

2014 Adopted
Budget

B

uilding
the Future

**Building the Future
of Water Through the
Fryingpan - Arkansas-Project**



**Southeastern Colorado Water
Conservancy District**



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**Southeastern Colorado Water Conservancy District
Colorado**

For the Fiscal Year Beginning

January 1, 2013

Executive Director

*The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to **Southeastern Colorado Water Conservancy District, Colorado** for its annual budget for the fiscal year beginning **January 1, 2013**. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device.*

This award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.



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Southeastern Colorado Water Conservancy District

For the purpose of developing and administering the Fryingpan-Arkansas Project





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Mission Statement

Water is essential for life

We exist to make life better by effectively
developing, protecting, and managing water resources.

Board of Directors

Our Vision

As we strive to realize our vision of the future, all our actions and efforts will be guided by communication, consultation, and cooperation, focused in a direction of better accountability through modernization and integration across the District.

Our Committees

Allocation, Arkansas Valley Conduit, Colorado River, Finance, Enlargement, Excess Capacity, Executive, Human Resources, and Resource & Engineering Planning



SECWCD
Board of Directors

2014



Bill Long, President
Bent County 2014



Harold Miskel, Vice President
El Paso County 2016



Ann Nichols, Treasurer
El Paso County 2014



Vera Ortegon, Secretary
Pueblo County 2016



J.F. "Jay" Moore
Chaffee County 2017



Carl McClure
Crowley County 2017



Gary Bostrom
El Paso County 2017



Gibson Hazard
El Paso County 2016



Greg Johnson
El Paso County 2014



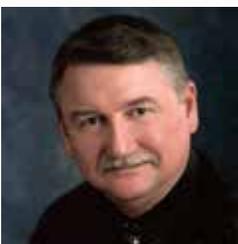
Tom Goodwin
Fremont County 2014



Howard "Bub" Miller
Otero County 2017



Leonard Pruett
Prowers & Kiowa Counties 2016



David Simpson
Pueblo County 2017



Shawn Yoxey
Pueblo County 2014



Kevin Karney
At Large 2016



Alan Hamel
Advisory Board Member

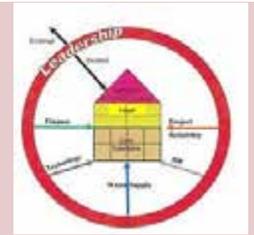
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Building the Future



2014 Budget

OUR VALUES

RELIABILITY

Ensure we will optimize our existing Colorado River supply

LEADERSHIP

We will be a leader in local and regional water issues

OUR EMPLOYEES

Our employees are our most important resource

STEWARDSHIP

We serve our District and its people by responsibly managing the resources entrusted to our care

EXCELLENCE

We expect world-class performance and we strive for improvement in all we do

ENVIRONMENT

We will operate in an environmentally responsible manner

OUR CORE VALUES

A commitment to honesty and integrity

A promise of responsible and

professional service and action

A focus on fairness and equity

To our Board of Directors, Stakeholder, and Constituents

The Southeastern Colorado Water Conservancy District (District) Fiscal Year 2014 Budget presents accurately and clearly the District's projection of revenues and expenditures for 2014. The Budget is the District's fundamental policy document and communicates the expenditures legally appropriated by the Board of Directors for the fiscal year. The Budget document is intended to help the Board of Directors, stakeholders, and constituents, and other interested parties understand the overall responsibilities and goals of the District. In addition to its role as a policy document, the Budget also serves as a financial plan, an operations guide, and a communication tool. Each year staff aims to improve the Budget document. This year's Budget is in the second year of a two year phased Budget to align our major projects with key decision points and to complete the final payments on major projects. This document has accomplished those goals.

Managing for the future is the District's greatest challenge. The key issues require the District to employ an adaptive approach to its business. In the upcoming year we will continue to support our four initiatives and six goals. Last year I spoke of a "new normal" which reflected a situation where it is likely that recovery will be slow and water demand will be

Letter from the Executive Director

high and I believe that is still true. We are still accomplishing this by providing more attention to the business affairs of the District through coordination and teamwork, while delegating more responsibility among our staff.

As in previous years, Our Strategic Plan looks ahead five years to anticipate significant needs, challenges, and risks that are likely to develop. Long-range planning requires assessing both where we are and where we want to be. Operational Planning allocates resources to specific programs and services that support our long-term goals over the next fiscal year. Monitoring measures keep us on track to reaching our goals. We evaluate progress at regular intervals and make necessary adjustments.

We will continue to refine the District by building on established strengths while ensuring that the organization has the tools and organizational capacity to respond quickly and efficiently to changing conditions. During the next year, we will continue to track, analyze, and mitigate the key risks – climatic and financial - facing the District. We will work with the Board in supporting the Key Results Areas and Core Functions; and to manage the delivery of high-priority projects within a structurally-balanced environment, using available revenues. The Strategic Framework and Strategic Plan serve as the foundation for the development of the 2014 Budget.

During the budget process, those portions of the Strategic Plan that pertain to the FY 2014 Budget period are selected for inclusion along with critical ongoing activities. In addition to ensuring alignment with the Strategic Plan and Budget, we will continue to focus on four initiatives and six goals for the fiscal budget period. Accordingly, the fiscal 2014 Budget is a balanced budget.

The purpose of the specific initiatives and goals in fiscal year 2014 is to continue to place added emphasis around the core mission and to enhance efficiencies, effectiveness, and accountability. The initiatives and goals will provide the means for the District to optimize its work process and all of its programs and resources around its mission. It should be noted that the budget is not a static document. It may need adjustments and revision as circumstances change both within and outside of the District.

The District is committed to serve as a steady but assertive leader in its overall operations, to be a dedicated partner with its stakeholders for not only the District's future, but for the future of the region.

The 2014 Initiatives continue from last year as follows:

Fiscal Stability

- Maintain the District's fiscal stability through active monitoring of economic conditions, sound accounting, auditing, budgetary practices, management discipline and prudent reserves, and a commitment to maintaining strong financial measures.

Information Technology

- Use the investments made in modern information technology to maximize efficiency and improve service.
- Ensure development of a new Budget Software System that is in place with the District's financial system for fiscal year 2014.

Skilled and Adaptable Workforce

- Maintain a robust and adaptable workforce capable of meeting future needs efficiently and effectively.
- Implement the workforce and succession plan for development of future leaders.

Accountability, Transparency, and Ethical Conduct

- Continue to promote accountability, transparency, honesty, integrity, fairness, and equity through responsible and professional service and action.

The 2014 goals continue from last year as follows:

Goal 1: Build Public Trust and Stakeholders Satisfaction

Build public trust, support, and confidence with all internal and external stakeholders.

Goal 2: Employee and Workforce Development

Develop and maintain a flexible, well trained, motivated, and accountable workforce through proactive recruitment strategies and planning. Retain institutional knowledge, and maximize employee potential, by ensuring that knowledge and skills are continually developed and broadened.

Goal 3: Demand Accountability

Enhance and be accountable for performance in order to increase productivity and make the District more cost-effective. This will also improve the District's ability to focus on important requirements more effectively and efficiently.

Goal 4: Effectively Use Existing Water Resources

Effectively manage existing water resources and actively manage storage to meet future demands.

Goal 5: Rate Study Preparation and Control Costs

Evaluate and Develop a pre plan for a Rate Study in 2015 and continue to control costs.

Goal 6: Acquire and Implement Appropriate Information Technology

Finalize the last phase, of a comprehensive systems and technologies to significantly improve the efficiency and effectiveness of the District.

The initiatives and goals will continue to be evaluated using the CORE framework (reviewing opportunities for Consolidation, Outsourcing, Reengineering and/or Elimination), maintaining the District's commitment to the principles of innovation, continuous improvement, excellence and responsible stewardship of the District resources.

The year ahead will undoubtedly bring many new challenges. We are confident, however, that with our Board's experience, strong leadership, and commitment to the District's business disciplines, our team will continue to find innovative and creative ways to address the needs and meet the challenges ahead.

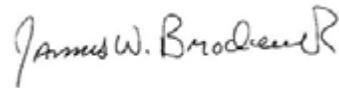
The staff appreciates the time and effort the Board of Directors has committed to the adoption of the Fiscal Year 2014 Annual Budget. I also want to thank the Finance Team; Toni Gonzales, Jean Van Pelt, and Leann Noga for their fiscal responsibility, teamwork, and cooperation, all of which made this year's budget process a success.

In closing, I am proud to inform you that our budget document of 2013 has earned us the prestigious National Distinguished Budget Presentation Award from the Government Finance Officers Association. Staff is extremely proud to continue to receive this award. This award represents a culmination of efforts to continuously improve the Budget Document.

Again, on behalf of all the staff, we look forward to Fiscal Year 2014 as we move forward with our goals and initiatives and follow through on the exciting programs and work already underway. As always, it is our pleasure to work with you as we serve the stakeholders and communities of the District and to move the District closer to achieving its Mission:

“Water is essential for life. We exist to make life better by effectively developing, protecting, and managing water resources.”

Respectfully Submitted,



James W. Broderick
Executive Director

Palmer Land Trust—2013 Innovation in Conservation Award Voluntary Flow Management Program

The Innovation in Conservation Award honors the development of new conservation models, the creation of new conservation funding mechanisms, and implementation of unique conservation partnerships that protect our natural heritage.

For more information: <http://secwcd.org/content/video-audio-clips>



Left to Right: Joe Greiner, Rob White, and Jim Broderick



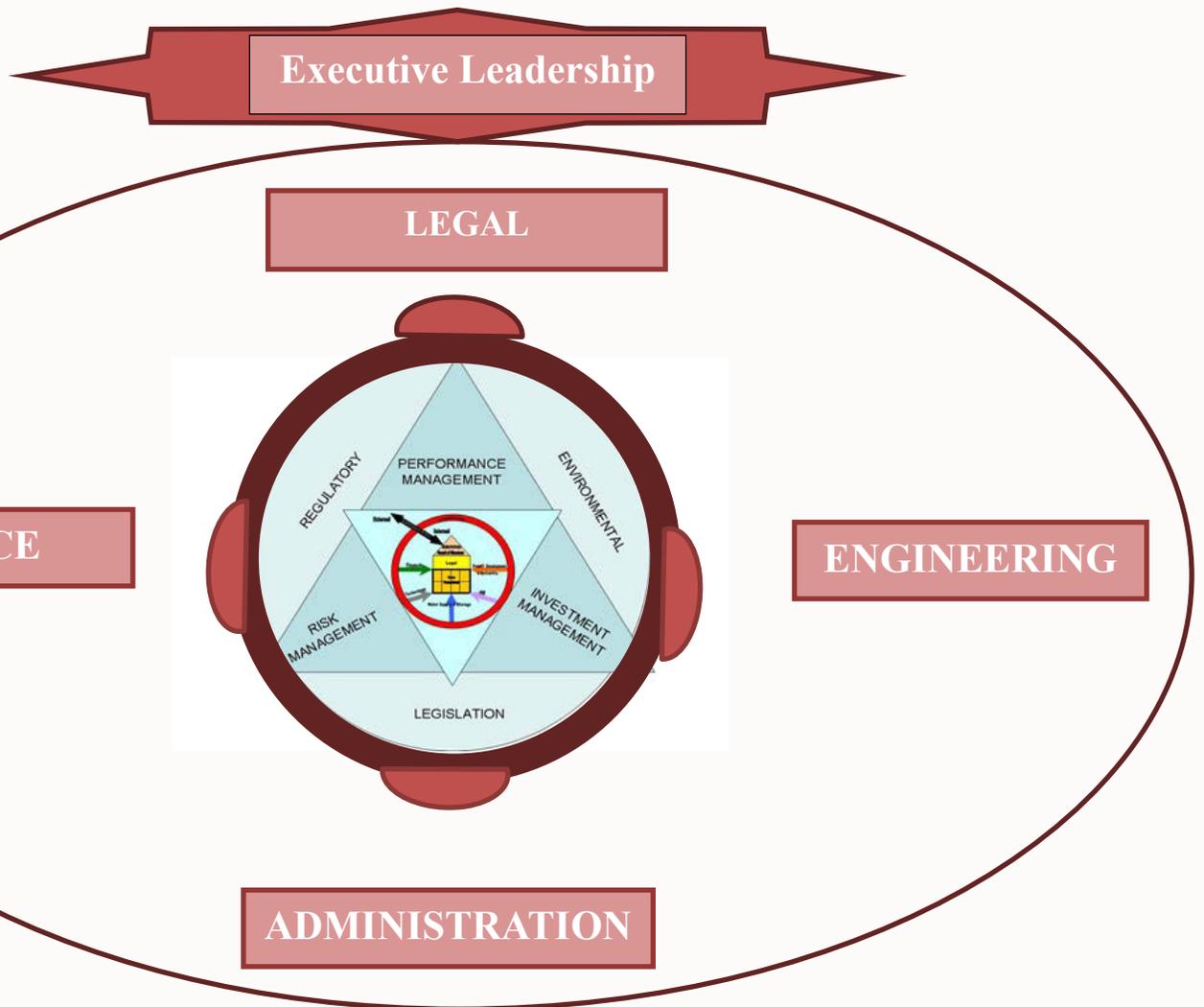
Left to Right: Reed Dils, Andy Neinas, Joe Greiner, Rob White, and Jim Broderick

Core Values

A commitment to honesty and integrity
A promise of responsible and professional service and action
A focus on fairness and equity

————— 2014 Staff —————

James Broderick ♦ Lee Miller ♦ Robert Hamilton ♦ Kevin Meador
Toni Gonzales ♦ Jean Van Pelt ♦ Margie Medina ♦ Leann Noga ♦ Elizabeth Catt





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S O U T H E A S T E R N C O L O R A D O

Water Conservancy District

"Your investment in water"

December 15, 2013

To the Board of Directors, Stakeholders, and Constituents of the Southeastern Colorado Water Conservancy District

It is my pleasure to present the 2014 Budget for the Southeastern Colorado Water Conservancy District (District) and the Water Activity Enterprise (Enterprise) for January through fiscal year ending December 31, 2014. As the District strives to complete elements of the Fryingpan-Arkansas (Fry-Ark) Project, "Building the Future" identifies the thematic foundation of our budgetary plan for 2014. Long-term planning and implementation of the Strategic Plan includes; construction of a hydroelectric power plant at Pueblo dam, completion of key projects in storage, the Arkansas Valley Conduit (AVC), paying off the primary debt, developing better tools and methods for financial planning, water conservation, and communication. The detail of these projects and others are presented in this document. The input and expertise of District staff is critical in the development of the budget. The Strategic Plan is the overriding document governing budget expenditure and the future direction of the District. Together the budget and the Strategic Plan, build the future to form a blueprint of our organizational goals. Please use the budget as a guideline for our financial operations in 2014.

Budget Policy

The District includes Colorado revised statutes in budget policy. Policies include:

- A Budget officer is appointed (CRS 29-1-104 before October 15)
- A draft of the Proposed Budget is delivered to each member of the Board of Directors (CRS 29-1-105) by October 15
- A publication of notice of budget is published in a newspaper of general circulation (CRS 29-1-106) by November 1
- Budget public hearing (CRS29-1-108) on third Thursday in November
- Budget adoption and appropriation (CRS 29-1-108) date set prior to December 31
- Certification of mill levies to the board of county commissioners (C.R.S. ' 39-5-128 (1)) by December 15
- Mill levy calculation and assessment in accordance with the State of Colorado Department of Local Governments
- Investment policy

- A balanced Governmental funds budget
- A balanced grant budget
- Project participation fees with matching expenditure
- Fry-Ark Project water allocation principles

Budget Basis

An annual budget is prepared for the General Fund and the Enterprise Fund on a basis consistent with generally-accepted accounting principles (GAAP) as it applies to fund financial statements prescribed through the Governmental Accounting Standards Board (GASB). The Board of Directors enacts the budget through appropriation, with the Executive Director responsible for ensuring the District operates within the budgetary guidelines and that adequate funds are available. Government Funds are presented on the modified accrual accounting system. This system recognizes revenues when they are recorded and measurable. The Proprietary Fund uses an accrual basis of accounting recognizing revenue when earned and expenses when incurred. All unencumbered appropriations lapse at year-end.

Budgetary Control is maintained at the program classification level. Internal budgetary transfers between related items are permitted subject to certain constraints.

2014 Budget



- Purchases over \$5,000 are subjected to an informal or formal bid process and must be reviewed and approved by the Executive Director. Purchases over \$15,000 must be reviewed by the Finance Committee.
- Use of Fund Balance must be reviewed by the Finance Committee prior to a recommendation to the Board of Directors for budget appropriation.
- The budget must be restated if the expenditure is higher than the appropriation.

Additional information regarding financial policies is found in the Financial Management Guide, which is available upon request.

The District will strive to present a balanced budget for appropriations, except in years when capital outlay is needed for projects to uphold the purpose of the District and other one-time expenditures require spending from unrestricted funds. Appropriations are enacted by the Board of Directors authorizing the expenditure of a designated amount of funds for the operations of the District and the Enterprise. Appropriations include: Fry-Ark pass-through activities, Grant activities, operations, capital outlay including one-time extraordinary expenditures. In any year, after the budget has been adopted, if expenditures exceed the appropriated amount for any entity, that budget will be restated. In accordance with Budget policy, the restatement notification will be published in one public newspaper. The Board of Directors will conduct a hearing of the budget and will re-appropriate the budget.

The primary function of the District is to collect Ad Valorem tax from portions of nine counties to repay the United States Bureau of Reclamation (Reclamation) for the debt on the Fry-Ark Project, and to maintain and protect the Project water rights. The District is primarily an administrative agency with no capital asset projects, or capital assets as normally found in many governments. The District does not issue general obligation bonds. To finance the operations of the District, an Operating tax is levied on the constituents

within the District boundaries. A portion of Specific Ownership tax also assists the District with operating expenditures. Finally, the Enterprise reimburses the District for personnel and overhead in proportion to the amount of work staff is budgeted in Enterprise activities. Other revenues may include grants, partnership contributions, and investments.

The Enterprise is a service organization that develops and manages projects within the Fry-Ark Project for the stakeholders. It is the business activity for the District. Stakeholders may include municipal or agricultural water entities, government agencies such as the United States Geological Survey (USGS), Reclamation, Colorado Water Conservation Board (CWCB), or partnership groups. Funding for the Enterprise is received through the sale and administration of Fry-Ark Project water and related surcharges and fees, reimbursement from Project participants, grants, partnership contributions, and investments.

Funds

The funds through which the District's functions are financed are described as Governmental Funds. The District operates the General Fund and due to the nature and size of operations, does not generally utilize other types of funds. The Proprietary Funds account for business operations. The Proprietary funds include the activities of the Enterprise. An Enterprise Capital Projects Fund was established in 2013 for the development and construction of the hydroelectric power plant at the Pueblo Dam. The Enterprise has a sub-fund generally known as the Arkansas Valley Conduit. The purpose of this sub-fund is to account for the costs associated with the project. Once complete, the unreimbursed portion of debt will be repaid to Reclamation. This sub-fund is normally consolidated with the Enterprise Fund in a Government-wide financial presentation of the Governmental Funds and Proprietary Funds.

The most populated county in the District is El Paso County with 12% of the population. 76% of El Paso County taxpayers pay for and participate in the benefits of the Fryingpan-Arkansas Project.

State Limitations

The District maintains a Restricted fund balance of \$150,000 for the Taxpayers Bill of Rights (TABOR) as defined in the Colorado constitution. This represents 3 percent or more of its fiscal year spending.

Surplus Revenue

The Enterprise budgets and maintains a 3-year Project water unrestricted fund for years when budgeted Fry-Ark Project water revenue is less than calculated. The fund balance as of 12/31/2013 is estimated at \$812,000.

Population

The District's boundaries are within nine Colorado counties. The total estimated population in 2013 was reported to the U.S. Census at 932,049. Approximately 79 percent of the population within those counties are beneficiaries of the Fry-Ark Project and reimburse the District for the primary debt through ad valorem tax.

This accounts for 14 percent of the population of the State of Colorado estimated in 2013 by the U.S. Census Bureau of 5,267,800. The counties with larger populations that repay a majority of the primary debt of the Fry-Ark Project are El Paso, Pueblo, and Fremont counties at approximately 91 percent. The remaining six counties make up 9 percent of the District's estimated population within its boundaries as illustrated on the map on page 19.

The tax collection by county is dependent on many factors and therefore population does not necessarily correlate to the amount of dollars the District receives. Populations do give a fair indicator as to the beneficiaries of the Fry-Ark Project and their basis for repayment. The District assesses the nine counties at an equal rate. Three tax rates are calculated based on our primary contract with the United States and other state imposed limitations.

The mill levies used are contract, abatement and refunds, and operating tax. These are assessed on the value of taxable property within the District's boundaries. The contract, and the abatement and refunds tax are used to repay the primary debt. Deductions by counties from tax revenue might include current year abatements and refunds, uncollected prior year taxes, and collection fees. The final mill levies must be certified and submitted to the nine county assessors by December 15 of each year. County assessments can be found in appendix A.

Investment Policy

Consistent with Colorado Revised Statutes and direction from the Board of Directors, the District policy on investments is a conservative approach. For a full disclosure of investment policy, the Financial Management Guide is available upon request.

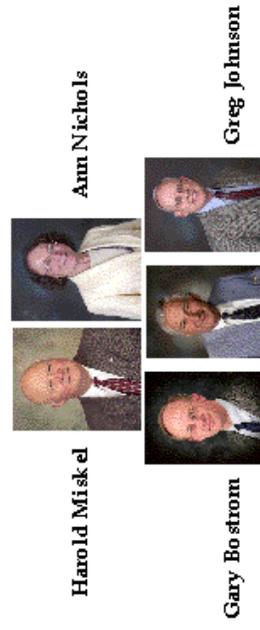
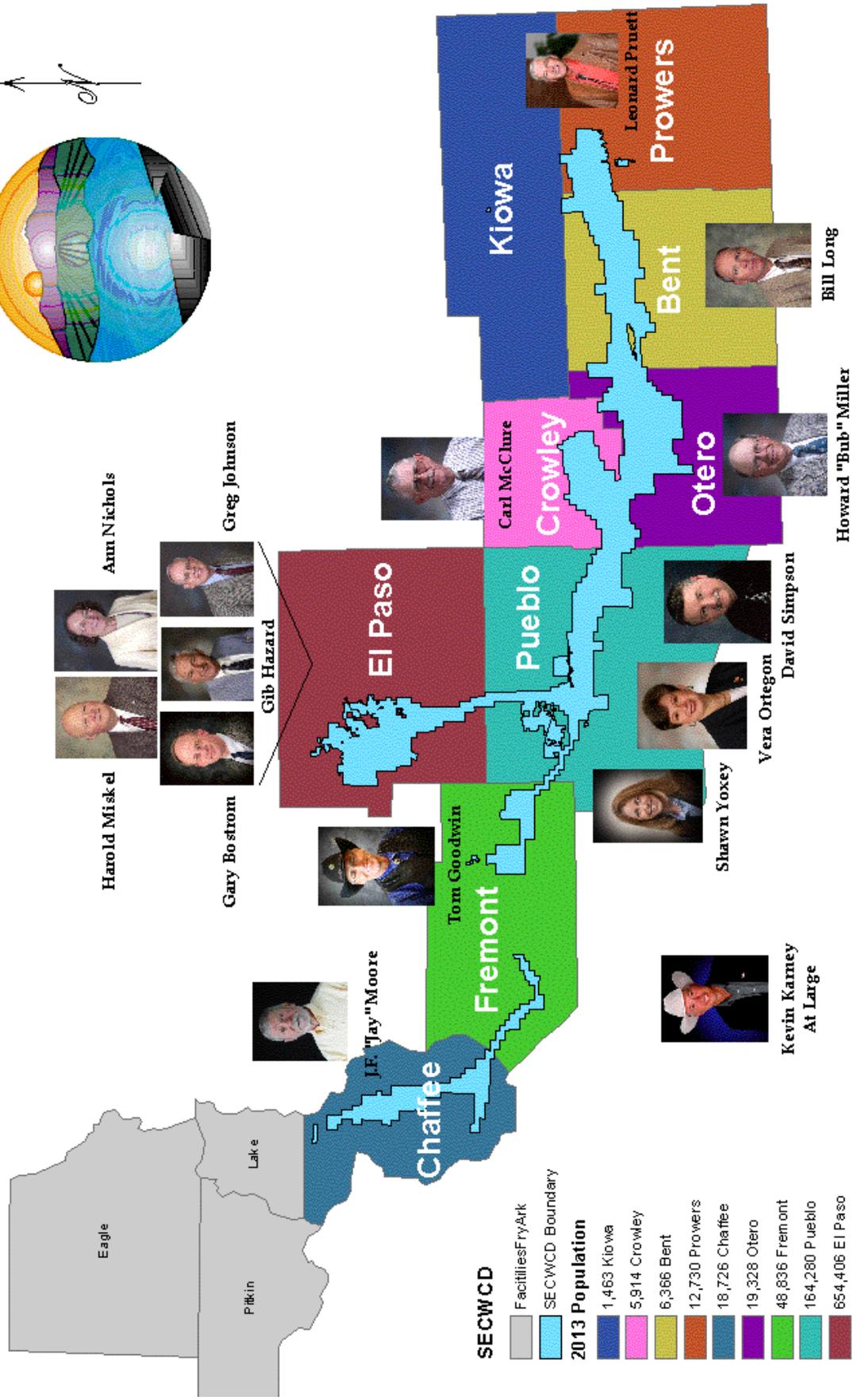
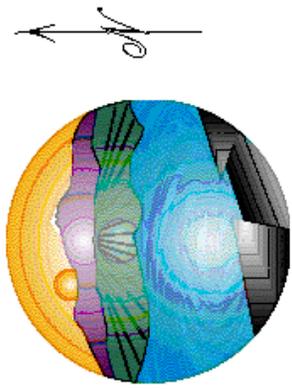
- U.S. Treasury obligations pursuant to C.R.S. 24-75-601.1(1)(a)
- Obligations of U.S. Government Agencies pursuant to C.R.S. 24-75-601.1(1)(b)
- Any corporate or bank security, issued by a corporation or bank that is organized and operated within the U.S. pursuant to C.R.S. 24-75-601.1(1)(m)
- Revenue obligations of any state of the U.S., the District of Columbia, or any territorial possession of the

U.S., or of any political subdivisions of any state, rated in the highest rating category by two or more nationally recognized organizations that regularly rate such obligations pursuant to C.R.S. 24-75-601.1(1)(e)

- General obligations of any state of the U.S., the District of Columbia, or any territorial possession of the U.S., or of any political subdivisions of any state, rated in the highest two rating categories by two or more nationally recognized organizations that regularly rate such obligations pursuant to C.R.S. 24-75-601.1(1)(d)
- The purchase of any repurchase agreement pursuant to C.R.S. 24-75-601.1(1)(j)
- Money market mutual funds pursuant to C.R.S. 24-75-601.1(1)(k) and
- Local government investment pools pursuant to C.R.S. 24-75-701, et seq.

Investment Revenue

The District manages \$16,700,000 in bonds held through Wells Fargo Securities, LLC. Of those investments, \$7,000,000 are District funds. The Enterprise manages \$9,700,000 in invested funds. The 2014 Budget for investment revenue, based on projected fluctuations in the market are \$135,395 for the District and \$110,682 for the Enterprise.



At Large

REVENUE

District Revenue

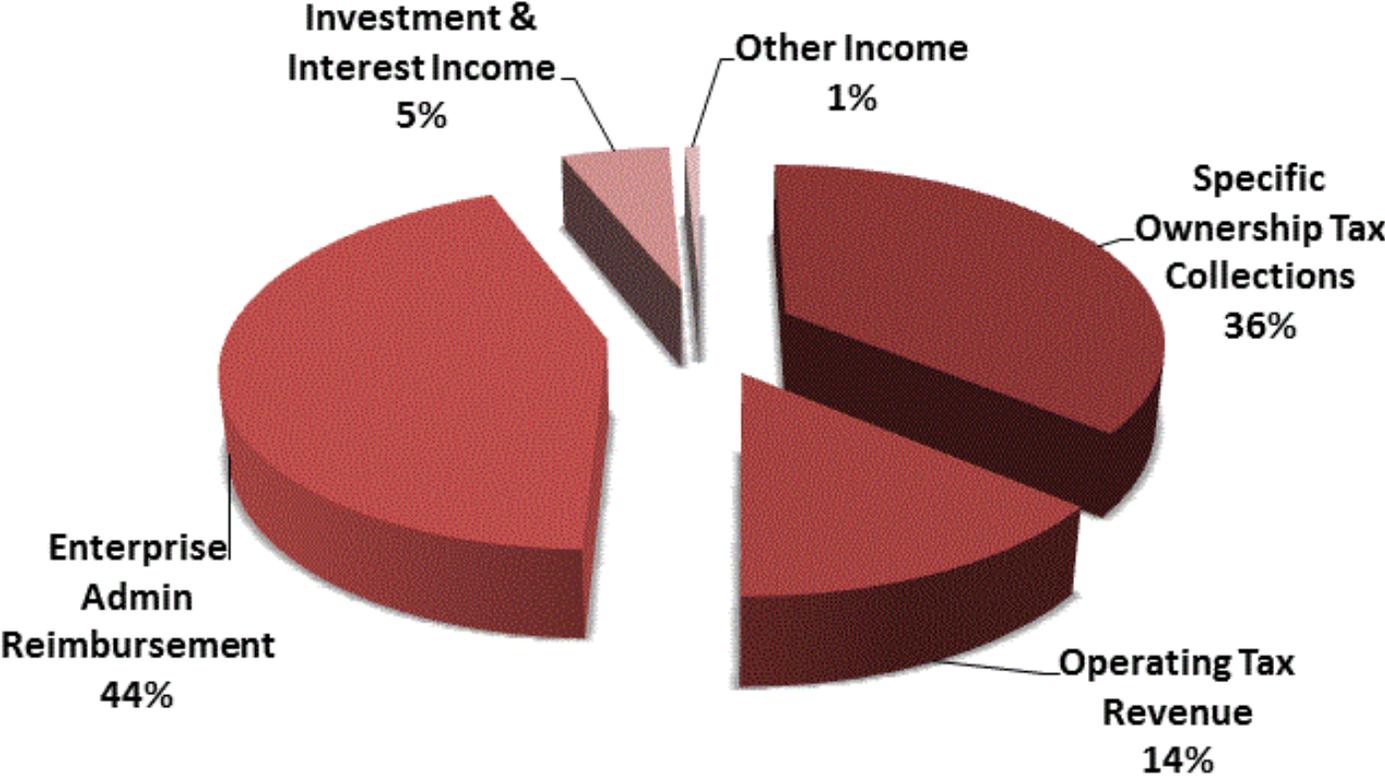
The District operating revenue is a combination of Specific Ownership Tax, Operating Tax ad valorem, Enterprise reimbursement, investment income, and miscellaneous revenue. In the 2014 budget the District receives 79 percent of the total government-wide operating revenue. The Enterprise was created to handle the operation of the business activities within the District. As a matter of District policy, an allocation of payroll and overhead charges is made to the Enterprise and it's projects and programs. To estimate the reimbursement from the Enterprise to the District, payroll and overhead expenditures are included. From 2009 - 2013 the Enterprise reimbursement to the District revenue totals approximately 44 percent of activities including the primary costs of burdened payroll, building space and maintenance, supplies, and other expenses.

The District also records miscellaneous revenue. This revenue is recorded from room rental, xeriscape tours and other events. Staff has budgeted \$962 in the 2014 budget for miscellaneous revenue. A full analysis of District revenue is included in this document.



Ruedi Dam, spillway and hydroelectric plant

Average of District Revenue Sources 2009—2013



Grants

In 2014, the Enterprise has three grant-funded projects. Two of the grants support water conservation. The third grant was originally budgeted in 2013 as the Arkansas Basin Hydrology Study. The grant has been revised with additional work. The scope of work now includes the development of the Arkansas Basin Implementation Plan (BIP). The BIP will be an addendum to the State of Colorado's new Water Plan that is currently being developed. The Budget also includes \$150,000 in contingency. Grants are managed by the Program - Project Coordinator. A narrative and financial breakdown of each grant, the associated expenditures and the District's expected match are included in the Budget.

2014 Grant Budget

| <u>Project</u> | <u>State</u> | <u>Federal</u> | <u>Total</u> |
|--|-------------------|-------------------|-------------------|
| Arkansas Basin Hydrology Study | \$ 125,000 | | \$ 125,000 |
| Implement Regional Water Conservation Plan | \$ 37,980 | \$ 40,000 | \$ 77,980 |
| Contingency | | \$ 150,000 | \$ 150,000 |
| | <u>\$ 162,980</u> | <u>\$ 190,000</u> | <u>\$ 352,980</u> |

Southeastern Colorado Water Activity Enterprise

The Enterprise established in September 1995, continues to grow as the Business Activity for the District. The purpose of the Enterprise is to undertake and develop commercial activities on behalf of the District as a government. These activities may include construction, operation, replacement and maintenance of water projects and facilities, and related contracting, engineering, financing, and administration. In 1999, the Enterprise began studying the future storage of water within the District, and all associated engineering studies including structural and non-structural water planning management, to meet the water needs of our constituents through the year 2040. In 2011, Reclamation signed a Memorandum of Understanding (MOU) with the District to perform a National Environmental Impact Statement (NEPA) for the Long-Term Excess Capacity Master Contract, Arkansas Valley Conduit, and Interconnect projects. Enlargement of facilities is a project that will have increased activity in 2014. This may include the future enlargement of Pueblo Reservoir and Turquoise Lake. Arkansas Valley Conduit, Enlargement, and Excess Capacity Master Contract projects are funded by the participants who are partners in the development of these projects. Hydroelectric Power Lease of Power Privilege (LoPP) and a NEPA study have been budgeted for \$772,867, to meet the strategic objective "to develop and maximize Fry-Ark power generation capabilities". Other ongoing projects are the 10,825 Project and the Upper Colorado River Endangered Fish Recovery Program, and other Colorado River issues. The Restoration of Yield (ROY) is a program that allows for recapture of water lost due to diminished exchange capacity because of Pueblo's Recreational In-Channel Diversion (RICD) decrees and negotiations. RICD refers to the Pueblo Kayak Park. ROY is budgeted at \$10,000. The City of Aurora, Board of Water Works of Pueblo, and Colorado Springs Utilities have made significant contributions to this project. Finally, we continually strive to focus on protecting both the District's Arkansas and Colorado River water rights.

Enterprise Revenue

Enterprise revenue sources consist of payments from project participants, Project water sales, water and storage surcharges, well augmentation surcharges, and interest from investment accounts.



Participant Reimbursement on Projects

The Arkansas Valley Conduit (AVC) participants signed a Memorandum of Agreement (MOA) in 2011 with the District. This allows the participants to reserve conveyance of water within the AVC, and to participate in the completed National Environmental Protection Act Environmental Impact Statement (NEPA EIS). The budget for the AVC in 2014 totals \$112,596. The Intergovernmental Personnel Act contract with Reclamation for costs associated with District staff working to benefit the participants’ on the development of the AVC NEPA EIS has expired and the District does not anticipate its renewal.

Long-term Excess Capacity Master Contract is a long-term storage contract for storage of non-Project water in Fry-Ark Project facilities. This project is fully funded by participants with an expected contribution in 2014 of \$186,891. The participants paid for a

portion of the NEPA EIS study in 2010 - 2012. With the completion of the NEPA EIS the District will begin negotiations on the Master Contract in 2014.

Enlargement Study is an ongoing project that focuses on enlarging Pueblo and Turquoise Reservoirs. The single source of revenue comes from participant contributions. The major expenses are the ongoing USGS water studies, lobbyist, meetings, and travel, and professional services. These account for about 78 percent of the expenditures. In 2014, staff budgeted \$126,995.

The Regional Resource Planning Group (RRPG) works in alliance with the USGS. The participating entities include the City of Aurora, Colorado Springs Utilities, Lower Arkansas Valley Water Conservancy District, Board of Water Works of Pueblo, Southeastern Colorado Water Conservancy District, and the Upper Arkansas Water Conservancy District. The Enterprise manages the financial activity of RRPG. The Enterprise collects the par-

ticipant payments to fund the ongoing studies for RRPG projects. The difference between the incoming revenue and expenditure is the Enterprise contribution to the RRPG.

Project Water Revenue

The Fry-Ark Project imports spring runoff from Colorado's west slope to the semi-arid Arkansas River basin on Colorado's east slope. The Fry-Ark Project consists of federally owned dams, reservoirs, stream diversion structures, conduits, tunnels, pumping plants, a pumped-storage power plant, electric transmission lines, substations, and recreation facilities. These features are located in the Fryingpan River and Hunter Creek watersheds of the Upper Colorado River basin and in the Arkansas River basin in central and southeastern Colorado. The Fry-Ark Project provides water for irrigation, municipal, and industrial use, hydroelectric power generation, recreation, wildlife habitat, and flood control.

Project Water Sales and Related Charges in the Budget are calculated

Project water allocation policy operates using the following: annual timeline:

| TIMELINE OF PROJECT WATER DISTRIBUTION | |
|---|---|
| April | The District distributes Project water application requests |
| | Deadline to have applications completed |
| May 15 | Reclamation provides forecast to the District of Project water availability |
| May Board Meeting | Directors approve Project water allocations, upon review of the Allocation Committee |
| November | Eighty percent of Project water allocated for Agriculture must be used by November 15 |
| May (year later) | The remaining 20 percent of Project water allocated for Ag must be used. Unused Municipal Project water goes into the carry-over Project water account |

by using estimates based on a 20 year rolling average of Project water imported from the west slope. In May of each year, Reclamation releases their forecast for Project water imports. District staff allocates the imported Fry-Ark Project water based on those forecasts. Staff estimates an allocation of 44,030 acre-feet Project water to eligible municipal, industrial, and agricultural users within the District's boundaries for 2014. Other sources of operating revenue for the Enterprise include a Water Activity Enterprise (WAE) surcharge on Project water sales, Project water return flow sales, carryover Project water storage, first use Project water used for well augmentation, and "If and

When" storage contracts. Many of these charges are related to the allocation of Project water and are an important source of operational funds. An additional related charge is the Safety of Dams (SOD) surcharge, which repays Reclamation for work within that program. Winter water stored in Pueblo Reservoir is also subject to SOD surcharges. In 2014, an Environmental Stewardship (ES) Surcharge is being implemented to pay for those portions of the Project that are specifically designed to protect and enhance the environment associated with the Project and mitigate negative impacts of the Project.

| Estimated Water Rates and Surcharges for 2014 | | | | | | |
|--|------------|---------------------------------|---------|--|--------------|--------------|
| SOD = Safety of Dams | | WAE = Water Activity Enterprise | | ES = Environmental Stewardship Surcharge | | |
| Description | Water Rate | Surcharges | | | Augmentation | Total Charge |
| Project Water | Water Rate | SOD | WAE | ES | Augmentation | Total Charge |
| Agricultural | \$7.00 | \$0.50 | \$0.75 | \$0.75 | - | \$9.00 |
| Municipal | \$7.00 | \$0.50 | \$1.50 | \$0.75 | - | \$9.75 |
| Project Water used for Well Augmentation | | | | | | |
| Ag used for Well Augmentation | \$7.00 | \$0.50 | \$0.75 | \$0.75 | \$2.60 | \$11.60 |
| Municipal used for Well Augmentation | \$7.00 | \$0.50 | \$1.50 | \$0.75 | \$2.60 | \$12.35 |
| Storage Charges | | | | | | |
| Winter Water Storage | \$2.80 | \$0.25 | - | \$0.75 | - | \$3.80 |
| Carryover Project Water | - | \$1.00 | \$1.25 | \$0.75 | - | \$3.00 |
| If and When Storage Municipal & Ag | | | | | | |
| In District | - | \$0.50 | \$0.50 | \$0.75 | - | \$1.75 |
| Out of District | - | \$2.00 | \$4.00 | \$0.75 | - | \$6.75 |
| Aurora | - | - | \$10.00 | | - | \$10.00 |
| Project Water Return Flows Municipal & Ag | | | | | | |
| Project Water Return Flows | \$6.00 | \$0.50 | \$0.00 | \$0.75 | - | \$7.25 |

By using this link <http://secwcd.org/content/allocation-fryingpan-arkansas-project-water-project-water-return-flows> users may access additional information and applications to receive Project water. Other documents available include:

- * Southeastern Colorado Water Conservancy District Operating Principles
- * Project Water Return Flow Allocation
- * First Use Project Water Allocation

2014 Budget Government-Wide Revenues and Expenditures

| | Government Activity | Business Activity | | | | | Government Wide |
|---------------------|---------------------|--|----------------------|---------------------------------|-------------------------|-------------|-----------------|
| | District | Water Activity Enterprise Administration | *Hydroelectric Power | Excess Capacity Master Contract | Arkansas Valley Conduit | Enlargement | |
| Revenue | \$ 14,319,874 | \$ 1,504,655 | \$ - | \$ 186,891 | \$ 190,576 | \$ 126,995 | \$ 16,328,991 |
| Expenditure | \$ 15,404,954 | \$ 2,315,347 | \$ 772,867 | \$ 186,891 | \$ 190,576 | \$ 126,995 | \$ 18,224,761 |
| Fund Balance | \$ (1,085,080) | \$ (810,692) | \$ (772,867) | \$ - | \$ - | \$ - | \$ (1,895,770) |

*Information purposes only

Government Activity Expenditure

The key expenditures for Government Activity in the 2014 Budget include executive and leadership activities, legislation, studies, project and program support.

