

ORDINANCE NO. 2026-014

**AN ORDINANCE AMENDING SECTIONS 4.04.150 AND 13.12.080 OF
THE CASTLE ROCK MUNICIPAL CODE BY ADOPTING A REVISED
METHODOLOGY FOR CALCULATING RENEWABLE WATER
RESOURCE FEES AND WATER AND WASTEWATER SYSTEM
DEVELOPMENT FEES FOR THE CONSTRUCTION OF NEW SINGLE-
FAMILY RESIDENTIAL HOMES**

WHEREAS, renewable water resource fees and water and wastewater system development fees (the “Development Fees”) are used by the Town of Castle Rock (the “Town”) to ensure that the development community contributes their proportional share of the costs to acquire renewable water supplies and to construct water and wastewater infrastructure necessary to serve new growth; and

WHEREAS, the Town’s Water Enterprise (“Castle Rock Water”) evaluates the Development Fees on an annual basis to ensure that they are appropriate to cover the cost of the demand placed on the water and wastewater system by new single-family residential dwellings; and

WHEREAS, by the end of 2025, Castle Rock Water had compiled actual water use data over two calendar years for new single-family dwellings constructed in accordance with the 2022 landscape ordinance, which ordinance requires the installation of Coloradoscape rather than turf for front yards and limits the amount of irrigated turf allowed in rear yards; and

WHEREAS, using the data it has compiled, Castle Rock Water has been able to accurately evaluate the impact that new single-family residential dwellings have on water demand; and

WHEREAS, the results of Castle Rock Water’s review show that single-family residential dwellings constructed in accordance with the 2022 landscape ordinance have water demands that directly correlate to the total square footage of the gross floor area of such dwellings; and

WHEREAS, Castle Rock Water has concluded that a proportional reduction in Development Fees for smaller single-family residential dwellings is reasonable because such homes place a demonstrably lower demand on water supplies, treatment, storage, and wastewater capacity; and

WHEREAS, likewise, Castle Rock Water has concluded that a proportional increase in Development Fees for larger single-family residential dwellings is reasonable because such homes place a demonstrably higher demand on water supplies, treatment, storage, and wastewater capacity; and

WHEREAS, Castle Rock Water recommends that Town Council amend the Town Code by adopting a table whereby the Development Fees charged for new single-family residential dwellings directly correlate to the total square footage of the gross floor area of such dwellings; 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 methodology for Development Fees.

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

Section 1. 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 **FOR THE CONSTRUCTION OF ANY NEW COMMERCIAL AND INDUSTRIAL BUILDINGS AND MULTIFAMILY RESIDENTIAL DWELLINGS** is established at the following schedule of fees in effect as of the date of a complete building permit application:

Renewable Water Resource Fees – COMMERCIAL AND INDUSTRIAL BUILDINGS AND MULTIFAMILY RESIDENTIAL DWELLINGS

<i>Meter Size</i>	<i>SFE</i>	<i>Meter Capacity (GPM*)</i>	<i>2026 and thereafter</i>
3/5" x 3/4"	.60	18	\$21,497
5/8" x 3/4"	.67	20	\$24,005
3/4"	1.00	30	\$35,829
1"	1.67	50	\$59,834
1.5"	3.33	100	\$119,311
2" C2	6.67	200	\$238,979
2" T2	8.33	250	\$298,456
3" C2	16.67	500	\$597,269

3" T2	21.67	650	\$776,414
4" C2	33.33	1,000	\$1,194,181
4" T2	41.67	1,250	\$1,492,994
6" C2	66.67	2,000	\$2,388,719
6" T2	83.33	2,500	\$2,985,631

* Potential flow capacity in gallons per minute.

Section 2. Repeal. Section 4.04.150.B of the Castle Rock Municipal Code is hereby repealed in its entirety.

Section 3. Amendment. Section 4.04.150 of the Castle Rock Municipal Code is amended by the addition of a new Subsection E, which subsection shall read as follows:

4.04.150 - Renewable water resource fee.

E. Effective July 1, 2026, the renewable water resource fee for the construction of any new single-family residential dwelling (i.e., one-family and two-family dwellings as defined by Section 17.14.010) within the Town shall be imposed in accordance with the following schedule. Such fee shall be collected at the time a complete building permit application for the dwelling is submitted to the Town. For purposes of this subsection E, “gross floor area” shall mean the sum of the horizontal area of all floors of a building or structure, measured from the exterior face of exterior walls, or from the centerline of walls separating attached buildings. “Gross floor area” includes all enclosed and roofed floor space within the building, including basements, mezzanines, and interior circulation areas, but excludes parking garages and areas not enclosed by walls, including open balconies, decks, patios, and similar exterior spaces.

