

Department of Natural Resources

FY 2019-20 SMART Act Hearing

January 9, 2020

Dan Gibbs, Executive Director

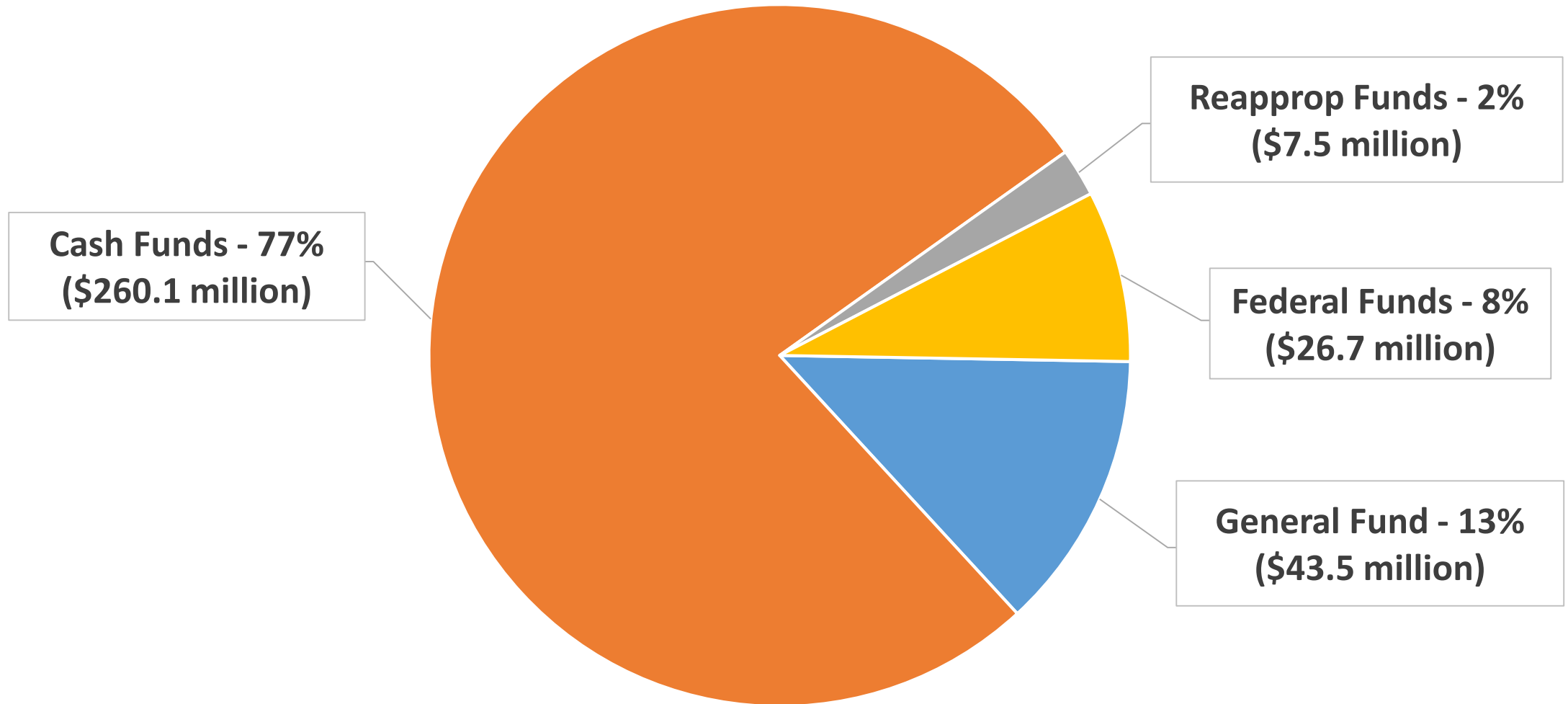


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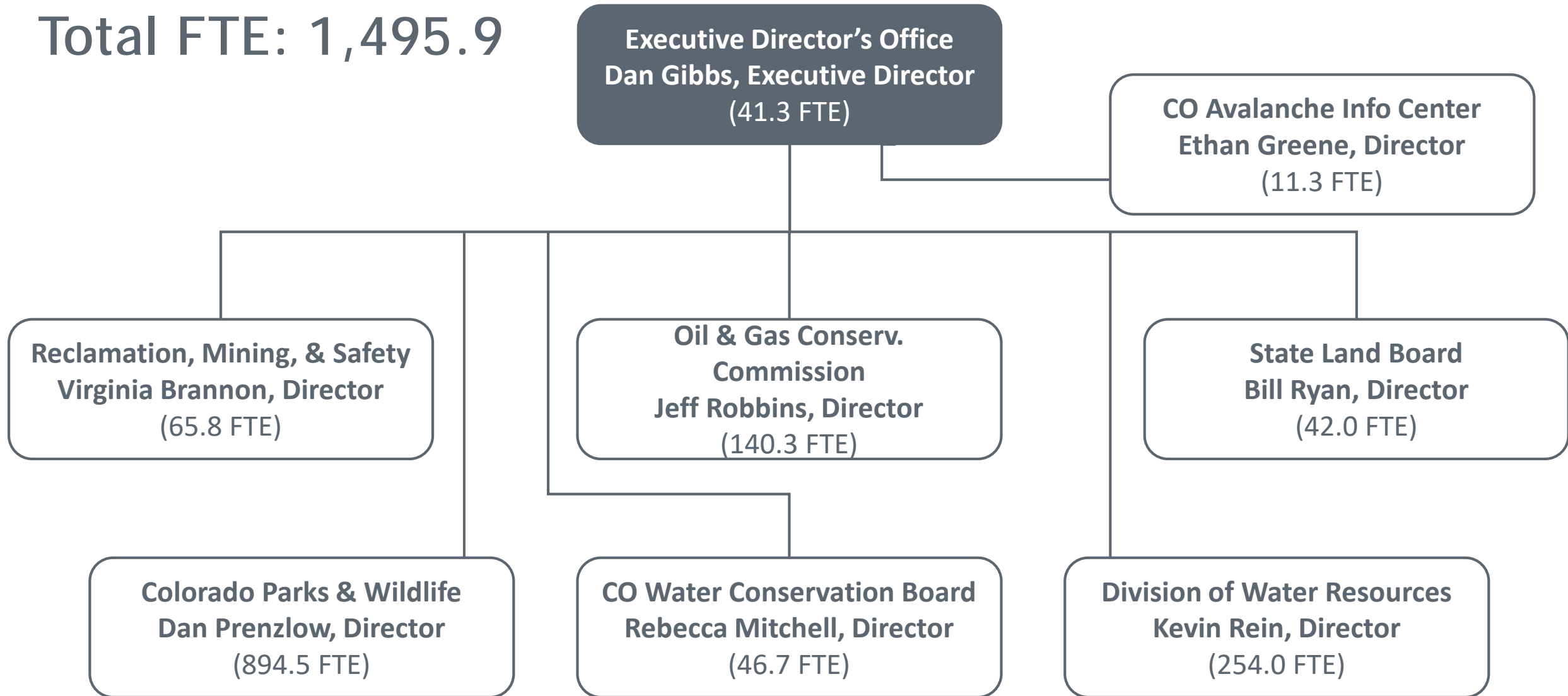
Department Mission

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

DNR FY 2019-20 Operating Budget: \$337.8 million



Total FTE: 1,495.9



Performance Environment



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DNR's Performance Environment

Ongoing Population Growth

- +80,000 people per year increases demand for water, development, and outdoor recreation.

Energy Revenue

- Severance tax remains the most volatile revenue stream in the state and supports between 5-15% of DNRs annual operating budget.

DNR's Performance Environment

Environmental Trends/Natural Events

- Long-term trends due to climate change impact DNR's approach to the management and protection of Colorado's natural resources.
- Increasing frequency and intensity of fires, floods, and droughts affect DNR operations.

