

**ORDINANCE NO. 2023-027**

**AN ORDINANCE 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, AND STORMWATER RATES AND SURCHARGES**

**WHEREAS**, in 2010, the Town Council of the Town of Castle Rock, Colorado (the “Town”) directed Town staff to prepare and present annual updates to Castle Rock Water rates and fees; and

**WHEREAS**, the Town Council has considered and accepted Castle Rock Water’s analyses and recommendations and the following reports prepared by Stantec Consulting Services, Inc.: (i) the 2023 Castle Rock Water Rates and Fees Study Update – Vol. 1 of 2: 2024–2028 Rates, Final Report dated September 2023; and (ii) 2023 Castle Rock Water Rates and Fees Study Update – Vol. 2 of 2: System Development Fees, Final Report dated September 2023; and

**WHEREAS**, increases in the actual rate of growth for the last five years over projected growth rates, changes to estimates on long-term buildout of the Town, disruptions to the renewable water rights market based on increased water scarcity, increases in inflation and construction costs for water infrastructure, requirements to issue debt to smooth future water rate increases, updates to long-term capital plans to support growth, and increases in the costs for water rights and meters all substantiate the proposed changes to Stormwater Development Impact Fees, Renewable Water Resource Fees, Water and Wastewater System Development Fees, and Water, Water Resources, and Stormwater Rates and Surcharges; and

**WHEREAS**, the Town Council finds and determines that it is in the best interests of the Town and its residents to approve the proposed changes to Castle Rock Water rates and fees.

**NOW, THEREFORE, IT IS ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF CASTLE ROCK, COLORADO:**

**Section 1. Legislative Findings.** The recitals to this Ordinance are adopted as findings of the Town Council in support of enactment of this Ordinance, and, in addition, the Town Council finds that:

A. The fee structure established by this Ordinance is supported by:

1. 2023 Castle Rock Water Rates and Fees Study Update – Vol. 1 of 2: 2024-2028 Rates, Final Report dated September 2023;
2. 2023 Castle Rock Water Rates and Fees Study Update – Vol. 2 of 2: System Development Fees, Final Report dated September 2023;

3. The Agenda Memorandum dated October 17, 2023, prepared by the Director of Castle Rock Water, and the accompanying PowerPoint presentation offered at first and second reading of this Ordinance; and
  4. Public comment and testimony.
- B. The fees and charges imposed by this Ordinance comply with the legislative restrictions on impact fees adopted by local governments in § 29-20-104.5, C.R.S.

**Section 2. Amendment.** The Residential and Non-Residential Stormwater Development Impact Fee tables in Subsections A and B of Section 3.16.030 of the Castle Rock Municipal Code are amended to read as follows:

3.16.030 - Assessment and collection.

~~Commencing January 1, 2023,~~ Impact fees shall be assessed and collected according to the following provisions, including Section 3.16.035:

- A. *Residential uses.* No building permit shall be issued for any dwelling unit prior to the payment of the following applicable fees:

Development Impact Fees for Residential Uses

| Stormwater – Cherry Creek Basin<br>(per dwelling unit) |                          |
|--|--------------------------|
| Unit Type  | 2023-2024 and thereafter |
| Single-family Detached                                 | \$1,228-\$1,265          |
| Single-family Attached                                 | \$821-\$846              |
| Multi-family   | \$744-\$766              |
| Stormwater – Plum Creek Basin<br>(per dwelling unit)   |                          |
| Unit Type  | 2023-2024 and thereafter |
| Single-family Detached                                 | \$2,341-\$2,575          |
| Single-family Attached                                 | \$1,564 \$1,720          |
| Multi-family   | \$1,419 \$1,561          |

For purposes of this Subsection, any remodeling activity which results in the creation of an additional dwelling unit shall be subject to the payment of the fee as specified in this Subsection. For purposes of this Subsection, single-family detached shall include duplexes and mobile homes.

