Charge:

"All sewer customers of the system (including sewer customers who receive water from sources other than the System and occupants of mobile homes and apartments which have no separate water mater) shall be charged a monthly fee (the "Debt Service Surcharge") to be used solely for the retirement of an issue of water and sewer revenue bonds in the principal amount of .... The debt service surcharge will be paid by all sewer customers regardless of the amount of water used or wastewater discharges. All revenue derived from the Debt Service Surcharge shall be used solely for payment of debt service (principal, interest, and trustee fees and expenses)"

Fee: $8.95 for 5/8" and ¾" meters; see ordinance for other charges based on meter sizes

Ordinance timeline:

O1999-06: Debt Service Surcharge created for the repayment of 1998 bonds.

O2003-04: Debt Service Surcharge still being collected.

O2003-17: 1998 Bonds were renamed 2003 Bonds. Debt Service Surcharge still being collected.

O2003-20: 2003 Bonds for $6.4M. Fee still being collected.

O2005-07: 2003 bonds still being paid. 2005 bonds taken on for $4.875M. Fee still being collected for bond repayment.

O2005-20: Fee still being collected. Outside City Limit service charge is established for sewer customers.

O2006-02: Fee still being collected. This ordinance is the same as 2003-04 for the exception of an increase in water rates. Sewer rates remained the same, but outside city limit service charge was removed. The repayment of the 1998 bonds are referenced in 2006-02 for the Debt Service Surcharge, but 1998 bonds were renamed 2003 bonds, and that fee is still instructed to be collected per last ordinance.

December 31, 2008: It is assumed the fee stops being collected here (2008 and 2013 audit report) as the bonds were paid off. No ordinance rolling the fee over to payment towards series A and B bonds nor removing it all together.

There is no ordinance or resolution removing this debt service surcharge from the bill. However, the 2003 and 2005 bonds that this fee was paying off were fully paid as of December 31, 2008. The fee stopped getting collected at that point. There was no ordinance removing this charge from the structure, there was no ordinance amending the charge to be allocated towards the new outstanding Water and Sewer Refunding Revenue Bonds, and there was no ordinance stating an end date for this fee to stop being charged. While the funds are directed to be spent towards the repayment of 1998 bonds then the 2003/2005 bonds, there is no language stating that the fee stop being charged when those bonds are paid off.

Other cities nearby charging a monthly debt service fee:

(https://www.carkw.com/customer-service/water-rates/debt-service-charges/)

Salem Water Users: $35.90

Wye Mountain: $32.00

Frazier Pike: $28.15

Woodland Ridge: $11.00

Eureka Gardens: $28.50

Maumelle: $15.67

Paron: $11.00

Cabot: $13.50 inside city limits $16.50 outside city limits (https://www.cabotwaterworks.com/rates-and-policies)

Texarkana: Charges monthly infrastructure fee varying from inside/outside/residential/commercial customers (https://twu.txkusa.org/pview.aspx?id=21054&catid=29)

Hot Springs: $21.73 inside city limits $30.13 outside city limits (https://www.cityhs.net/DocumentCenter/View/10948/Wastewater-Rates?bidId=)

Please keep in mind that these are ADDITIONAL fees that customers pay in addition to their minimum usage charge + excess use. These fees are for repayment of debt, bonds, loans, etc.

Idea of Revenue: as of January 1, 2023 meter count.

5/8" & ¾" meters: 8,154($8.95)(12)= $875,740

1": 169($30)(12)= $60,840

1 ½": 18($60)(12)= $12,960

2": 22($95)(12)= $25,080

3": 20($190)(12)= $45,600

4": 1($300)(12)= $3,600

Total: $1,023,820.

This number will slightly change as more meters are installed, but the number remains huge.

As we pursue low interest rate loans from the ANRC to complete the projects critical to the City's sewer and water infrastructure, they require a certain amount of revenue be shown each year to ensure repayment is sufficient. While we know this is a lot to bring to your attention, we encourage you to look at the ordinances already in place and be willing to have a workshop to discuss how we move forward with the discovered information. These interest rates are subject to change, so the quicker we apply for these loans to complete crucial projects, the better off we will be in the long run. These projects can not wait, and our current revenue can not cover our needs. These charges were put into place for reasons that reflect our situation present day. These charges should have never stopped being collected, and we may never know why they were. There is no one person to point the finger at. We discovered these charges while digging into our current rate and fee structures to find revenue to scrap together for these projects. This fee is still active according to 2006-02 and it is stated on municode that the debt service

surcharge is still being collected and billed. The only thing we can do moving forward is to continue diligently ensuring the System has the funds it needs to provide the safest water and sewer services possible in the most efficient way.

Options to discuss at workshop:

1) Amend 2006-02 to start collecting the original debt service surcharge fee but state that it be allocated to the current outstanding water and sewer bonds.
2) Amend 2006-02 and remove the charge all together but raise rates or other fees to collect the revenue needed to complete crucial projects.
3) Wait to see ANRC offer letters for said crucial projects and calculate the increase needed to cover loan repayments and create a new ordinance removing the language from 2006-02 and allocating the debt service surcharge funds to repayment of offered loans.

ORDINANCE NO. 99-6 AMENDED

AN ORDINANCE AMENDING EXISTING RATES FOR SERVICES RENDERED BY THE SEWER SYSTEM OF THE CITY OF BRYANT, ARKANSAS, AS SET FORTH BY ORDINANCE NO. 97-30; ESTABLISHING A DEBT SERVICE SURCHARGE TO BE PAID BY SEWER CUSTOMERS; AND PRESCRIBING OTHER MATTERS RELATING THERETO.

Amended by 99-15

WHEREAS, the City of Bryant, Arkansas (the "City") owns and operates a sewer (wastewater) system (the "System"), and has determined that extensions, betterments and improvements to the System should be made in order that the City and its inhabitants may have adequate and proper sewer facilities; and

WHEREAS, the extensions, betterments and improvements include expansion of the existing wastewater treatment facilities to a capacity of two million gallons per day, the rehabilitation of the existing wastewater collection system to eliminate (to the extent possible) infiltration and inflow in the collection system, and construction of collection system improvements to eliminate bottlenecks and provide adequate hydraulic capacity in all parts of the system (the "Project"); and

WHEREAS, the City Council has determined to finance the Project by the issuance of water and sewer revenue bonds; and

WHEREAS, the estimated costs of the Project, including expenses incidental thereto and costs of issuing the bonds and funding a debt service reserve for the bonds ("Project Costs") is $4,500,000; and

WHEREAS, the City Council has previously established water rates and sewer rates which are necessary and sufficient to pay the costs of operating and maintaining the System and paying debt service on outstanding bonds payable from System revenues, but which will not be sufficient to pay debt service on the bonds to be issued to finance Project Costs;

NOW, THEREFORE, BE IT ORDAINED by the City Council of the City of Bryant, Arkansas:

Section 1. Debt Service Surcharge. (a) All sewer customers of the System (including sewer customers who receive water from sources other than the System and occupants of mobile homes and apartments which have no separate water meter) shall be charged a monthly fee (the "Debt Service Surcharge") to be used solely for the retirement of an issue of water and sewer revenue bonds in the principal amount of not to

exceed $4,500,000 to be issued to finance Project Costs (the "Series 1997 Bonds".) The Debt Service Surcharge will be paid by all sewer customers regardless of the amount of water used or wastewater discharges. All revenues derived from the Debt Service Surcharge shall be used solely for payment of debt service (principal, interest, and trustee fees and expenses) of the Series 1997 Bonds.

(b) The Debt Service Surcharge for each mobile home, with or without a separate water meter, shall be $8.95.

(c) The Debt Service Surcharge for each apartment, with or without a separate water meter, shall be $8.95.

(d) The Debt Service Surcharge for all other sewer customers will be based on meter size, as follows:

Meter Size	Debt Service Surcharge
5/8" x 3/4"	$ 8.95
3/4"	8.95
1"	30.00
1 ½"	60.00
2"	95.00
3"	190.00
4"	300.00
6"	600.00

Section 2. Effective Date. The Debt Service Surcharge shall be included on all billing statements mailed on or after January 15, 1998. It shall be billed and collected in addition to all other water and sewer rates and charges. In the case of mobile homes and apartments without a separate meter, the Debt Service Surcharge shall be included on the bills of the metered customer to whom existing sewer charges for the unmetered mobile home or apartment are sent.

Section 3. Existing Sewer Rates To Continue. The existing sewer rates, established by Ordinance No. 97-3 and Ordinance No. 97-5, are confirmed and shall continue to be billed and collected. These rates are as follows:

(a) Monthly Usage Charge. Each sewer customer shall pay a monthly sewer charge based on water consumption according to the following schedule of rates:

For the first 2,000 gallons of water consumption per month, or portion thereof, a charge of $5.50. This shall be the monthly minimum sewer charge.

For all water consumption in excess of 2,000 gallons, each customer shall pay an additional charge of $2.60 per 1,000 gallons.

Each customer over the age of 65 shall receive a Senior Citizen discount of $3.00 per month, which shall be deducted from the monthly utility bill.

