

ORDINANCE NO. 05-53

**AN ORDINANCE FIXING RATES FOR SERVICES
RENDERED BY THE SEWER SYSTEM OF THE CITY OF
HIGHLAND, ARKANSAS; ESTABLISHING REGULATIONS
FOR REQUIRED CONNECTION TO THE SEWER SYSTEM
FACILITIES; AND PRESCRIBING OTHER MATTERS
RELATING THERETO.**

WHEREAS, the City of Highland, Arkansas (the "City") proposes the acquisition and construction of a sewer system to serve the City and its inhabitants (the "System"); and

WHEREAS, the City Council has had prepared by a duly qualified consulting engineer a preliminary report and estimates of costs of the System, which have been examined and approved by the City Council and are on file with the City Recorder where they may be inspected by any interested person; and

WHEREAS, it is necessary that the City establish rates to be charged for the services of the System;

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

Section 1. Rates

- (a) That the following monthly rates and charges which the City Council hereby finds and declares are fair, reasonable and necessary minimum rates be, and they are hereby, fixed as rates to be charged for sewer services to be rendered by the System.

Residential Users

For the first 1,000 gallons per month or portion thereof	\$10.00 (minimum)
For the next 4,000 gallons per month or portion thereof	\$ 2.50 per 1,000 gallons
All over 5,000 gallons per month or portion thereof	\$ 1.50 per 1,000 gallons

Commercial Users

For the first 1,000 gallons per month or portion thereof	\$15.00 (minimum)
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For the next 4,000 gallons per month or portion thereof \$ 2.50 per 1,000 gallons

All over 5,000 gallons per month or portion thereof \$ 1.50 per 1,000 gallons

The lowest rate per 1,000 gallons will be adjusted as necessary to assure the rate is greater than the cost of operation and maintenance per 1,000 gallons. The rates will be reviewed and adjusted periodically to assure adequate repayment ability, reserves and payment of operation and maintenance costs.

- (b) Tapping Fee. There shall be a tapping fee in an amount equal to the actual cost to the City for every customer who connects with the sewer facilities of the System.
- (c) None of the sewer facilities or services afforded by the System shall be furnished without a charge being made therefor.
- (d) The proceeds of such charges so derived will be used for the purpose of repaying debt service, of operating and maintaining, including replacement (OM&R), the public wastewater treatment works. (Replacement is defined as expenditures for obtaining and installing equipment, accessories or appurtenances during the useful life of the treatment works necessary to maintain the capacity and performance for which they were designed and constructed.)
- (e) All users of the System shall be charged \$1.50 per 1,000 gallons of metered water consumption for OM&R. In the case of users not on a metered basis, the utility superintendent shall establish water consumption based on a comparison of the non-metered user with a metered user of similar class. Example: a non-metered family of four will be compared to a typical family of four with a water meter to establish water consumption. All sewer users shall be classified by the City as residential or commercial.

User Charge Methodology:

Total annual OM&R cost in \$/1,000 gal. =

Total annual OM&R \$

(No. of 1,000 gal. sold annually)

Section 2. Excessive Strength Charges. For any user, when the BOD exceeds * 250 mg/l, the suspended solids exceed 250 mg/l, or when other pollutant concentrations exceed the range of concentrations of these pollutants in normal domestic sewage, a surcharge shall be added to the basic charge. This surcharge shall be calculated by the following formula:

$$Cs = (Bc(B) + Sc(S) + Pc(P)) Vu$$

Symbols and Definitions:

- Cs = A surcharge for wastewaters of excessive strength
- Bc = O&M cost for treatment of a unit of biochemical oxygen demand (BOD)
- B = Concentration of BOD from a user above a base level
- Sc = O&M cost for treatment of a unit of suspended solids(SS)
- S = Concentration of SS from a user above a base level
- Pc = O&M cost for treatment of a unit of any pollutant
- P = Concentration of any pollutant from a user above a base level
- Vu = volume contribution from a user per unit of time

* Maximum limit for average domestic waste.

Section 3. Charges for Extraneous Flows. The costs of OM&R for all flows not directly attributable to users (such as infiltration/inflow) shall be distributed among users on the same basis as OM&R.

Section 4. 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 treatment works shall pay for such increased costs.

Section 5. Debt Service. Debt service shall include principal of, required premium, if any, interest on, and paying agent and like servicing charges for all debt secured by pledges of System revenues, heretofore or hereafter issued.

Section 6. Administration Costs. A fixed billing cost or administrative overhead may be added as a separate charge, as this is essentially the same for each user.

