

**ORDINANCE NO. 2024-004**

**AN ORDINANCE AMENDING VARIOUS PROVISIONS WITHIN  
CHAPTER 4.04 OF THE CASTLE ROCK MUNICIPAL CODE  
REGARDING THE DEDICATION OF WATER RIGHTS AS A  
CONDITION OF ANNEXATION TO THE TOWN**

**WHEREAS**, the Town of Castle Rock (the “Town”) wishes to create more flexibility within Chapter 4.04 of the Castle Rock Municipal Code (the “Water Dedication Code”) to facilitate the dedication of groundwater rights when lands are annexed into the Town; and

**WHEREAS**, for this purpose, Town staff has recommended the following changes be made to the Water Dedication Code:

- (i) granting Town Council the power to waive the requirement that groundwater rights be adjudicated prior to dedication;
- (ii) granting Town Council the power to waive the requirement of a title opinion for the dedication of water;
- (iii) removing the development credit for not-nontributary groundwater, thereby eliminating the need for a dedicator to adjudicate a plan for augmentation prior to dedication; and
- (iv) requiring the dedication of any tributary water associated with a property sought to be annexed into the Town; and

**WHEREAS**, the Town Council finds and determines that it is appropriate to amend the Water Dedication Code as recommended by Town staff.

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

**Section 1. Amendment.** Section 4.04.030 of the Castle Rock Municipal Code is amended to read as follows:

4.04.030 – Definitions.

*AF* means one (1) acre foot, or ~~325,853~~ 325,851 gallons of annual water availability.

*Code* means Chapter 4.04 of this Municipal Code, entitled "Water Dedication Code," as amended.

*Dedication* means the conveyance to the Town by deed of GOOD AND marketable title to water rights, FREE AND CLEAR OF ALL LIENS AND ENCUMBRANCES.

*Development agreement* means the annexation and/or development contracts entered into between the Town and the landowner.

*Director* means the Director of Castle Rock Water or the Director's designee.

*Groundwater rights* means the legal right as ~~adjudicated in a final court decree~~ to withdraw ~~water from the~~ NONTRIBUTARY AND NOT-NONTRIBUTARY groundwater ~~basin off~~ FROM THE sedimentary rock formations in one (1) or more of the four (4) principal Denver Basin aquifers, (THE LOWER Dawson, Denver, Arapahoe and Laramie-Fox Hills), WHETHER ADJUDICATED OR UNADJUDICATED, which the Town has the legal and ~~economic~~ ECONOMICAL ability to incorporate into its production system.

*Municipal Code* means the Castle Rock Municipal Code, as amended.

*Renewable water resources* means the facilities to withdraw, treat, store and deliver tributary water, capture, reclaim and reuse groundwater and tributary water, and the property interests, legal rights and entitlements that support the use and delivery of such water resources.

*Town Council* means the Castle Rock Town Council.

*Tributary water RIGHTS* means the ~~legal~~ ADJUDICATED right to divert and consume tributary water, ~~available on a reliable basis in perpetuity~~ developed from a stream or alluvial aquifer, which the Town has the legal and practical ability to incorporate into its production system.

*Water dedication agreement* means an agreement between the Town and landowner whereby development entitlements are granted by the Town in exchange for the dedication of ~~water~~ GROUNDWATER rights.

~~*Water efficiency plan* means a document prepared in accordance with Town minimum standards and certified by a Colorado professional engineer which includes progressive water conservation designs and water demand calculations that are both enforceable and measurable at agreed development milestones. A minimum of two (2) years of actual data consumption is required to support initial demand assumptions and the plan shall have a maximum of five (5) years between milestones for adequate monitoring of actual usages. Special rate structures will be instituted for the development to ensure individual compliance with approved water efficiency measures. The rate structure will be described in the water efficiency plan.~~

*Water plan* means the Water Resources Strategic Master Plan adopted by the Town Council on January 31, 2006, and updated in 2022.

