COLORADO DEPARTMENT OF NATURAL RESOURCES
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CHANGE REQUESTS

COLORADO DEPARTMENT OF NATURAL RESOURCES
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Schedule 13
Change Request for FY 08-09 Budget Request Cycle

Decision Item FY 08-09 ☑ **Base Reduction Item FY 08-09** ☐ **Supplemental FY 07-08** ☐ **Budget Request Amendment FY 08-09** ☐

Request Title: Environmental Staff to Conduct Permit Review, Environmental Inspections, and Data Management

Department: Natural Resources **Dept. Approval by:** **Date:**

Priority Number: 1 of 18 **OSPB Approval:** **Date:**

	Fund	1 Prior-Year Actual FY 06-07	2 Appropriation FY 07-08	3 Supplemental Request FY 07-08	4 Total Revised Request FY 07-08	5 Base Request FY 08-09	6 Decision/ Base Reduction FY 08-09	7 November 1 Request FY 08-09	8 Budget Amendment FY 08-09	9 Total Revised Request FY 08-09	10 Change from Base (Column 5) FY 09-10
Total of All Line Items	**Total**	7,412,971	8,527,368	0	8,527,368	8,978,564	778,768	9,757,332	0	9,757,332	767,993
	FTE	47.00	53.00	0.00	53.00	53.00	9.00	62.00	0.00	62.00	9.00
	GF	988,656	642,689	0	642,689	831,134	0	831,134	0	831,134	0
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	2,509,742	4,961,636	0	4,961,636	5,294,768	778,768	6,073,536	0	6,073,536	767,993
	CFE	3,829,231	2,744,288	0	2,744,288	2,641,581	0	2,641,581	0	2,641,581	0
	FF	85,342	178,755	0	178,755	211,081	0	211,081	0	211,081	0
(4) Oil and Gas Conservation Commission	**Total**	4,457,447	4,862,468	0	4,862,468	4,675,823	757,224	5,433,047	0	5,433,047	734,292
	FTE	47.00	53.00	0.00	53.00	53.00	9.00	62.00	0.00	62.00	9.00
Program Costs	**GF**	0	0	0	0	0	0	0	0	0	0
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	2,297,110	4,164,277	0	4,164,277	4,323,595	757,224	5,080,819	0	5,080,819	734,292
	CFE	2,160,337	698,191	0	698,191	352,228	0	352,228	0	352,228	0
	FF	0	0	0	0	0	0	0	0	0	0
(1) Executive Director's Office	**Total**	2,295,586	2,372,285	0	2,372,285	2,372,285	6,860	2,379,145	0	2,379,145	20,580
(A) Administration and	**FTE**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Information Technology	**GF**	754,908	368,485	0	368,485	368,485	0	368,485	0	368,485	0
Vehicle Lease	**GFE**	0	0	0	0	0	0	0	0	0	0
Payments	**CF**	130,000	483,727	0	483,727	483,727	6,860	490,587	0	490,587	20,580
	CFE	1,373,617	1,478,540	0	1,478,540	1,478,540	0	1,478,540	0	1,478,540	0
	FF	37,061	41,533	0	41,533	41,533	0	41,533	0	41,533	0
(1) Excutive Director's Office	**Total**	659,938	1,078,513	0	1,078,513	1,460,124	9,997	1,470,121	0	1,470,121	9,997
(A) Administration and	**FTE**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Information Technology	**GF**	233,748	232,658	0	232,658	343,282	0	343,282	0	343,282	0
Amortization	**GFE**	0	0	0	0	0	0	0	0	0	0
Equalization	**CF**	82,632	262,590	0	262,590	366,630	9,997	376,627	0	376,627	9,997
Disbursement	**CFE**	295,277	469,702	0	469,702	618,667	0	618,667	0	618,667	0
	FF	48,281	113,563	0	113,563	131,545	0	131,545	0	131,545	0

Schedule 13
Change Request for FY 08-09 Budget Request Cycle

Decision Item FY 08-09 ☑ **Base Reduction Item FY 08-09** ☐ **Supplemental FY 07-08** ☐ **Budget Request Amendment FY 08-09** ☐

Request Title: Environmental Staff to Conduct Permit Review, Environmental Inspections, and Data Management

Department: Natural Resources **Dept. Approval by:** **Date:**

Priority Number: 1 of 18 **OSPB Approval:** **Date:**

	Fund	1 Prior-Year Actual FY 06-07	2 Appropriation FY 07-08	3 Supplemental Request FY 07-08	4 Total Revised Request FY 07-08	5 Base Request FY 08-09	6 Decision/ Base Reduction FY 08-09	7 November 1 Request FY 08-09	8 Budget Amendment FY 08-09	9 Total Revised Request FY 08-09	10 Change from Base (Column 5) FY 09-10
(1) Excutive Director's Office	**Total**	0	214,102	0	214,102	470,332	4,687	475,019	0	475,019	3,124
(A) Administration and	**FTE**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Information Technology	**GF**	0	41,546	0	41,546	119,367	0	119,367	0	119,367	0
Supplemental	**GFE**	0	0	0	0	0	0	0	0	0	0
Amortization	**CF**	0	51,042	0	51,042	120,816	4,687	125,503	0	125,503	3,124
Equalization	**CFE**	0	97,855	0	97,855	192,146	0	192,146	0	192,146	0
Disbursement	**FF**	0	23,659	0	23,659	38,003	0	38,003	0	38,003	0

Letternote revised text:

Cash Fund name/number, Federal Fund Grant name: Oil and Gas Conservation and Environmental Response Fund (Fund 170)

IT Request: ☐ **Yes** ☑ **No**

Request Affects Other Departments: ☑ **Yes** ☐ **No** **If Yes, List Other Departments Here:** DPA Fleet Management

OSPB Common Policy for FTE Requests - September 2007

FTE and Operating Costs								GRAND TOTAL	
Fiscal Year(s) of Request		**FY 08-09**	**FY 09-10**	**FY 08-09**	**FY 09-10**	**FY 08-09**	**FY 09-10**	**FY 08-09**	**FY 09-10**
PERSONAL SERVICES	**Title:**	**Environmental Protection Specialist II**		**Environmental Protection Specialist I**		**Engineering/Physical Science Technician II**			
Number of PERSONS / class title		4	4	4	4	1	1		
Number of months working in FY 08-09 and FY 09-10		12	12	12	12	12	12		
Number months paid in FY 08-09 and FY 09-10		12	12	12	12	12	12		
Calculated FTE per classification		**4.00**	**4.00**	**4.00**	**4.00**	**1.00**	**1.00**	9.00	9.00
Annual base salary		$77,563	$77,563	$64,425	$64,425	$56,880	$56,880		
Salary		$310,253	$310,253	$257,700	$257,700	$56,880	$56,880	$624,833	$624,833
PERA	**10.15%**	$31,491	$31,491	$26,157	$26,157	$5,773	$5,773	$63,421	$63,421
Medicare	**1.45%**	$4,499	$4,499	$3,737	$3,737	$825	$825	$9,061	$9,061
Prior Year SAED	**N/A**	$0	$2,327	$0	$1,933	$0	$427	$0	$4,687
Subtotal Personal Services at Division Level		**$346,243**	**$348,570**	**$287,594**	**$289,527**	**$63,478**	**$63,905**	**$697,315**	**$702,002**
Subtotal AED at EDO Long Bill Group Level	**1.60%**	**$4,964**	**$4,964**	**$4,123**	**$4,123**	**$910**	**$910**	**$9,997**	**$9,997**
Subtotal SAED at EDO Long Bill Group Level	**Varies**	**$2,327**	**$1,551**	**$1,933**	**$1,289**	**$427**	**$284**	**$4,687**	**$3,124**
Department Specific Average Cost for HLD / Employee**		$0	$0	$0	$0	$0	$0		
Subtotal for Health, Life, Dental (if over 20 FTE)	**N/A**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
Subtotal for Short Term Disability (if over 20 FTE)	**0.13%**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
OPERATING EXPENSES									
Supplies @ $500/$500***	**$500**	$2,000	$2,000	$2,000	$2,000	$500	$500	$4,500	$4,500
Computer @ $900/$0	**$900**	$0	$0	$0	$0	$900	$0	$900	$0
Laptop @ $1,578/$0 ****	**$1,578**	$6,312	$0	$6,312	$0	$0	$0	$12,624	$0
Office Suite Software @ $330/$0	**$330**	$1,320	$0	$1,320	$0	$330	$0	$2,970	$0
Office Equipment @ $2,225 /$0	**$2,225**	$8,900	$0	$0	$0	$2,225	$0	$11,125	$0
Cell phones for vehicles included in request****	**$600**	$600	$600	$2,400	$2,400	$0	$0	$3,000	$3,000
Mileage Cost per vehicle 20,000 miles @ $0.121/mile****	**$2,420**	$2,420	$2,420	$9,680	$9,680	$0	$0	$12,100	$12,100
Telephone Base @ $450/$450***	**$450**	$1,800	$1,800	$1,800	$1,800	$450	$450	$4,050	$4,050
Home office phone/fax/internet for EP specialists I = $180/mo x 12 = $2,160. ****	**$2,160**	$0	$0	$8,640	$8,640	$0	$0	$8,640	$8,640
Subtotal Operating Expenses		**$23,352**	**$6,820**	**$32,152**	**$24,520**	**$4,405**	**$950**	**$59,909**	**$32,290**
GRAND TOTAL ALL COSTS		**$376,886**	**$361,905**	**$325,802**	**$319,459**	**$69,220**	**$66,049**	**$771,908**	**$747,413**

**Estimated Health Life and Dental and Short Term Disability costs cannot be claimed for under 20 Requested FTE. If claiming more than 20 FTE for Health Life and Dental please use the agency average in your calculation as a placeholder. For Short Term Disability please use 0.13%

***The $450 for Telephone Base and $500 for Supplies will carry over each year as an acceptable expense.

**** Non-routine expenses that are required for requested positions, due to home-based offices and/or extensive field work.

Note: Vehicle Lease costs are not included in this table

CHANGE REQUEST for FY 08-09 BUDGET REQUEST CYCLE

Department:	Natural Resources
Priority Number:	**1** out of **18**
Change Request Title:	Environmental Staff to Conduct Permit Reviews, Environmental Inspections, and Data Management

SELECT ONE (click on box):

☒Decision Item FY 08-09
☐Base Reduction Item FY 08-09
☐Supplemental Request FY 07-08
☐Budget Request Amendment FY 08-09

SELECT ONE (click on box):

Supplemental or Budget Request Amendment Criterion:
☒Not a Supplemental or Budget Request Amendment
☐An emergency
☐A technical error which has a substantial effect on the operation of the program
☐New data resulting in substantial changes in funding needs
☐Unforeseen contingency such as a significant workload change

Short Summary of Request: The OGCC is requesting $778,768 cash funds for 8.0 environmental protection specialists, 1.0 environmental technician, and five state vehicles to support recommended changes to the agency's permit review process, environmental inspections, and technician assistance with data management and enforcement. Funds for this request will come from the Oil and Gas Conservation and Environmental Response Fund (Fund #170).

Background and Appropriation History: The OGCC's Program Cost line funds the OGCC's personnel and operating expenses, including 53.0 FTE, commission hearing expenses, travel expenses, vehicle mileage, information technology, and general office overhead. The employees funded through this line item are involved in field inspections, complaint response, enforcement, permitting, regulatory report reviews, environmental studies, mitigation of impacts caused by oil and gas activity, management of data related to the approximately 33,000 active and 40,000 inactive wells, and general administration.

To address the significant increase in oil and gas industry activity, this long bill line item has increased from $2,732,859 and 33.0 FTE in FY 2004-05 to $4,853,967 and 53.0 FTE in FY 2007-08. Included in the FY 2006-07 budget were four additional Environmental Protection Specialists (EPS) (FY 2006-07 Figure Setting document, dated February 15, 2006, page 37) that are now located in northwest, southwest, northeast, and southeast Colorado. These four EPSs have become fully engaged in complaint response, spill response, inspections to determine compliance with environmental rules including stormwater discharge, public outreach, oversight of major remediation projects, oversight of emergency response, and coordination with the Division of Wildlife (DOW) regarding wildlife issues. Because the new EPSs are located in the communities where the impacts and allegations of impacts are occurring, they are easily accessible to the concerned citizens and local governments. These constituents are taking full advantage of the OGCC's valuable new resources and are bringing even more concerns to the attention of the OGCC staff.

In response to these concerns and the ongoing record breaking levels of oil and gas activity, the OGCC conducted an in-depth review of its oil and gas well permitting process in spring 2007 to identify areas that could be improved. This internal assessment, aimed at further reducing risk to the environment, resulted in a recommendation to routinely involve the environmental staff in the well permitting process. Historically, permit applications have been reviewed by permit/completion technicians and engineers, with only limited involvement of the environmental protection specialists. The proposed additional level of scrutiny for every permit application would be a major change to the permit process and, without additional staff to perform the reviews, significant delays in the issuance of permits would be expected. Staff members with experience and expertise in protection of environmental resources are needed to conduct the reviews.

The proposed updates to the permitting process will address many issues that drove the oil and gas related legislation in 2007, and conducting more regular on-site environmental assessments of oil and gas facilities will further reduce impacts to the surface, water resources, and wildlife.

General Description of Request:

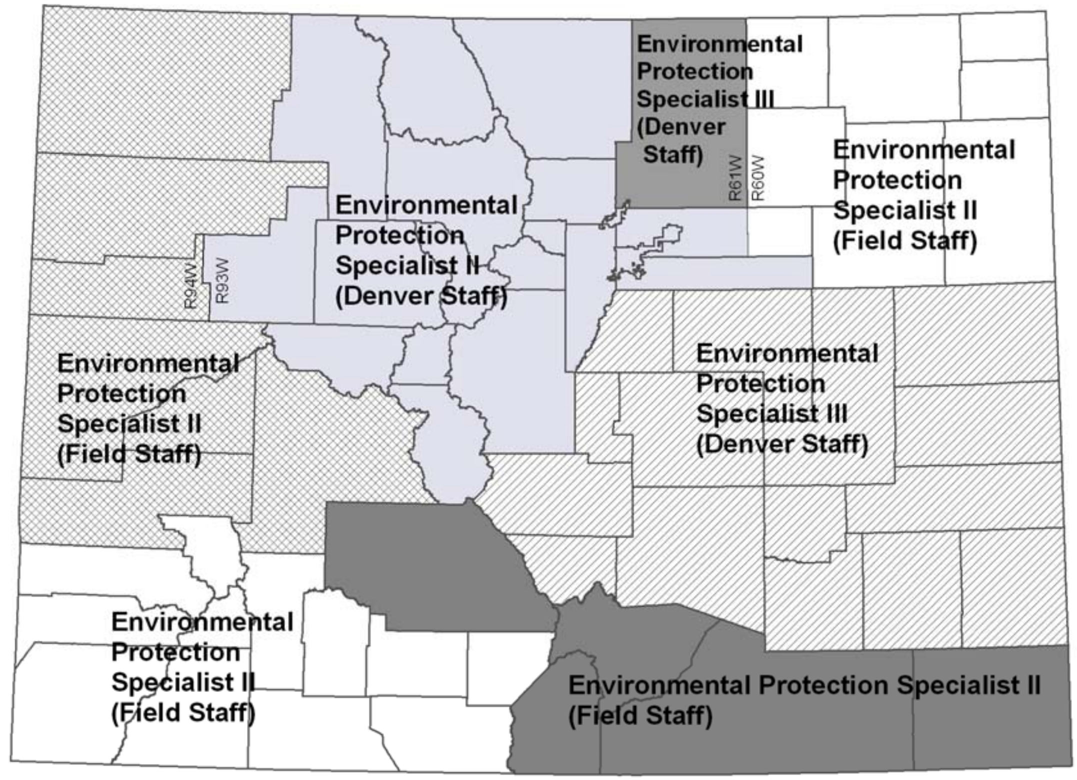
This is a multi-component request that addresses the OGCC's need for three new types of environmental personnel: Environmental Protection Specialist II's for permit application reviews; Environmental Protection Specialist I's, for environmental inspections; and an Environmental Technician, to assist in the data management and enforcement activities of a growing environmental staff.

Environmental Protection Specialists II (4.0 FTE) 3 located in the Denver office and 1 in the Rifle office:
Under the proposed change to the OGCC's permitting process, environmental protection specialists would conduct more thorough reviews of specific aspects of oil and gas well permit applications, such as proximity to and type of water resource, geologic structures, and surface deposits. They would use topographic maps and aerial photos to a greater extent than the permit/compliance technicians and engineers to verify environmental information. "Ground-truthing" some of the permit applications in the field would be an important part of this environmental review, as some oil and gas operators do not accurately describe types of water resources and other information essential for assessing environmental risk. It would be in the public's interest for OGCC environmental staff to verify the vulnerability of these to impacts from oil and gas development. Field inspections of proposed well locations and associated facilities would be conducted in every situation where new oil and gas operations have reasonable potential to cause adverse impacts to public health, safety, and welfare and the environment. Paperwork reviews and/or field inspections could lead to additional requirements being placed on the permit to ensure that adverse impacts do not occur.

To avoid a bottleneck in the permitting process and excessive delays for permits, the OGCC recommends the addition of four environmental protection specialists, who would focus entirely on reviewing permit applications and inspecting proposed locations, as necessary. The existing environmental staff would stay focused on complaint response, enforcement, and special environmental protection and mitigation studies.

Three of the four requested EPS positions would be located in the Denver office and one would be located in the new Rifle office, because engineers involved in the well permitting process for the northwest area are located there. With three state vehicles already assigned to this remote office, an additional vehicle would not be required for this particular Rifle-based FTE. Three vehicles can be shared by the four employees who will be working in the Rifle office. The three additional FTE in Denver, however, would drive the need for an additional office pool vehicle, because the four existing vehicles shared by fourteen frequent travelers are too heavily used to accommodate the needs of three new Denver-based employees. The OGCC estimates that the new environmental protection specialists would spend 30% of their time in the field. A minimum of one vehicle would be needed for that amount of field time for three employees.

Environmental Inspectors (Environmental Protection Specialists I, 4.0 FTE) 2 located in northwest Colorado, 1 in southwest Colorado, and 1 in the eastern plains area:
Due to the continuing high level of oil and gas drilling activity and the increasing number of active wells requiring the oversight of the OGCC, the agency's current environmental staff of eight environmental protection specialists is unable to enforce at the level expected by its constituents. The eight EPSs respond to complaints and conduct some routine environmental inspections. But they are frequently diverted to special projects, such as gas seep mitigation, regional ground water studies, reclamation of orphaned sites, remediation of spills and releases, participation in study groups focusing on impacts to wildlife, and oversight of emergency situations (i.e. Bryce 1-X explosion in La Plata County, Bouvier house explosion in Las Animas County, and the uncontrolled release of gas from the CIG gas storage field in Morgan County). The map below shows the distribution of seven current environmental staff members. Four are based in the field and three work out of the Denver office. The map does not include the eighth EPS, a surface protection specialist, who works with landowners and operators throughout the state and conducts special projects where needed.

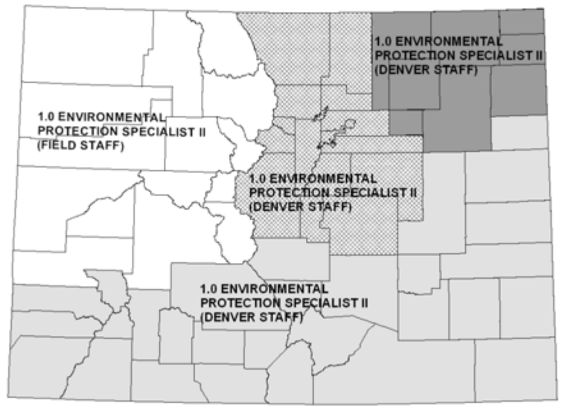


Current Distribution of Environmental Staff

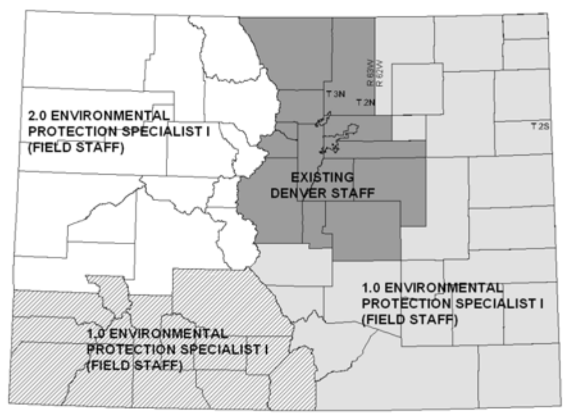
The requested Environmental Inspectors would work out of remote home-based offices and focus on routine inspections for site reclamation. These inspections would be one of their highest priorities, due to the importance of interim reclamation in reducing overall impact to surface owners and wildlife habitat.

Because the Environmental Inspectors would be residing in or in close proximity to areas of high oil and gas activities, they would also be able to quickly respond to complaints and collect water and soil samples, but complex investigations of these complaints would be left to the higher level EPS IIs. The Environmental Inspectors would conduct inspections of oil and gas operations, including wellpads, access roads, and associated production facilities to ensure compliance with OGCC rules, orders, and conditions of approval placed on applications for permits to drill; and follow-up inspections to ensure previous violations of OGCC rules are corrected. The Environmental Inspectors would not routinely be involved in the special environmental projects and investigations, or in the review and approval of exploration and production waste management permits that are conducted by or overseen by the EPS II's. Four such EPS IIs, who work out of remote home-based offices, have been so consumed with this type of work that they cannot conduct enough routine site inspections to enforce the OGCC's reclamation rules.

Each of these Environmental Inspectors will need a personally assigned State vehicle, as they will work from a home-based office and spend most of their time (80%) in the field. The distribution of these inspectors and the EPS IIs requested for permit review are shown on the maps below.



Requested Environmental Protection Specialists
for Permit Review



Requested Environmental Field Inspectors

Environmental Technician (Engineering/Physical Scientist Tech II, 1.0 FTE):
The addition of 8.0 environmental protection specialists to the OGCC would bring the total environmental contingency to 17.0 FTE, with no support staff. An engineering/ environmental technician was added to the agency in FY 2006-07 to assist both the engineering and environmental units, but the needs were so great in both units that the position was dedicated to the larger engineering group, while the environmental group continued to rely on part-time contract help.

This requested position would manage and maintain information on water wells that are the subject of OGCC investigations, gas seeps around the state, and analytical results from formation pressure tests, as well as prepare maps and summary data reports of these and other data. The organized and compiled data would facilitate analysis by the environmental staff to determine whether impacts from oil and gas operations are occurring or have the potential to occur. The position would also track compliance with requirements to submit environmental data that are contained in various Commission Orders and drilling permits to ensure that public health, safety, welfare, wildlife, and the environment are being protected. This compliance tracking, while very important, has not been performed on a regular basis due to other increasing high priority tasks. This work would allow the OGCC to take a more proactive role in anticipating, responding to, and mitigating public health, safety, and welfare and environmental impacts related to oil and gas operations.

Another important task that needs more attention is maintaining complaint, spill/release, remediation, and special project files. Reviewing and entering analytical data that is received in a variety of formats from different laboratories would also improve the efficiency of the environmental unit.

Consequences if Not Funded:

One of the highest priorities of the General Assembly and the Governor during the 2007 legislative session was to reduce impacts to public health, the environment, and wildlife resources from oil and gas development. Not funding this request in FY 2008-09 will significantly delay the increased oversight of the oil and gas industry that is expected by the General Assembly, the Governor, local government, and the public.

Calculations for Request:

Summary of Request FY 08-09	**Total Funds**	**General Fund**	**Cash Funds (Fund 170)**	**Cash Funds Exempt**	**Federal Funds**	**FTE**
Total Request	$778,768		$778,768			9.0
Program Costs	$757,224		$757,224			9.0
Executive Directors Office - Vehicle Lease Payments	$6,860		$6,860			0.0
Executive Directors Office - Amortization Equalization Disbursement	$9,997		$9,997			0.0
Executive Directors Office - Supplemental Amortization Equalization Disbursement	$4,687		$4,687			0.0

Summary of Request FY 09-10	**Total Funds**	**General Fund**	**Cash Funds (Fund 170)**	**Cash Funds Exempt**	**Federal Funds**	**FTE**
Total Request	$767,993		$767,993			9.0
Program Costs	$734,292		$734,292			9.0
Executive Directors Office - Vehicle Lease Payments	$20,580		$20,580			0.0
Executive Directors Office - Amortization Equalization Disbursement	$9,997		$9,997			0.0
Executive Directors Office - Supplemental Amortization Equalization Disbursement	$3,124		$3,124			0.0

Assumptions for Calculations:

- FTEs are employed 12 months in fiscal years 2008-09 and 2009-10.

- The requested EPS I's and the Engineering/Physical Scientist Technician II are hired at 25% above range minimum. The requested EPS II's are hired at 30% above range minimum. These estimates are based on the salary requirements of recently hired employees with environmental/geological experience. Historically, state salaries for these disciplines have been low compared to oil and gas industry salaries, but the wage gap has grown significantly over the last five years. The nation-wide shortage of qualified oil and gas personnel drove the average salary for geological personnel, with 3 to 5 years experience, to $89,600 in 2006, a 33% increase over 2001 salaries. These figures are based on the annual salary survey published by the American Association of Petroleum Geologists (AAPG) in April 2007. The OGCC's minimum requirement for EPS I's is 3 to 5 years of experience. At least 6 to 9 years of experience is required for an EPS II. That level of experience, as reported by AAPG, is earning an average annual salary of $98,500. Environmental protection specialists hired by the OGCC are qualified to work as geologists, or in similarly compensated environmental positions, in the oil and gas industry.

  At the requested annual starting salaries of $64,425, $77,563, and $56,880 for EPS I's, EPS II's, and the Engineering/Physical Scientist Technician II, respectively, this decision item does not attempt to match industry salaries. The requested salaries, however, are at the minimum needed to attract a few candidates who have industry experience and the desire to work in public service.

- All four field based environmental inspectors will be assigned a State vehicle. The three Denver-based EPS II's will share one vehicle. A total of five new vehicles are included in the Executive Director's Office - Vehicle Lease Payments line.

- 4-wheel drive vehicles are needed to access well locations.

- Hybrid SUVs will be ordered if State Fleet's vendor can provide appropriate hybrid vehicles for use on oil and gas lease roads.

- Vehicle lease payment and variable rate paid to State Fleet is estimated at $343/month and $0.121/mile, respectively for hybrid SUVs for FY 08-09 - per 7/20/07 discussion with State Fleet.

- Employees will be driving temporary vehicles from State Fleet until permanent vehicles arrive; therefore the variable vehicle expenses (for mileage) will be incurred for the entire 12 months the FTE's are expected to be employed in FY 2008-09.

- Laptops (quoted in June 2007 for a Dell 520 @ $1,578) are required for employees who are frequently in the field. These field laptops must be capable of holding all data in the Colorado Oil and Gas Information System (COGIS) database and run the programs that access the data.

- For safety and business purposes, cell phones are provided for all State owned vehicles. When a vehicle is shared among several employees, the cell phone assigned to the vehicle is also shared.

Impact on Other Government Agencies: HB07-1341 and HB07-1298 require the OGCC to include the Colorado Department of Public Health and Environment (CDPHE) and the Division of Wildlife (DOW) in its rulemaking and drilling permit review process. These statutory changes will likely result in the identification of previously unregulated aspects of the oil and gas industry and the promulgation of new rules to address them. It also appears likely that CDPHE staff will become more involved with public health-based and air quality issues, while the OGCC staff will continue to take the lead in ground water, surface water, reclamation, and other environmental matters and the implementation of OGCC rules. The additional environmental staff would assist the OGCC in its efforts to enforce existing rules, as well as be in place and prepared to enforce additional rules that are expected. No conflicts with CDPHE and DOW are expected.

The Department of Personnel and Administration's Fleet Management division would be impacted by the addition of five State owned vehicles.

Cost Benefit Analysis: A cost benefit analysis has been prepared for each of the three types of environmental personnel requested.

The following charts provide an analysis of some of the major potential risks to public health, safety, welfare and the environment created by oil and gas activity that the OGCC will not be able to adequately address without the approval of this request. There are incremental risks associated with the diminished ability of the OGCC to focus on; 1) the environmental review of applications for permits to drill, 2) the environmental oversight of oil and gas operations, and 3) the identification of operators' non-compliance with environmental requirements and the management of water well, formation pressure test, and gas seep data. The charts assign a potential cost of each risk item to effected entities and calculate total potential annual cost avoidance.

Environmental Protection Specialist II (4.0 FTE; $378,258 FY 08-09; $366,021 FY 09-10)

Assessment of Annual Incremental Risk Attributed to Alternative 2 - "No Action"
(not funding 4 new EPS II for reviewing of Applications for Permits to Drill)

Issue	Impact to	Cost Per Occurrence	Annual Frequency	Annual Cost of Impacts	Health Safety and Welfare Impact	Incremental Risk Factor	Cost of Incremental Risk	Cost Incurred by
Contamination from improperly constructed wells, due to lack of review of site specific geology and hydrogeologic data. [A]	Surface owners, surface waters, soils, ground water	$60,000	5	$300,000	High	50%	$150,000	Industry and OGCC
Contamination from improperly located & constructed well pads, access roads, drilling pits & associated production facilities, due to lack of review of site specific surface water resource data. [B]	Surface owners, surface waters, soils	$50,000	25	$1,250,000	High	50%	$625,000	Industry and OGCC
Excessive disturbance to surface and wildlife habitat from improperly located well pads access roads, & associated production facilities, due to lack of review of site specific conditions and mitigation requirements. [C]	Surface owners, surface waters, soils, ground water, wildlife	$20,000	100	$2,000,000	High	50%	$1,000,000	Industry and OGCC
Total Cost							**$1,775,000**	

Footnotes:

A. As part of the current review of applications for permits to drill, the engineering staff uses information from the State Engineer's Office to determine the depths of the water wells in the vicinity of every proposed oil and gas well. The engineering staff uses these depths to determine the amount of surface casing and cement that are necessary to cover the ground water resources that are being used in the area and protect them from impacts from oil and gas drilling and production. In addition to the engineers' comprehensive review, the new EPS IIs would review other site specific geologic and hydrogeologic data, which would be especially valuable in determining appropriate conductor pipe, surface casing, and cement requirements in areas that do not have any water wells or in areas for which the State Engineer's Office does not have data on existing wells. The new EPS IIs would also review the OGCC records for old plugged and abandoned wells in the vicinity of the proposed well to evaluate the adequacy of the cement plugs and for old oil and gas wells that have been converted to water wells to evaluate their potential to act as conduits for hydrocarbon migration into fresh water aquifers.

Failure to review site specific geologic, hydrogeologic, and old oil and gas well data creates the potential for water wells to be contaminated because of inadequate quantities of conductor pipe, surface casing, and cement. Treatment and monitoring systems can be installed to mitigate impacts from hydrocarbon or other exploration and production waste. For domestic water wells these systems can be very expensive to install and maintain. The agency assumes a cost of approximately $60,000 per system, which includes the costs for installing a vent on the water well, an air sparging system to remove the hydrocarbon, a chlorination system to disinfect treated water, a shed to contain treatment equipment, a vent on the shed, an underground cistern to store treated water, a methane detection system in the shed and residence, and routine maintenance of the system. The agency assumes that five water wells have the potential to be impacted by oil and gas wells that are improperly constructed or plugged and abandoned because site specific geologic, hydrogeologic, and old oil and gas well data are not currently reviewed. This figure represents a portion of the total number of water wells (8) that were contaminated in FY 2006-07 and the water wells (11) that had been impacted in FY 2007-08 as of July 31, 2007.

It is estimated that the additional review of applications for permits to drill provided by the four new EPS IIs would eliminate at least 50% of these occurrences.

B. By reviewing site specific geologic and hydrogeologic data, including surface water resources, Army Corp of Engineers 404 Permits, and topography, the requested EPS IIs would help determine whether additional conditions of approval should be applied to a drilling permit to ensure surface water resources are protected. Review would include wellpads, drilling pits, access roads, and associated production facilities. If required to confirm site specific conditions, the new EPS IIs would conduct pre-construction site inspections.

The failure to review site specific geologic and hydrogeologic data and to conduct pre-construction site inspections, creates a potential for surface water to be contaminated by oil and gas operations, storm water runoff, and improperly constructed drilling pits. Impacts to surface water have the potential to impact wildlife and the public. Remediation of contamination of surface water resources from hydrocarbon, drilling fluid, or other exploration and production waste can be very costly; the agency assumes an average remediation cost of $50,000 for each incident, based on the estimated costs to collect and analyze surface water and waste samples, recover and dispose of the spilled/released waste and impacted water, remediate soil, wetland vegetation, and shallow ground water that may be in contact with the impacted surface water and waste, reclaim areas necessarily disturbed by the remediation activities, and monitor surface water to verify the success of the remediation. The agency assumes that 25 surface water resources have the potential to be impacted by improperly constructed wellpads, drilling pits, access roads, and associated production facilities because site specific geologic and hydrogeologic data are not currently reviewed. It is estimated that the additional review of applications for permits to drill provided by the new EPS IIs would eliminate about 50% of these occurrences.

C. The new EPS IIs would also work with and encourage operators to develop comprehensive development plans that will address land disturbance and wildlife habitat issues. The failure to review site specific data creates a potential for excessive disturbance to land surface and wildlife habitat. Mitigation, remediation, and reclamation of such disturbances can be very costly; the agency assumes an average cost of $20,000 per incident, based on an estimated average of 2 acres of land being unnecessarily disturbed and an average cost of $10,000 per acre to recontour, stabilize with erosion and stormwater controls (berms, diversions, erosion blankets, silt barriers, check dams, sediment traps, and other stormwater management devices), maintain these controls, reseed, manage and eliminate weeds, and on non-cropland reestablish perennial vegetation. The agency assumes that 100 sites have the potential for excessive disturbance to land surface or wildlife habitat from oil and gas well pads, access roads, and associated production facilities that are improperly constructed because site specific geologic and hydrogeologic data are not currently reviewed. It is estimated that the additional review of applications for permits to drill provided by the 4 new EPS IIs would eliminate about 50% of these occurrences.

The 4 EPS IIs in this request have a second full year cost of $366,021, which is substantially less than the $1,775,000 of incremental risk that is avoided. ***Therefore, the benefit-cost ratio is 4.8.***

Environmental Inspectors (Environmental Protection Specialist I; 4.0 FTE; $331,290 FY 08-09; $335,923 FY 09-10)

Assessment of Annual Incremental Risk Attributed to Alternative 2 - "No Action" (not funding 4 Environmental Inspector positions)

Issue	Impact to	Cost Per Occurrence	Annual Frequency	Annual Cost of Impacts	Health Safety and Welfare Impact	Incremental Risk Factor	Cost of Incremental Risk	Cost Incurred by
Contamination from unreported leaking production equipment and pits. [A]	Surface owners, surface waters, soils, ground water	$25,000	25	$625,000	High	75%	$468,750	Industry and OGCC
Delayed compliance with interim reclamation rules for wellpads, access roads, and production facilities. [B]	Surface owners, wildlife, surface waters, soils	$10,000	250	$2,500,000	High	100%	$2,500,000	Industry, OGCC, and Surface Owner
Unauthorized discharge and improper disposal of produced water or other exploration and production wastes.[C]	Surface owners, surface waters, soils, ground water, wildlife	$65,000	12	$780,000	High	50%	$390,000	Industry and OGCC
Total Cost							**$3,358,750**	

Footnotes:

A. Contamination from leaking production equipment and pits. The new Environmental Inspectors would conduct additional inspections on production facilities and pits to ensure they are not leaking produced water or other exploration and production wastes to ground or surface water, or to adjacent land. Mitigation, remediation, and reclamation of impacts from leaking production equipment and pits can be very costly. As an example, the average cost for the excavation, removal, and disposal of soils impacted by oil from leaking production equipment and improperly managed pits is approximately $50/cubic yard. The OGCC staff has seen oil impacted areas ranging from approximately 25 cubic yards to 10,000 cubic yards. The average cost to investigate and remediate spills/releases of exploration and production waste is approximately $25,000, based on an estimated average of 500 cubic yards of oil impacted soil and $50 per cubic yard cost for excavation, removal, and disposal. The agency assumes that 25 sites have the potential to be impacted from unreported spills/releases from pits and production equipment. It is estimated that the additional inspections conducted by the four new Environmental Inspectors would eliminate about 75% of these occurrences. Although detection and early enforcement response to these situations would not eliminate all impacts, it would keep the impacted areas and volumes of released waste to the environment smaller. This would reduce the amount of time and money needed for remediation and reclamation.

B. Due to workload, insufficient staff, and other high priority work, interim reclamation inspections are not performed on a frequency or schedule that would ensure the highest protection to surface owners, wildlife, and water resources. Although detection and early enforcement on operators not in compliance with OGCC interim reclamation rules would not eliminate all impacts, it would significantly reduce the potential for sediment from the unreclaimed areas to impact adjacent land and water resources, decrease the amount of time the disturbed land was unavailable for crops, livestock, and wildlife habitat, and decrease the overall costs for reclamation.

Of the interim reclamation inspections conducted by the new Environmental Inspectors, the agency assumes that at least 250 sites would not be in compliance with OGCC's interim reclamation rules. The OGCC estimates the average lost value of this land to be about $5,000 per acre. The area impacted by non-compliance is typically one acre per well site, therefore the lost value per site is approximately $5,000. The additional cost to reclaim these sites, when interim reclamation rules are violated, averages about $5,000. If the responsible party goes bankrupt the reclamation costs are usually borne by the State. Therefore, the total cost that can be avoided through early detection and enforcement is $10,000 per site. The additional inspections that would be conducted by the four proposed Environmental Inspectors are expected to eliminate about 100% of these occurrences.

C. Because of the record breaking levels of oil and gas development in the state, there has been an increase in the number of incidents of unauthorized discharge of produced water and improper disposal of other exploration and production wastes. Additional field presence of the environmental staff will allow the OGCC to respond rapidly to complaints about this sort of illegal activity and, catch and enforce against operators, and conduct additional inspections that would discourage the use of illegal methods of waste disposal. Mitigation, remediation, and reclamation of impacts from the unauthorized discharge or illegal disposal of exploration and production wastes can be very costly.

As an example, the average cost to remediate land that has been impacted by high concentrations of salts from the unauthorized or illegal discharge of produced water is approximately $13,000 per acre. The OGCC has seen salt impacted areas ranging from about one acre to 25 acres. The agency assumes an average remediation cost of $65,000 for each incident, based on an estimated average of five acres of land impacted by salt from produced water and $13,000 per acre cost for remediation. The agency assumes that 12 incidents of unauthorized discharge or illegal disposal of exploration and production wastes have the potential to occur annually. It is estimated that the additional inspections and complaint response provided by the four new Environmental Inspectors would eliminate about 50% of these occurrences.

The four Environmental Inspectors in this request have a second full year cost of $335,923, which is substantially less than the $3,358,750 of incremental risk that is avoided. ***The benefit-cost ratio is therefore 10.0.***

Environmental Technician (Engineering/Physical Science Technician II;1.0 FTE; $69,220 FY 08-09; $66,049 FY 09-10)

Assessment of Annual Incremental Risk Attributed to No Action Alternative (not funding an Environmental Technician)

Issue	Impact to	Cost Per Occurrence	Annual Frequency	Annual Cost of Impacts	Health Safety and Welfare Impact	Incremental Risk Factor	Cost of Incremental Risk	Cost Incurred by
Impacts to water wells due to delays in identifying non-compliance with environmental requirements from Orders and conditions of approval for drilling permits. [A]	OGCER Fund and Surface owners, surface waters, soils, ground water	$60,000	2	$120,000	High	50%	$60,000	OGCC & Industry
Wells becoming state's responsibility (orphaned) due to delays in identifying inactive wells and inadequately plugged and abandoned wells in coalbed methane basins. [B]	OGCER Fund	$25,000	5	$125,000	Medium	50%	$62,500	OGCC
Impacts to water wells. [C]	Surface owners, surface waters, soils, ground water	$60,000	2	$120,000	High	100%	$120,000	OGCC & Industry
Impacts to public health, safety, the environment, and wildlife & water resources due to gas seeps. [D]	Surface owners, surface waters, soils, ground water	$250,000	1	$250,000	High	10%	$25,000	OGCC & Industry
Total Cost							**$267,500**	

Footnotes:

A. Operators of wells that are not in compliance with various environmental requirements from Commission Orders and conditions of approval for applications for permits to drill will be identified. Staff will then require the operator to conduct the necessary test or to collect and submit the required data. This information will be compiled by the Environmental Technician and used by the environmental staff to determine whether there are impacts or potential for impacts to public health, safety, and welfare, and the environment including water resources and wildlife. If impacts are discovered or appear to have the potential to occur, then the operator will be required to submit a Form 27 Site Investigation/Remediation Workplan for approval and to remediate impacts. Identifying impacts as early as possible will help limit the spread of contamination and the aerial extent of the impacts, which in turn will reduce the costs for remediation.

Cost per occurrence for this issue is based on the cost of plugging a contaminated water well and drilling a new water well. The agency assumes that two incidences occur per year that could be identified if all required data were provided to the OGCC and if the Environmental Technician would compile these data for analysis by the environmental staff. The Environmental Technician would eliminate about 50% of these occurrences.

B. Delays in identifying inactive wells with a high potential to become orphaned increases the State's potential liability. Delays in identifying plugged and abandoned wells in coalbed methane (CBM) basins, such as the San Juan and Raton Basins, increases the potential risks of explosion caused by methane gas seepage from these wells. Delays in tracking new exploratory CBM development in parts of other basins limits the OGCC's ability to require proactive environmental monitoring for these projects. The Environmental Technician will manage data and generate computer reports. These reports can help the agency identify and track wells that are at high risk of acting as conduits for methane migration to the ground surface. By tracking these wells, the OGCC can work cooperatively with operators to ensure these sites are identified and tested for the presence of methane at the ground surface, and if they are found to be leaking, ensure that they are properly plugged and abandoned. This information would be readily available on the OGCC's website for use by local government building departments in their review of building permit applications.

Cost per occurrence figures were generated assuming $25,000 is required to plug and abandon one well. The OGCC estimates that approximately five inactive wells that have a high potential to become orphaned and to act as conduits for methane migration could be found each year using computer reports to help focus field investigation. The Environmental Technician would eliminate about 50% of these occurrences.

C. The OGCC maintains an extensive database of water well test results collected by staff and third party contractors for baseline ground water studies and complaint investigation, and by industry for baseline studies and investigation and remediation of impacts from oil and gas activities. Analysis of these data can provide early indications of water well contamination.

Cost per occurrence for this issue is based on the cost of plugging a contaminated water well and drilling a new water well. Identifying impacts as early as possible will help limit the spread of contamination and the aerial extent of the impacts, which in turn will reduce the costs for remediation. The agency assumes that two incidences of impacts to water wells occur per year that could be identified if the Environmental Technician compiled these data systematically for additional analysis by the environmental staff. The Environmental Technician would eliminate about 100% of these occurrences.

D. This position will systematically manage data that will be used to track areas of gas seepage in the San Juan and Raton Basins, located in southwestern and south-central Colorado, respectively. Local governments use these data to delineate areas of geologic hazard and areas where precautions must be taken as rural residential development encroaches upon them. Costs for mitigating gas seepage can be high and $250,000 assumes mitigating an entire gas seep area. The agency assumes that 10% of a gas seep area is occupied by structures that require mitigation to alleviate safety issues.

The Environmental Technician position in this request has a second full year cost of $66,049, which is substantially less than the $267,500 of incremental risk that is avoided. ***The benefit-cost ratio is therefore 4.0.***

Definition of terms used in above charts:

Annual Frequency – Annual average number of total occurrences in Colorado.
Incremental Risk Factor - Percentage of impact that would be reduced by funding this request (multiplier to calculate cost of incremental risk).
Cost of Incremental Risk – Portion of annual cost of impacts that is at risk if request is not funded.

Benefit-Cost Summary:

FTE Type	**2nd Year Full Cost**	**Estimated Benefit**
Environmental Protection Specialist II's (for permit review) - includes one vehicle	$366,021	$1,775,000
Environmental Inspectors – includes four vehicles	$335,923	$3,358,750
Environmental Technician	$66,049	$267,500
Totals	**$767,993**	**$5,401,250**
Benefit-Cost Ratio for Total Request = 7.0		

Implementation Schedule:

Task	Month/Year
FTE Hired	July 1, 2008

Statutory and Federal Authority:

34-60-102(1) C.R.S. (2006, as amended by HB07-1341): Oil and Gas Conservation Act – declares it is to be in the public interest to foster the responsible, balanced development, production, and utilization of the natural resources of oil and gas in the state of Colorado in a manner consistent with protection of public health, safety, and welfare, including protection of the environment and wildlife resources…

34-60-106(2)(d) C.R.S. (2006, as amended by HB07-1341): The commission has the authority to regulate…Oil and gas operations so as to prevent and mitigate significant adverse environmental impacts on any air, water, soil, or biological resource resulting from oil and gas operations to the extent necessary to protect public health, safety, and welfare, including protection of the environment and wildlife resources, taking into consideration cost-effectiveness and technical feasibility.

Performance Measures:

Performance Measure:	Outcome	FY 05-06 Actual	FY 06-07 Actual	FY 07-08 Approp.	FY 08-09 Request
Decrease water contamination from active oil and gas operations.					
Number of impacts to surface water, ground water, and water wells, per thousand active oil & gas wells	Benchmark	1.81	1.81	1.81	1.81
	Actual	1.81	1.97		
The OGCC needs the requested FTE to meet the benchmark or improve on it. An expected outcome of this request is a reduction in the number of impacts to the State's water resources.					

Performance Measure:	Outcome	FY 05-06 Actual	FY 06-07 Actual	FY 07-08 Approp.	FY 08-09 Request
Decrease surface disturbance caused by oil and gas activity					
Percent of reclamation inspections that comply with OGCC rules.	Benchmark	86%	86%	86%	86%
	Actual	86%	81%		
The OGCC needs the requested FTE to meet the benchmark or improve on it. An expected outcome of this request is a reduction in the size and duration of surface disturbance. Routine interim reclamation inspections and regular enforcement of violations should result in a significant improvement in the number of reclamation inspections that comply with OGCC rules.					

Performance Measure:	Outcome	FY 05-06 Actual	FY 06-07 Actual	FY 07-08 Approp.	FY 08-09 Request
Decrease in health, safety, and environmental (other than water) incidences caused by oil & gas operations.					
Total number of citizen complaints per thousand active oil & gas wells	Benchmark	9.27	9.27	9.27	9.27
	Actual	9.27	10.71		
Funding this request is essential for reducing citizen complaints. All three types of FTE's will be focused on prevention and early detection of oil and gas impacts to public health, safety, welfare, the environment and wildlife resources.					

OSPB Common Policy for FTE Requests - September 2007									
		FTE and Operating Costs						*GRAND TOTAL*	
Fiscal Year(s) of Request		**FY 08-09**	**FY 09-10**	**FY 08-09**	**FY 09-10**	**FY 08-09**	**FY 09-10**	**FY 08-09**	**FY 09-10**
PERSONAL SERVICES	**Title:**	**Phys Sci Res/Sci III**		**Prog Assist I[1]**					
Number of PERSONS / class title		1	1	0.5	0.5	0	0		
Number of months working in FY 08-09 and FY 09-10		12	12	12	12	0	0		
Number months paid in FY 08-09 and FY 09-10*		12	12	12	12	0	0		
Calculated FTE per classification		**1.00**	**1.00**	**0.50**	**0.50**	**0.00**	**0.00**	1.50	1.50
Annual base salary		$69,036	$69,036	$0	$0	$0	$0		
Salary		$69,036	$69,036	$0	$0	$0	$0	$69,036	$69,036
PERA	**10.15%**	$7,007	$7,007	$0	$0	$0	$0	$7,007	$7,007
Medicare	**1.45%**	$1,001	$1,001	$0	$0	$0	$0	$1,001	$1,001
Prior Year SAED	**N/A**	$0	$518	$0	$0	$0	$0	$0	$518
Subtotal Personal Services at Division Level		**$77,044**	**$77,562**	**$0**	**$0**	**$0**	**$0**	**$77,044**	**$77,562**
Subtotal AED at EDO Long Bill Group Level	**1.60%**	**$1,105**	**$1,105**	**$0**	**$0**	**$0**	**$0**	**$1,105**	**$1,105**
Subtotal SAED at EDO Long Bill Group Level	**Varies**	**$518**	**$345**	**$0**	**$0**	**$0**	**$0**	**$518**	**$345**
Department Specific Average Cost for HLD / Employee**		$0	$0	$0	$0	$0	$0		
Subtotal for Health, Life, Dental (if over 20 FTE)	**N/A**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
Subtotal for Short Term Disability (if over 20 FTE)	**0.13%**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
OPERATING EXPENSES									
Supplies @ $500/$500***	**$500**	$500	$500	$0	$0	$0	$0	$500	$500
Computer @ $900/$0	**$900**	$900	$0	$0	$0	$0	$0	$900	$0
Office Suite Software @ $330/$0	**$330**	$330	$0	$0	$0	$0	$0	$330	$0
Office Equipment @ $2,225 /$0	**$2,225**	$2,225	$0	$0	$0	$0	$0	$2,225	$0
Telephone Base @ $450/$450***	**$450**	$450	$450	$0	$0	$0	$0	$450	$450
Subtotal Operating Expenses		**$4,405**	**$950**	**$0**	**$0**	**$0**	**$0**	**$4,405**	**$950**
GRAND TOTAL ALL COSTS		**$83,072**	**$79,962**	**$0**	**$0**	**$0**	**$0**	**$83,072**	**$79,962**

Note: [1]Costs for PA 1 will come from existing base

**Estimated Health Life and Dental and Short Term Disability costs cannot be claimed for under 20 Requested FTE. If claiming more than 20 FTE for Health Life and Dental please use the agency average in your calculation as a placeholder. For Short Term Disability please use 0.13%.

***The $450 for Telephone Base and $500 for Supplies will carry over each year as an acceptable expense.

**** Other non-routine expenses such as Fleet, Leased space, or a laptop must be separately defended and calculated. Please provide documentation to justify these requested costs.

Please note, if a requested employee does not begin until FY 09-10, then this employee should be requested in its own set of FY 08-09 / FY 09-10 columns. This is essential for the SAED calculation to work properly.

Schedule 13
Change Request for FY 08-09 Budget Request Cycle

Decision Item FY 08-09 ☑ **Base Reduction Item FY 08-09** ☐ **Supplemental FY 07-08** ☐ **Budget Request Amendment FY 08-09** ☐

Request Title: CWCB Office of Water Conservation and Drought Planning Staff

Department: Natural Resources **Dept. Approval by:** **Date:**

Priority Number: 2 of 18 **OSPB Approval:** **Date:**

	Fund	1 Prior-Year Actual FY 06-07	2 Appropriation FY 07-08	3 Supplemental Request FY 07-08	4 Total Revised Request FY 07-08	5 Base Request FY 08-09	6 Decision/ Base Reduction FY 08-09	7 November 1 Request FY 08-09	8 Budget Amendment FY 08-09	9 Total Revised Request FY 08-09	10 Change from Base (Column 5) FY 09-10
Total of All Line Items	**Total**	4,068,933	4,895,266	0	4,895,266	5,553,997	96,848	5,650,845	0	5,650,845	101,110
	FTE	2.50	3.50	0.00	3.50	3.50	1.50	5.00	0.00	5.00	1.50
	GF	1,473,346	1,129,728	0	1,129,728	1,323,976	0	831,134	0	831,134	0
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	471,568	1,152,897	0	1,152,897	1,338,646	0	1,338,646	0	1,338,646	0
	CFE	2,015,589	2,410,747	0	2,410,747	2,658,591	96,848	2,755,439	0	2,755,439	101,110
	FF	108,430	201,894	0	201,894	232,784	0	232,784	0	232,784	0
(7) Colorado Water Conservation Board, (B) Special Purpose, Water Conservation Program[1]	**Total**	170,681	182,824	0	182,824	187,412	88,389	275,801	0	275,801	85,452
	FTE	2.50	3.50	0.00	3.50	3.50	1.50	5.00	0.00	5.00	1.50
	GF	0	0	0	0	0	0	0	0	0	0
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	0	0	0	0	0	0	0	0	0	0
	CFE	170,681	182,824	0	182,824	187,412	88,389	275,801	0	275,801	85,452
	FF	0	0	0	0	0	0	0	0	0	0
(1) Executive Director's Office (A) Administration and Information Technology Amortization Equalization Disbursement[2]	**Total**	659,938	1,078,513	0	1,078,513	1,460,124	1,105	1,461,229	0	1,461,229	1,105
	FTE	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	GF	233,748	232,658	0	232,658	343,282	0	343,282	0	343,282	0
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	82,632	262,590	0	262,590	366,630	0	366,630	0	366,630	0
	CFE	295,277	469,702	0	469,702	618,667	1,105	619,772	0	619,772	1,105
	FF	48,281	113,563	0	113,563	131,545	0	131,545	0	131,545	0
(1) Executive Director's Office (A) Administration and Information Technology Supplemental Amortization Equalization	**Total**	0	214,102	0	214,102	470,332	518	470,850	0	470,850	345
	FTE	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	GF	0	41,546	0	41,546	119,367	0	119,367	0	119,367	0
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	0	51,042	0	51,042	120,816	0	120,816	0	120,816	0
	CFE	0	97,855	0	97,855	192,146	518	192,664	0	192,664	345

Schedule 13
Change Request for FY 08-09 Budget Request Cycle

Decision Item FY 08-09 ☑ **Base Reduction Item FY 08-09** ☐ **Supplemental FY 07-08** ☐ **Budget Request Amendment FY 08-09** ☐

Request Title: CWCB Office of Water Conservation and Drought Planning Staff

Department: Natural Resources **Dept. Approval by:** **Date:**

Priority Number: 2 of 18 **OSPB Approval:** **Date:**

		1	2	3	4	5	6	7	8	9	10
	Fund	Prior-Year Actual FY 06-07	Appropriation FY 07-08	Supplemental Request FY 07-08	Total Revised Request FY 07-08	Base Request FY 08-09	Decision/ Base Reduction FY 08-09	November 1 Request FY 08-09	Budget Amendment FY 08-09	Total Revised Request FY 08-09	Change from Base (Column 5) FY 09-10
Disbursement[2]	FF	0	23,659	0	23,659	38,003	0	38,003	0	38,003	0
(7) Colorado Water Conservation Board, (A) Administration, Operating[1]	Total	89,890	89,994	0	89,994	89,994	2,184	92,178	0	92,178	6,552
	FTE	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	GF	0	0	0	0	0	0	0	0	0	0
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	0	0	0	0	0	0	0	0	0	0
	CFE	89,890	89,994	0	89,994	89,994	2,184	92,178	0	92,178	6,552
	FF	0	0	0	0	0	0	0	0	0	0
(1) Executive Director's Office (A) Administration and Information Technology Vehicle Lease Payments[2]	Total	2,295,586	2,372,285	0	2,372,285	2,372,285	1,082	2,373,367	0	2,373,367	3,246
	FTE	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	GF	754,908	368,485	0	368,485	368,485	0	368,485	0	368,485	0
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	130,000	483,727	0	483,727	483,727	0	483,727	0	483,727	0
	CFE	1,373,617	1,478,540	0	1,478,540	1,478,540	1,082	1,479,622	0	1,479,622	3,246
	FF	37,061	41,533	0	41,533	41,533	0	41,533	0	41,533	0
(1) Executive Director's Office (A) Administration and Information Technology Leased Space[2]	Total	852,838	957,548	0	957,548	973,850	3,570	977,420	0	977,420	4,410
	FTE	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	GF	484,690	487,039	0	487,039	492,842	0	0	0	0	0
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	258,936	355,538	0	355,538	367,473	0	367,473	0	367,473	0
	CFE	86,124	91,832	0	91,832	91,832	3,570	95,402	0	95,402	4,410
	FF	23,088	23,139	0	23,139	21,703	0	21,703	0	21,703	0

Letternote revised text: [1]This amount shall be from reserves in the Colorado Water Conservation Board Construction Fund.

Letternote revised text: [2]These amounts shall be from various sources of cash funds exempt.

Cash Fund name/number, Federal Fund Grant name: CWCB Constrcution Fund (424) Cash Funds Exempt

IT Request: ☐ **Yes** ☑ **No**

Request Affects Other Departments: ☐ **Yes** ☑ **No** **If Yes, List Other Departments Here:**

0

CHANGE REQUEST for FY 08-09 BUDGET REQUEST CYCLE

Department:	Department of Natural Resources
Priority Number:	2 of 18
Change Request Title:	CWCB Office of Water Conservation and Drought Planning Staff

SELECT ONE (click on box):
☒Decision Item FY 08-09
☐Base Reduction Item FY 08-09
☐Supplemental Request FY 07-08
☐Budget Request Amendment FY 08-09

SELECT ONE (click on box):
Supplemental or Budget Request Amendment Criterion:
☒Not a Supplemental or Budget Request Amendment
☐An emergency
☐A technical error which has a substantial effect on the operation of the program
☐New data resulting in substantial changes in funding needs
☐Unforeseen contingency such as a significant workload change

Short Summary of Request:

The Colorado Water Conservation Board (CWCB) is requesting on-going Cash Funds Exempt (CFE) funding in the amount of $96,848 from the CWCB Construction Fund for 1.0 FTE Physical Science Researcher/Scientist III (PSRS III) to coordinate all drought planning, mitigation, and response activities for the Office of Water Conservation and Drought Planning (OWCDP). The CWCB is also requesting an additional 0.5 FTE to expand the work performed by an existing Program Assistant I to allow the CWCB to meet the increasing demand for financial assistance from the recently expanded Water Efficiency Grant Program. This FTE will also perform education and outreach. The proposed funding source for the additional 0.5 FTE will be from existing OWCDP funds.

In addition, this decision item includes a request for funds for leased space for 1.0 FTE (PSRS III), a state-leased four-wheel drive (4WD) vehicle to provide transportation for current and new staff to complete statutorily required duties, and leased space for a parking space for the new state-leased vehicle. Funding for the leased space and state-leased vehicle will be from the CWCB Construction Fund.

Background and Appropriation History:

FTE

The Water Conservation Act of 1991, under HB91-1154, created the Office of Water Conservation (OWC) to be housed in the CWCB. The OWC's primary charge was to focus on the promotion of urban water conservation education and implementation and to provide technical assistance to water providers performing water conservation planning.

In 2004, on the heels of the worst drought on record for much of Colorado, HB04-1365 changed the name of the OWC to the Office of Water Conservation & Drought Planning (OWCDP) and added the additional critical roles of providing technical assistance statewide in drought planning & mitigation efforts and a role for providing agricultural conservation technical assistance. The bill provided funding in the form of grants to water providers around the State for water conservation & drought mitigation planning and implementation projects. Over 85 large and mid-size water utilities became eligible for the grant funds. The bill also required the participation of the OWCDP as the chairperson on any state water availability task force established to monitor, forecast, mitigate, and prepare for drought. However, even with this significantly expanded mission, no additional staff resources were allocated to perform these time intensive functions. HB04-1365 also created a requirement that any covered entity (a public or private water entity providing, on a retail basis, 2000 acre feet or more of water annually) seeking financial assistance from either the CWCB or the Colorado Water Resources and Power Development Authority, must have an approved water conservation plan on file with the CWCB prior to loan proceeds being released.

In light of the drought of 2000-2002, OWCDP staff has had to prioritize and incorporate the increasingly critical need for a strong statewide drought planning initiative, which has historically included its leadership role on the Governor's Water Availability Task Force. A more comprehensive strategy needs to be developed and implemented. This strategy will include such measures as a set of comprehensive technical tools and programs to promote and facilitate water provider efforts in drought mitigation planning. In addition, the preliminary FEMA required revision of Colorado's Drought Mitigation and Response Plan, as well as subsequent updates, will support a statewide drought planning initiative. The OWCDP is heavily engaged in increasing water resource planning issues arising from the need for the State to take a leadership role in developing water management strategies necessary to adapt to a changing climate, potentially resulting in more severe droughts. It is providing a facilitating and coordinating role to assess historical, current, and projected climate trends and is relating these to potential changes in water supply, in order to prepare for and mitigate the impacts from climate change.

In addition, the OWCDP will represent Colorado in a cooperative partnership with other western states in the Western Governors Association led project – the National Integrated Drought Information System (NIDIS), a drought early warning system. This system seeks to improve and expand the compilation of reliable data on the various indicators of droughts, from both the physical/hydrological data to the socio-economic and environmental impacts data (such as agriculture losses and wildfire impacts). The system will also integrate and interpret the data with easily accessible and understandable tools, which provide timely and useful information to decision-makers and the general public. The opportunity for Colorado to take a leadership role in this project as part of the larger Colorado River Basin pilot project is highly likely, and therefore will require the participation of the OWCDP. The anticipated benefit for participating in this project is in the resulting work product necessary to undertake a more meaningful and comprehensive effort to update the Colorado Drought Mitigation and Response Plan, a FEMA-required component of the State's Natural Hazard Mitigation Plan.

In 2005, under HB05-1254, the Water Efficiency Grant Program was created and funded to provide monies to water providers for water conservation implementation and public education & outreach activities. In both 2004 and 2005, when grant programs were created and administered by the OWCDP, no additional staff resources were allocated to assist in administering the new mandate and new grant program.

In 2007, under SB07-008, the Water Efficiency Grant Program was expanded to include substantially more available grant money, provided an expanded timeframe in which the money is available (2012), and made opportunities available for more local and state governmental entities to access and utilize the grant funds. SB07-008 also allowed for grant funds to be used for the creation of an FTE within the OWCDP to provide statewide water conservation technical assistance.

With the HB04-1365 requirement linking water conservation planning to two significant State water resource funding programs, the expansion of the Water Efficiency Grant Program and additional grant funds, the OWCDP fully expects there to be an increase in the number of grant applications submitted to the State. Prior to the expansion, there was a limited amount of money available to entities for planning ($75K/annually), which limited the number of grant funded plans. Without an approved plan, entities could not seek additional funds for implementation. The total grant program amount funded under HB05-1254 and SB07-008 ($3 million to $5 million) is available for planning activities. More plans will be developed and more requests for implementation will follow thus increasing the overall number of applications. The OWCDP, with its recent increased efforts to promote and market the grant program statewide, is already expecting at least a dozen grant applications around July 1 when funds are available again. This type of increased interest in the grant program can not be effectively and efficiently addressed long-term by a half-time grants coordinator.

The OWCDP is also responsible for ongoing programs targeted at water resource conservation public education and outreach. It supports and coordinates a number of efforts regionally and statewide and is engaged in an effort to develop and implement a statewide messaging and education campaign geared towards Colorado citizens in an effort to promote and support a water conservation ethic around the State as well as an appreciated value for scarce water resources. The OWCDP continues to develop educational tools and programs to share with water providers and entities engaged in water conservation education. The OWCDP is hoping to increasingly utilize its website as a central repository for the dissemination of water conservation and drought mitigation related information, both for the water conservation professional as well as the average citizen, including the K-12 demographic.

Current staff is working at maximum efficiency to address the increasing needs of water providers and Colorado citizens for water conservation and drought mitigation planning and implementation assistance as well as public education & outreach. Up until July 2007, the OWCDP was operating with the staffing levels (2.5 FTEs) that had been in place since 1991. While SB07-008 authorized an additional FTE, this position will be solely focused on provided technical water conservation assistance statewide. At current staffing levels of 3.5 FTEs, the OWCDP is still unable to fully and completely meet all the mandates, particularly those pertaining to drought mitigation, that the OWC established in 1991, much less the expanded mission in the subsequent legislation of 2004, 2005, and 2007.

The SB07-008 appropriated FTE for the CWCB's Office of Water Conservation & Drought Planning to perform duties associated with water conservation technical assistance. The FTE will meet the following needs:

- To provide more one-one technical assistance for water providers particularly those small entities with limited resources.
- Review and approve all water conservation plans submitted to the State for approval.
- To help develop more advanced water conservation planning technical tools including measurement techniques & Industrial, Commercial, & Institutional programs.
- To help in developing a comprehensive Water Conservation & Economics Model to help water providers to predict the operational & financial impact of a water conservation measure.
- To help in the possible development of a Water Conservation Decision Support System component.
- To develop a statewide water conservation database to track a water provider's sector use, implemented water conservation measures, & resulting savings.
- To provide more coordination with other western states on water conservation initiatives.
- To provide the water conservation technical platform for the HB05-1177 Roundtable Process and the ongoing Statewide Water Supply Initiative process.

Leased Space and Vehicle

Both the Leased Space and Vehicle Lease line items are a part of the DNR Executive Director's Office section of the Long Bill. The Executive Director's Office allocates the funds to each division in DNR to cover their Leased Space and Vehicle Lease costs.

The CWCB's offices are located in two buildings in the downtown Denver area which accommodate the current staff of 43.2 FTE. The main office is located in the Centennial Building at 1313 Sherman and the other office is at 1580 Logan Street. The main location in the Centennial Building does not have enough space to house all employees in one location; therefore, two sections were moved to the Logan location in 2002. These sections are the Water Supply Planning and Finance Section, which has 6.0 FTE, and the Water Information Group of 5.0 FTE. Since the CWCB does not have sufficient office space to accommodate new FTE, leased space funding for additional office space is included in this request to provide work space for the new staff at the preferred Logan Street location.

In addition to working in the CWCB office, several CWCB staff members work in the field. Because of this, the division's employees are required to travel year-round in all types of weather and terrain to locations throughout the state to attend meetings and perform statutorily required and federally mandated duties that are relevant to the agency's mission.

