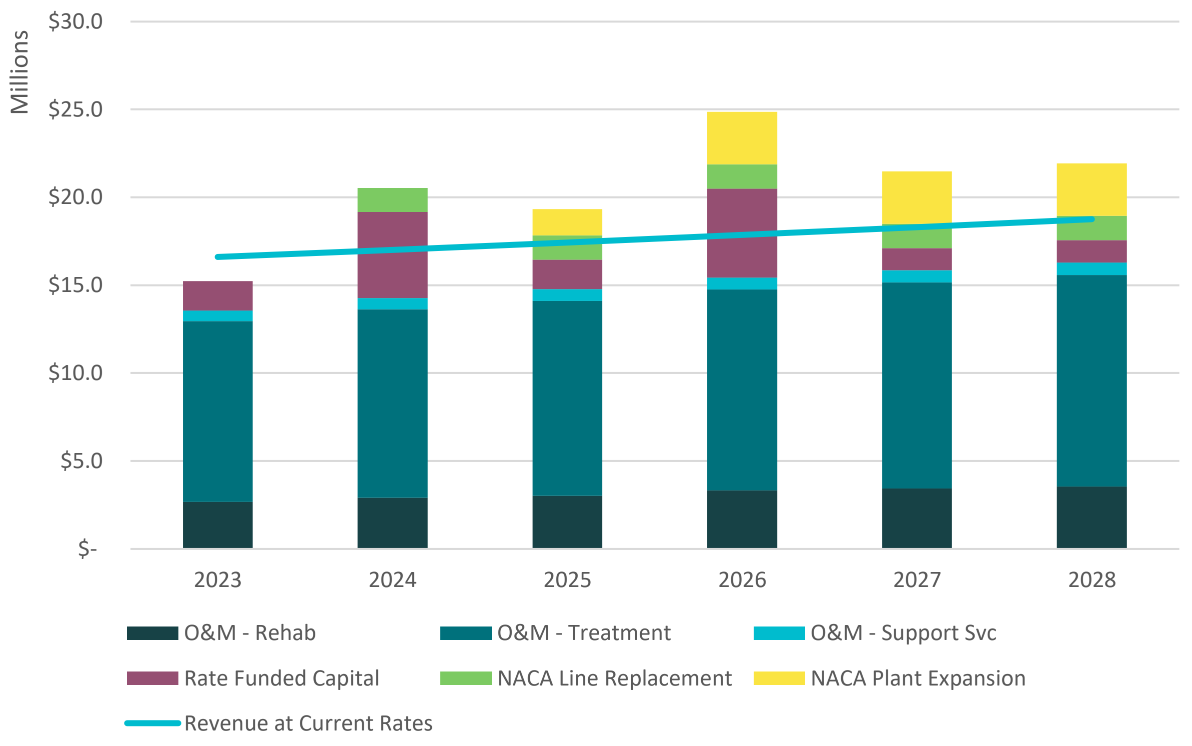


Financial Plan

Key Assumptions – NACA Plant Expansion

1. Cost: Low Bid – $85MM
2. 5MM ARPA Grant
3. Bentonville share: $72MM (90%)
4. $72MM ANRC Loan
   a) 1.5%*, 30 Years
   b) Payments begin second half of 2025

