

Schedule 13
Funding Request for the 2013-14 Budget Cycle

Department: Natural Resources
 Request Title: Division of Water Resources Line Item Consolidation
 Priority Number: R-3

Dept. Approval by: Will. H. Levine 10/15/2012
 Date
 OSPB Approval by: Erin M. Kelly 10/23/12
 Date

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|--|
| <input checked="" type="checkbox"/> Decision Item FY 2013-14 |
| <input type="checkbox"/> Base Reduction Item FY 2013-14 |
| <input type="checkbox"/> Supplemental FY 2012-13 |
| <input type="checkbox"/> Budget Amendment FY 2013-14 |

Line Item Information		FY 2012-13		FY 2013-14		FY 2014-15
		1	2	3	4	6
Fund		Appropriation FY 2012-13	Supplemental Request FY 2012-13	Base Request FY 2013-14	Funding Change Request FY 2013-14	Continuation Amount FY 2014-15
Total of All Line Items	Total	19,761,486	-	19,457,582	-	-
	FTE	247.1	-	247.1	-	-
	GF	18,686,922	-	18,458,875	-	-
	CF	1,074,564	-	998,707	-	-
	RF	-	-	-	-	-
	FF	-	-	-	-	-
(8) Division of Water Resources (a) Division Operations (1) Water Administration (new line item)	Total	-	-	-	19,098,709	19,098,709
	FTE	-	-	-	242.1	242.1
	GF	-	-	-	18,458,875	18,458,875
	CF	-	-	-	639,834	639,834
	RF	-	-	-	-	-
	FF	-	-	-	-	-
(8) Division of Water Resources (a) Division Operations (2) Well Inspections (new line item)	Total	-	-	-	358,873	358,873
	FTE	-	-	-	5.0	5.0
	GF	-	-	-	-	-
	CF	-	-	-	358,873	358,873
	RF	-	-	-	-	-
	FF	-	-	-	-	-
(8) Division of Water Resources, Personal Services	Total	17,792,407	-	17,488,503	(17,488,503)	(17,488,503)
	FTE	242.1	-	242.1	(242.1)	(242.1)
	GF	17,203,240	-	16,975,193	(16,975,193)	(16,975,193)
	CF	589,167	-	513,310	(513,310)	(513,310)
	RF	-	-	-	-	-
	FF	-	-	-	-	-

Line Item Information		FY 2012-13		FY 2013-14		FY 2014-15
		1	2	3	4	6
	Fund	Appropriation FY 2012-13	Supplemental Request FY 2012-13	Base Request FY 2013-14	Funding Change Request FY 2013-14	Continuation Amount FY 2014-15
(8) Division of Water Resources, Operating Expenses	Total	1,530,824	-	1,530,824	(1,530,824)	(1,530,824)
	FTE	-	-	-	-	-
	GF	1,091,316	-	1,091,316	(1,091,316)	(1,091,316)
	CF	439,508	-	439,508	(439,508)	(439,508)
	RF	-	-	-	-	-
	FF	-	-	-	-	-
(8) Division of Water Resources, Interstate Compacts	Total	76,002	-	76,002	(76,002)	(76,002)
	FTE	-	-	-	-	-
	GF	76,002	-	76,002	(76,002)	(76,002)
	CF	-	-	-	-	-
	RF	-	-	-	-	-
	FF	-	-	-	-	-
(8) Division of Water Resources, Republican River Compact Compliance	Total	316,364	-	316,364	(316,364)	(316,364)
	FTE	5.0	-	5.0	(5.0)	(5.0)
	GF	316,364	-	316,364	(316,364)	(316,364)
	CF	-	-	-	-	-
	RF	-	-	-	-	-
	FF	-	-	-	-	-
(8) Division of Water Resources, Augmentation of Water for Sand and Gravel Extraction	Total	44,400	-	44,400	(44,400)	(44,400)
	FTE	-	-	-	-	-
	GF	-	-	-	-	-
	CF	44,400	-	44,400	(44,400)	(44,400)
	RF	-	-	-	-	-
	FF	-	-	-	-	-
(8) Division of Water Resources, S.B. 04-225 Well Enforcement	Total	1,489	-	1,489	(1,489)	(1,489)
	FTE	-	-	-	-	-
	GF	-	-	-	-	-
	CF	1,489	-	1,489	(1,489)	(1,489)
	RF	-	-	-	-	-
	FF	-	-	-	-	-

