

Roxborough Water and Sanitation District

FEES, RATES AND CHARGES

March 18, 2026

- The District provides service within its designated service area through the use of extensive water and sewer infrastructure including:

Water Treatment Plant

5 Water Pump Stations

6 Water Storage Tanks

86 miles of Water Pipes

574 Fire Hydrants

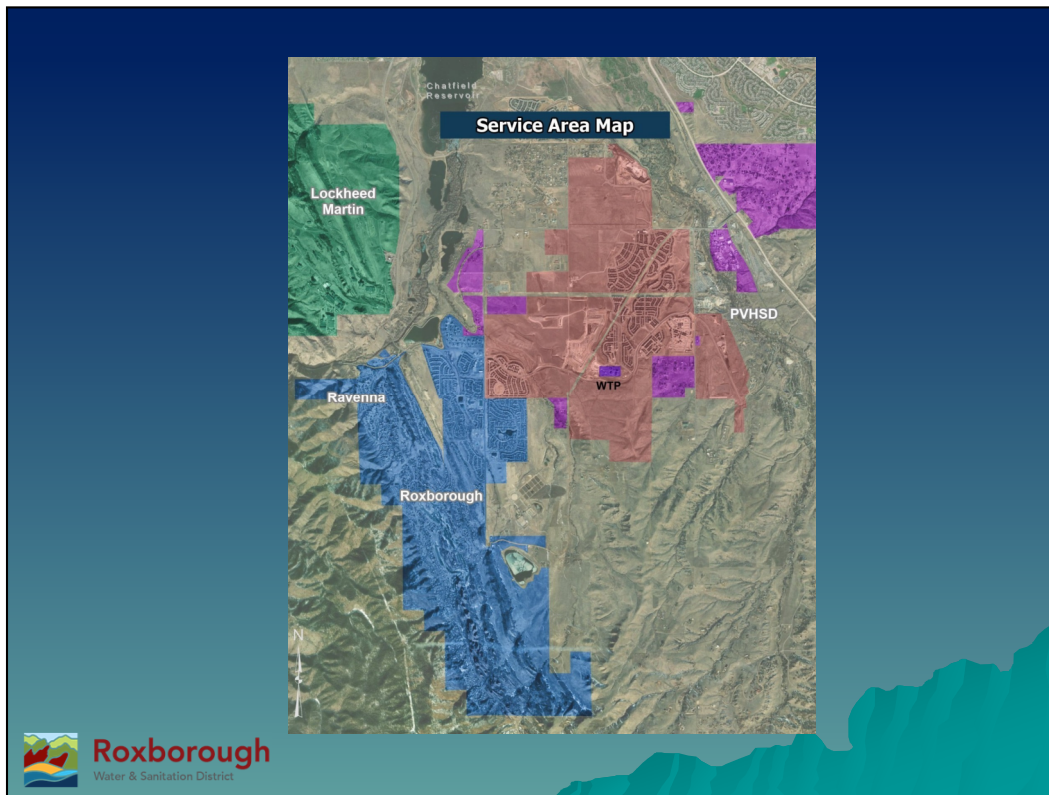
2226 Water Valves

2 Sewage Lift Stations

65 Miles of Sewer Pipes

1465 Manholes

- Funding for operation, maintenance, repair and replacement of the District's system is primarily provided by rates, fees and charges. Property taxes provide a minor component of the District's revenues.
- The District reviews rates on an annual basis. Rates are established based on funding requirements for operation, maintenance and replacement of the system.



- RWSD provides different services in different areas
- Central Service Area (Roxborough Development)
 - RWSD provides both water and sewer service.
- East Service Area – Water Service Only
 - Areas included in the Subdistrict are the Chatfield East, Chatfield Acres, Titan Road Industrial Park (TRIP), Plum Valley Heights developments and several smaller parcels.
 - Chatfield East, Chatfield Acres, and TRIP are served with water supplied by RWSD and treated by Highlands Ranch Water.
 - Plum Valley Heights is served through the RWSD treatment and distribution system.
- West Service Area (Lockheed-Martin) – Sewer Service Only
 - RWSD conveys LM sewer flows to Littleton for treatment service
- Sterling Ranch service provided by Dominion Water and Sanitation District
 - RWSD provides water treatment service only.
 - DWSD provides the raw water.

OVERVIEW

- ◆ Water Rates
- ◆ Sewer Rates
- ◆ System Development Charges



- Each year, the District reviews background information regarding water treatment and use; revenues and expenses; and rate history; to establish an appropriate perspective for evaluation of rates.
- Rates are then calculated to support the current year budget and provide adequate reserves for operations, maintenance, and capital replacement.

WATER ANNUAL COST per EQR

	Total Treated Water (1Kgal)	Average No. EQRs	Average Water Use Per Unit (GPD/EQR)	Total Revenue From User Charges (\$)	Ave. Revenue/EQR From User Charges (\$)	Total Revenue From User Charges & Surcharges (\$)	Ave. Revenue/EQR From User Charges & Surcharges (\$)
2021	342,715	3876	242	\$3,707,043	\$956	\$4,952,390	\$1,278
2022	361,487	3924	252	\$3,794,971	\$967	\$5,058,367	\$1,289
2023	315,528	3966	218	\$3,577,022	\$902	\$4,847,478	\$1,222
2024	370,198	3994	254	\$4,267,458	\$1,068	\$5,540,678	\$1,387
2025	362,210	4013	247	\$4,352,793	\$1,085	\$5,629,361	\$1,403

* Hydrant water not included



- Water production in 2025 decreased from production in 2024 despite a 15% decrease in precipitation in 2025.
- The average annual cost per customer(EQR) was \$1,085 without surcharges and \$1,403 with surcharges. Surcharges included \$25/mo./EQR for water supply and \$3/mo./EQR for system replacements.

*EQR (Equivalent Residential Unit) – A customer using the same size tap as a normal residential unit. Customers using larger taps are counted as more EQRs in proportion to tap size.

