

# City of Rock Springs

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**Water, Sewer, and Stormwater Rate Study**

April 7, 2026





# Agenda



**Utilities overview**



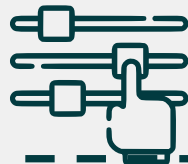
**Study goals and objectives**



**Utility financial forecasts**

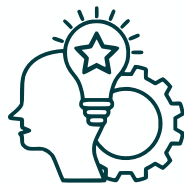


**Peer utility survey**



**Water and sewer rate structure objectives**

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**Today's Goal:  
Seeking Council's feedback and  
direction**

# Utilities Overview



# Rock Springs water utility

## *A self-supporting enterprise fund*



*Gateway Storage Tank*

**Summary** Purchases water and leases distribution system from Joint Powers Water Board

**10 MGD** Average daily use of water in the summer and 3 MGD in the winter

**8** Water storage tanks with a 12 MG capacity

**210** Miles of 4-inch and larger water lines

**8,800** Customers

**\$4 million** Annual water purchase cost

# Rock Springs sewer utility

## *A self-supporting enterprise fund*



*Treatment Plant*



**4.2 MGD** Class IV extended aeration activated sludge treatment plant and oxidation ditch plant

**1** Outfall to Bitter Creek, which is classified as a Class 2C water and considered a perennially flowing stream

**14** Employees

**50** Miles of linear feet of pipe are cleaned each year on average

**8,300** Customers

**\$42 million** Replacement value of assets

# Study Goals and Objectives



Rate revenues sufficient to meet annual operating expenses, debt service, and capital expenditures



Plan maintenance proactively to keep rates low and avoid expensive emergency repair



Maintain targeted reserve levels



Rates that equitably recover the cost to provide service to customer classes and encourage conservation

# Rate Study Process



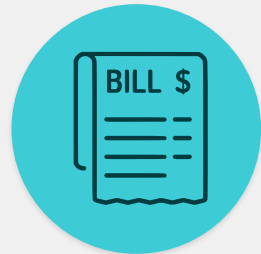
## Financial Plan

What amount of revenue is needed?



## Cost of Service

Is each class bearing their proportionate share of costs?

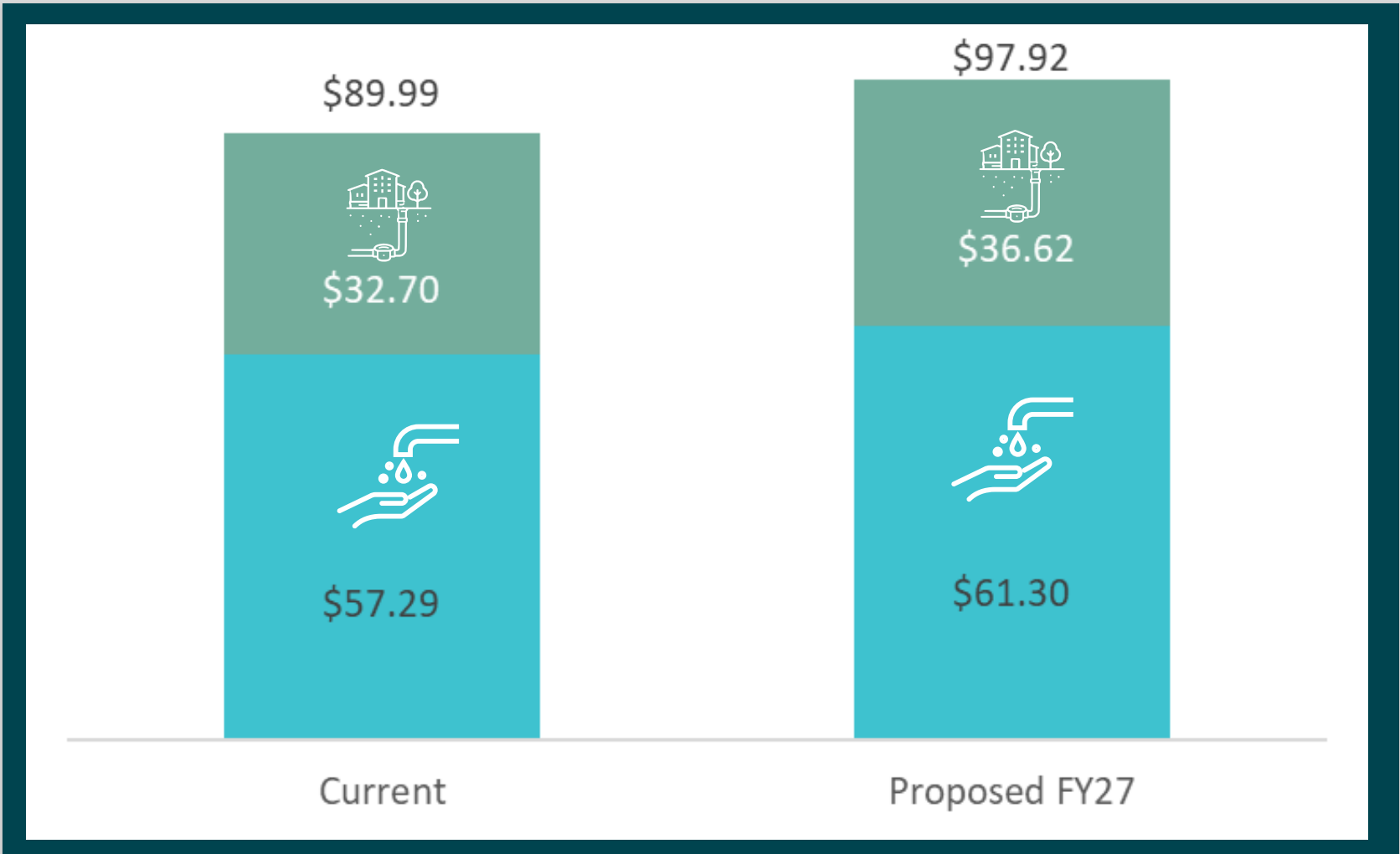


## Rate Design

Do rates meet community objectives while recovering costs?