Letternote Text Revision Required? Yes: No: If yes, describe the Letternote Text Revision:

A new letter note "a" will be assigned to the new Water Administration line's Cash Funds and will read "Of this amount, \$536,221 shall be from the Ground Water Management Cash Fund established pursuant to Section 37-80-111.5(1)(d), C.R.S.; \$44,400 shall be from the Gravel Pit Lakes Augmentation Fund established pursuant to Section 37-90-137(11)(f), C.R.S.; \$1,489 shall be from the Well Enforcement Cash Fund established pursuant to Section 37-90-111.5(5)(b), C.R.S.; and \$57,724 shall be from various sources of cash." A new letter note "b" will be assigned to the new Well Inspections line's Cash Funds and will read "This amount shall be from the Well Inspection Cash Fund established pursuant to Section 37-80-111.5(1)(d), C.R.S." Current letter note "b" will become letter note "c." Current letter note "c" will be deleted. Current letter note "g" will be deleted.

Cash or Federal Fund Name and COFRS Fund Number:

Reappropriated Funds Source, by Department and Line Item Name:

Approval by OIT? Yes: No: Not Required:

Schedule 13s from Affected Departments:

Other Information:



DEPARTMENT OF NATURAL RESOURCES

John W. Hickenlooper
Governor

*FY 2013-14 Funding Request
November 1, 2012*

Mike King
Executive Director

11-1-2012

Signature

Date

Department Priority: R-3
Division of Water Resources Line Item Consolidation

Summary of Incremental Funding Change for FY 2013-14	Total Funds	General Fund	FTE
Division of Water Resources Line Item Consolidation	\$0	\$0	0.0

Request Summary:

The Division of Water Resources (DWR) is currently funded through a total of 12 Long Bill line items. The DWR proposes consolidating this into eight total line items, organized in two groups. The DWR believes that this consolidation will allow the Division to manage its budget in a more efficient and flexible manner, without any loss of budgetary transparency.

The 12 budgetary line items currently managed by the DWR have evolved historically, as specific programmatic responsibilities have been added over time to the Division's overall statutory mission. However, the DWR believes that the duties and oversight responsibilities embodied by the existing lines can be represented by a slightly smaller group of line items.

Reducing the number of line items managed by the DWR is consistent with the 2010 SMART Government Act (HB 10-1119), which reads in part:

If a principal department of the Executive Branch of state government as specified in Section 24-1-110, C.R.S., submits a plan approved by the Office of State Planning and

Budgeting to improve budgetary efficiency or administrative flexibility by recommending line item consolidation in the annual General Appropriation Act, the [Joint Budget] Committee shall consider such a plan for recommendation to the General Assembly.

This provision is included because lawmakers recognized that as the State of Colorado transitioned to a performance-based budgeting model, as envisioned by the SMART Act, it was important that state agencies be given flexibility to best use their appropriations to achieve performance objectives.

As such, the DWR proposes the following adjustments to its existing line items:

1) Consolidating the existing Personal Services, Operating Expenses, Interstate Compacts, Republican River Compact Compliance, Augmentation for Sand and Gravel Extraction, and SB 04-225 Well Enforcement line items into a proposed new line item called "Water Administration." The activities covered by these current line items all clearly fall within the definition of Water Administration.

The consolidation of the Republican River and the Interstate Compacts lines **will not** result in less or compromised work on any aspect of Colorado's compact compliance activities.

2) Creating a new Well Inspection line item. The inspection of groundwater wells is one of the four core responsibilities of the DWR, along with water right administration, dam safety inspection, and intrastate compact compliance. This program is 100% cash funded, in the form of fees collected for well inspections statewide. This cash funding was previously intermingled with General Fund in the Personal Services and Operations lines. Reorganizing the program into its own line item will help clearly delineate it as a key program area.

3) The Federal Grants, Satellite Monitoring System, Colorado Decision Support System, Temporary Interruptible Water Supply Agreements, Dam Emergency Repair, and Indirect Cost Assessment line items will remain fundamentally unchanged, but will be reorganized into new Long Bill groups (see number 4, below).

4) The eight resulting lines will then be organized into two main Long Bill groups: Division Operations and Special Purpose.

Please see Attachment A for a simple flow chart showing the proposed reduction of line items and subsequent reorganization.

