

CASTLE ROCK WATER RATES AND FEES RECOMMENDATIONS

OCTOBER 3, 2023



2024 – 2028 BUDGET

CONSIDERATIONS & STRATEGY

- Growth Forecast
 - ✓ 1,560 fewer Residential permits in 2023-2027 vs last year budget
 - ✓ SDF revenue decrease of approximately \$35M during this timeframe
- Maintain Water Capital Plan
 - ✓ Annual inter-fund loans from Wastewater to Water from 2024-2028 ~\$28M
 - ✓ Temporary reduction of catastrophic failure reserve from 2% - 1%
 - ✓ Catastrophic failure reserve still \$9.8M over all 4 funds
 - ✓ Improve peak demand capacity
- Continue Reduced Stormwater Capital Plan
 - ✓ Temporary reduction of catastrophic failure reserve from 2% - 1%

2024 – 2028 BUDGET

CONSIDERATIONS & STRATEGY

- Additional Revenue Bonds
 - ✓ \$40M anticipated in Water Resources in 2026
 - ✓ Debt ratio of 10% today, top AWWA quartile is <25%
 - ✓ New debt ratio of 14% with anticipated bond, still in top AWWA quartile
- Use of Rate Revenue Stabilization and Catastrophic Failure Reserve for 2023
 - ✓ \$3.5M - \$4.0M
 - ✓ Reimburse reserves in 2024-2028
- Review / Reduction of Operating Expense Budget

2024 – 2028 BUDGET

2024 – 2028 STAFFING UPDATES

FULL TIME EQUIVALENT ADDITIONS

- 2024
 - ✓ Landscape Designer
 - ✓ SCADA Superintendent
- 2025
 - ✓ Water Plant Operator Supervisor
 - ✓ Advanced Metering Infrastructure Coordinator
- 2026
 - ✓ Customer Service Representative

GRADE CHANGES

- 2025
 - ✓ 2x Water Plant Operator Supervisors from grade 18 to grade 20
 - ✓ 2x Water Plant Operators from grade 10-16 to grade 18
- 2026
 - ✓ 2x Water Plant Operators from grade 10-16 to grade 18

2024 – 2028 BUDGET

2024 – 2028 MAJOR PROJECTS AND EXPENSES

- Water - \$61.2M
 - ✓ \$14.4M – New Water Supply Wells
 - ✓ \$6.0M – Waterline Rehab & Replacement
 - ✓ \$6.0M – Well Redrills
 - ✓ \$5.0M – SCADA System Improvements
 - ✓ \$4.8M – Tank 6B Reconstruction
 - ✓ \$4.0M – Hill Side Pump Station
- Stormwater - \$12.8M
 - ✓ \$4.6M – McMurdo Gulch Stream Stabilization
 - ✓ \$2.6M – EPC Stream Stabilization
 - ✓ \$1.5M – Storm Sewer Rehab
 - ✓ \$1.3M – Sellers Gulch Stream Stabilization
- Water Resources - \$174.6M
 - ✓ \$65.5M – PCWPF Expansion
 - ✓ \$52.6M – WISE Infrastructure
 - ✓ \$16.2M – Chatfield West Side Alt Project
 - ✓ \$13.4M – PC Central Well Field
 - ✓ \$11.1M – CC Basin Infrastructure
- Wastewater - \$20.7M
 - ✓ \$7.2M – Sewer Line Rehab
 - ✓ \$4.8M – Young American Rehab
 - ✓ \$4.0M – PC Interceptor Upsize

WATER FUND 2024 – 2028 PROPOSED RATES & FEES

RESIDENTIAL ¾" METER, 4KGAL AWMC, 5KGAL MONTHLY CONSUMPTION

Water	2023	2024	2025	2026	2027	2028
Rate Increase		4.5%	4.5%	4.5%	4.5%	4.5%
Monthly Charge	\$9.97	\$10.42	\$10.89	\$11.38	\$11.89	\$12.43
Block 1	2.95	3.08	3.22	3.36	3.51	3.67
Block 2	6.00	6.27	6.55	6.85	7.16	7.48
Block 3	8.95	9.35	9.77	10.21	10.67	11.15
Typical Res Bill	\$27.77	\$29.01	\$30.32	\$31.67	\$33.09	\$34.59
<i>Difference</i>		\$1.24	\$1.31	\$1.35	\$1.42	\$1.50

