

ORDINANCE 2025-033
AMENDING CHAPTERS 3.16, 4.04, 13.12, 13.15 AND 13.30 OF THE
CASTLE ROCK MUNICIPAL CODE BY CHANGING
STORMWATER DEVELOPMENT IMPACT FEES, RENEWABLE
WATER RESOURCE FEES, WATER AND WASTEWATER SYSTEM
DEVELOPMENT FEES, AND WATER, WATER RESOURCES,
WASTEWATER AND STORMWATER RATES AND SURCHARGES

OCTOBER 7, 2025



RATES AND FEES

RATE HISTORY

Fund	2021	2022	2023	2024	2025
Water	0%	0%	4.5%	4.5%	5.0%
Water Resources	0%	3.0%	7.5%	7.5%	8.0%
Stormwater	0%	2.5%	4.5%	4.5%	5.0%
Wastewater	0%	-5.0%	0%	0%	0.5%
Net Change	0%	-0.69%	3.91%	3.96%	4.52%

* Net change is for typical single family residential bill.

	2021	2022	2023	2024	2025
Inflation	7.0%	6.5%	3.4%	2.9%	2.9%
CCI	7.4%	5.6%	2.6%	0.9%	2.4%

RATES AND FEES

SDF HISTORY

Fund	2021	2022	2023	2024	2025
Water	10%	41%	10%	10%	20%
Water Resources	5%	43%	15%	3%	7%
Stormwater	5%	23%-49%	10%	3%-10%	0%-5%
Wastewater	0%	22%	10%	3%	3%
Net Change (Plum Creek)	4.93%	40.07%	13.26%	4.36%	8.34%

	2021	2022	2023	2024	2025
Inflation	7.0%	6.5%	3.4%	2.9%	2.9%
CCI	7.4%	5.6%	2.6%	0.9%	2.4%

RATES AND FEES

CONSIDERATIONS & STRATEGY

Water Resources Debt

- Anticipated debt needed to fund near-term capital projects
- \$208M in CIP expenses 2025-2030
- 2025 or 2026: \$56M projected in debt, 20 year
- 2029: \$15M, minimum, projected in debt, 20 year
- National economic issues will likely impact timing

Additional Budgeted Revenue

- Oil & Gas Water Lease
- Projected \$500K annually 2025-2029

Potential Future Expenses

(Not included in Rate Recommendations)

- PCWRA Regulatory Expenses
- 2030-2035 timeframe
- Projected expense of \$148M
- \$74M rate-funded, \$74M SDF-funded
- **State to begin work on permit renewal at the end of 2025**

RATES AND FEES

CONSIDERATIONS & STRATEGY

2026 – 2030 Growth Forecast

- Average of 380 Residential permits per year
- Additional 95 Macanta/Canyons South Residential permits per year (Extraterritorial)

Factors Impacting Capital Costs

- Regulatory impacts (Forever Chemicals, Denver Basin rules, wastewater discharge permit)
- Rising project costs
- Renewable water scarcity across the west
- Crisis in the Colorado River continues
- Supreme Court complaint by Nebraska v. Colorado
- Changing weather patterns
- Permitting and infrastructure
- Continued population growth in Colorado

Catastrophic Failure Reserve

- Industry standard of 1% to 2%
- Continue temporary reduction in Water and Stormwater from 2% to 1%
- Water Resources temporary reduction from 2% to 1%
- Wastewater maintain at 2%
- Total CRW catastrophic failure reserve will be 1.2%
- Balances at 1% by fund:
 - Water: \$3.0M
 - Stormwater: \$1.3M
 - Water Resources: \$2.2M
 - Wastewater: \$1.3M

RATES AND FEES

FIVE YEAR CIP

Fund	2025-2029 Budget	2026-2030 Budget	Variance
Water	\$65,646,305	\$29,382,499	(\$36,263,806)
Water Resources	\$148,616,478	\$86,011,082	(\$62,605,396)
Stormwater	\$15,765,795	\$6,285,574	(\$9,480,221)
Wastewater	\$36,035,404	\$34,088,749	(\$1,946,655)
Total	\$266,063,982	\$155,767,904	(\$110,296,078)

RATES AND FEES

FIVE YEAR CIP

Water

- SCADA - \$2.2M in 2026 / \$8.6M through 2030
- Advanced Metering Infrastructure - \$1.3M in 2026
- South Well Field Pipeline - \$1M in 2026
- Meadows & Miller Water Treatment Plant Filters - \$1M in 2026
- Young American Rehabilitation - \$5M in 2027
- Tank 8B - \$4.5M in 2028
- Paintbrush Park Pond/Stormwater - \$2.7M in 2026

