

Mayor: Ethan J. Barnes

Recorder-Treasurer: Willow R. Sharp

Council Members: Tony Berry, Amy Clay-Thomas, Natalie Quintana-DuBois, Ginni Kauffman, Sue Taylor, Laura Smith

City Attorney:

City of Hardy, Arkansas

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MEMO:

Date: October 31, 2025
From: City of Hardy/Hardy Water Works
To: Hardy Water and Sewer Customers
Re: Water and Sewer Rates

In the 93rd General Assembly Regular Session of the Arkansas State Legislature a Bill was enacted that modified Arkansas Code Title 14, Chapter 234 to add Subchapter 8 - Oversight of Retail Water Providers. The purpose of this Bill is to amend the law concerning retail water providers and related services, and for other purposes. This new law is referred to as Act 605 of 2021 with amendments enacted as Act 545 in April 2023.

In short, the new law requires that all water and sewer service providers undergo a formal rate analysis by a Qualified Rate Analyst. The analysis looks at all aspects of the providers fiscal sustainability to continue providing services to its customers. The City of Hardy has no choice but to comply with the law or risk being found in fiscal distress which could lead to further regulatory oversight by the State of Arkansas.

The City of Hardy has complied with the new state law and as a result the rates charged for both water and sewer are required to be increased to maintain compliance with Act 605, as amended.

The increase in rates will be realized in January 2026 and follow the below schedule beginning in January of each year through 2031.

| User Type | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 |
|-------------|----------------|------|------|------|------|------|
| | Water Increase | | | | | |
| Residential | 25% | 5% | 5% | 5% | 5% | 5% |
| Business | 35% | 5% | 5% | 5% | 5% | 5% |
| Commercial | 55% | 5% | 5% | 5% | 5% | 5% |
| | Sewer Increase | | | | | |
| Residential | 175% | 10% | 5% | 5% | 5% | 5% |
| Business | 175% | 10% | 5% | 5% | 5% | 5% |

A complete copy of the rate study performed is available on the City's website or customers may view a hard copy of the study at City Hall during normal business hours at 304 Johnson Lane, Hardy, Arkansas 72542.

Respectfully,

The City of Hardy/Hardy Water Works