

MOUNTAIN HOME CITY COUNCIL REGULAR MEETING AGENDA

THURSDAY, JULY 18, 2024 @ 5 P.M.

**COUNCIL CHAMBERS OF THE MUNICIPAL BUILDING
720 HICKORY STREET, MOUNTAIN HOME, ARKANSAS**

Pledge of Allegiance

Prayer

Roll call

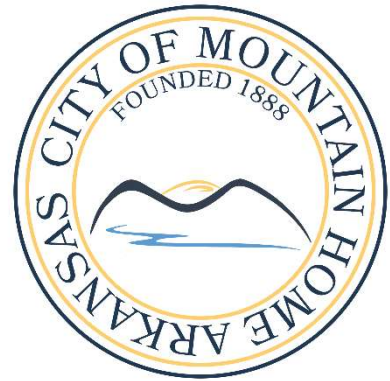
Minutes from the June 20th Council meeting

Committee reports

Bank reconciliations

Agenda additions

Announcements



OLD BUSINESS

NEW BUSINESS

DISCUSSION ON OPIOID SETTLEMENT WITH KROGER COMPANY, presented by Roger Morgan

A RESOLUTION IN SUPPORT OF THE EFFORTS BY THE ARKANSAS GAME & FISH COMMISSION TO RENAME A PORTION OF W. 7TH STREET "NATURAL RESOURCES WAY," presented by Hillrey Adams

AN ORDINANCE AMENDING THE CONTRACTED WATER RATES BETWEEN THE CITY OF MOUNTAIN HOME WATER DEPARTMENT AND WHOLESALE PURCHASERS, AS OUTLINED IN ORDINANCE NO. 599 SECTION 8 AS AMENDED BY ORDINANCE NO. 01-21, 03-12, 2005-42, 2006-28, 2007-24, 2008-21, 2009-13, 2010-22, 2011-10, 2012-6, 2013-7, 2014-11, 2016-13, 2019-28, 2020-32, 2021-21, 2022-25, 2023-31, presented by Alma Clark

COMMENTS

ADJOURN

**Respectfully submitted,
Scott Liles, City Clerk**

MINUTES
REGULAR CITY COUNCIL MEETING – Thursday, June 20th, 2024

1. The Mountain Home City Council met in regular session on Thursday, June 20, 2024, in the Council Chambers of the Municipal Building. Mayor Hillrey Adams called the meeting to order at 5 p.m.
2. **CITY OFFICIALS IN ATTENDANCE** Mayor Hillrey Adams City Clerk Scott Liles, City Attorney Roger Morgan Treasury Director Alma Clark, Human Resources Director Sue Edwards Strop, Police Chief Eddie Griffin, Fire Chief Kris Quick and Parks Director Daniel Baxley.
3. **MEDIA IN ATTENDANCE** Caroline Spears of the Baxter Bulletin. The meeting was also streamed on Facebook by XL-7 TV.
4. **ROLL CALL** Following the Pledge of Allegiance and an invocation, the following Council members were present for the roll call: Bob Van Haaren, Susan Stockton, Jennifer Baker, Paige Evans, Carry Manuel, Jim Bodenhamer and Nick Reed. Council member Wayne Almond was absent.
5. **APPROVAL OF THE JUNE 6th MINUTES** Council member Jennifer Baker made a motion to approve the minutes from the Council's June 6th meeting. The motion was seconded by Council member Susan Stockton. *The vote was recorded as follows: Yes – All present. Absent – Wayne Almond. The motion carried, and the June 6th minutes were adopted.*
6. **NEW BUSINESS**

CLAUDIA ANDERSON WITH THE SMALL BUSINESS ADMINISTRATION Claudia Anderson, a public information officer with the Small Business Administration's Office of Disaster Recovery & Resilience addressed the Council regarding financial assistance options available to residents in the wake of the tornados that struck the state May 24-27. Through July 29, SBA loans are available to area residents to help them finance home or vehicle repairs in the wake of the storm. SBA business loans are also available to assist area recovery efforts. Business loans carry no interest/no repayment terms for the first 12 months. The SBA has set up a Disaster Recovery Center at the Food Bank of North Central Arkansas to assist residents with their SBA loan applications. Borrowers may also apply online by visiting the SBA website.

AN ORDINANCE AMENDING ORDINANCE NO. 296, AS AMENDED, WITH REFERENCE TO ZONING WITHIN THE CITY LIMITS OF THE CITY OF MOUNTAIN HOME, ARKANSAS, RELATIVE TO CHANGING AREA ZONED AS RESIDENTIAL R-1 TO COMMERCIAL C-2 If approved, this Ordinance would rezone 1334 Highway 62 West from Residential R-1 to Commercial C-2. The property is currently owned by Larry Black, who owns adjoining property that is already zoned C-2. City attorney Roger Morgan placed the item on its first reading in its entirety.