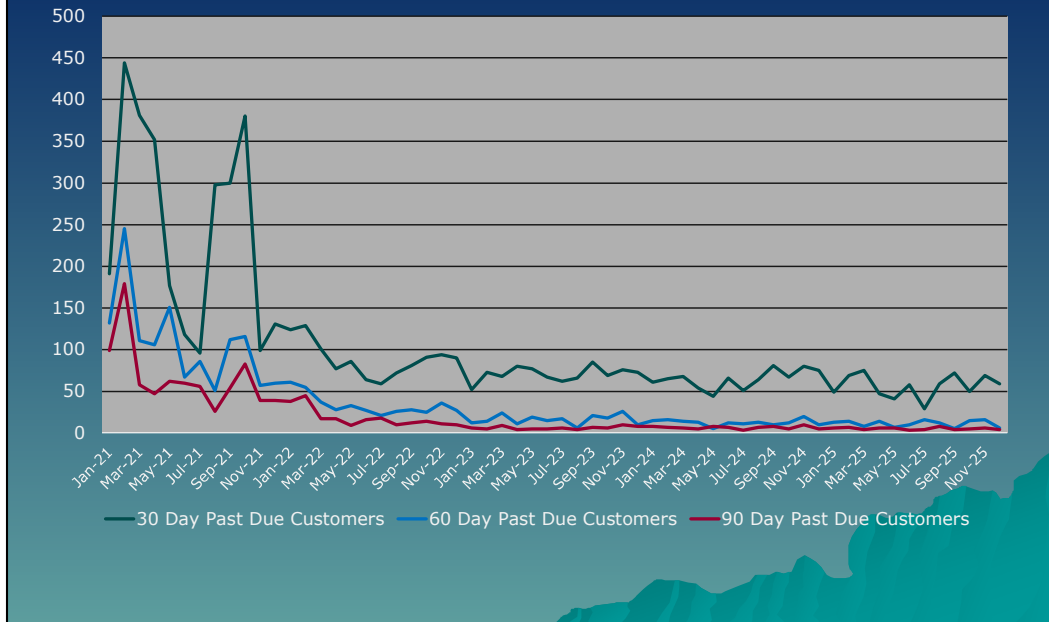
WATER AFFORDABILITY

- ◆ EPA Criteria – Less than 2.5% MHI
- ◆ CDPHE Criteria – Less than 1.5% MHI
- ◆ Roxborough CDP 2020-2024 MHI - \$173,083
- ◆ Average Annual Cost/Cust. - \$1,403
- ◆ Average Annual Cost/Cust – 0.81%



- Affordability of water rates is evaluated by comparing Roxborough Water and Sanitation District rates to affordability guidelines used by EPA and CDPHE.
- EPA has not issued strict guidance regarding affordability but generally indicates that water rates exceeding 2.0% to 2.5% of the median household income may be a concern.
- CDPHE indicates that water rates exceeding 1.5% of median household income may be a concern.
- The actual affordability index for RWSD based on the 2020-2024 median household income for Roxborough CDP of \$173,083, and the average annual cost per RWSD customer of \$1,403 is 0.81% of MHI.

WATER AFFORDABILITY Con't



Although the delinquencies charges change monthly, the overall trend does show a significant decrease since the end of 2021.

In 2025 the average number of monthly delinquent users was approximately 1.9% of overall taps.

RWSD WATER RATES HISTORY

Rate (Per 1000 Gal)	Mar 2021- Mar 2022	Mar 2022- Mar 2023	Mar 2023- Mar 2024	Mar 2024- Present	Mar 2025- Present
0-5 gal	\$5.30 (0%)	\$5.30 (0%)	\$5.30 (0%)	\$5.50 (3.7%)	\$5.75 (4.5%)
6-10 gal	\$5.30	\$5.75	\$6.25	\$6.75	\$7.00
11-20 gal	\$6.50	\$7.00	\$7.75	\$8.25	\$8.50
21-40 gal	\$7.75	\$8.50	\$10.00	\$10.50	\$10.75
41+ gal	\$12.75	\$13.75	\$17.00	\$18.00	\$18.75
Monthly Base Charge	\$36.50/ mo (0.83%)	\$37.00/ mo (1.4%)	\$39.00/ mo (5.4%)	\$41.50/ mo (6.4%)	\$41.50/ mo (0%)

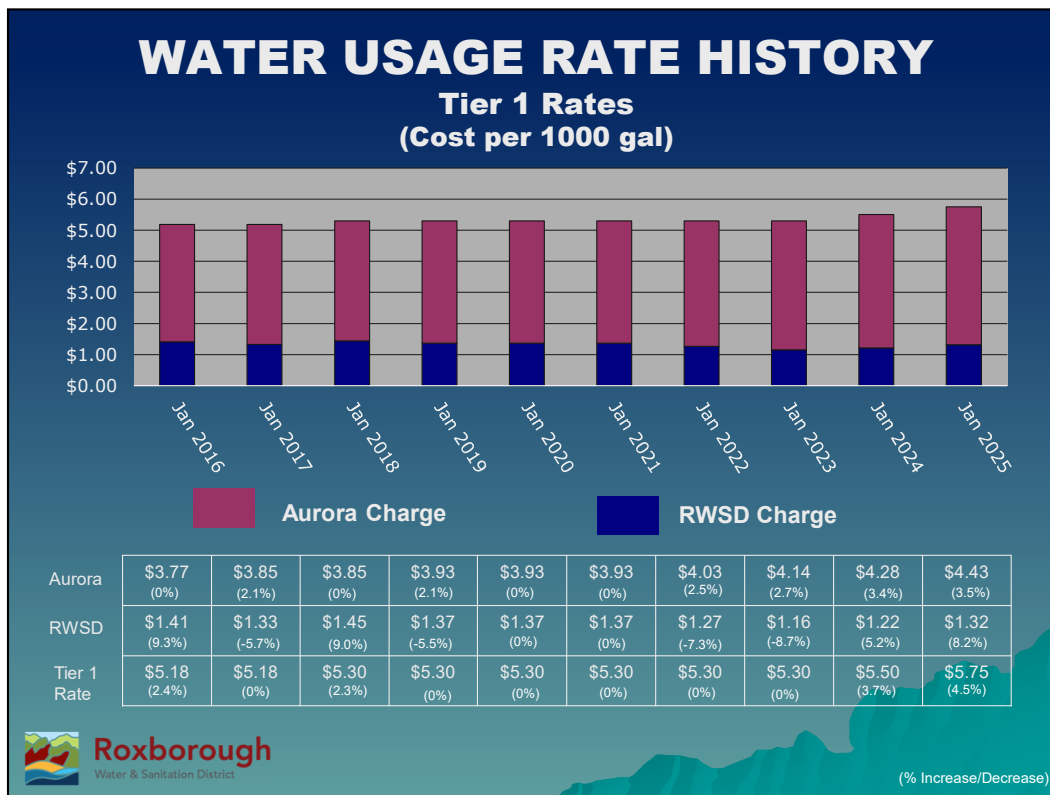
Tier 1
 Tier 2
 Tier 3
 Tier 4
 Tier 5



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(% Increase)

- The Tier 1 rate per 1000 gallons of water has increased approximately 1.7% per year since 2021, primarily due to the District's desire to keep essential indoor water at an affordable rate.
- The monthly flat fee has increased by approximately 2.7% per year since 2021.



