



Department of Natural Resources
Department Description

FY 2012-13 Budget Request

October 28, 2011

DEPARTMENT DESCRIPTION FY 2012-13 BUDGET REQUEST

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.

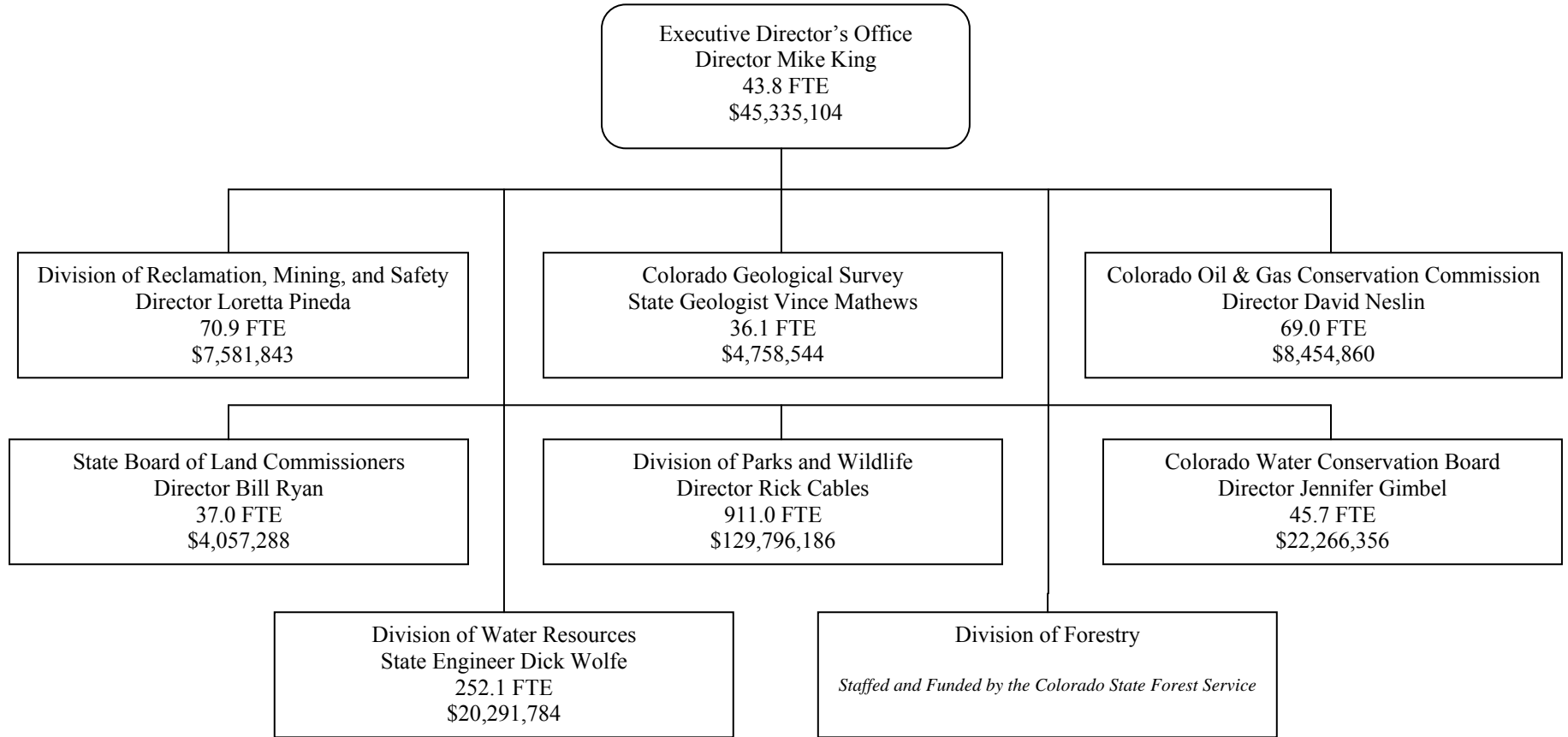
Following the merger of the Division of Parks and Outdoor Recreation and the Division of Wildlife in June 2011, the Department of Natural Resources consists of nine divisions including the Executive Director's Office. Collectively, they carry out the Department's responsibilities for natural resources management, which includes use or access to some resources, promotion of the development of select resources, and the protection or preservation of other resources. The divisions are:

Executive Director's Office	Parks and Wildlife
Division of Reclamation, Mining and Safety	Colorado Water Conservation Board
Colorado Geological Survey	Water Resources Division
Oil and Gas Conservation Commission	Division of Forestry
State Board of Land Commissioners	

Most of the divisions have boards and/or commissions that develop regulations and exercise other oversight powers. Some specific programs have advisory boards. Collectively, there are 21 citizen boards, commissions, and advisory boards that assist the Department.

Each division has a director who reports to the Executive Director of the Department and, in some cases, receives advice or policy direction from a board or commission. These divisions have offices and employees located throughout Colorado, with over 60 percent of the Department's employees located outside the metropolitan Denver area. The Department has employees in 58 of the 64 counties in the state.

Colorado Department of Natural Resources



1465.6 FTE **\$242,541,965 Total Funds**
\$23,422,123 GF **\$191,031,122 CF** **\$8,480,565 RF** **\$19,608,155 FF**

October 2011

The Executive Director's Office (EDO)

Executive Director Mike King was appointed by Governor John Hickenlooper in 2010. The Executive Director's Office develops policy on matters that overlap divisional responsibilities, provides comments on federal programs and legislation affecting Colorado, advises the Governor on natural resources issues, and coordinates the legislative activities of the Department. The office also provides budget and planning coordination, accounting, financial management support, human resources services, information technology services, public information and environmental education coordination, and other services to the divisions. The office is funded by indirect cost recoveries (payments from divisions) and includes approximately 11% General Fund. The office is located in downtown Denver.

The Executive Director's office provides leadership and support to the Divisions in meeting their strategic objectives. It concentrates on the priority resource management issues that develop in response to state, federal and local policies. It provides leadership and functional support for general administrative duties to the divisions of the Department. Sub-programs include:

- **Administration and Policy Development:** This sub-program 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 the divisions, other state agencies, or cooperators on departmental programs. The program also supports the Executive Director and divisions in its dealings with local agencies, state agencies, the Governor's Office, the General Assembly, federal land management agencies, and Congress.
- **Human Resources:** This sub-program is responsible for carrying out HR duties for the entire department. This includes all facets of maintaining the 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. The function supports the Department's diverse workforce goals. The sub-program advises executive staff, 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:** This program is responsible for directing, controlling, and managing the accounting/procurement operations and functions in the Department of Natural Resources. This section works closely with the Department's divisions,

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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:** This group is responsible for the formulation and execution of the Department's annual budget process. As part of this process, the Budget group takes the lead in developing the Department's Strategic Plan. This function also 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 requests for financial information or analysis' requested by the Governor's Office and the General Assembly. The unit also supports the divisions on a variety of revenue, expenditure, and financial analysis or issues that are facing the Department. The program is responsible for providing budget execution and coordination for the programs and work packages in the Executive Directors Office. Finally, the function administers central appropriations and allocations for the divisions.

Division of Reclamation, Mining, and Safety (DRMS)

The Division of Reclamation, Mining, and Safety assists in the development of Colorado's mining industry in an environmentally protective manner while ensuring that mined land is reclaimed to a beneficial use. The division also reclaims, restores, and abates hazards and environmental degradation problems caused by past, pre-law mining practices for which there is no continuing reclamation responsibility and assures safe mine conditions for workers and visitors to active mines. The programs in this division are the Coal Regulatory Program, the Inactive Mine Reclamation Program, the Minerals Regulatory Program, and the Mine Safety and Training Program. The administrative functions of DRMS include information technology, budget/financial and customer service activities. Joint education activities are performed per available staff and funding. The purpose of the program is to provide division-wide services, such as maintaining mine operator database, imaging system, GIS data, and the website and to prepare and process all budget and financial transactions, and to respond to customer contacts. The division maintains offices throughout the state and is funded by severance tax, fees, and federal funds.

The **Coal Program** is a regulatory program charged with the review and approval of coal mining and reclamation permits. Ongoing monitoring, inspection and enforcement duties are performed at coal mining operations to ensure that permit provisions and mining regulations are followed. Currently, the program regulates 41 coal mines and 115 exploration permits, for which approximately \$207 million in financial warranties are held by the Mined Land Reclamation Board. The Coal Program functions through a Cooperative Agreement with the federal Department of the Interior, Office of Surface Mining Reclamation and Enforcement (OSM). The Cooperative Agreement allows the Coal Program to regulate all coal mining in Colorado under specific performance guidelines. This state primacy was granted in 1980 and is maintained and protected to ensure that State interests are implemented. Existence of the state Coal Program is also required to allow federal funds to be allocated to the Colorado Inactive Mines Program.

The Coal Program is funded by a federal grant (79 percent) from OSM, and by severance tax revenues (21 percent). The ratio of federal funds to the required state matching funds is based upon the amounts of mine acreage permitted on federal versus state lands. The federal mine acreage calculation includes any land within a permit that includes federally owned surface acreage and/or mineral sub-surface acreage.

The division's **Inactive Mine Reclamation Program (IMP)** was established in 1980 to address the hazards and environmental problems arising from abandoned mines in Colorado. It was instituted under the provisions in the Surface Mining Control and Reclamation Act (SMCRA) of 1977, which gives the states that have approved Coal mining regulatory programs under Title V of SMCRA the ability to assume exclusive responsibility and authority to reclaim abandoned mine lands within their borders. Mines abandoned prior to 1977 are eligible for the program. The program was launched with a comprehensive inventory of hazards and

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environmental problems associated with past mining activities, which revealed an estimated 23,000 abandoned mined sites throughout the state. Using this inventory, Colorado prepared a statewide reclamation plan, which was approved by the U.S. Department of the Interior, Office of Surface Mining (OSM) in June 1982. Approximately 8,177 abandoned mined land sites have been addressed through this program, and 33 underground coal mine fires pending safeguarding and containment. Funding for safeguarding activities also comes from the U.S. Bureau of Land Management and the U.S. Forest Service.

The program also carries out the Colorado Mine Subsidence Protection Program (MSPP) and the Colorado mining non-point source pollution projects. The MSPP was established to pay for damage to Colorado homes that result from subsidence over abandoned coal mines (the surface ground settles and sinks over former underground coal mine tunnels). The program was established in 1987 by a \$3 million federal grant. The money was invested in a trust fund, which is restricted for addressing subsidence issues only, is designed to provide a self-sustaining fund to cover property damage claims and help offset administrative costs. A private company is contracted to handle enrollment and administrative details.

