

CASTLE ROCK WATER RATES AND FEES DISCUSSION AUGUST 2024

AUGUST 20, 2024



RATES AND FEES

RATE HISTORY

Fund	2020	2021	2022	2023	2024
Water	0%	0%	0%	4.5%	4.5%
Water Resources	0%	0%	3.0%	7.5%	7.5%
Stormwater	0%	0%	2.5%	4.5%	4.5%
Wastewater	-3.0%	0%	-5.0%	0%	0%

	2020	2021	2022	2023	2024
Inflation	1.4%	7.0%	6.5%	3.4%	2.9%
CCI	2.1%	7.4%	5.6%	2.6%	1.0%

RATES AND FEES

SDF HISTORY

Fund	2020	2021	2022	2023	2024
Water	3%	10%	41%	10%	10%
Water Resources	3%	5%	43%	15%	3%
Stormwater	3%	5%	23%-49%	10%	3%-10%
Wastewater	0%	0%	22%	10%	3%

	2020	2021	2022	2023	2024
Inflation	1.4%	7.0%	6.5%	3.4%	2.9%
CCI	2.1%	7.4%	5.6%	2.6%	1.0%

RATES AND FEES

CONSIDERATIONS & STRATEGY

Water Resources Debt

- Anticipated debt needed in 2025 to fund near-term capital projects
- \$149M in CIP expenses 2025-2029
- \$55M projected in debt, 20 year
- Rate assumptions informed by Boulder's debt issuance in January - \$87M at 3.78%
- National economic issues will likely impact timing

Additional Budgeted Revenue

- PFAS Settlement
 - Projected revenue of \$2M in 2025
- Oil & Gas Water Lease
 - Projected \$500K annually 2025-2029

Potential Future Expenses (Not included in Rate Recommendations)

- PCWRA Regulatory Expenses
 - 2030-2035 timeframe
 - Projected expense of \$148M
 - \$74M rate-funded, \$74M SDF-funded

RATES AND FEES

CONSIDERATIONS & STRATEGY

2025 – 2029 Growth Forecast

- Average of 400 Residential permits per year
- Additional 100 Macanta/Canyons South Residential permits per year

Catastrophic Failure Reserve

- Industry standard of 1% to 2%
- Continue temporary reduction in Water and Stormwater from 2% to 1%
- Water Resources and Wastewater to maintain 2%
- Total CRW catastrophic failure reserve will be 1.4%

- Balances at 1% by fund:
 - Water: \$2.6M
 - Stormwater: \$1.2M
 - Water Resources: \$1.8M
 - Wastewater: \$1.2M

RATES AND FEES

FIVE YEAR CIP

Fund	2024-2028 Budget	2025-2029 Budget	Variance
Water	\$59,872,800	\$65,396,305	\$5,523,505
Water Resources	\$174,100,635	\$148,741,483	(\$25,359,152)
Stormwater	\$12,827,895	\$15,765,798	\$2,937,903
Wastewater	\$20,687,900	\$36,035,404	\$15,347,504
Total	\$267,489,230	\$265,938,989	(\$1,550,240)

Water

- Water Supply Wells - \$23M
- Waterline Rehab/Replacement - \$15M
- SCADA - \$10M
- Water Storage (Tank) Projects - \$6M
- Water Treatment Plant Upgrades - \$6M
- Pump & Distribution System Upgrades - \$5M

Wastewater

- Sewer Line Rehabilitation - \$17M
- Highway 85 - \$14M (net zero impact with ARPA funding)
- SCADA - \$3M
- PCWRA - \$1M

Water Resources

- PCWPF Expansion & PC Central Pipeline - \$64M
- WISE - \$50M
- Box Elder Project - \$15M
- PC Diversion - \$7M
- Chatfield Storage Reallocation Project - \$5M
- SCADA - \$3M
- Alternative Source of Supply - \$3M
- ColoradoScape Demonstration Garden - \$1M

Stormwater

- Stream Stabilization - \$11M
- Storm Sewer Rehabilitation - \$2M
- Additional Infrastructure Needs Caused by Development - \$1M