# Typical monthly residential bill comparison

Residential, 3/4" meter – 1,200 cubic feet water, 535 cubic feet sewer



**FY27 Increase**

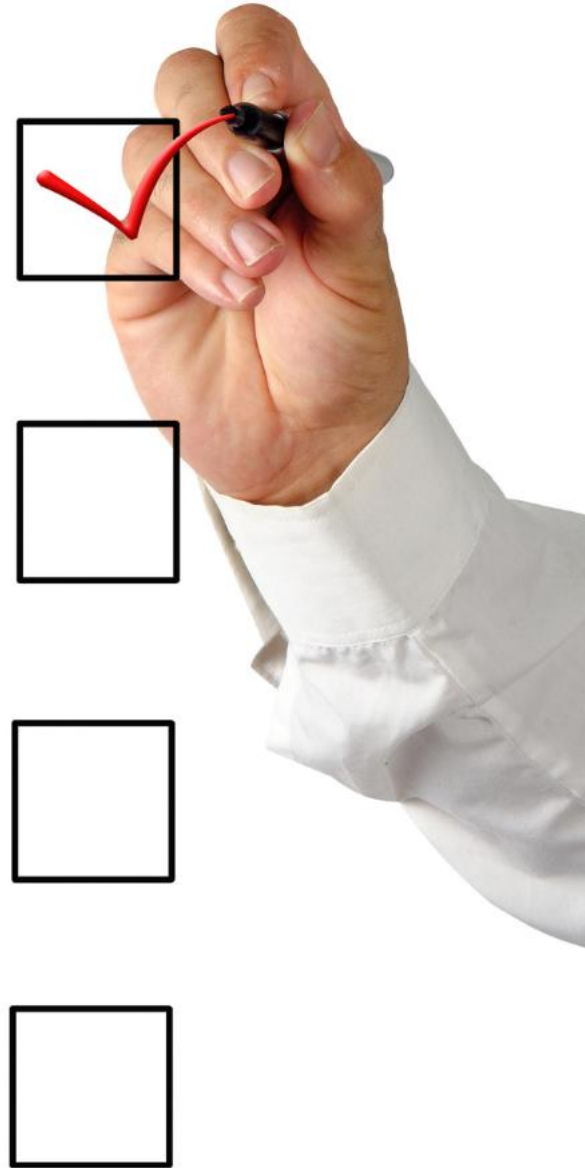
↑ **\$7.93 per month**

**FY28 – FY32**

↑ **\$10.18 per month**

# Water Utility Financial Forecast



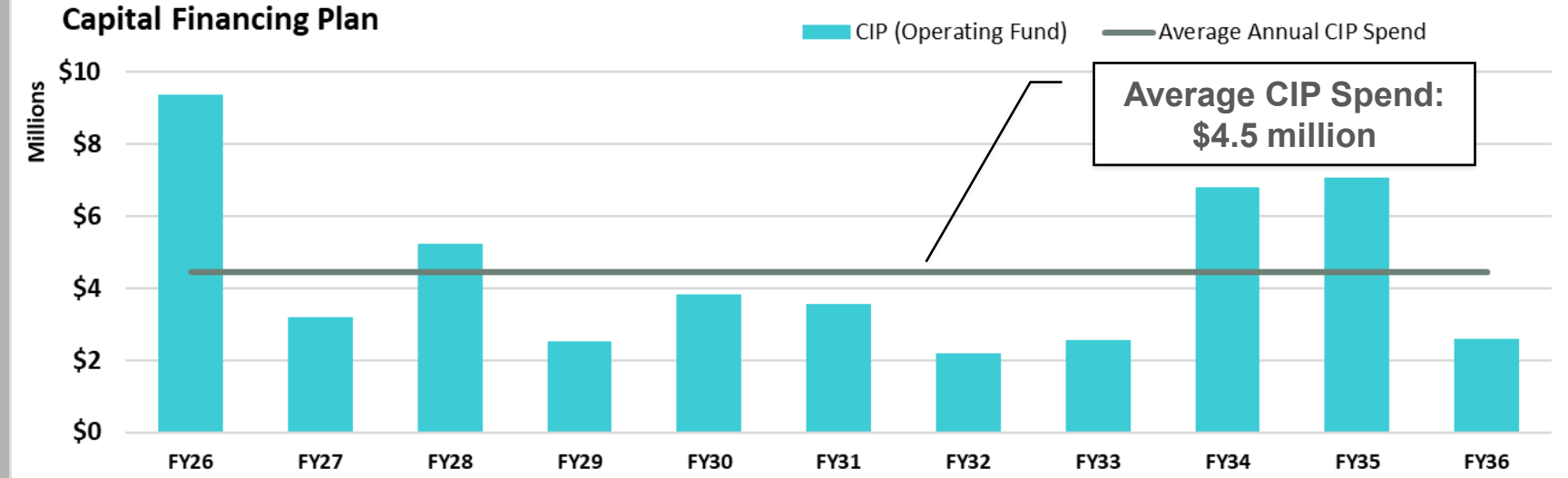


# Water utility Financial forecast outcomes

- Annual rate increases of 7% (FY27 – FY36)
- CIP of \$40 M funded with cash
- No debt or SPT funding (\$5M in SPT = 1% annual rate decrease)
- Achieves the operating reserve target of 90 days of O&M
- Achieves the capital reserve target of average capital spending (\$4.5 M)
- Achieves debt service coverage target of 1.5



