

ORDINANCE NO. 0-76-18

AN ORDINANCE FIXING RATES FOR SERVICES RENDERED BY THE SEWER SYSTEM OF THE CITY OF CONWAY, ARKANSAS: PRESCRIBING OTHER MATTER RELATING THERETO: AND DECLARING AN EMERGENCY.

WHEREAS, the City of Conway, Arkansas (the "City") owns and the Conway Corporation, an Arkansas nonprofit corporation (the "Corporation"), operates for the City a Sewer System (the "System"); and

WHEREAS, the City Council of the City has determined that extensions, betterments and improvements must be constructed and has had prepared by Consulting Engineers preliminary plans and estimates of costs (the "improvements"), which are on file at the Corporation's office where they may be inspected by an interested person; and

WHEREAS, a portion of the costs will have to be paid from the proceeds of revenue bonds; and

WHEREAS, the City has to have increased System revenues and, therefore, it is necessary that new sewer rates be established;

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

Section 1. That the monthly rates set out in Subsections (j) and (k) of this Section 1 be, and they are hereby, fixed as rates to be charged for services furnished by the System to be effective at the time hereinafter specified in Subsection (o), which rates the City Council hereby finds and declares to be reasonable and necessary minimum rates to be charged:

(a) The Corporation shall compute separately for each customer (customer being hereby defined as any landowner whose buildings or premises are connected with and use the System or otherwise discharge sanitary sewage, industrial waste, water or other liquids, either directly or indirectly into the Sewer System) the monthly water consumption of each customer.

(b) In the case of customers obtaining water exclusively from the Conway Municipal Water System the computation shall be based upon the water consumption records of the Conway Municipal Water System.

(c) In the case of customers obtaining water from sources other than the Conway Municipal Water System, the Corporation shall determine the amount of water obtained by such customers from other sources, and the amount so determined shall be used (together with the amount reflected by the Conway Municipal Water System records if the customer also obtained water from the Conway Municipal Water System) in making the computation.

(d) In the case of a customer whose water use is such that an appreciable amount does not reach the System, the Corporation, upon application and a sufficient showing by such customer, shall determine the amount of total water usage that reaches the System, and the computation shall be based on that amount.

(e) All sewer customers shall be classified by the Corporation as either residential, commercial or industrial. Classification shall be on the basis of the use by the customer, as follows:

(1) "Residential customer" shall include any customer whose buildings or premises are utilized for one-family or two-family residential occupancy under one roof, or more than one-family residential occupancy under one roof where individual water meters are utilized for each dwelling unit therein.

(2) "Industrial customer" shall include any customer whose activities are identified in the Standard Industrial Classification Manual Bureau of the Budget 1967, as amended and supplemented, under the Category D - Manufacturing, or whose sewage effluent contains wastes with a strength greater than normal sewage as described in the City's Sewer Use Ordinance (Ordinance No. 566 as it may be amended from time to time).

(3) All other customers shall be classified as "commercial customers."

(f) For the purpose of fixing the monthly sewer service charges the Corporation shall compute the average monthly water consumption of each residential customer for the months of November and December of the year 1975 and January, February and March of the year 1976. Computations of average monthly water consumption for the same months for the purpose of revising the monthly sewer service charges shall be made every twelve (12) months. The revised service charges shall be effective on the bills rendered on or after the first day of May next following the date of adjusting computations.

(g) In the case of commercial and industrial customers, the monthly sewer service charges shall be based on the average monthly water consumption for the preceding twelve (12) months ending March 31. A computation of average monthly water consumption for the purpose of revising the monthly sewer service charges shall be made every twelve (12) months. The revised service charges shall be effective on bills rendered on or after the first day of May next following the date of adjusting computations.

(h) In the case of new customers for whom consumption records for the months involved are not available, the computation shall be on a fair basis, taking into consideration such records as are available.

(i) There shall be a uniform monthly charge for each residential, commercial and industrial customer determined by applying the rates herein-after set forth in Subsections (j) and (k) to the average monthly water consumption (as determined by the most recent computation as provided for above).

(j) The monthly charge for each residential and commercial customer shall be determined by applying the following schedule to the customer's average monthly water consumption:

For an average monthly water consumption of less than 3,000 gallons, a monthly charge of \$2.16;

For an average monthly water consumption of not less than 3,000 gallons, but less than 4,000 gallons, a monthly charge of \$2.88;

For an average monthly water consumption of not less than 4,000 gallons, but less than 6,000 gallons, a monthly charge of \$4.32;

For an average monthly water consumption of not less than 6,000 gallons, but less than 9,000 gallons, a monthly charge of \$6.48;

For an average monthly water consumption of not less than 9,000 gallons, but less than 12,000 gallons, a monthly charge of \$8.64;

For an average monthly water consumption of not less than 12,000 gallons, but less than 15,000 gallons, a monthly charge of \$10.80;

For an average monthly water consumption of not less than 15,000 gallons, but less than 18,000 gallons, a monthly charge of \$12.96;

For an average monthly water consumption of not less than 18,000 gallons, but less than 21,000 gallons, a monthly charge of \$15.12;

For an average monthly water consumption of not less than 21,000 gallons, but less than 24,000 gallons, a monthly charge of \$17.28;

For an average monthly water consumption of not less than 24,000 gallons, but less than 27,000 gallons, a monthly charge of \$19.44;

For an average monthly water consumption of not less than 27,000 gallons, but less than 30,000 gallons, a monthly charge of \$21.60; and

For an average monthly water consumption equal to or greater than 30,000 gallons, a monthly charge equal to 72¢ per 1,000 gallons.