- B. *Nonresidential uses.* No building permit shall be issued for the occupancy of any structure to be used primarily for nonresidential use prior to the payment of the following applicable

fees (per 1,000 square feet of gross floor areas):

Development Impact Fees for Non-Residential Uses

| Stormwater - Cherry Creek Basin<br>(per 1,000 sq. ft.) |                                     |
|--|-------------------------------------|
| Unit Type  | <del>2023</del> 2024 and thereafter |
| Commercial/Industrial                                  | <del>\$554</del> \$571              |
| Stormwater - Plum Creek Basin<br>(per 1,000 sq. ft.)   |                                     |
| Unit Type  | <del>2023</del> 2024 and thereafter |
| Commercial/Industrial                                  | <del>\$1,056</del> \$1,162          |

**Section 3. Amendment.** Section 4.04.150.A of the Castle Rock Municipal Code is amended to read as follows:

4.04.150 - Renewable water resource fee.

A. In order to defray the cost incurred by the Town in the acquisition and development of renewable water resources consistent with the water plan and this Chapter, there is imposed a renewable water resource fee as a condition to the right to connect to the municipal water system. The renewable water resource fee is established at the following schedule of fees in effect as of the date of a complete building permit application:

Renewable Water Resource Fee

| Meter Size      | SFE  | Meter Capacity<br>(GPM*) | <del>2023</del> 2024 and thereafter |
|-----------------|------|--------------------------|-------------------------------------|
| 7/16" x 3/4"*** | .60  | 18                       | <del>\$18,230</del> \$18,777        |
| 5/8" x 3/4"***  | .67  | 20                       | <del>\$20,357</del> \$20,967        |
| 3/4" x 3/4"     | 1.00 | 30                       | <del>\$30,383</del> \$31,294        |
| 1"              | 1.67 | 50                       | <del>\$50,615</del> \$52,262        |
| 1.5"            | 3.33 | 100                      | <del>\$100,926</del> \$104,211      |

|       |       |       |                                    |
|-------|-------|-------|------------------------------------|
| 2" C2 | 6.67  | 200   | <del>\$202,157</del> \$208,734     |
| 2" T2 | 8.33  | 250   | <del>\$252,467</del> \$260,683     |
| 3" C2 | 16.67 | 500   | <del>\$505,241</del> \$521,679     |
| 3" T2 | 21.67 | 650   | <del>\$656,782</del> \$678,152     |
| 4" C2 | 33.33 | 1,000 | <del>\$1,010,177</del> \$1,043,045 |
| 4" T2 | 41.67 | 1,250 | <del>\$1,262,949</del> \$1,304,041 |
| 6" C2 | 66.67 | 2,000 | <del>\$2,020,658</del> \$2,086,404 |
| 6" T2 | 83.33 | 2,500 | <del>\$2,525,594</del> \$2,607,770 |

\* Potential flow capacity in gallons per minute.

\*\* Only available to builders that install the front and backyard landscaping.

**Section 4. Amendment.** Section 13.12.080.A of the Castle Rock Municipal Code is amended to read as follows:

13.12.080 - System development fees.

- A. In order to defray the capital costs of utilizing, expanding and developing municipal facilities for the provision of water, system development fees shall be assessed in accordance with the following schedule of rates in effect as of the date of submission of a complete building permit application:

#### Water System Development Fee

| <i>Meter Size</i> | <i>SFE</i> | <i>Meter Capacity (GPM*)</i> | <i>2023 2024 and thereafter</i> |
|-------------------|------------|------------------------------|---------------------------------|
| 7/16" x 3/4" **   | 0.60       | 18                           | <del>\$3,762</del> \$4,138      |
| 5/8" x 3/4" **    | 0.67       | <u>20</u>                    | <del>\$4,201</del> \$4,621      |

|             |       |       |                                |
|-------------|-------|-------|--------------------------------|
| 3/4" x 3/4" | 1.00  | 30    | <del>\$6,270</del> \$6,897     |
| 1"          | 1.67  | 50    | <del>\$10,423</del> \$11,518   |
| 1.5"        | 3.33  | 100   | <del>\$20,784</del> \$22,967   |
| 2" C2       | 6.67  | 200   | <del>\$41,630</del> \$46,003   |
| 2" T2       | 8.33  | 250   | <del>\$51,991</del> \$57,452   |
| 3" C2       | 16.67 | 500   | <del>\$104,044</del> \$114,973 |
| 3" T2       | 21.67 | 650   | <del>\$135,251</del> \$149,458 |
| 4" C2       | 33.33 | 1,000 | <del>\$208,026</del> \$229,877 |
| 4" T2       | 41.67 | 1,250 | <del>\$260,080</del> \$287,398 |
| 6" C2       | 66.67 | 2,000 | <del>\$416,115</del> \$459,823 |
| 6" T2       | 83.33 | 2,500 | <del>\$520,096</del> \$574,727 |