State leased vehicles are essential to the operations of the CWCB. Currently, the CWCB has only three assigned state vehicles, which have been in very high demand by the CWCB staff, to use as transportation to accomplish statutory responsibilities. The three permanent vehicles assigned to the agency are: 1) Chevy Trail Blazer, 2) Ford Explorer, and 3) Dodge Durango. The Chevy Trail Blazer is permanently assigned to the Water Supply Planning and Finance Section Construction Project Manager, who inspects all construction projects funded by the CWCB Construction Fund, leaving only two vehicles for the remaining 42.2 staff members to share.

Furthermore, the CWCB is requesting additional FTE for FY09 to complete duties that further the mission and goals of the agency. In order to do so and to comply with statutes, the current and new staff members will need a State Vehicle to attend meetings, perform field work, and complete assigned duties. Because of the increase in FTE, there will be a greater need for the use of an additional state vehicle.

General Description of Request:

As can be seen from the extensive legislative history, the development of the program to better prepare Colorado for our water supply future has been an ongoing and a recently accelerated process. Many of the activities and roles, with which the OWCDP has been tasked, have relied heavily on outside technical and administrative contractor support, which over time is not cost effective. In order to minimize costs associated with this approach to accomplishing its robust statutory mission, the CWCB is requesting these additional staff resources. Given the magnitude and complexity of the work and incrementally greater program responsibilities, it is apparent that the workload can not be accomplished with the existing 3.5 FTEs. To address these needs, 1.0 new FTE and the addition of 0.5 FTE (to an existing 0.5 FTE position) are requested as described below.

The new FTE (Physical Science Researcher/Scientist III) position would coordinate all drought planning, mitigation, and response activities for the OWCDP. Duties would include but not be limited to:

- Providing drought planning assistance to local and state governmental entities, as well as water providers statewide.
- Provide drought technical assistance by developing drought planning technical tools.
- Continue the State's efforts to monitor the status of drought preparedness and vulnerability through frequent and consistent efforts, such as the Colorado Drought and Water Supply Assessment, to coordinate with local and regional water providers.
- Participate in the National Integrated Drought Information System as Colorado's State representative.
- Interact and coordinate with the State Climatologist, NOAA, and other state and federal agencies carrying out drought conditions monitoring, climate forecasting, and drought research.
- Participate in efforts to develop a State Drought Decision Support System.
- Coordinate the Phase II revision of the Colorado Drought Mitigation & Response Plan.
- Provide support to the Water Availability Task Force.

- Develop and conduct drought planning and response education & outreach initiatives.
- Participate in water adaptation projects and initiatives resulting from a statewide climate change action plan
- Coordinate with other western states on drought planning and mitigation activities

The increasing reliance by water providers around the State in the Water Efficiency Grant Program as well as efforts by water providers to comply with planning requirements in order to access additional State funds, can not be effectively and efficiently addressed long-term by a 0.5 FTE Grants Coordinator. The proposed additional 0.5 FTE for the CWCB's Office of Water Conservation & Drought Planning will increase the current 0.5 FTE Program Assistant I to full-time status. It will allow the OWCDP to meet the increasing demand for water conservation planning and implementation, as well as education and outreach grant-funded projects. The resulting increase in demand will come from more staff time being spent on promoting the State's technical and financial assistance programs. The OWCDP anticipates that much of its focus and resources will be on and applied to the grant program and related programs.

The 0.5 FTE Program Assistant I position will continue assisting with several important program activities including:

- Assist in the receipt of grant applications, information management, and administrative tracking of activities and projects associated with the Water Efficiency Grant Program created under HB05-1254 and amended by SB07-008;
- Provide support role to water conservation and drought mitigation planning and implementation activities of the OWCDP including participation in and preparation for workshops, meetings, and conferences;
- Assist in the updating of materials for websites regarding the Water Efficiency Grant Program and other OWCDP and CWCB related programs; and
- Assist with public education and outreach to ensure broad information exchange between the OWCDP and Colorado water providers and citizens, including statewide messaging project efforts.

Associated with this submission is a request for additional leased space for 1.0 FTE (Physical Science Researcher/Scientist III) and a request for a vehicle. Space for the additional 0.5 FTE (Program Assistant I) is not being requested since a CWCB staff member currently occupies the original 0.5 FTE portion of the position and therefore, the employee already has work space.

Current space, at the CWCB Sherman Street and Logan Street offices, cannot accommodate new FTEs. In submitting this decision item request, the CWCB is being pro-active in avoiding a leased space crisis that would follow the approval of FTE requests. The preferred location for the additional space is at the Logan Street location, where two of the CWCB sections' staff members are housed currently.

In addition, the CWCB is requesting a state vehicle. State leased vehicles are essential to the operations of the CWCB. The two state vehicles assigned to the CWCB are in high demand and accrued over 42,669 miles during FY06. The new vehicle will be used by new FTE and other FTE to attend meetings all around the state at varying times throughout the year. In addition, the duties will require that other CWCB employees be present at various locations for site visits, which are often in remote locations. Similar to current staff, duties will have employees working in the field as well as in the office.

The CWCB has considered using the State Awarded Vendor (Avis) to rent 4WD vehicles. Not only is it more inconvenient for staff members, but it is also more costly. (See the cost-benefit table for the calculations.)

To provide a safe location for the new state-leased vehicle, for FY 08-09, the CWCB is requesting additional funds in the amount of $420 (for 4 months) in leased space funds for a parking space. The cost would increase to $1,260 per year in FY09-10. The vehicle will be parked at the 14th and Lincoln parking garage. It is the closest location to the CWCB office at the Sherman Street location and the garage would provide a secure parking place for a state vehicle.

Consequences if Not Funded:

FTE

Without the new 1.0 FTE, the original legislation, as outlined above, will continue not to be effectively and efficiently implemented. Currently, the State has had to rely on the technical assistance from contractors to undertake activities that would be more cost-effectively accomplished within the OWCDP utilizing State staff resources. Furthermore, the CWCB is currently only able to implement a small portion of the Section's statutory mission related to drought mitigation planning technical assistance. Adding a new FTE is the most cost-effective way for the CWCB to implement its statutory requirements related to drought planning more fully.

Projects undertaken by the OWCDP to accomplish its mandates include such activities as the Drought & Water Supply Assessment, recent update to the Colorado Drought Mitigation & Response Plan, and technical evaluations of water conservation plans submitted by water providers to the State for approval. On average, expenses associated with contractor labor to accomplish these tasks has been incurred at the hourly rate of approximately $120/hr and have resulted in expenditures of state resources in a manner that is not cost-effective. In contrast, assuming an FTE equals 1,800 hours of actual work, the CWCB roughly calculates that the requested FTE will cost $41.50 per hour, which is roughly one-third of the contractor's rate.

Finally, it is imperative the State ensure that the grant monies from the Water Efficiency Grant Program are properly awarded, administered and documented. Increasing demands for grant program funds, and the resulting increase in funding awards being made, require a vigorous accounting process. Without the additional 0.5 FTE, adequate oversight of financial and technical decisions may not be possible. It is likely that a new grant program will be audited in the future. Having full documentation and effective program oversight will be essential to successful audit review.

Leased Space and Vehicle

Not funding the decision item request does not allow for the effective and efficient use of funds for the operations of the division in trying to achieve the DNR objectives and *program goals and objectives* as outlined in the CWCB strategic plan, such as:

- To conserve the waters of the State for wise and efficient beneficial uses;

- Develop waters of the State to preserve the natural environment to a reasonable degree and fully utilize State compact entitlements;
- Protect the waters of the State for maximum beneficial use without waste; and
- Manage the waters of the State in situations of extreme weather conditions – both for flood and droughts.

If the request for additional leased space is not approved, there will not be a sufficient area nor enough places for the new FTE to sit and complete work. The CWCB offices in the Sherman Street and Logan Street buildings are at maximum capacity. All of the offices and cubicles, at those two locations, are filled with existing employees. The new employees will need office space to complete assignments while in the office.

Since the Division's employees are required to travel year-round to locations throughout the state to attend meetings and perform federally mandated and statutorily required duties, the following consequences may occur if staff members do not have reliable transportation to travel in the state:

1. Flood Protection Section:

Since the Section is responsible for federally mandated site visits related to flood prevention and if these visits are not performed, communities would be in jeopardy of losing their eligibility for and status with the federal government to participate in the National Flood Insurance program. This would lead to safety issues for Colorado citizens, flooding problems would not be addressed, and the division would lose federal funding because community project audits would not be performed.

In addition, four of the eight Flood Protection objectives would be highly affected by a vehicle shortage. They are: hazard identification, community planning, project implementation, and federal/state/local coordination.

2. Compact Section:

Staff members in the Compact Section attend Cooperative Agreement meetings. Not attending the meetings could negatively affect current and future use of the compact entitlement and water use within the states, which could have a negative economic impact on Colorado, on northern Front Range water users, and to the agricultural community. Not having a representative at meetings will reduce the effectiveness in protecting Colorado's water interests and reduce Colorado's leadership role. Continuation of this course may ultimately result in a loss of water to Colorado and expensive interstate litigation.

3. Stream and Lake Protection Section:

In performing the biologic and hydrologic analyses of proposed instream flow segments and physically monitoring of existing instream flow water rights in the field, reliable transportation is required. Without transportation, the Stream and Lake Protection section may not be able to carry out their statutorily mandated duties to assess and monitor streamflows.

4. Board Meetings:

The CWCB Board Coordinator requires the use of a large vehicle to transport equipment and herself safely to Board meetings throughout the state year-round. Without the arrival of the Board Coordinator to set up the meeting and operate recording equipment, the CWCB would be unable to obtain the Official Record (i.e., recording) of the CWCB Board meetings.

With requests being submitted for additional FTE, there will be an even greater need for an additional state-leased vehicle. Without a vehicle to transport new and current FTE, employees may not be able to attend critical meetings for negotiations, which would be a detriment to the State of Colorado, nor would they be present at site locations to assist with phases of projects in which technical assistance is necessary. Many of the programs within CWCB are statutorily mandated and must be completed. Without a sufficient number of 4WD vehicles, statutes may be violated, communities would be negatively affected, and employees would be at risk while driving in bad weather and poor conditions.

Calculations for Request:

Summary of Request FY 08-09	**Total Funds**	**General Fund**	**Cash Funds**	**Cash Funds Exempt**	**Federal Funds**	**FTE**
Total Request	$96,848	$0	$0	$96,848	$0	1.5
PA 1 Personal Services (Salary, PERA, FICA, AED, SAED)	$0	$0	$0	$0	$0	0.5
PA 1 Annual Operating	$0	$0	$0	$0	$0	0.0
PA 1 Travel	$0	$0	$0	$0	$0	0.0
PSRS III Personal Services (Salary, PERA, FICA, AED, SAED)	$78,667	$0	$0	$78,667	$0	1.0
PSRS III Annual Operating	$4,405	$0	$0	$4,405	$0	0.0
PSRS III Travel	$6,940	$0	$0	$6,940	$0	0.0
Leased Space for PSRS III	$3,150	$0	$0	$3,150	$0	
Leased Space (vehicle parking) for 4 months	$420	$0	$0	$420	$0	
Vehicle Costs	$3,266	$0	$0	$3,266	$0	

Summary of Request FY 09-10	**Total Funds**	**General Fund**	**Cash Funds**	**Cash Funds Exempt**	**Federal Funds**	**FTE**
Total Request	$101,110	$0	$0	$101,110	$0	1.5
PA 1 Personal Services (Salary, PERA, FICA, AED, SAED)	$0	$0	$0	$0	$0	0.5
PA 1 Annual Operating	$0	$0	$0	$0	$0	0.0
PA 1 Travel	$0	$0	$0	$0	$0	0.0
PSRS III Personal Services (Salary, PERA, FICA, AED, SAED)	$79,012	$0	$0	$79,012	$0	1.0

Summary of Request FY 09-10	Total Funds	General Fund	Cash Funds	Cash Funds Exempt	Federal Funds	FTE
PSRS III Annual Operating	$950	$0	$0	$950	$0	0.0
PSRS III Travel	$6,940	$0	$0	$6,940	$0	0.0
Leased Space for PSRS III	$3,150	$0	$0	$3,150	$0	
Leased Space (Parking) for 12 months	$1,260	$0	$0	$1,260	$0	
Vehicle Costs	$9,798	$0	$0	$9,798	$0	

Assumptions for Calculations:

1.0 FTE Physical Science Researcher/Scientist III (FY08-09):

- Personal Services (FY08-09 Salary): $5,753 x 12 = $69,036
  10.15% PERA = $7,007
  FICA (Medicare) 1.45% = $1,001
  1.6% Amortization Equalization Disbursement = $1,105
  Supplemental AED = $518
  Total Personal Services = $78,667

- Annual Operating for FY08-09: includes supplies ($500), PC ($900), Office Suite software ($330), Office equipment ($2,225), Telephone base ($450) = $4,405

- Travel: 2 out-of-state trips: American Water Works Association Training and other Water Conservation Training (NM or AZ) at a) 5 days/4 nights and b) 4 days/3 nights.
  25 instate trips: to provide technical assistance all over the State
  Of the instate trips, 13 would be single day and 12 would be overnight trips at a) 6 trips at 3 days/2 nights and b) 6 trips at 2 days/1 night

  Travel Costs:
  $ 975 - per diem (meals) @ $25 per day x 30 days (instate) and 9 days (out-of-state) = 39 days
  $ 2,500 - hotel @ $100 per night x 18 nights instate and 7 nights out-of-state
  $ 2,080 - car rental @ $40 per day x 43 days instate and 9 days out-of-state

$ 800 - airfare for out-of-state trips @ $400 x 2 trips
$ 585 - mileage for local meetings (not requiring a rental car) @ 10 x .39 per mile x 150 miles
Total: $ 6,940

- Leased space for 1.0 FTE (Physical Science Researcher/Scientist III):
  The Leased Space amount was calculated by using data obtained from Staubach Group, which is the Real Estate Agency for the State of Colorado. The Staubach Group anticipates the average square foot rate for businesses in downtown Denver to be $18 per square foot for the 2008-09 fiscal year. The CWCB needs 175 square feet for this new FTE, which is an average sized office or cubicle for the classification level of the new staff member and is similar to the standards of current staff. Therefore, the CWCB is requesting funds in the amount of $3,150 for 175 square feet of space for the new FTE (175 square feet x $18 per square foot = $3,150).

- Leased space for new state vehicle parking:
  In addition, the CWCB will need to lease a parking space for the new state vehicle. The monthly fee for a parking space at the parking garage located at 14th and Lincoln is $105 per month. For FY08-09, the CWCB is requesting $420 ($105 per month x 4 months) for a leased space parking place since the vehicle will not be delivered until March. Then, in future years, the cost would be annualized to $1,260 ($105 per month x 12 months).

- Vehicle Lease for 4WD:
  State Fleet Management provided the data for costs associated with a new 4WD vehicle. The monthly lease cost for a 4WD SUV (similar to a Chevy Trailblazer or equivalent) for 96 months is $270.47, which includes a $14.50 management fee that State Fleet Management charges. For the first year (FY08-09), the CWCB would only pay for four months of lease payments since the vehicle will be delivered in March, which totals $1,082 ($270.47 x 4 months). In the second through seventh years (FY09-10 through FY15-16), the CWCB would pay $3,246

per year ($270.47 x 12 months). In the eighth year of the lease (FY16-17), the CWCB would pay $2,164 ($270.47 x 8 months).

The variable mileage rate was calculated by using the CWCB's total miles from fiscal year 2005-2006 for one of its vehicles and then dividing the total miles driven by 12 months, which totals a monthly figure of 2,100 miles per month (25,200 miles/12 months). To calculate the variable rate, State Fleet Management quoted the CWCB a figure of $0.26 per mile, equating to a variable rate charge of:

- FY08-09: $2,184 (2,100 x 4 months x $0.26) and
- FY09-10: $6,552 (2,100 miles x 12 months x $0.26).

Annual totals are reached by adding the annual state vehicle lease costs, State Fleet Management fee, and the variable mileage rate together. These totals are:

- FY08-09: $3,266 (for four months)
- FY09-10 – FY15-16: $9,798 per year (for twelve months)
- FY16-17: $8,716 (for eight months)

The chart below shows the vehicle costs in a table format:

Item	Costs: fund a state vehicle
State Vehicle Lease (8-year lease) for 4WD; includes lease + $14.50 State Fleet Mgmt Fee	FY08-09: $270.47 x 4 months = $1,082 FY09-10 – FY15-16: $270.47 x 12 months = $3,246 FY16-17: $270.47 x 8 months = $2,164
Variable mileage rate ($0.26/mile)	FY08-09: $0.26 x 2,100 miles x 4 months = $2,184 FY09-10 – FY16-17: $0.26 x 2,100 miles x 12 months = $6,552
Annual Totals:	**FY08-09: $3,266 (4 months)** **FY09-10 – FY15-16: $9,798/yr. (12 months)** **FY16-17: $8,716 (8 months)**

Impact on Other Government Agencies: Not Applicable

Cost Benefit Analysis:

Cost	**Benefit**
1.0 FTE, Leased Space, and vehicle Cash Funds Exempt Impact: ($96,848)	**FTE** The CWCB, acting through the Office of Water Conservation & Drought Planning, is statutorily charged with providing technical support to water providers as they prepare plans and strategies to mitigate for drought conditions and adapt to change climate. This FTE will position the State to be better prepared to assist state agencies, local providers, and business sectors around the State in identifying their vulnerabilities to drought, and addressing the social and economic effects of drought. The FTE will also play an integral role in educating water providers and the state citizenry on drought and climate change issues. In 2000, the Statewide Water Supply Initiative estimated statewide municipal and industrial (M&I) water demand to be 1.2 million acre feet (ac-ft). Statewide, the three largest M&I water providers, Denver Water (238K ac-ft), Aurora (123K ac-ft), and Colorado Springs (80K ac-ft) collectively provide approximately 441,000 ac-ft of water annually or 36% of the statewide M&I water demand. Using a conservative annualized cost of water of $1,000 per acre foot, the value of the water provided by these three entities is approximately $441 million. Assuming that in a severe drought, similar or worse than the drought experienced by Colorado in 2002, water supplies will be limited and reduced, thereby resulting in drought mitigation plans being activated and prioritizing M&I uses to maximize the efficient and beneficial use of the resource. A consequence of 36% of the State's M&I water demand being impacted by drought planning efforts will result in water supply management strategies that will maximize and optimize the limited or reduced water supply resources. Employing more efficient water use practices and prioritizing the beneficial uses of water to ensure maximum utilization will ensure benefits accruing from water use are better maximized. If one were to assume a conservative increase in value for the water provided by Denver Water, Aurora, and Colorado Springs to be 1% above the estimated annualized cost of water discussed above, then the value of those supplies would

	be approximately $445 million and a resulting benefit of $4.4 million could be calculated. A 1% increase in the value of these M&I water supplies is very conservative because the benefits extend beyond the influence of these three large water providers planning and implementing drought mitigation plans. **Leased Space and Vehicle** With the approval of this request, the CWCB would have enough space to accommodate the FTE increase so that the individual can perform necessary duties. The leased space for a parking space would provide a safe location for a state-leased vehicle and the additional vehicle would allow the CWCB current and new staff to complete statutorily required and federally mandated duties. In completing assignments, the staff assists in completing the mission of the CWCB for the present and future of the State of Colorado. Having an additional state-leased vehicle provides benefits to the CWCB. From a cost perspective, it is more cost-effective to have a state-leased vehicle. Renting from the State Awarded Rental Car Vendor (Avis) at $63 per day (for a 4WD) x 20 days/month x 12 months equals $15,120. The benefits for new staff using a state leased vehicle are that: • the full-year annual cost for the leased vehicle, including gas and maintenance costs paid through the variable mileage rate, is $9,798; • during the term of the vehicle lease, the CWCB would see an overall savings of $40,392 ($15,120 Avis rental x 8 years = $120,960 - $80,568 cost of state leased vehicle = $40,392); • the CWCB does not have to submit a decision item request for additional funding to pay for vehicles rented from a State Awarded Rental Car Vendor; and • having a state leased vehicle will help to guarantee an available vehicle for staff. In addition, further benefits are that: • a vehicle will be available when needed and staff members would not waste time in scheduling and picking up rental vehicles. Staff members have noted that the State Motor Pool and some rental agencies do not have 4WD SUVs available upon request. • by fulfilling this request for a new state leased vehicle, the CWCB benefits by not needing to request additional funds to pay for the increase in costs from renting

	vehicles, which is approximately $15,120 per year.
0.5 FTE Cash Funds Exempt Impact ($0)	The State of Colorado, acting through the CWCB, is responsible for allocating $3,000,000 in grants and the implementation of HB 04-1365, HB 04-1254 and SB07-008. Water conservation plans and their implementation results in water savings that can be used and managed by a water provider to supplement their water resource portfolio especially if that savings is being planned for meeting new growth demands. The addition of 0.5 FTE to an existing 0.5 FTE would help ensure that the best projects are forwarded for funding and that use of funds is consistent with the scope of work and fiscal policy. If one were to assume that: • in FY07-08 the grant program would support the development and implementation of 25 up-to-date, approved water conservation plans on file with the State; • on average each plan represents a covered entity that on a retail basis provides 10,000 ac. ft. annually; and • on average, entities have set goals to reduce demand from water conservation plan implementation by approximately 1% annually and ramping up incrementally as conservation measure programs come online, then the potential water savings from these plans would be approximately 2,500 ac-ft of water. This saved water could be used by water providers to supply new growth demands or to store for system reliability in times of water shortages. Relying on this saved water to meet future demands could potentially postpone, reduce, or eliminate the need to acquire new water supplies. Using an estimated capitalized water value of $12,000-$15,000 per acre foot, results in a benefit range from $30 million to $37.5 million.

Implementation Schedule:

For 1.0 FTE PSRS III Position

Task	**Month/Calendar Year**
Write Position Description Questionnaires and complete related Human Resource transactions	May 2008
Advertise for Position	Late May 2008

HR Candidate Review, CWCB Interview and Hire new positions	June 2008
New Employee Begins	July 2008

For 0.5 FTE PA I Position

Task	**Month/Calendar Year**
Amend Position Description Questionnaires to Reflect FTE Status	May 2008
Position Status Changes to 1.0 FTE	July 2008

For Leased Space

Task	**Month/Calendar Year**
Contact Staubach Group about vacant leased space	May 2008
Negotiate with building owners about price and start contract with building owners	June 2008
Complete contract with all approvals and move into new space	July 2008

For Vehicle Lease for a 4WD

Task	**Month/Calendar Year**
State Fleet posts an RFP on Bids	September 2008
State awards Bid to vendor	October 2008
Order forms for new vehicles are sent to agencies	November 2008
4WD vehicle is delivered to the agency	March 2009

Statutory and Federal Authority:

37-60-102 C.R.S. (2007): This statute describes the creation of the Colorado Water Conservation Board. "For the purpose of aiding in the protection and development of the waters of the state, for the benefit of the present and future inhabitants of the state there is created a Colorado water conservation board with the powers and duties set out in this article. Said board is declared to be an agency of the state, and the functions it is to perform, as set out in this article, are declared to be governmental functions for the welfare and benefit of the state and its inhabitants."

37-60-112 C.R.S. (2007): This statute outlines the authorization of the Colorado Water Conservation to pay for all expenses. "The controller is authorized to draw warrants monthly in payment of the lawful salaries and expenses of the board or commissioners and their legal, engineering, and other assistants and employees on vouchers signed by the secretary of the board and approved by the governor."

37-60-124 C.R.S. (2007): Creation of the Office of Water Conservation and Drought Planning. The statute outlines the specific duties of the Office.

37-60-126 C.R.S. (2007): Guidelines of the Office of Water Conservation and Drought Planning, including certain requirements for covered entities related to water conservation planning. Finally, this statute creates the Water Efficiency Grant Program.

37-60-126.5 C.R.S. (2007): "The office shall develop programs to provide technical assistance to covered entities and other state or local governmental entities in the development of drought mitigation plans."

<u>Performance Measures:</u>

Performance Measure DNR #4 (Create reductions in water supply demand through water conservation planning and water efficiency measures): Water use will be reduced by 1% (2,500 acre feet) with the new FTE and, without the new FTE, water use will only be reduced by .85% (2,125 acre feet). Stated differently, we believe that this decision item will help the CWCB to better manage its water conservation program, resulting in an additional 375 acre feet of water being conserved annually.

Performance Measure DNR #4 (Create reductions in water supply demand through water conservation planning and water efficiency measures) and DNR #6 (Increase water storage to meet long term water supply needs): The addition of a state leased vehicle and leased space for new FTE will allow CWCB employees to perform job functions and the new FTE will have office space to complete duties that will support the performance measures listed above. Although a state leased vehicle and additional leased space lend toward overall support in accomplishing goals and performance measures, there is not an exact method to relate this decision item directly to the DNR Performance Measures.

Schedule 13
Change Request for FY 08-09 Budget Request Cycle

Decision Item FY 08-09 ☑ **Base Reduction Item FY 08-09** ☐ **Supplemental FY 07-08** ☐ **Budget Request Amendment FY 08-09** ☐

Request Title: Vehicle Operating Expenses

Department: Natural Resources **Dept. Approval by:** **Date:**

Priority Number: 3 of 18 **OSPB Approval:** **Date:**

	Fund	1 Prior-Year Actual FY 06-07	2 Appropriation FY 07-08	3 Supplemental Request FY 07-08	4 Total Revised Request FY 07-08	5 Base Request FY 08-09	6 Decision/ Base Reduction FY 08-09	7 November 1 Request FY 08-09	8 Budget Amendment FY 08-09	9 Total Revised Request FY 08-09	10 Change from Base (Column 5) FY 09-10
Total of All Line Items	**Total**	4,172,043	4,384,845	0	4,384,845	4,217,126	88,417	4,305,543	0	4,305,543	85,925
	FTE	2.00	2.00	0.00	2.00	2.00	0.00	2.00	0.00	2.00	0.00
	GF	2,022,430	1,677,984	0	1,677,984	1,603,818	88,417	1,692,235	0	1,692,235	85,925
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	627,954	982,149	0	982,149	982,149	0	982,149	0	982,149	0
	CFE	1,484,598	1,683,179	0	1,683,179	1,589,626	0	1,589,626	0	1,589,626	0
	FF	37,061	41,533	0	41,533	41,533	0	41,533	0	41,533	0
(1) Executive Director's Office	**Total**	2,295,586	2,372,285	0	2,372,285	2,372,285	6,524	2,378,809	0	2,378,809	19,572
	FTE	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Vehicle Lease	**GF**	754,908	368,485	0	368,485	368,485	6,524	375,009	0	375,009	19,572
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	130,000	483,727	0	483,727	483,727	0	483,727	0	483,727	0
	CFE	1,373,617	1,478,540	0	1,478,540	1,478,540	0	1,478,540	0	1,478,540	0
	FF	37,061	41,533	0	41,533	41,533	0	41,533	0	41,533	0
(8)Operating Expenses	**Total**	1,506,838	1,650,957	0	1,650,957	1,475,486	82,869	1,558,355	0	1,558,355	69,281
	FTE	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	GF	1,012,903	1,062,896	0	1,062,896	980,978	82,869	1,063,847	0	1,063,847	69,281
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	403,511	403,979	0	403,979	403,979	0	403,979	0	403,979	0
	CFE	90,424	184,082	0	184,082	90,529	0	90,529	0	90,529	0
	FF	0	0	0	0	0	0	0	0	0	0
(8)Satellite Monitoring	**Total**	369,619	361,603	0	361,603	369,355	(976)	368,379	0	368,379	(2,928)
	FTE	2.00	2.00	0.00	2.00	2.00	0.00	2.00	0.00	2.00	0.00
	GF	254,619	246,603	0	246,603	254,355	(976)	253,379	0	253,379	(2,928)
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	94,443	94,443	0	94,443	94,443	0	94,443	0	94,443	0
	CFE	20,557	20,557	0	20,557	20,557	0	20,557	0	20,557	0
	FF	0	0	0	0	0	0	0	0	0	0

Letternote revised text:

Cash Fund name/number, Federal Fund Grant name:

IT Request: ☐ **Yes** ☑ **No**

Request Affects Other Departments: ☑ **Yes** ☐ **No** **If Yes, List Other Departments Here:** Department of Personnel & Administration

		FTE and Operating Costs						*GRAND TOTAL*	
Fiscal Year(s) of Request		**FY 08-09**	**FY 09-10**	**FY 08-09**	**FY 09-10**	**FY 08-09**	**FY 09-10**	**FY 08-09**	**FY 09-10**
PERSONAL SERVICES	Title:							To two decimal	
Number of PERSONS / class title									
Calculated FTE per classification		**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	-	-
Annual base salary (monthly * 12)	**$**								
Number months working in FY 08-09 and FY 09-10									
Salary		$0	$0	$0	$0	$0	$0	$0	$0
PERA	**10.15%**	$0	$0	$0	$0	$0	$0	$0	$0
FICA	**1.45%**	$0	$0	$0	$0	$0	$0	$0	$0
Subtotal Personal Services		$0	$0	$0	$0	$0	$0	$0	$0
OPERATING									
Supplies @ $500/$500	**$ 500**	$0	$0	$0	$0	$0	$0	$0	$0
Computer @ $959/$0	**$ 690**	$0	$0	$0	$0	$0	$0	$0	$0
Office Suite Software @ $300/$0	**$ 294**	$0	$0	$0	$0	$0	$0	$0	$0
Office Equipment @ $2,021 /$0	**$ 2,021**	$0	$0	$0	$0	$0	$0	$0	$0
Telephone Base (Annual)	**$ 369.6**	$0	$0	$0	$0	$0	$0	$0	$0
Subtotal Operating		$0	$0	$0	$0	$0	$0	$0	$0
GRAND TOTAL ALL COSTS		**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**

Account for Pay Date Shift, no salary payment in June

Schedule 13
Change Request for FY 08-09 Budget Request Cycle

Decision Item FY 08-09 ☑ **Base Reduction Item FY 08-09** ☐ **Supplemental FY 07-08** ☐ **Budget Request Amendment FY 08-09** ☐

Request Title: FY 2008-09 Vehicle Replacements Statewide Decision Item

Department: Natural Resources **Dept. Approval by:** **Date:**

Priority Number: Statewide - N/A **OSPB Approval:** **Date:**

		1	2	3	4	5	6	7	8	9	10
	Fund	Prior-Year Actual FY 06-07	Appropriation FY 07-08	Supplemental Request FY 07-08	Total Revised Request FY 07-08	Base Request FY 08-09	Decision/ Base Reduction FY 08-09	November 1 Request FY 08-09	Budget Amendment FY 08-09	Total Revised Request FY 08-09	Change from Base (Column 5) FY 09-10
Total of All Line Items	**Total**	2,295,586	2,372,285	0	2,372,285	2,372,285	231,033	2,603,318	0	2,603,318	231,033
	FTE	0	0	0	0	0	0	0	0	0	0
	GF	754,908	368,485	0	368,485	368,485	(4,856)	363,629	0	363,629	(4,856)
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	130,000	483,727	0	483,727	483,727	26,117	509,844	0	509,844	26,117
	CFE	1,373,617	1,478,540	0	1,478,540	1,478,540	185,111	1,663,651	0	1,663,651	185,111
	FF	37,061	41,533	0	41,533	41,533	24,661	66,194	0	66,194	24,661
(1) Executive Director's Office											
(A) Administration and Information Technology Vehicle Lease	**Total**	2,295,586	2,372,285	0	2,372,285	2,372,285	231,033	2,603,318	0	2,603,318	231,033
	FTE	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	GF	754,908	368,485	0	368,485	368,485	(4,856)	363,629	0	363,629	(4,856)
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	130,000	483,727	0	483,727	483,727	26,117	509,844	0	509,844	26,117
	CFE	1,373,617	1,478,540	0	1,478,540	1,478,540	185,111	1,663,651	0	1,663,651	185,111
	FF	37,061	41,533	0	41,533	41,533	24,661	66,194	0	66,194	24,661

Letternote revised text:

Cash Fund name/number, Federal Fund Grant name:

IT Request: ☐ **Yes** ☑ **No**

Request Affects Other Departments: ☑ **Yes** ☐ **No** **If Yes, List Other Departments Here:** Department of Personnel & Administration (DPA)

FTE and Operating Costs								*GRAND TOTAL*	
Fiscal Year(s) of Request		**FY 08-09**	**FY 09-10**	**FY 08-09**	**FY 09-10**	**FY 08-09**	**FY 09-10**	**FY 08-09**	**FY 09-10**
PERSONAL SERVICES	Title:							To two decimal	
Number of PERSONS / class title									
Calculated FTE per classification		**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	-	-
Annual base salary (monthly * 12)	**$**								
Number months working in FY 08-09 and FY 09-10									
Salary		$0	$0	$0	$0	$0	$0	$0	$0
PERA	**10.15%**	$0	$0	$0	$0	$0	$0	$0	$0
FICA	**1.45%**	$0	$0	$0	$0	$0	$0	$0	$0
Subtotal Personal Services		$0	$0	$0	$0	$0	$0	$0	$0
OPERATING									
Supplies @ $500/$500	**$ 500**	$0	$0	$0	$0	$0	$0	$0	$0
Computer @ $959/$0	**$ 690**	$0	$0	$0	$0	$0	$0	$0	$0
Office Suite Software @ $300/$0	**$ 294**	$0	$0	$0	$0	$0	$0	$0	$0
Office Equipment @ $2,021 /$0	**$ 2,021**	$0	$0	$0	$0	$0	$0	$0	$0
Telephone Base (Annual)	**$ 369.6**	$0	$0	$0	$0	$0	$0	$0	$0
Subtotal Operating		$0	$0	$0	$0	$0	$0	$0	$0
GRAND TOTAL ALL COSTS		**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**

Account for Pay Date Shift, no salary payment in June

Schedule 13
Change Request for FY 08-09 Budget Request Cycle

Decision Item FY 08-09 ☑ **Base Reduction Item FY 08-09** ☐ **Supplemental FY 07-08** ☐ **Budget Request Amendment FY 08-09** ☐

Request Title: Statewide C-SEAP Program Staffing

Department: Natural Resources **Dept. Approval by:** **Date:**

Priority Number: Statewide - N/A **OSPB Approval:** **Date:**

	Fund	1 Prior-Year Actual FY 06-07	2 Appropriation FY 07-08	3 Supplemental Request FY 07-08	4 Total Revised Request FY 07-08	5 Base Request FY 08-09	6 Decision/ Base Reduction FY 08-09	7 November 1 Request FY 08-09	8 Budget Amendment FY 08-09	9 Total Revised Request FY 08-09	10 Change from Base (Column 5) FY 09-10
(1) Executive Director's Office (A) Administration and Info Technology	Total	2,789,828	1,412,158	0	1,412,158	1,212,296	12,831	1,225,127	0	1,225,127	12,831
Workers' Compensation	FTE	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	GF	652,440	180,916	0	180,916	184,034	1,960	185,994	0	185,994	1,960
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	96,006	267,821	0	267,821	393,711	4,154	397,865	0	397,865	4,154
	CFE	2,038,823	961,406	0	961,406	633,165	6,702	639,867	0	639,867	6,702
	FF	2,559	2,015	0	2,015	1,386	15	1,401	0	1,401	15

Letternote revised text:

Cash Fund name/number, Federal Fund Grant name:

IT Request: ☐ **Yes** ☑ **No**

Request Affects Other Departments: ☐ **Yes** ☑ **No** **If Yes, List Other Departments Here:**

Schedule 13
Change Request for FY 08-09 Budget Request Cycle

Decision Item FY 08-09 ☑ **Base Reduction Item FY 08-09** ☐ **Supplemental FY 07-08** ☐ **Budget Request Amendment FY 08-09** ☐

Request Title: Adjustment to Multiuse Network Payments

Department: Natural Resources **Dept. Approval by:** **Date:**

Priority Number: Statewide - N/A **OSPB Approval:** **Date:**

		1	2	3	4	5	6	7	8	9	10
	Fund	Prior-Year Actual FY 06-07	Appropriation FY 07-08	Supplemental Request FY 07-08	Total Revised Request FY 07-08	Base Request FY 08-09	Decision/ Base Reduction FY 08-09	November 1 Request FY 08-09	Budget Amendment FY 08-09	Total Revised Request FY 08-09	Change from Base (Column 5) FY 09-10
(1) Executive Director's Office (A) Administration and Info Technology Multi use Network Payments	**Total**	836,283	943,050	0	943,050	943,050	122,614	1,065,664	0	1,065,664	122,614
	FTE	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	GF	351,786	229,535	0	229,535	229,535	32,894	262,429	0	262,429	32,894
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	466,272	693,900	0	693,900	693,900	80,193	774,093	0	774,093	80,193
	CFE	13,406	14,428	0	14,428	14,428	9,092	23,520	0	23,520	9,092
	FF	4,819	5,187	0	5,187	5,187	435	5,622	0	5,622	435

Letternote revised text:

Cash Fund name/number, Federal Fund Grant name:

IT Request: ☐ **Yes** ☑ **No**

Request Affects Other Departments: ☐ **Yes** ☑ **No** **If Yes, List Other Departments Here:**

CHANGE REQUEST for FY 08-09 BUDGET REQUEST CYCLE

Department:	Department of Natural Resources
Priority Number:	3 of 18
Change Request Title:	Vehicle Operating Expenses

SELECT ONE (click on box):

x Decision Item FY 08-09
☐ Base Reduction Item FY 08-09
☐ Supplemental Request FY 07-08
☐ Budget Request Amendment FY 08-09

SELECT ONE (click on box):

Supplemental or Budget Request Amendment Criterion:
☒ Not a Supplemental or Budget Request Amendment
☐ An emergency
☐ A technical error which has a substantial effect on the operation of the program
☐ New data resulting in substantial changes in funding needs
☐ Unforeseen contingency such as a significant workload change

Short Summary of Request:

The Division of Water Resources requests seven new vehicles and additional General Funds of $88,417 in FY 2008-09 and $85,925 in FY 2009-10 and subsequent years to pay increased vehicle operating costs to allow the agency to provide critical water administration and public safety work at the same level of service as historically provided by the Division. This request is presented following recent and continuing increases in mileage operating rates for vehicles driven by Division employees.

Background and Appropriation History:

During FY 2008-09, the Division of Water Resources expects its employees to drive over 2.3 million miles to satisfy statutory responsibilities for water administration and public safety work. The majority of the mileage costs are incurred by Water Commissioners. The purpose of their field work is nothing less than enforcing Colorado water laws. This work, often in remote locations, ensures that owners of senior water rights who are in priority and wanting water receive their water, and those who are out of priority do not.

This process is accomplished by daily visits to headgates, and involves making adjustments to headgate settings to ensure delivery of the proper amount of water to a ditch; it may include application of a chain and lock, directing that no change is to be made by others. The Water Commissioner is required to prepare records of water diversions and changes, and headgate settings may be adjusted more than once daily. In addition, Water Commissioners are responsible for the accounting and administration of augmentation plans per court decree; the Water Commissioner must conduct field inspections to ensure that the water subject to augmentation is delivered at the proper time location and amount to prevent injury to others. Water Commissioners also assist dam safety engineers by performing field inspections of dams to insure the integrity, level of construction, or safety of the structure. Water Commissioners also perform field inspections to evaluate the accuracy and validity of water court applications. They are called upon to assist hydrographers in stream flow measurements. Well enforcement requires travel to verify the integrity of well metering systems, and to ensure that well owners not entitled to pump are in compliance.

Approximately 50 % of the Water Commissioners (55 employees) do not have access to state-owned vehicles and are required to provide a personal 4-wheel drive vehicle as a condition of employment. The agency reimburses those employees for their mileage. During the 2006 legislation session, the General Assembly authorized an increase in mileage reimbursement rates. From May of 2006 to January of 2008, rates for 4-wheel drive vehicles will increase by a total of 44%, without a comparable increase in funding.

Given the substantial increase in mileage rates, the Division investigated the feasibility of leasing vehicles from State Fleet Management for the highest mileage employees, believing that it would be less expensive than paying mileage reimbursement. The Division determined that economies can be realized on a limited basis, and has prepared a request for seven new leased vehicles.

Beginning July, 2007, State Fleet Management increased mileage operating rates by 5.7% for State-owned vehicles driven by the Division. State-owned vehicles are used by 50% of the Water Commissioners and most field personnel dedicated to the dam safety program, satellite monitoring program, hydrographic program, and well inspection program.

The detailed proposal that follows requests changes to the Division's budget for three purposes:

1. Acquisition of seven new vehicles to reduce projected operating costs.
2. Funding to compensate for the rate increase in mileage reimbursement for personal vehicles.
3. Funding to compensate for the recent rate increase for State-owned vehicles.

General Description of Request:

A. Request for New Vehicles

The Division of Water Resources is requesting seven new leased vehicles for six Water Commissioners (working in Water Divisions 3, 5, 6, and 7) and the Chief of the Hydrography Program. The vehicles requested should be small SUV's, comparable to a Jeep Liberty.

A condition of employment for water administrators is that they own and operate a vehicle in order to fulfill the responsibilities and duties of their position. The Division reimburses employees for the use of their personal vehicles, based upon a rate established by the Internal Revenue Service. Given the recent increases in reimbursement rates for personal vehicle mileage, it is more economical to lease small SUV's for high-mileage field personnel.

The Division has estimated that any employee driving their personal 4-wheel drive vehicle over 12,372 miles per year (or, a 2-wheel drive vehicle over 13,573 miles per year) is incurring operating expenses in excess of the projected cost to lease a small SUV from State Fleet Management. There are a total of nine employees in the agency who meet this criterion. The Division determined that a small SUV is not suitable for two of these employees, given the nature of their field work; these individuals need ½ ton pickup trucks. Since fuel and maintenance costs for pickup trucks are higher than small SUV's, staff was unable to demonstrate any cost savings in using pickups, and consequently eliminated two possible candidates from the analysis. The employees for whom an SUV is suitable drive between 12,589 and 18,530 miles per year. Acquisition of seven new vehicles generates a net decrease in expense for the agency, as demonstrated in **Table A** (Reference Calculations for Request Section). This request generates a net savings in General Funds of $1,246 in FY 2008-09 and of $3,738 in FY 2009-10 and subsequent years.

B. Request to Fund Rate Increase for Miles Driven by Employees using Personal Vehicles

During the 2006 legislative session, S.B. 06-173 was enacted to increase the reimbursement rate to state employees who must use their personal vehicles to perform their job responsibilities. Mileage rates were increased in phases, based upon the prevailing Internal Revenue Service (IRS) mileage rate. The reimbursement rates for State employees are:

Effective	2-wheel drive rate per mile	4-wheel drive rate per mile
6/01/2006	75% of IRS rate: $.33	80% of IRS rate: $.36
1/01/2007	80% of IRS rate: $.39	85% of IRS rate: $.41
1/01/2008	90% of IRS rate: $.44	95% of IRS rate: $.46

Prior to enactment of SB06-173, State employees were paid $.28 per mile for 2-wheel drive mileage and $.32 per mile for 4-wheel drive mileage. The increase in mileage rates requires new, incremental operating expenditures for the Division of Water Resources. Mileage reimbursement costs were projected to exceed FY 2004-05 levels by the following amounts:

FY 2006-07: $54,024
FY 2007-08: $93,553

FY 2008-09: $62,599

The Division submitted a fiscal note following the introduction of SB 06-173. The legislature determined that incremental expenses should be absorbed within existing resources.

The majority of the increase in mileage costs is incurred by water commissioners who are required to drive their 4-whel drive vehicles to perform basic water administration duties. There are approximately 55 Water Commissioners (50% of the Water Commissioner staff) in the Division who do not have access to state-owned vehicles for required field work. The remaining expenses for the use of 2-wheel drive vehicles are incurred primarily by management and engineering staff for several purposes: travel to supervise and assist field employees and to perform field work; travel to attend public meetings organized for the benefit of water users throughout the state; travel required to attend interstate compact meetings.

Table B (Reference <u>Calculations for Request</u> Section) documents the impact to the agency's operating line over time. The Division used FY 2004-05 as the base operating period for two reasons: (1) the preparation of a fiscal note for the relevant legislation required use of that year as the operating base, and the agency wished to maintain consistency (2) the legislation became effective during the final month of FY 2005-06; consequently, the use of FY 2005-06 as a base year does not provide for an accurate assessment of impact during a period when multiple mileage rates were in effect. It must be noted that the Division adjusted the base mileage for FY 2008-09, following approval of decision items during the spring of 2007. The General Assembly approved the acquisition of several new vehicles, thus reducing the projected miles driven in personal vehicles.

The Division implemented a one-year plan during of FY 2006-07 to pay additional mileage operating expense of $54,024. This was accomplished by effectively reducing other operating expenditures by the same amount. Specifically, a projected $42,131 in operating expense was eliminated from the operating budget to pay necessary consulting expenses for the ground water monitoring program. The nature of these expenses is such that they can be classified as an operating or personal service expense. The Division was able to pay these expenses from the personal services budget for one year, only. This plan was feasible because the Division experienced significant vacancy savings that year that could be used to finance this additional expense. Specifically, DWR was granted spending authority to hire 11.5 new FTE, beginning July 1, 2006. It was not possible to recruit these new employees on schedule, and, consequently, savings accrued during the fiscal year.

The Division was notified on December 14, 2006 of a four cent increase in the IRS mileage rate. This change required a further reduction in the operating budget of $11,893 for FY 2006-07. The Division implemented the following adjustments at mid-year:

- Deferred replacement of four computers for a value of $4,000 in savings. The Division adheres to a standard hardware maintenance schedule that requires replacement of aging and obsolete computer equipment every year. Although this action placed additional burdens on the replacement budget for the next fiscal year, staff determined this change could be implemented for one year only without serious impact to the IT infrastructure.
- Deferred needed office upgrades in the Denver office for one year. The Division intended to spend $3,800 to replace some window blinds that are over 20 years-old, and are functioning poorly. This work will be delayed until FY 2008-09.
- Realized approximately $4,000 in savings from increased use of state-owned vehicles. During the spring and summer of 2006, the Division received 33 replacement vehicles for its fleet of state-owned vehicles. This number represents three times the agency's normal replacement rate. Due to budget constraints in previous years, no replacements were possible during the previous two fiscal years for agencies financed with General Funds. Given the unusually high number of replacement vehicles received across the state during 2006, Fleet management preferred that the agency delay the turn-in of vehicles that were still functional, because of limited space on Fleet's lot. DWR was able to

temporarily assign these vehicles for several months to water commissioners who normally are required to drive their personal vehicles. The Division reimbursed Fleet for mileage at the rate of $.30 per mile, rather than paying employees $.36 per mile. This action generated approximately $4,000 in savings.

All of the above actions represent one-time reductions that cannot be repeated in future years.

During FY 2007-08 the Division financed the increased cost for one year only by using excess reserves in the Ground Water Management Cash Fund. By the beginning of FY 2008-09, sufficient excess cash reserves will no longer exist. Thus, the Division seeks $62,599 in General Funds to pay for the rate increase. Without increased funding, the Division must reduce miles driven by Water Commissioners by a total of 138,599 miles. This action would precipitate illegal diversion of water, and jeopardize the Division's ability to satisfy interstate compact obligations.

C. Request to Fund Increase in Fleet Mileage Rates

At the beginning of FY 2007-08, State Fleet Management increased variable mileage rates to compensate for increases in fuel and maintenance costs for state-owned vehicles. The agency is requesting a permanent increase of $27,064 in operating appropriation, beginning in FY 2008-09, and intends to submit a supplemental request for comparable funding for FY 2007-08.

The effects of the mileage increase vary across major areas of the agency, since the Division of Water Resources uses a different mix of vehicle classes in each area. Variable mileage percentage increases across vehicle classes are not the same. Specifically, Water Resources uses SUV's, pickup trucks, and passenger vans. The rate increases for these categories of vehicles are 4.9%, 5.7%, and 5.8%, respectively. The Division calculated the incremental cost for each vehicle in the Division's Fleet. **Table C**

(Reference Calculations for Request Section) demonstrates this impact by major area of the agency.

Without increased funding, there will be a reduction in water diversion observations, precipitating illegal diversions (theft) of water by junior water rights owners.

Other mission critical functions of the agency will be impacted, as well. The reduction in mileage will impact the effectiveness of the hydrographic program stream flow measurement and water year stream flow and water diversion records, real-time satellite transmission of stream flow data, the dam safety program, safe storage level determination and new project approval, and field inspections required under the well inspection program.

Hydrographic Measurements

The hydrographic program is a comprehensive hydrographic system that conducts stream flow measurements at various sites along the State's natural rivers and creeks to determine the amount of water available at that location for distribution to water users. These flow measurements are determined with equipment in river gauging stations that measure the depth and flow of a river/stream on a continual basis. This information is useful to produce/publish annual stream flow records that describe the mean daily stream flow, the instantaneous maximum, lowest mean stream flow, and monthly/ annual volumetric totals for a specific river location. The information and records are used to improve administration of water rights, monitor plans of augmentation to prevent injury to senior water rights, monitor and account for water delivery of reservoir storage, and collection, breakdown and analysis of complex data from municipalities and other water users for short and long-term planning.

The reduction in available mileage results in reduced measurement and stream flow data collection in every river basin throughout Colorado. The stream flow measurements provide a time-specific quantification of water available at a particular point and are used to effectively administer water. There is increasing scrutiny of Colorado's administration of water and compact deliveries with an eye toward gaining water for downstream states. An over-delivery of water to downstream states injures Colorado citizens through missed opportunity for beneficial use of that water. An under-delivery could cause interstate litigation to be initiated by the downstream States or the Federal Agencies. Stream flow measurements are also used as a calibration tool to adjust for changing streambed conditions that naturally occur due to seasonal flow fluctuations. The ability to maintain stream gauging stations, which are located at important hydrologic locations throughout the state, would be reduced. These gauging stations contain data recorders that continuously monitor the change in river depth that is used to calculate the mean daily stream flow. This data is extremely valuable to support water management decisions and to provide current conditions and comparison with long-term data.

Satellite Monitoring System

The satellite-linked monitoring system (SMS) provides the Division of Water Resources, other state and federal entities, and the water user community with access to real-time and historic stream flow data from gauging stations across the State of Colorado. These data and software systems provide for more effective water rights administration, water resource management, computerized hydrologic record development, and flood warning. The SMS allow the Division of Water Resources to collect, process, store, and distribute any kind of environmental data transmitted from remote locations. The data set of interest to the Division is the water level at rivers, streams, diversion structures, and reservoirs. The SMS converts these raw water level values into several “products” of use to various “clients”. The “products” range from raw data passed on to other computer systems to the official Hydrographic Records of mean daily stream flows. Our “clients” include Division of Water Resources personnel and other water users wanting real-time administrative data, computer systems performing other analyses, and the varied user community of state and federal agencies, municipalities, canal companies, attorneys, and consulting engineers needing access to real-time and historic stream flow data.

This reduction in travel due to the increased mileage rate, if it continues indefinitely, creates hardship in maintaining the satellite monitoring system. This is a comprehensive system of remote-sensing equipment that is housed in river gauging stations that provide near-instantaneous stream flow information via satellite relay. The purpose of this satellite monitoring system is twofold: This system is used to provide real-time stream flow data to water users and Water Commissioners via electronic access to current stream flow information; this allows our Water Commissioners to monitor fluctuating water supply conditions, thus promoting efficiency in water administration and distribution. The remote monitoring system also serves as an advance warning system to alert officials of imminent flooding conditions. It has become a valuable tool in making real-time adjustments based on ever-changing stream flow conditions, especially in times of scarce water supply.

Intangible benefits are centered on the reliance that water users have upon an unbiased state authority to regulate water supplies in strict accordance with water right decrees and Interstate Compacts. This reliance has a proven record of lessening dissension among competitive water users and the potential for contentious/unnecessary litigation between water users or downstream states.

Dam Safety

The mission of the Dam Safety program is to prevent loss of life, prevent and/or reduce property damage, and to protect the State's water supplies from the failure of dams. The Dam Safety program assures a safe environment related to the design, construction, and operation of dams and reservoirs in accordance with Section 37-87-101 through 125, C.R.S. (2007) and Rules and Regulations for Dam Safety and Construction. The program includes the enforcement of a comprehensive set of regulations, policies, and procedures for the construction and maintenance of dams, the safe operation of reservoirs, and emergency preparedness. The safe storage level is determined by the review and approval of engineered plans for the construction and repair of dams, and regular safety evaluations of existing dams and reservoirs by professional engineers.

Reduction in the ability to perform the necessary duties of the Dam Safety program increases the risk of dam failure resulting in potential loss of life and property damage. In addition, program reduction is likely to result in the construction of dams and reservoirs by unlicensed engineers, non-engineers and engineers without the necessary knowledge, experience and skill to design and construct these high-risk structures. A portion of the existing dams will not be maintained or will be maintained at a significantly lower level resulting in increased failure incidents threatening life, property and water storage.

Well Construction

The mission of the Division of Water Resources and the Board of Examiners for Water Well Construction and Pump Installation Contractors is the protection of the groundwater resources and public safety. This is accomplished through the proper licensing of contractors and the development and enforcement of rules and regulations for the proper construction of water wells, monitoring and observation wells, and pump installation. The Division of Water Resources and the Board of Examiners for Water Well Construction and Pump Installation Contractors, in accordance with Section 37-91-101 through 112, C.R.S. (2007) are responsible to safeguard the public health and to protect and preserve the groundwater resources of the State of Colorado. The Board promulgates and enforces water well construction rules related to the minimum construction standards for water wells, monitoring wells and pump installation and administrative rules regarding licensure, disciplinary action and correction of improperly constructed wells.

A significant curtailment of mileage to perform construction inspections could result in improperly constructed wells, improperly abandoned wells, and improperly installed pumps resulting in greater risk of groundwater contamination, water contamination, disease, well contamination, and increased number of open and illegal wells. All of these factors increase risk and reduce protection of the public's safety.

Consequences if not Funded:

A. The Division will lose the ability to reduce General Fund spending by $1,246 during FY 2008-09 through the purchase of seven new vehicles
B. If no funding is allowed for increased vehicle operating cost, the Division will be required to reduce miles driven by 227,900 miles. If the Division of Water Resources is required to take that action, this equates to requiring all field staff to "park" their vehicles for 1 day during every 10 working days, thus eliminating 10% of their field enforcement activities for the entire water season. Should this occur, the reduction in water diversion observations will precipitate illegal diversions (theft) of water by junior water rights

owners. All water divisions were asked to project the quantity of water theft likely, under this scenario. Their research projects a potential theft of 134,960 acre-feet of water. This water is valued at $66.67 per acre-foot. The estimate of value is based upon the assumption that one acre of irrigated land will generate $200 in income from crop production; one acre of irrigated land typically uses 3 acre-feet of water. At $66.67 per acre-foot, the estimated value of total crop production lost to the senior water rights owners equals the value of the water, $8,997,783 per year. In addition, lack of adequate field enforcement activities threatens the ability of this agency to assure compliance with interstate compact requirements; this could expose the State to future litigation activities.

Calculations for Request:

Summary of Request FY 08-09	**Total Funds**	**General Fund**	**Cash Funds**	**Cash Funds Exempt**	**Federal Funds**	**FTE**
A. Acquisition of new vehicles	(1,246)	($1,246)	$0	$0	$0	0.0
B. Finance rate increase for personal mileage	$62,599	$62,599	$0	$0	$0	0.0
C. Finance rate increase for state-owned vehicles	$27,064	$27,064	$0	$0	$0	0.0
Total	**$88,417**	**$88,417**	$0	$0	$0	**0.0**

Summary of Request FY 09-10	**Total Funds**	**General Fund**	**Cash Funds**	**Cash Funds Exempt**	**Federal Funds**	**FTE**
A. Acquisition of new vehicles	($3,738)	($3,738)	$0	$0	$0	0.0
B. Finance rate increase for personal mileage	$62,599	$62,599	$0	$0	$0	0.0
C. Finance rate increase for state-owned vehicles	$27,064	$27,064	$0	$0	$0	0.0
Total	**$85,925**	**$85,925**	$0	$0	$0	**0.0**

Table A-Acquisition of new Vehicles

		(A)	(B)	(C)	(D)		
						FY 2008-09	FY 2009-10
			Personal		Operating	Budget	Budget
Line Item		Annual	Vehicle	Fleet	Savings	Request	Request
		Mileage	Rate per mile	Rate per mile	Rate per mile	(4 months)	
						-A*D*(4/12)	-A*D
Operating Expense							
	Division 3 Commissioner	18,530	$0.46	0.234	0.226	($1,396)	(4,188)
	Division 5 Commissioner	15,515	$0.46	0.234	0.226	($1,169)	(3,506)
	Division 5 Commissioner	12,922	$0.46	0.234	0.226	($973)	(2,920)
	Division 6 Commissioner	16,933	$0.46	0.234	0.226	($1,276)	(3,827)
	Division 7 Commissioner	13,701	$0.46	0.234	0.226	($1,032)	(3,096)
	Division 7 Commissioner	12,589	$0.46	0.234	0.226	($948)	(2,845)
Total Operating						**($6,794)**	**(20,382)**
Satellite Monitoring							
	Chief Hydrographer	14,212	$0.44	0.234	0.206	($976)	(2,928)
Total Satellite Monitoring						**($976)**	**(2,928)**
Vehicle Lease							
	7 vehicles @ $233/month					$6,524	19,572
Total Vehicle Lease						**$6,524**	**19,572**
Total Budget Request						**(1,246)**	**(3,738)**

Table B-Funding of Rate Increase for Personal Mileage

Line Item	FY 2004-05 Base Expense	Base Miles Reimbursed	FY 2006-07 Expense	Incremental change from base	FY 2007-08 Expense	Incremental change from base	New base miles	FY 2008-09 Expense	Incremental change from base
Operating Expenses 2WD	$44,529	159,031	$57,251	$12,723	$65,998	$21,469	159,031	$69,974	$25,445
Operating Expenses 4WD	$200,580	626,813	$241,323	$40,743	$272,663	$72,083	516,813	$237,734	$37,154
Total Budget Request	$245,109	785,844	$298,574	$53,465	$338,661	$93,553	675,844	$307,708	$62,599
Mileage Reduction necessary to maintain 2004-05 costs									138,599

Table C-Funding of Rate Increase for State-Owned Vehicles

LOCATION	Annual miles	$Cost (new)	$/Cost (old)	$ Increase
Division 1	359,504	$108,908	$103,165	$5,743
Division 2	365,802	$112,345	$105,886	$6,459
Division 3	320,180	$100,356	$94,996	$5,360
Division 4	146,524	$41,527	$39,394	$2,133
Division 5	159,165	$48,569	$45,993	$2,576
Division 6	70,167	$21,424	$20,291	$1,133
Division 7	112,690	$34,754	$32,908	$1,846
Denver	126,181	$35,270	$33,456	$1,814
TOTAL Budget Request	1,660,213	$503,153	$476,089	$27,064
MILAGE REDUCTION NECESSARY TO MAINTAIN HISTORICAL COST				89,301

Assumptions for Calculations:

Table A: Acquisition of New Vehicles

Annual mileage statistics represent actual miles driven during calendar year 2006 by individual Water Commissioners.

The variable mileage rate of $.234/mile was established by State Fleet Management for small SUV's, effective July 1, 2007.

It is assumed that new vehicles will be acquired March 1, 2009.

Vehicle lease costs assume a purchase price of $21,000 per vehicle, an interest rate of 6%, and a lease term of 10 years.

Table B: Funding of Rate Increase for Personal Mileage

Miles driven is based upon actuals for FY 2004-05 (in conformance with fiscal note drafted for SB 06-73), and adjusted for personnel added as a result of subsequently approved decision items. This analysis also assumes that the acquisition of seven new vehicles (**Table A**) will be approved; if this does not occur, then the projected net mileage operating expense for the Division will increase.

Budget request of $62,599 is based upon the assumption that the prevailing I.R.S. reimbursement rate of $.485 per mile will not change during FY 2008-09 and FY 2009-10. I.R.S. adjustments could occur every Jan 1.

Table C: Funding of Rate Increase for State-Owned Vehicles

Annual miles represent actual mileage reported by Divisions for FY 2005-06.
Costs have been calculated on an individual basis for each vehicle driven (different classes of vehicles are assessed different rates).

The difference in costs is based upon Fleet vehicle mileage rates in effect during FY 2006-07 and FY 2007-08.

Impact on Other Government Agencies: Not Applicable

Cost Benefit Analysis: The net cost of funding this request equals $88,417 (please refer to the Calculations for Request section for full table.) Approval of the request to acquire seven new vehicles yields a reduction in General Funds cost of $1,246 during FY 2008-09.

The selected benefit technique is to compare the cost of the request to the benefit to allow water commissioner's to adequately administer water. The benefits are measured through the avoided loss of crop production. The cost benefit analysis is calculated as the value of lost crop production divided by the requested amount of funding. Following is a description.

Lost Crop Production

If no funding is allowed for increased vehicle operating cost, the Division will be required to reduce miles driven by 227,900 miles, equating to a potential theft of 134,960 acre-feet of water, valued at $66.67 per acre-foot. The estimate of value is based upon the assumption that one acre of irrigated land will generate $200 in income from crop production; one acre of irrigated land typically uses 3 acre-feet of water. At $66.67 per acre-foot, the estimated value of total crop production lost to the senior water rights owners equals the value of the water, $8,997,783 per year.

Increased Mileage Rates

The cost of acquiring new vehicles (-$1,246) is added to the rate increase for personal mileage ($62,599) plus the rate increase for state owned vehicles ($27,064).

Cost Benefit Ratio

Approval for funding of increased mileage rates yields a cost/benefit ratio of 102:1. This represents the net benefit ($8,997,783) divided by the net cost of funding the increased mileage rates ($88,417).

$8,997,783/$88,417 = 102:1

Implementation Schedule:

Task	Month/Year
Prepare specifications for 7 new vehicles	December, 2008
Fleet Management orders new vehicles	January, 2009
New vehicles are delivered and assigned to field personnel	March, 2009
Funding is available for increase in vehicle operating expenses	July, 2009

Statutory and Federal Authority:

37-61-101. C.R.S. (2007). Colorado River Compact

37-62-101. C.R.S. (2007). Upper Colorado River Compact

37-63-101. C.R.S. (2007). La Plata River Compact

37-64-101. C.R.S. (2007). Animas-La Plata Project Compact

37-65-101. C.R.S. (2007). South Platte River Compact

37-66-101. C.R.S. (2007). Rio Grande River Compact-

37-67-101. C.R.S. (2007). Republican River Compact- Ratification, purpose, and articles of compact.
Article IX
It shall be the duty of the three states to administer the compact through the official in each state who is now or may hereafter be charged with the duty of administering the public water supplies, and to collect and correlate through such officials the data necessary for the proper administration of the provisions of this compact. Such officials may, by unanimous action, adopt rules and regulations consistent with the provisions of this compact.

37-68-101. C.R.S. (2007). Amended Costilla Creek Compact

37-69-101. C.R.S. (2007). Arkansas River Compact

37-80-104. C.R.S. (2007). Water Rights and Irrigation
The state engineer shall make and enforce such regulations with respect to deliveries of water as will enable the state of Colorado to meet its compact commitments. In those cases where the compact is deficient in establishing standards for administration within Colorado to provide for meeting its terms, the state engineer shall makes such regulations as will be legal and equitable to regulate distribution among the appropriators within Colorado obligated to curtail diversions to meet compact commitments, so as to restore lawful use conditions as they were before the effective date of the compact insofar as possible.

37-81-101. C.R.S. (2007). Diversion of Waters from State

37-82-101. C.R.S. (2007). Appropriation and Use of Water

37-83-101. C.R.S. (2007). Exchange of Water and Transfer from One Stream to Another

37-84-116. C.R.S. (2007). Responsibility of User and Owner (Administration of the Diversion and Measurement of Water) - Control of headgates and weirs.
All headgates, measuring weirs, flumes, and devices used in connection with canals, flumes, and ditches or reservoirs for the measuring and delivering of waters therefrom and thereto shall be under the supervision and control at all times of the state engineer and the division engineer of the water division wherein such headgates, measuring weirs, flumes, and devices are located. . .

37-87-101. C.R.S. (2007). Reservoirs

37-88-101. C.R.S. (2007). State Canals and Reservoirs

37-89-101. C.R.S. (2007). Offenses

37-90-110 (1) (a-g). C.R.S. (2007). Underground Water- Powers of the state engineer.
(1) In the administration and enforcement of this article and in the effectuation of the policy of this state to conserve its ground water resources and for the protection of vested rights, the state engineer, either in the state engineer's own capacity or as the executive director of the commission, is empowered:
(a) To require all flowing wells to be equipped with values so that the flow of water can be controlled;
(b) To require both flowing and nonflowing wells to be so constructed and maintained as to prevent the waste of ground waters through leaky wells, casings, pipes, fittings, valves, or pumps, either above or below the land surface;
(c) To go upon all lands, both public and private, for the purpose of inspecting wells, pumps, casings, pipes, fittings, and measuring devices, including wells used or claimed to be used for domestic or stock purposes;
(d) To order cessation of the use of a well pending the correction of any defect that the state engineer has ordered corrected;
(e) To commence actions to enjoin the illegal operation or excavation of wells or withdrawal or use of water therefrom and to appear and become a party to any action or proceeding pending in any court or administrative agency when it appears that the determination of such action or proceeding might result in depletion of the ground water resources of the state contrary to the public policy expressed in this article or might injure vested rights of other appropriators;
(f) To take such action as may be required to enforce compliance with any regulation, control, or order promulgated pursuant to the provisions of this article;
(g) To issue to the owners or users of wells pumping designated ground water in the state such orders as are necessary to implement provisions of this section and section 37-90-111. In addition to any other method of giving notice, the mailing of the order in a certified letter to the well owner or operator, together with the posting of a written order, in plain sight, at the well head, shall be considered sufficient notice of the order of the state engineer, and, when so posted, the order shall be effective from the time of posting.

