



DEPARTMENT OF
**NATURAL
RESOURCES**

Strategic Plan Fiscal Year 2008-09

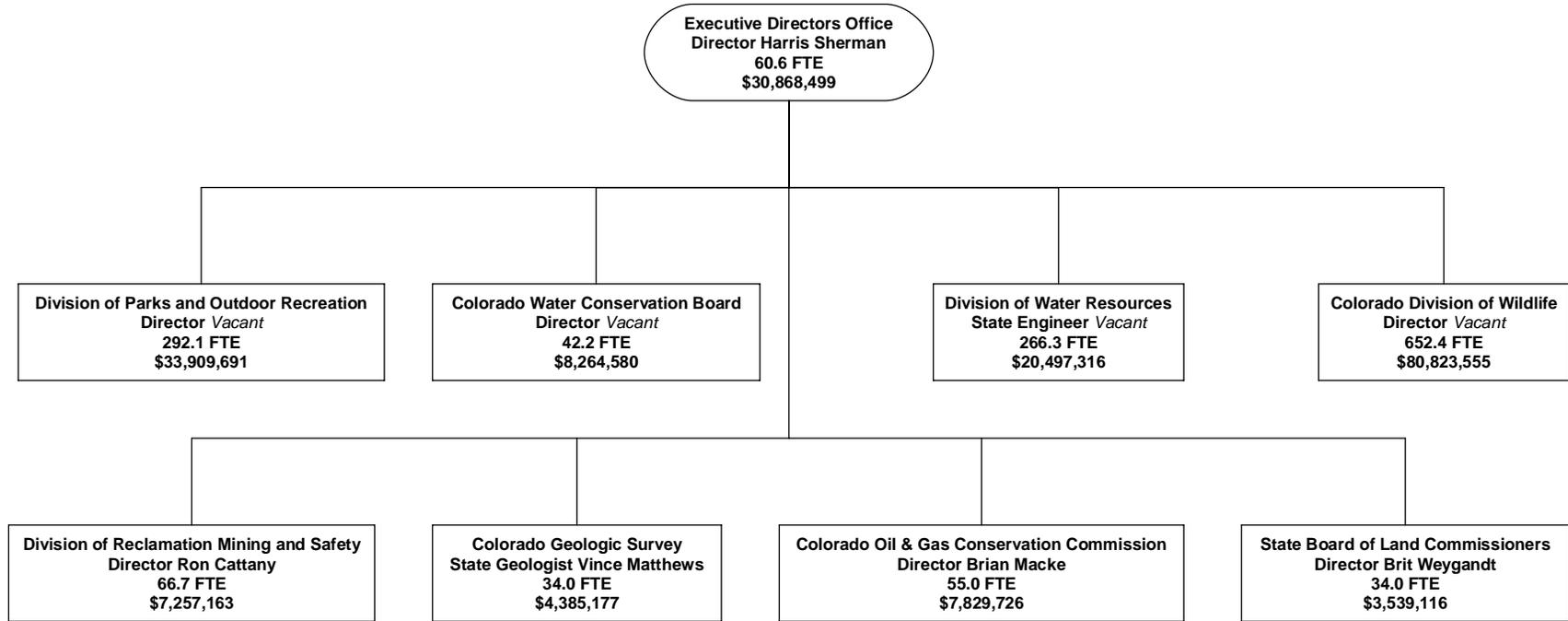
July 2007

COLORADO DEPARTMENT OF NATURAL RESOURCES
(STRATEGIC PLAN – FISCAL YEAR 2008-2009)

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Colorado Department of Natural Resources



1514.4 FTE \$198,280,485

\$30,336,286 GF \$46,380,582 CF \$104,657,192 CFE \$16,906,425 FF

Colorado Department of Natural Resources Strategic Plan

Mission Statement

Colorado is blessed with a wealth of natural resources, including beautiful landscapes, abundant energy and mineral resources, diverse wildlife, and unique geology. The State's high quality natural resources play a significant role in the high standard of living enjoyed by Coloradans. Out-of-state visitors and Coloradans alike enjoy hunting, fishing, outdoor recreation, and visiting Colorado State Parks. In this regard, natural resources are an important part of Colorado's tourism industry and play an important role in Colorado's economy.

With these benefits comes the responsibility of good stewardship. As people move to Colorado to enjoy all that the state has to offer, stresses have been placed on resources such as water supply and wildlife habitat. Energy development must be undertaken in a responsible manner that protects the quality of Colorado's water and wildlife habitat resources. The Colorado Department of Natural Resources acts as a leader in coordinating the protection of natural resources with the federal government, other state agencies, local governments, businesses, and private citizens. By soundly managing Colorado's natural resources, future generations of Coloradans will enjoy the same high standard of living enjoyed today. The Department's mission also includes the promotion of outdoor recreation as well as natural resources education. The Department consists of eight divisions overseen by the Executive Director's Office. The specific missions of each of these divisions will be further explored in the separate division sections of this strategic plan.

Vision Statement

Under the leadership of the Department of Natural Resources, Colorado will:

- **Water** - Provide for the long-term municipal, industrial, and agricultural water needs of the State in a way that recognizes and provides for the instream flow needs of fish, wildlife, and recreation. Through the Roundtables and Interbasin Compact Committee processes, Colorado's river basins work to find ways to share water in ways that generate win/win results for all parties. Colorado achieves greater efficiencies in water use through conservation, reuse, conjunctive use, and exploration of water projects that benefit all parties. The State finds alternatives to the permanent transfer of water from agricultural use to municipal use, thereby avoiding the permanent loss of irrigated agricultural lands and associated benefits.
- **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 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 Coloradans, provide excellent customer service to visitors, and maintain safe, high-quality park facilities.

- **Energy** - 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.
- **Wildlife** - Manage and conserve healthy and sustainable wildlife populations for the benefit of current and future Coloradans.
- **State Lands** – Manage state school lands held in a perpetual, inter-generational trust for the benefit and support of public school. Through prudent and strategic management, the Department will protect the long term value of these trust assets. Recognizing that the long term economic productivity of all lands held in public trust is dependent upon sound stewardship, the Department will protect and enhance the beauty, natural values, open spaces, and wildlife habitat on trust properties.

With a diverse mission, the employees, volunteers, and partners of the Colorado Department of Natural Resources will be highly motivated, knowledgeable, and committed to finding creative, thoughtful, innovative, and cost-effective solutions to Colorado's many natural resource issues. Educating the public and engaging younger generations will be a key part of the long-term effort to protection Colorado' natural resources. The Department is passionate about and committed to its duty to the wise management and conservation of Colorado's incredible natural resource portfolio.

Department Objectives

With its mission and vision, DNR has developed the following strategic objectives for FY 2008-2009.

Maintaining or Improving the Quality of our Natural Resources:

- Protect the diversity of Colorado's wildlife resources by continuing to identify and implement creative strategies to stabilize and enhance native species populations and to recover threatened and endangered species in ways that minimize adverse impacts on local governments, private landowners and other citizens.
- Ensure that energy development, including the potential development of oil shale resources, is undertaken in a responsible manner that encourages protection of environmental resources such as water and wildlife habitat.
- The Department will work with federal land agencies and the federal government, as well as local governments, to encourage sound management practices that minimize cumulative impacts on wildlife, the environment, and local communities.
- Reduce the demand for water through water conservation planning and implementation of water efficiency measures.
- Through pilot projects on the Arkansas and South Platte Rivers, the Department will find successful strategies to avoid the permanent transfer of water from irrigation to other uses.

Promoting Responsible Development of our Natural Resources:

- Maximize efficient use of Colorado’s water resources and comply with and enforce other states’ compliance with interstate compacts.
- Promote continued development of Colorado’s mineral and energy resources in a manner that is consistent with environmental preservation and protection of public health and safety.
- Promote renewable energy, geothermal energy, carbon sequestration, energy efficiency, and other technologies aimed at providing Colorado with clean and economically viable energy sources.
- Through innovative management, maximize revenue on State Land Board properties for the benefit of all trusties.

Providing Exceptional Public Services, Information and Education:

- Respond to demands by constituents by providing services, information, and assistance.
- Assist citizens in avoiding or mitigating risks to life and property by providing training, information, technical assistance and regulatory enforcement related to statutorily authorized programs.
- Increase citizen knowledge and understanding of natural resource issues by expanding and enhancing public information and outreach efforts.
- Assure long-term stewardship of the State’s natural resources by strategically investing in and providing quality youth education programs.
- Ensure that the Department has a highly qualified and motivated workforce that reflects the diversity of the State’s population and is prepared to meet the special challenges associated with the large number of experienced, long time employees who are projected to be retiring over the next 10 years.

Providing Diverse, Quality Outdoor Recreation Opportunities:

- Provide and promote a variety of outdoor recreational opportunities for citizens and visitors.
- As Colorado’s population grows, the Department must protect habitat, preserve open space, and increase recreational opportunities for hunters, fishers, and outdoor enthusiasts.

Department-Wide Performance Measures

Each division in the Department of Natural Resource has contributed to the Department’s Strategic Plan. Following this section of the Strategic Plan will be additional sections detailing the mission, vision, and goals of each of the Department’s divisions. Many of the

Department’s divisions have their own strategic plans, which will provide more detailed information than is contained in this Strategic Plan. This document intends only to summarize performance related to a select few of the Department’s highest priority objectives.

Given the diverse statutory missions and programs of the Department’s eight divisions, the Department’s 1,500+ FTE, seasonal employees, temporaries, and volunteers work every day on a wide variety of Department objectives. Below, the Department has chosen five critical performance measures to be used in measuring the Department’s success in meeting high priority objectives. While accepting these measures as the highest profile measurement of the Department’s performance, the Department cautions readers that performance evaluation should start, but not finish with, an evaluation of the performance measures. Measuring performance for natural resource programs is complex and often multi-dimensional. For example, protection of water resources might involve protecting water quality, enhancing water supply, ensuring water is put to beneficial use, regulating water use to be sure all water consumption is by legally entitled users, and ensuring water is flowing through rivers and streams at the appropriate amounts and proper times to enhance wildlife and wildlife habitats. In this regard, conservation of water resources is not easily measured by a single metric. Further, it is important to recognize that “Mother Nature” has a significant impact on the Department’s ability to achieve desired outcomes. External factors which can affect natural resource related outcomes include drought, forest fires, heavy snowfall / inclement weather, and outbreaks of wildlife disease. With these difficulties in mind, the Department will attempt to provide narrative clarification and background to help analyze performance.

Performance Measure		FY 05-06 Actual	FY 06-07 Actual	FY 07-08 Appropriation	FY 08-09 Request
Performance Measure #1 - Number of species on the “Species of Greatest Conservation Need” list	Benchmark	205	205	205	205
	Outcome	205			
In order to prepare the federally-required “Comprehensive Wildlife Conservation Strategy”, the CDOW developed a set of criteria for identifying the “Species of Greatest Conservation Need.” Maintaining healthy wildlife populations and ecosystems is one of the major components of the CDOW’s mission. This measure focuses more broadly on overall ecosystem health and can be viewed as a barometer of the health of wildlife in Colorado. Species on this list are targeted by conservation programs so as to secure wildlife populations such that they do not require protection via federal or state listing regulations.					
Performance Measure #2 - Annual Visitation to State Parks *	Benchmark	11,266,732	11,177,708	11,367,729	11,515,510
	Actual	<u>11,266,732</u>	<u>11,177,708</u>		
The total number of visitors to Colorado’s 41 state parks has grown over the past five years, due in part to expanding the number of state parks and					

<p>the recreational opportunities within the parks. Another factor contributing to this increase in visitation is the growth in Colorado’s population over the past five years. The desired outcome for this performance measure is an annual increase in total visitation to state parks, and is consistent with the Division-wide Marketing Goal which states that State Parks will: “<i>Retain current and acquire new customers through exceptional service and by improving State Parks’ visibility with innovative marketing.</i>” This will be carried out by broadening the Agency’s visibility, maintaining high-quality recreation opportunities for existing visitors, and expanding in-state and regional marketing efforts to attract additional visitors. (*Note: The Division is in the process of installing Entrance Automation stations at pilot parks throughout the Parks system. This number may be adjusted depending on the outcome of this project.)</p>					
		FY 05-06 Actual	FY 06-07 Actual	FY 07-08 Appropriation	FY 08-09 Request
Performance Measure #3 - Overall compliance with interstate water compacts (expressed as a percentage)	Benchmark	100%	100%	100%	100%
	Outcome	90%	90%		
<p>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.</p> <p>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.</p>					
		FY 05-06 Actual	FY 06-07 Actual	FY 07-08 Appropriation	FY 08-09 Request
Performance Measure #4 - Create reductions in water supply demand through water conservation planning and implementation of water efficiency measures.	Benchmark	N/A	N/A	1.5% demand reduction or approx 5,720 ac ft	3% demand reduction or approx 11,440 ac ft
	Outcome	N/A	N/A		
<p>The CWCB will provide data regarding water conservation through the Division’s conservation planning efforts, specifically the administration of the Water Efficiency Grant Program, and role in providing technical assistance for water conservation planning. The State will see reductions in water supply demand as a result of water conservation plan implementation. The Division will conserve water and prepare for droughts. The Division assists in the development and implementation of water conservation plans, reviews, and approves water conservation plans. It provides</p>					

conservation and drought planning, implementation grants, and helps water providers take climate change into account during water resource planning. It provides technical assistance and public education and outreach programs, such as workshops, conferences, and meetings, to promote the Water Efficiency Grant Program and other water conservation planning resources. Through these efforts, the CWCB will increase the number of covered entities with up-to-date, approved water conservation plans. It will increase the number of communities that have drought mitigation plans. It will coordinate and provide climate change data that will be used by water providers in their planning. Maximum utilization of current Division staff, as well as anticipated staff resource increases, will enable the Division to fully and effectively carryout its mandate as defined in §37-60-124, 126, & 126.5 C.R.S. and ultimately result in valuable water resource supply savings due to water conservation driven demand reductions at the water provider level.

Note: The FY07/08 benchmark is based on 25 up-to-date, approved water conservation plans on file with the State, with each plan representing a covered entity that on a retail basis provides 10,000 ac. ft. annually (for two plans – for Denver and Aurora – we used more specific goals contained in the water conservation plans which would have the two cities achieving a total of 3,420 acre feet of water savings each year). On average, entities have set goals to reduce demand from water conservation plan implementation by approximately 1% to 2% annually and ramping up incrementally as conservation measure programs come online. Figures presented are cumulative, such that water demand by these communities will be reduced by a total of 10 percent to 20 percent over the next ten years.

		FY 05-06 Actual	FY 06-07 Actual	FY 07-08 Appropriation	FY 08-09 Request
Performance Measure #5 - Number of impacts to surface water, ground water, and water wells, per thousand active oil & gas wells	Benchmark	1.81	1.81	1.81	1.77
	Actual	1.81	1.97		

The primary mission of the OGCC is 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”. In addition, the OGCC is an “Implementing Agency” for the state’s Water Quality Control Commission (WQCC), and is responsible for upholding the water quality standards and classifications that are established by the WQCC with respect to oil and gas operations. The OGCC is responsible for regulating oil and gas development in a manner that prevents and mitigates impacts to the environment, including contamination of water. An important measure of how well the OGCC is implementing these responsibilities is the number of adverse impacts to water resources that occur from oil and gas development. Reducing or controlling such impacts during current unprecedented levels of oil and gas activity in Colorado will continue to be challenging.

