

ORDINANCE NO. 2018-031

AN ORDINANCE AMENDING TITLES 4 AND 13 OF THE CASTLE ROCK MUNICIPAL CODE BY CHANGING THE WATER TIER 2 AND TIER 3 RATES AND WATER, WASTEWATER AND WATER RESOURCES SYSTEM DEVELOPMENT RATES AND FEES AND MAKING CERTAIN EDITORIAL UPDATES TO SUCH TITLES

WHEREAS, in 2010 Town Council directed staff to prepare and present annual updates to Castle Rock Water rates and fees; and

WHEREAS, the Town Council has considered and accepted staff's analyses and recommendations and the following supporting reports and analyses prepared by a nationally-recognized independent rates and fees consulting firm, Stantec Consulting Services, Inc. for the 2018 update:

- 2018 Castle Rock Water Rates and Fees Study Update – Vol. 1 of 2: 2019 – 2023 Rates Final Report dated September 2018
- 2018 Castle Rock Water Rates and Fees Study Update – Vol. 2 of 2: System Development Fees Final Report dated September 2018; and

WHEREAS, changes to the monthly billing rates for outdoor water rates are required, based on the actual costs of service and updated financial plans for water and water resources for all customer classes for 2019; 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, and updates to long term capital plans to support growth substantiate changes to the Water, Water Resources and Wastewater System Development 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:

- A. The fee structure established by this Ordinance is supported by:
 1. 2018 Castle Rock Water Rates and Fees Study Update – Vol. 1 of 2: 2019-2023 Rates Final Report dated September 2018;
 2. 2018 Castle Rock Water Rates and Fees Study Update – Vol. 2 of 2: System Development Fees Final Report dated September 2018;
 3. The Agenda Memorandum dated September 4, 2018 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, 2019.

Section 3. Amendment. Section 4.04.150.A of the Castle Rock Municipal Code is amended in its entirety 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>2019 and thereafter</i>
5/8 " x 3/4"	.67	20	\$11,411
3/4" x 3/4"	1.00	30	\$17,031
1"	1.67	50	\$28,442
1.5"	3.33	100	\$56,713
2" C2	6.67	200	\$113,597
2" T2	8.33	250	\$141,868
3" C2	16.67	500	\$283,907
3" T2	21.67	650	\$369,062
4" C2	33.33	1,000	\$567,643
4" T2	41.67	1,250	\$709,682
6" C2	66.67	2,000	\$1,135,457
6" T2	83.33	2,500	\$1,419,193

Section 4. Amendment. Section 13.02.020.A of the Castle Rock Municipal Code is amended in its entirety to read as follows:

13.02.020 - Utility Administration Fee Schedule.

A. The Utility Administrative Fee Schedule is the fee schedule published by Castle Rock Water for all administrative fees imposed, including, but not limited to, charges for non-sufficient funds, disconnection service charges, transfer charges, and late payment charges.

Section 5. Amendment. The definition of *Wastewater system* set forth in Section 13.04.010 is amended to read as follows:

Wastewater system means the tangible facilities used to collect and treat municipal sanitary sewage, including sewer mains, interceptors and treatment facilities, whether owned by the Town or by PCWRA.

Section 6. Amendment. Section 13.12.080.A of the Castle Rock Municipal Code is amended in its entirety 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>2019 and thereafter</i>
5/8 " x 3/4"	.67	20	\$2,383
3/4" x 3/4"	1.00	30	\$3,557
1"	1.67	50	\$5,940
1.5"	3.33	100	\$11,845
2" C2	6.67	200	\$23,725
2" T2	8.33	250	\$29,630

3" C2	16.67	500	\$59,295
3" T2	21.67	650	\$77,080
4" C2	33.33	1,000	\$118,555
4" T2	41.67	1,250	\$148,220
6" C2	66.67	2,000	\$237,145
6" T2	83.33	2,500	\$296,405

* Potential flow capacity in gallons per minute.

