

STATE OF COLORADO

Colorado Water Conservation Board

Department of Natural Resources

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TO: Colorado Water Conservation Board Members

FROM: Tina Heltzel, Budget and Policy Analyst
Finance and Administration Section

DATE: March 8, 2013

SUBJECT: **Agenda Item 26, March 19-20, 2013 Board Meeting**
Department of Natural Resources Strategic Operational Plan

John W. Hickenlooper
Governor

Mike King
DNR Executive Director

Jennifer L. Gimbel
CWCB Director

Staff Recommendation:

This is an informational item only. No Board action is required.

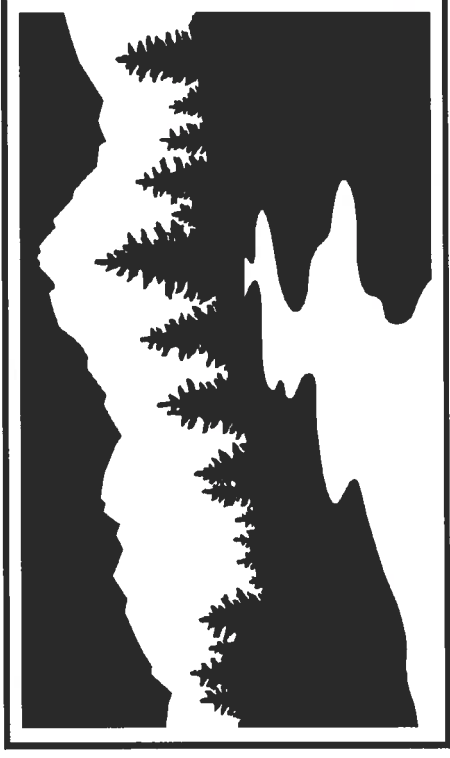
Background:

The Department of Natural Resources' (DNR) Strategic Operational Plan was submitted in January of 2013. This was an initial effort at operational planning made by the Department and was created in compliance with both the State Measurement for Accountable, Responsive, and Transparent Government (SMART) Act as well as general instructions issued by the Governor's Office of State Planning and Budgeting (OSPB).

This agenda item provides information about the background of the SMART Government Act, an overview of the planning process, and information about CWCB's portion of the DNR Strategic Operational Plan document.

FY 2013-14 CWCB Strategic Operational Planning Outline

Major Programs				
Program	Water Management and Planning			Environmental Programs
Processes	Water Efficiency	Flood Mitigation	Water Supply Planning	Environmental Programs
Inputs	Number of water providers seeking grants	Number of counties with no maps or paper maps	Prospects List: total # of applicants and dollars requested	Number of instream flows requested by stakeholders
	Total dollar value of funding sought		Pre-qualified projects list: total number of applicants and dollars requested	Number of watershed protection/restoration project applications
	Grant funding available		Number of WSRA grant applications and total dollar value	Number of RICD applications
			New WSRA funding	
Outputs	Number of approved drought plans	Number of new digital maps	Number of new grants and total dollar value for WSRA	Number of instream flow water rights managed by CWCB
	Number of water efficiency plans approved	Number of total floodplain designations	Number of new loans and total dollar value for new water project loans	Number of watershed protection plans
		Total value of premium reductions to communities	Number of DSS models operating	Leveraging of watershed protection funding
		Number of communities enrolled in federal flood insurance program	Number of DSS website hits	Number of watershed protection projects
			Number of weather mod sites operating	Number of RICD recommendations by Board
			Value of weather mod grants disbursed	
Outcomes	Estimated amount of water saved through a plan in acre feet	Total number of communities (out of 324) enrolled in federal flood insurance program	Acre-feet of existing storage maintained	Miles of stream protected (instream flows)
			Acre-feet of new storage created	



DEPARTMENT OF
**NATURAL
RESOURCES**

Strategic Operational Plan Fiscal Year 2013-14

January 22, 2013

Colorado Water Conservation Board

Water Management and Planning

What is this program?

Water Management and Planning is one of two major programs within the Colorado Water Conservation Board (CWCBC). Water Management and Planning consists of three sub-programs: A) Water Supply, B) Flood Mitigation, and C) Water Efficiency.

A) The Water Supply Program implements the Statewide Water Supply Initiative (SWSI) and supports the ongoing implementation of the Colorado Water for the 21st Century Act. The mission is to plan Colorado's water supply future to help maintain adequate water supplies for Colorado's citizens, agriculture, and the environment. To do this, the Program provides tools, products, and programs that support local basin planning and state water supply planning, as well as implementing projects and methods to help meet the state's consumptive and nonconsumptive water supply needs.

The Water Supply Program is funded primarily from the CWCBC Water Project Loan Program, which manages the Colorado Water Conservation Board Construction Fund, and the Severance Tax Perpetual Base Account. Additionally, the Water Supply Program also receives funding from the Water Supply Reserve Account and the Interbasin Compact Committee Operating Fund, which receives revenues from the Operational Account of the Severance Tax Trust Fund. The principal and interest from CWCBC's Water Project Loan Program, combined with annual Mineral Lease and Severance Tax revenues, funds all of CWCBC's operating expenses, while also providing loan and grant funds to water entities that are seeking funding assistance to construct various water projects that are beneficial to the state.

B) The Flood Mitigation Program minimizes Colorado's flood loss vulnerability and related economic impacts. One main goal of this Program is to assist in protecting public health, safety and welfare in addition to identification and protection of billions of dollars worth of flood-prone properties statewide. This Program is responsible for developing, designating and approving regulatory floodplains (including cooperation with Federal Emergency Management Agency (FEMA) to obtain millions of dollars in federal grants for new and revised floodplain mapping); responding to flood disasters for recovery purposes and providing technical assistance or engineering information to support flood recovery efforts; and collaborating with partners regarding flood hazard mitigation and risk reduction measures. This includes the role as the State Coordinating Agency for the National Flood Insurance Program (NFIP) that is aimed at directly helping local communities to join and remain in good standing with the NFIP, which allows property owners to obtain federally backed flood insurance. It also encourages community

participation in the in Community Rating System and involves helping local governments and various districts to develop flood protection plans and projects, often using funding from the CWCB Board's Construction Loan Program matched with FEMA funding for floodplain mapping and flood mitigation. The Program also participates with local sponsors to help with levee compliance efforts following federal levee inspections. Multi-objective watershed restoration studies and projects are also completed by this program, typically in partnership with local stakeholders, communities, non-profit groups, and other state and federal agencies. This Program administers the Colorado Healthy Rivers Fund (using revenues from a tax check-off), the Colorado Watershed Restoration Program, the Fish and Wildlife Resources Fund, and the Invasive Phreatophyte Control Program. The Program also implements the permitting and grant funding responsibilities for weather modification operations (cloud seeding and hail suppression) and has been involved with key agreements among the Colorado River Seven basin states as well as out-of-state funding for cloud seeding operations to augment mountain snowpack. Management of the South Platte River flood control project below Chatfield Reservoir as well as state leadership for the Chatfield Reservoir Reallocation Project is also provided by this Section.