37-91-101. C.R.S. (2007). Water Well Construction and Pump Installation Contractors

37-92-301 (1). C.R.S. (2007). Water Right Determination and Administration- Administration and distribution of waters.
(1) The state engineer shall be responsible for the administration and distribution of the waters of the state and, in each division, such administration and distribution shall be accomplished through the offices of the division engineer as specified in this article.

37-92-501 (1). C.R.S. (2007). Water Right Determination and Administration- Jurisdiction over water- rules and regulations.
(1) The state engineer and the division engineers shall administer, distribute, and regulate the waters of the state in accordance with the constitution of the state of Colorado, the provisions of this article and other applicable laws, and written instructions and orders of the state engineer, in conformity with such constitution and laws, and no other official, board, commission, department, or agency, except as provided in this article and article 8 of title 25, C.R.S., has jurisdiction and authority with respect to said administration, distribution, and regulation. . . The state engineer may adopt rules and regulations to assist in, but not as a prerequisite to, the performance of the foregoing duties.

Performance Measures:

Performance Measure		FY 05-06 Actual	FY 06-07 Actual	FY 07-08 Appropriation	FY 08-09 Request
DNR Performance Measure #3 - Overall compliance with interstate water compacts (expressed as a percentage)	Benchmark	100%	100%	100%	100%
	Outcome	90%	90%		

It is critical that the State of Colorado meet its contractual water delivery obligations for each of its nine compacts, two United States Supreme Court decrees and interstate water allocation agreements while simultaneously protecting the right of Colorado to develop its full interstate compact apportionment.

DNR will provide an annual tabulation that quantifies the water allocation and the subsequent delivery obligation for each compact to assess compact compliance in terms relevant to that specific compact. The performance measure for each compact and interstate agreement will assess overall compliance with the compact for each year. For the year 2006, the State of Colorado was in compliance with both U.S. Supreme Court Decrees and seven of its interstate river compacts. Colorado was out of compliance with the Republican River Compact and the Animas-La Plata Compact was deemed non-operational.

Performance Measure: Water Administration Effectiveness	Outcome	FY 05-06 Actual	FY 06-07 Actual	FY 07-08 Approp.	FY 08-09 Request
DWR-1: Capture and Reuse of Water[1]	**Benchmark**	>3.0	>3.0	>3.0	>3.0
	Actual	2.44	3.14		

Narrative:
Due to its natural topography and hydrology, the State of Colorado attempts to optimize the limited and temporal availability of water supplies by successive reuse of water. Succinctly, the majority of the total amount of water diverted from a stream is applied to its decreed beneficial use or consumed through natural evaporation. However, a portion also returns to the stream system for subsequent diversion and use by downstream appropriators. One performance measure of overall effectiveness of water management is the capture and use of these return flows as they successively cascade from the mountains to the prairies before eventually leaving the state.

[1] **This is essentially the water in Colorado diverted and stored compared to water exiting the state. The performance measure is expressed as a ratio.**

Performance Measure: Water Administration and Enforcement Activities	Outcome	FY 05-06 Actual	FY 06-07 Actual	FY 07-08 Approp.	FY 08-09 Request
DWR-2: Effective Distribution and Compliance with Applicable Laws of Water Supplies[2]	**Benchmark**	<5.0%	<5.0%	<5.0%	<5.0%
	Actual	3.58%	3.58%		

Narrative:

Water administration is conducted within a regulatory environment in which limited water supplies are distributed in time, amount, and location to adjudicated water rights based upon their respective water right priority and available water supplies. Typical of most regulatory environments, the vast majority of citizens or water users comply with applicable laws. They do so, in part, because of their reliance upon DWR to assure the limited water supplies are indeed being distributed effectively and in compliance with all applicable laws.

The trend for this performance measure would decrease over time, showing the effective enforcement of the terms and conditions in water court decrees and well permits.

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[2] **This performance measure is the percentage of formal regulatory orders (cease and desist) issued by DWR per year compared to the total number of surface and ground water structures actively diverting water. The performance measure is expressed as a percentage.**

Schedule 13
Change Request for FY 08-09 Budget Request Cycle

Decision Item FY 08-09 ☑ **Base Reduction Item FY 08-09** ☐ **Supplemental FY 07-08** ☐ **Budget Request Amendment FY 08-09** ☐

Request Title: Republican River Compact Compliance

Department: Natural Resources **Dept. Approval by:** **Date:**

Priority Number: 4 of 18 **OSPB Approval:** **Date:**

		1	2	3	4	5	6	7	8	9	10
	Fund	Prior-Year Actual FY 06-07	Appropriation FY 07-08	Supplemental Request FY 07-08	Total Revised Request FY 07-08	Base Request FY 08-09	Decision/ Base Reduction FY 08-09	November 1 Request FY 08-09	Budget Amendment FY 08-09	Total Revised Request FY 08-09	Change from Base (Column 5) FY 09-10
Total of All Line Items	Total	23,424,034	23,653,062	0	23,653,062	24,916,265	109,179	25,025,444	0	25,025,444	105,668
	FTE	239.2	267.4	0.0	267.4	267.4	0.9	268.3	0.0	268	1.0
	GF	20,539,209	19,526,856	0	19,526,856	20,429,666	109,179	20,538,845	0	20,538,845	105,668
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	1,011,152	1,701,459	0	1,701,459	1,879,855	0	1,879,855	0	1,879,855	0
	CFE	1,788,331	2,245,992	0	2,245,992	2,395,663	0	2,395,663	0	2,395,663	0
	FF	85,342	178,755	0	178,755	211,081	0	211,081	0	211,081	0
(1)Executive Director's Office	Total	2,295,586	2,372,285	0	2,372,285	2,372,285	2,056	2,374,341	0	2,374,341	6,168
	FTE	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Vehicle Lease	GF	754,908	368,485	0	368,485	368,485	2,056	370,541	0	370,541	6,168
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	130,000	483,727	0	483,727	483,727	0	483,727	0	483,727	0
	CFE	1,373,617	1,478,540	0	1,478,540	1,478,540	0	1,478,540	0	1,478,540	0
	FF	37,061	41,533	0	41,533	41,533	0	41,533	0	41,533	0
(1)Executive Director's Office	Total	659,938	1,078,513	0	1,078,513	1,460,124	1,241	1,461,365	0	1,461,365	1,357
	FTE	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Amortization	GF	233,748	232,658	0	232,658	343,282	1,241	344,523	0	344,523	1,357
Equalization	GFE	0	0	0	0	0	0	0	0	0	0
Disbursement	CF	82,632	262,590	0	262,590	366,630	0	366,630	0	366,630	0
	CFE	295,277	469,702	0	469,702	618,667	0	618,667	0	618,667	0
	FF	48,281	113,563	0	113,563	131,545	0	131,545	0	131,545	0
(1)Executive Director's Office	Total	0	214,102	0	214,102	470,332	582	470,914	0	470,914	424
Supplemental	FTE	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Amortization	GF	0	41,546	0	41,546	119,367	582	119,949	0	119,949	424
Equalization	GFE	0	0	0	0	0	0	0	0	0	0
Disbursement	CF	0	51,042	0	51,042	120,816	0	120,816	0	120,816	0
	CFE	0	97,855	0	97,855	192,146	0	192,146	0	192,146	0
	FF	0	23,659	0	23,659	38,003	0	38,003	0	38,003	0

Schedule 13
Change Request for FY 08-09 Budget Request Cycle

Decision Item FY 08-09 ☑ **Base Reduction Item FY 08-09** ☐ **Supplemental FY 07-08** ☐ **Budget Request Amendment FY 08-09** ☐

Request Title: Republican River Compact Compliance

Department: Natural Resources **Dept. Approval by:** **Date:**

Priority Number: 4 of 18 **OSPB Approval:** **Date:**

		1	2	3	4	5	6	7	8	9	10
	Fund	Prior-Year Actual FY 06-07	Appropriation FY 07-08	Supplemental Request FY 07-08	Total Revised Request FY 07-08	Base Request FY 08-09	Decision/ Base Reduction FY 08-09	November 1 Request FY 08-09	Budget Amendment FY 08-09	Total Revised Request FY 08-09	Change from Base (Column 5) FY 09-10
(8) Personal Services	Total	18,879,999	18,291,158	0	18,291,158	19,091,991	(140,727)	18,951,264	0	18,951,264	(153,909)
	FTE	238.2	266.4	0.0	266.4	266.4	(2.8)	263.6	0.0	263.6	(3.0)
	GF	18,491,372	17,775,224	0	17,775,224	18,571,507	(140,727)	18,430,780	0	18,430,780	(153,909)
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	371,117	500,121	0	500,121	504,703	0	504,703	0	504,703	0
	CFE	17,510	15,813	0	15,813	15,781	0	15,781	0	15,781	0
	FF	0	0	0	0	0	0	0	0	0	0
(8) Operating Expenses	Total	1,506,838	1,650,957	0	1,650,957	1,475,486	(24,670)	1,450,816	0	1,450,816	(21,582)
	FTE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	GF	1,012,903	1,062,896	0	1,062,896	980,978	(24,670)	956,308	0	956,308	(21,582)
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	403,511	403,979	0	403,979	403,979	0	403,979	0	403,979	0
	CFE	90,424	184,082	0	184,082	90,529	0	90,529	0	90,529	0
	FF	0	0	0	0	0	0	0	0	0	0
(8)Republican River Compact Compliance	Total	81,673	46,047	0	46,047	46,047	270,697	316,744	0	316,744	273,210
	FTE	1.00	1.00	0.00	1.00	1.00	3.7	4.67	0.00	4.67	4.0
	GF	46,278	46,047	0	46,047	46,047	270,697	316,744	0	316,744	273,210
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	23,892	0	0	0	0	0	0	0	0	0
	CFE	11,503	0	0	0	0	0	0	0	0	0
	FF	0	0	0	0	0	0	0	0	0	0

Letternote revised text:

Cash Fund name/number, Federal Fund Grant name:

IT Request: ☐ **Yes** ☑ **No**

Request Affects Other Departments: ☑ **Yes** ☐ **No** **If Yes, List Other Departments Here:** Department of Personnel & Administration

		FTE and Operating Costs						GRAND TOTAL	
Fiscal Year(s) of Request		**FY 08-09**	**FY 09-10**	**FY 08-09**	**FY 09-10**	**FY 08-09**	**FY 09-10**	**FY 08-09**	**FY 09-10**
PERSONAL SERVICES	Title:	**EPST I**		**PE II**		**EPSA III**			
Number of PERSONS / class title		**2.0**	**2.0**	**1.0**	**1.0**	**1.0**	**1.0**	**4.0**	**4.0**
Calculated FTE per classification		**1.83**	**2.00**	0.92	1.00	0.92	1.00	**3.67**	**4.00**
Annual base salary (monthly * 12)	**$**	**42,396**		**98,856**		**38,208**		**221,856**	**221,856**
Number months working in FY 08-09 and FY 09-10		**11**	**12**	**11**	**12**	**11**	**12**	**44**	**48**
Salary		$77,585	$84,792	$90,948	$98,856	$35,151	$38,208	**$203,684**	**$221,856**
PERA	**10.15%**	$7,875	$8,606	$9,231	$10,034	$3,568	$3,878	**$20,674**	**$22,518**
FICA	**1.45%**	$1,125	$1,229	$1,319	$1,433	$510	$554	**$2,954**	**$3,216**
Prior Year SAED	**N/A**	$0	$582	$0	$682	$0	$264	**$0**	**$1,528**
Subtotal Personal Services at Division Level		$86,585	$95,209	$101,498	$111,005	$39,229	$42,904	**$227,312**	**$249,118**
Subtotal AED at EDO Long Bill Group Level	**1.60%**	$1,241	$1,357	$1,455	$1,582	$562	$611	**$3,258**	**$3,550**
Subtotal SAED at EDO Long Bill Group Level	**Varies**	$582	$424	$682	$494	$264	$191	**$1,528**	**$1,109**
Department Specific Average Cost for HLD / Employee**		$0	$0	$0	$0	$0	$0	**$0**	**$0**
Subtotal for Health, Life, Dental (if over 20 FTE)	**N/A**	$0	$0	$0	$0	$0	$0	**$0**	**$0**
Subtotal for Short Term Disability (if over 20 FTE	**0.13%**	$0	$0	$0	$0	$0	$0	**$0**	**$0**
OPERATING									
Supplies @ $500/$500	**$ 500**	$1,000	$1,000	$500	$500	$500	$500	**$2,000**	**$2,000**
Computer @ $900/$0	**$ 900**	$900	$0	$0	$0	$0	$0	**$900**	**$0**
Office Suite Software @ $330/$0	**$ 330**	$330	$0	$0	$0	$0	$0	**$330**	**$0**
Office Equipment @ $2,225 /$0	**$ 2,225**	$2,225	$0	$0	$0	$0	$0	**$2,225**	**$0**
Printer @ $1,500/$0	**$ 1,500**	$1,500	$0	$0	$0	$0	$0	**$1,500**	**$0**
Internet Modem Fee @ $50/$0	**$ 50**	$50	$0	$0	$0	$0	$0	**$50**	**$0**
Field Equipment @ $4,000/$0	**$ 4,000**	$8,000	$0	$0	$0	$4,000	$0	**$12,000**	**$0**
Internet (High Speed DSL $30 monthly)	**$ 360**	$720	$720	$360	$360	$360	$360	**$1,440**	**$1,440**
Cell Phone ($40 monthly)	**$ 480**	$960	$960	$480	$480	$480	$480	**$1,920**	**$1,920**
Telephone Base (Annual) ($37.50 monthly)	**$ 450.0**	$900	$900	$450	$450	$450	$450	**$1,800**	**$1,800**
Mileage Expenses		$9,896	$7,608	$5,520	$5,520	$3,804	$3,804	**$19,220**	**$16,932**
Subtotal Operating		**$26,481**	**$11,188**	**$7,310**	**$7,310**	**$9,594**	**$5,594**	**$43,385**	**$24,092**
Total Repblican River Compact		**$113,066**	**$106,397**	**$108,808**	**$118,315**	**$48,823**	**$48,498**	**$270,697**	**$273,210**
Vehicle Lease		**$2,056**	**$6,168**	**$0**	**$0**	**$0**	**$0**	**$2,056**	**$6,168**
Personal Services				**(101,498)**	**(111,005)**	**(39,229)**	**(42,904)**	**($140,727)**	**($153,909)**
Prior Year SAED		**$0**	**($582)**	**$0**	**($682)**	**$0**	**-$264**	**$0**	**($1,528)**
Subtotal AED at EDO Long Bill Group Level				**(1,455)**	**(1,582)**	**(562)**	**(611)**	**(2,017)**	**(2,193)**
Subtotal SAED at EDO Long Bill Group Level				**(682)**	**(494)**	**(264)**	**(191)**	**(946)**	**(685)**
Operating Deductions									
Supplies		**(500)**	**(500)**						
Internet (High Speed DSL $30 monthly)		**(360)**	**(360)**						

Cell Phone ($40 monthly)		**(480)**	**(480)**						
Telephone Base (Annual)($37.50 monthly)		**(450)**	**(450)**						
Mileage expenses		**(5,976)**	**(6,888)**						
Subtotal Operating Deductions		**(7,766)**	**(8,678)**	**(7,310)**	**(7,310)**	**(9,594)**	**(5,594)**	**(24,670)**	**(21,582)**
GRAND TOTAL ALL COSTS		**109,179**	**105,668**	**0**	**0**	**0**	**0**	**109,179**	**105,668**

CHANGE REQUEST for FY 08-09 BUDGET REQUEST CYCLE

Department:	Department of Natural Resources, Division of Water Resources
Priority Number:	4 of 18
Change Request Title:	Republican River Compact Compliance

SELECT ONE (click on box):

☒Decision Item FY 08-09
☐Base Reduction Item FY 08-09
☐Supplemental Request FY 07-08
☐Budget Request Amendment FY 08-09

SELECT ONE (click on box):

Supplemental or Budget Request Amendment Criterion:
☒Not a Supplemental or Budget Request Amendment
☐An emergency
☐A technical error which has a substantial effect on the operation of the program
☐New data resulting in substantial changes in funding needs
☐Unforeseen contingency such as a significant workload change

Short Summary of Request:

This is a request to add 0.9 FTE and $ 109,179 in General Funds in FY 2008-09 and 1.0 FTE and $ 105,668 in General Funds in 2009-10, to partially fund a well measurement program and assist in compliance with the Republican River Compact.

Background and Appropriation History:

The headwaters of the Republican River arise on the high plains of northeastern Colorado and western Kansas and Nebraska. The watershed encompasses an area of approximately 24,955 square miles, of which 7,722 are in Colorado, 9,714 in Nebraska, and 7,519 in Kansas. The topography in the watershed is generally characterized by near-level lands in the Great Plains that are traversed by broad and shallow river valleys in the upper and westward regions and are transformed toward the eastern portion by rolling hills and more steeply incised stream banks. The mainstem of the Republican River is formed by the junction of the North Fork of the Republican River and the Arikaree River near Haigler, Nebraska. From its headwaters, the river flows in a generally eastern direction for approximately 445 miles and decreases in elevation from 5,500 feet above mean sea level to 1,000 feet when it joins the Smoky Hill River at its confluence to form the Kansas River at Junction City, Kansas.

Within the Republican River Basin in Colorado, surface water ditches irrigate 4,700 acres; ground water irrigates 580,000 acres by 4,000 large capacity irrigation wells; 1.5 million acres are under dry-land farming practices; and 1.8 million acres are in pasture range. The total annual value of cropland sales in the basin in Colorado is approximately $500 million, including irrigated and dryland crops.[1] The present population within the Republican River basin in Colorado is estimated to be approximately 31,000.[2]

On December 31, 1942, Colorado, Kansas, and Nebraska signed the Republican River Compact to equitably divide the interstate river waters and to help facilitate federal storage projects for flood protection and irrigation development. The Republican River Compact is a legally binding and enforceable contract that was ratified by the legislative authority in each of the three states, enacted by the U.S. Congress, and signed into federal law by the President of the United States. In May 1998, Kansas filed a complaint against Nebraska, claiming that Nebraska had injured Kansas through overuse of ground water in the Republican River Basin. Nebraska countersued Kansas, naming Colorado as a formal party in November 2000. The United States Supreme Court Special Master concurred that the compact included ground water use "to the extent it depletes Republican River Basin streamflows." Settlement efforts thus began between the three states in October 2001 (*Kansas v. Colorado and Nebraska*, No. 126 Original: Second report of the Special Master Vincent McKusick, April 15, 2003).

The State of Colorado was successful in negotiating a mutually acceptable Final Settlement Stipulation that obviated the need for an anticipated 9-month trial. In addition to saving an estimated $5 million in legal/technical expenses, the Final Stipulation Settlement allowed Colorado to create terms and conditions to meet compliance obligations to the Republican River Compact while simultaneously protecting the agrarian economy in seven counties in northeastern Colorado.

Governor Bill Owens signed into law Senate Bill 04-235, establishing a Republican River Water Conservation District ("RRWCD") in Phillips and Yuma counties, and those

[1] Department of Agricultural and Resource Economics, Colorado State University (2005).
[2] Colorado Department of Local Affairs (July 2005). The peak population in the Republican River Basin within Colorado was approximately 40,380 residents in 1930.

portions of Kit Carson, Lincoln, Logan, Sedgwick, and Washington counties within the Republican River Basin. The RRWCD is empowered to take such actions as are necessary to cooperate with and assist the state of Colorado to carry out the state's duty to comply with the compact. The RRWCD Board membership consists almost entirely of agricultural irrigators and has worked diligently to educate and cooperate with other irrigators in the basin. The county commissioners of each county, the ground water management districts, and the Colorado Ground Water Commission have representatives on the RRWCD's board. Through water fee assessments, the RRWCD has raised funds needed to share in the costs of various federal programs and to enter into its own water right lease and purchase agreements.

Colorado is in the final year of the first five year rolling average compliance period of the Republican River Compact, which ends December 31, 2007. The five year rolling average was part of the Final Settlement Stipulation (*Kansas v. Colorado and Nebraska*, No. 126 Original); for the year 2006, Colorado is approximately 10,800 acre feet out of compliance with the Republican River Compact. Unfortunately, the first four years of this period (2003 through 2006) have been a continuation of the drought, which began in this area in the year 2000. For the period of 2003-2006, Colorado exceeded its Republican River Compact allocation by an average of 11,350 acre-feet per year.

The protection of existing Colorado water rights and the ability to meet interstate compact obligations are critical. Late in the spring of 2007, the Kansas Legislature passed a measure setting forth a framework for distributing damage payments from other states received as a result of violations of the Republican River Compact, which is viewed as the precursor to re-filing a lawsuit before the U.S. Supreme Court. Thus, the need to implement and administer well rules and regulations on the Republican River is increasing. Rules and Regulations for well measurement in the Republican River Basin will be promulgated by an Order of the State Engineer in October 2007 and are anticipated to go into effect July 1, 2008. This will generate the demand for well administration, physical inspection of irrigated acreage, and subsequent enforcement measures.

New personnel are therefore required to assist in meeting Colorado's interstate river compact obligations and effectively administer water rights in Colorado pursuant to implementation of the Rules and Regulations. This request provides partial funding to address the additional workload demand on the Division of Water Resources in achieving compliance under well measurement rules, to address Colorado's ability to comply with the Republican River Compact, and to identify the impact of pumping on the aquifers and senior water rights. Funding of this decision item is also necessary to promote the conservation of water in Colorado and simultaneously attempt to protect Colorado from another potential lawsuit from Kansas.

The Division anticipates that 4.0 FTE and supporting resources must be devoted for Water Division 1 to secure necessary and sufficient personnel and funding to address the additional workload demand on the Division of Water Resources in achieving compliance with the Republican River Compact. This request seeks the necessary funding to support two new positions (a net increase of 1.0 FTE). The balance of the funding will come from reallocation of Division personnel and operating costs.

General Description of Request:

Ground water administration in the Republican River Basin is rapidly emerging in response to recent court actions within the State of Colorado. In a similar situation in the Arkansas River Basin, well pumping reduced compact deliveries to Kansas and resulted in an interstate lawsuit. Resolution of that lawsuit not only held Colorado liable for $34.7 million (excluding the potential settlement of an additional $4 million in court costs), but also resulted in strict well administration with a well measurement program requiring 14 new FTE.

As mentioned above, the State Engineer is promulgating compact rules pursuant to 37-80-104 C.R.S. (2007) to address the impacts of well pumping on stream flows and compact compliance. It would be difficult, if not impossible, to legally administer these wells for Compact purposes without rules.[3] However, the issue of the State Engineer's

[3] See, Fellhauer v. People, 447 P.2d 986 (Colo. 1968).

authority to curtail wells in a designated basin is not clear.[4] Therefore, well measurement is required to determine the impact of the ground water diversions on surface water rights, the aquifers, and ultimately compliance with the Republican River Compact. The proposed rules will require measurement of all large capacity wells of 50 gallons per minute and larger. The rules allow for various types of measurement systems (e.g. power conversion coefficient utilizing utility measurements, flow meters, sonic metering, etc.) and are patterned after the Rio Grande Basin measurement rules promulgated in 2004.

The measurement rules are designed to give the widest latitude to the owners/operators of ground water rights in selecting measurement types/techniques including variances for alternative techniques. The rules require annual reporting of usage and the certification of the metering method. To accurately and fairly implement the rules, each meter/system will require database tracking. The measurement rules will require additional staffing to:

1) ensure accurate measurement devices are installed and maintained;
2) collect, evaluate and process the data;
3) ensure compliance with the rules, Final Permits and any court orders; and
4) evaluate the effectiveness of proposed replacement plans.

Additionally, the State Engineer expects any rules to be protested by at least some parties. Litigation of the Rules may take a considerable amount of time and the rules are not effective until that litigation is concluded.[5] Therefore, well regulation must be seen as a long term solution to assure compact compliance. The State Engineer will strive to avoid long-term administration of pre-compact water rights and, therefore, is not considering rules to administer surface water rights to meet Colorado's compact obligations at this time.

In lieu of measurement rules, the State Engineer will be unable to evaluate the effectiveness of curtailing wells upon impact to the Republican River Compact, surface water rights, and the aquifers. Without additional measures, the likelihood of court-

[4] Compare C.R.S. § 37-80-102(a) with Gallegos v. Colorado Ground Water Commission, 147 P.3d 20 (Colo. 2006).
[5] Simpson v. Bijou Irrigation Co., 69 P.3d 50, 71-72 (Colo. 2003)

ordered cessation of ground water use becomes greater. Such a cessation would significantly and abruptly injure the crop value and long-term value of 580,000 acres of irrigated land within the Republican River Basin.

Personnel

In all, 4.0 FTE are required to implement and enforce the ground water measurement rules. As a reference point, Division 2 required the hiring of 14 FTE as a result of needed ground water enforcement to administer augmentation plans in a similar interstate river litigation referred to as *Kansas v. Colorado*, No. 108 Original.

These new positions will be tasked with:

- Developing an inventory of large capacity wells within the Republican River Basin in Division 1;
- Conducting verification tests to assure compliance with the measurement rules and the integrity of the resultant data;
- Training well meter test contractors for approval[6];
- Reviewing and approving or denying variance requests to measurement rules;
- Monitoring the usage of "inactive" wells or independent power-supply wells (those not subject to power conversion coefficients);
- Monitoring for re-certification needs;
- Modifying and maintaining the measurement databases:
    - DWR has several existing database systems that will be the initial structure for metering requirements.
    - Databases will include: metering system, calibration schedules, contact information, power conversion coefficients, complexity of the operating system, power company downloads, web-centered owner input.
- Enforcing the terms and conditions in final well permits; and
- Administration and enforcement of water diversion orders made in accordance with the Republican River Compact Rules and Regulations.

[6] The well meter test contractors will be paid by the well owner. The Division must provide a comprehensive training to meet out strict standards initially and every two years thereafter. This is seen as a form of continuing education.

These tasks are quantified in the following analysis.

Engineering and Physical Scientist Technician I (EPST I, 2.0 FTE) - Ground water enforcement technicians: These positions are responsible for the enforcement of the measurement rules. These positions will also handle incoming questions as the rules are initiated, help process variance requests, Power Conversion Coefficient (PCC) reviews, system complexity reviews, and ensure that enforcement actions are verified and properly filed. Under the proposed rules, with approximately 4,000 wells on a four-year test schedule, there are many wells to re-certify annually. Additional bi-annual tests may be required to accurately report well pumping of those wells that rely on PCCs (as power requirements vary with well water levels throughout the year). All recertification tests must be reviewed and 10-15% subject to field measurement to ensure that the testers are correctly performing the certifications. For test failures, these positions will work with the owners to ensure proper measurement technique and equipment. These positions will train and certify independent meter testers.

Other staffing requirements to be sought <u>internally:</u>

Professional Engineer (PE II, 1.0 FTE) - Ground water measurement leader: As an expert on the determination of adequate measurement technique for wells, this position will approve variances to the measurement rules, determine compliance with the rules, analyze data comparing indicated to observed measurements, and review the operation of and recommend amendments to the rules. Public input on the rules indicates that variances on measurement technique may be requested for half of the wells (2,000). As measuring techniques are tested and new devices are developed, the Division expects a substantial number of changes in measuring techniques to be implemented. All require review, inspection and certification. Additionally, this position will be responsible for recommending and coordinating enforcement actions for non-compliance. For enforcement actions, this position will be the expert for well measuring techniques and systems. With approximately 4,000 wells, 5% non-compliance rates will generate approximately 200 actions per year. This position will also be responsible for analysis of the pumping impacts and/or replacement plans and will testify as an expert on such matters.

Engineering Physical Science Assistant III (**EPSA III 1.0 FTE**) **–** Ground water enforcement assistant: This position would provide the field verification discussed above for replacement water delivered to the stream or diverted to recharge sites from senior water rights, junior surface rights and augmentation or recharge wells. This position would also check other aspects of approved replacement plans such as reported well pumping, reduced irrigated acreage and covered, but un-used wells. This position will require the staff to conduct tests on wells to verify the accuracy of measurement techniques, compile data from well meter tests, conduct meter enforcement, review inactive wells, observe well meter tests, advise owners on available measurement techniques, and work generally for the Technicians. This position is required to meet the workload of review, inspection, certification, testing, retesting, data collection, and enforcement action regarding well meters.

New Resources Required

Resources required for the requested staff include two 4-wheel drive field vehicles sufficient to carry test equipment, office and field equipment, and telecommunication support. All of the positions require extensive field time in investigating, measuring, ensuring compliance and calibrating the metering methods selected. These positions will use state-owned vehicles to travel to and carry equipment for the field sites, requiring measuring equipment suitable to the various types of metering systems installed. The Division will be required to give up two positions to fund the PE II. The capital and operating expenses and equipment that had once been utilized by one of those positions is assumed to transfer to the PE II and the second set of expenses and equipment will transfer to one of the new EPST I positions. This is displayed in the Calculations for Request section. However, this leaves one new EPST I without equipment. Therefore, the Division will incur capital expenses for office furniture and field equipment, as well as routine operating expenses. Although this employee conducts much of his/her work in the field, the employee is required to maintain an office in his home; consequently, the Division must provide appropriate office furniture. In addition, field equipment must be obtained for the second EPST I position, because it is specialized measurement equipment required for enforcement of compact rules and not available elsewhere within the agency.

Support Equipment
The Division requests vehicles for the two new employees. Although the Division plans to reallocate two Water Commissioner positions, there is no guarantee that these individuals have access to state-owned vehicles; approximately 50% of existing Water Commissioners do not have state vehicles. Furthermore, most state vehicles operated by the Division are not appropriately equipped for the tasks specific to this work.

In the course of their duties, these individuals must obtain or download data from streamflow gages, satellite monitoring systems, ground water management districts, ditch associations, and replacement plan coordinators. Also needed is field equipment including GPS units, Collins meters, sonic meters, magnetic meters, and small tools.

Well testing personnel carry heavy and bulky State-owned calibrated measuring equipment that has a value in excess of $12,000. Hard mounted storage bins/utility boxes for the equipment are necessary to prevent damage or loss. This equipment includes: Collins meters, Ultrasonic meters, various-sized McCrometer meters (6”, 8”, and 10” diameter), pipe, connectors, hand and power tools, and electronic recording instruments. This equipment is a necessity for testing and measuring water flow, requiring storage and transportation in utility type enclosures to prevent damage. If equipment is improperly stored and transported, subsequent recalibration of equipment is required at a cost to the State in funds and lost productivity. The amount of equipment necessary to perform these daily tasks requires a ½ ton pickup truck for volumetric and weight-carrying capacity.

Employees cannot provide vehicles with hard mounted utility-type enclosures/storage boxes to protect and transport State of Colorado owned equipment. Private vehicles have neither the capability to store and transport this equipment or the insurance to cover loss or damage in the event of an accident. If employees use their private vehicles, equipment must be loaded and unloaded during every day of field use to address security needs. This requirement leads to loss of employee productivity, excess mileage expense to transport equipment to a secured location at day’s end, the need to lease secure storage space, additional recalibration of equipment due to excess handing requirements, and potential loss of field equipment. These expenses exceed the cost of acquisition of properly outfitted State-owned vehicles.

Consequences if Not Funded:

There are three important consequences that exist for not initiating well measurement rules and violating provisions of the Republican River Compact:

1. The U.S. Supreme Court *may* order the full curtailment of approximately 4,000 wells;

2. The cost to well users and the economic impact to the State of Colorado *could* be as much as a loss of sales of $208.8 million per year, causing an extremely negative economic impact on the Republican River basin communities[7].

3. An extensive trial, anticipated to last a minimum of nine months, costing in excess of $5 million in legal and expert witness fees. These figures are based upon financial costs associated with the *Kansas v. Colorado* lawsuit on the Arkansas River and time, legal fees, and expert witness fees, estimated by senior attorneys with the Colorado Attorney General's Office.

Further, this year's request can be traced to (1) Pioneer litigation [*Pioneer Irrigation District, et al v. Colorado Ground Water Commission, et al, and Stulp Investment CO., LLC, et al.*, Yuma County District Court Case No. 06-CV-14][8]. (2) the Final Settlement Stipulation of the *Kansas v. Colorado and Nebraska*, No. 126 Original, a mutually accepted negotiation between the three states; and (3) Compliance with the Republican River Compact.

The magnitude of the consequences for not completing the well measurement rules and subsequently violating provisions of the Republican River Compact are so severe that the Division believes it *must* fund the program even if this request is denied by reallocating 2

[7] Please refer to the Cost Benefit Analysis for reference.

[8] A recent ruling in this matter from the District Court Judge remanded the decision back to the Ground Water Commission, who must determine if the de-designation of the Northern High Plains Designated Basin is necessary. This may lead to complex administration of up to 4,500 wells within the prior appropriation system.

FTE internally. Because of the necessity to implement a program to inventory wells and assure compliance with metering requirements, there would be a reallocation of a part-time Water Commissioner, part-time Hydrographer, and Senior Water Commissioner.

The consequences of reallocating a part-time Water Commissioner and a senior full-time Water Commissioner equate to a decrease in surface water administration and an increase in the likelihood for illegal pumping to go unmonitored. Further, the senior water rights owners will not receive all of the water to which they are entitled and will suffer economic consequences due to a loss in crop production, estimated at $770,000 per year.[9] In addition, this reallocation of personnel reduces response time to complaints and inquiries, perpetuates disputes between individual water users, delays and/or causes incomplete water supplier reports, and leads to a declining accuracy of the reporting.

Reallocation of the part-time hydrographer limits the Division's ability to make adequate streamflow measurements on the North and South Forks of the Republican River and on the Arikaree River. In addition, the Division will be unable to adequately monitor 300-400 new recharge sites in Water Division 1. The division estimates that monitoring of 20 recharge sites is equivalent to the work required for operation and maintenance of one satellite monitoring gauging station. The estimated benefit of one gauging station is $117,250 per year[10]. Using an annual benefit of $117,250 per gage, estimated benefits for the state equal approximately $1.8 million ($117,250 water value / gage / year * 15 gages = $1,758,750). Thus, the consequences of reallocating the hydrographer could have a negative economic impact of at least $1.8 million resulting from diminished surface water administration.

Calculations for Request

[9] The loss of one Water Commissioner is estimated to result in the illegal diversion of 7,700 acre-feet of water. To reallocate 1.5 Water Commissioners, the value of crop production lost to holders of senior water rights is 7,700 acre-ft/ Commissioner *1.5 Commissioners * $66.67 (water value per acre ft.)= $770,000. This is consistent with the financial analysis contained within the Decision Item submitted for vehicle operating expenses.

[10] In an average year 35,000 acre-feet will pass through a satellite monitored streamflow gage. Valuing water at $67/ per acre foot, a single gauge could be valued at 35,000 acre-feet/gage/year * $67/ acre foot * 5 % improved delivery = $117,250.

Summary of Request FY 08-09	Total Funds	General Fund	Cash Funds	Cash Funds Exempt	Federal Funds	FTE
Total Request	109,179	109,179	0	0	0	0.9
Vehicle Lease	2,056	2,056	0	0	0	0.0
Republican River Compact Compliance	270,697	270,697	0	0	0	3.7
Personnel Services	(140,727)	(140,727)	0	0	0	(2.8)
Operating Expense	(24,534)	(24,534)	0	0	0	0.0
Amortization Equalization Disbursement	1,241	1,241	0	0	0	0.0
Supplemental Amortization Equalization Disbursement	582	582	0	0	0	0

Summary of Request FY 09-10	Total Funds	General Fund	Cash Funds	Cash Funds Exempt	Federal Funds	FTE
Total Request	105,668	105,668	0	0	0	1.0
Vehicle Lease	6,168	6,168	0	0	0	0.0
Republican River Compact Compliance	273,210	273,210	0	0	0	4.0
Personnel Services	(153,909)	(153,909)	0	0	0	(3.0)
Operating Expense	(21,174)	(21,174)	0	0	0	0.0
Amortization Equalization Disbursement	1,357	1,357	0	0	0	0
Supplemental Amortization Equalization Disbursement	424	424	0	0	0	0

FTE and Operating Costs								GRAND TOTAL	
Fiscal Year(s) of Request		**FY 08-09**	**FY 09-10**	**FY 08-09**	**FY 09-10**	**FY 08-09**	**FY 09-10**	**FY 08-09**	**FY 09-10**
PERSONAL SERVICES	Title:	**EPST I**		**PE II**		**EPSA III**			
Number of PERSONS / class title		**2.0**	**2.0**	**1.0**	**1.0**	**1.0**	**1.0**	**4.0**	**4.0**
Calculated FTE per classification		**1.83**	**2.00**	0.92	1.00	0.92	1.00	**3.67**	**4.00**
Annual base salary (monthly * 12)	$	**42,396**		**98,856**		**38,208**		**221,856**	**221,856**
Number months working in FY 08-09 and FY 09-10		**11**	**12**	**11**	**12**	**11**	**12**	**44**	**48**
Salary		$77,585	$84,792	$90,948	$98,856	$35,151	$38,208	**$203,684**	**$221,856**
PERA	**10.15%**	$7,875	$8,606	$9,231	$10,034	$3,568	$3,878	**$20,674**	**$22,518**
FICA	**1.45%**	$1,125	$1,229	$1,319	$1,433	$510	$554	**$2,954**	**$3,216**
Prior Year SAED	**N/A**	$0	$582	$0	$682	$0	$264	**$0**	**$1,528**
Subtotal Personal Services at Division Level		$86,585	$95,209	$101,498	$111,005	$39,229	$42,904	**$227,312**	**$249,118**
Subtotal AED at EDO Long Bill Group Level	**1.60%**	$1,241	$1,357	$1,455	$1,582	$562	$611	**$3,258**	**$3,550**
Subtotal SAED at EDO Long Bill Group Level	**Varies**	$582	$424	$682	$494	$264	$191	**$1,528**	**$1,109**
Department Specific Average Cost for HLD / Employee**		$0	$0	$0	$0	$0	$0	**$0**	**$0**
Subtotal for Health, Life, Dental (if over 20 FTE)	**N/A**	$0	$0	$0	$0	$0	$0	**$0**	**$0**
Subtotal for Short Term Disability (if over 20 FTE	**0.13%**	$0	$0	$0	$0	$0	$0	**$0**	**$0**
OPERATING									
Supplies @ $500/$500	**$ 500**	$1,000	$1,000	$500	$500	$500	$500	**$2,000**	**$2,000**
Computer @ $900/$0	**$ 900**	$900	$0	$0	$0	$0	$0	**$900**	**$0**
Office Suite Software @ $330/$0	**$ 330**	$330	$0	$0	$0	$0	$0	**$330**	**$0**
Office Equipment @ $2,225 /$0	**$ 2,225**	$2,225	$0	$0	$0	$0	$0	**$2,225**	**$0**
Printer @ $1,500/$0	**$ 1,500**	$1,500	$0	$0	$0	$0	$0	**$1,500**	**$0**
Internet Modem Fee @ $50/$0	**$ 50**	$50	$0	$0	$0	$0	$0	**$50**	**$0**
Field Equipment @ $4,000/$0	**$ 4,000**	$8,000	$0	$0	$0	$4,000	$0	**$12,000**	**$0**
Internet (High Speed DSL $30 monthly)	**$ 360**	$720	$720	$360	$360	$360	$360	**$1,440**	**$1,440**
Cell Phone ($40 monthly)	**$ 480**	$960	$960	$480	$480	$480	$480	**$1,920**	**$1,920**
Telephone Base (Annual) ($37.50 monthly)	**$ 450.0**	$900	$900	$450	$450	$450	$450	**$1,800**	**$1,800**
Mileage Expenses		$9,896	$7,608	$5,520	$5,520	$3,804	$3,804	**$19,220**	**$16,932**

		FTE and Operating Costs						*GRAND TOTAL*	
Fiscal Year(s) of Request		**FY 08-09**	**FY 09-10**	**FY 08-09**	**FY 09-10**	**FY 08-09**	**FY 09-10**	**FY 08-09**	**FY 09-10**
Subtotal Operating		**$26,481**	**$11,188**	**$7,310**	**$7,310**	**$9,594**	**$5,594**	**$43,385**	**$24,092**
Total Repblican River Compact		**$113,066**	**$106,397**	**$108,808**	**$118,315**	**$48,823**	**$48,498**	**$270,697**	**$273,210**
Vehicle Lease		**$2,056**	**$6,168**	**$0**	**$0**	**$0**	**$0**	**$2,056**	**$6,168**
Personal Services				**(101,498)**	**(111,005)**	**(39,229)**	**(42,904)**	**($140,727)**	**($153,909)**
Prior Year SAED		**$0**	**($582)**	**$0**	**($682)**	**$0**	**-$264**	**$0**	**($1,528)**
Subtotal AED at EDO Long Bill Group Level				**(1,455)**	**(1,582)**	**(562)**	**(611)**	**(2,017)**	**(2,193)**
Subtotal SAED at EDO Long Bill Group Level				**(682)**	**(494)**	**(264)**	**(191)**	**(946)**	**(685)**
Operating Deductions									
Supplies		**(500)**	**(500)**						
Internet (High Speed DSL $30 monthly)		**(360)**	**(360)**						
Cell Phone ($40 monthly)		**(480)**	**(480)**						
Telephone Base (Annual)($37.50 monthly)		**(450)**	**(450)**						
Mileage expenses		**(5,976)**	**(6,888)**						
Subtotal Operating Deductions		**(7,766)**	**(8,678)**	**(7,310)**	**(7,310)**	**(9,594)**	**(5,594)**	**(24,670)**	**(21,582)**
GRAND TOTAL ALL COSTS		**109,179**	**105,668**	**0**	**0**	**0**	**0**	**109,179**	**105,668**

<u>Assumptions for Calculations</u>:

Ron Clatterbuck of State Fleet Management provided the information regarding vehicle leases. For FY 2008-09 a ½ ton 4x4 pickup truck is $1,028; for FY 2009-10, the vehicle lease is $3084.

The variable vehicle rates were established for a ½ ton, 4-wheel drive vehicle driven by employees of the Department of Natural Resources. Beginning July 1, 2007, State Fleet Management has increased mileage operating rates by 5.7% for State-owned vehicles. Fleet rate per mile is .317.

The salary for the Professional Engineer is based upon the current salary of an existing employee.

The salary for the Engineering Physical Scientist Assistant is based upon the current salary of an existing employee with a state-owned vehicle.

The salary for all new employees assumes the minimum range salary level.

Water Commissioners are assumed to work from home offices.

State Fleet Management does not issue vehicles until March 1, 2009. Employees typically drive a minimum of 12,000 miles annually; therefore, in FY 2008-2009, a new employee would be required to drive eight months in a personal vehicle and drive four months in a state-owned vehicle. Mileage operating rates for personal vehicles per mile is 0.46 and for state-owned vehicles, fleet rate per mile is .317. The following table displays the breakdown of calculated mileage:

FY 2008-09					
Job Title		**D1: EPST I**	**DI: PE II**	**DI: EPSA III**	**Grand Total**

FY 2008-09					
Personal Miles		*16,000*	*12,000*		**28,000**
Per mile Cost		*0.46*	*0.46*		
Mileage Reimbursement		7,360	5,520	0	**12,880**
Fleet Miles		*8,000*		*12,000*	**20,000**
Per Mile Fleet Rate		*0.317*		*0.317*	
Total Mileage Expense		2,536		3,804	**6,340**

FY 2009-10					
Job Title		**D1: EPST I**	**DI: PE II**	**DI: EPSA III**	**Grand Total**

FY 2009-10					
Personal Miles			*12,000*		**12000**
Per mile Cost			*0.46*		
Mileage Reimbursement			5,520		**5520**
Fleet Miles		*24,000*		*12,000*	**36,000**
Per Mile Fleet Rate		*0.317*		*0.317*	
Total Mileage Expense		7,608		3,804	**11,412**

$67 acre-foot for agricultural water based upon the assumption that one acre of irrigated land will generate $200 in income from crop production; one acre of irrigated land typically uses 3 acre-feet of water.

Yield per acre of irrigated corn and non-irrigated corn was calculated by personal account of an individual farmer in the Republican River Basin.

Market commodity prices are based on June 27, 2007 prices tabulated from the Chicago Board of Trade. On June 27, 2007, the future price of corn, for delivery on July, 2008, closed at $4.00/bushel.

Cost Benefit Analysis:

The net cost of funding the requested field staff, plus the cost of computers, office furniture and equipment, specialized field equipment, telecommunications support, and operating expenses equals $109,179 (please refer to the Calculations for Request section for full table).

The selected benefit technique is to compare the cost of the request to the benefit of securing appropriate levels of staff to adequately administer the well measurement program and enforce the terms and conditions of Republican River Compact Rules and Regulations. The benefits are measured through (1) the avoided expense of interstate litigation; (2) the avoided loss of crop production in the Republican River Basin; and (3) the value of water illegally diverted due to the reallocation of staff.

Potential Interstate Litigation Avoided

Additional costs could be incurred by the state for failure to meet its interstate water delivery obligations under the Republican River Compact and non-compliance with the Final Settlement Stipulation in *Kansas v. Colorado and Nebraska*, No. 126 Original. Based upon financial costs associated with the *Kansas v. Colorado* lawsuit on the Arkansas River (pursuant to a Senior Attorney with the Attorney General's Office) *defense of our apportionment on the Republican River in a new lawsuit brought by the downstream states of Kansas and Nebraska, is estimated to be at least $5 million in legal and expert witness fees.*

Price of Irrigated Crop versus Dryland Crop

The financial analysis examines net returns dependant on harvest yields and market prices. The benefit of funding this program is continued lawful irrigation of 580,000 acres of cropland (dominated by corn) production in the Republican River Basin.

Yield per acre:

120/bushel/acre of irrigated corn
30/bushel/acre of non-irrigated or dryland corn
90 bushel/acre of corn: net benefit or incremental yield

90 bushel/acre of corn* $4.00/ bushel of corn[11] * 580,000 acres= $208,800,000

As stated above, the total benefit to the State from funding of the well measurement program includes the avoidance of $5 million of litigation expense and $208.8 million in economic crop loss. However, to accomplish this program, the State loses the benefit of 3 FTE that will be reallocated to staff this program. Specifically, the Division expects to:

- Transfer a senior Professional Engineer from the Denver Office to staff this program. This individual is currently required to analyze and approve Substitute Water Supply Plans. The resulting inability to support this work could generate a loss to the State of tens of millions of dollars. Consequently, the Division must secure funds to replace the Professional Engineer.
- Hire a new Professional Engineer for the Denver Office to perform the functions currently supported by the individual to be transferred. This will require eliminating two Water Commissioner positions from the Personal Services budget to secure the needed funding to pay the salary and expenses of a Professional Engineer.
- Reallocate one Water Commissioner position from the Personal Services budget to staff the required Engineering Physical Science Assistant III position.

To calculate the net benefit to the State, the loss of three Water Commissioners must be accounted for by subtracting their total value from the sum of the total benefit of avoided litigation and crop loss. The Water Commissioner position is the most common position with the Division of Water Resources. Because of this fact, the Division assumed these

[11] Source: Chicago Board of Trade, June 27, 2007

positions would be the most likely to be reallocated to allow for the addition of new employees. However, at this time, it is too early to make a definite decision in this regard. When it is time to implement this change, the final decision will be based on generating the smallest net impact to the State of Colorado as possible. Following is a description of this projected loss.

Illegally Diverted Water

The loss of three Water Commissioners increases the potential for the illegal diversion of water. The Division estimates a theft of water by junior water rights owners of 23,100 acre-feet of water, valued at $66.67 per acre-foot. The estimate of value is based upon the assumption that one acre of irrigated land will generate $200 in income from crop production; one acre of irrigated land typically uses 3 acre-feet of water. At $66.67 per acre-foot, the estimated value of total crop production lost to the senior water rights owners equals the value of the water, $1,540,077 per year.

Net Benefit Analysis Summary

The analysis below derives a net benefit of $212,259,923. This is calculated by subtracting the benefits lost due to reallocation of staff from the benefits of avoiding interstate litigation and maintaining existing crop production.

$5,000,000 (interstate litigation) + $208,800,000 million (crop production) = $213,800,000

Reallocation of staff (Illegally diverted water) = $1,540,077

$213,800,000 - $1,540,077 = <u>$212,259,923</u>

Cost Benefit Ratio

The Cost Benefit Ratio is 1,944:1. This represents the net benefit ($212,259,923) divided by the net cost of funding the requested FTE and associated operating expenses ($109,179).

Required Budget Transfers

The need for 4.0 FTE is essential to accomplish the entire well measurement program and to assist in compact compliance. However, the request is for 0.9 new FTE and operating costs to accomplish a portion of the increased duties that accompany the well measurement program. Because this project is of utmost importance, the Division will reallocate 2.8 FTE within the Division. This action requires a transfer in spending authority of $140,727 in personal services expense and $ 24,534 in operating expense for FY 2008-09 to the Republican River Compact line.

Implementation Schedule (anticipated):

Task	Month/Year
Determine Qualifications and Examination Requirements for the two EPST I Positions	April 1, 2008
Advertise Position to the Public	April 8, 2008
Close Position to the Public	April 15, 2008
Review, Analyze, and Determine Top Candidates Based on Application and Examination	May 1, 2008
Contact Top Candidates and Require Further Testing	May 15, 2008
Conduct Further Testing and Interview	June 1, 2008
FTEs Hired	July 1, 2008
New Employee Orientation	July 1, 2008

Statutory and Federal Authority:

37-67-101. C.R.S. (2007) Republican River Compact- Ratification, purpose, and articles of compact.
Article IX
It shall be the duty of the three states to administer the compact through the official in each state who is now or may hereafter be charged with the duty of administering the public water supplies, and to collect and correlate through such officials the data necessary for the proper administration of the provisions of this compact. Such officials may, by unanimous action, adopt rules and regulations consistent with the provisions of this compact.

37-80-102 (k). C.R.S. (2007). Water Rights and Irrigation- General duties of state engineer- supervision and utilization of employees- satellite monitoring system.
(k) Such other acts as may be reasonably necessary to enable him to secure the effective and efficient operation of the division of water resources, including power and authority to make and enforce such rules or regulations as he may find necessary or desirable to effectuate the performance of his duties. The making of such rules or regulations shall not be a prerequisite to control of personnel of the division of water resources or the

performance of his duties under the constitution or laws of Colorado or any compact, treaty, or judicial decree or decision which does not, by its specific terms, require implementation by such rule or regulation.

37-80-104. C.R.S. (2007). Water Rights and Irrigation- Compact requirements- state engineer's duties.
The state engineer shall make and enforce such regulations with respect to deliveries of water as will enable the state of Colorado to meet its compact commitments. In those cases where the compact is deficient in establishing standards for administration within Colorado to provide for meeting its terms, the state engineer shall makes such regulations as will be legal and equitable to regulate distribution among the appropriators within Colorado obligated to curtail diversions to meet compact commitments, so as to restore lawful use conditions as they were before the effective date of the compact insofar as possible.

37-92-501 (1). C.R.S. (2007). Water Right Determination and Administration- Jurisdiction over water- rules and regulations.
(1) The state engineer and the division engineers shall administer, distribute, and regulate the waters of the state in accordance with the constitution of the state of Colorado, the provisions of this article and other applicable laws, and written instructions and orders of the state engineer, in conformity with such constitution and laws, and no other official, board, commission, department, or agency, except as provided in this article and article 8 of title 25, C.R.S., has jurisdiction and authority with respect to said administration, distribution, and regulation. . . The state engineer may adopt rules and regulations to assist in, but not as a prerequisite to, the performance of the foregoing duties.

<u>Performance Measures:</u>

Performance Measure		FY 05-06 Actual	FY 06-07 Actual	FY 07-08 Appropriation	FY 08-09 Request
DNR Performance Measure #3 - Overall compliance with interstate water compacts (expressed as a percentage)	Benchmark	100%	100%	100%	100%
	Outcome	90%	90%		

It is critical that the State of Colorado meet its contractual water delivery obligations for each of its nine compacts, two United States Supreme Court decrees and interstate water allocation agreements while simultaneously protecting the right of Colorado to develop its full interstate compact apportionment.

DNR will provide an annual tabulation that quantifies the water allocation and the subsequent delivery obligation for each compact to assess compact compliance in terms relevant to that specific compact. The performance measure for each compact and interstate agreement will assess overall compliance with the compact for each year. For the year 2006, the State of Colorado was in compliance with both U.S. Supreme Court Decrees and seven of its interstate river compacts. Colorado was out of compliance with the Republican River Compact and the Animas-La Plata Compact was deemed non-operational.

Schedule 13
Change Request for FY 08-09 Budget Request Cycle

Decision Item FY 08-09 ☑ **Base Reduction Item FY 08-09** ☐ **Supplemental FY 07-08** ☐ **Budget Request Amendment FY 08-09** ☐

Request Title: State Parks Utilities

Department: Natural Resources **Dept. Approval by:** **Date:**

Priority Number: 5 of 18 **OSPB Approval:** **Date:**

	Fund	1 Prior-Year Actual FY 06-07	2 Appropriation FY 07-08	3 Supplemental Request FY 07-08	4 Total Revised Request FY 07-08	5 Base Request FY 08-09	6 Decision/ Base Reduction FY 08-09	7 November 1 Request FY 08-09	8 Budget Amendment FY 08-09	9 Total Revised Request FY 08-09	10 Change from Base (Column 5) FY 09-10
Total of All Line Items	**Total**	23,816,950	25,058,560	0	25,058,560	24,414,995	377,317	24,792,312	0	24,792,312	377,317
	FTE	234.9	266.6	0.0	266.6	266.6	0.0	266.6	0.0	266.6	0.0
	GF	4,277,797	5,466,161	0	5,466,161	5,680,910	178,664	5,859,574	0	5,859,574	178,664
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	18,135,940	16,952,945	0	16,952,945	17,341,636	198,653	17,540,289	0	17,540,289	198,653
	CFE	986,016	2,191,060	0	2,191,060	947,060	0	947,060	0	947,060	0
	FF	417,197	448,394	0	448,394	445,389	0	445,389	0	445,389	0
(a) State Park Operations	**Total**	23,816,950	25,058,560	0	25,058,560	24,414,995	377,317	24,792,312	0	24,792,312	377,317
	FTE	234.9	266.6	0.0	266.6	266.6	0.0	266.6	0.0	266.6	0.0
	GF	4,277,797	5,466,161	0	5,466,161	5,680,910	178,664	5,859,574	0	5,859,574	178,664
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	18,135,940	16,952,945	0	16,952,945	17,341,636	198,653	17,540,289	0	17,540,289	198,653
	CFE	986,016	2,191,060	0	2,191,060	947,060	0	947,060	0	947,060	0
	FF	417,197	448,394	0	448,394	445,389	0	445,389	0	445,389	0

Letternote revised text:

Cash Fund name/number, Federal Fund Grant name:

IT Request: ☐ **Yes** ☑ **No**

Request Affects Other Departments: ☐ **Yes** ☑ **No** **If Yes, List Other Departments Here:**

FTE and Operating Costs								GRAND TOTAL	
Fiscal Year(s) of Request		**FY 08-09**	**FY 09-10**	**FY 08-09**	**FY 09-10**	**FY 08-09**	**FY 09-10**	**FY 08-09**	**FY 09-10**
PERSONAL SERVICES	Title:							To two decimal	
Number of PERSONS / class title									
Calculated FTE per classification		**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	-	-
Annual base salary (monthly * 12)	**$**								
Number months working in FY 08-09 and FY 09-10									
Salary		$0	$0	$0	$0	$0	$0	$0	$0
PERA	**10.15%**	$0	$0	$0	$0	$0	$0	$0	$0
FICA	**1.45%**	$0	$0	$0	$0	$0	$0	$0	$0
Subtotal Personal Services		$0	$0	$0	$0	$0	$0	$0	$0
OPERATING									
Supplies @ $500/$500	**$ 500**	$0	$0	$0	$0	$0	$0	$0	$0
Computer @ $959/$0	**$ 690**	$0	$0	$0	$0	$0	$0	$0	$0
Office Suite Software @ $300/$0	**$ 294**	$0	$0	$0	$0	$0	$0	$0	$0
Office Equipment @ $2,021 /$0	**$ 2,021**	$0	$0	$0	$0	$0	$0	$0	$0
Telephone Base (Annual)	**$ 369.6**	$0	$0	$0	$0	$0	$0	$0	$0
Subtotal Operating		$0	$0	$0	$0	$0	$0	$0	$0
GRAND TOTAL ALL COSTS		**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**

Account for Pay Date Shift, no salary payment in June

CHANGE REQUEST for FY 08-09 BUDGET REQUEST CYCLE

Department:	Natural Resources
Priority Number:	5 of 18
Change Request Title:	State Parks Utilities

SELECT ONE (click on box):

☒Decision Item FY 08-09
☐Base Reduction Item FY 08-09
☐Supplemental Request FY 07-08
☐Budget Request Amendment FY 08-09

SELECT ONE (click on box):

Supplemental or Budget Request Amendment Criterion:
☒Not a Supplemental or Budget Request Amendment
☐An emergency
☐A technical error which has a substantial effect on the operation of the program
☐New data resulting in substantial changes in funding needs
☐Unforeseen contingency such as a significant workload change

Short Summary of Request: This decision item request is to increase the State Park Operations line item for an increase in utilities expenses the Division is experiencing.

Background and Appropriation History: The Division has one operating line that is used for expenses relating to the operation of 41 state parks. The four types of expenses that are charged to the State Park Operations line item are Personal Services, Operating, Utilities and Seasonal Work Program. This enables the Division to fund shortfalls within one expense category with funds in another expense category. While this gives the Division the flexibility necessary to manage the volatility of these expenses, the funding of utility over-expenditures from operating is impacting the daily operations of the parks. Utilities costs are the most difficult for the Division to control as they are impacted by consumption related to visitation, weather conditions, as well as rate changes. Our only means of managing utility expenditures is to control usage, which generally means closing facilities earlier in the fall or opening facilities later in the spring. With the addition of new facilities over the past several years, as well as the promotion of winter usage, the impact of these rate increases is especially severe. The resulting reduction in services has the potential to have a detrimental impact on our revenue.

Over the past several years, the division has experienced a reduction in General Funds associated with the State Park Operations line item. The General Fund support has decreased from 25.7% in FY 2000-01 to 18.5% in FY 2006-07. This has resulted in a greater need for increased revenue from park facilities and visitation. The Division has strived to increase facilities that are in demand from visitors including adding electric, water and sewer to many of its campsites to allow campers with RV's better access to State Parks. However, with the increase in visitation from this population, the Division has seen a corresponding increase in utility expenses that are unable to be funded from the existing appropriation.

The increased expenses for utilities is directly related to greater consumption and higher cost of electricity, natural gas, water and sewage services. The increased costs for utilities include an increase in the following: (1) electrical hookups for RV's; (2) electricity for operation of visitor centers; (3) additional costs associated with the use of camper services buildings available at many parks; (4) full water and sewer hookups available at many campsites, and; (5) electricity for security lighting on roadways, parking lots and on the exterior of the public buildings within each park. Providing security lighting in public use areas during the nighttime hours contributes to the safety and well-being of our park visitors and staff.

Fleet costs are a direct result of park rangers patrolling the perimeter of the parks. The patrols include the camping/visitation areas as well as the natural areas of the parks. The increase in expenses for fleet is directly attributable to the increase in gas prices, increases in mileage as new parks and facilities come online and the increased cost of maintaining the vehicles as they get older and require additional maintenance. In order to ensure the safety of visitors and the park facilities, it is necessary for our staff to complete patrols of the parks. The total number of acres that are managed within the parks is 218,635 which must be routinely patrolled by park rangers.

General Description of Request:

The Division of Parks and Outdoor Recreation is required by statute to cover a portion of its operating costs with user fees. The Division has 41 parks located throughout Colorado, in locations ranging from the major urban centers along the Front Range to rural locations near the state's borders. Many parks, particularly those in rural settings and smaller communities, only cover 45 – 50 % of their operating costs with user fees due to inherent limitations on visitation and overnight use. Because of this, it is clear that the Division as a whole will never cover all operating costs with user fees. As such, the Division is recommending a partnership in which General Funds and Parks Cash Funds would contribute equally to the needs of the utilities request. This would enable the Division to focus on park operations in all locations regardless of whether they collect over 50% of their costs or not. As of FY2005-06, there are 12 parks that collect less than 50% of their operating costs The closure of these parks permanently or even for a portion of the year would impact the economy in the nearby communities and local businesses.

For the past three years, the Division has been temporarily re-allocating resources from programmatic operating budgets to utility and fleet costs to ensure uninterrupted services. This has resulted in new programs being delayed as well as the less frequent replacement of material and equipment that are used daily on the job, resulting in lower performance and productivity. The utility and fleet cost increases must be covered within the current appropriation, which impacts the operations of the parks.

The New Facilities decision items that were approved in FY07 and FY08 allowed the Division some relief from the rising fleet and utilities costs; however, the large increase in expenses from FY04 to FY07 has hampered the Division's ability to support the increases within the existing budget. The Division is in the process of applying energy efficiency measures as prescribed by the Governor's Office. These measures will be implemented in the next two years and should assist in controlling and containing costs in future years.

Consequences if Not Funded:

If this request is not approved, the Division will need to seriously consider closing developed areas like campsites earlier in the fall and opening them later in the spring.

This would impact the ability of the Division to earn revenue which will further hinder the Division. The total revenue received from all camping services in FY07 was $5.4M, with approximately 70% or $3.8M attributable to electric/deluxe campsites, which include electrical, water and sewer hookups. Based on the camping season of approximately seven months, (roughly April through October), the average monthly revenue received from the upgraded campsites is $545,624 per month. If the division were to close campsites earlier in the fall or later in the spring, it could be detrimental to the revenue of the Division.

Due to an already restricted budget, the Division is unable to absorb these additional utilities expenses within its existing appropriation. By increasing this funding, the Division will be able to mitigate the impact of non-funded inflationary increases and restore the budget to maintain its physical assets and programmatic work. This request would allow the parks to expand the programs, equipment and operations that were impacted by increasing utilities expenses to be restored. This includes more access to the visitor centers at various parks, greater access to campsites with utility hookups as well as cabin and yurt rentals. Increasing visitation and use of campgrounds has driven a large part of the utility increases over the past few years.

Calculations for Request:

Summary of Request FY 08-09	**Total Funds**	**General Fund**	**Cash Funds**	**Cash Funds Exempt**	**Federal Funds**	**FTE**
Total Request	$377,317	$178,664	$198,653			
State Park Operations	$377,317	$178,664	$198,653			

Summary of Request FY 09-10	**Total Funds**	**General Fund**	**Cash Funds**	**Cash Funds Exempt**	**Federal Funds**	**FTE**
Total Request	$377,317	$178,664	$198,653			
State Park Operations	$377,317	$178,664	$198,653			

Based on the calculations below, the actual need for the Division is $397,306, however, due to the General Fund budget limitations the Division is only requesting $397,306 minus$19,989, for a total request of $377,317 in funding for State Park Operations.

Assumptions for Calculations: The assumption for this request is based on the amount of growth from FY2004 to FY2007. As the chart below demonstrates, the growth in expenses over this period is $321,563. The percentage in growth from FY04 to FY05 was 14.66%, the percentage growth from FY05 to FY06 was 10.23% and the percentage of growth from FY 2006 to FY 2007 was 9.9%. Removing the $126,502 of increases that were approved in previous decision items results in a total need of $195,061. The fleet variable expenses have grown significantly over the past three years. The percentage in growth from FY 2004 to FY 2005 was 12.02%, the percentage in growth from FY 2005 to FY 2006 was 12.96% and the growth from FY 2005 to FY 2006 was 24.45%. Removing the $44,265 of increases that were approved in previous decision items results in a total need of $202,245. The total need for these items is $397,306, of which the Division is requesting 50% of General Fund support and the remaining 50% would be Cash Funded. Due to the large increase in expenses, this is not an expense that can be absorbed within the current operating budget of the Division.

		FY2003-04	FY2004-05	FY2005-06	FY2006-07	FY04 toFY07
Obj	**Object Name**	**Amount**	**Amount**	**Amount**	**Amount**	***Increase***
2110	WATER AND SEWERAGE SERVICES	$140,840	$136,977	$141,637	$161,612	*$20,772*
3920	BOTTLED GAS	$131,609	$164,778	$191,529	$202,956	*$71,347*
3940	ELECTRICITY	$524,475	$598,938	$652,144	$723,803	*$199,328*
3970	NATURAL GAS	$29,696	$47,082	$59,436	$59,813	*$30,117*
	Total	$826,620	$947,775	$1,044,747	$1,148,184	*$321,563*
	New Facilities DI FY07 and FY08 Requests					($126,502)
	Revised Request					$195,061
	% Growth	14.66%	10.23%	9.90%		
		FY2003-04	FY2004-05	FY2005-06	FY2006-07	FY05 toFY07
Obj	**Object Name**	**Amount**	**Amount**	**Amount**	**Amount**	***Increase***
2252	RENTAL/MOTOR POOL MILE CHARGE	$428,893	$480,448	$542,712	$675,403	$246,510

New Facilities DI FY07 and FY08 Requests						(44,265)
Revised Request						$202,245
% Growth		12.02%	12.96%	24.45%		
Total Needs						$397,306
Total Request						$377,317
Average Percentage Growth	14.04%				General Fund	$178,664
					Cash Fund	$198,653

Impact on Other Government Agencies: This request does not impact other Government Agencies.

