

# CASTLE ROCK WATER RATES AND FEES RECOMMENDATIONS

OCTOBER 3, 2023



# CRW RATE HISTORY

## RESIDENTIAL ¾" METER – ALL FUNDS

Fund	2019	2020	2021	2022	2023
Water	3%	0%	0%	0%	4.5%
Water Resources	0%	0%	0%	3%	7.5%
Stormwater	0%	0%	0%	3%	4.5%
Wastewater	0%	-3%	0%	-5%	0%

	2019	2020	2021	2022	2023
Inflation	2.3%	1.4%	7.0%	6.5%	2.7%
CPI	2.3%	1.4%	7.0%	6.2%	3.7%

# CRW SYSTEM DEVELOPMENT FEE HISTORY

RESIDENTIAL ¾" METER – ALL FUNDS

Fund	2019	2020	2021	2022	2023
Water	1%	3%	10%	41%	10%
Water Resources	12%	3%	5%	43%	15%
Stormwater	0%	3%	5%	49% - 23%	10%
Wastewater	2%	0%	0%	22%	10%

	2019	2020	2021	2022	2023
Inflation	2.3%	1.4%	7.0%	6.5%	2.7%
CPI	2.3%	1.4%	7.0%	6.2%	3.7%

# 2024 – 2028 BUDGET

## CONSIDERATIONS & STRATEGY

- Growth Forecast
  - ✓ 1,560 fewer Residential permits in 2023-2027 vs last year budget
  - ✓ SDF revenue decrease of approximately \$35M during this timeframe
- Maintain Water Capital Plan
  - ✓ Annual inter-fund loans from Wastewater to Water from 2024-2028 ~\$28M
  - ✓ Temporary reduction of catastrophic failure reserve from 2% - 1%
  - ✓ Catastrophic failure reserve still \$9.8M over all 4 funds
  - ✓ Improve peak demand capacity
- Continue Reduced Stormwater Capital Plan
  - ✓ Temporary reduction of catastrophic failure reserve from 2% - 1%

# 2024 – 2028 BUDGET

## CONSIDERATIONS & STRATEGY

- Additional Revenue Bonds
  - ✓ \$40M anticipated in Water Resources in 2026
  - ✓ Debt ratio of 10% today, top AWWA quartile is <25%
  - ✓ New debt ratio of 14% with anticipated bond, still in top AWWA quartile
- Use of Rate Revenue Stabilization and Catastrophic Failure Reserve for 2023
  - ✓ \$3.5M - \$4.0M
  - ✓ Reimburse reserves in 2024-2028
- Review / Reduction of Operating Expense Budget

# 2024 – 2028 BUDGET

## 2024 – 2028 STAFFING UPDATES

### FULL TIME EQUIVALENT ADDITIONS

- 2024
  - ✓ Landscape Designer
  - ✓ SCADA Superintendent
- 2025
  - ✓ Water Plant Operator Supervisor
  - ✓ Advanced Metering Infrastructure Coordinator
- 2026
  - ✓ Customer Service Representative

### GRADE CHANGES

- 2025
  - ✓ 2x Water Plant Operator Supervisors from grade 18 to grade 20
  - ✓ 2x Water Plant Operators from grade 10-16 to grade 18
- 2026
  - ✓ 2x Water Plant Operators from grade 10-16 to grade 18

# 2024 – 2028 BUDGET

## 2024 – 2028 BUDGETED CAPITAL EXPENDITURES

Fund	2024	2025	2026	2027	2028	TOTAL
Water	\$11.4M	\$13.3M	\$13.0M	\$11.8M	\$11.7M	\$61.2M
Water Resources	\$47.4M	\$33.8M	\$32.6M	\$46.0M	\$14.3M	\$174.1M
Stormwater	\$4.6M	\$2.1M	\$3.5M	\$1.4M	\$1.1M	\$12.8M
Wastewater	\$7.9M	\$4.0M	\$3.1M	\$2.9M	\$2.9M	\$20.7M
<b>All funds</b>	<b>\$71.3M</b>	<b>\$53.3M</b>	<b>\$52.2M</b>	<b>\$62.1M</b>	<b>\$30.0M</b>	<b>\$269.8M</b>

