CUSTOMER CHARACTERISTICS ANALYSIS

2024 RATES AND FEES STUDY

PREPARED BY:

CASTLE ROCK WATER
BUSINESS SOLUTIONS TEAM

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CONTENTS

EXECUTIVE SUMMARY

As a part of the annual Rates and Fees Study, Castle Rock Water conducts an in-depth analysis of accounts in service to determine customer characteristics and consumption patterns. We start by looking at the most current billing data for FY2023. From there, we break down the number of accounts by meter size and customer class. We then compare the number of actual permits for the last several years to the number of projected permits in that same year. The Town's Development Services Department provides the number of accounts by customer class for past actuals as well as the forecasted amounts for FY2024 and FY2025.

An average consumption based on the most current three years (2021-2023) by account, meter size, customer class and winter versus summer season is calculated. This average three-year period serves as a comparison to previous three-year periods going back as far as 2013. This takes into consideration weather patterns and rainfall variances from year-to-year. There is a section in the report showing the monthly rainfall compared to average consumption patterns as one tool to evaluate the effectiveness of water conservation.

These individual three-year average consumption calculations provide the basis for meter equivalency factors. Starting in 2010, the Town implemented actual use meter equivalency factors in assessing the monthly service charges for water, wastewater, and water resources. The average consumption for all ¾" meters serves as the base unit with the average consumption for all larger size meters divided into this base unit to get an equivalency factor by meter size and customer class.

Customer data for the last three years (2021-2023) then determines an average representative customer for each customer class. One customer from each customer class then represents the class average and their consumption patterns are used to calculate a typical customer's annual bill.

In 2020, we started showing the average consumption patterns of atypical customers' consumption patterns compared to the average customer. Atypical can be defined as a customer whose consumption patterns are not typical of an average customer in that same meter size and or customer class due to the nature of their business or varying water needs. We eliminate these from the average calculation as to avoid skewing the average for a representative customer by meter size and customer class.

Billed usage by tier from 2014-2023 by customer class is analyzed to see if customers are staying within their water budget tiered rate structure. The purpose of this data analysis is also to see if customers over time are conserving water and avoiding Tier 3 – Excessive usage and Surcharge (over 40,000 gallons per month).

We also looked at the customers with a 0.67 SFE to see if their consumption patterns are meeting the intent of the program, to use one-third less water than an average ¾" residential customer's usage. Additional information such as 0.67 SFE accounts by irrigated area also help us to understand the larger irrigated accounts that typically consume larger amounts of water and may or may not be meeting the intent of the program. In addition to the 0.67 SFE

accounts, we also review consumption patterns for Water Efficiency Plan (WEP) accounts to determine the impact of their required water efficient products on consumption.

Other areas within the study include consumption patterns based on watering schedules, consumption patterns of residential customers who received rebates for ColoradoScape conversions, customer class consumption based on irrigated areas, consumption patterns for customers designated as HOAs, bulk water accounts consumption and Town accounts consumption patterns over time. We also compare weather patterns to customer usage across the customer classes to see if there is a correlation between the two.

Like the water fund, we also chart the number of accounts from the latest 2023 billing data plus growth projections for 2024 and 2025 for customers who are receiving water resources and wastewater services. Stormwater Single Family Equivalents (SFEs) is the unit of measure for the stormwater fund, unlike accounts which are the unit of measure in the other three enterprise funds. CRW uses 3,255 impervious square feet for one SFE for this calculation.

Key information found in this report integrates into the development of rates and fees.

WATER ENTERPRISE FUND

NUMBER OF ACCOUNTS BY METER SIZE & CUSTOMER CLASS

Table 1 below shows the number of accounts by meter size and customer class using 12 months of billing data (Jan23-Dec23). This shows that 26,887 customers were receiving water service during this capture period. The FY2022 accounts based on 12 months of billing data (Jan22-Dec22) showed 26,320 customers were receiving water service. There are 567 more accounts in FY2023 than FY2022. The number of accounts by meter size are key inputs into the system development fees model. The number of accounts then convert into Single Family Equivalents (SFEs) which determines existing versus new system capacities and are then used in the calculations within the Water and Wastewater cost of service models.

TABLE 1: ACCOUNTS BY METER SIZE & CUSTOMER CLASS (FY2023)

Meter Size	Residential	Multifamily	Commercial	Bulk	Irrigation	MultiFamily Indoor Use Only	Commercial Indoor Use Only	Total
5/8"	2,476	-	-	-	2	4	7	2,489
3/4"	22,457	14	125	59	227	101	141	23,124
1"	24	25	71	-	120	143	114	497
1.5"	-	55	51	-	177	120	102	505
2"	-	15	29	-	91	45	51	231
3"	-	2	5	-	8	4	15	34
4"	-	1	-	-	2	-	2	5
6"	-	-	2	-	-	-	-	2
Total	24,957	112	283	59	627	417	432	26,887

Chart 1 below shows the growth in residential accounts from 2013-2023 and the projected growth for FY2024 and FY2025. An increase of 500 permits for 2024 and 500 for 2025 is forecasted by the Town's Development Services Department for the residential customer class.

CHART 1: RESIDENTIAL WATER ACCOUNTS

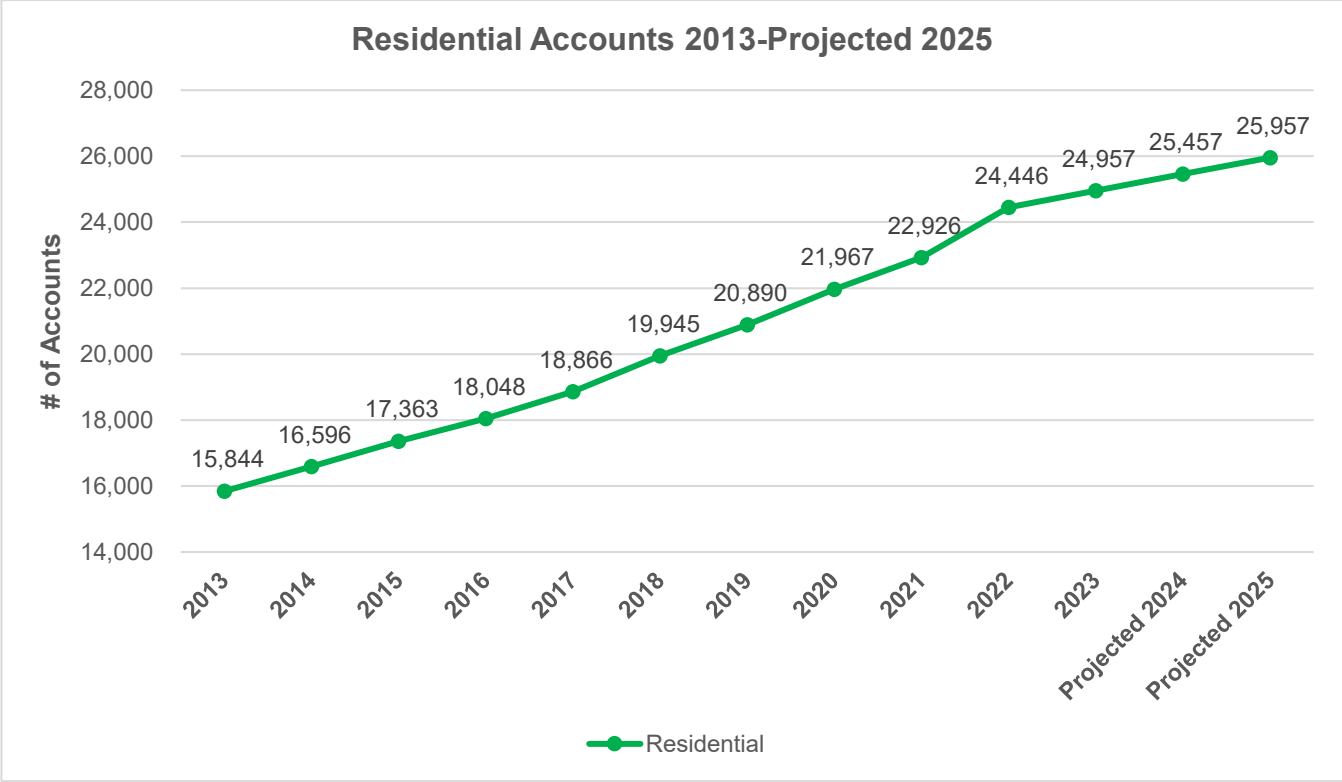
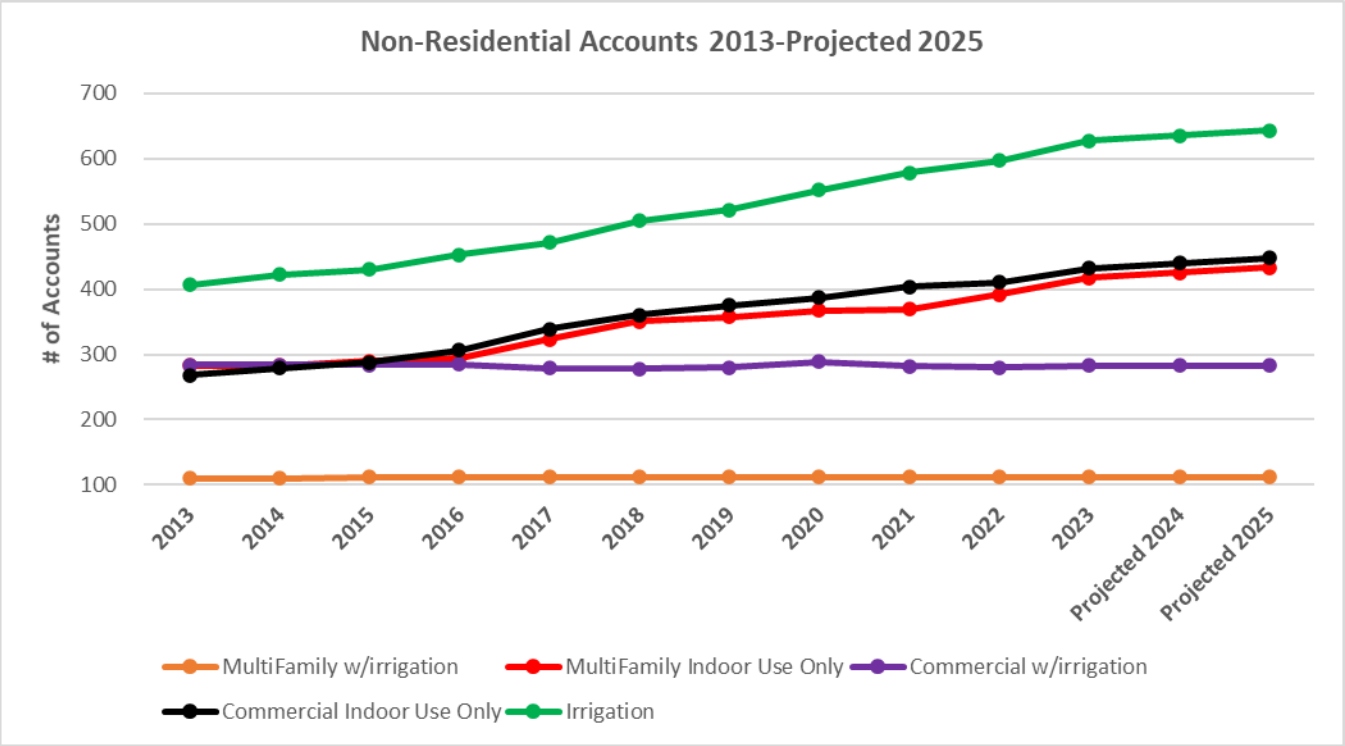


Chart 2 shows the number of non-residential accounts from 2013-2023. Over the past several years, there has been incremental growth in non-residential accounts with irrigation, commercial indoor use only and multifamily indoor use only showing slight year-over-year increases. Current projections estimate approximately 48 non-residential permits from 2024-2025, which is in line with the moderate growth expectations in residential permits over the same timeframe.

CHART 2: NON-RESIDENTIAL WATER ACCOUNTS



Castle Rock Water projects FY2025 water accounts by using FY2023 billing data plus the projected growth for FY2024 and FY2025. The FY2025 water accounts are projected to equal 27,876 (25,957 for residential and 1,919 for non-residential). These projections do not include existing bulk water accounts, as those are temporary accounts. Growth projections are as follows by customer class:

2024 Projected New Accounts by Customer Class:

500	Residential (1 SFE)
8	Multi-Family
8	Commercial
8	Irrigation
524	Total

2025 Projected New Accounts by Customer Class:

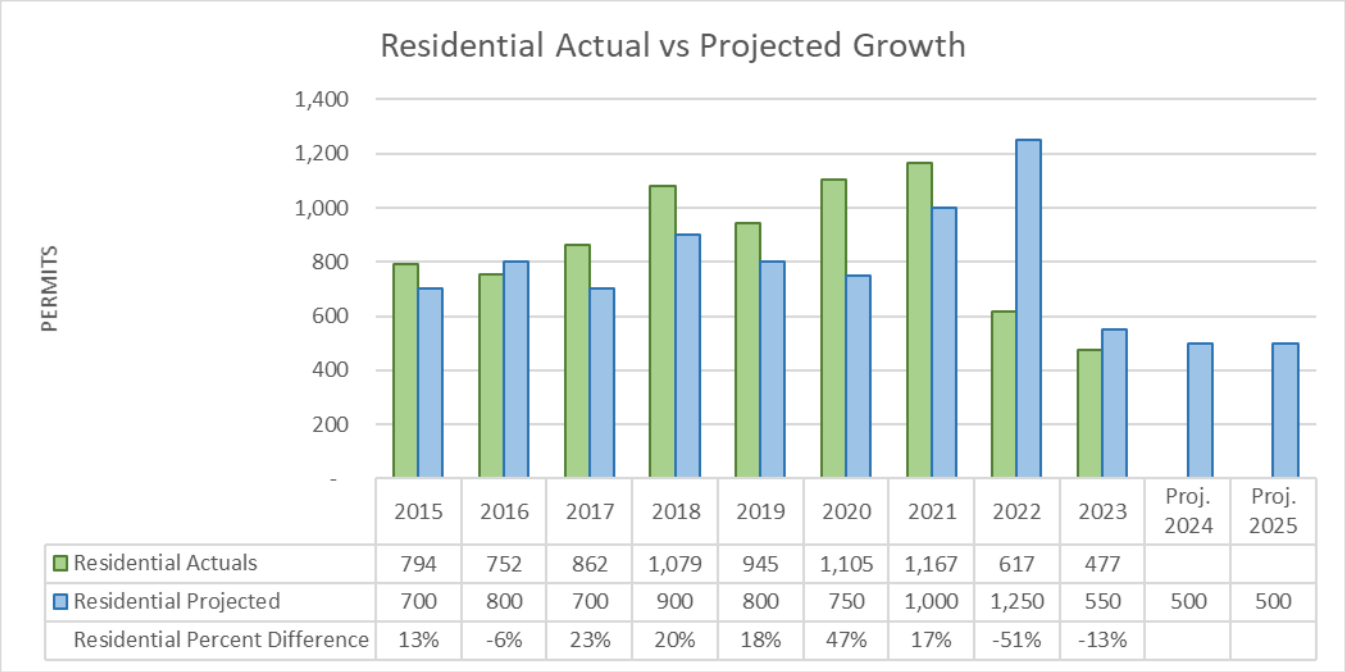
500	Residential (1 SFE)
8	Multi-Family
8	Commercial
8	Irrigation
524	Total

Projections are for 524 new accounts for FY2024 and 524 new accounts for FY2025 for a total increase through FY2025 of 1,048 new accounts.

2015-2025 ACTUAL GROWTH VERSUS PROJECTED GROWTH

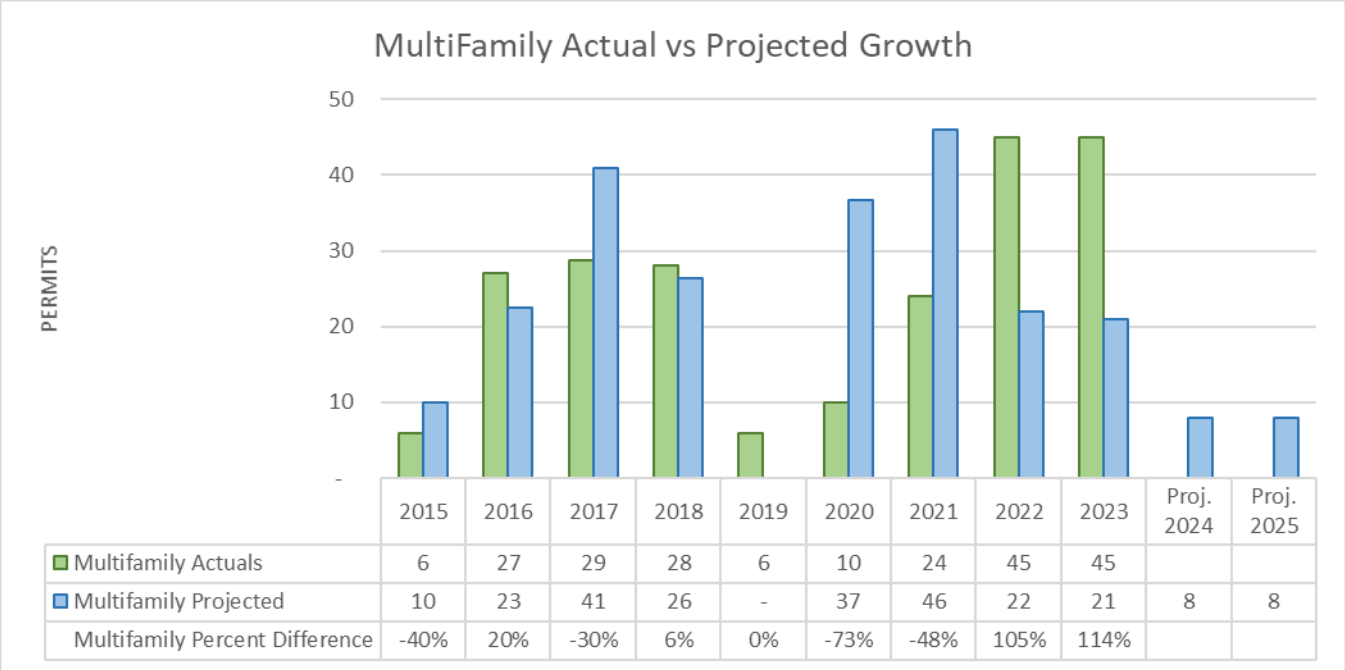
CRW has seen significant growth in accounts throughout the timeframe of this analysis, however lower permit numbers beginning in 2022 indicate that near-term growth may be more moderate than in previous years. The projections received each year from the Town's Development Services Department are important components to the rate models and revenue projections when looking at needed rate or fee increases year over year. When looking at future projections it is also important to look at how closely the past projections have compared to the actual results each year. Charts 3-6 below show the actual number of permits compared to the projected number of permits during the same year. Charts 3-6 break out residential, multi-family, commercial and irrigation, whereas Chart 7 shows all customer classes combined. Multi-family permits shown in Chart 4 are typically master meters serving multiple units. Based on historical trends, the average number of units served per master metered account is approximately 14.

CHART 3: RESIDENTIAL GROWTH



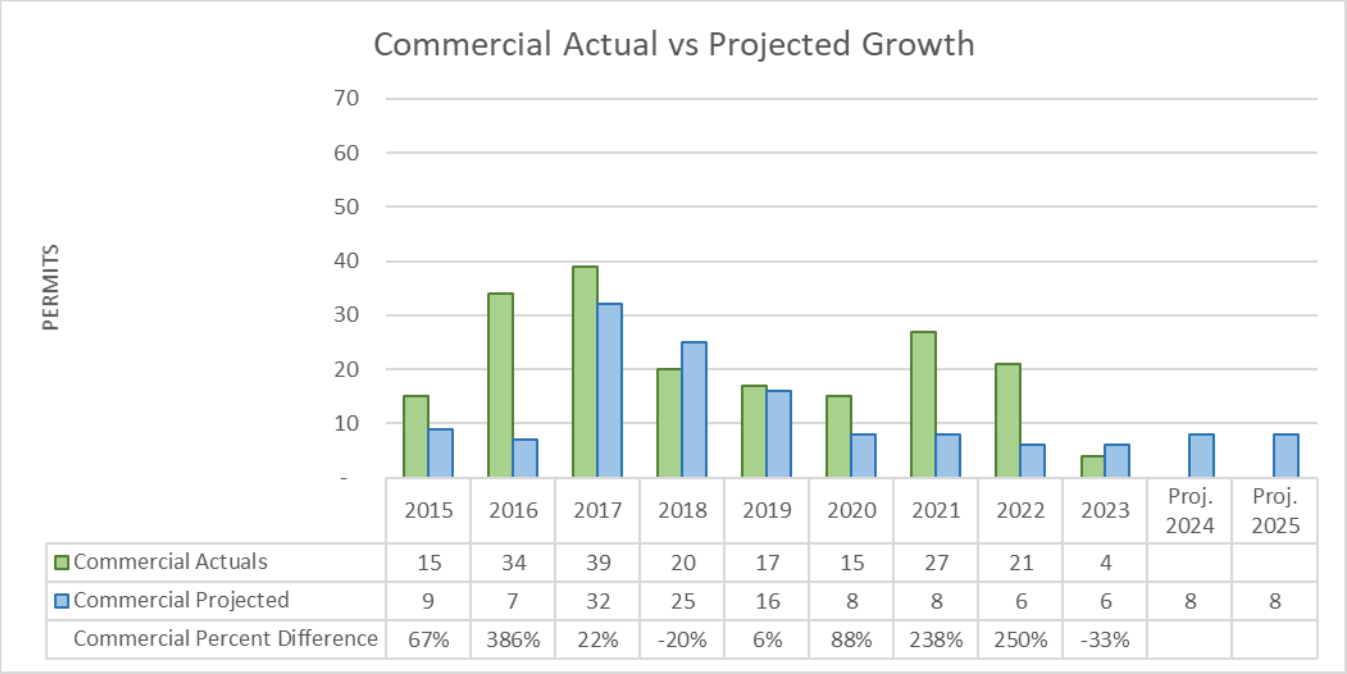
	2015	2016	2017	2018	2019	2020	2021	2022	2023	Proj. 2024	Proj. 2025
Residential Actuals	794	752	862	1,079	945	1,105	1,167	617	477		
Residential Projected	700	800	700	900	800	750	1,000	1,250	550	500	500
Residential Percent Difference	13%	-6%	23%	20%	18%	47%	17%	-51%	-13%		

CHART 4: MULTIFAMILY GROWTH



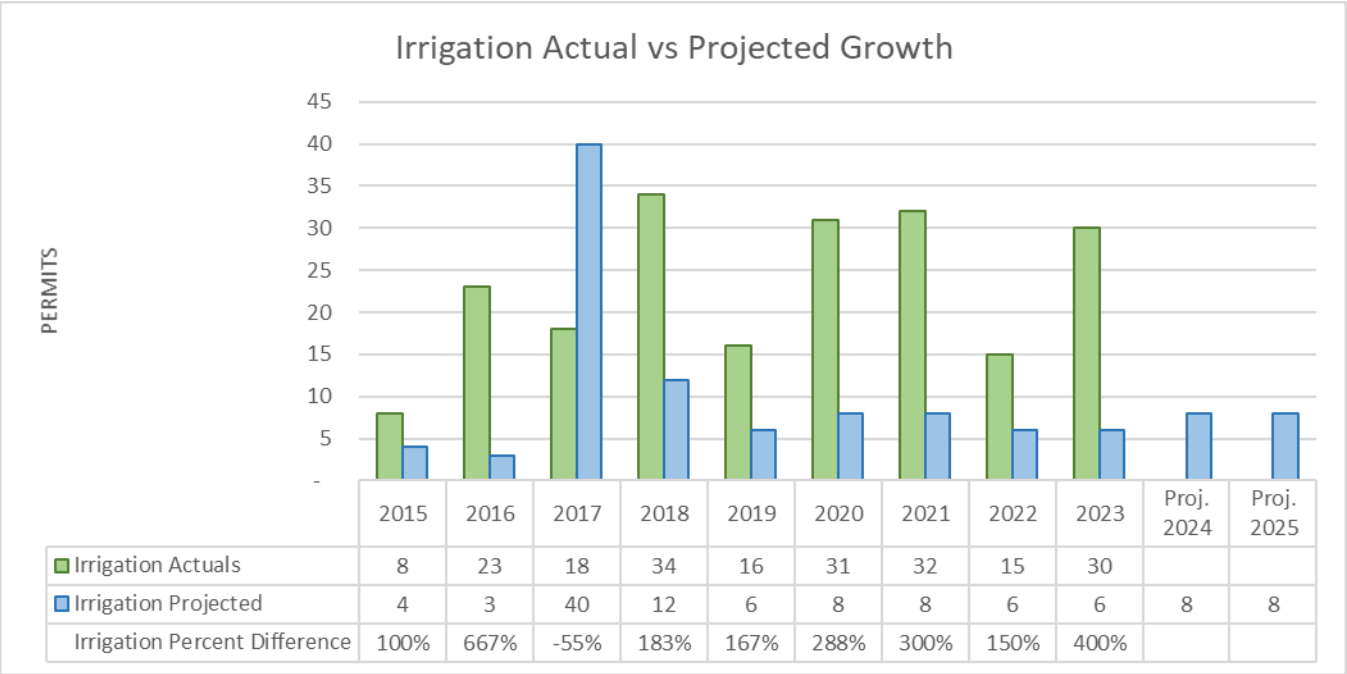
	2015	2016	2017	2018	2019	2020	2021	2022	2023	Proj. 2024	Proj. 2025
Multifamily Actuals	6	27	29	28	6	10	24	45	45		
Multifamily Projected	10	23	41	26	-	37	46	22	21	8	8
Multifamily Percent Difference	-40%	20%	-30%	6%	0%	-73%	-48%	105%	114%		

CHART 5: COMMERCIAL GROWTH



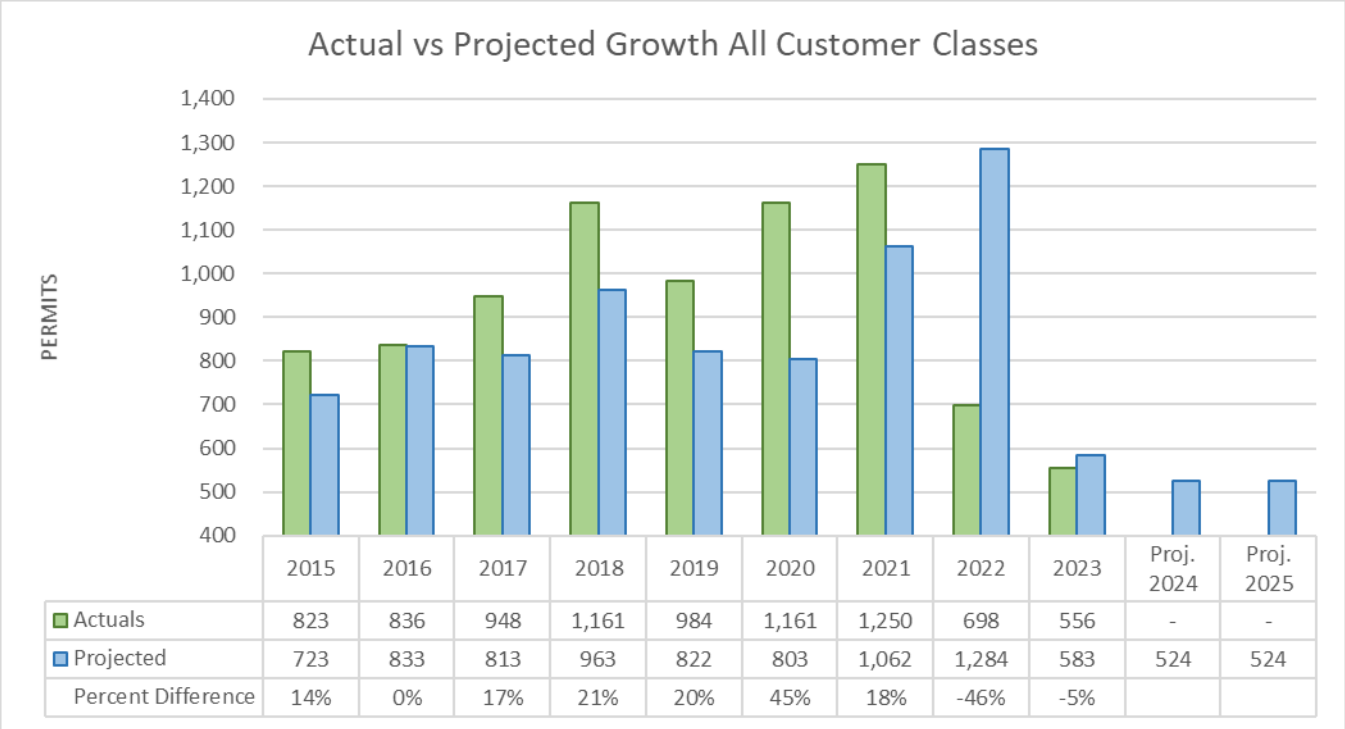
	2015	2016	2017	2018	2019	2020	2021	2022	2023	Proj. 2024	Proj. 2025
Commercial Actuals	15	34	39	20	17	15	27	21	4		
Commercial Projected	9	7	32	25	16	8	8	6	6	8	8
Commercial Percent Difference	67%	386%	22%	-20%	6%	88%	238%	250%	-33%		

CHART 6: IRRIGATION GROWTH



	2015	2016	2017	2018	2019	2020	2021	2022	2023	Proj. 2024	Proj. 2025
Irrigation Actuals	8	23	18	34	16	31	32	15	30		
Irrigation Projected	4	3	40	12	6	8	8	6	6	8	8
Irrigation Percent Difference	100%	667%	-55%	183%	167%	288%	300%	150%	400%		

CHART 7: All CUSTOMER CLASSES COMBINED GROWTH



	2015	2016	2017	2018	2019	2020	2021	2022	2023	Proj. 2024	Proj. 2025
Actuals	823	836	948	1,161	984	1,161	1,250	698	556	-	-
Projected	723	833	813	963	822	803	1,062	1,284	583	524	524
Percent Difference	14%	0%	17%	21%	20%	45%	18%	-46%	-5%		

3-YEAR AVERAGE CONSUMPTION BY CUSTOMER CLASS

Table 2 shows the 3-year average monthly consumption by meter size and customer class for 2021-2023 billing data. Table 2A shows the breakdown of the residential meter sizes shown in Table 2 and their individual applicable 3-year averages. Chart 8 shows the 3-year average monthly consumption for all residential meter sizes, including 5/8" through 1". The most recent 3-year period for residential did see a significant decrease over the prior comparison period. This decrease is primarily due to the lower consumption in 2023 as a result of higher rainfall during irrigation season.