FY 2019-20 DNR Wildly Important Goals



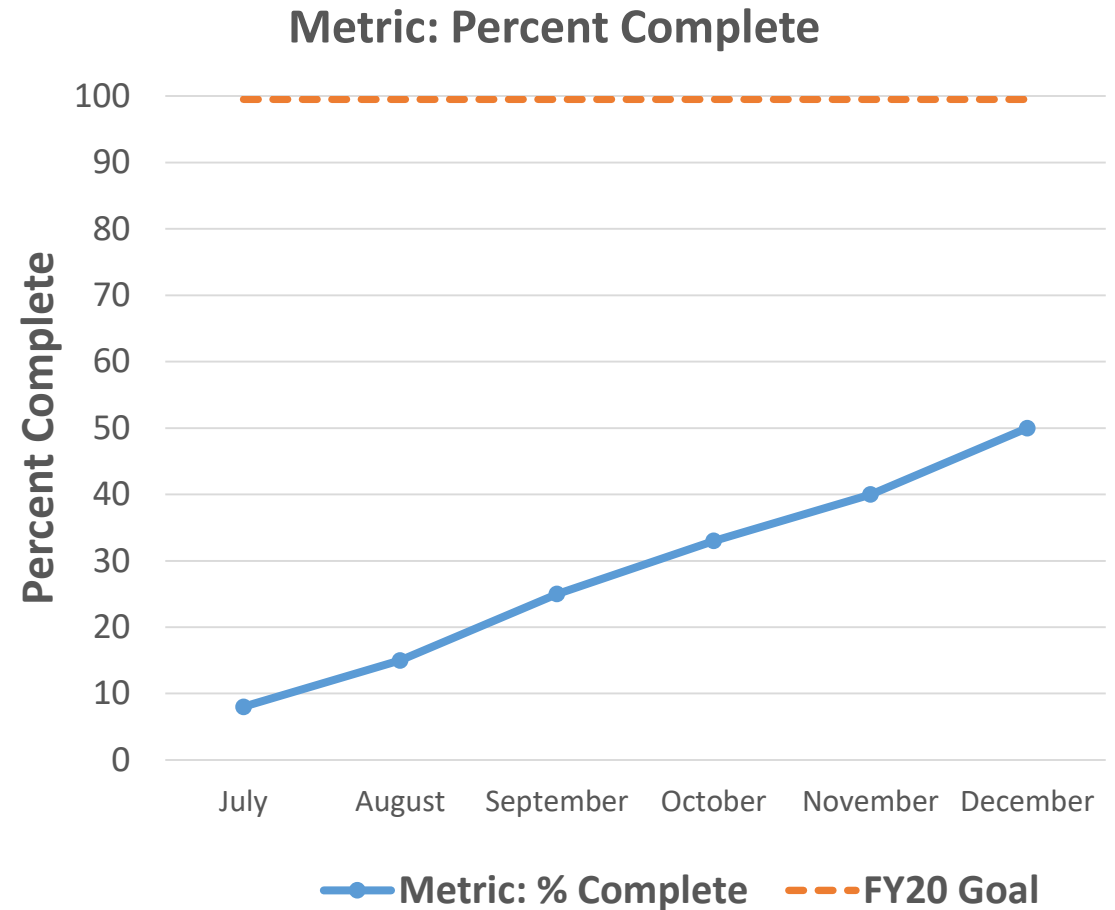
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DNR Wildly Important Goals (WIGs)

WIG #1: CPW Financial Sustainability

Conduct a study and establish a baseline on outdoorists' familiarity with CPW and develop a plan to engage specific groups to increase sustainable revenue sources for CPW by June 30, 2020.

Status: **ON TRACK**

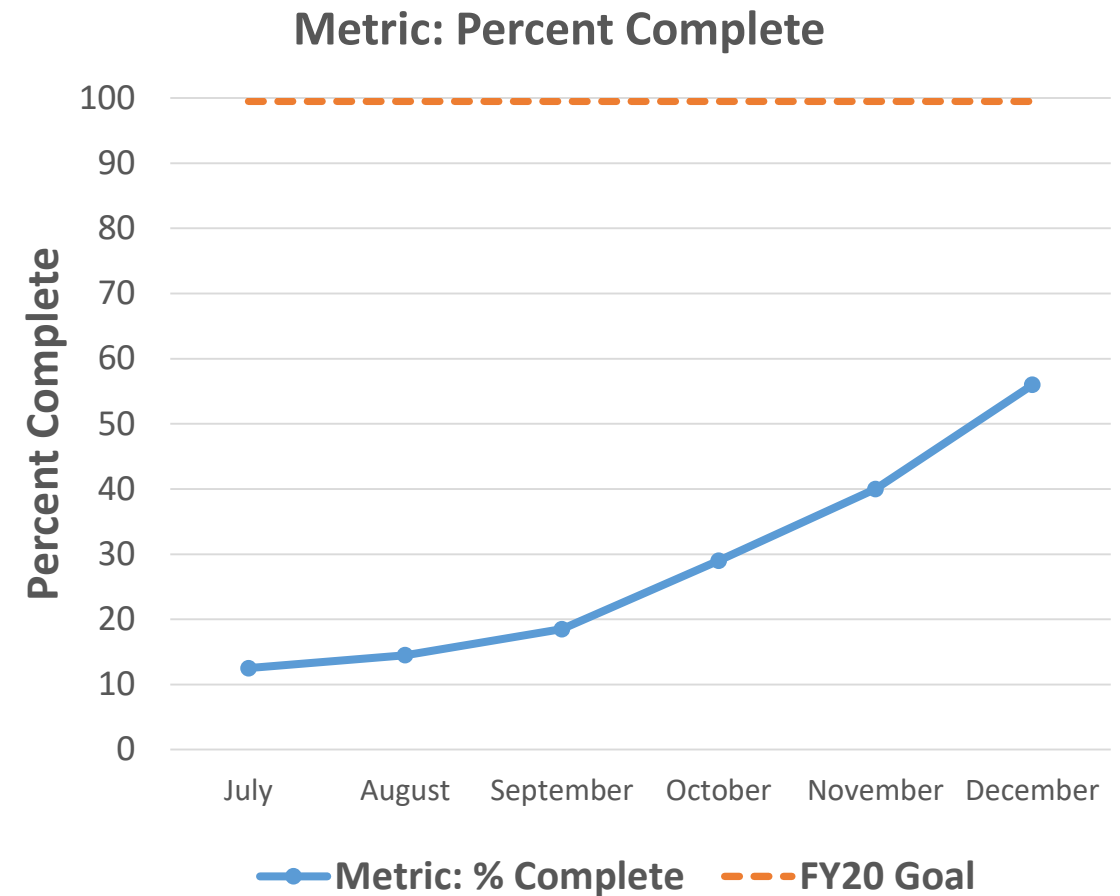


DNR Wildly Important Goals (WIGs)

WIG #2: Implement Oil & Gas Rules and Regulation

Appoint and confirm an interim Colorado Oil and Gas Conservation Commission and complete initial rulemaking by June 30, 2020.

Status: **ON TRACK**

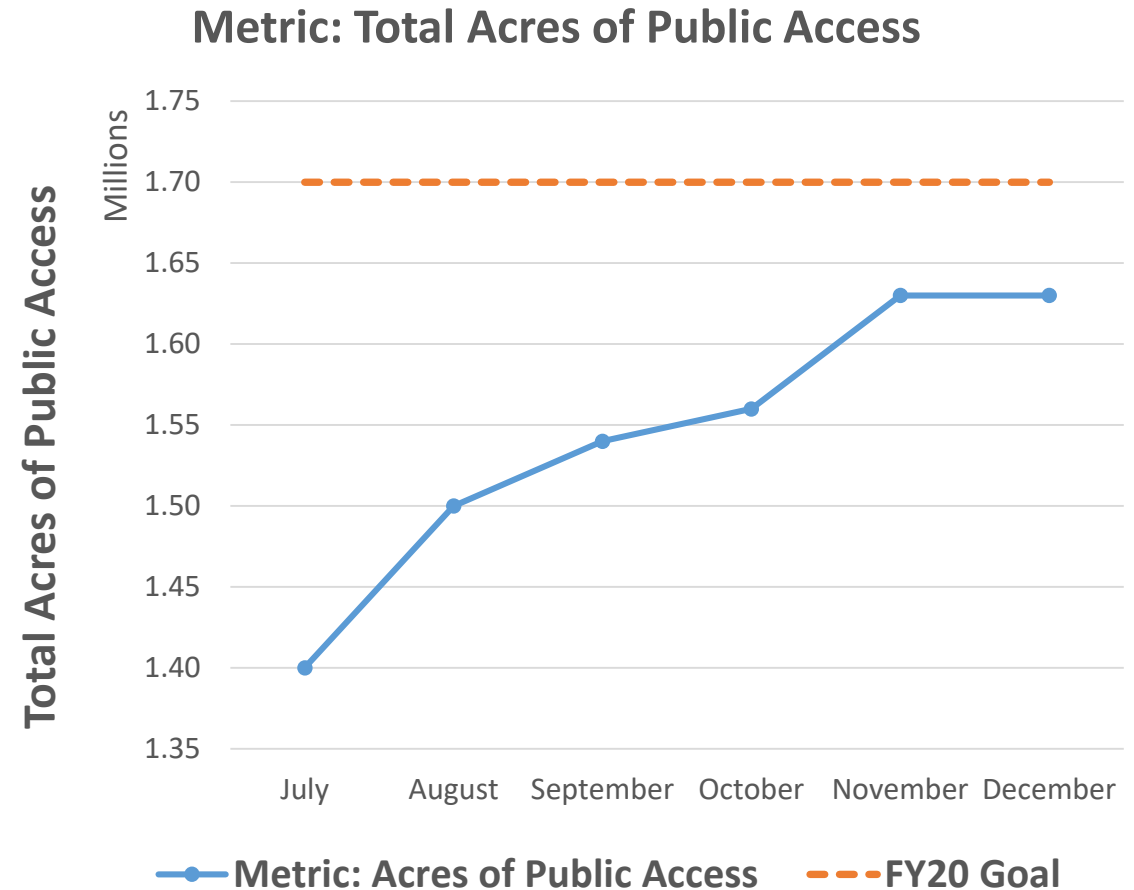


DNR Wildly Important Goals (WIGs)

WIG #3: Increase Public Access

Increase acres of public access easements, leases, and other agreements from 1.4 million acres to 2.1 million total acres by June 30, 2022.