The Colorado Mining Nonpoint Source Program involves working in cooperation with the Department of Public Health and Environment's Water Quality Control Division, U.S. Environmental Protection Agency, Bureau of Land Management, U.S. Forest Service and watershed stakeholders to determine the extent of the environmental problems associated with mine waste, mill tailings and acid mine drainage and provide options to address these environmental problems. Funding for the program comes from Section 319 of the Clean Water Act, Colorado Water Quality Control Division, Colorado Severance Tax funding and other funding from federal partners (the federal grant from the Office of Surface Mining cannot be used for environmental and water clean-up issues). If water quality issues are not addressed at abandoned mines, Colorado's streams will continue to be degraded by pollutants from historic mining operations. More partnerships are needed to leverage federal funding. Based on several detailed mine site characterization investigations in some of Colorado's most intensely mined watersheds, an estimated 150 legacy mine discharges and approximately 300 sites with acid-forming waste mine rock and tailings continue to significantly degrade Colorado's surface and groundwater resources.

The **Minerals Program** and the Mined Land Reclamation Board issue and enforce mining and reclamation permits for all non-coal mines in Colorado on state, federal and private lands. The Hard Rock Minerals and Construction Materials Acts provide the statutory authority for this program. Regulated minerals include uranium, gold, silver and molybdenum; and construction materials, such as sand, gravel, marble and flagstone. The Minerals Program currently regulates approximately 1,547 mines and 242 prospecting operations, for which approximately \$452 million in financial warranties are held by the Mined Land Reclamation Board. The Minerals Program reviews new mine permit applications, amendments and technical revisions to permits, permit transfers, notices of temporary cessation, and annual permit reports; responds to inquiries and holds discussions with the public, industry, environmental

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groups, and media; and works with local, state and federal government agencies. In addition, the staff participates in monthly Mined Land Reclamation Board meetings and communicates Board actions to affected parties.

The program is funded from revenue generated from statutory fees on permitted mining and prospecting operations and from severance taxes. Fines paid by operators for mining violations accrue to the State's General Fund. The Minerals program does not receive or track royalty payments resulting from minerals extraction.

The **Mine Safety and Training Program (MSTP)** is charged with protecting the health and safety of miners, the public and the mining community from mining-related hazards. This mission is accomplished through a cooperative and coordinated effort between the federal government, local governments, and the mining industry. The program trains between 6,000-7,000 miners per year and distributes over 700 copies of training DVD's and videos annually. Program activities include performing site-specific mine health and safety training and education in all aspects of mine operations, production and distribution of new, effective mine safety training materials, certification of coal mine officials, and inspection of tourist mines, and idle or abandoned mines in compliance with federal and state regulations. Federal funding for the program is provided by the U.S. Department of Labor/Mine Safety and Health Administration (MSHA), which is the federal health and safety enforcement agency that ensures that mine operators adequately train employees and comply with federal safety regulations. The MSTP, through an agreement with MSHA, conducts the testing and certification of over 250 coal mine officials per year, without which coal mines could not operate. The State certification process maintains a high level of competency for coal mine officials by testing them on health and safety duties related to the specific conditions found in Colorado coal mines, which directly aids in reducing injury and fatalities in coal mines in the State. Inspection and regulation of tourist mines safeguards the public (approximately 50,000-70,000 visitors per year) and employees from mine hazards and serious accidents or fatalities. Maintenance of historic mine information and coal production records also provides a valuable service to the public and the mining community, allowing them to access the information in a timely manner.

Additional federal funds from the U.S. Dept. of the Interior/Office of Surface Mining and appropriated through the state's Coal Regulatory Program, support one Blasters Certification position. The remainder of the program's funding is from the State's Severance Tax revenue.

Colorado Geological Survey (CGS)

The mission of the Colorado Geological Survey (CGS) is to protect people and property from geologic and avalanche hazards, and advance economic development and sound management of water, mineral and energy resources through education, good science and collaboration.

To meet its goals, the Colorado Geological Survey has three programs:

- 1) 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 CGS's work. Average citizens and large companies alike, use our geologic hazard, 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.
- 2) The **CGS Mineral Resources and Mapping Program** improves the sustainability and economy of Colorado. State agencies, private industry, local governments and others utilize our studies, maps, statistical data to responsibly explore and develop critical mineral and energy resources. Colorado's green industry, which is expected to generate \$61 billion in revenue and provide over 600,000 jobs by 2030, utilizes our maps and studies of both strategic and rare earth metals needed for wind and solar production. 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.
- 3) The **CGS Colorado Avalanche Information Center (CAIC)** 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.

Key Ways CGS Protects Public Safety

Emergency Planning and Response

- Public safety is protected by the quick response of the **Geologic Hazards Program** and the **CAIC** to natural hazards and disasters across the state.

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- State and local emergency managers utilize **Geologic Hazard Program** reports and **Mapping Program** maps to assess vulnerability of people, state assets, and critical facilities to natural hazards and to implement mitigation strategies to reduce or eliminate risks. Key components of hazard management and response plans rely on these data.

Helping to Provide Safe and Adequate Water Supplies

- Federal, State and local agencies utilize our Environmental Geology water quality studies and reports on natural or background water quality and human-induced water degradation to better manage water supplies, establish reasonable water quality standards, and protect people and the environment.
- Municipalities and citizens, many economically challenged and in drought-prone areas, are highly dependent on ground water; however, good data to properly manage these resources is often sparse. They use our **Environmental Geology** studies on aquifer properties and water storage to increase underground water storage and manage ground water in a sustainable manner.
- **Environmental Geology** water studies are funded through collaborative partnerships with Federal, State, and local agencies. DNR Operational Account of the Severance Tax Trust Funds are used to leverage Federal grants and bridge funding gaps in communities with limited resources; often making these important studies possible.

Disaster and Hazard Prevention

- By integrating our products and hazard mitigation advice into day-to-day land use decisions, School Districts, Local Governments, Private Industry and Citizens make communities more resilient and resistant to natural hazards. The **Geologic Hazard and Mapping Programs** make this happen through studies, hazard maps, geologic maps and local land-use reviews.
- State agencies such as CDOT, Emergency Managers, and Local Governments rely on **CAIC** educational aids, avalanche-safety courses, and expert forecasting to prevent highway closures, avalanche deaths, and disasters.

Key Ways CGS Enhances the State's Economy

Economic Support to Schools and State Agencies

- Legislative Budget Analysts and the Department of Local Affairs rely on **Mineral Resources and Mapping Program** coal, oil and gas production and reserve reports to project State Severance Tax Revenues. In 2009, Colorado received \$285 million in coal, other mineral, oil and gas production royalties, half of which are used to fund public schools.

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- The State Land Board utilizes our **Mineral Resources and Mapping Program** maps and reports to estimate the value of mineral and energy reserves on state lands to obtain higher bids when mineral rights are auctioned, which sets lease fees higher. This directly increases revenue to children and schools.
- The Colorado Office of Economic Development and International Trade lists Colorado's spectacular scenery and recreational opportunities, including 40 state parks, as key reasons businesses expand or relocate to Colorado. **Mapping Program** geology guides for state parks are used to promote Colorado nationally.

Economic Support to the Tourism Industry

- In 2010, Colorado set a new record of 28.9 million overnight visitors who spent \$8.8 billion (up from \$8.6 billion in 2009) on tourism-related expenditures and, with 24 ski areas, Colorado is the number one ski destination in North America. The Ski and Tourism Industries rely on **CAIC** avalanche forecasting to reduce lost visitor days and associated economic losses.

Economic Support to the Mining Industry

- Investors looking to invest in Colorado mining operations or develop mineral reserves rely on **Mineral Resources and Mapping Program** reports and data for investment opportunities.
- Colorado's mining industry relies on **Mineral Resources and Mapping Program** publications about the location and character of mineral and energy deposits to create new or expand current exploration and development projects. The mining industry generates over \$3 billion in sales annually and over \$8 billion in total economic value to the state.
- The **Mineral Resources and Mapping Program** is charged to promote the development of mineral and energy resources of Colorado. Key information is given to industry, local government planners, and citizens interested in Colorado's mineral resources. This information includes the location and character of mineral and energy deposits, location of active mines and quarries, production summaries, and annual reports of industry activity in Colorado. Geological maps supply new baseline data that can highlight areas for new mineral or energy exploration and areas prone to dangerous geologic hazards.

Oil and Gas Conservation Commission (OGCC)

The mission of the Colorado Oil and Gas Conservation Commission (OGCC) is to foster the responsible development of Colorado's oil and gas natural resources. The Administration, Financial and Hearings section performs the following functions:

- Plans and forecasts OGCC activities, revenue and expenditures to manage financial resources
- Prepares the annual budget request.
- Acts as liaison to the Department Executive Director's Office, Human Resources and Accounting Sections to provide input into Department decisions and to take information back to staff regarding Department policy.
- Administers appropriations from the Oil and Gas Conservation and Environmental Response Fund, the Severance Tax Operational Account, and the Underground Injection Control Federal Grant for their effective and efficient use.
- Serves as the agency media contact and prepares press releases, brochures, and other public information regarding OGCC activities.
- Assists the Commission in conducting hearings, holding local public forums, developing policies, and implementing rules, regulations, and orders.
- Performs proactive 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.
- Responds to inquiries and investigates complaints.
- Conducts enforcement action against violators of OGCC rules.

The Information Section's mission is to foster the responsible development of Colorado's oil and gas resources in a manner that is consistent with the protection of public health, safety and welfare, including the protection of the environment and wildlife resources. The Information Section, which includes the Production and Levy, Permitting, GIS Mapping, Bonding, and Records Administration units, performs the following functions:

- Collects, reviews for compliance, processes, stores, and tracks oil and gas well information, production volumes and conservation levy volumes and values in the State of Colorado. The collected data will supply information on the complete life cycle of oil and gas wells.
- Compiles and stores well information, production, and levy data in a database and document imaging system that is used to validate the data, to facilitate day to day operations, and to respond to public inquiries.

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- Ensures that oil and gas operations and regulatory reporting are in compliance with the rules, regulations and orders of the Commission.
- Reviews all drilling permit applications for regulatory compliance.
- Ensures that oil and gas operators are properly registered and meet the financial surety requirements for oil and gas operations.
- Manages the Local Area Network and the OGCC Internet Website to disseminate OGCC information to the public, government agencies, and other customers.

The mission of the Environmental, Engineering, and Inspection sections is to ensure technical compliance with the OGCC rules and regulations. The Environmental, Engineering, and Inspection sections perform the following functions:

- Reviews information and applications for approval, including production and injection well applications, location assessments, technical well information, pit applications, land farms, remediation work plans for exploration and production waste cleanup operations and requests to plug and abandon wells.
- Performs field inspections of drilling, production, and injection wells and well abandonment, pit and landfarm operations and exploration and production waste cleanup operations to ensure compliance.
- Responds to inquiries and investigates complaints regarding oil and gas operations.
- Monitors field operations under the Environmental Protection Agency delegated Underground Injection Control program.
- Identifies, recommends, and manages onsite work on oil and gas well plugging and reclamation projects, and coordinates investigative and remedial projects.
- Recommends and provides support at Commission hearings for enforcement actions related to violations of OGCC rules. Provides technical expertise in other hearing matters.
- Conducts environmental studies, as needed, to investigate, mitigate, and/or prevent oil and gas impacts to the health, safety, and welfare of the public, as well as the environment and wildlife. Studies include, but are not limited to: gas seepage mitigation studies, outcrop monitoring studies, soil gas surveys in the vicinity of plugged orphaned wells, and baseline water quality studies.