		FY 05-06 Actual	FY 06-07 Actual	FY 07-08 Appropriation	FY 08-09 Request
Performance Measure #6 - Increase water storage to meet long term water supply needs.	Benchmark	5,000 ac ft	14,600 ac ft	20,000 ac ft	20,000 ac ft
	Outcome	0 ac ft	4,200 ac ft		

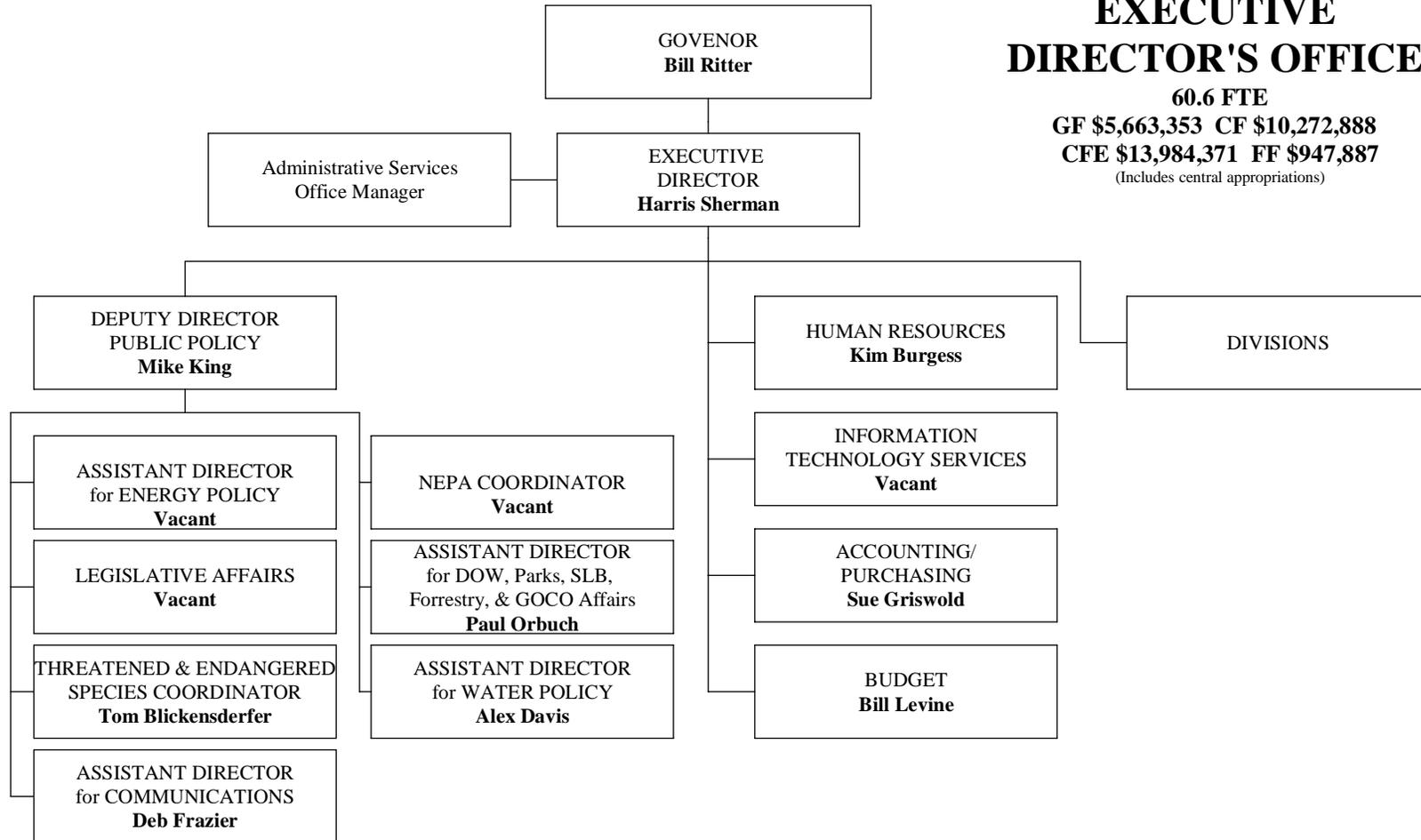
In 2003, the General Assembly approved funding to complete the Statewide Water Supply Initiative (SWSI) to examine, on a basin by basin basis, Colorado’s projected water supplies and water demands. One of SWSI’s major findings was that projects and water planning by local water providers have the ability to meet about 80 percent of Colorado’s municipal and industrial water needs through 2030. Unfortunately, it is not clear how the last 20 percent of Colorado’s water needs will be supplied. A major objective of the Colorado Water Conservation Board will be working with state and local leaders to meet the 20 percent “gap” in long-term water supply. CWCB will achieve this objective by managing the Construction Fund and the Severance Tax Trust Fund Perpetual Base Account and other grants funds to provide low-interest financing for water infrastructure and grants for water related planning, programs and project implementation. CWCB will also formulate methods, means and plans to promoting the beneficial utilization of water to meet the gap between water demands and available supplies. The CWCB has estimated that by the year 2030, Colorado will need an additional 630,000 ac ft of water supply. This figure does not take into consideration potential need for existing demands and vulnerabilities and the ability to provide water under current demands during drought conditions. 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.

		FY 05-06 Actual	FY 06-07 Actual	FY 07-08 Appropriation	FY 08-09 Request
Performance Measure #7 - Increase revenues to the school trust by 5 percent annually	Benchmark	\$63,868,553	\$55,581,916	\$63,321,685	\$66,089,522
	Actual	\$63,868,553	\$60,043,510	Unknown	Unknown

The School Trust is the largest trust accounting for 98.3 percent of the total State Land Board revenue. The main revenue components: mineral (e.g., royalty and lease), surface (e.g. agricultural and recreation leases), and commercial (e.g. office and ground leases). After years of essentially no growth, revenues have increased 225 percent over the last five years. The goal is to diversify the trust land portfolio ownership and leasing in order to reduce revenue instability cause by such things as drought, commercial market, and minerals pricing.

EXECUTIVE DIRECTOR'S OFFICE

60.6 FTE
 GF \$5,663,353 CF \$10,272,888
 CFE \$13,984,371 FF \$947,887
 (Includes central appropriations)



July 2007

Executive Director's Office (EDO)

Executive Director's Office -- Program Description:

The Executive Director's Office is responsible for the overall administration of the Department. It provides leadership and support to the Department in meeting its strategic objectives, previously listed in this strategic plan. It concentrates on the priority resource management issues that develop as state, federal and local policies become known to the Department. It provides leadership and functional support for general administrative duties to the divisions of the Department. Sub-programs include:

- Administration and Policy Development – Includes the overall administration of the Department, the administration of the office and the function of policy development and program implementation related to the various boards, commissions and divisions of the Department. It also includes the administration of pass-through funding received by the Department for use by our divisions, other state agencies or cooperators on departmental programs. The package includes the communication function for the Office that provides complete information services to the Executive Director and in support of the divisions. The program also supports the Executive Director and divisions in its dealings with local, county, and state agencies, the Governors Office, the General Assembly, federal land management agencies and Congress.
- Human Resources – Carries out all HR duties for the entire department. This includes all facets of maintaining our workforce. Activities include: position classification; announcements and testing for new positions, promotions and vacancies; maintaining all personnel records and information; providing counseling and guidance on initial employment, career advancement and retirement; and risk management activities including liability, property loss and safety issues. The office also assists agencies in employee training and maintains a grievance process. Human Resources supports the department's diverse workforce goals. It also advises executive staff and management and divisions on statewide policy issues as well as establishes departmental policy on human resource matters. The unit ensures compliance with applicable laws and regulations.
- Accounting/Purchasing - Directs, controls and manages the accounting/procurement operations and functions in the Department of Natural Resources. The Department has an annual operating budget of \$ 187 million, a capital construction budget of \$ 31.9 million and revenues exceeding \$189.8 million (\$40.2M/cash; \$127.8M/cash exempt; \$21.8M/federal). The accounting/purchasing section works closely with the Department's divisions, program directors, budget/information technology services/human resources staff, the State Controller and State Purchasing to ensure efficient and effective management of all financial resources.
- Budget - Formulates and executes the Department's annual budget process. As part of this process, the Budget section takes the lead in developing the Department's Strategic Plan, provides input on legislation, including the development of fiscal notes

analyzing a variety of revenue and expenditure proposals and legislative initiatives proposed by, or affecting, the Department. The unit also responds to request for financial information or analysis requested by the Governors Office and the General Assembly. It supports the divisions on a variety of revenue, expenditure, and financial analysis or issues that are facing the Department. Budget is also responsible for providing budget execution and coordination for the programs and work packages in the Executive Directors Office. Finally, the budget section administers central appropriations and allocations for the divisions.

- Information Technology - Provides leadership as well as operational support of the information technology (IT) functions of the department. It thus supports the overall pursuit of division and department strategies and objectives by providing an IT-based operational environment that is both effective and efficient. The IT section is responsible for the establishment, update, and enforcement of IT strategies, plans, policies, standards, and procedures as provided by guidance received from the Governor’s Office, the Executive Director, and the DNR IT Executive Board. In addition, this program provides for the direct delivery of several departmental enterprise-class services such as infrastructure, network, and system applications operations, centralized Internet/Intranet operations and maintenance, project management support, and GIS coordination.

Federal/State Statutory and Other Authority:

This program operates under the authority of the Department of Natural Resources enabling statutes, Sections 24-1-105, 24-1-124 and 24-33-101 through 24-33-111, C.R.S.

Executive Director’s Office – Performance Measures:

Just as the Executive Director’s Office provides leadership and support to the entire Department in meeting its strategic objectives, the office is also integrally involved in achieving both the department-wide and division-level performance measures that are identified in this strategic plan.

Executive Director’s Office – Workload Indicators:

Workload Indicators	FY 05-06	FY 06-07	FY 07-08	FY 08-09
Sub Program	Actual	Actual	Estimate	Request
Human Resources:				
Process and finalize classifications in a timely manner	15 days	30 days	30 days	30 days

Announce, develop, administer and score exams including making referrals in a timely manner	60 days	90 days	90 days	60 days
Reallocations: announce, process and appoint employee in a timely manner	14 days	10 days	10 days	10 days
<i>Accounting:</i>				
Work with division staff, State Controllers Office, Auditor's Office and State Purchasing to identify more efficient procedures and processes for managing accounting and procurement programs.				
Reviews	4	4	6	6
Ensure that proper internal and administrative controls exist throughout the Department to safeguard assets, ensure reliability of accounting records, promote operational efficiency and comply with managerial policies.				
Reviews	8	8	8	8
<i>Budget:</i>				
Funds Appropriated and Administered	\$171,352,491	\$181,988,574	\$186,527,189	
Ensure that Department budget request is linked to the Department Strategic Plan and highest priority objectives	100%	100%	100%	100%
Complete reviews of administrative functions of the Department	100%	100%	100%	100%
<i>Information Technology:</i>				
NatureNet/DNR Web Site/Imaging system operational availability during required hours (Annual); Enterprise applications and systems availability	99%	99%	99%	99%
Average time to restore service (IT support calls)	60 min	30 min	30 min	30 min

Maintain systems within sustainable lifecycle age and plan	100%	100%	100%	100%
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Executive Director’s Office --Trends and Other Baseline information:

The Executive Director’s Office provides leadership and support for many natural resource issues that cross divisional lines and affect many elements of our society. The highest priority objectives of the Department, upon which the Executive Director’s Office focuses significant efforts, are listed under the Department Objectives section of this plan on pages three and four.

The human resource management needs of the Department of Natural Resources have grown beyond maintenance and administration of the state personnel system within the Department. As a result of needs created by the changing demographics of the workforce and the pressures of competition from the private market, the DNR Human Resources Office must now engage in new activities to support the overall change in the organization, productivity improvement and employee relations. Given current staffing levels in the Human Resources Office, the Department will continue to fall further and further behind in employee selection and job evaluation activities. Vacancies decrease overall agency productivity resulting in lower quality products, lower customer satisfaction, and declining employee morale.

General Fund support of Colorado State Parks’ operating budget has declined from 26 percent in FY 1995 to 17.5 percent in FY 2007-08. The Executive Director’s Office is working closely with the Division of Parks and Outdoor Recreation to examine alternative funding streams, operating efficiencies, and other means of sustaining a quality park system into the future despite reduced General Fund support.

Based on a record level of new oil and gas drilling in the State, as well as the relatively high price of natural gas, the State experienced the highest level of severance tax collections in recent history in FY 2005-06. Severance tax collections in FY 2005-06 totaled \$234 million. With projected decreases in natural gas prices and the impact of a property tax offset on oil and gas production, forecasted revenues for FY 2006-07 plummeted to \$124 million, requiring the Department to work with the General Assembly to pass legislation (H.B. 07-1372) to reduce spending from the Operational Account of the Severance Tax Trust Fund and balance to the lower revenue projections. Given the rapid energy development in the State, the General Assembly passed S.J.R. 07-042 to establish a legislative interim committee to study the impact of energy development and the allocation of severance tax and federal mineral lease revenues. The Department has played a major role in supporting this legislative interim committee.

The Department of Natural Resources has helped to staff and support the South Platte Task Force. Governor Ritter created the Task Force after visiting Wiggins earlier this year to hear first-hand about the water crisis along the South Platte. This crisis was

precipitated by, among other factors, the 2002 drought, which was one of the worst droughts in Colorado's history and had dramatic effects on water users in the South Platte River Basin. These effects included increased scrutiny of water court cases by other water users, increased water rights administration in the non-irrigation season because of reservoir calls, and increased cost and decreased availability of augmentation water. Those effects are among the many factors that have made it more difficult for some junior ground water users to be able to pump water.

Last legislative session, the Executive Director Harris Sherman spent considerable time working on H.B. 07-1341, a reform effort that increases the number of Oil and Gas Conservation Commissioners, provides a greater diversity of expertise and broadens the panel's mission. The reconstituted Commission is now tasked with considering impacts to the environment, public health and wildlife when making decisions about the exploration and development of Colorado's oil and gas resources. The Department will continue to work to implement this legislation and find a balanced approach toward responsible and reasonable development of Colorado's vast oil and gas resources, while protecting Colorado's land, water, public health, wildlife and communities.

Responding to the request of the Governor, as well as the direction of the General Assembly under SENATE BILL 05-243, the Department of Natural Resources coordinated the staffing of the Colorado Roadless Areas Task Force. Based predominantly on the work of this task force and the Department of Natural Resources, Gov. Bill Ritter formally asked the federal government for specific policies to protect Colorado's 4.1 million acres of forested roadless areas from development. These protections would include: (1) Interim protection for Colorado's roadless areas while the federal review process is underway. That process could last 18 months or longer; (2) Cooperating agency status for the Colorado Department of Natural Resources (DNR) and Division of Wildlife (DOW) on any proposed activity within the roadless areas; (3) DNR and DOW participation in wildlife and habitat reviews associated with potential expansion of recreational ski areas within roadless areas. Implementation of the federal roadless rule – and the associated protection and wise management of federal roadless areas – will continue to require significant input from the Colorado Department of Natural Resources.

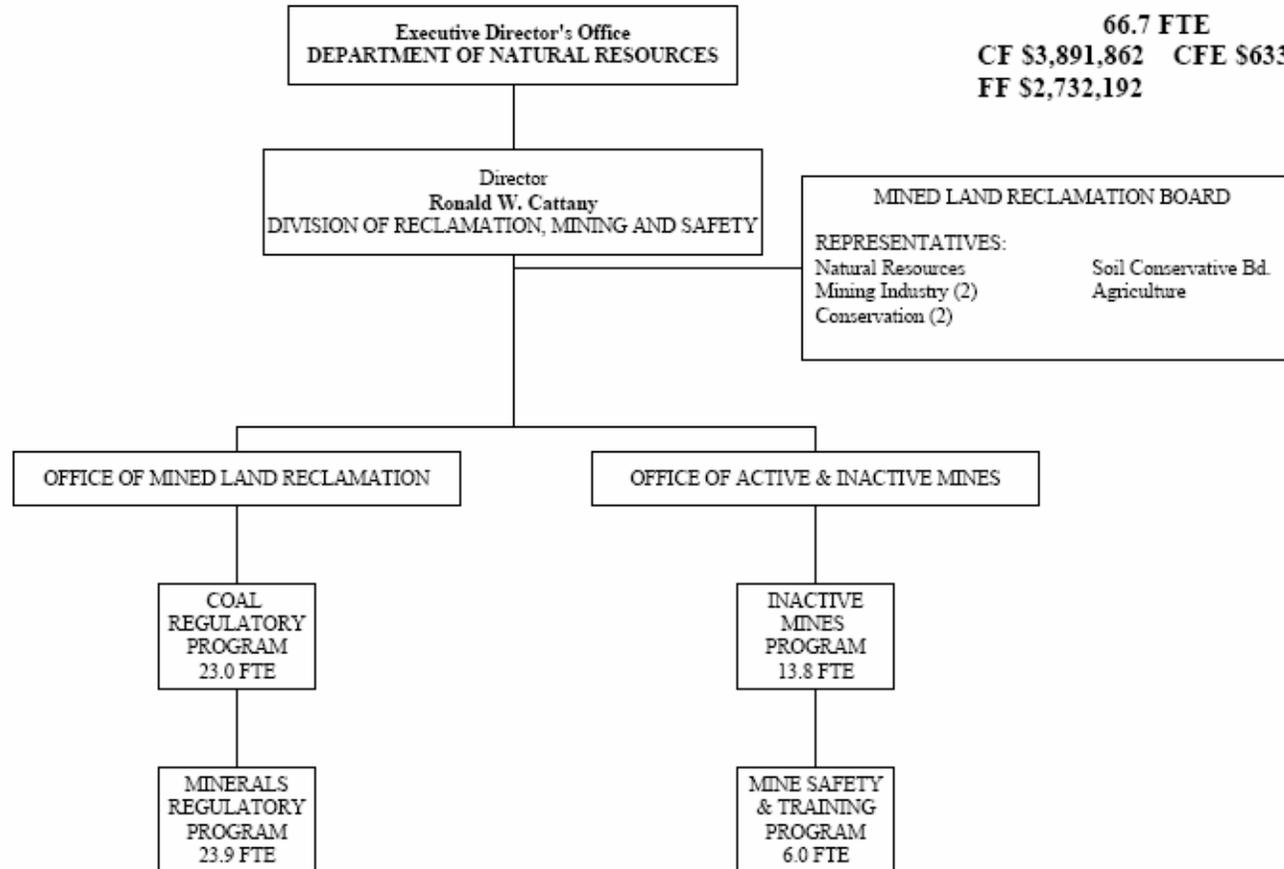
Utilizing advances in technology has helped the department accomplish more this year without significant increases in resources. Using handheld technologies has improved data collection in the field and reduced driving times. Improved cooperation between the divisions has led to a consolidation of common services allowing the divisions to leverage staff and funds. Hackers trying to corrupt data, steal personal identity information or disrupt business are getting more sophisticated and malicious. This trend caused the State to identify and implement new cyber security policies which will begin to be implemented this year. Underlying our ability to keep up with the growing demands facing DNR will be progress in technology and its effective use by our employees.

Working cooperatively with the Colorado State Forest Service, the Executive Director's Office has also been working to implement H.B. 07-1130 to create a pilot grant program for community-based forest restoration. The grant program will help to address forest health issues and high risk forest conditions, including an estimated 660,000 acres of forest that are infested with the bark beetle. After touring high-risk forest areas with DNR Executive Director Harris Sherman and other state officials, Governor Bill Ritter urged homeowners and community groups to apply for the \$1 million in state matching grants available through the Community Forest Restoration Fund for thinning, mitigation and safety projects. DNR will continue to provide technical and administrative support for this grant program in FY 2007-08.

