



## **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  
Lauren Moore, Water Resources Manager  
Rick Schultz, Water Efficiency Supervisor

**Title:** **Resolution Approving the 2026 Water Conservation Rebate Program Budget** [*The entire Castle Rock Water Service Area*]

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### **Executive Summary**

The purpose of this memorandum is to request Town Council approval of a Resolution (**Attachment A**) for the 2026 Water Conservation Rebate Incentive Program. Conservation rebates are in place to encourage indoor and outdoor water conservation measures. The program has been extremely successful with Castle Rock Water (CRW) seeing its lowest gallons per capita per day (gpcpd) usage in 2025 since tracking began in 2007 at 111 gpcpd. 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 retrofit for sprinklers; and
- Whole Home Water Monitoring System (with automatic shut off).

The only change proposed for the 2026 program year is the discontinuation of the Whole Home Water Monitoring System rebate.

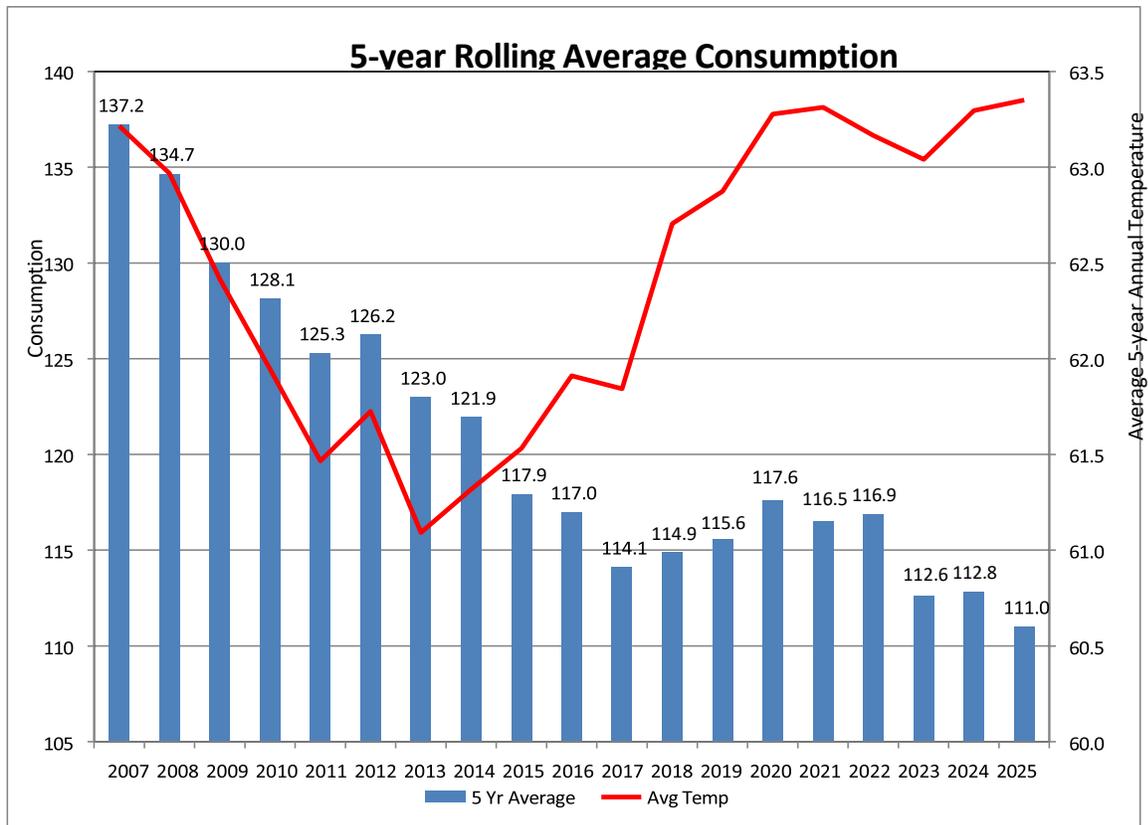
### **History of Past Town Council, Boards & Commissions, or Other Discussions**

Castle Rock Water (CRW) staff presented this item to the CRW Commission at their meeting held on February 25, 2026, and the Castle Rock Water Commission voted unanimously, 5 to 0 to 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 (gpcpd) by 2050. Through being efficient and providing incentives to our customers to use water wisely, CRW believes this goal is reachable.

The graph below shows the trend in per capita water usage (5-year rolling average) since 2007. The Town has made great progress toward the goal of 100 gpcpd, and the average usage in 2025 was 111 gpcpd. This is the lowest gpcpd number recorded by CRW since 2007 despite the fact the average temperature was the highest we have seen since 2007. Temperature has historically been a huge predictor of gpcpd water usage.



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 (rebate 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. High-water use turf replaced with rock is eligible for a rebate of \$1 per square feet.

Converting to a ColoradoScape ensures true water savings because it replaces high-water use turf requiring 30 inches or more of water per year, to one requiring no more than 10 inches of water annually.

- Ultra-High-Efficiency (UHE) Toilet Retrofit

The UHE toilet retrofit 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 of a UHE toilet and recycles the ceramic and

porcelain of the exchanged older toilet. Recycling the ceramic of the old toilets diverts this material from traditional landfills and repurposes the crushed aggregate material for use in construction projects.

- Rotary Nozzle Retrofit

The rotary nozzle retrofit rebate for sprinkler heads offers customers up to \$5 for each traditional spray nozzle replaced with a higher efficiency rotary nozzle. A rotary nozzle provides more uniform 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 is more efficient and provides increased absorption of water while reducing water run-off. Rotary nozzles also tend to produce a water stream that is more wind resistant due to the larger droplet size.

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

CRW Conservation Staff is recommending this rebate category be discontinued due to low participation rates (5 participants in 2025) combined with no verifiable water savings. With no long-term benefit to water conservation goals, the cost to administer the program is unjustifiable.

Please see the *table below* for the results of the Conservation rebate funding summary which shows the rebates issued over the previous five (5) years.

Rebate Category	2021		2022		2023		2024		2025	
	Total Dollar Amount	% of Total								
Residential ColoradoScape Renovation	\$42,193	46%	\$80,941	54%	\$130,982	54%	\$251,210	40%	\$317,413	36%
Non-Residential ColoradoScape Renovation	\$35,895	39%	\$60,665	40%	\$103,247	43%	\$360,690	58%	\$553,248	63%
Rotary Nozzle Retrofit	\$1,653	2%	\$1,439	1%	\$1,625	1%	\$1,307	0.1%	\$670	0.1%
Smart Irrigation Controller*	\$8,364	9%	\$5,608	4%	\$0	0%	\$0	0%	\$0	0%
Ultra-High Efficiency Toilet Retrofit	\$2,700	3%	\$1,200	1%	\$3,867	2%	\$12,700	1.8%	\$4,050	0.5%
Whole-Home Water Monitoring System	\$1,697	2%	\$337	0%	\$1,200	0.5%	\$1,370	0.1%	\$1,000	0.1%
<b>Total</b>	<b>\$92,502</b>	<b>100%</b>	<b>\$150,191</b>	<b>100%</b>	<b>\$240,921</b>	<b>100%</b>	<b>\$627,277</b>	<b>100%</b>	<b>\$876,381</b>	<b>100%</b>

\* The smart irrigation controller rebate was discontinued at the end of 2022

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 2026 rebate program will continue to be funded with revenue generated from watering restriction violations and funds from Tier 3 (excess budget) and Tier 4 (conservation surcharges). 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 \$750,000, then additional funds will be requested through a budget amendment.

**Staff Recommendation**

Staff recommends approval of the 2026 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