State Land Board (SLB)

The State Land Board consists of four sections: the Field Operations Section, the Minerals Section, the Real Estate Section, and the Financial Section. The Land Board is cash funded with revenue generated from the state lands under its management.

The **Field Operations Section** contributes to the State Land Board's mission of producing "reasonable and consistent income over time" for its trust beneficiaries by managing approximately 2.8 million acres of state trust land assets and approximately 3,000 surface leases.

Field Operations Section employees work with state trust 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. They also perform property inspections and recommend appropriate land disposals and acquisitions that make sense for both the Land Board and the lessee or other private landowner.

Management of surface uses is conducted through a network of seven district offices, each staffed by a district manager and district assistant, to provide customer service, including lease renewals, assignments, rights-of-way inquiries, etc., to lessees, city and county governments and other citizens on a localized basis. District offices are currently located in Craig, Alamosa, Greeley (two offices are co-located), Sterling, Pueblo, and Lamar. These offices are responsible for activities that include development of agricultural policies and procedures; on-the-ground management of leases; real estate exchanges and sales; communications with lessees and local, state and federal agencies concerning state land issues; surface use issues that arise from the Board's mineral development activities; and troubleshooting and resolving problems and conflicts involving trust land management.

The Field Operations Section also has a centralized leasing section in the Denver office that coordinates functions such as lease renewals and assignments and cooperates with the Financial Section to ensure accurate and timely accounts payable and receivable. The lease management workload within the Field Operations Program is highly cyclical. Since 2000, the number of leases expiring, after a normal ten-year lease term, has increased dramatically. All these expiring leases have to be publicized, all lease applications examined; new leases negotiated, and then issued and properly executed for an additional term. This has resulted in a workload that has overwhelmed current staff resources. This high rate of lease turnover will continue for the next several years.

In addition, the Field Operations Section manages the Multiple Use Program, under which the Colorado Division of Wildlife leases some 500,000 acres of trust land for wildlife-related recreation. The Field Operations Section is also responsible for the management of programs that provide assistance, incentives and/or cost-share to lessees. These are: the Enhancement Fund of the SLB-DOW Public Access Program, which distributes approximately \$225,000/year in DOW rental monies for property improvement projects on

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trust lands enrolled in the Program; the Land and Water Management Fund, a \$75,000 annual cost-share fund for improvements and activities that maintain or increase the long-term value of state trust land; and the Noxious Weed Fund, a \$150,000 annual cost-share fund for the management of noxious weeds on state trust land.

The **Minerals Section** of the State Land Board manages and evaluates the 4,000,000 acres of the Trust mineral estate for the purpose of preserving long term productivity of mineral assets while producing reasonable and consistent income over time. 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. These activities generated over \$106 million in fiscal year 2010-11 for the trust beneficiaries.

Additionally the Minerals Section administers all renewable energy leases. The State Land Board now has over 50,000 acres (up from 940 in FY 2005-06) under lease for wind energy as well as several new solar planning leases. The Minerals Section is working on new applications for solar, wind, and geothermal leases.

The **Real Estate** Program provides (1) the asset management for the commercial and other special uses of state trust land, (2) coordinates and provides the technical services needed for all land exchanges, land sales, non-agricultural land appraisals and auctions, and (3) provides oversight for other “special portfolios” of state trust land including the Lowry Range and other development projects. It also provides strategic investment options, including analyzing and comparing differing commercial investments based upon relevant financial models. The Board has directed the exchange of state land parcels to acquire more productive land and consolidate state land holdings to increase management efficiency and income. Additionally, the Board has directed the agency to pursue land exchange and other disposition opportunities with public land agencies to improve land management capabilities and enhance the future value and revenue potential of the state trust lands.

The **Financial Section** administers the State Land Board’s 19 trust funds. This involves managing both the expendable and non-expendable fund for each of the eight trust beneficiaries, plus an all-purpose expendable fund and two operating/budgetary funds. In excess of 28,000 accounting transactions are processed annually, with revenue totaling more than \$122 million in FY 2010-11. Finance also manages the \$5.0 million expense budget. This includes evaluations of line item expenditures, projections to ensure compliance with spending authority limits and status reports to agency management with timely revisions as information changes. Additionally, Finance oversees the formulation of the annual budget request, covering funding over four fiscal years with supporting schedules, tables and charts in concurrence with the agency mission, goals, objectives and business plan. Finance also collaborates with the department accounting and budgeting staffs in fiscal matters that affect both the agency and the department.

The Financial Section advises agency management on financial matters affecting their trust land management decisions through analysis and interpretation of various financial and technical data sources in order to promote increased annual revenues and preserve and enhance the long-term productivity and value of all the assets. This includes regular reports to agency management on the current revenues received, by source, and revenue projections and forecasts for current and future fiscal years. Finance also provides annual and periodic reports to the General Assembly on investment activities and revenues. In the current year, the Finance Section is overseeing the Board's Portfolio Analysis Project, a strategic initiative intended to compile financial and market valuation data that will help the Board establish a proactive process for identifying options to increase the income and value of the asset portfolio. .

The Financial Section administers the Investment and Development Fund. As authorized by statute, the Investment and Development Fund allows the State Land Board to reinvest up to \$5.0 million of its revenue back into its property in order to increase income and land value. The Financial Operations section analyzes and recommends Investment and Development Fund projects and budgets to the Board. The Financial Section tracks each project and expenditures and generates the annual report as required by statute. As of January 2010, the Investment and Development Fund has supported projects that will generate \$2.6 million in annual revenue and more than \$99.0 million in higher land values.

Division of Parks and Wildlife

In June 2011 the Division of Parks and Outdoor Recreation and the Division of Wildlife merged into the new Division of Parks and Wildlife. A multi-discipline transition team is currently developing an overall plan for the structure of the new Division, but for purposes of the FY 2012-13 budget it remains useful to think of the Division as containing a State Parks section and a Wildlife section.

Colorado State Parks overview

Attracting over 12 million visitors per year, Colorado's 42 State Parks are a vital cornerstone in Colorado's economy and quality of life, offering some of the highest quality outdoor recreation destinations in the state. The State Park Operations line funds the ongoing operations and administrative staff at all state parks and central offices. This line includes Personal Services, Operating, Utility expenses and the Seasonal Work Program which enables the Division to hire temporary staff to assist at the parks during the busy season; and is funded by a mix of fees and other cash funds.

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The Division also has a program line for **Great Outdoors Colorado Grants (GOCO)**, which funds the ongoing operations of state parks that were built or acquired with GOCO capital funds. Amendment 8, which created GOCO in Article XXVIII of the Colorado Constitution, was passed by the citizens of Colorado in 1992. GOCO investments through Colorado state parks are to be used for:

- Establishment & improvement of state parks and recreation areas throughout Colorado;
- Development of appropriate public information and environmental education resources on Colorado's natural resources at state parks, recreation areas, and other locations throughout the state;
- Acquisition, construction and maintenance of trails and river greenways;
- Water for recreational purposes through the acquisition of water rights or through agreements with holders of water rights, all in accord with applicable state water law.

The State Parks section of the Division of Parks and Wildlife also manages numerous special purpose programs.

- Snowmobile Program: This program is responsible for the administration and registration of snowmobiles, mandatory safety certification of young operators, enforcement of registration requirements, trail marking and signing, establishment and maintenance of snowmobile trails and related facilities.
- River Outfitters Regulation: This program is responsible for the administration of the annual licensing for river outfitters, regulation of the river outfitters and ensuring the safety of river running activities through inspections. As of FY2010-11 there are 177 commercial river outfitter companies with approximately 3,000 guides that run adventure rafting and float fishing trips on the majority of the rivers statewide. The River Outfitter Licensing Program is responsible for performing inspections on these companies to ensure river outfitters employ qualified personnel, follow appropriate operating parameters, and meet minimum equipment standards to ensure customer safety.
- Off Highway Vehicle Program (OHV): This program is responsible for the administration of the OHV registration and grant program, providing grants to federal, state and local government agencies and non-profit user groups to construct and maintain off-highway vehicle trails, parking areas, signage and maps. Grant funds are provided through registration of off-highway vehicles. The program provides information and heightens awareness of the availability of off-highway vehicle recreational opportunities, and encourages safe and responsible use of OHV's through brochures, news releases and other media. The

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program is also responsible for the promotion of off-highway vehicle safety through promulgation and enforcement of rules and regulations and establishing partnerships with land management agencies and enthusiasts to leverage grant funds and promote good management of motorized recreation.

- Federal Grants: This line is related to funding received from the United States Coast Guard to fund boat safety within state parks.
- S.B. 03-290 Enterprise Fund: This line was created through S.B. 03-290 to establish a stores revolving fund in the amount of \$200,000 which shall be maintained to acquire stock for warehousing and distributing supplies for retail sales to visitors. This fund is to remain at \$200,000 and any surplus in excess of the appropriation is transferred to the parks and outdoor recreation cash fund at the end of each fiscal year.
- S.B. 08-226 Aquatic Nuisance Species: This line was created through S.B. 08-226 to prevent the devastating economic, environmental, and social impacts of aquatic nuisance species on the aquatic resources and water infrastructure of the state.

Wildlife Overview

The mission of the Wildlife section of the Division of Parks and Wildlife is to perpetuate the wildlife resources of the state and to provide people with the opportunity to enjoy them. Per Colorado Revised Statutes (C.R.S) 33-1-101(1); “It is the policy of the state of Colorado that the wildlife and their environment are to be protected, preserved, enhanced and managed for the use, benefit, and enjoyment of the people of this state and its visitors. It is further declared to be the policy of this state that there shall be provided a comprehensive program designed to offer the greatest possible variety of wildlife-related recreational opportunity to the people of this state and its visitors and that to carry out such program and policy, there shall be a continuous operation of planning, acquisition and development of wildlife habitats and facilities for wildlife-related opportunities.”

To fulfill its mission and statutory purpose, the Division of Parks and Wildlife manages the state's wildlife species; regulates hunting and fishing activities by issuing licenses and enforcing regulations; manages wildlife areas for public recreation; conducts research to improve wildlife management activities; provides technical assistance to private and other public landowners concerning wildlife and habitat management; and develops programs to protect and recover threatened and endangered species. Wildlife regulations are established by the eleven-member Wildlife Commission appointed by the governor. There are nine voting members and two non-voting members of the Commission. The Wildlife Commission sets Division of Parks and Wildlife regulations and policies for hunting, fishing, watchable wildlife, and nongame, threatened and endangered species. It is also responsible for making decisions

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about buying or leasing property for habitat and public access and for approving the DPW's annual budget proposals and long-range plans. The Colorado Division of Parks and Wildlife receives no state tax revenue. All hunting and fishing license fees are deposited in a game cash fund, but the state Legislature has final authority over DPW spending authority. DPW operates five Regional Service Centers in Colorado Springs, Denver, Durango, Fort Collins and Grand Junction and sixteen Area Service Centers in cities and towns across the state.

