

**CITY OF COTTER
ORDINANCE NO. 2023- 02**

AN ORDINANCE AMENDING SEWER ORDINANCE 2019-02, TO ALLOW FOR A PERCENTAGE FOR YEARLY COST OF OPERATIONAL AND MAINTENANCE ADJUSTMENTS.

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

WHEREAS, ORDINANCE 2023-02 addresses annual percentage sewer rates adjustment for yearly operation and maintenance cost increase to operate the wastewater plant in City of Cotter for water customers; and that the following is adopted:

WHEREAS, the City of Cotter shall perform a yearly rate study for sewer 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;

And, to maintain unencumbered cash or cash equivalents in an amount equal to 1/12th (one twelfth) of the total yearly expenses from the most recent fiscal year;

And, deposit a minimum of five percent (5%) per annum of gross revenues in a dedicated Sewer Fund refurbishment and replacement account.

WHEREAS, Cotter City Council desires to keep the current sewer rates at \$6.48 per thousand gallons as recommended by Arkansas Rural Water Association rate study dated November 30, 2022, based on 2021 usage. Sewer rates shall be adjusted annually each year depending on the annual rate study recommendation, upon approval by Cotter City Council.

SECTION 1: That the sewer usage of each customer shall be determined each month by metered water measurement and the amount to be charged each customer monthly shall be computed on the basis for the following scheduled rates: **CURRENT RATE WILL REMAIN UNCHANGED**

All Sewer Customers	Current Rate Shall Remain Unchanged
First 1,000 gallons of water for sewer usage	\$6.48 / 1000 gallons
For each 1,000 gallons thereafter of water for sewer usage	\$6.48 / 1000 gallons thereafter

SECTION 2: To cover yearly cost of operational and maintenance increases, the stated amounts in Section 2 shall automatically increase by 4% annually beginning in January 1, 2024.

SECTION 3: Any Ordinances in conflict with this Ordinance are hereby repealed.

SECTION 4: EMERGENCY CLAUSE. The City Council has found and determined that it is necessary to update the sewer rates as recommended by Arkansas Rural Water Association. Therefore, an emergency is hereby declared to exist, and this ordinance shall become effective immediately upon its passage and approval.