

ORDINANCE No. 0-92-2

USER CHARGE ORDINANCE

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

BE IT ORDAINED BY THE BOARD OF DIRECTORS OF THE CITY OF ARKADELPHIA, ARKANSAS.

ARTICLE I

Section 1: General

The City hereby establishes as rates, to be charged for sewer services furnished by the City's system, which the Board of Directors finds and declares to be reasonable and necessary, to be charged to all users who contribute wastewater to the Arkadelphia, Arkansas, treatment works. The proceeds of such charges so derived will be used for the purpose 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.)

All users of the municipally owned wastewater treatment system shall be charged as follows:

First 2,000 gallons/month	\$7.44 (minimum monthly charge)
Next 8,000 gal/month	\$2.23 per 1,000 gallons or part thereof
Next 40,000 gal/month	\$1.86 per 1,000 gallons or part thereof
Next 100,000 gal/month	\$1.49 per 1,000 gallons or part thereof
Next 350,000 gal/month	\$0.93 per 1,000 gallons or part thereof
All over 500,000 gal/month	\$0.83 per 1,000 gallons or part thereof

In the case of users not on a metered basis, the Utility Manager 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 of Arkadelphia, Arkansas, as residential, commercial or industrial.

User Charge Methodology

The minimum charge per 1,000 gallons of wastewater (as shown in the above table) shall not be less than the amount required for operation and maintenance, including replacement, and the proportionate share for debt service. The cost of operation, maintenance, and replacement shall be computed as follows:

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

$$\frac{\text{Total annual OM\&R \$}}{(365 \text{ days}) (\text{Number of } 1000\text{'s of gal. sold per day})}$$

All users of the municipally owned wastewater treatment system shall be charged their proportionate share for debt service. Each user of the Arkadelphia wastewater system shall pay his fair share of the cost to retire the revenue bonds issued for the purpose of construction of improvements to the wastewater system. These proportionate costs shall be based upon the water consumption of each user similar to the manner in which operation and maintenance costs are computed:

Total annual debt service cost in \$/1,000 gal. =

$$\frac{\text{Total annual Debt Service \$}}{(365 \text{ days}) (\text{No. of } 1000\text{'s of gal. sold per day})}$$

Section 2: Excessive Strength

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

The City also has the right to require pretreatment should it be determined that high concentrations of pollutants may adversely affect wastewater treatment.

Section 3: Charges for Extraneous Flows

The costs of operation and maintenance for 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 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: Administration Costs

A separate fixed billing cost or administrative overhead will not be added to the customer's bills.

Section 6: User Charge Computations

Monthly user charges shall be computed based upon the number of thousands of gallons of water purchased times the rates presented above.

Section 7: Billing

Users will be billed on a monthly basis with payment due by the 10th day of the month following 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 City.

Users with delinquent accounts of 30 days will be notified in writing by the utility where, during which hours of the day, and before whom disputed bill 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 of Arkadelphia, Arkansas, to document compliance with Federal/State regulations pertaining to the construction loan. The system will account for all revenues generated and expenditures for operation and maintenance and replacement.

Article II

Section 1: Review and Revision

The user charge ordinance shall be reviewed not less often than every year regarding the wastewater contribution of users and user classes, the total costs of the operation and maintenance and replacement of the treatment works, and its approved user charge. The charges for users or user classes shall be revised to accomplish the following:

1. Maintain the proportionate distribution of operation and maintenance costs among users and user classes.
2. Generate sufficient revenue to pay the total costs necessary to the proper operation and maintenance (including replacement) of the treatment works, and
3. Apply excess revenues collected from a class of users to the costs of operation and maintenance attributable to that class for the next year, and the rates shall be adjusted accordingly.
4. Revenues from the project (e.g. sale of treatment related by-product or lease of the land) shall be used to offset the cost for the OM&R. The City shall proportionately reduce all user charges.

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

Any user who feels his user charge is unjust and inequitable may make written application to the Arkadelphia Water Utilities Commission of Arkadelphia, Arkansas, requesting a review of his user charge. Said 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.

Review of the request shall be made by the Arkadelphia Water Utilities Commission, 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.

Article IV

These user charges shall apply to all charges mailed to consumers the last of September, 1992 for usage the prior month.

Article V

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.

The user charge system shall take precedence over any terms or conditions of agreements or contracts between the City of Arkadelphia, Arkansas, and any of the users which are inconsistent with applicable Federal/State regulations regarding user charge systems.

Passed and adopted by the BOARD OF DIRECTORS OF THE CITY OF ARKADELPHIA, STATE OF ARKANSAS, on the 20th day of February, 1992.

Approved:

City Holland

Attest:

Shirley A. Loy
City Clerk