



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
Tim Dagg, Water Conservation Technician

Title: **Resolution Approving the 2025 Water Conservation Rebate Program Budget and Increasing the ColoradoScape Conversion Rebate** [*The entire Castle Rock Water Service Area*]

Executive Summary

The purpose of this memorandum is to request Town Council approval of a Resolution (**Attachment A**) for the 2025 Water Conservation Rebate Incentive Program. Conservation rebates are in place to encourage indoor and outdoor water conservation measures. These programs are evaluated annually for effectiveness and each category is adjusted accordingly.

Currently there are four rebate programs in place and include:

- ColoradoScape conversions replacing existing non-functional turf;
- Toilet retrofit with an ultra-high-efficiency (UHE) 0.8 gallon per flush (GPF) unit;
- Rotary nozzle replacement;
- Whole Home Water Monitoring System (with automatic shut off).

Two changes are proposed for the current rebate program. The changes are specifically proposed for ColoradoScape conversions that will be removing non-functional turf and converting to a low water use ColoradoScape design:

- Increase the rebate amount from \$2.50 per square foot to \$3.25 per square foot
- Discontinue artificial / synthetic turf as an eligible landscape material as it does not promote the ColoradoScape design principle

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

Castle Rock Water (CRW) staff presented this item to the CRW Commission at their meeting held on February 26, 2025, and the Castle Rock Water Commission voted unanimously 5 to 0 recommend Town Council approval of the Resolution as presented.

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. Through being efficient and providing incentives to our customers to use water wisely, CRW believes this goal is reachable. The attached graph (**Attachment B**) shows the trend in per capita water usage over the past 5 years.

A summary of the CRW Rebate programs include:

- ColoradoScape Conversion

The ColoradoScape conversion rebate encourages customers to replace high-water use turf with native or regionally adapted plants by offering \$3.25 per square foot to do so (limited to 1,500 square feet per residential customer and 15,000 square feet for non-residential accounts). Any high-water use turf replaced exclusively with hardscape materials such as patios, decks or synthetic turf would not qualify for the rebate.

Converting to a ColoradoScape ensures a true water savings because of the transition from a high-water use turf that requires 30 inches plus of water per year to one that requires only 10 inches or less annually.

In 2024, the ColoradoScape Rebate assisted residents in converting 92,062 square feet (sf) of high-water use turf into a low-water use ColoradoScape. Another 21,055 sf was converted as hardscapes. A total of \$251,210 in rebate money was awarded through this program to our residential customers.

For non-residential customers, there was a total of 199,574 sf of turf converted in which 144,276 sf qualified for rebate dollars. The total amount rebated to non-residential customers in 2024 was \$360,690.

- Ultra-High-Efficiency (UHE) Toilet Replacement

The UHE toilet replacement rebate encourages customers to exchange high-water use toilets for UHE 0.8 gallons per flush (gpf) units. This program offers customers up to \$150 toward the purchase price and recycles the ceramic and porcelain of the exchanged older toilet. In 2024, 90 high-water use toilets were collected and exchanged for 0.8 gpf, UHE units. The total dollar amount rebated to customers for toilet replacements in 2024 was \$12,700.

- Rotary Nozzle Replacement

The rotary nozzle replacement rebate offers customers up to \$5 for each traditional spray nozzle replaced with a higher efficiency rotary nozzle. A rotary nozzle provides better coverage and delivers water at a slower rate (0.4 – 0.6 inches per hour) compared to a traditional spray nozzle (1.5 – 2.0 inches per hour). A slower application rate of water is more efficient and will provide an increased absorption while reducing water run-off. Rotary nozzles also tend to

be more wind resistant due to the larger droplet size. In 2024, 272 spray nozzles were exchanged and \$1,370 in rebates were rewarded.

- Whole Home Water Monitoring System (with automatic shut-off valve)

The whole home water monitoring rebate will reimburse half the purchase price of qualifying products, up to \$200. These systems continuously monitor both indoor and outdoor water use and signals an alert in the event of a leak. These systems not only save water but can also reduce the amount of damage to a home, in the event of a leak. This program had 7 participants in 2024 and rebated \$1,307.

Please see **Attachment C** for the 2024 year Conservation rebate funding summary which shows the rebates that were granted in the past five 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. Water Wiser and ColoradoScape workshops are also offered to our customers at no charge to help with any questions or challenges customers may have in areas of water conservation and management.

Budget Impact

The 2025 program will continue to be funded with revenue generated from watering restriction violations and a portion of funds from the Block 4 surcharge rate. Rebates will continue to be processed through account number 211-4330-443.81-10, Conservation Rebates. Should approved applications for rebates exceed the current budget of \$300,000, as was the case in 2024, then additional funds will be provided through a budget amendment.

Staff Recommendation

Staff recommends approval of the Water Conservation Rebate Incentive Program as presented.

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: Past 5-year Conservation Rebate Funding Summary