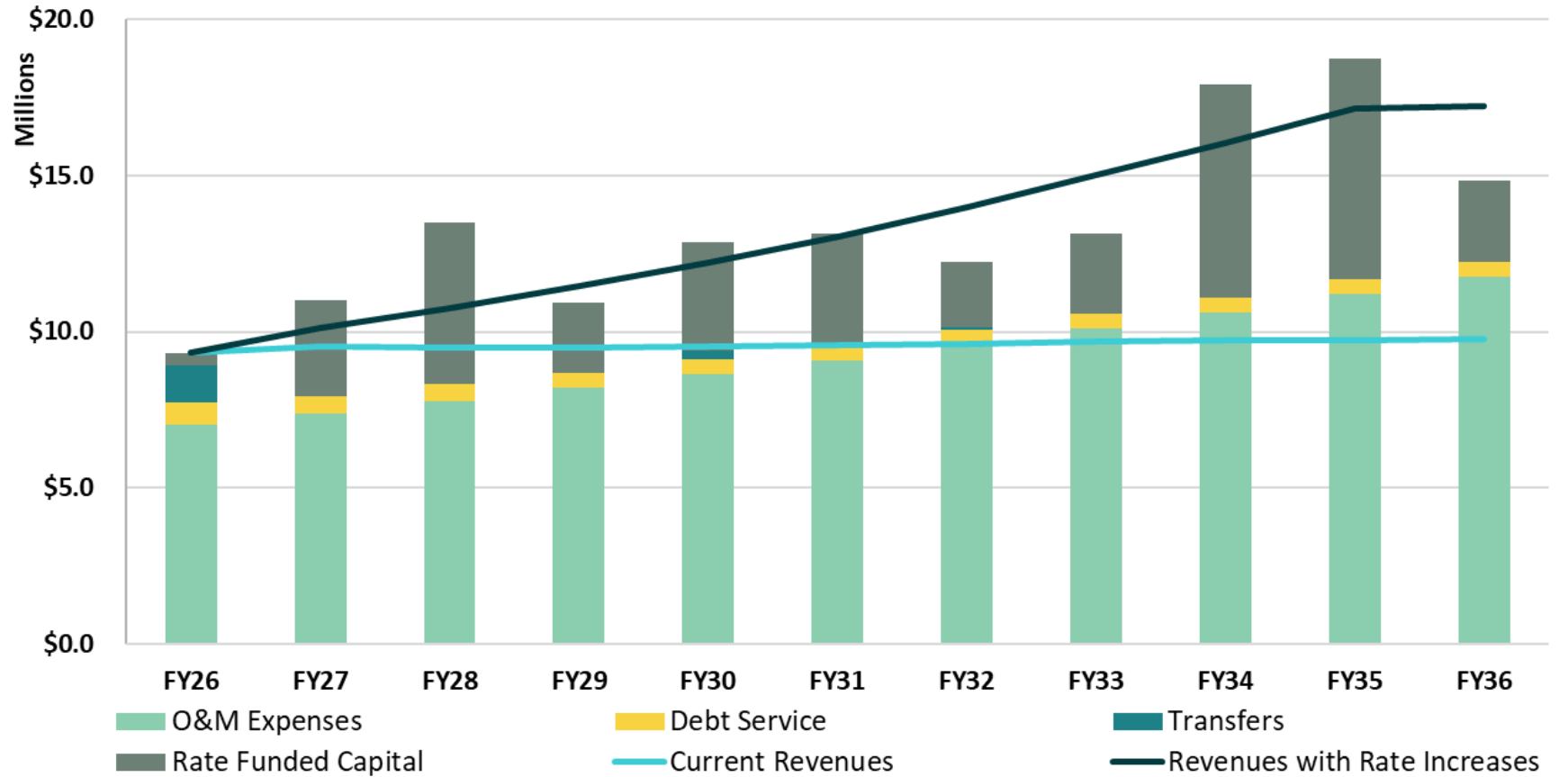
# Water Capital Improvement Program



Top 5 Project	(\$millions)
Parallel Eastside - Pump House and Discharge Piping	\$16.19
Crossroads Pump Station	\$9.00
Parallel 24" Line - Dog Park to Blair Town Tanks	\$6.10
Wind River Tank (2 mg)	\$4.68
Transmission Line - Wind River Tank to Summit	\$3.59
<b>Total Top 5 Projects</b>	<b>\$39.56</b>