Stormwater

- Paintbrush Park Pond/6400 East Plum Creek Stream Stabilization - \$2.7M in 2026
- Storm Sewer Rehabilitation - \$0.34M in 2026 / \$1.65M through 2030
- Additional Infrastructure Needs Caused by Development - \$0.15M in 2026 / \$0.8M through 2030

Water Resources

- PCWPF Expansion & PC Central Pipeline – no additional dollars in 2026 / \$12.2M through 2030
- WISE Desalination - \$6M in 2026 / \$59.6M through 2030
- Chatfield Storage Reallocation Project - \$1.1M in 2026 / \$5.5M through 2030
- SCADA - \$1.1M in 2026 / \$4.3M through 2030
- Advanced Metering Infrastructure - \$0.67M in 2026
- Platte Valley Water Partnership - \$0.5M in 2026 / \$2.4M through 2030

Wastewater

- Highway 85 - \$11.8M (ARPA funding potential of additional funding from CRW up to \$4.8M)
- SCADA - \$1.1M in 2026 / \$4.3M through 2030
- Young American Rehabilitation - \$1.5 M in 2027
- Lift Station Replacement - \$5M in 2026
- PCWRA Reuse Reservoir - \$1.9M (latest cost \$2.1M)
- PCWRA Replacements - \$2M in 2026 / \$4M through 2030
- Plum Creek Interceptor - \$5M in 2029

RATES AND FEES

STAFFING AND OPERATIONAL CONSIDERATIONS

Major Operational Cost Impacts

- First year Castle Rock Water will take full WISE allocation, going from ~1,000 acre feet per year to 2,250 acre feet – cost increase of \$5.2M (\$4.2M to \$9.4M) – includes Pinery subscription
- 8% increase in electrical costs (20% or more through 2030)
- 8.6% (adjusted to 4.6% at last board meeting) increase in Plum Creek Water Reclamation Facility fees

2026 Staffing

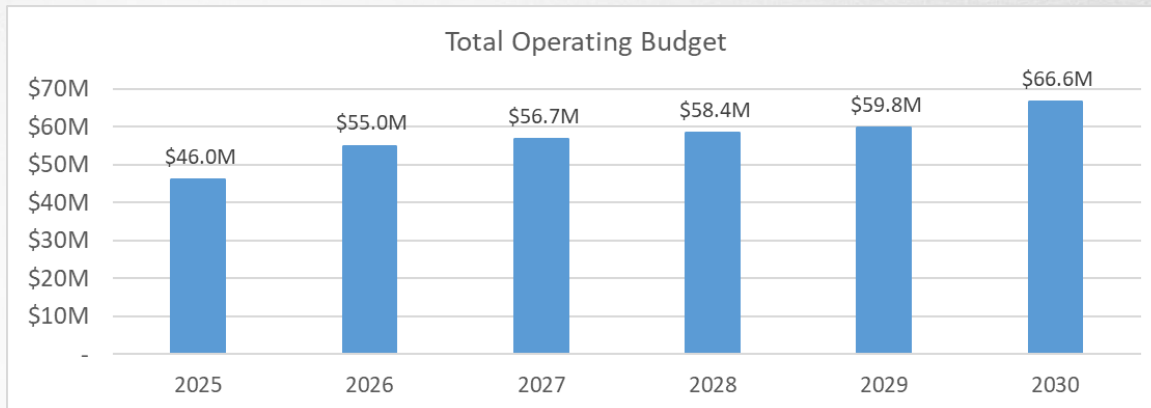
- Plant Maintenance Supervisor
- Instrumentation and Control Engineer Supervisor
- Water Quality Technician
- Stormwater Infrastructure Inspector (split with Dev. Svcs.)
- Market-Driven Operational Personnel Pay Adjustments for SCADA / Operational Technology - \$84K

2027 Staffing

- Wastewater Distribution Operator
- Advanced Metering Infrastructure (AMI) Coordinator

