



DEPARTMENT OF  
**NATURAL  
RESOURCES**

**Strategic Plan Fiscal Year 2010-11**

**November 2009**



**COLORADO DEPARTMENT OF NATURAL RESOURCES**  
**STRATEGIC PLAN – FISCAL YEAR 2010-11**

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## **A Letter from Harris Sherman, Executive Director of the Colorado Department of Natural Resources**

The Department of Natural Resources plays a key role in managing land, mineral, water, and wildlife resources in the State of Colorado. This brief introduction to the Department of Natural Resources' Strategic Plan will be broken down into two sections, including: (1) a recap of FY 2008-09 which looks at some of the major accomplishments of the Department; (2) a preview of the challenges the Department faces in the current fiscal year and future fiscal years. This second section will include a discussion of the key budgetary priorities of the Department.

### **SECTION 1: FY 2008-09 RECAP**

The recently completed fiscal year saw the Department of Natural Resources successfully take on a wide variety of natural resource issues. Below are a few highlights of the Department's biggest successes and biggest challenges moving forward:

**Roadless Rule** - Colorado's 4.1 million acres of roadless national forest provide an irreplaceable source of clean water, wildlife habitat and biodiversity and play a critical role in supporting long-term sustainable economic sectors. The Colorado Department of Natural Resources has been working with the U.S. Forest Service and a wide variety of stakeholders since 2005 to develop a permanent conservation framework for the 363 roadless areas within the 11 national forests in Colorado. A draft rule was published in the Federal Register in July 2008. During the past year, the Department has worked with stakeholders and the U.S. Forest Service to improve the draft rule. The Department received over 20,000 written comments on the draft rules in 2009. After reviewing these comments and incorporating suggested changes, the final rules to guide the management of these federal lands will be effective some time in 2010.

**Oil and Gas Conservation Commission** - The Department spent considerable time and resources in FY 2008-09 on rulemaking associated with the implementation of House Bills 07-1298 and 07-1341. Together, these bills require the Department of Natural Resources and the Oil and Gas Conservation Commission to foster oil and gas development consistent with the protection of public health, safety, and welfare, including the protection of the environment and wildlife resources. The rulemaking has been one of the State's most extensive such processes, involving a number of public meetings, 24 days of Commission hearings, and the input of thousands of Colorado citizens. The rules were developed collaboratively after multiple rounds of revisions in an attempt to balance concerns from the oil and gas industry with the need for reasonable protection of public health, safety, and welfare. The new rules went into effect on May 1, 2009 on federal lands and were in effect on April 1, 2009, on all other lands in Colorado.

In the midst of the nation's economic crisis, the market price for oil and gas has dropped considerably. Consequently, the number of new drilling permits received by the Oil and Gas Conservation Commission has dropped considerably after reaching a peak of 7,664 permits in FY 2007-08. However, recent drilling activity has left the number of active wells at a historic high, resulting in a long-term elevated workload in areas such as inspections, production reporting, complaint response, and enforcement. A major focus of the Department in the current and next fiscal years will be implementing the new oil and gas rules in a way that effectively balances energy development with the protection of public health, safety, and welfare. In addition, implementation of the rules will carefully consider protection of the environment and wildlife resources.

**Colorado Geological Survey** – Climate change and population growth continue to impact our natural resources, including: (a) an increase in the hazards associated with avalanches; (b) an increased interest in developing Colorado’s energy resources, including geothermal energy; (c) an increased interest in exploring the opportunities for carbon sequestration in Colorado, and; (d) the continued depletion of groundwater resources. Unfortunately, funding for the Colorado Geological Survey has not kept pace with these needs and interests. Looking forward, the Department will be seeking the resources necessary to better address some of these critical natural resource issues. On a short-term basis, federal funding provided through the American Recovery and Reinvestment Act of 2009 will provide a small amount of funding for the Colorado Geological Survey to undertake specific carbon sequestration projects (most of this funding will go toward contract services; salaries on the project will be paid through severance tax as part of the 20% required match of federal funds) and to undertake several specific geothermal projects. These geothermal projects will fund (for a short amount of time) part of an FTE that was approved for the FY 2008-09 budget year. However, the remainder of that FTE will be funded by severance tax as part of the required match.

**Species Conservation** – During the 2009 Legislative Session, the Department worked with the General Assembly to pass H.B. 09-1289, which provides funding for various species conservation programs such as grouse conservation, instream flow protection, and native fish conservation. H.B. 09-1298 provided \$4.0 million for the Platte River Recovery Program, leaving the State with a remaining obligation of about \$6.0 million. Looking forward, the Department will face significant challenges in fully paying off the Platte River obligation while continuing to address other species conservation needs given declining State severance tax revenues and the fact that transfers to the Species Conservation Trust Fund decline dramatically after FY 2010-11.

**Instream Flow Protection** – In 2008-09, the Department completed a rulemaking process to implement House Bill 08-1280, which provides for protection of historic consumptive use of water rights leased to the Colorado Water Conservation Board for instream flow use. The Board amended its rules concerning the Instream Flow and Natural Lake Level Program to incorporate additional factors HB 1280 requires the Board to consider when evaluating proposed long-term leases of water for instream flow use, and additional terms and conditions required by HB 1280 for inclusion in water court decrees changing leased water rights to add instream flow use. In January 2009, the Board initiated consideration of a proposed long-term lease of water rights under the amended Rules. Also, in 2008, the Board filed water court applications for nineteen new instream flow water rights, and in January 2009, initiated the appropriation process for nineteen additional instream flow water rights.

**Compact Compliance** – In 2008, Colorado was in compliance with both U.S. Supreme Court Decrees and eight of its nine interstate river compacts. Preliminary accounting suggests that Colorado may have been out of compliance with the Republican River Compact. Maintaining compliance with interstate water compacts continues to be both complex and challenging, in part due to the ever changing legal framework under which we operate. However, the Department has passed new measurement rules to better assist in meeting Republic River Compact obligations, as well as brokering the purchase of water rights to deliver to the state line. In addition, the Department is assisting in the construction of a pipeline to deliver additional water to the state line. Compliance with Interstate Compacts will be an on-going challenge for the Department in FY 2009-10 and beyond.

In addition to the above highlights, Colorado continues to face a wide variety of natural resources challenges. The bark beetle continue to infest a growing acreage of Colorado's forests, increasing fire hazards and threatening to degrade the quality of drinking water supplies. Zebra Mussels and other aquatic nuisance species threaten our waterways and native wildlife. Growing interest in uranium mining requires a thoughtful approach to regulation which balances public health, safety and welfare in addition to protection of wildlife and wildlife habitat. Continued population growth, in addition to the effects of climate change, are requiring increasingly complex solutions to meeting current and future water supply needs and Interstate Water Compact requirements. These are all long term, complex problems that will significantly impact the quality of life of Coloradoans both today and for generations to come.

## **SECTION 2: FY 2009-10 AND BEYOND - PREVIEW AND KEY BUDGET PRIORITIES**

This strategic plan lays out some of the key objectives of the Department and the performance goals we hope to achieve. In thinking about these objectives, it is important to consider the implications of the State's current budget crisis. For example, the Division of Parks and Outdoor Recreation lost roughly 30% of its General Fund appropriation in FY 2009-10. This has resulted in one state park being placed in caretaker status, and several other state parks having reduced hours / seasons of operation for certain facilities. It also means fee increases at a time when there will be less staffing and less service at state parks. While such reductions and fee increases are necessary to address the State's budget shortfall, these actions will impact park visitation (one of DNR six key performance measures).

Similarly, in 2009 the General Assembly transferred \$107 million from the Perpetual Base Account of the Severance Tax Trust Fund and the CWCB Construction Fund to the General Fund. Together, these two cash funds are used for loans and grants for water projects. The loss of the \$107 million has significantly limited the amount of funding available for new project loans in FY 2009-10 and FY 2010-11. As such, DNR is not likely to achieve its performance objectives related to increasing water storage to meet long-term water supply needs (DNR performance measure #4) in either fiscal year. While these are the two most striking examples of statewide budget actions affecting performance, hiring freezes, furloughs, and other statewide actions also have impacts that reduce manpower and other resources available to address priority objectives. While DNR is taking steps to minimize impacts to the public resulting from budget cuts, inevitably there will be some impacts given the size of the required cuts. Over the coming year, the Department will continue to work creatively to do more with less.

As we develop the FY 2010-11 budget, I believe there are three key priorities to consider. These priorities include:

**Priority #1: Division of Water Resources Staffing** – In the FY 2009-10 Long Bill, the Division of Water Resources has a personnel budget of 272.4 FTE. A budget reduction proposal for FY 2009-10 eliminates 5.3 FTE. In addition, the Division has a structural fiscal deficit that precludes hiring of 14.5 FTE. Thus, the effective staffing level for the Division of Water Resources is 252.6 FTE. It is the Department's belief that the "breaking point" for this Division is at roughly 250.0 FTE. That is, if Staff is reduced any more, DWR will be unable to administer the waters of Colorado effectively and there will be significant compliance risks for the State's nine interstate compacts. Accordingly, preserving staff levels at 252.6 FTE is the Department's highest priority. In this regard, it is important to note that 85% of the Division's General Fund is used to pay for personal services and related benefits. A significant portion of the remaining 15% of DWR General Fund appropriation is used to pay for mileage, computers, and other necessary

operating to support its employees. As such, additional General Fund reductions will decrease staffing and will directly affect water administration activities in the field.

**Priority #2: Division of Parks and Outdoor Recreation** – Given the significant reduction in General Fund support of the State Park system in recent years, the Department of Natural Resources had a priority of not taking additional cuts to the State Parks’ budget. After the 2009 Legislative Session, Colorado State Parks worked aggressively to address a roughly \$3.0 million budget reduction taken by the General Assembly in the FY 2009-10 Long Bill. This reduction included: (1) a decision by the JBC to reduce General Fund support of State Parks by \$1,940,197 in the FY 2009-10 Long Bill; (2) a decision by the JBC to reduce General Fund support of State Parks’ potted item by roughly \$500,000 GF, and; (3) a reduction of roughly \$439,000 (both GF and Cash Funds) related to the 1.82% personal services cut. To address these budget cuts, State Parks is already planning to raise various user fees, to transfer \$750,000 in Lottery Funds to the operating budget (worsening the backlog of capital repairs needed on state park infrastructure), to implement a variety of programmatic cuts, to selectively reduce the use of seasonal employees, to reduce Bonny State Park to “caretaker” status, and to restrict operations at several more state parks to limit costs.

Further reductions to State Parks will be inherently problematic for several reasons. First, State Parks is already raising a number of user fees. In these tough economic times, the public will likely be more sensitive to price increases than normal. As such, major price increases are unlikely to generate significant new revenue. This problem is exacerbated by the fact that users paying the higher fees will inherently notice a reduced level of service as the Division implements reduced hours of operation and reduces its workforce. Finally, after all of the other budget reductions taken, additional cuts to the State Parks budget are almost inherently going to have to involve some combination of full and partial state park closures.

A significant piece of Colorado’s identity is its beautiful mountains, scenery, and outdoor landscapes. Blessed with these natural resources, a large number of Coloradoans enjoy hiking, wildlife watching, fishing, hunting, biking, rock climbing, river rafting, boating, cross country skiing, and other outdoor sports. With a minimal General Fund investment, State Parks is able to operate 42 state parks across Colorado and provide access to roughly 224,000 acres of public land. The Department’s proposed 10% General Fund reduction plan would bring the General Fund support of State Parks down to just under \$1.7 million (this is possible only by the proposal to increase the severance tax funded support of State Parks to almost \$3.5 million). With this small state subsidy, the Department of Natural Resources has a plan which will allow the public to continue enjoying its 42 state parks (with some reductions in services as noted above). The continued subsidization of the state park system is essential to maintaining basic service levels, keeping parks open, and keeping fees affordable. State funded support of the park system is especially important in rural areas, where the local population base is generally too small to run a self-sufficient operation. It is also important to remember that the State Park system was not created to be self-sufficient. Parks without camping and other amenities/infrastructure and parks without boating opportunities are generally not able to operate solely on fee revenues to cover operating costs.

State Parks are extremely popular with the public, resulting in more than 11.0 million visits annually. State Parks are also an important part of Colorado’s tourism economy, generating over \$200 million in economic activity in the towns and immediate areas surrounding state parks. Visitation at Colorado State Parks in 2009 is roughly holding constant despite the severe economic downturn. Campgrounds were completely booked on weekends through Labor Day and campground reservations were up 6% from FY 2007-08.

All of this suggests to the Department that many Coloradoans are turning to state parks as a low cost, in-state vacation. To keep state parks open and affordable to all Coloradoans during these tight economic times – as well as to continue accruing the significant tourism-related economic benefits associated with state parks – the Department decided against taking more than the \$3.0 million in cuts already approved by the General Assembly when developing its General Fund reduction plan.

**Priority #3: Water-Related Cash Funds** – Over the course of FY 2008-09 and FY 2009-10, over \$107 million will be transferred from the CWCB Construction Fund and the Perpetual Base Account to the General Fund (per S.B. 09-208 and S.B. 09-279). The impact of these transfers is a significant reduction in loan and grant funding for a variety of water-related programs. Primarily, however, the impact will be to lessen loan and grant funding available to help Colorado meet current and future water supply needs. Further, in order to help with the State’s General Fund problem and prevent further erosion of General Fund support of Colorado State Parks, the Department has already had to propose reductions in funding available for the Water Supply Reserve Account. Again, the impact of this action is to reduce funding available to help meet the State’s water supply needs. Finally, projected declines in severance tax revenues will likely result in further reductions in Tier II Operational Account funding being available for the Water Supply Reserve Account, the Water Efficiency program, and other critical water programs in FY 2010-11 and beyond.

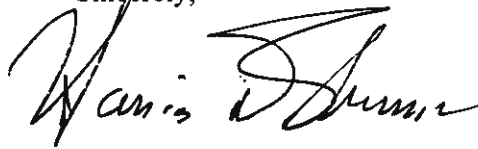
In recent years, the CWCB has been working on the Statewide Water Supply Initiative (SWSI) to examine, on a basin by basin basis, Colorado’s projected water supplies and water demands. One of SWSI’s major findings was that projects and water planning by local water providers have the ability to meet about 80 percent of Colorado’s municipal and industrial water needs through 2030. The Colorado Water Conservation Board has very conservatively estimated that funding the 20 percent gap will cost \$2.7 billion. At this time, the Department has not identified exactly where the funding will come from to meet these future water supply needs. To help better understand these costs and needs, IBCC Basin Roundtables are conducting needs assessments and will be proposing projects to meet basin needs. Additional Operational Account moneys may be needed for implementing some of these projects, consistent with what was started under the Water Supply Reserve Account program (S.B. 06-179). On top of this, the CWCB loan program projects over \$200 million dollars worth of proposed water project needs over the next five years. Many of these projects will be financed with available funds from the Perpetual Base Account. However, due to proposed transfers, no additional money will be available for project loans in FY 2009-10 and very little funding is anticipated for this purpose in FY 2010-11 (as most new revenues projected to accrue in this fund will be used to “backfill” the \$35 million obligated for the Arkansas River Conduit Project which were transferred to the General Fund as part of the \$107 million mentioned above).

Given these impacts, Governor Ritter listed CWCB cash funds as a critical program protected from additional transfers in the Governor’s FY 2009-10 Budget Balancing Plan. Additional transfers would further erode the State’s ability to meet future water supply needs, harm the State’s efforts to promote water conservation, preclude the CWCB from acquiring and protecting instream flows, and prevent the Department from helping to mitigate environmental as well as species impacts related to water development. Additional transfers from the Construction Fund would be particularly harmful because they will further threaten the CWCB’s ability to fund its staff and programs. In addition to the above programs, the Construction Funded programs include flood mitigation, watershed restoration, and interstate compact protection. Water programs were some of the most severely impacted programs in the State when the General Assembly was making budget reductions during the 2009 Legislative Session.



