

**ORDINANCE NO. 2025-\_\_**

**AN ORDINANCE AMENDING CHAPTERS 13.12 AND 13.15 OF THE CASTLE ROCK MUNICIPAL CODE BY ADDING NEW SECTIONS AND DEFINITIONS WHICH ALLOW FOR THE IMPLEMENTATION OF DROUGHT RATES**

**WHEREAS**, the Town of Castle Rock, Colorado (the “Town”) currently relies on the Denver Basin Aquifer for up to sixty-five percent (65%) of its water supply; and

**WHEREAS**, the Denver Basin Aquifer does not recharge quickly and is therefore considered to be a non-renewable source of water; and

**WHEREAS**, the Town has set a goal of having seventy-five percent (75%) of its water supply come from renewable alluvial and surface water supplies by 2050, and one-hundred percent (100%) by 2065; and

**WHEREAS**, while these changes are necessary for the Town to secure a water source which can be relied on into the future, this change in water sources potentially exposes the Town to more impacts from future drought; and

**WHEREAS**, the Town is certain to experience future drought: based on the fifteen (15) recorded drought events recorded over twenty (20) years, Douglas County typically experiences some level of drought conditions in any given year; and

**WHEREAS**, based on national annual data from 1895 to 1995, Douglas County underwent severe or extreme drought conditions approximately fifteen percent (15%) to twenty percent (20%) of the time, which is among the highest frequency across the entire country; and

**WHEREAS**, the Town’s community could experience a variety of future drought-related impacts, including damage to public and private landscaping as well as an increase in wildfire risk; and

**WHEREAS**, while some drought-related impacts are beyond the immediate control of the Town, drought mitigation activities and daily operational adjustments during future droughts may be made to alleviate impacts to the public; and

**WHEREAS**, Castle Rock Water updated its Drought Management Plan at the close of 2024, which focuses on both drought mitigation and response planning measures to preserve essential public services and minimize adverse effects of drought on public health and safety, economic activity, environmental resources, and individual lifestyles during a drought event; and

**WHEREAS**, drought mitigation efforts consist of actions taken in advance of a drought that reduce potential drought-related impacts when the event occurs, and response planning refers to the conditions under which a drought-induced water supply shortage occurs and specifies the actions that should be taken in response; and

**WHEREAS**, the Drought Management Plan identifies the implementation of drought rates, assessed during various levels of drought, as an effective and necessary drought response planning measure; and

**WHEREAS**, the Town Council finds and determines that it is in the best interests of the Town and its residents to incorporate drought rates into the Town of Castle Rock's 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 the fee structure established by this Ordinance is supported by:

- A. Castle Rock Water's Drought Management Plan, prepared and adopted November 2024; and
- B. the Agenda Memorandum prepared by the Director of Castle Rock Water, and the accompanying PowerPoint presentation offered at first and second reading of this Ordinance; and
- C. the Stantec Consulting Services Technical Memorandum dated April 16, 2024.

**Section 2. Amendment.** In the Castle Rock Municipal Code, amend Section 13.12.070 to read as follows:

13.12.070 – Emergency regulation of water.

A. The Town Council shall have the power to regulate water usage during times of drought, shortage, fire or other emergency. This power shall extend to an absolute prohibition of water use or any lesser degree of regulation which shall be necessary in order to preserve and protect the municipal facilities and the water supply of the Town during such emergency.

B. The Town Council shall undertake to regulate the water service usage in accordance with Subsection A of this Section through adoption by resolution of a "drought management plan," which plan shall be prepared and maintained by Castle Rock Water.

C. The drought management plan shall set forth the degree of regulatory action, the duration of and the reasons for regulatory action. The Director of Castle Rock Water shall be charged with the implementation of the drought management plan including declaration of drought stages and the corresponding regulatory action.

D. A notice of the regulation imposed under the drought management plan under this Section shall be published as soon as possible in a newspaper of local publication and

~~distribution~~ ON THE TOWN OF CASTLE ROCK WEBSITE (WWW.CRGOV.COM), and may also be delivered to the premises of each user affected. Twenty-four (24) hours after delivery of a copy of the notice to the premises of the user, or forty-eight (48) hours following the publication of the notice, whichever occurs sooner, shall be determined to be constructive notice of the terms and regulatory effect of the drought management plan and indicated drought stage passed by the Town to the user of water service. Upon actual or constructive notice of the drought stage, every user shall be expected to obey and conform to the noticed requirements of the drought stage. Persons found to knowingly violate the provisions of the drought stage shall forfeit their right to further water service and the Town may immediately terminate water service during the pendency of the emergency restrictions.