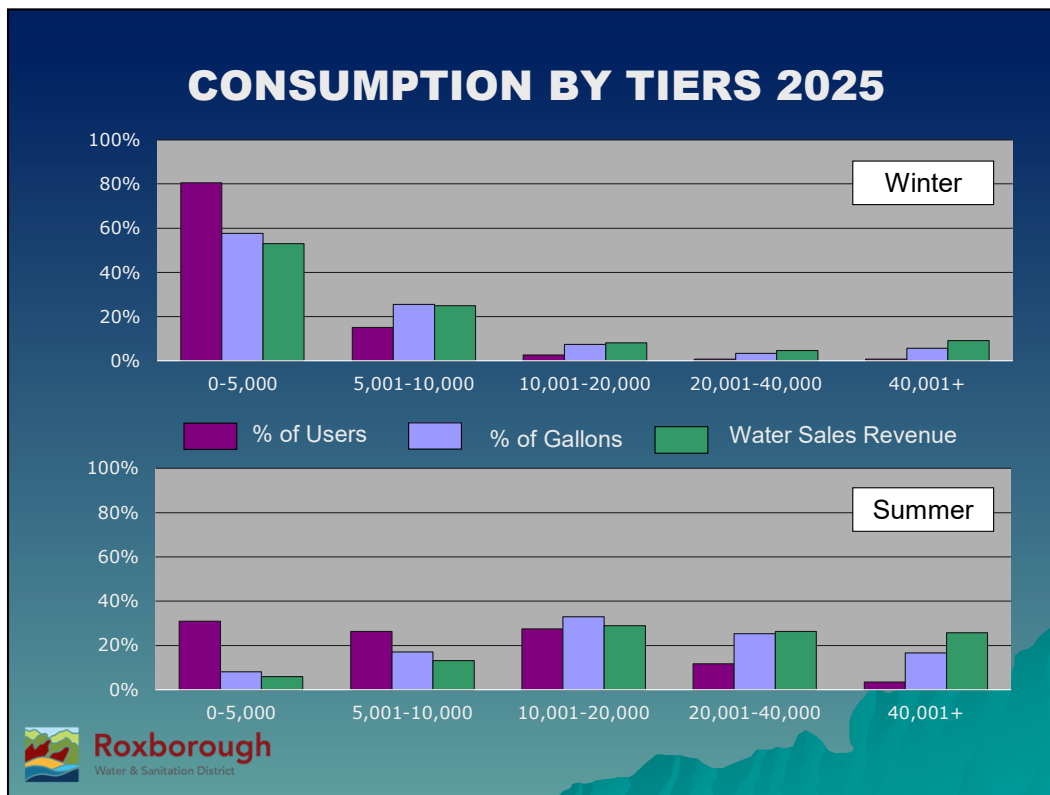
- Since 2016:
 - The cost of raw water purchased from Aurora has increased from \$3.77/1000 gal to \$4.43/1000 gal, less than a 17.5% increase, or an average of 1.7% per year.
 - The District's charge for treatment and distribution has decreased from \$1.41 to \$1.32, a 6.4% decrease.

VARIABLE COST OF WATER

	2024	2025	% Difference
Water	\$1,611,933	\$1,613,121	0.1%
Utilities	\$256,673	\$267,504	4.2%
Operating Supplies	\$88,462	\$111,736	26.3%
Operator O/T	\$40,393	\$17,748	-56.1%
HRW Treatment & Distribution	\$22,100	\$24,026	8.7%
Total	\$2,019,561	\$2,034,135	0.7%
Production (1000 gals) <small>* Includes Hydrant water</small>	378,181	366,520	-3.1%
Variable Cost (Per 1000 gals)	\$5.34	\$5.55	3.93%



- The Cost of Water includes items that vary based on the quantity of water treated. Fixed costs such as operating staff, equipment, and insurance are not included in the Cost of Water.
- The total production cost increased \$0.21 per 1000 gallons from 2024 to 2025.



- In winter, the lowest tier represents 80% of the Users, 58% of the water and 53% of the water sales revenue.
- In summer, the first three tiers represent 84% of the Users, 58% of the water and 48% of the water sales revenue.
- In both winter and summer, users in the upper tiers use more water per user and pay higher rates for the water used.

WATER REVENUES VS. EXPENSES

	Total Operating Revenues	Total Operating Expenses	Balance*
2020	\$4,443,981	\$4,151,417	\$292,564
2021	\$4,228,475	\$3,711,266	\$517,209
2022	\$4,338,531	\$4,124,282	\$214,249
2023	\$3,930,841	\$3,699,321	\$231,520
2024	\$4,861,711	\$4,420,563	\$441,148
2025	\$4,899,244	\$4,694,856	\$204,388



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* Available for Capital Projects/Reserves

- For 2020 -2025, the amounts shown reflect actual revenues and expenses.
- The balance for each year is used to fund reserves, as established by the District's financial policies.

RATES IN OTHER DISTRICTS

- ◆ RWSD rates compared to rates in 14 local districts

Arapahoe Water and Wastewater Authority (ACWWA)

Highlands Ranch (HR)

Stonegate Village (SGV)

Cottonwood (CWD)

Castle Pines N. (CPN)

Perry Park (PP)

Genesee (GEN)

Sterling Ranch (SR)

Parker (PAR)

Castle Pines (CP)

Castle Rock (CR)

Pinery (PNY)