# 2024 – 2028 BUDGET

## 2024 – 2028 MAJOR PROJECTS AND EXPENSES

- Water - \$61.2M
  - ✓ \$14.4M – New Water Supply Wells
  - ✓ \$6.0M – Waterline Rehab & Replacement
  - ✓ \$6.0M – Well Redrills
  - ✓ \$5.0M – SCADA System Improvements
  - ✓ \$4.8M – Tank 6B Reconstruction
  - ✓ \$4.0M – Hill Side Pump Station
- Stormwater - \$12.8M
  - ✓ \$4.6M – McMurdo Gulch Stream Stabilization
  - ✓ \$2.6M – EPC Stream Stabilization
  - ✓ \$1.5M – Storm Sewer Rehab
  - ✓ \$1.3M – Sellers Gulch Stream Stabilization
- Water Resources - \$174.6M
  - ✓ \$65.5M – PCWPF Expansion
  - ✓ \$52.6M – WISE Infrastructure
  - ✓ \$16.2M – Chatfield West Side Alt Project
  - ✓ \$13.4M – PC Central Well Field
  - ✓ \$11.1M – CC Basin Infrastructure
- Wastewater - \$20.7M
  - ✓ \$7.2M – Sewer Line Rehab
  - ✓ \$4.8M – Young American Rehab
  - ✓ \$4.0M – PC Interceptor Upsize



# 2024 – 2028 BUDGET

## FUTURE PROJECTS BEYOND 2028 IMPACTING RATES & FEES

- Water
  - ✓ \$50M – Southern Area WT Plant (2029)
  
- Water Resources
  - ✓ \$68M – Box Elder
  - ✓ \$46M – Chatfield West Side Alternative Project (2028-2029)

# WATER FUND 2024 – 2028 PROPOSED RATES & FEES

RESIDENTIAL ¾” METER, 4KGAL AWMC, 5KGAL MONTHLY CONSUMPTION

Water	2023	2024	2025	2026	2027	2028
Rate Increase		4.5%	4.5%	4.5%	4.5%	4.5%
Monthly Charge	\$9.97	\$10.42	\$10.89	\$11.38	\$11.89	\$12.43
Block 1	2.95	3.08	3.22	3.36	3.51	3.67
Block 2	6.00	6.27	6.55	6.85	7.16	7.48
Block 3	8.95	9.35	9.77	10.21	10.67	11.15
<b>Typical Res Bill</b>	<b>\$27.77</b>	<b>\$29.01</b>	<b>\$30.32</b>	<b>\$31.67</b>	<b>\$33.09</b>	<b>\$34.59</b>
<i>Difference</i>		\$1.24	\$1.31	\$1.35	\$1.42	\$1.50

Water	2023	2024	2025	2026	2027	2028
SDF Increase		10%	10%	10%	10%	10%
SDF	\$6,270	\$6,897	\$7,587	\$8,345	\$9,180	\$10,098

# WASTEWATER FUND 2024 – 2028 PROPOSED RATES & FEES

RESIDENTIAL ¾” METER, 4KGAL AWMC

Wastewater	2023	2024	2025	2026	2027	2028
Rate Increase		0%	0%	0%	0%	0%
Monthly Charge	\$8.57	\$8.57	\$8.57	\$8.57	\$8.57	\$8.57
Volumetric Rate	6.07	6.07	6.07	6.07	6.07	6.07
<b>Typical Res Bill</b>	<b>\$32.85</b>	<b>\$32.85</b>	<b>\$32.85</b>	<b>\$32.85</b>	<b>\$32.85</b>	<b>\$32.85</b>
<i>Difference</i>		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

Wastewater	2023	2024	2025	2026	2027	2028
SDF Increase		3%	3%	3%	3%	3%
SDF	\$5,400	\$5,562	\$5,729	\$5,901	\$6,078	\$6,260

# STORMWATER FUND 2024 – 2028 PROPOSED RATES & FEES

Stormwater	2023	2024	2025	2026	2027	2028
Rate Increase		4.5%	4.5%	4.5%	4.5%	4.5%
Monthly Charge	\$7.63	\$7.97	\$8.33	\$8.71	\$9.10	\$9.51
<i>Difference</i>		\$0.34	\$0.36	\$0.38	\$0.39	\$0.41

Stormwater	2023	2024	2025	2026	2027	2028
CC SDF Increase		3%	3%	3%	3%	3%
Cherry Creek	\$1,228	\$1,265	\$1,303	\$1,342	\$1,382	\$1,424
PC SDF Increase		10%	10%	3%	3%	3%
Plum Creek	\$2,341	\$2,575	\$2,822	\$2,918	\$3,005	\$3,095