Status: **ON TRACK**



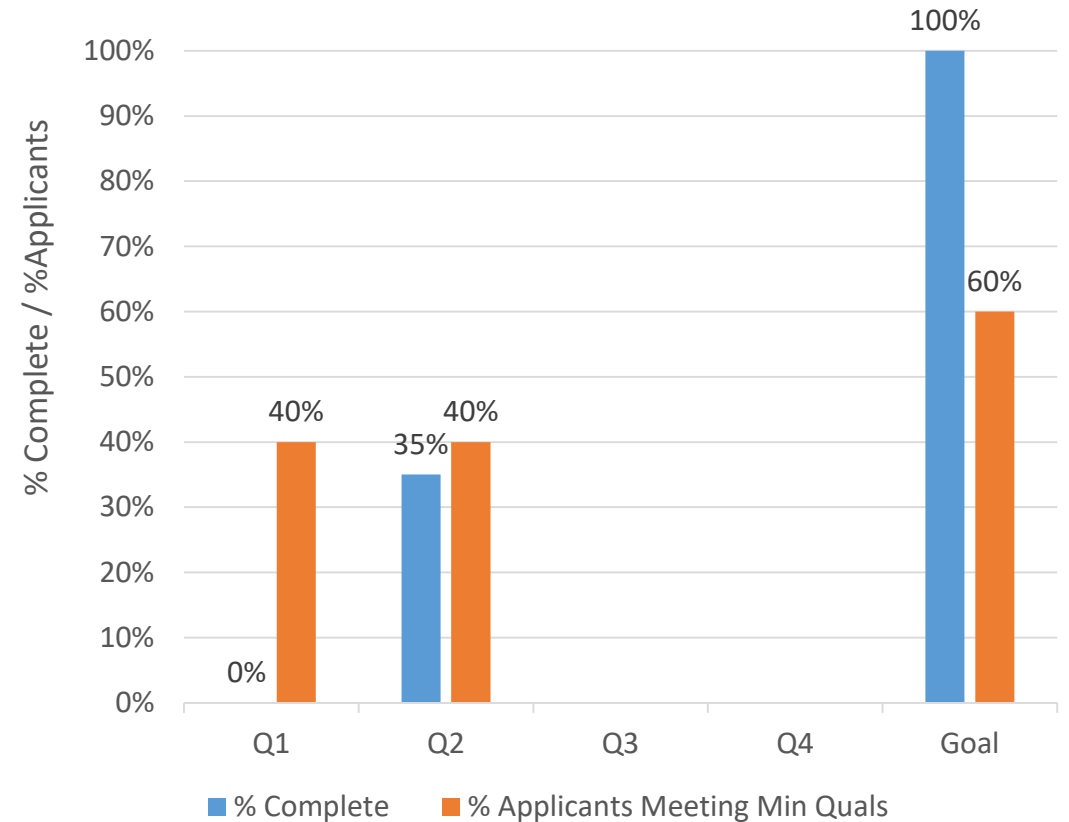
DNR Wildly Important Goals (WIGs)

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

Incorporate EDI values as part of DNR's culture and core business practices by implementing relevant guidance and policy and increasing the percentage of job applicants meeting minimum qualifications from 40% to 60% by June 30, 2020.

Status: **ON TRACK**

Metrics: % Complete, % Applicants Meeting Min Quals



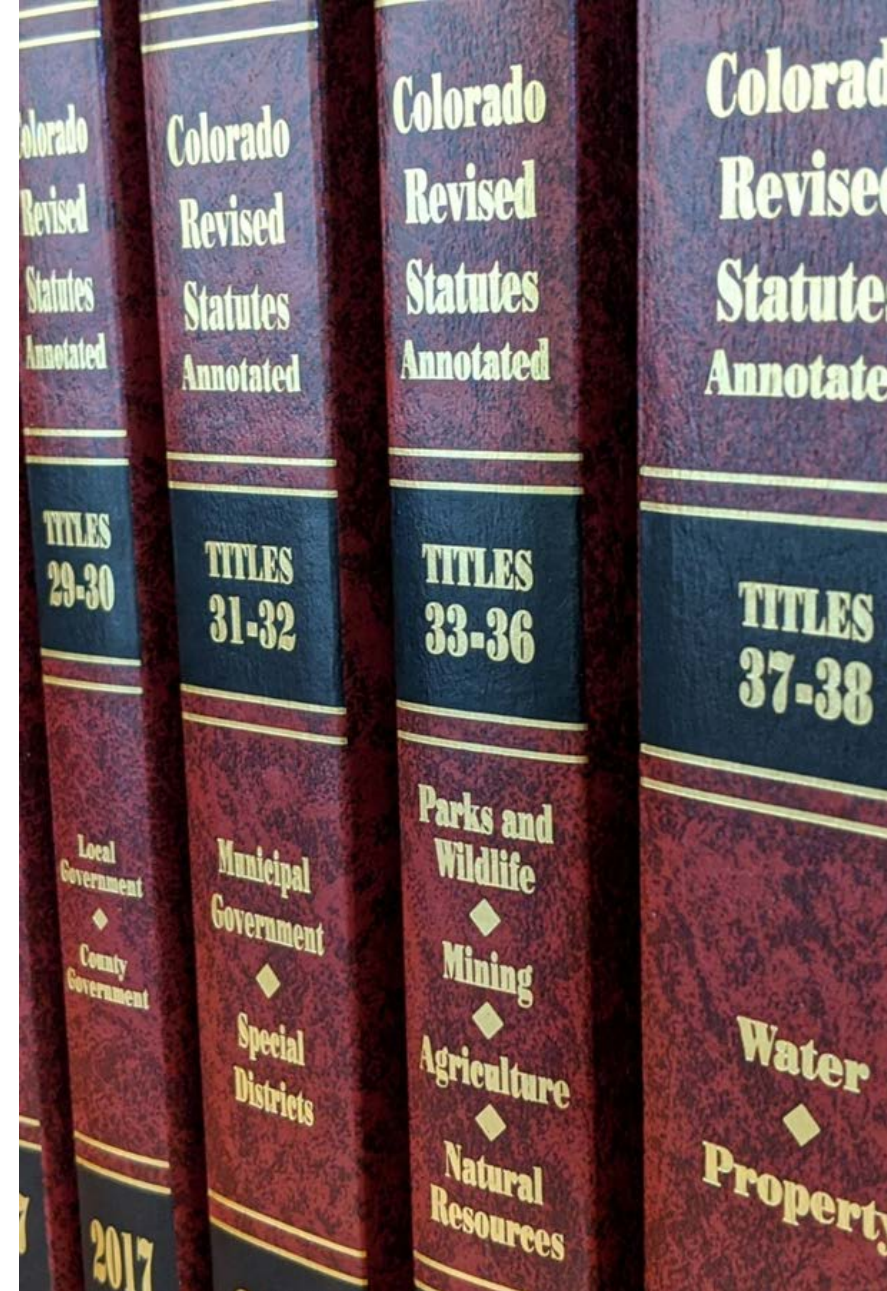
Legislative Agenda & FY 21 Budget Request



