

# Department of Natural Resources SMART Act Hearing

Joint Energy and Environment Committees  
January 21, 2021



**COLORADO**  
Governor Jared Polis



# DNR Mission & Vision

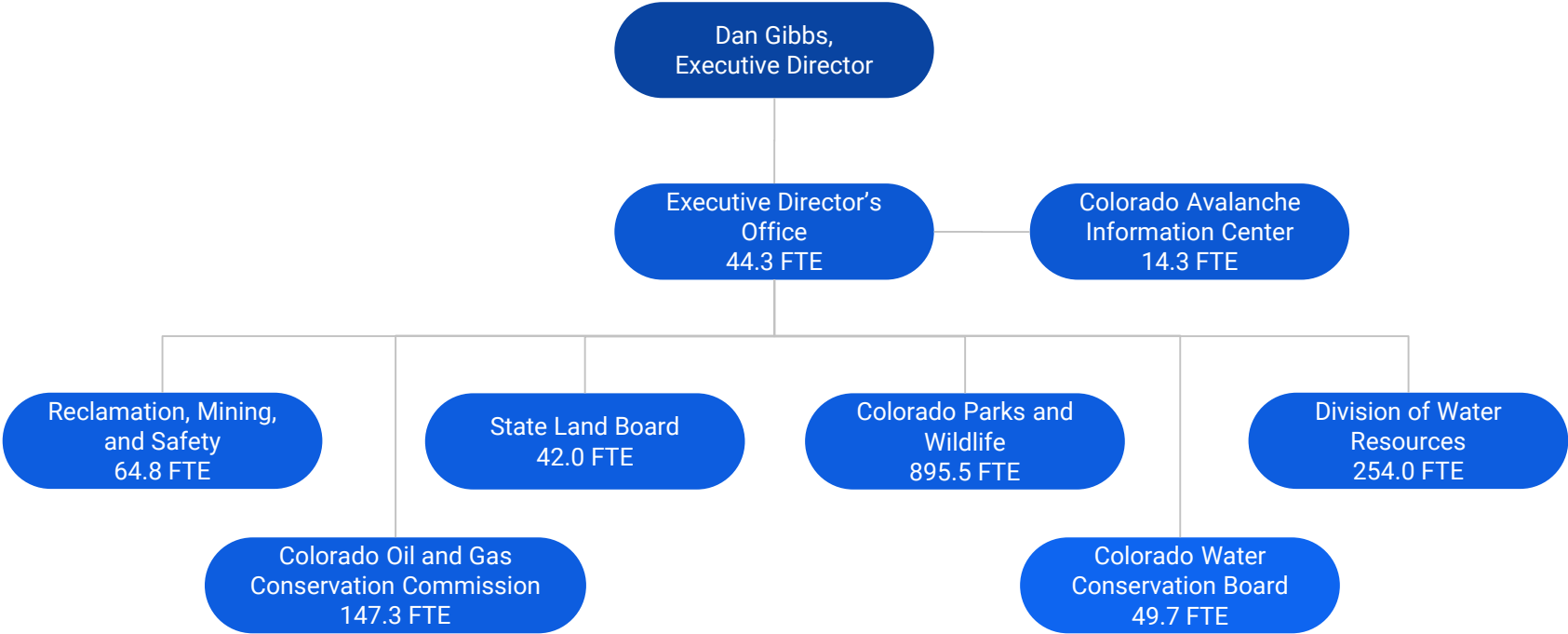
## Mission

DNR's mission is to develop, preserve, and enhance the state's natural resources for the benefit and enjoyment of current and future citizens and visitors.

## Vision

DNR's vision is for Colorado to be a national leader in promoting the responsible use and conservation of natural resources for this and future generations.

