



DEPARTMENT OF
**NATURAL
RESOURCES**

Strategic Plan Fiscal Year 2011-12

November 2010

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

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A Letter from Mike King, Executive Director of the Colorado Department of Natural Resources

Natural Resources play an integral role in Colorado's economic wellbeing. In this regard, the Department of Natural Resources plays an important role in managing the land, mineral, water, and wildlife resources in the State of Colorado. Through strategic and insightful planning, the Department attempts to maximize the long-term, net economic benefits associated with Colorado's natural resources. Some of the important economic benefits associated with Department programs include:

- Water is an essential input for agriculture and many other industries. The Colorado Water Conservation Board is actively working to assure that current and future water supply needs are met. Without these efforts, an increasing amount of residential, industrial, and agricultural water needs will go unmet. Further, the Division of Water Resources assures that the senior water rights holders who rely on water for their livelihood are protected from out-of-priority water diversion and that Colorado takes advantage of all of its allocated water without violating interstate water compacts.
- Colorado has some of the best hunting and fishing opportunities in the United States. A significant number of sportsmen come to Colorado to hunt the State's deer and elk as well as to fish in our Gold Medal trout streams. Other people come to Colorado for the many watchable wildlife opportunities in this beautiful state. These three activities are an important part of Colorado's tourism economy. BBC Research & Consulting studied the impact of these activities and found the following: (1) hunters and fishers spend an estimated \$1.0 billion on trip expenses and sport equipment (with an estimated economic impact of \$1.8 billion if you count secondary impacts); (2) hunting and fishing support an estimated 21,000 full-time jobs in Colorado; (3) non-residents contribute about 18% or \$186 million of the trip and equipment expenditures; (4) wildlife watching activities contribute roughly \$703 million toward Colorado's economy (\$1.2 billion if you count secondary impacts) and support about 12,800 jobs in Colorado, and; (5) 59 percent of the economic activity associated with watchable wildlife comes from non-Colorado residents. [Source: BBC Research & Consulting, September 26, 2008 "The Economic Impacts of Hunting, Fishing, and Wildlife Watching in Colorado].
- Outdoor Recreation (including a wide variety of activities such as boating, hiking, camping, bike riding, rock climbing, photography, and wildlife viewing) is also an important of Colorado's tourism economy. All visitors to Colorado State Parks spend roughly \$571 million in local communities as part of their parks visit. If you just focus on non-local visitors (people who travel 50+ miles to visit a state park), these visits generate about 70% of the economic impact (\$396 million toward local economies). [Source: Corona Research, Inc's 2009 report titled "Colorado State Parks Marketing Assessment: Visitor Spending Analysis, 2008-2009"].
- Energy and mineral resources also play an important role in Colorado's economy, with almost \$12 billion in production value occurring in Colorado in 2009. This includes \$9.2 billion in oil and gas related production, \$1.1 billion in coal related production, and \$1.0 in the production of metals, uranium, and other minerals. According to the Colorado Department of Labor and Employment and the Colorado Business Economic Outlook Committee, there were over 25,000 jobs in the mineral and energy industry in 2009 [Mineral production value from the Colorado Geological Survey. Jobs information from the University of Colorado, Leeds School of Business, "2010 Colorado Business Economic Outlook"]

Looking ahead, balancing the State's budget remains the most important and challenging issue facing the State of Colorado. As the State considers how to balance its FY 2011-12 budget deficit, it is important to remember the value natural resource programs

bring to Colorado in general and to small rural communities in particular. The Department understands that all agencies will have to again contribute toward bridging the State’s budget shortfall. In this regard, the Department continues to work with the Governor’s Office, the General Assembly, and interested members of the public to explore and pursue potential budget savings. Many of these efforts resulted in the change requests, efficiencies, and reallocations contained in the FY 2011-12 budget request. As its moves forward, the Colorado Department of Natural Resources will continue to do more with less and will prioritize increasingly scarce resources on the highest priority programs to minimize public impacts resulting from budget reductions.

This brief introduction to the Department of Natural Resources’ Strategic Plan will be broken down in to two sections, including: (1) a recap of recent accomplishments of the Department, and; (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: RECENT ACCOMPLISHMENTS

Colorado Oil & Gas Conservation Commission

- Implemented the first comprehensive regulatory update in more than a decade to support the continued development of the state’s oil and gas resources, encourage the use of up-to-date planning and technology, and provide additional protections for public health and the environment.
- Issued more than 19,500 drilling permits in 2007 through 2009, more than the number of permits issued in any previous 5-year period in state history, despite an unprecedented collapse in the price of natural gas. It is expected that 6,300 permits will be issued in 2010. Colorado has more than 42,500 active oil and gas wells that are helping to meet the nation’s energy needs, and it is currently the regional leader in both permit issuance and new well starts.
- Significantly reduced average permitting times despite increasing numbers of permit applications. At present, the process takes an average of about 21 days in southern and eastern Colorado, about 30 days in northern Colorado, and about 40 in western Colorado.
- Implemented a paperless e-permitting system to improve permitting efficiency for operators and staff. Electronic conversion of forms has increased staff efficiency, expedited permit processing and decreased storage needs.
- Amended rules have increased protection for ground and surface water, required additional testing of oil and gas wells to identify problems, placed restrictions on operations near drinking water, provided disclosure of chemicals used downhole, and resulted in landscape level plans (covering 355,00 acres or approximately 550 square miles) that provide for oil and gas development and wildlife protection. Reorganized the well inspection program and increased the number of annual inspections from about 10,000 per year to an estimated 14,000 in 2010.

Division of Wildlife

- Documented the successful establishment of a breeding population of lynx in Colorado.
- Pursuant to new oil and gas rules, negotiated with ten oil and gas operators to create Wildlife Mitigation Agreements that will protect 355,000 acres of key wildlife habitat on Colorado's Western Slope.
- Reauthorized the Habitat Stamp in 2009 to increase its buying power beginning from \$3.5 million to \$7.3 million annually in 2011. Almost 90,000 acres have been protected under the Habitat Stamp & Colorado Wildlife Habitat Partnership Program since 2007 including 28,000 acres of public access hunting and fishing.
- The Habitat Partnership Program awarded more than \$8.4 million in grants for habitat improvement projects on private land between 2007 and 2010, while leveraging an additional \$48 million in matching funds and in-kind contributions to improve habitat for both wildlife and livestock to reduce big game/ private landowner conflicts.
- In coordination with Colorado State Parks, launched an aggressive Aquatic Nuisance Species program which performed more than 950,000 watercraft inspections and decontaminated more than 13,000 watercraft.
- Since 2007, awarded more than \$3.8 million in grants to 49 angling improvement projects across the state through the Fishing is Fun program while leveraging an additional \$2.7 million to improve habitat and access on more than 20 miles of stream, open or improve fishing at 34 ponds, and install more than 20 handicapped accessible fishing piers.

Colorado Water Conservation Board

- Since January 1, 2007, has loaned \$178 million to borrowers for 82 water projects, including \$60 million to the Republican River Water Conservancy District to help bring Colorado into Compact Compliance.
- Supported the "Colorado Water for the 21st Century Act" by assessing combinations of water conservation, reuse, agricultural transfers, and new supply development for Colorado's needs.
- A preliminary analysis ("Phase 1" of the Colorado Water Availability Study) by the CWCB suggested that Colorado still has water available to develop on the Colorado River, although additional research is needed to better quantify how much water is still available. The study looked at hydrology, water rights, and current uses in all four West Slope Colorado River Basins, then used five separate climate change models to predict probable physical water supply in the streams in the year 2040. Phase 2 of this study will also look at water availability, but under future water demands.

- In 2009-10, the Department completed two landmark transactions in the instream flow acquisition program. First, Pitkin County donated to CWCB a long-term lease interest in a water right under the new House Bill 1280 rules. The lease of the Stapleton Brothers Ditch right will help to preserve and improve the natural environment to a reasonable degree on Maroon Creek and the Roaring Fork River. Second, the Colorado Water Trust helped broker a deal for CWCB to purchase a conservation use right in the Breem Ditch, which will re-water a dry section of stream on Washington Gulch, improving and helping to preserve the natural environment on Washington Gulch and the Slate River near Crested Butte.
- Also, in 2009-10, CWCB filed water court applications for 16 new instream flow water rights, and in May 2010, took final action on the appropriation for 21 additional instream flow water rights. In July 2010, the CWCB took final action on appropriating instream flow water rights on Big Dominguez Creek and Little Dominguez Creek in the Dominguez Canyons Wilderness Area, which was established in 2009 as part of the 2009 Omnibus Public Lands Management Act. That legislation provided an opportunity for the State to appropriate instream flow water rights to support wilderness management purposes, in lieu of creating a federal right for wilderness management purposes.
- Facilitated and signed the historic 2007 Colorado River agreement between the seven basin states resulting in a Record of Decision for shortage management and coordinated reservoir operations.
- Developed and approved new blueprints to help guide Colorado's response to future droughts and floods through the 2010 Drought Mitigation and Response Plan and Flood Plan.
- Leveraged State funds with millions of dollars of non-State funds and partnered with stakeholders to complete hazard mapping, watershed restoration, and Decision Support Systems.

Colorado State Forest Service/Division of Forestry

- Received and distributed \$10.7 million in Recovery Act funds supporting more than 15 projects across the state.
- Initiated and signed the Healthy Forests and Vibrant Communities Act of 2009, which will provide funding for wildfire planning and preparedness, protect watersheds, and help create forest-health jobs.
- Supported and signed SB-09 001, which establishes standards for Community Wildfire Protection Plans and provides volunteer firefighters with tuition vouchers.
- Received \$8 million from the U.S. Forest Service for restoration and mitigation projects.
- Supported sound forest management and policy through various forums and informational productions, including: (1) Produced and distributed the annual Reports on the Health of Colorado's Forests; (2) Completed the Colorado Statewide Forest Assessment and Strategy to identify primary forest issues and approaches to address them; (3) Provided guidance and

expertise to the General Assembly's Wildland-Urban Interface Interim Committee and the Governor's Colorado Forest Health Advisory Council; (4) Completed the Colorado Wildfire Risk Assessment, and; (5) Assisted with the development of 109 Community Wildfire Protection Plans.

Note: The above funding and staff are contained in the Colorado State Forest Services, which is located in the Department of Higher Education. The State Forest Service works closely with the Department of Natural Resources and its agencies. Although the successes documented here were achieved predominantly with staff and funding outside of DNR, some of the accomplishments were aided by cooperation and coordination with the Department of Natural Resources. These successes are being included here to document the collaborative effort of the Department of Natural Resources and State Forest Service on forestry issues.

Division of Parks and Outdoor Recreation

- Provided recreational opportunities for nearly 12 million visitors, generating \$396 million for local businesses located within 50 miles of a park.
- Continued to control the spread of zebra mussels and other aquatic invasive species in the state's waterways, inspecting more than 200,000 boats in the past year.
- Initiated development of agency financial plan to identify revenue generation opportunities, leverage partnerships, create efficiencies, and develop a park evaluation tool to objectively score and rank parks.
- Opened Colorado's newest state park, the 16,000-acre Cheyenne Mountain State Park, which attracted more than 150,000 visitors in 2009.
- Worked with our outdoor recreation partners to implement the Statewide Comprehensive Outdoor Recreation Plan (SCORP). The Colorado SCORP won the 2010 Award of Excellence presented by the National Park Service and the National Association of Recreation Resource Planners.
- Completed a comprehensive technical energy audit that focused on 430 buildings in the 42 parks with approximately 632,440 square feet. Began a four-year implementation plan to complete retrofits and other recommendations in the energy audit to increase energy efficiency.

State Land Board

- Revenues in the period from 2007 through fiscal year end in 2010 represent the highest revenue years on record, with total annual revenues exceeding \$60 million.
- Increased by more than 100,000 acres the amount of state land board land leased for wind and solar renewable energy projects.

- Completed the significant Federal Baca/Sand Dune Land-for Land Exchange in 2009. 51,000 acres of State Trust property around the Great Sand Dunes National Monument were exchanged for 18,000 acres of federal land in Conejos, Fremont and Saguache counties.
- Completed the Emerald Mountain property disposal in 2007 that transferred 5,000 acres into the federal ownership. This allowed the School Trust to receive market value for the property and preserved the mountain backdrop for the City of Steamboat Springs.
- As of January 2010, the Investment and Development Fund produced increased revenues of \$1.625 million and increased land value by \$13 million by eliminating significant encumbrances. It is projected that over the next three years land value will increase by \$103 million based on total investment of \$22 million.

Division of Water Resources

- Conducted rulemaking to ensure the orderly and efficient processing of groundwater permits for the roughly 5,000 existing coalbed methane wells operating in the state. A second rulemaking involving other oil and gas wells will occur in 2010. The rules cover over 30,000 wells in Colorado.
- Secured final resolution of Arkansas River Compact suit with Kansas after 24 years of litigation. Filed rules and regulations in September 2009 to ensure compliance with the compact while improving the efficiency of water delivery systems. Stipulated with all objectors to the proposed rules in 2010 eliminating the need for a lengthy trial.
- Continued efforts through two trials to establish Subdistrict Plan of Water Management in the Rio Grande Basin to replace depletions to rivers due to groundwater pumping. The issue has been appealed to the Colorado Supreme Court.
- The State Engineer formed a Special Advisory Committee to assist in the development of overall Rules and Regulations regarding the use of groundwater in the Rio Grande Basin.
- DWR is working with the CWCB to collect baseline data on prior and perfected water rights in the Colorado River system and to develop strategies to avoid initiation of a “compact call” on the Colorado River in the event long term flows on the Colorado require the upper basin States to limit water use.
- Passed bond issue in Yuma County to purchase remaining surface water rights on the North Fork of the Republican River and settled the Pioneer Ditch Litigation.
- Worked to secure funding and approval for the Colorado Compact Compliance Pipeline in the Republican River basin.

- Secured Kansas' agreement to accept a delivery of water as full restitution for past under-deliveries and to resolve certain long-standing disputes.
- Sponsored Conservation Reserve Enhancement Program to assist in reduction of irrigated acreage in the Republican River Basin by 55,000 acres to assist in Compact compliance.
- Complete upgrade of network of remote site data collection platforms and satellite radio transmitters to high data rate communications, three years ahead of federal deadlines.

Colorado Geological Survey

- Secured \$8.8 million in Recovery Act funds for “*Characterization of Most Promising Sequestration Formations in the Rocky Mountain Region,*” a public-private research project that will investigate the suitability of geologic formations deep under northwestern Colorado for long-term sequestration of carbon dioxide.
- Acquired over \$11 million in federal grants with an investment of \$1.1 million in State matching funds. The federal grants are competitive, non-recurring grants which benefitted the State’s economy during a difficult time and addressed Colorado’s needs in groundwater, minerals, energy, and geological hazards.
- Published the award-winning *Collapsible Soils in Colorado*, the first comprehensive look at one of the most significant and damaging geologic hazards in Colorado.
- Updated “*A Guide to Swelling Soil for Colorado Homebuyers and Homeowners, Second Edition.*” Swelling soils are the most damaging geologic hazard in Colorado.
- Completed several groundwater publications/reports/maps for the Front Range aquifers and aquifer recharge and storage evaluations. These studies provide essential information to water districts, local governments, State agencies and the public about the potential depletion of groundwater and the ability to recharge and store water in aquifers.
- The Colorado Geological Survey published two maps of Colorado’s geothermal resources. One map shows the state’s geothermal gradient, or the rate at which temperature increases underground. The second plots the location of inactive or abandoned oil and gas wells near geothermal resources. While Colorado does not yet have any geothermal power plants, the U.S. Bureau of Land Management has begun the process of leasing federal lands for geothermal development. It is further hoped that continued CGS research will help further promote geothermal energy development in Colorado.

