2018 Adopted Budget

Southeastern Colorado Water Conservancy District

www.SECWCD.com

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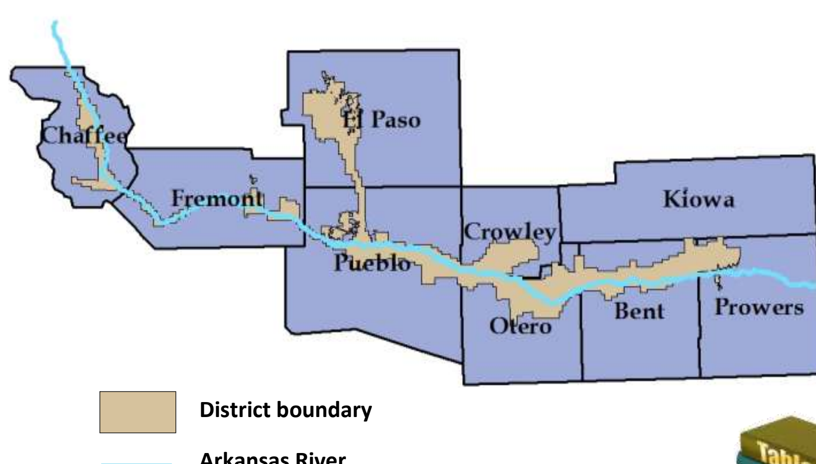
Directors are appointed by District judges in each of the District's nine counties for four-year terms.

Officers are elected annually by the Board.

The Board is the policy group for both the Government Activity and Enterprise Activity of the group, and sets the annual budget for each.

One of the strengths of the District is that its communities include diverse sectors of the state's economy, ranging from among the most rural to the most urban counties in Colorado. Despite the differences, the board has worked collaboratively to provide supplemental water for 60 years.



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SOUTHEASTERN COLORADO
Water Conservancy District
"Your investment in water"

Message from the Executive Director

To Our Board of Directors, Stakeholders, and Constituents:

The District's 2018 Adopted Budget is all about investing in southeastern Colorado

But, as you may know, not all our resources are local. A part of our budget depends on revenue directed here by the federal government (about 42 percent, some of it outside the parameters of our Budget). Which raises the question: How do we stay committed to our local vision when so much is open-ended – and potentially changing – at the federal level? How do we continue to ensure our region is building better health, living safely, and thriving?

As a Conservancy District, we've proven we're up to the challenge. When revenues plunged in 2002, 2003 and 2004, we adapted with far less pain than most agencies. The same efficient and effective management will keep us on course, whatever's ahead in the federal budget or otherwise. The 2018 Adopted Budget is designed to invest in Southeastern Colorado. It represents wise, prioritized spending that addresses the needs of today, while setting the region up for future returns. Such investment will help the region maintain stability and continue to progress, even in times of uncertainty.

This past year, the Board and staff reviewed the 2017- 2032 Strategic Plan and our 2017-2019 Business Plan. The two documents are our roadmaps that establishes the District's priorities and identifies initiatives necessary to guide the District toward its achievement of goals. This 2018 Adopted Budget document presents the overall plan for allocating resources to meet those goals for 2018.

The District's financial condition remains stable due to steady revenues, strong reserves, and prudent financial practices. This fiscal year will start a multi-year capital improvement project at Pueblo Dam of over $20 million in capital improvements. Future capital improvements will need to be funded from reserves, rate increases or financing to keep reserve levels compliant with infrastructure needs. Additionally, a long-term financial forecast projects declining reserves on the front-end and growth of reserves after 2022 due to this aggressive capital improvement program. Further analysis and options will be vetted to determine the course of action to maintain the financial viability of these funds.

We continue our practice of improving our water supply in the District's facilities. In an effort to revitalize the District's water infrastructure and reduce ongoing maintenance and repair costs, the District will implement a facilities operational improvement review on older facilities (a Conditional Assessment). This year and beyond, the District will continue to take an active approach to modernizing and replacing aging facilities.

At the heart of the District's stability, even in times of uncertainty, are our fiscal discipline and systemic financial planning and monitoring. The budget also continues our long-term strategy to set aside resources to support existing obligations. This practice protects and stabilizes our ability to provide water resources and programs that our stakeholders value.

The Fiscal Year 2018 Adopted Budget totals $28.9 million, a decrease of 3.7 percent from the prior fiscal year.

This year, we continue our focus on the Hydroelectric Project, water supply reliability, enhance infrastructure safety, security, and resiliency as well as infrastructure investment /management, Arkansas Valley Conduit (AVC), sound business practices and fiscal integrity, and foster leadership and strengthen workforce capabilities.

It's an ambitious plan to invest in the current needs of the District service area and progress toward a region that is healthy, safe, and thriving for years to come. There will always be uncertainty and change, but this Budget reveals our commitment to stability and stewardship on behalf of our stakeholders.

I would like to express my appreciation to the staff for their diligent efforts in developing a budget that reflects the needs of the District. Through the process, the staff have strengthened their understanding of the needs of the District and the contributions that each staff member provides the District and its stakeholders. A special note of thanks should go the Leann Noga, Toni Gonzales, and Chris Woodka for their excellence in gathering, analyzing, and presenting information clearly and accurately. We are confident that this budget document reflects the policies and direction of the Board of Directors, and provides our commitment for a successful year.

James W. Broderick

Executive Director

GOVERNMENT FINANCE OFFICERS ASSOCIATION

Distinguished Budget Presentation Award

PRESENTED TO

Southeastern Colorado Water Conservancy District

Colorado

For the Fiscal Year Beginning

January 1, 2017

Christopher P. Morrill

Executive Director

The District has earned the Government Finance Officers Association Distinguished Budget Award for six consecutive years. The award is the highest form of recognition in government budgeting, and represents a significant achievement. This award provides assurance that the District's annual budget serves as a policy document, a financial plan, an operating guide, and a communication device. This award reflects the commitment of the Board and staff to meet the highest principles of government budgeting.

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Who we are…

Mission

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

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.

Core Values

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

Our Committees

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

SECWCD: History

Droughts and floods were the way of life in the Arkansas River basin for most of the 20th century. Chiefly important to farmers and cities was the need for a way to provide more water during times of shortage.

By the mid-1940s, there were already a handful of water projects that brought water over the Continental Divide, but in the post-war era, dreams were big. The Fryingpan-Arkansas Project (Project) would bring billions of gallons of new water to the Arkansas River basin through a diversion high in the watershed.

The task was to convince skeptical communities on the western slope of Colorado that they would not be harmed by the project, and to secure statewide agreement to take the Project to Congress. The Water Development Association of Southeastern Colorado, which included business leaders, irrigators, cities and chambers of commerce from throughout the basin, formed in 1946 to take on that task.

The group enlisted financial support for its lobbying efforts in a number of ways. Among the most colorful was the sale of golden frying pans to represent the golden future the Project promised.

The group worked for more than a decade not only to convince Congress to approve the Project, but to form a district to manage the state and local interests of the Project.

A pile of cookware is shown in a picture by a LIFE Magazine photographer during the heyday of the Golden Fryingpan era. Pans were sold to raise funds to lobby for the Fryingpan-Arkansas Project in Congress.

Petitions were submitted to Pueblo District Court, and on April 29, 1958, the Southeastern Colorado Water Conservancy District (District) was formed. Its purpose is to supply water for irrigation, municipal, domestic, and industrial uses; generate and transmit hydroelectric energy; control floods; and other useful and beneficial purposes.

The District boundaries were drawn so that those who would receive the benefits would pay a property tax to repay and operate the Project. Water sales and outside contracts also are sources of revenue to support the Project.

The District is responsible for repayment of the local benefits of the Project, which were calculated to be $132 million in 1982, over a 50-year period. ($2 million was repaid while the Project still was under construction.) As of the end of 2017, about $20 million remained to be paid, and the District will be seeking new contract arrangements with the Bureau of Reclamation in the next two years.

The District enters its 60th anniversary in 2018, and has accomplished many of the goals it set for itself in 1958. Along the way, it has been a leader in Arkansas River water development, not only in achieving a more reliable supply and controlling floods, but in providing assistance, direction, and guidance for all of its constituents.

Fry-Ark Project Costs

- **Construction:** $498 million
- **Interest During Construction:** $87 million
- **Total:** $585 million

Fry-Ark Repayment

- **SECWCD Municipal and Industrial:** $58 million
- **SECWCD Agricultural:** $76 million.
- **Fountain Valley Conduit:** $65 million
- **Power generation:** $147 million.
- **Federal benefit:** $237 million

SECWCD: Governance

District boundaries include parts of nine counties, each of which has incorporated cities, water districts or companies, and irrigated agriculture.

BOARD OF DIRECTORS COUNTY	Seats
Bent	1
Chaffee	1
Crowley	1
El Paso	5
Fremont	1
Kiowa-Prowers	1
Otero	1
Pueblo	3
At-large	1

There are 15 Board members who are appointed for four-year terms by District Court judges. Five members are appointed annually in three out of every four years.

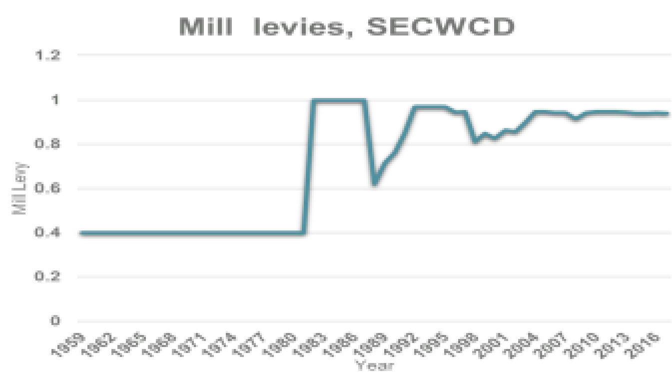
Originally, seven of the counties had two directors on the Board, with two counties sharing one director. A change in state law in 1985 allowed the District to be represented in a way that reflected population. Colorado Springs Utilities and the Pueblo Board of Water Works petitioned the court for a change in Board representation in 1985, and the change took effect in 1988.

As a result, the most populous counties, El Paso and Pueblo, received additional seats on the Board, while smaller counties were limited to one. One at-large position was created in 1988.

Under Colorado law (CRS 37-45-118), the District has the following powers:

- To hold and enjoy water, waterworks, water rights, and sources of water supply, and any and all real and personal property.
- To sell, lease, encumber, alien, or otherwise dispose of water, waterworks, water rights, and sources of supply of water for use within the District.
- To acquire, construct, or operate, control, and use any and all works, facilities, and means necessary or convenient to the exercise of its power.
- To contract with the government of the United States or any agency thereof for the construction, preservation, operation, and maintenance of tunnels, reservoirs, regulating basins, diversion canals and works, dams, power plants, and all necessary works incident thereto and to acquire perpetual rights to the use of water from such works and to sell and dispose of perpetual rights to the use of water from such works to persons and corporations, public and private.
- To enter into contracts, employ and retain personal services; to create, establish, and maintain such offices and positions as shall be necessary and convenient for the transaction of the business of the District; and to elect, appoint, and employ such officers, attorneys, agents, and employees therefore as found by the Board to be necessary and convenient.
- To invest or deposit any surplus money in the District treasury, including such money as may be in any sinking or escrow fund established for the purpose of providing for the payment of the principal of or interest on any contract or bonded or other indebtedness, or for any other purpose, not required for the immediate necessities of the District.
- To participate in the formulation and implementation of nonpoint source water pollution control programs related to agricultural practices in order to implement programs required or authorized under federal and state law.
- Nothing shall be construed to grant to the District or Board the power to generate, distribute, sell, or contract to sell electric energy except for the operation of the works and facilities of the district and except for wholesale sales of electric energy which may be made both within and without the boundaries of the District or subdistrict.

The law also allowed the District to collect 0.5 mills in property taxes prior to construction of the Fryingpan-Arkansas Project, and 1 mill when repayment began. Up to 1.5 mills could be charged if payments were in default.



The chart above shows the changes in mill levies over time.

As the chart shows, the Board of Directors chose to assess a 0.4 mill levy until the District signed a Repayment Contract with the Bureau of Reclamation in 1982. Changes in the Colorado Constitution (Gallagher Amendment, 1982; Taxpayer's Bill of Rights, 1992) required adjustments to the District mill levy.

The District's mill levy in 2018 is 0.939, which is divided into three parts. These are 0.9 mills for Contract repayment, operation, maintenance and replacement; 0.035 for District administration; and 0.04 mills for refunds and abatements.

The District, or Government Activity, also receives revenue from Specific Ownership taxes, interest on investments, interfund reimbursements, and other sources.

The District Enterprise, or Business Activity, formed in 1996, receives funding from water sales, surcharges on water sales and storage, participant payments, interest revenues, and other sources.

Funding is fully described in the Financial Planning section.

SECWCD: Governance

The governance of the District is tied to several historic agreements and documents developed before and during the construction of the Fryingpan-Arkansas Project (Project). The primary purpose of the District has always been to act on behalf of the entire state of Colorado in Project construction, operation, and activities.

Federal historic documents include:

- House Document 187, 1953: This planning document laid out the scope of the Project and was included in subsequent legislation. It described a West Slope Collection System, a transmountain diversion tunnel, hydroelectric features, and terminal storage at Pueblo.
- Fryingpan-Arkansas Act (Public Law 87-950), 1962: Signed into law at Pueblo by President John F. Kennedy, the act described a system to supply supplemental water to municipal, industrial, and agricultural users in the Arkansas River basin. Hydroelectric power, as well as recreational and environmental benefits to the people of the United States were also mandated. The Fountain Valley Conduit and Arkansas Valley Conduit were both included as features of the Project.
- Repayment Contract with the U.S. Bureau of Reclamation, 1982: This contract places certain requirements on the District, including setting aside 0.9 mills in property tax to repay Project costs, interest, and maintenance, operation and replacement of Project features.
- Reclamation Reform Act of 1982: Eligible acres for agricultural allocations are defined.
- Authorization of the Arkansas Valley Conduit (Public Law 111-11), 2009: This law allows the use of miscellaneous revenues to pay for parts of the Project not yet funded, including the South Outlet, Ruedi Reservoir, Fountain Valley Conduit, and Arkansas Valley Conduit.

Statewide Historic documents include:

- Colorado Water Conservation Act, 1937: The conservation act paved the path for formation of the District in 1958. It was amended in 1991.
- Division 2 and Division 5 water rights decrees: Legal vigilance of water rights held by the District in both the Arkansas River and Upper Colorado River basins is maintained.
- Fryingpan-Arkansas Project Operating Principles, 1961: The Operating Principles are an agreement among the District, the Colorado River Conservation District, the Southwestern Colorado Conservation District, and the Colorado Water Conservation Board that limit the amount of water that can be diverted annually and over a 34-year period.
- "10,825 Agreement" to support Programmatic Biological Opinion for Colorado River endangered species, 2010: The District and other Front Range water providers who draw water from the Colorado River basin reached an agreement to supply half of the 10,825 acre-feet of water needed to maintain flows for four endangered fish species.

The operation of the District is further defined by agreements among water users within the District.

Documents among water users in the District include:

- Allocation Principles Decree, 1979: These principles reserve 51 percent of water for municipal use, and further divide water among regions.
- Winter Water Court Decree, 1987: Under the decree, the District administers a program that allows agricultural users to store non-Project water during winter months.
- Upper Arkansas Voluntary Flow Management Program, 1991: The voluntary program now is operated under five-year plans mandated in a 2004 court decree.
- Aurora Intergovernmental Agreement, 2003: Allows excess capacity storage for Aurora in Project facilities in exchange for compensation to the District over a 40-year period.
- Six-party Intergovernmental Agreement, 2004: Resolves issues among Pueblo, Pueblo Water, Colorado Springs Utilities, Fountain, Aurora, and the District, while preserving minimum flows in the Arkansas River through Pueblo.

Finally, Board policies have been adopted which govern the administration of water sales and other District programs.

Board Policies include:

- Allocation Policy (revised 2013): The policy clarifies how the Allocation Principles are applied in annual allocations of Project water.
- Water Rates and Surcharges: Water rates are set by the Board annually. Surcharges were added for Safety of Dams (1998), Water Activity Enterprise (2002), Well Augmentation (2005), and Environmental Stewardship (2014)
- Return Flow Policy, 2004: This policy determines how return flows from Project water (from diversions that are not fully consumed) are accounted for and sold.

Municipal Water Users

The population within the Southeastern Colorado Water Conservancy District has grown from about 330,000 when the District was formed to roughly 860,000 today. By the year 2030, the population is expected to be 1.3 million.

The District provides a supplemental supply of water for all of the cities within its boundaries, as well as domestic water for unincorporated areas.

Allocation Principles reserve 51 percent of the water for municipal use:

Fountain Valley Authority	**25 percent**
Cities, towns east of Pueblo	**12 percent**
Pueblo Water	**10 percent**
Cities, towns west of Pueblo	**4 percent**

In 2006, the Allocation Principles were amended to allocate water from agricultural lands permanently dried up by water transfers to municipal use.

This new supply of municipal water, given the ungainly title Not Previously Allocated Non-Irrigation Water (NPANIW) totals 3.59 percent of diversions, and is allocated along proportional lines:

Arkansas Valley Conduit (future)	**2.18 percent**
Fountain Valley Authority	**0.48 percent**
Cities, towns west of Pueblo	**0.27 percent**
Pueblo West Metro District	**0.34 percent**
Manitou Springs	**0.35 percent**

The NPANIW allocation assisted in the shift of demand as municipalities began requesting their full amount of Project water.

The Operating Principles state:

"The Project will be operated in such a manner that those in eastern Colorado using Project water imported from the Colorado River basin for domestic purposes shall have preference over those claiming or using water for any other purpose."

Fry-Ark Municipal Deliveries, 1972-2017

Geographic Region	Initial Delivery	Total For All Years	1982-2017 Average
Fountain Valley	1972	392,523 af	9,839 af
Pueblo Water	2002	36,271 af	3,297 af
East of Pueblo	1972	139,532 af	3,660 af
West of Pueblo	1980	29,142 af	809 af
Pueblo West	2007	1,485 af	149 af
Manitou Springs	2003	1,792 af	128 af

All figures are in acre-feet. One acre-foot equals 325,851 gallons.

Fountain Valley Authority

25%

Colorado Springs
Fountain
Security
Stratmoor Hills
Widefield

East of Pueblo

12%

96 Pipeline Co.
Avondale
AGUA
Beehive Water
Bent's Fort Co.
Boone
Cheraw
Crowley County Water Assoc.
Crowley
CWPDA
Eads
East End
Eureka
Fayette
Fowler
Hasty
Hilltop
Holbrook Center
Homestead
Joseph Corp.
La Junta
Lamar
Las Animas
Manzanola
May Valley
McClave
Newdale-Grand Valley
North Holbrook
Olney Springs
O'Neal Water
Ordway
Parkdale
Patterson Valley
Riverside
Rocky Ford
St. Charles Mesa
South Swink
Southside
Sugar City
Swink
Valley
Vroman
West Grand Valley
West Holbrook
Wiley

Pueblo Water

10%

West of Pueblo

4%

Acres of Ireland
Buena Vista
Canon City
East Florence
Florence
Fremont County
Meadow Lake Estates
Park Center
Penrose
Pueblo Water Gardens
Salida
Upper Arkansas Water Conservancy District

Agricultural Water Users

Fryingpan-Arkansas Project water for agricultural use can be delivered to irrigation companies, but not individual farmers.

Since 1972, more than 3 million acre-feet of Project water has been provided to irrigators. This includes the sale of Return flows, which are discussed below.

Although the Allocation Principles designate less than half of Project water to irrigation use, more than 80 percent has gone to agriculture since deliveries began in 1972.

Part of the reason for this has been the lack of need for water by cities in some years, and in recent years, full accounts in Project storage that prevent further allocations.

Irrigation companies generally have requested more water than has been available. In most years, there has not been sufficient water to fill all of the requests.

Changes in state laws and policies have also increased the demand for agricultural Return flows.

In 1996, new well augmentation rules related to the Arkansas River Compact between Kansas and Colorado required farmers to measure or otherwise account for pumped water usage. Project water became an important source.

Similar rules for surface irrigation improvements were put in force in 2010, creating more need for Return flows.

In 2014, the District began a five-year pilot program that allows irrigators on the Fort Lyon Canal to claim first right of refusal on Return flows generated from Project water. At the conclusion of the program, it will be determined if other ditch companies can apply for Return flows.

45%

Irrigation

Bannister Ditch
Beaver Park Water
Bessemer Irrigation
Cactus Ditch
Canon City & Oil Creek Ditch
Canon Heights
Catlin Canal
Cherry Creek Farms
Classon Ditch
Collier Ditch
Colorado Canal
DeWeese Dye
Ewing Koppe Ditch
Excelsior Irrigating
Fort Lyon Canal
Garden Park & Terry Ditch
Helena Ditch
Herman Klinkerman
Highline Canal
Holbrook Mutual
Las Animas Consolidated
Listen & Love
Michigan Ditch
Morrison & Riverside
Otero Ditch
Oxford Farmers Ditch
Potter Ditch
Reed Seep Ditch
Riverside Dairy
Saylor-Knowles Seep Ditch
Steele Ditches
Sunnyside Park
Talcott & Cotton
Titsworth Ditch
Tom Wanless Ditch
West Maysville Ditch
Wood Valley Ditch

Well Associations

Arkansas Groundwater Users Association
Colorado Water Protective & Development Association
Lower Arkansas Groundwater Users Association

WATER RATES

The table to the right shows the water rate and surcharge structure of the District. Surcharges are determined by Board policy and are used for specific purposes other than general administration. The District is contemplating changes in the rate structure, and will use 2018 as a base year for future adjustments.

2018 Water Rates and Surcharges

Description	Rates and Surcharges					
	Water Rate	Safety of Dams	Water Activity	Environmental Stewardship	Augmentation	Total Charge
Project Water Sales						
Agricultural	$ 7.00	$ 0.50	$ 0.75	$ 0.75	$ -	$ 9.00
Municipal	$ 7.00	$ 0.50	$ 1.50	$ 0.75	$ -	$ 9.75
Project Water Sales used for Well Augmentation						
Agriculture 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
Carry-Over Project Water	$ -	$ 1.00	$ 1.25	$ 0.75	$ -	$ 3.00
If & When Storage						
In District	$ -	$ 0.50	$ 0.50	$ 0.75	$ -	$ 1.75
Out of District	$ -	$ 2.00	$ 4.00	$ 0.75	$ -	$ 6.75
Aurora	$ -	$ 2.00	$ 8.00	$ -	$ -	$ 10.00
Project Water Return Flows						
Return Flows	$ 6.00	$ 0.50	$ -	$ 0.75	$ -	$ 7.25

Fryingpan-Arkansas Project History

To many Members of the Congress, to many Americans, the words Fryingpan-Arkansas must, of necessity, be a name which is taken on faith. But when they come here to this State and see how vitally important it is, not just to this State but to the West, to the United States, then they realize how important it is that all the people of the country support this project which belongs to all the people of the country.

— President John F. Kennedy
At Pueblo, Colorado, 1962

President John F. Kennedy's visit to Pueblo on August 17, 1962, included a motorcade through the Downtown area and a speech to thousands of people at the District 60 Stadium. The pomp and celebration of that era has been augmented by the hard work of bringing the Fryingpan-Arkansas Project to life with dedicated commitment, service and stewardship of this valuable asset for southeastern Colorado. The Southeastern Colorado Water Conservancy District has resolved to keep that vision alive.

Fryingpan-Arkansas Project History

By the late 1800s, the normal flows of the Arkansas River already were claimed by farmers who had moved into the area, attracted by the promise of riches from the soil. Overlaid on this landscape were young, growing cities in need of their own water supplies.

Coupled with the shortage of water were the infrequent, yet catastrophic floods of the Arkansas River. The great flood of 1921 destroyed much of Pueblo, particularly its rail yards and smelters. A 1965 flood was particularly damaging to Fountain Creek, but flood control dams and levees spared Pueblo from even greater damage.

Up until the mid-1900s, even the largest cities, Pueblo and Colorado Springs, were still developing strategies for serving their growing populations. Pueblo was, until 1964, the larger of the two cities and was served by two separate water companies until 1957. Colorado Springs was outgrowing its supply of water from Pikes Peak and Fountain Creek by the 1950s, and began looking to the other side of the of the Continental Divide to fulfill its demand for water.

Contemplating irrigation solutions in 1946 at the Colorado State University Research Center on the Rocky Ford Canal.

Water was so important to the Arkansas Valley that farmers in Crowley County, in partnership with the National Beet Sugar Co., endeavored to build a tunnel to bring water from the Colorado River basin to Twin Lakes. This new source of water allowed Colorado Canal farmers to irrigate later in the season, when their junior water rights were out of priority.

After World War II, The Water Development Association of Southeastern Colorado formed to take up the task of developing an even larger transmountain project to bring supplemental water to a thirsty population. Business leaders, chambers of commerce, farmers and cities joined forces to promote this idea. The Fryingpan-Arkansas Project was to be the first phase of the larger Gunnison-Arkansas Project.

It became apparent in Congress, however, that Western Slope opposition to moving large quantities of water would have to be balanced against the driving desire to import water to the Front Range. Impassioned testimony on both sides of the issue began in the early 1950s, and eventually, the Fryingpan-Arkansas Project would be the only portion of the larger vision to become a reality.

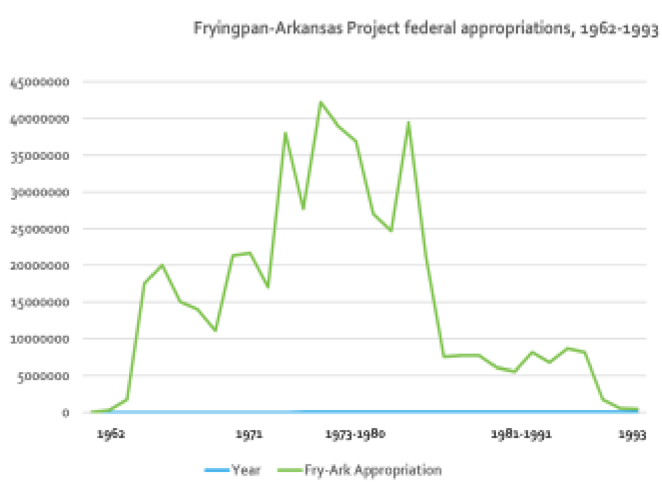
For more than a decade, the local forces sought to convince Congress that the Project was needed. Finally, in 1962, the Fryingpan-Arkansas Project Act was passed by Congress, and signed into law by President John F. Kennedy.

The Act included benefits to cities and farmers, protection from floods, and public benefits for environmental and recreation needs. Hydroelectric production was also both a benefit and a way to pay for the Project.

Construction began on Ruedi Reservoir — compensatory storage for the Western Slope — in 1964. It was completed in 1968. Following that, the North and South Slope collection systems were built. These comprise a system of tunnels, creeks, and a siphon that bring water to the Boustead Tunnel. The 5.4-mile long tunnel takes water to Turquoise Lake through the Continental Divide, and began delivering water in 1972, before some parts of the collection system had been completed.

Pueblo Dam construction began in 1970, and the first water stored in 1974. Turquoise and Twin Lakes were both enlarged as part of the Project.

The Mount Elbert Conduit, Forebay and Power Plant were in operation by 1981, completing the major power component of the Project. The fish hatchery at Lake Pueblo State Park was dedicated in 1990.



Construction of the Fryingpan-Arkansas Project began in 1964, and reached a peak in the 1970s. The Project was deemed substantially complete in 1981, although the Fountain Valley Conduit wasn't completed until 1985, and the Arkansas Valley Conduit has yet to be completed.

Fry-Ark Project Features

The Fryingpan-Arkansas Project

Authorized in 1962, the Fry-Ark Project was built to bring water from the Colorado River basin into the Arkansas River basin.

It has its roots in the Water Development Association of Southeastern Colorado, which formed in 1946 to promote the Project.

The need for supplemental water is related to the over-appropriation of the Arkansas River. Runoff normally peaks in June, but the late summer months, August and September are often dry. The solution was to store high flows for use later in the agricultural season.

More storage also allowed cities within the basin to grow.

The Fryingpan-Arkansas Project is the largest importer of water into the Arkansas River basin, but others include Twin Lakes, the Homestake Project, and several smaller diversions operated by Pueblo Water.

