

CASTLE ROCK WATER 2021 ANNUAL RATES AND FEES ORDINANCE – SECOND READING

SEPTEMBER 15, 2020



2021 RATES AND FEES

KEY ASSUMPTIONS AND INPUTS

- Make Interfund Loan from Wastewater to Water
- Smooth required rate increases
- Continue hybrid renewable water projects
- Utilize Town growth forecast
 - *Actual growth has exceeded projected growth by an average of over 10% over last five years*
- Use revised build-out estimates for water supply
- Ensure growth helps pay for growth
- Change timing and amounts of investments for capital projects
 - *Based on market and business conditions and actual growth*
- Maintain current levels of service
- Escalate operational costs at 1.55% and capital costs at 2.85% each year beyond 2021

2021 RATES AND FEES

KEY ASSUMPTIONS AND INPUTS-CONTINUED

- Add 3 additional full time equivalents
- Assume conservation goals will be met
 - *This is 18% reduction by 2050*
- Fund Administrative building in 2021
- Estimate investment income at 0.60%
- Maintain minimum reserves
- Assume non-residential water budget changes have financial consequences in 2021
- Eliminate the reduced water resources fee for 0.67 SFE homes going forward
- Continue to not include advanced metering infrastructure in long-term CIP

2021 RATES AND FEES

RECOMMENDED RESIDENTIAL RATES

Fund	2020 Adopted Rates	2020 Study Proposed 2021 Rates	\$ Increase (Decrease)	% Change
Water, Fixed	\$9.54	\$9.54	\$0.00	0.0%
Block 1, Volumetric	\$2.82	\$2.82	\$0.00	0.0%
Block 2, Volumetric	\$5.74	\$5.74	\$0.00	0.0%
Block 3, Volumetric	\$8.56	\$8.56	\$0.00	0.0%
Water Resources, Fixed	\$26.15	\$26.15	\$0.00	0.0%
Wastewater, Fixed	\$9.02	\$9.02	\$0.00	0.0%
Volumetric	\$6.39	\$6.39	\$0.00	0.0%
Stormwater, Fixed	\$7.12	\$7.12	\$0.00	0.0%
Total Fixed Charges	\$51.83	\$51.83	\$0.00	0.0%

2021 RATES AND FEES

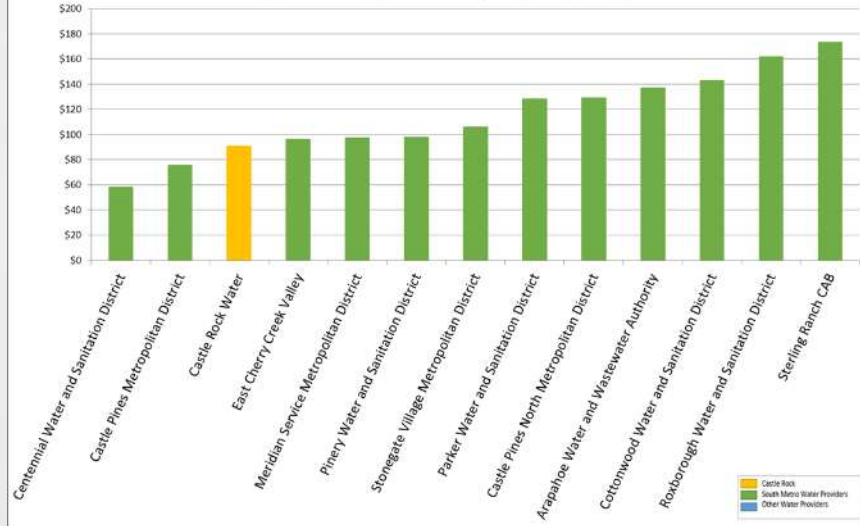
RECOMMENDED RESIDENTIAL RATES PERCENT INCREASES 2022-2025

Fund	2022	2023	2024	2025
Water Fund	3.0%	3.0%	3.0%	3.0%
Water Resources Fund	3.0%	3.0%	3.5%	3.5%
Wastewater Fund	0.0%	0.0%	0.0%	0.0%
Stormwater Fund	3.0%	3.0%	3.0%	3.5%