The Accounting/Purchasing Section in DNR is working with the State Controller's Office and Attorney General's Office to implement a contract approval policy that is based on risk rather than dollar thresholds. DNR is currently participating in the pilot project. The DNR Controller has been delegated to sign all contracts that have been defined as "automatic low risk" or that have been designated as "low risk" via a risk assessment conducted by DNR program and/or purchasing staff. This new policy will significantly reduce the number of contracts requiring external approval, thereby decreasing routing time. At the same time, however, it will increase workload for purchasing/contract staff and the DNR Controller.

DIVISION OF RECLAMATION, MINING AND SAFETY

66.7 FTE
CF \$3,891,862 CFE \$633,109
FF \$2,732,192



July 2007

Division of Reclamation Mining and Safety

DRMS -- Description

The Division of Reclamation Mining and Safety consists of four programs: Coal Regulatory program, Minerals program, Inactive Mine Reclamation program, and Mine Safety and Training program. The Coal Regulatory program oversees active coal mining operations and the reclamation of the land by the mining company after the coal has been extracted. Responsibilities of the program include reviewing permit applications, amendments, revisions, and requests for bond release. The Mined Land Reclamation Board and the Minerals program issue and enforce mining and reclamation permits for all non-coal mines in Colorado on state, federal and private lands. The types of minerals regulated are metals (such as gold, silver and molybdenum) and construction materials (such as sand, gravel, marble and flagstone). The Inactive Mine Reclamation program addresses the hazards and environmental problems that exist from abandoned mines in Colorado. A comprehensive inventory of hazards and environmental problems associated with past mining activities, estimates 23,000 abandoned mined sites throughout the state. The Mine Safety and Training program is charged with protecting the health and safety of miners. Program activities include performing site-specific mine health and safety training and education in all aspects of mine operations, certification of coal mine officials, and inspection of tourist mines.

DRMS – Statutory Authority:

Coal Regulatory Program: State: Colorado Revised Statutes (CRS) 34-33-101 Federal: (SMCRA) 1977 – PL 95-87

Inactive Mine Reclamation Program State: CRS 34-33-133 Federal: (SMCRA) of 1977, Title IV, PL 95-87

Minerals Regulatory Program State: CRS 34-32.5-101 *et seq.*; CRS 34-32-101 *et seq.*; CRS 25-8-104

Mine Safety and Training Program: Federal: Title 34, Articles 20-25, Title 30, Parts 1-199 (SMCRA) 1977 – PL 95-87. State: (CRS) 34-33-101

DRMS -- Mission:

To protect the public, miners and the environment during current mining operations, restore abandoned mines and to ensure that all mined land is restored to beneficial use.

DRMS -- Vision:

To balance the need for mineral resource production with protection of the public, environment and Colorado's natural resources.

DRMS – Performance Measures:

Performance Measures	Outcome	FY05-06 Actual	FY06-07 Actual	FY07-08 Approp	FY08-09 Request
DRMS-1: Percentage of disturbed acres reclaimed to a beneficial post mining land use as measured by final bond release – expressed as a percentage of the total number of disturbed mine acres recorded per fiscal year.	Benchmark	(new measure)	(new measure)	10%	10%
	Actual	10.5% (Coal mine acres only-	5%	10%	10%
<p>Narrative: This is a measure of the establishment of post-mining beneficial land use as expressed in a ratio of final reclaimed acres over the total number of disturbed acres recorded per a <u>single</u> fiscal year. Due to total disturbed acres fluctuating annually with new acres added (new permits) and reclaimed acres removed, the measure provides a general indicator of industry trends toward continued or expanded mining versus reclamation/closing operations across the state. Mine operations can operate for over 20 years with reclamation being performed in phases over the acres where the minerals have been removed. The timeframe for final bond release is mandated by the Coal and Minerals statutes and is dependent upon the sustainability of reclamation conditions, such as soil stability and revegetation success, which can take several years to verify. Colorado is a national leader in the final release of coal reclamation sites.</p>					
DRMS-2: Protect the environment by ensuring regulatory compliance at mine sites – expressed as the percent of inspected mine sites that are in regulatory compliance.	Benchmark	100%	100%	100%	100%
	Actual	95%	94%	100%	100%
<p>Narrative: This is a measure of overall regulatory compliance for the mine sites that were inspected in a single fiscal year. Mine operators manage the sites to ensure protection of environmental resources, minimize onsite impacts, and prevent offsite impacts. Violations cited and upheld offer a measure of this goal. The Mined Land Reclamation Board and the Division determine when a permit is in violation of statutes, rules or regulations.</p>					
DRMS-3: Percentage of abandoned or forfeited mine sites reclaimed/safeguarded	Benchmark	1.7%	1.5%	1.5%	2.2%

from the effects of past or inactive mining out of a baseline inventory of 23,074 total project units. (1)	Actual	1.3%	1.5%	1.5%	2.2%
Narrative: This is a measure of inactive mine projects that have resolved problems at abandoned, inactive or forfeited mine sites relative to the number of sites per statewide inventories prepared between 1980 and 2005. This inventory is updated as additional problems are encountered in the field and addressed as part of on-going projects. The 2007 baseline is 23,074 sites. The number reported is the cumulative percentage of mine sites that have been reclaimed or safeguarded.					
DRMS-4: Percent of stream miles for which degradation from past mining has been reduced – expressed as a percentage of a baseline of 1300 stream miles. (1)	Benchmark	6.9%	6.9%	7.1%	7.3%
	Actual	5.1%	6.8%	7.1%	7.3%
Narrative: This measure compares stream miles that have been improved to a certain degree by work performed by the Inactive Mine Reclamation Program to control mine discharge relative to 1,300 estimated stream miles that have been impacted by mining activities statewide. The attainment of the goal for any stream segment extends over a long period of time and can involve multiple projects—the percentages achieved do not include duplicate stream miles improved.					
DRMS-5: Average injury rate at mines that received training from the Mine Safety and Training Program as compared to the national average of “non-fatal days lost” or NFDL injury rates.	Benchmark	(new measure	National NFDL Coal/Non-coal 3.32/2.49	National NFDL Coal/Non-coal 3.30/2.60	(national rates not available at this time)
	Actual	(data not available)	Colorado NFDL Coal/Non-Coal 2.69/2.54	Colorado NFDL Coal/Non-coal 2.50/2.90	Colorado NFDL Coal/Non-coal <3.0/<2.8
Narrative: This measure is comparing the “non-fatal days lost” (NFDL) injury rates for the nation’s coal and non-coal mines to the NFDL injury rates of Colorado mines that received training from the MSTP.					

- (1) Sources for baseline inventory of abandoned/forfeited mines/coal fires and affected stream miles:
Colorado’s Inactive Mine Reclamation Plan/Inventory, Colorado Division of Mined Land Reclamation, 1980.
Inactive Coal Mines of the Front Range Area, Colorado Division of Mined Land Reclamation, Amuedo and Ivy, 1981.
Reconnaissance Study of Coal Fires in Inactive Colorado Coal Mines, Colorado Geological Survey, 1989.
Report of Status of Fires at Abandoned Underground Coal Mines in Colorado, Colorado Division of Minerals and Geology, 2005.
Colorado Non-point Source Assessment Report, Colorado Water Quality Control Division, 1989.

DRMS – Workload Indicators:

Workload Indicators	FY05-06 Actual	FY06-07 Actual	FY07-08 Approp	FY08-09 Request
Coal Regulatory Program				
Total permitting actions.	289	229	290	295
Total number/percent of required inspections conducted.	487 100%	474 100%	500 100%	500 100%
Minerals Regulatory Program				
Total inspections.	672	559	600	600
Permitting actions.	519	442	450	450
Inactive Mine Reclamation				
Number of sites monitored to ensure the effectiveness of safeguarding and reclamation work Number of sites requiring follow-up maintenance due to original reclamation not meeting standards over time	293/14	105/5	300/10	400/10
Number of coal mine fires and characterized or for which treatment or abatement activities have been initiated versus total identified statewide.	4 Total coal mine fires = 37	1 Total coal mine fires = 37	4 Total coal mine fires = 37	4 Total coal mine fires = 37
Mine Safety and Training/Blasters Certification Program				
Number of persons receiving mine emergency, mine exploration and mine rescue training.	1,235	916	1,100	1,250
Number of individuals who were tested with a certification exam. Percent of Individuals passing certification.	172/52%	224/61%	220/70%	220/70%
Information Technology				
IT system modification, improvement, or new implementation.	Mine permit system programming	--IMRP BrassCap database re-written; added mobile computing.	-- Permit system enhancements Imaging system migrated	--Permit System enhancements continuation

DRMS – Key Trends and Other Background Information:

Regulatory Workloads: National energy priorities and legislation have resulted in a resurgence of energy commodities (oil shale, coal, and uranium) and the associated infrastructure materials (sand, gravel, and concrete minerals). There are over 20 active uranium permits, primarily in Montrose and San Miguel counties, which may resume production in the near future based on national

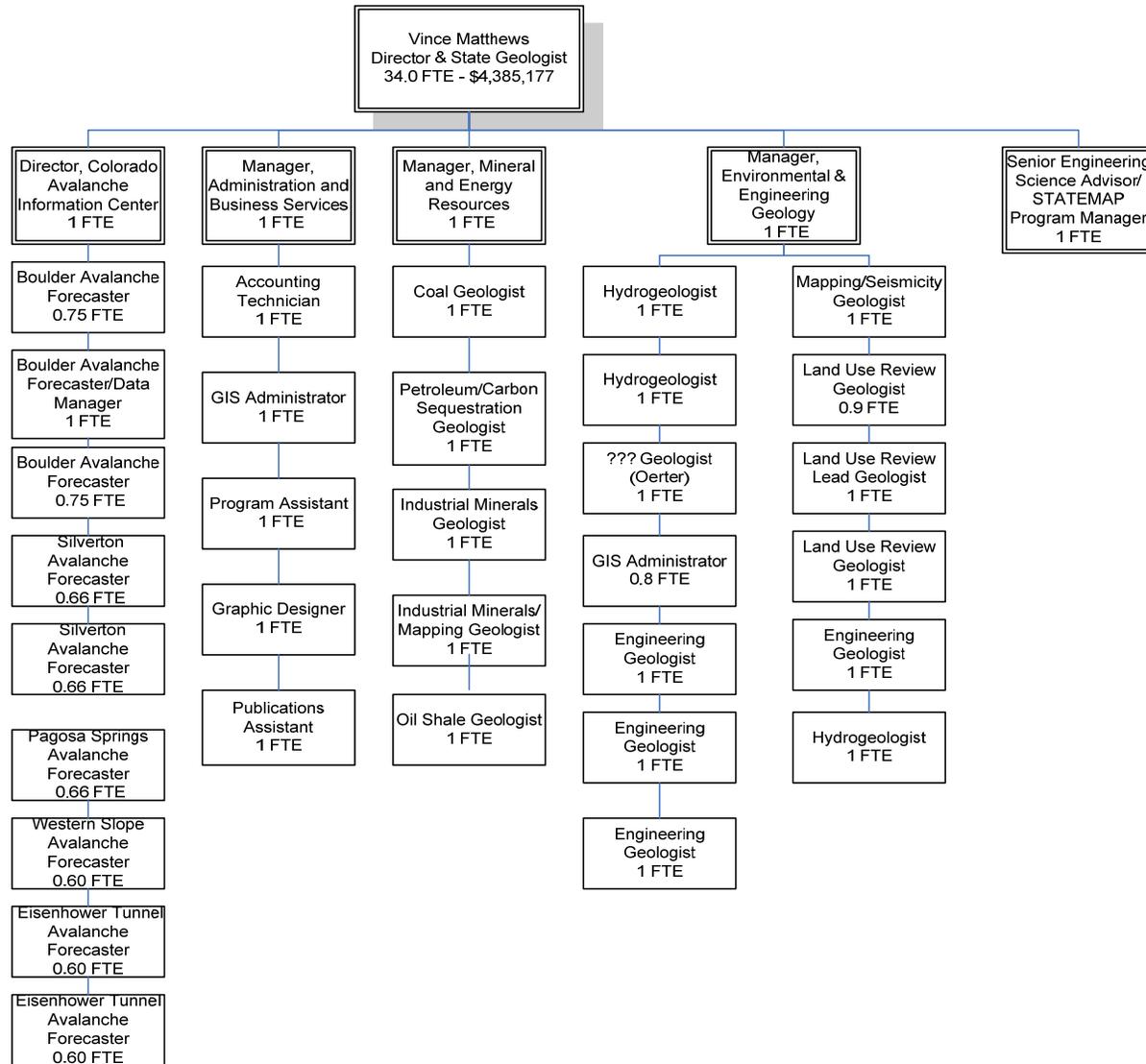
commodity needs. Last year the Bureau of Land Management issued five 60-acre research and demonstration leases for oil shale in northwestern Colorado; those leases have the option to expand to 5,000 acre leases by 2008. The permitting process and citizen involvement for these efforts has significantly increased the workload for the Regulatory Programs and this trend will expand during facility construction and mine production phases. Citizen involvement and objections to coal and non-coal mine operations is escalating. The time required to address concerns, hold hearings, etc., at a minimum, triples the workload.

Federal Funding: DRMS continues to work with the Department of the Interior's Office of Surface Mining (OSM) to address Coal Program federal grant needs – 2006 grant was 2.5% less than the 2005 level and the 2007 grant is the same as the 2006 amount, while the workload increases. Federal grant funding for the Mine Safety Training Program from the federal Mine Safety and Health Administration has increased less than 1% over the last six years, while demands for more miner training grows and more mine safety regulations are being mandated.

Succession Planning: DRMS will experience a turnover in staff due to retirements in the next few years. Individuals will need to be recruited who have specialized skills like hydrology, geology, forestry, and wildlife habitat in order to address complex reclamation and resource assessment issues. Staff salaries have not kept pace with private industry and salaries within DRMS programs are also unequal due to funding constraints within programs. Loss of experienced staff at this time when requests for miner training, regulatory requests from the industry and increased participation from the public could jeopardize the ability of DRMS to maintain compliance with new and existing federal and state regulations.

Abandoned Mined Lands Program Expansion: Comprehensive legislation reauthorizing the Abandoned Mine Land (AML) program under Title IV of the Surface Mining and Control and Reclamation Act of 1977 (SMCRA) was passed by Congress in late 2006. The legislation provides for a pay back of funds that were not appropriated to the states over the last 25 years (\$30 million for Colorado). The distribution of these funds will triple the Inactive Mine Reclamation Program from 2008 through 2014. The program has also been successful in cooperative projects with federal and state agencies and watershed groups to address environmental issues at abandoned mines.

Colorado Geological Survey (CGS)



Colorado Geologic Survey

CGS -- Description:

Colorado Geological Survey consists of three programs:

1. Environmental Geology and Geologic Hazards Program;
2. Mineral Resources and Mapping Program; and
3. The Colorado Avalanche Information Center.

CGS informs and educates the public through each of these programs.

1. The CGS Environmental Geology and Geologic Hazards Program is charged to reduce the impact of geologic hazards on citizens and property, to provide high-quality information to the people of Colorado through published and digital reports and maps, and to increase the awareness and understanding of geologic hazards and geology-related water quality and ground water issues in Colorado.
2. The CGS Mineral Resources and Mapping Program is charged to improve the economy of Colorado and encourage private industry to responsibly explore and develop the State's mineral and energy resources by providing geological maps, reports, statistical data, and other information.
3. The CGS Colorado Avalanche Information Center is charged to promote safety by reducing the impact of avalanches on recreation, industry, and transportation in the State through a program of forecasting and education, and by providing high-quality information and education to the people of Colorado through published and digital reports, maps, and educational aids.

CGS -- Statutory Authority:

Colorado Geological Survey – Title 34, Article 1, Part 1

CGS -- Mission:

The Colorado Geological Survey (CGS) is a state government agency within the Department of Natural Resources whose mission is to help reduce the impact of geologic hazards on the citizens of Colorado, to promote responsible economic development of mineral and energy resources, to provide geologic insight into water resources, provide avalanche safety training and forecasting, and to provide geologic advice and information to a variety of constituencies. By providing sound information and new knowledge, the Colorado Geological Survey contributes to economic growth and improvement in the quality of life for Colorado's citizens.