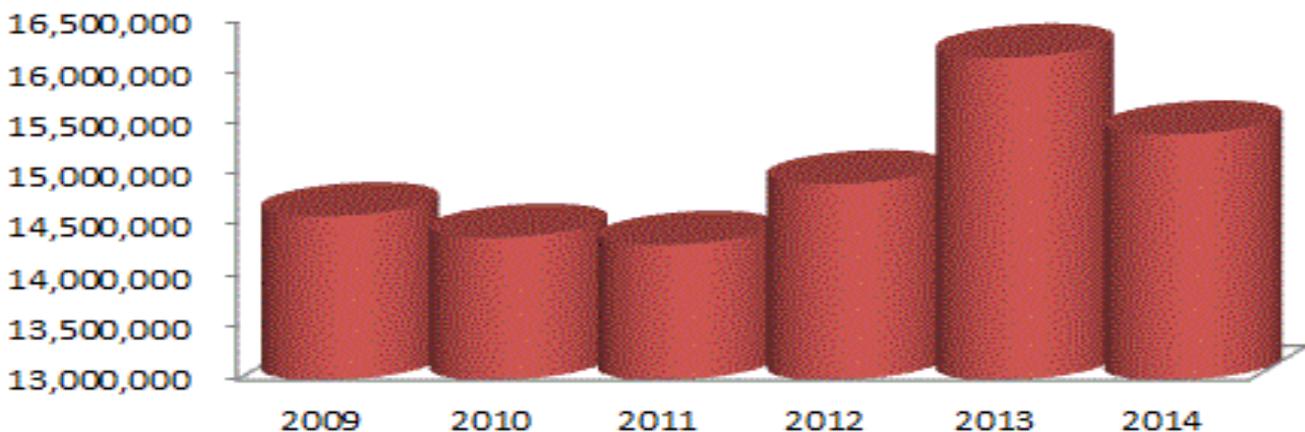
- ⌘ The District has budgeted expenditures requiring the use of reserve funds of \$1,007,431 to purchase the Red Top Ranch with other partners to meet the requirements of the 10,825 Project.
- ⌘ An upgrade to District’s Exchange Server and the implementation of an electronic records system consisting of \$20,000.
- ⌘ Human Resources includes salaries and benefits. Professional development is budgeted as well.
- ⌘ Professional and technical expenses included in the budget are Engineering, Lobbyist, Legal, Audit, Outside and Professional Services.
- ⌘ A replacement automobile at \$35,000 and copier at \$15,000.
- ⌘ All other operating expenditures such as office supplies, utilities, and care and maintenance of the facilities.

Business Activity Expenditure

The key expenditures within the Business Activity budget for project costs include:

- ⌘ Hydroelectric Power .
- ⌘ Excess Capacity Master Contract, Enlargement, and Arkansas Valley Conduit projects.
- ⌘ Reimbursement to the District for personnel and associated overhead.
- ⌘ Professional and technical expenses included in the budget are for Engineering , Lobbyist, Legal, and Audit.
- ⌘ Grant projects.
- ⌘ Water quality studies.
- ⌘ Regional Resource Planning Group.
- ⌘ Colorado River Services.
- ⌘ Capital Improvements Safety of Dams.
- ⌘ Restoration of Yield (ROY) capital expenditure for increased activity in developing new ROY storage.

District Budgeted Expenditures Six Year History

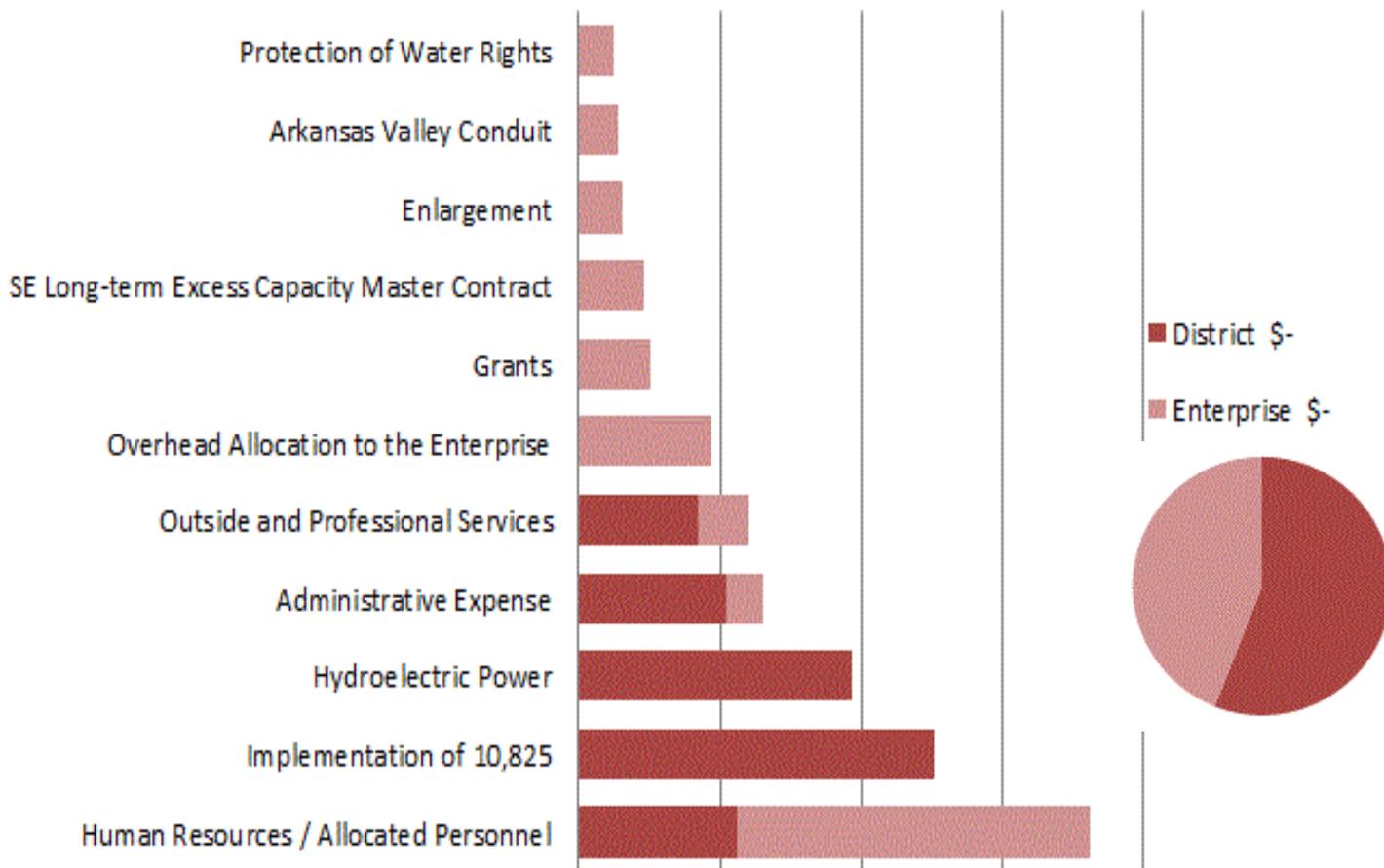


Key strategic projects featured in the 2014 Government-wide budget represents approximately 29 percent of the budget. These budget items are highlighted in the write-ups on projects and programs. They include:

- Projects to continue developing the Business Activity which include; Hydroelectric Power, Southeastern Long-term Excess Capacity Master Contract, Arkansas Valley Conduit, Enlargement of Reservoirs
- Studies and negotiations that include; Study of east slope system reservoirs, infrastructure and equipment readiness, market analysis rates, analysis and use of miscellaneous revenues
- Implementation of the 10,825 Project
- Protection of the District’s water rights

The total operating budget including capital outlay to fund projects is \$5,334,811. In order to compare the spending by operational item or project, the analysis of spending is shown graphically by major projects and activities. Some items overlap, such as allocated personnel, which is also included in the totals for projects such as enlargement.

2014 Key Strategic Projects Forecasted Expenditures

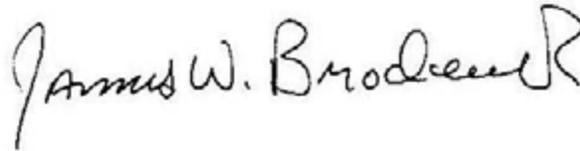


Budget Strategic Policy

The District uses a strategic approach in planning for project development. In 2014, under the direction of the Board of Directors, budgeted projects will continue to develop toward meeting the future water needs of the constituents within the District boundaries.

- * Conservatively operate within the means of operating revenue.
- * Pay off the debt to Reclamation in a timely manner.
- * Continue supporting the activities and providing professional direction to the Water Activity Enterprise for purposes of completing the core projects: Hydroelectric Power, Excess Capacity Master Contract, Arkansas Valley Conduit, and Enlargement.
- * Initiating and developing new projects that benefit the stakeholders. In 2014, those projects include the completion of the purchase of Red Top Ranch Ditch for the right to divert water and to pursue the possibility of a hydroelectric power partnership for the Pueblo Dam.
- * Alleviate risk in the general economy by maintaining a portion of unrestricted funds with a balanced investment protocol. This risk increases due to decreases in property tax revenue, SO tax, and changes to the State of Colorado law by amendment or proposition.
- * Maintain an integrated team that is knowledgeable and committed to adherence of the Strategic Plan.
- * Develop a means of financial sustainability through investments integrated with project development within the Fry-Ark Project.
- * Initiate a plan for the future of the District that will maintain the components, and meet our mission by providing Project water for municipalities and industry, agriculture, and other beneficiaries.

Respectfully submitted,



James W. Broderick

Executive Director and Budget Officer



Aerial view of Ruedi Reservoir

2014 Budget



The Board of Directors are appointed by the Chief Judge, Tenth Judicial District in consultation with the other judicial district judges within the District. Meetings are held monthly.

The District staff calculates the mill levy and certifies and reports it to the counties by December 15.

Tax Revenue Calculations and TABOR

The District acts as a “pass-through” for activities with Reclamation, participants and other partnership organizations. Pass-through activities refer to accounting activities. The District collects funds from entities and then pays the service provider. Mill levy collections are considered a “pass-through” activity. The collection of taxes by the District to repay the primary debt on the Fry-Ark Project, is an outsourced function for Reclamation. In return, the District collects an Operating mill levy and a portion of the Specific Ownership tax, as payment to operate the administrative functions that the District provides.

The Contract mill levy is controlled through Con-

tract No. 5-07-70-W0086 Amendment No. 8 repayment contract with Reclamation. Article 11. (a)(1) *provides for a maximum tax levy of .0009*. One hundred percent of the funds collected from this levy are used to pay for the operation, maintenance, and replacement (OM&R), and debt on the reimbursable capital construction costs related to the Fry-Ark Project.

The second certified mill levy is for abatements and refunds, which allows the District to budget for abatements and refunds of taxes by the portion of the nine counties within the District boundaries. This dollar amount is a levy that will generate the assigned dollar amounts budgeted by the county assessor in

each of the District’s nine counties.

A third mill levy is the Operating mill levy. This mill levy falls under TABOR limitations.

Every year, the nine participating counties in accordance with state law, send the Budget Officer their total assessed valuations for the current year. The first mailing is generally a year-end estimate and is received on or around August 25 each year. The final assessment is due by December 10 each year. From these assessed property values, staff estimate collections for contract repayment, operations, and abatement and refunds. The 2013 assessments are charged and collected in 2014. The counties estimate an assessed value in 2013 of \$7,328,768,702.

| County | | 2012 Assessed Value | 2013 Assessed Value | Value Change | Percent Change |
|--------------|------------|------------------------|------------------------|-------------------|-------------------|
| Bent | 11/19/2013 | 50,120,447 | 51,788,150 | 1,665,703 | 3.32% |
| Chaffee | 12/9/2013 | 288,555,114 | 279,490,631 | (9,064,483) | -3.14% |
| Crowley | 11/15/2013 | 32,493,326 | 34,661,202 | 2,167,876 | 6.67% |
| El Paso | 11/27/2013 | 4,951,794,540 | 5,032,411,840 | 80,617,100 | 1.63% |
| Fremont | 12/9/2013 | 321,960,915 | 315,611,122 | (6,349,793) | -1.97% |
| Kiowa | 11/18/2013 | 1,535,990 | 1,567,490 | 31,500 | 2.05% |
| Otero* | 11/22/2013 | 112,994,812 | 116,837,456 | 3,842,644 | 3.40% |
| Prowers | 11/21/2013 | 56,263,571 | 57,065,025 | 801,454 | 1.42% |
| Pueblo | 11/26/2013 | 1,430,354,554 | 1,439,337,988 | 8,983,432 | 0.63% |
| Total | | 7,246,073,269 | 7,328,768,702 | 82,695,433 | 1.14% |

TAXABLE VALUES BY COUNTY FOR ASSESSED MILL LEVY

SOUTHEASTERN COLORADO WATER CONSERVANCY DISTRICT

Collections for all Levys - 2013 for 2014 Budget

Update: 12/11/2013

| County | 2013 Assessed Value | Percent of Total | Contract Repayment | | Operating | | Abatements & Refunds | | Total Collections |
|--------------|------------------------|---------------------|--|------------------|-----------|----------------|----------------------|---------------|----------------------|
| | | | Mill Levy | Collections | Mill Levy | Collections | Mill Levy | Collections | |
| Bent | 51,786,150 | 0.71% | 0.900 | 46,608 | 0.035 | 1,813 | 0.005 | 259 | 48,679 |
| Chaffee | 279,490,631 | 3.81% | 0.900 | 251,542 | 0.035 | 9,782 | 0.005 | 1,397 | 262,721 |
| Crowley | 34,661,202 | 0.47% | 0.900 | 31,195 | 0.035 | 1,213 | 0.005 | 173 | 32,582 |
| El Paso | 5,032,411,640 | 68.67% | 0.900 | 4,529,170 | 0.035 | 176,134 | 0.005 | 25,162 | 4,730,467 |
| Fremont | 315,611,122 | 4.31% | 0.900 | 284,050 | 0.035 | 11,046 | 0.005 | 1,578 | 296,674 |
| Kiowa | 1,567,490 | 0.02% | 0.900 | 1,411 | 0.035 | 55 | 0.005 | 8 | 1,473 |
| Otero | 116,837,456 | 1.59% | 0.900 | 105,154 | 0.035 | 4,089 | 0.005 | 584 | 109,827 |
| Prowers | 57,065,025 | 0.78% | 0.900 | 51,359 | 0.035 | 1,997 | 0.005 | 285 | 53,641 |
| Pueblo | 1,439,337,986 | 19.64% | 0.900 | 1,295,404 | 0.035 | 50,377 | 0.005 | 7,197 | 1,352,978 |
| Total | 7,328,768,702 | 1.00 | | 6,595,892 | | 256,507 | | 36,644 | 6,889,043 |
| | | | Contract + Operating Ad Valorem = 0 \$ 6,852,399 | | | | | | |

Total compared 2012 to 2013 Assessed Values & projected taxes

| | | | | | | | | | |
|--------------------|---------------|--|-------|-----------|-------|---------|-------|----------|-----------|
| 2013 | 7,328,768,702 | | 0.900 | 6,595,892 | 0.035 | 256,507 | 0.005 | 36,644 | 6,889,043 |
| 2012 | 7,246,073,269 | | 0.900 | 6,521,466 | 0.035 | 253,613 | 0.009 | 65,215 | 6,840,293 |
| Increase(Decrease) | | | | 74,426 | | 2,894 | | (28,571) | 48,749 |

To calculate the operating mill levy for the District, TABOR calculations must be done to ensure that the District does not overcharge the taxpayer. TABOR is a method of limiting the growth of government. Increases in overall tax revenue are tied to inflation and population increases unless larger increases are approved by referendum. "In 1992, the voters of the state amended Article X of the Colorado Constitution to the effect that any tax increase resulting in the increase of governmental revenues at a rate faster than the combined rate of population increase and inflation as measured by either the cost of living index at the state level, or growth in property values at the local level, would be subjected to a popular vote in a referendum." This applies to any cities and counties in Colorado as well as the state itself. The calculations for TABOR are included in Appendix A. These calculations are generally completed on Form DLG-53a. The rate of inflation to use in this calculation is issued by the Department of Local Affairs (DOLA) <http://dola.colorado.gov>. As of December 2013, the Office of State Planning and Budgeting issued a Consumer Price Index (CPI) projection of 2.6 percent. The Con-

tract mill levy is not subject to TABOR, as it is used for the repayment of the "pre-TABOR" debt of the Fry-Ark Project. This mill levy is set at .9 for as long as the District must repay Reclamation for the Fry-Ark Project, subject only to Colorado's 5.5 percent property tax revenue limitation calculation. In 2014, the mill levy is calculated based on the Division of Local Government (DLG) at .035 to cover the operational expenses of the District. The final mill levy on Abatements and Refunds is an average based on each counties assessment. The table above identifies the estimated calculations of revenues based on our collection for all levies in 2013 for the 2014 Budget.

The projected revenues identified in the District budget as Contract mill levy, Operating Tax revenue, and Abatements and Refunds of tax collections are calculated: \$6,595,892, \$256,507, and \$36,644 respectively. To calculate the Abatements and Refunds of tax collections, all abatements submitted by each of the nine county assessors are totaled. In 2014, this total equals \$36,644. This total is divided by the total assessed value of property within the District's boundaries, to reach a



U.S. Bureau of Reclamation Pueblo Field Office



Southeastern Colorado Water Conservancy District Office

levy assessed to all counties. The volatile nature of the economic climate makes this tax an estimate. The amount of revenue is not guaranteed due to foreclosures, protested assessments, and activity of consumer spending including the purchases of new homes, business, and land. To mitigate the risk in tax collections, the second annual payment to Reclamation, is always adjusted to actual tax collection.

The District is also entitled to a portion of Specific Ownership (SO) tax to assist with the operating, general, and administrative expenditures. This is the second category or type of tax the District collects. SO tax is not a mill levy. SO tax is assessed to personal vehicles, trailers, boats, and other taxable items of similar nature by the State of Colorado. Although the District receives a very small percentage from the counties, the operating budget for 2014 will generate approximately \$625,749 based on estimated consumer spending on vehicles and related items. This is an increase over the prior year.

Other Reclamation pass-through accounting activities include debt from other entities. The District collects money from Fountain Valley Authority (FVA) and from participants in the Winter Water Storage Program, and applies these payments towards their debt due to Reclamation. We receive a single payment from the FVA at the end of each year, from their tax collections. The annual payment for 2014 is budgeted for \$5,352,760. The charge to participants for the Winter Water Storage Program is \$2.80 per acre-foot of Winter water stored in Pueblo Reservoir. Staff anticipates storing 40,000 acre-feet of Winter water storage between November 15, 2013 and March 14, 2014. Our payment, which is credited to the Fry-Ark Project's debt with Reclamation, is budgeted for \$112,000.

Ad Valorem Tax



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Strategic Plan





STRATEGIC PLAN



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INTRODUCTION

As a 56 year old organization, the District needs to create strategies and actions with a new management system designed to manage strategy. Strategic performance requires objectives, issues, and employees to be aligned with the organization's strategy. With rapid changes in technology and processes, the formulation and implementation of strategy must be a continual and participative process. Organizations need a language for communicating strategy and systems to implement it. Success comes from having strategy become everyone's everyday job.

In the past, the District's management system focused on financial measures. Financial measures are lag indicators that report on outcomes that are the consequences of past actions. A new strategic management approach will retain measures of financial performance and supplement them with measures of the organization's vision and strategy. Therefore, the objectives and measures, financial and nonfinancial, will be derived from the organization's vision and strategy. The vision and strategy allows the District to concentrate on factors that create

economic value. This allows the District to build a management system that is designed to manage strategy. This system has three distinct dimensions:

- 1) Strategy: Make strategy the District's central agenda in order to communicate in ways that are understood and acted on.
- 2) Focus: Create focus and use it as a navigation tool. Every resource and activity is focused on the strategy.
- 3) Organization: Mobilize employees to establish new alignments linked to the strategy, objectives, and issues.

DEVELOPMENT

The development of the Strategic Plan (Plan) is to identify and prioritize activities, to improve current and future operations, and to accomplish the organization's mission and goals in light of changing and probable events. The Plan will provide a basis for guiding the District toward the next century. The Plan will be updated and revised every six years. The Plan will clearly communicate the programmatic

direction to Southeastern stakeholders. The Plan will provide direction for conducting capital, resource, and financial planning; for developing and implementing programs and projects; and for preparing the District budget. The basic policies in the Plan will facilitate and guide progress in the coming years on the Long-Term Financial Plan, the System Overview Study, the Long Range Personnel Plan, the Annual Oper-

ating Plan, and the annual budget process. It will provide a basis for evaluation of the District's accomplishments in accordance with its mission, vision, values, and goals.

OUR VISION

As we strive to realize our vision of the future, all our actions and efforts will be guided by communication, consultation, and cooperation, focused in a direction of better accountability through modernization and integration across the Southeastern Colorado Water Conservancy District.

OUR VALUES

Reliability

Ensure we will optimize our existing Colorado River supply

Leadership

We will be a leader in local and regional water issues

Our Employees

Our employees are our most important resource

Stewardship

We serve our District and its people by responsibly managing the resources entrusted to our care

Excellence

We expect world-class performance and we strive for improvement in all we do

Environment

We will operate in an environmentally responsible manner

CORE VALUES

A commitment to honesty and integrity

A promise of responsible and professional service and action

A focus on fairness and equity

Objectives and Strategies

The following presents the objectives and strategies that staff believes will achieve the District's mission, goals, and objectives. Staff has followed the Board's direction in developing the key result areas, as well as the preliminary objectives and strategies that comprise the Plan.

Although it represents many hours of work, this effort is far from complete. The strategic planning process, will start the development of benchmarks for productivity

and accomplishment, and will initiate a dialogue on resource allocation and priorities. Most importantly, staff is seeking the Board's counsel on its work to date and guidance in extending the strategic planning process to fully include the Board, and other appropriate stakeholders.

The development of a Plan is necessary to identify and prioritize District activities and improve overall operations. The Plan can serve as a covenant with the Board, specify-

ing exactly what staff will achieve and for which it will be held accountable. When completed, the Plan will provide clear direction for delegating resources, for long-term financial planning, and for executing District programs and projects. The preliminary Plan is not intended to be complete or final. It is expected, however, to improve substantially the ongoing involvement of the Board, stakeholders, and staff.

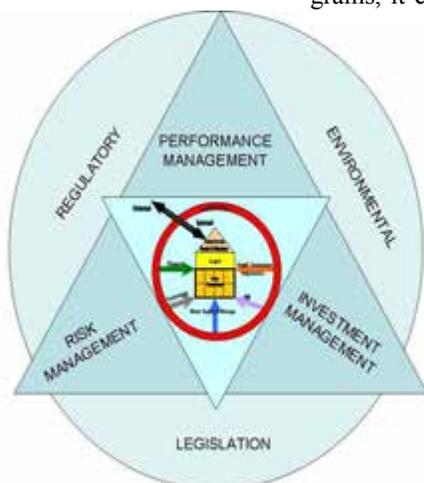
DEVELOPMENT PROCESS

Given that the Plan is a dynamic document, it is designed to be modified over time. At present, it captures the District's key results areas and identifies a number of issues, objectives and strategies (management strategies) necessary to take the District into the next century. For example, it establishes a level of service and integrated resource planning objectives to guide all planning and programs, it commits to increase

productivity in the next decade, enhances the District's workforce, and it sets out to develop a financial structure that will support the achievement of the level of service and resource objectives.

In undertaking the strategic planning process, the District could have chosen to hire a consultant to interview stakeholders, develop recommendations, and a plan for approval by staff and the Board. While the approach might

have saved time and avoided inconvenience, it could not have assured acceptance by and commitment from staff that must be relied upon for implementation. Instead, the planning process has involved all staff in a dialogue to develop a common understanding of District priorities and a shared vision of how all individual activities fit into the overall plan.



IDENTIFYING KEY PLANNING

The following crucial areas were identified and evaluated in order to develop the Strategic Plan, Goals, Objectives, and Management Strategies.

1. Shift in Supply and Demand
2. Water Quality Changes
3. Regional Roles
4. Catastrophic Events and Failures
5. Regulatory and Environmental Issues
6. Changes in Technology
7. Climate Change
8. Economic, Political, and Social Issues
9. Other Uncertainties

ELEMENTS OF THE STRATEGIC PLAN

Key Results Areas

The District performed a situational analysis which identified internal strengths and areas in need of improvement, in addition to external opportunities and threats.

During the situational analysis, the changing environment highlighted the resource challenges facing the District. Staff has defined the District's resource challenges as the Key Results Areas. Key Result Areas have been established as a means of assessing the District's related mission, goals, and objectives.

Strategic Goals

Following the situational analysis, the strategic goals are broad statements of organizational aspirations for the future. They reflect the distinctive capabilities that the District possesses in order to achieve its mission.

Strategic Objectives

The objectives established in the Plan are commitments that are both specific and measurable. They are internally focused, indicating desired results in either financial or other quantifiable terms.

Performance against measurable objectives is the prime indicator for judging whether or not the goals are being achieved. The evaluation of key success factors, and internal and external issues, form the basis for deciding whether the objectives are realistic and sufficient.

Objectives require both the commitment and expenditure of resources, as described in their related strategies. The objectives presented in the Plan are not meant to be conclusive. They are intended to provide a basis for dialogue regarding what must happen to achieve the Board's mission and goals. Further anal-

ysis must be conducted on strategies to determine associated resource requirements needed to achieve desired results.

Management Strategies

Management strategies listed under the strategic objectives state overall approaches to achieving the objectives. They identify opportunities to be explored and resources to be organized to take advantage of opportunities. Although they are not detailed, they define the framework for developing specific work or action plans.

Key Performance Indicators

Key Performance Indicators are used by an organization to evaluate its success or the success of a particular activity in which it is engaged. Success is defined as making progress toward strategic goals, but often, success is

simply the repeated achievement of some level of operational goal.

Process Status

Process Status indicates the stage each Management Strategy is in during a particular phase. Further explanation for the Process Status and definitions for the processes are included in the complete Strategic Plan Document available at the District Office or on our website at www.secwcd.org.

NEXT and FUTURE STEPS

Next Steps

A number of tasks remain in the development of the Plan. They include developing program guidelines, priorities, and performance measures that are consistent with actions identified in the Plan. These will be developed in the next phase of the process. In addition, a review and further development of objectives and strategies based on counsel provided by an ad-

hoc sounding board, Board committees, individual Board members, and then back to the Board as a whole for final review and refinement.

Future Steps

Future steps include the development of a Management Strategies model; development of a plan to internalize the Plan into all activities (including the budget process); assigning a schedule

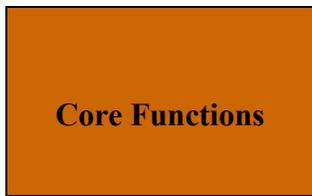
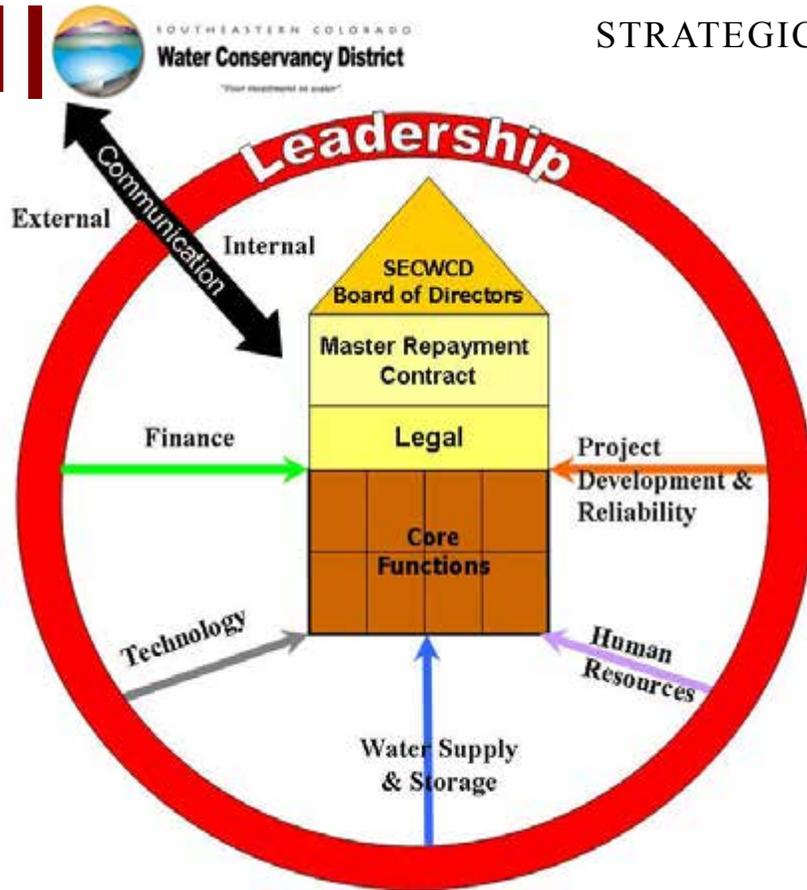
and timeline of management strategies for implementation; and developing an accountability model for staff core functions.

MAJOR ELEMENTS OF THE STRATEGIC PLAN

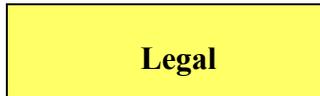
- ◆ Mission
- ◆ Vision
- ◆ Values
- ◆ Key Results Areas
- ◆ Strategic Goals
- ◆ Strategic Objectives
- ◆ Management Strategies
- ◆ Process Status
- ◆ Budget
- ◆ Timelines
- ◆ Performance Reporting

THE STRATEGIC PLAN STAMP

This page is intended to illustrate what is known as the Strategic Plan Stamp. The Stamp is used to demonstrate how the different elements of the Strategic Plan fit together.



Core functions are defined as a majority of the programs and projects to accomplish the day to day operations of the District



To review and manage water cases to protect Fry-Ark Project water rights and to advise the Board and District on policies



The governing body, responsible from a legal and fiduciary perspective for overseeing the activities of the District



Internal: Educate potential future District leaders

External: Better inform and involve community decision makers and leaders



Develop a "leadership vision" and effectively communicate it to a variety of organizations

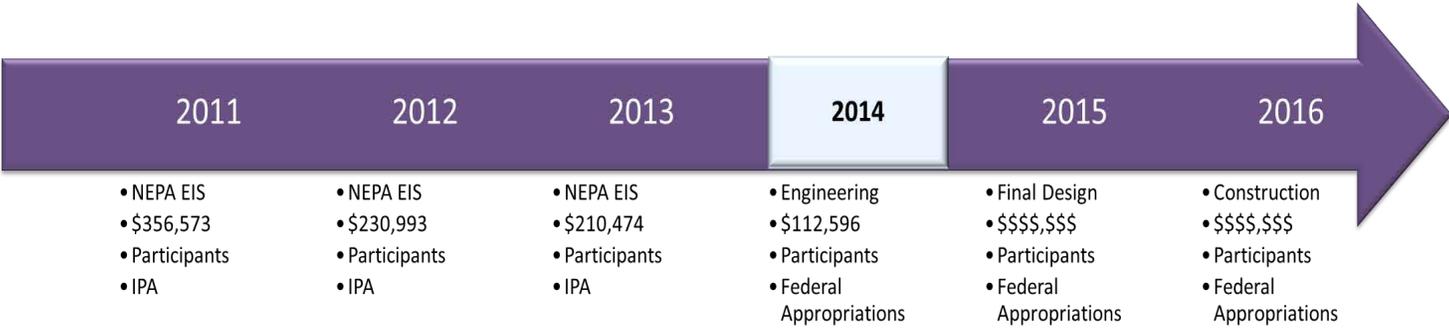


2014 Budget Timeline of Major Projects

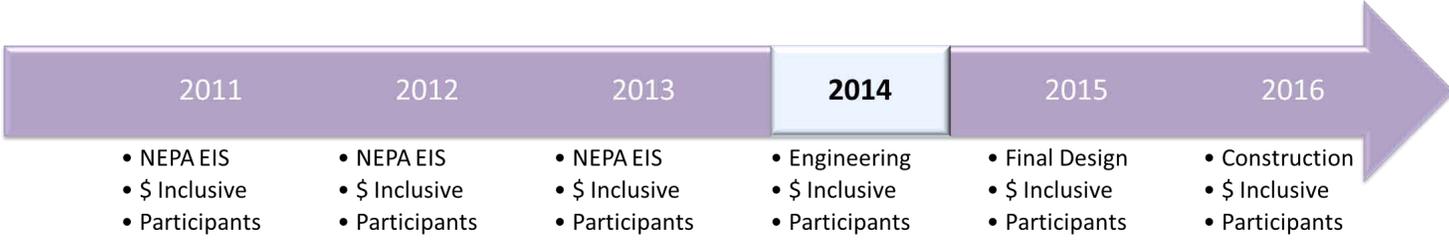
SE Long-Term Excess Capacity Master Contract



Arkansas Valley Conduit

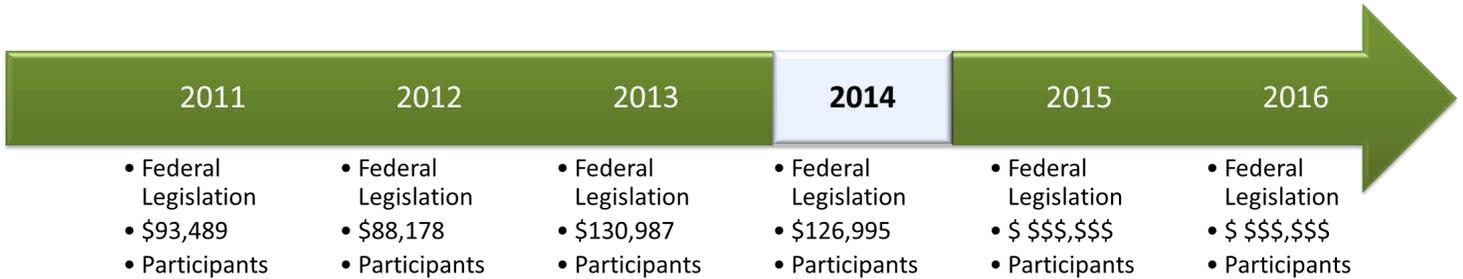


Interconnect



2014 Budget Timeline of Major Projects

Enlargement

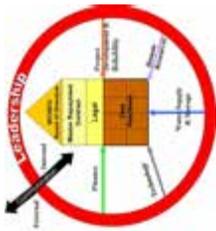


10,825 Project at Red Top Ranch



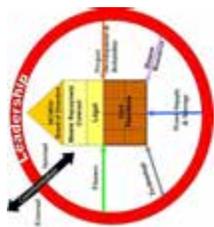
Hydroelectric Power





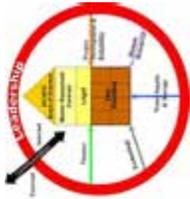
| Business Activity Development Projects | | | | | | |
|---|---|---|---|---|---|--|
| Project Analysis as it relates to the Strategic Plan | SE Long-Term Excess Capacity and the NEPA EIS | Arkansas Valley Conduit | Interconnect | Enlargement | Hydroelectric Power | |
| Service Provider | Southeastern Colorado Water Activity Enterprise | United States Bureau of Reclamation | United States Bureau of Reclamation | Southeastern Colorado Water Activity Enterprise | | |
| Established Partnership | Yes | Yes | Yes | Yes | Applegate | |
| Strategy | Yes | Yes | Yes | Yes | Yes | Yes |
| Location | Central | Lower Arkansas Basin | Lower Arkansas Basin | Central and Upper Arkansas Basin | Central | |
| Key Result Area | Project Development & Reliability | Project Development & Reliability | Project Development & Reliability | Project Development & Reliability | Project Development & Reliability | Project Development & Reliability |
| Strategic Objective | Long-Term Excess Capacity Master Contract | Arkansas Valley Conduit | Interconnect | Manage Fry-Ark Project Assets | Manage Fry-Ark Project Assets | |
| Key Result Area | Water Supply & Storage | Water Supply & Storage | Water Supply & Storage | Water Supply & Storage | Water Supply & Storage | Water Supply & Storage |
| Strategic Objective | Establish SECWCD Long-Term Excess Capacity Master Contract | Reliable Future Water Supply | Reliable Future Water Supply | Reliable and Secure Water Storage | Study of East Slope System Reservoirs | |
| Performance Indicator | Structure for negotiating long-term storage contracts is determined and signed contracts are secured with USBR and storage participants | Federal legislation is pursued for construction costs. Preliminary design and engineering initiated | Federal legislation is pursued for construction costs. Preliminary design and engineering initiated | Reservoir capacities & reserved storage space is identified | NEPA & Feasibility is completed. Preliminary Design is completed. | |
| Process Status* | Design | Design | Design | Strategy | Implementation | |
| Timeline | 2014 | 2014 | 2014 | 2014 | 2014 | |
| TOTAL PROJECT EXPENSE 2014* | \$ 186,891** | \$ 112,596** | ←Inclusive | \$ 126,995** | \$ 772,867 | \$ 772,867 |
| TOTAL PROJECT BUDGET 2013 | \$ 211,087 | \$ 210,474 | ←Inclusive | \$ 130,987 | \$ 693,506 | \$ 1,246,054 |
| * Process Status Definitions: Planning-intention to do something; Discovery-process of finding out; Strategy-a plan of action; Design-a detailed plan; Implementation-put into action; Outcomes-the final achievement | | | | | | |
| ** Project Expense includes U.S.G.S. Co-Op Programs described in Table 4 | | | | | | |

Strategic Plan Table 1



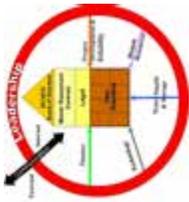
| Project Analysis as it relates to the Strategic Plan | | Business Activity Development Programs | |
|---|--|--|--|
| Service Provider | Regional Resource Planning Group | Safety of Dams | Study of East Slope System Reservoirs |
| Established Partnership | United States Geological Survey | United States Bureau of Reclamation | Implementation Plan Grant |
| Strategy | Yes | Yes | Yes |
| Location | Yes | Yes | Yes |
| | Arkansas Basin | Central | District Boundaries |
| Key Result Area | Water Supply & Storage | Project Development & Reliability | Water Supply & Storage |
| Strategic Objective | Establish a water quality baseline for reaches of the Arkansas basin watershed | Manage Fry-Ark Project assets | Determine storage & carriage for consumptive & non-consumptive needs |
| Performance Indicator | Water quality baseline established | Reliability of Pueblo Dam and reporting of stability | Performance indicators are defined and established |
| Process Status* | Implementation | Implementation | Discovery |
| Timeline | 2014 | 2014 | 2014 |
| TOTAL PROJECT EXPENSE 2014 | \$ 135,000 | \$ 60,000 | \$ 195,000 |
| TOTAL PROJECT BUDGET 2013 | \$ 160,000 | \$ 60,000 | \$ 230,000 |
| * Process Status Definitions: Planning-intention to do something; Discovery-process of finding out; Strategy-a plan of action; Design-a detailed plan; Implementation-put into action; Outcomes-the final achievement | | | |

Strategic Plan Table 2



| Colorado River and Research Project Support | | | | | |
|--|--|---|---|--|---|
| Project Analysis as it relates to the Strategic Plan | 10,825 Implementation CWC - Pitts / Northern Colorado | Recovery Implementation Program Pitts - CWC | Colorado River Issues Grand River CS Utilities | Research Project Support through Education Colorado Water Institute | Research Project Support To be determined |
| Service Provider | Yes | Yes | Yes | Yes | Yes |
| Established Partnership | Yes | Yes | Yes | Yes | Yes |
| Strategy | West Slope | West Slope | West Slope | Upper Arkansas Basin | Arkansas Basin |
| Location | West Slope | West Slope | West Slope | Upper Arkansas Basin | Arkansas Basin |
| Key Result Area | Water Supply & Storage | Water Supply & Storage | Water Supply & Storage | Leadership | Leadership |
| Strategic Objective | Reliable Future Water Supply | Reliable Future Water Supply / Environmental compliance | Protect and secure Colorado River rights | Meet constituents needs through education & outreach | Support communication & activities with stakeholders |
| Key Result Area | Financial | Legal | Legal | | |
| Strategic Objective | Establish a Long-Term Stable Funding Mechanism | Policy & Administration | Policy & Administration | | |
| Performance Indicator | Purchase Red Top Mountain Ranch to secure water rights | Ensure permit for Project water delivery | Policies related to outside issues are determined | Partnership funding of scholarships at Colorado Universities | Regional funding is secured to support research that will benefit the basin |
| Process Status* | Implementation | Implementation | Implementation | Implementation | Implementation |
| Timeline | 2014 | 2014 | 2014 | 2014 | 2014 |
| TOTAL PROJECT EXPENSE 2014 | \$ 1,007,431 | \$ 15,000 | \$ 36,000 | \$ 5,000 | \$ 10,000 |
| TOTAL PROJECT BUDGET 2013 | \$ 1,940,000 | \$ 15,000 | \$ 36,000 | \$ 5,000 | \$ 10,000 |
| TOTAL | | | | | |
| \$ 1,073,431 | | | | | |
| \$ 2,006,000 | | | | | |

* Process Status Definitions: Planning-intention to do something; Discovery-process of finding out; Strategy-a plan of action; Design-a detailed plan; Implementation-put into action; Outcomes-the final achievement