Section 7. Billing. Users will be billed on a monthly basis with payment due ten(10)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 of the wastewater system not on metered water service will be billed monthly on an individual notice for wastewater service at the rate established by the utility. Users with delinquent accounts of twenty(20)days will be notified in writing by the utility 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 water and/or wastewater services will be discontinued until such bill is paid.

Section 8. Records. A financial management system shall be established and maintained by the City to document compliance with federal regulations pertaining to the Revolving Loan. The system will account for all revenues generated and expenditures for OM&R.

Section 9. Review and Revision. The City will review the user charges at least annually and revise the rates as necessary to ensure that adequate revenues are generated to pay the costs of OM&R and that the system continues to provide for the proportional distribution of OM&R among users and user classes.

Section 10. Notification. 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 11. Any user who feels his user charge is unjust and inequitable may make written application to the City requesting a review of his user charge. The 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.

Section 12. Review of the request shall be made by the City 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 13. Supercedance. The user charge 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 user charge system.

Section 14. That, in accordance with Arkansas Code of 1987 Annotated, Title 14, Chapter 235, Subchapter 3, any owner of real property within the City shall, upon being ordered so to do by the City Council or any agency designated by the City Council for such purpose as a board of health of the City, construct upon the property of such owner an appropriate line or lines, in accordance with plans approved by the City, connecting such property or building on such property to the sewer facilities of the System, provided that:

- (b) the distance from such property to the connection with the System does not exceed 300 feet, and
- (c) the City Council or the designated agency shall have determined, in its discretion, that the public health will be promoted by the construction of such line or lines.

Section 15. That the operation of the System shall be on a fully metered basis, with a meter installed at each water connection (except fire hydrants) when practical. There shall be only one user on a single connection. There shall be no dual connections: that is, there shall be no more than one user on a single meter. Each apartment in any apartment house shall be considered a separate user.

Section 16. That all customers shall be liable for charges for sewer services upon the earlier of: (1) use of such services or (2) the lapse of sixty days following written notice of the availability of service.

Section 17. That notice of adoption of this Ordinance shall be posted at the following locations: Town & Country, Timberline, Red Mule, Hill Drugs and Davis Drugs, which are hereby found to be five of the most public places in the City.

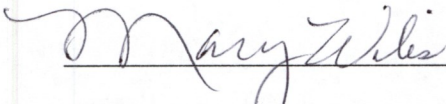
Section 18. That the provisions of this Ordinance are severable and if a section, phrase or provision shall be declared invalid, such declaration shall not affect the validity of the remainder of the Ordinance.

Section 19. That all ordinances and resolutions and parts thereof in conflict herewith are hereby repealed to the extent of such conflict.

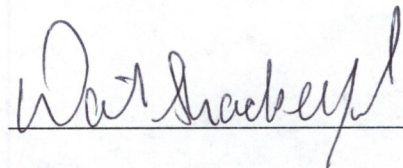
Section 20 An immediate necessity existing for the preservation of the public peace, health and safety, AN EMERGENCY is hereby declared to exist by reason of which this ordinance shall be in full force and effect from and after its passage, approval, and publication, for the useful life of the treatment works.

PASSED: AND ADOPTED THIS 12 DAY OF July, 2005

ATTEST:



City Recorder



David Shackelford, Mayor



EXCERPTS FROM MINUTES OF MEETING OF THE
HIGHLAND, ARKANSAS CITY COUNCIL
HELD JULY 12, 2005

The City Council of the City of Highland, Arkansas met in regular session at its regular meeting place in Highland, Arkansas, at 7 o'clock p.m., on the 12 day of July, 2005. The following were present: Mayor David Shackelford; City Recorder Mary Ruth Wiles; and Alderman Denise Gibbons, Willis Eversoll, Ty Casey, David Harris, Shawn Reed, Larry Allen, Jerome Norwood. Absent Bob Vance.

The Mayor announced that consideration should be given to an ordinance 05-53. Thereupon, Alderman Gibbons introduced an Ordinance entitled:

AN ORDINANCE FIXING RATES FOR SERVICES RENDERED BY THE SEWER SYSTEM OF THE CITY OF HIGHLAND, ARKANSAS; ESTABLISHING REGULATIONS FOR REQUIRED CONNECTION TO THE SEWER SYSTEM FACILITIES; AND PRESCRIBING OTHER MATTERS RELATING THERETO.

and the Ordinance was read in full.

Alderman Gibbons, seconded by Alderman Norwood, Moved that the rule requiring the reading of an ordinance in full on three different days be suspended and that the ordinance be placed on its second reading by title only. The Mayor put the question on the adoption of the motion and the roll being called, the following voted aye:

Denise Gibbons, Willis Eversoll,
Ty Casey, David Harris,
Shawn Reed, Larry Allen,
Jerome Norwood.