SECOND READING After the item's first reading, Council member Bob Van Haaren made a motion to suspend the rules and place the item on its second reading by title only. That motion was seconded by Council member Jennifer Baker. *The vote was recorded as follows: Yes – All present, Absent – Wayne Almond. The motion carried and the proposed Ordinance was read a second time.*

THIRD READING Following the second reading, Council member Bob Van Haaren made a motion to suspend the rules and place the item on its third reading by title only, and drew a second from Council member Carry Manuel. *The vote was recorded as follows: Yes – All present, Absent – Wayne Almond. The motion carried and the proposed Ordinance was read a third time.*

ADOPTION Following the item's third reading, Council member Bob Van Haaren made a motion to adopt the proposed Ordinance and was seconded by Council member Jennifer Baker. *The vote was recorded as follows: Yes – All present, Absent – Wayne Almond. The Ordinance was declared adopted and numbered Ordinance No. 2024-9.*

AN ORDINANCE ACCEPTING THE FINAL PLAT AND DEDICATIONS FOR SYCAMORE FLATS AND IMPROVEMENTS THEREWITH, AND FOR OTHER PURPOSES If approved, this Ordinance would accept the final plat and public dedications for the Sycamore Flats development. The dedications include streets and sidewalks, but the property owner will retain possession of the development's stormwater pond and continue to maintain it. City attorney Roger Morgan placed the Ordinance on its first reading in its entirety.

SECOND READING After the item's first reading, Council member Bob Van Haaren made a motion to suspend the rules and place the item on its second reading by title only. That motion was seconded by Council member Jennifer Baker. *The vote was recorded as follows: Yes – All present, Absent – Wayne Almond. The motion carried and the proposed Ordinance was read a second time.*

THIRD READING Following the second reading, Council member Bob Van Haaren made a motion to suspend the rules and place the item on its third reading by title only, and drew a second from Council member Jennifer Baker. *The vote was recorded as follows: Yes – All present, Absent – Wayne Almond. The motion carried and the proposed Ordinance was read a third time.*

ADOPTION Following the item's third reading, Council member Bob Van Haaren made a motion to adopt the proposed Ordinance and was seconded by Council member Jennifer Baker. *The vote was recorded as follows: Yes – All present, Absent – Wayne Almond. The Ordinance was declared adopted and numbered Ordinance No. 2024-10.*

EMERGENCY CLAUSE Following the adoption of Ordinance No. 2024-10, Council member Bob Van Haaren made a motion to attach the City's Emergency Clause to the item so that it immediately went into effect. That motion was seconded by Council member Jennifer

Baker. *The vote was recorded as follows: Yes – All present, Absent – Wayne Almond. The motion carried and the Emergency Clause was adopted for Ordinance No. 2024-10.*

AN ORDINANCE FOR ADOPTING AN UPDATED PERSONNEL POLICY HANDBOOK REGARDING MATTERS AFFECTING THE STATUS OF EMPLOYEES OF THE CITY OF MOUNTAIN HOME; REPEALING ORDINANCE NO. 2024-5; AND DECLARING AN EMERGENCY

If approved, this Ordinance would adopt a revised Personnel Policy Handbook for the City, dated 2024 v.2. Changes to the handbook include allowing employees to accept donated sick leave hours once their own reserve of sick leave time is exhausted. Previous handbooks required that employees exhaust both sick leave and vacation time before they could accept donated sick time from co-workers. The other update to the handbook was adding language stating that an employee with two consecutive 'no call, no show' instances is grounds for immediate termination. City attorney Roger Morgan placed the item on its first reading in its entirety.

SECOND READING After the item's first reading, Council member Jennifer Baker made a motion to suspend the rules and place the item on its second reading by title only. That motion was seconded by Council member Paige Evans. *The vote was recorded as follows: Yes – All present, Absent – Wayne Almond. The motion carried and the proposed Ordinance was read a second time.*

THIRD READING Following the second reading, Council member Jennifer Baker made a motion to suspend the rules and place the item on its third reading by title only and drew a second from Council member Nick Reed. *The vote was recorded as follows: Yes – All present, Absent – Wayne Almond. The motion carried and the proposed Ordinance was read a third time.*

ADOPTION Following the item's third reading, Council member Jennifer Baker made a motion to adopt the proposed Ordinance and was seconded by Council member Bob Van Haaren. *The vote was recorded as follows: Yes – All present, Absent – Wayne Almond. The Ordinance was declared adopted and numbered Ordinance No. 2024-11.*

EMERGENCY CLAUSE Following the adoption of Ordinance No. 2024-11, Council member Jennifer Baker made a motion to attach the City's Emergency Clause to the item so that it immediately went into effect. That motion was seconded by Council member Nick Reed. *The vote was recorded as follows: Yes – All present, Absent – Wayne Almond. The motion carried and the Emergency Clause was adopted for Ordinance No. 2024-11.*

CITY CLERK'S NOTE *Copies of the 2024 Personnel Policy Handbook v.2 are on file with both the Human Resources Department and the City Clerk's Office. A copy of the changes to the handbook are also available in the Exhibit Files for the June 20th Council meeting.*

LIST OF ITEMS TO BE SENT TO AUCTION AND POLICE DEPARTMENT TASERS TO BE DESTROYED The Council was presented with a list of City-owned property that has been

earmarked to be sold at auction. Items on the list included things such as used vehicles, office furniture, outdated computers and other such items. Also included in the list was a list of retired tasers the Mountain Home Police Department wished to destroy. Many of the listed tasers were inoperable, and parts for those devices were no longer available. The listed tasers would be donated to several area law enforcement agencies who would then part out the Mountain Home tasers to keep their own devices operational. Council member Bob Van Haaren made a motion to approve the list of auction items/tasers to be destroyed, and was seconded by Council member Jennifer Baker. *The vote was recorded as follows: Yes – All present, Absent – Wayne Almond. The morion carried and the list of items to be auctioned or destroyed was declared approved.*

