

COLORADO DEPARTMENT OF NATURAL RESOURCES
BUDGET REQUEST - FY 2009 - 2010
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Department of Natural Resources
Schedule 10
FY 2009-10 Budget Request
November 1 Budget Submission

Priority	Number	Division	Request	FTE	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds
Decision Items									
1	DI-1	Oil and Gas Conservation Commission	Administrative Support Staff and Contract Funding	4.0	\$246,154	\$0	\$246,154	\$0	\$0
2	DI-2	Colorado Geological Survey	Highway Avalanche Forecasting	0.0	\$34,456	\$0	\$0	\$40,456	(\$6,000)
3	DI-3	Executive Director's Office	Capitol Complex Leased Space Funding Mix	0.0	(\$28,332)	\$11,929	(\$40,261)	\$0	\$0
4	DI-4	Colorado Water Conservation Board	Contract Coordinator	1.0	\$74,011	\$0	\$74,011	\$0	\$0
5	DI-5	Colorado Geological Survey	Ground Water Resource Characterization for Climate Change Planning	0.0	\$148,044	\$0	\$148,044	\$0	\$0
6	DI-6	Colorado Water Conservation Board	Colorado River Specialist	1.0	\$101,825	\$0	\$101,825	\$0	\$0
7	DI-7	Executive Director's Office	Increased Funding for Leased Space	0.0	\$36,520	\$34,668	\$1,685	\$0	\$167
8	DI-8	Colorado Water Conservation Board	Decision Support System Staff and Operating	2.0	\$175,690	\$0	\$175,690	\$0	\$0
9	DI-9	Colorado Water Conservation Board	Legal Protection and Acquisitions Specialist and Legal Assistant	1.5	\$0	\$0	\$0	\$0	\$0
10	DI-10	Reclamation, Mining, and Safety	Abandoned Mine Reclamation Fund Balance	0.0	\$20,000	\$0	\$20,000	\$0	\$0
11	DI-11	Colorado Water Conservation Board	Vehicle Leased Space	0.0	\$0	\$0	\$0	\$0	\$0
12	DI-12	Water Resources	Satellite Monitoring System	0.0	\$30,000	\$0	\$30,000	\$0	\$0
13	DI-13	Colorado Geological Survey	Additional Field Vehicle	0.0	\$1,084	\$0	\$1,084	\$0	\$0
Total - Decision Items				9.5	\$839,452	\$46,597	\$758,232	\$40,456	(\$5,833)
Base Reduction Items									
1	BR-1	Water Resources	Online Water Information	-2.0	(\$84,000)	\$0	(\$84,000)	\$0	\$0
Total - Base Reduction Items				-2.0	(\$84,000)	\$0	(\$84,000)	\$0	\$0
Non-Prioritized Items									
N/A	NP-1	Statewide	Postage Increase and Mail Equipment Upgrade	0.0	\$96,396	\$12,127	\$82,833	\$670	\$766
N/A	NP-2	Statewide	Statewide Fleet Operating	0.0	\$1,545,396	\$318,831	\$1,202,233	\$4,030	\$20,302
N/A	NP-3	Statewide	Statewide Vehicle Lease Payments	0.0	(\$7,023)	\$35,868	(\$19,563)	\$0	(\$23,328)
N/A	NP-4	Statewide	Statewide Workers Compensation Adj	0.0	\$1,811	\$47,939	(\$66,351)	\$17,797	\$2,426
Total Non Prioritized Items				0.0	\$1,636,580	\$414,765	\$1,199,152	\$22,497	\$166
Grand Total August 1, 2008				7.5	\$2,392,032	\$461,362	\$1,873,384	\$62,953	(\$5,667)

**Schedule 13
Change Request for FY 2009-10 Budget Request Cycle**

Decision Item FY 2009-10 Base Reduction Item FY 2009-10 Supplemental FY 2008-09 Budget Amendment FY 2009-10

Request Title: Administrative Support Staff and Contract Funding

Department: Natural Resources

Priority Number: DI-1

Dept. Approval by: *Willie D. Levine*

Date: 10/23/2008

OSPB Approval:

Date: 10-24-08

	Fund	1	2	3	4	5	6	7	8	9	10
		Prior-Year Actual FY 2007-08	Appropriation FY 2008-09	Supplemental Request FY 2008-09	Total Revised Request FY 2008-09	Base Request FY 2009-10	Decision/ Base Reduction FY 2009-10	November 1 Request FY 2009-10	Budget Amendment FY 2009-10	Total Revised Request FY 2009-10	Change from Base (Column 5) FY 2010-11
Total of All Line Items	Total	5,317,223	6,355,411	0	6,355,411	6,096,727	246,154	6,342,881	0	6,342,881	225,242
	FTE	53.0	74.0	0.0	74.0	74.0	4.0	78.0	0.0	78.0	4.0
	GF	0	0	0	0	0	0	0	0	0	0
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	4,619,032	6,355,411	0	6,355,411	6,097,049	246,154	6,343,203	0	6,343,203	225,242
	CFE/RF	698,191	0	0	0	0	0	0	0	0	0
	FF	0	0	0	0	(322)	0	(322)	0	(322)	0
(4) Oil and Gas Conservation Commission, Program Costs	Total	5,317,223	6,355,411	0	6,355,411	6,096,727	246,154	6,342,881	0	6,342,881	225,242
	FTE	53.0	74.0	0.0	74.0	74.0	4.0	78.0	0.0	78.0	4.0
	GF	0	0	0	0	0	0	0	0	0	0
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	4,619,032	6,355,411	0	6,355,411	6,097,049	246,154	6,343,203	0	6,343,203	225,242
	CFE/RF	698,191	0	0	0	0	0	0	0	0	0
	FF	0	0	0	0	(322)	0	(322)	0	(322)	0

Non-Line Item Request: None

Letternote Revised Text: None

Cash or Federal Fund Name and COFRS Fund Number: Oil and Gas Conservation and Environmental Response Fund (Fund #170)

Reappropriated Funds Source, by Department and Line Item Name: N/A

Approval by OIT? Yes: No: N/A:

Schedule 13s from Affected Departments: None

CHANGE REQUEST for FY 2009-10 BUDGET REQUEST CYCLE

Department:	Natural Resources
Priority Number:	1 out of 14
Change Request Title:	Administrative Support Staff and Contract Funding

SELECT ONE (click on box):

- Decision Item FY 2009-10
- Base Reduction Item FY 2009-10
- Supplemental Request FY 2008-09
- Budget Request Amendment FY 2009-10

SELECT ONE (click on box):

Supplemental or Budget Request Amendment Criterion:

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

Short Summary of Request:

The OGCC is requesting \$246,154 cash funds for 4.0 FTE and ongoing contract funding to provide additional support for the agency's information management section. Funds for this request will come from the Oil and Gas Conservation and Environmental Response Fund (Fund #170).

Background and Appropriation History:

The OGCC's Program Cost line funds the OGCC's personal services and operating expenses, including 74.0 FTE, commission hearing expenses, travel expenses, vehicle mileage, information technology, and general office overhead. The employees funded through this line item are involved in field inspections, complaint response, enforcement, permitting, regulatory report reviews, environmental studies, mitigation of impacts caused by oil and gas activity, management of data related to the approximately 36,000 active and 32,000 known plugged wells, and general administration.

To address the significant increase in oil and gas industry activity, this long bill line item has increased from \$2,732,859 and 33.0 FTE in FY 2004-05 to \$6,355,411 and 74.0 FTE in FY 2008-09. Each incremental increase to the agency's budget addressed the

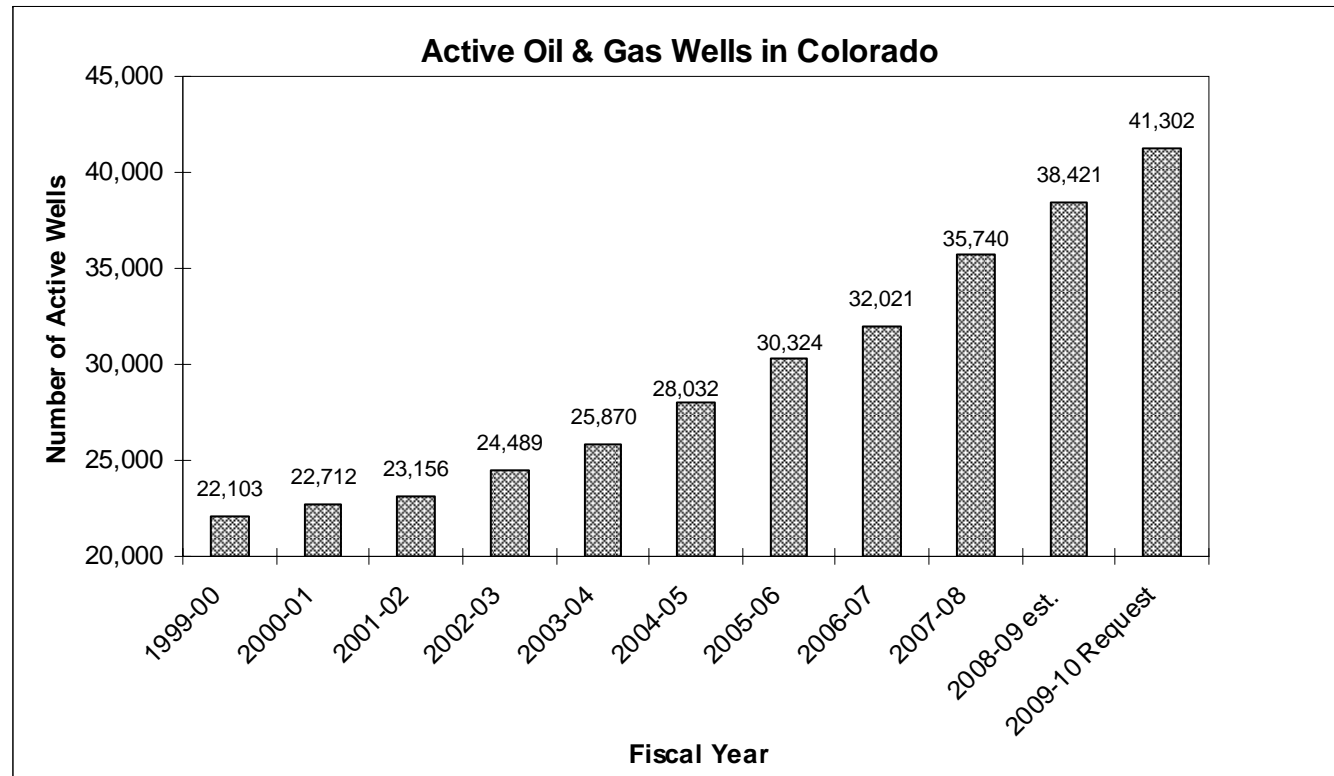
anticipated workload for the budget request year, but not far beyond, due to the volatility of the oil and gas industry; and, until the long term need for permanent full-time positions was clearly established, contractors were used extensively, particularly for administrative and technician level positions.

Due to the continued high level of industry activity and no opportunity to catch up on work that fell behind schedule the threshold at which FTE are justified was exceeded in FY 2007-08, if not several years earlier, for several work units in the information management section. Even with the help of contractors, whose numbers grew substantially in FY 2005-06 through an emergency supplemental request and subsequent requests through FY 2008-09, OGCC staff has not been able to keep up with the crush of documents that need processing.

The information management section is responsible for processing, data entering, analyzing, scanning, indexing, filing and updating oil and gas related information on the website for use by the OGCC staff, state and local government entities, the oil and gas industry, and the general public. The backlog of work has grown to such an extent that it severely impacts the efficiency of the engineering, environmental, and permitting staff, in addition to the overall performance of the agency. Current information is essential for quality and timely regulatory decision making for the fast paced, highly technical oil and gas industry.

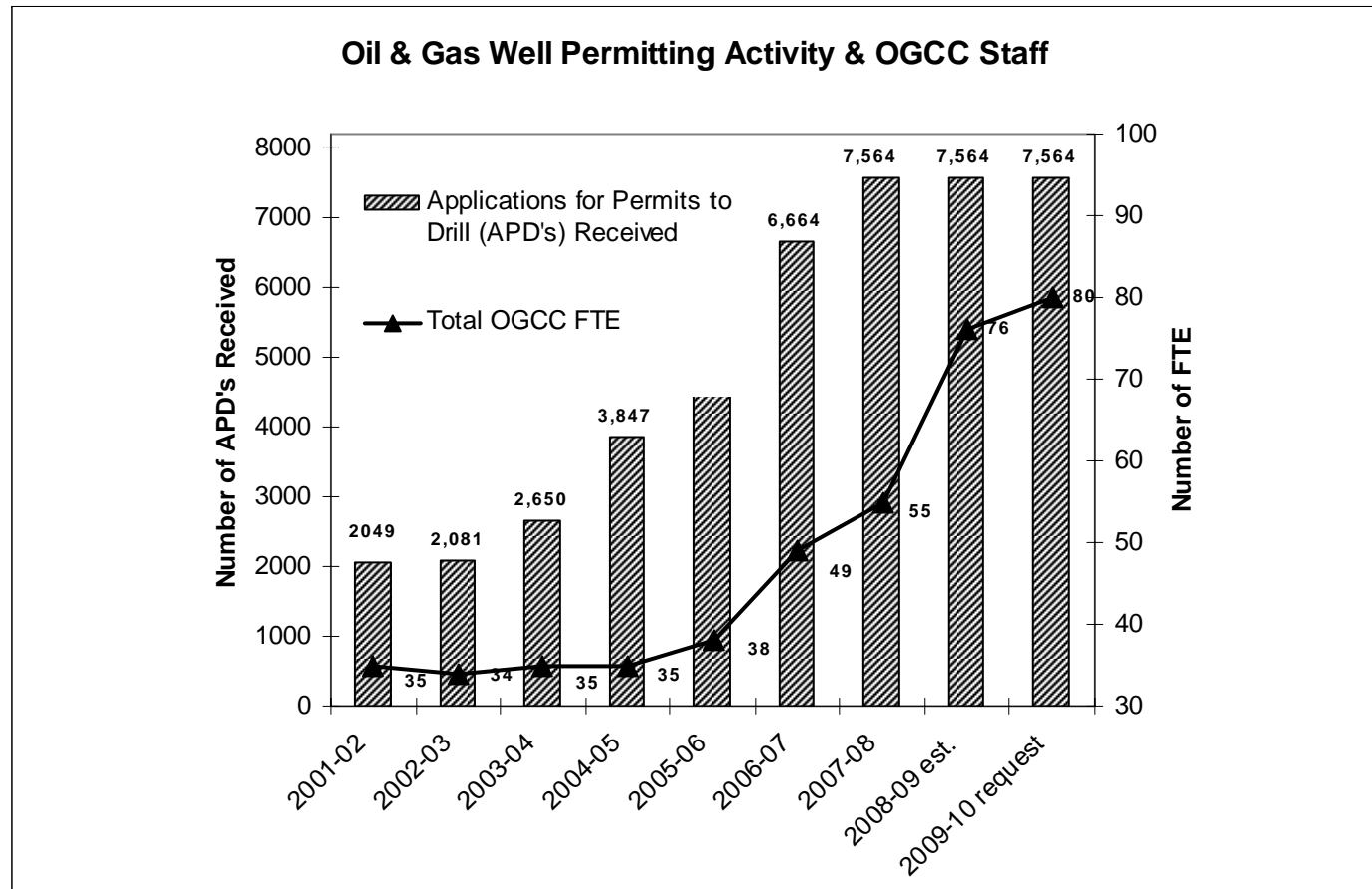
The primary drivers of workload for the information section are the same as those for the rest of the agency – the number of active wells, Applications for Permits to Drill (APD's), and active drilling rigs. The growth in each of these workload measures, as shown in Figures 1 through 3 below, has been significant over the last decade.

Figure 1



For the Information Management Section, the growth in the number of active wells, as shown above, has meant thousands more documents to process. Over a one year period, between FY 2006-07 and FY 2007-08 the number of active wells increased by 3,719, which generated another 44,628 monthly production reports alone. Active wells, particularly new ones, generate a multitude of other regulatory reports, as well, that require processing by the information management group.

Figure 2

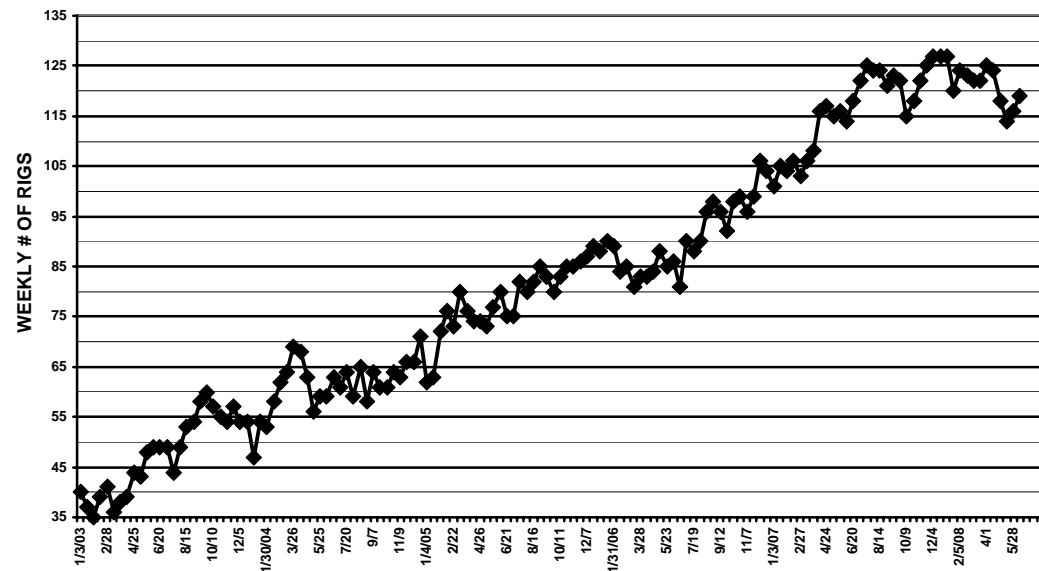


As can be calculated from Figure 2 above, the ratio of APD's to FTE has increased from 59 in FY 2001-02 to 100 in FY 2008-09. Even though total staffing levels have increased by over 100 percent during that time frame the agency continues to experience a shortfall

of resources needed to regulate the industry in an efficient and responsive manner. Like the active well metric, the volume of APD's directly impacts the number of documents that needs processing.

As shown below in Figure 3, the number of active drilling rigs in the state has increased from an average of 41 in the second half of FY 2002-03 to an average of 120 during FY 2007-08. This metric alone represents a 194% increase in industry activity over a five year period. This unprecedented level of activity, which is not expected to decline in the foreseeable future, has impacted every aspect of the agency.

Figure 3
**TOTAL DRILLING RIGS RUNNING
IN COLORADO EVERY OTHER WEEK IN 2003-2008**
(Based on Data in: through 4/30/03, PI/Dwights Drilling Wire -- after 4/30/03, Anderson Reports Weekly Rig Status Report)



General Description of Request:

The OGCC is requesting four permanent positions, as specified below, as well as \$68,640 of ongoing funding for the equivalent of 2.0 contractors that can be hired as necessary. The recent increase in the forced vacancy savings rate (Option 8) from .2% in FY 2006-07 to .5% and 1.0% in FY 2007-08 and FY 2008-09, respectively, will limit the agency's ability to absorb the cost of extra contractors, as it has done to some extent in previous years. Some ongoing funding for contractors will allow the OGCC to be more nimble in its response to the needs of all stakeholders, as the price of energy, thus the interest in the state's mineral resources, continues to increase.

Full-time positions requested:

<u>Working Title</u>	<u>State Job Classification</u>	<u>Number of FTE</u>
Production Analysts	Data Specialist	1.0
Imaging System Administrator	Administrative Assistant III	1.0
<u>Records Technician</u>	<u>Technician II</u>	<u>2.0</u>
Total Requested FTE		4.0

See Attachment A for the proposed organizational chart for FY 2009-10.

Position Descriptions

Production Analysts:

Production Analysts in the Production/Levy unit process monthly production reports, which are submitted to the OGCC by oil and gas operators. The reports allow the OGCC to monitor regulatory compliance and well activity, such as "shut-ins". A shut-in well is an inactive well that is capable of production or injection by opening valves, activating existing equipment or supplying a power source. Long term shut-in wells have a relatively high risk of being improperly abandoned, or "orphaned", by their operator and, if left undetected by staff, become the responsibility of the State when the operator of

record can no longer be identified or located. The OGCC currently plugs and abandons an average of seven orphaned wells per year at costs ranging from \$5,000 to \$200,000.

In addition to their importance as regulatory tools, production records are relied on by royalty owners, joint interest partners, and government entities to project and validate mineral revenues, while the industry uses the data to evaluate oil and gas development opportunities. The widespread and growing dependency on the data requires it to be processed in a timely manner, but with each active well generating a monthly report by rule, the significant increase in industry activity has resulted in a large and growing backlog of work.

The backlog is the result of a gradually growing understaffing problem in the Production/Levy unit. To put the situation in perspective, the number of active wells and, hence, the corresponding required production reports increased by over 200% in the last 20 years, while the staff of 2.0 Production Analysts remained steady.

The backlog in the production/levy unit is complex and more difficult to define than a permit backlog, because the bulk of the workload in this unit is caused by missing and inaccurate forms rather than permits or regulatory reports waiting to be processed, as described in previous budget requests. Approximately 80% of production reports are received electronically and most are accepted by the OGCC's database without a problem. A small percentage, however, are kicked back to the production analysts due to errors. Some errors are easy to fix, while others require multiple conversations with the operator, consuming many hours of an analyst's time. These reports are considered "missing" until the problems are resolved.

The missing report category also includes required reports that were not submitted and database errors. The latter can occur when a well is plugged, but the database never gets updated to remove the expectation of a monthly production report. This request for an additional analyst was prompted by the growth in the total number of missing reports. Unfortunately, the database cannot provide trend information that would make the growth in missing reports easier to document and explain. Instead, a previously missing

production report that is finally submitted to the OGCC and accepted by the database triggers an automatic update of the electronic well record, leaving no indication that a report was actually missing. The agency must rely on occasional snapshots in time to assess the missing report problem.

An August 2008 snapshot (Figure 4 below) shows that nearly 30,000 production reports that were due to be filed in FY 2007-08 are missing. Over 36,000 FY 2006-07 reports are still missing. Less time could be devoted to tracking down missing reports that year, due to 100% turnover of staff. All of these missing reports, including the ones from previous years, need to be investigated and resolved, so that accurate production information is available to all stakeholders. The graph also suggests that the rise in missing reports over the last several years strongly correlates with the recent increase in industry activity. Because the graph is a snapshot of the record situation in August rather than a historical, static record of missing reports in previous fiscal years, the correlation to industry activity can only be made with knowledge of the work processes in the production/levy section. The analysts tackle the missing data by well or by operator and not the year in which the report was due. In other words, the analysts have not recently spent a disproportionate amount of time resolving missing data from FY 2000-01 to bring those figures down. The ratio of missing reports to the expected number of reports early in the decade was similar to the rate of missing reports in recent years. The lower activity level five to eight years ago allowed the analysts to resolve most of the missing report problems during the year in which the data was due, or soon thereafter. The high volume of reports received now makes that feat impossible with current staffing levels.

Figure 4

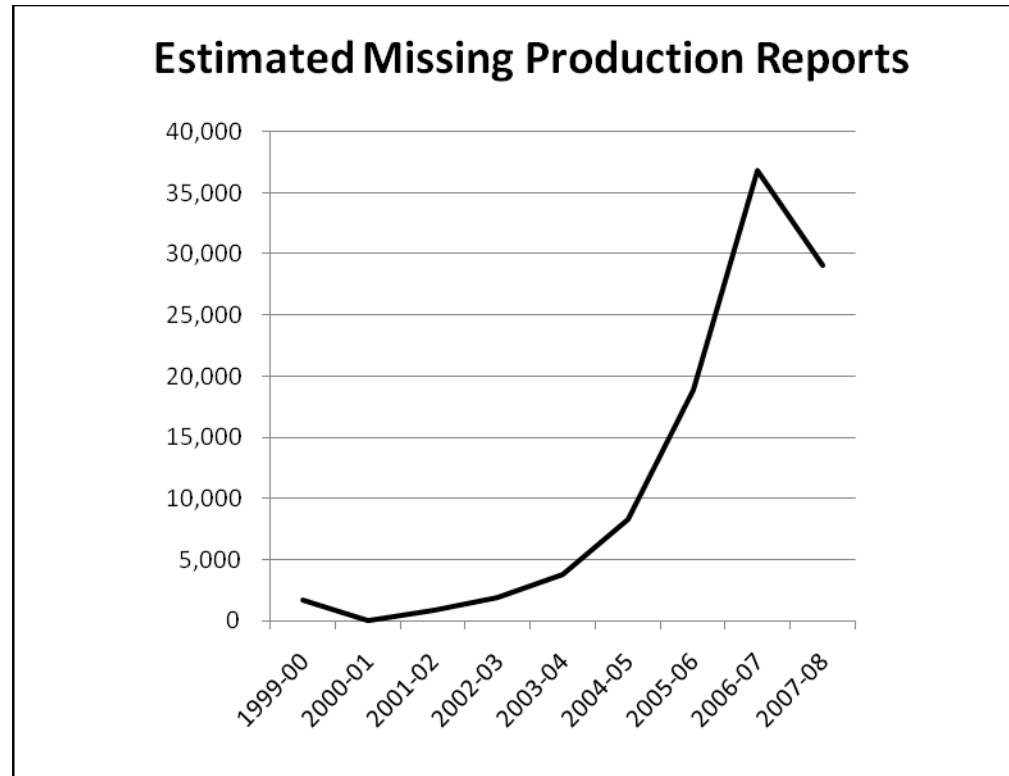
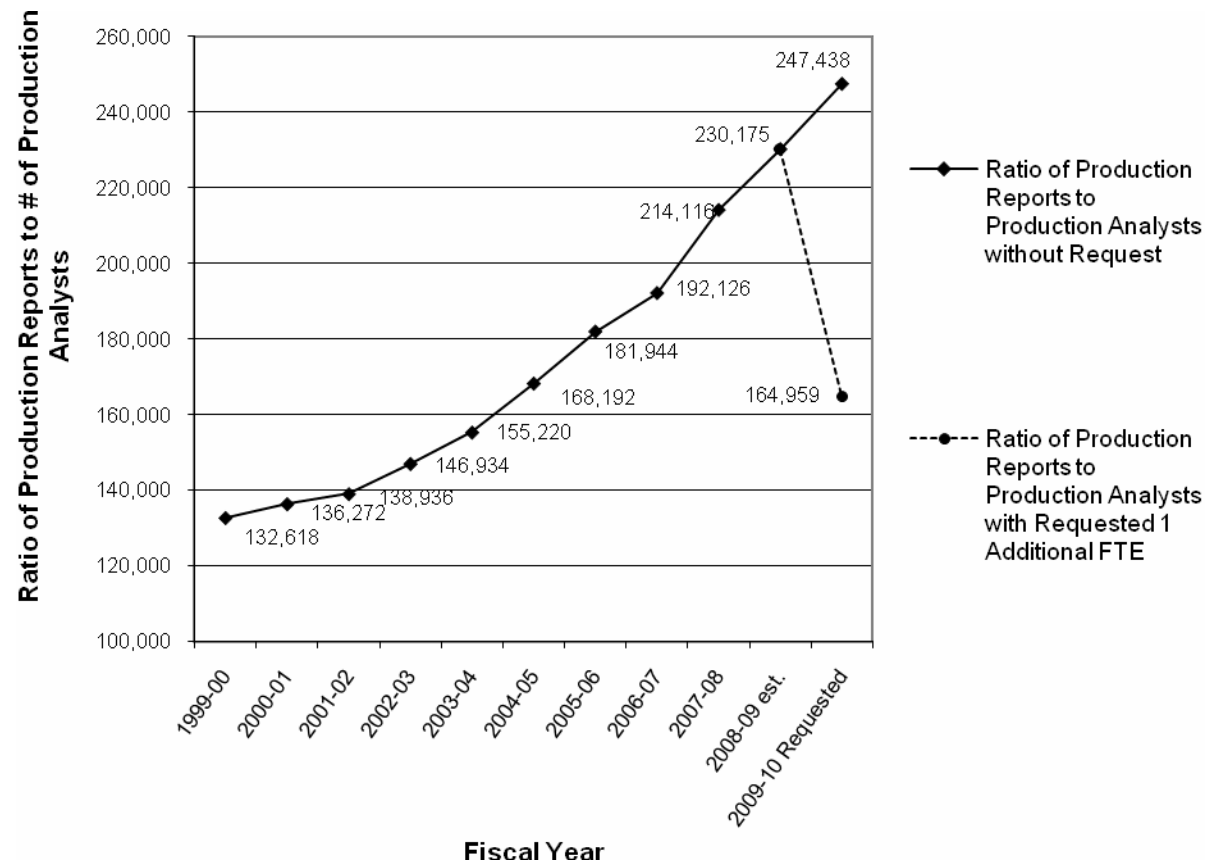


Figure 5 below shows the ratio of production reports received to the number of full-time production analysts. This ratio, which represents the overall workload per FTE, increased by 74% over the last nine years. The requested FTE would return this ratio to the FY 2004-05 level, which, with some improved efficiency, should be adequate in the near term to handle the incoming volume and reduce the backlog.

Figure 5



Imaging System Administrator:

The OGCC has had 1.0 FTE dedicated to document imaging since the program began in 1999. An extensive amount of data is available on the agency's website as a result of this program. The following are examples of items scanned and available:

- well records (APD's, regulatory reports, and photos);
- hearing records;
- rulemaking records;
- operator records;
- baseline environmental assessments;
- site investigation reports and remediation plans; and
- well logs

Access to this data is essential for OGCC staff, oil and gas operators, the general public, and government entities from local to federal levels. As shown in Figure 6 below, the number of documents imaged on an annual basis increased by over 250% between calendar years 2000 and 2007.

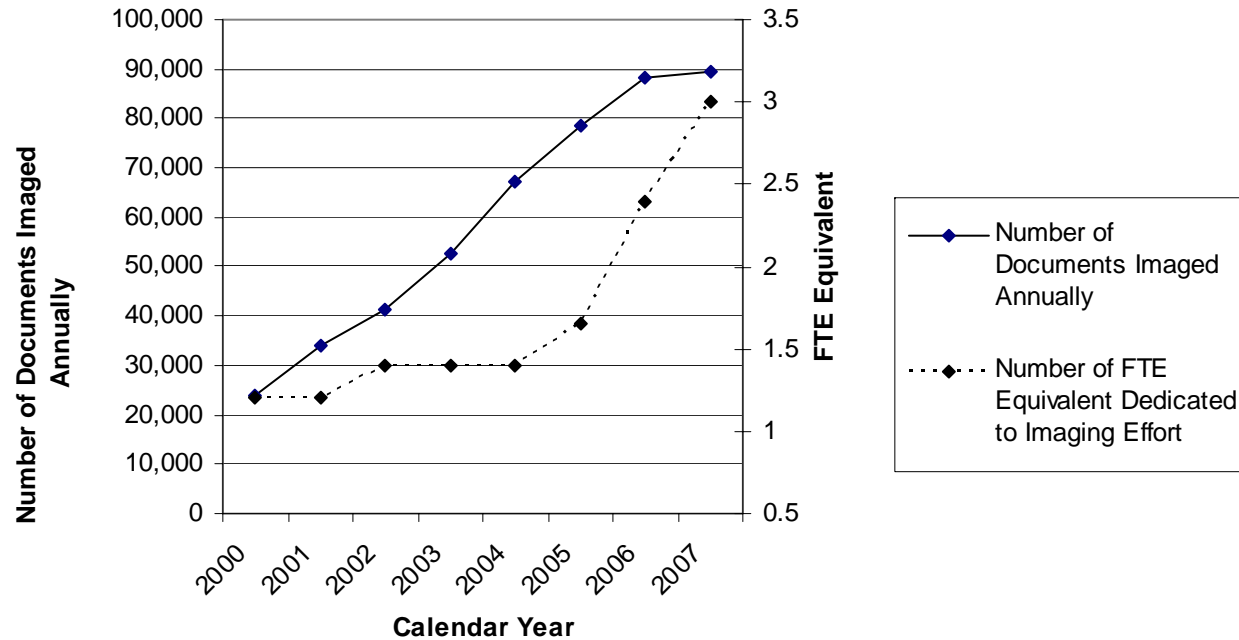
In 2007, with some extra assistance from temporary employees, equivalent to 2.0 FTE, the agency's imaging capacity peaked at nearly 90,000 documents. Nonetheless, the backlog of documents waiting to be imaged grew significantly during this time-frame. As of July 22, 2008 the backlog for adjudicatory hearing records was six months long, while the backlog for operator records and environmental files were seven months and three years, respectively. For example, operator records that were date stamped upon arrival in December 2007 were not scanned and available to all stakeholders until July 2008. The requested FTE is needed to assist with the current and projected scanning workload.

Additional temporary help will be needed, as well, to resolve the backlog and assist periodically with the continuing high level of new filings. The agency has highly

automated the imaging process and continues to look for ways to improve it; however, the opportunities for significant gains in this area have been exploited.

Figure 6

OGCC Document Imaging



Note: The number of FTE equivalent equals 1.0 fully dedicated FTE plus the estimated number of hours contributed by other personnel (contractors, temporary employees, or other full-time employees) divided by 2080 hours.

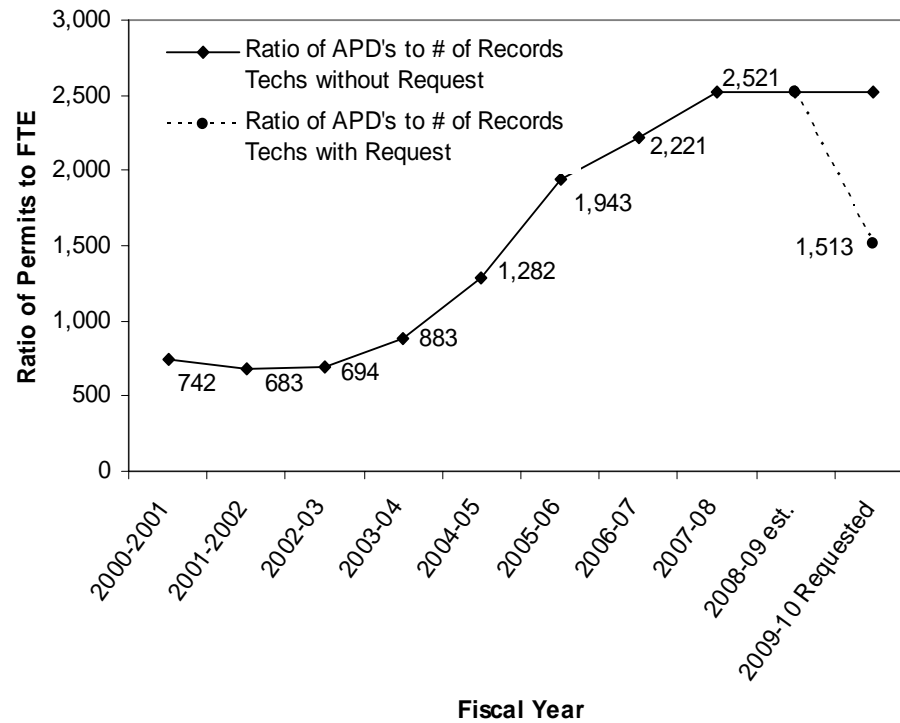
Records Technicians:

Two additional Records Technicians are needed in the OGCC public room to:

- maintain well files, which includes making new folders, retrieving well files for new mail and/or routing to staff, and re-filing;
- sort and distribute new mail;
- index scanned documents, a multi-step process;
- data enter regulatory reports into the forms processor; and
- interface with the public by directing telephone calls to appropriate staff members and assisting visitors in the public room.

All of the above tasks are directly impacted by the agency's three primary workload metrics. An increased number of active wells, APD's, and drilling rigs translate to an increased number of forms to be data entered, well files to maintain, and scanned documents to be indexed. As shown in Figure 6, the records technicians' workload, when measured by the ratio of APD's to the number of records technicians, increased 240% over FY 2000-01 levels. The records technician staff, which has consisted of 3.0 FTE since before 1990, has relied heavily on contract staff in recent years, averaging at any given time four contractors, two of which have been funded by specific budget requests and two through vacancy savings. Nonetheless, a multi-month backlog of forms that need to be matched to well files, and subsequently data entered, has developed. The workload has far exceeded the work unit's capacity, with no sign of abating. Figure 7 indicates that the proposed addition of 2.0 FTE, which would bring the workload per staff member back to somewhere between FY 2004-05 and FY 2005-06 levels, is appropriate at this time. The remaining excessive workload should continue to be handled by contractors as long as practicable.

Figure 7



Consequences if Not Funded:

Not funding this request in FY 2009-10 will severely limit the agency's ability to efficiently process APD's and other required regulatory reports in a timely manner. The existing backlog will grow as these understaffed sections remain unable to keep up with demand. The OGCC staff, oil and gas industry, government entities, and general public

will either delay their decision making or make decisions without the consideration of potentially important information. Both of these situations are harmful to the industry and all other stakeholders

Calculations for Request:

Summary of Request FY 2009-10	Total Funds	General Fund	Cash Funds (Fund 170)	Cash Funds Exempt	Federal Funds	FTE
Total Request	\$246,154	\$0	\$246,154	\$0	\$0	4.0
Salaries (plus PERA and Medicare)	\$152,802	\$0	\$152,802	\$0	\$0	4.0
Operating Cost for New FTE	\$24,712	\$0	\$24,712	\$0	\$0	0.0
Contract Funding	\$68,640	\$0	\$68,640	\$0	\$0	0.0

Summary of Request FY 2010-11	Total Funds	General Fund	Cash Funds (Fund 170)	Cash Funds Exempt	Federal Funds	FTE
Total Request	\$225,242	\$0	\$225,242	\$0	\$0	4.0
Salaries (plus PERA and Medicare)	\$152,802	\$0	\$152,802	\$0	\$0	4.0
On-going Operating Cost for New FTE	\$3,800	\$0	\$3,800	\$0	\$0	0.0
Contract Funding	\$68,640	\$0	\$68,640	\$0	\$0	0.0

Cash Funds Projections:

Cash Fund Name	Cash Fund Number	FY 2007-08 Expenditures	FY 2007-08 End of Year Cash Balance	FY 2008-09 End of Year Cash Balance Estimate	FY 2009-10 End of Year Cash Balance Estimate	FY 2010-11 End of Year Cash Balance Estimate
Oil and Gas Conservation and Environmental Response Fund	170	\$7,375,998	\$4,051,158	\$3,083,397	\$3,699,338	\$3,554,688

Assumptions for Calculations:

FTE's are employed 12 months in fiscal years 2009-10 and 2010-11.

Two contractors are employed for 2,080 hours per year, each, at an estimated hourly rate of \$16.50.

Funds will come from the Oil and Gas Conservation & Environmental Response Fund (OGCERF.) Prior to 1996 the Oil and Gas Conservation Commission's (OGCC) operations were funded entirely from OGCERF. Legislation was passed in 1995 that allowed some severance tax to be used to fund the OGCC's operations, but the OGCC has never received the majority of their funding from severance tax. By statute the Commission can set the mill anywhere between 0.0 mills and 1.7 mills. At its current level of 0.7, the mill rate is less than half of what it was prior to the use of severance tax to help fund OGCC operations. Funding for this request is not anticipated to result in an increase in the mill levy. The mill levy was 1.5 mills when S.B. 96-170 passed, providing severance tax funding for OGCC.

STATE OF COLORADO FY 09-10 BUDGET REQUEST CYCLE: Department of Natural Resources

OSPB Common Policy for FTE Requests													
FTE and Operating Costs										GRAND TOTAL			
Fiscal Year(s) of Request		FY 08-09	FY 09-10	FY 10-11	FY 08-09	FY 09-10	FY 10-11	FY 08-09	FY 09-10	FY 10-11	FY 08-09	FY 09-10	FY 10-11
PERSONAL SERVICES	Title:	Data Specialist (Production Analyst)			Administrative Assistant III (Image System Administrator)			Technician II (Records Technician)					
Number of PERSONS / class title		0	1	1	0	1	1	0	2	2			
Number of months working in FY 08-09, FY 09-10 and FY 10-11		0	12	12	0	12	12	0	12	12			
Number months paid in FY 08-09, FY 09-10 and FY 10-11 ¹		0	12	12	0	12	12	0	12	12			
Calculated FTE per classification		0.0	1.0	1.0	0.0	1.0	1.0	0.0	2.0	2.0	0.0	4.0	4.0
Annual base salary			\$34,920	\$34,920		\$35,664	\$35,664		\$33,168	\$33,168			
Salary		\$0	\$34,920	\$34,920	\$0	\$35,664	\$35,664	\$0	\$66,336	\$66,336	\$0	\$136,920	\$136,920
PERA	10.15%	\$0	\$3,544	\$3,544	\$0	\$3,620	\$3,620	\$0	\$6,733	\$6,733	\$0	\$13,897	\$13,897
Medicare	1.45%	\$0	\$506	\$506	\$0	\$517	\$517	\$0	\$962	\$962	\$0	\$1,985	\$1,985
Subtotal Personal Services at Division Level		\$0	\$38,970	\$38,970	\$0	\$39,801	\$39,801	\$0	\$74,031	\$74,031	\$0	\$152,802	\$152,802
OPERATING EXPENSES													
Supplies @ \$500/\$500 ²	\$500	\$0	\$500	\$500	\$0	\$500	\$500	\$0	\$1,000	\$1,000	\$0	\$2,000	\$2,000
Computer @ \$900/\$0	\$900	\$0	\$900	\$0	\$0	\$900	\$0	\$0	\$1,800	\$0	\$0	\$3,600	\$0
Office Suite Software @ \$330/\$0	\$330	\$0	\$330	\$0	\$0	\$330	\$0	\$0	\$660	\$0	\$0	\$1,320	\$0
Office Equipment @ \$3,998/\$0 (includes cubicle and chair)	\$3,998	\$0	\$3,998	\$0	\$0	\$3,998	\$0	\$0	\$7,996	\$0	\$0	\$15,992	\$0
Telephone Base @ \$450/\$450 ²	\$450	\$0	\$450	\$450	\$0	\$450	\$450	\$0	\$900	\$900	\$0	\$1,800	\$1,800
Subtotal Operating Expenses		\$0	\$6,178	\$950	\$0	\$6,178	\$950	\$0	\$12,356	\$1,900	\$0	\$24,712	\$3,800
GRAND TOTAL ALL COSTS		\$0	\$45,148	\$39,920	\$0	\$45,979	\$40,751	\$0	\$86,387	\$75,931	\$0	\$177,514	\$156,602

Impact on Other Government Agencies: None

Cost Benefit Analysis:

The benefits of adding permanent full-time employees to work units that have been relying heavily on contractors over the last few years include:

- increased efficiency of entire work unit, due to fewer hours dedicated to training new temporary staff;
- more competent and knowledgeable workforce, due to lower turnover rate among permanent employees;
- more efficient workforce, cross-trained to help in multiple areas of the Information Management Section, as necessary; and
- better customer service. When contractors answer the phone or help visitors in the public room, an important component of a records technician's job, they do not have enough institutional knowledge to provide efficient assistance. They often need to seek help from full-time employees.

At a projected hourly rate of \$16.50, a technician level contractor is slightly less costly, on the surface, than an FTE. The average salary, including PERA and Medicare, of the four requested FTE's is \$38,201, whereas a contractor working the standard 2,080 hours would cost \$34,320. The \$3,881 difference is justified by the above listed benefits, some of which can be easily quantified. For example, the supervisor of those work units spends approximately 40 hours hiring, training, and closely supervising each new contractor. Assuming that FY 2007-08's turnover rate of 100% continues into the future, meaning that each contract position will be held by 2 different individuals during the course of a year, approximately 80 hours (2 contractors x 40 hours) will be devoted to training each position every year. The training estimate multiplied by the hourly rate of the supervisor, \$31.52, indicates that the annual training cost for one contract position is \$2,522. Only a quarter of that amount is needed to cross-train a full-time employee after the first year.

The remaining cost difference between a contractor and FTE is quickly erased with very slight, easily attainable improvements in customer service, as described in the cost benefit analysis table below. Improved customer service, enough to save OGCC technical and professional staff an average of 10 hours per week, is all it takes for the benefits of an FTE to far outweigh the costs. In addition, that cross-trained, full-time employee is multi-tasking all day long, rather than just waiting for the phone to ring, visitors to assist, or mail to arrive for date stamping. They are filing, data entering, or helping out in the scanning room between phone calls and the needs of public room visitors. The estimated benefit cost ratio is 1.5.