RATES AND FEES

OPERATING BUDGET



Major Operating Categories	2025	2026	2027	2028	2029	2030
Personnel	\$14,916,359	\$16,590,040	\$17,513,440	\$18,495,806	\$19,534,080	\$20,623,736
Other Professional Services	\$4,233,671	\$9,529,630	\$9,336,192	\$9,236,989	\$9,338,606	\$14,436,693
Wastewater Treatment	\$5,017,198	\$5,371,491	\$5,750,832	\$6,156,996	\$6,591,878	\$7,057,513
Electricity	\$4,743,260	\$5,684,904	\$6,139,693	\$6,323,883	\$6,513,600	\$6,709,007
Repair and Maintenance	\$4,414,531	\$4,191,339	\$4,203,374	\$4,215,879	\$4,070,879	\$4,070,879
Total Major Operating Categories	\$33,325,019	\$41,367,404	\$42,943,531	\$44,429,553	\$46,049,043	\$52,897,828
Total Operating Budget	72.4%	75.2%	75.7%	76.1%	77.0%	79.4%

RATES AND FEES

PROPOSED 2026-2030 RATES

Fund	2026	2027	2028	2029	2030
Water	5%	5%	5%	5%	5%
Water Resources	8%	8%	8%	8%	8%
Stormwater	5%	5%	5%	5%	5%
Wastewater	0.5%	0.5%	0.5%	0.5%	0.5%
Net Change*	4.62%	4.69%	4.76%	4.83%	4.90%

* Average residential customer

RATES AND FEES

AVERAGE BILL COMPARISONS

¾" Residential Customer

Winter Bill

AWMC = 4 Use = 4

	2025 Rates	Forecast 2026	Difference
Water Service	\$ 10.94	\$ 11.49	\$ 0.55
Wastewater Service	\$ 33.01	\$ 33.18	\$ 0.17
Renewable Water	\$ 33.61	\$ 36.30	\$ 2.69
Stormwater	\$ 8.37	\$ 8.79	\$ 0.42
Total Service Charges	\$ 85.94	\$ 89.75	\$ 3.81
Consumption			
Tier 1	\$ 12.92	\$ 13.57	\$ 0.65
Tier 2	\$ -	\$ -	\$ -
Tier 3	\$ -	\$ -	\$ -
Total Consumption Charges	\$ 12.92	\$ 13.57	\$ 0.65
Total Bill	\$ 98.88	\$ 103.32	\$ 4.46
Difference			
Overall % Difference			4.51%

¾" Residential Customer

Summer Bill

AWMC = 4 Use = 15

	2025 Rates	Forecast 2026	Difference
Water Service	\$ 10.94	\$ 11.49	\$ 0.55
Wastewater Service	\$ 33.01	\$ 33.18	\$ 0.17
Renewable Water	\$ 33.61	\$ 36.30	\$ 2.69
Stormwater	\$ 8.37	\$ 8.79	\$ 0.42
Total Service Charges	\$ 85.94	\$ 89.75	\$ 3.81
Consumption			
Tier 1	\$ 12.92	\$ 13.57	\$ 0.65
Tier 2	\$ 72.42	\$ 76.01	\$ 3.59
Tier 3	\$ -	\$ -	\$ -
Total Consumption Charges	\$ 85.37	\$ 89.58	\$ 4.07
Total Bill	\$ 171.30	\$ 179.33	\$ 8.03
Difference			
Overall % Difference			4.69%

