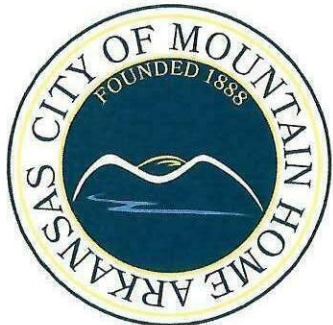


Water & Sewer Rate Increase 2025

User Explanation Guide



City of Mountain Home

Department of Water

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Water & Wastewater Overview

- Approximately 15,000 Individuals Served
- 1 Water Treatment Plant
- 7 Water Storage Tanks
- 6 Water Pump Stations
- 1.4 Billion Gallons Treated Water Distributed in 2024
- 200 Miles of Water Line
- 1 Wastewater Treatment Plant
- 11 Wastewater Lift Stations
- 976.7 Million Gallons Wastewater Treated in 2024
- 140 Miles of Sewer Line

Act 605 OF 2021

Requires that each city's water and sewer systems must support itself by the summer 2026 or be regarded to be in fiscal distress from the State. Many municipalities, including Mountain Home, have used water revenues to help offset the expense encountered by their sewer utility. In Mountain Home, the city has seen a 15-30 percent deficit on its sewer side for decades, with revenue from the water side offsetting that difference. Under Act 605, this is no longer allowed and each side - Water and Sewer - must generate enough revenue to support itself.

Quick Facts

- **When was the last water rate increase implemented?**
In March of 2024, the water rate increased 3.7% and the sewer rate increased 21.7%.
- **When will the new water rates take effect?** Usage after May 15th will be billed at the new rates which will reflect on the July bill.
- **What is the estimated rate increase?**
The water rate will increase 2.8% and the sewer rate will increase 20.8%
- **Why are my rates increasing?**
 1. **Legislation: Arkansas Act 605 of 2021** tasked water providers with additional financial responsibilities for managing their systems
 2. **Rising Costs:** Operating expenses increased 11.20% in 2023 and the 2024 CPI South Region Rate was 2.8%
- **How will the additional revenue be used?**
Additional funds will be used for infrastructure maintenance and upgrades and will go towards operating reserves as required by new Arkansas laws.

Rate Increase Summary

Effective May 2025, water rates will increase 2.8% and sewer rates will increase 20.8%. The increase will reflect on the July bill. Examples of new rates:

Class	Water	SWA	Demand	State Tax	City Tax	County Tax	Sewer	Total
Residential Inside City	\$9.16	\$0.40	\$8.37	\$1.17	\$0.38	\$0.22	\$32.51	\$52.21
Residential Outside City	\$18.35	\$0.40	\$16.78	\$2.31	n/a	\$0.44	n/a	\$38.28
Commercial Inside City	\$18.35	\$0.40	\$13.62	\$2.10	\$0.69	\$0.40	\$48.42	\$83.98

*Monthly minimum rates for ¾" meter which includes 2,000 gallons. Excess over 2,000 gallons is \$3.27 for water and \$6.05 for sewer per 1,000 gals inside city limits and \$6.51 per 1,000 gals of water outside city.