TABLE 2: 3-YEAR AVG MONTHLY CONSUMPTION BY CUSTOMER CLASS & METER SIZE (2021-2023)

Meter Size	Residential	Multifamily	Commercial	Irrigation	Multifamily Indoor Use Only	Commercial Indoor Use Only
5/8"	4.87	-	-	14.69	5.31	5.58
3/4"	7.38	21.76	9.86	29.78	3.15	10.62
1"	18.17	32.91	28.02	60.64	16.51	21.00
1.5"	-	65.53	43.46	133.23	50.51	36.84
2"	-	88.13	86.63	227.81	70.04	61.75
3"	-	310.25	151.12	375.59	329.20	87.33
4"	-	337.58	-	690.05	-	1,730.11
6"	-	-	730.91	-	-	-

TABLE 2A: 3-YEAR AVG MONTHLY CONSUMPTION RESIDENTIAL METER SIZES (2021-2023)

Residential Accounts									
Meter Size	2013-2015	2014-2016	2015-2017	2016-2018	2017-2019	2018-2020	2019-2021	2020-2022	2021-2023
5/8"	5.70	5.44	5.37	5.44	5.26	5.23	5.07	5.10	4.87
3/4"	7.30	7.30	7.48	7.68	7.59	7.81	7.81	8.01	7.38
1"	14.17	21.26	17.86	18.69	17.48	16.75	15.99	16.60	18.17
Average	7.28	7.26	7.43	7.60	7.49	7.66	7.61	7.77	7.15

CHART 8: 3-YEAR AVG MONTHLY CONSUMPTION RESIDENTIAL ACCOUNTS

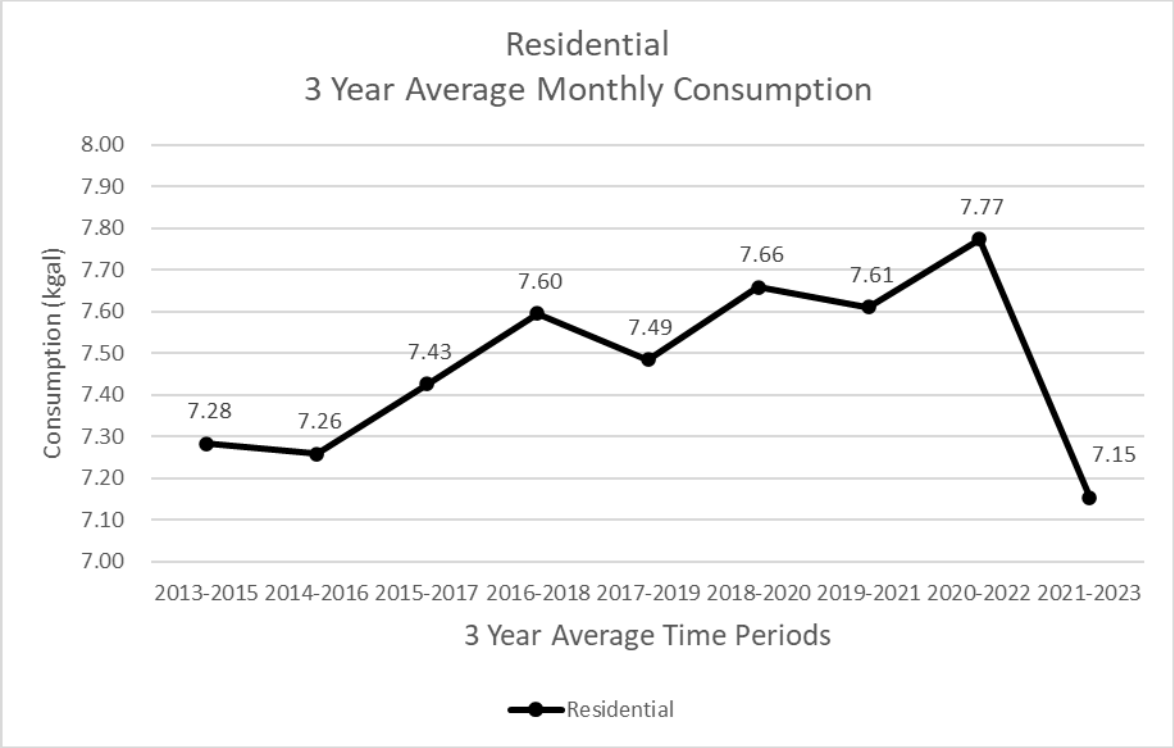
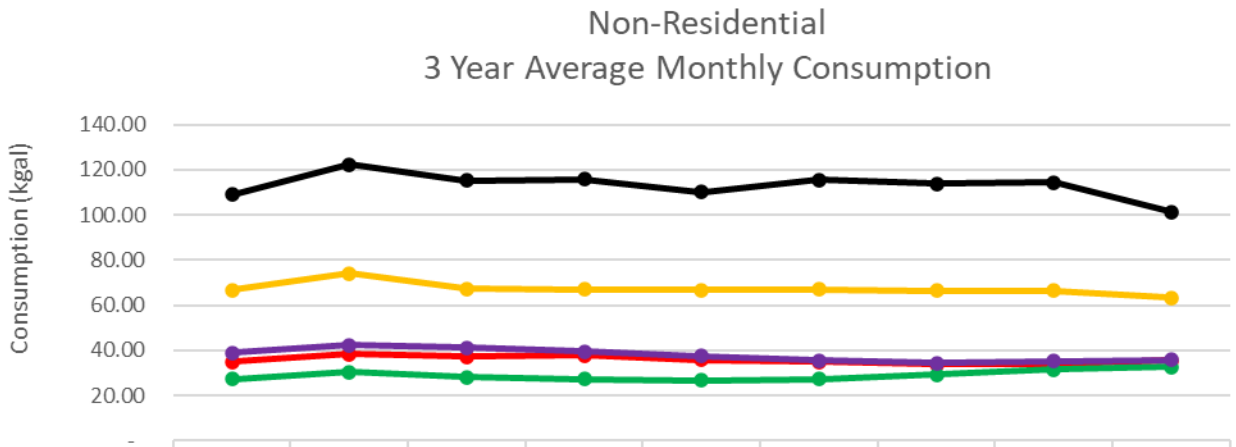


CHART 9: 3-YEAR AVG MONTHLY CONSUMPTION NON-RESIDENTIAL ACCOUNTS

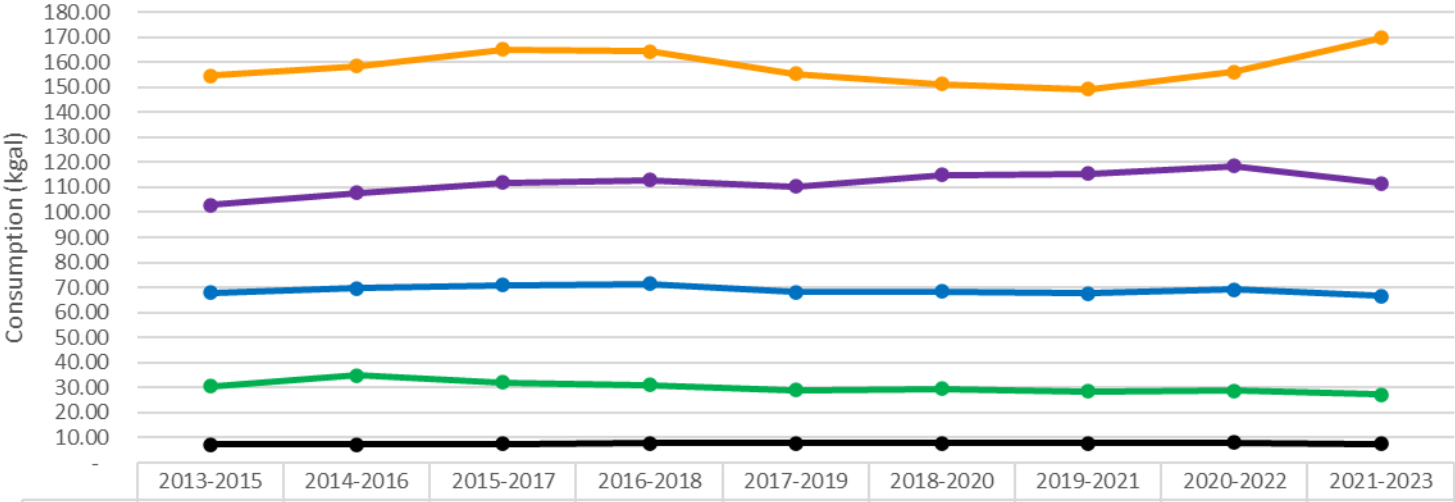


	2013-2015	2014-2016	2015-2017	2016-2018	2017-2019	2018-2020	2019-2021	2020-2022	2021-2023
MultiFamily w/irrigation	66.76	74.14	67.34	67.02	66.85	66.88	66.40	66.35	63.41
Commercial w/irrigation	35.03	38.45	37.16	37.77	35.93	35.00	33.73	34.15	35.44
Irrigation	109.05	122.26	115.15	115.64	110.01	115.52	113.87	114.40	101.38
MultiFamily indoor Use Only	27.30	30.55	28.19	27.33	26.81	27.41	29.30	31.63	32.74
Commercial Indoor Use Only	38.86	42.25	41.09	39.40	37.43	35.40	34.49	35.27	35.67

The 3-year average monthly consumption shown above in Chart 9 is for all non-residential customer classes. All non-residential customer classes have maintained relatively flat average monthly consumption throughout all comparison periods.

In Chart 10 below the 3-year average monthly consumption for the ¾″ to 3″ size of meters for all customer classes have remained relatively flat over the comparison periods.

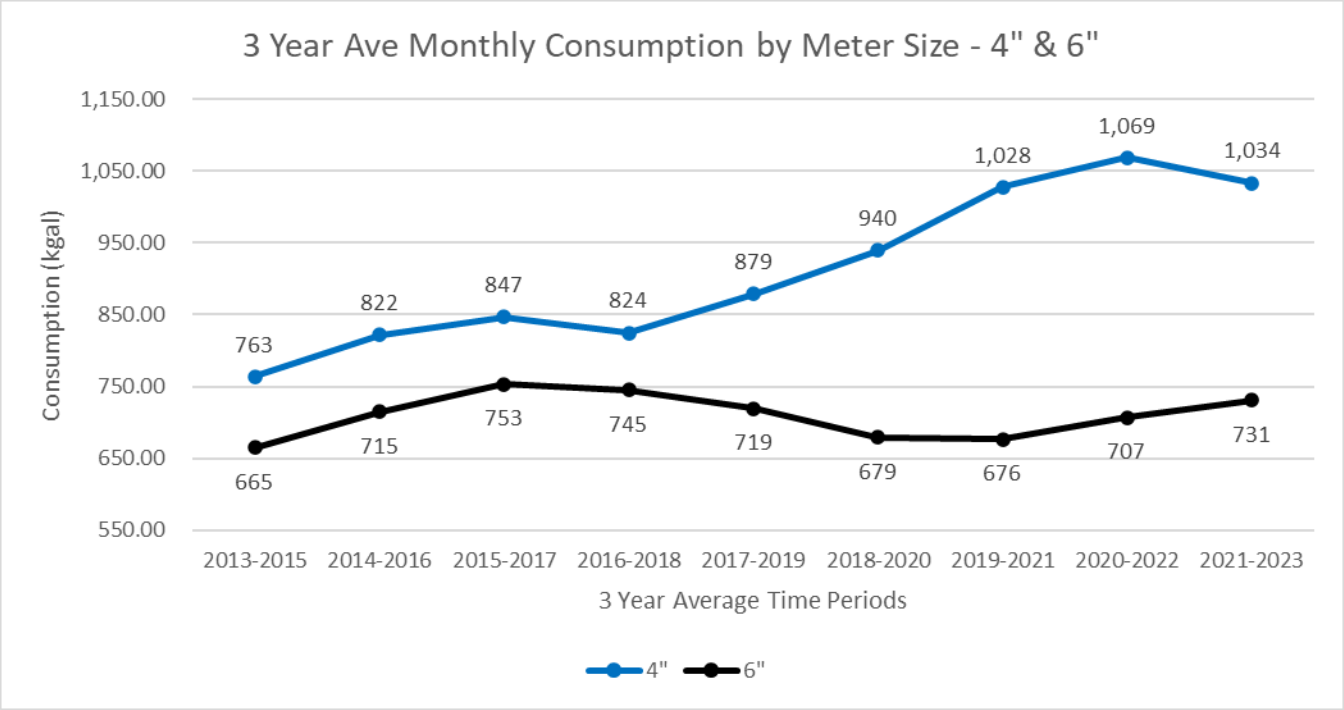
CHART 10: 3-YEAR AVG MONTHLY CONSUMPTION BY METER SIZE ¾″ to 3″ ALL CUSTOMER CLASSES



	2013-2015	2014-2016	2015-2017	2016-2018	2017-2019	2018-2020	2019-2021	2020-2022	2021-2023
3/4"	7.37	7.37	7.56	7.75	7.68	7.89	7.90	8.11	7.48
1"	30.43	34.90	32.12	31.15	28.96	29.46	28.38	28.83	27.33
1.5"	67.94	69.56	70.92	71.37	68.23	68.42	67.54	69.21	66.71
2"	102.99	107.82	111.99	112.94	110.43	114.90	115.40	118.59	111.56
3"	154.70	158.49	165.12	164.43	155.37	151.24	149.28	156.14	169.65

Chart 11 below shows the average consumption for the two 6″ meters in service which saw a downward trend beginning in the 2016-2018 comparison period and continued through the 2019-2021 period but saw a slight increase in the two most recent periods. We currently have five 4″ meters in service, four active meters and one redundant meter for medical purposes. The increase in the 2013 and forward consumption pattern is a result of the 4″ medical facility meter that was installed in 2013.

CHART 11: 3-YEAR AVG MONTHLY CONSUMPTION BY METER SIZE – 4″ and 6″



3-YEAR AVERAGE CONSUMPTION WITH & WITHOUT IRRIGATION

The data in Table 3 shows the average monthly consumption by meter size for all customer classes combined. This shows that the monthly consumption in many cases more than doubles between the summer "with irrigation" and the winter "without irrigation" seasons.

TABLE 3: 3-YEAR AVERAGE MONTHLY CONSUMPTION BY METER SIZE FOR ALL CUSTOMER CLASSES COMBINED (2021-2023)

Meter Size	With Irrigation	Without Irrigation
5/8"	5.88	3.41
3/4"	9.70	4.31
1"	33.06	16.86
1.5"	79.53	40.87
2"	134.82	60.12
3"	199.86	121.61
4"	1,109.95	927.30
6"	802.10	626.68

CHART 12: 3-YEAR AVG MONTHLY CONSUMPTION ¾" METERS

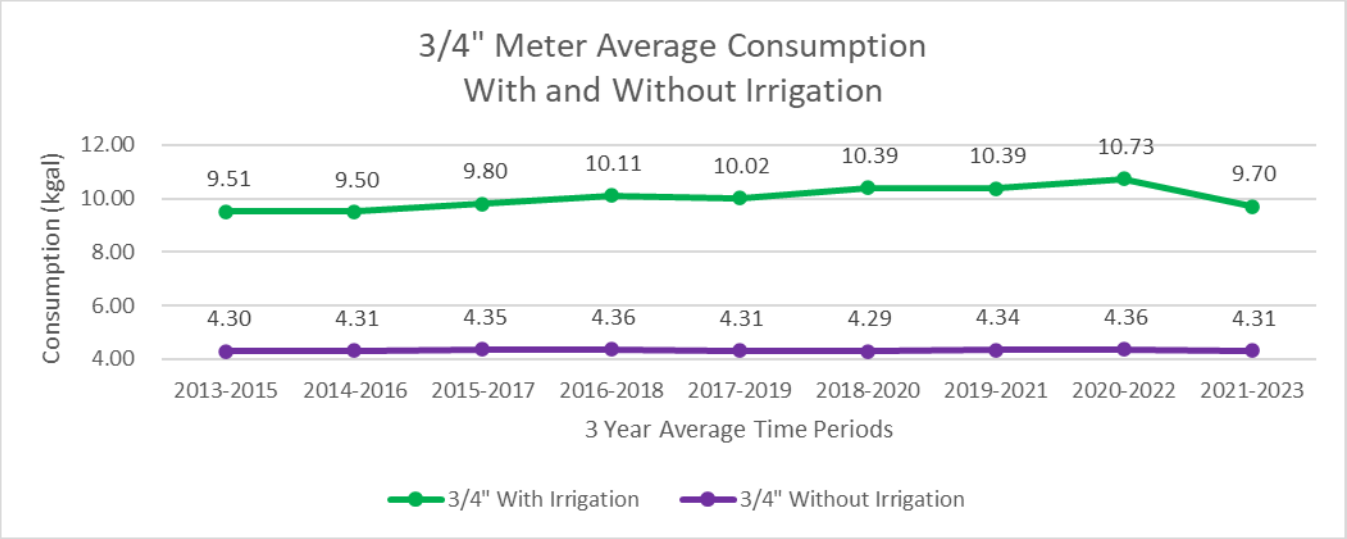


Chart 12 above shows that ¾" meter accounts usage "without irrigation" is very consistent from year-to-year. Approximately 97% of the ¾" meters are residential accounts. This trend indicates indoor water usage from year-to-year for ¾" meters is staying consistent, even with the increase in the number of accounts.

CHART 13: 3-YEAR AVG MONTHLY CONSUMPTION 1" METERS

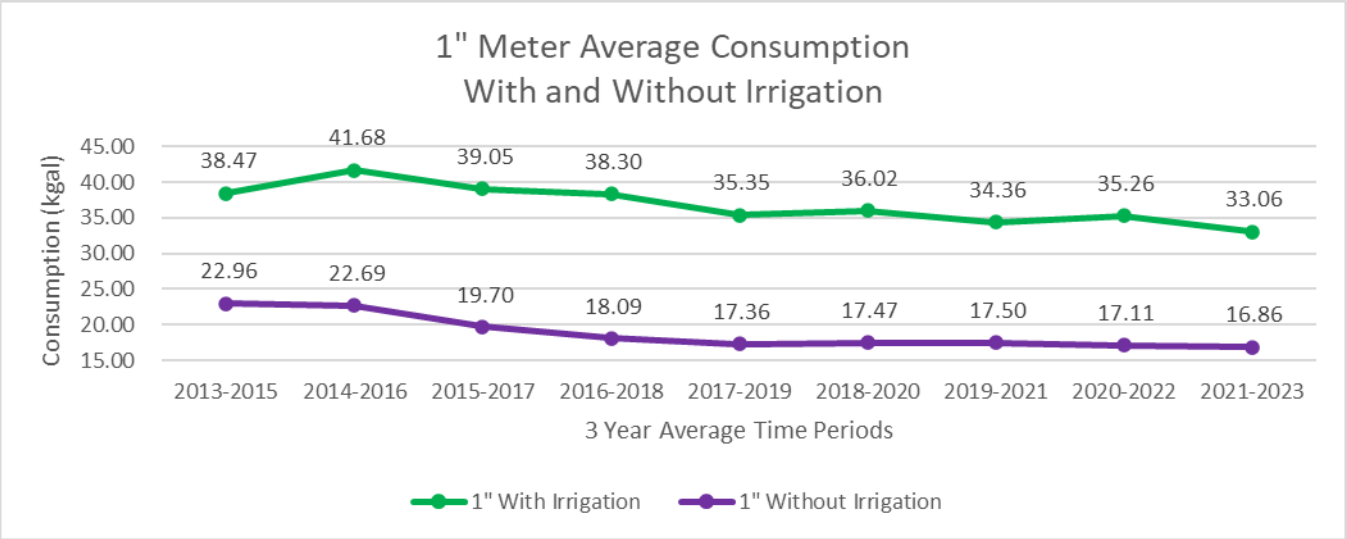


Chart 13 above shows that 1" meter accounts usage without irrigation have relatively flat consumption over the last five comparison periods after showing downward trends beginning in the 2015-2017 comparison period. 1" meter accounts usage with irrigation had relatively flat consumption over the comparison periods for 2017–2022, but saw consumption drop in the

most recent comparison period, 2021-2023. This is mostly likely due to the wet irrigation season we had in 2023.

Chart 14 below shows the usage for both the "with irrigation" and "without irrigation" for all 1.5" accounts is relatively flat over the comparison periods until the last three comparison periods. The "with irrigation" usage did see a decrease in the most current comparison period, likely due to the increase in rainfall in 2023.

CHART 14: 3-YEAR AVG MONTHLY CONSUMPTION 1.5" METERS

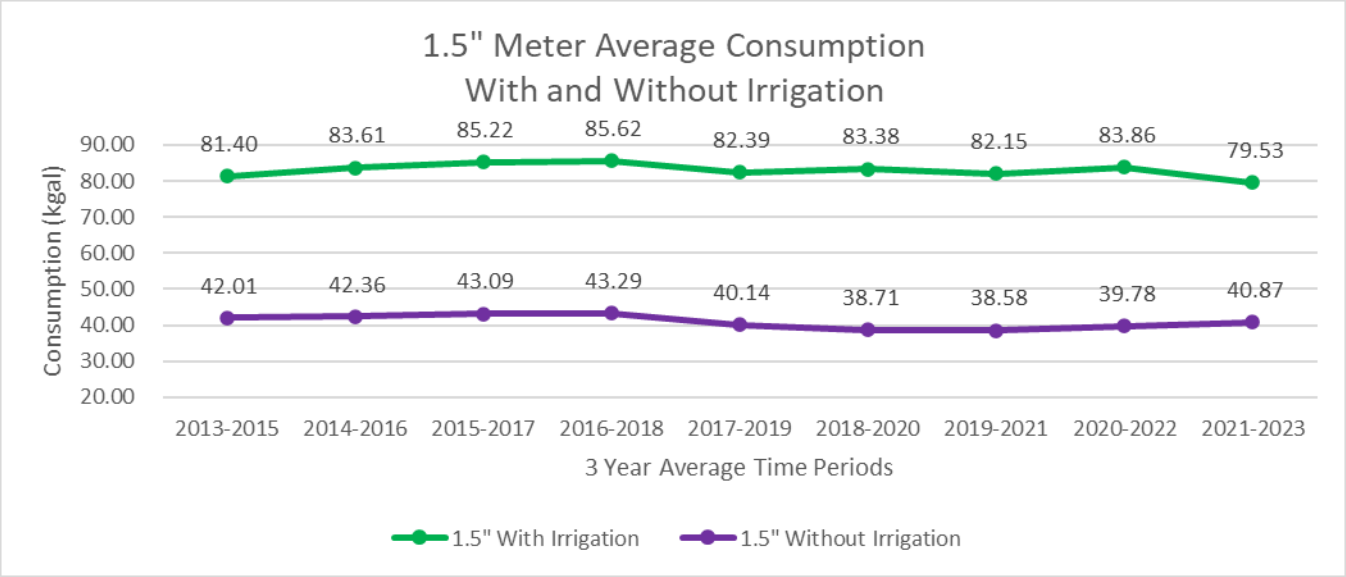


CHART 15: 3-YEAR AVG MONTHLY CONSUMPTION 2″ METERS

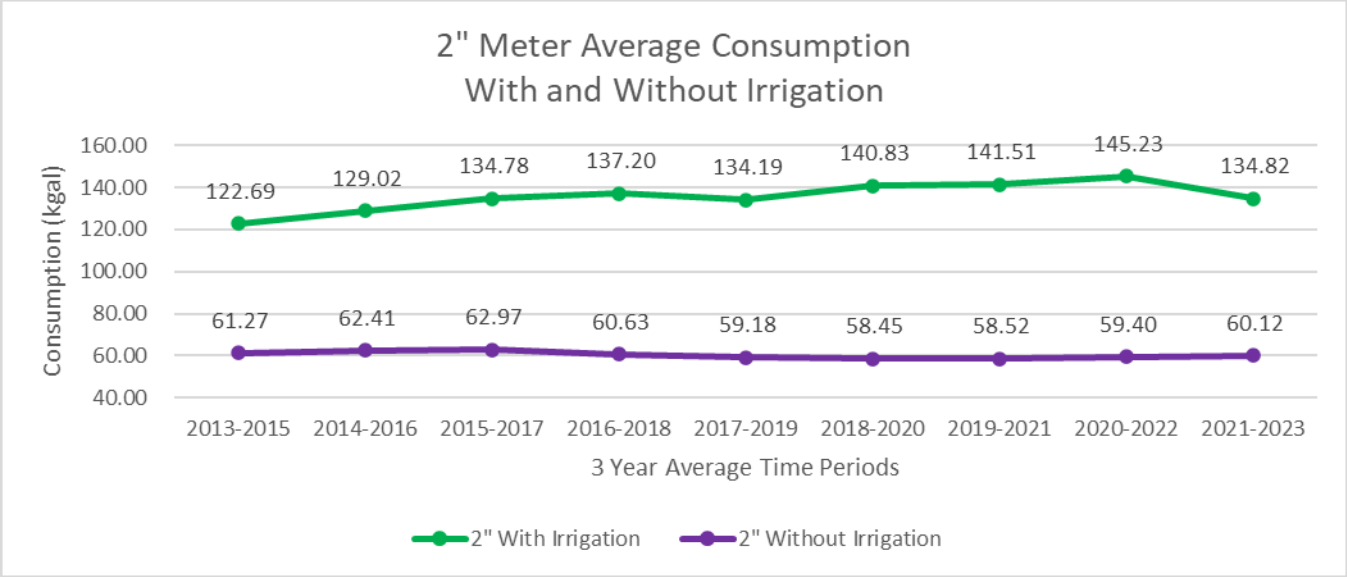


Chart 15 above for 2″ meters shows a relatively flat trend for the meters without irrigation over the past three comparison periods. The meters with irrigation have generally showed an upward trend, however the most recent comparison period saw a decrease due to the higher rainfall in 2023. Chart 16 below for 3″ meters shows that for both the meters with and without irrigation saw an increase in the most recent comparison period, driven by several commercial accounts.