RATES AND FEES

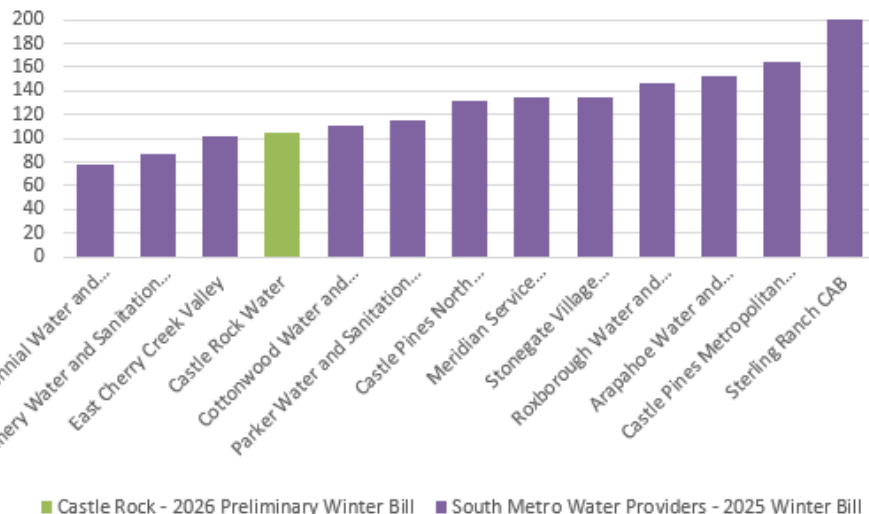
AVERAGE BILL COMPARISONS

Customer	2025	Forecast 2026	\$ Increase	% Increase
3/4" Residential	\$ 125.17	\$ 130.95	\$ 5.78	4.62%
3/4" Commercial (with IRR)	\$ 182.66	\$ 190.49	\$ 7.83	4.29%
3/4" Commercial (no IRR)	\$ 223.44	\$ 233.04	\$ 9.60	4.30%
1.5" Multi-Family (no IRR)	\$ 819.63	\$ 854.05	\$ 34.42	4.20%
1.5" Multi-Family (with IRR)	\$ 904.33	\$ 944.36	\$ 40.02	4.43%
2" Irrigation Only	\$ 2,649.34	\$ 2,793.90	\$ 144.56	5.46%

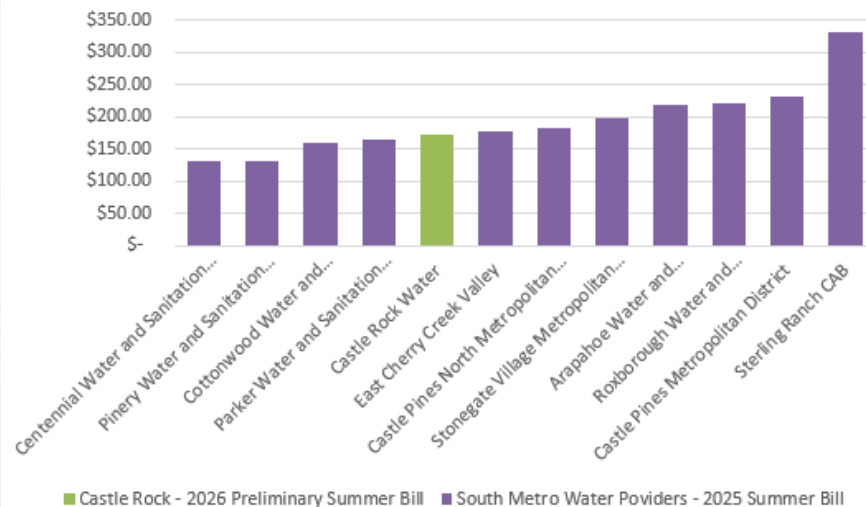
RATES AND FEES

CRW PROPOSED 2026 RATES TO OTHERS' CURRENT 2025 RATES

2025 Adopted Rates vs. CRW 2026 Proposed Rates
Typical Monthly Winter Bill (per 5,000 gallons)



2025 Adopted Rates vs. CRW 2026 Proposed Rates
Typical Monthly Summer Bill (per 15,000 gallons)



RATES AND FEES

PROPOSED 2026-2030 SDFS

Fund	2026	2027	2028	2029	2030
Water	20%	20%	12%	0%*	0%*
Water Resources	7%	7%	7%	0%*	0%*
Stormwater	0%-5%	0%-3%	0%-3%	0%*	0%*
Wastewater	7%	7%	7%	7%	0%*
Net Change	9.03%	9.15%	7.8%	0.8%	0%*

* 0% indicated in current model but will be dependent on inflation and construction cost index.

