

Two Cities, Water, and a Metropolitan University

Gary D. Chamberlin and Joel E. Anderson

Abstract

In 2000, officials in the cities of Little Rock and North Little Rock asked the University of Arkansas at Little Rock to assist in resolving a difficult and long-standing conflict over water rates and the provision of drinking water. A task force of 6 faculty members recommended that the cities merge their water departments, appoint a new water commission with members from both cities, and join with other municipalities in identifying a new raw water source for the future. Although a surprise to most observers, the water departments were merged in 2001 and a study of future water sources has been started. Since the merger, a similar study in another community has been requested.

Little Rock and North Little Rock are two cities in central Arkansas separated physically by the Arkansas River. Historically, emotionally, and structurally they have rarely shared the advantages of physical closeness. Instead, they have frequently been competitive, sometimes combative, and occasionally they have engaged in bitter conflicts. The provision of drinking water has been a source of conflict with a history of at least 70 years.

Little Rock, some three times larger than North Little Rock, is the capital city of the state and dates from 1820. Settlement came later across the river on the north shore. That area was annexed to Little Rock in 1890 against the wishes of many persons living there, designating it as the city's eighth ward. Little Rock prevailed in litigation filed by those north of the river aimed at overturning the annexation. However, in 1904 leaders from the north side of the river, in what leaders in Little Rock perceived as political chicanery, succeeded in securing legislation from the Arkansas General Assembly that enabled them to de-annex the ward north of the river from Little Rock. Again litigation arose but this time Little Rock lost and a separate city came into being north of the river. Although relations have slowly improved, the two cities have never completely overcome the animosity that developed a century ago. Water has been only one subject of disagreement since then.

By the 1920s, Arkansas Water Works, a subsidiary of American Water Works, owned the water systems in both cities. Water drawn from wells and from the Arkansas River was treated in Little Rock and distributed to customers in Little Rock, and also to customers in North Little Rock via a water line laid in 1926 across the Broadway Bridge spanning the river between the two cities. Thus, North Little Rock has purchased water from the Little Rock water system since 1926, before either city's water system became municipally owned.

In 1936, Little Rock purchased the water system in that city, and in 1959, North Little Rock purchased the water system in that city. In 1938, with the assistance of the federal Public Works Administration, Little Rock constructed Lake Winona to serve as a raw water source. In the 1950s when a larger water supply was needed, Little Rock built Lake Maumelle. These two lakes west of the city have been excellent sources of drinking water for Little Rock and its water customers, including North Little Rock.

As early as 1939 there was conflict, including litigation, between Little Rock and North Little Rock over water rates. In 1940 the Arkansas Supreme Court affirmed Little Rock's authority to charge the higher water rates North Little Rock had challenged. The Court further ruled that Little Rock was obliged to supply water to North Little Rock; however, North Little Rock was not obliged to remain a customer of Little Rock. It was also a source of irritation to Little Rock that North Little Rock, after purchasing water from Little Rock, then entered into contracts to sell water at still higher rates to outlying communities north of the river.

There have been several conflicts since 1940, and the most recent started in 1999 when Little Rock increased water rates for North Little Rock customers by a large amount. The underlying assumption was that Little Rock owned the water system and North Little Rock was only the largest customer. The independent water commissions and elected officials from the two cities were at loggerheads and unable to reach a solution. Both cities threatened to dissolve the relationship of more than 70 years. Many harsh words were spoken publicly, and there was the real possibility of more litigation.

Against this backdrop of historical dissension and an emotionally-charged climate, the two cities turned to the University of Arkansas at Little Rock to develop a solution. Having embraced the metropolitan university model more than a decade ago, the University had earned broad trust and was seen as a neutral party.

The Role of the University

In January 2000 the mayors and water commission chairs in both cities formally requested that the UALR chancellor provide assistance in helping to resolve the water dispute. This request was consistent with the mission of a metropolitan university. It was also in the vested interest of the University to facilitate the economic development of the region that, in turn, could nurture the University. So the challenge was accepted. The chancellor requested the provost and five faculty members with relevant expertise to serve on a task force that would not only conduct an extensive study, but also dare to take the risk of making recommendations backed by objective data and rational thought. As had been demonstrated in other instances, the University sought to not simply produce an academic study, but to go beyond that and present guided policy development backed by the strength and depth of a classically academic approach.