(b) Tie-On and Impact Fees. Tie-on and impact fees shall be charged on all new connections to the sewer facilities, as follows:

Subdivision sewer tie-on fee: $150.
Subdivision sewer impact fee: $500 plus $100 per lot. The per lot fee is for both water and sewer.
Motel sewer tie-on fee: $150
Motel sewer impact fee: $500 plus $5 per room.

Sewer tie-on fee for Apartment Complexes: $150 for each apartment.
Sewer impact fee for Apartment Complexes: $500 for each apartment.

Sewer tie-on fee for all other customers: $150.
Sewer impact fee for all other customers: $500.

(c) Use of Impact Fees. All sewer impact fees shall be accounted for and used as provided in Ordinance No. 97-3.

Section 4. Severability. The provisions of this Ordinance are separate and if a section, phrase or provision shall be declared invalid, such declaration shall not affect the validity of the remainder of this Ordinance.

Section 5. General Repealer. All ordinances and resolutions and parts thereof in conflict herewith are hereby repealed to the extent of such conflict.

PASSED: ~~December 1, 1997.~~ March 22, 1999

APPROVED:

Paul E. Halley

Paul E. Halley, Mayor

ATTEST:

Ann Permenter

Ann Permenter, City Clerk

(SEAL)

ORDINANCE NO. 2003-04

AN ORDINANCE ESTABLISHING SEWER AND WATER RATES FOR SERVICES RENDERED BY THE MUNICIPAL SEWER AND WATER SYSTEMS OF THE CITY OF BRYANT, ARKANSAS; ESTABLISHING WATER RATES FOR METERS OF CERTAIN SIZES; FIXING CERTAIN IMPACT AND CONNECTION FEES AND ESTABLISHING A CAPITAL ACCOUNT FOR DEBT RETIREMENT FUND

WHEREAS, the City of Bryant, Arkansas (the "City") owns and operates a sewer (wastewater) and water system (the "System"), and has determined that adjustments should be made in certain charges for services of the System in order that the City and its inhabitants may continue to have adequate and proper sewer and water facilities.

NOW, THEREFORE, BE IT ORDAINED by the City Council of the City of Bryant, Arkansas:

Section 1. Debt Service Charge

(a) All sewer customers of the System (including sewer customers who receive water from sources other than the System and occupants of mobile homes and apartments which have no separate water meter) shall be charged a monthly fee (the "Debt Service Surcharge") to be used solely for the retirement of an issue of sewer revenue bonds in the principal amount of $4,500,000 (the "Series 1998 Bonds"). The Debt Service Surcharge will be paid by all sewer customers regardless of the amount of water used or waste water discharges. All revenues derived from the Debt Service Surcharge shall be used solely for payment of debt service (principal, interest, and trustee fees and expenses) of the Series 1998 Bonds.

(b) The monthly Debt Service Surcharge for each mobile home, with or without a separate water meter, shall be $8.95.

(c) The monthly Debt Service Surcharge for each apartment, residential dwelling unit with or without a separate water meter, shall be $8.95.

(d) A monthly Debt Service Surcharge for each new residential dwelling unit of any type, with or without a separate water meter, shall be $8.95..

(e) The monthly Debt Service Surcharge for health care facilities shall be based on meter size.

(f) The monthly Debt Service Surcharge for State funded facilities shall be based on meter size.

(g) The Debt Service Surcharge for commercial establishments shall be based on meter size. Any additional unit without a separate water meter shall be $8.95.

(h) The Debt Service Surcharge for all other sewer customers will be based on meter size.

Meter sizes are as follows:

Meter Size	Debt Service Surcharge
5/8" x 3/4"	$ 8.95
3/4"	8.95
1"	30.00
1 ½"	60.00
2"	95.00
3"	190.00
4"	300.00
6"	600.00

Section 2. Effective Date. The Debt Service Surcharge is hereby confirmed for all billing statements mailed on or after January 15, 1998. It shall be billed and collected in addition to all other water and sewer rates and charges. In the case of mobile\manufactured homes, residential dwelling units and apartments without a separate meter, the Debt Service Surcharge shall be included on the bills of the metered customer to whom existing sewer charges for the unmetered mobile/manufactured homes, residential dwelling units and apartments are sent.

Section 3. Sewer Rates The sewer rates, established by the passage of this ordinance shall be billed and collected..

Rates are as follows:

(a) Monthly Sewer Usage Charge. Each sewer customer shall pay a monthly sewer charge based on water consumption according to the following schedule of rates:

For the first 2000 gallons of water consumption per month, or portion thereof, a charge of $5.50. This shall be the monthly minimum sewer charge.

For all water consumption in excess of 2000 gallons, each customer shall pay an additional charge of $2.60 per 1000 gallons.

Any multi unit that has installed a master meter will pay the Minimum Bill of $5.50 on each unit plus usage shown on master meter.

Section 4. Sewer Connection Fees and Impact Fees.

(a) Connection fees and impact fees shall be charged on all new connections to the sewer facilities.

:ates are as follows:

	Connection Fees	**Impact fees**
Subdivision, Mobile/Manufactured Park/Village Development		$50.00 per lot (may be in phases)
Motel	$150.00	$500.00 plus $150.00 per room
Apartment /Apartment Complexes	$150.00 per unit	$ 500.00 per unit
Residential dwelling units Mobile/Manufactured Homes	$150.00 per unit	$ 500.00 per unit
Strip Malls	$150.00 per unit	$ 500.00 per unit
Elderly/Nursing Care Facilities	$150.00	$ 500.00 plus $150.00 per room
Assisted Living Facilities /Retirement Center	$150.00 per unit	$ 500.00 per unit
Commercial Establishments- Permanent or Temporary	$150.00 per unit	$500.00 per unit
Other Customers	$150.00 per unit	$500.00

(Other defined as anything not listed above - See definitions for classifications)

Sewer impact fees may only be used for Capital Improvements (See Section 6 of Ordinance No.97-3), with the exception of $100.00 of each impact fee collected. This is to be deposited into an interest bearing account to be used as a Debt Retirement Fund for 1998 Bonds. The Bonds shall be subject to redemption, from funds from any sources at the option of the City, on and after June 1, 2003, in whole at any time or in part on any interest payment date.

Section 5. Water Rates

(a) Except for water furnished through fire sprinkler systems, all water furnished by the Bryant Municipal Water and Sewer System shall be measured through meters. The size of each meter shall be not less than (five-eighths) 5/8 inch and not more than (six) 6 inches, as determined by the manager of the system on the basis of his estimate of the amount of water to be used for the premises. Each water customer shall pay a monthly charge for water as follows:

For the first 2000 gallons of water consumption per month, or portion thereof, each customer shall pay a charge (known as the "Minimum Charge") based on meter size as follows:

Meter Size	Minimum Charge
5/8 inch	$ 6.24
3/4 inch	10.74
1 inch	15.24
1 ½ inch	21.24
2 inch	27.24
3 inch	59.70
4 inch	89.70
6 inch	173.70

For all water consumption in excess of 2000 gallons per month, each ıstomer shall pay an additional charge of $2.87 per 1,000 gallons.

Each customer age 65 and over with verification of age will receive a senior citizen discount of three dollars ($3.00) per month which shall be deducted from the monthly water bill.

(b) Water Connection Fees and Impact Fees based on 5/8 inch meter size
The Charge for any larger meter shall be based on the cost of installation.

Rates are as follows:

	Connection Fees
Commercial Establishment (per unit) - Permanent or Temporary	$245.00 plus cost of larger installation
Residential Dwelling Unit/ Mobile/Manufactured Home	$245.00 per unit
Subdivision or Mobile Homes Village - if developer installs all services including meter boxes and setter	$245.00 per unit
Motels	$245.00 plus cost of larger installation
Apartment Complex- Apartment Complexes/Strip Mall	$245.00 plus cost of larger installation
Connection fee based on single meter - if separate meter used - price per each.	
Elderly/Nursing Care Facilities	$245.00
Watering Meters - New Service (Sprinkling)	$245.00
Assisted Living/Retirement Center Facilities	$245.00 plus cost of larger installation
Connection Fees for all other customers (Other defined as anything not listed above)	$245.00

	Impact Fees
Commercial Establishment - Permanent or Temporary/Strip Malls	$500.00 per unit
Residential Dwelling Unit/ Mobile/Manufacturing Homes	$500.00 per unit
Motels	$500.00 plus $150.00 per room
Apartment/Apartment Complexes	$500.00 per residential dwelling unit
Subdivision - Mobile/Manufactured Village/Park Development	$50.00 per lot (may be in phases)
Elderly/Nursing Care Facilities	$500.00 plus $150.00 per unit
Additional meters impacting water only (Sprinkling)	$150.00
Assisted Living/Retirement Facilities	$500.00 per unit
Impact Fee for all Other Customers (Other defined as anything not listed above)	$500.00 per unit

Central Arkansas Water System Development Charges effective September 1, 2002:

Charges for meters will be in accordance with the following table:

ACTUAL METER SIZE	SERVICE UNITS	CHARGE BY METER SIZE
5/8 or 3/4-inch	1	$150
1-inch	1.5	$225
1 ½-inch	2.5	$375
2-inch	5	$750
3-inch	8	$1,200
4-inch	15	$2,250
6-inch	25	$3,750

Water impact fees can be used only for Capital Improvements in water (See Six (6) of Ordinance No. 97-3).

