



Brent Shelby, right, discusses processes of the water treatment facility in the Wellsgate subdivision in Oxford, Miss., on Monday, March 10, 2025. Credit: Eric Shelton/Mississippi Today

FRAGMENTED & FAILING: MISSISSIPPI'S UTILITY SYSTEMS

# Customers of some of the state's worst water and sewer systems are seeing 'astronomic' rate hikes



by **Alex Rozier**  
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*This is the second half of a two-part story on small water and sewer systems. Read part one [here](#).*

A December hearing at the Woolfolk Building in downtown Jackson started to sound like an auction: Fifty percent. One hundred. Two hundred. Three hundred. State officials watched studiously from their dais as customers recited how much their water and sewer bills ballooned in the last few years.

Judy Johnson's sewer bill in Raymond went from \$16 in 2022, to \$40 in 2023, to \$52 in 2024, to \$67 two months after that. David Huber in Natchez said his combined water and sewer bill grew from \$50 to \$108 in that same time.

"This is just for sewer?" Kathy Hardy, also of Raymond, recalled thinking when she saw the rate changes.

The three of them are among 28,000 Mississippi customers of Central States Water Resources, or Great River as its subsidiary in the state is known. In 2021, Central States – which operates in 11 states, mostly in the South – arrived in Mississippi, where it now owns 123 small water and sewer systems.

In Mississippi, which has the lowest median income in the country, many Great River customers are seeing costs skyrocket for basic necessities that were or are still below regulatory standards. But for years, many of

them previously paid low rates to providers who were, in turn, neglecting or underinvesting in their infrastructure.

“It just cascades and everyone keeps kicking the can until a crisis happens,” said Central States founder Josiah Cox. “The butcher’s bill is coming due. These places are falling apart.”

The result is a chasm between the perceived and actual costs of delivering water and sewer services.

In 2014, Cox started the St. Louis-based company hoping to fill a niche: buying and restoring struggling small systems that other large utility firms wouldn’t touch.

“Our thesis was pretty simple,” he said. “There’s small, failing water and wastewater systems all over the country. The giant publicly traded utilities don’t want to mess with them.”

Smaller companies often can’t afford administrative costs, like presenting rate cases in front of the state’s Public Service Commission. Larger companies aren’t interested because it would take years to see a return on their investment.

While Mississippi officials at the time were happy to welcome a company with Central State’s resources, the state’s ratepayers gave Cox’s team a tepid reception, to put it mildly.



**"This company is trying to gouge Mississippi folks with California prices. We are depending on you to stop this outrageous act."**

**"This is an exorbitant amount. Please advocate for us."**

**"I am a single parent who is barely able to pay her bills as they are, having had to seek assistance from multiple organizations to pay the bills for the last few months."**

**"I am greatly concerned by the monopoly power that Great River holds over their 'customers' and the radical fee increase being proposed."**

**"While I admit that a rate increase is reasonable, it is unconscionable to increase the rate"**

**"Finally, I believe that a more than 300% increase in the mont rate is goes way beyond operating expenses; it smacks of greed and disregard for the hard-working people who live in Mississippi."**

**"How do you expect families to afford this? We also have no option to not have this service."**

**"This rate increase is ridiculous to say the least!"**

**"We are on a fixed income and finding it difficult just pay ou debts and put food on the table and pay for gas and meds. I pray your office will deny this increase request."**

**"To have a bill that was \$15/month over triple in cost to \$53.75 during the current economic situation is borderline irresponsible on behalf of the company and can put many families in a compromising position."**

**"The Great River requests are outrageous."**

**"It is unfair and not owed."**

**"his is absurd...This price increase should be illegal."**

**"200% increase placed on consumers is absolutely ridiculous. Use the tax dollars already provided to improve infrastructure, rather than pad your bank accounts with raises and bonus checks."**

**"Please keep in mind that the rate of inflation in our country is speeding up."**

**"Understand that cost increases are a part of business and necessary; however the increase being requested by this company, in my opinion, borders on the criminal."**

Comments Great River customers sent to the Public Service Commission over recent rate hikes. Credit: Bethany Atkinson, Deep South Today

In 2022, as the company started transitioning ratepayers to new rates to fund improvements, the PSC received letters from 800 Mississippians. They described Great River as "greedy," accusing it of "gouging" them with "unconscionable" rate hikes.



