

March 5, 2026

Subject: 2026 Rate Increases (effective March 2026) Further Explanation

In 2021, the Arkansas General Assembly passed Act 605. The act tasked retail water and sewer providers with additional responsibilities when managing and operating their utilities. One of the regulations of this act is to have an independent rate study performed every 5 years. The purpose of these rate studies is to ensure that providers are collecting enough revenue to meet debt obligations, expenses, and basically remain solvent. LCCW/Riviera had two separate rate studies performed by the Arkansas Rural Water Association (Independent of LCWW/Riviera).

The Water Rate Study (Act 605) recommended a slight increase in rates with a 3-5% annual increase for inflation and other cost increases. (LCWW has 825 active users sharing in water service/supply costs)

Water Rates	Current Rate	New Rate
Minimum Rate (Meter)	\$13.10/mo.	\$18.25/mo
Water Rate	\$.0141/gal*	\$.0155/gal*
Safe Water Act (State mandated)	\$.40/mo.	\$.40/mo.

* Water rate includes the wholesale rate adjustment, which is tied to the wholesale rate charged by our treated water provider – The City of Hot Springs, AR.

The Sewer Rate Study (Act 925 – previously covered by Act 605) recommended a substantial increase in rates with the same 3-5% annual increase. (LCWW has 389 active users sharing in the main part of sewer service costs. Note: Over half of our residents have septic systems and are not currently required to connect to the sewer lines. These residents have a small charge for sewer service availability).

Sewer Rate	Current Rate	New Rate
Sewer Rate	\$.0160/gal	\$.0265/gal

Fees for those lot or homeowners not connected to water or sewer

Water Operations/Availability Fee:	\$39.66/semi-annually (Vacant Lots)
Sewer Operations/Availability Fee:	\$15.00/mo. (Homes Not Connected – Septic Systems)
	\$90.00/semi-annually (Vacant Lots)

Total Bill will include:

- 6.5% Arkansas State Tax (Imposed on “Meter” and “Water Usage” charges only)
- 1.5% Garland County Tax (Imposed on “Meter” and “Water Usage” charges only)
- \$0.40 Arkansas Safe Water Act Fee

Note 1) Sewer volume is based on water usage.

Note 2) 5% Surcharge for all payments made with a credit or debit cards.