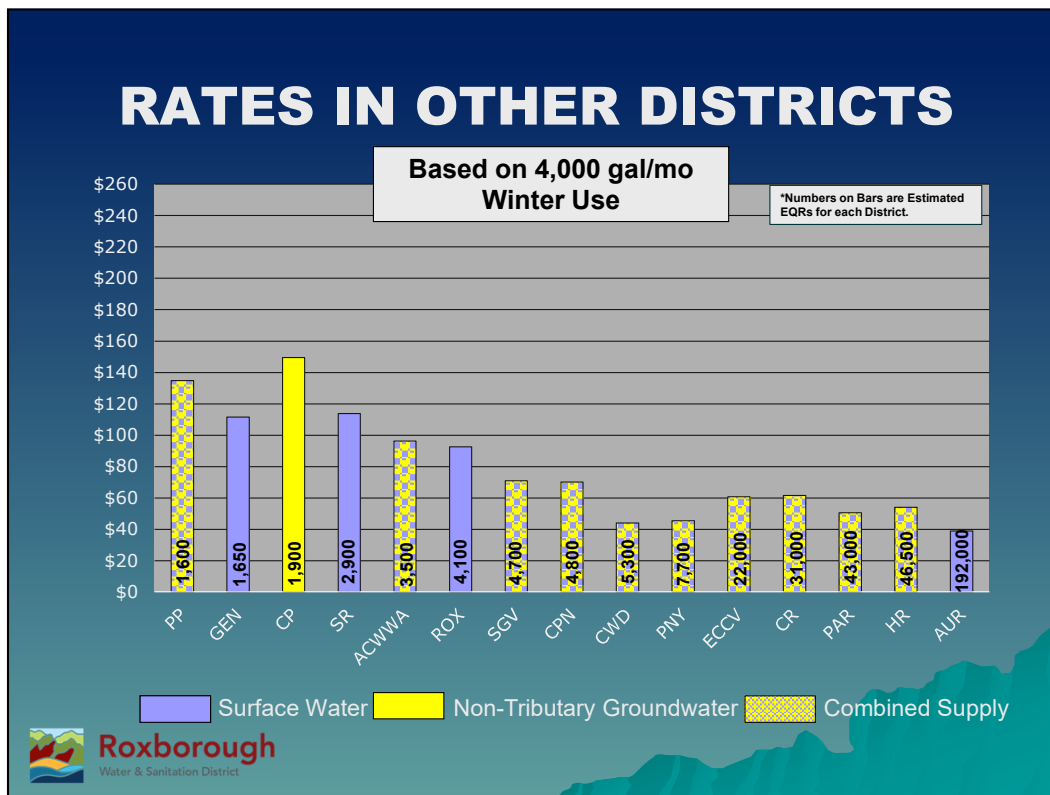
E. Cherry Crk. (ECCV)

Aurora (AUR)

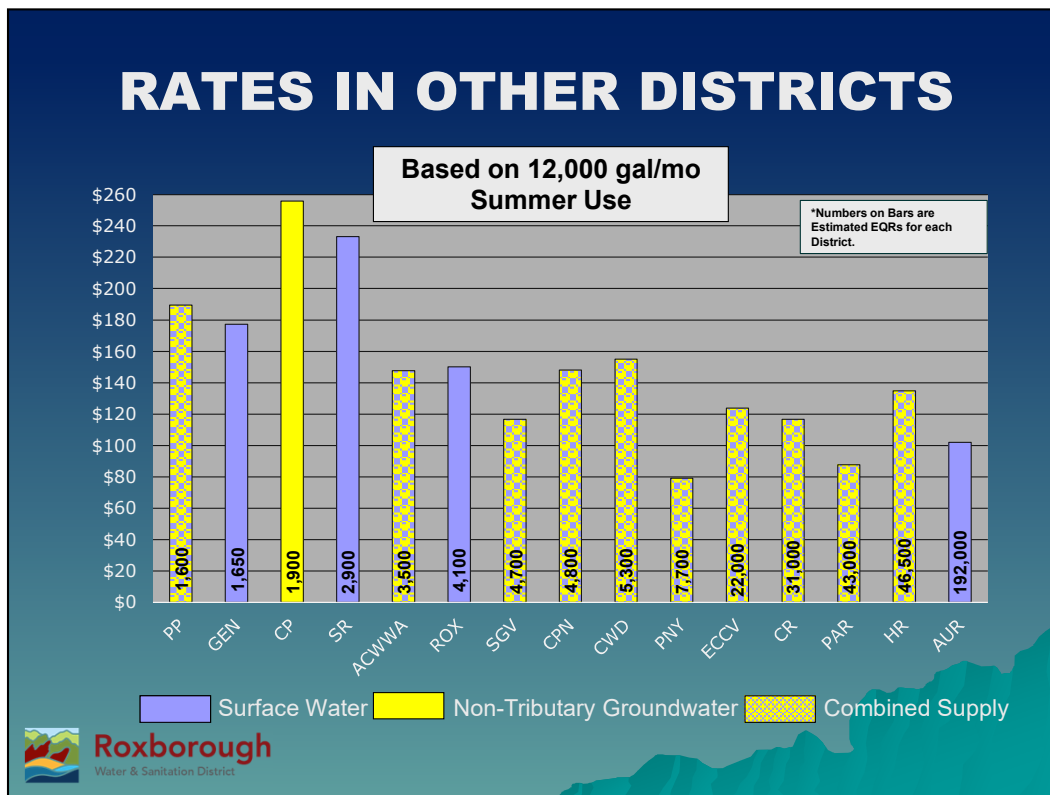


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Water & Sanitation District

- For informational purposes, rates are normally compared to rates in nearby districts.
- A comparison of rates in these districts is provided on the following slide.



- Comparison of rates to other districts is presented for informational purposes only. Each entity must set its own rates based on its own unique financial requirements.
- Generally, smaller districts tend to have higher rates than larger districts. In addition, those districts that use surface water, or have a combined supply with a significant portion of surface water, have higher rates than districts that use primarily groundwater.
- Eventually, all districts will have to convert to surface water and will have correspondingly higher rates.



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WATER EFFICIENCY REBATE PROGRAMS

REBATES IN OTHER DISTRICTS	AURORA WATER	DENVER WATER	CASTLE ROCK	ROXBOROUGH*
High Efficiency Toilet (<1.1 gpf)	up to \$100	Up to \$100	Up to \$150 (0.8 gpf)	\$100/Max of 2
High Efficiency Washer	-	-	-	Up to \$125
Xeriscape	\$3.00/Sq ft of Waterwise Landscape	-	\$3.25/sq ft Max 1,500 sq ft	-
Rotary High Efficiency Sprinkler Heads	\$9 per head / limit 50 heads per residence	Up to \$3 per head / 1 rebate per 10-years	Up to \$5 per head / Max of \$2000	-
Weather-based Controller with Rain Sensor	\$200	-	-	10 Vouchers/yr
Garden in a Box	-	-	-	\$25 Vouchers/ Max 25 vouchers/yr