Cost Benefit Analysis: The above chart demonstrates the large increase in utilities and fleet expenses from FY 2004 to FY 2007, which averages a 14.04% growth rate over this period. In order to absorb this large increase in rates, it would be necessary to decrease usage by the same percentage. This would result in a decrease in visitation and a corresponding reduction in camping revenue and customer benefit.

The total revenue received from parks for all services in FY 2007 was $17,656,218, of which $3,819,369 or 22% is directly attributable to electric and deluxe campsites. The total number of electric and deluxe campsite reservations for FY 2007 was approximately 190,968 camping nights. Based on the average number of people per vehicle of 1.7, the total camping related visitation is 324,646. If the Division absorbed the 14.04% growth by decreasing usage, this would entail closing campsites for a period of the camping season, proportionally, requiring a decrease of electric and deluxe campsite rentals of 26,812 and a corresponding decrease in revenue of $536,238. The basic and primitive camping revenue and nights have been excluded from the above calculation. These campsites do not use any utilities and therefore do not account for any of the growth discussed above.

While the loss of visitors would negatively impact the Division, this reduction in services would also have a large impact on the local communities and the economic benefit that is derived from visitors within the impacted regions. According to the State Park Market

Assessment Study that was completed in 2003, during a typical visit to a state park, visitors will spend on average, $65.71 within a 50-mile radius of the park. If the Division were required to close the campsites to meet the 14.04% increase in fleet and utilities by reducing the camping season, there would be a corresponding decrease to the number of visitors to the area. The total visitation loss is estimated as follows: 26,812 camping nights multiplied by 1.7 people per vehicle for a total visitation loss of 45,580. Assuming 50% of the visitors would still utilize campsites in the same vicinity; either Federal or local campsites, there would be a loss of visitation to the local community of 22,790. The loss in visitation of 22,790 divided by 1.7 people per vehicle would result in a local economic impact of $880,900 to the surrounding communities. This impact would be devastating to the communities and local businesses that depend on their state park to serve as the region's major attraction.

<u>Implementation Schedule</u>: The implementation schedule is not applicable to this request as the request is not a project. The additional funding requested would be available July 2008 and would cover expenditures that would occur in FY2008-09.

<u>Statutory and Federal Authority</u>: Section 33-10-101 to 33-15-112, C.R.S. (2007) It is the policy of the state of Colorado that the natural, scenic, scientific, and outdoor recreation areas of this state are to be protected, preserved, enhanced, and managed for the use, benefit, and enjoyment of the people of this state and visitors of this state.

<u>Performance Measures:</u> The Colorado Department of Natural Resources' FY 2008-09 Strategic Plan contains a vision statement that addresses five policy areas. One of those policy areas is for State Parks and is reprinted below:

State Parks - In light of a sustained decline in General Fund support, a major focus is placed on seeking alternative revenue streams and operating efficiencies for the Division of Parks and Outdoor Recreation. By solving the Division's budgetary problems, Colorado maintains a system of state parks across the State that offers diverse outdoor recreation opportunities, protects high quality landscapes for current and future generations, and fosters natural resource education. Colorado State Parks remains affordable to all Coloradoans, provide excellent customer service to visitors, and maintain safe, high-quality park facilities.

By providing additional funding for utility and variable mileage rate increases, this decision item will be a component of the broader effort to address Colorado State Parks' budget problems. As noted previously, budget constraints may force the Division to consider full, partial, or seasonal closure of some of the least self-sufficient state parks. This would directly impact performance related to DNR Performance Measure #2, under which the Department's goal is to increase annual visitation to State Parks. If this decision item is not approved, the Department estimates that some fraction of the 1.2 million visitors to the ten least self-sufficient state parks may be lost due to full, partial, and or seasonal park closures. The exact amount of the reduction will be largely dependent on the outcome of other budgetary and legislative proposals that will also address the Division's budget shortfall.

Schedule 13
Change Request for FY 08-09 Budget Request Cycle

Decision Item FY 08-09 ☑ **Base Reduction Item FY 08-09** ☐ **Supplemental FY 07-08** ☐ **Budget Request Amendment FY 08-09** ☐

Request Title: Reclamation of Forfeited Mine Sites Continuation Funding

Department: Natural Resources **Dept. Approval by:** **Date:**

Priority Number: 6 of 18 **OSPB Approval:** **Date:**

	Fund	1 Prior-Year Actual FY 06-07	2 Appropriation FY 07-08	3 Supplemental Request FY 07-08	4 Total Revised Request FY 07-08	5 Base Request FY 08-09	6 Decision/ Base Reduction FY 08-09	7 November 1 Request FY 08-09	8 Budget Amendment FY 08-09	9 Total Revised Request FY 08-09	10 Change from Base (Column 5) FY 09-10
Total of All Line Items	**Total**	0	342,000	0	342,000	0	342,000	342,000	0	342,000	342,000
	FTE	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	GF	0	0	0	0	0	0	0	0	0	0
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	0	342,000	0	342,000	0	342,000	342,000	0	342,000	342,000
	CFE	0	0	0	0	0	0	0	0	0	0
	FF	0	0	0	0	0	0	0	0	0	0
(2) Div of Reclamation, Mining and Safety (B) Inactive Mines Reclamation of Forfeited Mine Sites	**Total**	0	342,000	0	342,000	0	342,000	342,000	0	342,000	342,000
	FTE	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	GF	0	0	0	0	0	0	0	0	0	0
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	0	342,000	0	342,000	0	342,000	342,000	0	342,000	342,000
	CFE	0	0	0	0	0	0	0	0	0	0
	FF	0	0	0	0	0	0	0	0	0	0

Letternote revised text: *This amount shall be from the Operational Account of the Severance Tax Trust Fund established pursuant to Section 39-29-109 (1) (a) (II), C.R.S.*

Numbered Footnote text: *It is the intent of the General Assembly that the appropriation to this line item remain available until the completion of the project or the close of FY2010-11, whichever comes first. At project completion or the end of the three-year period, any unexpended amount shall revert to the Operational Account of the Severance Tax Trust Fund, from which this appropriation wsa made.*

Cash Fund name/number, Federal Fund Grant name: Emergency Response Cash Fund / Fund 211 - Severance Tax funding will be transferred into Fund 211 from the Operational Account of the Severance Tax Trust Fund.

IT Request: ☐ **Yes** ☑ **No**

Request Affects Other Departments: ☐ **es** ☑ **o** **If Yes, List Other Departments Here:**

FTE and Operating Costs								GRAND TOTAL	
Fiscal Year(s) of Request		**FY 08-09**	**FY 09-10**	**FY 08-09**	**FY 09-10**	**FY 08-09**	**FY 09-10**	**FY 08-09**	**FY 09-10**
PERSONAL SERVICES	Title:							To two decimal	
Number of PERSONS / class title									
Calculated FTE per classification		**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	-	-
Annual base salary (monthly * 12)	**$**								
Number months working in FY 08-09 and FY 09-10									
Salary		$0	$0	$0	$0	$0	$0	$0	$0
PERA	**10.15%**	$0	$0	$0	$0	$0	$0	$0	$0
FICA	**1.45%**	$0	$0	$0	$0	$0	$0	$0	$0
Subtotal Personal Services		$0	$0	$0	$0	$0	$0	$0	$0
OPERATING									
Supplies @ $500/$500	**$ 500**	$0	$0	$0	$0	$0	$0	$0	$0
Computer @ $959/$0	**$ 690**	$0	$0	$0	$0	$0	$0	$0	$0
Office Suite Software @ $300/$0	**$ 294**	$0	$0	$0	$0	$0	$0	$0	$0
Office Equipment @ $2,021 /$0	**$ 2,021**	$0	$0	$0	$0	$0	$0	$0	$0
Telephone Base (Annual)	**$ 369.6**	$0	$0	$0	$0	$0	$0	$0	$0
Subtotal Operating		$0	$0	$0	$0	$0	$0	$0	$0
GRAND TOTAL ALL COSTS		**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**

Account for Pay Date Shift, no salary payment in June

CHANGE REQUEST for FY 08-09 BUDGET REQUEST CYCLE

Department:	Natural Resources/Division of Reclamation, Mining and Safety
Priority Number:	6 of 18
Change Request Title:	Reclamation of Forfeited Mine Sites Continuation Funding

SELECT ONE (click on box):

- ☒ Decision Item FY 08-09
- ☐ Base Reduction Item FY 08-09
- ☐ Supplemental Request FY 07-08
- ☐ Budget Request Amendment FY 08-09

SELECT ONE (click on box):

Supplemental or Budget Request Amendment Criterion:

- ☒ Not a Supplemental or Budget Request Amendment
- ☐ An emergency
- ☐ A technical error which has a substantial effect on the operation of the program
- ☐ New data resulting in substantial changes in funding needs
- ☐ Unforeseen contingency such as a significant workload change

Short Summary of Request:

The request is for annual funding of $342,000 cash funds/Severance Tax for five consecutive fiscal years for the Inactive Mine Reclamation Program (hereafter referred to as “IMRP”) to continue addressing reclamation work on 35 projects related to “forfeited” mine sites. The total estimated cost for five years is $1,710,000. Each annual appropriation is requested for a three-year spending cycle to accommodate site assessment work and a limited construction season as the majority of sites are located at higher-elevations. Project management costs for existing Inactive Mine Program staff will be covered from a 5 percent administrative fee deducted from each bond amount and retained in the Minerals Program. Previous spending authority for this purpose (a single increment of $342,000) was approved in FY07-08.

Background and Appropriation History:

Forfeited reclamation bonds result from mine operator bankruptcy or death or from financial failure of the bonding institution that results in an insufficient bond amount, relative to unfinished reclamation, retained by the state when the mining permit is revoked (for ease of discussion, the term “forfeited” is used in the Long Bill line to refer to both the bond and the mine site, rather than the term “revoked”). No state funds are dedicated to addressing incomplete reclamation on revoked sites. The current list of outstanding revoked mine sites (see Exhibit A for location of the sites) has developed since 1977 when mining regulatory statutes were first enacted to require operators to post a bond to cover the cost of reclaiming the site if the operator failed to do so. Occurrences of inadequate bonds retained by the state at the time a mine permit is revoked are due to bonding caps initially set at unrealistic levels and later not being maintained at adequate levels as the operator experienced financial problems. The requirement of an operator to increase the amount of their bond due to revised reclamation cost calculations based on new site parameters or to inflationary increases on the cost to reclaim the site often triggers failure of an operator who was already facing financial difficulty leading into bankruptcy. Per Colorado statutory citation 34-32-118(5) C.R.S. [2007], the Mined Land Reclamation Board has right of entry on revoked mine lands and has authorized IMRP to coordinate contractual remediation work required at each site. Sites where the bond amount was sufficient to cover unfinished reclamation work are addressed by IMRP within project workloads; 35 remaining projects are identified by an initial field survey at sites that do not having adequate bond coverage for the reclamation work that remains, for an estimated total additional cost of $1,710,000.

The uses of current funding sources in IMRP are outlined below in the context of pre- and post-mining regulation stages. In summary, pre-law sites can be reclaimed with forfeited bond amounts, Office of Surface Mining (OSM) federal funds, or severance tax, while post-law sites can only be addressed with forfeited bond amounts and severance tax funds. A single appropriation of $342,000 severance tax funding was approved in FY07-08 (see FY07-08 Long Bill line (B) Inactive Mines, Reclamation of Forfeited Mine Sites), which will fund reclamation at 10 forfeited sites, leaving 35 sites without funding. Certain funds are restricted in the types of reclamation they can address as differentiated between "safeguarding" (installing closure structures over mine openings, stabilizing/moving mine surface terrain, or removing physical structures/debris) and "environmental reclamation" (actions taken to control metals, acids or excessive sediments at a mine site from entering water sources).

Prior to 1977	**1977 – 1993**	**1993 – Present**
Historic "Abandoned" Mine Sites		

Approximately 17,000 known sites/openings remain	***Revoked/Forfetied Mine Sites*** -- *35 projects remain.*	
"Pre-law" – Mines that occurred prior to the establishment of mining regulatory laws and referred to as "abandoned." These historic sites were not required to reclaim disturbed areas or post a reclamation bond amount.	"Post-law/Capped Bond Amounts" – Mines established during this period were required to post a bond amount and to reclaim the disturbed acres, but bond amounts were set at capped amounts by type of mine permit and were not calculated per mine size, disturbance impacts, and environmental characteristics associated with a mines location and hydrology.	"Post-law/Calculated Bond Amounts" – Mines established during this period are required to post a bond amount that is calculated using numerous factors relative to size, type of disturbance, on-site structures, surrounding environmental impacts, and construction cost factors.
Funding Source/Reclamation That Can Be Addressed:	Funding Source/Reclamation That Can Be Addressed:	Funding Source/Reclamation That Can Be Addressed:
--Federal funds from Office of Surface Mining* --Severance tax funding Safeguarding only (not allowed to address environmental issues) / Priority for coal sites.	--Forfeited Bond funds --Severance tax funding Safeguarding and Environmental reclamation / Coal and non-coal sites.	--Forfeited bond funds --Severance tax funding Safeguarding and Environmental reclamation / Coal and non-coal sites.
**Federal funds from Office of Surface Mining will significantly increase from FY09 through FY15 enabling IMRP to address more projects out of the remaining 17,000 than the current pace.*	*Severance tax funding approved in FY07-08 will address 9 non-coal sites permitted between 1977-1993.*	*Severance tax funding approved in FY07-08 will address 1 non-coal site permitted after 1993.*

Financial Warranty Requirements and Pursuit of Failed Operators: The Division regulates over nearly 2,000 permitted mines on an annual basis. During the permit review and approval process, DRMS staff prepare a detailed estimate of the cost of reclaiming the proposed mine operation. This estimate determines the amount of the reclamation bond that the operator must record and post with DRMS and State Treasury. Prior to 1993, these bond amounts were statutorily set by permit type and did not allow for increases based on inflation or other site changes. When tougher environmental laws and bonding requirements were passed in 1993, numerous mine operators were unable to post the recalculated bond amounts and were forced into bond forfeiture. Similar to bank responsibilities under the real estate foreclosure process, the state assumes responsibility for the unreclaimed mine, but funding to cover the gap between the available bond amount and actual reclamation cost is not available. DRMS has pursued numerous avenues against failed operators, including forwarding the "bonding gap amount" as a civil penalty to Department of Personnel and Administration's Central Collections Services. Central Collections will only pursue the debtors for a limited number of years and becomes one of the many claimants if the operator files bankruptcy. IMRP has conducted minimal remediation at most revoked sites with the bond amounts currently available, but numerous hazardous openings, mine wastes, unstable slopes and highwalls and barren lands still remain unreclaimed for which severance tax funding is being requested here.

<u>General Description of Request</u>:

As Colorado's population expands into historic back-country mining areas, the unreclaimed revoked sites pose public safety hazards such as unstable terrain for off-road vehicles and foot-traffic and dangerous mining debris such as volatile explosives, chemicals, and scrap metal and dangerous structures. Exhibit B shows photographs taken from revoked mine sites that show typical site conditions. It is a high priority of the Division to address these potential public health and safety issues by seeking increments of funding that will reduce the 10-20 year lag that has existed in addressing the reclamation required at the revoked sites while also enabling existing FTE in IMRP to incorporate 10-15 projects within their current project workload. The availability of severance tax funding serves as an appropriate source to remedy post-mining issues as the statutory language for creation of the Severance Tax Trust Fund states the purpose of the fund is "for the use in funding programs that promote and encourage sound natural resource planning, management, and development related to minerals, energy, geology, and water." The goal is to return the disturbed acres to a safe, environmentally stable, and beneficial use.

<u>Consequences if Not Funded:</u>

If the request is not approved, the $342,000 in severance tax money approved for FY 2007-08, along with the minimal forfeited bond amounts, will be the only funds available to reclaim revoked mine sites. Other funding sources in the program are specified to address specific abandoned mine sites. The financial inability to address physical and environmental problems at these sites continues to expose the public to accidents or deaths if they trespass in and around hazardous mine sites and contributes to continued pollution problems at sites where mine wastes and mill tailings contaminate public water ways, and water storage/treatments systems. Mine related water quality issues also threaten aquatic species/habitat and the overall viability of numerous watersheds. Delays in addressing the backlog increase the gap between the final cost of reclamation and the inadequate bond amount, therefore increasing the current estimated cost of $1,710,000. Public opinion of mining in the state can turn negative if unsightly mine waste sites, accident occurrences and environmental degradation increases. This may lead to ballot initiatives intended to restrict current or future mining operations. Such actions would weaken the economic viability of the industry to operate in the state.

Calculations for Request:

Summary of Request FY 08-09	**Total Funds**	**General Fund**	**Cash Funds**	**Cash Funds Exempt**	**Federal Funds**	**FTE**
Total Request	$342,000	$0	$342,000	$0	$0	0.0
(2) (B) Inactive Mines Reclamation of Forfeited Mine Sites – Continuation funding for this line for Year-1 of 5 to fund 4 projects at forfeited sites.	$342,000	$0	$342,000	$0	$0	0.0

Summary of Request FY 09-10	**Total Funds**	**General Fund**	**Cash Funds**	**Cash Funds Exempt**	**Federal Funds**	**FTE**
Total Request	$342,000	$0	$342,000	$0	$0	0.0

Summary of Request FY 09-10	**Total Funds**	**General Fund**	**Cash Funds**	**Cash Funds Exempt**	**Federal Funds**	**FTE**
(2) (B) Inactive Mines Reclamation of Forfeited Mine Sites – Continuation funding for this line for Year-2 of 5* to fund 5-10 projects at forfeited sites.	$342,000	$0	$342,000	$0	$0	0.0

***Funding of $342,000 per fiscal year is requested to continue in FY2010-11, FY2011-12 and FY2012-13.

Requested Long Bill line, Cash Funds (CF) Letternote, and Numbered Footnote:
Long Bill line title: (B) Inactive Mines – Reclamation of Forfeited Mine Sites

CF Total letternote: [Current Long Bill letternote on Inactive Mines CF total accurately identifies this requested amount if continued on the CF total.]

Numbered Footnote: Add new footnote to Long Bill that states**:** *Department of Natural Resources, Division of Reclamation, Mining and Safety, Inactive Mines, Reclamation of Forfeited Mine Sites – It is the intent of the General Assembly that $342,000 will be appropriated to this line every fiscal year beginning with FY2008-09 and ending with FY2012-13. Each annual appropriation will remain available until the completion of the project or the close of the third fiscal year following the appropriation year, whichever comes first. At project completion or the end of the three-year period, any unexpended amount shall revert to the Operational Account of the Severance Tax Trust Fund, from which this appropriation was made.*

Forfeited Mine Sites Identified for 5 Years of Requested Funding

Operator-Site Name/ Permit Year	**County**	**Estimated Cost to Finish Reclamation**	**Forfeited Bond Amount (1)**	**Additional Funding Required (2)**	**Acres**	**Site Problem(s)**
Projects for Year 1-FY08-09						
H&M Joint Ventures (1985)	Clear Creek	$ 175,000	$ 1,500	$ 100,000 (Year 1)	10	Environmental degradation/ hazardous materials removal
Druid (1990)	Gilpin	$ 297,124	$ 147,124	$ 112,000 (Year 1)	1	Environmental degradation/ public health and safety

Sherman Mine & Mill (1986) ($110,000 funded in FY08)	Lake	$ 660,000	$ 92,000	$ 100,000 (Year 2)	167	Environmental degradation/ hazardous materials removal
Arrigo Milling & Mining (1978)	San Juan	$ 35,000	$ 5,000	$ 30,000	9	Environmental degradation/ public health and safety
Total FY08-09 Request				**$342,000**		
Projects for Years 2-5						
H&M Joint Ventures (1985)	Clear Creek	$75,000	$0	$75,000 (Year 2)	10	Environmental degrade/hazardous materials removal
Druid (1990)	Gilpin	$38,000	$0	$38,000 (Year 2)	1	Environmental degrade/public health and safety
Fortune (1983)	Boulder	$6,900	$1,900	$5,000	1	Environmental degradation
Colina Oro Molino (1993)	Boulder	$5,500	$500	$5,000	1	Environmental degradation
Bueno Mine (1992)	Boulder	$50,000	$0	$50,000	8	Envir degrad/hazardous materials
Virginia Canyon (1979)	Clear Crk	$78,374	$48,374	$30,000	6	Envir degrad/hazardous materials
Clear Creek (1985)	Clear Crk	$31,500	$1,500	$30,000	1	Envir degrad/heavy metals/erosion
Internatl Mining (1987)	Clear Crk	$4,000	$2,000	$2,000	1	Envir degradation
Fools Luck Placer (1984)	Gilpin	$10,478	$2,978	$7,500	10	Envir degradation
Saratoga Mines (1982)	Gilpin	$47,400	$32,400	$15,000	16	Envir degradation
Central Gold (1981)	Gilpin	$5,500	$500	$5,000	7	Envir degradation
O'Mines (1981)	Gilpin	$5,500	$500	$5,000	1	Envir degradation
London Mine (1980)	Park	$112,000	$12,000	$100,000	20	Envir degradation
Fair Chance (1981)	Teller	$5,383	$1,883	$3,500	1	Envir degradation
Sleepy Jim (1987)	Teller	$7,000	$2,000	$5,000	1	Envir degradation
Huerfano Peak (1979)	Huerfano	$7,500	$2,500	$5,000	10	Envir degradation
Sherman Mine, Year-3 (1986)	Lake	$550,000	$0	$550,000	167	Envir degrad/hazard materials removal
Pinyon Sand & Gravel (1988)	Pueblo	$35,000	$17,500	$17,500	7	Envir degradation
Levicy (1978)	Gunnison	$9,750	$4,750	$5,000	6	Envir degradation
Enterprise/Carpenter (1983)	Gunnison	$8,800	$3,800	$5,000	10	Envir degradation
Tomichi (1983)	Gunnison	$20,000	$5,000	$15,000	10	Envir degradation
Bennett Mining Co. (1977)	Montrose	$5,887	$887	$5,000	3	Envir degrad/public health & safety
Truck Stop Placer (1988)	Montrose	$9,500	$2,000	$7,500	2	Envir degrad/revegetation
Little Silver (1981)	Dolores	$15,845	$10,845	$5,000	8	Envir degrad/grading
Tippecanoe (1996)	La Plata	$12,361	$2,361	$10,000	1	Envir degrad/grading/reveg (remote)
Bessie G (1984)	La Plata	$32,450	$17,450	$15,000	10	Envir degrad/grading/reveg
Jack Knife (1977)	San Miguel	$5,700	$700	$5,000	6	Envir degradation

San Miguel Gold (1987)	San Miguel	$14,939	$4,939	$10,000	5	Envir degrad/grading/reveg
Summitville (1984)	Rio Grande	$322,000	(bond included in bankruptcy settlement)	$322,000	167	Acid mine drainage water treatment; bio-remediation pilot project for water pollution source control
Caprock Corporation (1986)	Jackson	$10,000	No bond	$10,000	1	Envir degradation
American Energy (1980)	Rio Blanco	$7,500	$2,500	$5,000	9	Envir degradation
Total – Years 1- 5				**$1,710,000**		

Assumptions for Calculations:

(1) Forfeited Bond Amount is the bond amount that was filed with the State Treasurer's Office at the time of operator failure/bankruptcy that resulted in revocation of their mining permit and forfeiture of the posted bond amount to the state. Five percent of the forfeited bond was previously deducted and retained in the Minerals Regulatory Program to cover the cost of IMRP staff time for project management. In some cases this funding has already been spent on the site and more work is required to complete the remaining reclamation.

(2) Project cost estimates are based on preliminary file/field review performed by IMRP staff, as updated as of May 2007. Some estimates will require more extensive field investigations to confirm cost and current site conditions.

Impact on Other Government Agencies: Not applicable.

Cost Benefit Analysis:

Total Cost: $1,710,000 FY08-09 Request = $342,000 FY10-FY13 = $1,368,000	**Total Benefits**: **$17,557,500**
	Benefits are based upon costs avoided if the following events can be prevented: (1) damage to fisheries populations; (2) negative public opinion of mining resulting in mine operators leaving the state; (3) citizen injury/vehicle damage incidents; and (4) inflationary costs on materials to address sites (steel, fuel, cement, labor costs, etc.) if revoked sites are reclaimed over the next 5 years.
Benefit/Cost Ratio = 10.2	

“Costs Avoided” Assumptions and Information Sources:

(1) Fisheries Economic Revenue - $17,199,000

The $17,199,000 value is 2% of total economic value of fishing to the state per report cited in (i) below. Maintaining clean fish/aquatic habitat by addressing mine drainage from abandoned mines, avoids the loss of fisheries revenue associated with impacted streams. See (i) for study of total fisheries revenue and (ii)/(iii) for the derivation of the 2% value.

(i) Economic Values of Fishing in Colorado in 2002 *(Model developed by BBC Research and Consulting as commissioned by the Colorado Division of Wildlife in 1998. Values are based on 2004 dollars*.)

---Direct expenditures (fishing licenses, angling supplies, etc.)	$457,700,000/year
---Indirect expenditures (secondary costs-transportation, lodging, Food, etc.)	$361,300,000/year
---Total jobs related to fisheries	10,950/year
Total Fisheries Economic Revenue	$819,000,000/year

(includes revenue from fishing on lakes, reservoirs, pond and streams)

(ii) Reduction of total fisheries revenue value to obtain the value for streams only: Total fisheries revenue of $819,000,000 includes revenue from fishing on lakes, reservoirs and ponds. Per Colorado Division of Wildlife 2005 Annual Report (p.32), 2,775 lakes, reservoirs, and ponds are managed for fisheries and 5,368 stream segments. Out of the “total bodies of fisheries water”, 2,775 is 34%. Rounded down to 30%, and applied to the value of $819,000,000, results in fisheries economic impacts for streams (not lakes) as $245,700,000.

(iii) Further reduction of streams fisheries revenue based on subset of streams impacted by mine drainage:

---1,300 miles of streams impacted by mine drainage out of 9,000 miles of trout streams (www.bigtrout.com/goldmedal.html) = 15%

---Assume half of 1,300 mine impacted streams have viable trout fishing = 7%

Apply 7% to streams fisheries revenue value of $245,700,000 to obtain **$17,199,000**, which is 2% of total fisheries revenue.

(2) Lost Mining Property Tax Revenue - $300,000: Avoid negative public opinion of mining caused by forfeited "unsightly" unreclaimed lands that results in public pressure on county governments to pass mining restrictions, and causing mine companies to relocate operations to more "business friendly" states. This would diminish corporate tax revenue to the state.

Assume 2% of metal mine operations cease doing business in the state if counties pass "mining bans" (certain metal mines are more likely to cause public concern because of the environmentally hazardous chemicals used to extract the ore):

---Approximately $15,000,000 total = 2006 property tax base received from metal mines (*Source: Colorado Mineral and Energy Industry Activities, 2006, by Colorado Geological Survey, Cappa, Young, Burnell, Carroll and Widmann*)

---2% used as a conservative estimate of mining companies that relocate based on "unfriendly business" conditions in the state: 2% of $15,000,000 = **$300,000** lost property taxes annually.

(3) Personal vehicle or injury incidents - $8,500: Avoid citizen medical or vehicle repair costs that may occur from hazardous conditions at forfeited mine sites.

---1 event -- broken leg requiring surgical repairs and rehabilitation -- $8,000 (2005 medical cost of similar incident known by DRMS staff)

---1 event - Vehicle axle [constant velocity (cv) joint/boot] damage -- $250-500

Total exemplified cost for personal injury and vehicle damage = **$8,500**

(4) Inflationary increases on construction materials - $50,000: Avoid 20% inflationary increase on materials, which results in an additional $5,000* per project for every year the site is not addressed. $5,000 additional cost per year x 10 projects = **$50,000**.

In order to apply a conservation "inflationary rate" in the calculation above, 20% is used, which is the lowest rate of the inflationary increases cited below (see cement and plastic pipes).

Construction price increases that impact cost to reclaim revoked mine sites:

- Diesel Fuel – increased 59% from 2004-2005 (causes increases in earth moving services).
- Cement – increased 20% and shortages of supplies occurred in Colorado during 2005.
- Polyvinal chloride (PVC plastic) pipe prices have increased 20-100% since 2005 and geo-membrane prices have increased 60% since 2004 due to increased pricing of natural gas required to fuel the plastics production process. *("The Cost Outlook for Construction" by Ken Simonson, Chief Economist, Associated General Contractors of America, November 15, 2005)*

Percentage of project cost that is for materials on average is 10% *(Source: Hayward Baker, Inc, based on 20+ years of contracting n Rocky Mt Region.)*

*For $250,000 forfeiture project, 10% is for materials cost or $25,000. Apply 20% inflationary rate on $25,000, results in an additional $5,000 per project for every year the site is not addressed.

Implementation Schedule:

Task	**Month/Year**
Forfeiture site project planning and design and land owner contacted by IMRP staff.	July 2008 – April 2009
Two construction seasons (if needed) to finalize on-site work.	May 2009 – October 2009 May 2010 – October 2010

Statutory and Federal Authority: **State Authority on Bond Forfeited Mine Sites 34-32-118(5), C.R.S. [2007]** - *Funds recovered by the attorney general in proceedings brought pursuant to subsection (4) of* *this section shall be held in the account described in section 34-32-122 and shall be used to reclaim lands covered by the forfeited warranties; except that five percent of the amount of the financial warranty shall be deposited in the mined land reclamation fund, created in section 34-32-127, to cover the administrative costs incurred by the office in performing reclamation. The board shall have a right of entry to reclaim said lands. Upon completion of such reclamation, the board shall present to the financial warrantor a full accounting and shall refund all unspent moneys.*

Severance Tax Statutes 39-29-109 (1) (a), C.R.S. [2007] – *There is hereby created in the office of the state treasurer the severance tax trust fund. The fund is to be perpetual and held in trust as a replacement for depleted natural resources and for the development and conservation of the state's water resources pursuant to sections 37-60-106 (1) (j) and (1) (1), 37-60-119, and 37-60-122, C.R.S., and for the use in funding programs that promote and encourage sound natural resource planning, management, and development related to minerals, energy, geology, and water. State severance tax receipts shall be credited to the severance tax trust funds as provided in section 39-29-108.*
(II) The operational account. One-half of the severance tax receipts credited to the severance tax trust fund for tax years commending on and after July 1, 1995, shall be credited to the operational account of the severance tax trust fund and used to fund programs established within the Colorado oil and gas conservation commission, the Colorado geological survey, the division of reclamation, mining and safety, and the Colorado water conservation board that promote and encourage sound natural resource planning, management, and development related to minerals, energy, geology, and water, as set forth in paragraph (c) of this subsection (1).
(C) The programs within the division of reclamation, mining and safety, up to thirty percent of the moneys in the operational account. As part of such thirty percent, five hundred thousand dollars, or so much as may be available, shall be transferred to the abandoned mine reclamation fund created in section 34-34-102, C.R.S.

<u>Performance Measures:</u>

Performance Measure	Outcome	FY05-06 Actual	FY06-07 Actual	FY07-08 Approp	FY08-09 Request
Percentage of abandoned or forfeited mine sites reclaimed/safeguarded from the effects of past or inactive mining out of a baseline inventory of 23,074 total project units, which is comprised of 23,000 abandoned mines; 33 abandoned coal mine fires; and 41 forfeited sites (under bonded).	Benchmark	1.7%	1.5%	1.5%	2.2%
	Actual	1.3%	1.5%	1.5%	2.2%
This request will allow DRMS to address 5-6 forfeited mine sites annually from FY2008-09 through FY2012-13. Without the approval of this Severance Tax funding, funding to address 35 projects at forfeited sites will consist only of the insufficient forfeited bond amounts.					

Schedule 13
Change Request for FY 08-09 Budget Request Cycle

Decision Item FY 08-09 ☑ **Base Reduction Item FY 08-09** ☐ **Supplemental FY 07-08** ☐ **Budget Request Amendment FY 08-09** ☐

Request Title: CWCB Compact Dues Increase

Department: Natural Resources **Dept. Approval by:** **Date:**

Priority Number: 7 of 18 **OSPB Approval:** **Date:**

	Fund	1 Prior-Year Actual FY 06-07	2 Appropriation FY 07-08	3 Supplemental Request FY 07-08	4 Total Revised Request FY 07-08	5 Base Request FY 08-09	6 Decision/ Base Reduction FY 08-09	7 November 1 Request FY 08-09	8 Budget Amendment FY 08-09	9 Total Revised Request FY 08-09	10 Change from Base (Column 5) FY 09-10
Total of All Line Items	**Total**	289,529	330,433	0	330,433	330,433	19,904	350,337	0	350,337	19,904
	FTE	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	GF	0	0	0	0	0	0	0	0	0	0
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	0	0	0	0	0	0	0	0	0	0
	CFE	289,529	330,433	0	330,433	330,433	19,904	350,337	0	350,337	19,904
	FF	0	0	0	0	0	0	0	0	0	0
(7) Colorado Water Conservation Board, (A) Administration, Interstate Compacts	**Total**	289,529	330,433	0	330,433	330,433	19,904	350,337	0	350,337	19,904
	FTE	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	GF	0	0	0	0	0	0	0	0	0	0
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	0	0	0	0	0	0	0	0	0	0
	CFE	289,529	330,433	0	330,433	330,433	19,904	350,337	0	350,337	19,904
	FF	0	0	0	0	0	0	0	0	0	0

Letternote revised text: This amount shall be from reserves in the Colorado Water Conservation Board Construction Fund.

Cash Fund name/number, Federal Fund Grant name: CWCB Construction Fund (424) Cash Funds Exempt

IT Request: ☐ **Yes** ☑ **No**

Request Affects Other Departments: ☐ **Yes** ☑ **No** **If Yes, List Other Departments Here:**

FTE and Operating Costs								GRAND TOTAL	
Fiscal Year(s) of Request		**FY 08-09**	**FY 09-10**	**FY 08-09**	**FY 09-10**	**FY 08-09**	**FY 09-10**	**FY 08-09**	**FY 09-10**
PERSONAL SERVICES	Title:							To two decimal	
Number of PERSONS / class title									
Calculated FTE per classification		**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	-	-
Annual base salary (monthly * 12)	**$**								
Number months working in FY 08-09 and FY 09-10									
Salary		$0	$0	$0	$0	$0	$0	$0	$0
PERA	**10.15%**	$0	$0	$0	$0	$0	$0	$0	$0
FICA	**1.45%**	$0	$0	$0	$0	$0	$0	$0	$0
Subtotal Personal Services		$0	$0	$0	$0	$0	$0	$0	$0
OPERATING									
Supplies @ $500/$500	**$ 500**	$0	$0	$0	$0	$0	$0	$0	$0
Computer @ $959/$0	**$ 690**	$0	$0	$0	$0	$0	$0	$0	$0
Office Suite Software @ $300/$0	**$ 294**	$0	$0	$0	$0	$0	$0	$0	$0
Office Equipment @ $2,021 /$0	**$ 2,021**	$0	$0	$0	$0	$0	$0	$0	$0
Telephone Base (Annual)	**$ 369.6**	$0	$0	$0	$0	$0	$0	$0	$0
Subtotal Operating		$0	$0	$0	$0	$0	$0	$0	$0
GRAND TOTAL ALL COSTS		**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**

Account for Pay Date Shift, no salary payment in June

CHANGE REQUEST for FY 08-09 BUDGET REQUEST CYCLE

Department:	Department of Natural Resources
Priority Number:	7 of 18
Change Request Title:	CWCB Compact Dues Increase

SELECT ONE (click on box):
☒ Decision Item FY 08-09
☐ Base Reduction Item FY 08-09
☐ Supplemental Request FY 07-08
☐ Budget Request Amendment FY 08-09

SELECT ONE (click on box):
Supplemental or Budget Request Amendment Criterion:
☒ Not a Supplemental or Budget Request Amendment
☐ An emergency
☐ A technical error which has a substantial effect on the operation of the program
☐ New data resulting in substantial changes in funding needs
☐ Unforeseen contingency such as a significant workload change

Short Summary of Request:

The Colorado Water Conservation Board (CWCB) requests additional funds of $19,904 to pay the increase in dues assessed by 1) the Arkansas River Compact Administration Association (ARCA), 2) the Upper Colorado River Commission, and 3) the Colorado River Salinity Control Forum.

General Description of Request:

Based on the budget adopted by ARCA, Colorado's portion of the Arkansas River Compact Administration assessed dues will increase by $8,400, to a total of $57,600, which represents Colorado's 60% portion of the assessed dues. The Upper Colorado River Commission dues will increase by $5,178, bringing the total dues to $170,258. The Colorado River Salinity Control Forum's estimated budget will increase Colorado's assessed dues by $6,326, which will bring Colorado's dues to $37,028, which is Colorado's 20.1% portion of the Program. The increase for all dues totals $19,904, which will solely cover projected increases in compact dues in FY 2008-09 over the costs in FY 2007-08.

The State of Colorado assisted in developing four interstate water organizations to clarify Colorado's rights to water, help protect those rights, and establish appropriate levels of communication among state and federal officials. The four interstate water organizations are: 1) Upper Colorado River Commission, 2) Arkansas River Compact Administration Association, 3) Colorado River Basin Salinity Control Forum, and 4) Western States Water Council (WSWC). Two of the four organizations oversee federal operations of specific reservoir projects that provide water to Colorado water-users.

Each of the four interstate water organizations establishes a yearly operating budget, of which the State of Colorado pays an established percentage for dues and/or assessments in accordance with Sections 37-60-106 C.R.S. (2006), 37-62-101 through 105 C.R.S. (2006), and 37-69-101 through 105 C.R.S. (2006) of the Colorado Revised Statutes. The dues are funded each year through two separate line items (*Interstate Compacts* and *Western States Water Council)* in the Long Bill.

The reason for the increase in ARCA dues is to make assessments more closely aligned with expenditures and to provide funds to undertake the necessary studies and actions to implement the settlement in the Kansas vs. Colorado litigation. The 60%-40% split of assessments between Colorado and Kansas is specified in the Compact, which is state law, and is based on the relative allocation of water between the states.

The implementation program for salinity control in the Colorado River Basin, a federal and state partnership, has grown by nearly 200% in the last five years, reflecting the increased coordination efforts and the number of projects required to control the salinity of the river. For the past five years, the Salinity Control Forum has been in a deficit budget, (i.e., expenses have been greater than the assessment income from dues). The increase in dues will allow restoration of a small reserve account and eliminate deficit spending in FY 08-09.

The dues increase for the Upper Colorado River Commission is necessary as a result of the recent Colorado River 7-state negotiations.

Background and Appropriation History: In FY06-07, the CWCB submitted a decision item request for increases assessed by all four of the interstate water organizations. The request was approved for the increases that take effect in FY07-08. Again, the CWCB is facing an increase in dues assessed by three of the four interstate water organizations: 1) the Arkansas River Compact

Administration Association (ARCA), 2) the Upper Colorado River Commission, and 3) the Colorado River Salinity Control Forum. To fulfill our obligations to these organizations, the CWCB is requesting additional funding to pay the increase in dues so that the State of Colorado's water remains protected.

The CWCB's mission is to develop, conserve, protect, and manage the state's water. To accomplish this, the CWCB must comply with and enforce other state's compliance with interstate compacts. Two of theses organizations (Arkansas River Compact Administration and Upper Colorado River Commission) are mandated by the Interstate Compacts and in Colorado Statute. The other two are established by agreements among the participating states. The Department's authority to participate in and implement the necessary program actions is provided by the following:

- 37-62-101 Article VIII C.R.S. (2006) and 37-62-105 C.R.S. (2006) require the State to pay a portion of the Upper Colorado River Commission expenses based on the percentage of consumptive use apportioned to it (51.75%).
- 37-69-101 C.R.S. (2006) Article VIII E (1) and (2) and 37-69-105 C.R.S. (2006) likewise requires the State to pay a portion of the Arkansas River Compact Administration's assessment.
- 37-60-102 C.R.S. (2006) and 37-60-106 (1) (e), (h), and (i) C.R.S (2006) authorizes the State to pay its assigned share of the Colorado River Salinity Control Forum and Western States Water Council assessments.

Consequences if Not Funded:

Dues to organizations that oversee administration of interstate compacts have increased $73,134 from FY 2000-01 to FY 2007-08. During the FY01-07 time period, water issues have intensified in part due to the recent drought conditions. Colorado has not been able to have a representative attend all necessary meetings given the decreasing budget and an increased workload. As a result, the effectiveness in protecting Colorado's water interests has been somewhat reduced and the leadership role has diminished. Failure to fund participation in the two Compact organizations would violate the law and in all cases could ultimately result in a loss of water to Colorado and expensive interstate litigation. Conversely, full participation significantly reduces those possibilities.

The mission of the CWCB is to develop, conserve, protect, and manage the state's water. In order to accomplish this, the CWCB must comply with and enforce other state's compliance with interstate compacts, Supreme Court decisions and multi-state agreements. Funding this decision item will allow the State to:

- continue its participation in compact administration and compact-related matters;
- protect Colorado's water interests;
- create opportunities to bring federal dollars to Colorado through the Salinity Control Program;
- continue the current base operation of the compact line item and prevent further cuts in necessary travel to organizational meetings and events;
- allow Colorado to effectively protect Colorado's interests in the face of increasing efforts needed to limit other states to their compact apportionment; and
- allow the CWCB to maintain the relationships necessary to correct obstacles to water development.

<u>Calculations for Request:</u>

Summary of Request FY 08-09	Total Funds	General Fund	Cash Funds	Cash Funds Exempt	Federal Funds	FTE
Total Request	$19,904	$0	$0	$19,904*****	$0	0.0
Arkansas River Compact Administration Association	$8,400	$0	$0	$8,400	$0	
Upper Colorado River Commission	$5,178	$0	$0	$5,178	$0	
Colorado River Salinity Control Forum	$6,326	$0	$0	$6,326	$0	

*** Cash Source(s): Construction Fund (CFE)**

Summary of Request FY 09-10	Total Funds	General Fund	Cash Funds	Cash Funds Exempt	Federal Funds	FTE
Total Request	$19,904*	$0	$0	$19,904*	$0	0.0

* Colorado Water Conservation Board does not have final information for FY2009-10 at this time, but increases over the FY2008-09 budgets are not anticipated.

<u>Assumptions for Calculations:</u>

Based on the budget adopted by ARCA, Colorado's portion of the Arkansas River Compact Administration assessment dues will increase by approximately $8,400, to a total of $57,600, which represents Colorado's 60% of the assessed dues. The Upper Colorado River Commission dues will increase by $5,178, bringing the total dues to $170,258. The Colorado River Salinity Control Forum's budget will increase Colorado's dues by $6,326, which will bring Colorado's dues to $37,028, which is Colorado's 20.1% of the assessed dues. The increase for all dues totals $19,904, which will solely cover projected increases in compact dues in FY 2008-09 over the costs in FY 2007-08. (Please see *Attachment A* for the supporting documentation of the dues increases for the interstate water organizations.)

<u>Impact on Other Government Agencies:</u>

The Compacts and Agreements entered into with other states will be impacted if the dues increases are not honored and will adversely impact Colorado's relationships with those states.

<u>Cost Benefit Analysis</u>:

A true benefit cost analysis is difficult to develop because of the numerous assumptions that would be required. One option in determining the benefits or cost avoidance of participation in these organizations is:

- Pursuant to the Colorado and Upper Colorado River Compacts, Colorado has the right consumptively to use 3.855 million acre-feet of water annually. If Colorado were to lose just 1% of its entitlement, as a result of its failure to pay the dues required by law or to participate in these organizations, it would result in a loss of water use to the State in the amount of 38,550 acre-feet (approximately 20% of the capacity of a Dillon reservoir). Assuming a conservative annualized cost of water of $1,000 per acre-foot (capital costs range from $12,000 to $17,000 per acre foot), this would create a loss in annual benefits of $38.5 million.

A similar analysis can be made for compact entitlements on the Arkansas, South Platte, Rio Grande, and Republican, which can easily move the annual losses into the range of over $100 million. In addition, failure to participate fully in organizations mandated by law can result in legal actions by the other compacting states and settlements ranging into millions of dollars (e.g., Kansas v Colorado cost the State of Colorado approximately $35 million in damages alone). Participation in the other organizations is considered essential to maintaining water quality standards on a basin-wide level and to the development of coalitions with other Western states on federal legislation.

Cost	Benefits
Dues increase $19,904	• Continue Colorado participation in compact administration and compact-related matters • Protect Colorado's water interests (An annual benefit running into the $100 million range) • Create opportunities to bring federal dollars to Colorado through the Compact Administration Projects and Salinity Control Program (Salinity Control Program alone brings in $10 million to $11 million annually) • Continue the current base operation of the compact line item and prevent further cuts in necessary travel to organizational meetings and events • Allow Colorado to effectively protect Colorado's water interests in the face of increasing efforts needed to limit other states to their compact apportionment • Allow the CWCB to maintain the relationships necessary to address obstacles to water development.

Implementation Schedule:

Task	Month/Year
Dues payable law governing interstate Compacts	July 2008
Dues payable by written agreement with other states	July 2008

Statutory and Federal Authority:

Each of the four interstate water organizations establishes a yearly operating budget, of which the State of Colorado pays an established percentage for dues and/or assessments in accordance with Sections 37-60-106 C.R.S. (2007), 37-62-101 and 105 C.R.S. (2007), and 37-69-101 and 105 C.R.S. (2007) of the Colorado Revised Statutes. The dues are funded each year through two separate line items (*Interstate Compacts* and *WSWC)* in the Long Bill.

37-60-106 C.R.S. (2007): The statute outlines the duties of the Colorado Water Conservation Board. "(1) It is the duty of the board to promote the conservation of the waters of the state of Colorado in order to secure the greatest utilization of such waters and the utmost prevention of floods; and in particular, and without limiting the general character of this section, the board has the power and it is its duty:…

(i) To confer with and appear before the officers, representatives, boards, bureaus, committees, commissions, or other agencies of other states, or of the federal government, for the purpose of protecting and asserting the authority, interests, and rights of the state of Colorado and its citizens with respect to the waters of the interstate streams in this state; "

37-62-101 C.R.S. (2007): "The general assembly hereby ratifies the compact among the states of Colorado, New Mexico, Utah, Wyoming, and Arizona, designated as the "Upper Colorado river basin compact." The statute continues and outlines the involvement of the Colorado Water Conservation Board with the Upper Colorado River Compact.

37-62-105 C.R.S. (2007): The statute describes the payment of expenses of commission. "The Colorado share of the expenses of the upper Colorado river commission and the expenses and the compensation of the Colorado member of that commission shall be paid out of funds appropriated by the general assembly to the Colorado water conservation board and warrants shall be drawn against such appropriations upon vouchers signed by the governor and the director of the Colorado water conservation board."

37-69-101 C.R.S. (2007): "The general assembly hereby ratifies the compact between the state of Colorado and the state of Kansas designated as the "Arkansas river compact" signed in the city of Denver, state of Colorado, on the 14th day of December, A. D. 1948." Further, it describes the involvement of the Colorado Water Conservation Board with the Arkansas River Compact.

37-69-105 C.R.S. (2007): The statute describes the payment of expenses of compact administration. "The Colorado share of the expenses of the Arkansas river compact administration and the expenses and compensation of the Colorado members of that administration shall be paid out of funds appropriated by the general assembly to the Colorado water conservation board and warrants shall be drawn against such appropriation upon vouchers signed by the governor and the director of the Colorado water conservation board."

Performance Measures:

DNR's Performance Measure #3 has a goal of achieving 100% overall compliance with interstate water compacts. Performance in this regard will be measured in terms of the percentage of times when the State of Colorado will receive the beneficial uses provided for or meet its contractual water delivery obligations. While payments of compact dues will not directly affect this performance measure, the spirit of this decision item is for Colorado to honor its commitments to interstate water organizations and pay its fair share of the associated costs. In this regard, the intent of this decision item is consistent with one of the Department's highest priority objectives (interstate compact compliance).

Attachment A

FY 09

UPPER COLORADO RIVER COMMISSION

Proposed Budget (7/1/07-6/30/08)

21 May, 2007

(Assumes 5% staff salary adjustment in FY08 and 3% in FY 09)

	FY08 As Recommended 5/20/07	**FY09** **As Recommended** **5/20/07**
Personal Services	299,296	309,001
Travel	22,000	23,500
Current Expense	31,700	34,200
Capitol Outlay	4,000	4,200
Contingency	5,000	5,000
Total	361,996	375,901

2009 State Assessments	States Percent	FY08
Colorado	51.75%	170,258
New Mexico	11.25%	37,012
Utah	23.00%	75,670
Wyoming	14%	46,060
Total		329,000

(No increase proposed for FY 2009)

ARKANSAS RIVER COMPACT ADMINISTRATION

Lamar, Colorado 81052

For Colorado
Rod Kuharich, Denver
Colin Thompson, Holly
Matthew Heimerich, Olney Springs

Chairman and Federal Representative
Robin Jennison, Healy, Kansas

For Kansas
David L. Pope, Topeka
Randy Hayzlett, Lakin
David A. Brenn, Garden City

FY 2008 - 2009 BUDGET

(July 1, 2008 - June 30, 2009)

I. EXPENDITURES		
A. PROFESSIONAL SERVICE CONTRACTS		
1. Treasurer		$2,000
2. Recording Secretary		$2,000
3. Operations Secretary		$6,100
4. Auditor Fee		$500
5. Court Reporter Fee		$2,000
	subtotal services	**$12,600**
B. GAGING STATIONS & STUDIES		
1. U.S.G.S. Colorado District Joint Funding [calendar year 2008]		$44,000
2. U.S.G.S. Kansas District Joint Funding [calendar year 2008]		$8,000
3. State of Colorado Satellite System [7/1/08 - 6/30/09]		$11,200
	subtotal gaging	**$63,200**
C. OPERATING EXPENSES		
1. Treasurer Bond		$100
2. Annual Report Printing		$500
3. Telephone		$100
4. Miscellaneous Office Expense		$100
5. Postage/Copying/Supplies		$400
6. Meetings		$500
7. Travel		$0
8. Rent		$600
	subtotal operating	**$2,300**
D. OTHER		
1. Equipment		$0
2. Contingency		$2,000
3. Litigation		$0
4. Special Projects and Studies		$0
	subtotal other	**$2,000**
	TOTAL ALL EXPENDITURES	**$80,100**
II. INCOME		
A. ASSESSMENTS		
1. Colorado (60%)		$57,600
2. Kansas (40%)		$38,400
	subtotal assessments	**$96,000**
B. OTHER		
1. Interest Earnings		$1,000
2. Miscellaneous		$0
	subtotal other	**$1,000**
	TOTAL ALL INCOME	**$97,000**
III. CASH RESERVE BALANCE		
A. ESTIMATED BALANCE JULY 1, 2006		**$55,350**
B. DECREASE FROM PRIOR BALANCE		
C. ADDITION TO BALANCE		**$16,900**
D. PROJECTED BALANCE JUNE 30, 2007		**$72,250**

Adopted by the Arkansas River Compact Administration at its Dec 12, 2006 Annual Meeting.

Stephanie Gonzales, Recording Secretary and Treasurer   Date

Colorado River Basin

Salinity Control Forum

MEMORANDUM 07-46

TO: Forum Members Only

FROM: Jack A. Barnett, Executive Director

SUBJECT: FORUM FINANCES/State Assessments

DATE: June 19, 2007

This memorandum is intended to give to Forum members a written reminder of actions taken at the Jackson meeting under the agenda item captioned "Forum business." The Forum voted to increase its assessments by 10% for the FY 07-08 year, 10% for the FY 08-09 year and 5% for the FY 09-10 year. An invoice for FY 07-08 has now been sent to each state. Attachment A provides you with the amount of your assessment and the other state assessments for the next three fiscal years.

The Forum also voted at the Jackson meeting to approve the proposed budget for the FY 07-08 year that increased each line-item by 5%. Attachment B is a copy of the approved budget.

The Forum noted that Rod Kuharich announced his retirement from state government and expressed its appreciation for his service. Acknowledging that Rod would no longer be on the Management Committee, the Forum acted to place Larry Dozier on that committee to serve with Chairman Zimmerman and Vice Chairman Tyrrell.

attachments

106 West 500 South, Suite 101
Bountiful, Utah 84010
(801) 292-4663
(801) 524-6320 Fax
jbarnett@barnettwater.com

Attachment A

State Assessments

State	Percent of Total	FY 06-07 Assessment	FY 07-08 Assessment increased 10%	FY 08-09 Assessment increased 10%	FY 09-10 Assessment increased 5%
Arizona	16.5	$25,121	$27,633	$30,396	$31,916
California	21.8	$33,191	$36,510	$40,161	$42,169
Colorado	20.1	$30,602	$33,662	$37,028	$38,879
Nevada	8.15	$12,408	$13,649	$15,014	$15,765
New Mexico	9.95	$15,149	$16,664	$18,330	$19,247
Utah	12.9	$19,640	$21,604	$23,764	$24,952
Wyoming	10.65	$16,215	$17,837	$19,621	$20,602
TOTAL	100.05	$152,326	$167,559	$184,314	$193,530

Schedule 13
Change Request for FY 08-09 Budget Request Cycle

Decision Item FY 08-09 ☑ **Base Reduction Item FY 08-09** ☐ **Supplemental FY 07-08** ☐ **Budget Request Amendment FY 08-09** ☐

Request Title: Renewable Geothermal Energy for Colorado

Department: Natural Resources/Colorado Geological Survey **Dept. Approval by:** **Date:**

Priority Number: 8 of 18 **OSPB Approval:** **Date:**

	Fund	1 Prior-Year Actual FY 06-07	2 Appropriation FY 07-08	3 Supplemental Request FY 07-08	4 Total Revised Request FY 07-08	5 Base Request FY 08-09	6 Decision/ Base Reduction FY 08-09	7 November 1 Request FY 08-09	8 Budget Amendment FY 08-09	9 Total Revised Request FY 08-09	10 Change from Base (Column 5) FY 09-10
Total of All Line Items	Total	2,535,827	3,658,267	0	3,658,267	4,363,603	72,392	4,435,995	0	4,435,995	69,235
	FTE	14.40	16.20	0.00	16.20	16.20	1.00	17.20	0.00	17.20	1.00
	GF	233,748	274,204	0	274,204	462,649	0	462,649	0	462,649	0
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	1,554,531	1,635,518	0	1,635,518	1,863,450	72,392	1,935,842	0	1,935,842	69,235
	CFE	604,481	1,013,852	0	1,013,852	1,267,332	0	1,267,332	0	1,267,332	0
	FF	143,067	734,693	0	734,693	770,172	0	770,172	0	770,172	0
(3) Geological Survey Environmental Geology and Geologic Hazards	Total	1,875,889	2,365,652	0	2,365,652	2,433,147	70,990	2,504,137	0	2,504,137	67,982
	FTE	14.40	16.20	0.00	16.20	16.20	1.00	17.20	0.00	17.20	1.00
	GF	0	0	0	0	0	0	0	0	0	0
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	1,471,899	1,321,886	0	1,321,886	1,376,004	70,990	1,446,994	0	1,446,994	67,982
	CFE	309,204	446,295	0	446,295	456,519	0	456,519	0	456,519	0
	FF	94,786	597,471	0	597,471	600,624	0	600,624	0	600,624	0
(1) Executive Director's Office (A) Administration and Information Technology Amortization Equalization Disbursement	Total	659,938	1,078,513	0	1,078,513	1,460,124	955	1,461,079	0	1,461,079	955
	FTE	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	GF	233,748	232,658	0	232,658	343,282	0	343,282	0	343,282	0
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	82,632	262,590	0	262,590	366,630	955	367,585	0	367,585	955
	CFE	295,277	469,702	0	469,702	618,667	0	618,667	0	618,667	0
	FF	48,281	113,563	0	113,563	131,545	0	131,545	0	131,545	0
(1) Executive Director's Office (A) Administration and Information Technology Supplemental Amortization Equalization Disbursement	Total	0	214,102	0	214,102	470,332	447	470,779	0	470,779	298
	FTE	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	GF	0	41,546	0	41,546	119,367	0	119,367	0	119,367	0
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	0	51,042	0	51,042	120,816	447	121,263	0	121,263	298
	CFE	0	97,855	0	97,855	192,146	0	192,146	0	192,146	0
	FF	0	23,659	0	23,659	38,003	0	38,003	0	38,003	0

Letternote revised text: Of this amount, $919,309 shall be from the Operational Account of the Severance Tax Trust Fund established pursuant to Section 39-29-109(1)(a)(II), C.R.S., and $527,685 shall be from fees for geologic services.

Cash Fund name/number, Federal Fund Grant name: Fund 171, Geological Survey cash fund

IT Request: ☐ Yes ☑ No

Request Affects Other Departments: ☐ Yes ☑ No **If Yes, List Other Departments Here:**

OSPB Common Policy for FTE Requests - September 2007

		FTE and Operating Costs						GRAND TOTAL	
Fiscal Year(s) of Request		**FY 08-09**	**FY 09-10**	**FY 08-09**	**FY 09-10**	**FY 08-09**	**FY 09-10**	**FY 08-09**	**FY 09-10**
PERSONAL SERVICES	**Title:**	**Phy Sci Res/Sci II**							
Number of PERSONS / class title		1	1	0	0	0	0		
Number of months working in FY 08-09 and FY 09-10		12	12	0	0	0	0		
Number months paid in FY 08-09 and FY 09-10*		12	12	0	0	0	0		
Calculated FTE per classification		**1.00**	**1.00**	**0.00**	**0.00**	**0.00**	**0.00**	1.00	1.00
Annual base salary		$59,664	$59,664	$0	$0	$0	$0		
Salary		$59,664	$59,664	$0	$0	$0	$0	$59,664	$59,664
PERA	**10.15%**	$6,056	$6,056	$0	$0	$0	$0	$6,056	$6,056
Medicare	**1.45%**	$865	$865	$0	$0	$0	$0	$865	$865
Prior Year SAED	**N/A**	$0	$447	$0	$0	$0	$0	$0	$447
Subtotal Personal Services at Division Level		**$66,585**	**$67,032**	**$0**	**$0**	**$0**	**$0**	**$66,585**	**$67,032**
Subtotal AED at EDO Long Bill Group Level	**1.60%**	**$955**	**$955**	**$0**	**$0**	**$0**	**$0**	**$955**	**$955**
Subtotal SAED at EDO Long Bill Group Level	**Varies**	**$447**	**$298**	**$0**	**$0**	**$0**	**$0**	**$447**	**$298**
Department Specific Average Cost for HLD / Employee**		$0	$0	$0	$0	$0	$0		
Subtotal for Health, Life, Dental (if over 20 FTE)	**N/A**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
Subtotal for Short Term Disability (if over 20 FTE)	**0.13%**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
OPERATING EXPENSES									
Supplies @ $500/$500***	**$500**	$500	$500	$0	$0	$0	$0	$500	$500
Computer @ $900/$0	**$900**	$900	$0	$0	$0	$0	$0	$900	$0
Office Suite Software @ $330/$0	**$330**	$330	$0	$0	$0	$0	$0	$330	$0
Office Equipment @ $2,225 /$0	**$2,225**	$2,225	$0	$0	$0	$0	$0	$2,225	$0
Telephone Base @ $450/$450***	**$450**	$450	$450	$0	$0	$0	$0	$450	$450
Subtotal Operating Expenses		**$4,405**	**$950**	**$0**	**$0**	**$0**	**$0**	**$4,405**	**$950**
GRAND TOTAL ALL COSTS		**$72,392**	**$69,235**	**$0**	**$0**	**$0**	**$0**	**$72,392**	**$69,235**

CHANGE REQUEST for FY 08-09 BUDGET REQUEST CYCLE

Department:	Natural Resources
Priority Number:	8 of 18
Change Request Title:	Renewable Geothermal Energy for Colorado

SELECT ONE (click on box):

☒Decision Item FY 08-09
☐Base Reduction Item FY 08-09
☐Supplemental Request FY 07-08
☐Budget Request Amendment FY 08-09

SELECT ONE (click on box):

Supplemental or Budget Request Amendment Criterion:
☒Not a Supplemental or Budget Request Amendment
☐An emergency
☐A technical error which has a substantial effect on the operation of the program
☐New data resulting in substantial changes in funding needs
☐Unforeseen contingency such as a significant workload change

Short Summary of Request: The Colorado Geological Survey (CGS) requests an increase of $72,392 cash funds in its base revenue from the Operational Account of the Severance Tax Trust Fund and one additional full-time equivalent (FTE) to investigate and develop data regarding Colorado's geothermal energy resources.

Background and Appropriation History: Since late 2005, CGS has attempted to revitalize its geothermal studies. Due to advancing technologies, there is now potential for electrical generation in Colorado from geothermal energy. In this effort, CGS is cooperating with the Governor's Energy Office and the Colorado Geothermal Working Group to update CGS's geothermal resource picture. Because of its importance to Colorado, CGS began this work with parts of existing employees, whose workloads were already full, and a part-time consultant. CGS foresees a long-term need for the required expertise. This need is threefold: 1) Colorado has a continuing need for new renewable energy resources to help meet the state's "20% by 2020" renewable portfolio standard; 2) the amount of scientific work and related economic analysis needed to attract geothermal energy investment will take multiple years; and 3) escalating demand and cost for energy will make geothermal energy development progressively more economical and attractive.

Economically accessible geothermal heat is controlled by the underground geology and by the movement of groundwater in relation to the heat source. CGS has much expertise in both areas. CGS published over 30 specific studies about geothermal resources in the 1970s and early 80s, before state and federal funding for geothermal research was cut. CGS has been the primary organization to investigate geothermal resources in the state. Universities and colleges in Colorado have done relatively little work on this subject and have essentially left this work to CGS. Although it has been 25 years since significant geothermal investigations were conducted in Colorado, what is known today is largely a result of past CGS work.

Geothermal energy is a renewable energy resource that is <u>under</u>developed in Colorado in two ways. The state has potential to generate electrical power from geothermal energy but currently does not produce any electrical power from this source. Also, Colorado can expand direct use of geothermal waters for space heating, agriculture, aquaculture, recreational pools, and other uses. The State needs to study, investigate, and develop more scientific information regarding its geothermal resources to attract investment in this clean energy source.

The technology to generate electricity from geothermal energy has advanced significantly in the past 25 years. CGS data suggests that geothermal resources in Colorado are capable of generating electricity with today's technology.

Indeed, the Western Governor's Association released a report in 2006 estimating that Colorado has the geothermal potential to produce 20 megawatts (MW) of electricity in the near term (2015) and possibly 50 MW in the long term. A more recent (February 2007) Massachusetts Institute of Technology report, "The Future of Geothermal Energy," indicates that Colorado has significant geothermal resources at depths below 11,000 feet. At these depths, Colorado has one of the best high-temperature geothermal resources in the U.S.

A devoted effort is required to gather known information, add new information, and coordinate with Governor's Energy Office, state agencies, private industry, and other geothermal groups to tap this geothermal potential. Geothermal energy can produce renewable, clean, base-load power for Colorado that is *reliable*. Base-load power is power that is consistently available 24 hrs a day, 7 days a week. Of all the renewable energy sources, geothermal energy is the best for base-load power. The time is ripe to pursue geothermal energy resources again.

CGS's scientific studies can also contribute greatly to promoting and increasing the direct use of geothermal heat in Colorado. CGS has identified 56 geothermal resource areas that could potentially provide hot water and heat to up to a total of 100,000 homes or businesses.[1] Currently, only a fraction of that number is taking advantage of available geothermal waters. Greenhouses and aquaculture can take advantage of lower temperature geothermal waters, making these businesses feasible in high altitude settings. Geothermal pools and spas already attract many tourists to Colorado. Additional geothermal-related recreational sites can enhance tourism and spread its economic impact to more rural areas of the central mountains and western slope.

Because of the legislature's recent funding of the Colorado Renewable Energy Collaboratory, it may be helpful to clarify why the CGS should be conducting geothermal research and how this request fits with the Collaboratory's efforts:

- CGS has a long-term history of work in geothermal energy. CGS has over 33 publications of geothermal investigations dating back to the mid 1970s. The geological nature of this renewable resource argues that the State geological survey ought to be the agency that performs the scientific work needed for development of the resource. In fact, CGS has been working with the Governor's Energy Office since December 2005 on new investigations to develop updated maps of our geothermal resources. This work was started well *before* the creation of the Collaboratory and was initiated by the State Geologist in earlier conversations with the Governor's Energy Office. Both historical precedent and current activity confirm that geothermal research and applied science activity should be <u>enhanced</u> at the CGS and not consigned to the Renewable Energy Collaboratory.

[1] Cappa and Hemborg, 1995, Low Temperature Geothermal Assessment Program, Colorado, CGS OFR 95-1; Bob Lawrence & Associates, Inc., July 2006.

- The amount of Colorado-focused geothermal research among the members of the Collaboratory pales in comparison with CGS. In practice, the Collaboratory's focus is predominantly on wind, solar, and biofuels energy research. In that environment, geothermal research may not receive the attention it needs to prosper. The new CGS FTE position would cooperate with the Renewable Energy Collaboratory to ensure there is no duplication of effort and, moreover, would work to enable synergies between geothermal resources and the other renewable technologies.
- CGS is located within State Government and can address resource development issues related to leasing and regulation cooperatively with the other state agencies in the Department of Natural Resources that have statutory authority in these areas. This role is specifically mandated for CGS by statute [C.R.S. 34-1-103 (1) (j) (2006)]. This inter-agency link will facilitate geothermal development in Colorado by helping in the transition from *investigation*, to *identification*, to *implementation* of projects.

CGS is well positioned to take the lead on geothermal research and advance Colorado's use of clean reliable energy.