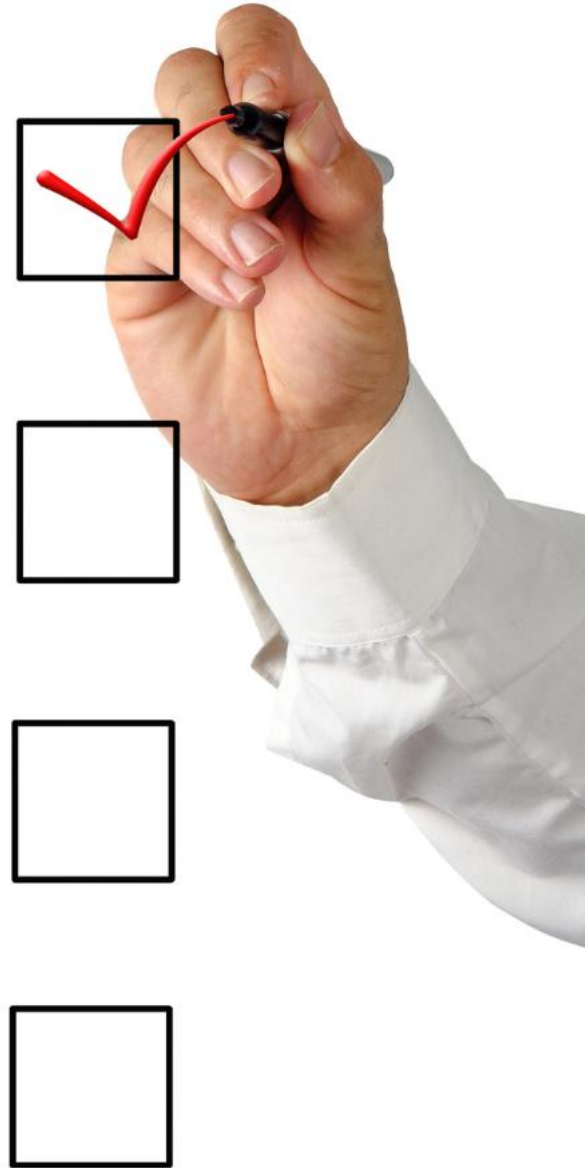
# Water 10-Year financial forecast

## *Annual revenues and expenditures*



# Sewer Utility Financial Forecast





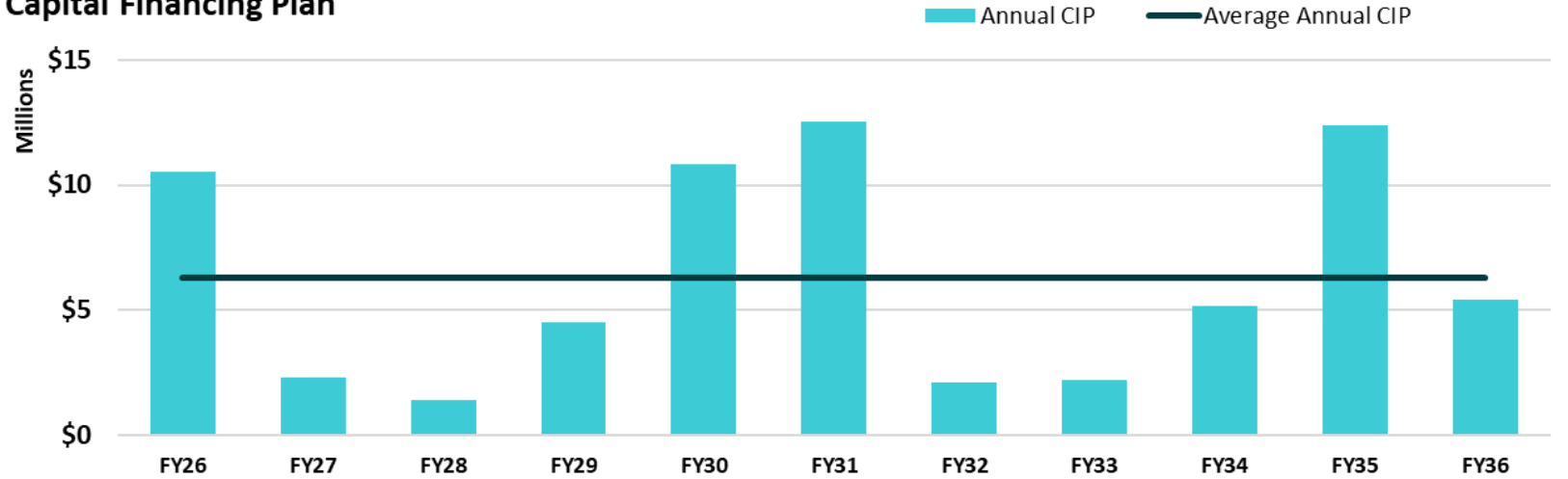
# Sewer utility Financial forecast outcomes

- Annual rate increases of 12% (FY27 – FY29) and 11% (FY30 – FY36)
- CIP of \$59 M funded with cash and debt
- No SPT funding (\$6M in SPT = 1% annual rate decrease)
- Achieves the operating reserve target of 90 days of O&M
- Achieves the capital reserve target of average capital spending (\$6.1 M)
- Achieves debt service coverage target of 1.5