CGS – Performance Measures:

<u>Performance Measure:</u>	<u>Outcome</u>	<u>FY 05-06</u>	<u>FY 06-07</u>	<u>FY 07-08</u>	<u>FY 08-09</u>
		<u>Actual</u>	<u>Actual</u>	<u>Approp.</u>	<u>Request</u>
CGS-1: 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 population per year	Benchmark	0.122	0.122	0.122	0.122
	Actual	0.087	0.1072		
<u>Narrative:</u> Colorado’s population has risen 38% since 1990, however, the number of avalanche deaths per 100,000 population has decreased. Four other states who have similar topography, Alaska, Utah, Montana, and Wyoming, have all experienced a dramatic increase in avalanche deaths per 100,000. As the population continues to increase each year, the CAIC attempts to keep this measured outcome on a downward trend.					
CGS-2: Reduce the impact of geologic hazards on new home builders and buyers through timely Land Use Reviews (expressed as a percentage of Land Use Reviews completed within the statutory deadline)	Benchmark	97%	97%	97%	97%
	Actual	98.9%	93.2%		
<u>Narrative:</u> Colorado’s growth is resulting in a large number of new subdivisions and schools being proposed in all parts of the State. It is imperative that CGS perform these reviews within its statutory deadline of 21 days to ensure that the developers and the public are properly informed about the potential for geologic hazards on their property and suggested mitigation techniques.					
CGS-3: Reduce the impact of geologic hazards on the citizens of Colorado through geologic mapping (expressed as the cumulative percent of the total state’s quadrangles mapped at the 1 to 24,000 scale)	Benchmark	21.3%	21.6%	22.1%	22.6%
	Actual	21.33%	21.67%		

<p><u>Narrative:</u> The STATEMAP program is part of the National Cooperative Geologic Mapping Program. Forty-seven states participate in this program. The geologic maps that are a product of this program are the foundation for understanding geologic hazards, mineral and energy resources, groundwater aquifers, and the basic science of geology. The public is able to use these maps to identify resources and hazards prior to making planning decisions. The STATEMAP program prioritizes the quadrangles mapped and its highest priority is to complete mapping in areas of the state that are undergoing a high level of development activity.</p>					
<p>CGS-4: Provide sound geologic advice and information to a variety of constituencies on the impact of geologic hazards or the geology of ground water (expressed as the percent of counties in the state and state departments receiving assistance in geologic hazards or ground water issues from CGS).</p>	Benchmark	30%	30%	30%	30%
	Actual	30%	46%		
<p>The most efficient approach to geologic hazard problems is to understand, anticipate, and mitigate the problems before they occur. For example, a landslide investigation and mitigation program may cost a few thousand to tens of thousands of dollars, whereas an active landslide beneath a completed subdivision may cost several millions of dollars to remediate. Critical information is provided to local government officials, private geotechnical practitioners, and the general public, so that they may make effective decisions to reduce the adverse effects of geologic hazards. The need for studies of ground water in its geological framework grows with each new Coloradan and every drought period. In order for the counties and state departments to fully understand the impact of the current draw on the State’s aquifers and ground water, more geologic information is needed. CGS provides that independent information in the form of studies that it completes and publishes, along with acting as technical advisors to the Interbasin Compact Commission Roundtables.</p>					
<p>CGS-5: 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).</p>	Benchmark	5%	5%	5%	5%
	Actual	5%	10%		
<p>Information about the location and character of mineral and energy deposits and the locations of active mines and quarries are vital to entities that may be planning urban or commercial development. These data may be used to make informed land use decisions. If citizens and local government officials are aware of new exploration trends in their area, plans to accommodate exploration and development of mineral and energy resources can be made, thereby avoiding or mitigating land use conflicts.</p>					

CGS – Workload Measures:

<u>Workload Measure</u>	<u>Unit</u>	<u>FY 05-06</u> <u>Actual</u>	<u>FY 06-07</u> <u>Actual</u>	<u>FY 07-08</u> <u>Est.</u>	<u>FY 08-09</u> <u>Est.</u>
Number of avalanche courses offered during the winter	Number of courses taught	115	92	125	128
Number of Land Use Reviews performed	Reviews	554	477	513	513
Number of 1 to 24,000 geologic quadrangles mapped	Number of quads	7	7	8.5	8
Publish and distribute water quality/ground water investigative studies	Number of publications or reports	1	1	1	1
Publish and distribute geologic hazards analyses	Number of publications or reports	3	2	3	3
Publish and distribute mineral and energy resource reports and studies	Number of publications or reports	3	4	3	3

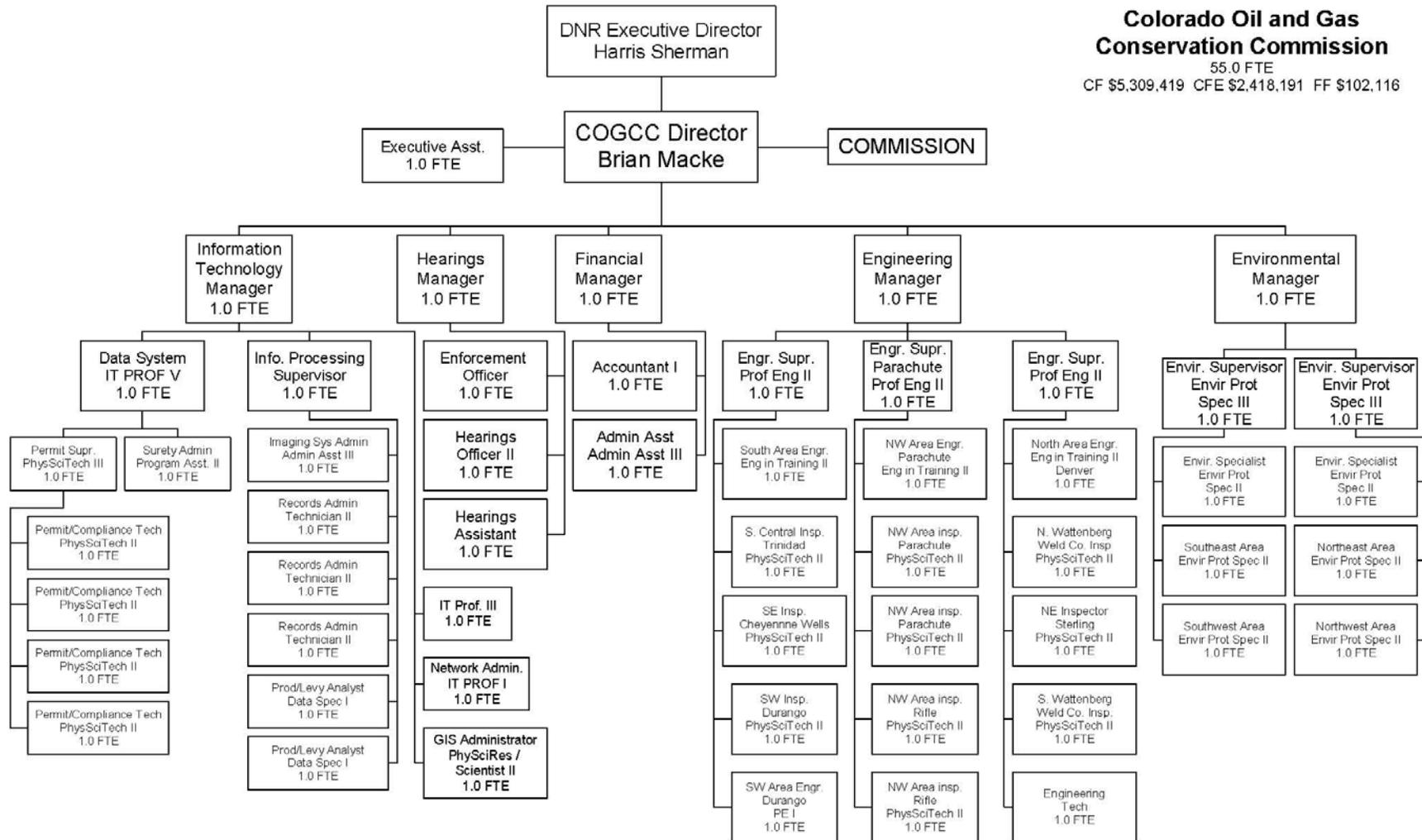
CGS – Key Trends and Other Background Information:

- Geothermal energy is an important renewable energy source that is relatively undeveloped in Colorado. There is potential development interest from the private sector for both electric power production and direct use of geothermal resources, but more geothermal data is needed to encourage pursuit of on-the-ground projects. CGS has historically studied, and currently is studying our geothermal resources to encourage resource development.
- Ground water resources will be increasingly used as a source of water supply in the coming years as the needs of a growing population and economy are met. CGS can provide proactive studies on many fronts in understanding the depletion and potential recharge of ground water supplies across Colorado.
- People and property in the Colorado mountains are continuously threatened by avalanches during the winter months. Each year more people rely on the CAIC’s avalanche forecasts and education programs. The winter workload has grown and summer operations need to be expanded to do general maintenance and repair of our thirteen remote weather stations and develop

education materials to address new user and age groups. The demand for avalanche education is increasing but the resources to provide free education remain limited.

- Mapping under the STATEMAP program is continuing at a high level, and this coming fiscal year CGS will be mapping more quadrangles than it has in the past. This level of growth requires a greater commitment of severance tax funds for the required state to federal match.
- CGS has been invited to participate in Phase III (deployment) of the Southwestern Regional Carbon Sequestration Grant, funded by the US Department of Energy through the New Mexico Institute of Mining and Technology. The geological sequestration field test site will be in the Raton Basin of southern Colorado.
- Current strong growth in the mineral and energy industries in the past few years emphasizes the importance of reliable unbiased information on resources to decision makers. Coalbed methane wells are now being permitted in Archuleta County without the benefit of detailed maps showing coal beds, methane seeps, clinker, etc.

**Colorado Oil and Gas
Conservation Commission**
55.0 FTE
CF \$5,309,419 CFE \$2,418,191 FF \$102,116



July 2007

Colorado Oil and Gas Conservation Commission (OGCC)

OGCC -- Description:

Through a largely regulatory role, the Oil & Gas Conservation Commission (OGCC) is charged with fostering the responsible, balanced development of our state's oil and gas resources while protecting the public health, safety and welfare, including the environment and wildlife resources. The OGCC accomplishes this important role through three workgroups:

- Operations -- Environmental protection specialists, engineers and field inspectors in this section ensure technical compliance with the OGCC rules and regulations. Staff reviews information and applications for approval, including production and injection well applications, technical well information, pit applications, land farms, remediation work plans for exploration and production waste cleanup operations and requests to plug and abandon wells. Field inspections are performed to ensure compliance for: drilling, production, and injection wells; well abandonment, pit and landfarm operations; and exploration and production waste cleanup operations. The Operations staff is also responsible for responding to inquiries and investigating complaints. As part of their duty to provide technical expertise, staff recommends enforcement actions and supports enforcement actions before the Commission at hearings for violations of OGCC rules. This section is responsible for identifying, recommending, and managing projects using the Oil and Gas Conservation and Environmental Response Fund (Fund 170).
- Administration and Hearings -- This section assists the Commission¹ in conducting hearings, holding local public forums, developing policies, and implementing rules, regulations, and orders to maximize oil and gas production and revenues for the state, to prevent waste, to protect correlative rights, and to protect public health, safety, welfare and the environment. It acts as a liaison to the Department, the public, and industry regarding OGCC activities. This includes responding to inquiries, investigating complaints, and performing outreach to parties such as the oil and gas industry, local governments and other interested groups to share information about issues of concern, to form committees, and to work on rulemaking. This section also manages the division's financial resources by preparing the annual budget request, and administering appropriations for their effective and efficient use.

¹ The Colorado Oil and Gas Conservation Commission is a nine-member public board charged with implementing and enforcing the Colorado Oil and Gas Conservation Act, Title 34 Section 60. Seven members are appointed by the Governor; the other two members include the executive director of the state's Department of Natural Resources and the Department of Public Health, Safety and the Environment or their designees.

- Information -- This section processes, reviews and publishes oil and gas operator-submitted reports and applications and responds to customer inquiries. The information section is responsible for collecting, reviewing for compliance, processing, storing and tracking oil and gas well information, production volumes and conservation levy volumes and production values in the State of Colorado in order to supply information on the complete life cycle of the oil and gas wells. This section ensures that oil and gas operations and regulatory reporting are in compliance with the rules, regulations and orders of the Commission, including reviewing all drilling permit applications for regulatory compliance, and verifying that oil and gas operators are properly registered and meet the OGCC financial surety requirements. This section is responsible for managing the Local Area Network and the OGCC Internet Website to disseminate OGCC information to the public, government agencies, and other customers.

OGCC -- Statutory Authority:

Oil and Gas Conservation Act – Title 34, Section 60, Colorado Revised Statutes

OGCC -- Mission:

The mission of the Colorado Oil and Gas Conservation Commission (OGCC) is to foster the responsible, balanced development of Colorado's oil and gas natural resources. Responsible development results in:

- The efficient exploration and production of oil and gas resources in a manner consistent with the protection of public health, safety and welfare, including protection of the environment and wildlife resources
- The prevention of waste in the production and utilization of oil and gas
- The protection of mineral owners' correlative rights
- The prevention and mitigation of adverse impacts to the environment and to wildlife resources

The OGCC seeks to serve, solicit participation from, and maintain working relationships with all those having an interest in Colorado's oil and gas natural resources.

OGCC – Performance Measures:

Given the importance of Oil & Gas impacts on water supplies to both the Oil and Gas Conservation Commission and to the Department of Natural Resources, performance measures related to these issues can be found under “DNR-Wide Performance Measures” on page 8 of this document.

<u>Performance Measure:</u>	<u>Outcome</u>	<u>FY 05-06 Actual</u>	<u>FY 06-07 Actual</u>	<u>FY 07-08 Approp.</u>	<u>FY 08-09 Request</u>
Decrease surface disturbance caused by oil and gas activity					
OGCC-1: Percent of reclamation inspections that comply with OGCC rules.	Benchmark	86%	86%	86%	86%
	Actual	86%	81%		
OGCC-2: Percent of oil & gas wells that are drilled with directional drilling technology.	Benchmark	35.6%	35.6%	44%	45%
	Actual	35.6%	42.6%		
The OGCC strives to reduce impacts to the surface by requiring directional drilling technology when practical and conducting reclamation inspections subsequent to drilling operations. The use of directional drilling technology reduces surface disturbance because multiple wells can be drilled from a common well pad, which is located to minimize impacts to water resources, wildlife, and surface owners.					
<u>Performance Measure:</u>	<u>Outcome</u>	<u>FY 05-06 Actual</u>	<u>FY 06-07 Actual</u>	<u>FY 07-08 Approp.</u>	<u>FY 08-09 Request</u>
Decrease in health, safety, and environmental (other than water) incidences caused by oil & gas operations.					
OGCC-3: 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		
The OGCC diligently and promptly responds to all complaints that are received by the agency. Each complaint is publicly tracked on the OGCC web site until the issue is resolved. Although not all complaints are related to issues that the OGCC has the regulatory authority to resolve, the number of complaints that are received by the agency is considered to be one important indicator of the impact that the oil and gas industry is having on the public and how well OGCC regulation is reducing the impact.					
<u>Performance Measure:</u>	<u>Outcome</u>	<u>FY 05-06 Actual</u>	<u>FY 06-07 Actual</u>	<u>FY 07-08 Approp.</u>	<u>FY 08-09 Request</u>
Foster the balanced and orderly development of oil and gas resources.					

OGCC-4: Number of orphaned oil & gas wells plugged and abandoned and sites reclaimed by the OGCC.	Benchmark	25	25	27	27
	Actual	25	32		
<p>Since the early 1990's, the OGCC has had an active orphaned and abandoned oil and gas well plugging and site reclamation program. Occasionally, orphaned and abandoned wells and oil and gas operations sites in need of reclamation are identified by OGCC inspectors or are reported to the OGCC by the public. Typically, these wells and sites pre-date modern oil and gas regulation in Colorado. The orphaned and abandoned well plugging and site reclamation program was established to use funds provided by the regulated industry to prevent impacts to the environment and public health, safety, and welfare that could be posed by these old wells and sites.</p>					
<u>Performance Measure:</u>	<u>Outcome</u>	<u>FY 05-06 Actual</u>	<u>FY 06-07 Actual</u>	<u>FY 07-08 Approp.</u>	<u>FY 08-09 Request</u>
Increase opportunities for disseminating information to the public					
OGCC-5: Number of visits to the Oil and Gas Conservation Commission's website.	Benchmark	931,422	931,422	931,422	931,422
	Actual	931,422	1,045,750		
<p>The OGCC's website provides electronic access to valuable information about oil and gas development in Colorado. The website contains all regulatory information that has been submitted for oil and gas wells, which includes, but is not limited to, information regarding permits, well construction, production, complaints, and inspections. Also available are digital well logs and extensive Geographic Information System (GIS) maps that contain over 100 layers, such as wells sites, well spacing orders, oil and gas fields, wildlife information, Bureau of Land Management stipulations, color aerial photography, topography, and water resource information. The OGCC works to continuously improve the volume and quality of data provided to the regulated community, federal, state and local governments, the media, and the general public.</p>					

OGCC – Workload Measures:

<u>Workload Measure</u>	<u>Unit</u>	<u>FY 05-06 Actual</u>	<u>FY 06-07 Actual</u>	<u>FY 07-08 Est.</u>	<u>FY 08-09 Est.</u>
Active Oil and Gas Wells in Colorado	# of Wells	30,324	32,021	34,000	36,000
Applications for Permits to Drill - Received	# of APDs	5,829	6,664	7,050	7,400
Active Drilling Rigs	Avg. # of Rigs	83	97	120	130

Volume of oil and gas produced in the state.	trillion cubic feet of natural gas and coalbed methane	1.19	1.24	1.19	1.19
Volume of oil and gas produced in the state.	million barrels of oil produced	23.57	23.63	23.57	23.57
Pit Applications	# of Pit Applications	418	288	300	300
Complaints	# of Complaints	294	293	293	293
Site Investigation and Remediation Work Plans submitted	# of plans	162	182	200	200
Number of public forums held	Meetings, trainings & hearings	26	31	26	26
Hearing Applications	# of applications	102	107	130	150
Spills and Releases of Exploration & Production Waste	# of Spills & Releases	367	302	302	302
Individual Bond Release Requests	# of Requests	70	46	50	50
Blanket Bond Release Requests	# of Requests	54	51	54	54

OGCC – Key Trends and Other Background Information:

As Colorado continues its rapid growth in oil and gas development, there are increasing numbers of conflicts between users of the surface of the land, especially residential and commercial development, and oil and gas development. There is controversial oil and gas development occurring near rural residential development areas in many parts of Colorado, especially in the San Juan Basin in La Plata County, the Piceance Basin in Garfield County, and the Raton Basin in Las Animas County. In other areas, such as Weld and Adams Counties along the Front Range, oil and gas operations are being encroached on by expanding surface development. The issue of “split estate”, where a surface owner does not own the mineral rights beneath their property, has become increasingly prominent in the debate about surface use conflicts regarding oil and gas development.

