

CLEAN WATER FEE BILL STAKEHOLDER MEETING

August 4, 2016



WIFI and adobe connect

- CDPHE campus wifi
 - Network: HealthyColorado
 - *ID is **guest**, passcode is **Vax\$aves***
- Conference call in
1-857-216-6700 / Code 820116
- Adobe Connect meeting info
<https://cdphe.adobeconnect.com/wqcdfees/>

Agenda

- CW fee discussion webpage:
[www.colorado.gov/cdphe/
clean-water-fee-structure-discussion](http://www.colorado.gov/cdphe/clean-water-fee-structure-discussion)
- Start-up.
- Meeting two recap.
- Feedback received.
- Year end expenditure tracking.
- Department proposal.
- Next steps.



MEETING TWO RECAP

Meeting 2 Overview

- Meeting one and interim – recap.
- Feedback received.
- Additional scenarios.
- Questions on assumptions.
- Breakout discussion by sector.

Meeting Plan

Meeting 1

- Informational meeting.
- Policy proposal and discussion.

Meeting 2

- Discuss feedback.
- Develop policy recommendations.
- Discuss legislative proposal.

Meeting 3

- Discuss feedback.
- Finalize policy recommendations.
- Finalize legislative proposal.

Feedback Process

Mtg 1

- Online comment form
- Will be basis for second meeting

Mtg 2

- Online survey focused on policy recommendations and legislative proposal
- Will be basis for third meeting

