

ORDINANCE NO. 2021-____

AN ORDINANCE AMENDING TITLES 3, 4 AND 13 OF THE CASTLE ROCK MUNICIPAL CODE BY CHANGING STORMWATER DEVELOPMENT IMPACT FEES, WATER RESOURCES SYSTEM DEVELOPMENT FEES, WATER SYSTEM DEVELOPMENT FEES, WASTEWATER SYSTEM DEVELOPMENT FEES, WATER RESOURCES, STORMWATER AND WASTEWATER RATES, METER SET FEES; MAKING CERTAIN EDITORIAL UPDATES TO SUCH TITLES; AND PROVIDING FOR THE EMERGENCY ADOPTION OF THIS ORDINANCE ON SECOND AND FINAL READING

WHEREAS, in 2010, the Town Council of the Town of Castle Rock, Colorado (the “Town”) directed staff to prepare and present annual updates to Castle Rock Water rates and fees; and

WHEREAS, the Town Council has considered and accepted Castle Rock Water’s analyses and recommendations and the following reports prepared by Stantec Consulting Services, Inc.: (i) the 2021 Castle Rock Water Rates and Fees Study Update – Vol. 1 of 2: 2022–2026 Rates Final Report dated September 2021; and (ii) 2021 Castle Rock Water Rates and Fees Study Update – Vol. 2 of 2: System Development Fees Final Report dated September 2021; and

WHEREAS, increases in the actual rate of growth for the last five years over projected growth rates, changes to estimates on long-term build out of the Town, disruptions to the renewable water rights market based on increased water scarcity, increases in inflation and construction costs for water infrastructure, requirements to issue debt to smooth future water rate increases, updates to long-term capital plans to support growth, and increases in the costs for water rights and meters all substantiate the changes that are being proposed to the Water System Development Fees, Water Resources System Development Fees, Wastewater System Development Fees, Stormwater Development Impact Fees, Water Resources, Stormwater and Wastewater Rates, and Meter Set Fees; and

WHEREAS, such cost increases and retirement of certain debt also substantiate changes to the Water Resources, Stormwater, and Wastewater rates for existing customers, as well as updates to capital plans to support the Town’s long-term renewable water plan; and

WHEREAS, to ensure that the updates set forth in this Ordinance take effect on January 1, 2022, thereby providing Castle Rock Water with a full year of revenues at the increased system development fees, increased water resources and stormwater rates and fees and decreased wastewater rates and fees to provide the revenues needed to meet the short- and long-term needs of the rapid growth and complete the needed capital projects anticipated in the Town’s 2022 fiscal year budget and Castle Rock Water’s long-term capital plan, the Town Council hereby finds and determines that an emergency exists and, as such, it is necessary for the preservation of the immediate public health and safety for this Ordinance to take effect upon its adoption.

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:

A. The fee structure established by this Ordinance is supported by:

1. 2021 Castle Rock Water Rates and Fees Study Update – Vol. 1 of 2: 2022- 2026 Rates Final Report dated September 2021;
2. 2021 Castle Rock Water Rates and Fees Study Update – Vol. 2 of 2: 2022-2026 System Development Fees Final Report dated September 2021
3. The Agenda Memorandum dated September 21, 2021 prepared by the Director of Castle Rock Water and the accompanying PowerPoint presentation offered at first and second reading of this Ordinance; and
4. Public comment and testimony.

B. The fees and charges imposed by this Ordinance comply with the legislative restrictions on impact fees adopted by local governments in §29-20-104.5, C.R.S.

Section 2. Effective Date. Unless otherwise stated to the contrary, the rates, fees and charges established under this Ordinance shall take effect January 1, 2022.

Section 3. Amendment. The Residential and Non-Residential Stormwater Development Impact Fee tables in Subsections A and B of Section 3.16.030 of the Castle Rock Municipal Code (“CRMC”) are amended to read as follows:

3.16.030 - Assessment and collection.