The Environmental Geology and Geologic Hazards Long Bill Line Item appropriation had no overall increases in FY05 and FY06 (for budget years FY06 and FY07). For budget year FY06 there were two one-time fund switches. The first was a fund switch of $21,000 from cash fees to severance tax to develop a report on underground water storage (SB06-193). The second was the FY06 Long Bill (HB06-1385), which switched $33,000 of cash fees to severance tax to provide CGS support for a coalbed methane stream depletion study change request which was funded under a separate long bill line. Both of these changes expired in FY07 and the amounts reverted to cash fees.

During figure setting last year (for budget year FY08), a portion of Change Request #7 , Address Current and Emerging Geologic Issues, was approved, increasing the severance tax appropriation by $75,888. However, the cash exempt appropriation was decreased by $251,237 with a corresponding decrease of 2.0 FTE (from 18.2 to 16.2). In addition, Change Request #22, Increase Land Use Review Fees, was approved with an increase of $105,281 to cash fees and a corresponding decrease of the same amount in the severance tax appropriation.

General Description of Request:

CGS currently does not have the FTE allocation to address geothermal energy research, data acquisition, and communication with the geothermal industry on a consistent basis; such that, a vigorous geothermal energy industry is encouraged to develop in Colorado. Currently, CGS can only address the need for geothermal data with fractions of existing FTE (whom already have full workloads) and with a part-time consultant – and this only through grant funding that is uncertain in amount and duration. An FTE and funding, fully devoted to geothermal research, are required to maintain the current effort to advance geothermal knowledge on a consistent basis and to continue to enhance those efforts into the future. A dedicated FTE will be able to maintain a body of institutional knowledge within State government to meet the needs of state agencies, and encourage development of our geothermal resources. The FTE position will also be required to have crossover skills in groundwater resource geology to assist, when needed, in CGS's groundwater resource characterizations.

Geothermal research is mandated for the CGS by statute in C.R.S. 34-1-103 (1)(j) (2006): "*To advise the state engineer in the promulgation of rules and regulations pursuant to article 90.5 of title 37, C.R.S., and to provide other governmental agencies with technical assistance regarding geothermal resources as needed.*"

CGS had a robust geothermal program until 1983, when its general funding was significantly reduced. Coincidently, the energy crisis of the late 1970s and early 1980s waned, and with it, the perceived need for geothermal energy research in the U.S. by state and federal government, and the private sector. Since that time, CGS has performed geothermal investigations only when external grant funding has been available to match limited internal funding.

Because of the increase in energy costs in the 21st Century, and the desire to develop renewable forms of energy, the need for consistent funding for geothermal energy research in Colorado has returned. Therefore, CGS is requesting this budget change of 1.0 FTE and $72,392.

This increase in funding and FTE would provide CGS with the resources to re-invigorate its historic work in geothermal energy – a renewable and greenhouse gas neutral energy source. Granting of this request will allow CGS to perform an important role in moving Colorado toward a new energy economy.

Consequences if Not Funded:

Without a defined FTE who can devote a significant amount of effort to the geothermal program, Colorado will fall farther behind other states in being able to attract capital investment to this clean energy source at a time when citizens have expressed interest in increasing the availability of renewable energy. Geothermal is the best of the renewable alternatives because it is non-polluting and because it is the only renewable that can be used for *base-load* electricity.

Without funding for geothermal investigations, the Central Mountains, Western Slope, and Southeast areas of Colorado could lag in participating in the new energy economy. Geothermal resources are predominantly located in these areas, whereas, wind, solar, and biofuels are generally abundant in the High Plains and San Luis Valley. Geothermal resources are complimentary in geographic location to other renewable energy resources.

Without a dedicated scientist CGS will have to call upon geologists who already have a full plate of responsibilities and cannot devote significant attention to geothermal resource development. In addition, if contractors are hired to perform geothermal research on grant-dependent funding, the knowledge and personal contacts developed during a project will be lost when the project terminates. At least one FTE is necessary to maintain a coherent geothermal resource development program at the State level. This position will perform geothermal investigations, apply for external grants and funding, and manage hired contractors.

Calculations for Request:

Summary of Request FY 08-09	**Total Funds**	**General Fund**	**Cash Funds**	**Cash Funds Exempt**	**Federal Funds**	**FTE**
Total Request			$72,392			1.0
Salary			$59,664			

Summary of Request FY 08-09	Total Funds	General Fund	Cash Funds	Cash Funds Exempt	Federal Funds	FTE
PERA			$6,056			
FICA			$865			
Amortization Equalization Disbursement (AED)			$955			
Supplemental Amortization Equalization Disbursement (SAED)			$447			
Operating Expenses			$4,405			

Summary of Request FY 09-10	Total Funds	General Fund	Cash Funds	Cash Funds Exempt	Federal Funds	FTE
Total Request			$69,235			1.0
Salary			$59,664			
PERA			$6,056			
FICA			$865			
Amortization Equalization Disbursement (AED)			$955			
Supplemental Amortization Equalization Disbursement (SAED)			$298			
Prior Year SAED			$447			
Operating Expenses			$950			

Assumptions for Calculations:

Salary calculation is based on $4,972 per month for a Physical Science Researcher/Scientist II position (range minimum).

In accordance with calculation instructions from OSPB, PERA is calculated at 10.15% and FICA is calculated at 1.45% of base pay. Operating expenses for the first year consist of:

Supplies	$	500
Computer (desktop)	$	900
Office Suite Software	$	330
Office Equipment	$	2,225
Telephone Base	$	450
Total Operating Expenses, Year 1	**$**	**4,405**

For year 2 (FY09-10), Operating expenses consist of Supplies at $500 and annual telephone base at $450. Salary base, PERA, and FICA remain the same. Prior year Supplemental Amortization Equalization Disbursement (SAED) is added to the personal services base.

Impact on Other Government Agencies:

Not applicable.

Cost Benefit Analysis:

The cost impact of hiring one FTE is weighed against the environmental benefit of eliminating carbon dioxide (CO_2) emissions that would otherwise occur, if a 10-megawatt (MW) geothermal power plant displaces 10 MW of coal-fired power.

The cost of hiring an FTE to investigate and develop data on geothermal resources in Colorado is **$70,000/year** (rounded). If, by the work of this FTE, Colorado is able to attract a 10-MW geothermal power plant, many tons of CO_2 emissions would be prevented. CO_2 emissions have an environmental cost that is difficult to quantify. One way to quantify this is to determine what it would cost a fossil fuel power plant to sequester its CO_2 emissions. This allows a direct “business-model” method of assessing the cost of CO_2 emissions.

CGS recently completed a study titled, "*CO_2 Sequestration Potential of Colorado*," that quantified the costs related to carbon sequestration[2]. In Colorado, fossil-fuel based power plants produce between 0.4 to 1.8 tons CO_2 per megawatt-hour (MWh) of power produced, depending on fuel type.[3] For purposes of this analysis an average of 1 ton CO_2/MWh of power generated will be used. Geothermal power plants emit some CO_2, but it is a small fraction of fossil fuel power plant emissions. Geothermal power emits 0.09 tons CO_2/MWh.[4] Net CO_2 emission savings for geothermal power generation is **0.91 tons CO_2/MWh**

The costs to capture, transport, and sequester CO_2 range from $62-65/ton for conventional power plants.[5] A cost of **$62/ton CO_2** will be used in this analysis.

The last number to define is the number of megawatt-hours a 10-MW power plant produces per year. Assuming the power plant is 90% efficient (online 90% of the year), a 10-MW power plant will produce **78,840 MWh/year**.

Determining the net cost to sequester CO_2 emissions for 10-MW fossil fuel power plant for one year:
0.91 tons CO_2/MWh x $62/ton CO_2 x 78,840 MWh/year = ~$4,400,000/year

Proposed Action	**Estimated Benefit**	**Estimated Cost**	**Benefit – Cost Ratio**
Add 1.0 FTE and increase base severance tax funding	▪ **$4,400,000/year** – This is the cost of CO_2 sequestration that is avoided by displacing 10-MW of fossil fuel power generation with a 10-MW geothermal power plant	▪ $70,000/year for 1.0 FTE	$4,400,000 / $70,000 or **63 to 1**

[2] Young, B.C.G. and others, 2007, CO2 Sequestration Potential of Colorado, Colorado Geological Survey Resource Series 45.
[3] Young, B.C.G. and others, 2007, CO2 Sequestration Potential of Colorado, Colorado Geological Survey Resource Series 45, pages 2-12, 2-13 and Table 2.5.
[4] Bloomfield, K.K., and Moore, J.N., 1999, Geothermal Electrical Production CO_2 Emissions Study, *presented* at Geothermal Resource Council 1999 Annual Meeting, Idaho National Engineering and Environmental Laboratory, INEEL/CON-99-00655 PREPRINT.
--- Value given is 0.18 lbs CO_2 /kilowatt-hour (kWh). Translation to tons CO_2/megawatt-hour (MWh):
0.18 lbs CO_2 /kWh x 1000 kWh/MWh x 1 ton/2000 lbs = 0.09 tons CO_2/MWh
[5] Young, B.C.G. and others, 2007, CO2 Sequestration Potential of Colorado, Colorado Geological Survey Resource Series 45, pages 7-6, 7-7 and Table 7.4.

Implementation Schedule:

Task	Month/Year
Write Position Description Questionnaires and Personnel Action Request	May, 2008
Open the Application Window to the Public	May, 2008
Review, Interview, and Hire New Positions	June, 2008
FTE Hired / New Employee Begins	July, 2008

Statutory and Federal Authority:

Section 34-1-103, C.R.S. (2006) Objectives of survey - duties of state geologist.
[Many statutory clauses apply generally to CGS duties regarding geologic studies including geothermal studies. Item (1)(j) applies specifically to geothermal studies]

(1) The Colorado geological survey shall function to provide assistance to and cooperate with the general public, industries, and agencies of state government, including institutions of higher education, in pursuit of the following objectives, the priorities of which shall be determined by mutual consent of the state geologist and the executive director of the department of natural resources:
(a) To assist, consult with, and advise existing state and local governmental agencies on geologic problems;
(c) To conduct studies to develop geological information;
(e) To collect and preserve geologic information;
(f) To advise the state and act as liaison agency on transactions dealing with natural resources between state agencies and with other states and the federal government on common problems and studies;
(g) To evaluate the physical features of Colorado with reference to present and potential human and animal use;
(h) To prepare, publish, and distribute reports, maps, and bulletins when necessary to achieve the purposes of this part 1, but in accordance with section 24-1-136, C.R.S.;
(j) To advise the state engineer in the promulgation of rules and regulations pursuant to article 90.5 of title 37, C.R.S., and to provide other governmental agencies with technical assistance regarding geothermal resources as needed;

(2) The duties of the state geologist shall be to fulfill the objectives of this part 1 and, together with the employees of the survey, work for the maximum beneficial and most

efficient use of the geologic processes for the protection of and economic benefit to the citizens of Colorado.

(3) The state geologist shall conduct a study and prepare a map or maps as provided in section 34-1-303.

(6) The state geological survey shall prepare an annual report describing the status of the mineral industry and describing current influences affecting the growth and viability of the mineral industry in the state, and setting forth recommendations to foster the industry. This report and recommendations shall be submitted to the director of minerals and geology.

[Note: This report includes energy resources and is published by the CGS as the "Colorado Mineral and Energy Industry Activities, *(year)*" report]

Section 37-90.5-102, C.R.S. (2006) Legislative declaration.
(1) The general assembly hereby declares that:

(a) The development of geothermal resources is in the public interest because it enhances local economies and provides an alternative to conventional fuel sources;

(b) The development of geothermal resources should be undertaken in such a manner as to safeguard life, health, property, public welfare, and the environment and to encourage the maximum economic recovery of the resource and prevent its waste;

Section 39-29-109, C.R.S. (2006) Severance tax trust fund - created - administration - use of moneys - repeal.
(1) (a) There is hereby created in the office of the state treasurer the severance tax trust fund. The fund is to be perpetual and held in trust as a replacement for depleted natural resources and for the development and conservation of the state's water resources pursuant to sections 37-60-106 (1) (j) and (1) (l), 37-60-119, and 37-60-122, C.R.S., and for the use in funding programs that promote and encourage sound natural resource planning, management, and development related to minerals, energy, geology, and water.

Performance Measures:

CGS believes that this decision item is consistent with the Department's vision statement on energy as contained in the FY08-09 Strategic Plan for the Department of Natural Resouces. The energy vision statement is as follows:

Promote responsible and sustainable development of Colorado's energy and mineral resources in a manner that is consistent with environmental protection, maintenance of Colorado's quality of life, and protection of Colorado's diverse economic base. Promote renewable energy, innovative technology, and energy efficiency as part of sustaining Colorado's long term energy supply.

<table>
<tr><th>Performance Measure:</th><th>Outcome</th><th>FY 05-06
Actual</th><th>FY 06-07
Actual</th><th>FY 07-08
Approp.</th><th>FY 08-09
Request</th></tr>
<tr><td rowspan="2">Promote the responsible economic development of mineral and energy resources (expressed as the percent of counties in the state and state departments receiving assistance in mineral and energy resources from CGS).</td><td>Benchmark</td><td>5%</td><td>5%</td><td>5%</td><td>5%</td></tr>
<tr><td>Actual</td><td>5%</td><td>10%</td><td></td><td></td></tr>
<tr><td colspan="6">This change request will increase the number of counties in the state and state departments receiving information and technical assistance from the Colorado Geological Survey. CGS expects, as part of this decision item, to interact with the following counties in the near-term: Chaffee, Dolores, and Saguache. This would increase the Performance Measure Actual for FY08-09 by 3.6%. The following counties have been identified as having areas of geothermal potential (direct use or electrical power) and may possibly be affected by this decision item in the long-term: Chaffee, Saguache, Las Animas, Fremont, Pueblo, Weld, Clear Creek, Routt, Gunnison, Ouray, La Plata, Archuleta, Garfield, and Lake.</td></tr>
</table>

Schedule 13
Change Request for FY 08-09 Budget Request Cycle

Decision Item FY 08-09 ☑ **Base Reduction Item FY 08-09** ☐ **Supplemental FY 07-08** ☐ **Budget Request Amendment FY 08-09** ☐

Request Title: Stewardship Trust Resource Specialist

Department: Natural Resources **Dept. Approval by:** **Date:**

Priority Number: 9 of 18 **OSPB Approval:** **Date:**

		1	2	3	4	5	6	7	8	9	10
	Fund	Prior-Year Actual FY 06-07	Appropriation FY 07-08	Supplemental Request FY 07-08	Total Revised Request FY 07-08	Base Request FY 08-09	Decision/ Base Reduction FY 08-09	November 1 Request FY 08-09	Budget Amendment FY 08-09	Total Revised Request FY 08-09	Change from Base (Column 5) FY 09-10
Total of All Line Items	**Total**	5,785,197	7,360,805	0	7,360,805	8,043,002	90,585	8,133,587	0	8,133,587	92,288
	FTE	0.00	38.00	0.00	38.00	38.00	1.00	39.00	0.00	39.00	1.00
	GF	988,656	642,689	0	642,689	831,134	0	831,134	0	831,134	0
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	888,924	1,799,310	0	1,799,310	1,984,480	23,190	2,007,670	0	2,007,670	23,626
	CFE	3,822,275	4,740,051	0	4,740,051	5,016,307	67,395	5,083,702	0	5,083,702	68,662
	FF	85,342	178,755	0	178,755	211,081	0	211,081	0	211,081	0
(5) State Board Of Land Commissioners Program Costs	**Total**	2,829,673	3,695,905	0	3,695,905	3,740,261	86,923	3,827,184	0	3,827,184	83,855
	FTE	0.00	38.00	0.00	38.00	38.00	1.00	39.00	0.00	39.00	1.00
	GF	0	0	0	0	0	0	0	0	0	0
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	676,292	1,001,951	0	1,001,951	1,013,307	22,252	1,035,559	0	1,035,559	21,467
	CFE	2,153,381	2,693,954	0	2,693,954	2,726,954	64,671	2,791,625	0	2,791,625	62,388
	FF	0	0	0	0	0	0	0	0	0	0
(5) Executive Director's Office (A) Adminstration and Information Technology/Vehicle Lease Payments	**Total**	2,295,586	2,372,285	0	2,372,285	2,372,285	2,450	2,374,735	0	2,374,735	7,350
	FTE	0.00	0.00	0.00	0.00	0.0	0.00	0.00	0.00	0.00	0.00
	GF	754,908	368,485	0	368,485	368,485	0	368,485	0	368,485	0
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	130,000	483,727	0	483,727	483,727	627	484,354	0	484,354	1,882
	CFE	1,373,617	1,478,540	0	1,478,540	1,478,540	1,823	1,480,363	0	1,480,363	5,468
	FF	37,061	41,533	0	41,533	41,533	0	41,533	0	41,533	0
(1) Executive Director's Office (A) Administration and Information Technology Amortization Equalization Disbursement	**Total**	659,938	1,078,513	0	1,078,513	1,460,124	825	1,460,949	0	1,460,949	825
	FTE	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	GF	233,748	232,658	0	232,658	343,282	0	343,282	0	343,282	0
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	82,632	262,590	0	262,590	366,630	211	366,841	0	366,841	211
	CFE	295,277	469,702	0	469,702	618,667	614	619,281	0	619,281	614
	FF	48,281	113,563	0	113,563	131,545	0	131,545	0	131,545	0

Schedule 13
Change Request for FY 08-09 Budget Request Cycle

Decision Item FY 08-09 ☑ **Base Reduction Item FY 08-09** ☐ **Supplemental FY 07-08** ☐ **Budget Request Amendment FY 08-09** ☐

Request Title: Stewardship Trust Resource Specialist
Department: Natural Resources **Dept. Approval by:** **Date:**
Priority Number: 9 of 18 **OSPB Approval:** **Date:**

		1	2	3	4	5	6	7	8	9	10
	Fund	Prior-Year Actual FY 06-07	Appropriation FY 07-08	Supplemental Request FY 07-08	Total Revised Request FY 07-08	Base Request FY 08-09	Decision/ Base Reduction FY 08-09	November 1 Request FY 08-09	Budget Amendment FY 08-09	Total Revised Request FY 08-09	Change from Base (Column 5) FY 09-10
(1) Executive Director's Office (A) Administration and Information Technology Supplemental Amortization Equalization Disbursement	Total	0	214,102	0	214,102	470,332	387	470,719	0	470,719	258
	FTE	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	GF	0	41,546	0	41,546	119,367	0	119,367	0	119,367	0
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	0	51,042	0	51,042	120,816	99	120,915	0	120,915	66
	CFE	0	97,855	0	97,855	192,146	288	192,434	0	192,434	192
	FF	0	23,659	0	23,659	38,003	0	38,003	0	38,003	0

Letternote revised text:
Cash Fund name/number, Federal Fund Grant name: Land Board Trust Adminstration Fund (Fund # 162)
IT Request: ☐ **Yes** ☑ **No**
Request Affects Other Departments: ☐ **Yes** ☑ **No** **If Yes, List Other Departments Here:**

OSPB Common Policy for FTE Requests - September 2007

FTE and Operating Costs				GRAND TOTAL	
Fiscal Year(s) of Request		**FY 08-09**	**FY 09-10**	**FY 08-09**	**FY 09-10**
PERSONAL SERVICES	**Title:**	**PHY SCI RES/SCIENTIST I**			
Number of PERSONS / class title		1	1		
Number of months working in FY 08-09 and FY 09-10		12	12		
Number months paid in FY 08-09 and FY 09-10*		12	12		
Calculated FTE per classification		**1.00**	**1.00**	1.00	1.00
Annual base salary		$51,540	$51,540		
Salary		$51,540	$51,540	$51,540	$51,540
PERA	**10.15%**	$5,231	$5,231	$5,231	$5,231
Medicare	**1.45%**	$747	$747	$747	$747
Prior Year SAED	**N/A**	$0	$387	$0	$387
Subtotal Personal Services at Division Level		**$57,518**	**$57,905**	**$57,518**	**$57,905**
Subtotal AED at EDO Long Bill Group Level	**1.60%**	**$825**	**$825**	**$825**	**$825**
Subtotal SAED at EDO Long Bill Group Level	**Varies**	**$387**	**$258**	**$387**	**$258**
Department Specific Average Cost for HLD / Employee**		$0	$0		
Subtotal for Health, Life, Dental (if over 20 FTE)	**N/A**	**$0**	**$0**	**$0**	**$0**
Subtotal for Short Term Disability (if over 20 FTE)	**0.13%**	**$0**	**$0**	**$0**	**$0**
OPERATING EXPENSES					
Supplies @ $500/$500***	**$500**	$500	$500	$500	$500
Computer @ $900/$0	**$900**	$900	$0	$900	$0
Office Suite Software @ $330/$0	**$330**	$330	$0	$330	$0
Office Equipment @ $2,225 /$0	**$2,225**	$2,225	$0	$2,225	$0
Telephone Base @ $450/$450***	**$450**	$450	$450	$450	$450
Subtotal Operating Expenses		**$4,405**	**$950**	**$4,405**	**$950**
OTHER OPERATING COSTS					
Contract Personal Services		$25,000	$25,000	$25,000	$25,000
Vehicle Lease (K2 Body Style: Meduim SUV)		$2,450	$7,350	$2,450	$7,350
Subtotal Other Operating Costs		**$27,450**	**$32,350**	**$27,450**	**$32,350**
GRAND TOTAL ALL COSTS		**$90,585**	**$92,288**	**$90,585**	**$92,288**

*Initial year full salary is 11 months to account for Pay Date Shift.

**Estimated Health Life and Dental and Short Term Disability costs cannot be claimed for under 20 Requested FTE. If claiming more than 20 FTE for Health Life and Dental please use the agency average in your calculation as a placeholder. For Short Term Disability

***The $450 for Telephone Base and $500 for Supplies will carry over each year as an acceptable expense.

**** Other non-routine expenses such as Fleet, Leased space, or a laptop must be separately defended and calculated. Please provide

Please note, if a requested employee does not begin until FY 09-10, then this employee should be requested in its own set of FY 08-09 / FY 09-10 columns. This is essential for the SAED calculation to work properly

CHANGE REQUEST for FY 08-09 BUDGET REQUEST CYCLE

Department:	Natural Resources
Priority Number:	9 of 18
Change Request Title:	Stewardship Trust Resource Specialist

SELECT ONE (click on box):

☒ Decision Item FY 08-09
☐ Base Reduction Item FY 08-09
☐ Supplemental Request FY 07-08
☐ Budget Request Amendment FY 08-09

SELECT ONE (click on box):

Supplemental or Budget Request Amendment Criterion:
☒ Not a Supplemental or Budget Request Amendment
☐ An emergency
☐ A technical error which has a substantial effect on the operation of the program
☐ New data resulting in substantial changes in funding needs
☐ Unforeseen contingency such as a significant workload change

Short Summary of Request:

This request is to provide dedicated funding for managing the State Land Board's constitutionally mandated Stewardship Trust. This funding will allow the State Land Board to substantiate that it is meeting its Stewardship Trust Constitutional duties. This request includes a Physical Science Researcher I (1.0 FTE), a 4X4 vehicle to meet frequent travel requirements, and contract services for third party scientific research. The request, $90,585, will be funded out of the State Land Board Trust Administration Cash Fund.

Background and Appropriation History:

The Stewardship Trust was created as part of the State Land Board's constitutional change in 1996. Section X of the Colorado Constitution requires the State Land Board to:

Establish and maintain a long term Stewardship Trust of up to 300,000 acres of land that the Board determines through a statewide public nomination process to be valuable primarily to preserve long-term benefits and returns to the state; which trust shall be held and managed to maximize options for continued stewardship, public use, or future disposition, by permitting only those uses, not necessarily precluding existing uses or management practices, that will protect and enhance the beauty, natural values, open space, and wildlife habitat, thereof… Colorado Constitution, 1996

The Constitutional mandate envisions a comprehensive management process that balances current and future uses on Stewardship Trust property against protection and enhancement of the properties' natural values. This became the basis for the Stewardship Trust baseline inventory appropriation in FY 2004-05. The inventory process produced a lot of information on Stewardship Trust property which has been used in a number of transactions over the past fiscal years. The intent of the inventory was to establish natural, ecological, and geologic conditions and features of State Land Board properties. Further, by quantifying the conditions and features, the inventory created a baseline against which to monitor how such conditions and features are preserved over time.

However, the FY 2004-05 Stewardship Trust baseline inventory appropriation did not include ongoing funding for baselines of new Stewardship Trust enrollments or updates to the existing inventory. More importantly, the appropriation did not provide annual funding for any protection or enhancement activities. The inventory generally did not establish management plans or otherwise specify how to protect and enhance the resources. And in several cases, the inventory provided very little usable information, citing instead the need for more scientific study.

Outside of specific transaction based procedures (See attached Board Policy 2001-2 and 2002-3), management of the Stewardship Trust has essentially defaulted to the State Land Board's standard management approach. The State Land Board's standard management goals are to maintain the long term productive capacity of the property which may or may not contribute to natural values. Managing Stewardship Trust properties in this fashion may not be consistent with the more active management principles envisioned in the Stewardship Trust requirement in the Constitution.

General Description of Request:

This request is to provide dedicated funding for managing the State Land Board's constitutionally mandated Stewardship Trust. This funding will allow the State Land Board to more actively manage the Stewardship Trust and substantiate that it is meeting its Constitutional duties. We envision starting with an assessment of the Stewardship Trust properties and then developing management plans prescribing how to protect and enhance the particular natural resources on a given property. In this regard, the requested FTE will help to coordinate statewide efforts to protect the environment and promote sound land stewardship on designated Stewardship Trust properties. As an example, this program might ultimately lead to the development of water resources on a Stewardship Trust property, which might increase its value as wildlife habitat and increase the value and revenues associated with the property. Similarly, enhancing the wildlife habitat of a property might benefit wildlife-related recreation and result in additional revenues being generated through recreational leases.

One particular area of concern has been in cases where meeting the mandate requires the application of natural science. The Constitutional mandate and resulting designation process included a number of properties where the determination of the mandate requires scientific verification. The Stewardship Trust property designation criteria on properties currently enrolled in the program are shown in Exhibit 1.

Exhibit 1: Stewardship Trust Designation Criteria
Number of Parcels and Acres

Primary Designation Criteria	Number of Parcels	Acres
Archaeological feature	2	720
Natural Beauty	11	15,969
Economic resources	2	4,993
Ecosystem	8	131,192
Geologic feature	4	2,403
Hydrologic resources	11	33,161
Open Space	19	12,423
Paleontologic feature	2	3,759
Recreation	2	480
Vegetation resources	17	14,979
Wildlife habitat	27	76,100
TOTAL	**105**	**296,178**

Exhibit 1 shows that about a third of the acreage or 100,000 acres falls firmly within the expertise of the Department of Natural Resources (e.g. wildlife, hydrologic resources, and geologic). 50,000 acres were designated base on criteria that might involve some level of science but often come down to the Board's judgment (e.g. natural beauty, open space, recreation, and economic resources). The remaining 150,000 acres or half of the acreage is associated with natural science and involve scientific research (e.g. ecosystem, vegetation resources, archaeological and paleontological features).

The Stewardship Trust Resource Specialist request will build a process for validating or otherwise determining that the Stewardship Trust is being managing appropriately per the Constitutional mandate. Furthermore, the specialist will develop enhancement activities. The following are the tasks that the Resource Specialist will coordinate and manage to help the State Land Board better implement the Stewardship Trust program:

- establish scientific based protocol for obtaining and reviewing baseline inventories on all designated lands;

- implement a monitoring program to ensure continued compliance of these lands and the development and enforcement of management plans as needed on designated lands;
- inspect and assist district managers with Stewardship Trust inspection;
- review, modify, and obtain Board approval of the Stewardship Trust Policy;
- implement appropriate nomination and review process for replacement properties;
- general removal and replacement of designated land ("refining the inventory"); and
- seek funding opportunities of leases, grants, and easements.

Since its inception, the State Land Board has tried to utilize existing staff and contract resources on an ad hoc basis to manage the Stewardship Trust. These efforts have produced mixed results which have not allowed the State Land Board to clearly address the ongoing requirements of this mandate. Hence, the State Land Board needs dedicated staff and dedicated annual funding to adequately address the requirements of the mandate. This dedicated staff and funding will be coordinated with the State Land Board's existing resources which currently go towards administering the Stewardship Trust.

Consequences if Not Funded:

There are several consequences of not funding this request such as loss of opportunities, loss of value, and impact on habitat. It is difficult to quantify the benefits of environmental protection and sound stewardship that will be foregone if this decision item is not funded. However, another likely consequence would be loss of some amount of annual revenues from a legal challenge to the State Land Boards management of Stewardship Trust property.

Under a legal challenge, the State Land Board would spend significant legal services dollars and could be forced to discontinue certain uses on Stewardship Trust property, which would result in the loss of some amount of annual revenue. As is often the case, it is difficult to determine the likelihood of a legal challenge or its resolution. Therefore, the benefit cost analysis concludes that only a small amount (e.g. 2 percent) of the existing revenue stream is at risk. Nonetheless, due to the amount of current revenue earned on Stewardship Trust property, the amount at risk is over $200,000 in annual revenues.

Calculations for Request:

Summary of Request FY 08-09	**Total Funds**	**General Fund**	**Cash Funds**	**Cash Funds Exempt**	**Federal Funds**	**FTE**
Total Request	$90,585	$0	$23,190	$67,395	$0	1.0
SLB/Program Costs	$86,923	$0	$22,252	$64,671	$0	1.0
EDO/Vehicle Lease Payments	$2,450	$0	$627	$1,823	$0	
EDO/AED	$825	$0	$211	$614	$0	
EDO/SAED	$387	$0	$99	$288	$0	
Summary of Request FY 09-10	**Total Funds**	**General Fund**	**Cash Funds**	**Cash Funds Exempt**	**Federal Funds**	**FTE**
Total Request	$92,288	$0	$23,626	$68,662	$0	1.0
SLB/Program Costs	$83,855	$0	$21,467	$62,388	$0	1.0
EDO/Vehicle Lease Payments	$7,350	$0	$1,882	$5,468	$0	
EDO/AED	$825	$0	$211	$614	$0	
EDO/SAED	$258	$0	$66	$192	$0	

Assumptions for Calculations:

FTE and Operating Costs				GRAND TOTAL	
Fiscal Year(s) of Request		**FY 08-09**	**FY 09-10**	**FY 08-09**	**FY 09-10**
PERSONAL SERVICES	**Title:**	**PHY SCI RES/SCIENTIST I**			
Number of PERSONS / class title		1	1		
Number of months working in FY 08-09 and FY 09-10		12	12		
Number months paid in FY 08-09 and FY 09-10*		12	12		
Calculated FTE per classification		**1.00**	**1.00**	1.00	1.00
Annual base salary		$51,540	$51,540		
Salary		$51,540	$51,540	$51,540	$51,540
PERA	**10.15%**	$5,231	$5,231	$5,231	$5,231
Medicare	**1.45%**	$747	$747	$747	$747
Prior Year SAED	**N/A**	$0	$387	$0	$387
Subtotal Personal Services at Division Level		**$57,518**	**$57,905**	**$57,518**	**$57,905**
Subtotal AED at EDO Long Bill Group Level	**1.60%**	**$825**	**$825**	**$825**	**$825**
Subtotal SAED at EDO Long Bill Group Level	**Varies**	**$387**	**$258**	**$387**	**$258**
Department Specific Average Cost for HLD / Employee**		$0	$0		
Subtotal for Health, Life, Dental (if over 20 FTE)	**N/A**	**$0**	**$0**	**$0**	**$0**
Subtotal for Short Term Disability (if over 20 FTE)	**0.13%**	**$0**	**$0**	**$0**	**$0**
OPERATING EXPENSES					
Supplies @ $500/$500***	**$500**	$500	$500	$500	$500
Computer @ $900/$0	**$900**	$900	$0	$900	$0
Office Suite Software @ $330/$0	**$330**	$330	$0	$330	$0
Office Equipment @ $2,225 /$0	**$2,225**	$2,225	$0	$2,225	$0
Telephone Base @ $450/$450***	**$450**	$450	$450	$450	$450
Subtotal Operating Expenses		**$4,405**	**$950**	**$4,405**	**$950**
OTHER OPERATING COSTS					
Contract Personal Services		$25,000	$25,000	$25,000	$25,000
Vehicle Lease (K2 Body Style: Meduim SUV)		$2,450	$7,350	$2,450	$7,350
Subtotal Other Operating Costs		**$27,450**	**$32,350**	**$27,450**	**$32,350**
GRAND TOTAL ALL COSTS		**$90,585**	**$92,288**	**$90,585**	**$92,288**

Impact on Other Government Agencies: None

Cost Benefit Analysis:

Summary

The following analysis concludes that while only a small amount – 2.0 percent – of the current annual revenue stream on Stewardship Trust property is subject to legal risk, the benefits exceeds the costs of this request by a ratio of 2.4 to 1. Exhibit 2 summarizes the analysis.

Exhibit 2: Net Benefit Cost Analysis

Net Benefit (net legal risk)	Program Cost	Benefit Cost Ratio
$220,000	$90,000	2.4

Revenues on Stewardship Trust Property

The State Land Board earns about $11 million dollars each year on Stewardship Trust property from both surface (e.g. Grazing, crop, and recreation) and subsurface (e.g. Coal, oil, and gas) leases. Building on the information presented in exhibit1, exhibit 3 identifies the revenue amounts for each general designation criteria. Revenue sources do not include ROW or leases with less than 50 acres[1]. Please see attachment A for the detail to exhibit 3.

[1] Including ROW or leases with less than 50 acres would increase the revenues because the payments are generally atypical on a per acre basis and large. This would over project the revenue impact.

Exhibit 3: Revenue on Stewardship Trust Land
FY 2006-07

Primary Designation Criteria	Acres	Revenue Per Acre	Revenue
Archaeological feature	720	$2.21	$1,593
Economic resources	4,993	$5.76	$28,769
Ecosystem	131,192	$5.09	$668,183
Geologic feature	2,403	$3.46	$8,313
Hydrologic resources	33,161	$2.05	$68,100
Natural Beauty	15,969	$2.38	$37,953
Open Space	12,423	$5.39	$66,965
Paleontologic feature	3,759	$3.89	$14,618
Recreation	480	$125.56	$60,270
Vegetation resources	14,979	$3.70	$55,423
Wildlife habitat	76,100	$130.97	$9,966,844
TOTAL	**296,178**	**$37.06**	**$10,977,032**

Risk Analysis

It may well be unreasonable to assume that all revenue on Stewardship Trust property would be stopped if the State Land Board were found in violation of its Stewardship Trust mandate, particularly when the State Land Board has met its designation requirements. Therefore, this analysis attempts to estimate the revenue risk from a legal action using investment risk for certain industries as a proxy of legal risk. Unfortunately, there is no legal risk index or standard risk premium for constitutional mandates.

Legal risk is a component of all business analysis. Generally, legal risk is limited to less than one percent for property. However, legal risk becomes more important as legal constraints and legal requirements increase. The most common concerns are related to activities that involve some risk of environmental contamination. In such cases, risk can be up to ten percent stemming from a mixture of individual, corporate, and/or government regulatory legal risk. Agriculture processing companies have similar risk components and levels. Utilities, on the other hand involve, have legal risk associated mostly with government oversight and regulation. The risk of this industry is approximately three percent.

This analysis assumes that the risk concerning Stewardship Trust is close to the risk of the utilities or similar industry with some level of government oversight and regulation and limited individual or corporate legal risk. It is important to note that utilities often would not have clear constitutional mandates such as the Stewardship Trust.

Based on a three percent legal risk factor, about $330,000 of the FY 2006-07 revenue on Stewardship Trust property ($11 million) is subject legal risk. Therefore due to some type of legal action (e.g. judgment, settlement, or legal threat), the State Land Board could be forced to discontinue certain revenue earning activities on Stewardship Trust property equal to $330,000 per year.

A final note: The stewardship trust consists roughly of 300,000 acres of land. Management on any or all of the stewardship trust properties may be at risk. For the benefit-cost analysis, we thought it was unreasonable to assume that all uses and associated revenues on all stewardship trust properties might be shut down through a legal challenge (although this is possible). Instead, in this analysis, we were trying to show that it only takes interruption of current activities on a small amount of property (3% of the Stewardship Trust) to generate significant consequences for the State Land Board's beneficiaries.

Conclusion

This request allows the State Land Board to manage the legal risk of the Stewardship Trust and ultimately reduce the risk profile to a level consistent with its properties.   The analysis shows that even though only a small amount of revenue and ultimately property might be impacted, the formation of a comprehensive program is anticipated to pay for itself several times over.

Exhibit 4 summarizes the assumptions and conclusions of this analysis.

Exhibit 4: Benefit Cost Analysis

Alternatives	Legal Risk	Benefit (revenue subject to risk)	Program Cost	Benefit Cost Ratio
Status Quo	3 percent	$330,000	$0	n/a
Request	1 percent	$110,000	$90,000	n/a
Net Benefit	**2 percent**	**$220,000**	**$90,000**	**2.4**

Therefore, the request of approximately $90,000 would mitigate a current estimated net legal risk of $220,000.

Other Benefits

The above analysis focuses on the current revenue streams from leasing activities on Stewardship Trust property and does not consider benefits from future revenues or habitat improvement. As with all property, the State Land Board believes that better management will produce more income.

The above analysis does not attempt to quantify the cost savings associated with avoiding potential legal challenge to State Land Board's implementation of the Stewardship Trust requirement. With a blended legal rate of roughly $72 per hour, it would easily cost the State Land Board many thousands of dollars litigating a potential legal challenge.

Furthermore, one goal of this request is to bring additional revenues and enhancement values from open space or conservation leases some examples of which currently exist on State Land Board parcels. This program might ultimately lead to the development of water resources on a Stewardship Trust property, which would increase its value as wildlife habitat and increase the value and revenues associated with the property.

Similarly, enhancing the wildlife habitat of a property might benefit wildlife-related recreation and result in additional revenues being generated through recreational leases.

The request could also facilitate the sale of conservation easements such as being considered for the Lowry Range property. Conservation leases and easements require Board approval. At this point it would be too speculative to include this in the analysis. These additional benefits and revenues would increase the benefit cost ratio.

The vast majority of the Stewardship Trust designations involve some level of habitat preservation or improvement. Given the scientific focus of this position, management plans should include specific methods for protecting and enhancing plant and animal habitat. Inevitably, this is increase the quality of the Stewardship Trust parcels, another unquantified benefit.

Implementation Schedule:

Task	Month/Year
Internal Research/Planning Period	Complete – June 2007
FTE Hired	July 2008
Rules rewritten	December 2008
Rules passed	February 2009

Statutory and Federal Authority:

CONSTITUTION OF THE STATE OF COLORADO: ARTICLE IX EDUCATION:

Section 10. Selection and management of public trust lands.

(I) Establishing and maintaining a long-term stewardship trust of up to 300,000 acres of land that the board determines through a statewide public nomination process to be valuable primarily to preserve long-term benefits and returns to the state; which trust shall not necessarily precluding existing uses or management practices, that will protect and enhance the beauty, natural values, open space, and wildlife habitat thereof; at least 200,000 acres of which land shall be designated on or before January 1, 1999, and at least an additional 95,000 acres of which land shall be designated on or before January 1, 2001; specific parcels of land held in the stewardship trust may be removed from the trust only upon the affirmative vote of four members of the board and upon the designation or exchange of an equal or greater amount of additional land into said trust.

Performance Measures:

The request impacts the following performance measures:

DNR Department wide Performance Measure #7 - *Increase revenues to the school trust by 5 percent annually*

This analysis estimates that approximately $220,000 or 0.35 percent of the total annual school trust revenues are at risk. Funding this request will protect this revenue stream and allow the State Land Board to achieve its benchmark performance goal of increasing revenues by an average of 5 percent per annum.

Schedule 13
Change Request for FY 08-09 Budget Request Cycle

Decision Item FY 08-09 ☑ **Base Reduction Item FY 08-09** ☐ **Supplemental FY 07-08** ☐ **Budget Request Amendment FY 08-09** ☐

Request Title: CWCB Hydrographer and Vehicle

Department: Natural Resources **Dept. Approval by:** **Date:**

Priority Number: 10 of 18 **OSPB Approval:** **Date:**

	Fund	1 Prior-Year Actual FY 06-07	2 Appropriation FY 07-08	3 Supplemental Request FY 07-08	4 Total Revised Request FY 07-08	5 Base Request FY 08-09	6 Decision/ Base Reduction FY 08-09	7 November 1 Request FY 08-09	8 Budget Amendment FY 08-09	9 Total Revised Request FY 08-09	10 Change from Base (Column 5) FY 09-10
Total of All Line Items	Total	6,620,429	7,481,662	0	7,481,662	8,247,986	101,469	8,349,455	0	8,349,455	108,880
	FTE	30.00	30.00	0.00	30.00	30.00	1.00	31.00	0.00	31.00	1.00
	GF	1,473,346	1,129,728	0	1,129,728	1,323,976	0	831,134	0	831,134	0
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	471,568	1,152,897	0	1,152,897	1,338,646	0	1,338,646	0	1,338,646	0
	CFE	4,567,085	4,997,143	0	4,997,143	5,352,580	101,469	5,454,049	0	5,454,049	108,880
	FF	108,430	201,894	0	201,894	232,784	0	232,784	0	232,784	0
(7) Colorado Water Conservation Board, (A) Administration, Personal Services[1]	Total	2,722,177	2,769,220	0	2,769,220	2,881,401	86,847	2,968,248	0	2,968,248	87,431
	FTE	30.00	30.00	0.00	30.00	30.00	1.00	31.00	0.00	31.00	1.00
	GF	0	0	0	0	0	0	0	0	0	0
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	0	0	0	0	0	0	0	0	0	0
	CFE	2,722,177	2,769,220	0	2,769,220	2,881,401	86,847	2,968,248	0	2,968,248	87,431
	FF	0	0	0	0	0	0	0	0	0	0
(7) Colorado Water Conservation Board, (A) Administration, Operating[1]	Total	89,890	89,994	0	89,994	89,994	7,849	97,843	0	97,843	11,282
	FTE	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	GF	0	0	0	0	0	0	0	0	0	0
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	0	0	0	0	0	0	0	0	0	0
	CFE	89,890	89,994	0	89,994	89,994	7,849	97,843	0	97,843	11,282
	FF	0	0	0	0	0	0	0	0	0	0
(1) Executive Director's Office (A) Administration and Information Technology Vehicle Lease Payments[2]	Total	2,295,586	2,372,285	0	2,372,285	2,372,285	1,374	2,373,659	0	2,373,659	4,123
	FTE	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	GF	754,908	368,485	0	368,485	368,485	0	368,485	0	368,485	0
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	130,000	483,727	0	483,727	483,727	0	483,727	0	483,727	0
	CFE	1,373,617	1,478,540	0	1,478,540	1,478,540	1,374	1,479,914	0	1,479,914	4,123
	FF	37,061	41,533	0	41,533	41,533	0	41,533	0	41,533	0

Schedule 13
Change Request for FY 08-09 Budget Request Cycle

Decision Item FY 08-09 ☑ **Base Reduction Item FY 08-09** ☐ **Supplemental FY 07-08** ☐ **Budget Request Amendment FY 08-09** ☐

Request Title: CWCB Hydrographer and Vehicle

Department: Natural Resources **Dept. Approval by:** **Date:**

Priority Number: 10 of 18 **OSPB Approval:** **Date:**

	Fund	1 Prior-Year Actual FY 06-07	2 Appropriation FY 07-08	3 Supplemental Request FY 07-08	4 Total Revised Request FY 07-08	5 Base Request FY 08-09	6 Decision/ Base Reduction FY 08-09	7 November 1 Request FY 08-09	8 Budget Amendment FY 08-09	9 Total Revised Request FY 08-09	10 Change from Base (Column 5) FY 09-10
(1) Executive Director's Office (A) Administration and Information Technology Leased Space[2]	Total	852,838	957,548	0	957,548	973,850	3,570	977,420	0	977,420	4,410
	FTE	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	GF	484,690	487,039	0	487,039	492,842	0	0	0	0	0
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	258,936	355,538	0	355,538	367,473	0	367,473	0	367,473	0
	CFE	86,124	91,832	0	91,832	91,832	3,570	95,402	0	95,402	4,410
	FF	23,088	23,139	0	23,139	21,703	0	21,703	0	21,703	0
(1) Executive Director's Office (A) Administration and Information Technology Amortization Equalization Disbursement[2]	Total	659,938	1,078,513	0	1,078,513	1,460,124	1,245	1,461,369	0	1,461,369	1,245
	FTE	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	GF	233,748	232,658	0	232,658	343,282	0	343,282	0	343,282	0
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	82,632	262,590	0	262,590	366,630	0	366,630	0	366,630	0
	CFE	295,277	469,702	0	469,702	618,667	1,245	619,912	0	619,912	1,245
	FF	48,281	113,563	0	113,563	131,545	0	131,545	0	131,545	0
(1) Executive Director's Office (A) Administration and Information Technology Supplemental Amortization Equalization Disbursement[2]	Total	0	214,102	0	214,102	470,332	584	470,916	0	470,916	389
	FTE	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	GF	0	41,546	0	41,546	119,367	0	119,367	0	119,367	0
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	0	51,042	0	51,042	120,816	0	120,816	0	120,816	0
	CFE	0	97,855	0	97,855	192,146	584	192,730	0	192,730	389
	FF	0	23,659	0	23,659	38,003	0	38,003	0	38,003	0

Letternote revised text: [1]This amount shall be from reserves in the Colorado Water Conservation Board Construction Fund.

Letternote revised text: [2]These amounts shall be from various sources of cash funds exempt.

Cash Fund name/number, Federal Fund Grant name: CWCB Construction Fund (424) Cash Funds Exempt

IT Request: ☐ **Yes** ☑ **No**

Request Affects Other Departments: ☑ **Yes** ☐ **No** **If Yes, List Other Departments Here:** DPA - State Fleet Management

OSPB Common Policy for FTE Requests - September 2007

		FTE and Operating Costs						GRAND TOTAL	
Fiscal Year(s) of Request		**FY 08-09**	**FY 09-10**	**FY 08-09**	**FY 09-10**	**FY 08-09**	**FY 09-10**	**FY 08-09**	**FY 09-10**
PERSONAL SERVICES	**Title:**	**Prof Eng II**							
Number of PERSONS / class title		1	1	0	0	0	0		
Number of months working in FY 08-09 and FY 09-10		12	12	0	0	0	0		
Number months paid in FY 08-09 and FY 09-10*		12	12	0	0	0	0		
Calculated FTE per classification		**1.00**	**1.00**	**0.00**	**0.00**	**0.00**	**0.00**	1.00	1.00
Annual base salary		$77,820	$77,820	$0	$0	$0	$0		
Salary		$77,820	$77,820	$0	$0	$0	$0	$77,820	$77,820
PERA	**10.15%**	$7,899	$7,899	$0	$0	$0	$0	$7,899	$7,899
Medicare	**1.45%**	$1,128	$1,128	$0	$0	$0	$0	$1,128	$1,128
Prior Year SAED	**N/A**	$0	$584	$0	$0	$0	$0	$0	$584
Subtotal Personal Services at Division Level		**$86,847**	**$87,431**	**$0**	**$0**	**$0**	**$0**	**$86,847**	**$87,431**
Subtotal AED at EDO Long Bill Group Level	**1.60%**	**$1,245**	**$1,245**	**$0**	**$0**	**$0**	**$0**	**$1,245**	**$1,245**
Subtotal SAED at EDO Long Bill Group Level	**Varies**	**$584**	**$389**	**$0**	**$0**	**$0**	**$0**	**$584**	**$389**
Department Specific Average Cost for HLD / Employee**		$0	$0	$0	$0	$0	$0		
Subtotal for Health, Life, Dental (if over 20 FTE)	**N/A**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
Subtotal for Short Term Disability (if over 20 FTE)	**0.13%**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
OPERATING EXPENSES									
Supplies @ $500/$500***	**$500**	$500	$500	$0	$0	$0	$0	$500	$500
Computer @ $900/$0	**$900**	$900	$0	$0	$0	$0	$0	$900	$0
Office Suite Software @ $330/$0	**$330**	$330	$0	$0	$0	$0	$0	$330	$0
Office Equipment @ $2,225 /$0	**$2,225**	$2,225	$0	$0	$0	$0	$0	$2,225	$0
Telephone Base @ $450/$450***	**$450**	$450	$450	$0	$0	$0	$0	$450	$450
Subtotal Operating Expenses		**$4,405**	**$950**	**$0**	**$0**	**$0**	**$0**	**$4,405**	**$950**
GRAND TOTAL ALL COSTS		**$93,081**	**$90,015**	**$0**	**$0**	**$0**	**$0**	**$93,081**	**$90,015**

**Estimated Health Life and Dental and Short Term Disability costs cannot be claimed for under 20 Requested FTE. If claiming more than 20 FTE for Health Life and Dental please use the agency average in your calculation as a placeholder. For Short Term Disability please use 0.13%.

***The $450 for Telephone Base and $500 for Supplies will carry over each year as an acceptable expense.

**** Other non-routine expenses such as Fleet, Leased space, or a laptop must be separately defended and calculated. Please provide documentation to justify these requested costs.

Please note, if a requested employee does not begin until FY 09-10, then this employee should be requested in its own set of FY 08-09 / FY 09-10 columns. This is essential for the SAED calculation to work properly.

CHANGE REQUEST for FY 08-09 BUDGET REQUEST CYCLE

Department:	Department of Natural Resources
Priority Number:	10 of 18
Change Request Title:	CWCB Hydrographer and Vehicle

SELECT ONE (click on box):
☒Decision Item FY 08-09
☐Base Reduction Item FY 08-09
☐Supplemental Request FY 07-08
☐Budget Request Amendment FY 08-09

SELECT ONE (click on box):
Supplemental or Budget Request Amendment Criterion:
☒Not a Supplemental or Budget Request Amendment
☐An emergency
☐A technical error which has a substantial effect on the operation of the program
☐New data resulting in substantial changes in funding needs
☐Unforeseen contingency such as a significant workload change

Short Summary of Request:

The CWCB is requesting on-going Cash Funds Exempt (CFE) funding in the amount of $101,469 from the CWCB Construction Fund for 1.0 FTE, a four-wheel drive leased vehicle, and leased space for the FTE and vehicle parking. The requested FTE, with the use of a state vehicle, will perform duties related to stream hydrography requirements related to instream flow protection, compact compliance and protection, decision support system analyses and modeling, and floodplain management.

Background and Appropriation History:

CWCB Stream Gaging Requirements

As the State's water planning and policy agency, the CWCB relies heavily on stream gage data in carrying out its mission to conserve, manage and protect the State's water resource. The CWCB currently relies upon stream gages operated by the Division of Water Resources (DWR), United States Geological Survey (USGS) and private entities in order to meet the needs of its mission critical program areas including Stream and Lake Protection, Compact Protection, Decision Support System Development, and Floodplain Management. However, CWCB gaging needs are often different from those of the DWR and USGS. Although many existing gages provide needed data, the DWR's mission is to administer the state's water rights, while the USGS collects data for long-term scientific record purposes. As a result, stream gages are not always located where the CWCB needs them, nor are they necessarily designed to fit CWCB data collection parameters. The following examples provide additional clarification of CWCB gaging needs for its specific statutory programs as well as detailing how and why the existing stream gage network is often inadequate to meet CWCB's needs.

1. **Instream Flow Water Rights**

In order to preserve the Colorado's water dependent natural environment, the CWCB has appropriated over 1,500 instream flow (ISF) water rights covering over 8,000 miles of stream within the state. The CWCB has a legal requirement under Colorado water law (37-92-502 (5) (a) C.R.S. (2007)) to install stream gages as required by the State and or Division Engineer in order to administer those rights within Colorado's priority system. The CWCB is the largest holder of water rights in the State of Colorado and maintains these ISF rights in order to preserve the natural environment to a reasonable degree for the benefit of the people of the State. Unfortunately, most USGS and DWR gages are located on main stem streams whereas the majority of ISF rights are located on smaller tributaries. In addition, USGS and DWR gages are not typically designed to operate during the winter months. ISF rights are decreed for year-round protection of the natural environment and winter flow monitoring is often necessary.

2. **Floodplain Protection**

The CWCB must have gages in specific locations for the development of floodplain hydrology to assist in the prevention of flood damages; to enhance the accuracy of floodplain designations; and for flood alert systems to notify staff regarding events that may have impacts to life, safety, and property protection issues within the state. Many of the existing gages are either not properly located to achieve these objectives or need to be "hardened" so that they are not washed away during a flood event. Staff has worked with DWR and the USGS to harden some gages, but has not had the FTE resources to identify and address all of the agency's needs.

3. **Compact Protection**

Theoretically, many of Colorado's compact administration gages should be handled through the USGS National Streamflow Information Program (NSIP). Although this federal program will pay for 100% of the costs of operating a stream gage, inadequate funding for the NSIP program may eventually threaten Colorado's ability to meet its compact obligations. In addition, there has been some disagreement with the USGS on what constitutes a compact gage. While it is obvious that Stateline gages are required, many other gages are often necessary in order to appropriately administer the State's compacts and the USGS will not operate these gages without cooperator funding. Because of rising costs, cooperators have been reluctant to continue to fund many of these gages.

4. **Decision Support Systems**

Finally, the CWCB must continue to build upon its Decision Support System (DSS) - a tool that has enhanced the CWCB's and other water users' ability to conserve, develop, protect and manage Colorado's water resources. However, the DSS system is heavily dependent upon gage data, which is currently inadequate for the more detailed modeling exercises that need to be performed. DWR is not responsible for these activities and does not have the staff to meet these CWCB agency needs. In addition, the USGS is dropping gages rather than adding gages in Colorado because of funding limitations.

Funding and FTE Limitations and the continued loss of stream gages in Colorado.

The number of gages in Colorado has been decreasing at an alarming rate, and both the USGS and the DWR do not have either the FTE and/or funding resources to fully meet CWCB needs. Over the last five years, numerous USGS gages have been decommissioned in Colorado. There are currently nine additional gages that have or will be decommissioned this year. Appendix A provides additional documentation which outlines and discusses the decline of federally operated and maintained stream gages.

- **Federal Gaging Programs**

The USGS provides stream gaging data through either its Cooperative Program (Co-op) or its National Streamflow Information Program (NSIP). The Co-op program is a cost-sharing partnership where the USGS installs, operates and maintains gages for cooperating water resource entities at the state, local and Tribal levels. Historically, the program operated under a 50:50 fund-matching arrangement. However, the Department of the Interior has not provided the USGS with adequate funding and, as a result, cooperator costs have steadily increased over the past 5 years with no end to the increases in sight. On average, cooperators now pay over 60% of the costs. These increasing costs have resulted in many cooperators dropping out of the program. When this occurs, the USGS abandons the gage.

On the other hand, the NSIP program is funded at 100% by the USGS. Gages under the NSIP program are identified by the USGS as high priority streamgages critical to public safety and long-term water resource assessment. However, this program has also not been adequately funded and, at this time, there are two critical stateline gages that the program has been unable to fund. In addition, as mentioned above, there is also some disagreement on which gages in Colorado should fall under this program.

As a result of the federal funding limitations for gaging and the resultant decommissioning of gages in Colorado, the CWCB has made requests through the Department of Natural Resources to Colorado's Congressional Delegation to increase funding for the USGS Cooperative and NSIP programs. In addition, the CWCB and other water resource entities throughout the West have written letters to the Secretary of the Interior in an effort to have federal funding increased for these gaging programs. Unfortunately, these requests have not produced adequate funding to halt the loss of gages. All expectations are that the water resources stakeholders will either incur the costs or gages will continue to decline. At this time, the average yearly operation and maintenance co-op stakeholder costs to operate and maintain a single streamgage is approximately $14,000 per year.

- **Colorado Division of Water Resources (DWR) Satellite Gages**

The DWR operates a system of approximately 400 satellite gages throughout the state for the purpose of administering water rights in the State of Colorado. These gages are located on streams and rivers, as well as on numerous diversion structures and ditches. DWR gages are often not adequate for CWCB programs because their primary function is for administrative purposes during the low flow irrigation season. As mentioned above, these gages are inadequate for many of CWCB's programs where data is needed during high flow periods, in the winter months, or on smaller tributaries where there are ISF rights that need to be administered. In addition, DWR does not have the FTE resources to meet CWCB needs. Even if it were feasible to utilize other agencies' limited FTE resources, there would still be an associated cost to operate and maintain those gages and DWR does not have spending authority to utilize CWCB funds. The average cost to operate and maintain a DWR administrative gage is approximately $7,500 per year. These state costs are significantly lower than USGS operation and maintenance costs due, in part, to a larger overhead structure associated with the federal government.

Coordination and Cooperation

CWCB staff has coordinated with both the USGS and DWR in an attempt to use the existing stream gaging network to address CWCB needs. Staff meets quarterly with these agencies to discuss and attempt to resolve gaging issues. In some cases, this effort has been successful where mutual needs were identified. In these situations, the CWCB has provided some funding for equipment and installation costs. Operation and maintenance has often been accomplished through participation with other water resource stakeholders. However, in locations where the need is solely for CWCB purposes, the DWR cannot use its hydrographic FTEs to meet the CWCB's needs. The only option, in this case, is for the CWCB to use the USGS cooperative program. Installation costs for a full satellite monitoring gage vary, but are generally over $20,000. As previously mentioned, operation and maintenance averages $14,000 per year for the CWCB's share.

CWCB Stream Gage Funds

Recently, a Stream Gaging fund of $250,000 was authorized under Section 37-60-124.4, C.R.S. (2007), as part of the 2007 Projects Bill. Although the fund provides a mechanism to pay for gaging equipment and the operation and maintenance of some gages, it is insufficient to meet all of the agency needs listed above without a hydrographic FTE that can purchase and install the gaging equipment and continue to operate and maintain the equipment over an extended period of time.

General Description of Request: **1.0 FTE (Hydrographer)**

A senior level hydrographer (Professional Engineer II) is requested to manage the agency stream gaging needs including installation, operation, and maintenance of new CWCB stream gages. This FTE will also continue to expand the ongoing coordination and collaboration efforts with other entities such as the USGS, DWR and private water resource stakeholders.

The CWCB hydrographer will spend the low flow season of July through November installing, operating, and maintaining new CWCB gages. During the winter months of December through March, and the high flow months of April through June, the hydrographer will analyze and publish the stream gage records from the gaging stations as well as continue to provide maintenance functions at the gages. Measurement of flows and operation and maintenance will also be performed during the winter and runoff period. In addition, the hydrographer will utilize this time to seek out other entities that may want to financially cooperate with the CWCB on a given gage, and to plan the installation and order the equipment for new gages. Coordination, collaboration, and training with the USGS, DWR, and other entities on gaging activities will also occur during this period of time.

Tasks and Responsibilities

- In-house coordination and collaboration among the CWCB's program sections including the Instream Flow and Natural Lake Level Protection, Flood Protection, Intrastate Water Management and Development, Water Supply Protection, Water Information, Water Supply Planning and Finance, and Office of Water Conservation and Drought Planning will occur in order to further evaluate agency needs and identify new gage locations. (CWCB staff have already established a preliminary list of approximately 30 new gage locations).
- Evaluation of new gage sites to determine specific equipment and/or construction needs as well as property ownership evaluations and the structuring of agreements for permission to locate gages on Federal, State and private lands.
- Management of the CWCB's $250,000 stream gage fund.
- Ordering and purchase of new stream gage equipment as well as the replacement of outdated equipment.

- Overseeing the installation of CWCB gages as well as the continued operation and maintenance of such gages.
- Coordination and collaboration with other gaging entities, such as the USGS and DWR, to cost share on gages in locations where there are common stream gaging needs.
- Coordination and collaboration with the USGS and DWR on training and safety.
- Development and maintenance of stream gage records from new CWCB gages.
- Coordination and collaboration to obtain financial assistance from private entities that have a mutual interest in CWCB gage locations.

Over the years, the CWCB has attempted to rely upon a network of stream gages operated and maintained by either the USGS or DWR. However, the CWCB's mission to conserve, manage, protect, and restore the State's water resources is broad and encompasses many program areas which call for unique streamflow gaging needs. In addition, increasing costs and limited FTE resources have resulted in a situation where the CWCB's needs cannot be adequately met by the USGS or DWR alone. This coupled with an ever increasing demand for streamflow information due to new water resource-management issues has created a situation where hydrographic FTE resources are needed within Colorado's policy and planning agency. Managing Colorado's resources cannot be accomplished without stream flow gage data. Population growth; climate change; fire and flood dangers; new ISF water rights; new Decision Support System models; compact administration and negotiations; and the Statewide Water Supply Initiative coupled with the establishment of the Interbasin Compact Committee have all emphasized and created the need for these hydrographic resources within the CWCB.

The legislature has been cognizant of the CWCB's stream gaging issues and established a $250,000 fund in the 2007 CWCB Projects Bill in order to help meet these needs. However, FTE resources are also needed to install, manage, and operate the CWCB's stream gaging program and network of new gages. An FTE was not requested in the 2007 CWCB Projects Bill because funding from the CWCB Projects Bill is only used for project related activity and not to fund FTE.

The CWCB and DWR have had numerous discussions regarding CWCB's gaging needs and the DWR is in agreement with this decision item request. It is believed that installation, operation and maintenance of CWCB gages would be best accomplished through in-house FTE hydrographic resources.

An option that has been considered, to meet CWCB gaging needs, has been to pay the USGS to install, operate, and maintain new CWCB gages. This assumes that the Federal Government could supply all of the required gages with its existing FTEs in Colorado. In addition, as explained above, the co-op program administered by the USGS continues to shift more of the costs of operation and maintenance of gages to the cooperating entities. Within the last five years, these costs have risen from a 50/50 cost share ratio to the present average ratio of 60/40. It is expected that these cooperator costs will continue to rise. Many water resources entities have chosen to drop out of the co-op program as a result of these prohibitive costs. An analysis of the costs to install, operate, and maintain a gage for a CWCB hyrdographer vs. the USGS (assuming the current average cooperative ratio does not change) is outlined in the cost-benefit section.

Vehicle

A 4-wheel drive vehicle and hydrographic equipment will be necessary for the hydrographer to accomplish the agency gaging needs in all 7 water divisions in the state. Although the hydrographic equipment can be purchased with the Stream Gage fund, a leased vehicle is necessary as part of this request.

Currently, the CWCB has only three assigned state vehicles, which have been in very high demand by the CWCB staff, to use as transportation to accomplish statutory responsibilities. The three permanent vehicles assigned to the agency are: 1) Chevy Trail Blazer, 2) Ford Explorer, and 3) Dodge Durango. The Chevy Trail Blazer is permanently assigned to the Finance Section Construction Project Manager, who inspects all construction projects funded by the CWCB Construction Fund leaving only two vehicles for the remaining 43.2 staff members to share.

The idea of using the State motor pool or renting vehicles is not sensible for the hydrographer FTE and the tasks that will be required of the position. In order to effectively operate and maintain a network of stream gages, the hydrographer will need to travel on a regular basis to measure flows, maintain and install equipment, and attend meetings. In addition, many of the anticipated gages will be located in areas with limited access to state, county or Forest Service Roads and off-road 4-wheel drive access will therefore be required. Finally, most of the equipment necessary to perform the hydrographic tasks will need to be permanently stored in the vehicle. It would not be feasible to move the needed equipment from the office to the vehicle and back again on a regular basis or to move it from vehicle to vehicle when using the motor pool or a rental vehicle.

Leased Space

Associated with this submission is a request for additional leased space for 1.0 FTE (Professional Engineer II) and for a parking space for the state vehicle.

The CWCB's offices are located in two buildings in the downtown Denver area which accommodate the current staff of 43.2 FTE. The main office is located in the Centennial Building at 1313 Sherman and the other office is at 1580 Logan Street. The main location in the Centennial Building does not have enough space to house all employees in one location; therefore, two sections were moved to the Logan location in 2002. These sections are the Water Supply Planning and Finance Section, which has 6.0 FTE, and the Water Information Group of 5.0 FTE.

Current space, at the CWCB Sherman Street and Logan Street offices, cannot accommodate new FTEs. In submitting this decision item request, the CWCB is being pro-active in avoiding a leased space crisis that would follow the approval of FTE requests. The preferred location for the additional space is at the Logan Street location, where two of the CWCB sections' staff members are housed currently.

In addition, the CWCB is requesting funding for a parking space for the state vehicle associated with this request.

Consequences if Not Funded:

By not funding this request, the CWCB would be unable to continue to effectively and efficiently carry out its mission as outlined in the CWCB strategic plan as follows:

- To conserve the waters of the State for wise and efficient beneficial uses;
- Develop waters of the State to preserve the natural environment to a reasonable degree and fully utilize State compact entitlements;
- Protect the waters of the State for maximum beneficial use without waste; and
- Manage the waters of the State in situations of extreme weather conditions – both for flood and droughts.