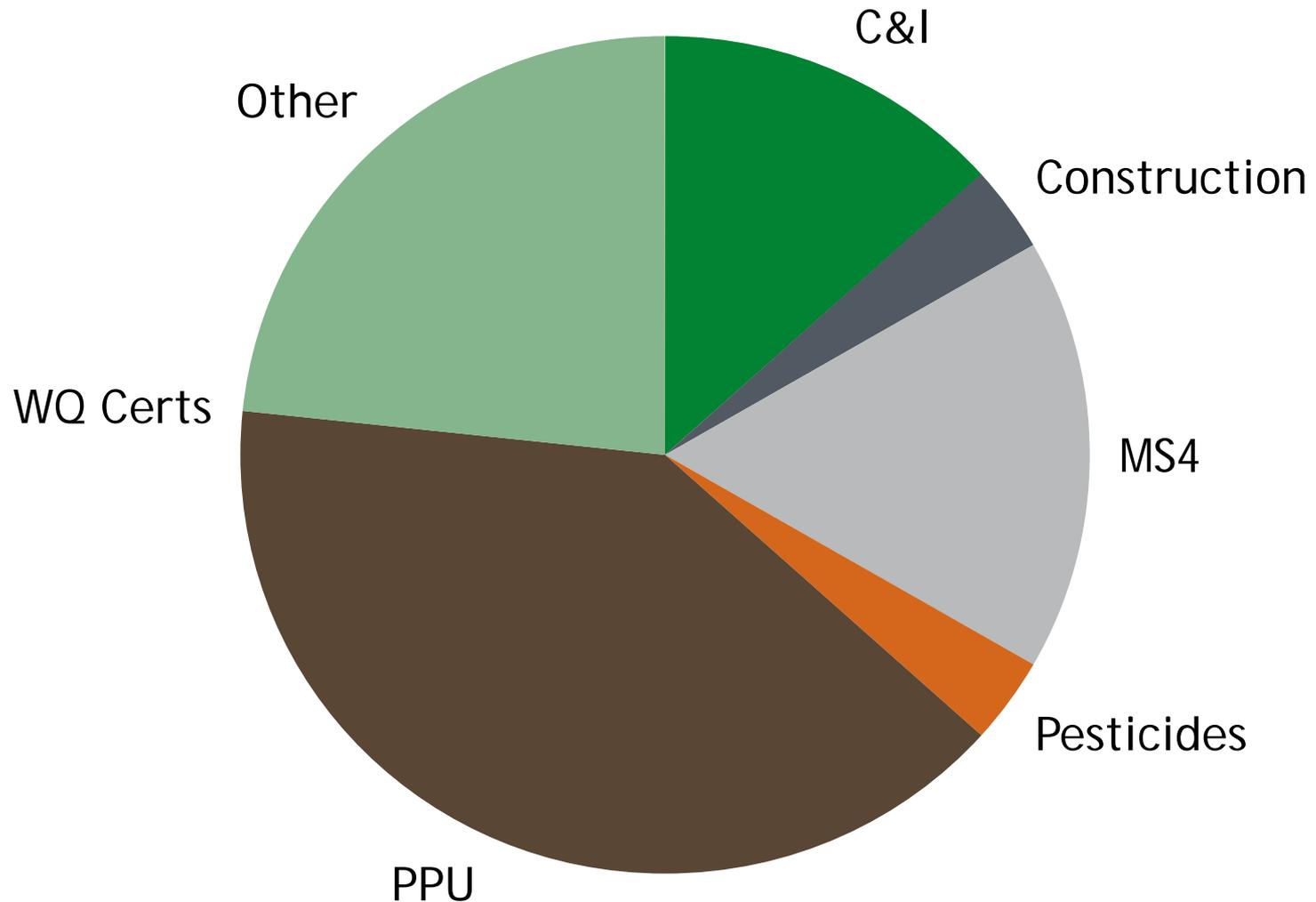
Mtg 3

- Finalize policy recommendations and legislative proposal