Commencing January 1, ~~2021~~ 2022, impact fees shall be assessed and collected according to the following provisions, including Section 3.16.035:

A. *Residential uses.* No building permit shall be issued for any dwelling unit prior to the payment of the following applicable fees:

Development Impact Fees for Residential Uses

| Stormwater – Cherry Creek Basin <i>(per dwelling unit)</i> | |
|--|---|
| <i>Unit Type</i> | <i>20212022 and thereafter</i> |
| Single-family Detached | \$911 \$1,116 |
| Single-family Attached | \$609 \$746 |

| | |
|---|--|
| Multi-family | \$552-\$676 |
| Stormwater – Plum Creek Basin (per dwelling unit) | |
| <i>Unit Type</i> | <i>2021-2022 and thereafter</i> |
| Single-family Detached | \$1,425-\$2,128 |
| Single-family Attached | \$951-\$1,422 |
| Multi-family | \$863-\$960 |

For purposes of this Subsection, any remodeling activity which results in the creation of an additional dwelling unit shall be subject to the payment of the fee as specified in this Subsection. For purposes of this Subsection, *single-family detached* shall include duplexes and mobile homes.

B. *Nonresidential uses.* No building permit shall be issued for the occupancy of any structure to be used primarily for nonresidential use prior to the payment of the following applicable fees (per 1,000 square feet of gross floor areas):

Development Impact Fees for Non-Residential Uses

| | |
|---|--|
| Stormwater - Cherry Creek Basin (per 1,000 sq. ft.) | |
| <i>Unit Type</i> | <i>2021-2022 and thereafter</i> |
| Commercial/Industrial | \$411-\$504 |
| Stormwater - Plum Creek Basin (per 1,000 sq. ft.) | |
| <i>Unit Type</i> | <i>2021-2022 and thereafter</i> |
| Commercial/Industrial | \$643-\$960 |

Section 4. Amendment. Subsection 4.04.150.A. of the CRMC is amended to read as follows:

4.04.150 - Renewable water resource fee.

A. In order to defray the cost incurred by the Town in the acquisition and development of renewable water resources consistent with the water plan and this Chapter, there is imposed a renewable water resource fee as a condition to the right to connect to the municipal water system. The renewable water resource fee is established at the following schedule of fees in effect as of the date of a complete building permit application, provided however, in order to qualify for the 0.67 SFE, the applicant must meet additional engineering criteria beyond meter capacity as

established by Castle Rock Water:

Renewable Water Resource Fee

| <i>Meter Size</i> | <i>SFE</i> | <i>Meter Capacity (GPM*)</i> | <i>2021-2022 and thereafter</i> |
|------------------------------------|------------|----------------------------------|------------------------------------|
| $\frac{5}{8}" \times \frac{3}{4}"$ | .67 | 20 | \$12,401 \$17,683 |
| $\frac{3}{4}" \times \frac{3}{4}"$ | 1.00 | 30 | \$18,504 \$26,458 |
| 1" | 1.67 | 50 | \$30,909 \$44,076 |
| 1.5" | 3.33 | 100 | \$61,633 \$87,888 |
| 2" C2 | 6.67 | 200 | \$123,452 \$176,042 |
| 2" T2 | 8.33 | 250 | \$154,175 \$219,853 |
| 3" C2 | 16.67 | 500 | \$308,536 \$439,972 |
| 3" T2 | 21.67 | 650 | \$401,078 \$571,936 |
| 4" C2 | 33.33 | 1,000 | \$616,887 \$879,679 |
| 4" T2 | 41.67 | 1,250 | \$771,247 \$1,099,796 |
| 6" C2 | 66.67 | 2,000 | \$1,233,958 \$1,759,621 |
| 6" T2 | 83.33 | 2,500 | \$1,542,308 \$2,199,328 |

*Potential flow capacity in gallons per minute.

Section 5. **Amendment.** Subsection 13.12.080.A. of the CRMC is amended to read as follows:

13.12.080 - System development fees.