Improving customer service for the public, the ultimate goal of this request, is more difficult to quantify, but a small improvement in the agency's public room can lower the cost of conducting business with the State. Readily available oil and gas information on the website saves the industry and other stakeholders a significant amount of time and money each year.

In addition to the cost savings associated with an FTE, it should be noted that State law, C.R.S. 24-50-504 (2008), prohibits the continued use of contractors for work that can and should be done by full-time employees. The work for which many of the contractors have been used is no longer considered urgent, temporary, or occasional in nature, so the time has come to replace some of them with permanent employees.

Description of Costs and Benefits/Savings	Annual Benefits/Savings	1st Year Cost of FTE	Ongoing Cost of FTE
Average Contractor vs Average FTE cost	\$34,320	\$38,201	\$38,201
Training (2 contractors x 40 hrs x \$31.52) vs (1 FTE x 40 hrs first year and 20 hrs/yr thereafter for cross-training, x \$31.52)	\$2,522	\$1,261	\$630
Improved Customer Service - Time Savings for Technical & Professional Staff, who will receive fewer misdirected phone calls and other inquiries (estimated 10 hours/week at a blended rate of \$38.60/hr)	\$20,072		
Totals	\$56,914	\$39,462	\$38,831

The OGCC is aware of the benefits that contractors bring to the agency, as well. Contractors remain appropriate for positions in which the long term need has not been fully established. Ongoing contract funding will allow the agency to chip away at the backlog of work and to tailor its staff, to some degree, to the changing needs of the State and other stakeholders.

Implementation Schedule:

An implementation schedule is not applicable to this request, because the requested FTE and contractors will be used to support an existing program rather than start a new program or project. The requested FTE are expected to be hired in July, 2009.

Statutory and Federal Authority:

CRS 34-60-102(1) (2008): Oil and Gas Conservation Act – declares it is to be in the public interest to foster the responsible, balanced development, production, and utilization of the natural resources of oil and gas in the state of Colorado in a manner consistent with protection of public health, safety, and welfare, including protection of the environment and wildlife resources...

CRS 34-60-106(2)(d) (2008): The commission has the authority to regulate...Oil and gas operations so as to prevent and mitigate significant adverse environmental impacts on any air, water, soil, or biological resource resulting from oil and gas operations to the extent necessary to protect public health, safety, and welfare, including protection of the environment and wildlife resources, taking into consideration cost-effectiveness and technical feasibility.

Performance Measures:

Accurate and timely information is the foundation of balanced oil and gas regulation and, as a result, all performance measures would be impacted to some degree by this request. Those most directly impacted are as follows:

<u>Performance Measure:</u>	<u>Outcome</u>	<u>FY 2006-07 Actual</u>	<u>FY 2007-08 Actual</u>	<u>FY 2008-09 Approp.</u>	<u>FY 2009-10 Request</u>
Decrease surface disturbance caused by oil and gas activity					
Percent of reclamation inspections that comply with OGCC rules.	Benchmark	86%	86%	86%	86%
	Actual	81%	76%		
<p>OGCC field staff relies on the agency's database to determine the current status of new wells. When operator records in the database are seven months behind, interim reclamation inspections are not conducted in a timely manner. As field inspectors devote more time to enforcing interim reclamation rules on a regular and timely basis, the percent of reclamation inspections that comply with OGCC rules is expected to fall in the near term and gradually improve as oil and gas operators correct the mistakes that led to failed inspections.</p>					

<u>Performance Measure:</u>	<u>Outcome</u>	<u>FY 2006-07 Actual</u>	<u>FY 2007-08 Actual</u>	<u>FY 2008-09 Approp.</u>	<u>FY 2009-10 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	1,045,750	1,140,989		
<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. The request will directly improve the timeliness and quality of information available to the public through the agency's website.</p>					

**Schedule 13
Change Request for FY 2009-10 Budget Request Cycle**

Decision Item FY 2009-10 Base Reduction Item FY 2009-10 Supplemental FY 2008-09 Budget Amendment FY 2009-10

Request Title: Highway Avalanche Forecasting
 Department: Natural Resources/Colorado Geological Survey Dept. Approval by: *W. H. Levine* Date: 10/10/2008
 Priority Number: 2 of 13 OSPB Approval: *Jan 23* Date: 10-21-08

	Fund	1	2	3	4	5	6	7	8	9	10
		Prior-Year Actual FY 2007-08	Appropriation FY 2008-09	Supplemental Request FY 2008-09	Total Revised Request FY 2008-09	Base Request FY 2009-10	Decision/ Base Reduction FY 2009-10	November 1 Request FY 2009-10	Budget Amendment FY 2009-10	Total Revised Request FY 2009-10	Change from Base (Column 5) FY 2010-11
Total of All Line Items	Total	653,670	639,603	0	639,603	655,578	34,456	690,034	0	690,034	34,456
	FTE	7.3	7.7	0.0	7.7	7.7	0.0	7.7	0.0	7.7	0.0
	GF	0	0	0	0	0	0	0	0	0	0
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	244,514	268,421	0	268,421	284,590	0	284,590	0	284,590	0
	CFE/RF	402,466	346,597	0	346,597	346,597	40,456	387,053	0	387,053	40,456
	FF	6,689	24,585	0	24,585	24,391	(6,000)	18,391	0	18,391	(6,000)
(3) Geological Survey Colorado Avalanche Information Center	Total	653,670	639,603	0	639,603	655,578	34,456	690,034	0	690,034	34,456
	FTE	7.3	7.7	0.0	7.7	7.7	0.0	7.7	0.0	7.7	0.0
	GF	0	0	0	0	0	0	0	0	0	0
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	244,514	268,421	0	268,421	284,590	0	284,590	0	284,590	0
	CFE/RF	402,466	346,597	0	346,597	346,597	40,456	387,053	0	387,053	40,456
	FF	6,689	24,585	0	24,585	24,391	(6,000)	18,391	0	18,391	(6,000)

Non-Line Item Request: None
 Letternote Revised Text: This amount shall be from the Colorado Department of Transportation
 Cash or Federal Fund Name and COFRS Fund Number: Not applicable.
 Reappropriated Funds Source, by Department and Line Item Name: None
 Approval by OIT? Yes: No: N/A:
 Schedule 13s from Affected Departments: Colorado Department of Transportation

CHANGE REQUEST for FY 2009-10 BUDGET REQUEST CYCLE

Department:	Natural Resources/Colorado Geological Survey
Priority Number:	2 of 13
Change Request Title:	Highway Avalanche Forecasting

SELECT ONE (click on box):

- Decision Item FY 2009-10
- Base Reduction Item FY 2009-10
- Supplemental Request FY 2008-09
- Budget Request Amendment FY 2009-10

SELECT ONE (click on box):

Supplemental or Budget Request Amendment Criterion:

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

Short Summary of Request:

This request is to increase the Colorado Avalanche Information Center's (CAIC) appropriation. The increase will be funded by an increase to Reappropriated Funds by \$40,456 and a decrease Federal Funds by \$6,000 for a net change of \$34,456. This increase will allow the CAIC to incur costs and spend funds obtained from the Department of Transportation (CDOT) as part of a contract to conduct avalanche forecasting for the state and federal highways within Colorado and to train CDOT personnel in workplace avalanche safety. The increase in the contract funds is due to: (1) adding a part of a seasonal (temporary) position to the staff to address identified needs on Lizard Head Pass; (2) reclassification of existing permanent staff from Engineering Science Technician I's to Physical Science Researcher/Scientist I's that took place in FY 2008-09; and 3) account for the current level of management required to maintain an adequate level of performance within the program.

Background and Appropriation History:

Colorado is the most avalanche-prone state in the U.S. with the highest number of avalanche deaths in the last 50 years. The Colorado Avalanche Information Center was created in 1983 as a program within the Colorado Geological Survey (CGS)/Department

of Natural Resources (DNR) and is responsible for promoting safety by reducing the impact of avalanches on recreation, industry, and transportation through a comprehensive program of forecasting, education and research. During FY 2007-08, the CAIC revenue sources were approximately: 51% contracts with CDOT, 25% from the Operational Account of the Severance Tax Trust Fund, 14% private donations, 5% ski industry donations, 4% federal, 1% county and city governments.

In 1992, CAIC began working with CDOT to provide avalanche training and forecasts for all state and federal highways within the state. The program began as one office with two forecasters for US550, but quickly grew to six forecasters in four offices covering all mountain highways. Snow avalanches that reach Colorado's roadways have a significant impact on the movement of goods and services as well as the safety of the traveling public. The current five-year contract that is in place allows for escalation of 3% per fiscal year. Without this change request for additional spending authority, the current contract amounts for the next two fiscal years are: FY 2008-09 \$324,563.35; and FY 2009-10 \$334,300.35.

General Description of Request:

The CAIC/CDOT program began in 1992 and grew to meet needs around the state through 1996. There have been no significant changes to the program since 1996. The purpose of this request is to make changes to the contract between the CAIC and CDOT to address current needs that are within the scope of the program.

There is a significant threat to Colorado Highway 145 (CO145) between the Telluride Mountain Village and the town of Rico. This threat was identified in an avalanche atlas completed in the late 1990's for the state and federal highways that run through the San Juan Mountains. In the current CAIC/CDOT contract, the CAIC's Silverton office is responsible for the avalanche forecasting along this roadway. With over 15 years of program experience, it is the opinions of both CAIC and CDOT personnel that the Silverton office can not adequately address the avalanche problems on US 550 (Red Mountain, Coal Bank, and Molas Passes) and CO 145 (Lizard Head Pass), as winter storms often close all of these mountain passes and CAIC personnel cannot drive to CO 145 until work along US 550 is complete. In the fall of 2006, the CAIC opened an office

in Telluride with one seasonal (temporary, non-permanent FTE) forecaster. This seasonal position spends 50% of their time producing backcountry products and 50% forecasting for CO145/Lizard Head Pass. This program has been 100% funded through the CAIC Donations fund balance because funding and revenue are not available in the Long Bill to support this vital need. (The CAIC Donations fund was set up in accordance with Section 24-33-108, C.R.S.. which states that “The department of natural resources is authorized to receive or reject gifts and devises of money or property and, subject to the terms of any gift or devise and to the provisions of any applicable law, to hold such funds or property in trust or invest, sell, or exchange the same and use either principal or interest or the proceeds of sale or the exchanged property received for the benefit of the department and the public as specified in this section.”) This request would allow CDOT to fund the 50% of this temporary position that is performing forecasting for CO145/Lizard Head Pass through the existing contract and allow CAIC to commit to forecasting Lizard Head Pass with a more stable funding source rather than the current method of drawing funds from a donations account that may not have funds available in the future. The remaining 50% of the seasonal position will continue to be funded through the CAIC Donations fund. (Amount requested: \$11,943 Reappropriated Funds.)

In the fall of 2005, the CAIC filled a vacancy in the Silverton office. The primary function of this office is to work with CDOT along US 550. During the hiring process the Position Description Questionnaire (PDQ) was reviewed by the Human Resources (HR) group with the Department of Natural Resources. Given the current level of training and responsibilities, the HR panel placed the position in the Physical Science Researcher/Scientist (PSR/S) job class at level I. The previous employee was an Engineering/Physical Science Technician (E/PS Tech) I. At that time, all of the CAIC/CDOT forecasters (with the exception of the one hired in 2005) were at the E/PS Tech I level. The State Personnel system guidelines state that employees that perform similar work and have similar responsibilities must have similar classifications and compensation. Because this position was reclassified during the hiring process, the CAIC now had employees with nearly identical responsibilities in different job classes. This included two forecasters who worked in the same office, but the least experienced employee was in a higher job class and at a higher pay rate than their more experienced

partner. In FY 2008-09, these positions' PDQs were audited by the DNR Human Resource Office. This led to the reallocation of the E/PS Tech I's to PSR/S I's. This request would allow the CAIC to increase the contract in order to cover the salary increases needed when the positions were reallocated to a higher job class. This is a reallocation of six existing employees: At current salaries and benefits, a 5% salary increase for the reclassifications average \$3,139 per person per year or \$18,835 for six staff members per year. (Amount requested: \$18,835 Reappropriated Funds.)

The current CAIC/CDOT contract allocates only \$6,000 for program management. Since six of the nine permanent staff at the CAIC work on this contract, managing this program and integrating the highway and backcountry programs requires a significant amount of work. This request would allow the CAIC director to charge his total actual CDOT program management (\$12,000) to the CDOT contract and change the fund source from 50% CDOT RF and 50% federal funds to 100% CDOT RF. The federal funds have decreased proportionally; therefore, this requested appropriation increase in reappropriated funds may be offset by an equivalent decrease in federal funds for a net change of \$0 for program management. (Amount requested: \$6,000 increase to Reappropriated Funds; corresponding \$6,000 decrease to Federal Funds.)

The CAIC/CDOT contract allows for a 10% overhead charge to help fund the overhead that CAIC pays to its parent agency, CGS. This overhead covers management, payroll, fiscal, and budgetary support. CAIC has had to pay a small portion of its overhead from the grants and donations. This request includes an increase in reappropriated funds to allow CAIC to use this small increase in RF revenue to pay overhead to its parent agency from the CDOT contract revenue rather than a different fund source. This will then allow CAIC to use the "freed-up" grants and donations revenue to help support the backcountry office opened in Aspen. The majority of the costs from the Aspen Office have been funded in the past through the CAIC's Donations fund balance account. (Amount requested: \$3,678 Reappropriated Funds.)

Consequences if Not Funded:

This program increases the safety of CDOT personnel and the traveling public along the highways. The staff is dedicated to their jobs and will do everything they can to continue

to work at the highest level possible. Without proper funding, the period of the program may be reduced or the extent of the services may decline. Both CAIC and CDOT personnel are committed to safeguarding the public and the flow of goods and services along the highways within Colorado.

Calculations for Request:

Summary of Request FY 2009-10	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Total Request	\$34,456	\$0	\$0	\$40,456	(\$6,000)	0.0
Lizard Head Pass	\$11,943	\$0	\$0	\$11,943	\$0	0.0
Reclassification of existing employees	\$18,835	\$0	\$0	\$18,835	\$0	0.0
Program Management	\$0	\$0	\$0	\$6,000	(\$6,000)	0.0
Administrative Cost	\$3,678	\$0	\$0	\$3,678	\$0	0.0

Summary of Request FY 2010-11	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Total Request	\$34,456	\$0	\$0	\$40,456	(\$6,000)	0.0
Lizard Head Pass	\$11,943	\$0	\$0	\$11,943	\$0	0.0
Reclassification of existing employees	\$18,835	\$0	\$0	\$18,835	\$0	0.0
Program Management	\$0	\$0	\$0	\$6,000	(\$6,000)	0.0
Administrative Cost	\$3,678	\$0	\$0	\$3,678	\$0	0.0

Cash Funds Projections:

Not applicable.

Assumptions for Calculations:

Lizard Head Pass: Amount based on 500 hours for a seasonal temporary employee at \$23.89 per hour (including PERA and Medicare).

Reallocation of six existing employees: At current salaries and benefits, a 5% salary increase for the reclassifications average \$3,139 per person per year or \$18,835 annual total for six staff members.

Administrative Overhead Costs: 10% of the requested contract (RF) increase of \$36,778 = \$3,678.

Impact on Other Government Agencies:

Without an increase in spending authority, CAIC will be unable to continue avalanche forecasting operations for CDOT at the current level. Without the services provided by CAIC, CDOT will be unable to maintain the level of safety along state and federal highways that they typically provide during the winter months. Since CDOT contracts the avalanche forecasting work for their operations to CAIC, they are not prepared to assume these tasks with short notice and near the end of a winter with well above average snowfall.

Cost Benefit Analysis:

In the spring of 2008, the Denver Post estimated that a one-hour closure of the mountainous portion of I-70 results in an economic loss of over \$1,000,000 (“I-70: Going Gets Tougher”, Denver Post, April 7, 2008).

Benefit	Cost	Ratio
Assumption: that continuing forecasting keeps the I-70 corridor from being closed for one hour.	The total amount that is requested is \$34,456	Benefit/Cost Ratio is: \$1,000,000/\$34,456 = 29 to 1

In addition to the above, the CAIC also benefits the citizens of Colorado by reducing the number of avalanche deaths of backcountry recreationalists. Historically more people are killed in Colorado by avalanches than any other state in the United States (261 from 1900-2007). During the CAIC’s existence, the fatality rate in Colorado has decreased. During the first ten years, an average of 6.8 people died in avalanches each year (1983-

1992). The average number of people killed in avalanches has dropped to 5.5 per year during the last ten years (1997-2007). The number of avalanche fatalities per 100,000 Colorado residents has also decreased in the last ten years. In order to maintain these trends, the CAIC needs the staff time to maintain its tools and develop new techniques and materials.

Implementation Schedule:

Task	Month/Year
Internal Research/Planning Period	In Process June 2008
Written Agreement w/ Other State Agencies	By April, 2009
Agreement Signed	By June 30, 2009
Start-Up Date	July 1, 2009

Statutory and Federal Authority:

Section 34-1-101, C.R.S. (2007) Geological survey created - purpose - avalanche information center.

(1) There is hereby established the Colorado geological survey, which is a division of the department of natural resources. The purpose of the survey is to coordinate and encourage by use of appropriate means the full development of the state's natural resources, as the same are related to the geological processes that affect realistic development of human and mineral utilization and conservation practices and needs in the state of Colorado, all of which are designed to result in an ultimate benefit to the citizens of the state.

(2) There is hereby created, within the Colorado geological survey, the Colorado avalanche information center to carry out a program of avalanche forecasting and education.

Performance Measures:

CAIC's outcome-based and workload-based performance measures are based on the number of fatal accidents involving avalanches and the number of students taught in avalanche courses. This request supports the existing program and can be judged by the

existing performance measures. CAIC tracks the number of people killed in avalanches each year as the primary outcome-based performance measure for the Avalanche Information Center. This request will help keep the performance measure at or below levels achieved in the past.

<u>Performance Measure:</u>	<u>Outcome</u>	<u>FY 2006-07</u>	<u>FY 2007-08</u>	<u>FY 2008-09</u>	<u>FY 2009-10</u>
		<u>Actual</u>	<u>Actual</u>	<u>Approp.</u>	<u>Request</u>
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	0.1072	0.10		

CAIC expects that implementation of this decision item will positively impact the performance measure of reducing avalanche deaths by ensuring that the highways are kept safe and open during the winter and that corresponding avalanche deaths will not increase per 100,000 population.

Schedule 13
Change Request for FY 2009-10 Budget Request Cycle

Decision Item FY 2009-10 Base Reduction Item FY 2009-10 Supplemental FY 2008-09 Budget Amendment FY 2009-10

Request Title: Capitol Complex Leased Space Funding Mix
 Department: Natural Resources Dept. Approval by: *Will H. Levine* Date: 10/10/2008
 Priority Number: DI-3 OSPB Approval: *Januz* Date: 10-19-08

	Fund	1	2	3	4	5	6	November 1 Request FY 2009-10	8	9	10
		Prior-Year Actual FY 2007-08	Appropriation FY 2008-09	Supplemental Request FY 2008-09	Total Revised Request FY 2008-09	Base Request FY 2009-10	Decision/ Base Reduction FY 2009-10		Budget Amendment FY 2009-10	Total Revised Request FY 2009-10	Change from Base (Column 5) FY 2010-11
Total of All Line Items	Total	928,634	2,099,527	0	2,099,527	2,099,527	(28,332)	2,071,195	0	2,071,195	(28,332)
	FTE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	GF	476,295	736,343	0	736,343	736,343	11,929	748,272	0	748,272	11,929
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	344,047	1,065,499	0	1,065,499	1,065,499	(40,261)	1,025,238	0	1,025,238	(40,261)
	CFE/RF	89,512	169,706	0	169,706	169,706	0	169,706	0	169,706	0
	FF	18,780	127,979	0	127,979	127,979	0	127,979	0	127,979	0
(1) Executive Director's Office, Leased Space	Total	928,634	1,232,822	0	1,232,822	1,232,822	(28,332)	1,204,490	0	1,204,490	(28,332)
	FTE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	GF	476,295	492,842	0	492,842	492,842	(8,500)	484,342	0	484,342	(8,500)
	CF	344,047	716,692	0	716,692	716,692	(19,832)	696,860	0	696,860	(19,832)
	CFE/RF	89,512	0	0	0	0	0	0	0	0	0
	FF	18,780	23,288	0	23,288	23,288	0	23,288	0	23,288	0
(1) Executive Director's Office, Capitol Complex Leased Space	Total	0	866,705	0	866,705	866,705	0	866,705	0	866,705	0
	FTE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	GF	0	243,501	0	243,501	243,501	20,429	263,930	0	263,930	20,429
	CF	0	348,807	0	348,807	348,807	(20,429)	328,378	0	328,378	(20,429)
	CFE/RF	0	169,706	0	169,706	169,706	0	169,706	0	169,706	0
	FF	0	104,691	0	104,691	104,691	0	104,691	0	104,691	0

Non-Line Item Request: None
 Letternote Revised Text: None
 Cash or Federal Fund Name and COFRS Fund Number: Trust Administration Fund (#162) Parks Cash Fund (#172)
 Reappropriated Funds Source, by Department and Line Item Name:
 Approval by OIT? Yes: No: N/A:
 Schedule 13s from Affected Departments:

CHANGE REQUEST for FY 2009-10 BUDGET REQUEST CYCLE

Department:	Natural Resources
Priority Number:	3 of 13
Change Request Title:	Capitol Complex Leased Space Funding Mix

SELECT ONE (click on box):

- Decision Item FY 2009-10
- Base Reduction Item FY 2009-10
- Supplemental Request FY 2008-09
- Budget Request Amendment FY 2009-10

SELECT ONE (click on box):

Supplemental or Budget Request Amendment Criterion:

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

Short Summary of Request:

This is a FY 2009-10 Budget Request to adjust the funding mix of the centrally appropriated line item Capitol Complex Leased Space and reduce the centrally appropriated line item Leased Space both of which are in the Executive Director’s Office. This is necessary to properly reflect a change in occupancy as the State Land Board moves out of the Centennial building and the vacated space is utilized by the Division of Parks and Outdoor Recreation. These combined changes would result in a reduction to the total appropriation of (\$28,332) consisting of an increase in General Fund of \$11,929 and a decrease in cash funds of (\$40,261).

Background and Appropriation History:

The Department of Natural Resources leases 69,107 square feet in the Centennial building where it houses part, or all, of seven of its nine divisions. Only the Oil and Gas Conservation Commission and the Division of Wildlife do not have space in the building. Current funding is \$243,501 General Fund, \$348,807 from various sources of cash, \$169,706 reappropriated funds from departmental indirect cost recoveries, and \$104,691 federal funds. Of this space 5,423 square feet are currently occupied by the State Land Board and a contiguous 7,212 square feet are occupied by the Division of Parks and

Outdoor Recreation. The State Land Board's Capital Complex allocation is \$68,095 Cash Funds from the Trust Administration Fund while the Division of Parks and Outdoor Recreation's allocation is \$90,525 (\$27,135 General Fund and \$63,390 Cash Funds from the Parks Cash Fund.)

The Division of Parks and Outdoor Recreation maintains many offices in all parts of the state. One of these offices is a 7,000 square foot converted ranch house in Littleton. This office, adjacent to Chatfield reservoir, houses 54 employees (23 permanent staff people and 31 seasonal workers). This equates to 130 square feet per FTE (7,000 / 54) prior to accounting for hallways, common areas, storage and conference areas. The Office of the State Architect considers 204 square feet per FTE to be an efficient use of space. This guideline was developed by calculating 70% of the average private sector office space [OSA guidelines are shown as "being updated" as of this writing, this section may need updated prior to Nov 1]. At 130 square feet per FTE multiple workers share most offices and conditions are cramped. The Division has a long term lease with a total cost of \$1 for this space. This office is approximately a ½ hour drive from Parks' downtown headquarters.

The Division of Parks also rents space in the Chancery Building in Denver and houses 5 employees (4 permanent staff people and 1 seasonal) in 1,632 square feet. This location has an average of 326 square feet per FTE (1632 / 5) for which the Division pays \$28,332 annually (\$8,500 General Fund and \$19,832 Cash Funds).

The Division's main office in the Centennial Building houses 44 employees (33 permanent staff people and 11 seasonals) in 7,212 square feet. This location has an average of 164 square feet per FTE (7,212 / 44). In addition to these 44 FTE, the Division of Parks is temporarily housing 3.0 FTE in currently vacant space at other divisions and is searching for space to house 6.0 FTE that the division is planning to hire or has recently hired. Assuming that office space will need to be found for these 9.0 FTE in the Centennial Building this location has an average of 136 square feet per FTE (7,212 / 53).

The State Land Board owns land at 1127 Sherman Street. This property was a small parking lot wedged between two residential buildings and it is located half way between 11th and 12th avenues. The property was donated by several families to the State Land Board in 1994. At the end of FY 2005-06, the State Land Board analyzed options for the construction of an office building at the 1127 Sherman site. A three story office building was determined to be the most cost effective option for the site. State Land Board staff received authorization from the Board at its October 2006 meeting to spend Investment and Development Fund monies to begin the planning process. As an owner occupied building, this building is projected to generate a good return for the School Trust through a combination of rent savings and new income. The State Land Board anticipates moving into this space approximately May 1, 2009.

General Description of Request:

The State Land Board anticipates moving all of its employees currently being housed at the Centennial Building to the 1127 Sherman St property. In order to alleviate crowded working conditions and improve management efficiencies in the Division of Parks and Outdoor Recreation, the Division would like to utilize this newly vacant space to house some of its employees. The Department is requesting an adjustment to the fund splits of the centrally appropriated line item Capitol Complex leased space to reflect these office moves. Specifically, assuming that the Capitol Complex Leased Space rate remains unchanged at approximately \$12.54 per square foot per year, it will be necessary to increase the General Fund appropriation to this line by \$20,429 and decrease the Cash Fund appropriation by (\$20,429).

This apparent refinancing with General Fund is the combined effect of two changes. First the State Land Board's allocation will need to be reduced by (\$68,095) to reflect the anticipated movement of operations out of the Centennial Building. Second, The Division of Parks and Outdoor Recreation's allocation will need to be increased by \$68,095. The Joint Budget Committee has been funding all of Parks' centrally appropriated allocations with 30% General Fund and 70% Cash Funds since FY 2007-08. Therefore, Parks' \$68,095 increase should consist of \$20,429 General Fund and \$47,666 Cash Funds.

The Division plans to relocate seven staff that were moved to the Littleton Office from the Centennial Building due to overcrowding at the Centennial Building. The Littleton office is now even more crowded than the Centennial building. As with the Chancery staff, it is inefficient having the Littleton staff separated from the other headquarters staff with whom they must frequently interact, communicate, and coordinate. These employees are primarily involved in marketing & graphics, the trails program, and the off-highway vehicles program. Their job duties are primarily administrative in nature and would benefit from closer contact with Parks' management and support staff as well.

The Division also plans to relocate all five employees currently being housed in the Chancery building to the Centennial Building. These employees are involved in retail sales, hydrology, and land purchase. These positions are primarily administrative and the Division would benefit by having them closer to both Parks management and support staff; such as accounting and purchasing. When staff are working on grants or contracts, advice may be needed from accounting, purchasing, or management. This process can be expedited if all staff are in close proximity. By relocating the employees currently being housed in the Chancery Building, the Division of Parks' and Outdoor Recreation will be able to discontinue this relatively expensive lease. This lease is approximately \$17 per square foot (35% more expensive than space in the Centennial Building). This translates to a reduction of the centrally appropriated line item Leased Space by \$27,783, including a reduction of \$8,500 General Fund and a reduction of \$19,832 Cash Funds.

By utilizing this space the Division of Parks and Outdoor Recreation would be improving working conditions for a number of its employees. The table below shows the sqft per FTE currently and under this change request.

<u>Current Situation</u>			
Location	Sqft	FTE	Sqft per FTE (including common area)
Chancery	1,632	5	326
Littleton	7,000	54	130
Centennial	7,212	53 (including 6 new hires and 3 being housed in temporary space)	136
Total	15,844	112	141
<u>With Change Request</u>			
Chancery	0	0	N/A
Littleton	7,000	47	149
Centennial	12,635	65	194
Total	19,635	112	175

Consequences if Not Funded:

If this request is not approved the Department's funding for Capitol Complex leased space will not reflect that the State Land Board has vacated the building. Further, the Division of Parks and Outdoor Recreation will be unable to use the vacant space to alleviate overcrowding and improve the management of some of its sub-programs.

Calculations for Request:

Summary of Request FY 2009-10	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Total Request	(\$28,332)	\$11,929	(\$40,261)	0	0	0.0
State Land Board Capitol Complex Reduction	(\$68,095)	\$0	(\$68,095)	\$0	\$0	0.0
Parks Capitol Complex Increase	\$68,095	\$20,429	\$47,666	\$0	\$0	0.0
Parks Leased Space Reduction	(\$28,332)	(\$8,500)	(\$19,832)	\$0	\$0	0.0

Summary of Request FY 2010-11	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Total Request	(\$28,332)	\$11,929	(\$40,261)	\$0	\$0	0.0
State Land Board Capitol Complex Reduction	(\$68,095)	\$0	(\$68,095)	\$0	\$0	0.0
Parks Capitol Complex Increase	\$68,095	\$20,429	\$47,666	\$0	\$0	0.0
Parks Leased Space Reduction	(\$28,332)	(\$8,500)	(\$19,832)	\$0	\$0	0.0

Cash Funds Projections:

Cash Fund Name	Cash Fund Number	FY 2007-08 Expenditures	FY 2007-08 End of Year Cash Balance	FY 2008-09 End of Year Cash Balance Estimate	FY 2009-10 End of Year Cash Balance Estimate	FY 2010-11 End of Year Cash Balance Estimate
<u>Trust Administration Fund</u>	<u>162</u>	<u>\$4,658,696</u>	<u>\$140,967</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>Parks Cash Fund</u>	<u>172</u>					

Assumptions for Calculations:

The actual Capitol Complex lease rate is not known for FY 2009-10 at this time. Instead the FY 2008-09 lease rate was used. This rate was calculated by taking the amount attributed to the Department of Natural Resources as indicated in JBC staff's 3-12-08 Common Policy figure setting document page 19 (\$866,705) and dividing it by the total number of square feet occupied by the Department, (69,107). $\$866,705 / 69,107 = \12.54 (rounded).

Please See Attachment A "Colorado Land Board Analysis – 11th and Sherman Street"

Impact on Other Government Agencies: There is no impact on other government agencies from this request.

Cost Benefit Analysis:

There are two main benefits that are associated with this change request:

- 1) By moving out of the Capitol Complex and into a new building the State Land Board will see an increase in annual income and a decrease in costs. The School Trust benefits from this as leased space costs will essentially be paid to the trust instead of a third party.
- 2) The Division of Parks and Outdoor Recreation will improve the quality of its employees' workspaces by allowing them more space to work in and achieve managerial efficiencies by housing coworkers who interact frequently in the same building.

The Department is unable to quantify the benefit to Parks from an improved work environment and better communication among the various administrative areas. Instead, this cost benefit analysis will compare the additional required General Fund to the value of the Land Board owning, occupying, and renting the building at 1127 Sherman St.

It should be noted that this analysis includes all of the costs and only some of the benefits. Actual benefits to the state are significantly greater than detailed here.

This is a net reduction change request, indicating that the Department of Natural Resources can improve the quality of the Division of Parks and Outdoor Recreation employees' workspaces, and achieve managerial efficiencies while requiring fewer state resources. It does, however, require an increase of \$11,929 General Fund to the appropriation of the Department.

Based on the State Land Board’s analysis, the 1127 Sherman Building would generate an annual return (IRR) of 8.34 % and a net present value of \$149,666 (7.75 % discount rate). The building will produce an annual income/savings stream of \$370,000 based on a blended rate rental rate of \$16.16 triple net lease, parking revenue, 4% vacancy, and a 7.5% terminal cap rate. The blended rate is based on two floors being occupied by the State Land Board and the first floor rented to a third party at market rates. The following assumptions factor into the blended rate: 5,400 square feet at \$11.46 (FY 2007-08 Capital Complex Rate), 5,440 square feet at \$17.50 (FY 2007-08 private lease space rate for SLB), and 5,410 square feet at \$20 (first floor rate).

In order to make a fair comparison, the net present value of the future Capitol Complex leased space payments is calculated over the same period as this analysis. Using a discount rate of 7.75% and estimating that the first year cost of \$11,929 would increase at 3% annually, the NPV of these future payments over the same time period as used above is (\$91,141).

Cost	Benefit	Ratio
The cost is the net present value of anticipated future General Fund requirements and is calculated as (\$91,141) over a 10 year period	In addition to the intangible benefits of a better working environment and managerial efficiencies, the Land Board anticipates a net present value of \$149,666 , over a 10 year period, from the Board’s office space project	\$149,666 / \$91,141 = 1.6 to 1

Implementation Schedule:

Task	Month/Year
FY 2009-10 budget begins	July, 2009

Statutory and Federal Authority:

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. (2008)

Division of Parks and Outdoor Recreation -- Statutory Authority:

Section 33-10-101 to 33-15-112, C.R.S (2008)

Performance Measures:

DNR #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
<p>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.</p>					

DNR #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>		
<p>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 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>					

This change request indirectly supports both of these performance measures. By insuring good management and efficient use of resources this decision assists both divisions achieve their mission. The School Trust will also benefit by avoiding the cost of leased space for the State Land Board.

Colorado Land Board Analysis - 11th and Sherman Street

General Assumptions

Building RSF	16,248	Cost per sq. ft.
Development Cost	\$4,600,000	\$223
Discount Rate	7.75%	
Terminal Cap Rate	7.50%	
Capital Ex. Reserve	\$0.20	
2008 Base Rent (NNN)	\$16.16	
Annual Escalation	3.00%	
2006 Operating Exp	\$4.00	
2008 Operating Exp	\$0.00	\$4.24
Parking Revenue	\$32,400	
Vacancy/Credit Loss	4%	
Sales Commission	1%	

Notes

	Sq. Ft.	Cost/Sq. Ft.
3 story building	16,248	\$210
Op Ex, Base Rent, Parking		
24 spaces * \$100/mo		
Included in Reversion Value		

NET PRESENT VALUE ANALYSIS

	1/1/08	1/1/09	1/1/10	1/1/11	1/1/12	1/1/13	1/1/14	1/1/15	1/1/16	1/1/17	1/1/18	1/1/19
Development Cost	(\$250,000)	(\$4,350,000)										
Revenues												
Base Rent		\$262,568	\$270,445	\$278,558	\$286,915	\$295,522	\$304,388	\$313,520	\$322,925	\$332,613	\$342,591	\$352,869
Operating Expenses		\$68,950	\$71,019	\$73,149	\$75,344	\$77,604	\$79,932	\$82,330	\$84,800	\$87,344	\$89,964	\$92,663
Parking Income		\$32,400	\$33,372	\$34,373	\$35,404	\$36,466	\$37,560	\$38,687	\$39,848	\$41,043	\$42,275	\$43,543
TOTAL REVENUE		\$363,918	\$374,835	\$386,080	\$397,663	\$409,593	\$421,880	\$434,537	\$447,573	\$461,000	\$474,830	\$489,075
Expenses												
Vacancy / Credit Loss		\$14,557	\$14,993	\$15,443	\$15,907	\$16,384	\$16,875	\$17,381	\$17,903	\$18,440	\$18,993	\$19,563
Operating Expenses		\$68,950	\$71,019	\$73,149	\$75,344	\$77,604	\$79,932	\$82,330	\$84,800	\$87,344	\$89,964	\$92,663
Capital Reserve		\$3,250	\$3,347	\$3,448	\$3,551	\$3,657	\$3,767	\$3,880	\$3,997	\$4,116	\$4,240	\$4,367
TOTAL OP EX		\$72,200	\$74,366	\$76,597	\$78,894	\$81,261	\$83,699	\$86,210	\$88,796	\$91,460	\$94,204	\$97,030
MARGIN		76.16%	76.16%	76.16%	76.16%	76.16%	76.16%	76.16%	76.16%	76.16%	76.16%	76.16%
NET OP INCOME (NOI)		\$277,161	\$285,476	\$294,040	\$302,862	\$311,948	\$321,306	\$330,945	\$340,874	\$351,100	\$361,633	\$372,482

REVERSION VALUE

												\$4,916,759
CASH FLOW	(\$250,000)	(\$4,072,839)	\$285,476	\$294,040	\$302,862	\$311,948	\$321,306	\$330,945	\$340,874	\$351,100	\$5,278,391	

NPV =	\$149,666	
IRR =	8.34%	

Schedule 13
Change Request for FY 2009-10 Budget Request Cycle

Decision Item FY 2009-10 Base Reduction Item FY 2009-10 Supplemental FY 2008-09 Budget Amendment FY 2009-10

Request Title: Contract Coordinator
 Department: Natural Resources - Colorado Water Cons Board Dept. Approval by: *Will H. Levine* Date: 10/10/2008
 Priority Number: 4 of 13 OSPB Approval: *On M 20* Date: 10-21-08

	Fund	1	2	3	4	5	6	7	8	9	10
		Prior-Year Actual FY 2007-08	Appropriation FY 2008-09	Supplemental Request FY 2008-09	Total Revised Request FY 2008-09	Base Request FY 2008-10	Decision/ Base Reduction FY 2009-10	November 1 Request FY 2009-10	Budget Amendment FY 2009-10	Total Revised Request FY 2009-10	Change from Base (Column 5) FY 2010-11
Total of All Line Items	Total	3,911,412	4,271,943	0	4,271,943	4,375,965	74,011	4,449,976	0	4,449,976	68,783
	FTE	26.8	31.0	0.0	31.0	31.0	1.0	32.0	0.0	32.0	1.0
	GF	487,039	492,842	0	492,842	492,842	0	492,842	0	492,842	0
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	355,538	3,459,786	0	3,459,786	3,563,808	74,011	3,637,819	0	3,637,819	68,783
	CFE/RF	3,045,696	296,027	0	296,027	296,027	0	296,027	0	296,027	0
	FF	23,139	23,288	0	23,288	23,288	0	23,288	0	23,288	0
(7) Colorado Water Conservation Board (A)	Total	2,864,295	2,939,094	0	2,939,094	3,046,571	64,683	3,111,254	0	3,111,254	64,683
Administration	FTE	26.8	31.0	0.0	31.0	31.0	1.0	32.0	0.0	32.0	1.0
Personal Services	GF	0	0	0	0	0	0	0	0	0	0
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	0	2,643,067	0	2,643,067	2,750,544	64,683	2,815,227	0	2,815,227	64,683
	CFE/RF	2,864,295	296,027	0	296,027	296,027	0	296,027	0	296,027	0
	FF	0	0	0	0	0	0	0	0	0	0
(7) Colorado Water Conservation Board (A)	Total	89,569	100,027	0	100,027	96,572	6,178	102,750	0	102,750	950
Administration	FTE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Operating Expenses	GF	0	0	0	0	0	0	0	0	0	0
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	0	100,027	0	100,027	96,572	6,178	102,750	0	102,750	950
	CFE/RF	89,569	0	0	0	0	0	0	0	0	0
	FF	0	0	0	0	0	0	0	0	0	0
(1) Executive Director's Office, Leased Space	Total	957,548	1,232,822	0	1,232,822	1,232,822	3,150	1,235,972	0	1,235,972	3,150
	FTE	0.0	0.0	0.0	0.0	0	0.0	0.0	0.0	0.0	0.0
	GF	487,039	492,842	0	492,842	492,842	0	492,842	0	492,842	0
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	355,538	716,692	0	716,692	716,692	3,150	719,842	0	719,842	3,150
	CFE/RF	91,832	0	0	0	0	0	0	0	0	0
	FF	23,139	23,288	0	23,288	23,288	0	23,288	0	23,288	0

Non-Line Item Request: None
 Letternote Revised Text: This amount shall be from reserves in the Colorado Water Conservation Board Construction Fund.
 Cash or Federal Fund Name and COFRS Fund Number: Colorado Water Conservation Board Construction Fund 424
 Reappropriated Funds Source, by Department and Line Item Name: Not Applicable
 Approval by OIT? Yes: No: N/A:
 Schedule 13s from Affected Departments:

CHANGE REQUEST for FY 2009-10 BUDGET REQUEST CYCLE

Department:	Natural Resources, Colorado Water Conservation Board
Priority Number:	4 of 13
Change Request Title:	Contract Coordinator

SELECT ONE (click on box):

- Decision Item FY 09-10
- Base Reduction Item FY 09-10
- Supplemental Request FY 08-09
- Budget Request Amendment FY 09-10

SELECT ONE (click on box):

Supplemental or Budget Request Amendment Criterion:

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

Short Summary of Request:

The CWCB is requesting 1.0 FTE (General Professional IV) and funding in the amount of \$74,011 CF from the CWCB Construction Fund (fund 424) to manage the increase in workload and to complete contracts for projects in the Colorado Water Conservation Board (CWCB).

Background and Appropriation History:

FTE

The position will be funded from the CWCB Construction Fund via the Long Bill line item entitled CWCB (A) Administration – Personal Services. For FY 2008-09, this line item has \$2,939,094 and 31.0 FTE. The 31.0 FTE are spread throughout the CWCB’s sections, including the Management and Policy Development (MPD) Section, which includes the administrative staff. The position in the request will be assigned to this section, which has not seen an increase in FTE for over ten years. The MPD Section is comprised of a Budget Analyst - 1.0 FTE, Accountant II - 1.0 FTE, Program Assistant I

(CWCB Board Coordinator) - 1.0 FTE, Administrative Assistant III - 1.0 FTE, and Administrative Assistant II - 1.0 FTE.

Leased Space

The Leased Space line item is a part of the DNR Executive Director's Office section of the Long Bill. The Executive Director's Office allocates the funds to each division in DNR to cover their Leased Space costs.

The CWCB's offices are located in two buildings in the downtown Denver area which accommodate the current staff of 47.7 FTE. The main office is located in the Centennial Building at 1313 Sherman and the other office is at 1580 Logan Street. The CWCB leases space directly from the owner of the building, Jordan Perlmutter and Company, and pays the monthly lease cost to them. The main location in the Centennial Building does not have enough space to house all employees in one location; therefore, two sections were moved to the Logan location in 2002. These sections are the Water Supply Planning and Finance Section, which has 6.0 FTE, and the Water Information Section consisting of 4.0 FTE. The Interstate Water Management & Development Section moved to the Logan location in 2007 with 2.0 FTE. Also, the CWCB will locate 4.0 new FTE approved as part of the FY 2008-09 budget or relocate the equivalent number of current FTE to space in 1580 Logan in trying to keep CWCB section staff members together. Since the CWCB does not have sufficient office space to accommodate new FTE, leased space funding for additional office space is included in this request. The CWCB will use the additional funding to procure space at the Logan Street location to move one existing staff member to this preferred location in exchange for the space at the Centennial location. Therefore, the new 1.0 FTE (General Professional IV) will work at the Centennial Building where the MPD Section is located.

General Description of Request:

The CWCB has experienced an increase in funding for new and existing programs. This has created a steady workload increase. In relation to this request, the workload growth has been seen in the areas of additional funding, purchasing, accounting, and contracting. Currently, there is only 1.0 FTE (Accountant II) to handle all of these duties. The

Accountant II for the CWCB is responsible for the operational side of accounting, all purchasing, and grant and non-reimbursable contracts. The duties consist of paying invoices, completing month-end and fiscal year end closing, and helping staff to initiate all contracts and purchase orders for the grant and non-reimbursable programs for the agency. The position manages, processes, reviews, and maintains the CWCB's daily financial activities, including accounting records, production, and maintenance; fiscal condition report preparation, analysis, and interpretation; investigation and resolution of problems occurring within the programs, such as balancing variances or missing documentation of past fiscal activities; and reviewing accounting reports and statements to assure an accurate reflection of fiscal conditions for the agency. These tasks are related to both the agency's general financial activities (generally covered by the annual Long Bill appropriations) and review functions related to the CWCB Construction Fund and Severance Tax Trust Fund projects. The table below shows the number of contracts, purchase orders, and invoices (PVs) that the Accountant has processed from FY 2004-05 through FY 2007-08.

