

ORDINANCE NO. 092-15

AN ORDINANCE FIXING RATES FOR SERVICES RENDERED BY THE SEWER SYSTEM OF THE CITY OF CONWAY, **ARKANSAS**; AND PRESCRIBING OTHER MATTERS RELATING THERETO.

WHEREAS, the City of Conway, Arkansas (the "City") owns, and Conway Corporation, an Arkansas nonprofit corporation (the "**Corporation**"), operates for the City, a sewer system (the "**System**"), and the City and the Corporation have determined that extensions, betterments and improvements to the System (the "sewer improvements") should be made in order that the City and its inhabitants may have adequate and proper sewer facilities; and

WHEREAS, the costs of the sewer improvements will be paid from the proceeds of bonds to be purchased by an agency of the State of Arkansas; and

WHEREAS, it is necessary for the City to establish rates to be charged for the services of the System in accordance with the requirements for the bonds;

NOW, THEREFORE, BE IT ORDAINED by the City Council of the City of Conway, Arkansas:

Section 1. (a) The City hereby establishes as rates, to be charged for services furnished by the System, which the City Council finds and declares to be fair, reasonable and necessary, to be charged to all users who contribute wastewater to the System. The proceeds of such charges so derived will be used for the purpose of operating, maintaining and replacement ("**OM&R**") of the System. (Replacement is defined as expenditures for obtaining and installing equipment, accessories or appurtenances during the useful life of the System necessary to maintain the capacity and performance for which they were designed and constructed.)

(b) For sewer service billed on and after July 1, 1992 to April 30, 1995, all users of the System shall be charged monthly \$.71 per 1,000 gallons or portion thereof of metered water consumption for OM&R with a \$1.42 minimum charge for 2,000 gallons. For sewer service billed on and after May 1, 1995, all users of the System shall be charged monthly \$.69 per 1,000 gallons or portion thereof of metered water consumption for OM&R with a \$1.38 minimum charge for 2,000 gallons.

All sewer users shall be classified by the Corporation as residential, commercial or industrial.

(c) Excessive Strength Charges. For any user, when the BOD exceeds \*250 mg/1, the suspended solids exceed 250 mg/1, or when other pollutant concentrations exceed the range of concentrations of these pollutants in normal domestic sewage, a surcharge may be added to the basic charge. This surcharge shall be calculated by the following formula:

$$C_s = (B_c(B) + S_c(S) + P_c(P)) V_u$$

Symbols and Definitions:

$C_s$  = A surcharge for wastewaters of excessive strength

$B_c$  = Operation and maintenance ("O&M") cost for treatment of a unit of biochemical oxygen demand ("BOD")

$B$  = Concentration of BOD from a user above a base level

$S_c$  = O&M cost for treatment of a unit of suspended solids ("SS")

$S$  = Concentration of SS from a user above a base level

$P_c$  = O&M cost for treatment of a unit of any pollutant

$P$  = Concentration of any pollutant from a user above a base level

$V_u$  = Volume contribution from a user per unit of time

\*Maximum limit for average domestic waste.

(d) Charges for Extraneous Flows. The costs of O&M for all flows not directly attributable to users (such as Infiltration/Inflow) shall be distributed among users on the same basis as operation and maintenance charges.

(e) Toxic Pollutants Charges. Each user that discharges any toxic pollutants which cause an increase in the cost of managing the effluent or the sludge of the System's treatment works shall pay for such increased costs.

(f) Debt Service. For sewer service billed on and after July 1, 1992 to April 30, 1995, all users of the System shall be charged monthly \$.24 per 1,000 gallons or portion thereof of metered water consumption for debt retirement of the City's bonds payable from System revenues ("Debt Service") with a \$.48 minimum

charge for 2,000 gallons. For sewer service billed on and after May 1, 1995, all users of the System shall be charged monthly \$.96 per 1,000 gallons or portion thereof of metered water consumption for Debt Service with a minimum charge of \$1.92 for 2,000 gallons.

(g) Fixed Customer Charge. A fixed charge of \$1.50 per month shall be added to each bill.

