

ORDINANCE NO. 2024-1

**AN ORDINANCE AMENDING THE SCHEDULE OF RATES
TO BE CHARGED AND COLLECTED FOR USERS
OF THE CITY OF MOUNTAIN HOME'S WATER AND SEWER SYSTEMS;
SETTING FORTH THE DATES FOR PAYMENT FOR CUSTOMERS
OF THE CITY OF MOUNTAIN HOME'S WATER/SEWER SYSTEMS;
SETTING CONNECTION AND DISCONNECTION FEES FOR THE SAME;
SETTING FORTH PENALTIES AND DAMAGES FOR THE SAME;
AMENDING ORDINANCES NO. 2023-10 AND 2023-11;
AND PRESCRIBING OTHER MATTERS THERETO**

WHEREAS, it is determined by the City Council of Mountain Home, Arkansas, that current or existing rates charged for water and sewer service by the City of Mountain Home are not adequate for the operation and maintenance of the City's water and sewer systems; and

WHEREAS, amended water and sewer rates to be charged are necessary for the City to retire existing bonds and provide the margin of security for bonds required and issued;

**NOW, THEREFORE, BE IT ORDAINED
BY THE CITY COUNCIL OF MOUNTAIN HOME, ARKANSAS, AS FOLLOWS:**

Section 1. Amending existing Ordinances

Ordinance No. 2023-10 and any other Ordinances concerning rates charged for water service by the City of Mountain Home, Arkansas, shall specifically be amended by the rates set forth in this Ordinance. All provisions of said previous Ordinances shall remain in full force unless specifically changed by the terms of this Ordinance.

Ordinance No. 2023-11 and any other Ordinances concerning rates charged for sewer service by the City of Mountain Home, Arkansas, shall specifically be amended by the rates set forth in this ordinance. All provisions of said previous Ordinances shall remain in full force unless specifically changed by the terms of this Ordinance.

Ordinance No. 2023-43 and any other Ordinances concerning dates of payment for residential and commercial customers of the City of Mountain Home's Water or Sewer system, setting connection and disconnection fees for the same, or setting forth penalties and damages for the same shall be specifically amended by the figures set forth in this Ordinance. All provisions of said previous Ordinances shall remain in full force unless specifically changed by the terms of this Ordinance.

That the City hereby established the rates to be charged for services furnished by the Water and Sewer Systems, which the City Council finds and declares to be fair, reasonable and necessary, to be charged to all users who utilize or consume potable water from the Municipal Water System, and/or contribute wastewater to the Sewer System. The proceeds of such charges so derived will be used for the purpose of operating and maintaining the Water and Sewer Systems, including replacement ("OM&R"). Replacement is defined as expenditures for obtaining and installing equipment, accessories or appurtenances during the useful life of the treatment works necessary to maintain the capacity and performance for which they were designed and constructed.

Section 2. Water rates

Monthly rates for **customers inside the City of Mountain Home** shall be as follows:

First 2,000 gallons used per month is the minimum charge.

Excess over 2,000 gallons per month is \$3.18 per 1,000 gallons.

INSIDE-THE-CITY MINIMUM WATER CHARGE

| Type/Size | Combined | Meter Minimum | Demand | ADH Fee |
|------------------|-------------------|--------------------------|-------------------|----------------|
| Residential ¾" | \$17.45 | \$8.91 | \$8.14 | \$0.40 |
| Commercial ¾" | \$31.50 | \$17.85 | \$13.25 | \$0.40 |
| Commercial 1" | \$56.39 | \$30.56 | \$25.43 | \$0.40 |
| Commercial 1-¼" | \$83.38 | \$45.80 | \$37.18 | \$0.40 |
| Commercial 1-½" | \$115.68 | \$62.35 | \$52.93 | \$0.40 |
| Commercial 2" | \$221.07 | \$125.99 | \$94.68 | \$0.40 |
| Commercial 3" | \$466.86 | \$253.21 | \$213.25 | \$0.40 |
| Commercial 4" | \$762.61 | \$380.48 | \$381.73 | \$0.40 |
| Commercial 6" | \$1,591.03 | \$745.64 | \$844.99 | \$0.40 |
| Commercial 8" | \$3,059.36 | \$1,547.29 | \$1,511.67 | \$0.40 |

Monthly rates for customers **outside the City of Mountain Home** shall be as follows:

First 2,000 gallons per month is the minimum charge.

Excess over 2,000 gallons used per month is \$6.33 per 1,000 gallons.

