



STAFF REPORT

To: Honorable Mayor and Members of Town Council

Through: David L. Corliss, Town Manager

From: Mark Marlowe, P.E., Director of Castle Rock Water
Matt Benak, P.E., Water Resources Manager
Rick Schultz, Water Efficiency Supervisor
Courtney Stoddard, Water Efficiency Specialist

Title: A Resolution Approving the 2024 Water Conservation Rebate Program Budget Increase [The entire Castle Rock Service Area]

Executive Summary

The purpose of this memorandum is to request Town Council approval of a Resolution (**Attachment A**) to increase the 2024 Water Conservation Rebate Incentive Program budget. Conservation rebates are in place to encourage additional indoor and outdoor conservation measures. These programs are evaluated annually for effectiveness and categories are adjusted accordingly.

For fiscal year 2023, the conservation rebate budget is \$200,000. For 2024, staff is proposing to increase the budget to \$300,000.

Currently there are four rebate programs in place, they include:

- ColoradoScape Retrofit
- Ultra-high-efficiency (UHE) toilet replacement
- Rotary Nozzle Retrofit
- Whole Home Water Monitoring, with automatic shut-off

Castle Rock Water is proposing one very significant change to the current rebate programs. For ColoradoScape Retrofits, CRW recommends increasing the rebate from \$1.50 per square foot for turf removal and replacement with ColoradoScape to \$2.50 per square foot. This value was put out for consideration in the 2023 Community Survey and a significant positive response was obtained with over half of respondents indicating that this change would incentivize them to participate in a ColoradoScape conversion. CRW staff have evaluated the costs of the rebate relative to the potential value of the water savings and has shown that a \$2.50 per square foot rebate is still a good value for the community in terms of reducing long-term water supply needs. This change is also consistent with CRW's goal of reducing total non-functional turf in the community by 30 percent in the next several decades.

History of Past Town Council, Boards & Commissions, or Other Discussions

Castle Rock Water (CRW) staff presented this item to Castle Rock Water Commission on August 23, 2023. Water Commission voted unanimously 5 to 0 to recommend Town Council approval.

Discussion

One of CRW's strategic goals is to achieve a per person water usage rate of 100 gallons per capita per day (gpcd) by 2050. By using our potable water efficiently and providing incentives to our customers to use water wisely, CRW staff believes this goal is achievable. The attached graph (**Attachment B**) shows the trend in per capita water usage over the past 16 years.

Another benefit of the conservation rebate program is that CRW staff is able to interact with its customers, educating them on water conservation and rewarding their efforts. In order to participate in our rebates, residents must attend a Water Wiser workshop. Water Wiser is a class that educates on topics related to leak detection, irrigation, water management, soil improvement and landscape health. Participation is offered to at no cost.

A summary of the CRW Rebate programs include:

- ColoradoScape Retrofit ~
The ColoradoScape Retrofit Rebate encourages customers to replace high-water use irrigated turf with native or regionally adapted plants by offering \$2.50 per square foot. They may also choose to replace irrigated turf with hardscape including artificial turf, concrete, wood, or composite decking for a lesser amount of \$1.00 per square foot.

Converting to a ColoradoScape ensures a true water savings because of the transition from a high-water use landscape to one that is better suited to the natural climate and is visually appealing.

So far, in 2023, the ColoradoScape Rebate has assisted residents in converting approximately 69,244 square feet (sf) of high-water use turf into a low-water use ColoradoScape. Approximately 17,160 sf has been converted into hardscapes. Over \$121,000 in rebate money has been awarded through this program to our customers for completed projects so far in 2023.

For our non-residential customers, there have been approximately 76,358 sf of high-water use turf converted to ColoradoScape, with completed projects being refunded over \$114,500 in rebates.

- Ultra-High-Efficiency (UHE) Toilet Retrofit ~
The UHE Toilet Retrofit Rebate encourages customers to exchange high-water use toilets for UHE 0.8 gallons per flush (gpf) toilets. This program offers customers up to \$150 toward the purchase price and recycles the ceramic and porcelain of the high-water use toilet. Year to date 29 high-water use toilets have

been collected and exchanged for 0.8 gpf, UHE toilets. Approximately \$4,000 has been rebated to customers.

- Rotary Nozzle Retrofit ~
The Rotary Nozzle Retrofit Rebate offers residents up to \$5 for each traditional spray nozzle that is replaced with a rotary nozzle. Rotary nozzles provide optimal coverage in many circumstances and deliver water at a slower rate (0.4 – 0.6 inches per hour) versus the traditional spray nozzle which applies water at 1.5 – 2.0 inches per hour. This slower application of water is more efficient as it leads to increased absorption and reduced run-off. Rotary nozzles also tend to be more wind resistant. This season 275 spray nozzles have been exchanged and \$1,375 in rebates have been awarded.
- Whole Home Water Monitor with Automatic Shut-off ~
The Whole Home Water Monitor Rebate will pay half of the purchase price of a whole-home monitoring system with an automatic shut-off up to \$200. These whole-home systems continuously monitor both indoor and outdoor water uses and alert in the event of a leak, reducing water waste and potential property damage. This program has had nine participants, whom have received a combined \$1,800 in rebates.

Please see **Attachment C** for the 2023 year to date Conservation rebate funding summary which shows the rebates that were granted in the past three years.

Budget Impact

The 2024 program will continue to be funded from revenue generated during 2023 watering restriction violations and a portion of funds from the Block 4 surcharge rate; however, these revenues will not cover the entire requested budget line item. Rebates will continue to be processed through account number 211-4330-443.81-10, Conservation Rebates.

Staff Recommendation

Staff recommends approval of an increase in the Water Conservation Rebate Incentive Program budget to \$300,000 for 2024.

Proposed Motion

“I move to approve the resolution as introduced by title”

Alternative Motions

“I move to approve the resolution as introduced by title, 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).”

Attachments

Attachment A: Resolution
Attachment B: 5-Year Average Consumption
Attachment C: 2023 Conservation Rebate Funding Summary