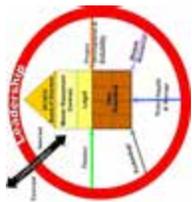


| Project Analysis as it relates to the Strategic Plan | | Water Policy Management Projects | | |
|--|--|---|---|------------------------|
| Service Provider | Market Analysis Rate Study | Miscellaneous Objectives | Colorado River Negotiations | |
| Established Partnership | McDonald Water Policy Consulting | McDonald Water Policy Consulting | Miscellaneous Providers | |
| Strategy | Yes | No | Yes | |
| Location | Yes | Yes | Yes | |
| | Arkansas Basin | Fry-Ark System | West Slope | |
| Key Result Area | Project Development & Reliability | Project Development & Reliability | Water Supply & Storage | |
| Strategic Objective | Manage Fry-Ark Project assets | Manage Fry-Ark Project assets | Reliable Future Water Supply | |
| Key Result Area | Financial | | Legal | |
| Strategic Objective | Develop a plan to determine cost of service versus market based analysis for pricing storage costs | | Review & Manage Water Cases to protect Fryngpan-Arkansas Water rights | |
| Performance Indicator | Market Analysis Rate Study is complete | Ensure infrastructure and equipment readiness | Determination is made on how to use water rights and/or alternatives to using them is defined | |
| Process Status* Timeline | Design 2014 | Discovery 2014 | Discovery 2014 | |
| TOTAL PROJECT EXPENSE 2014 | \$ 25,000 | \$ 5,000 | \$ 12,000 | TOTAL \$ 42,000 |
| TOTAL PROJECT BUDGET 2013 | \$ 25,000 | \$ 5,000 | \$ 12,000 | \$ 42,000 |

* Process Status Definitions: Planning-intention to do something; Discovery-process of finding out; Strategy-a plan of action; Design-a detailed plan; Implementation-put into action; Outcomes-the final achievement



| Project Analysis as it relates to the Strategic Plan | | U.S.G.S. Co-op Programs | |
|---|---|-------------------------|-------------------|
| Service Provider | U.S.G.S. Co-op Programs | | |
| Established Partnership | U.S.G.S. | | |
| Strategy | Yes | | |
| Location | Yes | | |
| | Arkansas Basin | | |
| Key Result Area | Water Supply & Storage | | |
| Strategic Objective | Gathering data to determine the effects of Enterprise Projects on water quality | | |
| Key Result Area | | | |
| Strategic Objective | | | |
| Performance Indicator | Program | | |
| Process Status* | Implementation | | |
| Timeline | 2012-2015 | | |
| TOTAL PROJECT EXPENSE 2014 | | \$ | 166,933 \$ |
| TOTAL PROJECT BUDGET 2013 | | \$ | 160,415 \$ |
| * Process Status Definitions: Planning-intention to do something; Discovery-process of finding out; Strategy-a plan of action; Design-a detailed plan; Implementation-put into action; Outcomes-the final achievement | | | |



| Legal Engineering and Policy Management | | | |
|--|---|---|---|
| Project Analysis as it relates to the Strategic Plan | Case # 06CW7 | Case # 06CW8 | Case # 06CW120 |
| Case referred to as: | Non-Fry-Ark Exchange above Pueblo Reservoir | Non-Fry-Ark Exchange Below Pueblo Reservoir | Restoration of Yield (ROY) Exchange |
| Fund the case resides in | Enterprise | Enterprise | Enterprise |
| Issue / Notes | Exchange Flows | Exchange Flows | This case involves partnership contributions |
| Strategy | Yes | Yes | Yes |
| Location | Arkansas Basin above Pueblo Reservoir | Arkansas Basin below Pueblo Reservoir | Lower Arkansas Basin |
| Key Result Area | Legal | Legal | Legal |
| Strategic Objective | Review & Manage Water Cases to Protect Fryingspan-Arkansas Water Rights | Review & Manage Water Cases to Protect Fryingspan-Arkansas Water Rights | Review & Manage Water Cases to Protect Fryingspan-Arkansas Water Rights |
| Key Result Area | Water Supply & Storage | Water Supply & Storage | Water Supply & Storage |
| Strategic Objective | Reliable Future Water Supply | Reliable Future Water Supply | Reliable Future Water Supply |
| Performance Indicator | Determination is made on how to use water rights and/or alternatives to using them is defined | Determination is made on how to use water rights and/or alternatives to using them is defined | Determination is made on how to use water rights and/or alternatives to using them is defined |
| Process Status* Timeline | Design 2014 | Design 2014 | Strategy 2014 Discovery 2014 |
| TOTAL PROJECT EXPENSE 2014 | \$ 30,000 | \$ 50,000 | \$ 10,000 |
| TOTAL PROJECT BUDGET 2013 | \$ 30,000 | \$ 50,000 | \$ 10,000 |
| TOTAL | \$ 100,000 | \$ 100,000 | \$ 100,000 |

* Process Status: *Planning-orientation to do something; Discovery-process of finding out; Strategy-a plan of action; Design-a detailed plan; Implementation-put into action; Outcomes-the final achievement*



| Project Analysis as it relates to the Strategic Plan | | Business Activity Grants | | |
|--|---|---|---|---|
| Grantor / Service Provider | Arkansas Basin Implementation Plan (aka Arkansas Basin Hydrology Study) | Arkansas Valley Conduit Regional Water Conservation Plan Implementation | Arkansas Valley Conduit Regional Water Conservation Plan Implementation | Arkansas Valley Conduit Regional Water Conservation Plan Implementation |
| State / Federal / Local | CWCB | CWCB | CWCB | U.S. Bureau of Reclamation |
| Established Partnership Strategy | State | State | State | Federal |
| Location | Yes | Yes | Yes | Yes |
| | Yes | Yes | Yes | Yes |
| | Arkansas Basin | Arkansas Basin | Arkansas Basin | Arkansas Basin |
| Key Result Area | Water Supply & Storage | Project Development & Reliability | Project Development & Reliability | Project Development & Reliability |
| Strategic Goal | Determine opportunities for improvement in water supply | Arkansas Valley Conduit & Excess Capacity Master Contract | Arkansas Valley Conduit & Excess Capacity Master Contract | Arkansas Valley Conduit & Excess Capacity Master Contract |
| Key Result Area | Leadership | Water Supply & Storage | Water Supply & Storage | Water Supply & Storage |
| Strategic Goal | Meet constituents needs through education & outreach on issues within the basin | Reliable Future Water Supply | Reliable Future Water Supply | Reliable Future Water Supply |
| Performance Indicator | Support the development of the CWCB Decision Support System. Develop management strategies for allocation of water in wet, average, & dry years & prolonged drought years. Determine the gap for agricultural water supply within the basin | Regional Conservation Plan is implemented or AVC participants & Excess Capacity Master Contract participants are integrated into the Regional Conservation Plan | Regional Conservation Plan is implemented or AVC participants & Excess Capacity Master Contract participants are integrated into the Regional Conservation Plan | Regional Conservation Plan is implemented or AVC participants & Excess Capacity Master Contract participants are integrated into the Regional Conservation Plan |
| Process Status* Timeline | Design 2014 | Design 2014 | Design 2014 | Design 2014 |
| TOTAL PROJECT EXPENSE 2014 | \$ 125,000 | \$ 37,980 | \$ 40,000 | \$ 202,980 |
| TOTAL PROJECT BUDGET 2013 | \$ 50,000 | \$ 20,000 | \$ 20,000 | \$ 90,000 |
| * Process Status Definitions: Planning, intention to do something; Discovery, process of finding out; Strategy-a plan of actions; Design-a detailed plan; Implementation-put into actions; Outcome-the final achievement | | | | |

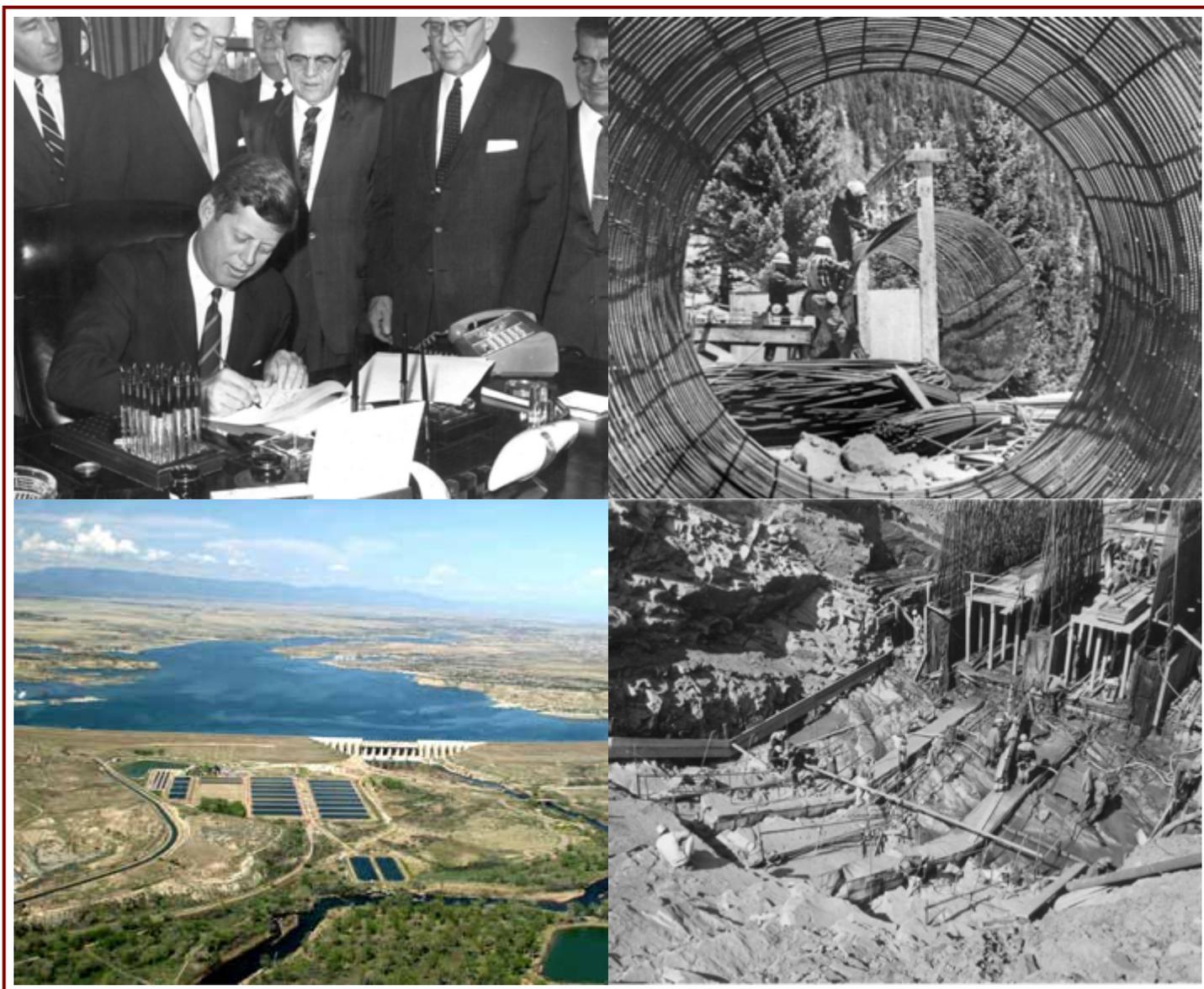
Strategic Plan Table 7



| Capital Expenditures | | | | | | | | | |
|-----------------------------------|--|---|--|--|---|--|---|--|--|
| Capital Expenditure | 10,825 & 2nd payment to complete the purchase of Red Top Ranch | Automobile | Copier | Information Technology (IT) | Legal Cases | Recovery of Yield (ROY) | Hydroelectric Power | | |
| Description | The purpose of participating in the east slope water entities efforts to acquire water to fulfill the District's proportionate obligation under the final programmatic biological option for U.S.B.R.'s operations & depletions, other depletions, & funding & implementation of recovery program actions in the upper Colorado River & 10,825 Insurance Pool for successful operation & to ensure non-injury of any water right | Purchase automobile to replace existing older model | Replace older model copier that is obsolete | Electronic records system and upgrade exchange server | Enterprise application for exchanges | Participation with others on preserving Project water return flows for exchanges during low flow periods | Hydroelectric power at the Pueblo Reservoir North Outlet as a future revenue stream | | |
| Strategy Fund | Yes District Reserves | Yes District Reserves | Yes District Reserves | Yes District Reserves | Yes Enterprise Reserves | Yes Enterprise Reserves | Yes Enterprise Reserves | | |
| Key Result Area | Water Supply & Storage | Human Resources | Information Technology (IT) | Information Technology (IT) | Legal | Water Supply & Storage | Project Development & Reliability | | |
| Strategic Objective | Protect & Secure SECWCD Colorado River Water Rights | Provide a healthy and safe work environment | Develop & Implement an IT Plan to Support Business Functions | Develop & Implement an IT Plan to Support Business Functions | Review & Manage Water Cases to Protect Frysgaug-Arkansas Water Rights | Reliable Future Water Supply | Develop & Maximize Fry-Ark Power Generation Capabilities | | |
| Key Result Area | Financial | Financial | | | Water Supply & Storage | Legal | Water Supply & Storage | | |
| Strategic Objective | Determine how financial debt for 10,825 program will be accomplished | Establish a Long-Term Stable Funding Mechanism | | | Review & Manage Water Cases to Protect Frysgaug-Arkansas Water Rights | Reliable Future Water Supply | Study of East Slope System Reservoirs | | |
| Key Result Area | Leadership | | | | | | | | |
| Strategic Objective | Support communication & activities with stakeholders | | | | | | | | |
| Performance Indicator | Participate with east & west slope water providers to establish a permanent delivery of 10,825 ac-ft/yr to the 15-mile reach of the upper Colorado River per federal Programmatic Biological Option | Provide a healthy and safe work environment | Implementation of IT Plan | Standardization of IT software & hardware is consistent throughout SECWCD. | Determination is made on how to use water rights and/or alternatives to using them is defined | Determination is made on how to use water rights and/or alternatives to using them is defined | NEPA & Feasibility is completed. Preliminary Design is completed. | | |
| Process Status* | Implementation | Design | Implementation | Implementation | Implementation | Implementation | Implementation | | |
| Timeline | 2014 | 2014 | 2014 | 2014 | 2014 | 2014 | 2014 | | |
| TOTAL PROJECT EXPENSE 2014 | | | | | | | | | |
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Strategy

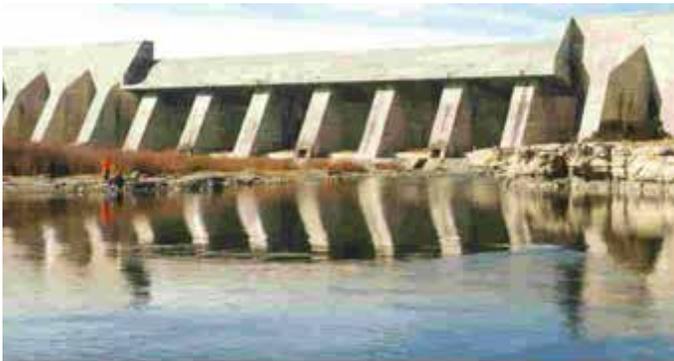
Write-Up on Projects
and
Programs

2014 Budget

Southeastern Colorado Water Conservancy District

January 1 through December 31, 2014

Southeastern Colorado Water Conservancy District



Pueblo Dam, Pueblo, Colorado

The Southeastern Colorado Water Conservancy District (District) was created under Colorado State Statutes on April 29, 1958, by the District Court of Pueblo, Colorado, for the purpose of developing and administering the Fry-Ark Project.

On January 21, 1965 the U.S. Federal Government and the Southeastern Colorado Water Conservancy District entered into a contract providing for the construction of the Fry-Ark Project works for the purpose of supplying water for irrigation, municipal, domestic, and industrial uses; generating and transmitting

hydroelectric power and energy; controlling floods; and for other useful and beneficial purposes.

The District is responsible to repay the portion of the construction cost of the Fry-Ark Project plus the cost for annual operation and maintenance. Funding to fulfill this obligation to the Federal Government is derived from a property tax on all property within the District boundaries.

In addition to administering this repayment responsibility, the District allocates supplemental water from the Fry-Ark Project for use by various ditch companies, and for use by the many municipal and

domestic water suppliers who directly serve the District's approximately 720,000 constituents.

The development and management of the Fry-Ark Project, the features and capabilities, is the key component for a long-term strategic future. The work on Fry-Ark Project features are budgeted and will be discussed in detail.

As a government, the District provides leadership, community, and strategic alliance to other governments and organizations on a wide-scale basis. These cooperative relationships are formed to provide many services in a cost effective manner to the taxpayers and participants within the District boundaries as well as stakeholders in other communities. This allows the District to investigate and implement more projects through the District and the Enterprise and helps to do more with less financial resources.

Feature Projects in 2014

- **HYDROELECTRIC POWER**
- **EXCESS CAPACITY LONG-TERM STORAGE**
- **ARKANSAS VALLEY CONDUIT**
- **ENLARGEMENT OF RESERVOIRS**

Building the Future

The Fryingpan-Arkansas Project

Agriculture and the development of cities and industries along the Arkansas River, created a need for water resources management. Drought and flooding continues to burden the growth of counties subjected to our volatile climate. Community leaders envision a stable and more prosperous future for southeastern Colorado. The Arkansas River basin needs a plentiful and reliable supply of water which the Fry-Ark Project could provide. The vision became a reality when on August 16, 1962, President John F. Kennedy signed the *Fryingpan-Arkansas Project Act*. In his poignant words to the community who listened in a crowded high school stadium, he laid out a strategic plan that the District still strives to complete.

"I don't think there is any more valuable lesson for a President or Member of the House and Senate than to fly as we have flown today over some of the bleakest land in the United States and then to come to a river and see

what grows next to it, and come to this city and come to this town and come to this platform and know how vitally important water is...I hope that those of us who hold positions of public responsibility in 1962 are as far-seeing about the needs of this country in 1982 and 1992 as those men and women were 30 years ago who began to make this project possible. The world may have been built in seven days, but this project was built in 30 years, and it took labor day in and day out, week in and week out, month in and month out, year in and year out, by Congressmen and Senators, and citizens, and the press of this State, to make this project possible, and it will be some years before its full benefits are made available to all of you."

Presidential support of the Fry-Ark Project, has been the most influential support of these communities. The call to action for legislation and congressional support continues to move the Fry-Ark Project into fruition. On August 9, 2013, President Barack Obama visited Pueblo, Colorado. In a roundtable discussion with

rural communities, he made supportive remarks towards the work that the District has conducted toward the construction of the Arkansas Valley Conduit. "The history of these kinds of projects is that once you get a project started and get some shovels in the ground and get it moving that it gets its own momentum and we've secured some dollars for it for the first time in 50 years," President Obama said. "That allows us to get the project moving. It's going to affect 40 communities and it's kind of hard to argue against clean drinking water and frankly, it's something that should have gotten done a long time ago... I'm a big believer that one of the things we need to do is rebuild America. ...I also want to make sure that we're focusing on infrastructure more broadly in rural communities."



President John F. Kennedy speaking to a cheering crowd at the Pueblo High School Stadium, in Pueblo, Colorado August 16, 1962.

2013 was the driest year in recorded history of Project water allocation. Strategically planned storage minimized a municipal water shortage



A tributary to the Arkansas River during the Spring runoff.

2014 Budget

Developing the Project



Barack Obama, President of the United States

“My general theory is a bill that was passed authorizing a project when I was born should be finished by now.”

President Barack Obama

August 9, 2012

President Obama in support of alternative energy said, *“The other thing that I think is really important is the potential for home-grown energy...”*

His speech encourages the District to continue the strategic development of the Fry-Ark Project through delivery, storage, conservation, power generation, and protection of the water rights. The District actively promotes the management of the Fry-Ark Project to accomplish the following tasks:

- * Flood control.
- * Analysis of the current spill policies and development of a working model of spill priority.
- * Development of storage planning and contracts to mitigate extreme drought.
- * The Arkansas Valley Conduit to achieve completion of the Fry-Ark Project.
- * Enlargement of reservoirs to provide additional storage and to protect our water resources.
- * Participation in the preservation and conservation of southeastern Colorado’s water resources.

- * Development of Fry-Ark Project features to ensure the economic viability and sustainability of the District including power generation developed along the Arkansas River.
- * Allocation of water strategies for wet, dry, and average years.
- * Development and reliability of the system including analysis of the operations, maintenance and replacement of outdated or non-operational features.
- * Protecting District water rights.
- * Providing water leadership to the District stakeholders of the Fry-Ark Project and to the State of Colorado.

The projects featured in the 2014 Budget promoting the strategic tasks of Project Development and Reliability to complete the Fry-Ark Project are:

- * Hydroelectric Power
- * Excess Capacity Master Contract
- * Arkansas Valley Conduit
- * A regional water conservation plan
- * Interconnect of the north and south outlets of Pueblo Reservoir
- * Enlargement of Pueblo Reservoir and other viable reservoirs within the Fry-Ark Project
- * Assessment of the Fry-Ark Project’s assets

Other projects include the 10,825 Fish Recovery program, protection of the District’s water rights, succession planning for human resources development, financial planning for repayment of debt on the asset elements of the Fry-Ark Project, and further development of Colorado River projects to promote the primary objectives of the Strategic Plan.

Agriculture is an important economic driver in southeastern Colorado.



Building the Future

Human Resources

The Southeastern Colorado Water Conservancy District (District) is an organization that provides administration, engineering services, project management and development, and financial services to the stakeholders of the Fryingpan-Arkansas Project. Professional staff, an essential asset within the water community, is developed through coordination between the Executive Director, the Administrative Manager, and the Human Resources Committee. Strategically, the District provides competitive salaries and a benefits package to full-time employees. The Board of Directors has authorized a breadbasket performed on salaries and benefits every three years to assure that the District is in line with other national and state water organizations. In 2012, a breadbasket was conducted on salaries and benefits. The results of the breadbasket are budgeted for 2014.

The District encourages staff to seek continuing education and certification programs that will

benefit the District with job related knowledge that is essential to move forward with the Strategic Plan. Training is made available for staff in teambuilding, time management, first aid, safety, and other topics that will make the professional staff a united team working toward the mission, vision, and values of the District.

As the District moves forward with the Strategic Plan, succession planning is developed as well as cross training. A strategic goal of the District is to mobilize employees to establish new alignments linked to strategy, objectives, and issues. In the next decade the District commits to increase productivity and enhancements that develop teams and leadership within the organization.

The District uses key performance indicators to evaluate the successes or success of a particular activity. Performance against measurable objectives is the prime indicator for judging whether or not the goals are achieved. Productivity and accountability are key components of the

evaluation process. In addition, staff is evaluated on their work-knowledge development, the outcomes of the Strategic Plan within their teams, innovative thinking, goal orientated planning, and problem solving.

The District has a flexible and generous benefits package. Benefits may include health, life, dental and long-term disability insurance, the Employee Assistance Program, Health Savings Account, retirement plan, vacation and sick leave.

Training and development are budgeted for staff in 2014. Educational programs are implemented to improve staff's technological skills such as software training in Microsoft products. In addition, training is provided for life skills such as Red Cross training for Cardiopulmonary Resuscitation (CPR) and Automated External Defibrillator (AED).

The key performance indicators that reflect the success of Human Resource strategic development in establishing a workforce to move the District and the Strategic Plan forward are



Annually, staff combines their talents to facilitate the annual Children's Water Festival at CSU in Pueblo.

District staff has more than two hundred and twenty four years of combined experience in water



A full-time staff of ten manage an annual budget of fifteen million dollars.



2014 Budget

Human Resources (cont.)

Staff attends first aid, CPR /AED training through the American Red Cross as a part of life skills training.



outlined through a comprehensive staff development program:

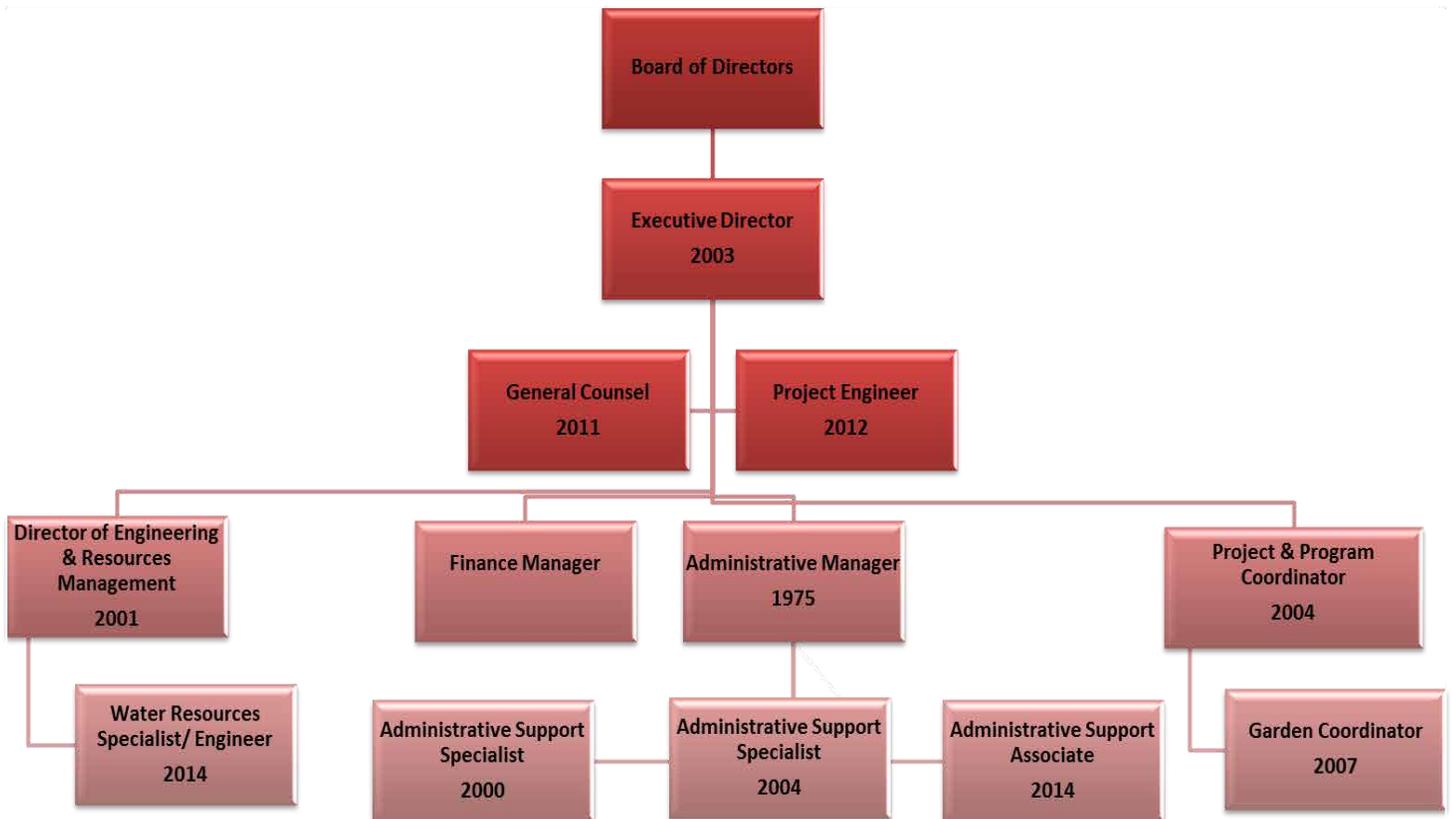
- Requirements for qualification and training are developed.
- Based on determinations training is provided.
- Certifications and or degrees are conferred.

Annual determination of staff training needs are evaluated

This will remain an ongoing program to enhance employee motivation and retention. The costs associated with Human Resources may include labor, benefits, training and education, awards, professional memberships, and technology. This investment increases the value of an employee and advances our core values.



Southeastern Colorado Water Conservancy District



Building the Future

Human Resources (cont.)

The staffing chart represents an eleven combined full-time positions in the 2014 Budget. In November 2011, a General Counsel was recruited. The District realized savings in outside professional services by utilizing an internal attorney who is an expert in water issues and state lobbying efforts. An internal project engineer was recruited in January 2012. The Project Engineer brings expertise to project development, allowing the participants and the partnerships to realize a great savings in engineering. For the success of the strategic succession planning, a water resource specialist/engineer will join the District team in 2014. This engineering position is related to succession planning.

The District's professional staff is an asset to those who benefit from the Fry-Ark Project, and those in our Colorado communities. Most staff members participate in related organization and share their knowledge to make Colorado a better community.



The District offers many benefits including tuition reimbursement for the staff.

| Staffing Chart | Actual 2010 | Actual 2011 | Actual 2012 | Actual 2013 | Budget 2014 |
|---|-------------|-------------|-------------|-------------|-------------|
| <i><u>Executive</u></i> | | | | | |
| Executive Director | 1 | 1 | 1 | 1 | 1 |
| General Counsel | | 0.2 | 1 | 1 | 1 |
| <i><u>Finance</u></i> | | | | | |
| Finance Manager | 1 | 1 | 1 | 1 | 1 |
| <i><u>Engineering & Project Development</u></i> | | | | | |
| Director of Engineering & Resource Management | 1 | 1 | 1 | 1 | 1 |
| Project Engineer | | | 0.6 | 1 | 1 |
| Water Resource Specialist/Engineer | | | | | 1 |
| Project Manager | 1 | 1 | 0.5 | | |
| Project & Program Coordinator | | | 0.5 | 1 | 1 |
| Engineering Support Specialist | 1 | 1 | | | |
| <i><u>Human Resources & Admin Support</u></i> | | | | | |
| Administrative Manager | 1 | 1 | 1 | 1 | 1 |
| Administrative Support Specialist | 1 | 1 | 2 | 2 | 2 |
| Administrative Support Associate | | | | | 1 |
| <i><u>Conservation & Outreach</u></i> | | | | | |
| Conservation Outreach Coordinator | 1 | 1 | 0.5 | | |
| Garden Coordinator | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 |
| District Total | 8.5 | 8.7 | 9.6 | 9.5 | 11.5 |

2014 Budget

Calculating Water Revenue



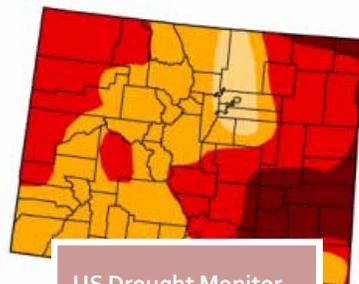
Pueblo Reservoir has a total storage capacity of approximately 350,000 acre-feet.

One acre-foot is 325,851 gallons

..And covers one acre of land about the size of a football field one foot deep



..And weighs 2,718,329 pounds



US Drought Monitor

<http://droughtmonitor.unl.edu/>

Calculating the amount of Fry-Ark Project water (Water) available for allocation is completed by the Director of Engineering and Resource Management. The Water available for allocation is calculated based upon the 20 year rolling average of imports through Boustead Tunnel. For the 2014 Budget this was 54,696 acre-feet. The imported Water is used as the basis for calculating the amount of Water available for allocation to municipal and agricultural entities after standard deductions are applied. The Fry-Ark Project under the Operating Principles adopted by the State of Colorado on April 30, 1959 may divert through the collection system “an amount not exceeding an aggregate of 120,000 acre-feet of water in any year, but not to exceed a total aggregate of 2,352,800 acre-feet in any period of 34 consecutive years...”

Deductions

1) The first deduction is 3,000 acre-feet for the Twin Lakes Exchange. This Water is the first 3,000 acre-feet of water diverted from the southern tributaries of Hunter Creek, which flows into the Roaring Fork River at Aspen. This Water is then traded to the Twin Lakes Reservoir and Canal Company’s (TLRCC) account in Twin Lakes

Reservoir for 3,000 acre-feet of water. TLRCC will then release to the Roaring Fork River at predetermined rates to comply with the Operating Principles.

- 2) Next 200 acre-feet is deducted for use by Reclamation and Colorado Parks and Wildlife to replace evaporation from the Leadville and Pueblo Fish Hatcheries.
- 3) Deducting the above 3,200 acre-feet from the 54,696 acre-feet leaves us with 51,496 acre-feet of Water in Turquoise and Twin Lakes Reservoirs. This Water is then moved to Pueblo Reservoir where 10 percent of the Water is lost and not available for allocation. In this example this would be a 5,150 acre-foot loss, meaning 46,346 acre-feet of Water arrives at Pueblo Reservoir.
- 4) The last deduction in these calculations is for Water lost due to evaporation. This is estimated to be five percent of the Water arriving at Pueblo Reservoir or 2,316 acre-feet, netting 44,030 acre-feet available for allocation. For the 2014 Budget we used 44,030 acre-feet as available for allocation. At \$7.00 per acre-foot this provides an estimated revenue of \$308,210.

| Estimate Project Imports AF | Twin Lakes Exchange 3,000 AF | To Bureau for Fish Hatcheries 200 AF | Less Transit Loss 10% AF | Less 5% System Evaporation AF | Total Available for Alloc. AF |
|-----------------------------|------------------------------|--------------------------------------|--------------------------|-------------------------------|-------------------------------|
| 54,696 | (3,000) | (200) | (5,150) | (2,316) | 44,030 |
| | 51,696 | 51,496 | 46,346 | 44,030 | |

Building the Future

Engineering

The engineering and project development team manages the technical development of the District through the Enterprise. There are 18 key areas within the department including projects of strategic development in the Fry-Ark Project, the management and protection of water rights, water diversion, storage and delivery, the

allocation of water, Arkansas River operations, water resource planning, and the partnerships that are created for protection of the District's water resources.

Engineering includes:

- ◆ *Asset Management*
- ◆ *OM&R*
- ◆ *Conservation and Outreach*
- ◆ *Grant Management*
- ◆ *10,825 Project*

- ◆ *Colorado River Issues*
- ◆ *Lease Following Administrative Tool*
- ◆ *Regional Resource Planning*
- ◆ *Restoration of Yield*
- ◆ *Arkansas Valley Conduit*
- ◆ *Reservoir Enlargement*
- ◆ *Hydropower*
- ◆ *Excess Capacity Master Contract*
- ◆ *Engineering*
- ◆ *Flow Management*
- ◆ *Reclamation Reform Act*
- ◆ *Water Allocations*
- ◆ *Water Rights*



The Project benefits from the many streams that are tributaries to the Fryingpan River.

Water Resources Engineering

Water resources engineering is concerned with the collection and management of water as a natural resource as it relates to our constituents. As a discipline it combines hydrology, environmental science, meteorology, geology, conservation, and resource management. This area of civil engineering relates to the prediction and management of both the quality and the quantity of water in both underground (aquifers) and above ground (lakes, rivers, and streams) resources. The District facilitates the management of water services for the end-user. Staff works with stakeholders in water conservation, alloca-

tion, and delivery of agricultural and municipal Project water, and Reclamation Reform Act paper work. Reclamation works with the water resources engineering team in managing the operation and maintenance of the Fry-Ark system as well as the related projects and programs. The Director of Engineering and Resource Management with Legal Counsel work together to protect the District's Project water rights. A vigilant review of the water court resume to identify cases that may have an impact, help to preserve the District's water rights and the Fry-Ark Project.

The primary source of Project water is from the water rights the District owns on the Fryingpan River and Hunter Creek. These are both tributaries to the Roaring Fork River which is tributary to the Colorado River. A secondary source is junior storage rights on the Arkansas River. Storage includes water from Lake Creek in Twin Lakes Reservoir, water from Lake Fork Creek in Turquoise Reservoir, and Arkansas River flows in Pueblo Reservoir in an extraordinarily wet year.

“In a slow-motion disaster, a drought covering more than 60 percent of the country scorched corn stalks into parched, dried up irrigation ponds and turned farm fields into brittle crust.”

Philip Bump
*New York Times on
Colorado's Sheep
Industry*



The Charles H. Boustead Tunnel conveys all the water collected in the North and South Side Collection Systems under the Continental Divide to Turquoise Lake.



Reclamation Reform Act

The Reclamation Reform Act (RRA) of 1982 defined and codified acreage limitations to agriculture. Project water users within our boundaries are required to file RRA forms with the District, prior to receiving an allocation of Project water. The District conformed to the discretionary provisions of the RRA in 1984. The reporting thresholds are:

- 240 acres for qualified recipients
- 40 acres to limited recipients and public entities
- Landholders over 960 acres and limited recipients over 640 acres require additional reporting

For the 2014 budget, the Reclamation Reform Act Team estimates \$2,000 in RRA fee bills, which will be a pass-through payment to Bureau of Reclamation (Reclamation) for these fees.

In 2013 the Water Allocation Policy was amended to specify that it is the agricultural water organization’s responsibility to pay the District any Reclamation administrative fees and/or bills for Project water at the full cost rate delivered by the agricultural water or-

ganization that are received at the District. The agricultural water organization has the option to forward these fees to the landholders. The agricultural water organization will not be eligible to receive Project water until these bills are paid. The Water Allocation Policy, amended April 18, 2013 paragraph 9 and 10 reads:

9. All agricultural water organizations requesting an allocation of Project water shall annually provide the District with the current shareholder/member list to be eligible to receive an allocation of Project water.

10. Any Reclamation administrative fee bills for landholders served by an agricultural water organization or bills for Project water at the full cost rate delivered by the agricultural water organization, that are received by the District,

will be forwarded to the responsible agricultural water organization. It will be the agricultural water organization’s responsibility to pay the District and have the option to forward these fees to the landholder. The agricultural water organization will not be eligible to receive Project water until these bills have been paid.

Additional information regarding RRA can be found at <http://secwcd.org/content/rra>.

“This is about a young boy in the Arkansas basin, John Singletary, who sold his gold frying pan to try to raise money for the Fryingpan-Arkansas Project. ...The Fry-Ark Project would be built to deliver water to agricultural based communities east of Pueblo.”

John Salazar
U.S. Congress
110th Congress
1st Session



Sprinklers irrigating crops in the Arkansas Valley.

Building the Future

Colorado River Services

The primary source of water supply for the Fryingpan-Arkansas Project originates in the Colorado River basin. The District engages in numerous projects that range from protection of the Project water rights, conservation, outreach, engineering, water and wildlife recovery, and research projects. Annually dollars are budgeted to support these projects in their infancy or as programs to accomplish District strategic goals. This program at the District is referred to as Colorado River Services. In 1999, the U.S. Fish and Wildlife Service (FWS) issued a programmatic biological opinion (PBO) for a critical reach of the Colorado River in Colorado related to recovery efforts for four fish species listed as endangered under the Endangered Species Act (ESA): the humpback chub, bonytail, Colorado pike minnow, and razorback sucker. The PBO provides ESA compliance for five Reclamation projects including the Fryingpan-Arkansas Project.

The District participates in two programs related to the implementation of the PBO.

10,825 Project: As part of the PBO, Colorado water users agreed to provide

10,825 acre-feet/year for fish recovery from interim water sources until 2010, by which time permanent sources of water must be identified and agreements completed between water users and the FWS to provide the permanent source(s) of water. Water users have identified the required permanent sources of water for endangered fish. Half of the 10,825 acre-feet/year requirement will be met from converting a historical agricultural water right and the other half from unobligated Ruedi Reservoir water. Reclamation has completed NEPA compliance on federal actions related to providing 10,825 acre-feet/year for endangered fish. In 2014, the cost share to the District is 10.19 percent. The total Capital costs to the District are estimated at \$1,007,431.

Colorado Water Congress Colorado River Project:

The Upper Colorado and San Juan fish recovery programs are designed to recover four species of endangered fish in the Upper Colorado River and San Juan River basins while providing compliance with the Endangered Species Act for more than 2,320 federal, tribal, and non-federal water projects. The programs operate in accordance with state water and wildlife laws, tribal laws, and interstate compacts. Requested contributions to the Recovery Implementation Program (RIP) through the Colorado Water Congress Colorado River Projects, to maintain the ESA compliance is budgeted for \$136,754 in 2014. The District contributes to this program and has budgeted \$13,420 towards the RIP program in 2014.

The Front Range Water Council

The Front Range Water Council is an unincorporated nonprofit association governed by the provisions of C.R.S §§ 7-30-101 to 119, for the purpose of advocating their mutual interests, as trans-mountain diverters of water from the Colorado River basin's west slope to the Colorado Front Range east slope, in water policy and water supply. The Front Range Water Council membership includes: Aurora Water, Denver Water, Colorado Springs, Northern Water, Board of Water Works of Pueblo, Southeastern Colorado Water Conservancy District, and the Twin Lakes Reservoir and Canal Company. The District, as a member of the Front Range Water Council, has committed to 12 percent or \$36,000 of the annual costs.



Fishing on the Arkansas River is supported through Colorado River Projects.

The Front Range Water Council is a collaborative effort with a primary strategic objective to follow Colorado River issues and investigate these issues for stakeholders along the Front Range.

The Regional Resource Planning Group

The Regional Resource Planning Group (RRPG) was formed in 2003 under the District's Intergovernmental Agreement (IGA) with Aurora. The participating entities are; the City of Aurora, Colorado Springs Utilities, Lower Arkansas Valley Water Conservancy District, Board of Water Works of Pueblo, Southeastern Colorado Water Conservancy District, and the Upper Arkansas Water Conservancy District. The USGS in co-

operation with the Arkansas basin RRPG seeks to better define the water quality conditions, the dominant source areas, and the processes that affect water quality in the Arkansas River basin. The strategic goals are to understand the relationships between water supply, land use, and water quality issues. The group seeks to develop methods and tools needed to simulate the potential effects of changes in land

use, water use, and operations on water quality. The Enterprise's financial responsibility regarding RRPG is mainly one of pass-through. The Enterprise collects the participant payments to fund the ongoing studies for RRPG projects. The difference between the incoming revenue and expenditure is the Enterprise contribution to the RRPG. In the 2014 budget this amounts to \$25,000.



Water quality studies analyze the impact of projects like storage on the river and reservoirs.

The Historic Arkansas Riverwalk of Pueblo (HARP) has spurred economic growth in the City of Pueblo.



HARP as well as the Pueblo White-water Park benefit from the ROY Project.