Renewable Water Resource Fees - Single-Family Residential Dwellings

<i>Gross Floor Area in square feet</i>	<i>SFE</i>	<i>July 1, 2026, and thereafter</i>
Less than 500	0.27	\$ 9,654.52

500 - 999	0.33	\$ 11,799.97
1,000 – 1,499	0.39	\$ 13,945.42
1,500 – 1,999	0.42	\$ 15,018.14
2,000 – 2,499	0.65	\$ 23,385.40
2,500 – 2,999	0.81	\$ 29,178.11
3,000 – 3,499	0.82	\$ 29,392.65
3,500 – 3,999	0.83	\$ 29,607.20
4,000 – 4,499	0.85	\$ 30,465.38
4,500 – 4,999	0.87	\$ 31,323.56
5,000 – 5,499	0.93	\$ 33,254.46
5,500 – 5,999	1.00	\$ 35,829.00
6,000 – 6,499	1.05	\$ 37,545.36
6,500 – 6,999	1.06	\$ 37,974.45
7,000 – 7,499	1.11	\$ 39,690.81
7,500 – 7,999	1.15	\$ 41,192.62
8,000 – 8,499	1.20	\$ 42,908.98
8,500 – 8,999	1.24	\$ 44,410.80

9,000 – 9,499	1.29	\$ 46,127.16
9,500 – 9,999	1.34	\$ 47,843.51
Over 10,000	1.38	\$ 49,345.33

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 FOR THE CONSTRUCTION OF ANY NEW COMMERCIAL AND INDUSTRIAL BUILDINGS AND MULTIFAMILY RESIDENTIAL DWELLINGS 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 Fees – COMMERCIAL AND INDUSTRIAL BUILDINGS AND
MULTIFAMILY RESIDENTIAL DWELLINGS**

<i>Meter Size</i>	<i>SFE</i>	<i>Meter Capacity (GPM*)</i>	<i>2026 and thereafter</i>
3/5" x 3/4"	0.60	18	\$5,959
5/8" x 3/4"	0.67	20	\$6,654
3/4"	1.00	30	\$9,931
1"	1.67	50	\$16,585
1.5"	3.33	100	\$33,070
2" C2	6.67	200	\$66,240
2" T2	8.33	250	\$82,725

3" C2	16.67	500	\$165,550
3" T2	21.67	650	\$215,205
4" C2	33.33	1,000	\$331,000
4" T2	41.67	1,250	\$413,825
6" C2	66.67	2,000	\$662,100
6" T2	83.33	2,500	\$827,550

* Potential flow capacity in gallons per minute.

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 FOR THE CONSTRUCTION OF ANY NEW COMMERCIAL AND INDUSTRIAL BUILDINGS AND MULTIFAMILY RESIDENTIAL DWELLINGS 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 Fees – COMMERCIAL AND INDUSTRIAL BUILDINGS AND MULTIFAMILY RESIDENTIAL DWELLINGS*

<i>Meter Size</i>	<i>SFE</i>	<i>Meter Capacity (GPM*)</i>	<i>2026 and thereafter</i>
3/5"x 3/4"	.60	18	\$3,678
5/8" x 3/4"	.67	20	\$4,107
3/4"	1.00	30	\$6,130

1"	1.67	50	\$10,237
1.5"	3.33	100	\$20,413
2" C2	6.67	200	\$40,887
2" T2	8.33	250	\$51,063
3" C2	16.67	500	\$102,187
3" T2	21.67	650	\$132,837
4" C2	33.33	1,000	\$204,313
4" T2	41.67	1,250	\$255,437
6" C2	66.67	2,000	\$408,687
6" T2	83.33	2,500	\$510,813

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

Section 6. Repeal. Sections 13.12.080.B and D of the Castle Rock Municipal Code are hereby repealed in their entirety.

Section 7. Amendment. Section 13.12.080 of the Castle Rock Municipal Code is amended by the addition of a new Subsection M, which subsection shall read as follows:

13.12.080 - System development fees.

M. Effective July 1, 2026, the water system development fee for the construction of any new single-family residential dwelling (i.e., one-family and two-family dwellings as defined by Section 17.14.010) within the Town shall be imposed in accordance with the following schedule. Such fee shall be collected at the time a complete building permit application for the dwelling is submitted to the Town.