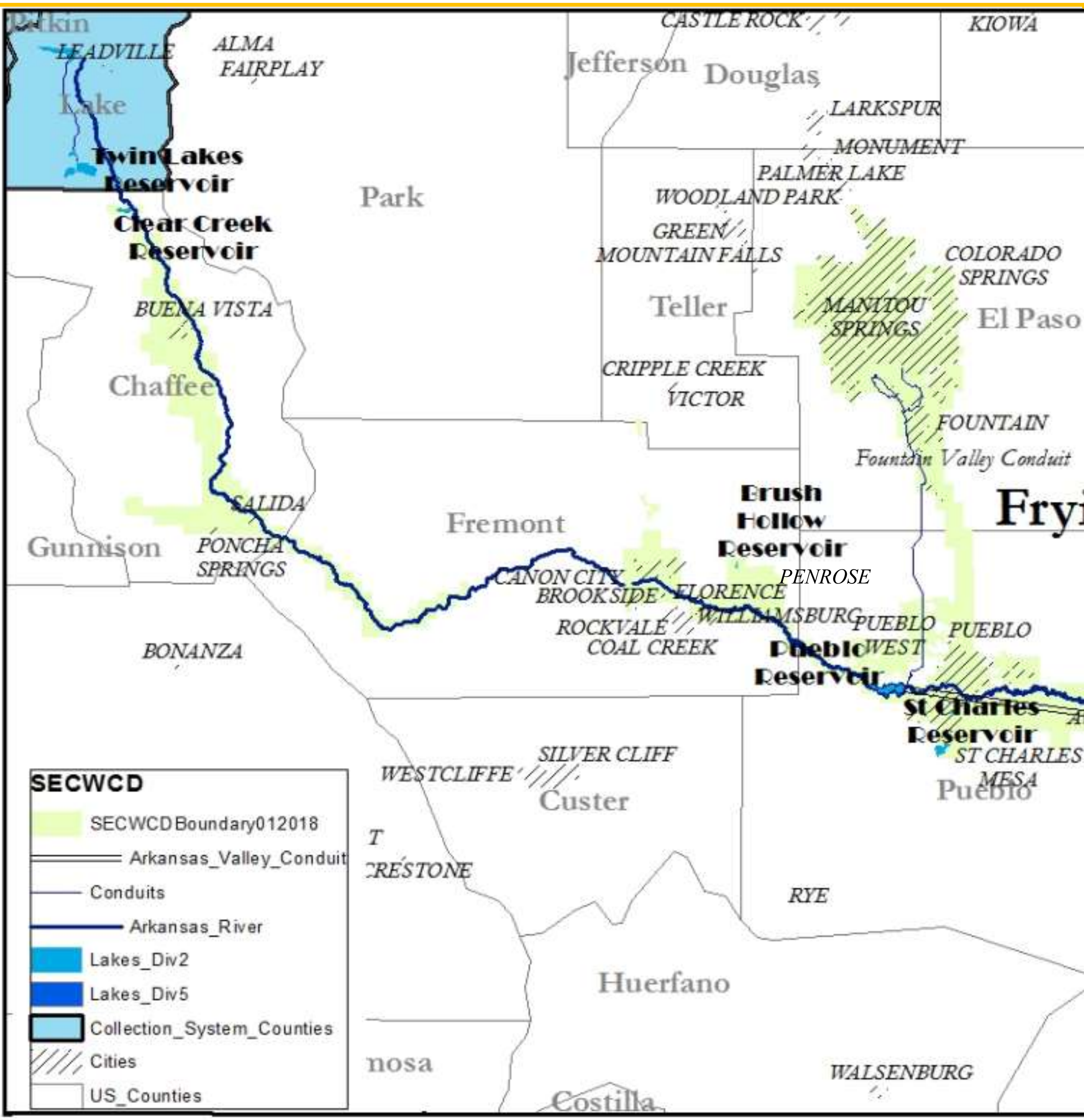
Elements of the Fryingpan-Arkansas Project

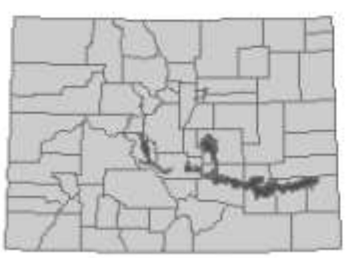
Reservoirs	**Capacity**
Ruedi Reservoir	102,369 AF
Turquoise Lake	129,432 AF
Mount Elbert Forebay	11,530 AF
Twin Lakes	140,339 AF
Pueblo Reservoir	338,374 AF

Conduits, Tunnels	**Length**
Southside Collection	14.2 miles
Northside Collection	11.3 miles
Boustead Tunnel	5.4 miles
Mount Elbert Conduit	10.5 miles
Fountain Valley Conduit	45.5 miles

Other Features

Mount Elbert Power Plant, 200 megawatts
Pueblo Fish Hatchery
South Outlet Pueblo Dam
North Outlet Pueblo Dam





Colorado

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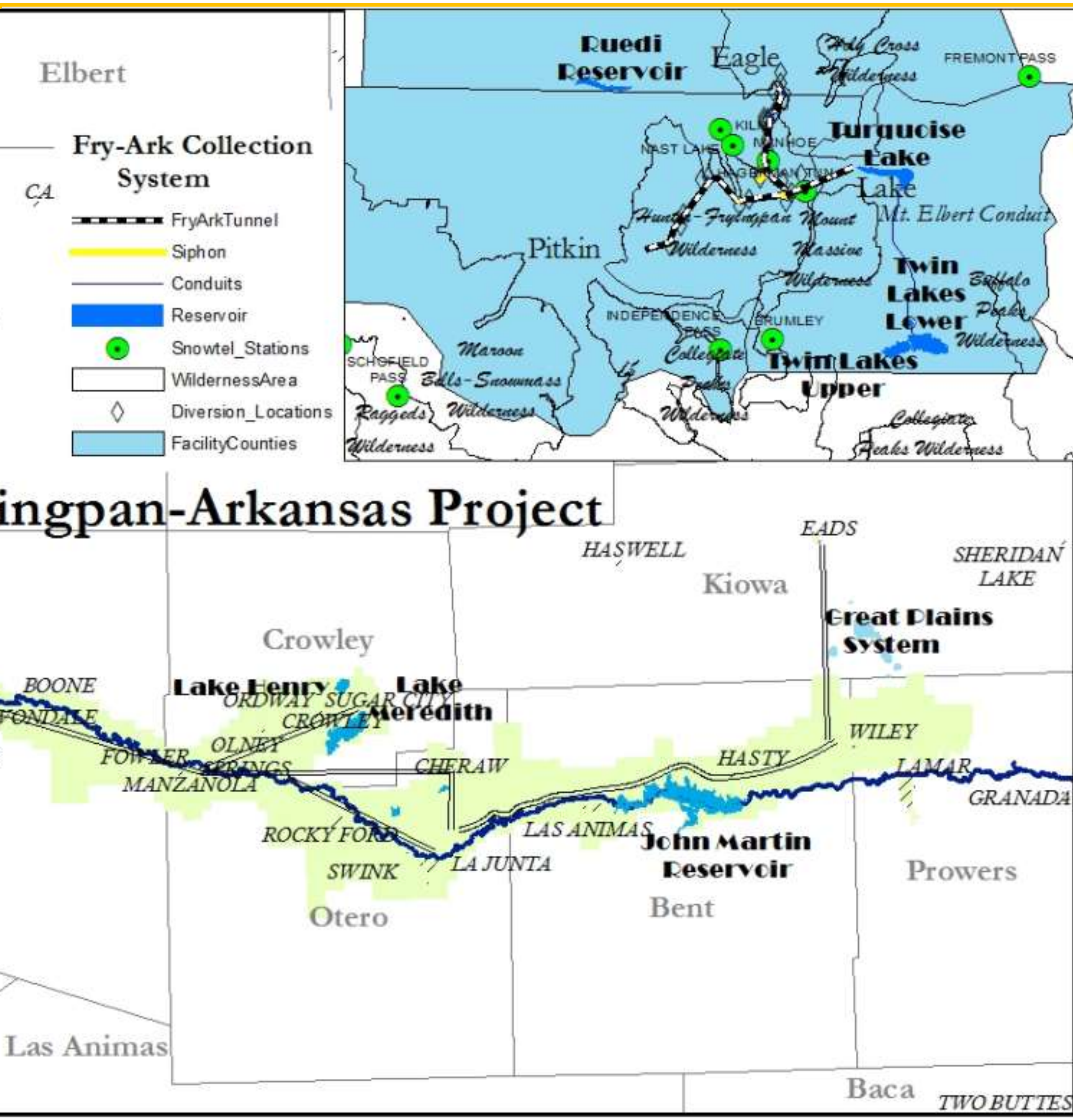

Southeastern Colorado Water Conservancy District

31717 United Avenue Pueblo CO 81001

Fry-Ark Project Purpose

The District actively promotes the management of the Fryingpan-Arkansas Project to accomplish the following tasks:

- Flood control.
- Annual allocation of supplemental water for agricultural and municipal use.
- Analysis of fiscal policies to ensure adequate funding for the Project.
- Protecting District water rights.
- Completion of the Arkansas Valley Conduit, an original purpose of the Project that was not completed because of costs.
- Development of Project features to ensure the economic viability and sustainability of the District, including hydroelectric power generation developed at Pueblo Dam.
- Development of storage planning and contracts to mitigate extreme drought.
- 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.
- Assuring the safety of dams within the Project.
- Improving features of the Project Collection System for maximum yield.
- Providing redundancy of service at Pueblo Dam with an interconnection between the North and South Outlets.
- Analysis of the current policies about “spills,” the release of water when Pueblo Dam reaches capacity, and development of a working model of spill priority.
- 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.
- Providing water leadership to the District stakeholders of the Fryingpan-Arkansas Project and to the State of Colorado.

Project Purpose	% Complete	Remarks
Flood Control	100%	Pueblo Dam: $36.78 million in benefits since 1976
Water Allocations	100%	Agriculture: 3.1 million AF; Municipal, 600,000 AF since 1972
Drought Mitigation	100%	Excess capacity storage contract completed in 2016
Spills Policy	90%	Spill priorities refined; communications initiated to reduce likelihood
Water Resources	90%	Project storage providing benefits to all municipal users within District
Leadership	90%	Board, staff involved at all levels of state, region water management
District Water Rights	75%	Conditional rights in Division 2, Division 5 cases ongoing
Fiscal Policies	50%	New discussions on future policies; development of fiscal plan
Project Features	50%	Hydro plant at Pueblo Dam to open in 2018
System Reliability	50%	Analysis of Collection System, reservoirs and structures needed
Safety of Dams	50%	1999 Pueblo Dam; 2014 Twin Lakes; 2018 Contraction Joints Pueblo Dam
Reservoir Enlargement	30%	PSOP paused in 2007; Excess Capacity done; sedimentation an issue
System Yield	30%	Beginning discussion on Collection System upgrades; analysis done
Arkansas Valley Conduit	20%	EIS, ROD completed; New Concept plan in its inception
Redundancy of Service	20%	EIS, ROD completed; Funding and timing of project unknown
Climate Water Strategies	10%	Still in the thinking stage; impact on allocations, storage

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Fry-Ark Project: Federal Revenue

When the Fryingpan-Arkansas Project was substantially completed in 1981, costs were assigned according to the benefits of the Project to various purposes.

The District signed a 40-year Repayment Contract in 1982. The Fryingpan-Arkansas Project Act allows for a 50-year repayment schedule.

The Final Cost Allocation assigns repayment costs for each purpose of the Project, and those are reflected in the Operation, Maintenance & Replacement (OM&R) cost-share for each feature.

Most of the items shown in the accompanying tables (at right) do not appear in the District budget each year, but contribute to the annual Project operations.

The District's annual Contract payments contribute to its share of OM&R, as well as repayment of construction costs.

The District pays about $1.7 million annually toward routine Facility Operations, as well as a portion of Facility Maintenance and Rehabilitation. Hydroelectric power generation at the Mount Elbert Power Plant accounts for about $5 million in revenues, which are used to reimburse Project OM&R costs.

The chart above shows the relative portion of routine OM&R assigned to the Fryingpan-Arkansas Project. This accounts for about $3 million out of the $8.2 million budgeted for Facility Operation. The bulk of the remaining costs are paid for by the Mount Elbert Power Plant.

Turquoise Lake was enlarged in the 1960s and 1970s, and became part of the Fryingpan-Arkansas Project. It provides initial storage of water imported through the Boustead Tunnel.

Fryingpan-Arkansas Project Federal Allocations

Activity	FY '17	FY '18
Water & Energy Management & Development	$ 59,000	$ 59,000
Land Management & Development	$ 50,000	$ 75,000
Fish & Wildlife Management & Development	$ 32,000	$ 33,000
Facility Operations	$ 8,196,000	$ 8,497,000
Facility Maintenance & Rehabilitation	$ 3,664,000	$ 1,594,000
Prior Year Funds/Non-Federal	$ 80,000	$ 103,000
Total Reclamation Allotment	**$12,001,000**	**$10,258,000**

Source: United States President's budget request for Fiscal Year 2018. FY '17 amounts are allocations under the continuing resolution, and FY '18 amounts are the request to Congress made by the Trump administration. As of January 2018, no federal budget had been approved by Congress.

Fryingpan-Arkansas Project Miscellaneous Revenues

Activity	Purpose	2017 Actual	2018 Estimate
Excess Capacity Contracts			
	Fountain Valley Authority	$ 2,450,000	$ 2,450,000
	Ruedi Reservoir	$ 944,000	$ 944,000
Firm Contracts			
	Repayment Contract	$ 897,422	$ 634,702
Winter Water Storage			
	Repayment Contract*	$ 122,000	$ 117,600

Notes: Excess Capacity Contracts are used to repay outstanding debt on the Fryingpan-Arkansas Project not covered in the Repayment Master Contract under PL 111-11. The South Outlet Works at Pueblo Dam was paid off, and Fountain Valley Authority and Ruedi Dam are being paid off. The Arkansas Valley Conduit is authorized to benefit from these funds in the future. Firm Contracts and Winter water are part of the Repayment Contract.
*** Winter water is included as a line item in the Southeastern District budget.**

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Fry-Ark Project: OM&R

In addition to routine maintenance, the District is responsible for a share of extraordinary maintenance of the Fryingpan-Arkansas Project.

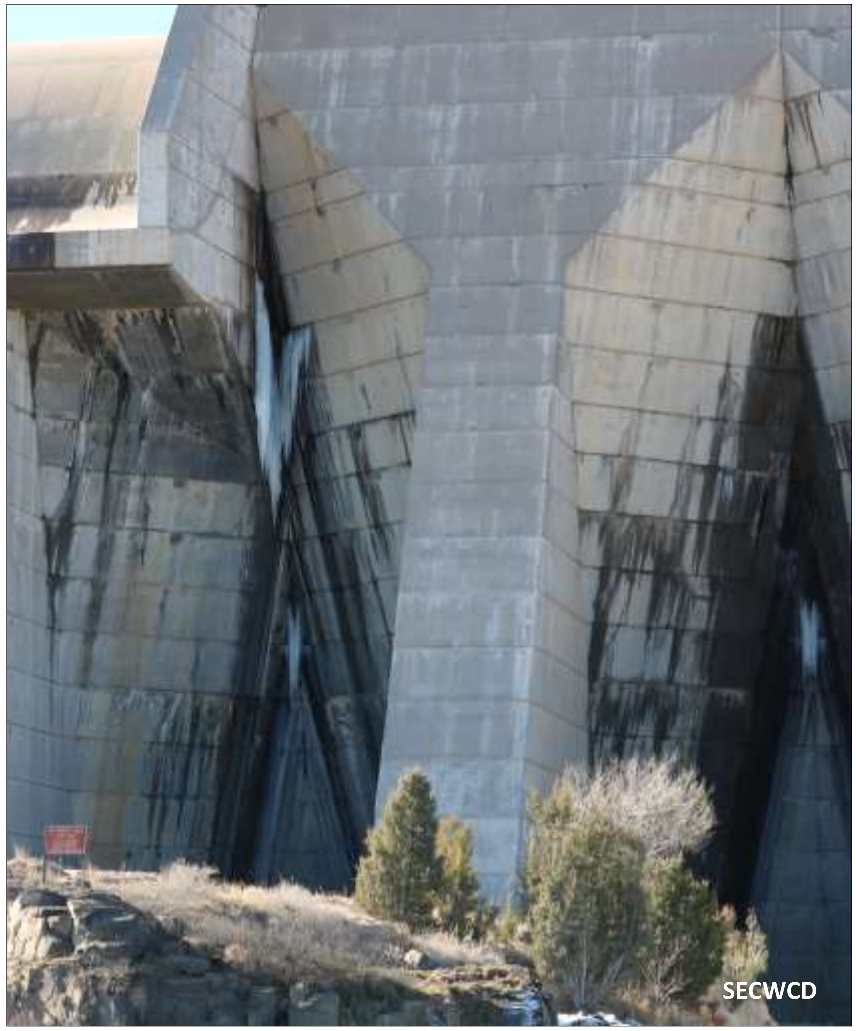
This year, District staff made preliminary inquiries into how these costs might affect future finances in the District.

The largest expense is likely to be at Pueblo Dam, where contraction joints need to be sealed. The Bureau of Reclamation estimates that $35.6 million will be needed over the next five years to complete the project. The District's share would be slightly more than 54 percent, or about $19.9 million.

Other identified projects would total $4.3 million and require $2.48 million of District funding over the next five years.

Because of the age of Project structures — most are approaching 50 years of age — repairs or replacements are likely to become more frequent in years to come.

One of the strategies for dealing with this is to set aside money in contingency funds both for long-term maintenance that has been identified by Reclamation, and for unforeseen catastrophic events that affect the Project's ability to deliver water.



Contraction joints at Pueblo Dam are a big-ticket item for future maintenance.

Feature	Description	2018-22 Total	2018-22 District
Pueblo Dam Contraction Joints	Contraction joints would be sealed with a sealant strip from elevation 4,870 –4,921.8. Below elevation 4870, hydrophilic tubes and steel hoods would be used.	**$35,672,600** (2022)	**$19,902,825**
Communication Radio Replacement	Radio relay equipment at the Granite and Hagerman communication sites would be replaced and upgraded.	**$332,649** (2018)	**$180,192**
Tunnel Weep Hole Drilling	Weep holes on tunnels on the Northside and Southside Collection Systems would be cleaned or bored to prevent the build up of hydrostatic pressure.	**$1,230,000** (2021)	**$632,958**
Cunningham Tunnel Invert Lining Repair	Erosion has created voids in the flow of the tunnel, which has a capacity of 270 cfs and is the trunk of the Northside Collection System.	**$1,835,000** (2020)	**$994,001**
System Actuator Replacement	A total of 51 electric slide gate and radial actuators at 14 of 15 diversion sites in the Northside and Southside Collection Systems must be replaced.	**$1,234,975** (2019)	**$673,849**

Fry-Ark Project Economic Impact

The Fryingpan-Arkansas Project is an economic engine, and its true value has not been fully quantified.

However there have been numerous studies about the value of water in Colorado, and the Project's multiple purposes should be broken into component parts for analysis. Shown below is an estimate of value added because of the Project in key areas.

Municipal Water

Water Sales: $420 million/year

Municipal water sales from the Fryingpan-Arkansas Project average 13,300 acre-feet annually. According to "Water and the Colorado Economy" by Summit Economics (2009), the types of municipal sales of Project water would average at $31,500 per acre-foot.

Water Storage: $480 million/year

About 60,000 acre-feet of water are stored in non-Project, excess-capacity accounts in Pueblo Reservoir each year. The cost of building new storage would average about $8,000 per acre-foot, according to recent estimates in the Arkansas River basin.

Agricultural Water

Water Sales: $68.8 million/year

Agricultural sales of Project water, including return flows, have averaged 68,800 over the past 45 years. The Summit Economics 2009 report placed the value at about $1,000 per acre-foot for eastern Colorado, which receives the bulk of allocations.

Recreation Water

Lake Pueblo State Park: $100 million/year

The park was formed in 1975, soon after Pueblo Dam was completed. About 2 million visitors come to the park each year for boating, fishing, wildlife viewing, hiking, biking, swimming and other activities. A 2009 study by Colorado State Parks quantified the benefits.

Arkansas Headwaters Recreation Area: $60 million/year

Timing of flows under the Voluntary Flow Management Program has enhanced rafting and fishing on the Arkansas River. The value was calculated by the Arkansas River Outfitters Association in 2015.

Lake County: $2 million/year

A 2005 study by ERQ Associates for the Southeastern District showed recreation receipts from Twin Lakes and Turquoise Lake totaled about $2 million.

Ruedi Reservoir: $3.8 million/year

Water stored in Ruedi Reservoir and the timing of flows on the Fryingpan River added about $3.8 million for the local economy, according to a 2015 study by the Roaring Fork Conservancy.

Water Quality

USGS Studies: $220,000/year

Stream gauges funded by the District in a cooperative program with the U.S. Geological Survey require $220,000 in funding, but are part of an invaluable network that benefits all water users.

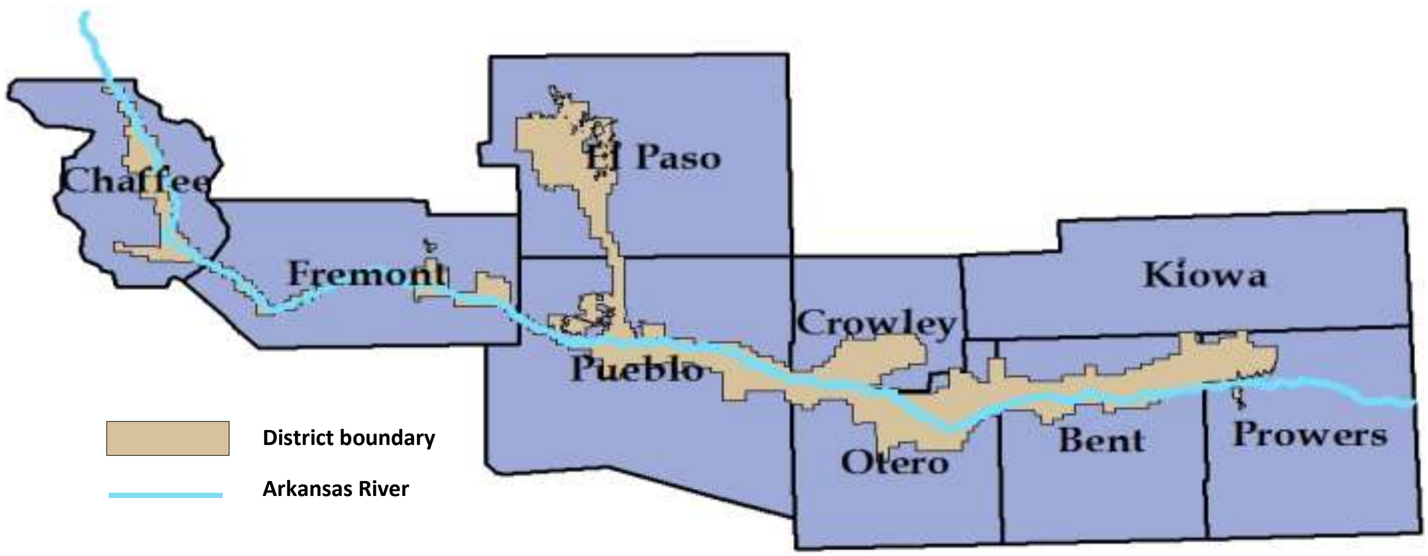
Flood Control

Pueblo Dam: $36.8 million (1976-2016)

Ruedi Dam: $19.7 million (1983-2016)

The Bureau of Reclamation annually calculates flood control benefits of the Project.

SECWCD County Snapshots



County-by-County

Parts of nine counties are included in the Southeastern Colorado Water Conservancy District.

Each county brings its own unique history and set of challenges when it comes to water use and delivery. Counties range from the rural to urban, with varying demographics.

The following pages are a summary of the nine counties located in the District. The county profiles are updated annually for budgeting purposes.

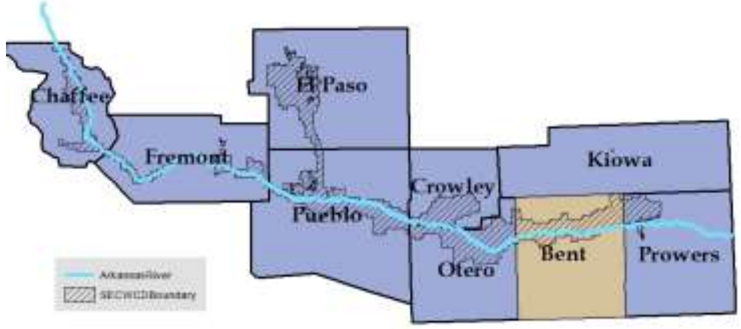
For more information please visit www.secwcd.com.

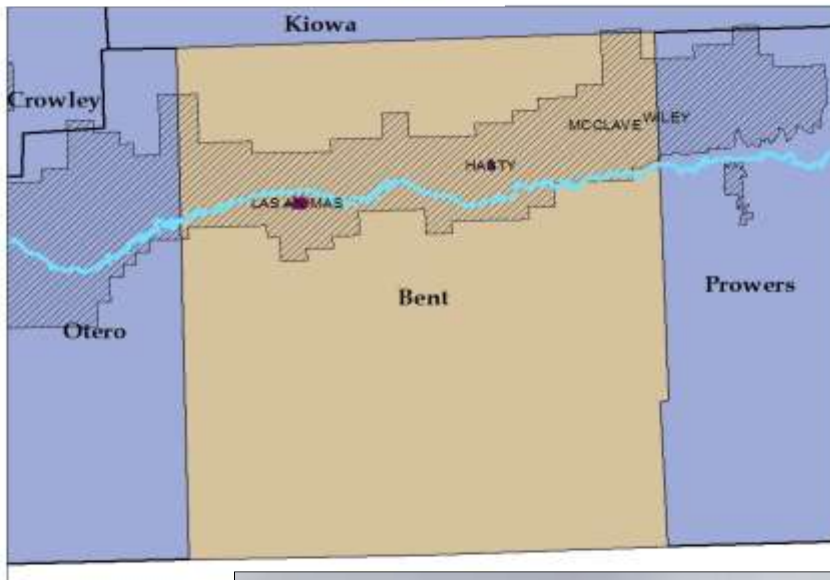
Viewing this electronically: Click the below titles to view each county!

- Bent County
- Chaffee County
- Crowley County
- El Paso County
- Fremont County
- Otero County
- Kiowa County
- Prowers County
- Pueblo County

Bent County Snapshot

Bill Long, 2002





BENT COUNTY
Population: 5,943
Growth Rate: -1.23% ('10-'17)
Housing Units: 2,241
Owner-occupied: 1,103 (49%)
Median Income: $35,548
Average Income: $46,810
Per Capita Income: $16,785
(Adjusted Census data)

Major uses of water:
- ⇒ **Agriculture, 98%**
- ⇒ **Domestic, 2%**
  (2010 USGS report)
- ⇒ **John Martin Reservoir**

Bent County

History

Bent County was formed in 1870 and quickly renamed as Greenwood County, and was about six times larger than its current boundaries. It was renamed Bent County again in 1876, when the northern portion became Elbert County. In 1889, it was redrawn by the state Legislature with its current boundaries.

The area played an important role in Colorado's early history with Bent's Fort, the Santa Fe Trail, Fort Lyon, Cheyenne and Arapahoe Indian reservations all part of its legacy.

Its history also encompasses water. Ditches in the Las Animas area were among the first irrigation projects in the Arkansas Valley, and much of the land in Bent County is irrigated under the Fort Lyon Canal. There were numerous other smaller ditches. In 1948, John Martin Reservoir was completed as a means to regulate the Arkansas River Compact and for flood control purposes.

Bent County's courthouse was completed in 1889.

Population characteristics

Agriculture remains an important part of the local economy. New jobs were created when a private prison opened there 20 years ago. Later, Fort Lyon State Correctional Facility was repurposed as a homeless treatment facility

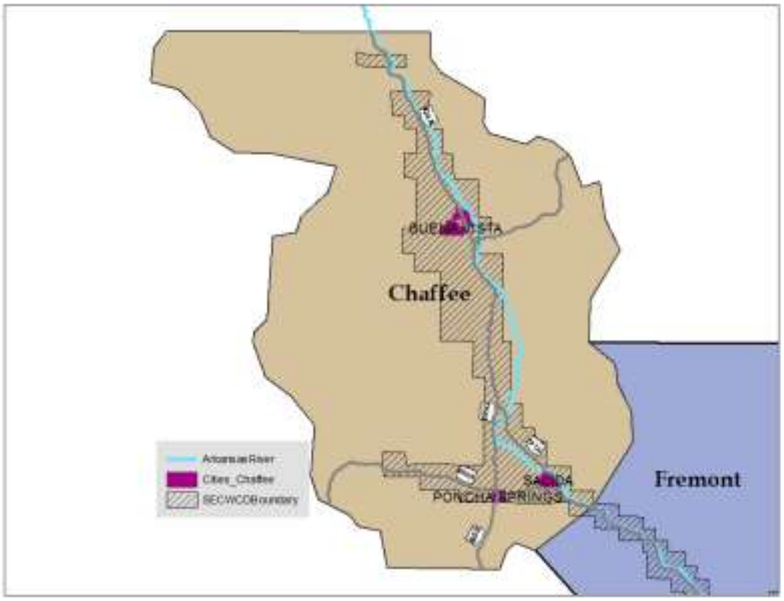
Growth is forecasted in the coming years as new employees come to the area.

Fryingpan-Arkansas Project impacts

Bent County has purchased irrigation and municipal Project water since 1974.