RATES AND FEES

STAFFING

2024

- Landscape Designer – Not hiring
- SCADA Superintendent – Not hiring

2025

- Water Plant Operator Supervisor

2026

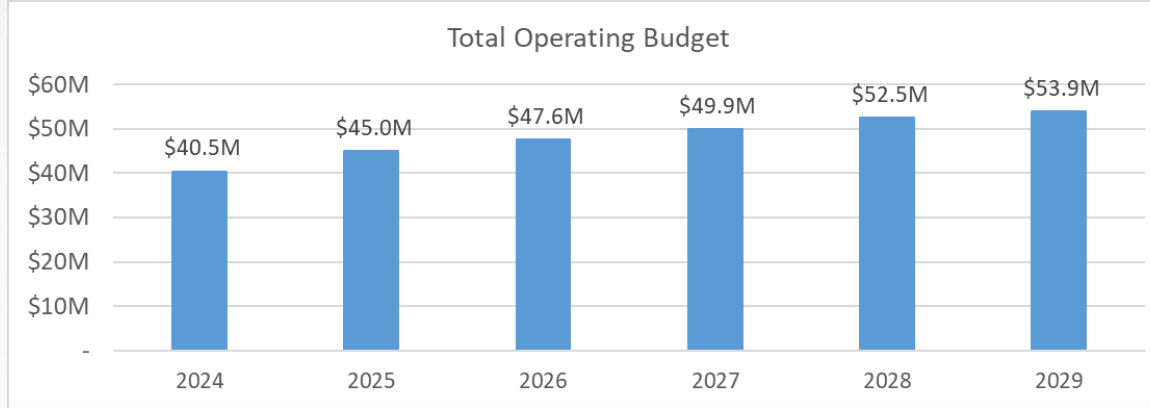
- AMI Coordinator
- Water Quality Technician

2025

- Market-Driven Operational Personnel Pay Adjustments - \$560K

RATES AND FEES

OPERATING BUDGET



Major Operating Categories	2024	2025	2026	2027	2028	2029
Personnel	\$13,838,773	\$14,875,495	\$15,831,532	\$16,711,061	\$17,552,739	\$18,362,955
Other Professional Services	\$2,843,139	\$4,233,671	\$5,134,828	\$5,795,056	\$6,555,325	\$6,555,325
Wastewater Treatment	\$4,593,156	\$4,898,218	\$5,228,734	\$5,582,014	\$5,959,642	\$6,363,311
Electricity	\$4,596,520	\$4,743,260	\$4,886,140	\$5,033,160	\$5,184,433	\$5,337,432
Repair and Maintenance	\$3,540,885	\$3,595,942	\$3,607,614	\$3,619,749	\$3,882,254	\$3,882,254
Total Major Operating Categories	\$29,412,473	\$32,346,583	\$34,688,847	\$36,741,040	\$39,134,393	\$40,501,277
Total Operating Budget	\$40,459,546	\$44,985,074	\$47,621,516	\$49,921,277	\$52,505,234	\$53,933,927

RATES AND FEES

PROPOSED 2025-2029 RATES

Fund	2025	2026	2027	2028	2029
Water	5%	5%	5%	5%	5%
Water Resources	8%	8%	8%	8%	8%
Stormwater	5%	5%	5%	5%	5%
Wastewater	0.5%	0.5%	0.5%	0.5%	0.5%

RATES AND FEES

AVERAGE BILL COMPARISONS

¾" Residential Customer
 Winter Bill
 AWMC = 4 Use = 4

	2024 Rates	Forecast 2025	Difference
Water Service	\$ 10.42	\$ 10.94	\$ 0.52
Wastewater Service	\$ 32.85	\$ 33.01	\$ 0.16
Renewable Water	\$ 31.12	\$ 33.61	\$ 2.49
Stormwater	\$ 7.97	\$ 8.37	\$ 0.40
Total Service Charges	\$ 82.36	\$ 85.94	\$ 3.57
Consumption			
Tier 1	\$ 12.33	\$ 12.95	\$ 0.62
Tier 2	\$ -	\$ -	\$ -
Tier 3	\$ -	\$ -	\$ -
Total Consumption Charges	\$ 12.33	\$ 12.95	\$ 0.62
Total Bill	\$ 94.69	\$ 98.88	\$ 4.19
Difference			
Overall % Difference			4.42%

¾" Residential Customer
 Summer Bill
 AWMC = 4 Use = 15

	2024 Rates	Forecast 2025	Difference
Water Service	\$ 10.42	\$ 10.94	\$ 0.52
Wastewater Service	\$ 32.85	\$ 33.01	\$ 0.16
Renewable Water	\$ 31.12	\$ 33.61	\$ 2.49
Stormwater	\$ 7.97	\$ 8.37	\$ 0.40
Total Service Charges	\$ 82.36	\$ 85.94	\$ 3.57
Consumption			
Tier 1	\$ 12.33	\$ 12.95	\$ 0.62
Tier 2	\$ 68.97	\$ 72.42	\$ 3.45
Tier 3	\$ -	\$ -	\$ -
Total Consumption Charges	\$ 81.30	\$ 85.37	\$ 4.07
Total Bill	\$ 163.66	\$ 171.30	\$ 7.64
Difference			
Overall % Difference			4.67%