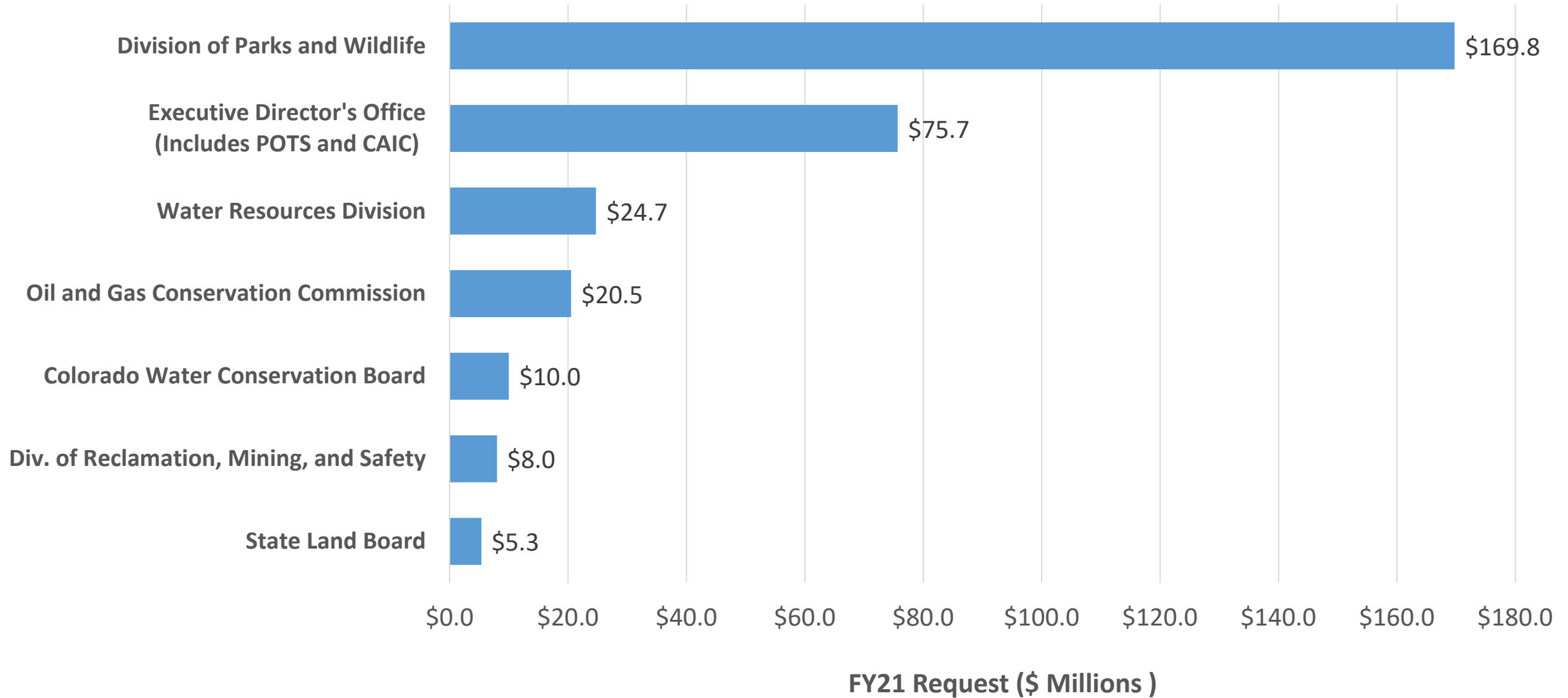
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2020 Legislative Agenda

- Colorado Search and Rescue
- CPW Law Enforcement Provisions Clean-up
- Infrastructure Development and Improvements at State Parks
- Annual DNR Legislation:
 - Species Conservation Trust Fund Bill
 - Colorado Water Conservation Board Projects Bill



Department of Natural Resources FY21 Request: \$314.0 million; 1,513.9 FTE



FY 2020-21 Budget Requests

Oil and Gas Regulation

Public Access, Outdoor
Rec, and Safety

Water Conservation and
Administration

Operational Excellence

Oil and Gas Regulation

- Electronic Oil and Gas Filing System (\$148k cash funds)
- Funding for Environmental Studies to Support Rulemaking (\$420k cash funds)

Public Access, Outdoor Rec, and Safety

- Backcountry Avalanche Forecasters (\$338k cash funds, 3.0 FTE)

Water Conservation and Administration

- DWR South Platte Accounting Coordinator, La Plata Vehicle (\$103k GF, 1.0 FTE)
- Additional Staff Support for CWCB Programs (\$232k cash funds, 3.0 FTE)

Operational Excellence

- Central Accounting and Procurement Staff (\$288k reapprop funds, 3.0 FTE)
- CPW Legal Services for Open Records Requests (\$192k cash funds)
- Budgetary Adjustments to Improve Efficiency (-\$1.9M cash/fed funds, -1.0 FTE)

Colorado Parks and Wildlife

Dan Prenzlowl, Director



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The mission of Colorado Parks and Wildlife (CPW) is to perpetuate the wildlife resources of the state, to provide a quality state parks system, and to provide enjoyable and sustainable outdoor recreation opportunities that educate and inspire current and future generations to serve as active stewards of Colorado's natural resources (Section 33-9-101 (12)(b), C.R.S.).

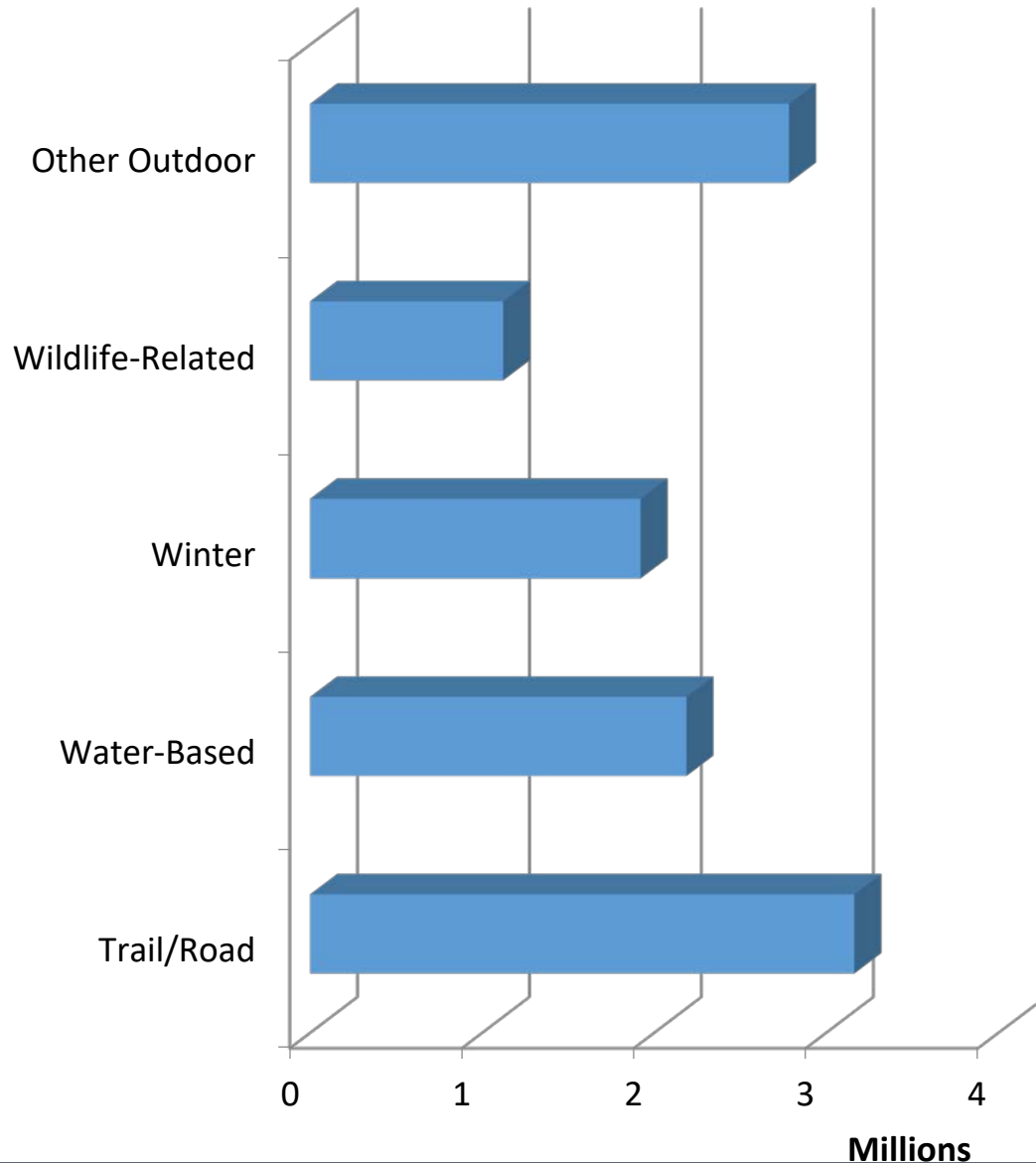


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- Adult Participants in Outdoor Recreation