Several major areas of the state are or will be experiencing increased drilling activity. As operators continue to develop existing fields with increased well density, there is continued pressure on the OGCC to address not only the technical, “down hole” aspects of the development, but also address citizen and local government concerns regarding protection of ground water, noise, land use, property valuation, and other environmental issues. Addressing these concerns has significantly increased the workload for the OGCC staff.

Operators, taking advantage of strong oil and natural gas prices, are permitting new wells at a record pace. This significant increase in workload affects every aspect of the OGCC. Significant OGCC resources are being allocated to inspect oil and gas wells and address the complaints and concerns of the public. The OGCC staff must continue to balance the statutory charges of fostering oil and gas development and protecting public health, safety, and welfare and the environment and wildlife resources and wildlife resources.

Recent passage of legislation that substantially overhauls the commission and requires the OGCC to bring the Department of Public Health and Environment (CDPHE) and the Division of Wildlife (DOW) into its rulemaking process will result in additional components being incorporated into the drilling permit application and review process. Additional resources will likely be needed to address this issue.

- HB 07-1341 changes the makeup of the Commission by changing the number of Commissioners with industry experience from five to three, specifies four non industry members from environmental, surface owner, and local government interests, and adds the executive directors of DNR and the CDPHE as ex officio voting members. The legislation also requires the OGCC to include the CDPHE in its rulemaking and drilling permit review processes.
- HB 07-1298 requires the OGCC to include DOW in its rulemaking and drilling permit review processes.
- HB 07-1180 requires the OGCC to promulgate rules that establish standards for wellhead measurement and reporting to ensure the accuracy of oil and gas production reporting.

Senate Bill 07-198 provides the OGCC with a \$4.5 million appropriation over three years to mitigate and monitor coalbed methane seepage in La Plata and Archuleta counties. The decline in severance tax revenue projections required the funding source for this project to switch to the Oil and Gas Conservation and Environmental Response Fund. As a result, the OGCC will need to increase and maintain the OGCC mill levy rate at a level that will fund this project and the ongoing operations of the agency.

Along with the impending review of oil and gas drilling permit applications by the CDPHE and DOW, the OGCC has conducted a pilot test of an in-house process to further enhance the environmental review of these applications. The pilot process, which included a routine review of every permit application by the agency's environmental staff, was pilot tested during June 2007. A permanent change to the process cannot occur until additional environmental protection specialists, dedicated to permit review, are added to the staff.

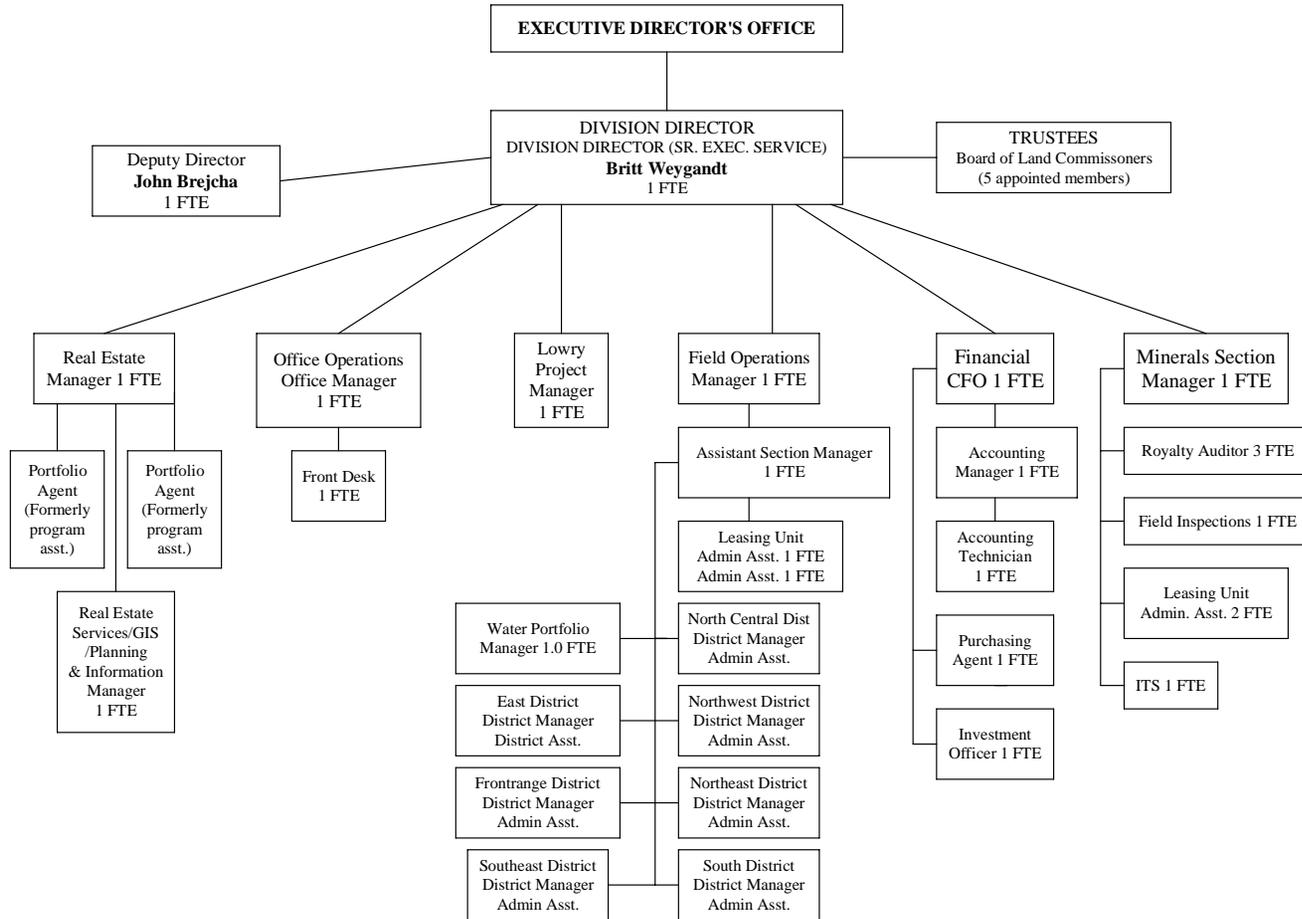
The OGCC deployed seven new field employees in FY 2006-07. The current field staff now includes 4 environmental inspection specialists, 9 well inspectors, and 2 engineers, for a total of 15 people located outside Denver. Although the OGCC is still training

these new employees, their impact has already been felt. As they become more familiar with their jobs and the area in which they are working, their contributions are expected to be significant and more widely recognized.

The OGCC has been working to develop an interactive web site that can conduct e-commerce transactions, such as receiving regulatory reports from operators and delivering statistical information to OGCC customers, to improve efficiency, cost savings, and service as much as possible to the regulated community, federal, state and local governments, the media, and the general public.

COLORADO STATE BOARD OF LAND COMMISSIONERS

38.0 FTE
CF \$1,042,286 CFE \$2,810,464



July 2007

Colorado State Board of Land Commissioners

State Land Board – Description:

The State Land Board operates as a fiduciary for eight trusts. The trusts are: School Trust (by far the largest), Public Building Trust, Penitentiary Trust, University of Colorado Trust, Saline Trust, Internal Improvements Trust, Colorado State University Trust, and Hesperus Trust.

In the case of the School Trust the State Land Board has been mandated by law to:

- Manage an intergenerational trust for the support of public schools
- Earn reasonable and consistent income over time
- Establish and maintain a long term Stewardship Trust (300,000 acres) that will be managed to protect and enhance the beauty, natural values, open space, and wildlife habitat of those lands.
- Not significantly diminish the trust

The State Land Board's operations are organized around a director, deputy director, and four sections. These are the Field Operations, Minerals, Real Estate, and Financial Sections.

The Field Operations Section employees work with state trust land lessees on day-to-day land management issues and challenges, as well as on longer-term initiatives to ensure that natural resources on trust lands are conserved and that the long-term value of the trust asset is maintained or improved. This section also performs property inspections and recommends appropriate land disposals and acquisitions.

The Minerals Section issues leases for production, issues exploration permits, collects royalties, conducts royalty revenue audits, conducts public lease auctions, collects auction bonuses, rentals and advance minimum royalties, sets reclamation bond amounts, approves reclamation for bond release, examines mineral lease tracts for production evaluation, and audits for environmental protection. This section is also responsible for energy leases.

The Real Estate Section provides the asset management for the commercial and other special uses of state trust land, coordinates and provides the technical services needed and strategic investment options for land disposals and acquisitions. This section is responsible for oversight for the development portfolio of state trust land.

The Financial Section administers the State Land Board’s 19 trust fund accounts (two per trust) and processes 25,000 accounting transactions including allocation of the \$60.0 million in annual revenue. The section directs the \$5.5 million expense budget. Additionally, the section oversees the formulation of the annual budget request and analyzes land transactions and investments considered by the Board.

State Land Board – Statutory Authority:

*Federal: Federal Statehood Enabling Act of 1875 (Para. 7-12 and 14 and 15).
 State: Colorado Constitution, Article IX, Section 9-10.
 Colorado Revised Statutes Title 36, Article 1 through 7.*

State Land Board – Mission:

To effectively manage trust assets for the beneficiaries through producing reasonable and consistent income over time and projecting and enhancing long term production and value through sound stewardship.

State Land Board – Vision:

The Division does not have a current vision statement

State Land Board – Performance Measures:

Given the importance of school trust revenue to both the State Land Board and to the Department of Natural Resources, performance measures related to these issues can be found under “DNR-Wide Performance Measures” on page 8 of this document.

<u>Performance Measure:</u>	<u>Outcome</u>	<u>FY 05-06 Actual</u>	<u>FY 06-07 Actual</u>	<u>FY 07-08 Approp.</u>	<u>FY 08-09 Request</u>
SLB-1: Percent of Agricultural Property Inspections Rated Good or Above for Range Conditions	Benchmark	50.0 percent	50.0 percent	55.0 percent	60.0 percent
	Actual	50.4 percent	48.0 percent	Unknown	Unknown
This performance measure incorporates the stewardship duties of the State Land Board. Beyond monetary value identified in other					

performance measures, the State Land Board is mandated to protect trust assets and make decisions that promote long term goals of the various trusts. There are five categories of range conditions: Excellent, Good, Fair, Poor, and Unknown (not included).					
SLB-2: Investment and Development Fund Net Present Value estimate	Benchmark	\$14.4 million	\$19.4 million	\$35 million	\$40 million
	Actual	\$14.4 million	\$32.3 million	Unknown	Unknown
The Investment and Development Fund (36-1-153 C.R.S.) was created to allow the State Land Board to make value added investments in School Trust properties for revenue or land value enhancement. This measure is the aggregate net present value of all projects and expenditures from the fund.					
SLB-3: Amount of past due mineral royalty revenue collected due to mineral audit	Benchmark	\$150,000	\$200,000	\$300,000	\$400,000
	Actual	\$318,000	\$1,865,829	Unknown	Unknown
This performance measure shows the effectiveness of the State Land Board’s mineral audit program. The program has 3.0 FTE auditors, contract dollars, and uses the Department of Revenue for specific audits.					

State Land Board – Workload Measures:

<u>Workload Measure</u>	<u>Unit</u>	<u>FY 05-06</u> <u>Actual</u>	<u>FY 06-07</u> <u>Actual</u>	<u>FY 07-08</u> <u>Est.</u>	<u>FY 08-09</u> <u>Est.</u>
Holdover tenant leases.	Leases	38	14	5	5
Increase the number of inspections on expiring leases completed more than one year prior to expiration	Percent inspected	11%	20%	70%	100%
Number Of Agricultural Lease Inspections (excludes unknown range condition inspections)	Inspections	445	573	650	750
Amount of matching funds for based on \$150K weed management budget	Dollars	\$534,000	\$500,000	\$500,000	\$500,000
Amount of matching funds for Enhancement Fund dollars	Target	\$225,000	\$242,000	\$266,000	\$293,000

Percent of mineral royalty revenue streams audited	Percent	86.7%	87.9%	95%	95%
Number of royalty audits	Number	51	56	80	100
<u>Workload Measure</u>	<u>Unit</u>	<u>FY 05-06</u>	<u>FY 06-07</u>	<u>FY 07-08</u>	<u>FY 08-09</u>
		<u>Actual</u>	<u>Actual</u>	<u>Est.</u>	<u>Est.</u>
Number of mineral leases auctioned	Leases	532	400	400	400
Percent of completed Investment and Development Fund projects	Percent	25%	39%	50%	70%
Average procurement request processing time for procurement more than \$5,000	Days	20	10	5	5

State Land Board – Key Trends and Other Background Information

Significant Transactions

Over the past year, the State Land Board completed two significant transactions. First was the disposal of Emerald Mountain Property to the Bureau of Land Management (BLM) outside Steamboat Springs. About 5,200 acres were transferred, providing the School Trust \$13.8 million and the people of Steamboat Springs the opportunity to preserve their mountain backdrop. The process took 14 years and the last, and by far the largest, piece of the transaction occurred in February 2007.

In March 2007 the State Land Board and The Nature Conservancy purchased a 24,000 acre ranch in central Lincoln County which consolidated nearly fifty thousand acres of School Trust land. According to the appraiser, the assemblage increased the value of the existing State Land Board holdings (25,000 acres) around \$40 per acre or \$1,000,000. This transaction provided an immediate return for the School Trust as well as an increased annual income.

Development Agreements

The State Land Board will finish two development agreements by the beginning of FY 2007-08 which were approved by the Board in FY 2006-07. The first agreement concerns 640 acres in the Roxborough area of Douglas County. This agreement will generate \$50 million over the next seven years. Sterling Ranch Partners, LLC was selected by the Board through a RFP process to develop the property. They have the expertise to bring renewable water to the entire region which suffers from water shortages. This group also will address the transportation issues of the Roxborough area.

The second development agreement concerns 4,000 acres at the Lowry Range. After years of studies and deliberations and a RFP process that took over a year to complete, the State Land Board awarded the development portion of the Lowry Range to Lend Lease Communities in December 2006. The Lend Lease development agreement is expected to generate \$328 million for the School Trust based on 13,000 residential units and 220 acres of commercial development. At the December 2006 meeting, the Board also formally established a 17,000 acre Conservation Area and a 5,000 acre Water Resource Area on the 26,000 acre Lowry Range parcel. This areas will be under separate agreements with conservation partners.

Office Buildings

Over the next two years, the State Land Board plans to complete two office buildings – Northeast District Office in Sterling and 1127 Sherman Denver. The buildings will meet appraised value, incorporate LEED concepts, and generate good financial returns through new income and rent expense savings. Unlike other state agencies, State Land Board is required permit these building through local government.

Investment Development Fund

The State Land Board estimates that the current Investment and Development Fund investments will produce a net present value of \$32.3 million and an annual revenue increase of nearly \$900,000 for the School Trust once complete. Seven of the sixteen projects are near to or have been completed.

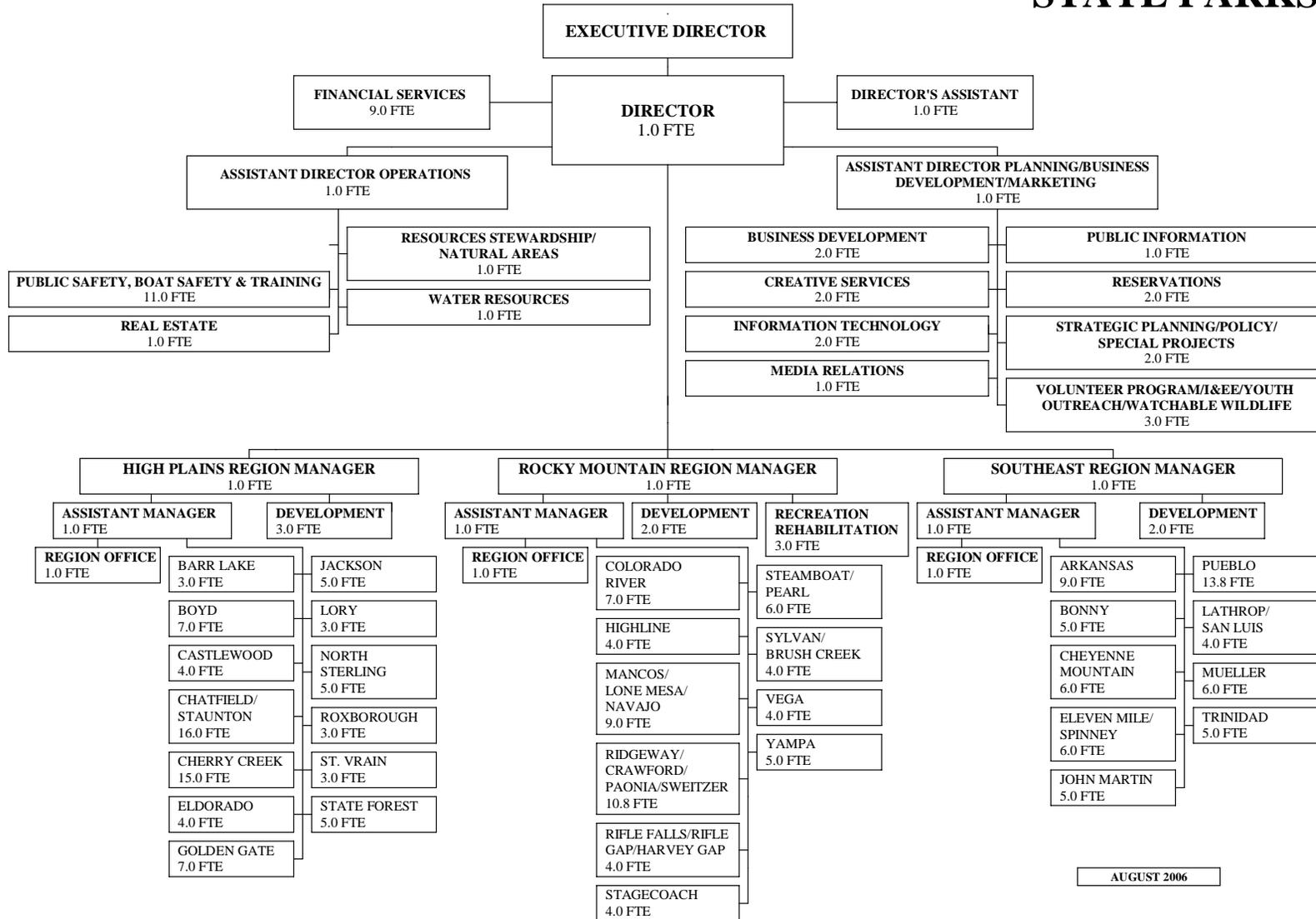
Renewable Energy

House Bill 07-1145 requests that the State Land Board identify land suitable for renewable energy development and collaborate with federal and state agencies.