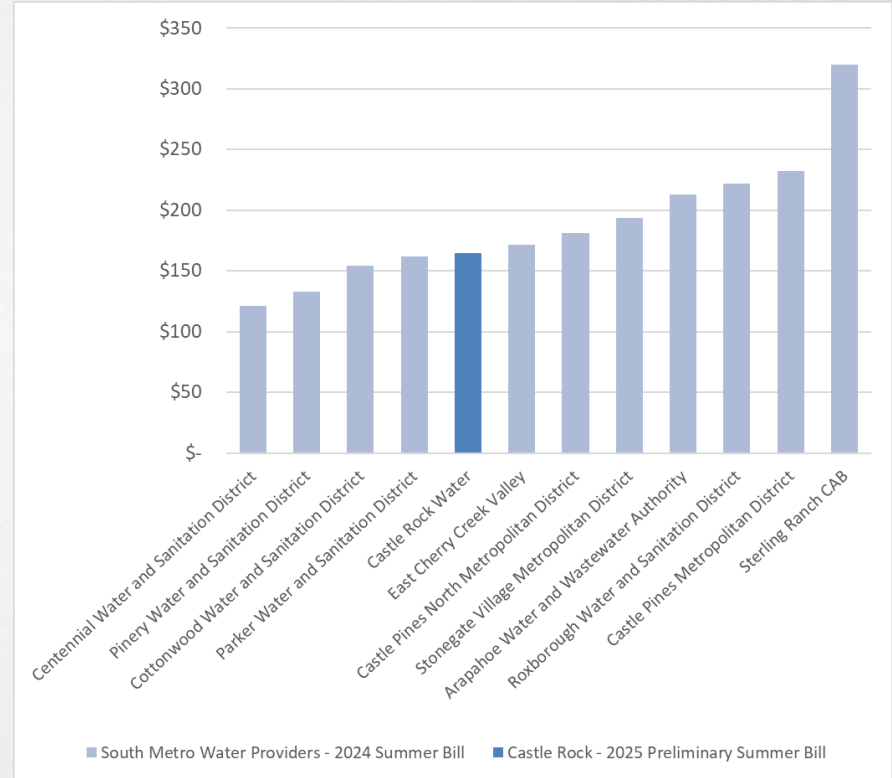
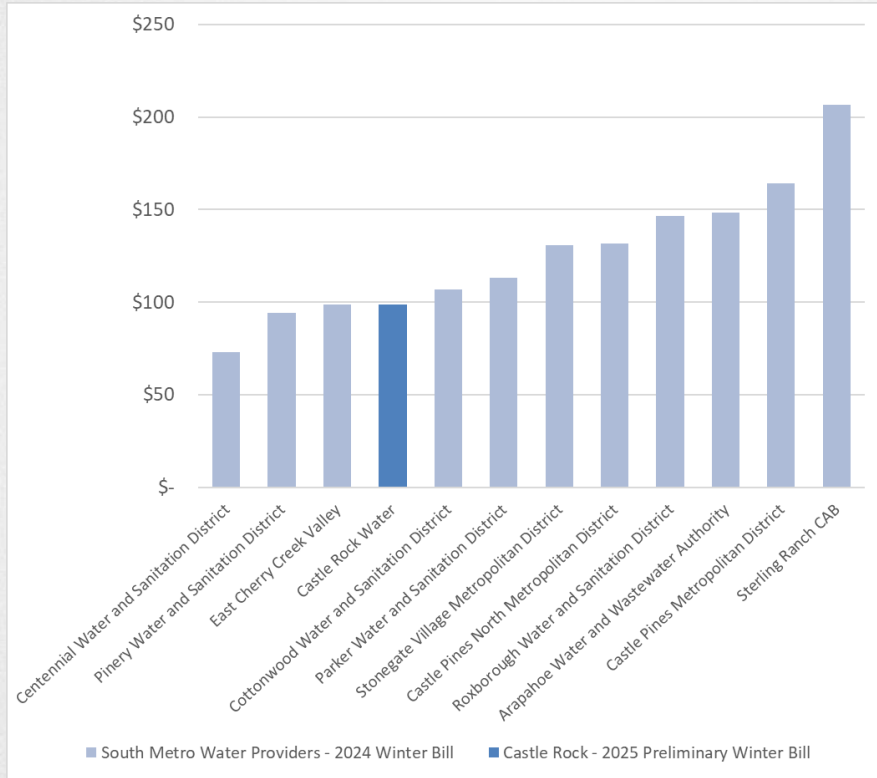
RATES AND FEES