Chaffee County Snapshot

Greg Felt, 2017



CHAFFEE COUNTY
Population: 19,280
Growth Rate: 1.1% ('10-'17)
Housing Units: 10,752
Owner-occupied: 5,807 (54%)
Median Income: $43,489
Average Income: $61,802
Per Capita Income: $27,584
(Adjusted Census data)

Major uses of water:
- ⇒ **Agriculture 94%**
- ⇒ **Domestic 6%**

(2010 USGS report)
- ⇒ **AHRA, Monarch Ski Area, Clear Creek Reservoir, hot springs, Browns Canyon National Monument**

Chaffee County

History

Chaffee County was formed in 1879. Located in the heart of the Rocky Mountains, the county experienced an influx of explorers, miners, railroads, farmers, and ranchers in its earliest period.

A state reformatory for juvenile offenders was built in Buena Vista in 1891, and now operates as a prison.

In terms of water development, the Monarch Ski Area and Salida Hot Springs complex were built as Works Progress Administration projects in 1939. The city of Salida later sold the ski area for $100 to a private developer, but continues to operate the hot springs. There are also hot springs resorts in the Buena Vista area, and geothermal power development has been investigated.

Clear Creek Reservoir was built in 1908 by the Otero Canal Co. and sold to the Board of Water Works of Pueblo in 1955. Several smaller lakes and reservoirs are part of the Upper Arkansas Water Conservancy District's water augmentation system.

The Arkansas River Headwaters Area was created in 1989. Browns Canyon National Monument was designated in 2015.

Population characteristics

Arkansas River Outfitters Associa-

Rafting on the Arkansas River is a major economic driver.

As tourism increased over the past 25 years, a younger population has moved into the area, supporting steady growth. Tourism, retirees and government are the major employment sectors, as the area economy has transformed over the past two decades.

Fryingpan-Arkansas Project impacts

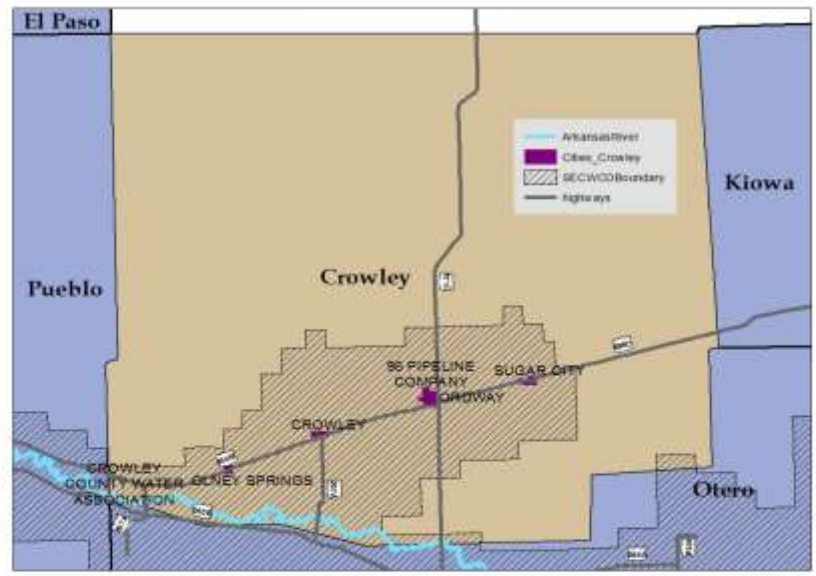
The area has benefited from the Voluntary Flow Management Program, along with municipal and agricultural Project water deliveries since 1975.

Crowley County Snapshot

Carl McClure, 2005

CROWLEY COUNTY
Population: 5,646
Growth Rate: -0.42% ('10-'17)
Housing Units: 1,559
Owner-occupied: 895 (57%)
Median Income: $34,511
Average Income: $51,121
Per Capita Income: $18,493
(Adjusted Census data)

Major uses of water:
⇒ **Agriculture, 90%**
⇒ **Domestic, 10%**
(2010 USGS report)
⇒ **Lake Meredith**



Crowley County

History

Crowley County was formed from the northern part of Otero County in 1911.

Settlement in the area began with the arrival of the Missouri-Pacific Railroad in 1887, and irrigation began in 1890.

The Colorado Canal system, which includes Lake Henry, Lake Meredith, and Twin Lakes, was developed to support relatively junior irrigation rights. Orchards, vegetables, sugar beets, and livestock feed were all major crops.

Farmers, led by the National Sugar Manufacturing Co., drilled the Twin Lakes tunnel to bring water from the Roaring Fork River basin to the Arkansas River basin from 1933-1937.

Most of Twin Lakes shares were sold to Pueblo and Colorado Springs in the 1970s, after the downfall of the sugar beet industry. Most Colorado Canal shares were sold to Aurora and Colorado Springs in the 1980s.

Wikimedia Commons

Crowley County Heritage Center at Crowley

Population characteristics

Historically an agricultural economy, Crowley County experienced an economic decline with the sales of Twin Lakes and Colorado Canal water rights to cities in the 1970s and 1980s.

Prisons in the county accounted for population growth in the 1990s and early 2000s, agriculture and government are the major employers.

Fryingpan-Arkansas Project impacts

Crowley County has purchased agricultural and municipal Project water since 1972. It is part of the AVC.

The farmland dried up by Aurora is no longer eligible for Project water, and resulted in a new class of municipal allocations for the District in 2007, called Not Previously Allocated Non-Irrigation Water (3.59 percent of water sales).

El Paso County Snapshot

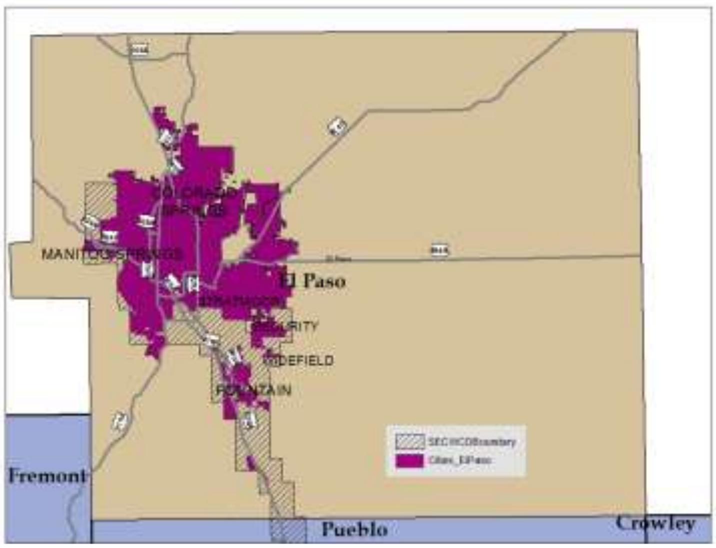
Curtis Mitchell, 2014

Ann Nichols, 2006

Gibson Hazard, 1988

Mark Pifher, 2016

Andrew Colosimo, 2018



EL PASO COUNTY

Population: 692,681

Growth Rate: 1.49% ('10-'17)

Housing Units: 274,891

Owner-occupied: 161,531 (59%)

Median Income: $64,536

Average Income: $86,053

Per Capita Income: $33,047

(Adjusted Census data)

Major uses of water:

- ⇒ **Domestic, 85%**
- ⇒ **Agricultural, 13%**
- ⇒ **Industry, 2%**

(2010 USGS report)

El Paso County

History

El Paso County predates the formation of the Colorado Territory in 1861. The earliest settlers farmed in Fountain Creek. General William Palmer founded Colorado Springs in 1871.

Colorado Springs built the Blue River pipeline, the Homestake Project (with Aurora), and bought water rights on Fountain Creek and in Crowley County to supplement its needs.

Colorado Springs, Security, Widefield, Fountain, and Stratmoor Hills benefit from the Fountain Valley Conduit, which was built as part of the Fryingpan-Arkansas Project.

Most recently, Colorado Springs built the Southern Delivery System (along with Fountain, Security and Pueblo West) to fully use its Arkansas River water rights, reuse transmountain water, and provide water system redundancy.

Population characteristics

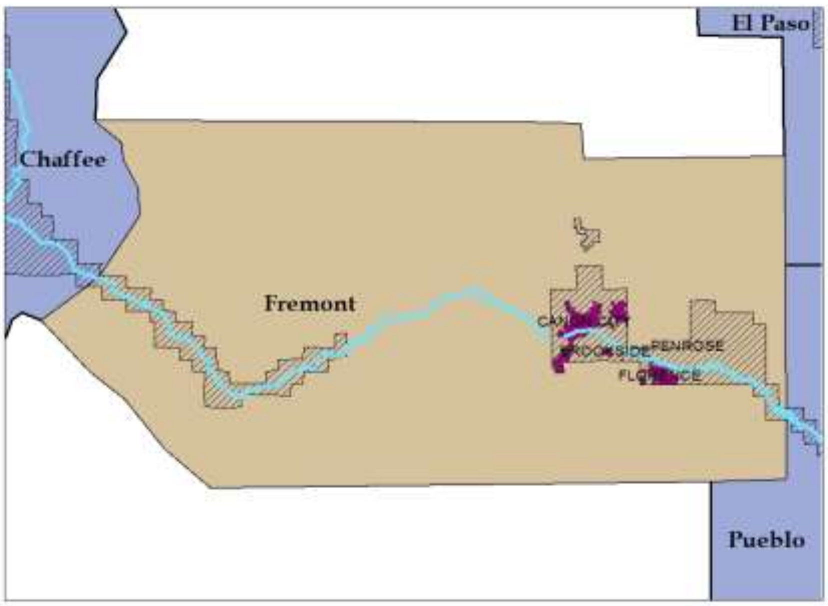
El Paso County is the largest county in the District and contributes about 70 percent of the tax revenues. It has remained one of the fastest growing communities in the state since the 1960s, largely due to military bases in the region, with a mix of government, tourism, service, manufacturing and retail employment. It is the only county in the District in which municipal water use is greater than irrigation.

Fryingpan-Arkansas Project impacts

Early repayment of the Fountain Valley Conduit (PL111-11). Homestake is deeply integrated with the Project. Southern Delivery System relies heavily on the Project for storage and upgraded the North Outlet Works to Pueblo Dam. Long-term storage contracts have helped in managing water quality issues. El Paso County has purchased Project water, mostly municipal, since 1972.

Fremont County Snapshot

Tom Goodwin, 2011



FREMONT COUNTY
Population: 47,250
Growth Rate: 0.12% ('10-'17)
Housing Units: 19,445
Owner-occupied: 12,207
Median Income: $41,143
Average Income: $57,031
Per Capita Income: $21,071
(Adjusted Census data)

Major uses of water:
⇒ **Agricultural, 81%**
⇒ **Industrial, 11%***
⇒ **Domestic, 8%**
(2010 USGS report)
⇒ **Royal Gorge Bridge, AHRA**
*** - (Power plant closed in 2012)**

Fremont County

History

Fremont County predates the formation of the Colorado Territory in 1861, but its boundaries varied until 1877, when Custer County was carved from the southern end of the county.

Canon City grew around the prison built in 1871. More prisons were added in the 1970s and 1980s, with a federal prison complex opening near Florence in the 1990s.

Canon City developed a strong manufacturing base in the mid-1900s. It became the regional hub. Dall DeWeese and C.R.C. Dye developed orchards in Lincoln Park by bringing water from Grape Creek and constructing a reservoir in Custer County.

Florence sprang up along railroad tracks to support mineral extraction and industry — coal, oil, gold, bricks and cement. Penrose became known for its orchards. There were numerous dairies in Fremont County, and some are still in operation.

Rural Fremont County was known for its cattle ranches.

The Royal Gorge Bridge was built in 1929, and is the cornerstone of a long tourism tradition. In 1989, the Arkansas Headwaters Recreation Area was formed.

A coal-fired power plant was built in 1897, but closed by Black Hills Energy in 2012.

A tourist train moves toward the Royal Gorge.

Population characteristics

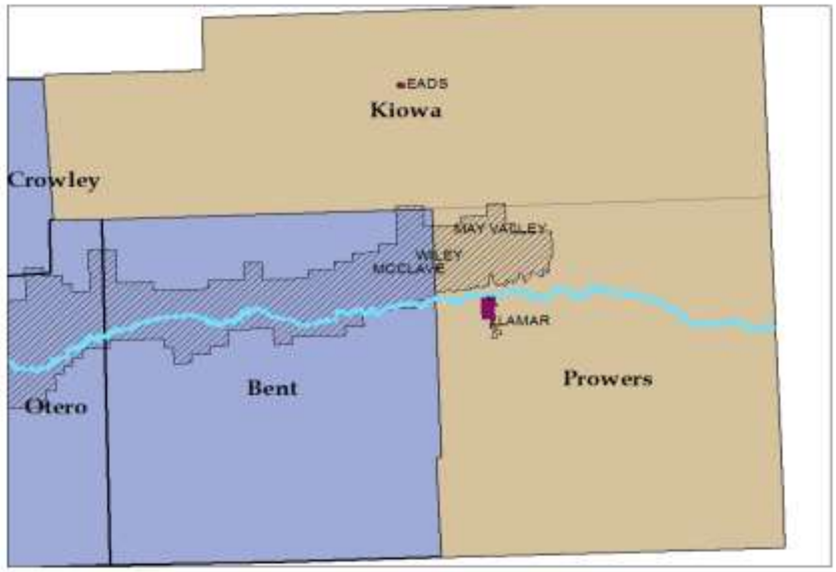
Government jobs, retiree income and retail trade dominate the local economy. The area is likely to attract more young adults as job opportunities increase, according to state projections.

Fryingpan-Arkansas Project impacts

Fremont County has purchased Project water for municipal and irrigation use since 1972. Its tourism economy also benefits from the Voluntary Flow Management Program.

Kiowa-Prowers Counties Snapshot

Dallas May, 2016



PROWERS COUNTY
Population: 11,883
Growth Rate: -0.75% (‘10-‘17)
Housing Units: 5881
Owner-occupied: 2,963 (50%)
Median Income: $34,079
Average Income: $48,087
Per Capita Income: $19,321
(Adjusted Census data)

Major uses of water:
- ⇒ **Agriculture, 94%**
- ⇒ **Domestic, 4%**
- ⇒ **Industrial, 2%**

(2010 USGS report)

KIOWA COUNTY
Population: 1,418
Growth Rate: 0.2% (‘10-‘17)
Housing Units: 819
Owner-occupied: 420 (52%)
Median Income: $39,252
Average Income: $56,169
Per Capita Income: $125,065
(Adjusted Census data)

Major uses of water:
- ⇒ **Agriculture, 92%**
- ⇒ **Domestic, 8%**

(2010 USGS report)

Kiowa and Prowers Counties

History

Both counties were formed in 1889, when Bent County was divided into smaller units. They have a long history of agricultural endeavors, particularly raising cattle, fodder and dryland crops in an often semi-arid environment. Crops like sugar beets and broom corn were important in the past.

Irrigated agriculture is a mainstay and the use of wells has improved chances for success. Several major ditches were washed out in the June 1965 flood, and later purchased by the Lower Arkansas Well Management Association. Prowers County irrigators were the group most affected by the 2009 Kansas v. Colorado Supreme Court ruling.

The area economy is a shifting vision of what could work. When a meat-packing plant in Lamar closed in the 1980s, a bus manufacturing plant opened. Kiowa County unsuccessfully tried to form a state park at the Great Plains Reservoirs in the 1990s. Large wind farms that supply renewable power are being expanded south of Lamar.

Population characteristics

Agriculture continues to be the predominant occupation in both counties. Prowers County serves as a regional commercial center.

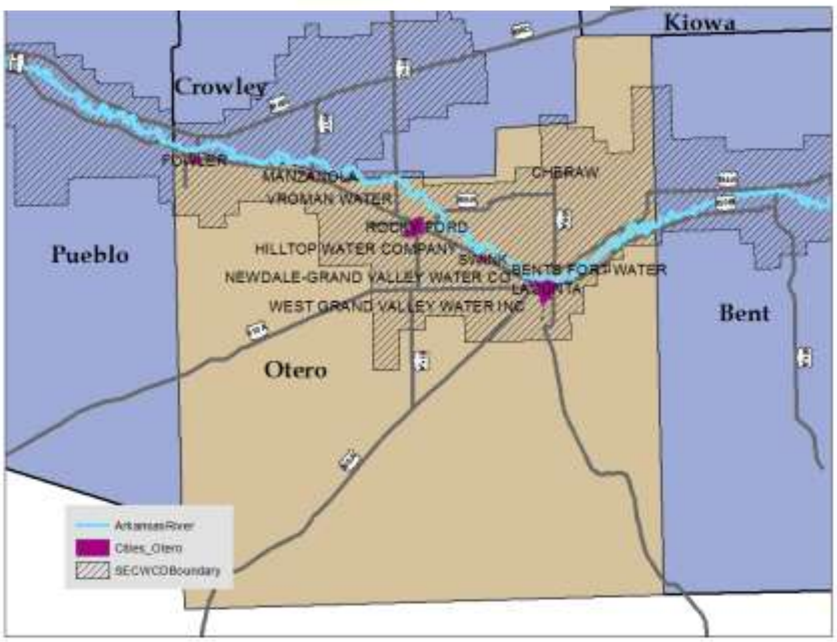
Fryingpan-Arkansas Project impacts

Lamar petitioned to join the District in 1968 so that it could join the Arkansas Valley Conduit when it is built. May Valley and Wiley also are AVC participants. Eads is the sole AVC participant from Kiowa County.

Prowers County has received municipal and irrigation Project water since 1972.

Otero County Snapshot

Howard “Bub” Miller, 2005



OTERO COUNTY
Population: 18,563
Growth Rate: -0.2% (‘10-‘17)
Housing Units: 8,931
Owner-occupied: 4,688 (52%)
Median Income: $34,580
Average Income: $48,107
Per Capita Income: $19,985
(Adjusted Census data)

Major uses of water:
- ⇒ **Agriculture, 98%**
- ⇒ **Domestic, 2%**

(2010 USGS report)

Otero County

History

Otero County was formed in 1889 by the split of Bent County.

Located along the route of the Santa Fe Trail, La Junta became a stopping point for railroads. Bent’s Old Fort National Historic Site is nearby and emphasizes the community’s role as an international trading site.

In water history, a pivotal event was the development of world-class watermelons and cantaloupe by shopkeeper George Swink, who irrigated his plants via the Rocky Ford Ditch. While many other crops were grown, and cattle are the big money crop, Rocky Ford cantaloupe remain a signature crop for the area. Melon seeds produced locally are shipped worldwide.


Rocky Ford Growers Associa-

Sugar beets later became a major industry for Otero County, but when the market for domestic sugar collapsed in the early 1980s, the large block of Rocky Ford ditch shares (54 percent) owned by the American Crystal Co. went on the market and was purchased by the city of Aurora.

The sale had a domino effect on Otero County’s economy over the next 20 years, and efforts were made to bring in new types of industry. The Rocky Ford Growers Association was formed to strengthen the Rocky Ford Cantaloupe brand.

Population characteristics

Otero County’s economy relies on agriculture, services, retirees, and government. Its population grew in the early 1990s, but has been in decline since then.

Fryingpan-Arkansas Project impacts

Leaders from Otero County were instrumental in reviving the Arkansas Valley Conduit in the early 2000s. Of the 40 communities participating in AVC, 25 are in Otero County.

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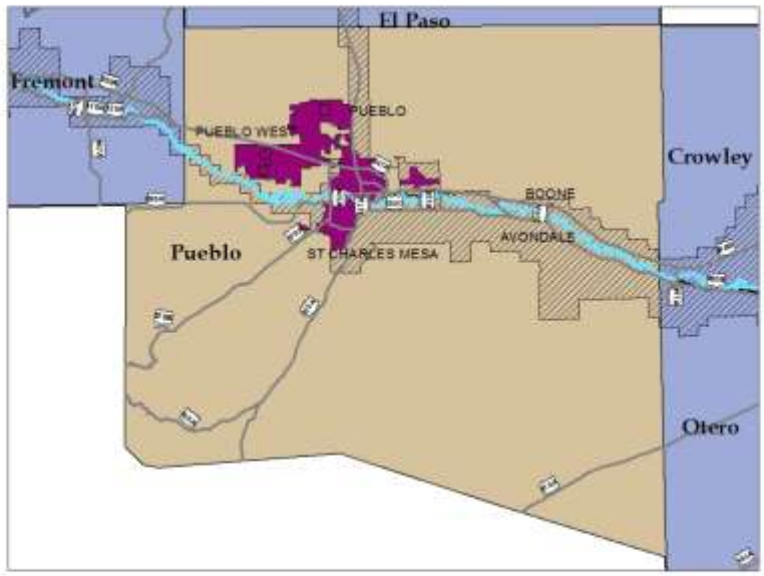
Alan Hamel, 2017

Seth Clayton, 2017



PUEBLO COUNTY
Population: 165,715
Growth Rate: 0.57% ('10-'17)
Housing Units: 71,139
Owner-occupied: 41,760 (59%)
Median Income: $47,594
Average Income: $61,383
Per Capita Income: $24,703
(Adjusted Census data)

Major uses of water:

⇒ **Agriculture, 72%**
⇒ **Domestic, 24%**
⇒ **Industrial, 4%**
(2010 USGS report)
⇒ **Lake Pueblo State Park**

Pueblo County

History

Pueblo County was formed when Colorado became a territory in 1861. Pueblo was first settled at the junction of Fountain Creek and the Arkansas River. A stagecoach town developed near the site.

Then came the railroad, promoted by General William Palmer, who founded South Pueblo in 1871. The Big Ditch (later renamed Bessemer Ditch and extended) was completed on Pueblo's South Side in 1874. The first steel mill in the west was built at Pueblo in 1881.

Pueblo grew as the industrial, transportation and industrial hub of southern Colorado, surviving a massive flood of the Arkansas River in 1921. During World War II, the Pueblo Army Air Base and Pueblo Ordnance Depot were built.

When the Southeastern Colorado Water Conservancy District was formed, Pueblo was the second-largest city in Colorado and its leaders were among the staunchest promoters of the Fryingpan-Arkansas Project.

During a downturn in the steel market in the 1980s, the Pueblo Economic Development Corporation was formed.

Population characteristics

Pueblo has enjoyed steady growth since 1990. Its major economic drivers are services, retirees, government, manufacturing, and tourism.

Fryingpan-Arkansas Project impacts

Pueblo Reservoir was built on top of a barrier dam west of the city that had been constructed for flood protection. The Project has a flood control component as well.

Pueblo County water users have purchased municipal water since 1972. St. Charles Mesa and Boone are AVC participants. Pueblo West petitioned into the District in 1971, but was not able to receive Project water until 2007.

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SECWCD Table of Organization

Board of Directors

Executive Director Office

Jim Broderick
Executive Director
2003

Engineering, Planning & Operations Office

Kevin Meador
Principal Engineer
2012

Garrett Markus
Water Resources Engineer
2014

Finance & Information Technology Office

Leann Noga
Finance & Information Technology Manager
2004

Stephanie Shipley
Accounting Specialist
2016

General Counsel & Government Programs Office

Lee Miller
General Counsel
2011

Administration & Human Relations Office

Toni Gonzales
Administrative Manager
1975

Margie Medina
Administrative Support Specialist
2000

Patty Rivas
Administrative Support Associate
2014

Liz Catt
Garden Coordinator
2007

Community Relations, Outreach & Conservation Office

Chris Woodka
Issues Management Program Coordinator
2016

(Dates show initial employment with the District.)

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Offices and Human Capital Budgeting

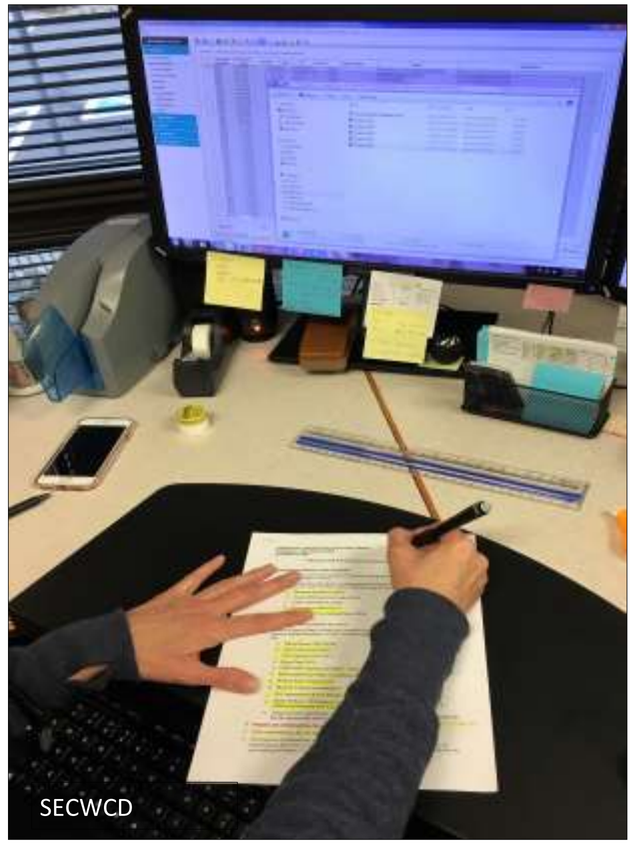
The staffing chart represents ten combined full-time and one part-time position in the 2018 Budget. In December 2015 the Conservation Outreach Coordinator retired, this position was reclassified into the Issues Management Program Coordinator and was filled in September 2016.

Also, in September 2016 the District hired an Accounting Specialist to assist with the accounting functions. In 2017, the Finance Coordinator was promoted to the Finance Manager as a result of the completion of a masters education program.

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

The summary below explains the full and part time staff that are authorized by the adopted budget and the actual positions that were filled in each given year. The numbering scale is based on the position filled in a full month divided by twelve months of the year.

For future planning, the District expects staffing positions to remain constant and then hold through 2020. The District completes a salary and benefits survey every three years, the next survey is a budgeted item in the 2018 budget.



Summary of Authorized Full/ Part Time Staff By Department & Title

	Authorized 2016	Filled 2016	Authorized 2017	Filled 2017	Budget 2018	Forecasting 2019	Forecasting 2020
Executive Director Office							
Executive Director	1.00	1.00	1.00	1.00	1.00	1.00	1.00
General Counsel & Governmental Programs Office							
General Counsel	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Finance & Information Technologies Office							
Finance Manager	1.00		0.33	0.17	1.00	1.00	1.00
Finance Coordinator / IT		1.00	0.67	0.83			
Accounting Specialist		0.33	1.00	1.00	1.00	1.00	1.00
Engineering, Planning, & Operations Office							
Principal Engineer	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Water Resource Engineer	1.00	0.08	1.00	1.00	1.00	1.00	1.00
Water Resource Specialist / Engineer		0.92					
Administrative and Employee Service Office							
Administrative Manager	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Administrative Support Specialist	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Administrative Support Associate	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Garden Coordinator	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Issues, Programs and Communications Office							
Conservation Outreach Coordinator	1.00						
Issues Management Program Coordinator		0.33	1.00	1.00	1.00	1.00	1.00
Total Employees	**9.50**	**9.17**	**10.50**	**10.50**	**10.50**	**10.50**	**10.50**

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Measuring Progress

	Lead Office	Progress Color	2017 Percent Accomplishment	2018 Percent Projected Goal	Unit Goal
District Administration, Project or Program					
Recovery of Storage	EPO		5%	26%	Recover lost storage in Fry-Ark Facilities as a result of sediment
Fry-Ark Debt Repayment	FIT		75%	77%	Retire debt of the Fry-Ark by 2031
Fry-Ark Contract Amendment	CGC		45%	100%	Fry-Ark Contract Amendment No. 11
Fry-Ark Contract Conversion	CGC		25%	50%	Fry-Ark Contract Conversion
Pueblo Dam OM&R	EPO		51%	100%	Clear understanding of future annual and extraordinary OM&R cost and funding mechanism
Miscellaneous Revenue	FIT		90%	100%	Clear understanding of Fry-Ark Miscellaneous Revenue and how they apply Fry-Ark or PL11-111
Conditional Water Rights Div 2	GCG		90%	100%	Legal Diligence in Div. 2 for the protect of District water rights
Conditional Water Rights Div 5	GCG		60%	80%	Legal Diligence in Div. 5 for the protect of District water rights
Reclamation Reform Act	EPO		90%	100%	Ongoing program to track irrigated acres in the District boundaries
Watershed Health	GCG		26%	51%	Water Quality due to wildfires in the Arkansas Basin
Information Technology	FIT		30%	100%	Strategically plan for equipment, software, and collaboration tools through technology
Building and Grounds	AES		80%	100%	Operation and maintenance of District Headquarter facilities
Community Outreach	CRO		50%	100%	Outreach to District nine counties and stakeholders
Enterprise Administration					
Safety of Dams	FIT		75%	80%	Safety of Dams on Pueblo Reservoir Debt Repayment by 2024
Pueblo Dam Interconnect	EPO		5%	25%	Study, design and construction
Water Rate Study	FIT		0%	50%	Study the cost of water to ensure value and reserve balances
Colorado River Programs	GCG		80%	90%	Ongoing legal, engineering, fish recovery, and CO River users association
Winter Water	EPO		90%	95%	Ongoing program that allows Ag entities to store water during off-season
Water Quality Sampling	EPO		90%	95%	Ongoing water sampling to ensure water quality in rivers
Fountain Creek Transit Loss	EPO		85%	90%	Ongoing program to track return flows in Fountain Creek
Restoration of Yield	EPO		25%	50%	Study, purchase, design and implement storage to capture water releases
Regional Resource Planning Group	EPO		90%	95%	Ongoing program to ensure water quality in the Arkansas River
Enterprise Projects					
Hydroelectric Power on Pueblo Reservoir	EPO		75%	100%	Completion of Construction of the Pueblo Dam Hydroelectric Facility
Arkansas Valley Conduit	EPO		26%	50%	Explore New Concept and secure federal funding
Excess Capacity Master Contract	CRO		95%	95%	Contract in Completed and current an ongoing program

Offices Key	Code
General Counsel & Government Programs Office	GCG
Finance & Information Technology	FIT
Engineering, Planning & Operations Office	EPO
Administrative & Employee Services	AES
Community Relations Outreach & Conservation Office	CRO

Progress Color Key			
Planning	Design	Implementation	Completion
0% - 25%	26% - 50%	51% - 75%	76% - 100%

Measuring Progress by Offices

In 2017, the District published its first Business Plan, which outlines a three-year program of work for activities, projects and programs in which the District is involved.