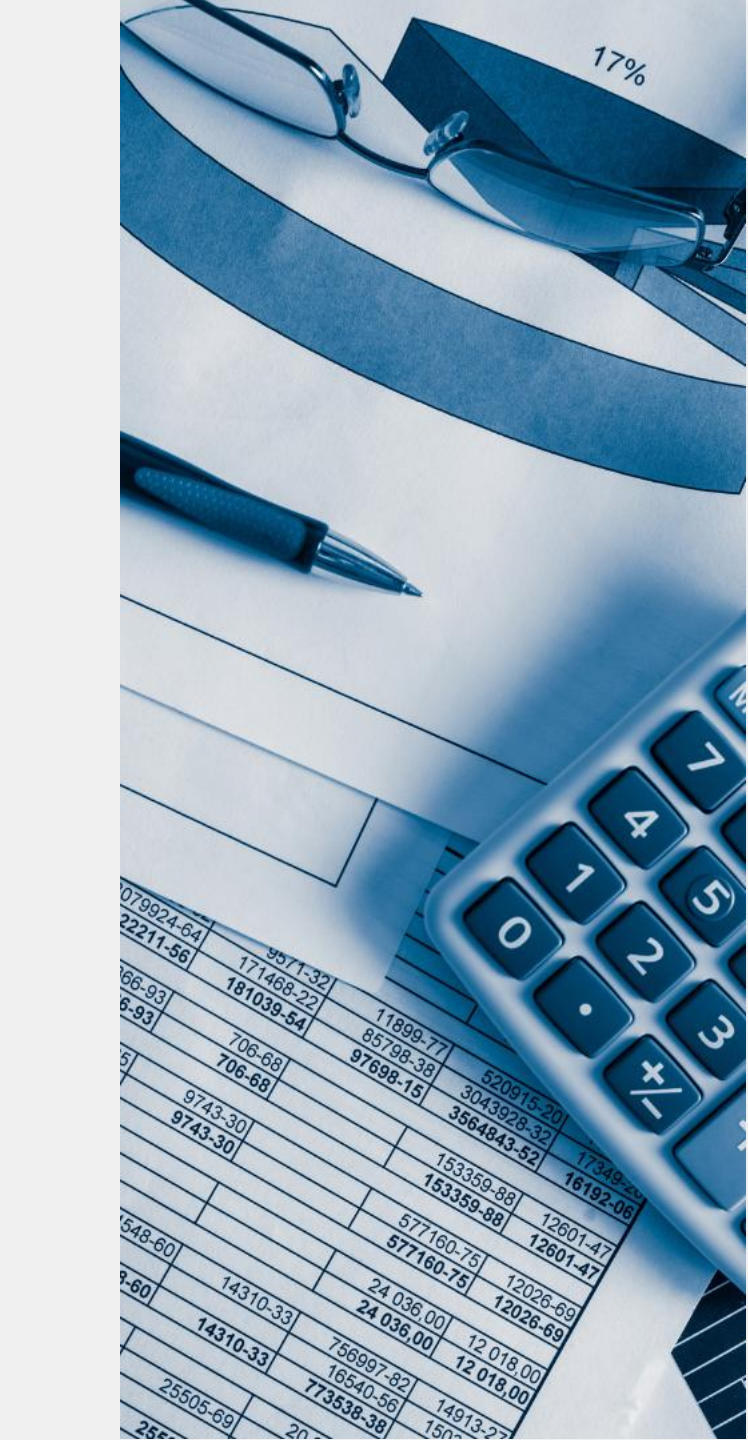


# Sewer capital improvement program

Capital Financing Plan

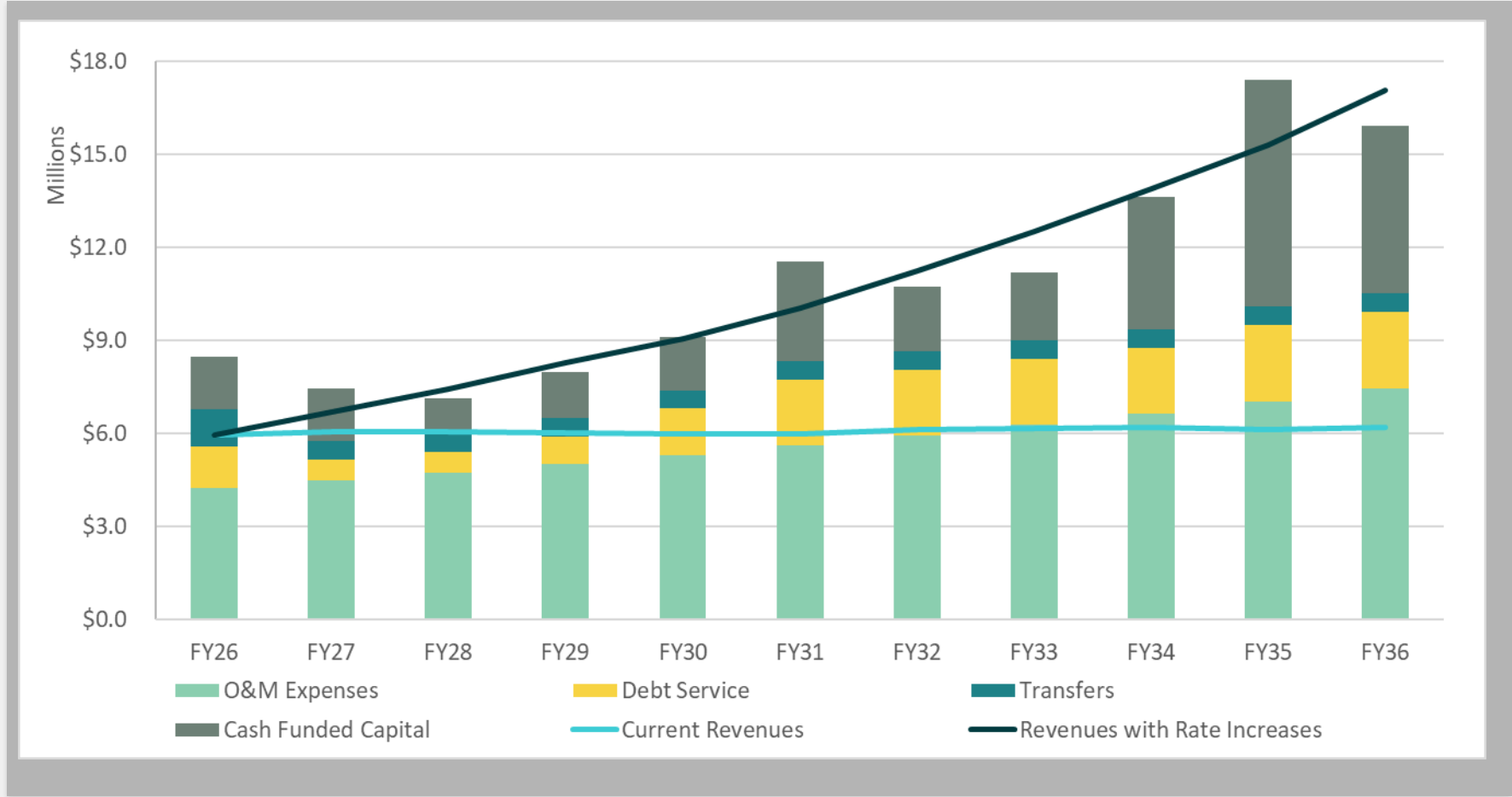


Top 5 Projects	(\$millions)
Whole Effluent Filtration	\$23.66
Dewatering Building	\$14.35
WRF Solar Drying Facility (fully encumbered)	\$11.59
WWTP Surface Improvement	\$6.59
Back-up Power System	\$4.25
<b>Total Top 5 Projects</b>	<b>\$60.44</b>



# Sewer 10-year financial forecast

## Annual revenues and expenditures



# Stormwater Financial Assessment





# Stormwater financial assessment

- Conducted a comprehensive capital planning review and project risk evaluation
- Identified approximately \$15.9 million in required repair and replacement projects over a 10-year horizon
- Evaluated potential funding sources, including reserves, general fund transfers, and SPT proceeds
- Additional analysis needed to assess implementation of a per-parcel fee structure