The Division operates under five major program areas: Fish, Wildlife and Habitat Management; Fish and Wildlife Recreation; Public Outreach; and Management Support. The objectives for each major program and the Division's strategies to accomplish the objectives are described below.

The objectives of the **Fish, Wildlife and Habitat Program** are to:

- Protect restore and enhance habitat for fish and wildlife.

Strategies to accomplish this objective include the development of measurable and achievable management objectives for fish and wildlife habitat; assessing and prioritizing habitats for protection, restoration or enhancement; providing analysis and recommendations to improve fish and wildlife habitats and reducing impacts from threats to those habitats (including, but not limited to, those impacts associated with energy development, climate change, urban and exurban development and invasive species); seeking mitigation for adverse impacts to fish and wildlife; acquiring interest in property where Division management can provide exceptional benefits to fish and wildlife and associated recreation; developing partnerships with landowners, land management agencies and others to restore, enhance, and conserve fish and wildlife habitats; providing incentives and assistance to landowners to improve habitat on private lands; and developing cooperative efforts to gather and exchange information on fish and wildlife.

- Manage proactively to prevent and control fish and wildlife diseases and introductions of invasive species to protect fish and wildlifepopulations.

Strategies to accomplish this objective include: intentionally introducing non-native fish and wildlife only if they do not pose genetic, disease, or competitive/ predatory risks to native or desirable fish and wildlife; reducing the risk of transmission of

disease between captive and free-ranging fish and wildlife; aggressively researching, identifying, detecting, containing, & eliminating, when possible, diseases that could negatively impact terrestrial and aquatic wildlife populations; monitoring fish and wildlife populations for disease; prohibiting the importation of fish and wildlife that pose an unacceptable disease risk; ensuring that propagation, stocking, and translocation of fish and wildlife do not contribute to the introduction or transmission of diseases; developing risk assessment, public information, and response strategies for fish and wildlife disease threats; and collaborating with other agencies and educational institutions on disease control, prevention and research.

- Ensure the long-term viability of native fish and wildlife and strive to maintain the broadest representation of the diversity of native wildlife in suitable habitats across the state.

Strategies to accomplish this objective include: maintaining a list of species of greatest conservation need, priority threats and conservation actions necessary; regularly measuring and reporting on conservation successes; inventorying, monitoring and assessing the status of native fish and wildlife and the habitats upon which they depend; restoring native species where they have declined or disappeared; providing information on the distribution, abundance and conservation of native fish and wildlife; collaborating with interested and affected parties to develop and implement plans to recover threatened and endangered species and conserve native fish and wildlife; developing cooperative efforts to gather and exchange information on fish and wildlife; developing and implementing standardized sampling and data collection protocols; assisting public and private landowners in the conservation, restoration and enhancement of native fish and wildlife; working in cooperation with other agencies and local governments to prevent the introduction and spread of invasive species; and assessing climate change impacts to wildlife and habitats and developing monitoring schemes to track changes and trends in distributions and the abundance of key wildlife species, as well as adaptation strategies for key species as appropriate.

- Maintain healthy and viable game and sport fish populations sufficient to meet the demand for hunting, fishing and trapping, while minimizing landowner conflicts.

Strategies to accomplish this objective include: developing measurable and achievable management objectives for game species; setting harvest rules and regulations to achieve long-term sustainability of populations and habitat; regularly inventorying, analyzing and reporting on game populations and habitats; assessing game populations and harvest numbers and

adapting regulations to achieve recreation and population objectives; collaborating with tribes, private landowners, and agencies to manage populations and harvest for long-term sustainability; alleviating wildlife damage to agriculture and compensating landowners for unavoidable losses as provided by law; using artificial propagation, stocking and translocation where appropriate and cost effective; stocking and transplanting fish where appropriate and cost effective; and restricting the use of technological advances in fish and wildlife recreation when they compromise fair chase and management objectives.

The objectives of the **Fish and Wildlife Recreation Program** are to:

- Provide a variety of hunting, fishing and trapping opportunities and maintain or increase current levels of hunter and angler satisfaction and participation.

Strategies to accomplish this objective include: providing opportunities and experiences based on demand and Colorado's habitat and wildlife resources; assessing participation, demand and satisfaction with hunting, fishing and trapping opportunities and adjusting management to achieve objectives.

- Increase access to private land for fish and wildlife recreation.

Strategies to accomplish this objective include: assessing opportunities to access private land; providing incentives and services to landowners who allow public access; collaborating with landowners and commercial operators to provide public recreation opportunities on private lands; assessing participation, demand and satisfaction with access opportunities and adjusting management to achieve objectives.

- Maintain and enhance fish and wildlife recreational opportunities on public lands.

Strategies to accomplish this objective include: collaborating with land management agencies to provide a variety of recreational opportunities, maintain or increase access, reduce impacts and conflicts and achieve objectives for recreation and fish and wildlife populations; providing fish and wildlife-based recreation on lands owned or managed by the Division; collaborating with user groups to promote sustainable fish and wildlife recreation, reduce conflicts and achieve objectives for recreation and fish and wildlife populations; protecting the public's right to use public waters for hunting, fishing and trapping; obtaining public access across private lands to public lands; and partnering with land management agencies to provide information on fish and wildlife recreational opportunities and access on public land.

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- Create and enforce regulations necessary to protect fish and wildlife populations.

Strategies to accomplish this objective include: developing regulations that increase opportunity and variety while reducing conflicts among user groups; enforcing regulations and licensing requirements to ensure healthy and viable game populations, and provide appropriate funding for Division programs; enhancing and enforcing laws to protect fish and wildlife populations from disease; and improving the management of recreation and enforcement of rules on state and federal lands through partnerships with state and federal agencies and local governments.

- Provide convenient, user-friendly and cost effective license purchase opportunities.

Strategies to accomplish this objective include: involving local communities in decision making; and implementing an electronic licensing system that is reliable, adaptable, user-friendly and cost effective.

The objectives of the **Public Outreach program** are to:

- Maintain and increase public knowledge of, and support for, the Division's mission and wildlife management activities.

Strategies to accomplish this objective include: providing timely and accurate information on management actions and important news related to fish and wildlife; developing effective methods for conveying and distributing information about fish and wildlife, including ways to minimize conflict between people and wildlife; publicizing resource management issues and Division programs that address them; publicizing the Division's and Wildlife Commission's public involvement and decision-making processes; promoting the social and economic benefits of wildlife-based recreation; promoting hunting, fishing and trapping as legitimate uses of fish and wildlife and compatible with conservation of wildlife; emphasizing ethics, safety and fair chase in hunting, fishing, trapping and other wildlife education programs; developing effective partnerships to assist in outreach efforts; evaluating all public outreach efforts and determine the needs, expectations and interests of the public and adjusting programs to meet objectives.

- Continue to provide and improve opportunities for the public to participate in decision-making processes.

Strategies to accomplish this objective include: monitoring and assessing public support for fish and wildlife recreation and management; notifying interested and affected stakeholders of opportunities to participate in decisions; providing a variety of convenient opportunities for citizens to be involved in Division and Commission decisions; providing quality and timely response to input from citizens and including rationale for decisions; improving coordination, effectiveness and quality of

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public involvement efforts; assessing participation in and satisfaction with public involvement processes and adjusting programs to improve performance.

- Maintain and increase public awareness of and participation in outdoor wildlife activities, including hunting, fishing, trapping and viewing.

Strategies to accomplish this objective include: informing the public about the importance of hunting and fishing to wildlife conservation, including continued collaboration with and support for the Wildlife Management Public Education Advisory Council; expanding opportunity to take mandatory hunter education classes; providing a variety of “how to” hunting and fishing classes as well as other fish and wildlife educational opportunities; providing timely, accurate and user-friendly information on recreational and educational opportunities; promoting and marketing the Division’s wildlife-based recreation programs to new as well as existing customers; providing materials and professional development training for formal educators to conduct effective field investigations with their students; developing partnerships to provide formal and informal outdoor wildlife opportunities specific to the needs of beginners, youth, people with disabilities and families; and developing partnerships to create and enhance existing mentoring programs for wildlife-based recreation.

The purpose of the **Management Support Program** is to provide administrative services (human resources, accounting, engineering, contracting, office support, training), facilities and vehicles operation and maintenance, computer and communications infrastructure, and a public policy and decision making process that involves stakeholders and the public. Specifically, the objectives of this program are to:

- Attract, support and retain a diverse and professional workforce.

Strategies to accomplish this objective include: promoting and providing access to quality, applicable training opportunities for employee growth and leadership development; providing career development and promotional opportunities for all employees; providing a safe, supportive and respectful work environment leading to high employee satisfaction and productivity; ensuring the Division is recognized as an employer of choice; maintaining customer service excellence to meet and exceed employee expectations; providing up-to-date and accurate information for individual employees and supervisors and ensure consistent application of personnel rules and policy; and devising and implementing ways to enhance teamwork, internal communication and decision making.

- Provide equipment and facilities for excellent service to the public and for agency management effectiveness.

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Strategies to accomplish this objective include: maintaining and upgrading facilities and equipment; designing and locating offices for customer service and convenient access; partnering with other agencies to combine offices where feasible; and providing a safe, pleasant and well-equipped work environment.

- Increase funding as needed to meet legal mandates and public expectations.

Strategies to accomplish this objective include: continuing to use revenue generated by hunters, anglers and trappers for programs that benefit hunting, fishing and trapping; evaluating funding mechanisms to keep pace with the cost of managing hunting and fishing programs; obtaining funding through grants and partnerships that support the Division's mission; developing new funding sources for fish and wildlife programs that benefit all Colorado citizens; seeking efficiencies and cost savings in all programs; using research and marketing to enhance license sales.

- Improve information management and business systems.

Strategies to accomplish this objective include: developing and implementing a long-term plan for information technology and management; improving tools for entry, storage, retrieval, reporting and dissemination of biological and business data; providing access to and training in the use of information management systems; continually reviewing, adapting and improving business practices to enhance effectiveness and accountability; effectively using innovation and technology in the Division's management decision making, planning and operations; balancing operational effectiveness and cost efficiencies in the Division's use of information technology.

- Maintain a skilled and knowledgeable volunteer workforce to augment the Division's staff and programs.

Strategies to accomplish this objective include: recruiting and training volunteers to assist Division employees; furthering the goal of wildlife conservation through volunteerism; and ensuring that Colorado citizens are active participants in furthering the Division's mission.

Colorado Water Conservation Board (CWCB)

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The Colorado Water Conservation Board's (CWCB) strategic mission is *Conserve, Develop, Protect, and Manage Colorado's Water for Present and Future Generations* in accordance with applicable state and federal law and regulations. The Board works to achieve this mission through several sections which are managed as programs:

The **Management and Administrative Section** provides strategic planning oversight, public information and communication coordination, budgeting and fiscal management, and legislative review and authorization. The Section provides direction and support for all of the CWCB programs listed below.