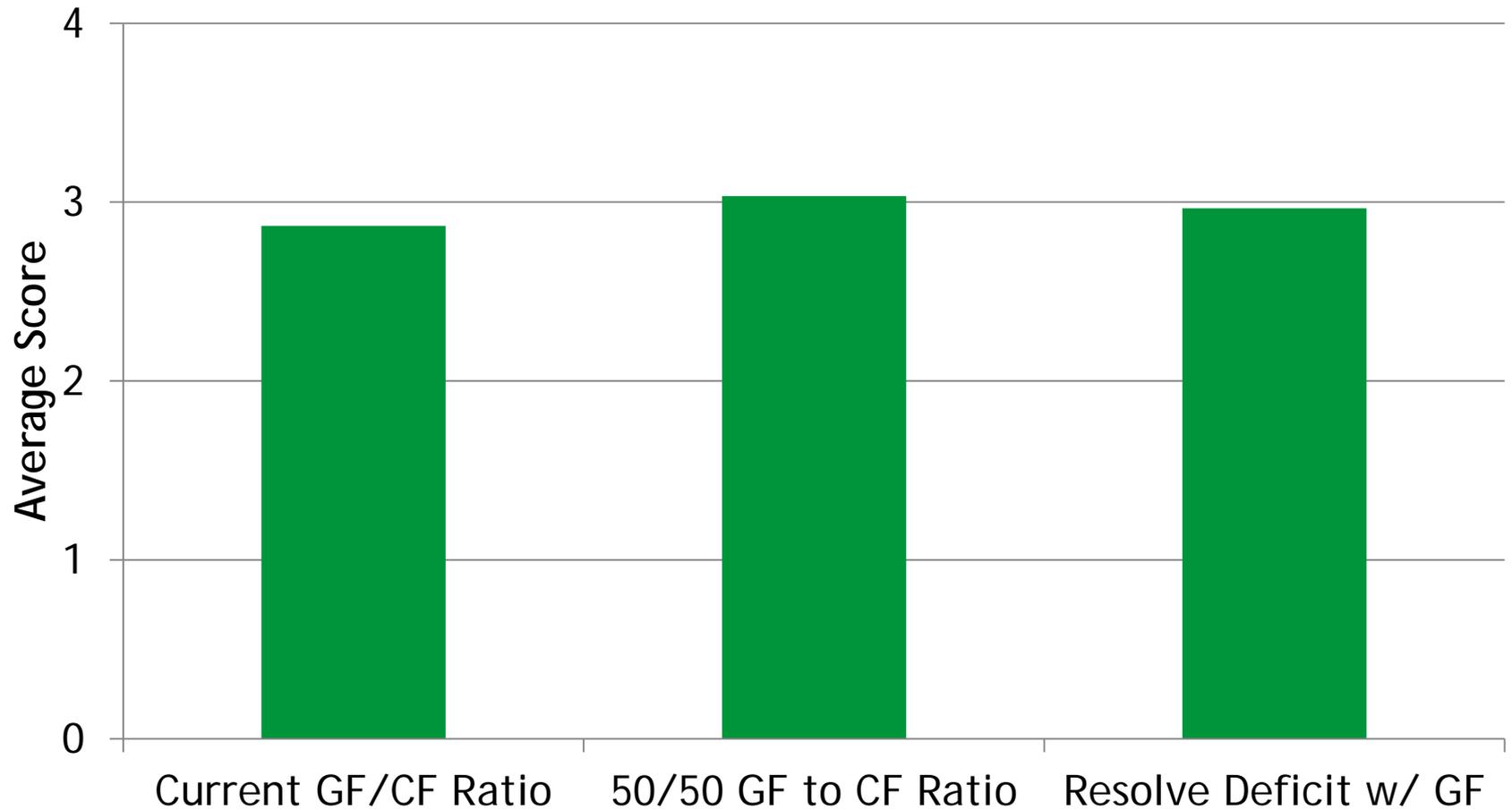


FEEDBACK RECEIVED

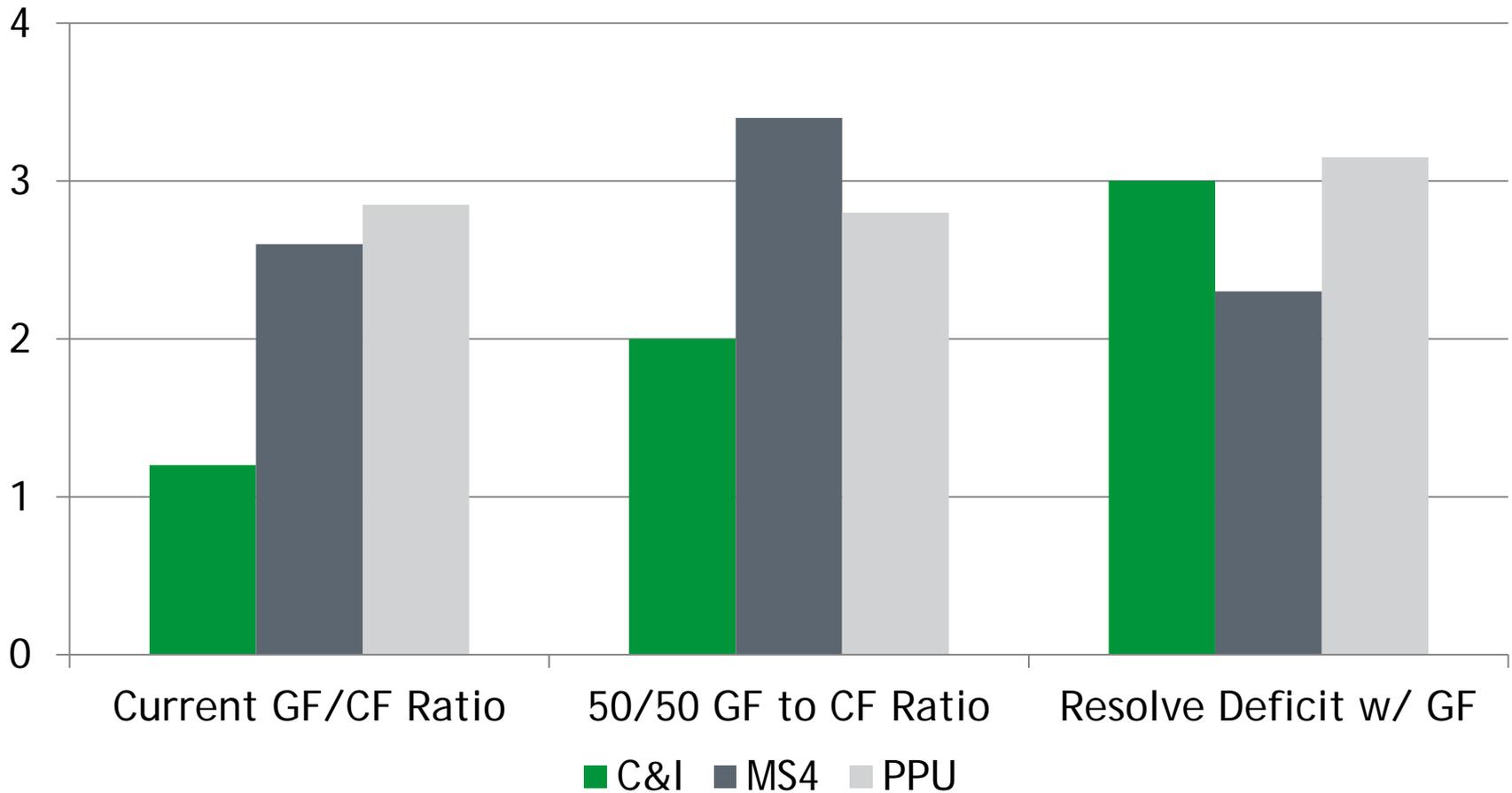