The Flood Mitigation Program is funded from cash fund reserves in the Colorado Water Conservation Board Construction Fund and from federal funds from the Federal Emergency Management Agency's Map Modernization Program and Community Assistance Program.

- C) The Water Efficiency Program promotes water use efficiency by providing public information as well as technical and financial assistance for water conservation planning. Drought planning is promoted by encouraging and assisting communities to prepare and implement drought mitigation plans and by monitoring drought impacts and informing the public, media, and state officials. The Program provides financial and technical assistance for local drought mitigation planning, and coordinates CWCB's initiatives and programs related to climate change and water adaptation. In addition, the Water Efficiency Program ensures that all covered entities – retail water providers who sell 2,000 acre feet or more of water annually – are in compliance with Colorado's Water Conservation Act of 2004 (H.B. 04-1365) by having a water efficiency plan on file with the state that has been approved by the CWCB. Each plan must include the minimum required elements as outlined in the Act. The CWCB provides technical assistance and grant money to covered entities seeking to develop or update water conservation plans. In addition, the Act requires that covered entities submit a new or revised plan prior to the CWCB Board's approval of new loan funds.

The Water Efficiency Program is funded from cash fund reserves in the Colorado Water Conservation Board Construction Fund and the Operational Account of the Severance Tax Trust Fund. A majority of the funds from the Operational Account of the Severance Tax Trust Fund are made available to covered entities via grants. Additional funds are made available to water providers through loans from the CWCB Construction Fund and Severance Tax Perpetual Base Account.

Why Is This Program Important?

The Water Supply Program provides low-interest loans to agricultural, municipal and commercial borrowers for the design and construction of raw water projects in Colorado. The Program conducts on-going studies (i.e., Statewide Water Supply Initiative) that provide a comprehensive picture of Colorado's water needs, now and in the future. Through the Statewide Water Supply Initiative, the CWCBC initially projected water demands to the year 2030 and estimated that Colorado would need an additional 120,000 acre feet (AF) of water for municipal and industrial (M&I) use by 2030. The CWCBC recently updated these projections and now estimates that Colorado will need more than between 538,000 and 812,000 AF of additional water by 2050 to meet M&I needs with passive conservation included. Many local water providers have projects or plans in place – known as Identified Projects and Processes– to address these increasing water demands. Thoughtful water supply planning is critical to ensure a secure future for the state. Meeting future water needs must be done in a manner that considers all solutions and addresses the varied water needs of Colorado and its citizens. The CWCBC is focused on helping prepare for and meet Colorado's future water supply needs.

The Flood Mitigation Program serves as the State Coordinating Agency for the National Flood Insurance Program (NFIP), provides leadership to assist in the preparation for and recovery from actual major flood events in Colorado, offers a daily assessment of flood potential around the state via a Flood Threat Bulletin, provides Technical Assistance Grants for Flood Response as well as Flood Hazard Mitigation Grants, and supports watershed planning as well as projects designed to restore and protect watersheds. The Program protects public health, safety, and welfare as well as wildlife and aquatic species and habitat.

The Water Efficiency Program provides funding to water entities that develop water efficiency plans, which will extend Colorado's water supply as demands increase from a growing population. Lowering water demands as a result of water efficiency can assist providers in avoiding, downsizing, or postponing the construction and operation of water supply facilities and wastewater facilities as well as eliminating, reducing, or postponing water purchases. In addition to these water supply benefits, there are other societal, political, and environmental benefits, including:

- Reduction of wastewater discharges through indoor water savings which can improve water quality and aquatic habitat.
- Reduction of outdoor irrigation runoff which can improve water quality.
- Demonstrating commitment to sustainability.
- Meeting political and regulatory requirements necessary to obtain permitting for local and regional water supply projects.
- Demonstrating leadership to the community that being more efficient is the right thing to do in an arid environment.
- Lowering operational costs such as pumping and water treatment.
- Lowering amount of chemicals needed to treat water.

In addition, the Program ensures that all covered entities are in compliance with Colorado's Water Conservation Act of 2004 by having a water efficiency plan on file with the state that has been approved by the CWCBC. Since July 1, 2006, a covered entity seeking financial assistance from either the CWCBC or the Colorado Water Resources and Power Development authority has been required to submit a new or revised plan that meets the water conservation goals adopted by the covered entity prior to the CWCBC Board's approval of the release of new loan funds. The use of these funds for water projects provides a benefit to the state.

Who are the Program's Customers?

The Water Management and Planning Program serves several customers. Governmental organizations receive technical support in developing project plans and qualifying for financial assistance. The Program also provides financial assistance to communities, water providers and eligible agencies for water conservation-related activities and projects. Eligible entities (including state and local governments and agencies) can receive funding to develop water conservation and drought plans, implement water conservation goals outlined in a water conservation plan and educate the public about water conservation. Through the Water Supply Reserve Account grant program, the Program services water conservation districts, irrigation companies, other governmental and non-governmental organizations and municipalities in making funds available for low interest loans that will aid in studies related to consumptive and non consumptive water needs, water conservation, storage and improved delivery of water.

The Flood Mitigation Program services the citizens in the state who are affected by flood events or who live in flood-prone areas by providing information regarding mitigation assistance, flood insurance, and sources of financial aid as well as information related to flood risks, insurance availability, designation and approval of floodplain areas. The program also works with various Federal, state and local agencies involved in flood emergencies by providing information that documenting scope of damages, mitigation plans, and the effectiveness of mitigation measures.

What is the Objective of this Program?

Objective #1: The objective of the Water Supply Program is to meet the current and future water supply needs of the State.

Objective #2: The objective of the Flood Mitigation Program is to provide public health, safety, and welfare for Colorado's citizens by protecting them and their property from flood related events and from the financial hardship associated with natural hazards.