Anticipated Outcomes:

This new line item structure will give the DWR much greater flexibility in managing its funding to help meet its statutory mission, particularly in the case of the newly created Water Administration line item. Water management by its very nature is unpredictable – literally, as unpredictable as the weather. The ability to allocate funding in direct response to changing circumstances and emerging priorities will significantly increase the DWR's efficiency. Two key examples (from among other possible

scenarios) of the advantages of budgetary flexibility are as follows:

1) In years in which Colorado experiences heavy precipitation, the DWR frequently hires additional temporary water commissioners to help manage the higher-than-usual workload. Currently, this increased cost can only come out of the DWR's existing Personal Services line. However, recent cuts to this have effectively eliminated this as an option. Under the proposed new scenario, DWR leadership could choose to prioritize water commissioner duties over other planned expenditures and allocate funding as needed.

2) Vehicles are critical for several of the DWR's core functions, including water right administration by water commissioners, dam safety inspection, and well inspection and administration. State-owned vehicles are used by approximately 100 DWR staff in the routine performance of job duties. The continuing escalation in fuel prices, coupled with rising vehicle maintenance and self-insurance costs, have resulted in a significant increase to the DWR's variable operating expenses for state-owned vehicles. It is unlikely that the DWR will receive increased General Fund appropriations in the current budget environment. Under the proposed new scenario, DWR leadership would have the flexibility to allocate funding within the Water Administration line as needed to provide sufficient vehicle operating costs.

Assumptions for Calculations:

N/A

Consequences if not Funded:

No funds are being requested. However, if this consolidation is not approved, the DWR would continue with current required business practices which are not as efficient as they could be. Eventually, the lack of flexibility could catch up to the DWR and impact the day to day business of water administration, i.e. paid overtime for water commissioners and mileage.

This Decision Item was submitted last session and it was not approved by the JBC at Figure Setting because the JBC wanted additional information regarding the impacts to the Republican River Compact and the Interstate Compacts.

Please see Attachment B for responses to the Joint Budget Committee's questions from the 2012 legislative session at the figure setting hearing.

Impact to Other State Government Agency:

N/A

Cash Fund Projections:

N/A

Relation to Performance Measures:

The consolidation of lines would impact all performance measures by making it more efficient to carry out the mission of the DWR.

Supplemental, 1331 Supplemental, or Budget Amendment Criteria:

N/A

Current Statutory Authority or Needed Statutory Change:

There is no statutory authority that needs to be changed to consolidate lines.

Attachment A:
 Department of Natural Resources
 Division of Water Resources
 FY 2013-14 Decision Item
 Line Item Consolidation

1) Current Line Items	FY 13-14 Base Request	→	2) Proposed Consolidation	Adjusted Base Request	→	3) Proposed Final Long Bill Format	Adjusted Base Request
Personal Services	17,488,503	}	Water Administration	19,098,709	}		
Operating Expenses	1,530,824						
Interstate Compacts	76,002					<u>Division Operations</u>	
Republican River Compact Compliance	316,364					Water Administration	19,098,709
Augmentation for Sand/Gravel Extraction	44,400					Well Inspection	358,873
SB 04-225 Well Enforcement	1,489					Satellite Monitoring Systems	399,857
		New Line	Well Inspection	358,873		Federal Grant	167,260
Satellite Monitoring Systems	399,857	→	Satellite Monitoring Systems	399,857	→	River Decision Support Systems	206,232
Federal Grant	167,260	→	Federal Grant	167,260			
River Decision Support Systems	206,232	→	River Decision Support Systems	206,232		<u>Special Purpose</u>	
Dam Emergency Repair	50,000	→	Dam Emergency Repair	50,000		Dam Emergency Repair	50,000
HB 03-1334 Temp Water Supp Agreements	61,589	→	HB 03-1334 Temp Water Supp Agreements	61,589		HB 03-1334 Temp Water Supp Agreements	61,589
Indirect Cost Assessment	29,598	→	Indirect Cost Assessment	29,598		Indirect Cost Assessment	29,598
Total Appropriations:	20,372,118		Total Appropriations:	20,372,118		Total Appropriations:	20,372,118
Total FTE:	251.1		Total FTE:	251.1		Total FTE:	251.1

Department of Natural Resources
FY 2013-14 Funding Request
November 1, 2012
Attachment B for Decision Item R-3, DWR Line Item Consolidation

In its FY 2012-13 Budget Request, the Department of Natural Resources submitted a change request for the consolidation of line items within the Division of Water Resources. This change request was recommended for approval by JBC Staff during figuring setting. However, the change request was ultimately not approved by the Joint Budget Committee due to several questions and concerns that were raised by Committee members at the figure setting hearing. The Committee did indicate a willingness to reconsider this decision item if additional information was provided. For FY 2013-14, the Department has resubmitted essentially the same decision item as was requested in FY 2012-13. In this Attachment, the Department will attempt to answer the concerns raised by JBC members and provide additional information in support of the DWR line item consolidation request.