CHART 16: 3-YEAR AVG MONTHLY CONSUMPTION 3″ METERS

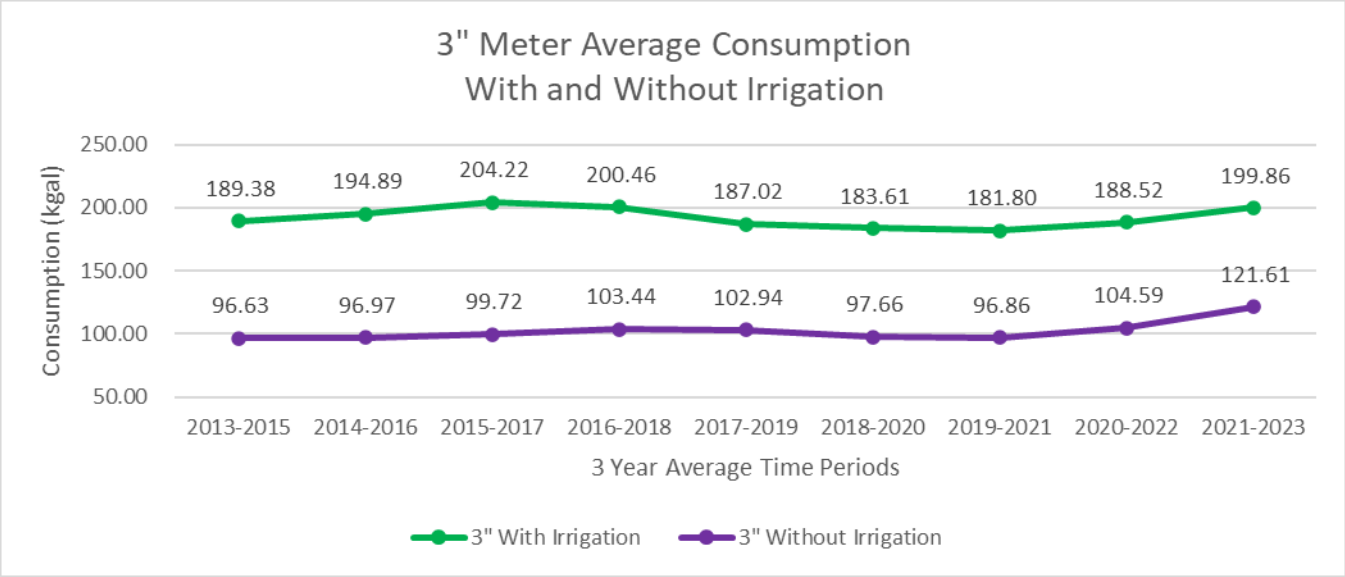
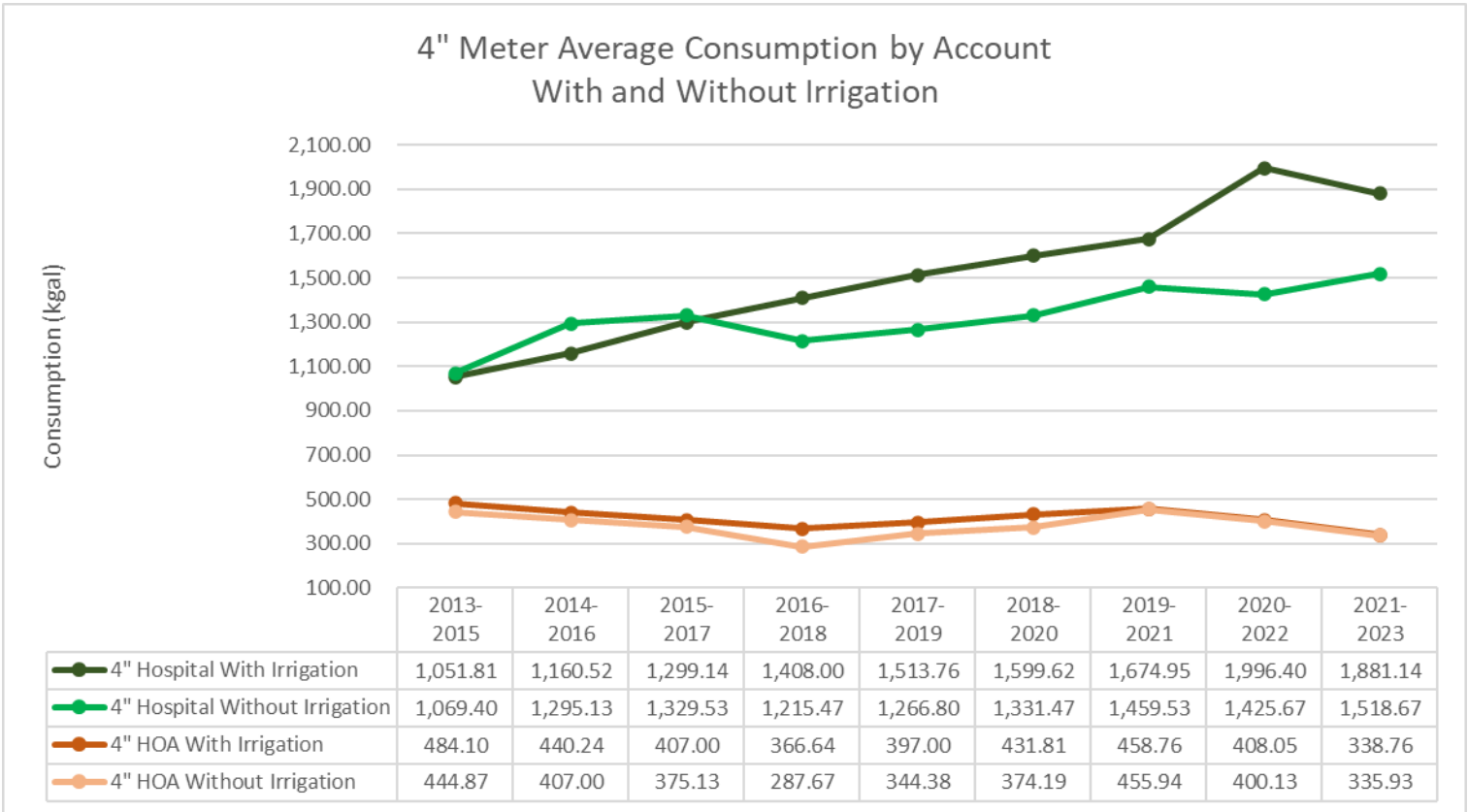


CHART 17: 3-YEAR AVG MONTHLY CONSUMPTION 4″ METERS

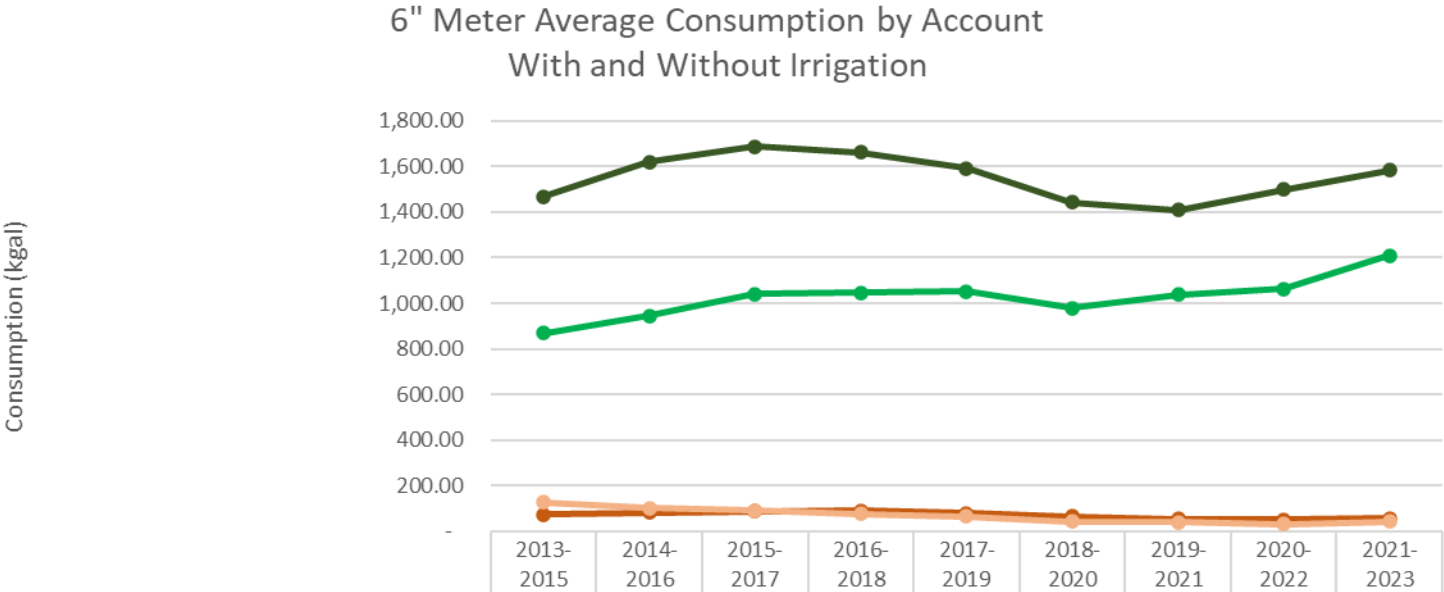


	2013-2015	2014-2016	2015-2017	2016-2018	2017-2019	2018-2020	2019-2021	2020-2022	2021-2023
4" Hospital With Irrigation	1,051.81	1,160.52	1,299.14	1,408.00	1,513.76	1,599.62	1,674.95	1,996.40	1,881.14
4" Hospital Without Irrigation	1,069.40	1,295.13	1,329.53	1,215.47	1,266.80	1,331.47	1,459.53	1,425.67	1,518.67
4" HOA With Irrigation	484.10	440.24	407.00	366.64	397.00	431.81	458.76	408.05	338.76
4" HOA Without Irrigation	444.87	407.00	375.13	287.67	344.38	374.19	455.94	400.13	335.93

Chart 17 above shows that prior to the current comparison period, consumption trends for the 4" meters were relatively flat or increasing. All but 1 meter saw a decrease in the most recent comparison period, due in large part to the rainfall in 2023. Since there are only 4 active meters in this category, one meter can skew the average consumption for the entire customer class. As can be seen from Chart 17, customer average consumption patterns with the same size meter are very different.

Chart 18 for 6" meters shows that the average monthly consumption for these two meters in service has remained fairly consistent over the last few comparison periods. Again, it shows the varying degree of usage by each of the two customers using the same size 6" meter.

CHART 18: 3-YEAR AVG MONTHLY CONSUMPTION 6" METERS



	2013-2015	2014-2016	2015-2017	2016-2018	2017-2019	2018-2020	2019-2021	2020-2022	2021-2023
6" Government Acct #1 With Irrigation	1,466.43	1,619.76	1,686.67	1,661.00	1,590.14	1,443.76	1,408.05	1,497.50	1,582.80
6" Government Acct #1 Without Irrigation	870.67	944.00	1,040.93	1,047.00	1,050.93	978.00	1,037.53	1,063.00	1,209.07
6" Government Acct #2 With Irrigation	74.76	82.38	87.14	91.90	79.05	64.50	55.50	53.00	58.57
6" Government Acct #2 Without Irrigation	126.43	102.67	90.00	76.67	65.33	43.08	40.83	32.50	44.29

EQUIVALENCY FACTORS

There are two different types of equivalency factors. The first is the hydraulic capacity method, which is based on the relative capacity of different meter sizes and meter types utilized to deliver water. The second equivalency factor method takes into consideration the relative potential demands of different customers. Based on the hydraulic demands, a single-family meter size of ¾" serves as the base for one SFE. The maximum flow rate of water

through the meter in gallons per minute (GPM) becomes the unit of comparison. The maximum flow rate demanded by new customers compares to the base demand in order to determine the equivalency ratio. For example, if the base single-family residential customer requires 30 GPM and a commercial customer requires 200 GPM, the equivalency ratio equals 6.67 (200/30). The second method is the actual use equivalency factor based on the relative average monthly water usage of CRW's customers.

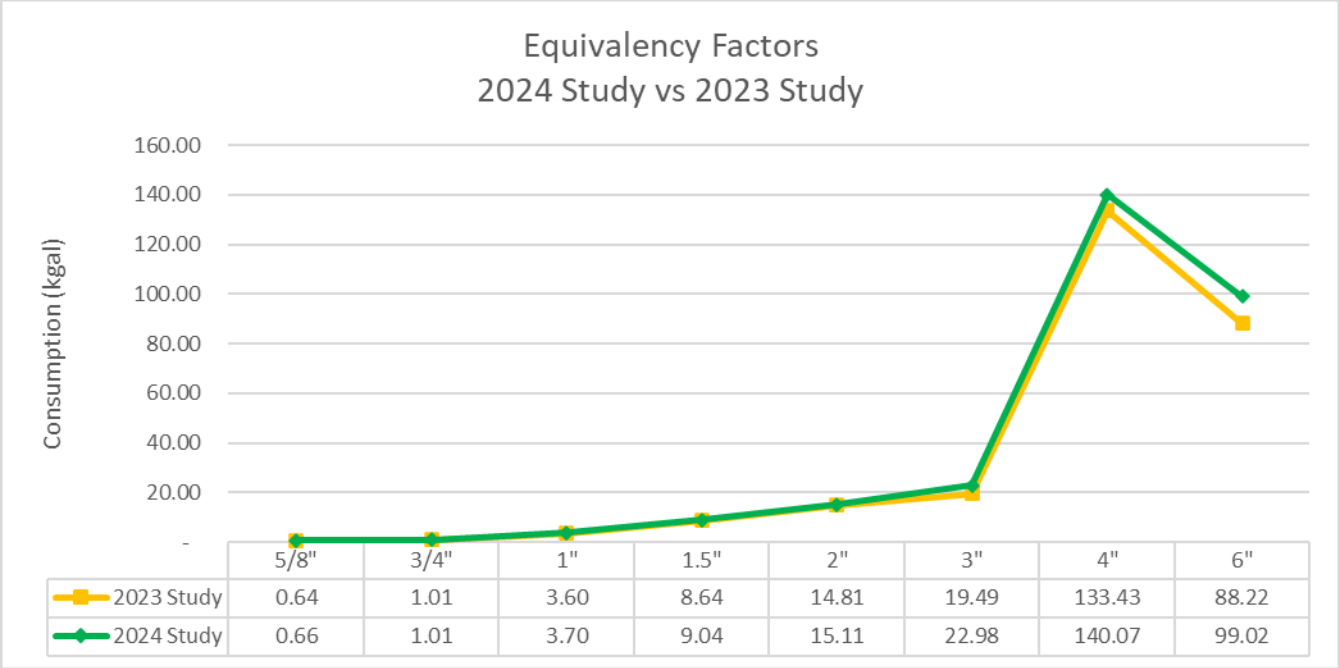
Table 4 calculates equivalency factors by customer class and meter size based on a ¾" single-family residential customer. The equivalency factor in Table 4 is an input into the system development fees model used to calculate the number of SFEs. This is achieved by multiplying the equivalency factor times the number of meters which then equals to the number of SFEs currently being served by the system.

TABLE 4: 2024 STUDY ACTUAL USE EQUIVALENCY FACTORS (BASED ON 3-YEAR AVG. 2021-2023)

Meter Size	Residential	Multifamily	Commercial	Irrigation	Multifamily Indoor Use Only	Commercial Indoor Use Only	Equivalency Factor
5/8"	0.66	-	-	1.99	0.72	0.76	0.66
3/4"	1.00	2.95	1.34	4.04	0.43	1.44	1.01
1"	2.46	4.46	3.80	8.22	2.24	2.85	3.70
1.5"	-	8.88	5.89	18.05	6.84	4.99	9.04
2"	-	11.94	11.74	30.86	9.49	8.37	15.11
3"	-	42.03	20.47	50.89	44.60	11.83	22.98
4"	-	45.74	-	93.49	-	234.40	140.07
6"	-	-	99.02	-	-	-	99.02

Chart 19 compares the equivalency factors calculated from the most current rates and fees study to the prior year rates and fees study. As seen in the chart, no major variances exist from study to study so there is no methodology change recommended for the 2024 study.

CHART 19: EQUIVALENCY FACTORS 2024 STUDY COMPARED TO THE 2023 STUDY



	5/8"	3/4"	1"	1.5"	2"	3"	4"	6"
2023 Study	0.64	1.01	3.60	8.64	14.81	19.49	133.43	88.22
2024 Study	0.66	1.01	3.70	9.04	15.11	22.98	140.07	99.02

REPRESENTATIVE CUSTOMER BY CUSTOMER CLASS

Customer data for the last three years (2021-2023) determines an average representative customer for each customer class. One customer from each customer class then represents the class average and their consumption patterns calculate a typical customer's annual bill. The process includes the following steps:

- Calculate the average consumption, total consumption, and consumption for irrigation season and winter season based on the most recent billing data (Jan23-Dec23).
- Select the most common meter size within each customer class and associated average consumption based on customer class and meter size.
- Select one customer per customer class from the data sample with both irrigation and winter period consumption to be a representative customer for each customer class.
- Eliminating customers with atypical consumption from the pool of customers eliminates skewing the average calculation for a representative customer by customer class. See the next section on atypical accounts for more information about the atypical accounts and the consumption patterns of these customers.

Results of the representative customer analysis shown in Table 5 are very similar to those we calculated in the prior year study. Average Winter Monthly Consumption (AWMC) is calculated by averaging the total potable water consumption used by the customer in the months of November-February in accordance with standard operating procedures maintained

by Castle Rock Water. This represents the amount of water for indoor use (Tier 1) and the amount of wastewater treated each month. Since new customers do not have an established AWMC, the customer class average for water and wastewater is used.

During this study period, for single-family residential customers, the average AWMC is 4,000 gallons. Irrigation does not typically have winter consumption, however as shown below in Table 5 there is a small amount that is consumed due to leaks, late winterization, or watering prior to the beginning of irrigation season.

TABLE 5: REPRESENTATIVE CUSTOMER BY CLASS
2023 BILLING DATA

Customer Class	Most Common Meter Size	Total Annual Consumption (kgal)	Average Monthly Consumption (Jan-Dec 2023) (kgal)	Average Winter Monthly Consumption (kgal)	Average Irrigation Monthly Consumption (kgal)
Residential	3/4"	78.36	6.53	4.20	8.16
Multifamily	1.5"	734.59	61.22	41.90	74.96
Commercial	3/4"	123.54	10.29	7.70	12.01
Irrigation	3/4"	349.83	29.15	8.36	29.77
Multifamily Indoor Use Only	1.5"	626.07	52.17	51.73	52.49
Commercial Indoor Use Only	3/4"	120.33	10.03	10.33	9.83

ATYPICAL ACCOUNTS

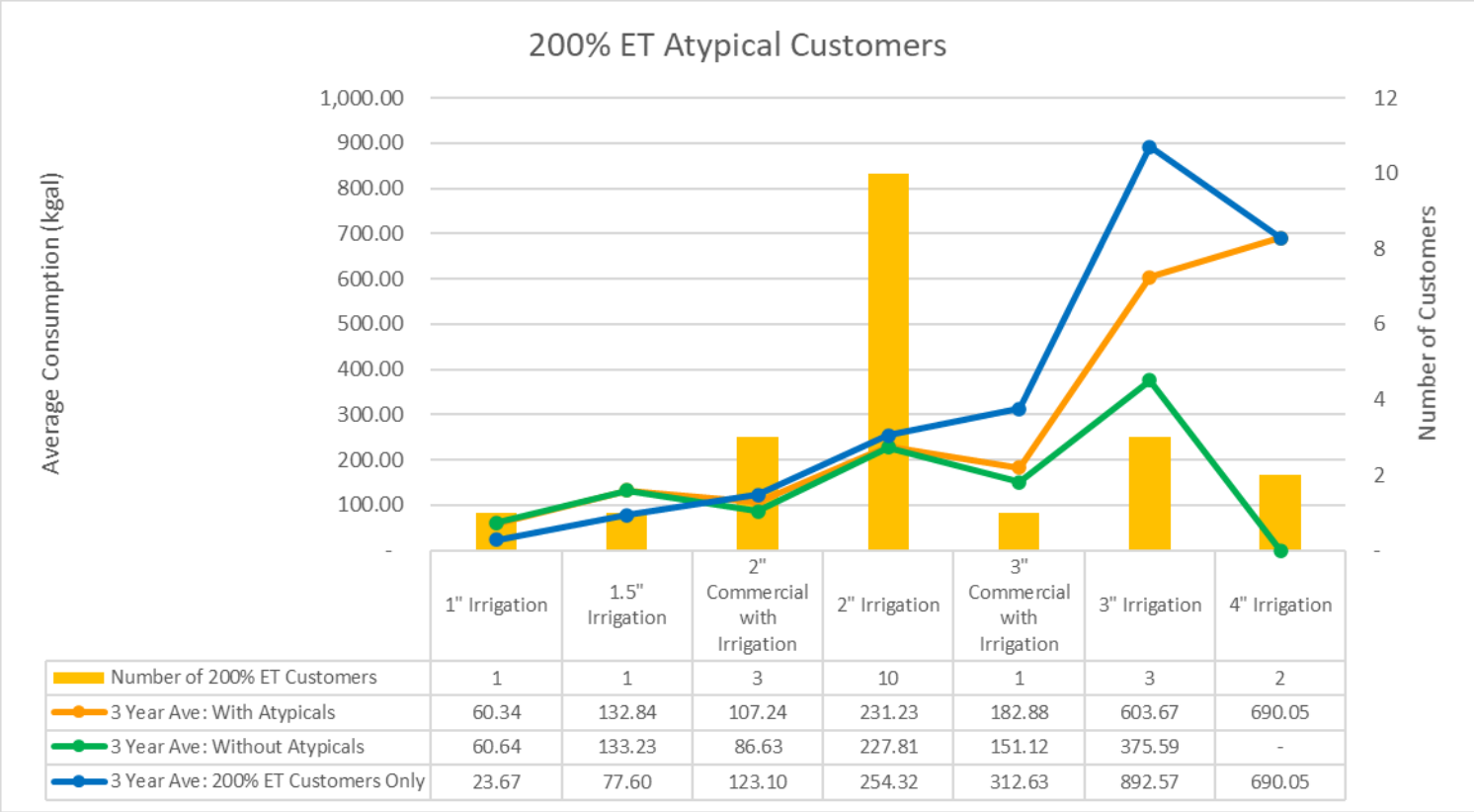
In addition to completing the three-year average consumption comparisons, CRW looks at atypical customers. Atypical can be defined as a customer whose consumption patterns are not typical of an average customer in that same meter size and or customer class due to the nature of their business or varying water needs and demands. We eliminate these from the average calculations to avoid skewing the average for a representative customer by meter size and customer class.

The larger atypical customers that have been removed from the 3-year averages for the 2024 rates and fees study are 200% ET, carwashes, hotels, outdoor bathrooms, parking garages, sample stations, SFE reservations and swimming pools. Customers designated with a 200% ET are programmed athletic fields, which need more water to accommodate the heavier use. Charts 20 through 23, shown below, are some of those atypical customers with the larger consumption variances.

After further analysis of the consumption patterns of the following accounts, they were deemed to not be considered atypical accounts as their average consumption patterns were much like those of the other customers in the corresponding meter and or customer class. These account types remain in the average calculations, which are snowbirds, medical facilities other than the hospital, Castle Rock Water Facilities, and the Fairgrounds.

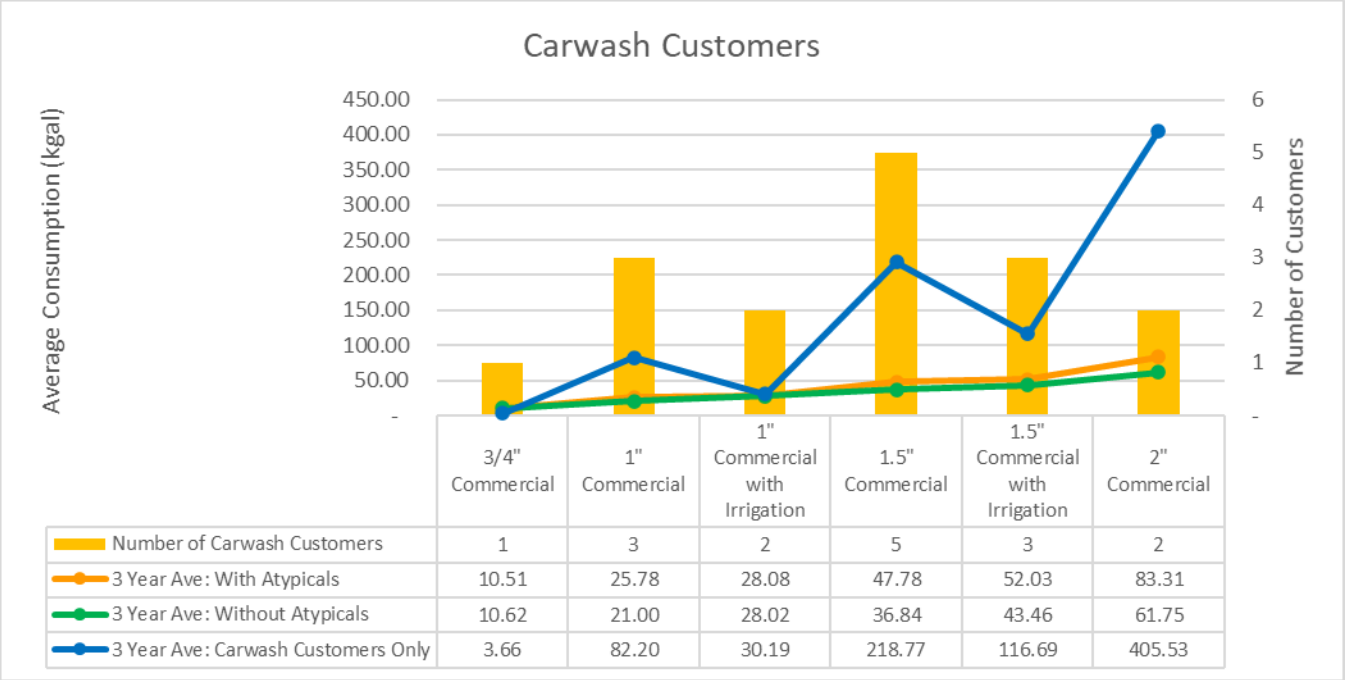
Charts 20 through 23 show the number of customers in each atypical class, the 3-year average with the atypical customers included, the 3-year average without the atypical customers included and the 3-year average of the atypical class by itself.