Subdivision and Mobile/Manufactured Village/Park Development impact fees can only be used for Capital Improvement in water or sewer (See Six (6) of Ordinance No. 97-3).

(c) None of the water services afforded by the System shall be furnished without a charge being made therefor. Any multi unit that has installed a master meter will pay the Minimum Bill on each unit plus usage shown on master meter.

Section 6. Severability. The provisions of this Ordinance are separate and if a section, phrase or provision shall be declared invalid, such declaration shall not affect the validity of the remainder of this Ordinance.

Section 7. General Repealer. All ordinances and resolutions and parts hereof in conflict herewith are hereby repealed to the extent of such conflict.

PASSED AND APPROVED this 27 Day of January 2003

APPROVED:

Paul E. Halley, Mayor

ATTEST:

B. Cockerham, City Clerk

DATE: 1-27-03

(SEAL)

ORDINANCE NO. 2003-17

AN ORDINANCE CONFIRMING EXISTING RATES FOR SEWER SERVICES RENDERED BY THE WATER AND SEWER SYSTEM OF THE CITY OF BRYANT, ARKANSAS; FIXING A DEBT SERVICE SURCHARGE TO BE PAID BY SEWER CUSTOMERS; AND PRESCRIBING OTHER MATTERS RELATING THERETO.

WHEREAS, the City of Bryant, Arkansas (the "City") owns and operates water and sewer facilities, which are operated as a single integrated municipal undertaking (the "System") under the control of the Bryant Water and Wastewater Commission (the "Commission"); and

WHEREAS, the City Council and the Commission have determined that the System is in need of extensions, betterments and improvements (the "Improvements"); and

WHEREAS, the City has outstanding its Water and Sewer Revenue Refunding and Improvement Bonds, Series 1992 (the "1992 Bonds") and its Water and Sewer Revenue Bonds, Series 1998 (the "1998 Bonds"); and

WHEREAS, the City and the Commission have determined that, in order to produce debt service savings, the 1992 Bonds and the 1998 Bonds should be refunded (the "Refunding"); and

WHEREAS, the City can finance the Improvements and the Refunding by the issuance of its Water and Sewer Refunding and Construction Revenue Bonds, Series 2003 (the "2003 Bonds"); and

WHEREAS, the City is currently levying a debt service surcharge paid by all sewer customers of the System in order to pay a portion of the debt service on the 1998 Bonds; and

WHEREAS, the City must continue to levy a debt service surcharge in order to pay a portion of the debt service on the 2003 Bonds;

NOW, THEREFORE, BE IT ORDAINED by the City Council of the City of Bryant, Arkansas:

Section 1. Debt Service Surcharge. (a) All sewer customers of the System (including sewer customers who receive water from sources other than the System and occupants of mobile homes and apartments which have no separate water meter) shall be charged a monthly fee (the "Debt Service Surcharge") to be used solely for the retirement of the 2003 Bonds. The Debt Service Surcharge will be paid by all sewer customers regardless of the amount of water used or wastewater discharged. All revenues derived from the Debt Service

Surcharge shall be used solely for payment of debt service (principal, interest, and trustee fees and expenses) on the 2003 Bonds.

(b) The Debt Service Surcharge for each mobile home, with or without a separate water meter, shall be $8.95.

(c) The Debt Service Surcharge for each apartment or residential dwelling unit, with or without a separate water meter, shall be $8.95.

(d) A monthly Debt Service Surcharge for each new residential dwelling unit of any type, with or without a separate water meter, shall be $8.95.

(e) The monthly Debt Service Surcharge for health care facilities shall be based on meter size.

(f) The monthly Debt Service Surcharge for State funded facilities shall be based on meter size.

(g) The Debt Service Surcharge for commercial establishments shall be based on meter size. Any additional unit without a separate water meter shall be $8.95.

(h) The Debt Service Surcharge for all other sewer customers will be based on meter size, as follows:

Meter Size	Debt Service Surcharge
5/8"	$ 8.95
3/4"	8.95
1"	30.00
1½"	60.00
2"	95.00
3"	190.00
4"	300.00
6"	600.00

Section 2. Effective Date. The Debt Service Surcharge shall be included on all billing statements mailed on or after July 1, 2003. The Debt Service Surcharge shall replace the debt service surcharge currently pledged to the 1998 Bonds. It shall be billed and collected in addition to all other water and sewer rates and charges. In the case of mobile/manufactured homes, residential dwelling units and apartments without a separate meter, the Debt Service Surcharge shall be included on the bills of the metered customer to whom existing sewer charges for the unmetered

mobile/manufactured homes, residential dwelling units and apartments are sent.

Section 3. Existing Sewer Rates To Continue. The existing sewer rates, established by Ordinance No. 2003-04, are confirmed and shall continue to be billed and collected. These rates are as follows:

(a) Monthly Sewer Usage Charge. Each sewer customer shall pay a monthly sewer charge based on water consumption according to the following schedule of rates:

For the first 2,000 gallons of water consumption per month, or portion thereof, a charge of $5.50. This shall be the monthly minimum sewer charge.

For all water consumption in excess of 2,000 gallons, each customer shall pay an additional charge of $2.60 per 1,000 gallons.

Any multi-unit that has installed a master meter will pay the minimum bill of $5.50 on each unit plus usage shown on the master meter.

(b) Connection and Impact Fees. Connection fees and impact fees shall be charged on all new connections to the sewer facilities, as follows:

	Connection Fees	Impact Fees
Subdivision, Mobile/Manufactured Park/Village Development		$50.00 per lot (may be in phases)
Motel	$150.00	$500.00 plus $150.00 per room
Apartment/Apartment Complexes	$150.00 per unit	$500.00 per unit
Residential Dwelling Units Mobile/Manufactured Homes	$150.00 per unit	$500.00 per unit
Strip Malls	$150.00 per unit	$500.00 per unit
Elderly/Nursing Care Facilities	$150.00	$500.00 plus $150.00 per room
Assisted Living Facilities/Retirement Center	$150.00 per unit	$500.00 per unit
Commercial Establishments- Permanent or Temporary	$150.00 per unit	$500.00 per unit
Other Customers	$150.00 per unit	$500.00

("Other" defined as anything not listed above - See definitions for classifications.)

(c) Use of Impact Fees. Sewer impact fees may only be used for Capital Improvements (See Section 6 of Ordinance No. 97-3), with the exception of $100.00 of each impact fee collected. This is to be deposited into an interest bearing account to be used to retire bonded indebtedness.

Section 4. Severability. The provisions of this Ordinance are separate and if a section, phrase or provision shall be declared invalid, such declaration shall not affect the validity of the remainder of this Ordinance.

Section 5. General Repealer. All ordinances and resolutions and parts thereof in conflict herewith are hereby repealed to the extent of such conflict.

PASSED: May 27, 2003

APPROVED:

Mayor

ATTEST:

City Clerk

(SEAL)

ORDINANCE NO. 2003-20

AN ORDINANCE AUTHORIZING THE CONSTRUCTION OF EXTENSIONS, BETTERMENTS AND IMPROVEMENTS TO THE SEWER FACILITIES OF THE WATER AND SEWER SYSTEM OF THE CITY OF BRYANT, ARKANSAS; AUTHORIZING THE ISSUANCE AND SALE OF WATER AND SEWER REFUNDING AND CONSTRUCTION REVENUE BONDS; PROVIDING FOR THE PAYMENT OF THE PRINCIPAL OF AND INTEREST ON THE BONDS; PRESCRIBING OTHER MATTERS RELATING THERETO; AND DECLARING AN EMERGENCY.

WHEREAS, the City of Bryant, Arkansas (the "City") owns water and sewer facilities, which are operated as a single, integrated municipal undertaking (the "System") under the control of the Bryant Water and Wastewater Commission (the "Commission"); and

WHEREAS, the City Council and the Commission have determined that extensions, betterments and improvements to the sewer facilities of the System (the "Improvements") are necessary in order to make the services thereof adequate for the needs of the City and have caused to be prepared a preliminary report, general plans and specifications and estimates of cost for the Improvements all as described in detail in the plans and specifications, which plans and specifications have been examined and approved by the City Council and the Commission and a copy of which plans and specifications are on file in the office of the City Clerk where they may be inspected by any interested person; and

WHEREAS, the City Council and the Commission have determined that it is in the best interest of the City to refund (a) its Water and Sewer Revenue Refunding and Improvement Bonds, Series 1992 (the "1992 Bonds") and (b) its Water and Sewer Revenue Bonds, Series 1998 (the "1998 Bonds" and collectively with the 1992 Bonds, the "Bonds Refunded"); and

WHEREAS, the City can accomplish the Improvements and the refunding of the Bonds Refunded(the "Refunding") by the issuance of Water and Sewer Refunding and Construction Revenue Bonds, Series 2003 in the principal amount of $6,400,000 (the "bonds"); and

WHEREAS, the City and the Commission have made arrangements for the sale of the bonds to Stephens Inc. (the "Purchaser"), at a price of 98.60% of par plus accrued interest (the "Purchase Price") pursuant to a Bond Purchase Agreement (the "Purchase Agreement") which has been presented to and is before this meeting; and

WHEREAS, the Preliminary Official Statement, dated June 4, 2003, offering the bonds for sale (the "Preliminary Official Statement") has been presented to and is before this meeting; and

WHEREAS, the Limited Continuing Disclosure Agreement (the "Disclosure Agreement") between the City and Bank of the Ozarks, Little Rock, Arkansas, providing for the disclosure obligations of the City with respect to the bonds, has been presented to and is before this meeting;

NOW, THEREFORE, BE IT ORDAINED by the City Council of the City of Bryant, Arkansas:

Section 1. The Refunding shall be accomplished. The Mayor and City Clerk are hereby authorized to take, or cause to be taken, all action necessary to accomplish the Refunding and to execute all required contracts. The Bonds Refunded shall be called for redemption on the date the bonds are issued at a price of par plus accrued interest.