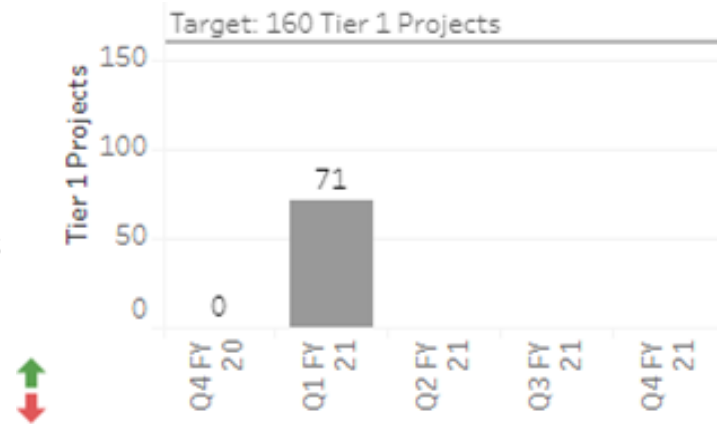
# DNR Organizational Chart



# DNR FY 2020-21 Wildly Important Goals (WIGs)

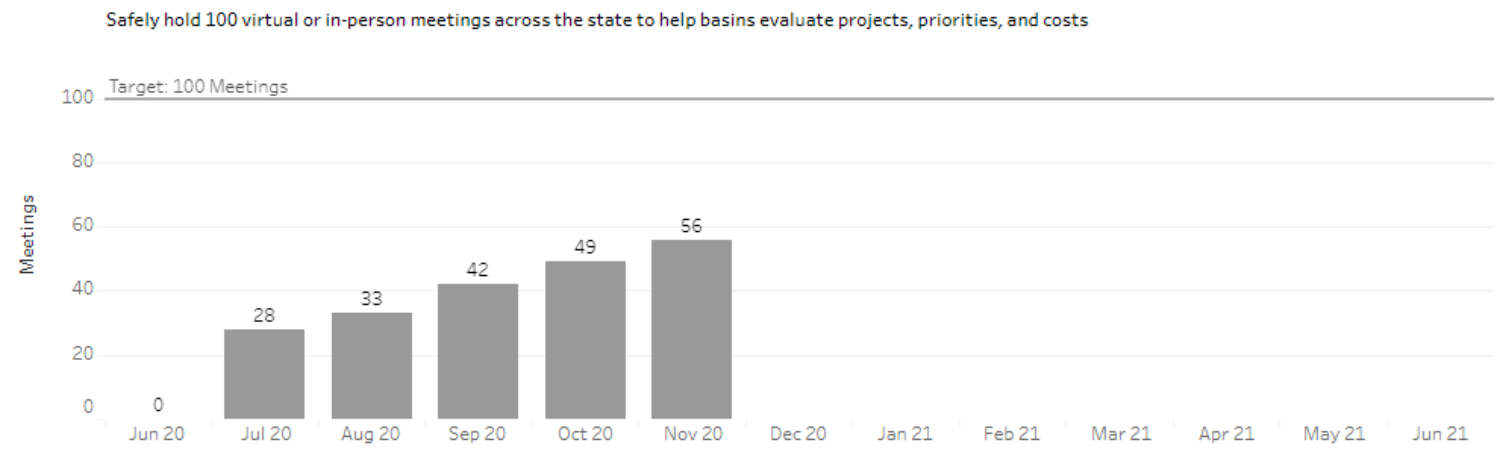
## WIG #1: Track and Prioritize Water Project Needs

Colorado's water supplies are highly variable and the municipal, agricultural, and environmental demands on this limited resource are growing. The CWCB needs to track, prioritize, and evaluate costs for projects within each major river basin to ensure needs are met and state resources are allocated efficiently and strategically.




# How DNR will accomplish the WIGs:

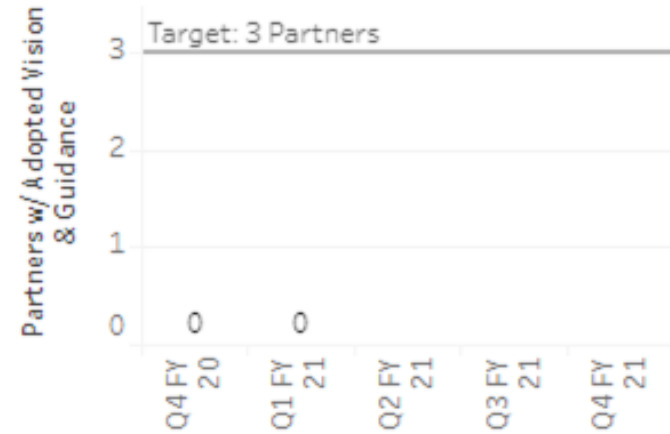
Coordinate with Colorado's eight major river basins to create a prioritized statewide database that identifies accurate costs for 160 critical and readily-implementable (Tier 1) projects by June 30, 2021.