- Completed the report, “*CO₂ Sequestration Potential of Colorado*”, providing a detailed characterization of the carbon dioxide emissions and carbon storage potential in Colorado. This publication has been used extensively by stakeholders to evaluate potential sites for future power plants.
- Cooperating with local governments, reviewed over 99,000 acres in proposed land developments for the presence of geological hazards to keep homes and critical infrastructure from exposure to landslides, rockfall, flooding, mudslides, mine subsidence, swelling soils, collapsible soils, and avalanches.

Division of Mining, Reclamation and Safety

- Held stakeholder meetings to review proposed rule changes to Colorado’s mining regulations, stemming from three bills passed by the legislature in 2008. Conducted rule-making to develop new rules for uranium mining. Formal hearings began in April 2010 and four public comment sessions were held in Loveland, Grand Junction, Salida and Denver.
- The new rules require detailed environmental protection plans; and in-situ uranium mine applications must: (1) protect groundwater to existing conditions or to state ground water standards; (2) demonstrate that proposed mining technology has been used without harm to groundwater quality, and; (3) provide detailed baseline hydrology information.
- Maintained oversight on 1,451 construction material mines, 113 hard rock mines and 250 prospecting sites, including approximately 181,000 acres under permit. Conducted over 629 inspections, managed nearly 158 new mining and prospecting applications and 438 mining and prospecting permit revisions.
- Ongoing regulation of 43 coal mine permits (including 10 producing operations) and 118 exploration sites, covering 170,000 acres. Conducted 396 inspections, and 226 permitting actions.
- Colorado Inactive Mines Program infused heavy civil construction and technical consulting business sectors with \$7.2 million of federally-funded mine reclamation work. These funds included just under \$1 million of ARRA funding.
- During the past five years 4,190 acres have been released from Phase I of the Coal Program’s bonding process, and 3,268 acres have been released from Phase II, and 1,577 acres have been released from Phase III. These releases make Colorado the leader among western states in achieving successful bond releases.

SECTION 2: FY 2010-11 AND BEYOND - PREVIEW AND KEY BUDGET CHALLENGES

As we look to FY 2011-12 and beyond, I believe there are a few key challenges facing the Department of Natural Resources and the State of Colorado:

Challenge #1: Water Supply – The Colorado Water Conservation Board undertook a major study, known as the Statewide Water Supply Initiative (SWSI), to examine 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 (M&I) water needs through 2030. More current studies have identified that Colorado’s municipal and industrial water supply need continue to grow and that Colorado will need an additional 620,000 to 980,000 acre feet of M&I water by the year 2050. Funding the infrastructure to meet these water needs will cost billions of dollars. Additional moneys will be needed to develop, study, and design projects and solutions to meet these water needs.

Unfortunately, a total of \$130 million will have been transferred from CWCB cash funds to the General Fund in FY 2008-09, FY 2009-10, and FY 2010-11. On top of that, this budget request will include a proposal to transfer another \$15 million from the CWCB Perpetual Base Account to the General Fund in FY 2011-12. The State of Colorado and the Department of Natural Resources face a major challenge in meeting future water supply demands in light of dwindling funding for water programs. The General Fund transfers have greatly diminished the ability of the CWCB to issue loans and non-reimbursable grants for water projects and programs. The CWCB has over \$100 million in water projects identified in its loan prospect summary report. These projects are needed in the near future to meet projected water supply needs of municipalities, industry, and agriculture. This is not a future problem that the State can defer in solving until after the budget problems are solved. The State’s water supply challenges are immediate. It can take years to plan, permit, and construct major water projects. As an extreme example, the Animas-La Plata water project was first approved as part of the 1988 Colorado Ute Indian Water Settlement Act. The final filling of the associated reservoir is only just finishing now which will, over twenty years later, provide a new source of water supply to Southwest Colorado. Given the required lead time to implement solutions, failure to adequately address water supply issues today will almost assuredly lead to water supply problems in the near future and the need to implement more expensive solutions. Water shortages, implementation of more expensive solutions, additional drying up of agricultural lands, potential violations of interstate water compacts, and/or further depletions of groundwater are all possible results of Colorado not proactively planning for and addressing its future water supply needs.

Challenge #2: Funding for the Division of Parks and Outdoor Recreation – In the early 1990’s, State Parks used to receive about 30 percent of its operating funding from the General Fund. Since that time, funding has steadily dropped. By FY 2002-03, General Fund support of State Parks had dropped to 20%. By FY 2008-09, General Fund support had dropped to 16 percent. Then the State’s budget problem began in earnest, with General Support dropping to 6.4% in FY 2009-10 and 5.1 percent in FY 2010-11. As the State faces the most severe budget shortfall in recent history, State Parks will no longer receive any General Fund starting in FY 2011-12. State Parks currently operates 42 state parks across all parts of Colorado. The park system provides public access to 225,260 acres of public lands as well as numerous and diverse outdoor recreation opportunities. Colorado State Parks attract over 12 million visitors each year. It is important to stop and consider this visitation for several reasons. First, State Parks are an important part of Colorado’s

tourism economy. As I mentioned earlier in this introduction, a recent study found that state park visitors spend an estimated \$571 million in the local communities that house state parks. Second, a big part of our identity as Coloradans is our love of the outdoors, which we express through wildlife watching, hiking, picnicking, photography, fishing, nature walks, biking, boating, rock climbing, camping, hunting, and other forms of outdoor recreation. For a very small amount of state funding, we can continue to provide access to a large amount of public land, providing a wide array of quality outdoor recreation to tourists and residents alike.

Even with the fee increases recently approved by the Parks Board, the state park system will not be entirely self-sufficient. State Parks in rural parts of Colorado typically do not have enough visitors to be self-sufficient. Similarly, state parks without camping and boating opportunities generally are also unable to be self-sufficient. As such, a modest amount of state funding is required to keep the park system open and achieve all the economic, recreational, and health benefits associated with Colorado State Parks. While the Department is proposing to eliminate over \$2.6 million of General Fund in the State Parks budget, a critical piece of this proposal is providing State Parks with an additional \$1,325,000 of severance tax funding. Although this is a relatively small part of the State Parks budget, severance tax money received by State Parks is critical to the Division's operations. Severance tax is, in essence, matched with a far greater amount of user fees to operate the parks system, maintain access to beautiful public lands, and generate economic benefits to the communities where our parks are located. The request for State Parks to receive an additional \$1,325,000 from the Operational Account of the Severance Tax Trust Fund remains one of the most important components of the Department's FY 2011-12 budget request.

Going forward, State Parks is going to continue examining operating efficiencies and alternative revenue sources as part of a greater effort to develop a long term financial plan to operate the park system. Another important effort currently being undertaken by State Parks will examine the long term capital needs of the State Parks. Even with the requested increase in severance tax funding, it is not clear that State Parks has either enough operating funding or enough capital funding to operate the state park system. As such, State Parks will also examine the size and scope of the park system with a focus on long-term financial sustainability. This effort will be one of the most challenging issues facing the Department over the next few years.

Challenge #3: Forest Health – Bark beetles, other pests, diseases, and wildfire are causing dramatic changes in Colorado's forests. Recent aerial survey data collected by the U.S. Forest Service and Colorado State Forest Service indicate that bark beetles and other diseases have effected well over 3 million acres of higher-elevation lodgepole pine and mixed conifer forests, over half a million acres of aspen, and hundreds of thousands of acres more of spruce and fir forests.

While these forest health problems occur mostly on federal land, and are therefore the principal responsibility of the federal government, the State has responded in each of the last three fiscal years with stepped-up commitments to provide matching cost-share grants to communities seeking to harvest dead, dying, and overstocked trees to reduce fuels, remove hazard trees, protect watershed functions, and improve aesthetics.

Although these grants are administered by the Colorado State Forest Service, they are funded from Tier 2 of the Operational Account of the Severance Tax Trust Fund (as specified under the *Colorado Healthy Forests and Vibrant Communities Act of 2010*). This funding has helped catalyze treatment of thousands of acres of unhealthy forests, have reduced risks associated with these forests, and

have leveraged millions in matching investments from other public and private sources. However, given the massive number of acres affected, forest health issues will remain a serious challenge for Colorado for the foreseeable future.

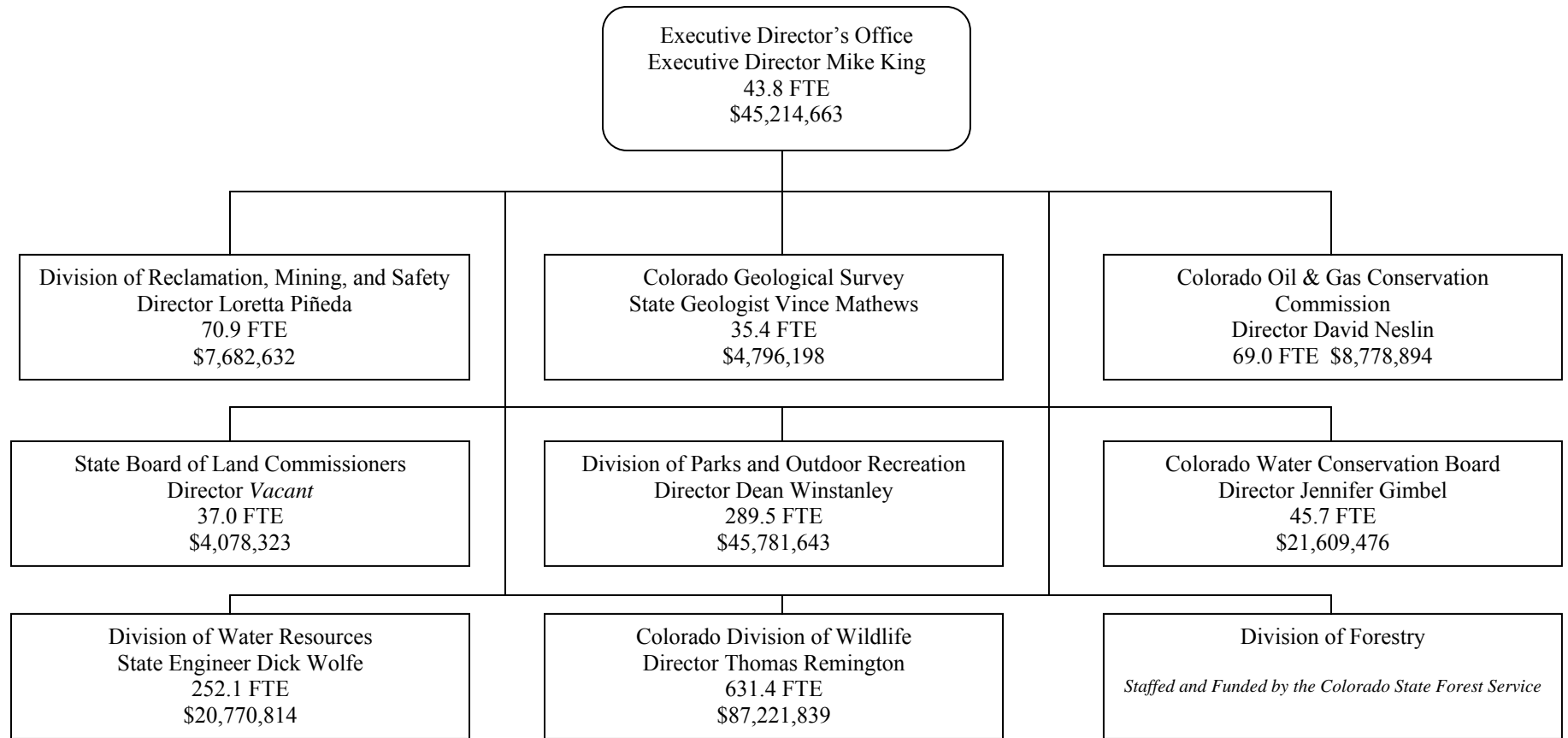
To successfully overcome all three of these challenges, the Department will need to work with the Governor's Office, General Assembly, interest groups, other government agencies, and the public to find creative solutions and to make the most out of limited program funding. The Department looks forward to having productive dialogues to address these challenges over the coming months and years.

Sincerely,

A handwritten signature in black ink, appearing to read "M. King".

Mike King
Executive Director, Colorado Department of Natural Resources

Colorado Department of Natural Resources



1474.8 FTE \$245,934,482 Total Funds

\$26,419,333 GF \$191,814,141 CF \$7,972,361 RF \$19,728,647 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. Mineral and 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 2008-09 Actual | FY 2009-10 Actual | FY 2010-11 Approp. | FY 2011-12 Request |
|---|-----------|-------------------|-------------------|--------------------|--------------------|
| Number of species on the “Species of Greatest Conservation Need” list | 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 Colorado Division of Wildlife (DOW) 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 DOW’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.

DNR-2. Outdoor Recreation

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

| Performance Measure | Outcome | FY 2008-09 Actual | FY 2009-10 Actual | FY 2010-11 Approp. | FY 2011-12 Request |
|---|-----------|-------------------|-------------------|--------------------|--------------------|
| Annual Visitation to State Parks * | Benchmark | 12,120,000 | 12,360,000 | 12,480,000 | 12,600,000 |
| | Actual | 11,955,961 | 12,295,354 | 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. As we move forward, the Department’s performance in this area will have to be considered in light of the overall budget provided to State Parks and actions taken to address the loss of General Fund support. State Parks has already significantly reduced operations at Bonny Lake State Park and may consider additional proposals to reduce operations at other state parks in order to improve the long term financial sustainability of the state park system. Because the Parks Board has not approved any such actions as of the writing of this budget request, the benchmark visitation for FY 2011-12 shown above is based on current operations. However, if the Parks board approves additional reductions in operations at certain state parks, this visitation estimate may not longer be realistic.

Evaluation of Prior Year Performance:

Visitation increased 2.8% in FY 2009-10 over FY 2008-09. 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.

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 2008-09 Actual | FY 2009-10 Actual | FY 2010-11 Approp. | FY 2011-12 Request |
|---|-----------|-------------------|-------------------|--------------------|--------------------|
| Overall compliance with interstate water compacts (expressed as a percentage) | Benchmark | 100% | 100% | 100% | 100% |
| | Actual | 88% | 88% | 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 2009, the State of Colorado was in compliance with both U.S. Supreme Court Decrees and seven of its interstate river compacts. The State of Kansas has asserted that Nebraska, and possibly Colorado, may have been out of compliance with the Republican River Compact in 2009. There is pending litigation and arbitration regarding the Republican River Compact and Colorado is vigorously defending Colorado’s interests in both the litigation and the arbitration.; the La Plata River Compact was not considered in this analysis due to unresolved accounting issues.