AVERAGE BILL COMPARISONS

Customer	2024	2025	\$ Increase	% Increase
3/4" Residential	\$ 119.95	\$ 125.22	\$ 5.27	4.39%
3/4" Commercial (with IRR)	\$ 174.72	\$ 182.09	\$ 7.37	4.22%
3/4" Commercial (no IRR)	\$ 214.36	\$ 223.44	\$ 9.08	4.24%
1.5" Multi-Family (no IRR)	\$ 787.59	\$ 819.93	\$ 32.34	4.11%
1.5" Multi-Family (with IRR)	\$ 866.85	\$ 904.53	\$ 37.68	4.35%
2" Irrigation Only	\$ 2,512.15	\$ 2,648.95	\$ 136.80	5.45%

RATES AND FEES

CRW PROPOSED 2025 RATES TO OTHERS' CURRENT 2024 RATES



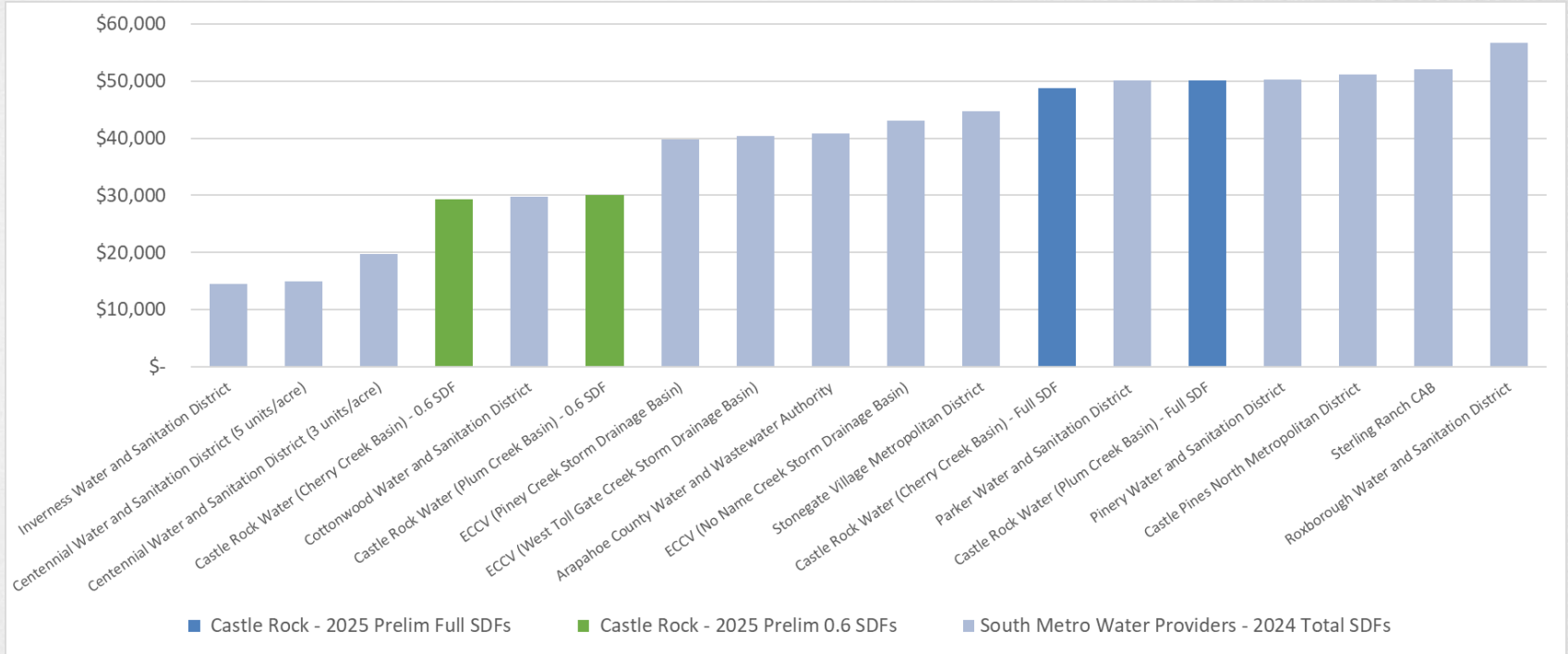
RATES AND FEES

PROPOSED 2025-2029 SDFS

Fund	2025	2026	2027	2028	2029
Water	20%	20%	16%	16%	16%
Water Resources	7%	7%	3%	3%	3%
Stormwater	0%-5%	0%-5%	0%-3%	0%-3%	0%-3%
Wastewater	3%	3%	3%	3%	3%
Total	8.3%	8.6%	5.4%	5.6%	5.9%

RATES AND FEES

CRW PROPOSED 2025 SDF TO OTHERS' CURRENT 2024 SDFS



RATES AND FEES

KEY DATES

- Town Council 1st Reading: September 3, 2024
- Town Council 2nd Reading: September 17, 2024

RATES AND FEES

DISCUSSION

QUESTIONS?