Key Projects	(\$millions)
Elk and Evans St. to Bitter Creek	\$7.77
Annual Storm Sewer Replacement/Renewal Program	2.90
Gateway Blvd. and Dewar Dr.	1.75
Street Sweeper	0.89
Vac Truck	0.73
<b>Total Top 5 Projects</b>	<b>\$14.04</b>

# Peer Utility Survey



# Why rate structures and monthly bills vary between utilities

**Source of supply differences**

**Service area**

**Water rights portfolio**

**Water treatment costs**

**Management of assets**

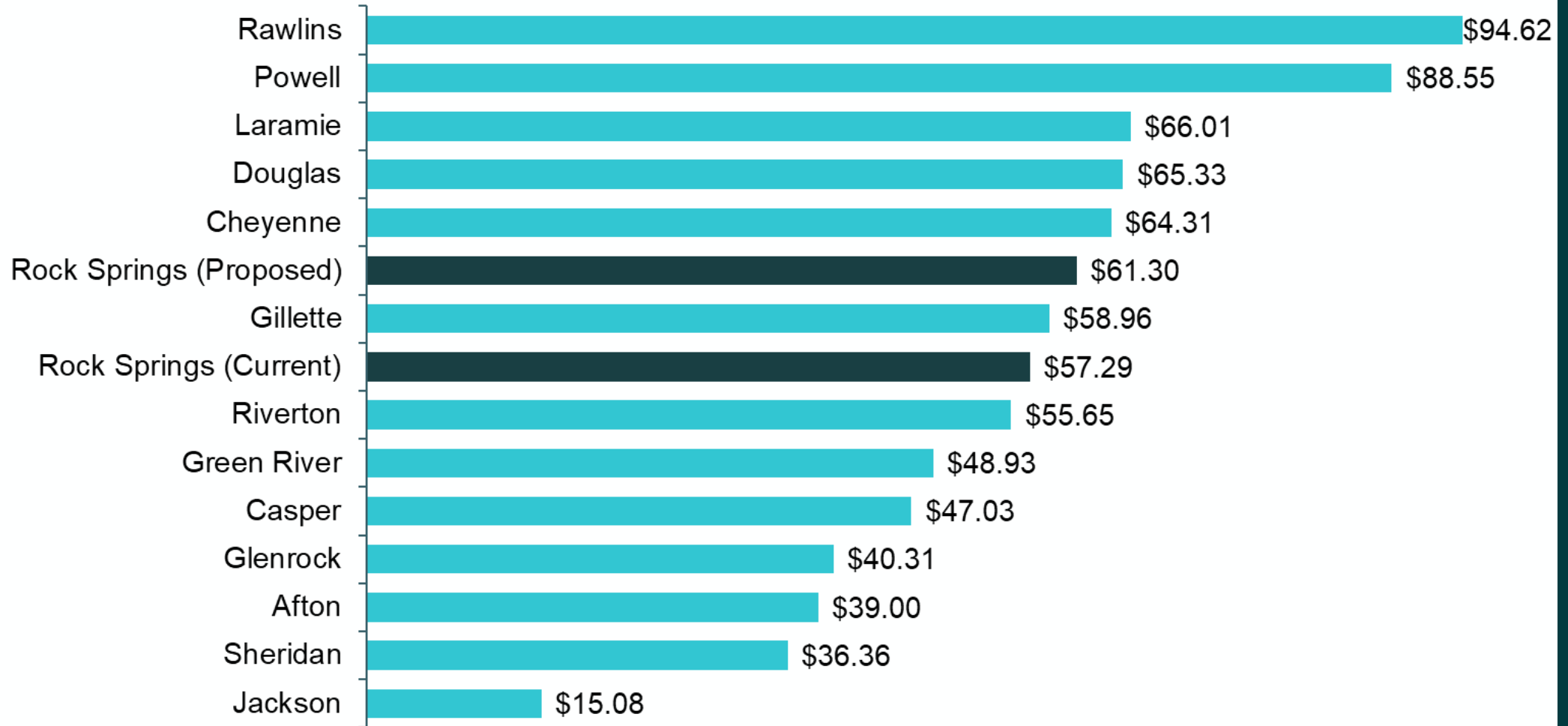
**Credit ratings**

**History of rate increases**

**Capital funding**

# Peer utility survey - water

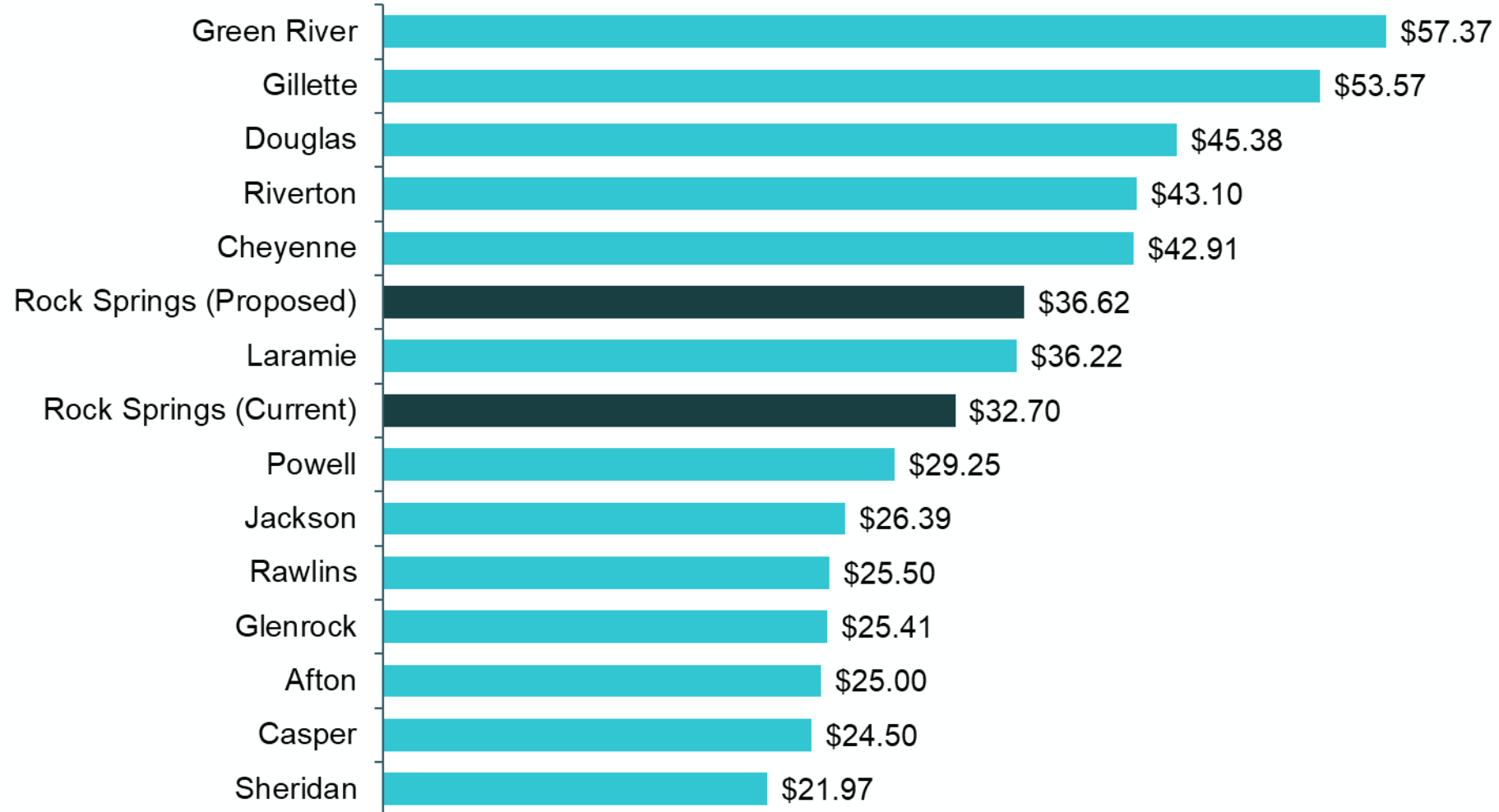