Other Partnership Projects

ROY Project: The Restoration of Yield (ROY) Project is a program that allows for recapture of water lost due to diminished exchange capacity as a result of Pueblo's Recreational In-Channel Diversion (RICD) negotiations. Staff has budgeted \$10,000 to continue the ROY project. This will be a capital expenditure for increased activity in developing new ROY storage. The partnership includes the City of Fountain, Colorado Springs Utilities, Board of Water Works of Pueblo, City of Aurora, and the Southeastern Colorado Water Conservancy District.

Market-Based Rates: In August 2011, Reclamation held a "listening session" to develop a pilot program in the Arkansas River basin to determine how Reclamation would calculate market-based pricing for storage of non-Project water in facilities with excess capacity. Reclamation said at that time that this pilot project could be used throughout the western United States. During this session, Reclamation announced a plan to form a Technical Committee to discuss aspects of the market-based pricing proposal. The District will contribute up to \$25,000 towards this project in 2014.

Other Partnership Projects (cont.)

Administrative Tool for Lease-Fallowing

Due to the complexity in filing a water exchange application and in exploring the mechanisms, economics, and policies needed to implement a lease-fallowing program for the Arkansas Valley Super Ditch Corporation, the concept of an accounting tool is envisioned. The Administrative Tool for Lease-Fallowing, although being developed to administer the policies of the Arkansas River Compact once established, may be used statewide. Lease Fallowing is when farmers (Lessors) lease the water rights from their land to an entity (Lessee), usually a municipal water provider, for a specific period of time. The Lessee has use of the consumptive use portion of the water. The remaining water is used to duplicate, as near as possible, the historic return flow to the Arkansas River system as if the water was used to irrigate the land. The farmer (Lessor) leasing the water from the

land still has the responsibility for weed and erosion control on the property. This is a temporary dry up and the farmers still own the water rights. As a leader in Arkansas Valley basin water projects, the District has committed to a partnership in the development of the tool along with the following partners; Upper Arkansas Water Conservancy District, Board of Water Works of Pueblo, Lower Arkansas Valley Water Conservancy District, and Colorado Springs Utilities. The project is being funded by a number of grants through the Upper Arkansas Water Conservancy District. In 2011 the District contributed \$10,000 to match the grant funds. Completion of the Administrative Tool is anticipated in 2014.



Ruedi Reservoir construction was completed in 1970 with an original cost of \$14,000,000.

I am convinced that it is good for western Colorado as it is for eastern Colorado, then I am of course doing what I can to see that favorable consideration is given this matter. (*referring to the construction of Ruedi Reservoir*)

*Aspinall to
Adelaide Cayton,
May 8, 1962*



Agriculture is vital to maintaining a sustainable economy in the Arkansas River basin.

Hydroelectric Power



Southern Delivery System construction on the south outlet works of Pueblo Dam.

„Pueblo Dam was found to be the most favorable site for hydropower development out of all of Reclamation’s facilities in Colorado.”

*Reclamation
Hydropower*



Hydropower Generation could bring the Water Activity Enterprise an additional stream of revenue.

Hydroelectric Power or hydropower is electrical power which is generated through the energy of falling water. This method of energy generation is viewed as very environmentally friendly or “green” since no waste occurs during energy generation. In 2011, Reclamation published a request in the Federal Register for proposals for hydropower generation at Pueblo Dam River Outlet. Based on a proposal and evaluation process, a partnership consisting of the District, the Board of Water Works of Pueblo, Colorado (BWWP), and Colorado Springs Utilities (CSU) was issued a Preliminary Permit to plan and study the Pueblo Dam Hydroelectric Project.

The proposed 5.8 megawatt (MW) would be located on the Pueblo Dam River Outlet. A powerhouse would be located at the downstream end of the existing outlet works that supplies water to the Arkansas River and

would use the Dam’s authorized releases to generate an annual average of approximately 20,000,000 kilowatt hours (Kwh) of electricity and generate approximately \$1,000,000 in average revenue per year.

The project’s total capital cost is estimated to be approximately \$18,000,000, which will be provided through a combination of low-interest hydroelectric project financing available through the Colorado Water Conservation Board, and cash equity from project partners.

Pending discussion with the Western Area Power Administration, energy from the project will be used to partially offset water pumping electrical loads for nearby facilities, potentially to include the Arkansas Valley Conduit Water Treatment Facility. Based on anticipated power production, capital costs, financing, and power sales, the hydroelectric project has an an-

anticipated benefit/cost ratio greater than 1. After payments to Reclamation and funding of operation costs, economic benefits from the project will accrue to the participants in the Fry-Ark Project through the District.

The purpose of the Preliminary Permit issued in December, 2011, is to formally recognize the Permittee’s priority for a Lease of Power Privilege (LoPP) while the Permittee conducts investigations and secures data necessary to determine the feasibility of the proposed project. If the project is found to be feasible a development application will be submitted and upon approval construction will begin. The feasibility review process will be completed by mid-2014.

The cost for the Hydroelectric Power project is considered an Enterprise capital expenditure and is budgeted at \$772,867 in 2014.

Building the Future

Excess Capacity Master Contract

Water storage is an important resource of the Project and for water users statewide. The critical task at hand for the Long-Term Excess Capacity Master Contract (Master Contract) is strategically planning for the future needs of municipal storage in southeastern Colorado. Excess capacity storage allows participants to store non-Fry-Ark Project water in the Pueblo Reservoir. The Master Contract historically developed from the Preferred Storage Options Plan (PSOP). The PSOP process for the District began in December of 1998 with a “Future Water and Storage Needs Assessment” by GEI Consultants, Incorporated. The Master Contract participants are comprised of an original group who has participated for a number of years. Their contribution to the project has provided the District funding for lobbying, engineering, studies, and other administrative charges. The participants with the largest storage plans are Colorado Springs Utilities, Lower Arkansas Valley Water Conservancy District, and Pueblo West Metropolitan District. Board of Water Works of Pueblo and the City of Aurora contribute to the Excess Capacity project costs through a fee for their participation in the water quality studies. Their contribution reduces the costs of water quality costs to the other participants.

In November 2010, Reclamation signed a MOU with the District, to begin the National Environmental

Protection Act Environmental Impact Statement (NEPA EIS) process for the Master Contract. The work covered in the NEPA EIS includes:

- Purpose and Need
- Alternative Actions
- Affected Environment
- Environmental Consequences
- Consultation and Cooperation

The NEPA EIS study concluded in September 2013. Master Contract participants paid \$849,819 towards the cost of the NEPA EIS. The costs for the Master Contract portion of the NEPA EIS work were initially valued at one million dollars.

Master Contract planning and development costs have remained relatively consistent. There are requests up to 36,775 acre-feet of water storage reserved by the participants. The average planning and development costs are budgeted at \$5.09 per acre-foot based on 2014 expenditure of \$186,891.

The USGS Water Quality Studies

for “Special Projects” are shared between the Master Contract, Arkansas Valley Conduit, and Enlargement participants. Enlargement participants pay 50 percent and the Arkansas Valley Conduit and Master Contract participants pay the remaining 50 percent. Total cost for the 2014 Special Projects water quality studies are budgeted at \$166,933. Master Contract participants pay 91.4 percent of their share of costs. The costs are based on the number of acre-feet that was studied in the NEPA EIS for the Master Contract. This amounts to \$60,000 in 2014.

Some future considerations for participants for excess capacity storage include:

- ◆ *NEPA EIS Record of Decision*
- ◆ *Market-based rate studies being conducted by Reclamation for long-term storage contracts.*



96 Pipeline Company, Beehive Water Association, Bents Fort Water Company, Cities of Canon City, Florence, Fountain, La Junta, Las Animas, Rocky Ford, and Salida, Security Water and Sanitation District, Crowley County Water Association, Fayette Water Association, Hill Top Water Company, Holbrook Center Soft Water Association, Homestead Improvement Association, Lower Arkansas Valley Water Conservancy District, May Valley Water Association, Newdale-Grand Valley Water Company, Patterson Valley Water Company, Penrose Water District Water Activity Enterprise, Pueblo West Metropolitan District, South Swink Water Company, Southside Water Association, St. Charles Mesa Water District, Stratmoor Hills Water District, Towns of Eads, Manzanola, Olney Springs, Ordway, and Poncha Springs, Upper Arkansas Water Conservancy District, Valley Water Company, Vroman Water Company, West Grand Valley Water Inc., and Widefield Water and Sanitation District

**Long-Term
Excess Capacity
Participants**

2014 Budget

Arkansas Valley Conduit (AVC)



Reclamation sample picture of Conduit construction.

The Arkansas Valley Conduit (AVC), is a proposed water supply project to serve the needs of communities in the lower Arkansas Valley, a pipeline (Interconnect) to convey water between the existing south outlet works and a future north outlet works at Pueblo Reservoir.

The lower Arkansas River valley is an area where the cost of water treatment continues to rise as a result of poor quality drinking water. This portion of the river is the most saline stream in the United States. In addition, some water supply wells are contaminated with radionuclides. In an effort to comply with regulatory requirements of the Safe Drinking Water Act, it was proposed to build the AVC to deliver clean drinking water to the area. The pipeline is an original feature of the Fry-Ark Project legislation in 1962. However, the AVC was not constructed primarily because of the beneficiaries' inability to repay the construction costs. In 2009, Congress amended the original Fry-Ark legislation. The amendment featured a cost sharing plan with 65 percent federal and 35 percent local funding.

The locally funded portion would be repaid by the District to the federal government over a period of 50 years.

The AVC is an excellent example of building the future of water for the Fry-Ingpan Arkansas Project throughout the District boundaries. The proposed AVC will create a reliable water supply to the participants for generations to come.

In November of 2010, Reclamation began the NEPA EIS, a resource analyses on the study area, on the construction and operation of the proposed AVC, and its effects on environmental resources and geographical areas. The NEPA EIS was concluded in September 2013. The District, as the facilitator of the AVC, continues to lobby for appropriated federal funding to mitigate the costs for engineering and construction.

In 2010, an Intergovernmental Personnel Act Agreement (IPA) was implemented to reimburse the District for costs related to District personnel when they worked directly on the AVC project. The IPA has expired and the District does not anticipate its renewal in 2014. For additional information on the NEPA EIS visit:

<http://secwcd.org/content/final-eis-aug-2013>.

In 2011 thirty seven participants signed a MOA with the District agreeing to reimburse the planning and development costs for the AVC. Their costs are determined by the amount of water each participant intends to have delivered via the AVC. They have committed 9,094 acre-feet of water to run through the proposed AVC. The average planning and development costs are budgeted at \$12.39 per acre-foot based on 2014 expenditures of \$112,596.

96 Pipeline Company, Beehive Water Association, Bents Fort Water Company, Cities of La Junta, Lamar, Las Animas, and Rocky Ford, Crowley County Water Association, East End Water Association, Eureka Water Company, Fayette Water Association, Hasty Water Company, Hilltop Water Company, Holbrook Center Soft Water, Homestead Improvement Association, May Valley Water Association, McClave Water Association, Newdale-Grand Valley Water Company, North Holbrook Water, Patterson Valley Water Company, South Side Water Association, South Swink Water Company, St. Charles Mesa Water District, Towns of Boone, Crowley, Eads, Fowler, Manzanola, Olney Springs, Ordway, Sugar City, Swink, and Wiley, Valley Water Company, Vroman Water Company, West Grand Valley Water Inc., and West Holbrook Water

AVC Participants

Building the Future

Arkansas Valley Conduit (cont.)

AVC participants pay 8.58 percent of their share of the costs of Special Projects water quality studies. The percentages are based on the amount of acre-feet studied in the NEPA EIS for the AVC. This amounts to \$6,000 in 2014. Other considerations for the proposed AVC that

are currently in development are pre-engineering and design, and construction. The proposed AVC is scheduled to go on-line in 2022. The importance of clean drinking water in southeastern Colorado provides an opportunity for development. Improving the water supply provides capacity to grow into a

foreseeable future for the citizens and businesses within the District boundaries. This will assist in building a future towards a more attractive environment for economic development.



Water in the Fry-Ark Project is essential for life.

Enlargement of Reservoirs

The Enlargement project consists of enlarging existing Fry-Ark Project reservoirs in order to help meet the full demand for additional water storage. The participants propose enlarging Pueblo Reservoir by 54,000 acre-feet and Turquoise Reservoir by 19,000 acre-feet. Additional storage space is needed to meet the estimated 2025 demand for storage. All water-users within the boundaries of the District will be eligible to participate in the enlargement projects under the required terms of a MOA.

Nine participants have signed a MOA with the District agreeing to reimburse the planning and development costs for

Enlargement. Their costs are determined by the amount of storage space each participant intends to use in the enlarged reservoirs. They have committed to 58,125 acre-feet of storage space. The average planning and development costs are budgeted at \$1.05 per acre-foot based on 2014 expenditures of \$61,062. In addition, the USGS Water Quality Studies for Enlargement are based on the amount of requested acre-feet of storage space. The water quality studies amount to \$65,933 in 2014. The Enlargement project historically developed from the Preferred Storage Options Plan. The genesis of the Enlargement project in 2001 required a federal-level feasibility study, con-

gressional authorization, negotiations with Reclamation, and a final NEPA EIS. Funding to date has come from participants. Over the years, participants have continued to fund a lobbying effort for the necessary appropriations. The District recognizes the need for enlarging the reservoirs through strategic planning.

Board of Water Works of Pueblo, Counties of Crowley and Otero, Colorado Springs Utilities, Cities of Florence, La Junta, Salida, Town of Poncha Springs, Pueblo West Metro District, and Upper Arkansas Water Conservancy District

ENLARGEMENT PARTICIPANTS



Turquoise Lake could be enlarged to increase storage within the Fry-Ark Project.

The Interconnect



The interconnect will provide redundancy to the Southern Delivery System as well as other water connections.

Pueblo Dam North-South Outlet Works Interconnect Conveyance Contract has undergone the NEPA EIS process in conjunction with the Arkansas Valley Conduit (AVC). The construction costs for the Interconnect is estimated to be \$4,965,675. During short-term maintenance and emergency situations, the Interconnect would move water between the south outlet works and the north outlet works at Pueblo Reservoir. The Interconnect would be a short

section of pipeline to be constructed as part of the AVC between the two outlet works. Interconnect operations would require a long-term (40-year) contract between Reclamation and the Interconnect water providers for periodic maintenance or emergency activities.

The Interconnect contract would support partial deliveries of water to existing and future water connections at Pueblo Reservoir for the AVC, Pueblo Fish Hatchery,

Board of Water Works of Pueblo, Pueblo West, Southern Delivery System, and Fountain Valley Authority. Interconnect water providers need a backup system between the north and south outlet works of Pueblo Reservoir to serve about 1.5 million people in the future. Municipal and industrial water providers are vulnerable to any outlet works outage because these outages have the potential to disrupt service to customers.

Grants

Grant Budget

The government-wide grant budget specifies total revenue of \$352,980. This includes a contingency amount of \$150,000. The total cost of the grant funded projects including personnel is \$232,130 (pg. 67). The Southeastern Colorado Water Conservancy District will benefit by providing \$232,130 worth of projects for an in-kind personnel contribution of \$29,150. For every \$1.00 the District receives in grant funding it costs the District only \$0.12 toward the development and implementation of the projects.

Grant Contingency

In 2014 the District has budgeted capacity to apply for and receive grants that could benefit the programs and projects the District and Enterprise supports. These contingency grants may be grant opportunities the District was unaware of at the time the 2014 budget was being developed. The contingency grant amount for the District is \$100,000 and the contingency for the Enterprise is \$50,000.

CWCB Arkansas Basin Water Implementation Plan

The Arkansas Basin Implementation Plan (Plan) will identify actions, programs, and projects that will provide a comprehensive strategy to optimize the use of the Arkansas Basin water supplies and meet 2050 demands. Existing reports and information relevant to the Basin Implementation Plan (e.g., SWSI 2010 demands, IPPs, vulnerabilities from the drought plan) will be summarized. This information will help the Arkansas Basin Round Table (ABRT) measure how it is meeting its goals and objectives as well as

Some AVC participants are required to have a State approved water conservation plan to utilize State grant funding.

Building the Future

identify methods to meet those needs.

An analysis of consumptive and non-consumptive constraints and opportunities will help the ABRT understand the constraints and opportunities within the basin to meet their needs. The components will include an analysis of constraints and opportunities based on existing data, water rights administration policies and procedures, hydrologic modeling, and current and future shortage analysis.

The Plan will identify the projects and methods needed to meet the ABRT's consumptive and non-consumptive needs. The Plan will identify water management challenges and opportunities within the basin and provide a framework for meeting the challenges. In addition, the Plan will describe how the projects and methods identified will meet the gaps and water supply shortages, in relation to the goals and measurable outcomes.

AVC Regional Water Conservation Plan Implementation

The Southeastern Colorado Water Conservancy District (District) has prepared a Regional Water Conservation Plan (RWC Plan) to address the water conservation related needs of the Arkansas Valley Conduit (AVC) par-

ticipants. The RWC Plan was conceived to organize and support local water conservation planning and implementation for those entities that will be receiving AVC deliveries. The entities that will receive AVC deliveries will execute a Memorandum of Agreement (MOA) with the District, dictating the terms of the relationship between the District and the organization related to said deliveries including water production and sales data reporting and sharing protocols and requirements, as well as stipulations on the reporting of local water conservation planning and implementation efforts. One goal of the RWC Plan was to assist the AVC participants that will execute MOAs with the District in developing a water conservation program that supports local water resources management needs.

This proposed project focuses on building on the successes of the RWC Plan with three specific sets of tasks:

1) Expand the applicability of the RWC Plan to include other water providing entities that participate in District programs – and those that may participate in the Long-Term Excess Capacity Master Contract (Master Contract)

for storage in Pueblo Reservoir. The Master Contract is a long-term contract between the District and Reclamation allowing for storage of non-Project water in Pueblo Reservoir when space is available.

- 2) Support the development of six (6) local water conservation plans using the Best Management Practices (BMPs) Tool Box contained in the RWC Plan and presented on the District web site. Two of the local water conservation plans will be developed for the Lower Arkansas Valley and the Upper Arkansas Water Conservancy Districts; whereas the other four will be developed for selected AVC participants.
- 3) An important component of the RWC Plan was the development of a valuable resource titled Water Conservation Best Management Practices Tool Box. The Tool Box is readily available to all of the RWC Plan participants. This scope of work was developed based on comments received from AVC project participants, Master Contract participants, and other members of the water conservation



The District's Xeriscape Demonstration Garden encourages outdoor water conservation in southeastern Colorado

Conservation outreach programs help establish a culture of wise water stewardship which over time results in behavior change and effective action.

*Best Practice #6
Colorado
WaterWise*

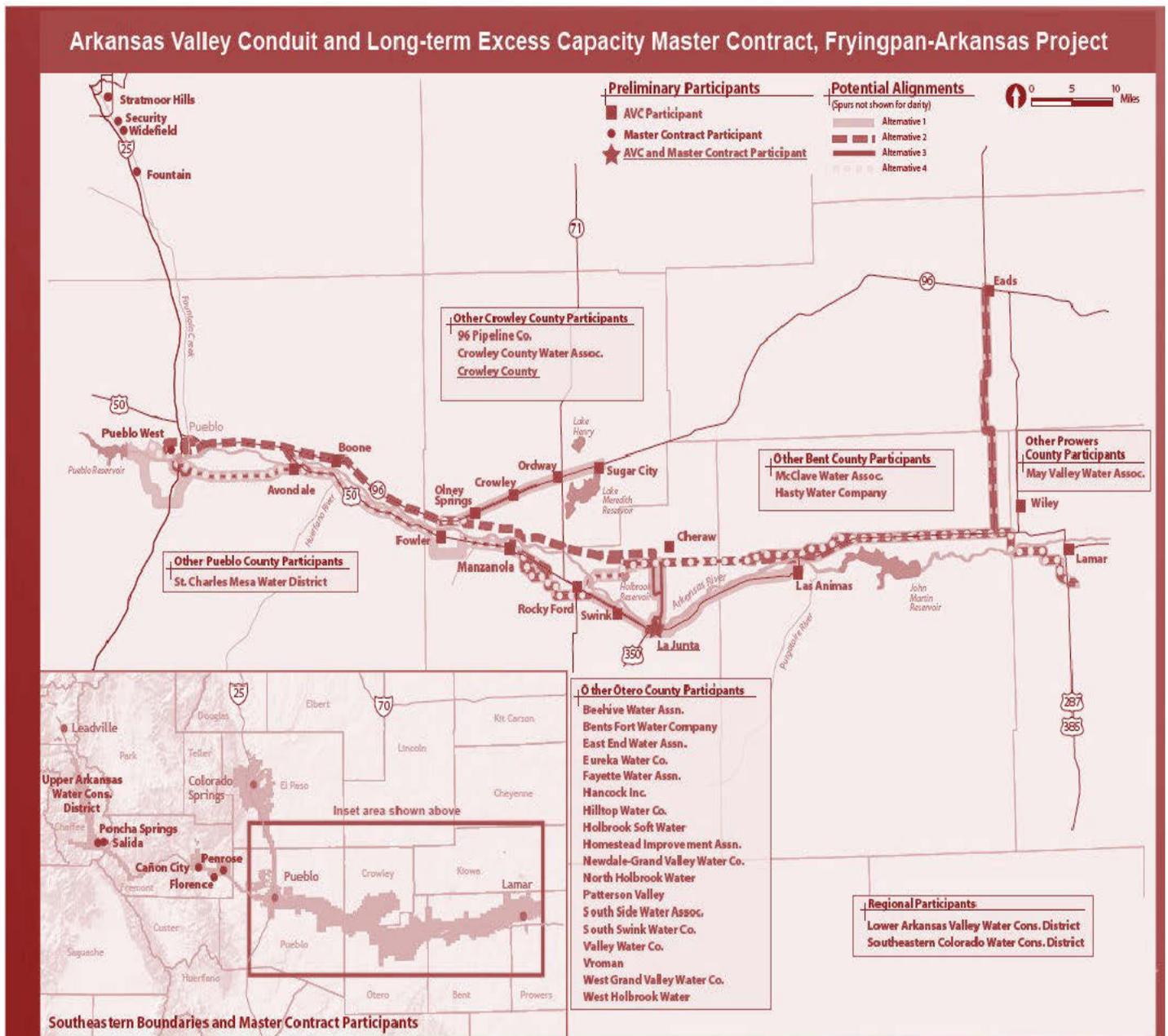
www.coloradowaterwise.org

2014 Budget

Grants (cont.)

community in Colorado (e.g., CWCB's Water Conservation Technical Advisory Group and Colorado WaterWise). The comments typically requested that more "case study" data be posted on the District's BMP Tool Box to provide data that will support informed local decision making. To this point, case studies that include costs and benefits, and data that can be used to support benchmarking are

of greatest interest. Note that although this is a small project, it is important to develop a methodology that provides resources to support the proposed additions to the District's BMP Tool Box over time.



Projects with Grant Funding for 2014 Budget

| | Water Activity Enterprise | Arkansas Valley Conduit | |
|-----------------------------|--|---|--------------------|
| | Development of the Arkansas Basin Water Implementation Plan | Implementation of the Regional Water Conservation Plan | TOTALS |
| Revenue | | | |
| CWCB - WSRA | \$ 125,000 | | \$ 125,000 |
| CWCB - Conservation | | \$ 37,980 | \$ 37,980 |
| USBR - WCFS | | \$ 40,000 | \$ 40,000 |
| TOTAL REVENUE | \$ 125,000 | \$ 77,980 | \$ 202,980 |
| Expenditures | | | |
| Project Expenses | \$ 125,000 | \$ 77,980 | \$ 202,980 |
| SECWCD Project Personnel | - | \$ 29,150 | \$ 29,150 |
| TOTAL EXPENDITURES | \$ 125,000 | \$ 107,130 | \$ 232,130 |
| Cost to the District | \$ - | \$ (29,150) | \$ (29,150) |

For every \$1 the District receives in grant funding it costs the District \$0.12

Operations, Maintenance & Replacement



Pueblo Reservoir is located approximately 7 miles west of the City of Pueblo

Since impoundment, Ruedi Reservoir has prevented a total of \$18,316,400 in potential flood damages.

Reclamation Annual Operating Plans Water Year 2011



Construction on the Pueblo Dam North Outlet Works

The Fry-Ark Project is a multipurpose transmountain, transbasin water diversion and delivery project in Colorado. It allows diversions of water from the Fryingpan River and other tributaries of the Roaring Fork River, on the western slope of the Rocky Mountains, to the Arkansas River basin on the eastern slope.

The Fry-Ark Project is divided into two areas. “The western slope, located within the Hunter Creek and Fryingpan River watersheds in the White River National Forests at elevations above 10,000 feet, and the eastern slope in the Arkansas Val-

ley. The Fry-Ark Project consists of facilities designed primarily to divert water from the western slope to the water-short areas of the eastern slope.

Reclamation operates and maintains the asset features of the Fry-Ark Project. The asset features that are in Reclamation’s scope of Operation, Maintenance & Replacement (OM&R) include:

Western Slope

- Ruedi Dam and Reservoir
- 17 diversion structures and 9 tunnels
- Charles H. Boustead Tunnel

- North and South Side Collection systems

Eastern Slope

- Turquoise Lake and Sugar Loaf Dam
- Mt. Elbert Conduit
- Mt. Elbert Forebay
- Halfmoon Diversion Dam
- Mt. Elbert Powerplant
- Twin Lakes Reservoir and Dam
- Fountain Valley Conduit
- Pueblo Reservoir and Dam
- Pueblo Fish Hatchery
- South Outlet Works
- Bessemer Ditch

District OM&R Financial Obligations

The taxpayers within the nine counties of the District pay towards OM&R of the Fry-Ark Project assets using Ad Valorem taxes. The District’s first obligation to Reclamation is to reimburse a portion of OM&R. Any remaining monies are used towards the debt obligation until the primary debt has been paid-off. Miscellaneous revenues generated by Reclamation may also be used as a credit towards OM&R and debt. The District pays a portion of OM&R on 10 of the Fry-Ark cost authorities that are

accounted for by Reclamation. The cost authority features are:

- Sugar Loaf Dam and Reservoir
- Ruedi Dam and Reservoir
- Pueblo Dam & Reservoir
- Halfmoon Dam
- Twin Lakes Dam
- South Outlet Works
- Southside Collection
- Charles H. Boustead Tunnel
- Northside Collection
- Mt. Elbert Conduit
- SECWCD (100%)
 - Stream Gaging
 - Inquiries & Requests

There are other financially responsible entities for OM&R costs, and Reclamation budgets a large portion of OM&R as well.

Reclamation often includes extraordinary items (RAX) in OM&R costs. Most RAX items are planned for, but some are not. In 2014, stilling basin concrete repair will continue on Sugar Loaf Dam. Other RAX items in the recent past include drilling weep holes as the ongoing maintenance at Charles H. Boustead Tunnel. As policy, the District does not budget OM&R.

Building the Future

District Facilities

The District has beautiful facilities that were developed for use by staff, the Board of Directors, and the general public. With more than 7,700 square feet of space that includes offices, meeting rooms, a dramatic entrance, and covered parking, the facilities have proven to be popular with various water and conservation organizations seeking a modern gathering place. In accordance with the Strategic Plan, steps were taken to significantly improve the technology of the District meeting facilities in 2011 and 2012. The District has two

rooms available for public use. Both the conference room and board room were upgraded to include overhead audio and recording, flat screen visual and interactive combination white board/televisions, visual and audio web conferencing, and the ability to demonstrate DVD's and audio CD's. Both rooms include a touch Creston remote system that controls all equipment and lighting. Each meeting room is driven by the Windows 7 operating system and includes Microsoft Office 2010 Professional Suite. The two meeting rooms share common areas in-

cluding restrooms, dining style seating, and kitchen accommodations for hosting meetings, trainings, demonstrations and luncheons. There is plenty of parking around the exterior of the building, with beautiful award winning Xeriscape landscaping to view during meeting breaks. In 2014 staff has budgeted \$100 in operating revenue for the use of meetings rooms. The meeting rooms are available from 7:30 a.m. to 4:30 p.m. Monday through Friday and will hold up to 25 meeting attendees in the conference room and 70 in the board room. These rooms are available on a first come first serve basis, with the District committee or Board meetings taking precedence over availability. Special arrangements may be made, to request usage, check availability, and view facility rental rates. Please visit <https://www.secwcd.org/content/district-meeting-facilities> or contact the District staff at (719) 948-2400.



The lobby inside the District's facility.

Organizations that regularly use District facilities include the Cooperative Extension Office, Arkansas Valley Ditches Association, and Water Needs Assessment Committee

The District's Board of Directors meeting room was updated to improve communication through a strategic audio and visual plan.



The conference room can accommodate smaller meetings.



2014 Budget

Southeastern Colorado Water Conservancy District

31717 United Avenue
Pueblo, Colorado
81001-4817

Phone: 719-948-2400
Fax: 719-948-0036

The United Nations reports that 884 million people do not have access to safe water.”

The national clean water framework was released on April 27, 2011 to protect the health of America’s water.

<http://www.whitehouse.gov>

We’re on the Web!
www.secwcd.org



Flourishing Aspen trees growing in the area of the Fry-Ark Collection System.



District staff and directors posing in front of the Tommy Thomson Memorial Fountain.

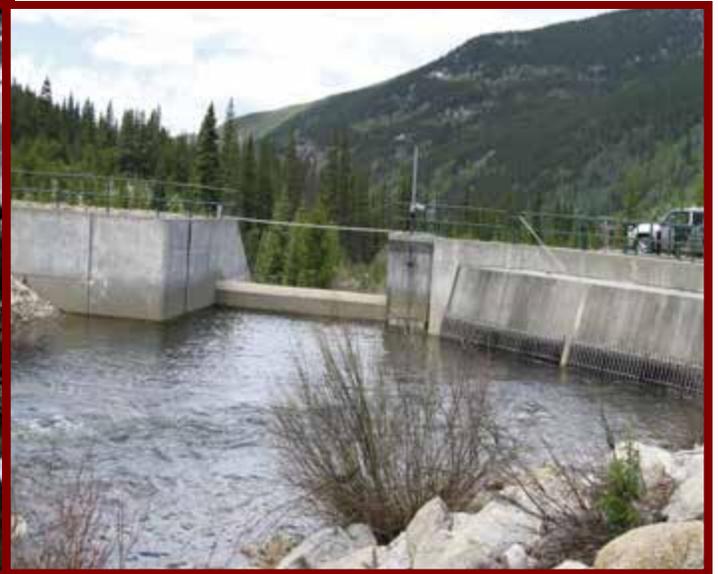
Budget Financials Methodology

The Budget financial section is divided into two parts; (1) a financial analysis of activities and (2) the Budgeted financials for 2014. The first presentation of financials beginning on page 85, is a consolidated view of budgeted activities known as Government-Wide. This budget displays Government Activity in one column and a consolidation of the Business Activity into a second column. These two columns are then consolidated into a

third Government-Wide total column. The subsequent pages gives the reader a full detail of the District revenues and expenditures including 2012 actuals, 2013 Budget, the year-to-date for 2013 and the 2014 Budget. This comparison allows the reader to follow the historical trend of revenue spending. This same presentation will be used for a consolidation of the Water Activity Enterprise. The Enterprise then presents breakouts of each

of the major projects including Hydroelectric Power, Excess Capacity Master Contract, Arkansas Valley Conduit, and Enlargement of Reservoirs.

Copies of the budget publication are available to the public at the District office during normal business hours.



Analysis

2014 Budget

Use of Unrestricted Funds for Capital Outlay Projects and One-Time Expense

| 2014 Capital Outlay Projects and One-Time Expense | GOVERNMENT ACTIVITY FUND | BUSINESS ACTIVITY FUND | GOVERNMENT WIDE |
|--|---------------------------------|-------------------------------|------------------------|
| *Second half of payment for the Red Top Ranch: for the purpose of participating in the east slope water entities efforts to acquire water to fulfill the District's proportionate obligation under the final Programmatic Biological Opinion for Bureau of Reclamation's operations and depletions, other depletions, and funding and implementation of recovery program actions in the Upper Colorado River above the Gunnison River and 10,825 Insurance Pool for successful operation and to ensure non-injury of any water rights. | 1,007,431 | | 1,007,431 |
| *Electronic records system and upgrade exchange server | 20,000 | | 20,000 |
| *Replace Copy Machine | 15,000 | | 15,000 |
| *Replace Automobile | 35,000 | | 35,000 |
| *Restoration of Yield capital expenditure for increased activity in developing new storage | | 10,000 | 10,000 |
| *Capital expenditure for legal engineering for water court cases | | 100,000 | 100,000 |
| *Capital expenditure for Hydroelectric Power project at Pueblo Dam | | 772,867 | 772,867 |
| Total Capital Outlay Projects & One-Time Expense | \$ 1,077,431 | \$ 882,867 | 1,960,298 |

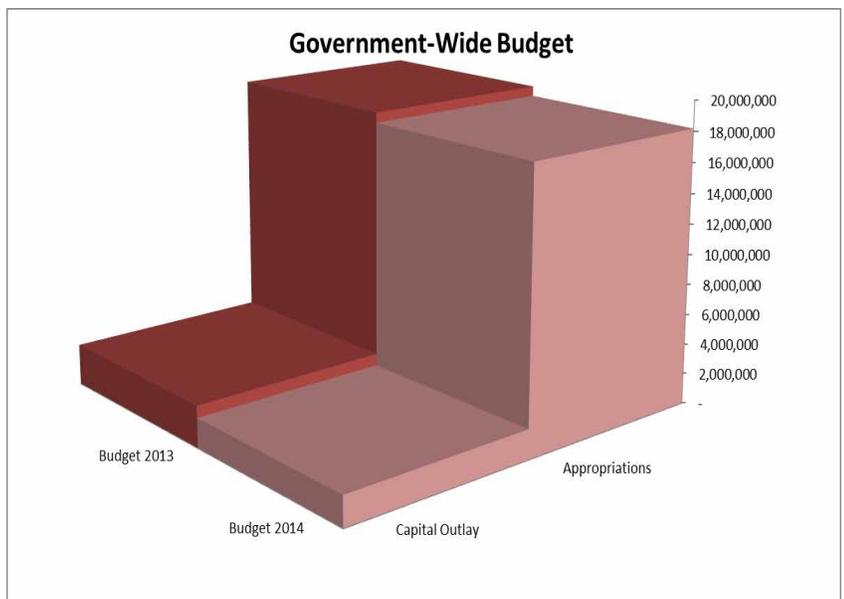
2014 Government Activity Capital Expenditures

The Board of Directors, in an effort to complete strategic projects in a timely manner, has permitted a portion of the fund balance to be assigned to complete these projects.

The 10,825 Project, as described in the section entitled "Colorado River Services", relates to protection of the District's Project water rights. Therefore, the contribution for this program is assigned to the Government (District) fund balance.

In 2013, \$1,940,000 was budgeted for the 10,825 Project. The actual capital expenditures in 2013 was \$1,007,194 to begin funding the implementation of the project. In 2014, \$1,007,431 has been budgeted as the second and final payment of the 10,825 Project for the cost of the designated asset. Other budgeted capital outlay include the replacement of a copy machine at \$15,000 and an older model automobile at a cost of \$35,000. An additional capital expenditure is budgeted at \$20,000 to upgrade the exchange server and electronic records system.

Capital outlay projects in the 2014 budget represents 11 percent of the annual appropriations approved by the Board of Directors.



Building the Future

Business Activity Capital Expenditures

Capital expenditures include costs related to the review and management of legal cases to protect Fry-Ark Project water rights that may be heard in 2014. Legal counsel and staff have budgeted \$100,000 in legal and engineering costs and fees if these cases go to trial. A Restoration of Yield (ROY) capital expenditure of \$10,000 has been budgeted for increased activity in developing new ROY water storage options in 2014.

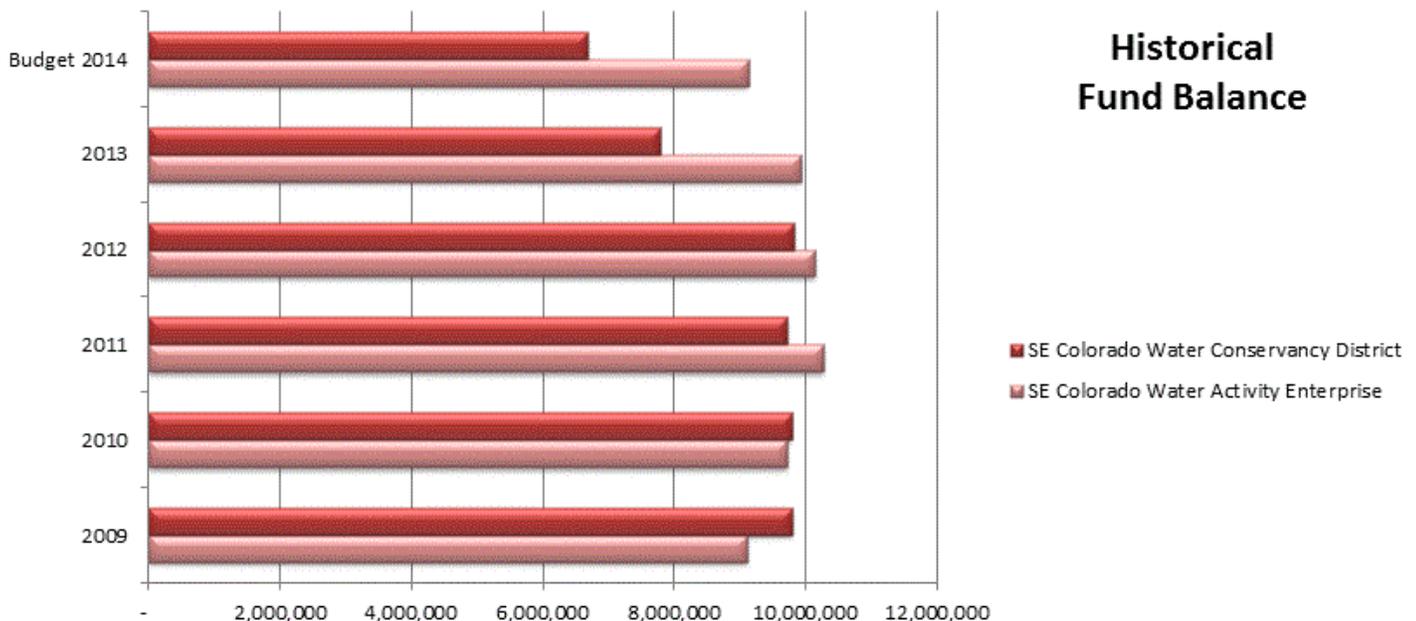
The 2014 capital expenditures also includes the cost to continue and implement the Lease of Power Privilege (LoPP) for hydroelectric power at the Pueblo Dam which is budgeted at \$772,867.

The hydroelectric project capital project has a future high rate of return for the Enterprise. Once a feasibility determination has been made and construction begins, hydroelectric power

will be established as it's own fund. This will allow the sales from power to reimburse the current fund spending within the Business activity. In 2014, staff budgeted \$772,867 for the LoPP in the Enterprise. Fund growth in the Business activity fund is a normal trend in the business activities. The reserves of the Business activity fund continue to grow to assist the funding of future projects for the stakeholders of the Fry-Ark Project. The total of government-wide reserve spending in 2014 is budgeted at \$1,960,298. Historically, a conservative budget ensured fund reserves for future use of Fry-Ark Project development. This fiscal conservation has permitted the District and Enterprise to complete the projects that are in the Strategic Plan, today.

Historical Fund Balance

| | 2009 | 2010 | 2011 | 2012 | 2013 | Budget 2014 |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| SE Colorado Water Conservancy District | 9,795,833 | 9,782,692 | 9,711,705 | 9,820,132 | 7,764,995 | 6,679,915 |
| SE Colorado Water Activity Enterprise | 9,101,516 | 9,715,403 | 10,270,393 | 10,135,390 | 9,927,106 | 9,116,415 |
| Total Balance | \$ 18,897,349 | \$ 19,498,095 | \$ 19,982,098 | \$ 19,955,522 | \$ 17,692,101 | \$ 15,796,330 |



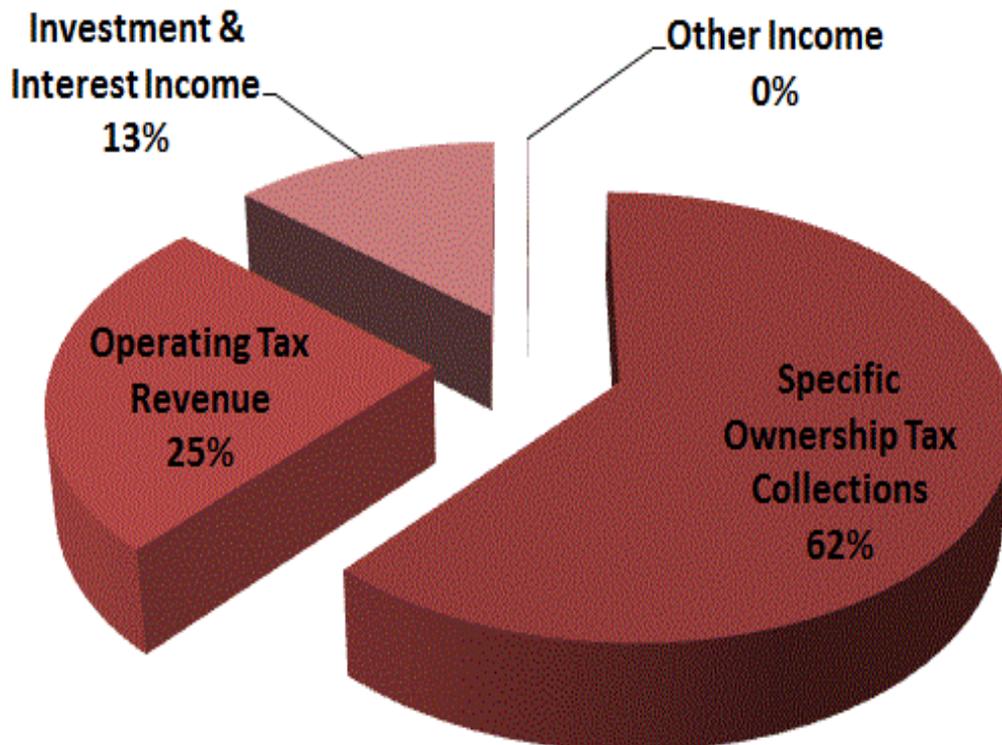
2014 Budget

District Revenue

Operating revenue for the Government fund (District) generally consists of revenue collected from Specific Ownership tax, Operating tax collected through Ad Valorem, Investment revenue, Interest, and Other revenue. The Business activity fund, a consolidation of Enterprise Administration, Hydroelectric Power, Excess Capacity Master Contract, AVC, and Enlargement also reimburses the Government fund for personnel use, facilities and other overhead. This is a strong indicator that the Enterprise projects are moving forward as outlined in the Strategic Plan. Because this is an interfund transaction, Business activity reimbursement is not included in this calculation and analysis. In this way we can analyze the effect of declining economic indicators on the Government fund’s revenue through taxes and investments. Specific Ownership tax also known as personal property tax, continues to decline as consumer spending trends indicate a negative growth rate in related purchases within the nine counties. From the time period of 2009 through 2013, tax revenues decreased 22 percent. El Paso and Pueblo Counties have had the greatest affect with a decline in Specific Ownership taxes.

| SE Colorado Water Conservancy District | 2009 | 2010 | 2011 | 2012 | 2013 YTD | 2014 Budget |
|--|------------------|------------------|----------------|----------------|----------------|------------------|
| Specific Ownership Tax Collections | 724,994 | 668,383 | 593,282 | 568,204 | 567,697 | 625,749 |
| Operating Tax Revenue | 248,037 | 249,337 | 254,371 | 247,362 | 252,277 | 256,507 |
| Investment & Interest Income | 183,348 | 120,390 | 103,607 | 85,003 | (613) | 135,395 |
| Other Income | 947 | 48,355 | 756 | 9,379 | 3,471 | 962 |
| Operating Revenue | 1,157,327 | 1,086,465 | 952,017 | 909,948 | 822,832 | 1,018,613 |

2014 Budget District Operating Revenue



Building the Future

District Revenue (cont.)