CHART 20: 200% ET ATYPICAL CUSTOMERS



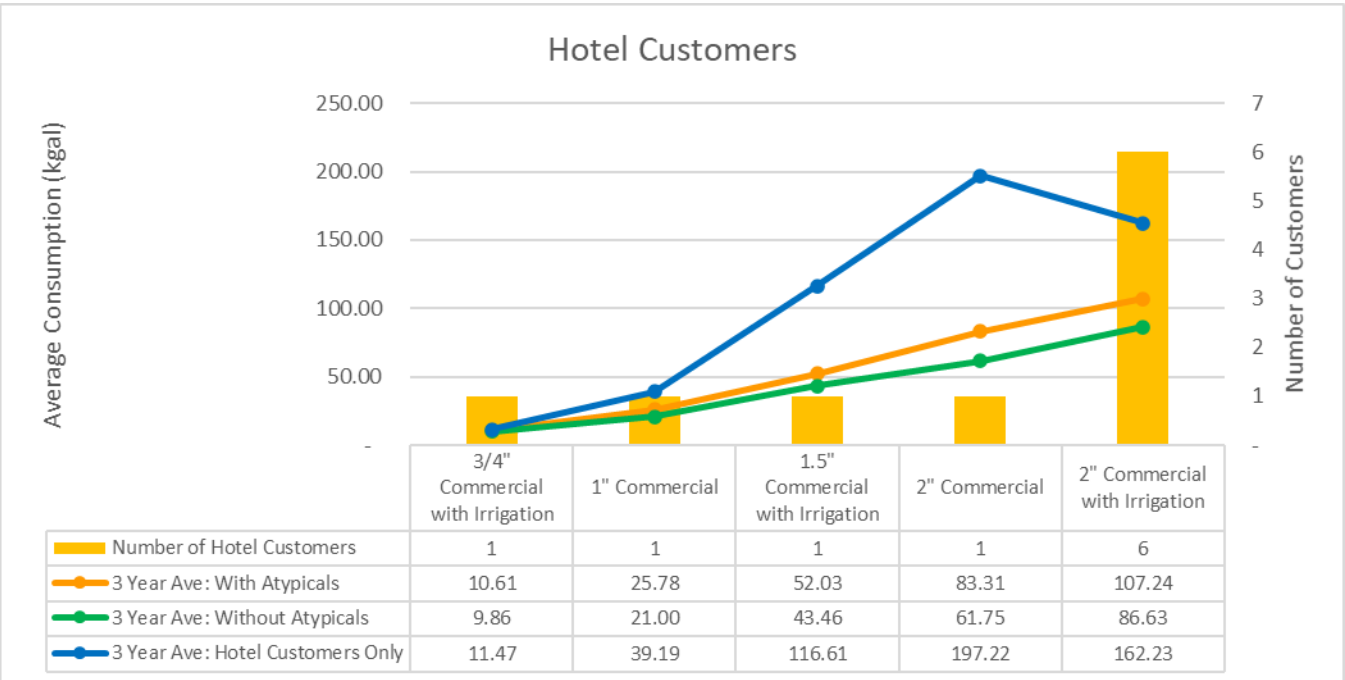
	1" Irrigation	1.5" Irrigation	2" Commercial with Irrigation	2" Irrigation	3" Commercial with Irrigation	3" Irrigation	4" Irrigation
Number of 200% ET Customers	1	1	3	10	1	3	2
3 Year Ave: With Atypicals	60.34	132.84	107.24	231.23	182.88	603.67	690.05
3 Year Ave: Without Atypicals	60.64	133.23	86.63	227.81	151.12	375.59	-
3 Year Ave: 200% ET Customers Only	23.67	77.60	123.10	254.32	312.63	892.57	690.05

CHART 21: CARWASH ATYPICAL CUSTOMERS



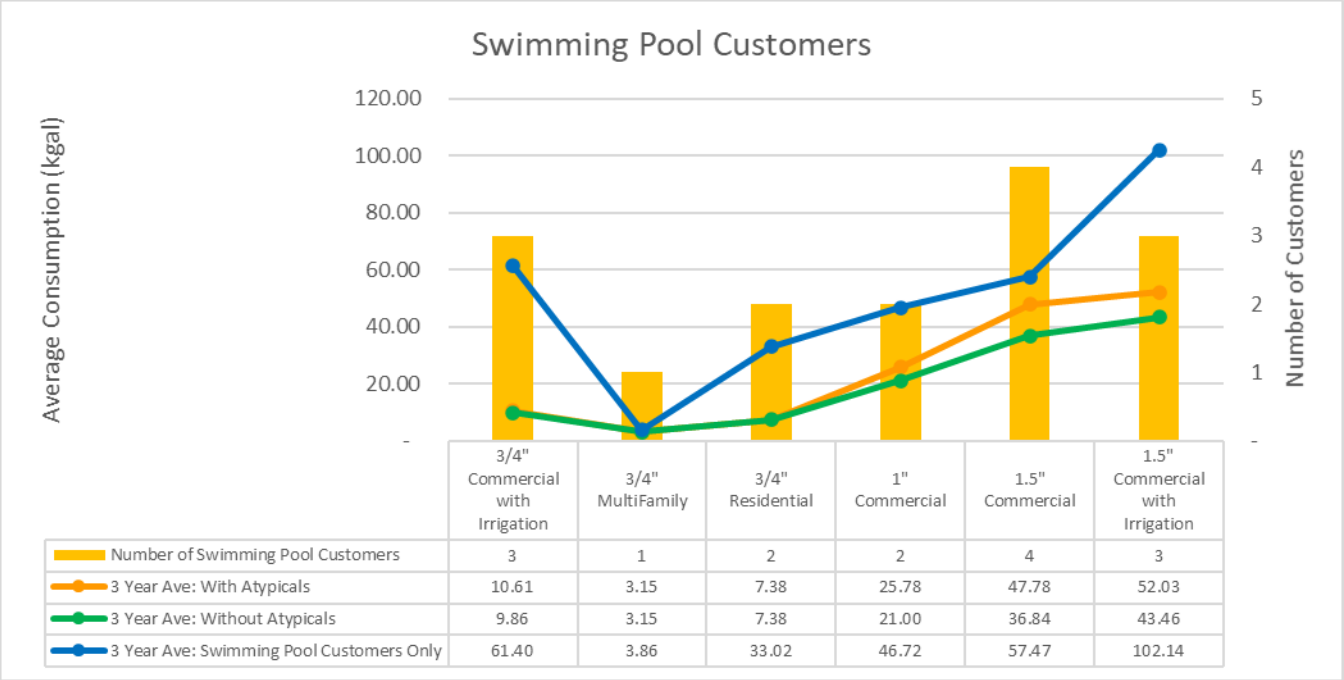
	3/4" Commercial	1" Commercial	1" Commercial with Irrigation	1.5" Commercial	1.5" Commercial with Irrigation	2" Commercial
Number of Carwash Customers	1	3	2	5	3	2
3 Year Ave: With Atypicals	10.51	25.78	28.08	47.78	52.03	83.31
3 Year Ave: Without Atypicals	10.62	21.00	28.02	36.84	43.46	61.75
3 Year Ave: Carwash Customers Only	3.66	82.20	30.19	218.77	116.69	405.53

CHART 22: HOTEL ATYPICAL CUSTOMERS



	3/4" Commercial with Irrigation	1" Commercial	1.5" Commercial with Irrigation	2" Commercial	2" Commercial with Irrigation
Number of Hotel Customers	1	1	1	1	6
3 Year Ave: With Atypicals	10.61	25.78	52.03	83.31	107.24
3 Year Ave: Without Atypicals	9.86	21.00	43.46	61.75	86.63
3 Year Ave: Hotel Customers Only	11.47	39.19	116.61	197.22	162.23

CHART 23: SWIMMING POOL ATYPICAL CUSTOMERS



	3/4" Commercial with Irrigation	3/4" MultiFamily	3/4" Residential	1" Commercial	1.5" Commercial	1.5" Commercial with Irrigation
Number of Swimming Pool Customers	3	1	2	2	4	3
3 Year Ave: With Atypicals	10.61	3.15	7.38	25.78	47.78	52.03
3 Year Ave: Without Atypicals	9.86	3.15	7.38	21.00	36.84	43.46
3 Year Ave: Swimming Pool Customers Only	61.40	3.86	33.02	46.72	57.47	102.14

CONSUMPTION BY TIER

To compare the total water usage by tier over time, Table 6 and Table 7 were prepared from actual billing data for January 2023 through December 2023. Charts 24-28 compare the total water usage by tier for each customer class for 2014-2023. Surcharge revenue funds the water conservation programs such as the rebate program in the Water Resources Fund.

TABLE 6: BILLED USAGE BY CUSTOMER CLASS BY TIER JANUARY 2023-DECEMBER 2023

Class	Tier 1	Tier 2	Tier 3	Total	Surcharge
Commercial	123,746	-	56,759	180,505	-
Commercial w/ Irrig	63,220	26,297	32,651	122,168	-
Irrigation	1,551	209,258	83,936	294,745	-
MultiFamily	124,108	-	31,733	155,841	-
MultiFamily w/ Irrig	50,420	16,069	12,713	79,202	-
Residential	995,256	640,800	193,741	1,829,797	11,239
Total Kgals	**1,358,301**	**892,424**	**411,533**	**2,662,258**	**11,239**
Tier % of Total	51%	34%	15%	100%	

TABLE 7: BILLED USAGE BY SEASON BY CUSTOMER CLASS BY TIER JANUARY 2023-DECEMBER 2023

Winter Season

Class	Tier 1	Tier 2	Tier 3	Total	Surcharge
Commercial	49,941	-	18,718	68,659	-
Commercial w/ Irrig	24,962	-	9,208	34,170	-
Irrigation	1,378	-	5	1,383	-
MultiFamily	50,722	-	12,553	63,275	-
MultiFamily w/ Irrig	19,889	-	4,001	23,890	-
Residential	396,667	-	93,145	489,812	2,083
Total Kgals	**543,559**	**-**	**137,630**	**681,189**	**2,083**
Tier % of Total	80%	0%	20%	100%	

Irrigation Season

Class	Tier 1	Tier 2	Tier 3	Total	Surcharge
Commercial	73,805	-	38,041	111,846	-
Commercial w/ Irrig	38,258	26,297	23,443	87,998	-
Irrigation	173	209,258	83,931	293,362	-
MultiFamily	73,386	-	19,180	92,566	-
MultiFamily w/ Irrig	30,531	16,069	8,712	55,312	-
Residential	598,589	640,800	100,596	1,339,985	9,156
Total Kgals	**814,742**	**892,424**	**273,903**	**1,981,069**	**9,156**
Tier % of Total	41%	45%	14%	100%	

CHART 24: COMMERCIAL CUSTOMER CLASS ANNUAL BILLED USAGE BY TIER 2014-2023

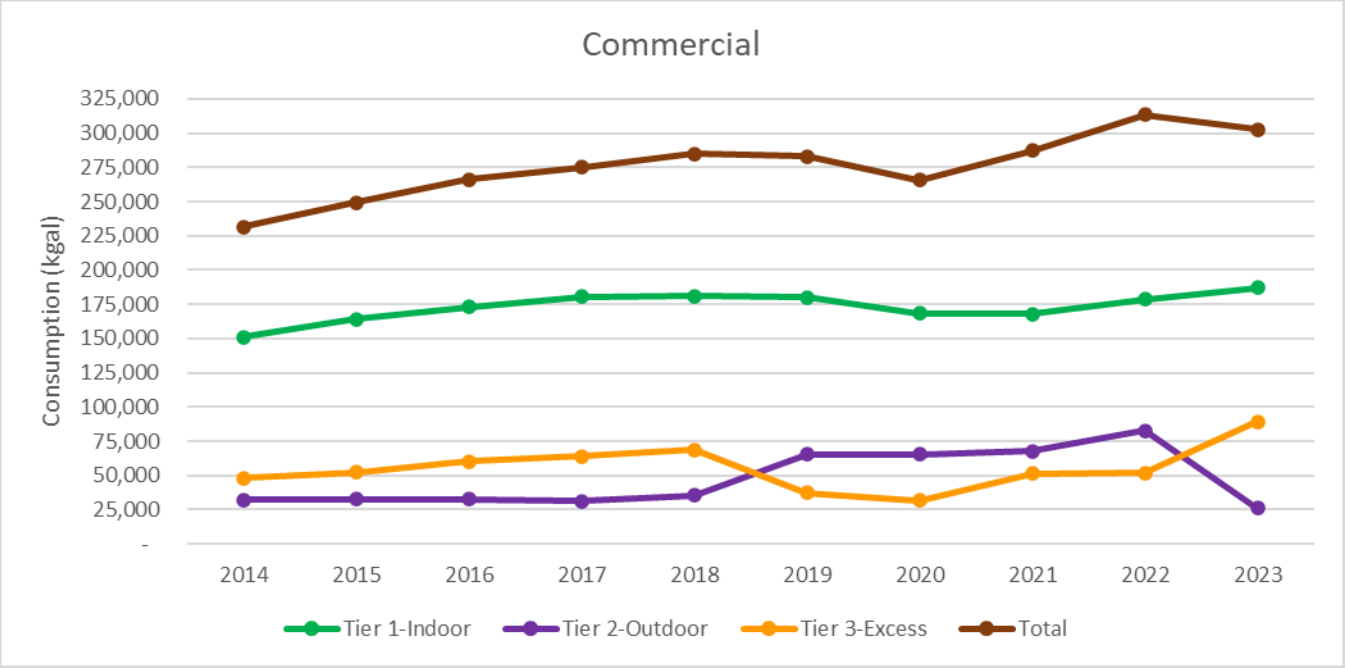


CHART 25: MULTIFAMILY CUSTOMER CLASS ANNUAL BILLED USAGE BY TIER 2014-2023

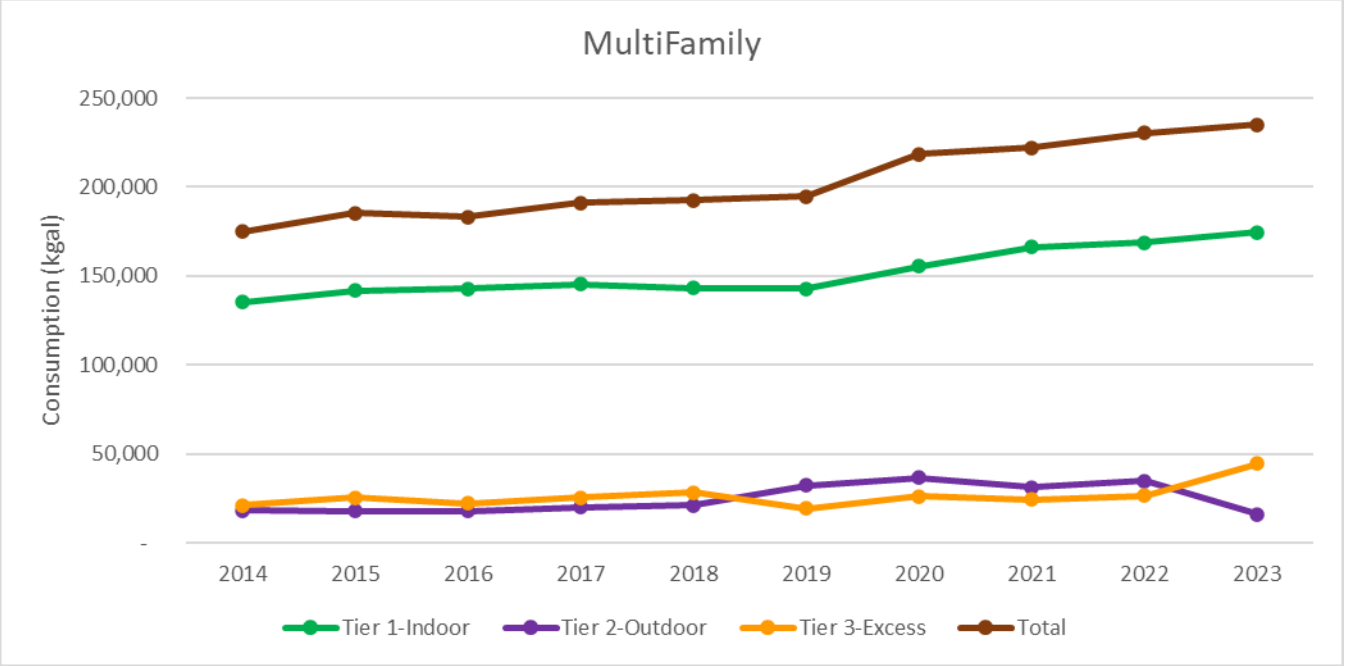


CHART 26: IRRIGATION CUSTOMER CLASS ANNUAL BILLED USAGE BY TIER 2014-2023

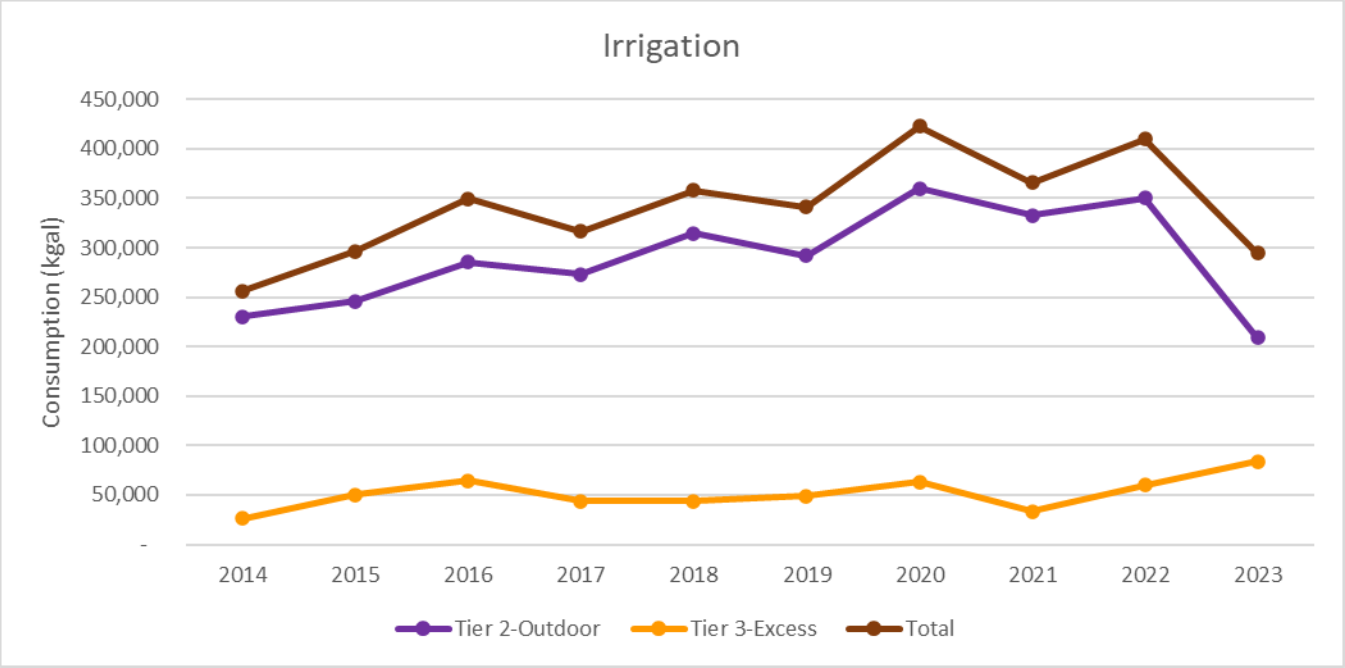


CHART 27: RESIDENTIAL CUSTOMER CLASS ANNUAL BILLED USAGE BY TIER 2014-2023

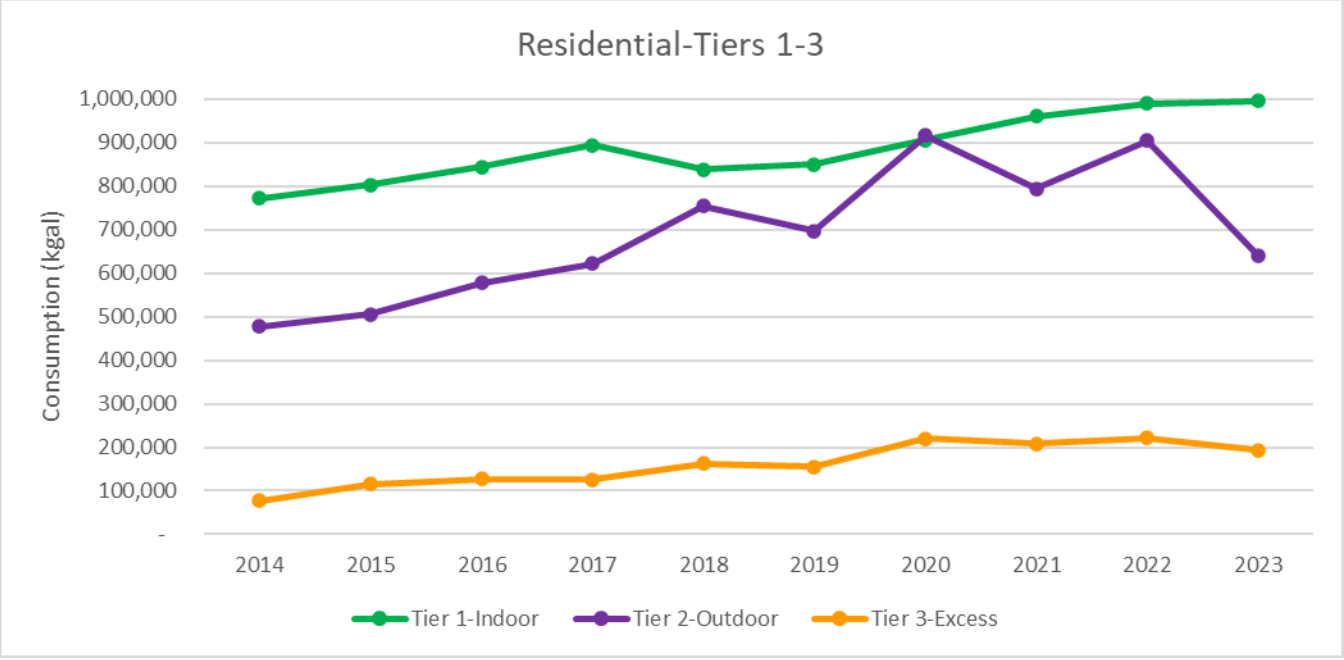


CHART 28: RESIDENTIAL CUSTOMER CLASS ANNUAL BILLED USAGE RESIDENTIAL SURCHARGE 2014-2023

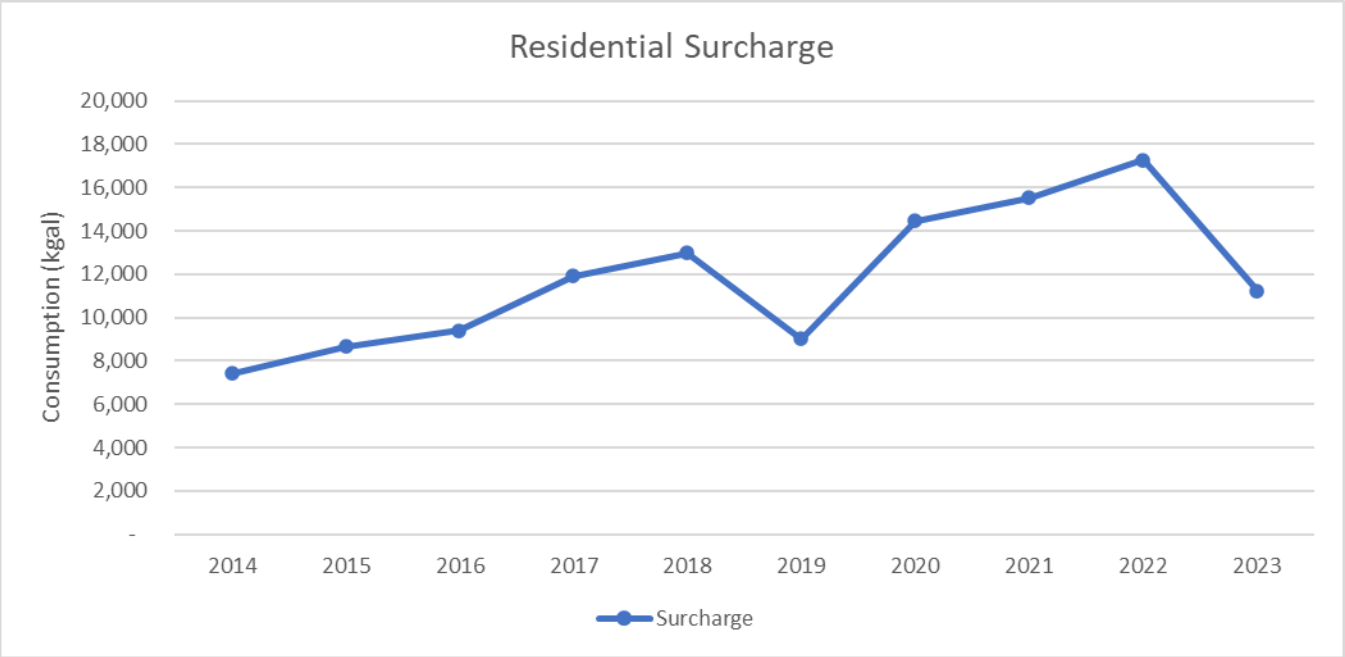


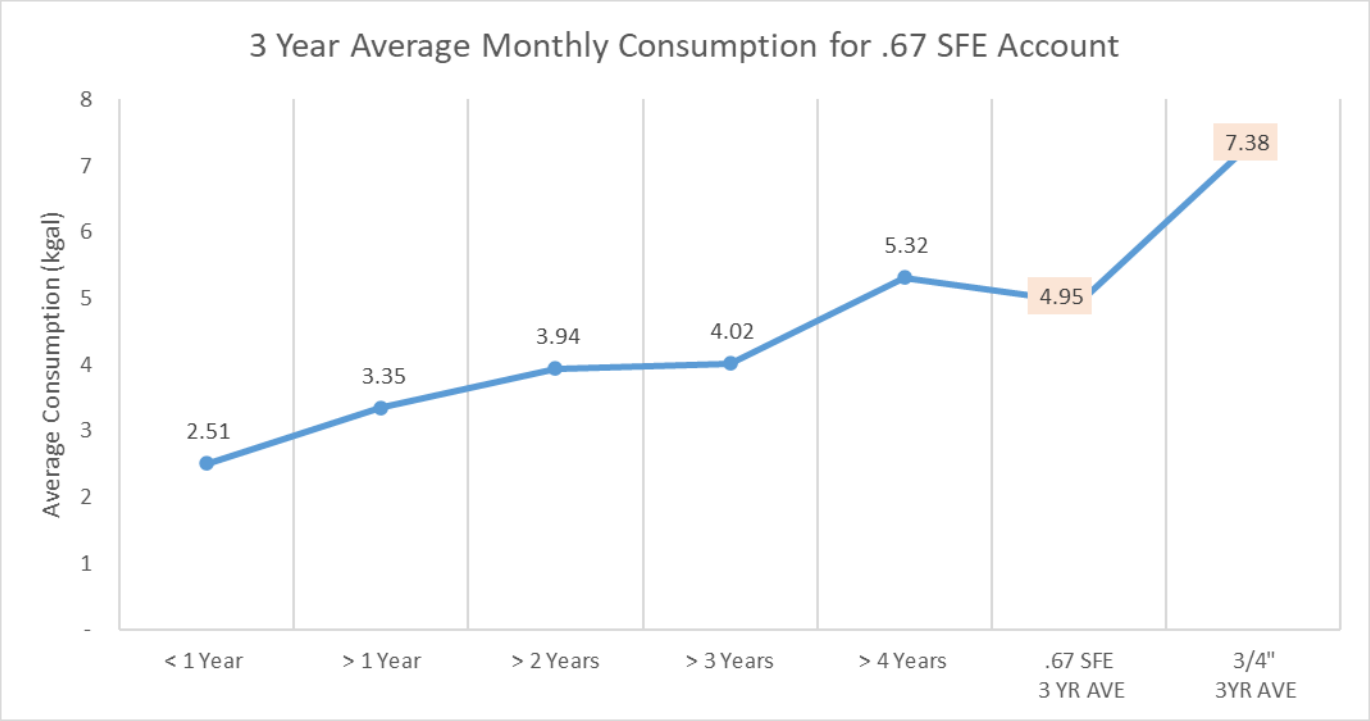
Chart 24 shows that Commercial consumption has seen steady increases in consumption over the past 10 years. We did see a slight reduction in 2020, however the following two years did see a continuation of the trend, driven primarily by Tier 2. 2023 consumption saw a decrease, also driven by Tier 2. Chart 25 shows that Multifamily has seen incremental increases in consumption over the last four years after seeing a larger increase in 2020. Irrigation customers as shown in Chart 26 saw a decrease in 2021 after a dry irrigation season in 2020, however we did see an increase in consumption between 2021 and 2022. We did see a significant drop in consumption in 2023 as a result of the rainy irrigation season. Residential account usage by tier in Chart 27 and Surcharge usage in Chart 28 show increases in Tier 1 and decreases in Tier 2 and Surcharge. Tier 3 has remained relatively flat since 2021.

5/8" ACCOUNTS - 0.67 SFE

Castle Rock Water continues to evaluate 0.67 SFE accounts to determine performance relative to the goal of 33% less usage than that of the average residential 1 SFE. As of January 2023, the .67 SFE program was discontinued in lieu of the new landscape criteria requirements that went into effect on January 1, 2023. Beginning in 2023, all new single family residential permits that meet or exceed the new landscape criteria and have a builder-installed front and back yard may qualify for reduced water resources and water system development fees depending on total fixture calculations and irrigation requirements.

As shown in Chart 29 below, 7.38 is the 3-year average monthly consumption for a ¾" residential account, or one SFE, which is lower than last year's study 3-year average of 8.01.