SELECTION OF A CONSTRUCTION MANAGER FOR THE POLICE DEPARTMENT REMODELING PROJECT

Mayor Hillrey Adams asked the Council to approve the selection of Will Gregory with Gregory Company as the construction manager for the remodeling of the Mountain Home Police Department building. The Mayor said they advertised for the construction manager position and got several calls about it, but only Gregory Company to submit a resume for the project. If the mayor's request was approved, the City would begin negotiating a contract with Gregory Company, and later the Council would then be asked to approve the contract once the details were agreed upon. Council member Bob Van Haaren made a motion to approve the selection of Will Gregory of Gregory Company as the project's construction manager and was seconded by Council member Jim Bodenhamer. *The vote was recorded as follows: Yes – All present, Absent – Wayne Almond. The motion carried and the selection of Will Gregory as the project's construction manager was confirmed, pending the Council's approval of a contract.*

REQUEST TO CREATE LINE ITEM 101-5101-43206 Purchase property at 1171 S. Main

Street If approved, this request would create a specific line item to pay off the mortgage of property located at 1171 S. Main Street. That property, a house adjacent to the Mountain Home Cemetery, had been left to the City by its late owner, who still owed about \$27,350 on the property when he passed away. Council member Jennifer Baker made a motion to create the line item and was seconded by Council member Susan Stockton. *The vote was recorded as follows: Yes – All present, Absent – Wayne Almond. The motion carried and the line item was declared created.*

TRANSFERRING UP TO \$28,000 FROM LINE ITEM 101-5101-79000 Projected Carryover TO LINE ITEM 101-5101-43206 Purchase property at 1171 S. Main Street

If approved, this request would fund the purchase of the property at 1171 S. Main Street with carryover funds. After discussion, it was agreed to fund the line item with up to \$28,000 to completely cover any outstanding mortgage costs and prevent the Council from having to authorize a second transfer of funds to address any residual mortgage charges. Council member Jennifer Baker made a motion to transfer up to \$28,000 into the line item to purchase the property, and was seconded by Council member Susan Stockton. *The vote was recorded as follows: Yes – All present, Absent – Wayne Almond. The motion carried and the line item declared funded.*

RECOGNITION OF EMPLOYEES' ACHIEVEMENTS This item was tabled until the Council's next meeting (which would end up being scheduled for July 18th due to the next meeting falling on Independence Day).

DISCUSSION ON CANCELING THE CITY COUNCIL MEETING SCHEDULED FOR JULY 4TH The Council's next regularly scheduled meeting would fall on the Fourth of July holiday, so Council members discussed canceling the meeting or rescheduling it. After a short discussion, it was agreed to cancel the meeting and meet again on Thursday, July 18th.

7. COMMENTS

FUNDRAISERS FOR VICTIMS OF THE MAY TORNADO Mayor Hillrey Adams announced that two fundraisers were in the works to assist victims of the tornado that struck the area in late May. On July 12th from 11 a.m. until 1 p.m., a lunchtime fundraiser will be held at ERA Doty Real Estate. That fundraiser will offer 1,000 smoked half chickens for \$25 a ticket. That evening, a dinnertime fundraiser will be held at the Baxter County Fairgrounds. Tickets for that fundraiser are \$40 each and will include a pork steak dinner and live auction. Both fundraisers have zero food costs associated with them thanks to area restaurants donating all the food items.

MUNICIPAL LEADERSHIP AWARD Council member Carry Manuel noted that at the Arkansas Municipal League's summer convention that Mayor Hillrey Adams was recognized with the Adrian L. White Municipal Leadership Award. The award is presented to municipal officials who have served with distinction and dedication to their cities and the League's boards, councils or committees for six years.

8. ADJOURNMENT

With no further business to come before the council, Council member Bob Van Haaren made a motion to adjourn the meeting and drew a second from Council member Susan Stockton. A voice vote was recorded as follows: Yes – All present, Absent – Wayn Almond. Mayor Hillrey Adams then declared the meeting adjourned at 5:36 p.m.

HILLREY ADAMS, MAYOR

ATTEST:

SCOTT LILES, CITY CLERK

Street Committee
June 18, 2024 – 12:30 p.m.

The meeting was called to order at 12:30 p.m.

Present were Scott Manchester, Assistant Director of Streets; Jim Bodenhamer, Susan Stockton and Paige Evans, Committee members. Also present was City Clerk Scott Liles.

The Street Report for May was reviewed.

Scott reported the Community Center project was going well, the crew was out there working on the gymnasium, and it has been turned over to the concrete guys. The clay work at the community center building will be completed by the end of this week and will then be turned over to the concrete people also. Scott said it will be about a week before the pool will be ready to hand over to the pool guys. He said it has taken a while, but it is getting there. The wet clay has been an issue, trying to get it dried out. The cost through May 31, 2024, is \$1,268,751.09, which does not reflect the Parks Department reimbursement of \$283,144.09.

North Church Street has been completed at a cost of \$183,666.81, as well as Morris Street. It has been completed at a cost of \$150,328.64. He told the Committee the guys did a great job.

The Cedar Street Ditch project has been completed. Scott reported the cost for the box culvert and concrete ditch from Cedar Street to Spring Street was \$113,147.08.

Sixth Street is almost finished, with sidewalks and landscaping to do. He said it would have been finished but, the crew working there was pulled off temporarily to work with the Maintenance crew doing the brush collection for the past 2 weeks. Scott told the Committee they will be finished with the brush today and will go back to the 6th Street project. The cost through May 31 is \$186,658.25.