Evaluation of Prior Year Performance:

Colorado remains in compliance with all compacts, with the potential exception of the Republican River Compact, through continual monitoring and enforcement. The La Plata River Compact is not considered in this analysis due to unresolved accounting issues. The compacts and percentage of compliance are as follows:

| | |
|--------------------------------------|------|
| 1969 Animas-La Plata Project Compact | 100% |
| 1949 Arkansas River Compact | 100% |
| 1922 Colorado River Compact | 100% |
| 1963 Amended Costilla Creek Compact | 100% |
| <u>1922 La Plata River Compact</u> | N/A |
| 1942 Republican River Compact | 0% |
| 2002 stipulated settlement | |
| 1938 Rio Grande River Compact | 100% |
| 1923 South Platte River Compact | 100% |
| 1948 Upper Colorado River Compact | 100% |

New legislation passed in FY 2009-10 allows for the assessment of fines for surface water violations statewide, assisting enforcement efforts. Numerous actions have been taken by the State Engineer in the Republican River basin over the past Fiscal Year to bring Colorado into compliance with her obligations in relation to the Republican River Compact. Measurement rules were passed in July 2008, requiring metering of all wells within the basin effective March 2009. With the help of additional enforcement staff, measurement devices are in place on almost all the wells in the Republican River Basin. Data is currently being collected and evaluated. The State Engineer also ordered release of approximately 4,000 acre-feet of water stored in Bonny Reservoir to reduce its compact obligations now 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 one-half of the State's annual deficit at the state line. Colorado has formally proposed the idea of a Compact Compliance Pipeline to the State of Kansas and Nebraska for compact compliance; both states have voted down the proposal. However, Nebraska now supports approval of the Compact Compliance Pipeline. The State Engineer participated in arbitration hearings on the Compact Compliance Pipeline in July 2010; a decision is expected by September 30, 2010. Major federal conservation programs such as the Conservation Reserve Enhancement Program (CREP), Environmental Quality Incentives Program (EQIP), and the Agricultural Water Enhancement Program (AWEP) have been extremely successful in the Republican River Basin. As of FY 2009-10, the cumulative annual total number of acres participating in land conservation programs (temporary and permanent), to which the DWR is a technical or regulatory participant, was 36,574 acres.

In the Arkansas River Basin, the proposed Irrigation Improvement Rules in Division 2 were submitted to Water Court in September 2009; trial is set for November 2010. There have been 21 statements of opposition filed and the State Engineer has participated in several meetings with objectors. 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 *Kansas v. Colorado* lawsuit filed by the State of Kansas in 1985 is now over. 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 includes a proposed Judgment and Decree, which, he states, "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 stateline flows during the first ten-year compliance period (1997-2006). The proposed 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 filed a motion under retained jurisdiction to address the sufficiency of the Use Rules. The states were able to reach a final agreement in early 2009.

In the Rio Grande Basin, an Advisory Committee was formed in 2009 to assist the DWR in drafting ground water use rules. The rules will include addressing sustainability of aquifers, setting an irrigation season, developing annual operating plans for the ground water subdistricts to prevent injury to senior water rights while complying with the Rio Grande Compact. The rules are anticipated to be completed and submitted to the Water Division 3 Water Court in late 2010. The well metering program continues to be successful in the Rio Grande Basin; in Fiscal Year 2009-10, only five people were ordered to court for noncompliance with the measurement rules. Work continued on a CREP application for the Rio Grande basin for retirement of approximately 40,000 acres in the Rio Grande Water Conservation District's Subdistrict No.1.

The DWR supported the La Plata Water Conservancy District, the Southwestern Water Conservancy District, and the Colorado Water Resources and Power Development Authority’s project design of the Long Hollow Reservoir, which will include a compact pool to assist Colorado in meeting our obligations under the La Plata River Compact. The Colorado Water Resources and Power Development Authority funded the design from set-aside Animas-La Plata settlement funds. The Ridges Basin Dam and Pipeline were authorized under the La Plata River Compact. With the final construction of Ridges Basin Reservoir, the filling of Lake Nighthorse began in 2009 and should be complete in 2012. In anticipation of the completion of the project, the DWR worked with Colorado Water Conservation Board and the Southwestern Water Conservancy District to secure funding for the 10,000 acre-foot pool available to Colorado for Colorado water users needs, under the Animas-La Plata settlement and congressional approval. Colorado continues to work with New Mexico and the Bureau of Reclamation in framing operational guides for project water delivery to the tribes in both States.

The DWR also worked with the Colorado Water Conservation Board in scoping a compliance study for the Colorado River Compact.

DNR-4. Water Efficiency

Objective: Reduce the demand for water

| Performance Measure | Outcome | FY 2008-09 Actual | FY 2009-2010 Actual | FY 2010-2011 Approp. | FY 2011-2012 Request |
|--|---------------------------|---|--|---|---|
| Create reductions in M & I water supply demand through water conservation planning and implementation of water efficiency measures. | Benchmark | Approx 1.5% annual demand reduction or approx 11,440 ac ft | Approx 1.5% annual demand reduction or approx 11,440 ac ft | Approx 1.5% annual demand reduction or approx 10,153 ¹ ac ft | Approx 1.5% annual demand reduction or approx 11,554 ¹ ac ft |
| | Actual¹ | Approx. 7,296 ² ac ft or approx 1.5% annual demand reduction | Approx. 8,738 ac ft or approx 1.5% annual demand reduction | Unknown | Unknown |

Note: ¹ An annual demand reduction, which includes the estimated demand reduction from the water conservation plans received within the referenced fiscal year AND the ongoing demand reductions occurring annually from water conservation plans submitted in the previous years. These plans were estimated to reduce demand by 1.5% annually.

² Estimated calculation based on the note following the Strategy for this Objective.

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 Municipal and Industrial (M & I) 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, as well as reviewing and approving water conservation plans. It provides water conservation and drought planning, implementation grants through its Water Efficiency Grant Program, and helps water providers integrate climate change into their water resource planning efforts. 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 current and 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 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 M & I water provider level.

Note: The FY07/08 benchmark was based on an anticipated 25 approved water conservation plans on file with the State, with each plan representing a covered entity that on a retail basis (and on average) provides 10,000 ac. ft. annually. For 2 of the 25 plans –Denver Water and Aurora Water – we used more specific goals contained in the water conservation plans, which would have the two utilities 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 (1.5% avg) 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 total number of water conservation plans on file with the CWCB as of the end of FY2009-2010 was 40 – an increase of 10 over the previous fiscal year. The FY2009-2010 benchmark was calculated as a cumulative amount both in its estimated % demand reduction and in acre-feet. The benchmark for FY09-10 and FY10-11 were summations of the previous fiscal year reductions and the year of reference. For this revision of the Strategic Plan, staff reevaluated its methodology and calculations, and determined that an annual demand reduction benchmark was more appropriate and easier to track. Therefore, the benchmarks have been adjusted. This readjustment explains in part the discrepancy between the benchmark established for FY2009-2010 and the estimated actual annual demand reduction. The estimated actual reduction also reflects a number of water conservation plans that was slightly less than anticipated for this fiscal year.

DNR-5. Water Supply

Objective: Meet the current and future water supply needs of the State.

| Performance Measure | Outcome | FY 2008-09 Actual | FY 2009-10 Actual | FY 2010-11 Approp. | FY 2011-12 Request |
|---|------------------|--------------------------|--------------------------|---------------------------|---------------------------|
| Increase water storage to meet long term water supply needs. | Benchmark | 20,000 ac ft | 10,000 ac ft | ac f 122,265 ac ft. | ac ft 16,000 ac ft. |
| | Actual | 526 ac ft | 750 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 2050, Colorado will need an additional 750,000 to 1,100,000 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 2009-10, resulting in approximately 750 ac. ft. of additional water storage. Nineteen 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 125,000 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. To-date the General Assembly has transferred over \$120,000,000 from the Severance Tax Perpetual Base Account and \$10,000,000 from the Construction Fund. The CWCB has identified over \$110,000,000 in water project needs over the next 10 years.

DNR-6. 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 Actual | FY 2010-11 Est. | FY 11-12 Request |
|---|-----------|-------------------|-------------------|-------------------|-----------------|------------------|
| Number of impacts to surface water, ground water, and water wells, per thousand active oil & gas wells | Benchmark | 1.81 | 1.81 | 1.81 | 1.81 | 1.81 |
| | Actual | 2.33 | 1.95 | 3.03 | 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 an increase in the number of impacts to its water resources as oil and gas operators discovered spills as they conducted routine maintenance and replaced old equipment.

DNR-7. State Land Board Lands

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

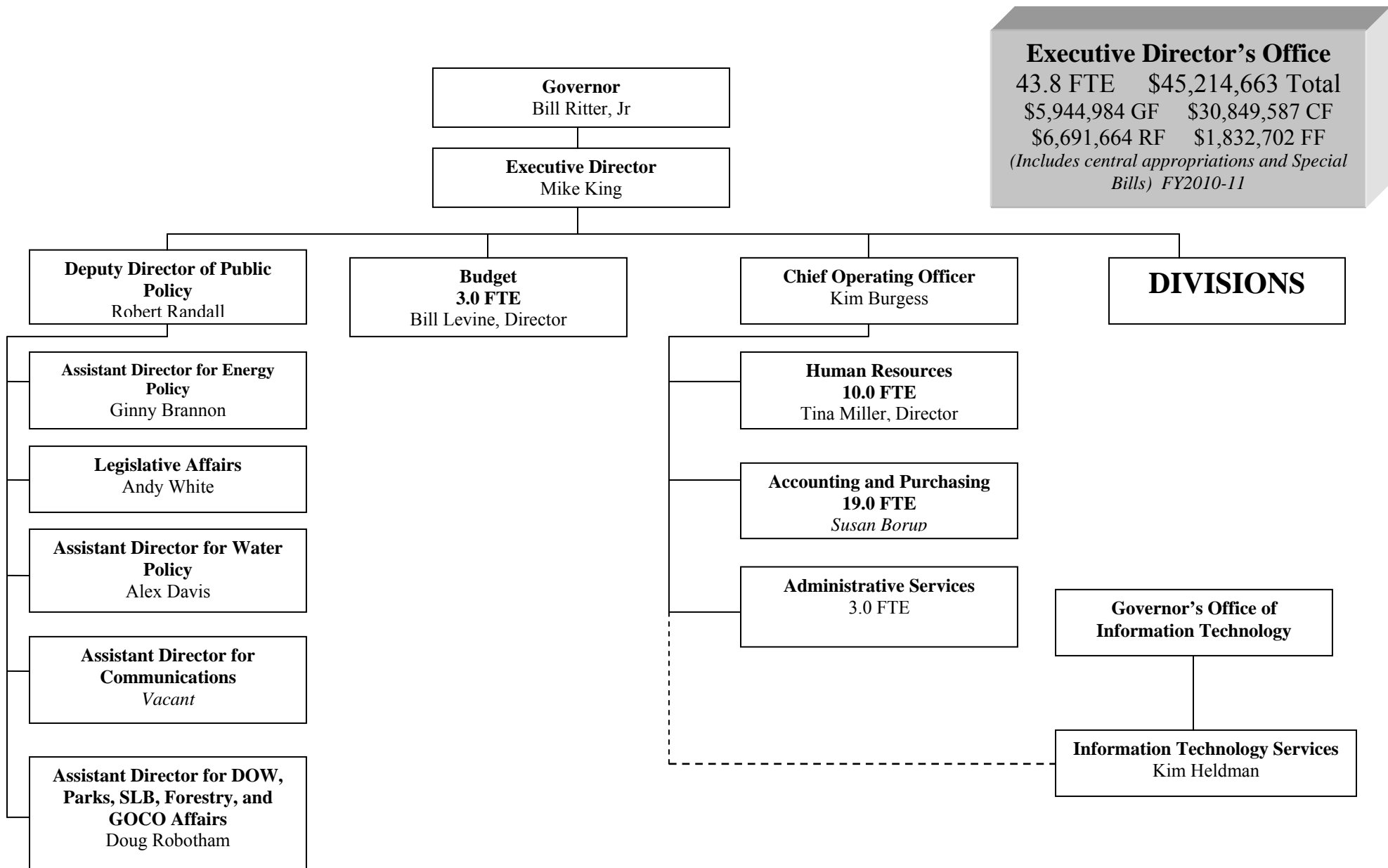
| Performance Measure | Outcome | FY 2008-09 Actual | FY 2009-10 Actual | FY 2010-11 Approp. | FY 2011-12 Request |
|--|-----------|-------------------|-------------------|--------------------|--------------------|
| Increase revenues to the school trust by 5 percent annually | Benchmark | \$66,089,522 | \$47,697,543 | \$ 68,142,859 | \$ 71,550,002 |
| | Actual | \$74,023,629 | \$66,361,924 | 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 saw 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
 43.8 FTE \$45,214,663 Total
 \$5,944,984 GF \$30,849,587 CF
 \$6,691,664 RF \$1,832,702 FF
(Includes central appropriations and Special Bills) FY2010-11

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 \$246 million, a capital construction budget of \$25 million, and revenues exceeding \$300 million. 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.