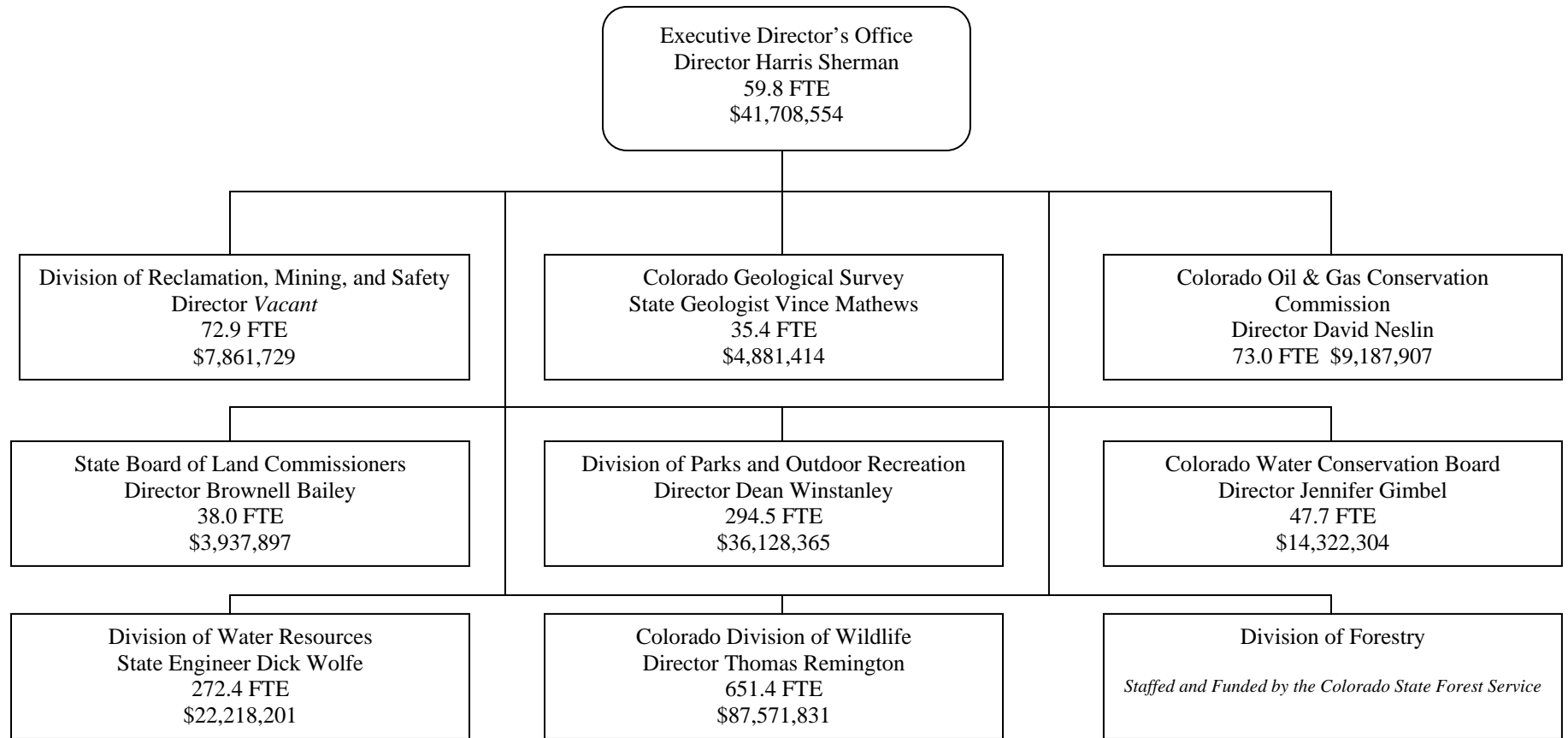
The Colorado Department of Natural Resources has successfully overcome challenges in the past. Continued success will require strong working relationships with the Governor's Office, General Assembly, interest groups, and citizens. We look forward to working with all interested parties in an effort to protect and wisely manage Colorado's beautiful natural resources.

Sincerely,

A handwritten signature in black ink, appearing to read "Harris Sherman". The signature is fluid and cursive, with a large initial "H" and "S".

Harris Sherman  
Executive Director, Colorado Department of Natural Resources

# Colorado Department of Natural Resources



**1545.1 FTE      \$227,818,202 Total Funds**

**\$29,680,331 GF    \$173,426,573 CF    \$7,310,734 RF    \$17,400,564 FF**

November 2009

# Colorado Department of Natural Resources

## Strategic Plan

The Colorado Department of Natural Resources (DNR) is responsible for the management of the water, land, wildlife, minerals/energy/geology and outdoor recreation resources of the State. Its mission is to develop, preserve and enhance Colorado's natural resources for the benefit and enjoyment of current and future citizens and visitors. The Department of Natural Resources consists of ten divisions. Collectively, they carry out the Department's responsibilities for natural resources management, which includes use or access to some resources, promotion of the development of select resources, and the protection or preservation of other resources.

### Mission Statement

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

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

### Vision Statement

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

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

- **State Parks** - Maintain a system of parks across the State that offers diverse outdoor recreation opportunities, protects high quality landscapes for current and future generations, and fosters natural resource education. Colorado State Parks remains affordable to all Coloradans, provide excellent customer service to visitors, and maintain safe, high-quality park facilities.
- **Energy** - Promote responsible and sustainable development of Colorado’s energy and mineral resources in a manner that is consistent with environmental protection, maintenance of Colorado’s quality of life, and protection of Colorado’s diverse economic base. Promote renewable energy, innovative technology, and energy efficiency as part of sustaining Colorado’s long term energy supply.
- **Wildlife** - Manage and conserve healthy and sustainable wildlife populations for the benefit of current and future Coloradans.
- **State Lands** – Manage state school lands held in a perpetual, inter-generational trust for the benefit and support of public schools. Through prudent and strategic management, the Department will protect the long term value of these trust assets. Recognizing that the long term economic productivity of all lands held in public trust is dependent upon sound stewardship, the Department will protect and enhance the beauty, natural values, open spaces, and wildlife habitat on trust properties.

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

## **DEPARTMENT OF NATURAL RESOURCES PERFORMANCE MEASURES**

Each division in the Department of Natural Resource has contributed to the Department’s Strategic Plan. Following this section of the Strategic Plan will be additional sections detailing the mission, vision, and goals of each of the Department’s divisions. Many of the Department’s divisions have their own strategic plans, which will provide more detailed information than is contained in this Strategic Plan. This document intends only to summarize performance related to a select few of the Department’s highest priority objectives.

Given the diverse statutory missions and programs of the Department’s ten divisions, the Department’s 1,500+ FTE, seasonal employees, temporaries, and volunteers work every day on a wide variety of Department objectives. Below, the Department has chosen seven critical performance measures to be used in measuring the Department’s success in meeting high priority objectives. While accepting these measures as the highest profile measurement of the Department’s performance, the Department cautions readers that performance evaluation should start, but not finish with, an evaluation of the performance measures. Measuring performance for natural resource programs is complex and often multi-dimensional. For example, protection of water resources might involve protecting water quality, enhancing water supply, ensuring water is put to beneficial use, regulating water use to be sure all water consumption is by legally entitled users, and ensuring water is flowing through rivers and streams at the appropriate amounts and proper times to enhance wildlife and wildlife habitats. In this regard, conservation of water resources is not easily measured by a single metric. Further, it is important to recognize that “Mother Nature” has a significant impact on the Department’s ability to

achieve desired outcomes. External factors which can affect natural resource related outcomes include drought, forest fires, heavy snowfall / inclement weather, and outbreaks of wildlife disease. With these difficulties in mind, the Department will attempt to provide narrative clarification and background to help analyze performance.

## DNR-1. Species Conservation

*Objective: Protect the diversity of Colorado’s wildlife resources*

Performance Measure	Outcome	FY 2007-08 Actual	FY 2008-09 Actual	FY 2009-10 Approp.	FY 2010-11 Request
<b>Number of species on the “Species of Greatest Conservation Need” list</b>	Benchmark	210	210	210	210
	Actual	210	210	Unknown	Unknown

*Strategy:*

The Department continues to identify and implement creative strategies to stabilize and enhance native species populations and to recover threatened and endangered species in ways that minimize adverse impacts on local governments, private landowners and other citizens. In order to prepare the federally-required “Comprehensive Wildlife Conservation Strategy”, the CDOW developed a set of criteria for identifying the “Species of Greatest Conservation Need.” Maintaining healthy wildlife populations and ecosystems is one of the major components of the CDOW’s mission. This measure focuses more broadly on overall ecosystem health and can be viewed as a barometer of the health of wildlife in Colorado. Species on this list are targeted by conservation programs so as to secure wildlife populations such that they do not require protection via federal or state listing regulations.

*Evaluation of Prior Year Performance:*

The Comprehensive Wildlife Conservation Strategy was finalized in FY 2006-07. This plan is a five year plan and as required by the Fish and Wildlife Service, at the end of five years, an assessment will be made as to the status of the species listed and what accomplishments have been made. The Division currently has over 70 recovery plans targeted to either individual species or ecosystems and these plans are being implemented over this five year period. The first time that the actual outcome will deviate from the benchmark outcomes will be evident in the FY 2012-13 actual data once the results of the five year plan have been analyzed. The benchmark of 205 reported in the FY 2008-09 strategic plan was incorrect.

## DNR-2. Outdoor Recreation

*Objective: Provide and promote a variety of outdoor recreational opportunities for citizens and visitors.*

Performance Measure	Outcome	FY 2007-08 Actual	FY 2008-09 Actual	FY 2009-10 Approp.	FY 2010-11 Request
<b>Annual Visitation to State Parks *</b>	Benchmark	11,367,729	12,120,000	12,360,000	12,480,000
	Actual	11,834,228	11,955,691	Unknown	Unknown

\* 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.

### *Strategy:*

The total number of visitors to Colorado’s 42 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: “*Retain current and acquire new customers through exceptional service and by improving State Parks’ visibility with innovative marketing.*” 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.

### *Evaluation of Prior Year Performance:*

Visitation increased 1.0% in FY 08-09 over FY 07-08. This was probably due to a number of factors, including overall population growth of the state, and development of new parks facilities. The summer months are by far the busiest of the year. There is some indication that current economic conditions may have started to have a negative impact on visitation in the spring of 2009, but it is too soon to tell.

### 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 2007-08 Actual	FY 2008-09 Actual	FY 2009-10 Approp.	FY 2010-11 Request
Overall compliance with interstate water compacts (expressed as a percentage)	Benchmark	100%	100%	100%	100%
	Actual	90%	90%	Unknown	Unknown
Average number of days in compliance	Benchmark	95%	95%	95%	95%
	Actual	98%	98%	Unknown	Unknown
Efficiency of meeting compact obligations	Benchmark	95%	95%	95%	95%
	Actual	99.5%	99.5%	Unknown	Unknown

*Strategy:*

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

DNR will provide an annual tabulation that quantifies the water allocation and the subsequent delivery obligation for each compact to assess compact compliance in terms relevant to that specific compact. The performance measure for each compact and interstate agreement will assess overall compliance with the compact for each year. For the year 2008, the State of Colorado was in compliance with both U.S. Supreme Court Decrees and eight of its interstate river compacts. Preliminary accounting of water delivery suggests that Colorado was out of compliance with the Republican River Compact in 2008.

*Evaluation of Prior Year Performance:*

Numerous actions have been taken by the State Engineer in the Republican River basin over the past fiscal year to help Colorado assure compliance with her obligations in relation to the Republican River Compact. Measurement rules were passed on July 14, 2008, requiring metering of all wells within the basin effective March 2009. This will provide high quality data for more effective administration within the basin. To further enhance compact compliance within the basin, the State Engineer brokered a negotiated settlement of the Pioneer/Laird Ditch case whereby well owners purchased approximately 98% of the senior surface water rights on the North Fork Republican River. This settlement provided surface water supplies to assist in meeting compact

obligations while avoiding protracted litigation. Further, the DWR in cooperation with the CWCB assisted in the initiation of a comprehensive plan to provide approximately 15,000 acre-feet of water per year through a pipe-line to the state line to meet compact obligations. CWCB granted a \$60M loan to the RRWCD for the purchase of water rights and construction of the pipeline. The total cost of the project including water rights is approximately \$71M. The State Engineer also ordered release of water stored in Bonny Reservoir to reduce its compact obligations presently and in the future. Evaporation losses from the reservoir may account for upwards of 5,000 acre-feet of consumptive use on an annual basis, accounting for approximately ½ of the State’s annual deficit at the state line. The State Engineer continued negotiations with Kansas and Nebraska for approval of the accounting for the augmentation pipeline. The State Engineer also participated in arbitration hearings on damage claims filed by Kansas against Nebraska and on Nebraska’s claims to alter the groundwater model operational procedures. Both issues were decided by the arbitrator (non-binding) and it is likely the states will request review by the Supreme Court for their issues.

In the Arkansas River Basin a water user advisory committee was convened to assist the Division in developing rules and regulations concerning improvements to surface irrigation systems including, but not limited to, the use of sprinkler and drip systems deriving their source of supply from surface water rights. Once adopted, these rules will assist the state in meeting future compact deliveries as required under the Arkansas River Compact and contribute to the development of efficiency practices in the basin.

The lawsuit filed by the State of Kansas in 1985 is concluded. Arthur Littleworth, the Special Master appointed to oversee the case by the United States Supreme Court issued his Fifth and Final report to the United States Supreme Court in January 2008. The Final Report included a proposed Judgment and Decree, which, he stated, “is crafted with the firm intent to end the 100 year history of litigation over rights to the Arkansas River.” The Special Master found that Colorado’s efforts to regulate post-Compact well pumping have been successful in preventing a net depletion to usable state line flows during the first ten-year compliance period (1997-2006). The Judgment and Decree contained a limited retained jurisdiction period until the end of 2008 to evaluate the sufficiency of the Colorado Use Rules and their administration and whether changes to the Decree are needed to ensure compact compliance. Kansas requested to continue the dispute resolution process under retained jurisdiction but, as of June 2009, the states entered into an agreement to end the continuing jurisdiction in this case.

The Special Master has recommended that the Court enter the Judgment and Decree, and Kansas has taken one exception to that recommendation. Kansas’ made an exception to the amount of costs issue being whether the Special Master was correct in ruling that 28 U.S.C. § 1821(b) limits costs for expert witness fees in this case. However the Supreme Court ruled in Colorado’s favor after hearing oral arguments.

Colorado further assisted Arkansas River Compact compliance through the Arkansas River Compact Administration (ARCA) and the Special Engineering Committee (“Committee”). The Committee developed and agreed to new procedures on accounting during prior years and Colorado provided restitution to Kansas using drought impact grant money to purchase fully consumable native water from the Pueblo Board of Water Works to make up for past delivery deficits.



## DNR-4. Water Supply

*Objective: Reduce the demand for water*

Performance Measure	Outcome	FY 2007-08 Actual	FY 2008-09 Actual	FY 2009-2010 Approp.	FY 2010-2011 Request
<b>Create reductions in water supply demand through water conservation planning and implementation of water efficiency measures.</b>	<b>Benchmark</b>	1.5% demand reduction or approx 5,720 ac ft	1.5% demand reduction or approx 11,440 ac ft	3% demand reduction or approx 11,440 ac ft	4% demand reduction or approx 15,254 ac ft
	<b>Actual</b>	Approx. 4,720 ac ft	Approx. 7,627 ac ft or 2% demand reduction	Unknown	Unknown

*Strategy:*

The CWCB will provide data regarding water conservation through the Division’s conservation planning efforts, specifically from 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 occurring through the use of the Water Efficiency Grant Program. The Division assists in the development and implementation of water conservation plans, reviews, and approves water conservation plans. It provides water conservation and drought planning, implementation grants through its Water Efficiency Grant Program, 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.

The FY2008-09 benchmark anticipated more water conservation plans coming in for CWCB approval than what actually occurred. This is large part to the fact that the Water Efficiency Grant Program had to be suspended for most of FY2008-09. The suspension was due to a statutory language problem that was eventually remedied in the 2009 legislative session. The total number of water conservation plans on file with the State as of the end of FY2008-09 was 30. Water conservation planning among water providers is strongly tied to the availability of grant funds from the Water Efficiency Grant Program. Suspension of the program for most of the fiscal year precluded many from being able to complete plans. Therefore, the estimated water savings from water conservation planning must be lowered to reflect fewer plans coming in. Actual water savings for this year is estimated to be approximately 7,627 ac ft or a 2% demand reduction.

<b>Performance Measure</b>	<b>Outcome</b>	<b>FY 2007-08 Actual</b>	<b>FY 2008-09 Actual</b>	<b>FY 2009-10 Approp.</b>	<b>FY 2010-11 Request</b>
<b>Increase water storage to meet long term water supply needs.</b>	<b>Benchmark</b>	20,000 ac ft	20,000 ac ft	10,000 ac ft	24,000 ac ft
	<b>Actual</b>	7,100 ac ft	526 ac ft	Unknown	Unknown

*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 and completed one new storage project and two dam rehabilitation projects in FY 2009, resulting in approximately 526 ac. ft. of water storage. Twenty 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 34,000 ac. ft. 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. Staff is projecting a significant reduction in money available for new loans in FY2010 and 2011 which will effect water supply projects in FY2012 and 2013 due to the cash transfer of CWCB funds to the State’s General Fund.