The new fire department project on 62 East is going well, fill had been dug out for the building and filled in with 4-inch base. Scott reported he will be doing compaction testing on the building pad Thursday, and it should be ready by the end of the week. He added, there is still quite a bit of filling in for the parking lot to do. There was discussion about the fill that had been brought in then dug out, and all the base that was brought in. The total cost to this project through May 31 is \$56,621.49.

Overlays are at a total cost of \$108,128.61. Scott reported 8th Street, 4th Street and South Street have been overlaid with the new laydown machine that had been purchased in April.

Maintenance for the month of May totaled \$45,415.22. This included sign maintenance, mowing, cleaning culverts, etc.

Scott reported the new traffic light pole has been placed at 6th and Main. The heads have been installed and the wiring needs to be finished. He said ARDOT requires the light to run in flash mode for two weeks when completed, to make sure everything is operating correctly, and drivers will get used to the traffic light timing again.

The Budget looks good and there is no need for adjustments at this time.

The meeting was adjourned at 12:42 p.m.

Scott Liles

From: Jane Barnett <jbarnett@arml.org>
Sent: Monday, July 1, 2024 9:54 AM
To: Jane Barnett
Cc: Larra Bender; Sheila Boyd; Tracey Pew; Jessica Pacheco
Subject: NEW NATIONAL OPIOID SETTLEMENT NOTICE – Kroger Co.
Attachments: ! Kroger Settlement Participation Form.pdf

CAUTION: This is an external email originating outside of City of Mountain Home. Do not click on links or open any attachments unless you recognize the sender and know the content is safe. Please contact IT if you received this warning and the sender address appears to be an employee of City of Mountain Home.

Dear Mayors, City Managers, City Administrators, Clerk, Recorder, Treasurers, and City Attorneys,

You may receive, or may have already received, an email notice that looks like the one below regarding a new opioid settlement with **Kroger Co.** From here on, you may disregard that notice and other communications from Rubris (the national settlement administrator) about the **Kroger Co.** settlement. However, there is still something for you to do – **we need you to provide contact information (page 1) and sign (page 3) of the attached document to approve this settlement** on behalf of your city. As with the earlier opioid settlements, we (your lawyers) will need to get your signatures for this new settlement by the deadline mentioned in the email below – August 12, 2024. This form will need to be signed by the mayor (or city manager or city administrator).

Like the other settlements you approved, we strongly recommend you approve this new settlement. Approval from your city will maximize the dollars flowing into Arkansas to continue our fight against the damages brought on by the opioid epidemic.

I'll be out of the country next week, but Jane Barnett will be able to help if you have any questions. Thank you, Jane!

Send your completed “Kroger Settlement Participation Form” to jbarnett@arml.org.

Thank you,

John

John L. Wilkerson
General Counsel
Arkansas Municipal League

Office: 501.978.6136
Cell: 501.554.6315

**NOTICE OF NEW NATIONAL OPIOID SETTLEMENT
AND UPCOMING ACTION NEEDED TO PARTICIPATE**

A new national opioid settlement has been reached with **Kroger Co.** This is the formal notice required by the settlement and authorized by the parties.

Please read this email and the attached document carefully.

You are receiving this notice because your state has elected to participate in the national opioid settlement with **Kroger Co.** The list of states participating in the settlement can be found at <https://nationalopioidsettlement.com>.

Your subdivision might have participated in the national opioid settlements with Johnson & Johnson/Janssen, the three Distributors (Cardinal, AmerisourceBergen (Cencora), and McKesson), Teva, Allergan, CVS, Walgreens, and Walmart.

This notice concerns the opportunity to participate in the **new** settlement with the **new** Settling Defendant (**Kroger Co.**). Your subdivision or special district may participate in the new settlement whether or not it sued Kroger Co.

In the next few weeks, you will receive additional information and documentation to sign and return if you wish to join the new national opioid settlement with **Kroger Co.** Please review the list of individuals on this email and contact the Implementation Administrator at opioidsparticipation@rubris.com if someone else at your subdivision or special district should receive communications about this settlement.

Your subdivision or special district must “opt in” to participate in the new settlements. To do so, you must sign and return the documentation that you will be receiving in the next few weeks.

The deadline to return the required documentation is August 12, 2024.

Documentation submitted for prior national settlements is not applicable to the new settlement.

The attached document provides additional information concerning the new national opioid settlement involving **Kroger Co.**

Questions about this notice or the process for receiving and submitting the required Settlement Participation Forms may be directed to your attorney, the Implementation Administrator at opioidsparticipation@rubris.com, or your Attorney General's Office

If your subdivision or special district is represented by an attorney with respect to opioid claims and they are not copied on this message, please immediately contact them concerning this notice.

Thank you,

National Opioid Settlements Implementation Administrator
National Kroger Settlement

The Implementation Administrator is retained to provide the settlement notice required by the respective settlement agreements referenced above and to manage the collection of settlement participation forms for each settlement.

Subdivision Participation and Release Form

Governmental Entity:	State:
Authorized Official:	
Address 1:	
Address 2:	
City, State, Zip:	
Phone:	
Email:	

The governmental entity identified above (“*Governmental Entity*”), in order to obtain and in consideration for the benefits provided to the Governmental Entity pursuant to the Settlement Agreement dated March 22, 2024 (“*Kroger Settlement*”), and acting through the undersigned authorized official, hereby elects to participate in the Kroger Settlement, release all Released Claims against all Released Entities, and agrees as follows.