During the course of the year, it became apparent that the District needs a way to monitor the work that is being done in each of these areas, and a system to track that process. District staff is now holding bi-monthly meetings to assess the progress.

The areas of responsibility are linked to the District's Strategic Plan, which was revised in 2017 to better reflect the purposes of the District and the role it plays in the Fryingpan-Arkansas Project.

The categories of work are taken directly from the 2017 Business Plan. The 2017 work has been evaluated, and is described in the Business Plan Review section and the updated 2018 Business Plan can be found in appendix.

A Progress Color Key is added to the table above in order to provide an at-a-glance view of the progress in each of the areas. It is included in this section of the budget to emphasize that every element of the Business Plan is the primary responsibility of one of the Offices within the District.

These ratings should not be viewed as a "grade," but rather as milestones of how District resources are being applied to achieve the goals set forth in the District's foundational documents, by the decisions of the Board of Directors, and by shifting federal policy on how the Project operates.

The assessments used in the table above were arrived at through staff discussions and the phase of work for each of the activities, projects, or programs.

As the chart shows in the beige squares, there are three major areas where planning has started: Recovery of Storage, Pueblo Dam Interconnect, and a Water Rate Study.

There are seven major areas, shown in red, that demand critical attention: Contract Amendment, Contract Conversion, Watershed Health, Information Technology, Community Outreach, Restoration of Yield, and the Arkansas Valley Conduit.

All of these areas will need staff involvement, and funding sources must be identified.

The yellow and green areas are works in progress which have identified funding sources and processes in place to complete the tasks. The District's challenge will be to incorporate these new areas, while keeping existing programs in place.

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Summary of Offices—Introduction & Fund Relationship

2018 Budget Human Capital appropriation for Office and Activity	District Fund (General Fund) 47.52%			Enterprise Water Fund & Hydroelectric Fund 52.48%			
	Administration (Core and Program Activities)	Reclamation Reform Act	Conservation	Administration (Core and Program Activities)	Enlargement Project	Hydroelectric Power Project	Arkansas Valley Conduit
Executive Director	3.19%			3.56%			
General Counsel & Government Programs Office	3.19%			3.56%			
Finance & Information Technology	6.38%			7.12%	0.10%	1.08%	1.00%
Engineering, Planning & Operations Office	6.38%	1.93%		7.12%		1.62%	4.73%
Administrative & Employee Service Office	9.57%	5.93%		10.67%	0.05%	0.54%	0.25%
Community Relations Outreach & Conservation Office	6.38%		4.55%	7.12%	0.15%		2.99%

Summary of Offices

The following is a summary of the offices at the Southeastern Colorado Water Conservancy District (District). All Offices are a part of the District General Fund and budgeted under Human Resource. The District 2018 Adopted Budget of human resource expenditures total $1,524,060. The human resource budget includes wages and benefits and is expressed in table of percentages below per office.

The human capital in the District also performs work duties for the Enterprise Water Fund, Hydroelectric, and projects. Due to this service provided the Enterprise, Hydroelectric and projects captures a portion of the office costs through an inter-fund reimbursement process. In the 2018 budget the Enterprise Water Fund, Hydroelectric and other projects are budgeted to cover 52.48 percent of the total human resource cost for services provided. The District funds will assume the expense of the other 47.52 percent.

Office performance measures are evaluated in the form of annual reviews completed by supervisory staff and/or the Executive Director. The Executive Director's performance is reviewed annually by the Human Resource Committee members of the Board of Directors.

Viewing this electronically: Click the below buttons to view Office descriptions!

Executive Director Office

General Counsel & Government Programs Office

Finance & Information Technologies Office

Engineering, Planning & Operationse

Administration & Employee Service Office

Community Relations Outreach & Conservation Office

2018 Adopted Budget—District Fund Human Resources	
Executive Director	19.89%
General Counsel & Government Programs Office	13.80%
Finance & Information Technology	13.90%
Engineering, Planning & Operations Office	21.84%
Administrative & Employee Service Office	22.90%
Community Relations Outreach & Conservation Office	7.67%

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Executive Director Office

Executive Director Office

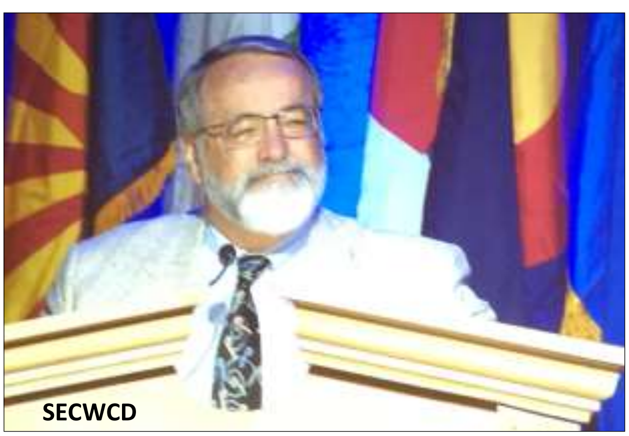
The Executive Director is responsible for providing leadership and management of the Southeastern Colorado Water Conservancy District. The Executive Director implements the Board of Directors' strategic vision and policies through the programs and projects aligned in the Strategic Plan, Business Plan and Annual Budget.

This is accomplished by building and maintaining relationships with stakeholders, advocating adopted policy positions, and implementing programs and projects to benefit the District's local, regional, state, and federal officials and agencies in a responsible and sound manner.

2017 - 2018 Office Summary	Filled 2017	Budget 2018
Executive Director Office		
Executive Director	1.00	1.00
Total Employees	1.00	1.00

Executive Director Office Responsibilities

- General Counsel & Government Programs Office
- Finance & Information Technologies Office
- Engineering Planning and Operation Office
- Administrative & Employee Service Office
- Community Relations Outreach & Conservation Office



Jim Broderick, Executive Director of the Southeastern Colorado Water Conservancy District is installed as President of the Colorado River Water Users Association in December 2017.

General Counsel & Government Programs Office

General Counsel & Government Programs Office

General Counsel and Governmental Programs Office is responsible for managing timely, effective and high quality legal services. This office leads activities related to state legislative affairs and reports these activities to the Board of Directors, Executive Director, and staff. The General Counsel provides legal support to assist in the accomplishments of the District's policy goals and objectives.

GENERAL COUNSEL

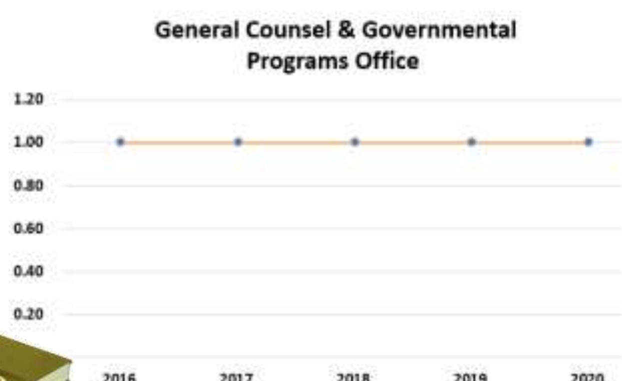
The General Counsel of the District manages all legal affairs, oversees special counsel, and provides a full range of legal services to the Board and District staff in the performance of their official duties. Specifically, the General Counsel ensures that District business is conducted according to all applicable state, federal, and local laws and regulations.

GOVERNMENT

This office leads activities related to state legislative relations. Monitors and analyzes proposed bills, amendments, laws, and regulations for potential impacts on the District. This office participates in the legislative and strategic policy decision making related to the District's position on federal and state legislation.

COLORADO RIVER PROGRAMS

This office coordinates the Colorado River Programs with state and federal officials and other basin states, on areas of common interest, exploring alternatives to protect and enhance the existing Colorado River supply.



2017 - 2018 Office Summary		
	Filled 2017	Budget 2018
General Counsel & Governmental Programs Office		
General Counsel	1.00	1.00
Total Employees		

General Counsel & Government Programs Office

General Counsel & Government Programs Office

Administrative & Program Goals

Performance Objectives (2018)

- Fry-Ark Contract Amendment No. 11
- Fry-Ark Contract Conversion
- Division 5 District Conditional Water Rights
- Division 2 District Conditional Water Rights
- State Legislation Updates for the Board of Directors
- Watershed Health
- Colorado River Programs

General Counsel & Governmental Programs Office

Major Project Goals

Performance Objectives (2018)

- Arkansas Valley Conduit Contracts regarding the New Concept
- Ensure Enterprise interests in the remaining contracts regarding hydroelectric Power Project

PERFORMANCE

Measurement of Completion

Summary	2017 Actual	2018 Projected Goal	Justification
Fry-Ark Contract Amendment	45%	100%	In-house Standard
Fry-Ark Contract Conversion	25%	50%	In-house Standard
Conditional Water Rights Division 2	90%	100%	In-house Standard
Conditional Water Rights Division 5	60%	80%	In-house Standard
Arkansas Valley Conduit New Concept	26%	75%	In-house Standard
Hydroelectric Contracting	75%	100%	In-house Standard
Watershed Health	26%	51%	In-house Standard
Colorado River Programs	80%	90%	In-house Standard

Performance Results (2017)

- Began the process of technical sessions to create a Basis of Negotiations (BON) with Reclamation regarding Fry-Ark contract amendment No. 11
- Educated the Board of Directors about the Reclamation contract conversion types and next steps
- Conditional Water Rights Division 2 completed, presentation
- Conditional Water Rights Division 5 ongoing engineering work.
- State Legislation monthly updates to the Board of Directors
- Began Arkansas Valley Conduit New Concept consideration with Reclamation
- Hydroelectric Power Project Contracting
- Improving Water Shed Health

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Finance & Information Technology Office

***Finance
& Information Technology
Office***

The Finance and Information Technology Office provides financial planning, analysis, and reporting; supports business objectives by providing necessary technology tools; manages financial resources; provides effective and cost-effective management services; maintains financial integrity and provides financial information to internal and external stakeholders.

FINANCE & ACCOUNTING

This office is responsible for financial analysis and statement reporting according to principles. Responsible for budget development and management long-range financial planning, cash and treasury management, accounts receivable and payable, accountable property, and working with external and internal auditors during the annual financial audit.

MATERIAL CONTROL & DISTRIBUTION

This office is responsible for the procurement of goods and services, inventory control, distribution of materials, supplies, and equipment.

GRANT ADMINISTRATION

The grant administration program assists local project and programs by pursuing external funding from local, state, and federal agencies, along with other funding sources.

INFORMATION TECHNOLOGY

The office is responsible for the operations, maintenance, and business continuity of the information technology infrastructure including applications, networks, servers, and workstations for the District.

2017 - 2018 Office Summary		
	Filled 2017	Budget 2018
Finance & Information Technology Office		
Finance Manager	0.17	1.00
Finance Coordinator / IT	0.83	
Accounting Specialist	1.00	1.00
Total Employees	**2.00**	**2.00**

Finance & Information Technology Office

Finance & Information Technology Office

Administrative & Program Goals

Performance Objectives (2018)

- Fry-Ark Contract Debt Repayment by 2031
- Strategically plan for equipment, software, and collaboration tools through technology for near term
- Safety of Dams on Pueblo Reservoir Debt Repayment by 2024
- Investigate Water Rate Study to ensure the District is applying an accurate cost of water
- Ensure a satisfactory Annual Audit
- Ensure a satisfactory Annual Budget

Finance & Information Technology Office

Major Project Goals

Performance Objectives (2018)

- Hydroelectric Power Project finances
- Ensure Project cash flows and provide support as needed

PERFORMANCE

Measurement of Completion

Summary	2017 Actual	2018 Projected Goal	Justification
Fry-Ark Contract Debt	75%	77%	In-house Standard
Miscellaneous Revenues	90%	100%	In-house Standard
Information Technology	30%	100%	In-house Standard
Safety of Dam on Pueblo Reservoir	75%	80%	In-house Standard
Annual Audit	100%	100%	In-house Standard
Annual Budget	100%	100%	In-house Standard
Budget Publication	100%	100%	In-house Standard
Water Rate Study	0%	50%	In-house Standard

Performance Results (2017)

- Fry-Ark Contract debt repayment is current
- Educated the Board of Directors Miscellaneous Revenue and how they apply Fry-Ark or PL11-111
- Began Information Technology Planning
- Safety of Dams on Pueblo Reservoir debt repayment is current
- Ensure a satisfactory Annual Audit
- Ensure a satisfactory Annual Budget
- Quality Annual Budget Publication

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Engineering, Planning & Operations Office

Engineering, Planning & Operations Office

Engineering, Planning and Operations Office manages the water deliveries, develops policies, and conducts strategic and long-term planning. Additionally, manages the Lease of Power Privilege (LoPP) at Pueblo Reservoir.

WATER OPERATIONS

This office is responsible for the efficient delivery of Fry-Ark water. It provide front-line water customer service, water accounting, and forecasting. This office is also responsible for performing hydraulic and hydrologic engineering.

ENGINEERING SERVICE

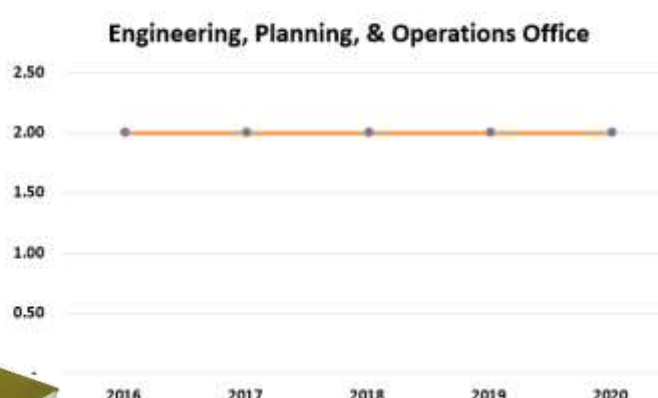
This office provides administration and legal stewardship of Fry-Ark technical records, provides technical engineering expertise, and supervises project management.

RESOURCE PLANNING & ANALYSIS

This office is responsible for long-range water resource planning and policy analysis within the Fry-Ark service area, including initiatives of the Board of Directors.

POWER SERVICE

This office manages the Lease of Power Privilege (LoPP) functions for the Fry-Ark power rights to Pueblo Dam Power generation.



2017 - 2018 Office Summary	Filled 2017	Budget 2018
Engineering, Planning, & Operations Office		
Principal Engineer	1.00	1.00
Water Resource Engineer	1.00	1.00
Water Resource Specialist / Engineer		
Total Employees	2.00	2.00

Engineering, Planning & Operations Office

Engineering, Planning & Operations Office

Administrative & Program Goals

Performance Objectives (2018)

- Recovery of Storage in Fry-Ark Facilities as a result of sediment
- Clear understanding of future annual and extraordinary OM&R cost at Pueblo Dam
- Reclamation Reform Act ongoing program to track irrigated acres in the District boundaries
- Pueblo Dam Interconnect study, design and construction
- Winter Water Storage ongoing program that allows Ag entities to store water during off-season
- Water Quality Sampling ongoing to ensure water quality in rivers
- Fountain Creek Transit Loss ongoing program to track return flows in Fountain Creek
- Restoration of Yield the study, purchase, design, and implement storage to capture water releases
- Regional Resource Planning ongoing program to ensure water quality

Engineering, Planning & Operations Office

Major Project Goals

Performance Objectives (2018)

- Began construction of the Pueblo Dam Hydroelectric Facility
- Arkansas Valley Conduit: Explore New Concept and track technical

PERFORMANCE

Measurement of Completion

Summary	2017 Actual	2018 Goal	Justification
Recovery of Storage	5%	26%	In-house Standard
Pueblo Dam OM&R	75%	100%	In-house Standard
Reclamation Reform Act	90%	100%	In-house Standard
Pueblo Dam Interconnect	5%	26%	In-house Standard
Winter Water	90%	95%	In-house Standard
Water Quality Sampling	90%	95%	In-house Standard
Fountain Creek Transit Loss	85%	90%	In-house Standard
Restoration of Yield	55%	60%	In-house Standard
Regional Resource Planning Group	90%	95%	In-house Standard
Hydroelectric Power Project	75%	100%	In-house Standard
Arkansas Valley Conduit	50%	75%	In-house Standard

Performance Results (2017)

- Completed understanding of future annual and extraordinary OM&R cost at Pueblo Dam
- Ongoing Reclamation Reform Act program to track irrigated acres in the District boundaries
- Ongoing Winter Water Storage Program that allows Ag entities to store water during off-season
- Ongoing Water Quality Sampling to ensure water quality in rivers
- Ongoing Fountain Creek Transit Loss program to track return flows in Fountain Creek
- Ongoing Restoration of Yield the study, purchase, design, and implement storage to capture water releases
- Ongoing Regional Resource Planning program to ensure water quality in the Arkansas River
- Ongoing Construction of the Pueblo Dam Hydroelectric Facility

Colorado Congressman Scott Tipton (left) and Principal Engineer Kevin Meador discuss the Pueblo Dam Hydroelectric Facility as construction began in late September.

Administrative & Employee Service Office

Administrative
& Employee Service Office

Administrative and Employee Services Office provides services that support the efficient operation of the District. Responsibilities include administrative support to the Board of Directors and District offices; administration of the safety, risk management, and human resource programs; administration of the records management program; and management of facilities related to maintenance and building systems for the main office and surrounding landscape.

HUMAN RESOURCES

This office is responsible for staffing, compensation, benefits design, and administration; ensuring compliance with applicable employment laws; wellness program; people policies; employee relations; and performance management.

FACILITIES SERVICE

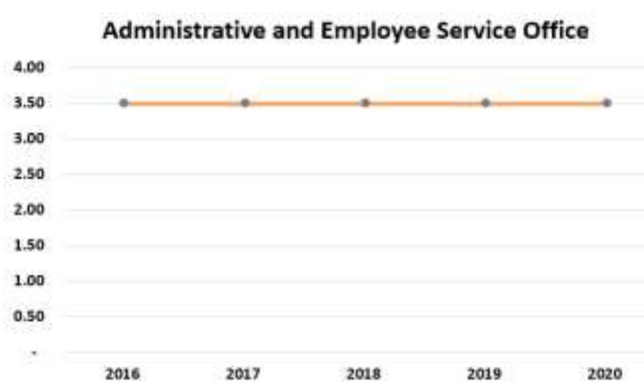
Other duties include administrative and operational responsibility for facility services including oversight for ongoing service and maintenance contracts, and general operations and maintenance of the main office and surrounding landscape.

ADMINISTRATION & BOARD SUPPORT

This office provides support to the Board of Directors activities related to formal and special Board meetings, coordination of travel and events arrangements, and safekeeping of official records.

LEARNING & DEVELOPMENT

This office is responsible for the management, design, and development of the District.



2017 - 2018 Office Summary	Filled 2017	Budget 2018
Administrative and Employee Service Office		
Administrative Manager	1.00	1.00
Administrative Support Specialist	1.00	1.00
Administrative Support Associate	1.00	1.00
Garden Coordinator	0.50	0.50
Total Employees	3.50	3.50

Administrative & Employee Service Office

Administrative & Employee Service Office

Administrative & Program Goals

Performance Objectives (2018)

- Operation and maintenance of District Headquarters facilities
- Operation and maintenance of District Headquarters grounds
- Operation and maintenance of District Headquarters fleet vehicles
- Ensure human capital staffing
- Ensure human capital education

Administrative & Employee Service Office

Major Project Goals

Performance Objectives (2018)

- Ensure administrative support as needed

PERFORMANCE

Measurement of Completion

Summary	2017 Actual	2018 Projected Goal	Justification
Headquarters facilities	100%	100%	In-house Standard
Headquarters Grounds	100%	100%	In-house Standard
Fleet Vehicles	100%	100%	In-house Standard
Human Capital Staffing	100%	100%	In-house Standard
Human Capital Training and Education	100%	100%	In-house Standard

Performance Results (2017)

- District Headquarter facilities maintained
- District Headquarter grounds maintained
- District Headquarter fleet vehicles; 1 new fleet vehicle purchased and others maintained
- Human capital staffing is consistent from prior year
- Human capital education including First Aid safety and improved administrative technical skills

Garden coordinator Liz Catt tends to demonstration turf plots at Southeastern Colorado Water Conservancy District headquarters.

Issues, Programs & Communications Office

Issues, Programs & Communications Office

The Issues, Projects, Programs and Communications Office provides outreach services to maximize efficient use of the region's existing water supplies through a variety of targeted programs and initiative. The community relations outreach furthers local water supply through local, state, and federal sponsored programs to promote public education, outreach, and technical assistance for local leaders.

CONSERVATION

The water conservation program develops regional conservation policies and methods, provides tools and training to implement conservation programs, and coordinates the regional water use efficiency efforts.

PROJECTS & PROGRAMS

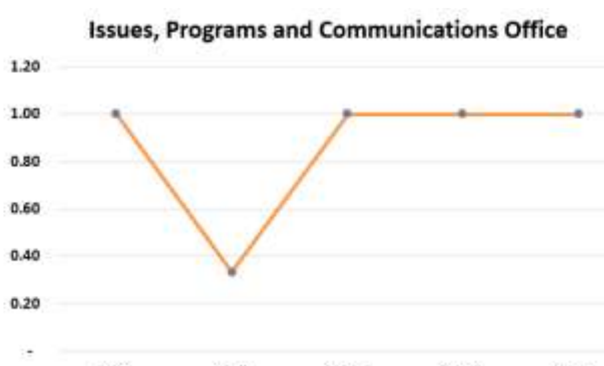
District projects and programs are coordinated to prove assurances that necessary actions are taken at the appropriate time in order to accomplish the best results.

COMMUNITY RELATIONS

The community relations outreach oversees an array of strategies and programs related to increasing public awareness for motivating and improving collaboration, communications, and coordination between the District and stakeholders.

ISSUES MANAGEMENT

As the District's activities continue, new issues may arise which require decisive action by staff to continue to project a forward-moving image among area, state, and federal communities. The office will assist in taking proactive steps, including producing long-term planning materials, to ensure the District stays on course to accomplish goals.



2017 - 2018 Office Summary	Filled 2017	Budget 2018
Issues, Programs and Communications Office		
Conservation Outreach Coordinator		
Issues Management Program Coordina	1.00	1.00
Total Employees	1.00	1.00

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Issues, Programs & Communications Office

Issues, Programs & Communications Office

Administrative & Program Goals

Performance Objectives (2018)

- Nine county communication publications
- Legacy of Service communication publication
- Budget Publication, Strategic Plan, Business Plan
- Framing the Future presentations to the Board of Directors
- Create and distribute the SECWCD Five-Year Conservation Plan

Issues, Programs & Communications Office

Major Project Goals

Performance Objectives (2018)

- Communication Contact for Arkansas Valley Conduit Project
- Communication Contact for Excess Capacity Master Contract
- Provides support as needed to Project
- Coordinate with state and federal agencies and associations

PERFORMANCE

Measurement of Completion

Summary	2017 Actual	2018 Projected Goal	Justification
Nine County Communication	50%	100%	In-house Standard
Legacy Communication	50%	100%	In-house Standard
Budget Publications	100%	100%	In-house Standard
Framing the Future	100%	100%	In-house Standard
Conservation Plan	100%	100%	In-house Standard

Performance Results (2017)

- Completion of nine county communication publications and ready for distribution
- Completion Legacy of Service Communication Publication and ready for distribution
- Completion Budget Publication, Business Plan, and Strategic Plan and ready for distribution
- Completion of Framing the Future presentation to the Board of Directors and ready for distribution
- Completion of the SECWCD Conservation

District staff arranged a tour of the Pueblo Dam hydro site for Colorado Water Conservation Board staffers in November. CWCB is funding the construction loan.

Basis of Budgeting & Fund Structure

Introduction

The Financial Planning Section of this document is designed to create a clear understanding of the financial structure of the Southeastern Colorado Water Conservancy District also known as the General Fund and Southeastern Colorado Water Activity Enterprise, Proprietary Fund also known as the Business Activity.

Financial analytical, comparisons data, and 2018 Budget explanations and budget statements can be found in the Budget Overview section of this document.

The 2018 Budget is made up of the Southeastern Colorado Water Conservancy District (District) referred to as the General Fund or the Governmental Activities and the Proprietary Fund or Water Activity Enterprise (Enterprise) referred to as the Enterprise Fund or Business Activity for the year January 1 through December 31, 2018.

The District's 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 of the Fryingpan-Arkansas Project, developing better tools and methods for financial planning, water conservation, and communications.

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 expenditures and the future direction of the District.

Together the budget and the Strategic Plan, build a blueprint of our current and future organizational goals. Please, use the budget as a guideline for our financial operations in 2018.

Basis of Budgeting

An annual budget is prepared for the District and Enterprise funds 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.

The Executive Director is responsible for ensuring the District operates within the budgetary guidelines and that adequate funds are available.

District or general fund basis of budgeting is processed on the modified accrual accounting system.

Basis of Budgeting and Accounting Methods	
Government Fund	
General Fund	Modified Accrual
Enterprise Fund	
Proprietary Fund	Accrual

This system recognizes revenues in the period when they become available and measurable and expenditures when the liability is incurred.

The Enterprise fund basis of budgeting is presented using an accrual basis of accounting, recognizing revenue when earned and expenses when the liability is incurred.

Fund Structure

District finances are made up of two entities. These two entities are the Government Activity and the Business Activity. The Government Activity is made up of all District business, which includes the Fryingpan-Arkansas Project activity, grant activity, and operations. The Business Activity is made up of grant activity, operations, and major projects.

The Government Activity, which is the general fund for the government. The primary focus is to ensure that the Fryingpan-Arkansas Project debt is retired within the contractual limits, retain valued knowledgeable employees, and maintain capital improvements.

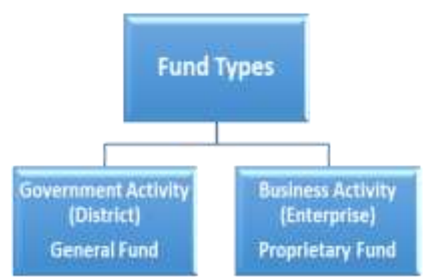
Within the District accounting system and structure, all District or General Funds are accounted for under the single title Government Activity. The Government Activity uses the current financial measurement focus.

The funds through which the functions of the District are financed are described as Governmental Funds. The District operates the Governmental Fund and due to the nature and size of operations, does not generally utilize other types of funds.

The Business Activity is a Proprietary Fund account for business operations. The Business Activity Funds include the activities of the Enterprise and major projects. The Enterprise was established in 1995 and continues to grow.

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 Fry-Ark Project water and facilities, and any related contracting, engineering, financing, and administration.

Fund Structure



The Business Activity's primary focus is to protect and develop the District's water rights and provide services to the District. The Business Activity provides support for ongoing projects and programs for the many stakeholders and constituents of the District.

Within the Enterprise accounting, system and structure projects are consolidated to constitute the Business Activity and/or the Proprietary Fund.

The projects include the Southeastern Colorado Water Activity Enterprise as a whole, Excess Capacity Master Contract Project, Enlargement Project, Arkansas Valley Conduit Project and the Hydroelectric Power Plant on Pueblo Dam.

Budgetary Control

Budgetary Control

The Budgetary control process is guided by the Board of Directors approved Financial Management Guide of the District. The document is reviewed annually and provides guidance to staff in all Offices and departments.

This document provides guidance on the requirement of a balanced budget, budget adoption and amendment process, balancing funds, budget format, expenditure guidelines, revenue guidelines, and the accurate basic of budgeting for each fund.

The Financial Management Guide has several relevant policies to preserve and enhance the fiscal health of the District and the Enterprise. It also identifies acceptable and unacceptable courses of action, and provide a standard to evaluate the government's annual performance.

Below are a few of the highlighted policies that are generated from the Financial Management Guide. Additional information regarding financial policies is found in the Financial Management Guide, which is available upon request.

- The District general fund must consist of a balanced budget.
- The Enterprise proprietary fund can record a gain or loss dependent upon the Board of Directors guidance of project and programs set forth in the adopted 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 $25,000 not appropriated in the annual budget must be reviewed and approved by the Board of Directors prior to purchase.
- Use of fund balance must be reviewed by the Finance Committee prior to a recommendation to the Board of Directors for budget appropriation.
- If expenditure exceed the adopted budgeted appropriation, the budget must be amended, upon this process the budget becomes a "Restated Budget."