There are a number of reasons that the CWCB will need to install new gages in cooperation and collaboration with other entities throughout the state. First, there has been a substantive decrease in stream gaging participation from the Federal Government and other stakeholders along with a substantial corollary increase in stream gaging costs. Second, the recent drought, the threat of long term climate change, an increase in fire and flood threats, and an increase in Colorado's population are all of great concern to the CWCB, which is responsible for the water resource policy and planning decisions that will need to be made to address these changes. Third, water resource plans and policies, with the dual goals of supporting new infrastructure to meet future consumptive needs while still preserving Colorado's water dependent natural environment and other non-consumptive needs, cannot be developed without sound scientific data obtained from a strong network of stream gages. Without a hydrographer to install, operate, and maintain new gages, and to coordinate with existing stakeholders in the collection of stream gage data, it will be impossible to adequately address the existing and future water resource challenges that the CWCB must address under its statutory authorities. Specific consequences are as follows:

- Staff would be unable to adequately monitor and protect Colorado's decreed instream flow water rights. The existing limitations on monitoring and protection resulting from inadequate gaging resources have been recognized as a major shortcoming of Colorado's instream flow program, which was authorized under 37-92-102 (3) (a) through (e) C.R.S. (2007). Numerous environmental, water development, and private stakeholders have publicly criticized the State for its inability to protect its water rights which are held in trust by the CWCB for the benefit of the people of the State of Colorado. Stakeholder frustration over this issue has resulted in arguments against state-held ISF rights and in favor of privately held ISF rights. Ballot initiatives and proposed legislation to change Colorado's ISF statutes are likely if the state cannot fully monitor and protect its ISF water rights.

- There would be the limited ability of CWCB staff and others to accurately and adequately perform detailed water availability and other modeling exercises within Colorado's Decision Support System (CDSS) at ISF sites due to a lack of stream gage data or the loss of existing gage sites due to funding cutbacks by others.

- Without a hydrographer to perform the work, some gages will not be in place that would aid the CWCB in its statutorily mandated activities related to flood protection. For example, the development of floodplain hydrology; the prevention of flood damages; and the assistance that CWCB staff provide in state floodplain designations could be hampered.

- CDSS modeling capabilities are crucial to the Board's ability to make timely, well informed decisions using the CDSS modeling capability. Without the installation, operation, and maintenance of new CWCB gages by a professional hydrographer, accurate and detailed models may not be possible in some circumstances. This is especially important in understanding potential compact administration outcomes within the Colorado River Basin and how a potential "compact call" could affect all parts of the Colorado River Basin in Colorado.

By not funding this decision item, the CWCB will find it difficult to supply answers to Colorado's citizens on important issues related to increasing populations and adequate water supplies; consumptive vs. non-consumptive needs; impacts on timing, duration and the amount of water available due to climate change; the desire of many to protect water resources in the basin of origin; and the desire to protect existing agricultural uses. These are all important policy questions that have been identified in the Statewide Water Supply

Initiative and the Inter-basin Compact Commission and associated basin round-tables. Again, gaging data is crucial to making informed water resource decisions and in managing this very limited and valuable resource. Furthermore, without the associated vehicle, the FTE would not be able to perform required task of installing, operating, and maintaining new stream gages throughout the state.

Calculations for Request:

Summary of Request FY 08-09	Total Funds	General Fund	Cash Funds	Cash Funds Exempt	Federal Funds	FTE
Total Request	$101,469	$0	$0	$101,469	$0	1.0
1.0 FTE (PE II Hydrographer) Personal Service related costs	$88,676	$0	$0	$88,676	$0	1.0
Equipment (computer, phone, office equipment and software)	$4,405	$0	$0	$4,405	$0	
State Vehicle Lease (8-year lease) for a Quad cab pickup truck (SFM type F8) and camper shell; 4 months of payments in FY08-09 + $14.50 State Fleet Management Fee	$1,374	$0	$0	$1,374	$0	
Variable Mileage Rate ($0.41/mi x 2,100 miles x 4 months) – Operating	$3,444	$0	$0	$3,444	$0	
Leased Space (Parking) for 4 months	$420	$0	$0	$420	$0	
Leased Space for FTE	$3,150	$0	$0	$3,150	$0	

Summary of Request FY 09-10	Total Funds	General Fund	Cash Funds	Cash Funds Exempt	Federal Funds	FTE
Total Request	$108,880	$0	$0	$108,880	$0	1.0
1.0 FTE (PE II Hydrographer) Personal Service related costs	$89,065	$0	$0	$89,065	$0	1.0

Summary of Request FY 09-10	Total Funds	General Fund	Cash Funds	Cash Funds Exempt	Federal Funds	FTE
Annual operating (supplies and phone)	$950	$0	$0	$950	$0	
State Vehicle Lease (8-year lease) for a Quad cab pickup truck (SFM type F8) and camper shell; 12 months of payments in FY09-10 + $14.50 State Fleet Management Fee	$4,123	$0	$0	$4,123	$0	
Variable Mileage Rate ($0.41/mi x 2,100 miles x 12 months) – Operating	$10,332	$0	$0	$10,332	$0	
Leased Space (Parking)	$1,260	$0	$0	$1,260	$0	
Leased Space for FTE	$3,150	$0	$0	$3,150	$0	

<u>Assumptions for Calculations</u>:

1.0 FTE (Professional Engineer II - Hydrographer)

The salary information is based on the FY2008-09 figures that were provided in the POTS template attachment for salaries. The salary of $6,485 per month is the range minimum for a Professional Engineer II. It totals to an annual salary of $77,820.

Personal Services = Salary ($77,820) + 10.15% PERA ($7,899) + Medicare 1.45% ($1,128) + 1.6% AED ($1,245) + SAED ($584) = $88,676

Annual Operating for FY08-09: includes computer ($900), supplies ($500), Office Suite software ($330), Office equipment ($2,225), Telephone base ($450) = $4,405

Vehicle Lease 4-wheel drive

State Fleet Management provided the data for cost associated with a new 4-wheel drive vehicle. The lease cost for a large 4-wheel drive crew quad cab pickup truck and a camper shell (Toyota Tundra, Dodge Ram, Ford F-150 or similar) for 96 months is $344 per month, which includes a $14.50 management fee that State Fleet Management charges. For the first year, the CWCB would only pay for four months since the vehicle will be delivered in March, which is $1,374 ($343.61 x 4 months). In the second through seventh years, the CWCB would pay $4,123 per year ($343.61 x 12 months). In the eighth year of the lease, the CWCB would pay $2,749 ($343.61 x 8 months).

The variable mileage rate was calculated by taking the CWCB's total miles from fiscal year 2005-2006 and then dividing the total miles driven by 12, which totals a monthly figure of 2,100 miles per month (25,200 miles/12 months). State Fleet Management quoted the CWCB a figure of $0.41 per mile for the variable rate. The totals for the variable rate costs are:

- FY08-09: $3,444 (2,100 x $0.41/mi x 4 months) and
- FY09-10: $10,332 (2,100 x $0.41/mi x 12 months).

The chart below explains the vehicle costs for FY08-09 and FY09-10 in a table format:

Item	Costs: fund a state vehicle
State Vehicle Lease (8-year lease) for 4WD; includes lease + $14.50 State Fleet Mgmt Fee	FY08-09: $343.61 x 4 months = $1,374; FY09-10: $343.61 x 12 months = $4,123
Variable mileage rate ($0.41/mile)	FY08-09: $0.41 x 2,100 miles x 4 months = $3,444 FY09-10: $0.41 x 2,100 miles x 12 months = $10,332
Annual Vehicle Cost Totals:	**FY08-09: $4,818 (4 mo's);** **FY09-10: $14,455 (12 mo's)**

Leased Space

The Leased Space amount was calculated by using data obtained from Staubach Group, which is the Real Estate Agency for the State of Colorado. The Staubach Group anticipates the average square foot rate for businesses in downtown Denver to be $18 per square foot for the 2008-09 fiscal year. The CWCB needs 175 square feet for this new FTE, which is an average sized office or cubicle for the classification level of the new staff member and is similar to the standards of current staff. Therefore, the CWCB is requesting funds in the amount of $3,150 for 175 square feet of space for the new FTE (175 square feet x $18 per square foot = $3,150).

In addition, the CWCB will need to lease a parking space for the new state vehicle. The monthly fee for a parking space at the parking garage located at 14th and Lincoln is $105 per month. For FY08-09, the CWCB is requesting $420 ($105 per month x 4 months) for a leased space parking place since the vehicle will not be delivered until March. Then, in future years, the cost would be annualized to $1,260 ($105 per month x 12 months).

Impact on Other Government Agencies: The addition of a hydrographer to CWCB staff would enhance the cooperative gaging efforts between the CWCB, DWR, and the USGS. CWCB gages could potentially be used by these other agencies to address their needs. In addition, the CWCB hydrographer would be able to aid in the operation and maintenance of cooperative gages run by either the DWR or USGS where the CWCB has a vested interest. This could result in a cost savings to these other agencies.

Cost Benefit Analysis:

Benefits	**Cost**	**Ratio**
The benefit is calculated based on the cost to pay the USGS to operate and maintain 15 additional gages for the CWCB. Each USGS gage will cost the state $14,000* per year to operate and maintain. Installation costs will come from the $250,000 gaging fund established in the 2007 CWCB Projects Bill. Because installation costs would remain approximately the same whether the USGS or the CWCB hydrographer installed the gage, these costs are not included in this cost benefit analysis	The total amount that is requested is $101,469	($14,000 / gage x 15 = $210,000) $210,000 / $101,469 = 2.07

Without a hydrographer, the installation, operation and maintenance of the additional gages would come solely from the $250,000 gaging fund established in the 2007 CWCB Projects Bill. Therefore, less than half of the required gages could be installed and operated by the USGS using this fund. Each gage costs approximately $20,000 to install. 7 gages x $20,000 installation each = $140,000. 7 gages x $14,000* O&M each = $98,000 Total of 7 gages = $238,000 If all of the gaging fund monies are given to the USGS for the installation and operation of new CWCB gages, there will be no funding left to continue cooperating with the USGS and/or DWR on other gages that are of interest to the CWCB.		
The State of Colorado holds over 1,500 Instream Flow Water Rights and is the largest holder of water rights in the state. These rights are held in trust for the people of the State. In Colorado's prior appropriation system, an unprotected water right is of little value. Gages are needed to administer the state's rights in priority and therefore protect their economic value. This cost-benefit factor is therefore based on the cost of a hydrographer verses the lost value of the state's rights. CWCB staff has estimated that there is an immediate need for a hydrographer to install and maintain 13 additional gages (assuming 3 in FY07-08 and 10 in FY08-09 assuming approval of this decision item), which would provide physical protection of an additional 122 miles of ISF rights. These rights total 293,501 acre feet of water per year. Assuming a conservative annualized cost of water of $1,000 per acre-foot (capital cost range from $12,000 to $17,000 per acre-foot); this would create a loss to the state of $293,501,000. Note that this analysis does not include the value of water left in the streams, which in turn, helps to promote tourism and its associated economic value to the state. Therefore, this analysis is conservative.	The total amount that is requested is $101,469	The value of protecting 122 additional miles of ISF rights vs. the cost of a hydrographer on a yearly basis: $293,501,000 / $101,469 = 2,893
Without a hydrographer, there would be a diminished ability for the		

CWCB to meet its statutorily mandated activities related to flood protection. A specific cost benefit analysis is not provided because it is impossible to assess flood risks and the associated reduction in risk that additional gages could provide. However, additional gages installed and operated by a CWCB hydrographer could aid in the prevention of flood damages by providing hydrologic data for accurate floodplain delineations which, in turn, would assist staff in the protection of millions of dollars of public and private property. It is estimated that flood related damages total over a billion dollars per year in the United States.		

* These analyses do not take into account the continued rising cost of gages in the USGS cooperative program that would occur over time. In addition, the cost of $14,000 represents the CWCB's share of the cost to install, operate, and maintain a gage.

Implementation Schedule: FTE

Task	Month/Calendar Year
Write Position Description Questionnaires and complete related Human Resource transactions	May 2008
Advertise for Position	Late May, 2008
HR Candidate Review, CWCB Interview and Hire new positions	June, 2008
New Employee Begins	July, 2008

Implementation Schedule: Vehicle Lease for 4-wheel Drive

Task	Month/Calendar Year
State Fleet posts an RFP on Bids	September 2008
Award Bid to vendor	October 2008
Order forms for new vehicles are sent to agencies	November 2008
4-wheel drive vehicle is delivered to the agency	March 2009

Implementation Schedule: Leased Space

Task	Month/Calendar Year
Contact Staubach Group about vacant lease space	May 2008
Negotiate with building owners about price and start contract with building owners	June 2008
Complete contract with all approvals and move into new space	July 2008

Statutory and Federal Authority:

37-60-106 C.R.S. (2007): The statute outlines the duties of the Colorado Water Conservation Board.

37-92-102 (3) (a) through (e) C.R.S. (2007): The statute outlines the duties of the Instream Flow and Natural Lake Level Protection Section of the Colorado Water Conservation Board (CWCB). It provides authority to the CWCB to appropriate, acquire, and protect water rights in order to "correlate the activities of mankind with some reasonable preservation of the natural environment."

Performance Measures:

Performance Measure CWCB #1 (Protect additional miles of decreed instream flow water rights): With the new hydrograper installing, operating, and maintaining stream gages, an additional ten gages will be installed, which represents protection of approximately 122 additional miles. Without the hydrographer, only 3 gages will be installed (by the USGS or the Division of Water Resources), which would supply protection of only 37 total stream miles. In other words, we believe that this decision item will help the CWCB to protect an additional 85 stream miles in FY08-09 with similar results in future years.

Schedule 13
Change Request for FY 08-09 Budget Request Cycle

Decision Item FY 08-09 ☑ **Base Reduction Item FY 08-09** ☐ **Supplemental FY 07-08** ☐ **Budget Request Amendment FY 08-09** ☐

Request Title: Avalanche Safety Program

Department: Natural Resources **Dept. Approval by:** **Date:**

Priority Number: 11 of 18 **OSPB Approval:** **Date:**

		1	2	3	4	5	6	7	8	9	10
	Fund	Prior-Year Actual FY 06-07	Appropriation FY 07-08	Supplemental Request FY 07-08	Total Revised Request FY 07-08	Base Request FY 08-09	Decision/ Base Reduction FY 08-09	November 1 Request FY 08-09	Budget Amendment FY 08-09	Total Revised Request FY 08-09	Change from Base (Column 5) FY 09-10
Total of All Line Items	Total	1,285,610	1,882,773	0	1,882,773	2,543,084	25,553	2,568,637	0	2,568,637	25,652
	FTE	7.00	7.30	0.00	7.30	7.30	0.40	7.70	0.00	7.70	0.40
	GF	233,748	274,204	0	274,204	462,649	0	462,649	0	462,649	0
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	237,818	465,083	0	465,083	641,632	25,553	667,185	0	667,185	25,652
	CFE	745,036	982,172	0	982,172	1,244,628	0	1,244,628	0	1,244,628	0
	FF	69,008	161,314	0	161,314	194,175	0	194,175	0	194,175	0
(3) Geological Survey Colorado Avalanche Information Center	Total	625,672	590,158	0	590,158	612,628	25,085	637,713	0	637,713	25,235
	FTE	7.00	7.30	0.00	7.30	7.30	0.40	7.70	0.00	7.70	0.40
	GF	0	0	0	0	0	0	0	0	0	0
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	155,186	151,451	0	151,451	154,186	25,085	179,271	0	179,271	25,235
	CFE	449,759	414,615	0	414,615	433,815	0	433,815	0	433,815	0
	FF	20,727	24,092	0	24,092	24,627	0	24,627	0	24,627	0
(1) Executive Director's Office (A) Administration and Information Technology Amortization Equalization Disbursement	Total	659,938	1,078,513	0	1,078,513	1,460,124	318	1,460,442	0	1,460,442	318
	FTE	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	GF	233,748	232,658	0	232,658	343,282	0	343,282	0	343,282	0
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	82,632	262,590	0	262,590	366,630	318	366,948	0	366,948	318
	CFE	295,277	469,702	0	469,702	618,667	0	618,667	0	618,667	0
	FF	48,281	113,563	0	113,563	131,545	0	131,545	0	131,545	0
(1) Executive Director's Office (A) Administration and Information Technology Supplemental Amortization Equalization Disbursement	Total	0	214,102	0	214,102	470,332	150	470,482	0	470,482	99
	FTE	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	GF	0	41,546	0	41,546	119,367	0	119,367	0	119,367	0
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	0	51,042	0	51,042	120,816	150	120,966	0	120,966	99
	CFE	0	97,855	0	97,855	192,146	0	192,146	0	192,146	0
	FF	0	23,659	0	23,659	38,003	0	38,003	0	38,003	0

Letternote revised text: Of this amount, $151,689 shall be from the Operational Account of the Severance Tax Trust Fund established pursuant to Section 39-29-109(1)(a)(II), C.R.S., $25,085 shall be from fees for services, $2,000 shall be from the Snowmobile Recreation Fund established pursuant to Section 33-14-106, C.R.C., and $497 shall be from the sale of avalanche products.

Cash Fund name/number, Federal Fund Grant name: Fund 171, Geological Survey cash fund

IT Request: ☐ **Yes** ☑ **No**

Request Affects Other Departments: **Yes** ☐ **No** ☑ **If Yes, List Other Departments Here:**

OSPB Common Policy for FTE Requests - September 2007

		FTE and Operating Costs						GRAND TOTAL	
Fiscal Year(s) of Request		**FY 08-09**	**FY 09-10**	**FY 08-09**	**FY 09-10**	**FY 08-09**	**FY 09-10**	**FY 08-09**	**FY 09-10**
PERSONAL SERVICES	**Title:**	**Phy Sci Res/Sci I**		**Phy Sci Res/Sci II**					
Number of PERSONS / class title		1	1	1	1	0	0		
Number of months working in FY 08-09 and FY 09-10		2	2	2	2	0	0		
Number months paid in FY 08-09 and FY 09-10*		2	2	2	2	0	0		
Calculated FTE per classification		**0.17**	**0.17**	**0.17**	**0.17**	**0.00**	**0.00**	0.34	0.34
Annual base salary		$56,652	$56,652	$62,808	$62,808	$0	$0		
Salary		$9,442	$9,442	$10,468	$10,468	$0	$0	$19,910	$19,910
PERA	**10.15%**	$958	$958	$1,063	$1,063	$0	$0	$2,021	$2,021
Medicare	**1.45%**	$137	$137	$152	$152	$0	$0	$289	$289
Prior Year SAED	**N/A**	$0	$71	$0	$79	$0	$0	$0	$150
Subtotal Personal Services at Division Level		**$10,537**	**$10,608**	**$11,683**	**$11,762**	**$0**	**$0**	**$22,220**	**$22,370**
Subtotal AED at EDO Long Bill Group Level	**1.60%**	**$151**	**$151**	**$167**	**$167**	**$0**	**$0**	**$318**	**$318**
Subtotal SAED at EDO Long Bill Group Level	**Varies**	**$71**	**$47**	**$79**	**$52**	**$0**	**$0**	**$150**	**$99**
Department Specific Average Cost for HLD / Employee**		$0	$0	$0	$0	$0	$0		
Subtotal for Health, Life, Dental (if over 20 FTE)	**N/A**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
Subtotal for Short Term Disability (if over 20 FTE)	**0.13%**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
OPERATING EXPENSES									
Supplies @ $500/$500***	**$500**	$0	$0	$0	$0	$0	$0	$0	$0
Computer @ $900/$0	**$900**	$0	$0	$0	$0	$0	$0	$0	$0
Office Suite Software @ $330/$0	**$330**	$0	$0	$0	$0	$0	$0	$0	$0
Office Equipment @ $2,225 /$0	**$2,225**	$0	$0	$0	$0	$0	$0	$0	$0
Telephone Base @ $450/$450***	**$450**	$0	$0	$0	$0	$0	$0	$0	$0
Subtotal Operating Expenses		**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
GRAND TOTAL ALL COSTS		**$10,759**	**$10,806**	**$11,929**	**$11,981**	**$0**	**$0**	**$22,688**	**$22,787**

CHANGE REQUEST for FY 08-09 BUDGET REQUEST CYCLE

Department:	Natural Resources
Priority Number:	11 of 18
Change Request Title:	Avalanche Safety Program

SELECT ONE (click on box):

☒ Decision Item FY 08-09
☐ Base Reduction Item FY 08-09
☐ Supplemental Request FY 07-08
☐ Budget Request Amendment FY 08-09

SELECT ONE (click on box):

Supplemental or Budget Request Amendment Criterion:
☒ Not a Supplemental or Budget Request Amendment
☐ An emergency
☐ A technical error which has a substantial effect on the operation of the program
☐ New data resulting in substantial changes in funding needs
☐ Unforeseen contingency such as a significant workload change

<u>Short Summary of Request</u>:

This request is for an increase in cash spending authority of $25,553 and an increase of 0.4 FTE. This increase in FTE will allow two existing employees to both work two additional months each year. These employees will repair and maintain the Colorado Avalanche Information Center's remote weather station network and develop forecasting tools and education materials during the summer months.

<u>Background and Appropriation History</u>:

Colorado is the most avalanche-prone state in the U.S. with the highest number of avalanche deaths in the last 50 years. The Colorado Avalanche Information Center (CAIC) was created in 1983 as a program within the Colorado Geological Survey (Department of Natural Resources) and is responsible for promoting safety by reducing the impact of avalanches on recreation, industry, and transportation through a program of forecasting, education and research. The CAIC is primarily a cash-funded program. During the 2006 fiscal year the CAIC funding sources were: 51% contracts with CDOT, 25% Severance Tax, 14% private donations, 5% ski industry donations, 4% federal, 1% county and city governments.

Funding in the CAIC long bill line item has increased slightly in the last few years. In FY00 severance tax was added as a cash fund source to replace the loss of a sizable federal grant from the U.S. Geological Survey. In FY06, CAIC was allotted a $13,000 increase in Severance Tax funds specifically to provide avalanche education at no charge. (This allocation will continue to be used to provide free avalanche training to public and not-for-profit groups.) FTE for CAIC have not increased since FY94, when the FTE increased from 6.8 to 7.3.

The CAIC owns eleven remote weather stations and operates a network that includes these and seven additional stations (owned by other organizations). This network provides data essential to the avalanche forecasting program for Colorado's highways and backcountry area. The data from this network is also used by the National Weather Service forecast offices and a variety of public and private sectors groups. Program staffers are unable to complete all of the maintenance necessary to operate this network due to the following complications:

1) The stations are in high-elevation and remote locations that are often too dangerous to visit in the winter time.
2) The workload in the winter has increased so that all available time is spent issuing avalanche and weather forecasts and teaching courses.
3) The program does not have enough FTE to allow staff to work in the summer months.

Accurate avalanche forecasts require data from the area where avalanches initiate. The CAIC's weather stations are located in such areas and traveling to them during the winter requires crossing steep, snow-covered mountain slopes or using helicopters. The stations are composed of high quality equipment that is designed to perform in a harsh alpine environment; however, the equipment still requires regular maintenance. The program cannot perform the necessary maintenance in the winter months due to the following issues:

1) It is often too dangerous to travel to these sites on foot,
2) Helicopter time is expensive and therefore very limited,
3) It is unwise to perform maintenance during the operational forecasting period (winter) due to the risk of inadvertently disrupting an operating system. Such a

disruption could affect the accuracy of the forecasts and would then require a second visit to correct.

As traffic on Colorado highways and backcountry recreation increase, so does the demand for accurate and detailed avalanche forecasts. To address these demands, the CAIC has added two seasonal positions and reorganized the responsibility of its seven offices. To meet the rising demand for forecasts, the main office in Boulder issued twenty one forecasts each day in FY07-08. This was up from seven forecasts per day in FY01-02. The demand for avalanche education also increases each year and the Center has made every effort to address this increase (Figure 1). This steady increase in the winter workload means that there is only time to forecast and teach courses during the winter months. Important tasks such as maintaining equipment, quality control of long-datasets, development of education materials, and development of tools to improve the efficiency of the program can only be accomplished in the summer months.

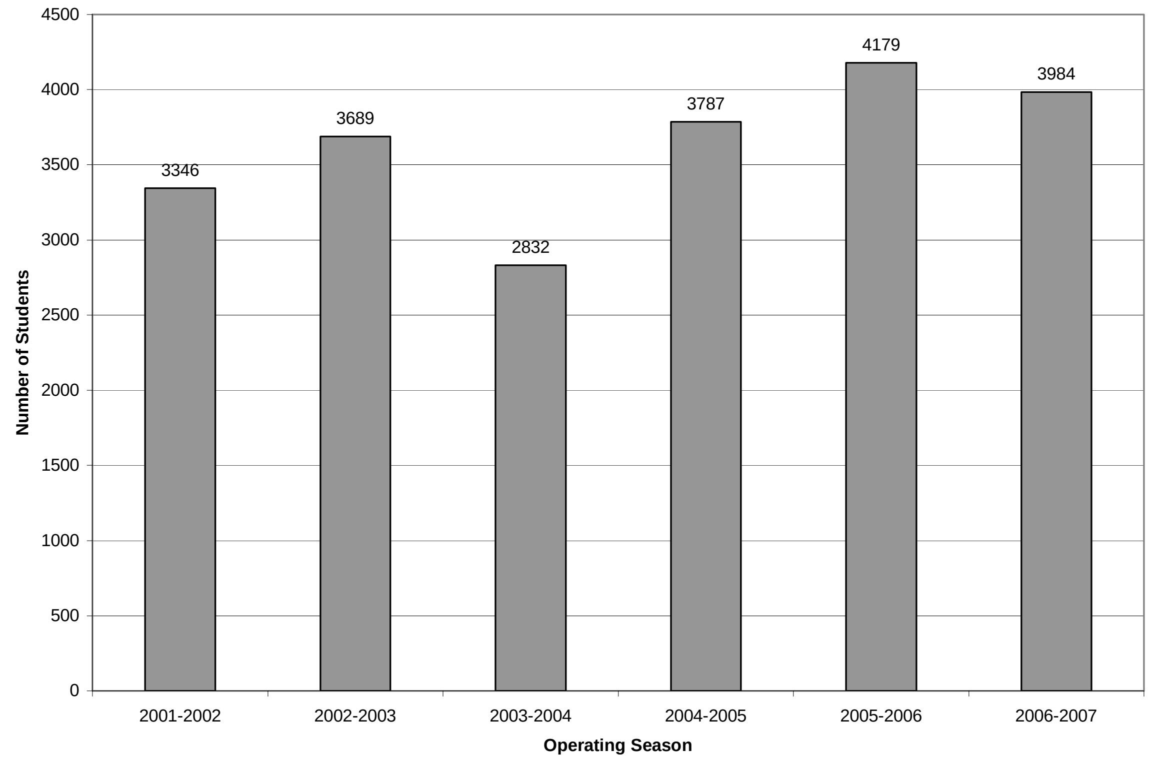
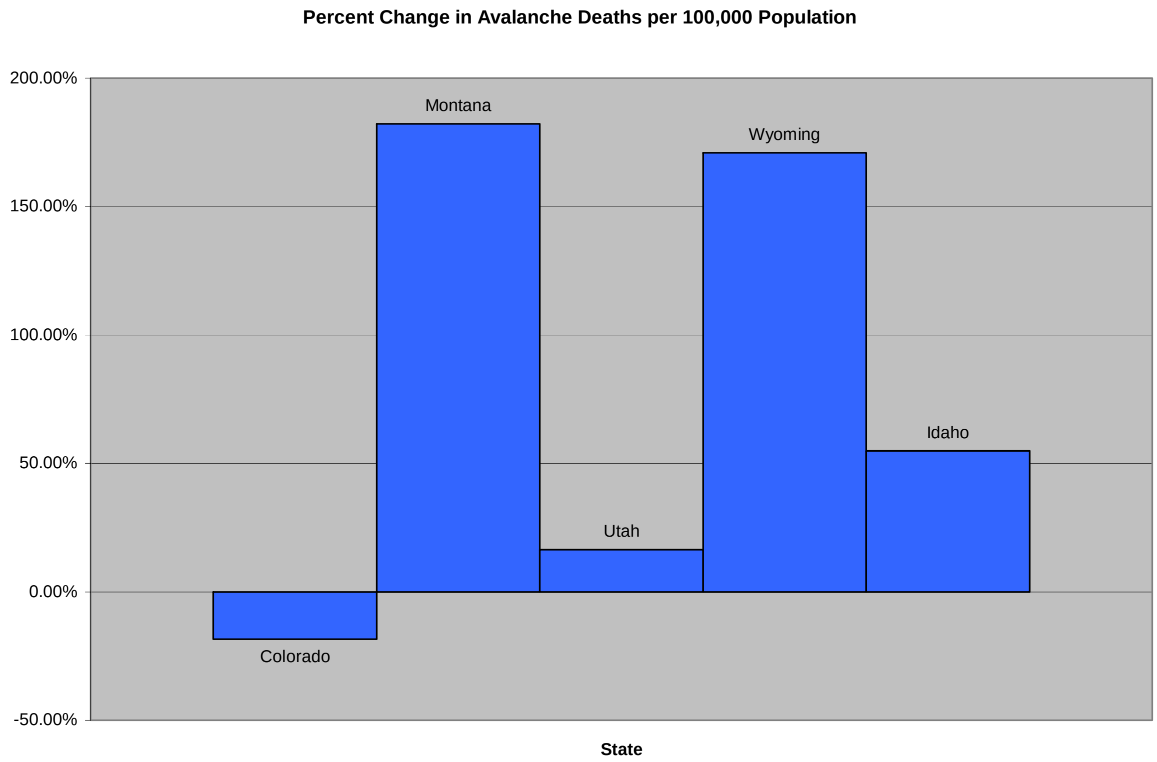


Figure 1: Number of students in avalanche safety courses taught by CAIC staff (2001-2007).

The CAIC has 7.3 FTE and a staff of fifteen full-time workers from November through April. Ten of the staff members are permanent employees and five are temporary employees. Temporary employees can only work six months in a twelve-month period and are not counted as FTE. Seven of the permanent staff work full-time six months each year (November-April) and a limited number of hours the remaining six months. The remaining three staff members work full-time 10 months each year and a limited number of hours the remaining two months. Although the majority of the avalanche center's work takes place in the winter months when there is adequate staff, the summer staff of less than three is not enough to complete the necessary summer tasks.

Colorado, through the work performed by the CAIC, has reduced the absolute number of deaths whereas comparative states have all increased. And likewise, Colorado deaths per 100,000 have decreased whereas neighboring states have all increased.



State	Percent Change in Absolute Deaths
Colorado	-31.1%
Montana	92.9%
Utah	43.8%
Idaho	260.0%
Wyoming	62.5%

Note: A negative change indicates a decrease in the number of deaths.

The CAIC is unique in the United States. It is a statewide program that addresses threats from avalanches to both recreation and transportation. Other states have avalanche programs, but they are fragmented between agencies which results in incomplete coverage. Colorado has one program that coordinates avalanche forecasting and education throughout the entire state for all entities. The CAIC is a very successful program in part because it is one organization and does not need to duplicate resources at several locations within the state. The structure also promotes operational efficiency because a single entity is collecting, recording, and reporting avalanche information statewide.

General Description of Request:

This request is for an increase of 0.4 FTE and $25,085 in cash spending authority to fund the increased FTE. This will allow two existing employees to work an additional two months each summer and the corresponding travel to conduct that work. The additional cash revenue needed will be raised through the CAIC's education program.

The CAIC provides education for a wide array of groups. These groups include, but are not limited to, Boy Scouts, elementary and secondary school classes, university courses, recreationalists, volunteer rescue groups, ski areas, backcountry guides, government staff, scientists and professional groups that work in avalanche areas. Many of these organizations need avalanche education but do not have the resources to pay for the programs. Some of these groups also need avalanche education, but can pay for the programs through their training budgets and have expressed a willingness to do so.

During the 2005-2006 budget cycle, the CAIC was allocated a $13,000 increase in Severance Tax funds specifically to provide avalanche education at no charge. This training is so popular that during fiscal years 2005-06 and 2006-07 the CAIC spent in excess of $25,000 providing avalanche education (Table 1). The Severance Tax funding will continue to be used to provide education at no charge to public and not-for-profit groups such as public schools and Boy Scout troops. All for-profit groups will be asked to reimburse the State for the cost providing the educational program. In the past, some of these groups have charged participants a fee for the training that CAIC is providing free of charge.

Table 1: Education Costs for the CAIC

	Hours Spent on Education*	**CAIC Staff Average Hourly Rate****	**CAIC Education Costs**	**Courses Taught**	**Students Taught**
2004-2005	1,126	$21.97	$24,736.66	92	3,787
2005-2006	1,378	$22.65	$31,197.92	115	4,179
2006-2007	1,129	$23.35	$26,360.46	92***	3,984***

*Hours paid for by the contract with CDOT are not included.

**This is the averaged staff hourly wage and not the cost to government.

***The reduction in course and students taught in 2006-2007 was a result of two factors. First, a new policy was implemented that staff would not travel to teach classes of less than 15 people. Second, several courses were canceled for insurance and permit issues.

The CAIC will use the revenue from the new policy and the increased cash spending authority to pay for the FTE and associated expenses requested in this proposal. An estimated $15,000-$25,000 will be generated annually through this program. If this estimate proves accurate, the revenue will be used to allow two employees to work eight months each year instead of the six that they currently work. If the revenue is insufficient, then the staff will only work six months.

During the extra time made available by this request, staff will work to maintain the network of weather stations and develop new training or forecasting tools. The CAIC's network of remote weather stations is constantly exposed to harsh environments and is often damaged in the form of general wear and tear. Depending on the instrument, the manufacturer recommends they be removed, calibrated and repaired every two to three years. The stations can also sustain damage from extreme weather events. Lightening in the spring of 2005 damaged the equipment at Copper Mountain Ski Resort and disrupted the data feed from the station on Vail Pass.

<u>Consequences if Not Funded:</u>

Without the resources requested in this proposal, the CAIC's network of remote weather stations will continue to degrade. This can occur slowly in the form of general wear and tear. Depending on the instrument, the manufacturer recommends they be removed, calibrated and repaired every two to three years.

The stations can also sustain damage from extreme weather events. Lightening in the spring of 2005 damaged our equipment at Copper Mountain Ski Resort and disrupted the data feed from our station on Vail Pass. This station provides data for the avalanche forecasting program on I-70. The Denver Post estimates[1] that a one hour closure of the mountainous portion of I-70 results in an economic loss of over $800,000 to Colorado's ski industry. In March of 2007 a wind gust in excess of 100 miles per hour damaged two weather stations along US550 near Silverton. These weather stations provide data for the avalanche forecasting programs on Red Mountains and Molas Passes. US550 is the major transportation route north of Durango and provides the only winter access to the town of Silverton. If this road is closed, all transportation of goods and services into, out of and through Silverton comes to a halt.

The weather station network also provides vital information for the CAIC's backcountry forecasting program. Each year an average of six people die in avalanches in Colorado's mountains. These deaths have an enormous, and incalculable, affect on the families and communities of these people. Without more staff time in the summer months the network of weather stations may go without proper maintenance, thereby reducing the accuracy of forecasts and increasing the chance of negative impacts from avalanches on towns and visitors in the mountains.

[1] "Better Safe than Sorry", Denver Post, February 20, 2007

Calculations for Request:

Summary of Request FY 08-09	**Total Funds**	**General Fund**	**Cash Funds**	**Cash Funds Exempt**	**Federal Funds**	**FTE**
Total Request	$25,553	$0	$25,553	$0	$0	0.4
Salary	$19,910	$0	$19,910	$0	$0	
PERA	$2,021	$0	$2,021	$0	$0	
FICA	$289	$0	$289	$0	$0	
Amortization Equalization Disbursement (AED)	$318	$0	$318	$0	$0	
Supplemental Amortization Equalization Disbursement (SAED)	$150	$0	$150	$0	$0	
Travel and Lodging Expenses	$2,865	$0	$2,865	$0	$0	

Summary of Request FY 09-10	**Total Funds**	**General Fund**	**Cash Funds**	**Cash Funds Exempt**	**Federal Funds**	**FTE**
Total Request	$25,652	$0	$25,652	$0	$0	0.4
Salary	$19,910	$0	$19,910	$0	$0	
PERA	$2,021	$0	$2,021	$0	$0	
FICA	$289	$0	$289	$0	$0	
Amortization Equalization Disbursement (AED)	$318	$0	$318	$0	$0	
Supplemental Amortization Equalization Disbursement (SAED)	$99	$0	$99	$0	$0	

Summary of Request FY 09-10	Total Funds	General Fund	Cash Funds	Cash Funds Exempt	Federal Funds	FTE
Prior Year SAED	$150	$0	$150	$0	$0	
Travel and Lodging Expenses	$2,865	$0	$2,865	$0	$0	

Assumptions for Calculations:

Salary calculations:

Title	Monthly Salary	# of months	Total Salary
PSR/S I	$4,721	2.00	$9,442
PSR/S II	$5,234	2.00	$10,468
	Subtotal, Salaries		$19,910
PERA	10.15%		$2,021
FICA	1.45%		$289
		Total Salaries	**$22,220**

Travel cost calculations:

Category	Rate	Multiplier	Cost per FTE	Cost for 2 FTE
Lodging	$ 60.00	10 nights	$600	$1,200
Per Diem	$ 54.00	10 days	$540	$1,080
Mileage	$ 0.39	1,500 miles		$ 585
			Total Travel Costs	**$2,865**

FTE Calculation:

Title	# of months	FTE
PSR/S I	2.0	0.17

PSR/S II	2.0	0.17
Total FTE Requested*		**0.34**

** FTE rounded to 0.4, per OSPB Budget instructions, Chapter 6 "Change Requests," page 6-13*

The Fee Schedule is designed to reimburse the State for the actual cost of providing the service (See Statutory Authority section of this proposal). An hourly rate will be charged for preparation, travel and instruction time as well as travel costs of $0.39/mile when a state vehicle is not available. There are a range of salaries within the CAIC so the billing rate will depend on which staff member is performing the service. The table below shows the hourly rates for FY07-08 and the number of hours the CAIC could have charged for in FY06-07 under the proposed policy. No travel costs are included in this estimate of potential revenue.

Proposed Fee Schedule				
Position		**Hourly Rate FY07-08**	**Chargeable Hours (For-Profit Entities) FY06-07**	**Potential Funds Raised**
Location	**Title**			
Boulder	Director	$53.85	47.3	$2,547
Boulder	Forecaster	$38.48	30	$1,154
Boulder	Forecaster	$34.57	130	$4,494
Boulder	Forecaster	$40.51	37	$1,498
5 Seasonal Positions	Backcountry Forecasters and Educator	$30.48	565	$17,221
			Total	**$26,914**

Impact on Other Government Agencies: Not applicable.

Cost Benefit Analysis: In the fall of 2006, the Denver Post estimated that a one-hour closure of the mountainous portion of I-70 results in an economic loss to the ski industry of over $800,000 ("Better Safe than Sorry", Denver Post, February 20, 2007).

Benefit	Cost	Ratio
Assumption: that the maintenance of the weather stations keeps the I-70 corridor from being closed for one hour.	The total amount that is requested is $25,085	Benefit/Cost Ratio is: $800,000/$25,085 = 31.9 to 1

In addition to the above, the CAIC also benefits the citizens of Colorado by reducing the number of avalanche deaths of backcountry recreationalists. Historically more people are killed in Colorado by avalanches than any other state in the United States (256 from 1900-2006). During the CAIC's existence, the fatality rate in Colorado has decreased. During the first ten years, an average of 6.8 people died in avalanches each year (1983-1992). The average number of people killed in avalanches has dropped to 5.5 per year during the last ten years (1997-2006). The number of avalanche fatalities per 100,000 Colorado residents has also decreased in the last ten years. In order to maintain these trends, the CAIC needs the staff time to maintain its tools and develop new techniques and materials.

Implementation Schedule:

Task	Month/Year
Internal Research/Planning Period	Complete
Start-Up Date	July 1, 2008

Statutory and Federal Authority: Section 34-1-101, C.R.S. (2006) Geological survey created - purpose - avalanche information center.

(1) There is hereby established the Colorado geological survey, which is a division of the department of natural resources. The purpose of the survey is to coordinate and encourage by use of appropriate means the full development of the state's natural resources, as the same are related to the geological processes that affect realistic

development of human and mineral utilization and conservation practices and needs in the state of Colorado, all of which are designed to result in an ultimate benefit to the citizens of the state.
(2) There is hereby created, within the Colorado geological survey, the Colorado avalanche information center to carry out a program of avalanche forecasting and education.

Section 34-1-105, C.R.S. (2006) Fees – fee adjustments – geological survey cash fund – created

(1) (a) The Colorado geological survey is authorized to enter into agreements to provide services to the general public, industries, and units of local government and to establish and collect fees to recover direct costs of providing said services pursuant to sections 24-65.1-302 and 30-28-136, C.R.S., and section 34-1-103 or pursuant to agreement; except that this provision shall apply only to those services rendered upon items which a unit of local government is required by statute to submit for review or for such other services as are requested pursuant to an agreement

Performance Measures:

The CAIC's outcome-based and workload-based performance measures are based on the number of fatal accidents involving avalanches and the number of students taught in avalanche courses. This request is for time to support the existing program and can be judged by the existing performance measures. CAIC will continue to track the number of students that are contacted each year to make sure the policy change does not adversely affect CAIC's ability to disseminate avalanche safety information. CAIC will also continue to track the number of people killed in avalanches each year as the primary outcome-based performance measure for the Avalanche Information Center. This request will help keep the performance measure at levels achieved in the past.

Performance Measure:	**Outcome**	**FY 05-06 Actual**	**FY 06-07 Actual**	**FY 07-08 Approp.**	**FY 08-09 Request**
Make winter travel and recreation in the Colorado mountains safer through avalanche safety training and forecasting as measured by the number of avalanche deaths per 100,000	Benchmark	0.122	0.122	0.122	0.122
	Actual	0.087	0.1072		

population per year					
Workload Measure	**Unit**	**FY 05-06 Actual**	**FY 06-07 Actual**	**FY 07-08 Est.**	**FY 08-09 Est.**
Number of avalanche courses offered during the winter	Number of courses taught	115	92	125	128

We expect that implementation of this decision item will positively impact the performance measure of reducing avalanche deaths, and will increase the number of avalanche courses offered during the winter.

Schedule 13
Change Request for FY 08-09 Budget Request Cycle

Decision Item FY 08-09 ☑ **Base Reduction Item FY 08-09** ☐ **Supplemental FY 07-08** ☐ **Budget Request Amendment FY 08-09** ☐

Request Title: Carbon Sequestration for Cleaner Air
Department: Natural Resources **Dept. Approval by:** **Date:**
Priority Number: 12 of 18 **OSPB Approval:** **Date:**

	Fund	1 Prior-Year Actual FY 06-07	2 Appropriation FY 07-08	3 Supplemental Request FY 07-08	4 Total Revised Request FY 07-08	5 Base Request FY 08-09	6 Decision/ Base Reduction FY 08-09	7 November 1 Request FY 08-09	8 Budget Amendment FY 08-09	9 Total Revised Request FY 08-09	10 Change from Base (Column 5) FY 09-10
Total of All Line Items	**Total**	1,872,402	2,690,246	0	2,690,246	3,365,506	72,392	3,437,898	0	3,437,898	69,235
	FTE	9.10	10.50	0.00	10.50	10.50	1.00	11.50	0.00	11.50	1.00
	GF	233,748	274,204	0	274,204	462,649	0	462,649	0	462,649	0
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	1,067,647	1,395,540	0	1,395,540	1,601,411	72,392	1,673,803	0	1,673,803	69,235
	CFE	295,277	567,557	0	567,557	810,813	0	810,813	0	810,813	0
	FF	275,730	452,945	0	452,945	490,633	0	490,633	0	490,633	0
(3) Geological Survey Mineral Resources and Mapping	**Total**	1,212,464	1,397,631	0	1,397,631	1,435,050	70,990	1,506,040	0	1,506,040	67,982
	FTE	9.10	10.50	0.00	10.50	10.50	1.00	11.50	0.00	11.50	1.00
	GF	0	0	0	0	0	0	0	0	0	0
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	985,015	1,081,908	0	1,081,908	1,113,965	70,990	1,184,955	0	1,184,955	67,982
	CFE	0	0	0	0	0	0	0	0	0	0
	FF	227,449	315,723	0	315,723	321,085	0	321,085	0	321,085	0
(1) Executive Director's Office (A) Administration and Information Technology Amortization Equalization Disbursement	**Total**	659,938	1,078,513	0	1,078,513	1,460,124	955	1,461,079	0	1,461,079	955
	FTE	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	GF	233,748	232,658	0	232,658	343,282	0	343,282	0	343,282	0
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	82,632	262,590	0	262,590	366,630	955	367,585	0	367,585	955
	CFE	295,277	469,702	0	469,702	618,667	0	618,667	0	618,667	0
	FF	48,281	113,563	0	113,563	131,545	0	131,545	0	131,545	0
(1) Executive Director's Office (A) Administration and Information Technology Supplemental Amortization Equalization Disbursement	**Total**	0	214,102	0	214,102	470,332	447	470,779	0	470,779	298
	FTE	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	GF	0	41,546	0	41,546	119,367	0	119,367	0	119,367	0
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	0	51,042	0	51,042	120,816	447	121,263	0	121,263	298
	CFE	0	97,855	0	97,855	192,146	0	192,146	0	192,146	0
	FF	0	23,659	0	23,659	38,003	0	38,003	0	38,003	0

Letternote revised text: Of this amount, $1,103,796 shall be from the Operational Account of the Severance Tax Trust Fund established pursuant to Section 39-29-109(1)(a)(II), C.R.S., and $81,159 shall be from local governments.

Cash Fund name/number, Federal Fund Grant name: Fund 171, Geological Survey cash fund

IT Request: ☐ **Yes** ☑ **No**

Request Affects Other Departments: ☐ **Yes** ☑ **No** **If Yes, List Other Departments Here:**

OSPB Common Policy for FTE Requests - September 2007									
	FTE and Operating Costs							GRAND TOTAL	
Fiscal Year(s) of Request		**FY 08-09**	**FY 09-10**	**FY 08-09**	**FY 09-10**	**FY 08-09**	**FY 09-10**	**FY 08-09**	**FY 09-10**
PERSONAL SERVICES	**Title:**	**Phy Sci Res/Sci II**							
Number of PERSONS / class title		1	1	0	0	0	0		
Number of months working in FY 08-09 and FY 09-10		12	12	0	0	0	0		
Number months paid in FY 08-09 and FY 09-10*		12	12	0	0	0	0		
Calculated FTE per classification		**1.00**	**1.00**	**0.00**	**0.00**	**0.00**	**0.00**	1.00	1.00
Annual base salary		$59,664	$59,664	$0	$0	$0	$0		
Salary		$59,664	$59,664	$0	$0	$0	$0	$59,664	$59,664
PERA	**10.15%**	$6,056	$6,056	$0	$0	$0	$0	$6,056	$6,056
Medicare	**1.45%**	$865	$865	$0	$0	$0	$0	$865	$865
Prior Year SAED	**N/A**	$0	$447	$0	$0	$0	$0	$0	$447
Subtotal Personal Services at Division Level		**$66,585**	**$67,032**	**$0**	**$0**	**$0**	**$0**	**$66,585**	**$67,032**
Subtotal AED at EDO Long Bill Group Level	**1.60%**	**$955**	**$955**	**$0**	**$0**	**$0**	**$0**	**$955**	**$955**
Subtotal SAED at EDO Long Bill Group Level	**Varies**	**$447**	**$298**	**$0**	**$0**	**$0**	**$0**	**$447**	**$298**
Department Specific Average Cost for HLD / Employee**		$0	$0	$0	$0	$0	$0		
Subtotal for Health, Life, Dental (if over 20 FTE)	**N/A**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
Subtotal for Short Term Disability (if over 20 FTE)	**0.13%**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
OPERATING EXPENSES									
Supplies @ $500/$500***	**$500**	$500	$500	$0	$0	$0	$0	$500	$500
Computer @ $900/$0	**$900**	$900	$0	$0	$0	$0	$0	$900	$0
Office Suite Software @ $330/$0	**$330**	$330	$0	$0	$0	$0	$0	$330	$0
Office Equipment @ $2,225 /$0	**$2,225**	$2,225	$0	$0	$0	$0	$0	$2,225	$0
Telephone Base @ $450/$450***	**$450**	$450	$450	$0	$0	$0	$0	$450	$450
Subtotal Operating Expenses		**$4,405**	**$950**	**$0**	**$0**	**$0**	**$0**	**$4,405**	**$950**
GRAND TOTAL ALL COSTS		**$72,392**	**$69,235**	**$0**	**$0**	**$0**	**$0**	**$72,392**	**$69,235**

CHANGE REQUEST for FY 08-09 BUDGET REQUEST CYCLE

Department:	Natural Resources
Priority Number:	12 of 18
Change Request Title:	Carbon Sequestration for Cleaner Air

SELECT ONE (click on box):

☒Decision Item FY 08-09
☐Base Reduction Item FY 08-09
☐Supplemental Request FY 07-08
☐Budget Request Amendment FY 08-09

SELECT ONE (click on box):

Supplemental or Budget Request Amendment Criterion:
☒Not a Supplemental or Budget Request Amendment
☐An emergency
☐A technical error which has a substantial effect on the operation of the program
☐New data resulting in substantial changes in funding needs
☐Unforeseen contingency such as a significant workload change

Short Summary of Request:

The Colorado Geological Survey (CGS) requests an increase of $72,392 cash funds in its base revenue from the Operational Account of the Severance Tax Trust Fund and one additional full-time equivalent (FTE) to investigate and develop data regarding Colorado's potential for carbon sequestration in the Canon City Embayment and in northwestern Colorado.

Background and Appropriation History:

Carbon sequestration is the process of trying to mitigate climate change by storing captured carbon dioxide (CO_2) from point sources, such as power plants, in geologic features instead of releasing it into the atmosphere. In order to do this effectively it is necessary to identify areas where captured carbon could be stored, and participate in or initiate pilot storage projects to assess the costs and effectiveness of storage. Since 2003, CGS has taken the lead in identifying the largest sources of carbon dioxide emissions throughout Colorado as well as the geological environments in the state that may provide potential long-term carbon storage (sinks). CGS is the only state agency that has documented their findings for public access in a report entitled *CO_2 Sequestration*

Potential of Colorado[1]. CGS has also participated in recent Department of Energy (DOE) studies on carbon sequestration. CGS's work since 2003 in the DOE-sponsored Southwest Regional Partnership on CO_2 sequestration has been largely funded by federal grants.

Some key highlights on the ongoing work by the Colorado Geological Survey in the CO_2 sequestration arena include the following:

Sources

CO_2 emissions in 1999 were more than 86 million tons in Colorado and are projected to increase by 1.5 percent per year reaching 127 million tons in 2025. Power generation in the state primarily relies on coal and, as a result, 36 million tons of CO_2 or 42 percent of the total emissions for Colorado are emitted from power plants in the utility sector. If Colorado were ranked among the countries of the world by its estimated 2003 carbon dioxide emissions, Colorado would rank as the 35th highest carbon dioxide producer[2].

Sinks

Geologic storage options for CO_2 in Colorado include deep saline aquifers, depleted and marginal oil fields, natural gas and CO_2 fields, deep unmineable coal beds, and advanced mineralization engineering. CO_2 sequestration capacity for deep saline aquifers is estimated to range from 167 billion tons to more than 668 billion tons based on a one to four percent efficiency factor in the storage process, respectively. This represents a 3- to 12-fold increase over the combined storage estimates for oil, gas, coal, and mineralization options. Further, deep saline aquifers may provide several centuries' worth of carbon storage potential if the process is only one percent efficient. The storage potential is widely distributed throughout the state with eastern Colorado providing 44 percent, northwestern Colorado 42 percent, and southwestern Colorado the remaining 14 percent. Synergetic opportunities may exist for carbon sequestration demonstrations via enhanced recovery projects (oil, gas, and coalbed methane), where CO_2 is injected into fields with declining production to increase resource recovery. This may be particularly

[1] Young, G. B.C. and others, 2007, CO2 Sequestration Potential of Colorado, Colorado Geological Survey Resource Series 45
[2] http://www.nationmaster.com/graph/env_co2_emi-environment-co2-emissions

viable where economic sources of anthropogenic CO_2 (human generated as opposed to naturally occurring) exist nearby mature producing fields amenable to miscible flooding. Such projects may serve as the required catalyst to promote longer-term carbon storage programs due in part to their potential for offsetting costs with revenue-generating capability as well as revitalizing some of the state's oil producing provinces. Further study is required to evaluate potential storage opportunities in eastern and southwestern Colorado.

Costs

The combustion of fossil fuel produces a contaminated flue gas that is approximately 80 percent nitrogen and only 20 percent carbon dioxide by volume. Purification of flue gas via carbon capture and storage (CCS) can be accomplished with either Integrated Gasification Combined Cycle (IGCC) or Pulverized Coal (PC) power generation technology. CCS costs add approximately 40 to 50 percent to the cost of electricity for IGCC and 70 to 90 percent for PC with bituminous coals. Although there is considerable variability in cost data with location and type of coal, the average cost of CCS is approximately \$55/metric ton of avoided CO_2 for both technologies.

Pilot Projects

The Colorado Geological Survey is a participating member of the Southwest Regional Partnership (SWP) on CO_2 Sequestration, one of seven partnerships created by the U.S. Department of Energy (U.S. DOE) in 2003. The SWP is currently conducting three geologic pilots, one each in the San Juan Basin Fruitland coal, Greater Aneth field in the Paradox Basin, and at SACROC in the Permian Basin. CGS is taking a key role in the design, implementation, and analysis of the San Juan Basin pilot because of the division's particular expertise in coalbed methane development. In addition, CGS is co-lead for the Site Characterization technical team for all three pilot projects, as well as the point-of-contact for the Site Characterization, Reservoir Modeling, and Data Archiving technical teams.

Larger-Scale Deployment

The U.S. DOE plans to establish multiple CCS demonstrations on the scale of one million metric tonnes CO_2 sequestered per year. Site characterization for larger-scale deployment projects will be initiated in late 2007 with injection to be initiated mid-2008, and monitoring to extend through 2017. The SWP selected the Raton Basin of Colorado as its large-scale demonstration project. The SWP has submitted a proposal to DOE to establish a large-scale demonstration project in the Raton Basin of Colorado. Plans are to inject anthropogenic CO_2 into the Entrada Formation which is an extensive saline aquifer in the basin.

The Mineral Resources and Mapping Long Bill Line Item appropriation has not increased (other than the Option 8 calculation) until figure setting for FY07. At that time the federal funds were decreased with a corresponding decrease of 2.0 FTE (from 11.5 to 9.5). Last year, Change Request #7, "*Address Current and Emerging Geologic Issues,*" increased the severance tax funds for this long bill line item by $77,817 and one FTE (from 9.5 to 10.5).

General Description of Request:

CGS currently does not have a sufficient allocation of FTE to address carbon sequestration research, data acquisition, and communication with the industry on a consistent basis in areas other than the Raton Basin project. Currently, CGS can only address CO_2 sequestration for the SWP with part of an existing position. The current workload has this FTE fully occupied. Funding for current work in the Raton Basin has been received through a federal grant from the U.S. DOE via the New Mexico Institute of Mining and Technology. However, this funding is to be used for projects for the SWP and is not to be used for research into developing CO_2 sequestration in other areas of Colorado. The technology derived in the Partnership's projects and the knowledge gained by CGS scientists is extremely important in reducing carbon dioxide emissions in the State. Colorado should take advantage of these technologies and knowledge statewide. The requested FTE would perform additional CO_2 sequestration studies for Colorado in areas not being addressed by the Partnership, which is most of Colorado. The position will also seek outside funding (federal and other) to increase the number of applied CO_2 sequestration projects and studies in Colorado. An FTE fully devoted to sequestration is needed to study opportunities to apply CO_2 sequestration technology in other areas of the state.

Consequences if Not Funded: Without a defined FTE who can devote a significant effort to carbon sequestration in Canon City and northwestern Colorado, Colorado will not be able to take advantage of this technology and reduce its CO_2 emissions to ensure cleaner air for its citizens.

Calculations for Request:

Summary of Request FY 08-09	**Total Funds**	**General Fund**	**Cash Funds**	**Cash Funds Exempt**	**Federal Funds**	**FTE**
Total Request			$72,392			1.0
Salary			$59,664			
PERA			$6,056			
FICA			$865			
Amortization Equalization Disbursement (AED)			$955			
Supplemental Amortization Equalization Disbursement (SAED)			$447			
Operating Expenses			$4,405			

Summary of Request FY 09-10	**Total Funds**	**General Fund**	**Cash Funds**	**Cash Funds Exempt**	**Federal Funds**	**FTE**
Total Request			$69,235			1.0
Salary			$59,664			
PERA			$6,056			
FICA			$865			
Prior Year SAED			$447			

Summary of Request FY 09-10	Total Funds	General Fund	Cash Funds	Cash Funds Exempt	Federal Funds	FTE
Amortization Equalization Disbursement (AED)			$955			
Supplemental Amortization Equalization Disbursement (SAED)			$298			
Operating Expenses			$950			

<u>Assumptions for Calculations</u>: Salary calculation is based on $4,972 per month for a Physical Science Researcher/Scientist II position (range minimum).

In accordance with calculation instructions from OSPB, PERA is calculated at 10.15% and FICA is calculated at 1.45% of base pay. Operating expenses for the first year consist of:

Supplies	$	500
Computer (desk top)	$	900
Office Suite Software	$	330
Office Equipment	$	2,225
Telephone Base	$	450
Total Operating Expenses, Year 1	**$**	**4,405**

For year 2 (FY09-10), Operating expenses consist of Supplies at $500 and annual telephone base at $450. Salary base, PERA, FICA, and AED remain the same. Prior year Supplemental Amortization Equalization Disbursement (SAED) is added to the personal services base.

<u>Impact on Other Government Agencies:</u> Not applicable.

<u>Cost Benefit Analysis</u>: The overall environmental benefits of CO_2 sequestration are significant in terms of reducing greenhouse gas emissions and the adverse health effects of air pollution. Yet, it is difficult to assign specific, verifiable monetary values to these benefits for Colorado,

especially since the benefits are worldwide in scope. The State of Colorado can benefit in two specific and quantifiable ways from CO_2 sequestration that benefit the natural resources industry as well as the environment. These are:

1) **Enhanced Oil and Gas Recovery –** Enhancing oil and gas recovery from older producing fields increases economic activity in Colorado and enhances severance tax and royalty revenues to the state.

2) **Enhanced CO_2 Commodity Sales –** Carbon dioxide has intrinsic value as a commodity and can be sold for beneficial uses such as enhanced oil and gas recovery and other uses.

Enhanced Oil and Gas Recovery

Enhanced oil recovery (EOR) refers to techniques that allow increased recovery of oil in depleted or high viscosity oil fields. One method of EOR, carbon dioxide flooding (CO_2-EOR), has the potential to not only increase the yield of depleted or high viscosity fields, but also to sequester carbon dioxide that would normally be released to the atmosphere. In general terms, carbon dioxide is flooded into an oilfield through a number of injection wells drilled around a producing well. Injected at a pressure equal to or above the minimum miscibility pressure (MMP), the CO_2 and oil mix and form a lower viscosity liquid that more easily flows to the production well. Recovery can also be enhanced by injecting CO_2 at a pressure below the MMP, swelling the oil and reducing its viscosity.

A recent study titled "Basin Oriented Strategies for CO_2 Enhanced Oil Recovery: Rocky Mountain Region"[3] is helpful in quantifying the benefits of enhanced oil and gas recovery in Colorado. The following table summarizes the economic potential of CO_2 enhanced oil and gas recovery in Colorado.

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[3] Advanced Resources International; "Basin Oriented Strategies for CO2 Enhanced Oil Recovery: Rocky Mountain Region", prepared for U.S. Department of Energy, Office of Fossil Energy - Office of Oil and Natural Gas, February, 2006.

	(a) No. of Reservoirs Studied	(b) Original Oil In-Place	(c) Technical Potential	Economic Potential		
CO_2-EOR Technology[4]		**(million barrels)**	**(million barrels)**	**(d) No. of Reservoirs**	**(e) (million barrels)**	
Traditional Practices	12	2,956	330	2	30	*
State of the Art	12	2,956	740	5	510	*
More Favorable Financial Conditions (higher per barrel price of oil)						
Risk Mitigation Incentives	12	2,956	740	6	510	**
Low Cost CO_2 Supplies	12	2,956	740	8	580	***
* Oil price of $30 per barrel; CO_2 costs of $1.50/Mcf.						
** Oil price of $40 per barrel adjusted for gravity and location differentials; CO_2 supply costs of $2.00/Mcf.						
*** Oil price of $40 per barrel adjusted for gravity and location differentials; CO_2 supply costs of $0.80/Mcf.						

Legend:

(a) Number of oil reservoirs in Colorado studied.

(b) Original Oil In-Place – Number of barrels in millions originally identified as extractable without additional efforts.

(c) Technical Potential – Number of additional barrels in millions that can be feasibly extracted using Enhanced Oil Recovery technology.

(d) Economic Potential, number of reservoirs – The number of reservoirs that contain “stranded in place oil”, which is that oil that cannot be extracted without additional effort, such as using CO_2 flooding technology.

4 Ibid. Table 16 and Table 17.

(e) Economic Potential, number of barrels – number of barrels in millions that were stranded and may be extracted from existing reservoirs using enhanced oil recovery practices.

In this table, “Traditional Practices” means the technology level used in CO_2 enhanced oil recovery is the same that has been applied in the past in the Rocky Mountain Region. “State of the Art” assumes that improved CO_2 processes that have been achieved in other areas over the past ten years are successfully applied to the oil reservoirs of the Rocky Mountain region. This is a reasonable assumption. If more favorable financial conditions prevail, the economic potential of enhanced oil and gas recovery improves.

The 20-year cost of an FTE is $1,400,000 (rounded). Even with “Traditional Practices” the economic impact of CO_2 enhanced oil and gas recovery of 30 million additional barrels is, conservatively, $645,000,000[5] Part of this economic impact is direct revenue to the state from severance taxes and royalty payments.

<u>Enhanced CO_2 Commodity Sales</u>

Carbon dioxide has been produced from a naturally occurring CO_2 field, called Sheep Mountain, in Huerfano County for many years. Unfortunately production has declined in this field since 1999. The county has lost considerable income from declining production. The field produced 45 billion cubic feet (Bcf) in 1999 down to 16.2 Bcf in 2006. The contract price for CO_2 was $0.65/Mcf in 2006. That translates to a loss of over $18 million in sales since 1999. If an FTE could be involved in efforts to replace that natural CO_2 with anthropogenic CO_2, it would more than offset the 20-year cost of an FTE.

[5] Calculation: 30 million barrels x ($30/barrel – $8.50/barrel for enhanced recovery infrastructure and CO_2 costs) = $645,000,000

Proposed Action	Estimated Benefit	Estimated Cost	Benefit – Cost Ratio
Add 1.0 FTE and associated severance tax funding	▪ **\$322,500,000/20-year period** – From additional oil production. 15 million barrels (one reservoir) x \$21.50/barrel (\$30/barrel – \$8.50/barrel for enhanced recovery infrastructure and CO_2 costs) ▪ **Offset \$9,000,000** in lost CO2 commodity sales	▪ **\$1,400,000 /20-year period** for 1.0 FTE	**\$331,500,000/** \$**1,400,000** or **237 to 1**

Implementation Schedule:

Task	Month/Year
Write Position Description Questionnaire	May, 2008
Open the Application Window to the Public	May, 2008
Review, Interview, and Hire New Position	June, 2008
FTE Hired / New Employee Begins	July, 2008

Statutory and Federal Authority: Section 34-1-103, C.R.S. (2006) Objectives of survey – duties of state geologist.

(1) The Colorado geological survey shall function to provide assistance to and cooperate with the general public, industries, and agencies of state government, including institutions of higher education, in pursuit of the following objectives, the priorities of which shall be determined by mutual consent of the state geologist and the executive director of the department of natural resources:
(a) To assist, consult with, and advise existing state and local governmental agencies on geologic problems;
(b) To promote economic development of mineral resources;
(c) To conduct studies to develop geological information;
(d) To inventory and analyze the state's mineral resources as to quantity, chemical composition, physical properties, location, and possible use;
(e) To collect and preserve geologic information;

(f) To advise the state and act as liaison agency on transactions dealing with natural resources between state agencies and with other states and the federal government on common problems and studies;
(g) To evaluate the physical features of Colorado with reference to present and potential human and animal use;
(h) To prepare, publish, and distribute reports, maps, and bulletins when necessary to achieve the purposes of this part 1, but in accordance with section 24-1-136, C.R.S.;
(i) To determine areas of natural geologic hazards that could affect the safety of or economic loss to the citizens of Colorado;
(j) To advise the state engineer in the promulgation of rules and regulations pursuant to article 90.5 of title 37, C.R.S., and to provide other governmental agencies with technical assistance regarding geothermal resources as needed;
(k) To promote safety by reducing the impact of avalanches on recreation, industry, and transportation in the state through a program of forecasting and education conducted by the Colorado avalanche information center.

Section 39-29-109, C.R.S. (2006) Severance tax trust fund - created - administration - use of moneys - repeal.
(1) (a) There is hereby created in the office of the state treasurer the severance tax trust fund. The fund is to be perpetual and held in trust as a replacement for depleted natural resources and for the development and conservation of the state's water resources pursuant to sections 37-60-106 (1) (j) and (1) (l), 37-60-119, and 37-60-122, C.R.S., and for the use in funding programs that promote and encourage sound natural resource planning, management, and development related to minerals, energy, geology, and water.