1. The Governmental Entity is aware of and has reviewed the Kroger Settlement, understands that all terms in this Participation and Release Form have the meanings defined therein, and agrees that by executing this Participation and Release Form, the Governmental Entity elects to participate in the Kroger Settlement and become a Participating Subdivision as provided therein.
2. The Governmental Entity shall promptly, and in any event no later than 14 days after the Reference Date and prior to the filing of the Consent Judgment, dismiss with prejudice any Released Claims that it has filed. With respect to any Released Claims pending in *In re National Prescription Opiate Litigation*, MDL No. 2804, the Governmental Entity authorizes the Plaintiffs’ Executive Committee to execute and file on behalf of the Governmental Entity a Stipulation of Dismissal with Prejudice substantially in the form found at <https://nationalopiodsettlement.com/>.
3. The Governmental Entity agrees to the terms of the Kroger Settlement pertaining to Participating Subdivisions as defined therein.
4. By agreeing to the terms of the Kroger Settlement and becoming a Releasor, the Governmental Entity is entitled to the benefits provided therein, including, if applicable, monetary payments beginning after the Effective Date.
5. The Governmental Entity agrees to use any monies it receives through the Kroger Settlement solely for the purposes provided therein.
6. The Governmental Entity submits to the jurisdiction of the court in the Governmental Entity’s state where the Consent Judgment is filed for purposes limited to that court’s role as provided in, and for resolving disputes to the extent provided in, the Kroger Settlement. The Governmental Entity likewise agrees to arbitrate before the National Arbitration Panel as provided in, and for resolving disputes to the extent otherwise provided in, the Kroger Settlement.

7. The Governmental Entity has the right to enforce the Kroger Settlement as provided therein.
8. The Governmental Entity, as a Participating Subdivision, hereby becomes a Releasor for all purposes in the Kroger Settlement, including without limitation all provisions of Section XI (Release), and along with all departments, agencies, divisions, boards, commissions, districts, instrumentalities of any kind and attorneys, and any person in their official capacity elected or appointed to serve any of the foregoing and any agency, person, or other entity claiming by or through any of the foregoing, and any other entity identified in the definition of Releasor, provides for a release to the fullest extent of its authority. As a Releasor, the Governmental Entity hereby absolutely, unconditionally, and irrevocably covenants not to bring, file, or claim, or to cause, assist or permit to be brought, filed, or claimed, or to otherwise seek to establish liability for any Released Claims against any Released Entity in any forum whatsoever. The releases provided for in the Kroger Settlement are intended by the Parties to be broad and shall be interpreted so as to give the Released Entities the broadest possible bar against any liability relating in any way to Released Claims and extend to the full extent of the power of the Governmental Entity to release claims. The Kroger Settlement shall be a complete bar to any Released Claim.
9. The Governmental Entity hereby takes on all rights and obligations of a Participating Subdivision as set forth in the Kroger Settlement.
10. In connection with the releases provided for in the Kroger Settlement, each Governmental Entity expressly waives, releases, and forever discharges any and all provisions, rights, and benefits conferred by any law of any state or territory of the United States or other jurisdiction, or principle of common law, which is similar, comparable, or equivalent to § 1542 of the California Civil Code, which reads:

General Release; extent. A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release that, if known by him or her would have materially affected his or her settlement with the debtor or released party.

A Releasor may hereafter discover facts other than or different from those which it knows, believes, or assumes to be true with respect to the Released Claims, but each Governmental Entity hereby expressly waives and fully, finally, and forever settles, releases and discharges, upon the Effective Date, any and all Released Claims that may exist as of such date but which Releasors do not know or suspect to exist, whether through ignorance, oversight, error, negligence or through no fault whatsoever, and which, if known, would materially affect the Governmental Entities' decision to participate in the Kroger Settlement.

11. Nothing herein is intended to modify in any way the terms of the Kroger Settlement, to which Governmental Entity hereby agrees. To the extent this Participation and Release

Form is interpreted differently from the Kroger Settlement in any respect, the Kroger Settlement controls.

I have all necessary power and authorization to execute this Participation and Release Form on behalf of the Governmental Entity.

Signature: _____

Name: _____

Title: _____

Date: _____

RESOLUTION NO. 2024-xx
A RESOLUTION IN SUPPORT OF THE EFFORTS
BY THE ARKANSAS GAME & FISH COMMISSION TO RENAME
A PORTION OF W. 7TH STREET TO “NATURAL RESOURCES WAY”

WHEREAS, on or about May 14, 2024, the City of Mountain Home, Arkansas, did finalize the sale of property located at 424 W. 7th Street to the Arkansas Game & Fish Commission; and

WHEREAS, the Arkansas Game & Fish Commission wishes to rebrand a portion of 7th Street to better reflect the purpose and directives of that state agency; and

WHEREAS, the City of Mountain Home, Arkansas, recognizes that the administration of the naming of streets is the jurisdiction of the Baxter County 911 Office and the United States Post Office;