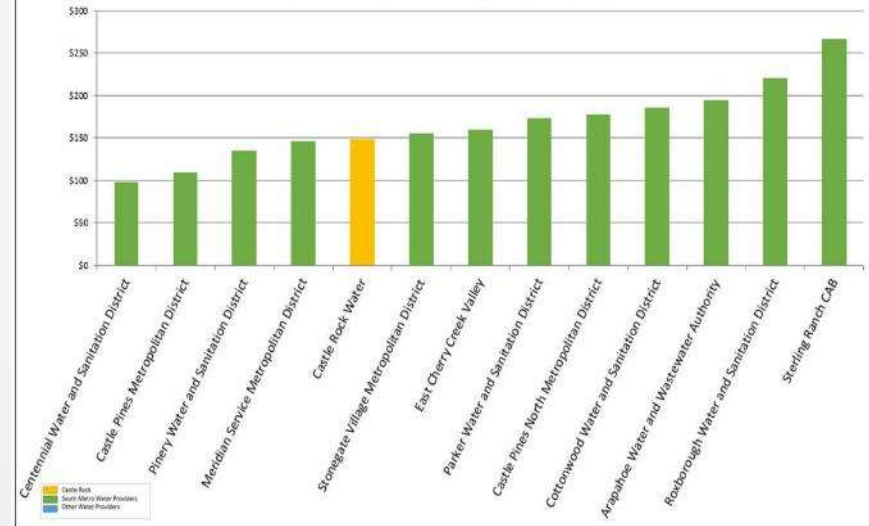
2021 RATES AND FEES

2021 PROPOSED RATES COMPARED TO SURROUNDING COMMUNITIES 2020 RATES

2020 Adopted Rates vs. CRW 2021 Proposed Rates
Typical Monthly Winter Bill (per 5,000 gallons)



2020 Adopted Rates vs. CRW 2021 Proposed Rates
Typical Monthly Summer Bill (per 15,000 gallons)



2021 RATES AND FEES

MODEL RECOMMENDED SYSTEM DEVELOPMENT FEE INCREASES

Fund	2020 Adopted SDFs	2020 Study Model Proposed 2021 SDFs	\$ Increase (Decrease)	% Change
Water	\$3,664	\$5,001	\$1,337	36.0%
Water Resources	\$17,623	\$23,222	\$5,599	32.0%
Wastewater	\$4,023	\$5,029	\$1,005	25.0%
Stormwater, Plum Creek	\$1,357	\$1,625	\$268	19.7%
TOTAL Plum Creek	\$26,667	\$34,877	\$8,210	30.8%
Stormwater, Cherry Creek	\$868	\$1,388	\$520	59.9%
TOTAL Cherry Creek	\$26,178	\$34,460	\$8,462	32.3%

2021 RATES AND FEES

RECOMMENDED SYSTEM DEVELOPMENT FEES

Fund	2020 Adopted SDFs	2020 Study Proposed 2021 SDFs	\$ Increase (Decrease)	% Change
Water	\$3,664	\$4,030	\$366	10.0%
Water Resources	\$17,623	\$18,504	\$881	5.0%
Wastewater	\$4,023	\$4,023	\$0	0.0%
Stormwater, Plum Creek	\$1,357	\$1,425	\$68	5.0%
TOTAL Plum Creek	\$26,667	\$27,982	\$1,315	4.9%
Stormwater, Cherry Creek	\$868	\$911	\$43	5.0%
TOTAL Cherry Creek	\$26,178	\$27,468	\$1,290	4.9%

2021 RATES AND FEES

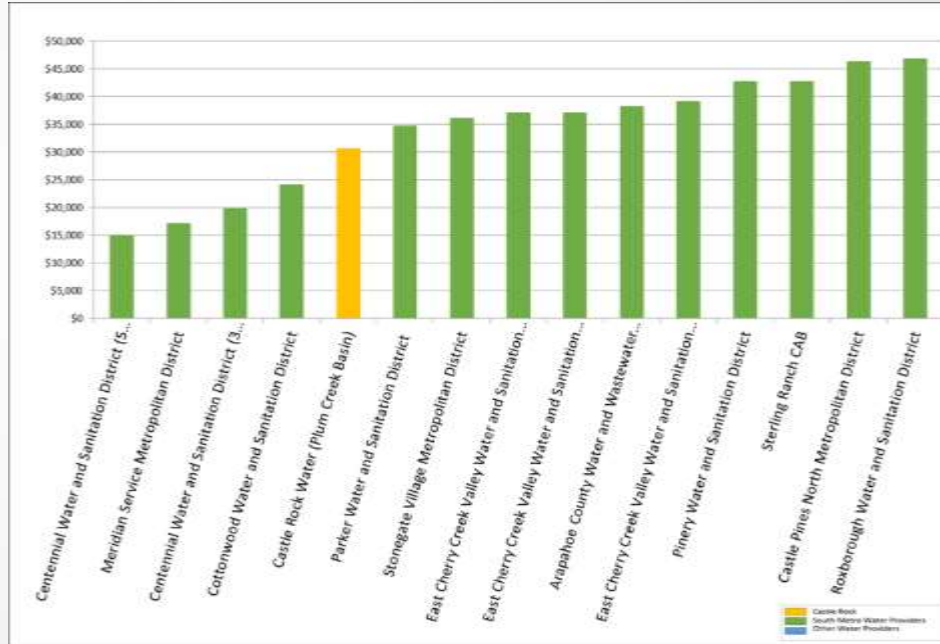
RECOMMENDED SYSTEM DEVELOPMENT FEES 2022-2025