OUTSIDE-THE-CITY MINIMUM WATER CHARGE

| Type/Size | Combined | Meter Minimum | Demand | ADH Fee |
|------------------|-------------------|----------------------|-------------------|----------------|
| Residential ¾" | \$26.39 | \$17.85 | \$8.14 | \$0.40 |
| Commercial ¾" | \$62.51 | \$35.64 | \$26.47 | \$0.40 |
| Commercial 1" | \$112.40 | \$61.08 | \$50.92 | \$0.40 |
| Commercial 1-¼" | \$166.33 | \$91.63 | \$74.30 | \$0.40 |
| Commercial 1-½" | \$230.98 | \$124.70 | \$105.88 | \$0.40 |
| Commercial 2" | \$441.71 | \$251.97 | \$189.34 | \$0.40 |
| Commercial 3" | \$933.35 | \$506.45 | \$426.50 | \$0.40 |
| Commercial 4" | \$1,524.83 | \$760.94 | \$763.49 | \$0.40 |
| Commercial 6" | \$3,191.69 | \$1,491.29 | \$1,700.00 | \$0.40 |
| Commercial 8" | \$6,079.14 | \$3,055.39 | \$3,023.35 | \$0.40 |

Section 3. Sewer rates

The minimum monthly charge for 2,000 gallons per **residential user** of the Sewer System is comprised of and includes OM&R, Debt Service and an Administration Charge. The minimum monthly charge is as follows:

| <u>Meter Size</u> | <u>Minimum Sewer Bill</u> |
|--------------------------|----------------------------------|
| ¾" | \$26.91 |
| 1" | \$37.78 |

All **residential users** of the Sewer System shall be charged monthly \$5.01 per 1,000 gallons of metered water consumption.

The minimum monthly charge for 2,000 gallons per **commercial and industrial users** of the Sewer System is comprised of and includes OM&R, Debt Service and an Administration Charge. The minimum monthly charge is as follows:

| <u>Meter Size</u> | <u>Minimum Sewer Bill</u> |
|--------------------------|----------------------------------|
| 3/4" | \$40.08 |
| 1" | \$58.72 |
| 1-1/2" | \$100.62 |
| 2" | \$164.22 |
| 3" | \$344.24 |
| 4" | \$601.83 |
| 6" | \$1,315.67 |
| 8" | \$2,324.35 |

All commercial and industrial users of the Sewer System shall be charged monthly \$5.01 per 1,000 gallons of metered water consumption.

The minimum monthly charge for 2,000 gallons per **Baxter County Industrial Park user** of the Sewer System is comprised of and includes OM&R, Debt Service and an Administration Charge. The minimum monthly charge is as follows:

| <u>Meter Size</u> | <u>Minimum Sewer Bill</u> |
|--------------------------|----------------------------------|
| 3/4" | \$57.44 |
| 1" | \$76.07 |
| 1-1/2" | \$117.94 |
| 2" | \$181.58 |

All Baxter County Industrial Park users of the Sewer System shall be charged monthly \$7.27 per 1,000 gallons.

None of the facilities or services afforded by the Sewer System shall be furnished without a charge being made therefore.

Section 4. Connecting to the sewer system

There shall be no connection to the City's Sanitary Sewer System that is not physically located within the corporate limits of the City.

Section 5. Financial management

That a financial management system shall be established and maintained by the City to document compliance with federal regulations pertaining to the water and sewer bonds. Such a system will account for all revenues generated and expenditures for OM&R.

Section 6. CPI and charges for service

The schedule of charges as described above in sections 2 and 3 shall be indexed at the first part of February of each year by the amount of increase in the Consumer Price Index (CPI) for the preceding annual year (January-December) and will affect water used after February 15th of each year. The CPI percentage rate that will be used each year will be at the Arkansas Rate (The South Region) for water/sewer. The CPI rate adjustment will be accepted, declined, or modified as determined by the Council before it is applied each year. A copy of the revised rates shall be available at the water/sewer department office.

It shall be the duty of the Mayor and City Council of the City of Mountain Home to authorize and conduct a full review annually of water and sewer rates charged by the City of Mountain Home on an annual basis.

The City shall at all times fix, charge and collect rates and charges for services furnished by the Water and/or Sewer Systems, including increasing rates and charges as necessary, which shall provide revenues sufficient to at least: (1) pay the City's annual costs of OM&R; (2) pay annual debt service; and (3) provide the necessary bond coverage.