The District General Fund presents 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 that require spending from unrestricted funds.

A balanced budget reflects a single fiscal year that the overall difference between government revenues and spending equal. Appropriations are enacted by the Board of Directors authorizing the expenditure of a designated amount of funds for the operations of the District.

Appropriations for the District and/or General Fund include: Fryingpan-Arkansas activities, grant activities, operations, capital outlay including one-time extraordinary expenditures.

DISTRICT

(Government Activity)

- ⇒ **The District is primarily an administrative agency with no capital asset projects, or capital assets as normally found in many governments.**
- ⇒ **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 Business Activity reimburses the District for personnel and overhead in proportion to the amount of work staff is budgeted to work for Enterprise activities. Other revenues may include grants and investments.**

ENTERPRISE

(Business Activity)

- ⇒ **The Enterprise is a service organization that develops and manages projects for the Fryingpan-Arkansas Project 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), and/or other partnership groups.**
- ⇒ **Funding for the Enterprise is received through the sale and administration of Fryingpan-Arkansas Project water and related surcharges and fees, reimbursement from Project participants, grants, partnership contributions, and investments.**

In any year, after the budget has been adopted, if expenditures exceed the appropriated amount for any entity, budget amendments are created which consist of a Restated Budget.

The primary function of the District is to collect Ad Valorem taxes from portions of nine counties to repay the United States Bureau of Reclamation (Reclamation) for the debt on the Fryingpan-Arkansas Project within the contractual limits.

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Budgetary Policies, Guideline & Practices

Budgetary Policies, Guidelines and Practices

In accordance with Budget policy and the approved Financial Management Guide the District and Enterprise have regulations set forth by the State of Colorado. When expenditures exceed appropriation of the adopted budget, amendments are made and a Restated Budget is created. Notification of the Restated Budget is published in one public newspaper.

The Board of Directors will conduct a public hearing of the Restated Budget and will re-adopted the amended Budget.

On this page are the main statutes listed in the Financial Management Guide: The Finance Management Guide and/or any specific policy maybe requested at info@secwcd.com.

Colorado Revised Statutes

The District follows Colorado Revised Statutes (CRS) and additional policies regarding the annual budget. See the list below for a summary of policies:

- A Budget officer is appointed before October 15 (CRS 29-1-104)
- A draft of the Proposed Budget is delivered to each member of the Board of Directors by October 15 (CRS 29-1-105)
- A publication of notice of budget is published in a newspaper of general circulation by November (CRS 1 29-1-106(1)
- Budget public hearing is held on the third Thursday in November (CRS 29-1-108)
- Budget adoption and appropriation date set prior to December 31 (CRS 29-1-108)
- Certification of mill levies to the Board of County Commissioners by December 15 (CRS 39-5-128(1)
- Budget is supplied to Department of Local Governments (CRS 29-1-113(1) by January 31
- Mill levy calculation and assessments in accordance with the State of Colorado Department of Local Governments

Key District Policies

The following additional internal key policies followed, also located in the Financial Management Guide.

- Investment policy
- A balanced Governmental fund budget
- A balanced grant budget
- Project participation revenues with matching expenditure
- Fryingpan-Arkansas Project Water Allocation Principles

Investment Guidelines

Consistent with Colorado Revised Statutes and direction from the Board of Directors, the District and Enterprise Fund policy on investments is a conservative approach. Below is a summarized list of guidelines:

- U.S. Treasury obligations pursuant to (CRS 24-75-601.1(1)(a))
- Obligations of U.S. Government Agencies pursuant to (CRS 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 (CRS 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 (CRS 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 (CRS 24-75-601.1(1)(d))
- The purchase of any repurchase agreement pursuant to (CRS 24-75-601.1(1)(j))
- Money market mutual funds pursuant to (CRS 24-75-601.1(1)(k))
- Local government investment pools pursuant to (CRS 24-75-701)

Budget Financial Methodology

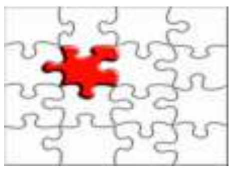
Budget Financial Methodology: Process: Preparation, Review, Adoption and Restatement

The District budgetary process assists the Board of Directors with decisions as to the project and program for allocation of financial support. The District uses a six-phase approach as listed on this page.

JULY

Phase 1—Budget Call

The Executive Director and Budget Officer meet with all department office heads to discuss and update the District mission. Budget forms and budget calendar are communicated. Emphasis is placed on accurate, prompt, and uniform submissions.



SEPTEMBER

Phase 2 – Obtaining Staff Input

Staff members begin collecting information, completing budget forms, and returning them to the Budget Officer. The Budget Officer completes analysis of the budget requests and assembles the financial information, goals and objectives into one document for the Executive Director to review.

OCTOBER

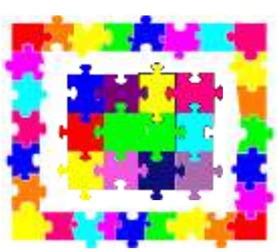
Phase 3 – Review & Approval of Budget by the Executive Director

The Budget Officer meets with the Executive Director on several different occasions as each section of the budget is completed. Changes are sometimes made to the budget requests submitted by staff. Once the draft of the proposed budget is complete, copies are sent to office department heads for final review then are sent to the Board of Directors no later than October 15 according to CRS 29-1-105. On the third Thursday in September the Board of Directors designates a Budget Officer, often the Finance Manager, in accordance with CRS 29-1-104.

NOVEMBER

Phase 4 – Final Revisions and Public Presentation

Revisions are sometime made between October 15 and the third Thursday in November. Once these items have been adjusted the Budget Officer provides a full presentation of the proposed budget to the Board of Directors and the public in a scheduled Public Hearing in accordance with Colorado Revised Statue 29-1-106(1). Any interested citizen can review the proposed budget and make comments and suggestions at the public hearing.



DECEMBER-

Phase 5 – Final revision and Adoption

Any changes to the budget are disclosed to the Board of Directors. The Board of Directors adopt the budget via Resolution at their December meeting, for total expenditure totals. The adopted budget motion of action states that the revenues may be adjusted upon the final tax assessment from the nine county assessors, which are not available until December 10. The Finance and Information Technology Office is responsible for seeing that budget expenditures stay within budget boundaries; however overall responsibility remains with the Executive Director. The budget is reconciled periodically to determine if formal action is required to amend the budget. By January 31 the full budget publication is supplied to the Department of Local Governments in accordance with CRS 29-1-113(1).

Phase 6 – Restated Budget and Adoption

The sixth phase only takes place if and when the annual expenditure levels are higher than the Adopted Budgeted appropriation. This scenario would trigger the Restated Budget process. The amendment that are necessary are made and presented to the Board of Directors. After a public hearing of the amendments made to the budget and the budget is adopted a second time in one fiscal year the budget becomes a "Restated Budget."

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Fund Reserves

Fund Reserves

Moving into the 2018 calendar year, the District's total funds invested are $7,260,000 and Enterprise funds are $10,340,000. Please see the Budget Overview section of this document for investment revenue analytical comparisons and data.

The District reports fund balance classifications based primarily on the extent to which the District is bound to honor constraints on the specific purpose for which amounts in the funds can be spent. The fund balance of the District Governmental Fund consists of the following:

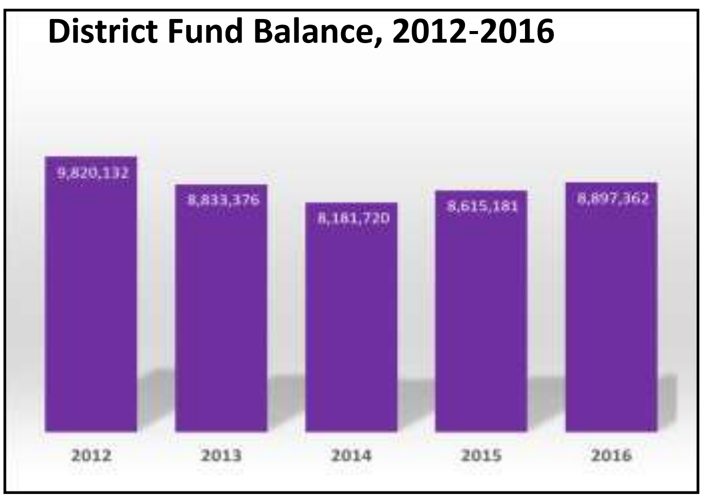
- **Non-spendable –** includes amounts that are (a) not in spendable form or (b) legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash such as inventories, prepaid items and long-term notes receivable.
- **Restricted –** includes amounts that are restricted for specific purposes stipulated by external resources providers constitutionally or through enabling legislation.
- **Committed –** includes amounts that can only be used for the specific purposes determined by the passage of a resolution of the District's Board of Directors. Commitments may be modified or changed only by the District's Board of Directors approving a new resolution. Commitments also include contractual obligations to the extent the existing resources have been specifically committed for use in satisfying those contractual requirements.
- **Assigned –** includes amounts intended to be used by the District for specific purpose that are neither restricted nor committed. Intent is expressed by the District's Board of Directors to which the assigned amounts are to be used for specific purposes. Assigned amounts include appropriations for existing fund balance to eliminate a projected budgetary deficit in the subsequent year's budget.
- **Unassigned –** this is the residual classification for the General Fund.

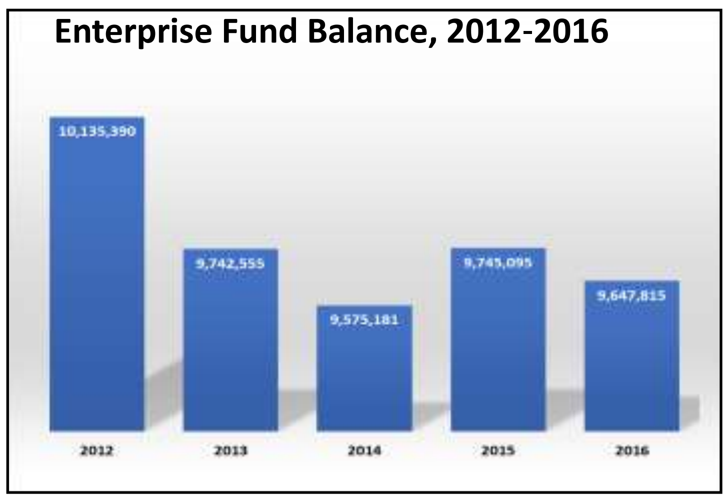
In circumstances when an expenditure is incurred for a purpose for which amounts are available in multiple fund balance classifications, fund balance is reduced in the order of restricted, committed, assigned, and unassigned.

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 three percent or more of its fiscal year spending.

The District also holds committed funds of $5,000,000 for designated contract contingency and $2,000,000 designated enlargement space.

The Enterprise budget maintains only one unrestricted account titled Unrestricted Project Water Fund. This is a three-year Project water fund for years when budgeted Fryingpan-Arkansas Project water revenue is less than calculated. The fund balance as of December 31, 2017 is $812,000**.**





Debt Authorities and Obligations (Issuance of Debt & Debt Limits)

The District does not issue general obligation of selling bonds as a source of capital. The District has authority to issue debt, but has not seen the need to exercise this authority. If the Board of Directors would choose to look into this option in the future, research would be done to manage debt to the best of the District's ability.

Budget Overview & Tax Revenue

Introduction

The Southeastern Colorado Water Conservancy District (District) finances are made up of two entities. The two entities are the Government Activity or General Fund and the Business Activity which is the Proprietary Fund. The Government Activity consists of all District business, which includes the Fryingpan-Arkansas Project activity, grant activity, operations, and capital outlay. The Business Activity consists of grants, operations, major projects, and capital outlay.

The Government Activity primary focus is to ensure that the Fryingpan-Arkansas Project debt is retired within the contractual limits, retain valued knowledgeable employees, and maintain capital improvements. Within the District's accounting system and structure all Governmental Activity are recorded and accounted for under the single fund titled Southeastern Colorado Water Conservancy District.

The Business Activity is a Proprietary Fund account for Enterprise Business Activity.

The Business Activity's primary focus on programs and projects, in addition to providing services to the Government Activity.

The Business Activity, also known as the Enterprise, provides support for ongoing projects and programs for the many stakeholders and constituents of the District. A few of the major projects that reside within the Business Activity include the Enlargement, Excess Capacity Master Contract, Arkansas Valley Conduit, Restoration of Yield, and Hydroelectric Power on Pueblo Dam.

See the Financial Planning section for a full explanation of Government and Business Activity fund structure.

Table 4-1: 2016-2017 Total County Assessed Value

County		2016 Assessed Value	2017 Assessed Value	Value Change	Percent Change
Bent	12/8/2017	56,880,205	58,555,800	1,675,595	2.95%
Chaffee	12/4/2017	309,942,084	334,098,910	24,156,826	7.79%
Crowley	12/10/2017	36,059,402	36,436,079	376,677	1.04%
El Paso	11/22/2017	5,519,886,200	5,894,363,650	374,477,450	6.78%
Fremont	11/30/2017	319,544,672	315,454,261	(4,090,411)	-1.28%
Kiowa	11/29/2017	1,815,870	2,765,260	949,390	52.28%
Otero	11/22/2017	129,774,394	133,479,280	3,704,886	2.85%
Prowers	11/17/2017	57,031,069	58,035,478	1,004,409	1.76%
Pueblo	11/30/2017	1,486,340,762	1,524,329,050	37,988,288	2.56%
Total		**7,917,274,658**	**8,357,517,768**	**440,243,110**	**5.56%**

Tax Calculations

Annually, the District certifies three different mill levies to the nine Boards of County Commissioners for collection based on each of the nine counties' assessed value of property within the boundaries of the District. According to CRS's the District receives a draft certification of assessed value of property for each county by August 25.

The final certification of assessed value of property for each county is due to the District by December 10. From the final assessed property values, the Budget Officer can estimate collections for contract repayment and operating revenues. The 2017 assessments are collected in 2018.

Tax Timeline

August 25— Draft certification of property values.

December 10 — Final certification of property values.

December 15 — Mill levies certified and sent to counties.

The nine counties in the District estimate a total assessed value in 2017 of $8,357,517,768. Table 4-1 illustrates a comparison between assessed values from 2016 to 2017.

The District certifies all three levies and sends them to each respective county no later than December 15, in accordance with the Colorado State Law (CRS 39-5-128). *See Appendix for document titled County Assessed Valuation and Certificate of Tax Levy.*

For the 2018 Budget the District certified the following levies; Contract Repayment of 0.900, Abatement and Refunds of 0.004, and Operations at 0.035. Table 4-2 provides a layout of each county's estimated contribution regarding the three Tax Levies.

Table 4-2: Collections for all Levies - 2017 for 2018 Budget

Last Revised: 12/15/2017

County	2017 Assessd Value	Percent of Total	Contract Repayment Mill Levy	Contract Repayment Collections	Operating Mill Levy	Operating Collections	Abatements & Refunds Mill Levy	Abatements & Refunds Collections	Total Collections
Bent	58,555,800	0.70%	0.900	52,700	0.035	2,049	0.004	234	54,984
Chaffee	334,098,910	4.00%	0.900	300,689	0.035	11,693	0.004	1,336	313,719
Crowley	36,436,079	0.44%	0.900	32,792	0.035	1,275	0.004	146	34,213.48
El Paso	5,894,363,650	70.53%	0.900	5,304,927	0.035	206,303	0.004	23,577	5,534,807
Fremont	315,454,261	3.77%	0.900	283,909	0.035	11,041	0.004	1,262	296,212
Kiowa	2,765,260	0.03%	0.900	2,489	0.035	97	0.004	11	2,597
Otero	133,479,280	1.60%	0.900	120,131	0.035	4,672	0.004	534	125,337
Prowers	58,035,478	0.69%	0.900	52,232	0.035	2,031	0.004	232	54,495
Pueblo	1,524,329,050	18.24%	0.900	1,371,896	0.035	53,352	0.004	6,097	1,431,345
Total	**8,357,517,768**	1.00		**7,521,766**		**292,513**		**33,430**	7,847,709
		Contract + Operating Ad Valorem = 0.935				$ 7,814,279			
Total compared 2016 to 2017 Assessed Values & projected taxes									
2017	8,357,517,768		0.900	7,521,766	0.035	292,513	0.004	33,430	7,847,709
2016	7,917,274,658		0.900	7,125,547	0.035	277,105	0.005	39,586	7,442,238
Increase(Decrease)				396,219		15,409		(6,156)	405,471

Fryingpan-Arkansas Revenue & Expenditures

Fryingpan-Arkansas Project Revenue and Expenditures

The tax revenues are used for the payment made on the primary debt of the Fryingpan-Arkansas Project, which is generated by two of the three mill levies. The District collects these two-mill levy's titled, contract tax and abatements and refunds tax and then subtracts any prior year tax and any county collection fees to calculate the total annual payment to Reclamation.

Two debt payments are made to Reclamation annually one in June and one in December.

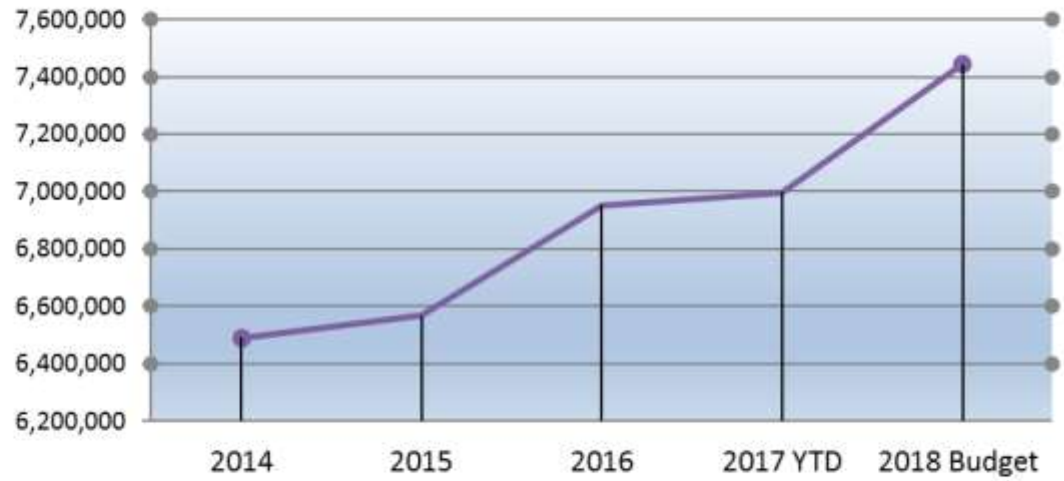
As of December 31, 2016, the Fryingpan-Arkansas Project outstanding debt is $23,426,225. The 2017 payments made to the debt will be updated and reconciled at the completion of the 2017 Audit, which is expected in April 2018. Table 4-3 provides a four-year comparison of tax mill levy's and the 2018 Budgeted assessments. Table 4-4 reflects the annual payment made to Reclamation for the Fryingpan-Arkansas Project Debt.

The District collects money from Fountain Valley Authority and from participants in the Winter Water Storage Program; both collections are payable to Reclamation.

Table 4-3: Tax Collection Applied to Fry-Ark Debt

	2014	2015	2016	2017 YTD	2018 Budget
Contract Mill Levy Tax	6,560,024	6,634,535	7,021,262	7,089,728	7,521,766
Abatement & Refunds	39,988	58,614	53,873	39,391	33,430
Prior Year Tax	3,089	(9,224)	(283)	(17,357)	(4,905)
County Collection Fees	(114,262)	(114,064)	(121,807)	(118,056)	(118,899)
Total Annual Payment	**6,488,839**	**6,569,861**	**6,953,045**	**6,993,706**	**7,431,392**

Table 4-4: Fryingpan-Arkansas USBR Contract Payments



The District receives a single payment from the Fountain Valley Authority in December of each year; the matching expense is paid to Reclamation by December 31. The Fountain Valley Authority is budgeted in 2018 at $5,360,000. The 2018 Budget for Winter Water Storage Program is based on an estimated storage of 42,000 acre-feet at $2.80 per acre-foot for a total of $117,600.

Reclamation Reform Act (RRA) is a project enacted by the Federal government that the District must remain in compliance with as a provision of the Fryingpan-Arkansas Project contract.

Government Activity Grant Revenue and Expenditures

The District grant budget includes a budgeted contingency for grant opportunities.

The budget policy requires that all grants meet TABOR requirements. In addition, grant revenues equal the total expenses to maintain a balanced grant budget.

Grant Revenue and matching expenditure total $210,000 for the 2018 Budget.

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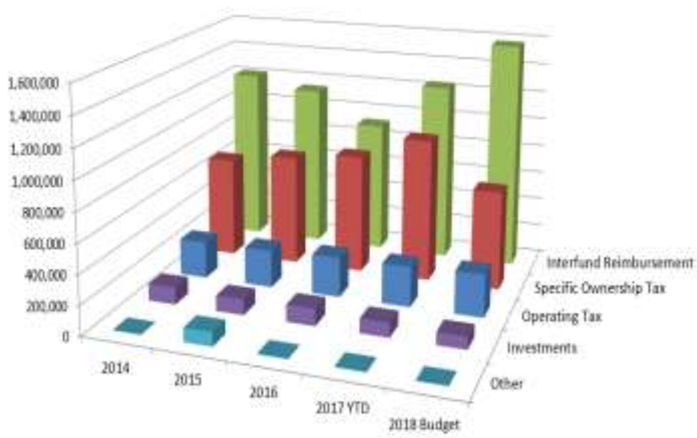
Government Activity Operating Revenue

Government Activity Operating Revenue

Operating revenue for the Government Activity, also known as the General Fund or District generally consists of revenue from the third mill levy through Ad Valorem Tax collections titled Operating Tax. In addition, other revenues include Specific Ownership Tax, which is not a tax mill levy, interfund reimbursements for service, investments, and other revenues enable the District operations to maintain a balanced budget.

The largest revenue stream to the Government Activity, as shown in Table 4-5, is the interfund reimbursements for services provided by the Business Activity. The increase and decrease of this item is dependent on the level of work done in the respected projects within the Business Activity. The major projects that have gained momentum and provided an increase in this interfund reimbursement revenue are the Hydroelectric Power

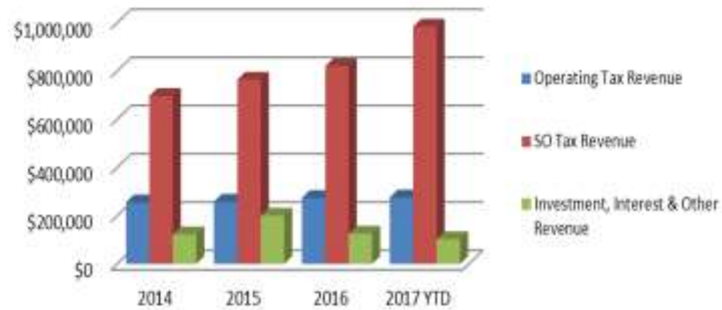
Table 4-5: Government Activity Operating Revenue



Project and the Arkansas Valley Conduit. In 2018, the interfund reimbursements make up 60 percent of the total District operating revenue.

Table 4-6 provides the effect of a stable District revenue stream through taxes and investments. Operating revenues have proven to be a regular dependable stream of revenue averaging $265,914 annually. Specific Ownership Tax, continues to have a steady income of consumer spending trends in the District's nine counties. Over the past four years Specific Ownership Tax revenues average $816,809 per year. This average was increased significantly in 2017, as the Specific Ownership Tax reached $985,026. This is a strong indicator that the District's nine county economies are flourishing. El Paso and Pueblo Counties have had the greatest effect on Specific Ownership Tax due to their population size. Specific Ownership Tax is a less dependable in come because it is economically driven.

Table 4-6: 2018 District Operating Revenue Overview



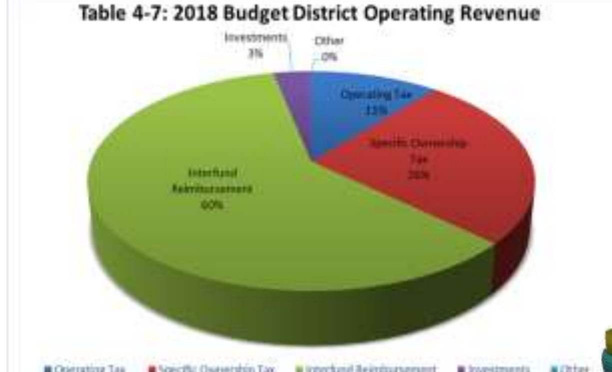
The District manages $7,260,000 in purchased bonds held through Wells Fargo Securities, LLC. The 2018 Budget for investment revenue, based on projected fluctuations in the market is $84,752. Investment and interest revenue have remained constant from 2014 to 2017 producing an average of $110,206 per year. The District has $3,160,000 in bond maturity in 2018 and will be looking to take advantage of projected increases in federal rates.

In 2017, the District has created a fifteen-year Strategic Plan. This will allow leadership to look long-term in the future of the District future to plan and accommodate these plans. Accompanying the Strategic Plan, District staff has created a three-year Business Plan. The Business Plan will serve as a short-term or near future planning mechanism.

The long-term and short-term plans attempt to mitigate the effect that economic volatility has on District budgeting. Now that these plans have been implemented, staff will begin the review of policies and investigations of additional revenue streams. *Please see Appendix for additional detail regarding the long and short-term planning.*

The 2018 Budget forecasts that the District's operating revenues will consist of interfund reimbursements of 60 percent, Specific Ownership Tax of 26 percent, Operating tax of 11 percent, and investment revenue of 3 percent as shown in Table 4-7.

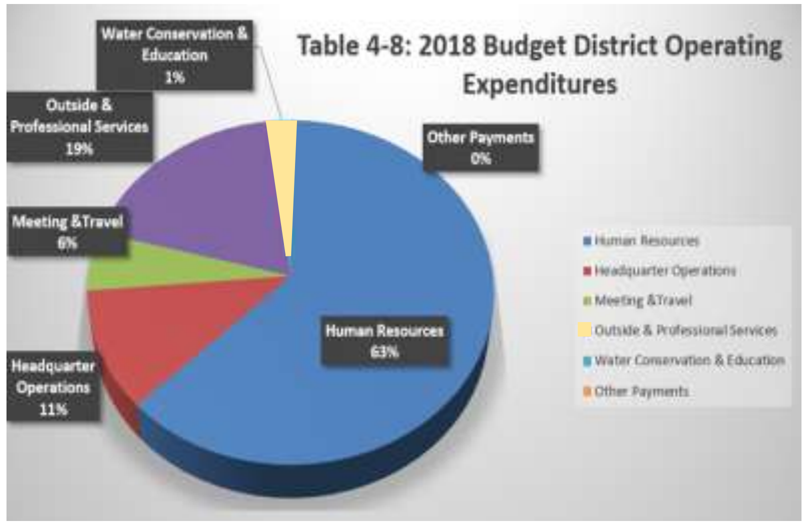
Table 4-7: 2018 Budget District Operating Revenue



Government Activity Expenditures

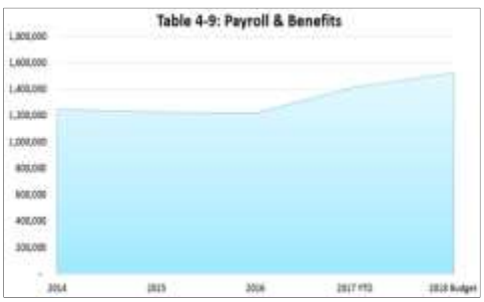
Government Activity Expenditures

The budgeted Government Activity total expenditures for the 2018 Budget are $16,204,920. The expenditures are considered in one of four categories; Fryingpan-Arkansas activity $13,187,882, Grant activity $210,000, operating expenditures $2,437,038, and Capital Outlay $370,000 expenditures.



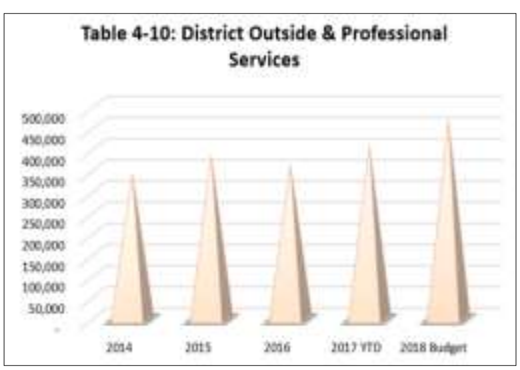
Operating expenditure policy requires that expenditures match operating revenue to present a balanced governmental budget. For purposes of consistency, Capital Outlay is excluded from this analysis of operating expenditures as well as separated in the Budget financial statements. The overall financial activity of the District remains consistent with prior years. The 2018 Budget Operating expenditures are illustrated by percentage in Table 4-8.

In 2018, the largest planned expenditure of the operating budget is Human Resources, this includes payroll and benefits and makes up 63 percent of District operations. A portion of the Interfund reimbursing revenue assist with coverage of this expense. Actual compared to 2018 Budget of Payroll and Benefits is expressed in Table 4-9.



In September 2016 the District hired two full time positions. The District experienced a slight adjustment in staffing positions in 2017 but believes that the staffing is expected to hold through 2019. The District completes a salary and benefits survey every three years, the next survey will be in 2018.

