

Line Item Descriptions

(1) Executive Director's Office (A) Administration

PERSONAL SERVICES

The Executive Director's Office provides leadership and support for many natural resource issues that cross divisional lines and affect many elements of society. The Executive Director's Office's 41.3 FTE are responsible for the overall administration of the Department. These FTE provide services and leadership to the Department as a whole in the areas of policy, accounting, human resources, purchasing, and budgeting. Funding is entirely through indirect cost recoveries collected from the divisions of the Department. This line item was reduced by 0.5 FTE in FY 2014-15, reflecting a 0.5 FTE administrative position which will now provide half time support of the CAIC (so 0.5 FTE and associated funding was moved to the CAIC line item).

HEALTH, LIFE, AND DENTAL

This insurance benefit is part of the POTS component paid jointly by the State and State employees on a predetermined rate based on the type of package that each employee selected (e.g., Employee, Employee + 1, Employee + Spouse, etc). Funds appropriated here are allocated to all divisions within the Department.

The Department's Health, Life, and Dental (HLD) appropriation is requested based on findings in the Department of Personnel and Administration's total compensation survey.

SHORT-TERM DISABILITY

This state-paid insurance provides for the partial replacement of salary if the employee becomes disabled. The Department's Short-term Disability request is calculated at 0.22% of salaries.

H.B. 04-257 AMORTIZATION EQUALIZATION DISBURSEMENT

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The Amortization Equalization Disbursement (AED) increases the employer contribution to the PERA Trust Fund to amortize the unfunded liability in the Trust Fund beginning in January 2006. The Budget Request for this line is computed per instructions from the Office of State Planning and Budgeting. The rate is provided in statute and the appropriation is calculated using the sum of base salaries, Salary Survey and range adjustments. The following chart shows the rate by calendar year.

Date	AED
January 1, 2006	0.50%
January 1, 2007	1.00%
January 1, 2008	1.40%
January 1, 2009	1.80%
January 1, 2010	2.20%
January 1, 2011	2.60%
January 1, 2012	3.00%
January 1, 2013	3.40%
January 1, 2014	3.80%
January 1, 2015	4.20%
January 1, 2016	4.60%
January 1, 2017	5.00%

S.B. 06-235 SUPPLEMENTAL AMORTIZATION EQUALIZATION DISBURSEMENT

The Supplemental Amortization Equalization Disbursement (SAED) increases the employee’s contribution to the PERA Trust Fund to amortize the unfunded liability beginning January 2008. It is similar to the Amortization Equalization Disbursement discussed above; however, it is paid by the employees via foregone salary increases. The rate is provided in statute and the appropriation is calculated using the sum of base salaries, Salary Survey and range adjustments. The following chart shows the rate by calendar year.

Date	SAED
January 1, 2006	n/a
January 1, 2007	n/a
January 1, 2008	0.50%
January 1, 2009	1.00%

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January 1, 2010	1.50%
January 1, 2011	2.00%
January 1, 2012	2.50%
January 1, 2013	3.00%
January 1, 2014	3.50%
January 1, 2015	4.00%
January 1, 2016	4.50%
January 1, 2017	5.00%

SALARY SURVEY

The Salary Survey and Senior Executive Service appropriation reflects the amounts appropriated to the Department to cover the cost of salary increases based on the job and wage classification survey performed annually by the Department of Personnel and Administration.

MERIT PAY

While inflationary increases in the job market are theoretically captured in Salary Survey, Merit Pay is intended to reward employees for their performance and experience in a position. Actual merit awards will depend on an employee's performance rating and quartile.

SHIFT DIFFERENTIAL

This line item represents funds appropriated in order to give differential pay to employees who work hours outside of regular business hours. The appropriation and request are developed based on previous year actual expenditures.

WORKERS COMPENSATION

Workers' Compensation is a statewide allocation to each department based upon historic usage. This line item provides funding for payments made to the Department of Personnel and Administration to support the State's self-insured program. The cost basis is developed relative to estimated claim payouts, purchased professional services (actuarial and broker costs), and Common Policy

adjustments. The Department of Personnel and Administration’s actuaries determine departmental allocations. Splits amongst Divisions are based on a rolling three year average of the percentage of claims each division generates.

OPERATING EXPENSES

This line item includes both the Executive Director’s Office operating costs and capital outlay. Capital outlay is typically spent on computers, furniture and other one-time purchases. A portion of this line is also annually held aside in a technology fund for IT projects that benefit all divisions within the Department. The total appropriation amount for this line changes very little from year to year.

LEGAL SERVICES

Most of the divisions within the Department of Natural Resources rely heavily on legal services purchased from the Department of Law (Attorney General’s Office). DNR is appropriated legal services at the “blended rate,” a figure that representing a blend of the actual hourly rate for attorneys and paralegals. The blended rate is calculated annually by the Joint Budget Committee.

PAYMENTS TO RISK MANAGEMENT AND PROPERTY FUNDS

Payment to Risk Management and Property Funds is an allocation appropriated to each department based on a shared statewide risk formula for two programs, the Liability Program and the Property Program. The state's liability program is used to pay liability claims and expenses brought against the state. The property program provides insurance coverage for state buildings and their contents. The divisional shares are calculated based on a division’s proportionate share of DNR’s total building and contents value and the number of FTE (liability exposure.)

VEHICLE LEASE PAYMENTS

Funds provided through this line enable the Department to leases vehicles from State Fleet Management in the Department of Personnel and Administration. All seven divisions within the Department of Natural Resources lease vehicles to perform their work (although Colorado Parks and Wildlife is ultimately responsible for over 75 percent of the Department’s vehicle lease costs). The Department drives approximately 1,300 vehicles an average of 14 million miles each year in the course of business. The cost of each lease is based on the purchase price of the vehicle selected and the terms of the lease agreement.

INFORMATION TECHNOLOGY ASSET MAINTENANCE

Funds provided through this line item enable the Department to maintain and replace its IT systems. Cost from this line cover such expenses such as annual IT support and maintenance agreements with hardware and software vendors, new and replacement equipment, computer supplies, data communication charges, utilities and other related costs.

LEASED SPACE

The mission of the Department of Natural Resources encompasses the entire state. For reasons of efficiency and proximity to specific project areas, DNR’s divisions operate a number of satellite offices throughout Colorado. In many instances, divisions are statutorily required to operate offices in specific counties and/or congressional districts statewide. In many cases, leasing operational space for staff is more practicable than purchasing or constructing space.

CAPITOL COMPLEX LEASED SPACE

This line item is used to pay the Department of Personnel and Administration for the costs of maintaining state buildings that are part of the capitol complex. Capitol Complex Leased Space is appropriated based on usable square footage utilized by each state department. Currently, for the Department of Natural Resources, this includes 79,240 square feet of space at 1313 Sherman Street (Centennial Building). Square footage, by division, is shown in the table below.

Square Footage by Division	
Executive Director's Office	13,552
DRMS - Coal	4,892
DRMS - MSTP	1,224
DRMS - Inactive Mines	4,602
DRMS - Minerals	4,432
Oil & Gas Conservation Commission	0
State Land Board	0
Division of Parks & Wildlife	22,768

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Colorado Water Conservation Board	10,518
Division of Water Resources	17,252
Total:	79,240

INTERGRATED RESOURCE SERVICES

The Department of Natural Resources deals with a diverse range of natural resource management issues and employs subject matter experts in a variety of scientific and technical fields. Despite this diversity, however, natural resource management often involves fundamentally inter-connected issues. Because of statutory restrictions, many DNR divisions do not currently have the authority to accept and expend gifts, grants, and donations. Therefore, assistance from one DNR agency to another must be absorbed within the assisting agency's base budget and the work must be done in addition to, or in place of, the assisting agency's existing work. Often, an agency is unable to simply absorb the request for assistance and the requesting agency is forced to contract with private vendors at a much higher cost. This potted allocation will be used to facilitate payments for services between DNR agencies. Created via decision item as part of the Department's FY 2012-13 budget request, this new line item is funded entirely with reappropriated funds and does not increase overall state spending. Funds will remain unallocated in the DNR Executive Director's Office until such time as they are requested by a division. Once a division has identified a need, and the assisting agency has agreed that they have the resources to help and are willing to do so, the Executive Director's Office would then allocate the necessary spending authority to the assisting agency.

PAYMENTS TO OIT

The line item provides the Department of Natural Resources spending authority to purchase IT services from the Office of Information Technology (OIT) within the Governor's Office. A majority of the funding in this line item is used to pay for the OIT staff who provide DNR with network support, desktop support, and applications development. However, this line item also pays for DNR's allocated share of: (1) OIT management and administration; (2) the cost of the State's General Government Computer Center; (3) the cost of operating and maintaining the Statewide Public Safety communications network, and; (4) the Colorado State Network (the State's wide area network, providing efficient and effective Internet Access and communications to state and local government agencies across the State). As a common policy line item, the request amount each year is set by OIT in working with the Governor's

Office of State Planning and Budgeting. The final appropriation here is then based on common policy figure setting by the Joint Budget Committee.

CORE Operations

Created in FY 2012-13 as the “COFRS Modernization” line item, this renamed common policy line is the Department’s share of the cost to replace the State’s aging accounting system. The old system was called “COFRS” (Colorado Financial Reporting System), but the newer line item title refers to the name of the State’s new accounting system: CORE (Colorado Operations Resource Engine). Now that CORE is operational, the funding is used to operate, maintain, and improve the CORE financial system.

(1) Executive Director’s Office (B) Special Programs (1) Colorado Avalanche Information Center

Program Costs

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

During the 2012 legislative session, HB 12-1355 established a process for transferring the Colorado Geologic Survey (of which the Avalanche Center was a part,) to the Colorado School of Mines. During the transfer process, it was determined that the Colorado Avalanche Information Center would be better housed in the Department of Natural Resources and not transferred to the School of Mines. Therefore, the General Assembly passed HB 13-1057 to retain the program in the Executive Director’s Office of the Department.

As part of a FY 2014-15 supplemental and a FY 2015-16 decision item, the CAIC budget was increased by a total of 1.9 FTE. This increase included: (1) 0.7 FTE for a Sawatch Mountain Range Forecaster, to provide better coverage for the central mountain region

of the State; (2) 0.7 FTE for a Boulder Forecaster, allowing the CAIC Director to spend more time managing the Center, training staff, addressing emergency situations, filling in for other staff as needed, and addressing other emerging issues; (3) a 0.5 FTE to provide additional administrative assistance to the CAIC in the areas of purchasing, accounting, and human resources. This last 0.5 FTE was not a net increase in FTE, as the EDO personal services line item was reduced by 0.5 FTE (reflecting that an existing FTE had half of their time reallocated to supporting the CAIC; the change request allowed CAIC to pay for this additional administrative support).

Indirect Costs

This appropriation, which funds the Department of Natural Resources Executive Director’s Office (EDO) is set by the EDO budget staff based on personal services expenditures from the most recent “closed” fiscal year

(2) Division of Reclamation, Mining and Safety, (A) Coal Land Reclamation

PROGRAM COSTS

The Coal Land Reclamation line, under other titles, originated in 1970 with funding from the state’s General Fund, pursuant to the Colorado Surface Coal Mining Reclamation act [Section 34-33-101, C.R.S. (2015)]. In 1978 the program received preliminary federal grant funds. By 1980 Colorado was granted full state primacy for regulation of coal mines and coal exploration following passage of the federal Surface Mining Control and Reclamation Act (SMCRA), Title V of 1977. It was at that time that a separate Long Bill line was created specifically for Coal regulation funding.

The funding ratio of the Coal Program is 79 percent federal funds and 21 percent state cash match, which is based on total permitted mine acres located on federally owned lands versus state lands in Colorado. The federal mine acreage calculation includes permitted areas within federally owned surface acreage and/or mineral sub-surface acreage.

The federal grant funds are from the U.S. Department of the Interior’s Office of Surface Mining (hereafter referred to as OSM) and the cash funds are from the Operational Fund of the Severance Tax Trust Fund, which fulfills the required state match. This OSM grant also funds the Blasters Certification appropriation (see (D) Mines Program) in the same federal funds/cash-severance tax ratio. OSM funding to the Inactive Mines line is also contingent on Colorado maintaining state primacy to conduct coal regulation statewide.

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The Program Costs line supports 22.0 FTE, which includes technical regulatory and management staff, a grant/financial warranty specialist, administrative staff and a share of central administrative staff that support the entire division. FTE were reduced from 24.0 in FY 2002-03 and again in FY 2012-13 (one transferred to the Colorado Oil and Gas Conservation Commission) due to inadequate funding to fill the FTE.

INDIRECT COST ASSESSMENT

This appropriation, which funds the Department of Natural Resources Executive Director's Office (EDO) is set by the EDO budget staff based on personal services expenditures from the most recent "closed" fiscal year. The Coal indirect cost assessment is funded from cash funds/severance tax and federal grant funds. Federal indirect rates are approved by the Department of the Interior and applied to 79 percent of the Coal personal services costs (based on the 21/79 funding ratio). Due to vacancy savings or increased personal services expenses, the target federal indirect amount shown in the Long Bill could be either under or over collected. The cash indirect amount is fully collected.

(2) Division of Reclamation, Mining and Safety, (B) Inactive Mines

PROGRAM COSTS

The Inactive Mines Program Costs appropriation is comprised of two funding sources -- an OSM federal grant and cash funds from the Operational Account of the Severance Tax Trust Fund.

- **Federal Funds**: The federal portion of the appropriation originated in 1984 after the state programs were established in 1980 [Section 34-33-133, C.R.S. (2015)] following passage of the federal Surface Mining Control and Reclamation Act (SMCRA) of 1977. The federal funding is contingent on the state having primacy for coal mining regulation under Title V of SMCRA [see (A) Coal Land Reclamation]. The federal grant funds are distributed from the U.S. Department of the Interior's Office of Surface Mining (OSM) -- no state match amount is required on the grant.

The Long Bill shows only the administrative portion of the federal grant funds and the portion of the grant for projects to safeguard/reclaim abandoned mine sites is not shown (non-appropriated federal funds). All FTE for the program are shown in the Long Bill, but the cost of 7.0-11.0 FTE are charged to non-appropriated project funds each fiscal year.

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Purpose: The OSM federal grant funds can only address sites that were mined prior to passage of SMCRA (referred to as “pre-law” sites). Mine sites permitted after 1977 were required to post a reclamation bond that was intended to fund any incomplete reclamation if the mine operator failed financially. The OSM federal grant funds are not authorized for use to remedy environmental/water quality issues at the pre-1977 sites.

- Cash/Severance Tax Funds: The cash/severance tax portion of the Inactive Mines Program Costs line is comprised of two components. An annual appropriation of \$500,000 was initiated through Senate Bill 05-190 from the Operational Account of the Severance Tax Trust Fund (additional spending authority up to \$20,000 per year allows for spending interest earned on the Abandoned Mine Reclamation Fund balance). Each annual appropriation is allowed to be spent over three fiscal years as defined by footnote in the Long Bill. The second severance tax component is \$99,850, which was merged into the Program Costs line in FY2015-16 from the former Abandoned Mine Safety line. These funds are spent within a single fiscal year.

Purpose: To enable the program to complete a greater number of abandoned mine safeguarding projects per year. Per the statute, this funding is contingent on compliance with the division’s total allowable severance tax percentage (25 percent) in Tier I of the Operational Account of the Severance Tax Trust Fund per the severance tax statutes, Section 39-29-109, C.R.S. (2015).

Non-Appropriated Federal Funds: The non-appropriated portion of the OSM federal grant is appropriated for three fiscal years and directly funds reclamation/safeguarding projects and is not shown in the Long Bill. The projects are not considered state capital construction projects because the work is not performed on state-owned land/property. Allowing the funds to be spent over three field seasons accommodates high elevation sites in historic mining areas for which the weather conditions cause limited access and a shortened construction season.

LEGACY MINE HYDROLOGY PROJECTS

The Legacy Mine Hydrology Projects line originated in FY2001-02 (originally titled Mine Site Reclamation) for the purpose of providing grants to local districts to serve as matching funds to obtain federal “319” grants from the Environmental Protection Agency/Clean Water Act. The funds are used to mitigate mining related problems that contribute to degrading water quality conditions near the sites, such as remediation of mill tailings, mine waste piles, and soil erosion sources. The federal OSM grant funds described above are not allowed to be spent on water quality/environmental problems; therefore, severance tax revenue was considered an appropriate funding source to resolve these issues because a portion of the mining industry pays severance taxes. The funding was increased from \$125,000 to \$375,000 in FY2006-07 and 1.2 FTE were allocated to the line to cover staff costs to manage the grant distribution process and to provide their expertise in project management. The total line amount fluctuates annually per

personal services common policies. The line also includes \$30,000 of re-appropriated funds which was intended to show cost-share funds transferred from the Colorado Dept of Public Health and Environment (CDPHE). Each annual appropriation is allowed to be spent over three fiscal years to accommodate high elevation historic mine sites and contracting/construction timeframes (see footnote in the Long Bill).

RECLAMATION OF FORFEITED MINE SITES

The Reclamation of Forfeited Mine Sites appropriation originated in FY2007-08 to support reclamation at “post-1977” mine sites where the mining permit was revoked due to operator failure (bankruptcy, death, etc.) and the bond amount was not enough to cover all remaining reclamation required at the site. The appropriation was reauthorized in FY 2015-16 for \$121,162 and 0.3 FTE and moved to Tier 2 of the Severance Tax Operational Fund pursuant to H.B. 15-1150. The industry continues to incur mine operators who face bankruptcy or financial institution failures that leave the state with insufficient funds to complete any outstanding reclamation at the mine sites. The Inactive Mine Reclamation Program has been granted authority from the Mined Land Reclamation Board to manage projects at forfeited sites per its authority cited in Sections 34-32-118(5) and 34-32.5-118(5), C.R.S. (2015). None of the other funds appropriated in the Inactive Mines program can be used on forfeited mine sites per their legislative or budgetary intent; therefore severance taxes were considered a valuable funding source to finalize reclamation at the sites.

INDIRECT COST ASSESSMENT

This appropriation, which funds the Department of Natural Resources Executive Director’s Office (EDO) is calculated by the EDO budget staff based on personal services expenditures from the most recently “closed” fiscal year. The Inactive Mines indirect cost assessment is funded from cash funds/severance tax and federal grant funds.

(2) Division of Reclamation, Mining and Safety, (C) Minerals

PROGRAM COSTS

The Minerals Program Costs appropriation originated in 1975. The Minerals program was strengthened in 1993 for hardrock (metal minerals) mining—see Section 34-32-102, C.R.S. (2015) -- and again in 1995 for construction materials (i.e., sand and gravel) mining—see Section 34-32.5-102, C.R.S. (2015). The line supports 24.1 FTE and associated operating costs, as well as costs for the Mined Land Reclamation Board. The purpose of the line is to fund regulatory activities for non-coal commodities. The statute also defines that fines paid by operators for mining violations accrue to the state’s General Fund. The 24.1 FTE are comprised of technical

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regulatory/management staff, a financial warranty specialist, administrative staff and a share of central administrative staff that support the entire division.

Cash Funds/Severance Tax (formerly General Funds): Prior to FY 2002-03, the Program Costs line contained General Fund dollars per the legislative intent that *enforcement and other activity that is conducted for the benefit of the general public should be supported by the general fund* [Section 34-32-102(2)(d), C.R.S. (2015)]. The General Fund was replaced by cash funds/severance tax in FY 2002-03 due to a budget shortfall in state's General Fund. Cash funds from severance tax finance the amount of the line that is not financed by fee revenue as described below and is defined in the letter-note on the line.

Note: In FY 2013-14, a one-year transfer of \$99,850 in severance tax funding from the Abandoned Mine Safety line [under (B) Inactive Mines] was appropriated to the Minerals line to support an e-permitting development project. The amount was restored in FY 2014-15.

Permit Fee Revenue: The amount of fee revenue is approximately 46 percent of the Long Bill line (see letter notation) and allows the program to pace the frequency of increasing fee rates to every 5-7 years. This is in lieu of tying fees to an inflationary index. The duration of fee revenue is contingent on the viability of the mining industry in the state. Fees were most recently increased during the 2007 legislative session (Senate Bill 07-185). Specific fees related to in situ uranium were also approved in SB08-1161. The amount applied to the Program Expenses line from current year fee revenue plus fund balance is defined in the letter-note in the Long Bill.

INDIRECT COST ASSESSMENT

This appropriation, which funds the Department of Natural Resources Executive Director's Office (EDO) is calculated by the EDO budget staff based on personal services expenditures from the most recent "closed" fiscal year (FY2012-13 for FY2014-15 budget request). The Minerals program indirect cost assessment is funded from cash funds/severance tax and the amount shown in the Long Bill is fully collected.

(2) Division of Reclamation, Mining and Safety, (D) Mines Program

COLORADO AND FEDERAL MINE SAFETY PROGRAM

The Colorado and Federal Mine Safety Program appropriation originated in 1976 and was specific to "Coal Mine Safety." The current appropriation supports 4.0 FTE and associated operating costs and is charged with providing the following for all types of mines: (1) site-specific mine health and safety training and education to Colorado miners and contractors, upon request from the

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mines, and safety audits; (2) production and distribution of new, more effective safety training materials; and (3) inspection of tourist mines and idle or abandoned mines. The appropriation also supports collection and maintenance of coal mine production records. [The health and safety standards that apply to mining operations in the state are located in Title 34, Articles 20-25, C.R.S. (2015) and in Code of Federal Regulations, Title 30, Parts 1-199 (2015).] The program receives annual federal funding from the U.S. Department of Labor, Mine Safety and Health Administration (MSHA). Beginning with the FY2001-02 Long Bill, the previous General Fund appropriation to the program was changed to cash funds from the Operational Account of the Severance Tax Trust Fund.

Cash Fee Revenue: Fees collected from coal mine certification exams and training materials are currently letternoted in the Long Bill at \$9,940. Since FY 2013-14, the program has not collected that level of fee revenue, and has opted to use fund balance instead of under-spend the total fees appropriation level.

Cash/Severance Tax and Federal Funds: The federal grant portion is based on historic grant allocations from MSHA. The grant from MSHA was significantly reduced in FY 2013-14, but has been restored to historic levels in recent fiscal years. Severance taxes from the division's Tier I allocation comprise the remaining program funding. Annualization increases have been funded from the severance tax funds.

BLASTERS CERTIFICATION PROGRAM

The Blaster Certification Program appropriation originated as a separate line in 1993 and is funded from the same OSM grant that funds the Coal Program. The purpose of the program, which is required by OSM as a condition of state primacy in the Coal Program, is to conduct an examination program for certifying coal mine officials for specific positions, such as electricians, underground mine foreman and fireboss. The appropriation is funded in the same ratio as the Coal program - 21 percent cash funds/severance tax (required state match) and 79 percent federal funds. Indirect costs assessed on the Blaster Certification personal services costs are expensed from the Coal indirect cost appropriation. One FTE is funded from this line and is comprised of a portion of a test administrator position and of a program manager position, which are also funded from the Mine Safety Program line. These positions work with members who serve on the Coal Mine Board of Examiners to ensure exams are prepared and conducted per federal standards.

INDIRECT COST ASSESSMENT

This appropriation, which funds the Department of Natural Resources Executive Director's Office (EDO) is based on calculations derived by the EDO budget staff based on personal services expenditures from the most recent "closed" fiscal year. The Mine Safety and Training program's indirect cost assessment is funded from cash funds/severance tax and from federal grant sources. Federal

indirect rates are approved by the Department of the Interior and applied when collecting federal indirect from federal grants. During the fiscal year, the federal indirect is assessed on all personal services costs in the program that are charged to federal grants. Due to vacancy savings or increased personal services expenses, the target federal indirect amount shown in the Long Bill could be either under or over collected. The cash indirect amount is fully collected.

(2) Division of Reclamation, Mining and Safety, (E) Emergency Response Costs

The Emergency Response appropriation originated in FY1997-98 with \$500,000 from the Operational Account of the Severance Tax Trust Fund. The intent was to enable the division to expedite disbursements of funds to control public health or environmental hazards during mine emergencies (non-cash financial warranty funds on mine permits are not immediately available). Due to non-use of the fund, the entire line was deleted in FY 2003-04. The line was restored in FY 2005-06 at the \$25,000 level and was adequate to cover the minor situations that occurred. A more costly emergency occurred in FY 2013-14 which prompted approval to increase the appropriation level to \$100,000. A mine site emergency requiring additional funding above \$100,000 would require an Emergency Supplement through the “1331” procedure.

(3) OIL & GAS CONSERVATION COMMISSION (OGCC)

PROGRAM COSTS

The OGCC's Program Cost line funds the OGCC's personnel and operating expenses, including 110.3 FTE, commission hearing expenses, travel expenses, training, information technology, and general office overhead. The employees funded through this line item are involved in field inspections, complaint response, enforcement, permitting, regulatory report reviews, environmental studies, mitigation of impacts caused by oil and gas activity, management of data related to the approximately 54,000 active and 54,000 inactive wells, and general administration. Recent additions to funding include 12.0 FTE that were recommended by the Governor's Task Force on State and Local Regulation of Oil and Gas Operations and 2.0 FTE approved through a FY 2015-16 budget request.

UNDERGROUND INJECTION CONTROL PROGRAM

This line item represents a federal grant, which partially reimburses the OGCC for its costs associated with regulating Class II underground injection wells. This program is delegated to the agency by the EPA and is listed for informational purposes only. The grant amount varies slightly from year to year, due to fluctuations in the federal budget.

PLUGGING AND RECLAIMING ABANDONED WELLS

This funding is used by the OGCC to plug and reclaim orphaned well sites.

ENVIRONMENTAL ASSISTANCE AND COMPLAINT RESOLUTION

These funds are used by the OGCC to respond to and investigate complaints by landowners or other persons and to mitigate impacts related to oil and gas activity. This work includes, but is not limited to, the collection of water and soil samples, laboratory analyses of the samples, and the review and analysis of laboratory results and other environmental data. Funding for this line item is from the Oil and Gas Conservation and Environmental Response Fund.

EMERGENCY RESPONSE

The purpose of this funding, per Long Bill footnote 60 (SB 15-234), “is to fund investigation, prevention, monitoring, and mitigation of circumstances, that are caused by or are alleged to be associated with oil and gas activities and that call for immediate action by the Oil and Gas Conservation Commission.”

SPECIAL ENVIRONMENTAL PROTECTION AND MITIGATION STUDIES

This line item was established in FY 2006-07 to provide timelier funding for special environmental protection and mitigation studies including, but not limited to gas seepage mitigation studies, outcrop monitoring studies, soil gas surveys in the vicinity of plugged orphaned wells, and baseline water quality and subsequent follow-up studies. The OGCC has been requested by the General Assembly to include in its annual budget request a report detailing all expenditures made in the previous year from this line item. This line item may or may not be fully expended in any given year. The intent was to provide available funds for studies that, to optimize their benefit, should be conducted as the needs for them are identified, as opposed to waiting on the annual budget process. Funding for this line item is from the Oil and Gas Conservation and Environmental Response Fund.

INDIRECT COST ASSESSMENT

Indirect Cost Assessment is a standard appropriation based on a statewide and departmental indirect cost assessment plan.

(4) State Board of Land Commissioners (SLB)

PROGRAM COSTS

State Land Board's budget has gone through several consolidations and budget increases recently. The changes have been aimed at allowing the Board the flexibility to function like a business as well as increase its capacity to meet its business needs. Of special note, in the FY 2005-06 appropriation, the JBC consolidated the State Land Board's budget into two line items one of which was the Program Costs line item. This consolidation allows the Board to use funds where ever it has needs, specifically for reinvestment into property. The program costs line item allows funds previously designated for operating and personal services for such things as weed spraying, land and water projects, land planning and evaluation projects, agricultural improvement, purchase of lessee improvements (required by statute), audits, appraisals, etc. Consequently, the State Land Board increased internal budgeting for these purchases.

PUBLIC ACCESS PROGRAM DAMAGE AND ENHANCEMENT COSTS

The FY 2010-11 request included a decision item to add this line to the Board of Land Commissioners section of the Long Bill. The Land Board has a lease agreement with the Division of Wildlife for hunting access on trust lands. As part of this lease agreement 1/3 of the total lease cost (approximately \$225,000) is used to repair damage to the lands from public access or to improve the lands. Previously, this portion of the lease costs was retained by the Division of Wildlife and expended on behalf of the Land Board. In order to comply with accounting standards the Land Board requested, and the General Assembly appropriated, \$225,000 in reappropriated funds so that the Land Board could receive and expend these monies.

ASSET MANAGEMENT SYSTEM UPGRADE

This line item was created via decision item as part of the Department's FY 2012-13 budget request. This is a two-year request to fund replacement and upgrade of the State Land Board's existing inefficient and inadequate asset management system. This line item will be eliminated after expiration of the second half of funding in FY 2013-14.

INDIRECT COST ASSESSMENT

Indirect Cost Assessment is a standard appropriation based on a statewide and departmental indirect cost assessment plan.

(5) Division of Parks and Wildlife

(A) Colorado Parks and Wildlife Operations

STATE PARK OPERATIONS

In 2011, S.B. 11-208 merged the Division of Parks and Outdoor Recreation (DPOR) and the Division of Wildlife (DOW) to create the Colorado Division of Parks and Wildlife (CPW). At the time of the merger, no changes were made to the Long Bill line items of the predecessor agencies. Beginning with the 2012 Long Bill, the existing DPOR and DOW sections were simply combined and re-titled “Division of Parks and Wildlife,” with no other changes made to existing line item structures. The State Parks Operations line item existed prior to the merger and no changes were necessary to the line item as part of the new division’s overall line item consolidation in 2014.

The existing State Park Operations line item was created in the 2005 Legislative Session when a Decision Item was adopted that consolidated line items; prior to FY 2005-06, the State Park Operations line item consisted of five separate line items:

- Established State Parks - Program Costs
- Established State Parks - Seasonal Work Program
- Established State Parks - Impact Assistance
- New State Parks - Program Costs
- New State Parks - Seasonal Work Program

The consolidated State Park Operations line enables the Division to proactively manage its program while providing maximum flexibility to meet current economic business challenges. 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.

Please note that this line item was modified via Decision Item (as part of the Department’s overall FY 2012-13 budget request) to incorporate previously existing line items related to Great Outdoors Colorado (GOCO) funding. This consolidation allowed State

Parks to better reflect how the GOCO dollars are spent to help operate the state park system. GOCO funding is used as a vital funding component to keep the state park system running. The division's total operational appropriation was unchanged by this request.

WILDLIFE OPERATIONS

The Wildlife Operations line item was created in 2014, consolidating three previously existing line items:

- Wildlife Director's Office
- Wildlife Management
- Wildlife Technical Services

In 2011, S.B. 11-208 merged the Division of Parks and Outdoor Recreation (DPOR) and the Division of Wildlife (DOW) to create the Colorado Division of Parks and Wildlife (CPW). At the time of the merger, no changes were made to the Long Bill line items of the predecessor agencies. Beginning with the 2012 Long Bill, the existing DPOR and DOW sections were simply combined and re-titled "Division of Parks and Wildlife," with no other changes made to existing line item structures. The creation of the Wildlife Operations line item in 2014 was the Division's first attempt to reorganize its line items and align them with the newly merged division.

In its current form, the Wildlife Operations line item embodies all the duties and responsibilities of the four predecessor line items. This includes:

- Division supervision and management, program and financial oversight, grant management, and intermediary activities necessary to encourage the success of the Division's Strategic Plan.
- Managing hunting/fishing opportunities within Colorado; maintaining healthy wildlife populations and ecosystems; preserving/enhancing Colorado's wildlife habitat; and heightening public awareness of DPW's wildlife management role and efforts through educational and outreach programs.
- Central licensing, engineering, accounting, purchasing, contracts, human resources, and education and training of new wildlife officers.

(B) Special Purpose

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 calendar year 2015 there are approximately 200 licensed commercial river outfitter companies 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 SUPPORT

This line item was renamed in 2015 (from “Off-Highway Vehicle Program”) to more accurately reflect the activities funded by the line item. This program is responsible for the administration of the OHV registration and grant program. 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 program is also responsible for the promotion of off-highway vehicle safety through promulgation and enforcement of rules and regulations. Partnerships with land management agencies and enthusiasts are formed to leverage grant funds and promote good management of motorized recreation. A significant component of the OHV program is enforcement per Section 33-14.5-111(1), C.R.S., which reads in part “Every parks and recreation officer, every peace officer of this state and its political subdivisions, and every person commissioned by the division has the authority to enforce the provisions of this article.” The appropriation for this line is used for administrative costs of having an Off-Highway Vehicle program (Section 33-14.5-106(1), C.R.S.).

OFF-HIGHWAY VEHICLE DIRECT SERVICES

This line item was renamed in 2015 (from “Off-highway Vehicle Grants”) to more accurately reflect the activities funded by the line item. This program provides 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 revenue generated from the registration of off-highway vehicles. The appropriation for this line is used exclusively for direct services and not administrative costs (Section 33-14.5-106(1), C.R.S.). This line item also funds direct program services including an OHV law enforcement pilot program and other non-grant activities.

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.

INFORMATION TECHNOLOGY

This line item was consolidated in 2014 as part of an overall reorganization of the Division’s line item structure, following the merger of the Division of Parks and Outdoor Recreation and the Division of Wildlife in 2011. Subsequent to the merger but prior to this reorganization, the CPW section of the Long Bill had two line items for information technology appropriations – one for Colorado State Parks and one for the Division of Wildlife. In 2014 these existing line items were consolidated into a single Information Technology line item.

This line item supports IT systems and services necessary for core CPW functions by providing computer and communications infrastructure, asset management, user support, standardized software applications, internet oversight, development of information technology policies and plans, and the development and maintenance of new and existing business applications. The Information

Technology line item also funds the development of strategies that protect, leverage, and best utilizes the division's technology resources serving almost 900 divisional computer users.

NATURAL RESOURCE PROTECTION

This program conducts fuels mitigation projects, the purpose of which is to provide opportunities that improve the resilience of state parks areas to recover from the effects of wildfire. By investing in the treatment of 1,200 to 1,500 acres of hazardous forest fuels annually, the Natural Resource Protection program enables Colorado Parks and Wildlife to reduce suppression costs, improve visitor and firefighter safety, reduce impacts on water and air quality, improve wildlife habitat and significantly reduce costs resulting from wildfires.

TRAIL GRANTS

This line item funds technical assistance and training on trail design, development, and maintenance to agencies, communities, and non-profit groups statewide. It provides public information on trails through maps, newsletters, and electronic media. The Trails program also encourages Youth Corp trail projects, volunteerism and public stewardship for trails on public lands. It coordinates with agencies and communities on trails and greenways as part of plans for development, rivers, transportation and utility corridors, recreation, and habitat protection.

S.B. 08-226 AQUATIC NUISANCE SPECIES

This line item was consolidated in 2014 as part of an overall reorganization of the Division's line item structure, following the merger of the Division of Parks and Outdoor Recreation and the Division of Wildlife in 2011. Subsequent to the merger but prior to this reorganization, the CPW section of the Long Bill had two line items for aquatic nuisance species appropriations – one for Colorado State Parks and one for the Division of Wildlife. In 2014 these existing line items were consolidated into a single Aquatic Nuisance Species line item.

SB 08-226 established Aquatic Nuisance Species laws to prevent, control, contain, monitor, and eradicate aquatic nuisance species from state waters. This program is in response to the discovery of Zebra Mussels in Pueblo Reservoir. The bill establishes a program to mitigate, and if possible, prevent the introduction and spread of aquatic nuisance species which can have devastating economic, environmental, and social impacts on the aquatic resources and water infrastructure in Colorado.

GAME DAMAGE CLAIMS AND PREVENTION

This line is composed solely of the Game Damage Claims and Prevention program. This appropriation represents spending authority for costs associated with game damage claims against Colorado Parks and Wildlife as well as buying game damage prevention materials. It is not possible to accurately predict annual spending on claims as it is dependent upon many factors, including the weather. Examples of prevention materials includes fencing, hay storage, pyrotechnics, and other materials which are provided to landowners for the purpose of preventing damage (and potential Division liability) to standing and harvested crops, forage, and other property.

IN-STREAM FLOW PROGRAM

Funds appropriated to this line item are transferred, through an Interagency Agreement, to the Colorado Water Conservation Board (CWCB). Pursuant to Section 37-92-102(3), C.R.S., the CWCB uses the funding to secure stream flows and lake volumes sufficient to maintain native aquatic wildlife populations within Colorado.

HABITAT PARTNERSHIP PROGRAM

This line is composed solely of the Habitat Partnership Program which is continuously appropriated. Senate Bill 01-006 dedicated five percent of the net sales of big game hunting licenses used in geographic locations represented by a habitat partnership committee to fund the Habitat Partnership Program.

The Habitat Partnership Program is managed through 18 local Habitat Partnership Committees (plus one statewide committee), and is designed to reduce wildlife conflicts, especially those related to forage and fencing issues. Local committees develop big game distribution management plans designed to minimize such wildlife conflicts. The Division funds fencing projects and performs various habitat improvement and wildlife impact mitigation projects designed to meet game management objectives and to keep big game off of private property.

GRANTS AND HABITAT PARTNERSHIPS

The “Grants and Habitat Partnerships” line item contains funding to support three programs: (1) grants for habitat improvement on private property under the Pheasant Habitat Partnership Program (PHIP); (2) small habitat improvement projects on State Wildlife

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Areas that cost less than \$50,000 each, and; (3) grants for improvements, repairs, and development of various wetlands and shooting ranges. Appropriations under this line item are authorized for three consecutive years as the use of these funds is for projects that are capital in nature (but are of a small enough size to not qualify as capital). The 3 year spending authority can be found in footnote section of the Division’s Long Bill.

ASSET MAINTENANCE AND REPAIRS

This line item was consolidated in 2014 as part of an overall reorganization of the Division’s line item structure, following the merger of the Division of Parks and Outdoor Recreation and the Division of Wildlife in 2011. Subsequent to the merger but prior to this reorganization, the CPW section of the Long Bill had two line items for asset maintenance and repair projects – one for Colorado State Parks and one for the Division of Wildlife. In 2014 these existing line items were consolidated into a single Asset Maintenance and Repairs line item.

The purpose of this line item appropriation is to address projects that are for the most part under \$50,000, and that are more maintenance in nature as defined under Section 24-75-112, C.R.S. and OSPB Budget Instructions. Because Colorado Parks and Wildlife is primarily cash funded, the State Architect’s Controlled Maintenance program is not available to CPW facilities. Therefore, CPW developed its own controlled maintenance program and implemented it in FY07-08. This program includes an assessment of CPW’s total facility inventory, condition, and risk to health, life and safety. Projects submitted for funding are selected based on a statewide condition assessment and risk process. The overall goal of projects under the Asset Maintenance and Repairs line is to maintain the Division’s existing facilities to a “C” grade or better. Thus, most projects submitted for this funding received a “D” or “F” in their condition assessment. The program attempts to maintain existing assets in a consistent, systemic, and programmatic fashion. Appropriations under this line item are authorized for three consecutive years as the use is for projects capital in nature (but are of a small enough size to not qualify as capital). The 3 year spending authority can be found in footnote section of the Divisions long bill.

BEAVER PARK DAM REPAYMENT

Beaver Park Dam is CPW’s primary water storage and water rights management vessel for the San Luis Valley due to its location in the basin and its pre-compact status. The Beaver Park Dam is classified as a High Hazard dam and was placed under a Colorado Division of Water Resources storage restriction to ensure dam safety based on the discovery in 2010 of a sink hole in the downstream slope of the dam. In FY 2011-12, the Division submitted a request for the Beaver Park Dam Rehabilitation Project. This project was

initiated to rehabilitate and repair the dam to avoid a potential future dam failure and allow the Division to effectively use the water storage capacity of the reservoir. Construction is funded by Division cash and by a loan from the Colorado Water Conservation Board. This line item provides spending authority for repayment of the CWCB loan.

INDIRECT COST ASSESSMENT

This line is composed solely of the Indirect Cost Assessment. The appropriation is used to offset the need of General Fund for overhead expenses of the Executive Director's Office.

(6) COLORADO WATER CONSERVATION BOARD

(A) ADMINISTRATION

PERSONAL SERVICES

The Colorado Water Conservation Board (CWCB) was created in 1937 with a mission to conserve, develop, protect, and manage Colorado's water for present and future generations. CRS 37-60-104 (1) defines the requirement of the 15-member Board of Directors and CRS 37-60-106 describes the duties of those board members. CRS 37-60-111 (1) defines the role of the CWCB Director, who is the chief administrative head of the Board, under the supervision and direction of the Board, and who has supervision of the CWCB's activities and employees. CRS 37-60-111 (3) establishes that the Board employ staff that are technical, clerical, and any other personnel who can enable the Board to perform duties and carry out the mission of the CWCB.

While the number of staff members has grown over the years since 1937, the Legislature has approved all increases for the number of personnel who work for the CWCB and the appropriation for this line item. Governed by a 15-member Board, the CWCB's responsibilities range from protecting Colorado's streams and lakes to water conservation, flood mitigation, watershed protection, stream restoration, drought planning, water supply planning and water project financing. The CWCB also works to protect the state's water apportionments in collaboration with other western states and federal agencies.

OPERATING EXPENSES

The Operating Expenses line item is mandated by Article 60 of the Colorado Revised Statutes. This line item was a standalone line item until FY 2011-12 when it was combined with the Interstate Compacts and the Western States Water Council Dues line items per Decision Item #5 (Increased Dues). Funding from the former Interstate Compacts line item helps the CWCB to maintain the State's ability to utilize and develop its entitlements under interstate compacts and equitable apportionment decrees in accordance with state water law. Since the line items were combined, the CWCB uses the Operating Expenses line item to continue these efforts along with paying for day to day operating expenditures.

RIVER DECISION SUPPORT SYSTEMS

The Long Bill line item for the River Decision Support Systems (RDSS) provides funding to the CWCB to support Colorado's Decision Support Systems (CDSS). The CDSSs are water management systems being developed by the CWCB and the Division of Water Resources for each of Colorado's major water basins. The goals of CDSS are:

- Develop accurate, user-friendly databases that are helpful in the administration and allocation of waters of the State of Colorado
- Provide data, tools and models to evaluate alternative water administration strategies, which can maximize utilization of available resources in all types of hydrologic conditions
- Be a functional system that can be used by decision makers and other and be maintained and upgraded by the State
- Promote information sharing among government agencies and water users

(B) SPECIAL PURPOSE

INTRASTATE WATER MANAGEMENT AND DEVELOPMENT

In 2003, the Colorado Legislature, recognizing the critical need to understand and better prepare for the state's long-term water needs, authorized CWCB to implement a Statewide Water Supply Initiative (SWSI). The overall objective of the SWSI program is to help Colorado maintain an adequate water supply for its citizens and the environment.

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On the heels of the initial SWSI study, the legislature created the Water Supply Management, Development, and Implementation Assistance Program, with the goal of providing broad technical expertise in water use, water availability, water rights, water supply infrastructure design and costing. Shortly after implementation, in 2006, the CWCB requested a name change of the program and line item to *Intrastate Water Management and Development*, which more appropriately reflects the type of work performed and completed. (A footnote reflecting this change appeared at the bottom of the *Schedule 3* document for the division's FY 2008-09 budget request.)

The Intrastate Water Management and Development line item was created (via the Decision Item Process) in 2006 and formalized in HB 06-1385. Also in 2006, the General Assembly established the Water Supply Reserve Account via SB 06-179. The Account provides money for grants and loans to complete water activities. Water activities are broadly defined and include water supply and environmental projects and/or studies. Requests for monies from the Account must be approved by Basin Roundtables established under Section 37-75-104, Colorado Revised Statutes. Once approved by the Basin Roundtable, requests are forwarded to the Colorado Water Conservation Board to evaluate and make decisions regarding funding. The Intrastate Water Management and Development Section receives and processes all applications for approval by the CWCB Board members.

FEDERAL EMERGENCY MANAGEMENT ASSISTANCE

This is a federally funded program that provides flood plain mapping and information about flood prevention. In FY 2005-06, via the Decision Item process, the CWCB received an increase of \$99,248 for additional moneys for flood plain mapping and flood prevention services.

The FTE for the Map Modernization Program functions as Colorado's Map Modernization Coordinator. The FTE serves the State for the execution of the program management and related mapping needs. The Colorado Map Modernization Coordinator handles day-to-day issues, and coordinates and provides valuable input to the Federal Emergency Management Agency (FEMA) and the overall mapping process in addition to serving the needs of Colorado communities to ensure high quality mapping products. The Map Modernization Coordinator is the main point of contact for the State for all map modernization related activities in Colorado.

The FTE for the Community Assistance Program serves as the State Coordinator for the National Flood Insurance Program (NFIP) and has numerous responsibilities related to NFIP performance measurement, community assistance visits, ordinance assistance, community information system, floodplain mitigation strategies, education and outreach, technical assistance, Community Rating System (CRS) support, mapping coordination assistance, intra- and inter-state coordination, and other related activities. The position

also serves as the State Hazard Mitigation Officer in the event of a federally declared flood disasters, and has a primary responsibility as the CWCB representative within Disaster Field Offices when they become active.

WEATHER MODIFICATION

Colorado has had weather modification operations and research conducted in the State since the 1950s and there has been a program to permit weather modification since 1972. After the significant drought that began in early 2000, many new weather modification permits have been developed. Administration of Colorado's Weather Modification Permit Program is the responsibility of the Executive Director of the Department of Natural Resources. This responsibility was delegated to the Director of the Colorado Water Conservation Board in 1987. In 1996, the General Assembly decided that the State should continue to issue permits in order to monitor and keep the public informed about weather modification activity. While weather modification licenses were eliminated, the qualifications for operating a weather modification program were made part of the permitting process. The Weather Modification program resides within the Flood Protection Section of the CWCB.

WATER CONSERVATION PROGRAM

The Long Bill line item for the Water Conservation Program funds the Office of Water Conservation and Drought Planning (OWCDP). This Program 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.

In 2004, the General Assembly passed HB 1365, which enhances the elements that must be considered by a covered entity when creating a water conservation plan amended the Water Conservation Act of 1991. This provision established water savings goals and provided a better indication to the overall effectiveness of the entity's water conservation plan. In addition, the CWCB began to participate in drought mitigation planning and created a new grant mechanism from the severance tax operational fund to allow water entities to apply for grants to assist them with water conservation and drought planning activities. On July 1, 2005, the CWCB began to accept applications under HB 04-1365 for water conservation planning grants to provide financial assistance to covered entities.

In 2005, the General Assembly adopted House Bill 1254 that created the Water Efficiency Grant Program Cash Fund, which is administered by the Colorado Water Conservation Board and this Program.

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Other activities for the Program include:

- Researching drought analysis and planning techniques, surveying water users to determine the extent of drought planning, compiling drought histories for each river basin, developing drought response options, conducting conferences on drought, and drought fact sheets and planning documents.
- Chairing or attending meetings of the Water Availability Task Force.
- Providing technical and financial assistance to covered entities and other water providers.
- Reviewing water conservation and drought mitigation plans to determine if they meet statutory requirements.
- Administration of a grant program designed to increase the quality and quantity of drought and conservation planning at the local level.
- Continuation of active demonstration projects, review project progress, analysis and documentation of benefits from projects activities.

In addition, this Long Bill line item includes legislatively approved funding for the following purposes:

- Precipitation Harvesting Pilot Projects (HB 09-1129): The legislature established a 10-year pilot program for the collection of precipitation from rooftops for nonpotable use. The program goals are to provide an evaluation of the technical ability to determine how much precipitation returns to the natural stream system, a baseline to measure local precipitation patterns and ground water flow information, information at which point precipitation harvesting causes injury to water rights, and to adjudicate permanent augmentation plans.
- Promote Precipitation Harvesting Pilot Projects (HB 15-1016): This bill changes the requirements of HB 09-1129 (Precipitation Harvesting Pilot Projects) to encourage more applicants by directing the CWCB to update the criteria and guidelines for projects, reducing the amount of water needed for a project's temporary substitute water plan and permanent augmentation plan, and extending the repeal date from July 1, 2020, to July 1, 2026.
- Water Conservation Training (SB 15-008): This bill directs the CWCB, in consultation with the Division of Planning in the Department of Local Affairs, to develop training programs for local government water and land use planners on the best management practices for water demand management and conservation.

WATER EFFICIENCY GRANT PROGRAM

The Water Conservation Act of 2004, adopted by the 2004 Colorado General Assembly under HB04-1365, not only expanded the responsibilities of the Office of Water Conservation and Drought Planning (OWCDP) to include providing technical assistance for drought planning, but it also added additional plan elements required of all water conservation plans submitted for State approval. Following on the heels of the 2002 drought, the legislature recognized the need to provide a strong incentive for conservation and drought planning. Thus, the General Assembly created a mechanism for the Colorado Water Conservation Board, through the OWCDP, to provide grant monies for water conservation and drought mitigation planning.

The Water Efficiency Grant Program offers financial assistance, in the form of grants, to covered entities to aid in implementing their water conservation plan goals and programs identified in their locally adopted water conservation plans. The Program also gives grants to help agencies promote the benefits of water efficiency through public education and outreach programs. The Water Efficiency Grant Program provides financial assistance to covered entities and qualifying agencies that are seeking to perform or promote more meaningful water conservation statewide.

SEVERANCE TAX FUND

In Colorado producers of gas, oil, coal, metals, and molybdenum pay a severance tax, with half of the proceeds deposited in the State Severance Tax Trust Fund, which is administered by the Department of Natural Resources. One half of the revenue to the State Severance Tax Trust Fund is then allocated to the Operational Fund pursuant to Section 39-29-109 (2)(b). Programs supported by the Operational Account must promote natural resource planning, management, and development related to minerals, energy, geology, and water. The legislature may appropriate funds from the Operational Account as follows:

- Colorado Oil and Gas Conservation Commission 35%
- Colorado Geological Survey 15%
- Division of Minerals and Geology 30%
- Colorado Water Conservation Board 5%
- Colorado Parks and Wildlife (for Wildlife programs) 5%
- Colorado Parks and Wildlife (for State Park operations) 10%

The CWCB annually prepares an Operational Account expenditure proposal comprised of agency initiatives and grant requests submitted by other parties. These proposals are forwarded to the CWCB Board and the DNR Executive Director for review and approval.

INTERBASIN COMPACTS

H.B. 05-1177 Negotiation of Interbasin Compacts created nine permanent basin roundtables to develop a common understanding of existing water supplies and future water supply needs and demands throughout Colorado, and possible means of meeting those needs. To help accomplish this goal, local interest groups and water experts were assembled in each of Colorado's eight major river basins including a sub-region in the metro area. These “Basin Roundtables” include municipal users, agricultural users, local governments, water conservation and conservancy districts, recreational and environmental interests, and the business community. The focus of the Basin Roundtable meetings is information exchange on water use and on consensus building. In FY 2007-08, all funding and 0.5 FTE from H.B. 05-1177 were transferred to the new line item called “Interbasin Compacts.”

H.B. 06-1400 Interbasin Compacts was approved during the 2006 Legislative Session. This bill altered the boundaries that defined certain western slope basin roundtables and made an appropriation from the Severance Tax Trust Fund to create the Office of Compact Negotiations.

PLATTE RIVER BASIN COOPERATIVE AGREEMENT

Colorado became a participant in the Platte River Endangered Species Cooperative in 1997. The Cooperative Agreement is a three-year agreement signed by the governors of Wyoming, Colorado, and Nebraska and by the Secretary of the Interior to address the protection and restoration of various endangered species habitats along the North Platte River. The Long Bill appropriation to this line item supports 1.0 FTE and contractual personal services for ongoing administration of the program and Colorado’s portion of contract technical support.

S.B. 02-87 COLORADO WATERSHED PROTECTION FUND

Senate Bill 02-087, adopted by the 2002 Colorado General Assembly, establishes the Colorado Watershed Protection Fund (CWPF). The legislation authorized the Fund to be added to the Colorado Individual Income Tax Refund Check-off Program to give taxpayers the opportunity to voluntarily contribute to watershed protection efforts in Colorado. Watershed groups need to apply to the CWPF by April 30th of each year.

HB 15-1006 INVASIVE PHREATOPHYTE MANAGEMENT GRANT PROGRAM

House Bill 15-1006 was adopted by the 2015 Colorado General Assembly. The bill creates a two-year Invasive Phreatophyte Grant Program for projects that manage invasive phreatophytes, including tamarisk and Russian Olive, within the riparian areas of the state. The grant program receives \$2 million from the Severance Tax Operational Fund annually, which is transferred to the CWCB Construction Fund. The CWCB is required to provide annual reports to the House and Senate agriculture committees on the progress of the grant program as well as provide a final report by March 1, 2018.

HB 15-1178 EMERGENCY DEWATERING GRANT PROGRAM

House Bill 15-1178 establishes a grant program to facilitate the emergency pumping of dewatering wells in the areas of Gilcrest and Sterling, Colorado, and the collection of real-time data during the operation of dewatering wells. This bill transfers \$165,000 from the General Fund to the Emergency Dewatering Grant Account in the Colorado Water Conservation Board (CWCB) Construction Fund for FY 2015-16. In addition, Senate Bill 15-253 (the CWCB Projects Bill) appropriates \$125,000 from the CWCB Construction Fund to the CWCB in FY 2015-16 to construct, maintain, and monitor dewatering infrastructure, cover dewatering well pumping costs, install monitoring devices, collect and analyze groundwater data, evaluate the cause of high groundwater levels, and performing modeling. As such, the total amount appropriated for dewatering from House Bill 15-1178 and Senate Bill 15-253 is \$290,000 for FY 2015-16.

INDIRECT COST ASSESSMENT

The Indirect Cost Assessment supports activities in the Department of Natural Resources' Executive Director's Office. The amount is calculated by the EDO budget staff based on personal services expenditures from the most recently completed fiscal year.

(7) DIVISION OF WATER RESOURCES

(A) DIVISION OPERATIONS

WATER ADMINISTRATION

Water Administration consists of two sub-programs: administration of intrastate water rights and interstate compact enforcement. The process of allocating water to various water users is traditionally referred to as water rights administration. It is the statutory responsibility of DWR to verify: (1) stream diversions are per decree; (2) wells are operated in compliance with their decrees; (3) augmentation plans or substitute water supply plans are replacing stream depletions, and; (4) interstate compact flows are delivered to downstream states. This requires daily oversight of the water allocation system that distributes water to farmers, industries, municipalities, and all other water users. Through the administration of approximately 170,000 water rights through over 45,000 structures, DWR provides supervision and control of surface and ground water resources in Colorado. There are seven division offices located throughout the state, one in each major drainage basin; these division offices employ field staff, including water commissioners, who perform duties that contribute to water administration. Duties of the field staff include turning headgates to control water flow, collecting water use and/or diversion data, and enforcing decrees and water laws.

WELL INSPECTION

The Well Inspection Program is primarily focused on protecting the quality of groundwater in Colorado by licensing water well construction contractors and by enforcing existing rules and regulations. Groundwater is a drinking water source (potable supplies) for many households and municipalities. It is also extensively used for irrigation of crops for human consumption. Improper construction of wells can lead to aquifer contamination. The Well Inspection Program has two components: a staff of inspectors and a board which sets standards for construction and licensing. Therefore, this program sets and enforces minimum construction standards through approved permits 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 6,000 oil and gas wells that require a water well permit by the Division of Water Resources (DWR).

The General Assembly created the State Board of Examiners of Water Well Construction and Pump Installation Contractors (Board) under DWR. The Board consists of five members, three appointed by the Governor; one member is the State Engineer or a representative designated by the State Engineer; and one representative is from the Colorado Department of Public Health and

Environment. The Board is authorized to develop standards for construction to protect the aquifers and to license contractors for well construction. The Board is also authorized to enforce the rules and standards for well construction and pump installation. The State Engineer provides support staff for the Board and assists in the efficient and effective discharge of its duties and responsibilities. In 2003, the General Assembly passed Senate Bill 03-45 authorizing the creation of a well inspection program that is funded through a well permit application fee (Section 37-91-113, C.R.S.). Without such a program, there is little ability to locate substandard constructions which could allow contamination of the aquifers. This inspection program, in conjunction with the Board, protects the groundwater aquifers in Colorado.

SATELLITE MONITORING SYSTEM

The Satellite Monitoring System line item was created to support satellite-linked water resource monitoring stations throughout the state and is essential to daily water administration, the early flood warning system, low flow warning system, as well as administration of water rights and interstate compacts. The major DWR program supported by the Satellite Monitoring System line is water administration; it provides "real-time" stream flow information that is used by the Division of Water Resources for water administration, water users such as agricultural and municipal users, non-consumptive water users like the Colorado Water Conservation Board for instream flow purposes, and other interested persons such as rafters and anglers. This line item is used to support the wages of an electronics technician, the purchase of supplies necessary for the maintenance and upkeep of the gauging sites, and mileage for the technician to travel to and from the many sites. Some cash revenue is generated through voluntary fees from conservancy districts, water users, user associations, and municipalities, pursuant to Section 37-80-111.5, C.R.S.

FEDERAL GRANT

The Federal Grant line item was created to accept grants from outside entities. Part of the funding is from the Federal Emergency Management Agency (FEMA) to support the Division of Water Resources' Dam Safety program; the funding also includes small sums from the U.S. Bureau of Reclamation to support a water project in the San Luis Valley and provide gauging station maintenance for the Williams Fork gauge in northwestern Colorado

RIVER DECISION SUPPORT SYSTEM

The Colorado's Decision Support Systems (CDSS) provide factual information on which to make informed decisions concerning the management of Colorado water. The CDSS represents a statewide decision support system for the Colorado, Rio Grande, South

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Platte, and Arkansas River Basins. The system consists of databases and models that facilitate decision making related to interstate compacts, water resource planning, and water rights administration through use of historic data and geographic information systems. The CDSS has provided significant benefits to the State of Colorado and her citizens, including water users in agriculture, industry, recreation, and the conservation community. Direct benefits include allowing decision-makers access to water resource data to simulate potential decisions and policies and examine potential consequences related to the following:

- Interstate Compact Policy, including evaluation of alternative reservoir operating policies, and determination of available water for development and maximization of Colorado's apportionment.
- Water Resource Planning, including development and use of a water resource-planning model (new projects, water exchanges, operating plans) and evaluation of impacts of instream flow appropriations (endangered fish flow, minimum flows).
- Water Rights Administration, including optimization of water rights administration, on-line sharing of information between water users, and administration of water rights within compact allocations (alternative strategies of administration which will enable the maximum use of available resource).

Funds for this program have been provided both in the annual Colorado Water Conservation Board Construction Fund Bill (in support of development) and in the Long Bill (in support of ongoing costs starting in FY 1998-99). Appropriations have been made to both the Water Conservation Board and the Division of Water Resources. The major DWR program supported by the River Decision Support System line item is water administration.

(B) SPECIAL PURPOSE

DAM EMERGENCY REPAIR

Pursuant to Section 37-87-108.5, C.R.S, this appropriation provides funding to the State Engineer in the event emergency action is necessary to repair a dangerous or threatened dam. Cash funds are from the Emergency Dam Repair Cash Account within the Water Conservation Board Construction Fund. Pursuant to Section 37-60-122.5, C.R.S., a maximum amount of \$50,000 is continuously appropriated. Funds expended are recoverable from the dam owner. In FY 2013-14, the Division used the entire \$50,000 from this line item to help address emergency dam modifications at Two Buttes Dam in southeastern Colorado. Additional funding for these dam repairs came directly from Colorado Parks and Wildlife, the owner of the Two Buttes Dam. The major DWR program funded by the Emergency Dam Repair line is Dam Safety.

H.B. 03-1334 TEMPORARY INTERRUPTIBLE WATER SUPPLY AGREEMENTS

House Bill 03-1334 enabled water users to transfer the historical consumptive use of an absolute right for application to another type or place of use on a temporary basis, without permanently changing the water right. The legislation authorized the State Engineer to approve and administer interruptible water supply agreements that permit a temporary change in the point of diversion, location of use, and type of use of any absolute water right without the need for adjudication. The major DWR program supported by this line item is water administration. In FY 2005-06, the funding associated with this legislation was separated out into its own line item, pursuant to the Division's request. The funding will only be expended in this area upon receiving a request for a temporary interruptible water supply agreement. Applicants for approval or renewal of an interruptible water supply agreement pay a fee to the Division to cover associated costs. In FY 2011-12 the cash fund to support this program was consolidated into a new cash fund – the Water Administration Cash Fund.

INDIRECT COST ASSESSMENT

The amount collected from this line item is used to offset the need for General Fund for overhead expenses appropriated in the Executive Director's Office.

SATELLITE MONITORING SYSTEM MAINTENANCE

This line item is included to reflect the cash funds spending authority for water projects from the Colorado Water Conservation Board Construction Fund established pursuant to Section 37-60-121 (1) (a), C.R.S. (this is not a line item in the Long Bill). Funding for Satellite Monitoring System Maintenance is used for data collection platform replacement and upgrades, stream gage/cableway refurbishment, and field satellite telemetry equipment maintenance. The major DWR program funded by this line is water administration.