The **Watershed and Flood Protection Section** minimizes Colorado's flood loss vulnerability and related economic impacts. One main goal of this Section is to assist in protecting public health, safety and welfare in addition to identification and protection of billions of dollars worth of flood-prone properties statewide. This Section is responsible for developing, designating and approving regulatory floodplains (including cooperation with FEMA to obtain millions of dollars in federal grants for new and revised floodplain mapping); responding to flood disasters for recovery purposes and providing technical assistance or engineering information to support flood recovery efforts; and collaborating with partners regarding flood hazard mitigation and risk reduction measures. This includes the role of State Coordinating Agency for the National Flood Insurance Program (NFIP) that is aimed at directly helping local communities to join and remain in good standing with the NFIP, which allows property owners to obtain federally backed flood insurance. It also encourages community participation in the in Community Rating System and involves helping local governments and various districts to develop flood protection plans and projects, often using funding from the Board's Construction Loan Program matched with FEMA Region VIII funding for floodplain mapping and flood mitigation. The Section also participates with local sponsors to help with levee compliance efforts following federal levee inspections. Multi-objective watershed restoration studies and projects are also completed by this program, typically in partnership with local stakeholders, communities, non-profit groups, and other state and federal agencies. This program administers the Healthy Rivers Fund (tax checkoff), the Watershed Restoration Fund, and the Fish and Wildlife Resources Fund. The Section also implements the permitting and grant funding responsibilities for weather modification operations (cloud seeding and hail suppression) and has been involved with key agreements among the Colorado River Seven basin states as well as out-of-state funding for cloud seeding operations to augment mountain snowpack for system water. Management of the South Platte River flood control project below Chatfield Reservoir as well as State leadership for the Chatfield Reservoir Reallocation Project is also provided by this Section.

The **Stream and Lake Protection Section** implements the Instream Flow and Natural Lake Level Program and is responsible for preserving the water-dependent natural environment in a manner that also preserves water rights and opportunities for future water development to meet the needs of mankind. This program appropriates new instream flow and natural lake level water rights, monitors stream and lake levels to enforce those water rights, protects stream and lake levels within Colorado's prior appropriation

system, investigates and develops new methods for quantifying and evaluating stream and lake protection requirements and acquires existing water rights for instream flow use through donations, purchases, leases and other contractual arrangements.

The **Office of Conservation and Drought Planning** (OWCDP) 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 OWCDP provides financial and technical assistance for local drought mitigation planning. The OWCDP coordinates CWCB's initiatives and programs related to climate change and water adaptation.

The **Interstate and Federal Section** defends Colorado's interstate compact allocations pursuant to federal and state law and through participation on Commissions charged to administer those allocations in the Colorado, Arkansas, Rio Grande, Platte and Republican River basins. This includes activities that resolve or avoid water resource problems that may constrain Colorado's future water development opportunities. Specific activities in this regard include the Colorado River Salinity Control Program, the four endangered species recovery programs (Upper Colorado RIP, San Juan RIP, Glen Canyon Dam Adaptive Management and the Platte Recovery Program), other adaptive management efforts, federal reserved water right settlements, National Environmental Policy Act compliance actions and tamarisk control. This section also administers the process for reviewing applications for Recreational In-channel Diversions (RICDs) and filing "Statements of Opposition" regarding RICDs, based on Board action, with state water courts. The Section also reviews federal agency resource management plans as they relate to water resource issues such as "wild and scenic river" designations to assure federal actions do not interfere with Colorado's ability to develop and utilize its compact allocations.

The **Finance Program** is responsible for promoting the development of water resources using the Construction Fund and the Severance Tax Trust Fund Perpetual Base Account by 1) providing low-interest loans to enable the construction of new reservoirs, the rehabilitation of existing structures including dams, diversions, pipelines, siphons, pump stations, augmentation plans, irrigation channels, and the purchase of water rights and 2) financing the design and implementation of the decision support systems, water resources studies and programs, floodplain response, floodplain map modernization, weather modification, watershed restoration, and various statewide project grants. The program also processes and manages loan and grant contracts, collects and processes loan repayments and maintains the integrity of both the Construction Fund and the Severance Tax Trust Fund Perpetual Base Account.

The **Water Information Program** promotes the development, implementation and maintenance of statewide water information management systems. The water information program coordinates data with other federal, state and local agencies. The program is responsible for the development, operation and maintenance of Decision Support Systems (CDSS). These systems contain gage and

diversion records, reservoir storage content records, water right listings, climatic data and maps, river basin models, consumptive use models and water right administration tools. The program is also responsible for managing several important statewide databases such as the tabulation of instream flow appropriations, floodplain delineation and designations, flood stages, floodplain information support systems, and a listing of construction fund loans and grants made to water projects across the state. The collected data for the State's Dam Site Inventory is also kept within this program and data collected from the agency's regional water meetings resides in this program. The program maintains the agency's file systems, including hard copy, archived, and digital records produced by an imaging system and makes these records available to the public. Finally, the agency maintains a web site under this program, and regularly posts documents and articles of interest to the public, including current CWCB Board items, news releases, newsletters, annual reports, and completed studies funded by the agency.

The **Water Supply Planning Section** implements the Statewide Water Supply Initiative (SWSI) 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 maintain adequate water supplies for Colorado's citizens, agriculture, and the environment. To do this, the section provides tools, products, and programs that support local basin planning and state water supply planning, and the implementation of projects and methods to help meet the state's consumptive and nonconsumptive water supply needs.

Division of Water Resources (DWR)

The Colorado Division of Water Resources (DWR) is responsible for the supervision and control of water resources in the state (Sections 37-80-102(h), C.R.S.) and is funded primarily by the General Fund. Water administration is DWR's principal duty, requiring daily oversight of the allocation system that distributes water to farmers, industries, municipalities, and all other water users (Section 37-92-301, C.R.S.). Colorado's 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 agency is 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.

It is the mission of the Colorado Division of Water Resources to competently and dependably administer and distribute the waters of the Colorado in accord with the laws of this state, ensure that dams and water wells are properly constructed and maintained to ensure public safety and to develop, maintain and provide access to accurate and timely information regarding water resources. We will strive to fulfill our mission by exercising good stewardship of our human and fiscal resources, by

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assisting the public in the clarification of complex water issues and the generation of creative solutions to problems, and using technology to its greatest advantage while promoting the sustainability of the state's limited water resources.

Organizationally, DWR consists of three major program areas:

- Water Administration
- Dam Safety
- Well Inspection

Water Administration

This program provides supervision and control of water resources in Colorado which includes administration of over 100,000 decreed water rights. This includes daily oversight of water allocation to farmers, industries, municipalities, and all other water users within the state. In addition to meeting the needs of Colorado water users DWR also ensures interstate compact compliance in addition to monitoring water supply through stream flow measurements and ground water regulation.

Dam Safety

This program protects public safety through the regulation of nearly 2,000 Colorado dams. This includes the review and approval of plans for the construction, alteration, modification, repair, enlargement, and removal of dams and reservoirs, safety inspections and emergency action plans.

Well Inspection

This program safeguards the public health of the people of Colorado and protects the ground water in Colorado. This includes setting and enforcing minimum standards through permit applications and inspections for the construction, repair, plugging, sealing, and abandonment of all wells, test holes, monitoring and observation holes/wells, and dewatering wells. There are currently over 250,000 water wells in Colorado and over 40,000 oil and gas wells that are regulated by the DWR.

The Division of Forestry

Responding to the growing public interest and immediate need to do something more to address the growing concern over the health of Colorado's forests, Governor Owens and the Colorado Legislature established the Division of Forestry and the Forestry Advisory Board in the 2000 session. Since then the Forestry Advisory Board has met on a quarterly basis exploring new and innovative ways to address the evolving forest health crisis in Colorado. State Forester Jeff Jahnke, serves as the Division Director and the division is staffed per the arrangement spelled out in the MOU. Members of the Forestry Advisory Board are appointed by the Governor.

The Division of Forestry and Executive Director's Office are exploring ways to promote informed decision making on forestry and wildland fire issues through analysis, communication and technical assistance on local, state, and national legislative, policy and regulatory issues. Efforts would specifically target the support of management decision making through the acquisition and dissemination of the most current information possible on the state's forested lands.

2011 Session Bills

- **S.B. 11-024:** Authorizes the Board of Parks and Outdoor Recreation in the Department of Natural Resources to promulgate rules to allow members of the armed forces wounded warriors programs, and caretakers accompanying them, free entrance to any state park or recreation area. Wounded warriors are individuals who have been severely injured in military operations undertaken since September 11, 2001, and require years of intense, ongoing care or assistance. Wounded warriors who are residents of, or are stationed in Colorado, would be eligible for free entrance. The bill also authorizes the board to promulgate rules to allow all veterans free entrance to any state park on one day each year of the board's choosing.
- **S.B. 11-076:** For the 2011-12 state fiscal year only, reduces the employer contribution rate for the State and Judicial divisions of the Public Employees' Retirement Association (PERA) by 2.5 percent and increases the member contribution rate for these divisions by the same amount. In effect, continues the FY 2010-11 PERA contribution adjustments authorized through S.B. 10-146 for one additional year. Reduces the Department's total appropriation by \$2,209,502 total funds, of which \$384,244 is General Fund, \$1,478,456 is cash funds, \$74,295 is reappropriated funds, and \$272,507 is federal funds.
- **S.B. 11-090:** Continues the "Weather Modification Act of 1972" until September 1, 2018. Requires the Executive Director of the Department of Natural Resources to ensure that all rules related to weather modification are updated by June 30, 2012.
- **S.B. 11-092:** Extends the vessel registration laws set to expire on July 1, 2011 until September 1, 2016. Requires State Parks to report to the President of the Senate and the Speaker of the House of Representatives if federal funding for recreational boating safety are expected to cease for any reason.
- **S.B. 11-147:** Supplemental appropriation to the Department of Natural Resources to modify FY 2010-11 appropriations included in the FY 2010-11 Long Bill (H.B. 10-1376).
- **S.B. 11-164:** Transfers \$5.0 million from the Perpetual Base Account of the Severance Tax Trust Fund to the General Fund on June 30, 2011. For additional information on this bill, see the "Recent Legislation" section for the Department of Labor and Employment.
- **S.B. 11-203:** Appropriates \$4,500,000 from the Capital Account of the Species Conservation Trust Fund (Capital Account) and \$2,100,000 from the Operation and Maintenance Account of the Species Conservation Trust Fund (Operation and

Maintenance Account) to the Department of Natural Resources for programs to conserve native species that have been listed as threatened or endangered under state or federal law, or are candidate species or are likely to become candidate species as determined by the United States Fish and Wildlife Service. Also adjusts existing appropriations for projects beginning in FY 2000-01 to reflect the amount actually spent by the Department.

