AN ORDINANCE EMPLOYING THE CONWAY CORPORATION
TO OPERATE THE WATERWORKS SYSTEM AND THE
SANITARY SEWER SYSTEM OF THE CITY OF CONWAY, ARK-
ANSAS: ESTABLISHING THE DUTIES AND RESPONSIBILITIES
OF SUCH EMPLOYEE: DECLARING AN EMERGENCY: AND FOR
OTHER PURPOSES.

WHEREAS, the waterworks and sanitary sewer systems
heretofore constructed within the City of Conway prior to
1976 are owned by the City of Conway, Arkansas; and

WHEREAS, the Conway Corporation has heretofore acquired
or will hereafter acquire the materials, equipment, labor,
management and engineering necessary to better maintain,
repair, construct, reconstruct, and operate the said system,
and has, at the request of said City, heretofore performed
such services in a proper, efficient and satisfactory manner
for an extended period of time, and has indicated its willingness
to continue to assume the full responsibility for operating
such systems;

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF
THE CITY OF CONWAY, ARKANSAS:

SECTION 1: The City of Conway does hereby approve,
ratify and affirm all acts, deeds and things heretofore done
or performed in operating, managing, maintaining, repairing,
constructing, reconstructing, billing, collecting monies,
paying bills, or otherwise, both the waterworks system and
the sanitary sewer system of the City.

SECTION 2: The City of Conway does hereby request
that the Conway Corporation shall continue to undertake and
assume the full responsibility of and for the entire operation
of each of said waterworks and sanitary sewer systems,
subject to lawful directions imposed by the City and/or the
laws of the State of Arkansas, and under the following
conditions.

A. The Conway Corporation shall perform, or shall
secure to performance of, all maintenance, repairs, construction,
re-construction or other work upon all portions of each of
said systems, and in a prudent and efficient manner.
B. The Conway Corporation shall render all billings for water consumed and for sewer service charges to all customers or recipients of service from either of said systems, shall collect all monies or sums due upon such billings, and shall pay therfrom all expense or costs incurred by, for or on behalf of each of said systems, including appropriate portions of joint payroll and other expenses or costs incurred by the Conway Corporation for, on behalf of, or as the result of operating each of said systems. The Conway Corporation shall at all times maintain accurate and complete records and accounts in which complete and correct entries shall be made of all transactions relating to each of said systems, and shall cause such accounts and records to be audited annually by an independent certified public accountant. Immediately upon completion of each such audit the Conway Corporation shall furnish the City with copies thereof in sufficient quantities to permit the City to furnish copies thereof to the Trustee of each of the bond issues authorized by proper ordinance of the City and outstanding against either of said systems, whether heretofore or hereafter issued.

C. The Conway Corporation shall not alter or amend the rates now being charge for the services rendered by each said system unless and until specific authorization therefor has been granted by the City.

D. The Conway Corporation shall cause all monies and funds received by it for or on behalf of each of said systems to be deposited in a bank or banks whose deposits are insured by the Federal Deposit Insurance Corporation, or invested in lawful interest bearing obligations, and withdrawn in payment of the proper obligations of the respective systems, all in accordance with sound and prudent operation and management and in compliance with the various bond ordinances now or hereafter outstanding against said systems.
E. At no time shall the Conway Corporation be required to undertake or perform any act, deed or thing that would require an expenditure or expenditures of money or funds for either of said systems which is not available from the revenues of the respective system after providing for payment of the principal of and interest on the then outstanding bonded indebtedness of each said system and establishing all necessary and proper reserves and accounts. In the event that funds shall be required for either of said systems for any purpose and in amounts which exceed the funds available for said system, the City will cause such funds to be made available from increased rates or from additional bonded or other lawful indebtedness of the system requiring such funds. PROVIDED, that the necessity, propriety and amount of such rate increase or additional indebtedness, if any, shall be determined by the City.

F. In addition to the operating costs discussed in sub paragraph "B" above, for its services in managing and operating said systems pursuant to this ordinance the Conway Corporation shall annually receive the sum of $8,000.00 of and from the municipal waterworks system and shall receive the sum of $2,500.00 of and from the municipal sanitary sewer system, or such other amounts as shall be equivalent to the charges for water and sewer service rendered to certain other agencies, departments or facilities of the City and other institutions as approved by the City and paid by the Conway Corporation, plus the sum of One Dollar ($1.00) per year, which payments shall be full payment and compensation for any and all services rendered hereunder by the Conway Corporation. PROVIDED, however, the Conway Corporation shall pay to the City for this franchise and contract the sum of $25.00 each month during the term of this agreement, which payment shall be made of and from the separate funds of the Conway Corporation and not from the funds of the waterworks system or the sanitary sewer system.
SECTION 3. All ordinances or parts of ordinances in conflict herewith are hereby repealed.

SECTION 4. This ordinance, being necessary for the protection of the public health, safety and welfare, an emergency is hereby declared to exist and the same shall be in full force and effect from and after its passage and publications, and shall continue in full force and effect until the 1st day of July, 1986, unless the same shall be sooner rescinded by proper action of the parties hereto.

PASSED this 10th day of August, 1976.

APPROVED:

[Signature]

Jim A. Hoggard, Mayor

ATTEST:

[Signature]

Doris Nunn, Clerk-Treasurer