The Improvements shall be accomplished. The Improvements shall be accomplished under the control and supervision of, and all details in connection therewith shall be handled by, the Commission. The Commission shall make all contracts and agreements necessary or incidental to the performance of its duties and execution of its powers. The Commission shall let all contracts pursuant to and in accordance with existing laws and shall require such performance bonds and insurance as will, in the judgment of the Commission, fully insure completion of the Improvements so as to fully promote and protect the best interests of the City and the owners of the bonds.

Section 2. The City Council hereby finds and declares that the period of usefulness of the System will be more than 25 years, which is longer than the term of the bonds.

Section 3. The offer of the Purchaser for the purchase of the bonds from the City at the Purchase Price for bonds bearing interest at the rates per annum, maturing and otherwise subject to the terms and provisions hereafter in this Ordinance set forth in detail is hereby accepted, and the Purchase Agreement, in substantially the form submitted to this meeting, is approved and the bonds are hereby sold to the Purchaser. The Mayor is hereby authorized and directed to execute and deliver the Purchase Agreement on behalf of the City and to take all action required on the part of the City to fulfill its obligations under the Purchase Agreement.

Section 4. The Preliminary Official Statement is hereby approved and the previous use of the Preliminary Official Statement by the Purchaser in connection with the sale of the bonds is hereby in all respects approved and confirmed, and the Mayor is hereby, authorized and directed, for and on behalf of the City, to execute the Preliminary Official Statement and the final Official Statement

in the name of the City for use in connection with the sale of the bonds as set forth in the Purchase Agreement.

Section 5. The Disclosure Agreement, in substantially the form submitted to this meeting, is approved and the Mayor is hereby authorized and directed, for and on behalf of the City, to execute and deliver the Disclosure Agreement. The Mayor is authorized and directed to take all action required on the part of the City to fulfill its obligations under the Disclosure Agreement.

Section 6. Under the authority of the Constitution and laws of the State of Arkansas (the "State"), including particularly Title 14, Chapter 234, Subchapter 2, Title 14, Chapter 235, Subchapter 2, and Title 14, Chapter 164, Subchapter 4 of the Arkansas Code of 1987 Annotated and applicable decisions of the Supreme Court of the State, including particularly City of Harrison v. Braswell, 209 Ark. 1094, 194 S.W. 2d 12 (1946), City of Bryant, Arkansas Water and Sewer Refunding and Construction Revenue Bonds, Series 2003 are hereby authorized and ordered issued in the principal amount of $6,400,000 for the purpose of financing all or a portion of the costs of the Improvements and the Refunding, funding a debt service reserve and paying expenses of issuing the bonds. The bonds shall mature on December 1 in the years and in the amounts and shall bear interest as follows:

Year (December 1)	Principal Amount	Interest Rate
2003	$ 60,000	1.000%
2004	260,000	1.200
2005	265,000	1.400
2006	270,000	1.650
2007	275,000	2.050
2008	280,000	2.350
2009	285,000	2.650
2010	290,000	2.950
2011	300,000	3.050
2012	310,000	3.250
2013	320,000	3.350
2014	330,000	3.500
2015	345,000	3.650
2016	355,000	3.875
2017	370,000	4.000
2018	385,000	4.050
2019	400,000	4.150
2020	415,000	4.250
2021	435,000	4.300
2022	450,000	4.375

The bonds shall be dated July 1, 2003 and shall be issuable only as fully registered bonds without coupons in the denomination of $5,000 or any integral multiple thereof. Unless the City shall otherwise direct, the bonds shall be numbered from

(Form of Bond)

REGISTERED REGISTERED

No. _____

UNITED STATES OF AMERICA
STATE OF ARKANSAS
COUNTY OF SALINE
CITY OF BRYANT
WATER AND SEWER REFUNDING
AND CONSTRUCTION REVENUE BOND,
SERIES 2003

Interest Rate: _____% Maturity Date: December 1, _____
Dated Date: July 1, 2003
Registered Owner: Cede & Co.
Principal Amount: _____ Dollars
CUSIP No.: _____

KNOW ALL MEN BY THESE PRESENTS:

That the City of Bryant, County of Saline, State of Arkansas (the "City"), for value received, hereby promises to pay, but solely from the source as hereinafter provided and not otherwise, to the Registered Owner shown above upon the presentation and surrender hereof at the principal corporate office of Bank of the Ozarks, Little Rock, Arkansas, or its successor or successors, as Trustee and Paying Agent (the "Trustee"), on the Maturity Date shown above, the Principal Amount shown above, in such coin or currency of the United States of America as at the time of payment shall be legal tender for the payment of public and private debts and to pay by check or draft interest thereon, but solely from the source as hereinafter provided and not otherwise, in like coin or currency from the interest commencement date specified below at the Interest Rate per annum shown above, payable December 1, 2003 and semiannually thereafter on the first days of June and December of each year, until payment of such principal sum or, if this bond or a portion hereof shall be duly called for redemption, until the date fixed for redemption, and to pay interest on overdue principal and interest (to the extent legally enforceable) at the rate borne by this bond. Payment of each installment of interest shall be made to the person in whose name this bond is registered on the registration books of the City maintained by the Trustee at the close of business on the fifteenth day of the month (whether or not a business day) next preceding each interest payment date (the "Record Date"), irrespective of any transfer or exchange of this bond subsequent to such Record Date and prior to such interest payment date.

This bond shall bear interest from the payment date next preceding the date on which it is authenticated unless it is authenticated on an interest payment date, in which event it shall bear interest from such date, or unless it is authenticated prior to the first interest payment date, in which event it shall bear interest from the Dated Date shown above, or unless it is authenticated during the period from the Record Date to the next interest payment date, in which case it shall bear interest from such interest payment date, or unless at the time of authentication hereof interest is in default hereon, in which event it shall bear interest from the date to which interest has been paid.

Unless this certificate is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC") to the Trustee for registration of transfer, exchange, or payment and any certificate issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

This bond is one of an issue of City of Bryant, Arkansas Water and Sewer Refunding and Construction Revenue Bonds, Series 2003, aggregating Six Million Four Hundred Thousand Dollars ($6,400,000) in principal amount (the "bonds"), and is issued for the purpose of financing all or a portion of the costs of the acquisition, construction and equipping by the City of extensions, betterments and improvements to the City's water and sewer (combined) system (the "System"), refunding the City's Water and Sewer Revenue Refunding and Improvement Bonds, Seris 1992 and Water and Sewer Revenue Bonds, Series 1998, paying necessary expenses incidental thereto and to the authorization and issuance of the bonds, and funding a debt service reserve.

The bonds are issued pursuant to and in full compliance with the Constitution and laws of the State of Arkansas (the "State"), including particularly Title 14, Chapter 234, Subchapter 2, Title 14, Chapter 164, Subchapter 4, and Title 14, Chapter 235, Subchapter 2 of the Arkansas Code of 1987 Annotated and applicable decisions of the Supreme Court of Arkansas, including particularly City of Harrison v. Braswell, 209 Ark. 1094, 194 S.W. 2d 12 (1946), and pursuant to Ordinance No. _____, duly adopted on June 23, 2003 (the "Authorizing Ordinance"), and do not constitute an indebtedness of the City within any constitutional or statutory limitation. The bonds are not general obligations of the City, but are special obligations payable solely from the revenues derived from the operation of the System. An amount of System revenues sufficient to pay the principal of and interest on the bonds has been duly pledged and set aside into the Water and Sewer Revenue Bond Fund created by the Authorizing Ordinance. Reference is

(Form of Assignment)

ASSIGNMENT

FOR VALUE RECEIVED, _____ ("Transferor"), hereby sells, assigns and transfers unto _____, the within bond and all rights thereunder, and hereby irrevocably constitutes and appoints _____ as attorney to transfer the within bond on the books kept for registration thereof with full power of substitution in the premises.

DATE: _____

_____

GUARANTEED BY: Transferor

_____

NOTICE: Signature(s) must be guaranteed by a member of or participant in the Securities Transfer Agents Medallion Program (STAMP), or in another signature guaranty program recognized by the Trustee.

Section 9. The rates charged for services of the System heretofore fixed by ordinances of the City and the conditions, rights and obligations pertaining thereto, as set out in those ordinances, are hereby ratified, confirmed and continued.