**WATER RIGHTS MEANS GROUNDWATER RIGHTS AND TRIBUTARY WATER RIGHTS.**

**Section 2. Amendment.** Section 4.04.040 of the Castle Rock Municipal Code is amended to read as follows:

**4.04.040 – Relationship to water rights administration.**

The State, through the statutory process for Denver Basin ~~water~~GROUNDWATER rights administration, permits ~~a~~AN AVERAGE ANNUAL rate of withdrawal of one percent (1%) per year of the estimated total volume of recoverable Denver Basin groundwater. However, the State has not mandated that local governments accept a specific quantity of Denver Basin groundwater to support a given level of development, nor has the State preempted the Town, as a home rule municipal corporation, from adoption of a water policy for the purpose set forth in Section 4.04.020 of this Chapter. Consequently, the Town Council finds and determines that:

- A. Although the period of time that the Denver Basin groundwater supply underlying the Town may be viable for continued use is uncertain, it will eventually cease to be economically recoverable.
- B. Groundwater rights are quantified in the applicable decree without consideration of the groundwater quality, cost of withdrawal and treatment or the economic or productive life of the water resource. Upon acceptance of dedication of groundwater rights, the Town assumes all these attendant risks and costs, absent agreement with the dedicator to the contrary.
- C. Increasing the quantity of groundwater rights that is required to support an equivalent service commitment will result in the dedication of additional groundwater reserves, and therefore provide additional time for the Town to replace its nonrenewable resources with renewable resources.
- D. Town water policy is a matter of local concern, and adoption of the Water Dedication Code is an appropriate exercise of the Town's home rule powers.
- E. Adoption of this code does not conflict with either the statutory provisions for groundwater adjudication and administration, or existing development contracts.

**Section 3. Amendment.** Section 4.04.045 of the Castle Rock Municipal Code is amended to read as follows:

**4.04.045 – Renewable water resources required at annexation.**

- A. Requirement. Except for those properties exempted under Section 4.04.045.B, no property shall be annexed to the Town unless the Town is concurrently provided, at the expense of the annexor:
1. New renewable water resources; AND/OR
  2. Additional or enhancement of existing Town renewable water resources; AND/OR
  3. A verifiable reduction in current irrigation demand through ~~the drying~~ DRY up of existing irrigated lands ~~by means of~~ THROUGH landscape renovation in accordance with Town landscape criteria sufficient to meet the total projected water demand from full development of the annexed property; and/or
  4. ~~Adequate~~ Transferred development rights from eligible properties to offset the incremental water demand for residential and non-residential development in accordance with Section 20.02.015 of the Municipal Code.

~~Because Section 20.02.015 does not provide a methodology for calculating non-residential demand, the Director will administratively determine the number of equivalent qualified residential units needed to meet the demand for non-residential development. The determination as to whether the annexor is able to meet the requirements of this Section shall be at the sole discretion of the Town Council. The provision of such renewable resources or reduction in current water demand needs and any adjustment in the renewable water fee imposed under Section 4.04.150 as a result thereof shall be specified in the development agreement.~~

- B. Exemptions. Infill properties identified in the water plan and as further depicted on Figure 3.5 of said plan, entitled "Castle Rock Water Inclusion and Exclusion," are exempt from the requirements of Section 4.04.045.A.
- C. CALCULATION. THE AMOUNT OF RENEWABLE WATER RESOURCES THAT AN ANNEXOR MUST PROVIDE TO THE TOWN SHALL BE CALCULATED BASED ON THE ACTUAL DEMAND OF THE DEVELOPMENT AS ESTIMATED BY A QUALIFIED PROFESSIONAL ENGINEER LICENSED IN THE STATE AND RETAINED BY THE ANNEXOR. THE RENEWABLE WATER RESOURCES NEEDED FOR THE DEVELOPMENT SHALL BE EQUAL TO THE DEMAND IN ACRE FEET.
- D. THE REQUIREMENT TO PROVIDE RENEWABLE WATER RESOURCES UNDER THIS SECTION SHALL BE IN ADDITION TO THE REQUIREMENT TO PAY A RENEWABLE WATER RESOURCES FEE IMPOSED UNDER SECTION 4.04.150.