Sectors Represented



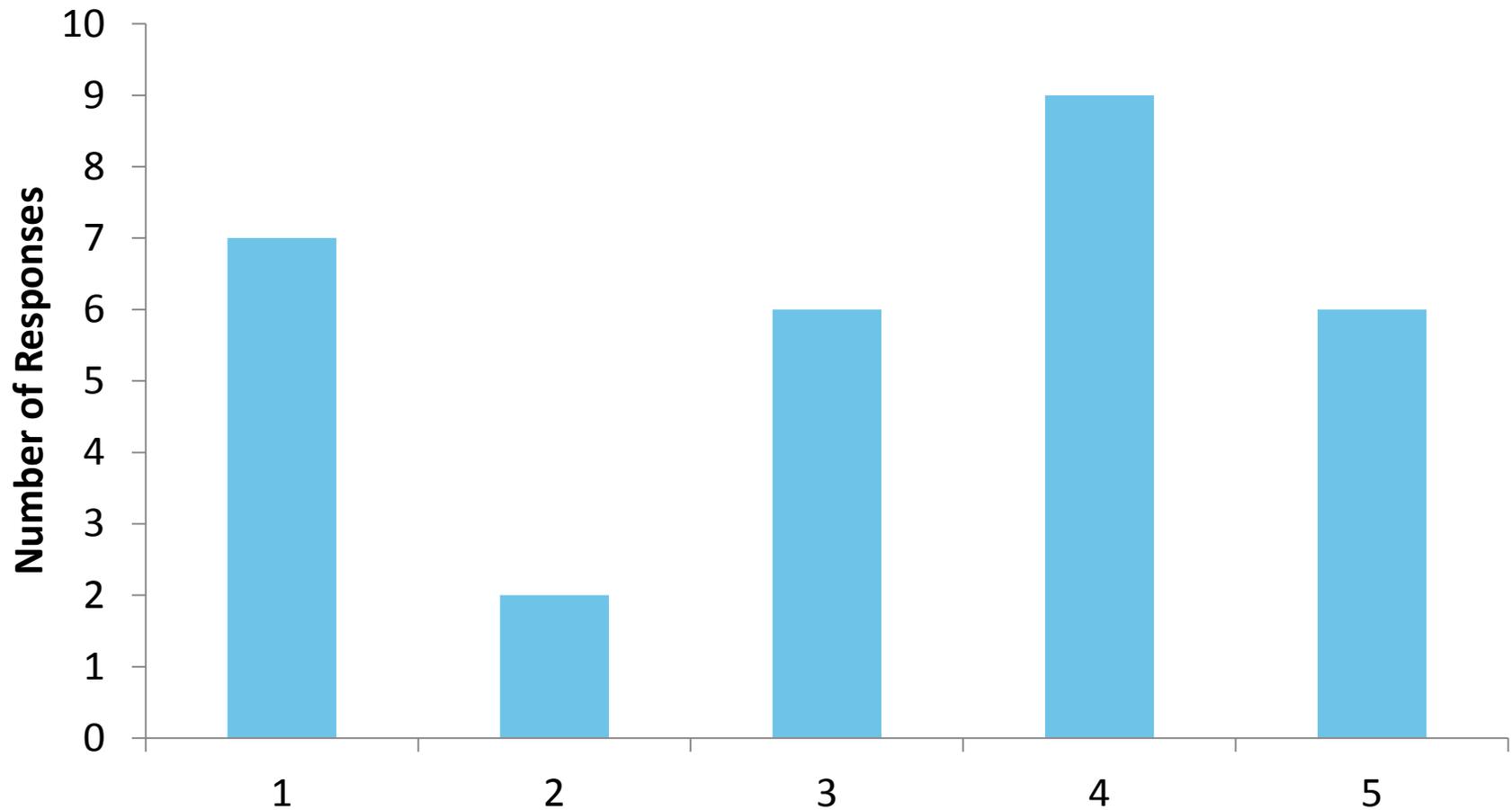
General Fund to Cash Fund Ratio Recommendations