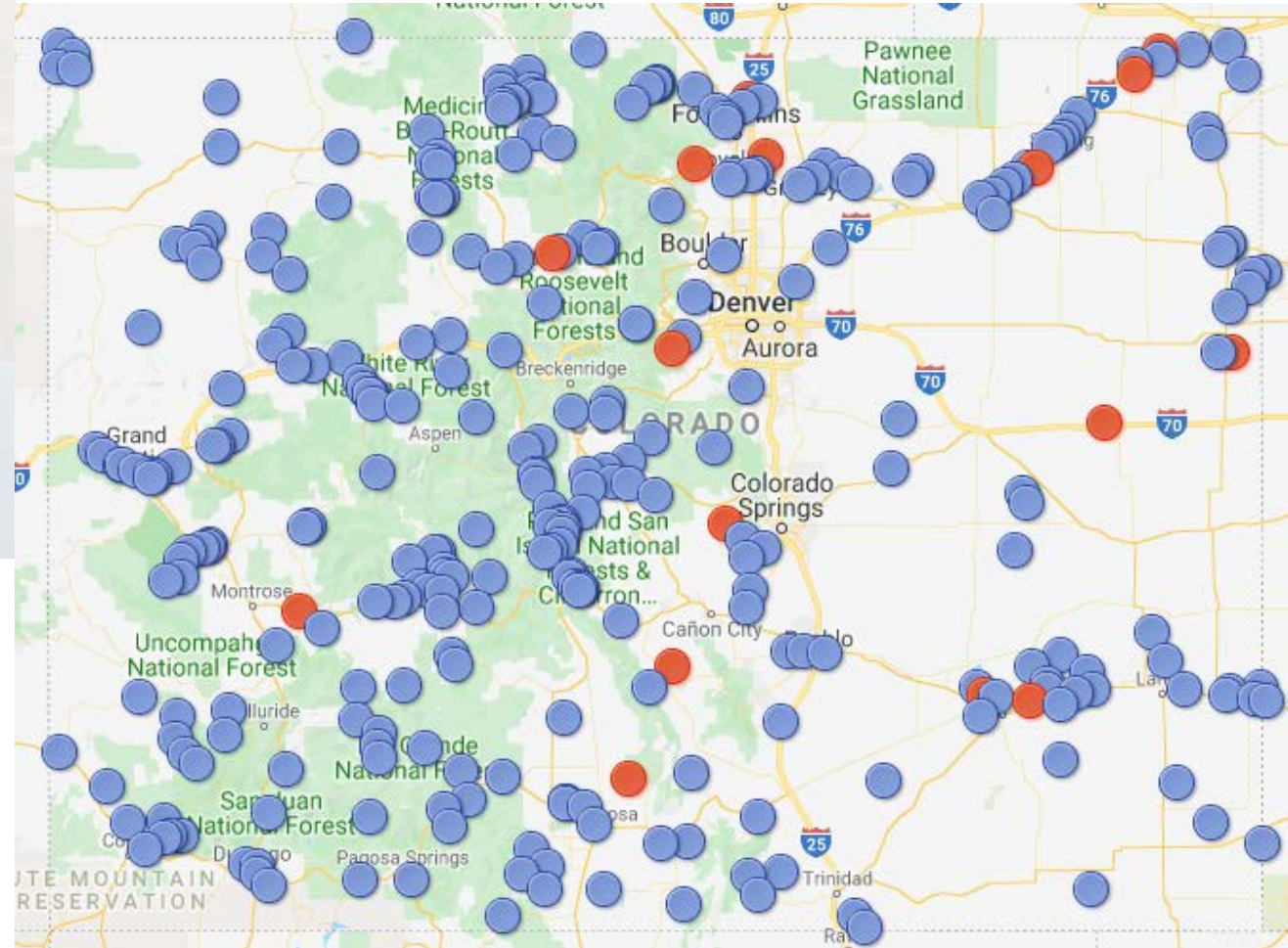
- 92% of Coloradans recreate outdoors

- 14.7 million State Park visitors a year

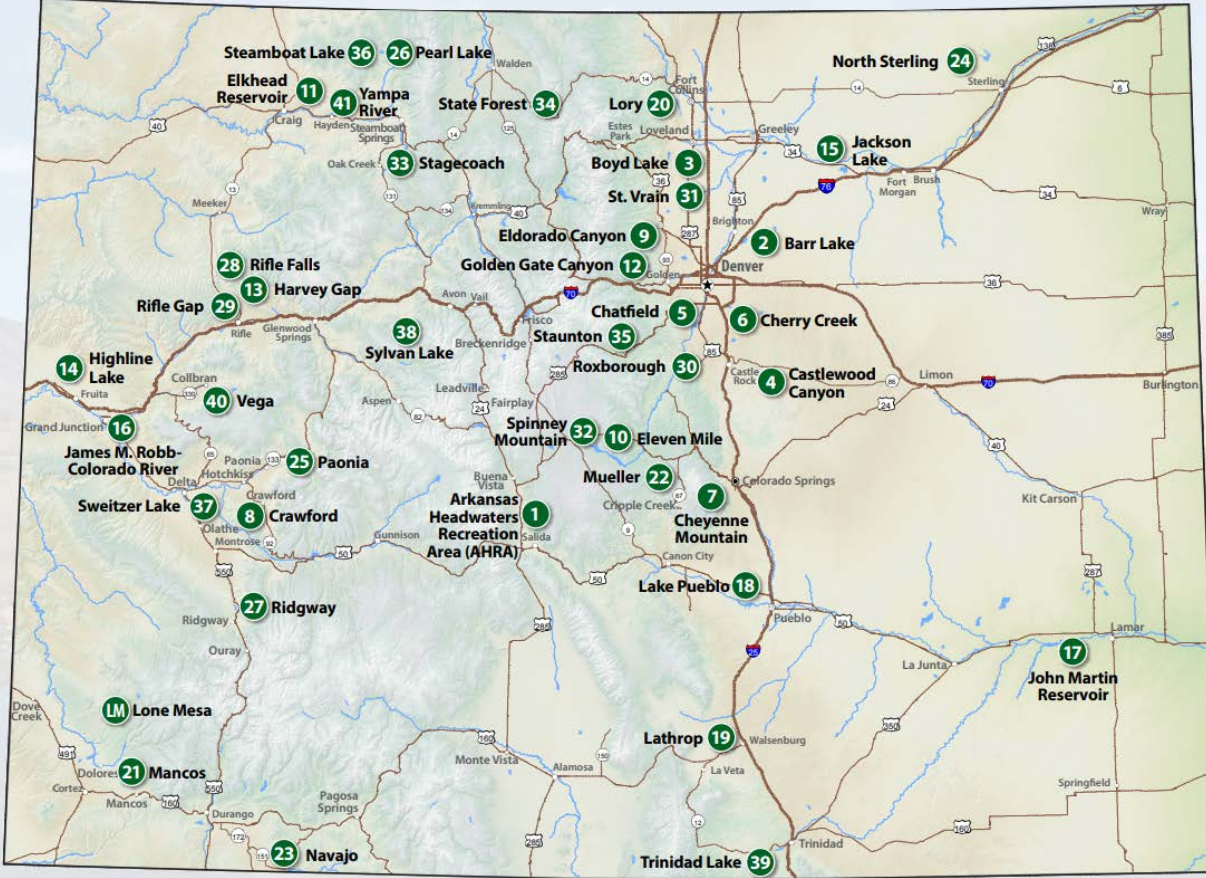
- 1.7 million hunting and fishing licenses