Objective #3: The objective of the Water Efficiency Program is to reduce the demand for water through increases in water efficiencies.

What are the Major Processes of this program and what strategies are employed in these processes to achieve program objectives?

Water Supply – Wise and thoughtful water supply planning is critical to ensure a secure future for the state. Meeting future water needs must be done in a manner that considers all solutions and addresses the varied water needs of Colorado and its citizens. The CWCBC is focused on helping prepare for and meet Colorado's future water supply needs. This is accomplished by facilitating planning and dialogue at the basin and statewide level, undertaking studies and analyses related to Colorado's water supplies and demands, publishing reports (i.e. SWSI) and reporting this information to a wide variety of interests and stakeholders. Also, the Water Supply Reserve Account grant program provides grant funds to facilitate the implementation of consumptive and nonconsumptive projects identified by the basins.

Flood Mitigation – Floods are the most common and widespread of all natural hazards. Flood-prone areas have been identified in 267 cities and towns and in all of Colorado's 64 counties. One of the major processes of this program is to provide information about programs and activities that the CWCBC conducts to address long-term flood protection for the state.

Water Efficiency – Water efficiency efforts include the practices, techniques and technologies that extend water supplies and other resources (e.g. energy) by either saving water or through substituting with alternative supplies such as reuse. This, in turn, frees up water supplies for other uses, such as new development, stored drought reserves, agricultural leases, and environmental uses (e.g. instream flows). Water efficiency is inclusive of water conservation and includes both system demands and customer water demands.

What are the Program's Inputs?

A number of factors drive the workload of the Water Management and Planning Program and impact the ability of the program to achieve programmatic goals and objectives.

Colorado Water Conservation Board Inputs

FY 2007-08 to FY 2013-14

Input Measures	FY 2007-08 Actual	FY 2008-09 Actual	FY 2009-10 Actual	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Approp.	FY 2013-14 Request
<i>Water Supply Reserve Account</i>							
Total dollar value of funding sought	\$7,775,686	\$7,379,310	\$4,768,428	\$4,749,789	\$5,051,647	\$6,000,000	\$7,000,000
Grant funding available	\$11,461,129	\$10,685,444	\$9,081,133	\$10,312,705	\$12,562,916	\$8,950,747	\$10,000,000
# of grant applications	35	46	31	46	36	21 (through 1/2013); anticipating 35	35
New funding	\$6,000,000	\$7,000,000	\$5,775,000	\$6,000,000	\$7,000,000	\$7,458,213 ¹	\$7,447,567

Note: ¹Updated with information from the December 20, 2012 revenue forecast from Legislative Council staff

Input Measures	FY 2007-08 Actual	FY 2008-09 Actual	FY 2009-10 Actual	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Approp.	FY 2013-14 Request
<i>Flood Mitigation Program</i>							
# of counties with no maps or paper maps	47	45	40	37	33	32	30
<i>Water Efficiency Grant Fund</i>							
# of water providers seeking grants	9	N/A	13	12	9	14	12
Total dollar value of funding sought	\$281,262	N/A	\$481,516	\$527,672	\$432,919	\$512,000	\$500,000

<i>Water Project Loan Program</i>							
Prospects List: total # of applicants and dollars requested	35	20	28	33	33	30	30
	\$147,000,000	\$136,190,000	\$113,840,000	\$125,125,000	\$124,075,000	\$119,490,000	\$120,000,000
Pre-qualified projects list: total number of applicants and dollar requested ¹	N/A (tracking of this info began July 1, 2010)	N/A (tracking of this info began July 1, 2010)	N/A (tracking of this info began July 1, 2010)	9 \$21,627,525	15 \$7,030,000	15 \$97,276,000	17 \$70,000,000

Note: ¹The Pre-qualified Projects list identifies potential borrowers who have submitted an application, but have not completed a loan feasibility study and do not yet have CWCB Board approval to move forward on the project. The change in the trend of the total dollar amount requested for the fiscal years 2010-11 through 2013-14 depends on projects moving from the Pre-qualified Projects list to being an approved project as well as the dollar amount that is being requested by a potential borrower for a project.

Discussion

Highlighted from the above tables, listed as the *Colorado Water Conservation Board Inputs*, are two input measures and their trend information.

Program Input: *New WSRA funding* - The Water Supply Reserve Account (Account) was created in 2006 by S.B. 06-179. The legislature created the Account to help citizens identify and meet their critical water supply and management needs in conjunction with the Basin Roundtable process established by H.B. 05-1177 (Colorado Water for the 21st Century Act). The Account is funded by the Severance Tax Trust Fund Operational Account and is a Tier II program. In FY 2006-07, the full legislative appropriation of \$10,000,000 was received. In FY 2007-08, the legislative appropriation was reduced to \$6,000,000. In FY 2008-09, the program received \$7,000,000, less than the originally intended \$10,000,000 per year due to shortfalls in the Operational Account of the Severance Tax Trust Fund. Due ongoing budgetary shortfalls, the legislative appropriation was reduced to \$5,775,000 in FY 2009-10, \$6,000,000 in FY 2010-11, and \$7,000,000 in 2011-12. In 2009, the Water Supply Reserve Account Program was reauthorized in perpetuity by S.B. 09-106, which allows remaining funds in the account to be carried over and used in the following fiscal year. S.B. 09-106 appropriates \$10,000,000 per year from the Severance Tax Trust Fund, subject to available funding. The program is authorized to receive \$10,000,000 in FY 2013-14, but will likely receive around \$7,500,000 due to a decrease in severance tax revenues. Future appropriations beyond FY 2013-14 will depend on the health of the Severance Tax Trust Fund's Operational Account.

Program Input: # of water providers seeking grants - In FY 2012-13, grants for two drought plans were approved with more expected in the future. In the next few years, the CWCBC anticipates an increase in water efficiency plan revisions. The revised plans are required within the seven years after having submitted the previous plan. It is expected that the number of revised plans being turned in will only increase as time goes by. These two factors will increase the number of water providers accessing Water Efficient Grant funds in the coming years.

What are the Program's Outputs?

The Water Management and Planning Program has a number of outputs that are designed to achieve programmatic objectives. These are discussed in the table below and the accompanying narrative.