And the following voted Nay: none

Thereupon the Mayor declared that at least two-thirds of all members of the Council having voted in favor of the motion to suspend the rule, the motion was carried and the rule suspended The Ordinance was then read by title only.

Alderman Gibbons, seconded by Alderman Norwood, then moved that the rule requiring the reading of ordinance in full on three different days be further suspended and that the Ordinance be placed on its third reading by title only.

The Mayor put the question to on the adoption of the motion and the roll being called, the following voted aye:

Denise Gibbons, Willis Eversoll,
Ty Casey, David Harris,
Shawn Reed, Larry Allen,
Jerome Norwood.

And the following voted Nay: none

Thereupon the Mayor declared that at least two-thirds of all members of the Council having voted in favor of the motion to suspend the rule, the motion was carried and the rule suspended The Ordinance was then read by title only.

Alderman Gibbons, seconded by Alderman Norwood, then moved that the rule requiring the reading of ordinance in full on three different days be further suspended and that the Ordinance be placed on its third reading by title only. The Mayor put the question to on the adoption of the motion and the roll being called, the following voted aye:

Denise Gibbons, Willis Eversoll,
Ty Casey, David Harris,
Shawn Reed, Larry Allen,
Jerome Norwood.

And the following voted Nay: none

Alderman Gibbons, seconded by Alderman Norwood, Moved that Section 20, the emergency clause, be adopted and on roll call, the following voted aye

Denise Gibbons, Willis Eversoll,
Ty Casey, David Harris,
Shawn Reed, Larry Allen,
Jerome Norwood.

And the following voted Nay: none

The Mayor thereupon declared the Ordinance and the emergency clause adopted and signed the Ordinance, which was attested by the City Recorder and sealed with the seal of the City. The Ordinance was given No. 05-53.

(Matters not relating to the Ordinance are omitted.)

There being no further business, the Council adjourned.

Passed and Approved this 12 day of July, 2005.

ATTEST:

Donna Williams
City Recorder

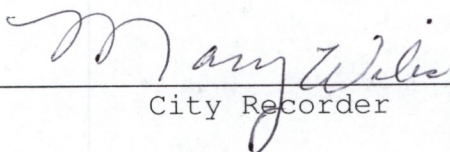
Walt Meecham
Mayor

Seal:



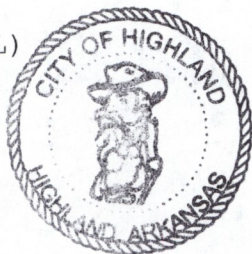
CERTIFICATE

The undersigned, City Recorder of Highland, Arkansas (the "City") hereby certifies that the foregoing pages are a true and correct copy of excerpts of the minutes of a meeting of the City Council of the City at a Regular session held at the regular meeting place of the Council in the City at 7 o'clock P.m., on the 12 day of July, 2005, and the time and place of the meeting was furnished to each person who made a request therefor in accordance with the provisions of Title 25, Chapter 19 of the Arkansas Code of 1987 Annotated.



City Recorder

(SEAL)

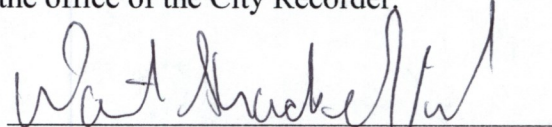


05-53

NOTICE OF ADOPTION OF ORDINANCE

Notice is hereby given that the City Council of the City of Highland, Arkansas has adopted Ordinance 05-53, authorizing an ordinance fixing rates for services rendered by the sewer system of the City of Highland, Arkansas; establishing regulations for required connection to the sewer system facilities.

Copies of the Ordinance may obtain at the office of the City Recorder.



Mayor

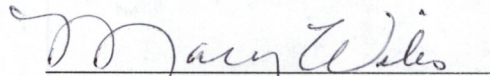
PROOF OF POSTING OF ORDINANCE NOTICE

STATE OF ARKANSAS

COUNTY OF SHARP

The undersigned, City Recorder of the City of Highland, Arkansas, Hereby certifies that Notice of the Adoption of Ordinance No. 05-53, authorizing an ordinance fixing rates for services rendered by the sewer system of the city of Highland, Arkansas; establishing regulations for required connection to the sewer system facilities; and prescribing other matters, was adopted and approved July 12, 2005 and was posted at the following locations: Town & Country, Timberline, Red Mule, Hill Drugs and Davis Drugs, being five of the most public places in the City. The Notice was posted on July 13, 2005 and to the best of my knowledge, remained so posted for a period of thirty days thereafter. A copy of the Notice is attached hereto, Exhibit A.

DATED this 12 day of July, 2005



City Recorder