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:

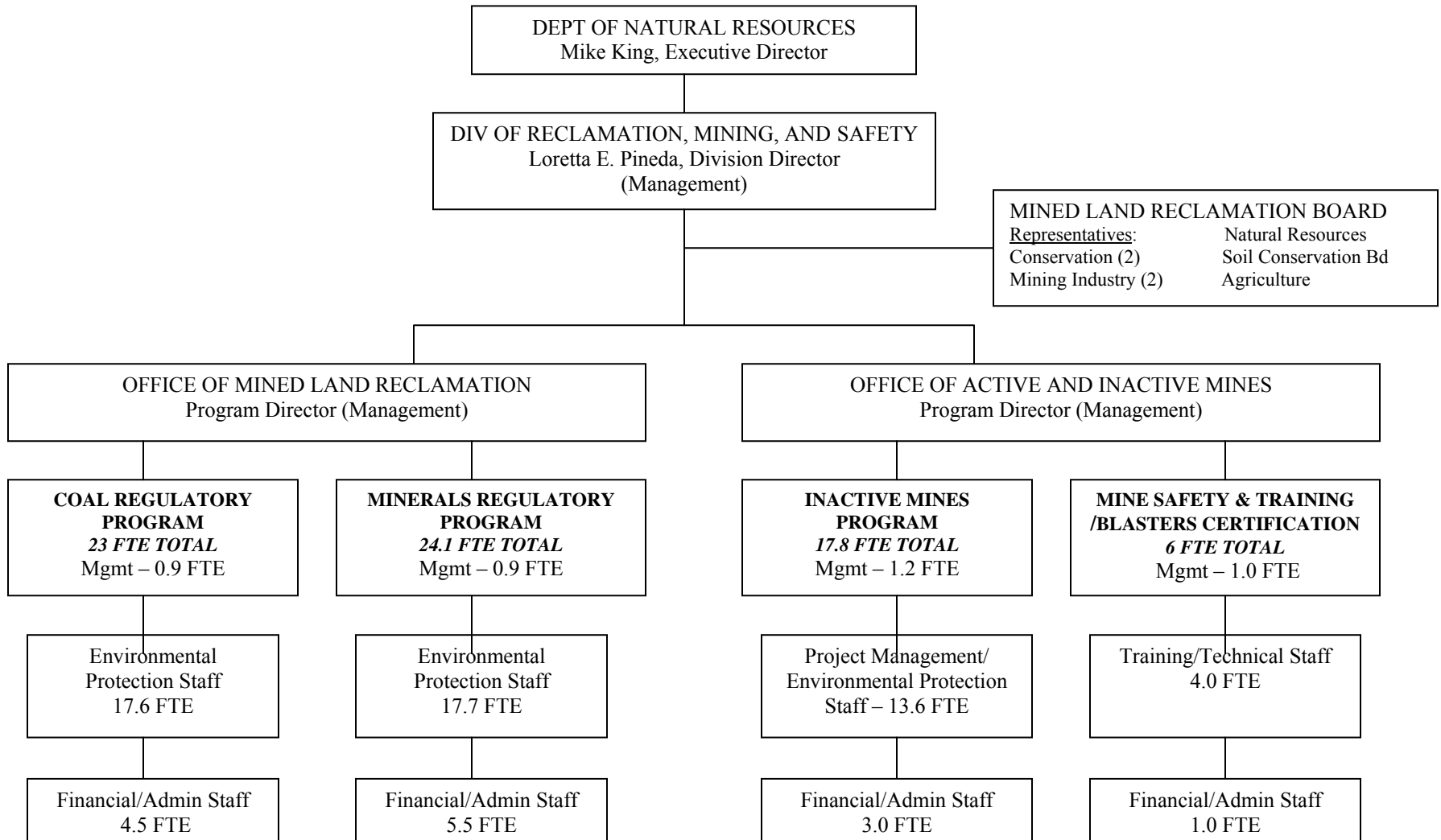
Just as the Executive Director's Office provides leadership and support to the entire Department in meeting its strategic objectives, the office is also integrally involved in achieving both the department-wide and division-level performance measures that are identified in this strategic plan.

DIVISION OF RECLAMATION, MINING, AND SAFETY

70.9 FTE

CF \$4,322,869 REAPPR \$30,000

FF \$3,329,763



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 estimated that there were 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; to 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 \$16.9 million over the base program appropriation which is allocated over the next 4 years. 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 coal and non-coal mine sites can be addressed. Challenges include overcoming restrictions in using federal OSM funding for non-coal hazards. Tackling the most difficult abandoned mined land issues, including water quality issues, also involves 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 (provides liability waivers for organizations and groups who want to do water quality improvement projects in areas impacted by prior mining activity) within the next two years, many projects will go unfunded and long-term objectives for environmental clean-up and reduction of mining-impacted stream water metals loading 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 2010. Challenges include the mine safety education and training of Colorado’s miner’s on the many new requirements of the MINER Act of 2006, which have been phased in over the last three years, regarding mine emergency planning, training and response, mine ventilation and seals requirements and many others. Congress is currently considering major new mine safety requirements via H.R.5663, the *Robert C. Byrd Miner Safety and Health Act of 2010* as a result of the deaths of 29 miners in a West Virginia coal mine last April 2010. If adopted, these new regulations, as currently proposed, will significantly increase the required safety training for all mines and expand mine official certification from coals mines to all mines (i.e., metal, sand and gravel, quarries, etc). 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 2008-09 Actual | FY 2009-10 Actual | FY 2010-11 Approp. | FY 2011-12 Request |
|---|-----------|----------------------|----------------------|-----------------------|-----------------------|
| Final bond release – expressed as a percentage of the total number of disturbed mine acres recorded per fiscal year. | Benchmark | 1.5% | 3.0% | 5.0% | 5.0% |
| | Actual | 3.5% | 5.3% | 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. The number of acres released is 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 2008-09 Actual | FY 2009-10 Actual | FY 2010-11 Approp. | FY 2011-12 Request |
|--|-----------|-------------------|-------------------|--------------------|--------------------|
| The percent of inspected coal and non-coal mine sites that are in regulatory compliance annually. | Benchmark | 100% | 100% | 100% | 100% |
| | Actual | 98% | 97% | 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 97% as compared to previous years. This is a 3% 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.

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 2008-09 Actual | FY 2009-10 Actual | FY 2010-11 Approp. | FY 2011-12 Request |
|---|-----------|-------------------|-------------------|--------------------|--------------------|
| Percentage of abandoned or forfeited mine sites reclaimed/safeguarded out of a baseline inventory of 23,000 total project units¹. | Benchmark | 34.8% | 36.0% | 36.0% | 37.0% |
| | Actual | 35.2% | 37.0% | Unknown | Unknown |

Strategy:

This is a cumulative measure of the 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 baseline is 23,000 sites.

Evaluation of Prior Year Performance: The benchmark was exceeded in FY2009-10. In addition to safeguarding 339 hazardous mine openings, the program reclaimed 321 acres of abandoned or inactive mined land and infused \$7.8 million directly into Colorado’s construction and engineering-consulting sectors. Abandoned mine reclamation includes several different aspects including safeguarding, historic preservation, and economic stimulus. Project activities include field investigations, project development, project design, NEPA (National Environmental Protection Act) compliance, realty work, contract bidding and management, site construction and reclamation, construction inspection, as well site monitoring and maintenance of prior project work. Given the short construction season in Colorado’s high country, that year-one funds are appropriated in the middle of the first construction season, and that all the aforementioned activities require extensive staff time and coordination, the projects often take more than one year to complete. The program also performs reclamation at coal mine fires. Coal mine subsidence projects are not reflected in this measure, but are included in the 321 acres of land reclaimed in FY2009-10.

¹Source 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 2008-09 Actual | FY 2009-10 Actual | FY 2010-11 Approp. | FY 2011-12 Request |
|---|----------------|------------------------------|------------------------------|-------------------------------|-------------------------------|
| Percentage of forfeited mine sites reclaimed/safeguarded out of a baseline inventory of 252 total project units. | Benchmark | 61% | 65% | 74% | 79% |
| | Actual | 61% | 68.1% | 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 exceeded in FY2009-10. Going forward, the program faces constrained funding that may reduce the current rate of performance. In many cases the forfeited mine sites have not been maintained and require safeguarding and environmental protection. Additionally, more sites have had hazardous materials issues that were not originally foreseen during bonding and permitting actions, including asbestos testing and disposal, and other toxic chemicals and substances such as cyanide and metallurgical processing reagents. Hazardous materials testing and disposal requirements increase the cost of reclamation. All these projects must be bid out according to state fiscal and purchasing rules. The program has developed a systematic geographic approach to address multiple, smaller or low-bonded forfeited mine sites, improving efficiency and cost effectiveness. Severance tax funding, which supplements reclamation work at sites where bonds are insufficient, was reduced by 50 percent in FY2009-10. This is limiting funding for reclamation in some cases to the original bond amount, resulting in an inability to fully complete the reclamation plan for that site.

DRMS-4. Environmental Restoration at Inactive Mines

Objective: Reduce stream degradation caused by past mining

| Performance Measure | Outcome | FY 2008-09 Actual | FY 2009-10 Actual | FY 2010-11 Approp. | FY 2011-12 Request |
|---|-----------|----------------------|----------------------|-----------------------|-----------------------|
| Percent of stream miles for which degradation from past mining has been reduced – expressed as a percentage of a baseline of 1,300 stream miles². | Benchmark | 1.5% | 1.1% | 1.1% | 1.1% |
| | Actual | 0.13% | 1.1% | 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 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 program completed 19 water quality improvement projects in FY2009-10. The measurement standard of not counting duplicate stream miles causes the program to show negligible progress against the baseline because numerous 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 contributes some level of water quality improvement that is not clearly enumerated. Another factor causing minor progress against the baseline 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. Out of the 15 sites addressed in FY2009-10, only 2 miles of new stream length could be counted – the other 14 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 8 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 2010 field season. A refinement of the measure will be proposed in the FY2012-13 budget request.

²Source- *Inventory 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

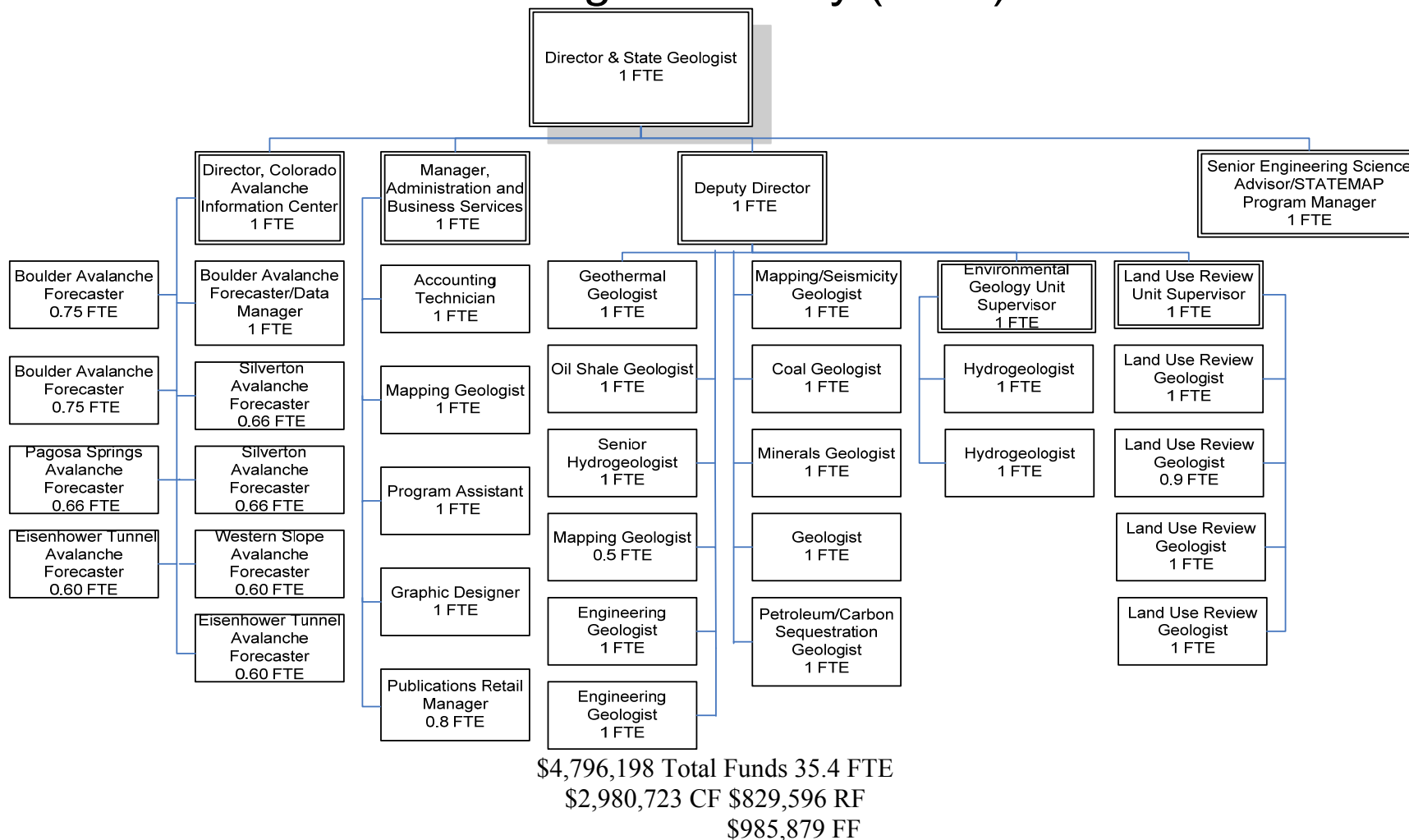
| Performance Measure | Outcome | FY 2008-09 Actual | FY 2009-10 Actual | FY 2010-11 Approp. | FY 2011-12 Request |
|---|-----------|---|--|--|--|
| Average injury rate at mines that received training from the Mine Safety and Training Program as compared to the national average of “non-fatal days lost” or NFDL injury rates. | Benchmark | National NFDL Coal/Non-coal 3.00 / 2.24 | National NFDL Coal/Non-coal 2.72 / 2.058 | National NFDL Coal/Non-coal 2.65 / 2.00 | National NFDL Coal/Non-coal 2.55 / 2.00 |
| | Actual | Colorado NFDL for MSTP Trained Miners- Coal/Non-coal 3.88 / 2.48 | Colorado NFDL for MSTP Trained Miners- Coal/Non-coal 2.86 / 2.095 | 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 provide assistance, and to continue to reduce that rate to zero. The MSTP does this by providing effective mine safety and health education, and by providing newly developed innovative training tools to each mine operator or contract employee, mine safety staff and mine management. Training for all Colorado coal mines was provided by MSTP, and although the FY2009-10 NFDL rate was slightly higher than the national NFDL rate for coal mines, the rate was reduced from 3.88 in 2009 to 2.86 in 2010, a significant improvement. In the last year, Colorado coal mines have handled many challenges that were more pronounced than in previous years, such as, a much smaller mine staff as a result of the economic downturn, a larger percentage of newly hired inexperienced miners, and difficult mining conditions (i.e. deeper, faulted/unstable ground, high methane levels and water inundation issues). For Colorado non-coal mines that received MSTP services, the FY2009-10 NFDL rate was virtually the same as the national non-coal NFDL rate. However, the current NFDL rate improved from 2.48 last year to 2.095 this year for mines receiving MSTP training. The NFDL rate for non-coal mines in Colorado who did not receive MSTP services was higher at 2.25. Over 80 percent of the non-coal mines in Colorado that received MSTP services had no lost-time injuries. The MSTP is attempting to address the growing demand for education, training and safety auditing across the state with a flat level of federal funding. The MSTP continues to assist operators in dealing with all the new, phased-in requirements of the MINER Act of 2006. Currently, Congress is considering increased mine safety requirements via H.R.5663 known as the *Robert C. Byrd Miner Safety and Health Act of 2010*. As proposed, the new law will sharply increase the amount of mandatory safety training miners must receive and will expand mine official certification from coal mines to all mines across the nation (i.e., mine foreman, electricians, mine examiners, blasters, etc.). In general, the MSTP has not had the resources to train over 1,500 miners that have requested assistance in each of the last two years.

Colorado Geological Survey (CGS)



Colorado Geological Survey

Mission of the Colorado Geological Survey:

Building vibrant economies and sustainable communities, free from geologic hazards, for people to live, work and play through good science, collaboration, and sound management of mineral, energy and water resources.

Vision of the Colorado Geological Survey:

Protect public safety and enhance the economy of Colorado.