Fiscal Year	# of Contracts	# of Purchase Orders	Invoices (PVs)
2004-05	87	84	1,019
2005-06	88	82	1,049
2006-07	106	98	1,066
2007-08	120	139	1,450

The percentage increases from FY 2004-05 to FY 2007-08 are:

- Contracts = 38%
- Purchase Orders = 65%
- Invoices = 42%

Whereas at one time the workload was manageable, the increase in workload has created additional pressures and the situation is no longer manageable. Staff can no longer keep pace with the purchasing and contracting requests from staff. The CWCB feels it is necessary to divide the duties and separate out the contracting duties. This request for an

additional FTE to provide dedicated contracting services for the CWCB staff will allow the office to begin and complete projects in a timely fashion, shorten the time for contracts to be completed, and provide better assistance to staff and vendors with the contracting process. In addition, by separating the contract duties, the Accountant can focus on all of the Accounting duties that the position needs to accomplish such as open/close, paying bills, following fiscal and procurement rules, and ensuring that FASB (Financial Accounting Standards Board) and GASB (Governmental Accounting Standards Board) rules are followed.

The General Professional IV (GP IV), who will work with staff to complete all contracts, will:

- ensure that scopes of work and contracts are properly written,
- implement SB07-228,
- assist in the writing and completion of bidding documents,
- provide a detailed risk review of all contracts,
- complete all pre-review requirements (i.e., personal services certification, IT approval, and CRS §8-17.5-101 review of documents to prove legal US working status) for contracts, and
- ensure that fiscal and procurement rules are followed.

Workload increases have and will be seen in the following areas:

- Water Supply Reserve Account Grant Program (Section 39-29-109, C.R.S.)
This is a \$42 million grant program, which ends June 30, 2011. This program was approved for FY 2006-07 and since that time, the CWCB has completed 20 purchase orders and sixteen contracts from this grant program. FY 2009 is the third year of this grant program and the workload supporting this program is anticipated to increase by as much as 25 percent for both purchase orders and contracts each year. This assumption in growth is based on the number of grant applications received historically, the number of purchase orders and contracts completed to date, the total grant funding amount available, and because water users are becoming increasingly familiar with this grant program and will therefore apply for grants.

- HB04 -1365 - Water Conservation Plans (Sections 37-60-124 and 126, C.R.S.)

This grant program began in FY 2006 and will continue under current legislation through FY 2010. The program provides \$500,000 annually in grant funding to Covered Entities, which are water providers that provide 2,000 acre-feet of water or more. There are several water providers that still need to complete these plans and submit them to the CWCB Office of Water Conservation and Drought Planning Section. Once a Covered Entity has submitted its conservation plan, they are eligible to apply for a Water Efficiency grant. The purchasing end of this process falls into the responsibilities of the Accountant II. This program has experienced significant growth in the number of grant awards and associated contracts. For example, the number of purchase orders related to water conservation grants increased from 10 in FY 2006-07 to 21 in FY 2007-08. Further, with an increase in the number of approved water conservation plans (which makes water providers eligible for implementation grants), the CWCB expects the number of purchase orders and contracts related to this program to continue increasing. This grant program has been merged with HB05-1254, which appears below.

- HB05-1254 - Water Efficiency Grant Program (Sections 37-60-124 and 126, C.R.S.)

There are two groups of applicants that are eligible for monies under the grant program of \$2.5 million: (1) A covered entity that has a locally adopted Water Conservation Plan and has defined goals in that plan in accordance with Section 37-60-126, C.R.S., and (2) public and private agencies whose primary purpose is the promotion of water resource conservation. This grant program has completed five purchase orders and three contracts. As entities complete and submit water conservation plans, they become eligible to apply for Water Efficiency Grants. As familiarity with this program increases, this grant program is expected to grow by 25 percent over the next few fiscal years.

- Severance Tax Operational Grants (Section 39-29-109, C.R.S.)

The CWCB is allocated up to 5 percent of the Severance Tax Operational Account each fiscal year. The current appropriation is \$1,275,500. Since FY 2005, the CWCB has received increases in its appropriation, which has caused the increase in the number of

contracts and purchase orders the CWCB processes for projects supported by funding from the Severance Tax Operational Account. The CWCB has issued an additional thirty-two purchase orders and six contracts due to the increased funding that the CWCB has received since FY2005-06. It is anticipated that, within the current appropriation, the purchase orders could increase by 20 percent and contracts by 10 percent over the next couple of fiscal years based on anticipated projects.

As stated above, there are several areas where new grant and funding programs have been created in the CWCB over the years to assist with water management, development, conservation, and protection. In addition to those programs, funding increases approved via the legislature were seen in the Long Bill. The chart below shows the Long Bill line item name, approved funding amounts, and the percentage of the increase of the additional dollars, from FY 2004-05 to FY07-08:

Long Bill Line Item	FY 2004-05	FY 2008-09	Percent Increase
Personal Services	\$2,544,577	\$2,939,094	16%
Operating Expenses	\$88,655	\$100,027	13%
Interstate Compacts	\$284,726	\$350,337	23%
Western States Water Council Dues	\$25,000	\$27,500	10%
River Decision Support Systems	\$488,553	\$534,728	9%
Intrastate Water Management and Development	N/A	\$470,980	N/A
Federal Emergency Management Assistance	\$86,471	\$146,120	69%
Weather Modification	\$25,000	\$25,000	0%
Water Conservation Program	\$172,896	\$270,548	56%
HB05-1254 Water Efficiency Grant Program	N/A	\$600,029	N/A
Severance Tax Fund	\$585,000	\$1,275,500	118%
Interbasin Compacts	N/A	\$1,113,995	N/A%
Platte River Basin Coop	\$227,462	\$238,598	4%

STATE OF COLORADO FY 09-10 BUDGET REQUEST CYCLE: Department of Natural Resources

Agreement			
SB02-87 Colorado Watershed Protection Fund	\$84,000	\$119,942	43%
TOTAL	\$4,612,340	\$8,212,398	78%

Consequences if Not Funded:

If this request is not approved, contracts in the CWCB will continue to increase in quantity and a backlog will occur, which will delay completion or will prevent completion of the contracts. If contracts cannot be completed or are delayed, staff will not be able to work with vendors to begin projects on time, water users will not get grant funding, and projects will not be completed, or may not be completed timely, for citizens and water users in Colorado.

Calculations for Request:

Summary of Request FY 09-10	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Total Request	\$74,011	\$0	\$74,011	\$0	\$0	1.0
GP IV Personal Services (Salary, PERA, FICA)	\$64,683	\$0	\$64,683	\$0	\$0	1.0
GP IV Annual Operating	\$6,178	\$0	\$6,178	\$0	\$0	0.0
Leased Space for GP IV	\$3,150	\$0	\$3,150	\$0	\$0	0.0

Summary of Request FY 10-11	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Total Request	\$68,783	\$0	\$68,783	\$0	\$0	1.0
GP IV Personal Services (Salary, PERA, FICA)	\$64,683	\$0	\$64,683	\$0	\$0	1.0

Summary of Request FY 10-11	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
GP IV Annual Operating	\$950	\$0	\$950	\$0	\$0	0.0
Leased Space for GP IV	\$3,150	\$0	\$3,150	\$0	\$0	0.0

Cash Funds Projections:

Cash Fund Name	Cash Fund Number	FY 2007-08 Expenditures	FY 2007-08 End of Year Cash Balance	FY 2008-09 End of Year Cash Balance Estimate	FY 2009-10 End of Year Cash Balance Estimate	FY 2010-11 End of Year Cash Balance Estimate
Construction Fund	424	\$10,093,203	\$12,067,912	\$5,000,000	\$5,000,000	\$5,000,000

Assumptions for Calculations:

1.0 FTE General Professional IV (FY 2008-09):

- Personal Services (FY 2009-10 Salary): \$4,830 x 12 = \$57,960
 10.15% PERA = \$5,883
 1.45% FICA (Medicare) = \$840
 Total Personal Services = \$64,683

- Annual Operating for FY 2009-10 includes:
 - annual operating expenses (\$500)
 - annual Telephone base charges (\$450)
 - one-time Desktop computer (\$900)
 - one-time Office Suite software (\$330)
 - one-time Capital Outlay for cubicle and chair (\$3,998)
 - Total = \$6,178

- Leased space for 1.0 FTE (General Professional IV):

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

OSPB Common Policy for FTE Requests							
FTE and Operating Costs					GRAND TOTAL		
Fiscal Year(s) of Request		FY 08-09	FY 09-10	FY 10-11	FY 08-09	FY 09-10	FY 10-11
PERSONAL SERVICES	Title:	General Professional IV					
Number of PERSONS / class title		0	1	1			
Number of months working in FY 08-09, FY 09-10 and FY 10-11		0	12	12			
Number months paid in FY 08-09, FY 09-10 and FY 10-11 ¹		0	12	12			
Calculated FTE per classification		0.0	1.0	1.0	0.0	1.0	1.0
Annual base salary			\$57,960	\$57,960			
Salary		\$0	\$57,960	\$57,960	\$0	\$57,960	\$57,960
PERA	10.15%	\$0	\$5,883	\$5,883	\$0	\$5,883	\$5,883
Medicare	1.45%	\$0	\$840	\$840	\$0	\$840	\$840
Subtotal Personal Services at Division Level		\$0	\$64,683	\$64,683	\$0	\$64,683	\$64,683
OPERATING EXPENSES							
Supplies @ \$500/\$500 ²	\$500	\$0	\$500	\$500	\$0	\$500	\$500
Computer @ \$900/\$0	\$900	\$0	\$900	\$0	\$0	\$900	\$0
Office Suite Software @ \$330/\$0	\$330	\$0	\$330	\$0	\$0	\$330	\$0
Office Equipment @ \$3,998/\$0 (includes cubicle and chair)	\$3,998	\$0	\$3,998	\$0	\$0	\$3,998	\$0
Telephone Base @ \$450/\$450 ²	\$450	\$0	\$450	\$450	\$0	\$450	\$450
Leased Space ^{3,4}		\$0	\$3,150	\$3,150	\$0	\$3,150	\$3,150
Other ^{3,4}					\$0	\$0	\$0
Other ^{3,4}					\$0	\$0	\$0
Subtotal Operating Expenses		\$0	\$9,328	\$4,100	\$0	\$9,328	\$4,100
GRAND TOTAL ALL COSTS		\$0	\$74,011	\$68,783	\$0	\$74,011	\$68,783

Impact on Other Government Agencies: N/A

Cost Benefit Analysis:

Cost	Benefit	
1.0 FTE and Leased Space: (\$74,011)	<p>FTE The current CWCB contract staff member processes funding, purchasing, accounting and contracting requests for the CWCB. The number of contacts processed by CWCB is increasing each fiscal year. Last year the CWCB processed \$10 million of purchase orders and contracts.</p> <p>The timely processing of contracts provides value to the State and the public. For example, FEMA reserves the right to withhold payment to the State if invoices are not processed expediently. Similarly, some contractors may not wish to conduct business with the State if invoices are not processed in a timely manner. It is estimated that, without sufficient staff, the CWCB could lose up to 10 percent of its annual value of purchase orders and contracts if the processing of contracts and purchase orders become backlogged.</p> <p>For this request, 10 percent of the annual contract value (\$10 Million), or \$1,000,000 is used as a rough estimate of the benefit of the timely processing of CWCB contracts.</p>	<p>Benefit- Cost Ratio: [\$1,000,000] / [\$74,011] = 14:1</p> <p>Net Present Benefit: [\$1,000,000] - [\$74,011] = \$925,989</p>

Implementation Schedule:

For 1.0 FTE General Professional IV Position

Task	Month/Calendar Year
Write Position Description Questionnaires and complete related Human Resource transactions	May 2009
Advertise for Position	Late May 2009
HR Candidate Review, CWCB Interview and Hire new positions	June 2009
New Employee Begins	July 2009

For Leased Space

Task	Month/Calendar Year
Contact Staubach Group about vacant leased space	May 2009
Negotiate with building owners about price and start contract with building owners	June 2009
Complete contract with all approvals and move into new space	July 2009

Statutory and Federal Authority:

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

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

Performance Measures:

The following performance measures (DNR-4 Water Supply) apply to this request in an indirect manner as contracting and purchasing responsibilities apply to all of the programs in the CWCB. The addition of contracting personnel will allow the CWCB employees to finalize contracts, perform job functions, complete water projects, and the new FTE will have office space to complete duties that will support the performance measures listed above.

DNR-4. Water Supply

Objective: Reduce the demand for water

Performance Measure	Outcome	FY 2006-07 Actual	FY 2007-08 Actual	FY 2008-09 Approp.	FY 2009-10 Request
Create reductions in water supply demand through water conservation planning and implementation of water efficiency measures.	Benchmark	N/A	1.5% demand reduction or approx 5,720 ac ft	3% demand reduction or approx 11,440 ac ft	4% demand reduction or approx 17,160 acft
	Actual	N/A	Approx. 4,320 ac ft		

Strategy:

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 assists in the development and implementation of water conservation plans, reviews, and approves water conservation plans. It provides 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 carry out 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.

Evaluation of Prior Year Performance:

The FY2007-08 benchmark was based on 25 approved water conservation plans on file with the CWCB, with two of the plans being from the State’s two largest water providers, Denver Water and Aurora. As of the end of the fiscal year, the CWCB had received 19 approved water conservation plans and they included Denver Water and Aurora. Because the number of actual plans on file was less than anticipated, the actual demand reduction from water conservation planning and implementation was reduced from an approximate 5,720 ac ft to approximately 4,720 ac ft. This calculation is based on the assumptions made in the note section following the strategy section. As of the beginning of the FY 2008-09, several additional large and mid-size water providers are nearing completion of their water conservation plans and therefore, the CWCB feels confident that it will make up for the six plans anticipated for the FY2007-08 and will see them come in during the upcoming fiscal year. At this time, benchmarks for FY2008-09 will not be adjusted and the benchmark for FY2009-10 will be set using the assumptions and methodology laid out in the note section.

Performance Measure	Outcome	FY 2006-07 Actual	FY 2007-08 Actual	FY 2008-09 Approp.	FY 2009-10 Request
Increase water storage to meet long term water supply needs.	Benchmark	14,600 ac ft	20,000 ac ft	20,000 ac ft	20,000 ac ft
	Actual	4,200 ac ft	7,100 ac ft		

Strategy:

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. CWCB will work to help local entities meet their demands 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. The CWCB has estimated that by the year 2030, Colorado will need an additional 630,000 ac ft of water supply.

Evaluation of Prior Year Performance:

The CWCB financed one new storage project and one dam rehabilitation project that were completed in FY 2008, resulting in approximately 7,100 ac. ft. of new water storage. Thirteen other new storage or rehabilitation projects, financed by the CWCB, are currently either in the design or construction phase and are expected to be completed within the next two to four years. The resulting total increase in water supply for these projects is in excess of 40,000 ac. ft. Staff is projecting additional water supply projects to be financed by the Board that will further increase this projected amount. The CWCB does not control the design or construction schedule for projects that they finance. The performance measures for this item are therefore difficult to predict on an annual basis.

**Schedule 13
Change Request for FY 2009-10 Budget Request Cycle**

Decision Item FY 2009-10 Base Reduction Item FY 2009-10 Supplemental FY 2008-09 Budget Amendment FY 2009-10

Request Title: Groundwater Resource Characterization for Climate Change Planning
 Department: Natural Resources Dept. Approval by: *Will H. Levine*
 Priority Number: 5 of 13 OSPB Approval: *fn ll zj* Date: *10/23/2008*
 Date: *10-24-08*

	Fund	1	2	3	4	5	6	7	8	9	10
		Prior-Year Actual FY 2007-08	Appropriation FY 2008-09	Supplemental Request FY 2008-09	Total Revised Request FY 2008-09	Base Request FY 2009-10	Decision/ Base Reduction FY 2009-10	November 1 Request FY 2009-10	Budget Amendment FY 2009-10	Total Revised Request FY 2009-10	Change from Base (Column 5) FY 2010-11
Total of All Line Items	Total	1,722,478	2,499,478	0	2,499,478	2,552,845	148,044	2,700,889	0	2,700,889	137,588
	FTE	13.8	17.2	0.0	17.2	17.2	0.0	17.2	0.0	17.2	0.0
	GF	0	0	0	0	0	0	0	0	0	0
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	1,244,914	1,443,239	0	1,443,239	1,493,636	148,044	1,641,680	0	1,641,680	137,588
	CFE/RF	358,257	456,429	0	456,429	456,429	0	456,429	0	456,429	0
	FF	119,307	599,810	0	599,810	602,780	0	602,780	0	602,780	0
(3) Geological Survey, Environmental Geology and Geological Hazards Program	Total	1,722,478	2,499,478	0	2,499,478	2,552,845	148,044	2,700,889	0	2,700,889	137,588
	FTE	13.8	17.2	0.0	17.2	17.2	0.0	17.2	0.0	17.2	0.0
	GF	0	0	0	0	0	0	0	0	0	0
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	1,244,914	1,443,239	0	1,443,239	1,493,636	148,044	1,641,680	0	1,641,680	137,588
	CFE/RF	358,257	456,429	0	456,429	456,429	0	456,429	0	456,429	0
	FF	119,307	599,810	0	599,810	602,780	0	602,780	0	602,780	0

Non-Line Item Request: None
 Letternote Revised Text: Of this amount \$946,022 \$1,064,066 shall be from the Operational Account of the Severance Tax Trust Fund established pursuant to Section 39-29-109(1)(a)(II), C.R.S., and \$527,217 shall be from fees for geological services.
 Cash or Federal Fund Name and COFRS Fund Number: Operational Account of the Severance Tax Trust Fund, Fund 704
 Reappropriated Funds Source, by Department and Line Item Name: None
 Approval by OIT? Yes: No: N/A:
 Schedule 13s from Affected Departments: None

CHANGE REQUEST for FY 2009-10 BUDGET REQUEST CYCLE

Department:	Natural Resources
Priority Number:	5 of 13
Change Request Title:	Groundwater Resource Characterization for Climate Change Planning

SELECT ONE (click on box):

- Decision Item FY 2009-10
- Base Reduction Item FY 2009-10
- Supplemental Request FY 2008-09
- Budget Request Amendment FY 2009-10

SELECT ONE (click on box):

Supplemental or Budget Request Amendment Criterion:

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

Short Summary of Request:

The Colorado Geological Survey (CGS) will address the current lack of groundwater aquifer information that imperils areas of the state reliant on groundwater for daily water supply in an era of climate change. CGS will develop geologic and water resource information on groundwater aquifers and their potential to be used in addressing water supply needs, drought, and climate change planning. For this activity, CGS requests an increase of \$148,044 cash funds for FY 2009-10 and \$137,588 for following years in its base revenue from the Operational Account of the Severance Tax Trust Fund in order to fill two existing vacancies. No FTE are requested.

Background and Appropriation History:

Background:

The State of Colorado's demand for water resources continues to grow in concert with growth in population and industry. This has resulted in conflict between municipal, industrial, agricultural, recreational and environmental water users for limited water resources in over-appropriated basins of Colorado. Indeed, the Statewide Water Supply Initiative identified significant future water supply shortfalls in all but two of the state's water basins. By 2030 the state will need an additional 630,000 acre-feet of water to

meet projected demand. With drought and the potentially negative impact of climate change on water resources, these problems will be exacerbated and conflict for water resources will become more serious.

Colorado's aquifers contain a significant amount of water in storage representing a tremendous future opportunity in addressing the state's water needs by providing water in times of need and storing water in times of plenty. Most groundwater resources are resistant to drought and ongoing climate change. Increased use of aquifers via "managed aquifer recharge" (MAR) (underground water storage) strategies can be a powerful tool for managing the state's water resources to mitigate the effects of drought and climate change. Climate change scenarios generally predict higher water evaporation rates in addition to earlier snowmelt runoff. If this is the case, surface water reservoirs will lose more of their water to the atmosphere by evaporation and additional water storage will be needed to capture water for use during longer warm weather seasons. Storage of water in subsurface aquifers mitigates these adverse effects. In periods of drought, when surface water sources are limited, stored groundwater can be tapped to augment meager surface water supplies. Colorado lags behind other states such as Arizona and California in aggressively pursuing MAR; yet as a headwaters state, Colorado is well situated to take advantage of its aquifer systems to enhance water storage for times of drought.

Existing geologic data regarding the nature and occurrence of groundwater and the associated physical properties of Colorado's aquifers is inadequate for many parts of the state, especially given the current and future increase in demand for water by municipal and industrial users. Many areas of the state have benefited from plentiful and accessible surface water up until now; however, the pressures of growth of municipal, industrial, and recreational demands, there is an increasing need to tap ground-water resources to meet gaps between surface water supply and demand. Much more information, with more detail, is needed on the geologic framework of aquifers in all parts of the state. The following aspects of our aquifers need better definition:

- 1) Thickness, extent, and shape (geometry) of aquifers in the subsurface;
- 2) Hydrologic characteristics of the aquifers;
- 3) Location and character of the aquifer where it intersects the land surface;

- 4) Connections to surface water or other aquifers; and
- 5) Volume, quality, and movement of water in the aquifers and the amount of water that can be stored in them.

Agency History on this Topic:

CGS has been involved in characterizing groundwater resources in Colorado since the 1970s. CGS has published 16 reports relating to groundwater in this timeframe. Most recently, CGS produced two key publications that have been used as references by those involved in scientific, water supply, legal, decision-making, and water education endeavors. These publications are the ***Ground Water Atlas of Colorado*** (2003) and ***Artificial Recharge of Ground Water in Colorado – A Statewide Assessment*** (2004). The former has been given three national awards for its excellence and the latter has been cited in other state, national, and international groundwater publications for its technical content.

Over the last two years, through grants by the Colorado Water Conservation Board, CGS is refining the geology of bedrock aquifers in the Denver Basin. This work is ongoing. In addition, we are in the midst of a study regarding the potential for aquifer recharge and underground water storage in the Upper Black Squirrel Basin, east of Colorado Springs. This work is funded by the Arkansas River Basin Roundtable and the El Paso County Water Authority.

CGS staff currently serve as technical liaisons to the “*Water for the 21st Century Act*” basin Roundtable process. Through this role, the CGS recognizes the immediate need for better characterization of the state’s ground water resources and aquifer systems to help meet the needs identified by the individual basin roundtable groups.

Appropriation History:

The Environmental Geology and Geologic Hazards Long Bill Line Item appropriation had no overall increases in FY 2005-06 and FY 2006-07. For FY 2006-07 there were two one-time fund switches. The first was a fund switch of \$21,000 from cash fees to severance tax to develop a report on underground water storage (SB06-193). The second

was the FY 2006-07 Long Bill (HB06-1385), which switched \$33,000 of cash fees to severance tax to provide CGS support for a coalbed methane stream depletion study change request which was funded under a separate long bill line. Both of these changes expired in FY 2006-07 and the amounts reverted to cash fees.

During figure setting for FY 2007-08, a portion of Change Request #7, Address Current and Emerging Geologic Issues, was approved, increasing the severance tax appropriation by \$75,888. However, the cash exempt appropriation was decreased by \$251,237 with a corresponding decrease of 2.0 FTE (from 18.2 to 16.2). In addition, Change Request #22, Increase Land Use Review Fees, was approved with an increase of \$105,281 to cash fees and a corresponding decrease of the same amount in the severance tax appropriation.

For FY 2008-09, one decision item was approved by the JBC for this long bill line item. It was 1.0 FTE and \$69,035 cash funds from the Operational Account of the Severance Tax Trust Fund for an FTE to explore and promote geothermal energy resources in Colorado.

General Description of Request:

Colorado desperately needs a dedicated program to characterize the geology of its groundwater aquifers. Currently there is no program specifically funded for this endeavor in the state. The Kansas Geological Survey, for example, “has 10 full-time scientific staff whose primary responsibility is groundwater-related.”¹ Currently the Colorado Geological Survey (CGS) has only two such positions. Funding for these existing positions relies partly on severance tax funding and partly on competitive grant funding available from other state, local, and federal sources. Therefore, their time cannot consistently be directed to the highest priority groundwater resource projects for the State.

This request is for funds to begin a dedicated “Groundwater Resource Characterization” program at CGS to perform investigations that will better characterize Colorado’s groundwater aquifers – the water resources available from them and their ability to store

¹ Rex Buchanan, Assistant Director, Kansas Geological Survey, personal communication, May 12, 2008.

water for future use. Climate change and drought will influence water management decisions on an already critical water supply and water storage situation. Without this information, continued reliance on non-renewable groundwater supplies, especially along the Front Range, will lead to un-sustainability of this important resource.

Groundwater resources, when managed well, can be used to prepare for future water demand, climate change, and drought periods. This funding request will be used to fill two vacant unfunded positions at the Physical Scientist Researcher/Scientist II level to perform this work at the Colorado Geological Survey (CGS). These positions are not able to be funded within the agency's current budget. The cost of this request is \$148,044 for the first year and \$137, 588 for following years.

The work must progress in a stepwise fashion, laying a foundation of spatial, numerical, and descriptive geologic data and building on that to answer specific, higher level groundwater resource questions. For example, geologic framework and aquifer characterization data are necessary before one is able to perform a groundwater resource assessment identifying the volume of water available in an aquifer. Once the geology of the aquifer and volume of the resource is known, a geologically consistent monitoring well network can be put in place to track changes in the volume of water in storage. Consequently, the water well network is very important in tracking recharge of water to an aquifer.

In addition, these studies of groundwater basins are not something that can be done overnight. For instance, CGS began surface-geologic mapping the aquifers of the southern Denver Basin in 1999 through our STATEMAP program. The program will not be complete until June of 2009. It involves the mapping of nineteen 7.5-minute quadrangles by a total of 18 different geologists (4 CGS geologists and 6 contractors, and 8 student assistants). Only after mapping a substantial part of the surface geology could this data be used to build reliable models of the subsurface geology from which people draw their water resources. Unfortunately, this is only one basin of the many in Colorado.

Funding for two FTE are required because of the volume of work involved in the scope-of-work described below. The following is an estimate of that work based on the recent geological characterization CGS is conducting in the Denver Basin, for geologic framework, and in the Black Squirrel Basin, for managed aquifer recharge.

1. Geologic Framework and Aquifer Characterization

Over the last two years CGS has performed this type of work in the Denver Basin under grants from the CWCB. The work is mostly done, but not fully completed. The number of hours estimated for full completion of this project is 4,450 hours or slightly more than 2.1 FTE-years.

Projecting this work for the 20 remaining groundwater basins and aquifer areas in the state needing aquifer characterization, an estimate of 62,300 hours or 30 FTE-years is estimated.²

The following aspects of our aquifers need better definition:

- Geologic mapping to define the location and character of the aquifer where it intersects the land surface;
- Thickness, extent, shape, and hydraulic characteristics of aquifers in the subsurface; and
- Connections to surface water or other aquifers.

² Denver Basin GW Geologic Framework:

\$158,407 cost/ \$74,022 = 2.14 annual FTE = 2080 x 2.14= ~4450 hrs for this current project

Projections for other aquifers in Colorado:

8 =Additional sedimentary basins, plus Dakota and High Plains aquifers.

8 x 4450 hrs =**35,600 hrs**

7 x 0.5 =Alluvial aquifers (non-decision support system aquifers), estimated at 0.5 labor of sedimentary basin geologic framework

3.5 x 4450 hrs = **15,575 hrs**

5 x 0.5 =Mountainous region aquifers (non-decision support system aquifers), estimated at 0.5 labor of sedimentary basin geologic framework

2.5 x 4450 hrs = **11,125 hrs**

TOTAL = 62,300 hrs = 29.95 FTE (~30 FTE)

2. Groundwater Resource Assessments - for aquifers throughout the state

Once the geologic framework for an aquifer is complete, calculation of the amount of water in storage can be done. It is estimated that this process will require 0.5 FTE-years labor for sedimentary basins and 0.25 FTE-years labor for other aquifer areas, for a total of 7.5 FTE-years or 15,600 hours. ($\$555,165/\$74,022$ per FTE = 7.5 annual FTE = 2080 hours x 7.5 = 15,600 hours)

Specific information that needs to be developed includes:

- For the Denver Basin, re-assess the amount of groundwater available for water supply using new CGS data on the geology of the Denver Basin and data from the South Platte Decision Support System.
- For all areas of the state, produce new geologic and hydrogeologic mapping to better define the aquifers based on the model used in the Denver Basin. Assess the amount of groundwater available for water supply in these areas using the new data.
- Assess the movement of water within the aquifers and the amount of water that can be stored in them.

3. Create an Improved Groundwater Well Monitoring Network

It is estimated that this activity would require 0.3 FTE-years for several years to work with DWR, CWCB, and local stakeholders to assess the current monitoring networks and develop plans to optimize monitoring. It is estimated that this task would cease after 5 years of planning and implementing improvements. Therefore, this task requires 1.5 FTE-years labor or 3,120 hrs. (This request does not include monitor well construction or new instrumentation costs.) ($\$111,033/\$74,022$ per FTE = 1.5 annual FTE = 2080 hours x 1.5 = 3,120 hours)

Specific information that needs to be developed includes:

- Work in conjunction with other state agencies, the Division of Water Resources (DWR), the Colorado Water Conservation Board (CWCB), and water institutions such as the CSU Water Research Institute to improve the State's monitoring of groundwater. This work will assess the current

monitoring networks and develop plans to optimize monitoring through dedicated monitoring wells and automated monitoring instrumentation. (request does not include monitor well construction or new instrumentation costs)

- Denver Basin monitoring is the first priority to more accurately determine depletion of the resource. Other groundwater basins/aquifers will subsequently be addressed. Better monitoring data will allow the State to analyze actual water-level trends in geologically consistent aquifers. These data can then be compared to water use data to better assess the economic life of the resource.

4. Promote Water Storage in Groundwater Aquifers

Based on the work CGS is doing in the Upper Black Squirrel Creek basin, the labor requirement for a pre-feasibility study in a potential managed aquifer recharge (MAR) area is 1.5 FTE-years. Therefore, to characterize the top 10 MAR sites (other than Upper Black Squirrel basin) in Colorado would require 15 FTE-years or 31,200 hours labor. ($\$1,110,330/\$74,022$ per FTE = 15.0 annual FTE = 2080 hours x 15.0 = 31,200 hours.)

Specific information that needs to be developed includes:

- Perform MAR project feasibility studies including acquisition of detailed aquifer data to make underground water storage projects ready for private or public sector implementation.
- MAR sites in the right locations could be managed to assist in compact compliance on various rivers flowing out of Colorado. Excess snowmelt runoff and storm flows can be diverted and recharged to an aquifer in high runoff years to help satisfy Colorado's compact commitments by pumping from the aquifer in low runoff years.
- Implementation of MAR can meet a number of water resource management objectives. Subsurface storage eliminates the loss of water by evaporation

compared to surface water storage in dammed reservoirs. Surface reservoir evaporation losses average about 10% per year³

In summary the following are the estimated labor requirements for the identified projects:

Project	FTE estimate	Labor hours estimate
1. Geologic Framework and Aquifer Characterization	30.0	62,300
2. Groundwater Resource Assessments	7.0	14,560
3. Create an Improved Groundwater Well Monitoring Network	1.5	3,120
4. Promote Water Storage in Groundwater Aquifers	15.0	31,200
TOTAL	53.5	111,180

The volume of work defined above documents the need for funding to cover at least 2.0 FTE at CGS.

Consequences if Not Funded:

If this initiative is not funded, comprehensive information on Colorado's aquifers will not be available for municipal, industrial, agricultural, recreational or environmental water users to make optimum use of our groundwater resources. Some work may progress in characterizing the geology of groundwater resources at CGS, but it will not be done in a systematic, comprehensive fashion. Future groundwater resource studies and evaluations will be dependent on competitive grant applications that may not be focused on comprehensive geologic characterization of aquifers. It is likely that groundwater resource information will be lacking for effective resource management decisions in the high growth areas of Colorado and will lag behind the planning needs of the user groups. Nor will this large amount of work get done in a timeframe to help Colorado meet the projected shortfall in water supply by 2030, as documented in the Statewide Water Supply Initiative.

³ Dick Wolf , Division Director of Water Resources, personal communication, July 17, 2006

The State’s ability to mitigate the effects of climate change and drought on our water resources will be impaired without the necessary geologic characterization of groundwater aquifers. Characterizing our aquifers for the potential to store water underground and implementing underground storage can avoid evaporation losses from surface reservoirs, thus enhancing our water supply. This advantage – the advantage of not losing 10% of stored water to evaporation every year – will be largely lost without moving forward on this request.

Calculations for Request:

Summary of Request FY 2009-10	Total Funds	General Fund	Cash Funds	Cash Funds Exempt	Federal Funds	FTE
Total Request	\$148,044	\$0	\$148,044	\$0	\$0	0.0
Salary	\$121,584	\$0	\$121,584	\$0	\$0	0.0
PERA	\$12,341	\$0	\$12,341	\$0	\$0	0.0
Medicare	\$1,763	\$0	\$1,763	\$0	\$0	0.0
Operating Expenses	\$12,356	\$0	\$12,356	\$0	\$0	0.0

Summary of Request FY 2010-11	Total Funds	General Fund	Cash Funds	Cash Funds Exempt	Federal Funds	FTE
Total Request	\$137,588	\$0	\$137,588	\$0	\$0	0.0
Salary	\$121,584	\$0	\$121,584	\$0	\$0	0.0
PERA	\$12,341	\$0	\$12,341	\$0	\$0	0.0
Medicare	\$1,763	\$0	\$1,763	\$0	\$0	0.0
Operating Expenses	\$1,900	\$0	\$1,900	\$0	\$0	0.0

Cash Funds Projections:

Cash Fund Name	Cash Fund Number	FY 2007-08 Expenditures	FY 2007-08 End of Year Cash Balance	FY 2008-09 End of Year Cash Balance Estimate	FY 2009-10 End of Year Cash Balance Estimate	FY 2010-11 End of Year Cash Balance Estimate
Operational Account of the Severance Tax Trust Fund	704	\$34,189,336	\$11,022,413	\$40,603,890	\$47,224,817	\$61,119,939

Assumptions for Calculations:

Salary calculation is based on \$5,066 per month for a Physical Science Researcher/Scientist II position (range minimum).

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

OPERATING EXPENSES	
Supplies @ \$500 per FTE year 1/\$500 per FTE following years	\$1,000
Computer @ \$900 per FTE year 1/\$0 per FTE following years	\$1,800
Office Suite Software @ \$330 per FTE year 1/\$0 per FTE following years	\$660
Office Equipment @ \$3,998 per FTE year 1/\$0 per FTE following years (includes cubicle and chair)	\$7,996
Telephone Base @ \$450 per FTE year 1/\$450 per FTE following years	\$900
Subtotal Operating Expenses	\$12,356

For year 2 (FY 2010-11), Operating expenses consist of Supplies at \$500 and annual telephone base at \$450 for each FTE. Salary base, PERA, and Medicare remain the same.

OSPB Common Policy for FTE Requests							
FTE and Operating Costs					GRAND TOTAL		
Fiscal Year(s) of Request		FY 08-09	FY 09-10	FY 10-11	FY 08-09	FY 09-10	FY 10-11
PERSONAL SERVICES	Title:	Phy Sci Res/Scientist II					
Number of PERSONS / class title		0	2	2			
Number of months working in FY 08-09, FY 09-10 and FY 10-11		0	12	12			
Number months paid in FY 08-09, FY 09-10 and FY 10-11 ¹		0	12	12			
Calculated FTE per classification		0.0	2.0	2.0	0.0	2.0	2.0
Annual base salary		\$0	\$60,792	\$60,792			
Salary		\$0	\$121,584	\$121,584	\$0	\$121,584	\$121,584
PERA	10.15%	\$0	\$12,341	\$12,341	\$0	\$12,341	\$12,341
Medicare	1.45%	\$0	\$1,763	\$1,763	\$0	\$1,763	\$1,763
Subtotal Personal Services at Division Level		\$0	\$135,688	\$135,688	\$0	\$135,688	\$135,688
OPERATING EXPENSES							
Supplies @ \$500/\$500 ²	\$500	\$0	\$1,000	\$1,000	\$0	\$1,000	\$1,000
Computer @ \$900/\$0	\$900	\$0	\$1,800	\$0	\$0	\$1,800	\$0
Office Suite Software @ \$330/\$0	\$330	\$0	\$660	\$0	\$0	\$660	\$0
Office Equipment @ \$3,998/\$0 (includes cubicle and chair)	\$3,998	\$0	\$7,996	\$0	\$0	\$7,996	\$0
Telephone Base @ \$450/\$450 ²	\$450	\$0	\$900	\$900	\$0	\$900	\$900
Subtotal Operating Expenses		\$0	\$12,356	\$1,900	\$0	\$12,356	\$1,900
GRAND TOTAL ALL COSTS		\$0	\$148,044	\$137,588	\$0	\$148,044	\$137,588

Impact on Other Government Agencies: Not applicable.

Cost Benefit Analysis: Cost-benefit is performed on the cost savings derived from implementing managed aquifer recharge and underground water storage strategies. This analysis uses the avoided cost of water evaporation from a surface water reservoir.

Annual cost for funding 2.0 FTE (averaged over the first five years) = \$139,679

Avoided cost of water evaporation for a reservoir:

- Wolford Mountain reservoir is used as an analog. It is a mid-sized reservoir holding 66,000 acre-ft of water.
- Based on 10% evaporation per year, loss is 6,600 acre-ft
- The cost of water varies widely depending on type and location. The cost to develop new perennial water supplies for the Denver metropolitan area is estimated at approximately \$20,000 per acre-foot.⁴ The cost to lease water is estimated at \$500 per acre-foot,⁵ which assumes the buyer has the infrastructure in place to capture, store, and transport the water. Because water saved from evaporation can be saved lease water or water that does not need to be developed, an average value of \$10,250 is used.
- The avoided cost of water evaporation in this example is 6,600 acre-ft x \$10,250 per acre-ft = \$ 67,650,000

Proposed Action	Estimated Benefit	Estimated Cost	Benefit – Cost Ratio
Funding for 2.0 FTE by an increase base severance tax funding	▪ \$67,650,000/year – This is the avoided cost of water evaporation	▪ \$139,679/year for 2.0 FTE	\$67,650,000/ \$139,679 or ~484 to 1

Additional benefits are realized by avoiding the increased costs incurred by continued development of groundwater resources in areas of declining water levels. The following costs are difficult to quantify, but are distinct probabilities in areas of aquifer use without detailed aquifer data to assist in managing the groundwater resource. Benefits of the proposed budget request include:

- Avoided electrical costs for pumping groundwater from greater depths;
- Avoided cost to well owner (homeowner, water district, municipality, farmer) of groundwater wells becoming an unusable asset; and
- Avoided cost of hauling water to replace lost groundwater supply.

⁴ Chris Woodka, Aug 17, 2007, South Metro eyes Ark Valley water, Pueblo Chieftain; H2'06 Project FAQ's, East Cherry Creek Valley Water District, <http://www.eccv.org/view/55> .

⁵ Colorado Water Conservation Board memorandum from Dan McAuliffe and Steve Biondo to the Board, March 1, 2007, page 9.

Implementation Schedule:

Task	Month/Year
Write Position Description Questionnaires	May, 2009
Open the Application Window to the Public	May, 2009
Review, Interview, and Hire New Positions	June, 2009
FTE Hired / New Employees Begin	July, 2009

Statutory and Federal Authority:

Section 39-29-109, C.R.S. (2007) Severance tax trust fund - created - administration - use of moneys - repeal.

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

Section 34-1-103, C.R.S. (2007) Objectives of survey - duties of state geologist.

[Many statutory clauses apply broadly to CGS duties regarding geologic studies including environmental geology studies. Item applies specifically to groundwater studies]

(1) The Colorado geological survey shall function to provide assistance to and cooperate with the general public, industries, and agencies of state government, including institutions of higher education, in pursuit of the following objectives, the priorities of which shall be determined by mutual consent of the state geologist and the executive director of the department of natural resources:

(a) To assist, consult with, and advise existing state and local governmental agencies on geologic problems;

(c) To conduct studies to develop geological information;

(e) To collect and preserve geologic information;

(f) To advise the state and act as liaison agency on transactions dealing with natural resources between state agencies and with other states and the federal government on common problems and studies;

(g) To evaluate the physical features of Colorado with reference to present and potential human and animal use;

(h) To prepare, publish, and distribute reports, maps, and bulletins when necessary to achieve the purposes of this part 1, but in accordance with section 24-1-136, C.R.S.;

(j) To advise the state engineer in the promulgation of rules and regulations pursuant to article 90.5 of title 37, C.R.S., and to provide other governmental agencies with technical assistance regarding geothermal resources as needed;

(2) The duties of the state geologist shall be to fulfill the objectives of this part 1 and, together with the employees of the survey, work for the maximum beneficial and most efficient use of the geologic processes for the protection of and economic benefit to the citizens of Colorado.

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

Section 34-1-104, C.R.S. (2007) Employees.

*The state geologist shall employ such assistants and personnel as may be deemed necessary to carry out the purposes of this part 1, subject to the state constitution and the state personnel system laws. Such personnel should include, but shall not be limited to, qualified professional geologists or geological engineers to cover at least four categories of specialties in mineral deposits, **water and hydrology**, petroleum and mineral fuels, and engineering geology.*

Performance Measures:

CGS believes that this decision item will support the following agency performance measure. It will allow CGS staff to continue to provide a high level of service to the State of Colorado entities and citizens, and to continue to achieve the benchmarks set by the agency. The performance measure follows:

<u>Performance Measure:</u>	<u>Outcome</u>	<u>FY 2006-07</u> <u>Actual</u>	<u>FY 2007-08</u> <u>Actual</u>	<u>FY 2008-09</u> <u>Approp.</u>	<u>FY 2009-10</u> <u>Request</u>
CGS-4: Provide sound geologic advice and information to a variety of constituencies on the impact of geologic hazards or the geology of groundwater (expressed as the percent of counties in the state and state departments receiving assistance in geologic hazards or groundwater issues from CGS).	Benchmark	30%	30%	35%	35%
	Actual	46%	47%		
<p>This change request will increase the number of counties in the state and state departments receiving information and technical assistance from the Colorado Geological Survey. CGS expects, as part of this decision item, that the 2.0 FTE will, during their first year of project performance, complete the geologic framework and characterization of the Denver Basin. They would be expected to interact with the following counties: Adams, Arapahoe, Boulder, Broomfield, Denver, Douglas, Elbert, El Paso, Jefferson, Morgan, and Weld. CGS would also interact with additional State Departments and possibly with water municipalities. The approval of this decision item would ensure that the Performance Measure Actual for FY 2009-10 will remain at a high level.</p>					

Schedule 13
Change Request for FY 2009-10 Budget Request Cycle

Decision Item FY 2009-10 <input checked="" type="checkbox"/>	Base Reduction Item FY 2009-10	Supplemental FY 2008-09	Budget Amendment FY 2009-10 <input checked="" type="checkbox"/>
Request Title: Colorado River Specialist		Dept. Approval by: <i>Will J. Levine</i>	
Department: Natural Resources - Colorado Water Cons Board		OSP Approval: <i>[Signature]</i>	
Priority Number: 6 of 13		Date: 10/10/2008	
		Date: 10-24-08	

	Fund	1	2	3	4	5	6	7	8	9	10
		Prior-Year Actual FY 2007-08	Appropriation FY 2008-09	Supplemental Request FY 2008-09	Total Revised Request FY 2008-09	Base Request FY 2009-10	Decision/ Base Reduction FY 2009-10	November 1 Request FY 2009-10	Budget Amendment FY 2009-10	Total Revised Request FY 2009-10	Change from Base (Column 5) FY 2010-11
Total of All Line Items	Total	3,911,412	4,271,943	0	4,271,943	4,375,965	101,825	4,477,790	0	4,477,790	96,597
	FTE	26.8	31.0	0.0	31.0	31.0	1.0	32.0	0.0	32.0	1.0
	GF	487,039	492,842	0	492,842	492,842	0	492,842	0	492,842	0
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	355,538	3,459,786	0	3,459,786	3,563,808	101,825	3,665,633	0	3,665,633	96,597
	CFE/RF	3,045,696	296,027	0	296,027	296,027	0	296,027	0	296,027	0
	FF	23,139	23,288	0	23,288	23,288	0	23,288	0	23,288	0
(7) Colorado Water Conservation Board, (A) Administration, Personal Services	Total	2,864,295	2,939,094	0	2,939,094	3,046,571	78,517	3,125,088	0	3,125,088	78,517
	FTE	26.8	31.0	0.0	31.0	31.0	1.0	32.0	0.0	32.0	1.0
	GF	0	0	0	0	0	0	0	0	0	0
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	0	2,643,067	0	2,643,067	2,750,544	78,517	2,829,061	0	2,829,061	78,517
	CFE/RF	2,864,295	296,027	0	296,027	296,027	0	296,027	0	296,027	0
	FF	0	0	0	0	0	0	0	0	0	0
(7) Colorado Water Conservation Board, (A) Administration, Operating	Total	89,569	100,027	0	100,027	96,572	20,158	116,730	0	116,730	14,930
	FTE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	GF	0	0	0	0	0	0	0	0	0	0
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	0	100,027	0	100,027	96,572	20,158	116,730	0	116,730	14,930
	CFE/RF	89,569	0	0	0	0	0	0	0	0	0
	FF	0	0	0	0	0	0	0	0	0	0
(1) Executive Director's Office, Leased Space	Total	957,548	1,232,822	0	1,232,822	1,232,822	3,150	1,235,972	0	1,235,972	3,150
	FTE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	GF	487,039	492,842	0	492,842	492,842	0	492,842	0	492,842	0
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	355,538	716,692	0	716,692	716,692	3,150	719,842	0	719,842	3,150
	CFE/RF	91,832	0	0	0	0	0	0	0	0	0
	FF	23,139	23,288	0	23,288	23,288	0	23,288	0	23,288	0

Non-Line Item Request: None

Letternote Revised Text: This amount shall be from the Operational Account of the Severance Tax Trust Fund established pursuant to Section 39-29-109 (2) (b), C.R.S.