The State Land Board has approved four wind energy leases covering 8,618 acres, which includes the state's first commercial wind farm – the Ponnequin Wind Farm – leased in 1998. Once operational, the four approved leases should produce \$185,000 per year. The State Land Board also has applications for six more leases covering another 8,000 acres. Ultimately staff believes there is wind energy potential for 50,000 acres which could produce around \$1 million a year in revenue for the State Land Board.

The State Land Board has also begun to explore solar and geothermal energy resource development on several properties. There are no pending applications for such leases.

COLORADO STATE PARKS



AUGUST 2006

Division of Parks and Outdoor Recreation

Division of Parks and Outdoor Recreation -- Description:

Attracting over 11 million visitors per year, Colorado's 43 state parks and statewide recreation programs are a vital cornerstone of Colorado's quality of life, offering some of the highest value outdoor recreation destinations in the state. Our parks include a variety of landscapes to match the state's geography, from urban playgrounds to back-country retreats, from mountain lakes to whitewater adventure. Colorado State Parks enable everyone, regardless of age, background, economic or social circumstance, to enjoy the state's internationally famous natural beauty and experience a wide range of activities. Park visitors and beneficiaries of State Parks' many statewide outdoor recreation programs can literally "re-create" themselves both physically and spiritually. The parks are a priceless, irreplaceable legacy for future generations. Providing that enjoyment and protecting the legacy is the core of the Colorado State Parks' mission. Colorado State Parks manages 4037 campsites, 42 cabins and yurts, encompassing 246,000 land and water acres. Several statewide programs including Trails, Boat Safety, Commercial River Outfitter Licensing, and Registrations for vessels, snowmobiles, and off-highway vehicles are also administered through Colorado State Parks. We are an integral revenue source to Colorado's growing economy.

Division of Parks and Outdoor Recreation -- Statutory Authority:

Section 33-10-101 to 33-15-112, C.R.S

Division of Parks and Outdoor Recreation -- Mission:

To be leaders in providing outdoor recreation through the stewardship of Colorado's natural resources for the enjoyment, education and inspiration of present and future generations.

Division of Parks and Outdoor Recreation -- Vision Statement:

Colorado State Parks offer exceptional settings for renewal of the human spirit. Residents and visitors enjoy healthy, fun-filled interaction with the natural world, creating rich traditions with family and friends that promote stewardship of our natural resources. Parks employees and their partners work together to provide ongoing and outstanding customer service through recreational programs, amenities and services.

Division of Parks and Outdoor Recreation -- Performance Measures:

Given the importance of annual parks visitation to both the Division of Parks and Outdoor Recreation and to the Department of Natural Resources, performance measures related to these issues can be found under “DNR-Wide Performance Measures” on page 8 of this document.

<u>Performance Measure:</u>	<u>Outcome</u>	<u>FY 05-06 Actual</u>	<u>FY 06-07 Actual</u>	<u>FY 07-08 Approp.</u>	<u>FY 08-09 Request</u>
DPOR-1: Acres of State Parks land managed per capita	Benchmark	.08	.08	.08	.08
	Actual	<u>.08</u>	<u>.08</u>		
<p>The Division operates 41 State Parks that provide outdoor recreation opportunities for citizens throughout the state. The state parks and statewide recreation programs are a vital cornerstone of Colorado’s economy and quality of life. The Division actively manages a total of 218,635 land acres among all parks and 140,090 acres in 78 Designated Natural Areas. (Please note that this figure does not include the parks that are not yet open to the public.) The 2005 Colorado population from the FY2005-06 Workforce Report published by the Department of Personnel and Administration is 4,655,177. Based on these figures, the Division manages .08 acres of land per capita. The desired outcome for this performance measure is an increase in the number of land acres managed by the Division to keep pace with the increase in number of residents of Colorado. This is consistent with the Division-wide Strategic Plan Recreation Goal which states that State Parks will: “Provide sustainable outdoor recreation settings, statewide programs and education opportunities to keep pace with the rising demands, needs, and diversity of Colorado citizens and visitors.” The Division has several options for increasing the amount of acreage it actively manages, including acquiring buffer parcels adjacent to existing parks; acquiring in holdings within existing parks; and increasing the level of management on properties that the agency currently owns but are not yet open to the public (Staunton and Lone Mesa State Parks, for example).</p>					
DPOR-2: Percentage of occupancy at campsites	Benchmark	NA	NA	18%	18%
	Actual	<u>NA</u>	<u>NA</u>		
<p>There are more than 4,200 campsites in the Colorado State Parks system. The percentage of these campsites that are occupied during prime camping season (roughly April through October) is a key indicator of the overall popularity of the system. This percentage can also be used to extrapolate other important information, including revenue stream trends and the degree to which the Division is meeting visitor expectations. The desired outcome for this performance measure is an increase in the percentage of occupancy per total rental nights available at campgrounds each year and is consistent with the Division-wide Strategic Plan Marketing Goal which</p>					

states that State Parks will: “Retain current and acquire new customers through exceptional service and by improving State Parks’ visibility with innovative marketing.” The agency has a number of strategies to achieve this outcome, including increasing marketing efforts that would improve the mid-week reservations (when occupancy is at the lowest level). Because this performance measure has never been calculated in Colorado, the Division is using the actual occupancy percentage from 2005 for Montana as a benchmark.

DPOR-3: Establish resource management practices and maintain the resources in good condition for all state parks	Benchmark	NA	NA	68%	69%
	Actual		68.5%		

The Division needs to provide and promote a systematic framework for addressing the changing values and opportunities on state lands which recognizes and utilizes the current potential for these properties while preserving and enhancing the quality of the parks for current and future generations. Every park has a resource stewardship plan with individual goals to protect key resources, but the condition of the vegetation is one overall measure that can be informative about resource quality over time and can be measured with GIS. This measure does not directly take wildlife or water quality measures into account which is important at many parks. This measure is affected by how much integrated weed management, fire mitigation work and native re-vegetation is completed by the parks, as well as by how much visitors and uses are managed. This performance measure would be based on the percentage of acreage within Colorado State Parks that is rated at the Good or Excellent level in relation to total park acreage. Monitoring will be implemented as part of the Stewardship program. Another measure is the condition of the 78 designated Colorado Natural Areas. This is reported by 3 sources annually: volunteers, park staff visits, CNAP staff visits. The report includes an overall condition rating of excellent, good, fair or poor. The rating would be the percentage of Natural Areas in good to excellent condition. These are consistent with the Division-wide Strategic Plan’s Natural Resource Goal which states that State Parks will: “*Improve and sustain the ecological, scenic and scientific assets in and around state parklands through proactive stewardship.*”

DPOR-4: Annual customer satisfaction survey	Benchmark	NA	NA	75%	76%
	Actual				

The Division would email on an annual basis a customer satisfaction survey to customers of state parks. This survey would consist of a set of questions that would remain the same each year and would be returned via email. The survey would help measure overall visitor satisfaction with respect to a number of natural resource, recreation, safety, education, and park planning criteria. The performance measure would be comprised of a percentage of customers that rate their experience with State Parks at the Good or Excellent level with respect to the criteria outlined in the survey. Over time, the Division’s desired outcome would be to maintain the level of satisfied customers and increase that level by one or more percentage points each year. Questions on the survey would break

down aspects of the visitor experience, such as law enforcement, customer service, resource quality, recreation opportunities, and level of park development. This performance measure is consistent with the Division-wide Planning Goal which states that State Parks will: “Apply effective, accurate and reliable information for the analysis, planning, and implementation of all decisions.” The above measurement is the percentage of customers that rate their experience at state parks as good or excellent.

Division of Parks and Outdoor Recreation – Workload Measures:

<u>Workload Measure</u>	<u>Unit</u>	<u>FY 05-06</u> <u>Actual</u>	<u>FY 06-07</u> <u>Actual</u>	<u>FY 07-08</u> <u>Est.</u>	<u>FY 08-09</u> <u>Est.</u>
Complete structured annual park work plans that integrate implementation priorities from the park stewardship plan or updated park management plan.	Individual Parks	NA	NA		
Number of customers purchasing park passes and making facility reservations on-line and through our call center.	Division	NA	NA		
Total miles of existing trails receiving major rebuilding/rehabilitation work.	Division	NA	NA		
Number of volunteer hours contributed statewide to the Division at parks, programs and offices.	Individual Parks				

Division of Parks and Outdoor Recreation – Key Trends and Other Background Information:

Natural Resource Health: Outdoor recreation activity is expected to continue to expand in the future, placing more demands on water and land resources. With the exception of a slight dip in 2002-03, State Parks visitation numbers have steadily risen since 1998, and that is expected to continue. The consequential potential for environmental stress must be addressed over the coming years in State Parks planning. In addition, continuing drought conditions in Colorado, including low water levels at reservoirs and on white-water rivers, and campfire bans, impact the ability of State Parks to provide recreation opportunities and generate revenue.

Population Growth and Demographics: Colorado currently has 4.6 million residents and, in 2003, was ranked the 16th fastest growing state in the U.S. Current population growth rate has slowed to about 1.4% per year; however, the state's population is projected to increase to 5.6 million people in the next 10 years. The majority of growth will be in the Front Range and I-70 corridors.

Customer Demands and Expectations: With changing demographics also come changing customer expectations. While State Parks traditionally has been associated with the “back to nature” and basic camping experience, an increasingly larger segment of the public seeks to combine the outdoors experience with comfortable accommodations. This growing and lucrative niche presents State Parks with new opportunities as well as challenges to meet changing expectations and attract and serve existing and new customers.

Public Health: Concerns over public health in America are accelerating, particularly in terms of obesity rates, which have doubled for adults and tripled for children since 1980. Data is increasingly spotlighting the benefits of outdoor recreation activity as a way to combat obesity rates, depression, the impacts of stress and other health concerns.

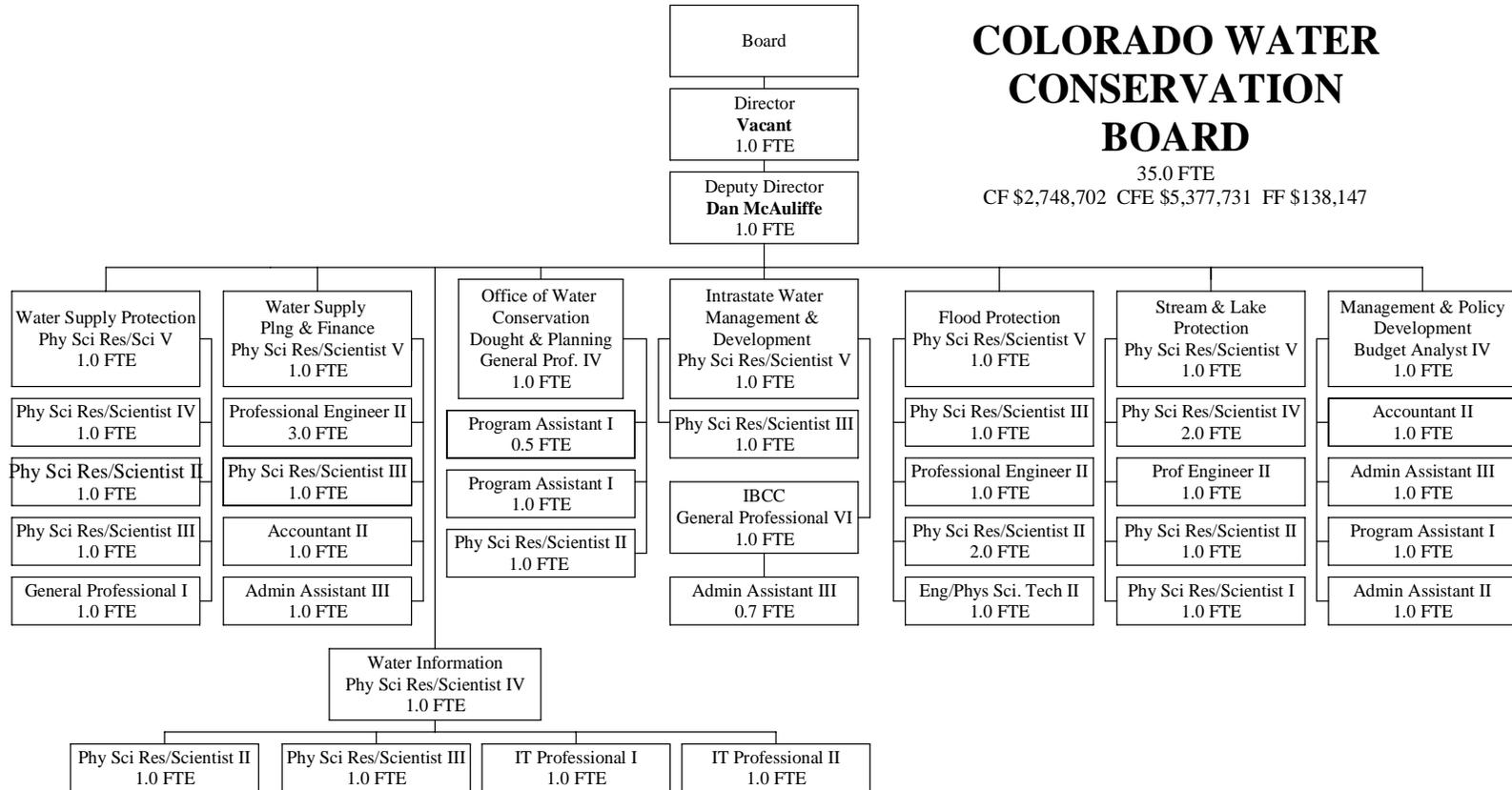
Energy Costs: A 2006 survey by America's Research Group showed half of Americans expected to spend less last summer under the strain of higher gas prices, including 25 percent who plan to make dramatic cuts. The survey of 1,000 consumers also found that nearly half of families, 46 percent, say they would change their vacation plans if gas prices continue hovering near \$3 a gallon. In May of 2007, gasoline prices are in excess of \$3 per gallon and forecast to rise to a record \$4 or more in the summer of 2007. State parks can be marketed as nearby and attractive vacation destinations and alternatives to Colorado residents that might otherwise travel to out-of-state destinations given lower fuel costs.

Facility Infrastructure Condition: Older state parks have an extensive backlog of deferred maintenance projects. Nearly 50 years ago, the state park system first opened roads, campgrounds, buildings and other recreation facilities for public use. Today, many of these older parks have aged and facilities have reached the end of their expected life cycle. In 2006, State Parks conducted a facility condition assessment to identify necessary major repair and replacement projects throughout the parks system. Costs to address deferred maintenance projects, primarily related to public health and safety, are estimated at over \$150 million. In order to fully address this backlog, it will be necessary for State Parks to examine new funding sources to cover these deferred maintenance projects.

Technology and Automation: To position State Parks for successful operation and growth into the future, the optimal use of technology and automation is imperative, especially when faced with shrinking General Fund support and an ever increasing demand for resources. Thus, Parks is investing heavily in computerized systems and applications technology and automation to release limited human resources to improve customer service and experience. Applications and systems currently under development or under consideration include construction management systems (CAPTRS), revenue reporting and financial management systems (PARKS), law enforcement citation system (LECS), vehicle registration system (VRS), a point-of-sales system, and entrance automation.

COLORADO WATER CONSERVATION BOARD

35.0 FTE
CF \$2,748,702 CFE \$5,377,731 FF \$138,147



July 2007

Colorado Water Conservation Board (CWCB)

CWCB -- Description:

The CWCB was created in 1937. It is responsible for water supply protection, flood protection, water supply planning and finance, stream and lake protection, water conservation and drought planning, intrastate water development and management, as well as the management of related water information and educational materials. The CWCB functions under the following seven programs:

The **Water Supply Protection** Section ensures effective support for the administration of International Treaties, Interstate Compacts, and U.S. Supreme Court decisions impacting Colorado's Water resources.

The **Flood Protection** Section works to prevent flood damage and provides local jurisdictions with technical assistance and floodplain information. The Section administers the Weather Modification Program, manages the Watershed Protection Fund, and implements Executive Orders related to Flood Protection.