## DNR-5. Energy Development

*Objective: Ensure that energy development is undertaken in a responsible manner that encourages protection of environmental resources such as water and wildlife habitat*

Performance Measure	Outcome	FY 2007-08 Actual	FY 2008-09 Actual	FY 2009-10 Approp.	FY 2010-11 Request
<b>Number of impacts to surface water, ground water, and water wells, per thousand active oil &amp; gas wells</b>	Benchmark	1.81	1.81	1.81	1.81
	Actual	2.33	1.95	Unknown	Unknown

*Strategy:*

The Department will work with federal land agencies and the federal government, as well as local governments, to encourage sound management practices that minimize cumulative impacts on wildlife, the environment, and local communities. The primary mission of the OGCC is to “foster the responsible, balanced development, production, and utilization of the natural resources of oil and gas in the state of Colorado in a manner consistent with protection of public health, safety, and welfare, including protection of the environment and wildlife resources”. In addition, the OGCC is an “Implementing Agency” for the state’s Water Quality Control Commission (WQCC), and is responsible for upholding the water quality standards and classifications that are established by the WQCC with respect to oil and gas operations. The OGCC is responsible for regulating oil and gas development in a manner that prevents and mitigates impacts to the environment, including contamination of water. An important measure of how well the OGCC is implementing these responsibilities is the

number of adverse impacts to water resources that occur from oil and gas development. Reducing or controlling such impacts during current unprecedented levels of oil and gas activity in Colorado will continue to be challenging.

*Evaluation of Prior Year Performance:* The State experienced a reduction in the number of impacts to its water resources from a recent high of 2.4 impacts per 1,000 wells in FY 2006-07 to 1.95 impacts per 1,000 wells in FY 2008-09. This is a positive sign, but the OGCC expects the number of impacts to decline further as it implements and enforces the new rules that were adopted in December, 2008.

## DNR-6. State Land Board Lands

*Objective: Maximize revenue on State Land Board properties for the benefit of all trusties*

Performance Measure	Outcome	FY 2007-08 Actual	FY 2008-09 Actual	FY 2009-10 Approp.	FY 2010-11 Request
<b>Increase revenues to the school trust by 5 percent annually</b>	Benchmark	\$63,321,685	\$66,089,522	\$ 47,697,543	\$ 50,082,420
	Actual	\$69,495,847	\$74,023,629	Unknown	Unknown

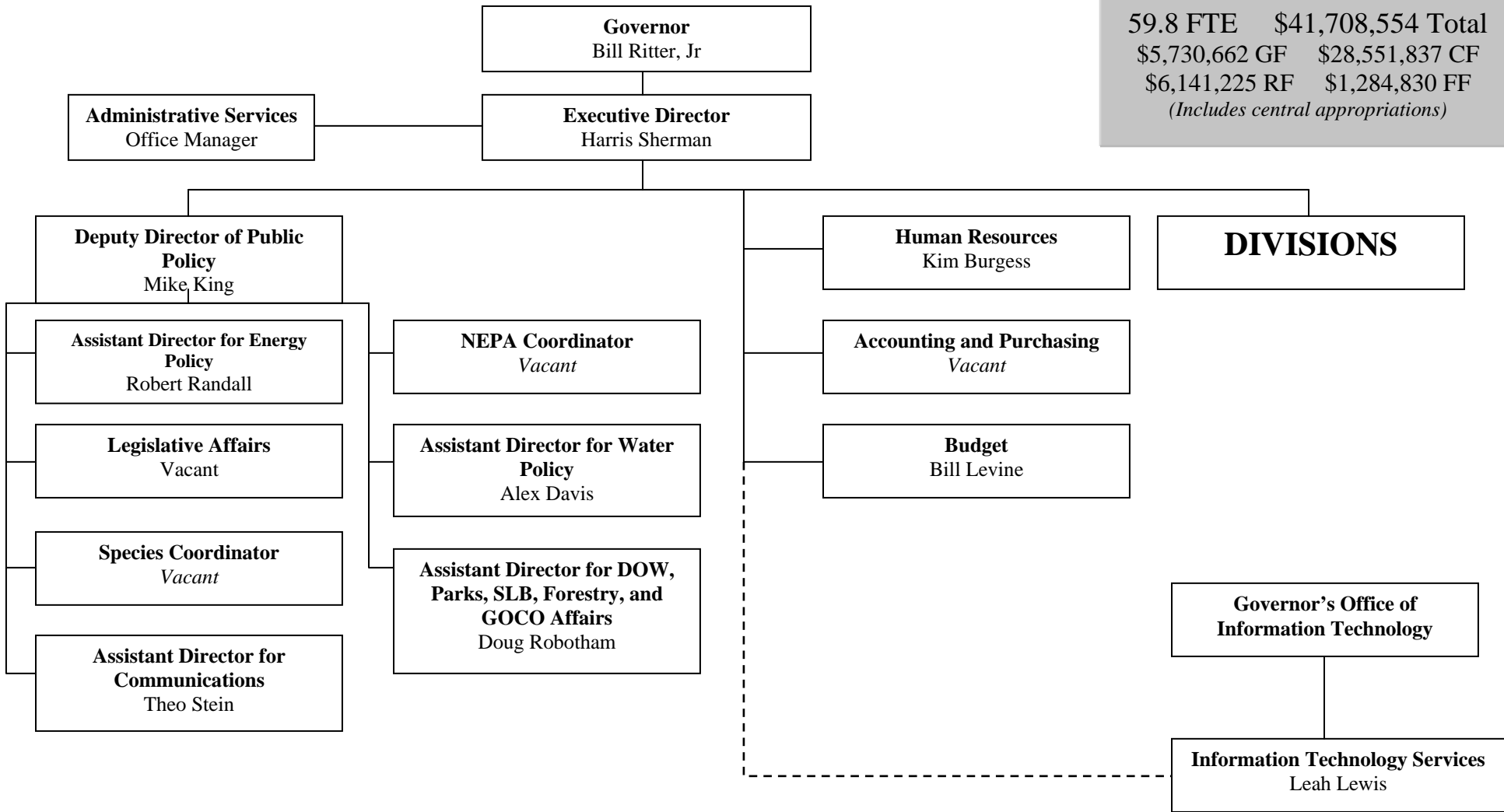
*Strategy:*

The School Trust is the largest trust accounting for 98.3 percent of the total State Land Board revenue. The main revenue components are: mineral (e.g., royalty and lease), surface (e.g. agricultural and recreation leases), and commercial (e.g. office and ground leases). 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. The School Trust will see a significant decline in revenue in FY 2009-10 due to coal royalties. Offsetting such a decline of forty percent will take years of positive growth from commercial and surface revenues.

*Evaluation of Prior Year Performance:*

Revenue to the school trust reached a new record in FY 2008-09 driven by the continuing boom in mineral resource extraction on School Trust lands. As resources are exhausted at current extraction sites, maintaining this level of revenue to the school trust represents a challenge in coming years. The Board is expanding its sustainable revenue sources to help backfill the eventual loss of non-renewable revenue.

**Executive Director's Office**  
 59.8 FTE    \$41,708,554 Total  
 \$5,730,662 GF    \$28,551,837 CF  
 \$6,141,225 RF    \$1,284,830 FF  
*(Includes central appropriations)*



## **Executive Director's Office (EDO)**

### ***Executive Director's Office -- Program Description:***

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

- Administration and Policy Development – Includes the overall administration of the Department, the administration of the office and the function of policy development and program implementation related to the various boards, commissions and divisions of the Department. It also includes the administration of pass-through funding received by the Department for use by our divisions, other state agencies or cooperators on departmental programs. The package includes the communication function for the Office that provides complete information services to the Executive Director and in support of the divisions. The program also supports the Executive Director and divisions in its dealings with local, county, and state agencies, the Governor's Office, the General Assembly, federal land management agencies and Congress.
- Human Resources – Carries out all HR duties for the entire department. This includes all facets of maintaining our workforce. Activities include: position classification; announcements and testing for new positions, promotions and vacancies; maintaining all personnel records and information; providing counseling and guidance on initial employment, career advancement and retirement; and risk management activities including liability, property loss and safety issues. The office also assists agencies in employee training and maintains a grievance process. Human Resources supports the department's diverse workforce goals. It also advises executive staff and management and divisions on statewide policy issues as well as establishes departmental policy on human resource matters. The unit ensures compliance with applicable laws and regulations.
- Accounting/Purchasing - Directs, controls, and manages the accounting/procurement operations and functions in the Department of Natural Resources. The Department has an annual operating budget of \$228 million, a capital construction budget of \$ 31.9 million and revenues exceeding \$189.8 million (\$40.2M/cash; \$127.8M/cash exempt; \$21.8M/federal). The accounting/purchasing section works closely with the Department's divisions, program directors, budget/information technology services/human resources staff, the State Controller and State Purchasing to ensure efficient and effective management of all financial resources.
- Budget - Formulates and executes the Department's annual budget process. As part of this process, the Budget section takes the lead in developing the Department's Strategic Plan, provides input on legislation, including the development of fiscal notes analyzing a variety of revenue and expenditure proposals and legislative initiatives proposed by, or affecting, the Department. The unit also responds to request for financial information or analysis requested by the Governor's Office and the General

Assembly. It supports the divisions on a variety of revenue, expenditure, and financial analysis or issues that are facing the Department. Budget is also responsible for providing budget execution and coordination for the programs and work packages in the Executive Directors Office. Finally, the budget section administers central appropriations and allocations for the divisions.

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

***Federal/State Statutory and Other Authority:***

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

***Executive Director's Office – Performance Measures:***

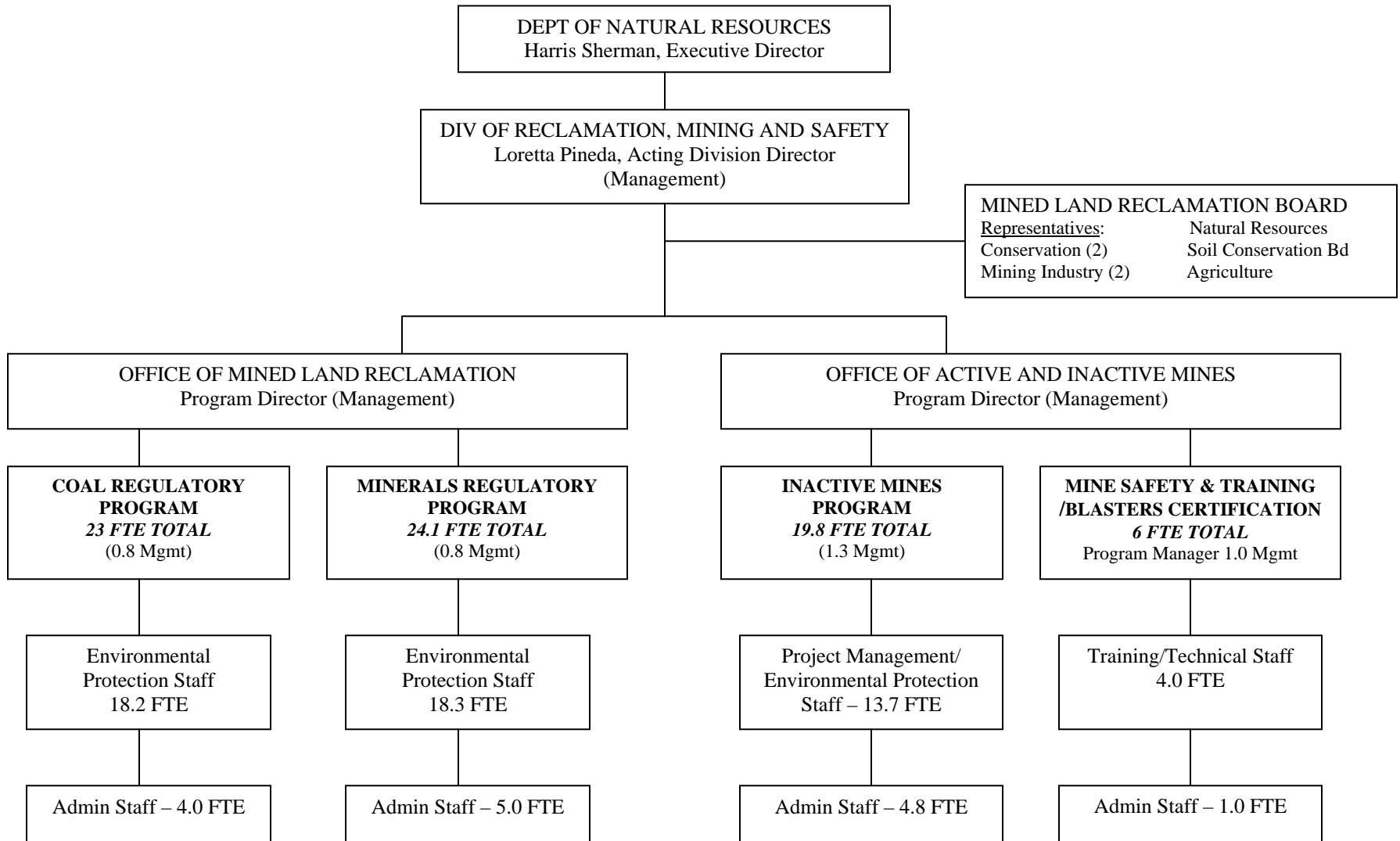
Just as the Executive Director's Office provides leadership and support to the entire Department in meeting its strategic objectives, the office is also integrally involved in achieving both the department-wide and division-level performance measures that are identified in this strategic plan.

# DIVISION OF RECLAMATION, MINING AND SAFETY

**72.9 FTE**

**CF \$4,331,148 REAPPR \$30,000**

**FF \$3,500,581**





## Division of Reclamation Mining and Safety

### *DRMS -- Description*

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

### *DRMS – Statutory Authority:*

Coal Regulatory Program: State: Section 34-33-101, C.R.S. Federal: (SMCRA) 1977 – PL 95-87

Inactive Mine Reclamation Program State: Section 34-33-133, C.R.S. Federal: (SMCRA) of 1977, Title IV, PL 95-87

Minerals Regulatory Program State: Sections 34-32.5-101 *et seq.*; 34-32-101 *et seq.*; and 25-8-104, C.R.S.

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

### *DRMS --Mission:*

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

### *DRMS -- Vision:*

The division is committed to balance the need for mineral resource production with protection of the public, environment and Colorado's natural resources. The Coal and Minerals Regulatory Programs are challenged to meet increasing regulatory demands with decreased staff resources. Over the next five years, the increased demand for energy and mineral resources will continue to create the need for new and expanding permitting at Colorado's coal, oil shale, uranium, molybdenum and gold mines. Demand for

construction materials will continue to increase due to the high energy and land use development activities occurring across the state. These competing land development uses continue to cause increased scrutiny of the mining regulatory programs and increased citizen involvement. Employee retention, recruitment and funding challenges will also continue over the next five years as the division competes with the booming private energy and minerals sectors and strives to maintain adequate staffing relative to expanding regulatory demands.

For the next five years in Colorado there are many challenges and opportunities for abandoned mine land reclamation work. The opportunities are found in increased federal funding of \$30 million which is over the next eight years to safeguard and reclaim the 23,000 abandoned mines in Colorado. Funding support will also come from state severance tax and other federal land management agencies (Bureau of Land Management and the U.S. Forest Service) so that more sites consisting of coal and non-coal mine sites can be addressed. In addition, the program is coordinating with federal agency partners to develop and construct projects with American Recovery and Reinvestment Act (ARRA) funding. Challenges include overcoming restrictions in federal funding for coal versus non coal problems. Tackling the most difficult abandoned mined land issues, like water quality issues, will also involve dealing with long-term liability responsibilities which need to be worked out between landowners and state and federal government agencies. Without federal “Good Samaritan” legislation in the next five years many projects will go unfunded and long-term objectives for environmental clean-up will not be realized.

The Mine Safety training program will be at a cross roads within the next five years. Without funding for increased FTE it will be difficult to maintain the program at its current level. Increases in personnel services and administrative costs will not allow for any new program initiatives. Current program staff cannot keep up with the increased demand for training -- 1,500 training requests could not be met by the program in 2008. Challenges include the mine safety education and training of Colorado’s miner’s on the many new requirements of the MINER Act of 2006 regarding mine emergency planning, training and response, mine ventilation and seals requirements and many others. Mine operators and mine contractors continue to request program services at ever increasing numbers as more experienced miners retire and new, inexperienced miners take their places. New federal mine health and safety requirements are complex and often difficult to understand, which increases the use of program services dramatically.

## DRMS – PERFORMANCE MEASURES

### DRMS-1. Mined Land Reclamation

*Objective: Reclaim disturbed coal mine acres to a beneficial post mining land use*

Performance Measure	Outcome	FY 2007-08 Actual	FY 2008-09 Actual	FY 2009-10 Approp.	FY 2010-11 Request
<b>Final bond release – expressed as a percentage of the total number of disturbed mine acres recorded per fiscal year.</b>	Benchmark	1.5%	1.5%	3.0%	3.0%
	Actual	1.8%	3.5%	Unknown	Unknown

*Strategy:*

This is a measure of the establishment of post-mining beneficial land use as expressed in a ratio of final reclaimed acres over the total number of disturbed acres recorded per a single fiscal year. “Disturbed acres” are defined where ground excavation has occurred. The number of released acres is a function of mine operator’s submitting applications for release of acres that are typically out of a larger mined area under continued excavation; also dependent on operator factors such as financial status and insurance considerations for that mine. Due to total disturbed acres fluctuating annually with new acres added (new permits) and reclaimed acres removed, the measure provides a general indicator of industry trends toward continued or expanded mining versus reclamation/closing operations across the state. Mine operations can operate for over 20 years with reclamation being performed in phases over the acres where the minerals have been removed. The timeframe for final bond release is mandated by the Coal and Minerals statutes and is dependent upon the sustainability of reclamation conditions, such as soil stability and revegetation success, which can take several years to verify. Colorado is a national leader in the final release of coal reclamation sites.

