

AN ORDINANCE PROVIDING FOR THE CONSTRUCTION OF EXTENSIONS, BETTERMENTS AND IMPROVEMENTS TO THE WATERWORKS SYSTEM OF THE TOWN OF COTTER, ARKANSAS; ESTABLISHING THE RATES TO BE CHARGED FOR THE WATER TO BE FURNISHED AND SERVICES TO BE RENDERED BY THE WATERWORKS SYSTEM; PROVIDING FOR THE ISSUANCE OF WATERWORKS REVENUE BONDS; PROVIDING FOR THE REFUNDING OF OUTSTANDING WATERWORKS REVENUE BONDS; PROVIDING FOR THE PAYMENT OF PRINCIPAL AND INTEREST ON THE BONDS; PRESCRIBING OTHER MATTERS RELATING THERETO; AND DECLARING AN EMERGENCY.

WHEREAS the Incorporated Town of Cotter, Arkansas (hereinafter called "Town") owns and operates the Waterworks System (hereinafter sometimes called "System") and it has been determined that extensions, betterments and improvements to the System are necessary in order to make said System adequate for the immediate needs of the Town and its inhabitants; and

WHEREAS the Town has caused to be prepared by John E. Mahaffey, Consulting Engineer, plans, specifications and estimates of cost of the needed extensions, betterments and improvements which reflect that the total cost thereof is approximately \$43,500, including necessary expenses incidental thereto and to the issuance of bonds, said extensions, betterments and improvements to consist generally of the following: necessary treatment, pumping, distribution and other facilities necessary to provide adequate water service to the newly annexed area in the Eastern part of the Town along Highway 62. Said plans, specifications and estimates of cost are now on file with the Town Recorder subject to inspection by any interested person; and

WHEREAS the Town is without funds to undertake said extensions, betterments and improvements, but can obtain the necessary funds by the issuance of Waterworks Revenue Bonds; and

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Whereas there are outstanding \$26,500 in principal amount of an issue of Waterworks Revenue Bonds of the City dated January 1, 1952, and the Council has determined and hereby finds and declares that said January 1, 1952 Bonds should be refunded, and that Waterworks Refunding and Construction Revenue Bonds in an amount sufficient to accomplish said refunding and provide the funds for the new extensions, betterments and improvements (hereinafter sometimes called "Project") should be issued; and

Whereas the Town has duly advertised the public sale of its \$70,000 in principal amount of Waterworks Refunding and Construction Revenue Bonds, and at said public sale held on the 16th day of November, 1964, the best bid submitted was that of Stephens, Inc., of Little Rock, Arkansas, which bid was par and accrued interest for \$70,000 principal amount of bonds bearing interest at the rate of 4 1/2% per annum; and

Whereas Stephens, Inc., the purchaser of the bonds, has elected to convert the \$70,000 in principal amount of bonds bearing interest as aforesaid to an issue of \$77,250 in principal amount of bonds bearing interest at the rates of 3%, 3 1/2%, 3 3/4% and 4% per annum, as hereinafter set forth in detail, and the Town has examined said conversion and has found that by virtue thereof the Town will receive no less and pay no more than it would receive and pay if the bonds were not converted;

NOW, THEREFORE, BE IT ORDAINED, by the Town Council of the Town of Cotter, Arkansas:

Section 1. That the following monthly rates, ~~be, and they~~ are hereby, fixed as rates to be charged for water furnished by the Waterworks System of the Town of Cotter, Arkansas, which rates the Council finds and declares to be reasonable and necessary minimum rates to be charged:

<u>Class</u>	<u>Water Usage</u>	<u>Rate</u>
1.	1st 3,000 gals. per mth.	\$3.50 (minimum)
2.	Next 2,000 gals. per mth	1.00 per 1,000 gals.
3.	Next 5,000 gals. per mth.	.60 per 1,000 gals.
4.	Next 10,000 gals. per mth.	.50 per 1,000 gals.
5.	Next 25,000 gals. per mth.	.40 per 1,000 gals.
6.	Next 50,000 gals. per mth.	.30 per 1,000 gals.
7.	All over 95,000 gals per month	.25 per 1,000 gals.

The water usage of each customer shall be determined each month by meter measurement.