The panel was interdisciplinary and chosen to represent the various academic specialties considered relevant to the nature of the problem. The University also sought to engage faculty known for their expertise and for their open-mindedness.

Starting in the spring of 2000, the task force worked diligently and efficiently for six months. Tours were taken of water facilities, and interviews were conducted with all 10 members of the two water commissions, water department officials, city board members, mayors, the county judge, regional planning officials, and selected leaders in surrounding cities and counties. Extensive amounts of data were collected and analyzed, previous reports and documents were reviewed, and meetings were held with engineering and ratemaking consultants who had previously worked with both cities on water issues. The task force members met frequently, sometimes in all-day sessions, to review what they had learned, to formulate data in a way to identify the nature and extent of potential water problems, and to develop recommendations. The result of the work by the task force was a report entitled *Water for Our Future: Overcoming Regional Paralysis*, which was published in September 2000.

Recommendations from the Study

The study offered an analysis of the history of the water system and the inter-city conflicts, the geology of water resources in central Arkansas, current water system capacity and projected future needs, perceptions of those living on both sides of the river, and the major stumbling blocks to be overcome. All sections of the report reflected the critical academic approach, but they were presented in language and tone suitable for the people in the community. Although unconventional, a chapter that presented unattributed, and sometimes colorfully stated, perceptions of leaders on both sides of the river regarding their views of each other demonstrated that all parties had been heard. The feelings, biases, and sometimes-flawed reasoning were made known, anonymously, to everyone. The task force debated the risks of including this chapter. However, the results have shown the wisdom of helping people to understand both their opponents and themselves more clearly.

The community had enjoyed a good and ample supply of drinking water for 70 years, but it was evident in the study that a new source of raw water would be needed in approximately 20 years. In addition, it was clear that other communities in nearby central Arkansas would need additional water in even shorter periods of time. The sources appeared to be limited to three existing lakes about 60–65 miles away, the Arkansas River, or a newly constructed lake. None of these options was without problems as a future water source. It was recognized that it would be an expensive proposition that would require several years to identify the most economical source, secure the necessary governmental approvals, and do the construction.

To the surprise of most and the outright chagrin of some, the task force recommended that the two cities merge their two water utilities into one, and that water rates be equalized over a 10-year period, thereby eliminating a recurrent source of conflict. A new water commission consisting of members from both cities was proposed. Although both water utilities were debt free and both had existing financial reserves, repairs and improvements were needed in their distribution systems. The task force recommended that each city independently be responsible for distribution system improvements to bring their respective systems to appropriate and agreed standards, to

be determined by a jointly selected and jointly paid consulting firm. Thereafter, maintenance and improvements were to be the responsibility of the merged utility.

The fact that it was the income from water rates paid by citizens on both sides of the river, not the revenue or credit of the city of Little Rock, that had provided backing for bond issues and system improvements over the years was a compelling argument that the water facilities belonged to the people who were water customers. The other compelling issue was simply the need for the region to come together to ensure a reliable future water supply and continued economic development. Finally, it was recommended that the merged utility join with other municipalities in central Arkansas in conducting a study of another raw water source for the future.

Reaction to the Recommendations

To the credit of political and civic leaders on both sides of the river, they engaged in rational conversation on the recommendations. During these conversations several key issues were at work and several key individuals came to the surface. Two of the major issues were economic and governmental. There was an economic reason that helped tip opinions in favor of the recommendations. With the recognition that an additional raw water source would be needed within 20 years, the task force noted the sobering truth that, whichever option was chosen, the infrastructure costs would be in the hundreds of millions of dollars. In such projects, of course, as the number of ratepayers goes up, the cost per ratepayer goes down. Continued conflict between the two cities would doom the intermittent efforts to develop a regional solution to the need for a new source of water.

There may have been a fear factor at work. In December 1999 when the most recent conflict over water rates broke out, tension became quite high. Among civic and business leaders in both cities there was fear that the matter was about to spiral out of control, possibly paralyzing local governments and producing unpredictable consequences. This opened the door to a solution that held the promise of permanently taking water disputes between the two cities off the table.