- \$62 billion economic contribution

350 State Wildlife Areas

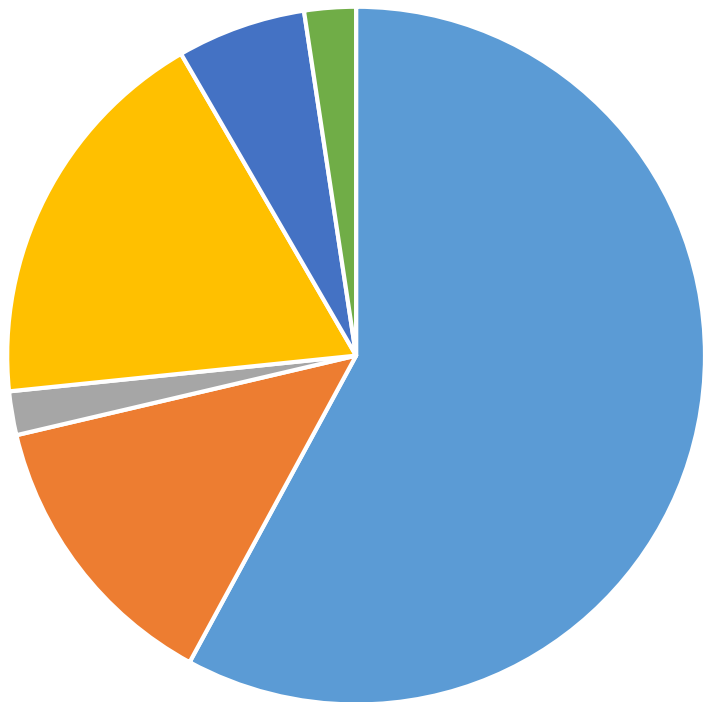


41 State Parks



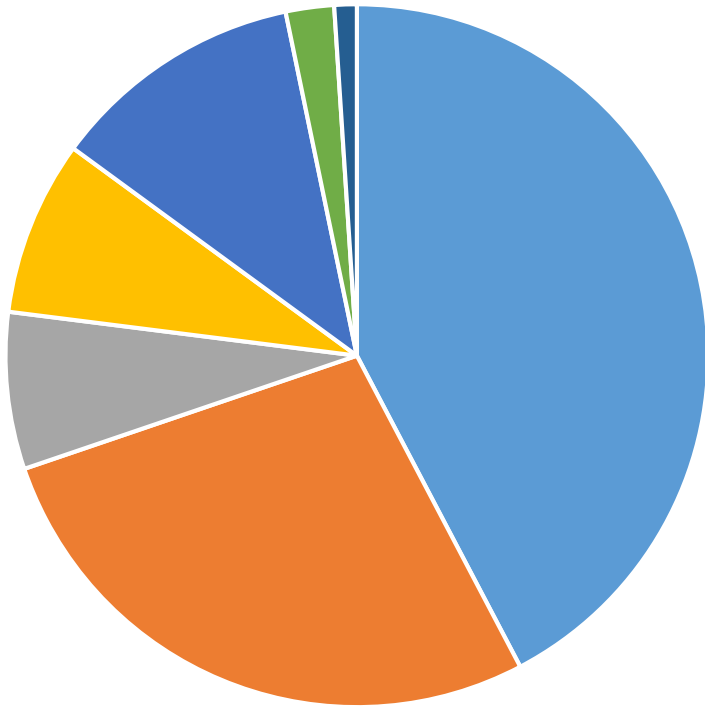
Revenue

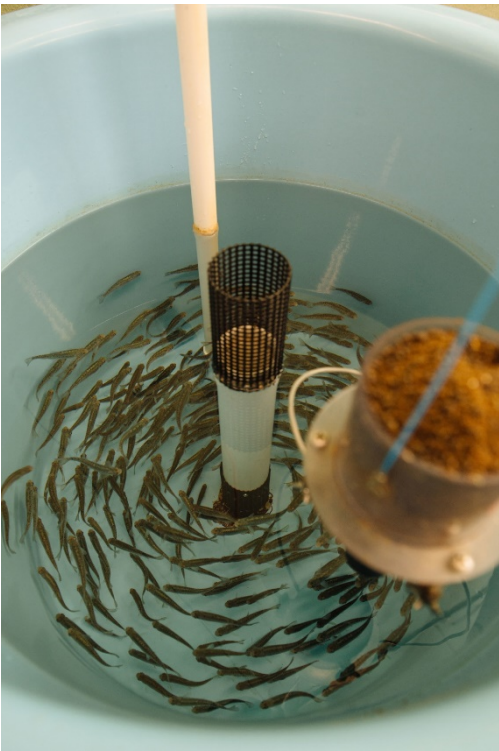
- Licenses, Passes, Fees, Registrations and Permits
- Federal Grants
- State and Local Grants
- GOCO and Lottery
- Other Revenues
- General Fund and Severance Tax



Expenditures

- Personal Services
- Operating
- Grants to Others
- Payments to Other Agencies
- Capital Improvements
- Capital Acquisitions
- Capital Other





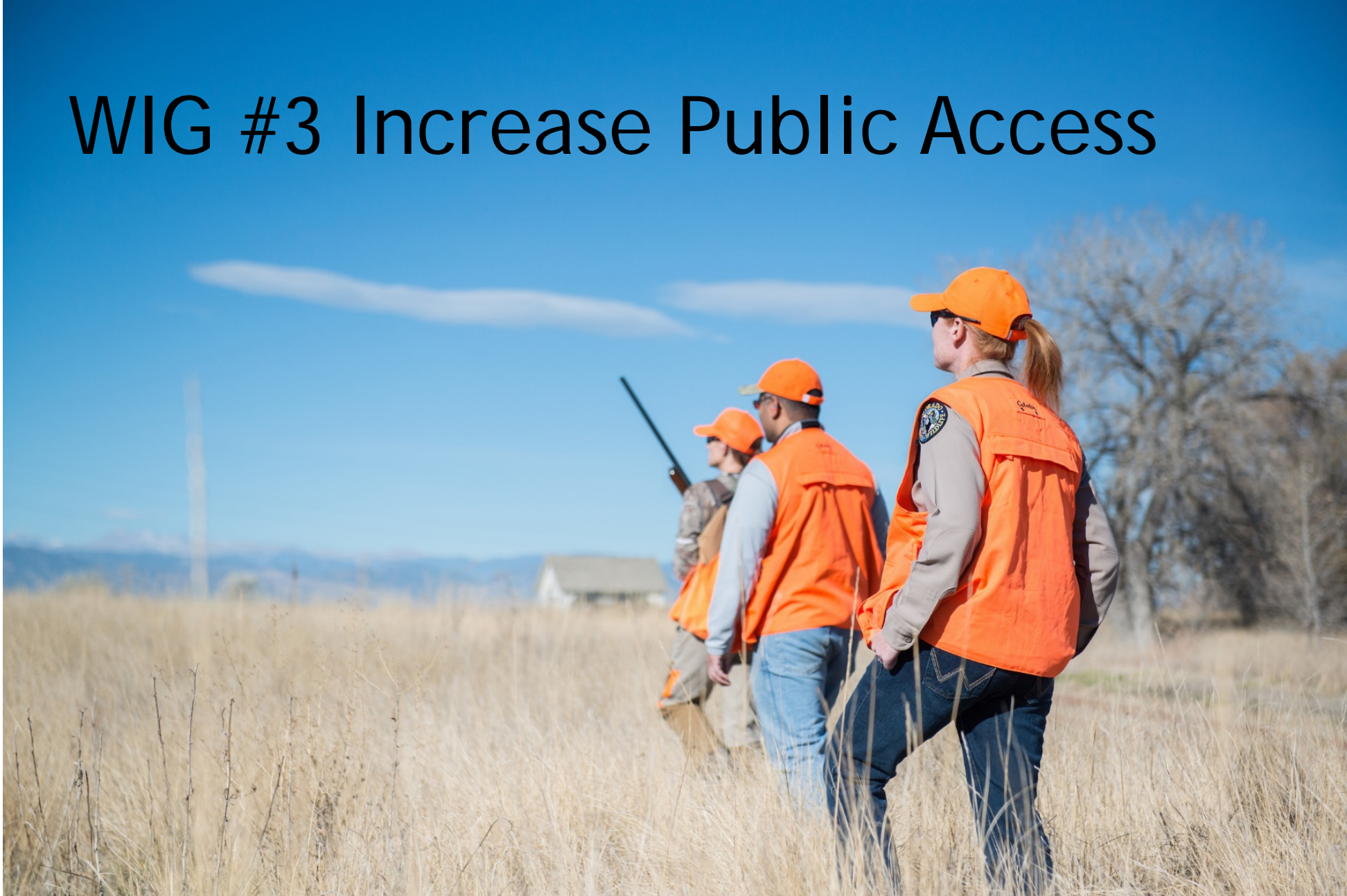
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WIG #1 Sustainable Funding for Parks and Wildlife





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WIG #3 Increase Public Access



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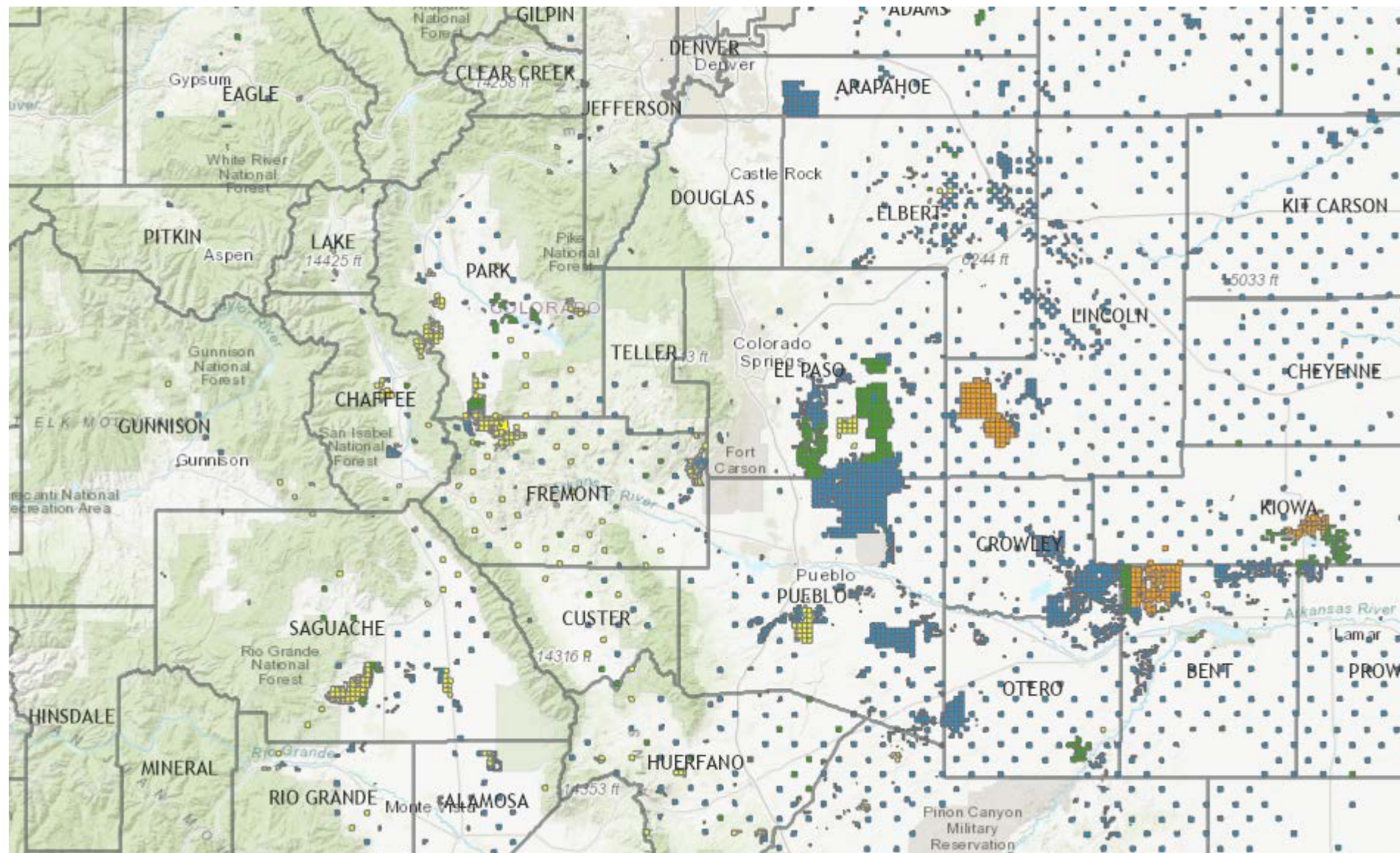
Public Access Program Nominations