## Residential customer 3/4" water meter 1,200 cubic feet



# Peer utility survey - sewer

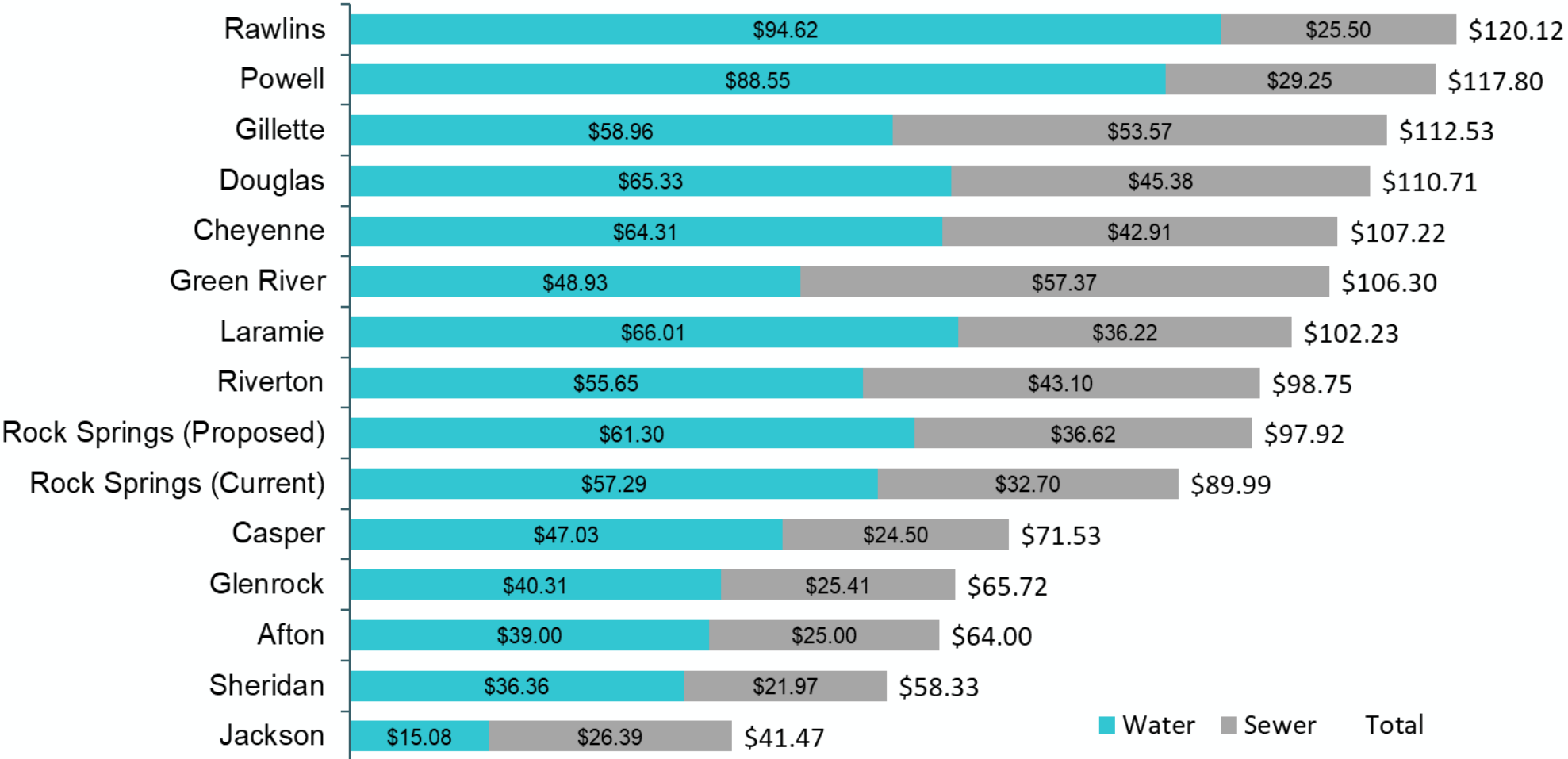
## Residential customer, 3/4" meter

### 535 cubic feet billable water volume



# Peer utility survey

## Combined water and sewer



# Rate Structure

# Pricing Objectives





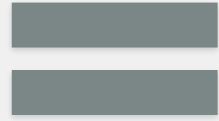
## **Rate Structure Pricing Objectives**

A means of ensuring community values are reflected in the way costs of providing service are recovered.