If, through the requested consolidation, we eliminate the Republican River Compliance and Interstate Compacts line items, won't there be a loss of transparency to the General Assembly and to the public?

Consolidating line items as proposed by the decision item will simplify DWR's section of the Long Bill but will not have any impact on programmatic operations or expenditures. If this consolidation is approved DWR will develop a comprehensive system of accounting codes (within the state's COFRS system) that will allow staff to track all DWR activity (and associated expenditures) by line item and by program area. Once this system is in place, it will be fairly straightforward to generate reports for the public or JBC staff documenting all DWR activities and expenditures related to interstate water compact compliance. The new tracking system would be in place by July 1, 2013.

Further, the Department believes that DWR's current Long Bill line item structure is potentially misleading with regards to programmatic activities and expenditures. For example, the FY 2012-13 Long Bill contains an appropriation of \$316,364 and 5.0 FTE for "Republican River Compact Compliance." Rather than encompassing the entirety of the division's expenditures for Republic River compact compliance, as could be inferred from the title of the line, this appropriation actually reflects additional resources that were allocated to the division several years ago to better assure compliance with the Republican River Compact; this appropriation stemmed directly from the 2003 Final Settlement Stipulation (FSS) with Nebraska and Kansas regarding groundwater impacts that were not previously considered in the compact. This appropriation does not fund all division activities related to Republican River compact compliance. During any given fiscal year, DWR incurs significant expenses related to Republican River compact compliance which are funded from other lines. Water commissioners and other field staff perform the day-to-day, nuts and bolts work that is involved in monitoring compliance, and the State Engineer and other administrative staff are necessarily involved in compliance activities; these staff are funded from sources other than the Republican River Compact Compliance line, however

– the division’s Personal Services line, in this instance. The total resources expended by the Division of Water Resources to maintain compliance with the Republican River Compact is greater than \$316,364 and 5.0 FTE.

Similarly, the division’s Interstate Compacts line item, if misinterpreted to be anything more than compact dues and some of the direct travel costs related to representing Colorado in Interstate Compact meetings, could be misconstrued. The cost of interstate compact compliance is far more than the \$76,002 appropriation for “Interstate Compacts” shown in the Long Bill. Belonging to and complying with interstate compacts is considerably more expensive than either of these two line items would indicate when considering the full staffing costs.

If the Division of Water Resources has greater budget flexibility resulting from line item consolidation, it would facilitate reallocating the Division’s base budget to meet the highest priority interstate compact compliance needs at any given point in time. For example, if one river in Colorado was running particularly low and interstate compact compliance was determined to be at risk, it would be easier to reallocate resources between Republican River resources (which have a separate Long Bill line item) and non-Republican River resources (which are appropriated under the general Personal Services line item).

Will the proposed consolidation impact any other state agencies, such as the Colorado Department of Law? Will it impact the State of Kansas or other states with which we have interstate compacts?

The lines that will be consolidated are comprised of General Fund and a relatively small amount of cash funds. None of these funds will be reappropriated to any other state department or transferred to any other state. DWR’s legal costs related to compact compliance are funded through the division’s Legal Services pot, which is established annually via the Common Policy process; as such the impact of line item consolidation to the Department of Law and the Attorney General’s Office is nil. Colorado (through the DWR) is responsible for dues related to several interstate compacts; these must be paid under either the existing or the proposed new line item format. Other than these dues, Colorado does not make payments to any compact governing or oversight body.

Will Colorado’s compliance with interstate water compacts be affected if the line items are consolidated?

The consolidation of line items as proposed by the decision item will not affect DWR’s compact compliance activities in any way, especially in a negative way. Indeed, the division believes that consolidation will help improve the efficiency of compliance funding. Greater budgetary flexibility will allow the Division of Water Resources to better allocate resources to its highest priorities. By combining the Personal Services and the Operating line items, for example, the division will have greater flexibility in how it responds to unanticipated increases in operating expenses for vehicles (e.g., fuel costs which impact personal mileage reimbursements as well as the variable mileage rate charged on state vehicles).

