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R-21268

ORDINANCE NO. 0-03-88

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[Signature]

AN ORDINANCE AMENDING ORDINANCE NO. 0-92-15 BY FIXING RATES FOR SERVICES RENDERED BY THE SEWER SYSTEM OF THE CITY OF CONWAY, ARKANSAS; AND PRESCRIBING MATTERS RELATING THERETO.

WHEREAS, the City of Conway, Arkansas (the "City") owns a sewer system (the "System"), which System is operated by Conway Corporation, an Arkansas nonprofit corporation (the "Corporation"), pursuant to an exclusive franchise granted by the City; and

WHEREAS, the City and the Corporation have determined that substantial renovations are required to portions of the System (the "Improvements") so that the inhabitants of the City may have adequate and proper sewer facilities, and that the financing of the Improvements will require rates for certain components of System services in excess of the rates presently in effect;

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

Section 1. All customers of the System shall be classified by the Corporation as residential, commercial or industrial/institutional.

Section 2. Section 1(b) of Ordinance No. 0-92-15 is hereby amended to read as follows with respect to sewer service billed on and after September 1, 2003, and the rates contained below are declared by the City and the Corporation to be fair, reasonable and necessary:

(b) **OM&R Charge.** (i) **Residential Customers.** For the purpose of providing for the operation, maintenance and replacement of the System ("OM&R), for sewer service billed on and after September 1, 2003, all residential users of the System shall be charged monthly \$1.60 per 1,000 gallons or portion thereof of metered water consumption, with a \$3.20 minimum charge for 2,000 gallons or less. For the purpose of providing for OM&R for sewer service billed on and after September 1, 2004, all residential users of the System shall be charged monthly \$1.53 per 1,000 gallons or portion thereof of metered water consumption, with a \$3.06 minimum charge for 2,000 gallons or less.

(ii) **Commercial Customers.** For the purpose of providing for OM&R, for sewer service billed on and after September 1, 2003, all commercial users of the System shall be charged monthly \$1.60 per 1,000 gallons for the first 25,000 gallons or portion thereof of metered water consumption, \$1.75 per 1,000 gallons for the next 75,000 gallons or portion thereof, and \$1.60 per 1,000 gallons for all use over 100,000 gallons, with a \$3.20 minimum charge for 2,000 gallons or less. For the purpose of providing for OM&R for sewer service billed on and after September 1, 2004, all commercial users of the System shall be charged monthly \$1.53 per 1,000 gallons for the first 25,000 gallons or portion thereof of metered water consumption, \$1.73 per 1,000 gallons for the next 75,000 gallons or portion thereof, and \$1.53 per 1,000 gallons for all use over 100,000 gallons, with a \$3.06 minimum charge for 2,000 gallons or less.

(iii) **Industrial and Institutional Customers.** For the purpose of providing for OM&R, for sewer service billed on and after September 1, 2003, all industrial and institutional users of the System shall be charged monthly \$1.60 per 1,000 gallons for

the first 25,000 gallons or portion thereof of metered water consumption, \$1.75 per 1,000 gallons for the next 75,000 gallons or portion thereof, and \$1.60 per 1,000 gallons for all use over 100,000 gallons, with a \$3.20 minimum charge for 2,000 gallons or less. For the purpose of providing for OM&R for sewer service billed on and after September 1, 2004, all industrial and institutional users of the System shall be charged monthly \$1.53 per 1,000 gallons for the first 25,000 gallons or portion thereof of metered water consumption, \$1.73 per 1,000 gallons for the next 75,000 gallons or portion thereof, and \$1.53 per 1,000 gallons for all use over 100,000 gallons, with a \$3.06 minimum charge for 2,000 gallons or less."

**Section 3.** That Section 1(f) of Ordinance No. O-92-15 is hereby amended to read as follows with respect to sewer service billed on and after September 1, 2003, and the rates contained below are declared by the City and the Corporation to be fair, reasonable and necessary:

"(f) Debt Service Charge. (i) *Residential Customers.* For the purpose of providing for the repayment of principal and interest on debt to be incurred to finance and refinance improvements to the System ("Debt Service"), for sewer service billed on and after September 1, 2003, all residential users of the System shall be charged monthly \$0.30 per 1,000 gallons or portion thereof of metered water consumption and a fixed customer charge of \$1.75, with a minimum charge of \$2.35 for 2,000 gallons or less. For the purpose of providing for Debt Service for sewer service billed on and after September 1, 2004, all residential users of the System shall be charged monthly \$0.67 per 1,000 gallons or portion thereof of metered water consumption and a fixed customer charge of \$2.00, with a minimum charge of \$3.34 for 2,000 gallons or less.

(ii) *Commercial Customers.* For the purpose of providing for Debt Service, for sewer service billed on and after September 1, 2003, all commercial users of the System shall be charged monthly \$0.30 per 1,000 gallons or portion thereof of metered water consumption and a fixed customer charge of \$2.00, with a minimum charge of \$2.60 for 2,000 gallons or less. For the purpose of providing for Debt Service for sewer service billed on and after September 1, 2004, all commercial users of the System shall be charged monthly \$0.67 per 1,000 gallons or portion thereof of metered water consumption and a fixed customer charge of \$2.50, with a minimum charge of \$3.84 for 2,000 gallons or less.