CGS Delivers Its Services Through Three Main Programs:

- The **CGS Environmental Geology and Geologic Hazards Program** protects people and property by reducing or eliminating short and long-term risks from geologic hazards and lack of safe, adequate water. Across the state, businesses, citizens, state agencies, and local governments make informed and smart land use and business decisions because of the work of CGS. Average citizens and large companies alike, use CGS's geologic hazard information, water quality data, and groundwater-supply maps, online tools and on-the ground assistance to avoid or reduce vulnerability and losses to geologic hazards and lack of safe water. Through educational programs, CGS increases the awareness and understanding of these issues throughout Colorado.
- The **CGS Mineral Resources and Mapping Program** improves the sustainability and economy of Colorado. State agencies, private industry, local governments and others utilize studies, maps, and statistical data produced by CGS to responsibly explore and develop critical mineral and energy resources. The state's economy and environment will benefit from CGS's leadership in the studies of CO₂ sequestration and geothermal power generation — cleaner and/or renewable energy. Colorado's green industry, which is expected to generate \$61 billion in revenue and provide over 600,000 jobs by 2030, utilizes CGS maps and studies of rare earth metals needed for wind and solar production.

- The **CGS Colorado Avalanche Information Center** protects people and property by reducing or eliminating short and long-term risks from avalanches. Avalanches not only take lives and destroy property; they damage local and regional economies. Local communities and regional industries all suffer serious economic losses when avalanches close transportation corridors causing lost visitor days and increased transportation costs. CDOT, Colorado’s Ski Industry and others use CGS forecasting, online tools, and maps to avoid or reduce their vulnerability and losses to avalanche hazards. CGS also increases public safety through extensive educational programs and educational aids readily available to the public.

Other Ways CGS Benefits the Citizens and Economy of Colorado

- Public safety is protected by CGS’s quick response to geologic hazard and avalanche disasters across the state.
- CGS prevents large economic losses by working with local governments to place new developments in hazard free areas or to successfully mitigate risks.
- Local, regional, and state agencies make use of CGS groundwater studies and maps to ensure that municipalities, agriculture, and private industry have safe and adequate water supplies.
- Colorado State Parks and the tourism industry use CGS popular geology guides to promote state parks and geologic wonders throughout Colorado.

CGS -- Statutory Authority:

The statutory authority for the Colorado Geological Survey is found at Title 34, Article 1, Part 1, Colorado Revised Statutes (2010).

CGS PERFORMANCE MEASURES

CGS-1. Avalanche Safety

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

| Performance Measure | Outcome | FY 2008-09 Actual | FY 2009-10 Actual | FY 2010-11 Approp. | FY 2011-12 Request |
|---|-----------|-------------------|-------------------|--------------------|--------------------|
| The number of avalanche deaths per 100,000 population per year | Benchmark | 0.122 | 0.122 | 0.122 | 0.122 |
| | Actual | 0.078 | 0.159 | | |

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.

Key Products and Customers:

CDOT and local governments use our avalanche forecasting information to reduce the costs of avalanche mitigation and road closures; thereby reducing maintenance costs and economic losses from transportation delays.

The Ski and Recreation Industries, backcountry rescue, guides, and local businesses rely on CGS forecasting, online tools, and maps to access and manage their vulnerability and losses to avalanche hazards.

Evaluation of Prior Year Performance:

The 2009-2010 operating season for the Colorado Avalanche Information Center (CAIC) consisted of both dangerous avalanche conditions and periods of heavy snowfall. By the end of April, snowfall in the river basins of Colorado ranged from 68-136% of average. There were 4,634 avalanches reported to the CAIC between October 2009 and May 2010. In Colorado there were eight people killed in seven accidents. This is the most people killed in an operating season since 2000-2001. There were 93 people caught in avalanches during the same time period. The CAIC staff taught 116 avalanche classes to 6,618 students. The number of courses taught is very close to the average, but the number of students contacted increased by over 1,500.

CGS-2. Land Use Review

Objective: Protect people and property by reducing or eliminating short and long-term risks from geologic hazards; provide sound land-use planning recommendations and timely Land Use Reviews

| Performance Measure | Outcome | FY 2008-09 Actual | FY 2009-10 Actual | FY 2010-11 Approp. | FY 2011-12 Request |
|---|-----------|-------------------|-------------------|--------------------|--------------------|
| Percentage of Land Use Reviews completed within the statutory deadline | Benchmark | 97% | 97% | 97% | 97% |
| | Actual | 94% | 97% | | |

Strategy:

Development in hazard-prone locations continues to increase. Local elected officials and the private sector utilize CGS land-use reviews to reduce or eliminate vulnerability to geologic hazards. CGS communicates hazard risks and integrates mitigation strategies into functional recommendations that are used by local planners and elected officials. State statutes require that CGS complete some types of land-use reviews (subdivisions) within 21 days.

Key Products and Customers:

Government agencies at local, regional and state levels integrate CGS land-use reviews into land-use planning and sustainable development policies. Landowners and private industry also use CGS land-use recommendations to reduce potential future liabilities in areas of known natural or human-induced hazards.

Evaluation of Prior Year Performance:

During FY 2009-10, CGS met 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.

CGS-3. Geologic Mapping

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

| Performance Measure | Outcome | FY 2008-09 Actual | FY 2009-10 Actual | FY 2010-11 Approp. | FY 2011-12 Request |
|--|-----------|-------------------|-------------------|--------------------|--------------------|
| The cumulative percent of the total state's quadrangles mapped at the 1 to 24,000 scale | Benchmark | 22.6% | 22.7% | 22.9% | 23.1% |
| | Actual | 22.6% | 22.7% | | |

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 is overseen by a diverse group of stakeholders and 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 2009-10.

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 2008-09 Actual | FY 2009-10 Actual | FY 2010-11 Approp. | FY 2011-12 Request |
|---|-----------|-------------------|-------------------|--------------------|--------------------|
| The percent of counties in the state and state departments receiving assistance in geologic hazards or ground water issues from CGS. | Benchmark | 35% | 30% | 30% | 30% |
| | Actual | 30% | 31% | | |

Strategy:

Our assistance work makes communities more resilient and resistant in the face of natural hazards by integrating sound science and hazard mitigation into day-to-day land use decisions. Colorado is subject to severe hazards and weather. At the same time, the state is growing fast, with many people moving to hazard or drought prone areas. Growth in these areas also exposes billions of dollars of private property and public facilities and infrastructure to damages from geologic hazards and drought. Colorado communities need maps, plans, and strategies for reducing their vulnerability to natural hazards.

The cheapest and easiest 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, in a key transportation corridor, will cost several millions of dollars to remediate.

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 met this performance measure goal in FY 2009-10. The following programs gave critical information to county planners and commissioners, and town councils and boards: Land-Use Review, Groundwater, Geologic Hazards, and Mine Subsidence Information Center. Information and advice were given to Boulder, Weld, Jefferson, Clear Creek, Montrose, Moffat, Gunnison, El Paso, Las Animas counties, and several city councils and boards. Assistance was given to the Oil and Gas Conservation Commission, the Division of Reclamation, Mining and Safety, and the Division of Parks and Outdoor Recreation. Through our technical advice to the Water Round Tables, we actually provide assistance to every county in the State.

CGS-5. Promote Responsible Development

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

| Performance Measure | Outcome | FY 2008-09 Actual | FY 2009-10 Actual | FY 2010-11 Approp. | FY 2011-12 Request |
|---|-----------|-------------------|-------------------|--------------------|--------------------|
| The percent of counties in the state and state departments receiving assistance in mineral and energy resources from CGS | Benchmark | 10% | 10% | 10% | 10% |
| | Actual | 10% | 17% | | |

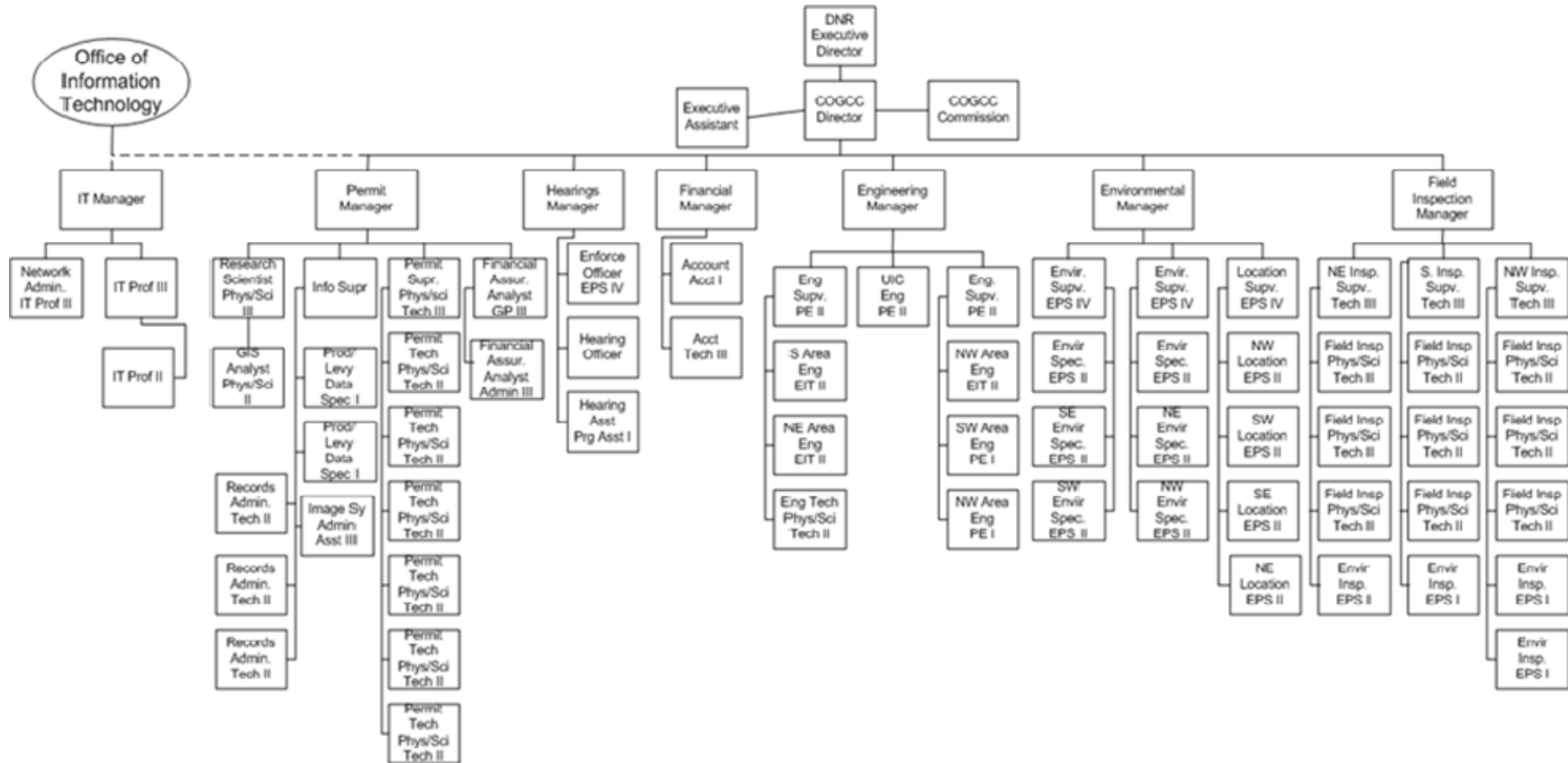
Strategy:

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:

The Mineral and Energy Resources Program assisted several counties in FY-11. Studies included areas of Mesa, Garfield, Montrose, Dolores, Moffat, Chaffee, Gunnison, El Paso, Pueblo, Jefferson, Delta, Larimer, Rio Blanco, and Las Animas counties. Assistance was given to the Department of Higher Education, the Governor’s Energy Office, the Oil and Gas Conservation Commission, the Division of Reclamation, Mining and Safety, and the Division of Parks and Outdoor Recreation. CGS was successful in obtaining funding for a \$4.8 million project on CO₂ Sequestration centered on Moffat County.

Colorado Oil & Gas Conservation Commission



\$8,778,894 Total Funds 69.0 FTE
 \$8,676,437 CF \$102,457 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 Commission¹ in conducting hearings, holding local public forums, developing policies, and implementing rules, regulations, and orders to maximize oil and gas production and revenues for the state, to prevent waste, to protect correlative rights, and to protect public health, safety, welfare and the environment. It acts as a liaison to the Department, the public, and industry regarding OGCC activities. This includes responding to inquiries, investigating complaints, and performing outreach to parties such as the oil and gas industry, local governments and other interested groups to share information about issues of concern, to form committees, and to work on rulemaking. This section also manages the division's financial resources by preparing the annual budget request, and administering appropriations for their effective and efficient use.

¹ The Colorado Oil and Gas Conservation Commission is a nine-member public board charged with implementing and enforcing the Colorado Oil and Gas Conservation Act, Title 34 Section 60. Seven members are appointed by the Governor; the other two members include the Executive Director of the state's Department of Natural Resources and the Executive Director of 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, a performance measure related to these issues can be found in the Section titled “DNR-Wide Performance Measures”, at the beginning of this document.

OGCC-1. Surface Disturbances

Objective: Decrease surface disturbance caused by oil and gas activity

| Performance Measure | Outcome | FY 2007-08 Actual | FY 2008-09 Actual | FY 2009-10 Actual | FY 2010-11 Approp. | FY 2011-12 Request |
|--|----------------|--------------------------|--------------------------|--------------------------|---------------------------|---------------------------|
| Percent of reclamation inspections that comply with OGCC rules. | Benchmark | 86% | 86% | 86% | 86% | 86% |
| | Actual | 69% | 54% | 72% | Unknown | Unknown |

| Performance Measure | Outcome | FY 2007-08 Actual | FY 2008-09 Actual | FY 2009-10 Actual | FY 2010-11 Approp. | FY 2011-12 Request |
|--|----------------|--------------------------|--------------------------|--------------------------|---------------------------|---------------------------|
| Percent of oil & gas wells that are drilled with directional drilling technology. | Benchmark | 36% | 36% | 36% | 36% | 36% |
| | Actual | 47% | 54% | 45% | 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: Reclamation Inspections As field inspectors began in FY 2008-09 to devote more time enforcing interim reclamation rules on a regular and timely basis, the percent of reclamation inspections that complied with OGCC rules was expected to fall in the near term, as it did in FY 2008-09, and gradually improve as oil and gas operators corrected the mistakes that led to failed inspections. The steep improvement from 54% to 72% between fiscal years 2008-09 and 2009-10, respectively, was greater than expected at this point but can be attributed to the OGCC’s larger, re-organized field inspection staff and increased attention to reclamation by both the OGCC and industry.

Directional Drilling The OGCC has a multi-month backlog of completion reports to process, but, based on the reports that have been processed through August 2010, the percentage of wells that were drilled directionally from a common well pad decreased from 54% to 45%. This decline reflects a recent product-price-driven shift in drilling activity from the West Slope, where directional drilling is more common, to NE Colorado where the use of directional drilling technology is sometimes less necessary or even impractical due to shallow well depths.