Other than Business activity fund reimbursement, Specific Ownership tax is important to the financial operating revenue for the District. Establishing a long-term financial plan that includes stable funding development for the District, this is a key financial strategic goal. By reducing uncertainty in the financial operations of the District, the dependence on economic influences may be reduced.

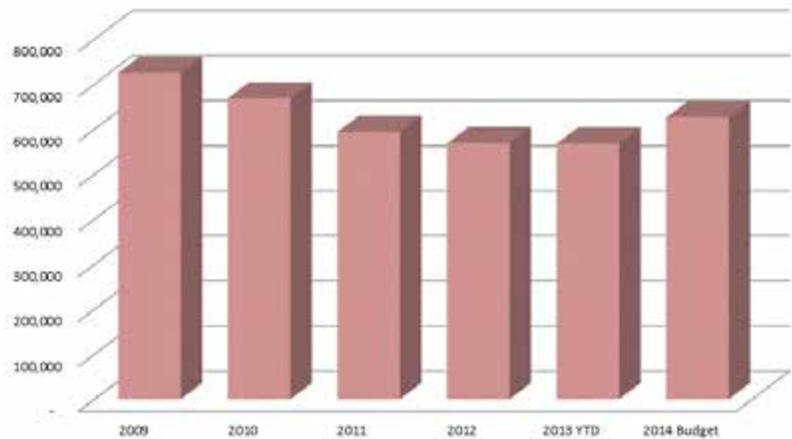
Operating tax has proven to be a very stable stream of revenue. Investment and interest revenue is more volatile based on economic swings. Investment and interest revenue has declined approximately 81 percent between 2009 - 2013.

Future strategic planning will attempt to mitigate the effect that economic volatility has on government budgeting. One important step will be to complete a financial rate study and investigate other revenue streams.

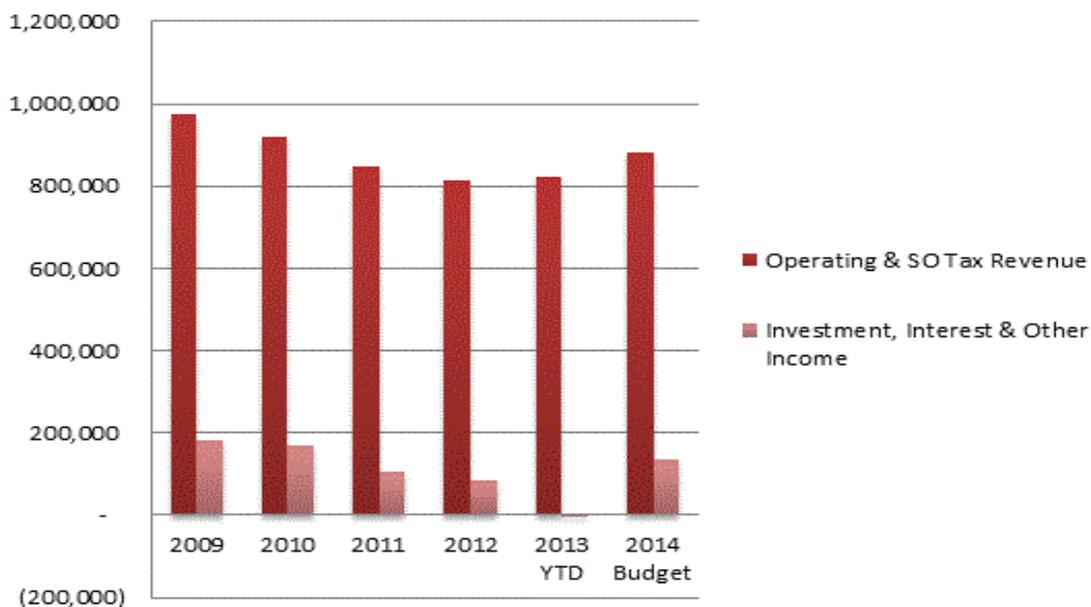
Enterprise reimbursement, the Business activity consolidation, is a direct reflection of the staff's time involvement in the projects within the Enterprise as well as Board policy in determining the percentage of overhead charges relating to the number of reimbursable staff hours. The District Board of Directors has authorized up to 67 percent of personnel and overhead that could be allocated to the Business Activity. In the 2014 Budget, based on the work performed in Hydroelectric Power, Excess Capacity Master Contract, AVC, and Enlargement, as well as staff time in managing our water resources, the percentage is 54 percent of District revenue.

Prior to 2009, Project water allocation was a function of the District. Water is allocated and billed to municipal and agricultural entities. The District remitted the proceeds to Reclamation as a pass-through activity. In 2009, the District and

Specific Ownership Tax Collections



| | 2009 | 2010 | 2011 | 2012 | 2013 YTD | 2014 Budget |
|-------------------------------------|---------|---------|---------|---------|----------|-------------|
| Operating & SO Tax Revenue | 973,032 | 917,720 | 847,653 | 815,566 | 819,974 | 882,256 |
| Investment, Interest & Other Income | 184,296 | 168,745 | 104,363 | 85,003 | (613) | 135,395 |



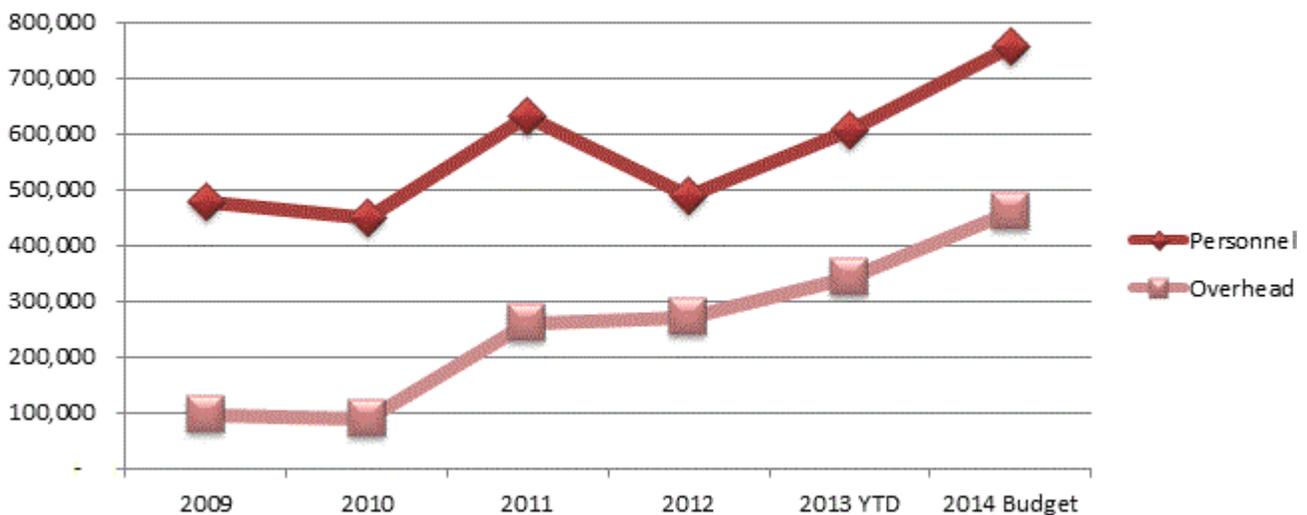
2014 Budget

District Revenue (cont.) Enterprise Reimbursement

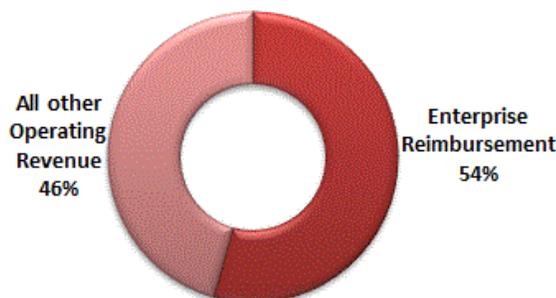
Reclamation modified the original contract 5-07-70-W0086 Amendment No. 9, Article 11 to no longer charge the District \$7.00 per acre-foot for water. Through direction from the Board of Directors, those monies became a revenue stream for the Enterprise. Staff time related to the activities of Project water allocation, billing, receivables, committee reporting, and water management other than District water rights was moved to the Enterprise. The District is an administrative entity. The primary function of the

District is to repay Reclamation for the primary debt, manage accounting pass-through activities, protect the District's water rights, and payroll. Staff time charged to the Enterprise, is reimbursed to the District. Overhead is based upon a percentage calculated from the number of hours worked in each project. Water Activity Enterprise administrative reimbursement from activities that include water allocations, accounting, legal engineering, Colorado River projects, and other tasks make up 73 percent of the 2014

Enterprise Reimbursement



2014 Budget



Building the Future

District Revenue (cont.) Overhead

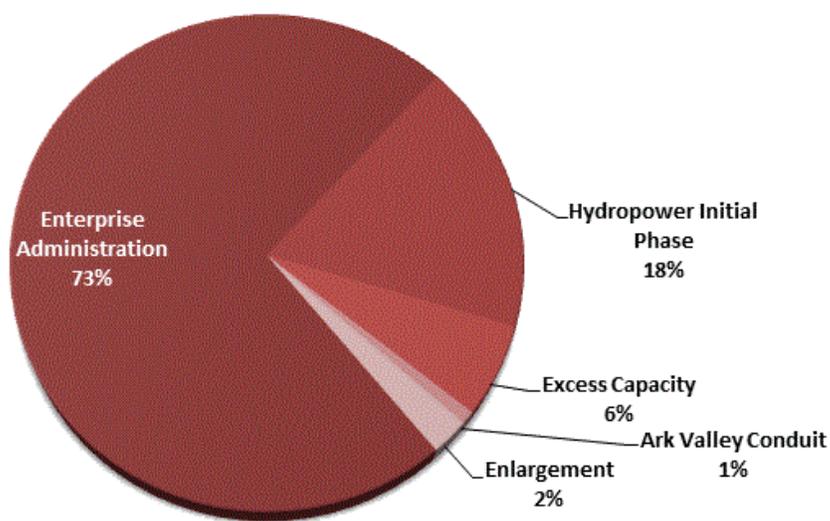
budgeted reimbursement to the District. The work on hydroelectric power is estimated at 18 percent of the reimbursement. Participant reimbursed projects include; Arkansas Valley Conduit at 1 percent, Excess Capacity Master Contract at 6 percent, and Enlargement at 2 percent. The personnel activities budgeted in reimbursable projects are engineering, project coordination, and accounting. The interfund reimbursement has grown by 47 percent from 2009 to Budget 2014. The 2014 budgeted cost for business activity personnel is \$754,807 and overhead is \$459,601. The total 2014 interfund reimbursement to the District is budgeted at \$1,214,408.

The allocated overhead consists of the expenditures listed below:

- * Staff Training, Meetings, Education, and Travel
- * Executive and Board Director Travel and Meetings
- * Outside and Professional Services
- * External Partners, Studies, Water Rights
- * Legal and Engineering
- * Water Education, Sponsorships, Conservation
- * Board Room Meetings and Expense
- * Building and Landscape Expense
- * Liability Insurance
- * Office and Administrative Expense
- * Telephones, Information Technology
- * Automobile Expense and Insurance
- * Allocation of Building Usage

The percentage of personnel and overhead charges from the District based on labor hours is budgeted for each project.

2014 Allocation of Personnel and Overhead By Project



| | |
|---------------------------|-----|
| Enterprise Administration | 73% |
| Hydropower Initial Phase | 18% |
| Excess Capacity | 6% |
| Ark Valley Conduit | 1% |
| Enlargement | 2% |

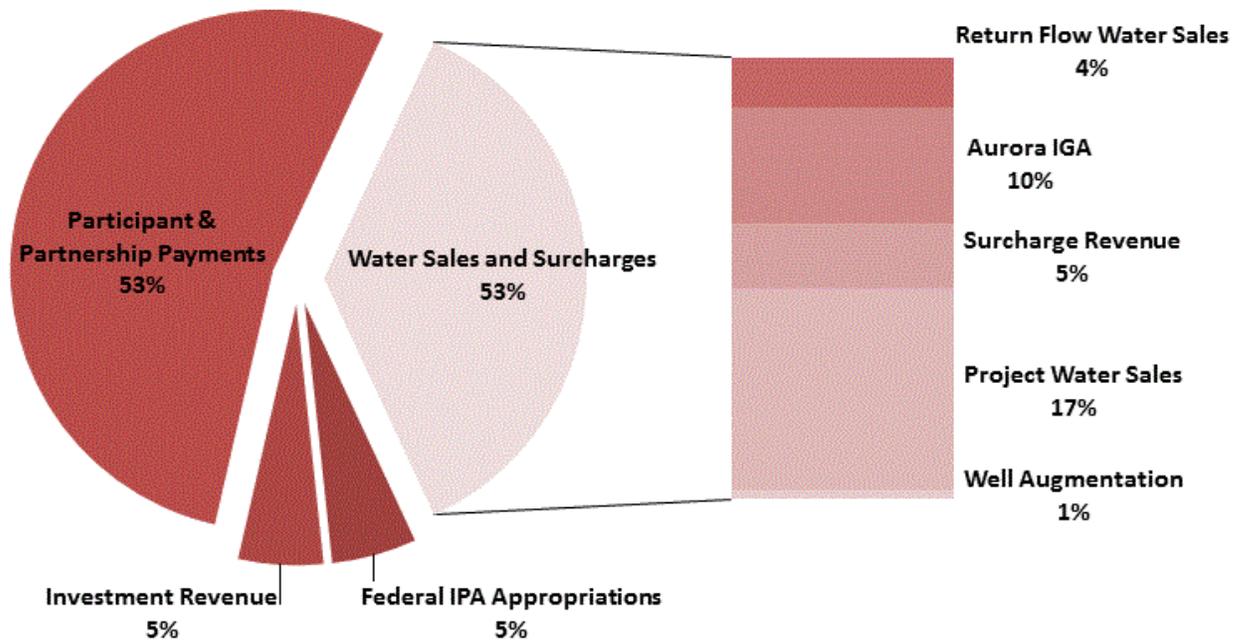
2014 Budget

Enterprise Revenue

Operating revenue for the operations of the Enterprise depends on the import and allocation of Fry-Ark Project water, the related surcharges, storage surcharges, Fry-Ark Project water return flow sales, well augmentation and surcharges, and a contract with City of Aurora for storage in Pueblo Reservoir. The Enterprise benefits from returns on invested funds as well. The District makes in-kind contributions to the AVC to offset administrative expenses charged to the project. For purposes of this analysis, neither inter-fund contributions or participant project payments are included in operating revenues. The largest revenue stream for the Enterprise is the Surcharge revenue. Surcharges includes Safety of Dams and the Water Activity Enterprise surcharge. All Project water and surcharge revenue is relatively volatile based on climatic conditions. Deductions from Project water allocations also are not currently a re-

coverable revenue source. However a strategic analysis is planned by staff to determine ways to stabilize the Project water revenue stream. One stability method was to set aside a three year fund of Project water revenue to minimize the financial impact of drought. On December 31, 2013, the Enterprise had \$812,112 in the Unrestricted Project Water Fund. In 2012, due to drought conditions, the combined financial impact of reduced Project water sales and related surcharges resulted in a deficit of 40 percent under budget. Staff implemented the use of the Unrestricted Project Water Fund to offset the loss in sales. This type of strategic planning has reduced volatility in this revenue stream. Other analysis and studies will determine future strategic opportunities to stabilize revenue flows within the business activities of the government.

2009-2013 Average Business Activity Revenue by Percentage



Building the Future

Participant & Partnership Reimbursement

Entities participating in projects offset related project costs. The most common projects are:

- Excess Capacity Master Contract
- Arkansas Valley Conduit
- Enlargement

The participants in these three projects divide the costs based on their contracts (MOAs) and reimburse the Enterprise for their agreed upon portion of costs. Staff provides financial and other information to the participants keeping them abreast of all knowledge related to the project and it's progress.

Other projects and programs that the Enterprise participates in and contributes to with other partners includes:

- Water Quality Studies
- Recovery Implementation Program
- Colorado River Issues with the Front Range Water Counsel
- Lease Following Administrative Tool
- Water Resources and Policy Management including studies on miscellaneous revenues and excess capacity storage rates

- Colorado Agricultural Meteorological Network
- Colorado Water Institute Scholarship Program
- Restoration of Yield
- Regional Resource Planning Group

District staff maintains records and invoices for each of these programs and projects, pays providers for their services, and then bills the partners and participants for their portion of the related expense. The contributions related to partnerships and participants varies annually based on the work performed in the project or program.

| SE Colorado Water Activity Enterprise | 2009 | 2010 | 2011 | 2012 | 2013 | 2013 Budget | 2014 Budget |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Water Sales and Surcharges | | | | | | | |
| Surcharge Revenue | 398,341 | 532,319 | 474,914 | 375,553 | 366,812 | 398,860 | 359,503 |
| Environmental Stewardship Surcharge | 0 | - | - | - | - | - | 174,476 |
| Project Water Sales | 0 | 337,449 | 555,842 | 69,146 | 262,458 | 320,250 | 308,203 |
| Return Flow Water Sales | 55,536 | 65,134 | 107,010 | 18,831 | 59,087 | 44,172 | 41,922 |
| Well Augmentation | 15,553 | 12,528 | 11,341 | 2,777 | 9,487 | 14,232 | 14,869 |
| Aurora IGA - If & When WAE Fee | 80,000 | 80,000 | 80,000 | 80,000 | 80,000 | 80,000 | 100,000 |
| Aurora IGA - If & When SOD Fee | 20,000 | 20,000 | 20,000 | 20,000 | 20,000 | 20,000 | - |
| Aurora IGA - Admin Fee | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 |
| Total Water Sales and Surcharges | 619,430 | 1,097,430 | 1,299,107 | 616,307 | 847,844 | 927,514 | 1,048,973 |
| Other Revenue | | | | | | | |
| Federal IPA Appropriations & Interfund Reimbursement | - | 45,630 | 99,068 | 76,894 | 40,406 | 63,990 | 22,311 |
| Investment Revenue | 201,239 | 84,223 | 154,801 | 68,826 | (76,111) | 131,115 | 110,682 |
| Participant & Partnership Payments | 539,481 | 876,448 | 1,225,082 | 377,677 | 379,715 | 644,344 | 568,170 |
| Total Other Revenue | 740,720 | 1,006,301 | 1,478,951 | 523,397 | 344,010 | 839,449 | 701,163 |
| Total Operating Income | \$ 1,360,150 | \$ 2,103,731 | \$ 2,778,058 | \$ 1,139,704 | \$ 1,191,854 | \$ 1,766,963 | \$ 1,750,136 |

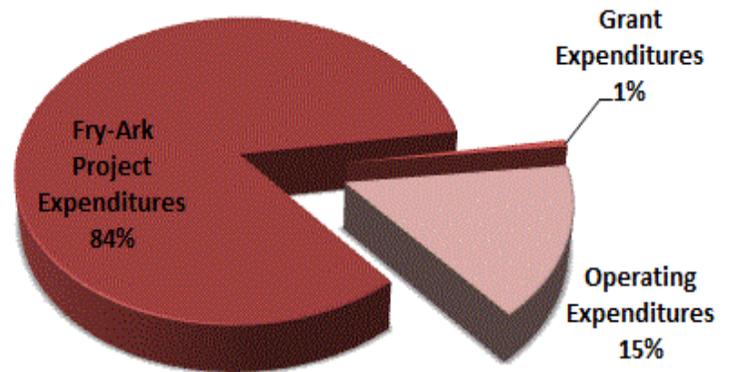
2014 Budget

District Expenditures



View of Pueblo Dam.

2014 District Budget Expenditures



Fry-Ark Expenditures include payment to Reclamation for the following projects:

- Contract repayment of the Fry-Ark Project
- Contract repayment of the Fountain Valley Authority
- Winter water storage by agricultural entities
- Reclamation Reform Act administrative fees

Each of these expenditures is offset by a single-purpose revenue, special revenue fund, or fee. The collection of payments and reimbursing the related debt to Reclamation is by definition, pass-through accounting activities.

- 1) The Fry-Ark Project payment is collected through ad valorem taxes within the nine counties that participate in the Project. The payment is annually reconciled to the tax collections.
- 2) The Fountain Valley Conduit is a project that begins at Pueblo Dam and ends near Academy Boulevard about two miles south of Colorado Springs. The conduit conveys approximately 20,100 acre-feet of Project water annually. The organization financially responsible for the conduit debt is the Fountain Valley Authority that includes the communities of Colorado Springs, Security, Widefield, Stratmoor Hills, and Fountain. Annually in December, Fountain Valley Authority remits payment to the District for the debt on this project.
- 3) Winter water storage is contracted by agricultural entities through Reclamation. It is budgeted each year

based on anticipated storage.

- 4) Reclamation Reform Act administrative fees are charged to the District for errors on RRA forms submitted by landowners in the District. The District bills the related ditch(es) for any fees incurred.

Grant budgeting policy in the District requires grant planning that must meet TABOR requirements. In addition, grant revenue generally equals the expenditure.

Operating expenditure policy requires that expenditures be offset by operating revenue to present a balanced budget. For purposes of consistency, Capital Outlay is excluded from this analysis of operating expenditures. The overall financial activity of the District remains consistent and conservative. A reduction to outside and professional services has offset increases to staff payroll and benefits. The overall affect of increasing personnel to accelerate the development and implementation of projects has been beneficial in the financial key results in the Strategic Plan.

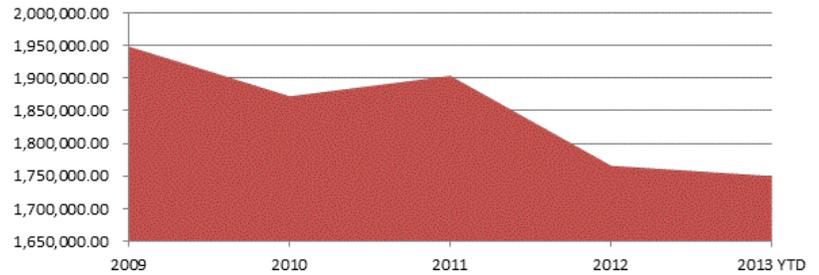
In 2014, the largest planned expenditure of the operating budget is Human Resources that includes payroll, benefits, and Human Resources administrative fees. This averages out to about 65 percent of the annual expenditure. In 2014, the Interfund Reimbursement for Services from the Enterprise reimburses 84 percent of the Human Resources costs to the District. The next largest expense is outside and professional services at an average of 15 percent of the budg-

Building the Future

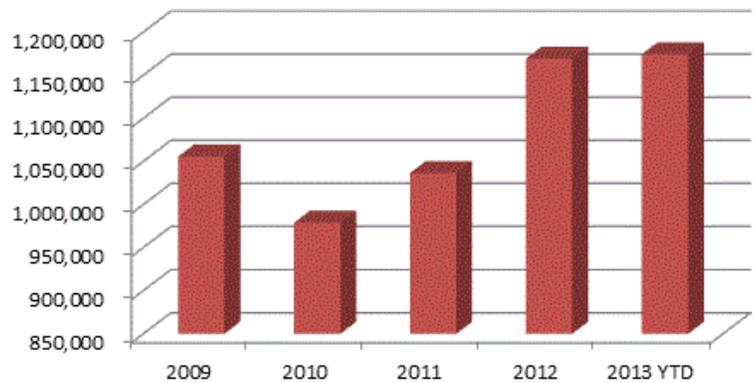
District Expenditure (continued)

et. This category includes the audit, outside engineering consultants, and general attorney fees and related expense. The outside services cost has been reduced 39 percent by hiring an in-house general counsel beginning in 2012. Building and landscape expense, insurance, office supplies, janitorial, utilities and other administrative expense, telephones and information technology, and automobiles and related insurance total 12 percent of the operating budget on average. Staff training, education, meetings travel, and executive and director meetings and travel make up an additional 5 percent of the budget. Operating expenditures have risen over the past five years. Strategically the District is making a greater investment into the Enterprise projects, by hiring expert personnel in engineering and water law, to assist with the development and implementation of these projects. When all other operating expenditures other than the cost of personnel are evaluated independently, they indicate no increase to the annual appropriations and paradoxically indicate a decrease in spending. Wages and related benefits costs are proportionately reimbursable through the Enterprise.

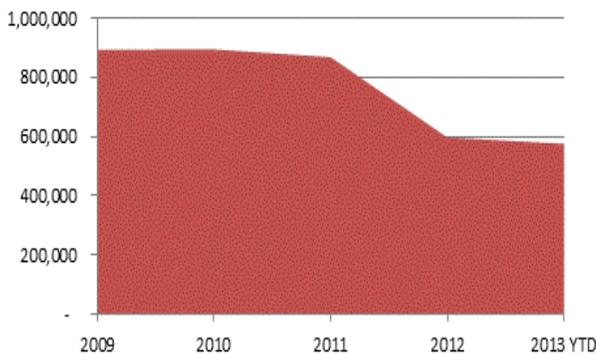
2009 - 2013 Government Activity Operating Expenditures



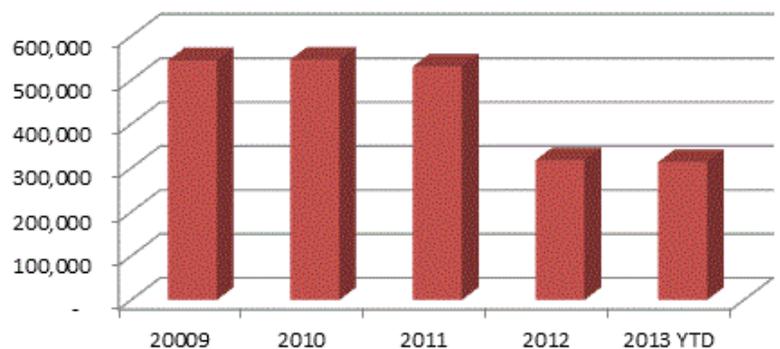
2009 - 2013 Payroll and Benefits



2009 - 2013 Operating costs without Payroll & Benefits



2009 - 2013 Outside and Professional Services



2014 Budget

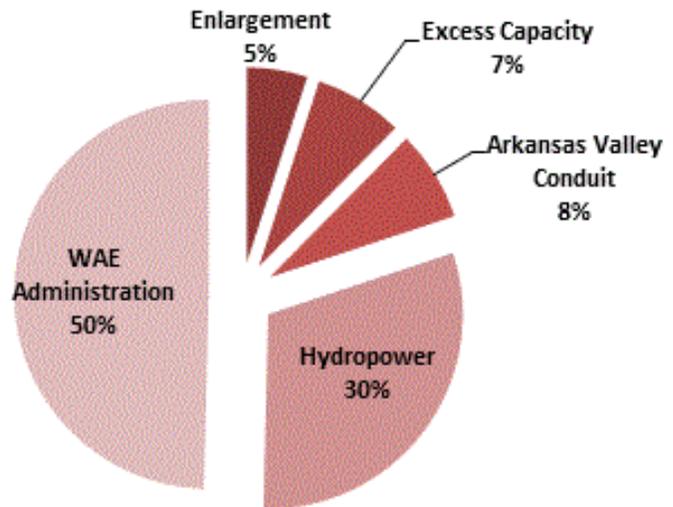
Enterprise Expenditure

The 2014 budgeted expenditures for the Enterprise is \$2,819,807. This includes grant, operating, and capital outlay expenditures.

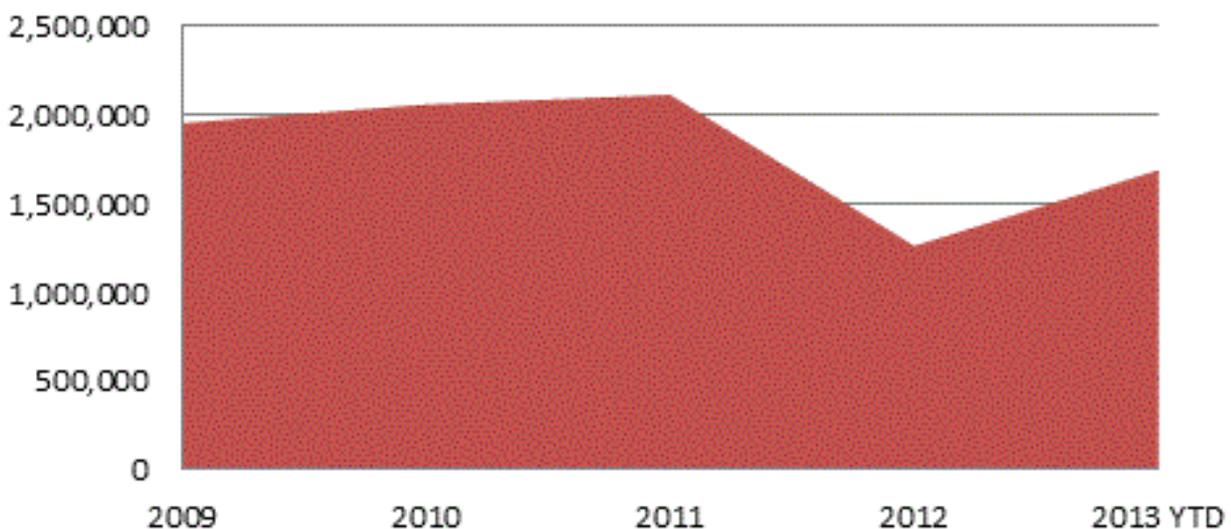
The Enterprise may be divided by the following programs and projects in order of expenditure: Water Activity Enterprise Administration (WAE), Hydroelectric Power, Arkansas Valley Conduit, Long-Term Excess Capacity Master Contract, and Enlargement. The work done in WAE includes water management, water policy, engineering, legal, financial and accounting, various studies, and repayment of the Safety of Dams debt. In 2014, these activities account for 50 percent of the business activity budgeted operating expenditure.

More than 35 percent of the operating expenditures is reimbursed by project participants and partners. The largest expense is the project personnel and overhead reimbursement to the District. This totals 44 percent of the appropriation when including the capital project, Hydroelectric power. The Enterprise appropriation is directly related to the activity within the projects as previously discussed throughout this document.

2014 Budget Business Activity Expenditures

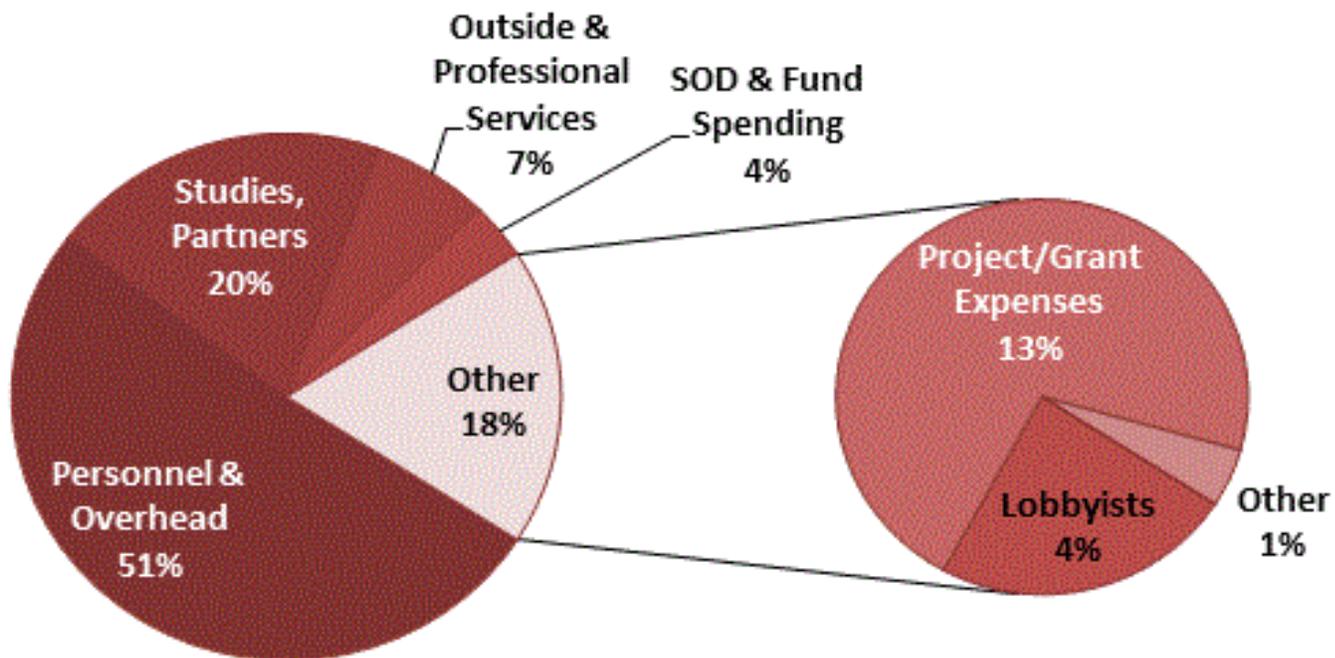


2009 - 2013 Business Activity Operating Expenditures



Enterprise Expenditure (continued)

**2014 Budget Business Activity
Expenditure Detail**



In examination of the historical administrative activities of WAE, an increase is indicative of the increased activity of administration. These activities are directly related to water management and allocations based on an amendment to the primary contract as discussed on page 76. Other future increases may be anticipated in three projects; Hydroelectric Power, Arkansas Valley Conduit, and Enlargement of Pueblo Reservoir. The project nearest completion date is Hydroelectric Power. This project has an annualized future payback from energy sales revenue once completed. Staff currently anticipates 2016 as a target year for the plant to go online. Arkansas Valley Conduit has completed the NEPA

process. A target date for further development of AVC remains dependent on continued legislative efforts. Partners in the Enlargement of Pueblo and Turquoise Reservoirs have not yet begun a NEPA process to examine the environmental feasibility of the project. At this time, staff is unable to establish a target date for development and will continue legislative efforts to begin the process. As the development of the Fry-Ark Project continues through the current scope of the Strategic Plan, staff anticipates continual growth in spending. This spending will be offset by a financial and investment plan that will continue to establish a long-term and stable funding mechanism for the Enterprise.