\* Potential flow capacity in gallons per minute.

\*\* Only available to builders that install the front and backyard landscaping.

**Section 5. Amendment.** Section 13.12.080.C of the Castle Rock Municipal Code is amended to read as follows:

13.12.080 - System development fees.

C. In order to defray the capital costs of utilizing, expanding and developing municipal facilities for the provision of wastewater, system development fees shall be assessed in accordance with the following schedule of rates in effect as of the date of submission of a complete building permit application:

Wastewater System Development Fee\*

| <i>Meter Size</i> | <i>SFE</i> | <i>Meter Capacity (GPM*)</i> | <i>2023 2024 and thereafter</i> |
|-------------------|------------|------------------------------|---------------------------------|
| 7/16" x 3/4"***   | .60        | 18                           | <del>\$3,240</del> \$3,337      |
| 5/8" x 3/4"***    | .67        | <u>20</u>                    | <del>\$3,607</del> \$3,727      |
| 3/4" x 3/4"       | 1.00       | 30                           | <del>\$5,400</del> \$5,562      |
| 1"                | 1.67       | 50                           | <del>\$8,991</del> \$9,289      |
| 1.5"              | 3.33       | 100                          | <del>\$17,929</del> \$18,521    |
| 2" C2             | 6.67       | 200                          | <del>\$35,911</del> \$37,099    |
| 2" T2             | 8.33       | 250                          | <del>\$44,850</del> \$46,331    |
| 3" C2             | 16.67      | 500                          | <del>\$89,752</del> \$92,719    |
| 3" T2             | 21.67      | 650                          | <del>\$116,672</del> \$120,529  |
| 4" C2             | 33.33      | 1,000                        | <del>\$179,451</del> \$185,381  |
| 4" T2             | 41.67      | 1,250                        | <del>\$224,353</del> \$231,769  |
| 6" C2             | 66.67      | 2,000                        | <del>\$358,954</del> \$370,819  |
| 6" T2             | 83.33      | 2,500                        | <del>\$448,654</del> \$463,481  |

\* Does not apply to SFEs served by Pinery Water and Wastewater District.

\*\* Potential flow equivalency in gallons per minute.

**Section 6. Amendment.** Section 13.12.112 of the Castle Rock Municipal Code is amended to read as follows:

13.12.112 - Service charges, all users, excluding bulk.

~~Beginning with water service provided on or after January 1, 2023, t~~ The Town is empowered to levy and collect the following monthly charges for water service within its corporate limits during the calendar years as noted:

All Users, Excluding Bulk Water Service Charge  
(\$ by meter size)

| <i>Meter Size</i> | <i>2023-2024 and thereafter</i> |
|-------------------|---------------------------------|
| 7/16" x 3/4"      | <del>\$9.97</del> \$10.42       |
| 5/8"x 3/4"        | <del>\$9.97</del> \$10.42       |
| 3/4" x 3/4"       | <del>\$9.97</del> \$10.42       |
| 1"                | <del>\$14.34</del> \$14.99      |
| 1½"               | <del>\$19.63</del> \$20.51      |
| 2"                | <del>\$27.17</del> \$28.39      |
| 3"                | <del>\$43.66</del> \$45.62      |
| 4"                | <del>\$98.36</del> \$102.79     |
| 6"                | <del>\$153.89</del> \$160.82    |