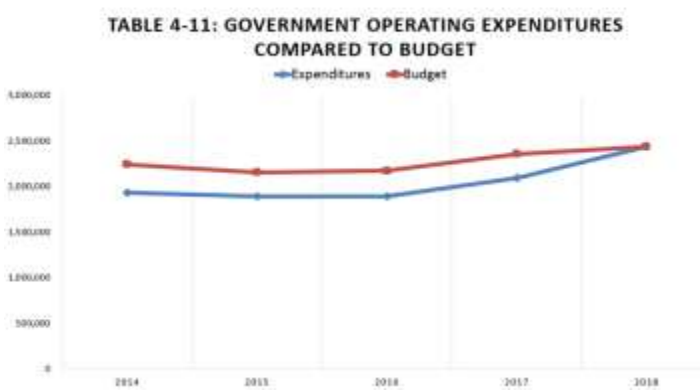
Illustrated in Table 4-10 are outside and professional services also known as consulting activities, which accounts for 19 percent of the District 2018 Budget. This category includes the annual audit contracts, outside engineering consultants, salary and benefits survey consultant, general attorney fees, and related expenses.



Headquarter operating expense includes insurance, office supplies, utilities, administrative expense, telephones and information technology, and automobile maintenance makeup a total 11 percent of the operating budget.

Meetings and travel expense make up 6 percent of the operating expense for all staffing position and members of the Board of Directors.

As required, the Government Activity General Fund has remained under the adopted budgeted expenditure limit set forth by the Board of Directors as indicated in Table 4-11.



In the past four years the District has not seen the need to implement a Restated Budget. Total operating expenditures have averaged $1,950,545 actual expenses over the past four years.

The District is budgeted to use reserve funds per the Board of Directors. Total District operating revenues subtracted by the total operating expenses, estimate that $11,130 will be used from reserves for operations in 2018. This is stated in the 2018 Budget Finance statements.

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Government Activity Capital Outlay

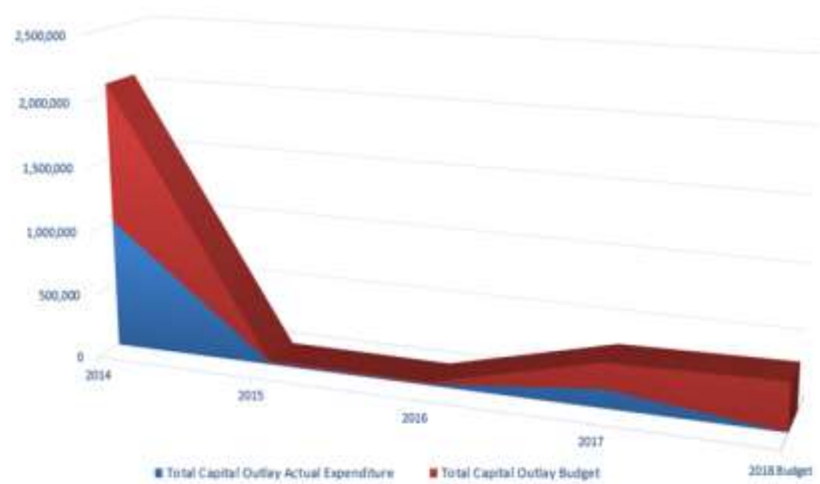
Component	Action Item	2017 Actual	2018 Budget	2019 Forecast	2020 Forecast
Electronic Filing System	Investigation and Implementation		$50,000	$30,000	$20,000
Information Technology	Software, Hardware, Systems	$9,000		$10,000	$15,000
Facilities Update	Review and Implement		$15,000		$42,000
Board Meeting Room	Upgrade Sound System and phones		$5,000		
Parking Lot Repair	Implementation and Replacement	$20,600	$50,000	$50,000	
District Vehicle	Trade-in and Repurchase	$24,587		$30,000	
Water Rights	Protection of District Water Rights D5	$90,387	250,000	$250,000	$250,000
Recovery of Storage	Investigation and Study			$100,000	$100,000
Investigative Water Rate Study	Investigation and Study			$125,000	$125,000
Infrastructure Assessment	Investigation and Study				$100,000

Government Activity Capital Outlay

In 2017 the District capital improvement expenditures totaled $144,574. The expenditures included $9,000 for an upgraded in the Geographic Information System (GIS), a mapping software that assists in tracking irrigated lands as well as defining the District boundaries. The District also purchased a new fleet vehicle for $24,587. The District continues the ongoing engineering expenditures for the protection of the District conditional water rights of $90,387.

In 2017, the District also began the first year of a three-year construction project to replace the existing headquarters parking lot. The first phase in 2017 conducted surveying, design, and planning for the parking lot replacement of $20,600. Phase two in 2018 will replace 50 percent of the parking lot and in 2019 the other 50 percent will be replaced.

Table 4-12: Capital Outlay Budget vs Actual Expenditures



Capital Outlay expenditures in the District 2018 Budget total $370,000 and include the following items: $50,000 for the investigation and implementation of an electronic records filing system; $5,000 for Board of Directors meeting room updates; $15,000 facilities updates: interior painting and electrical; $50,000 for the second phase of parking lot project; and $250,000 for water rights protection engineering and legal expense.

Over the years 2013 and 2014 the District expended reserve savings in the amount of $2,018,219 for the 10,825 Project. The 10,825 relates to the protection of the District's Fryingpan-Arkansas Project water rights.

This purchase impacts future operating budgets because there are OM&R annual charges of an estimated $2,000 payable by the Business Activity. In 2014, the Board of Directors enacted an Environmental Stewardship Surcharge of $0.75 per acre-foot placed on all water sales to recover this expenditure. This surcharge will be discussed in the Business Activity Operating Revenue portion of this document.

Due to timing factors, what is adopted in the annual budget is not always what is expended as you can see when referring to Table 4-12.

The District has created the above schedule of Capital Outlay expenditures for 2017 through 2020.

This will assist the District to ensure that all assets are repaired and replaced through their useful life and that the District is working with innovative tools.

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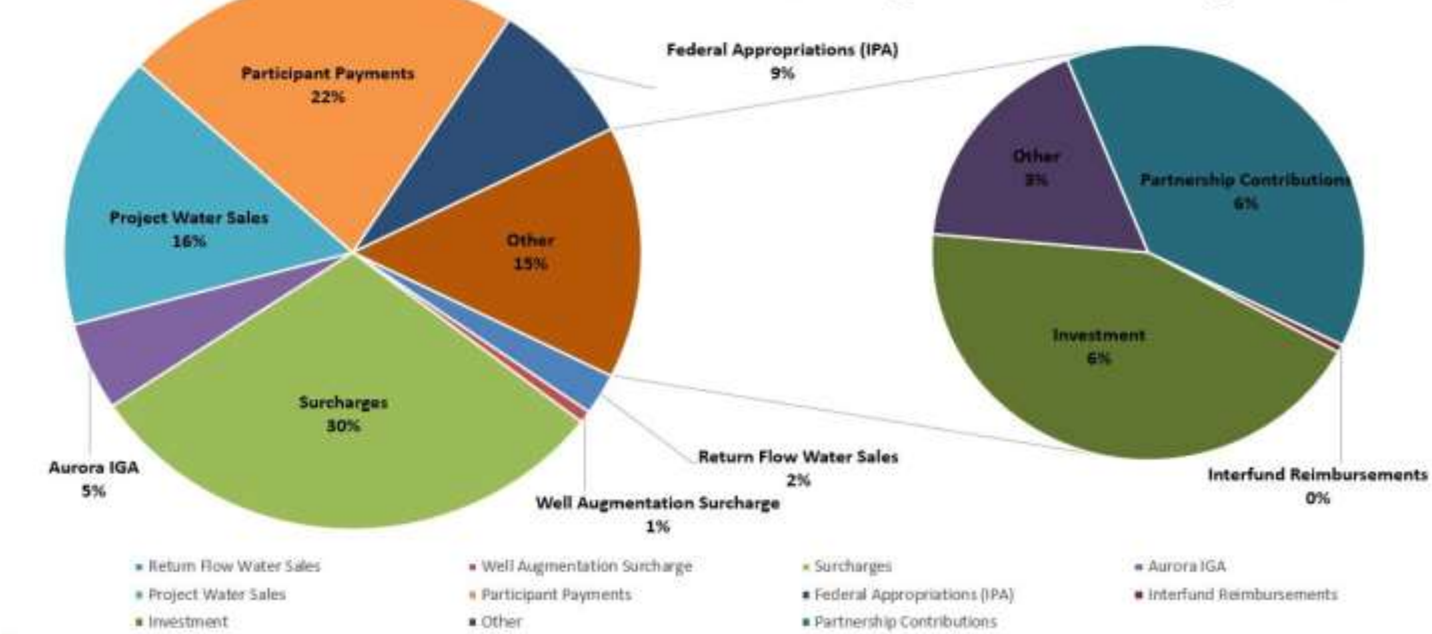
Enterprise Water Fund Operating Revenue

Table 4-13: 2018 Budget Business Activity Revenue



Enterprise Water Fund Operating Revenue

The Enterprise Water Fund or Enterprise is a consolidation of the Enterprise Administration, and projects such as Excess Capacity Master Contract, Enlargement, and the Arkansas Valley Conduit.

Starting in the 2018 Budget the Hydroelectric Power Project is presented separate even though it is a part of the Enterprise.

This is done to create transparency as a result of the start of the Project construction in 2017.

The Enterprise Water Fund revenues are made up of water sales, surcharges assessed on water sales, participant's payments, federal appropriations through the Intergovernmental Personnel Act (IPA) contract, investments, partnership contributions, interfund reimbursements and other.

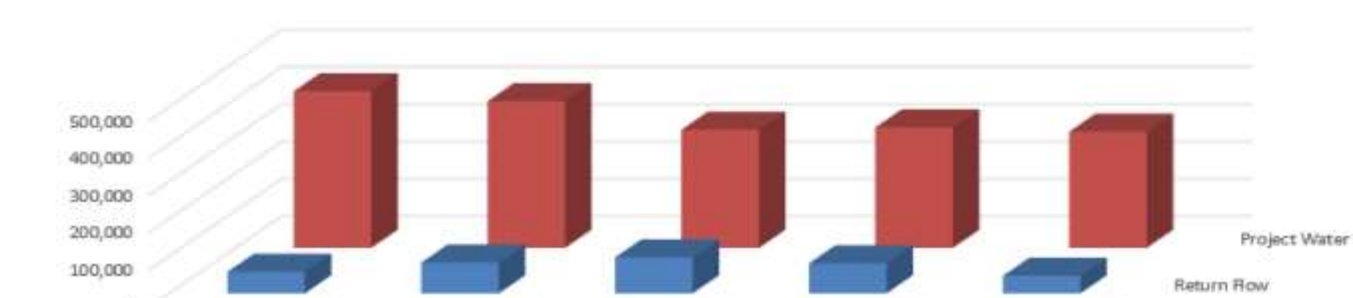
The total 2018 Budgeted operating revenues can be found broken out by percentage in Table 4-13, making up a total of $2,708,761.

The sale of Project water is one of the primary sources of operating revenue for the Enterprise Water Fund and is budgeted at $311,486. In 2018, Project water sales are budgeted based on a twenty-year running average of water imports.

The sale of Project water return flows from both municipal and/or industrial (M&I) and Agriculture (Ag) Project water deliveries also contribute to the operating revenues at a total of $47,070. Table 4-14 illustrates historical water sale revenue. For *2018 Water Rates and Surcharges* see the *Appendix*.

For a detailed description of budgeted water calculations please *see Section titled Major Fund Driving Factors*.

Table 4-14: Water Sales Revenue



	2014	2015	2016	2017 YTD	2018 Budget
Return Flow	57,896	82,592	96,412	80,310	47,070
Project Water	419,678	393,281	316,601	322,994	311,466

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Enterprise Water Fund Operating Revenue

Surcharge revenue is the largest revenue generation in the Enterprise operations totaling $700,238 in the 2018 Budget. There are currently five surcharges, which include the Water Activity Enterprise surcharge, Well Augmentation surcharge, Aurora IGA fee, Safety of Dams (SOD) surcharge, and the Environmental Stewardship surcharge. See *Appendix for 2018 Water Rates and Surcharges*.

The Water Activity Enterprise surcharges are assessed for the use of Fryingpan-Arkansas Project facilities on the following types of Project water:

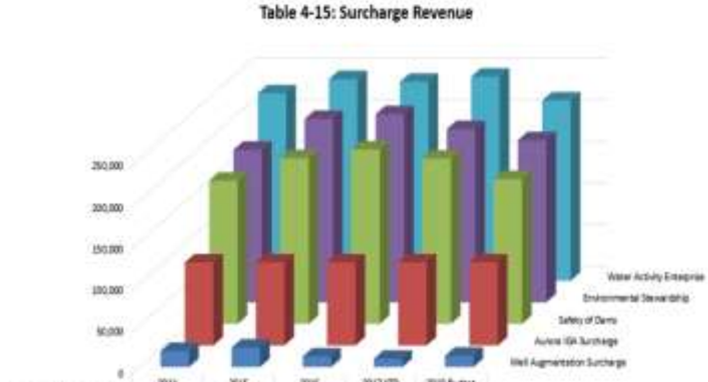
- Project water and Project water Return flow sales.
- Project water carried over past May 1 of the year following allocation.
- The contracted amount of storage space in "Excess Capacity" for non-Project water in Project facilities for use both in and out of the District.

The Well Augmentation surcharge is assessed to Municipal and Ag customers using "First Use" Project water for well augmentation rather than for direct irrigation or municipal use.

The Safety of Dams began in July 1998 and is a repayment to Reclamation and produces revenue for the Enterprise operations. Safety of Dams is the reimbursable costs for modification of the Pueblo Dam and other facilities, to include M&I and Ag beneficiaries. The Safety of Dams modifications were undertaken to fully restore the previous conservation storage capacity and operations of the Pueblo Reservoir. A Safety of Dams surcharge is billed to participants purchasing the following:

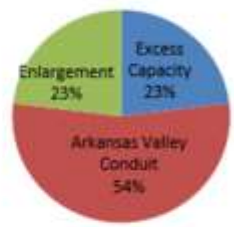
- Project water
- If & When storage
- Carryover storage of Project water
- Winter water storage

Table 4-15: Surcharge Revenue



	2014	2015	2016	2017 YTD	2018 Budget
Well Augmentation Surcharge	18,270	31,457	12,763	10,020	13,666
Aurora IGA Surcharge	100,000	100,000	100,000	100,000	100,000
Safety of Dams	172,415	199,558	210,036	199,100	174,272
Environmental Stewardship	183,672	220,907	226,649	208,678	195,129
Water Activity Enterprise	226,720	242,946	228,662	245,799	217,171

Table 4-16: Business Activity Participant Revenue



The Aurora Intergovernmental Agreement (IGA) includes additional Safety of Dams surcharges of $100,000 annually. Other forms of operating revenues include Project Participant payments as shown in Table 4-16 which makes up 22 percent of the total Enterprise Water Fund revenues. These revenues include payments for participation of major projects. The major projects are Long-Term Excess Capacity Master Contract, Enlargement, and Arkansas Valley Conduit.

The Long-Term Excess Capacity Master Contract is a long-term storage contract for storage of non-Project water in Project facilities.

The year 2017 was the first functioning year for the Excess Capacity Master Contract. In addition, the storage fees and surcharges, the participants are responsible for administration fees of $100,152 in 2018, it accounts for the 23 percent participant revenue.

The enlargement study is an ongoing project that focuses on enlarging Pueblo Dam and Sugarloaf Dam. The single source of revenue comes from participant contributions. The major expenses are the ongoing United States Geological Survey (USGS) water studies. In 2018, staff budgeted total participant revenue of $100,349, it accounts for the 23 percent participant revenue.

The Arkansas Valley Conduit (AVC) participants signed Memorandum of Agreements (MOA) in 2011 with the District. The MOA allows the participants to reserve conveyance of water within the AVC, participated in the National Environmental Protection Act Environmental Impact Statement (NEPA EIS) which was completed in 2013. The NEPA EIS earned a Record of Decision (ROD) from Reclamation in 2014. The total budgeted 2018 participant revenue for Arkansas Valley Conduit is $234,760, accounting for the 54 percent of participant revenue. in Table 4-15. Total 2018 budgeted participant payments are $435,261.

To review these projects in detail, see *section titled Major Fund Driving Factors, Partnerships Programs, and Projects.*

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Other Enterprise & Hydroelectric Power Revenues

The District has an Intergovernmental Personnel Act (IPA) contract with Reclamation to reimburse the Enterprise for costs associated with project personnel working to benefit Reclamation and the participants on the development of the AVC. The IPA significantly assists the participants by lowering costs of the AVC project.

The IPA is listed on the financial statements as federal appropriations and is budgeted at $165,912 which makes up 9 percent of the total Enterprise revenue.

Investment interest is another revenue source that the Enterprise relies on for operational funding. The Enterprise currently has $10,340,000 invested in purchased bonds held through Wells Fargo Securities, LLC. The 2018 Budget for investment interest, based on projections are $124,221. The Enterprise has $3,600,000 in bond maturity in 2018 and will be looking to take advantage of projected increases in rates.

Other Revenues include $50,000 as a contractual obligation of the Aurora Intergovernmental Agreement (IGA), which is categorized as an administration fee.

The Enterprise partnership contributions are made up of the Regional Resource Planning Group (RRPG), which is a group that 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. In 2018, revenue budgeted for RRPG is $110,000.

Mountain States Hydro LLC crews at the Pueblo Dam hydro site in January.

Enterprise Hydroelectric Power Project Revenues

The Hydroelectric Power Project is an ongoing project that focuses on the development of hydroelectric power at Pueblo Reservoir. In August of 2017 the Board of Directors approved and signed a loan contract with the Colorado Water Conservation Board (CWCB) for $17,392,200 to fund the construction of the project.

The 2018 Budget estimates $9,415,000 in loan disbursements as well as the completion of the Hydroelectric Power Project construction. There is also $105,080 budgeted as miscellaneous revenue for the Hydroelectric Project as a contract with Colorado Springs Utilities for the installation of a fiber line.

With the expectation of the CWCB loan and stated miscellaneous revenue there is no other income source for the Hydroelectric Project, until power generation begins.

Enterprise Water Fund Grant Revenues and Expenditures

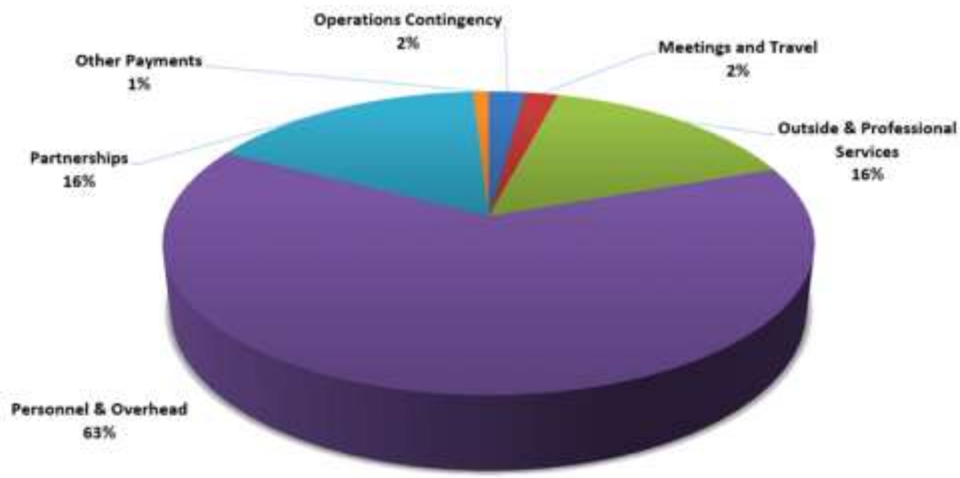
The Enterprise grant budget includes a budgeted contingency for grant opportunities. The budget policy requires that all grants meet TABOR requirements. In addition, grant revenues equal the total expenses to maintain a balanced grant budget. The 2018 Budget has a total of $210,000 planned for assistance with Enterprise projects.

Enterprise Water Fund Operating Expenditures

Enterprise Water Fund Operating Expenditures

The budgeted Enterprise Water Fund total expenditures for the 2018 Budget are $2,708,761. The expenditures are broken down into three categories; Grant activity $210,000, Operating Expenditures $2,322,534 and $176,227 in Capital Outlay expenditures.

Table 4-17: Budget Enterprise Business Activity Operating Expense



The Enterprise Water Fund has a 2018 budgeted total of $2,322,534 in operating expenditures which includes enterprise projects. The Enterprise administration expenses are matched with operating revenues such as water sales and surcharges. The Excess Capacity, Enlargement, and Arkansas Valley Conduit projects are self-balancing budgets due to participant payments. The various 2018 budgeted operation expenditures are illustated by percentage in Table 4-17.

Table 4-18: Enterprise Interfund Reimbursement for Services

In 2018, the largest expense of the Enterprise Water Fund is the Interfund Reimbursement for Services from the Enterprise, which encompass 63 percent of the budgeted operating expenditures. The Enterprise Interfund Reimbursement is budgeted based on estimated hours worked per project and/or program and a calculated overhead charge. The overhead charge includes facilities use and other regular annual expenses such as utilities, supplies, etc. This is a strong indicator that the Enterprise projects are moving forward as outlined in the Strategic Plan. An illustration of the past four years and 2018 Budget regarding interfund reimbursements can he located in Table 4-18.

TABLE 4-19: 2018 BUDGET PERSONNEL & OVERHEAD DISTRIBUTION

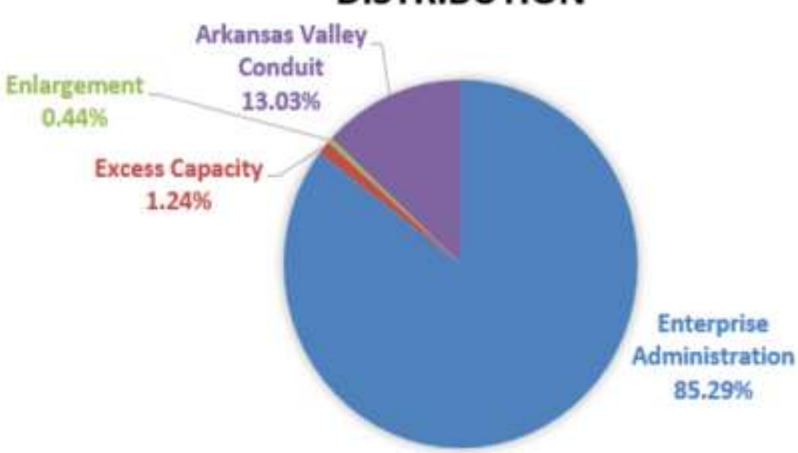


Table 4-19 provides a view of the percentage distribution of the total Enterprise Interfund Reimbursement. Please note that the Intergovernmental Personnel Act (IPA) for the Arkansas Valley Conduit provides a revenue to cover the majority of the AVC personnel cost but does not provide revenue for overhead costs. The Enterprise Administration has assumed the costs of this portion of the overhead and is included in the 85 percent.

The Enterprise budget consists of 16 percent outside and professional services expense. The total of $359,714 expenses are mainly distributed over the projects as indicated in Table 4-20.

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Other Enterprise & Hydroelectric Power Expenditures

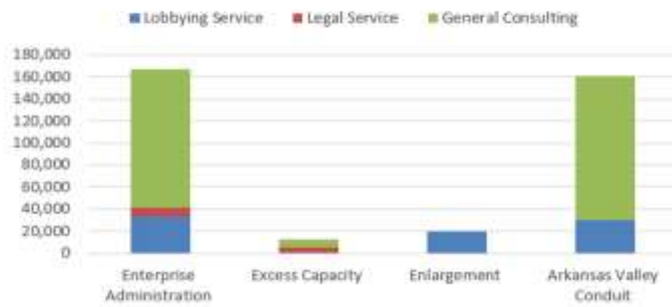
Partnerships account for 16 percent of the total Enterprise Water Fund operating expenditures. The major portion of the expenses are partnership contracts with the United States Geological Survey (USGS) and lobbying.

The USGS collects stream gauging samples and water quality data on rivers and reservoirs in the District boundaries. The data collected by the USGS is beneficial and shared by many projects.

Starting in 2017 the Enterprise conducts a transfer of funds to the District for a use of District assets. This process function like a lease of goods. The C capital Outlay expense of the District. The 2018 Budget includes $196,100 for this lease transfer.

The Enterprise is budgeted to use reserve funds per the Board of Directors. Total Enterprise operating revenues subtracted by the total operating expenses, estimate that $378,346 will be used from reserves for operations in 2018.

Table 4-20: 2018 Budget Outside & Professional Services

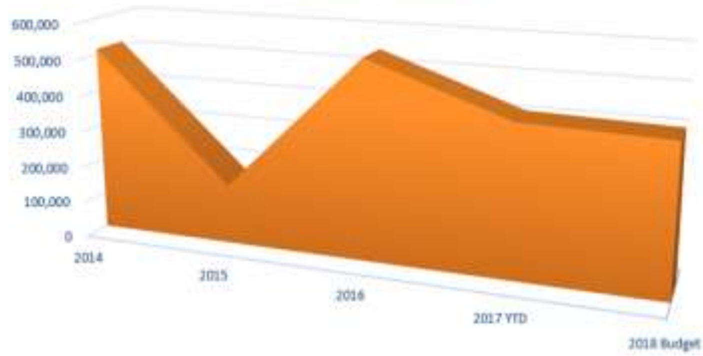


This is stated in the 2018 Budget Finance statements.

See the Major Fund Driving Factors, Partnerships, Programs and Projects section of this document for project descriptions.

Hydroelectric Power Project Operating Expenses

Table 4-21: Pueblo Dam Hydroelectric Power Operating Expense



Between 2012 and 2017 the Hydroelectric Power project expenditure budget was rolled into the Enterprise. As a result of the start of construction on the project in 2017, a separate budget resolution was presented to show members of the Board a clear view of the project; one budget resolution for the Enterprise and one for Hydroelectric project.

The 2018 Adopted Budget is presented in this same format as described above.

Operations and administration expenditures of the Hydroelectric Project are supported by the Enterprise reserve funds. In 2018 the operating expense totals $456,009 and consist of outside professional services, personnel and overhead cost, travel expense, and expense associated with a commissioning ceremony.

From the conception of the project in 2012 to 2017 the project has expended an estimated $2,448,737 in Enterprise reserve funds (See Table 4-21).

Component	Action Item	2017	2018	2019	2020
Safety of Dams (SOD)	Safety of Dams Pueblo Dam	$60,000			
Restoration of Yield (ROY)	Possible Land Acquisition	$53,750	$150,000	$50,000	$50,000
Upper Basin Storage	Investigation and Study		$25,000	$25,000	
Fountain Creek Transit Loss	Modeling		$1,227	$2,000	

Enterprise Water Fund Capital Outlay

The 2018 Budget Enterprise Water Fund Capital Outlay total $176,227. The total makes up; $150,000 in possible land expense for the development of the Restoration of Yield Project, $1,227 for the Fountain Creek Transit Loss Study, and $25,000 for the investigation and study of upper basin storage.

Above is a schedule of Capital Outlay expenditures planned from 2017 through 2020. Please note that the Safety of Dams has been removed from the Capital Outlay portion of the Enterprise budget and added to the operations.

See section titled Major Fund Driving Factors, Partnerships, Programs, and Projects for background on the above Capital Outlay items.

Hydroelectric Power Capital Outlay & Budget in Brief Overview

Hydroelectric Power Project Capital Outlay Expenses

The 2018 Capital Outlay expense total for Pueblo Dam Hydroelectric Power is $9,468,200. This expenditure is reimbursable by the Colorado Water Conservation Board (CWCB) loan. This will support the purchase of equipment and the completion of construction on the project. This project currently has no revenue outside of the CWCB loan. In 2012, the Board of Directors acted to support the development of Pueblo Dam Hydroelectric Power Project using reserve funds of the Enterprise.

October through December 2017, a total of $6,723,598 in loan disbursements were processed to support the capital costs of the construction of the project. All other costs of the project are supported by Enterprise reserve funds.

The total Hydroelectric Project expense for 2018 is budgeted at $9,976,089.

This budget amount is broken down into $456,009 operation, $105,080 for Colorado Springs Utilities fiber line and $9,415,000 Capital Outlay.

The 2018 Budget plans that the Enterprise reserve funds will support the Hydroelectric Project in the amount of $456,009.

Government & Enterprise Budget in Brief Overview

The Government and Enterprise presentation Table 4-22 provides an overview of the Government Activity and the Enterprise Water Fund.

In the 2018 Budget, the Government Activity accounts for 56 percent, the Enterprise Water Fund accounts for 9 percent, and the Hydroelectric Project accounts for 35 percent of the total Government and Enterprise appropriated expenditures. The District and Enterprise budgets are mainly consistent, but the Hydroelectric Project is much higher because of construction, as shown in Table 4-23.

The District anticipates the completion of the Hydroelectric Project in 2018 with the first full year of energy generation in 2019.

Table 4-24 provides the comparison of actual revenue and expenditures and the trends of the past four years per percentage of Government Activity and the Enterprise Water Fund.