(iii) *Industrial and Institutional Customers.* For the purpose of providing for Debt Service, for sewer service billed on and after September 1, 2003, all industrial and institutional users of the System shall be charged monthly \$0.30 per 1,000 gallons or portion thereof of metered water consumption and a fixed customer charge of \$6.00, with a minimum charge of \$6.60 for 2,000 gallons or less. For the purpose of providing for Debt Service for sewer service billed on and after September 1, 2004, all industrial and institutional users of the System shall be charged monthly \$0.67 per 1,000 gallons or portion thereof of metered water consumption and a fixed customer charge of \$9.00, with a minimum charge of \$10.34 for 2,000 gallons or less."

**Section 4.** That Section 1(g) of Ordinance No. O-92-15 is hereby repealed in its entirety with respect to sewer service billed on and after September 1, 2003.

**Section 5.** That Section 1(h) of Ordinance No. O-92-15 is hereby amended to read as follows with respect to sewer service billed on and after September 1, 2003:

"(h) Total Minimum User Charge. (i) *Residential Customers.* For sewer service billed on and after September 1, 2003, the total minimum user charge for residential users of the System shall be \$5.55 calculated as follows: OM&R for 2,000 gallons (minimum) \$3.20 + Debt Service for 2,000 gallons (minimum) \$1.75 + \$0.60 (\$0.30 x 2). For sewer service billed on and after September 1, 2004, the total minimum user charge for residential users of the System shall be \$6.40 calculated as follows: OM&R for 2,000 gallons (minimum) \$3.06 + Debt Service for 2,000 gallons (minimum) \$2.00 + \$1.34 (\$0.67 x 2).

(ii) *Commercial Customers.* For sewer service billed on and after September 1, 2003, the total minimum user charge for commercial users of the System shall be \$5.80 calculated as follows: OM&R for 2,000 gallons (minimum) \$3.20 + Debt Service for 2,000 gallons (minimum) \$2.00 + \$0.60 (\$0.30 x 2). For sewer service billed on and after September 1, 2004, the total minimum user charge for commercial users of the System shall be \$6.90 calculated as follows: OM&R for 2,000 gallons (minimum) \$3.06 + Debt Service for 2,000 gallons (minimum) \$2.50 + \$1.34 (\$0.67 x 2).

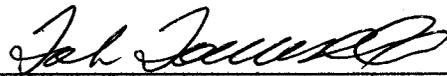
(iii) *Industrial and Institutional Customers.* For sewer service billed on and after September 1, 2003, the total minimum user charge for industrial and institutional users of the System shall be \$9.80 calculated as follows: OM&R for 2,000 gallons (minimum) \$3.20 + Debt Service for 2,000 gallons (minimum) \$6.00 + \$0.60 (\$0.30 x 2). For sewer service billed on and after September 1, 2004, the total minimum user charge for industrial and institutional users of the System shall be \$13.40 calculated as follows: OM&R for 2,000 gallons (minimum) \$3.06 + Debt Service for 2,000 gallons (minimum) \$9.00 + \$1.34 (\$0.67 x 2)."

**Section 6.** The provisions of this Ordinance are separable and if a section, phrase or provision hereof shall be declared invalid, such declaration shall not affect the validity of the remainder of this Ordinance.

**Section 7.** All ordinances and resolutions and parts thereof in conflict herewith, particularly Sections 1(b), (f), (g) and (h) of Ordinance No. O-92-15, are hereby repealed to the extent of such conflict.

PASSED THIS 29th DAY OF July 2003

APPROVED:

  
\_\_\_\_\_  
Mayor Tab Townsell

ATTEST:

  
\_\_\_\_\_  
Michael O. Garrett, City Clerk

(SEAL)

WASTEWATER COLLECTION RATE SCHEDULE  
(for informational purposes only)

**Effective: September 2003**

Residential

Customer Charge	\$1.75
Rate per 1,000 gals.	\$1.90
Minimum (includes the first 2,000 gals)	\$5.55

Commercial

Customer Charge	\$2.00
Rate per 1,000 gals. for first 25,000 gals.	\$1.90
Rate per 1,000 gals. for 26,000-100,000 gals.	\$2.05
Rate per 1,000 gals. for all over 100,000 gals.	\$1.90
Minimum (includes the first 2,000 gals.)	\$5.80

Industrial/Institutional

Customer Charge	\$6.00
Rate per 1,000 gals. for first 25,000 gals.	\$1.90
Rate per 1,000 gals. for 26,000-100,000 gals	\$2.05
Rate per 1,000 gals. for all over 100,000 gals.	\$1.90
Minimum (includes the first 2,000 gals.)	\$9.80

**Effective: September 2004**

Residential

Customer Charge	\$2.00
Rate per 1,000 gals.	\$2.20
Minimum (includes the first 2,000 gals)	\$6.40

Commercial

Customer Charge	\$2.50
Rate per 1,000 gals. for first 25,000 gals.	\$2.20
Rate per 1,000 gals. for 26,000-100,000 gals.	\$2.40
Rate per 1,000 gals. for all over 100,000 gals.	\$2.20
Minimum (includes the first 2,000 gals.)	\$6.90

Industrial/Institutional

Customer Charge	\$9.00
Rate per 1,000 gals. for first 25,000 gals.	\$2.20
Rate per 1,000 gals. for 26,000-100,000 gals	\$2.40
Rate per 1,000 gals. for all over 100,000 gals.	\$2.20
Minimum (includes the first 2,000 gals.)	\$13.40