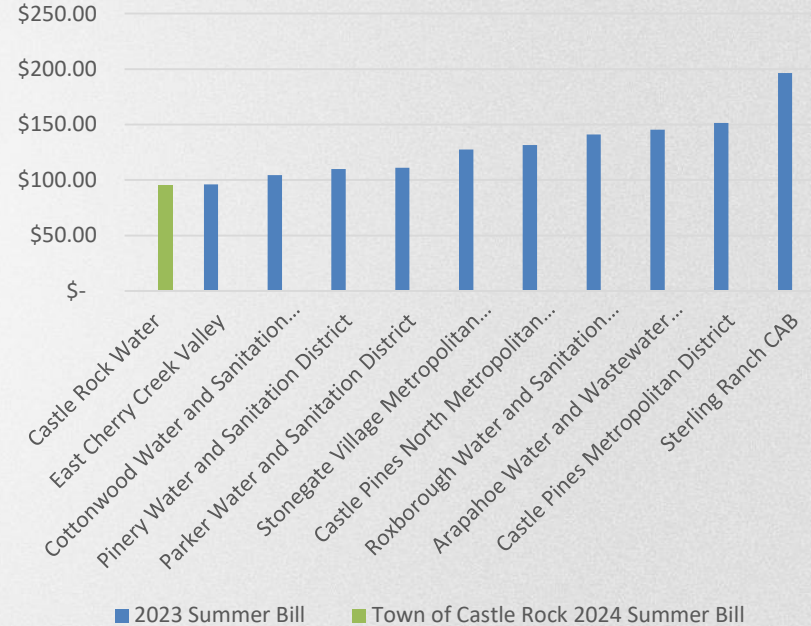
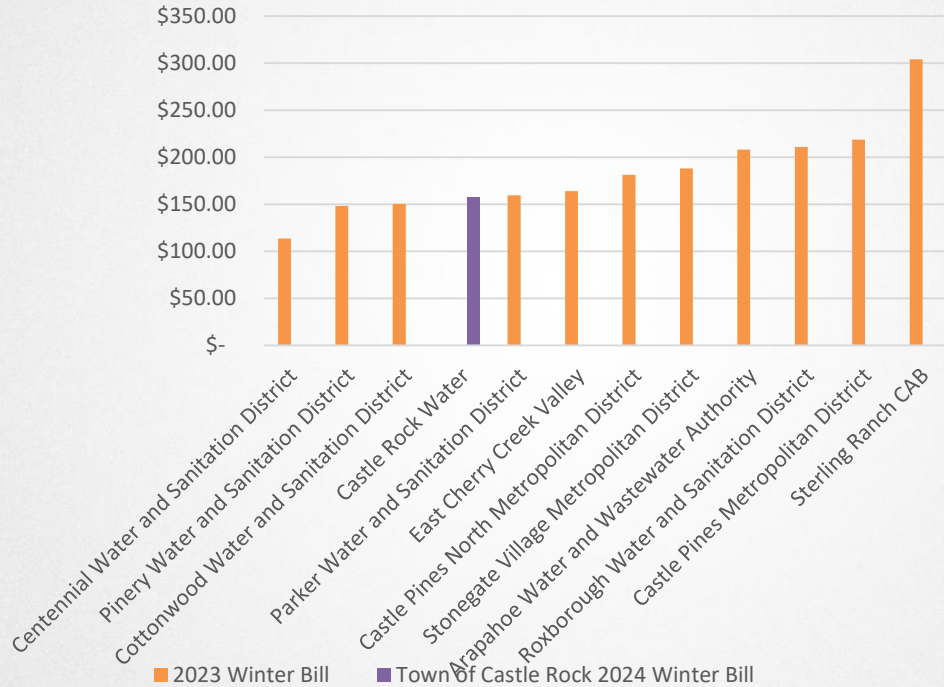
# WATER RESOURCE FUND 2024 – 2028 PROPOSED RATES & FEES

Water Resource	2023	2024	2025	2026	2027	2028
Rate Increase		7.5%	7.5%	7.5%	7.5%	7.5%
Monthly Charge	\$28.15	\$30.26	\$32.53	\$34.97	\$37.59	\$40.41
<i>Difference</i>		\$2.11	\$2.27	\$2.44	\$2.62	\$2.82

Water Resource	2023	2024	2025	2026	2027	2028
SDF Increase		3%	3%	3%	3%	3%
SDF	\$30,383	\$31,294	\$32,233	\$33,200	\$34,196	\$35,222