-  UNDER CONSIDERATION
-  ENROLLED 2019

Public Access Program (Master)



SLB Surface Ownership



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Regulatory highlights



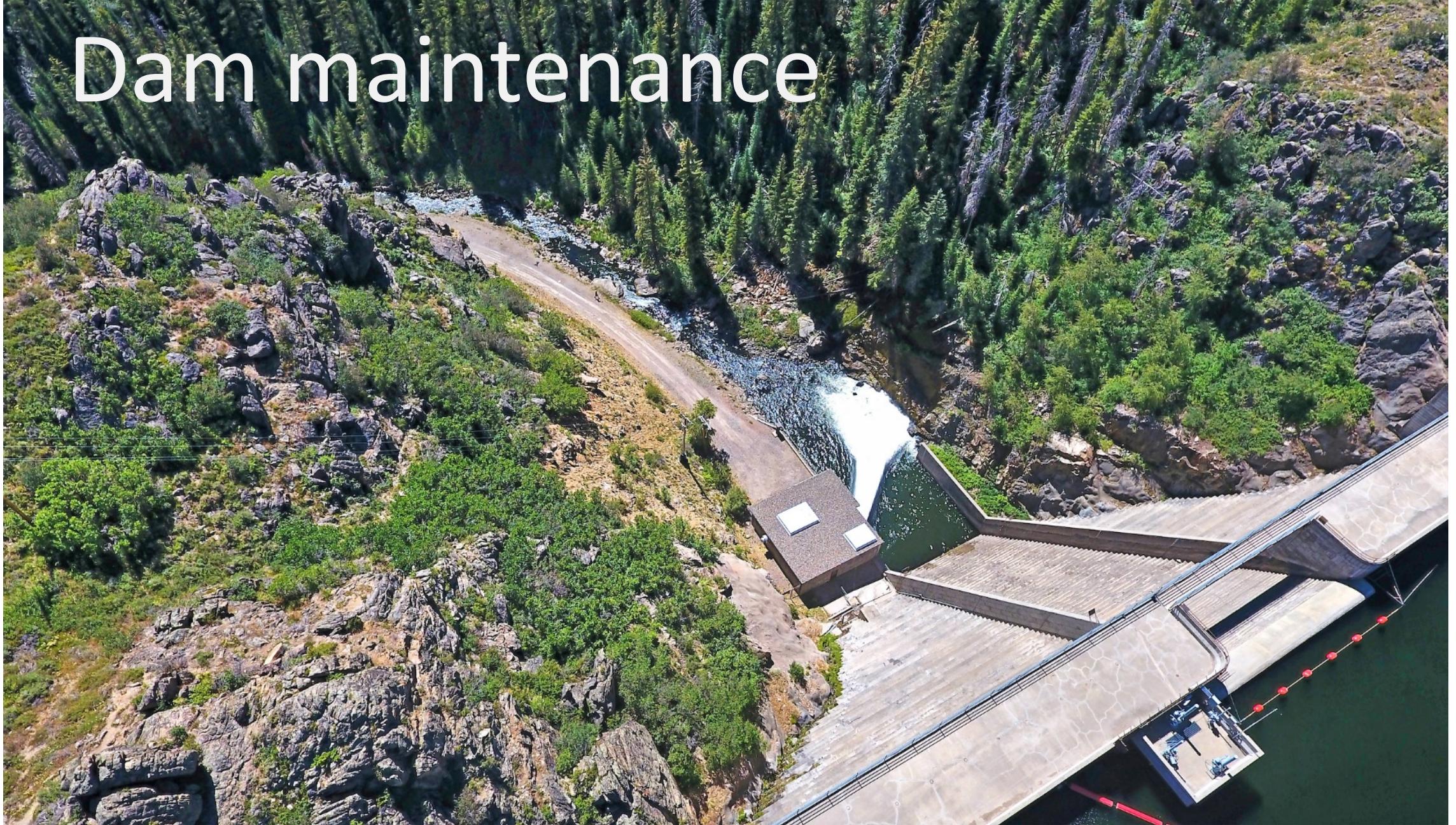
- Big Game Season Structure 2020-2024
- Increase daily vehicle passes by \$1

Parks and Wildlife for Future Generations



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Dam maintenance



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Cameo Shooting and Education Complex



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Hatchery Modernization



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Capital Construction



Colorado Water Conservation Board

Lauren Ris, CWCB Deputy Director



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**Colorado Water
Conservation Board**

Department of Natural Resources

*To Conserve, Develop, Protect
and Manage Colorado's Water
for Present and Future Generations.*

Water Project Loan Program

Water Conservation & Drought Planning

Interstate Compact Protection

Stream & Lake Protection

Decision Support Systems

Water Supply Planning



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Colorado Water
Conservation Board

Department of Natural Resources

Key Metrics

Measure	Baseline FY	Baseline Number	Target FY	Target Number
Acre feet created with state financial support	2019	31,000 acre feet	2021	43,000 acre feet
Acre feet conserved as reported through conservation plans and the 1051 database	2019	49,500 acre feet conserved	2021	51,000 acre feet conserved

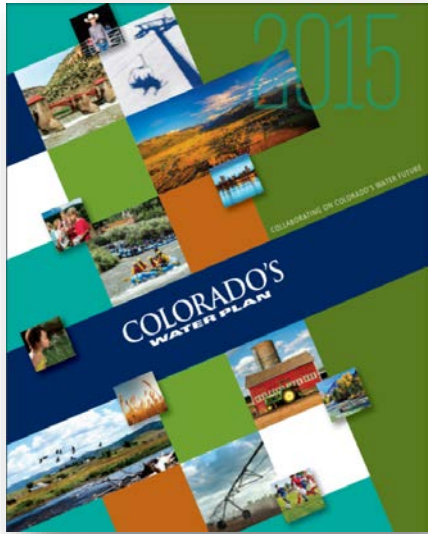


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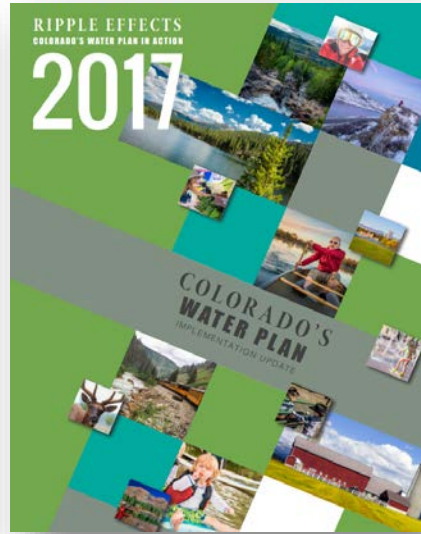
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Colorado Water Plan

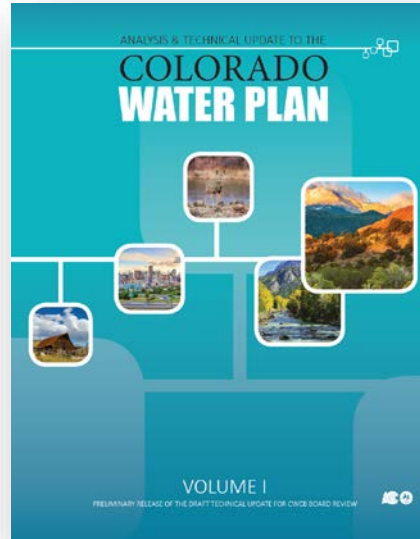
Collaborative. Iterative. Interconnected.