RATES AND FEES

PROPOSED 2025-2029 RATES & FEES

Water	2024	2025	2026	2027	2028	2029
Rate Increase		5.0%	5.0%	5.0%	5.0%	5.0%
Monthly Charge	\$10.42	\$10.94	\$11.49	\$12.06	\$12.66	\$13.29
Block 1	3.08	3.23	3.39	3.56	3.74	3.93
Block 2	6.27	6.58	6.91	7.26	7.62	8.00
Block 3	9.35	9.82	10.31	10.83	11.37	11.94
Typical Res Bill	\$29.01	\$30.46	\$31.98	\$33.58	\$35.26	\$37.02
<i>Difference</i>		\$1.45	\$1.52	\$1.60	\$1.68	\$1.76

Water	2024	2025	2026	2027	2028	2029
SDF Increase		20%	20%	16%	16%	16%
SDF	\$6,897	\$8,276	\$9,931	\$11,520	\$13,363	\$15,501

RATES AND FEES

PROPOSED 2025-2029 RATES & FEES

Water Resource	2024	2025	2026	2027	2028	2029
Rate Increase		8%	8%	8%	8%	8%
Monthly Charge	\$31.12	\$33.61	\$36.30	\$39.20	\$42.34	\$45.73
<i>Difference</i>		\$2.49	\$2.69	\$2.90	\$3.14	\$3.39

Water Resource	2024	2025	2026	2027	2028	2029
SDF Increase		7%	7%	3%	3%	3%
SDF	\$31,294	\$33,485	\$35,829	\$36,904	\$38,011	\$39,151

RATES AND FEES

PROPOSED 2025-2029 RATES & FEES

Stormwater	2024	2025	2026	2027	2028	2029
Rate Increase		5%	5%	5%	5%	5%
Monthly Charge	\$7.97	\$8.37	\$8.79	\$9.23	\$9.69	\$10.17
<i>Difference</i>		\$0.40	\$0.42	\$0.44	\$0.46	\$0.48

Stormwater	2024	2025	2026	2027	2028	2029
CC SDF Increase		0%	0%	0%	0%	0%
Cherry Creek	\$1,265	\$1,265	\$1,265	\$1,265	\$1,265	\$1,265
PC SDF Increase		5%	5%	3%	3%	3%
Plum Creek	\$2,575	\$2,704	\$2,839	\$2,924	\$3,012	\$3,102

RATES AND FEES

PROPOSED 2025-2029 RATES & FEES

Wastewater	2024	2025	2026	2027	2028	2029
Rate Increase		0.5%	0.5%	0.5%	0.5%	0.5%
Monthly Charge	\$8.57	\$8.61	\$8.65	\$8.69	\$8.73	\$8.77
Volumetric Rate	6.07	6.10	6.13	6.16	6.19	6.22
Typical Res Bill	\$32.85	\$33.01	\$33.18	\$33.35	\$33.52	\$33.69
<i>Difference</i>		\$0.16	\$0.17	\$0.17	\$0.17	\$0.17

Wastewater	2024	2025	2026	2027	2028	2029
SDF Increase		3%	3%	3%	3%	3%
SDF	\$5,562	\$5,729	\$5,901	\$6,078	\$6,260	\$6,448

RATES AND FEES

RATE HISTORY

Water	2020	2021	2022	2023	2024
Rate Increase	0%	0%	0%	4.5%	4.5%
Monthly Charge	\$9.54	\$9.54	\$9.54	\$9.97	\$10.42
Block 1	2.82	2.82	2.82	2.95	3.08
Block 2	5.74	5.74	5.74	6.00	6.27
Block 3	8.56	8.56	8.56	8.95	9.35

Water Resource	2020	2021	2022	2023	2024
Rate Increase	0%	0%	3%	7.5%	7.5%
Monthly Charge	\$26.15	\$26.15	\$26.93	\$28.95	\$31.12

RATES AND FEES

RATE HISTORY

Wastewater	2020	2021	2022	2023	2024
Rate Increase	-3%	0%	-5%	0%	0%
Monthly Charge	\$9.02	\$9.02	\$8.57	\$8.57	\$8.57
Volumetric Rate	6.39	6.39	6.07	6.07	6.07