***2025 Conservation Rebates \$2,875**
Total Rebates Since Inception (2008) \$84,980



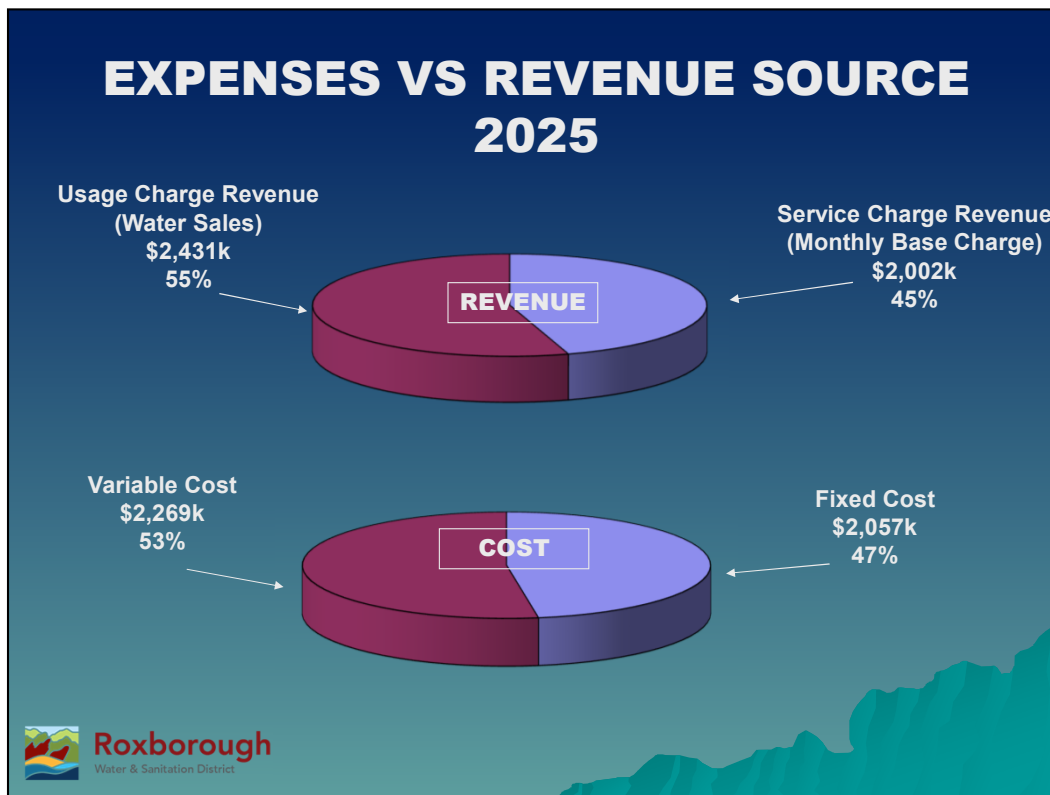
- The District provides rebates for certain high efficiency fixtures and appliances and has partnered with Resource Central for vouchers for additional conservation efforts.
- In general, additional revenues received from upper tier customers are used to fund the rebate program.

REVIEW OF RATE PHILOSOPHY (IMPLEMENTED 2003) BASIC CONCEPT

- ◆ **Monthly Base Charge**
 - Monthly Base Charges cover fixed costs
 - Spread income over year
 - Revenues not sensitive to water use
- ◆ **Tiered Water Use Charges**
 - Charges reflect actual water use
 - Adds fairness
 - Lowest tier covers in house use

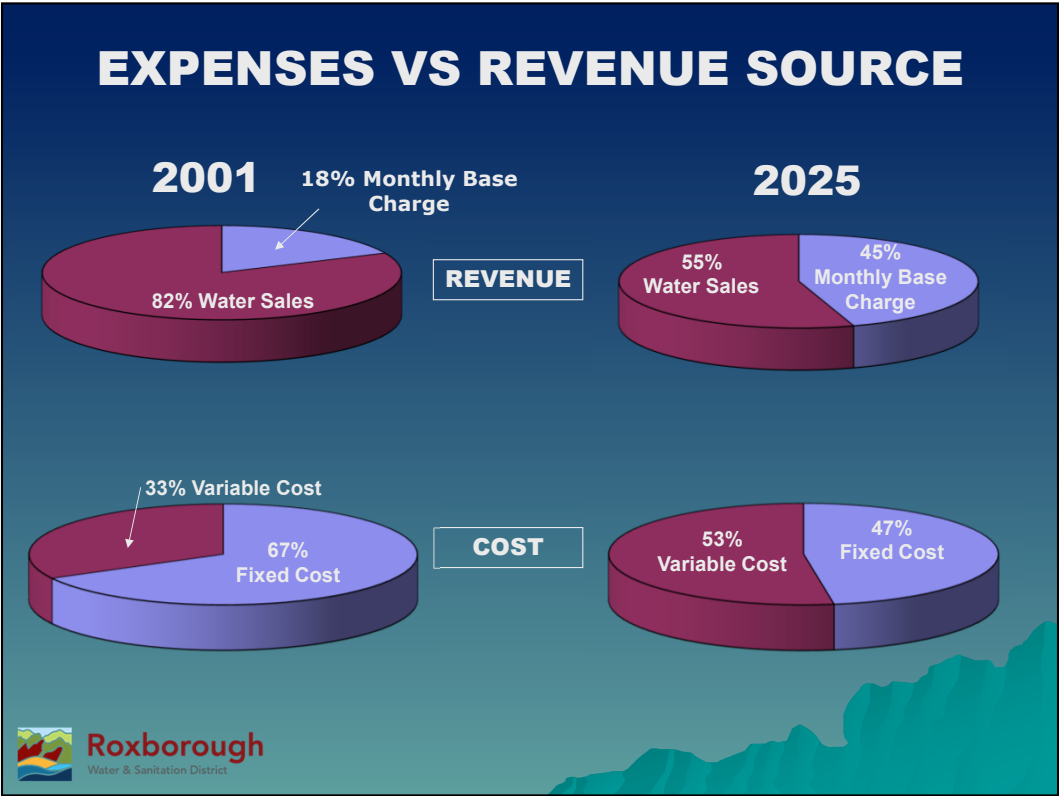


- The District charges a monthly base charge to cover expenses related to fixed cost items such as personnel, insurance, administrative expenses, vehicles, etc.
- The District also charges for actual water use on a per 1000 gallon basis.



- To achieve financial stability, the District's rate structure is based on covering fixed costs with the monthly base charge revenue, and variable costs with water sales revenue. Under this system customers:
 - Share equally in costs related to keeping the system ready to serve (Monthly Base Charge).
 - Pay for water in proportion to use (\$ per 1000 gallons).
- Using this method, the District maintains adequate revenue independent of water sales.
- In 2025, fixed costs were 47% of total costs, while monthly base charge revenue represented 45% of total revenues. Results for variable costs and water sales revenue were similar.