NOW, THEREFORE BE IT RESOLVED
BY THE CITY COUNCIL OF THE CITY OF MOUNTAIN HOME, ARKANSAS

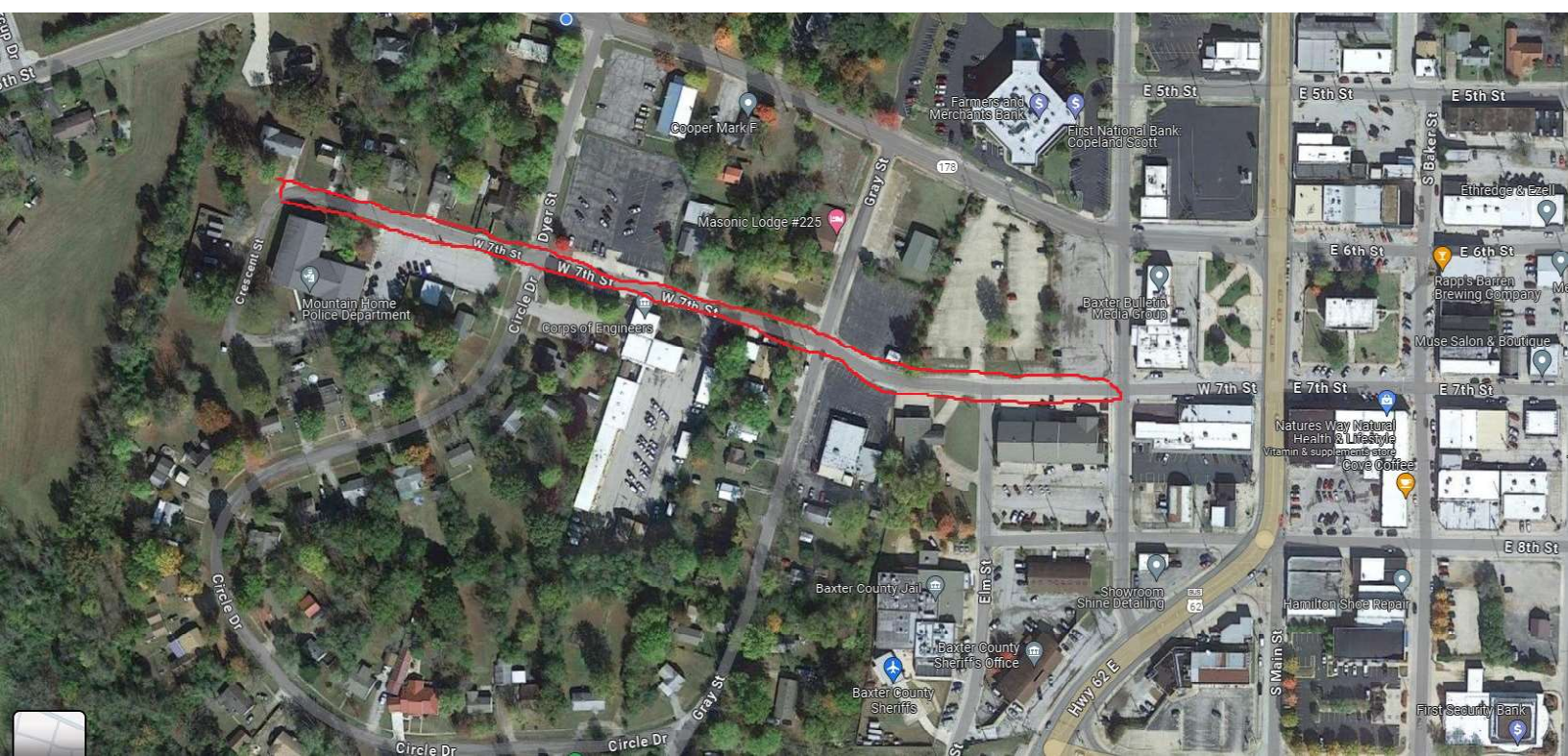
- 1) That the City of Mountain Home, Arkansas, does hereby support the Arkansas Game & Fish Commission’s efforts to rename a portion of W. 7th Street to “Natural Resources Way.”
- 2) That the section of W. 7th Street to be renamed begins at the intersection with S. Main Street and extends to the intersection with Crescent Street.

PASSED AND APPROVED THIS 18TH DAY OF JULY, 2024.

HILLREY ADAMS, MAYOR

ATTEST:

SCOTT LILES, CITY CLERK



ORDINANCE NO. 2024-xx

**AN ORDINANCE AMENDING THE CONTRACTED WATER RATES
BETWEEN THE CITY OF MOUNTAIN HOME WATER DEPARTMENT
AND WHOLESALE PURCHASERS, AS OUTLINED IN ORDINANCE NO. 599
SECTION 8 AS AMENDED BY ORDINANCE NO. 01-21, 03-12, 2005-42, 2006-28,
2007-24, 2008-21, 2009-13, 2010-22, 2011-10, 2012-6, 2013-7, 2014-11, 2016-13,
2019-28, 2020-32, 2021-21, 2022-25, 2023-31**

WHEREAS, it is determined by the City Council of Mountain Home, Arkansas that current or existing charges do not reflect the actual costs of service; and

WHEREAS, after reviewing the year ending 2023 audit, the City Council finds that an adjustment is necessary.

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

SECTION 1. Wholesale Charges

- A. Wholesale customers charge from the water plant is \$5.31 per 1,000 gallons.
- B. Wholesale customers charge from the 960-elevation system is \$5.83 per 1,000 gallons.
- C. Wholesale customers charge from the 1,080-elevation system is \$6.06 per 1,000 gallons.

SECTION 2. Wholesale Reservation

The City of Mountain Home does notwithstanding the provisions of this chapter, reserve the right and responsibility to determine wholesale water rates for water supplied for resale to and used by large consumers, including but not limited to governmental units, water associations and improvement districts. Such wholesale rates shall be set and established from time to time as necessary by agreement and contract with any such entity and by Ordinance of the City of Mountain Home, Arkansas. (Ord. 599 Sec. 8)

SECTION 3. Effective Date of Billing

This Ordinance shall be in effect for all water metered after August 15th, 2024.