- **S.B. 11-208:** Combines the Wildlife Commission and the Board of Parks and Outdoor Recreation into a new Parks and Wildlife Board, and the Division of Wildlife and the Division of Parks and Outdoor Recreation into a new Division of Parks and Wildlife. The new Board and new Division will assume all of the duties, powers, responsibilities, obligations, and functions that were previously exercised by their predecessor entities. Specifies that the new Board and Division shall constitute an enterprise for the purposes of Article X, Section 20 of the State Constitution. Additionally, specifies that all funds and expenditures will continue unaltered and does not merge the appropriations of the two divisions for FY 2011-12, but allows the new Division of Parks and Wildlife to expend appropriations to the former Division of Wildlife and the former Division of Parks and Outdoor Recreation contained in the 2011 general appropriations act (S.B. 11-209). Requires the consolidation of the boards and divisions to take place within existing appropriations. Reaffirms the state's assent to the federal Pittman-Robertson and Dingell-Johnson acts. In addition to all of the duties and functions of the two predecessor boards, requires the new board to develop an implementation plan in order to:
 - address outstanding issues and to identify increased efficiencies and cost savings that may be realized from merging the divisions;
 - consolidate the operations and programs of the two divisions in order to allocate costs over a reasonable period of time and within existing budget levels;
 - use the identified cost savings to finance the implementation plan and transition; and include recommendations for restructuring the board.

Requires the new board to schedule monthly meeting dates through the 2011 calendar year beginning in July 2011 in order to develop the implementation plan. All meetings are to be open to the public and the board is required to solicit public input. Additionally, requires the Board to hold workshops at least every two months. Authorizes the Board to raise or lower park fees or other charges if the Board anticipates that the total annual revenues realized from the change will not increase by more than 20 percent over the annual amount earned from fees and charges as of July 1, 2011. Additionally, when considering rules to increase or decrease a park fee or other charge, requires the Board to consider the effect that the change will have on park use and the demand for the service and to consider opportunities for differential pricing. Requires the Executive Director to report to the House Agriculture, Livestock, and Natural Resources Committee and the Senate Agriculture, Natural Resources, and

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Energy Committee on the activities of the Board, the implementation plan, expected cost savings to result from the merger, and any recommendations for further legislation on or before February 29, 2012. Also requires the Executive Director to submit an informal progress report by November 30, 2011 that provides an update on the development of an implementation plan and any outstanding issues.

- **S.B. 11-209:** General appropriations act for FY 2011-12.
- **S.B. 11-226:** Transfers: \$25.0 million from the Perpetual Base Account of the Severance Tax Trust Fund to the General Fund on July 1, 2011; transfers \$23.1 million from the Perpetual Base Account of the Severance Tax Trust Fund to the General Fund on June 30, 2012; and transfers \$3.95 million from the Operational Account of the Severance Tax Trust Fund to the General Fund on June 30, 2012. For additional information on this bill, see the "Recent Legislation" section for the Department of Education.
- **H.B. 11-1274:** Appropriates \$13,925,000 cash funds from the Colorado Water Conservation Board (CWCB) Construction Fund to the Department of Natural Resources in FY 2011-12 for various water-related projects. Transfers \$300,000 from the CWCB Construction Fund to the Flood Response Fund in FY 2011-12. Transfers \$700,000 from the CWCB Construction Fund to the Litigation Fund in FY 2011-12.
- **H.B. 11-1286:** Clarifies the State Engineer's rule-making authority regarding dewatering geologic formations for mining operations. Specifies that the State Engineer can make rules to determine which ground water in the formations or basins is determined to be nontributary, and can establish rule-making and adjudicatory procedures for nontributary determinations after the initial rule-making. Specifies that the courts must presume that any applicable nontributary determination made by the State Engineer is valid, subject to rebuttal.

Hot Issues

Balancing mineral resource development and environmental protection continues to be a challenge for the Division of Reclamation, Mining and Safety. Increases in precious metal values, coal mine expansions and meeting demand for construction materials have resulted in an increased workload related to exploration and permit applications, revisions and enforcement activities.

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In addition, the DRMS staff is confronted with technical and cyclical trends related to uranium mine development and reclamation, and closeout plans for exploration and mining. DRMS continues to make adjustments to the regulatory programs to address local governments, environmental groups and industry concerns while continuing to promote a sound and balanced approach to minerals development. DRMS must make investments to its business system databases and develop electronic permitting and geographical information systems (GIS) in order to maintain efficient customer services.

Federal budgets are getting tighter and more restrictive and the Federal 2012 Budget could have implications for two critical areas that support state government programs for the regulation of active coal mining operations and the reclamation of abandoned mine lands (AML). Grant reductions to the Coal Regulatory Program would make it difficult to maintain staffing levels and cover inflationary costs for the regulation of coal mining in Colorado. In addition, proposals to change the grant application process for AML reclamation work would inhibit the AML program's safeguarding efforts of over 350 hazardous mine openings per year and work to reclaim problems at more than 15,000 abandoned coal and hardrock mines in Colorado. New rulemaking initiatives by Office of Surface Mining (OSM), Environmental Protection Agency (EPA), Mine Safety and Health Administration (MSHA) and other federal agencies could have impacts on the division's regulatory programs, abandoned mine program, and mine safety training program. New federal regulations threaten state primacy, and may require review of state statutes, regulations and policies. This is especially true where the regulation of mining operations is concerned. DRMS' goal is to coordinate with federal agencies on proposed policies, legislation and regulation, and to maintain state primacy for regulatory programs.

Water Administration and stable funding continue to present challenges to the DWR. Population growth and demand for water are resulting in more complex water court decrees for change in water right cases and plans for augmentation. This results in more complex water administration and strains the resources of the DWR. Inter- and intra-state surface and ground water administration has led to conflicts between surface and ground water users. Additionally, inter- and intra-state court decisions have led to curtailment and/or increased scrutiny of thousands of wells to protect senior water rights. In response to compact and intrastate issues, the DWR has promulgated Irrigation Improvement Rules in the Arkansas Basin and is currently working with an Advisory Committee to draft Ground Water Use Rules in the Rio Grande Basin. The Irrigation Improvement Rules became effective in 2011; as of July 1, 2011 the State Engineer approved the first Compact Compliance Plan under the Rules. The Ground Water Use Rules in the Rio Grande Basin are anticipated to be promulgated in 2011. Work continues to resolve the Compact Compliance Pipeline ("CCP") issue in the Republican River Basin. The Republican River Water Conservation District has accepted a bid for construction of the CCP, with an anticipated start date of September 2011. In the Colorado River Basin the negotiations between Denver Water and several west slope water interests ("the Colorado River Cooperative Agreement"), has made significant progress. The DWR will continue to support negotiations and the administrative/accounting needs of all parties involved. The settlement will resolve long standing issues between east slope and west slope water use demands and reduce overall litigation between numerous parties and the State of Colorado. Water

administration will be significantly affected as a result of any final agreement reached, although the depth of its affect on such is yet to be determined. The DWR predicts that as demand grows, more personnel and more robust data collection and management systems will be needed to meet compact obligations and protect vested water rights. It is important during this period that we maintain stability in our IT Development staff. The ability to fulfill both current and projected staffing needs is dependent upon secure funding sources. The budget cycle of the past several fiscal years has demonstrated the vulnerability of the DWR's budget, which derives 90% of its revenue from the General Fund.

Water Conservation continues to be a high priority issue. In 2010, the Colorado General Assembly adopted HB10-1051. This bill requires covered entities to report, on an annual basis, water use and conservation data to be used for statewide water supply planning. The bill directs the Colorado Water Conservation Board (CWCB) to adopt guidelines regarding the reporting of water use and conservation data by covered entities (Guidelines), and to report to the legislature regarding the Guidelines. The reporting Guidelines must include clear descriptions of customer categories, uses, and measurements; how the Guidelines will be implemented; and how data will be reported to the CWCB. The reporting Guidelines are being adopted through the CWCB's public participation process, including outreach to stakeholders from water providers with geographic and demographic diversity, nongovernmental organizations, and water conservation professionals. The Guidelines will be completed and adopted by the end of 2011 with the beginning stages of implementation and testing starting in 2012. Full implementation and reporting will begin in 2014.

On May 18, 2011, Governor Hickenlooper activated the **Colorado State Drought Mitigation and Response Plan** for the Agricultural sector in southeast and south central Colorado. Throughout the late spring and summer, conditions in these regions deteriorated to "exceptional" drought levels as classified by the US Drought Monitor. It is believed that dry conditions were, in part, a result of a strong La Nina weather conditions in the Equatorial Pacific Ocean. The La Nina conditions briefly neutralized in the late summer, but have since returned, and many forecast that dry conditions are likely to persist through the end of the year. Both the Drought Task Force (DTF) and the Agricultural Impact Task Force (AITF) have met on a regular basis since May to closely monitor and coordinate a response to the drought, as outlined in the State Drought Mitigation and Response Plan; with the AITF taking a primary role in these activities while providing monthly updates to the DTF. The CWCB Office of Water Conservation and Drought Planning helps to coordinate these meetings and communications. While conditions in Colorado have improved in September and October, pockets of "extreme" drought remain. The AITF will continue to meet and communicate with the DTF until the conditions improve and the Governor takes action to deactivate the State Drought Mitigation and Response Plan.

Instream Flow Protection: In 2011, the Department completed two new Instream Flow Appropriations located on the main stems of the San Miguel and Colorado Rivers. On the San Miguel River, the Colorado Water Conservation Board (CWCB) appropriated an ISF water right from Calamity Draw downstream to the confluence with the Dolores River in order to preserve the natural environment

which supports three native fish species – the Bluehead Sucker, Flannelmouth Sucker, and Roundtail Chub. These species are of special concern to Colorado Parks and Wildlife, Federal agencies, and other states. The protection afforded by this water right will help to prevent a potential future listing of the species under the Endangered Species Act. On the Colorado River, the CWCB appropriated ISF water rights from the confluence of the Blue River to the confluence with the Eagle River. This recommendation is a key component of the Management Plan Alternative negotiated by the Upper Colorado River Wild and Scenic Stakeholder Group as an alternative to the Wild and Scenic designation for this reach of the Colorado River. CWCB staff and the Attorney General’s Office will apply to water court for these rights in this calendar year. In addition, the CWCB has been working with both Denver Water and Grand County to acquire an interest in water that will be a key component of the Colorado River Cooperative Agreement. Grand County and Denver Water will be co-applicants with the CWCB for the water rights, which will be filed for by the end of 2011.

Funding for Water Programs: From FY 2008-09 through FY 2011-12, a total of more than \$173 million will be transferred from CWCB cash funds to the General Fund. These transfers severely restricted the ability of the CWCB to issue new loans for water projects and have permanently reduced the future revenues of the CWCB by irrevocably shrinking the size of the Perpetual Base Account (a revolving loan fund). Non-reimbursable grants that also support water projects and other water-related programs have also been scaled back to reflect the reduced revenue available for water programs. Recognizing that Colorado will have an increasingly difficult time meeting water supply needs in the future with these reductions, the Department is hesitant to recommend additional cuts to water programs. The CWCB has over \$100 million in water projects identified on our loan prospect summary report and needed in the next 5-7 years. Current studies identify a municipal and industrial gap of 750,000 to 1,100,000 acre feet of water by 2050, with billions of dollars of estimated cost required to meet these statewide water supply needs. New water supplies will not only have to be developed to address inevitable growth, but also to supplement or replace community water supplies that are depleting non-renewable groundwater aquifers. Water shortage in the State is not a future problem; it exists today and may reach crisis level if we do not continue to provide programs to ensure a viable, long-term water supply for the State.