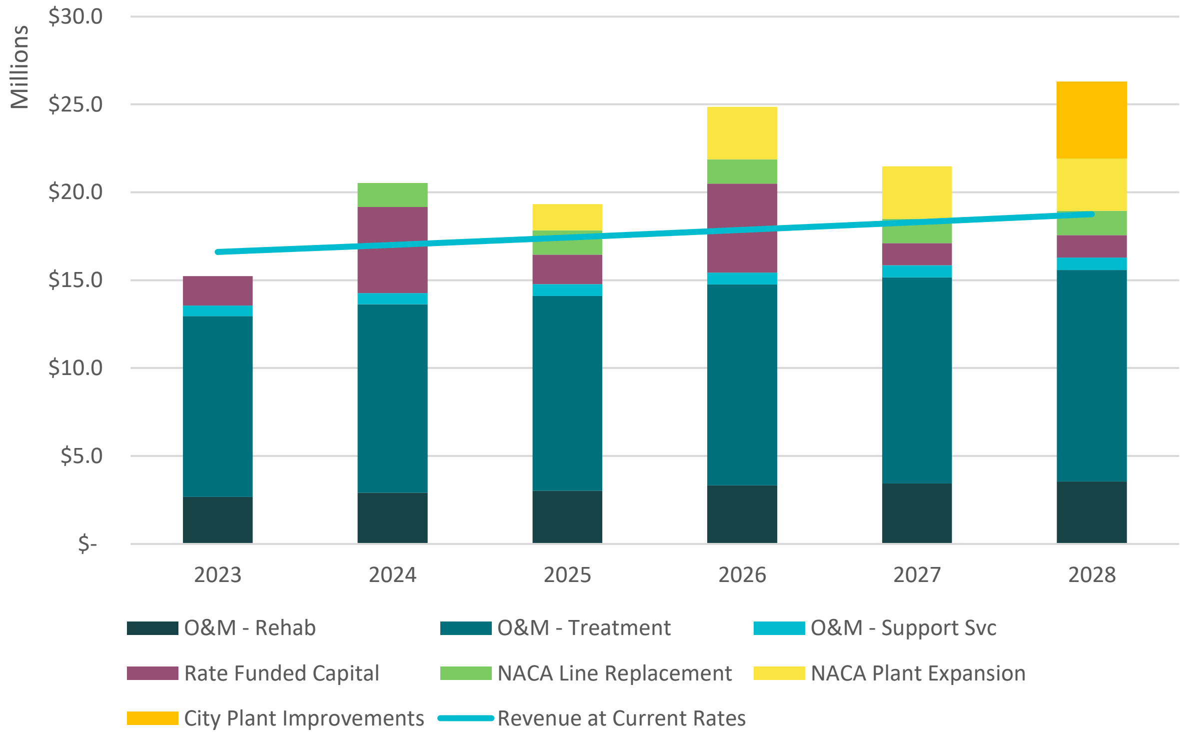
*Lower rate due to project being in Illinois River Watershed



Financial Plan

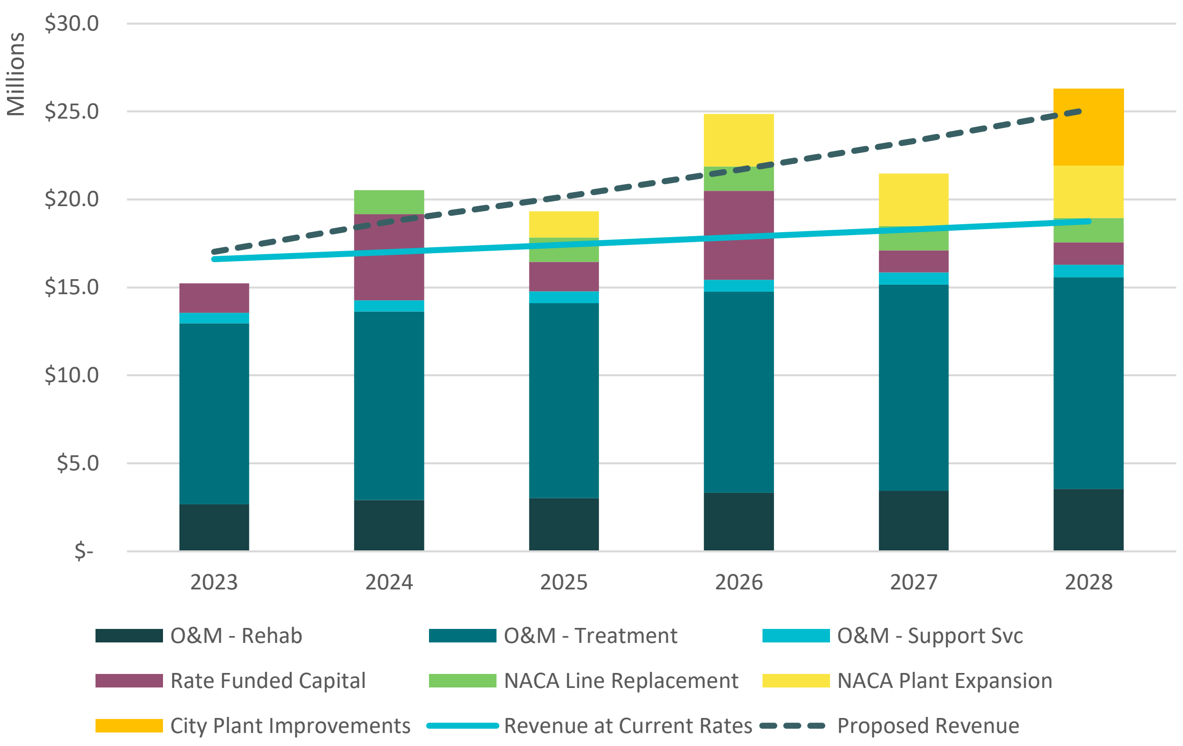
Key Assumptions – City Plant Rehabilitation/Expansion