<u>Performance Measures:</u>

CGS believes that this decision item is consistent with the Department's vision statement on energy as contained in the FY08-09 Strategic Plan for the Department of Natural Resouces. The energy vision statement is as follows:

Promote responsible and sustainable development of Colorado's energy and mineral resources in a manner that is consistent with environmental protection, maintenance of Colorado's quality of life, and protection of Colorado's diverse economic base. Promote *renewable energy, innovative technology, and energy efficiency as part of sustaining Colorado's long term energy supply.*

Performance Measure:	Outcome	FY 05-06 Actual	FY 06-07 Actual	FY 07-08 Approp.	FY 08-09 Request
Promote the responsible economic development of mineral and energy resources (expressed as the percent of counties in the state and state departments receiving assistance in mineral and energy resources from CGS).	Benchmark	5%	5%	5%	5%
	Actual	5%	10%		
This change request will increase the number of counties in the state and state departments receiving information and technical assistance from the Colorado Geological Survey. CGS expects, as part of this decision item, to interact with the following counties: Fremont, Pueblo, El Paso, Custer, Mesa, Garfield, Rio Blanco, and Moffat. This would increase the Performance Measure Actual for FY08-09 by 7%.					

Schedule 13
Change Request for FY 08-09 Budget Request Cycle

Decision Item FY 08-09 ☑ **Base Reduction Item FY 08-09** ☐ **Supplemental FY 07-08** ☐ **Budget Request Amendment FY 08-09** ☐

Request Title: CWCB Intrastate Water Management and Development Section Staff

Department: Natural Resources **Dept. Approval by:** **Date:**

Priority Number: 13 of 18 **OSPB Approval:** **Date:**

	Fund	1 Prior-Year Actual FY 06-07	2 Appropriation FY 07-08	3 Supplemental Request FY 07-08	4 Total Revised Request FY 07-08	5 Base Request FY 08-09	6 Decision/ Base Reduction FY 08-09	7 November 1 Request FY 08-09	8 Budget Amendment FY 08-09	9 Total Revised Request FY 08-09	10 Change from Base (Column 5) FY 09-10
Total of All Line Items	**Total**	1,512,776	3,358,588	0	3,358,588	4,018,301	0	4,018,301	0	4,018,301	0
	FTE	0.00	1.70	0.00	1.70	1.70	2.00	3.70	0.00	3.70	2.00
	GF	718,438	761,243	0	761,243	955,491	0	462,649	0	462,649	0
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	341,568	1,777,595	0	1,777,595	1,968,914	0	1,968,914	0	1,968,914	0
	CFE	381,401	659,389	0	659,389	902,645	0	902,645	0	902,645	0
	FF	71,369	160,361	0	160,361	191,251	0	191,251	0	191,251	0
(7) Colorado Water Conservation Board, (B) Special Purpose, Interbasin Compacts	**Total**	0	1,108,425	0	1,108,425	1,113,995	(8,356)	1,105,639	0	1,105,639	(8,138)
	FTE	0.00	1.70	0.00	1.70	1.70	2.00	3.70	0.00	3.70	2.00
	GF	0	0	0	0	0	0	0	0	0	0
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	0	1,108,425	0	1,108,425	1,113,995	(8,356)	1,105,639	0	1,105,639	(8,138)
	CFE	0	0	0	0	0	0	0	0	0	0
	FF	0	0	0	0	0	0	0	0	0	0
(1) Executive Director's Office (A) Administration and Information Technology Amortization Equalization Disbursement	**Total**	659,938	1,078,513	0	1,078,513	1,460,124	1,400	1,461,524	0	1,461,524	1,400
	FTE	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	GF	233,748	232,658	0	232,658	343,282	0	343,282	0	343,282	0
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	82,632	262,590	0	262,590	366,630	1,400	368,030	0	368,030	1,400
	CFE	295,277	469,702	0	469,702	618,667	0	618,667	0	618,667	0
	FF	48,281	113,563	0	113,563	131,545	0	131,545	0	131,545	0
(1) Executive Director's Office (A) Administration and Information Technology Supplemental Amortization	**Total**	0	214,102	0	214,102	470,332	656	470,988	0	470,988	438
	FTE	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	GF	0	41,546	0	41,546	119,367	0	119,367	0	119,367	0
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	0	51,042	0	51,042	120,816	656	121,472	0	121,472	438

Schedule 13
Change Request for FY 08-09 Budget Request Cycle

Decision Item FY 08-09 ☑ **Base Reduction Item FY 08-09** ☐ **Supplemental FY 07-08** ☐ **Budget Request Amendment FY 08-09** ☐

Request Title: CWCB Intrastate Water Management and Development Section Staff

Department: Natural Resources **Dept. Approval by:** **Date:**

Priority Number: 13 of 18 **OSPB Approval:** **Date:**

	Fund	1 Prior-Year Actual FY 06-07	2 Appropriation FY 07-08	3 Supplemental Request FY 07-08	4 Total Revised Request FY 07-08	5 Base Request FY 08-09	6 Decision/ Base Reduction FY 08-09	7 November 1 Request FY 08-09	8 Budget Amendment FY 08-09	9 Total Revised Request FY 08-09	10 Change from Base (Column 5) FY 09-10
Equalization	CFE	0	97,855	0	97,855	192,146	0	192,146	0	192,146	0
Disbursement	FF	0	23,659	0	23,659	38,003	0	38,003	0	38,003	0
(1) Executive Director's	Total	852,838	957,548	0	957,548	973,850	6,300	980,150	0	980,150	6,300
Office (A) Administration	FTE	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
and Information	GF	484,690	487,039	0	487,039	492,842	0	0	0	0	0
Technology	GFE	0	0	0	0	0	0	0	0	0	0
Leased Space	CF	258,936	355,538	0	355,538	367,473	6,300	373,773	0	373,773	6,300
	CFE	86,124	91,832	0	91,832	91,832	0	91,832	0	91,832	0
	FF	23,088	23,139	0	23,139	21,703	0	21,703	0	21,703	0

Note: All costs are from the existing base, therefore no increases are reflected on this Schedule 13 document.

Letternote revised text: These amounts shall be from the Operational Account of the Severance Tax Trust Fund established pursuant to Section 39-29-109 (1) (a), C.R.S.

Cash Fund name/number, Federal Fund Grant name: Cash Funds (424) Severance Tax Operational Account

IT Request: ☐ **Yes** ☑ **No**

Request Affects Other Departments: ☐ **Yes** ☑ **No** **If Yes, List Other Departments Here:**

OSPB Common Policy for FTE Requests - September 2007

FTE and Operating Costs								***GRAND TOTAL***	
Fiscal Year(s) of Request		**FY 08-09**	**FY 09-10**	**FY 08-09**	**FY 09-10**	**FY 08-09**	**FY 09-10**	**FY 08-09**	**FY 09-10**
PERSONAL SERVICES	**Title:**	**PSRS I**		**PA I**					
Number of PERSONS / class title		1	1	1	1	0	0		
Number of months working in FY 08-09 and FY 09-10		12	12	12	12	0	0		
Number months paid in FY 08-09 and FY 09-10*		12	12	12	12	0	0		
Calculated FTE per classification		**1.00**	**1.00**	**1.00**	**1.00**	**0.00**	**0.00**	2.00	2.00
Annual base salary (*Not Requested*)		$51,540	$51,540	$35,928	$35,928	$0	$0		
Salary		$0	$0	$0	$0	$0	$0	$0	$0
PERA	**10.15%**	$0	$0	$0	$0	$0	$0	$0	$0
Medicare	**1.45%**	$0	$0	$0	$0	$0	$0	$0	$0
Prior Year SAED	**N/A**	$0	$0	$0	$0	$0	$0	$0	$0
Subtotal Personal Services at Division Level		**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
Subtotal AED at EDO Long Bill Group Level	**1.60%**	**$825**	**$825**	**$575**	**$575**	**$0**	**$0**	**$1,400**	**$1,400**
Subtotal SAED at EDO Long Bill Group Level	**Varies**	**$387**	**$258**	**$269**	**$180**	**$0**	**$0**	**$656**	**$438**
Department Specific Average Cost for HLD / Employee**		$0	$0	$0	$0	$0	$0		
Subtotal for Health, Life, Dental (if over 20 FTE)	**N/A**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
Subtotal for Short Term Disability (if over 20 FTE)	**0.13%**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
OPERATING EXPENSES									
Supplies @ $500/$500***	**$500**	$0	$0	$0	$0	$0	$0	$0	$0
Computer @ $900/$0	**$900**	$0	$0	$0	$0	$0	$0	$0	$0
Office Suite Software @ $330/$0	**$330**	$0	$0	$0	$0	$0	$0	$0	$0
Office Equipment @ $2,225 /$0	**$2,225**	$0	$0	$0	$0	$0	$0	$0	$0
Telephone Base @ $450/$450***	**$450**	$0	$0	$0	$0	$0	$0	$0	$0
Subtotal Operating Expenses		**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
Interbasin Compacts - Reduction in Program Costs		**($4,362)**	**($4,233)**	**($3,994)**	**($3,905)**			**($8,356)**	**($8,138)**
Leased Space (175 square ft per employee @ $18/sq ft)		**$3,150**	**$3,150**	**$3,150**	**$3,150**			**$6,300**	**$6,300**
GRAND TOTAL ALL COSTS		**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**

**Estimated Health Life and Dental and Short Term Disability costs cannot be claimed for under 20 Requested FTE. If claiming more than 20 FTE for Health Life and Dental please use the agency average in your calculation as a placeholder. For Short Term Disability please use 0.13%.

***The $450 for Telephone Base and $500 for Supplies will carry over each year as an acceptable expense.

**** Other non-routine expenses such as Fleet, Leased space, or a laptop must be separately defended and calculated. Please provide documentation to justify these requested costs.

Please note, if a requested employee does not begin until FY 09-10, then this employee should be requested in its own set of FY 08-09 / FY 09-10 columns. This is essential for the SAED calculation to work properly.

CHANGE REQUEST for FY 08-09 BUDGET REQUEST CYCLE

Department:	Department of Natural Resources
Priority Number:	13 of 18
Change Request Title:	CWCB Intrastate Water Management and Development Section Staff

SELECT ONE (click on box):

☒Decision Item FY 08-09
☐Base Reduction Item FY 08-09
☐Supplemental Request FY 07-08
☐Budget Request Amendment FY 08-09

SELECT ONE (click on box):

Supplemental or Budget Request Amendment Criterion:
☒Not a Supplemental or Budget Request Amendment
☐An emergency
☐A technical error which has a substantial effect on the operation of the program
☐New data resulting in substantial changes in funding needs
☐Unforeseen contingency such as a significant workload change

Short Summary of Request: This request is for 2.0 new FTE to assist in the implementation of the Water for the 21st Century Act and the Water Supply Reserve Account (created by Senate Bill 06-179). The Program Assistant I position will assist with administrative support of the two related programs. The Physical Science Researcher/Scientist I position will provide technical support in the implementation of the Water for the 21st Century Act and the Water Supply Reserve Account. The funding in the amount of $122,286 for the 2.0 FTE and operating costs will come from existing cash funds from the Interbasin Compact's line item in the CWCB.

Background and Appropriation History: In 2003, the State of Colorado initiated the Statewide Water Supply Initiative (SWSI). This work was authorized under Senate Bill 03-110. To date, this study has been the most comprehensive evaluation of Colorado's current and future water supply needs undertaken.

A completed report was presented to the legislature in 2004. The report in part indicated that a full assessment of water supply and supply alternatives was not completed because the basin roundtables wanted more time to review and analyze the findings on water supply and demands. Based on these requests the legislature approved Senate Bill 05-084 to continue work on water supply alternatives. In that same year, under the leadership of the Department of Natural Resources, House Bill 05-1177 (also known as the Water for the 21st Century Act) was passed. The legislation established permanent roundtables in every basin and required the roundtables to complete several tasks. Furthermore, the legislation required the integration of the SWSI with the new roundtable process.

The 2006 legislative session brought three additional pieces of legislation (House Bill 06-1385, House Bill 06-1400, and Senate Bill 06-179) to assist with the implementation of the previous legislation and to further examine and plan for Colorado's water supply future. These pieces of legislation provided 1.7 FTE (HB 1400) and financial support for contractors (HB 1385 and HB 1400). However, based on the work that is needed to support nine basin roundtables and experience gained over the last year, additional FTE support is still needed. In addition, Senate Bill 06-179 created the Water Supply Reserve Account (Account). The Account established a grant and loan program with funding, as amended in 2007, of up to $42 million dollars over five years to fund water related studies and projects. These studies and projects must be approved by the basin roundtables and the CWCB to be authorized for funding. The CWCB is responsible for administering the program but no FTE were provided in the legislation.

In 2007, the legislature authorized the CWCB to develop a grant program to facilitate the development and implementation of alternative agricultural water transfer methods. The specific authorizing legislation for the grant program is Senate Bill 07-122. This legislation provided for $1,500,000 for the board to develop and implement a competitive grant program to advance various agricultural transfer methods as alternatives to permanent agricultural dry-up in the South Platte and Arkansas River basins. Implementation and administration of this grant program is placing additional workloads and responsibilities on existing Intrastate Water Management and Development Section staff.

General Description of Request:

As seen from the legislative history, the development of the program area, to better prepare Colorado for its water supply future, has been an incremental process. The program relies heavily on a locally focused basin roundtable process with support and direction for that process occurring at the state level. To minimize costs, existing staff has been supporting the process and the basin roundtable participants are volunteers. Given the magnitude and complexity of the work and incrementally greater program responsibilities, it is apparent that the workload can not be accomplished with the existing FTE and by volunteer efforts. Indeed, current efforts by the State have heavily relied on technical contractors to perform more administrative tasks, which has not been as cost-effective as desired. The 2.0 new FTE are requested to address these needs as described below.

The Program Assistant I position will assist with several important program activities including:

- liaison and support role to Basin Roundtables to help with meeting logistics and attend select Basin Roundtable meetings to provide consistent input to and feedback from the Roundtables;
- assist in updating materials for websites regarding both the Water for the 21st Century Act and CWCB related programs;
- assist with public outreach to ensure broad information exchange between the roundtable process and affected stakeholders; and
- assist in the receipt of grant applications, information management, and administrative tracking of activities and projects associated with the Water Supply Reserve Account created under Senate Bill 06-179.

The Physical Science Researcher/Scientist I position will provide:

- review and technical analysis of grant applications from the Water Supply Reserve Account (WSRA);
- assist in the development and approval of scopes of work to be utilized in the contracting and purchase order process for successful grant applicants;

- assist in monitoring and verification of work products completed by the successful grant applicants; and
- provide assistance to the CWCB, Director of Compact Negotiations, and Basin Roundtables in the implementation, refinement, and completion of basin-wide needs assessment required under the Water for the 21st Century Act.

Consequences if Not Funded:

Grant administration duties are currently being performed on an ad hoc basis by several CWCB staff members. This has had several negative consequences, which include the redirection of staff time away from current duties to grant administration. Some of the duties which staff members are unable to meet include evaluating water supply alternatives, updating water demand data, participating fully in the roundtable process, and developing information on environmental and recreational water needs. Staff members have been working a significant number of additional hours on weekends and in the evenings to analyze applications and prepare them for CWCB Board review. The CWCB does not believe that continued use of existing staff is equitable, sustainable, or practical in the long run. Consequently, dedicated staffing for the grant program is needed. In this regard, several pros and cons for the use of State employees vs. hiring contractors appear below.

Pros/cons for use of State Employee

- Costs are less.
- Management of projects involving fiduciary financial responsibilities of state resources is better performed by state employees. State employees have the States' interests as their principle goals and objects.
- Hiring and training a permanent state employee would allow the CWCB to build and retain a base of technical knowledge and experience for the long-term benefit of the program.
- Does not take resources away from other technical work being performed with contract monies.

Pros/cons for use of Contract and/or Temporary Employees

- Article 12, Section 13 of the Colorado Constitution states that the employment of temporary employees cannot exceed six months. Refilling these positions every six months would be extremely inefficient and would likely result in time-consuming retraining and poor performance by relatively inexperienced personnel.
- The State pays only for contracted hours.
- Termination of contract employees is more immediate.

However, current work load and future estimates indicate that a minimum of 2.0 FTE are needed. Currently, over 45 grant requests for projects under SB06-179 have been received, totaling approximately $9.0 million. By next year, this value could double.

Without the new FTEs, the original legislation will not be effectively and efficiently implemented. It is essential that the roundtable efforts and decisions be fully informed and that funding from the State be used in a manner that is focused on the important basin needs. Currently, the State has had to rely too heavily on the technical assistance of contractors to undertake activities that are more administrative in nature. Without the new FTE, the State will incur more costs for these administrative tasks.

Additionally, it is imperative that the State ensures that grant monies from the WSRA are properly awarded, administered, and documented. Without the FTE, adequate oversight of financial and technical decisions will not be possible. It is likely that a new grant program will be audited in the future. Having full documentation and effective program oversight will be essential to a successful audit review.

Calculations for Request:

The costs in the tables below will come from existing cash funds from the Interbasin Compact's line item in the CWCB.

Summary of Request FY 08-09	**Total Funds**	**General Fund**	**Cash Funds**	**Cash Funds Exempt**	**Federal Funds**	**FTE**
Total Request	$0	$0	$0	$0	$0	2.0

Summary of Request FY 08-09	Total Funds	General Fund	Cash Funds	Cash Funds Exempt	Federal Funds	FTE
Interbasin Compacts (Program Expenses)	($8,356)	$0	($8,356)	$0	$0	
PA 1 Personal Services (Salary, PERA, Medicare)	$0	$0	$0	$0	$0	1.0
PA 1 – AED	$575	$0	$575	$0	$0	
PA 1 - SAED	$269	$0	$269	$0	$0	
PA 1 Annual Operating	$0	$0	$0	$0	$0	
PA 1 Travel	$0	$0	$0	$0	$0	
PSRS 1 Personal Services (Salary, PERA, Medicare)	$0	$0	$0	$0	$0	1.0
PSRS 1 – AED	$825	$0	$825	$0	$0	
PSRS 1 - SAED	$387	$0	$387	$0	$0	
PSRS 1 Annual Operating	$0	$0	$0	$0	$0	
PSRS 1 Travel	$0	$0	$0	$0	$0	
Leased Space for 2.0 FTE	$6,300	$0	$6,300	$0	$0	

Summary of Request FY 09-10	Total Funds	General Fund	Cash Funds	Cash Funds Exempt	Federal Funds	FTE
Total Request	$0	$0	$0	$0	$0	2.0
Interbasin Compacts (Program Expenses)	($8,138)	$0	($8,138)	$0	$0	
PA 1 Personal Services (Salary, PERA, Medicare)	$0	$0	$0	$0	$0	1.0
PA 1 – AED	$575	$0	$575	$0	$0	
PA 1 - SAED	$180	$0	$180	$0	$0	

Summary of Request FY 09-10	Total Funds	General Fund	Cash Funds	Cash Funds Exempt	Federal Funds	FTE
PA 1 Annual Operating	$0	$0	$0	$0	$0	
PA 1 Travel	$0	$0	$0	$0	$0	
PSRS 1 Personal Services (Salary, PERA, Medicare)	$0	$0	$0	$0	$0	1.0
PSRS 1 – AED	$825	$0	$825	$0	$0	
PSRS 1 - SAED	$258	$0	$258	$0	$0	
PSRS 1 Annual Operating	$0	$0	$0	$0	$0	
PSRS 1 Travel	$0	$0	$0	$0	$0	
Leased Space for 2.0 FTE	$6,300	$0	$6,300	$0	$0	

Assumptions for Calculations:

Personal Services
(Personal Services Salary + 10.15% PERA + Medicare 1.45% + AED 1.6% + SAED)

- Program Assistant I:
  Personal Services (FY08-09 Salary): $2,994 x 12 = $35,928
  10.15% PERA = $3,647
  1.45 % FICA (Medicare) = $521
  1.6% AED = $575
  SAED = $269
  Total Personal Services (PA1) = $40,940

- Physical Science Researcher/Scientist I:
  Personal Services (FY08-09 Salary): $4,295 x 12 = $51,540
  10.15% PERA = $5,231
  1.45% FICA (Medicare) = $747
  1.6% AED = $825
  SAED = $387
  Total Personal Services (PA1) = $58,730

Operating and Travel: (For each FTE)

-Annual Operating for FY08-09: includes computer ($900), supplies ($500), Office Suite software ($330), Office equipment ($2,225), Telephone base ($450) = $4,405

-Travel (Assumes 18 overnight trips per year):

- hotel at $100/night x 18 nights = $1,800
- mileage at an average of 150 miles per trip x 18 trips x $.39/mile = $1,053
- per diem of 18 trips x 2 days = 36 days X $25/day = $900
  Total Travel (cost per FTE) = $3,753

Leased Space
The Leased Space amount was calculated by using data obtained from Staubach Group, which is the Real Estate Agency for the State of Colorado. The Staubach Group anticipates the average square foot rate for businesses in downtown Denver to be $18 per square foot for the 2008-09 fiscal year. The CWCB needs 175 square feet for each of these new FTE, which is an average sized office or cubicle for the classification level of new staff members and is similar to the standards of current staff. Therefore, the CWCB is requesting funds in the amount of $3,150 for 350 square feet of space for the new FTE (175 square feet x 2.0 FTE x $18 per square foot = $6,300).

Impact on Other Government Agencies: None identified

Cost Benefit Analysis: To compare the most cost-effective means to provide assistance with the Water Supply Reserve Account, an estimate of the costs to do the work with a state employee versus a contractor is provided below.

Physical Science Researcher/Scientist I (PSRS I) for the Intrastate Water Management and Development Section in the CWCB for FY08-09:

		Source of Data

Salary, PERA, and Medicare for a PSRS I	2080 hours - $57,519	Colorado Pay and Benefit Rates
Typical Contract Cost for junior scientist/engineer	2080 hours X $80/hour = $166,400	Existing State Contracts with Consulting firms and PSMJ Resource Inc. Fee and Pricing Survey
Savings Using State Employee	$108,881	

Program Assistant I (PA I) for the Intrastate Water Management and Development Section in the CWCB for FY08-09:

		Source of Data
Salary, PERA, and Medicare for a PA I	2080 hours - $40,096	Colorado Pay and Benefit Rates
Typical Contract Cost for staff assistant level support	2080 hours X $21.13/hour = $43,950	Existing State Contracts with Consulting firms and PSMJ Resource Inc. Fee and Pricing Survey
Savings Using State Employee	$3,854	

Implementation Schedule: FTE

Task	**Month/Calendar Year**
Write Position Description Questionnaires and complete related Human Resource transactions	May 2008
Advertise for Position	Late May 2008
HR Candidate Review, CWCB Interview and Hire new positions	June 2008

New Employee Begins	July 2008

Implementation Schedule: Leased Space

Task	**Month/Calendar Year**
Contact Staubach Group about vacant lease space	May 2008
Negotiate with building owners about price and start contract with building owners	June 2008
Complete contract with all approvals and move into new space	July 2008

Statutory and Federal Authority:

37-75-101 C.R.S. (2007): Short Title: “This article shall be known and may be cited as the "Colorado Water for the 21st Century Act".”

37-75-102 C.R.S. (2007): “(1) It is the policy of the general assembly that the current system of allocating water within Colorado shall not be superseded, abrogated, or otherwise impaired by this article. Nothing in this article shall be interpreted to repeal or in any manner amend the existing water rights adjudication system. The general assembly affirms the state constitution's recognition of water rights as a private usufructuary property right, and this article is not intended to restrict the ability of the holder of a water right to use or to dispose of that water right in any manner permitted under Colorado law.

(2) The general assembly affirms the protections for contractual and property rights recognized by the contract and takings protections under the state constitution and related statutes. This article shall not be implemented in any way that would diminish, impair, or cause injury to any property or contractual right created by intergovernmental agreements, contracts, stipulations among parties to water cases, terms and conditions in water decrees, or any other similar document related to the allocation or use of water. This article shall not be construed to supersede, abrogate, or cause injury to vested water rights or decreed conditional water rights. The general assembly affirms that this article does not impair, limit, or otherwise affect the rights of persons or entities to enter into

agreements, contracts, or memoranda of understanding with other persons or entities relating to the appropriation, movement, or use of water under other provisions of law."

37-75-103 C.R.S. (2007): "Director of compact negotiations. (1) Within thirty days after June 7, 2005, the governor shall appoint a director of compact negotiations, which office is hereby created in the office of the governor. The director of compact negotiations shall act as the overseer and caretaker of the compact negotiations process established in this article."

(2) The director of compact negotiations shall have the following responsibilities:

(a) Provide support and assistance to applicable local stakeholders in the formation of permanent basin roundtables established pursuant to section 37-75-104;

(b) Oversee and direct the expenditure of moneys appropriated pursuant to this article; and

(c) Serve as the chairperson of the interbasin compact committee and oversee implementation of the interbasin compact committee's responsibilities consistent with section 37-75-105, including the timely completion and referral of the interbasin compact charter."

37-75-104 C.R.S. (2007): This section describes the organization and role of the various Basin Roundtables along with powers and responsibilities.

37-75-105 C.R.S. (2007): This section describes the Interbasin Compact Committee Charter.

37-75-106 C.R.S. (2007): "Public education - outreach.

(1) The interbasin compact committee shall develop a public education, participation, and outreach working group.

(2) The public education, participation, and outreach working group shall:

(a) Create a process to inform, involve, and educate the public on the interbasin compact committee's activities and progress of the interbasin compact negotiations; and

(b) Create a mechanism by which public input and feedback can be relayed to the interbasin compact committee and compact negotiators."

39-29-109 C.R.S. (2007): This section describes the creation, administration, fund use, definitions, and repeal for the Severance Tax Trust Fund.

<u>Performance Measures:</u>

Performance Measure DNR #6 (Increase water storage to meet long term water supply needs): The intent of the decision item is to help the CWCB and DNR more effectively and efficiently meet DNR's goal of increasing water storage to meet long-term water supply needs. The addition of staff, from this request, will assist toward meeting the water storage increase of 20,000 acre feet annually. On the contrary, without the new FTE, water storage may increase only by 19,800 acre feet annually. Stated differently, we believe that this decision item will help the CWCB, in working with state and local leaders, to provide requestors with technical and financial assistance to meet a portion of the storage needed to satisfy 20 percent of the "gap" of 630,000 acre feet in long-term water supply, resulting in a potential addition of 200 acre feet of water being stored annually.

The CWCB can only provide financing and technical assistance to individual water users that request it. In addition, political, social, legal, hydrologic, and economic realities, that affect water resource development, limit the CWCB's ability to directly implement water supply projects. In this regard, the CWCB's performance in closing the water supply gap is significantly influenced by outside factors.

Schedule 13
Change Request for FY 08-09 Budget Request Cycle

Decision Item FY 08-09 ☑ **Base Reduction Item FY 08-09** ☐ **Supplemental FY 07-08** ☐ **Budget Request Amendment FY 08-09** ☐

Request Title: Durango Office Leased Space Funding

Department: Natural Resources **Dept. Approval by:** **Date:**

Priority Number: 14 of 18 **OSPB Approval:** **Date:**

	Fund	1 Prior-Year Actual FY 06-07	2 Appropriation FY 07-08	3 Supplemental Request FY 07-08	4 Total Revised Request FY 07-08	5 Base Request FY 08-09	6 Decision/ Base Reduction FY 08-09	7 November 1 Request FY 08-09	8 Budget Amendment FY 08-09	9 Total Revised Request FY 08-09	10 Change from Base (Column 5) FY 09-10
Total of All Line Items	**Total**	1,689,121	1,900,598	0	1,900,598	1,916,901	16,112	1,933,013	0	1,933,013	15,052
	FTE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	GF	836,476	716,574	0	716,574	722,377	0	722,377	0	722,377	0
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	725,208	1,049,438	0	1,049,438	1,061,374	12,084	1,073,458	0	1,073,458	11,289
	CFE	99,530	106,260	0	106,260	106,260	0	106,260	0	106,260	0
	FF	27,907	28,326	0	28,326	26,890	4,028	30,918	0	30,918	3,763
(1) Executive Director's Office (A) Administration and Information Technology Leased Space	**Total**	852,838	957,548	0	957,548	973,851	6,340	980,191	0	980,191	6,340
	FTE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	GF	484,690	487,039	0	487,039	492,842	0	492,842	0	492,842	0
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	258,936	355,538	0	355,538	367,474	4,755	372,229	0	372,229	4,755
	CFE	86,124	91,832	0	91,832	91,832	0	91,832	0	91,832	0
	FF	23,088	23,139	0	23,139	21,703	1,585	23,288	0	23,288	1,585
(1) Executive Director's Office (A) Administration and Information Technology Multiuse Network	**Total**	836,283	943,050	0	943,050	943,050	9,772	952,822	0	952,822	8,712
	FTE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	GF	351,786	229,535	0	229,535	229,535	0	229,535	0	229,535	0
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	466,272	693,900	0	693,900	693,900	7,329	701,229	0	701,229	6,534
	CFE	13,406	14,428	0	14,428	14,428	0	14,428	0	14,428	0
	FF	4,819	5,187	0	5,187	5,187	2,443	7,630	0	7,630	2,178

Letternote revised text:

Cash Fund name/number, Federal Fund Grant name: Cash Funds: Mined Land Reclamation Fund/Fund 256
Federal Funds: U.S. Dept of the Interior, Office of Surface Mining - Abandoned Mine Land Program

IT Request: ☐ **Yes** ☑ **No**

Request Affects Other Departments: ☑ **Yes** ☐ **No** **If Yes, List Other Departments Here:** Dept of Personnal and Administration - Multiuse Network costs

FTE and Operating Costs								GRAND TOTAL	
Fiscal Year(s) of Request		**FY 08-09**	**FY 09-10**	**FY 08-09**	**FY 09-10**	**FY 08-09**	**FY 09-10**	**FY 08-09**	**FY 09-10**
PERSONAL SERVICES	Title:							To two decimal	
Number of PERSONS / class title									
Calculated FTE per classification		**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	-	-
Annual base salary (monthly * 12)	**$**								
Number months working in FY 08-09 and FY 09-10									
Salary		$0	$0	$0	$0	$0	$0	$0	$0
PERA	**10.15%**	$0	$0	$0	$0	$0	$0	$0	$0
FICA	**1.45%**	$0	$0	$0	$0	$0	$0	$0	$0
Subtotal Personal Services		$0	$0	$0	$0	$0	$0	$0	$0
OPERATING									
Supplies @ $500/$500	**$ 500**	$0	$0	$0	$0	$0	$0	$0	$0
Computer @ $959/$0	**$ 690**	$0	$0	$0	$0	$0	$0	$0	$0
Office Suite Software @ $300/$0	**$ 294**	$0	$0	$0	$0	$0	$0	$0	$0
Office Equipment @ $2,021 /$0	**$ 2,021**	$0	$0	$0	$0	$0	$0	$0	$0
Telephone Base (Annual)	**$ 369.6**	$0	$0	$0	$0	$0	$0	$0	$0
Subtotal Operating		$0	$0	$0	$0	$0	$0	$0	$0
GRAND TOTAL ALL COSTS		**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**

Account for Pay Date Shift, no salary payment in June

CHANGE REQUEST for FY 08-09 BUDGET REQUEST CYCLE

Department:	Natural Resources/Division of Reclamation, Mining and Safety
Priority Number:	14 of 18
Change Request Title:	Durango Office Leased Space Funding

SELECT ONE (click on box):

☒Decision Item FY 08-09
☐Base Reduction Item FY 08-09
☐Supplemental Request FY 07-08
☐Budget Request Amendment FY 08-09

SELECT ONE (click on box):

Supplemental or Budget Request Amendment Criterion:
☒Not a Supplemental or Budget Request Amendment
☐An emergency
☐A technical error which has a substantial effect on the operation of the program
☐New data resulting in substantial changes in funding needs
☐Unforeseen contingency such as a significant workload change

Short Summary of Request:

The request is for an additional 297 square feet of leased space and a rate increase to $18.38 per square foot, in order to relocate the Division of Reclamation, Mining and Safety's (hereafter referred to as "the Division") Durango field office to a nearby location by July 1, 2008. The increased space is required to accommodate one additional FTE, storage space for office/field equipment and a meeting area for use with the public/mine operators. The cost of a multiuse network (MNT) circuit to the new location is estimated to require additional spending authority of $9,772, to be shown on the MNT line in the Executive Director's Office for the department.

Background and Appropriation History:

The Division has had a regional office in Durango since the late 1980's. It provides valuable time efficiency and cost avoidance by placing regulatory and abandoned mine project staff in closer proximity to mines, operators and the general public in the southwestern Colorado region (Exhibit A shows active metal/construction materials mines in Colorado and the "yellow/green" region is the area covered by the Durango Office staff). The Durango field office space is required to relocate and expand to a new location within town as of July 1, 2008 due to (1) a new landlord who purchased the building in February 2007 and who is converting the building to consolidate only educational agencies in a "one-stop" location for Durango, and (2) the addition of one additional FTE in the office and the need for additional storage/meeting space. The Division's lease in the current building ends on June 30, 2008 and the new owner will not be accepting an extension on that lease. An additional 297 square feet above the current 527 square feet will accommodate a total of 4.0 FTE, office and field equipment storage space and a small area to meet with the public or mine operators. This will provide 206 square feet per FTE, which is on the low end of the "acceptable" range (205-232 rentable square feet) of space efficiency standards established by the Office of the State Architect/Real Estate Program's standards.

General Description of Request:

The current Durango office lease funding is for 527 square feet at $16.71 per square foot. This space held three Minerals and Coal Regulatory FTE at an average open office layout of 120 sq ft for each FTE and 167 sq ft to accommodate an office printer, Xerox machine, supply cabinets, and topographic map storage/work area. Field equipment (surveying equipment, shovels and pick-axes, water quality test supplies, and core sample equipment) was primarily stored in FTE offices. The office also lacked a small area to meet with public or mine operator visitors. An opportunity to locate an Inactive Mine Reclamation Program FTE to Durango arose in 2008, which aligned with the program's goal to regionally position IMRP FTE across historic mining districts in anticipation of a federal grant expansion of an additional $30 million for Colorado between FY09 and FY15. Regional distribution of staff provides more efficient project management by reducing staff travel time (versus traveling from Denver) and allows direct access to local cooperative groups that assist with project planning and implementation. An assessment of additional square footage needed to accommodate the new FTE, storage and meeting space resulted in a request for 297 additional square feet for a total of 824 sq ft in a new location. A survey of current office lease rates shown in a Durango newspaper[1] shows a range of annual lease rates from $13 (in Bayfield 20 miles east of Durango) to $22 per square foot (in the Durango town center). The request is based on a mid-range rate of $18.38 per square foot, which enables the division to vie for space in Durango's town center at a time when oil, gas and uranium companies are expanding in the area. The Division prefers to find space within Durango's town center in order to increase the

[1] Durango commercial office lease rates surveyed by contacting classified advertising listings in the Durango Herald on September 4, 2007.

chance of co-locating with other state agencies and to enable staff to be in closer proximity to other federal/local government offices and staff resources (post office, supplies vendors, and copy center). Lease rates are higher in the town center.

MNT circuit rate to Durango for a T1 – 1 megabyte UBR line is currently $535.93 per month, plus an associated monthly rate of $190 for the Denver connection (to 1313 Sherman Street). Installation of the circuit costs $1,060. Spending authority for FY09 for MNT costs totals $9,772 (see Calculations Assumptions (F) below for source.) If a co-location opportunity enables the MNT costs to be shared with another state agency, this spending authority will be reduced through the Supplemental process.

Consequences if Not Funded:

If the $6,340 in additional leased space funding is not approved, space will need to be found within the current budget of $8,806 (for 527 sq ft at $16.71/sq ft). This may result in decreasing the already limited square footage in order to fit a higher rental rate within the total funding of $8,806. This may create unworkable conditions for 4 FTE causing someone to relocate back to the Denver office and may also require lease of off-site storage for field equipment. If only larger square footage offices are found (527 is not an attractive office size for typical small business needs; therefore few buildings are delineated into spaces that small), staff may be forced to find space with a lower lease rate in order to fit within total funding. Spaces with lower lease rates are more common outside of Durango town center, creating a less convenient location for staff and customers.

Calculations for Request:

Summary of Request FY 08-09	**Total Funds**	**General Fund**	**Cash Funds**	**Cash Funds Exempt**	**Federal Funds**	**FTE**
Total Request	$16,112	$0	$12,084	$0	$4,028	0.0

Summary of Request FY 08-09	Total Funds	General Fund	Cash Funds	Cash Funds Exempt	Federal Funds	FTE
(1) Exec Director’s Office (A) Admin and Information Technology Leased Space Increase in cash and federal funds spending authority.	$6,340	$0	$4,755	$0	$1,585	0.0
(1) Exec Director’s Office (A) Admin and Information Technology Multiuse Network Increase in cash and federal funds spending authority.	$9,772	$0	$7,329	$0	$2,443	0.0

Summary of Request FY 09-10	Total Funds	General Fund	Cash Funds	Cash Funds Exempt	Federal Funds	FTE
Total Request	$15,052	$0	$11,289	$0	$3,763	0.0
(1) Exec Director’s Office (A) Admin and Information Technology Leased Space Increase in cash and federal funds spending authority.	$6,340	$0	$4,755	$0	$1,585	0.0
(1) Exec Director’s Office (A) Admin and Information Technology Multiuse Network Increase in cash and federal funds spending authority.	$8,712	$0	$6,534	$0	$2,178	0.0

Calculation of Additional Space Requirements at $21/sq ft Lease Rate

	Sq Ft references: 3’ x 3’ sized area = 9 sq ft 4’ x 4’ sized area = 16 sq ft 9’ x 9’ sized area = 81 sq ft 10’ x 10’ sized area = 100 sq ft	Current Square Footage	New Square Footage Requirements	Difference in sq ft = Requested Sq Ft and $ Amount	See Assumptions for notes listed below
1	4 FTE offices with partitions	120 sq ft x 3 = 360	100 sq ft x 4 = 400	40	(A) Calculation-individual staff office sq ft x 4 FTE
2	Public reception area	0	81	81	(B)
3	Copier/printer/fax/print server area	20	36	16	(B)
4	File cabinets/map storage/work table area	27	49	22	(B)
5	Field equipment storage cabinets area	12 (most equipment kept in staff offices now)	36	24	(B)
6	Office supplies cabinets	10	16	6	(B)
7	Coffee/microwave area	10	16	6	(B)
8	**Subtotal – Base Square Footage**	**439**	**634**	**195**	**Calculation-sum of lines 1-7**
9	20% circulation factor = walkways/doorways within office	82	127	39	(C) Calculation-20% of line 8

	Sq Ft references: 3' x 3' sized area = 9 sq ft 4' x 4' sized area = 16 sq ft 9' x 9' sized area = 81 sq ft 10' x 10' sized area = 100 sq ft	Current Square Footage	New Square Footage Requirements	Difference in sq ft = Requested Sq Ft and $ Amount	See Assumptions for notes listed below
10	10% rentable square footage factor (landlords utilize "rentable square footage" factors to spread costs of common areas across tenants[2])	0	63	63	(D) Calculaton-10% of line 8
11	**Total – Rentable Square Footage**	**527 sq ft**	**824 sq ft**	**297 sq ft**	**Calculation-sum of lines 8-10**
12	**Lease Rate**	**$16.71/sq ft**	**$18.38/sq ft**		**(E)**
13	**Total Cost (rounded)**	**$8,806**	**$15,146**	**$6,340**	**Calculation-line 11 multiplied by line 12 / New sq ft cost minus current**
14	IMRP Funding Source Percentage: 1 FTE = 25% of 4 total FTE			$1,585 Federal funds	Calculation-25% of line 13
15	Minerals Funding Source Percentage: 3 FTE = 75% of 4 total FTE			$4,755 Cash funds/ Severance tax revenue	Calculation-75% of line 13
16	Multiuse Network (MNT) circuit to new office location – installation and monthly cost.			New installation = **$1,060** (FY09 only) Monthly cost = **$8,712**	(F) Calculation of monthly cost = $535.93 + $190 per month x 12 (rounded to nearest whole $)

[2] Office of the State Architect/Real Estate Program defines "rentable square feet" as usable square feet plus a percentage of the common areas on the floor, including hallways, bathrooms, telephone closets, etc. Rentable square footage is the number of square feet on which a tenant's rent is based.

Assumptions for Calculations:	(A) Individual partitioned office space per FTE based on 100 sq ft per person per Office of State Architecture standards. (B) New space requirements were measured by current staff taking into consideration space needs for current equipment and cabinets, space for additional storage space needed and for new space for public meeting area. (C) and (D) Circulation factor provides allowance for walkways/doorways within the office areas that are unusable for office or storage spaces; rentable square footage factor is a standard office space allowance to distribute cost of common areas (floor hallways, common bathrooms, telephone/electrical closets, etc.) to all tenants. (E) $18.38 lease rate, from current rates ranging from $13-$22/sq ft (http://officespace.com/index-flash.cfm), is used on new space calculation as a mid-range value (10 percent increase over current rate) for office space located within Durango's town-center. (F) MNT costs are not currently paid by DRMS in the Durango Office; therefore, connectivity to a new office is shown entirely as new costs. MNT circuit rate for a T-1, 1 megabyte, UBR line to Durango is currently $535.93/month with an associated charge of $190/month for connection to 1313 Sherman Street, Denver main office. The installation cost for the new line is $1,060 and is shown in FY08-09 only. This information was provided by DPA/MNT staff on September 4, 2007. The cost of the router will be aborbed by the division.
Impact on Other Government Agencies:	Associated spending authority for MNT costs needs to be shown in Department of Personnel and Administration's section of the Long Bill.

<u>Cost Benefit Analysis</u>:

<table>
<tr><td>Total Cost = $16,112</td><td colspan="2">Total Benefits = $34,380</td></tr>
<tr><td rowspan="2"></td><td colspan="2">Benefits are based on costs avoided with the increased leased space funding, which ensures all 4 FTE can remain in Durango versus relocating 1 FTE back to Denver and also avoiding lease of off-site storage space for field equipment/supplies.</td></tr>
<tr><td>Staff Transit Time from Denver
Avoidance of 600 miles round-trip and 8 hours staff transit time for 1 FTE to travel from Denver for 5 mine site inspections per month:
--600 miles x 5 trips x $0.36 per mile x 9 months/year = <u>$9,720</u>
--12 hours (round trip) x 5 trips/month x $45/hr staff salary/fringe rate x 9 months/year = <u>$24,300</u></td><td>Lease off-site storage space
Avoid cost of $30 per month to lease off-site storage space (rate per storage vendor contacted in Durango) for equipment as current or reduced space sq ft is inadequate for all supplies:

--$30 x 12 months = <u>$360</u></td></tr>
<tr><td>Benefit/Cost Ratio:
$34,380/$16,112 = 2.1</td><td colspan="2">Costs avoided by relocating 1 FTE to the Durango office would be realized in the federally funded Inactive Mine Reclamation Program and redirected to abandoned mine project costs.</td></tr>
</table>

<u>Implementation Schedule</u>:

Task	Month/Year
Begin search for new office space – enlist commercial real estate broker services if needed.	December 2007-January 2008
Negotiate lease and finalize signed contract.	By May 2008
Route lease contract through state contract approval process.	May-June 2008
Relocate to new office.	July 2008

<u>Statutory and Federal Authority</u>: **Dept of Personnel Responsibilities - Acquisition of Space 24-30-1303(1), C.R.S. [2007]**

(h) Develop, or cause to be developed, with the approval of the governor, specific standards relating to office space, to architectural, structural, mechanical, and electrical systems in such office space, and to energy conservation in such office space, except in higher education as provided in section 23-1-106, C.R.S. [2007], which shall be the basis for approving facilities master plans, facility program plans, schematic designs, design development phases, and construction documents relating to the lease, acquisition, or construction of office space; except that such standards shall be approved by the president of the senate and the speaker of the house of representatives when they concern space, systems, or energy conservation in that portion of the capitol buildings group which is under the jurisdiction of the general assembly.

Severance Tax Statutes 39-29-109 (1) (a), C.R.S. [2007] – *There is hereby created in the office of the state treasurer the severance tax trust fund. The fund is to be perpetual and held in trust as a replacement for depleted natural resources and for the development and conservation of the state's water resources pursuant to sections 37-60-106 (1) (j) and (1) (1), 37-60-119, and 37-60-122, C.R.S [2007]., and for the use in funding programs that promote and encourage sound natural resource planning, management, and development related to minerals, energy, geology, and water. State severance tax receipts shall be credited to the severance tax trust funds as provided in section 39-29-108 [2007].*

(II) The operational account. One-half of the severance tax receipts credited to the severance tax trust fund for tax years commending on and after July 1, 1995, shall be credited to the operational account of the severance tax trust fund and used to fund programs established within the Colorado oil and gas conservation commission, the Colorado geological survey, the division of reclamation, mining and safety, and the Colorado water conservation board that promote and encourage sound natural resource planning, management, and development related to minerals, energy, geology, and water, as set forth in paragraph (c) of this subsection (1).

(C) The programs within the division of reclamation, mining and safety, up to thirty percent of the moneys in the operational account. As part of such thirty percent, five hundred thousand dollars, or so much as may be available, shall be transferred to the abandoned mine reclamation fund created in section 34-34-102, C.R.S. [2007].

Performance Measures:

Performance Measure	Outcome	FY05-06 Actual	FY06-07 Actual	FY07-08 Approp	FY08-09 Request
DRMS-2: Percent of permits in regulatory compliance as measured by violations as determined by the Mined Land Reclamation Board and the division.	Benchmark	100%	100%	100%	100%
	Actual	95%	94%	100%	100%
Maintaining a regional staff presence provides staff time efficiencies that can be applied to mine inspection/enforcement activities in order to maintain the compliance target rates shown here. Without the approval of this change request staff may be relocated to Denver and the program will have less of a field presence. This could lead to less compliance among producers and an increase in permits found to be in violation.					

Schedule 13
Change Request for FY 08-09 Budget Request Cycle

Decision Item FY 08-09 ☑ **Base Reduction Item FY 08-09** ☐ **Supplemental FY 07-08** ☐ **Budget Request Amendment FY 08-09** ☐

Request Title: Inactive Mine Reclamation Program Expansion - Informational Change

Department: Natural Resources **Dept. Approval by:** **Date:**

Priority Number: 15 of 18 **OSPB Approval:** **Date:**

	Fund	1 Prior-Year Actual FY 06-07	2 Appropriation FY 07-08	3 Supplemental Request FY 07-08	4 Total Revised Request FY 07-08	5 Base Request FY 08-09	6 Decision/ Base Reduction FY 08-09	7 November 1 Request FY 08-09	8 Budget Amendment FY 08-09	9 Total Revised Request FY 08-09	10 Change from Base (Column 5) FY 09-10
Total of All Line Items	Total	3,649,000	5,020,204	0	5,020,204	5,783,723	408,265	6,191,988	0	6,191,988	410,902
	FTE	12.4	12.4	0.0	12.4	12.4	6.0	18.4	0.0	18.4	6.0
	GF	988,656	642,689	0	642,689	868,006	0	868,006	0	868,006	0
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	227,908	797,359	0	797,359	1,011,194	0	1,011,194	0	1,011,194	0
	CFE	1,734,808	2,545,859	0	2,545,859	2,791,566	0	2,791,566	0	2,791,566	0
	FF	697,628	1,034,297	0	1,034,297	1,112,957	408,265	1,521,222	0	1,521,222	410,902
(1) Executive Director's Office	Total	659,938	1,078,513	0	1,078,513	1,460,124	5,265	1,465,389	0	1,465,389	5,265
(A) Administration and	FTE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Information Technology	GF	233,748	232,658	0	232,658	343,282	0	343,282	0	343,282	0
Amortization	GFE	0	0	0	0	0	0	0	0	0	0
Equalization	CF	82,632	262,590	0	262,590	366,630	0	366,630	0	366,630	0
Disbursement	CFE	295,277	469,702	0	469,702	618,667	0	618,667	0	618,667	0
	FF	48,281	113,563	0	113,563	131,545	5,265	136,810	0	136,810	5,265
(1) Executive Director's Office	Total	0	214,102	0	214,102	470,332	2,468	472,800	0	472,800	1,646
(A) Administration and	FTE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Information Technology	GF	0	41,546	0	41,546	119,367	0	119,367	0	119,367	0
Supplemental	GFE	0	0	0	0	0	0	0	0	0	0
Amortization	CF	0	51,042	0	51,042	120,816	0	120,816	0	120,816	0
Equalization	CFE	0	97,855	0	97,855	192,146	0	192,146	0	192,146	0
Disbursement	FF	0	23,659	0	23,659	38,003	2,468	40,471	0	40,471	1,646
(1) Executive Director's Office	Total	2,295,586	2,372,285	0	2,372,285	2,450,580	6,240	2,456,820	0	2,456,820	18,720
(A) Administration and	FTE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Information Technology	GF	754,908	368,485	0	368,485	405,357	0	405,357	0	405,357	0
Vehicle Lease	GFE	0	0	0	0	0	0	0	0	0	0

Schedule 13
Change Request for FY 08-09 Budget Request Cycle

Decision Item FY 08-09 ☑ **Base Reduction Item FY 08-09** ☐ **Supplemental FY 07-08** ☐ **Budget Request Amendment FY 08-09** ☐

Request Title: Inactive Mine Reclamation Program Expansion - Informational Change

Department: Natural Resources **Dept. Approval by:** **Date:**

Priority Number: 15 of 18 **OSPB Approval:** **Date:**

	Fund	1 Prior-Year Actual FY 06-07	2 Appropriation FY 07-08	3 Supplemental Request FY 07-08	4 Total Revised Request FY 07-08	5 Base Request FY 08-09	6 Decision/ Base Reduction FY 08-09	7 November 1 Request FY 08-09	8 Budget Amendment FY 08-09	9 Total Revised Request FY 08-09	10 Change from Base (Column 5) FY 09-10
Payments	CF	130,000	483,727	0	483,727	522,699	0	522,699	0	522,699	0
	CFE	1,373,617	1,478,540	0	1,478,540	1,480,991	0	1,480,991	0	1,480,991	0
	FF	37,061	41,533	0	41,533	41,533	6,240	47,773	0	47,773	18,720
(2) Division of Reclamation,	Total	693,476	1,355,304	0	1,355,304	1,402,687	394,292	1,796,979	0	1,796,979	385,271
Mining and Safety	FTE	12.4	12.4	0.0	12.4	12.4	6.0	18.4	0.0	18.4	6.0
(B) Inactive Mines	GF	0	0	0	0	0	0	0	0	0	0
Program Costs	GFE	0	0	0	0	0	0	0	0	0	0
	CF	15,276	0	0	0	1,049	0	1,049	0	1,049	0
	CFE	65,914	499,762	0	499,762	499,762	0	499,762	0	499,762	0
	FF	612,286	855,542	0	855,542	901,876	394,292	1,296,168	0	1,296,168	385,271

Letternote revised text: N/A

Footnote text: *Department of Natural Resources, Division of Reclamation, Mining and Safety, (B) Inactive Mines -- It is the intent of the General Assembly to delete all or a portion of 6 FTE from this line after FY2014-15 in an anticipated decrease in federal funding from the U.S. Department of the Interior, Office of Surface Mining occurs.*

Cash Fund name/number, Federal Fund Grant name: Federal Funds: U.S. Department of the Interior, Office of Surface Mining - Abandoned Mine Land Program

IT Request: ☐ **Yes** ☑ **No**

Request Affects Other Departments: ☑ **Yes** ☐ **No** **If Yes, List Other Departments Here:** Dept of Personnel-State Fleet Management

OSPB Common Policy for FTE Requests - September 2007

		FTE and Operating Costs						GRAND TOTAL	
Fiscal Year(s) of Request		**FY 08-09**	**FY 09-10**	**FY 08-09**	**FY 09-10**	**FY 08-09**	**FY 09-10**	**FY 08-09**	**FY 09-10**
PERSONAL SERVICES	**Title:**	**Envir Protection Spec II**		**IT Professional II**		**Program Asst I**			
Number of PERSONS / class title		4.0	4.0	1.0	1.0	1.0	1.0		
Number of months working in FY 08-09 and FY 09-10		12	12	12	12	12	12		
Number months paid in FY 08-09 and FY 09-10*		12	12	12	12	12	12		
Calculated FTE per classification		**4.00**	**4.00**	**1.00**	**1.00**	**1.00**	**1.00**	6.00	6.00
Annual base salary		$59,664	$59,664	$54,528	$54,528	$35,928	$35,928		
Salary		$238,656	$238,656	$54,528	$54,528	$35,928	$35,928	$329,112	$329,112
PERA	**10.15%**	$24,224	$24,224	$5,535	$5,535	$3,647	$3,647	$33,406	$33,406
Medicare	**1.45%**	$3,461	$3,461	$791	$791	$521	$521	$4,773	$4,773
Prior Year SAED	**N/A**	$0	$1,790	$0	$409	$0	$269	$0	$2,468
Subtotal Personal Services at Division Level		**$266,341**	**$268,131**	**$60,854**	**$61,263**	**$40,096**	**$40,365**	**$367,291**	**$369,759**
Subtotal AED at EDO Long Bill Group Level	**1.60%**	**$3,818**	**$3,818**	**$872**	**$872**	**$575**	**$575**	**$5,265**	**$5,265**
Subtotal SAED at EDO Long Bill Group Level	**Varies**	**$1,790**	**$1,193**	**$409**	**$273**	**$269**	**$180**	**$2,468**	**$1,646**
Department Specific Average Cost for HLD / Employee**		$0	$0	$0	$0	$0	$0		
Subtotal for Health, Life, Dental (if over 20 FTE)	**N/A**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
Subtotal for Short Term Disability (if over 20 FTE)	**0.13%**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
OPERATING EXPENSES									
Supplies @ $500/$500***	**$500**	$2,000	$2,000	$500	$500	$500	$500	$3,000	$3,000
Computer @ $690/$0	**$690**	$2,760	$0	$690	$0	$690	$0	$4,140	$0
Office Suite Software @ $294/$0	**$294**	$1,176	$0	$294	$0	$294	$0	$1,764	$0
Office Equipment @ $2,021 /$0	**$2,021**	$8,084	$0	$2,021	$0	$2,021	$0	$12,126	$0
Telephone Base @ $450/$450***	**$450**	$1,800	$1,800	$450	$450	$450	$450	$2,700	$2,700
Leased Vehicles Mileage/Mgmt Fees @ 0.223 x 3,667 miles x 4 vehicles / 0.223 x 11,000 miles x 4 vehicles	**$0.223**	$3,271	$9,812	$0	$0	$0	$0	$3,271	$9,812
Subtotal Operating Expenses		**$19,091**	**$13,612**	**$3,955**	**$950**	**$3,955**	**$950**	**$27,001**	**$15,512**
LEASED VEHICLE Leasing Cost-- @ $390/mo x 4 vehic									
Subtotal Leased Vehicle Leasing Costs (4 mo's/12 mo's)	**$ 390**	**$6,240**	**$18,720**	**$0**	**$0**	**$0**	**$0**	**$6,240**	**$18,720**
GRAND TOTAL ALL COSTS		**$297,280**	**$305,474**	**$66,090**	**$63,358**	**$44,895**	**$42,070**	**$408,265**	**$410,902**

*Initial year full salary is 11 months to account for Pay Date Shift for GF FTE.

**Estimated Health Life and Dental and Short Term Disability costs cannot be claimed for under 20 Requested FTE. If claiming more than 20 FTE for Health Life and Dental please use the agency average in your calculation as a placeholder. For Short Term Disability please use 0.13%

***The $450 for Telephone Base and $500 for Supplies will carry over each year as an acceptable expense.

**** Other non-routine expenses such as Fleet, Leased space, or a laptop must be separately defended and calculated. Please provide documentation to justify these requested costs.

Please note, if a requested employee does not begin until FY 09-10, then this employee should be requested in its own set of FY 08-09 / FY 09-10 columns. This is essential for the SAED calculation to work properly.

CHANGE REQUEST for FY 08-09 BUDGET REQUEST CYCLE

Department:	Natural Resources/Division of Reclamation, Mining and Safety
Priority Number:	15 of 18
Change Request Title:	Inactive Mine Reclamation Program Expansion – Informational Change

SELECT ONE (click on box):

☒ Decision Item FY 08-09
☐ Base Reduction Item FY 08-09
☐ Supplemental Request FY 07-08
☐ Budget Request Amendment FY 08-09

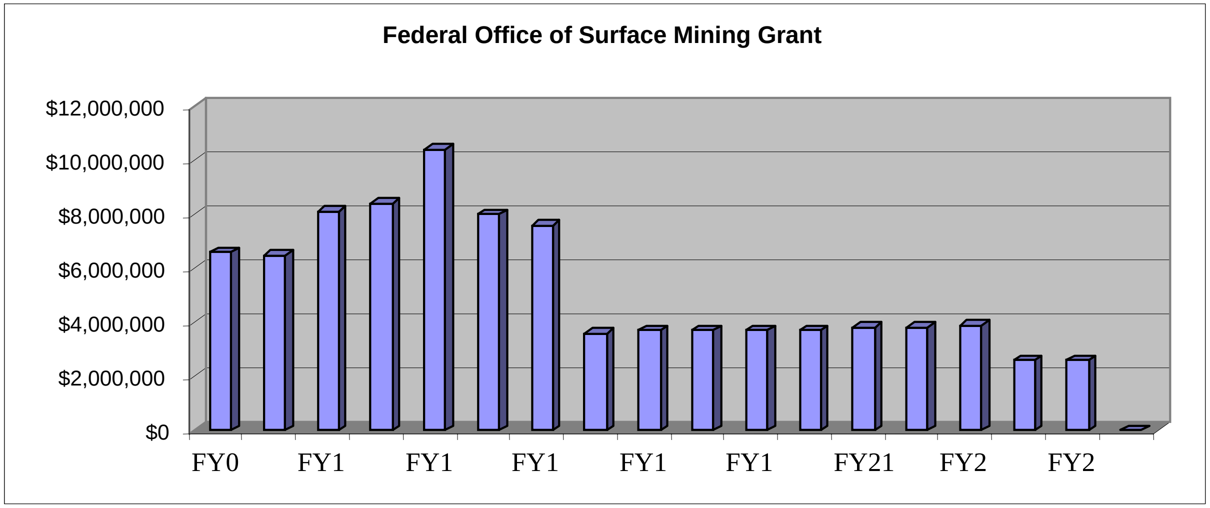
SELECT ONE (click on box):

Supplemental or Budget Request Amendment Criterion:

☒ Not a Supplemental or Budget Request Amendment
☐ An emergency
☐ A technical error which has a substantial effect on the operation of the program
☐ New data resulting in substantial changes in funding needs
☐ Unforeseen contingency such as a significant workload change

Short Summary of Request: The purpose of this request is to change the information that's shown in the state Spending Appropriations/Long Bill for the Inactive Mine Reclamation Program (hereafter referred to as "the Program") to show an additional 6.0 FTE and $408,265 federal funds due to federal grant increases to the program from FY08-09 through FY14-15. No state match is required for acceptance of these federal funds. A Long Bill notation is requested on the new FTE to indicate the funding for those FTE will end at the conclusion of FY2014-15.

Background and Appropriation History: The Program has annually received $2.4 million per year, which is funded from reclamation fees paid by active coal mines, to safeguard abandoned mine openings and address other conditions at sites that were mined prior to statutory mining regulations passed in 1977. The "Program Expenses" line in the Long Bill shows all FTE and administrative costs for the Program – non-appropriated federal multi-year project funding is not shown. In December 2006, the U.S. Congress passed and the President signed comprehensive legislation reauthorizing the Abandoned Mine Land (AML) program under Title IV of the Surface Mining Control and Reclamation Act of 1977 (SMCRA). The legislation provides for states to receive federal appropriations that were retained at the federal level for the last 25 years, which will bring close to an additional $30 million to Colorado's Program between 2008 and 2014; the federal funding will end in 2025. The chart below shows the projected funding range through 2025.



The funding is prioritized for use on abandoned sites related to historic coal mining, so projects to address coal mine fires and mine subsidence (foundation problems for residential housing areas built over underground coal mines) will be emphasized.

<u>General Description of Request</u>:

The Program's plan for the additional federal funding has projected a need for 6.0 additional FTE -- 4 technical project staff, 1 administrative staff to support the realty specialist, grants officer and contracts processor, and 1 GIS/data specialist to assist staff with mobile computing, GIS mapping and data records on each project. Specializations in soil/plant ecology, revegetation/range science, geology, hydrology, geotechnical engineering or natural resources management will be sought for the 4 technical project managers. The Program believes a greater staff cohesion and stability will be achieved by hiring full-time state FTE rather than purchasing contractual services. There is a high probability that the new hires will be well positioned to move into vacancies that will be created by retirements that will occur within 5-10 years in the Program or in the Coal and Minerals regulatory programs. Applicants for the new positions will be notified of the 7 year duration of the funding for the positions through the job announcement and interview process.

Consequences if Not Funded:

If the FTE and associated costs are not approved, Colorado risks losing a portion of the additional federal funds due to not having sufficient numbers of staff to process projects within time limits of the federal funds. This would result in the loss of an opportunity to address an estimated 65 percent more abandoned mine sites over seven years. Colorado currently has a backlog of known sites that includes nearly 17,000 abandoned mine openings, 33 coal mine fires and 50,000 acres of developed or prospective housing development over underground coal mines at risk of subsidence. The sites continue to pose public health and safety issues, especially as population centers are expanding closer to historic mining areas.

Calculations for Request:

Summary of Request FY 08-09	**Total Funds**	**General Fund**	**Cash Funds**	**Cash Funds Exempt**	**Federal Funds**	**FTE**
Total Request	$408,265	$0	$0	$0	$408,265	6.0
(2) (B) Inactive Mines --Program Costs Federal funding increase and 6 new FTE.	$402,025	$0	$0	$0	$394,292	6.0
(1) (A) EDO – Admin & IT – Amortization Equalization Disbursement					$5,265	0.0
(1) (A) EDO – Admin & IT – Supplemental Amortization Equalization Disbursement					$2,468	0.0
(1) (A) EDO – Admin & IT – Vehicle Lease Payments Add 4 months of funding for leasing 4 new vehicles.	$6,240	$0	$0	$0	$6,240	0.0

Summary of Request FY 09-10	Total Funds	General Fund	Cash $0Funds	Cash Funds Exempt	Federal Funds	FTE
Total Request	$410,902	$0	$0	$0	$410,902	6.0
(2) (B) Inactive Mines--Program Costs Federal funding increase and 6 new FTE.	$392,182	$0	$0	$0	$385,271	6.0
(1) (A) EDO – Admin & IT – Amortization Equalization Disbursement					$5,265	0.0
(1) (A) EDO – Admin & IT – Supplemental Amortization Equalization Disbursement					$1,646	0.0
(1) (A) EDO – Admin & IT – Vehicle Lease Payments – Add 12 months of funding for leasing 4 new vehicles.	$18,720	$0	$0	$0	$18,720	0.0

Calculations for Personal Services and Associated Costs

FTE, Operating, and Leased Vehicles Costs								*GRAND TOTAL*	
Fiscal Year(s) of Request		**FY 08-09**	**FY 09-10**	**FY 08-09**	**FY 09-10**	**FY 08-09**	**FY 09-10**	**FY 08-09**	**FY 09-10**
PERSONAL SERVICES	**Title:**	**Envir Protect Spec II**		**IT Professional II**		**Program Asst I**			
Number of PERSONS / class title		4.0	4.0	1.0	1.0	1.0	1.0		
Number of months working in FY 08-09 and FY 09-10		12	12	12	12	12	12		
Number months paid in FY 08-09 and FY 09-10*		12	12	12	12	12	12		
Calculated FTE per classification		**4.00**	**4.00**	**1.00**	**1.00**	**1.00**	**1.00**	6.00	6.00
Annual base salary		$59,664	$59,664	$54,528	$54,528	$35,928	$35,928		
Salary		$238,656	$238,656	$54,528	$54,528	$35,928	$35,928	$329,112	$329,112
PERA	**10.15%**	$24,224	$24,224	$5,535	$5,535	$3,647	$3,647	$33,406	$33,406
Medicare	**1.45%**	$3,461	$3,461	$791	$791	$521	$521	$4,773	$4,773
Prior Year SAED	**N/A**	$0	$1,790	$0	$409	$0	$269	$0	$2,468
Subtotal Personal Services at Division Level		**$266,341**	**$268,131**	**$60,854**	**$61,263**	**$40,096**	**$40,365**	**$367,291**	**$369,759**

Subtotal AED at EDO Long Bill Group Level	**1.60%**	**$3,818**	**$3,818**	**$872**	**$872**	**$575**	**$575**	**$5,265**	**$5,265**
Subtotal SAED at EDO Long Bill Group Level	**Varies**	**$1,790**	**$1,193**	**$409**	**$273**	**$269**	**$180**	**$2,468**	**$1,646**
FTE, Operating, and Leased Vehicles Costs								***GRAND TOTAL***	
Fiscal Year(s) of Request		**FY 08-09**	**FY 09-10**	**FY 08-09**	**FY 09-10**	**FY 08-09**	**FY 09-10**	**FY 08-09**	**FY 09-10**
Department Specific Average Cost for HLD / Employee**		$0	$0	$0	$0	$0	$0		
Subtotal for Health, Life, Dental (if over 20 FTE)	**N/A**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
Subtotal for Short Term Disability (if over 20 FTE)	**0.13%**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
OPERATING EXPENSES									
Supplies @ $500/$500***	**$500**	$2,000	$2,000	$500	$500	$500	$500	$3,000	$3,000
Computer @ $690/$0	**$690**	$2,760	$0	$690	$0	$690	$0	$4,140	$0
Office Suite Software @ $294/$0	**$294**	$1,176	$0	$294	$0	$294	$0	$1,764	$0
Office Equipment @ $2,021 /$0	**$2,021**	$8,084	$0	$2,021	$0	$2,021	$0	$12,126	$0
Telephone Base @ $450/$450***	**$450**	$1,800	$1,800	$450	$450	$450	$450	$2,700	$2,700
Leased Vehicle Mileage Costs Mileage/Management Fees @ 0.223 per mile x 3,667 miles (FY09=4 months of mileage for "individually assigned" vehicles) / for 11,000 miles (FY10=12 months of mileage)	$0.223/ mile	$3,271	$9,812					$3,271	$9,812
Subtotal Operating Expenses		**$19,091**	**$13,612**	**$3,955**	**$950**	**$3,955**	**$950**	**$27,001**	**$15,512**
Subtotal - LEASED VEHICLE – leasing costs Monthly Lease Cost @ $390 lease rate per month x 4 months (FY09)/12 months (FY10)	**$390**	**$6,240**	**$18,720**					**$6,240**	**$18,720**
GRAND TOTAL ALL COSTS		**$297,280**	**$305,474**	**$66,090**	**$63,358**	**$44,895**	**$42,070**	**$408,265**	**$410,902**

<u>Assumptions for Calculations</u>:	Salary costs are based on FY2008-09 range minimum levels. Amortization Equalization Disbursement (AED) and Supplemental Amortization Equalization Disbursement (SAED) rates are based on the FY08-09 Common Policies of the Governor's Office of Budget and Planning.. Vehicle monthly lease rate of $390 is an estimate for lease of a sports utility vehicle (SUV) style vehicle with an off-road/tow package based on FY07-08 rates for a similar package. New vehicles are ordered in the fall of the funding year and delivered by March of that same fiscal year; therefore, the first year's vehicle lease cost is based on 4 months of lease payments (and a full 12 months for the following fiscal year). Mileage/management fees are based on FY07-08 rates. Operating costs per FTE requested are based on the FY08-09 Common Policies of the Governor's Office of Budget and Planning.
<u>Impact on Other Government Agencies:</u>	Dept of Personnel and Administration – State Fleet Management: Need to inform State Fleet Management to order 4 new vehicles (K1 or K2 body style with off-road/tow hitch package) to be received by spring of 2009; funding source is 100% federal funds.