Cash or Federal Fund Name and COFRS Fund Number: Operational Account of the Severance Tax Trust Fund - Fund #704 in the Dept. of Treasury

Reappropriated Funds Source, by Department and Line Item Name:

Approval by OIT? Yes: No: N/A:

Schedule 13s from Affected Departments:

CHANGE REQUEST for FY 2009-10 BUDGET REQUEST CYCLE

Department:	Natural Resources, Colorado Water Conservation Board
Priority Number:	6 of 13
Change Request Title:	Colorado River Specialist

SELECT ONE (click on box):

- Decision Item FY 09-10
- Base Reduction Item FY 09-10
- Supplemental Request FY 08-09
- Budget Request Amendment FY 09-10

SELECT ONE (click on box):

Supplemental or Budget Request Amendment Criterion:

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

Short Summary of Request:

This FY2009-10 request is for 1.0 FTE at a Physical Science Researcher/Scientist III level and funding from the Operational Account of the Severance Tax Trust Fund in the amount of \$101,825 CF to help with the increased workload that has been brought about by the recent drought conditions, concerns about global warming, and the implementation of the 7-State Colorado River Basin States Agreement.

Background and Appropriation History:

FTE

The Colorado Water Conservation Board (CWCB) is requesting 1.0 FTE at a Physical Science Researcher/Scientist III (PSRS III) level to assist with the increased workload that has been brought about by the recent drought conditions, the uncertainties and concerns with global warming and climate change, and the implementation of the recently signed 7-State Colorado River Basin States Agreement (Agreement). The Agreement required the U.S. Bureau of Reclamation to develop new guidelines for the coordinated operations of Lake Powell and Lake Mead and shortage criteria for the

Lower Colorado River Basin as well as incorporation of the existing surplus criteria. Staff must be able to actively participate in the implementation of these guidelines and advocate for Colorado in order to minimize the impact on Colorado water users. The 7-State Colorado River Basin States Agreement also calls for the development of a Colorado River System augmentation program and a shortage sharing agreement with Mexico that will impact the amount of water available to Colorado water users. The development of Colorado River Basin as well as statewide shortage and curtailment criteria are required. Additional appropriations to the CWCB for Colorado's participation in the coordination, development, and implementation of the Agreement in the Upper Colorado River Basin (the Upper Colorado River Basin covers Colorado, New Mexico, Utah and Wyoming) will be required. These activities will be accomplished through the Upper Colorado River Commission, which was formed in 1948 at the time that the Upper Colorado River Compact was signed. Conflicts concerning the use of Colorado River water and the management of Colorado River system reservoirs continue to be significant and negotiations are difficult. In addition to the funding need previously described, there have been cost and workload increases in the Colorado Salinity Control Forum, Upper Colorado River Recovery Program (1987), and San Juan River Recovery Program (1992) that have occurred.

Sections 37-60-106 and 37-60-115 C.R.S. (2007) set forth the statutory requirements for the CWCB to protect the authority, interests and rights of the State and its citizens in matters pertaining to interstate waters of the State of Colorado. The CWCB is responsible for administration of major International Treaties, Interstate Compacts, U.S. Supreme Court decisions, U.S. laws, state laws, U.S. and State regulations, and other interstate agreements impacting Colorado's Water Resources. Under these statutes, the CWCB is required to cooperate with federal agencies and other states to better utilize the waters of the State of Colorado. Legislation to secure greater beneficial utilization of these waters is often required. The CWCB plays a critical role in the development of mitigation measures that help to maintain a balance between water development and the protection of the State's fish and wildlife resources. The CWCB has the authority to investigate and provide responses regarding activities of federal and state agencies that may affect the use and development of Colorado's surface and groundwater water

resources. To deal with issues on the Colorado River specifically, the CWCB recently financed and directs the work of a Colorado River Subunit in the Attorney General's office.

With respect to this position, the statutory and federal authority references that will guide the workload are listed in the *Statutory and Federal Authority* section.

Leased Space

The Leased Space line item is a part of the DNR Executive Director's Office section of the Long Bill. The Executive Director's Office allocates the funds to each division in DNR to cover their Leased Space costs.

The CWCB's offices are located in two buildings in the downtown Denver area which accommodate the current staff of 47.7 FTE. The main office is located in the Centennial Building at 1313 Sherman and the other office is at 1580 Logan Street. The CWCB leases space directly from the owner of the building, Jordan Perlmutter and Company, and pays the monthly lease cost to them. The main location in the Centennial Building does not have enough space to house all employees in one location; therefore, two sections were moved to the Logan location in 2002. These sections are the Water Supply Planning and Finance Section, which has 6.0 FTE, the Water Information Section of 4.0 FTE. The Interstate Water Management & Development Section moved to the Logan location in 2007 with 2.0 FTE. Also, the CWCB will move an additional 4.0 FTE whose positions were approved during the FY 2008 Budget process. Since the CWCB does not have sufficient office space to accommodate new FTE, leased space funding for additional office space is included in this request to provide work space for the new staff at the preferred Logan Street location. The additional office space at Logan would require at minimum an amendment to the existing lease and possibly a new lease.

General Description of Request:

The workload associated with the Colorado River has increased significantly as Colorado and the other basin States seek to firm up water supplies with large projects such as bringing water from Flaming Gorge Reservoir to the front range of Colorado or

significant diversions from Lake Powell. Storage in Lake Powell is very important to the Upper Colorado River Basin and to Colorado as it serves as an “insurance policy” protecting Colorado’s use of Colorado River water against curtailments. In addition, the recent 7 Colorado River Basin States Agreement calls for the development of basin-wide augmentation programs that will look at opportunities for weather modification, system efficiency improvements, vegetative management, desalination projects, and possibly water importation. Additionally, a number of uncertainties remain with how the new guidelines created under the 7 Colorado River Basin States Agreement for coordinated reservoir operations will be implemented with respect to all federal reservoirs. Water shortages to Mexico still need to be assigned. Furthermore, several reserved water right settlements (such as the settlement with the Navajo nation) and endangered species concerns remain that must be monitored or addressed to assure they do not adversely impact Colorado’s use of its apportionment. Funding endangered species recovery and preservation activities will remain a critical goal in ensuring that existing and future water uses are protected or can proceed in accordance with the Endangered Species Act. The Recovery Programs for the Upper Colorado River and the San Juan River basins will continue to implement recovery actions, many of which are water related, that will provide such protection. The State will need to remain an active participant in the Glen Canyon Adaptive Management Program to assure that operations of Glen Canyon are not compromised in the process of trying to maintain and improve the Colorado River ecosystem through the Grand Canyon. Colorado must be prepared to protect its interests and rights to the use of the Colorado River given these circumstances and the resulting increase in compact enforcement that will occur as a result. The additional FTE will allow the Board to respond more efficiently and effectively to this growing number of Colorado River issues.

Consequences if Not Funded:

While Board staff has been able to have significant influence in how Colorado issues are addressed to date, the growing workload will not allow Colorado to maintain that advantage without additional man power. Colorado has the right to use 51.75 percent of the water allocated to the Upper Colorado River Basin. Colorado therefore has the most to lose if it cannot maintain a strong presence or a leadership position on Colorado River

issues. Furthermore, since approximately two-thirds of all of the water in the Colorado River originates in Colorado, the other Colorado River basin states have at least a passive interest, if not a significant interest, in how Colorado uses its water. Finally, given the issues associated with Colorado's other compacts, such as those on the Arkansas and South Platte, the CWCB cannot reallocate current staff without giving up critical man power to address the critical issues on the Colorado River.

Calculations for Request:

Summary of Request FY 2009-10	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Total Request	\$101,825	\$0	\$101,825	\$0	\$0	1.0
PSRS III Personal Services (Salary, PERA, FICA)	\$78,517	\$0	\$78,517	\$0	\$0	1.0
PSRS III Annual Operating	\$6,178	\$0	\$6,178	\$0	\$0	0.0
Leased Space for PSRS III	\$3,150	\$0	\$3,150	\$0	\$0	0.0
Travel costs for PSRS III	\$13,980	\$0	\$13,980	\$0	\$0	0.0

Summary of Request FY 2010-11	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Total Request	\$96,597	\$0	\$96,597	\$0	\$0	1.0
PSRS III Personal Services (Salary, PERA, FICA)	\$78,517	\$0	\$78,517	\$0	\$0	1.0
PSRS III Annual Operating	\$950	\$0	\$950	\$0	\$0	0.0
Leased Space for PSRS III	\$3,150	\$0	\$3,150	\$0	\$0	0.0
Travel costs for PSRS III	\$13,980	\$0	\$13,980	\$0	\$0	0.0

Cash Funds Projections:

Cash Fund Name	Cash Fund Number	FY 2007-08 Expenditures	FY 2007-08 End of Year Cash Balance	FY 2008-09 End of Year Cash Balance Estimate	FY 2009-10 End of Year Cash Balance Estimate	FY 2010-11 End of Year Cash Balance Estimate
Operational Account	704	\$32,881,818	\$31,578,504	\$32,384,953	\$31,861,334	\$26,320,521

Assumptions for Calculations:

1.0 FTE Physical Science Researcher/Scientist III (FY 2009-10):

- Personal Services (FY 2009-10 Salary): \$5,863 x 12 = \$70,356
 PERA 10.15% = \$7,141
 FICA (Medicare) 1.45% = \$1,020
 Total Personal Services = \$78,517
- Annual Operating for FY 2009-10 includes:
 - annual operating expenses for supplies (\$500)
 - annual Telephone base charges (\$450)
 - one-time Desktop computer (\$900)
 - one-time Office Suite software (\$330)
 - one-time Capital Outlay for cubicle and chair (\$3,998)
 - Total = \$6,178.
- Travel: It is estimated that 80 days of travel with overnight stays on 30 of those days will be required for work associated with Colorado River issues and ESA activities involving discussions with other states and with federal agencies.

Travel Costs:

\$4,720 - per diem (meals) @ \$59 per day x 80 days
 \$3,000 - hotel @ \$100 per night x 30 nights
 \$1,200 - car rental @ \$40 per day x 30 days
 \$4,000 - airfare for out-of-state trips @ \$400 x 10 trips
 \$1,060 - mileage for local meetings \$0.53 per mile x 2,000 miles

Total: \$ 13,980

- Leased Space for 1.0 FTE (Physical Science Researcher/Scientist III):
The Leased Space amount was calculated by using data obtained from Staubach Group, which is the Real Estate Agency for the State of Colorado. The Staubach Group anticipates the average square foot rate for businesses in downtown Denver to be \$18 per square foot for the 2009-10 fiscal year. The CWCB needs 175 square feet for this new FTE, which is an average sized office or cubicle for the classification level of the new staff member and is similar to the standards of current staff. Therefore, the CWCB is requesting funds in the amount of \$3,150 for 175 square feet of space for the new FTE (175 square feet x \$18 per square foot = \$3,150).

OSPB Common Policy for FTE Requests							
FTE and Operating Costs					GRAND TOTAL		
Fiscal Year(s) of Request		FY 08-09	FY 09-10	FY 10-11	FY 08-09	FY 09-10	FY 10-11
PERSONAL SERVICES	Title:	Physical Sci Researcher/Scientist III					
Number of PERSONS / class title		0	1	1			
Number of months working in FY 08-09, FY 09-10 and FY 10-11		0	12	12			
Number months paid in FY 08-09, FY 09-10 and FY 10-11 ¹		0	12	12			
Calculated FTE per classification		0.0	1.0	1.0	0.0	1.0	1.0
Annual base salary			\$70,356	\$70,356			
Salary		\$0	\$70,356	\$70,356	\$0	\$70,356	\$70,356
PERA	10.15%	\$0	\$7,141	\$7,141	\$0	\$7,141	\$7,141
Medicare	1.45%	\$0	\$1,020	\$1,020	\$0	\$1,020	\$1,020
Subtotal Personal Services at Division Level		\$0	\$78,517	\$78,517	\$0	\$78,517	\$78,517
OPERATING EXPENSES							
Supplies @ \$500/\$500 ²	\$500	\$0	\$500	\$500	\$0	\$500	\$500
Computer @ \$900/\$0	\$900	\$0	\$900	\$0	\$0	\$900	\$0
Office Suite Software @ \$330/\$0	\$330	\$0	\$330	\$0	\$0	\$330	\$0
Office Equipment @ \$3,998/\$0 (includes cubicle and chair)	\$3,998	\$0	\$3,998	\$0	\$0	\$3,998	\$0
Telephone Base @ \$450/\$450 ²	\$450	\$0	\$450	\$450	\$0	\$450	\$450
Travel Expenses ^{3,4}		\$0	\$13,980	\$13,980	\$0	\$13,980	\$13,980
Leased Space ^{3,4}		\$0	\$3,150	\$3,150	\$0	\$3,150	\$3,150
					\$0	\$0	\$0
Subtotal Operating Expenses		\$0	\$23,308	\$18,080	\$0	\$23,308	\$18,080
GRAND TOTAL ALL COSTS		\$0	\$101,825	\$96,597	\$0	\$101,825	\$96,597

Impact on Other Government Agencies: Not Applicable

Cost Benefit Analysis:

Cost	Benefit	
<p>1.0 FTE, Leased Space and O&M funds, Cash Funds Impact: \$101,825</p>	<p>FTE The CWCB, acting through the Water Supply Protection Section, is statutorily charged with protecting the authority, interests and rights of the State and its citizens in matters pertaining to interstate waters of the State of Colorado. During the recent negotiation process of the 7-State Colorado River Basin States Agreement, the lower basin states sought more than 1,000,000 acre feet of additional water from Lake Powell, greatly increasing the risk of shortages to the Upper Basin and Colorado. CWCB representation and leadership in these negotiations limited this request to one-half, thus saving 500,000 acre feet of water in Lake Powell for the benefit of the Upper Basin and the State of Colorado. Using an annualized cost of water of \$1,000 per acre foot, the value of the water retained for the Upper Basin as a result of CWCB representative and leadership is \$500 million. Colorado gets the benefit of 51.75 percent of this savings or \$258.75 million.</p> <p>Similar, though smaller, protection of Colorado’s water is expected to occur through CWCB representation in ongoing programs such as the recovery programs for endangered fish, federal reserved water right settlements, curtailment matters and other upcoming contract negotiations. For this request, of the over 3,000,000 acre feet of water allocated for Colorado’s use from the Colorado River, it is estimated that approximately 50,000 acre feet of existing water uses and future water development opportunities may be protected annually for the state through CWCB representation. The value of preserving this water for the State is estimated to be about \$50,000,000 annually. [This calculation was derived as follows: 50,000 acre feet of existing water uses and future development opportunities x \$1,000 per acre foot.]</p>	<p>Benefit- Cost Ratio: [\$50,000,000] / [\$101,825] = 491</p> <p>Net Present Benefit: [\$50,000,000] - [\$101,825] = \$49,898,175</p>

Implementation Schedule:

FTE

Task	Month/Calendar Year
Write Position Description Questionnaires and complete related Human Resource transactions	May 2009
Advertise for Position	Late May 2009
HR Candidate Review, CWCB Interview and Hire new positions	June 2009
New Employee Begins	July 2009

Leased Space

Task	Month/Calendar Year
Contact Staubach Group about vacant leased space	May 2009
Negotiate with building owners about price and start contract with building owners	June 2009
Complete contract with all approvals and move into new space	July 2009

Statutory and Federal Authority:

The statutory and federal authority references that will guide the workload for this position are extensive but can be divided into three general categories; (1) Compacts and operating guidelines for implementing the compacts, (2) Colorado River Salinity Control, and (3) Endangered Species Programs.

Compacts and Operating Guidelines

- 1922 Colorado River Compact
- 1922 La Plata River Compact (Sections 37-63-101 and 37-63-102 C.R.S.)
- 1945 Treaty between United States and Mexico, Utilization of waters of the Colorado and Tijuana Rivers and of the Rio Grande
- 1948 Upper Colorado River Compact (Sections 37-62-101 to 37-62-106 C.R.S.)
- 1969 Animas-La Plata Project Compact (Section 37-64-101 C.R.S.)
- Criteria for the Coordinated Long-Range Operation of Colorado River Reservoirs pursuant to the Colorado River Basin Project Act of September 30, 1968 -- This

document was filed June 9, 1970 as Federal Register Document 70-7138 and published in Vol.35, No.112 FEDERAL REGISTER, Wednesday, June 10, 1970

- Colorado River Interim Surplus Guidelines -- The Colorado River Interim Surplus Guidelines were adopted as a result of a Record of Decision signed by the Secretary of Interior on January 16, 2001 and published in the FEDERAL REGISTER on January 25, 2001 (66 FR 7772-7782). A notice regarding implementation of the Guidelines was published in the FEDERAL REGISTER, on June 19, 2002 (67 FR 41733-41735)
- California Quantification Settlement Agreement and Related Agreements and Documents -- The Colorado River Water Delivery Agreement: Federal Quantification Settlement Agreement for purposes of Section 5(B) of the Colorado River Interim Surplus Guidelines was signed by the Secretary of Interior and others on October 10, 2003.
- Colorado River Interim Guidelines for Lower Basin Shortages and Coordinated Operations for Lake Powell and Lake Mead. The Colorado River Interim Guidelines for Lower Basin Shortages and Coordinated Operations for Lake Powell and Lake Mead were adopted as a result of a Record of Decision signed by the Secretary of Interior on December 13, 2007.

Salinity Control

- Colorado River Basin Salinity Control Act -- Codified as 43 U.S.C.A 1571 to 1599 (P.L. 93-320).

Endangered Species Programs

- Recovery Implementation Program for Endangered Fish Species in the Upper Colorado River Basin dated September 29, 1987 and recently extended through 2013.
- San Juan River Basin Recovery Implementation Program established by Cooperative Agreement in 1992.
- Grand Canyon Protection Act

While this list is extensive, it represents only a small sampling of the laws and guidance documents comprising the “Law of the River” that will guide the workload of this

position. Hopefully, this helps illustrate the need for a Colorado River Specialist position.

Performance Measures:

Colorado’s use of its Colorado River Compact apportionments and its ability to develop its apportionment may be compromised if Colorado does not actively participate in interstate and international efforts to manage Colorado River Water. In this regard, Colorado may see an erosion of its performance and its water supplies without additional resources. These activities contribute directly to the DNR Strategic Plan Performance Measures DNR #3 (Overall Compliance with Interstate Water Compacts) and DNR #4 (Increase water storage to meet long term water supply needs).

DNR-3. Compact Compliance

Objective: Maximize efficient use of Colorado’s water resources and comply, and enforce other states’ compliance, with interstate compacts

Performance Measure	Outcome	FY 2006-07 Actual	FY 2007-08 Actual	FY 2008-09 Approp.	FY 2009-10 Request
Overall compliance with interstate water compacts (expressed as a percentage)	Benchmark	100%	100%	100%	100%
	Actual	90%	90%		

Strategy:

It is critical that the State of Colorado meet its contractual water delivery obligations for each of its nine compacts or stay within its water use limitations as described in each of

its nine compacts, two United States Supreme Court decrees and interstate water allocation agreements while simultaneously protecting the right of Colorado to develop its full interstate compact apportionment.

DNR will provide an annual tabulation that quantifies the water allocation and the subsequent delivery obligation or water use limitations 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 2007, 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 Project Compact is deemed non-operational until the Animas-La Plata Project is completed.

Evaluation of Prior Year Performance:

The 7-Colorado River Basin States signed a historic agreement in December 2007 concerning the Coordinated Operations of Lakes Powell and Mead and shortage criteria for the Lower Colorado River Basin. This is a very significant and critically important agreement among the 7-States that will hopefully keep peace on the Colorado River through 2026. The State also took significant steps towards restoring compact compliance on the Republican River. Compliance with the other Compacts and Supreme Court Decrees was maintained. The Platte River Program also became a reality this past year when it was signed by Colorado, Nebraska and Wyoming and federal legislation passed implementing the Program.

Performance measure #3: Adequate staff is required to avoid the consequences described in the “Consequences if Not Funded” section of this request and to meet the goals associated with the overall compact compliance provisions in Performance Measure #3. That is to say that the CWCB is protecting Colorado’s rights to develop its compact apportionments while meeting the obligations to the downstream states.

DNR-4. Water Supply

Objective: Reduce the demand for water

Performance Measure	Outcome	FY 2006-07 Actual	FY 2007-08 Actual	FY 2008-09 Approp.	FY 2009-10 Request
Increase water storage to meet long term water supply needs.	Benchmark	14,600 ac ft	20,000 ac ft	20,000 ac ft	20,000 ac ft
	Actual	4,200 ac ft	7,100 ac ft		

Strategy:

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. CWCB will work to help local entities meet their demands 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. The CWCB has estimated that by the year 2030, Colorado will need an additional 630,000 ac ft of water supply.

Evaluation of Prior Year Performance:

The CWCB financed one new storage project and one dam rehabilitation project that were completed in FY 2008, resulting in approximately 7,100 ac. ft. of new water storage. Thirteen other new storage or rehabilitation projects, financed by the CWCB, are currently either in the design or construction phase and are expected to be completed within the next two to four years. The resulting total increase in water supply for these projects is in excess of 40,000 ac. ft. Staff is projecting additional water supply projects to be financed by the Board that will further increase this projected amount. The CWCB

does not control the design or construction schedule for projects that they finance. The performance measures for this item are therefore difficult to predict on an annual basis.

Performance Measure #4 helps to illustrate the necessity for fully protecting Colorado's water supplies in the Colorado River Basin. In addition to approximately 500,000 acre feet diverted to the front range annually, most of the water remaining for future development is in the Colorado River Basin. Colorado cannot afford to have the water available to it in the Colorado River Basin reduced if the state hopes to meet the need to develop an additional 630,000 acre feet to meet the Municipal and Industrial needs identified in SWSI by 2030. Colorado needs to develop about 30,000 acre feet per year if it is to meet the projected shortfall in Municipal and Industrial water supplies. This situation illustrates that the water volumes identified in the Cost-Benefit Analysis section above (i.e., 630,000 acre feet need vs. 500,000 acre feet saved) are within the reasonable range.

**Schedule 13
Change Request for FY 2009-10 Budget Request Cycle**

Decision Item FY 2009-10 Base Reduction Item FY 2009-10 Supplemental FY 2008-09 Budget Amendment FY 2009-10

Request Title: Increased Funding for Leased Space

Department: Natural Resources

Dept. Approval by: *Will H. Levine*

Date: 10/10/2008

Priority Number: 7 of 13

OSPB Approval: *J. M. G.*

Date: 10-21-08

	Fund	1	2	3	4	5	6	7	8	9	10
		Prior-Year Actual FY 2007-08	Appropriation FY 2008-09	Supplemental Request FY 2008-09	Total Revised Request FY 2008-09	Base Request FY 2009-10	Decision/Base Reduction FY 2009-10	November 1 Request FY 2009-10	Budget Amendment FY 2009-10	Total Revised Request FY 2009-10	Change from Base (Column 5) FY 2010-11
Total of All Line Items	Total	928,634	1,232,822	0	1,232,822	1,232,822	36,520	1,269,342	0	1,269,342	47,391
	FTE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	GF	476,295	492,842	0	492,842	492,842	34,668	527,510	0	527,510	44,020
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	344,047	716,692	0	716,692	716,692	1,685	718,377	0	718,377	3,204
	CFE/RF	89,512	0	0	0	0	0	0	0	0	0
	FF	18,780	23,288	0	23,288	23,288	167	23,455	0	23,455	167
(1) Executive Director's Office, Leased Space	Total	928,634	1,232,822	0	1,232,822	1,232,822	36,520	1,269,342	0	1,269,342	47,391
	FTE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	GF	476,295	492,842	0	492,842	492,842	34,668	527,510	0	527,510	44,020
	CF	344,047	716,692	0	716,692	716,692	1,685	718,377	0	718,377	3,204
	CFE/RF	89,512	0	0	0	0	0	0	0	0	0
	FF	18,780	23,288	0	23,288	23,288	167	23,455	0	23,455	167

Non-Line Item Request: None

Letternote Revised Text: None

Cash or Federal Fund Name and COFRS Fund Number: Trust Administration Fund (#162) Wildlife Cash Fund (410) Mined Land Reclamation Fund (#256) Office of Mines Operations (#168)

Reappropriated Funds Source, by Department and Line Item Name:

Approval by OIT? Yes: No: N/A:

Schedule 13s from Affected Departments:

CHANGE REQUEST for FY 2009-10 BUDGET REQUEST CYCLE

Department:	Natural Resources
Priority Number:	7 of 13
Change Request Title:	Increased Funding for Leased Space

SELECT ONE (click on box):

- Decision Item FY 2009-10
- Base Reduction Item FY 2009-10
- Supplemental Request FY 2008-09
- Budget Request Amendment FY 2009-10

SELECT ONE (click on box):

Supplemental or Budget Request Amendment Criterion:

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

Short Summary of Request:

This request addresses a number of important Departmental leased space needs. The Department anticipates signing eight leases that are expiring in FY 2008-09 and will be renewed for FY 2009-10 at a higher rate. In order to meet these needs the Department is requesting an increase of \$34,668 in General Fund, and \$1,685 in cash funds and \$167 in federal funds.

Background and Appropriation History:

The Leased Space line in the Executive Director's Office is a centrally appropriated pot of money designated to pay for all commercial office space and storage leases within the Department.

General Description of Request:

The Department of Natural Resources has identified eight leases that are being renewed for FY 2009-10. Leases are renewing at 3% to 10% higher for the most part, with similar expected lease escalators in out years, with one exception. The Division of Water Resources is required to operate a field office in Durango by CRS 37-92-202 (1) (b) 2008, and the Division has just finished a five year lease during which the rental market has changed drastically. While the Division had been paying \$15.84 per square foot the

market average had increased approximately 50%. With the energy resource boom continuing to attract gas companies and contractors to Durango, along with continued population growth in Durango, the division finds itself in competition for leased space with various companies. Since construction in Durango is limited by the local geography, this increase in entities seeking leased space has substantially increased the value of existing spaces. The division can not remain in its current space and is seeking a lease for the same square footage elsewhere in town. A new lease will be adjusted to market rate; or approximately \$24 per square foot. The Division has looked at different options in town and finds this price to be representative. In order for the Department to continue doing business as usual, the following increases are requested and their expected escalators indicated in the table below.

Agency	Location	FY09	Increase over FY09*	FY10	Anticipated Escalator	Anticipated FY11 Amount
DOW	Salida	\$ 22,947	\$ 918	\$ 23,865	4%	\$ 24,820
DOW	Steamboat Springs	\$ 6,192	\$ 186	\$ 6,378	3%	\$ 6,569
DRMS	Grand Junction	\$ 1,800	\$ 360	\$ 2,160	0%	\$ 2,160
SLB	Pueblo	\$ 8,952	\$ 388	\$ 9,340	4%	\$ 9,713
DWR	Durango	\$ 48,564	\$ 25,020	\$ 73,584	5%	\$ 77,263
DWR	La Junta	\$ 13,071	\$ 654	\$ 13,725	5%	\$ 14,412
DWR	Pagosa Springs	\$ 4,195	\$ 341	\$ 4,536	5%	\$ 4,763
DWR	Pueblo	\$ 86,532	\$ 8,653	\$ 95,185	5%	\$ 99,944

*Please see assumptions for calculations for details.

Consequences if Not Funded:

This request is for funding needed to continue to accomplish the mission of the Department of Natural Resources. If funding is not approved for the renewal of the identified leases the divisions will have to find new leased space that is within current

appropriations. This could result in relocating offices or employees away from where they are needed and could lead to increased travel costs and a reduced presence in many parts of the state. The Department and the Division have been directed to reduce driving miles in response to increased fuel costs. Locating an office away from its area of responsibility in order to reduce leased space costs would increase miles driven and mileage costs. Failure to locate offices in the more major metropolitan areas within a region of the State may also result in decreased customer service, as the majority of citizens may have to travel longer distances to visit Department offices.

Calculations for Request:

Summary of Request FY 2009-10	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
(1) Executive Director's Office, (A) Administration and Information Technology, Leased Space	\$36,520	\$34,668	\$1,685	\$0	\$167	0.0

Summary of Request FY 2010-11	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
(1) Executive Director's Office, (A) Administration and Information Technology, Leased Space	\$47,391	\$44,020	\$3,204	\$0	\$167	0.0

Cash Funds Projections:

Cash Fund Name	Cash Fund Number	FY 2007-08 Expenditures	FY 2007-08 End of Year Cash Balance	FY 2008-09 End of Year Cash Balance Estimate	FY 2009-10 End of Year Cash Balance Estimate	FY 2010-11 End of Year Cash Balance Estimate
State Land Board Trust Administration Fund	162	\$4,658,696	\$140,967	\$0	\$0	\$0
Mined Land Reclamation Fund	256	\$2,902,491	\$263,760	\$200,000	\$198,000	\$175,000
Office of Mines Operations Funds	168	\$398,998	\$26,028	\$26,028	\$26,028	\$26,028
Wildlife Cash Fund	410	\$116,646,153	\$36,781,347	\$25,820,717	\$20,681,487	\$10,714,546

Assumptions for Calculations:

Fiscal year 2009-10 lease rates were calculated as follows:

- DOW – Salida: Anticipated 4% increase. $22,947 * .04 = \$918$ CF
- DOW – Steamboat Springs: Anticipated 3% increase. $6,738 * .03 = \$186$ CF
- DRMS – Grand Junction: Anticipated \$5 per month / per parking spot increase for six spots $\$5 * 12 \text{ months} * 6 \text{ spots} = \360 (\$193 CF \$167 FF)
- SLB – Pueblo: Anticipated 4% increase. $8,952 * .04 = \$388$ CF
- DWR – Durango: Anticipate increase to \$24/sqft based on average commercial lease rate. $3,066\text{sqft} * \$24 = 73,584$ | $73,584 - 48,564$ (FY09 amnt) = $\$25,020$ GF
- DWR – La Junta: Anticipate 5% increase. $13,071 * .05 = \$654$ GF
- DWR – Pagosa Springs: Anticipate 8% increase. $4,195 * .08 = \$341$ GF
- DWR – Pueblo: Anticipate 10% increase due to increased demands for commercial leased space. $86,532 * .10 = \$8,653$ GF

Impact on Other Government Agencies:

No impact on other government agencies is anticipated.

Cost Benefit Analysis:

Most of these lease renewals are minor increases which maintain the status quo. The substantial increase involved in the Division of Water Resources' lease renewal in Durango is necessary and unavoidable due to the statutory requirement (CRS 37-92-202(1)(b) 2008) that the Division maintain an office in Durango. Since this is a request to continue doing business as usual, no cost benefit analysis is presented.

Implementation Schedule:

Task	Month/Year
Leases begin	July 2009

Statutory and Federal Authority:

CRS 24-75-112 (2008)
(b) "CENTRALIZED APPROPRIATION" MEANS THE APPROPRIATION OF FUNDS TO AN EXECUTIVE DIRECTOR OF A DEPARTMENT OR A CENTRAL ADMINISTRATIVE PROGRAM INTENDED FOR SUBSEQUENT ALLOCATION AND EXPENDITURE AT AND AMONG A DEPARTMENT'S DIVISIONS, PROGRAMS, AGENCIES, OR LONG BILL GROUPS IN ORDER TO REFLECT THE AMOUNT OF SUCH RESOURCES ACTUALLY USED IN EACH PROGRAM OR DIVISION. SUCH CENTRALIZED APPROPRIATIONS MAY INCLUDE SALARY SURVEY, PERFORMANCE-BASED PAY OR ANNIVERSARY INCREASES, SENIOR EXECUTIVE SERVICE, SHIFT DIFFERENTIAL, GROUP HEALTH AND LIFE INSURANCE, CAPITAL OUTLAY, ADP CAPITAL OUTLAY, INFORMATION TECHNOLOGY ASSET MAINTENANCE, LEGAL SERVICES, PURCHASE OF SERVICES FROM COMPUTER CENTER, MULTIUSE NETWORK PAYMENTS, VEHICLE LEASE PAYMENTS, LEASED SPACE, LEASE PURCHASE, PAYMENT TO RISK MANAGEMENT AND PROPERTY FUNDS, SHORT-TERM DISABILITY INSURANCE, UTILITIES, COMMUNICATIONS SERVICES PAYMENTS, AMORTIZATION EQUALIZATION DISBURSEMENTS, SUPPLEMENTAL AMORTIZATION EQUALIZATION DISBURSEMENTS, ADMINISTRATIVE LAW JUDGE SERVICES, AND CENTRALIZED ADP. AS PROVIDED IN PARAGRAPH (1) OF THIS SUBSECTION (1), CAPITAL OUTLAY IS INCLUDED WITHIN THE APPROPRIATION FOR "OPERATING EXPENSES".

(g) "LEASED SPACE" MEANS THE USE AND ACQUISITION OF OFFICE FACILITIES AND OFFICE AND PARKING SPACE PURSUANT TO A RENTAL AGREEMENT.

CRS 37-92-202(1)(b) 2008:

b) Each division engineer shall reside in his division, and the offices of the various division engineers shall be maintained in the following locations:

Division 1	Greeley
Division 2	Pueblo
Division 3	Alamosa
Division 4	Montrose
Division 5	Glenwood Springs
Division 6	Steamboat Springs
Division 7	Durango

Performance Measures:

This administrative request represents a continuation of current services and affects the ability of the Department to fulfill its mission. Maintaining these offices will help the Divisions' efforts related to a number of the Department of Natural Resources Strategic Plan performance measures. However, the impact on any given performance measure is not quantifiable.

Schedule 13
Change Request for FY 2009-10 Budget Request Cycle

Decision Item FY 2009-10 Base Reduction Item FY 2009-10 Supplemental FY 2008-09 Budget Amendment FY 2009-10

Request Title: Decision Support System Staff and Operating
Department: Natural Resources - Colorado Water Cons Board **Dept. Approval by:** *Will. H. Levine*
Priority Number: 8 of 13 **OSPb Approval:** *[Signature]* **Date:** 10/10/2008
Date: 10-24-08

		1	2	3	4	5	6	7	8	9	10
		Prior-Year Actual FY 2007-08	Appropriation FY 2008-09	Supplemental Request FY 2008-09	Total Revised Request FY 2008-09	Base Request FY 2009-10	Decision/ Base Reduction FY 2009-10	November 1 Request FY 2009-10	Budget Amendment FY 2009-10	Total Revised Request FY 2009-10	Change from Base (Column 5) FY 2010-11
Total of All Line Items	Total	1,507,863	1,767,550	0	1,767,550	1,784,362	175,690	1,960,052	0	1,960,052	165,234
	FTE	5.0	5.0	0.0	5.0	5.0	2.0	7.0	0.0	7.0	2.0
	GF	487,039	492,842	0	492,842	492,842	0	492,842	0	492,842	0
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	355,538	1,251,420	0	1,251,420	1,268,232	175,690	1,443,922	0	1,443,922	165,234
	CFE/RF	642,147	0	0	0	0	0	0	0	0	0
	FF	23,139	23,288	0	23,288	23,288	0	23,288	0	23,288	0
(7) Colorado Water Conservation Board, (A) Administration, River Decision Support Systems	Total	550,315	534,728	0	534,728	551,540	169,390	720,930	0	720,930	158,934
	FTE	5.0	5.0	0.0	5.0	5.0	2.0	7.0	0.0	7.0	2.0
	GF	0	0	0	0	0	0	0	0	0	0
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	0	534,728	0	534,728	551,540	169,390	720,930	0	720,930	158,934
	CFE/RF	550,315	0	0	0	0	0	0	0	0	0
	FF	0	0	0	0	0	0	0	0	0	0
(1) Executive Director's Office, Leased Space	Total	957,548	1,232,822	0	1,232,822	1,232,822	6,300	1,239,122	0	1,239,122	6,300
	FTE	0.0	0.0	0.0	0.0	0	0.0	0.0	0.0	0.0	0.0
	GF	487,039	492,842	0	492,842	492,842	0	492,842	0	492,842	0
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	355,538	716,692	0	716,692	716,692	6,300	722,992	0	722,992	6,300
	CFE/RF	91,832	0	0	0	0	0	0	0	0	0
	FF	23,139	23,288	0	23,288	23,288	0	23,288	0	23,288	0

Non-Line Item Request: None
Letternote Revised Text: This amount shall be from the Operational Account of the Severance Tax Trust Fund established pursuant to Section 39-29-109 (2) (b), C.R.S.
Cash or Federal Fund Name and COFRS Fund Number: Operational Account of the Severance Tax Trust Fund - Fund #704 in the Dept. of Treasury
Reappropriated Funds Source, by Department and Line Item Name:
Approval by OIT? Yes: No: N/A:
Schedule 13s from Affected Departments:

CHANGE REQUEST for FY 2009-10 BUDGET REQUEST CYCLE

Department:	Natural Resources, Colorado Water Conservation Board
Priority Number:	8 of 13
Change Request Title:	Decision Support System Staff and Operating

SELECT ONE (click on box):

- Decision Item FY 09-10
- Base Reduction Item FY 09-10
- Supplemental Request FY 09-10
- Budget Request Amendment FY 09-10

SELECT ONE (click on box):

Supplemental or Budget Request Amendment Criterion:

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

Short Summary of Request:

The Colorado Water Conservation Board (CWCB) requests ongoing funding from reserves in the Severance Tax Operational Account in the amount of \$175,690 Cash Funds (CF) to hire 2.0 FTE Physical Science Researchers/Scientist IIIs to help in the operation and maintenance of the Colorado Decision Support System (CDSS) under the Water Information Section. Since the CDSS has been implemented on the Yampa, Colorado, Gunnison, San Juan, Rio Grande and South Platte River basins, additional staff is necessary to work on tasks related to updating, maintaining, and using the Decision Support System tools to provide various analyses for the CWCB. In addition, the CWCB is requesting funding for leased space for the additional 2.0 FTE.

Background and Appropriation History:

Various projects that have been and are being completed for the Decision Support System (DSS) have been approved and funded from the CWCB Projects Bill. The CDSS for water resources are a compilation of databases, data collection, management tools, and administrative and modeling software created to improve Colorado's water resource planning, development, and administrative capabilities. For each major river basin, the general DSS tools are refined to create basin specific models.

In response to the overuse of compact entitlements by the Lower Colorado River Basin States, in 1992 the General Assembly authorized the CWCB and Division of Water Resources (DWR) to conduct a needs analysis and feasibility study for a Colorado River Decision Support System (CRDSS) encompassing the Colorado, Gunnison, Yampa, White and San Juan River Basins. The CWCB was authorized to design and implement the CRDSS in 1993 and the task was completed in 1998.

In 1998, authorization was given to prepare a feasibility study for the design and implementation of a decision support system in the Rio Grande River Basin (RGDSS). The feasibility study was completed in 1998 and the project implementation was completed in 2001.

Authorization was given in 2000 to conduct a needs analysis and feasibility study for a South Platte River Basin Decision Support System (SPDSS). This feasibility study was completed in October 2001 and is in its final year of implementation.

Authorization was give in 2005 to implement a decision support system for the Stream and Lake Protection Section based on a 2003 pilot study. The Instream Flow Decision Support System was implemented and is currently being used by staff as an internal tool to help in protecting, administering, and appropriating new instream flow water rights.

A similar pilot study was authorized in 2006 for the Watershed Protection & Flood Mitigation Section to see if it would be feasible to implement a Flood DSS that would give staff tools to manage information better and to disseminate information more easily and quickly to other flood mitigation experts. The pilot study concluded and demonstrated that in fact a Flood DSS was feasible and the CWCB Board authorized that a Flood DSS be implemented for the entire state. Recently, a scope of work was finalized and a request for proposal will be sent out in the latter part of summer of 2008.

In 2007, authorization was given to conduct a needs analysis and feasibility study for an Arkansas River Basin DSS. This study will be initiated sometime during FY 2008-2009.

General Description of Request:

FTE

Use and maintenance of the CDSS is a joint effort of the CWCB and DWR. The two agencies work closely together to ensure there is no duplication in staff assignments and that each component of the CDSS is overseen by the division that has the most in-house infrastructure. The DWR is responsible for all CDSS data collection, database work, development, and operation of all CDSS administration tools. The CWCB is the State's primary water resource planning agency and therefore, is responsible for the development and operation of that portion of the CDSS.

The Water Information Section was formed in 2007 to focus on the water information needs of the CWCB. In general, the section is responsible for supporting the CWCB with IT, water information (electronic and paper document management), GIS, and decision support systems in general. More specifically, the section provides support for the specific decision support systems and water information efforts that each section within the CWCB addresses. Section staff are also the primary contacts for water users and the public regarding water information, the DSS, and other CWCB data.

This request would fulfill a need for additional staff that has resulted from: (1) the maturity of the DSS efforts and the use by this agency, water users, and the general public, It has become apparent that the versatility of the tools, data, and models developed under the DSS have developed beyond the original vision, e.g., the implementation of the CWCB FloodDSS and ISFDSS; and (2) an ongoing staff effort to increase modeling and GIS applications and water resource data needs to meet the Statewide Water Supply Initiative (SWSI) goals and the Inter-basin Compact Committee (IBCC) objectives, such as the Colorado River Water Availability Study.

In the early 1990's the Colorado Decision Support System (CDSS) was initiated in the Colorado River Basin to help address the water issues facing this State from the lower basin states. The CWCB recognized that the State had the internal expertise, but not the man-power to implement a DSS. The DSS was structured so that all components

developed by contractors could be maintained by the State over time. The CWCB has completed or is near completion on Decision Support System (DSS) work on the Western Slope, Rio Grande, and South Platte Rivers and is working on implementing the DSS in the Arkansas River Basin. The importance of water rights administration and water resource planning in Colorado has led to the development of this key and unique tool that has gained widespread acceptance by state, federal, and local entities. The Water Information Section will now support DSS applications for the interbasin compact process, Statewide Water Supply Initiative (SWSI) ongoing work, CWCB Flood Section, continued support of the Instream Flow Decision Support System, and the Colorado River Water Availability Study. The systems are being used by local, state, and federal agencies to help in water resource decision-making. Examples of use of the DSS are as follows:

- Local use - the ability of the general public to get access to water resource data via the CDSS website. All DSS data can be accessed either by the traditional text search mode or via a map based search, which can now be done at users' homes. Various consulting firms are accessing the CDSS website on a daily basis to get the most current water rights, water diversion records and irrigated land delineation. During the irrigation season, the site is accessed constantly by water users of the South Platte to see what "river call" is on for that day. A "river call" is defined as determining which senior water right is not getting some or all of its entitled water and asking for the junior water rights holder to be curtailed.
- State use - varies from review of potential compact impacts by future water-use change to impact related to accurately knowing where and which crops are being irrigated in the state and how that has changed over time. Tools and data are helping to assist the agency in analyzing the potential impacts of climate change on water resources on the western slope.
- Federal use - relates mainly to the re-operation of a federal project within the state and impact to future water-use, such as the Aspinall Unit or Green Mountain Reservoir.

Due to the maturity of and the ongoing maintenance of the CDSS and the need to fulfill all of the responsibilities described above, the section: (1) frequently falls behind in responding to requests for additional mapping needs, updating the State irrigated acreage mapping and responding to public inquiries; and (2) has difficulty in meeting the water resource modeling needs that require timely responses. The Water information Section has successfully managed and implemented a \$20 million CDSS effort across the State and staff has been used to perform analysis of the Colorado River Endangered Species Program, instream flow water rights impacts and has been continually used in determining climate variability impacts on Colorado's water resources. This heavy caseload, combined with staff's ongoing efforts to meet existing CDSS needs, has highlighted a need for an additional 2.0 FTE.

Leased Space

The Leased Space line item is a part of the DNR Executive Director's Office section of the Long Bill. The Executive Director's Office allocates the funds to each division in DNR to cover their leased space costs.