# DNR FY 2020-21 Wildly Important Goals (WIGs)

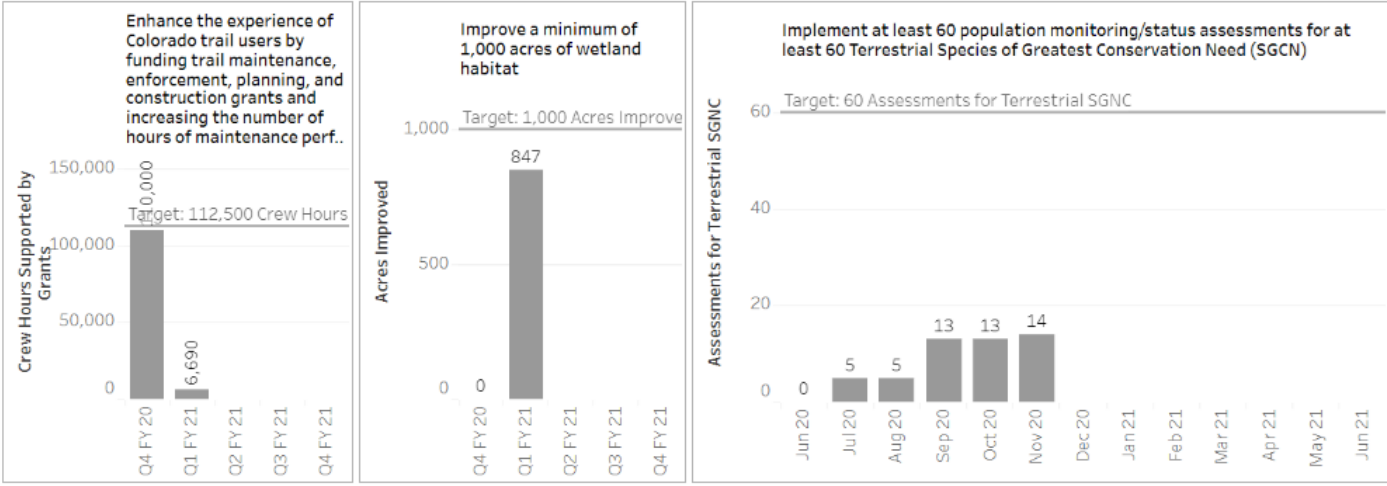
## WIG #2: Balance Outdoor Recreation and Conservation

Colorado will be a national leader in balancing outdoor recreation with the conservation of natural resources through strategic planning, resulting in: 1) enhanced recreational access while conserving wildlife, landscapes, and ag lands; and 2) a comprehensive plan based on statewide vision and community values to inform future funding efforts. 



# How DNR will accomplish the WIGs:

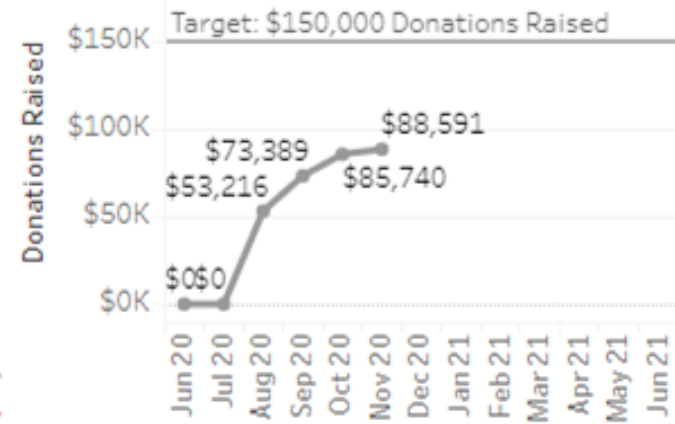
Develop a statewide vision, guidelines, and regional partnerships dedicated to achieving sustainable outdoor rec and conservation. Have three regional partnerships adopt the vision and guidelines by June 30, 2021.