(h) Total Minimum User Charge. For sewer service billed on and after July 1, 1992 to April 30, 1995, the minimum monthly bill per user of the System shall be \$3.40 calculated as follows: OM&R for 2,000 gal. (minimum) (\$1.42) + Debt Service for 2,000 gal. (minimum) (\$.48) + \$1.50 = \$3.40. For sewer service billed on and after May 1, 1995, the minimum monthly bill per user of the System shall be \$4.80 calculated as follows: OM&R for 2,000 gal. (minimum) (\$1.38) + Debt Service for 2,000 gal. (minimum) (\$1.92) + \$1.50 = \$4.80.

(i) The sewer charge for residential customers for the months of June, July, August and September will be based upon the average monthly metered water consumption for the preceding months of November, December, January, February and March. In the case of residential users which were not on a meter during the previous winter period, the Corporation shall establish water consumption based on a comparison of the new user with a metered user of similar class for the previous winter period. In the case of other users not on a metered basis, the Corporation shall establish water consumption based on a comparison of the non-metered user with a metered user of similar class.

(j) Service Line Fee. That there shall be a service line fee in an amount equal to the actual cost to the City for every customer who connects to the System.

(k) None of the facilities or services afforded by the System shall be furnished without a charge being made therefor.

Section 2. Users of the System will be billed on a monthly basis with payment due 20 days after the date of billing. Users on metered water service will be billed on the same notice as water charges and will be designated as a separate entry.

Users with delinquent accounts of 30 days will be notified in writing by the Corporation where, during which hours of the day, and before whom disputed bills appropriately may be considered. If the user waives the opportunity to be heard, the services will be discontinued until such bill is paid.

Section 3. A financial management system shall be established and maintained by the Corporation to document compliance with federal regulations pertaining to the bonds. Such system will account for all revenues generated and expenditures for OM&R.

Section 4. (a) The Corporation will continually monitor the revenues of the System, including specifically the adequacy of its rates and delinquent billings, and will take appropriate steps to remedy any delinquent billings or inadequacy of rates. The Corporation will make a full review annually of the rates and charges of the System.

(b) The City shall at all times fix, charge and collect rates and charges for services furnished by the System, including increasing rates and charges as necessary, which shall provide revenues sufficient to at least:

- (1) pay the City's annual costs of OM&R;
- (2) pay annual Debt Service; and
- (3) provide the necessary bond coverage.

Section 5. Each user shall be notified at least annually, in conjunction with the regular bill, of the sewer use rate and the portion of the user charges which are attributable to wastewater treatment. Costs shall be broken down to show the OM&R costs attributable to that user.

Section 6. (a) Any user who feels his user charge is unjust and inequitable may make written application to the Corporation requesting a review of his user charge. Said written request shall, where necessary, show the actual or estimated average flow and/or strength of his wastewater in comparison with the values upon which the charge is based, including how the measurements or estimates were made.

(b) Review of the request shall be made by the Corporation and if substantiated, the user charges for that user shall be recomputed based on the revised flow and/or strength data and the new charges shall be applicable to the next billing cycle/period.

Section 7. The user charge system for the System shall take precedence over any terms or conditions of agreements or contracts between the City and any of the users which are

inconsistent with applicable federal regulations regarding such user charge systems.

Section 8. The provisions of this Ordinance are separable and if a section, phrase or provision shall be declared invalid, such declaration shall not affect the validity of the remainder of this Ordinance.

Section 9. All ordinances and resolutions and parts thereof in conflict herewith are hereby repealed to the extent of such conflict.

PASSED: 4-28, 1992.

APPROVED:

ATTEST:

*Maitha Stutman*  
City Clerk

*David J. Jenley*  
Mayor

(SEAL)

CERTIFICATE

The undersigned, City Clerk of the City of Conway, Arkansas (the "City"), hereby certifies that the foregoing pages are a true and perfect copy of Ordinance No. \_\_\_\_\_, adopted at a regular session of the City Council of the City, held at the regular meeting place in the City at 6:30 o'clock p.m., on the 28th day of April, 1992, and that the Ordinance is of record in Ordinance Record Book No. \_\_\_\_\_, Page \_\_\_\_\_, now in my possession.

GIVEN under my hand and seal on this \_\_\_\_\_ day of \_\_\_\_\_, 1992.

\_\_\_\_\_  
City Clerk

(SEAL)