In regard to individuals, it was significant that both mayors were publicly supportive and the executive management of both water departments worked to gain approval of the recommended merger. The local newspapers published supportive editorials (“We must learn to share” 2000; “Don’t be a drip” 2000). Many community leaders supported the recommendations, including the chief executive officer of the largest corporation in Little Rock who had just completed a term as president of the Little Rock Regional Chamber of Commerce. He publicly and privately called upon leaders in both cities to find a lasting solution to the water dispute.

A prominent attorney who chaired the Little Rock Water Commission was, by all accounts, instrumental in persuading the Commission and the Little Rock Board of Directors to support the recommendations of the task force. By her own admission, she was surprised by the recommendations at first, but as she studied them she became

convinced of their potential to serve the public interest. A member of the Little Rock Board of Directors was also a particularly crucial and energetic proponent of the merger.

In order for the merger to take place, the Arkansas General Assembly, which would be in session starting in January 2001, had to pass enabling legislation. In addition, the boards in both cities had to work together to pass the legislation. A merger implementation committee was appointed by the two mayors and was chaired by a former chief executive officer of a Little Rock bank who was also a former Dean of the University of Arkansas at Little Rock School of Law.

The two city boards unanimously approved the detailed implementation plan developed by the merger committee, and the Arkansas General Assembly adopted the necessary enabling legislation. With all approvals in place, the merger became official on July 1, 2001, and the newly created water utility became known as Central Arkansas Water. A major consulting firm was under contract by June 2002 to assist in identifying a raw water source that will be needed to maintain an ample supply of water in the future. A number of federal, state, and local government entities in the region are sharing the costs of the study.

To say there have been no bumps in the road in the merging of the two water utilities would be untrue, but the process has been smoother than might have been envisioned. It was helpful that both water departments were well regarded, and they and their executives had received awards for their performance. Nonetheless, changes in water rates, the need for conservation incentives, the alignment of operating policies between the two cities, and numerous other details have upon occasion resulted in public criticism. Even so, the new water utility and its regionally-oriented commission have worked carefully and sensitively to smooth out the bumps. A heightened sense of public awareness and responsiveness continues to grow and is serving the new utility well.

Discussion

After almost every success in achieving major change in the public policy arena, someone will sagely observe that the successful outcome was inevitable and that the course taken was obvious. However, in this instance there was almost universal surprise at the outcome. Only someone who had never heard the civic and business leaders of the two cities complain about the other city across the river could seriously pronounce the success as having been inevitable. Only someone who did not sit through the hours the task force spent reframing possible solutions could think the course finally recommended was obvious. Sometimes it appeared that the most that might be achieved was some solution that would push the subject to the back burner for several more years, after which it would emerge again as a source of serious conflict.

The experience of the University of Arkansas at Little Rock may be instructive to other universities evaluating invitations to assist their communities in addressing divisive

issues. How does one explain the success of city officials in Little Rock and North Little Rock in achieving a breakthrough to cooperation on the historically divisive issue of water rates, and what role did the University play in this success?

One key element rests with the fact that in previous years the mayors of both Little Rock and North Little Rock, and the county judge (chief county administrator) had all publicly advocated cooperative approaches among governments in central Arkansas. In addition, the chairs of the respective water commissions were receptive to compromise possibilities.

Observations about the University's successful participation can be divided into two sets. The first set includes three general observations that gave importance and credibility to the effort.

The University had previously established itself as a metropolitan university that was willing to be involved in community issues and, in this instance, it acted in response to a request from local officials. The chancellor accepted the challenge and, for members of the task force as well as other University personnel asked to assist, the chancellor's interest defined the project as important.

A team with appropriate knowledge and skills was assembled. Moreover, by virtue of their positions, team members had ready access to other faculty and staff expertise as needed. The members of the task force received no special consideration for their work. However, the intangible rewards of involvement in such a project should not be underestimated. The members found their work inherently interesting, they found real pleasure in working as part of an interdisciplinary group, and they appreciated the fact that the project was high profile and important to the future of the community.

