**REGULATION NO. 14, AMENDMENT NO. 10**

AN AMENDMENT TO REGULATION NO. 14 ESTABLISHING THE RATES FOR SERVICES TO BE FURNISHED BY THE SEWER SYSTEM OF THE HOLIDAY ISLAND SUBURBAN IMPROVEMENT DISTRICT, AND FOR OTHER PURPOSES.

**WHEREAS**, the Board of Commissioners (the "Board") of the Holiday Island Suburban Improvement District ("HISID") owns and operates a sewer system (the "System"); and

**WHEREAS**, the Board has determined that it is in the best interests of HISID to acquire, construct and equip betterments and improvements to the System, including particularly, without limitation, the installation of ultraviolet disinfection equipment and all related piping, connections, and appurtenances (collectively, the "Improvements"); and

**WHEREAS**, all or a portion of the costs of the Improvements will be financed by the issuance of sewer revenue bonds (the "Bonds"); and

**WHEREAS**, it is necessary for the issuance of the Bonds that the Board amend Regulation 14 enacted on June 10, 1996, as amended ("Regulation No. 14"), in order to establish rates to be charged for sewer services rendered by the System; and

**WHEREAS**, the Board adopted by resolution a new code of regulations at a Regular Meeting of the Board on September 29, 2003, within which Regulation No. 14 was incorporated into Chapter 32, Utilities; and

**WHEREAS**, the following amendment will modify various portions of Chapter 32 Utilities, Article II Water and Sewer Service as outlined below;

**NOW THEREFORE, BE IT RESOLVED**, by the Board of Commissioners of the Holiday Island Suburban Improvement District, that the Holiday Island Suburban Improvement District Code of Regulations is hereby amended as indicated below and made effective on February 1, 2025.

**WE FURTHER CERTIFY THAT**, at a Regular Meeting of the Board of Commissioners of the Holiday Island Suburban Improvement District, duly called and held on January 27, 2025, at which a quorum was present and voting, the following regulation amendments were adopted.

**ARTICLE 1**

Section 1: Charges for Operation, Maintenance and Replacement

HISID hereby establishes rates, to be charged for sewer services furnished by the System, which the Board finds and declares to be reasonable and necessary, to be charged to all users who contribute wastewater to the HISID treatment works. The proceeds of such charges so derived will be used for the purpose of operating and maintaining, including replacement ("OM&R"), of the public wastewater treatment works. ("Replacement" is defined as expenditures for obtaining and installing equipment, accessories or appurtenances during useful life of the treatment works necessary to maintain the capacity and performance for which they were designed and constructed.)

To generate revenues for the operation and maintenance, including replacement of the System, all users of the System shall be charged the following schedule of rates:

Beginning February 1, 2025, a minimum charge of $19.67 per month for the first 1,500 gallons of metered water consumption and $7.70 per month per 1,000 gallons of metered water consumption thereafter (in excess of the initial minimum monthly charge).

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.

User Charge Methodology:

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

$$\frac{\text{Total annual OM\&R \$}}{\text{(No. of 1,000 gal. above the monthly minimum sold annually)}}$$

Section 2: Debt Service **(WWTP)**

To generate revenues to retire the debt service of the System, all users of the System shall be charged a fixed rate minimum charge of $9.25 per month for the first 1,500 gallons of metered water consumption and $2.47 per month per 1,000 gallons of metered water consumption thereafter (in excess of the initial minimum monthly charge).

Section 3: Additional Debt Service **(UV Treatment)**

To generate revenues to retire the Bonds issued finance the cost of the Improvements, beginning February 1, 2025, all users of the System shall be charged a fixed rate minimum charge of $2.38 per month for the first 1,500 gallons of metered water consumption and $0.96 per month per 1,000 gallons of metered water consumption thereafter (in excess of the initial monthly charge).

Section 4: Total User Charge

Beginning February 1, 2025:

Minimum Bill (1,500 gallons):

**WWTP** Debt Service Flat Fee + **Additional UV Debt Service Fee** + D/S Volume + OM&R (1500 gal) = Total

Minimum Bill:

WWTP + UV+ D/S Volume + OM&R = Total

$9.25 + $2.38+ $0.00 + $19.67 = $31.30

**ARTICLE 2**

Section 1: Review and Revision

HISID 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 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 3**

Regulation No. 14, and Chapter 32, Article II of the code of regulations, as amended hereby, shall be and remain in full force and effect.

All regulations or parts of regulations in conflict herewith are hereby repealed. The invalidity of any section, clause, sentence or provision of this regulation shall not affect the validity of any other part of this regulation 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 HISID and any of the users which are consistent with applicable Federal regulations regarding user charge systems.

Passed and adopted by the Board of Commissioners, Holiday Island Suburban Improvement District of Carroll County, State of Arkansas, on the 27th day of January 2025.

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Chair, Board of Commissioners

Attest:

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Secretary, Board of Commissioners

First Reading: December 16, 2024

Second Reading: January 27, 2025