Table 4-22: 2018 Adopted Budget Government & Enterprise Presentation

	Government Activity	Water Activity Fund	Hydroelectric Fund	Total
Revenue				
Fryingpan-Arkansas Activity	13,176,951	-		13,176,951
Grant Activity	210,000	210,000		420,000
Operating Activity	2,436,839	1,944,188	105,080	4,486,107
Total Revenue	**15,823,790**	**2,154,188**	**105,080**	**18,083,058**
Expenditures				
Fryingpan-Arkansas Activity	13,187,882	-		13,187,882
Grant Activity	210,000	210,000		420,000
Operating Activity	2,437,038	2,126,434	507,889	5,071,361
Operating Capital Inter-fund		196,100		196,100
Hydroelectic Power Capital Outlay Expenses		-		-
Total Expenditure	**15,834,920**	**2,532,534**	**507,889**	**18,875,343**
Operations Over (Under) Expenditures	**(11,130)**	**(378,346)**	**(402,809)**	**(792,285)**
Capital Outlay Revenues	196,100		9,415,000	9,611,100
Capital Outlay Expense	370,000	176,227	9,468,200	10,014,427
Total Over (Under) Expenditures	**(185,030)**	**(554,573)**	**(456,009)**	**(1,195,612)**

Table 4-23: Five Year Budget Trends

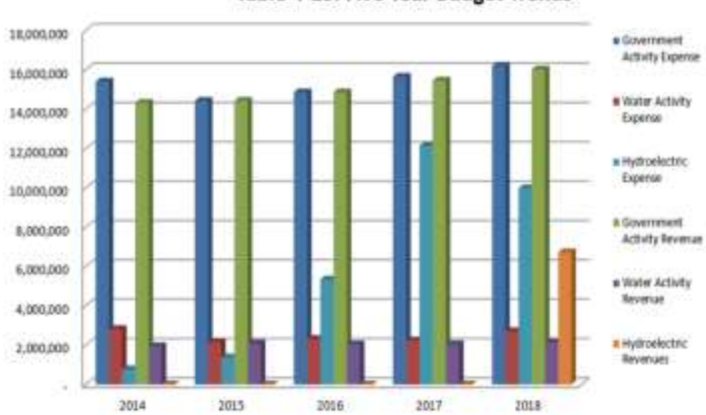
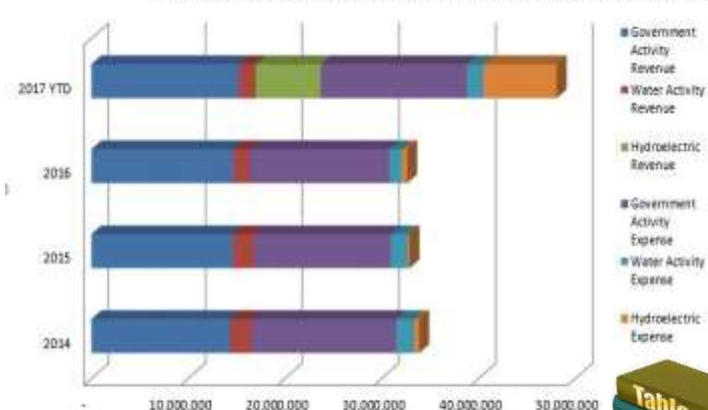


Table 4-24: Four Year Actual Trends Government Wide



Fund Balances

Fund Balance Summary

The year end 2017 estimates can be found in Table 4-25 and Table 4-26. This estimation is based on actual revenues and expenditures as of month end December 31, 2017 prior to year-end entries.

In 2017, the District estimated fund balance is expected to have a fund balance increase of $186,023. This includes Capital Outlay expenses of a vehicle, GIS mapping software, investigation of parking lot repairs, and the protection of water rights.

The Enterprise estimated fund balance is forecasted to increase $79,705. This includes the Capital Outlay expense of Restoration of Yield Project.

The Hydroelectric Project estimated fund balance is forecasted to expend $7,989,461 of which $6,723,598 has been reimbursed by the CWCB loan. This includes capital outlay expenses for the procurement of equipment and construction of the powerhouse facility. Expenditures not reimbursed using the CWCB loan will be supported by the Enterprise fund balance in the amount of $411,802.

Table 4-27 applies the 2016 audited financial fund balances, applies the 2017 estimated fund balances and then applies the 2018 Adopted Budget.

Please note that this is an estimate and the final year-end fund balance can be found in the 2017 audit.

The District has implemented a Strategic Plan and a Business Plan to address future reserve spending. These plans can be reviewed in the *Appendix*.

Table 4-25: 2017 Estimated Year-End - Government Wide Detail

	Government Activity (District)	Water Enterprise Fund	Hydroelectric Fund	Government Wide Total
Operating Revenues				
Fry-Ark Activity	12,741,428	-	-	12,741,428
Grant Activity	-	-	-	-
Operating Revenues	2,420,182	1,634,340	-	4,054,522
Total Operating Revenues	**15,161,610**	**1,634,340**	**-**	**16,795,950**
Operating Expenditures				
Fry-Ark Activity	12,741,428	-	-	12,741,428
Enterprise Capital Reimbursement	-	61,181	-	61,181
Grant Activity	-	-	-	-
Operating Expense	2,172,979	1,486,290	-	3,659,269
Hydroelectric Power Expense -Enterprise Support	-	-	411,802	411,802
Total Operating Expenditures	**14,914,407**	**1,547,471**	**411,802**	**16,873,680**
Operating Revenue over (under) Expenditures	**247,203**	**86,869**	**(411,802)**	**(77,730)**
Capital Outlay Matching Revenues				
Hydroelectric Loan Revenue	-	-	6,723,598	7,805,000
Capital Overhead Revenue	61,181	-	-	61,181
Total Capital Outlay Matching Revenue	**61,181**	**-**	**6,723,598**	**7,866,181**
Capital Outlay Expenditures				
Capital Outlay Expense	122,361	7,164	-	129,525
Capital Improvement - Hydroelectric MSH (CWCB)	-	-	6,723,598	7,805,000
Capital Improvement - Hydro Enterprise Support	-	-	460,040	460,000
Capital Improvement - Hydro Retainment (Unpaid)	-	-	394,021	390,250
Total Capital Expenditures	**122,361**	**7,164**	**7,577,659**	**8,784,775**
Total Revenue Over (Under) Expenditures	**186,023**	**79,705**	**(1,265,863)**	**(996,325)**

Table 4-26: 2017 Estimated Year-End - Government Wide Detail

	Government Activity (District)	Water Enterprise Fund	Hydroelectric Fund	Government Wide Total
Total Revenues	15,222,791	1,634,340	6,723,598	24,662,131
Total Expenditures	15,036,768	1,554,635	7,989,461	25,658,455
Revenues Over (under) Expenditures	**186,023**	**79,705**	**(1,265,863)**	**(996,325)**

Table 4-27: Fund Balance Estimate

	Government Activity (District)	Water Enterprise Fund	Hydroelectric Fund	Government Wide Total
2016 Audited Fund Balance	8,897,362	9,647,815	-	18,545,177
2017 Estimated Year-End Fund Balance	186,023	79,705	(1,265,863)	(996,325)
2017 Project Year-End Fund Balance	**9,083,385**	**9,727,520**	**(1,265,863)**	**17,548,853**
2018 Adopted Budget	(185,030)	(554,573)	(456,009)	(1,195,612)
2018 Estimated Ending Fund Balance	**9,268,415**	**10,282,093**	**(1,721,872)**	**16,353,241**

Government Activity Budget Statement

Southeastern Colorado Water Conservancy District
2018 Adopted Budget
Government Activity (District)

Statement of Revenues and Expenditures

(In Whole Numbers)

	2016 Budget	2016 Actual	2017 Budget	2017 Actual DRAFT	Budget 2018
Fry-Ark Project Revenue					
Tax Collections	6,977,740	6,953,044	7,043,254	6,989,700	7,431,392
Fountain Valley Authority	5,352,760	5,355,898	5,452,760	5,362,911	5,360,000
Winter Water Storage	140,000	164,985	140,000	122,411	117,600
Excess Capacity Master Contract	0	0	261,261	261,261	265,959
Collection of RRA Fees	2,000	920	2,000	0	2,000
Total Fry-Ark Project Revenue	12,472,500	12,474,847	12,899,275	12,736,283	13,176,951
Fry-Ark Project Expenditures					
Contract Payments	6,977,740	1,748,891	7,041,303	2,313,768	7,442,323
Fountain Valley Authority	5,352,760	5,355,898	5,452,760	5,362,911	5,360,000
Winter Water Storage	140,000	164,985	140,000	122,411	117,600
Excess Capacity Master Contract	0	0	261,261	261,261	265,959
RRA Fees	2,000	920	2,000	0	2,000
Total Fry-Ark Project Expenditures	12,472,500	7,270,694	12,897,324	8,060,351	13,187,882
Total Fry-Ark Revenues Over (Under) Expenditures	0	5,204,153	1,951	4,675,932	(10,931)
Grant Revenue					
State	155,141	0	200,000	0	210,000
Federal	44,859	0	0	0	0
Total Grant Revenue	200,000	0	200,000	0	210,000
Grant Expenditures					
Expenditures	200,000	0	200,000	0	210,000
Total Grant Expenditures	200,000	0	200,000	0	210,000
Total Grant Revenues Over (Under) Expenditures	0	0	0	0	0
Operating Revenue					
Tax Revenue for Operations	918,428	1,094,717	929,303	1,261,445	972,084
Interfund Reimbursements	1,167,945	919,003	1,333,268	1,242,531	1,575,103
Investment Revenue	97,232	59,005	90,632	72,035	84,752
Other Operating Revenue	1,000	7,780	1,000	9,522	1,000
Total Operating Revenue	2,184,605	2,080,505	2,354,203	2,585,533	2,632,939
Operating Expenditures					
Human Resources	1,322,215	1,217,522	1,477,830	1,413,308	1,524,060
Headquarter Operations	258,239	227,789	264,459	258,035	270,712
Meetings and Travel	117,430	67,918	132,610	83,850	135,477
Outside and Professional Services	452,500	365,350	458,500	409,029	470,504
Water Conservation and Education	19,025	4,541	20,650	3,932	36,285
Other Payments	0	6,708	0	0	0
Total Operating Expenditures	2,169,409	1,889,828	2,354,049	2,168,154	2,437,038
Total Operations Revenues Over (Under) Expenditures	15,196	190,677	154	417,379	195,901
Capital Outlay and Improvements	15,000	0	197,600	90,407	370,000
Total Revenues Over (Under) Expenditures	196	5,394,830	(195,495)	5,002,903	(185,030)
Beginning Fund Balance	0	117,500,397	0	0	0
Ending Fund Balance	196	122,895,228	(195,495)	5,002,903	(185,030)

Enterprise Administration Budget Statement

Southeastern Colorado Water Conservancy District
2018 Adopted Budget
Enterprise Administration (Water Fund)

Statement of Revenues and Expenditures

(In Whole Numbers)

	2016 Budget	2016 Actual	2017 Budget	2017 Actual DRAFT	Budget 2018
Grant Revenue					
State	34,000	0	200,000	0	210,000
Total Grant Revenue	34,000	0	200,000	0	210,000
Grant Expenditures					
Expenditures	34,000	0	200,000	0	210,000
Total Grant Expenditures	34,000	0	200,000	0	210,000
Total Grant Revenues Over (Under) Expenditures	0	0	0	0	0
Operating Revenue					
Water Sales and Surcharges	1,184,471	1,202,122	1,069,286	1,168,782	1,058,794
Investment Revenue	76,738	118,052	59,753	80,104	124,221
Partnership Contributions	55,000	0	110,000	0	110,000
Other Operating Revenue	50,000	50,000	50,000	50,000	50,000
Total Operating Revenue	1,366,209	1,370,174	1,289,039	1,298,886	1,343,015
Operating Expenditures					
Headquarter Operations	0	0	0	0	50,000
Outside and Professional Services	197,450	108,631	169,750	100,755	166,766
Personnel and Overhead	824,745	705,540	998,223	973,494	1,249,938
Partnerships	271,764	11,390	231,764	39,315	232,867
Other Payments	1,715	30,107	21,759	21,643	21,790
Total Operating Expenditures	1,295,674	855,669	1,421,496	1,135,208	1,721,361
Total Operations Revenues Over (Under) Expenditures	70,535	514,505	(132,457)	163,678	(378,346)
Capital Outlay and Improvements	143,750	67,428	53,750	7,164	176,227
Total Revenues Over (Under) Expenditures	(73,215)	447,078	(186,207)	156,513	(554,573)
Beginning Fund Balance	0	11,183,832	0	0	0
Ending Fund Balance	(73,215)	11,630,910	(186,207)	156,513	(554,573)

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Enterprise Project Budget Statements

Southeastern Colorado Water Conservancy District
2018 Adopted Budget
Excess Capacity Master Contract

Statement of Revenues and Expenditures
(In Whole Numbers)

	2016 Budget	2016 Actual	2017 Budget	2017 Actual DRAFT	Budget 2018
Operating Revenue					
Participant Payments	182,997	87,335	142,492	79,825	100,152
Total Operating Revenue	182,997	87,335	142,492	79,825	100,152
Operating Expenditures					
Meetings and Travel	3,000	835	3,000	0	3,053
Outside and Professional Services	100,000	16,826	40,000	504	12,500
Personnel and Overhead	15,517	9,294	35,012	16,705	18,185
Partnerships	64,480	60,380	64,480	62,616	66,414
Total Operating Expenditures	182,997	87,335	142,492	79,825	100,152
Total Operations Revenues Over (Under) Expenditures	0	(0)	0	0	0
Total Revenues Over (Under) Expenditures	0	(0)	0	0	0
Beginning Fund Balance	0	68,469	0	0	0
Ending Fund Balance	0	68,469	0	0	0

Southeastern Colorado Water Conservancy District
2018 Adopted Budget
Enlargement Project

Statement of Revenues and Expenditures
(In Whole Numbers)

	2016 Budget	2016 Actual	2017 Budget	2017 Actual DRAFT	Budget 2018
Operating Revenue					
Participant Payments	93,566	85,495	95,331	88,815	98,559
Interfund Reimbursements	1,715	1,582	1,759	1,643	1,790
Total Operating Revenue	95,281	87,077	97,090	90,459	100,349
Operating Expenditures					
Meetings and Travel	1,100	0	1,100	0	1,121
Outside and Professional Services	20,000	17,360	20,000	17,360	20,000
Personnel and Overhead	3,461	3,494	5,270	4,614	6,387
Partnerships	70,720	66,223	70,720	68,485	72,841
Total Operating Expenditures	95,281	87,077	97,090	90,459	100,349
Total Operations Revenues Over (Under) Expenditures	0	0	0	0	0
Total Revenues Over (Under) Expenditures	0	0	0	0	0
Beginning Fund Balance	0	5,453	0	0	0
Ending Fund Balance	0	5,453	0	0	0

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Enterprise Project Budget Statement

Southeastern Colorado Water Conservancy District
2018 Adopted Budget
Arkansas Valley Conduit Project

Statement of Revenues and Expenditures

(In Whole Numbers)

	2016 Budget	2016 Actual	2017 Budget	2017 Actual DRAFT	Budget 2018
Grant Revenue					
State	200,000	0	0	0	0
Total Grant Revenue	200,000	0	0	0	0
Grant Expenditures					
Expenditures	200,000	0	0	0	0
Total Grant Expenditures	200,000	0	0	0	0
Total Grant Revenues Over (Under) Expenditures	0	0	0	0	0
Operating Revenue					
Participant Payments	159,760	121,418	147,910	82,825	234,760
Federal Appropriations & USBR	205,475	36,941	173,444	56,687	165,912
Total Operating Revenue	365,235	158,359	321,354	139,513	400,672
Operating Expenditures					
Headquarter Operations	100	0	100	0	102
Meetings and Travel	39,900	3,274	39,900	1,512	40,556
Outside and Professional Services	105,000	96,845	80,000	55,362	160,448
Personnel and Overhead	211,903	50,463	193,022	76,770	190,984
Partnerships	8,332	7,802	8,332	5,869	8,582
Total Operating Expenditures	365,235	158,384	321,354	139,513	400,672
Total Operations Revenues Over (Under) Expenditures	0	(26)	0	0	0
Total Revenues Over (Under) Expenditures	0	(26)	0	0	0
Beginning Fund Balance	0	(19,930)	0	0	0
Ending Fund Balance	0	(19,956)	0	0	0

Enterprise Project Budget Statement

Southeastern Colorado Water Conservancy District
2018 Adopted Budget
Hydroelectric Power Project

Statement of Revenues and Expenditures

(In Whole Numbers)

	2016 Budget	2016 Actual	2017 Budget	2017 Actual DRAFT	Budget 2018
Operating Revenue					
Hydroelectric Generation Revenue	5,200,000	0	12,000,000	0	9,415,000
Other Operating Revenue	0	0	0	0	105,080
Total Operating Revenue	5,200,000	0	12,000,000	0	9,520,080
Operating Expenditures					
Headquarter Operations	0	0	0	31	1,200
Meetings and Travel	5,700	2,077	5,850	1,058	6,000
Outside and Professional Services	1,015,000	392,044	27,000	184,026	20,000
Water Conservation and Education	0	0	0	0	5,000
Personnel and Overhead	112,319	150,211	106,741	170,947	114,609
Other Payments	0	0	0	32,779	105,080
Debt Service	0	0	0	23,040	256,000
Total Operating Expenditures	1,133,019	544,333	139,591	411,882	507,889
Total Operations Revenues Over (Under) Expenditures	4,066,981	(544,333)	11,860,409	(411,882)	9,012,191
Capital Outlay and Improvements	4,210,000	0	12,000,000	0	9,468,200
Total Revenues Over (Under) Expenditures	(143,019)	(544,333)	(139,591)	(411,882)	(456,009)
Beginning Fund Balance	0	(1,590,010)	0	0	0
Ending Fund Balance	(143,019)	(2,134,342)	(139,591)	(411,882)	(456,009)

District Adopted Budget Resolution

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 2017 TO BE COLLECTED IN THE YEAR 2018.

RESOLUTION AND ORDER NO. 2017-02DF

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

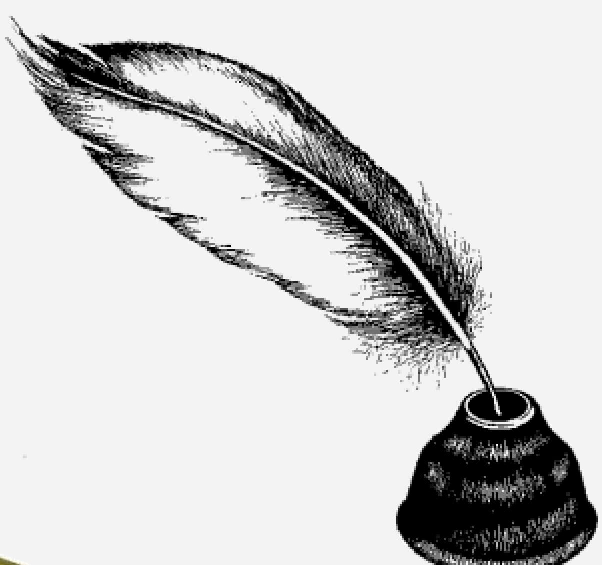
WHEREAS, Leann Noga, Finance Manager of the District, was appointed by this Board of Directors as Budget Officers, to prepare a Budget for the year 2018, and submitted same to said Board on October 13, 2017; the District has caused to be furnished the requisite Notice of Hearing, and a Public Hearing was held at the District Office at 9:45 a.m. November 9, 2017.

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 7, 2017, 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 **$16,204,920**, of which **$13,187,882** 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 2018, levied on the 2017 assessed valuation of **$8,357,517,768** will produce revenue of **$7,814,279.** The District certifies a mill levy at **.900** 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 **.004** 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 **$33,430.** The Abatements and Refunds mill levy assessment is authorized under C.R.S. 39-10-114 (1) (a) (I) (B). Based on final assessments in said counties the District has the ability to certify an increased Abatements and Refund Levy. This temporary reduction in Abatements and Refunds reconciles the over collection of property taxation for year-end 2016.



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 **.900** 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 **.004** 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, James W. Broderick, Assistant Secretary-Treasurer 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 7, 2017, 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 2017 to be collected in the year 2018.

James W. Broderick

James W. Broderick, Assistant Secretary-Treasurer

SEAL

Enterprise Adopted Budget Resolution

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

RESOLUTION AND ORDER NO. 2017-05EF

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, Leann Noga, Finance Manager of the Southeastern Colorado Water Activity Enterprise was appointed by this Board of Directors, as the Budget Officer, to prepare a Budget for the year 2018, and submitted same to said Board on October 13, 2017; the Enterprise has caused to be furnished the requisite Notice of Hearing, and a Public Hearing was held at the District Offices at 9:45 a.m. November 9, 2017.

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 7, 2017, the Hydropower Funds within the Enterprise and appropriates the funds for the purpose shown within the Budget; and,

BE IT RESOLVED, the Board of Directors of the Southeastern Colorado Water Activity Enterprise hereby approves and adopts expenditures from Hydropower in the amount of **$9,976,089**, and appropriates funds for the purposes shown within said Budget.

STATE OF COLORADO) §
COUNTY OF PUEBLO)

I, James W. Broderick, Assistant Secretary-Treasurer 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 7, 2017, determining the amount of money to be appropriated for expenditures by the Southeastern Colorado Water Activity Enterprise.

James W. Broderick

James W. Broderick, Assistant Secretary-Treasurer

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

RESOLUTION AND ORDER NO. 2017-04EF

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, Leann Noga, Finance Manager of the Southeastern Colorado Water Activity Enterprise was appointed by this Board of Directors, as the Budget Officer, to prepare a Budget for the year 2018, and submitted same to said Board on October 13, 2017; the Enterprise has caused to be furnished the requisite Notice of Hearing, and a Public Hearing was held at the District Offices at 9:45 a.m. November 9, 2017.

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 7, 2017, 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 **$2,708,761**, and appropriates funds for the purposes shown within said Budget.

STATE OF COLORADO) §
COUNTY OF PUEBLO)

I, James W. Broderick, Assistant Secretary-Treasurer 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 7, 2017, determining the amount of money to be appropriated for expenditures by the Southeastern Colorado Water Activity Enterprise.

James W. Broderick

James W. Broderick, Assistant Secretary-Treasurer

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Major Fund Driving Factors, Partnerships, Programs and Projects

District funds are divided between Government and Enterprise funds as a way to fulfill the Mission of the District: To provide, protect, and manage water resources.

This section looks at the Major Fund Driving Factors, Partnerships, Programs and Projects of the District's Government and Enterprise funds.

Reports in this section summarize the scope, status, and planned work in both the Government and Enterprise Funds.

Government Funds are closely aligned with the core purpose of the District, which is to manage the Fryingpan-Arkansas Project in consultation with the Bureau of Reclamation.

Enterprise Funds are the business arm of the District, reflecting ways that the Project can be developed to benefit all water users in the Arkansas River basin.

Excess Capacity, Enlargement, Arkansas Valley Conduit and Pueblo Dam Hydroelectric funds will be discussed in more detail in this section as well.

Water flows through the Boustead Tunnel

Major Fund Sources:		Major Expenditures:
GOVERNMENT		**GOVERNMENT**
Fryingpan-Arkansas Project: Contract mill levy, Fountain Valley Authority, Winter water storage, Excess Capacity Master Contract, RRA fee reimbursement.	$13.18 million	**Fryingpan-Arkansas Project:** Contract mill levy, Fountain Valley Authority, Winter water storage, Excess Capacity Master Contract, RRA fee reimbursement.
Grant Revenue: Capacity	$210,000	**Grants and Administration:** Reserved capacity allows District to apply for grants.
District Operating Revenue: Operating tax mill levy, Specific Ownership tax, interfund reimbursements, interest income.	$2.43 million	**District Operating Expenses:** Human resources, headquarters operations, meetings and travel, outside professional services, water conservation and education.
ENTERPRISE		**ENTERPRISE**
Water Sales, Surcharges and Investment Revenue: Project water sales, Return flows, well augmentation, surcharge revenue, Aurora IGA.	$1.17 million	**Enterprise Operating Expenses:** Interfund payments to District for personnel and overhead, outside and professional services and Safety of Dams.
Partnerships: Regional Resource Planning Group fee, Aurora IGA administrative fee, project participant fees.	$760,000	**Partnerships:** Regional Resource Planning Group fee, Aurora IGA administrative fee, U.S. Geological Survey co-op programs, Arkansas Valley Conduit, enlargement, and Excess Capacity contract.
Grants: Capacity	$210,000	**Grants and Administration:** Reserved capacity
Hydroelectric loans: A Colorado Water Conservation Board loan for hydroelectric.	$9.4 million	**Loan Administration:** Hydro project at Pueblo Dam.

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Government Projects and Programs

Fryingpan-Arkansas Project Funding

Most of the money collected to fund the Fryingpan-Arkansas Project (Project) is passed through to the federal government in order to repay the construction cost of the Project, to cover interest on the municipal portion of the debt, and to pay the operation, maintenance and replacement (OM&R) costs of the Project.

In 2018, Project revenue is project to be $13,187,882. This amount includes:

- A net collection of $7,442,323 in Contract mill levy taxes.
- A payment of $5,360,000 from the Fountain Valley Authority.
- Collection of $117,600 from the Winter Water Storage Program.
- A payment of $265,959 from Excess Capacity Master Contract participants.

Contract Mill Levy

When the Project was declared substantially complete in 1981, the District entered Contract negotiations with the Bureau of Reclamation. Several sources of revenue were included in the 40-year Repayment Contract. Under the 1962 Fryingpan-Arkansas Project Act, the District has 50 years to pay off the debt.

Under the Contract, the District's sources of revenue included a 0.9 mill levy, Project water sales, and Winter water sales. Project water sales were suspended as a source in 2010, allowing the Enterprise to use these revenues. Miscellaneous revenues were used to pay off the Project as well.

The cost of the Project was calculated by Reclamation to be $585 million, and the District's share was $134.7 million. In June 2017, the remaining debt totaled $21.27 million.

Projected routine OM&R costs for the Project are about $1.7 million annually, but extraordinary maintenance is expected to push that cost up in the next five years.

The District has requested new Contract negotiations with Reclamation with four goals in mind:

1. To amend the current Contract in order to extend repayment of construction costs to 2031 in order to reduce the amount of annual payment applied in this category.
2. To prepay one year of routine OM&R costs in an amended Contract.

The crest of Pueblo Dam.

3. To establish reserve funds for both routine and extraordinary maintenance.
4. To establish a new water service Contract in 2022.

Fountain Valley Authority

The District is identified as the collection agency for the Fountain Valley Authority (Authority) under its 1985 Contract with Reclamation, The Authority owes $37.7 million for the project, and makes annual payments of $5.36 million.

Public Law 111-11 allows miscellaneous Project revenues to be applied to the debt to pay it off sooner. In 2017, PL 111-11 applied about $2.45 million to FVA and $945,000 to Ruedi Reservoir. These credits will increase to $3.5 million in 2018, and by more each year as rates and contracted storage amounts increase.

The Authority could pay off its debt as soon as 2023, about two years ahead of the previously projected payoff.

Winter Water

The Winter Water Storage Program allows farmers to store water in Pueblo Reservoir, John Martin Reservoir or ditch company reservoirs from November 15-March 15 each year. The District manages this program in cooperation with Reclamation and the Colorado Division of Water Resources.

Water stored in Pueblo Reservoir generates $2.80 per acre-foot, which is applied to Contract costs.

Excess Capacity Master Contract

The District in 2016 negotiated a 40-year contract with Reclamation to store non-Project water in Pueblo Reservoir if and when space is available.

A total of 29,938 acre-feet is available to the 37 participants under this contract. So far, 16 participants have signed up for 6,525 acre-feet of storage. The amount of storage may increase, but will never decrease under terms of the contract.

Government Projects and Programs

Fry-Ark Project

The Fryingpan-Arkansas Project was built and is operated by the U.S. Bureau of Reclamation. The District acts in partnership with Reclamation to ensure that the Project is operated in compliance with all federal laws, rules and regulations.

The foundation of this relationship is spelled out in the 1962 Fryingpan-Arkansas Project Act, and reinforced by the Repayment Contract that went into effect in 1982.

The District acts as the intermediary between local beneficiaries of the Project and the federal government.

Four main areas of cooperation are discussed on this page:

⇒ The Reclamation Reform Act of 1982.

⇒ Policies concerning commingling of different types of water within irrigation system.

⇒ Inclusion of new areas within District boundaries

⇒ Operation, maintenance and replacement of Fryingpan-Arkansas Project facilities.

Each of these areas has an impact on the Budget, and is discussed in more detail under each individual heading.

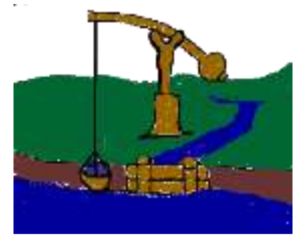
Reclamation Reform Act

2018 Budget: $2,000 for unpaid bills.
Info at: secwcd.org/content/rra

The Reclamation Reform Act (RRA) of 1982 define acreage limitations to agriculture. Project water users within the District boundaries are required to certify their landholdings by filing RRA forms prior to receiving an allocation of Project water. The District provides information and guidance to landowners.