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Southeastern Colorado Water Conservancy District
2014 Adopted Budget
Government-Wide

| Government-Wide | GOVERNMENT ACTIVITY FUND | BUSINESS ACTIVITY FUND | GOVERNMENT WIDE |
|---|-------------------------------------|-----------------------------------|----------------------------|
| <u>Fry-Ark Repayment Activity</u> | | | |
| Fry-Ark Project Revenue | | | |
| Contract Mill Levy Collections | 6,595,892 | - | 6,595,892 |
| Abatement and Refund of Tax Collections | 36,644 | - | 36,644 |
| Prior Year Tax | (1,443) | - | (1,443) |
| County Collection Fees | (111,000) | - | (111,000) |
| <i>Total Tax Collection</i> | 6,520,093 | - | 6,520,093 |
| Fountain Valley Authority | 5,352,760 | - | 5,352,760 |
| Winter Water Storage | 112,000 | - | 112,000 |
| Collection of RRA Fees | 2,000 | - | 2,000 |
| <i>Total Fry-Ark Project Revenue</i> | 11,986,853 | - | 11,986,853 |
| Fry-Ark Project Expenditures | | | |
| Contract Payments | 6,520,093 | - | 6,520,093 |
| Fountain Valley Authority | 5,352,760 | - | 5,352,760 |
| Winter Water Storage | 112,000 | - | 112,000 |
| RRA Fees | 2,000 | - | 2,000 |
| <i>Total Fry-Ark Project Expenditures</i> | 11,986,853 | - | 11,986,853 |
| Total Fry-Ark Repayment Activity | - | - | - |
| Grant Revenue | | | |
| State & Local | - | 162,980 | 162,980 |
| Federal | - | 40,000 | 40,000 |
| Contingency | 100,000 | 50,000 | 150,000 |
| <i>Total Grant Revenue</i> | 100,000 | 252,980 | 352,980 |
| Grant Expenditures | | | |
| Project/Grant Expenses | - | 202,980 | 202,980 |
| Contingency - Grants | 100,000 | 50,000 | 150,000 |
| <i>Total Grant Expenditures</i> | 100,000 | 252,980 | 352,980 |
| Total Grant Activity | - | - | - |
| <u>Operating Revenue by Fund</u> | | | |
| Operating Tax Revenue | | | |
| Specific Ownership Tax Collections | 625,749 | - | 625,749 |
| Operating Tax Revenue | 256,507 | - | 256,507 |
| <i>Total Operating Tax Revenue</i> | 882,256 | - | 882,256 |
| Project Water Sales | - | 364,994 | 364,994 |
| Surcharges and Water Fees | - | 683,979 | 683,979 |
| <i>Total Water Sales & Surcharges</i> | - | 1,048,973 | 1,048,973 |
| Participant Payments | - | 464,170 | 464,170 |
| Interfund Reimbursement for Services | 1,214,408 | 22,311 | 1,236,719 |
| Investment Revenue | 135,395 | 110,682 | 246,077 |
| Partnership Contributions | - | 110,000 | 110,000 |
| Other Revenue | 962 | - | 962 |
| Total Operating Revenue | 2,233,021 | 1,756,136 | 3,989,157 |
| Total Fund Revenue | \$ 14,319,874 | \$ 2,009,116 | \$ 16,328,990 |

**Southeastern Colorado Water Conservancy District
2014 Adopted Budget
Government-Wide**

| Government Wide | DISTRICT FUND | ENTERPRISE FUND | GOVERNMENT WIDE |
|--|--------------------------|----------------------------|----------------------------|
| <u>Operating Expenditures</u> | | | |
| Human Resources | 1,445,920 | - | 1,445,920 |
| Staff Training, Meetings, Education and Travel | 75,788 | 5,495 | 81,283 |
| Executive, Director Travel and Meetings | 39,400 | 16,660 | 56,060 |
| Outside and Professional Services | 339,200 | 140,200 | 479,400 |
| Lobbyists | 30,000 | 80,600 | 110,600 |
| External Partners, Studies, Water Rights | 12,000 | 380,533 | 392,533 |
| Legal and Engineering | 25,000 | - | 25,000 |
| Water Education, Sponsorships, Conservation | 15,747 | - | 15,747 |
| Board Room Meetings and Expense | 16,800 | - | 16,800 |
| Building and Landscape Expense | 45,342 | - | 45,342 |
| Insurance | 20,350 | - | 20,350 |
| Automobile Expense and Insurance | 6,000 | - | 6,000 |
| Interest Expense | - | - | - |
| Office and Administrative Expense | 90,775 | 120 | 90,895 |
| Telephones, Information Technology | 58,348 | - | 58,348 |
| Capital Improvements - Safety of Dams | - | 60,000 | 60,000 |
| Personnel and Overhead | - | 998,041 | 998,041 |
| Project Matching Contribution | 20,000 | 2,311 | 22,311 |
| Total Operating Expenditures | \$ 2,240,670 | \$ 1,683,960 | \$ 3,924,630 |
| Capital Outlay | 1,077,431 | 882,867 | \$ 1,960,298 |
| Revenue 2014 Budget | \$ 14,319,874 | \$ 2,009,116 | \$ 16,328,990 |
| Requested Expenditure for 2014 Budget | \$ 15,404,954 | \$ 2,819,807 | \$ 18,224,760 |
| Revenues Minus Expenditures | \$ (1,085,080) | \$ (810,691) | \$ (1,895,770) |
| Fund Balance Summary | | | |
| 2012 Audited Ending Fund Balance | \$ 9,820,132 | \$ 10,135,390 | \$ 19,955,522 |
| 2013 EOY Add/Sub to Fund Balance | \$ (2,055,137) | \$ (208,284) | \$ (2,263,421) |
| 2013 Projected Ending Fund Balance | \$ 7,764,995 | \$ 9,927,106 | \$ 17,692,101 |
| Additions to Fund Balance | \$ - | \$ - | \$ - |
| Subtractions From Fund Balance | \$ (1,085,080) | \$ (810,691) | \$ (1,895,770) |
| 2014 Projected Ending Fund Balance | \$ 6,679,915 | \$ 9,116,415 | \$ 15,796,331 |

**Southeastern Colorado Water Conservancy District
2014 Adopted Budget
Government-Wide**

| Government-Wide | GOVERNMENT ACTIVITY FUND | BUSINESS ACTIVITY FUND | GOVERNMENT WIDE |
|--|-------------------------------------|-----------------------------------|----------------------------|
| *Second half of payment for the Red Top Ranch: for the purpose of participating in the east slope water entities efforts to acquire water to fulfill the District's proportionate obligation under the final programmatic biological opinion for Bureau of Reclamation's operations and depletions, other depletions, and funding and implementation of recovery program actions in the Upper Colorado River above the Gunnison River and 10,825 Insurance Pool for successful operation and to ensure non-injury of any water rights. | 1,007,431 | | 1,007,431 |
| *Electronic records system and upgrade exchange server | 20,000 | | 20,000 |
| *Replace Copy Machine | 15,000 | | 15,000 |
| *Replace Automobile | 35,000 | | 35,000 |
| *Recovery of Yield capital expenditure for increased activity in developing new storage | | 10,000 | 10,000 |
| *Capital expenditure for legal engineering for water court cases | | 100,000 | 100,000 |
| *Capital expenditure for Hydroelectric Power project at Pueblo Dam | | 772,867 | 772,867 |
| Total Capital Outlay Projects & One Time Expense | \$ 1,077,431 | \$ 882,867 | 1,960,298 |

Southeastern Colorado Water Conservancy District
2014 Adopted Budget
Government Activity

| Government Activity | 2012 | 2013 | 2013 | 2014 |
|---|-------------------|-------------------|-------------------|-------------------|
| | Actual | Budget | YTD | Budget |
| Fry-Ark Project Revenue | | | | |
| Tax Collections | | | | |
| Fry-Ark Project - USBR | | | | |
| Contract Mill Levy Collections | 6,351,789 | 6,521,466 | 6,479,351 | 6,595,892 |
| Abatement and Refund of Tax Collections | 92,298 | 65,215 | 81,223 | 36,644 |
| Prior Year Tax | (4,314) | (15,000) | (2,703) | (1,443) |
| County Collection Fees | (111,945) | (116,000) | (112,795) | (111,000) |
| Total Tax Collections | 6,327,828 | 6,455,681 | 6,445,076 | 6,520,093 |
| Fountain Valley Authority | 5,353,598 | 5,352,760 | 5,353,464 | 5,352,760 |
| Winter Water Storage | 118,038 | 126,000 | 61,552 | 112,000 |
| Collection of RRA Fees | | | | |
| Fry-Ark Project - RRA (USBR) | 2,858 | 2,000 | 23 | 2,000 |
| Total Fry-Ark Project Revenue | 11,802,322 | 11,936,441 | 11,860,115 | 11,986,853 |
| Fry-Ark Project Expenditures | | | | |
| Total Contract Payments | 6,324,104 | 6,455,681 | 6,479,351 | 6,520,093 |
| Fountain Valley Authority | | | | |
| Total Fountain Valley Authority | 5,353,598 | 5,352,760 | 5,353,464 | 5,352,760 |
| Winter Water Storage | | | | |
| Fry-Ark Project - USBR | 118,038 | 126,000 | 61,552 | 112,000 |
| Total Winter Water Storage | 118,038 | 126,000 | 61,552 | 112,000 |
| RRA Fees | | | | |
| Reclamation Reform Act Audit | 2,881 | 2,000 | - | 2,000 |
| Total RRA Fees | 2,881 | 2,000 | - | 2,000 |
| Total Fry-Ark Project Expenditures | 11,798,621 | 11,936,441 | 11,894,367 | 11,986,853 |
| Total Fry-Ark Revenues Over (Under) Expenditures | 3,701 | - | (34,252) | - |
| Grant Revenue | | | | |
| State | | | | |
| Grant Revenue State/Local | 10,010 | 72,500 | 19,996 | |
| Grant Revenue - Contingency | - | 50,000 | | 100,000 |
| Total State | 10,010 | 122,500 | 19,996 | 100,000 |
| Federal | | | | |
| Total Federal | - | - | - | - |
| Total Grant Revenue | 10,010 | 122,500 | 19,996 | 100,000 |
| Grant Expenditures | | | | |
| Expenditures | | | | |
| Project/Grant Expenses | 10,010 | 72,500 | 19,996 | |
| Contingency - Grants | - | 50,000 | | 100,000 |
| Total Expenditures | 10,010 | 122,500 | 19,996 | 100,000 |
| Total Grant Expenditures | 10,010 | 122,500 | 19,996 | 100,000 |
| Total Grant Activity | - | - | - | - |
| Operating Revenue | | | | |
| Specific Ownership Tax Collections | 568,204 | 585,000 | 567,697 | 625,749 |
| Operating Tax Revenue | 247,362 | 253,613 | 252,277 | 256,507 |
| Total Operating Tax Revenue | 815,566 | 838,613 | 819,974 | 882,256 |
| Interfund Reimbursements | | | | |
| Enterprise Admin Reimbursement | 950,238 | 1,175,892 | 947,001 | 1,214,408 |
| Total Interfund Reimbursements | 950,238 | 1,175,892 | 947,001 | 1,214,408 |

**Southeastern Colorado Water Conservancy District
2014 Adopted Budget
Government Activity**

| Government Activity | 2012 Actual | 2013 Budget | 2013 YTD | 2014 Budget |
|---|------------------------|------------------------|---------------------|------------------------|
| Investment Revenue | | | | |
| Interest Income | 12,358 | 6,645 | 12,814 | 6,645 |
| Income to Fair Market Adjust | (41,550) | 33,681 | (103,228) | 25,500 |
| Interest on Bonds | 114,195 | 94,000 | 89,801 | 103,250 |
| Total Investment Revenue | 85,003 | 134,326 | (613) | 135,395 |
| Other Revenue | | | | |
| Miscellaneous Revenue | 8,916 | | | |
| Room Rental and Services | - | 100 | 1,549 | 100 |
| Xeriscape Tour and Materials Sale | 463 | 600 | 600 | 862 |
| Total Other Revenue | 9,379 | 700 | 3,471 | 962 |
| Total Operating Revenue | 1,860,186 | 2,149,531 | 1,769,833 | 2,233,021 |
| Operating Expenditures | | | | |
| Human Resources | | | | |
| Staff Payroll | 810,295 | 923,900 | 796,055 | 973,900 |
| Incentive/Performance Capacity | 20,139 | 33,000 | 30,458 | 33,000 |
| Directors Payroll | 36,000 | 36,000 | 36,000 | 36,000 |
| Payroll Taxes | 58,872 | 65,715 | 58,731 | 65,715 |
| HSA Contributions | 21,000 | 23,050 | 19,750 | 32,144 |
| 401 Retirement Contribution | 103,677 | 125,738 | 111,166 | 125,738 |
| 457 Retirement Contribution | 40,214 | 45,535 | 39,572 | 45,535 |
| Health Insurance | 44,857 | 59,199 | 49,675 | 94,908 |
| Reimburse Health Insurance | 5,067 | 4,620 | 4,505 | 4,620 |
| Life Ins - Staff & Directors | 6,780 | 6,648 | 6,585 | 6,648 |
| Medical Reimbursement Expense | 3,226 | 4,950 | 1,590 | 4,950 |
| LT Disability Ins | 4,112 | 5,123 | 4,423 | 5,123 |
| Employee Assistance Program | 585 | 824 | 565 | 824 |
| Dental Insurance | 5,603 | 7,270 | 5,701 | 7,270 |
| Vision Insurance | 1,183 | 1,508 | 1,146 | 1,508 |
| Worker's Compensation Insurance | 3,435 | 4,438 | 3,598 | 4,438 |
| Admin Fees for Human Resources | 4,194 | 3,600 | 4,796 | 3,600 |
| Total Human Resources | 1,169,239 | 1,351,117 | 1,174,316 | 1,445,920 |
| Staff Training, Meetings, Education and Travel | | | | |
| Meeting Expense | 443 | 3,250 | 1,807 | 1,920 |
| Staff Business Travel | 87,171 | 40,435 | 12,582 | 43,868 |
| Staff Ed - Registrations | 84,226 | 42,528 | 16,725 | 30,000 |
| Total Staff Training, Meetings, Education and Travel | 171,840 | 86,213 | 31,114 | 75,788 |
| Executive, Director Travel and Meetings | | | | |
| Directors Travel and Meals | 23,172 | 25,800 | 18,100 | 26,800 |
| Executive Travel and Meals | 10,612 | 12,600 | 8,296 | 12,600 |
| Total Executive, Director Travel and Meetings | 33,784 | 38,400 | 26,396 | 39,400 |
| Outside and Professional Services | | | | |
| Annual Audit | 11,231 | 12,000 | 12,760 | 14,000 |
| Consultant HR Breadbasket | 5,000 | - | - | - |
| Legal Representation | 300,000 | 300,000 | 300,000 | 300,000 |
| Water Policy Management Consultants | 1,960 | 5,000 | 943 | 15,000 |
| Engineering Legal Consultants | - | 20,000 | - | - |
| Engineering Outside Contracts | - | 10,000 | - | 10,000 |
| Legal Travel Expense | - | 500 | 49 | 200 |
| Total Outside and Professional Services | 318,191 | 347,500 | 313,752 | 339,200 |
| Lobbyists | | | | |
| Consultant/Lobbying Services - Federal | 21,654 | 30,000 | 20,104 | 30,000 |
| Total Lobbyists | 21,654 | 30,000 | 20,104 | 30,000 |

Southeastern Colorado Water Conservancy District
2014 Adopted Budget
Government Activity

| Government Activity | 2012 | 2013 | 2013 | 2014 |
|--|-------------------|--------------------|--------------------|--------------------|
| | Actual | Budget | YTD | Budget |
| External Partners, Studies, Water Rights | | | | |
| Colorado River Negotiations | - | 12,000 | 1,220 | 12,000 |
| USGS Co-op Program | - | | 33,940 | |
| Total External Partners, Studies, Water Rights | - | 12,000 | 35,160 | 12,000 |
| Legal and Engineering | | | | |
| Legal Expense - In House | - | 35,000 | 2,500 | 25,000 |
| Engineering Expense | 193 | | - | |
| Total Legal and Engineering | 193 | 35,000 | 2,500 | 25,000 |
| Water Education, Sponsorships, Conservation | | | | |
| Children's Water Festival | 1,218 | 1,000 | 1,000 | 1,200 |
| Conservation - Irrigation Technology | 48 | 50 | 48 | 50 |
| Conservation - Education | 2,389 | | | |
| Xeriscape Garden Tours | 242 | 670 | 520 | 670 |
| District Special Events | 13,902 | | - | |
| Fry-Ark Tours | - | 10,000 | - | 10,000 |
| Sponsorships, Exhibits & Ads | 1,331 | 3,800 | 1,726 | 1,775 |
| Xeriscape Ed Programs & Publications | 5 | | | 2,052 |
| Total Water Education, Sponsorships, Conservation | 19,135 | 15,520 | 3,294 | 15,747 |
| Board Room Meetings and Expense | | | | |
| Board Room Expense | | | | 200 |
| Board Meetings and Expense | 10,815 | 15,400 | 5,670 | 16,600 |
| Total Board Room Meetings and Expense | 10,815 | 15,400 | 5,670 | 16,800 |
| Building and Landscape Expense | | | | |
| Total Building and Landscape Expense | 33,947 | 38,968 | 32,842 | 45,342 |
| Insurance | | | | |
| Total Insurance | 16,265 | 19,178 | 19,178 | 20,350 |
| Office and Administrative Expense | | | | |
| Office and Administrative General Expense | 24,236 | 42,341 | 20,489 | 40,775 |
| Contingency - Operating | - | 50,000 | | 50,000 |
| Total Office and Administrative Expense | 24,236 | 92,341 | 20,489 | 90,775 |
| Telephones, Information Technology | | | | |
| Total Telephones, Information Technology | 33,654 | 42,828 | 39,609 | 58,348 |
| Automobile Expense and Insurance | | | | |
| Insurance - Automobile | 3,401 | 1,553 | 1,764 | 2,000 |
| Vehicle Maintenance | 5,512 | 4,000 | 3,720 | 4,000 |
| Total Automobile Expense and Insurance | 8,913 | 5,553 | 5,484 | 6,000 |
| Other Payments | | | | |
| AVC Contribution | 20,000 | 20,000 | 20,000 | 20,000 |
| Total Other Payments | 20,000 | 20,000 | 20,000 | 20,000 |
| Total Operating Expenditures | 1,910,113 | 2,150,019 | 2,770,313 | 2,240,670 |
| | | | | |
| Capital Outlay and Improvements | | | | |
| Capital Outlay - Automobile | | - | | 35,000 |
| Capital Outlay - Copier | - | | - | 15,000 |
| Capital Outlay - Information System | 28,247 | 10,000 | 9,380 | 20,000 |
| Capital Outlay - 10825 | - | 1,940,000 | 1,011,025 | 1,007,431 |
| Total Capital Outlay and Improvements | 28,247 | 1,950,000 | 1,020,405 | 1,077,431 |
| | | | | |
| Revenues | 13,672,518 | 14,208,472 | 13,649,944 | 14,319,874 |
| Expenditures | 13,746,991 | 16,158,960 | 15,705,081 | 15,404,954 |
| Revenues Minus Expenditures | (74,473) | (1,950,488) | (2,055,137) | (1,085,080) |

Southeastern Colorado Water Conservancy District
2014 Adopted Budget
SE Colorado Water Activity Enterprise

| Business Activity Consolidated | 2012 Actual | 2013 Total Budget | 2013 YTD | 2014 Total Budget |
|---|------------------------|------------------------------|---------------------|------------------------------|
| Grant Revenue | | | | |
| State | | | | |
| Grant Revenue State/Local | 78,824 | 78,750 | 54,874 | 162,980 |
| Grant Revenue - Contingency | - | 100,000 | - | 50,000 |
| Grant Revenue - Federal | | 33,000 | 4,892 | 40,000 |
| Total | 78,824 | 211,750 | 59,766 | 252,980 |
| Total Grant Revenue | 78,824 | 211,750 | 59,766 | 252,980 |
| Grant Expenditures | | | | |
| Total Expenditures | 78,824 | 211,750 | 59,766 | 252,980 |
| Total Grant Expenditures | 78,824 | 211,750 | 59,766 | 252,980 |
| Total Grant Activity | - | - | - | - |
| Operating Revenue | | | | |
| Water Sales and Surcharges | | | | |
| Return Flow Water Sales | 18,831 | 44,172 | 59,087 | 41,922 |
| Well Augmentation | 2,777 | 14,232 | 9,487 | 14,869 |
| Surcharge Revenue | 375,553 | 398,860 | 366,812 | 359,503 |
| Surcharge Revenue - Enviro Stewardship | | | | 174,476 |
| Aurora IGA | 150,000 | 150,000 | 150,000 | 150,000 |
| Project Water Sales | 69,146 | 320,250 | 262,458 | 308,203 |
| Total Water Sales and Surcharges | 616,307 | 927,514 | 847,844 | 1,048,973 |
| Participant Payments | | | | |
| Total Participant Payments | 200,682 | 488,557 | 269,715 | 458,170 |
| Interfund Reimbursements | | | | |
| Total Interfund Reimbursements | 8,312 | 22,384 | 2,863 | 22,311 |
| Investment Revenue | | | | |
| Interest Income | 1,471 | 1,365 | 502 | 432 |
| Income to Fair Market Adjust | (17,333) | 14,000 | (162,382) | 13,000 |
| Interest on Bonds | 84,688 | 115,750 | 85,769 | 97,250 |
| Total Investment Revenue | 68,826 | 131,115 | (76,111) | 110,682 |
| Partnership Contributions | | | | |
| Federal Revenue - IPA & Appropriations | 76,894 | 41,606 | 37,543 | - |
| Water Policy Partnership Payments | 33,683 | 25,417 | | - |
| Regional Resource Planning Payments | 135,000 | 130,370 | 110,000 | 110,000 |
| Total Partnership Contributions | 245,577 | 197,393 | 147,543 | 110,000 |
| Total Operating Revenue | 1,139,704 | 1,766,963 | 1,191,854 | 1,750,136 |
| Operating Expenditures | | | | |
| Staff Training, Meetings, Education and Travel | | | | |
| Meeting Expense | 475 | 1,000 | 68 | 1,000 |
| Meeting Meals | 290 | 1,000 | 165 | 1,000 |
| Staff Business - District Vehicle Gas | 952 | 2,025 | 127 | 1,125 |
| Staff Business - Hotel | 612 | 1,570 | 757 | 1,570 |
| Staff Business - Meals | 344 | 920 | 299 | 800 |
| Staff Business - Other Travel | 366 | | | |
| Staff Business - Airfare | 408 | | | |
| Total Staff Training, Meetings, Education and Travel | 3,447 | 6,515 | 1,416 | 5,495 |
| Executive, Director Travel and Meetings | | | | |
| Directors Travel Expense and Meals | 1,353 | 6,480 | 2,176 | 8,530 |
| Executive Travel Expense and Meals | 920 | 4,460 | 2,284 | 8,130 |
| Total Executive, Director Travel and Meetings | 2,273 | 10,940 | 4,460 | 16,660 |

Southeastern Colorado Water Conservancy District
2014 Adopted Budget
SE Colorado Water Activity Enterprise

| Business Activity Consolidated | 2012 Actual | 2013 Total Budget | 2013 YTD | 2014 Total Budget |
|---|------------------|----------------------|------------------|----------------------|
| Outside and Professional Services | | | | |
| Annual Audit | 20,246 | 24,700 | 26,204 | 27,800 |
| Water Policy Management Consultants | 57,039 | 35,000 | 10,849 | 52,400 |
| Engineering Legal Consultants | 25,599 | 7,000 | 77,447 | 5,000 |
| Engineering Outside Contracts | 689 | 55,000 | 14,397 | 55,000 |
| Total Outside and Professional Services | 103,573 | 121,700 | 128,897 | 140,200 |
| Lobbyists | | | | |
| Total Lobbyists | 44,022 | 94,600 | 65,755 | 80,600 |
| External Partners, Studies, Water Rights | | | | |
| Compliance Studies | | 85,000 | | |
| NEPA Costs | 39 | | | |
| Colorado River Services | 55,264 | 51,000 | 54,866 | 51,600 |
| Research Project Support | 500 | 17,000 | 2,341 | 27,000 |
| U.S.G.S. Co-op Programs | 113,731 | 160,415 | 173,313 | 166,933 |
| RRPG Project Costs | 102,300 | 160,000 | 135,000 | 135,000 |
| Total External Partners, Studies, Water Rights | 271,834 | 473,415 | 365,520 | 380,533 |
| Legal and Engineering | | | | |
| Legal Expense - In House | | 15,000 | | |
| Total Legal and Engineering Expense | | 15,000 | | |
| Board Room Meetings and Expense | | | | |
| Total Board Room Meetings and Expense | | 820 | 72 | |
| Office and Administrative Expense | | | | |
| Total Office and Administrative Expense | | | 122 | 120 |
| Personnel and Overhead | | | | |
| Office Overhead | 269,185 | 362,537 | 267,077 | 376,055 |
| Project Directors Allocation | 24,120 | 24,120 | 24,120 | 24,120 |
| Project Personnel | 413,999 | 548,967 | 471,444 | 597,866 |
| Total Personnel and Overhead | 707,304 | 935,624 | 762,641 | 998,041 |
| Capital Improvements | | | | |
| Total Safety of Dams Irrigation | 60,000 | 60,000 | 60,000 | 60,000 |
| Other Payments | | | | |
| Reimbursement to Other Project/Fund | 8,312 | | 2,863 | 2,311 |
| Total Other Payments | 8,312 | | 2,863 | 2,311 |
| Total Operating Expenditures | 1,200,765 | 1,718,614 | 1,395,942 | 1,683,960 |
| Capital Outlay of Unrestricted Funds | | | | |
| Capital Outlay - Legal | | 100,000 | | 100,000 |
| Capital Outlay - Information Systems | | | 4,196 | |
| Capital Outlay - ROY | | | | 10,000 |
| Capital Outlay - Hydroelectric | 56,238 | 693,506 | | 772,867 |
| Total Capital Outlay and Improvements | 56,238 | 793,506 | 4,196 | 882,867 |
| Revenues | 1,218,528 | 1,978,713 | 1,251,620 | 2,003,116 |
| Expenditures | 1,335,827 | 2,723,870 | 1,459,904 | 2,819,807 |
| Revenues Minus Expenditures | (117,299) | (745,157) | (208,284) | (816,691) |

Southeastern Colorado Water Conservancy District
2014 Adopted Budget
Water Activity Enterprise Administration

| Water Activity Enterprise Administration | 2012 Actual | 2013 Total Budget | 2013 YTD | 2014 Total Budget |
|---|------------------------|------------------------------|---------------------|------------------------------|
| Grant Revenue | | | | |
| State | | | | |
| Grant Revenue State/Local | 78,824 | 42,500 | 43,676 | 125,000 |
| Grant Revenue - Contingency | - | 100,000 | - | 50,000 |
| Total State | 78,824 | 142,500 | 43,676 | 175,000 |
| Total Grant Revenue | 78,824 | 142,500 | 43,676 | 175,000 |
| Grant Expenditures | | | | |
| Project/Grant Expenses | 78,824 | - | 43,676 | 125,000 |
| Contingency - Grants | - | 142,500 | - | 50,000 |
| Total Grant Expenditures | 78,824 | 142,500 | 43,676 | 175,000 |
| Total Grant Activity | - | - | - | - |
| Operating Revenue | | | | |
| Water Sales and Surcharges | | | | |
| Return Flow Water Sales | 18,831 | 44,172 | 59,087 | 41,922 |
| Well Augmentation | 2,777 | 14,232 | 9,487 | 14,869 |
| Surcharge Revenue | 375,553 | 398,860 | 366,812 | 359,503 |
| Surcharge Revenue - Enviro Stewardship | - | - | - | 174,476 |
| Aurora IGA | 150,000 | 150,000 | 150,000 | 150,000 |
| Project Water Sales | 69,146 | 320,250 | 262,458 | 308,203 |
| Total Water Sales and Surcharges | 616,307 | 927,514 | 847,844 | 1,048,973 |
| Participant Payments | | | | |
| Total Participant Payments | - | - | - | 60,000 |
| Interfund Reimbursements | | | | |
| Total Interfund Reimbursements | 7,646 | - | 2,863 | - |
| Investment Revenue | | | | |
| Intrest Income | 1,471 | 1,365 | 502 | 432 |
| Income to Fair Market Adjust | (17,333) | 14,000 | (162,382) | 13,000 |
| Interest on Bonds | 84,688 | 115,750 | 85,769 | 97,250 |
| Total Investment Revenue | 68,826 | 131,115 | (76,111) | 110,682 |
| Partnership Contributions | | | | |
| Water Policy Partnership Payments | 33,683 | 25,417 | - | - |
| Regional Resource Planning Payments | 135,000 | 130,370 | 110,000 | 110,000 |
| Total Partnership Contributions | 168,683 | 155,787 | 110,000 | 110,000 |
| Total Operating Revenue | 861,462 | 1,214,416 | 884,596 | 1,329,655 |
| Operating Expenditures | | | | |
| Staff Training, Meetings, Education and Travel | | | | |
| Meeting Meals and Expense | 12 | - | 43 | 0 |
| Staff Business - Airfare | 408 | - | - | - |
| Staff Business - Meals | 75 | - | 71 | 0 |
| Staff Business - Hotels | - | - | 432 | - |
| Staff Business - Other Travel | 290 | - | - | - |
| Total Staff Training, Meetings, Education and Travel | 785 | 0 | 546 | 0 |
| Executive, Director Travel and Meetings | | | | |
| Director Travel Expense and Meals | 921 | - | 166 | - |
| Executive Travel Expense and Meals | 681 | - | 503 | - |
| Total Executive & Director Expense | 1,602 | 0 | 669 | 0 |
| Outside and Professional Services | | | | |
| Annual Audit | 12,614 | 12,750 | 13,505 | 13,900 |
| Water Policy Management Consultants | 57,039 | 35,000 | 2,538 | 25,000 |
| Engineering Legal Consultants | 25,599 | 7,000 | 77,447 | 5,000 |
| Engineering Outside Contracts | 689 | 5,000 | 6,136 | 5,000 |
| Total Outside and Professional Services | 95,941 | 59,750 | 99,626 | 48,900 |

Southeastern Colorado Water Conservancy District
2014 Adopted Budget
Water Activity Enterprise Administration

| Water Activity Enterprise Administration | 2012 Actual | 2013 Total Budget | 2013 YTD | 2014 Total Budget |
|---|------------------------|------------------------------|---------------------|------------------------------|
| Lobbyists | | | | |
| Total Lobbyists | 8,871 | 12,000 | 8,042 | 12,000 |
| External Partners, Studies, Water Rights | | | | |
| Colorado River Services | 55,264 | 51,000 | 54,866 | 51,600 |
| Research Project Support | 500 | 17,000 | 2,341 | 27,000 |
| U.S.G.S. Co-op Programs | 20,500 | 31,870 | 31,870 | 35,000 |
| RRPG Project Costs | 102,300 | 160,000 | 135,000 | 135,000 |
| Total External Partners, Studies, Water Rights | 178,564 | 259,870 | 224,077 | 248,600 |
| Legal and Engineering | | | | |
| Legal Expense - In House | | 15,000 | | |
| Total Legal and Engineering Expense | | 15,000 | 0 | |
| Personnel and Overhead | | | | |
| Office Overhead | 250,752 | 292,465 | 197,005 | 332,665 |
| Project Directors Allocation | 24,120 | 24,120 | 24,120 | 24,120 |
| Project Personnel | 401,996 | 442,862 | 416,185 | 528,883 |
| Total Personnel and Overhead | 676,868 | 759,447 | 637,310 | 885,668 |
| Capital Improvements | | | | |
| Total Safety of Dams Irrigation | 60,000 | 60,000 | 60,000 | 60,000 |
| Other Payments | | | | |
| Reimbursement to Other Project/Fund | 8,312 | | 2,863 | 2,311 |
| Total Other Payments | 8,312 | 0 | 2,863 | 2,311 |
| Total Operating Expenditures | 1,147,181 | 1,166,067 | 1,037,329 | 1,257,480 |
| Capital Outlay of Unrestricted Funds | | | | |
| Capital Outlay - Legal | | 100,000 | | 100,000 |
| Capital Outlay - Information Systems | | | | |
| Capital Outlay - ROY | | | | 10,000 |
| Capital Outlay - Hydroelectric | 56,238 | 693,506 | | 772,867 |
| Total Capital Outlay and Improvements | 116,238 | 793,506 | | 882,867 |

Southeastern Colorado Water Conservancy District
2014 Adopted Budget
Activity Projects - Hydroelectric Power

| Hydroelectric Power | 2012 Actual | 2013 Total Budget | 2013 YTD | 2014 Total Budget |
|---|------------------------|------------------------------|---------------------|------------------------------|
| Grant Revenue | | | | |
| Grant Revenue State/Local | 15,000 | | | |
| Total State | 15,000 | - | | - |
| Federal | | | | |
| Federal Grant | | | | |
| Total Federal | - | - | | - |
| Total Grant Revenue | 15,000 | - | | - |
| Grant Expenditures | | | | |
| Expenditures | | | | |
| Project/Grant Expenses | | | | |
| Total Grant Activity | 15,000 | - | | - |
| Operating Revenue | | | | |
| Interfund Reimbursements | | | | |
| Project Contribution | 56,238 | 693,506 | - | |
| Matching Project Contribution | | | | 772,867 |
| Total Interfund Reimbursements | 56,238 | 693,506 | - | 772,867 |
| Total Operating Revenue | 56,238 | 693,506 | - | 772,867 |
| Operating Expenditures | | | | |
| Staff Training, Meetings, Education and Travel | | | | |
| Meeting Expense | | 400 | - | 400 |
| Meeting Meals | | 200 | 58 | 200 |
| Staff Business - District Vehicle Gas | 159 | | | |
| Staff Business - Travel Expenses and Meals | 317 | 7,338 | 1,621 | 2,400 |
| Total Staff Training, Meetings, Education and Travel | 476 | 7,938 | 1,679 | 3,000 |
| Executive, Director Travel and Meetings | | | | |
| Directors Airfare | | | | 600 |
| Executive Travel Expense and Meals | - | 1,500 | 29 | 2,100 |
| Total Executive, Director Travel and Meetings | - | 1,500 | 29 | 2,700 |
| Outside and Professional Services | | | | |
| Annual Audit | | 800 | 846 | 800 |
| Legal Representation | | | | 25,000 |
| Water Policy Management Consultants | - | - | 50 | - |
| Engineering Outside Contracts | - | 443,000 | 58,189 | 525,000 |
| Total Outside and Professional Services | - | 443,800 | 59,085 | 550,800 |
| External Partners, Studies, Water Rights | | | | |
| NEPA Costs | 15,000 | | - | |
| Total External Partners, Studies, Water Rights | 15,000 | - | - | - |
| Legal and Engineering | | | | |
| Legal Expense - In House | 5,000 | - | - | |
| Total Legal and Engineering | 5,000 | - | - | - |
| Personnel and Overhead | | | | |
| Office Overhead | | 95,563 | 72,906 | 83,545 |
| Project Personnel | 50,762 | 144,705 | 111,557 | 132,822 |
| Total Personnel and Overhead | 50,762 | 240,268 | 184,463 | 216,367 |
| Total Operating Expenses | 71,238 | 693,506 | 245,256 | 772,867 |

Southeastern Colorado Water Conservancy District
2014 Adopted Budget
Activity Projects - SE Long Term Excess Capacity Master Contract

| SE LONG-TERM EXCESS CAPACITY MC | 2012 Actual | 2013 Budget | 2013 YTD | 2014 Total Budget |
|---|----------------|----------------|---------------|----------------------|
| <u>Operating Revenue</u> | | | | |
| Participant Payments | 122,824 | 211,087 | 95,175 | 180,891 |
| Participant Payments - USGS | | | | 6,000 |
| Total Operating Revenue | 122,824 | 211,087 | 95,175 | 186,891 |
| <u>Operating Expenditures</u> | | | | |
| Staff Training, Meetings, Education and Travel | | | | |
| Meeting Expense | - | 500 | | 500 |
| Meeting Meals | 39 | 500 | - | 500 |
| Staff Business - District Vehicle Gas | 227 | 825 | - | 825 |
| Staff Business - Meals | - | 520 | | 400 |
| Staff Business - Hotels | - | 1,070 | | 1,070 |
| Total Staff Training, Meetings, Education and Travel | 266 | 3,415 | - | 3,295 |
| Executive, Director Travel and Meetings | | | | |
| Directors Travel Expense & Meals | 217 | - | 342 | 1,090 |
| Executive Travel Expense & Meals | - | - | | 1,090 |
| Total Executive, Director Travel and Meetings | 217 | - | 342 | 2,180 |
| Outside and Professional Services | | | | |
| Annual Audit | 3,816 | 3,983 | 4,232 | 4,633 |
| Water Policy Management Consultants | | | | 25,000 |
| Total Outside and Professional Services | 3,816 | 3,983 | 4,232 | 29,633 |
| Lobbyists | | | | |
| Consultant/Lobbying Services - Federal | 15,267 | 18,600 | 14,352 | 18,600 |
| Total Lobbyists | 15,267 | 18,600 | 14,352 | 18,600 |
| External Partners, Studies, Water Rights | | | | |
| Compliance Studies | - | 85,000 | - | - |
| U.S.G.S. Co-op Programs | 44,526 | 58,758 | 58,759 | 60,000 |
| Total External Partners, Studies, Water Rights | 58,816 | 143,758 | 58,759 | 60,000 |
| Board Room Meetings and Expense | | | | |
| Board/Committee Meals | | | 24 | |
| Total Board Room Meetings and Expense | - | - | 24 | - |
| Personnel and Overhead | | | | |
| Office Overhead | 7,965 | 16,439 | 16,439 | 28,258 |
| Project Personnel | 6,835 | 24,892 | 5,426 | 44,925 |
| Total Personnel and Overhead | 14,800 | 41,331 | 21,865 | 73,183 |
| Total Operating Expenditures | 78,892 | 211,087 | 99,574 | 186,891 |

Southeastern Colorado Water Conservancy District
2014 Adopted Budget
Activity Projects - Arkansas Valley Conduit

| Arkansas Valley Conduit | 2012 Actual | 2013 Total Budget | 2013 YTD | 2014 Total Budget |
|--|------------------------|------------------------------|---------------------|------------------------------|
| Grant Revenue | | | | |
| Grant Revenue State/Local | 41,638 | 36,250 | 11,198 | 37,980 |
| Total State | 41,638 | 36,250 | 11,198 | 37,980 |
| Federal | | | | |
| Federal Grant | 39,908 | 33,000 | 4,892 | 40,000 |
| Total Federal | 39,908 | 33,000 | 4,892 | 40,000 |
| Total Grant Revenue | 81,546 | 69,250 | 16,090 | 77,980 |
| Grant Expenditures | | | | |
| Expenditures | | | | |
| Project/Grant Expenses | 82,940 | 69,250 | 16,090 | 77,980 |
| Total Expenditures | 82,940 | 69,250 | 16,090 | 77,980 |
| Total Grant Expenditures | 82,940 | 69,250 | 16,090 | 77,980 |
| Total Grant Activity | (1,394) | - | - | - |
| Operating Revenue | | | | |
| Participant Payments | | | | |
| Payments - Participants | 126,561 | 148,867 | 78,006 | 86,596 |
| Payments - Participants USGS | 4,248 | | 2,732 | 6,000 |
| Total Participant Payments | 130,809 | 148,867 | 80,738 | 92,596 |
| Federal Appropriations & USBR | | | | |
| Federal IPA USBR Contract (Salary) | 52,374 | 28,182 | 26,269 | - |
| Federal IPA USBR Contract (Benefits) | 22,682 | 12,524 | 10,697 | - |
| Federal IPA USBR Contract (Travel/Other) | 1,838 | 900 | 577 | - |
| Total Federal Appropriations & USBR | 76,894 | 41,606 | 37,543 | - |
| Interfund Reimbursements | | | | |
| Matching Project Contribution | 20,000 | 20,000 | 20,000 | 20,000 |
| Matching Project Contribution | - | - | - | - |
| Total Interfund Reimbursements | 20,000 | 20,000 | 20,000 | 20,000 |
| Total Operating Revenue | 227,703 | 210,473 | 138,281 | 112,596 |
| Operating Expenditures | | | | |
| Staff Training, Meetings, Education and Travel | | | | |
| Meeting Expense | 475 | 500 | 25 | 500 |
| Meeting Meals | 239 | 500 | 165 | 500 |
| Staff Business - District Vehicle Gas | 725 | 1,200 | 127 | 300 |
| Staff Business - Hotel | 612 | 500 | 306 | 500 |
| Staff Business - Meals | 345 | 400 | 100 | 400 |
| Total Staff Training, Meetings, Education and Travel | 2,396 | 3,100 | 851 | 2,200 |
| Executive, Director Travel and Meetings | | | | |
| Directors Travel Expense and Meals | 97 | 3,600 | 1,476 | 4,800 |
| Executive Travel Expense and Meals | 200 | 2,160 | 1,781 | 4,400 |
| Total Executive, Director Travel and Meetings | 297 | 5,760 | 3,257 | 9,200 |
| Outside and Professional Services | | | | |
| Annual Audit | 3,815 | 3,984 | 4,234 | 4,634 |
| Engineering Outside Contracts | 3,831 | 50,000 | 8,261 | 50,000 |
| Total Outside and Professional Services | 7,646 | 53,984 | 12,495 | 54,634 |
| Lobbyists | | | | |
| Total Lobbyists | 24,105 | 32,000 | 24,569 | 30,000 |
| External Partners, Studies, Water Rights | | | | |
| NEPA Costs | 32 | - | - | - |
| U.S.G.S. Co-op Programs | 4,179 | 5,515 | 4,122 | 6,000 |
| Total External Partners, Studies, Water Rights | 4,211 | 5,515 | 4,122 | 6,000 |
| Board Room Meetings and Expense | | | | |
| Total Board Room Meetings and Expense | - | - | 24.00 | - |

**Southeastern Colorado Water Conservancy District
2014 Adopted Budget
Activity Projects - Arkansas Valley Conduit**

| Arkansas Valley Conduit | 2012 Actual | 2013 Total Budget | 2013 YTD | 2014 Total Budget |
|--|----------------|----------------------|----------------|----------------------|
| Water Education, Sponsorships, Conservation | | | | |
| Total Water Education, Sponsorships, Conservation | 119 | 200 | - | - |
| Office and Administrative Expense | | | | |
| Total Office and Administrative Expense | 47 | 620 | 122 | 120 |
| Personnel and Overhead | | | | |
| Office Overhead | 99,729 | 43,470 | 43,470 | 4,032 |
| Project Personnel | 17,779 | 65,824 | 45,443 | 6,410 |
| Project Personnel (IPA Salary) | 52,210 | | | - |
| Project Personnel (IPA Benefits) | 22,454 | | | - |
| Total Personnel and Overhead | 192,172 | 109,294 | 88,913 | 10,442 |
| Total Operating Expenditures | 230,993 | 210,473 | 134,353 | 112,596 |

Southeastern Colorado Water Conservancy District
2014 Adopted Budget
Activity Projects - Enlargement

| ENLARGEMENT | 2012 Actual | 2013 Budget | 2013 YTD | 2014 Total Budget |
|---|---------------|----------------|----------------|----------------------|
| <u>Operating Revenue</u> | | | | |
| Participant Payments | 77,458 | 128,603 | 93,802 | 124,683 |
| Interfund Reimbursement for Services | 666 | 2,384 | 2,863 | 2,311 |
| Total Operating Revenue | 78,524 | 130,987 | 96,665 | 126,995 |
| <u>Operating Expenditures</u> | | | | |
| Staff Training, Meetings, Education and Travel | | | | |
| Meeting Expense | - | - | - | |
| Meeting Meals | | | | |
| Staff Business - Hotels | | | 19 | |
| Staff Business - District Vehicle Gas | | | | |
| Staff Business - Meals | | | | |
| Total Staff Training, Meetings, Education and Travel | - | - | 19 | - |
| Executive, Director Travel and Meetings | | | | |
| Directors Travel Expense & Meals | 137 | 2,880 | 192 | 2,640 |
| Executive Travel Expense & Meals | - | 2,300 | - | 2,640 |
| Total Executive, Director Travel and Meetings | 137 | 5,180 | 192 | 5,280 |
| Outside and Professional Services | | | | |
| Annual Audit | 3,816 | 3,983 | 4,233 | 4,633 |
| Water Policy Management Consultants | | | | 2,400 |
| Total Outside and Professional Services | 3,816 | 3,983 | 4,233 | 7,033 |
| Lobbyists | | | | |
| Consultant/Lobbying Services - Federal | 19,884 | 32,000 | 18,792 | 20,000 |
| Total Lobbyists | 19,884 | 32,000 | 18,792 | 20,000 |
| External Partners, Studies, Water Rights | | | | |
| U.S.G.S. Co-op Programs | 48,705 | 64,272 | 64,273 | 65,933 |
| Total External Partners, Studies, Water Rights | 48,705 | 64,272 | 64,273 | 65,933 |
| Board Room Meetings and Expense | | | | |
| Board/Committee Meals | | | 24 | |
| Total Board Room Meetings and Expense | - | - | 24 | - |
| Personnel and Overhead | | | | |
| Office Overhead | 10,468 | 10,163 | 10,163 | 11,101 |
| Project Personnel | 5,168 | 15,389 | 4,390 | 17,648 |
| Total Personnel and Overhead | 15,636 | 25,552 | 14,553 | 28,749 |
| Total Operating Expenditures | 88,178 | 130,987 | 102,086 | 126,995 |



Appendices

CERTIFIED RESOLUTION AND ORDER DETERMINING THE AMOUNT OF MONEY TO BE RAISED BY TAXATION FOR SOUTHEASTERN COLORADO WATER CONSERVANCY DISTRICT UPON ALL PROPERTY WITHIN SAID DISTRICT IN BENT, CHAFFEE, CROWLEY, EL PASO, FREMONT, KIOWA, OTERO, PROWERS, AND PUEBLO COUNTIES, COLORADO, AND FIXING THE RATE OF LEVY AND DIRECTING THE SEVERAL BOARDS OF COUNTY COMMISSIONERS OF SAID COUNTIES TO LEVY TAXES UPON THE ASSESSED VALUATION OF PROPERTY WITHIN SAID DISTRICT FOR THE SOUTHEASTERN COLORADO WATER CONSERVANCY DISTRICT IN THE YEAR 2013 TO BE COLLECTED IN THE YEAR 2014.

