

**ORDINANCE NO. 2020-\_\_\_\_**

**AN ORDINANCE AMENDING THE WATER DEDICATION CODE IN  
TITLE 4 OF THE CASTLE ROCK MUNICIPAL CODE CONCERNING  
THE DENVER BASIN GROUNDWATER DEDICATION  
REQUIREMENTS**

**WHEREAS**, as a condition of the annexation of property into the Town, the Water Dedication Code in Chapter 4.04 of the Castle Rock Municipal requires the dedication of Denver Basin groundwater or, under prescribed circumstances, the payment of cash in lieu of such dedication to offset the demand on Town groundwater resources from new development within the Town; and,

**WHEREAS**, the fact that there are limited Denver Basin groundwater rights within the municipal boundaries that are not owned or controlled by Town, it is more likely that, in future annexations, the Town will be asked to consider acceptance of groundwater rights to extraterritorial properties; and,

**WHEREAS**, Castle Rock Water will incur additional water development costs in the utilization of extraterritorial Denver Basin groundwater in comparison to development of groundwater resources in proximity to existing and planned water infrastructure; and,

**WHEREAS**, consequently, the required conditions of, and quantity of dedication in the Water Dedication Code need to align with those additional water development costs, and,

**WHEREAS**, the provisions of the Water Dedication Code addressing the payment of cash in lieu of groundwater dedication need to be updated to assure that the valuation of such payments reflect dynamic market conditions as well as the cost of development of extraterritorial groundwater.

**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 the enactment of this Ordinance.

**Section 2.     Amendment.** Section 4.04.080 of the Castle Rock Municipal Code is amended to read as follows:

4.04.080 - Manner of compliance.

Land use approvals of every nature are dependent and conditioned upon the dedication of groundwater rights in the quantity prescribed by this section, after accounting for all applicable conditions, restrictions and qualifications on the acceptance and quantification of groundwater rights under this Code. The gross water production required to support the Town's service commitment shall be calculated at 0.55 AF per single-family equivalent (SFE) assignment made

under Subsection 13.12.080.A; ~~P~~provided, HOWEVER, that for the purpose of calculating water rights dedication requirements under Section 4.04.080 only, the SFE assignment for calculated water demand under Section 13.12.080 shall not be limited to the .67 SFE minimum assignment prescribed in Section 13.12.080. Consequently, an SFE assignment of less than .67 SFE may be utilized under Section 4.04.080, if otherwise qualifying under the applicable water efficiency plan, and established criteria adopted by Castle Rock Water. For each AF of water demand so calculated, there shall be dedicated:

- A. Two (2) AF of groundwater rights qualifying for credit under Section 4.04.050 or, if all such qualifying groundwater rights are insufficient, then at the election of the Town (subject to prior Town contractual commitments), either:
  - 1. Two (2) AF of Denver Basin groundwater RIGHTS underlying other properties within the municipal boundaries of the Town; or
  - 2. CASH IN LIEU OF SUCH RIGHTS IN THE AMOUNT OF Five thousand dollars (\$5,000.00) for residential uses and three thousand dollars (\$3,000.00) for nonresidential uses; PROVIDED, HOWEVER, IF A DIFFERENT PRICE IS WARRANTED BASED ON A MARKET STUDY OBTAINED BY CASTLE ROCK WATER, SUCH AMOUNT SHALL EQUAL EITHER:
    - a. THE CURRENT MARKET PRICE FOR EQUIVALENT GROUNDWATER RIGHTS; OR
    - b. IF CASTLE ROCK WATER DETERMINES THAT GROUNDWATER RIGHTS ARE NOT READILY AVAILABLE FOR PURCHASE WITHIN THE TOWN BOUNDARIES, THE CURRENT MARKET PRICE FOR EQUIVALENT GROUNDWATER RIGHTS PLUS THE TRANSMISSION COST OF BRINGING EXTRATERRITORIAL GROUNDWATER TO TOWN BOUNDARIES FROM LOCATIONS WHERE SUCH GROUNDWATER RIGHTS MAY BE AVAILABLE FOR PURCHASE.
- B. At the sole discretion of the Town Council, the rights to the Denver or Arapahoe aquifers underlying properties outside the ~~municipal limits~~ TOWN BOUNDARIES may be accepted for credit against the calculated water demand ~~at a rate determined by Town Council~~. BECAUSE SUCH RIGHTS CANNOT BE INCLUDED IN THE TOWN'S COMBINED WELLFIELD WATER, THE DEDICATION OF EXTRATERRITORIAL GROUNDWATER RIGHTS SHALL MEET THE FOLLOWING CRITERIA:
  - 1. SUBJECT TO THE DETERMINATION OF THE TOWN COUNCIL, A MINIMUM OF THREE (3) AF PER AF OF DEMAND OF DENVER

BASIN GROUNDWATER RIGHTS UNDERLYING PROPERTIES  
OUTSIDE THE TOWN BOUNDARIES; AND

2. NO LARAMIE FOX HILLS WATER RIGHTS OUTSIDE THE TOWN BOUNDARIES WILL BE ACCEPTED FOR CREDIT TOWARDS THE CALCULATED WATER DEMAND.

**Section 3. 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 6th day of October, 2020 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 \_\_\_\_ day of \_\_\_\_\_, 2020, 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

\_\_\_\_\_  
Jason Gray, Mayor

**Approved as to form:**

**Approved as to content:**

\_\_\_\_\_  
Michael J. Hyman, Town Attorney

\_\_\_\_\_  
Mark Marlowe, Director, Castle Rock Water