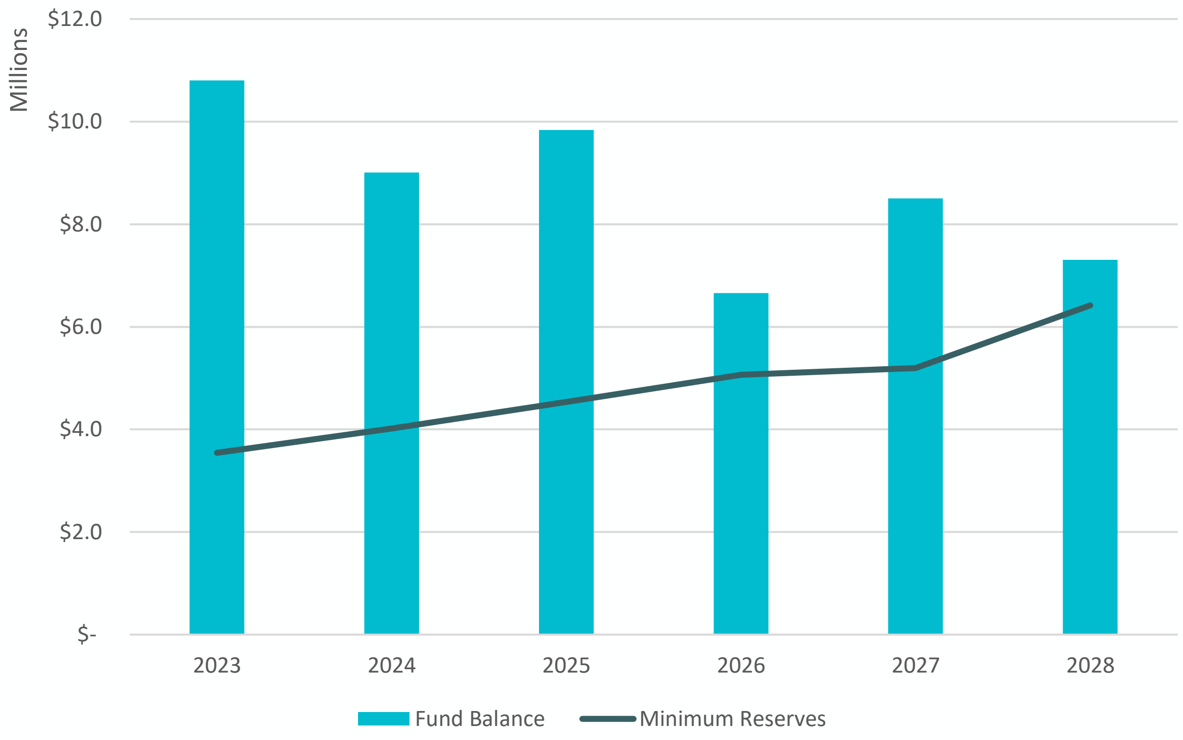
1. Cost:
   a) $95MM estimated
   b) Includes estimated project cost + construction cost inflation
2. $95MM ANRC Loan
   a) 2.25%, 30 Years
   b) Payments begin in 2028



Financial Plan

Cash Flow Forecast – Revenue Adjustments (5%/year)





*2023 Adjustment on July 1. 2024 and beyond on January 1.