Water Volume Rate All Users, Excluding Bulk  
(\$ per 1,000 gallons)

| <i>Class</i>  | <i>Tier 1 - AWMC</i>            | <i>Tier 2 – Irrigation</i>      | <i>Tier 3 - Excess</i>          |
|---|---------------------------------|---------------------------------|---------------------------------|
|   | <i>2023 2024 and thereafter</i> | <i>2023 2024 and thereafter</i> | <i>2023 2024 and thereafter</i> |
| <i>Irrigation Season – April 1 through October 31 Consumption</i> |                                 |                                 |                                 |
| Residential   | <del>\$2.95</del> \$3.08        | <del>\$6.00</del> \$6.27        | <del>\$8.95</del> \$9.35        |
| Multi-Family (Indoor Use Only)                                    | <del>\$2.95</del> \$3.08        | N/A                             | <del>\$3.87</del> \$4.04        |
| Multi-Family (with Irrigation)                                    | <del>\$2.95</del> \$3.08        | <del>\$5.09</del> \$5.32        | <del>\$7.61</del> \$7.95        |
| Commercial (Indoor Use Only)                                      | <del>\$2.95</del> \$3.08        | N/A                             | <del>\$4.12</del> \$4.31        |
| Commercial (with Irrigation)                                      | <del>\$2.95</del> \$3.08        | <del>\$5.15</del> \$5.38        | <del>\$7.70</del> \$8.05        |
| Irrigation  | N/A                             | <del>\$8.21</del> \$8.58        | <del>\$12.31</del> \$12.86      |
| <i>Winter Season – November 1 through March 31 Consumption</i>    |                                 |                                 |                                 |

|                                |                          |     |                            |
|--------------------------------|--------------------------|-----|----------------------------|
| Residential                    | <del>\$2.95</del> \$3.08 | N/A | <del>\$6.00</del> \$6.27   |
| Multi-Family (Indoor Use Only) | <del>\$2.95</del> \$3.08 | N/A | <del>\$3.87</del> \$4.04   |
| Multi-Family (with Irrigation) | <del>\$2.95</del> \$3.08 | N/A | <del>\$5.09</del> \$5.32   |
| Commercial (Indoor Use Only)   | <del>\$2.95</del> \$3.08 | N/A | <del>\$4.12</del> \$4.31   |
| Commercial (with Irrigation)   | <del>\$2.95</del> \$3.08 | N/A | <del>\$5.15</del> \$5.38   |
| Irrigation                     | N/A                      | N/A | <del>\$12.31</del> \$12.86 |

Plus:

#### Renewable Water Service Charge

| <i>Meter Size</i> | <i>2023-2024 and thereafter</i>  |
|-------------------|----------------------------------|
| 7/16" x 3/4"      | <del>\$28.95</del> \$31.12       |
| 5/8" x 3/4"       | <del>\$28.95</del> \$31.12       |
| 3/4" x 3/4"       | <del>\$28.95</del> \$31.12       |
| 1"                | <del>\$109.74</del> \$117.97     |
| 1½"               | <del>\$207.61</del> \$223.18     |
| 2"                | <del>\$347.17</del> \$373.21     |
| 3"                | <del>\$652.06</del> \$700.96     |
| 4"                | <del>\$1,663.44</del> \$1,788.20 |
| 6"                | <del>\$2,689.89</del> \$2,891.63 |

Plus: Any applicable surcharges imposed under Subsection 13.15.040.C.

**Section 7. Amendment.** Section 13.12.116.A of the Castle Rock Municipal Code is amended to read as follows:

13.12.116 - Service charges, bulk.

- A. "Bulk hydrant customers" shall mean those Castle Rock Water customers who obtain a bulk water permit for water to be pulled directly and metered from an existing hydrant. Bulk hydrant customers shall be charged as follows:

Base Service Charge  
(\$ per monthly bill)

|                                 |
|---------------------------------|
| <i>2023-2024 and thereafter</i> |
|---------------------------------|



|                 |
|-----------------|
| \$19.63 \$20.51 |
|-----------------|

Plus:

Water Volumetric Rate  
(\$ per monthly bill)

|                                 |
|---------------------------------|
| <i>2023-2024 and thereafter</i> |
| <del>\$8.21</del> \$8.58        |

Plus:

Renewable Water Fixed Rate  
(\$ per monthly bill)

|                                 |
|---------------------------------|
| <i>2023-2024 and thereafter</i> |
| <del>\$207.61</del> \$223.18    |

**Section 8. Amendment.** Section 13.12.116.B of the Castle Rock Municipal Code is amended to read as follows:

- B. "Bulk station customers" shall mean those Castle Rock Water customers who obtain a bulk water permit for water to be pulled from the bulk water station located at 825 Justice Way, Castle Rock, Colorado. Bulk station customers shall be charged as follows:

Base Service Charge  
(\$ per monthly bill)

|                                 |
|---------------------------------|
| <i>2023-2024 and thereafter</i> |
| <del>\$9.97</del> \$10.42       |

Plus:

Water Volumetric Rate  
(\$ per monthly bill)

|                                 |
|---------------------------------|
| <i>2023-2024 and thereafter</i> |
| <del>\$10.26</del> \$10.72      |

Plus:

Renewable Water Fixed Rate  
(\$ per monthly bill)

|                                 |
|---------------------------------|
| <i>2023-2024 and thereafter</i> |
| <del>\$28.95</del> \$31.12      |

**Section 9. Amendment.** Section 13.15.040.C of the Castle Rock Municipal Code is amended to read as follows:

13.15.040 - Surcharges.

- C. ~~Beginning January 1, 2019,~~ THE SURCHARGE FOR a single-family customer (as defined in Section 13.12.111) using more than forty thousand (40,000) gallons of water in a billable month shall be ~~assessed a surcharge~~ as follows:

Single-Family Surcharges Usage in excess of 40,000 gallons per billable month (\$ per 1,000 gallons)

|                                 |
|---------------------------------|
| <i>2019-2024 and thereafter</i> |
| <del>\$8.56</del> \$9.35        |

The surcharge shall be in addition to the monthly charges for water set forth in Section 13.12.112.

**Section 10. Amendment.** Section 13.30.060.A of the Castle Rock Municipal Code is amended to read as follows:

13.30.060 - Stormwater utility fee schedule.

- A. ~~Effective with utility bills issued on or after January 1, 2023,~~ The monthly fee for each stormwater single-family equivalent shall be as follows:

Stormwater Fee  
(\$ per SWSFE\*)

|                                 |
|---------------------------------|
| <i>2023-2024 and thereafter</i> |
| <del>\$7.63</del> \$7.97        |

\*SFE Assignment

| <i>Customer Class</i>           | <i>SWSFE</i>   |
|---------------------------------|--|
| Single-family residence         | 1  |
| Multi-family and nonresidential | Parcel size times 80% imperviousness divided by 3,255 impervious square feet per SWSFE<br>= number of SWSFEs for non-single-family |

**Section 11. Severability.** If any part or provision of this Ordinance or the application thereof to any person or circumstances is held invalid, such invalidity shall not affect other provisions or applications of this Ordinance which can be given effect without the invalid provisions or application, and to this end the provisions of this Ordinance are declared to be severable.

**Section 12. Safety Clause.** The Town Council finds and declares that this Ordinance is promulgated and adopted for the public health, safety and welfare and this Ordinance bears a

rational relation to the legislative object sought to be obtained.

**Section 13. Effective Date.** This Ordinance shall take effect on January 1, 2024.

**APPROVED ON FIRST READING** this 17<sup>th</sup> day of October, 2023, by a vote of 7 for and 0 against, after publication in compliance with Section 2.02.100.C of the Castle Rock Municipal Code; and

**PASSED, APPROVED AND ADOPTED ON SECOND AND FINAL READING** this 7<sup>th</sup> day of November, 2023, by the Town Council of the Town of Castle Rock by a vote of \_\_\_ for and \_\_\_ against.

**ATTEST:**

**TOWN OF CASTLE ROCK**

\_\_\_\_\_  
Lisa Anderson, Town Clerk

\_\_\_\_\_  
Jason Gray, Mayor

**Approved as to form:**

**Approved as to content:**

\_\_\_\_\_  
Michael J. Hyman, Town Attorney

\_\_\_\_\_  
Mark Marlowe, Director Castle Rock Water