RESOLUTION AND ORDER NO. 2013-03DE

WHEREAS, it is the duty of the Board of Directors of the Southeastern Colorado Water Conservancy District (under the Water Conservancy Act of Colorado, C.R.S. 37-45-122), in each year to determine the amount of money necessary to be raised by taxation, taking into consideration other sources of revenue of the District, and to fix a rate of levy, which, when levied upon every dollar of assessed valuation of property within the District, and with other revenue, will raise the amount required for the District to supply funds for paying expenses of organization, for surveys and plans, paying the cost of construction, operating and maintaining the work of the District, not exceeding one mill on the dollar of assessed valuation; and

WHEREAS, James W. Broderick, Executive Director of the District, was appointed by this Board of Directors as Budget Officer, to prepare a Budget for the year 2014, and submitted same to said Board on October 15, 2013; the District has caused to be furnished the requisite Notice of Hearing, and a Hearing was held at the District Office at 9:45 a.m. November 21, 2013.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of the Southeastern Colorado Water Conservancy District hereby approves and adopts the Budget and Statement of Designated and Reserved Funds as submitted and subsequently amended by final Board action December 5, 2013, and appropriates the funds for the purposes shown within said Budget; and,

BE IT RESOLVED, the Board of Directors of the Southeastern Colorado Water Conservancy District hereby approves and adopts expenditures in the amount of **\$15,404,954**, of which **\$11,986,853** is for Contract Obligations as part of the Repayment Contract with the U.S. Bureau of Reclamation, and appropriates funds for the purpose shown within said Budget; and,

BE IT RESOLVED, the Board of Directors of said District does now determine that the amount of money to be raised by taxation for said purposes for the year 2014, levied on the 2013 assessed valuation of **\$7,328,768,702** will produce revenue of **\$6,852,399**. The District certifies a mill levy at **.90** for Contract Repayment, and a mill levy at **.035** for Operating Expenses, totaling **.935** mills.

BE IT FURTHER RESOLVED that the Board of Directors of said District certifies an additional **.005** mill levy to collect revenues, which were not collected due to the counties' Abatements and Refunds. This separate mill levy is to produce additional revenue of **\$36,644**. The Abatements and Refunds mill levy assessment is authorized under C.R.S. 39-10-114 (1) (a) (I) (B).

BE IT FURTHER RESOLVED, that the Board of Directors of said District does now certify to the Boards of County Commissioners of Bent, Chaffee, Crowley, El Paso, Fremont, Kiowa, Otero, Prowers, and Pueblo Counties, in the State of Colorado, said combined rate of .935 mill so fixed for said purposes of said District (including .90 mill for Contract Repayment and .035 for Operating Expenses) to be levied upon every dollar of assessed value on all property within said District and in said Counties, as aforesaid; and said Boards of County Commissioners shall levy said tax of .935 mill upon each dollar of assessed valuation of all property, real and personal, within the District, in their respective Counties, in addition to such other taxes as may be levied by such Boards of County Commissioners; and, in addition does now direct that at the time and in the manner required by law, and under the Abatements and Refunds mill levy provision (C.R.S. 39-10-114 (1) (a) (I) (B)), said Boards of County Commissioners shall levy said additional tax of .005 mill upon each dollar of assessed valuation of all property, real and personal, within the District, in their respective Counties.

BE IT FURTHER RESOLVED, that all Officers having authority to levy and collect such taxes within each said County, levy and collect such taxes in the form and manner as County taxes are collected, and when collected, to pay same to Southeastern Colorado Water Conservancy District, all as provided by said Water Conservancy Act.

STATE OF COLORADO) §
 COUNTY OF PUEBLO) §

I, Vera Ortegon, Secretary of the Southeastern Colorado Water Conservancy District, do hereby certify the foregoing is a true and correct copy of Resolution and Order passed and adopted in a regular meeting of the Board of Directors of the Southeastern Colorado Water Conservancy District, held on December 5, 2013, determining the amount of money to be raised by taxation for Southeastern Colorado Water Conservancy District upon property within said District in Bent, Chaffee, Crowley, El Paso, Fremont, Kiowa, Otero, Prowers, and Pueblo Counties, Colorado, and fixing the rate of levy, and directing the several Boards of County Commissioners of said Counties to levy taxes upon the assessed valuation of all property within said District in said Counties in 2013 to be collected in the year 2014.


 Vera Ortegon, Secretary

ATTEST:


 Bill Long, President

SEAL

CERTIFIED RESOLUTION AND ORDER DETERMINING THE AMOUNT OF APPROPRIATIONS TO BE EXPENDED BY THE SOUTHEASTERN COLORADO WATER ACTIVITY ENTERPRISE.

RESOLUTION AND ORDER NO. 2013-03EF

WHEREAS, it is the duty of the Board of Directors of the Southeastern Colorado Water Activity Enterprise, an enterprise of the Southeastern Colorado Water Conservancy District (formed under the Water Conservancy Act of Colorado, C.R.S. 37-45-122), in each year to determine the amount of appropriations to be expended in the next year.

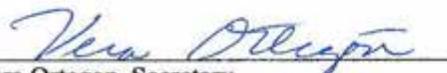
WHEREAS, James W. Broderick, Executive Director of the Southeastern Colorado Water Conservancy District was appointed by this Board of Directors, as Budget Officer, to prepare a Budget for the year 2014, and submitted same to said Board on October 15, 2013; the District has caused to be furnished the requisite Notice of Hearing, and a Hearing was held at the District Offices at 9:45 a.m. November 21, 2013.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of the Southeastern Colorado Water Activity Enterprise hereby approves and adopts the Budget as submitted by final Board action December 5, 2013, and appropriates the funds for the purpose shown within said Budget; and,

BE IT RESOLVED, the Board of Directors of the Southeastern Colorado Water Activity Enterprise hereby approves and adopts expenditures in the amount of \$2,819,807, and appropriates funds for the purposes shown within said Budget.

STATE OF COLORADO) §
COUNTY OF PUEBLO)

I, Vera Ortega, Secretary of the Southeastern Colorado Water Activity Enterprise, do hereby certify the foregoing is a true and correct copy of Resolution and Order passed and adopted in a regular meeting of the Board of Directors of the Southeastern Colorado Water Activity Enterprise, held on December 5, 2013, determining the amount of money to be appropriated for expenditures by the Southeastern Colorado Water Activity Enterprise.


Vera Ortega, Secretary

ATTEST:


Bill Long, President

SEAL

PROPERTY TAX REVENUE LIMIT CALCULATIONS WORKSHEET

("5.5%" limit in 29-1-301, C.R.S., and the TABOR limits, Art. X, Sec. 20(4)(a) and (7)(c), Colo. Const.)

The following worksheet can be used to calculate the limits on local government property tax revenue. Data can be found on the Certification of Valuation (CV) sent by the county assessor on August 25, unless otherwise noted. The assessor can revise the valuation one time before Dec. 10; if so, you must perform the calculation again using the revised CV data. (**Note for multi-county entities:** If a taxing entity is located in two or more counties, the mill levy for that entity must be the same throughout its boundaries, across all county boundaries (Uniform Taxation, Article X, Section 3, Colo. Const.). This worksheet can be used by multi-county entities when the values of the same type from all counties are added together.)

8/31/2013

CONTRACT TAX

Data required for the "5.5%" calculation (assessed valuations certified by assessor):

| | |
|--|------------------|
| 1. Previous year's net total assessed valuation ¹ | \$ 7,246,073,269 |
| 2. Previous year's revenue ² | \$ 6,682,861 |
| 3. Current year's total net assessed valuation | \$ 7,328,768,702 |
| 4. Current year's increases in valuation due to annexations or inclusions, if any | \$ 73,350 |
| 5. Current year increase in valuation due to new construction, if any | \$ 86,144,823 |
| 6. Total current year increase in valuation due to <u>other</u> excluded property ³ | \$ 206,930 |
| 7. "Omitted Property Revenue" from current year CV ⁴ | \$ 1,774 |
| 8. "Omitted Property Revenue" from previous year CV ⁵ | \$ 34,911 |
| 9. Current year's "unauthorized excess revenue," if any ⁶ | |

Data required for the TABOR calculations (actual valuations certified by assessor):

| | |
|--|-------------------|
| 10. Total actual value of all real property | \$ 55,769,413,893 |
| 11. Construction of taxable real property | \$ 756,888,391 |
| 12. Annexations/Inclusions | \$ 252,700 |
| 13. Increase in mining production | |
| 14. Previously exempt property | \$ 48,331,939 |
| 15. Oil or gas production from new wells | |
| 16. Taxable property omitted (from current year's CV) | \$ 5,224,045 |
| 17. Destruction of Property improvements | \$ 53,072,906 |
| 18. Disconnections/Exclusions | |
| 19. Previously taxable property | \$ 59,468,943 |
| 20. Inflation <u>2.6%</u> (The U.S. Bureau of Labor Statistics (http://www.bls.gov/cpi/home.htm) will not release this number, the Consumer Price Index (CPI) for the Denver-Boulder Area, until February of next year. Forecasts of this inflation figure may be obtained by contacting the Dept. of Local Affairs (DOLA) at (303) 866-2156. or at www.dola.colorado.gov) | |

¹ There will be a difference between **net** assessed valuation and **gross** assessed valuation only if there is a "tax increment financing" entity, such as a Downtown Development Authority or Urban Renewal Authority, within the boundaries of the jurisdiction.

² For the "5.5%" limit only (Part A of this Form), this is the **lesser** of: (a) the total amount of dollars **levied for general operating purposes** on the **net assessed valuation** before deducting any Temporary Tax Credit [if Form DLG 70 was used to certify levies in the previous year, this figure is on Line 1], or (b) last year's "5.5%" revenue limit.

³ Increased production of a producing mine, previously exempt federal property, or new primary oil or gas production from any oil and gas leasehold or land. **NOTE: These values may not be used in this calculation until certified to, or applied for, by filing specific forms with the Division of Local Government** [forms can be found in the *Financial Management Manual*, published by/on the **State Auditor's Office web page** or contact the **Division of Local Government**].

⁴ Taxes paid by properties that had been previously omitted from the tax roll. This is identified on the CV as "taxes collected last year on omitted property as of Aug. 1."

⁵ This figure is available on the CV that you received from the assessor last year.

⁶ This applies only if an "Order" to reduce the property tax revenue was issued to the government in the spring of the current year by the Division of Local Government, pursuant to 29-1-301(6), C.R.S.

A. Steps to calculate the "5.5%" Limit (refer to numbered lines on the previous page):

A1. Adjust the previous year's revenue to correct the revenue base, if necessary:

$$\begin{array}{r} \$ \quad 6,682,861 \\ \text{Line 2} \end{array} + \begin{array}{r} \$ \quad 34,911 \\ \text{Line 8} \end{array} = \text{A1. } \begin{array}{r} \$ \quad 6,717,772 \\ \text{Adjusted property tax revenue base} \end{array}$$

A2. Calculate the previous year's tax rate, based upon the adjusted revenue base:

$$\begin{array}{r} \$ \quad 6,717,772 \\ \text{Line A1} \end{array} \div \begin{array}{r} \$ \quad 7,246,073,269 \\ \text{Line 1} \end{array} = \text{A2. } \begin{array}{r} 0.000927 \\ \text{Adjusted Tax Rate}^7 \\ \text{(round to 6 decimal places)} \end{array}$$

A3. Total the assessed valuation of all the current year "growth" properties:⁸

$$\begin{array}{r} \$ \quad 73,350 \\ \text{Line 4} \end{array} + \begin{array}{r} \$ \quad 86,144,823 \\ \text{Line 5} \end{array} + \begin{array}{r} \$ \quad 206,930 \\ \text{Line 6} \end{array} = \text{A3. } \begin{array}{r} \$ \quad 86,425,103 \\ \text{Total "growth" properties}^9 \end{array}$$

A4. Calculate the revenue that "growth" properties would have generated:

$$\begin{array}{r} \$ \quad 86,425,103 \\ \text{Line A3} \end{array} \times \begin{array}{r} 0.000927 \\ \text{Line A2} \end{array} = \text{A4. } \begin{array}{r} \$ \quad 80,116 \\ \text{Revenue from "growth" properties} \end{array}$$

A5. Expand the adjusted revenue base (Line A1) by the "revenue" from "growth" properties:

$$\begin{array}{r} \$ \quad 6,717,772 \\ \text{Line A1} \end{array} + \begin{array}{r} \$ \quad 80,116 \\ \text{Line A4} \end{array} = \text{A5. } \begin{array}{r} \$ \quad 6,797,888 \\ \text{Expanded revenue base} \end{array}$$

A6. Increase the Expanded Revenue Base (Line A5) by allowable amounts:

$$\begin{array}{r} [\$ \quad 6,797,888 \\ \text{Line A5} \end{array} \times \begin{array}{r} 1.055^{10} \end{array}] + \begin{array}{r} \text{DLG-Approved Revenue Increase} \\ \text{Voter-Approved Revenue Increase}^{11} \\ 3.50\% \end{array} = \text{A6. } \begin{array}{r} \$ \quad 7,171,772 \\ \text{Increased Revenue Base} \end{array}$$

A7. Current Year's "5.5%" Revenue Limit:

$$\begin{array}{r} \$ \quad 7,171,772 \\ \text{Line A6} \end{array} - \begin{array}{r} \$ \quad 1,774 \\ \text{Line 7} \end{array} = \text{A7. } \begin{array}{r} \$ \quad 7,169,998 \\ \text{Current Year's "5.5%" Revenue Limit}^{12} \end{array}$$

A8. Reduce Current Year's "5.5%" Revenue Limit by any amount levied over the limit in the previous year:

$$\begin{array}{r} \$ \quad 7,169,998 \\ \text{Line A7} \end{array} - \begin{array}{r} \text{Line 9} \end{array} = \text{A8. } \begin{array}{r} \$ \quad 7,169,998 \\ \text{Reduced Current Year's "5.5%" Limit.} \\ \text{This is the maximum allowed to be} \\ \text{levied this year}^{13} \end{array}$$

A9. Calculate the mill levy which would generate the Reduced Revenue Limit (Line A8):

$$\begin{array}{r} \$ \quad 7,169,998 \\ \text{Line A8} \end{array} \div \begin{array}{r} \$ \quad 7,328,768,702 \\ \text{Line 3} \end{array} \times 1,000 = \text{A9. } \begin{array}{r} 0.978 \\ \text{Mill Levy (round to 3 decimals)} \end{array}$$

⁷ If this number were multiplied by 1,000 and rounded to three decimal places, it would be the mill levy necessary in the previous year to realize the revenue in line A1.

⁸ The values of these properties are "excluded" from the "5.5%" limit, according to 29-1-301(1)(a) C.R.S.

⁹ This revenue is the amount that the jurisdiction theoretically would have received had those "excluded" or "growth" properties been on the tax roll in the previous year.

¹⁰ This is the "5.5%" increase allowed in 29-1-301(1), C.R.S.

¹¹ This figure can be used if an election was held to increase property tax revenue **above the "5.5%"** limit.

¹² Rounded to the nearest whole dollar, this is the "5.5%" statutory property tax revenue limit.

¹³ DLG will use this amount to determine if revenue has been levied in excess of the statutory limit.

Steps to calculate the TABOR Limit (refer to numbered lines on page one):¹⁴

B. TABOR “Local Growth” Percentage

B1. Determine net growth valuation:

$$\frac{\$ 810,697,075}{\text{Lines 11+12+13+14+15+16}} - \frac{\$ 112,541,849}{\text{Lines 17+18+19}} = \frac{\$ 698,155,226}{\text{Net Growth Value}}$$

B2. Determine the (theoretical) valuation of property which was on the tax roll last year:

$$\frac{\$ 55,769,413,893}{\text{Line 10}} - \frac{\$ 698,155,226}{\text{Line B1}} = \frac{\$ 55,071,258,667}{\text{Net Growth Value}}$$

B3. Determine the rate of “local growth”:

$$\frac{\$ 698,155,226}{\text{Line B1}} \div \frac{\$ 55,071,258,667}{\text{Line B2}} = \frac{0.012677}{\text{Local Growth Rate (round to 6 decimal places)}}$$

B4. Calculate the percentage of “local growth”:

$$\frac{0.012677}{\text{Line B3}} \times 100 = \frac{1.27\%}{\text{(round to 2 decimal places)}}$$

C. TABOR Property Tax Revenue Limit

C1. Calculate the growth in property tax revenue allowed:

$$\frac{\$ 6,682,861}{\text{Line 2}^{15}} \times \frac{3.87\%}{\text{Line B4 + line 20}} = \frac{\$ 258,627}{\text{Increase allowed}}$$

C2. Calculate the TABOR property tax revenue limit:

$$\frac{\$ 6,682,861}{\text{Line 2}} + \frac{\$ 258,627}{\text{Line C1}} = \frac{\$ 6,941,488}{\text{TABOR Property Tax Revenue Limit}}$$

C3. Calculate the mill levy which would generate the TABOR Property Tax Revenue Limit (Line C2):

$$\left[\frac{\$ 6,941,488}{\text{Line C2}} \times 3.50\% \right] \div \frac{\$ 7,328,768,702}{\text{Line 3}} \times 1,000 = \frac{0.947}{\text{Mill Levy (round to 3 decimal places)}}$$

D. Which One To Use? There is general agreement among practitioners that the most restrictive of the two revenue limits (“5.5%” or TABOR) must be respected, disallowing the levying of the greater amount of revenue which would be allowed under the other limit. Therefore, one must decide which of the two limits is more restrictive.

Compare Line A7 (Current Year’s 5.5% Revenue Limit) to Line C2 (TABOR Property Tax Revenue Limit). The lesser of the two is the more restrictive revenue limit.

NOTE: TABOR(4)(a) requires prior voter approval to levy a mill levy above that of the prior year. This is a third limit on property taxes that must be respected, independent of the two revenue limitations calculated above. **If the lesser of the two mill levies in A9 and C3 is more than the levy of the prior year, it is possible that neither of the revenue amounts may be generated, and that revenues must be lowered to comply with this third limit.**

¹⁴ This section is offered as a guideline only. The Division is required by law to enforce the “5.5%” limit, but does not have any authority to define or enforce any of the limitations in TABOR.

¹⁵ **NOTE: For the TABOR property tax revenue limit only** (Part C of this form), it may be preferable to use the actual amount levied in the previous year, ignoring footnote #2 on page 1. This is a local option. DLG staff is available to discuss the alternatives.

PROPERTY TAX REVENUE LIMIT CALCULATIONS WORKSHEET

("5.5%" limit in 29-1-301, C.R.S., and the TABOR limits, Art. X, Sec. 20(4)(a) and (7)(c), Colo. Const.)

The following worksheet can be used to calculate the limits on local government property tax revenue. Data can be found on the Certification of Valuation (CV) sent by the county assessor on August 25, unless otherwise noted. The assessor can revise the valuation one time before Dec. 10; if so, you must perform the calculation again using the revised CV data. (**Note for multi-county entities:** If a taxing entity is located in two or more counties, the mill levy for that entity must be the same throughout its boundaries, across all county boundaries (Uniform Taxation, Article X, Section 3, Colo. Const.). This worksheet can be used by multi-county entities when the values of the same type from all counties are added together.)

8/31/2013

OPERATING TAX

Data required for the "5.5%" calculation (assessed valuations certified by assessor):

| | |
|--|------------------|
| 1. Previous year's net total assessed valuation ¹ | \$ 7,246,073,269 |
| 2. Previous year's revenue ² | \$ 254,371 |
| 3. Current year's total net assessed valuation | \$ 7,328,768,702 |
| 4. Current year's increases in valuation due to annexations or inclusions, if any | |
| 5. Current year increase in valuation due to new construction, if any | \$ 86,144,823 |
| 6. Total current year increase in valuation due to <u>other</u> excluded property ³ | \$ 206,930 |
| 7. "Omitted Property Revenue" from current year CV ⁴ | \$ 1,774 |
| 8. "Omitted Property Revenue" from previous year CV ⁵ | \$ 34,911 |
| 9. Current year's "unauthorized excess revenue," if any ⁶ | |

Data required for the TABOR calculations (actual valuations certified by assessor):

| | |
|--|-------------------|
| 10. Total actual value of all real property | \$ 55,769,413,893 |
| 11. Construction of taxable real property | \$ 756,888,391 |
| 12. Annexations/Inclusions | \$ 252,700 |
| 13. Increase in mining production | |
| 14. Previously exempt property | \$ 48,331,939 |
| 15. Oil or gas production from new wells | |
| 16. Taxable property omitted (from current year's CV) | \$ 5,224,045 |
| 17. Destruction of Property improvements | \$ 53,072,906 |
| 18. Disconnections/Exclusions | |
| 19. Previously taxable property | \$ 59,468,943 |
| 20. Inflation <u>2.6%</u> (The U.S. Bureau of Labor Statistics (http://www.bls.gov/cpi/home.htm) will not release this number, the Consumer Price Index (CPI) for the Denver-Boulder Area, until February of next year. Forecasts of this inflation figure may be obtained by contacting the Dept. of Local Affairs (DOLA) at (303) 866-2156. or at www.dola.colorado.gov) | |

¹ There will be a difference between **net** assessed valuation and **gross** assessed valuation only if there is a "tax increment financing" entity, such as a Downtown Development Authority or Urban Renewal Authority, within the boundaries of the jurisdiction.

² For the "5.5%" limit **only** (Part A of this Form), this is the **lesser** of: (a) the total amount of dollars **levied for general operating purposes** on the **net assessed valuation** before deducting any Temporary Tax Credit [if Form DLG 70 was used to certify levies in the previous year, this figure is on Line 1], or (b) last year's "5.5%" revenue limit.

³ Increased production of a producing mine, previously exempt federal property, or new primary oil or gas production from any oil and gas leasehold or land. **NOTE: These values may not be used in this calculation until certified to, or applied for, by filing specific forms with the Division of Local Government** [forms can be found in the *Financial Management Manual*, published by/on the State Auditor's Office web page or contact the **Division of Local Government**].

⁴ Taxes paid by properties that had been previously omitted from the tax roll. This is identified on the CV as "taxes collected last year on omitted property as of Aug. 1."

⁵ This figure is available on the CV that you received from the assessor last year.

⁶ This applies only if an "Order" to reduce the property tax revenue was issued to the government in the spring of the current year by the Division of Local Government, pursuant to 29-1-301(6), C.R.S.

A. Steps to calculate the “5.5%” Limit (refer to numbered lines on the previous page):

A1. Adjust the previous year's revenue to correct the revenue base, if necessary:

$$\begin{array}{r} \$ \quad 254,371 \\ \text{Line 2} \end{array} + \begin{array}{r} \$ \quad 34,911 \\ \text{Line 8} \end{array} = \text{A1. } \begin{array}{r} \$ \quad 289,282 \\ \text{Adjusted property tax revenue base} \end{array}$$

A2. Calculate the previous year's tax rate, based upon the adjusted revenue base:

$$\begin{array}{r} \$ \quad 289,282 \\ \text{Line A1} \end{array} \div \begin{array}{r} \$ \quad 7,246,073,269 \\ \text{Line 1} \end{array} = \text{A2. } \begin{array}{r} 0.000040 \\ \text{Adjusted Tax Rate}^7 \\ \text{(round to 6 decimal places)} \end{array}$$

A3. Total the assessed valuation of all the current year “growth” properties:⁸

$$\begin{array}{r} \text{Line 4} \\ + \$ \quad 206,930 \\ \text{Line 6} \end{array} + \begin{array}{r} \$ \quad 86,144,823 \\ \text{Line 5} \end{array} = \text{A3. } \begin{array}{r} \$ \quad 86,351,753 \\ \text{Total "growth" properties}^9 \end{array}$$

A4. Calculate the revenue that “growth” properties would have generated:

$$\begin{array}{r} \$ \quad 86,351,753 \\ \text{Line A3} \end{array} \times \begin{array}{r} 0.000040 \\ \text{Line A2} \end{array} = \text{A4. } \begin{array}{r} \$ \quad 3,454 \\ \text{Revenue from "growth" properties} \end{array}$$

A5. Expand the adjusted revenue base (Line A1) by the “revenue” from “growth” properties:

$$\begin{array}{r} \$ \quad 289,282 \\ \text{Line A1} \end{array} + \begin{array}{r} \$ \quad 3,454 \\ \text{Line A4} \end{array} = \text{A5. } \begin{array}{r} \$ \quad 292,736 \\ \text{Expanded revenue base} \end{array}$$

A6. Increase the Expanded Revenue Base (Line A5) by allowable amounts:

$$\begin{array}{r} [\$ \quad 292,736 \\ \text{Line A5} \end{array} \times \begin{array}{r} 1.055^{10} \end{array}] + \begin{array}{r} \text{DLG-Approved Revenue Increase} \\ + \\ \text{Voter-Approved Revenue Increase}^{11} \end{array} = \text{A6. } \begin{array}{r} \$ \quad 308,836 \\ \text{Increased Revenue Base} \end{array}$$

A7. Current Year's “5.5%” Revenue Limit:

$$\begin{array}{r} \$ \quad 308,836 \\ \text{Line A6} \end{array} - \begin{array}{r} \$ \quad 1,774 \\ \text{Line 7} \end{array} = \text{A7. } \begin{array}{r} \$ \quad 307,062 \\ \text{Current Year's "5.5%" Revenue Limit}^{12} \end{array}$$

A8. Reduce Current Year's “5.5%” Revenue Limit by any amount levied over the limit in the previous year:

$$\begin{array}{r} \$ \quad 307,062 \\ \text{Line A7} \end{array} - \begin{array}{r} \text{Line 9} \end{array} = \text{A8. } \begin{array}{r} \$ \quad 307,062 \\ \text{Reduced Current Year's "5.5%" Limit.} \\ \text{This is the maximum allowed to be} \\ \text{levied this year}^{13} \end{array}$$

A9. Calculate the mill levy which would generate the Reduced Revenue Limit (Line A8):

$$\begin{array}{r} \$ \quad 307,062 \\ \text{Line A8} \end{array} \div \begin{array}{r} \$ \quad 7,328,768,702 \\ \text{Line 3} \end{array} \times 1,000 = \text{A9. } \begin{array}{r} 0.042 \\ \text{Mill Levy (round to 3 decimals)} \end{array}$$

⁷If this number were multiplied by 1,000 and rounded to three decimal places, it would be the mill levy necessary in the previous year to realize the revenue in line A1.

⁸The values of these properties are “excluded” from the “5.5%” limit, according to 29-1-301(1)(a) C.R.S.

⁹This revenue is the amount that the jurisdiction theoretically would have received had those “excluded” or “growth” properties been on the tax roll in the previous year.

¹⁰This is the “5.5%” increase allowed in 29-1-301(1), C.R.S.

¹¹This figure can be used if an election was held to increase property tax revenue **above the “5.5%”** limit.

¹²Rounded to the nearest whole dollar, this is the “5.5%” statutory property tax revenue limit.

¹³DLG will use this amount to determine if revenue has been levied in excess of the statutory limit.

Steps to calculate the TABOR Limit (refer to numbered lines on page one):¹⁴

B. TABOR “Local Growth” Percentage

B1. Determine net growth valuation:

$$\frac{\$ 810,697,075}{\text{Lines 11+12+13+14+15+16}} - \frac{\$ 112,541,849}{\text{Lines 17+18+19}} = \frac{\$ 698,155,226}{\text{Net Growth Value}}$$

B2. Determine the (theoretical) valuation of property which was on the tax roll last year:

$$\frac{\$ 55,769,413,893}{\text{Line 10}} - \frac{\$ 698,155,226}{\text{Line B1}} = \frac{\$ 55,071,258,667}{\text{Net Growth Value}}$$

B3. Determine the rate of “local growth”:

$$\frac{\$ 698,155,226}{\text{Line B1}} \div \frac{\$ 55,071,258,667}{\text{Line B2}} = \frac{0.012677}{\text{Local Growth Rate (round to 6 decimal places)}}$$

B4. Calculate the percentage of “local growth”:

$$\frac{0.012677}{\text{Line B3}} \times 100 = \frac{1.27\%}{\text{(round to 2 decimal places)}}$$

C. TABOR Property Tax Revenue Limit

C1. Calculate the growth in property tax revenue allowed:

$$\frac{\$ 254,371}{\text{Line 2}^{15}} \times \frac{3.87\%}{\text{Line B4 + line 20}} = \frac{\$ 9,844}{\text{Increase allowed}}$$

C2. Calculate the TABOR property tax revenue limit:

$$\frac{\$ 254,371}{\text{Line 2}} + \frac{\$ 9,844}{\text{Line C1}} = \frac{\$ 264,215}{\text{TABOR Property Tax Revenue Limit}}$$

C3. Calculate the mill levy which would generate the TABOR Property Tax Revenue Limit (Line C2):

$$\left[\frac{\$ 264,215}{\text{Line C2}} \div \frac{\$ 7,328,768,702}{\text{Line 3}} \right] \times 1,000 = \frac{0.036}{\text{Mill Levy (round to 3 decimal places)}}$$

D. Which One To Use? There is general agreement among practitioners that the most restrictive of the two revenue limits (“5.5%” or TABOR) must be respected, disallowing the levying of the greater amount of revenue which would be allowed under the other limit. Therefore, one must decide which of the two limits is more restrictive.

Compare Line A7 (Current Year’s 5.5% Revenue Limit) to Line C2 (TABOR Property Tax Revenue Limit). The lesser of the two is the more restrictive revenue limit.

NOTE: TABOR(4)(a) requires prior voter approval to levy a mill levy above that of the prior year. This is a third limit on property taxes that must be respected, independent of the two revenue limitations calculated above. **If the lesser of the two mill levies in A9 and C3 is more than the levy of the prior year, it is possible that neither of the revenue amounts may be generated, and that revenues must be lowered to comply with this third limit.**

¹⁴This section is offered as a guideline only. The Division is required by law to enforce the “5.5%” limit, but does not have any authority to define or enforce any of the limitations in TABOR.

¹⁵**NOTE: For the TABOR property tax revenue limit only** (Part C of this form), it may be preferable to use the actual amount levied in the previous year, ignoring footnote #2 on page 1. This is a local option. DLG staff is available to discuss the alternatives.

**CERTIFICATION OF VALUATION BY
BENT COUNTY ASSESSOR**

New Tax Entity YES NO

Date November 19, 2013

NAME OF TAX ENTITY: SE COLORADO WATER CONSERVANCY DISTRICT

USE FOR STATUTORY PROPERTY TAX REVENUE LIMIT CALCULATION ("5.5%" LIMIT) ONLY

IN ACCORDANCE WITH 39-5-121(2)(a) and 39-5-128(1), C.R.S., AND NO LATER THAN AUGUST 25, THE ASSESSOR CERTIFIES THE TOTAL VALUATION FOR ASSESSMENT FOR THE TAXABLE YEAR 2013:

| | | |
|---|--------|------------|
| 1. PREVIOUS YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION: | 1. \$ | 50,120,447 |
| 2. CURRENT YEAR'S GROSS TOTAL TAXABLE ASSESSED VALUATION: ‡ | 2. \$ | 51,786,150 |
| 3. LESS TOTAL TIF AREA INCREMENTS, IF ANY: | 3. \$ | 0 |
| 4. CURRENT YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION: | 4. \$ | 51,786,150 |
| 5. NEW CONSTRUCTION: * | 5. \$ | 280 |
| 6. INCREASED PRODUCTION OF PRODUCING MINE: ≈ | 6. \$ | 0 |
| 7. ANNEXATIONS/INCLUSIONS: | 7. \$ | 0 |
| 8. PREVIOUSLY EXEMPT FEDERAL PROPERTY: ≈ | 8. \$ | 0 |
| 9. NEW PRIMARY OIL OR GAS PRODUCTION FROM ANY PRODUCING OIL AND GAS LEASEHOLD OR LAND (29-1-301(1)(b), C.R.S.): ⊕ | 9. \$ | 0 |
| 10. TAXES RECEIVED LAST YEAR ON OMITTED PROPERTY AS OF AUG. 1 (29-1-301(1)(a), C.R.S.). Includes all revenue collected on valuation not previously certified: | 10. \$ | 13.29 |
| 11. TAXES ABATED AND REFUNDED AS OF AUG. 1 (29-1-301(1)(a), C.R.S.) and (39-10-114(1)(a)(I)(B), C.R.S.): | 11. \$ | 38.85 |

- ‡ This value reflects personal property exemptions IF enacted by the jurisdiction as authorized by Art. X, Sec. 20(8)(b), Colo. Constitution
- * New Construction is defined as: Taxable real property structures and the personal property connected with the structure.
- ≈ Jurisdiction must submit to the Division of Local Government respective Certifications of Impact in order for the values to be treated as growth in the limit calculation; use Forms DLG 52 & 52A.
- ⊕ Jurisdiction must apply to the Division of Local Government before the value can be treated as growth in the limit calculation; use Form DLG 52B.

USE FOR TABOR "LOCAL GROWTH" CALCULATION ONLY

IN ACCORDANCE WITH ART. X, SEC. 20, COLO. CONSTITUTION AND 39-5-121(2)(b), C.R.S., THE ASSESSOR CERTIFIES THE TOTAL ACTUAL VALUATION FOR THE TAXABLE YEAR 2013:

| | | |
|--|-------|-------------|
| 1. CURRENT YEAR'S TOTAL ACTUAL VALUE OF ALL REAL PROPERTY: ¶ | 1. \$ | 210,475,182 |
| ADDITIONS TO TAXABLE REAL PROPERTY | | |
| 2. CONSTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTS: * | 2. \$ | 3,520 |
| 3. ANNEXATIONS/INCLUSIONS: | 3. \$ | 0 |
| 4. INCREASED MINING PRODUCTION: § | 4. \$ | 0 |
| 5. PREVIOUSLY EXEMPT PROPERTY: | 5. \$ | 0 |
| 6. OIL OR GAS PRODUCTION FROM A NEW WELL: | 6. \$ | 0 |
| 7. TAXABLE REAL PROPERTY OMITTED FROM THE PREVIOUS YEAR'S TAX WARRANT: (If land and/or a structure is picked up as omitted property for multiple years, only the most current year's actual value can be reported as omitted property.): | 7. \$ | 34,828 |

DELETIONS FROM TAXABLE REAL PROPERTY

| | | |
|---|--------|---|
| 8. DESTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTS: | 8. \$ | 0 |
| 9. DISCONNECTIONS/EXCLUSIONS: | 9. \$ | 0 |
| 10. PREVIOUSLY TAXABLE PROPERTY: | 10. \$ | 0 |

- ¶ This includes the actual value of all taxable real property plus the actual value of religious, private school, and charitable real property.
- * Construction is defined as newly constructed taxable real property structures.
- § Includes production from new mines and increases in production of existing producing mines.

IN ACCORDANCE WITH 39-5-128(1), C.R.S., AND NO LATER THAN AUGUST 25, THE ASSESSOR CERTIFIES TO SCHOOL DISTRICTS:

| | | |
|---|-------|--|
| 1. TOTAL ACTUAL VALUE OF ALL TAXABLE PROPERTY | 1. \$ | |
|---|-------|--|

NOTE: ALL LEVIES MUST BE CERTIFIED to the COUNTY COMMISSIONERS NO LATER THAN DECEMBER 15.

CERTIFICATION OF VALUATION BY CHAFFEE COUNTY ASSESSOR

Name of Jurisdiction: **04 - S.E. Colo. Water District**

New Entity: No

IN CHAFFEE COUNTY ON 12/6/2013

USE FOR STATUTORY PROPERTY TAX REVENUE LIMIT CALCULATIONS (5.5% LIMIT) ONLY

IN ACCORDANCE WITH 39-5-121(2)(a) AND 39-5-128(1), C.R.S. AND NO LATER THAN AUGUST 25, THE ASSESSOR CERTIFIES THE TOTAL VALUATION FOR ASSESSMENT FOR THE TAXABLE YEAR 2013 IN CHAFFEE COUNTY, COLORADO

| | |
|---|---------------|
| 1. PREVIOUS YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION: | \$288,555,114 |
| 2. CURRENT YEAR'S GROSS TOTAL TAXABLE ASSESSED VALUATION: * | \$279,490,631 |
| 3. LESS TIF DISTRICT INCREMENT, IF ANY: | \$0 |
| 4. CURRENT YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION: | \$279,490,631 |
| 5. NEW CONSTRUCTION: ** | \$1,997,710 |
| 6. INCREASED PRODUCTION OF PRODUCING MINES: # | \$0 |
| 7. ANNEXATIONS/INCLUSIONS: | \$0 |
| 8. PREVIOUSLY EXEMPT FEDERAL PROPERTY: # | \$0 |
| 9. NEW PRIMARY OIL OR GAS PRODUCTION FROM ANY PRODUCING OIL AND GAS LEASEHOLD OR LAND (29-1-301(1)(b) C.R.S.): ## | \$0 |
| 10. TAXES COLLECTED LAST YEAR ON OMITTED PROPERTY AS OF AUG. 1 (29-1-301(1)(a) C.R.S.): | \$91.37 |
| 11. TAXES ABATED AND REFUNDED AS OF AUG. 1 (29-1-301(1)(a) C.R.S.) and (39-10-114(1)(a)(i)(B) C.R.S.): | \$813.95 |

* This value reflects personal property exemptions IF enacted by the jurisdiction as authorized by Art. X, Sec.20(8)(b), Colo.

** New construction is defined as: Taxable real property structures and the personal property connected with the structure.

Jurisdiction must submit respective certifications (Forms DLG 52 AND 52A) to the Division of Local Government in order for the values to be treated as growth in the limit calculation.

Jurisdiction must apply (Forms DLG 52B) to the Division of Local Government before the value can be treated as growth in the limit calculation.

USE FOR 'TABOR' LOCAL GROWTH CALCULATIONS ONLY

IN ACCORDANCE WITH THE PROVISION OF ARTICLE X, SECTION 20, COLO CONST, AND 39-5-121(2)(b), C.R.S. THE ASSESSOR CERTIFIES THE TOTAL ACTUAL VALUATION FOR THE TAXABLE YEAR 2013 IN CHAFFEE COUNTY, COLORADO ON AUGUST 25, 2013

| | |
|--|-----------------|
| 1. CURRENT YEAR'S TOTAL ACTUAL VALUE OF ALL REAL PROPERTY: @ | \$2,195,141,068 |
| ADDITIONS TO TAXABLE REAL PROPERTY: | |
| 2. CONSTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTS: † | \$18,774,690 |
| 3. ANNEXATIONS/INCLUSIONS: | \$0 |
| 4. INCREASED MINING PRODUCTION: % | \$0 |
| 5. PREVIOUSLY EXEMPT PROPERTY: | \$113,087 |
| 6. OIL OR GAS PRODUCTION FROM A NEW WELL: | \$0 |
| 7. TAXABLE REAL PROPERTY OMITTED FROM THE PREVIOUS YEAR'S TAX WARRANT: (‡ land and/or a structure is picked up as omitted property for multiple years, only the most current year's actual value can be reported as omitted property.) | \$41,482 |
| DELETIONS FROM TAXABLE REAL PROPERTY: | |
| 8. DESTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTS: | \$1,028,820 |
| 9. DISCONNECTIONS/EXCLUSION: | \$0 |
| 10. PREVIOUSLY TAXABLE PROPERTY: | \$1,453,851 |

@ This includes the actual value of all taxable real property plus the actual value of religious, private schools, and charitable real property.

† Construction is defined as newly constructed taxable real property structures.

% Includes production from new mines and increases in production of existing producing mines.

| | |
|---|-----|
| IN ACCORDANCE WITH 39-5-128(1), C.R.S. AND NO LATER THAN AUGUST 25, THE ASSESSOR CERTIFIES TO SCHOOL DISTRICTS : 1. TOTAL ACTUAL VALUE OF ALL TAXABLE PROPERTY: → | \$0 |
|---|-----|

NOTE: All levies must be Certified to the Board of County Commissioners NO LATER THAN DECEMBER 15, 2013

Data Date: 12/6/2013

**CERTIFICATION OF VALUATION BY
CROWLEY COUNTY ASSESSOR**

New Tax Entity YES NO

Date November 15, 2013

NAME OF TAX ENTITY: Southeastern Water Conservancy District

USE FOR STATUTORY PROPERTY TAX REVENUE LIMIT CALCULATION ("5.5%" LIMIT) ONLY

IN ACCORDANCE WITH 39-5-121(2)(a) and 39-5-128(1), C.R.S., AND NO LATER THAN AUGUST 25, THE ASSESSOR CERTIFIES THE TOTAL VALUATION FOR ASSESSMENT FOR THE TAXABLE YEAR 2013

| | | | | |
|----|---|----|----|------------|
| 1 | PREVIOUS YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION: | 1 | \$ | 32,493,326 |
| 2 | CURRENT YEAR'S GROSS TOTAL TAXABLE ASSESSED VALUATION: † | 2 | \$ | 34,661,202 |
| 3 | LESS TOTAL TIF AREA INCREMENTS, IF ANY: | 3 | \$ | - |
| 4 | CURRENT YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION: ‡ | 4 | \$ | 34,661,202 |
| 5 | NEW CONSTRUCTION: * | 5 | \$ | 435,463 |
| 6 | INCREASED PRODUCTION OF PRODUCING MINE: ≈ | 6 | \$ | - |
| 7 | ANNEXATIONS/INCLUSIONS: | 7 | \$ | - |
| 8 | PREVIOUSLY EXEMPT FEDERAL PROPERTY: ≈ | 8 | \$ | - |
| 9 | NEW PRIMARY OIL OR GAS PRODUCTION FROM ANY PRODUCING OIL AND GAS LEASEHOLD OR LAND (29-1-301(1)(b), C.R.S.): Ⓞ | 9 | \$ | - |
| 10 | TAXES RECEIVED LAST YEAR ON OMITTED PROPERTY AS OF AUG. 1 (29-1-301(1)(a), C.R.S.). Includes all revenue collected on valuation not previously certified: | 10 | \$ | - |
| 11 | TAXES ABATED AND REFUNDED AS OF AUG. 1 (29-1-301(1)(a), C.R.S.) and (39-10-114(1)(a)(I)(B), C.R.S.): | 11 | \$ | 65.00 |

† This value reflects personal property exemptions IF enacted by the jurisdiction as authorized by Art. X, Sec. 20(8)(b), Colo. Constitution

* New Construction is defined as: Taxable real property structures and the personal property connected with the structure.