Colorado Water Conservation Board Outputs FY 2007-08 to FY 2013-14

Output Measures	FY 2007-08 Actual	FY 2008-09 Actual	FY 2009-10 Actual	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Approp.	FY 2013-14 Request
Water Supply Reserve Account							
# of new grants and total dollar value for the Water Supply Reserve Account	Benchmark: N/A	Benchmark: N/A	Benchmark: N/A	Benchmark: N/A	Benchmark: N/A	Benchmark: 35 \$6,000,000	Benchmark: 35 \$7,000,000
	Actual: 35 \$7,775,686	Actual: 46 \$7,379,310	Actual: 31 \$4,768,428	Actual: 46 \$4,749,789	Actual: 36 \$5,051,647	Actual: N/A	Actual: N/A
Water Project Loan Program							
# of new loans and total dollar value for new water project loans	Benchmark: N/A	Benchmark: N/A	Benchmark: N/A	Benchmark: N/A	Benchmark: N/A	Benchmark: 15 \$48 M	Benchmark: 15 \$48 M
	Actual: 15 \$22.4 M	Actual: 15 \$28.3 M	Actual: 12 \$15.3 M	Actual: 9 \$17.9 M	Actual: 18 \$37.3 M	Actual: N/A	Actual: N/A

Discussion about Output-related Performance

Output Measure: # of new loans and total dollar value for new water project loans - CWCBC staff works to help local water providers/users meet their demands by managing the Construction Fund and the Severance Tax Trust Fund Perpetual Base Account to provide low-interest financing for water infrastructure. Typically, the CWCBC Loan Program approves and completes between 10-15 projects per year, involving a wide range of loan funds. The number of projects and amount of funds disbursed are subject to the borrower's design and construction schedule and actual loan funds available, and therefore, the performance measure for this item is, at times, difficult to predict. In general, CWCBC approves about \$20 to \$40 million per year in new loans. (CWCBC occasionally receives very large (upwards of \$60 million) loan requests.) Staff has been working to manage available funds based on the recent General Fund transfers and the fluctuating revenues from Severance Tax. Between fiscal year 2008-09 and fiscal year 2011-12, the General Assembly transferred more than \$163,000,000 from the Severance Tax Perpetual Base Account and \$10,000,000 from the Construction Fund for General Fund balancing purposes. The CWCBC has identified over \$110,000,000 in water project needs over the next 10 years.

Output Measures	FY 2007-08 Actual	FY 2008-09 Actual	FY 2009-10 Actual	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Approp.	FY 2013-14 Request
<i>Flood Mitigation Program – Federal Emergency Management Agency (Risk Map Program)</i>							
# of new digital maps	Benchmark: N/A	Benchmark: N/A	Benchmark: N/A	Benchmark: N/A	Benchmark: N/A	Benchmark: 2	Benchmark: 2
	Actual: 2	Actual: 5	Actual: 2	Actual: 3	Actual: 2	Actual: N/A	Actual: N/A
# of total floodplain designations	Benchmark: N/A	Benchmark: N/A	Benchmark: N/A	Benchmark: N/A	Benchmark: N/A	Benchmark: 644	Benchmark: 647
	Actual: 609	Actual: 612	Actual: 615	Actual: 635	Actual: 641	Actual: N/A	Actual: N/A
Total value of premium reductions to communities	Benchmark: N/A	Benchmark: N/A	Benchmark: N/A	Benchmark: N/A	Benchmark: N/A	Benchmark: \$1.5 M	Benchmark: \$1.5 M
	Actual: \$0.9 M	Actual: \$1.0 M	Actual: \$1.1 M	Actual: \$1.3 M	Actual: \$1.4 M	Actual: N/A	Actual: N/A
# of communities enrolled in federal flood insurance programs	Benchmark: N/A	Benchmark: N/A	Benchmark: N/A	Benchmark: N/A	Benchmark: N/A	Benchmark: 245	Benchmark: 245
	Actual: 239	Actual: 240	Actual: 240	Actual: 240	Actual: 242	Actual: N/A	Actual: N/A

Discussion about Output-related Performance

The FEMA Map Modernization program has transitioned into the Risk Map program. The Risk Map program, FEMA's initiative to update floodplain maps in partnership with states, is ongoing throughout Colorado. In addition to updating the technical adequacy and making the maps more current, this program also addresses mitigation activities to help local governments reduce flood hazards. In order to meet federally stated objectives, the goal of the program by FY 2016-17 is to achieve 80% verified stream miles through detailed methodologies and analyses (i.e. 80% of miles portrayed on floodplain maps are to be analyzed and updated) and to have current maps deployed to at least 70% of the population. This will provide improved data to local governments so that better land use decisions in light of flooding hazards can be achieved.

Output Measures	FY 2007-08 Actual	FY 2008-09 Actual	FY 2009-10 Actual	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Approp.	FY 2013-14 Request
<i>Decision Support System</i>							
# of Decision Support System models operating	Benchmark: N/A	Benchmark: N/A	Benchmark: N/A	Benchmark: N/A	Benchmark: N/A	Benchmark: 3	Benchmark: 3
	Actual: 3	Actual: 3	Actual: 3	Actual: 3	Actual: 3	Actual: N/A	Actual: N/A
# of Decision Support System website hits	Benchmark: N/A	Benchmark: N/A	Benchmark: N/A	Benchmark: N/A	Benchmark: N/A	Benchmark: 300 average per day	Benchmark: 300 average per day
	Actual: (Not recorded)	Actual: (Not recorded)	Actual: (Not recorded)	Actual: (Not recorded)	Actual: 250 average per day	Actual: N/A	Actual: N/A
<i>Weather Modification Program</i>							
# of weather modification sites operating	Benchmark: N/A	Benchmark: N/A	Benchmark: N/A	Benchmark: N/A	Benchmark: N/A	Benchmark: 7	Benchmark: 7
	Actual: 8	Actual: 8	Actual: 8	Actual: 8	Actual: 7	Actual: N/A	Actual: N/A
Value of weather modification grants disbursed	Benchmark: N/A	Benchmark: N/A	Benchmark: N/A	Benchmark: N/A	Benchmark: N/A	Benchmark: \$340,000	Benchmark: \$340,000
	Actual: \$327,000	Actual: \$343,000	Actual: \$352,000	Actual: \$350,000	Actual: \$315,651	Actual: N/A	Actual: N/A

Output Measure: # of weather modification sites operating and value of weather modification grants disbursed - One of the many responsibilities of the CWCBC is weather modification permitting and monitoring the environment as described by statute and the Colorado Weather Modification Rules and Regulations. The 1972 Weather Modification Act is a permitting program that has been delegated from the Department of Natural Resources Executive Director's office to the CWCBC Director since 1987. Each year liability insurance, annual reporting, operational plans, and then temporary suspensions for high snowpack and avalanche hazards are the primary activities to address public safety and make accurate information available on operations.