E. IN THE EVENT THAT A DROUGHT IS DECLARED BY THE DIRECTOR OF CASTLE ROCK WATER, DROUGHT RATES AND CONSERVATION SURCHARGES MAY BE IMPOSED IN ACCORDANCE WITH SECTIONS 13.15.040 AND 13.15.045 OF THE CODE.

**Section 3. Amendment.** In the Castle Rock Municipal Code, amend Section 13.15.010 to read as follows:

13.12.010 - Definitions.

*ADVISORY DROUGHT STAGE* SHALL REFER TO DROUGHT CONDITIONS IN WHICH THE WATER SUPPLY INDEX SCORE RANGES FROM 1.09 TO 1.05, WITH ALL AVAILABLE WATER SUPPLIES PRODUCING AT THEIR MAXIMUM CAPACITY.

*CONSERVATION SURCHARGE* IS A WATER CONSERVATION MEASURE WHICH ASSESSES AN ADDITIONAL CHARGE FOR EACH 1,000 GALLONS USED OVER THE CONSERVATION SURCHARGE THRESHOLD BY SINGLE-FAMILY RESIDENTIAL CUSTOMERS.

*CONSERVATION SURCHARGE THRESHOLD* IS THE LIMIT OF WATER A SINGLE-FAMILY RESIDENTIAL CUSTOMER CAN USE BEFORE IT IS ASSESSED WITH THE CONSERVATION SURCHARGE.

*CRITICAL DROUGHT STAGE* SHALL REFER TO DROUGHT CONDITIONS IN WHICH THE WATER SUPPLY INDEX SCORE FALLS BELOW 0.90, WITH ALL AVAILABLE WATER SUPPLIES PRODUCING AT THEIR MAXIMUM CAPACITY.

*EMERGENCY DROUGHT STAGE* SHALL REFER TO DROUGHT CONDITIONS IN WHICH THE WATER SUPPLY INDEX SCORE RANGES FROM 0.94 TO 0.90, WITH ALL AVAILABLE WATER SUPPLIES PRODUCING AT THEIR MAXIMUM CAPACITY.

*Irrigation season* means the period between April 1 and October 31, inclusive, of each year.

*Owner* means the person or entity who is the owner of the real property receiving utility services, as shown in the public records of the County Assessor; provided, however, that if title is held in representative capacity, or the right to possession, use, and control of the property has been judicially vested in another party, such equitable owner(s) shall have the rights and responsibilities afforded and imposed by this Chapter.

*Program Administrator* means the Director of Castle Rock Water, or his or her designee.

*Responsible party* means the person or group identified by the owner as such, including property manager, or homeowner's association representative.

*Restriction period* means the period of time during the irrigation season which restrictions on lawn and landscaping irrigation is restricted to a defined/designated irrigation schedule.

*Utility bill* means the periodic statement of utility charges issued in accordance with Section 13.14.040.

**WARNING DROUGHT STAGE** SHALL REFER TO DROUGHT CONDITIONS IN WHICH THE WATER SUPPLY INDEX SCORE RANGES FROM 0.99 TO 0.95, WITH ALL AVAILABLE WATER SUPPLIES PRODUCING AT THEIR MAXIMUM CAPACITY.

**WATCH DROUGHT STAGE** SHALL REFER TO DROUGHT CONDITIONS IN WHICH THE WATER SUPPLY INDEX SCORE RANGES FROM 1.04 TO 1.00, WITH ALL AVAILABLE WATER SUPPLIES PRODUCING AT THEIR MAXIMUM CAPACITY.

**WATER SUPPLY INDEX SCORE** SHALL REFER TO THE NUMERICAL VALUE CALCULATED BASED ON THE FOLLOWING FORMULA: THE TOWN'S TOTAL WATER SUPPLY, INCLUDING ALL DEEP GROUNDWATER, ALLUVIAL WELLS, SURFACE WATER, AND IMPORTED WATER, DIVIDED BY THE TOWN'S MAXIMUM DAILY WATER DEMAND.

**Section 4. Amendment.** In the Castle Rock Municipal Code, amend Section 13.15.040 to read as follows:

13.15.040 – CONSERVATION Surcharges.

A. Waste of potable water shall not be permitted. Waste is defined as applications of potable water which do not result in beneficial use of the water. Waste violations shall be those fines set forth in the Town's Water Use Management Plan in effect at the time of the use.