# DNR FY 2020-21 Wildly Important Goals (WIGs)

## WIG #3: Sustainable Funding for Parks and Wildlife

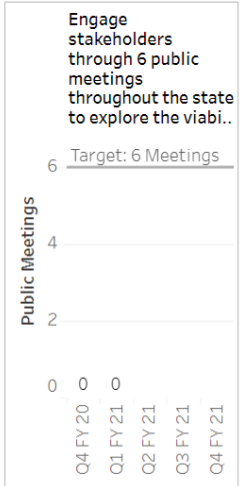
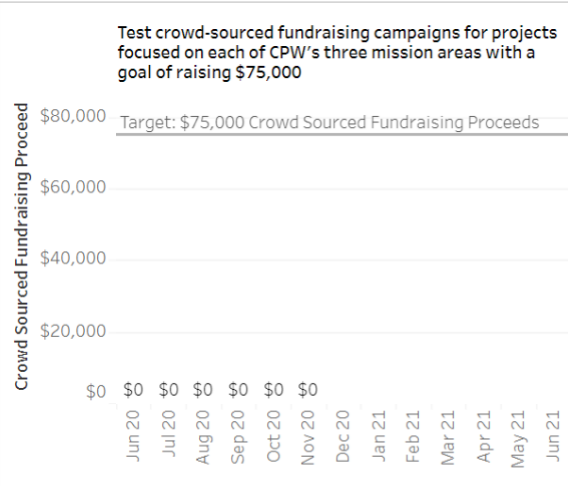
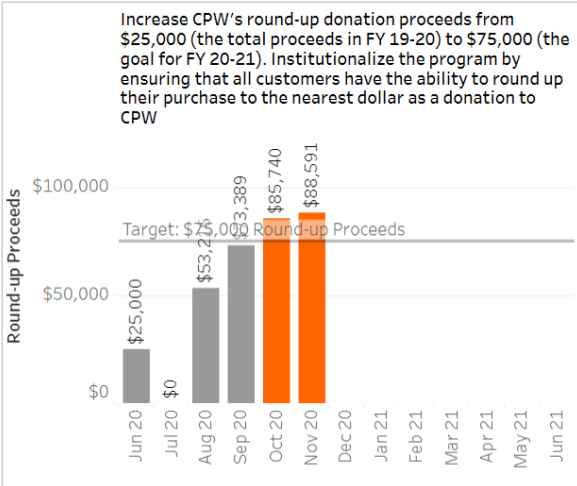
CPW relies heavily on hunting and fishing license fees and park entrance fees but long-term trends in are expected to challenge the state's ability to adequately fund wildlife management and outdoor recreation. Diverse, stable, long-term funding that is equitable and broadly supported is important to the success of CPW in the future.





# How DNR will accomplish the WIGs:

Identify a game-changing funding strategy for CPW and partners, develop a reasonable calculation of funding needs, and raise \$150,000 by piloting strategies to generate private donations for CPW by June 30, 2021.

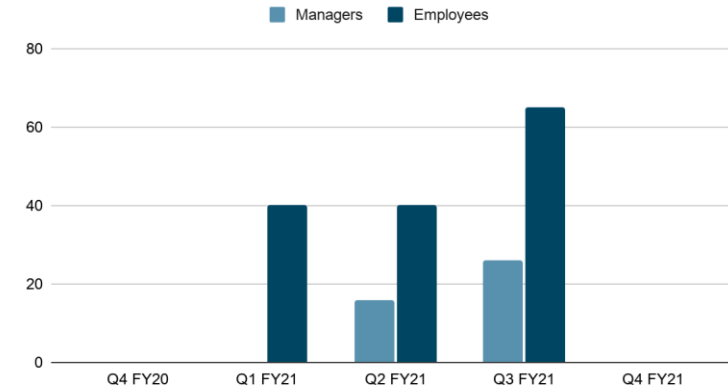


# DNR FY 2020-21 Wildly Important Goals (WIGs)

## WIG #4: Equity, Diversity, and Inclusion (EDI)

EDI is the cornerstone of a healthy, robust, and relevant workforce. DNR is working to: establish a workforce that reflects the faces of Colorado's communities; recognize our rich history and cultural diversity; and actively engage communities in our work. One metric of the WIG is the number of managers and employees who receive EDI professional development training.

