

Water Supply FAQ's

CITY OF HOT SPRINGS



Q Why does the city need to secure additional water supply?

A The city water system has exceeded state-mandated maximum output on numerous occasions since 2010 and must find additional water supply. In addition, the city's current supply sources of Lake Ricks and the Ouachita River are unreliable and are very sensitive to environmental factors beyond the city's control.

Q What are the city's source water supply options?

A The city has three viable water supply options: Lake Hamilton, Lake Ouachita, and Lake DeGray. After much study and evaluation, the city has decided that the first and best option for immediate water supply is Lake DeGray.

Q Why is the city choosing Lake DeGray as its first water supply option?

A Although all three options will play a role in the future of the city and Garland County, Lake DeGray was chosen as the first option because of water quality, cost, and the fact that Lake DeGray would also provide a redundant water supply from a separate watershed. In addition, Lake DeGray is congressionally authorized for water supply, while Lake Ouachita is not. Lake Ouachita requires numerous studies to determine if water is available for water supply use; one of these studies is currently underway.

Q Why can't the city wait six months for the Lake Ouachita study to be completed?

A The city is waiting for the study results. However, the study is just a first step in what may be many years of studies and negotiations that will ultimately lead to the city securing water supply from Lake Ouachita. Consequently, the city eagerly awaits the results of the study for Lake Ouachita. However, there are water needs now that require immediate attention, and water from Lake DeGray is available now and at a lower cost.

Q With Lake DeGray being chosen as the first water supply location, will the city continue efforts to secure water supply from Lake Ouachita?

A Securing water supply from all possible sources is the prudent thing to do to meet the needs of our community. It is vital to quality of life and long-term economic growth, and the city will continue to take advantage of every opportunity to obtain water supply rights from all options.

Q What is it going to cost?

A The city estimates the cost to construct the intake at Lake DeGray, the pipeline to bring the water to the plant, and the new 15 million-gallon-per-day plant to be approximately \$60.5 million. Additional distribution system improvements are anticipated to be approximately \$10-20 million, bringing the total project cost to approximately \$70.5 - 80.5 million.

Q Aren't these costs just estimates?

A Yes. However, they are well-documented estimates prepared by professionals who are regularly engaged in the design and construction of water supply systems and have a long track record of estimating the costs of similar projects.

Q **Wouldn't Lake Ouachita be less expensive?**

A No. The cost to construct a pipeline from Lake Ouachita would be at least \$8 million more than from Lake DeGray; however, estimates show an additional cost of \$200,000 per year to pump water from Lake DeGray. Taking this into consideration, the Present Worth costs of Lake DeGray are \$5.6 million less than Lake Ouachita.

Q **How much will these projects cost the average customer?**

A Economics.com, the rate consultant, has compared the current rate plan with two alternative scenarios for projects costing \$80-\$100 million, and the impact is less than \$10 per month for the average user. The comparison reveals that for a city residential customer who uses the average of 5,000 gallons per month, by 2018 the impact of the Lake DeGray project under the \$80 million scenario is an increase of an additional \$7.65 per month. Under the \$100 million scenario, the impact is an increase of an additional \$9.08 per month.

Q **Why locate the new water treatment plant on the south side of Lake Hamilton?**

A There are several reasons why the city is considering this area. A plant on the south side of Lake Hamilton provides the city with another location for water to enter the distribution system. Having water enter the system from both the north and south will provide for a more redundant and robust water system. It also places a water supply in an area that is currently far from our existing plants, helping to eliminate water quality issues.

Q **What is the estimated time frame for additional water supply?**

A The water capacity expansion timeline is five years from planning through construction. The city is well underway on this timeline. The city has set a goal of January 2018 for additional water supply being connected to the city's existing distribution system.

The City of Hot Springs welcomes discussion about the path forward in providing adequate supplies of clean, affordable water for all its customers. The city will openly and transparently work with all those whose goal is water security for Hot Springs and the surrounding area.

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