**Section 4. Amendment.** Section 4.04.050 of the Castle Rock Municipal Code is amended to read as follows:

4.04.050 – Required dedication of ~~ground~~water rights with land use approval.

- A. Annexation. All ~~groundwater rights to the Denver Basin groundwater underlying the~~ WATER RIGHTS APPURTENANT TO AND ASSOCIATED WITH annexed property, INCLUDING ALL DENVER BASIN GROUNDWATER UNDERLYING THE SUBJECT PROPERTY, shall be conveyed to the Town concurrently with and as a condition to the annexation. The PRIOR severance of ownership or control of the ~~groundwater rights~~ WATER RIGHTS from the annexed property shall preclude its annexation as the Town Council may determine in its sole discretion. The total development entitlements granted annexed property through concurrent zoning approval shall be limited to the development credit (as calculated pursuant to Section 4.04.080) realized from the required groundwater rights conveyance, absent a finding of the Town Council that the exceptional nature of the development proposed warrants special dispensation, such as preservation of open space, landforms or vistas of community-wide significance or interest, significant primary employment generation, or enhanced urban design and community amenities and aesthetics. In the event that the Town Council finds that the development proposal merits special dispensation, the development agreement shall prescribe the supplemental water resource dedication and/or cash-in-lieu payment required to support full development of the annexed property.
  
- B. Rezoning. As a condition to Town Council approval of a rezoning, ALL WATER RIGHTS APPURTENANT TO AND ASSOCIATED WITH THE SUBJECT PROPERTY, INCLUDING all ~~groundwater rights to~~ Denver Basin groundwater underlying the subject property, shall be conveyed to the Town. The request for rezoning shall constitute an irrevocable offer by the land use applicant and landowner to amend the applicable development agreement to conform to the provisions of the Code in effect at the time of rezoning. The landowner shall execute the necessary development agreement amendment as a condition to the final adoption of the rezoning ordinance.
  
- C. Subdivision. If the requirements under this Chapter have not been satisfied by prior dedication or pursuant to a water dedication agreement, ALL WATER RIGHTS APPURTENANT TO AND ASSOCIATED WITH THE SUBJECT PROPERTY, INCLUDING ALL DENVER BASIN GROUNDWATER UNDERLYING THE SUBJECT PROPERTY, ~~groundwater rights sufficient to meet the criteria of this Chapter~~ shall be conveyed to the Town, ~~including all groundwater rights to Denver Basin groundwater underlying the subdivision,~~ as a condition to Town Council approval of a final subdivision plat.

- D. NO DEVELOPMENT CREDIT. NO DEVELOPMENT CREDIT OR CONSIDERATION SHALL BE GRANTED FOR ANY NOT-NONTRIBUTARY GROUNDWATER IN ANY DENVER BASIN AQUIFER, DUE TO THE NEED TO REPLACE DEPLETIONS BOTH DURING AND AFTER CESSATION OF PUMPING USING OTHER SOURCES, INCLUDING OTHER GROUNDWATER RIGHTS. NO DEVELOPMENT CREDIT OR CONSIDERATION SHALL BE GIVEN FOR NOT-NONTRIBUTARY GROUNDWATER, EVEN IF THE DEDICATOR HAS OBTAINED AN APPROVED AUGMENTATION PLAN. NO DEVELOPMENT CREDIT SHALL BE GRANTED FOR ANY NONTRIBUTARY GROUNDWATER RIGHTS THAT ARE IDENTIFIED AS AN AUGMENTATION SOURCE TO REPLACE DEPLETIONS BOTH DURING AND AFTER CESSATION OF PUMPING UNDER AN EXISTING NOT-NONTRIBUTARY AUGMENTATION PLAN.
- ~~DE.~~ Reduced Development Credit. Development credit granted for the groundwater rights to the Laramie-Fox Hills aquifer shall be calculated at one-third the rate decreed, due to the speculative yield and exceptional production and treatment costs of this resource. ~~No development credit shall be granted for rights to the Laramie Fox Hills that are encumbered under a not non-tributary augmentation plan. The production characteristics of the Lower Dawson shall be observed and modeled to ascertain whether it is necessary to adjust the development credit for this aquifer.~~
- ~~EF.~~ WATER DEDICATION AGREEMENT. Concurrently with the conveyance under Subsections B and C above, the Town and the dedicator shall enter into a water dedication agreement. As provided in Section 4.04.130 of this Chapter, the Town may accept the dedication prior to the time mandated above.

