

ORDINANCE NO. 1492

AN ORDINANCE ESTABLISHING THE RATES FOR SERVICES TO BE FURNISHED BY THE SEWER SYSTEM OF THE CITY OF HOPE, ARKANSAS; AND, FOR OTHER PURPOSES.

BE IT ORDAINED BY THE CITY BOARD OF DIRECTORS OF THE CITY OF HOPE, ARKANSAS:

ARTICLE I

Section 1: General

Subject to the provisions of Article V hereof, the City hereby establishes the rates to be charged for sewer services furnished by the City's system, which the City Board of Directors finds and declares to be reasonable and necessary, which rates shall be charged to all users who contribute wastewater to the City of Hope treatment works. The proceeds of such charges so derived will be used for the purpose of operating and maintaining, including replacements (OM&R) to, the City's public wastewater treatment works and for paying debt service on bonds secured by wastewater system revenues. (Replacements are 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.)

Section 2: OM&R Charges

(a) Metered Users:

Subject to the provisions of Article V hereof, all users of the municipally owned wastewater treatment system shall be charged \$1.50 per month for each 1,000 gallons of metered water consumption in such month for operation and maintenance including replacement.

(b) Non-Metered Users:

In the case of residential users not on a metered basis the standard consumption of 6,000 gallons shall be the monthly basis for charges. In the case of commercial users not on a metered basis the standard consumption of 26,000 gallons shall be the monthly basis for charges. All factory or industrial users shall be metered and charged according to Section 2(a) above.

Section 3: Excessive Strength Charges

Subject to the provisions of Article V hereof, for any user, when the BOD exceeds 200 mg/L, the suspended solids exceed 200 mg/L, or when other pollutant concentrations exceed the range of concentrations of such 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

Section 4: Charges for Extraneous Flows

The costs of operation and maintenance of 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.

Section 5: 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 cost

Section 6: Debt Service/Base Rate

Subject to the provisions of Article V hereof, all users of the municipally owned wastewater treatment system shall be charged \$6.30 as a base rate for debt service on the system.

Section 7: Minimum User Charge

The minimum monthly bill per user will be \$7.80 which is OM&R charges for 1,000 gal. of \$1.50 plus Debt Service Charge of \$6.30. All metered users shall pay the minimum user charge if they have an active water account for that meter.

Section 8: 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 sewer charges 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 ten (10) 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 wastewater services will be discontinued until such bill is paid.

Section 9: Records

A financial management system shall be established and maintained by the City of Hope to document compliance with Federal regulations pertaining to the Revolving Loan. The system will account for all revenues generated and expenditures made for operation, maintenance and replacement.

ARTICLE II

Section 1: Review and Revision

The Board of Directors of the City of Hope will review its sewer rate structure at least annually and will revise the rates as necessary to ensure that adequate revenues are generated to pay the costs of operation and maintenance, including replacement, and that the system continues to provide for the proportional distribution of operation and maintenance, including replacement costs, among users and user classes.

Section 2: 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 operation and maintenance costs attributable to that user.

ARTICLE III

Section 1: Any user who feels his user charge is unjust and inequitable may make written application to the City Manager requesting a review of his user charge. Said written request shall, where necessary, show the actual or estimated average flow 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 2: Review of the request shall be made by the City Manager and if substantiated, the user charges for that user shall be recomputed based on the revised flow or strength data and the new charges shall be applicable to the next billing cycle or billing period.

ARTICLE IV

Section 1: All ordinances or parts of ordinances in conflict herewith are hereby repealed. The invalidity of any section, clause, sentence or provision of this ordinance shall not affect the validity of any other part of this ordinance which can be given effect without such invalid part or parts.

Section 2: The user charge system shall take precedence over any terms or conditions of agreements or contracts between the City of Hope and any of the users which are inconsistent with applicable Federal regulations regarding user charge systems.

ARTICLE V

Section 1: The rate components described in Article I hereof shall commence with the May, 2007 billing cycle. Until such time, those rates and charges currently effective with respect to the use of the City's wastewater treatment system shall remain in full force and effect.

PASSED AND ADOPTED by the City Board of Directors of the City of Hope, Arkansas, on this 8th day of March, 2007.

Dennis Ramsey, Mayor

Carol Almond, City Clerk