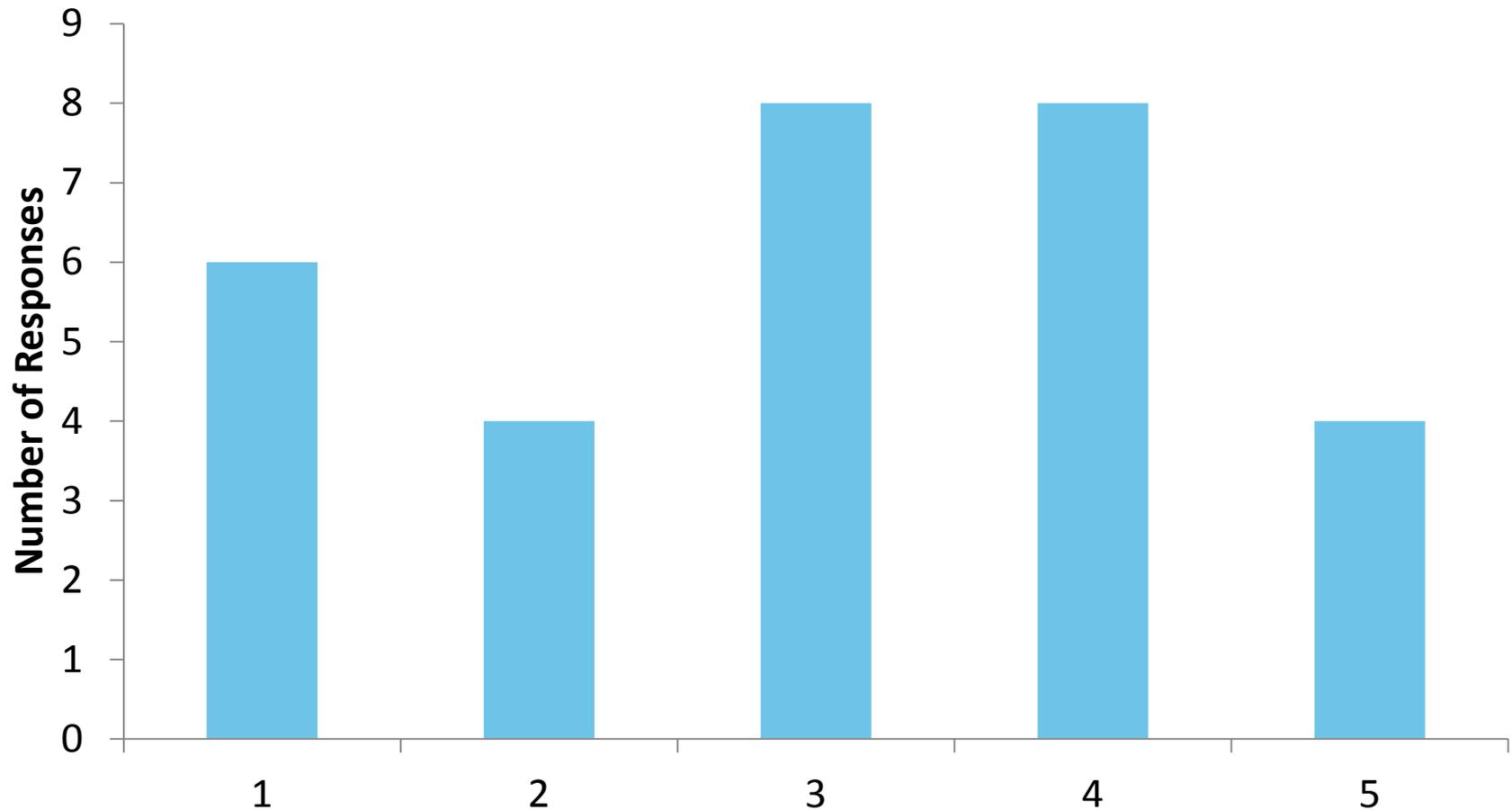
General Fund to Cash Fund Ratio Recommendations