EDI Training



# More information

To view monthly updates on Wildly Important Goals and corresponding lead measures, please visit the [Governor's Dashboard](#).

For more information on additional DNR goals, view our FY 2020-21 Performance Plan at: [operations.colorado.gov/performance-management/departments-performance-plans](https://operations.colorado.gov/performance-management/departments-performance-plans)

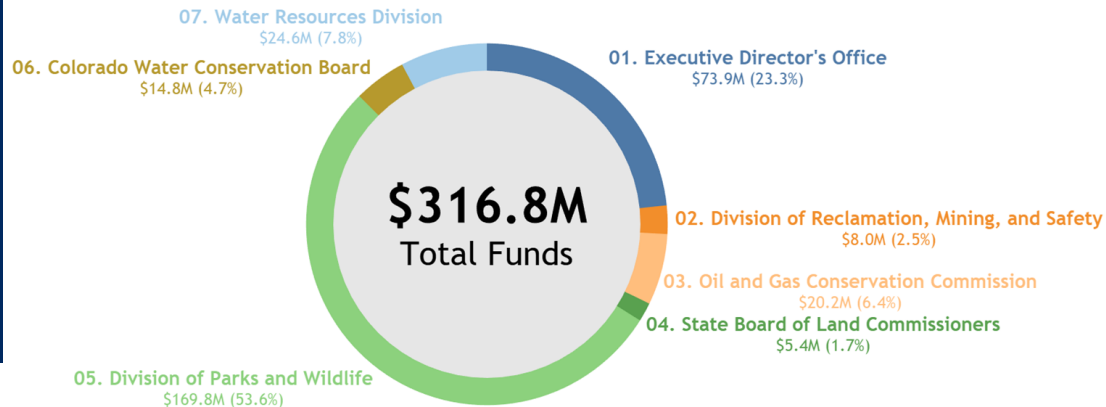
# DNR FY 2021-22 Budget Request

## FY 2021-22 Budget Snapshot

FY 2021-22 Total Funds: \$316.8M

FY 2021-22 General Fund: \$35.2M

FY 2021-22 FTE: 1,517.0



# DNR Select FY 2021-22 Budget Requests

DNR's FY 2021-22 Budget Request includes the following:

- R-02 ***Fishers Peak Staff and Operating Support***
- R-03 ***Habitat Connectivity and Transportation Coordinator***
- R-04 ***Support for Remote Avalanche Control Systems***

DNR's request also includes the following fiscal stimulus items:

- DPS/DNR S-01 ***Wildfire Stimulus Package*** and DNR R-01 ***Wildfire Risk Mitigation and Watershed Restoration***
- CC-S-01 ***Increase Access to State Parks***



# Legislative Agenda

The Department respectfully requests the General Assembly consider legislation on the following:

- Water Projects Bill
- Reimagining and Strengthening the Forest Health Advisory Council
- Roadside Inspection for Aquatic Nuisance Species Pilot Program
- Creation of the Go Wild Colorado Recreation Pass

# Regulatory Agenda

# 2021

## Regulatory Agenda

January 1, 2021 -December 31, 2021|



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# Equity, Diversity, and Inclusion

In accordance with the Governor's Executive Order [2020 175](#), the Department has continued working on strategies in its WIG #4 (EDI). Efforts include:

- Representation on and coordination with Colorado Equity Alliance
- Developing accessibility page on DNR website
- Removing barriers in applications, increasing % of job applicants meeting minimum qualifications to 65%
- Communicating EDI values internally through town halls and newsletters
- Engaging community partners in EDI Advisory Group
- Incorporating EDI values into employee & supervisor code of conduct
- Launching EDI training modules, providing inclusive hiring and retention training to all managers by end of FY 22





# Remote Work - Reimagining Government

In response to COVID-19, DNR has completed a comprehensive review of its programs and office staff to identify where remote work is possible, and is continuing to evaluate long-term opportunities for remote work and shared spaces. Currently, DNR has:

- 87% of office employees efficiently working remote since March 2020
- 95% online services available to the public
- State Parks, Hatcheries, Mining and Safety Inspections, Water, Well and Dam Inspections and Oil and Gas Operations never closed
- All DNR divisions with office staff have completed the transition to split office/work from home flexplace agreements based on personal situations and the business needs
- If we achieve our vision, it will mean a reduction in current office space, more shared office space and more team collaboration work spaces



# Colorado Oil and Gas Conservation Commission

**Julie Murphy, Director, OGCC**

**Jeff Robbins, Chair, Commission**



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# Who We Are and What We Do: The Commission

5 full-time Commissioners appointed July 1, 2020, that bring their specific expertise to bear on COGCC decisions:

- ◆ Priya Nanjappa – Environmental/wildlife
  - ◆ John Messner – Local Government
  - ◆ Karin McGowan – Public Health
  - ◆ Bill Gonzales – Oil & Gas
  - ◆ Jeff Robbins, Chair – Good Decision Maker
- 2 ex officio, non-voting members:
- ◆ Dan Gibbs, DNR
  - ◆ John Putnam, CDPHE



# Who We Are and What We Do: The Organization

## 140 Staff Members

### — Leadership Team organized by discipline:

- ◆ Deputy: Scott Cuthbertson
- ◆ Environmental: Greg Deranleau
- ◆ Permitting: Jane Stanczyk
- ◆ Engineering: Dave Andrews
- ◆ Field: Mike Leonard
- ◆ Regulatory: Mimi Larsen
- ◆ Communications: Megan Castle
- ◆ Budget: Hiring underway



# OGCC Organization Directive

**To regulate oil and gas development “in a reasonable manner to protect and minimize adverse impacts to public health, safety, and welfare, the environment, and wildlife resources and shall protect against adverse environmental impacts on any air, water soil, or biological resource resulting from oil and gas operations.”**



# Overview of SB 19-181

- Governor Polis signed SB 19-181 on April 16, 2019
  - Reconstituted the Commissioners (twice)
  - Set a new mission for the COGCC
    - ◆ From foster oil and gas development
    - ◆ To regulate in a manner to protect public health, safety, welfare, the environment, and wildlife resources
    - ◆ Referred to as “mission change”
  - Created new local government authority over surface impacts and siting
  - Clarified compensatory mitigation requirements

Directed COGCC to undertake numerous rulemakings



# 2020 Rulemakings

- 500 Series (COGCC hearing process)
  - *Adopted July 2019*
- Flowlines\* (pipelines that COGCC regulates)
  - *Adopted November 2019*
- Wellbore Integrity (groundwater protection)
  - *Adopted June 2020*



# Required Rulemakings: Completed

- ***Adopted November 2020***
  - Mission Change\*
  - Alternative Site Analysis\*
  - Cumulative Impacts\*
  - Local and Federal Government Provisions
  - Wildlife



# Required Rulemakings: 2021

- Financial Assurance – ***Spring 2021***
- Application Fees – ***Spring 2021***
- Worker Certifications – ***Spring 2021***
  - *If needed: technical clean up and incorporating CDPHE rules*

# What are the asterisked\* rulemakings?

- SB 19-181 directs COGCC to use objective criteria to review permits until four rulemakings are completed
  - Flowlines\*
  - Mission Change\*
  - Alternative Site Analysis\*
  - Cumulative Impacts\*
- Connects SB 19-181 to COGCC's day to day operations

# Day to Day Operations

- SB 19-181 applies to “all conduct” pending before the COGCC as of April 16, 2019 ... objective criteria permitting
  - Jan. 1, 2019 thru Dec. 31, 2019: 251 approved 2As; 2,445 approved 2s
  - Jan. 1, 2020 thru Jan. 14, 2021: 209 approved 2As; 1,759 approved 2s
- January 15<sup>th</sup>, 2021 -- new rules became effective, which concluded objective criteria permitting
- Operator meetings; Replacement applications; OIT efforts