Water	2023	2024	2025	2026	2027	2028
SDF Increase		10%	10%	10%	10%	10%
SDF	\$6,270	\$6,897	\$7,587	\$8,345	\$9,180	\$10,098

WASTEWATER FUND 2024 – 2028 PROPOSED RATES & FEES

RESIDENTIAL ¾” METER, 4KGAL AWMC

Wastewater	2023	2024	2025	2026	2027	2028
Rate Increase		0%	0%	0%	0%	0%
Monthly Charge	\$8.57	\$8.57	\$8.57	\$8.57	\$8.57	\$8.57
Volumetric Rate	6.07	6.07	6.07	6.07	6.07	6.07
Typical Res Bill	\$32.85	\$32.85	\$32.85	\$32.85	\$32.85	\$32.85
Difference		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

Wastewater	2023	2024	2025	2026	2027	2028
SDF Increase		3%	3%	3%	3%	3%
SDF	\$5,400	\$5,562	\$5,729	\$5,901	\$6,078	\$6,260

STORMWATER FUND 2024 – 2028 PROPOSED RATES & FEES

Stormwater	2023	2024	2025	2026	2027	2028
Rate Increase		4.5%	4.5%	4.5%	4.5%	4.5%
Monthly Charge	\$7.63	\$7.97	\$8.33	\$8.71	\$9.10	\$9.51
<i>Difference</i>		\$0.34	\$0.36	\$0.38	\$0.39	\$0.41

Stormwater	2023	2024	2025	2026	2027	2028
CC SDF Increase		3%	3%	3%	3%	3%
Cherry Creek	\$1,228	\$1,265	\$1,303	\$1,342	\$1,382	\$1,424
PC SDF Increase		10%	10%	3%	3%	3%
Plum Creek	\$2,341	\$2,575	\$2,822	\$2,918	\$3,005	\$3,095

WATER RESOURCE FUND 2024 – 2028 PROPOSED RATES & FEES

Water Resource	2023	2024	2025	2026	2027	2028
Rate Increase		7.5%	7.5%	7.5%	7.5%	7.5%
Monthly Charge	\$28.15	\$30.26	\$32.53	\$34.97	\$37.59	\$40.41
<i>Difference</i>		\$2.11	\$2.27	\$2.44	\$2.62	\$2.82