*Evaluation of Prior Year Performance:* The number of acres actually requested for release by coal mine operators exceeded the benchmark percentage, which was an estimate based on acres released in previous years. Due to this measure being contingent on mine operators submitting applications for release of acreage, the benchmark percentages are historic estimates and actual results will vary.

## DRMS-2. Regulate Mining

*Objective: Protect the environment by ensuring regulatory compliance at coal and non-coal mine sites.*

Performance Measure	Outcome	FY 2007-08 Actual	FY 2008-09 Actual	FY 2009-10 Approp.	FY 2010-11 Request
<b>The percent of inspected coal and non-coal mine sites that are in regulatory compliance annually.</b>	Benchmark	100%	100%	100%	100%
	Actual	98%	98%	Unknown	Unknown

*Strategy:*

This is a measure of overall regulatory compliance for the mine sites that were inspected in a single fiscal year as compared to the ideal of 100% compliance at inspected sites. Mine operators manage the sites to ensure protection of environmental resources, minimize onsite impacts, and prevent offsite impacts. Inspections that result in no violations being cited and upheld offer a measure of this goal (percent of inspected sites in compliance). The Mined Land Reclamation Board and the Division determine when a permit is in violation of statutes, rules or regulations.

*Evaluation of Prior Year Performance:* The percentage of mine sites exhibiting compliance remained relatively constant at 98% from FY2006-07 to FY2007-08. This is a 4% increase in compliant sites from FY2006-07. The percent of mine sites inspected and in compliance will be a function of various factors. Frequency of inspections and regulatory presence in the field may influence this percentage. As the DRMS increases inspection frequency, the mine operators may be more proactive in maintaining mine site compliance. An increased inspector presence also improves the probability that regulatory outreach and education will further

facilitate operator initiatives to maintain compliance. During FY2008-09, DRMS achieve more inspections than in either of the preceding years due to filling four vacant positions between November 2007 and July 2008. It is hoped that as inspection frequency increased with the addition of regulatory resources, site compliance also increased due to operator monitoring and outreach.

### DRMS-3. Safeguarding/Reclamation of Abandoned and Inactive Mines

*Objective: Reclaim or safeguard abandoned mine sites from the effects of past or inactive mining*

Performance Measure	Outcome	FY 2007-08 Actual	FY 2008-09 Actual	FY 2009-10 Approp.	FY 2010-11 Request
<b>Percentage of abandoned or forfeited mine sites reclaimed/safeguarded out of a baseline inventory of 23,000 total project units.</b>	Benchmark	34.0%	34.8%	36.0%	37.0%
	Actual	33.5%	35.2%	Unknown	Unknown

*Strategy:*

This is a measure of the cumulative percentage of safeguarding/reclamation projects that have resolved problems at abandoned mine sites relative to the number of sites per statewide inventories conducted 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 23,000 sites.

*Evaluation of Prior Year Performance:* The benchmark was achieved in FY2008-09. Abandoned mine reclamation touches several different interests including safeguarding, historic preservation, economic stability, and environmental clean-up. Project activities include field investigations, project development, project design, NEPA compliance (National Environmental Protection Act), realty work, construction contract bidding and management, site construction and reclamation, construction inspection, site monitoring and maintenance of prior project work. Given the short construction season in Colorado’s high country, projects often

take more than one year to complete. All these activities require staff time and coordination and in many cases projects need a three year time period in order to accomplish the administrative requirements. The program also performs reclamation at coal mine fires. Coal mine subsidence areas that are not reflected in this measure.

<sup>1</sup>Source for abandoned mine openings baseline inventory: Colorado’s Inactive Mine Reclamation Plan/Inventory, Colorado Division of Mined Land Reclamation, 1980.

*Objective: Reclaim or safeguard forfeited mine sites from the effects of mining*

Performance Measure	Outcome	FY 2007-08 Actual	FY 2008-09 Actual	FY 2009-10 Approp.	FY 2010-11 Request
<b>Percentage of forfeited mine sites reclaimed/ safeguarded out of a baseline inventory of 252 total project units.</b>	Benchmark	57%	61%	65%	70%
	Actual	57%	61%	Unknown	Unknown

*Strategy:*

This is a cumulative measure of projects that have resolved problems at forfeited mine sites relative to the number of sites per statewide inventories prepared between 1983 and 2008. The baseline is 252 sites as of July 8, 2009. This inventory is updated as additional permits are revoked (approximately 2-3 per year) and their corresponding bonds forfeited.

*Evaluation of Prior Year Performance:* The benchmark was met in FY2008-09. Going forward, the program will attempt to mitigate delays in addressing the backlog that are due to the time it takes to research the site and develop plans for each site. In many cases the sites have not been maintained and require safeguarding and environmental protection. Reclamation projects must be bid out according to state fiscal and purchasing rules. The program has developed a systematic geographic approach to deal with forfeited mine sites in the same area, which has improved efficiency and cost effectiveness. Severance tax funding, which supplements reclamation work at sites where bonds are insufficient, was reduced by 50 percent in FY10. This will limit funding for reclamation to actual bond amounts at some sites, resulting in an inability to fully complete reclamation plans.

## DRMS-4. Environmental Restoration at Inactive Mines

*Objective: Reduce stream degradation caused by past mining*

Performance Measure	Outcome	FY 2007-08 Actual	FY 2008-09 Actual	FY 2009-10 Approp.	FY 2010-11 Request
<b>Percent of stream miles for which degradation from past mining has been reduced – expressed as a percentage of a baseline of 1,300 stream miles.</b>	Benchmark	1.7%	1.5%	1.1%	1.1%
	Actual	1.5%	0.13%	Unknown	Unknown

*Strategy:*

This measure compares stream miles where water quality measurements have improved due to work performed by the Inactive Mine Reclamation Program to reclaim hardrock mine waste relative to an estimated baseline of 1,300 stream miles<sup>2</sup> that have been impacted by mining activities statewide. Mining related nonpoint source pollution in Colorado is widespread and diverse. Sediment resulting from past mining and milling activities contributes to the contamination of additional waters and streams. The attainment of the goal for any stream segment extends over a long period of time and can involve multiple projects. Currently, the percentages shown above do not include duplicate stream miles improved.

*Evaluation of Prior Year Performance:* The measurement standard of not counting duplicate stream miles causes the program to show negligible progress against the baseline because numerous water quality improvement projects are occurring on the same stream miles and those “miles” were already counted as an accomplishment in a prior year. Each of these projects that occur on the same stream reach contribute some level of water quality improvement that is not clearly enumerated. Another factor causing minor progress against the baseline to show in a certain fiscal year is when investigative and design work are performed during one fiscal year (high altitude conditions restrict project conditions to a few summer months per year), but such efforts cannot be counted as resolving the baseline until the actual on-the-ground work is completed in a later fiscal year. The on-the-ground work is not completed until a later year. Out of the 13 sites addressed in FY2008-09, only 1 mile of new stream length could be counted –

the other 12 sites were preliminary investigations/design work or vegetation maintenance on stream miles previously counted in prior fiscal years. The program also worked cooperatively with watershed stakeholder groups to accomplish long-term water quality improvement objectives, including the investigation or design of 7 new projects; however, the stream improvement miles associated with these sites will not be counted until the actual reclamation projects are completed over the next few seasons.

Water quality improvement projects that impact duplicate stream miles need to be accounted for; therefore, a reassessment of this performance measure will occur during the 2009 field season. A refinement of the measure will be proposed for FY2010-11.

<sup>2</sup>Source- *Inventories of Mining-Impacted Streams: Colorado Non-point Source Assessment Report, Colorado Water Quality Control Division, 1989.*

### DRMS-5. Mine Safety

*Objective: Protect the safety of Colorado’s miners*

Performance Measure	Outcome	FY 2007-08 Actual	FY 2008-09 Actual	FY 2009-10 Approp.	FY 2010-11 Request
<b>Average injury rate at mines that received training from the Mine Safety and Training Program as compared to the national average of “non-fatal days lost” or NFDL injury rates.</b>	Benchmark	National NFDL Coal/Non-coal 3.20 / 2.34	National NFDL Coal/Non-coal 3.00 / 2.24	National NFDL Coal/Non-coal 2.95 / 2.20	National NFDL Coal/Non-coal 2.95 / 2.24
	Actual	Colorado NFDL-Coal/Non-coal 2.83 / 2.52	Colorado NFDL Coal/Non-coal 3.88 / 2.48	Unknown	Unknown

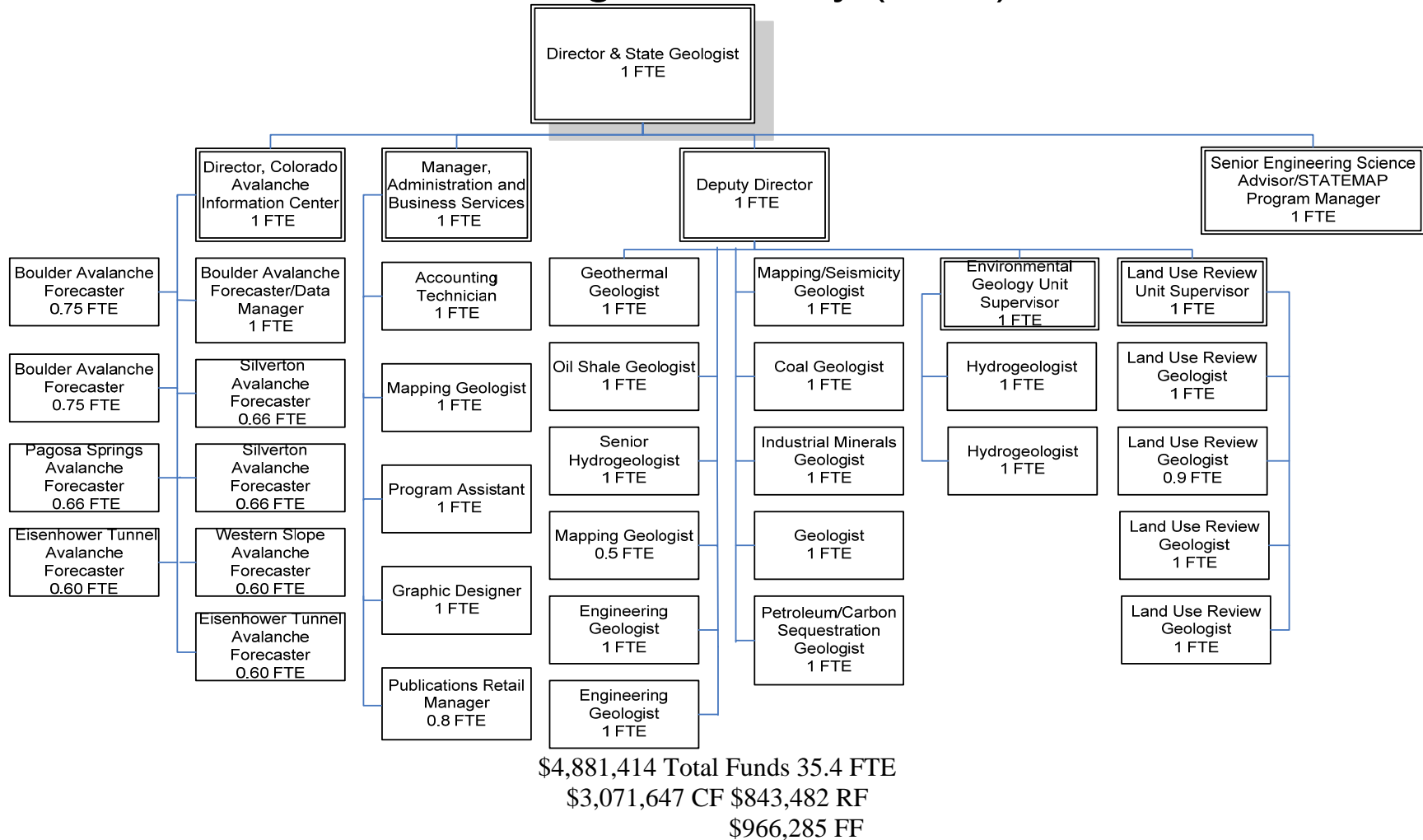


*Strategy:*

This measure is comparing the “non-fatal days lost” (NFDL) injury rates for the nation’s coal and non-coal mines to the NFDL injury rates of Colorado mines that received training from the MSTP. The benchmark values in the appropriation and request years are estimated from national trends.

*Evaluation of Prior Year Performance:* The Mines Safety and Training Program (MSTP) goal is to assist Colorado mine operators in reducing their “non-fatal days lost” (NFDL) rates below the national average or below the NFDL rate for Colorado mines for which the program did not assist, and to continue to reduce that rate toward zero. The MSTP does this by providing effective mine safety education and training and training tools to each mining operation’s mine employees, management and mine safety staff. The FY2008-09 NFDL rate for Colorado coal mines trained by MSTP was slightly higher than the national average. During that year, underground coal mines in Colorado dealt with additional challenges such as newly-hired, inexperienced miners, challenging geologic conditions (i.e., faulted, unstable ground, high methane levels and water inundation issues). For Colorado non-coal mines that received MSTP services, the FY2008-09 NFDL rate improved slightly over the prior year. This rate, however, is still slightly above the national NFDL rate. It can be noted that that NFDL rate for non-coal mines in the state that did not receive MSTP services had a much higher NFDL rate (4.30) than the national rate. Also, 80 percent of the operations that received MSTP services in FY2008-09 had no “lost-time injuries.” With the addition of the many new requirements of the MINER Act of 2006, the MSTP continues to try to meet the growing demand for education and training across the state with a flat level of federal funding. In general, the MSTP is unable to train over 1,500 miners requesting assistance. The federal Mine Safety and Health Administration (MSHA) has placed considerable emphasis on mine emergency and mine rescue training via the requirements of the MINER Act of 2006. In calendar year 2008, the MSTP has trained 47 mine rescue teams (6-7 members per team) as compared to 12 teams in 2005.

# Colorado Geological Survey (CGS)



## Colorado Geological Survey

### *CGS -- Description:*

Colorado Geological Survey consists of three programs:

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

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

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

### *CGS -- Statutory Authority:*

The statutory authority for the Colorado Geological Survey is found at Title 34, Article 1, Part 1, Colorado Revised Statutes (2009).

*CGS -- Mission:*

The Colorado Geological Survey (CGS) is a state government agency within the Department of Natural Resources whose mission is to help reduce the impact of geologic hazards on the citizens of Colorado, to promote responsible economic development of mineral and energy resources, to provide geologic insight into water resources, provide avalanche safety training and forecasting, and to provide geologic advice and information to a variety of constituencies.

*CGS – Vision:*

The vision of the Colorado Geological Survey is to enhance the safety and economic well-being of the citizens of Colorado.

We seek to better protect lives and property by—

- Increasing our understanding of, and education efforts in, avalanche safety.
- Increasing our understanding of geologic hazards across the state.
- Reducing our response time to geologic emergencies across the state.

We seek to enhance the economic well-being of our citizens by—

- Reducing economic losses from geologic hazards by recognizing and mapping hazardous areas, developing better mitigation techniques and transferring this knowledge to planners and practitioners.
- Assuring adequate water supplies by providing sound science and education to decision-makers about the geology of the groundwater aquifers of the state as it relates to managing and storing water.
- Conducting studies of CO<sub>2</sub> sequestration and geothermal power generation to provide more secure supplies of “greener” energy.
- Conducting studies of conventional energy resources of the state in order to provide policy makers with sound science and data upon which to make knowledgeable decisions.
- Reducing the time of road closures for avalanche hazard mitigation on Colorado highways by developing better forecasting techniques and information.
- Developing popular guides to the geology of state parks to promote tourism.

## CGS PERFORMANCE MEASURES

### **CGS-1. Avalanche Safety**

*Objective: Make winter travel and recreation in the Colorado Mountains safer through avalanche safety training and forecasting*

<b>Performance Measure</b>	<b>Outcome</b>	<b>FY 2007-08 Actual</b>	<b>FY 2008-09 Actual</b>	<b>FY 2009-10 Approp.</b>	<b>FY 2010-11 Request</b>
<b>The number of avalanche deaths per 100,000 population per year</b>	Benchmark	0.122	0.122	0.122	0.122
	Actual	0.100	0.078	Unknown	Unknown

*Strategy:*

Colorado’s population has risen 38% since 1990; however, the number of avalanche deaths per 100,000 population has decreased. Four other states who have similar topography, Alaska, Utah, Montana, and Wyoming, have all experienced a dramatic increase in avalanche deaths per 100,000. As the population continues to increase each year, the CAIC attempts to keep this measured outcome on a downward trend.

