

Update posted March 28th, 2024

Following the initial rate and fee study presentation in January, the City of Rawlins has scheduled three additional meetings to review financial information and then consider rate and fee changes. These meetings are set for:

- April 2nd at 6 pm – 2nd Work Session on Water and Sewer Rates
- April 16th at 6 pm – 2nd Work Session on Recreation and Other Rates
- April 16th at 7:30 pm – Regular Council Meeting with Public Hearing and Council Vote

To review the January study and all future studies, please scroll down to the next section of this page. Following the April 2nd meeting, you can also provide written feedback about the proposed rates to the council and staff on this page.

The work session held in January and the two upcoming meetings in April feature presentations by City Manager Sarvey. He will share detailed financial information on income, expenses, and proposed rates/fees. We encourage our community to attend these meetings, watch online during or afterward, and review the rate/fee study reports. Although we provide selected information below, please refer to the full studies for extensive details about our city's current financial status.

General fund rates and fees being considered are:

- Animal Licenses and Animal Control Fees
- Building Permits
- Community Bus Rate
- Cemetery Fees
- Contractors' Licenses
- Impound and Towing Fees
- Liquor, Non-resident, Solid Waste Hauler, and other Business Licenses
- Recreation Rates
- Rental Fees
- Rochelle Ranch Golf Course Rates
- Shooting Ranges Rates
- Special Event Applications
- Special Use Liquor Permits

Enterprise funds rates and fees being considered are:

- Landfill Construction and Demolition and other separated materials rates
 - **Not** Municipal Solid Waste, which is commonly known as household trash
- Sewer Rates
- Water Rates

Our water and sewer service, as well as landfill and recycling, are enterprise funds. This means they must be self-funded through fees and are separate from the General Fund. They operate more like businesses instead of using taxes. If there is not enough money from fees for infrastructure updates,

necessary equipment, and sufficient staffing, our service quality suffers and infrastructure is not maintained properly.

As many of you know, the City of Rawlins increased water rates in November 2022. This rate increase affected the average home by raising the rate by approximately \$20 per month. The City also changed the water rate structure to a “cost-to-serve” rate, in which rates are higher for those with more water capacity. The rate, therefore, impacted businesses and others with large taps more. The 2022 rate increase has generated approximately \$82,000 more for the water fund per month.

However, three major factors have made the 2022 increase insufficient to fund our water system. First, bringing the pretreatment plant online costs hundreds of thousands of dollars more than accounted for during the 2022 water rate study. The pretreatment plant is a necessary part of our source water infrastructure repairs, for it provides a way to use reservoir and river water while the springs and transmission line are under repair. It also provides a backup system in case of transmission line failure. The pretreatment plant can also moderately supplement water available for irrigation when springs/well water is insufficient.

Second, inflation has also increased the estimated cost of both source water and in-town infrastructure maintenance above what the 2022 water rate study planned for. Although engineers are still creating final plans and costs, new estimates place the total costs of rehabilitating the Priority 1 out-of-town infrastructure closer to \$30 million instead of the original \$20 million.

Lastly, we may not meet the necessary requirements or quality for large enough loans without increased rates for our users. Our current rates do not support large enough debt payments to qualify for most loans, due to the increased costs and the large sum paid for the pretreatment plant. Although we have received over \$3.5m in grants, these have included significant matches from the water fund or other grants. Also, the USDA loan agency has stated they would prefer our rates to be around 1.58% of monthly household income for water alone, making the average water monthly rate almost double. Because we cannot fund millions of dollars in out-of-town and in-town infrastructure rehabilitation on our own, we must rely on loans to complete the necessary work.

This year, the city is also studying sewer rates. These rates have not increased since 2013, when they were raised by one dollar per month from \$14 to \$15. The Sewer Enterprise fund is responsible for all wastewater collection (sewer) and stormwater infrastructure, as well as the wastewater treatment plant. Any change to the sewer rate will be shown on the monthly utility bill from the City of Rawlins.

The City of Rawlins is working on the fiscal year 2024-25 budget and beyond so that we can maintain our infrastructure and provide services to the community. This is necessary as 1) an overextended budget led to seven general fund positions being frozen in this current budget, and 2) infrastructure and facility maintenance have not been fully funded for many years. Reviewing the rates and fees is an important part of the budgetary process and is required by City Ordinance.

Information about studies, discussions, and proposals on City of Rawlins Fees and Rates will be shared on this webpage as a central location to find the pertinent information. If you have questions, please contact Community Relations at 307-328-4500 ext. 1022.