Rate Recommendations & Impacts

- Council direction regarding rate adjustments
  - Applied equally to all rates
  - Equal annual increases over time
  - As low as possible, leveraging existing funds, grant opportunities and additional debt as needed
- Recommendations
  - Approve an increase of 5% effective for bills due on or after July 1, 2023
  - Approve an increase of 5% effective for bills due on or after January 1, 2024
  - Evaluate the need for future increases (currently projected at 5%) in future wastewater rate study

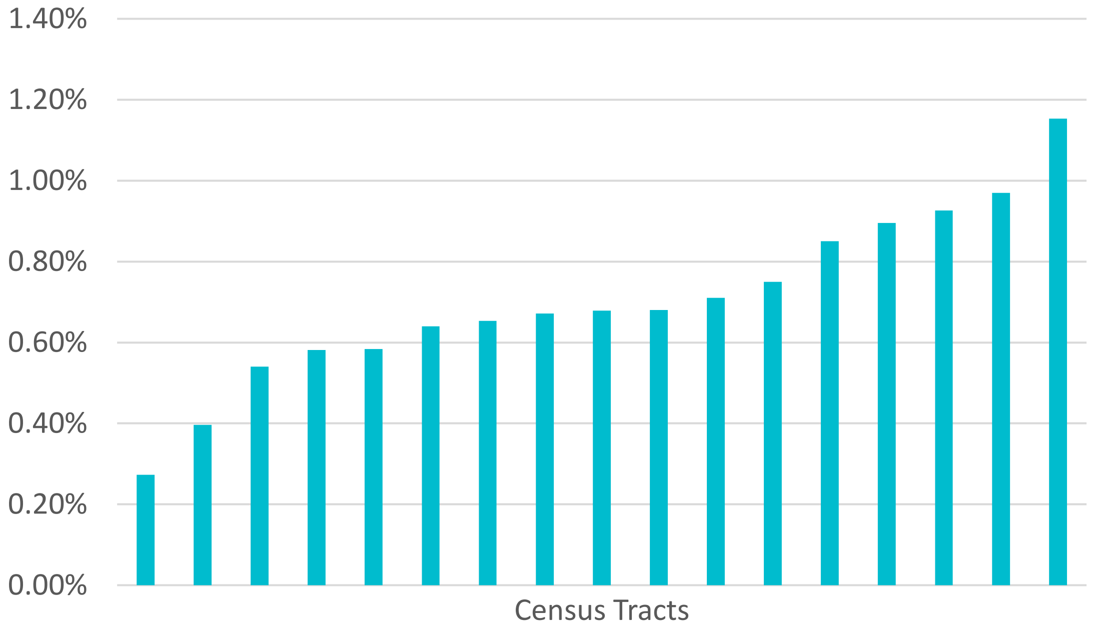
Description	2023 Current	2023 Proposed	2024 Proposed	2025 Forecast	2026 Forecast	2027 Forecast	2028 Forecast
Residential							
Facility Charge							
5/8"	$ 13.41	$ 14.09	$ 14.80	$ 15.54	$ 16.32	$ 17.14	$ 18.00
3/4"	13.41	14.09	14.80	15.54	16.32	17.14	18.00
1"	44.16	46.37	48.69	51.13	53.69	56.38	59.20
1 1/2"	164.05	172.26	180.88	189.93	199.43	209.41	219.89
2"	175.15	183.91	193.11	202.77	212.91	223.56	234.74
3"	257.30	270.17	283.68	297.87	312.77	328.41	344.84
4"	721.32	757.39	795.26	835.03	876.79	920.63	966.67
6"	1,553.89	1,631.59	1,713.17	1,798.83	1,888.78	1,983.22	2,082.39
8"	-	3,282.18	3,446.29	3,618.61	3,799.55	3,989.53	4,189.01
10"	-	4,923.26	5,169.43	5,427.91	5,699.31	5,984.28	6,283.50
Volume Rate (1,000 Gal.)							
Inside City	$ 7.69	$ 8.08	$ 8.49	$ 8.92	$ 9.37	$ 9.84	$ 10.34
Outside City	9.23	9.70	10.19	10.70	11.24	11.81	12.41
Commercial							
Facility Charge							
5/8"	$ 14.33	$ 15.05	$ 15.81	$ 16.61	$ 17.45	$ 18.33	$ 19.25
3/4"	14.33	15.05	15.81	16.61	17.45	18.33	19.25
1"	47.19	49.55	52.03	54.64	57.38	60.25	63.27
1 1/2"	175.31	184.08	193.29	202.96	213.11	223.77	234.96
2"	187.17	196.53	206.36	216.68	227.52	238.90	250.85
3"	274.95	288.70	303.14	318.30	334.22	350.94	368.49
4"	770.81	809.36	849.83	892.33	936.95	983.80	1,032.99
6"	1,660.50	1,743.53	1,830.71	1,922.25	2,018.37	2,119.29	2,225.26
8"		3,505.85	3,681.15	3,865.21	4,058.48	4,261.41	4,474.49
10"		5,258.76	5,521.70	5,797.79	6,087.68	6,392.07	6,711.68
Volume Rate (1,000 Gal.)							
Inside City	$ 8.22	$ 8.64	$ 9.08	$ 9.54	$ 10.02	$ 10.53	$ 11.06
Outside City	9.86	10.36	10.88	11.43	12.01	12.62	13.26