# WATER PROVIDER COMPARISONS

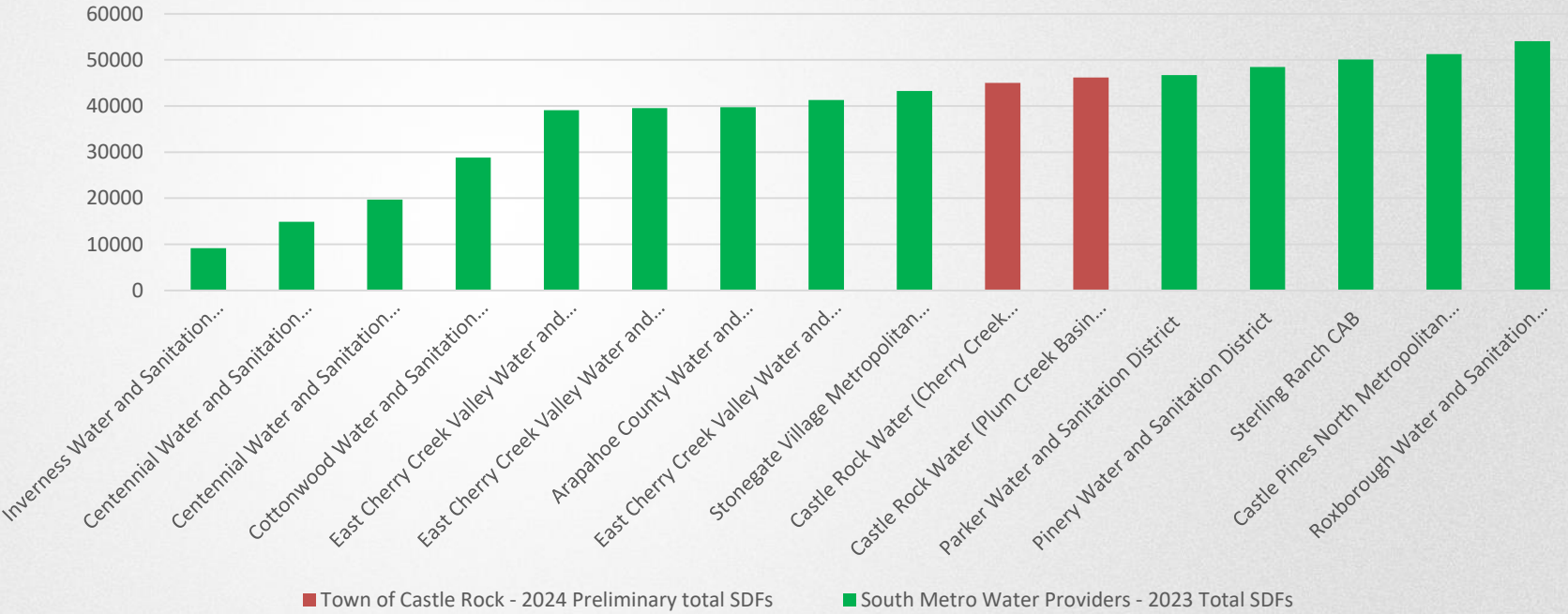
## CRW PROPOSED 2024 RATES TO OTHERS' CURRENT 2023 RATES



# WATER PROVIDER COMPARISONS – SDFS

## CRW PROPOSED 2024 SDFS TO OTHERS' CURRENT 2023 SDFS

Preliminary ToCR 2024 SDFs



# AVERAGE BILL COMPARISONS

Customer Class	2023	2024	\$ Increase	% Increase
3/4" Residential	\$ 115.20	\$ 119.77	\$ 4.57	3.97%
3/4" Commercial (with IRR)	\$ 206.76	\$ 214.36	\$ 7.60	3.68%
3/4" Commercial (no IRR)	\$ 166.12	\$ 172.10	\$ 5.98	3.60%
1.5" Multi-Family (no IRR)	\$ 766.98	\$ 793.73	\$ 26.75	3.49%
1.5" Multi-Family (with IRR)	\$ 835.40	\$ 866.85	\$ 31.45	3.76%
2" Irrigation Only	\$ 2,394.00	\$ 2,512.15	\$ 118.15	4.94%



# CASTLE ROCK WATER RATES AND FEES RECOMMENDATIONS

## Recommendations

- ✓ Staff
- ✓ Castle Rock Water Commission

## Questions