In 2004, the CWCBC established a grant program for wintertime cloud seeding at the request of water users. In 2007, formal agreements were signed to disburse grants to local programs and report back to downstream (out-of-state water users). An agreement between the CWCBC and three downstream water users known as the Lower Basin and another agreement between the CWCBC and State of New Mexico are the vehicles to disburse those funds. Each year funding is made available from downstream states, and the amounts and activities are signed into action by the CWCBC Director. The CWCBC is required to collect all reports from contractors and report back on activities and expenditures to the downstream states. Although there is no benchmark for the amounts of grants distributed each year, the objective is to uphold conditions in the base agreements and annual exhibits as well as disburse grants. At the end of each winter, the CWCBC will report on the expenditure activities to the out of state entities.

Output Measures	FY 2007-08 Actual	FY 2008-09 Actual	FY 2009-10 Actual	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Approp.	FY 2013-14 Request
Office of Water Conservation and Drought Planning							
# of approved drought plans	Benchmark: N/A	Benchmark: N/A	Benchmark: N/A	Benchmark: N/A	Benchmark: N/A	Benchmark: 2	Benchmark: 3
	Actual: 0	Actual: 0	Actual: 0	Actual: 0	Actual: 0	Actual: N/A	Actual: N/A
# of water efficiency plans approved	Benchmark: N/A	Benchmark: N/A	Benchmark: N/A	Benchmark: N/A	Benchmark: N/A	Benchmark: 67	Benchmark: 77
	Actual: 17	Actual: 30	Actual: 40	Actual: 45	Actual: 57	Actual: N/A	Actual: N/A

Discussion about Output-related Performance

With the importance of drought planning becoming more recognized and with the ongoing drought occurring in Colorado, an increase in drought mitigation plans is forecasted. In the above table, of the 57 approved water efficiency plans in FY 2011-12, 45 are plans for covered entities and the remaining twelve plans are for non-covered entities. These numbers do not completely reflect two regional plans completed during FY 2011-12. One plan contained 16 non-covered entities and the other contained three non-covered entities. In terms of covered and non-covered entities, there are 45 covered entities and 29 non-covered entities represented within the approved plans. The number of water conservation plans approved for FY 2011-12 was higher than the CWCBC had initially anticipated. Nevertheless, the entities that completed plans were fairly small in terms of water demand, averaging approximately 4,800 acre feet per year. The lower demands characterizing these entities will result in a smaller water efficiency savings. Forecasting out to FY 2016-17, it is anticipated that there will be a significant increase in Water Efficiency Plans due to new plans being created and because many existing plans must be revised by that time. Water Efficiency plans must be revised within seven years of completion. By the end of FY 2016-17, there will be approximately 35 original water efficiency plans that will have been revised plus any additional plans that do not exist at the present time.

What are the outcomes the Program is trying to achieve?

The Program is trying to demonstrate that the implementation of water efficiency plans and the efficient use of water will help produce water savings. The CWCBC is also working to maintain and create new water storage facilities for the state so that adequate supplies are available for uses such as municipal, industrial, agriculture, environmental, and recreational needs. Storage is very useful for reducing drought impacts and capturing high runoff to mitigate flood impacts. Through efforts to enroll communities in a federal flood insurance program, the CWCBC can help to identify hazard areas, ensure appropriate local floodplain ordinance adoption, and mitigate flood issues before disaster strikes or respond following actual disasters.

The Community Assistance Program (CAP) is currently managed by the CWCBC Watershed Protection and Flood Mitigation section and is intended to work closely as a liaison between local communities and the Federal Emergency Management Agency (FEMA). The CAP program is mostly federally funded and is required in every state. It helps to identify, prevent, and resolve floodplain management needs in cooperation with participating communities (communities enrolled in the National Flood Insurance Program (NFIP)) before any problems result in enforcement action. CWCBC staff provides technical assistance and support to communities and evaluates community performance in implementing NFIP floodplain management activities with the additional goal of building floodplain management expertise and capabilities. The CAP program aims to work directly with every participating community in the state within a 5-year rolling time period through phone calls and

meetings. An additional goal of the program is to increase enrollment in the NFIP and encourage voluntary enrollment in the Community Rating System (CRS), which can significantly reduce flood insurance premiums for policy holders in CRS communities.

The floodplain designation program exists to ensure compliance with important statutory requirements regarding flood hazard identification studies and maps. Rules and criteria have been set forth by federal and state government. The program involves a technical review of the study, coordination with the study contractor, and cooperation with affected local governments. Board action is required to designate and approve each study or map. The program brings a sense of continuity and consistency to flood hazard mapping on a statewide basis, with the overall goal of helping to protect lives and property.

Colorado Water Conservation Board Outcomes
FY 2007-08 to FY 2013-14

Outcome Measures	FY 2007-08 Actual	FY 2008-09 Actual	FY 2009-10 Actual	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Approp.	FY 2013-14 Request
Water Project Loan Program							
Acre-feet of existing storage maintained	Benchmark: N/A	Benchmark: N/A	Benchmark: N/A	Benchmark: N/A	Benchmark: N/A	Benchmark: 1,000	Benchmark: 1,000
	Actual: 0	Actual: 245	Actual: 350	Actual: 3,800	Actual: 1,050	Actual: N/A	Actual: N/A
Acre-feet of new storage created	Benchmark: N/A	Benchmark: N/A	Benchmark: N/A	Benchmark: N/A	Benchmark: N/A	Benchmark: 1,000	Benchmark: 1,000
	Actual: 3,100	Actual: 280	Actual: 400	Actual: 72,000	Actual: 3,270	Actual: N/A	Actual: N/A
Flood Mitigation Program – Federal Emergency Management Agency (Risk Map Program)							
Total number of communities (out of 324) enrolled in a federal flood insurance program	Benchmark: N/A	Benchmark: N/A	Benchmark: N/A	Benchmark: N/A	Benchmark: N/A	Benchmark: 245	Benchmark: 245
	Actual: 239	Actual: 240	Actual: 240	Actual: 240	Actual: 242	Actual: N/A	Actual: N/A