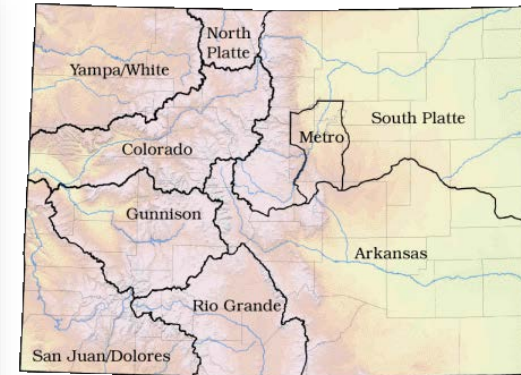
2015



2017



2019



BIP UPDATES

COLORADO WATER
PLAN UPDATE

2018-2021

2019-2022



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Demand Management Feasibility Investigation

An investigation into whether temporary, voluntary, compensated reduction in consumptive water use may be feasible to ensure compact compliance and protect the state's water users.



Division of Water Resources

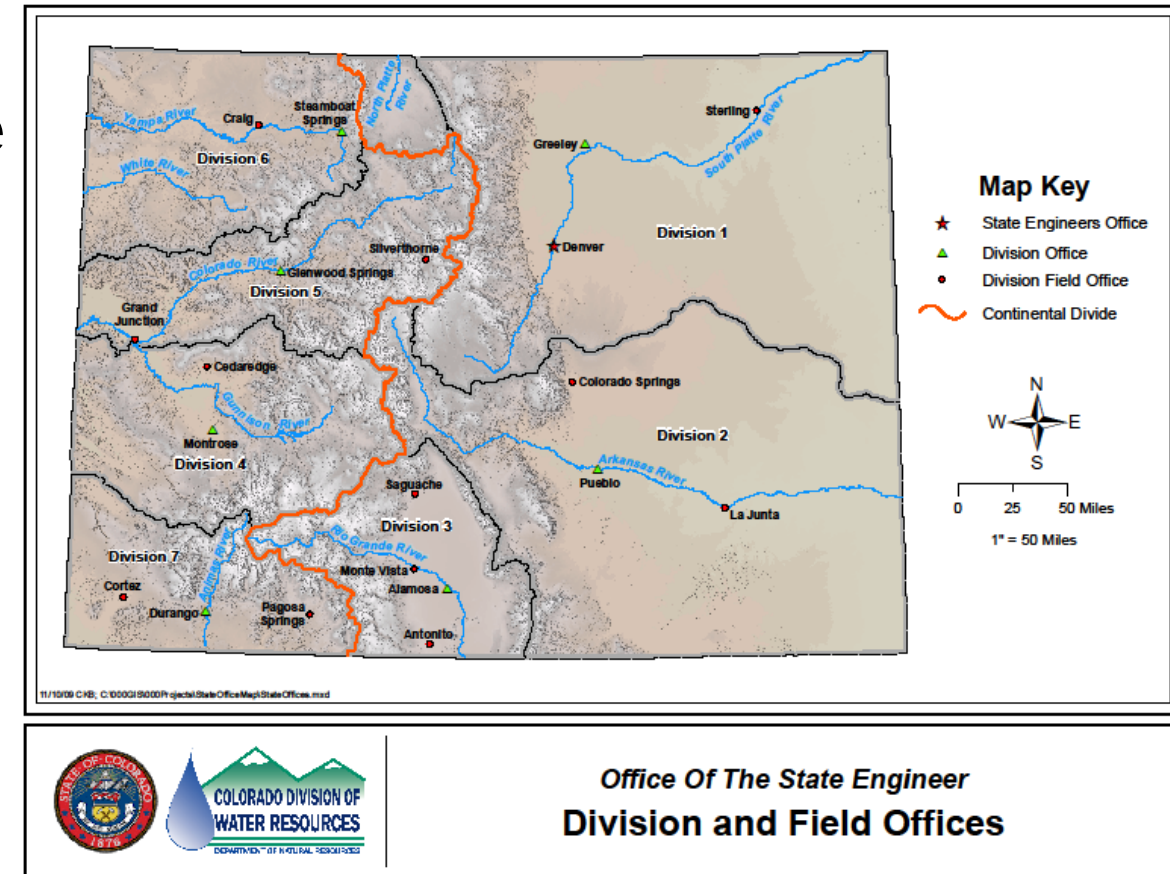
Kevin Rein, State Engineer



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Division of Water Resources

- State Engineer's Office, Denver
- Seven Division Offices around the state
- Administer the use of water in Colorado according to the laws of the state
- Safety of dams and proper water well construction
- Provide access to water resources information



Division of Water Resources

Water Administration

Administer Diversion

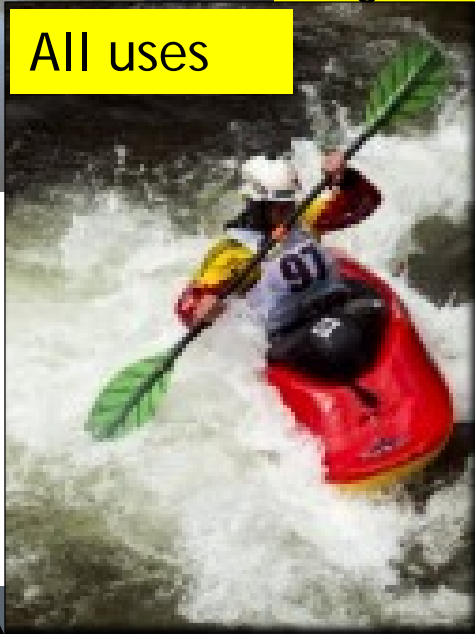


Ag, Municipal,
Industrial,
Commercial,
Recreational,
Environmental,
Augmentation

Dams and reservoirs:
Administer storage,
ensure safety



All uses



Wells: Permitting,
inspection program



Manage Interstate
Compacts



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Division of Water Resources Typical Year

- Administer 177,000 water rights at over 54,000 structures
- Issue 6,000 - 7,000 well permits
- Evaluate over 200 substitute water supply plans
- Consult with the water court on over 900 cases
- Operate or maintain over 600 stream gauges
- Conduct over 600 dam safety inspections



Division of Water Resources Performance Plan Metric



- Administer 177,000 water rights at over 54,000 structures
- Issue over 6,000 – 7,000 well permits
- Evaluate over 200 substitute water supply plans
- Consult with the water court on over 900 cases
- Operate or maintain over 600 stream gauges
- Conduct over 600 dam safety inspections - Performance Plan Metric was met or exceeded:
 - 367 High Hazard Dams inspected; 77 percent of EAPs less than five years old; average time for design review of 71 days

Division of Water Resources 2019 Year



- Water court decision; finalize rules for groundwater withdrawal in the Rio Grande Basin,
- Filed final Rules for compact administration with the water court for the Republican River Basin,
- Facilitated a multi-party effort to manage risk while preserving historic dams in Hinsdale County
- Amended Rules: Dam Safety; Management of Designated Ground Water

State Land Board

Bill Ryan, Director



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State Land Board

- Intergenerational trust created at statehood
- Own 2.8M acres of surface land leased for agriculture, recreation, renewable energy, etc.
- Own 4M acres of minerals leased for oil & gas, etc
- Dual Mission:
 - Generate reasonable and consistent income
 - Preserve and enhance the value of the assets through sound stewardship
- Revenues support CDE's BEST program and School Finance Act.

State Land Board

- Goal #1: Grow revenues:
 - Generated \$179M in FY'19; 68% from extractive businesses
 - For FY'20, grow recurring revenue and diversify revenues streams
 - Recreation: enroll additional acreage into Public Access Program with CPW
 - Commercial: increase portfolio occupancy to 91%, resulting in \$350k increase in net revenues
 - Renewables: grow installed wind capacity on State Trust Land by 50%, to 220MW, increasing revenues to \$2M



State Land Board

- Goal #2: Excellent stewardship
 - FY'19 completed more than 800 inspections of oil & gas and agricultural leases
 - For FY'20, complete another 800 inspections
 - Grow attendance at hosted agricultural forums and roundtables
 - Continue to engage with partners and stakeholders on land management issues.

Division of Reclamation, Mining, and Safety

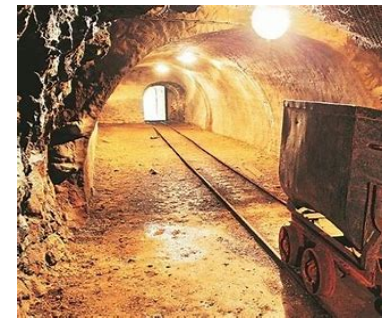
Virginia Brannon, Director



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DIVISION OF RECLAMATION, MINING AND SAFETY

- Overview of Division
- Minerals Program: Trends and Key Metric
- Coal Program: Trends, Impacts to Program and Key Metric
- Inactive/Abandoned Mine Program: Trends and Accomplishments



An Example of Our Reclamation

- The Swan River Project
 - Collaboration with Summit County, Town of Breckenridge, CPW, CWCB, USFS, USFWS, Colorado Basin Roundtable, CDPHE, and EPA



Swan River Resource Pit (2015)



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Swan River Restoration (2019)



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