*Evaluation of Prior Year Performance:*

The Colorado Avalanche Information Center, through its programs of forecasting and education, has been able to exceed its FY 2008-09 performance measure benchmark.

## CGS-2. Land Use Review

*Objective: Reduce the impact of geologic hazards on new home builders and buyers through timely Land Use Reviews*

Performance Measure	Outcome	FY 2007-08 Actual	FY 2008-09 Actual	FY 2009-10 Approp.	FY 2010-11 Request
<b>Percentage of Land Use Reviews completed within the statutory deadline</b>	Benchmark	97%	97%	97%	97%
	Actual	89%	94%	Unknown	Unknown

*Strategy:*

Colorado’s growth is resulting in a large number of new subdivisions and schools being proposed in all parts of the State. It is imperative that CGS perform these reviews within its statutory deadline of 21 days to ensure that the developers and the public are properly informed about the potential for geologic hazards on their property and suggested mitigation techniques.

*Evaluation of Prior Year Performance:*

During FY 2008-09, CGS did not meet its benchmark performance measure of completing 97% of the Land Use Reviews within the statutory deadline of 21 days. This performance measure is an Individual Performance Objective (IPO) metric for all of the Land Use Review (LUR) staff. The key reasons why the benchmark was not met was budget constraints and an effort to comply with Executive and Department directives to reduce vehicle miles traveled (VMT).

Subdivision plats, for residential developments, comprise the vast majority of reviews with a statutory deadline. Along the Front Range, this type of development all but ceased mid-year due to well-publicized economic factors. As a result, a higher percentage of subdivision plats were located on the Western Slope. In order to manage significant increases in travel costs and VMT, site visits had to be consolidated. Travel to remote areas was delayed until more than one review was received. At times, this resulted in our missing the statutory 21-day review period by a few days. CGS tried to balance providing good customer service with reducing the costs and impacts of repeated trips across the state to visit a single site.

### CGS-3. Geologic Mapping

*Objective: Reduce the impact of geologic hazards on the citizens of Colorado through geologic mapping*

Performance Measure	Outcome	FY 2007-08 Actual	FY 2008-09 Actual	FY 2009-10 Approp.	FY 2010-11 Request
<b>The cumulative percent of the total state’s quadrangles mapped at the 1 to 24,000 scale</b>	Benchmark	22.1%	22.6%	22.7%	22.9%
	Actual	22.1%	22.6%	Unknown	Unknown

*Strategy:*

The STATEMAP program is part of the National Cooperative Geologic Mapping Program. Forty-seven states participate in this program. The geologic maps produced by this program are the foundation for understanding geologic hazards, mineral and energy resources, groundwater aquifers, and the basic science of geology. The public is able to use these maps to identify resources and hazards prior to making planning decisions. The STATEMAP program prioritizes the quadrangles mapped and its highest priority is to complete mapping in areas of the state that are undergoing a high level of development activity.

*Evaluation of Prior Year Performance:*

The STATEMAP program has met its performance measure benchmark for FY 2008-09. The out-year benchmarks have been decreased from last year’s submission. Because of budget constraints, CGS will be mapping fewer 1 to 24,000 quadrangle maps.

### CGS-4. Advise Policy Makers

*Objective: Provide sound geologic advice and information to a variety of constituencies on the impact of geologic hazards or the geology of ground water*

Performance Measure	Outcome	FY 2007-08 Actual	FY 2008-09 Actual	FY 2009-10 Approp.	FY 2010-11 Request
<b>The percent of counties in the state and state departments receiving assistance in geologic hazards or ground water issues from CGS.</b>	Benchmark	30%	35%	30%	30%
	Actual	47%	30%	Unknown	Unknown

*Strategy:*

The most efficient approach to geologic hazard problems is to understand, anticipate, and mitigate the problems before they occur. For example, a landslide investigation and mitigation program may cost a few thousand to tens of thousands of dollars, whereas an active landslide beneath a completed subdivision may cost several millions of dollars to remediate. Critical information is provided to local government officials, private geotechnical practitioners, and the general public, so that they may make effective decisions to reduce the adverse effects of geologic hazards. The need for studies of ground water in its geological framework grows with each new Coloradan and every drought period. In order for the counties and state departments to fully understand the impact of the current draw on the State’s aquifers and ground water, more geologic information is needed. CGS provides that independent information in the form of studies that it completes and publishes, along with acting as technical advisors to the Interbasin Compact Commission Roundtables.

*Evaluation of Prior Year Performance:*

CGS was able to achieve this performance measure goal in FY 2008-09. This is primarily due to new work in geothermal and mineral resources that was performed early in the fiscal year. However, due to budget restrictions, CGS has cut its travel expenditures in an



effort to comply with Executive and Department directives to reduce vehicle miles traveled (VMT) and anticipates that achieving this performance measure next fiscal year may be negatively impacted.

### CGS-5. Promote Responsible Development

*Objective: Promote the responsible economic development of mineral and energy resources*

Performance Measure	Outcome	FY 2007-08 Actual	FY 2008-09 Actual	FY 2009-10 Approp.	FY 2010-11 Request
<b>The percent of counties in the state and state departments receiving assistance in mineral and energy resources from CGS</b>	Benchmark	5%	10%	10%	10%
	Actual	18%	10%	Unknown	Unknown

*Strategy:*

Information about the location and character of mineral and energy deposits and the locations of active mines and quarries are vital to entities that may be planning urban or commercial development. These data may be used to make informed land use decisions. If citizens and local government officials are aware of new exploration trends in their area, plans to accommodate exploration and development of mineral and energy resources can be made, thereby avoiding or mitigating land use conflicts.

*Evaluation of Prior Year Performance:*

CGS was able to achieve this performance measure goal in FY 2008-09. This is primarily due to new work in geothermal and mineral resources that was performed early in the fiscal year. However, due to budget restrictions, CGS has cut its travel expenditures in an effort to comply with Executive and Department directives to reduce vehicle miles traveled (VMT) and anticipates that achieving this performance measure next fiscal year may be negatively impacted.

# Colorado Oil & Gas Conservation Commission



\$9,187,907 Total Funds 73.0 FTE  
 \$9,087,699 CF \$100,208 FF

## Colorado Oil and Gas Conservation Commission (OGCC)

### *OGCC -- Description:*

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

- Operations -- Environmental protection specialists, engineers and field inspectors in this section ensure technical compliance with the OGCC rules and regulations. Staff reviews information and applications for approval, including production and injection well applications, technical well information, pit applications, land farms, remediation work plans for exploration and production waste cleanup operations and requests to plug and abandon wells. Field inspections are performed to ensure compliance for: drilling, production, and injection wells; well abandonment, pit and landfarm operations; and exploration and production waste cleanup operations. The Operations staff is also responsible for responding to inquiries and investigating complaints. As part of their duty to provide technical expertise, staff recommends enforcement actions and supports enforcement actions before the Commission at hearings for violations of OGCC rules. This section is responsible for identifying, recommending, and managing projects using the Oil and Gas Conservation and Environmental Response Fund (Fund 170).
- Administration and Hearings -- This section assists the Commission<sup>1</sup> in conducting hearings, holding local public forums, developing policies, and implementing rules, regulations, and orders to maximize oil and gas production and revenues for the state, to prevent waste, to protect correlative rights, and to protect public health, safety, welfare and the environment. It acts as a liaison to the Department, the public, and industry regarding OGCC activities. This includes responding to inquiries, investigating complaints, and performing outreach to parties such as the oil and gas industry, local governments and other interested groups to share information about issues of concern, to form committees, and to work on rulemaking. This section also manages the division's financial resources by preparing the annual budget request, and administering appropriations for their effective and efficient use.

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

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

*OGCC -- Statutory Authority:*

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

*OGCC -- Mission:*

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

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

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

## **OGCC PERFORMANCE MEASURES**

*Given the importance of Oil & Gas impacts on water supplies to both the Oil and Gas Conservation Commission and to the Department of Natural Resources, performance measures related to these issues can be found in the Section titled “DNR-Wide Performance Measures”, which begins on Page 61 of this document.*

### **OGCC-1. Surface Disturbances**

*Objective: Decrease surface disturbance caused by oil and gas activity*

<b>Performance Measure</b>	<b>Outcome</b>	<b>FY 2007-08 Actual</b>	<b>FY 2008-09 Actual</b>	<b>FY 2009-10 Approp.</b>	<b>FY 2010-11 Request</b>
<b>Percent of reclamation inspections that comply with OGCC rules.</b>	Benchmark	86%	86%	86%	86%
	Actual	69%	54%	Unknown	Unknown

<b>Performance Measure</b>	<b>Outcome</b>	<b>FY 2007-08 Actual</b>	<b>FY 2008-09 Actual</b>	<b>FY 2009-10 Approp.</b>	<b>FY 2010-11 Request</b>
<b>Percent of oil &amp; gas wells that are drilled with directional drilling technology.</b>	Benchmark	36%	36%	36%	36%
	Actual	47%	54%	Unknown	Unknown

*Strategy:*

The OGCC strives to reduce impacts to the surface by requiring directional drilling technology when practical and conducting reclamation inspections subsequent to drilling operations. The use of directional drilling technology reduces surface disturbance because multiple wells can be drilled from a common well pad, which is located to minimize impacts to water resources, wildlife, and surface owners.

*Evaluation of Prior Year Performance:* 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 operators correct the mistakes that led to failed inspections.

The OGCC has a multi-month backlog of completion reports to process, but, based on the reports that have been processed through August 2009, the percentage of wells that were drilled directionally from a common well pad increased from 47% to 54%. The use of common well pads and facilities significantly reduces surface impacts caused by oil and gas activities.

## OGCC-2. Public Health

*Objective:* Decrease health, safety, and environmental (other than water) incidences caused by oil & gas operations.

Performance Measure	Outcome	FY 2007-08 Actual	FY 2008-09 Actual	FY 2009-10 Approp.	FY 2010-11 Request
<b>Total number of citizen complaints that resulted in a Notice of Alleged Violation - per thousand active oil &amp; gas wells</b>	Benchmark	.16	.16	.16	.16
	Actual	.22	.45	Unknown	Unknown

*Strategy:*

The OGCC diligently and promptly responds to all complaints that are received by the agency. Each complaint is publicly tracked on the OGCC web site until the issue is resolved. Although not all complaints are related to issues that the OGCC has the regulatory authority to resolve, the number of complaints that are received by the agency, and result in a Notice of Alleged Violation, is considered to be one important indicator of

the impact that the oil and gas industry is having on the public and how well OGCC regulation is reducing the impact. Note that this measure changed from the FY 2008-09 budget request to track actual violations rather than complaints.

*Evaluation of Prior Year Performance:* Of the 221 complaints received by the OGCC in FY 2008-09, 18 were found to be in violation of OGCC rules. Notices of Alleged Violations (NOAV's) were issued for those 18 incidents. Although the percentage of valid complaints has increased slightly over the last two years, the agency considers it too early to draw any conclusions from the figures. Not included in the performance measure are the 141 NOAV's issued in FY 2008-09 as a result of routine inspections instead of complaints.

### OGCC-3. Historic Impacts

*Objective: Decrease environmental impacts from historic oil and gas activity.*

Performance Measure	Outcome	FY 2007-08 Actual	FY 2008-09 Actual	FY 2009-10 Approp.	FY 2010-11 Request
<b>Number of orphaned oil &amp; gas wells plugged and abandoned and sites reclaimed by the OGCC.</b>	Benchmark	27	27	27	27
	Actual	41	8	Unknown	Unknown

*Strategy:*

Since the early 1990's, the OGCC has had an active orphaned and abandoned oil and gas well plugging and site reclamation program. Occasionally, orphaned and abandoned wells and oil and gas operations sites in need of reclamation are identified by OGCC inspectors or are reported to the OGCC by the public. Typically, these wells and sites pre-date modern oil and gas regulation in Colorado. The orphaned and abandoned well plugging and site reclamation program was established to use funds provided by the regulated industry to prevent impacts to the environment and public health, safety, and welfare that could be posed by these old wells and sites.

*Evaluation of Prior Year Performance:* The OGCC completed a smaller than usual number of projects in FY 2008-09, because one of the projects, the Powers #1 Plugging and Abandonment, was more time-consuming and costly than the typical project.

## OGCC-4. Public Information

*Objective:* Increase opportunities for disseminating information to the public

Performance Measure	Outcome	FY 2007-08 Actual	FY 2008-09 Actual.	FY 2009-10 Approp.	FY 2010-11 Request
<b>Number of visits to the Oil and Gas Conservation Commission’s website.</b>	Benchmark	931,422	931,422	931,422	931,422
	Actual	1,140,989	808,487	Unknown	Unknown

*Strategy:*

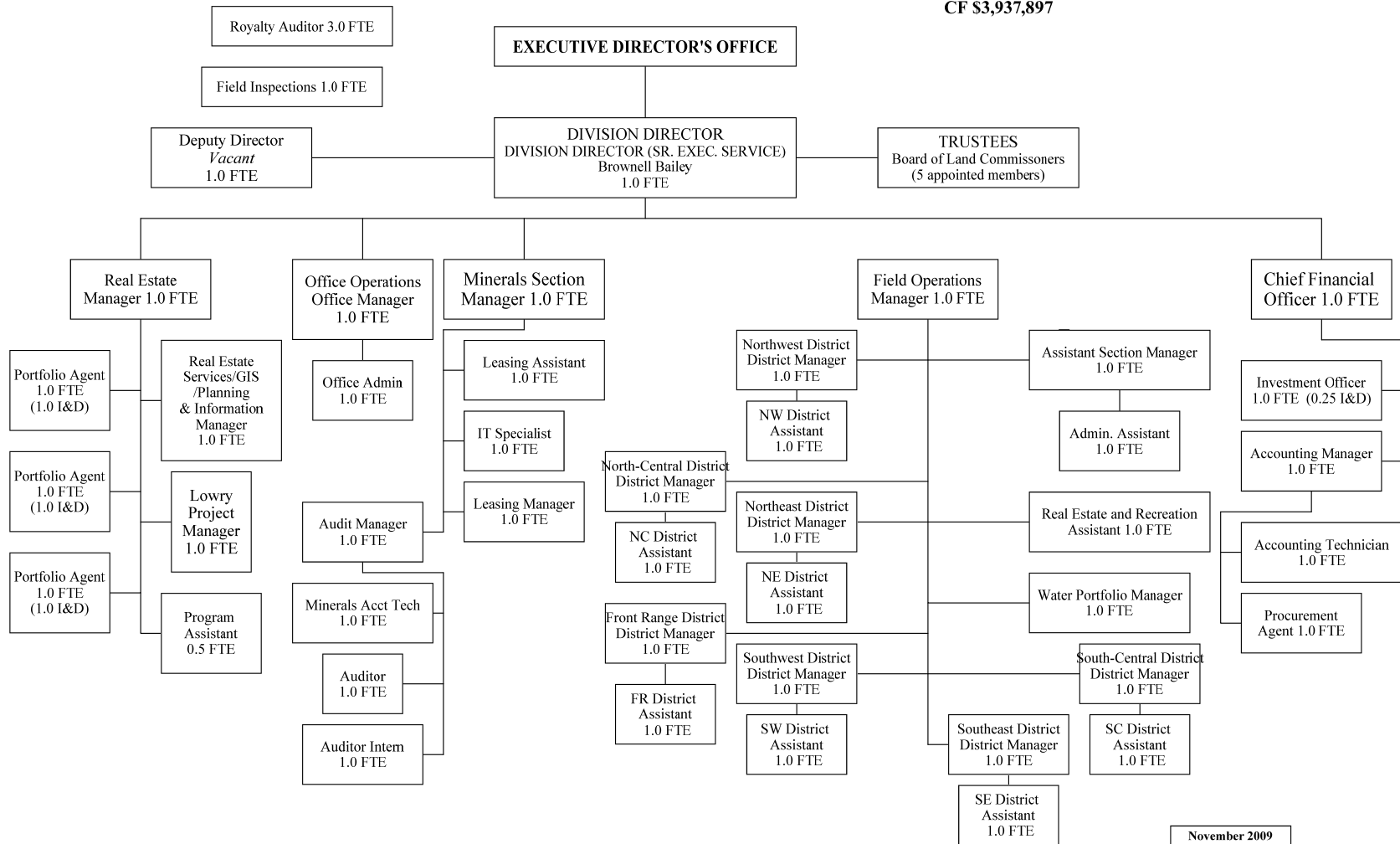
The OGCC’s website provides electronic access to valuable information about oil and gas development in Colorado. The website contains all regulatory information that has been submitted for oil and gas wells, which includes, but is not limited to, information regarding permits, well construction, production, 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.