The CWCB's offices are located in two buildings in the downtown Denver area which accommodate the current staff of 47.7 FTE. The main office is located in the Centennial Building at 1313 Sherman and the other office is at 1580 Logan Street. The CWCB leases space directly from the owner of the building, Jordan Perlmutter and Company, and pays the monthly lease cost to them. The main location in the Centennial Building does not have enough space to house all employees in one location; therefore, two sections were moved to the Logan location in 2002. These sections are the Water Supply Planning and Finance Section, which has 6.0 FTE, the Water Information Section of 4.0 FTE. The Interstate Water Management & Development Section moved to the Logan location in 2007 with 2.0 FTE. Also, the CWCB will move an additional 4.0 FTE whose positions were approved during the FY 2008 Budget process. Since the CWCB does not have sufficient office space to accommodate new FTE, leased space funding for additional office space is included in this request to provide work space for the new staff at the preferred Logan Street location.

2.0 FTE: Physical Science Researchers/Scientist III

These FTE will, at a minimum, meet the ongoing water information needs of the agency, including current CDSS activities and modeling, and successfully implementing the DSS in the Arkansas River basin.

Duties related to DSS activities and other water information tasks will include but not be limited to:

- Providing additional support in decision support system development activities, including the management and review of water resource studies and investigations performed by contractors; implementing decision support system tools in water resources investigations for the Board; providing assistance and training in the use of decision support system tools to CWCB staff.
- Assisting the Water Supply Section in review and evaluation of water resource studies pertaining to Interstate Compact matters to assure that they are technically correct and to protect Colorado's interests. Planning, organizing, and performing appropriate hydrologic, hydraulic, water rights and other studies or investigations to support, modify or refute stated conclusions or recommendations made by other water users concerning state water policy. Maintaining involvement with technical work groups concerned with intrastate water issues, and review technical developments and evaluate reports from these work groups as necessary.
- Developing and utilizing Geographic Information Systems (GIS), Remote sensing and Colorado's Decision Support Systems (CDSS) information to help in the resolution of water resource problems as well as spatially presenting the results. Displaying results to be published in reports, letters, memos, and on the Internet. Analyzing data to provide spatial information on water resource related issues. Coordinating with other CWCB sections, state and federal agencies to obtain necessary data for projects and studies.

Consequences if Not Funded:

If no additional CDSS funding is provided, the CWCB will continue to provide the best available service under the existing CDSS program. However, utilization of the CDSS continues to increase and studies, analysis, investigations, and updates will not be timely and will be delayed since all work will be done in-house with limited staff time. These delays will defeat, in part, the very reason for having a CDSS program, which was to create and maintain a CDSS program that could quickly provide data and evaluate the ever changing water resource issues in a timely manner so that decision-makers can base their decisions on the best data and information available.

Future DSS operation and maintenance issues were discussed with the CWCB in the past. However, the water resource environment has changed dramatically in recent years with potential Colorado River Compact litigation, SWSI, HB 05-1177, and SB 06-193, and it will continue to change with questions regarding the potential impacts of climate change and new emerging energy development on the west slope, which appears to be more intense than the previous effort. HB 05-1177 created and specifies membership qualifications for basin roundtables in each of the seven water divisions, the North Platte roundtable, and the Denver metropolitan area roundtable. It requires the committee to establish and oversee a public education and outreach process and to report annually to the general assembly on the status of interbasin compact negotiations. SB 06-193 directed the CWCB to conduct a study of the most economically and technically feasible and ecologically-sound underground storage sites located in the South Platte and Arkansas River basins. The final report associated with SB 06-193 can be accessed through the CWCB website at cwcb.state.co.us. Both HB 05-1177 and SB 06-193 have extensively used the tools and information developed and maintained by CDSS. Staff can no longer keep pace with the requested studies, investigation, and analysis that it once could with existing funds and staffing time.

Calculations for Request:

Summary of Request FY 09-10	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Total Request	\$175,690	\$0	\$175,690	\$0	\$0	2.0
2.0 FTE (Physical Science Researcher/Scientist III) Personal Services (Salary, PERA, FICA)	\$157,034	\$0	\$157,034	\$0	\$0	2.0
Leased Space for 2.0 FTE (Physical Science Researcher/Scientist III)	\$6,300	\$0	\$6,300	\$0	\$0	0.0
Annual Operating for 2.0 FTE (Physical Science Researcher/Scientist III)	\$12,356	\$0	\$12,356	\$0	\$0	0.0

Summary of Request FY 10-11	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Total Request	\$165,234	\$0	\$165,234	\$0	\$0	2.0
2.0 FTE (Physical Science Researcher/Scientist III) Personal Services (Salary, PERA, FICA)	\$157,034	\$0	\$157,034	\$0	\$0	2.0
Leased Space for 2.0 FTE (Physical Science Researcher/Scientist III)	\$6,300	\$0	\$6,300	\$0	\$0	0.0
Annual Operating for 2.0 FTE (Physical Science Researcher/Scientist III)	\$1,900	\$0	\$1,900	\$0	\$0	0.0

Cash Funds Projections:

Cash Fund Name	Cash Fund Number	FY 2007-08 Expenditures	FY 2007-08 End of Year Cash Balance	FY 2008-09 End of Year Cash Balance Estimate	FY 2009-10 End of Year Cash Balance Estimate	FY 2010-11 End of Year Cash Balance Estimate
Operational Account	704	\$32,881,818	\$31,578,504	\$32,384,953	\$31,861,334	\$26,320,521

Assumptions for Calculations:

2.0 FTE Physical Science Researcher/Scientist IIIs (FY 2009-10):

- Personal Services (FY 2008-09 Salary): $\$5,863 \times 12 = \$70,356 \times 2.0 \text{ FTE} = \$140,712$
 - PERA 10.15% = $\$7,141 \times 2.0 \text{ FTE} = \$14,282$
 - FICA (Medicare) 1.45% = $\$1,020 \times 2.0 \text{ FTE} = \$2,040$
 - Total Personal Services = $\$76,776 \times 2.0 \text{ FTE} = \$157,034$

- Annual Operating for FY 2009-10 includes:
 - annual operating expenses (\$500)
 - annual Telephone base charges (\$450)
 - one-time Desktop computer (\$900)
 - one-time Office Suite software (\$330)
 - one-time Capital Outlay for cubicle and chair (\$3,998)
 - Total = $\$6,178 \times 2.0 \text{ FTE} = \$12,356$

- Leased space for 2.0 FTE (Physical Science Researcher/Scientist III):
 The Leased Space amount was calculated by using data obtained from Staubach Group, which is the Real Estate Agency for the State of Colorado. The Staubach Group anticipates the average square foot rate for businesses in downtown Denver to be \$18 per square foot for the 2009-2010 fiscal year. The CWCB needs 175 square feet for this new FTE, which is an average sized office or cubicle for the classification level of the new staff member and is similar to the standards of

STATE OF COLORADO FY 09-10 BUDGET REQUEST CYCLE: Department of Natural Resources

current staff. Therefore, the CWCB is requesting funds in the amount of \$6,300 for 175 square feet of space for the new 2.0 FTE (175 square feet x \$18 per square foot = \$3,150 x 2 = \$6,300).

OSPB Common Policy for FTE Requests										
FTE and Operating Costs							GRAND TOTAL			
Fiscal Year(s) of Request		FY 08-09	FY 09-10	FY 10-11	FY 08-09	FY 09-10	FY 10-11	FY 08-09	FY 09-10	FY 10-11
PERSONAL SERVICES										
	Title:	Physical Sci Researcher/Scientist III		Physical Sci Researcher/Scientist III						
	Number of PERSONS / class title	0	1	1	0	1	1			
	Number of months working in FY 08-09, FY 09-10 and FY 10-11	0	12	12	0	12	12			
	Number months paid in FY 08-09, FY 09-10 and FY 10-11 ¹	0	12	12	0	12	12			
	Calculated FTE per classification	0.0	1.0	1.0	0.0	1.0	1.0	0.0	2.0	2.0
	Annual base salary		\$70,356	\$70,356		\$70,356	\$70,356			
	Salary	\$0	\$70,356	\$70,356	\$0	\$70,356	\$70,356	\$0	\$140,712	\$140,712
	PERA 10.15%	\$0	\$7,141	\$7,141	\$0	\$7,141	\$7,141	\$0	\$14,282	\$14,282
	Medicare 1.45%	\$0	\$1,020	\$1,020	\$0	\$1,020	\$1,020	\$0	\$2,040	\$2,040
	Subtotal Personal Services at Division Level	\$0	\$78,517	\$78,517	\$0	\$78,517	\$78,517	\$0	\$157,034	\$157,034
OPERATING EXPENSES										
	Supplies @ \$500/\$500 ²	\$500	\$0	\$500	\$500	\$0	\$500	\$500	\$0	\$1,000
	Computer @ \$900/\$0	\$900	\$0	\$900	\$0	\$900	\$0	\$0	\$1,800	\$0
	Office Suite Software @ \$330/\$0	\$330	\$0	\$330	\$0	\$330	\$0	\$0	\$660	\$0
	Office Equipment @ \$3,998/\$0 (includes cubicle and chair)	\$3,998	\$0	\$3,998	\$0	\$3,998	\$0	\$0	\$7,996	\$0
	Telephone Base @ \$450/\$450 ²	\$450	\$0	\$450	\$450	\$0	\$450	\$450	\$0	\$900
	Leased Space ^{3,4}		\$0	\$3,150	\$3,150	\$0	\$3,150	\$3,150	\$0	\$6,300
								\$0	\$0	\$0
								\$0	\$0	\$0
	Subtotal Operating Expenses	\$0	\$9,328	\$4,100	\$0	\$9,328	\$4,100	\$0	\$18,656	\$8,200
	GRAND TOTAL ALL COSTS	\$0	\$87,845	\$82,617	\$0	\$87,845	\$82,617	\$0	\$175,690	\$165,234

Impact on Other Government Agencies: Not Applicable

Cost Benefit Analysis:

Cost	Benefit	
<p>2.0 FTE, Leased Space and O&M funds, Cash Funds Exempt Impact: (\$175,690)</p>	<p>FTE</p> <p>There are two principle benefits associated with the proper operation and updating of the CDSS, including: (1) an estimated benefit of \$99.0 million associated with the improved use of water in Colorado, including Colorado more fully utilizing water entitled to the State, and; (2) an estimated benefit of \$1,801,800 associated with reduced legal costs and legal penalties as the frequency and severity of Interstate Compact violations is lessened.</p> <p>On average, there are 9.9 million acre feet of water that flow through the major river basins within Colorado. Of the 9.9 million acre feet leaving the state, it estimated that through better management of water resources by using CDSS tools is equivalent to about 1 percent of the annual total or 99,000 acre feet can be better used within the state. For this request, using a conservative annualized cost of water of \$1,000 per acre foot, and the 1 percent of state-wide flow of 9.9 million acre feet, the value of \$99 million can be used as a rough estimate for the benefit of updating, maintaining and operating the CDSS [This calculation was derived as follows: 9.9 million acre feet leaving the state x 1% CDSS benefit x \$1,000 per acre feet annualized cost.].</p> <p>The CWCB, acting through the Water Information Section, is charged with providing technical support directly within the agency relating to water resource data collection, analysis, and assistance; and indirectly to the general public by providing credible information, data and tools on which to make better informed decisions relating to water resources. The requested FTE's, along with the associated operating and maintenance funds, will position the State to be better prepared to assist state agencies, local providers, and business sectors around the state in identifying their vulnerabilities to water supply, drought, and climate change in the water resource arena. The 2.0 FTE will also play an integral role in keeping the CDSS tools current, updating datasets on a timely basis and checking the system for accuracy.</p> <p>The use of timely information in making water resource planning decisions provides value to the State and the public. For example, the CDSS tool allows water resource managers to</p>	<p>Benefit- Cost Ratio: [\$99,000,000] / [\$175,690] = 563:1</p> <p>Net Present Benefit: [\$99,000,000] - [\$175,690] = \$98,824,310</p>

balance the flow of water on the Colorado River between (a) preventing excess flows out-of-state, which sets a precedence for lower state use, and endangers the State's entitlement to water from the river, and (b) consuming more than the State's entitlement, which results in curtailment penalties. The value of preserving the Colorado River entitlement water for the State is estimated to be about \$50,000,000 annually. [This calculation was derived as follows: 50,000 acre feet of existing water uses and future development opportunities x \$1,000 per acre foot = \$50,000,000.] The 50,000 acre feet of water is an estimate by the CWCB and represents less than 2 percent of the 3,000,000 acre feet of Colorado River water which are allocated to Colorado each year. As noted more generally above, statewide benefits are estimated at roughly \$99.0 million and would include the \$50.0 million estimated to be saved on the Colorado River.

An example of preserving the State's entitlement of Colorado River water occurred during the recent negotiation process of the 7-State Colorado River Basin States Agreement. The lower basin states sought more than 1,000,000 acre feet of additional water from Lake Powell, greatly increasing the risk of shortages to the Upper Basin and Colorado. CWCB representation and leadership in these negotiations limited this request to one-half, thus saving 500,000 acre feet of water in Lake Powell for the benefit of the Upper Basin and the State of Colorado. Using an annualized cost of water of \$1,000 per acre foot, the value of the water retained for the Upper Basin as a result of CWCB representative and leadership is \$500 million. Colorado gets the benefit of 51.75 percent of this savings or \$258.75 million.

With better water resource planning tools and the use of these tools, Colorado's excess consumption on the Arkansas River, which led to the Kansas lawsuit, potentially could have been avoided. This lawsuit resulted in the State of Colorado paying the State of Kansas \$30 million, along with additional litigation fees. This penalty translates into a potential cost of \$182 per acre foot of average river flow on the Arkansas River (164,000 acre feet) that could be avoided through proper water resource planning and management with the CDSS. This analysis assumes a similar potential penalty cost of about \$182 per acre foot of total river flow for the entire state with almost 9.9 million acre feet, and that such a penalty could occur once every 20 years. In this analysis, the CWCB also estimates

	<p>that 10 percent of Colorado’s 9.9 million acre feet of water could be disputed legally in terms of whether or not they belong to Colorado’s allocation or some other state’s allocation. It is further assumed that with this decision item, the State can reduce the incidence of or actual damages awarded by twenty percent. With this twenty percent avoidance factor, and as the result of having a good Decision Support System in place, the State can avoid \$1.8 million in legal damages. [This calculation was derived as follows: On average, there are 9.9 million acre feet of water that flow through the major river basins within Colorado. Of the total amount of water flowing through Colorado, the Department believes that roughly ten percent is potentially subject to interstate litigation (with the remaining ninety percent being allocated to one state or another with enough clarity such that it is beyond potential litigation). As such, there are roughly 990,000 acre feet of water in Colorado, which might be disputed in terms of ownership under an interstate compact. It is also assumed that Colorado might experience interstate litigation once every twenty years. As noted previously, Colorado incurred costs of \$182 per acre foot in interstate litigation and associated penalties on the Arkansas. Multiplying the potentially disputed 990,000 acre feet by the \$182 in litigation costs per acre foot times, there is a potential total cost of \$180,180,000. If litigation occurs every twenty years, then the expected annual costs of interstate litigation would be \$9,009,000. The Department believes that it can achieve a twenty percent reduction in interstate litigation costs and penalties through improved modeling of water use in Colorado and the associated strategic planning that can be enhanced through improved modeling. A twenty percent reduction in interstate litigation costs equated to an annual benefit of \$1,801,800.]</p>	
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Implementation Schedule:

For 2.0 FTE (Physical Science Researcher/Scientist III positions)

Task	Month/Calendar Year
Write Position Description Questionnaires and complete	May 2009

related Human Resource transactions	
Advertise for Position	Late May 2009
HR Candidate Review, CWCB Interview and Hire new positions	June 2009
New Employee Begins	July 2009

For Leased Space

Task	Month/Calendar Year
Contact Staubach Group about vacant leased space	May 2009
Negotiate with building owners about price and start contract with building owners	June 2009
Complete contract with all approvals and move into new space	July 2009

Statutory and Federal Authority:

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

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

Performance Measures:

The following performance measures apply to this request:

DNR-3. Compact Compliance

Objective: Maximize efficient use of Colorado's water resources and comply, and enforce other states' compliance, with interstate compacts

Performance Measure	Outcome	FY 2006-07 Actual	FY 2007-08 Actual	FY 2008-09 Approp.	FY 2009-10 Request
Overall compliance with interstate water compacts (expressed as a percentage)	Benchmark	100%	100%	100%	100%
	Actual	90%	90%		

Strategy:

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

DNR will provide an annual tabulation that quantifies the water allocation and the subsequent delivery obligation or water use limitations 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 2007, 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 Project Compact is deemed non-operational until the Animas-La Plata Project is completed.

Evaluation of Prior Year Performance:

The 7-Colorado River Basin States signed a historic agreement in December 2007 concerning the Coordinated Operations of Lakes Powell and Mead and shortage criteria for the Lower Colorado River Basin. This is a very significant and critically important agreement among the 7-States that will hopefully keep peace on the Colorado River through 2026. The State also took significant steps towards restoring compact compliance on the Republican River. Compliance with the other Compacts and Supreme Court Decrees was maintained. The Platte River Program also became a reality this past year when it was signed by Colorado, Nebraska and Wyoming and federal legislation passed implementing the Program.

Performance Measure DNR #3 (Overall Compliance with Interstate Water Compacts): The CWCB believes that this request will help the agency to manage its CDSS program better resulting in providing the ongoing capability to develop credible information on which to base informed decisions concerning water resource management issues related to compact management issues in all basins within the state. This will result in more timely analysis of various compact scenarios, since these additional FTEs will focus on maintaining current datasets and models so that more time can be spent on the analysis and not on rushed data/model refresh. In addition, the small increase in compliance from the use of the datasets and models will result in a decrease in litigation and damage awards.

Having the new FTE on staff will ensure that all the CDSS tools and products are up to date and data sets are current. This will increase the likelihood that the benchmark in Performance Measure #3 will remain at the ninety percent level and not need to be adjusted downward. With DSS in place in all basins, except the Arkansas River basin, the additional FTE are needed to ensure that timely updates will not be delayed due to the existing manpower shortage and funding limitations.

DNR-4. Water Supply

Objective: Reduce the demand for water

Performance Measure	Outcome	FY 2006-07 Actual	FY 2007-08 Actual	FY 2008-09 Approp.	FY 2009-10 Request
Increase water storage to meet long term water supply needs.	Benchmark	14,600 ac ft	20,000 ac ft	20,000 ac ft	20,000 ac ft
	Actual	4,200 ac ft	7,100 ac ft		

Strategy:

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. CWCB will work to help local entities meet their demands 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. The CWCB has estimated that by the year 2030, Colorado will need an additional 630,000 ac ft of water supply.

Evaluation of Prior Year Performance:

The CWCB financed one new storage project and one dam rehabilitation project that were completed in FY 2008, resulting in approximately 7,100 ac. ft. of new water storage. Thirteen other new storage or rehabilitation projects, financed by the CWCB, are currently either in the design or construction phase and are expected to be completed within the next two to four years. The resulting total increase in water supply for these projects is in excess of 40,000 ac. ft. Staff is projecting additional water supply projects

to be financed by the Board that will further increase this projected amount. The CWCB does not control the design or construction schedule for projects that they finance. The performance measures for this item are therefore difficult to predict on an annual basis.

Performance Measure DNR #4 (Increase water storage to meet long term water supply needs): The additional new FTE will allow CWCB employees to perform job functions that relate to looking at potential water supply issues and impacts using the existing CDSS tools in more timely and efficient way, by not having to contract out and using limited funding resources to help update/refresh or analysis scenarios due to limited staff and time.

The additional FTE will help in providing the support to meet the objectives of SWSI and Performance Measure #4 by ensuring that modeling tools and datasets reflect current operations and hydrologic scenarios. Although the additional FTE will not “produce” water supplies, they will ensure that the hydrologic modeling tools are current, so that water providers can exercise these models using their demands under different what-if scenarios by using standard modeling tools and data supported by the state. Without CDSS and the additional FTE, meeting the performance benchmarks will take longer and the focus on water planning will be on the quality of data and not the water resource strategies, where the focus needs to be.

Schedule 13
Change Request for FY 2009-10 Budget Request Cycle

Decision Item FY 2009-10 Base Reduction Item FY 2009-10 Supplemental FY 2008-09 Budget Amendment FY 2009-10

Request Title: Legal Protection and Acquisitions Specialist and Legal Assistant
Department: Natural Resources - Colorado Water Cons Board **Dept. Approval by:** *Will H. Levine* **Date:** *10/16/2008*
Priority Number: 9 of 13 **OSP Approval:** *[Signature]* **Date:** *10-24-08*

	Fund	1	2	3	4	5	6	7	8	9	10
		Prior-Year Actual FY 2007-08	Appropriation FY 2008-09	Supplemental Request FY 2008-09	Total Revised Request FY 2008-09	Base Request FY 2009-10	Decision/ Base Reduction FY 2009-10	November 1 Request FY 2009-10	Budget Amendment FY 2009-10	Total Revised Request FY 2009-10	Change from Base (Column 5) FY 2010-11
Total of All Line Items	Total	2,864,295	2,939,094	0	2,939,094	3,046,571	0	3,046,571	0	3,046,571	0
	FTE	27.4	31.0	0.0	31.0	31.0	1.5	32.5	0.0	32.5	1.5
	GF	0	0	0	0	0	0	0	0	0	0
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	0	2,643,067	0	2,643,067	2,750,544	0	2,750,544	0	2,750,544	0
	CFE/RF	2,864,295	296,027	0	296,027	296,027	0	296,027	0	296,027	0
	FF	0	0	0	0	0	0	0	0	0	0
(7) Colorado Water Conservation Board (A)	Total	2,864,295	2,939,094	0	2,939,094	3,046,571	0	3,046,571	0	3,046,571	0
Administration	FTE	27.4	31.0	0.0	31.0	31.0	1.5	32.5	0.0	32.5	1.5
Personal Services	GF	0	0	0	0	0	0	0	0	0	0
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	0	2,643,067	0	2,643,067	2,750,544	0	2,750,544	0	2,750,544	0
	CFE/RF	2,864,295	296,027	0	296,027	296,027	0	296,027	0	296,027	0
	FF	0	0	0	0	0	0	0	0	0	0

Non-Line Item Request: Funding for this request will be provided via a \$1.0 million annual, continuous appropriation authorized via HB08-1346; also see Section 37-60-123.7, C.R.S.
Letternote Revised Text:
Cash or Federal Fund Name and COFRS Fund Number: CWCB Construction Fund 424
Reappropriated Funds Source, by Department and Line Item Name:
Approval by OIT? Yes: No: N/A:
Schedule 13s from Affected Departments:

CHANGE REQUEST for FY 2009-10 BUDGET REQUEST CYCLE

Department:	Natural Resources, Colorado Water Conservation Board
Priority Number:	9 of 13
Change Request Title:	Legal Protection and Acquisitions Specialist and Legal Assistant

SELECT ONE (click on box):

- Decision Item FY 09-10
- Base Reduction Item FY 09-10
- Supplemental Request FY 08-09
- Budget Request Amendment FY 09-10

SELECT ONE (click on box):

Supplemental or Budget Request Amendment Criterion:

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

Short Summary of Request:

The Colorado Water Conservation Board is requesting authorization for 1.5 FTE to work on: (1) legal protection of the CWCB's ISF water rights; and (2) acquisitions of water for instream flow ("ISF") use by the CWCB. The two positions include a 0.5 FTE Legal Assistant I to provide support to the Stream and Lake Protection Section and 1.0 FTE to assist the lead Legal Protection / Acquisitions Specialist with litigation activities, water court applications filed by the CWCB for new ISF water rights, and to change acquired water rights to ISF use. The 0.5 FTE Legal Assistant I will provide case management and technical support to section staff in the areas of new appropriations, legal protection, and acquisitions of water for ISF use.

Funding for this request will come from a \$1,000,000 annual, continuous appropriation authorized via the CWCB Water Projects Bill (HB 08-1346; also see Section 37-60-123.7, C.R.S.). In this regard, there is a zero dollar impact on the CWCB's budget from this decision item (although authorization for an additional 1.5 FTE is requested).

Background and Appropriation History:

FTE

Section 28 of HB 08-1346 (the CWCB's Water Projects Bill) authorized an annual appropriation to the CWCB of \$1,000,000 to pay for the costs of acquiring water, water rights, and interests in water for ISF use.

This request would fulfill a need for additional staff that has resulted from: (1) a steady increase in the number and complexity of water court cases the CWCB participates in to protect its water rights; and (2) an ongoing staff effort to increase the number of water acquisitions for ISF use to achieve protection goals on streams that cannot be met by new appropriations.

The CWCB holds over 1,800 decreed ISF and natural lake level water rights to preserve and improve the natural environment of streams and lakes in Colorado for the benefit of the people of the state. Legal protection of these numerous water rights continues to occupy a large percentage of staff's time. Each year, the staff reviews in excess of 1,000 water right applications filed in water court to ensure that the Board's rights are protected, and files statements of opposition in approximately 40 cases per year. Some of these cases can take up to five years to negotiate and resolve due to the complexity of the issues. The CWCB currently is a party to approximately 210 active water court cases.¹ Staff is responsible for protecting the CWCB's water rights in opposition cases, which is accomplished by reviewing each court applicant's engineering and proposed court rulings, and developing protective terms and conditions to be included in the resulting stipulation and court decree. For CWCB applications, Staff must work with the Attorney General's Office to address concerns of objectors and to develop mutually acceptable terms and conditions to include in the CWCB's court decrees.

One staff member (the Section's Legal Protection and Acquisitions Specialist, who is a Physical Science Researcher/Scientist III) is responsible for: (1) keeping track of and prioritizing review of all pending cases in coordination with the Section's engineer, (2) coordinating with the Attorney General's Office on meeting court deadlines and developing settlement and/or litigation strategies, (3) negotiating protective terms and

¹ This includes CWCB oppositions to water court applications, and CWCB applications for new ISF water rights and changes of acquired water rights to ISF use.

conditions, (4) monitoring resolved cases to ensure that the final decree includes the CWCB's stipulated terms and conditions; (5) keeping case files organized and up to date, (6) maintaining the Section's electronic case database, (7) preparing various documents and presentations for Board meetings, and (8) numerous other substantive and clerical duties related to water court litigation.

The existing Legal Protection and Acquisitions Specialist also is responsible for the ISF Water Acquisition Program, including: (1) coordinating with the Colorado Water Trust and Trout Unlimited on public outreach regarding the acquisition program and meeting with potential donors, sellers and lessors of water; (2) working with other Section staff members or consultants on preliminary analyses of potential water acquisitions; (3) obtaining Board approval of water acquisitions; (4) negotiating, drafting and finalizing transactional documents related to water acquisitions; and (5) coordinating with the Attorney General's Office on water court applications to obtain decreed rights to use acquired water for ISF purposes. This single staff member must coordinate with up to ten attorneys in the Attorney General's Office on all pending litigation and water acquisitions.

Due to the need to fulfill all of the above-described responsibilities, the Legal Protection and Acquisitions Specialist: (1) frequently falls behind in responding to requests for comments on proposed court rulings, which can result in water court cases taking longer to be finalized and costing more for all parties involved; and (2) has difficulty processing proposed water acquisitions in a timely manner to meet the deadlines set forth in the Board's rules. The Legal Protection and Acquisitions Specialist has resolved approximately 20 cases per calendar year, which is approximately half the number of new cases that are added to the Section's workload each year. This heavy caseload, combined with staff's ongoing efforts to accelerate loans, leases and other water acquisitions, has highlighted a need for an additional 1.0 FTE to work on legal protection and acquisitions of water for ISF use, and a 0.5 Legal Assistant I FTE to provide support to the legal protection, acquisition and new appropriation program areas. The additional staff would enable the Section to resolve more cases, obtain more decreed ISF water rights, and process and finalize more acquisitions of water for ISF use. The Section

anticipates the 1.0 FTE being able to, at a minimum, double the number of cases resolved each calendar year by focusing on the simpler cases that the existing Legal Protection and Acquisitions Specialist cannot work on when involved in more complex water cases that are set for trial.

Currently, to meet the paralegal needs, the section has hired a part-time temporary paralegal. However, having a temporary paralegal for six months of the year is not sufficient to meet the Section's paralegal needs, and hiring a different temporary paralegal every six months would be inefficient due to the need to train each new person on the Section's needs and procedures. This approach would not be effective or efficient for meeting the Section's long-term consistent need for paralegal support. Consequently, the Section has concluded that a permanent 0.5 Legal Assistant I FTE is needed to provide ongoing support to the legal protection, acquisition and new appropriation program areas.

Leased Space

The Leased Space line item is a part of the DNR Executive Director's Office section of the Long Bill. The Executive Director's Office allocates the funds to each division in DNR to cover their Leased Space costs.

The CWCB's offices are located in two buildings in the downtown Denver area which accommodate the current staff of 47.7 FTE. The main office is located in the Centennial Building at 1313 Sherman and the other office is at 1580 Logan Street. The CWCB leases space directly from the owner of the building, Jordan Perlmutter and Company, and pays the monthly lease cost to them. The main location in the Centennial Building does not have enough space to house all employees in one location; therefore, two sections were moved to the Logan location in 2002. These sections are the Water Supply Planning and Finance Section, which has 6.0 FTE, and the Water Information Section, which has 4.0 FTE. The Interstate Water Management & Development Section moved to the Logan location in 2007 with 2.0 FTE. Also, the CWCB will move to the Logan location an additional 4.0 FTE whose positions were approved during the FY 2008 Budget process. Since the CWCB does not have sufficient office space to accommodate

new FTE, leased space funding for additional office space is included in this request to provide work space for the new staff at the preferred Logan Street location.

General Description of Request:

Funding for this request, in the amount of \$131,234 for the 1.5 FTE and associated operating and leased space costs, will come from a \$1,000,000 annual, continuous appropriation authorized via the CWCB Water Projects Bill (HB 08-1346; also see Section 37-60-123.7, C.R.S.). In this regard, there is a zero dollar impact on the CWCB's budget from this decision item (although authorization for an additional 1.5 FTE is requested). The 1.5 FTE will appear in the Long Bill under the (A) Administration – Personal Services line item.

The following information describes the duties that the requested FTE will perform:

1.0 FTE: Legal Protection and Acquisitions Specialist (Physical Science Researcher/Scientist III)

This FTE will assist the lead legal protection / acquisitions specialist with litigation activities related to water court applications that the CWCB has opposed to protect its ISF water rights, and water court applications filed by the CWCB for new ISF water rights and to change acquired water rights to ISF use. The FTE also will assist the lead legal protection / acquisition specialist with all aspects of acquiring water, water rights and interests in water for ISF use.

Duties related to legal protection of ISF water rights will include, but not be limited to:

- Water court resume review activities
 - Coordinating with section staff on determining which cases the CWCB should oppose to protect its ISF water rights
 - Compiling and submitting requests for legal services to the Attorney General's Office

- Coordinating with the section Engineer on processing de minimis cases² and notifying Division Engineers and water court applicants of the decision to not file a Statement of Opposition under the de minimis rule
 - Negotiating case resolutions by letter to eliminate the need to file Statements of Opposition
- Coordinating with the section Engineer and the Attorney General's Office on negotiating case resolutions
 - Prioritizing review of engineering reports and proposed rulings in all pending cases
 - Compiling and providing comments on the above to the Attorney General's Office for transmittal to the applicant
 - Developing protective terms and conditions for each case
 - Finding creative and effective approaches to allowing water court applications to move forward while protecting ISF water rights
 - Obtaining CWCB approval of case settlements that do not provide 100% protection of ISF water rights
 - Preparing written materials and presentations for CWCB meetings
 - Monitoring resolved cases to ensure that the final decree includes the CWCB's stipulated terms and conditions
- Coordinating with the section Engineer and the Attorney General's Office on litigation strategy when settlement is not possible
 - Assisting section Engineer in developing and compiling expert witness reports, preparing for depositions, and preparing for testimony at trial
 - Assisting Attorney General's Office in pre-trial preparation and at trial

Duties related to acquisitions of water for ISF use will include, but not be limited to:

- Coordinating with section staff and/or consultants in conducting preliminary reviews of proposed water acquisitions
- Negotiating water acquisition transactions, including the terms of acquisition agreements and other transactional documents

² These are water court applications that would result in a impact of up to 1% of the decreed flow amount of a potentially injured ISF water right.

- Drafting and reviewing acquisition agreements and other transactional documents
- Obtaining Board approval of proposed water acquisitions
 - Preparing written materials and presentations for CWCB meetings
- Obtaining decreed rights to use acquired water for ISF purposes
 - Coordinating with the Attorney General's Office on preparing water court applications and proposed rulings related to water acquisitions for ISF use
 - Coordinating with the section Engineer and/or consultants on engineering issues related to changing acquired water rights to ISF use
 - Negotiating terms and conditions to include in water court decrees to address objectors' concerns regarding changing acquired water rights to ISF use

0.5 FTE: Paralegal (Legal Assistant I)

The 0.5 FTE will manage the section's water court cases, which includes monitoring and coordinating with staff on meeting litigation deadlines and drafting legal documents. This position also will support the section by organizing files and records, preparing Board meeting materials, and maintaining the section's electronic databases. Duties will include, but not be limited to:

- Organizing and maintaining records, documents and files;
- Coordinating with the Attorney General's Office regarding litigation deadlines and documents;
- Monitoring the progress and maintaining information on the status of cases and assuring that cases are processed timely;
- Drafting pleadings, memos, correspondence and other legal documents as appropriate related to legal protection of ISF water rights and acquisitions of water for ISF use;
- Contacting parties to obtain information pertinent to cases;
- Performing other related work designed to provide legal support to section staff ;
- Preparing materials for CWCB meetings, including memos, graphs, tables, and/or PowerPoint presentations;
- Data entry to update and maintain the section's Statements of Opposition (SOP) and ISF databases;

- Preparing files for Laserfiche imaging, and;
- Responding to information requests related to ISF Program files and archives.

Consequences if Not Funded:

1.0 FTE: Legal Protection and Acquisitions Specialist (Physical Science Researcher/Scientist III)

If the 1.0 FTE is not funded, the inability of existing section staff to meet litigation-related deadlines efficiently and effectively will persist, resulting in water court cases taking longer and costing more for all involved, including the State's water users and the water courts. The increasing number of complex water court cases the CWCB participates in will exacerbate this situation. Additionally, a decision not to fund the 1.0 FTE also will hinder the Stream and Lake Protection Section from processing and finalizing acquisitions of water for ISF use efficiently, which could result in the failure to finalize some time-sensitive transactions. The inability to take advantage of opportunities to obtain valuable senior water rights to add to the CWCB's portfolio of ISF water rights would result in a disservice to both the citizens and the natural environment of Colorado.

0.5 FTE: Paralegal (Legal Assistant I)

If the 0.5 FTE is not funded, Section staff will have to spend more time on organizational and clerical tasks, which will put it even further behind in its review of proposed water court rulings and related engineering reports, processing of proposed water acquisitions, and the myriad of other tasks described previously.

Calculations for Request:

Summary of Request FY 2009-10	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Total Request	\$0	\$0	\$0	\$0	\$0	1.5
1.0 FTE (PSRS III): Personal Services (Salary, PERA, FICA)	78,517	\$0	78,517	\$0	\$0	1.0
Annual Operating (PSRS III and Legal Assistant)	\$12,381	\$0	\$12,381	\$0	\$0	0.0
Leased Space (PSRS III and Legal Assistant)	\$6,300	\$0	\$6,300	\$0	\$0	0.0
Travel costs for PSRS III	\$9,890	\$0	\$9,890	\$0	\$0	0.0
0.5 FTE (Legal Assistant): Personal Services (Salary, PERA, FICA)	\$24,146	\$0	\$24,146	\$0	\$0	0.5
Request Subtotal	\$131,234	\$0	\$131,234	\$0	\$0	1.5
Funds from continuous appropriation	\$(131,234)	\$0	\$(131,234)	\$0	\$0	0.0

Summary of Request FY 2010-11	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Total Request	\$0	\$0	\$0	\$0	\$0	1.5
1.0 FTE (PSRS III): Personal Services (Salary, PERA, FICA)	\$78,517	\$0	\$78,517	\$0	\$0	1.0
Annual Operating (PSRS III and Legal Assistant)	\$1,925	\$0	\$1,925	\$0	\$0	0.0
Leased Space (PSRS III and Legal Assistant)	\$6,300	\$0	\$6,300	\$0	\$0	0.0
Travel costs for PSRS III	\$9,890	\$0	\$9,890	\$0	\$0	0.0
0.5 FTE (Legal Assistant): Personal Services (Salary, PERA, FICA)	\$24,146	\$0	\$24,146	\$0	\$0	0.5
Request Subtotal	\$120,778	\$0	\$120,778	\$0	\$0	1.5
Funds from continuous appropriation	\$(120,778)	\$0	\$(120,778)	\$0	\$0	0.0

Cash Funds Projections:

Cash Fund Name	Cash Fund Number	FY 2007-08 Expenditures	FY 2007-08 End of Year Cash Balance	FY 2008-09 End of Year Cash Balance Estimate	FY 2009-10 End of Year Cash Balance Estimate	FY 2010-11 End of Year Cash Balance Estimate
Construction Fund	424	\$10,093,203	\$12,067,912	\$5,000,000	\$5,000,000	\$5,000,000

Note: The costs of the 1.5 FTE and associated leased space will be funded out of a \$1.0 million continuous appropriation provided to the CWCB annually pursuant to 37-60-123.7, C.R.S. This \$1.0 million continuous appropriation comes from the CWCB Construction Fund.

Assumptions for Calculations:

1.0 FTE: Legal Protection and Acquisitions Specialist (Physical Science Researcher/Scientist III)

- Personal Services (FY 2009-10 Salary): \$5,863 x 12 = \$70,356
 PERA 10.15% = \$7,141
 FICA (Medicare) 1.45% = \$1,020
 Total Personal Services = \$78,517
- Annual Operating for FY09-10 includes:
 - annual operating expenses (\$500)
 - annual Telephone base charges (\$450)
 - one-time Desktop computer (\$900)
 - one-time Office Suite software (\$330)
 - one-time Capital Outlay for cubicle and chair (\$3,998)
 - Total = \$6,178
- Leased space:
 The Leased Space amount was calculated by using data obtained from Staubach Group, which is the Real Estate Agency for the State of Colorado. The Staubach Group anticipates the average square foot rate for businesses in downtown Denver to be \$18 per square foot for FY 2008-09. The CWCB needs 175 square feet for this new FTE, which is an average sized office or cubicle for the

classification level of the new staff member and is similar to the standards of current staff. Therefore, the CWCB is requesting funds in the amount of \$3,150 for 175 square feet of space for the new FTE (175 square feet x \$18 per square foot = \$3,150).

- Annual FY2009-10 estimated conference registration costs (\$500): This position will be required to attend the Colorado Water Congress annual and summer meetings/conferences, as well as occasional attendance at CLE conferences concerning water litigation and transactional issues. The registration fees have averaged slightly more than \$500 over the last two years.
- Travel: In-state trips to CWCB meetings, public meetings, negotiations and site visits related to pending litigation and water acquisitions, totaling 36 overnight stays and 36 per diem days.

Travel Costs:

\$ 2,124 - per diem (meals) @ \$59 per day x 36 days
\$ 3,600 - hotel @ \$100 per night x 36 nights
\$ 2,080 - car rental @ \$40 per day x 52 days in-state, from State Fleet or private rental company
\$ 900 - airfare for two in-state trips @ \$450 x 2 trips
\$ 3,266 - mileage for local meetings (not requiring a rental car) @ .46 per mile x 7,100 miles
Total: \$ 9,890

0.5 FTE: Paralegal (Legal Assistant I)

- Personal Services (FY 2008-09 Salary): $\$3,606 \times 12 = \$43,272 \times 0.5 \text{ FTE} = \$24,146$
 - 10.15% PERA = \$2,196
 - 1.45% FICA (Medicare) = \$314
 - Total Personal Services = \$24,146

- Annual Operating for FY09-10 includes:
 - annual operating expenses (\$250); prorated from \$500, which is the annual cost for a full-time employee
 - annual Telephone base charges (\$225); prorated from \$450, which is the annual cost for a full-time employee
 - one-time Desktop computer (\$900)
 - one-time Office Suite software (\$330)
 - one-time Capital Outlay for cubicle and chair (\$3,998)Total = \$5,703

- Leased space for 0.5 FTE:

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

Travel Costs: No travel is anticipated for this 0.5 FTE.

STATE OF COLORADO FY 09-10 BUDGET REQUEST CYCLE: Department of Natural Resources

OSPB Common Policy for FTE Requests													
FTE and Operating Costs										GRAND TOTAL			
Fiscal Year(s) of Request		FY 08-09	FY 09-10	FY 10-11	FY 08-09	FY 09-10	FY 10-11	FY 08-09	FY 09-10	FY 10-11	FY 08-09	FY 09-10	FY 10-11
PERSONAL SERVICES	Title:	Physical Sci Researcher/Scientist III			Legal Assistant I								
Number of PERSONS / class title		0	1	1	0	0.5	0.5	0	0	0			
Number of months working in FY 08-09, FY 09-10 and FY 10-11		0	12	12	0	12	12	0	0	0			
Number months paid in FY 08-09, FY 09-10 and FY 10-11 ¹		0	12	12	0	12	12	0	0	0			
Calculated FTE per classification		0.0	1.0	1.0	0.0	0.5	0.5	0.0	0.0	0.0	0.0	1.5	1.5
Annual base salary			\$70,356	\$70,356		\$43,272	\$43,272						
Salary		\$0	\$70,356	\$70,356	\$0	\$21,636	\$21,636	\$0	\$0	\$0	\$0	\$91,992	\$91,992
PERA	10.15%	\$0	\$7,141	\$7,141	\$0	\$2,196	\$2,196	\$0	\$0	\$0	\$0	\$9,337	\$9,337
Medicare	1.45%	\$0	\$1,020	\$1,020	\$0	\$314	\$314	\$0	\$0	\$0	\$0	\$1,334	\$1,334
Subtotal Personal Services at Division Level		\$0	\$78,517	\$78,517	\$0	\$24,146	\$24,146	\$0	\$0	\$0	\$0	\$102,663	\$102,663
OPERATING EXPENSES													
Supplies @ \$500/\$500 ²	\$500	\$0	\$500	\$500	\$0	\$250	\$250	\$0	\$0	\$0	\$0	\$750	\$750
Computer @ \$900/\$0	\$900	\$0	\$900	\$0	\$0	\$900	\$0	\$0	\$0	\$0	\$0	\$1,800	\$0
Office Suite Software @ \$330/\$0	\$330	\$0	\$330	\$0	\$0	\$330	\$0	\$0	\$0	\$0	\$0	\$660	\$0
Office Equipment @ \$3,998/\$0 (includes cubicle and chair)	\$3,998	\$0	\$3,998	\$0	\$0	\$3,998	\$0	\$0	\$0	\$0	\$0	\$7,996	\$0
Telephone Base @ \$450/\$450 ²	\$450	\$0	\$450	\$450	\$0	\$225	\$225	\$0	\$0	\$0	\$0	\$675	\$675
Conference Registration fee ^{3,4}		\$0	\$500	\$500	\$0	\$0	\$0				\$0	\$500	\$500
Travel Expenses ^{3,4}		\$0	\$9,890	\$9,890	\$0	\$0	\$0				\$0	\$9,890	\$9,890
Leased Space ^{3,4}		\$0	\$3,150	\$3,150	\$0	\$3,150	\$3,150				\$0	\$6,300	\$6,300
Subtotal Operating Expenses		\$0	\$19,718	\$14,490	\$0	\$8,853	\$3,625	\$0	\$0	\$0	\$0	\$28,571	\$18,115
GRAND TOTAL ALL COSTS		\$0	\$98,235	\$93,007	\$0	\$32,999	\$27,771	\$0	\$0	\$0	\$0	\$131,234	\$120,778

Impact on Other Government Agencies: Not applicable.