“We are on a fixed income and finding it difficult just (to) pay our debts and put food on the table and pay for gas and meds,” one letter from a Senatobia customer read. “I pray your office will deny this increase request.”

As it turns out, Central States’ customers had similar complaints in Louisiana, Kentucky and Missouri, and ratepayers in North Carolina and Texas have called out the company over poor water quality and pressure.

Nina McGee, a Great River customer in Panola County, said her water bill used to be just \$12 a month, which she admitted was “ridiculous.”

“I understand an increase,” said McGee, who lives in the town of Pope with less than 300 other people. “I just don’t understand why it’s got to increase that much. It’s tripled in three years.”

In the Wellsgate community, just outside of Oxford, residents sent 132 complaints to the PSC from 2020 to 2021. Most bemoaned poor water quality or water leaks. Great River bought the utility later in 2021 and found that, among other problems, the previous owner hooked up an unpermitted groundwater well – a violation of both state and federal law – that bypassed treatment and created a “blending of treated water and raw groundwater.”



Kathy Hardy poses for a portrait near a wastewater treatment lagoon in the Wakeland Hills neighborhood in Raymond, Miss., Thursday, April 3, 2025. Credit: Eric Shelton/Mississippi Today





Homes are seen in the Wellsgate subdivision in Oxford, Miss., on Monday, March 10, 2025. Credit: Eric Shelton/Mississippi Today

Over the next two years, according to data from the PSC, Great River made about \$1.5 million worth of improvements, such as adding new pumps and capacity to the water system. In 2022, PSC filings show, the company proposed raising the average water bill in Wellsgate from \$12 to \$47, a nearly 300% increase. Dozens of Wellsgate residents wrote the PSC in opposition.

“In no universe does this seem like an acceptable course of action,” one email said.

The company also took control of some of the state’s worst performing small sewer systems, including the ones Mississippi Today recently **reported on**. Many of those utilities hadn’t raised rates in years. Nearly 30 of the small sewer systems the company purchased, Cox said, never charged a rate at all. Some of those systems depreciated so much that Great River bought them for one dollar each.

4. **PURCHASE PRICE.** Buyer agrees to pay to Seller at the Closing **One Dollar (\$1.00)** for purchase of the Assets ("Purchase Price").

A filing with the Public Service Commission showing the \$1 price Great River paid for a sewer system. Credit: Bethany Atkinson, Deep South Today

At the December meeting in Jackson, Central States engineer Jacob Freeman testified to the PSC about the condition of some of the state's sewage lagoons, a common form of treatment for small service areas like a subdivision. Freeman described lagoons he saw in the state where so much sludge had accumulated that it "breached the (water's) surface."

"At that point, you've taken up all the volume in the lagoon, so whatever small amount of treatment that Mother Nature could've provided originally is no longer happening, and raw wastewater is short-circuiting the lagoon, going out the back end," he said, adding that, in similar cases, he'll find bloodworms or pathogens pouring into the receiving watershed. "That's dumping into a creek where maybe kids play, or flows down into another body of water that could be recreational. It's a very, very bad situation."

Freeman also testified that even with the high number of sewer facilities in the state violating their effluent limits for different pollutants – about one in three have done so in the last year, a Mississippi Today analysis found – others that seem to be in compliance could be circumventing Mississippi's relatively lax testing requirements.

Many states, he explained, mandate quarterly or even monthly testing, versus the "once or twice annually" the Mississippi Department of Environmental Quality requires. So a utility that doesn't meet permit limits,



Freeman said, can choose to only be tested during suitable weather conditions when it's less likely to have a violation.