Section 7. Amendment. Section 13.12.080.C of the Castle Rock Municipal Code is amended in its entirety to read as follow:

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 and thereafter</i>
5/8 " x 3/4"	.67	20	\$2,695
3/4" x 3/4"	1.00	30	\$4,023
1 "	1.67	50	\$6,718
1.5"	3.33	100	\$13,397
2" C2	6.67	200	\$26,833
2" T2	8.33	250	\$33,512
3" C2	16.67	500	\$67,063
3" T2	21.67	650	\$87,178
4" C2	33.33	1,000	\$134,087
4" T2	41.67	1,250	\$167,638
6" C2	66.67	2,000	\$268,213

6" T2	83.33	2,500	\$335,237
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* 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 8. Amendment. Section 13.12.090 of the Castle Rock Municipal Code is amended in its entirety to read as follows:

13.12.090 - SFE reservation.

A. Upon the redevelopment or change in use at a location where an authorized physical connection or "tap" to the water and/or wastewater system currently exists, the SFE previously assigned to such tap (or if none, the SFE value calculated in accordance with the above schedule or formula) shall be "credited" or set off against the SFE assigned based upon the new use or development, and system development fees shall be payable (in accordance with Section 13.12.080) only for the incremental SFE, if any. No refund of system development or meter set fees shall be allowed for a reduction of service demand made pursuant to a reassignment of an existing tap.

B. Any property which currently does not have a useable service connection to the water system shall pay the monthly fixed water, wastewater and renewable water fee per SFE and fixed stormwater fee in effect at the time of implementation of the SFE reservation. Unless otherwise modified by written contract, the Town is required to recognize an out-of-service SFE reservation.

C. SFE assigned to a property may not be transferred or utilized at any other service location, unless the Town was contractually obligated to honor such transfer as of January 1, 1994.

Section 9. Amendment. Section 13.12.100 of the castle Rock Municipal Code is amended in its entirety 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 " x 3/4" iPerl	\$416.47	\$425.92
1" iPerl	\$486.65	\$496.11
1.5" OMNI C2, 1,000 gallon pulse	\$1,529.69	\$1,546.42
2" OMNI C2, 1,000 gallon pulse	\$1,732.23	\$1,751.38
3" OMNI C2, 1,000 gallon pulse	\$2,138.56	\$2,148.01
4" OMNI C2, 1,000 gallon pulse (irrigation)	\$3,510.02	\$3,519.47
6" OMNI C2, 1,000 gallon pulse	\$5,898.86	\$5,908.31
1.5" OMNI T2, 1,000 gallon pulse (irrigation)	N/A	\$1,150.50
2" OMNI T2, 1,000 gallon pulse (irrigation)	N/A	\$1,322.29
3" OMNI T2, 1,000 gallon pulse (irrigation)	N/A	\$1,583.60
4" OMNI T2, 1,000 gallon pulse (irrigation)	N/A	\$2,805.57
6" OMNI T2, 1,000 gallon pulse (irrigation)	N/A	\$4,855.67

	<i>Dual Port</i>	
<i>Meter Size & Type</i>	<i>Indoor Installation</i>	<i>Outdoor Installation</i>
5/8 " x 3/4" iPerl	\$438.53	\$449.55
1" iPerl	\$508.72	\$519.74
1.5" OMNI C2, 1,000 gallon pulse	\$1,551.75	\$1,570.05
2" OMNI C2, 1,000 gallon pulse	\$1,754.29	\$1,775.01
3" OMNI C2, 1,000 gallon pulse	\$2,160.62	\$2,171.64
4" OMNI C2, 1,000 gallon pulse	\$3,532.08	\$3,543.10
6" OMNI C2, 1,000 gallon pulse	\$5,920.92	\$5,931.94
1.5" OMNI T2, 1,000 gallon pulse (irrigation)	N/A	\$1,174.13
2" OMNI T2, 1,000 gallon pulse (irrigation)	N/A	\$1,345.92
3" OMNI T2, 1,000 gallon pulse (irrigation)	N/A	\$1,607.23
4" OMNI T2, 1,000 gallon pulse (irrigation)	N/A	\$2,829.20
6" OMNI T2, 1,000 gallon pulse (irrigation)	N/A	\$4,879.30

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 10. Amendment. The definition of *Average Winter Monthly Consumption (AWMC)* set forth in Section 13.12.111 is amended to read as follows:

Average Winter Monthly Consumption (AWMC) shall mean the AWMC calculated for each customer by averaging the total potable water consumption used by the customer in the months of November through February in accordance with standard operating procedures maintained by Castle Rock Water. Annually, effective on the April 1 billing statement, the AWMC for each utility customer shall be recalculated and adjusted accordingly.