(k) The monthly charge for each industrial customer shall be the greater of a charge computed on the schedule of water consumption set out in Subsection (j) or a charge computed by the formula:

$$ci = vo vi + bo bi + so si$$

where "ci" is equal to the charge to industrial customers; where "vo" is equal to the unit cost of transportation and treatment of industrial waste chargeable to volume, as shown in dollars per 1,000 gallons; where "vi" is equal to the volume of waste water from industrial customers; as shown in gallons per month; where "bo" is equal to the unit cost of treatment chargeable to Biochemical Oxygen Demand (BOD) as expressed in dollars per pound; where "bi" is equal to the amount of BOD from industrial customers, as expressed in pounds per month; where "so" is equal to the unit cost of treatment (including sludge treatment) chargeable to suspended solids, expressed in dollars per pound; and where "si" is equal to the amount of suspended solids from industrial customers as shown by pounds per month. In the utilization of such formula the costs associated with the transportation and treatment of industrial waste shall include the unamortized capital costs of existing facilities (as represented by the outstanding debt), new facility construction costs (exclusive of funds that do not have to be repaid) operation and maintenance costs (including repair and replacement costs), and any other costs borne by the City, including but not limited to site acquisition, easement costs and administrative costs.

(l) In addition to the monthly sewer charges provided for in Subsections (j) and (k) each sewer customer shall be required to pay all applicable sale taxes and other taxes now or hereafter levied against such charges.

(m) The Corporation shall, at least annually, review the schedule of sewer rates and report to the City Council its recommendations as to whether any changes in sewer rates are necessary or desirable.

(n) Sixty percent (60%) of the monthly sewer charges provided for in Subsections (j) and (k) are hereby designated and allocated as an "Operation and Maintenance Charge." All revenues derived from the Operation and

Maintenance Charge shall be deposited into a separate account and used solely for payment of the necessary costs and expenses of operating and maintaining the System; provided, however, in the event moneys on deposit in said operation and maintenance account shall be in excess of the estimated amount needed to operate and maintain the System the excess shall be withdrawn from the operation and maintenance account and deposited in the Sewer Fund created by Ordinance No. A-265 of the City.

(o) The rates set out in this Section 1 shall be effective as of the first day of the month immediately following the month in which any proceeds of Sewer Revenue Bonds of the City hereafter issued are disbursed to pay costs of the improvements. Prior to the effective date of the rates provided for in this Section 1 the existing sewer rates heretofore adopted shall continue in full force and effect.

Section 2. That vacant, unoccupied property not actually using the System shall not be subject to a charge, but the burden of showing vacancy and non-use shall rest upon the owners of the property.

Section 3. The sewer service charges provided in this Ordinance shall be payable monthly at the same time and place as that at which bills for water used from the Conway Municipal Water System are payable. The respective amount due for sewer service, as above fixed, shall be placed monthly on the water bill of each occupant of real property in the City, and shall be paid monthly by said occupant, and should such occupant fail to pay the amount due for said sewer charges along with his water bill, the Corporation shall immediately discontinue the water connection of such occupant and keep same discontinued until all arrearages are paid in full, but nothing contained in this Section shall relieve the owner of the real estate rented to such occupant of his obligation to pay the charge, or in any manner affect the lien on the real estate to secure the charge, which lien is set out in Section 19-4113,

Arkansas Statutes (Repl. 1968), and will remain in full force and effect, regardless of whether the water connection has been discontinued or not.

Provided further, that nothing herein contained shall be construed to be or shall operate as a waiver of any of the methods of collection provided for in Act 132 of the 1933 Acts of the General Assembly of the State of Arkansas, which rights are hereby expressly reserved to the City.

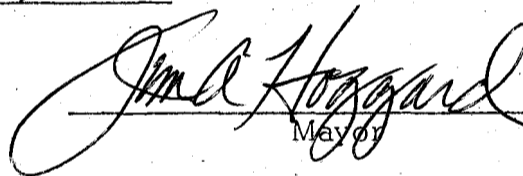
Section 4. That the provisions of this Ordinance are separable, and if a section, provision or phrase shall be declared invalid, it shall not affect the validity of the remainder of this Ordinance.

Section 5. That all ordinances and resolutions and parts thereof in conflict herewith are hereby repealed to the extent of such conflict.

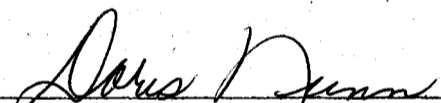
Section 6. That it is hereby ascertained and declared that the contemplated improvements to the System are necessary in order to remove a hazard to the health, safety and welfare of the inhabitants of the City and that the construction thereof can be obtained only by establishing the sewer charges fixed in this Ordinance. It is, therefore, declared that an emergency exists and this Ordinance being necessary for the immediate preservation of the public peace, health and safety shall take effect and be in force from and after its passage.

PASSED: August 10, 1976.

ATTEST:



Mayor



City Clerk

(SEAL)

CERTIFICATE

The undersigned, City Clerk of Conway, Arkansas, hereby certifies that the foregoing pages are a true and correct copy of Ordinance No. _____, passed at a _____ session of the City Council of Conway, Arkansas, held at the regular meeting place of the Council at _____ o'clock ____ .m., on the _____ day of _____, 1976, and that the Ordinance is of record in Ordinance Record Book _____, at Page _____, now in my possession.

GIVEN under my hand and the seal this _____ day of _____, 1976.

City Clerk

(SEAL)