



Town of Castle Rock

Agenda Memorandum

Agenda Date: 2/19/2019

Item #: File #: TMP 2018-966

To: Honorable Mayor and Members of Town Council

From: Mark Marlowe, P.E., Director of Castle Rock Water

Resolution Approving the 2019 Conservation Rebate and Incentive Program

Executive Summary

The purpose of this memorandum is to request Town Council approval of a Resolution (see **Attachment A**) approving of the 2019 Conservation Rebate Incentive program.

The core rebate program remains intact, with two proposed changes for 2019. Staff is recommending the maximum rebate amount for non-residential SmartScape renovation be increased from \$10,000 to \$15,000 per individual account. Staff is also recommending the per square foot reimbursement be increased from \$1 per square foot to \$1.10 per square foot. This value has not been adjusted in a decade and costs have gone up significantly in this time. Increasing the per square foot reimbursements will further incentivize SmartScape renovation.

The proposed rebates for 2019 are:

- SmartScape Renovation - \$1.10 per square foot of high water use plant material removed (minimum of 250 sq. ft., maximum rebate of \$1,500 for residential and minimum of 1,500 sq. ft., maximum rebate of \$15,000 for non-residential).
- Smart Irrigation Controllers - 50 percent of the cost of the controller up to \$300 per controller; maximum of \$300 for residential; and \$1,500 for non-residential customers.
- Rotary Nozzle Retrofit - Up to \$5 per nozzle; maximum rebate of \$2,000 for non-residential customers.

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

On January 23, 2019, the Castle Rock Water Commission _____ the 2019 Conservation Rebate Incentive Program as presented.

Discussion

The original Water Conservation Master Plan (WCMP) was adopted in 2006 with an overall goal of

achieving a water savings of 18% (165 to 135 gallons per capita per day) through various programs. The Castle Rock community, with the help of the Castle Rock Water team, has met, exceeded, and maintained this goal. In 2015, the Water Resources / Conservation Division of Castle Rock Water updated this document. The new Water Efficiency Master Plan (WEMP) received approval from the Colorado Water Conservation Board (CWCB) in February 2016. The new plan set a goal of an additional 18 percent (122 to 100 gallons per capita per day) water savings by 2055.

One way, Castle Rock Water continues to work toward sustaining and building on the conservation goals outlined in the original Water Conservation Master Plan and the new WEMP is by offering water efficiency rebates to the community. The new plan calls for evaluating options to expand this program. Evaluation of potential changes to the program were conducted in 2018 and a non-residential SmartScape pilot was put in place and funded at \$100,000. Staff is recommending the same level of funding for the 2019 rebate incentive program as in 2018, which is \$45,000, and includes the typically approved rebates for residential customers as well as the \$100,000 for non-residential SmartScape renovation program.

Budget Impact

The 2019 program will continue to be funded from revenue generated during 2018 from watering restriction violations and a portion of funds from the Block 4 surcharge rate. The average revenues generated and estimated costs for the violations program are shown on **Attachment B**. The total proposed amount for 2019 is \$145,000 available for the conservation incentive program, including irrigation evaluations.

Approximately \$100,000 of this funding is targeted towards the non-residential SmartScape Renovation program. This amount is to be broken up into blocks not to exceed \$15,000 per applicant. Funds not used for non-residential SmartScape renovation will be available for the other rebates.

Attachment C summarizes the rebate activity for the previous three years, and sets the starting point for the current year program.

Staff Recommendation

Castle Rock Water staff recommends approval of the 2019 Conservation Rebate Incentive Program.

Proposed Motion

"I move to approve the Resolution as introduced by title."

Attachments

Attachment A:	Resolution
Exhibit 1	2019 Program
Attachment B:	Funding Summary
Attachment C:	Recap of previous years

EXHIBIT 1

2019 Conservation Rebate Incentive Program

\$45,000.00

Smart Irrigation Controllers: 50% of the cost of the controller up to \$300 per controller; max of \$300 for residential; and \$1,500 for non-residential.

Rotary Nozzle Replacement: Up to \$5 per nozzle; \$2,000 maximum for non-residential customers.

SmartScape Renovation, Residential: \$1.10 per square foot of high water use plant material removed (minimum of 250 sq. ft.; maximum of \$1,500)

\$100,000.00

SmartScape Renovation, Non-Residential: \$1.10 per square foot of high water use plant material removed (minimum of 1,500 sq. ft.; maximum of \$15,000)