CHART 29: 0.67 SFE ACCOUNT CONSUMPTION BY YEAR



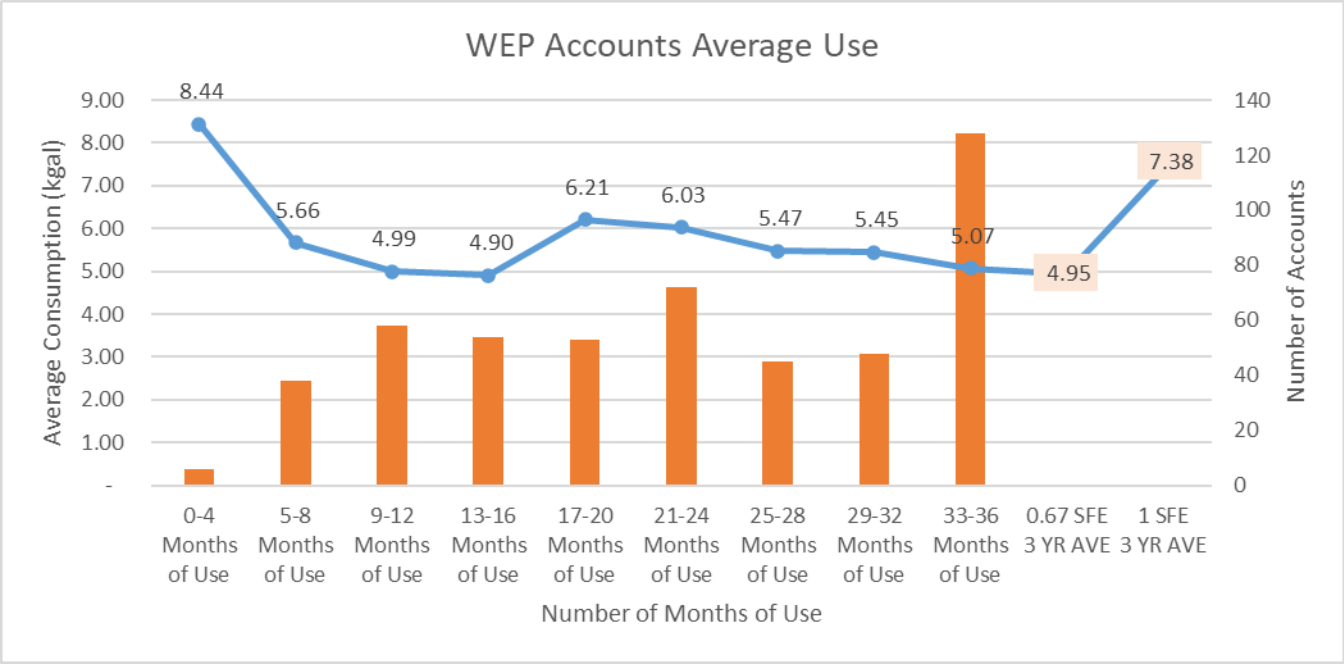
WATER EFFICIENCY PLAN (WEP) ACCOUNTS

Water Efficiency Plan (WEP) accounts were introduced in 2019. These are accounts that are outfitted with water efficient products that must meet or exceed identified water efficiency requirements. As of the end of 2023 there were 502 approved accounts that met the criteria. Table 8 below shows 74 customers were over the average usage in 2023 for a 1 SFE and 154 were over the 0.67 SFE. Unlike the 0.67 SFE program these 502 accounts can have varying SFEs below a 1 SFE based on fixture calculations and irrigation requirements. As of January 2023, the WEP program was discontinued in lieu of the new landscape criteria requirements that went into effect on January 1, 2023. Beginning in 2023, all new single family residential permits that meet or exceed the new landscape criteria and have a builder-installed front and back yard may qualify for reduced water resources and water system development fees depending on total fixture calculations and irrigation requirements.

TABLE 8: AVERAGE WEP ACCOUNT USAGE

Average Use	Number of Accounts
7.38 kgals and above	74
4.95 - 7.38 kgals	154
2.48 - 4.95 kgals	237
0.00 - 2.48 kgals	37
Total Accounts	**502**

CHART 30: AVERAGE WEP ACCOUNT USAGE VS. 0.67 AND 1.00 SFE USAGE



The data collected for this chart is from January 2021-December 2023

IRRIGATION USAGE BASED ON WATERING SCHEDULES

Each irrigation season Castle Rock Water puts out a residential watering schedule based on the last digit of the service address representing a circle, diamond or square. Starting in 2018, non-residential customers were assigned watering days based on being on the east or west side of I-25. Given the importance of the watering schedules, CRW has tracked the usage of customers by year by watering schedule.

Below are charts that show the residential and non-residential water usage from 2014 to 2023 based on their scheduled watering days. For residential customers, circle and diamond customers have very similar usage for all the years, whereas the square customers have higher usage than the circle and diamond customers. One reason for this is the number of customers

for each schedule. Square has the most at 9,432 customers, circle is second with 7,869 customers and diamond has the least with 7,656 customers based on the 2023 billing data.

For non-residential usage, customers on the west side of I-25 have less usage on an annual basis than customers on the east side of I-25. The east side has more customers, 1,150 customers, than the west side, 721 customers, based on the 2023 billing data. Overall, this information can help us to track water consumption patterns for each customer group and can help CRW to determine if the schedule breakouts need to be reevaluated in the future or if the water usage patterns are adequate in meeting peak daily demands.

CHART 31: RESIDENTIAL IRRIGATION SEASON USAGE BY WATERING SCHEDULE

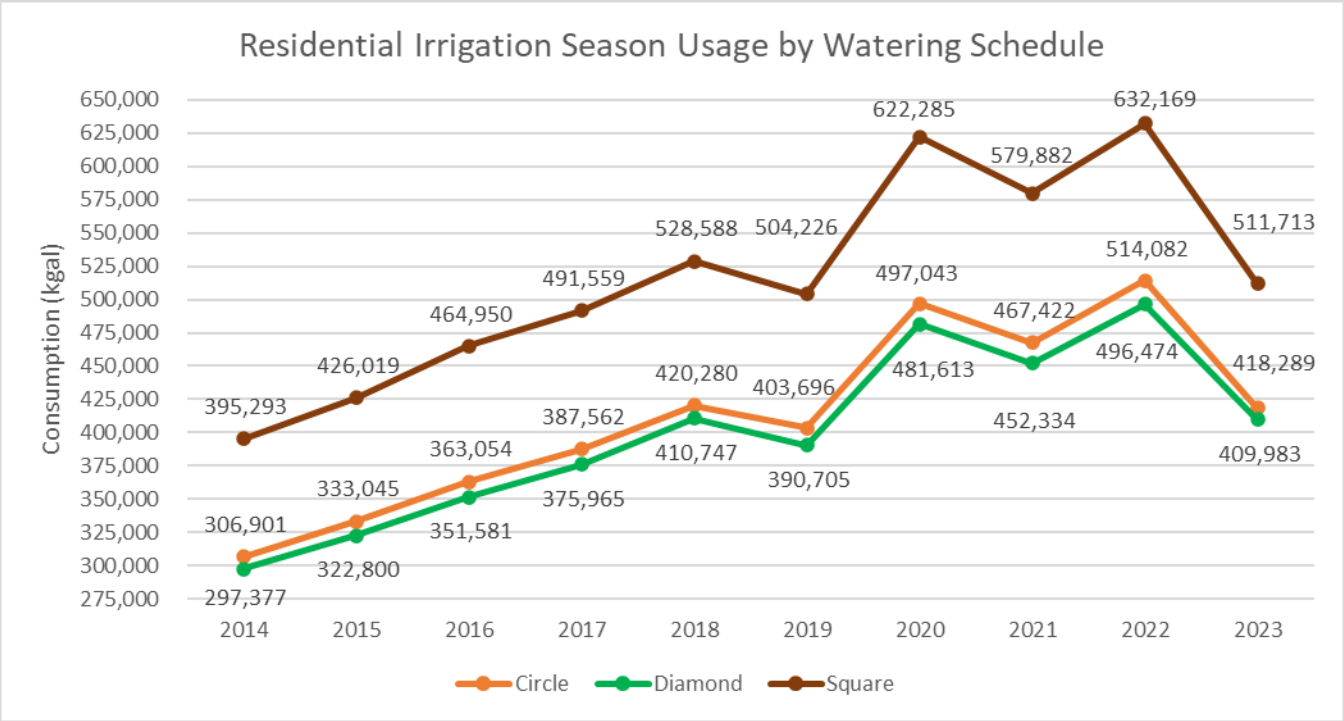
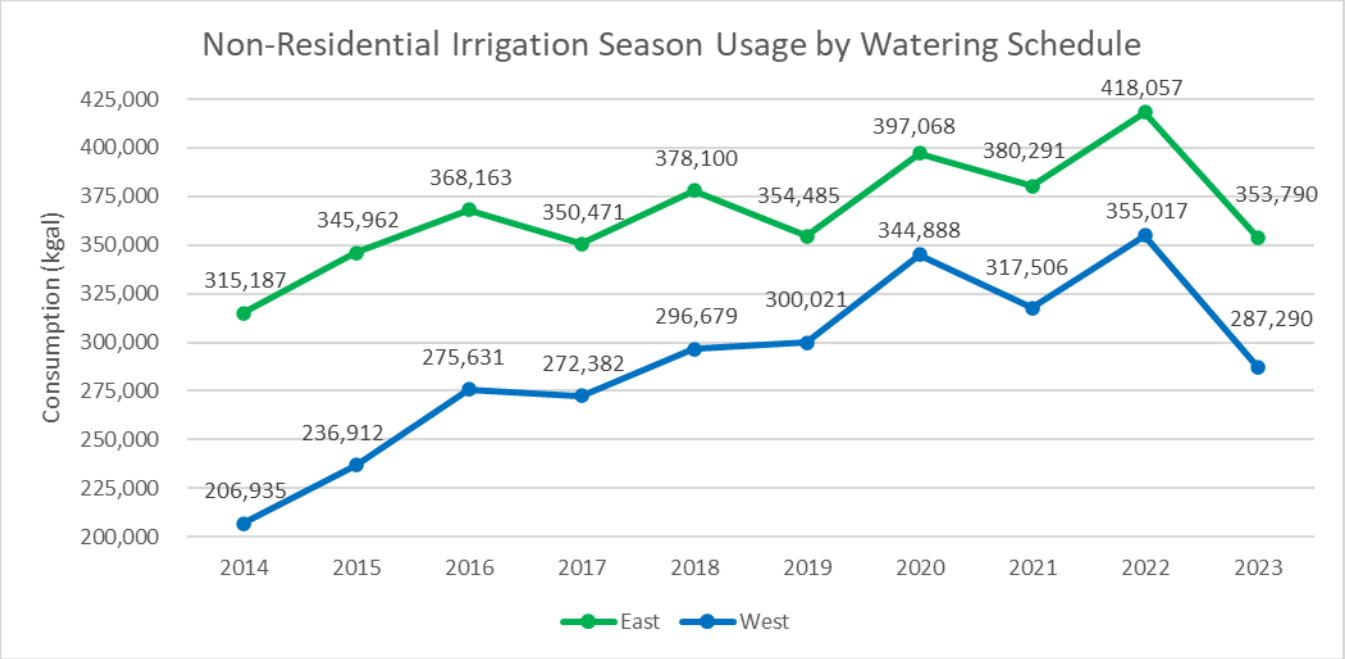


CHART 32: NON-RESIDENTIAL IRRIGATION SEASON USAGE BY WATERING SCHEDULE



IRRIGATION SEASON USAGE VERSUS WEATHER PATTERNS

CRW analyzed whether a dry versus a wet irrigation season would make a difference on usage patterns across the different customer classes. The four charts below show the number of days of rainfall for each month for a three-year time period compared to the actual usage for the customer class for that same time period. In looking at Charts 33-36 for the different customer classes, it is up and down as to whether or not the rainfall and weather patterns affect the use for each customer class.

CHART 33: RESIDENTIAL MONTHLY USAGE VS. DAYS OF MONTHLY RAINFALL

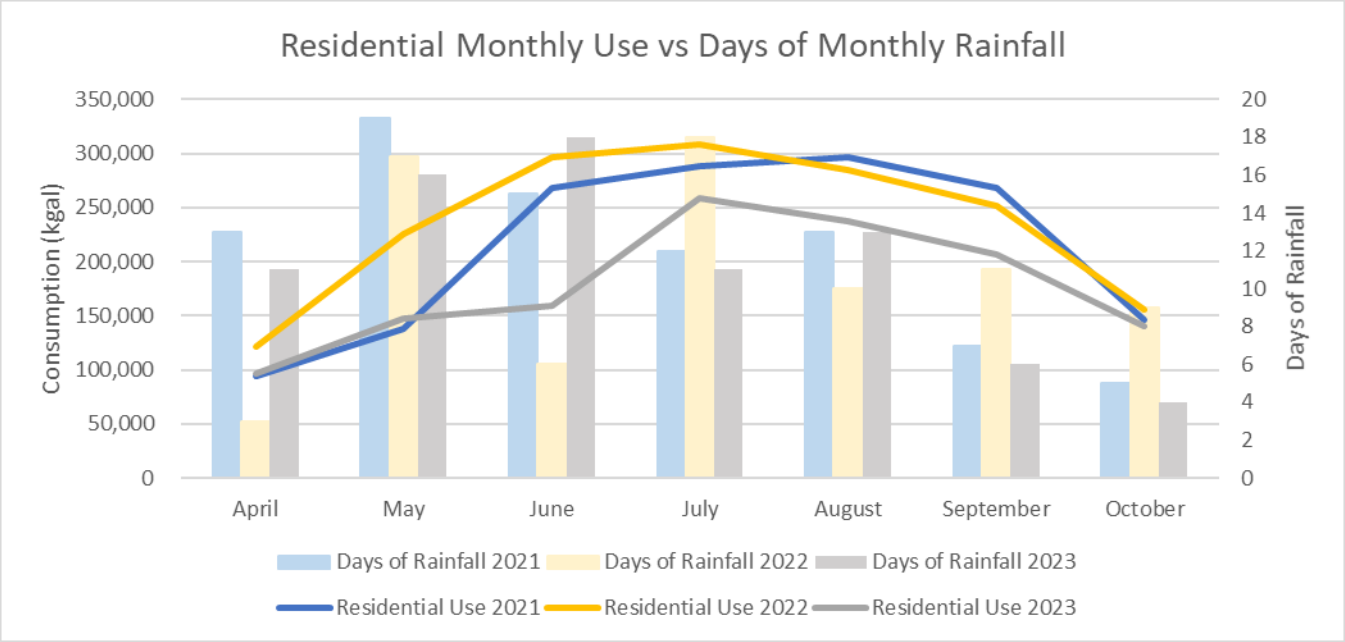


CHART 34: IRRIGATION MONTHLY USAGE VS. DAYS OF MONTHLY RAINFALL

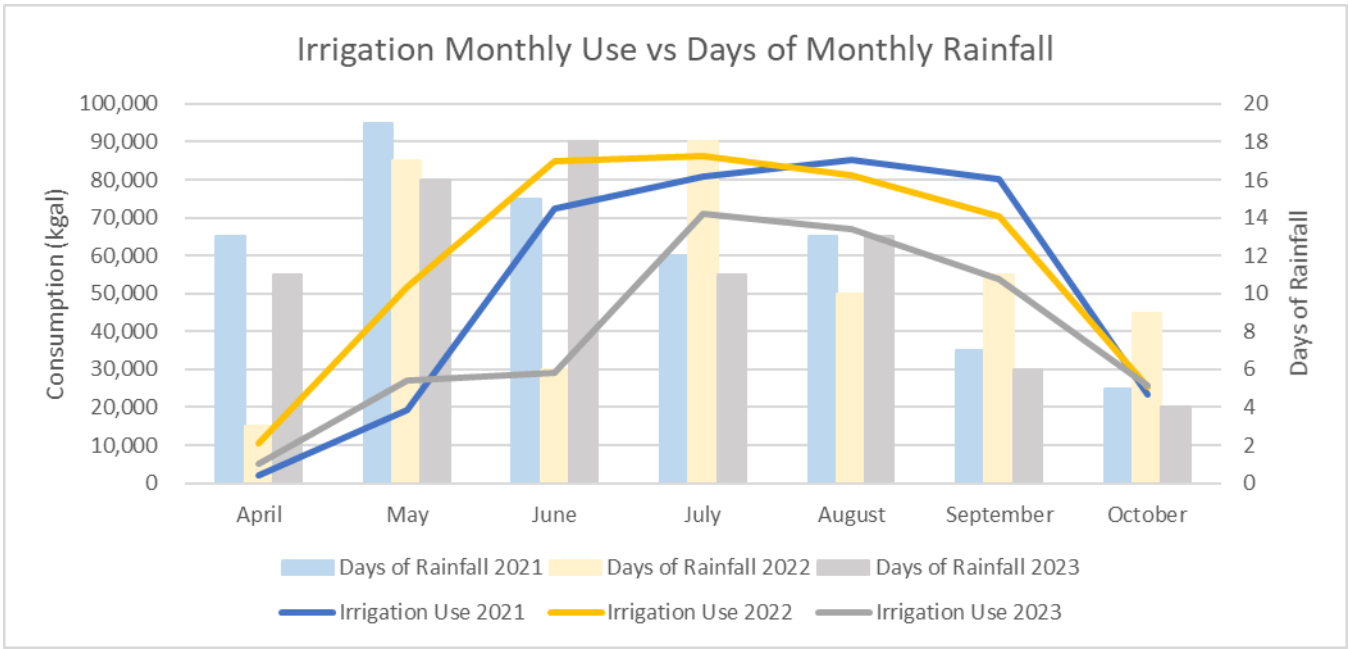


CHART 35: MULTIFAMILY WITH IRRIGATION MONTHLY USAGE VS DAYS OF MONTHLY RAINFALL

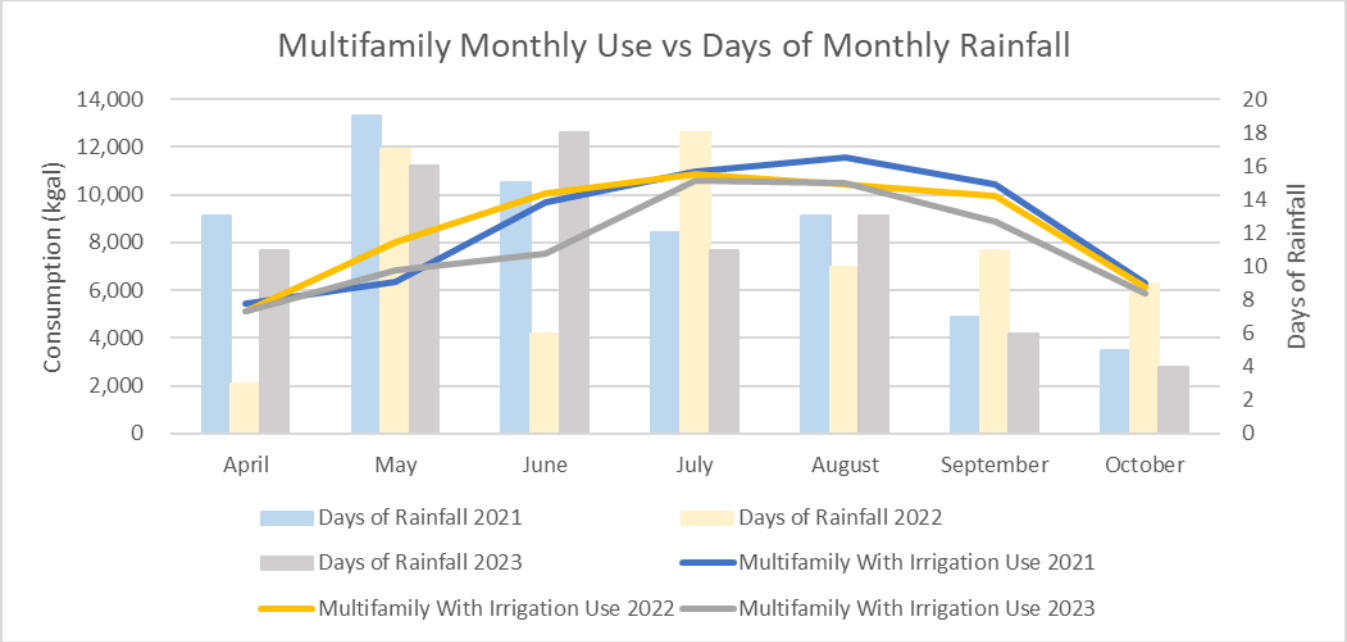
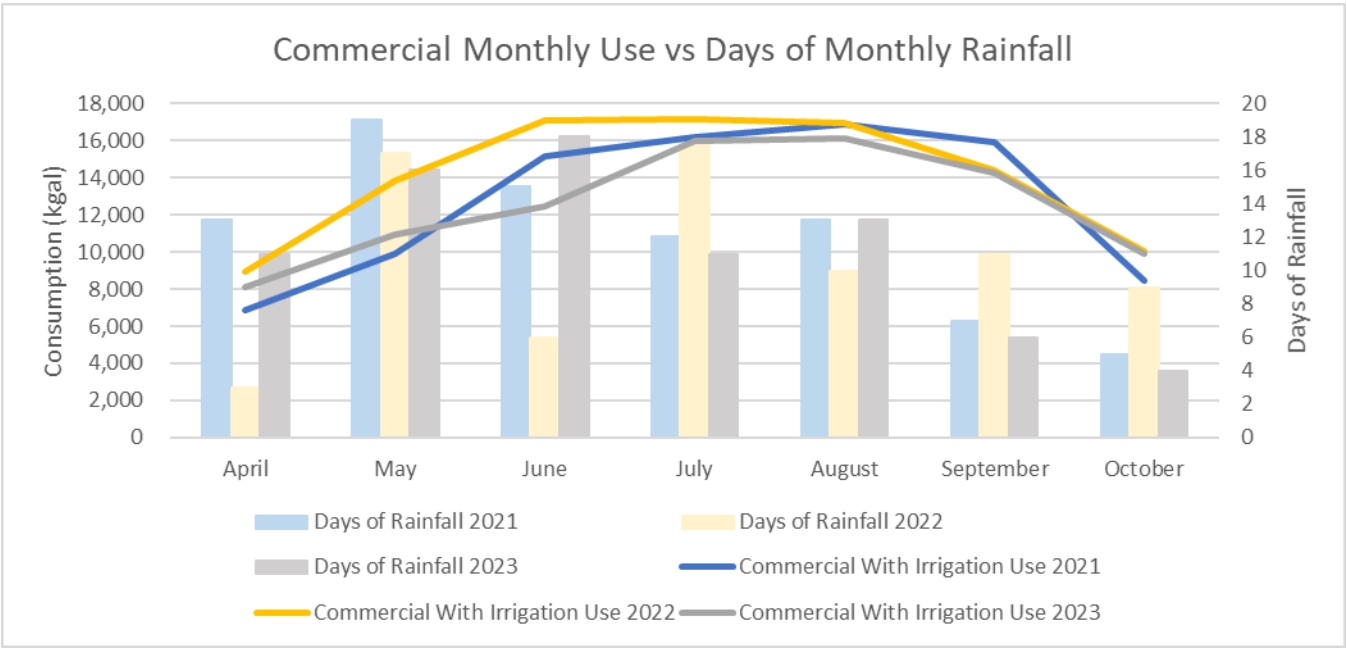


CHART 36: COMMERCIAL WITH IRRIGATION MONTHLY USAGE VS. DAYS OF MONTHLY RAINFALL



COLORADOSCAPE REBATES

The residential ColoradoScape Renovation rebate encourages residential water customers to convert high water-use plant material, such as Kentucky Bluegrass, into water-wise landscapes. Customers who meet program requirements can receive a rebate to offset a portion of the cost of removing high water-use plant material and replacing it with ColoradoScape.

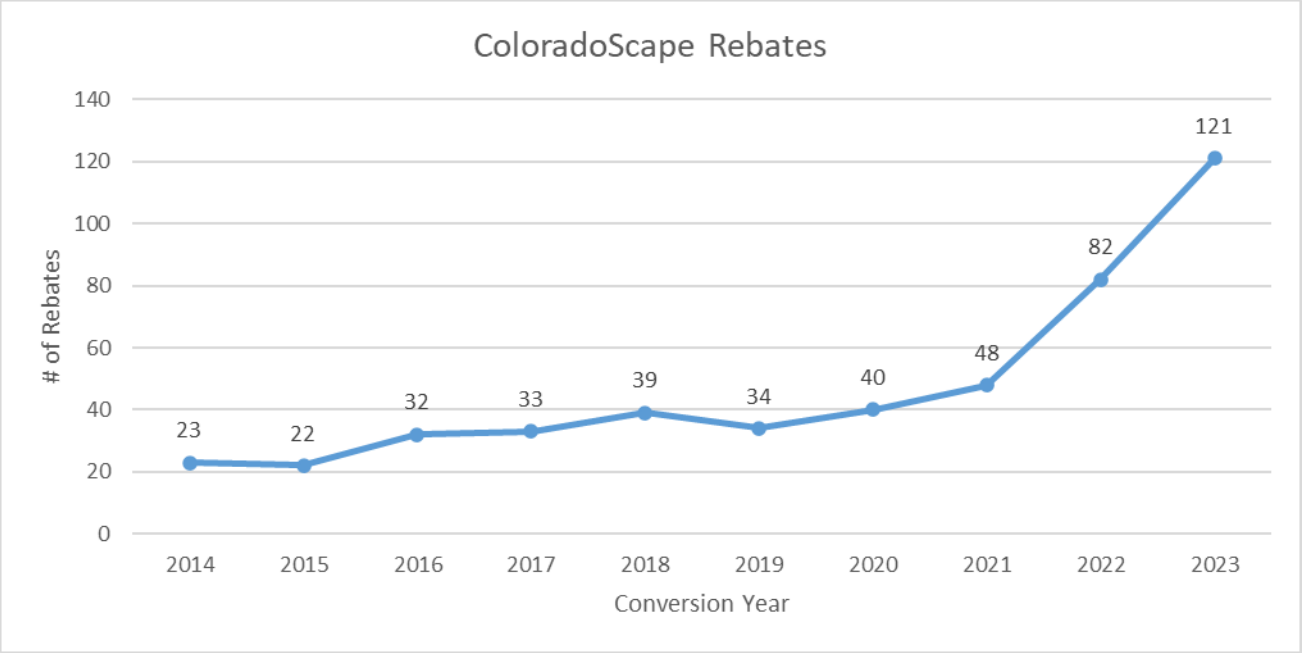
In order to evaluate the effectiveness of the rebate program on consumption, CRW completed an analysis that compared the consumption trends of customers who received rebates with overall consumption trends. The table below shows the estimated Tier 2 and Tier 3 water savings for customers who participated in the ColoradoScape rebate program. Water consumption in the year prior to ColoradoScape conversion served as a baseline for consumption and consumption in the year after conversion was compared to similar accounts that did not participate in the program.

TABLE 9: COLORADOSCAPE TIER 2 & TIER 3 CONSUMPTION SAVINGS

ColoradoScape Conversion Year	Tier 2 & Tier 3 Consumption Savings
2018	-16%
2019	-15%
2020	-20%
2021	-28%
2022	-22%

Table 9 shows that customers who participate in the ColoradoScape rebate program are likely to see significant reductions in outdoor water consumption. Chart 37 below shows the number of rebate participants over the past 10 years. Over the last three years there has been an increase in the number of customers who have taken advantage of this rebate which will likely result in future savings in outdoor consumption.

CHART 37: COLORADOSCAPE REBATES



IMPACT OF IRRIGATED AREAS (SQUARE FEET)

Chart 38 shows the number of residential accounts by irrigated area. Chart 39 shows the average monthly consumption by irrigated area for residential customers. As expected, the more irrigated area, the more the average consumption per month. Chart 40 shows total usage by irrigated area for commercial accounts. Chart 41 shows average monthly consumption for commercial accounts by irrigated area.