Cost Benefit Analysis:

Benefits	Cost	Ratio
<p>The primary benefits of this decision item are that it will enable staff to (1) resolve more water court cases in a more effective and efficient manner, and (2) acquire more water for ISF use. The increased ability to resolve cases will expedite the water court process, result in savings for all parties involved and most likely be necessary to meet more stringent deadlines that may result from the recommendations of the Supreme Court Water Court Committee.</p> <p>The CWCB holds over 1,800 decreed instream flow and natural lake level</p>	<p>The total amount that is requested is \$131,234</p>	<p>Benefit/cost ratio is: \$7,809, 950 / \$131,234 = 60:1</p>

<p>water rights and is the largest holder of water rights in the state. The CWCB holds such water rights to preserve and improve the natural environment to a reasonable degree for the people of the State of Colorado, and has a fiduciary duty to protect the public in the administration of those water rights. CWCB staff must vigilantly monitor and participate in water court proceedings to prevent injury to its ISF water rights. Additionally, CWCB staff must fulfill this duty in a fiscally responsible manner. When, due to its heavy workload, staff falls behind in reviewing proposed rulings in water court cases and following up on negotiations, the CWCB incurs additional costs in both staff time and legal services expenses. Further, taking more time to resolve a case also increases legal and engineering costs for water court applicants.</p> <p>This portion of the cost-benefit factor is based on the cost of 1.5 FTE to work on protecting the CWCB's water rights versus costs incurred by the state and water court applicants as a result of CWCB not having sufficient staff to work on water court cases in a timely manner. It assumes that, as a result of delays in processing 30 water court cases per year, CWCB is unable to provide water court applicants with comments on proposed court rulings in the desired time frame. Such delays can result in the need for additional meetings and correspondence regarding contested issues. Such delays can also result in the filing of additional water court pleadings such as expert disclosure and requests for extension of time. Further, the CWCB staff's inability to provide input on a proposed ruling can result in the entry of a ruling that does not contain terms and conditions to protect the CWCB's water rights, which necessitates filing a protest to the ruling, resulting in more costs for both the State and the applicant.</p> <p>The delays described above create additional legal work for both CWCB and private water interests. For purposes of this analysis, the Department estimates that CWCB's attorneys and water court applicants' attorneys</p>		
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<p>must spend 12 additional hours on each case at a rate of \$75 per hour for CWCB’s attorneys and \$285 per hour for applicants’ attorneys. Furthermore, as a result of the CWCB’s additional court filings, the applicants’ consulting engineers spend five additional hours on each case at a rate of \$225 per hour. Finally, the CWCB ISF Section’s legal protection specialist and engineer each spend eight additional hours on each case at a rate of \$45 per hour (totaling \$184,950). [This calculation was derived as follows: 12 hours spent by CWCB attorneys X \$75 + 12 hours spent by applicants’ attorneys X \$285 + 5 hours spent by applicants’ consulting engineers X \$225 + 8 hours spent by CWCB’s engineer X \$45 + 8 hours spent by CWCB’s legal protection specialist X \$45]. From the above calculation, there is an estimated cost of \$6,165 for each water court case for which CWCB is unable to process in a timely manner. As noted previously, CWCB estimates it will miss thirty such deadlines without additional staff resources, resulting in an estimated cost of \$184,950.</p>		
<p>The CWCB’s authority to acquire existing decreed senior water rights for conversion to instream flow use enables it to achieve more meaningful protection of the natural environment of Colorado’s streams in four ways: (1) a senior water right changed to ISF use will be in priority and protect the stream for a longer period of time than a new junior ISF water right; (2) with an acquired water right, the CWCB can <u>improve</u> the natural environment to a reasonable degree, which results in a more significant degree of protection of the natural environment than a new junior ISF water right; (3) water acquisitions can be a valuable supplement to decreed ISF water rights, and (4) water acquisitions can provide ISF protection on streams where a new appropriation could not be made due to water availability issues.</p>		

³ The Colorado Water Trust is a non-profit organization that engages in and supports voluntary efforts to restore and protect streamflows in the State of Colorado, including bringing potential water acquisitions for ISF use to the CWCB.

⁴ The CDOW takes in an estimated \$2.3 million from the sale of Habitat Stamps, and uses those funds to acquire and preserve wildlife habitat.

<p>A major benefit of this decision item will be staff's increased ability to acquire more water for ISF use, which will result in the preservation or improvement of the natural environment of more Colorado streams and rivers. This request also will enable staff to achieve many of the objectives of the Section's Strategic Plan by engaging in the following types of activities: (1) participating in a collaborative effort with several entities to identify streams where water is needed and opportunities to acquire water exist to preserve or improve habitat for threatened and endangered species, species of concern, and species likely to become candidates for Endangered Species Act listing; (2) playing a key role in the Statewide Water Supply Initiative and Basin Roundtable processes to help new water storage / management projects move forward while still preserving the natural environment; and (3) participating in the Basin Roundtable nonconsumptive needs assessment process to keep the ISF Program in the spotlight as a viable tool for meeting the State's nonconsumptive environmental and recreational water needs. Preventing the listing of water dependent species as threatened or endangered under the Endangered Species Act will provide a significant benefit to water users by eliminating a major obstacle to water development activities. Similarly, acquiring water for ISF use in connection with Endangered Species Recovery Programs to protect and improve the habitat of already listed species contributes to the viability of the Recovery Programs, which enables water development to proceed more quickly and with less costs.</p>		
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⁵ Loomis, J. 2008. The Economic Contribution of Instream Flows in Colorado: How Angling and Rafting Increase with Instream Flows. Economic Development Report (EDR 08-02). Colorado State University, Fort Collins, Colorado.

⁶ *Id.*, citing Walsh, R. et al., 1980. An Empirical Application of a Model for Estimating the Recreational Value of Instream Flow. OWRT Project No. A-036-COLO. Colorado Water Resources Research Institute, Colorado State University, Fort Collins, Colorado.

⁷ 2006 National Survey of Fishing, Hunting and Wildlife –Associated Recreation—Colorado. U.S. Fish and Wildlife Service.

⁸ Loomis, J. and Ballweber, J. 2008. Policy Framework and Economic Benefits of the Upper Colorado River Basin Endangered Fish Recovery Program's Instream Flow Protection: Two Case Studies. Colorado State University, Fort Collins, Colorado.

<p>Frequently, staff is presented with an opportunity to acquire water for ISF use that must be analyzed and responded to in a limited amount of time due to variables including, but not limited to, time constraints imposed upon the Colorado Water Trust³ by water rights owners or by terms in an option agreement to purchase water for donation to the CWCB, or an opportunity and need to use the acquired water in a certain time period, such as the irrigation season. The value of water rights offered to the CWCB for acquisition for ISF use varies, and is dependent upon the location (basin) of the water right, and the demand for water in that location. However, the average value of consumptive use credits from irrigation water rights ranges from \$12,500 -- \$18,000 per acre-foot. Assuming that, in a given year, CWCB receives six offers of water rights for ISF use totaling 1,500 acre-feet of water at a value of \$15,250 per acre-foot (\$22,875,000), and that, without this decision item, CWCB is only able to process and accept four of those offers, the CWCB would lose the ability to acquire water rights valued at \$7,625,000 (two water rights donations of 250 acre-feet each at \$15,250 per acre-foot). With this decision item, the CWCB would be able to analyze and accept those two additional offers of water rights for acquisition.</p> <p>It is important to note that the above analysis does not include numeric values derived from the benefits of instream flow protection that are more difficult to quantify precisely. A significant number of the CWCB's ISF water rights protect the habitat of cold water species such as brook, brown and rainbow trout. As such, the benefits of the ISF Program include the protection of habitat of game and nongame species, which brings in revenues to the State via purchases from the Colorado Division of Wildlife of hunting and fishing licenses and Habitat Stamps⁴, and generates local tourism revenues throughout the state from people recreating where the protected habitat is located. For example, in 2006, angler use of Colorado's streams and rivers brought in approximately \$165,000,000 in expenditures to the Colorado economy, supporting</p>		
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<p>approximately 7,258 jobs in Colorado, and resulting in approximately \$127,000,000 in income.⁵ Increasing instream flows in most rivers increases the number of pools and extent of flowing river, most likely increasing fish populations, and allowing anglers to spread out for a more enjoyable fishing experience.⁶ These factors result in more angler visits and more expenditures in Colorado. Additionally, in 2006, wildlife-associated recreation expenditures in Colorado by both state residents and nonresidents totaled \$3.0 billion (wildlife-associated recreation includes fishing, hunting, and wildlife watching).⁷</p> <p>Another significant benefit is the savings to water users resulting from instream flow protection of habitat for threatened and endangered species and for species likely to be listed as threatened or endangered. An example of the economic benefits of species protection is the savings to Colorado's water users associated with the Upper Colorado River Endangered Species Recovery Program on the 15 Mile Reach of the Colorado River (on which the CWCB holds ISF water rights), estimated to be several million dollars that otherwise would be required to fund study costs and other analyses that would have been required by the Endangered Species Act Section 7 consultation process but for the Recovery Program.⁸</p>		
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Implementation Schedule:

1.0 FTE: Legal Protection and Acquisitions Specialist (Physical Science Researcher/Scientist III) and 0.5 FTE: Paralegal (Legal Assistant I)

Task	Month/Calendar Year
Write Position Description Questionnaires and complete related Human Resource transactions	May 2009
Advertise for Positions	Late May 2009
HR Candidate Reviews, CWCB interviews and hiring process	June 2009
New employees begin	July 2009

Implementation Schedule: **Leased Space**

Task	Month/Calendar Year
Contact Staubach Group about vacant lease space	May 2009
Negotiate with building owners about price and start contract with building owners	June 2009
Complete contract with all approvals and move into new space	July 2009

Statutory and Federal Authority: Section 37-60-106, C.R.S. (2008): This statute outlines the powers and duties of the Colorado Water Conservation Board.

Sections 37-92-102 (3) and (4), C.R.S. (2008): This statute authorizes the CWCB to appropriate, acquire, and protect instream flow and natural lake level water rights to preserve and improve the natural environment to a reasonable degree, and describes the parameters of the Instream Flow and Natural Lake Level Program, which the Stream and Lake Protection Section implements.

Performance Measures:

Performance Measure	Outcome	FY 2006-07 Actual	FY 2007-08 Actual	FY 2008-09 Approp.	FY 2009-10 Request
CWCB #1: Miles of stream where CWCB actively manages water rights to leave water in streams for purposes of improving wildlife habitat.	Benchmark	<i>77 miles</i>	<i>97 miles</i>	<i>199 miles</i>	<i>200 miles</i>
	Actual	<i>77 miles (8,697 miles)</i>	<i>88.3 miles (8,785.27 miles)</i>	<i>243.05 (9,028.3 miles) Estimated based on Recommendations Received</i>	

incremental miles added / (Total miles Protected)

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) to meet non-consumptive water needs to preserve and improve the natural environment to a reasonable degree, and (2) for watershed and river restoration protection projects. This is accomplished through new instream flow appropriations and by acquiring existing water rights and changing them to instream flow use. Another 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 instream flow water rights on approximately 8,785 miles of Colorado's streams. To effectively protect these water rights, CWCB staff also must monitor and participate in water court cases to prevent injury to the water rights.

The new legal protection / acquisitions specialist will increase the number of stream miles actively protected and managed by:

- participating in water court cases to obtain protective terms and conditions from water users to prevent injury to the CWCB's ISF water rights
- assuring the timely prosecution of the CWCB's water court applications for new ISF water rights and changes of water rights to ISF use
- increasing the number of water acquisitions for ISF use

The 1.0 FTE authorized by this decision item will ensure protection of more miles of the CWCB's decreed ISF water rights and will add miles of stream to those already protected by the CWCB via obtaining decreed ISF water rights and changes of water rights to ISF use. The legal and organizational support provided by the 0.5 FTE authorized by this decision item will enable Stream and Lake Protection Section staff to achieve additional protection of existing ISF water rights and to obtain additional decreed ISF water rights. The benefits of this increased instream flow protection on Colorado's streams and rivers include, but are not limited to:

- increased recreational opportunities related to Colorado's streams, such as fishing, bird watching, wildlife watching, economic benefits to nearby communities generated by additional recreational visitors;
- the protection of habitat that supports endangered or threatened species, or species likely to be listed as endangered or threatened; and
- savings to water users that result from either streamlined requirements under an Endangered Species Recovery Program, or from no federal requirements due to prevention of species listings.

**Schedule 13
Change Request for FY 2009-10 Budget Request Cycle**

Decision Item FY 2009-10 Base Reduction Item FY 2009-10 Supplemental FY 2008-09 Budget Amendment FY 2009-10

Request Title: Abandoned Mine Reclamation Fund Balance
 Department: Natural Resources Dept. Approval by: *Will. H. Levine* Date: 10/10/2008
 Priority Number: 10 of 13 OSPB Approval: *Jan 23* Date: 10-21-08

	Fund	1	2	3	4	5	6	7	8	9	10
		Prior-Year Actual FY 2007-08	Appropriation FY 2008-09	Supplemental Request FY 2008-09	Total Revised Request FY 2008-09	Base Request FY 2009-10	Decision/ Base Reduction FY 2009-10	November 1 Request FY 2009-10	Budget Amendment FY 2009-10	Total Revised Request FY 2009-10	Change from Base (Column 5) FY 2010-11
Total of All Line Items	Total	816,078	1,792,842	0	1,792,842	1,828,220	20,000	1,848,220	0	1,848,220	20,000
	FTE	12.4	18.4	0.0	18.4	18.4	0.0	18.4	0.0	18.4	0.0
	GF	0	0	0	0	0	0	0	0	0	0
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	81,389	500,766	0	500,766	500,766	20,000	520,766	0	520,766	20,000
	CFE/RF	0	0	0	0	0	0	0	0	0	0
	FF	734,689	1,292,076	0	1,292,076	1,327,454	0	1,327,454	0	1,327,454	0
(2) Division of Reclamation, Mining and Safety, (B) Inactive Mines, Program Costs	Total	816,078	1,792,842	0	1,792,842	1,828,220	20,000	1,848,220	0	1,848,220	20,000
	FTE	12.4	18.4	0.0	18.4	18.4	0.0	18.4	0.0	18.4	0.0
	GF	0	0	0	0	0	0	0	0	0	0
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	81,389	500,766	0	500,766	500,766	20,000	520,766	0	520,766	20,000
	CFE/RF	0	0	0	0	0	0	0	0	0	0
	FF	734,689	1,292,076	0	1,292,076	1,327,454	0	1,327,454	0	1,327,454	0

Non-Line Item Request: None
 Letternote Revised Text: ¹³Of this amount \$860,244 shall be from the Operational Account of the Severance Tax Trust Fund established pursuant to Section 39-29-109 (1) (a) (II), C.R.S., and \$500,766 \$520,766 shall be from the Abandoned Mine Reclamation Fund created in Section 34-34-102 (1), C.R.S.

Cash or Federal Fund Name and COFRS Fund Number: CF: Abandoned Mine Reclamation Fund (Fund 18U)

Reappropriated Funds Source, by Department and Line Item Name: None

Approval by OIT? Yes: No: N/A:

Schedule 13s from Affected Departments: None

CHANGE REQUEST for FY 2009-10 BUDGET REQUEST CYCLE

Department:	Natural Resources
Priority Number:	10 of 13
Change Request Title:	Abandoned Mine Reclamation Fund Balance

SELECT ONE (click on box):

- Decision Item FY 2009-10
- Base Reduction Item FY 2009-10
- Supplemental Request FY 2008-09
- Budget Request Amendment FY 2009-10

SELECT ONE (click on box):

Supplemental or Budget Request Amendment Criterion:

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

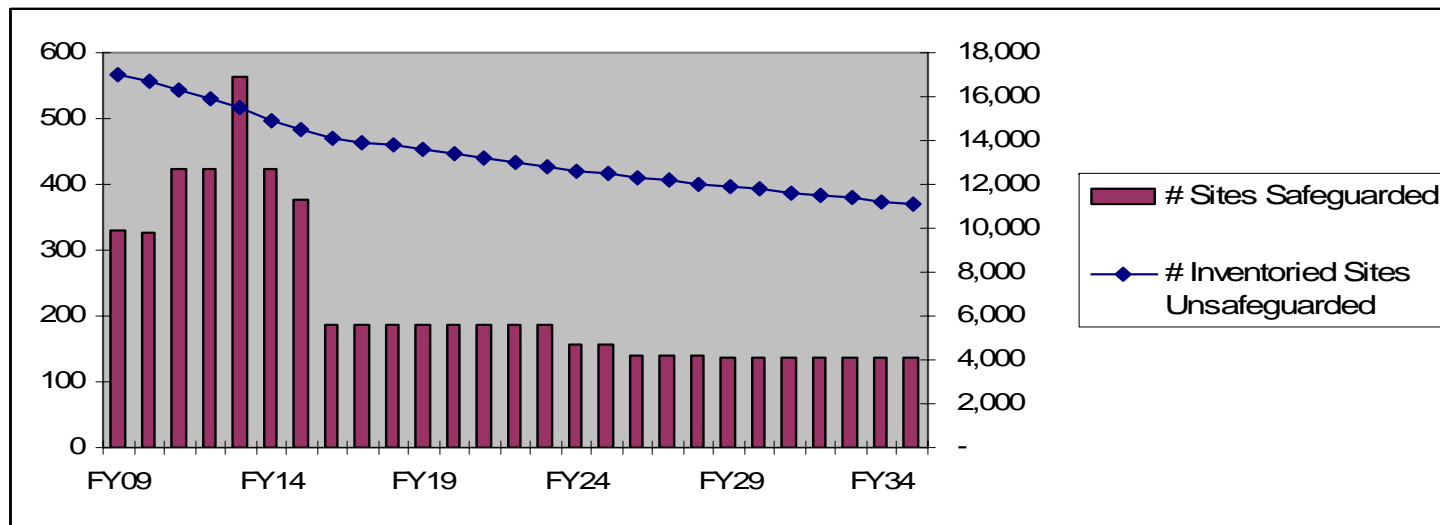
Short Summary of Request:

The request is for annual spending authority of \$20,000 cash funds from the fund balance of the Abandoned Mine Reclamation Fund (hereafter referred to as “AMR Fund”) for the Inactive Mine Reclamation Program (hereafter referred to as “IMRP”) to consistently spend interest earnings in the fund. The \$20,000 will strictly be spent on safeguarding and reclamation projects that address hazards at historic mine sites per authorizing legislation.

Background and Appropriation History:

The statute for the AMR Fund, 34-34-101, C.R.S. [2008], established and defined the fund for the purpose of funding safeguarding and reclamation projects at abandoned and historic mine sites, of which approximately 15,500 mine openings remain. The fund consists of \$500,000 transferred annually into the AMR Fund from the Severance Tax Trust Fund per section 39-29-109(1)(c)(I)(C), C.R.S. [2008] and interest earned on the fund. Spending authority was not established for the interest earnings in the AMR Fund, of which approximately \$20,000 accrues annually.

Total FY2008-09 funds in IMRP available to safeguard abandoned mines is \$7,404,466 (this total is comprised of Long Bill Program Costs of \$1,792,842, which includes the AMR funds, Long Bill Abandoned Mine Safety funds of \$112,113 and non-appropriated federal project funds not shown in the Long Bill of \$5,499,511). This level of funding is estimated to safeguard 330 mine openings. Approximately 7,500 sites have been safeguarded from the original inventory of 23,000 [conducted in 1977]. The following chart illustrates the estimated number of abandoned mine openings that can be safeguarded per year with projected federal and severance tax funding levels and the resulting decrease in the total number of inventoried sites. Note that funding levels shown beyond 2020 are contingent on the reauthorization of the Abandoned Mine Land/Surface Mining Control and Reclamation Act that provides continuation funding.



Incorporating the requested \$20,000 annually with other IMRP funds will allow 2-4 additional mine openings or an estimated 74 additional sites over 25 years (based on current costs of regular closure gates). Each site that is addressed annually in “current dollars” avoids the loss of purchasing power due to inflationary increases on construction materials overtime. The use of all funds available to reduce the nearly 17,000 backlog of

mine openings in a more timely manner further reduces the probability of the public coming into contact with abandoned mine hazards as Colorado's population increases in rural areas. These hazards include unstable mine openings, eroded structures and deadly gases leading to dangerous personal or recreational vehicle falls into open mine tunnels and/or asphyxiation from undetectable gases upon entering a mine opening.

State fund balances are statutorily required to meet the SB98-184 requirement that the total reserve amount shall not exceed 16.5 percent of the prior year's expenditures. The SB98-194 benchmark for the AMR Fund is approximately \$82,000. Expending \$20,000 from the AMR Fund's interest earnings annually will keep the fund in compliance with SB98-194.

General Description of Request:

The Division proposes spending \$20,000 in interest earnings annually. The benefits of spending this interest are:

- (1) The AMR Fund is continually kept in compliance with SB98-194;
- (2) Safeguarding abandoned mines removes those sites from posing hazards to the public who are in those areas for recreation or work purposes; and
- (3) The costs of construction services and materials rise annually; therefore, it is cost efficient to use available funds in a timely manner to avoid losing purchasing power due to inflationary costs.

As population centers move closer to historic mining areas, people and recreational vehicles have a higher probability of intersecting dangerous abandoned mines accidentally, as "curiosity seekers," as tourists, or as drug/gang gathering places. The statistics of fatalities/injuries in Colorado as compared to national incidents are shown below. Due to IMRP's information outreach campaigns and by prioritizing projects where population growth is expanding into historic mining areas, there has been a significant reduction in fatality/injury rates since the 1980's and 1990's.

Colorado Statistics

Incidents shown in the following table were due to people deliberately entering mine shafts or tunnels or accidentally falling in – their injuries or death was due to the impact of the fall or from asphyxiation due to low oxygen levels or poisonous gases. Ages of the victims/injured range from 2-71 years old -- 4 involved motor vehicles or motorcycles driving into an open shaft, 1 incident injured a skier near Aspen, and 1 involved a Bureau of Land Management employee, which demonstrates the types of back-country activities that are impacted by unsecured abandoned mines.

Colorado Fatalities or Injuries Related to Abandoned Mines		
Span of Years	# of Deaths	# of Injuries
1955-1958	3	1
1960-1969	3	3
1970-1979	2	4
1980-1989	8	8
1990-1999	2	7
2000-Present	2	2
Total	20	25

The following tables show national statistics of fatalities related to abandoned mines or quarries.

CAUSES OF ABANDONED MINE & QUARRY FATALITIES – YEARS 2000-2006	
Drowning (quarries)	144
ATV's	30
Fall	21
Other	14
Asphyxiation/Suffocation	2
TOTAL	211

ABANDONED MINE AND QUARRY FATALITIES BY YEAR	
2006	30
2005	24
2004	35
2003	28
2002	32
2001	32
2000	30
TOTAL	211

DATA SOURCE: <http://geology.com/articles/abandoned-mines.shtml>

Abandoned mines are a persistent threat for which IMRP is leveraging all available funding sources to continue reducing the backlog of unsecured sites. The IMRP prioritizes their workload to target those mines closest to population centers and off-road and recreational areas.

The annual \$20,000 will be used for direct safeguarding project costs and not for state FTE. Examples of construction costs that can be purchased with an additional \$20,000 per year (based on 2008 cost averages) include seed mix for revegetation of up to 100 acres; two adit (horizontal mine tunnel) gates with bat access openings; 3-4 regular adit closure gates; or approximately 100 hours of dozer earth moving equipment services. [Source: “Inactive Mine Program Cost Factors-Obtained from Bids Received – revised 3-14-08]. The overall project costs are dependent on diesel fuel, steel and cement pricing, all of which have experienced price increases over the last 5 years. This volatility further justifies incorporating the fund balance/interest earnings into projects annually so that such materials can be purchased in “current dollars” versus waiting 3-4 years.

Consequences if Not Funded:

If 2-4 mine openings remain unsecured annually, they continue to pose a safety hazard to public visitors to historic mine areas. Also, if the interest in the AMR Fund balance is

allowed to build up indefinitely, that is an inefficient use of valuable funds that could remedy hazardous mine openings.

Calculations for Request:

Summary of Request FY 2009-10	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Total Request	\$20,000	\$0	\$20,000	\$0	\$0	0.0
(2)(B) Inactive Mines – Program Costs Fund Balance Spending Authority for safeguarding/reclamation project costs	\$20,000	\$0	\$20,000	\$0	\$0	0.0

Summary of Request FY 2010-11	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Total Request	\$20,000	\$0	\$20,000	\$0	\$0	0.0
(2)(B) Inactive Mines – Program Costs Fund Balance Spending Authority for safeguarding/reclamation project costs	\$20,000	\$0	\$20,000	\$0	\$0	0.0

Cash Funds Projections:

Cash Fund Name	Cash Fund Number	FY 2007-08 Expenditures	FY 2007-08 End of Year Cash Balance	FY 2008-09 End of Year Cash Balance Estimate	FY 2009-10 End of Year Cash Balance Estimate	FY 2010-11 End of Year Cash Balance Estimate
Abandoned Mine Reclamation Fund	18U	\$509,526	\$519,121*	\$389,887*	\$259,887*	\$109,887*

* End of Year Cash Balance amounts include accumulated interest earnings and roll forward amounts from previous fiscal years (each \$500,000 AMR appropriation is allowed to be spent over 3 fiscal years).

Assumptions for Calculations:

Basis for Requesting Spending Authority of \$20,000 Annually and SB98-194 Compliance

The following table shows the portion of the AMR Fund balance that is due to interest earnings at an average of \$20,000 per year (based on earnings on 3 overlapping \$500,000 appropriations in various stages of being spent down; each appropriation is allowed to be spent over a 3-year cycle to accommodate high elevation conditions that limit the length of the construction seasons). Column E shows the “interest only” portion of the AMR Fund balance (Column B) as a percentage of prior year expenditures (Column D).

Column F indicates when the fund balance was/is projected to be out of compliance with SB98-194’s 16.5% threshold (see note below table for atypical non-compliance in FY2007-08). The AMR Fund balance will be out of compliance by FY2009-10 and will continue until those funds are spent down.

To revert such funds would be inappropriate given the number of hazardous openings that remain statewide.

A	B	C	D	E	F
Fiscal Year (Actual or Estimate)	AMR Fund Annual Interest Earnings	Accumulative Fund Balance From Interest Earnings	Expenditures	Interest Portion of Fund Balance as Percent of Prior Yr Expenses =C / D in prior yr	SB98-194 Compliance- Y/N Yes= D < 16.5%
FY2005-06	\$774		\$435,252	N/A	N/A
FY2006-07	\$19,143	\$19,917	*\$81,189	4.6%	Y
FY2007-08	\$22,193	**\$42,110	\$500,321	51.9%	N
FY2008-09	\$20,000	\$62,110	\$450,000	12.4%	Y
FY2009-10	\$20,000	\$82,110	\$450,000	18.3%	N
FY2010-11	\$20,000	\$102,110	\$450,000	22.7%	N

*FY2006-07 was an atypical year of expenditures after spending FY2005-06 funding within first year of 3-year spending cycle – more typical pattern will show portions of three appropriations in the AMR Fund, with a greater percentage of each appropriation being spent in years 2 and 3 after project design and land title research is performed in Year-1.

***Note: The interest accumulation in the fund at the end of FY2007-08 will be approximately \$42,100. The fact that this Change Request does not spend down that initial balance was intentional in order to ensure \$20,000 of available fund balance exists in the fund over future years in case there should be a fiscal year where interest earnings total less than \$20,000; therefore, a portion of the “banked” \$42,100 would be used to backfill the full \$20,000 appropriation in such years. If future interest earnings consistently maintain the \$20,000 level, the \$42,100 would also be requested for use on safeguarding projects.*

Impact on Other Government Agencies: None.

Cost Benefit Analysis:

Total Cost: \$20,000 CF Fund Balance	Total Benefits: \$21,000
	Benefits are based on <u>costs avoided due to preventing the following events</u> by safeguarding 2-4 additional abandoned mine sites per year: (1) Citizen injury/recreational vehicle damage incidents = \$21,000; and (2) Inflationary costs on materials used to safeguard abandoned mine openings (steel, fuel, cement, labor costs, etc.) = \$300/year
Benefit/Cost Ratio =	1.05

The benefits/“costs avoided” values shown above are based on the following:

- (1) Personal Injury or Recreational Vehicle (ATV/snowmobile) Incidents - \$21,000:
 Avoid citizen medical or vehicle repair costs that may occur from falling or inadvertently driving into dangerous mine openings.
 ---One event – multiple leg/hip fractures requiring surgical repairs/rehabilitation -- \$15,000
 Lost wages -- \$3,000/6 weeks (*Source: Medical case history from WebMD*).

---One event – ATV or snowmobile damage by partially driving into mine opening or rolling ATV due to unstable slopes in abandoned mine areas -- \$3,000 (assumes total damage of an ATV).

(2) Inflationary increase of 15 percent on project materials - \$300/year

The percentage of a construction project that is attributed to the cost of materials (versus labor costs) averages 10% (*Source: Hayward Baker, Inc. based on 20+ years of contracting in the Rocky Mountain region*). The following example demonstrates an overall inflationary increase on a \$20,000 project if diesel fuel and/or steel prices increase by 15 percent:

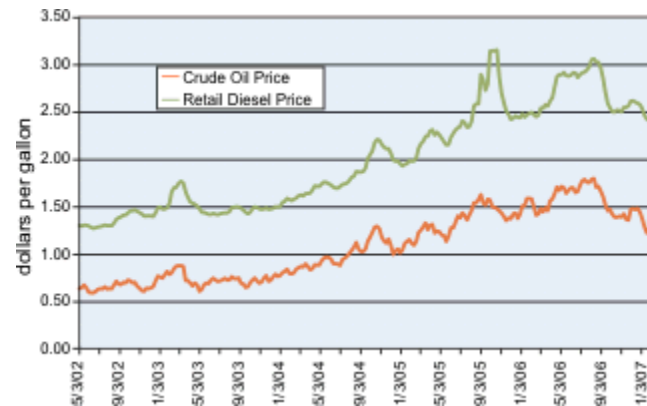
Example of 15 percent inflationary impact on requested \$20,000:

$$\$20,000 \times 10\% \times 15\% = \$300 \text{ lost in purchasing power each year unspent;}$$

$$\$300 \times 5 \text{ years} = \$1,500 \text{ lost over 5 years.}$$

Fuel Pricing Increase

The construction vehicles and earth moving equipment used to safeguard/reclaim abandoned mine sites use diesel fuel. The following chart shows the precipitous rise in diesel pricing (top line) from 2002 to early 2007.



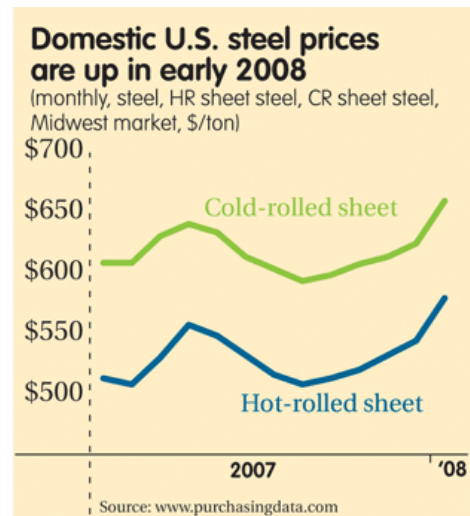
Source: Energy Information Administration (EIA): *Retail diesel fuel prices are likely to remain elevated as long as crude oil prices and world demand for distillate fuels remain high.*

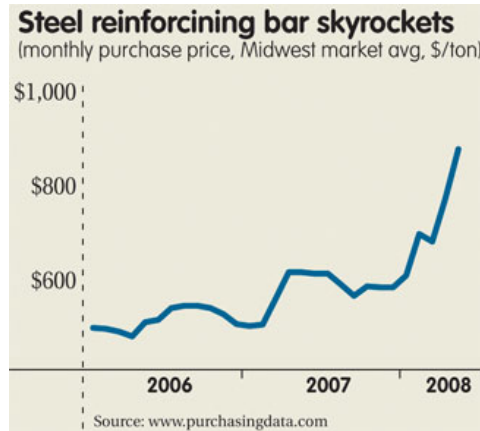
(<http://www.eia.doe.gov/bookshelf/brochures/diesel/>)

A single-month increase of 7.7 percent occurred during May 2008, which is on pace for an annual increase of 15-20 percent for 2008, similar to increases shown for 2005-2006 in the above table.

Steel Pricing Increase

Numerous materials used to safeguard mine openings are made from steel – the adit/tunnel closure gates, culverts, steel beams and rebar used in cement panels. As shown in the tables below, manufactured steel prices are continuing to increase significantly in 2008, which will cause the contractors for abandoned mine closures to increase their costs over the next few years.





Implementation Schedule:

Task	Month/Year
Internal Research/Planning Period – Project design and land ownership research for project(s) for which the \$20,000 will be incorporated to address 2-4 mine openings.	August 2009
Projects List Presented to Mined Land Reclamation Board and Inactive Mine Reclamation Advisory Board	March-April 2010
RFP Issued	May-June 2010
Contract Awarded/Signed	July 2010
Project Start-Up Date for Year 1-\$20,000	August 2010

Statutory and Federal Authority:

AMR Fund statute [34-34-102, C.R.S., 2008]

(1) The abandoned mine reclamation fund is hereby created in the state treasury. The fund shall consist of moneys received pursuant to section 34-33-133 (2) (a), moneys transferred from the severance tax trust fund pursuant to section 39-29-109.3 (1) (c), C.R.S., and interest earned on the investment of such moneys. Revenues in the fund shall not revert to the general fund. The fund shall be expended only for the purposes specified in this section. Appropriations from the fund shall be available for three successive state fiscal years.

(2) The division shall annually submit to the board a list of projects eligible to be reclaimed or safeguarded through expenditures from the fund. Project eligibility and selection shall be determined in accordance with current procedures applicable to the abandoned mine reclamation program established pursuant to section 34-33-133 and the following requirements:

(a) The board shall approve the expenditure of revenues from the fund for the purpose specified in this section after review by the board of county commissioners for the county in which the project is located; and

(b) The project shall be located where pre-law mining operations have occurred, the mining operations have been abandoned, and there is a high risk to the environment or public safety.

Performance Measures:

Incorporating \$20,000 of additional funding toward safeguarding abandoned mine openings contributes to accomplishing the following goal and can potentially reduce the backlog of sites by an additional 74 sites over 25 years.

Performance Measures	Outcome	FY05-06 Actual	FY06-07 Actual	FY07-08 Approp	FY08-09 Request
Percentage of abandoned or forfeited mine sites reclaimed/safeguarded from the effects of past or inactive mining out of a baseline inventory of 23,074 total project units. (1)	Benchmark	1.7%	1.5%	1.5%	2.2%
	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.					

**Schedule 13
Change Request for FY 2009-10 Budget Request Cycle**

Decision Item FY 2009-10 Base Reduction Item FY 2009-10 Supplemental FY 2008-09 Budget Amendment FY 2009-10

Request Title: Vehicle Leased Space
 Department: Natural Resources - Colorado Water Cons Board Dept. Approval by: *Will H. Levine* Date: *10/10/2008*
 Priority Number: 11 of 13 OSPB Approval: *John Z* Date: *10-24-08*

	Fund	1	2	3	4	5	6	7	8	9	10
		Prior-Year Actual FY 2007-08	Appropriation FY 2008-09	Supplemental Request FY 2008-09	Total Revised Request FY 2008-09	Base Request FY 2009-10	Decision/Base Reduction FY 2009-10	November 1 Request FY 2009-10	Budget Amendment FY 2009-10	Total Revised Request FY 2009-10	Change from Base (Column 5) FY 2010-11
Total of All Line Items	Total	1,047,117	1,332,849	0	1,332,849	1,329,394	0	1,329,394	0	1,329,394	0
	FTE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	GF	487,039	492,842	0	492,842	492,842	0	492,842	0	492,842	0
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	355,538	816,719	0	816,719	813,264	0	813,264	0	813,264	0
	CFE/RF	181,401	0	0	0	0	0	0	0	0	0
	FF	23,139	23,288	0	23,288	23,288	0	23,288	0	23,288	0
(1) Executive Director's Office, Leased Space¹	Total	957,548	1,232,822	0	1,232,822	1,232,822	1,260	1,234,082	0	1,234,082	1,260
	FTE	0.0	0.0	0.0	0.0	0	0.0	0.0	0.0	0.0	0.0
	GF	487,039	492,842	0	492,842	492,842	0	492,842	0	492,842	0
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	355,538	716,692	0	716,692	716,692	1,260	717,952	0	717,952	1,260
	CFE/RF	91,832	0	0	0	0	0	0	0	0	0
	FF	23,139	23,288	0	23,288	23,288	0	23,288	0	23,288	0
(7) Colorado Water Conservation Board, (A) Administration Operating Expenses²	Total	89,569	100,027	0	100,027	96,572	(1,260)	95,312	0	95,312	(1,260)
	FTE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	GF	0	0	0	0	0	0	0	0	0	0
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	0	100,027	0	100,027	96,572	(1,260)	95,312	0	95,312	(1,260)
	CFE/RF	89,569	0	0	0	0	0	0	0	0	0
	FF	0	0	0	0	0	0	0	0	0	0

Non-Line Item Request: None
 Letternote Revised Text: ¹These amounts shall be from various sources of cash funds.
²This amount shall be from reserves in the Colorado Water Conservation Board Construction Fund.
 Cash or Federal Fund Name and COFRS Fund Number: Colorado Water Conservation Board Construction Fund 424
 Reappropriated Funds Source, by Department and Line Item Name:
 Approval by OIT? Yes: No: N/A:
 Schedule 13s from Affected Departments:

CHANGE REQUEST for FY 2009-10 BUDGET REQUEST CYCLE

Department:	Natural Resources, Colorado Water Conservation Board
Priority Number:	11 of 13
Change Request Title:	Vehicle Leased Space

SELECT ONE (click on box):

- Decision Item FY 09-10
- Base Reduction Item FY 09-10
- Supplemental Request FY 08-09
- Budget Request Amendment FY 09-10

SELECT ONE (click on box):

Supplemental or Budget Request Amendment Criterion:

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

Short Summary of Request:

The CWCB is requesting to transfer \$1,260 Cash Funds in FY 2009-10 from the Colorado Water Conservation Board (CWCB) Operating line to the Leased Space line to pay for a parking space for a new state vehicle. This request will result in no fiscal impact to the CWCB since this request is simply a net zero transfer of spending authority.

Background and Appropriation History:

The Leased Space line item is a part of the DNR Executive Director's Office section of the Long Bill. The Executive Director's Office allocates the funds to each division in DNR to cover their leased space costs. The CWCB uses the leased space funding for office space at the Logan building and for a parking space near the Centennial Building for a current state vehicle.

Via the FY08-09 Decision Item process, the CWCB received a new state vehicle but did not receive approval for additional leased space funding to pay for a parking space for this new vehicle. In referencing the Department of Natural Resources FY2008-09 Figure-Setting document on page 43, staff did not recommend the vehicle parking costs. In order to cover the cost of a parking space, the CWCB is requesting to transfer funds

from its Operating Line to the Leased Space line. Funding for this leased space transfer from the Operating Line will result in a net zero impact and will be funded from the CWCB Construction Fund.

General Description of Request:

The new state vehicle is scheduled to arrive in the spring of 2009 and the vehicle will be available for use by all CWCB staff. Since the CWCB is located in the downtown area, safe and free parking is unavailable. In order to provide a dedicated and safe parking place for the new state vehicle, the CWCB is requesting that \$1,260 (\$105 x 12 months) be transferred from the CWCB Operating line to the Leased Space line to cover the expense of a parking place in a State of Colorado parking lot. The vehicle will be parked at the 14th and Lincoln parking garage. It is the closest location to the CWCB office at the Sherman Street location and the garage would provide a secure parking place for the state vehicle and for CWCB employees who need to access the vehicle at all hours.

Via this decision item, the CWCB is requesting the transfer of funds so that the payment for a parking space will follow the definitions for Leased Space and Operating. HB 08-1321 established definitions for the general appropriation act in statute. Included in this are the definitions for Leased Space and Operating, specifically:

- 24-75-112 (1) (V) (g): “Leased Space’ means the use and acquisition of office facilities and office and parking space pursuant to a rental agreement.”
- 24-75-112 (1) (V) (l): “Operating Expenses’ means those supplies, materials, items, services, and travel related expenses needed to administer the programs delegated to the departments, except for personal services, legal services, or capital construction.”

It is the Department of Natural Resources’ (DNR) belief in reviewing these two definitions that parking space should be paid from the Leased Space line and cannot be paid as an operating expense. DNR also believes that this is the more transparent way to pay for parking. Parties interested in DNR’s overall spending on parking & other leased spaces are likely to look to DNR’s leased space line; transferring this money to the leased

space line will allow the public to get a more accurate picture of DNR spending for all types of leases.

In summary, DNR finds it necessary to lease a parking spot for the CWCB's new vehicle for reasons of both efficiency and employee safety. In addition, the transfer of funds from the CWCB Operating line to the Leased Space line is considered an offset of funds and, therefore, has a zero dollar impact to the agency.

Consequences if Not Funded:

If the request is not funded, parking the vehicle becomes a time and safety issue for employees. There are street-side parking spaces available, which are a minimum of six blocks away from the building. Parking the vehicle in such locations becomes a safety issue for employees who need to walk to get to the vehicle and back to the building during daylight and nighttime hours. Finding a street-side parking place also presents a challenge as spaces are not always available. Driving around in search of a parking spot is not only a waste of employee's time, but it is a waste of fuel (especially in light of the cost of gas). During winter months, the days are short and walking through the icy and snowy streets alone in the dark to get to a state vehicle for business becomes a hazard for staff members. In addition, walking to locate the vehicle takes time away from work and meetings, and it is a waste of time, as well, when the employee can be involved with his/her duties and responsibilities. When a vehicle is shared by multiple staff members, this will also require a system of logging the exact location where the vehicle is parked at any given time so other staff members can find the vehicle.

Calculations for Request:

Summary of Request FY 09-10	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Total Request	\$0	\$0	\$0	\$0	\$0	0.0
(1) Executive Director's Office, Leased Space Line	\$0	\$0	\$1,260	\$0	\$0	0.0
(7) Colorado Water Conservation Board, (A) Administration, Operating Line	\$0	\$0	(\$1,260)	\$0	\$0	0.0

Summary of Request FY 10-11	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Total Request	\$0	\$0	\$0	\$0	\$0	0.0
(1) Executive Director's Office, Leased Space Line	\$0	\$0	\$1,260	\$0	\$0	0.0
(7) Colorado Water Conservation Board, (A) Administration, Operating Line	\$0	\$0	(\$1,260)	\$0	\$0	0.0

Cash Funds Projections:

Cash Fund Name	Cash Fund Number	FY 2007-08 Expenditures	FY 2007-08 End of Year Cash Balance	FY 2008-09 End of Year Cash Balance Estimate	FY 2009-10 End of Year Cash Balance Estimate	FY 2010-11 End of Year Cash Balance Estimate
Construction Fund	424	\$10,093,203	\$12,067,912	\$5,000,000	\$5,000,000	\$5,000,000

Assumptions for Calculations:

The CWCB is requesting to transfer \$1,260 in funds from the Colorado Water Conservation Board (CWCB) Operating line to the Leased Space line to pay for a parking space for a new state vehicle. The monthly fee for a parking space at the state parking garage located at 14th and Lincoln is \$105 per month x 12 months = \$1,260. This

request will result in a net zero dollar impact to the CWCB since this transfer is an offset of funds.

Impact on Other Government Agencies: Not Applicable

Cost Benefit Analysis:

Cost	Benefit
<p>Vehicle leased space funds transfer (net zero transfer of spending authority from the CWCB Operating line to the Leased Space line)</p>	<p>The leased space for a parking space would provide a safe location for a state-leased vehicle and the additional vehicle would allow the CWCB current and new staff to complete statutorily required and federally mandated duties. In completing assignments, the staff assists in completing the mission of the CWCB for the present and future of the State of Colorado. In addition, appropriate use of staff time, which is directed at completing assignments, instead of locating a state vehicle for business use is a wise business practice. If the vehicle is driven once per day and it would take thirty minutes walking to and from the state vehicle, and to find a parking space, the cost staff time alone is calculated in the following manner:</p> <p>0.5 hours/day x 5 days/week x 52 weeks x \$39/hour (for the average base salary of a CWCB Physical Science Researcher/Scientist III) = \$5,070 per year</p> <p>Although this request is a net zero transfer of spending authority, the calculation equates to a savings of \$5,070 - \$1,260 = \$3,810 per year of state employee time being used for its intended purpose of completing work assignments.</p> <p>This analysis does not consider the following additional benefits:</p> <ul style="list-style-type: none"> • worker safety, • theft/vehicle damage, • time spent tracking where the vehicle is parked, or • searching for the vehicle if an employee forgets where the vehicle was last parked.

Implementation Schedule:

Task	Calendar Month/Year
Procure a parking spot with DPA Parking	July 2009
Begin to pay for the parking spot	July 2009

Statutory and Federal Authority:

Section 37-60-102 C.R.S. (2008): This statute describes the creation of the Colorado Water Conservation Board. “For the purpose of aiding in the protection and development of the waters of the state, for the benefit of the present and future inhabitants of the state there is created a Colorado water conservation board with the powers and duties set out in this article. Said board is declared to be an agency of the state, and the functions it is to perform, as set out in this article, are declared to be governmental functions for the welfare and benefit of the state and its inhabitants.”

Performance Measures:

The performance measures (DNR-4 Water Supply) apply to this request in an indirect manner as contracting and purchasing responsibilities apply to all of the programs in the CWCB.

