City of Rockport 1472 Military Road Rockport, AR 72104 Phone 501-332-8700 Fax 501-332-7116

September 6,2018

Dear Honorable Allen Clark

The City of Rockport is having water issues with the City of Malvern and we need your help. The City of Rockport was being served for over 20 years by the Northern Malvern Water Association, Rockport citizens and the rest of the water customers paid monthly payments on their water bill to pay back the loan to establish the water association and to install water lines. The Water Board after stacking the board members with Malvern supporters paid off the water loans and then sold the debt free water association that was worth about one million dollars to the City of Malvern for one dollar. None of the customers from the water association were reimbursed any money from the 20 plus years of paying on the water system.

City of Malvern now will not allow any new residents or businesses from Rockport receive any water from them unless they sign a Bill of Assurance paperwork that requires them to annex into Malvern when their property becomes contiguous to the City of Malvern. For about 30 years the water lines have been in the ground and anyone can hook up to the water system till Malvern took the water system.

Malvern Water borrowed around \$19,000,000.00 to build a water treatment plant from Arkansas Natural Resources Commission when it was Soil and Water which as you are aware is controlled by a state agency. I believe since they borrowed money from a state agency there should be a state law requiring a city or water association who used state funds to provide water to those in need of water service as long as they have the water capacity to supply the water. Is the water task force looking to help solve the problems of citizens needing water to develop and promote economic development?

The City of Rockport is in the process of installing a sewer system behind our city hall and need water at the treatment plant and we asked Malvern for water and was told we would have to sign the Bill of Assurance annexing our city property into the city of Malvern.

Popeye's Restaurant bought property in Rockport to build one of its restaurants and needed water and they had a water line already on their property but Malvern would not allow them to tie on to the water line unless they sign the Bill of Assurance to de-annex their property from Rockport and annex into Malvern. Another property owner is

building an Insurance agency in Rockport which is contiguous to Malvern and Malvern is making them de-annex to receive water. The old water association had a water line that crosses the properties but will not allow them access to the water unless they annex into Malvern.

It makes it very difficult for Rockport to have any economic development growth when property owners cannot develop their property for fear of not being able to receive water. Without water they would be unable to develop their property. Water lines are already along the properties but any new customer has to sign the Bill of Assurance and have the Malvern City Council vote to allow or not allow the property owner water service.

There are hundreds of acres of land along the by-pass that can be developed but not many developers will buy the land not knowing if they can receive water. Without water they cannot develop their property.

I believe each city should be able to serve its own citizens and businesses water and own its own water system and not have other cities control its water. Each city should be in control of its infrastructure. There should be a state law to prevent water being an excuse to force annexation or allowing de-annexation. Can we get a state law requiring a city that has water in another city and uses water to force annexation sell the water lines to that city?

Darrell Hughes Rockport, Mayor