SECTION 4. Emergency Clause

Efficient operation and maintenance of the municipal water system contributes not only to the safety and welfare of not only the residents of Mountain Home, Arkansas, but to its wholesale customers as well. Therefore, an emergency is declared to exist and this Ordinance shall be in full force and effect from and after its passage.

PASSED AND APPROVED THIS 18TH DAY OF JULY, 2024.

HILLREY ADAMS, MAYOR

ATTEST:

SCOTT LILES, CITY CLERK



4701 Northshore Drive
North Little Rock, AR 72118

TEL 501.376.3633
FAX 501.372.8042

www.GarverUSA.com

TRANSMITTAL

To: City of Mountain Home
752 North College Street
Mountain Home, Arkansas 72653

Date: June 7, 2024

Attn: Steve Hill, Public Works Director
Alma Clark, Director of Finance and Treasury

From: Kirby B. Rowland, PE *KBR*

RE: 2024 Mountain Home Wholesale Water Rate Study (2023 Audit)
Garver Project No. 0901-8250

Attached is the wholesale rate spreadsheet from the 2023 Audited figures:

Based on the attached computations, the wholesale rate adjustments would be as follows:

	<u>Previous Rates</u>			
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Charge per 1000 gallons for Wholesale Water from Plant	\$5.31	\$4.82	\$4.49	\$4.52
Charge per 1000 gallons for Wholesale Water from 960 System	\$5.83	\$5.30	\$5.01	\$5.06
Charge per 1000 gallons for Wholesale Water from 1080 System	\$6.06	\$5.51	\$5.24	\$5.30

Please note the following differences from the 2022 to the 2023 Audits:

- Total water sales decreased approximately (2.5)%.
- Wholesale water sales from the plant increased approximately 2.3%.
- Wholesale water sale from the 960 system increased approximately 60.0% but was a minimal amount.
- Wholesale water sales from the 1080 system increased approximately 3.4%.

Over the same period:

- O&M costs increased approximately 9.2%.
- Interest expense decreased approximately (50.0)%.
- Overall depreciation expense increased approximately 2.7%.

The Wholesale water rate increases were due to the increase costs in O&M and Depreciation coupled with the increased Wholesale water usage.

Please call if you have any questions.

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WHOLESALE RATE COMPUTATIONS
CITY OF MOUNTAIN HOME WHOLESALE WATER RATES
June 7, 2024
2023 Audit Figures

2023 Water Sales (Total) =	928,432,812			
2023 Wholesale Water Sales =	277,132,970			
Percentage of Wholesale Usage	29.85%			
Wholesale Water Sales from Plant	128,167,990			
Percent of Wholesale Usage from Plant	13.80%			
Wholesale Water Sales from 960 System =	52,680			
Percentage of Wholesale Usage from 960 System	0.00%			
Wholesale Water Sales from 1080 System =	148,912,300			
Percentage of Wholesale Usage from 1080 System	16.04%			
O&M Costs =	\$ 3,714,849			
O&M /1000 gallons =	\$ 4.00			
OM&R Charge to Wholesale Water from Plant	\$ 512,672			
OM&R Charge to Wholesale Water from 960 System	\$ -			
OM&R Charge to Wholesale Water from 1080 System	\$ 595,649			
2023 Depreciation & Interest				
Plant	\$ 757,664			
System	\$ 626,906			
Service Zone 960 @ 69%	\$ 432,565			
Service Zone 1080 @ 31%	\$ 194,341			
Interest	\$ 13,287			
Total Depreciation & Interest	\$ 1,397,857			
Depreciation & Interest: Plant	\$ 770,951			
Depreciation & Interest: Plant + 960 HGL Dist	\$ 1,203,516			
Dep + Int. Charge to Wholesale Water from Plant	0.83	\$ 106,391		
Dep + Int. Charge to Wholesale Water from 960 System	1.30	\$ -		
Dep + Int. Charge to Wholesale Water from 1080 System	1.51	\$ 224,216		
Cost for Wholesale Water from Plant	\$ 619,063			
Cost for Wholesale Water from 960 System	\$ -			
Cost for Wholesale Water from 1080 System	\$ 819,865			
Cost per 1000 gallons for Wholesale Water from Plant	\$ 4.83	\$ 4.83		
Cost per 1000 gallons for Wholesale Water from 960 System	\$ 5.30	\$ -		
Cost per 1000 gallons for Wholesale Water from 1080 System	\$ 5.51	\$ 5.51		
Charge per 1000 gallons for Wholesale Water from Plant	\$ 5.31			
Charge per 1000 gallons for Wholesale Water from 960 System	\$ 5.83			
Charge per 1000 gallons for Wholesale Water from 1080 System	\$ 6.06			

**Mountain Home Water and Wastewater Department
Summary Schedule of Depreciating Assets
Year ending December 31, 2023**

<u>Description</u>	<u>Depreciation Expense for 2023</u>
<u>Water Department:</u>	
Equipment	38,797.52
Structures & Improvements	73,788.32
Mains/Lines	479,396.73
Subtotals	591,982.57
<u>Water Treatment Plant</u>	
Equipment	54,873.06
Structures & Improvements	497,616.51
Mains/Lines	0.00
Subtotals	552,489.57
<u>General Plant**:</u>	
Structures and Improvements	
Vehicles & Plant Equipment	
Subtotals	240,097.40
TOTALS	1,384,569.54

**The depreciation expense reported each year for all assets under the "general plant" category above is split 50/50 between the water and wastewater departments. For 2023, the expense for the water and wastewater departments was \$240,097.40 and \$240,097.40, respectively.