Office of Water Conservation and Drought Planning						
Estimated amount of water saved through a water efficiency plan in acre feet	Benchmark: N/A	Benchmark: N/A	Benchmark: N/A	Benchmark: N/A	Benchmark: N/A	Benchmark: 31,684
	Actual: 4,720	Actual: 5,961	Actual: 6,610	Actual: 7,921	Actual: 15,842	Actual: N/A

Discussion

Program Outcome: *Estimated amount of water saved through a water efficiency plan in acre feet* - On average, entities have set goals to reduce demand from water conservation plan implementation by approximately 1% to 2% annually. As more plans come online, the savings are added to the existing ongoing savings. Hence, the increase in water savings stems from the additive effect of more plans coming online. As shown in the table above, the same method was used for estimating FY 2013-14 as the CWCBC is predicting similar plan growth to that of FY 2012-13. Additionally, for FY 2016-17, the savings estimate may be different since revised plans will be coming online; thus, there could be changes from the initial projections compared to the first generation plans. These are entities that have plans and programs in place, which should continue but are not counted twice. The estimated amount of water savings should increase because of the additional new plans, the continuation of existing plans, and the submission of revised plans. The calculations for saved water have changed slightly and are more indicative of the cumulative nature of water savings over time. A fair estimation that may be achieved by FY 2016-17 is around a benchmark of 55,447 acre feet saved.

Environmental Programs

What is this program? Environmental Programs are one of two major programs within the Colorado Water Conservation Board (CWCBCB).

Environmental Programs provide oversight of and correlates activities for programs that may have an impact on the environment. The CWCBCB is responsible for the appropriation, acquisition, protection and monitoring of instream flow and natural lake level water rights to preserve and improve the natural environment to a reasonable degree. In this regard, CWCBCB holds water rights on more than 8,500 miles of stream and on 477 natural lakes. The Program supports watershed planning as well as projects designed to restore and protect watersheds to reduce flood hazards, stabilize and restore stream channels, provide habitat, reduce erosion and increase the capacity to utilize water. Additionally, under the Program, the CWCBCB participates in water-related endangered species initiatives and programs for the benefit and protection of water users in Colorado.

Since recreation and tourism are vital to Colorado and the economy, meeting nonconsumptive needs (environmental and recreational) are an important element of the Program. On behalf of the State of Colorado, the Program's staff reviews all applications for recreational in-channel diversions, which limit water rights to the minimum stream flow necessary for a reasonable recreational experience in and on the water.

Environmental Programs are funded from cash fund reserves in the Colorado Water Conservation Board Construction Fund, the Operational Account of the Severance Tax Trust Fund, and the Colorado Healthy Rivers Fund.

Why Is This Program Important? In Colorado's semi-arid environment, water is scarce with many competing demands placed on it by an ever-increasing population. The CWCBCB recognizes the need to correlate the activities of mankind with the reasonable preservation of the natural environment. The Environmental Programs provide protection of diverse environments in Colorado including: coldwater and warm water fisheries, waterfowl habitat, unique glacial ponds and habitat, riparian vegetation, unique hydrologic and geologic features, and critical habitat for declining, threatened, or endangered native fish.

In addition, because millions of people within the state participate in outdoor recreational activities that are connected to Colorado's water resources, Environmental Programs reviews all applications for recreational in-channel diversions for water-related recreational experiences. Water-related recreational activities bring between \$7 and \$8 billion into the state's economy and employ about 85,000 people across Colorado. The state's recreational opportunities and natural environment continue to draw in businesses and new residents to Colorado, further underscoring their importance to the state's economy.

Finally, in protecting threatened and endangered species, the CWCBC is working to minimize federal protections on water use and development. Water is a tremendously valuable asset in Colorado, being an essential input for agriculture and many different industries. By protecting instream flows, riparian habitats, and endangered species, the CWCBC is able to support biological diversity in Colorado and allow water to be put to beneficial use by agricultural, municipal, and industrial uses.

Who are the Program's Customers?

Environmental Programs serve several customers. First, the Programs serve the citizens and water users in the state by providing reasonable protection of stream flows and preservation of the natural environment. Second, the Programs work with various Federal agencies involved in the protection of streamflows on federal lands in a manner consistent with state law. Finally, the Program benefits native and/or threatened and endangered species by preserving the natural environment to a reasonable degree to maintain and enhance these species' habitats. As mentioned previously, current and future water users benefit when their uses of water can be harmonized with protection of threatened and endangered species.

What is the Objective of this Program?

Objective #1: To protect additional miles of decreed instream flow water rights resulting in enhanced preservation of Colorado's environment.

Objective #2: To restore and protect the ecological processes that connects stream channels to upland areas through multi-objective projects.

What are the Major Processes of this program and what strategies are employed in these processes to achieve program objectives?

First, Environmental Programs appropriate, acquire, and monitor and enforce the state's instream flow and natural lake level water rights. Each February, the CWCBC holds a workshop to request recommendations for streams and lakes to be protected. All recommendations are processed in accordance with the Instream Flow Program's rules and statutes. In some instances, the CWCBC receives offers of water rights for instream flow use via donation, purchase, lease or loan. Water acquisition proposals can be considered at any time during the year. The Program protects the state's instream flow water rights by enforcing terms and conditions contained in water court decrees, stipulations and agreements. The agency also monitors streamflow conditions to ensure that instream flow water rights are being met and administered within the state's prior appropriation system.

Next, on behalf of the State of Colorado, the CWCBC reviews all applications for recreational in-channel diversions, which limit water rights to the minimum stream flow necessary for a reasonable recreational experience in and on the water. The recreational in-channel diversions legislation

was established in 2001 and amended in 2006 and may be subject to further legislation and court challenges. Upon review, the CWCB Board provides its findings to the water court after deliberation in a public meeting.

Finally, the agency supports watershed protection and restoration as well as participates in initiatives and programs that benefit water-related declining, threatened, and endangered native species. The agency partners with numerous organizations to plan and undertake multi-objective projects designed to reduce flood hazards, stabilize and restore stream channels, provide habitat, reduce erosion and increase the capacity to utilize water. Inter- and intra-agency coordination, communication and prioritization are essential components of the CWCB's efforts.