Section 2. That the Project be constructed and that the necessary steps be taken to refund the outstanding Waterworks Revenue Bonds of the Town dated January 1, 1952.

Section 3. That the Town Council hereby finds and declares that the period of usefulness of the System after construction of the Project will be more than forty years, which is longer than the term of the proposed bonds.

Section 4. That the sale of \$70,000 in bonds to Stephens, Inc., at the price of par and accrued interest for bonds bearing interest at 4 1/2% and the conversion thereof to an issue of \$77,250 in bonds bearing interest at 3%, 3 1/2%, 3 3/4% and 4% maturing in the years 1965 to 1989, inclusive, be, and the same are, hereby approved and confirmed.

Section 5. That under the authority of the Constitution and laws of the State of Arkansas, including particularly Act 131 of the Acts of Arkansas of 1933, as amended, and Act 297 of the Acts of Arkansas of 1937, as amended, Waterworks Refunding and Construction

Revenue Bonds of the Incorporated Town of Cotter, Arkansas, are hereby authorized and ordered issued in the principal amount of \$77,250 for the purpose of refunding the outstanding Waterworks Revenue Bonds of the City dated January 1, 1952, constructing the Project, paying necessary expenses incidental thereto and to the issuance of the bonds. The bonds issued hereby shall be dated October 1, 1964, with interest payable thereon semiannually on April 1 and October 1 of each year commencing April 1, 1965; shall be numbered consecutively from 1 to 78, inclusive, all in the denomination of \$1,000 each, except for Bond No. 3, which shall be in the denomination of \$250; and shall bear interest as follows: Bonds Nos. 1 to 21, inclusive, maturing in the years 1965 to 1974, inclusive, shall bear interest at the rate of 3% per annum; Bonds Nos. 22 to 34, inclusive, being the bonds maturing in the years 1975 to 1979, inclusive, shall bear interest at the rate of 3 1/2% per annum; Bonds Nos. 35 to 54, inclusive, being the bonds maturing in the years 1980 to 1984, inclusive, shall bear interest at the rate of 3 3/4% per annum; and Bonds Nos. 55 to 78, inclusive, being the bonds maturing in the years 1985 to 1989, inclusive, shall bear interest at the rate of 4% per annum. The interest shall be evidenced by interest coupons, and the principal and interest shall be payable in lawful money of the United States of America upon presentation of the bond or proper coupon at the office of Commercial National Bank of Little Rock, Little Rock, Arkansas. The bonds shall be negotiable coupon bonds payable to bearer and shall mature on October 1 of each year as follows; but shall be callable for payment prior to maturity as hereafter set forth:

YEAR	BOND NOS.		AMOUNT
1965	1	3	\$2,250
1966	4	5	2,000
1967	6	7	2,000
1968	8	9	2,000
1969	10	11	2,000
1970	12	13	2,000
1971	14	15	2,000
1972	16	17	2,000
1973	18	19	2,000
1974	20	21	2,000
1975	22	23	2,000
1976	24	25	2,000
1977	26	28	3,000
1978	29	31	3,000
1979	32	34	3,000
1980	35	38	4,000
1981	39	42	4,000
1982	43	46	4,000
1983	47	50	4,000
1984	51	54	4,000
1985	55	58	4,000
1986	59	63	5,000
1987	64	68	5,000
1988	69	73	5,000
1989	74	78	5,000

Section 6. The bonds shall be executed on behalf of the Town by the Mayor and the Town Recorder and shall have impressed thereon the seal of the Town. Interest coupons attached to the bonds may be signed by the facsimile signature of the Mayor and shall have the same force and effect as if personally signed by him. The bonds, together with interest thereon, shall be payable solely out of the Waterworks Revenue Bond Fund, as hereinafter set forth, and shall be a valid claim of the holders thereof only against such fund and the amount of revenues pledged to such fund, which amount of revenues is hereby pledged and mortgaged for the equal and ratable payment of the bonds and shall be used for no other purpose than to pay the principal, interest and paying agent's fees of said bonds, except as otherwise specifically provided in this Ordinance. The bonds and interest thereon shall not constitute an indebtedness of the Town within any constitutional or statutory limitation.

Section 7. The bonds and coupons shall be in substantially the following form, and the Mayor and Town Recorder are hereby expressly authorized and directed to make all recitals contained therein: