

**CITY OF COTTER**

**ORDINANCE NO. 2023- 01**

**AN ORDINANCE AMENDING ORDINANCES 2009-11 ESTABLISHING RATES FOR WATER SERVICE, AND  
FOR OTHER PURPOSES TO COMPLY WITH ARKANSAS ACT 605 OF 2021**

**BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF COTTER, ARKANSAS:**

**WHEREAS, ORDINANCE 2023-01**, addresses water rates in the City of Cotter for water customers which have not increased since 2009, and

**WHEREAS**, in the 2021, Regular Session of the Arkansas State Legislature, Senate Bill 386 was proposed and promulgated as ACT 605, and

**WHEREIN**, the purpose of ACT 605:

1. is to provide oversight of retail water providers by Arkansas Natural Resource Commission to promote efficiency in service and stability in fiscal management;
2. defines and establishes the City Council of Cotter, Arkansas as the Retail Water Board and outlines their responsibilities;
3. to perform an independent yearly rate study to adopt a budget before the beginning of a new fiscal year providing sufficient revenues to meet or exceed anticipated operational and maintenance, debt service reserves, required reserves, depreciation expenses; future capital expenses and annual audit or agreed-upon procedure and compilation report and other expenses as necessary;
4. to submit a rate study per ACT 605 on or before June 1, 2024, to Arkansas Natural Resource Commission for review and every five years thereafter;
5. to maintain a Debt to Service Coverage Ratios of 1.1 or higher;
6. to maintain unencumbered cash or cash equivalents in an amount equal to one twelfth of the total yearly expenses from the most recent fiscal year;
7. require water provider to deposit a minimum of five percent (5%) per annum of gross revenues in a dedicated refurbishment and replacement fund account.

**WHEREAS**, the City Council desires to increase water rates per water rate study prepared by Arkansas Rural Water Association dated November 30, 2022, and reset the water rates for its customers who have water services in order to maintain the City's waterworks system and services pursuant to ACT 605;

**NOW, THEREFORE, BE IT ORDAINED** by the City of Cotter, Arkansas, that the following is adopted:

**SECTION 1:** That Ordinance 2009-11 is hereby amended.

**SECTION 2:** That the water usage of each water customer shall be determined each month by meter measurement and the amount charged each customer monthly shall be computed on the basis of the following scheduled rates immediately upon passage of this ordinance.

**ORIGINAL**

<b>All Water Customers</b>	
First 1,000 gallons of water consumption	\$18.84 first 1,000 gallons (minimum charge)
For all water consumed thereafter	\$14.08 for every 1,000 gallons thereafter


**SECTION 3:** To cover yearly cost of operational and maintenance increases, the stated amounts in Section 2 shall automatically increase by 4% on the first day of the year beginning in January 2024.

**SECTION 4:** Any Ordinances in conflict with this Ordinance are hereby repealed.

**SECTION 5: EMERGENCY CLAUSE.** The City Council has found and determined that it is necessary to increase the water rates. Therefore, an emergency is hereby declared to exist, and this ordinance shall become effective immediately upon its passage and approval.

PASSED THIS DAY 26<sup>th</sup> OF January, 2023.

**APPROVED:**

  
 McGeorge Caradine

**ATTEST:**

  
 Andrea Kray, Recorder/Treasurer

**ORIGINAL**