The Debt Service Surcharge shall continue, and shall not be reduced, while the bonds are outstanding. The City covenants and agrees that the water and sewer rates shall never be reduced while the bonds are outstanding unless there is obtained from an independent certified public accountant ("Accountant") a certificate that the Net Revenues of the System ("Net Revenues" being defined as gross Revenues less the expenses of operation and maintenance of the System, including all expense items properly attributable to the operation and maintenance of the System under generally accepted accounting principles applicable to municipal water and sewer facilities, excluding depreciation, interest and bond amortization expenses), with the reduced rates, will always be equal to 125% of the aggregate average annual principal and interest requirements on all outstanding bonds payable from Revenues ("System Bonds"). The City further covenants and agrees that the rates shall, if and when necessary, from time to time, be increased in such manner as will produce Net Revenues at least equal to 120% of the amount necessary for paying principal, premium, if any, and interest when due on all System Bonds outstanding.

Section 10. The City covenants that it will continuously operate the System as a revenue-producing undertaking and will not sell or lease the same, or any substantial portion thereof; provided, however, that nothing herein shall be construed to prohibit the City from making such dispositions of properties of the System and such replacements and substitutions for properties of the System as shall be necessary or incidental to the efficient operation of the System as a revenue-producing undertaking.

Section 11. The Treasurer of the City shall be statutory custodian of the Revenues. However, Revenues shall be collected, held and disbursed by the Commission. Each employee of the City or the Commission handling Revenues shall give bond for the faithful discharge of his or her duties in such amounts as approved by the Commission. All Revenues shall at all times be accounted for separately and distinctly from other moneys of the City and shall be used and applied only as provided herein. Except as hereinafter provided, all Revenues shall be deposited in such depository or depositories for the City as may be lawfully designated from time to time by the Commission; subject, however, to the giving of security as now or hereafter may be required by law, and provided that such depository or depositories shall hold membership in the Federal Deposit Insurance Corporation ("FDIC") or any successor entity. All deposits shall be in the name of the City and shall be so designated as to indicate the particular fund to which the Revenues belong. Except as hereinafter provided, all payments from the respective funds shall be by check or voucher, signed by two persons designated by the Commission and drawn on the depository with which the moneys in the fund shall have been deposited and each such check or voucher shall briefly specify the purpose of the expenditure.

Section 12. All Revenues shall be deposited into a special fund hereby created and designated "Water and Sewer System Revenue Fund" (the "Revenue Fund"). Revenues in the Revenue Fund are hereby pledged and shall be applied to the payment of the reasonable and necessary expenses of operation and maintenance of the System, to the payment of the principal of and interest on the bonds, to the maintenance of debt service reserves at required levels, to the providing of the Depreciation Fund, and otherwise as described herein.

Section 13. There shall first be paid from the Revenue Fund into a fund hereby created and designated "Water and Sewer System Operation and Maintenance Fund" (the "Operation and Maintenance Fund"), on or before the first business day of each month, an amount sufficient to pay the reasonable and necessary monthly expenses of operation, repair and maintenance of the System for such month and from which disbursements shall be made only for those purposes. Fixed annual charges such as insurance premiums and the cost of major repair and maintenance expenses may be computed and set up on an annual basis, and one-twelfth (1/12) of

the amount thereof may be paid into the Operation and Maintenance Fund each month.

If in any month for any reason there shall be a failure to transfer and pay the required amount into the Operation and Maintenance Fund, the amount of the deficiency shall be added to the amount otherwise required to be transferred and paid into the fund the next succeeding month. If in any fiscal year a surplus shall be accumulated in the Operation and Maintenance Fund over and above the amount necessary to meet the requirements thereof during the remainder of the then current fiscal year and the next ensuing fiscal year, such surplus may be transferred into the Revenue Fund.

Section 14. (a) After making the required payments into the Operation and Maintenance Fund, there shall be transferred from the Revenue Fund into a special fund in the name of the City which is hereby created and designated "Water and Sewer Revenue Bond Fund" (the "Bond Fund"), the sums in the amounts and at the times hereinafter stated in subsection (b) for the purpose of providing funds for the payment of the principal of and interest on the bonds as they mature.

(b) On or before the first business day of each month, there shall be transferred from the Revenue Fund into the Bond Fund a sufficient amount of Revenues derived from the Debt Service Surcharge for the preceding month necessary to pay (i) 1/6 of the next installment of interest on the bonds and 1/12 of the next installment of principal, (ii) fees and expenses of the Trustee and (iii) any arbitrage rebate due the United States Treasury under Section 148(f) of the Internal Revenue Code of 1986, as amended (the "Code") (collectively, the "Monthly Amount"); provided, however, the Monthly Amount through November 2003 shall be the amount necessary to pay 1/4 of the next installment of principal and interest on the bonds and fees and expenses of the Trustee. So long as Revenues derived from the Debt Service Surcharge and deposited in the Bond Fund each month are equal to the Monthly Amount, the City shall not be required to make an additional deposit from the Revenue Fund into the Bond Fund. However, to the extent that revenues derived from the Debt Service Surcharge and deposited in the Bond Fund each month do not equal the Monthly Amount, there shall be paid into the Bond Fund the additional amount from the Revenue Fund necessary to increase the amount in the Bond Fund to the Monthly Amount.

To the extent that moneys derived from the Debt Service Surcharge in any month exceed the Monthly Amount, the excess shall be transferred from the Revenue Fund into a special fund hereby created and designated "Water and Sewer System Redemption Fund" (the "Redemption Fund"). Moneys in the Redemption Fund shall not be invested at a yield greater than the yield on the bonds and shall be used solely to redeem bonds prior to maturity on the first available date.

There is created, as a part of the Bond Fund, a Debt Service Reserve which shall be maintained in an amount equal to the lesser of the maximum annual principal and interest requirements on the bonds or 10% of the original proceeds of the bonds (the "required level"). There shall be deposited into the Debt Service Reserve from the proceeds of the bonds, a sum sufficient for such purpose. Should the Debt Service Reserve become impaired or be reduced below the required level, the City shall make additional monthly payments from the Revenue Fund until the impairment or reduction is corrected over a twelve month period. All earnings in the Debt Service Reserve that increase the amount thereof above the required level shall be transferred to the debt service portion of the Bond Fund.

The City shall realize a credit against the Monthly Amount to the extent of interest earnings on moneys in the Bond Fund, deposits into the Bond Fund from bond proceeds and moneys held in connection with the Bonds Refunded, and Debt Service Reserve transfers.

If for any reason the City should fail at any time to make any of the required payments into the Bond Fund, any sums then held in the Debt Service Reserve shall be used to the extent necessary for the payment of principal of or interest on the bonds but the Debt Service Reserve shall be reimbursed from the Revenue Fund as described above before any moneys in the Revenue Fund shall be used for any other purpose other than the making of payments required to be made into the Operation and Maintenance Fund and the Bond Fund. The Debt Service Reserve shall be used solely as provided herein.

If Revenues are insufficient to make the required payment on the first business day of the following month into the Bond Fund, the amount of any such deficiency in the payment made shall be added to the amount otherwise required to be paid into the Bond Fund on the first business day of the next month.

When the moneys held in the Bond Fund shall be and remain sufficient to pay the principal of and interest on all of the bonds then outstanding plus Trustee's fees and any arbitrage rebate due under Section 148(f) of the Code, the City shall not be obligated to make any further payments into the Bond Fund.

It shall be the duty of the City Treasurer to cause to be withdrawn from the Bond Fund and deposited with the Trustee at least one business day before the due date of any principal and/or interest on any bond, at maturity or redemption prior to maturity, an amount equal to the amount of such bond and interest due thereon for the sole purpose of paying the same, together with the Trustee's fee and any arbitrage rebate due the United States Treasury under Section 148(f) of the Code. No withdrawal of funds

from the Bond Fund shall be made for any other purpose except as otherwise authorized in this Ordinance.

The bonds shall be specifically secured by a pledge of all Revenues. This pledge in favor of the bonds is hereby irrevocably made according to the terms of this Ordinance, and the City and its officers and employees shall execute, perform and carry out the terms thereof in strict conformity with the provisions of this Ordinance.

Section 15. After making the required payments into the Operation and Maintenance Fund and the Bond Fund, there shall be paid from the Revenue Fund into a special fund heretofore created and hereby redesignated "Water and Sewer System Depreciation Fund" (the "Depreciation Fund"), on or before the first business day of each month, a sum equal to 3% of the Revenues for the preceding month. Moneys in the Depreciation Fund shall be used solely for the purpose of paying the cost of necessary repairs or replacements made necessary by the depreciation of the System and for the purpose of paying the cost of economically justifiable extensions to the distribution facilities of the System.

Section 16. Any surplus in the Revenue Fund after making all disbursements and providing for all funds described above may be used, at the option of the City, for the redemption of the bonds, for extensions, betterments and improvements to the System, or for any other lawful municipal purpose authorized by the City.