*Evaluation of Prior Year Performance:* The reduced number of website visits can be attributed to the current downturn of the oil and industry. New map layers and more environmental and engineering reports are being made available to the public via the website. In addition, all documents related to the rulemaking hearings were posted to the website, while all hearings were broadcasted live over the Internet, in an effort to achieve the most transparent process possible and reduce unnecessary travel.



## COLORADO STATE BOARD OF LAND COMMISSIONERS

**38.0 FTE**  
**CF \$3,937,897**



November 2009

## *Colorado State Board of Land Commissioners*

### *State Land Board – Description:*

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

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

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

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

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

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

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

The Financial Section administers the State Land Board’s 19 trust fund accounts (two per trust) and processes 25,000 accounting transactions including allocation of the \$60.0 million in annual revenue. The section directs the \$5.5 million expense budget which includes managing the procurement process and all related construction contracts. Additionally, the section oversees the formulation of the annual budget request and analyzes land transactions and investments considered by the Board. The Financial Section is responsible for oversight and reporting of the Investment and Development Fund.

*State Land Board – Statutory Authority:*

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

*State Land Board – Mission:*

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

*State Land Board – Vision:*

The Division does not have a current vision statement

**SLB PERFORMANCE MEASURES**

*Given the importance of school trust revenue to both the State Land Board and to the Department of Natural Resources, performance measures related to these issues can be found under “DNR-Wide Performance Measures” starting on page 62 of this document.*

## SLB-1. Property Inspection

*Objective: Protect trust assets*

Performance Measure	Outcome	FY 2007-08 Actual	FY 2008-09 Actual	FY 2009-10 Approp.	FY 2010-11 Request
<b>Percent of Agricultural Property Inspections Rated Good or Above for Range Conditions</b>	Benchmark	50.0 percent	55.0 percent	60.0 percent	65.5 percent
	Actual	56 percent	53 percent	Unknown	Unknown

*Strategy:*

This performance measure incorporates the stewardship duties of the State Land Board. Beyond monetary value identified in other performance measures, the State Land Board is mandated to protect trust assets and make decisions that promote long term goals of the various trusts. There are five categories of range conditions: Excellent, Good, Fair, Poor, and Unknown (not included).

*Evaluation of Prior Year Performance:*

The State Land Board did not meet its benchmark of 55 percent, a greater focus on stewardship activities will be necessary to meet future goals.

## SLB-2. Investment and Development fund

*Objective: Pursue Investment opportunities*

Performance Measure	Outcome	FY 2007-08 Actual	FY 2008-09 Actual	FY 2009-10 Approp.	FY 2010-11 Request
<b>Investment and Development Fund Net Present Value estimate</b>	Benchmark	\$35 million	\$20 million	\$20 million	\$20 million
	Actual	\$19.1 million	\$17.5 million	Unknown	Unknown

*Strategy:*

The Investment and Development Fund (36-1-153 C.R.S.) was created to allow the State Land Board to make value added investments in School Trust properties for revenue or land value enhancement.

The net present value estimate is a risk-adjusted return. The performance measure is a sum of all the projects funded by the Fund and includes completed, ongoing, and inactive projects. A positive net present value indicates the amount the State Land Board anticipates the Fund will earn above the School Permanent Fund which is considered a “risk free” investment.

*Evaluation of Prior Year Performance:*

The reduction in the estimated net present value in FY 2008-09 is the result of a refinement of individual project projections. Future earnings projections were also reduced due to macro-economic conditions. Nonetheless, the State Land Board anticipates earning over two dollars for every dollar invested in current or risk-adjusted dollars.

### SLB-3. Accurate accounting

*Objective: Ensure that the revenue streams are accurate*

Performance Measure	Outcome	FY 2007-08 Actual	FY 2008-09 Actual	FY 2009-10 Approp.	FY 2010-11 Request
<b>Audit Revenues</b>	Benchmark	\$300,000	\$400,000	\$400,000	\$400,000
	Actual	\$2,948,576	\$980.884	Unknown	Unknown

*Strategy:*

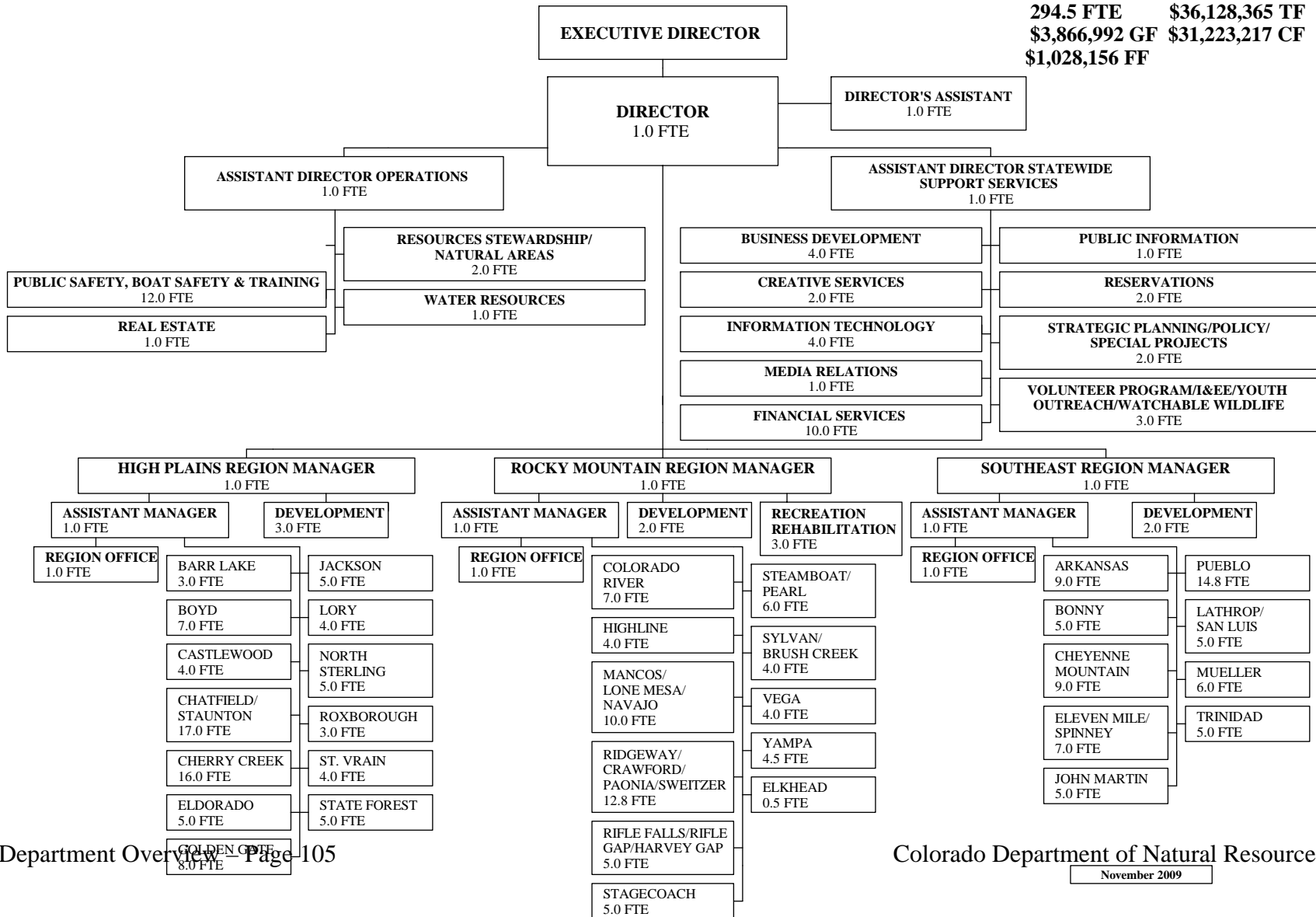
This performance measure shows the effectiveness of the State Land Board’s mineral audit program. The program has 3.0 FTE auditors, contract dollars, and uses the Department of Revenue for specific audits.

*Evaluation of Prior Year Performance:*

The State Land Board had one large settlement based on audit findings which accounts for nearly ninety percent of the FY 2007-08 total. While no similar events happened in FY2008-09, the audit program still managed to more than double its benchmark. The Land Board is evaluating increasing this goal for future years.

# COLORADO STATE PARKS

294.5 FTE \$36,128,365 TF  
 \$3,866,992 GF \$31,223,217 CF  
 \$1,028,156 FF



## Division of Parks and Outdoor Recreation

### *Division of Parks and Outdoor Recreation -- Description:*

Attracting over 11 million visitors per year, Colorado's 42 state parks and statewide recreation programs are a vital cornerstone of Colorado's quality of life, offering some of the highest value outdoor recreation destinations in the state. Our parks include a variety of landscapes to match the state's geography, from urban playgrounds to back-country retreats, from mountain lakes to whitewater adventure. Colorado State Parks enable everyone, regardless of age, background, economic or social circumstance, to enjoy the state's internationally famous natural beauty and experience a wide range of activities. Park visitors and beneficiaries of State Parks' many statewide outdoor recreation programs can literally "re-create" themselves both physically and spiritually. The parks are a priceless, irreplaceable legacy for future generations. Providing that enjoyment and protecting the legacy is the core of the Colorado State Parks' mission. Colorado State Parks manages 4,037 campsites, 42 cabins and yurts, encompassing 246,000 land and water acres. Several statewide programs including Trails, Boat Safety, Commercial River Outfitter Licensing, and Registrations for vessels, snowmobiles, and off-highway vehicles are also administered through Colorado State Parks. The Division is an integral revenue source to Colorado's growing economy.

### *Division of Parks and Outdoor Recreation -- Statutory Authority:*

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

### *Division of Parks and Outdoor Recreation -- Mission:*

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

### *Division of Parks and Outdoor Recreation -- Vision Statement:*

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



## **DPOR – PERFORMANCE MEASURES**

*Given the importance of annual parks visitation to both the Division of Parks and Outdoor Recreation and to the Department of Natural Resources, performance measures related to these issues can be found in the Section titled “DNR-Wide Performance Measures”, which begins on Page 61 of this document.*

### **DPOR-1. Park Acres**

*Objective: Provide sustainable outdoor recreation settings, statewide programs and education opportunities to keep pace with the rising demands, needs, and diversity of Colorado citizens and visitors.*

<b>Performance Measure</b>	<b>Outcome</b>	<b>FY 2007-08 Actual</b>	<b>FY 2008-09 Actual</b>	<b>FY 2009-10 Approp.</b>	<b>FY 2010-11 Request</b>
<b>Acres of State Parks land managed per capita</b>	Benchmark	.08	.08	.08	.08
	Actual	.08	.07	Unknown	Unknown

*Strategy:*

The Division operates 42 State Parks that provide outdoor recreation opportunities for citizens throughout the state. The state parks and statewide recreation programs are a vital cornerstone of Colorado’s economy and quality of life. The Division actively manages a total of 218,635 land acres among all parks and 140,090 acres in 78 Designated Natural Areas. (Please note that this figure does not include the parks that are not yet open to the public.) The 2005 Colorado population from the FY2005-06 Workforce Report published by the Department of Personnel and Administration is 4,655,177. Based on these figures, the Division manages .08 acres of land per capita. The desired outcome for this performance measure is an increase in the number of land acres managed by the Division to keep pace with the increase in number of residents of Colorado. This is consistent with the Division-wide Strategic Plan Recreation Goal which states that State Parks will: “Provide sustainable outdoor recreation settings, statewide programs and education opportunities to keep pace with the rising demands, needs, and diversity of Colorado citizens and visitors.” The Division has several options for increasing the amount of acreage it actively manages, including acquiring buffer parcels adjacent to existing parks; acquiring in holdings within existing parks; and increasing the level of management on properties that the agency currently owns but are not yet open to the public (Staunton and Lone Mesa State Parks, for example).

*Evaluation of Prior Year Performance: During FY 2008-09, the Division only added very minor inholding property acquisitions, totaling roughly 100 acres. Although current population data is not available, the most recent data available suggests population has been growing at about 2.5 percent per year. Due to this population growth, and the very small growth in State Parks managed lands, this performance measure ticked downward in FY 2008-09.*

## DPOR-2. Campsite Usage

*Objective: Retain current and acquire new customers through exceptional service and by improving State Parks' visibility with innovative marketing.*

Performance Measure	Outcome	FY 2007-08 Actual	FY 2008-09 Actual	FY 2009-10 Approp.	FY 2010-11 Request
<b>Percentage of occupancy at campsites</b>	Benchmark	18%	18%	18%	18%
	Actual	<u>21%</u>	<u>19%</u>	Unknown	Unknown

*Strategy:*

There are more than 4,200 campsites in the Colorado State Parks system. The percentage of these campsites that are occupied during prime camping season (roughly April through October) is a key indicator of the overall popularity of the system. This percentage can also be used to extrapolate other important information, including revenue stream trends and the degree to which the Division is meeting visitor expectations. The desired outcome for this performance measure is an increase in the percentage of occupancy per total rental nights available at campgrounds each year and is consistent with the Division-wide Strategic Plan Marketing Goal which states that State Parks will: “Retain current and acquire new customers through exceptional service and by improving State Parks’ visibility with innovative marketing.” The agency has a number of strategies to achieve this outcome, including increasing marketing efforts that would improve the mid-week reservations (when occupancy is at the lowest level). Because this performance measure has never been calculated in Colorado, the Division is using the actual occupancy percentage from 2005 for Montana as a benchmark.

*Evaluation of Prior Year Performance:*

Occupancy was in line with agency projections.

### DPOR-3. Park Stewardship

*Objective: Improve and sustain the ecological, scenic and scientific assets in and around state parklands through proactive stewardship.*

Performance Measure	Outcome	FY 2007-08 Actual	FY 2008-09 Actual	FY 2009-10 Approp.	FY 2010-11 Request
<b>Establish resource management practices and maintain the resources in good condition for all state parks</b>	Benchmark	68%	69%	70%	70%
	Actual	<b>68%</b>	<b>64%</b>	Unknown	Unknown

*Strategy:*

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

Parks will: *“Improve and sustain the ecological, scenic and scientific assets in and around state parklands through proactive stewardship.”*

For FY 2008-2009, the proportion of total acreage in Colorado State Parks that is rated at the good or excellent level shows a slight decrease from 64%, down from 68% in FY 2007-2008. This is likely due to the fact that evaluations were completed on 9,176 new acres of park land at North Sterling and State Forest that were not previously assessed. In FY 2008-2009, the Stewardship Program has focused on identification of non-native plant areas through mapping and field inventory; development of integrated weed management plans at several parks; selective application of herbicides at most of the parks; restoration with native grasses, shrubs and trees best suited for habitat improvements. Hazardous tree removal has played an important role in these efforts as well, especially in parks faced with significant forest pest invasions (e.g., Steamboat Lake, Pearl Lake, Golden Gate Canyon, and State Forest State Parks). A large portion of our efforts are cooperative, with local county weed control coordinators, county land use officials, the Colorado State Forest Service, and adjoining landowners playing an important role.

*Evaluation of Prior Year Performance:*

This measure is still under development. A uniform system is being developed to provide consistency in measurement across fiscal years.

**DPOR-4. Customer Satisfaction**

*Objective: Apply effective, accurate and reliable information for the analysis, planning, and implementation of all decisions.*

Performance Measure	Outcome	FY 2007-08 Actual	FY 2008-09 Actual	FY 2009-10 Approp.	FY 2010-11 Request
<b>Annual customer satisfaction survey</b>	Benchmark	75%	76%	77%	77%
	Actual	New Measure	91%	Unknown	Unknown

*Strategy:*

The Division would email on an annual basis a customer satisfaction survey to customers of state parks. This survey would consist of a set of questions that would remain the same each year and would be returned via email. The survey would help

measure overall visitor satisfaction with respect to a number of natural resource, recreation, safety, education, and park planning criteria. The performance measure would be comprised of a percentage of customers that rate their experience with State Parks at the Good or Excellent level with respect to the criteria outlined in the survey. Over time, the Division's desired outcome would be to maintain the level of satisfied customers and increase that level by one or more percentage points each year. Questions on the survey would break down aspects of the visitor experience, such as law enforcement, customer service, resource quality, recreation opportunities, and level of park development. This performance measure is consistent with the Division-wide Planning Goal which states that State Parks will: "Apply effective, accurate and reliable information for the analysis, planning, and implementation of all decisions." The above measurement is the percentage of customers that rate their experience at state parks as good or excellent.