Aging Infrastructure continues to present challenges to Colorado Parks and Wildlife. Older state parks have an extensive backlog of deferred maintenance projects. It has been 50 years since the state park system first opened roads, campgrounds, building and other recreation facilities for public use. Today, many of these older parks have facilities that have reached the end of their expected life cycle. In order to fully address this backlog it will be necessary for State Parks to: (a) examine new funding sources; (b) look at the utility of maintaining high cost services and facilities; and (c) strive to achieve maximum efficiency in all parks operations.

Colorado’s oil and gas industry quickly rebounded from the recession related slow-down and has brought welcome economic activity to many areas of the state; particularly in Northeast Colorado where hundreds of horizontal wells have been permitted in the Niobrara shale oil play. Operators plan to drill hundreds more of these wells, some of which will be in areas new to oil and gas

development, such as Elbert and Douglas counties. This activity brings a multitude of challenges for the OGCC. To maintain a credible state regulatory program, which is essential for the long term health of the industry, OGCC staff must: stay current with technological advances associated with the drilling and completion of horizontal wells; conduct regular well inspections to ensure compliance with OGCC rules; respond to public complaints regarding light, noise, odors, and other impacts from drilling activities; collect, maintain, and analyze thousands of sets of water, gas, and other analytical data so that allegations of impacts can be investigated and remediated as necessary; bring enforcement action against violators in a timely manner; and conduct public meetings at an unprecedented rate to address all of the above issues, as well as specific concerns regarding hydraulic fracturing, a decades-old practice that has generated significant national attention as of late.

The merger of Colorado State Parks and the Division of Wildlife is underway. To date, the Wildlife Commission and the Parks Board have combined to create a 14-member board, and the two Divisions have been administratively joined through the hiring of a new Director, Rick Cables, who will guide the process. Legislation in the 2012 session will re-define the size of the newly merged Parks and Wildlife Commission and identify its stakeholder seats. Employee working groups have begun to make recommendations to the Commission about which programmatic areas are suitable for being combined and which should remain separate. In many cases, opportunities to eliminate redundancies will lead to cost savings and increased efficiencies. The Division will begin implementing those changes in 2012, and fiscal benefits will likely become apparent by FY13-14.

Aquatic nuisance species (ANS) pose a serious threat to the culture, economy, natural resources and the water infrastructure of Colorado. Zebra and/or Quagga Mussels were identified in eight reservoirs in Colorado in 2008 as a result of a multi-year statewide sampling effort conducted by the Division of Wildlife (DOW) in partnerships with State Parks (Parks) and the U.S. Bureau of Reclamation. As a result, the General Assembly passed its ANS Act in May 2008 which allocated funding to ANS programs for both the DOW and Parks. The Division has further leveraged its appropriation with its partners to gain over \$1 million in additional funding for its ANS programs. In 2011, the DOW and Parks continued their expansive boat inspection and decontamination station and training programs. To date, the Division operates 20 stations, funds 5 stations operated by counties and industry, and supports 58 stations operated by partner agencies or private industry. In addition, Parks operates 28 stations within the State Park system. As a result, this program averages approximately 420,000 inspections and 3,500 decontaminations per year, has intercepted a total of 42 infested boats, has prevented introductions of invasive mussels which are nearly impossible to eradicate and extremely expensive to manage, and has created over 700 new seasonal jobs statewide. Since the inception of this program, there have been no detections for mussels anywhere else in the state; however, numerous other aquatic nuisance species such as the New Zealand Mudsnail, Rusty Crayfish, and Eurasian Watermilfoil sites have been identified. The Division continues its efforts to control mussels and has developed and implemented Statewide Management Plans with its partners to target other aquatic nuisance species in Colorado.

Species conservation and habitat protection is a continuing focus of the Division of Parks and Wildlife. In the arena of federal listing (Endangered Species Act- ESA), the Division of Parks and Wildlife continues to work with coalitions of landowners, local communities and conservation organizations to address the challenge of declining species and find constructive alternatives to federal ESA listing. The Division continues to assist federal agencies in their efforts to evaluate species needs and protect threatened and endangered species as necessary. The Division of Parks and Wildlife will advocate for multi-state, multi-agency cooperative conservation programs for at-risk native wildlife species as a viable alternative to federal listing. The Division continues to allocate up to \$13 million per year to protect critical habitats important to wildlife, both species of special concern as well as game and sportfish (often in combination). The acquisition of conservation easements (primarily) to protect these habitats is a cooperative effort with landowners, nongovernmental land trusts, the US Fish and Wildlife Service, and the Great Outdoors Colorado board.

Recruitment and retention of hunters and anglers, as well as connecting youth to the outdoors, continue to be an important focus for the agency. Revenue from sportsmen's license sales is a major source of funding for the Division's wildlife management programs. The Division faces significant challenges as the average age of those who hunt and fish increases and as the rate at which younger generations participate in outdoor activities decreases. Employees across Wildlife's branches are reaching over 35,000 people a year through time-intensive Hunter Outreach and Angler Outreach programs alone. In addition, the agency has begun a large-scale effort to coordinate with sportsmen's groups, non-profit organizations, industry and other partners to share information, leverage outreach opportunities and encourage more people to hunt, fish and get outdoors.

Geothermal energy is a unique renewable energy source that can provide heat and electrical power 24 hours a day, 7 days a week. The Colorado Geological Survey and the Governor's Energy Office have developed a strategic plan to improve the knowledge base of geothermal resources in Colorado. Federal funding through the U.S. Department of Energy and ARRA funds are being sought to support implementation of this geothermal strategic plan. CGS is striving to continue its geothermal effort in spite of the present State budget climate. Colorado needs to obtain the data that will attract geothermal development companies and to assist state and local government in planning for renewable geothermal development.

Ensuring Reasonable and Consistent Income Over Time for Trust Lands. The State Land Board is charged by Article IX of the State Constitution with generating income on State trust lands, over 98% of which goes to K-12 education. The Constitution and related statutes require the Board to generate reasonable and consistent income while providing sound stewardship of the assets in this intergenerational trust. In recent years, revenue from State trust lands has increased significantly, resulting in substantial short-term benefits to programs supported by this revenue, namely the Building Excellent Schools Today (BEST) program and funding for the annual School Finance Act. However, immediate use of trust revenues by these programs has serious adverse consequences on the growth of the State Public School Permanent Fund. In the last three years, over \$238 million in revenue that otherwise could have

gone to the Permanent Fund has been used to finance current obligations. As a result, the Permanent Fund has remained stagnant and the State has foregone as much as \$12 million in additional interest income that could be earned if this revenue were deposited into the Permanent Fund.

One of the most important issues facing the State Land Board is the heavy reliance on revenue from the mineral estate. In FY 2010-11, the Board derived nearly 90% of its revenue from non-renewable sources. These revenues are highly variable and subject to both price and production risk. Because these revenues are expected to decline, the State Land Board must diversify its portfolio to offset this reliance. Consequently, the State Land Board is actively pursuing initiatives that would: (1) allow the Board to reinvest a portion of its revenues back into its asset portfolio; and (2) give the Board the authority to enter into leveraged lease-purchase financing agreements to acquire assets that can strengthen the value of and income from the portfolio.

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.

DEPARTMENT DESCRIPTION FY 2012-13 BUDGET REQUEST

Workload Measures

Executive Director's Office – Workload Measures:

Workload Indicators	FY2009-10 Actual	FY2010-11 Actual	FY2011-12 Estimate	FY2012-13 Request
Sub Program				
Human Resources:				
Process and finalize classifications in a timely manner	30 days	30 days	30 days	30 days
Announce, develop, administer and score exams including making referrals in a timely manner	45 days	45 days	45 days	45 days
<i>Accounting:</i>				
Work with division staff, State Controller's Office, Auditor's Office and State Purchasing to identify more efficient procedures and processes for managing accounting and procurement programs.				
Reviews	6	6	6	6
Ensure that proper internal and administrative controls exist throughout the Department to safeguard assets, ensure reliability of accounting records, promote operational efficiency and comply with managerial policies.				
Reviews	10	10	10	10
<i>Budget:</i>				
Funds Appropriated and Administered	\$199,678,446	\$216,088,370	\$242,541,965	\$226,875,650

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Ensure that Department budget request is linked to the Department Strategic Plan and highest priority objectives	100%	100%	100%	100%
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DRMS – Workload Indicators:

Workload Indicators	FY2009-10 Actual	FY2010-11 Actual	FY2011-12 Estimate	FY2012-13 Request
Coal Regulatory Program				
Total permitting actions.	226	200	220	220
Total number/percent of required inspections conducted.	396 100%	395 100%	400 100%	400 100%
Minerals Regulatory Program				
Permitting actions.	596	625	625	625
Total number of inspections.	629	593	600	600
Inactive Mine Reclamation				
Number of sites monitored to ensure the effectiveness of safeguarding and reclamation work /Number of sites requiring follow-up maintenance due to vandalism, weathering and age.	351/65	150/15	200/10	200/10
Number of environmental restoration projects on impaired streams focused on reducing metals and acidity loading related to past mining operations.	New indicator in FY2010-11	28	33	33
Number of coal mine fires characterized, monitored or controlled as compared to the statewide total.	9 Total coal mine fires = 37	10 Total coal mine fires = 37	10 Total coal mine fires = 37	10 Total coal mine fires = 37
Mine Safety and Training/Blasters Certification Program				
Number of persons receiving mine emergency, mine exploration and mine rescue training.	1,626	1,852	1,500	1,600
Number of individuals who were tested with a certification exam. Percent of Individuals passing certification.	269 tested 59% pass rate	248 tested 46% pass rate	250 tested 60% pass rate	260 tested 65% pass rate
Business System Enhancements				

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Business systems modification, improvement, or new implementation.	—Completed 60% of reprogramming of the bond estimation functions of the Permit System to a modern and secure programming format. --Completed enhancements to BrassCap for IMRP mobile/field IT capability.	--Finalized remaining reprogramming of the bond estimation functions within the mining Permit System.	--Investigate (and implement where feasible) e-permitting and efficient field IT equipment/software. --General maintenance to mining Permit System and abandoned mine safeguarding BrassCap system	--Address adjustments or enhancements to implemented e-permitting and field IT functions after field-testing.
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CGS – Workload Measures:

<u>Workload Measure</u>	<u>Unit</u>	FY2009-10 Actual	FY2010-11 Actual	FY2011-12 Estimate	FY2012-13 Request
Number of avalanche courses offered during the winter	Number of courses taught	116	105	100	100
Number of Land Use Reviews performed	Reviews	168	172	225	225
Number of 1 to 24,000 geologic quadrangles mapped	Number of quads	3	4 1/2	4 1/2	4
Publish and distribute water quality/ground water quantity studies	Number of publications or reports	2	9	2	2-10*
Publish and distribute geologic hazards analyses	Number of publications or reports	4	10	3	4-10*
Publish and distribute mineral and energy resource reports and studies	Number of publications or reports	3	18	2	3-18*

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** In FY2010-11 CGS concentrated efforts in priority areas with multiple resource concerns; thereby increasing workload efficiencies. Due to these efforts, CGS exceeded workload measures. The priorities for FY 2012-13 work plan will be partially set through a stakeholder process. If priority areas set through this process include multiple resource concerns, CGS expects to again increase workload efficiencies and meet the higher end of the range.*

Oil and Gas Conservation Commission

<u>Workload Measure</u>	<u>Unit</u>	<u>FY 09-10 Actual</u>	<u>FY 10-11 Actual</u>	<u>FY 11-12 Estimate</u>	<u>FY 12-13 Request</u>
Active Oil and Gas Wells in Colorado	# of Wells	42,217	45,401	48,300	51,000
Applications for Permits to Drill – received	# of APDs	5,278	4,882	5,000	5,000
Location Assessments (Form 2A) – received (effective in FY 09-10 with new rules)	# of Form 2As	2,119	2,302	2,500	2,500
Active Drilling Rigs	Avg. # of Rigs	46	67	72	72
Pit Applications	# of Pit Applications	171	119	184	140
Complaints	# of Complaints	157	295	295	295
Site Investigation and Remediation Work Plans submitted	# of plans	301	585	700	700
Public Forums OGCC staff either conducted the forum or actively participated in the forum (i.e. made presentation)	# of public meetings, trainings & hearings	51	63	70	70
Hearing Applications - received	# of applications	125	255	500	500
Spills and Releases of Exploration & Production Waste	# of Spills & Releases	427	515	515	500
Individual Bond Release Requests	# of Requests	61	34	50	50
Blanket Bond Release Requests	# of Requests	57	33	50	50

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State Land Board – Workload Measures:

<u>Workload Measure</u>	<u>Unit</u>	<u>FY 09-10 Actual</u>	<u>FY 10-11 Actual</u>	<u>FY 11-12 Estimate</u>	<u>FY 12-13 Estimate</u>
Holdover tenant leases.	Leases	5	8	2	2
Increase the number of inspections on expiring leases completed more than one year prior to expiration	Percent inspected	58%	65%	70%	70%
Number Of Agricultural Lease Inspections (excludes unknown range condition inspections)	Inspections	587	559	625	625
Amount of matching funds based on \$150K weed management budget	Dollars	\$529,000	\$530,021	\$600,000	\$600,000
Amount of matching funds for Enhancement Fund dollars	Target	\$195,500	\$232,040	\$250,000	\$250,000
Percent of mineral royalty revenue streams audited¹	Percent	80%	50%	35%	35%
Number of royalty audits	Number	39	100	125	125
Number of mineral leases auctioned	Leases	243	263	630	400
Number of active Investment and Development Fund projects	Percent	21	20	25	30
Average procurement request processing time for procurement more than \$5,000	Days	3	3.5	<5	<5

¹ NOTE: Actual audit percentage will change in all years (including actual) because audits “reach back” over a five-year period and recoveries will increase each year during that cycle. Our goal is to audit 90% of the mineral revenue stream over the five-year audit period.

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Division of Parks and Wildlife – Workload Measures:

Due to the passage of Senate Bill 11-208 “Concerning The Consolidation Of Wildlife Entities With Parks And Outdoor Recreation Entities Under The Department Of Natural Resources”, the Department plans to redevelop and implement workload measures that more accurately reflect the merged Division of Parks and Wildlife. The Department will include the new workload measures as part of the FY2013-14 budget request.

CWCB – Workload Measures:

	<u>Unit</u>	<u>FY 09-10 Actual</u>	<u>FY 10-11 Actual</u>	<u>FY 11-12 Est.</u>	<u>FY 12- 13 Est.</u>
Add acre feet of storage through construction of new reservoirs¹	Acre feet	400	72,000	240	500
Add acre feet of storage through enlargement or rehab of existing reservoirs¹	Acre feet	350	3,800	36,200	6,000
Number of new gages installed/maintained/ operated & repaired²	Gages	5	5	5	5
Number of stream segments appropriated²	Stream segments	21	8	10	10
Total number of approved water conservation plans on file that meet statutory requirements defined in 37-60-126 C.R.S.³	Conservation plans	40	50	55	68
Total increase in the number of entities approved for funds from the water efficiency grant program.³	Water efficiency grant applicants	53	67	80	81
Review and Upload of documents	Documents	4,100	6,400	5,000	5,000
Number of flood prevention educational workshops/regional meetings held to inform public of risk and prevention, and programs⁴	Meetings	24	40	28	30
Communities participating in NFIP	Communities	240	242	244	244

Notes:

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¹ In FY 2010-11, the Reuter Hess Reservoir added 72,000 acre feet of storage and in FY 2011-12, it is anticipated that the Cucharas Reservoir will recover approximately 35,000 acre feet of storage through rehabilitation of an existing reservoir.

² Figures presented are not cumulative, but are the total gages installed and are the total number of stream segments appropriated for the given year. The number of new ISF appropriations has been reduced to reflect the extra time spent on the contested new appropriation of the San Miguel River in 2011.

³ The figures shown in the chart are cumulative.

⁴ The number of educational workshop for FY 2010-11 increased considerably due to the necessary outreach for the new floodplain rules and regulations. The CWCB expects the number to drop back down to previously estimated levels for the next two years.

Division of Water Resources – Workload Measures:

Please note that DWR tracks workload measures using a variety of different timeframes, including state fiscal year, irrigation year, water year, and calendar year. Please see the footnotes at the bottom of this page for information about these timeframes.

<u>Perf. Measure Cross Reference</u>	<u>Workload Measure</u>	<u>Unit</u>	<u>2009¹ Actual</u>	<u>2010² Actual</u>	<u>2011 Est.</u>	<u>2012 Est.</u>
1	Total Amount of Water Diverted and Stored in Colorado <i>*irrigation year</i>	Acre Feet	26,577,413	24,977,130	24,977,130	24,977,130

¹ 2009 Irrigation Year runs from November 1, 2008- October 31, 2009;
2009 Calendar Year runs from January 1, 2009- December 31, 2009;
2009 Water Year runs from October 1, 2008- September 30, 2009; and
2009 Fiscal Year runs from July 1, 2008- June 30, 2009

² 2010 Irrigation Year runs from November 1, 2009- October 31, 2010;
2010 Calendar Year runs from January 1, 2010- December 31, 2010;
2010 Water Year runs from October 1, 2009- September 30, 2010; and
2010 Fiscal Year runs from July 1 2009-June 30, 2010

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1	Total Volume of Water Exiting the State <i>*calendar year</i>	Acre Feet	9,442,750	6,956,216	6,956,216	6,956,216
1	Maintain river and canal gauging stations to measure and monitor variable flow conditions <i>*calendar year</i>	# of Stream Gauging Stations	518	525	530	535
2	Regulatory Orders <i>*fiscal year</i>	# Regulatory Orders	2,942	1,411	1,411	1,411
2	Number of Surface and Ground Water Structures Actively Diverting Water <i>*irrigation year</i>	# of Structures	42,501	46,666	46,666	46,666
2	Order the change in amount for headgate diversions and reservoir releases within 24 hours of a change in the calling water right priority on a river or creek system	% Compliance	95%	95%	95%	95%
2	The number of <i>daily</i> water diversion and storage observations in each individual ditch, canal, pipeline or reservoir <i>*irrigation year</i>	# of Observations	429,229	420,881	420,881	420,881
3	Dams- High Hazard <i>*water year</i>	# of High Hazard Dams	310	318	318	318
3	Dams- Significant Hazard <i>*water year</i>	# of Significant Hazard Dams	304	303	303	303
3	EAPs High Hazard- Total <i>*water year</i>	Total # EAPs for High Hazard Dams	313	314	314	314
3	EAPs Significant Hazard- Total <i>*water year</i>	Total # EAPs for Significant Hazard Dams	297	298	298	298
3	Dams- Low Hazard <i>*water year</i>	# of High Low Dams	936	981	981	981

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3	Dams- No Public Hazard <i>*water year</i>	# of NPH Dams	215	217	217	217
3	EAPs High Hazard- Updated <i>*water year</i>	# Updated EAPs for High Hazard Dams	53	54	54	54
3	EAPs Significant Hazard- Updated <i>*water year</i>	# Updated EAPs for Significant Hazard Dams	20	21	21	21
3	Inspections- All Dam Classifications <i>*water year</i>	Total # of Inspections for all Dams	533	518	518	518
3	Follow Up Inspections- All Dams <i>*water year</i>	Total # of Follow Up Inspections for all Dams	122	99	99	99
3	Construction Inspections- All Dams <i>*water year</i>	Total # of Construction Inspections for all Dams	159	180	180	180
4	Completed Well Inspections <i>*calendar year</i>	Total # of Inspections	493	406	406	406
4	Reported Completion <i>*calendar year</i>	Total # of Wells reported on GWS-31	2,297	1,752	1,752	1,752
DNR 3	Laramie River Decree <i>*calendar year</i>	Overall Compliance	100%	100%	100%	100%

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		with Compact				
DNR 3	North Platte River Decree <i>*calendar year</i>	Overall Compliance with Compact	100%	100%	100%	100%
DNR 3	1969 Animas-La Plata Project Compact <i>*calendar year</i>	Overall Compliance with Compact	N/A	100%	100%	100%
DNR 3	1949 Arkansas River Compact <i>*calendar year</i>	Overall Compliance with Compact	100%	100%	100%	100%
DNR 3	1922 Colorado River Compact <i>*calendar year</i>	Overall Compliance with Compact	100%	100%	100%	100%
DNR 3	1948 Upper Colorado River Compact <i>*calendar year</i>	Overall Compliance with Compact	100%	100%	100%	100%
DNR 3	1963 Amended Costilla Creek Compact <i>*calendar year</i>	Overall Compliance with Compact	100%	100%	100%	100%
DNR 3	<u>1922 La Plata River Compact</u> <i>*calendar year</i>	Overall Compliance with Compact	N/A	N/A	N/A	N/A
DNR 3	1942 Republican River Compact; 2002 stipulated settlement <i>*calendar year</i>	Overall Compliance with Compact	0	0	0	100%
DNR 3	1923 South Platte River Compact <i>*calendar year</i>	Overall Compliance with Compact	100%	100%	100%	100%
DNR 3	1938 Rio Grande River Compact <i>*calendar year</i>	Overall Compliance	100%	100%	100%	100%

DEPARTMENT DESCRIPTION FY 2012-13 BUDGET REQUEST

		with Compact				
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