Performance Measure DNR #4 Water Supply consists of two elements: a) Create reductions in water supply demand through water conservation planning and water efficiency measures and b) Increase water storage to meet long term water supply needs. The addition of a parking space for a state leased vehicle will allow CWCB employees to have safe access to the state vehicle to perform job functions, which will support the performance measures listed above. Although having a secure location for CWCB employees to park the state vehicle lends toward safety and overall support to access the vehicle for use in accomplishing goals and performance measures, there is not an exact method to relate this decision item directly to the DNR Performance Measures.

DNR-4. Water Supply

Objective: Reduce the demand for water

Performance Measure	Outcome	FY 2006-07 Actual	FY 2007-08 Actual	FY 2008-09 Approp.	FY 2009-10 Request
Create reductions in water supply demand through water conservation planning and implementation of water efficiency measures.	Benchmark	N/A	1.5% demand reduction or approx 5,720 ac ft	3% demand reduction or approx 11,440 ac ft	4% demand reduction or approx 17,160 ac ft
	Actual	N/A	Approx. 4,320 ac ft		

Strategy:

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 assists in the development and implementation of water conservation plans, reviews, and approves water conservation plans. It provides 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 carry out 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.

Evaluation of Prior Year Performance:

The FY2007-08 benchmark was based on 25 approved water conservation plans on file with the CWCB, with two of the plans being from the State’s two largest water providers, Denver Water and Aurora. As of the end of the fiscal year, the CWCB had received 19 approved water conservation plans and they included Denver Water and Aurora. Because the number of actual plans on file was less than anticipated, the actual demand reduction from water conservation planning and implementation was reduced from an approximate 5,720 ac ft to approximately 4,720 ac ft. This calculation is based on the assumptions made in the note section following the strategy section. As of the beginning of the FY 2008-09, several additional large and mid-size water providers are nearing completion of their water conservation plans and therefore, the CWCB feels confident that it will make up for the six plans anticipated for the FY2007-08 and will see them come in during the upcoming fiscal year. At this time, benchmarks for FY2008-09 will not be adjusted and the benchmark for FY2009-10 will be set using the assumptions and methodology laid out in the note section.

Performance Measure	Outcome	FY 2006-07 Actual	FY 2007-08 Actual	FY 2008-09 Approp.	FY 2009-10 Request
Increase water storage to meet long term water supply needs.	Benchmark	14,600 ac ft	20,000 ac ft	20,000 ac ft	20,000 ac ft
	Actual	4,200 ac ft	7,100 ac ft		

Strategy:

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. CWCB will work to help local entities meet their demands 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. The CWCB has estimated that by the year 2030, Colorado will need an additional 630,000 ac ft of water supply.

Evaluation of Prior Year Performance:

The CWCB financed one new storage project and one dam rehabilitation project that were completed in FY 2008, resulting in approximately 7,100 ac. ft. of new water storage. Thirteen other new storage or rehabilitation projects, financed by the CWCB, are currently either in the design or construction phase and are expected to be completed within the next two to four years. The resulting total increase in water supply for these projects is in excess of 40,000 ac. ft. Staff is projecting additional water supply projects to be financed by the Board that will further increase this projected amount. The CWCB does not control the design or construction schedule for projects that they finance. The performance measures for this item are therefore difficult to predict on an annual basis.

Schedule 13
Change Request for FY 2009-10 Budget Request Cycle

Decision Item FY 2009-10 Base Reduction Item FY 2009-10 Supplemental FY 2008-09 Budget Amendment FY 2009-10

Request Title: Satellite Monitoring System
 Department: Natural Resources Dept. Approval by: *Walter H. Levine* Date: 10/10/2008
 Priority Number: 12 of 13 OSPB Approval: *John M. Z...* Date: 10-21-08

	Fund	1	2	3	4	5	6	7	8	9	10
		Prior-Year Actual FY 2007-08	Appropriation FY 2008-09	Supplemental Request FY 2008-09	Total Revised Request FY 2008-09	Base Request FY 2009-10	Decision/Base Reduction FY 2009-10	November 1 Request FY 2009-10	Budget Amendment FY 2009-10	Total Revised Request FY 2009-10	Change from Base (Column 5) FY 2010-11
Total of All Line Items	Total	377,290	369,049	0	369,049	374,497	30,000	404,497	0	404,497	30,000
	FTE	0.0	2.0	0.0	2.0	2.0	0.0	2.0	0.0	2.0	0.0
	GF	261,592	254,160	0	254,160	259,838	0	259,838	0	259,838	0
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	115,698	114,889	0	114,889	114,659	30,000	144,659	0	144,659	30,000
	CFE/RF	0	0	0	0	0	0	0	0	0	0
	FF	0	0	0	0	0	0	0	0	0	0
(8) Water Resources Division, Satellite Monitoring System	Total	377,290	369,049	0	369,049	374,497	30,000	404,497	0	404,497	30,000
	FTE	0.0	2.0	0.0	2.0	2.0	0.0	2.0	0.0	2.0	0.0
	GF	261,592	254,160	0	254,160	259,838	0	259,838	0	259,838	0
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	115,698	114,889	0	114,889	114,659	30,000	144,659	0	144,659	30,000
	CFE/RF	0	0	0	0	0	0	0	0	0	0
	FF	0	0	0	0	0	0	0	0	0	0

Non-Line Item Request: None
 Letternote Revised Text: None
 Cash or Federal Fund Name and COFRS Fund Number: Satellite Monitoring Cash Fund-Fund #166
 Reappropriated Funds Source, by Department and Line Item Name:
 Approval by OIT? Yes: No: N/A:
 Schedule 13s from Affected Departments:

CHANGE REQUEST for FY 2009-10 BUDGET REQUEST CYCLE

Department:	Department of Natural Resources, Division of Water Resources
Priority Number:	12 of 13
Change Request Title:	Satellite Monitoring System

SELECT ONE (click on box):

X Decision Item FY 2009-10

Base Reduction Item FY 2009-10

Supplemental Request FY 2008-09

Budget Request Amendment FY 2009-10

SELECT ONE (click on box):

Supplemental or Budget Request Amendment Criterion:

X Not a Supplemental or Budget Request Amendment

An emergency

A technical error which has a substantial effect on the operation of the program

New data resulting in substantial changes in funding needs

Unforeseen contingency such as a significant workload change

Short Summary of Request:

The Colorado Division of Water Resources is requesting authorization for expenditure of an additional \$30,000 for FY 2009-10 and succeeding years from the satellite monitoring cash fund to meet increasing operational expenses due to necessary expansion of the system.

Background and Appropriation History:

The Satellite Monitoring System Cash Fund is the financial vehicle used by the Colorado Division of Water Resources to collect fees to cover a portion of the operation and routine maintenance expenses of the Satellite Monitoring System (SMS). The SMS cash fund spending authorization was last increased during the 2005 legislative session (supplemental request) to \$110,000 for FY 2004-05 and \$115,000 for FY 2005-06 through FY 2007-08. The appropriation was adjusted to \$114,889 for FY 2008-09, and will adjust downward to \$114,659 for FY 2009-10. This request seeks to increase the spending authorization by \$30,000 to \$144,659 for FY 2009-10 and succeeding years.

The satellite-linked monitoring system (SMS) provides the Division of Water Resources, other state and federal entities, and the water user community with access to real-time

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

The SMS is a comprehensive system of remote-sensing equipment that is housed in over 470 river, stream, canal, and reservoir gauging stations across the State of Colorado. The system provides near real-time (hourly updates) information regarding streamflow and water level via satellite relay. The purpose of this satellite monitoring system is twofold. This system is used to provide real-time stream flow data to water users and Water Commissioners. The data collected allows Water Commissioners to monitor fluctuating water supply conditions, thus promoting efficiency in water administration and distribution. The remote monitoring system also serves as an advance warning system to alert officials of imminent flooding conditions. It has become a valuable tool in making real-time adjustments based on ever-changing stream flow conditions, especially in times of scarce water supply.

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

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

The stream flow measurements provide a time-specific quantification of water available at a particular point and are used to calibrate stage-discharge relationships at stream gages to ensure accurate discharge data are available for effective water administration. Because of changing streambed conditions that naturally occur due to seasonal flow fluctuations, frequent stream flow measurements must be made to keep calibrations accurate through time. There is increasing scrutiny of Colorado's administration of water and compact deliveries with an eye toward gaining water for downstream states. An over-delivery of water to downstream states injures Colorado citizens through missed opportunity for beneficial use of that water. An under-delivery could cause interstate litigation to be initiated by the downstream States or the Federal Agencies. These gauging stations contain data recorders that continuously monitor the change in river depth that is used to calculate the mean daily stream flow. These data are extremely valuable to support water management decisions and to provide current conditions and comparison with long-term data.

General Description of Request:

This request is for increased spending authorization of funds from the Satellite Monitoring System Cash Fund to support the appropriate operation and maintenance of

new stream gaging infrastructure that is on the ground. Revenue is accruing in the SMS cash fund as a result of new cooperative agreements developed in concurrence with expansion of the system. However, the current spending authorization limit effectively does not allow the use of these additional revenues for their intended operation and maintenance support purpose. The appropriated SMS cash funds have been used in entirety each of the last several fiscal years for operation and maintenance purposes. Table 1 below shows expenditures on operations and maintenance of the SMS over the past several years.

Table 1: Appropriation and Expenditures for the SMS

	FY 2004-05	FY 2005-06	FY 2006-07	FY 2007-08
Appropriation	\$354,069	\$365,196	\$369,741	\$378,764
Expenditure	\$354,059	\$365,196	\$369,619	\$377,290

Since July 1, 2005, 50 new and refurbished stream gaging stations have been added to the SMS (please refer to Table 2 on page 5). Operation and maintenance of these additional stations, at the standard levels the Division of Water Resources applies at all SMS stream gages to ensure efficient, effective, and accurate water measurement for Colorado water rights and interstate compact administration, has resulted in total program cost increases. These increased costs include (please refer to Table A for more information):

- Additional satellite telemetry and associated electronic equipment to maintain an adequate spare parts inventory and minimize gage downtime;
- Additional equipment repair and replacement as equipment inventory expands;
- Additional supplies and materials for gage operation and maintenance including Dessicant, antennas, antenna cables and connectors, batteries, wiring harnesses, terminals, fuses, charging regulators, solar panels, orifice tubing, conduits, valves, pipe and fittings, funnels, high grade lubricants, floats, float tape, counterweights, sealant, u-bolts and other hardware, locks, graphite lubricant, rodent traps, and insect repellent;

- Additional hydrographic measurement equipment and supplies including current meters, wading rods, digital counting equipment, batteries, bank-operated cableways, waders, clipboards, and forms; and
- Additional one-time installation costs associated with new gages or the refurbishment of existing gages with satellite monitoring equipment.

Table 2. Stream gages added to the Satellite Monitoring System since July 1, 2005.

Division 1	Division 2	Division 3	Division 4	Division 5	Division 6	Division 7	Total
15	22	0	4	4	1	4	50

The Division of Water Resources attempts to enter into cooperative agreements with cooperators (other State and local agencies, water users, etc.) as new gages are added to the SMS to collect fees to be applied towards operation and maintenance expenses of these new gages. When the operation and routine maintenance costs at existing gages increase due to changes in data requirements, the Division of Water Resources also strives to find cooperators to share the increased costs. To an extent, the Division of Water Resources has been successful with this, as evidenced by average annual receipts to the SMS cash fund the last two years of approximately \$150,000. This has resulted in increased reserves in the SMS cash fund. Not all the new gages added to the SMS have enjoyed the benefit of a cooperative agreement. Of the 50 new gages listed in Table 2, 25 were installed primarily to meet expressed needs of Division of Water Resources staff to provide the streamflow and reservoir data needed for critical water administration functions. These gages were installed, and are operated and maintained, with no cost share. Regardless of the level of cooperator support, the bulk of the increased cost of gage operation and maintenance is met by Division of Water Resources, as all hydrographic staff salary support, and a portion of operation and maintenance expenses are funded from other budgets.

Consequences if Not Funded:

The SMS program is managed such that only the necessary expenditures for successful program accomplishment are made. However, the current spending authorization versus the number of new gages added to the system is limiting performance.

The Division of Water Resources cannot maintain the new gages added to the satellite monitoring system if the spending authorization is maintained at the current level. Without a proportionate increase in spending from the SMS cash fund, the ability to maintain stream gauging stations, which are located at important hydrologic locations throughout the State, would be reduced.

If the spending authorization level is not increased, there would be an adverse impact on basic water rights and interstate compact administration functions relying on the data from these new gages (and effort at all SMS gages would thereby be diluted). Specifically, streamflow data quality and accuracy would decrease due to fewer gage visits for maintenance purposes, lack of spare equipment to replace problem equipment, increased gage downtime, and fewer discharge measurements to keep stage-discharge relationships calibrated and accurate.

The satellite monitoring system effectively reduces the overall cost to the public to provide accurate water rights administration by avoiding the costs of additional FTE and operating expenses for the Division of Water Resources. If the system is not in place, additional field personnel would be required to take daily readings of gauge height for data collection purposes. Lack of adequate funding for this program will result in inefficient water allocation and potential injury to senior water rights leading to increased conflicts, potential intra and interstate court action and damage payments.

Calculations for Request:

STATE OF COLORADO FY 2009-10 BUDGET REQUEST CYCLE: Department of Natural Resources, Division of Water Resources

Summary of Request FY 2009-10	Total Funds	General Fund	Cash Funds*	Reappropriated Funds	Federal Funds	FTE
Total Request	\$30,000	\$0	\$30,000	\$0	\$0	0
Operating Expenses	\$30,000	\$0	\$30,000	\$0	\$0	0

Summary of Request FY 2010-11	Total Funds	General Fund	Cash Funds*	Reappropriated Funds	Federal Funds	FTE
Total Request	\$30,000	\$0	\$30,000	\$0	\$0	0
Operating Expenses	\$30,000	\$0	\$30,000	\$0	\$0	0

* Satellite Monitoring Cash Fund.

Table A-Increased Satellite Monitoring System Operation and Maintenance Expenses Due to System Expansion				
a) additional satellite telemetry and associated electronic equipment to maintain an adequate spare parts inventory and minimize gage downtime				
Line	Description	Quantity	Unit Cost (\$)	Total Cost (\$)
1	Data Collection Platform w/ GOES transceiver	2	2,385	4,770
2	Shaft encoder water level sensor	2	738	1,476
3	Constant flow bubbler water level sensor	1	3,490	3,490
4	Insulated Float Wheel	2	197	394
5	6 in. copper float	2	117	234
6	Perforated Float Tape, 25 ft.	2	147	294
7	Counterweight, 8 oz.	2	8	16
8	End Hook Set	2	19	38
9	Yagi Antenna	2	443	886
10	Antenna mount	2	47	94
11	Antenna Cable, 15 ft.	2	62	124
12	Lightning protection kit station	2	248	496
13	Protector, Coax, with cable	2	99	198
14	Solar panel,10W w/ 10'cable, includes mount	2	258	516
15	Solar panel regulator	2	62	124
			Subtotal	13,150
b) additional equipment repair and replacement as equipment inventory expands and items go out of warranty				
Line	Description	Quantity	Unit Cost (\$)	Total Cost (\$)
1	est. annual cost of out of warranty equipment repairs	1	1,500	1,500
			Subtotal	1,500

c) additional supplies and materials for gage operation and maintenance				
Line	Description	Quantity	Unit Cost (\$)	Total Cost (\$)
1	80 amp-hour sealed gel cell 12 volt battery	7	140	980
2	Wiring, fuses, terminals, combination sets	7	50	350
3	Valves and other plumbing hardware, combination sets	5	248	1,240
4	Dessicant cylinders	7	50	350
5	High grade lubricants, graphite, and sealants, sets	7	50	350
6	Rodent and insect repellants	7	50	350
7	Locks	7	60	420
8	Additional misc hardware, supplies, and materials	7	350	2,450
			Subtotal	6,490
d) additional hydrographic measurement equipment and supplies				
Line	Description	Quantity	Unit Cost (\$)	Total Cost (\$)
1	Current meter, Price AA	1	750	750
2	Current meter, Price Pygmy	2	600	1,200
3	Electronic discharge measurment tool	2	2,300	4,600
4	Wading rod repair parts, set	7	230	1,610
5	Additional misc measurement supplies and forms	7	100	700
			Subtotal	8,860
Total Increased O&M Expenditure				30,000

Cash Funds Projections:

Cash Fund Name	Cash Fund Number	FY 2007-08 Expenditures	FY 2007-08 End of Year Cash Balance	FY 2008-09 End of Year Cash Balance Estimate	FY 2009-10 End of Year Cash Balance Estimate	FY 2010-11 End of Year Cash Balance Estimate
Satellite Monitoring	166	\$458,790	\$194,008	\$220,137	\$223,638	\$227,139

The summary above for the Satellite Monitoring Fund includes revenue from the Colorado Water Conservation Board Construction Fund for installation of new gages, in addition to fees collected by the agency for general operations and maintenance. For FY 2007-08, the fee revenue to the Satellite Monitoring Fund was \$152,476. The Division of Water Resources projects annual revenue for operations and maintenance of \$155,000, beginning in FY 2008-09. Projections assume annual expenditures beginning in FY 2009-10 of \$151,499. These expenses include \$144,659 for operations and additional commitments of \$6,840 to support agency indirect costs, vehicle lease expense, and POTS Personal services.

Assumptions for Calculations:

Table A, part a, Lines 1-15: cost of specified equipment from current vendor and based on market prices used by satellite monitoring system. Assumes acquisition of spare equipment at sufficient rate to achieve and maintain parts inventory of 10% for 50 new gages added to system and equipment life expectancy of 5-8 years. The basis for this is to avoid buying new equipment annually and instead build up spare parts slowly, to maintain cost efficiency within the limits of the spending authority. The quantities were calculated using the above strategy, essentially attempting to backfill the inventory slowly at two units per year.

Table A, part b, Line 1: current estimated annual expense for out of warranty repairs to electronic equipment used in the system. Older equipment must be repaired when cost effective and these are used to help maintain adequate spare parts inventory.

Table A, part c, Lines 1-8: current cost of specified supplies and materials considered consumable on an annual basis used by satellite monitoring system. Indicated quantities are based on 10% stocking rate and experience operating the rest of the network.

Table A, part d, Lines 1-5: current annual cost of replacement of specified equipment, supplies, and materials for hydrographic streamflow measurements to support an additional 50 gages. Indicated quantities are based on experience performing such measurement activity across the rest of the network.

Impact on Other Government Agencies: Not applicable.

Cost Benefit Analysis: The net cost of funding this request equals \$30,000 (please refer to the Calculations for Request section for full table.)

The selected benefit technique is to compare the cost of the request to the benefit to improved intrastate water administration. The benefits are measured through the improved delivery of water through streamflow measuring gages. Following is a description.

Improved Intrastate Water Administration

A primary, measurable benefit of funding this request is improved *intrastate* water administration. Real-time satellite monitoring streamflow gaging stations require support for operation and maintenance and stage-discharge relationship calibration. When manually operated gages are upgraded with satellite monitoring equipment or new satellite monitoring streamflow gages are installed, water users and Division staff benefit from improved accuracy and availability of streamflow data. This allows multiple water administration decisions per day (as opposed to once or twice weekly), improved water distribution, and more effective water use. Water commissioners can monitor fluctuating water supply conditions from their computer, thus promoting efficiency in water administration and distribution.

Water administration decisions made based on infrequent field observations during periods of relatively high flow might result in over-delivery to junior water rights as the streamflow declines. Conversely, decisions made based on infrequent field observations during periods of relatively low flows might result in a curtailment to junior water rights holders, erroneously allowing surplus water to bypass entitled water users if a storm event occurs. A water commissioner would not be able to take timely manual measurements throughout his or her district to properly allocate such additional water. In either circumstance, real-time satellite monitoring conservatively improves water allocation and distribution by 5-10%.

In a typical year, between 5,000 to 10,000 acre-feet will pass through a satellite monitored streamflow gage similar to the 50 new gages installed since 2005. For the purposes of this analysis, the Division of Water Resources will utilize an average of this streamflow, or 7,500 acre-feet. Valuing water at \$67 per acre-foot to account for the prevalence of irrigation water within the State, a single well-maintained gage could be conservatively valued at \$25,125.

$7,500 \text{ acre-feet} / \text{gage} / \text{year} * \$67 / \text{acre-foot} * 5\% \text{ improved delivery} = \$25,125 \text{ water value per gage per year.}$

In the current request, operation and maintenance expenditure from the Satellite Monitoring Cash Fund for 50 new gages installed since 2005 is requested. The average failure rate for the network of spare parts and inventory for the gages is approximately 15%. If the Division of Water Resources was unable to get spare parts, not all of the 50 gages identified will fail catastrophically. Proper planning and inventory management is essential to reducing complications and data loss caused by equipment failure. Using an annual benefit of \$25,125 per gage, estimated benefits are computed.

$\$25,125 \text{ water value} / \text{gage} / \text{year} * 50 \text{ gages} * 15\% \text{ failure rate} = \$188,438 \text{ annual benefit}$

Cost Benefit Ratio

Approval of this request is expected to yield a cost/benefit ratio of **6:1**. This represents the net benefit (\$188,438) divided by the net cost of funding the increased mileage rates (\$30,000).

$$\$188,438/\$30,000 = \mathbf{6:1}$$

Note: If the State fails to meet intrastate water compact obligations due to the unavailability of accurate and timely streamflow information, the State may incur significant legal costs and be liable for subsequent repayment any shortfall in water delivered to the injured state. This analysis does not consider these potential legal costs. However, by reducing the likelihood and magnitude of any compact violation, proper maintenance of the Satellite Monitoring System likely has benefits greater than shown above.

Implementation Schedule:

The satellite monitoring cash fund is funded by legislative appropriation each fiscal year. Expenses for satellite monitoring system operation and maintenance accrue against the available funds, up to the spending authorization limit, throughout the fiscal year. The available funds are carefully budgeted to ensure expenses do not exceed the spending authorization. If this decision item is approved, the Division would start spending the additional funding on July 1, 2009.

Task	Month/Year
Start-Up Date	July 1, 2009

Statutory and Federal Authority:

Section 37-80-102(10), C.R.S. (2008). General duties of state engineer - supervision and utilization of employees - satellite monitoring system.
(10) The state engineer is authorized to accept, operate, and house in the Centennial Building at 1313 Sherman Street, Denver, Colorado, automated data processing equipment and programs associated with a satellite monitoring system to be acquired by

the Colorado water resources and power development authority and dedicated to the state of Colorado for operation and use by the Colorado state engineer.

Section 37-80-111.5(c), C.R.S. (2008). Fees - water data bank cash fund - division of water resources publication cash fund - satellite monitoring system cash fund - ground water management cash fund - well inspection cash fund - created.

Section 37-81-101(2), C.R.S. (2008). Diversion of water outside state- application required- special conditions-penalty.

Section 37-82-101(1),(2), C.R.S. (2008). Waters of natural surface streams subject to appropriation.

Section 37-83-102, C.R.S. (2008). Maintenance of measuring devices.

37-92-301(1). C.R.S. (2008). Water Right Determination and Administration- Administration and distribution of waters.

(1) The state engineer shall be responsible for the administration and distribution of the waters of the state, and, in each division, such administration and distribution shall be accomplished through the offices of the division engineer as specified in this article.

Performance Measures:

<u>DWR</u> <u>Performance Measure</u> <u>#2:</u> <u>Water Administration</u> <u>and Enforcement</u> <u>Activities</u>	<u>Outcome</u>	<u>FY 06-07</u> <u>Actual</u>	<u>FY 07-08</u> <u>Actual</u>	<u>FY 08-09</u> <u>Approp.</u>	<u>FY 09-10</u> <u>Request</u>
Effective Distribution and Compliance with Applicable Laws of Water Supplies ¹	Benchmark	<5.0%	<5.0%	<5.0%	<5.0%
	Actual	3.58%	3.43%	Unknown	Unknown
<p>Narrative: Water administration is conducted within a regulatory environment in which limited water supplies are distributed in time, amount, and location to adjudicated water rights based upon their respective water right priority and available water supplies. Typical of most regulatory environments, the vast majority of citizens or water users comply with applicable laws. They do so, in part, because of their reliance upon DWR to assure the limited water supplies are indeed being distributed effectively and in compliance with all applicable laws. The trend for this performance measure would decrease over time, showing the effective enforcement of the terms and conditions in water court decrees and well permits.</p>					

*The addition of additional spending authority will allow the Division of Water Resources to properly maintain new gages added to the satellite monitoring system throughout the state. Accurate data produced from these gages is extremely important to several functions of the Division of Water Resources, including water administration and management of interstate compacts. The Division of Water Resources projects that this decision item will assist in the maintenance of equipment performance, mitigating the likelihood that the system will be adversely impacted due to lack of resources to keep equipment operating. In this regard, this decision item will help the Division to continue to meet or exceed its performance benchmark above. Conversely, failure to fund this decision item will lead to the continued erosion of the SMS, which will slowly decrease performance over time.

¹ This performance measure is the percentage of formal regulatory orders (cease and desist) issued by DWR per year compared to the total number of surface and ground water structures actively diverting water. The performance measure is expressed as a percentage.

**Schedule 13
Change Request for FY 2009-10 Budget Request Cycle**

Decision Item FY 2009-10 Base Reduction Item FY 2009-10 Supplemental FY 2008-09 Budget Amendment FY 2009-10

Request Title: Additional Field Vehicle
 Department: Natural Resources/Colorado Geological Survey Dept. Approval by: *Will H. Jevais* Date: *10/23/2008*
 Priority Number: 13 of 13 OSPB Approval: *on 10/23* Date: *10-24-08*

	Fund	1	2	3	4	5	6	7	8	9	10
		Prior-Year Actual FY 2007-08	Appropriation FY 2008-09	Supplemental Request FY 2008-09	Total Revised Request FY 2008-09	Base Request FY 2009-10	Decision/ Base Reduction FY 2009-10	November 1 Request FY 2009-10	Budget Amendment FY 2009-10	Total Revised Request FY 2009-10	Change from Base (Column 5) FY 2010-11
Total of All Line Items	Total	2,189,194	2,561,870	0	2,561,870	3,129,626	1,084	3,130,710	0	3,130,710	3,252
	FTE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	GF	723,079	365,018	0	365,018	428,926	0	428,926	0	428,926	0
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	104,604	2,126,719	0	2,126,719	2,616,387	1,084	2,617,471	0	2,617,471	3,252
	CFE/RF	1,326,864	0	0	0	0	0	0	0	0	0
	FF	34,647	70,133	0	70,133	84,313	0	84,313	0	84,313	0
(1) Executive Director's Office Vehicle Lease Payments	Total	2,189,194	2,561,870	0	2,561,870	3,129,626	1,084	3,130,710	0	3,130,710	3,252
	FTE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	GF	723,079	365,018	0	365,018	428,926	0	428,926	0	428,926	0
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	104,604	2,126,719	0	2,126,719	2,616,387	1,084	2,617,471	0	2,617,471	3,252
	CFE/RF	1,326,864	0	0	0	0	0	0	0	0	0
	FF	34,647	70,133	0	70,133	84,313	0	84,313	0	84,313	0

Non-Line Item Request: None
 Letternote Revised Text: None
 Cash or Federal Fund Name and COFRS Fund Number: Operational Account of the Severance Tax Trust Fund, Fund 704
 Reappropriated Funds Source, by Department and Line Item Name:
 Approval by OIT? Yes: No: N/A:
 Schedule 13s from Affected Departments: Department of Personnel and Administration

Schedule 13
Change Request for FY 2009-10 Budget Request Cycle

Decision Item FY 2009-10 Base Reduction Item FY 2009-10 Supplemental FY 2008-09 Budget Amendment FY 2009-10

Request Title: NP-18 Fleet Vehicle Lease corresponding to Department of Natural Resources DI-13
 Department: Personnel and Administration Dept. Approval by: *R. J. [Signature]* Date: November 1, 2008
 Priority Number: N/A OSPB Approval: *[Signature]* Date: 10-24-08

	Fund	1	2	3	4	5	6	7	8	9	10
		Prior-Year Actual FY 2007-08	Appropriation FY 2008-09	Supplemental Request FY 2008-09	Total Revised Request FY 2008-09	Base Request FY 2009-10	Decision/ Base Reduction FY 2009-10	November 1 Request FY 2009-10	Budget Amendment FY 2009-10	Total Revised Request FY 2009-10	Change from Base (Column 5) FY 2010-11
Total of All Line Items	Total	13,170,783	12,558,203	0	12,558,203	12,558,203	1,084	12,559,287	0	12,559,287	3,252
	FTE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	GF	0	0	0	0	0	0	0	0	0	0
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	1,948,015	0	0	0	0	0	0	0	0	0
	CFE/RF	11,222,768	12,558,203	0	12,558,203	12,558,203	1,084	12,559,287	0	12,559,287	3,252
	FF	0	0	0	0	0	0	0	0	0	0
(4) Central Services, (C)	Total	13,170,783	12,558,203	0	12,558,203	12,558,203	1,084	12,559,287	0	12,559,287	3,252
Fleet Management	FTE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Program and Motor	GF	0	0	0	0	0	0	0	0	0	0
Pool Services, Vehicle	GFE	0	0	0	0	0	0	0	0	0	0
Replacement Lease,	CF	1,948,015	0	0	0	0	0	0	0	0	0
Purchase or	CFE/RF	11,222,768	12,558,203	0	12,558,203	12,558,203	1,084	12,559,287	0	12,559,287	3,252
Lease/Purchase	FF	0	0	0	0	0	0	0	0	0	0

Non-Line Item Request: None.
 Letternote Revised Text: None.
 Cash or Federal Fund Name and COFRS Fund Number: State Fleet Motor Vehicle Fund (COFRS 607)
 Reappropriated Funds Source, by Department and Line Item Name: Fees from the Department of Natural Resources, (1) Executive Director's Office, Vehicle Lease Payments
 Approval by OIT? Yes: No: N/A:
 Schedule 13s from Affected Departments: Not applicable.

CHANGE REQUEST for FY 2009-10 BUDGET REQUEST CYCLE

Department:	Natural Resources
Priority Number:	13 of 13
Change Request Title:	Additional Field Vehicle

SELECT ONE (click on box):

- Decision Item FY 2009-10
- Base Reduction Item FY 2009-10
- Supplemental Request FY 2008-09
- Budget Request Amendment FY 2009-10

SELECT ONE (click on box):

Supplemental or Budget Request Amendment Criterion:

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

Short Summary of Request:

This is an FY 2009-10 request for an additional field vehicle (extra-small SUV – Jeep Wrangler) for the Colorado Geological Survey (CGS). This additional vehicle will allow CGS to continue to perform its mission. Funding required for FY 2009-10 is \$1,084 CF; for FY2010-11 and beyond, the funding required is \$3,252 CF for each fiscal year. The funding source will be all cash: 50% from fees for geological services and 50% from the Operational Account of the Severance Tax Trust Fund. For FY 2009-10, the amount from fees for geological services will be \$542; the amount from the Operational Account of the Severance Tax Trust Fund will be \$542. For FY 2010-11 and beyond, the amount from fees for geological services will be \$1,626; the amount from the Operational Account of the Severance Tax Trust Fund will be \$1,626.

Background and Appropriation History:

CGS has operated six vehicles since 2003, shared between 26 permanent staff and numerous temporary staff (field mappers, avalanche forecasters, etc.). CGS has had to augment these six vehicles with as many as four additional seasonal vehicles during the field season (April through October), and typically keeps at least one seasonal vehicle on a year-round basis.

The Environmental Geology and Geologic Hazards Long Bill Line Item appropriation had no significant increases in FY 2005-06 and FY 2006-07 other than option 8. For FY 2006-07 there were two one-time fund switches. The first was a fund switch of \$21,000 from cash fees to severance tax to develop a report on underground water storage (SB06-193). The second was the FY 2006-07 Long Bill (HB06-1385), which switched \$33,000 of cash fees to severance tax to provide CGS support for a coalbed methane stream depletion study change request which was funded under a separate long bill line. Both of these changes expired in FY 2006-07 and the amounts reverted to cash fees.

During figure setting for FY 2007-08, a portion of Change Request #7, Address Current and Emerging Geologic Issues, was approved, increasing the severance tax appropriation by \$75,888. However, the cash exempt appropriation was decreased by \$251,237 with a corresponding decrease of 2.0 FTE (from 18.2 to 16.2). In addition, Change Request #22, Increase Land Use Review Fees, was approved with an increase of \$105,281 to cash fees and a corresponding decrease of the same amount in the severance tax appropriation.

For FY 2008-09, one decision item was approved by the JBC for this long bill line item. It was 1.0 FTE and \$69,035 cash funds from the Operational Account of the Severance Tax Trust Fund for an FTE to explore and promote geothermal energy resources in Colorado.

The appropriation and funding for this vehicle, if approved, would be a part of the centrally appropriated Pots administered by the DNR Executive Director's Office.

General Description of Request:

Because of fieldwork in remote locations, CGS typically does not have enough state vehicles available for staff use. This requires staff members to delay work that may have a mandated completion time (such as Land Use Reviews) if the employee does not have a personal vehicle capable of accessing the site safely. In addition, during the past four years, the Colorado Avalanche Information Center (CAIC) has expanded the number of forecast offices in the State. Currently, two of the CGS field vehicles are temporarily assigned to CAIC during the winter avalanche season to use in forecasting, education, and the response to and investigation of avalanche accidents. CAIC needs a third vehicle

to support its forecast offices during the winter but CGS has not been able to supply more than two.

Rising fuel costs and the support of a Greening Colorado program have meant that more staff use public transportation to get to their downtown offices. When staff find that they need to perform field work on days that they have not driven their personal vehicle to the office, there have been difficulties scheduling vehicles. CGS has attempted to obtain an appropriate vehicle from State Motor Pool in these instances, and was often not successful because Motor Pool typically does not have 4WD vehicles available with such short notice.

During the height of the summer field season, the STATEMAP federal mapping grant requires a minimum of four of the vehicles for the mappers to use to access rough terrain. This leaves the main office with very few (two or three) vehicles available for all of the remaining staff that have work to perform on other projects.

An analysis of the average actual operating costs of a private 4WD vehicle demonstrates that CGS employees, when using their personal vehicles to perform field work, are subsidizing the State's vehicle expense. It actually costs the employee \$0.3068 per mile to use their personal vehicle for field work in addition to the reimbursement of \$0.53 per mile (for 2WD). This is, in effect, causing the CGS employee to take a pay cut each time they have to drive their personal vehicle to do field work.

Consequences if Not Funded:

CGS mileage reimbursement costs have risen 160% in the past four fiscal years, from \$9,361 in FY 2003-04 to \$24,334.97 in FY 2007-08. This additional expense has impacted CGS's ability to supply the needed match for the STATEMAP program.

If this decision item is not funded, CGS may be forced to delay work that has a statutorily mandated completion time (Land Use Reviews). Field work for other projects will be delayed when appropriate vehicles are not available. Mandated work is delayed only if the agency has absolutely no other option, meaning that there is no vehicle available (either agency vehicle or the State Motor Pool) to use that can access the site.

Grant-related activities typically cannot be delayed for two reasons. First, the grants received by the agency have end dates that do not allow much time for field work as it is usually tied to the end of either the federal or state fiscal year. For example, the primary federal STATEMAP grant received each year (~\$250,000) requires that CGS meet a due date for the delivery of completed maps. If that due date is missed, CGS is not eligible to receive that grant the following year. Therefore, this grant work cannot be delayed without jeopardizing the grant award for the following year.

Second, if field work is required, it must be performed during a time when the high country sites are accessible. The work cannot be postponed if winter has begun because field work is impossible if there is snow on the ground or the roads are impassable.

CGS will continue to experience increased mileage reimbursements costs, and CGS employees will continue to subsidize the State's vehicle expenses by taking an indirect pay cut each time they drive their personal vehicle on state business. This also presents a hardship to CGS staff, as not all of them own a vehicle that is able to handle the terrain that they may need to traverse to perform project work. In those cases, the staff have no choice but to delay project work until a vehicle becomes available.

CGS will also continue to rely on the availability of an additional 4WD vehicle from Fleet Management to augment the current fleet of six. These additional seasonal vehicles are not as road worthy as desired; all have more than 150,000 miles on them and are subject to a high breakdown and repair rate.

Calculations for Request:

Summary of Request FY 2009-10	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Total Request	\$1,084	\$0	\$1,084	\$0	\$0	0.0
Vehicle Lease Payments	\$1,084	\$0	\$1,084	\$0	\$0	0.0

Summary of Request FY 2010-11	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Total Request	\$3,252	\$0	\$3,252	\$0	\$0	0.0
Vehicle Lease Payments	\$3,252	\$0	\$3,252	\$0	\$0	0.0

Cash Funds Projections:

Cash Fund Name	Cash Fund Number	FY 2007-08 Expenditures	FY 2007-08 End of Year Cash Balance	FY 2008-09 End of Year Cash Balance Estimate	FY 2009-10 End of Year Cash Balance Estimate	FY 2010-11 End of Year Cash Balance Estimate
Geological Survey Cash Fund	171	\$3,707,914	\$569,809	\$569,809	\$569,809	\$569,809

Assumptions for Calculations:

Cost of Lease Payments:

Year 1: Based on FY2007-08 payment for one 2008 extra-small SUV (Jeep Wrangler) of \$271 (payment estimate from State Fleet Management) x 4 months (because new vehicles are usually received in March) = \$1,084. Year 2 and beyond = \$271 x 12 months = \$3,252.

Cost to State Employee:

Average monthly car payment of \$384 x 12 months (1)	\$ 4,608
Insurance (2)	\$ 1,614
Registration/emission fees (3)	\$ 200
Maintenance/Repairs (4)	\$ 370
Fuel (5)	\$ 3,200
Total average annual cost for private vehicle:	\$ 9,992

\$9,992/12,000 average miles per year = \$0.8368 per mile cost

- (1) Source: changecounts.com/average-car-payment-is-384.html, 6/26/08
(an informative website on saving money, investing, and retirement)
- (2) Source: carinsurancequotes.com/colorado-car-insurance.php 6/25/08
- (3) Based on small SUV approximately six years old with initial purchase price of \$23,000
- (4) Based on \$300 per year for tires (assuming tires every two years, \$600 per set for all-terrain), plus two oil changes per year at \$35 each
- (5) Assuming 12,000 miles driven per year @ 15 mpg x \$4.00/gal gas

Impact on Other Government Agencies:

Department of Personnel and Administration.

Cost Benefit Analysis:

The cost impact of paying for one additional vehicle's lease payments is weighed against the cost to reimburse CGS staff for use of their personal vehicles.

Based on the last four fiscal years, CGS vehicles are driven an average of 18,348 miles per year. In FY 2007-08, CGS staff have been reimbursed for approximately 55,834 miles (90.68% 2 wheel drive (2WD), 9.32% 4 wheel drive (4WD)). Assuming the acquisition of an additional field vehicle will reduce the reimbursed miles by 18,348, this will result in a cost reduction of approximately \$3,393. In addition, the 18,348

reimbursed miles also cost staff \$0.3068 per mile (using 2WD rate) which equals \$5,629 savings per year to personal costs incurred by staff.

Total miles reimbursed: 55,834
 90.68% 2WD rate
 9.32% 4WD rate

Average number of miles permanent vehicles driven each year: 18,348

18,348 x 90.68% = 16,637.25 miles x \$0.53 = \$8,817.74
 18,348 x 9.32% = 1,710.75 miles x \$0.56 = \$958.02
 \$9,775.76

Fleet cost reduction (management fee for
 Seasonal vehicle, assume \$23 per month) = 276.00
 Offset by 18,348 x \$0.34 (fleet mileage charge) = (6,238.32)
 Net cost reduction to agency **only**: \$3,813.44
 CGS staff savings: 18,348 x \$0.3068 = \$5,629.17
 Total cost reduction, agency **and** staff = \$9,442.61

Fixed cost for vehicle (\$271 x 12 months) = \$3,252.00

Proposed Action	Estimated Benefit	Estimated Cost	Benefit – Cost Ratio
Add one additional field vehicle	▪ \$3,813 vehicle cost reduction per year for CGS	▪ \$3,252/per full fiscal year	\$3,813/\$3,252 = 1.17 to 1

Implementation Schedule:

Task	Month/Year
Prepare specifications for new vehicle	December 2009
Fleet Management orders new vehicle	January 2010
New vehicle delivered	March, 2010

Statutory and Federal Authority:

Section 34-1-103, C.R.S. (2008) Objectives of survey - duties of state geologist.

1) The Colorado geological survey shall function to provide assistance to and cooperate with the general public, industries, and agencies of state government, including institutions of higher education, in pursuit of the following objectives, the priorities of which shall be determined by mutual consent of the state geologist and the executive director of the department of natural resources.

...

(2) The duties of the state geologist shall be to fulfill the objectives of this part 1 and, together with the employees of the survey, work for the maximum beneficial and most efficient use of the geologic processes for the protection of and economic benefit to the citizens of Colorado.

Section 39-29-109, C.R.S. (2008) Severance tax trust fund - created - administration - use of moneys - repeal.

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

Performance Measures:

CGS believes that this decision item will indirectly support all five agency performance measures. It will allow CGS staff to continue to provide a high level of service to the State of Colorado entities and citizens, and to continue to achieve the benchmarks set by the agency without incurring higher mileage costs or causing CGS staff to take an indirect pay cut. For brevity's sake, only two of the five performance measures are listed that will benefit from this decision item:

<u>Performance Measure:</u>	<u>Outcome</u>	<u>FY 06-07 Actual</u>	<u>FY 07-08 Actual</u>	<u>FY 08-09 Approp.</u>	<u>FY 09-10 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	0.1072	0.10		
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	93.2%	89%		

**Schedule 13
Change Request for FY 2009-10 Budget Request Cycle**

Decision Item FY 2009-10 Base Reduction Item FY 2009-10 Supplemental FY 2008-09 Budget Amendment FY 2009-10

Request Title: Online Water Information

Department: Natural Resources

Priority Number: BR 1 Of 1

Dept. Approval by: *W. J. Lefine*

Date: 10/10/2008

OSPB Approval: *[Signature]*

Date: 10-2-08

	Fund	1	2	3	4	5	6	7	8	9	10
		Prior-Year Actual FY 2007-08	Appropriation FY 2008-09	Supplemental Request FY 2008-09	Total Revised Request FY 2008-09	Base Request FY 2009-10	Decision/ Base Reduction FY 2009-10	November 1 Request FY 2009-10	Budget Amendment FY 2009-10	Total Revised Request FY 2009-10	Change from Base (Column 5) FY 2010-11
Total of All Line Items	Total	21,803,373	20,306,008	0	20,306,008	20,952,080	(84,000)	20,868,080	0	20,868,080	(84,000)
	FTE	252.3	263.6	0.0	263.6	263.4	(2.0)	261.4	0.0	261.4	(2.0)
	GF	20,947,161	19,296,277	0	19,296,277	19,933,271	0	19,933,271	0	19,933,271	0
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	654,599	1,009,731	0	1,009,731	1,018,809	(84,000)	934,809	0	934,809	(84,000)
	CFE/RF	201,613	0	0	0	0	0	0	0	0	0
	FF	0	0	0	0	0	0	0	0	0	0
(8) Division of Water Resources, Personal Services	Total	20,196,954	18,765,529	0	18,765,529	19,408,513	(84,000)	19,324,513	0	19,324,513	(84,000)
	FTE	252.3	263.6	0.0	263.6	263.4	(2.0)	261.4	0.0	261.4	(2.0)
	GF	19,901,530	18,250,306	0	18,250,306	18,884,212	(84,000)	18,800,212	0	18,800,212	(84,000)
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	277,893	515,223	0	515,223	524,301	0	524,301	0	524,301	0
	CFE/RF	17,531	0	0	0	0	0	0	0	0	0
	FF	0	0	0	0	0	0	0	0	0	0
(8) Division of Water Resources, Operating Expenses	Total	1,606,419	1,540,479	0	1,540,479	1,543,567	0	1,543,567	0	1,543,567	0
	FTE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	GF	1,045,631	1,045,971	0	1,045,971	1,049,059	84,000	1,133,059	0	1,133,059	84,000
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	376,706	494,508	0	494,508	494,508	(84,000)	410,508	0	410,508	(84,000)
	CFE/RF	184,082	0	0	0	0	0	0	0	0	0
	FF	0	0	0	0	0	0	0	0	0	0

Non-Line Item Request: None

Letternote Revised Text: None

Cash or Federal Fund Name and COFRS Fund Number: Water Data Bank-Fund #163

Reappropriated Funds Source, by Department and Line Item Name:

Approval by OIT? Yes: No: N/A:

Schedule 13s from Affected Departments:

CHANGE REQUEST for FY 2009-10 BUDGET REQUEST CYCLE

Department:	Department of Natural Resources, Division of Water Resources
Priority Number:	BR 1
Change Request Title:	Online Water Information

SELECT ONE (click on box):

- Decision Item FY 2009-10
- Base Reduction Item FY 2009-10
- Supplemental Request FY 2008-09
- Budget Request Amendment FY 2009-10

SELECT ONE (click on box):

Supplemental or Budget Request Amendment Criterion:

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

Short Summary of Request:

This request is to make all Division of Water Resources' water records information available to the public via the Internet, enabling more efficient access to electronic databases and historic documents. This approach could potentially reduce fee revenue received by the Division for sales of water data; the Division assumes loss of fee revenue to fund \$84,000 in operating expenses. This loss in revenue approximates the cost of two FTE paid by General Funds (based upon existing DWR employees who provide information to the public).