Section 11. Amendment. Section 13.12.112 of the Castle Rock Municipal Code is amended in its entirety to read as follows:

13.12.112 Service charges, all users, excluding bulk.

Beginning with water service provided on or after January 1, 2019, 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:

**All Users, Excluding Bulk Water Service Charge
(\$ by meter size)**

<i>Meter Size</i>	2019 and thereafter
5/8 " x 3/4"	\$9.54
3/4" x 3/4"	\$9.54
1"	\$13.72
1 1/2"	\$18.78
2"	\$26.00
3"	\$41.78
4"	\$94.12
6"	\$147.26

**Water Volume Rate All Users, Excluding Bulk
(\$ per 1,000 gallons)**

<i>Class</i>	<i>Tier 1 - AWMC</i>	<i>Tier 2 - Irrigation</i>	<i>Tier 3 - Excess</i>
	2019 and thereafter	2019 and thereafter	2019 and thereafter

<i>Irrigation Season - April 1 through October 31 Consumption</i>			
Residential	\$2.82	\$5.74	\$8.56
Multi-Family (Indoor Use Only)	\$2.82	N/A	\$3.70
Multi-Family (with Irrigation)	\$2.82	\$4.87	\$7.28
Commercial (Indoor Use Only)	\$2.82	N/A	\$3.94
Commercial (with Irrigation)	\$2.82	\$4.93	\$7.37
Irrigation	N/A	\$7.86	\$11.78
<i>Winter Season - November 1 through March 31 Consumption</i>			
Residential	\$2.82	N/A	\$5.74
Multi-Family (Indoor Use Only)	\$2.82	N/A	\$3.70
Multi-Family (with Irrigation)	\$2.82	N/A	\$4.87
Commercial (Indoor Use Only)	\$2.82	N/A	\$3.94
Commercial (with Irrigation)	\$2.82	N/A	\$4.93
Irrigation	N/A	N/A	\$11.78

Plus:

Renewable Water Service Charge

<i>Meter Size</i>	2019 and thereafter
5/8 " × 3/4"	\$17.52
3/4" × 3/4"	\$26.15
1"	\$99.11
1½"	\$187.50
2"	\$313.54
3"	\$588.90
4"	\$1,502.32
6"	\$2,429.34

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

Section 12. Amendment. Section 13.14.090.B of the Castle Rock Municipal Code is amended in its entirety to read as follows:

13.14.090 Limitations on disconnection and disconnection fees.

B. No disconnections shall be permitted on a legal holiday or on the day before a legal holiday. A disconnection of service shall be when a Town representative has been dispatched to the service address. To avoid service disconnection, all delinquent charges must be paid in full at the utilities business address by the date(s) indicated on the notice of intent to disconnect water letter. A disconnect service charge shall be imposed on each delinquent account disconnected from service in accordance with the Utility Administrative Fee Schedule. Prior to the account reconnection for utility service, all utility service charges shall be paid in full.

Section 13. Amendment. Section 13.15.040.C of the Castle Rock Municipal Code is amended in its entirety to read as follows:

13.15.040 - Surcharges.

C. Beginning January 1, 2019, 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 assessed a surcharge as follows:

Single-Family Surcharges	
Usage in excess of 40,000 gallons per billable month (\$ per 1,000 gallons)	
2019 and thereafter	
	\$8.56

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

Section 14. Severability. If any clause, sentence, paragraph, or part of this ordinance or the application thereof to any person or circumstances shall for any reason be adjudged by a court of competent jurisdiction invalid, such judgment shall not affect the remaining provisions of this ordinance.

Section 15. 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.

APPROVED ON FIRST READING this 4th day of September, 2018 by a vote of 6 for and 0 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 ____ day of _____, 2018, by the Town Council of the Town of Castle Rock by a vote of__ for and __ against.

ATTEST:

TOWN OF CASTLE ROCK

Lisa Anderson, Town Clerk

Jennifer Green, Mayor

Approved as to form:

Approved as to content:

Robert J. Slentz, Town Attorney

Mark Marlowe, Director of Castle Rock Water