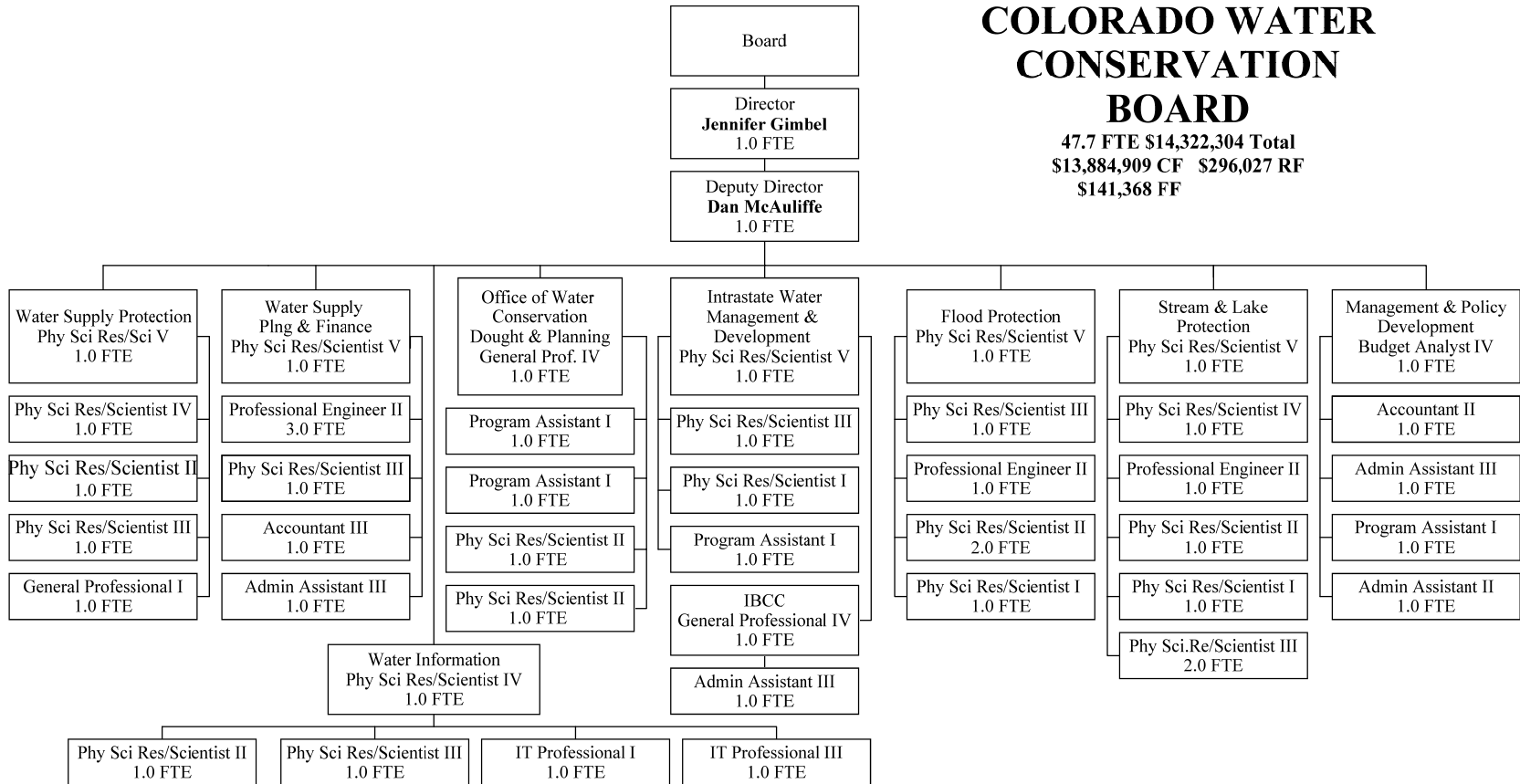
Customer satisfaction will be available for FY 2008-2009 as soon as the Corona Research Market Assessment Study is completed in September. Preliminary results indicate 91% of all visitors ranking the quality of their experience as good or excellent.

Currently, Colorado State Parks does not have a systematic way of calculating this performance measure on an annual basis. During the next fiscal year, Colorado State Parks staff will attempt to establish a way of capturing this performance measure for future annual reporting purposes.

*Evaluation of Prior Year Performance:* This measure is still under development. The Division is in the process of conducting a number of customer surveys during the summer 2009 season.

# COLORADO WATER CONSERVATION BOARD

**47.7 FTE \$14,322,304 Total**  
**\$13,884,909 CF \$296,027 RF**  
**\$141,368 FF**



November 2009

## Colorado Water Conservation Board (CWCB)

### *CWCB -- Description:*

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

The **Water Supply Protection** Section protects the State's ability to utilize its compact allocations both interstate and intrastate, ensures effective support for the administration of International Treaties, Interstate Compacts, and U.S. Supreme Court decisions impacting Colorado's water resources, and participates in the Endangered Species Recovery Programs and similar efforts that maintain Colorado's ability to develop its compact apportioned waters.

The **Watershed Protection & Flood Mitigation** Section works to prevent flood damage, support stream restoration efforts, and provide local jurisdictions with technical assistance as well as new and revised floodplain information. The Section administers the Weather Modification Program, manages the Watershed Protection Fund, and implements Executive Orders related to Flood Protection.

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

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

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

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

The **Intrastate Water Management and Development Section** works to help provide an adequate water supply for Colorado's citizens and the environment. The Section provides a permanent forum for broad-based discussion on Colorado's water supply future, analyzes our state's current and future consumptive and non-consumptive water needs and potential projects or methods to meet those needs, administers grant programs to help implement projects/methods for meeting Colorado's water needs, and provides public education on and outreach for Colorado's water supply future.

*CWCB -- Statutory Authority:*

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

*CWCB -- Mission:*

CWCB must develop and implement programs to:

- Conserve the waters of the State for wise and efficient beneficial uses
- Develop waters of the State to: Preserve the natural environment to a reasonable degree; Fully utilize State compact entitlements; Help ensure that Colorado has an adequate water supply for our citizens and the environment by implementation of CWCB adopted mission statements and the findings and recommendations identified in the 2004 Statewide Water Supply Initiative; Protect the waters of the State for maximum beneficial use without waste; and Manage the waters of the State in situations of extreme weather conditions – both for floods and droughts.

*CWCB – Vision:*

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



## **CWCB – PERFORMANCE MEASURES**

*Given the importance of water supply initiatives and of water conservation initiatives to both the Colorado Water Conservation Board and to the Department of Natural Resources, performance measures related to these issues can be found in the Section titled “DNR-Wide Performance Measures”, which begins on Page 61 of this document.*

### **CWCB-1. Instream Flows**

*Objective: Protect additional miles of decreed instream flow water rights resulting in enhanced protection of Colorado’s environment.*

<b>Performance Measure</b>	<b>Outcome</b>	<b>FY 2007-08 Actual</b>	<b>FY 2008-09 Actual</b>	<b>FY 2009-10 Approp.</b>	<b>FY 2010-11 Request</b>
<b>Miles of stream where CWCB actively manages water rights to leave water in streams for purposes of improving wildlife habitat.</b>	<b>Benchmark</b>	97 miles	199 miles	100 miles	100 miles
	<b>Actual</b>	88.3 miles (8,785.27 miles)	74.05 miles (8773.5 miles)	Unknown	Unknown

*Incremental miles added / (Total miles Protected)*

**Strategy:**

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 in order to: (1) 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. A critical component of this program is installing, operating, and maintaining stream gages to monitor stream flow and assure compliance with instream flow water rights. The CWCB currently holds, monitors, and protects instream flow water rights on approximately 8,774 miles of Colorado’s streams. The amount of additional miles that will need to be protected is unknown due to diversion and complexities of other water issues.

*Evaluation of Prior Year Performance:*

In January of 2009, the Colorado Water Conservation Board appropriated an additional 19 stream segments totaling 74.05 miles of stream, which was short of the projected 199 miles. Unforeseen concerns by stakeholders on a number of recommended segments prevented the CWCB from exceeding the benchmark. Some segments will likely continue to be controversial as a result of conflicts with energy and other proposed water development uses. As a result, the 2009-2010 projection has been reduced to 100 miles.

At the present time, there is the equivalent of 3.0 FTEs processing new ISF recommendations. As a result of the four mandatory furlough days, this will create the loss of approximately 96 hours of staff time that would have been devoted to evaluating recommendations for Board consideration. This loss of man-hours combined with budgetary travel restrictions will equate to a reduction in the number of stream miles protected for preservation of the natural environment on Colorado’s streams.

**CWCB-2. Online Documents**

*Objective: Disseminate technical information.*

Performance Measure	Outcome	FY 2007-08 Actual	FY 2008-09 Actual	FY 2009-10 Approp.	FY 2010-11 Request
Increase technical documents on-line	Benchmark	3,000	3,500	5,000	5,000
	Actual	8,939	4,100	Unknown	Unknown

*Strategy:*

The Division is committed to providing historic and current water resource information to the water community and the public through various mediums, including the Decision Support System (DSS) and the Division’s imaging system. The CWCB is the lead agency responsible for the implementation of the DSS, which provides water resource data, planning tools, modeling datasets and documentation on-line, that can be used by the Division and the public to help make better informed water resource decisions.

Another tool used to disseminate water resource information is Laserfiche, the agency’s imaging system. The system provides an accessible, user-friendly web portal for accessing CWCB’s library of documents, including (but not limited to) maps, reports, studies, data and documentation.

*Evaluation of Prior Year Performance:*

The accomplishments of the CWCB Imaging System Project during Fiscal Year 2008 concentrated on the following two areas: (1) uploaded all DSS and SWSI/SWSI II reports, studies, scopes of work, datasets and other electronic files to the Laserfiche system, allowing for quick search methods and retrieval of these major project materials, and (2) began work on a data harvesting/integration project with Colorado State University, investigating the feasibility of searching both document management systems at one time.

**CWCB-3. Flood Protection**

*Objective: Protect Colorado’s citizens from financial hardship associated with natural hazards*

Performance Measure	Outcome	FY 2007-08 Actual	FY 2008-09 Actual	FY 2009-10 Approp.	FY 2010-11 Request
<b>Increase insured value of flood prone properties</b>	<b>Benchmark</b>	\$3.7 billion	\$3.9 billion	\$4.0 billion	\$4.2 billion
	<b>Actual</b>	\$3. 8 billion	\$4.1 billion	Unknown	Unknown

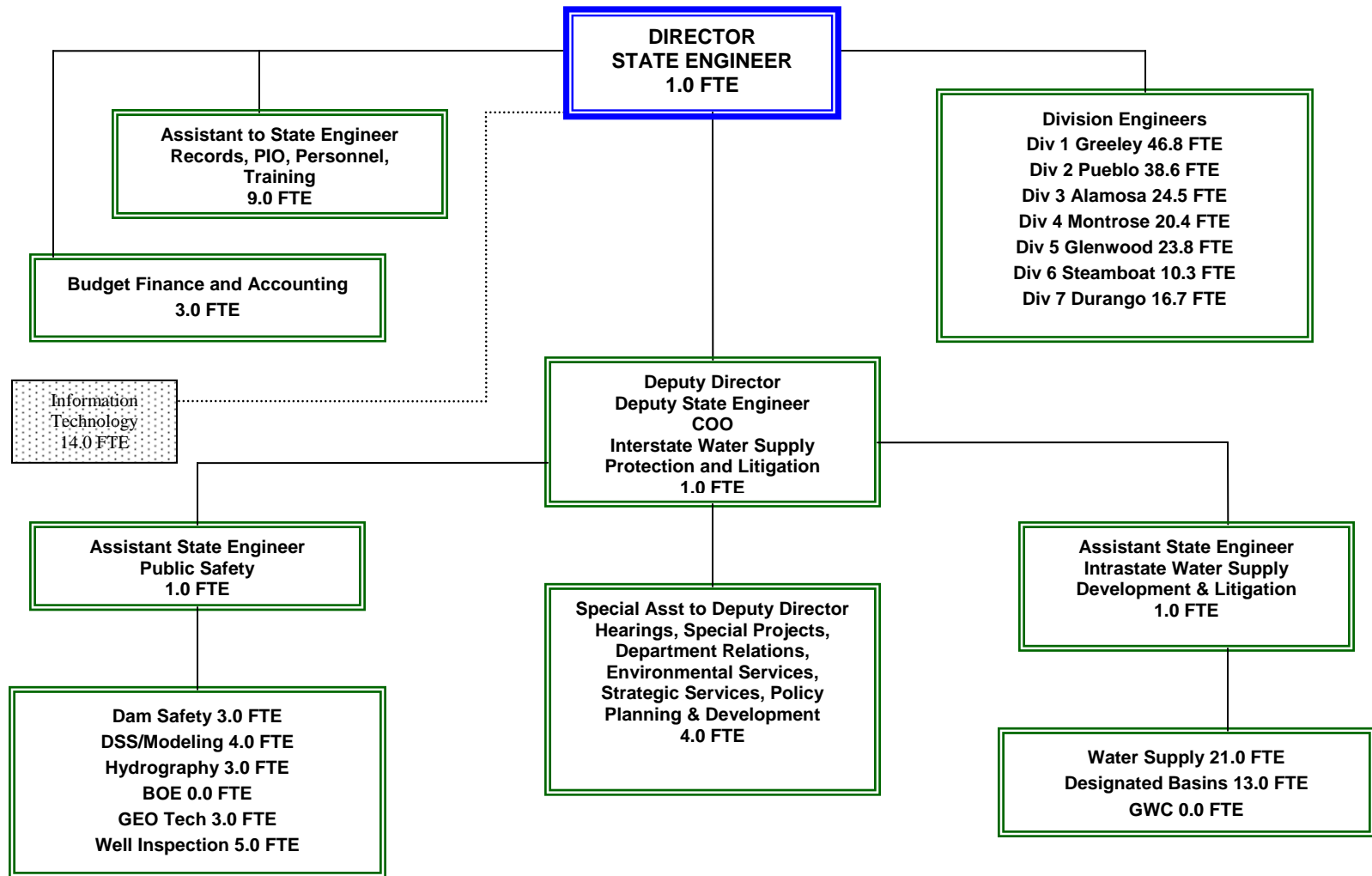
*Strategy:*

The Division helps protect Colorado’s citizens from flooding and related natural hazards. The Division works to prevent flood damages, supports local stream restoration efforts, reviews and approves floodplain designations, and provides local jurisdictions and citizens with technical assistance as well as new and revised floodplain information. It will increase the number of stream miles identified by designated floodplains and will increase the number of homeowners eligible for federally backed flood insurance to help prevent uninsured losses. It will increase the number of people receiving flood forecasts and updates during the flood season. The Division will also increase the number of updated floodplain maps statewide that can be used to assess flood threats and post-flood damages.

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

*Evaluation of Prior Year Performance:*

The Division was successful in helping the Town of Cedaredge to become enrolled in the Regular Program of the National Flood Insurance Program (NFIP). Numerous additional communities are being targeted for future enrollment in the NFIP. In addition, the Division leveraged a moderate amount of State funds to obtain over \$1 million dollars in grant funds from FEMA to produce new and revised digital floodplain information. Several new countywide studies were initiated, progressed, or completed during the prior fiscal year. The total value of insured flood-prone structures statewide was increased and multiple stream restoration efforts were supported utilizing the Colorado Watershed Protection Fund, other funding sources, and in-house expertise.



\$22,218,201 Total Funds 267.1 FTE  
 GF \$20,082,677, CF \$2,038,921, FF \$96,603

## *Division of Water Resources*

### *Division of Water Resources-- Description:*

The Colorado Division of Water Resources (DWR) is responsible for the supervision and control of water resources in this state per Section 37-80-102(h), C.R.S. (2009). Water administration is DWR's principal duty, requiring daily oversight of the allocation system that distributes water to farmers, industries, municipalities, and all other water users under Section 37-92-301, C.R.S. (2009). This allocation system is performed in accordance with the Doctrine of Prior Appropriation (the first entity to historically use water in a stream retains the first priority to continue diverting water for the same use), Colorado Supreme Court decisions, water court decrees, and rules & regulations issued by the State Engineer.

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

Major DWR programs include:

- Public Safety
  - Dam Construction and Inspection
  - Well Construction and Inspection (Colorado Board of Examiners of Water Well Construction and Pump Installation Contractors)
- Hydrographic Program
  - Satellite Monitoring System
  - Publication of Streamflow Records
- Water Administration of Surface and Ground Water Rights
  - Decision Support Systems
- Public Information Services
  - Record Collection and Maintenance
  - Information Technology and Internet Services
- Interstate Compacts
- Ground Water Well Permitting
  - Outside Designated Basins
  - Inside Designated Basins (Colorado Ground Water Commission)

*Division of Water Resources -- Statutory Authority:*

Federal/State Statutory and Other Authority:

Colorado Revised Statutes (2009): Sections 37-80 through 37-92, et seq.; 37-61 through 37-69, et seq.