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 Actual | FY 2010-11 Approp. | FY 2010-11 Request |
|--|-----------|-------------------|-------------------|-------------------|--------------------|--------------------|
| Total number of citizen complaints that resulted in a Notice of Alleged Violation - per thousand active oil & gas wells | Benchmark | .16 | .16 | .16 | .16 | .16 |
| | Actual | .22 | .45 | .66 | 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 157 complaints received by the OGCC in FY 2009-10, 28 were found to be in violation of OGCC rules. Notices of Alleged Violations (NOAV's) were issued for those 28 incidents. Although the percentage of valid complaints has increased slightly over the last two years, the total number of complaints has declined from 221 in FY 2008-09. Not included in the performance measure are the 203 NOAV's issued in FY 2009-10, as a result of routine inspections rather than 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 Actual | FY 2010-11 Approp. | FY 2011-12 Request |
|--|-----------|-------------------|-------------------|-------------------|--------------------|--------------------|
| Number of orphaned oil & gas wells plugged and abandoned and sites reclaimed by the OGCC. | Benchmark | 27 | 27 | 27 | 27 | 27 |
| | Actual | 41 | 8 | 9 | 14 | 20 |

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: As in FY 2008-09, the OGCC completed a smaller than usual number of projects because projects selected were more time-consuming and costly than more typical projects.

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 Actual | FY 2010-11 Approp. | FY 2011-12 Request |
|---|-----------|-------------------|-------------------|-------------------|--------------------|--------------------|
| Number of visits to the Oil and Gas Conservation Commission’s website. | Benchmark | 931,422 | 931,422 | 931,422 | 931,422 | 931,422 |
| | Actual | 1,140,989 | 808,487 | 1,219,697 | Unknown | Unknown |

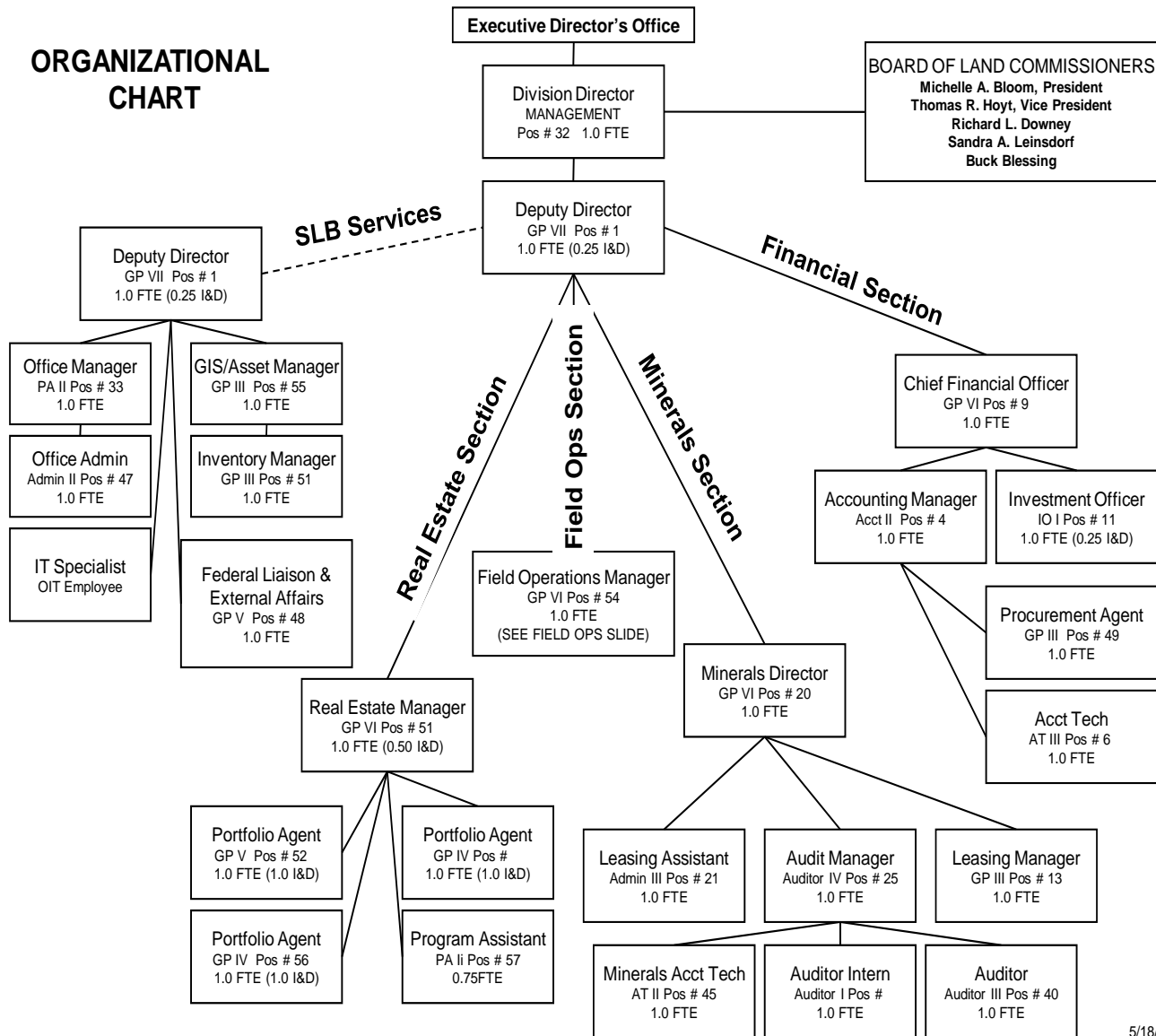
Strategy:

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:

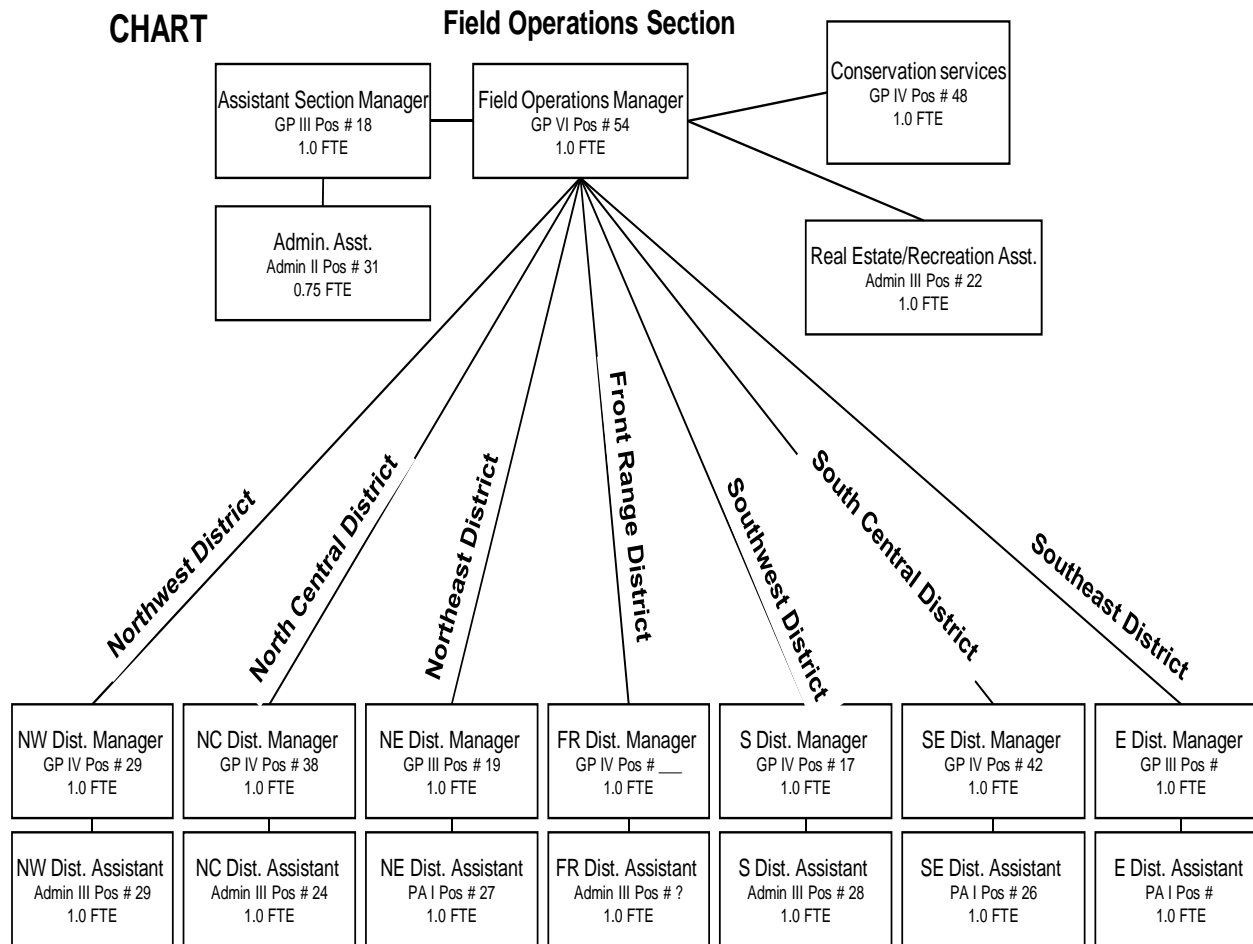
The increase in the number of visits to the website in FY 2009-10 can be attributed to the adoption of the new rules. The new rules provide the public with a greater opportunity to review and comment on all pending Applications for Permit to Drill (APDs) and the new Oil and Gas Location Assessment applications. In addition to these new features, the operators began to use the new electronic application process, which modified the business process within the division. This change resulted in more of the permitting process documentation becoming available online earlier, allowing for more public viewing. All of the changes resulted in a more open process and more visits to the website. Additionally, the division continued to add layers to its GIS application and provide other resources to the public and industry through the website.

ORGANIZATIONAL CHART



5/18/2008

ORGANIZATIONAL CHART



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:

As its constitutional and statutory mission, the Colorado State Land Board protects, enhances, and manages Colorado's permanent endowments of land assets for the reasonable, consistent and ongoing benefit of Colorado's public schools and public facilities, while recognizing that economic productivity is dependent on sound natural resource stewardship, including the protection and enhancement of the beauty, natural values, open space and wildlife habitat of those lands.

State Land Board – Vision:

In the 21st century, Colorado's trust lands will become one of the state's most treasured assets, producing valuable results for each generation of beneficiaries while sustaining enduring value of the trust lands for future generations.

SLB PERFORMANCE MEASURES

Given the importance of school trust revenue to both the State Land Board and to the Department of Natural Resources, a performance measure related to this issue can be found as one of 7 major Department performance measures (“DNR-7 State Land Board Lands”). These performance measures are contained just before the divisional sections of the Strategic Plan.

SLB-1. Property Inspection

Objective: Protect trust assets

| Performance Measure | Outcome | FY 2008-09 Actual | FY 2009-10 Actual | FY 2010-11 Approp. | FY 2011-12 Request |
|--|-----------|-------------------|-------------------|--------------------|--------------------|
| Percent of Agricultural Property Inspections Rated Good or Above for Range Conditions | Benchmark | 55.0 percent | 60.0 percent | 65.5 percent | 70 percent |
| | Actual | 53 percent | 51 percent | <u>In progress</u> | <u>In progress</u> |

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:

In progress

SLB-2. Investment and Development fund

Objective: Pursue Investment opportunities

| Performance Measure | Outcome | FY 2008-09 Actual | FY 2009-10 Actual | FY 2010-11 Approp. | FY 2011-12 Request |
|---|-----------|-------------------|-------------------|--------------------|--------------------|
| Investment and Development Fund Net Present Value estimate | Benchmark | \$20 million | \$20 million | \$20 million | \$20 million |
| | Actual | \$17.5 million | \$17 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:

SLB-3. Accurate accounting

Objective: Ensure that the revenue streams are accurate

| Performance Measure | Outcome | FY 2008-09 Actual | FY 2009-10 Actual | FY 2010-11 Approp. | FY 2011-12 Request |
|---------------------|-----------|-------------------|-------------------|--------------------|--------------------|
| | Benchmark | \$300,000 | \$400,000 | \$400,000 | \$400,000 |
| | Actual | \$991,894 | \$1,040,897 | Unknown | Unknown |

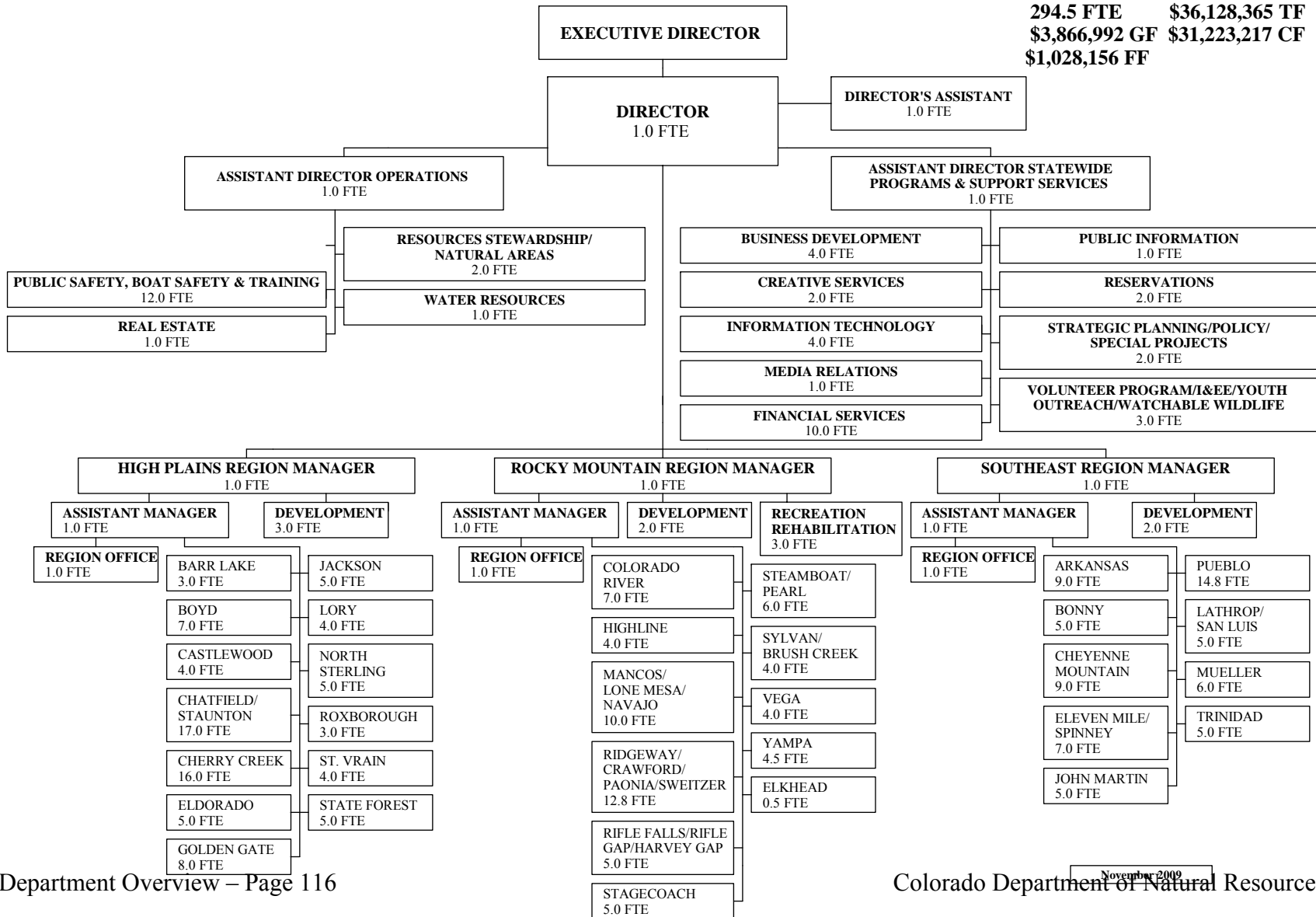
Strategy:

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:

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 12 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 225,260 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 33-15-114, 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.

| Performance Measure | Outcome | FY 2008-09 Actual | FY 2009-10 Actual | FY 2009-10 Approp. | FY 2010-11 Request |
|---|----------------|--------------------------|--------------------------|---------------------------|---------------------------|
| Acres of State Parks land managed per capita | Benchmark | .08 | .08 | .08 | .08 |
| | Actual | .07 | .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 2010 Colorado population from the 2010 U.S. Census is 5,024,748. Based on these figures, the Division manages .07 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 2009-10, the Division only added very minor inholding property acquisitions, totaling roughly 100 acres. The most recent data available shows population has been growing at about 1.6 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 2009-10.

