



## Department of Natural Resources July 2015 Performance Evaluation

### Strategic Policy Initiatives

The Department of Natural Resources has identified several strategic policy initiatives for FY 2014-15 and beyond. For this performance evaluation, the Department has updated progress on the selected initiatives used in the November 3, 2014 Annual Performance Report that best capture some of the Department's strategic and operational priorities, and reflect the overall direction as identified by Department leadership. The updates reflect data as of June 30, 2015.

Additional detail for these, and other, strategic policy initiatives is available in the Department's Performance Plan, which may be accessed [here](#).

**Oil and Gas Regulation - Ensure the state's oil and gas resources are produced in an economically efficient manner that protects correlative rights and which holds operators to the highest standards in the nation for protecting public health, safety, welfare, the environment, and wildlife.**

Through its permitting, monitoring, enforcement, and restoration efforts, the Colorado Oil and Gas Conservation Commission (COGCC) seeks to encourage innovative technologies and practices that reduce environmental impacts. In FY 2013-14, the COGCC received additional field inspectors. In FY 2014-15, with greater experience and efficiency, the inspection group improved inspection frequency to an average of once every 1.5 years. The COGCC is also taking steps to reduce median permit processing times to 30 days.

**State Land Board - Develop creative and responsible ways to deliver enhanced financial outcomes for eight public trusts managed by the State Land Board, with special emphasis on its largest trust, the School Trust.**

In FY 2015-16, the State Land Board anticipates producing \$153.6 million for trust beneficiaries. In FY 2016-17, the State Land Board expects this revenue stream to decline to \$101.7 million due to lower Oil and Gas royalty and bonus revenue.

**Outdoor Recreation - Connect people to Colorado's world class outdoor and natural resources through high quality recreational opportunities and settings.**

Hunting, fishing, and wildlife viewing generate approximately \$2.5 billion in annual economic activity and support an estimated 33,800 jobs. Colorado State Parks' visitors account for another \$571 million of economic impact. As a measure of Colorado's success in providing quality outdoor opportunities, the Department aims to issue 530,000 hunting licenses, sell 1,050,000 fishing licenses, and host 12,000,000 State Park visitors in FY 2015-16. By FY 2017-18, the Department projects to sell similar number of hunting and fishing licenses and host 12,250,000 state Park visitors.

**Water Supply – Meet current and future water supply needs of the State.**

The Statewide Water Supply Initiative from 2010 found that Colorado will need an additional 600,000 to 1,000,000 acre feet of water supply to meet projected municipal and industrial water supply needs by the year 2050. This strategic policy initiative supports the implementation of new projects and methods while



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maintaining existing infrastructure through partnerships as well as technical and financial resources. Associated outcome measures seek to both maintain Colorado’s water storage as well as to build additional acre feet of water supply. Further, the Colorado Water Conservation Board will continue its work on the Colorado Water Plan, which will help the State prepare for and meet its long-term water supply needs.

**Water Administration - Maximize the beneficial use of water in accordance with state water law, decrees of the court and interstate water compacts.**

This strategic policy initiative includes the maximizing the beneficial use of water within Colorado for Colorado users and achieving full compact compliance with interstate water compacts. The benchmark is to achieve 100 percent compliance with interstate water compacts in both FY 2015-16 as well as FY 2017-18.

### Operational Measures

**Major Program Area – Oil and Gas Conservation Commission**

**Process – Permits are processed within established time frames and lay out minimum performance standards for protection of the public, the environment, and wildlife**

Measure	FY12 Actual	FY13 Actual	FY14 Actual	06/30/2015	1-Year Goal	3-Year Goal
Median number of days to process permits	29	32	52	50	30	30

Increasing complexity of permits led to lengthier review times and permit backlogs. Additional staff requested for FY15-16 is expected to reduce the number of days to process permits.