Conservation Rebates/Expenses vs. Violation/ Surcharge Revenues

Expenditures					Revenues										Variances		
Conservation Rebates 211-4330-443-81-10					Water Surcharge 211-4330-351-50-00			Water Violations 211-4330-351-51-00			Total Revenues			Revenue-Expenditures			
	Original Budget	Revised Budget	Actual	Bud-Act Variance	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance	
2011	60,000.00	60,000.00	69,390.44	9,390.44	49,000.00	53,263.06	4,263.06	31,000.00	7,900.00	(23,100.00)	80,000.00	61,163.06	(18,836.94)	20,000.00	(8,227.38)	(28,227.38)	
2012	18,000.00	18,000.00	60,806.60	42,806.60	25,000.00	59,173.31	34,173.31	3,000.00	2,200.00	(800.00)	28,000.00	61,373.31	33,373.31	10,000.00	566.71	(9,433.29)	
2013	30,000.00	35,000.00	28,159.80	(6,840.20)	50,000.00	52,891.51	2,891.51	-	19,550.00	19,550.00	50,000.00	72,441.51	22,441.51	15,000.00	44,281.71	29,281.71	
2014	30,000.00	45,000.00	42,082.07	(2,917.93)	25,000.00	41,714.84	16,714.84	-	6,175.00	6,175.00	25,000.00	47,889.84	22,889.84	(20,000.00)	5,807.77	25,807.77	
2015	45,000.00	45,000.00	23,902.78	(21,097.22)	50,000.00	43,780.06	(6,219.94)	7,000.00	4,575.00	(2,425.00)	57,000.00	48,355.06	(8,644.94)	12,000.00	24,452.28	12,452.28	
2016	45,000.00	45,000.00	35,310.66	(9,689.34)	50,000.00	55,878.63	5,878.63	-	975.00	975.00	50,000.00	56,853.63	6,853.63	5,000.00	21,542.97	16,542.97	
2017	45,000.00	45,000.00	44,310.33	(689.67)	45,000.00	79,621.49	34,621.49	5,500.00	11,475.00	5,975.00	50,500.00	91,096.49	40,596.49	5,500.00	46,786.16	41,286.16	
2018	45,000.00	145,000.00	86,104.34	(58,895.66)	-	88,454.30	88,454.30	5,500.00	34,475.00	28,975.00	5,500.00	122,929.30	117,429.30	(139,500.00)	36,824.96	176,324.96	
2011- 2018 Subtotal	\$ 318,000.00	\$ 438,000.00	\$ 390,067.02	\$ (47,932.98)	\$ 294,000.00	\$ 474,777.20	\$ 180,777.20	\$ 52,000.00	\$ 87,325.00	\$ 35,325.00	\$ 346,000.00	\$ 562,102.20	\$ 216,102.20	\$ (1,280,442.00)	\$ (987,368.09)	\$ 293,073.91	
2019 Budget	\$ 145,000.00	\$ 145,000.00	\$ -	\$ (145,000.00)	\$ 60,000.00	\$ -	\$ (60,000.00)	\$ 5,500.00	\$ -	\$ (5,500.00)	\$ 65,500.00	\$ -	\$ (65,500.00)	\$ (79,500.00)	\$ -	\$ 79,500.00	
2018 Water Surcharge Revenues Earned	\$ 88,454.30	211-4330-351-50-00															
2018 Water Violation Revenues Earned	\$ 34,475.00	211-4330-351-51-00															
2018 Total Revenues Earned	\$ 122,929.30																
Less 2018 Rebates Issued	\$ 86,104.34	211-4330-443-81-10															
Less 2018 Seasonal Water Violation Monitors																	
Salaries	\$ 47,337.72	211-4330-443-10-30	2019 Budget	\$ 48,772.00	211-4330-443-10-30	This does not include the salaries from department wide staff who helped with the water restrictions and water violation issuances.											
	\$ 12,070.35	Seasonal salaries not related to water monitoring															
	\$ 35,267.37	Water Monitoring Program Salaries (Net of seasonal salaries not related to water monitoring program specifically).															
2018 Revenues in Excess of Costs	\$ 1,557.59																
Principal Only Payment for Metzler Park Turf Replacement Project for 2018 Unused Rebates \$ 58,895.66																	

ATTACHMENT C

Recap of Previous Years

Rebate and Customer Assistance Program Funding Summary									
Category	2016		2017		2018		Average % of Prior Years	2019 (proposed)	
	Total \$	% of Total	Total \$	% of Total	Total \$	% of Total		\$ per Category	% of Total
SmartScape Renovation Rebate	\$24,192	71%	\$31,681	72%	\$29,344	35%	59%	\$30,000	21%
Rotary Nozzle Retrofit Rebate	\$1,669	5%	\$960	2%	\$6,946	8%	5%	\$3,000	2%
Rain Sensor Rebate, Residential	\$93	0%	\$203	0%	\$0	0%	0%	\$0	0%
Smart Irrigation Controller Rebate	\$6,170	18%	\$7,408	17%	\$15,411	18%	18%	\$8,000	6%
Irrigation Assessments	\$2,088	6%	\$3,915	9%	\$2,339	3%	6%	\$4,000	3%
Non-Residential SmartScape Renovation Rebate	N/A	N/A	N/A	N/A	\$30,566	36%	N/A	\$100,000	69%
Total	\$34,212	100%	\$44,167	100%	\$84,606	100%	N/A	\$145,000	100%