The **Water Supply Planning and Finance** Section oversees the Construction Fund and the Severance Tax Trust Fund Perpetual Base Account. The Section provides funds to agricultural organizations for emergency drought-related water augmentation purposes. In addition, the Section requests Severance Tax Trust Fund Operational Account funds for projects and programs.

The **Instream Flow and Natural Lake Level Protection** Section appropriates, acquires, and protects instream flow and natural lake level water rights to preserve and improve the environment.

The **Conservation and Drought Planning** Section develops, approves and implements water efficiency, conservation and drought plans, programs and projects. The Section monitors water use and provides technical assistance and public information.

The **Water Information** Section promotes the development, implementation, and maintenance of statewide water information management systems. The Section develops, operates, and maintains the Decision Support System (CDSS), as well as maintains the State's Water Resource Information Center (WRIC).

The **Intrastate Water Management and Development Section** gathers information and formulates plans to address the gap between water demands and available supplies. The Section supports the implementation of the Water for the 21st Century Act and supports the Director of Interbasin Compact Negotiations. In addition, the Section administers the Water Supply Reserve Account.

CWCB -- Statutory Authority:

Title 36, Articles 20 and 75; Title 37, Articles 60-69, 83, 92, and 96; and Title 39, Article 29

CWCB -- Mission:

CWCB must develop and implement programs 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; Fully utilize State compact entitlements; Help ensure that Colorado has an adequate water supply for our citizens and the environment by implementation of CWCB adopted mission statements and the findings and recommendations identified in the 2004 Statewide Water Supply Initiative; 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 floods and droughts.

CWCB – Vision:

Conserve, Develop, Protect, and Manage Colorado’s Water for Present and Future Generations in accordance with applicable state and federal law and regulations.

CWCB -- Performance Measures:

Given the importance of Water Supply initiatives and of Water Conservation initiatives to both the Colorado Water Conservation Board and to the Department of Natural Resources, performance measures related to these issues can be found under “DNR-Wide Performance Measures” on page 8 of this document.

	<u>Outcome</u>	<u>FY 05-06</u> <u>Actual</u>	<u>FY 06-07</u> <u>Actual</u>	<u>FY 07-08</u> <u>Approp.</u>	<u>FY 08-09</u> <u>Request¹</u>
CWCB-1: Protect additional miles of decreed instream flow water rights resulting in enhanced protection of Colorado’s environment. Performance will be measured in miles of stream where CWCB actively manages water rights to leave water in streams for purposes of improving	Benchmark²	52 miles	77 miles	97 miles	199 miles
	Actual³	52 miles	77 miles		

wildlife habitat.					
<p>Narrative: Instream flow refers to the practice of establishing water rights in a river or stream for the purpose of preserving Colorado’s environment, including protection of wildlife and wildlife habitat that rely on rivers and streams for their survival. The objective of this program is to increase the number of streams and natural lakes protected by a state-held water right (1) for watershed and river restoration protection projects and (2) to meet non-consumptive water needs to preserve and improve the natural environment to a reasonable degree. A critical component of this program is installing, operating, and maintaining stream gages to monitor stream flow and assure compliance with instream flow water rights. The CWCB currently holds, monitors, and protects insteam flow water rights on approximately 8,100 miles of Colorado’s streams. The amount of additional miles that will need to be protected is unknown due to diversion and complexities of other water issues.</p>					

Note: ¹The projection assumes that an FTE (Hydrographer) is approved via the decision item process.
^{2,3}The figures represent cumulative miles.

	<u>Outcome</u>	<u>FY 05-06 Actual</u>	<u>FY 06-07 Actual</u>	<u>FY 07-08 Approp.</u>	<u>FY 08-09 Request</u>
CWCB-2: Increase technical documents on-line	Benchmark	150	200	350	400
	Actual	150	210		

Narrative: The Division is committed to supporting Intrastate and Interstate decision making by Colorado’s appointed representatives. The Division is responsible for monitoring and participating in the administration of major International Treaties, Interstate Compacts, U.S. Supreme Court decisions and written agreements with other state and federal entities. The CWCB is the lead agency responsible for the implementation of the Decision Support System (DSS) that provides water resource information. In order to benefit the state of Colorado the Division will increase the amount of knowledge available about the utilization (supply and demand) of Colorado’s water via the internet.

	<u>Outcome</u>	<u>FY 05-06 Actual</u>	<u>FY 06-07 Actual</u>	<u>FY 07-08 Approp.</u>	<u>FY 08-09 Request</u>
CWCB-3: Increase insured value of flood prone properties	Benchmark	\$2.75 billion	\$3 billion	\$3.7 billion	\$3.9 billion
	Actual	\$2.98 billion	\$3.58 billion		

Narrative: The Division helps protect Colorado’s citizens from natural hazards. The Division works to prevent flood damages,

reviews and approves floodplain designations, and provides local jurisdictions and citizens with technical assistance and floodplain information. It will increase the number of stream miles identified by designated floodplains and will increase the number of homeowners eligible for federally backed flood insurance to help prevent uninsured losses. It will increase the number of people receiving daily and weekly flood forecasts and updates during the flood season. The Division will also increase the number of updated floodplain maps statewide that can be used to assess flood threats and post-flood damages.

The CWCB will provide for reduced economic loss to homeowners due to flooding in the State of Colorado by increasing the total insured value of properties that are covered by federally backed flood insurance.

CWCB – Workload Measures:

	<u>Unit</u>	<u>FY 05-06</u> <u>Actual</u>	<u>FY 06-07</u> <u>Actual</u>	<u>FY 07-08</u> <u>Est.</u>	<u>FY 08-09</u> <u>Est.</u>
Add acre feet of storage through construction of new reservoirs	Acre feet	5,000	14,600	20,000	20,000
Add acre feet of storage through enlargement of existing reservoirs	Acre feet	0	4,200	4,500	8,000
Number of new gages installed/maintained/ operated & repaired¹	Gages	3	3	3	10
Number of stream segments appropriated¹	Stream miles	25	10	15	30
Total number of approved water conservation plans on file that meet statutory requirements defined in 37-60-126 C.R.S.	Conservation plans	N/A	N/A	25	40
Increase the number of entities applying for funds from the water efficiency grant program.	Water efficiency grant applications	N/A	N/A	15	30
Review of documents²	Documents	150	210	350	400
Upload of documents²	Documents	150	210	350	400
Number of educational workshops/ regional meetings held to inform public of risk and prevention, and programs	Meetings	14	18	20	20
Communities participating in NFIP	Communities	234	235	236	237

Notes: ¹Figures presented are not cumulative, but are the total gages installed and are total number of stream segments appropriated for the given year.

² Figures presented are cumulative.

CWCB – Key Trends and Other Background Information:

As the Colorado population grows, the CWCB is faced with challenges related to the conservation, development, and protection of Colorado's water. The CWCB must help ensure that water is utilized to meet needs while protecting the environment. To achieve this, the CWCB will continue to:

1. Make wise investments in projects of statewide concern – The CWCB will manage its financial resources to meet operational requirements and the demand for loans and non-reimbursable investments to address long-term water related needs.
2. Increase the need for water conservation and drought planning -- The Division must provide technical and financial assistance in the areas of water conservation and drought planning and implementation by urging water providers around the state to identify water savings measures and conservation programs and begin developing a set of comprehensive technical tools and programs to promote and facilitate water provider efforts in drought mitigation planning. The Division will begin to partner with other western states in the National Integrated Drought Information System. The anticipated benefit to participation 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.
3. Protect entitlements to water – The Division will protect the State's rights to use water under interstate compacts and Supreme Court decrees.
4. Meet non-consumptive water needs – Water is needed to preserve and improve the environment. There will be an increase in activities resulting in the acquisition of water to meet non-consumptive needs. There is also a need to protect Colorado's existing and future instream flows with the use of gages. Stream and watershed restoration work will be increasing as a means to make water available for beneficial uses.
5. Make more storage available in existing flood control structures – The Division will work with federal agencies to reallocate existing flood control storage space within existing reservoir to benefit municipal and agricultural interests.
6. Support for local planning – The CWCB will increase support for local basin water planning by utilizing all the Division's resources including the Decision Support System, which will be expanded to provide more information. The creation of consumptive and non-consumptive workgroups will facilitate the distribution of information and provide a framework for discussion.

Division of Water Resources

Division of Water Resources-- Description:

The Colorado Division of Water Resources (DWR) is responsible for the supervision and control of water resources in this state (Sections 37-80-102(h), C.R.S. (2006)). Water administration is DWR's principal duty, requiring daily oversight of the allocation system that distributes water to farmers, industries, municipalities, and all other water users (Section 37-92-301, C.R.S. (2006)). This allocation system is performed in accordance with the Doctrine of Prior Appropriation (the first entity to historically use water in a stream retains the first priority to continue diverting water for the same use), Colorado Supreme Court decisions, water court decrees, and rules & regulations issued by the State Engineer.

The agency is also committed to meeting the ever increasing challenges of origin issues, reserved rights, wetlands, endangered species recovery, and interstate water issues on an already limited water supply.

Major DWR programs include:

- Public Safety
 - Dam Construction and Maintenance
 - Well Construction, Board of Examiners of Water Well Construction
 - Pump Installation Contractor's Staff
- Hydrography
- Water Administration of Surface and Ground Water Rights
- Public Information Services
 - Record Collection and Maintenance
 - Information Technology and Internet Services
- Interstate Compacts
- Ground Water Well Permitting
 - Outside Designated Basins
 - Inside Designated Basins (Colorado Ground Water Commission)

Division of Water Resources -- Statutory Authority:

Federal/State Statutory and Other Authority:

Colorado Revised Statutes (2006): Sections 37-80 through 37-92, et seq.; 37-61 through 37-69, et seq.

Division of Water Resources -- Mission:

The Mission of the Colorado Division of Water Resources is:

- To provide competent and dependable distribution of water in accordance with statutes, decrees and interstate compacts;
- To ensure public safety through safe dams and properly permitted and constructed water wells;
- To maintain and provide accurate and timely information concerning water;
- To promote stewardship of all human, fiscal and natural resources;
- To serve the public through the generation of creative solutions to problems;
- To help the public understand complex water issues;
- To promote stability in the use of the state's limited water resources; and
- To apply modern technology to its greatest advantage.

Division of Water Resources – Vision:

The Colorado Division of Water Resources is a leader in the water community of Colorado and the western United States. This is accomplished by focusing on the following areas: people, water, and stewardship. People, because we recognize that the business of water involves our employees and the public. Water, because the administration, safety, and use of the State of Colorado's water resources is something we are committed to and care deeply about. Stewardship, because we understand and accept our obligation to the taxpayers and ourselves, in using and protecting the resources in the most effective manner possible.

Division of Water Resources - Performance Measures:

Given the importance of Interstate Compacts to both the Division of Water Resources and to the Department of Natural Resources, performance measures related to these issues can be found under “DNR-Wide Performance Measures” on page 8 of this document.

<u>Performance Measure:</u> <u>Water Administration Effectiveness</u>	<u>Outcome</u>	<u>FY 05-06</u> <u>Actual</u>	<u>FY 06-07</u> <u>Actual</u>	<u>FY 07-08</u> <u>Approp.</u>	<u>FY 08-09</u> <u>Request</u>
DWR-1: Capture and Reuse of Water²	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.

<u>Performance Measure:</u> <u>Water Administration and Enforcement</u> <u>Activities</u>	<u>Outcome</u>	<u>FY 05-06</u> <u>Actual</u>	<u>FY 06-07</u> <u>Actual</u>	<u>FY 07-08</u> <u>Approp.</u>	<u>FY 08-09</u> <u>Request</u>
DWR-2: Effective Distribution and Compliance with Applicable Laws of Water Supplies³	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

² This is essentially the water in Colorado diverted and stored compared to water exiting the state. The performance measure is expressed as a ratio.

³ 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.

water court decrees and well permits.

<u>Performance Measure:</u> <u>Public Information and Assistance</u>	<u>Outcome</u>	<u>FY 05-06</u> <u>Actual</u>	<u>FY 06-07</u> <u>Actual</u>	<u>FY 07-08</u> <u>Approp.</u>	<u>FY 08-09</u> <u>Request</u>
DWR-3: System Downtime	Benchmark	<0.5%	<0.5%	<0.5%	<0.5%
	Actual	<0.2%	<0.2%		
DWR-4: Overall Customer Satisfaction	Benchmark	4.5	4.5	4.5	4.5
	Actual	4.2	4.2		

Narrative:
DWR operates a comprehensive hydrographic system that conducts stream flow measurements at over 400 sites along the state’s natural rivers and streams to determine the amount of water available at these locations. This real-time information is available 24 hours per day, seven days per week and is used extensively by many citizens of the state to obtain water data. This information is particularly important to water users as well as DWR personnel in their daily administration of water. This facility also provides an advance warning system to alert officials, dam operators, and emergency managers of imminent flooding or high water conditions. It is critical that DWR minimize system outages, so that the public has maximum use of this information.

The Division will measure system downtime, defined as the number of hours the system is unavailable during the year divided by the total number of hours in the year.

DWR retains a vast array of current and historical hydrologic information such as ditch diversions, reservoir storage, ground water well permits, static water levels in aquifers, streamflows, and adjudicated water rights. To effectively serve the public, this information must be available in a timely and transparent manner. This performance measure will focus upon the personal service contacts that are made each year in response to public information inquiries, including both personal response and electronic medium (primarily streamflow and other information available via the DWR website). Overall customer satisfaction with service in the eight DWR offices will be measured by a survey on a 0 to 5.0 scale (5.0 being “extremely satisfied”).

<u>Performance Measure:</u> <u>Conservation of Water Resources</u>	<u>Outcome</u>	<u>FY 05-06</u> <u>Actual</u>	<u>FY 06-07</u> <u>Actual</u>	<u>FY 07-08</u> <u>Approp.</u>	<u>FY 08-09</u> <u>Request</u>
DWR-5: Total Number of Acres Retired	Benchmark			25,000	30,000

from Water Conservation Programs	Actual	3,033	7,288		
Narrative:					
<p>The exercise of proper stewardship of water resources includes appropriate water conservation practices that may be temporary or permanent. The targeted venue for this performance measure is water conservation or savings accrued through land fallowing, rotation, or other land-use programs that yield a net reduction in irrigated croplands that serve to promote the sustainable use of declining water table elevations, reduce soil erosion, and improve water quality.</p> <p>The performance measure is the annual total number of acres participating in land conservation programs, temporary and permanent, to which the DWR is a technical or regulatory participant (Conservation Reserve Enhancement Program; Environmental Quality Incentive Program).</p>					

Division of Water Resources – Workload Measures:

<u>Workload Measure</u>	<u>Unit</u>	<u>FY 05-06</u> <u>Actual</u>	<u>FY 06-07</u> <u>Actual</u>	<u>FY 07-08</u> <u>Est.</u>	<u>FY 08-09</u> <u>Est.</u>
Total Amount of Water Diverted and Stored in Colorado	Total Acre Feet	24,101,960	23,946,122	23,946,122	23,946,122
Total Volume of Water Exiting the State	Total Acre Feet	9,869,890	7,629,172	7,629,172	7,629,172
Number of Surface and Ground Water Structures Actively Diverting Water	# of Structures	17,927	17,927	17,927	17,927
The number of <i>daily</i> water diversion and storage observations in each individual ditch, canal, pipeline or reservoir	# of Observations	227,500	227,500	227,500	227,500
Order the change in amount for headgate diversions and/or reservoir releases within 24 hours of a change in the calling water right priority on a river or creek system	% Compliance	95%	95%	95%	95%
Maintain a sufficient number of river and canal gauging stations at key hydrologic locations	# of Stream Gauging	470	485	500	500

throughout the state to accurately measure and monitor variable flow conditions throughout the year	Stations				
Average Number of Days in Compliance with interstate compacts	% Compliance	97%	97%	95%	95%
Efficiency of Meeting Compact Obligations	% Compliance	99.5%	99.5%	95%	95%
Conduct annual hydro-geologic investigations into Colorado groundwater aquifer characteristics, storage volumes, and depth to water table	# of Investigations Conducted	11	11	11	11
Public contacts via phone, mail or personal visits and responses to contacts	# of Contacts	55,000	56,000	56,000	56,000

Division of Water Resources – Key Trends and Other Background Information:

Increasingly Complex Water Administration Related to Growth

As Colorado experiences ongoing growth in its population, this growth results in more complex water court decrees for change in water right cases and plans for augmentation. These decrees contain terms and conditions requiring detailed accounting and administration by DWR’s water commissioners far beyond those decreed ten years ago.

Ground Water Well Regulation

As the demand and competition for our limited water supplies grow, the need to administer well rules and regulations on the South Platte, Arkansas, Republican, and Rio Grande basins is increasing as senior water rights demand detailed accounting of various replacement plans and augmentation plans. The terms and conditions on plans for augmentation in the Division 1 Water Court required by objectors to these plans is resulting in a workload not estimated even a year ago as these plans are decreed.

Interstate Compact Compliance

Since Colorado is a signatory to nine interstate compacts and must allocate water pursuant to two other United States Supreme Court decrees, we must be diligent in administering these interstate river systems. In particular, we are facing critical deadlines for

compliance with two compacts subject to ongoing and recent litigation. The first ten-year compliance period for the Arkansas River compact is 1997-2006, and it appears that we may have achieved our compliance goals over that period of time.

The first Republican River Compact compliance period after the settlement was signed is 2003 to 2007 and we need to work with the new Republican River Water Conservation District to find ways to reduce pumping and related stream depletions. Additional data must be collected and input into the complex ground water model and more staff is needed to implement a program to inventory wells and assure compliance with metering requirements.