Rate Recommendations & Impacts

Monthly Bill Impact @ 4,000 Gallons

	Existing	Jul 1, 23	Jan 1, 24	Jan 1, 25	Jan 1, 26	Jan 1, 27	Jan 1, 28
Bill	$44.17	$46.41	$48.76	$51.22	$53.80	$56.50	$59.36
$ Change		$2.24	$2.35	$2.46	$2.58	$2.70	$2.86
Cumulative	$-	$2.24	$4.59	$7.05	$9.63	$12.33	$15.19

2024 Bill as % of Median Household Income



Q&A

THE CITY OF BENTONVILLE

Agenda Item Form

Date of City Council Meeting	**4/11/2023**
Department	**Water Utilities**
Submitted by	**Mike Bender**
Phone	**(479) 271-6873, (479) 271-3140**

Item Type: (*Check Applicable Item Type)*

☐ Budget Adjustment	☐ Change Order	☐ Informational	☐ Ordinance	☑ Resolution	☐ Bid Award

Recommendation/Suggested Action *(Enter recommendation in space below):*

Resolution setting a public hearing for 6:00 PM, Tuesday, April 25, 2023 to hear comments for and against the proposed ordinance addressing wastewater service rates adjustments. The public hearing shall be located in the City Council Chambers at 305 Southwest A Street, Bentonville, Arkansas.

Estimated Cost	
Is this Item Budgeted?	☐ Yes ☐ No

If no, please explain how item will be funded *(briefly explain in space below)* :

RESOLUTION NO. __________

A RESOLUTION SETTING A PUBLIC HEARING CONCERNING THE CITY OF BENTONVILLE WASTEWATER SERVICE RATES

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL FOR THE CITY OF BENTONVILLE, ARKANSAS.

Section 1: That a public hearing concerning the City of Bentonville's wastewater service rates and a proposed increase shall be held in the Council Chambers on the 25^{th} day of April 2023 at 6:00 PM.

Section 2: This resolution shall be in full force and effect from and after the date of its passage.

PASSED and APPROVED this _______ day of ________________, 2023.

APPROVED:

____
Stephanie Orman
Mayor

ATTEST:

____
Kirby Romines
City Clerk