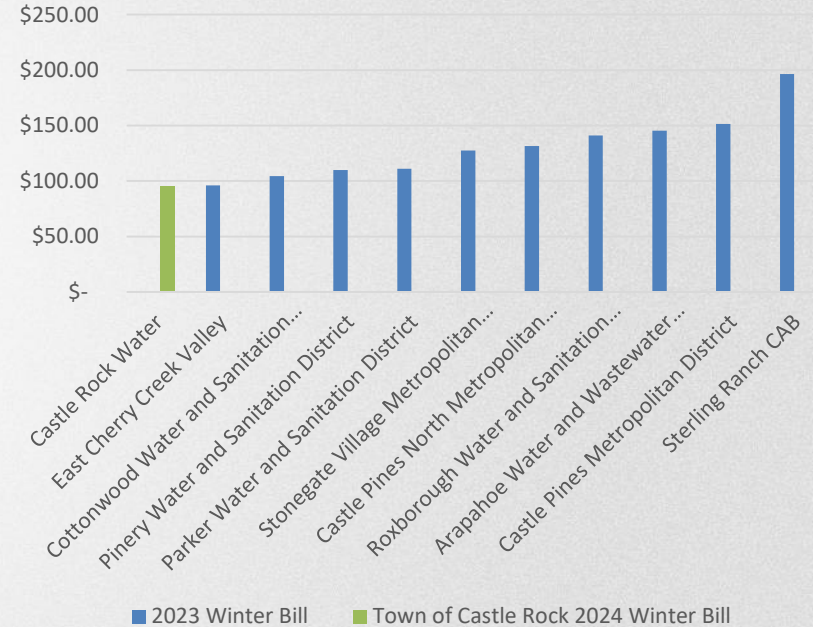
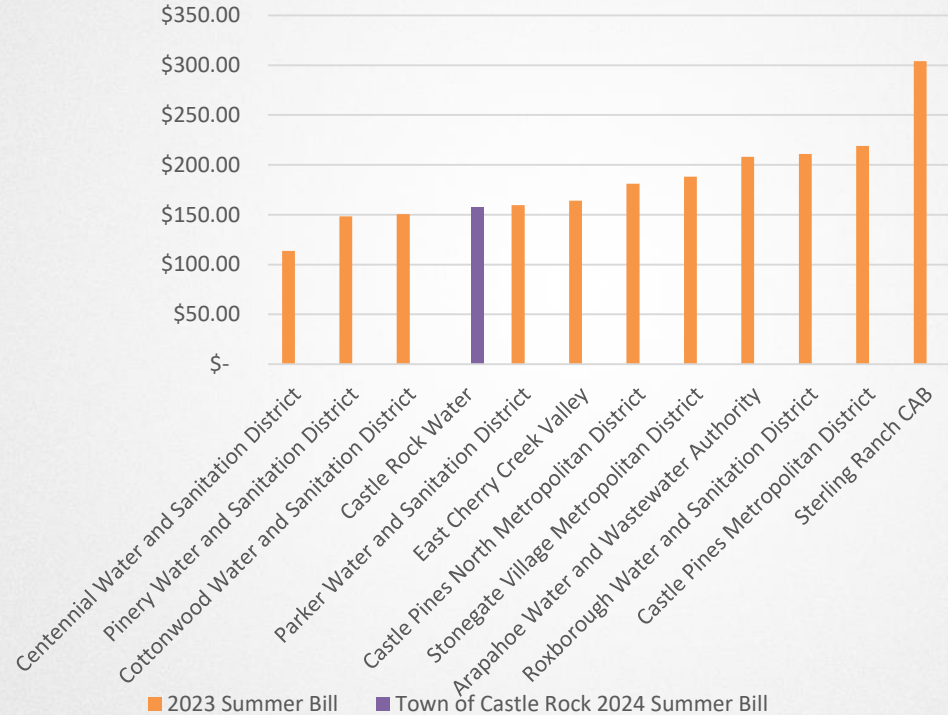
Water Resource	2023	2024	2025	2026	2027	2028
SDF Increase		3%	3%	3%	3%	3%
SDF	\$30,383	\$31,294	\$32,233	\$33,200	\$34,196	\$35,222

OTHER RATES AND FEES

- Extraterritorial Rates and Fees
 - ✓ Macanta: 10% surcharge for Water and Water Resources rates; 25% surcharge for Wastewater rates
 - ✓ Bell Mountain Ranch: 10% surcharge for Water and Water Resources rates; no wastewater charges due to the use of septic systems throughout the development
 - ✓ St. Francis of Assisi Church: St. Francis of Assisi Church has a 1.5" tap but they do not pay any extraterritorial surcharges at this time
 - ✓ Dominion Water and Sanitation District: Wheeling Rate (\$0.33 per 1,000 gallons) and Water Service Rate (\$5.88 per 1,000 gallons)
 - ✓ Roxborough Water and Sanitation District: Will Serve Rate for raw water (\$3.20 per 1,000 gallons)
- Special Charges/Fees – minor updates in accordance with cost of service
- Bulk Hydrant: 1.5" meter for water and water resources, volumetric of \$8.58 per 1,000 gallons
- Bulk Station: ¾" Customers, 125% of rate for water and water resources, volumetric is 125% of maximum irrigation rate