The Program supports watershed protection and restoration efforts through the administration of:

- The Colorado Watershed Restoration Program, which provides grants for watershed/stream restoration and flood mitigation projects throughout the state;
- The Colorado Healthy Rivers Fund, which helps support local watershed organizations in their efforts to provide clean water, protect habitat and improve recreation and accessibility;
- The Fish and Wildlife Resources Fund, which provides grant money to mitigate the impacts of existing water supply facilities and help preserve a balance between development of the state's resources and the protection of the state's fish and wildlife resources; and
- The Invasive Phreatophyte Control Program, which is a grant program that is intended to provide cost share assistance to eligible entities to control and/or eradicate Tamarisk (also known as salt cedar), Russian Olive, or other woody riparian invasive phreatophytes that have degraded the state's riparian areas, restricted channel capacity thereby increasing flood risk, and resulted in increased non-beneficial consumptive use of water.

The agency participates in water-related endangered species initiatives and programs for the benefit and protection of water users in Colorado. These programs include:

- Glen Canyon Adaptive Management Program: Seeks to develop dam operations and other management activities to protect and enhance the natural resources of the Colorado River ecosystem in the Grand Canyon.
- Platte River Recovery Implementation Program: An agreement between the states of Nebraska, Wyoming and Colorado and the U.S. Department of Interior, the Platte River Recovery Implementation Program has two main purposes:

1. To implement a Platte River Recovery Implementation Program to maintain, improve and conserve habitat for four threatened and endangered species that use the Platte River in Nebraska.

2. To enable existing and new water uses in the Platte River Basin to proceed without additional Endangered Species Act requirements for the four target species.

- San Juan River Recovery Program: Focuses on the San Juan River Basin and two endangered fish.
- Upper Colorado River Recovery Program: Focuses on four endangered fish in the Yampa/White, Colorado and Gunnison River Basins and the recovery strategies include conducting research, improving river habitat, providing adequate stream flows, managing non-native fish and raising endangered fish in hatcheries for stocking.

What are the Program's Inputs?

A number of factors drive the workload of Environmental Programs and impact the ability of the program to achieve programmatic goals and objectives.

Colorado Water Conservation Board Inputs
FY 2007-08 to FY 2013-14

Input Measures	FY 2007-08 Actual	FY 2008-09 Actual	FY 2009-10 Actual	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Approp.	FY 2013-14 Request
<i>Stream and Lake Protection</i>							
# of Instream Flows requested by stakeholders	35	54	26	29	28	30	30
<i>Watershed Protection and Restoration</i>							
# of Watershed Protection/Restoration project applications	6	29	23	36	29	27	36
<i>Recreational and In-channel Diversion</i>							
# of RICD applications	0	0	0	0	2	1	0 ¹

Note: ¹The CWCB is required by law to provide recommendations regarding applications for RICDs that are filed in water court. At this time, the CWCB staff is not aware of any RICD applications that may be filed in FY 2013-14. However, if applications are filed, the CWCB will satisfy its statutory obligations.

Discussion

Highlighted from the above tables, listed as the *Colorado Water Conservation Board Inputs*, are two input measures and their trend information.

Program Input: # of Instream Flows requested by stakeholders - Each year at its annual workshop in February, the CWCBC staff receives instream flow (ISF) recommendations from various entities, including state and federal agencies, local governmental entities and nonprofit organizations. Staff then prioritizes the recommendations, performs additional field work where necessary, performs a water availability analysis, conducts public outreach to stakeholders on the proposed instream flows and consults with the Division of Water Resources on each stream, all with the goal of bringing the recommendations to the Board in January of the next year for appropriation. Circumstances that result in staff not bringing a recommendation to the Board in the following January include, but are not limited to: (1) a need for more data collection to support the recommendation; (2) a need for more time to work with stakeholders to discuss and address their concerns; and (3) inability of staff to complete the required steps listed above due to workload and staffing limitations. In the table above, the number of requests for each year includes recommendations from previous years that staff did not bring to the Board in the January following receipt of the recommendation. In addition to receiving recommendation for new instream flow appropriations, CWCBC staff also receives offers of water rights to acquire (by donation, purchase, lease, loan or other contractual arrangement) for instream flow use. While acquired water rights typically do not increase the number of stream miles protected by instream flow, such rights bolster and sometimes increase the level of protection of Colorado's streams. The number of offers of water for potential inclusion in the Instream Flow Program is not included in the table above.

Program Input: # of Watershed Protection/Restoration project applications - The Colorado Watershed Restoration Program is one grant program in the Watershed and Flood Protection Section. The grant programs within the Watershed and Flood Protection Section include the Colorado Healthy Rivers Fund, the Fish and Wildlife Resources Fund, and the Invasive Phreatophyte Control Program. All of these grant programs are informally referred to as the "Watershed Protection Program".

The Colorado Watershed Restoration Program did not begin in earnest until FY 2008-09. Applications received in FY 2007-08 and prior represent those received through the Colorado Healthy Rivers Fund only. With the addition of the other grant programs, the number of applications submitted fluctuated in the following years. In FY 2012-13, a total of 27 grant applications were submitted for all of the grant programs regardless of whether they were funded or not. Of the 27 grant applications, there were no applications submitted for the Colorado Watershed Restoration Program since the application submittal deadline was changed from January 31 to September 30.

What are the Program's Outputs?

Environmental Programs has a number of outputs that are designed to achieve programmatic objectives. These are discussed in the table below and the accompanying narrative.