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 2008-09 Actual | FY 2009-10 Actual | FY 2010-11 Approp. | FY 2011-12 Request |
|--------------------------------------|-----------|-------------------|-------------------|--------------------|--------------------|
| Percentage of occupancy at campsites | Benchmark | 18% | 18% | 18% | 18% |
| | Actual | <u>19%</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 2008-09 Actual | FY 2009-10 Actual | FY 2010-11 Approp. | FY 2011-12 Request |
|---|----------------|--------------------------|--------------------------|---------------------------|---------------------------|
| Establish resource management practices and maintain the resources in good condition for all state parks | Benchmark | 69% | 70% | 70% | 70% |
| | Actual | 64% | 69% | 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 Colorado Natural Areas Program (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.”*

Evaluation of Prior Year Performance:

For FY 2009-2010, the proportion of total acreage in Colorado State Parks that is rated at the good or excellent level was 69% an increase from 64% in FY 2008-2009. In FY 2009-2010, 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.

DPOR-4. Customer Satisfaction

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

| Performance Measure | Outcome | FY 2008-09 Actual | FY 2009-10 Actual | FY 2010-11 Approp. | FY 2011-12 Request |
|--|----------------|--------------------------|--------------------------|---------------------------|---------------------------|
| Annual customer satisfaction survey | Benchmark | 76% | 77% | 77% | 77% |
| | Actual | 91% | 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.

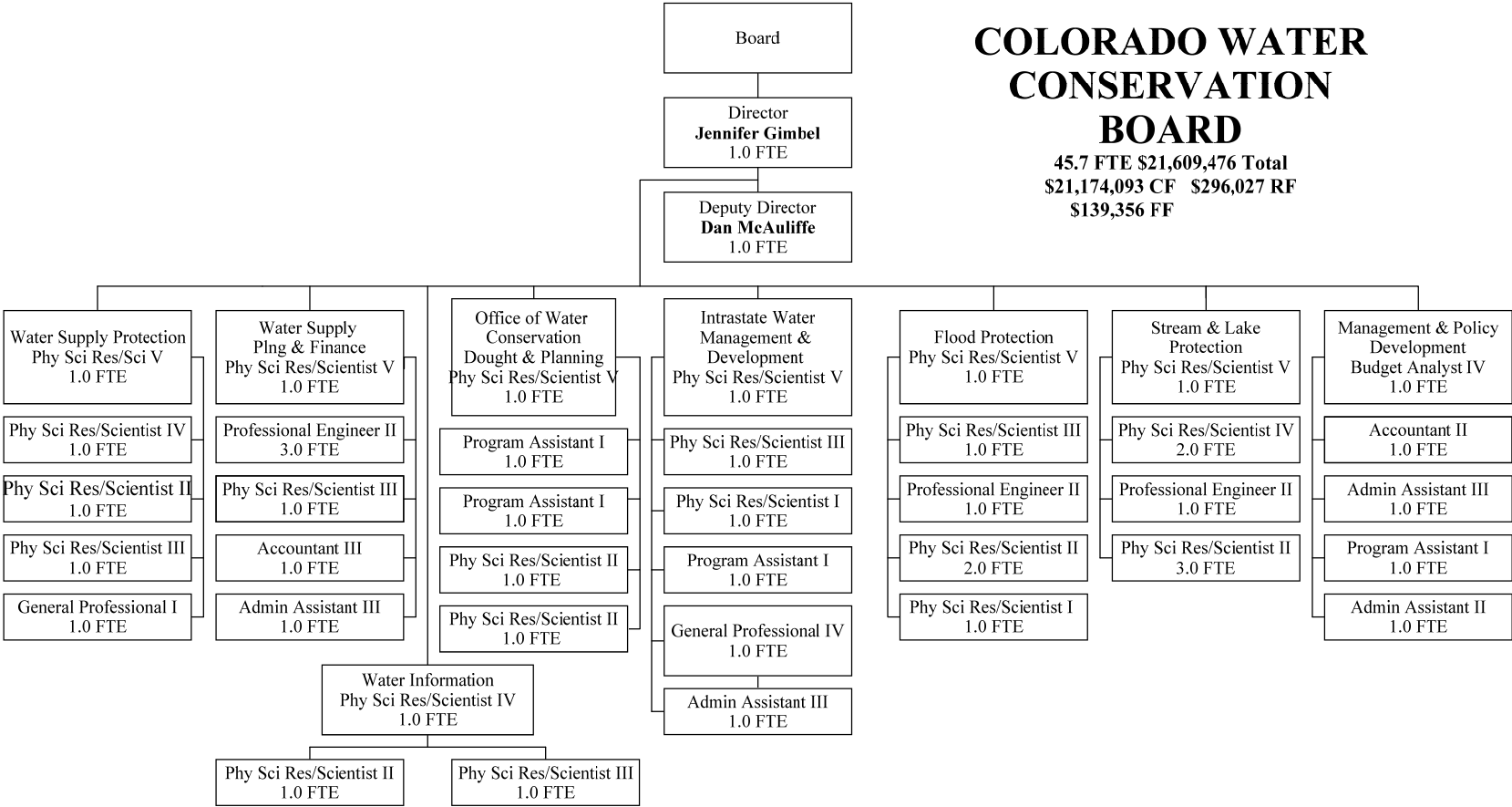
The recent Corona Research Market Assessment Study indicates that 91% of all visitors ranking the quality of their experience as good or excellent.

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 2010 season.

COLORADO WATER CONSERVATION BOARD

45.7 FTE \$21,609,476 Total
\$21,174,093 CF \$296,027 RF
\$139,356 FF



August 2010

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 **Interstate and Federal** 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 and 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 **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 **Office of Conservation and Drought Planning** promotes water use efficiency while providing public information and technical and financial assistance for water conservation planning. The OWCDP also promotes drought planning by encouraging and assisting communities to prepare and implement drought mitigation plans and by monitoring drought impacts and informing the public, media, and state officials. The Office provides financial and technical assistance for local drought mitigation planning. The Office coordinates CWCB's initiatives and programs related to climate change and water adaptation.

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 **Water Supply Planning Section** implements the Statewide Water Supply Initiative and supports the ongoing implementation of the Colorado Water for the 21st Century Act. The section's mission is to plan Colorado's water supply future to help provide an adequate water supply for Colorado's citizens and the environment. To do this, the section provides tools, products, and programs that support local basin planning and state water supply planning.

CWCB -- Statutory Authority:

Title 36, Articles 20 and 75

Title 37, Articles 60-69, 83, 92, and 96

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, these two issues were listed as major Department performance measures (see performance measure “DNR-4 Water Efficiency” and “DNR-5 Water Supply” at the beginning of the Strategic Plan).

CWCB-1. Instream Flows

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

| Performance Measure | Outcome | FY 2008-09 Actual | FY 2009-10 Actual | FY 2010-11 Approp. | FY 2011-12 Request |
|---|------------------|---------------------------------|----------------------------|---------------------------|---------------------------|
| Miles of stream where CWCB actively manages water rights to leave water in streams for purposes of improving wildlife habitat. | Benchmark | 199 miles | 100 miles | 100 miles | 100 miles |
| | Actual | 74.05 miles (8,785.27 miles) | 116miles (8901.27miles) | 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 8,901 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 May 2010, the Colorado Water Conservation Board took final action and appropriated an additional 21 stream segments totaling 116 miles of stream, which exceeded the projected 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 during FY 2009-10, there was a 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 equated 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 2008-09 Actual | FY 2009-10 Actual | FY 2010-11 Approp. | FY 2011-12 Request |
|---|------------------|------------------------------|------------------------------|-------------------------------|-------------------------------|
| Increase technical documents on-line | Benchmark | 3,500 | 5,000 | 5,000 | 5,000 |
| | Actual | 4,100 | 4,800 | 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, for use 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 2010 concentrated on the following two areas: (1) scanned and uploaded 900 large format loan project and historical water supply maps to Laserfiche, and (2) completed a feasibility study on a data harvesting/integration project with Colorado State University, which investigated the searching of both document management systems at one time. The conclusions reached by this study indicate that harvesting water data and sharing it across systems is possible, and recommends adopting a proven data-sharing protocol.

CWCB-3. Flood Protection

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

| Performance Measure | Outcome | FY 2008-09 Actual | FY 2009-10 Actual | FY 2010-11 Approp. | FY 2011-12 Request |
|---|------------------|--------------------------|--------------------------|---------------------------|---------------------------|
| Increase insured value of flood prone properties | Benchmark | \$3.9 billion | \$4.2 billion | \$4.3 billion | \$4.3 billion |
| | Actual | \$4.1 billion | \$4.2 billion | Unknown | Unknown |

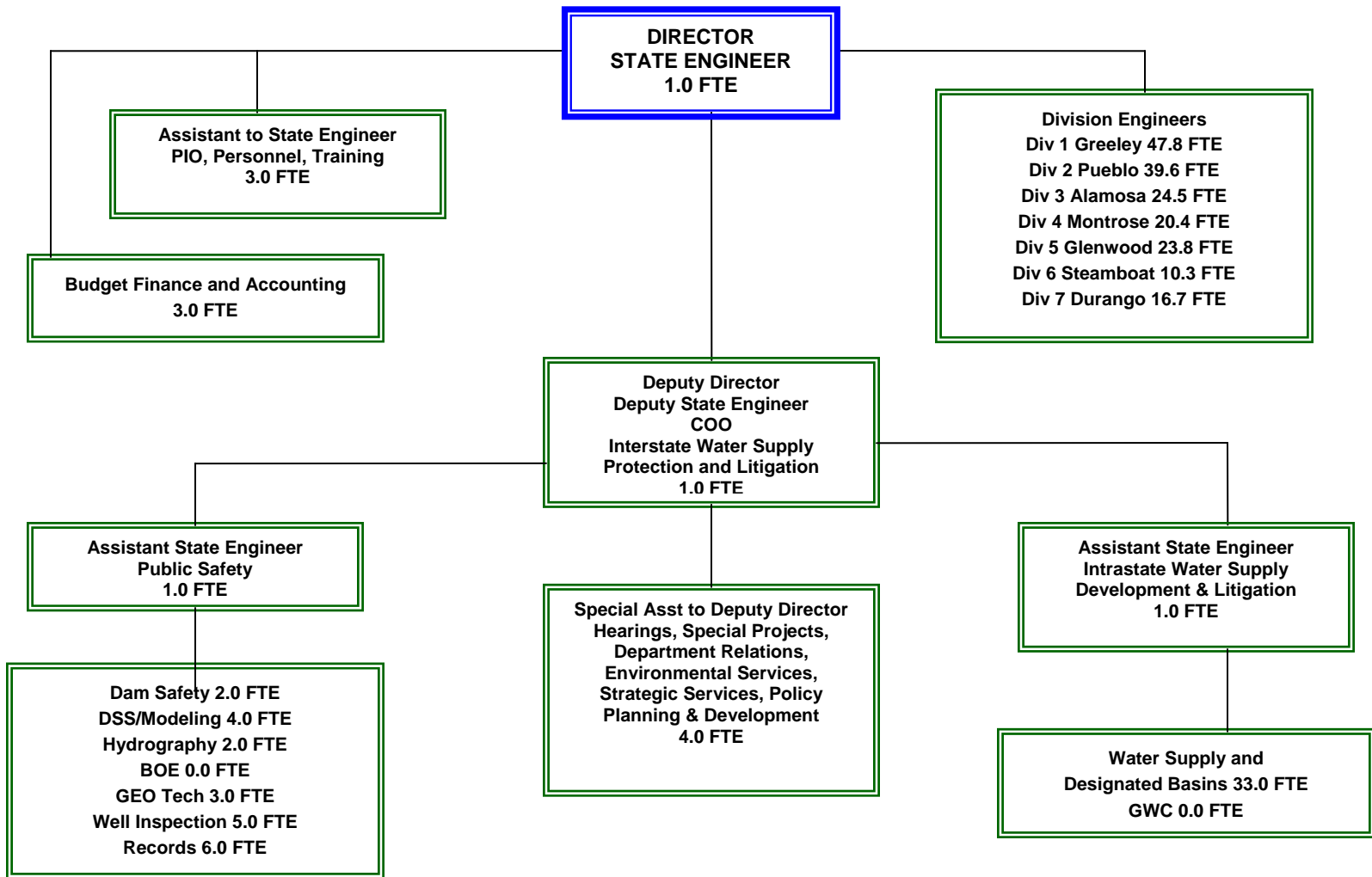
Strategy:

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 City of Centennial and City of Loveland to become enrolled in the Community Rating System Program, reducing flood insurance costs to local residents. Additionally, the Town of Aguilar and Custer County began the enrollment process into the National Flood Insurance Program (NFIP) and numerous other communities are being targeted for future enrollment. 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.



\$20,770,814 Total Funds 252.1 FTE
 GF \$18,830,386, CF \$1,805,368, FF \$135,060

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. 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. 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 and regulations issued by the State Engineer.

The DWR 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
- 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: 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, this issue was listed as one of six major Department performance measures (see performance measure “DNR-3 Compact Compliance” at the beginning of the Strategic Plan).

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 2008-09 Actual | FY 2009-10 Actual | FY 2010-11 Approp. | FY 2011-12 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 | 2.7 | 3.2 | 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 streamflow 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. In FY 2009-10, a leaner snowpack and drier conditions in portions of the State lead to an overall reduction in available water for diversions, storage, and interstate compact obligations. Nonetheless, Colorado maximized in-state use effectively while still meeting interstate compact obligations.