**Section 5. Amendment.** Section 4.04.060 of the Castle Rock Municipal Code is amended to read as follows:

4.04.060 – Manner of conveyance.

- A. ~~The Director~~ ADMINISTRATIVELY, THE TOWN shall ~~administratively approve~~ ESTABLISH the required deed form(S) and title assurances for the conveyance of water rights to the Town. Such conveyance shall require, at a minimum, the warranty of title given by the grantor in a special warranty deed. ANY WELL PERMITS AND SHARE CERTIFICATES SHALL BE CONVEYED VIA AN ASSIGNMENT, FREE AND CLEAR OF ALL LIENS AND ENCUMBRANCES. ANY RELATED INFRASTRUCTURE SHALL BE CONVEYED VIA A BILL OF SALE, FREE AND CLEAR OF ALL LIENS AND ENCUMBRANCES.

B. The grantor shall EITHER:

1. ~~p~~ Provide THE Town with an opinion of title from a qualified water rights attorney ON WHICH THE TOWN MAY EXPRESSLY RELY that grantor has good and marketable title to ~~the water rights. All reasonable costs incurred by the Town~~ A CERTAIN AVERAGE ANNUAL VOLUME OF GROUNDWATER RIGHTS in ~~reviewing~~ EACH AQUIFER UNDERLYING SPECIFIC LAND AND/OR A CERTAIN FLOW RATE OR VOLUME OF TRIBUTARY WATER RIGHTS; OR
2. REIMBURSE the TOWN FOR AN opinion OF TITLE FROM ~~shall be borne by the~~ TOWN'S WATER RIGHTS ATTORNEY THAT grantor HAS GOOD AND MARKETABLE TITLE TO A CERTAIN AVERAGE ANNUAL VOLUME OF GROUNDWATER RIGHTS IN EACH AQUIFER UNDERLYING SPECIFIC LAND; OR
3. PROVIDE AN ORDER QUIETING TITLE TO THE GROUNDWATER RIGHTS UNDERLYING SPECIFIC LAND AND/OR TRIBUTARY WATER RIGHTS.

IN THE CASE OF SUBSECTION B.1, THE TOWN MAY REQUIRE THE TOWN'S WATER RIGHTS ATTORNEY TO CONFIRM THAT THE OPINION OF TITLE IS SUFFICIENT FOR THE TOWN TO RELY UPON FOR SOME OR ALL OF THE WATER RIGHTS AT THE COST OF THE GRANTOR. UNDER SPECIAL CIRCUMSTANCES, AS DETERMINED BY THE TOWN COUNCIL OR THE DIRECTOR IN THEIR ABSOLUTE DISCRETION, THE TOWN MAY WAIVE THE REQUIREMENTS OF THIS SUBSECTION B, BUT ONLY UPON THE DETERMINATION THAT NO LAND USE ENTITLEMENTS WILL BE APPROVED FOR ANY REAL PROPERTY OF THE GRANTOR AS A CONDITION OF THE CONVEYANCE OF SUCH WATER RIGHTS.