A. In order to defray the capital costs of utilizing, expanding and developing municipal facilities for the provision of water, system development fees shall be assessed in accordance with the following schedule of rates in effect as of the date of submission of a complete building permit application, provided however, in order to qualify for the 0.67 SFE system development fee, the applicant must meet additional engineering criteria beyond meter capacity as established by Castle Rock Water:

Water System Development Fee

| <i>Meter Size</i> | <i>SFE</i> | <i>Meter Capacity (GPM*)</i> | <i>2021-2022 and thereafter</i> |
|------------------------------------|------------|----------------------------------|---------------------------------|
| $\frac{5}{8}" \times \frac{3}{4}"$ | .67 | 20 | \$2,701 \$3,809 |
| $\frac{3}{4}" \times \frac{3}{4}"$ | 1.00 | 30 | \$4,030 \$5,700 |

| | | | |
|-------|-------|-------|--------------------------------|
| 1" | 1.67 | 50 | \$6,731 \$9,476 |
| 1.5" | 3.33 | 100 | \$13,421 \$18,894 |
| 2" C2 | 6.67 | 200 | \$26,883 \$37,846 |
| 2" T2 | 8.33 | 250 | \$33,573 \$47,624 |
| 3" C2 | 16.67 | 500 | \$67,187 \$94,586 |
| 3" T2 | 21.67 | 650 | \$87,339 \$122,956 |
| 4" C2 | 33.33 | 1,000 | \$134,333 \$189,114 |
| 4" T2 | 41.67 | 1,250 | \$167,947 \$236,436 |
| 6" C2 | 66.67 | 2,000 | \$268,707 \$378,286 |
| 6" T2 | 83.33 | 2,500 | \$335,853 \$472,815 |

*Potential flow capacity in gallons per minute.

Section 6. Amendment. Subsection 13.12.080.C. of the CRMC is amended to read as follows:

13.12.080 - System development fees.

C. In order to defray the capital costs of utilizing, expanding and developing municipal facilities for the provision of wastewater, system development fees shall be assessed in accordance with the following schedule of rates in effect as of the date of submission of a complete building permit application:

Wastewater System Development Fee*

| <i>Meter Size</i> | <i>SFE</i> | <i>Meter Capacity (GPM**)</i> | <i>2019-2022 and thereafter</i> |
|------------------------------------|------------|-----------------------------------|---------------------------------|
| $\frac{5}{8}" \times \frac{3}{4}"$ | .67 | 20 | \$2,695 \$3,279 |
| $\frac{3}{4}" \times \frac{3}{4}"$ | 1.00 | 30 | \$4,023 \$4,909 |
| 1" | 1.67 | 50 | \$6,718 \$8,173 |
| 1.5" | 3.33 | 100 | \$13,397 \$16,299 |
| 2" C2 | 6.67 | 200 | \$26,833 \$32,646 |
| 2" T2 | 8.33 | 250 | \$33,512 \$40,772 |
| 3" C2 | 16.67 | 500 | \$67,063 \$81,592 |
| 3" T2 | 21.67 | 650 | \$87,178 \$106,065 |
| 4" C2 | 33.33 | 1,000 | \$134,087 \$163,137 |
| 4" T2 | 41.67 | 1,250 | \$167,638 \$203,957 |

| | | | |
|-------|-------|-------|--------------------------------|
| 6" C2 | 66.67 | 2,000 | \$268,213 \$326,322 |
| 6" T2 | 83.33 | 2,500 | \$335,237 \$407,867 |

*Does not apply to SFEs served by the Pinery Water and Wastewater District.

**Potential flow equivalency in gallons per minute, with the exception of the 0.67 SFE the applicant must meet additional engineering criteria as established by Castle Rock Water.

Section 7. Amendment. Section 13.12.100 of the CRMC is amended to read as follows:

13.12.100 - Meter set fees.

No new potable water, wastewater or irrigation water service shall be extended to any user until payment of proper tap fees in accordance with the schedule enumerated below is made. The fee shall be assessed and payable at the time of submission of a complete building application. The payment of the tap fee is for the privilege to tap to the main and an inspection by the Town and is supplementary to the system development fees imposed under Section 13.12.080. The construction of the service line is to be completed by the user, stubbed at a properly designated point as determined by the Director of Castle Rock Water.