CHART 38: RESIDENTIAL ACCOUNTS BY IRRIGATED AREA

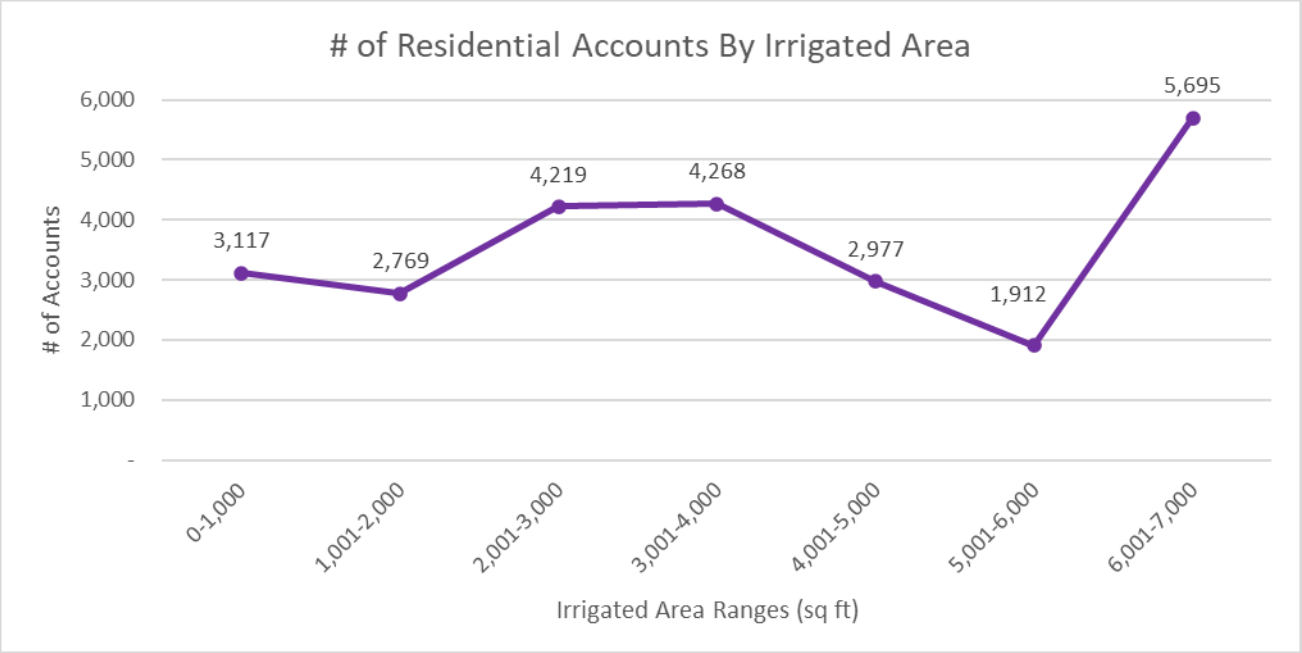


CHART 39: RESIDENTIAL AVERAGE MONTHLY CONSUMPTION BY IRRIGATED AREA

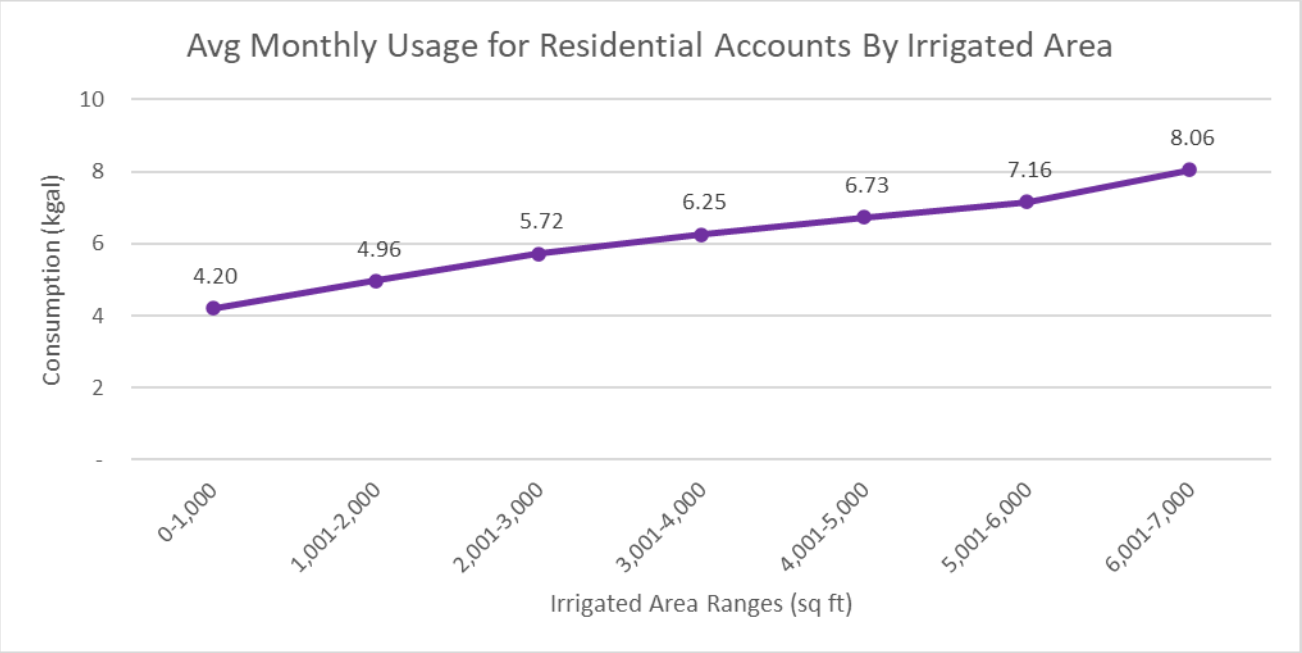


CHART 40: COMMERCIAL ACCOUNTS BY IRRIGATED AREA

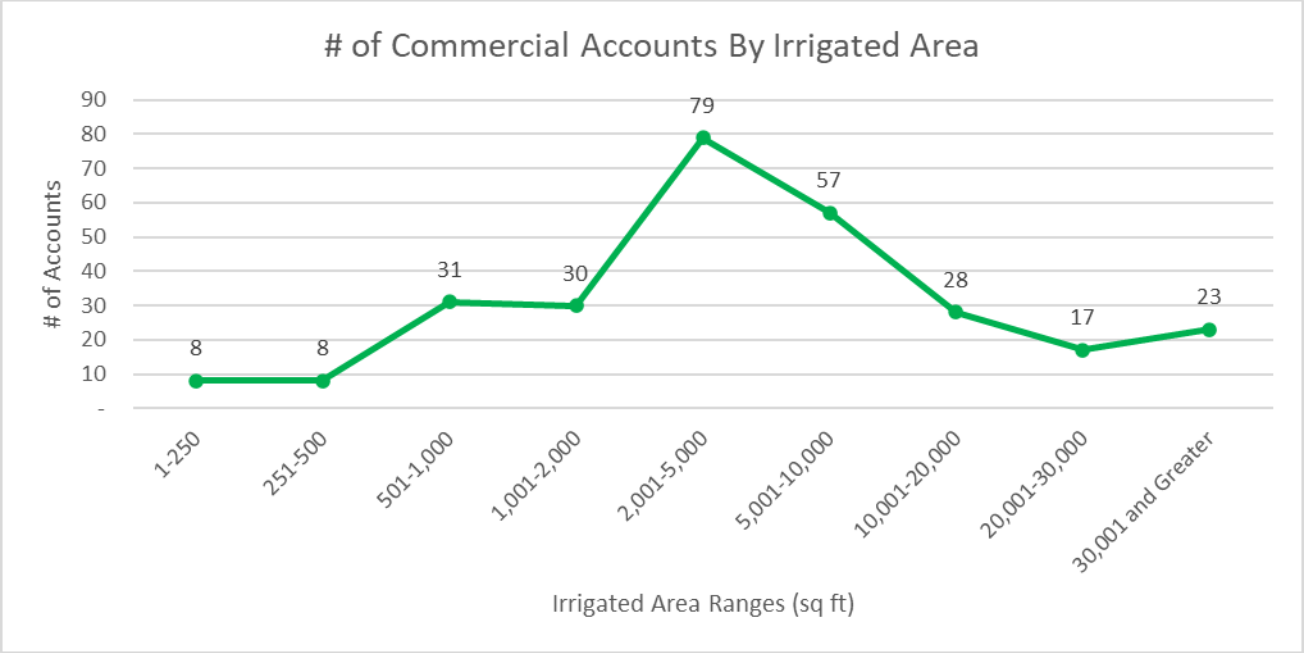
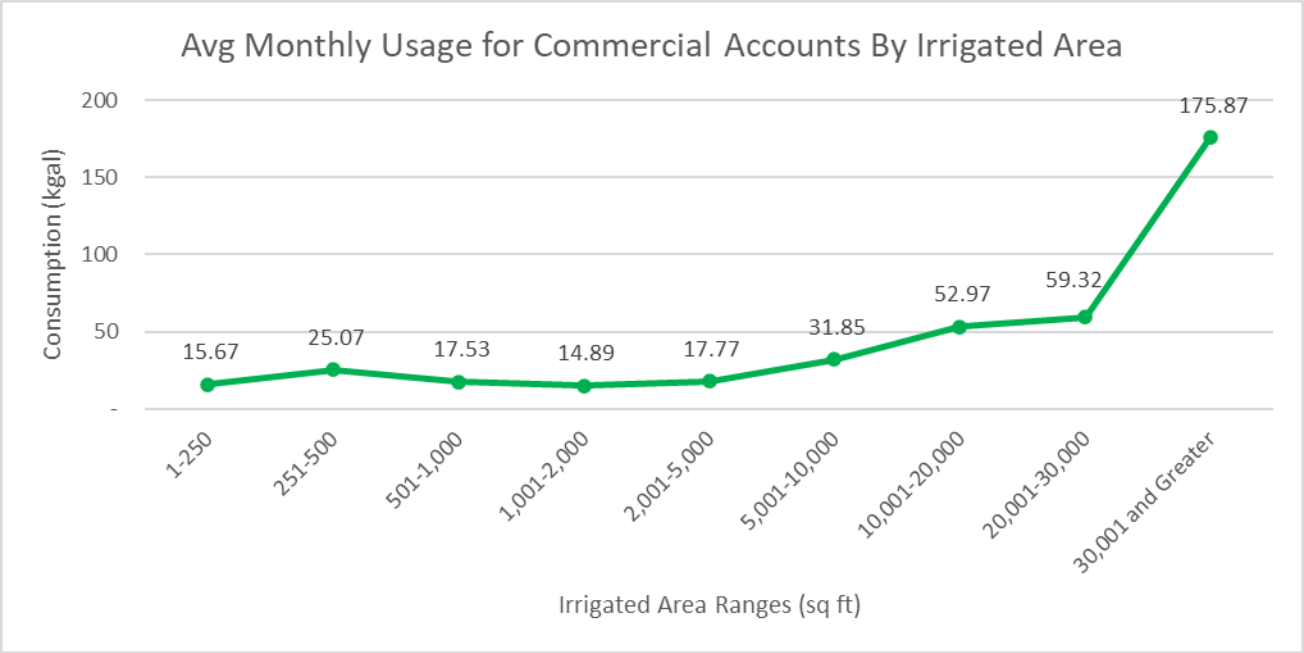


CHART 41: COMMERCIAL AVERAGE MONTHLY CONSUMPTION BY IRRIGATED AREA



HOAS AVERAGE MONTHLY CONSUMPTION

CHART 42: AVERAGE MONTHLY CONSUMPTION FOR ALL HOAS (84) COMBINED

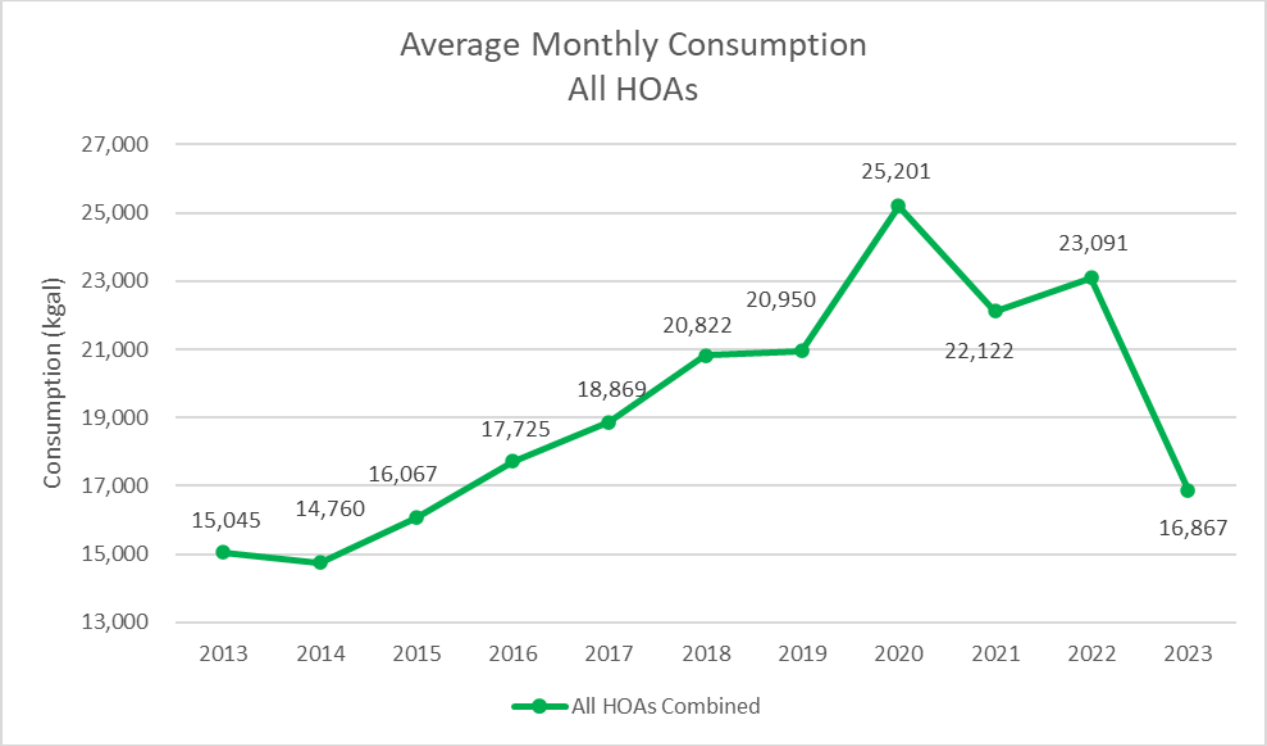
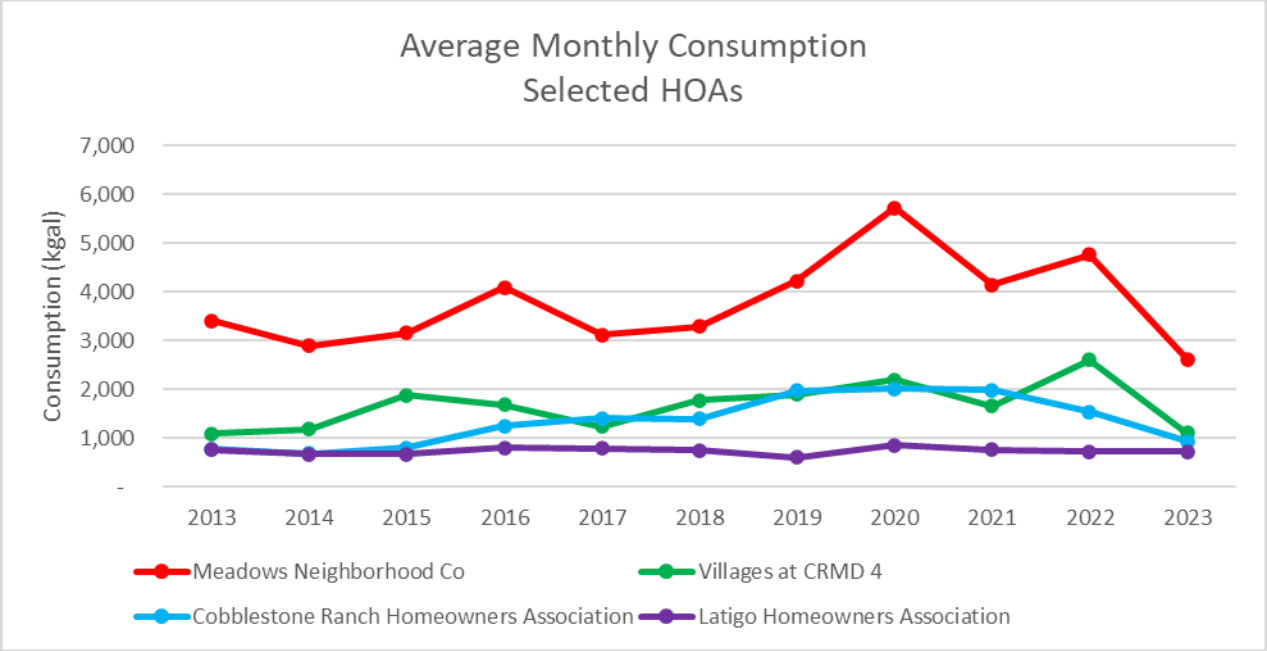


Chart 42 shows the average monthly consumption for all HOAs. Consumption saw increases in 2020 due to several factors including dry weather as well as large growth in both the Meadows and Founders neighborhoods. 2023 saw a significant decrease in consumption due to the large amount of rainfall received in 2023. Chart 43 shows four HOAs that were selected at random out of the 84 in total to show the average monthly consumption patterns for these user types.