C. The water dedication agreement and/or deed shall provide that, in the event it is determined after the recordation of the deed that the deed did not vest in the Town GOOD AND marketable title to ALL OR SOME OF the water rights, the development entitlements granted in reliance on the dedication shall be suspended until the title defect is cured or alternative water rights are conveyed to and accepted by the Town in accordance with this Code.

**Section 6. Amendment.** Section 4.04.070 of the Castle Rock Municipal Code is amended to read as follows:

4.04.070 – Required adjudications.

- A. It shall be the responsibility of the landowner, at ~~their~~ THE LANDOWNER'S sole expense, to obtain a final decree to the groundwater rights UNDERLYING THE LANDOWNER'S PROPERTY prior to conveyance to the Town. Under special circumstances, as determined by the Town Council OR THE DIRECTOR in ~~its~~ THEIR absolute discretion, the Town may accept unadjudicated Denver Basin groundwater, provided that the cost of adjudication and yield from the subsequent adjudication are addressed in the applicable development agreement or water dedication agreement. IF THE TOWN ACCEPTS UNADJUDICATED GROUNDWATER, THE TOWN MAY WITHHOLD SOME OR ALL OF THE DEDICATION CREDIT FOR THE GROUNDWATER RIGHTS UNTIL THE GROUNDWATER HAS BEEN ADJUDICATED BY THE TOWN TO ENSURE THAT THE AVERAGE ANNUAL VOLUME OF WATER ADJUDICATED SUPPORTS THE PROPOSED DEVELOPMENT.
- B. ~~It shall be the exclusive obligation of the dedicator, at the dedicator's expense, to obtain approval of the water court for a plan for augmentation for not non-tributary Denver Basin groundwater. The dedicator shall secure or reserve, as applicable, the required supply to replace depletions both during and after cessation of pumping in accordance with the decree approving the augmentation plan. The dedicator's interest in the augmentation plan and the replacement water supply shall be concurrently conveyed to the Town with the dedication.~~
- C. ~~AT THE TOWN'S SOLE DISCRETION, T~~ the town ~~shall~~ MAY be named as a co-applicant in applications for adjudication of ~~Denver Basin~~ groundwater RIGHTS OR TRIBUTARY WATER RIGHTS; or for approval of an augmentation plan, and may participate in such adjudications at its own expense for the purpose of maximizing uniformity among decrees of ~~Denver Basin groundwater~~ to be dedicated to the Town. The inclusion of the Town as a co-applicant shall not give the Town any ownership interest in the water RIGHT decreed. The Town's ownership of the ~~Denver Basin groundwater~~ WATER RIGHT shall occur solely as a result of the dedication of such ~~ground~~water rights to the Town.

**Section 7. Amendment.** Section 4.04.080 of the Castle Rock Municipal Code is amended to read as follows:

4.04.080 – Manner of Compliance.

- A. Purpose. Land use approvals of every nature are dependent and conditioned upon the dedication of groundwater rights in the quantity prescribed by this Section, after accounting for all applicable conditions, restrictions and qualifications on the acceptance and quantification of groundwater rights under this Code.
- B. Water demand. The gross water production required to support the Town's service commitment to annexed property shall be calculated at 0.55 AF per single-family



equivalent (SFE) assignment made under Subsection 13.12.080.A of this Code; provided, however, that for purposes of calculating water rights dedication requirements, an SFE assignment of less than 0.60 SFE may be utilized under this section, if otherwise qualifying under the applicable engineering criteria adopted administratively by the Director. FOR PURPOSES OF CALCULATING NON-RESIDENTIAL DEMAND, THE DIRECTOR WILL ADMINISTRATIVELY DETERMINE THE NUMBER OF SFEs NEEDED TO MEET THE DEMAND FOR NON-RESIDENTIAL DEVELOPMENT. THE DETERMINATION AS TO WHETHER THE ANNEXOR IS ABLE TO MEET THE REQUIREMENTS OF THIS SECTION SHALL BE AT THE SOLE DISCRETION OF THE TOWN COUNCIL.