Section 7. Availability to customers

A) No more than one residential or one business unit shall be served through one meter except where this condition now exists or where special conditions make it more practical to serve through one meter.

B) Where more than one residence unit (such as a residence, apartment, mobile home, housekeeping, or other unit) or business establishment are served through one meter, the minimum will be based upon a ¾-inch meter for each class of service and will be increased in proportion to the number of units served through one meter.

Section 8. Connection fees

A nonrefundable fee of \$30.00 will be charged for each service turned on.

Section 9. Deposits and refunds

A) Every customer furnished water by the City shall pay the following deposits corresponding to the class of service received by such person as set forth in this schedule:

- | | |
|-----------------|----------|
| (a) Residential | \$125.00 |
| (b) Commercial | \$189.00 |

B) The City shall refund a customer's deposit upon the termination of service, less that customer's outstanding bill for water services, sewer services and sanitation services.

Penalties, reconnection fees and any taxes, if applicable, will also be deducted before a refund is issued.

Section 10. Payments, penalties and disconnection/reconnection charges

A) **DUE DATE** Bills for water, sewer, and sanitation services shall be rendered monthly and are due in full and payable before the fifteenth (15th) day of each month.

B) **LATE PENALTIES** Nonpayment of any bill unpaid after the same is due shall incur in addition to the amount of such bill a penalty of 10 percent of the amount thereof.

C) **DISCONNECTIONS** Any bill remaining unpaid 30 days past the twenty-sixth (26th) day of the previous month will be considered delinquent and the City may, at its discretion, discontinue service. The City also reserves the right to disconnect a customer's water/sewer service should that customer's sanitation charges go unpaid.

D) **DISCONNECTION/RECONNECTION FEES** In addition to the bill and applicable penalties thereon, every person shall pay a \$50 fee when service is disconnected and a \$50 reconnection fee when service is restored. Said sums shall be paid any time the City has disconnected and/or reconnected service. Said sums shall be paid at any time the City has disconnected/reconnected service due to non-payment of the customer's water and/or sanitation/sewer bill.

E) **TAXES** In addition to the bills, penalties, reconnection charges applicable, if any, every person shall pay the applicable state, county and municipal sales taxes thereon, if any.

Section 11. Damages

A) Should the City be required to replace a lock, meter lid, meter, valve, setter or other equipment due to the actions of the customer or their representatives, the customer shall be charged an amount equal to the cost of replacing the damaged item(s), plus 10 percent.

B) A lock tamper fee/charge of \$200.00, shall be imposed if a lock, meter lid, meter, valve, setter or other equipment is damaged and/or removed for, but not limited to, the following reasons:

- 1) If a water meter has been locked to disconnect water service for any reason;
- 2) If a customer unlocks a meter to restore service that has been disconnected for any reason;
- 3) If a new customer, not on the system, unlocks a meter to gain water service for any reason.

C) All fees and charges incurred will be due and payable by the customer prior to service being restored.

Section 12. Tapping fees and connecting to the system

A) **Water Service** Every customer – Residential, Commercial, or Industrial -- shall pay a tapping fee for connection to the City's water facilities which shall include the normal installation of a water meter. Fees are as follows:

| | |
|--------------|------------|
| ¾-inch meter | \$1,315.00 |
| 1-inch meter | \$2,484.00 |
| 2-inch meter | \$5,021.00 |
| 3-inch meter | \$5,387.00 |

The charges set forth herein the above subsection (12A) do not include the costs of procuring the requisite permits and payment of fees as required by Ordinance No. 88-022 to cut/bore a street.

B) **Sewer Service** Every customer – Residential, Commercial, or Industrial – shall pay a tapping fee for connection to the City's wastewater facilities. Fees are as follows:

| | |
|---------------------|----------|
| ¾-inch meter | \$600.00 |
| 1-inch meter | \$750.00 |
| 2-inch meter & over | \$900.00 |

Section 13. Sprinkler meter charges

Sprinkler meters are sold at current market price.

Section 14. Conflicts with other ordinances

All other provisions of Ordinance No. 599, or any Ordinances updating or repealing it, shall remain in full force and effect unless specifically changed by this Ordinance.

Section 15. Effective Date

This ordinance shall be in full force and effect 30 days after passage.

PASSED AND APPROVED THIS 15th DAY OF FEBRUARY, 2024.



HILLREY ADAMS, MAYOR

ATTEST:



SCOTT LILES, CITY CLERK