The second set of observations about the University's role focuses on elements of the approach used by the task force in conducting its study and formulating its recommendations. These might be regarded as basics to be practiced when assisting public officials.

Good information is a prerequisite to good policy making. A foundation of basic factual information will go a good distance in defining the problems and the opportunities in a particular situation. Agreement is easier to reach if everyone agrees upon the facts. University faculty members, by the nature of their graduate training, have professional skills in seeking, recognizing, evaluating, and presenting information. They always worry about the completeness and the adequacy of their information. As a result, the quality of information presented by academics is often superior to that presented by other sources, many of whom are viewed as having vested interests. The task force provided decision makers a wide and solid base of relevant geological, historical, perceptual, legal, financial, and political information that was clearly presented.

A distinguishing characteristic of the report was that it was not what might be called a

“consensus document.” Blue ribbon committees made up of prominent officials and citizens often produce reports that are consensus documents, reflecting of necessity the lowest common denominator of committee members on controversial public issues. The task force was not constituted to represent the variety of interests in the issue. Therefore, it worked from a neutral position, and was free to assemble data and develop recommendations that would best solve the problem as the task force came to understand it. The task force did not attempt to respond to the historical or political considerations. Rather, the members openly acknowledged those considerations and then moved to what was judged to be the most reasonable and effective means of solving the problem.

Members of the task force did a great deal of listening. They did this through many one-on-one interviews, as well as committee interviews with a number of key local, state, and federal officials. Early interviews were used to develop an inventory of issues and options, while later interviews were used to deepen understanding and to develop a sense of the boundaries of acceptable alternatives.

Members of the task force conducted themselves in such a manner as to gain the respect and trust of interested parties in both cities. As a result, the University successfully played the role desired when asked for assistance. That is, it was the neutral third party that was able to develop a course of action for the two cities which neither city could have developed and which neither could have accepted from the other.

The conflict between Little Rock and North Little Rock over water issues was the kind of situation where a university can do its best work, responding in an impartial and academic sense to a public policy issue that is fraught with open political conflict and emotional undercurrents. Although successful outcomes are never assured in such situations, the success story told here should encourage risk taking by metropolitan universities. Two cities, separated by a river and by a contentious history, were able—with crucial help from their metropolitan university—to escape a past that had long divided them and embrace a united approach to supplying water for their citizens in the present and in the future.

Success Brings Consequences

Success inevitably increases pressure to accept other challenges. In less than a year after the Little Rock/North Little Rock water department merger was accomplished, the University was asked by officials in an adjacent county to assist in addressing another water dispute. This new project involves 14 different entities managing independent water districts in a single county.

Wary of taking on this new challenge, the chancellor imposed conditions that would have to be in place before the University would consider the request. Somewhat to the surprise of the University, a number of difficult political situations were overcome and the county judge produced an agreement to the conditions by all of the participants.

The moral of this story is to not place conditions on your readiness to work with communities in solving their problems unless you intend to accept the challenge if the conditions are met.

At the time of this writing, a second UALR task force is conducting a study and will offer recommendations for the solution to water problems in another community. Will the county succeed in coming together on a solution? The people who live there will ultimately determine the outcome. If they do succeed, a key ingredient will have been the ability of metropolitan university personnel to blend the time-honored classic academic thoroughness with complex real world needs in a manner that is persuasive to the people who live in the community.

References

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Author Information

Gary D. Chamberlin, Ph.D. is University Professor of Higher Education at the University of Arkansas at Little Rock.

Gary D. Chamberlin
Department of Educational Leadership
University of Arkansas at Little Rock
2801 So. University Avenue
Little Rock, AR 72204
Telephone: (Home) 501-758-1959
Telephone: (Cell) 501-258-3446
E-mail: gdchamberlin@ualr.edu

Joel E. Anderson, Ph.D., became Chancellor of University of Arkansas at Little Rock in January 2003, having previously been a professor, dean, and Provost.

Joel E. Anderson
Chancellor
University of Arkansas at Little Rock
2801 South University Avenue
Little Rock, AR 72204-1099
Phone: (501) 569-3200
Fax: (501) 569-8915
E-mail: chancellor@ualr.edu