C. Dedication requirement. ~~For each AF of water demand so calculated, the~~THE landowner shall dedicate:

1. Two (2) AF of groundwater rights ~~that qualify~~ QUALIFYING for credit under Section 4.04.050 FOR EACH ONE (1) AF OF WATER DEMAND; or
2. If all such qualifying groundwater rights are insufficient, then, at the election of the Town and subject to prior Town contractual commitments, either:
  - a. Two (2) AF of NONTRIBUTARY Denver Basin groundwater rights underlying other properties within the MUNICIPAL boundaries of the Town FOR EACH ONE (1) AF OF WATER DEMAND; or
  - b. Cash in lieu of such GROUNDWATER rights IN THE AMOUNT DETERMINED BY THE DIRECTOR AND SET FORTH AND PUBLISHED IN THE DEVELOPMENT SERVICES FEE SCHEDULE, AS AMENDED FROM TIME TO TIME, ~~in the amount of five thousand dollars (\$5,000.00)~~ FOR EACH ONE (1) AF OF WATER DEMAND for residential uses ~~and three thousand dollars (\$3,000.00)~~ AND/OR FOR EACH ONE (1) AF OF WATER DEMAND for nonresidential uses; provided, however, if a different price is warranted based on a market study obtained by the Director, such amount shall equal either:
    - i. The current market price for equivalent NONTRIBUTARY groundwater rights; or
    - ii. If the Director determines that NONTRIBUTARY groundwater rights are not readily available for purchase

within the Town boundaries, the current market price for equivalent groundwater rights plus the transmission cost as estimated by the Director in accordance with standard procedures of bringing extraterritorial groundwater to Town boundaries from locations where such groundwater rights may be available for purchase.

- D. Dedication of water outside of town boundaries. At the sole discretion of the Town Council, NONTRIBUTARY groundwater rights in the Denver or Arapahoe Basins AQUIFERS underlying properties outside the Town boundaries may be accepted for credit against the calculated water demand. Because such rights GROUNDWATER cannot be included in the Town's combined wellfieldS-water, subject to the determination of the Town Council, FOR EVERY ONE (1) AF OF DEMAND, the landowner shall dedicate a minimum of three (3) AF per AF of demand of NONTRIBUTARY Denver or Arapahoe Basin groundwater FROM THE DENVER OR ARAPAHOE AQUIFERS rights underlying properties outside the Town boundaries.; provided, however that no Laramie fox Hills Basin groundwater. —GROUNDWATER FROM THE LARAMIE-FOX HILLS AQUIFER rights outside the Town boundaries will NOT be accepted for credit towards the calculated water demand. NOT-NONTRIBUTARY OUTSIDE THE TOWN BOUNDARIES WILL NOT BE ACCEPTED FOR CREDIT TOWARDS THE CALCULATED WATER DEMAND, EVEN IF THERE IS AN EXISTING DECREED AUGMENTATION PLAN TO REPLACE DEPLETIONS BOTH DURING AND AFTER CESSATION OF PUMPING.

**Section 8. Amendment.** Section 4.04.100 of the Castle Rock Municipal Code is amended to read as follows:

4.04.100 – TRIBUTARY WATER RIGHTS AND augmentation plans.

~~No development credit or consideration shall be given a dedicator for the yield obtained by the Town through an approved municipal augmentation plan which uses return flows from dedicated groundwater rights as replacement water because:~~

- ~~A. —The yield from such augmentation plan is severely constrained in dry years;~~
- ~~B. —The Town will have the obligation and expense of obtaining the necessary permits, approvals and decrees and developing the storage, transmission and other infrastructure required to implement such augmentation plan; and~~
- ~~C. —The availability of return flows may be constrained by subsequent changes in water rights administration.~~