B. Single-family surcharges are intended to reinforce the Town's conservation policies and discourage customers from consuming excessive amounts of water.

C. The CONSERVATION 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 as follows:

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

2024 and thereafter
\$9.35

DROUGHT STATUS	CONSERVATION SURCHARGE THRESHOLD	CONSERVATION SURCHARGE (PER EACH 1,000 GALLONS EXCEEDING CONSERVATION SURCHARGE THRESHOLD)
DEFAULT CONSERVATION SURCHARGE (NO DROUGHT DECLARED)	40,000 GALLONS PER BILLABLE MONTH	\$9.35
ADVISORY DROUGHT STAGE	NO CHANGE TO DEFAULT CONSERVATION SURCHARGE	
WATCH DROUGHT STAGE	NO CHANGE TO DEFAULT CONSERVATION SURCHARGE	
WARNING DROUGHT STAGE	30,000 GALLONS PER BILLABLE MONTH	DEFAULT CONSERVATION SURCHARGE INCREASED BY 10%
EMERGENCY DROUGHT STAGE	15,000 GALLONS PER BILLABLE MONTH	
CRITICAL DROUGHT STAGE	REDUCED TO AWMC AS DEFINED IN SEC. 13.12.111	

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

**Section 5. Amendment.** In the Castle Rock Municipal Code, ADD Section 13.15.045 to read as follows:

**13.15.045 – DROUGHT SURCHARGES.**

IN THE EVENT THE TOWN EXPERIENCES DROUGHT CONDITIONS, THE FOLLOWING CHANGES SHALL BE MADE TO THE WATER BUDGET-BASED TIER THRESHOLDS AS DESCRIBED IN SECTION 13.12.11 OF THE CODE AND THEIR CORRESPONDING RATES:

A. IN THE EVENT THE TOWN EXPERIENCES DROUGHT CONDITIONS WHICH TRIGGER THE WATCH DROUGHT STAGE, THE EXCESS CONSUMPTION TIER 3 THRESHOLD SHALL BE REDUCED BY HALF, WHICH WILL REDUCE THE OUTDOOR WATER BUDGET FOR ALL WATER CUSTOMERS AND PLACE THEM INTO TIER 3 RATES FOR WATER USAGE OVER HALF THEIR NORMAL BUDGET.

B. IN THE EVENT THE TOWN EXPERIENCES DROUGHT CONDITIONS WHICH TRIGGER THE WARNING DROUGHT STAGE, THE EXCESS CONSUMPTION TIER 3 THRESHOLD SHALL BE REDUCED BY HALF, AND THE EXCESS CONSUMPTION TIER 3 RATE SHALL BE INCREASED BY 10%.

C. IN THE EVENT THE TOWN EXPERIENCES DROUGHT CONDITIONS WHICH TRIGGER THE EMERGENCY DROUGHT STAGE, OUTDOOR WATER BUDGETS SHALL BE ELIMINATED FOR ALL CUSTOMERS, PUTTING THEM INTO EXCESS CONSUMPTION TIER 3 RATES FOR ANY OUTDOOR WATER USE, AND THE EXCESS CONSUMPTION TIER 3 RATE SHALL BE INCREASED BY 10%.

D. IN THE EVENT THE TOWN EXPERIENCES DROUGHT CONDITIONS WHICH TRIGGER THE CRITICAL DROUGHT STAGE, OUTDOOR WATER BUDGETS SHALL BE ELIMINATED FOR ALL CUSTOMERS; THE TIER 3 RATE SHALL BE INCREASED BY 10%; AND PERIODIC WATER SHUT-OFFS SHALL BE IMPLEMENTED AS NEEDED.

**Section 6. 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 Ordinances which can be given effect without the invalid provisions or application, and to this end the provisions of this Ordinances are declared to be severable.

**Section 7. 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 8. Effective Date.** This Ordinance shall take effect on March 1, 2025.

**APPROVED ON FIRST READING** this \_\_\_\_ day of \_\_\_\_\_, 2025, by a vote of \_\_\_\_ for and \_\_\_\_ against, after publication and 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 \_\_\_\_\_, 2025, by the Town Council of the Town of Castle Rock by a vote of \_\_\_\_ for and \_\_\_\_ against.

**ATTEST:**

**TOWN OF CASTLE ROCK**

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Lisa Anderson, Town Clerk

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Jason Gray, Mayor

**Approved as to form:**

**Approved as to content:**

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Michael J. Hyman, Town Attorney

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Mark Marlowe, Director of Castle Rock Water