EXPENSES VS REVENUE SOURCE



- In 2001, prior to adoption of the current rate strategy, the majority of the District's revenues came from water sales, while the majority of the costs were fixed. This left the District vulnerable to revenue shortfalls in low water use years.

RECOMMENDED 2026 WATER RATE ACTION

- ◆ Increase to Upper Tier Usage Charges
- ◆ Increase Monthly Flat Fee
- ◆ Increase Water System Replacement Fund Surcharge
- ◆ Aurora Water Drought Surcharges



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WATER RATE RECOMMENDATION

		Current	Recommended 2026 Rates
Water Use			
Per 1000 Gal	0-5 gal	\$5.75	\$5.75
	5-10 gal	\$7.00	\$7.25
	10-20 gal	\$8.50	\$8.75
	20-40 gal	\$10.75	\$11.25
	40 + gal	\$18.75	\$19.50
Projected Reserves from Water Sales		\$213,656	\$261,235
Base Charge			
Monthly Base Charge		\$41.50	\$43.50
Projected Reserves from Base Charge		(\$117,016)	(\$20,608)
Surcharges			
Water System Replacement Fund		\$3.00	\$4.00
Projected Revenue from Water System Replacement Fund		\$144,612	\$192,816
Water Supply Fund		\$25.00	\$25.00
Projected Revenue from Water Supply Fund for Debt Service		\$1,205,100	\$1,205,100



- Summary of the adequacy of existing rates:
 - The existing Base Charge does not provide revenue needed to cover fixed costs as projected in the 2026 budget.
 - The \$3/mo. surcharge for capital replacement reserves provides a modest contribution to reserves.
 - The \$25/mo. surcharge for water supply produces adequate revenue for debt service on the loan for the permanent water supply.

- Recommended Action:
 - Increase Upper Tier Usage Rates to cover Aurora increases.
 - Increase Monthly Base Charge to cover fixed costs.
 - Increase Water System Replacement Fund to help fund Capital Improvement Items.

- The Board approved the recommended action at its March 18, 2026 meeting, with an effective date of March 25, 2026.

AURORA 2026 DROUGHT SURCHARGES

(Effective January 1, 2026)

Aurora Water Drought Conditions				
Allowed Water Usage for Tiers	Normal	Stage I	Stage II	Stage III
Surcharge per 1,000 gallons used up to 110% of winter quarter average	\$0.00	\$0.00	\$0.00	\$4.63
Surcharge per 1,000 gallons used above 110% of winter quarter average	\$0.00	\$2.15	\$8.38	\$13.89

Recommended Aurora Water Drought Surcharge for RWSD				
Allowed Water Usage for Tiers	Normal	Stage I	Stage II	Stage III
Tier 1 0-5,000	\$0.00	\$0.00	\$0.00	\$4.63
Tier 2 5-10,000	\$0.00	\$2.15	\$8.38	\$13.89
Tier 3 10-20,000	\$0.00	\$2.15	\$8.38	\$13.89
Tier 4 20-40,000	\$0.00	\$2.15	\$8.38	\$13.89
Tier 4 40+	\$0.00	\$2.15	\$8.38	\$13.89



- In the event of water shortages, the City of Aurora can impose surcharges on its own customers and on Roxborough.

- Implementation of the surcharges requires a vote of the Aurora City Council.

OVERVIEW

- ◆ Water Rates
- ◆ Sewer Rates
- ◆ System Development Charges



- Unlike water, sewer flows for each customer are not metered. As a result, sewer service is billed as a monthly base charge.
- The monthly base charge charged for sewer service provides revenues for operation as well as reserves for operations and system replacement.

SEWER ANNUAL COST per EQR

	Total Wastewater (1000's of Gal)	Average No. of Connected EQRs	Average Sewage Produced Per Unit (GPD/EQR)	Total Revenue From User Charges (\$) *	Ave. Revenue/EQR From User Charges (\$) *	Total Revenue From User Charges & Surcharges (\$) *	Ave. Revenue/EQR From User Charges & Surcharges (\$) *
2021	196,992	3658	148	\$1,766,411	\$483	\$1,897,131	\$519
2022	178,638	3711	132	\$1,875,252	\$505	\$2,007,885	\$541
2023	204,061	3724	150	\$1,968,378	\$529	\$2,101,749	\$564
2024	196,050	3732	144	\$2,066,402	\$552	\$2,200,088	\$588
2025	174,129	3738	128	\$2,146,645	\$574	\$2,280,672	\$610

* Lockheed Martin & Sterling Ranch not included



- The quantity of wastewater collected in the District during 2025 decreased from the prior year.
 - Wastewater flows in 2025 were lower primarily due the District's dedication to sewer lining activities and decreased precipitation which reduces Inflow and Infiltration related to high groundwater tables.

- The average annual cost per customer(EQR) was \$574 without surcharges and \$610 with surcharges. The only surcharge related to sewer service is \$3/mo./EQR for system replacement.

SEWER AFFORDABILITY

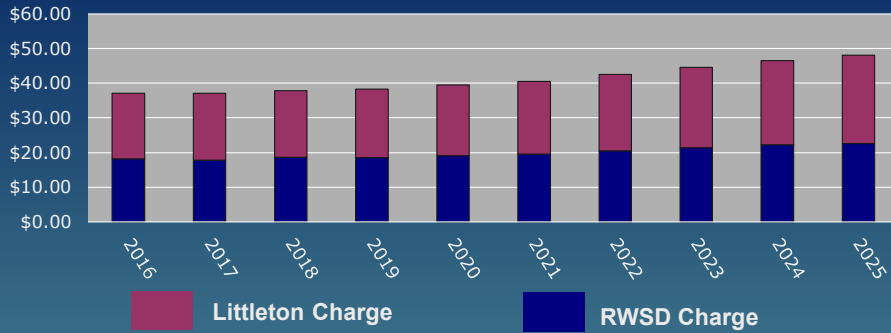
- ◆ EPA Criteria – Less than 2.5% MHI
- ◆ CDPHE Criteria – Less than 1.5% MHI
- ◆ Roxborough CDP 2020-2024 MHI - \$173,083
- ◆ Average Annual Cost/Cust. - \$610
- ◆ Average Annual Cost/Cust – 0.35%



- Affordability of sewer rates is evaluated by comparing Roxborough Water and Sanitation District rates to affordability guidelines used by EPA and CDPHE.
- EPA has not issued strict guidance regarding affordability but generally indicates that sewer rates exceeding 2.0% to 2.5% of the median household income may be a concern.
- CDPHE indicates that sewer rates exceeding 1.5% of median household income may be a concern.
- The actual affordability index for RWSD based on the 2020-2024 median household income for Roxborough CDP of \$173,083, and the average annual cost per RWSD customer of \$610, is 0.35% of MHI.