	626,277.89	
	518,194.25	
Percentage = 626,277.89/1,144,472.14 =		54.7219865 %
Percentage = 518,194.25/1,144,472.14 =		45.2780135 %
Subtotal General Plant 1 =	\$ 131,386.07	
Subtotal General Plant 2 =	\$ 108,711.33	
SUM	\$ 240,097.40	
Plant Depreciation =	\$ 757,663.96	
System Depreciation =	\$ 626,905.58	
SUM	\$ 1,384,569.54	
CHECK	\$ 1,384,569.54	OK

WHOLESALE RATES BY CONTRACT — FROM 2001 - PRESENT

			FROM		FROM		FROM		FROM		FROM
	ORDINANCE	ORDINANCE	2001 TO	ORDINANCE	2003 TO	ORDINANCE	2005 TO	ORDINANCE	2006 TO	ORDINANCE	2007 TO
	NUMBER	NUMBER	2003	NUMBER	2005	NUMBER	2006	NUMBER	2007	NUMBER	2008
2001 - 2008	2001-21	2003-12	INCREASE	2005-42	INCREASE	2006-28	INCREASE	2007-24	INCREASE	2008-21	INCREASE
NORTHEAST WATER AUTHORITY	1.63	1.76	0.13	1.84	0.08	2.10	0.26	2.26	0.16	2.46	0.20
GASSVILLE OR COTTER WATER	1.82	1.95	0.13	2.06	0.11	2.33	0.27	2.49	0.16	2.70	0.21
LAKEVIEW MIDWAY	1.91	2.04	0.13	2.15	0.11	2.43	0.28	2.59	0.16	2.81	0.22
			FROM		FROM		FROM		FROM		FROM
	ORDINANCE	2008 TO	ORDINANCE	2009 TO	ORDINANCE	2010 TO	ORDINANCE	2011 TO	ORDINANCE	2012 TO	ORDINANCE
	NUMBER	2009	NUMBER	2010	NUMBER	2011	NUMBER	2012	NUMBER	2013	NUMBER
2009 - 2013	2009-13	INCREASE	2010-22	INCREASE	2011-10	INCREASE	2012-6	INCREASE	2013-7	INCREASE	INCREASE
NORTHEAST WATER AUTHORITY		2.50	0.04	2.67	0.17	2.68	0.01	2.78	0.10	2.98	0.20
GASSVILLE OR COTTER WATER		2.76	0.06	2.97	0.21	2.98	0.01	3.12	0.14	3.34	0.22
LAKEVIEW MIDWAY		2.88	0.07	3.10	0.22	3.11	0.01	3.27	0.16	3.51	0.24
			FROM	NOT APPROVED	FROM		FROM	NOT APPROVED	FROM	NOT APPROVED	FROM
	ORDINANCE	2013 TO	ORDINANCE	2014 TO	ORDINANCE	2014 TO	ORDINANCE	2016 TO	ORDINANCE	2016 TO	ORDINANCE
	NUMBER	2014	NUMBER	2015	NUMBER	2016	NUMBER	2017	NUMBER	2018	NUMBER
2014 - 2018	2014-11	INCREASE	2015-	DID NOT PASS	2016-13	INCREASE	2017 -	DID NOT PASS	2018 -	DID NOT PASS	DID NOT PASS
				WOULD HAVE BEEN				WOULD HAVE BEEN		WOULD HAVE BEEN	
NORTHEAST WATER AUTHORITY		3.60	0.62	3.82	0.22	3.91	0.31	4.04	0.13	4.04	0.13
GASSVILLE OR COTTER WATER		4.05	0.71	4.30	0.25	4.42	0.37	4.58	0.16	4.58	0.16
LAKEVIEW MIDWAY		4.26	0.75	4.53	0.27	4.66	0.40	4.83	0.17	4.83	0.17
		NOT APPROVED	FROM		FROM		FROM		FROM		FROM
	ORDINANCE	2017 TO	ORDINANCE	2018 TO	ORDINANCE	2019 TO	ORDINANCE	2020 TO	ORDINANCE	2021 TO	ORDINANCE
	NUMBER	2018	NUMBER	2019	NUMBER	2020	NUMBER	2021	NUMBER	2022	NUMBER
2018 - 2022	2018 -	DID NOT PASS	2019-28	INCREASE	2020-32	INCREASE	2021-21	INCREASE	2022-25	DECREASE	DECREASE
		WOULD HAVE BEEN									
NORTHEAST WATER AUTHORITY		4.33	0.42	4.08	0.17	4.48	0.40	4.52	0.04	4.49	-0.03
GASSVILLE OR COTTER WATER		4.87	0.45	4.59	0.17	5.01	0.52	5.06	0.05	5.01	-0.05
LAKEVIEW MIDWAY		5.10	0.44	4.82	0.16	5.25	0.43	5.30	0.05	5.24	-0.06
			FROM	PROPOSED	FROM						
	ORDINANCE	2022 TO	ORDINANCE	2023 TO							
	NUMBER	2023	NUMBER	2024							
2023 - 2027	2023 -11	INCREASE	2024 -	INCREASE							
NORTHEAST WATER AUTHORITY		4.82	0.33	5.31	0.49						
GASSVILLE OR COTTER WATER		5.30	0.29	5.83	0.53						
LAKEVIEW MIDWAY		5.51	0.27	6.06	0.55						