Colorado Water Conservation Board Outputs
FY 2007-08 to FY 2013-14

Output Measures	FY 2007-08 Actual	FY 2008-09 Actual	FY 2009-10 Actual	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Approp.	FY 2013-14 Request
<i>Stream and Lake Protection</i>							
# of instream flow water rights managed by CWCB	Benchmark: N/A	Benchmark: N/A	Benchmark: N/A	Benchmark: N/A	Benchmark: N/A	Benchmark: 1,603	Benchmark: 1,618
	Actual: 1,524	Actual: 1,540	Actual: 1,570	Actual: 1,581	Actual: 1,593	Actual: N/A	Actual: N/A
<i>Watershed Protection and Restoration</i>							
# of watershed protection plans	Benchmark: N/A	Benchmark: N/A	Benchmark: N/A	Benchmark: N/A	Benchmark: N/A	Benchmark: 2	Benchmark: 2
	Actual: 4	Actual: 8	Actual: 8	Actual: 3	Actual: 3	Actual: N/A	Actual: N/A
# of watershed protection projects	Benchmark: N/A	Benchmark: N/A	Benchmark: N/A	Benchmark: N/A	Benchmark: N/A	Benchmark: 21	Benchmark: 21
	Actual: 8	Actual: 15	Actual: 16	Actual: 20	Actual: 11	Actual: N/A	Actual: N/A
Leveraging of watershed protection funding ¹	Benchmark: N/A	Benchmark: N/A	Benchmark: N/A	Benchmark: N/A	Benchmark: N/A	Benchmark: 4:1	Benchmark: 4:1
	Actual: 5.7:1	Actual: 3.1:1	Actual: 4.7:1	Actual: 7.2:1	Actual: 4:1	Actual: N/A	Actual: N/A
<i>Recreational and In-channel Diversion</i>							
# of RICD recommendations by Board	Benchmark: N/A	Benchmark: N/A	Benchmark: N/A	Benchmark: N/A	Benchmark: N/A	Benchmark: 1	Benchmark: 0 ²
	Actual: 0	Actual: 0	Actual: 0	Actual: 0	Actual: 2	Actual: N/A	Actual: N/A

*Notes: ¹Not all projects in FY 2012-13 have been awarded funding; therefore, the leverage ratio is an estimate.

²The CWCB is required by law to provide recommendations regarding applications for RICDs that are filed in water court. At this time, the CWCB staff is not aware of any RICD applications that may be filed in FY 2013-14. However, if applications are filed, the CWCB will satisfy its statutory obligations.

Discussion about Output-related Performance

Program Output Measure: # of instream flow water rights managed by CWCBC - As mentioned above, the number of instream flow recommendations staff brings to the CWCBC Board for appropriation each year varies as a result of numerous factors. For example, in FY 2010-11 and FY 2011-12, CWCBC staff, Colorado Parks and Wildlife (CPW), and the U.S. Bureau of Land Management (BLM) spent a significant amount of time on additional data collection and technical analyses, as well as outreach to numerous stakeholders on the controversial San Miguel River instream flow appropriation that was a joint recommendation of CPW and BLM. As a result, CPW and BLM had less time to do the required field work to generate new instream flow recommendations and CWCBC staff had less time to work on the recommendations it had received. Consequently, staff brought a smaller number of instream flows to the CWCBC Board for appropriation, resulting in fewer instream flow water rights being added to the CWCBC's portfolio. Likewise, due to the large amount of time spent on the San Miguel River instream flow hearing in 2012, coupled with the retirement of CPW's Instream Flow Coordinator and an additional CWCBC staff member, who performed instream flow water availability analyses, staff anticipates bringing fewer instream flow recommendations to the Board for appropriation in 2013. Staff anticipates that the number of instream flow recommendations brought to the Board in future years will increase since the CWCBC vacant position has been filled and ideally, if CPW fills the Instream Flow Coordinator vacant position. However, it is important to note that the number of instream flow water rights added by the Program each year does not directly correlate to the number of additional miles protected, since the length of existing decreed instream flow stream reaches ranges from less than one mile to 110 miles.

Program Output Measure: *Leveraging of watershed protection funding* - The Watershed Protection Program is composed of five different grant programs. Most of these require a 1:1 match, except for the Colorado Healthy Rivers Fund which requires fewer matches. All programs are exceeding match requirements by leveraging more money than that contributed by the CWCBC. In the future, we can expect the match ratios for the entire Program to exceed 3:1. Watershed Plans lead to project prioritization and implementation. In addition, it is anticipated that planning cycles followed by project cycles will be seen as applicants seek continued funding after a planning period. Planning efforts yield multiple project needs. It can be expected that project applications will exceed planning applications.

Benchmarks

Program Benchmark: *Leveraging of watershed protection funding* - Benchmarks for the Watershed Protection Program are, at the minimum, a 1:1 match funding contribution. It is likely that the Program will continue to exceed the minimum match requirements with a match ratio of 4:1 into future fiscal years. Project applications should exceed planning applications. It should be noted that planning applications funded through the Program often seek project funding from the Water Supply Reserve Account.

What are the outcomes the Program is trying to achieve?

The Instream Flow Program portion of Environmental Programs is working to increase the number of protected stream miles by at least 100 miles each year to ensure protection of Colorado's stream-related natural environment. CWCBC staff's top priorities in achieving this outcome are to: (1) protect habitat on streams that support native fish species; and (2) assist the state in meeting identified nonconsumptive needs by protecting stream reaches that support environmental attributes identified by Basin Roundtables. Staff's ability to work on instream flows in these priority areas depends in large part on the instream flow recommendations it receives each year. In an effort to increase the number of instream flow recommendations on these priority streams, staff has asked the standard recommending entities (Colorado Parks and Wildlife and the U.S. Bureau of Land Management) to try to focus their efforts in these areas when possible. Additionally, staff will conduct education and outreach with the Basin Roundtables to deliver the message that the Instream Flow Program can be a valuable tool in meeting nonconsumptive needs. Another desired outcome of the Instream Flow Program is to acquire water rights using the Species Conservation Trust Fund for instream flows that will preserve or improve the natural environment of species that have been listed as threatened or endangered under state or federal law, are candidate species, or are likely to become candidate species.

Colorado Water Conservation Board Outcomes
FY 2007-08 to FY 2013-14

Outcome Measures	FY 2007-08 Actual	FY 2008-09 Actual	FY 2009-10 Actual	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Approp.	FY 2013-14 Request
Additional miles of stream protected (instream flows)	Benchmark: N/A	Benchmark: N/A	Benchmark: N/A	Benchmark: N/A	Benchmark: N/A	Benchmark: 100	Benchmark: 100
	Actual: 88.3	Actual: 74.5	Actual: 116	Actual: 75.86	Actual: 138	Actual: N/A	Actual: N/A

Discussion

As noted above, the number of Instream Flow water rights added to the Instream Flow Program each year does not directly correlate to the number of additional miles protected, since the length of existing decreed Instream Flow stream reaches ranges from less than one mile to 110 miles. For example, as shown in the table above, in FY 2009-10, the CWCBC Board appropriated 116 Instream Flow water rights that resulted in 116 additional miles of protected streams. In FY 2011-12, the CWCBC Board only appropriated 12 water rights, but due to the length of the reaches of stream, that resulted in 138 additional miles of protected streams.