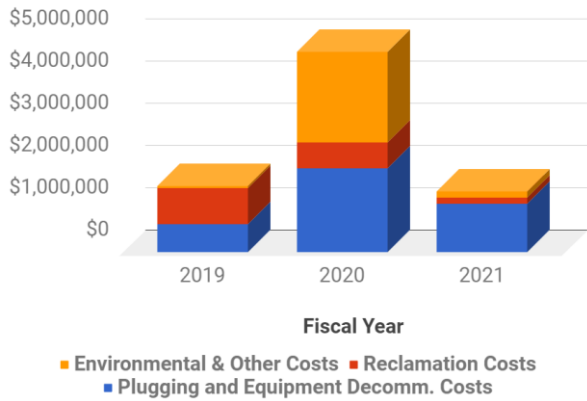
# Day to Day Operations

- Inspections, enforcement, clean-up, reclamation
  - 2019 Inspections -- 38,504 inspections on 22,051 locations
  - 2020 Inspections -- 49,059 inspections on 23,867 location

# Day to Day Operations

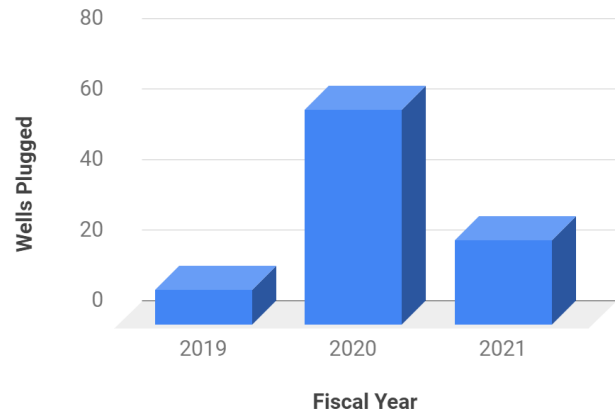
**Orphaned Well Program Spending by Work Type**

FY21 is through 12/31/2020



**Orphaned Wells Plugged by Fiscal Year**

FY21 is through 12/31/2020



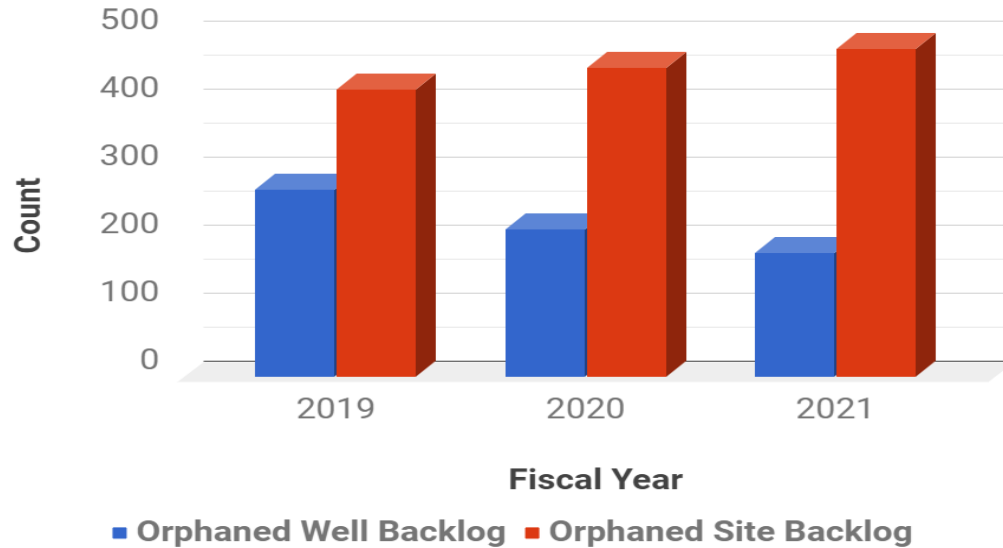
Expected Spending for Q3 and Q4 FY 21 = \$2 million

FY21 is on track for annual goal of 38 wells plugged

# Day to Day Operations

## Orphaned Well Program Backlog by Fiscal Year

FY21 is through 12/31/2020



- The well backlog is dropping as we plug more wells
- Wells are currently plugged at most of the existing sites in the program, with environmental remediation and reclamation ongoing at those sites
- We are in the early stage of registering new sites for a large bond claim (about 80 single-well sites), most of which are not counted yet.



# Questions?



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