Meter Set Fee Schedule

| | <i>Single Port</i> | |
|---|----------------------------------|----------------------------------|
| <i>Meter Size & Type</i> | <i>Indoor Installation</i> | <i>Outdoor Installation</i> |
| 5/8" × 3/4" iPERL | \$425.76 \$486.94 | \$430.03 \$489.40 |
| 3/4" ally | \$718.56 \$839.95 | \$722.83 \$842.41 |
| 1" iPERL | \$497.07 \$579.14 | \$501.34 \$581.60 |
| 1.5" OMNI C2, 1,000 gallon pulse | \$1,579.22 \$1,847.37 | \$1,583.49 \$1,849.83 |
| 2" OMNI C2, 1,000 gallon pulse | \$1,786.61 \$2,101.44 | \$1,790.88 \$2,103.90 |
| 3" OMNI C2, 1,000 gallon pulse | \$2,189.07 \$2,533.90 | \$2,193.34 \$2,536.36 |
| 4" OMNI C2, 1,000 gallon pulse (irrigation) | \$3,590.27 \$4,166.14 | \$3,594.54 \$4,168.60 |
| 6" OMNI C2, 1,000 gallon pulse | \$6,031.26 \$7,005.40 | \$6,035.53 \$7,007.86 |
| 1.5" OMNI T2, 1,000 gallon pulse (irrigation) | N/A | \$1,179.61 \$1,378.63 |
| 2" OMNI T2, 1,000 gallon pulse (irrigation) | N/A | \$1,353.16 \$1,593.22 |
| 3" OMNI T2, 1,000 gallon pulse (irrigation) | N/A | \$1,617.60 \$1,864.66 |
| 4" OMNI T2, 1,000 gallon pulse (irrigation) | N/A | \$2,866.30 \$3,318.97 |
| 6" OMNI T2, 1,000 gallon pulse (irrigation) | N/A | \$4,961.75 \$5,755.11 |

| | <i>Dual Port</i> | |
|---|----------------------------------|----------------------------------|
| <i>Meter Size & Type</i> | <i>Indoor Installation</i> | <i>Outdoor Installation</i> |
| 5/8" × 3/4" iPERL | \$465.61 \$487.83 | \$482.49 \$553.41 |
| 3/4" Ally | \$758.41 \$840.84 | \$775.29 \$906.42 |
| 1" iPERL | \$536.92 \$580.03 | \$553.80 \$645.61 |
| 1.5" OMNI C2, 1,000 gallon pulse | \$1,619.07 \$1,848.26 | \$1,635.95 \$1,913.84 |
| 2" OMNI C2, 1,000 gallon pulse | \$1,826.46 \$2,102.33 | \$1,843.34 \$2,167.91 |
| 3" OMNI C2, 1,000 gallon pulse | \$2,228.92 \$2,534.79 | \$2,245.80 \$2,600.37 |
| 4" OMNI C2, 1,000 gallon pulse | \$3,630.12 \$4,167.03 | \$3,647.00 \$4,232.61 |
| 6" OMNI C2, 1,000 gallon pulse | \$6,071.11 \$7,006.29 | \$6,087.99 \$7,071.87 |
| 1.5" OMNI T2, 1,000 gallon pulse (irrigation) | N/A | \$1,232.07 \$1,442.64 |
| 2" OMNI T2, 1,000 gallon pulse (irrigation) | N/A | \$1,405.62 \$1,657.23 |
| 3" OMNI T2, 1,000 gallon pulse (irrigation) | N/A | \$1,670.06 \$1,928.67 |
| 4" OMNI T2, 1,000 gallon pulse (irrigation) | N/A | \$2,918.76 \$3,382.98 |
| 6" OMNI T2, 1,000 gallon pulse (irrigation) | N/A | \$5,014.21 \$5,819.12 |

On an annual basis, the Town Manager shall be responsible for reporting to the Town Council information on construction cost indexes for the year. The Town Council, at its discretion, may amend the fee schedule upon consideration of the construction cost index information.

Section 8. Amendment. The Renewable Water Service Charge table in Section 13.12.112 of the CRMC is amended to read as follows:

13.12.112 - Service charges, all users, excluding bulk.

Beginning with water service provided on or after January 1, ~~2021~~ 2022, the Town is empowered to levy and collect the following monthly charges for water service within its corporate limits during the calendar years as noted:

Renewable Water Service Charge

| <i>Meter Size</i> | <i>20212022 and thereafter</i> |
|-------------------|---|
| 5/8" × 3/4" | \$26.15 \$26.93 |
| 3/4" × 3/4" | \$26.15 \$26.93 |
| 1" | \$99.11 \$102.08 |
| 1 1/2" | \$187.50 \$193.13 |
| 2" | \$313.54 \$322.95 |

| | |
|----|----------------------------------|
| 3" | \$588.90 \$606.57 |
| 4" | \$1,502.32 \$1,547.39 |
| 6" | \$2,429.34 \$2,502.22 |

Plus: Any applicable surcharges imposed under Subsection 13.15.040.C.