COSTS = $408,265, 6.0 FTE	BENEFITS – 130 additional openings/surface damage sites addressed and 1-2 additional coal mine fire/subsidence abatement sites completed per year. ***<u>Key Assumption for New FTE</u>: 6.0 new FTE will allow program to maintain project schedules within federal funding deadlines and not jeopardize losing any of the additional $30 million that is available to Colorado's Program over 7 years.***

Assumptions and Calculations for Benefits

STATUS QUO = $2,400,000 per year OSM federal funding	WITH REQUESTED FTE and ADDITIONAL FUNDING **$3,085,714 per year of additional OSM federal funding ($30 mill/7 years minus $1.2 mill salaries, operating, travel, etc/year)**
Current FTE Usage: 13.8 FTE total 4.0 - Administrative staff 1.8– Severance tax, other federally funded and forfeiture projects 1.0 – Coal mine fires/subsidence abatement 7.0 - Safeguarding mine openings and resolving surface damages	Requested FTE Usage: 19.8 FTE total 6.0 - Administrative and GIS staff 1.8 - Severance tax, other federally funded and forfeiture projects 2.0 – Coal mine fires/subsidence abatement 10.0 – Safeguarding mine openings/surface damage
200 openings/surface damage projects per year [$2,000-$10,000 per opening/surface project] $1,200,000/year (1) 7.0 FTE	330 openings/surface damage projects per year -- **65% increase** [130 additional sites per year] $1,985,714 [additional $785,714/year = 30% of total additional annual funding (2)] 10.0 FTE [43% increase]
1-2 Partial coal fire/Mine subsidence abatement projects per year $200,000/year per each type of project is incremental funding on medium to larger sites—need to continuously fund through several grant cycles to complete] $400,000 per year (1) 1.0 FTE	2-4 Complete coal mine fires/subsidence abatement projects = **100% increase** (can grout/seal approx 10 small mine fire sites for $2.8 mill) $2,700,000 [additional $2,300,000/year = 70% of total additional annual funding (2)] 2.0 FTE [100% increase]
(1) Breakdown of current Annual Grant of $2,400,000 received annually: --$800,000 for salaries, travel, operating, overhead, etc.	(2) Additional federal funding is required to be spent primarily on coal mining related abandoned sites; therefore an estimated 70/30 split will be targeted for proportional spending on coal versus non-

--$400,000 for coal mine fires/subsidence projects --$1,200,000 for abandoned openings/surface damage projects	coal sites.

Implementation Schedule:

Task	**Month/Year**
Perform required personnel steps for hiring new FTE – submit job announcement for 6 positions.	May-June 2008
2008 (starting year) Federal Grant arrives	July 1, 2008
Hire new FTE.	July 2008
Purchase computers and cell phones for new FTE.	July 2008
Provide training for new FTE (depending on experience level).	July-August 2008
Research new project requirements for National Environmental Policy Act (NEPA) and real estate/land owner notification (existing staff)	July 2008 – April 2009
Project construction field seasons – 3-5 years per federal grant allocation	May-November 2009, May-October 2010, May-November 2011 (example for federal grant funding that starts July 2008)

Statutory and Federal Authority:

H.R. 6111, Signed December 20, 2006
Tax Relief and Health Care Act of 2006--Division C, Title II, Subtitle A
Surface Mining Control and Reclamation Act Amendments of 2006
SEC. 401. ABANDONED MINE RECLAMATION FUND [30 U.S.C. 1231]
(a) Establishment; administration; State funds.
There is created on the books of the Treasury of the United States a trust fund to be known as the Abandoned Mine Reclamation Fund (hereinafter referred to as the "fund") which shall be administered by the Secretary of the Interior. State abandoned mine reclamation funds (State funds) generated by grants from this title shall be established by each State pursuant to an approved State program. (b) Sources of deposits to fund.
The fund shall consist of amounts deposited in the fund,

(f) GENERAL LIMITATION ON OBLIGATION AUTHORITY.—
(1) IN GENERAL.—From amounts deposited into the fund under subsection (b), the Secretary shall distribute during each fiscal year beginning after September 30, 2007, an amount determined under paragraph (2).
(2) AMOUNTS.—

(A) FOR FISCAL YEARS 2008 THROUGH 2022.—For each of fiscal years 2008 through 2022, the amount distributed by the Secretary under this subsection shall be equal to—(i) the amounts deposited into the fund under paragraphs (1), (2), and (4) of subsection (b) for the preceding fiscal year that were allocated under paragraphs (1) and (5) of section 402(g); plus (ii) the amount needed for the adjustment under section 402(g)(8) for
the current fiscal year.
(B) FISCAL YEARS 2023 AND THEREAFTER.—For fiscal year 2023 and each fiscal year thereafter, to the extent that funds are available, the Secretary shall distribute an amount equal to the amount distributed under subparagraph (A) during fiscal year 2022. areas;
(C) Use of moneys.
Moneys in the fund may be used for the following purposes:(1) reclamation and restoration of land and water resources adversely affected by past coal mining, including but not limited to reclamation and restoration of abandoned surface mine areas, abandoned coal processing areas, and abandoned coal refuse disposal; sealing and filling abandoned deep mine entries and voids; planting of land adversely affected by past coal mining to prevent erosion and sedimentation; prevention, abatement, treatment, and control of water pollution created by coal mine drainage including restoration of stream beds, and construction and operation of water treatment plants; prevention, abatement, and control of burning coal refuse disposal areas and burning coal in situ; prevention, abatement, and control of coal mine subsidence; and establishment of selfsustaining, individual State administered programs to insure private property against damages caused by land subsidence resulting from underground coal mining in those States which have reclamation plans approved in accordance with section 503 of this Act: Provided, that funds used for this purpose shall not exceed $3,000,000 of the funds made available to any State under section 402(g)(1) of this Act;(2) acquisition and filling of voids and sealing of tunnels, shafts, and entryways under section 409; (3) acquisition of land as provided for in this title; (4) enforcement and collection of the reclamation fee provided for in section 402 of this title; (5) restoration, reclamation, abatement, control, or prevention of adverse effects of coal mining which constitutes an emergency as provided for in this title; (6) grants to the States to accomplish the purposes of this title; (7) administrative expenses of the United States and each State to accomplish the purposes of this title; (8) for use under section 411; (9) for the purpose of section 507(c), except that not more than $10,000,000 shall annually be available for such purpose; (10) for the purpose described in section 402(h); and (11) all other necessary expenses to accomplish the purposes of this title.

(1) The office of active and inactive mines is authorized and directed to develop, in accordance with the provision of Title IV of the federal "Surface Mining Control and Reclamation Act of 1977", as amended, and the rules and regulations thereunder, an abandoned mine reclamation program which may provide for, but need not be limited to, the following:

(a) Protection of public health, safety, general welfare, and property from the dangers and adverse effects of past mining practices;

(b) Acquisition, reclamation, and restoration of land and water resources previously degraded by the adverse effects of mining, including measures for the conservation and development of soil, water, woodland, fish and wildlife, recreation and tourism resources, and agricultural productivity;

(c) The protection, repair, replacement, construction, or enhancement of public facilities in communities affected by coal or other energy development.

(2) The office of active and inactive mines is authorized and directed to:

(a) Apply for, receive, and expend grant moneys or other funds for the development, administration, and fulfillment of the requirements of an abandoned mine reclamation program;

(b) Apply for, receive, and expend such funds legally available to Colorado from the abandoned mine reclamation fund established by Title IV of the federal "Surface Mining Control and Reclamation Act of 1977", as amended;

(c) Invite public inspection of, comment on, and involvement in the formulation of the abandoned mine reclamation program;

(d) Submit the abandoned mine reclamation program, after public review, to the secretary for approval and funding;

(e) Amend the approved abandoned mine reclamation program from time to time, after public review of the proposed amendments, as may be necessary or desirable.

<u>Performance Measures:</u>

Performance Measure	Outcome	FY05-06 Actual	FY06-07 Actual	FY07-08 Approp	FY08-09 Request
Percentage of abandoned or forfeited mine sites reclaimed/safeguarded from the effects of past or inactive mining out of a baseline inventory of 23,074 total project units, which is comprised of 23,000 abandoned mines; 33 abandoned coal mine fires; and 41 forfeited sites (under bonded).	Benchmark	1.7%	1.5%	1.5%	2.2%
	Actual	1.3%	1.5%	1.5%	2.2%
This request will allow DRMS to address approximately 924 additional abandoned mine projects (coal mine fires, subsidence issues over underground coal mines, and safeguard abandoned mine openings/surface damage) over 7 years. If the additional FTE and associated costs are not approved, the state risks losing federal funds when staff cannot complete processes for projects within federal funding time limits.					

Schedule 13
Change Request for FY 08-09 Budget Request Cycle

Decision Item FY 08-09 X ☐ **Base Reduction Item FY 08-09** ☐ **Supplemental FY 07-08** ☐ **Budget Request Amendment FY 08-09** ☐

Request Title: Wildlife Management Public Education Advisory Council Education

Department: Natural Resources **Dept. Approval by:** **Date:**

Priority Number: 16 of 18 **OSPB Approval:** **Date:**

	Fund	1 Prior-Year Actual FY 06-07	2 Appropriation FY 07-08	3 Supplemental Request FY 07-08	4 Total Revised Request FY 07-08	5 Base Request FY 08-09	6 Decision/ Base Reduction FY 08-09	7 November 1 Request FY 08-09	8 Budget Amendment FY 08-09	9 Total Revised Request FY 08-09	10 Change from Base (Column 5) FY 09-10
Total of All Line Items	**Total**	61,274,423	62,153,521	0	62,153,521	63,621,295	200,000	63,821,295	0	63,821,295	200,000
	FTE	653.10	555.40	0.00	555.40	555.40	0.00	555.40	0.00	555.40	0.00
	GF	0	0	0	0	0	0	0	0	0	0
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	0	0	0	0	0	0	0	0	0	0
	CFE	52,040,826	51,812,094	0	51,812,094	53,294,910	200,000	53,494,910	0	53,494,910	200,000
	FF	9,233,597	10,341,427	0	10,341,427	10,326,385	0	10,326,385	0	10,326,385	0
(9) Division of Wildlife (A) Division Operations (2) Wildlife Management	**Total**	61,274,423	62,153,521	0	62,153,521	63,621,295	200,000	63,821,295	0	63,821,295	200,000
	FTE	653.10	555.40	0.00	555.40	555.40	0.00	555.40	0.00	555.40	0.00
	GF	0	0	0	0	0	0	0	0	0	0
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	0	0	0	0	0	0	0	0	0	0
	CFE	52,040,826	51,812,094	0	51,812,094	53,294,910	200,000	53,494,910	0	53,494,910	200,000
	FF	9,233,597	10,341,427	0	10,341,427	10,326,385	0	10,326,385	0	10,326,385	0

Letternote revised text: $1,100,000 shall be from the Wildlife Management Public Education Fund established pursuant to Section 33-1-112 (3.5) (a) C.R.S.,

Cash Fund name/number, Federal Fund Grant name: Wildlife Cash Fund 410

IT Request: ☐ Yes ☐ X No

Request Affects Other Departments: ☐ Yes ☑ No **If Yes, List Other Departments Here:**

		FTE and Operating Costs						*GRAND TOTAL*	
Fiscal Year(s) of Request		**FY 08-09**	**FY 09-10**	**FY 08-09**	**FY 09-10**	**FY 08-09**	**FY 09-10**	**FY 08-09**	**FY 09-10**
PERSONAL SERVICES	Title:							To two decimal	
Number of PERSONS / class title									
Calculated FTE per classification		**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	-	-
Annual base salary (monthly * 12)	**$**								
Number months working in FY 08-09 and FY 09-10									
Salary		$0	$0	$0	$0	$0	$0	$0	$0
PERA	**10.15%**	$0	$0	$0	$0	$0	$0	$0	$0
FICA	**1.45%**	$0	$0	$0	$0	$0	$0	$0	$0
Subtotal Personal Services		$0	$0	$0	$0	$0	$0	$0	$0
OPERATING									
Supplies @ $500/$500	**$ 500**	$0	$0	$0	$0	$0	$0	$0	$0
Computer @ $959/$0	**$ 690**	$0	$0	$0	$0	$0	$0	$0	$0
Office Suite Software @ $300/$0	**$ 294**	$0	$0	$0	$0	$0	$0	$0	$0
Office Equipment @ $2,021 /$0	**$ 2,021**	$0	$0	$0	$0	$0	$0	$0	$0
Telephone Base (Annual)	**$ 369.6**	$0	$0	$0	$0	$0	$0	$0	$0
Subtotal Operating		$0	$0	$0	$0	$0	$0	$0	$0
GRAND TOTAL ALL COSTS		**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**

Account for Pay Date Shift, no salary payment in June

CHANGE REQUEST for FY 08-09 BUDGET REQUEST CYCLE

Department:	Natural Resources
Priority Number:	16 of 18
Change Request Title:	Wildlife Management Public Education Advisory Council Education

SELECT ONE (click on box):

☒Decision Item FY 08-09
☐Base Reduction Item FY 08-09
☐Supplemental Request FY 07-08
☐Budget Request Amendment FY 08-09

SELECT ONE (click on box):

Supplemental or Budget Request Amendment Criterion:
☒Not a Supplemental or Budget Request Amendment
☐An emergency
☐A technical error which has a substantial effect on the operation of the program
☐New data resulting in substantial changes in funding needs
☐Unforeseen contingency such as a significant workload change

Short Summary of Request:

This request is for an additional $200,000 in spending authority for the Wildlife Management Public Education Advisory Council (PEAC). The Council's current annual appropriation is $900,000. This decision item request would allow PEAC to more fully implement its comprehensive, media-based public education program. Once this decision item is approved the annual spending authority for PEAC would be $1,100,000 beginning in FY 08-09.

Background and Appropriation History:

The Wildlife Management Public Education Advisory Council was created by Colorado House Bill 98-1409. The mission of the council, as defined in statute, is to design and develop a comprehensive media program to educate the public, especially the urban public, about the values of wildlife, wildlife management and how hunting and fishing are important tools in wildlife management.

PEAC is composed of nine members who represent various interests throughout the state: "two sports persons who purchase big game licenses on a regular basis in Colorado, one of whom is from the western slope; two sports persons who purchase fishing licenses on a regular basis in Colorado, one of whom is from the western slope; one person representing local counties in rural areas of Colorado, the economies of which have a substantial income from hunting or fishing recreation; one person representing municipalities in rural areas of Colorado, the economies of which have a substantial income from hunting or fishing recreation; one person representing the Division of Wildlife; one person, who shall not be an employee of the Division, with a substantial background in media and marketing operations; and one person representing agricultural producers." House Bill 98-1409 charged the members of the Council to develop a formal plan on action for the approval of the Director of the Division of Wildlife by December 1, 1998. This plan outlines the objective of the Council and identifies the types of information that should be communicated to the public.

HB 98-1409 also created the Wildlife Management Public Education Account in the Wildlife Cash Fund. Moneys in this account consisted of gifts, donations and reimbursements. Senate Bill 99-214 amended Section 33-1-112 (3.5) (a) C.R.S. *"There is hereby created the wildlife management public education fund. Moneys in such fund shall consist of such moneys as the general assembly allocated to the fund and moneys collected from gifts, donations, contributions, bequests, grants, and fund or reimbursements made from other sources to the wildlife management public education council created in section 33-4-120."* This created a check-off contribution mechanism on all Division of Wildlife limited license applications.

House Bill 05-1266 amended Section 33-4-102 (8.5) (a) C.R.S. *"Except for the annual Colorado Wildlife Habitat Stamp and the lifetime Colorado Wildlife Stamp, a surcharge of seventy-five cents shall be assessed on each license listed in subsection (1.4) of this section that is sold by the Division or one of its license agents pursuant to section 33-4-101. Revenues derived from the assessment of such surcharge, together with any interest earned thereon, shall be deposited in the Wildlife Management Public Education Fund created in section 33-1-113 (3.5) (a)."* This created a permanent funding source for the Council. The "Long Bills" for both FY 06-07 (House Bill 06-1385) and FY 07-08 (Senate Bill 07-239) each provided $900,000 in spending authority for the Wildlife Management Public Education Fund
PEAC has been given a mandate to educate the public about the benefits of wildlife, wildlife management and hunting and fishing. Funding for this mandate is generated

from the $.75 surcharge statutorily designated for use by PEAC. This funding is used in large part to promote the following message: "*The Colorado Division of Wildlife manages both non-game and game species with the support of sportsman's license dollars and the CDOW reintroduces native and threatened species for benefit of all Coloradoans."*

In order to effectively promote this message, the Council introduced its "Keeping Colorado Wild" education program. In FY 06-07 PEAC accomplished several key objectives necessary to launch their comprehensive media-based program: secured $900,000 in annual spending authority; initiated a state contract to hire a qualified media consultant/agency partner; negotiated a 5-year communications/marketing contract with Extra Strength Communications, renewable annually; and cooperatively worked with Extra Strength and the Division's Director to design and approve the 2006/2007 educational program and basic operations plan.

The final approved operations plan for FY 06-07 was designed to utilize TV, radio and outdoor billboard media vehicles to increase public awareness of the critical role the Division of Wildlife plays in the management of a healthy wildlife resource for the benefit of both sportsmen and non-sportsmen. The media program, initiated in the fall of 2006 can be summarized as follows:

- TV: 13 weeks, 69 million message Impressions at a cost of $600,000 (average number of persons multiplied by the number of spots. The sum of audiences that a medium or combination of media reaches represented in thousands. Does not account for duplicated viewing). The media campaign focused on three markets- Denver, Grand Junction and Colorado Springs/Pueblo (including statewide cable and PBS). The television weight level for the Division's campaign average about 150 TRPs weekly (Target Rating Points). A TRP represents 1 % of our target audience and does not account for duplicated viewing. For a consumer product campaign, television promotional weight levels would run from 200-275 weekly. For a political campaign, weight levels run at about 400-500 weekly.
- Radio: 26 weeks, .9 million message impressions at a cost of $18,000.

- Outdoor Billboard Displays: January/February 2007, 13.5 million message impressions at a cost of $35,500.

To gauge the success of the media campaign- Extra Strength contracted with The Research Partnership (TRP) to conduct market research. TRP has been used previously to conduct baseline research in 2005 in the Colorado Springs and Denver markets only. Those results would be used for comparison purposes to determine the success of the current media campaign. This completed research was delivered to the Council and used to formulate the 2007-2008 strategies and operation plan.

The research methodology consisted of a total of 1,200 telephonic surveys completed during the period of January 25, 2007 and March 10, 2007. Of these 1,200 surveys, 400 were completed in Colorado Springs, 300 were completed in Grand Junction and 500 were completed in Denver. All of these surveys were administered by professional telephone interviewers that were specifically trained on the survey instrument. The calls were monitored for quality control and a supervisor validated approximately 15% of the responses.

The research showed the PEAC is making great strides with the awareness of the general population that the Division of Wildlife manages and protects Colorado's wildlife. The majority of the state's population surveyed agrees that wildlife is a valuable and important asset for the state. It is also clear from the research that television was the most effective medium for conveying the message.

In FY 07-08, PEAC will focus on year two of its education media program. This will revolve around the following themes: wildlife management re-introduces and reestablishes native and other species, while maintaining existing species; professional wildlife management is the responsibility of CDOW; and wildlife management is not funded by state general fund dollars. This approach will provide continuity and reinforce the first year's message while at the same time address the issue of the lack of public understanding of how wildlife management is funded. It is the next strategic step in building the relationship between the general public and wildlife management while at the same time introducing the message of how wildlife management is funded.

The media campaign was previewed before the Wildlife Commission before it is introduced to the public. The campaign will focus on communicating that the role of the Division is to professionally manage, conserve, and protect Colorado's wildlife and this flourishing wildlife resource has been successfully cared for by the Division, without the use of state tax dollars. This will be communicated to the public through two television spots. It is anticipated that the second year of the media campaign will cost approximately $850,000 of the $900,000 in spending authority approved by the Legislature in the 2007 long bill (SB 07-239).

<u>General Description of Request</u>:

In FY 08-09 and beyond, the PEAC Council anticipates continuing the stair-step message approach towards the meeting objective of the media campaign –educating the public on the benefits of wildlife, wildlife management and the role of hunting and fishing plays in effective wildlife management. To facilitate this, the Council foresees that additional spending authority would be required to fund the multi-media campaign. Year 3 will more strongly introduce the link between license buyers and the Division- but only after the Council has successfully reviewed the proper messaging strategy research from year 2. Educational objectives, and the messages associated with them, are evaluated annually utilizing accepted media industry scientific research techniques. These objectives may be extended, altered, re-ordered or eliminated based upon the outcomes of the research.

Three major communication objectives of the Council for the multi-media campaign are:

1. Develop an annual, cost efficient, statewide media-based education plan that reaches the general public, emphasizing the non-hunter or non-angler, using primarily high impact media vehicles including TV and radio. Other media vehicles may be utilized as well depending on the recommendation of the advertising agency and media buying agency.
2. Produce materials and strategies as necessary to keep lawmakers, wildlife organizations, outdoor enthusiasts and license buyers informed about WMPEAC activities and programs.
3. Improve the non-consumptive customer's understanding on how and by what means the Division is funded.

Costs associated with this type of media campaign are anticipated to increase in FY 08-09 and beyond. The Council anticipates that the $200,000 increase in spending authority requested in this decision item will provide a mechanism by which the comprehensive media-based public education program can more fully be implemented. If this decision item is approved, the annual spending authority for WMPEAC would increase from $900,000 as currently authorized to $1,100,000 beginning in FY 08-09.

<u>Consequences if Not Funded:</u>

If the decision item is not funded, the WMPEAC will not be able to fulfill its legislatively mandated mission. Research from the year 1 campaign (FY 06-07) has shown that Coloradoans have identified the following key messages: the role of the Colorado Division of Wildlife is to professionally manage, preserve and protect Colorado's wildlife; the Colorado Division of Wildlife reintroduces and reestablishes native and other species; and the Colorado Division of Wildlife is "Keeping Colorado Wild".

The Strategic Plan for the Department of Natural Resources and specifically the Division of Wildlife has identified the following performance measure- "Percentage of the public that is aware of wildlife management. The benchmark for measuring success is 70%. For WMPEAC to fully pursue its mission- measured in part by how successful the Division is at meeting the benchmark, the Council must expand its message to reach both the hunting and fishing public and the non-sportsman public. This must be done slowly and carefully in order to minimize the risk of alienating those not in support of hunting and fishing while at the same time educating this group of constituents on the effectiveness of hunting and fishing as wildlife management tools. This can most successfully be done by building on the successes of the previous year's message. TV is clearly the most successful medium for accomplishing this and also the most expensive. The net outcome of the efforts by WMPEAC will be a greater awareness on the part of the public as to the nature and purpose of wildlife management.

The General Assembly and the Division's constituents recognize the importance of hunting and fishing to Colorado and its economy. This can be seen clearly in the strong support that led to the passage of HB 05-1266 that authorized the $.75 surcharge to fund PEAC and its mission.

The Division of Wildlife has long supported public education and information programs as a crucial part of fulfilling its legislative mandate. *"It is the policy of the state of Colorado that the wildlife and their environment are to be protected, preserved, enhanced and managed for the use, benefit, and enjoyment of the people of this state, and its visitors. It is further declared to be the policy of this state that there shall be provided a comprehensive program designed to offer the greatest possible variety of wildlife-related recreational opportunity to the people of this state, and its visitors and that, to carry out such program, and policy, there shall be a continuous operation of planning, acquisition, and development of wildlife habitats and facilities for wildlife-related opportunities."* Section 33-1-101 (1) C.R.S.

The Colorado Division of Wildlife 2002-2007 Strategic Plan, approved and adopted by the Wildlife Commission on January 11, 2002, states as part of its Management Principles that *"Wildlife education and information enhances the public's ability to be wise stewards of wildlife, exhibit a strong conservation ethic, and support sound principles of wildlife management."* Within the Strategic Plan it further states *"Public demand for information about hunting, fishing, viewing and human-wildlife conflicts and species conservation is high and continues to increase. The Division depends on an informed constituency to fulfill its mission. The growth of human impacts is causing a significant decline in wildlife habitat. An increase in public awareness of wildlife requirements is needed to provide and sustain adequate habitat for wildlife and to provide opportunities for the public to enjoy."* The plan goes on to identify a desired achievement related to this goal " *Inform Colorado hunters, anglers, and other people interested in opportunities for wild-life related recreation, wildlife management, species conservation and wildlife related issues through diverse media.*"

More and more, the citizens of Colorado are being asked to make policy-type decisions regarding the use and management of the state's wildlife. To facilitate informed decision making on the part of the public, the Division must provide complete factual information concerning wildlife, wildlife management, hunting, fishing, watchable wildlife and habitat management. It is clear that the most effective way to accomplish this is through the use of mass media, but this is also the most costly method. The Division does not have additional funds to address this need. If the Division were to fund this need without the approval of this decision item, there would be a dramatic negative impact on current information and education programs.

Calculations for Request:

Summary of Request FY 08-09	**Total Funds**	**General Fund**	**Cash Funds**	**Cash Funds Exempt**	**Federal Funds**	**FTE**
Total Request	$1,100,000			$1,100,000		
PEAC Surcharge Revenue- FY 06-07	$1,060,557			$1,060,557		
PEAC Fund Balance FY 06-07 (est.)	$947,306.92			$947,306.92		
PEAC Fund Balance FY 05-06	$713,398.11			$713,398.11		
PEAC Fund Balance FY 04-05	$138,032.94			$138,032.94		

Summary of Request FY 09-10	**Total Funds**	**General Fund**	**Cash Funds**	**Cash Funds Exempt**	**Federal Funds**	**FTE**
Total Request	$1,100,000			$1,100,000		
PEAC Surcharge Revenue- FY 07-08 (Estimate)	$1,050,000			$1,050,000		
PEAC Fund Balance FY 07-08 (est.)	$1,097,306.92			$1,097,306.92		
PEAC Fund Balance FY 06-07	$947,306.92			$947,306.92		
PEAC Fund Balance FY 05-06	$713,398.11			$713,398.11		
PEAC Fund Balance FY 04-05	$138,032.94			$138,032.94		

Assumptions for Calculations:

Source of revenue data for FY 06-07 is the MCR02 reports –Colorado Financial Reporting System Statement of Revenue and Expense for State Fiscal Year 2007 – as of 06/30/07 for Period 13. Agency PBA Division of Wildlife. Fund 428 Wildlife Management Public Education

Source of revenue data for FY 05-06 is the MCR02 reports –Colorado Financial Reporting System Statement of Revenue and Expense for State Fiscal Year 2006 – as of 06/30/06 for Period 13. Agency PBA Division of Wildlife. Fund 428 Wildlife Management Public Education.

Source of revenue data for FY 04-05 is the MCR02 reports –Colorado Financial Reporting System Statement of Revenue and Expense for State Fiscal Year 2005 – as of 06/30/05 for Period 13. Agency PBA Division of Wildlife. Fund 428 Wildlife Management Public Education.

$.75 surcharge became effective January 1, 2006. FY 06-07 is the first full fiscal year that data is available for the revenue generated by this surcharge. The Division is taking a conservative approach and assuming that there will be no change in the number of licenses sold, therefore no change in the PEAC annual revenue.

Impact on Other Government Agencies: Not Applicable

Cost Benefit Analysis: Increased spending authority for PEAC will allow the Council to more fully implement a public education program to inform the public about wildlife and wildlife management. Funding is generated through the $.75 surcharge, as established in statute; therefore there are no external costs to other governmental entities, private industry or citizens. The Division will be able to continue to serve its existing constituents while at the same time informing the public about wildlife so that the informed public will be able to make wise decisions about wildlife and wildlife management.

Research has identified the key prospect group that will be targeted during the media campaign. As a whole, this group values wildlife and wildlife recreation. However, over 90% of this group does not know that the state's wildlife resource is managed and protected by the Colorado Division of Wildlife without the use of state tax dollars. The majority of this target group, both male and female residents of the state, does not participate in either hunting or fishing. Regardless of this, based on available information, it is a fact that as a whole Coloradoans value and enjoy a healthy and prosperous wildlife resource. It is critical that the public be made aware that this wildlife resource that they enjoy is a result of professional wildlife management provided by the Colorado Division of Wildlife and that Wildlife management is not funded by state tax dollars but by revenue from the sale of hunting and fishing licenses and federal excise taxes.

To help increase the public's awareness in FY 07-08 the media campaign was expanded to include four markets- Denver, Colorado Springs, Grand Junction and Durango. This will allow the PEAC message to be strategically placed in all the major target marketplaces in order to maximize our potential to reach the maximum number of our identified key prospect group. The media campaign begins in mid-September and runs through June- the goal is to keep the message out in front of the public for as much of the year as possible. However, this presents a huge financial challenge. In FY 06-07, over 90% of the WMPEAC spending authority was spent on the costs associated with fulfilling its statutorily defined mission -"*To educate the general public about the benefits of wildlife, professional wildlife management and wildlife-related recreational opportunities in Colorado, specifically hunting and fishing, by designing, implementing and managing a comprehensive media-based public-education program.*"

The cost of a media campaign increases annually- for the period of 2000 through 2006 alone, it has increased 6-8% per year (TV, radio and outdoor). Based on historical data, it is anticipated that media costs will continue to rise at a rate of 8% per year in the foreseeable future. For FY 08-09, these media costs will be driven by additional forces that are well outside of the control of the Division- namely political campaigns and the 2008 Summer Olympics. Each of these events will impact not only the number of available advertising spots but will also serve to drive up the costs of the available spots. The Colorado primary election is in August so it is anticipated that the rate increase should begin to be seen in April of 2008 and continue through October of 2008 due to the election campaigns on both the federal and state level. It is anticipated that media costs will rise at a minimum of 10% before returning to the normal 8% increase per year. Based on this anticipated 10% increase in media costs for FY 08-09, using the current FY 07-08 media plan as a basis for calculation and no additional media time purchased, media costs for FY 08-09 are estimated to increase by approximately $67,000.

The WMEF Council will utilize the additional $200,000 in spending authority to cover the estimated $67,000 associated with the increased media costs in FY 08-09 as well as purchase additional media time, equivalent to approximately 1 ¾ weeks, in each of the identified markets. The cost associated with the purchase of the additional 1 ¾ weeks of media time is estimated to be approximately $77,000 in FY 08-09. The minimum total cost for purchasing media time in FY 08-09 is estimated at $144,000. In addition to the increased costs associated with the purchase of media time in FY 08-09, it is anticipated that other costs associated with the production of the media campaign will also increase due to inflation and other factors outside of the control of the Division.

While the specifics of the FY 08-09 marketing campaign won't be developed until feedback from the FY 07-08 campaign is collected, the council also hopes to be able to utilize the additional spending authority to provide more flexibility in new programming techniques as well as providing opportunity to tailor the message to meet the diverse messaging needs of the targeted audience. One such project that is being discussed is to do some baseline research on the Hispanic market segment. This is still in the preliminary stages but the additional $200,000 in spending authority would enable WMPEAC to expand its reach to incorporate more of the targeted audiences.

Education of the public is crucial to both WMPEAC and the Division achieving their statutorily defined missions. The media campaign will provide and efficient and effective mechanism to facilitate this as well as provide the basis for education the citizens of Colorado on the importance of hunting and fishing to the state as a whole.

Hunting and fishing are not only necessary tools in wildlife management for maintaining healthy and diverse populations of wildlife in Colorado; they also support a significant portion of Colorado's tourism economy. According to "The Economic Impacts of Hunting, Fishing, and Wildlife Watching in Colorado" prepared by BBC Research & Consulting for the Division of Wildlife in October 2004, hunters and anglers spent an estimated $797 million on trip expenses and sporting equipment in Colorado during 2002, and the Division of Wildlife spent an additional $49 million on operations that directly support hunting and fishing. This study also estimated that the secondary economic impact of hunting and fishing dollars re-circulating in the local economy during that same period totaled roughly $660 million. The total estimated economic impact from these three revenue streams is just over $1.5 billion. An estimated 20,000 jobs located across Colorado were supported from the hunting and fishing industry. These jobs are an important component of the state's economy, particularly in the rural areas.

The risk of losing all or a portion of hunting or fishing in Colorado in the future because of declining interest in participating in the sport, changing public values, potential new statutory or constitutional restrictions, or other adverse circumstances, is of real concern. According to the U.S. Fish and Wildlife Service's 2006 National Survey of Fishing, Hunting, and Wildlife Associated Recreation, 5 year trend information shows that nationwide, fishing continues to be a favorite pastime even though overall participation in fishing declined from 2001 to 2006 by approximately 12%. Nationwide, 5 year trend for hunting shows a 4% decline, however, the number of big game hunters remained steady. The biggest decline in hunting licenses was in migratory bird hunting which showed a 22% decline and small animal hunting which showed a 12% decline.

If the trend information were to be accurate, Colorado's economy would be negatively impacted primarily from the decline in hunter and angler spending over a 10 year period. The 2002 economic impact data shows that hunting in Colorado generated approximately $338 million (measured in 2004 dollars) and fishing generated approximately $459 million. Using the 5 year nationwide trend figures to create a hypothetical model, the economic impact to Colorado due to declining participation in hunting and fishing would result in $13.5 million decline in hunting generated revenue and $55 million decline in fishing generated revenue for a total decline in revenue of $68.5 million. This annual impact is mathematically represented in the following way:

Hunting	$338 million x 4% decline =	$13.5 million
Fishing	$459 million x 12% decline =	$55.0 million
TOTAL		**$68.5 million**

These potential impacts, as well as potential reductions in "secondary" economic impacts, would be particularly difficult for many rural communities that primarily rely on hunting and fishing to boost their economies.

The loss of hunting opportunities in Colorado will also dramatically impact wildlife management in Colorado. In FY 2005-06, income from the sale of hunting licenses, federal revenues from excise tax on hunting equipment, interest and other sources totaled $104.2 million (CDOW 2006 Annual Report). Revenue the Division generates from hunting not only pays to manage hunting programs in Colorado but also is used to subsidize other wildlife management programs as well. Additionally in FY 2005-06, roughly expenditures by strategic area for the Division were as follows: Wildlife Habitat and Species Management $24.1 million; Wildlife Recreation (including hunting and fishing) $37.0 million; Wildlife Education & Information $10.0 million; and Responsive Management $27.8 million. Reduction or elimination of hunting and fishing in Colorado will severely impact the Division's ability to effectively manage Colorado's wildlife.

Colorado cannot afford to lose hunting and fishing opportunities due to poor information and misunderstandings about the benefits hunting and fishing. In February of this year, the U.S. Fish & Wildlife Service published their Fishing and Hunting Recruitment and Retention in the U.S. from 1990 to 2005. This is an addendum to their 2001 National Survey of Fishing, Hunting and Wildlife-Associated Recreation. The report states that the downturn in hunting and fishing participation experience in the 1990's causes great concern among many natural resource managers and organizations interested in the future of these activities. In response to this, public and private agencies beefed up efforts directed at improving recruitment and retention in hunting and fishing. It is encouraging to note that the pace of the decline in hunting and fishing participation that occurred in the 1990's did not continue in period of 2000-2005. Public education on wildlife management, such as the multi-media program implemented by WMPEAC, plays a major role in any recruitment and retention effort.

WMPEAC must utilize a variety of tools to fulfill its mission- *"To educate the general public about the benefits of wildlife, professional wildlife management and wildlife-related recreational opportunities in Colorado, specifically hunting and fishing, by designing, implementing and managing a comprehensive media-based public-education program."* The increased investment in a public media campaign in FY 08-09 combined with the on-going analysis of the effectiveness of the media campaign in educating the public about wildlife management and the importance of hunting and fishing in Colorado will provide the Division with valuable information. This information will be crucial in determining the most effective marketing strategies for the agency that will aid the Division in implementing the strategies necessary to fulfill its mission- *"The Mission of the Colorado Division of Wildlife is to perpetuate the wildlife resources of the state and to provide the people with the opportunity to enjoy them."*

Implementation Schedule:

Task	Month/Year
Pre-test research begins on FY 07-08 Media Campaign	December 2007
Research begins of FY 07-08 Media Campaign	March 2008
Research results complied and presented to PEAC	April 2008
Operational Plan and Budget FY 2008-2009 presented to Division Director	June 2008
Media Campaign presented to Wildlife Commission	August 2008
Media Campaign Begins- timing is contingent on level of funding	September 2008

In FY 08-09, the Council will be entering year 3 of its media program. The above implementation schedule is an estimate, based on the media program schedule from year 2.

Statutory and Federal Authority:

33-4-120 C.R.S. (2006) Wildlife management public education advisory council - creation

(1) (a) The director of the division shall appoint nine individuals, at least three of which are from the western slope, to act as the wildlife management public education advisory council, referred to in this section as the council. The council shall have statewide responsibility and authority.

(b) (I) The council shall consist of the following members:

(A) Two sports persons who purchase big game licenses on a regular basis in Colorado, one of whom is from the western slope;

(B) Two sports persons who purchase fishing licenses on a regular basis in Colorado, one of whom is from the western slope;

(C) One person representing local counties in rural areas of Colorado, the economies of which have a substantial income from hunting or fishing recreation;

(D) One person representing municipalities in rural areas of Colorado, the economies of which have a substantial income from hunting or fishing recreation;

(E) One person representing the division of wildlife;

(F) One person, who shall not be an employee of the division, with a substantial background in media and marketing operations; and

(G) One person representing agricultural producers.

(II) The council members appointed pursuant to sub-subparagraphs (A) and (B) of subparagraph (I) of this paragraph (b) shall be nominated by organized sports person groups with regional or statewide membership. The council members appointed pursuant to sub-subparagraphs (C) and (D) of subparagraph (I) of this paragraph (b) shall be nominated by organizations that represent the interests of such counties and municipalities.

(III) All members of the council shall be residents of the state of Colorado.

(IV) Every effort shall be made by the director to appoint members from all geographic areas of the state.

(c) A member shall serve for no more than two terms; except that no member representing the division of wildlife shall be so limited. The appointments to the council shall be as follows:

(I) The initial terms for the two members representing sports persons who hunt shall be two years for one member of said group and four years for the other member of said group.

(II) The initial terms for the two members representing sports persons who fish shall be two years for one member of said group and four years for the other member of said group.

(III) The initial term length for the member representing the division shall be at the discretion of the director of the division.

(IV) The initial term length for the member representing counties and for the member representing agricultural producers shall be four years.

(V) The initial term length for the member representing municipalities and for the member with substantial experience in media and marketing operations shall be two years.

(VI) After the initial appointments, all subsequent appointments shall be for four years.

(d) Members of the council shall be compensated from the wildlife cash fund created in section 33-1-112 (1), for the reasonable and necessary expenses they incur in connection with their activities for the council.

(e) The council shall perform the following duties:

(I) Oversee the design of a comprehensive media-based public information program to educate the general public about the benefits of wildlife, wildlife management, and wildlife-related recreational opportunities in Colorado, specifically hunting and fishing;

(II) Prepare an operational plan for the director's approval no later than December 1, 1998;

(III) Expend moneys from the wildlife management public education fund in accordance with the operational plan approved by the director; except that all such expenditures shall be within the scope of the activities and funding levels authorized in such operational plan.

(f) (I) The council shall receive regular and ongoing promotional or advertising space in any license brochure or equivalent publication to use, at its discretion, to solicit donations.

(II) This paragraph (f) is repealed, effective July 1, 2009.

(2) Nothing in this section shall be construed to be a mechanism to substitute funding that would otherwise be available for expenditure by the division, or to replace or reduce the obligation of the division to carry out public information programs under this title.

(3) (a) and (b) Repealed.

33-1-112 (3.5) C.R.S. (2006) Funds and cost accounting

3.5) (a) There is hereby created the wildlife management public education fund. Moneys in such fund shall consist of the surcharge authorized by section 33-4-102 (8.5), such moneys as the general assembly allocates to the fund, and moneys collected from gifts, donations, contributions, bequests, grants, and funds or reimbursements made from other sources to the wildlife management public education advisory council created in section 33-4-120.

(b) Moneys in the wildlife management public education fund shall be subject to annual appropriation and shall be used by the wildlife management public education advisory council for carrying out its duties as set forth in section 33-4-120, including, but not limited to, the reasonable and necessary expenses incurred by council members in fulfilling their duties, as approved by the director.

(c) All receipts and interest derived from the investment of moneys in the wildlife management public education fund shall be credited to such fund.

33-4-102 (8.5) C.R.S. (2006) Types of licenses and fees

(8.5) (a) Except for the annual Colorado wildlife habitat stamp and the lifetime Colorado wildlife stamp, a surcharge of seventy-five cents shall be assessed on each license listed in subsection (1.4) of this section that is sold by the division or one of its license agents pursuant to section 33-4-101. Revenues derived from the assessment of such surcharge,

together with any interest earned thereon, shall be deposited in the wildlife management public education fund created in section 33-1-112 (3.5) (a).

Performance Measures:

DOW-5: Percentage of the public that is aware of wildlife management	**Benchmark**	70%	75%	75%	80%
	Actual	70%			

Narrative: This measurement will be obtained through a regular, random survey of the public that is intended to gauge public awareness of the role of wildlife management in Colorado. Educating the public (including school children and adults) about wildlife and wildlife management is a key component of DOW's mission. DOW has numerous programs to reach a variety of audiences through educational vehicles – from Project WiLD and Angler Education to Colorado Youth Naturally and WIN-WIN to information press releases and the public education media campaign developed by the Wildlife Management Public Education Advisory Council (PEAC). The net outcome of all these efforts should be greater awareness on the part of the public as to the nature and purpose of wildlife management.

Schedule 13
Change Request for FY 08-09 Budget Request Cycle

Decision Item FY 08-09 ☑ **Base Reduction Item FY 08-09** ☐ **Supplemental FY 07-08** ☐ **Budget Request Amendment FY 08-09** ☐

Request Title: Technical Revision-Correction to CFE Letternote

Department: Natural Resources **Dept. Approval by:** **Date:**

Priority Number: 17 of 18 **OSPB Approval:** **Date:**

	Fund	1 Prior-Year Actual FY 06-07	2 Appropriation FY 07-08	3 Supplemental Request FY 07-08	4 Total Revised Request FY 07-08	5 Base Request FY 08-09	6 Decision/ Base Reduction FY 08-09	7 November 1 Request FY 08-09	8 Budget Amendment FY 08-09	9 Total Revised Request FY 08-09	10 Change from Base (Column 5) FY 09-10
Total of All Line Items	**Total**	156,914	404,600	0	404,600	407,796	0	407,796	0	407,796	0
	FTE	1.2	1.2	0.0	1.2	1.2	0.0	1.2	0.0	1.2	0.0
	GF	0	0	0	0	0	0	0	0	0	0
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	156,914	374,600	0	374,600	377,796	0	377,796	0	377,796	0
	CFE	0	30,000	0	30,000	30,000	0	30,000	0	30,000	0
	FF	0	0	0	0	0	0	0	0	0	0
(2) Div of Reclamation, Mining and Safety	**Total**	156,914	404,600	0	404,600	407,796	0	407,796	0	407,796	0
(B) Inactive Mines	**FTE**	1.2	1.2	0.0	1.2	1.2	0.0	1.2	0.0	1.2	0.0
Mine Site Reclamation	**GF**	0	0	0	0	0	0	0	0	0	0
	GFE	0	0	0	0	0	0	0	0	0	0
Letternote wording	**CF**	156,914	374,600	0	374,600	377,796	0	377,796	0	377,796	0
request - no dollar value.	**CFE**	0	30,000	0	30,000	30,000	0	30,000	0	30,000	0
	FF	0	0	0	0	0	0	0	0	0	0

Letternote revised text: **CFE total letternote revised wording:** ***Of this amount $499,762 shall be from the Abandoned Mine Reclamation Fund created in Section 34-34-102(1), C.R.S., and $30,000(T) shall be transferred from the Department of Public Health and Environment from federal funds anticipated to be received from the U.S. Environmental Protection Agency*.**

Cash Fund name/number, Federal Fund Grant name: Emergency Response Fund / Fund 211 (This fund is used for all funding sources for the (B) Inactive Mines Long Bill lines.)

IT Request: ☐ **Yes** ☑ **No**

Request Affects Other Departments: ☐ **Yes** ☑ **No** **If Yes, List Other Departments Here:**

FTE and Operating Costs									GRAND TOTAL	
Fiscal Year(s) of Request		**FY 08-09**	**FY 09-10**	**FY 08-09**	**FY 09-10**	**FY 08-09**	**FY 09-10**	**FY 08-09**	**FY 09-10**
PERSONAL SERVICES	Title:							To two decimal	
Number of PERSONS / class title									
Calculated FTE per classification		**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	-	-
Annual base salary (monthly * 12)	**$**								
Number months working in FY 08-09 and FY 09-10									
Salary		$0	$0	$0	$0	$0	$0	$0	$0
PERA	**10.15%**	$0	$0	$0	$0	$0	$0	$0	$0
FICA	**1.45%**	$0	$0	$0	$0	$0	$0	$0	$0
Subtotal Personal Services		$0	$0	$0	$0	$0	$0	$0	$0
OPERATING									
Supplies @ $500/$500	**$ 500**	$0	$0	$0	$0	$0	$0	$0	$0
Computer @ $959/$0	**$ 690**	$0	$0	$0	$0	$0	$0	$0	$0
Office Suite Software @ $300/$0	**$ 294**	$0	$0	$0	$0	$0	$0	$0	$0
Office Equipment @ $2,021 /$0	**$ 2,021**	$0	$0	$0	$0	$0	$0	$0	$0
Telephone Base (Annual)	**$ 369.6**	$0	$0	$0	$0	$0	$0	$0	$0
Subtotal Operating		$0	$0	$0	$0	$0	$0	$0	$0
GRAND TOTAL ALL COSTS		**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**

Account for Pay Date Shift, no salary payment in June

CHANGE REQUEST for FY 08-09 BUDGET REQUEST CYCLE

Department:	Natural Resources/Division of Reclamation, Mining and Safety
Priority Number:	17 of 18
Change Request Title:	Technical Revision-Correction to CFE Letternote

SELECT ONE (click on box):

☒Decision Item FY 08-09
☐Base Reduction Item FY 08-09
☐Supplemental Request FY 07-08
☐Budget Request Amendment FY 08-09

SELECT ONE (click on box):

Supplemental or Budget Request Amendment Criterion:
☒Not a Supplemental or Budget Request Amendment
☐An emergency
☐A technical error which has a substantial effect on the operation of the program
☐New data resulting in substantial changes in funding needs
☐Unforeseen contingency such as a significant workload change

<u>Short Summary of Request</u>:

The request is to amend the letternote on the Cash Funds Exempt (hereafter referred to as "CFE") total for the Long Bill line "(B) Inactive Mines" to specifically state that the $30,000 funding transfer from the Colorado Department of Public Health and Environment (hereafter referred to as "CDPHE") is from federal funds anticipated to be received from the U.S. Department of the Interior, Environmental Protection Agency. The transfer funds are from the CDPHE Long Bill line "(B) Watershed Assessment, Outreach, and Assistance, Local Grants and Contracts."

<u>Background and Appropriation History</u>:

The Program's Mine Site Reclamation funding is used as cost-share grants to local/special government entities to use as matching funds to receive federal funds from the U.S. Environmental Protection Agency for Clean Water Act "319" projects via CDPHE. These projects control harmful metals and acids that leach from historic mines into water ways, with the risk of negatively impacting aquatic species or downstream water users. A FY 2005-06 request for additional funding for the Mine Site Reclamation line included $30,000 to contribute to the cost of Inactive Mine Program staff who coordinate the selection and management of the cost share projects. The letternote referencing the $30,000 CFE did not specifically indicate the type of funding being transferred from CDPHE, which could lead to confusion for the members of the General Assembly and/or the general public when reviewing the Long Bill. The intent of this request is to amend the letternote to clarify that the transfer funds are federal funds from CDPHE that originated from the U.S. Environmental Protection Agency. No adjustment is required on the associated line in CDPHE of (B) Watershed Assessment, Outreach, and Assistance, Local Grants and Contracts to fulfill this request.

General Description of Request:

The accuracy of funding sources and spending authority values in the Long Bill is important for budget decisions made by the Executive and Legislative branches of state government and for funding transparency for the general public/interested parties. For this purpose, it is requested that the letternote on the CFE bottom-line total for (B) Inactive Mines be amended to state, "…and $30,000 (T) shall be transferred from the Department of Public Health and Environment from federal funds anticipated to be received from the U.S. Environmental Protection Agency."

Consequences if Not Funded:

Not applicable -- technical revision.

Calculations for Request:

Summary of Request FY 08-09	**Total Funds**	**General Fund**	**Cash Funds**	**Cash Funds Exempt**	**Federal Funds**	**FTE**
Total Request	$0	$0	$0	$0	$0	0.0
(2) (B) Inactive Mines Mine Site Reclamation Amend wording of letternote on CFE associated with this line per (A) shown below.	$0	$0	$0	$0	$0	0.0

Summary of Request FY 09-10	Total Funds	General Fund	Cash Funds	Cash Funds Exempt	Federal Funds	FTE
Total Request [Items below total to this]	$0	$0	$0	$0	$0	0.0
(2) (B) Inactive Mines Mine Site Reclamation Amend wording of letternote on CFE associated with this line per (A) shown below.	$0	$0	$0	$0	$0	0.0

(A) CFE Letternote Wording: ***Of this amount, $499,762 shall be from the Abandoned Mine Reclamation Fund created in Section 34-34-102(1), C.R.S., and $30,000(T) shall be transferred from the Department of Public Health and Environment from federal funds anticipated to be received from the U.S. Environmental Protection Agency.***

<u>Assumptions for Calculations</u>: The request only impacts the letternote on the Cash Funds Exempt bottom-line total for (B) Inactive Mines – no dollar amount change is requested.

The federal funds spending authority is already accurately shown in CDPHE's Long Bill line titled (B) Watershed Assessment, Outreach, and Assistance—Local Grants and Contracts; therefore, no changes to their Long Bill are required.

<u>Impact on Other Government Agencies:</u> The Long Bill will properly reflect the type of funding being transferred from CDPHE, thus avoiding questions posed to either state agency by persons reviewing the Long Bill.

<u>Cost Benefit Analysis</u>: *Not applicable to this technical revision.*

<u>Implementation Schedule</u>: *Not applicable.*

<u>Statutory and Federal Authority</u>: <u>Abandoned Mine Reclamation Plan 34-33-133, C.R.S. [2007]</u>

(1) The office of active and inactive mines is authorized and directed to develop, in accordance with the provision of Title IV of the federal "Surface Mining Control and Reclamation Act of 1977", as amended, and the rules and regulations there under, an abandoned mine reclamation program which may provide for, but need not be limited to, the following:

(a) Protection of public health, safety, general welfare, and property from the dangers and adverse effects of past mining practices;

(b) Acquisition, reclamation, and restoration of land and water resources previously degraded by the adverse effects of mining, including measures for the conservation and development of soil, water, woodland, fish and wildlife, recreation and tourism resources, and agricultural productivity;

(c) The protection, repair, replacement, construction, or enhancement of public facilities in communities affected by coal or other energy development.

(2) The office of active and inactive mines is authorized and directed to:

(a) Apply for, receive, and expend grant moneys or other funds for the development, administration, and fulfillment of the requirements of an abandoned mine reclamation program;

(b) Apply for, receive, and expend such funds legally available to Colorado from the abandoned mine reclamation fund established by Title IV of the federal "Surface Mining Control and Reclamation Act of 1977", as amended;

(c) Invite public inspection of, comment on, and involvement in the formulation of the abandoned mine reclamation program;

(d) Submit the abandoned mine reclamation program, after public review, to the secretary for approval and funding;

(e) Amend the approved abandoned mine reclamation program from time to time, after public review of the proposed amendments, as may be necessary or desirable.

Performance Measures: No performance measure will be affected by this request.

Schedule 13
Change Request for FY 08-09 Budget Request Cycle

Decision Item FY 08-09 ☑ **Base Reduction Item FY 08-09** ☐ **Supplemental FY 07-08** ☐ **Budget Request Amendment FY 08-09** ☐

Request Title: Law Enforcement Equipment
Department: Natural Resources
Priority Number: 18 of 18

Dept. Approval by: Dean G. Winters **Date:** 10-9-07
OSPB Approval: [signature] **Date:** 10/15/07 for 11/1/07

	Fund	1 Prior-Year Actual FY 06-07	2 Appropriation FY 07-08	3 Supplemental Request FY 07-08	4 Total Revised Request FY 07-08	5 Base Request FY 08-09	6 Decision/ Base Reduction FY 08-09	7 November 1 Request FY 08-09	8 Budget Amendment FY 08-09	9 Total Revised Request FY 08-09	10 Change from Base (Column 5) FY 09-10
Total of All Line Items	Total	0	0	0	0	0	126,780	126,780	0	126,780	126,780
	FTE	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	GF	0	0	0	0	0	0	0	0	0	0
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	0	0	0	0	0	0	0	0	0	0
	CFE	0	0	0	0	0	126,780	126,780	0	126,780	126,780
	FF	0	0	0	0	0	0	0	0	0	0
(C) Special Purpose Law Enforcement Equipment	Total	0	0	0	0	0	126,780	126,780	0	126,780	126,780
	FTE	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	GF	0	0	0	0	0	0	0	0	0	0
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	0	0	0	0	0	0	0	0	0	0
	CFE	0	0	0	0	0	126,780	126,780	0	126,780	126,780
	FF	0	0	0	0	0	0	0	0	0	0

Letternote revised text:
Cash Fund name/number, Federal Fund Grant name:
IT Request: ☐ Yes ☑ No
Request Affects Other Departments: ☐ Yes ☑ No **If Yes, List Other Departments Here:**

CHANGE REQUEST for FY 08-09 BUDGET REQUEST CYCLE

Department:	Natural Resources
Priority Number:	18 of 18
Change Request Title:	Law Enforcement Equipment

SELECT ONE (click on box):

☒Decision Item FY 08-09
☐Base Reduction Item FY 08-09
☐Supplemental Request FY 07-08
☐Budget Request Amendment FY 08-09

SELECT ONE (click on box):

Supplemental or Budget Request Amendment Criterion:
☒Not a Supplemental or Budget Request Amendment
☐An emergency
☐A technical error which has a substantial effect on the operation of the program
☐New data resulting in substantial changes in funding needs
☐Unforeseen contingency such as a significant workload change

Short Summary of Request: This decision item is requesting $126,780 CFE for the purchase of long life span law enforcement equipment. This law enforcement equipment will be funded with Lottery dollars. The decision item requests that these new funds be reflected in the Long Bill by adding a new line item for within State Parks' Special Purpose Section of the Long Bill.

Background and Appropriation History: The Division is mandated to provide public safety for visitors that use state parks. To fulfill this mandate, the Division fills an average of 10 position vacancies for rangers each year. To fully equip each ranger, the Division incurs capital equipment costs of $3,468, for a total annual average cost of $34,680. The body armor vests that the rangers use are required to be replaced every 5 years due to manufacturer recommendations. There are currently 126 rangers employed by the Division that work in the field. The replacement cycle for body armor requires the Division to purchase 25 pieces of body armor each year at a cost of $660 each, which results in a total additional expense of $16,500. In addition, the cost to provide uniforms for our officers is $600 per year, which equates to $75,600. This equipment is required for our rangers to operate in a law enforcement capacity with visitors. In previous years, this expense has been supported through funding allocated from the Major Repairs and Minor Improvements capital equipment line, due to the high cost and long life expectancy of the equipment. This decision item request would create a specific line item in the Division budget for new ranger equipment which would improve budget management and accountability. Further, the request to move this funding out of the Capital Construction budget would better reflect the Capital Outlay related nature of the equipment purchases.

General Description of Request:

All of the Division's new park rangers go through an extensive training program that authorizes them to be certified as peace officers. The park rangers are considered law enforcement officers authorized to carry firearms. To ensure the safety of our rangers, the equipment they are given at the time of Peace Officer Standards and Training (POST) certification includes protective and safety equipment such as firearms, body armor, handcuffs and batons. These items typically have a life expectancy of five years based on the manufacturer's recommendation, which qualifies these items for capital construction funds.

Consequences if Not Funded:

If this request is not approved, the Division will have two options. First, the Division could continue to fund these capital outlay requests out of the Capital Construction section of the Long Bill. As noted earlier, we do not believe this is an appropriate way to budget for these expenses and this does not appear to be consistent with the legislatively established definition of Capital Construction. An alternative potential consequence would be to absorb these expenses within the State Park Operations line item and fund these expenses with some combination of park fees and General Fund. The amount of this expense each year would require the Division to make cuts to operating or seasonal staff budgets each year to absorb this expense, which would have a negative impact on customer service provided at state parks.

Calculations for Request:

Summary of Request FY 08-09	Total Funds	General Fund	Cash Funds	Cash Funds Exempt	Federal Funds	FTE
Total Request	$126,780			$126,780		
Law Enforcement Equipment	$126,780			$126,780		

Summary of Request FY 09-10	Total Funds	General Fund	Cash Funds	Cash Funds Exempt	Federal Funds	FTE
Total Request	$126,780			$126,780		
Law Enforcement Equipment	$126,780			$126,780		

Assumptions for Calculations: Cost to fully equip a new ranger

Description	Detailed	Units	Estimated Cost
Duty Pistol	Glock 22	1	**$ 500.00**
Duty Ammunition		50	**$ 30.00**
Practice Ammunition		1000	**$ 74.00**
Baton	ASP Baton, Scabbord, Training	1	**$ 75.00**
Hand cuffs		1	**$ 35.00**
Initial Uniform allotment (clothes, belt, shoes, etc…)	Long sleeves, short sleeves, pants, Class A uniform , Cuff case, keepers, holster, flashlight ring, glove pouch, boots, body armor, name tag, magazine case, O/C Carrier, O/C case, Under belt, Over belt, hats, etc…	1	**$ 2,400.00**
Badges		4	**$ 300.00**
Operational Procedures Manual		1	**$ 10.00**
Business Cards		250	**$ 20.00**
Regulation/ Statute Books	DOW and PARKS	2	**$ 24.00**
	Total		**$ 3,468.00**

Description	Number	Cost per unit	Total Cost
New Ranger	10	$3,468	**$34,680**

Replacement Body Armor	25 per year	$660	**$16,500**
Uniform Equipment	126 per year	$600	**$75,600**
Total Cost Annually			**$126,780**

Impact on Other Government Agencies: This request does not impact other Government Agencies.

Cost Benefit Analysis: Not applicable. This decision item is technical in nature and will not result in new/additional expenditures for law enforcement equipment. As noted previously, the Division is currently funding the purchase of law enforcement equipment out of the "Major Repairs, Minor Improvements" line item in the Capital Construction section of the Long Bill. The Division now believes that these purchases better meet the definition of Capital Outlay, as contained in the Long Bill head notes: "Capital Outlay means: (I) equipment, furniture, motor vehicles, software, and other items that have a useful life of one year or more." In this regard, the Division submitted this technical decision item to better comply with the Long Bill head notes. The FY2008-09 Capital Request for Major Repairs, Minor Recreation Improvements has been correspondingly reduced to reflect that these types of equipment purchases will no longer be made out of the Capital Construction budget.

Implementation Schedule: The implementation schedule is not applicable to this request as the request is not a project. The additional funding requested would be available July 2008 and would cover expenditures that would occur in FY2008-09.

Statutory and Federal Authority: Section 33-10-101 to 33-15-112, C.R.S. (2007) It is the policy of the state of Colorado that the natural, scenic, scientific, and outdoor recreation areas of this state are to be protected, preserved, enhanced, and managed for the use, benefit, and enjoyment of the people of this state and visitors of this state.

Performance Measures: Performance Measure: Annual Customer Satisfaction Survey. On an annual basis, the Division will be sending out a survey to customers to determine their level of satisfaction with State Parks and their experience in our parks system. The ability of the Division to staff the parks with qualified individuals ensures the safety of visitors. Visitor safety within the parks system is vital to customer satisfaction. The approval of this request will allow the Division to equip new rangers with the items necessary to ensure they can resolve any issue that arises at the park.

However, given the technical nature of this request, we do not anticipate that approval of this request will have any measurable impact on the percentage of Parks' visitors who rate their experience as good or excellent.

Schedule 10
Summary of Change Requests -- FY 2008-09

Department Name: Natural Resources
Submission Date: November 1, 2007
Total Number of Decision Items: 18
Total Number of Base Reduction Items: 0

Priority Number	IT Request	Title	Total	FTE	GF	CF	CFE	FF
1	o Yes X No	OGCC -- Environmental Staff to Conduct Permit Reviews, Environmental Inspections, and Data Management	778,768	9.0	0	778,768	0	0
2	o Yes X No	CWCB -- Office of Water Conservation and Drought Planning Staff	96,848	1.5	0	0	96,848	0
3	o Yes X No	DWR -- Mileage operating Expense (Fleet and personal vehicles)	88,417	0.0	88,417	0	0	0
4	o Yes X No	DWR -- Republican River Compact Compliance	109,179	1.0	109,179	0	0	0
5	o Yes X No	Parks -- Utilities	377,317	0.0	178,664	198,653	0	0
6	o Yes X No	DRMS -- Reclamation of Forfeited Mine Sites Continuation Funding	342,000	0.0	0	342,000	0	0
6a **	o Yes X No	OGCC -- Contract Funding to Assist with Well Permit Applications and Follow-up Regulatory Reports	0	0.0	0	0	0	0
7	o Yes X No	CWCB -- Compact Dues Increase	19,904	0.0	0	0	19,904	0
8	o Yes X No	CGS -- Renewable Geothermal Energy for Colorado	72,392	1.0	0	72,392	0	0
9	o Yes X No	SLB - Stewardship Trust Resource Specialist	90,585	1.0	0	23,190	67,395	0
10	o Yes X No	CWCB -- CWCB Hydrographer and State Vehicle	101,469	1.0	0	0	101,469	0
11	o Yes X No	CGS -- Avalanche Safety Program	25,553	0.4	0	25,553	0	0
12	o Yes X No	CGS - Carbon Sequestration for Cleaner Air	72,392	1.0	0	72,392	0	0
13	o Yes X No	CWCB -- Intrastate Water Management and Development Section Staff	0	2.0	0	0	0	0
14	o Yes X No	DRMS -- Durango Office Leased Space Funding	16,112	0.0	0	12,084	0	4,028
15	o Yes X No	DRMS -- Inactive Mine Reclamation Program Expansion	408,265	6.0	0	0	0	408,265
15a **	o Yes X No	EDO - Leased Space increase (DWR, OGCC, DRMS lease renewals)	0	0.0	0	0	0	0
16	o Yes X No	DOW -- PEAC Funding Increase	200,000	0.0	0	0	200,000	0
17	o Yes X No	DRMS -- CFE Letternote change	0	0.0	0	0	0	0
18	o Yes X No	Parks -- Law Enforcement Equipment	126,780	0.0	0	0	126,780	0
STATEWIDE	o Yes X No	FY 08-09 Vehicle Replacement Statewide Decision Item	231,033	0.0	(4,856)	26,117	185,111	24,661
STATEWIDE	o Yes X No	FY 08-09 Adjustment to Multiuse Network Payments Statewide Decision Item	122,614	0.0	32,894	80,193	9,092	435
STATEWIDE	o Yes X No	FY 08-09 Statewide C-SEAP Employee Staffing	12,831	0.0	1,960	4,154	6,702	15
Decision Item Subtotal			**3,292,459**	**24**	**406,258**	**1,635,496**	**813,301**	**437,404**
	o Yes o No							
	o Yes o No							
Base Reduction Item Subtotal			0	0.0	0	0	0	0
TOTAL			**3,292,459**	**24**	**406,258**	**1,635,496**	**813,301**	**437,404**

** -- A FY 08-09 Budget Amendment requesting spending authority for this Dept. of Natural Resources need will be submitted at a later date.