MDEQ Executive Director Chris Wells emphasized that an operator could face criminal charges for lying about their test results or misrepresenting compliance. But practically speaking, Wells explained, the agency can't regulate every system the same way.

"If you've got a system like Jackson's that's discharging (millions) of gallons a day into the Pearl River, that's got much more of a propensity to cause environmental damage than a small lagoon somewhere in rural Mississippi that's discharging 5,000 gallons a day into a tributary somewhere," he said. "It's not that we don't care about that, we do, it's just that it's lower priority from an enforcement or from an inspection standpoint."



Brent Shelby talks about the water treatment process at a treatment facility in the Wellsgate subdivision in Oxford, Miss., on Monday, March 10, 2025. Credit: Eric Shelton/Mississippi Today

In the roughly four years it's been in Mississippi, Great River says it's invested \$27 million in system improvements, and has brought 35 sewer systems back into compliance.

“I don’t think that’s quite fair,” said Andy Horyza, who lives in the Turkey Creek subdivision in Olive Branch. “If you’re living in a brand new subdivision and your costs are higher than mine, well guess what? Your costs are higher than mine, you should be covering that.”

Horyza, who relies on Social Security income, paid around \$17 per month for sewer for about 20 years until Great River bought the system in 2021. Over the next three years, Horyza said, his bill jumped nearly 350%.

The company's rates vary. For a sewer system using a lagoon, for instance, rates are about \$42 per month, versus \$59 a month for systems with actual treatment plants. For water, average bills are around \$44.

In a February vote, state regulators at the PSC sided with their angered constituents, voting 2 to 1 to deny Great River's latest rate hike. The PSC changed hands completely in the 2023 statewide elections. Southern District Commissioner Wayne Carr won his seat with a [campaign](#) criticizing Great River. Carr and Northern District Commissioner Chris Brown argue the company hasn't justified the rates they're charging.

"The service hasn't changed, but the rates went up extensively," Brown said, estimating that other rural customers on average pay less than \$30 a month for water. "So the question is why? You're supposed to have economies of scale. As public service commissioners, we want to make sure that rate payers are getting what they're paying for."

Central District Commissioner De'Keither Stamps disagreed. Stamps, the lone opposing vote, said some people would be "outraged" if they knew about the condition of their water and sewer systems, and that it's unlikely the necessary funds to fix them will come from somewhere else.





A wastewater treatment lagoon in the Wellsgate subdivision in Oxford, Miss., on Monday, March 10, 2025. Credit: Eric Shelton/Mississippi Today

“I choose to operate in reality,” he said. “The campaigning is over. It’s time to govern.”

Stamps also argued that if Great River appealed the PSC’s decision – which it since did in Harrison County Circuit Court – the company could then add its legal expenses to future rate increases. That case is ongoing.

Leo Manuel, a Mississippi attorney representing the company, explained the previous trio of commissioners set Great River’s rate schedule, so most customers’ bills were set to increase regardless of the February vote.

The reality, some experts believe, is that some customers of small utilities around the country are facing a seismic shift in the cost of their basic services, whether it happens now or later. Not only have many of these systems not accounted for the true financial needs of their infrastructure, but they also lack economies of scale. And for many small private systems, which don’t have the same access to government grants as public utilities, raising rates is the only way to make the difference. A 2023 federal [report](#) estimated that small water systems in Mississippi alone will need \$3.4 billion in investments over the next two decades.





A wastewater treatment lagoon in the Wellsgate subdivision in Oxford, Miss., on Monday, March 10, 2025. Credit: Eric Shelton/Mississippi Today

Greg Pierce, who directs the Human Right to Water Solutions Lab at the University of California, Los Angeles, said without significant public funding – even after historic federal influxes in recent years – water and sewer providers are faced with few other options.

“I hate to be bleak, but what are the other alternatives?” Pierce asked. “The public entities are not stepping up to assist systems at scale. We haven’t really gotten serious about reforming the system or putting a scale of money into it that would really move the needle on helping small communities.

“That was true even with the Biden administration, and that’s certainly true now. So I don’t know, it’s a little bit bleak.”