# Required objectives



Revenue  
Sufficiency



Costs covered - Financial health maintained



Defensibility



Legally compliant; defensible in court

# Common pricing objectives



**Revenue stability**



**Cost recovery between classes**



**Cost recovery within a class**



**Essential use pricing**



**Efficient water use pricing signal**



**Customer understanding**



**Ease of administration/  
implementation**



**Customer impact**



# City's current residential water and sewer rates

Water Minimum Charge, \$ per Bill <i>includes 268 cubic feet of usage</i>	
Meter Size (inches)	Current
5/8"	\$20.05
3/4"	20.05
1"	28.29
1 1/2"	28.29
2"	40.09
3"	52.29
4"	160.45
6"	279.53

Water Volume Rates, \$ per cubic feet	
Tier Thresholds* <i>Residential Tiers Shown</i>	Current
Tier 1: 0 – 268 cubic feet	\$0.00000
Tier 2: 269 – 670 cubic feet	0.04808
Tier 3: > 670 cubic feet	0.03380

Sewer Rates	
Description	Current
Minimum Sewer, \$ per bill	\$16.38
Volume rate, \$ per cubic feet*	\$0.06111

\*Average of the 3 lowest months of water usage from April 2022 Invoice to March 2023 Invoice



# City's current commercial water and sewer rates

Water Minimum Charge, \$ per Bill <i>includes 268 cubic feet of usage</i>	
Meter Size (inches)	Current
5/8"	\$20.27
3/4"	20.27
1"	28.52
1 1/2"	40.48
2"	52.76
3"	96.96
4"	161.85
6"	281.90

Water Volume Rates, \$ per cubic feet	
Tier Thresholds* <i>Residential Tiers Shown</i>	Current
Tier 1: 0 – 268 cubic feet	\$0.00000
Tier 2: 269 – 670 cubic feet	0.04864
Tier 3: > 670 cubic feet	0.03539

Sewer Rates	
Description	Current
Minimum Sewer, \$ per bill	\$16.38
Volume rate, \$ per cubic feet*	\$0.06111

\*Average of the 3 lowest months of water usage from April 2022 Invoice to March 2023 Invoice

**\*Not shown: Private fire hydrant and private fire protection service fees**

# Stormwater Cash Flow Analysis





# Next steps

- Cost of service analysis
  - Cost recovery required from the residential and commercial classes
- Rate design alternatives aligned with pricing objectives
  - Essential use affordability
  - Revenue stability
  - Conservation
  - Cost equity between customer classes
  - Cost equity between low and high-volume customers
- Customer bill impacts
- Updated peer utility survey

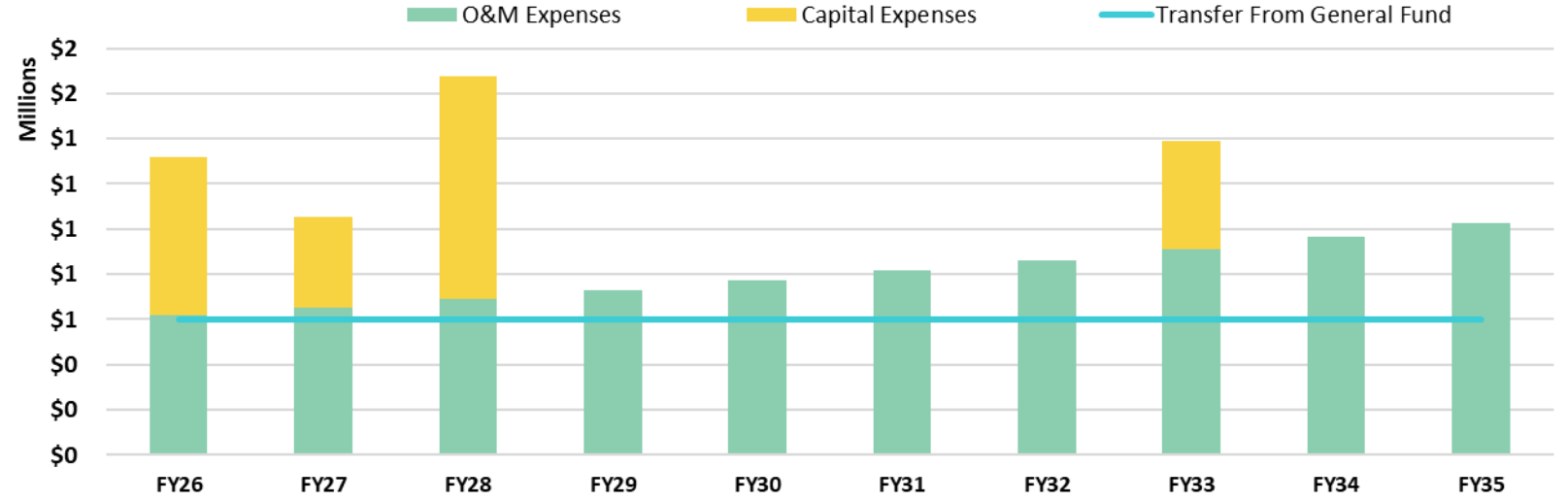


# Thank you!

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303 305 1138 / [tcristiano@raftelis.com](mailto:tcristiano@raftelis.com)

# Stormwater utility financial forecast

## Financial Plan



## Fund Balance