≈ Jurisdiction must submit to the Division of Local Government respective Certifications of Impact in order for the values to be treated as growth in the limit

Ⓞ Jurisdiction must apply to the Division of Local Government before the value can be treated as growth in the limit calculation; use Form DLG 52B.

USE FOR TABOR "LOCAL GROWTH" CALCULATION ONLY

| | | | | |
|---|---|----|----|-------------|
| 1 | CURRENT YEAR'S TOTAL ACTUAL VALUE OF ALL REAL PROPERTY: ¶ | 1 | \$ | 172,260,002 |
| ADDITIONS TO TAXABLE REAL PROPERTY | | | | |
| 2 | CONSTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTS: * | 2 | \$ | 354,897 |
| 3 | ANNEXATIONS/INCLUSIONS: | 3 | \$ | - |
| 4 | INCREASED MINING PRODUCTION: § | 4 | \$ | - |
| 5 | PREVIOUSLY EXEMPT PROPERTY: | 5 | \$ | - |
| 6 | OIL OR GAS PRODUCTION FROM A NEW WELL: | 6 | \$ | - |
| 7 | TAXABLE REAL PROPERTY OMITTED FROM THE PREVIOUS YEAR'S TAX WARRANT: (If land and/or a structure is picked up as omitted property for multiple years, only the most current year's actual value can be reported as omitted property.): | 7 | \$ | - |
| DELETIONS FROM TAXABLE REAL PROPERTY | | | | |
| 8 | DESTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTS: | 8 | \$ | 18,470 |
| 9 | DISCONNECTIONS/EXCLUSIONS: | 9 | \$ | - |
| 10 | PREVIOUSLY TAXABLE PROPERTY: | 10 | \$ | - |

¶ This includes the actual value of all taxable real property plus the actual value of religious, private school, and charitable real property.

* Construction is defined as newly constructed taxable real property structures.

§ Includes production from new mines and increases in production of existing producing mines.

IN ACCORDANCE WITH 39-5-128(1), C.R.S., AND NO LATER THAN AUGUST 25, THE ASSESSOR CERTIFIES TO SCHOOL DISTRICTS:

| | | | | |
|---|--|---|----|---|
| 1 | TOTAL ACTUAL VALUE OF ALL TAXABLE PROPERTY | 1 | \$ | - |
|---|--|---|----|---|

NOTE: ALL LEVIES MUST BE CERTIFIED to the COUNTY COMMISSIONERS NO LATER THAN DECEMBER 15.

CERTIFICATION OF VALUATION BY COUNTY ASSESSOR

NAME OF JURISDICTION: SOUTHEASTERN COLO WATER CONSERVANCY NEW ENTITY: () YES (X) NO
 IN EL PASO COUNTY, COLORADO ON November 27, 2013

| USE FOR STATUTORY PROPERTY TAX REVENUE LIMIT CALCULATION ("5.5%" LIMIT) ONLY | |
|--|-------------------|
| In accordance with 39-5-121(2)(a) and 39-5-128(1), C.R.S., and no later than August 25, the Assessor certifies the total valuation for assessment for the taxable year 2013: | |
| Previous year's net total taxable assessed valuation: | \$ 4,951,794,540 |
| Current year's gross total taxable assessed valuation: ^δ | \$ 5,067,056,670 |
| Less TIF district increment, if any: | \$ 34,645,030 |
| Current year's net total taxable assessed valuation: | \$ 5,032,411,640 |
| New construction: ^λ | \$ 74,772,100 |
| Increased production of producing mine: ^Δ | \$ 0 |
| Annexations/Inclusions: | \$ 73,350 |
| Previously exempt federal property: ^Δ | \$ 0 |
| New primary oil or gas production from any producing oil and gas leasehold or land (29-1-301(1)(b), C.R.S.): ^ξ | \$ 0 |
| Taxes collected last year on omitted property as of August 1 (29-1-301(1)(a), C.R.S.): | \$ 1,649.79 |
| Taxes abated and refunded as of August 1 (29-1-301(1)(a) and 39-10-114(1)(a)(T)(B), C.R.S.): | \$ 30,873.12 |
| <small>δ This value reflects personal property exemptions IF enacted by the jurisdiction as authorized by Art. X, Sec. 20(8)(b), Colo. Constitution. λ New construction is defined as: Taxable real property structures and the personal property connected with the structure. Δ Jurisdiction must submit a certification to the Division of Local Government in order for a value to be accrued. (DLG 52 & 52A) ξ Jurisdiction must submit an application to the Division of Local Government in order for a value to be accrued. (DLG 52B)</small> | |
| USE FOR "TABOR LOCAL GROWTH" CALCULATION ONLY | |
| In accordance with the provision of Article X, Section 20, Colorado Constitution, and 39-5-121(2)(b), C.R.S., the Assessor certifies the total actual valuation for the taxable year 2013: | |
| Current year's total actual value of all real property: ^φ | \$ 41,529,376,443 |
| ADDITIONS TO TAXABLE REAL PROPERTY | |
| Construction of taxable real property improvements: ^ψ | \$ 682,768,507 |
| Increased mining production: ^Ω | \$ 0 |
| Annexations/Inclusions: | \$ 252,700 |
| Previously exempt property: | \$ 44,985,331 |
| Oil or gas production from a new well: | \$ 0 |
| Taxable real property omitted from the previous year's tax warrant: (If land and/or a structure is picked up as omitted property for multiple years, only the most current year's actual value can be reported as omitted property.) | \$ 5,026,136 |
| DELETIONS FROM TAXABLE REAL PROPERTY | |
| Destruction of taxable real property improvements: | \$ 50,840,997 |
| Disconnection/Exclusion: | \$ 0 |
| Previously taxable property: | \$ 50,205,821 |
| <small>φ This includes the actual value of all taxable real property plus the actual value of religious, private schools and charitable real property. ψ Construction is defined as newly constructed taxable real property structures. Ω Includes production from a new mine and increase in production of an existing producing mine.</small> | |
| In accordance with 39-5-128(1), C.R.S. and no later than August 25, the Assessor certifies to the school districts:.. | |
| 1. TOTAL ACTUAL VALUE OF ALL TAXABLE PROPERTY | \$ N/A |

NOTE: All levies must be certified to the County Commissioners no later than December 15, 2013.

DLG-57

CERTIFICATION OF VALUES

Name of Jurisdiction **S.E. CO WATER CONS** New District:

USE FOR STATUTORY PROPERTY TAX REVENUE LIMIT CALCULATIONS (5.5% LIMIT) ONLY

In accordance with 39-5-121(2)(a) and 39-5-128(1), C.R.S. The total Assessed Valuations for taxable year 2013
 in **Fremont County** On **12/09/2013** Are:

| | |
|--|---------------|
| Previous Year's Net Total Assessed Valuation. | \$321,960,915 |
| Current Year's Gross Total Assessed Valuation | \$315,611,122 |
| (-) Less TIF district increment if any | \$0 |
| Current Year's Net Total Assessed Valuation | \$315,611,122 |
| New Construction* | \$1,277,967 |
| Increased Production of Producing Mines** | \$0 |
| ANNEXATIONS/INCLUSIONS | \$0 |
| Previously Exempt Federal Property**. | \$0 |
| New Primary Oil or Gas production from any Oil and Gas leasehold or land (29-1-301(1)(b) C.R.S.)*** | \$0 |
| Taxes Received last year on omitted property as of August 1 (29-1-301(1)(a) C.R.S.) includes all revenue collected on valuation not previously certified | \$0.00 |
| Taxes Abated or Refunded as of August 1 (29-1-301(1)(a), C.R.S.) and (39-10-114(1)(a)(I)(B) C.R.S.) | \$710.40 |

This value reflects personal property exemptions if enacted by the jurisdiction as authorized by Art. X, Sec. 20(5)(b), Colo. Constitution
 * New Construction is defined as Taxable real property structures and the personal property connected with the structure
 ** Jurisdiction must submit to the Division of Local Government respective Certification of Impact in order for a value to be treated as growth in the limit calculation, use forms (DLG52 & 52A)
 *** Jurisdiction must apply to the Division of Local Government before the value can be treated as growth in the limit calculation; use forms (DLG 52B)

USE FOR TABOR LOCAL GROWTH CALCULATIONS ONLY

In accordance with the Art. X, Sec. 20, Colorado Constitution and 39-5-121(2)(b), C.R.S. The Actual Valuations for the taxable year 2013
 in **Fremont County** On **12/09/2013** Are

| | |
|--|-----------------|
| Current Year's Total Actual Value of All Real Property*. | \$2,193,979,584 |
| ADDITIONS TO TAXABLE REAL PROPERTY: Construction of taxable real property improvements**. | \$10,383,338 |
| ANNEXATIONS/INCLUSIONS: | \$0 |
| Increased Mining Production***. | \$0 |
| Previously exempt property. | \$0 |
| Oil or Gas production from a new well | \$0 |
| Taxable real property omitted from the previous year's tax warrant. (Only the most current year value can be reported): | \$25,110 |
| DELETIONS FROM TAXABLE REAL PROPERTY: Destruction of taxable property improvements. | \$128,631 |
| Disconnections/Exclusions: | \$0 |
| Previously Taxable Property: | \$1,572,000 |

* This includes the actual value of all taxable real property plus the actual value of religious, private schools and charitable real property
 ** Construction is defined as newly constructed taxable real property structures
 *** Includes production from a new mine and increases in production of a producing mine

NOTE: All levies must be certified to the Board of County Commissioners no later than December 15, 2013

Final

CERTIFICATION OF VALUATION BY
KIOWA COUNTY ASSESSOR

New Tax Entity [] YES [X] NO

Date November 18, 2013

NAME OF TAX ENTITY: SOUTHEAST COLORADO WATER CONSERVANCY DISTRICT

USE FOR STATUTORY PROPERTY TAX REVENUE LIMIT CALCULATION ("5.5%" LIMIT) ONLY

IN ACCORDANCE WITH 39-5-121(2)(a) and 39-5-128(1), C.R.S., AND NO LATER THAN AUGUST 25, THE ASSESSOR CERTIFIES THE TOTAL VALUATION FOR ASSESSMENT FOR THE TAXABLE YEAR 2013/2014:

- 1. PREVIOUS YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION: \$ 1535990
2. CURRENT YEAR'S GROSS TOTAL TAXABLE ASSESSED VALUATION: ‡ \$ 1567490
3. LESS TOTAL TIF AREA INCREMENTS, IF ANY: \$
4. CURRENT YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION: \$ 1567490
5. NEW CONSTRUCTION: * \$ 4430
6. INCREASED PRODUCTION OF PRODUCING MINE: ≈ \$
7. ANNEXATIONS/INCLUSIONS: \$
8. PREVIOUSLY EXEMPT FEDERAL PROPERTY: ≈ \$
9. NEW PRIMARY OIL OR GAS PRODUCTION FROM ANY PRODUCING OIL AND GAS LEASEHOLD OR LAND (29-1-301(1)(b), C.R.S.): Ⓢ \$ 160110
10. TAXES RECEIVED LAST YEAR ON OMITTED PROPERTY AS OF AUG. 1 (29-1-301(1)(a), C.R.S.). Includes all revenue collected on valuation not previously certified: \$
11. TAXES ABATED AND REFUNDED AS OF AUG. 1 (29-1-301(1)(a), C.R.S.) and (39-10-114(1)(a)(I)(B), C.R.S.): \$

‡ This value reflects personal property exemptions IF enacted by the jurisdiction as authorized by Art. X, Sec. 20(8)(b), Colo. Constitution
* New Construction is defined as: Taxable real property structures and the personal property connected with the structure.
≈ Jurisdiction must submit to the Division of Local Government respective Certifications of Impact in order for the values to be treated as growth in the limit calculation; use Forms DLG 52 & 52A.
Ⓢ Jurisdiction must apply to the Division of Local Government before the value can be treated as growth in the limit calculation; use Form DLG 52B.

USE FOR TABOR "LOCAL GROWTH" CALCULATION ONLY

IN ACCORDANCE WITH ART. X, SEC. 20, COLO. CONSTITUTION AND 39-5-121(2)(b), C.R.S., THE ASSESSOR CERTIFIES THE TOTAL ACTUAL VALUATION FOR THE TAXABLE YEAR 2013/2014:

- 1. CURRENT YEAR'S TOTAL ACTUAL VALUE OF ALL REAL PROPERTY: ¶ \$ 14615660
ADDITIONS TO TAXABLE REAL PROPERTY
2. CONSTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTS: * \$ 56650
3. ANNEXATIONS/INCLUSIONS: \$
4. INCREASED MINING PRODUCTION: § \$
5. PREVIOUSLY EXEMPT PROPERTY: \$
6. OIL OR GAS PRODUCTION FROM A NEW WELL: \$
7. TAXABLE REAL PROPERTY OMITTED FROM THE PREVIOUS YEAR'S TAX WARRANT: (If land and/or a structure is picked up as omitted property for multiple years, only the most current year's actual value can be reported as omitted property.): \$

DELETIONS FROM TAXABLE REAL PROPERTY

- 8. DESTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTS: \$
9. DISCONNECTIONS/EXCLUSIONS: \$
10. PREVIOUSLY TAXABLE PROPERTY: \$

¶ This includes the actual value of all taxable real property plus the actual value of religious, private school, and charitable real property.
* Construction is defined as newly constructed taxable real property structures.
§ Includes production from new mines and increases in production of existing producing mines.

IN ACCORDANCE WITH 39-5-128(1) C.R.S., AND NO LATER THAN AUGUST 25, THE ASSESSOR CERTIFIES TO SCHOOL DISTRICTS

- 1. TOTAL ACTUAL VALUE OF ALL TAXABLE PROPERTY 1. \$

NOTE: ALL LEVIES MUST BE CERTIFIED to the COUNTY COMMISSIONERS NO LATER THAN DECEMBER 15.

CERTIFICATION OF VALUATION BY OTERO COUNTY ASSESSOR

Name of Jurisdiction **020 - Southeast Colo Water Cons Dist**

New Entity: No

IN OTERO COUNTY, COLORADO ON 11/22/2013

USE FOR STATUTORY PROPERTY TAX REVENUE LIMIT CALCULATIONS (5.5% LIMIT) ONLY

IN ACCORDANCE WITH 39-5-121(2)(a) AND 39-5-128(1), C.R.S. AND NO LATER THAN AUGUST 25, THE ASSESSOR CERTIFIES THE TOTAL VALUATION FOR ASSESSMENT, FOR THE TAXABLE YEAR 2013 IN OTERO COUNTY, COLORADO

| | |
|--|---------------|
| 1. PREVIOUS YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION: | \$112,994,812 |
| 2. CURRENT YEAR'S GROSS TOTAL TAXABLE ASSESSED VALUATION: * | \$117,959,102 |
| 3. LESS TIF DISTRICT INCREMENT, IF ANY: | \$1,121,646 |
| 4. CURRENT YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION: | \$116,837,456 |
| 5. NEW CONSTRUCTION: ** | \$556,446 |
| 6. INCREASED PRODUCTION OF PRODUCING MINES: # | \$0 |
| 7. ANNEXATIONS/INCLUSIONS: | \$0 |
| 8. PREVIOUSLY EXEMPT FEDERAL PROPERTY # | \$0 |
| 9. NEW PRIMARY OIL OR GAS PRODUCTION FROM ANY PRODUCING OIL AND GAS LEASEHOLD OR LAND (29-1-301(1)(b)C.R.S.): ## | \$0 |
| 10. TAXES COLLECTED LAST YEAR ON OMITTED PROPERTY AS OF AUG. 1 (29-1-301(1)(a)C.R.S.): | \$0 |
| 11. TAXES ABATED AND REFUNDED AS OF AUG. 1 (29-1-301(1)(a), C.R.S.) and (39-10-114(1)(a)(I)(B), C.R.S.): | \$184.10 |

This value reflects personal property exemptions IF enacted by the jurisdiction as authorized by Art. X, Sec.20(8)(b), Colo. Constitution

* New construction is defined as: Taxable real property structures and the personal property connected with the structure.

Jurisdiction must submit respective certifications (Forms DLG 52 AND 52A) to the Division of Local Government in order for the values to be treated as growth in the limit calculation.

** Jurisdiction must apply (Forms DLG 52B) to the Division of Local Government before the value can be treated as growth in the limit calculation.

USE FOR 'TABOR' LOCAL GROWTH CALCULATIONS ONLY

IN ACCORDANCE WITH THE PROVISION OF ARTICLE X, SECTION 20, COLO CONST, AND 39-5-121(2)(b), C.R.S. THE ASSESSOR CERTIFIES THE TOTAL ACTUAL VALUATION FOR THE TAXABLE YEAR 2013 IN OTERO COUNTY ON AUGUST 25, 2013

| | |
|---|---------------|
| CURRENT YEAR'S TOTAL ACTUAL VALUE OF ALL REAL PROPERTY: @ | \$800,901,107 |
| ADDITIONS TO TAXABLE REAL PROPERTY: | |
| CONSTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTS: ! | \$1,647,232 |
| ANNEXATIONS/INCLUSIONS: | \$0 |
| INCREASED MINING PRODUCTION: % | \$0 |
| PREVIOUSLY EXEMPT PROPERTY: | \$851,318 |
| OIL OR GAS PRODUCTION FROM A NEW WELL: | \$0 |
| TAXABLE REAL PROPERTY OMITTED FROM THE PREVIOUS YEAR'S TAX WARRANT: | \$0 |
| <small>(If land and/or a structure is picked up as omitted property for multiple years, only the most current year's actual value can be reported as omitted property.)</small> | |
| DELETIONS FROM TAXABLE REAL PROPERTY: | |
| DESTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTS: | \$48,885 |
| DISCONNECTIONS/EXCLUSION: | \$0 |
| PREVIOUSLY TAXABLE PROPERTY: | \$4,599 |

This includes the actual value of all taxable real property plus the actual value of religious, private schools, and charitable real property.

! Construction is defined as newly constructed taxable real property structures.

% Includes production from new mines and increases in production of existing producing mines.

| | |
|--|-----|
| IN ACCORDANCE WITH (39-5-128(1), C.R.S.) AND NO LATER THAN AUGUST 25, THE ASSESSOR CERTIFIES TO SCHOOL DISTRICTS: 1. TOTAL ACTUAL VALUE OF ALL TAXABLE PROPERTY: | \$0 |
|--|-----|

NOTE: All levies must be Certified to the Board of County Commissioners NO LATER THAN DECEMBER 15, 2013

Data Date: 11/21/2013

DLG-57 (Rev. 7/00)

**CERTIFICATION OF VALUATION BY
PROWERS COUNTY ASSESSOR**

New Tax Entity YES NO

Date Nov. 21, 2013

NAME OF TAX ENTITY: SOUTHEAST COLORADO WATER CONSERVANCY DISTRICT

USE FOR STATUTORY PROPERTY TAX REVENUE LIMIT CALCULATION ("5.5%" LIMIT) ONLY

IN ACCORDANCE WITH 39-5-121(2)(a) and 39-5-128(1), C.R.S., AND NO LATER THAN AUGUST 25, THE ASSESSOR CERTIFIES THE TOTAL VALUATION FOR ASSESSMENT FOR THE TAXABLE YEAR 2012:

| | | | |
|-----|---|-----|---------------|
| 1. | PREVIOUS YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION: | 1. | \$ 56,263,571 |
| 2. | CURRENT YEAR'S GROSS TOTAL TAXABLE ASSESSED VALUATION: ‡ | 2. | \$ 57,861,379 |
| 3. | LESS TOTAL TIF AREA INCREMENTS, IF ANY: | 3. | \$ 796,354 |
| 4. | CURRENT YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION: | 4. | \$ 57,065,025 |
| 5. | NEW CONSTRUCTION: * | 5. | \$ 75,707 |
| 6. | INCREASED PRODUCTION OF PRODUCING MINE: ≈ | 6. | \$ |
| 7. | ANNEXATIONS/INCLUSIONS: | 7. | \$ |
| 8. | PREVIOUSLY EXEMPT FEDERAL PROPERTY: ≈ | 8. | \$ |
| 9. | NEW PRIMARY OIL OR GAS PRODUCTION FROM ANY PRODUCING OIL AND GAS LEASEHOLD OR LAND (29-1-301(1)(b), C.R.S.): ☐ | 9. | \$ |
| 10. | TAXES RECEIVED LAST YEAR ON OMITTED PROPERTY AS OF AUG. 1 (29-1-301(1)(a), C.R.S.). Includes all revenue collected on valuation not previously certified: | 10. | \$ |
| 11. | TAXES ABATED AND REFUNDED AS OF AUG. 1 (29-1-301(1)(a), C.R.S.) and (39-10-114(1)(a)(I)(B), C.R.S.): | 11. | \$ 84.01 |

‡ This value reflects personal property exemptions IF enacted by the jurisdiction as authorized by Art. X, Sec. 20(8)(b), Colo. Constitution
 * New Construction is defined as: Taxable real property structures and the personal property connected with the structure.
 ≈ Jurisdiction must submit to the Division of Local Government respective Certifications of Impact in order for the values to be treated as growth in the limit calculation; use Forms DLG 52 & 52A.
 ☐ Jurisdiction must apply to the Division of Local Government before the value can be treated as growth in the limit calculation; use Form DLG 52B.

USE FOR TABOR "LOCAL GROWTH" CALCULATION ONLY

IN ACCORDANCE WITH ART.X, SEC.20, COLO. CONSTUTION AND 39-5-121(2)(b), C.R.S., THE ASSESSOR CERTIFIES THE TOTAL ACTUAL VALUATION FOR THE TAXABLE YEAR 2012:

| | | | |
|---|---|----|----------------|
| 1. | CURRENT YEAR'S TOTAL ACTUAL VALUE OF ALL REAL PROPERTY: ¶ | 1. | \$ 318,033,992 |
| ADDITIONS TO TAXABLE REAL PROPERTY | | | |
| 2. | CONSTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTS: * | 2. | \$ 852,212 |
| 3. | ANNEXATIONS/INCLUSIONS: | 3. | \$ |
| 4. | INCREASED MINING PRODUCTION: § | 4. | \$ |
| 5. | PREVIOUSLY EXEMPT PROPERTY: | 5. | \$ 23,755 |
| 6. | OIL OR GAS PRODUCTION FROM A NEW WELL: | 6. | \$ |
| 7. | TAXABLE REAL PROPERTY OMITTED FROM THE PREVIOUS YEAR'S TAX WARRANT: (If land and/or a structure is picked up as omitted property for multiple years, only the most current year's actual value can be reported as omitted property.): | 7. | \$ 155 |

DELETIONS FROM TAXABLE REAL PROPERTY

| | | | |
|-----|--|-----|-----------|
| 8. | DESTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTS: | 8. | \$ 30,393 |
| 9. | DISCONNECTIONS/EXCLUSIONS: | 9. | \$ |
| 10. | PREVIOUSLY TAXABLE PROPERTY: | 10. | \$ |

¶ This includes the actual value of all taxable real property plus the actual value of religious, private school, and charitable real property.
 * Construction is defined as newly constructed taxable real property structures.
 § Includes production from new mines and increases in production of existing producing mines.

IN ACCORDANCE WITH 39-5-128(1), C.R.S., AND NO LATER THAN AUGUST 25, THE ASSESSOR CERTIFIES TO SCHOOL DISTRICTS:

| | | | |
|----|--|----|----|
| 1. | TOTAL ACTUAL VALUE OF ALL TAXABLE PROPERTY | 1. | \$ |
|----|--|----|----|

NOTE: ALL LEVIES MUST BE CERTIFIED to the COUNTY COMMISSIONERS NO LATER THAN DECEMBER 15.

NAME OF TAXING JURISDICTION: S.E.WATER CONSV DIST NEW ENTITY: YES NO
 LOCATED IN Pueblo COUNTY, COLORADO ON 11/26/2013

USE FOR STATUTORY PROPERTY TAX REVENUE LIMIT CALCULATION (5.5% LIMIT) ONLY

IN ACCORDANCE WITH 39-5-121(2) (a) and 39-5-128(1), C.R.S., AND NO LATER THAN DECEMBER 10, THE ASSESSOR CERTIFIES THE TOTAL VALUATION FOR ASSESSMENT FOR THE TAXABLE YEAR 2013:

| | | | |
|-----|--|-----|------------------|
| 1. | PREVIOUS YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION: | 1. | \$ 1,430,354,554 |
| 2. | CURRENT YEAR'S GROSS TOTAL TAXABLE ASSESSED VALUATION:† | 2. | \$ 1,487,757,719 |
| 3. | LESS TIF DISTRICT INCREMENT, IF ANY: | 3. | \$ 48,419,733 |
| 4. | CURRENT YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION: | 4. | \$ 1,439,337,986 |
| 5. | NEW CONSTRUCTION: * | 5. | \$ 7,024,720 |
| 6. | INCREASED PRODUCTION OF PRODUCING MINE: ** | 6. | \$ 0 |
| 7. | ANNEXATIONS/INCLUSIONS: | 7. | \$ 0 |
| 8. | PREVIOUSLY EXEMPT FEDERAL PROPERTY: ** | 8. | \$ 0 |
| 9. | NEW PRIMARY OIL OR GAS PRODUCTION FROM ANY PRODUCING OIL AND GAS LEASEHOLD OR LAND (29-1-301(1)(b), C.R.S.)*** | 9. | \$ 0 |
| 10. | TAXES COLLECTED LAST YEAR ON OMITTED PROPERTY AS OF: AUG. 1 (29-1-301(1)(a), C.R.S.) | 10. | \$ 20 |
| 11. | TAXES ABATED AND REFUNDED AS OF AUG. 1 (29-1-301(1)(a), C.R.S.) and (39-10-114(1)(a)(I)(B), C.R.S.): | 11. | \$ 2,342 |

† This value reflects personal property exemptions IF enacted by the jurisdiction as authorized by Art. X, Sec. 20(8)(b), Colo. Constitution.
 * New Construction is defined as: Taxable real property structures and the personal property connected with the structure.
 ** Jurisdiction must submit to the Div. of Local Government respective Certifications of Impact in order for the values to be treated as growth in the limit calculation; use Forms DLG 52 & 52A.
 *** Jurisdiction must apply to the Div. of Local Government before the value can be treated as growth in the limit calculation; use Form DLG52B.

USE FOR TABOR 'LOCAL GROWTH' CALCULATION ONLY

IN ACCORDANCE WITH ART.X, SEC.20, COLO. CONSTUTION AND 39-5-121(2)(b), C.R.S., THE ASSESSOR CERTIFIES THE TOTAL ACTUAL VALUATION FOR THE TAXABLE YEAR 2013:

| | | | |
|---|--|----|------------------|
| 1. | CURRENT YEAR'S TOTAL ACTUAL VALUE OF ALL REAL PROPERTY: | 1. | \$ 8,334,630,857 |
| ADDITIONS TO TAXABLE REAL PROPERTY | | | |
| 2. | CONSTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTS: * | 2. | \$ 41,848,345 |
| 3. | ANNEXATIONS/INCLUSIONS: | 3. | \$ 0 |
| 4. | INCREASED MINING PRODUCTION: § | 4. | \$ 0 |
| 5. | PREVIOUSLY EXEMPT PROPERTY: | 5. | \$ 2,358,448 |
| 6. | OIL OR GAS PRODUCTION FROM A NEW WELL: | 6. | \$ 0 |
| 7. | TAXABLE REAL PROPERTY OMITTED FROM THE PREVIOUS YEAR'S TAX WARRANT:(If land and/or a structure is picked up as omitted property for multiple years, only the most current year's actual value can be reported as omitted property.): | 7. | \$ 96,334 |

DELETIONS FROM TAXABLE REAL PROPERTY

| | | | |
|-----|--|-----|--------------|
| 8. | DESTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTS: | 8. | \$ 976,710 |
| 9. | DISCONNECTIONS/EXCLUSIONS: | 9. | \$ 0 |
| 10. | PREVIOUSLY TAXABLE PROPERTY: | 10. | \$ 6,232,672 |

This includes the actual value of all taxable real property plus the actual value of religious, private school, and charitable real property.
 * Construction is defined as newly constructed taxable real property structures.
 § Includes production from new mines and increases in production of existing producing mines

IN ACCORDANCE WITH 39-5-128(1), C.R.S., AND NO LATER THAN DECEMBER 10, THE ASSESSOR CERTIFIES TO SCHOOL DISTRICTS:

| | |
|---|-------------------------|
| TOTAL ACTUAL VALUE OF ALL TAXABLE PROPERTY | \$ 9,642,516,685 |
|---|-------------------------|

NOTE: ALL LEVIES MUST BE CERTIFIED TO THE COUNTY COMMISSIONERS NO LATER THAN DECEMBER 15.
 Mill certifications should be sent to the Pueblo County Office of Budget at 215 W 10th St. . You may also fax them to Countyfaxnumber.

Additional Contributions

MAPS

MWH Global, Gerald Gibbens

Margie Medina

PHOTOGRAPHS

Applegate Group, Inc.

Kara Lamb, USBR

Carla Quezada, LAVWCD

District staff: Leann Noga, Jean Van Pelt, Liz Catt, and Margie Medina

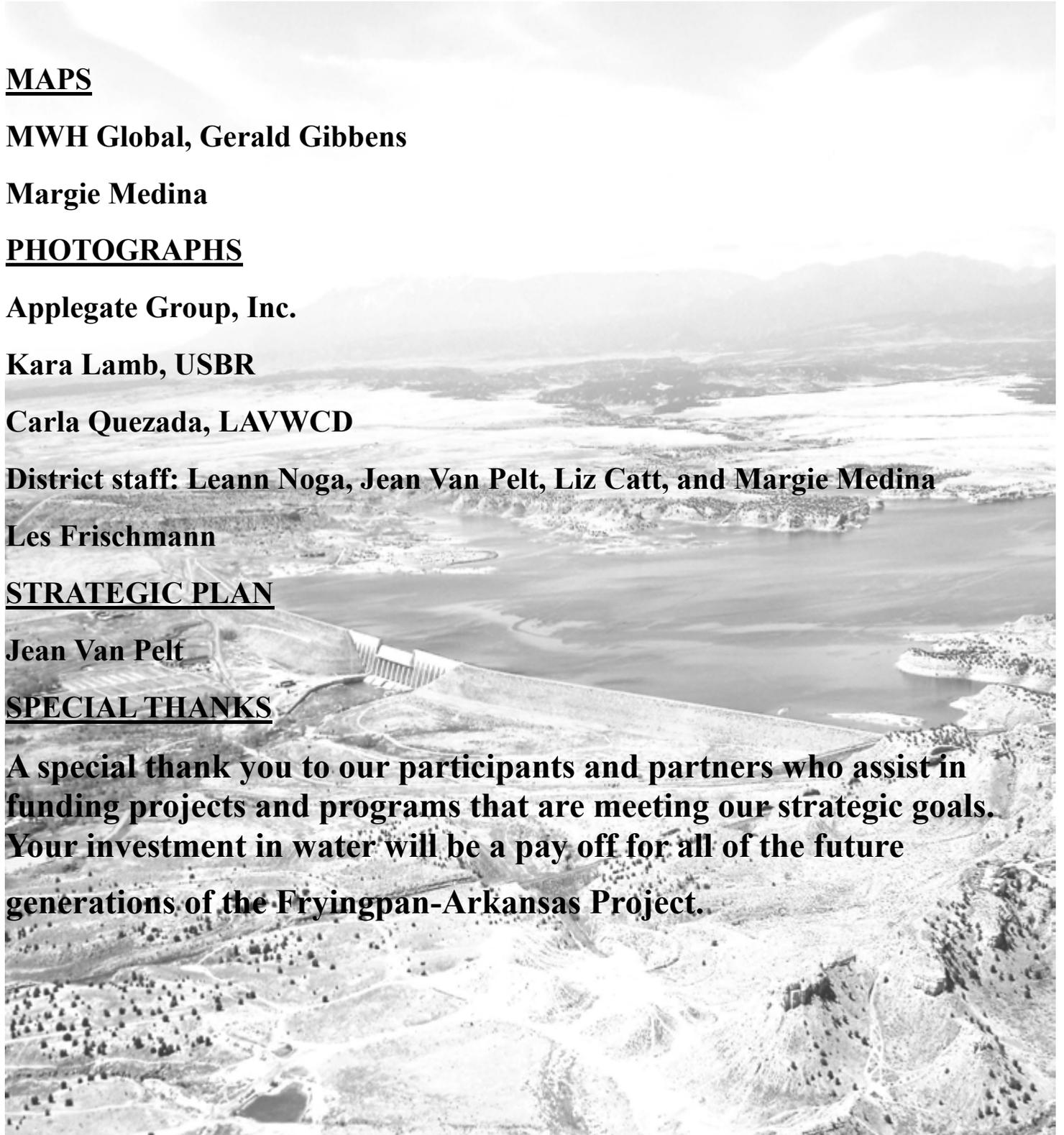
Les Frischmann

STRATEGIC PLAN

Jean Van Pelt

SPECIAL THANKS

A special thank you to our participants and partners who assist in funding projects and programs that are meeting our strategic goals. Your investment in water will be a pay off for all of the future generations of the Fryingpan-Arkansas Project.



Building the Future

Table of Terms and Acronyms

| | |
|-----------------|---|
| A/F | Acre-Foot Water |
| Ag | Agricultural |
| ARKWIPP | Arkansas River Watershed Invasive Plants Plan Implementation www.ARKWIPP.org |
| Aurora | City of Aurora |
| AVC | Arkansas Valley Conduit : The Arkansas Valley Conduit (AVC), is a proposed water supply project to serve the needs of communities in the lower Arkansas Valley, a pipeline (Interconnect) to convey water between the existing south outlet works and a future north outlet works at Pueblo Reservoir...” Reclamation Newsletter October 2012 |
| Bill McDonald | McDonald Water Policy Consulting, LLC |
| BWWP | Board of Water Works of Pueblo, Colorado |
| COAgMet | Colorado Agricultural Meteorology Outreach Program http://ccc.atmos.colostate.edu/~coagmet/ |
| CPI | The Consumer Price Index (CPI) is a measure of the average change over time in the prices paid by urban consumers for a market basket of consumer goods and services. |
| CSU | Colorado Springs Utilities |
| CWCB | Colorado Water Conservation Board |
| CWRPDA | Colorado Water Resources and Power Development Authority |
| DISTRICT | Southeastern Colorado Water Conservancy District |
| DOLA | Department of Local Affairs |
| EIS | Environmental Impact Statement: An EIS is a document that describes the impacts on the environment as a result of a proposed action. |
| Enterprise | Southeastern Colorado Water Activity Enterprise |
| ESA | Endangered Species Act: Through federal action and by encouraging the establishment of state programs, the 1973 Endangered Species Act provided for the conservation of ecosystems upon which threatened and endangered species of fish, wildlife, and plants depend. |
| Excess Capacity | Southeastern Long-Term Excess Capacity Master Contract for storage in Pueblo Reservoir to improve water supply. |
| Fry-Ark | Fryingpan-Arkansas Project (Entire System from Ruedi Reservoir east to Pueblo) |
| FTP | Full Time Positions |
| FVA | Fountain Valley Authority |
| IGA | Intergovernmental Agreement (Contract) |
| IPA | Intergovernmental Personnel Act: The Intergovernmental Personnel Act Mobility Program provides for the temporary assignment of personnel between the Federal Government and state and local governments, colleges and universities, Indian tribal governments, federally funded research and development centers, and other eligible organizations. |
| IT | Information Technology (Computers and related communication devices) |
| LAVWCD | Lower Arkansas Valley Water Conservancy District |
| LoPP | Lease of Power Privilege: Contractual right given to a nonfederal entity to utilize, consistent with project purposes, water power head and storage from Reclamation. projects for electric power generation. |
| M&I | Municipal and Industrial |
| Master Contract | Southeastern Long-Term Excess Capacity Master Contract |
| Mill | Millage tax: The amount per 1000 that property tax is calculated on |
| Mill Levy | An ad valorem tax that a property owner must pay annually on their property |

Building the Future

Table of Terms and Acronyms

| | |
|---------------|--|
| MOA | Memorandum of Agreement (Contract) |
| MOU | Memorandum of Understanding (Contract) |
| Muni | Municipal |
| MWH | MWH Global: Engineering firm hired by USBR for the AVC project |
| NEPA | National Environmental Protection Act |
| Northern | Northern Colorado Water Conservancy District |
| OM&R | Operations, Maintenance and Repair |
| PSOP | Preferred Storage Options Plan: a plan to enlarge reservoirs for storage, as well as investigating other storage methods |
| Reclamation | United States Bureau of Reclamation |
| RICD | Recreational In-Channel Diversion: RICDs are functionally similar to instream flow rights in that they allow the appropriation of an amount of streamflow for use within the river channel. Unlike instream flow rights, however, RICDs require that the flow be “diverted, captured, controlled, and placed to beneficial use between specific points defined by control structures.” |
| RIP | Recovery Implementation Program: Partners of the Upper Colorado River Endangered Fish Recovery Program are recovering four species of endangered fish in the Colorado River and its tributaries in Colorado, Utah, and Wyoming while water use and development continues to meet human needs in compliance with interstate compacts and applicable federal and state laws. |
| ROY | Restoration of Yield: Methods of restoring or increasing water yeild, and water quality |
| RRA | Reclamation Reform Act |
| RRPG | Regional Resource Planning Group |
| SECO | Southeastern Colorado Waterwise |
| SECWCD | Southeastern Colorado Water Conservancy District |
| SELTEC | Southeastern Long-Term Excess Capacity Master Contract |
| SO Tax | Specific Operating Tax: Collected on personal vehicles, such as automobiles and trailers |
| SOD | The Safety of Dams (SOD) program focuses on evaluating and implementing actions to resolve safety concerns at Reclamation dams. Under this program, Reclamation will complete studies and identify and accomplish needed corrective action on Reclamation dams. The selected course of action relies on assessments of risks and liabilities with environmental and public involvement input to the decision-making process. |
| STAG | State and Tribal Assistance Grant |
| TABOR | Taxpayer Bill of Rights Amendment of the Colorado Constitution Section 20 Article X |
| The Authority | Fountain Valley Authority |
| The Conduit | AVC, Arkansas Valley Conduit |
| The Project | Fryingpan-Arkansas Project (Entire System from Ruedi Reservoir East to Pueblo) |
| UAWCD | Upper Arkansas Water Conservancy District |
| USBR | United States Bureau of Reclamation |
| USGS | United States Geological Survey |
| WAE | Southeastern Colorado Water Activity Enterprise |
| WCFS | Water Conservation Field Services Program: to encourage water conservation and efficient use of water supplies on Reclamation's projects and to foster improved water management on a watershed basis throughout the western states. |
| WDR | Water District Review: An auditing spot check of the RRA paperwork of those landholders reporting over 960 acres by Reclamation |

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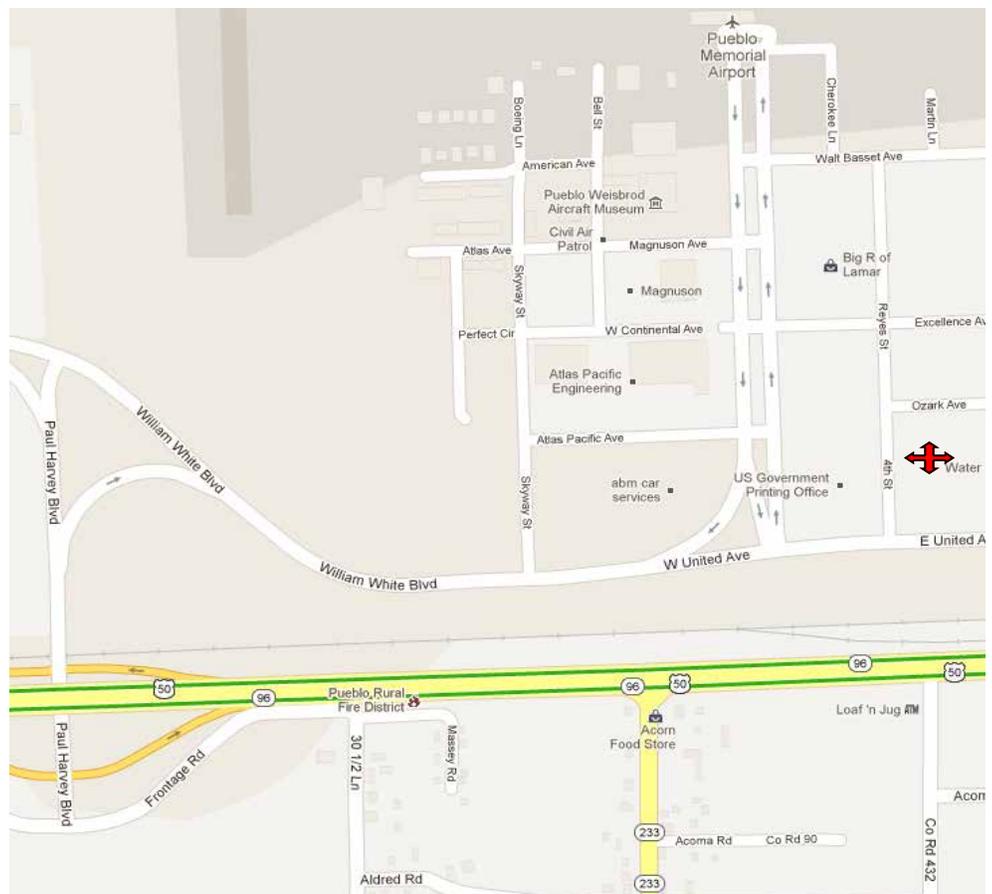
Southeastern Colorado Water

Conservancy District

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Located at Pueblo Memorial Airport
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Notes