Stormwater	2020	2021	2022	2023	2024
Rate Increase	0%	0%	3%	4.5%	4.5%
Monthly Charge	\$7.12	\$7.12	\$7.30	\$7.63	\$7.97

RATES AND FEES

SDF HISTORY

Water	2020	2021	2022	2023	2024
Fee Increase	3%	10%	41%	10%	10%
SDF	\$3,664	\$4,030	\$5,700	\$6,270	\$6,897

Water Resource	2020	2021	2022	2023	2024
Fee Increase	3%	5%	43%	15%	3%
SDF	\$17,623	\$18,504	\$26,458	\$30,383	\$31,294

AUGUST 2024 RATES AND FEES

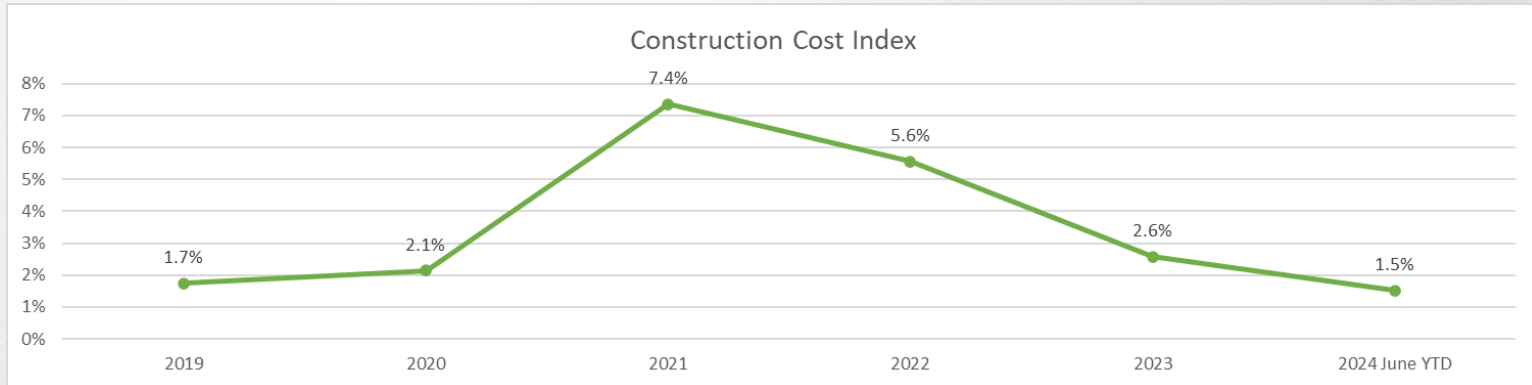
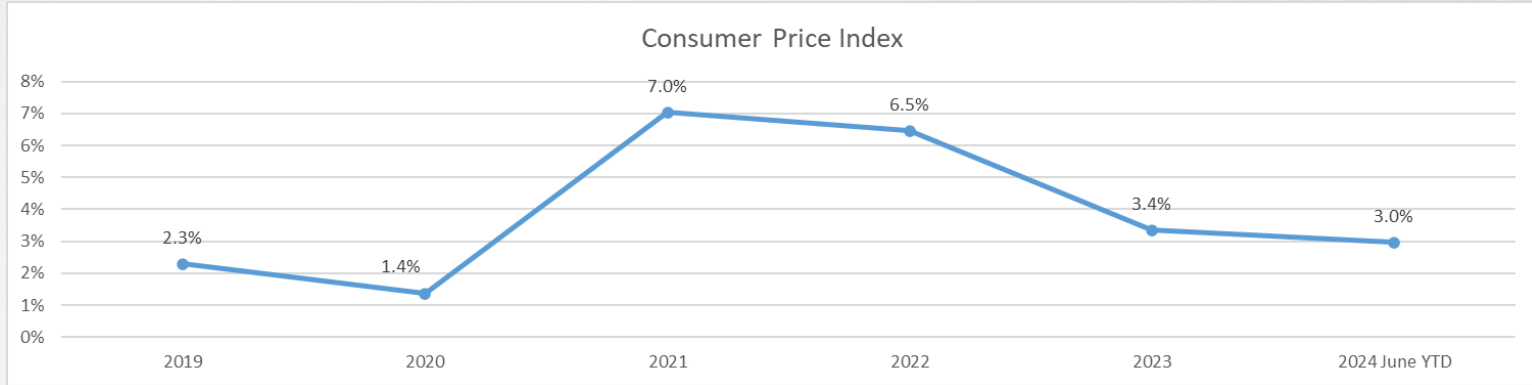
SDF HISTORY