**Process – Review of operator-submitted reports and inspection of oil and gas operations; also involves responding to citizen complaints and inquiries from the general public**

Measure	FY12 Actual	FY13 Actual	FY14 Actual	06/30/2015	1-Year Goal	3-Year Goal
Average inspection frequency (years)	3.2	2.7	1.8	1.5	1.5	1.5

**Major Program Area – State Land Board**

**Process – Management of an endowment of “trust” land assets held in perpetual, intergenerational public trust for the financial support of Colorado’s public schools and other public entities**

Measure	FY12 Actual	FY13 Actual	FY14 Actual	06/30/2015	1-Year Goal	3-Year Goal
Total revenue	\$146,309,540	\$124,939,389	\$173,603,522	\$184,937,666	\$153,551,460	\$101,660,202
Non-recurring revenue	\$130,982,147	\$107,243,708	\$155,898,924	\$165,468,613	\$131,249,555	\$78,214,701



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Recurring revenue	\$15,327,393	\$17,695,681	\$17,704,598	\$19,469,053	\$22,301,905	\$23,445,502
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As illustrated in the revenue amounts, a high percentage of the State Land Board revenues are from “non-recurring” revenue streams. These revenue streams consist of bonus payments and royalties related to depleting minerals such as coal, oil and gas, and solid minerals. “Recurring” lease revenue consists of agricultural, commercial, recreational, renewable energy, water, and other contract revenue from right-of-ways and ecosystem services.

Based on year-to-date data and the low current prices of oil and gas, the State Land Board now expects to earn about \$181.3 million in total revenue in FY 2014-15.

### Major Program Area – Colorado Parks and Wildlife Process – Operation of State Park System

Measure	FY12 Actual	FY13 Actual	FY14 Actual	03/31/2015	1-Year Goal	3-Year Goal
State Park visitors	12,233,271	11,501,520	11,948,406	7,867,448	12,000,000	12,250,000

#### Process – Provide hunting recreation

Measure	FY12 Actual	FY13 Actual	FY14 Actual	03/31/2015	1-Year Goal	3-Year Goal
Number of hunting licenses issued	535,893	537,371	553,826	510,491	530,000	530,000

#### Process – Provide fishing recreation

Measure	FY12 Actual	FY13 Actual	FY14 Actual	03/31/2015	1-Year Goal	3-Year Goal
Number of fishing licenses issued	1,050,721	1,049,557	1,085,445	574,049	1,050,000	1,050,000

CPW sells a lot of licenses in the April 1 to June time frame. Last year, CPW had sold about 560,000 licenses in the same fiscal year-to-date time period.

### Major Program Area – Colorado Water Conservation Board

#### Process – Facilitating planning and dialogue at the basin and statewide level, undertaking studies and analyses related to Colorado’s water supplies and demands

Measure	FY12 Actual	FY13 Actual	FY14 Actual	FY15 Actual	1-Year Goal	3-Year Goal
Water Project Loans: Number of new loans	9	18	53	13	20	20
Water Project Loans: Dollar value of new loans	\$17,900,000	\$37,300,000	\$107,300,000	\$24,800,000	\$30,000,000	\$30,000,000

In FY 2014, the increase in the number of Water Project Loans provided was related to the CWCB Board-approved funding made available to communities and entities that were affected by the Colorado flooding disaster in September 2013. In FY 2015, the CWCB provided funding for thirteen loans at a value of \$24,800,000.



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### Major Program Area – Division of Water Resources

#### Process – Field staff work in each basin to ensure accurate water operations to assess water availability for well permit applications

Measure	FY12 Actual	FY13 Actual	FY14 Actual	06/30/2015	1-Year Goal	3-Year Goal
Number of water right and structure observations	446,868	461,292	467,026	512,574	470,000	475,000

#### Process – Interstate Compact Enforcement

Measure	FY12 Actual	FY13 Actual	FY14 Actual	06/30/2015	1-Year Goal	3-Year Goal
Full compact compliance	88.0%	88.0%	88.0%	88.0%	100.0%	100%

The benchmark for both FY 2015-16 and FY 2017-18 is 100 percent compact compliances. In this regard, Colorado is currently in full compliance with all U.S. Supreme Court Decrees, all agreements and eight out of its nine interstate water compacts. Colorado is not currently in compliance with the Republican River Compact, but continues to take a number of actions to remedy the situation.