Section 9. Amendment. The Renewable Water Fixed Rate tables in Subsections A and B of Section 13.12.116 of the CRMC are amended to read as follows:

13.12.116 - Service charges, bulk.

A. "Bulk hydrant customers" shall mean those Castle Rock Water customers who obtain a bulk water permit for water to be pulled directly and metered from an existing hydrant. Bulk hydrant customers shall be charged as follows:

**Renewable Water Fixed Rate
(\$ per monthly bill)**

| |
|--|
| <i>2018-2022 and thereafter</i> |
| \$187.50 \$193.13 |

B. "Bulk station customers" shall mean those Castle Rock Water customers who obtain a bulk water permit for water to be pulled from the bulk water station located at 825 Justice Way, Castle Rock, Colorado. Bulk station customers shall be charged as follows:

**Renewable Water Fixed Rate
(\$ per monthly bill)**

| |
|--|
| <i>2018-2022 and thereafter</i> |
| \$26.15 \$26.93 |

Section 10. Amendment. Section 13.12.118 of the CRMC is amended to read as follows:

13.12.118 - Service charges, wastewater.

Beginning with wastewater service provided on or after January 1, ~~2020~~ 2022, the Town is empowered to levy and collect the following monthly charges for wastewater services within its corporate limits during the calendar years noted:

Wastewater Service Charge (\$ meter size)

| <i>Meter Size</i> | <i>2020 2022 and thereafter</i> |
|------------------------------------|---------------------------------|
| $\frac{5}{8}" \times \frac{3}{4}"$ | \$9.02 \$8.56 |
| $\frac{3}{4}" \times \frac{3}{4}"$ | \$9.02 \$8.56 |
| 1" | \$14.36 \$13.64 |
| 1½" | \$20.82 \$19.78 |
| 2" | \$30.03 \$28.53 |
| 3" | \$50.17 \$47.66 |
| 4" | \$116.96 \$111.11 |
| 6" | \$184.77 \$175.53 |

Plus:

**Wastewater Volume Rate
(\$ per 1,000 gallons of AWMC)**

| 2020 2022 and thereafter |
|---------------------------------|
| \$6.39 \$6.07 |

Section 11. Amendment. Subsection 13.30.060.A of the CRMC is amended to read as follows:

13.30.060 - Stormwater utility fee schedule.

A. Effective with utility bills issued on or after January 1, 2018-2022, the monthly fee for each stormwater single-family equivalent shall be as follows:

**Stormwater Fee
(\$ per SWSFE*)**

| 2018-2022 and thereafter |
|---------------------------------|
| \$7.12 \$7.30 |

***SFE Assignment**

| <i>Customer Class</i> | <i>SWSFE</i> |
|---------------------------------|--|
| Single-family residence | 1 |
| Multi-family and nonresidential | Parcel size times 80% imperviousness divided by 3,255 impervious square feet per SWSFE = number of SWSFEs for non-single-family |

Section 12. 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 Ordinance which can be given effect without the invalid provisions or application, and to this end the provisions of this Ordinance are declared to be severable.

Section 13. 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 14. Emergency Clause. For the reasons stated in the recitals to this Ordinance, it is declared that an emergency exists and it is necessary for the preservation of the immediate public health and safety for this Ordinance to take effect upon its adoption on second and final reading.

APPROVED ON FIRST READING this 21st day of September, 2021 by a vote of __ for and __ against, after publication 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 7th day of December, 2021, by the Town Council of the Town of Castle Rock by a vote of __ for and __ against, constituting the extraordinary majority required by Section 2.02.100 of the Castle Rock Municipal Code.

ATTEST:

TOWN OF CASTLE ROCK

Lisa Anderson, Town Clerk

Jason Gray, Mayor

Approved as to form:

Approved as to content:

Michael J. Hyman, Town Attorney

Mark Marlowe, Director Castle Rock Water