Water System Development Fees- Single-Family Residential Dwellings

<i>Gross Floor Area in square feet</i>	<i>SFE</i>	<i>July 1, 2026, and thereafter</i>
Less than 500	0.27	\$ 2,676.02
500 - 999	0.33	\$ 3,270.69
1,000 – 1,499	0.39	\$ 3,865.36
1,500 – 1,999	0.42	\$ 4,162.69
2,000 – 2,499	0.65	\$ 6,481.91
2,500 – 2,999	0.81	\$ 8,087.52
3,000 – 3,499	0.82	\$ 8,146.99
3,500 – 3,999	0.83	\$ 8,206.46
4,000 – 4,499	0.85	\$ 8,444.32
4,500 – 4,999	0.87	\$ 8,682.19
5,000 – 5,499	0.93	\$ 9,217.40
5,500 – 5,999	1.00	\$ 9,931.00
6,000 – 6,499	1.05	\$ 10,406.74
6,500 – 6,999	1.06	\$ 10,525.67
7,000 – 7,499	1.11	\$ 11,001.41
7,500 – 7,999	1.15	\$ 11,417.68

8,000 – 8,499	1.20	\$ 11,893.41
8,500 – 8,999	1.24	\$ 12,309.68
9,000 – 9,499	1.29	\$ 12,785.42
9,500 – 9,999	1.34	\$ 13,261.16
Over 10,000	1.38	\$ 13,677.43

Section 8. Amendment. Section 13.12.080 of the Castle Rock Municipal Code is amended by the addition of a new Subsection N, which subsection shall read as follows:

13.12.080 - System development fees.

N. Effective July 1, 2026, the wastewater system development fee for the construction of any new single-family residential dwelling (i.e., one-family and two-family dwellings as defined by Section 17.14.010) within the Town shall be imposed in accordance with the following schedule. Such fee shall be collected at the time a complete building permit application for the dwelling is submitted to the Town.

Wastewater System Development Fees- Single-Family Residential Dwellings

<i>Gross Floor Area in square feet</i>	<i>SFE</i>	<i>July 1, 2026, and thereafter</i>
Less than 500	0.27	\$ 1,651.80
500 - 999	0.33	\$ 2,018.86
1,000 – 1,499	0.39	\$ 2,385.93
1,500 – 1,999	0.42	\$ 2,569.46
2,000 – 2,499	0.65	\$ 4,001.02
2,500 – 2,999	0.81	\$ 4,992.10

3,000 – 3,499	0.82	\$ 5,028.80
3,500 – 3,999	0.83	\$ 5,065.51
4,000 – 4,499	0.85	\$ 5,212.34
4,500 – 4,999	0.87	\$ 5,359.16
5,000 – 5,499	0.93	\$ 5,689.52
5,500 – 5,999	1.00	\$ 6,130.00
6,000 – 6,499	1.05	\$ 6,423.65
6,500 – 6,999	1.06	\$ 6,497.07
7,000 – 7,499	1.11	\$ 6,790.72
7,500 – 7,999	1.15	\$ 7,047.66
8,000 – 8,499	1.20	\$ 7,341.32
8,500 – 8,999	1.24	\$ 7,598.26
9,000 – 9,499	1.29	\$ 7,891.92
9,500 – 9,999	1.34	\$ 8,185.57
Over 10,000	1.38	\$ 8,442.51

Section 9. Amendment. Section 13.12.080 of the Castle Rock Municipal Code is amended by the addition of a new Subsection N, which subsection shall read as follows:

13.12.080 - System development fees.

O. For purposes of subsections M and N of this section, “gross floor area” shall mean the sum of the horizontal area of all floors of a building or structure, measured from the exterior face of exterior walls, or from the centerline of walls separating attached buildings. “Gross floor area” includes all enclosed and roofed floor space within the building, including basements, mezzanines, and interior circulation areas, but excludes parking garages and areas not enclosed by walls, including open balconies, decks, patios, and similar exterior spaces.

Section 10. 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 11. 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 objective sought to be obtained.

Section 12. Effective Date. This Ordinance shall take effect on July 1, 2026.

APPROVED ON FIRST READING this 21st day of April, 2026, by the Town Council of the Town of Castle Rock, Colorado, by a vote of ___ for and ___ 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 ___ day of _____, 2026, by the Town Council of the Town of Castle Rock, Colorado, 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