

# **ACTION MEMORANDUM CHATFIELD WATERSHED AUTHORITY**

**DATE:** October 11, 2022

**TO:** Chatfield Watershed Authority (CWA) Board of Directors (Board)

**FROM:** Michael Daugherty, Somach Simmons & Dunn (SSD)

**SUBJECT:** Options to seek additional funding from the State for CWA's water quality efforts

## **SUMMARY OF ACTION REQUESTED:**

The Board should vote on which of the following options it would like CWA to take regarding the options that SSD has explored for sources of additional funding. The options are as follows:

1. Discontinue effort to pursue additional funding.
2. Postpone effort until the lakes nutrients rulemaking proceeding has concluded (April 2023), at which point CWA can re-evaluate its budget for such an effort.
3. Pursue additional discussions with Colorado Parks and Wildlife (CPW) and the Department of Natural Resources (DNR) regarding sources of potential additional funding for CWA.
4. Consider amending state statute to provide a source of funding for CWA.
  - This effort would require the expenditure of money to retain a lobbyist.
  - Options include seeking legislation that (1) provides CWA with a portion of CPW's Keep Colorado Wild Pass and (2) authorizes DNR to charge a park user fee at Chatfield State Park to help fund CWA. We could also explore alternative legislative options with a lobbyist.

## **COST IMPACTS:**

The four (4) options described above vary in their cost. Option 1 would require no expenditure of money, and would result in no additional funding for CWA. Option 2 would require no immediate expenditure of money, and would result in no immediate additional funding for CWA, but would leave the door open for future discussions. Option 3 would require some expenditure of money for consultant time dedicated to CPW/DNR negotiations, and may or may not result in any additional funding, depending on the result of those negotiations. Option 4 would require significant expenditure of money (\$25,000-\$40,000 depending on the chosen lobbyist), and may result in significant additional funding for CWA, but could also result in no additional funding if the legislative effort is not successful.

## **PURPOSE / BACKGROUND:**

At the May 3, 2022, TAC meeting, TAC directed SSD to contact CPW and conduct legal research regarding the possibility of CPW providing funds to support CWA's water quality efforts in the Chatfield watershed. Given CPW's response and based on research into CPW's legal authority to direct funds to

CWA, SSD advised the TAC that the best option for pursuing additional funding from the State would be through legislation. The TAC recommended discussing these findings at the July Board meeting.

At the July 25, 2022, Board meeting, the Board discussed various options to pursue additional funding for CWA, including CPW grants and/or legislation similar to existing statutory language for Cherry Creek Basin Water Quality Authority (CCBWQA) related to a park user fee. The Board recommended TAC continue to investigate these options.

Following additional investigation, SSD determined that if CWA wishes to pursue additional funding through legislation, CWA should retain a lobbyist to handle that effort. At the August 2, 2022, TAC meeting, the TAC directed SSD to investigate the possibility of retaining a lobbyist to handle this effort. SSD prepared a list of potential lobbyist candidates for review at the September TAC meeting.

At the September 13, 2022, TAC meeting, TAC reviewed the list of potential lobbyists and directed SSD to reach out to the lobbyists to discuss the scope, timing, and cost of such an effort in anticipation of presenting that information to the Board. SSD contacted three lobbyist candidates and presented that information to the TAC at the October 4, 2022, TAC meeting.

The next legislative session begins in January 2023 and continues through June 2023. The lobbyists we interviewed indicated that bills proposing new fees often receive significant opposition in the legislature, but that following the November elections there will be a clearer picture of leadership and party dynamics in the legislature. The lobbyists also indicated that CWA could focus its efforts on the 2024 legislative session, which would provide additional time to find a bill sponsor and garner local grassroots support.

**PROPOSED MOTION to BOARD:**

Below are the four proposed options for seeking additional funding for CWA. SSD recommends the Board discuss the various options and vote to select one. Executive session is available if the Board would prefer to have a candid discussion regarding these options with its lawyer.

Motion to take a vote to select one of the following options:

1. Discontinue effort to pursue additional funding.
2. Postpone effort until the lakes nutrients rulemaking proceeding has concluded (April 2023), at which point CWA can re-evaluate its budget for such an effort.
3. Pursue additional discussions with Colorado Parks and Wildlife (CPW) and the Department of Natural Resources (DNR) regarding sources of potential additional funding for CWA.
4. Consider amending state statute to provide a source of funding for CWA, which would require retaining a lobbyist.

If the Board chooses option #4, the Board should take an additional vote on whether to: (1) seek legislation that provides CWA with a portion of CPW's Keep Colorado Wild Pass, (2) seek legislation that authorizes DNR to charge a park user fee at Chatfield State Park to help fund CWA, (3) seek either of these legislative options, depending on the level of support for each in the legislature, (4) pursue alternative legislative options.