WATER PROVIDER COMPARISONS

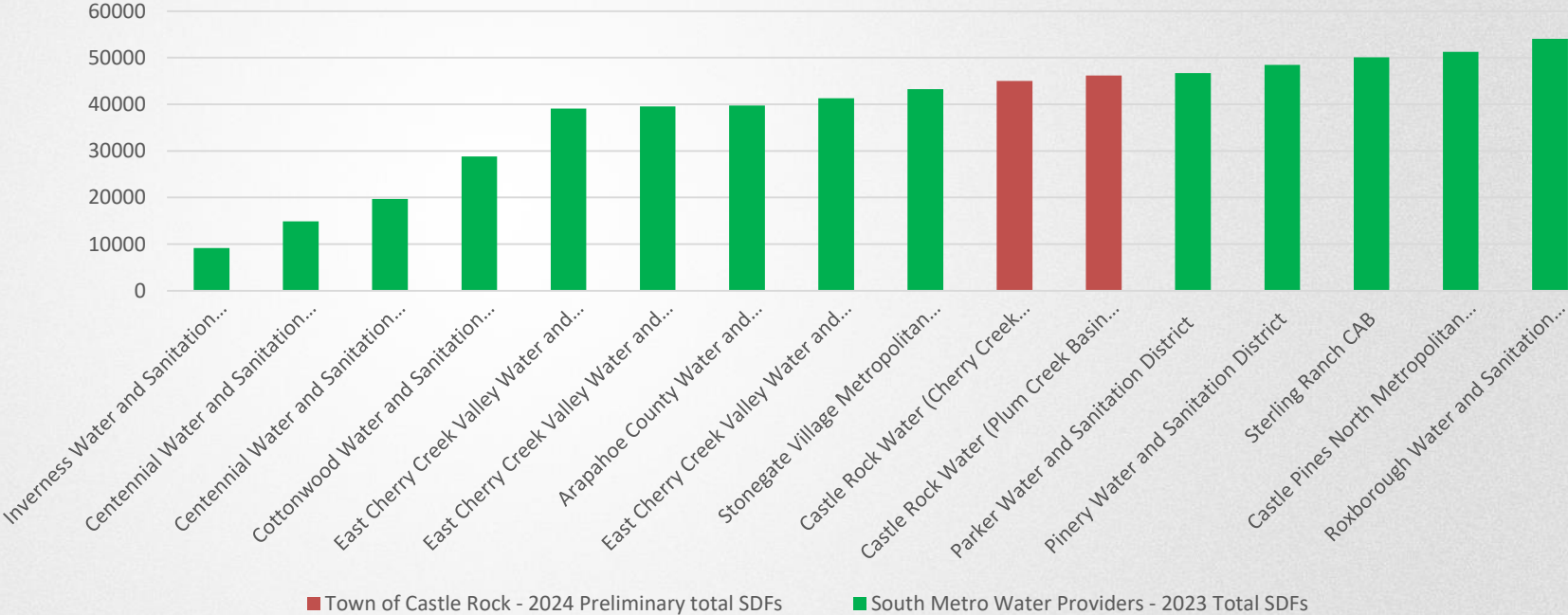
CRW PROPOSED 2024 RATES TO OTHERS' CURRENT 2023 RATES



WATER PROVIDER COMPARISONS – SDFS

CRW PROPOSED 2024 SDFS TO OTHERS' CURRENT 2023 SDFS

Preliminary ToCR 2024 SDFs



AVERAGE BILL COMPARISONS

Customer Class	2023	2024	\$ Increase	% Increase
3/4" Residential	\$ 115.20	\$ 119.77	\$ 4.57	3.97%
3/4" Commercial (with IRR)	\$ 206.76	\$ 214.36	\$ 7.60	3.68%
3/4" Commercial (no IRR)	\$ 166.12	\$ 172.10	\$ 5.98	3.60%
1.5" Multi-Family (no IRR)	\$ 766.98	\$ 793.73	\$ 26.75	3.49%
1.5" Multi-Family (with IRR)	\$ 835.40	\$ 866.85	\$ 31.45	3.76%
2" Irrigation Only	\$ 2,394.00	\$ 2,512.15	\$ 118.15	4.94%

CASTLE ROCK WATER RATES AND FEES RECOMMENDATIONS

Recommendations

- ✓ Staff
- ✓ Castle Rock Water Commission

Questions



*I MOVE TO APPROVE ORDINANCE NO. 2023-027
AS INTRODUCED BY TITLE*

*I MOVE TO APPROVE THE ORDINANCE AS INTRODUCED BY
TITLE, WITH THE FOLLOWING CONDITIONS: _____*

*"I MOVE TO CONTINUE THIS ITEM TO THE TOWN COUNCIL
MEETING ON _____ DATE TO ALLOW
ADDITIONAL TIME TO: _____*