If DWR has flexibility to address such increases during a budget year, it is less likely that such increases will inherently result in fewer miles driven and less field presence by DWR water commissioners. By having flexibility to address fuel cost increases, DWR is more likely to be able to temporarily absorb these increases in ways which are less damaging than telling field staff they must limit their field presence.

How are the affected line items funded?

The Republican River Compact Compliance and the Interstate Compacts line items are 100% financed with General Fund.

The DWR's Personnel Services and Operating Expenses line items are funded predominantly with General Fund. However, roughly five percent of these two line items is appropriated out of cash funds (it should be pointed out that limited cash fund revenues have resulted in actual expenditures being close to two and a half percent (2.5%) being funded with cash funds.

The line items "Augmentation of Water for Sand and Gravel Extraction", and S.B. 04-225 Well Enforcement" are all 100% cash funded line items.

Why is the Department proposing to split out the Well Inspection Program as a separate line item?

At the height of housing construction from roughly 2000 to 2003, new wells were being drilled at an unprecedented rate, and as such DWR requested FTE that would allow the division to inspect wells during construction for health and safety purposes. The Legislature authorized the requested FTE and funded the program through an assessed fee per permit. When the economy declined and the housing market came to essentially a standstill, the revenue for well inspection also dropped significantly. Because this program is reliant on the variable economy and thus the fees collected from well permit application DWR felt that the fluctuations in the program should be highlighted and not buried within the Personal Services and Operating lines. Below is a chart reflecting the number of permits issued over a 12 year period. However, in reviewing the chart, it is important to understand that there was a one-time increase on permits in 2010 due to the Vance v. Wolfe case, which requires the producers of coal bed methane to seek a water well permit for the extraction of tributary ground water which is produced from coal bed methane wells. This ruling resulted in an estimated 4,500 to 5,000 one-time ground water application received from coal bed methane producers in 2010. NOTE: 2011 data is not available at this time.

Calendar Year	Number of Permits	Comments
1999	8,974	Start of the housing boom
2000	12,131	Housing boom
2001	11,515	Housing boom
2002	12,668	Housing boom
2003	11,405	Housing boom
2004	9,867	The beginning of the slow down
2005	8,795	Continuation of the slow down
2006	7,193	Continuation of the slow down
2007	6,319	Continuation of the slow down
2008	5,302	Continuation of the slow down
2009	4,498	Continuation of the slow down
2010	9,024	spike was due to the 1-time produced non-tributary ground water applications between 4500-5000
2011	4,431	Until the housing market comes back this will be the norm

Department of Natural Resources
FY 2013-14 Funding Request
November 1, 2012
Attachment C for Decision Item R-3, DWR Line Item Consolidation

On February 7, 2012, Eric Kurtz sent a memorandum to fellow JBC staff that provided common criteria used to evaluate requests to consolidate Long Bill line items. This attachment will attempt to directly answer the common questions raised in this JBC staff memo.

1. Has the department demonstrated a problem with the current appropriations that results in inefficiencies? If the detailed appropriations are inefficient, the Department should be able to identify some specific negative consequences, such as an excessive number of supplemental requests, or foregone expenditures prohibited by the budget structure that would have made the program better.

DWR Response: While the Division of Water Resources (DWR) has not had excessive supplemental requests, the Department believes that DWR's current Long Bill line item structure is potentially misleading with regards to programmatic activities and expenditures. For example, the FY 2012-13 Long Bill contains an appropriation of \$316,364 and 5.0 FTE for "Republican River Compact Compliance." Rather than encompassing the entirety of the division's expenditures for Republic River compact compliance, as could be inferred from the title of the line, this appropriation actually reflects additional resources that were allocated to the division several years ago to better assure compliance with the Republican River Compact; this appropriation stemmed directly from the 2003 Final Settlement Stipulation (FSS) with Nebraska and Kansas regarding groundwater impacts that were not previously considered in the compact. This appropriation does not fund all division activities related to Republican River compact compliance. During any given fiscal year, DWR incurs significant expenses related to Republican River compact compliance which are funded from other lines. Water commissioners and other field staff perform the day-to-day, nuts and bolts work that is involved in monitoring compliance, and the State Engineer and other administrative staff are necessarily involved in compliance activities; these staff are funded from sources other than the Republican River Compact Compliance line, however – the division's Personal Services line, in this instance. The total resources expended by the Division of Water Resources to maintain compliance with the Republican River Compact is greater than \$316,364 and 5.0 FTE.

2. Has the department made a business case that greater administrative flexibility will improve operations? Departments should be able to give examples of what they will do with the increased flexibility, and why that will improve the program.

DWR Response: Please see answer to #1.

3. Has the department identified strong performance measures by which the effectiveness of the program can be assessed? The presence of good performance measures to indicate

whether a department is making wise resource allocations may reduce the need for detailed appropriations. Much of the SMART Act focuses on performance budgeting, and so it seems reasonable to evaluate consolidation requests submitted pursuant to H.B. 10-1119 in that context.

DWR Response: In the current strategic plan, DWR has identified performance measures that are strong and do measure the effectiveness of DWR primary responsibility of managing the water/water rights. Performance measure include compliance with interstate water compacts, dam safety inspection completed, and well inspections expressed as a percent of total water wells completed.

4. Is there a known reason why the line items were separated in the first place? If so, then the follow-up question is whether any of those reasons still apply.

DWR Response: The proposed DI takes six lines and consolidates them into two new lines. Of the current six, two are the operating and the personal services lines, and the other four they were created by the legislature to track the expenditure in these lines. The Division will create a new tracking system within the accounting system (COFRS) to maintain this transparency.

5. How big are the line items that will be consolidated, and what are the fund sources? The size and fund sources for the line items are not sufficient justification for consolidation by themselves, but they may influence how much the analyst weighs the potential negative consequences associated with consolidation versus the potential positive outcomes.

DWR Response: The Republican River Compact Compliance (~\$316,000) and the Interstate Compacts (~76,000) line items are 100% financed with General Fund.

The DWR's Personnel Services (~\$17.5 million) and Operating Expenses (~\$1.5 million) line items are funded predominantly with General Fund. However, roughly five percent of these two line items is appropriated out of cash funds (it should be pointed out that limited cash fund revenues have resulted in actual expenditures being close to two and a half percent (2.5%) being funded with cash funds.

The line items "Augmentation of Water for Sand and Gravel Extraction" (\$44,400) and S.B. 04-225 Well Enforcement" (\$1,489) are all 100% cash funded line items.

Part of the rationale for the request is to eliminate three very small line items (Interstate Compacts, Augmentation of Water for Sand and Gravel Extraction, and S.B. 04-225 Well Enforcement). All three line items relate to the general administration of water and water rights in Colorado. However, funding general water administration from multiple small pots of money creates a more inefficient administration of the funding as well as being potentially misleading to the general public (as discussed in the response to Question #1). Finally, the time spent by Department budget staff, Office of State Planning and Budgeting staff, and Joint Budget Committee staff, accounting staff, and State Controller's Office staff analyzing a \$1,489 line item, booking it in the Long Bill, and separately tracking expenditures against this appropriation, seems like an inefficient process.

6. Will detailed information about expenditure patterns still be available after the consolidation? For example, if a department proposes consolidating personal services and operating expenses, the JBC will still get information on the breakout between the two in the Schedule 14. On the other hand, if a department proposes consolidating two personal services line items, will the JBC still get information on how much was spent on each distinct area?

DWR Response: Yes, DWR is planning on creating a new tracking system within the limitation of the state's accounting system (COFRS) that used to generate that information.

7. Have there been large reversions from the line items? If so, more analysis is needed. Large reversions could indicate that additional flexibility is not needed. On the other hand, large reversions may indicate that managers are budgeting too conservatively and underutilizing appropriated resources, due to concern that a lack of flexibility in the appropriation might lead to an over expenditure if the manager hires a full compliment of staff and then projected vacancy savings do not occur.

DWR Response: There have not been significant reversions on any the lines DWR is requesting to consolidate. DWR has had to manage to the limitations of the lines, by holding positions open for longer periods of time or cut back on overtime or mileage for the Water Commissioners.

DWR has seen a reduction in cash revenue and therefore does not have funding to support some all of the granted spending authority in the Long Bill, thereby it appears the reversion is greater than it truly is (unfunded spending authority). Over the last few years the revenue has decreased by about \$450,000-\$475,000 per year.