Wastewater	2020	2021	2022	2023	2024
Fee Increase	0%	0%	22%	10%	3%
SDF	\$4,023	\$4,023	\$4,909	\$5,400	\$5,562

Stormwater	2020	2021	2022	2023	2024
Fee Increase	3%	5%	49% - 23%	10%	3%-10%
Cherry Creek	\$868	\$911	\$1,116	\$1,228	\$1,265
Plum Creek	\$1,357	\$1,425	\$2,128	\$2,341	\$2,575

RATES AND FEES

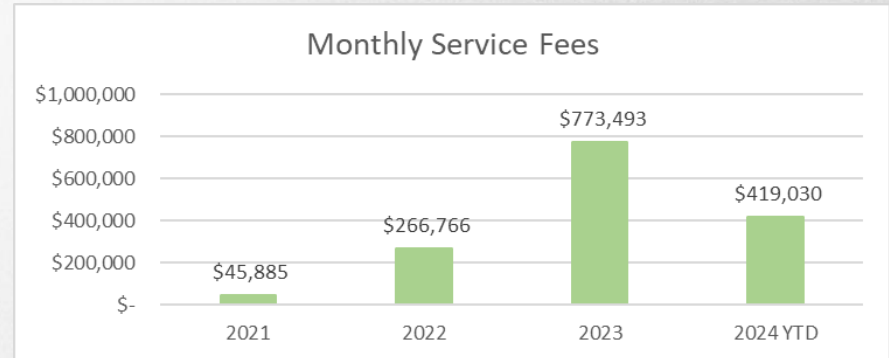
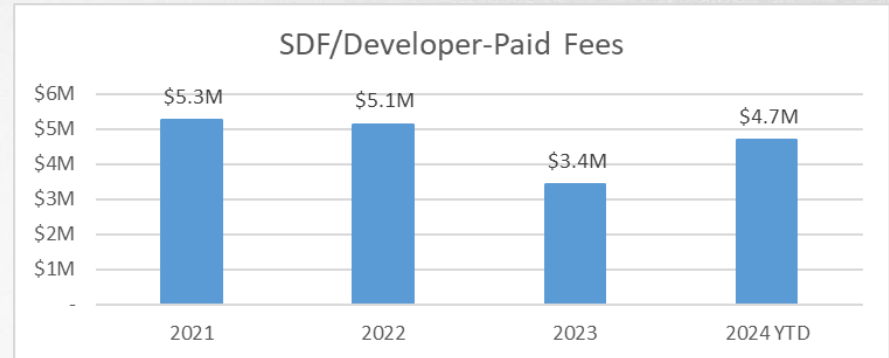
CONSUMER PRICE INDEX / CONSTRUCTION COST INDEX



RATES AND FEES

EXTRATERRITORIAL REVENUE

- Additional fees for service provided to areas beyond the Town’s official boundaries such as Macanta/Canyons South and Bell Mountain Ranch
- Includes SDFs and monthly service charges
- Extraterritorial charge by fund:
 - Water: +10%
 - Water Resources: +10%
 - Wastewater: +25%
- \$18.6M in Water/Water Resource SDFs since 2021
- \$1.5M in monthly service fees since 2021



RATES AND FEES

RATE INCREASES – AVERAGE MONTHLY BILL

Fund	2024	1% Increase	1%	2%	3%	4%	5%	6%	7%
Water	\$ 29.01	\$ 0.29	\$ 29.30	\$ 29.59	\$ 29.88	\$ 30.17	\$ 30.46	\$ 30.75	\$ 31.04
Water Resources	\$ 31.12	\$ 0.31	\$ 31.43	\$ 31.74	\$ 32.05	\$ 32.36	\$ 32.68	\$ 32.99	\$ 33.30
Stormwater	\$ 7.97	\$ 0.08	\$ 8.05	\$ 8.13	\$ 8.21	\$ 8.29	\$ 8.37	\$ 8.45	\$ 8.53
Wastewater	\$ 32.85	\$ 0.33	\$ 33.18	\$ 33.51	\$ 33.84	\$ 34.16	\$ 34.49	\$ 34.82	\$ 35.15
Total	\$ 100.95	\$ 1.01	\$ 101.96	\$ 102.97	\$ 103.98	\$ 104.99	\$ 106.00	\$ 107.01	\$ 108.02

- Every 1% increase in rates adds about \$1 to the average monthly bill
- Using rate assumptions for 2025 from the 2023 Rates and Fees study, average monthly bill would go up by 3.96% to \$104.95.
 - 2025 Rate Increases from 2023 Rates and Fees Study
 - Water: +4.5%
 - Water Resources: +7.5%
 - Stormwater: +4.5%
 - Wastewater: 0%
 - Proposed 2025 Rate Increases
 - Water: +5.0%
 - Water Resources: +8.0%
 - Stormwater: +5.0%
 - Wastewater: 0.5%