RATES AND FEES

PROPOSED 2026-2030 SDFS

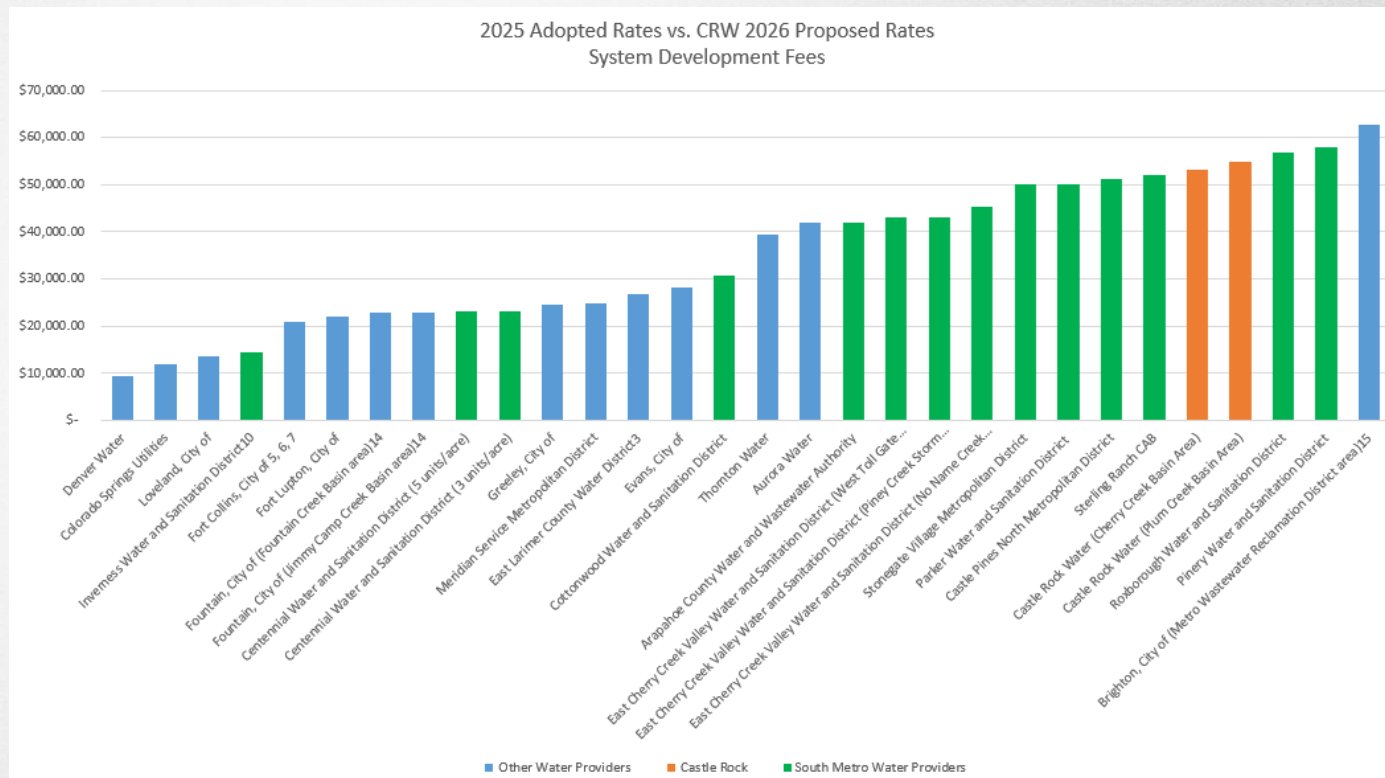
System Development Fee Credit for builder-installed front and back yards eliminated

- Updated capacities in model from 400 gallons per day per capita to 265
- 100% of Platte Valley Water Partnership expenses added into model
- No water savings for homes with builder installed front and back yards

Average Water Use by Home by Month (in Kgals)																						
	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Total
Builder installed front yard only	0	0	0	0	1	1	1	1	1	1	1	2	3	4	4	4	4	4	2	2	1	3
Builder installed front and back yard	0	0	0	1	4	3	2	2	1	1	2	2	4	5	5	5	5	4	2	2	0	3

RATES AND FEES

CRW PROPOSED 2026 SDF TO OTHERS' CURRENT 2025 SDFS



OUTREACH

DEVELOPMENT COMMUNITY

- Economic Development Council Water Subcommittee multiple times
- Developers Roundtable
- Reached out to Colorado Homebuilders Association

RATES AND FEES

RECOMMENDATIONS / KEY DATES

Recommendations

- Water Commission 6-0
- Staff

Key Dates

- Water Commission: September 24, 2025
- Town Council 1st Reading: October 7, 2025
- Town Council 2nd Reading: October 21, 2025

RATES AND FEES

DISCUSSION

QUESTIONS?

ORDINANCE 2025-033

AMENDING CHAPTERS 3.16, 4.04, 13.12, 13.15 AND 13.30 OF THE CASTLE ROCK MUNICIPAL CODE BY CHANGING STORMWATER DEVELOPMENT IMPACT FEES, RENEWABLE WATER RESOURCE FEES, WATER AND WASTEWATER SYSTEM DEVELOPMENT FEES, AND WATER, WATER RESOURCES, WASTEWATER AND STORMWATER RATES AND SURCHARGES

PROPOSED MOTION:

- *“I move to approve the Ordinance as introduced by title on first reading.”*

ALTERNATIVE MOTIONS:

- *“I move to approve the Ordinance as introduced by title on first reading, with the following conditions: (list conditions).”*
- *“I move to continue this item to the Town Council meeting on _____ date to allow additional time to (list information needed).”*