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Policy 33 – BCWA Cost Shared Service Program

Statement of Basis and Purpose

The Bear Creek Reservoir Control Regulation at 5 C.C.R. 1002-74 identifies the Association as the responsible water quality management agency to implement the *Bear Creek Watershed Association Management Plan (BCWA Policy 28 BCWA Watershed Plan)* as developed by the Association, local governments, citizens, state agencies, and federal agencies, in a cooperative effort to assess and improve water quality in the Bear Creek Watershed. The Control Regulation directs Association membership to implement point source controls for all defined wastewater treatment facilities, control nonpoint sources throughout the watershed, conduct ongoing water quality monitoring, and submit annual reports to the Water Quality Control Division and Commission.

Program Benefits

The BCWA has determined that a shared service program is cost effective and efficient. The BCWA cost shared service program has saved the membership entities an estimated 7.5 million dollars over the last 35-years. The BCWA financial plan is outlined in *BCWA Policy 30 Financial Plan*.

The membership entity annual assessment is based on a Board adopted annual budget to support a base shared services water quality program that allows all designated Association members to meet the *provisions and intent* of the Bear Creek Control Regulation. This shared service program includes a comprehensive administrative program, co-management opportunities, field and laboratory monitoring, data analyses, reporting, special studies, and professional consultation. The program allows for simplified annual reporting to the Water Quality Control Commission without the need for independent legal representation.

As a designated management agency (*BCWA Policy 29 Integration with Other Planning efforts*), the Association is responsible for managing the system of treatment works (*BCWA Policy 23 System of Treatment Works*). A designated management agency under state law (See, *Statewide Water Quality Management Plan. Colorado Department of Public Health and Environment, Water Quality Control Division. June 1, 2011*) and the federal Clean Water Act has the authority to *raise revenues, including the assessment of appropriate fees and charges, and incur short and long-term indebtedness*.

The management agency is expected to generate sufficient revenue to implement the control regulation, including any policy intent incorporated into the regulation's state of basis and purpose. The BCWA is a self-funded organization defined under Colorado law established to meet the intent of the Bear Creek Control Regulation (*Policy 33 Financial Plan*). Management

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37-years of Watershed Management*

agencies provide a cost shared service that provides an opportunity to significantly reduce the financial requirements in meeting mandatory state and federal regulations.

The BCWA worked with the Water Quality Control Division to develop and maintain an annually updated Bear Creek Sample Plan (*BCWA Bear Creek Sample Plan*). This sample plan and the Association management plan define the current shared services program. The flexibility in monitoring design and reporting allows the Association to meet all expected requirements of the control regulation within a limited budget (*BCWA Policy 30 Financial Plan*).

In order to meet the requirements of the control regulation, the BCWA membership provides an annual assessment to cover Board adopted shared service program expenses. These expenses include administrative, monitoring and reporting costs. The program also identifies special project shared services designed to meet or improve water quality management within the watershed. The existing BCWA shared service program also provides members access to expert witnesses, professional consultation, science advisors, and watershed management at a 60% cost savings when compared with conventional consulting firms.

The *BCWA Policy 16 Membership* defines the Association membership categories and the BCWA By-Laws (BCWA PGO 30 2018 By-Laws) outline operations. The BCWA By-Laws state:

Membership Entities (See BCWA Policy 16) - All designated representatives and/or alternatives from a general-purpose government, special district and all other National Permit Discharge Elimination System (NPDES) permittees (Operational Agencies) as designated by the Colorado Department of Public Health and Environment in the Bear Creek Watershed. Active Membership Entities must pay annual dues and attend a minimum of 25% of annual Board meetings. Membership Entities with paid dues who do not attend meetings will be listed as *Dues Paid, Not Active*. In order for a Membership Entity to have a designation of *good standing* and meet the requirements of BCWA Policy 19 (Nutrient Trade Program Eligibility) or BCWA Policy 6 (Weighted Votes) they must attend at least 2 meetings per year over a 3-year period.