Fund	2022	2023	2024	2025
Water	\$4,151	\$4,276	\$4,404	\$4,536
Water Resources	\$19,059	\$19,631	\$20,220	\$20,827
Wastewater	\$4,144	\$4,269	\$4,397	\$4,528
Stormwater, Plum Creek	\$1,468	\$1,512	\$1,557	\$1,604
TOTAL Plum Creek	\$28,822	\$29,688	\$30,578	\$31,495
Stormwater, Cherry Creek	\$939	\$967	\$996	\$1,026
TOTAL Cherry Creek	\$28,293	\$29,143	\$30,017	\$30,917

*All Development Fees increase each year 2022-2025 by 3%

2021 RATES AND FEES

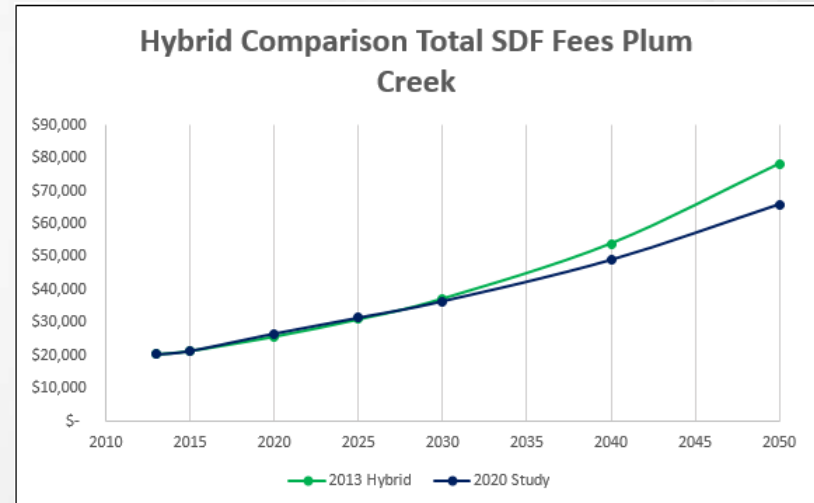
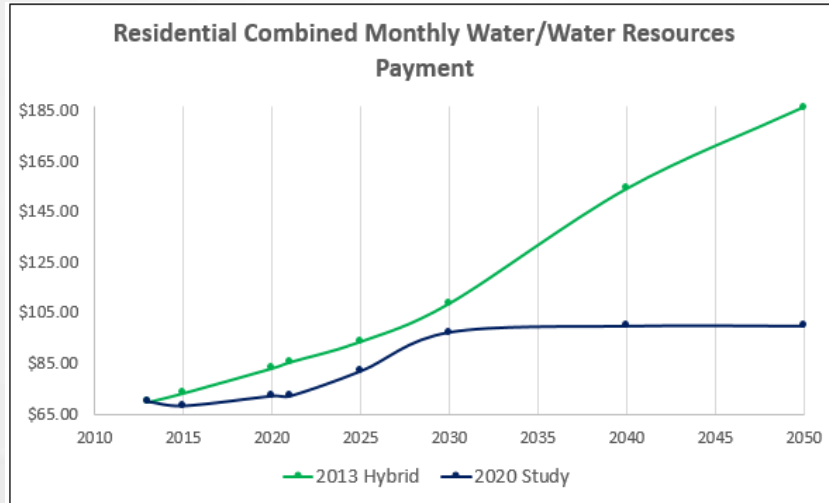
2021 PROPOSED SDFS COMPARED TO SURROUNDING COMMUNITIES 2020 SDFS



*The Parker Water SDF may include an additional \$5K Water Resource's Toll, for a ¾" meter. Castle Rock SDF is calculated using the Plum Creek Basin stormwater DIF.

2021 RATES AND FEES

RECOMMENDED RATES AND FEES COMPARED TO 2013 HYBRID



2021 RATES AND FEES

KEY CONCLUSIONS

- No change in water, water resources, stormwater, wastewater rates
- No change in annual costs for a typical ¾" residential customer
- 4.9% increase to system development fees for Plum Creek and Cherry Creek
- Both residential and non-residential meter set fees average increase between 3-5%
 - *Based on actual cost of meters from vendor, no change to our cost of service*
- Minor changes to special charges
- Meeting Financial Management Plan goals
- Inter-fund loan supported by modeling results

2021 RATES AND FEES

SCHEDULE AND OUTREACH

Schedule

- Castle Rock Water Commission Meeting 7/22/2020
- Town Council Update/Discussion 8/18/2020
- Castle Rock Water Commission Meeting 8/26/2020
- 1st Reading 9/01/2020
- 2nd Reading 9/15/2020
- Implementation 1/01/2021

Outreach

- Economic Development Council Water Subcommittee 8/14/2020
- Developer's Roundtable 8/19/2020
- Economic Development Council Water Subcommittee 9/11/2020

2021 RATES AND FEES

RECOMMENDATIONS

- Staff
- Castle Rock Water Commission

QUESTIONS?



THANK YOU

I MOVE TO APPROVE ORDINANCE #2020-017 AS
INTRODUCED BY TITLE– SECOND READING