DWR-2. Water Administration and Enforcement

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

| Performance Measure | Outcome | FY 2008-09 Actual | FY 2009-10 Actual | FY 2010-11 Approp. | FY 2011-12 Request |
|---------------------|---------|-------------------|-------------------|--------------------|--------------------|
|---------------------|---------|-------------------|-------------------|--------------------|--------------------|

| | | | | | |
|--|-----------|-------|-------|---------|---------|
| Formal regulatory orders 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 | 3.46% | 6.92% | 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

FY 2009-10 showed an increase in the number for formal regulatory orders issued by the DWR. In response to court decisions, compact litigation, and user requests over the past few years, the DWR has increased well enforcement, promulgated measurement rules, and drafted well use rules in several water divisions; a learning curve exists while water users attempt to get in compliance with these orders. Formal regulatory orders such as head gate orders, well enforcements, and letters ordering required meter reports and corresponding data are necessary to protect Colorado’s water entitlements.

DWR-3. Public Information and Assistance

Objective: Provide current and historical hydrologic information to the public in a timely and transparent manner¹

¹ The DWR previously measured System Downtime as a Performance Measure. However, as of FY 2009-10, this is now the responsibility of the Governor’s Office of Information and Technology.

| Performance Measure | Outcome | FY 2008-09 Actual | FY 2009-10 Actual | FY 2010-11 Approp. | FY 2011-12 Request |
|--------------------------------------|-----------|-------------------|-------------------|--------------------|--------------------|
| Overall Customer Satisfaction | Benchmark | 4.5 | 4.5 | 4.5 | 4.5 |
| | Actual | 4.6 | 4.6 | Unknown | Unknown |

Strategy:

The 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, streamflows, and adjudicated water rights. To effectively serve the public, this information must be available in a timely and transparent manner. This performance measure will focus upon the personal service contacts that are made each year in response to public information inquiries, including both personal response and electronic medium (primarily streamflow and other information available via the DWR website). Overall customer satisfaction with service in the eight DWR offices will be measured by a survey on a 0 to 5.0 scale (5.0 being “extremely satisfied”).

Evaluation of Prior Year Performance

Overall customer satisfaction remained consistent during the past Fiscal Year and the satisfaction of the customers the DWR serves remains at a high level. Customer service is an extremely strong component of the DWR’s culture and the numbers consistently indicate the strong level of commitment the Division’s employees have to serving the public. The DWR has placed all records online for free starting July 2009, greatly improving customer satisfaction.

DWR-4. Conservation of Water Resources

Objective: Reduce demand on water supplies through conservation programs

| Performance Measure | Outcome | FY 2008-09 Actual | FY 2009-10 Actual | FY 2010-11 Approp. | FY 2011-12 Request |
|---|-----------|-------------------|-------------------|--------------------|--------------------|
| Total Number of Acres Retired from Water Conservation Programs | Benchmark | 30,000 | 40,000 | 45,000 | 50,000 |
| | Actual | 35,531 | 36,574 | 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, improve water quality, and support compact compliance efforts.

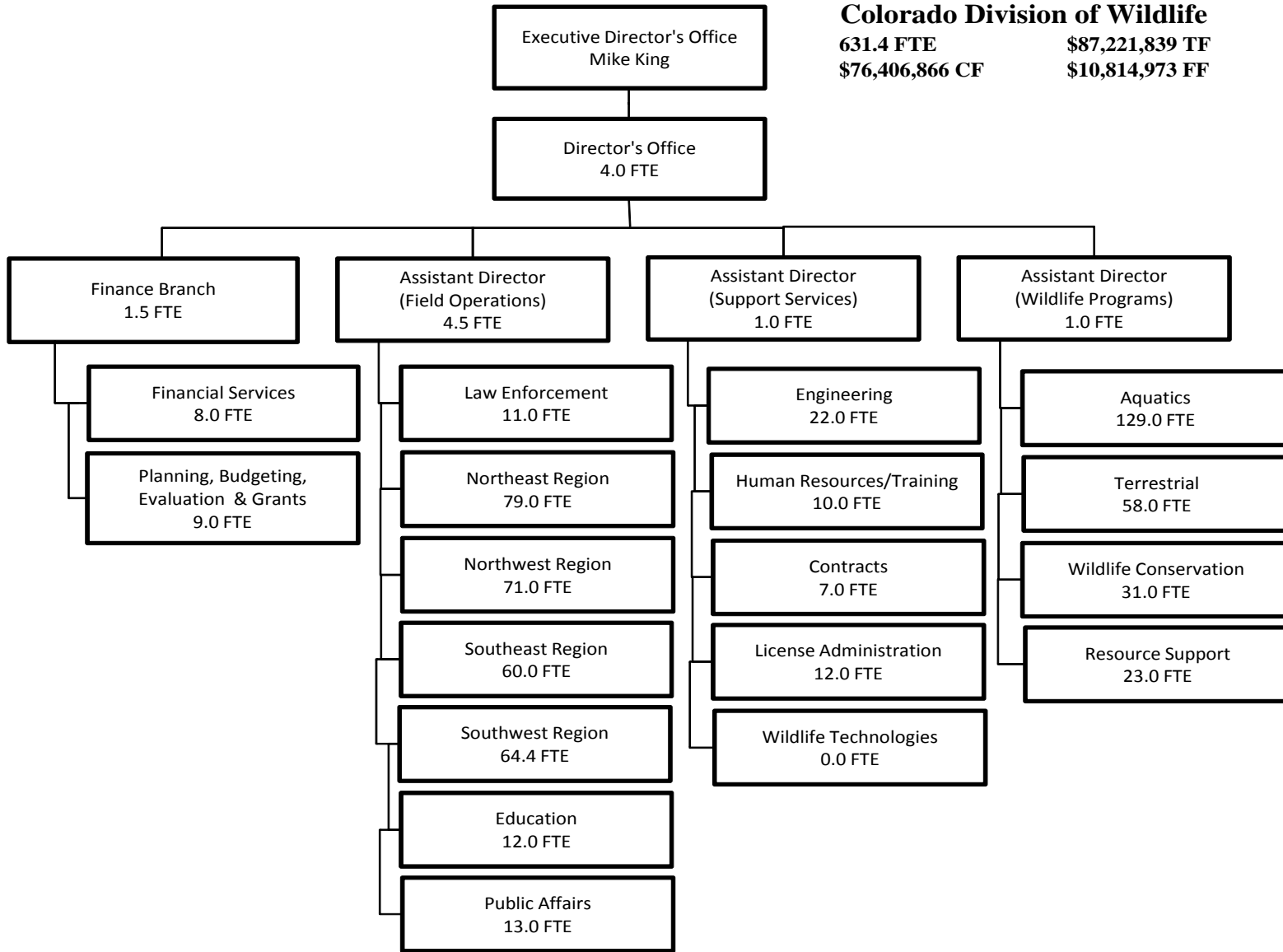
The performance measure is the cumulative annual total number of acres participating in land conservation programs (temporary and permanent), to which the DWR is a technical or regulatory participant (Conservation Reserve Enhancement Program; Environmental Quality Incentive Program; Agricultural Water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

Evaluation of Prior Year Performance

Major conservation programs such as the Conservation Reserve Enhancement Program (CREP), the Environmental Quality Incentives Program (EQIP), and the Agricultural Water Enhancement Program (AWEP) have been extremely successful in the Republican River basin. An addendum has been filed to the 2006 CREP to add an additional 20,000 acres. The proposed Amendment increases the enrollment goal to a total of 55,000 acres and opens enrollment to Washington and Lincoln counties. Prior to the year 2010, these counties were enrolled to the maximum extent in the Conservation Reserve Program. As with the existing Republican River CREP, irrigated agricultural production practices would be discontinued permanently on eligible farmland in the Republican River Basin and conservation practices would be established on those lands. The proposed Amendment is needed to meet the goals and objectives of the RR CREP, including the improvement of water quality, restoration of native vegetation, and improvement of wildlife habitat. Incentives and cost-share programs, such as CREP, provide vital assistance in helping the Republican River Basin sustain its water resource without disastrously impacting its local economy and social fabric. The CREP implementation within the Republican River Basin will provide a valuable tool to allow producers to use voluntary, incentive-based actions to address the various resource issues. Further, the proposed Amendment would have positive long term impacts on protected species and their habitats, as well as reducing agricultural use of the Ogallala Aquifer, restoring and enhancing wetlands, and increasing stream flows in the Republican River Basin. The proposed Amendment would also help assist the State of Colorado to comply with the provisions of the Republican River Compact. Currently, a required Supplemental Environmental Assessment is being conducted for this Amendment.

Work continued on a CREP application for the Rio Grande basin for retirement of approximately 40,000 acres. That application awaits final resolution of case no. 07CW52 in Water Division 3 to address funding issues for the Rio Grande Water Conservation District's Subdistrict #1.

Colorado Division of Wildlife
631.4 FTE **\$87,221,839 TF**
\$76,406,866 CF **\$10,814,973 FF**



Colorado Division of Wildlife

Division of Wildlife -- Description:

The mission of the Colorado Division of Wildlife (DOW) is to perpetuate the wildlife resources of the state and to provide people with the opportunity to enjoy them. The Division follows 10 management principles which are core beliefs that guide the Division in fulfilling its mission, creating 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 PERFORMANCE MEASURES

Given the importance of species conservation to both the Division of Wildlife and to the Department of Natural Resources, Species Conservation was listed as one of six major Department performance measures (see performance measure “DNR-1 Species Conservation” at the beginning of the Strategic Plan).

DOW-1. Hunting

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

| Performance Measure | Outcome | FY 2008-09 Actual | FY 2009-10 Actual | FY 2010-11 Approp. | FY 2011-12 Request |
|--|----------------|--------------------------|--------------------------|---------------------------|---------------------------|
| Number of Licensed Hunters in Colorado (Based on Calendar Year) | Benchmark | 305,000 | 305,000 | 305,000 | 305,000 |
| | Actual | 294,186 | 288,098 | Unknown | Unknown |

Strategy:

Providing hunting recreation opportunities is one of the major components of the DOW mission. Hunting recreation produces substantial 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 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 trends will be a challenge.

Evaluation of Prior Year Performance:

In FY 2008-09, the actual number of hunters was 96.5% of the benchmark target. For FY 2009-10, the actual number of hunters was 94.5% of the benchmark target. 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 these issues and the corresponding negative impact on Division 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.

DOW-2. Fishing

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

| Performance Measure | Outcome | FY 2008-09 Actual | FY 2009-10 Actual | FY 2010-11 Approp. | FY 2011-12 Request |
|---|-----------|-------------------|-------------------|--------------------|--------------------|
| Number of Licensed Anglers in Colorado (Based on Calendar Year) | Benchmark | 685,000 | 685,000 | 690,000 | 690,000 |
| | Actual | 654,721 | 687,584 | 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 2008-09 the actual number of anglers was 95.6% of the benchmark target. For FY 2009-10, the Division exceeded the established benchmark as the actual number of licensed anglers was 103.8% of the benchmark. As a result, the Division has increased the benchmark for FY 2010-11 and FY 2011-12 from 685,000 to 690,000 license anglers. The Division anticipates fishing license sales to increase slightly in the next two years. The forecasted increase is based on several factors including the assumption that people

are staying closer to home for recreation 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 2008-09 Actual | FY 2009-10 Actual | FY 2010-11 Approp. | FY 2011-12 Request |
|--|-----------|-------------------|-------------------|--------------------|--------------------|
| Number of species listed under the Federal Endangered Species Act / Prevented-State-Federal Listing (Based on Calendar Year) | Benchmark | 15/18 | 13/17 | 16/17 | 16/17 |
| | 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 **not** 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 wildlife populations, to discover, generate, and provide scientific information about the status of species, and to expand scientific understanding of the factors influencing wildlife populations, among other activities. This measure focuses on a relatively small number of species, most of which are in peril, and are therefore of extreme importance to DOW and receive considerable management attention.

Evaluation of Prior Year Performance:

No federal listing action has been taken on federal candidate species in Colorado with high priority ranking in FY 2009-10. State threatened and endangered listing decisions will be made in FY 2010-11 and are currently unknown. However, two species were petitioned and determined to not be warranted for federal listing (White-Tailed Prairie Dog and Pika).

DOW-4. Habitat

Objective: Protect wildlife habitat

| Performance Measure | Outcome | FY 2008-09 Actual | FY 2009-10 Actual | FY 2010-11 Approp. | FY 2011-12 Request |
|-----------------------------------|-----------|-------------------|-------------------|--------------------|--------------------|
| Number of habitat acres protected | Benchmark | 725,000 | 785,000 | 820,000 | 840,000 |
| | Actual | 763,485 | 802,183 | Unknown | Unknown |

Strategy:

Habitat protection is a crucial component in the preservation of Colorado’s wildlife and as such is a high priority for the DOW. 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. For this performance measure, the term “protected” means “controlled by DOW and managed to preserve and enhance wildlife habitat or to provide public recreation access, or both.” The performance measure calculations 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 (United States Forest Service or Bureau of Land Management), by other state agencies, by other governments, by private landowners, or by private land trusts or other conservation organizations.

Evaluation of Prior Year Performance:

In FY 2008-09, 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).

In FY 2009-10, the DOW exceeded the Benchmark by 17,183 acres, which is approximately 2% over the Benchmark. This was due to the closing of a few projects which had been in DOW project pipeline for several years. Of this total acreage, 377,944 acres were acquired in fee title, 154,138 acres were acquired in Perpetual Conservation Easements, 34,511 acres were acquired as

Perpetual Public Access Easements, 96,844 acres were Third Party Perpetual Conservation Easements, and 138,746 acres were acquired as Leasehold interests – (excluding SLB Statewide lease agreement).

DOW-5. Public Awareness

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

| Performance Measure | Outcome | FY 2008-09 Actual | FY 2009-10 Actual | FY 2010-11 Approp. | FY 2011-12 Request |
|--|----------------|------------------------------|------------------------------|-------------------------------|-------------------------------|
| Percentage of the public that is aware of wildlife management | Benchmark | 80 | 82 | N/A | N/A |
| | Actual | 80 | 79 | N/A | N/A |
| Percentage of the State’s public who are aware that license sales help manage all wildlife in Colorado. | Benchmark | New | New | 80 | 80 |
| | Actual | New | New | 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, Angler Education, wildlife festivals, the Wildlife Management Public Education Council (PEAC), Colorado Outdoors magazine, as well as diverse and varied stakeholder meetings. Public involvement is measured primarily through annual surveys of the public conducted by the Public Education Advisory Council.

Evaluation of Prior Year Performance:

DOW education programs are all designed to promote the benefits of wildlife management. The PEAC Council has just completed its fourth year of aggressively promoting the benefits of wildlife management. Survey results indicate that over 63 percent of the public recall seeing the campaign and 79 percent of those understand that license sales help manage, protect and conserve wildlife in Colorado. The Division will continue to work with the PEAC Council to promote the value of wildlife management through media campaigns in TV, radio, and other markets.