Section 17. So long as any of the bonds are outstanding, the City shall not issue or attempt to issue any bonds claimed to be entitled to a priority of lien on Revenues over the lien securing the bonds. The City reserves the right to issue additional bonds to finance or pay the cost of constructing any future extensions, betterments or improvements to the System or to refund bonds issued for such purposes, but the City shall not authorize or issue any such additional bonds ranking on a parity with the bonds unless there has been procured and filed with the Trustee a statement by an Accountant reciting the opinion, based upon necessary investigation, that (1) the Net Revenues of the System for the fiscal year immediately preceding the fiscal year in which it is proposed to issue such additional bonds shall equal not less than 125% of the average annual principal and interest requirements on all the then outstanding System Bonds and the additional bonds then proposed to be issued or (2) the Net Revenues of the System for the fiscal year next succeeding the fiscal year in which it is proposed to issue such additional bonds, as reflected by a statement by an independent consulting engineer not in the regular employ of the City, and taking into account any rate increase duly enacted, will equal not less than 125% of the average annual principal and interest requirements on all then outstanding System Bonds and the additional bonds then proposed to be issued. In making the computation set forth in clause (1) above, the City,

ORDINANCE NO. 2005-07

AN ORDINANCE AUTHORIZING THE CONSTRUCTION OF EXTENSIONS, BETTERMENTS AND IMPROVEMENTS TO THE WATER AND SEWER SYSTEM OF THE CITY OF BRYANT, ARKANSAS; AUTHORIZING THE ISSUANCE AND SALE OF WATER AND SEWER REVENUE BONDS; PROVIDING FOR THE PAYMENT OF THE PRINCIPAL OF AND INTEREST ON THE BONDS; PRESCRIBING OTHER MATTERS RELATING THERETO; AND DECLARING AN EMERGENCY.

WHEREAS, the City of Bryant, Arkansas (the "City") owns water and sewer facilities, which are operated as a single, integrated municipal undertaking (the "System") under the control of the Bryant Water and Wastewater Commission (the "Commission"); and

WHEREAS, the City Council and the Commission have determined that extensions, betterments and improvements to the System (the "Improvements") are necessary in order to make the services thereof adequate for the needs of the City and have caused to be prepared a preliminary report, general plans and specifications and estimates of cost for the Improvements; and

WHEREAS, the City can accomplish all or a portion of the Improvements by the issuance of Water and Sewer Revenue Bonds, Series 2005 in the principal amount of $4,875,000 (the "bonds"); and

WHEREAS, the City and the Commission have made arrangements for the sale of the bonds to Stephens Inc. (the "Purchaser"), at a price of 98.30% of par plus accrued interest (the "Purchase Price") pursuant to a Bond Purchase Agreement (the "Purchase Agreement") which has been presented to and is before this meeting; and

WHEREAS, the Preliminary Official Statement, dated March 18, 2005, offering the bonds for sale (the "Preliminary Official Statement") has been presented to and is before this meeting; and

WHEREAS, the Continuing Disclosure Agreement (the "Disclosure Agreement") between the City and Bank of the Ozarks, Little Rock, Arkansas, providing for the ongoing disclosure obligations of the City with respect to the bonds, has been presented to and is before this meeting; and

WHEREAS, the City has outstanding an issue of Water and Sewer Refunding and Construction Revenue Bonds, Series 2003 (the "Senior Bonds"), authorized by Ordinance No. 2003-20, adopted June 23, 2003 (the "Senior Ordinance");

NOW, THEREFORE, BE IT ORDAINED by the City Council of the City of Bryant, Arkansas:

Section 1. The Improvements shall be accomplished. The Improvements shall be accomplished under the control and supervision of, and all details in connection therewith shall be handled by, the Commission. The Commission shall make all contracts and agreements necessary or incidental to the performance of its duties and execution of its powers. The Commission shall let all contracts pursuant to and in accordance with existing laws and shall require such performance bonds and insurance as will, in the judgment of the Commission, fully insure completion of the Improvements so as to fully promote and protect the best interests of the City and the owners of the bonds.

Section 2. The City Council hereby finds and declares that the period of usefulness of the System will be more than 30 years, which is longer than the term of the bonds.

Section 3. The offer of the Purchaser for the purchase of the bonds from the City at the Purchase Price for bonds bearing interest at the rates per annum, maturing and otherwise subject to the terms and provisions hereafter in this Ordinance set forth in detail is hereby accepted, and the Purchase Agreement, in substantially the form submitted to this meeting, is approved and the bonds are hereby sold to the Purchaser. The Mayor is hereby authorized and directed to execute and deliver the Purchase Agreement on behalf of the City and to take all action required on the part of the City to fulfill its obligations under the Purchase Agreement.

Section 4. The Preliminary Official Statement is hereby approved and the previous use of the Preliminary Official Statement by the Purchaser in connection with the sale of the bonds is hereby in all respects approved and confirmed, and the Mayor is hereby, authorized and directed, for and on behalf of the City, to execute the Preliminary Official Statement and the final Official Statement in the name of the City for use in connection with the sale of the bonds as set forth in the Purchase Agreement.

Section 5. The Disclosure Agreement, in substantially the form submitted to this meeting, is approved and the Mayor is hereby authorized and directed, for and on behalf of the City, to execute and deliver the Disclosure Agreement. The Mayor is authorized and directed to take all action required on the part of the City to fulfill its obligations under the Disclosure Agreement.

Section 6. Under the authority of the Constitution and laws of the State of Arkansas (the "State"), including particularly Title 14, Chapter 234, Subchapter 2, Title 14, Chapter 235, Subchapter 2, and Title 14, Chapter 164, Subchapter 4 of the Arkansas Code of 1987 Annotated and applicable decisions of the

Supreme Court of the State, including particularly City of Harrison v. Braswell, 209 Ark. 1094, 194 S.W. 2d 12 (1946), City of Bryant, Arkansas Water and Sewer Revenue Bonds, Series 2005 are hereby authorized and ordered issued in the principal amount of $4,875,000 for the purpose of financing all or a portion of the costs of the Improvements, funding a debt service reserve and paying expenses of issuing the bonds. The bonds shall mature on May 1 in the years and in the amounts and shall bear interest as follows:

Year (May 1)	Principal Amount	Interest Rate
2006	$ 85,000	2.600%
2007	90,000	2.900
2008	90,000	3.100
2009	95,000	3.250
2010	95,000	3.450
2011	100,000	3.600
2012	105,000	3.750
2013	105,000	3.900
2014	110,000	4.000
2015	115,000	4.100
2016	120,000	4.200
2017	125,000	4.300
2018	130,000	4.350
2019	140,000	4.400
2020	145,000	4.450
2021	150,000	4.500
2022	160,000	4.550
2023	165,000	4.600
2024	175,000	4.650
2025	180,000	4.700
2030	1,050,000	4.875
2035	1,345,000	5.000

The bonds shall be dated May 1, 2005 and shall be issuable only as fully registered bonds without coupons in the denomination of $5,000 or any integral multiple thereof. Unless the City shall otherwise direct, the bonds shall be numbered from 1 upward in order of issuance. Each bond shall have a CUSIP number.

The bonds shall be registered initially in the name of Cede & Co., as nominee for The Depository Trust Company ("DTC"), which shall be considered to be the registered owner of the bonds for all purposes under this Ordinance, including, without limitation, payment by the City of principal of, redemption price, premium, if any, and interest on the bonds, and receipt of notices and exercise of rights of registered owners. There shall be one certificated, typewritten bond for each stated maturity date which shall be immobilized in the custody of DTC with the beneficial owners having no right to receive the bonds in the form of physical securities or certificates. DTC and its participants shall be responsible for

Section 7. The bonds shall be executed on behalf of the City by the manual or facsimile signatures of the Mayor and City Clerk and shall have impressed or imprinted thereon the seal of the City. The bonds, together with interest thereon, are secured by and are payable solely from revenues derived from the System ("Revenues"). The pledge of Revenues in favor of the bonds is subordinate to the pledge in favor of the Senior Bonds. The City levies a monthly fee on all sewer customers of the System which is used solely to pay debt service on the Senior Bonds (the "Debt Service Surcharge"). The bonds shall not constitute an indebtedness of the City within the meaning of any constitutional or statutory limitation.

Section 8. The bonds and the Certificate shall be in substantially the following form and the Mayor and City Clerk are hereby expressly authorized and directed to make all recitals contained therein:

(Form of Bond)

REGISTERED REGISTERED

No. _____

UNITED STATES OF AMERICA
STATE OF ARKANSAS
COUNTY OF SALINE
CITY OF BRYANT
WATER AND SEWER REVENUE BOND,
SERIES 2005

Interest Rate: _____% Maturity Date: May 1, _____
Dated Date: May 1, 2005
Registered Owner: Cede & Co.
Principal Amount: _____ Dollars
CUSIP No.: _____

KNOW ALL MEN BY THESE PRESENTS:

That the City of Bryant, County of Saline, State of Arkansas (the "City"), for value received, hereby promises to pay, but solely from the source as hereinafter provided and not otherwise, to the Registered Owner shown above upon the presentation and surrender hereof at the principal corporate office of Bank of the Ozarks, Little Rock, Arkansas, or its successor or successors, as Trustee and Paying Agent (the "Trustee"), on the Maturity Date shown above, the Principal Amount shown above, in such coin or currency of the United States of America as at the time of payment shall be legal tender for the payment of public and private debts and to pay by check or draft interest thereon, but solely from the source as hereinafter provided and not otherwise, in like coin or currency from the interest commencement date specified below at the Interest Rate per annum shown above, payable

November 1, 2005 and semiannually thereafter on the first days of May and November of each year, until payment of such principal sum or, if this bond or a portion hereof shall be duly called for redemption, until the date fixed for redemption, and to pay interest on overdue principal and interest (to the extent legally enforceable) at the rate borne by this bond. Payment of each installment of interest shall be made to the person in whose name this bond is registered on the registration books of the City maintained by the Trustee at the close of business on the fifteenth day of the month (whether or not a business day) next preceding each interest payment date (the "Record Date"), irrespective of any transfer or exchange of this bond subsequent to such Record Date and prior to such interest payment date.