How favorably do you view a fee cap?



How favorably do you view the WQCC settings fees within the cap?





YEAR END EXPENDITURE TRACKING

Fiscal Year 2015-16 Year End Report

- Cash revenue less than budgeted - had to hold vacancies.
- Received additional \$240K in General Fund POTS from other division's vacancy savings.
- Used funds typically set aside for operating, travel and monitoring.
- Reallocated federal funds.

FY2016-17 Budget

- Reduced cash budget by \$1.5M to match revenue projections for C&I, MS4 and PPU.
- Decreased federal funds to match award amount.

2017-18 Budget

- Used FY2016-17 total as starting point or Long Bill (HB16-1405) plus HB16-1413.
- If HB16-1413 were replaced by General Fund in perpetuity it would be a 49% increase in base General Fund compared to HB16-1405 (Long Bill).

DEPARTMENT PROPOSAL

Recommendations

1. Fees should remain in statute.
2. Fee structure should remain the same.
3. Services should remain the same, for now.
4. Develop sector specific fee changes based on General Fund/cash fund ratios.
5. Fee changes should be based on a five year forecast.
6. Develop a five week reserve or 10 percent fund balance by sector over a five year period.

Legislative Intent- General Fund to Cash Funds Ratios

Sector	General Fund Percentage	Cash Funds Percentage
Commerce and Industry	50%	50%
Construction	18%	82%
MS4	50%	50%
Pesticides	94%	6%
Public and Private Utilities	50%	50%
Water Quality Certifications	5%	95%

General Fund to Cash Fund Ratios

- 19.5% increase in base General Fund compared to HB16-1405 (Long Bill).
- General Fund to cash fund ratio 50/50 for C&I, MS4, and PPU.
- Construction, Pesticides, and Water Quality Certification handled separately based on previous fee increases.

Cash Fee Increases by Sector

Sector	Cash Fee Increase
Commerce and Industry	61%
Construction	0%
MS4	30%
Pesticides	2%
Public and Private Utilities	22%
Water Quality Certifications	2%*

*2% Increase for Tier 1 and Tier 2 Certifications to develop a fund balance

Effective Date and Phasing

- July 1, 2017.
- Phasing not recommended at this time.

Cash Fee Cap

- Not recommended (across the board) at this time.
- Sector specific pilot?



NEXT STEPS

Next Steps: Near Term

- Complete: Online survey.
 - Opens Monday, August 8
 - Closes Monday, August 22
- Finalize: CDPHE Decision Item Request.
- Review: Office of State Planning & Budgeting (OSPB).
- Review: Joint Budget Committee (JBC).

Next Steps: Long Term*

*assumes successful legislative outcome

- Year 1-3
 - October meeting to discuss year end close.
- Year 4-5
 - Begin stakeholder process to assess if fees need to be adjusted beyond five year time frame.

Contact Information

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