AN ORDINANCE ESTABLISHING NEW WATER RATES, PROCEDURES FOR FUTURE ADJUSTMENTS OF WATER RATES, REPEALING CERTAIN ORDINANCES RELATING TO WATER FURNISHED AND SERVICES RENDERED TO THE TONTITOWN MUNICIPAL WATER SYSTEM, AND DECLARING AN EMERGENCY

WHEREAS, increases in the cost of water, and of the services necessary to supply water to the consumers of the Tontitown Municipal Water System requires an adjustment of rates charged for the water so furnished to the consumers; and

WHEREAS, it is anticipated that further adjustments in water rates will be required in the future, now, therefore,

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF TONTITOWN, WASHINGTON COUNTY, ARKANSAS:

SECTION 1. That the following water rates are hereby fixed for the services to be rendered by the Tontitown Municipal Water System for consumers within the corporate limits of the City of Tontitown, Arkansas, and that Ordinance No. 49 and Ordinance No. 67 of the City of Tontitown, Arkansas, are hereby repealed.

The first 2000 gallous -

\$8.34 per month

The next 1000 gallons -

\$3.17 per month

Amounts exceeding 3000 gallons -

\$2.57 per 1000 gallons per month

SECTION 2. That the following water rates are hereby fixed for the services to be rendered by the Tontitown Municipal Water System for consumers living outside the corporate limits of the City of Tontitown, Arkansas, and that Ordinance No. 58 of the City of Tontitown, Arkansas, is hereby repealed.

The first 4000 gallons -

\$15.68 per month

Amounts exceeding 4000 gallons - \$ 2.67 per 1000 gallons per month

SECTION 3. From and after the passage of this Ordinance, any increase in the cost of water purchased by the Tontitown Municipal Water System may result in an increase in the rate schedules set forth herein on a percentage basis equal to the percent of such increase of the cost of water as described. Any such increases shall be effective on the date that the increase in the cost of water to the Tontitown Municipal Water System becomes effective, and shall not require any formal action by the City Council by way of resolution or ordinance, in order to implement such increase as set forth in this Section.

SECTION 4. When, in the opinion of the City Council, a further increase in water rates is necessary, over and above those increases allowed under Section 3 herein, said water rates shall be increased by resolution of the City Council, provided that such increase does not exceed ten percent (10%) of the water rates being charged by the Tontitown Municipal Water System at that time. Raising water rates under this Section in excess of said ten percent (10%) may be done only by passage of an ordinance to such effect; provided, however, that the passage of an ordinance will not be necessary to raise water rates in excess of ten percent (10%) of the rates existing at that time, if such increase is pursuant to Section 3 herein. For purposes of this Section, any and all percentages shall be calculated separately as to water rates for consumers inside and outside the corporate limits of the City of Tontitown.

SECTION 5. Nothing in this Ordinance shall prevent the City Council, in its discretion, from decreasing water rates to consumers. Any such action to decrease water rates shall not require formal action by the City Council by way of resolution or ordinance.

SECTION 6. The provisions set forth herein are necessary to continue to provide adequate water supplies to the consumers of the Tontitown Municipal Water System, and for the protection of said consumers, and the City Council of the City of Tontitown hereby determines and declares that an emergency exists, and that this Ordinance, being necessary for the preservation of the public peace, health, safety, and welfare, shall be in force and take effect immediately upon and after its passage.

October 2, 2001.

APPROVED:

2001124467

INCO ATTEST

City Clerk