CHART 43: SELECTED FOUR HOAS AVERAGE MONTHLY CONSUMPTION



MONTHLY CONSUMPTION BY SUBDIVISION

CHART 44: MEADOWS AVERAGE MONTHLY CONSUMPTION

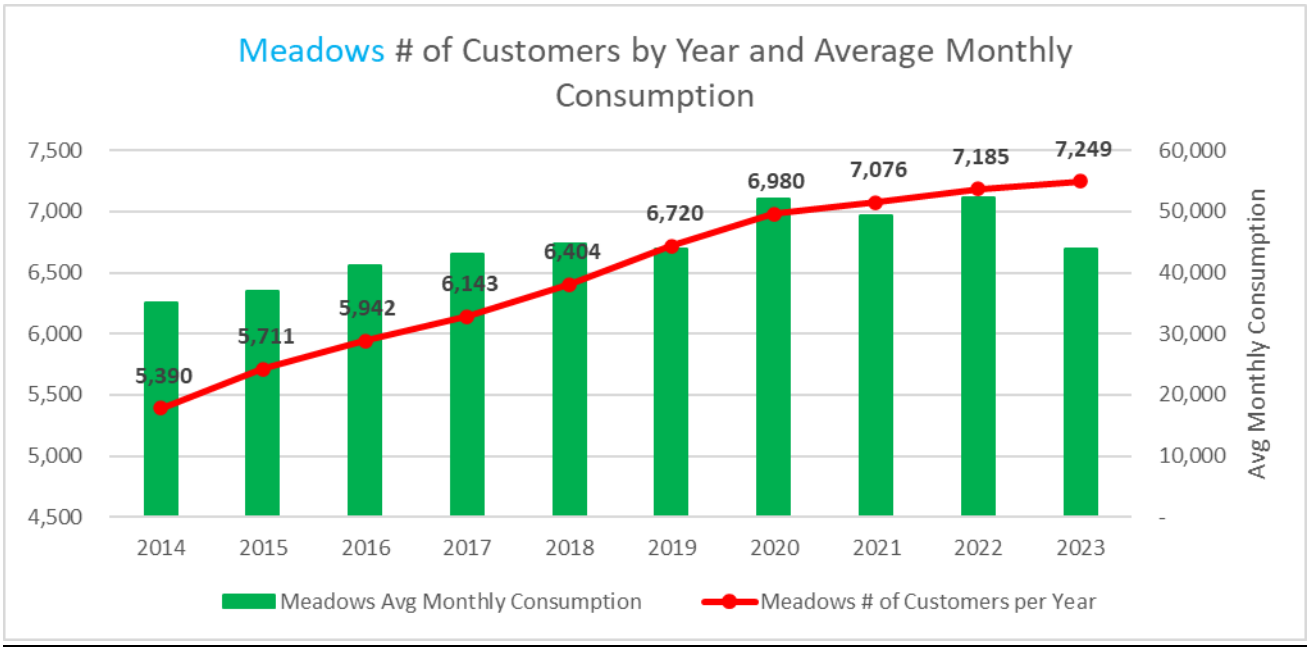


CHART 45: MEADOWS AVERAGE MONTHLY CONSUMPTION BY CUSTOMER

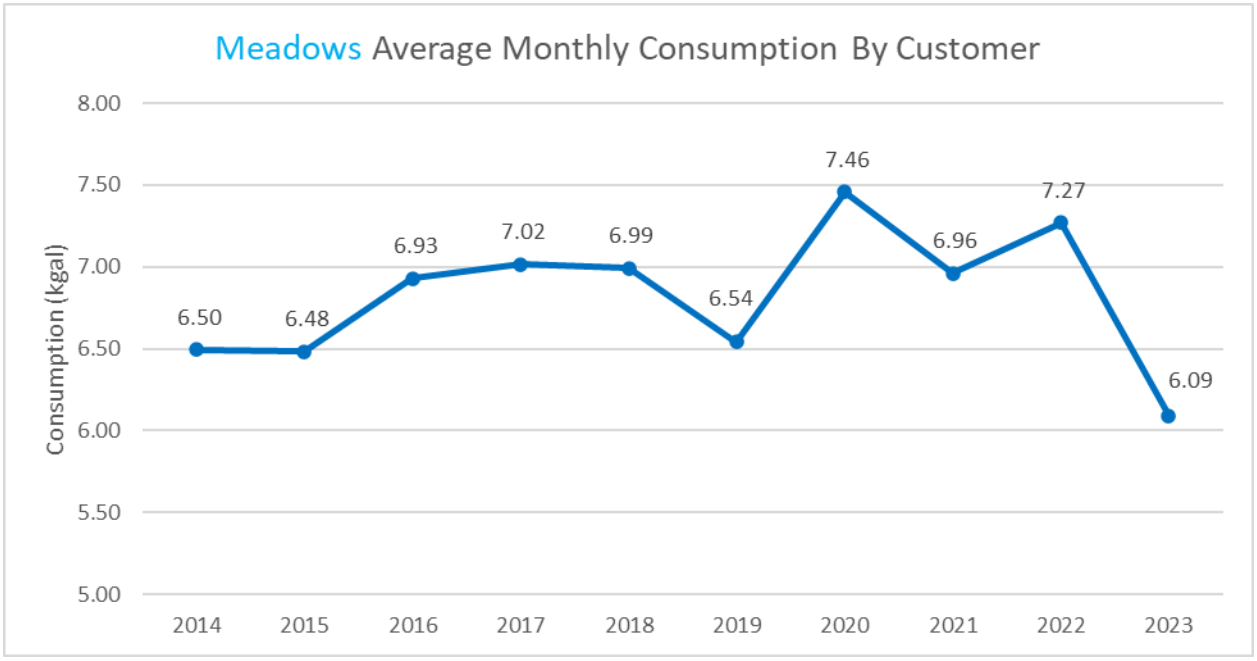


CHART 46: MEADOWS RESIDENTIAL ACCOUNTS BY IRRIGATED AREA

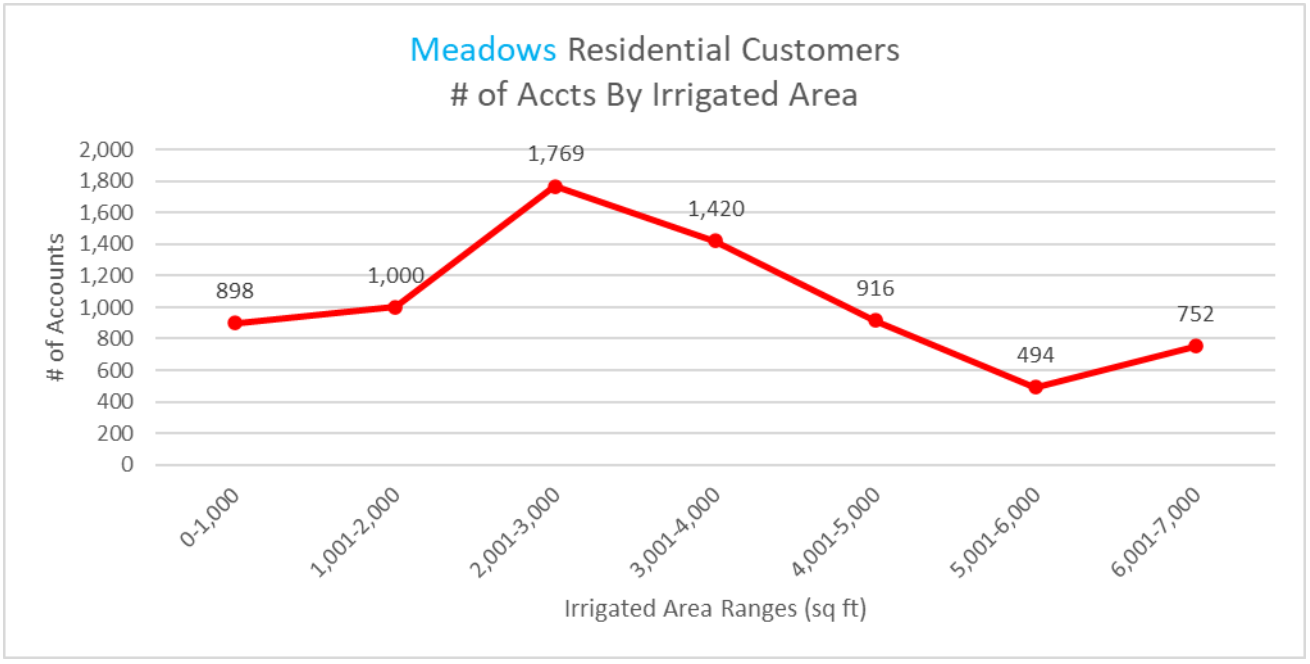


CHART 47: MEADOWS RESIDENTIAL ACCOUNTS IRRIGATED AREA BY CUSTOMER

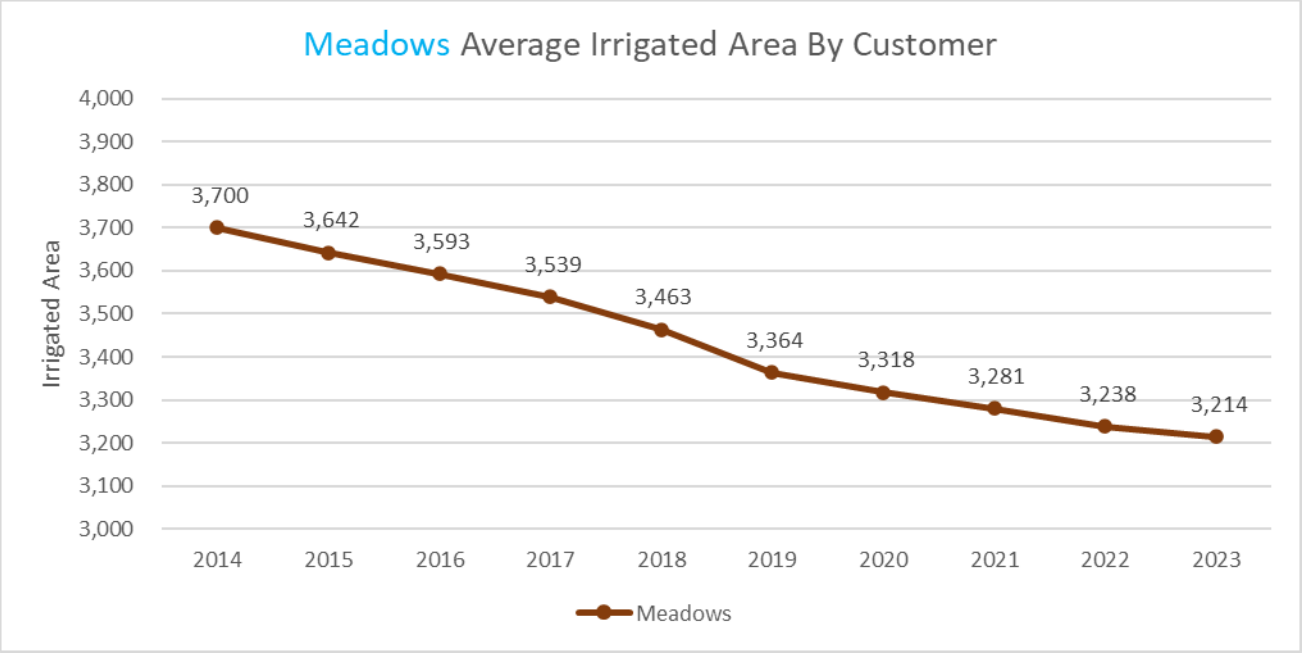


CHART 48: FOUNDERS AVERAGE MONTHLY CONSUMPTION

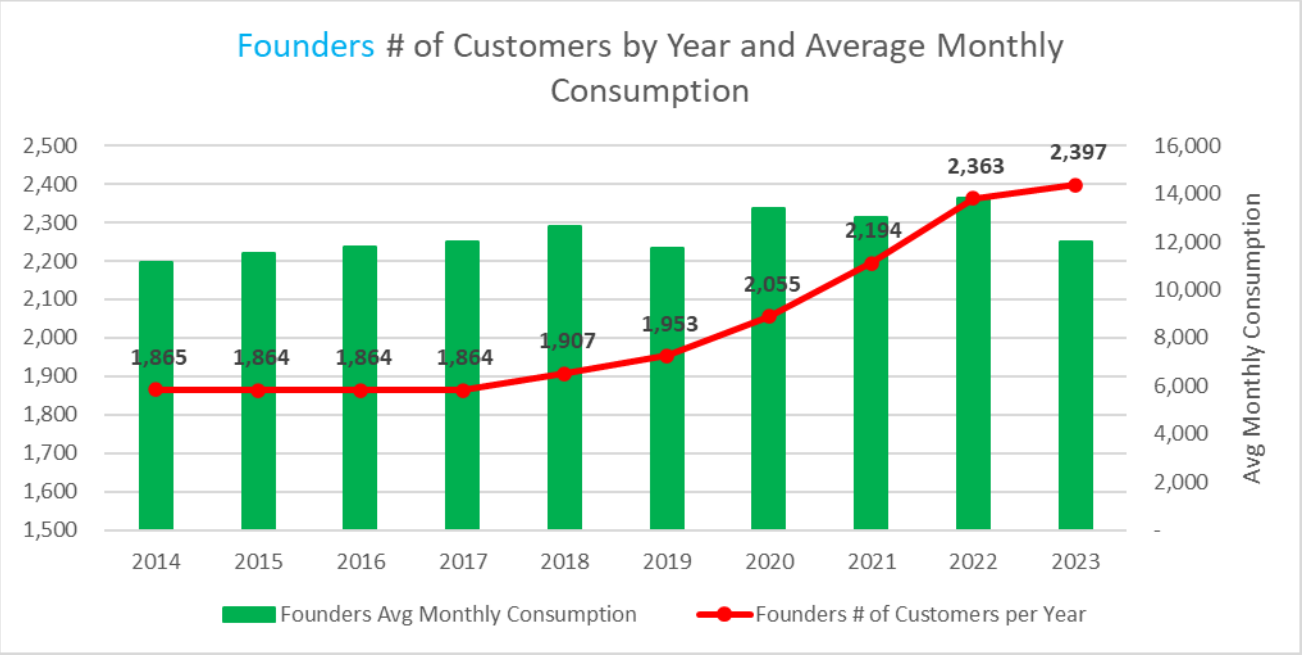


CHART 49: FOUNDERS AVERAGE MONTHLY CONSUMPTION BY CUSTOMER

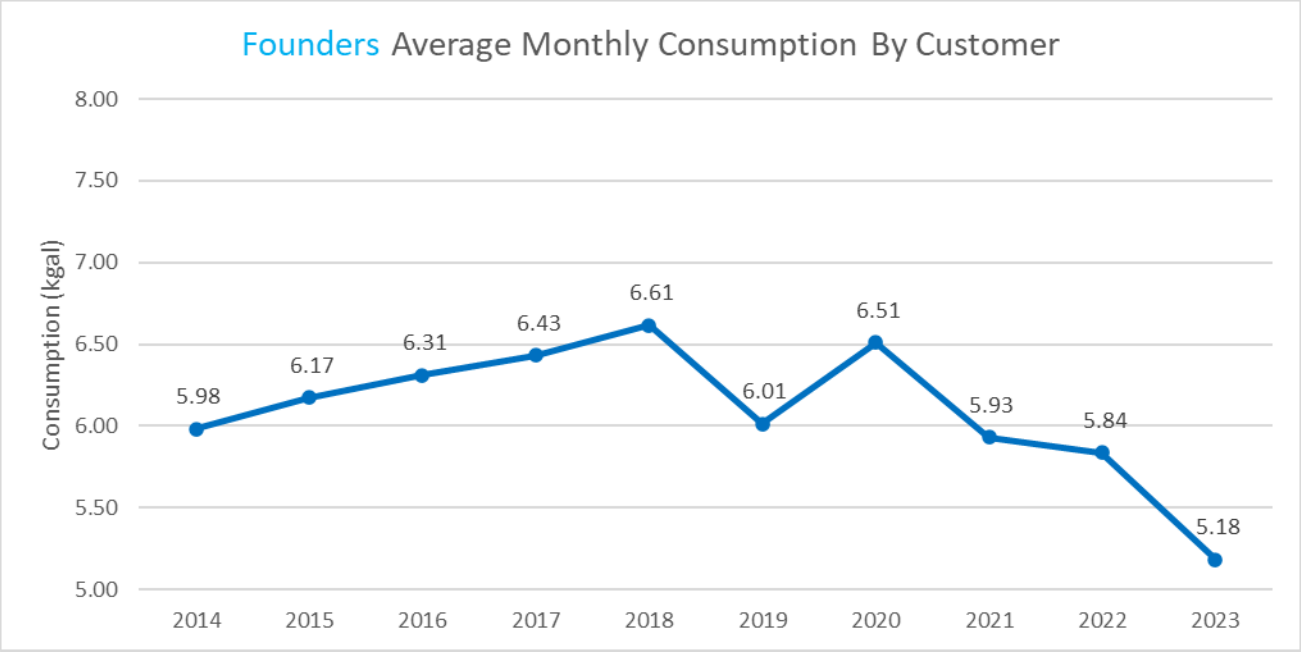


CHART 50: FOUNDERS RESIDENTIAL ACCOUNTS BY IRRIGATED AREA

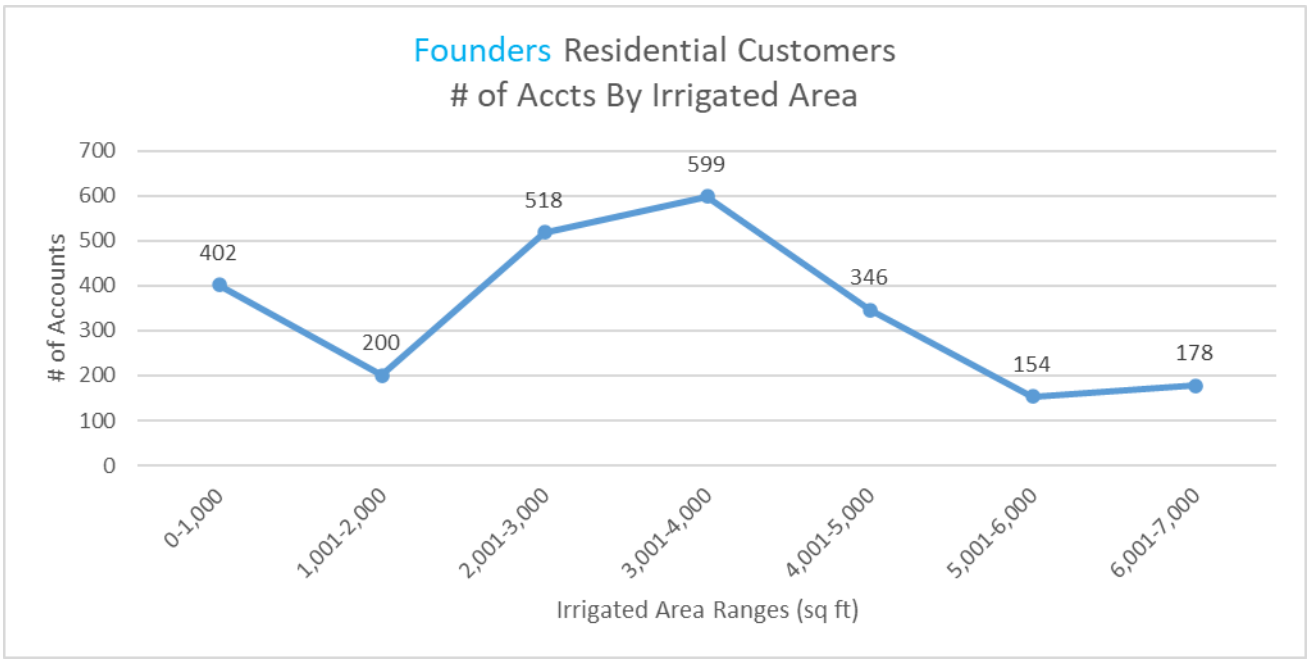
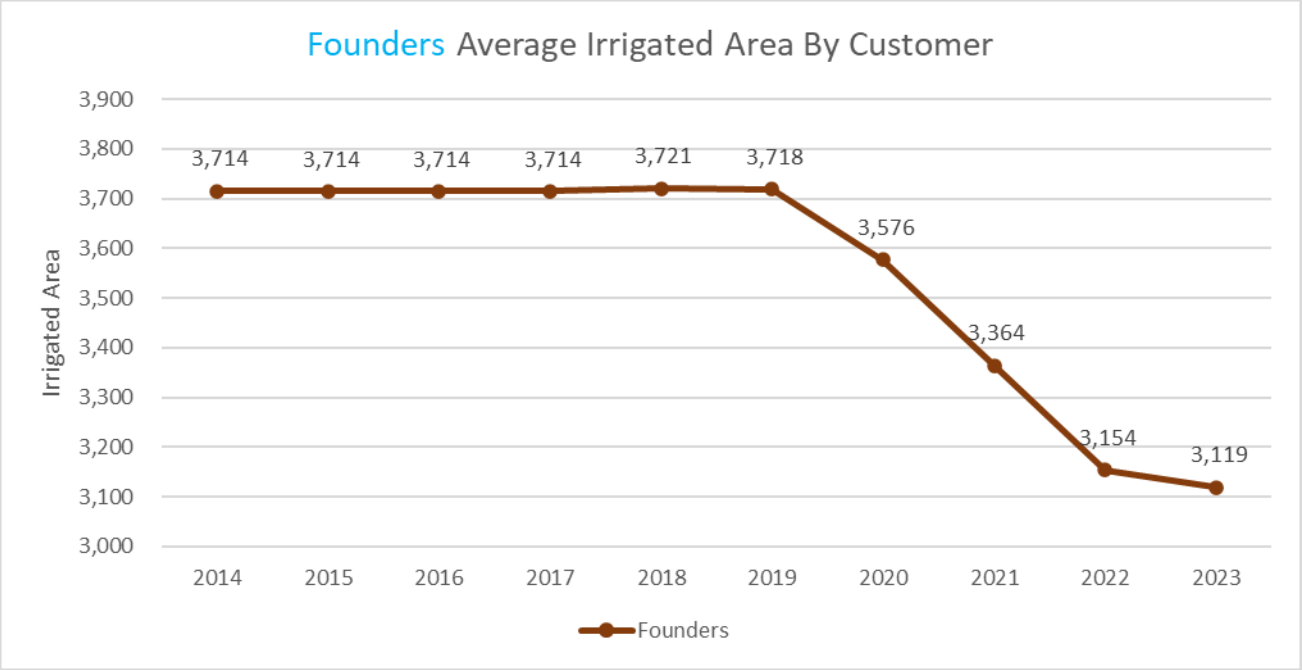


CHART 51: FOUNDERS RESIDENTIAL ACCOUNTS IRRIGATED AREA BY CUSTOMER



*Drop in average irrigated area beginning in 2020 due to lower irrigated area in new builds

CHART 52: PLUM CREEK AVERAGE MONTHLY CONSUMPTION

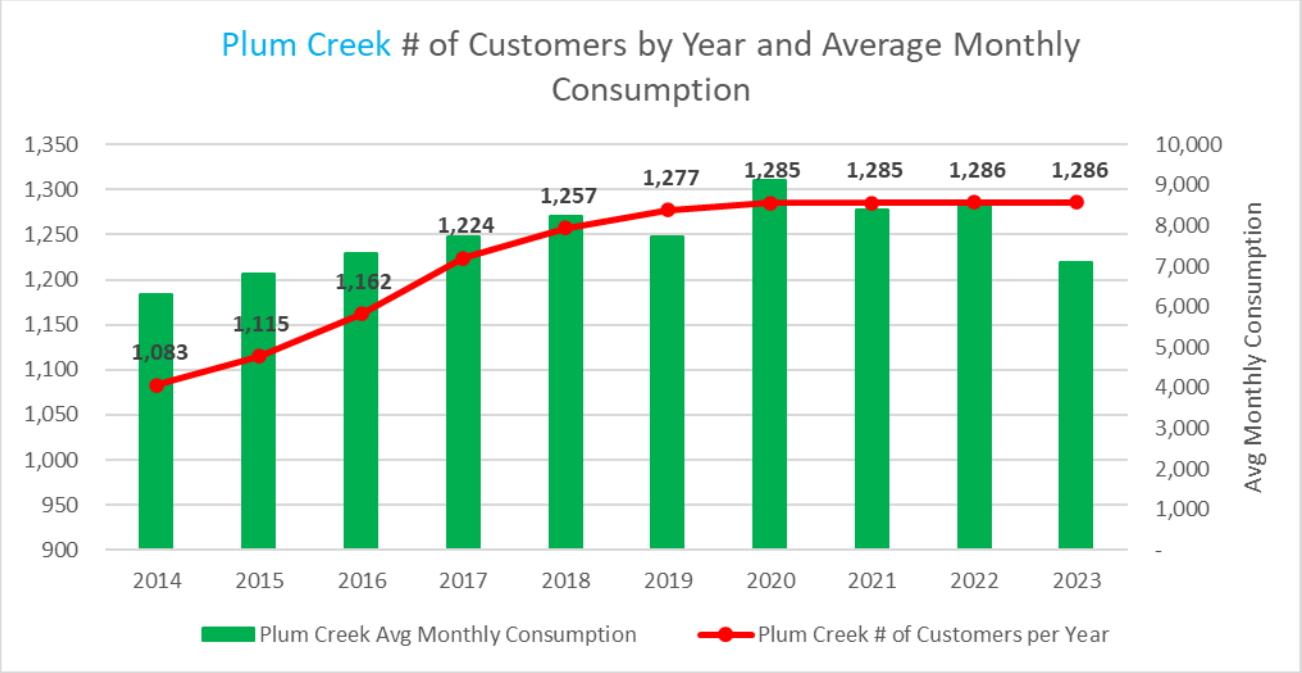


CHART 53: PLUM CREEK AVERAGE MONTHLY CONSUMPTION BY CUSTOMER

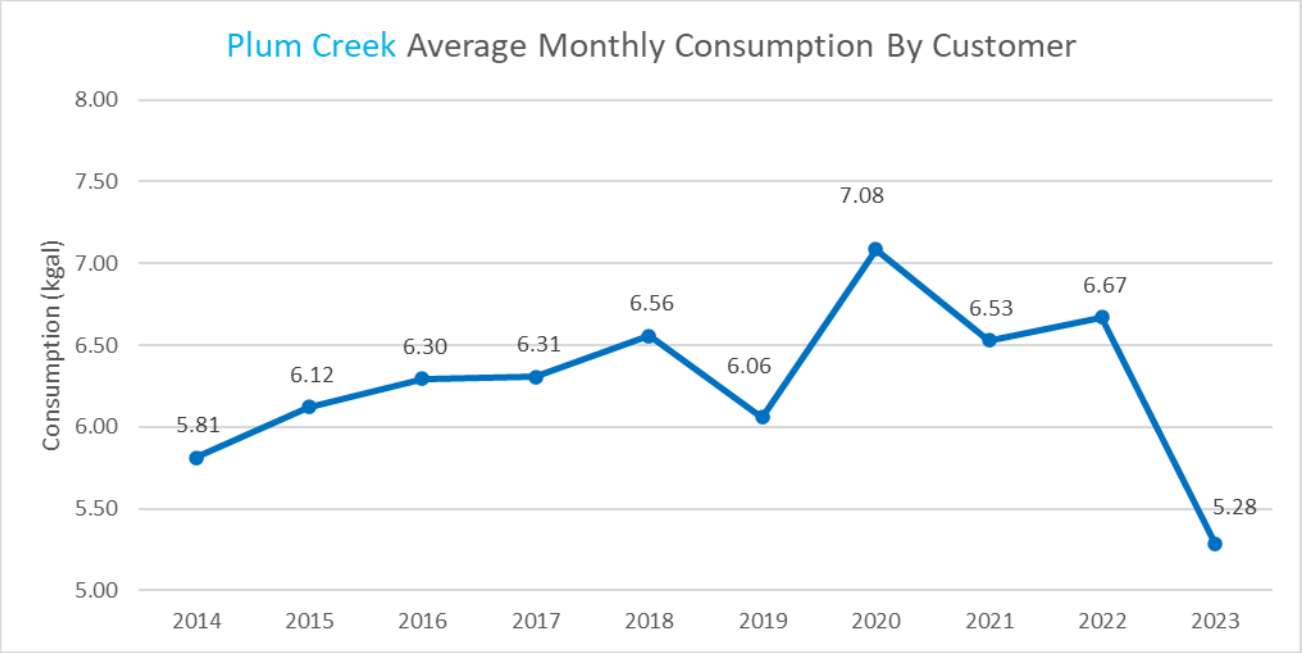


CHART 54: PLUM CREEK RESIDENTIAL ACCOUNTS BY IRRIGATED AREA

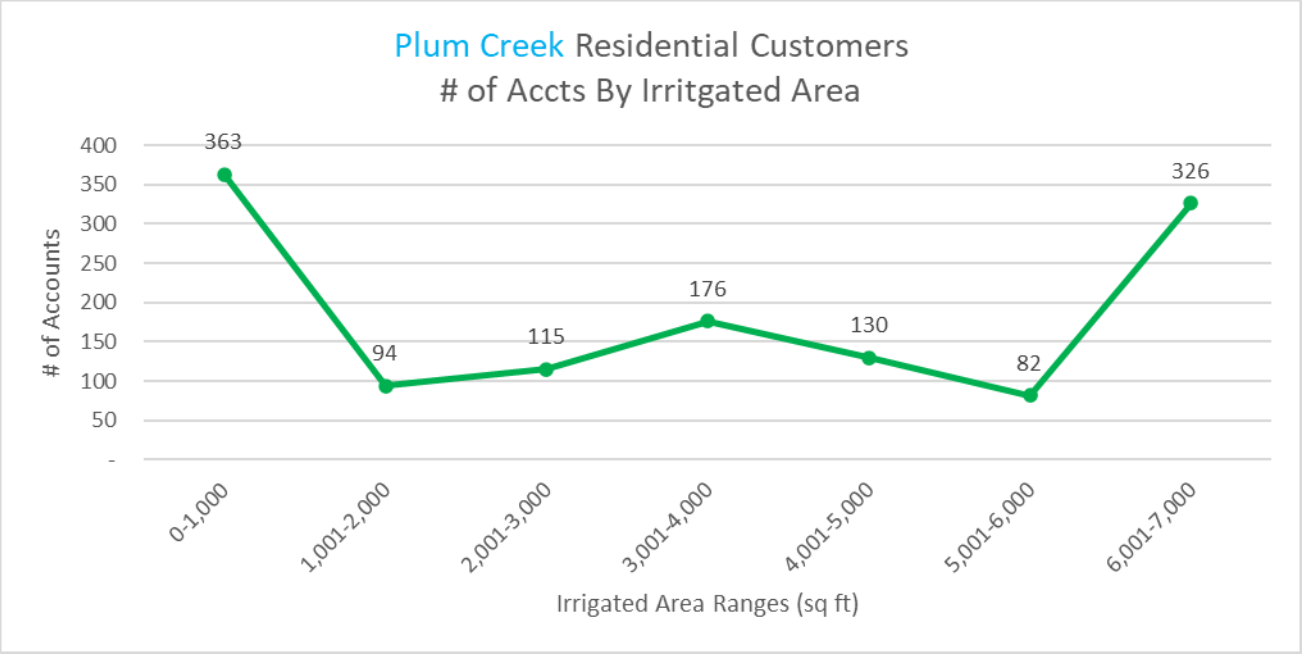
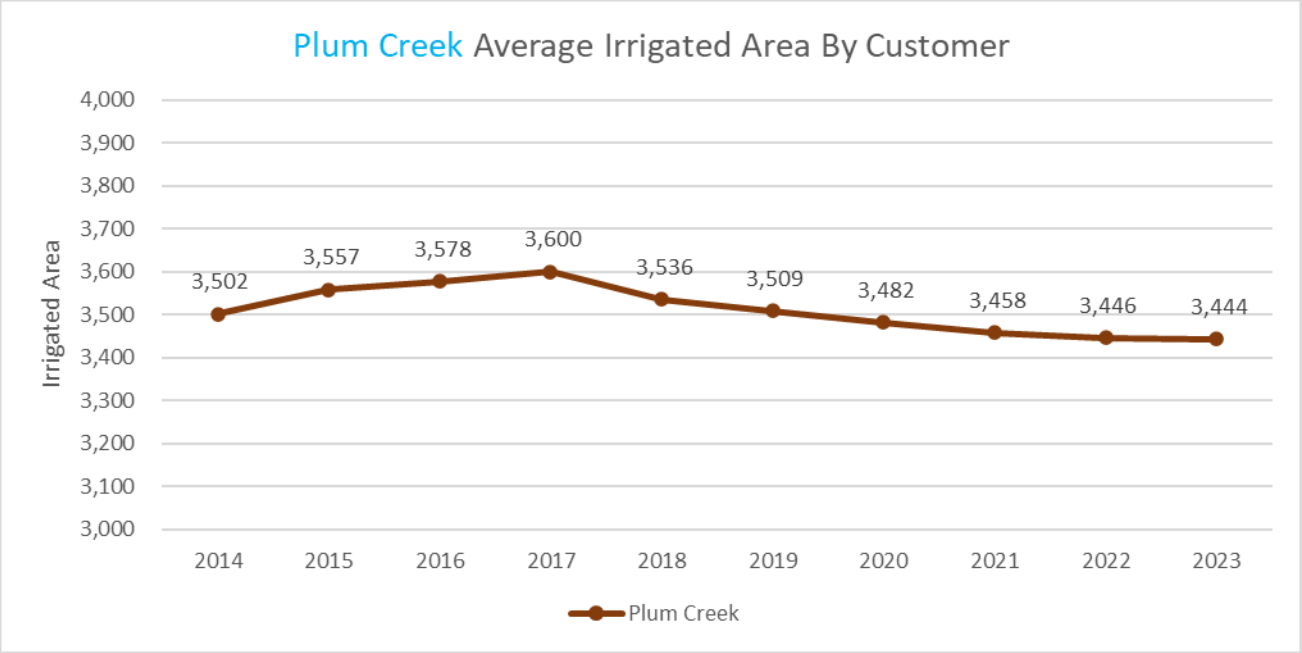


CHART 55: PLUM CREEK RESIDENTIAL ACCOUNTS IRRIGATED AREA BY CUSTOMER



BULK WATER ACCOUNTS

CRW has both bulk hydrant accounts and bulk station accounts. CRW tracks the number of accounts and annual usage for these account types each year. The charts below show the bulk hydrant and bulk station accounts and usage from 2014 to 2023. These accounts vary from year-to-year based on the need and demand of the customers using the program. We have seen a decrease in bulk hydrant accounts over the past two years due in part to the slower new development activity in Castle Rock.

CHART 56: BULK HYDRANT AND BULK STATION ACCOUNTS

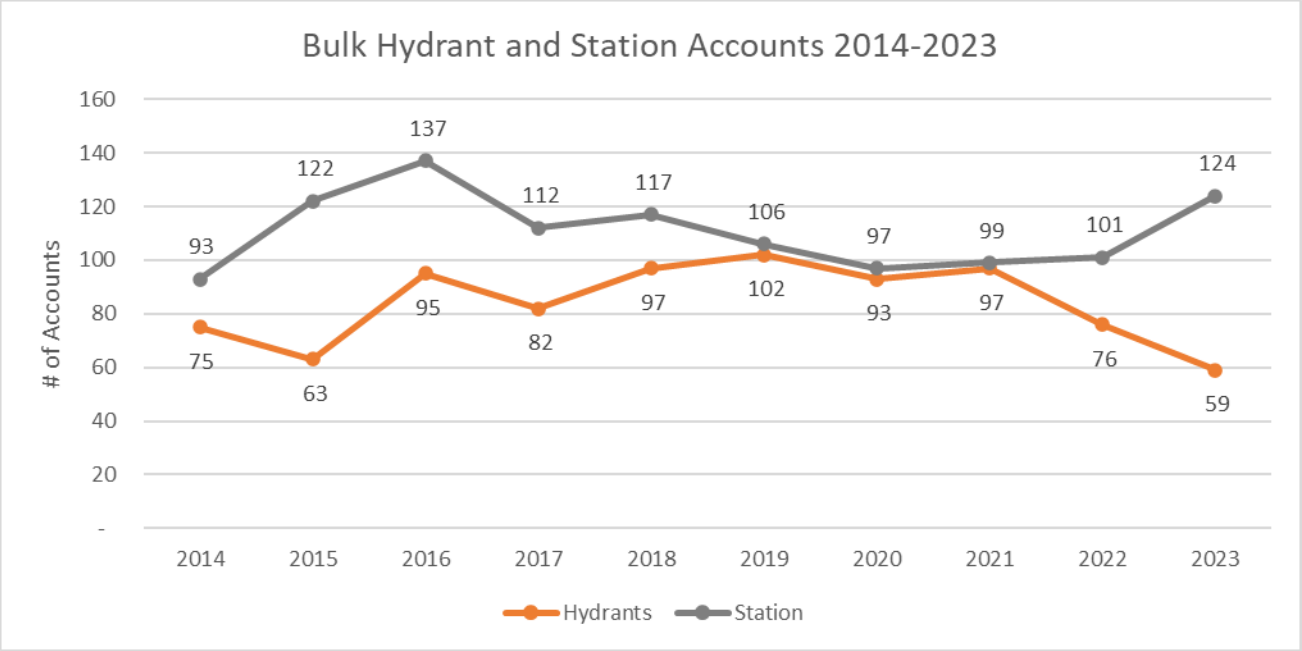


CHART 57: BULK HYDRANT USAGE

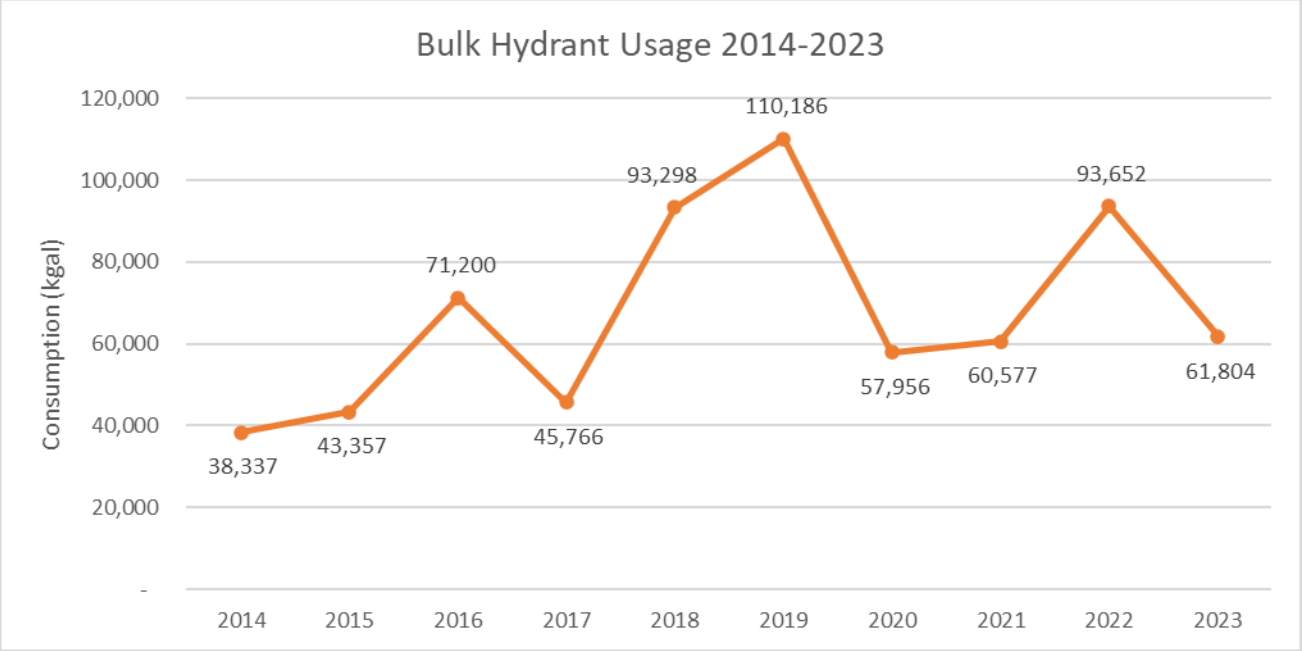
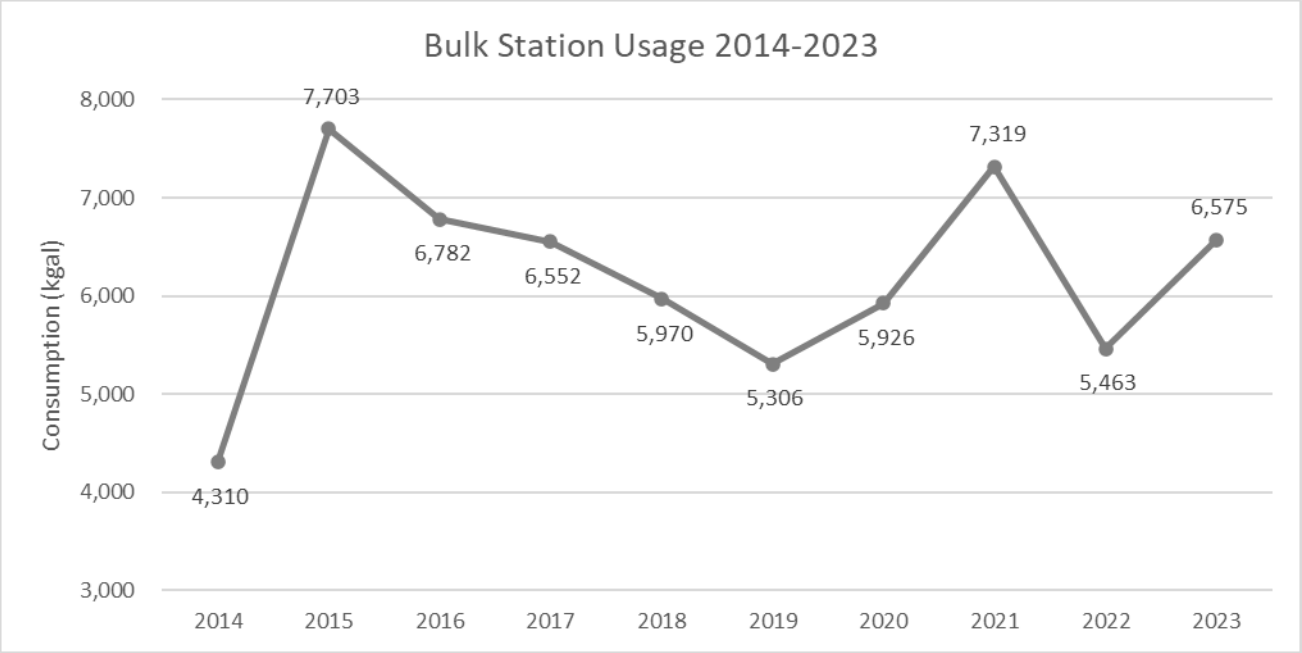


CHART 58: BULK STATION USAGE



TOWN ACCOUNT CONSUMPTION

Chart 59 shows the overall Town consumption from 2014 to 2023. The Parks Department has the largest consumption annually and accounts for 80-90% of total Town consumption. The largest increases in 2022 consumption are from the Festival Park Splash Pad and the Cobblestone Ranch Park expansion. Parks has recently partnered with CRW to reduce consumption in several locations. In 2019 natural turf in Metzler Ranch Park's athletic fields was replaced with synthetic turf. Similarly, natural turf in athletic fields in Paintbrush Park was replaced with synthetic turf at the end of 2022.