This bond shall bear interest from the payment date next preceding the date on which it is authenticated unless it is authenticated on an interest payment date, in which event it shall bear interest from such date, or unless it is authenticated prior to the first interest payment date, in which event it shall bear interest from the Dated Date shown above, or unless it is authenticated during the period from the Record Date to the next interest payment date, in which case it shall bear interest from such interest payment date, or unless at the time of authentication hereof interest is in default hereon, in which event it shall bear interest from the date to which interest has been paid.

Unless this certificate is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC") to the Trustee for registration of transfer, exchange, or payment and any certificate issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

This bond is one of an issue of City of Bryant, Arkansas Water and Sewer Revenue Bonds, Series 2005, aggregating Four Million Eight Hundred Seventy-Five Thousand Dollars ($4,875,000) in principal amount (the "bonds"), and is issued for the purpose of financing all or a portion of the costs of the acquisition, construction and equipping by the City of extensions, betterments and improvements to the City's water and sewer (combined) system (the "System"), paying necessary expenses incidental thereto and to the authorization and issuance of the bonds, and funding a debt service reserve.

The bonds are issued pursuant to and in full compliance with the Constitution and laws of the State of Arkansas (the "State"), including particularly Title 14, Chapter 234, Subchapter 2, Title 14, Chapter 164, Subchapter 4, and Title 14, Chapter 235,

Subchapter 2 of the Arkansas Code of 1987 Annotated and applicable decisions of the Supreme Court of Arkansas, including particularly City of Harrison v. Braswell, 209 Ark. 1094, 194 S.W. 2d 12 (1946), and pursuant to Ordinance No. _____, duly adopted on _____, 2005 (the "Authorizing Ordinance"), and do not constitute an indebtedness of the City within any constitutional or statutory limitation. The bonds are not general obligations of the City, but are special obligations payable solely from the revenues derived from the operation of the System. The pledge of System revenues is subordinate to the pledge in favor of the City's Water and Sewer Refunding and Construction Revenue Bonds, Series 2003. An amount of System revenues sufficient to pay the principal of and interest on the bonds has been duly pledged and set aside into the 2005 Water and Sewer Revenue Bond Fund created by the Authorizing Ordinance. Reference is hereby made to the Authorizing Ordinance for a detailed statement of the terms and conditions upon which the bonds are issued, of the nature and extent of the security for the bonds, and the rights and obligations of the City, the Trustee and the registered owners of the bonds. The City has fixed and has covenanted and agreed to maintain rates for the services of the System which shall be sufficient at all times to provide for the proper and reasonable expenses of operation and maintenance of the System and for the payment of the principal of and interest on the bonds, including Trustee's fees, as the same become due and payable, to establish and maintain a debt service reserve and to make the required deposit for the depreciation of the System.

The bonds shall be subject to extraordinary, optional and mandatory sinking fund redemption as follows:

1. The bonds shall be redeemed from proceeds of the bonds which are not needed for the purposes intended, in whole or in part, on any interest payment date, in inverse order of maturity (and by lot within a maturity in such manner as the Trustee shall determine), at a price equal to the principal amount being redeemed plus accrued interest to the redemption date.

2. The bonds are subject to redemption at the option of the City, from funds from any source, in whole at any time or in part on any interest payment date on and after November 1, 2010, at a redemption price equal to the principal amount being redeemed plus accrued interest to the redemption date. If fewer than all of the bonds shall be called for redemption, the particular maturities of the bonds to be redeemed shall be selected by the City in its discretion. If fewer than all of the bonds of any one maturity shall be called for redemption, the particular bonds or portion thereof to be redeemed from such maturity shall be selected by lot by the Trustee.

3. To the extent not previously redeemed, the bonds maturing on May 1, 2030 and May 1, 2035 are subject to mandatory sinking fund redemption by lot in such manner as the Trustee shall

determine, on the dates and in the amounts set forth below, at a redemption price equal to the principal amount being redeemed plus accrued interest to the date of redemption:

Bonds Maturing May 1, 2030

Redemption Dates	Principal Amounts
May 1, 2026	$190,000
May 1, 2027	200,000
May 1, 2028	210,000
May 1, 2029	220,000
May 1, 2030 (maturity)	230,000

Bonds Maturing May 1, 2035

Redemption Dates	Principal Amounts
May 1, 2031	$245,000
May 1, 2032	255,000
May 1, 2033	270,000
May 1, 2034	280,000
May 1, 2035 (maturity)	295,000

The provisions for mandatory sinking fund redemption of the bonds are subject to the provisions of the Authorizing Ordinance which permit the City to receive credit for bonds previously redeemed or for bonds acquired by the City and surrendered to the Trustee.

In case any outstanding bond is in a denomination greater than $5,000, each $5,000 of face value of such bond shall be treated as a separate bond of the denomination of $5,000.

Notice of redemption identifying the bonds or portions thereof (which shall be $5,000 or a multiple thereof) to be redeemed shall be given by the Trustee, not less than 30 nor more than 60 days prior to the date fixed for redemption, by mailing a copy of the redemption notice by first class mail, postage prepaid, to all registered owners of bonds to be redeemed. Failure to mail an appropriate notice or any such notice to one or more registered owners of bonds to be redeemed shall not affect the validity of the proceedings for redemption of other bonds as to which notice of redemption is duly given in proper and timely fashion. All such bonds or portions thereof thus called for redemption and for the retirement of which funds are duly provided in accordance with the Authorizing Ordinance prior to the date fixed for redemption will cease to bear interest on such redemption date.

This bond is transferable by the registered owner hereof in person or by his attorney-in-fact duly authorized in writing at the principal corporate trust office of the Trustee, but only in the manner, subject to the limitations and upon payment of the charges provided in the Authorizing Ordinance, and upon surrender

ORDINANCE NO. 2005- 20

AN ORDINANCE CONFIRMING EXISTING RATES FOR SEWER SERVICES RENDERED BY THE WATER AND SEWER SYSTEM FOR RESIDENTS OF THE CITY OF BRYANT, ARKANSAS; FIXING RATES FOR SEWER SERVICES RENDERED BY THE WATER AND SEWER SYSTEM FOR NON-RESIDENTS OF THE CITY OF BRYANT, ARKANSAS; AND PRESCRIBING OTHER MATTERS RELATING THERETO.

WHEREAS, the City of Bryant, Arkansas (the "City") owns and operates water and sewer facilities, which are operated as a single integrated municipal undertaking (the "System") under the control of the Bryant Water and Wastewater Commission (the "Commission"); and

WHEREAS, the City Council and the Commission have determined that the existing debt service surcharge and connection and impact fees established by Ordinance 2003-17 are confirmed and shall continue to be billed and collected; and

WHEREAS, the City Council and the Commission have determined that it is necessary for the growth of the City to provide sewer services to residents outside the City limits upon approval by the City Council and when those non-residents enter into a Preannexation Agreement with the City.

NOW, THEREFORE, BE IT ORDAINED by the City Council of the City of Bryant, Arkansas:

Section 1. Monthly Sewer Usage Charge. Each sewer customer shall pay a monthly sewer charge based on water consumption according to the following schedule of rates:

For the first 2,000 gallons of water consumption per month, or portion thereof, a charge of $5.50 shall be the monthly minimum sewer charge for customers inside the City limits and a charge of $8.25 shall be the monthly minimum sewer charge for customers outside the City limits.

For all water consumption in excess of 2,000 gallons, each customer shall pay an additional charge of $2.60 per 1,000 gallons for customers inside the City limits and $3.90 per 1,000 gallons for customers outside the City limits.

Any multi-unit inside the City limits that has installed a master meter will pay the minimum bill of $5.50 on each unit plus usage shown on the master meter at rates for customers inside the City limits. Any multi-unit outside the City limits that has installed a master meter will pay the minimum bill of $8.25 on each unit plus usage shown on the master meter at the rate set for customers outside the City limits.

Section 2. Severability. The provisions of this Ordinance are separate and if a section, phrase or provision shall be declared invalid, such declaration shall not affect the validity of the remainder of this Ordinance.

Section 3. General Repealer. All ordinances and resolutions and parts thereof in conflict herewith are hereby repealed to the extent of such conflict.

