



**City of Conway, Arkansas
Resolution No. R-12-06**

A RESOLUTION SETTING THE TIME AND PLACE FOR A PUBLIC HEARING FOR THE PURPOSE OF RECEIVING COMMENTS AND QUESTIONS ON A PROPOSED WASTEWATER RATE INCREASE

WHEREAS, Conway Corporation operates the wastewater system for the City of Conway pursuant to an exclusive franchise granted to the Corporation by the City; and

WHEREAS, the Board of Directors of the Corporation has approved and recommended that the City Council adopt revised rates for wastewater system services and such revised rates are proposed by an ordinance which has been introduced and read a single time by the City Council; and

WHEREAS, Arkansas Code Annotated Section 14-235-223(d) requires that a public hearing be held following introduction of any ordinance fixing wastewater rates or charges and that notice of such hearing be published in a newspaper published within the City at least ten (10) days prior to the date fixed in the notice for the hearing; and

WHEREAS, the Conway City Council, by Resolution, requires a public hearing prior to final passage of a rate ordinance;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Conway, Arkansas, that a public hearing will be held in conjunction with the City Council meeting on Tuesday, March 27, 2012 at 6:30 p.m. in the City Council Chambers to consider proposed rates for wastewater users and that notice of such hearing will be published in the *Log Cabin Democrat* as soon as possible in the form attached hereto as Exhibit A.

ADOPTED AND APPROVED THIS 13th day of March, 2012.

Mayor Tab Townsend

Attest:

Michael O. Garrett
City Clerk/Treasurer

EXHIBIT A
NOTICE OF PUBLIC HEARING

NOTICE IS HEREBY GIVEN that there has been introduced before the City Council of the City of Conway, Arkansas an ordinance amending the rates for services relating to the City's wastewater system (the "System") billed on and after June 1, 2012. The proposed amended rates are as follows:

(1) 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 June 1, 2012, all residential users of the System shall be charged monthly \$2.28 per 1,000 gallons or portion thereof of metered water consumption, with a \$4.56 minimum charge for 2,000 gallons or less. For the purpose of providing for OM&R for sewer service billed on and after January 1, 2013, all residential users of the System shall be charged monthly \$2.35 per 1,000 gallons or portion thereof of metered water consumption, with a \$4.70 minimum charge for 2,000 gallons or less. For the purpose of providing for OM&R for sewer service billed on and after January 1, 2014, all residential users of the System shall be charged monthly \$2.81 per 1,000 gallons or portion thereof of metered water consumption, with a \$5.62 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 June 1, 2012, all commercial users of the System shall be charged monthly \$2.28 per 1,000 gallons for the first 25,000 gallons or portion thereof of metered water consumption, \$2.63 per 1,000 gallons for the next 75,000 gallons or portion thereof, and \$2.28 per 1,000 gallons for all use over 100,000 gallons, with a \$4.56 minimum charge for 2,000 gallons or less. For the purpose of providing for OM&R for sewer service billed on and after January 1, 2013, all commercial users of the System shall be charged monthly \$2.35 per 1,000 gallons for the first 25,000 gallons or portion thereof of metered water consumption, \$2.76 per 1,000 gallons for the next 75,000 gallons or portion thereof, and \$2.35 per 1,000 gallons for all use over 100,000 gallons, with a \$4.70 minimum charge for 2,000 gallons or less. For the purpose of providing for OM&R for sewer service billed on and after January 1, 2014, all commercial users of the System shall be charged monthly \$2.81 per 1,000 gallons for the first 25,000 gallons or portion thereof of metered water consumption, \$3.37 per 1,000 gallons for the next 75,000 gallons or portion thereof, and \$2.81 per 1,000 gallons for all use over 100,000 gallons, with a \$5.62 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 June 1, 2012, all industrial and institutional users of the System shall be charged monthly \$2.28 per 1,000 gallons for the first 25,000 gallons or portion thereof of metered water consumption, \$2.63 per 1,000 gallons for the next 75,000 gallons or portion thereof, and \$2.28 per 1,000 gallons for all use over 100,000 gallons, with a \$4.56 minimum charge for 2,000 gallons or less. For the purpose of providing for OM&R for sewer service billed on and after January 1, 2013, all industrial and institutional users of the System shall be charged monthly \$2.35 per 1,000 gallons for the first 25,000 gallons or portion thereof of metered water consumption, \$2.76 per 1,000 gallons for the next 75,000 gallons or portion thereof, and \$2.35 per 1,000 gallons for all use over 100,000 gallons, with a \$4.70 minimum charge for 2,000 gallons or less.

For the purpose of providing for OM&R for sewer service billed on and after January 1, 2014, all industrial and institutional users of the System shall be charged monthly \$2.81 per 1,000 gallons for the first 25,000 gallons or portion thereof of metered water consumption, \$3.37 per 1,000 gallons for the next 75,000 gallons or portion thereof, and \$2.81 per 1,000 gallons for all use over 100,000 gallons, with a \$5.62 minimum charge for 2,000 gallons or less.

(2) 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 June 1, 2012, all residential users of the System shall be charged monthly \$1.64 per 1,000 gallons or portion thereof of metered water consumption and a fixed customer charge of \$3.56, with a minimum charge of \$6.84 for 2,000 gallons or less. For the purpose of providing for Debt Service for sewer service billed on and after January 1, 2013, all residential users of the System shall be charged monthly \$2.36 per 1,000 gallons or portion thereof of metered water consumption and a fixed customer charge of \$4.28, with a minimum charge of \$9.00 for 2,000 gallons or less. For the purpose of providing for Debt Service for sewer service billed on and after January 1, 2014, all residential users of the System shall be charged monthly \$3.55 per 1,000 gallons or portion thereof of metered water consumption and a fixed customer charge of \$5.77, with a minimum charge of \$12.87 for 2,000 gallons or less.

(ii) *Commercial Customers.* For the purpose of providing for Debt Service, for sewer service billed on and after June 1, 2012, all commercial users of the System shall be charged monthly \$1.64 per 1,000 gallons or portion thereof of metered water consumption and a fixed customer charge of \$4.46, with a minimum charge of \$7.74 for 2,000 gallons or less. For the purpose of providing for Debt Service for sewer service billed on and after January 1, 2013, all commercial users of the System shall be charged monthly \$2.36 per 1,000 gallons or portion thereof of metered water consumption and a fixed customer charge of \$5.36, with a minimum charge of \$10.08 for 2,000 gallons or less. For the purpose of providing for Debt Service for sewer service billed on and after January 1, 2014, all commercial users of the System shall be charged monthly \$3.55 per 1,000 gallons or portion thereof of metered water consumption and a fixed customer charge of \$7.23, with a minimum charge of \$14.33 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 June 1, 2012, all industrial and institutional users of the System shall be charged monthly \$1.64 per 1,000 gallons or portion thereof of metered water consumption and a fixed customer charge of \$16.04, with a minimum charge of \$19.32 for 2,000 gallons or less. For the purpose of providing for Debt Service for sewer service billed on and after January 1, 2013, all industrial and institutional users of the System shall be charged monthly \$2.36 per 1,000 gallons or portion thereof of metered water consumption and a fixed customer charge of \$19.25, with a minimum charge of \$23.97 for 2,000 gallons or less. For the purpose of providing for Debt Service for sewer service billed on and after January 1, 2014, all industrial and institutional users of the System shall be charged monthly \$3.55 per 1,000 gallons or portion thereof of metered water consumption and a fixed customer charge of \$25.99, with a minimum charge of \$33.09 for 2,000 gallons or less.

(3) Total Minimum User Charge.

(i) *Residential Customers.* For sewer service billed on and after June 1, 2012, the total minimum user charge for residential users of the System shall be \$11.40 calculated as follows: OM&R for 2,000 gallons (minimum) \$4.56 + Debt Service for 2,000 gallons (minimum) \$3.56 + \$3.28 (\$1.64 x 2). For sewer service billed on and after January 1, 2013, the total minimum user charge for residential users of the System shall be \$13.70 calculated as follows: OM&R for 2,000 gallons (minimum) \$4.70 + Debt Service for 2,000 gallons (minimum) \$4.28 + \$4.72 (\$2.36 x 2). For sewer service billed on and after January 1, 2014, the total minimum user charge for residential users of the System shall be \$18.49 calculated as follows: OM&R for 2,000 gallons (minimum) \$5.62 + Debt Service for 2,000 gallons (minimum) \$5.77 + \$7.10 (\$3.55 x 2).

(ii) *Commercial Customers.* For sewer service billed on and after June 1, 2012, the total minimum user charge for commercial users of the System shall be \$12.30 calculated as follows: OM&R for 2,000 gallons (minimum) \$4.56 + Debt Service for 2,000 gallons (minimum) \$4.46 + \$3.28 (\$1.64 x 2). For sewer service billed on and after January 1, 2013, the total minimum user charge for commercial users of the System shall be \$14.78 calculated as follows: OM&R for 2,000 gallons (minimum) \$4.70 + Debt Service for 2,000 gallons (minimum) \$5.36 + \$4.72 (\$2.36 x 2). For sewer service billed on and after January 1, 2014, the total minimum user charge for commercial users of the System shall be \$19.95 calculated as follows: OM&R for 2,000 gallons (minimum) \$5.62 + Debt Service for 2,000 gallons (minimum) \$7.23 + \$7.10 (\$3.55 x 2).

(iii) *Industrial and Institutional Customers.* For sewer service billed on and after June 1, 2012, the total minimum user charge for industrial and institutional users of the System shall be \$23.88 calculated as follows: OM&R for 2,000 gallons (minimum) \$4.56 + Debt Service for 2,000 gallons (minimum) \$16.04 + \$3.28 (\$1.64 x 2). For sewer service billed on and after January 1, 2013, the total minimum user charge for industrial and institutional users of the System shall be \$28.67 calculated as follows: OM&R for 2,000 gallons (minimum) \$4.70 + Debt Service for 2,000 gallons (minimum) \$19.25 + \$4.72 (\$2.36 x 2). For sewer service billed on and after January 1, 2014, the total minimum user charge for industrial and institutional users of the System shall be \$38.71 calculated as follows: OM&R for 2,000 gallons (minimum) \$5.62 + Debt Service for 2,000 gallons (minimum) \$25.99 + \$7.10 (\$3.55 x 2).

(4) CPIU Adjustments. The schedule of OM&R charges as described in Section 1 above shall be increased on February 1, beginning 2015 and each subsequent year by the amount of increase in the Consumer Price Index (CPIU) or three percent (3%) (whichever is less) for the preceding year. A copy of the revised rates shall be posted on the Conway Corporation web site. Minimum payments in Section 3 above will be adjusted on the web site each February 1 to reflect such new rates.

A public hearing regarding the proposed rates will be held before the Mayor and City Council of the City of Conway, Arkansas on Tuesday, March 27, 2012, at 6:30 p.m., at the District Court Building, 810 Parkway, Conway, Arkansas. All interested parties are invited to attend the public hearing to express their views concerning the proposed rates.

Tab Townsell, Mayor