CHART 59: TOWN CONSUMPTION

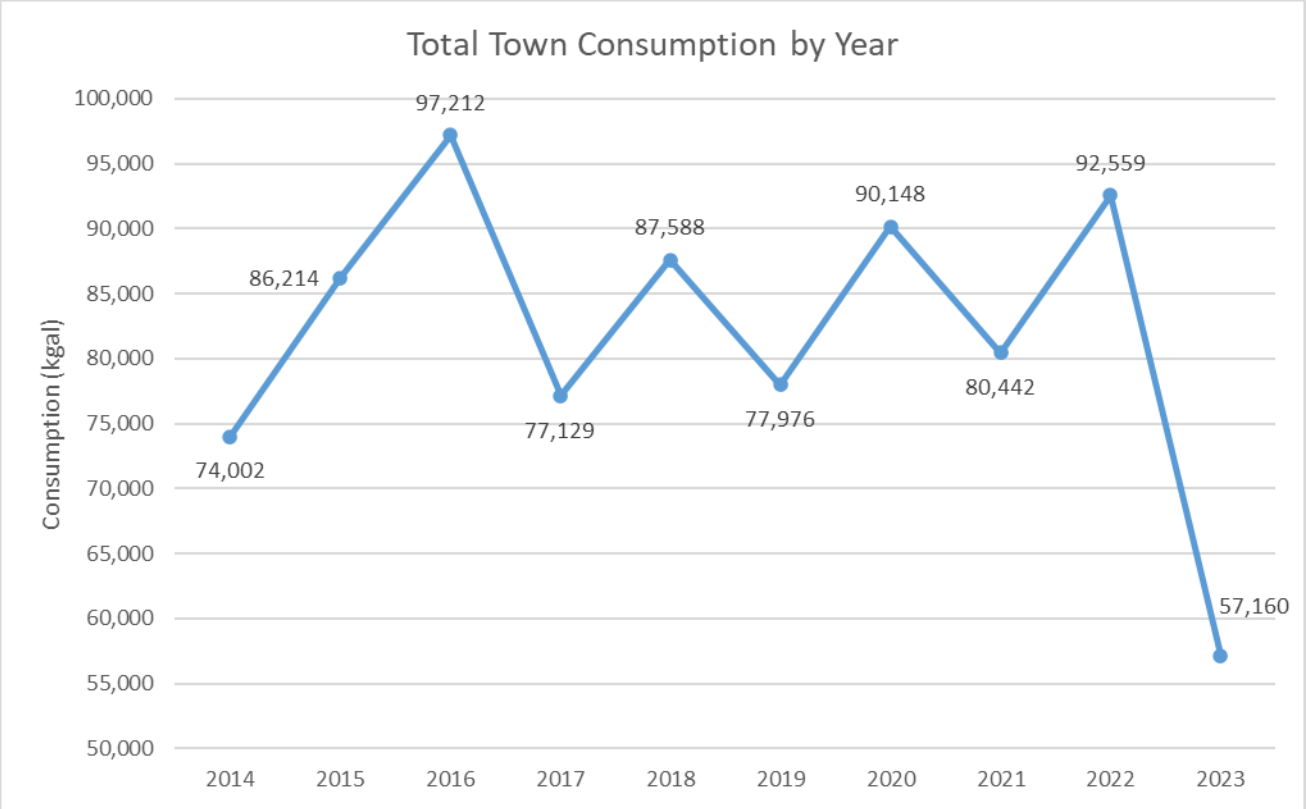


TABLE 10: TOWN CONSUMPTION BY YEAR AND DEPARTMENT (Kgal)

Department	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
CRW	2,035	1,771	1,135	644	778	862	1,190	2,507	1,518	1,632
Facility Maintenance	53	51	31	26	25	5	0	0	0	0
Fire	1,163	1,273	1,114	858	1,159	1,307	1,280	1,165	1,227	860
Golf Course	340	386	383	324	325	311	251	295	268	287
Parks	63,404	74,691	86,753	66,873	76,572	68,900	82,625	71,371	84,345	50,226
Police	327	340	231	210	265	188	170	177	156	139
Rec Center	5,173	5,305	5,586	6,192	5,887	4,625	3,284	3,721	3,765	3,008
Service Centers	829	898	782	778	690	193	511	406	403	299
Streets	132	366	372	442	434	482	388	356	124	291
Town Hall	405	459	448	171	331	340	117	112	151	161
Treatment Plants	141	674	377	611	1,122	763	332	332	602	257
Total Consumption	**74,002**	**86,214**	**97,212**	**77,129**	**87,588**	**77,976**	**90,148**	**80,442**	**92,559**	**57,160**

WASTEWATER ENTERPRISE FUND

NUMBER OF ACCOUNTS BY METER SIZE & CUSTOMER CLASS

Table 11 shows the number of accounts by meter size and customer class using 12 months of billing data (Jan23-Dec23). This shows that 25,698 customers were receiving wastewater service during this capture period. The FY2022 accounts based on 12 months of billing data (Jan22-Dec22) showed that 25,140 accounts were receiving wastewater service. There are 558 more accounts in FY2023 than FY2022.

There are 1,189 fewer customers receiving wastewater service than water service due to irrigation customers who don't have wastewater and customers who utilize a septic system, thus not utilizing Castle Rock Water's wastewater services.

TABLE 11: ACCOUNTS BY METER SIZE & CUSTOMER CLASS (FY2023)

Meter Size	Residential	Multifamily	Commercial	MultiFamily Indoor Use Only	Commercial Indoor Use Only	Total
5/8"	2,476	-	-	4	7	2,487
3/4"	21,980	14	122	101	131	22,348
1"	23	25	69	143	109	369
1.5"	-	55	49	120	102	326
2"	-	15	29	45	50	139
3"	-	2	5	4	14	25
4"	-	1	-	-	1	2
6"	-	-	2	-	-	2
Total	24,479	112	276	417	414	25,698

CHART 60: RESIDENTIAL WASTEWATER ACCOUNTS

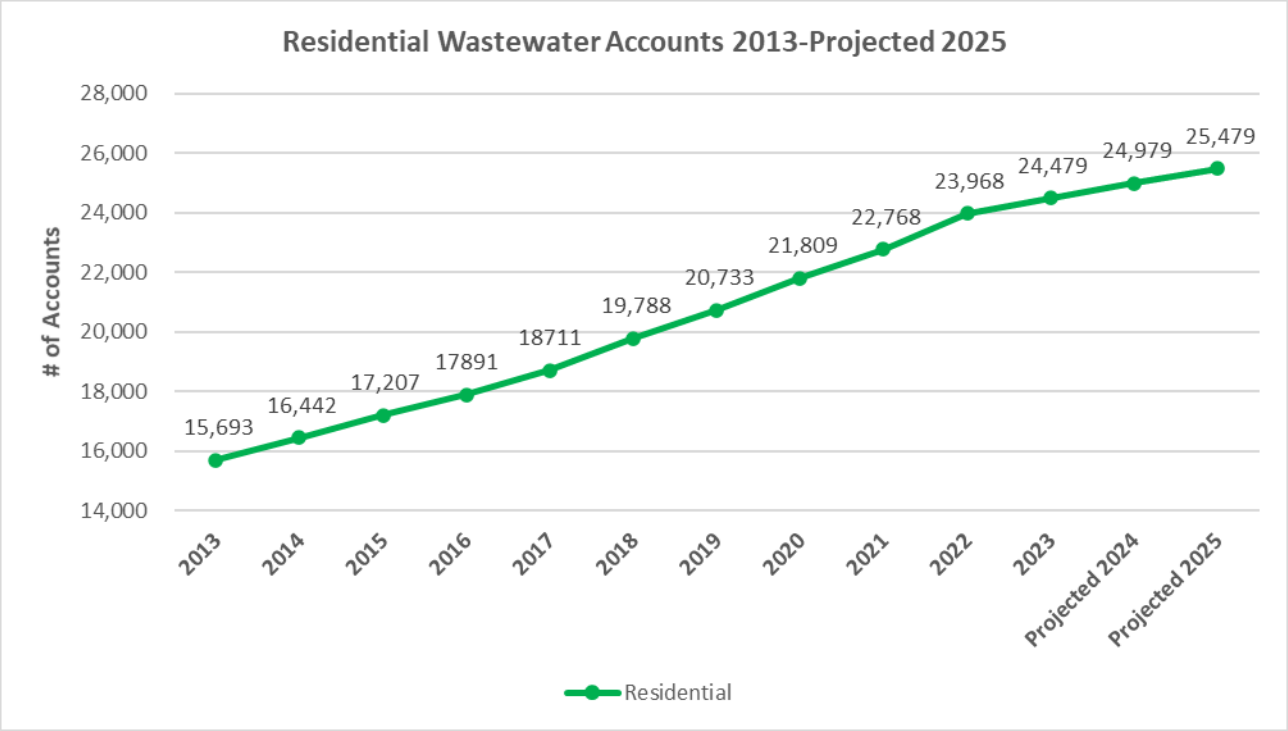
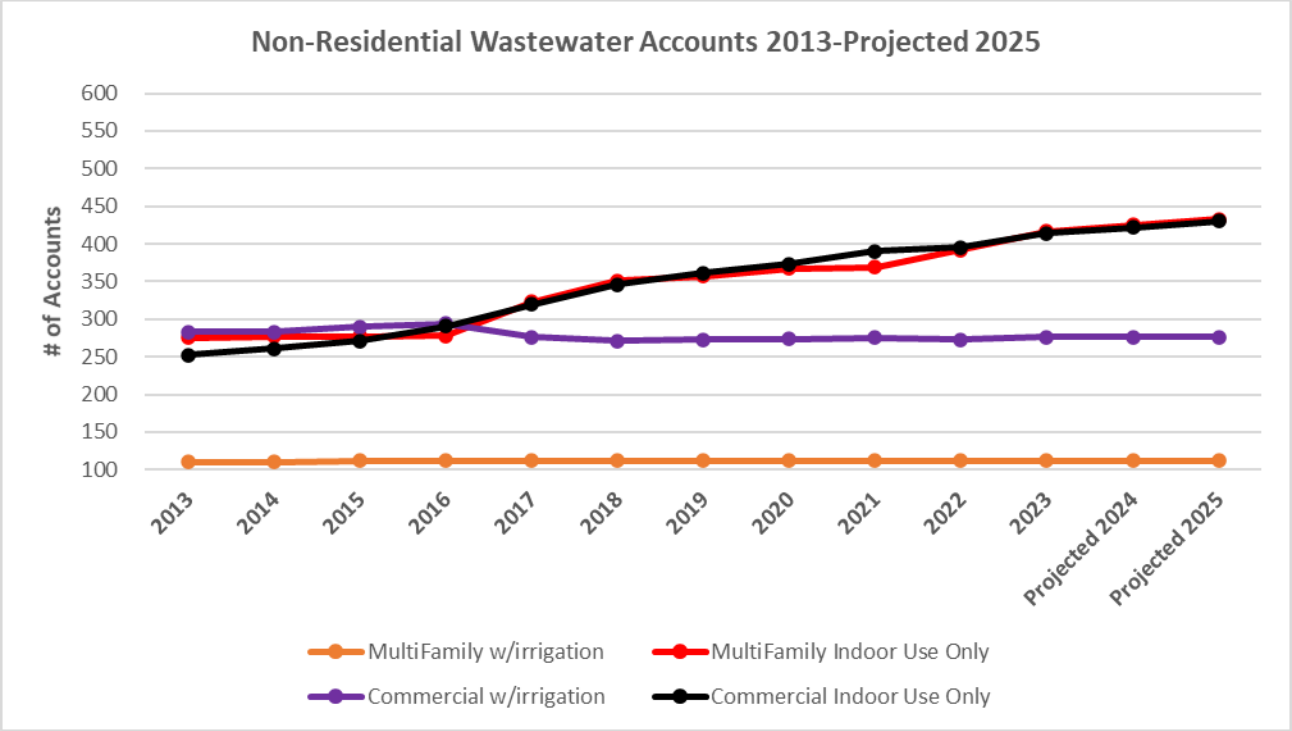


CHART 61: NON-RESIDENTIAL WASTEWATER ACCOUNTS



Castle Rock Water projects FY2025 wastewater accounts by using 2023 billing data plus projected growth for FY2024 and FY2025. The FY2025 wastewater accounts are projected to equal 26,730 (25,479 for residential and 1,251 for non-residential).

2024 Projected New Accounts by Customer Class:

500 Residential (1 SFE)
8 Multi-Family
8 Commercial
516 Total

2025 Projected New Accounts by Customer Class:

500 Residential (1 SFE)
8 Multi-Family
8 Commercial
516 Total

Total growth of 516 accounts is projected for FY2024 and 516 for FY2025 for a total of 1,032 projected for the wastewater fund thru FY2025.

WATER RESOURCES ENTERPRISE FUND

NUMBER OF ACCOUNTS BY METER SIZE & CUSTOMER CLASS

Table 12 shows the number of accounts by meter size and customer class using 12 months of billing data (Jan23-Dec22). This shows 26,885 accounts served by the water resources enterprise fund. The FY2022 accounts based on 12 months of billing data (Jan22-Dec22) showed 26,318 water resources accounts. There are 567 more accounts in FY2023 than in FY2022.

TABLE 12: ACCOUNTS BY METER SIZE AND CUSTOMER CLASS (FY2023)

Meter Size	Residential	Multifamily	Commercial	Bulk	Irrigation	MultiFamily Indoor Use Only	Commercial Indoor Use Only	Total
5/8"	2,476	-	-	-	2	4	7	2,489
3/4"	22,457	14	125	59	227	101	141	23,124
1"	24	25	71	-	120	143	113	496
1.5"	-	55	51	-	177	120	102	505
2"	-	15	29	-	91	45	51	231
3"	-	2	5	-	8	4	15	34
4"	-	1	-	-	2	-	1	4
6"	-	-	2	-	-	-	-	2
Total	24,957	112	283	59	627	417	430	26,885

CHART 62: RESIDENTIAL WATER RESOURCES ACCOUNTS

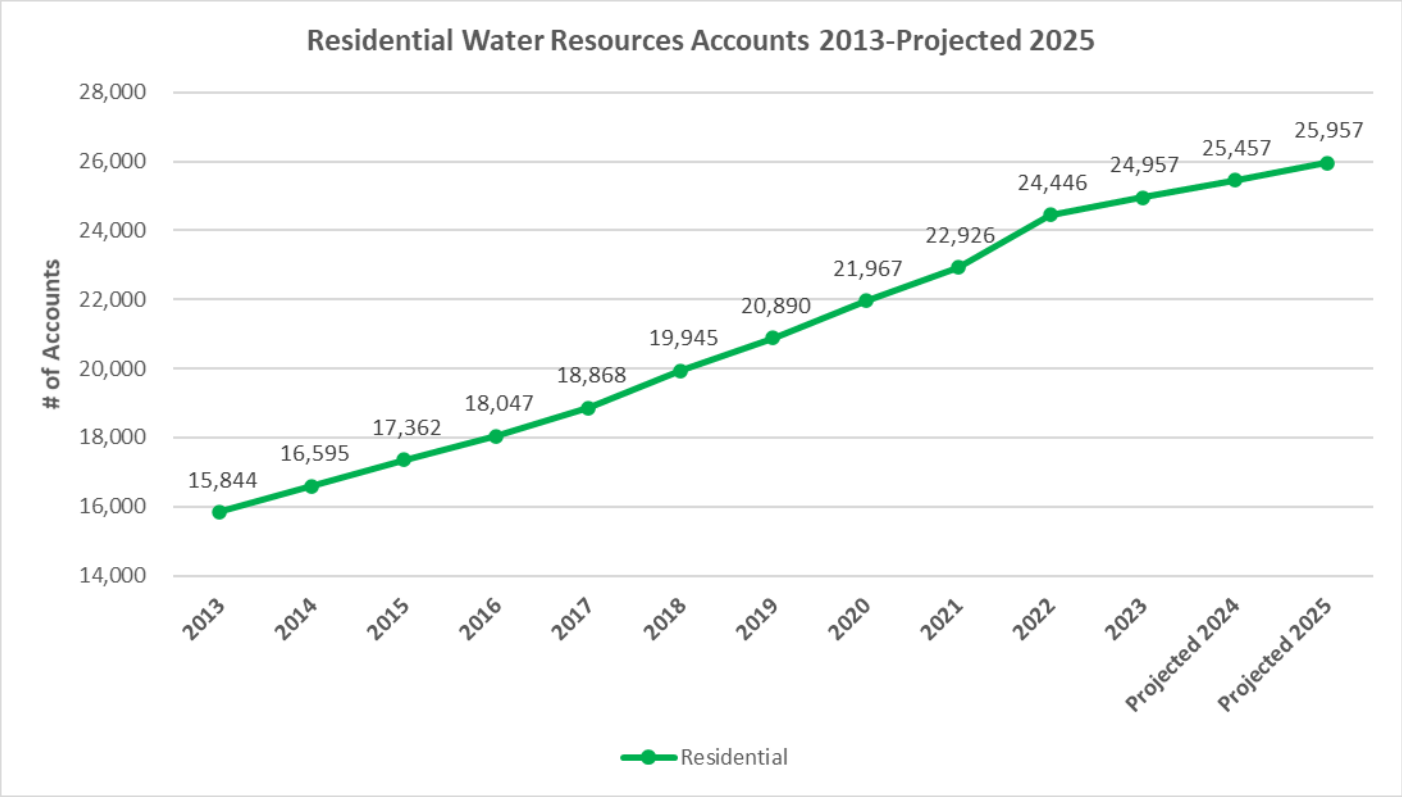
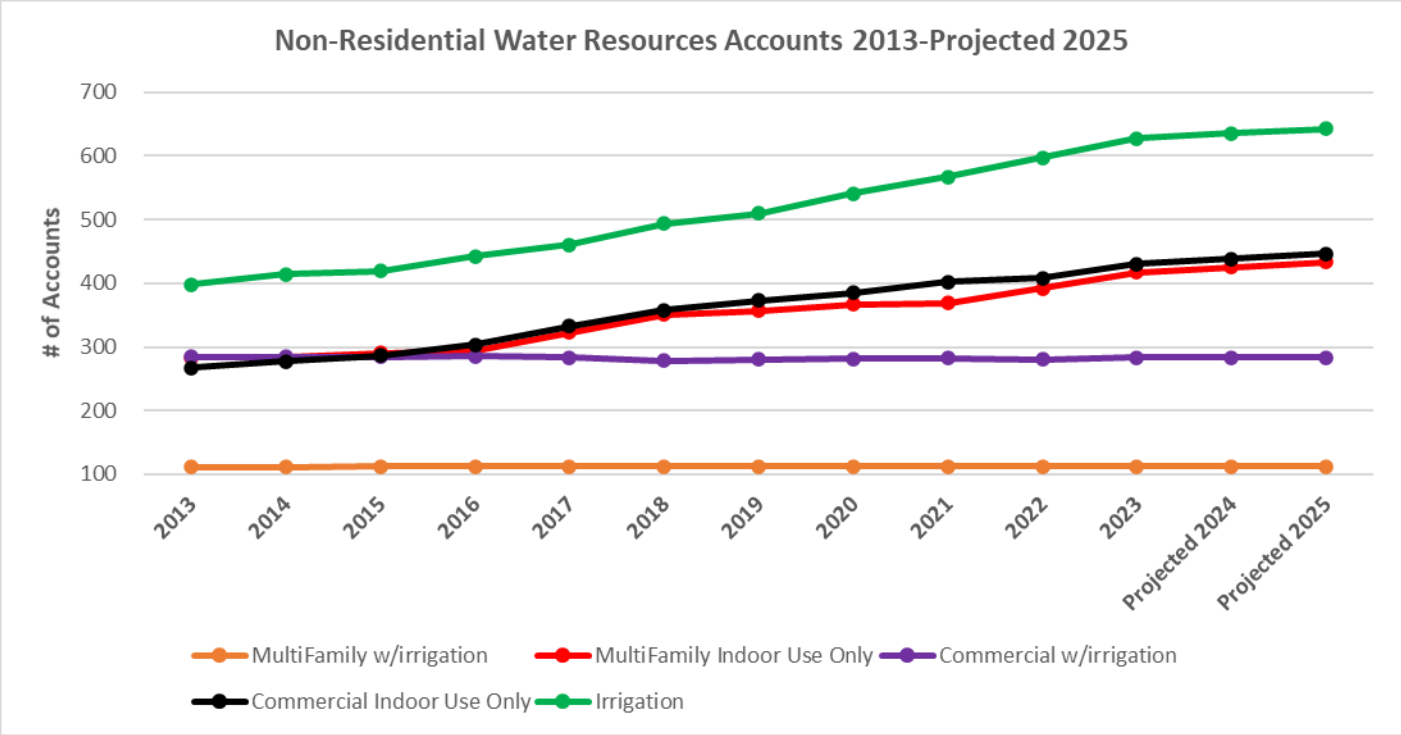


CHART 63: NON-RESIDENTIAL WATER RESOURCES ACCOUNTS



Castle Rock Water projects FY2025 water resources accounts by using 2023 billing data plus projected growth for FY2024 and FY2025. The FY2025 water resources accounts are projected to equal 27,874 (25,957 for residential and 1,917 for non-residential).

2024 Projected New Accounts by Customer Class:

500 Residential (1 SFE)
8 Multi-Family
8 Commercial
8 Irrigation
524 Total

2025 Projected New Accounts by Customer Class:

500 Residential (1 SFE)
8 Multi-Family
8 Commercial
8 Irrigation
524 Total

Total growth of 524 accounts is projected for FY2024 and 524 for FY2025 for a total of 1,048 projected for the water resources fund thru FY2025.

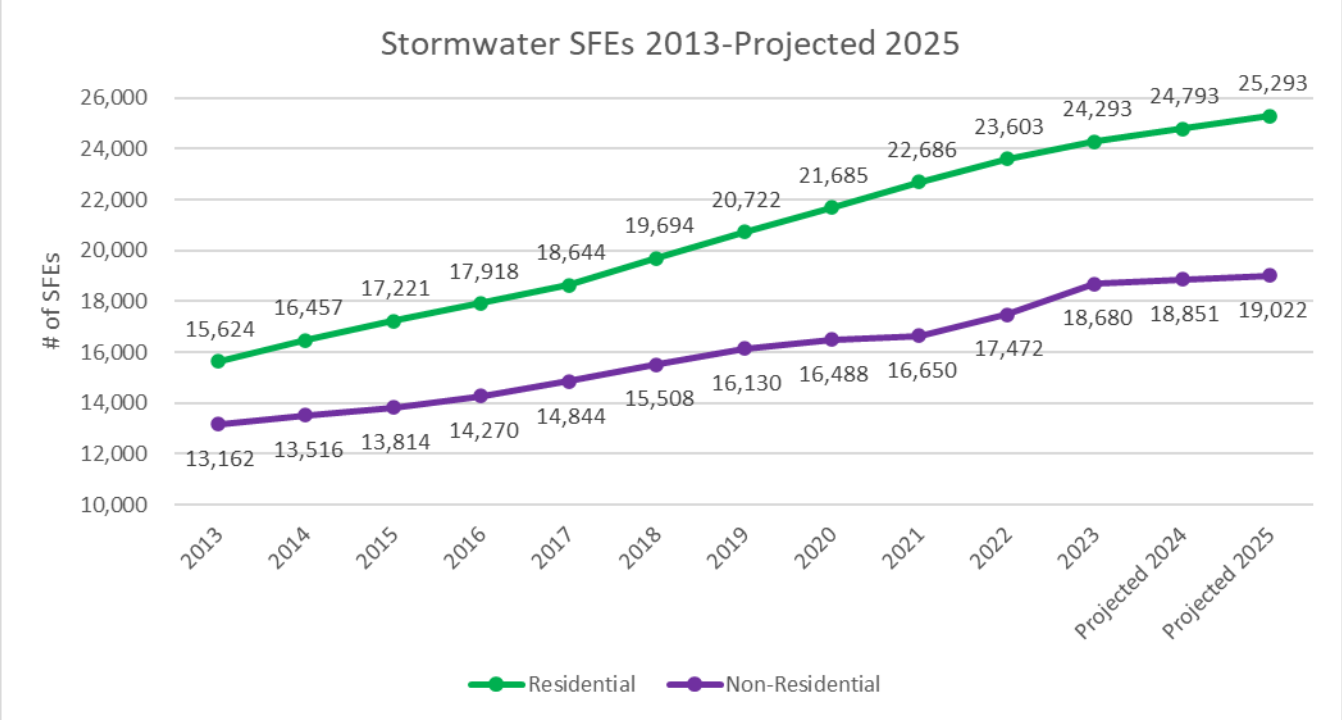
STORMWATER ENTERPRISE FUND

Table 13 shows stormwater average monthly SFEs based on 12 months of billing data (Jan23-Dec23). This shows that 42,973 SFEs were receiving stormwater services during this capture period. The FY2022 billing data (Jan22-Dec22) showed 41,075 SFEs receiving stormwater services. There are 1,897 more SFEs in FY2023 than FY2022.

TABLE 13: STORMWATER SFES (JAN 23-DEC 23)

Total Monthly SFEs	
Residential	24,293
Non-Residential	18,680
Stormwater SFE's	42,973

CHART 64: STORMWATER SFES



Castle Rock Water shows FY2025 projected stormwater SFEs based on 12 months of billing data (Jan23-Dec23) plus projected growth for FY2024 and FY2025. The FY2025 stormwater SFEs are projected to equal 44,315 (25,293 for residential and 19,022 for non-residential).

2024 Projected New (SFEs)

500 Residential
- 20 Detached in Cherry Creek Basin
- 480 Detached in Plum Creek Basin

171 Commercial in the Plum Creek Basin

671 Total

2025 Projected New (SFEs)

500 Residential
- 20 Detached in Cherry Creek Basin
- 480 Detached in Plum Creek Basin

171 Commercial in the Plum Creek Basin

671 Total

Total growth projected for the stormwater fund is 671 SFEs in FY2024 and 671 SFEs for FY2025.