~~This Section shall not apply to~~ WHILE ALL TRIBUTARY WATER RIGHTS ASSOCIATED WITH OR APPURTENANT TO A PROPERTY TO BE ANNEXED, REZONED, OR SUBDIVIDED MUST BE DEDICATED TO THE TOWN, ANY RENEWABLE WATER CREDIT ASSOCIATED WITH THE TRIBUTARY WATER RIGHTS SHALL BE SET FORTH IN A WATER DEDICATION AGREEMENT BETWEEN THE TOWN AND THE DEDICATOR. UNDER SPECIAL CIRCUMSTANCES, AS DETERMINED BY THE TOWN COUNCIL OR THE DIRECTOR IN THEIR ABSOLUTE DISCRETION, THE TOWN MAY GRANT RENEWABLE WATER CREDIT FOR TRIBUTARY WATER RIGHTS WITH RELIABLE DRY YEAR YIELDS AND FOR TRIBUTARY augmentation plans adjudicated and implemented by and at the expense of the dedicator ~~for the purpose of permitting the utilization of not non-tributary or alluvial water sources with reliable dry year yields.~~

**Section 9. Amendment.** Section 4.04.130 of the Castle Rock Municipal Code is amended to read as follows:

4.04.130 – Water dedication agreements.

On such terms and conditions as prescribed by the Town Council, the Town may accept the dedication of ~~ground~~water rights and, if permitted by Section 4.04.080 above, cash-in-lieu payments, prior to the time required under Section 4.04.050 of this Chapter. In consideration of the prior dedication, the landowner shall receive credit against the ~~ground~~water dedication requirements of this Code, which shall not be affected by changes made to this Code subsequent to the date of the dedication. THE ADJUSTMENT IN THE PROVISION OF RENEWABLE WATER RESOURCES UNDER SECTION 4.04.45 AND/OR IN THE RENEWABLE WATER RESOURCE FEE IMPOSED UNDER SECTION 4.04.150 AS A RESULT OF A REDUCTION IN DEMAND SHALL BE SPECIFIED IN THE DEVELOPMENT AGREEMENT.

**Section 10. Amendment.** Section 4.04.150 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 REQUIREMENT TO PAY A RENEWABLE WATER RESOURCE FEE UNDER THIS SECTION SHALL BE IN ADDITION TO THE REQUIREMENT TO PROVIDE RENEWABLE WATER RESOURCES UNDER SECTION 4.04.45. 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

<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	\$18,777
5/8" x 3/4"***	.67	20	\$20,967
3/4" x 3/4"	1.00	30	\$31,294
1"	1.67	50	\$52,262
1.5"	3.33	100	\$104,211
2" C2	6.67	200	\$208,734
2" T2	8.33	250	\$260,683
3" C2	16.67	500	\$521,679
3" T2	21.67	650	\$678,152
4" C2	33.33	1,000	\$1,043,045
4" T2	41.67	1,250	\$1,304,041
6" C2	66.67	2,000	\$2,086,404
6" T2	83.33	2,500	\$2,607,770

\* Potential flow capacity in gallons per minute.

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

- B. For single-family customers where front and backyard landscaping is installed by the builder, renewable water resource fees will be prorated, with the SFE assignment to be applied based on the actual engineering criteria adopted by Castle Rock Water specific to the water savings measures in place for those single-family residences with a calculated demand between 0.60 SFE and 1.00 SFE.

- C. Credit against the renewable water resource fee may be granted in consideration of the dedication of tributary water on such terms and conditions acceptable to the Town Council, UNDER SECTION 4.04.100.
- D. Payment of the renewable water resource fee shall be assessed in accordance with the schedule of rates in effect as of the date of submission of a complete building permit application. Payment of the renewable water resource fee shall be a condition to issuance of the building permit.

**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.

**APPROVED ON FIRST READING** this 6th day of February, 2024, 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 20th day of February, 2024, by the Town Council of the Town of Castle Rock by a vote of 7 for and 0 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 of Castle Rock Water