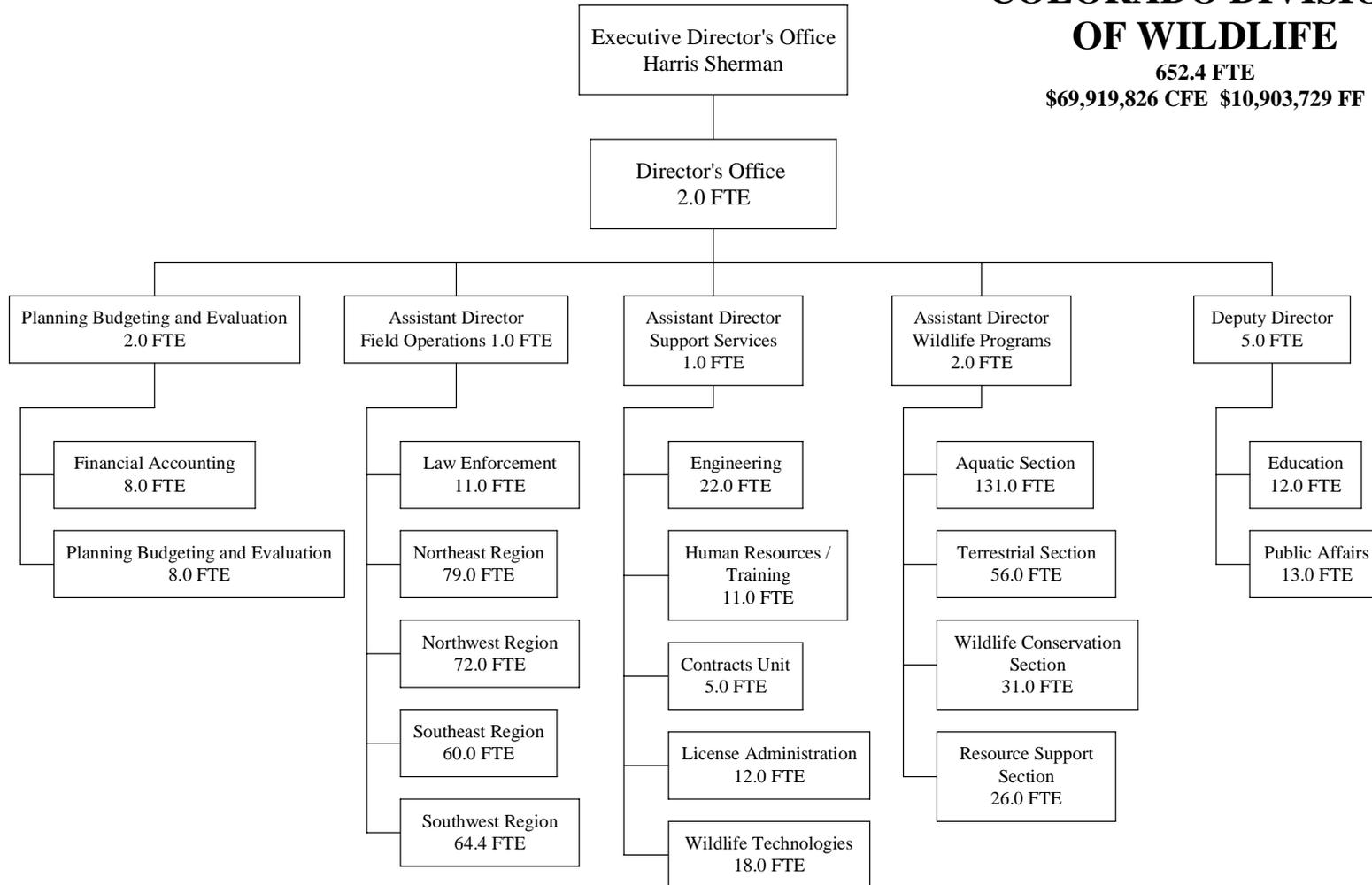
Due to adverse climatic conditions, drought persists in the Colorado River Basin and the State of Colorado must be prepared to meet its obligations under the Colorado Compact (1922) and Upper Colorado River Compact (1948). It is incumbent upon the State Engineer's Office to draft rules and regulations that will address curtailment of water rights within the State of Colorado in anticipation of a demand for water deliveries by states in the lower Colorado River Basin (California, Nevada, and Arizona).

Increasing Expectations by Water Users for Real-time Stream Flow Data

Water users have increasing expectations about the availability of real-time data for various gages and diversions that result in more electronic data collection and telemetry systems and in some cases new stream gages being installed and, therefore, related work load increases.

COLORADO DIVISION OF WILDLIFE

652.4 FTE
\$69,919,826 CFE \$10,903,729 FF



July 2007

Colorado Division of Wildlife

Division of Wildlife -- Description:

The Colorado Division of Wildlife (DOW) follows 10 management principles which are core beliefs that guide the Division in fulfilling its mission, creating its goals and management strategies, and in the decision-making processes at all levels of the organization. The following principles reflect the Division's most deeply held values and ideals.

1. Wildlife conservation, use and enjoyment, including the rich traditions of fishing, hunting and wildlife viewing, are part of Colorado's outdoor heritage, economic future and overall quality of life.
2. A primary consideration in wildlife management decisions is to maintain healthy, diverse and abundant wildlife.
3. The quality, quantity and conservation of wildlife habitat are essential to maintaining the state's diverse wildlife population and wildlife-related uses.
4. Science-based management decisions are essential to the conservation and management of Colorado's wildlife. Wildlife management decisions will include consideration of impacts to local communities as well as other social and economic concerns.
5. Partnerships and the involvement of private property owners, other agencies, local governments, public and private groups, citizens and volunteers are critical to the protection and management of Colorado's wildlife and wildlife habitat.
6. 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.
7. Quality customer service is vital to the Division's success.
8. The Division will manage itself and its wildlife areas to be models of effective, efficient, responsible and responsive public service.
9. Hunting and fishing license fees are expected to continue to be the major source of revenue for wildlife programs in Colorado. The Division recognizes that new and different funding sources are, however, critical if the Division is to fulfill its mission. The Division will allocate funds, consistent with law, based upon priorities established to maximize the Division's ability to fulfill its mission.
10. The Division respects and values its employees and will endeavor to enhance their performance and success in service to the people of Colorado.

DOW -- Statutory Authority:

Title 33, Articles 1 through 8, Colorado Revised Statutes

DOW -- Mission:

The mission of the Colorado Division of Wildlife is to perpetuate the wildlife resources of the state and to provide people with the opportunity to enjoy them.

DOW -- Performance Measures:

Given the importance of species conservation to both the Division of Wildlife and to the Department of Natural Resources, performance measures related to these issues can be found under “DNR-Wide Performance Measures” on page 8 of this document.

<u>Performance Measure:</u>	<u>Outcome</u>	<u>FY 05-06 Actual</u>	<u>FY 06-07 Actual</u>	<u>FY 07-08 Approp.</u>	<u>FY 08-09 Request</u>
DOW-1: Number of Licensed Hunters in Colorado	Benchmark	312,151	310,000	310,000	310,000
	Actual	312,151			
<p>Narrative: Providing hunting recreation opportunities is one of the major components of the DOW mission. Maintaining the tradition of hunting recreation is an end in itself for the DOW. Hunting recreation produces tremendous economic benefits for Coloradans, particularly those in small rural communities. The number of people who actually hunt in Colorado is the outcome of many factors and reflects the success of the DOW’s attempts to manage big game populations, to provide public access, to recruit new hunters to the sport, to provide a quality of experience that causes hunters to return year after year to hunt in Colorado, and to inform and educate the public about hunting opportunities. Nationally, demographic trends suggest that the number of hunters in the United States will decline in the coming years. In Colorado, continued pressure on wildlife habitat may reduce big game populations. Maintaining the current number of hunters in spite of these forces will be a challenge.</p>					
DOW-2: Number of Licensed Anglers in Colorado	Benchmark	678,032	705,000	705,000	705,000
	Actual	678,032			
<p>Narrative: – Providing fishing recreation opportunities is one of the major components of the DOW mission. The number of people who actually fish in Colorado is the outcome of many factors and reflects the success of DOW’s attempts to manage sportfish populations, including maintaining stream and lake water quality and quantity, augmenting sportfish populations through fish production at hatcheries, providing public access to fishing waters, managing the detrimental impacts of diseases and invasive species, recruiting new anglers to the sport, providing a quality experience that causes anglers to return year after year to fish in Colorado, and informing and educating the public about angling opportunities.</p>					
DOW-3: Number of species listed under the Federal	Benchmark	16	16	16	16

Endangered Species Act	Actual	16			
<p>Narrative: Maintaining healthy wildlife populations and ecosystems is one of the major components of DOW’s mission. Succeeding in this mission means, among other things, preventing the decline of populations to the point where listing under the federal Endangered Species Act is warranted. The listing of a species (or avoidance of listing) is the end result of many factors and reflects the success of DOW’s efforts to protect and maintain wildlife habitat, to manage populations, to discover, generate, and provide scientific information about the status of species, to expand scientific understanding of the factors influencing wildlife populations, and so on. This measure focuses on the relatively small number of species most in peril; they are of extreme importance to DOW and receive considerable management attention.</p>					
DOW-4: Number of habitat acres protected	Benchmark	499,234	532,000	550,000	570,000
	Actual	499,234			
<p>Narrative: “Protected” means owned by DOW and managed either to preserve and enhance wildlife habitat or to provide public recreation access, or both. Land placed under DOW ownership or easement assures the public of long term, perpetual management to provide for recreation access and to maintain viable wildlife habitat. As calculated above, the figures exclude lands owned by the State Land Board and leased by DOW for hunting and fishing recreation purposes, lands owned and managed by the federal government (USFS, BLM) by other state agencies, by other governments, by private landowners, or by private land trusts or other conservation organizations.</p>					
DOW-5: Percentage of the public that is aware of wildlife management	Benchmark	70%	75%	75%	80%
	Actual	70%			
<p>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.</p>					

DOW – Workload Measures:

<u>Workload Measure</u>	<u>Unit</u>	<u>FY 05-06</u>	<u>FY 06-07</u>	<u>FY 07-08</u>	<u>FY 08-09</u>
		<u>Actual</u>	<u>Actual</u>	<u>Est.</u>	<u>Est.</u>

Update and begin implementation of all deer DAU plans west of I-25		15	6	3	3
Identify and provide long-term protection for at least 10,000 acres of high priority wildlife habitats during the next five years through cooperative efforts and agreements with various land management agencies.		6,500	10,500	15,000	20,000
Number of catchable-size trout stocked annually.		2.33 Million	3.06 Million	3.19 Million	3.25 Million
Number of warm water fish stocked annually		65 million	65 million	65 million	65 million
Add 500,000 acres of conservation partnerships with private landowners via various programs such as Habitat Partnership (HPP), Wetlands Program, prairie dog incentive program, Farm Bill Programs, easements, and other programs.		25,000	25,000	25,000	25,000
In collaboration with other agencies and interests, initiate and pursue development of strategies of management plans for all species that are determined to be of “special concern”		1	1	1	1
Develop a long-term monitoring system for a variety of species to ensure populations remain strong and to detect possible population declines.		1	1	1	1
Initiate and pursue development of management or recovery plans for all state-listed threatened or endangered species, that are not federally listed, within 24 months their listing.		29	33	34	35
Percentage of Colorado students - K through 12 - in Colorado classrooms reached through a combination of teacher training in Division supported curriculum, partnerships with organizations and agencies that deliver wildlife education, and direct instruction by Division employees.		35%	40%	42%	45%
Establish a set of broad learning objectives for Division wildlife education efforts, applicable to		1	1	1	1

<p>programs statewide and flexible enough to be tailored for different audiences (e.g.; grade levels, rural vs. urban).</p>					

DOW – Key Trends and Other Background Information:

FINANCIAL TRENDS

Wildlife Cash (roughly 70% of total DOW revenue) - H.B. 05-1266, which raised fees on fishing and resident hunting licenses, created a mandatory \$5 habitat stamp, and added a \$.75 surcharge for public education on each license sold, took effect January 1, 2006. As a result, hunting and fishing license revenue for FY 06-07 is projected to be \$8.0 million over FY 05-06 levels. Now that the new fees are in effect, however, they will remain at that level for many years and with a few minor exceptions hunting and fishing license revenue is not expected to grow significantly in FY 07-08 and beyond. Nonresident big game hunting license fees are indexed to inflation, and assuming the numbers of nonresident hunters remains relative stable in the coming years, nonresident license revenue will increase roughly along with the CPI. Overall, the DOW is looking at 2-3% annual growth in license revenues in FY 07-08 and beyond.

Federal Funds (15% of total revenue) - Federal revenues are expected to be somewhat volatile but overall to grow roughly at the rate of inflation. New federal laws that modify the federal excise tax base on which the Dingell-Johnson (DJ) program is based are expected to result in an increase in federal DJ funds of about \$1.4 - \$1.7 million per year beginning in FY 2007-08. While we don't expect Congress to implement any major new federal grant programs, DOW plans to more aggressively seek out federal funds from existing grant programs and if successful, this could result in additional growth in DOW's federal revenues.

GOCO (10%-15% of total revenue) - GOCO revenues may fluctuate significantly in the coming years. For FY 07-08, the CDOW was awarded \$8.7 million in wildlife purpose "annual" funds, similar to the FY 06-07 level (\$8.4 million). For FY 06-07, higher than expected lottery revenues resulted in an additional \$2.75 million (above the \$8.4 million) being made available to the CDOW. Since these additional funds are available in part because the "wildlife purpose" is somewhat behind some of the other "purposes" (the constitution requires equal distribution of GOCO funds across the four purposes over time), this may be a temporary phenomenon. DOW expects to receive somewhere between \$10 and \$15 million through the 2007 "Large-scale project" round of GOCO grants. This will likely be followed by 2-4 years in which the only funds available are the so-called "annual" funds. For planning purposes DOW expects the total average annual award of GOCO funds to grow at the rate of inflation in future years.

Reserves – DOW continues to enjoy healthy cash reserves of about \$30 million (before deducting previously appropriated funds for capital projects in the pipeline). Much of this reserve (approximately one-half) is expected to be invested in real property (fee and easement acquisitions) over the next few years.

ISSUES

Major issues with which DOW is dealing, and which will be reflected to varying degrees in DOW's FY 08-09 budget decisions, include the following:

Energy Development / Land Use – The pace of energy development and land development in general is generating high workload with respect to land use comments. Potential impacts of development, on both a large scale and on a site-specific basis, must be understood and evaluated, potential mitigating measures must be identified, and formal recommendations or comments must be prepared. Significant additional staff resources are being devoted to these efforts, compared to historical levels, to keep pace with development. Given the potential adverse impacts to wildlife and the degree to which these impacts can be lessened through DOW's involvement in land use comments, this is an extremely high priority for DOW.

Species Conservation – With critical financial support from GOCO, the CDOW has implemented an aggressive species conservation program over the past decade. An impressive success record is beginning to be established. To insure these successes continue, DOW will need to maintain and increase its efforts in this area. At the present time various species of grouse, prairie dog, and eastern plains species are subject of the most intense efforts. These efforts include the “sage initiative”, whereby DOW is seeking to protect thousands of acres of sage habitat in the next few years through easement acquisition, conservation agreements with landowners, and habitat enhancements.

Licensing – Debate over various license allocation issues will likely remain active, and could intensify. Legislation or ballot initiatives related to this issue are a distinct possibility. Significant staff time will continue to be devoted to discussions with constituents on licensing issues such as Ranching for Wildlife, landowner licenses, vouchers, quality units, resident/ nonresident allocations, and so on.

Wildlife Diseases – In the past decade, DOW has had to deal with Whirling Disease (WD), Chronic Wasting Disease (CWD), and avian flu. It is likely that these and other diseases will continue to adversely impact wildlife health and wildlife-related recreation. Aggressive response by the CDOW will continue to be required (research, monitoring, management, etc.). Related to this, the CDOW plans to relocate its Fort Collins research facility to a more rural site within the next few years.

Human/ Wildlife Conflicts – As the population of the front range and mountain communities grows and humans encroach on wildlife habitat, steady increase in human/ wildlife conflicts are expected. While costly, these can often be addressed through aggressive education and information campaigns (e.g., bears and trash in residential areas). A big challenge for the future will be working cooperatively with cities, municipalities and other governmental entities to insure that appropriate wildlife management practices can be utilized in order to minimize human/wildlife conflicts. Examples of some of the tough issues in this area are county hunting closures and various restrictions on wildlife management in national parks.

Big Game Populations – For the past decade, DOW big game management has been aimed at controlling and reducing the excessive overall elk population in the state, and at restoring healthy deer herds. These efforts have been successful, and it appears DOW will likely face a situation in the near future in which both the elk and deer populations are near or at objective levels. This may mean that the number of antlerless (cow) elk licenses issued must be reduced in the future, and that steps may need to be taken to increase deer harvest. The former could result in a significant decline in revenues from elk license sales. DOW managers and biologists are still evaluating the situation and its likely ramifications for the future.

Lottery Securitization – Proposals were put forward in the 2007 legislative session, and through a ballot initiative following the session, to “securitize” the Colorado lottery. These proposals have been withdrawn for the time being, but they are expected to be advanced again in 2008. Had the 2007 proposals been implemented, the DOW could have potentially lost up to \$6 million per year in GOCO revenue. The DOW will monitor and hopefully participate in the development of the 2008 proposal, with the aim of protecting as much of the GOCO revenue stream as possible.