PASSED: July 14, 2005

APPROVED:

Paul E. Halley

Mayor, Paul E. Halley

ATTEST:

Brenda Cockerham

City Clerk

(seal)

ORDINANCE NO. 2006-02

AN ORDINANCE ESTABLISHING SEWER AND WATER RATES FOR SERVICES RENDERED BY THE MUNICIPAL SEWER AND WATER SYSTEMS OF THE CITY OF BRYANT, ARKANSAS; ESTABLISHING WATER RATES FOR METERS OF CERTAIN SIZES; FIXING CERTAIN IMPACT AND CONNECTION FEES AND ESTABLISHING A CAPITAL ACCOUNT FOR DEBT RETIREMENT FUND

WHEREAS, the City of Bryant, Arkansas (the "City") owns and operates a sewer (wastewater) and water system (the "System"), and has determined that adjustments should be made in certain charges for services of the System in order that the City and its inhabitants may continue to have adequate and proper sewer and water facilities.

NOW, THEREFORE, BE IT ORDAINED by the City Council of the City of Bryant, Arkansas:

Section 1. Debt Service Charge

(a) All sewer customers of the System (including sewer customers who receive water from sources other than the System and occupants of mobile homes and apartments which have no separate water meter) shall be charged a monthly fee (the "Debt Service Surcharge") to be used solely for the retirement of an issue of sewer revenue bonds in the principal amount of $4,500,000 (the "Series 1998 Bonds"). The Debt Service Surcharge will be paid by all sewer customers regardless of the amount of water used or waste water discharges. All revenues derived from the Debt Service Surcharge shall be used solely for payment of debt service (principal, interest, and trustee fees and expenses) of the Series 1998 Bonds.

(b) The monthly Debt Service Surcharge for each mobile home, with or without a separate water meter, shall be $8.95.

(c) The monthly Debt Service Surcharge for each apartment, residential dwelling unit with or without a separate water meter, shall be $8.95.

(d) A monthly Debt Service Surcharge for each new residential dwelling unit of any type, with or without a separate water meter, shall be $8.95.

(e) The monthly Debt Service Surcharge for health care facilities shall be based on meter size.

(f) The monthly Debt Service Surcharge for State funded facilities shall be based on meter size.

(g) The Debt Service Surcharge for commercial establishments shall be based on meter size. Any additional unit without a separate water meter shall be $8.95.

(h) The Debt Service Surcharge for all other sewer customers will be based on meter size.

Meter sizes are as follows:

Meter Size	Debt Service Surcharge
5/8" x 3/4"	$ 8.95
3/4"	8.95
1"	30.00
1 ½"	60.00
2"	95.00
3"	190.00
4"	300.00
6"	600.00

Section 2. Effective Date. The Debt Service Surcharge is hereby confirmed for all billing statements mailed on or after January 15, 1998. It shall be billed and collected in addition to all other water and sewer rates and charges. In the case of mobile\manufactured homes, residential dwelling units and apartments without a separate meter, the Debt Service Surcharge shall be included on the bills of the metered customer to whom existing sewer charges for the unmetered mobile/manufactured homes, residential dwelling units and apartments are sent.

Section 3. Sewer Rates The sewer rates, established by the passage of this ordinance shall be billed and collected..

Rates are as follows:

(a) Monthly Sewer Usage Charge. Each sewer customer shall pay a monthly sewer charge based on water consumption according to the following schedule of rates:

For the first 2000 gallons of water consumption per month, or portion thereof, a charge of $5.50. This shall be the monthly minimum sewer charge.

For all water consumption in excess of 2000 gallons, each customer shall pay an additional charge of $2.60 per 1000 gallons.

Any multi unit that has installed a master meter will pay the Minimum Bill of $5.50 on each unit plus usage shown on master meter.

Section 4. Sewer Connection Fees and Impact Fees.

(a) Connection fees and impact fees shall be charged on all new connections to the sewer facilities.

:ates are as follows:

	Connection Fees	**Impact fees**
Subdivision, Mobile/Manufactured Park/Village Development		$50.00 per lot (may be in phases)
Motel	$150.00	$500.00 plus $150.00 per room
Apartment /Apartment Complexes	$150.00 per unit	$ 500.00 per unit
Residential dwelling units Mobile/Manufactured Homes	$150.00 per unit	$ 500.00 per unit
Strip Malls	$150.00 per unit	$ 500.00 per unit
Elderly/Nursing Care Facilities	$150.00	$ 500.00 plus $150.00 per room
Assisted Living Facilities /Retirement Center	$150.00 per unit	$ 500.00 per unit
Commercial Establishments- Permanent or Temporary	$150.00 per unit	$500.00 per unit
Other Customers	$150.00 per unit	$500.00

(Other defined as anything not listed above - See definitions for classifications)

Sewer impact fees may only be used for Capital Improvements (See Section 6 of Ordinance No.97-3), with the exception of $100.00 of each impact fee collected. This is to be deposited into an interest bearing account to be used as a Debt Retirement Fund for 1998 Bonds. The Bonds shall be subject to redemption, from funds from any sources at the option of the City, on and after June 1, 2003, in whole at any time or in part on any interest payment date.

Section 5. Water Rates

(a) Except for water furnished through fire sprinkler systems, all water furnished by the Bryant Municipal Water and Sewer System shall be measured through meters. The size of each meter shall be not less than (five-eighths) 5/8 inch and not more than (six) 6 inches, as determined by the manager of the system on the basis of his estimate of the amount of water to be used for the premises. Each water customer shall pay a monthly charge for water as follows:

For the first 2000 gallons of water consumption per month, or portion thereof, each customer shall pay a charge (known as the "Minimum Charge") based on meter size as follows:

Meter Size	Minimum Charge
5/8 inch	$ 6.60
3/4 inch	11.11
1 inch	15.60
1 ½ inch	21.60
2 inch	27.60
3 inch	60.60
4 inch	90.06
6 inch	174.06

For all water consumption in excess of 2000 gallons per month, each customer shall pay an additional charge of $3.05 per 1,000 gallons.

Each customer age 65 and over with verification of age will receive a senior citizen discount of three dollars ($3.00) per month which shall be deducted from the monthly water bill.

(b) Water Connection Fees and Impact Fees based on 5/8 inch meter size
The Charge for any larger meter shall be based on the cost of installation.

Rates are as follows:

	Connection Fees
Commercial Establishment (per unit) - Permanent or Temporary	$245.00 plus cost of larger installation
Residential Dwelling Unit/ Mobile/Manufactured Home	$245.00 per unit
Subdivision or Mobile Homes Village - if developer installs all services including meter boxes and setter	$245.00 per unit
Motels	$245.00 plus cost of larger installation
Apartment Complex- Apartment Complexes/Strip Mall	$245.00 plus cost of larger installation
Connection fee based on single meter - if separate meter used - price per each.	
Elderly/Nursing Care Facilities	$245.00
Watering Meters - New Service (Sprinkling)	$245.00
Assisted Living/Retirement Center Facilities	$245.00 plus cost of larger installation
Connection Fees for all other customers (Other defined as anything not listed above)	$245.00

	Impact Fees
Commercial Establishment - Permanent or Temporary/Strip Malls	$500.00 per unit
Residential Dwelling Unit/ Mobile/Manufacturing Homes	$500.00 per unit
Motels	$500.00 plus $150.00 per room
Apartment/Apartment Complexes	$500.00 per residential dwelling unit
Subdivision - Mobile/Manufactured Village/Park Development	$50.00 per lot (may be in phases)
Elderly/Nursing Care Facilities	$500.00 plus $150.00 per unit
Additional meters impacting water only (Sprinkling)	$150.00
Assisted Living/Retirement Facilities	$500.00 per unit
Impact Fee for all Other Customers (Other defined as anything not listed above)	$500.00 per unit

Central Arkansas Water System Development Charges effective September 1, 2002:

Charges for meters will be in accordance with the following table:

ACTUAL METER SIZE	SERVICE UNITS	CHARGE BY METER SIZE
5/8 or 3/4-inch	1	$150
1-inch	1.5	$225
1 ½-inch	2.5	$375
2-inch	5	$750
3-inch	8	$1,200
4-inch	15	$2,250
6-inch	25	$3,750

Water impact fees can be used only for Capital Improvements in water (See Six (6) of Ordinance No. 97-3).

Subdivision and Mobile/Manufactured Village/Park Development impact fees can only be used for Capital Improvement in water or sewer (See Six (6) of Ordinance No. 97-3).

(c) None of the water services afforded by the System shall be furnished without a charge being made therefor. Any multi unit that has installed a master meter will pay the Minimum Bill on each unit plus usage shown on master meter.

Section 6. Severability. The provisions of this Ordinance are separate and if a section, phrase or provision shall be declared invalid, such declaration shall not affect the validity of the remainder of this Ordinance.

Section 7. General Repealer. All ordinances and resolutions and parts hereof in conflict herewith are hereby repealed to the extent of such conflict.

Section8. Emergency Clause. It being necessary to provide adequate potable water for the consumers in the City, an emergency is hereby declared and this ordinance shall have full force and effect from and after its date of passage.

PASSED AND APPROVED this 23 Day of January, 2006

APPROVED:

Paul E. Halley, Mayor

DATE January 23, 2006

ATTEST:

Brenda Cockerham

B Cockerham, City Clerk

Larry D Smart

Acting Mayor for 1/23/06 meeting