Non-Participants

The Water Quality Control Commission includes policy positions within the Statement of Basis and Purpose of the control regulation. In March 2005, the Commission included the following policy position in the control regulation:

Small wastewater dischargers in the watershed have chronically failed to report wasteload allocation information to the Association. This makes it difficult for the Association to comply with the annual wasteload allocation reporting requirements in this regulation. Additionally, these small dischargers have not been regular or active participants in the watershed management plan and they have not provided the necessary funding support to the watershed monitoring program. The Association is responsible for maintaining a wasteload allocation for total phosphorus among dischargers. In order to assure that adequate data are available, Bear Creek Watershed dischargers may elect to meet the monitoring requirements through participation in the Bear Creek Watershed Association's water quality monitoring program, or perform monitoring and reporting on their own, pursuant to monitoring

***Bear Creek Watershed Association
37-years of Watershed Management***

requirements in the discharge permit, and consistent with the provisions and intent of this control regulation and the water quality narrative standard for Bear Creek Reservoir.

A wastewater permitted discharger that elects not to participate in the Association shared services program is expected to meet all regulation 74 conditions included in sections 74.3 *Wasteload Allocations and Effluent Limits for Wastewater Treatment Facilities*, 74.5 *Control of Nonpoint Sources*, and 74.6 *Monitoring*. This would also include the development and maintenance of an approved water quality monitoring plan that meets all necessary quality assurance and quality control elements established under the control regulation and Clean Lakes Study (BCWA Clean Lakes Study, DRCOG 1990). Independent monitoring in the watershed would also need to be consistent with *BCWA Policy 14 Data Collection in BCW*.

The total base shared service program as defined by the Association that is necessary to meet the intent of the control regulation is about \$130,000 per year (2018 dollars). The existing shared service monitoring program as accepted by the Water Quality Control Division comprises about \$65,000 of the annual program expense. As such, an independent wastewater permitted discharger could incur administrative, monitoring, and reporting expenses in excess of \$75,000 per year to meet the full intent of the control regulation.

A minimal upstream-downstream water quality monitoring program has been suggested by the Water Quality Control Division for non-participants, as listed in the Control Regulation. This type of monitoring simply brackets the discharger's outfall, but even this minimal program is estimated to cost \$15,500 per year (2018 costs, includes laboratory, field collection and monitoring, minimal data reporting and a presentation to the Water Quality Control Commission); plus, the cost of developing a water quality monitoring plan (estimated at \$5,500).

Policy Positions

1. The BCWA Cost Share program is a measurable financial benefit to the membership entities with an average annual cost saving of \$14,000 per member.
2. The BCWA Cost Share service program reduces the financial and legal requirements in meeting mandatory state and federal regulations.
3. The BCWA supports the use of a cost shared service program as the primary funding mechanism to support the Association's watershed management program and plan, consistent with *BCWA Policy 30 Financial Plan* and the *BCWA By-Laws (PGO30 2018 By laws)*.
4. The BCWA cost share program assures membership entities are in regulatory compliance with adopted regulations and standards in the Bear Creek Watershed and other state water quality regulations consistent with federal regulations, and simplifies compliance reporting by the Association membership.
5. Membership entities have made a commitment to support a shared services water quality management program that remains cost effective and highly efficient.

*Bear Creek Watershed Association
37-years of Watershed Management*

6. Any membership entity (*BCWA Policy 16 Membership*) may opt out making their annual financial contribution to the BCWA cost shared services program (*Policy 35 membership Entity Termination and Permit Closure*), however the membership entity:
 - a. Will still be required to meet the full *provisions and intent* of the Bear Creek Control Regulation.
 - b. Is expected to provide all data, reports and other appropriate information collected in the Bear Creek Watershed to the BCWA on an annual basis (consistent with *BCWA Policy 14 Data Collection in BCW*).
 - c. Is not eligible for involvement in the BCWA total phosphorus trading program (*BCWA Policy 19 Nutrient Trade Program Eligibility; BCWA 26 Point to Point Trade Administration; BCWA Policy 1 Trading Program*).
 - d. Has no involvement with the BCWA in the re-allocation of any established wasteload allocations.
 - e. Not eligible for other shared BCWA program services or support programs.