SEWER RATE HISTORY

(Cost per Month)



	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Rate	\$37.00 (0%)	\$37.00 (0%)	\$37.75 (2.0%)	\$38.25 (1.3%)	\$39.40 (3.0%)	\$40.50 (2.8%)	\$42.50 (4.9%)	\$44.50 (4.7%)	\$46.50 (4.5%)	\$48.00 (3.2%)
Littleton	\$18.76 (2.0%)	\$19.13 (2.0%)	\$19.13 (0%)	\$19.70 (3.0%)	\$20.30 (3.0%)	\$20.90 (3.0%)	\$21.95 (5.0%)	\$23.05 (5.0%)	\$24.20 (5.0%)	\$25.41 (5.0%)
RWSD	\$18.24 (-2.0%)	\$17.87 (-2.1%)	\$18.62 (4.2%)	\$18.55 (-0.4%)	\$19.10 (3.0%)	\$19.60 (2.6%)	\$20.55 (4.9%)	\$21.45 (4.4%)	\$22.30 (4.0%)	\$22.59 (1.3%)



- Since 2016:
 - Overall sewer rates have increased by an average of 2.9% per year.
 - The treatment cost charged by Littleton has increased by 3.5% per year.
 - The cost charged by the District for collection and transmission has increased by 2.4% per year.

SEWER REVENUES VS. EXPENSES

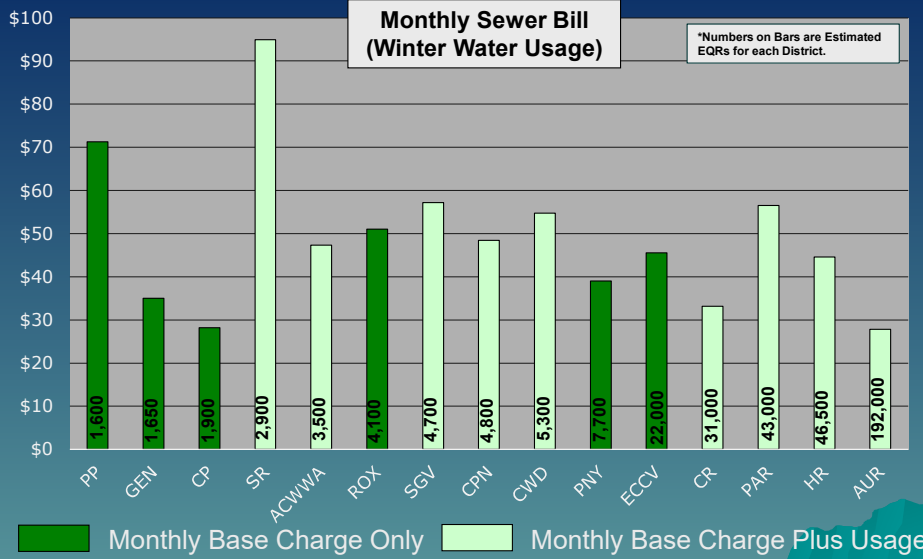
	Total Operating Revenues	Total Operating Expenses	Balance*
2020	\$2,027,282	\$1,789,489	\$237,794
2021	\$2,141,242	\$1,981,928	\$159,314
2022	\$2,245,091	\$2,224,310	\$20,781
2023	\$2,372,455	\$2,272,865	\$99,589
2024	\$2,496,790	\$2,408,156	\$88,634
2025	\$2,589,302	\$2,409,130	\$180,172



* Available for Capital Projects/Reserves

- For 2020 - 2025, amounts shown reflect actual revenues and expenses.
- The balance for each year is used to fund reserves, as established by the District's financial policies.

RESIDENTIAL SEWER RATES IN OTHER DISTRICTS



- Comparison of rates to other districts is presented for informational purposes only. Each entity must set its own rates based on its own unique financial requirements.

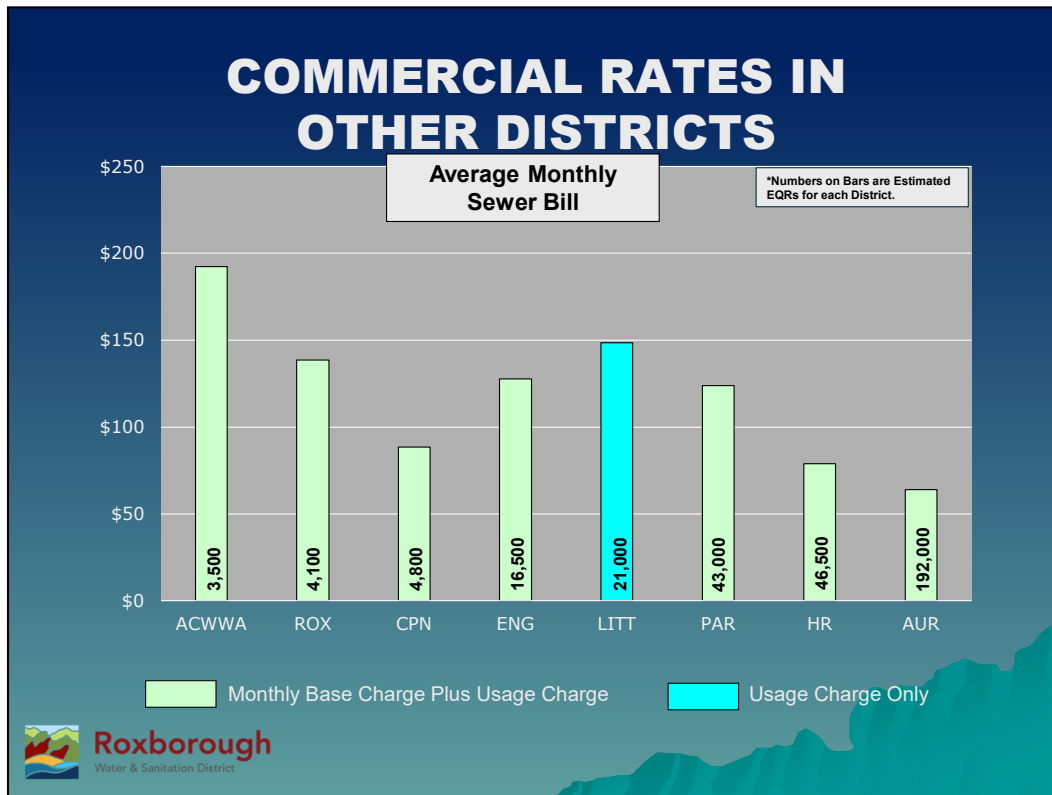
CURRENT COMMERCIAL SEWER RATES

	Cost per Month
Monthly Base Charge	\$ 48.00
Non-Metered Wastewater Usage (Cost/1,000 gal clean water used)	\$ 2.44
Metered Wastewater Flow* (Cost/1,000 gal wastewater produced)	\$ 4.51
Repair and Replacement Fee	\$ 3.00

*Currently only Lockheed Martin



- Commercial customers pay the same base charge per EQR as residential customers.
- Commercial customers pay an additional fee to account for the types of discharge they produce. The fee varies depending on whether wastewater is metered or unmetered.
- Commercial customers pay the same Repair and Replacement fee per EQR as residential customers.