Background and Appropriation History:

The State Engineer's office acts as the only archive for water rights and well permits in the State of Colorado. Many of the documents held by the Division date back to the 1800's. These historic documents are vital to the citizens of Colorado and the value of property (specifically water rights).

The Division of Water Resources' Records Department provides a variety of records to the public, many of which are available to view free online. Examples of some, but not all, of these data tools are as follows:

- Decision Support Systems
 - Historic, real-time and administrative water resources data
 - Satellite Monitoring Streamflow Stations (849 gages, 425 are State of Colorado owned and operated)
 - Active and historic calls by Division
 - Climate stations
 - Evaporation, temperatures, precipitation, snow depth data
 - Groundwater data
 - Structures
 - Diversion records (1975- current)
 - Irrigated lands
 - Water rights
 - Models to simulate surface and ground water and consumptive use
 - Tools to view and manipulate real-time and historic data
- Arkansas River Daily Report
- Geographic Information System
 - Maps of aquifers, designated basins, irrigated acres, lakes and rivers
- Dam Safety
 - Emergency preparedness information
 - Applications and forms
 - Rules and regulations
- Ground Water
 - Application forms
 - Rules and Regulations

As evidence for how popular the online tools are with the public for accessing water information, in **May of 2008** there were approximately **400,000** data requests on the web for Satellite Monitoring System data and over **10,000** visits to our other online tools. Data requests for the Satellite Monitoring System are critical for the Division of Water Resources' personnel to administer water and are utilized daily. This information is also

pertinent to external water users, lawyer, engineers, and government agencies. Other online tools such as the Decision Support Systems are primarily used by external users.

One of our most utilized databases for answering public questions and requests is our well applications system, housing approximately 440,000 records. However, this database is *not yet available on the Internet*. Instead, information in this database can only be accessed via terminals in select Division of Water Resources' Offices.

In addition to our data tools, there are also over 1.3 million scanned documents, or images, currently available in our imaging system. Unfortunately, none of these images are currently *accessible to the public through the Internet*. This information is available in the Records Department of the State Engineer's Office in Denver, Colorado where customers are able to use public access computer terminals to search and view historical documents, data, and records; printing copies of this information are calculated on a per-copy basis (\$0.50 per page). Documents that have been imaged include:

- Historic Published Abandonment Lists
- Consent Maps
- Diversion Records
 - Historic full sets (post 1975 currently available online)
- Geophysical logs
- Livestock Water Tanks and Erosion Control Permits
- Map and Filing Statements
- Historic Published Official Tabulations
- Pre-SB212 Worksheets
- Straight Line Diagrams
- Subdivisions
- Water Court Decrees
- Well Permit Information

General Description of Request:

As mentioned above, the Division of Water Resources houses millions of documents which authenticate the historic administration of water in Colorado. All of these documents are valuable reference materials needed by water users, developers, water right owners, water engineers, and attorneys. Current FTE in the Division of Water Resources' Records Department are the basis for customer assistance in regards to water information research. Their duties include, but are not limited to, the following:

- Instructing and assisting customers on electronic retrieval methods;
- Interpreting data;
- Serving as educators to the public;
- Greeting and assisting customers and fellow Division of Water Resources staff through the reception desk in person, by email and on the telephone information line;
- Daily mail processing;
- Document prepping; and
- Scanning, filing, and filling orders.

On average, employees who typically deal with the public assist approximately 220 visitors monthly in person and receive and process approximately 45,500 pieces of mail. Providing water records online negates the need for two FTE who typically work with the public in person. The request to make all Division of Water Resources' records available online will improve customer service by:

- Establishing web access to documents to provide customers off site retrieval; and
- Allowing Division employees, water lawyers, and the interested public an option to access water information and avoid traveling and parking in and around Division of Water Resources' offices.

Currently, there are 32 employees in the Division of Water Resources who provide water information to the public (eight FTE from the Denver office). The request to eliminate two FTE who work directly with the public *will not* result in a reduction of customer service. Further, the Division of Water Resources anticipates that making water information available on the Internet will improve customer satisfaction and enhance the

ways by which the Division is able to provide service the public. The public will still be able to access Division of Water Resources' employees through a variety of methods such as the telephone, electronic mail, regular mail, the Internet, or in person.

The Division of Water Resources is requesting to backfill the lost revenue with General Funds to pay Operating Expenses which will still be incurred for the collection, analysis, and recording of water information that will be provided to the public. The majority of this information was already scanned (part of a three year imaging project finalized in FY 2004-05) and is available to the public thorough a database located at the Division of Water Resources' Denver office. New information continues to be scanned and maintained on a daily basis by existing staff. This information is only available to the public via public computer terminals located in Denver and each of our Division offices and is not yet available to the public online via the Internet. The transition to the Internet will be accomplished with existing resources. Specifically, technical staff will remove the password protection that is set up on the public facing Weblink and then add links from the Division of Water Resources' main web site to the imaging system. The Division of Water Resources believes that there are an adequate number of software licenses available to make the images available to the public.

Consequences if Not Funded:

The Division will be unable to provide water records information online via the Internet to public users; this significantly decreases the Division's ability to provide adequate customer service.

The Division would maintain two FTE paid by General Funds (based upon existing DWR employees who provide information to the public).

Calculations for Request:

Summary of Request FY 2009-10	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Total Request	(\$84,000)	\$0	(\$84,000)	\$0	\$0	(2.0)
Personal Services	(\$84,000)	(\$84,000)	\$0	\$0	\$0	(2.0)
Operating Expenses	\$0	\$84,000	(\$84,000)	\$0	\$0	

Summary of Request FY 2010-11	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Total Request	(\$84,000)	\$0	(\$84,000)	\$0	\$0	(2.0)
Personal Services	(\$84,000)	(\$84,000)	\$0	\$0	\$0	(2.0)
Operating Expenses	\$0	\$84,000	(\$84,000)	\$0	\$0	

Cash Funds Projections:

Not applicable.

Assumptions for Calculations:

Actual revenue received from the sale of water data and information in FY 2007-08 was \$104,424.

If this request is granted, the Division of Water Resources projects an approximate 80% loss of revenue, or \$84,000. Further, the Division of Water Resources projects 20% of existing revenue will be maintained due to some clients who will wish to rely exclusively on the Division's records staff to obtain water information and data. The revenue loss projections are based upon estimates from the Records Department in the Denver Office.

The loss of \$84,000 in revenue to finance operating costs will be addressed by transferring spending authority of \$84,000 in General Funds from the personal services budget to the operating budget. This is necessary because Water Commissioners and other staff must collect, analyze, and record water information that will be provided to the public, which requires mileage expenses. Further, office equipment, telecommunication support, hand tools, personal safety equipment, and field equipment (in some cases specialized hydrography and/or well measurement equipment) are needed to maintain operations in the Division of Water Resources' seven water divisions across the State of Colorado.

If this request is granted, Operating Expenses will not change.

Salary based upon existing Division of Water Resources' employees who provide information to the public. The Division of Water Resources will most likely eliminate a Technician II position and a Technician III position. The current cost of the most likely candidates is:

Salary:

Technician II	\$2,903/ month
<u>Technician III</u>	<u>\$3,377/ month</u>
Total	\$6,280/ month

Medicare @ 1.45%	\$91/ month
PERA @ 10.15%	\$637/ month

Total cost \$7,008/month x 12 months = \$84,096.

The specific positions to be eliminated have not been finally determined and are best estimates; therefore, a calculated difference of \$96 difference between projected lost revenue and projected personnel savings is considered immaterial.

The Division of Water Resources plans to reduce the FTE throughout the State and not concentrate the reductions in one office.

Impact on Other Government Agencies: Not applicable.

Cost Benefit Analysis:

The request will result in an overall reduction in personnel cost to provide information to the public. Specifically, there is a net reduction of two FTE who typically offer customer service to the public. Although not quantified here, the Division of Water Resources believes the public will benefit from the availability of additional water-related information available via the Internet as well as the reduced costs associated with obtaining such information. The Division of Water Resources estimates that the public will pay \$84,000 less for retrieval of water information, currently not posted on the Internet.

As mentioned previously, the loss of \$84,000 in revenue to finance operating costs will be addressed by transferring spending authority of \$84,000 in General Funds from the personal services budget to the operating budget. Therefore, there will be no net change to the operating budget.

Implementation Schedule:

Task	Month/Year
Internal Research/Planning Period	April 1, 2009
Existing Staff Trained	April 9, 2009
System Modifications Made	June 9, 2009
Eliminate 2.0 FTE	July 1, 2009
Start-Up Date	July 1, 2009

Statutory and Federal Authority:

24-72-201. C.R.S. (2008). Legislative declaration.

It is declared to be the public policy of this state that all public records shall be open for inspection by any person at reasonable times, except as provided in this part 2 or as otherwise specifically provided by law.

37-80-102(1) (f). C.R.S. (2008). General duties of the state engineer- supervision and utilization of employees- satellite monitoring system.

(1) The state engineer shall be the executive officer in charge of supervising the work of all division engineers and may direct them as to their supervision of all employees of the state responsible to them. He has executive responsibility and authority with respect to:
(f) The keeping and preparation of records and investigations as related to carrying out the functions of the division of water resources, including water well licensing.

Performance Measures:

DWR	Outcome	FY 06-07	FY 07-08	FY 08-09	FY 09-10
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<u>Performance Measure: Public Information and Assistance</u>		<u>Actual</u>	<u>Actual</u>	<u>Approp.</u>	<u>Request</u>
DWR 3: System Downtime	Benchmark	<0.5%	<0.5%	<0.5%	<0.5%
	Actual	<0.2%	<0.2%	Unknown	Unknown
DWR 4: Overall Customer Satisfaction	Benchmark	4.5	4.5	4.5	4.5
	Actual	4.2	4.3	Unknown	Unknown
<p>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.</p> <p>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.</p> <p>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").</p>					

*The Division of Water Resources projects this decision item will produce a gain in overall customer satisfaction. This gain in satisfaction is estimated to be from the availability of all water documents on the Internet.

Schedule 13
Change Request for FY 2009-10 Budget Request Cycle

Decision Item FY 2009-10 <input checked="" type="checkbox"/>		Base Reduction Item FY 2009-10			Supplemental FY 2008-09			Budget Amendment FY 2009-10 <input type="checkbox"/>			
Request Title: Postage Increase and Mail Equipment Upgrade											
Department: Natural Resources					Dept. Approval by: <i>Will D. Levine</i>			Date: 10/23/2008			
Priority Number: Non-Prioritized Statewide Decision Item					OSP Approval: <i>Inu 26</i>			Date: 10-24-08			
	Fund	1 Prior-Year Actual FY 2007-08	2 Appropriation FY 2008-09	3 Supplemental Request FY 2008-09	4 Total Revised Request FY 2008-09	5 Base Request FY 2009-10	6 Decision/ Base Reduction FY 2009-10	7 November 1 Request FY 2009-10	8 Budget Amendment FY 2009-10	9 Total Revised Request FY 2009-10	10 Change from Base (Column 5) FY 2010-11
Total of All Line Items	Total	127,864,633	124,840,367	0	124,840,367	127,217,522	96,396	127,313,918	0	127,313,918	0
	FTE	1,046.5	1,116.5	0.0	1,116.5	1,131.3	0.0	1,131.3	0.0	1,131.3	0.0
	GF	7,176,909	6,829,139	0	6,829,139	7,061,898	12,127	7,074,025	0	7,074,025	0
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	29,567,401	102,142,494	0	102,021,768	104,104,878	82,833	104,187,711	0	104,187,711	0
	CFE/RF	74,953,105	998,595	0	998,595	998,595	670	999,265	0	999,265	0
	FF	16,167,218	14,870,139	0	14,990,865	15,052,151	766	15,052,917	0	15,052,917	0
(1) Executive Director's Office, Operating Expenses	Total	1,253,963	1,261,883	0	1,261,883	1,261,883	670	1,262,553	0	1,262,553	0
	FTE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	GF	0	0	0	0	0	0	0	0	0	0
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	308,730	1,060,977	0	1,060,977	1,060,977	0	1,060,977	0	1,060,977	0
	CFE/RF	939,896	195,569	0	195,569	195,569	670	196,239	0	196,239	0
	FF	5,337	5,337	0	5,337	5,337	0	5,337	0	5,337	0
(2) Division of Reclamation, Mining, and Safety; (A) Coal Land Reclamation -- Program Costs	Total	2,239,473	2,116,618	0	2,116,618	2,180,955	573	2,181,528	0	2,181,528	0
	FTE	19.3	23.0	0.0	23.0	23.0	0.0	23.0	0.0	23.0	0.0
	GF	0	0	0	0	0	0	0	0	0	0
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	609,705	444,490	0	444,490	457,407	120	457,527	0	457,527	0
	CFE/RF	0	0	0	0	0	0	0	0	0	0
	FF	1,629,768	1,672,128	0	1,672,128	1,723,548	453	1,724,001	0	1,724,001	0
(2) Division of Reclamation, Mining, and Safety; (B) Inactive Mines -- Program Costs	Total	816,078	1,828,220	0	1,828,220	1,828,220	313	1,828,533	0	1,828,533	0
	FTE	5.6	18.4	0.0	18.4	18.4	0.0	18.4	0.0	18.4	0.0
	GF	0	0	0	0	0	0	0	0	0	0
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	81,389	500,766	0	500,766	500,766	0	500,766	0	500,766	0
	CFE/RF	0	0	0	0	0	0	0	0	0	0
	FF	734,689	1,327,454	0	1,327,454	1,327,454	313	1,327,767	0	1,327,767	0
(2) Division of Reclamation, Mining, and Safety; (C) Minerals - Program Costs	Total	2,256,850	2,168,393	0	2,168,393	2,214,773	1,402	2,216,175	0	2,216,175	0
	FTE	18.8	24.3	0.0	24.3	24.1	0.0	24.1	0.0	24.1	0.0
	GF	0	0	0	0	0	0	0	0	0	0
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	2,153,503	2,168,393	0	2,168,393	2,214,773	1,402	2,216,175	0	2,216,175	0
	CFE/RF	103,347	0	0	0	0	0	0	0	0	0
	FF	0	0	0	0	0	0	0	0	0	0

Schedule 13
Change Request for FY 2009-10 Budget Request Cycle

Decision Item FY 2009-10 **Base Reduction Item FY 2009-10** **Supplemental FY 2008-09** **Budget Amendment FY 2009-10**

Request Title: Postage Increase and Mail Equipment Upgrade
Department: Natural Resources **Dept. Approval by:**
Priority Number: Non-Prioritized Statewide Decision Item **OSPB Approval:** **Date:**

	Fund	1	2	3	4	5	6	7	8	9	10
		Prior-Year Actual FY 2007-08	Appropriation FY 2008-09	Supplemental Request FY 2008-09	Total Revised Request FY 2008-09	Base Request FY 2009-10	Decision/Base Reduction FY 2009-10	November 1 Request FY 2009-10	Budget Amendment FY 2009-10	Total Revised Request FY 2009-10	Change from Base (Column 5) FY 2010-11
(2) Division of Reclamation, Mining, and Safety; (D) Mines Program -- Colorado and Federal Mine Safety Program	Total	614,503	506,082	0	506,082	520,516	130	520,646	0	520,646	0
	FTE	5.0	5.0	0.0	5.0	5.0	0.0	5.0	0.0	5.0	0.0
	GF	0	0	0	0	0	0	0	0	0	0
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	333,838	310,123	0	310,123	325,159	130	325,289	0	325,289	0
	CFE/RF	0	0	0	0	0	0	0	0	0	0
FF	280,665	195,959	0	195,959	195,357	0	195,357	0	195,357	0	
(3) Geological Survey -- Environmental Geology and Geological Hazards Program	Total	1,722,478	2,503,406	0	2,503,406	2,552,845	809	2,553,654	0	2,553,654	0
	FTE	13.8	17.2	0.0	17.2	17.2	0.0	17.2	0.0	17.2	0.0
	GF	0	0	0	0	0	0	0	0	0	0
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	1,298,770	1,447,167	0	1,447,167	1,493,636	809	1,494,445	0	1,494,445	0
	CFE/RF	304,401	456,429	0	456,429	456,429	0	456,429	0	456,429	0
FF	119,307	599,810	0	599,810	602,780	0	602,780	0	602,780	0	
(3) Geological Survey -- Mineral Resources and Mapping	Total	1,276,741	1,433,326	0	1,433,326	1,462,058	1,331	1,463,389	0	1,463,389	0
	FTE	8.5	10.5	0.0	10.5	10.5	0.0	10.5	0.0	10.5	0.0
	GF	0	0	0	0	0	0	0	0	0	0
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	1,051,638	1,112,655	0	1,112,655	1,135,237	1,331	1,136,568	0	1,136,568	0
	CFE/RF	0	0	0	0	0	0	0	0	0	0
FF	225,103	320,671	0	320,671	326,821	0	326,821	0	326,821	0	
(3) Geological Survey - Colorado Avalanche Information Center	Total	633,669	639,603	0	639,603	655,578	112	655,690	0	655,690	0
	FTE	7.3	7.7	0.0	7.7	7.7	0.0	7.7	0.0	7.7	0.0
	GF	0	0	0	0	0	0	0	0	0	0
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	224,514	268,421	0	268,421	284,590	112	284,702	0	284,702	0
	CFE/RF	402,466	346,597	0	346,597	346,597	0	346,597	0	346,597	0
FF	6,689	24,585	0	24,585	24,391	0	24,391	0	24,391	0	
(4) Oil and Gas Conservation Commission -- Program Costs	Total	5,317,223	6,355,411	0	6,355,411	5,522,245	1,703	5,523,948	0	5,523,948	0
	FTE	51.0	74.0	0.0	74.0	74.0	0.0	74.0	0.0	74.0	0.0
	GF	0	0	0	0	0	0	0	0	0	0
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	4,619,032	6,355,411	0	6,355,411	5,522,245	1,703	5,523,948	0	5,523,948	0
	CFE/RF	698,191	0	0	0	0	0	0	0	0	0
FF	0	0	0	0	0	0	0	0	0	0	

Schedule 13
Change Request for FY 2009-10 Budget Request Cycle

Decision Item FY 2009-10 **Base Reduction Item FY 2009-10** **Supplemental FY 2008-09** **Budget Amendment FY 2009-10**

Request Title: Postage Increase and Mail Equipment Upgrade
Department: Natural Resources **Dept. Approval by:**
Priority Number: Non-Prioritized Statewide Decision Item **OSPb Approval:** **Date:**

	Fund	1	2	3	4	5	6	7	8	9	10
		Prior-Year Actual FY 2007-08	Appropriation FY 2008-09	Supplemental Request FY 2008-09	Total Revised Request FY 2008-09	Base Request FY 2009-10	Decision/Base Reduction FY 2009-10	November 1 Request FY 2009-10	Budget Amendment FY 2009-10	Total Revised Request FY 2009-10	Change from Base (Column 5) FY 2010-11
(5) State Board of Land Commissioners -- Program Costs	Total	3,827,812	3,715,851	0	3,715,851	3,831,614	1,545	3,833,159	0	3,833,159	0
	FTE	29.0	38.0	0.0	38.0	38.0	0.0	38.0	0.0	38.0	0.0
	GF	0	0	0	0	0	0	0	0	0	0
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	909,892	3,715,851	0	3,715,851	3,831,614	1,545	3,833,159	0	3,833,159	0
	CFE/RF	2,917,920	0	0	0	0	0	0	0	0	0
	FF	0	0	0	0	0	0	0	0	0	0
(6) Parks and Outdoor Recreation; (A) State Park Operations	Total	25,246,574	25,810,590	0	25,810,590	26,574,732	36,290	26,611,022	0	26,611,022	0
	FTE	248.3	260.7	0.0	260.7	260.7	0.0	260.7	0.0	260.7	0.0
	GF	6,131,278	5,783,168	0	5,783,168	6,012,839	8,540	6,021,379	0	6,021,379	0
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	16,231,323	19,582,033	0	19,582,033	20,116,504	27,750	20,144,254	0	20,144,254	0
	CFE/RF	2,530,470	0	0	0	0	0	0	0	0	0
	FF	353,503	445,389	0	445,389	445,389	0	445,389	0	445,389	0
(6) Parks and Outdoor Recreation; (B) Special Purpose -- Snowmobile Program	Total	997,958	1,003,878	0	1,003,878	1,003,878	3,123	1,007,001	0	1,007,001	0
	FTE	0.2	1.3	0.0	1.3	1.3	0.0	1.3	0.0	1.3	0.0
	GF	0	0	0	0	0	0	0	0	0	0
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	997,958	1,003,878	0	1,003,878	1,003,878	3,123	1,007,001	0	1,007,001	0
	CFE/RF	0	0	0	0	0	0	0	0	0	0
	FF	0	0	0	0	0	0	0	0	0	0
(6) Parks and Outdoor Recreation; (C) Special Purpose -- Off-Highway Vehicle Program	Total	370,403	379,124	0	379,124	396,836	5,388	402,224	0	402,224	0
	FTE	3.0	3.0	0.0	3.0	3.0	0.0	3.0	0.0	3.0	0.0
	GF	0	0	0	0	0	0	0	0	0	0
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	370,403	379,124	0	379,124	396,836	5,388	402,224	0	402,224	0
	CFE/RF	0	0	0	0	0	0	0	0	0	0
	FF	0	0	0	0	0	0	0	0	0	0
(7) Colorado Water Conservation Board -- Operating Expenses	Total	89,569	100,027	0	100,027	96,572	670	97,242	0	97,242	0
	FTE	0.0	0.0	0.0	0.0	38.0	0.0	38.0	0.0	38.0	0.0
	GF	0	0	0	0	0	0	0	0	0	0
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	0	100,027	0	100,027	96,572	670	97,242	0	97,242	0
	CFE/RF	89,569	0	0	0	0	0	0	0	0	0
	FF	0	0	0	0	0	0	0	0	0	0

**Schedule 13
Change Request for FY 2009-10 Budget Request Cycle**

Decision Item FY 2009-10 **Base Reduction Item FY 2009-10** **Supplemental FY 2008-09** **Budget Amendment FY 2009-10**

Request Title: Postage Increase and Mail Equipment Upgrade
Department: Natural Resources **Dept. Approval by:**
Priority Number: Non-Prioritized Statewide Decision Item **OSPb Approval:** **Date:**

	Fund	1	2	3	4	5	6	7	8	9	10
		Prior-Year Actual FY 2007-08	Appropriation FY 2008-09	Supplemental Request FY 2008-09	Total Revised Request FY 2008-09	Base Request FY 2009-10	Decision/Base Reduction FY 2009-10	November 1 Request FY 2009-10	Budget Amendment FY 2009-10	Total Revised Request FY 2009-10	Change from Base (Column 5) FY 2010-11
(8) Division of Water Resources -- Operating Expenses	Total	1,606,419	1,540,479	0	1,540,479	1,543,567	3,587	1,547,154	0	1,547,154	0
	FTE	0.0	0.0	0.0	0.0	38.0	0.0	38.0	0.0	38.0	0.0
	GF	1,045,631	1,045,971	0	1,045,971	1,049,059	3,587	1,052,646	0	1,052,646	0
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	376,706	494,508	0	494,508	494,508	0	494,508	0	494,508	0
	CFE/RF	184,082	0	0	0	0	0	0	0	0	0
	FF	0	0	0	0	0	0	0	0	0	0
(9) Division of Wildlife; (A) Division Operations - (1) Director's Office	Total	1,795,868	2,048,629	0	2,048,629	2,120,777	2,176	2,122,953	0	2,122,953	0
	FTE	14.8	18.0	0.0	18.0	18.0	0.0	18.0	0.0	18.0	0.0
	GF	0	0	0	0	0	0	0	0	0	0
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	0	2,048,629	0	1,927,903	2,000,521	2,176	2,002,697	0	2,002,697	0
	CFE/RF	1,645,390	0	0	0	0	0	0	0	0	0
	FF	150,478	0	0	120,726	120,256	0	120,256	0	120,256	0
(9) Division of Wildlife; (A) Division Operations - (2) Wildlife Management	Total	71,390,286	64,911,962	0	64,911,962	66,749,425	20,540	66,769,965	0	66,769,965	0
	FTE	565.7	554.4	0.0	554.4	554.4	0.0	554.4	0.0	554.4	0.0
	GF	0	0	0	0	0	0	0	0	0	0
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	0	54,651,146	0	54,651,146	56,483,998	20,540	56,504,538	0	56,504,538	0
	CFE/RF	58,753,576	0	0	0	0	0	0	0	0	0
	FF	12,636,710	10,260,816	0	10,260,816	10,265,427	0	10,265,427	0	10,265,427	0
(9) Division of Wildlife; (A) Division Operations - (3) Technical Services	Total	6,408,766	6,516,885	0	6,516,885	6,701,048	16,034	6,717,082	0	6,717,082	0
	FTE	56.2	61.0	0.0	61.0	0.0	0.0	0.0	0.0	0.0	0.0
	GF	0	0	0	0	0	0	0	0	0	0
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	0	6,498,895	0	6,498,895	6,685,657	16,034	6,701,691	0	6,701,691	0
	CFE/RF	6,383,797	0	0	0	0	0	0	0	0	0
	FF	24,969	17,990	0	17,990	15,391	0	15,391	0	15,391	0

Non-Line Item Request: None
Letternote Revised Text: None
Cash or Federal Fund Name and COFRS Fund Number: Various sources of cash and federal funds
Reappropriated Funds Source, by Department and Line Item Name: Indirect cost recoveries
Approval by OIT? Yes: No: N/A:
Schedule 13s from Affected Departments:

Schedule 13
Change Request for FY 2009-10 Budget Request Cycle

Decision Item FY 2009-10 <input checked="" type="checkbox"/>	Base Reduction Item FY 2009-10	Supplemental FY 2008-09	Budget Amendment FY 2009-10 <input type="checkbox"/>
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Request Title: Statewide Fleet Operating
 Department: Natural Resources
 Priority Number: Non-Prioritized Statewide Decision Item

Dept. Approval by: *Will: D. Levine* Date: 10/23/2008
 OSPB Approval: *JM 11/3* Date: 10-24-08

	Fund	1	2	3	4	5	6	7	8	9	10
		Prior-Year Actual FY 2007-08	Appropriation FY 2008-09	Supplemental Request FY 2008-09	Total Revised Request FY 2008-09	Base Request FY 2009-10	Decision/ Base Reduction FY 2009-10	November 1 Request FY 2009-10	Budget Amendment FY 2009-10	Total Revised Request FY 2009-10	Change from Base (Column 5) FY 2010-11
Total of All Line Items	Total	126,368,318	123,016,053	0	123,016,053	125,409,193	1,545,396	126,954,589	0	126,954,589	1,545,396
	FTE	1,083.7	1,112.0	0.0	1,112.0	1,108.8	0.0	1,108.8	0.0	1,108.8	0.0
	GF	7,176,909	6,829,139	0	6,829,139	7,061,898	318,831	7,380,729	0	7,380,729	318,831
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	26,614,158	101,210,939	0	101,090,213	103,195,264	1,202,233	104,397,497	0	104,397,497	1,202,233
	CFE/RF	76,647,162	456,429	0	456,429	456,429	4,030	460,459	0	460,459	4,030
	FF	15,930,089	14,519,546	0	14,640,272	14,695,602	20,302	14,715,904	0	14,715,904	20,302
(2) Division of Reclamation, Mining, and Safety; (A) Coal Land Reclamation -- Program Costs	Total	2,239,473	2,116,618	0	2,116,618	2,180,955	7,946	2,188,901	0	2,188,901	7,946
	FTE	19.3	23.0	0.0	23.0	23.0	0.0	23.0	0.0	23.0	0.0
	GF	0	0	0	0	0	0	0	0	0	0
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	609,705	444,490	0	444,490	457,407	1,669	459,076	0	459,076	1,669
	CFE/RF	0	0	0	0	0	0	0	0	0	0
	FF	1,629,768	1,672,128	0	1,672,128	1,723,548	6,277	1,729,825	0	1,729,825	6,277
(2) Division of Reclamation, Mining, and Safety; (B) Inactive Mines -- Program Costs	Total	816,078	1,828,220	0	1,828,220	1,828,220	14,025	1,842,245	0	1,842,245	14,025
	FTE	5.6	18.4	0.0	18.4	18.4	0.0	18.4	0.0	18.4	0.0
	GF	0	0	0	0	0	0	0	0	0	0
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	81,389	500,766	0	500,766	500,766	0	500,766	0	500,766	0
	CFE/RF	0	0	0	0	0	0	0	0	0	0
	FF	734,689	1,327,454	0	1,327,454	1,327,454	14,025	1,341,479	0	1,341,479	14,025
(2) Division of Reclamation, Mining, and Safety; (C) Minerals - Program Costs	Total	2,256,850	2,168,393	0	2,168,393	2,214,773	8,791	2,223,564	0	2,223,564	8,791
	FTE	18.8	24.3	0.0	24.3	24.1	0.0	24.1	0.0	24.1	0.0
	GF	0	0	0	0	0	0	0	0	0	0
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	2,153,503	2,168,393	0	2,168,393	2,214,773	8,791	2,223,564	0	2,223,564	8,791
	CFE/RF	103,347	0	0	0	0	0	0	0	0	0
	FF	0	0	0	0	0	0	0	0	0	0
(2) Division of Reclamation, Mining, and Safety; (D) Mines Program -- Colorado and Federal Mine Safety Program	Total	614,503	506,082	0	506,082	520,516	7,286	527,802	0	527,802	7,286
	FTE	5.0	5.0	0.0	5.0	5.0	0.0	5.0	0.0	5.0	0.0
	GF	0	0	0	0	0	0	0	0	0	0
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	333,838	310,123	0	310,123	325,159	7,286	332,445	0	332,445	7,286
	CFE/RF	0	0	0	0	0	0	0	0	0	0
	FF	280,665	195,959	0	195,959	195,357	0	195,357	0	195,357	0

Schedule 13
Change Request for FY 2009-10 Budget Request Cycle

Decision Item FY 2009-10 Base Reduction Item FY 2009-10 Supplemental FY 2008-09 Budget Amendment FY 2009-10

Request Title: Statewide Fleet Operating
 Department: Natural Resources Dept. Approval by: _____ Date: _____
 Priority Number: Non-Prioritized Statewide Decision Item OSPB Approval: _____ Date: _____

	Fund	1	2	3	4	5	6	7	8	9	10
		Prior-Year Actual FY 2007-08	Appropriation FY 2008-09	Supplemental Request FY 2008-09	Total Revised Request FY 2008-09	Base Request FY 2009-10	Decision/Base Reduction FY 2009-10	November 1 Request FY 2009-10	Budget Amendment FY 2009-10	Total Revised Request FY 2009-10	Change from Base (Column 5) FY 2010-11
(3) Geological Survey -- Environmental Geology and Geological Hazards Program	Total	1,722,478	2,503,406	0	2,503,406	2,552,845	12,101	2,564,946	0	2,564,946	12,101
	FTE	13.8	17.2	0.0	17.2	17.2	0.0	17.2	0.0	17.2	0.0
	GF	0	0	0	0	0	0	0	0	0	0
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	1,298,770	1,447,167	0	1,447,167	1,493,636	8,071	1,501,707	0	1,501,707	8,071
	CFE/RF	304,401	456,429	0	456,429	456,429	4,030	460,459	0	460,459	4,030
FF	119,307	599,810	0	599,810	602,780	0	602,780	0	602,780	0	
(4) Oil and Gas Conservation Commission -- Program Costs	Total	5,317,223	6,355,411	0	6,355,411	5,522,245	34,245	5,556,490	0	5,556,490	34,245
	FTE	51.0	74.0	0.0	74.0	74.0	0.0	74.0	0.0	74.0	0.0
	GF	0	0	0	0	0	0	0	0	0	0
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	4,619,032	6,355,411	0	6,355,411	5,522,245	34,245	5,556,490	0	5,556,490	34,245
	CFE/RF	698,191	0	0	0	0	0	0	0	0	0
FF	0	0	0	0	0	0	0	0	0	0	
(5) State Board of Land Commissioners -- Program Costs	Total	3,827,812	3,715,851	0	3,715,851	3,831,614	11,214	3,842,828	0	3,842,828	11,214
	FTE	29.0	38.0	0.0	38.0	38.0	0.0	38.0	0.0	38.0	0.0
	GF	0	0	0	0	0	0	0	0	0	0
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	909,892	3,715,851	0	3,715,851	3,831,614	11,214	3,842,828	0	3,842,828	11,214
	CFE/RF	2,917,920	0	0	0	0	0	0	0	0	0
FF	0	0	0	0	0	0	0	0	0	0	
(6) Parks and Outdoor Recreation; (A) State Park Operations	Total	25,246,574	25,810,590	0	25,810,590	26,574,732	250,416	26,825,148	0	26,825,148	250,416
	FTE	248.3	260.7	0.0	260.7	260.7	0.0	260.7	0.0	260.7	0.0
	GF	6,131,278	5,783,168	0	5,783,168	6,012,839	58,926	6,071,765	0	6,071,765	58,926
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	16,231,323	19,582,033	0	19,582,033	20,116,504	191,490	20,307,994	0	20,307,994	191,490
	CFE/RF	2,530,470	0	0	0	0	0	0	0	0	0
FF	353,503	445,389	0	445,389	445,389	0	445,389	0	445,389	0	
(7) Colorado Water Conservation Board -- Operating Expenses	Total	89,569	100,027	0	100,027	96,572	5,666	102,238	0	102,238	5,666
	FTE	0.0	0.0	0.0	0.0	38.0	0.0	38.0	0.0	38.0	0.0
	GF	0	0	0	0	0	0	0	0	0	0
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	0	100,027	0	100,027	96,572	5,666	102,238	0	102,238	5,666
	CFE/RF	89,569	0	0	0	0	0	0	0	0	0
FF	0	0	0	0	0	0	0	0	0	0	

Schedule 13
Change Request for FY 2009-10 Budget Request Cycle

Decision Item FY 2009-10 Base Reduction Item FY 2009-10 Supplemental FY 2008-09 Budget Amendment FY 2009-10

Request Title: Statewide Fleet Operating
 Department: Natural Resources Dept. Approval by: Date:
 Priority Number: Non-Prioritized Statewide Decision Item OSPB Approval: Date:

	Fund	1	2	3	4	5	6	7	8	9	10
		Prior-Year Actual FY 2007-08	Appropriation FY 2008-09	Supplemental Request FY 2008-09	Total Revised Request FY 2008-09	Base Request FY 2009-10	Decision/Base Reduction FY 2009-10	November 1 Request FY 2009-10	Budget Amendment FY 2009-10	Total Revised Request FY 2009-10	Change from Base (Column 5) FY 2010-11
(8) Division of Water Resources -- Operating Expenses	Total	1,606,419	1,540,479	0	1,540,479	1,543,567	259,905	1,803,472	0	1,803,472	259,905
	FTE	0.0	0.0	0.0	0.0	38.0	0.0	38.0	0.0	38.0	0.0
	GF	1,045,631	1,045,971	0	1,045,971	1,049,059	259,905	1,308,964	0	1,308,964	259,905
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	376,706	494,508	0	494,508	494,508	0	494,508	0	494,508	0
	CFE/RF	184,082	0	0	0	0	0	0	0	0	0
	FF	0	0	0	0	0	0	0	0	0	0
(9) Division of Wildlife; (A) Division Operations -- (1) Director's Office	Total	1,795,868	2,048,629	0	2,048,629	2,120,777	2,103	2,122,880	0	2,122,880	2,103
	FTE	14.8	18.0	0.0	18.0	18.0	0.0	18.0	0.0	18.0	0.0
	GF	0	0	0	0	0	0	0	0	0	0
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	0	2,048,629	0	1,927,903	2,000,521	2,103	2,002,624	0	2,002,624	2,103
	CFE/RF	1,645,390	0	0	0	0	0	0	0	0	0
	FF	150,478	0	0	120,726	120,256	0	120,256	0	120,256	0
(9) Division of Wildlife; (A) Division Operations -- (2) Wildlife Management	Total	71,390,286	64,911,962	0	64,911,962	66,749,425	908,657	67,658,082	0	67,658,082	908,657
	FTE	565.7	554.4	0.0	554.4	554.4	0.0	554.4	0.0	554.4	0.0
	GF	0	0	0	0	0	0	0	0	0	0
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	0	54,651,146	0	54,651,146	56,483,998	908,657	57,392,655	0	57,392,655	908,657
	CFE/RF	58,753,576	0	0	0	0	0	0	0	0	0
	FF	12,636,710	10,260,816	0	10,260,816	10,265,427	0	10,265,427	0	10,265,427	0
(9) Division of Wildlife; (A) Division Operations -- (3) Technical Services	Total	6,408,766	6,516,885	0	6,516,885	6,701,048	17,577	6,718,625	0	6,718,625	17,577
	FTE	56.2	61.0	0.0	61.0	0.0	0.0	0.0	0.0	0.0	0.0
	GF	0	0	0	0	0	0	0	0	0	0
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	0	6,498,895	0	6,498,895	6,685,657	17,577	6,703,234	0	6,703,234	17,577
	CFE/RF	6,383,797	0	0	0	0	0	0	0	0	0
	FF	24,969	17,990	0	17,990	15,391	0	15,391	0	15,391	0
(9) Division of Wildlife; (A) Division Operations -- (4) Information Technology	Total	3,036,419	2,893,500	0	2,893,500	2,971,904	5,464	2,977,368	0	2,977,368	5,464
	FTE	56.2	18.0	0.0	18.0	0.0	0.0	0.0	0.0	0.0	0.0
	GF	0	0	0	0	0	0	0	0	0	0
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	0	2,893,500	0	2,893,500	2,971,904	5,464	2,977,368	0	2,977,368	5,464
	CFE/RF	3,036,419	0	0	0	0	0	0	0	0	0
	FF	0	0	0	0	0	0	0	0	0	0

**Schedule 13
Change Request for FY 2009-10 Budget Request Cycle**

Decision Item FY 2009-10 **Base Reduction Item FY 2009-10** **Supplemental FY 2008-09** **Budget Amendment FY 2009-10**

Request Title: Statewide Fleet Operating
Department: Natural Resources **Dept. Approval by:**
Priority Number: Non-Prioritized Statewide Decision Item **OSPB Approval:** **Date:**

		1	2	3	4	5	6	7	8	9	10
	Fund	Prior-Year Actual FY 2007-08	Appropriation FY 2008-09	Supplemental Request FY 2008-09	Total Revised Request FY 2008-09	Base Request FY 2009-10	Decision/Base Reduction FY 2009-10	November 1 Request FY 2009-10	Budget Amendment FY 2009-10	Total Revised Request FY 2009-10	Change from Base (Column 5) FY 2010-11

Non-Line Item Request: None
Letternote Revised Text: None
Cash or Federal Fund Name and COFRS Fund Number: Various sources of cash and federal funds
Reappropriated Funds Source, by Department and Line Item Name: Indirect cost recoveries
Approval by OIT? Yes: No: N/A:
Schedule 13s from Affected Departments:

Schedule 13
Change Request for FY 2009-10 Budget Request Cycle

Decision Item FY 2009-10 Base Reduction Item FY 2009-10 Supplemental FY 2008-09 Budget Amendment FY 2009-10

Request Title: Statewide Vehicle Lease Payments
 Department: Natural Resources
 Priority Number: Non-Prioritized Statewide Decision Item
 Dept. Approval by: *Will H. Levine*
 OSPB Approval: *for us*
 Date: 10/10/2008
 Date: 10-21-08

	Fund	1	2	3	4	5	6	November 1 Request FY 2009-10	8	9	10
		Prior-Year Actual FY 2007-08	Appropriation FY 2008-09	Supplemental Request FY 2008-09	Total Revised Request FY 2008-09	Base Request FY 2009-10	Decision/ Base Reduction FY 2009-10		Budget Amendment FY 2009-10	Total Revised Request FY 2009-10	Change from Base (Column 5) FY 2010-11
Total of All Line Items	Total	2,087,881	2,561,870	0	2,561,870	3,129,626	(7,023)	3,122,603	0	3,122,603	(7,023)
	FTE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	GF	326,466	365,018	0	365,018	428,926	35,868	464,794	0	464,794	35,868
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	393,556	2,126,719	0	2,126,719	2,616,387	(19,563)	2,596,824	0	2,596,824	(19,563)
	CFE/RF	1,330,093	0	0	0	0	0	0	0	0	0
	FF	37,766	70,133	0	70,133	84,313	(23,328)	60,985	0	60,985	(23,328)
(1) Executive Director's Office, Vehicle Lease Payments	Total	2,087,881	2,561,870	0	2,561,870	3,129,626	(7,023)	3,122,603	0	3,122,603	(7,023)
	FTE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	GF	326,466	365,018	0	365,018	428,926	35,868	464,794	0	464,794	35,868
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	393,556	2,126,719	0	2,126,719	2,616,387	(19,563)	2,596,824	0	2,596,824	(19,563)
	CFE/RF	1,330,093	0	0	0	0	0	0	0	0	0
	FF	37,766	70,133	0	70,133	84,313	(23,328)	60,985	0	60,985	(23,328)

Non-Line Item Request:
 Letternote Revised Text: This request will decrease various sources of cash by -\$19,563.

Cash or Federal Fund Name and COFRS Fund Number: Various sources of cash and federal funds

Reappropriated Funds Source, by Department and Line Item Name:
 Approval by OIT? Yes: No: N/A:
 Schedule 13s from Affected Departments:

**Schedule 13
Change Request for FY 2009-10 Budget Request Cycle**

Decision Item FY 2009-10 Base Reduction Item FY 2009-10 Supplemental FY 2008-09 Budget Amendment FY 2009-10

Request Title: Statewide Workers Compensation Adjustment
 Department: Natural Resources Dept. Approval by: *Willb. H. Levite* Date: *10/10/2008*
 Priority Number: Non-Prioritized Statewide Decision Item OSPB Approval: *Januz* Date: *10-21-08*

	Fund	1	2	3	4	5	6	7	8	9	10
		Prior-Year Actual FY 2007-08	Appropriation FY 2008-09	Supplemental Request FY 2008-09	Total Revised Request FY 2008-09	Base Request FY 2009-10	Decision Base Reduction FY 2009-10	November 1 Request FY 2009-10	Budget Amendment FY 2009-10	Total Revised Request FY 2009-10	Change from Base (Column 5) FY 2010-11
Total of All Line Items	Total	935,612	1,193,258	0	1,193,258	1,193,258	1,811	1,195,069	0	1,195,069	1,624
	FTE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	GF	119,864	152,872	0	152,872	152,872	47,939	200,811	0	200,811	47,907
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	177,442	1,039,018	0	1,039,018	1,039,018	(66,351)	972,667	0	972,667	(66,503)
	CFE/RF	636,971	0	0	0	0	17,797	17,797	0	17,797	17,795
	FF	1,335	1,368	0	1,368	1,368	2,426	3,794	0	3,794	2,425
(1) Executive Director's Office, Workers' Compensation	Total	935,612	1,193,258	0	1,193,258	1,193,258	1,811	1,195,069	0	1,195,069	1,624
	FTE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	GF	119,864	152,872	0	152,872	152,872	47,939	200,811	0	200,811	47,907
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	177,442	1,039,018	0	1,039,018	1,039,018	(66,351)	972,667	0	972,667	(66,503)
	CFE/RF	636,971	0	0	0	0	17,797	17,797	0	17,797	17,795
	FF	1,335	1,368	0	1,368	1,368	2,426	3,794	0	3,794	2,425

Non-Line Item Request:
 Letternote Revised Text: This request will decrease various sources of cash by \$66,503.

Cash or Federal Fund Name and COFRS Fund Number: Various sources of cash and federal funds.

Reappropriated Funds Source, by Department and Line Item Name: Reappropriated Funds represent indirect cost recoveries to be spent by the Executive Director's Office.

Approval by OIT? Yes: No: N/A:

Schedule 13s from Affected Departments:

