

DEPARTMENT OF NATURAL RESOURCES
FY 2023-24 JOINT BUDGET COMMITTEE HEARING AGENDA

Wednesday, December 14, 2022

10:30 am – 12:00 pm

10:30-10:40 INTRODUCTIONS AND OPENING COMMENTS

Main Presenter: Dan Gibbs, DNR Executive Director

Supporting Presenter:

- Heather Disney Dugan, Acting Director, Colorado Parks and Wildlife

10:40-11:00 COMMON QUESTIONS

Main Presenter:

- Dan Gibbs, DNR Executive Director

Supporting Presenters:

- Windi Padia, DNR Chief Operating Officer
- Carly Jacobs, DNR Chief Budget Officer
- Nate Pearson, DNR Recovery Officer

Topics:

- Question 1: Pages 1-3 in the packet, Slides 11-12
- Question 2: Pages 3-4 in the packet
- Question 3: Page 4 in the packet
- Question 4: Page 5 in the packet

11:00-11:20 WATER

Main Presenters:

- Dan Gibbs, DNR Executive Director
- Lauren Ris, Deputy Director, Colorado Water Conservation Board

Supporting Presenters:

- Kevin Rein, State Engineer and Division Director, Division of Water Resources
- Anna Mauss, Chief Operating Officer, Colorado Water Conservation Board

Topics:

- Update on legislation with one-time funding: Pages 6-9, Question 5 in the packet, Slides 17-19
- Water-related Investments: Page 9, Question 6 in the packet, Slides 17-19
- CWCB Water Projects Loans: Pages 9-10, Question 7 in the packet, Slides 17-19

11:20-11:35 WILDFIRE

Main Presenters:

- Dan Gibbs, DNR Executive Director

Supporting Presenters:

- Matt McCombs, Director and State Forester, Colorado State Forest Service
- Angela Boag, DNR Assistant Director for Climate and Forest Health

Topics:

- Past wildfire investments and current request: Page 10-12, Question 8 in the packet, Slides 21-22
- Requested fund creation: Page 12, Question 9 in the packet, Slides 21-22

11:35-12:00 OIL AND GAS

Main Presenters:

- Dan Gibbs, DNR Executive Director
- Julie Murphy, Director, Colorado Oil and Gas Conservation Commission

Topics:

- Duplication of Work: Pages 12-14, Questions 10-11 in the packet
- Planning and Permitting Unit Resources: Pages 14-15, Questions 12-13 in the packet
- Environmental Unit Resources: Pages 15-17, Questions 14-16 in the packet
- Compliance Unit Resources: Page 18, Question 17 in the packet

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COMMON QUESTION FOR DISCUSSION AT DEPARTMENT HEARINGS

- 1 *Please describe the implementation plan for new programs added to the Department from one-time stimulus funds (such as the CARES Act, ARPA, and one-time General Fund), as well as any challenges or delays to program implementation.*

Response: The Department has been the beneficiary of significant investments of stimulus and recovery funds across numerous divisions. While the Department has not received funding from the CARES Act, it has received and is managing one-time General Fund (\$114M) and ARPA (\$77M) funding. There are currently no major challenges or delays in program implementation. Below are details of all of the Department's stimulus and recovery funding by division/program:

Colorado Avalanche Information Center (CAIC)

House Bill 21-1326 appropriated \$750,000 one-time General Fund to the Colorado Avalanche Information Center to support the backcountry avalanche safety program. The primary goal in implementation of this new funding has been to improve public safety through improved forecasts, targeted messaging, and broad public outreach efforts. With the support of this funding, the CAIC has improved its public safety products by replacing and rebuilding aging technology systems. Funding has also been expended on personal services expenses for staff (3.0 FTE), also improving the quality of public safety products published by the CAIC. The new systems provide forecasters with more options as they create products to support other government agencies, private sector groups, and the general public. New capabilities include: explaining the types of products to target specific user groups, issuing products for smaller areas to provide more detail on dangerous avalanche areas, and providing forecasts for longer time periods to allow for better planning. While revenue to support these ongoing efforts is expected in FY 2024-25 as a result of the Keep Colorado Wild Act (S.B. 21-249), the CAIC has requested funding in FY 2023-24 (DNR R-07 Support for Winter Recreation and Avalanche Safety) to provide a bridge until ongoing revenue is available.

Colorado Strategic Wildfire Action Program (COSWAP)

The Colorado Strategic Wildfire Action Program (COSWAP) has been the recipient of multiple installments of one-time funding. In the 2021 legislative session, S.B. 21-258 provided an initial investment of \$17.5 million. All funds subject to this initial investment are expected to be encumbered or expended prior to the June 30, 2023 deadline provided in statute. In the 2022 legislative session, H.B. 22-1379 provided an additional \$2 million ARPA funds and H.B. 22-1012 provided an additional \$2.0 million General Fund. The Department continues to develop implementation plans for the

additional one-time appropriations provided during the 2022 legislative session. In addition to the one-time funds discussed above, the Department has requested an additional \$7 million for the COSWAP program in FY 2023-24. Of the total \$7 million requested, \$5 million is ongoing from the Severance Tax Operational Fund and \$2 million is a one-time request for General Fund in FY 2023-24.

Colorado Parks and Wildlife (CPW)

Colorado Parks and Wildlife (CPW) received one-time stimulus funds through H.B. 21-1326 and S.B. 21-112 and implementation has begun as outlined below.

- House Bill 21-1326

House Bill 21-1326 transferred and appropriated a total of \$22 million in FY 2020-21 to programs managed by CPW. CPW plans to fully spend the funds prior to expiration of June 30, 2024. One-time funds to CPW included:

- *\$3.5 million to the Wildlife Cash Fund for implementation of the State Wildlife Action Plan (SWAP), including \$1 million for the Human-Bear Conflict Reduction Grant Program.* CPW is in the process of implementing many SWAP projects with the one-time funds, including but not limited to Black-footed Ferret and Black Rail research, Burrowing Owl status assessment, and multiple projects to benefit native fish reintroduction and management. CPW created the new grant program and established the external advisory board. Grants have been awarded to 11 organizations for projects to minimize human-bear conflicts.
- *\$1.0 million to the Outdoor Equity Fund for grants.* The Outdoor Equity Board has granted approximately \$900,000 of the one-time funding for projects that increase access and opportunity for underserved youth and their families to experience Colorado's open spaces, state parks, public lands, and other outdoor areas. CPW is currently reviewing grant applications for the next round and plans to fully grant and spend the remaining funds prior to expiration.
- *\$17.5 million General Fund transferred to Parks and Outdoor Recreation Cash Fund:*
 - \$14.0 million for infrastructure and state park development projects- Funding in this bucket is intended for investments in campgrounds, trails, roads, restrooms, and other facilities; project planning or cultural or natural resources studies as necessary to complete the projects; and any necessary expenses to allow for the use of properties that the Division holds for state parks purposes. CPW plans to spend the funds on: campground projects at Boyd Lake State Park, campground projects at Sweitzer Lake State Park, swim beach improvements at Cherry Creek State Park, campground projects at Highline Lake State Park, and due diligence and planning for a state park at Sweetwater Lake.
 - \$3.5 million for staffing and maintenance projects at state parks- CPW has allocated all of the funding towards staffing and associated vehicle leases, and operating costs at state parks. CPW will fully spend the funds by June 30, 2023, one year prior to expiration. CPW has hired many of the 14.0 FTE appropriated through the bill, including several park managers that are still in the one-year training program and have not yet been

assigned to a park. CPW's FY 2023-24 R-08 decision item includes a request to continue funding these positions on an ongoing basis past FY 2022-23.

- Senate Bill 21-112:
Senate Bill 21-112 appropriated \$20 million from the Capital Construction Fund for infrastructure development projects at 11 state parks and one recreation area. Two of the projects have been completed and the remaining nine are underway and planned to be completed by June 30, 2024, when the funding expires.

Colorado Water Conservation Board (CWCB)

During the 2021 and 2022 legislative sessions, the CWCB received \$131 million in one-time funding for water-related programs. The CWCB has not experienced challenges or delays to program implementation. Detailed information on the implementation of programs associated with these funds is provided in the response to Question 5 below.

The Department has also received funding from the Infrastructure Investment and Jobs Act (IIJA) that is stimulus in nature, but with a much longer timeline than the one-time funding identified above. To date DNR has received \$25 million in IIJA funding, with another \$10 million expected to be allocated in the near future:

- Colorado Oil and Gas Conservation Commission – Orphaned Well Program
The IIJA included grant funding for state orphaned well programs through the Department of the Interior. COGCC expects to receive as much as \$149 million in federal funding for the plugging, remediation, and reclamation of orphaned sites and wells through 2031 and has begun hiring additional staff to increase the operational capacity of the Orphaned Well Program.
- Division of Reclamation, Mining, and Safety – Inactive Mines Reclamation Program (IMRP)
The IIJA included funding for states to address hazards associated with legacy coal mining (pre-1977) that pose a threat to public health, safety, and the environment. The IMRP expects to receive approximately \$10 million annually through the Office of Surface Mining, Reclamation, and Enforcement for each of the next 15 years. DNR has been coordinating with the Office of Just Transition and the Office of Economic Development and International Trade to maximize the potential impact of funds on current and former coal communities.

2 *Please identify how many rules you have promulgated in the past year (FY 2021-22). With respect to these rules, have you done any cost-benefit analyses pursuant to Section 24-4-103 (2.5), C.R.S., regulatory analyses pursuant to Section 24-4-103 (4.5), C.R.S., or any other similar analysis? Have you conducted a cost-benefit analysis of the Department's rules as a whole? If so, please provide an overview of each analysis.*

Response: Four divisions within the Department of Natural Resources promulgated rules in FY 2021-22. In each case, no cost-benefit analysis (CBA) or regulatory analysis was required or conducted unless otherwise indicated in the following responses:

Division of Reclamation, Mining, and Safety (DRMS): The DRMS Minerals Program completed a rulemaking in May 2022 to revise Hard Rock and Metal Mining rules to implement provisions in H.B. 19-1113, Protect Water Quality Adverse Mining Impacts, and establish the definition of production for temporary cessation of mining.

Colorado Oil and Gas Conservation Commission (COGCC): The COGCC conducted rulemakings on three topics in FY 2021-22: (1) Financial Assurance, as mandated by S.B. 19-181; (2) annual updates to High Priority Habitat maps; and (3) establishing the Orphaned Well Mitigation Fee. Pursuant to Sections 24-4-103 (2.5) and 24-4-103 (4.5), C.R.S., COGCC staff completed both cost-benefit and regulatory analyses of the draft Financial Assurance rules. A summary of these analyses can be found on [pages 9 through 11 of the results of the analyses](#) published to the COGCC website.¹

Colorado Parks and Wildlife (CPW): CPW implemented approximately 84 regulatory changes in FY 2021-22. Key regulatory changes included rules related to authorizing livestock owners and their agents to haze gray wolves to prevent or reduce injury to livestock, adjusting license fees according to the consumer price index, and setting the annual price for the Keep Colorado Wild Pass at \$29. In addition, CPW makes a large number of quota changes, season date changes, and other hunting-specific changes to the agency regulations each year. In total, CPW has over 4,000 individual hunt codes used for issuing licenses by specific species, sex, geographic area, season and method of take. CPW does not track statistics related to these specific changes.

Colorado Water Conservation Board (CWCB): CWCB staff completed a rulemaking process in November 2021 to update the Floodplain Rules and Regulations for Regulatory Floodplains in Colorado (Rules), 2 CCR 408-1. The rulemaking: (1) updated the standards and processes for floodplain designation to be consistent with FEMA floodplain mapping procedures; (2) amended and clarified certain definitions; (3) updated references to external documents; and (4) revised specific rules for clarification. A cost-benefit analysis was requested and conducted pursuant to Section 24-4-103 (2.5), C.R.S. The analysis demonstrated that the revisions result in non-economic benefits of consistency and clarity, and that there are no costs associated with them.

- 3 *How many temporary FTE has the Department been appropriated funding in each of the following fiscal years: FY 2019-20, FY 2020-21, FY 2021-22, and FY 2022-23? For how many of the temporary FTE was the appropriation made in the Long Bill? In other legislation? Please indicate the amount of funding that was appropriated. What is the department's strategy related to ensuring the short term nature of these positions? Does the department intend to make the positions permanent in the future?*

Response: The Department is unable to provide temporary FTE counts. Temporary FTE are not included in the statutory definition of FTE pursuant to Section 24-75-112(1)(d)(II), C.R.S., which states that FTE does not include contractual, temporary, or permanent season positions. The department has provided as part of the November 1 request the Schedule 14A and 14B which provides actual expenditures. For the upcoming years, the department manages the dollar appropriation which has been affirmed by two Supreme Court cases (Colorado General Assembly v. Owens and Anderson v. Lamm).

¹ http://cogcc/documents/sb19181/Rulemaking/Financial%20Assurance/FINAL_FA_Combined_CBA_RA_10-29-21.pdf

- 4 *Please provide a description, calculation, and the assumptions for the fiscal impact of implementing the provisions of the Partnership Agreement, including but not limited to changes in annual leave accrual, holiday pay, and paid family and medical leave. If your department includes employees who are exempt from the Partnership Agreement, please indicate whether or not you intend to implement similar benefit changes as those required for covered employees. Please provide a breakdown of the fiscal impact of implementing the provisions of the Partnership Agreement for: a) employees who are subject to the Agreement, and b) employees who are exempt from the Agreement.*

Response: The cost to departments for employees using the paid family medical leave was requested and approved last year (DPA FY 2022-23 R-02). For FY 2023-24 the cost is part of the POTS appropriation called Temporary Employees Related to Authorized Leave. The adjustment to annual leave and the additional holiday, as noted in the fiscal note for the bill (S.B. 22-139) were expected to be minimal and if necessary will be addressed through the annual budget process. The Governor's November 1, 2022, budget included funding for the economic articles of the Partnership Agreement, including funding for paid family medical leave. The department is working with OSPB and DPA to submit a January budget amendment if necessary to seek additional adjustments related to the Partnership Agreement. In addition, OSPB will provide the JBC with a breakdown of the fiscal impact of implementing the Partnership Agreement by department.

WATER

5 Please provide an update on legislation implemented with one-time funding, specifically highlighting:

- Colorado River-related investments and projects
- Watershed restoration
- Update on development of the Turf Replacement Program (H.B. 22-1151)
- Work related to the Water Plan

Response: The following table summarizes legislation implemented with one-time funding for Colorado River-related investments, watershed restoration, and the Turf Replacement Program:

Bill	Funding	Purpose
HB 21-1260	\$5,000,000	GF transfer to the CWCB Water Supply Reserve Fund to provide grants to assist water users in addressing water supply issues.
	\$15,000,000	GF transfer to the CWCB Water Plan Implementation Cash Fund to initiate grant funding for diverse and multi-beneficial projects for communities, rivers, and economies in Colorado.
SB 21-054	\$4,000,000	GF transfer to the CWCB Construction Fund for the Watershed Restoration Program to issue grants to support planning and implementation for watershed restoration and flood mitigation projects related to damage from the 2020 wildfire season.
SB 21-240	\$30,000,000	GF transfer to the CWCB Construction Fund for watershed restoration and flood mitigation grants and to conduct a watershed analysis.
HB 22-1379	\$15,000,000	Economic Recovery and Relief Cash Fund (ARPA) transfer to the CWCB Construction Fund that contributes to watershed restoration and capacity building to support pursuit of federal funding opportunities.
HB 22-1151	\$2,000,000	GF transfer to the CWCB for a newly created cash fund to create a Turf Replacement Program that incentivizes the voluntary replacement of nonessential irrigated turf on residential, commercial, institutional, or industrial properties in Colorado with less water-intensive, more water-wise landscape.
SB 22-028	\$60,000,000	Appropriation from the Economic Recovery and Relief Cash Fund (ARPA) to finance groundwater use reduction efforts in the Rio Grande and Republican River basins.
Total	\$131,000,000	

Colorado River-related Investments and Projects

The Colorado Water Conservation Board (CWCB) has not received American Recovery Plan Act (ARPA) stimulus funding or other one-time funding specifically appropriated for Colorado River-related investments and projects to date. However, the CWCB has invested significant funding from the \$20 million appropriated in H.B. 21-1260, General Fund Transfer to Implement the State Water Plan, toward projects that contribute to the overall management of the Colorado River. While the bill did not specifically designate these funds for Colorado River projects, more than \$6.6 million in grant applications

with a direct nexus to the Colorado River emerged as high priority projects and were awarded funding. These grants, in turn, leveraged an additional \$19.6 million in applicant matching funds, for a total investment of \$26.2 million for projects in the Colorado River Basin. Funded projects cover a broad spectrum of river management.

Watershed Restoration

The CWCB has been appropriated one-time funding for watershed restoration projects and planning through three bills in the 2021 and 2022 legislative sessions:

- S.B. 21-054, Wildfire Mitigation and Response (\$4.0 million General Fund)
This funding supports grants, administered by the CWCB Watershed Restoration Program, to support planning and implementation for watershed restoration and flood mitigation projects related to damage from the 2020 wildfire season. The Program has awarded the full \$4.0 million for restoration projects related to the East Troublesome, Cameron Peak, Grizzly Creek, and Calwood Fires and the funds are nearly fully expended with more than \$3.98 million invoiced by grantees to date. Project implementation included aerial mulching in strategic locations to facilitate faster watershed recovery. Other projects include early warning systems, stream and precipitation gauge installation, water quality monitoring, and point projects designed to mitigate impacts from post-wildfire hazards.
- S.B. 21-240, Watershed Restoration Grant Program Stimulus (\$30.0 million General Fund)
This funding supports grants to restore, mitigate, and protect streams and riparian areas susceptible to flooding and erosion following a wildfire, including installation or repair of water and debris control structures. To date, CWCB has awarded \$28.8 million in grants for projects including aerial mulching in strategic locations to facilitate faster watershed recovery, stream and precipitation gauge installation, water quality monitoring, and point projects designed to mitigate impacts from post-wildfire hazards. Recovery efforts will continue for the next several years as stakeholders manage post-wildfire hazards.

In addition, Senate Bill 21-240 directed the CWCB to develop a statewide watershed analysis to investigate the susceptibility of life, safety, infrastructure, and water supplies to wildfire impacts. As a result, the CWCB developed [Wildfire Ready Watersheds](https://www.wildfirereadywatersheds.com/)² as a proactive approach to address post wildfire impacts. Wildfire Ready Watersheds has a two-part focus: (1) a statewide post-fire susceptibility analysis and (2) a framework that communities can use to perform watershed scale planning to address post wildfire hazards. This effort directly ties to the funding from House Bill 22-1379.

- H.B. 22-1379 Wildfire Prevention Watershed Restoration Funding (\$15.0 million ARPA)
Of the funding provided in this bill:
 - \$10 million will be used for watershed restoration and flood mitigation grants, to restore, mitigate, and protect stream channels and riparian areas susceptible to flood hazards and sediment erosion after wildfire; and
 - \$5.0 million will provide technical assistance and temporary staff support for entities—municipalities and water districts—applying for federal Infrastructure Investment and Jobs Act (IIJA) funding and other federal water projects funding that may lack the staff

² <https://www.wildfirereadywatersheds.com/>

capacity and technical expertise to pursue federal funding opportunities and develop competitive federal grant application materials.

CWCB Watershed and Flood Protection Program staff are developing programmatic goals and application materials for the \$10.0 million for watershed restoration and flood mitigation grants, to be awarded through a Special Release of the Colorado Watershed Restoration Program that will open in mid-December 2022. This funding will be dispersed through the grant program with a focus on projects that support the implementation of Wildfire Ready Watersheds by developing pre-wildfire strategies to address post-wildfire hazards, e.g. flooding and debris flows. CWCB is in the process of awarding grants using the \$5 million to provide technical assistance to and build capacity for municipalities and water districts.

Turf Replacement Program (\$2.0 million General Fund)

House Bill 22-1151 established a Turf Replacement Program to incentivize the voluntary replacement of nonessential irrigated turf on residential, commercial, institutional, or industrial properties in Colorado with less water-intensive, more water-wise landscape. The bill requires the CWCB to develop a Turf Replacement Program before July 1, 2023. The CWCB is currently working to hire program staff and develop a platform that will provide an intake portal and tracking database, as well as making program information available on engagecwb.org. As the program is being developed, the CWCB has also been working on exploratory analysis to evaluate expected water savings and recently held the [Colorado Landscape Summit](#)³ to advance the conversation around what is known and not known about the actual water savings Colorado might realize from removing non-functional turf.

Work Related to the Water Plan

The Water Plan update is being completed and the final draft is set to be released on January 24, 2023, at the CWCB Board meeting pending Board approval on that date. The development process included a public scoping period and a formal public comment period, which involved the CWCB staff hosting events in all 64 counties and receiving over 2,000 observations from submitted feedback. CWCB staff continues to work on the Water Plan on a daily basis and is committed to implementing the actions in the Plan. Water Plan progress can be tracked in three key ways: 1) funding local projects, 2) advancing stated actions that the CWCB (and collaborating agencies) can advance and, 3) as a part of the latter, evaluating state trends in cyclical updates to the underlying data in the Water Plan.

The collective effort to update the Plan has several important functions such as evaluating conservation savings over time (e.g., a 5% reduction in water use in gallons per capita per day from 2008 to 2015); understanding local project needs; and evaluating where the CWCB can take additional actions within the CWCB's scope to support the Water Plan as an agency (often with support from other agencies). In addition, the projects that the CWCB funds through Basin Roundtables and Water Plan Grants helps address needs and spurs multi-purpose and multi-beneficial projects that help Colorado advance all areas of the Water Plan Grant Program. While water conversations in Colorado can occasionally be divisive, the Water Plan and supporting efforts aim to increase collaboration that brings a wide variety of stakeholders to the table to help better inform, strengthen and build greater resilience into water planning.

During the 2022 Legislative Session, the CWCB received appropriations of American Recovery Plan Act (ARPA) funding to advance the goals of the Water Plan in both H.B. 22-1379 (described above) and S.B.

³ <https://engagecwb.org/colorado-landscape-summit>

22-028, Groundwater Compact Compliance and Sustainability Fund, which appropriated \$60 million from the Economic Recovery and Relief Cash Fund to finance groundwater use reduction efforts in the Rio Grande and Republican River basins. This funding will strengthen financial incentives that the Republican River Water Conservation District and the Rio Grande Water Conservation District already utilize to ensure agricultural producers retire a sufficient number of irrigated acres to maintain Colorado's compliance with interstate compacts and groundwater rules, including the USDA's Conservation Reserve Enhancement Program (CREP) and other Natural Resources Conservation Service (NRCS) programs. Funding may also be utilized to support purchase agreements with agricultural producers to reduce groundwater use or fallow irrigated acreage.

6 *[Sen. Zenzinger] Have our investments in water been worthwhile? What has been accomplished?*

Response: The Colorado Water Plan provides a framework for helping Colorado mitigate risk and become more water-resilient by guiding decision-making and supporting local actions in addressing water challenges. Through this framework, strategic funding decisions can help drought resilience in municipalities, protect watersheds, and support agriculture. The targeted investments in water and associated accomplishments, described in Question 5 above, have allowed for significant support of post-fire watershed restoration projects, establishment of framework for pre-wildfire mitigation within watersheds and funding to support future planning and implementation projects, grants for projects advancing the goals in Colorado's Water plan related to agriculture, engagement and innovation, conservation and land use planning, watershed health and recreation, and water storage and supply projects. The funds are also supporting capacity building for entities applying for Bipartisan Infrastructure Law and other federal funds, and helping reduce groundwater use in the Rio Grande and Republican River basins.

7 *[Sen. Bridges] Please describe how CWCB practices related to water project loans (the amount and timing) affect interest earnings.*

The CWCB issues water projects loans from two revolving funds that are capable of funding an average of about \$50.0 million in new loans each year: the Severance Tax Perpetual Base Fund and the CWCB Construction Fund. These funds receive interest from two sources: Colorado State Treasury interest, which is earned on fund balance over time, and interest paid on issued loans.

The Water Project Loan Program receives loan applications from water providers throughout the year. Project loan applications are reviewed and approved at scheduled CWCB Board Meetings which are held every other month. Statute requires loans over \$10.0 million to be approved by the General Assembly through the annual CWCB Projects Bill. Loans are issued with interest rates based on a 6-month average of the 'A' rated municipal bond rate for utilities. This base rate is reduced by 50% for agricultural borrowers, 70% for low income municipal borrowers, 80% for middle income, and 90% for high income borrowers. Rates for hydroelectric and commercial projects are set at 2% and 6% respectively. Borrowers that are repairing reservoirs with storage restrictions receive a 0.50% interest rate reduction. The following table includes current CWCB Water Project Loan interest rates as of November 2022:

CWCB Water Project Loan Interest Rates as of November 2022

Agriculture	1.80%		
Municipal	Low Income 2.55%	Middle Income 3.00%	High Income 3.40%
Hydroelectric	2.00%		
Commercial	6.00%		

The standard CWCB loan term is 30 years. Once a loan agreement is executed, the CWCB’s borrowers submit reimbursement requests as the project progresses. Earned interest is project-dependent and does not begin to accrue until the funds are invoiced by borrowers. Treasury interest and the interest earned on the CWCB’s rolling portfolio of loans goes back into the fund to help maintain the purchasing power of the funds over time and support CWCB operations and programs, grants, and additional water project loans throughout the state.

WILDFIRE

- 8 *[Rep. Bird] There’s been a lot of work done in this area the past few years. Please explain how these new requests fit into what the General Assembly has already done (in terms of legislation) and funded. How can we ensure there is no duplication?*

Response: The General Assembly has appropriated significant new funding for wildfire preparedness, response, and mitigation in recent years, summarized in a [memo from Legislative Council Staff](#)⁴ from July 2022. Within the Department of Natural Resources and the Colorado State Forest Service (CSFS), \$103.7 million in new appropriations has been made available for wildfire mitigation programs, which also includes fuel reduction grants and Colorado Water Conservation Board programs to reduce post-fire flooding and debris flows. In addition, recent action at the federal level through the Bipartisan Infrastructure Law has expanded available funding nationwide for wildfire preparedness, response, and mitigation. DNR and CSFS continue to work with the US Forest Service and other federal agencies to track implementation of new federal funding in Colorado. However, the need for wildfire mitigation work remains vast. CSFS estimates over \$760 million would be needed to reduce fuels in just the highest risk areas of the wildland urban interface (WUI). The combined impact of both recent state and federal investment still pales in comparison to this overall need, so it is important that Colorado take a strategic approach that maximizes the impact of recent investments.

Given the sheer magnitude of the need for wildfire mitigation work in the state, DNR and CSFS do not believe that any of the new requests are duplicative of previous investments. As such, the proposed wildfire mitigation investments in DNR and CSFS’s FY 2023-24 budget are intended to fill three primary

⁴ https://leg.colorado.gov/sites/default/files/images/r22-649_updated_co_wildfire_related_spending.pdf

resource gaps in an efficient manner. The combined effect of these investments will better position Colorado to capitalize on the promise of new funding opportunities.

- a. Workforce and Planning Capacity Building: Colorado's workforce to conduct wildfire mitigation projects may not be robust enough to seize upon all of the new funding at the state and federal level. The capacity gap is present in both the planning and implementation phases of mitigation projects. The request aims to expand upon the success of DNR's Colorado Strategic Wildfire Action Program (COSWAP) in developing Colorado's on-the-ground mitigation workforce, while also expanding planning and project management capacity at the local level through the CSFS.

To date, COSWAP has supported wildfire mitigation training for over 150 people, but significant additional workforce capacity building is necessary. DNR Requests R-03 and R-04 make a combined investment of \$7 million in COSWAP, \$5 million of which will be ongoing. COSWAP will use these funds in part to support workforce development projects that help reduce the risk of catastrophic wildfires, while also assisting with federal match requirements. Request R-03 also includes an additional \$1.0 million for CSFS to support local planning and ensure a steady pipeline of shovel-ready projects at the local level to ensure rapid and strategic deployment of new state and federal investments.

- b. Matching Funds: With significant new federal funding often comes significant matching requirements, as well as restrictions on the types of land ownership that can be covered. However, Colorado's wildfire mitigation programs (COSWAP, HFVC, and FRWRM) are intentionally designed to serve as flexible counterparts to federal and local investment alike. Funds can be used to match federal grants. They can also be used across land boundaries, including federal, state, local, and private land. Since wildfires do not respect ownership boundaries, this flexibility provides a major benefit to communities planning wildfire mitigation projects.

Of the funding requested for COSWAP, the \$2.0 million in R-03 is specifically intended to support the Landscape Resilience Investment opportunity, which will help leverage funds for the planning and implementation of landscape scale fuel reduction projects for cross-boundary, impactful wildfire mitigation work. Request R-03 also includes \$2.0 million to CSFS for "Good Neighbor Authority" projects, capitalizing on the recent influx of federal funds to support a statewide program with 10 term-limited implementation specialists, 1 support staff, and a strike team for project preparation to increase treatments by 5,000 acres to 15,000 acres a year for 4 years.

- c. Public Education: Last year, through S.B. 22-007, the General Assembly recognized the need to better reach and inform residents of the WUI about the dangers of wildfire and the steps they can take to reduce their risk. As the pace and scale of wildfire mitigation and home hardening activities increases, it is important that public education keeps up.

The bill provided funding to establish the necessary infrastructure for public outreach efforts on wildfire risk mitigation, home hardening, and insurance education. DNR Request R-03 builds on this initial investment with \$2.0 million for the CSFS to create messages and marketing materials

specific to fire-smart building practices and home hardening incentives that target more WUI residents and communities.

It is important to note that COSWAP and CSFS are part of a network of state agencies engaged in wildfire mitigation, suppression, and recovery activities that includes the Division of Fire Prevention and Control in the Department of Public Safety. All of these state agencies, as well as available federal programs, are necessary to combat the colossal need in the state for wildfire mitigation. DNR recommends contacting the Division of Fire Prevention and Control (DFPC) in the Department of Public Safety (DPS) directly for additional details on its portion of the Wildfire Mitigation Investment Package (\$2.0 million for home hardening incentives). DFPC is an essential partner in implementation of much of DNR and CSFS wildfire mitigation programming. In turn, DNR and CSFS are strong supporters of DFPC's work, including the proposed investment in home hardening, which will help address another gap in recent state and federal investments as the built environment plays an essential role in the impact of wildfires to our communities.

- 9 *[Sen. Zenzinger] Does the requested creation of the Wildland Urban Interface Home Hardening Fund stem from recommendations by the Forest Health Advisory Council, the Colorado Fire Commission, or any other wildfire-related task force?*

Response: The creation of the Wildland Urban Interface Home Hardening Fund in DNR FY24 R-03 Wildfire Mitigation Investment Package is associated with the funding requested for the Division of Fire Prevention and Control (DFPC) in the Department of Public Safety to support fire-smart construction and home hardening incentives in the WUI (\$2.0 million). DFPC provided the following response:

“This recommendation came as a result of conversations with the stakeholders while discussing the Fire Commission recommendation for a WUI Code Board. The conversation migrated to a question about whether codes would apply retroactively to existing structures, to which the answer was no. The conversation then became a dialogue on how economic incentives are provided for landowners to mitigate their properties with vegetation management to reduce risk, and how it would make sense to provide incentives for homeowners living in the WUI to use fire resistive materials when replacing materials on their homes such as roofing, decks, gutters, etc.”

DNR recommends contacting DFPC directly for additional details on this portion of the request.

OIL AND GAS

DUPLICATION OF WORK

- 10 *[Rep. Bird] Can you discuss how the COGCC will work with CDPHE staff to ensure that there will not be a duplication of work related to the new rules?*

Response: COGCC Staff works closely with CDPHE Staff in multiple areas when implementing COGCC's statutory directives, including COGCC permitting, emissions reduction efforts, and cumulative impact assessment, but that work is complementary rather than duplicative. Separate from COGCC's statutory provisions, CDPHE remains the implementing Department in Colorado for air and water quality

standards, hazardous and solid waste programs, and other related environmental requirements. Coordination across COGCC and CDPHE remains a critical function of both agencies to avoid duplication and complement the separate regulatory regimes.

As examples of the coordination, COGCC Staff consults with CDPHE's Energy Liaison on Oil and Gas Development Plan (OGDP) applications when new operations are proposed within 2,000 feet of any Residential Building Units, within Disproportionately Impacted Communities, and/or within the EPA's nonattainment areas. Similar consultation occurs on every Comprehensive Area Plan (CAP) application. These consultations are valuable in that they allow COGCC Staff to include CDPHE's insight and expertise, as related primarily to emissions, cumulative impacts, and the protection of public health and welfare, in our recommendations to the Commission. CDPHE's public-health-focused perspective further strengthens COGCC's ability to meet our mandate to regulate oil and gas in a manner that is protective of public health.

CDPHE's Air Quality Oil and Gas Liaison also provides invaluable assistance to COGCC Staff, particularly in understanding best practices for emissions reduction efforts. The work COGCC and CDPHE perform in emissions reduction is largely "in series", meaning COGCC's permit requirements generate emissions estimates for proposed operations, whereas CDPHE's reporting requirements generate actual emissions recorded. This provides both agencies with necessary data to collaboratively evaluate and understand how Best Management Practices and various new technologies are working, and how to further reduce emissions over time through potential policy revisions.

Finally, COGCC staff engage in routine meetings with various division staff at CDPHE to identify pinch points, overlap, and missed opportunities in our respective and complimentary regulatory programs. These meetings are engaged on topics of exploration and production (E&P) waste vs solid waste management, air quality and emissions, and groundwater protection--all of which are areas of shared administrative responsibility.

11 *[Sen. Kirkmeyer] Will location assessment specialists duplicate work currently performed by local government?*

Response: COGCC's Oil and Gas Location Assessment (OGLA) staff do not duplicate the work currently performed by local governments. Local governments that have their own local permit processes will review an applicant's local permit application to ensure compliance with local codes or rules; they do not review an applicant's local permit or an Oil and Gas Development Plan (OGDP) to ensure compliance with COGCC rules. Similarly, OGLA staff conduct a full technical review of every OGDP to ensure compliance with COGCC's Rules, regardless if there is a local permit application or not; COGCC does not undertake a technical review of the local permit application. However, COGCC does engage the local government in its OGDP reviews, through notification requirements, consultations as needed, and the hearings process, as much as the local government wishes to be involved. OGLA staff is frequently asked by certain local governments to review an applicant's local permit and provide a referral comment on that local permit application; this often results in a helpful advance insight into a local permit application that will eventually be submitted as an OGDP to COGCC, and can actually reduce OGLA staff review time once the OGDP application is submitted.

COGCC also works with various local governments to find efficiencies between OGLA review of OGDPs and local government review of local permit applications, as allowed under COGCC's Rule 304.e for "substantially equivalent information", such that any duplications of effort are minimized. For example, COGCC identified in cooperation with Weld County's Oil and Gas Energy Department that a

“Traffic Plan” required as part of the Weld Oil and Gas Location Assessment (WOGLA) permit, usually provides more detail than COGCC’s requirement for a “Transportation Plan”, particularly since haul routes, road and bridge considerations, and traffic issues are largely a very localized issue. In this case, COGCC generally defers to the expertise of Weld County, and accepts the WOGLA Traffic Plan in lieu of a COGCC Transportation Plan. This reduces duplication for operators, creates more consistency between the local permit and the OGDG application, and reduces review time for COGCC staff. It is important to note that every Transportation Plan is fully reviewed by OGLA staff; efficiencies are found particularly when the WOGLA permit is approved prior to review of the OGDG application, since the Plans have undergone thorough review by Weld County OGED Staff and are usually perfected by the time they are submitted to OGLA Staff for review.

For those local governments that have no oil and gas permitting process or specific oil and gas regulations, COGCC’s permitting review is the only source of information and regulatory authority in place to ensure any proposed operations are sufficiently protective of public health, safety, welfare, the environment, and wildlife resources.

PLANNING AND PERMITTING UNIT RESOURCES

- 12 *[Rep. Bird] Do other states do Comprehensive Area Plans or anything similar? If so, does the estimated time compare to those states and how effective are those plans? Can you provide any additional benchmarking data related to the staff time estimates?*

Response: Introduced with the Mission Change Rules, which took effect January 15, 2021, the Comprehensive Area Plan (CAP) is a landscape level plan for oil and gas operations in a defined geographical area with a focus on identifying and mitigating the potential cumulative impacts of operations. COGCC staff are unaware of any similar permitting processes in any other state; a cursory review of 26 different state oil and gas websites indicated that most, if not all, states permit solely on a single well basis, with Wyoming having a “comprehensive drilling plan” that appears to be akin to COGCC’s OGDG permitting process for a single multi-well surface location. It is likely that Colorado’s Comprehensive Area Plan approach is unique in the nation.

The review of a CAP is a multistage process, including completeness review to ensure the application is complete and satisfies the requirements established in COGCC rules; technical review and consultation including coordination with CPW, CDPHE and relevant federal and local governments if applicable; and preparation of the director’s recommendation. Factors that impact the duration of Staff’s review include:

- Size and jurisdictional involvement of the geographic area of the CAP
- Number of local governments engaged
- Number of utility and/or infrastructure entities engaged
- Specifics of each Oil and Gas Location proposed within the CAP
- Considerations of numbers of Residential Building Units within 2,000 feet of each proposed Location
- Identifying any Disproportionately Impacted Communities within the CAP
- Identifying any High Priority Habitats to consider for surface location, access road, haul route, or utility and/or pipeline placement
- The applicant’s optional request for preliminary siting approval, which requires detailed technical review of Alternative Location Analyses

Due to the uniqueness of COGCC's CAP and its focus on the various impacts of operations on the surrounding environment, COGCC staff is not aware of any benchmarks for these plans.

- 13 *[Sen. Kirkmeyer] Can you provide data on the number of drilling permits that have been approved since 2018? How many of those permits are part of comprehensive drilling plans?*

Response: The following table shows historical number of drilling permits (also known as Applications for Permits to Drill, APDs, or Form 2s) by year from FY 2013-14 through FY 2021-22, as well as the number of APDs requested and the number of unexpired permits remaining undrilled over the same period.

COGCC Form 2, Application for Permit to Drill, History									
	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22
Drilling Permits Requested ¹	4,401	3,895	3,317	4,624	8,127	7,576	1,995	1,285	944
Drilling Permits Approved ¹	3,988	3,663	2,876	3,433	3,804	4,602	1,657	1,229	790
Drilling Permits Approved, Undrilled ^{1,2}	4,163	4,137	4,172	4,103	5,270	5,394	3,885	2,197	1,438

1 - Does not include permits to recomplete an existing well
 2 - Total as of Fiscal Year End

Comprehensive Drilling Plans (CDP), which allowed one or more operators to package their plans for oil and gas exploration and production within a defined geographical area, were established under COGCC's rule structure prior to revisions resulting from S.B. 19-181. A total of 404 permits were approved under the two CDPs that were in place prior to the rule change. Under current rules, the Comprehensive Area Plan (or CAP) builds on the CDP concept, but expands it significantly and requires operators to focus on the cumulative impacts of industry operations in the geographic area defined by the plan. Because the scope of the CAP is significantly different from that of the preceding CDP, the two plans are not comparable. As of the close of FY 2021-22, no CAPs had yet been approved. However, in FY 2022-23, COGCC has approved three CAPs which may eventually include up to 826 wells, collectively. The approval of CAPS precedes the submission of permit applications for wells included in the plans. Due to the iterative nature of the permitting process, now that the CAPS have been approved, the operators will file OGDPS and Form 2As to request surface location permits as needed, and then APDs when they are ready to drill. Currently, no APDs associated with the two approved CAPs have been requested or approved.

ENVIRONMENTAL UNIT RESOURCES

- 14 *[Rep. Sirota] What does it mean to process a form?*

Response: COGCC uses forms in a wide variety of agency functions that range from required reporting and data collection to permit applications. The phrase "processing forms" captures the sequence of actions undertaken by COGCC staff between when an operator submits a form or collection of forms to the COGCC and a determination is made based on the data provided (e.g., data is deemed complete, or an application is approved or denied). This sequence may look somewhat different depending on the form and its purpose, but generally involves a review of the submitted data, requests for necessary corrections or additional data, staff analysis based on the data required, and some decision at which point a form is considered fully processed. Workload associated with forms can increase due to volume, a change in the amount or complexity of data required, or both.

When an Environmental Protection Specialist processes an initial Form 19 or Form 27, staff review the site specific data submitted by operators to determine sensitivity of and risk to nearby environmental receptors, including groundwater, surface water, wildlife, and human populations. Data will include topography, aerial imagery, soil types, land uses, near surface geology, and hydrogeologic properties. COGCC EPS staff utilize the data provided by operators to determine whether responses to spills and plans for investigations or remediations are reasonable and appropriate, and determine whether the operators' proposed plans should be approved. EPS staff review data points on the forms for correctness and completeness, and ensure that the information provided complies with or demonstrates compliance with the Rules. If the form lacks critical data or information, contains significant errors or contradictions, or does not comply with COGCC Rules or guidance, it may be returned to draft for the operator to make corrections and resubmit. If necessary, staff may apply conditions of approval specifying site specific requirements based on the conditions reported.

At the time of spill or remediation project closure, operators must submit a supplemental to the original Form 19 or 27 to document the completion of the work. When processing supplemental Forms 19s or 27s, COGCC EPS staff review laboratory analytical data and, using site maps and other information provided by the operator and obtained through field inspections, determine whether an appropriate demonstration of compliance has been made and determine if the spill or remediation project should be closed. Closure means that soil and groundwater meet applicable standards, and that no further remedial action will be required of the operator; this determination is considered final agency action.

15 *[Sen. Bridges] What factors are increasing the workload associated with reviewing forms?*

Response: Forms are the method by which COGCC staff collects information required to be reported by oil and gas operators and makes that information publicly available. In reaction to directives mandated by S.B. 19-181, the Commission promulgated a significant number of new or revised rules that required operators to report data or activities that were not previously required, with the objective of supporting the Division's new mission to regulate industry in a manner that protects public health, safety, welfare, the environment and wildlife resources. Due to the increased volume of information operators are now required to submit, staff have faced significant additional workload to assess, review, interpret, and manage the information.

Specifically, the Mission Change rules established the following new requirements for Forms 19 and 27, which forms relate directly to remediating environmental impacts:

Form 19 (Spill/Release Report)

Removed subjectivity for submittal, requires filing of Form 19 within 24 hours of discovery of:

- a spill or release that impacts or threatens to impact livestock, wildlife, or a publicly maintained road;
- the discovery of 10 or more cubic yards of impacted material resulting from a current or historic spill or release;
- a suspected or actual spill or release of any volume where the volume cannot be immediately determined;
- a spill or release of any volume that daylights from the subsurface;

- a spill or release resulting in vaporized hydrocarbon mists that leave the location and impact or threaten to impact off-location property; and/or
- A release of natural gas that results in an accumulation of soil gas or gas seeps, or natural gas in groundwater.

Form 27 (Site Investigation and Remediation Workplan)

Prior to January 15, 2021, rules required oil and gas operators to submit a Form 27 (Site Investigation and Remediation Workplan) only when performing a pit closure or decommissioning a partially buried produced water vessel. Many facilities that operators closed did not include pits or partially buried tanks; therefore these closures would not have required the submittal of a Form 27. At that time, approximately 70 percent of site closures could be completed without Environmental Staff review to verify there was no historical leakage or environmental impact caused by the closed operation. Current rules require operators to submit a Form 27 for any facility closure.

Further, the revised rules require operators to either submit a Form 19 Supplemental including adequate supporting documentation to request closure of the spill within 90 days of the date of spill, or submit a Form 27 Site Investigation and Remediation Workplan in the event they are unable to close the spill within 90 days. Finally, the Mission Change rules now require operators to submit periodic updates to their Form 27s every 90 days; prior to the January 15, 2021 rules, operators were only required to submit updates if required as part of a Condition of Approval of their Workplan.

Finally, the workload resulting from the new requirement for operators to submit a Form 27 with each facility closure is compounded by the rate of well plugging and facility closures in the Denver-Julesburg Basin. More than 4,000 wells have been plugged in the previous 5 fiscal years, with the majority of those in the DJ Basin, as operators continue to develop horizontal wells using newer technologies. The rate of plugging 1,000 wells per year is a pace that is likely to continue into the future, and each closure will continue to require a Form 27. COGCC Staff timely reviewing a Form 27 for facility closure is critical to returning the land to future uses and protecting the environment.

16 *[Sen. Bridges] Has the mission change impacted production of oil and gas? Has there been an increase/decrease in new development and/or production since the implementation of the new rules?*

Response: It is not possible to parse out the impacts on oil and gas production from the mission change versus other national and international factors affecting the oil and gas industry that occurred in conjunction with or after the passage of S.B. 19-181. In 2019 and early 2020, OPEC+ agreed to cut oil production which eventually led to a price war between Russia and Saudi Arabia. Shortly thereafter, the COVID-19 pandemic drastically lowered global demand for energy in 2020 and 2021, which subsequently decreased production and development in both Colorado and the U.S. according to data from the U.S. Energy Information Administration. The conflict between Russia and Ukraine further destabilized the global energy markets beginning in February 2022 through the present, and there will continue to be unforeseen consequences on oil and gas markets in the future. The rules stemming from COGCC's mission change took effect in FY 2021-22 and the remaining impacts from the pandemic-induced demand reduction and supply chain disruptions will continue to be commingled with any possible impacts from rule changes.

COMPLIANCE UNIT RESOURCES

- 17 *[Rep. Sirota] Is the goal to eliminate the NOAV backlog? If so, how long do you estimate it will take to address the backlog with the approval of funding for 5.0 FTE?*

The Compliance Unit Staffing included in R-01, COGCC Mission Change Operational and Regulatory Support, was requested at a level to allow staff to keep pace with the recent and expected rate of violations. However, starting in FY 2022-23, COGCC implemented improvements in its enforcement procedures by allowing for the bulk adjudication of NOAVs resulting from a common rule violation. By taking advantage of this efficiency in conjunction with the requested staff capacity to process an additional 100 NOAVs per year, COGCC estimates it is likely it will be able to address the current backlog within approximately five years.

Department of Natural Resources FY 2023-24 Budget Hearing



Joint Budget Committee
December 14, 2022



COLORADO
Department of
Natural Resources



Agenda

1. Department Overview
 - Parks & Wildlife - Keep Colorado Wild
2. Water
3. Wildfire Mitigation Investments
4. Oil & Gas Conservation Commission



DNR Mission & Vision

The mission of the Department of Natural Resources is:

To manage and conserve Colorado's natural resources for the benefit and enjoyment of people today and tomorrow.

DNR's vision:

Colorado will be a national leader in promoting the responsible use and conservation of natural resources for this and future generations.

Wildly Important Goals

1. Sustainable Funding for Parks & Wildlife
 - Increase Park Pass Revenue
 - Promote the Keep Colorado Wild Pass
 - Increase Donations



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Keep Colorado Wild (KCW) Update

Simple and affordable pass

- Ensures relevancy of CPW's efforts
- Welcoming and accessible opportunities for all
- Expand user base and contributions
- Sold at time of vehicle registration

Funding to ensure sufficient staffing and resources at state parks

Support increased backcountry recreation

- Search and rescue
- Avalanche safety and awareness
- Other goals to support outdoor recreation and conservation

Keep Colorado Wild Status

Start date January 3, 2023

CPW has been working with partners on communication and implementation

Outreach and stakeholder meetings with emphasis on disproportionately impacted communities

FY 2023-24 R-06 Keep Colorado Wild Pass Implementation Support



Keep Colorado Wild Pass

How will it work?

- All Colorado plated vehicles that opt in are permitted access to all state parks
- Current pass system issued through CPW will remain in place
- Field staff will educate visitors about the new pass at parks



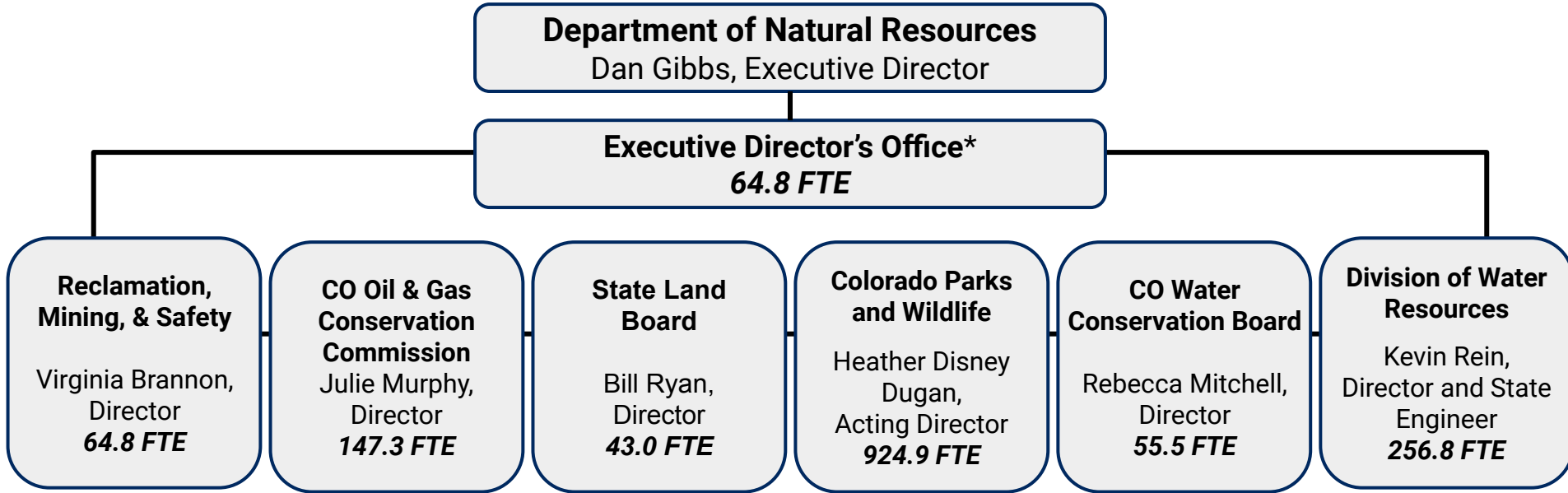
COLORADO SMM REGISTRATION									
Vehicle Type	Vehicle Id	Plate	Tab	Expire					
SMM	5MADH3925NCO	CV2K80	CV2K8023	05/31/2023					
Year	Make	Model	Fuel Type	Body Style					
2022	LOAD	77X12 TubeTop Utility Trailer		TL					
Color	Empty Weight	GVW	GVWR	GVH	High	Title	Purchase Date		
	36700	5-900					4/28/2022		
Fleet Number	Unit Number	Carrier	Mileage	SMM	Original Tab	Rental Expire			
		COMMON	10000						
Vehicle Owner:		Dual Registration Type							
BARBER MACHINES									
BETSY P BARBER									
		Dual Id							
		Dual Expire							
Druaga County - TPT 10-May 2022									
THIEVES HAVE BEEN KNOWN TO USE THE ADDRESS FROM A REGISTRATION CARD TO STEAL FROM THE VEHICLE'S OWNER. FOR ADDED SECURITY, YOU ARE ENCOURAGED TO KEEP ONLY THIS REGISTRATION CARD IN YOUR VEHICLE. IT DOES NOT CONTAIN YOUR ADDRESS.									

Wildly Important Goals

1. Sustainable Funding for Parks & Wildlife
2. Balance Outdoor Recreation and Conservation
3. Water Plan Implementation
4. Interagency Coordination on Wildfire Mitigation
5. Equity, Diversity, and Inclusion



DNR Organizational Chart



**Includes CO Avalanche Information Center and COSWAP*



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FY 2022-23 Operating Appropriations by Division

Total Funds = \$501.8M

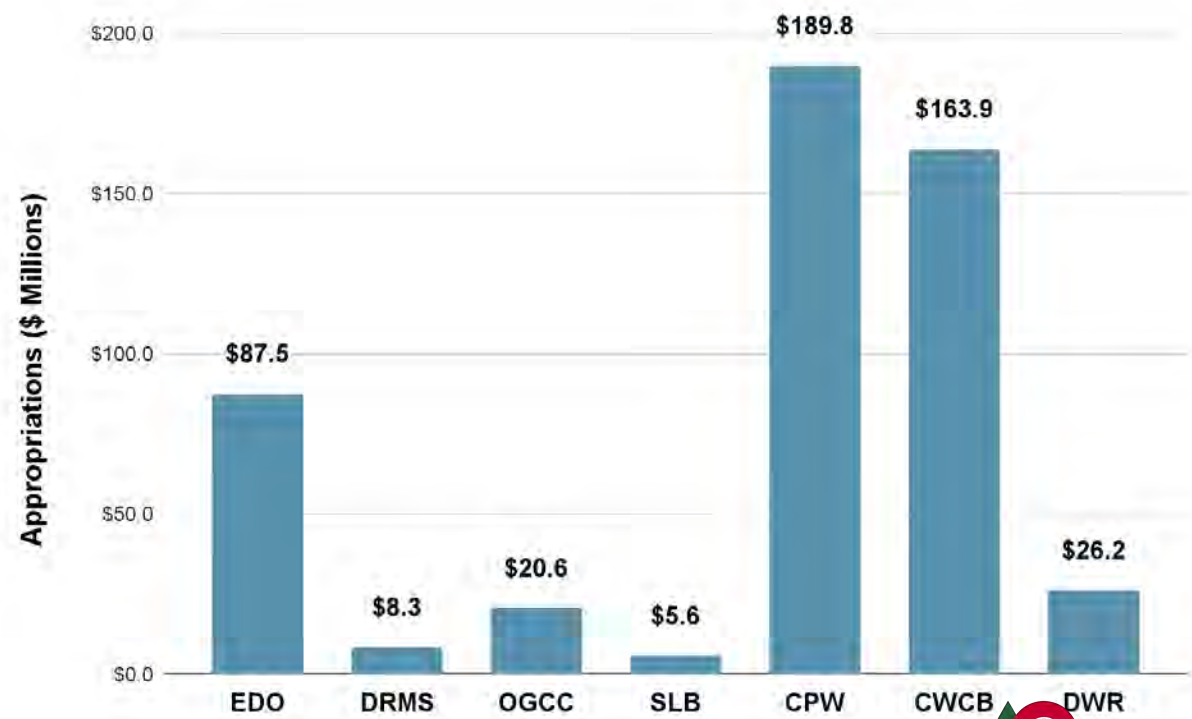
General Fund = \$38.7M

Cash Funds = \$369.2M

Reapprop Funds = \$67.9M

Federal Funds = \$26.0M

FTE = 1,557.1

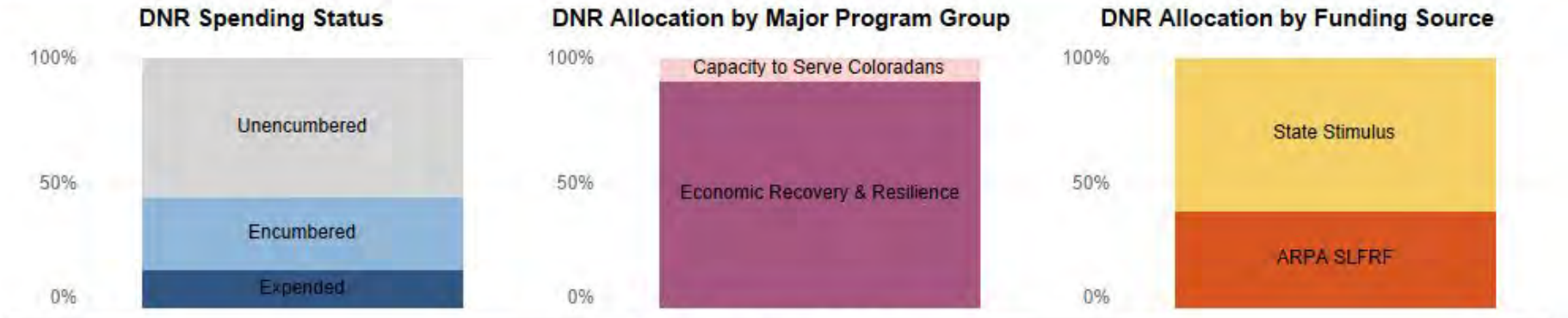


Stimulus Funds

The Department has been appropriated stimulus funds in the following categories:

- **Wildfire Mitigation:** \$19.5M total for the Colorado Strategic Wildfire Action Program (COSWAP). An additional \$16.5M one-time funds for wildfire mitigation at the Colorado State Forest Service (CSFS).
- **Water:** \$85M total for groundwater sustainability efforts, state water plan projects, and technical assistance for federal grants.
- **Watershed Restoration:** \$44M total for post-fire watershed restoration efforts and CWCB's new wildfire ready watersheds initiative.
- **Parks, Wildlife, and Recreation:** \$42.8M total for staff, operating, and capital projects at state parks, implementation of the State Wildlife Action Plan, and backcountry avalanche safety.

Stimulus Funds Status



<https://coforward.colorado.gov/data>

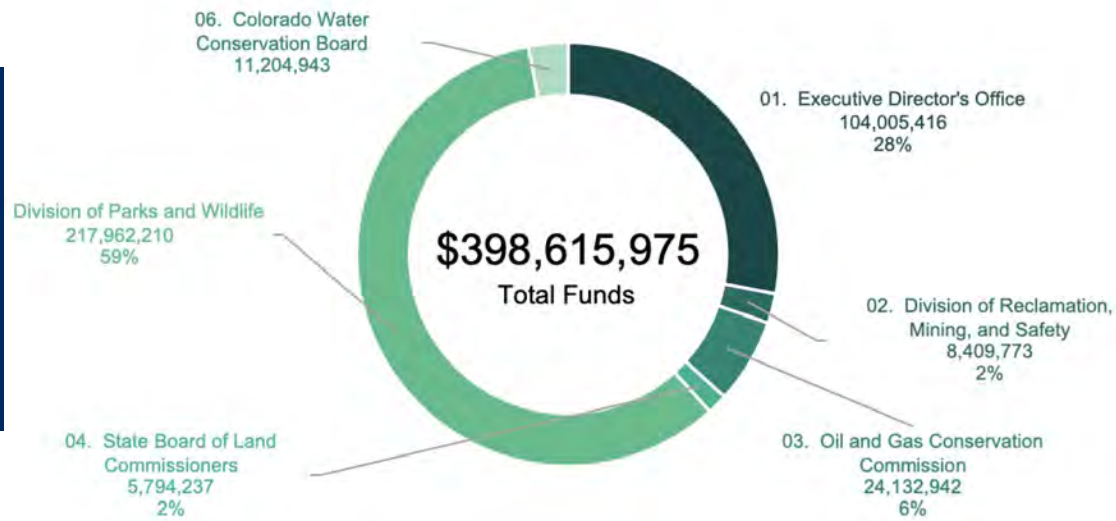
DNR FY 2023-24 Budget Request

FY 2023-24 Budget Snapshot

FY 2023-24 Total Funds: \$398.6M

FY 2023-24 General Fund: \$42.2M

FY 2023-24 FTE: 1,649.9



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FY 2023-24 Budget Request Detail

Implementing Major Legislative Initiatives

- **COGCC Mission Change (S.B. 19-181)**
 - R-01 COGCC Mission Change Operational and Regulatory Support
- **Keep Colorado Wild Pass (S.B. 21-249)**
 - R-06 Keep Colorado Wild Pass Implementation Support
 - R-07 Support for Winter Recreation and Avalanche Safety
 - R-08 Resources to Manage and Protect Colorado State Parks
- **Future Generations Act (S.B. 18-143)**
 - R-09 Staffing to Support Wildlife Management
 - R-10 Parks and Wildlife Business Technology
 - R-11 Water and Research Projects to Support Wildlife



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FY 2023-24 Budget Request Detail

Water

- R-02 Colorado River Policy and Technical Support Team
- R-13 Colorado Water Plan Data and Mapping Specialist
- R-17 Water Plan Grant Program Legislative Placeholder



Wildfire Mitigation

- R-03 Wildfire Mitigation Investment Package (DNR, CSFS, DPS)
- R-04 Continue Wildfire Mitigation and Workforce Grants

Water: CWCB

(Questions 5-7)



COLORADO
Department of
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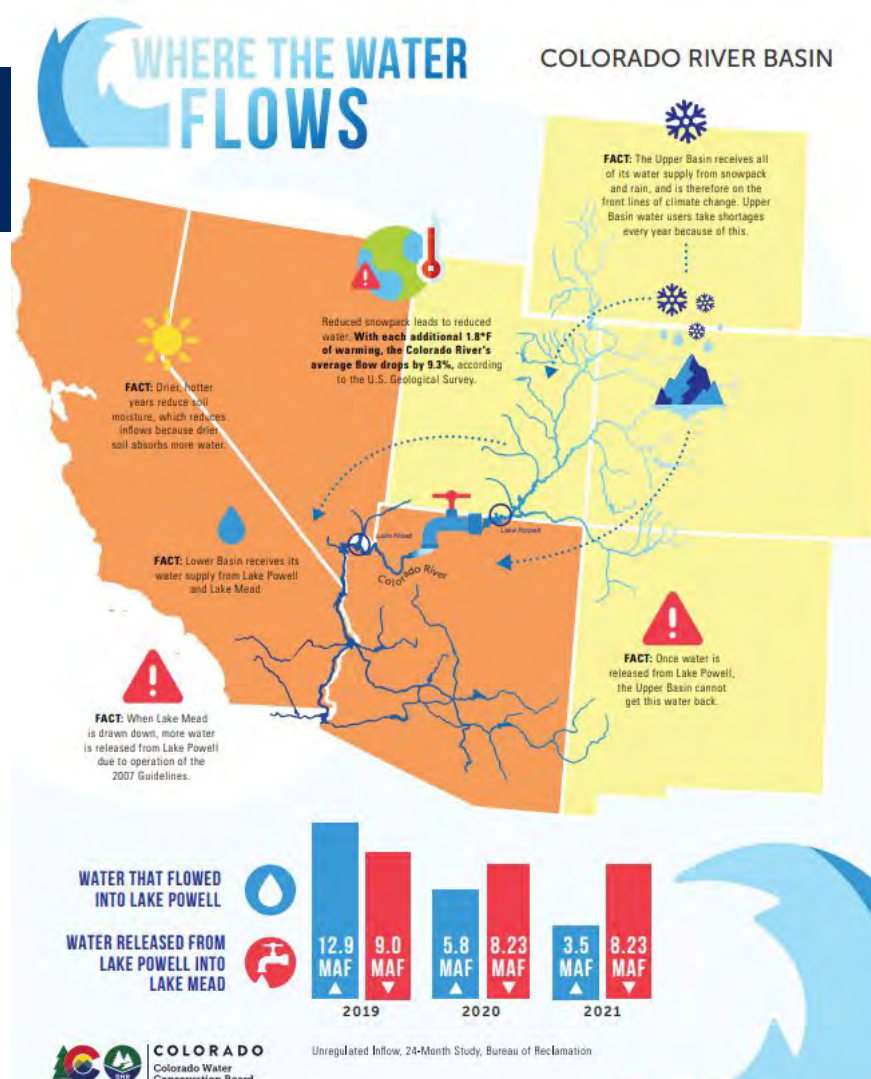
Colorado River Update

CO River Basin is facing unprecedented challenges that will require unprecedented resources:

- In response to a federal request for conservation, Upper Division States will implement a 5-point Plan
- Implement a pilot program
- Negotiate future reservoir operations
- Long-term technical and policy needs



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One-Time Funding for Water

Bill	Funding	Purpose
HB 21-1260	\$5,000,000	GF transfer to the CWCB Water Supply Reserve Fund
HB 21-1260	\$15,000,000	GF transfer to the CWCB Water Plan Implementation Cash Fund
SB 21-054	\$4,000,000	GF transfer to the CWCB Construction Fund for the Watershed Restoration Program related to damage from the 2020 wildfire season
SB 21-240	\$30,000,000	GF transfer to the CWCB Construction Fund for watershed restoration and flood mitigation grants and to conduct a watershed analysis
HB 22-1379	\$15,000,000 (ARPA)	Economic Recovery and Relief Cash Fund transfer to CWCB for watershed restoration and capacity building to support pursuit of federal funding
SB 22-028	\$60,000,000 (ARPA)	Appropriation from the Economic Recovery and Relief Cash Fund for groundwater use reduction the Rio Grande and Republican River basins
HB 22-1151	\$2,000,000	GF transfer to the CWCB for a Turf Replacement Program



Water Plan Update



WHAT IS THE WATER PLAN?

1

AN OPPORTUNITY TO PARTNER

- Sets the stage for collaboration, resilience and mitigating risk
- Shines a light on critical state water issues

2

A STRATEGY FOR CWCB

- A CWCB planning document
- Highlights agency opportunities for leadership



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Wildfire Mitigation Investments

(Questions 8-9)



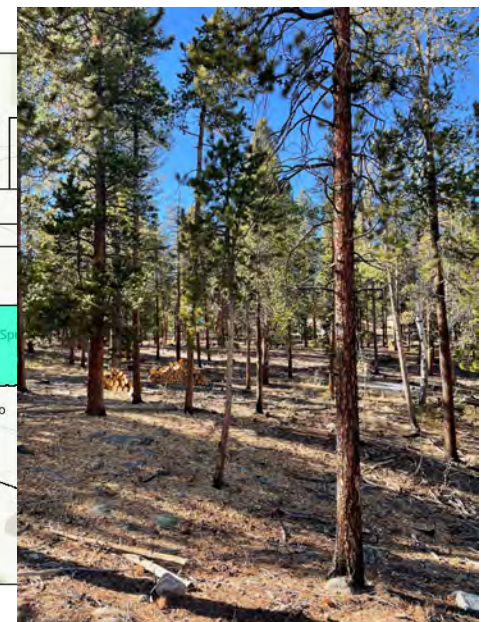
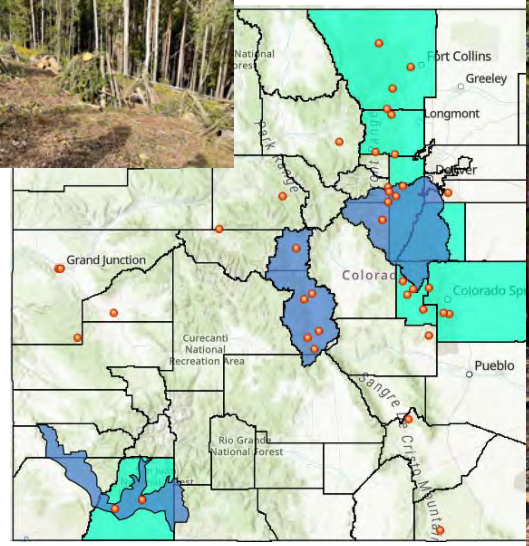
Workforce and Planning Capacity

COSWAP Workforce Development Program

\$6.1 million to 44 projects since 2021

CSFS FRWRM Capacity Grants

\$5.2 million requested in 2022
\$3.7 million available



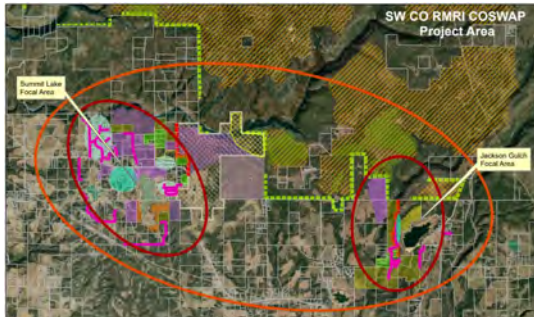
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Matching Federal Funds and Public Education

Matching Federal Investments

- COSWAP Landscape Resilience Investment
- CSFS Good Neighbor Authority projects



Public Education and Outreach

- CSFS working with DFPC and USFS to expand public wildfire education



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