*Division of Water Resources -- Mission:*

The Mission of the Colorado Division of Water Resources is:

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

*Division of Water Resources – Vision:*

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

## **DWR PERFORMANCE MEASURES**

*Given the importance of Interstate Compacts to both the Division of Water Resources and to the Department of Natural Resources, performance measures related to these issues can be found in the Section titled “DNR-Wide Performance Measures”, which begins on Page 61 of this document.*

## DWR-1. Water Administration Effectiveness

*Objective: Optimize the availability of water supplies in time, place and amount by successive reuse of water*

Performance Measure	Outcome	FY 2007-08 Actual	FY 2008-09 Actual	FY 2009-10 Approp.	FY 2010-11 Request
Water in Colorado diverted and stored compared to water exiting the state expressed as a ratio.	Benchmark	>3.0	>3.0	>3.0	>3.0
	Actual	3.5	2.7	Unknown	Unknown

*Strategy:*

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

*Evaluation of Prior Year Performance:*

With the implementation of remote sensing and transmission of stream flow and diversion information used in conjunction with the Decision Support Systems, the Division was able to optimize the use of water within the state while meeting Colorado’s compact obligations. With plentiful snow pack during the winter months, Colorado’s storage capacity increased significantly, resulting in fuller reservoirs and increased availability of augmentation supplies. In the Arkansas River Basin for example, high capacity well pumping for irrigation is above average as a result of the overall increased availability of water.



## DWR-2. Water Administration and Enforcement

*Objective: Assure the effective distribution and compliance with applicable water laws*

Performance Measure	Outcome	FY 2007-08 Actual	FY 2008-09 Actual	FY 2009-10 Approp.	FY 2010-11 Request
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 expressed as a percentage	Benchmark	<5.0%	<5.0%	<5.0%	<5.0%
	Actual	3.43%	3.46%	Unknown	Unknown

*Strategy:*

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 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.

*Evaluation of Prior Year Performance*

Effectiveness of performance continues to increase as a result of effective administration and public outreach with the addition of new staff members over the past few years. The greater visibility and involvement of staff have led to greater compliance and fewer violations. In addition, new measurement rules for high capacity wells are in place in many divisions and public outreach as to the necessity for collecting the necessary data and protect Colorado’s water entitlements are showing great success, resulting in fewer regulatory orders being issued at this time.

### DWR-3. Public Information and Assistance

*Objective: Provide current and historical hydrologic information to the public in a timely and transparent manner*

Performance Measure	Outcome	FY 2007-08 Actual	FY 2008-09 Actual	FY 2009-10 Approp.	FY 2010-11 Request
<b>System Downtime</b>	Benchmark	<0.5%	<0.5%	<0.5%	<0.5%
	Actual	<0.2%	<0.06%	Unknown	Unknown

Performance Measure	Outcome	FY 2006-07 Actual	FY 2007-08 Actual	FY 2008-09 Approp.	FY 2009-10 Request
<b>Overall Customer Satisfaction</b>	Benchmark	4.5	4.5	4.5	4.5
	Actual	4.2	4.6	Unknown	Unknown

*Strategy:*

DWR operates a comprehensive hydrographic system that involves stream flow measurements at over 500 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 system provides an advance warning system to alert officials, dam operators, and emergency managers of imminent flooding or high water conditions and also provides low-flow warnings to alert agencies like the Colorado Water Conservation Board regarding their in-stream flow rights. It is critical that DWR minimize system outages, so that the public has maximum use of this information.

As a means to gauge performance, the Division will measure system downtime, defined as the number of hours the system is unavailable during the year divided by the total number of hours in the year.

DWR retains a vast array of current and historical hydrologic information including ditch diversions, reservoir storage, ground water well permits, static water levels in aquifers, stream flows, 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 stream flow 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”).

*Evaluation of Prior Year Performance*

Overall customer satisfaction increased slightly during the past fiscal year and the satisfaction of the customers the Division serves remains at a high level. Customer service is an extremely strong component of the Division’s culture and the numbers consistently indicate the strong level of commitment the Division’s employees have to serving the public. During the past fiscal year, the Division has placed all records online for free, greatly improving customer satisfaction. System downtime remains in a statistically acceptable low range of less than 0.2%.

**DWR-4. Conservation of Water Resources**

*Objective: Reduce demand on water supplies through conservation programs*

Performance Measure	Outcome	FY 2007-08 Actual	FY 2008-09 Actual	FY 2009-10 Approp.	FY 2010-11 Request
<b>Total Number of Acres Retired from Water Conservation Programs</b>	Benchmark	25,000	30,000	40,000	50,000
	Actual	23,104	35,531	Unknown	Unknown

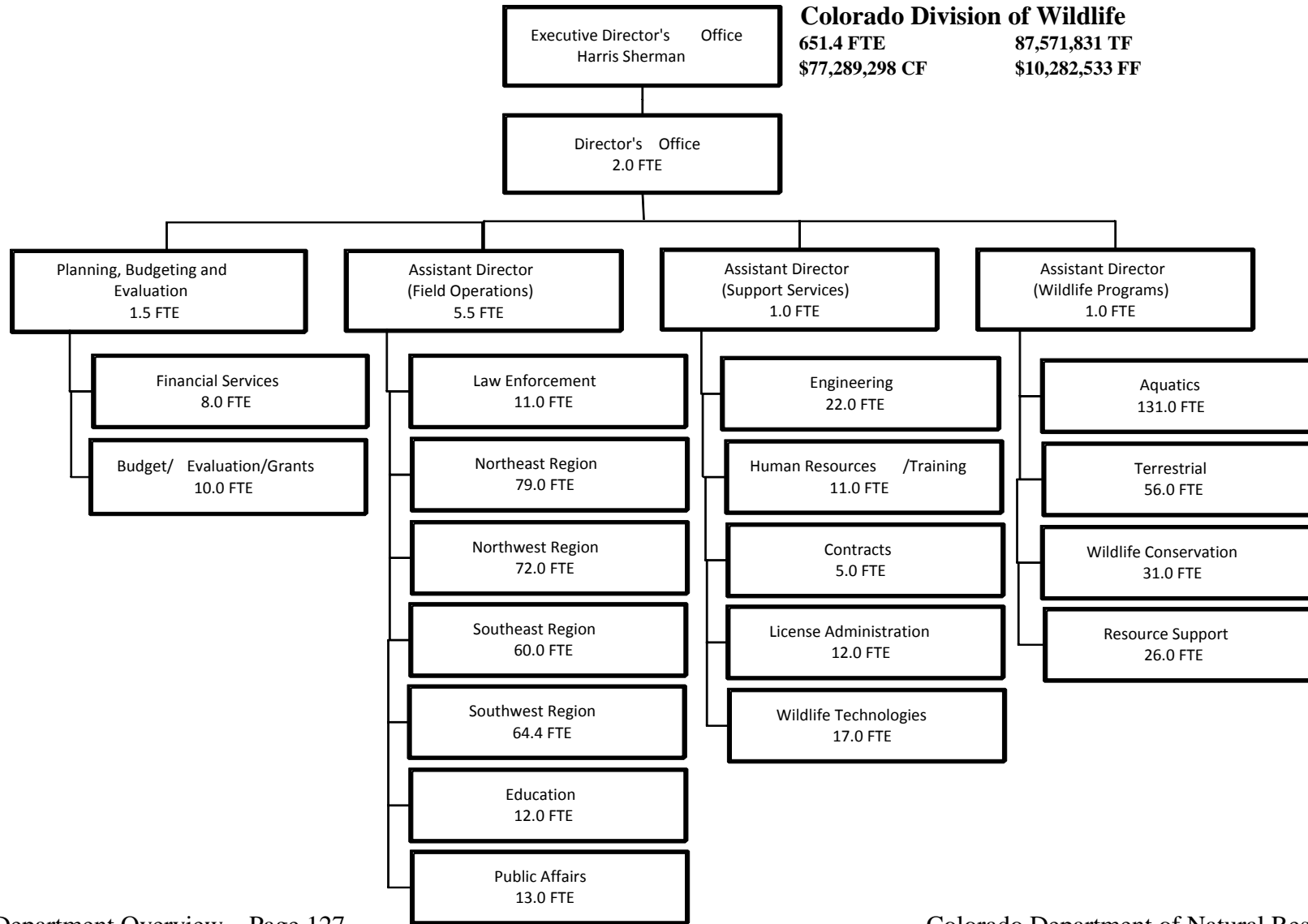
*Strategy:*

The exercise of proper stewardship of water resources includes appropriate water conservation practices. These practices may be temporary or permanent. The targeted venue for this performance measure is water conservation or savings accrued through land fallowing, rotation, or other land-use programs that yield a net reduction in irrigated croplands that serve to promote the sustainable use of declining water table elevations, reduce soil erosion, and improve water quality.

The performance measure is the annual total number of acres participating in land conservation programs, temporary and permanent, to which the DWR is a technical or regulatory participant (Conservation Reserve Enhancement Program; Environmental Quality Incentive Program).

*Evaluation of Prior Year Performance*

Major conservation programs such as the Conservation Reserve Enhancement Program (CREP) and Environmental Quality Incentives Program (EQIP) have been extremely successful in the Republican River basin. Local agricultural producers, in cooperation with ground water management districts, understand the value and necessity of these programs in protecting Colorado water supplies and compact obligations to downstream states. An addendum has been filed and is still waiting USDA approval to include an additional 30,000 acres within four miles of the stream system. Work continued on an additional CREP application for the Rio Grande basin for retirement of approximately 40,000 acres in that area. That application awaits final resolution of funding issues.



## Colorado Division of Wildlife

### *Division of Wildlife -- Description:*

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

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

### *DOW -- Statutory Authority:*

Title 33, Articles 1 through 8, Colorado Revised Statutes

*DOW -- Mission:*

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

**DOW PERFORMANCE MEASURES**

*Given the importance of species conservation to both the Division of Wildlife and to the Department of Natural Resources, performance measures related to these issues can be found in the Section titled “DNR-Wide Performance Measures”, which begins on Page 61 of this document.*

**DOW-1. Hunting**

*Objective: Provide hunting recreation opportunities for citizens and visitors to Colorado*

Performance Measure	Outcome	FY 2007-08 Actual	FY 2008-09 Actual	FY 2009-10 Approp.	FY 2010-11 Request
Number of Licensed Hunters in Colorado (Based on Calendar Year)	Benchmark	305,000	305,000	305,000	305,000
	Actual	304,432	294,186	Unknown	Unknown

*Strategy:*

Providing hunting recreation opportunities is one of the major components of the DOW mission. Hunting recreation produces tremendous economic benefits for Coloradans, particularly those in small rural communities. The number of people who actually hunt in Colorado is the outcome of many factors and reflects the success of the DOW’s attempts to manage big game populations, to provide public access, to recruit new hunters to the sport, to provide a quality of experience that causes hunters to return year after year to hunt in Colorado, and to inform and educate the public about hunting opportunities. Nationally, demographic trends suggest that the number of hunters in the United States will decline in the coming years. In Colorado, continued pressure on wildlife habitat may reduce big game populations. Maintaining the current number of hunters in spite of these forces will be a challenge.

*Evaluation of Prior Year Performance:*

The FY 07-08 benchmark to actual deviation was 1%. The FY 08-09 benchmark to actual deviation was 3.5%. The Division continues to see a decrease in number of licensed hunters in Colorado. This decrease is related to many biological, social, and economic variables such as the economy, hunter satisfaction, game management objectives, demographics, etc., The DOW is aware of the issues and their effects on revenue, budget prioritization, and planning for future years. The DOW will continue to monitor and take steps to provide hunting recreation opportunities for citizens and visitors to Colorado through the strategies outlined above.

**DOW-2. Fishing**

*Objective: Provide fishing recreation opportunities for citizens and visitors to Colorado*

Performance Measure	Outcome	FY 2007-08 Actual	FY 2008-09 Actual	FY 2009-10 Approp.	FY 2010-11 Request
Number of Licensed Anglers in Colorado (Based on Calendar Year)	Benchmark	685,000	685,000	690,000	690,000
	Actual	681,077	654,721	Unknown	Unknown

*Strategy:* Providing fishing recreation opportunities is one of the major components of the DOW mission. The number of people who actually fish in Colorado is the outcome of many factors and reflects the success of DOW’s attempts to manage sportfish populations, including maintaining stream and lake water quality and quantity, augmenting sportfish populations through fish production at hatcheries, providing public access to fishing waters, managing the detrimental impacts of diseases and invasive species, recruiting new anglers to the sport, providing a quality experience that causes anglers to return year after year to fish in Colorado, and informing and educating the public about angling opportunities.

*Evaluation of Prior Year Performance:*



The FY 07-08 benchmark to actual deviation was less than 1%. The FY 08-09 benchmark to actual deviation was 4.4%. However, the Division believes that the benchmark set was overly optimistic given the social and economic variables prevalent in the past 2 years. There was a decrease in the number of licensed anglers from CY2007 to CY2008, but the Division predicts an increase in the number of licensed anglers from CY2008 to CY2009. The forecasted increase is based on several factors such as the assumption that people are staying closer to home due to the economic downturn. The DOW will continue to monitor and take steps to provide fishing recreation opportunities for citizens and visitors to Colorado through the strategies outlined above.

### DOW-3. Endangered Species

*Objective: Maintain healthy wildlife populations and ecosystems*

Performance Measure	Outcome	FY 2007-08 Actual	FY 2008-09 Actual	FY 2009-10 Approp.	FY 2010-11 Request
Number of species listed under the Federal Endangered Species Act / Prevented-State Listing (Based on Calendar Year)	Benchmark	16/18	15/18	13/17	12/19
	Actual	15/18	15/17	Unknown	Unknown

*Strategy:*

Maintaining healthy wildlife populations and ecosystems is one of the major components of DOW’s mission. Succeeding in this mission means, among other things, preventing the decline of populations to the point where listing under the federal Endangered Species Act is warranted. The listing of a species (or avoidance of listing) is the end result of many factors and reflects the success of DOW’s efforts to protect and maintain wildlife habitat, to manage populations, to discover, generate, and provide scientific information about the status of species, to expand scientific understanding of the factors influencing wildlife populations, and so on. This measure focuses on the relatively small number of species, most of which are in peril, and are of extreme importance to DOW and receive considerable management attention.

*Evaluation of Prior Year Performance:*

The bald eagle has been delisted from both the federal T&E list (2008) and the State of Colorado T&E list (2009), resulting in the reduction in the number of federally listed species in FY 2008-09 to 15. No other wildlife species were warranted for federal listing, and no other existing petitioned or federal candidate species changed status in FY 2008-09.

### DOW-4. Habitat

*Objective: Protect wildlife habitat*

Performance Measure	Outcome	FY 2007-08 Actual	FY 2008-09 Actual	FY 2009-10 Approp.	FY 2010-11 Request
Number of habitat acres protected	Benchmark	640,000	725,000	785,000	795,000
	Actual	640,030	763,485	Unknown	Unknown

*Strategy:*

For this document, the term “protected” means “controlled by DOW and managed both to preserve and enhance wildlife habitat or to provide public recreation access, or both.” Property rights placed under DOW ownership or easement assures the public of long term, perpetual management to provide for recreation access and to maintain viable wildlife habitat. As calculated above, the figures exclude lands owned by the State Land Board and leased by DOW for hunting and fishing recreation purposes, lands owned and managed by the federal government (USFS, BLM) by other state agencies, by other governments, by private landowners, or by private land trusts or other conservation organizations.

*Evaluation of Prior Year Performance:*

The FY 07-08 benchmark to actual deviation was 0%; meaning the goals that DOW has set to help protect habitat are being met. In FY 08-09, the DOW exceeded the Benchmark by 38,485 acres, which is approximately 5% over the Benchmark. This was due to the closing of a number of projects which had been in DOW project pipeline for several years. Of this total acreage, 381,002 acres were acquired in fee title, 143,071 acres were acquired in Perpetual Conservation Easements, 20,242 acres were acquired as Perpetual Public Access Easements, 82,151 acres were Third Party Perpetual Conservation Easements, and 137,019 acres were

acquired as Leasehold interests – (excluding SLB Statewide lease agreement). The Division’s success in habitat protection is evidence that this is one of its highest priority budget actions.

**DOW-5. Public Awareness**

*Objective: Raise public awareness of the nature and purpose of wildlife management*

Performance Measure	Outcome	FY 2007-08 Actual	FY 2008-09 Actual	FY 2009-10 Approp.	FY 2010-11 Request
Percentage of the public that is aware of wildlife management	Benchmark	75%	80%	82%	82%
	Actual	75%	80%	Unknown	Unknown

*Strategy:*

Educating the public (including school children and adults) about wildlife and wildlife management is a key component of the DOW’s mission. The DOW utilizes numerous programs to reach a variety of audiences including Project WILD, Hunter Education, hunter outreach, Angler Education, wildlife recreation events, and The Wildlife Management Public Education Council (PEAC), Colorado Outdoors and various stakeholder meetings. Public Involvement will be measured primarily through annual surveys of the public conducted by the Public Education Advisory Council who uses surcharge funds to conduct a public education media campaign

*Evaluation of Prior Year Performance:*

The DOW education programs are all designed to promote the benefits of wildlife management. The PEAC Council has just completed its third year of aggressively promoting the benefits of wildlife management. Survey results indicate that over 50% of the public recall seeing the campaign and over 80% of those understand the value of wildlife management in Colorado. In the next few years the Division will work to use this surcharge to promote the value of wildlife management through media campaigns in TV, radio, and other markets.