

**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**, through the Water Dedication Code in the Castle Rock Municipal Code ("Code") the Town 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 development within the Town,

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

**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 consequently the required conditions to and quantity of dedication in the Water Dedication Code needs to align with those incremental 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 payment 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 enactment of this Ordinance.

**Section 2. Repeal and Reenactment:** Section 4.04.080 of the Castle Rock Municipal Code is repealed and reenacted to read as follows:

**Section 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 13.12.080A. Provided 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 underlying other properties within the municipal boundaries of the Town; or
2. Five thousand dollars (\$5,000.00) for residential uses and three thousand dollars (\$3,000.00) for nonresidential uses [unless a different price is warranted based on a market study obtained by Castle Rock Water, in which event the current market price for equivalent groundwater shall be applicable. Provided further, if Castle Rock Water determines that groundwater as determined by Castle Rock Water is not readily available for purchase within the Town boundaries, then such market value determination shall be increased by Castle Rock Water to account for the transmission cost of bringing groundwater to Town boundaries from locations where based on a review of groundwater may be available for purchase and where that groundwater is located.](#)

B. At the sole discretion of the Town Council, the rights to the Denver or Arapahoe aquifers underlying properties outside the municipal limits may be accepted for credit against the calculated water demand at a rate determined by Town Council [but at a minimum meeting the following criteria:](#)

1. [Because groundwater rights outside of Town cannot be included in the Town's combined wellfield water decree, a minimum of three \(3\) AF per acre foot of demand or more at Council discretion of Denver Basin groundwater rights underlying properties outside the municipal boundaries of the Town; and](#)
2. [No Laramie Fox Hills water rights outside the municipal boundaries of the Town 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 6<sup>th</sup> 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 of Castle Rock Water