RATES AND FEES

RATE INCREASES – MONTHLY SERVICE REVENUE

Revenue Source	2024 Year End Estimate	Growth-Related Increase	1% Increase	1%	2%	3%	4%	5%	6%	7%
Metered Water Sales	\$ 16,491,565	\$ 294,492	\$ 167,861	\$ 16,953,918	\$ 17,121,778	\$ 17,289,639	\$ 17,457,500	\$ 17,625,360	\$ 17,793,221	\$ 17,961,081
Water Service Charges	\$ 3,540,000	\$ 63,214	\$ 36,032	\$ 3,639,246	\$ 3,675,279	\$ 3,711,311	\$ 3,747,343	\$ 3,783,375	\$ 3,819,407	\$ 3,855,439
Water Resources	\$ 13,510,262	\$ 241,255	\$ 137,515	\$ 13,889,032	\$ 14,026,547	\$ 14,164,062	\$ 14,301,577	\$ 14,439,093	\$ 14,576,608	\$ 14,714,123
Stormwater	\$ 4,075,143	\$ 72,770	\$ 41,479	\$ 4,189,393	\$ 4,230,872	\$ 4,272,351	\$ 4,313,830	\$ 4,355,309	\$ 4,396,788	\$ 4,438,267
Wastewater	\$ 12,078,501	\$ 215,688	\$ 122,942	\$ 12,417,130	\$ 12,540,072	\$ 12,663,014	\$ 12,785,956	\$ 12,908,898	\$ 13,031,840	\$ 13,154,782
Total	\$ 49,695,471	\$ 887,419	\$ 505,829	\$ 51,088,719	\$ 51,594,548	\$ 52,100,377	\$ 52,606,206	\$ 53,112,035	\$ 53,617,864	\$ 54,123,692

- Growth-related increases assume 500 new accounts in 2025
- New accounts add roughly \$900K in revenue prior to rate increases
- Every 1% increase in rates adds about \$500K in revenue across all funds
- 2025 Rate Increases from 2023 Rates and Fees Study
 - Water: +4.5%
 - Water Resources: +7.5%
 - Stormwater: +4.5%
 - Wastewater: 0%
- Proposed 2025 Rate Increases
 - Water: +5.0%
 - Water Resources: +8.0%
 - Stormwater: +5.0%
 - Wastewater: 0.5%

RATES AND FEES

RATE INCREASES – SDF

Fund	2024	1% Increase	1%	3%	5%	7%	9%	10%
Water	\$ 6,897	\$ 68.97	\$ 6,966	\$ 7,104	\$ 7,242	\$ 7,380	\$ 7,518	\$ 7,587
Water Resources	\$ 31,294	\$ 312.94	\$ 31,607	\$ 32,233	\$ 32,859	\$ 33,485	\$ 34,110	\$ 34,423
Wastewater	\$ 5,562	\$ 55.62	\$ 5,618	\$ 5,729	\$ 5,840	\$ 5,951	\$ 6,063	\$ 6,118
Stormwater CC	\$ 1,265	\$ 12.65	\$ 1,278	\$ 1,303	\$ 1,328	\$ 1,354	\$ 1,379	\$ 1,392
Total CC	\$ 45,018	\$ 450.18	\$ 45,468	\$ 46,369	\$ 47,269	\$ 48,169	\$ 49,070	\$ 49,520
Stormwater PC	\$ 2,575	\$ 25.75	\$ 2,601	\$ 2,652	\$ 2,704	\$ 2,755	\$ 2,807	\$ 2,833
Total PC	\$ 46,328	\$ 463.28	\$ 46,791	\$ 47,718	\$ 48,644	\$ 49,571	\$ 50,498	\$ 50,961

- 1 Single Family Equivalent
- 2025 SDF Increases from 2023 Rates & Fees Study
 - Water: +10%
 - Water Resources: +3%
 - Stormwater:
 - Cherry Creek: +3%
 - Plum Creek: +10%
 - Wastewater: 3%
- 2025 Proposed Increases
 - Water: +20%
 - Water Resources: +7%
 - Stormwater:
 - Cherry Creek: +0%
 - Plum Creek: +5%
 - Wastewater: 3%
- Cherry Creek Proposed Increase
 - \$48,755
 - +\$3,737 (+8.3%)
- Plum Creek Proposed Increase
 - \$50,194
 - +\$3,866 (+8.3%)