- Comparison of rates to other districts is presented for informational purposes only. Each entity must set its own rates based on its own unique financial requirements.

RECOMMENDED 2026 SEWER RATE ACTION

- ◆ Increase Monthly Base Charge
- ◆ Increase to Commercial Wastewater Charge (per 1,000 gals)

SEWER RATE RECOMMENDATION

	Current	Recommended 2026 Rates
Monthly Base Charge	\$48.00	\$49.50
Sewer System Replacement Fund	\$3.00	\$3.00
Projected Reserves from Monthly Base Charge	\$321,704	\$389,006
Projected Reserves from Surcharges	\$134,604	\$134,604



- Summary of the adequacy of existing rates:
 - The existing monthly base charge and surcharge provide adequate revenue to cover system operation expenses and make modest contributions to reserves.
- Recommended Action:
 - Increase sewer rates.
- The Board approved the recommended action at its March 18, 2026 meeting, with an effective date of March 25, 2026.

COMMERCIAL SEWER RATE RECOMMENDATION

	Current	Recommended 2026 Rates
Monthly Base Charge	\$48.00	\$49.50
Sewer System Replacement Fund	\$3.00	\$3.00
Non-Metered Wastewater Usage (Cost/1,000 gal clean water used)	\$2.44	\$2.51
Metered Wastewater Flow* (Cost/1,000 gal wastewater produced)	\$4.51	\$4.65

*Currently only Lockheed Martin



- Summary of the adequacy of existing rates:
 - The existing monthly base charge and surcharge provide adequate revenue to cover system operation expenses and make modest contributions to reserves.

- Recommended Action:
 - Increase sewer rates.
 - Increase the commercial wastewater charge.

- The Board approved the recommended action at its March 18, 2026 meeting, with an effective date of March 25, 2026.

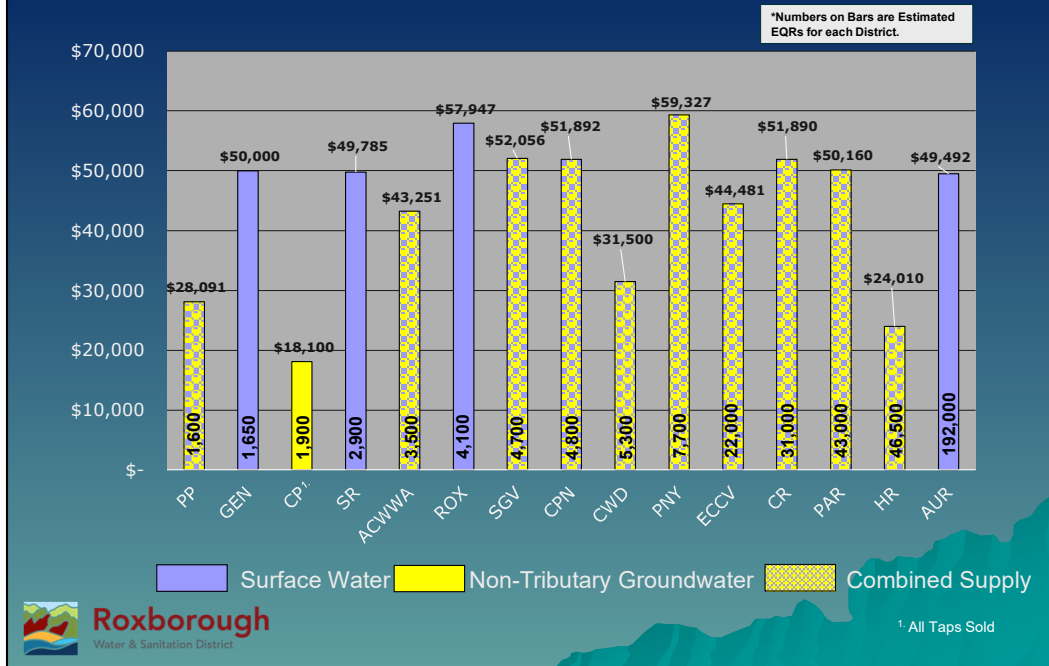
OVERVIEW

- ◆ Water Rates
- ◆ Sewer Rates
- ◆ System Development Charges



- System Development Charges (SDCs) are required for new homes connecting to the District's water and sewer systems.
- SDCs do not apply to existing customers connected to the District's water and sewer systems.

SDCs IN COMPARABLE DISTRICTS



- Comparison of rates to other districts is presented for informational purposes only. Each entity must set its own rates based on its own unique financial requirements.

SDC Summary

	2025	Recommended 2026
Water		
New Facilities	\$6,111	\$7,141
Existing Facilities Buy-In	\$27,452	\$27,415
Water Supply	\$6,456	\$6,775
Subtotal	\$40,019	\$41,331
Sewer		
New Facilities	\$1,693	\$2,453
Existing Facilities Buy-In	\$10,579	\$10,454
Outside Treatment Fees	\$5,656	\$5,656
Subtotal	\$17,928	\$18,563
Total Water and Sewer SDC	\$57,947	\$59,894



- System Development Charges are calculated to ensure that new homes pay their fair share of water and sewer infrastructure costs. The SDC is comprised of a number of components including:
 - New homes’ share of the cost of new facilities required to serve District customers.
 - Buy-In to existing systems that have been or are being paid for by existing customers.
 - Water supply.
 - Connection fee paid to Littleton for wastewater treatment service.
- For 2026, the SDC for a new home connecting to the District’s water and sewer systems is \$59,894, an increase of \$1,947 from 2025.
- Recommended Action:
 - Increase the SDC by \$1,947.
- The Board approved the recommended action at its March 18, 2026 meeting, with an effective date of March 25, 2026.