In 2013, the District's Water Allocation Policy was altered to specify that it is the agricultural water organization's responsibility to pay the District any administrative fees or bills for full-cost water (water which is sold at a higher rate to ineligible lands, if available). Water users are not eligible to receive Project water until bills are paid.

Commingling Plans



2018 Budget: Included within Engineering, Planning, and Operations expenditures.

Only irrigation companies, not individual farmers, are eligible to receive Project water. All shareholders in a ditch company may not be eligible for Project water (see RRA section above). The commingling plans are meant to assure that Project water delivered within a ditch system reaches only those farms which are eligible for Project water. In 2017, the Engineering, Planning and Operations Office explained to irrigation companies that it will be necessary in the future to either run comparable amounts of non-Project supplementary water or to enforce headgate deliveries in order to avoid paying for full-cost water.

Inclusion

2018 Budget: Included within Engineering, Planning, and Operations expenditures.

District boundaries were approved in Pueblo District Court in 1958 to include only those areas likely to benefit from the Fryingpan-Arkansas Project. Only areas within District boundaries may receive Project Water. The boundaries also define the property owners who pay ad valorem taxes to support the Project. Boundaries may be altered in three ways:

1. By annexation to municipalities within the District.
2. By landowner petition.
3. By election, including property owners and residents.

The District began revising its Inclusion Manual in 2017, and should finalize the document in 2018.

Fry-Ark Facilities Operations, Maintenance, and Replacement

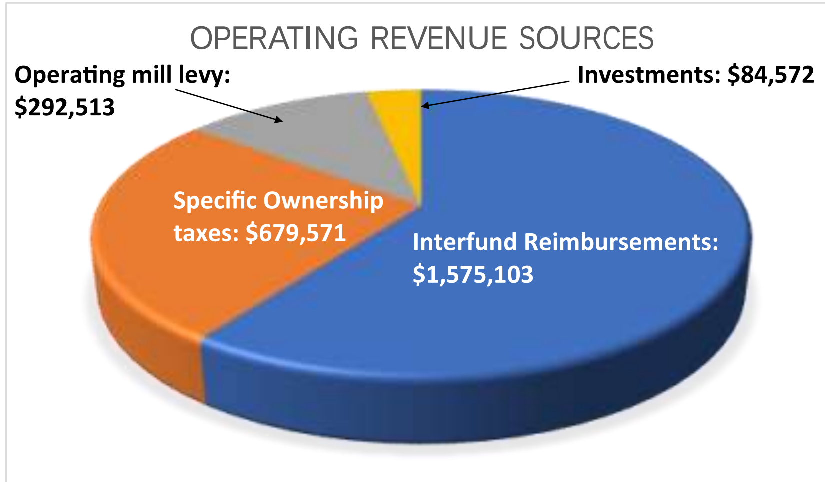
2018 Budget: Included within Contract payments.

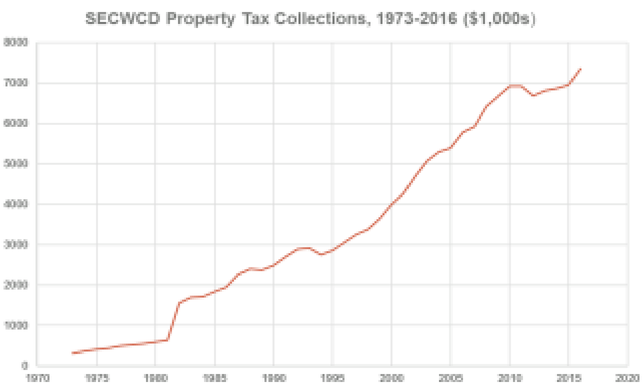
Under its Contract with Reclamation, the District is obligated to pay a share of the costs of operation, maintenance, and replacement (OM&R) of Fry-Ark facilities. During 2017, staff investigated how these costs might change in the future. The Board determined that the District needs to develop reserves to cover critical expenditures in the future, as well as routine upkeep on the Project. Under the Repayment Contract, payments for OM&R are assessed in the year after the expense was accrued. The District is negotiating pre-payment of one year of OM&R payments to Reclamation.

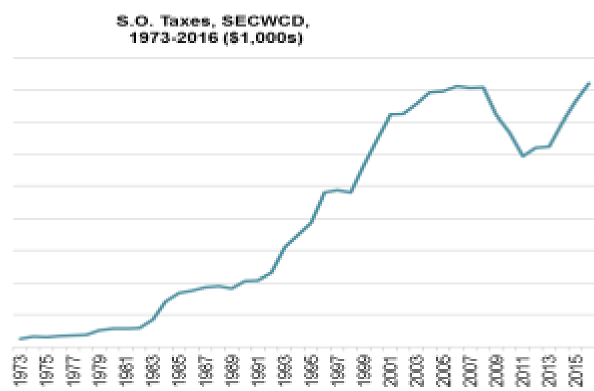
Government Projects and Programs

District Operating Revenue

The District has a $2,632,939 operating budget for 2018, which is funded by a 0.035 operating mill levy, Specific Ownership taxes, interfund reimbursements, investment revenue, and smaller miscellaneous revenues.







Property taxes and Specific Ownership tax revenues have continued to increase steadily since 1973.

There are five sources of revenue for District operations:

1. **Interfund reimbursements:** These are payments from the Enterprise for personnel and headquarters costs. This charge for service varies from half to two-thirds of the District's operating bud
2. **Specific Ownership tax:** This tax is collected on all vehicles in Colorado and apportioned to governments within each county according to their rate of taxation.
3. **Operating mill levy:** The District, by Board action, assesses a 0.35 mill levy for operations in each of nine counties.
4. **Investments:** Investments on fund balances held by the District account for a portion of operating revenue.
5. **Miscellaneous revenue:** The District charges for rental of meeting space, and receives funds from some outreach activities, which are used to offset costs. This is expected to total about $1,000 in 2018, and is not reflected in the accompanying chart.

Operations funding has shifted over the past 60 years.

- **1959-71:** A portion of the District's 0.4 mill levy was set aside for eventual repayment of the Project. Only about one-quarter of the amount collected was used for operations. The fund balance grew to $1.8 million by 1971. Interest on investments was the other main source of revenue.
- **1972-81:** Water sales began to repay the cost of construction for the Project. Half of the 0.4 mill levy went to direct payments. Interest and sale of Return flows contributed to operating revenues. Specific Ownership tax began in 1973, and began to provide additional funding. The fund balance grew to $4.4 million by 1981.
- **1982-96:** The Repayment Contract with Reclamation required a 0.9 mill payment from the District. Operating funds came out of the remaining 0.1 mill the District is authorized to assess under Colorado law. Revenue limits under two state constitutional changes have restricted the operating mill levy to 0.035 mills. Fund balance was $7.62 million in 1996.
- **1996-2018:** The creation of the Enterprise changed the fund structure for the District, providing a new source of revenue through interfund reimbursements. Interest rates have decreased in recent years, but Specific Ownership taxes remain strong. The District fund balance grew to $8.89 million at the end of 2016.

Government Projects and Programs

District Operating Expenses

Human Resources

Human Resources expenditures total $1,524,060 in the 2018 budget, an increase of 3.3 percent over the 2017 budget. This covers wages and benefits of District staff.

There were no significant changes in the size of staff or duties in the prior year. No changes are anticipated in the coming year.

Headquarters Operations

Operation of the District's headquarters at 31717 United Avenue in Pueblo are expected to total $270,712 in 2018. This includes a $50,000 contingency fund.

Meetings and Travel

The budget for meetings and travel includes staff and Board members. In 2018, the District anticipates spending as much as $135,477.

Travel is important, as the District must work closely with the Bureau of Reclamation, its primary partner in the operation of the Fryingpan-Arkansas Project.

District staff also must attend frequent meetings in the region, within the nine-county area. The District maintains three vehicles for this purpose.

In addition, the District maintains memberships in state, regional and federal associations in order to interact with water professionals in order to enhance services.

Outside and Professional Services

A total of $470,504 has been budgeted for outside services, which are vital part of the District's operation. This allows the District to tap into the expertise of others to augment staff activities.

This includes auditors, lobbyists, lawyers, engineers, and human resources consultants.

In 2018, no major increases from recent years in expenditures are foreseen.

Water Conservation and Education

The budget includes $36,285 for outreach activities. The District maintains a demonstration garden highlighting wise water use and Xeriscape techniques.

The District participates in community activities such as the Arkansas River Basin Water Forum each year.

In 2017, the District updated its Conservation and Management Plan, which outlines the steps all of the Districts constituents are taking to improve water use and conservation.

In 2018, the District will celebrate its 60th year, and activities still are being planned.

Capital Outlay and Improvements

Capital Outlay for 2018 is budgeted at $370,000, which is a substantial increase.

Of this, $120,000 is for headquarters, while $250,000 is for projects and studies.

In 2017, the District spent $144,574 for the following items:

- **Water rights engineering:** $90,387 for protection of District water rights. This represents ongoing diligence cases in both Division 2 and Division 5.
- **New fleet vehicle:** $24,587 for a 2017 Toyota Rav 4.
- **Parking lot improvements:** $20,600 for surveying, design and planning for District parking lot.
- **Geographic Information System (GIS):** $9,000 for a software upgrade.

In 2018, the water rights protection engineering and legal expertise will increase to $250,000 as diligence cases continue to move in both Division 2 and Division 5. Water rights are at the heart of the District's core mission of providing a reliable supply of supplemental water to the Arkansas River basin.

Headquarters Projects include:

- **Records management:** $50,000 for investigation and implementation of an electronic records management system.
- **Parking lot:** $50,000 for Phase 2.

Newest addition to the District's automobile fleet.

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Enterprise Projects and Programs

Enterprise Revenue

Water availability in Colorado is always dependent upon snowpack, streamflow, and precipitation — factors which are beyond the control of money managers who depend on water supply for revenue.

In 2017, the District Board began looking at improving the water rate structure, and more closely aligning the sources of revenue with expenses of administering the Enterprise, or Business Activity.

Operating revenue for the Enterprise is budgeted at $1,343,015 in 2018. More than half of that will come from surcharges which have been assessed by the District for various purposes over the past 20 years.

But the estimate could change, depending on water conditions in the Upper Colorado River and Arkansas River basins. A wet year would mean more revenue from water sales, more revenue from surcharges, and more revenue from Return flow sales. On the other hand, a dry year would increase the likelihood for reduced water sales and surcharges.

The Board established a water sales reserve of about $900,000 in 2010, which was used once. However, there was no mechanism to replenish the fund. This is one area that will be addressed in an upcoming rate study.

Another factor is determining the cost of service associated with Project water. The District has not raised the rate on Project water in 20 years, and an initial investigation of comparable water rates indicates the price is far below market value.

Finally, the District is considering an allocation model that could use a reserve fund to make up revenues in water short years, and to possibly store water in wet years after storage levels have been depleted.

Storage level	Storage/ Sales		
High	Add $ from Reserves	OK	Add $ to Reserves
Medium	Add $ from Reserves	OK	Add $ to Reserves
Low	Add $ from Reserves	OK	Store
	Low	Medium	High

Project water available for allocation

The matrix above shows a possible strategy for budgeting water sales in relation to storage.

Enterprise Surcharges

The Enterprise collects surcharges on water sales and storage as a way to fund projects and programs that arose without a source of funding. Shown below are the years in which each surcharge began and the amount they are expected to generate in 2018, based on 20-year averages for water delivery and storage.

1998 – Safety of Dams Surcharge: $176,684

2002 – Water Activity Enterprise Surcharge: $232,598

2005—Well Augmentation Surcharge: $13,666

2013 – Environmental Stewardship Surcharge: $199,103

Project Water Sales

The District began collecting revenues from Project water sales in 2010 under an amendment in the Repayment Contract with the Bureau of Reclamation. The rate for the water is $7 per acre-foot, and it has not changed since 1998.

The budget is calculated on the 20-year average for Project water imports, which is about 55,250 acre-feet. After deductions, that would yield about 44,500 acre-feet. Revenues for 2018 are projected to total $311,486.

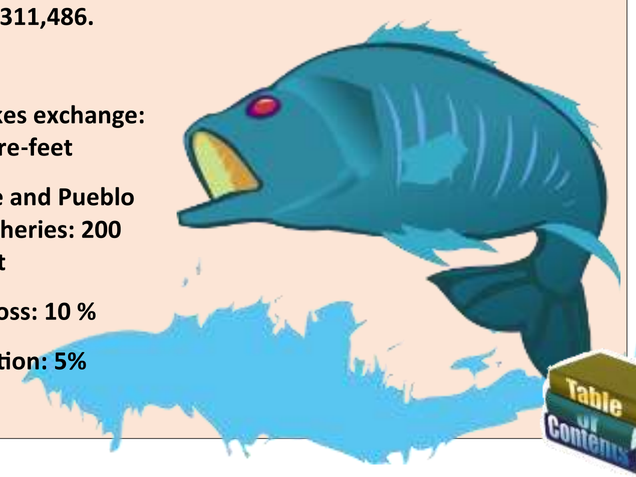
Deductions:

⇒ **Twin Lakes exchange: 3,000 acre-feet**

⇒ **Leadville and Pueblo fish hatcheries: 200 acre-feet**

⇒ **Transit loss: 10 %**

⇒ **Evaporation: 5%**



Enterprise Projects and Programs

Enterprise Activities

Arkansas Valley Conduit

Progress on the New Concept proposal for the Arkansas Valley Conduit (AVC) began in 2017, and is expected to gain momentum in 2018.

The New Concept expands on the idea of using capacity in Pueblo Water's system to deliver flows to connection points along the alignment of the Comanche North alternative for the AVC. This would save time and costs by eliminating modifications of the Whitlock Water Treatment Plant, a pumping station at the plant, a regulating tank southwest of Pueblo, and several miles of pipeline.

The New Concept also provides a way to deliver water to communities facing Colorado enforcement for violation of standards for radionuclides, which are naturally occurring in groundwater sources.

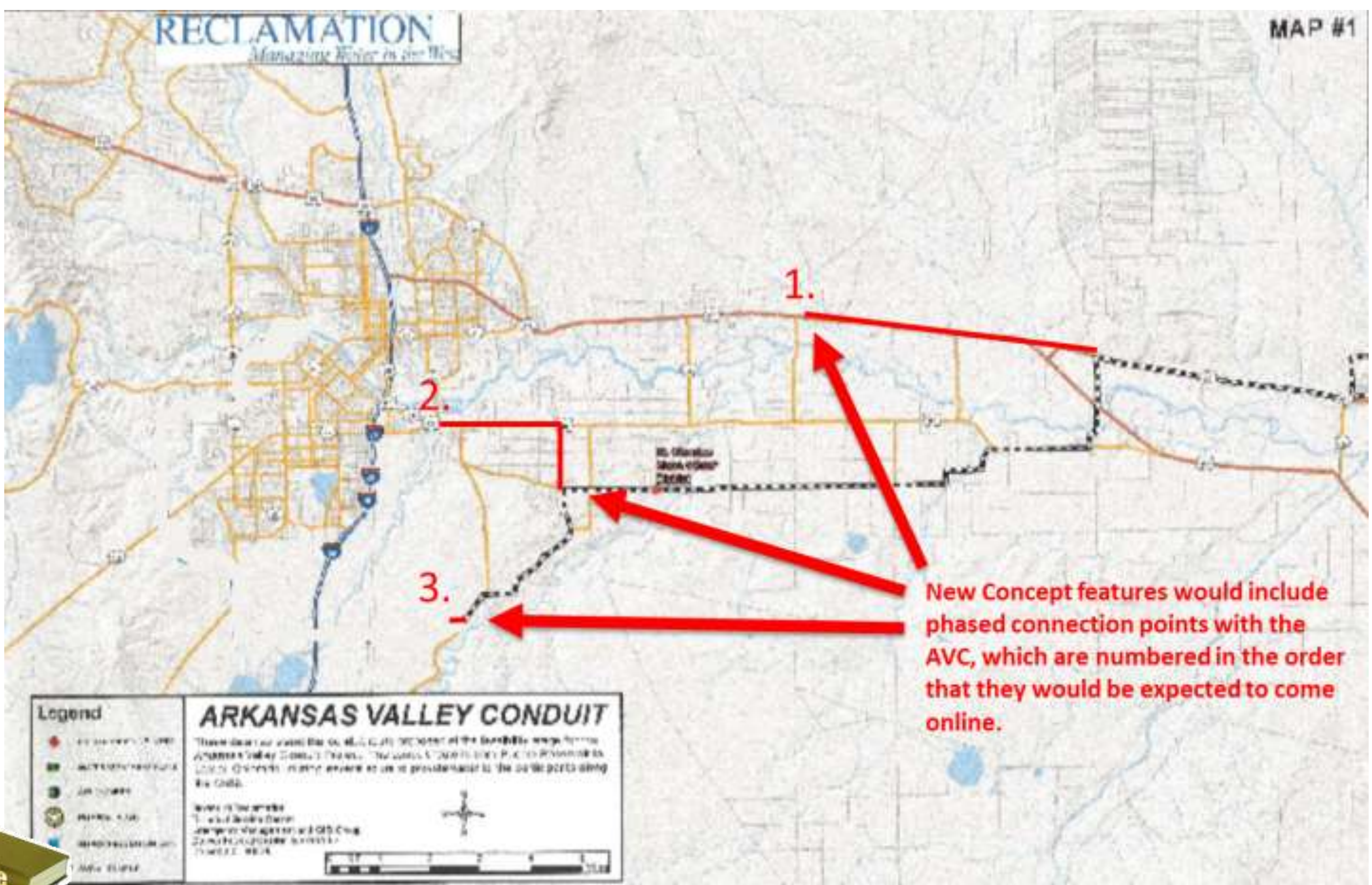
Most of the towns and water districts facing enforcement are in Otero County, and their demands could be met with the initial 3 million gallons per day that Pueblo Water says can be delivered immediately from a connection just east of the Pueblo Airport.

Two other connections on the St. Charles Mesa portion of the AVC could deliver the remaining water needed to meet the maximum day of 20 million gallons.

The District budget for AVC in 2018 is $400,000, which includes an additional $80,000 for a technical study by Black & Veatch. This study will allow Reclamation to evaluate the District's proposal, leading to a decision on how to develop the New Concept proposal. A decision by Reclamation could be made as soon as May 30, 2018.

District staff met with officials from Reclamation and Pueblo Water several times during 2017 to discuss the New Concept proposal.

The idea was also presented to participants at two meetings in 2017, and it was agreed that the District would begin to meet quarterly with participants to discuss AVC developments.



Enterprise Projects and Programs

Hydropower at Pueblo Dam

Construction began in 2017 on the Hydroelectric Power Project at Pueblo Dam. Planning for this project began in 2011, when the District joined with Colorado Springs Utilities (CSU) and Pueblo Water to submit a Lease of Power Privilege (LoPP) to the Bureau of Reclamation.

Reclamation and the District signed the LoPP in 2017. CSU and Pueblo Water are not involved in the construction. The $21.5 million project is being financed by a $17.39 million, 30-year loan from the Colorado Water Conservation Board, with the remainder is financed by a loan from the Enterprise. Both loans will be repaid by revenues from electricity sales.

Mountain States Hydro LLC is the primary contractor for the Hydro Project, and is building the plant under a "design-build" contract that is meant to control costs. However, delays in closing a Power Purchase Agreement delayed the project, resulting in a delay in the anticipated start of construction.

About $7.2 million was spent in 2017 on the Hydro Project, and roughly $9.5 million is expected to be spent in 2018. It is anticipated that the Hydro Project will provide revenue for the Enterprise in future years. Projections using historic flows from the North Outlet Works of Pueblo Dam show that revenues should be sufficient to generate a fund balance of at least $1 million annually, after debt obligations are paid off.

Excess Capacity Master Contract

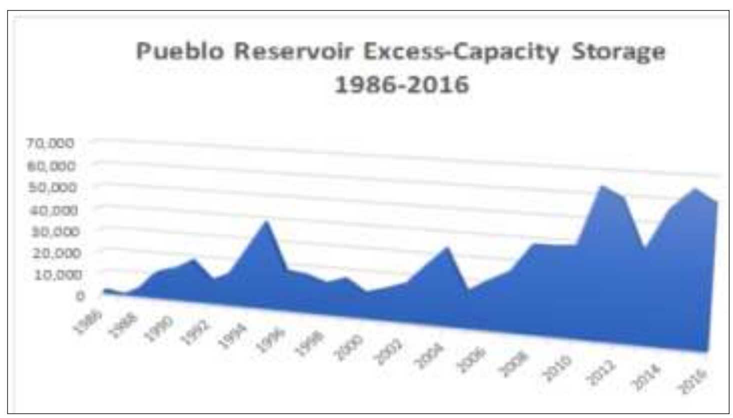
Pueblo Reservoir has active conservation storage capacity of 219,772, but is rarely filled completely with Project water. Since 1986, Excess Capacity contracts have been issued by Reclamation for storing non-Project water, if and when space is available.

Because of increased demand, Reclamation began long-term contracts in 2000. These allow more certainty of space to water users and revenue for the Project.

In 2016, the District negotiated a 40-year Excess Capacity Master Contract that allows up to 29,938 acre-feet of storage by 37 entities. In 2017, 16 entities subcontracted with the District for 6,525 acre-feet of storage. This amount serves as a "floor" for future years, meaning the amount can increase, but not drop.

The District has a Memorandum of Agreement with the remaining 21 entities — all participants in the Arkansas Valley Conduit — to continuing paying administrative costs.

Costs in 2018 are budgeted at $100,152, down from previous years. Actual costs in 2017 were $62,004.




Pueblo Reservoir/SECWCD

Enterprise Projects and Programs

Recovery of Storage (Enlargement)

Enlargement of Pueblo Reservoir was first discussed in the Preferred Storage Options Plan (PSOP) of 2000, which was presented to the Board by GEI Consultants, but never implemented because of political events.

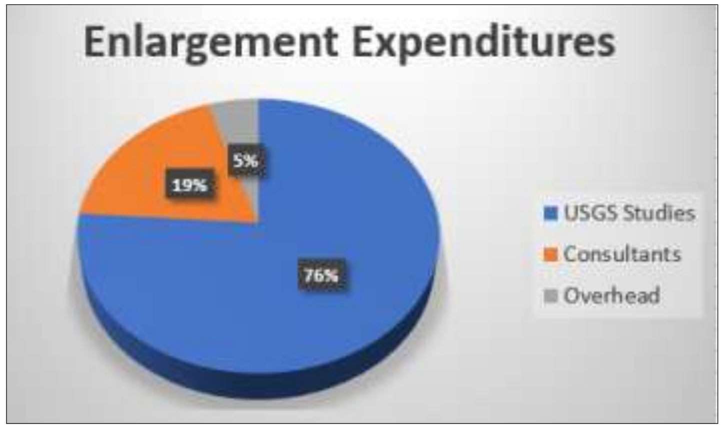
PSOP quantified the projected storage needs of municipalities and agriculture in the Arkansas River basin, and identified projects and strategies that could be employed by the Southeastern District Enterprise to help meet those needs. Three major strategies were identified:

1. Enlarging Pueblo Reservoir
2. Enlarging Turquoise Reservoir
3. Managing excess-capacity space in Pueblo Reservoir to more efficiently meet municipal needs.

PSOP established a series of agreements, which stakeholders still fund, and the Enterprise administers. Excess Capacity contracts, discussed on the preceding page, are now in place.

However, activity has slowed on the enlargement issue. In 2017, $90,458 was spent on enlargement. Three-quarters of that went for Water Quality studies by the U.S. Geological Survey, and 19 percent helped fund federal consultants. Actual expenditures were 92 percent of the $97,000 budgeted for Enlargement.

In 2018, the Enterprise Budget provides $100,000 to be spent along the same lines.



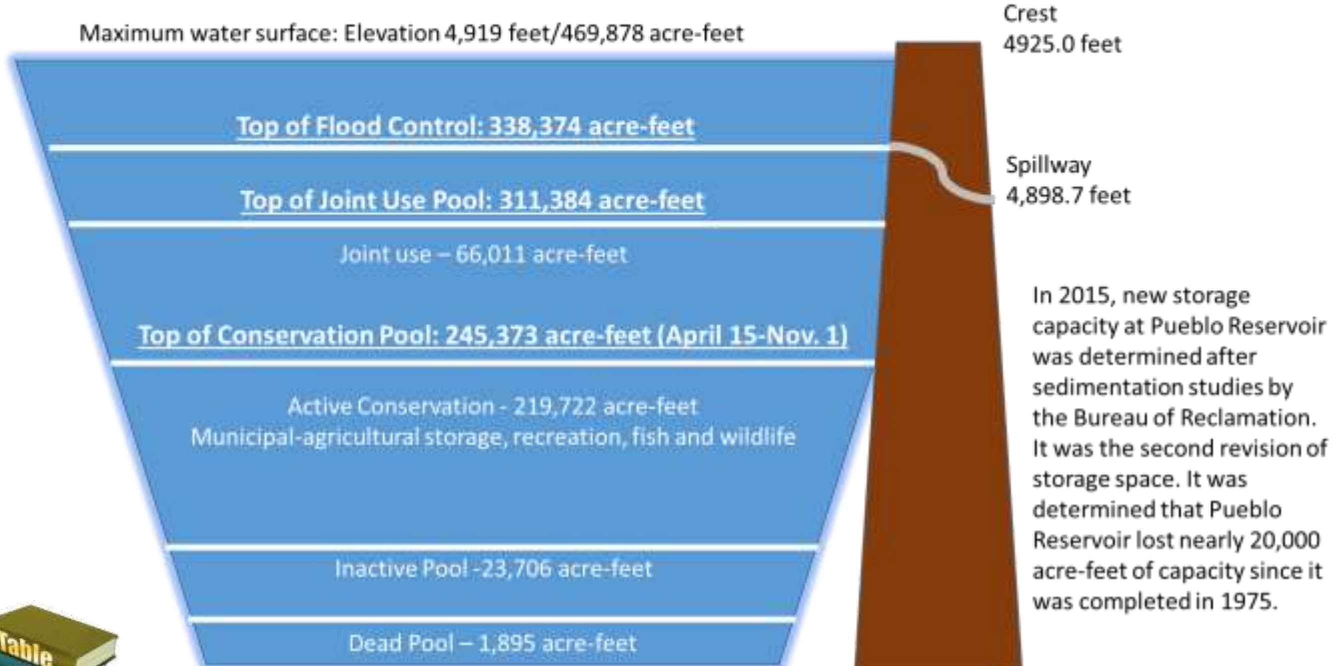
Since the release of PSOP, it has become clear that the District faces another challenge in recovering storage that has been lost due to sedimentation.

In 2015, the Bureau of Reclamation revised Pueblo Reservoir storage levels to reflect changes measured in a 2012 Bathymetric Study. A similar study was completed in 1993. All told, usable storage space in Pueblo Reservoir has been reduced by about 20,000 acre-feet, or about 8 percent, since Pueblo Dam was completed in 1975.

Reclamation is completing similar studies at Turquoise Lake and Twin Lakes, and in the next few years, the District and Reclamation should have more data to assess how the design storage of the Fryingpan-Arkansas Project can be restored.

The Board has not yet addressed how it wants to proceed in tackling this emerging issue.

Pueblo Reservoir Allocations



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Partnerships

Introduction

In 2017, the Enterprise continued to work with local, regional, state, and federal partners to improve water resources, management, and quality throughout the state of Colorado.

The mission of the District includes developing, protecting, and managing water. The District's vision statement ties this quest to communication, consultation and cooperation through modernization and integration.

With those qualities in mind, the District has sought out opportunities to work with others throughout its 60-year history. Indeed, the District was formed by disparate interests: Farmers from the plains, merchants from the cities, industrialists, bankers, and ranchers from the high country.

The founding members of the District intended for it to be not only a source of additional water for the Arkansas River basin, but a way to watch over and enhance the precious resource that means so much to all communities in the arid West.

The following pages detail partnerships that the District, through its Enterprise, maintains in order to fulfill its mission. They will also relate how the Budget funds these endeavors.

In 2018, the District will continue this tradition of service, assistance, and consultation that has improved life for all those living in southeastern Colorado.

Water flows in Hunter Creek, part of the West Slope collection system of the Project.

Colorado River Services

The Colorado River is the primary source of water for the Fryingpan-Arkansas Project, so protecting it is a priority for the District. Through the Enterprise, the District engages in several programs that enable the District to bring water into the Arkansas River basin.

In 2018, these programs add up to more than $60,000. Some of the activities include:

- **Weather modification:** The District in 2017 contributed $9,600 toward a $275,000 program. Partners include the Colorado Water Conservation Board, Front Range Water Council, and ski areas at Breckenridge, Keystone, and Vail.
- **Colorado River Project:** In cooperation with the Colorado Water Congress, the District contributes more than $21,000 toward the Upper Colorado River Endangered Species Recovery Implementation Program. This is the key link in communication between the state and federal government on Colorado River issues.
- **The 10,825 Program:** This program provides 10,825 acre-feet of water annually to protect Colorado River flows for four species of endangered fish. The Front Range Water Council contributes half of this amount. The District's cost is $2,000.

Silver iodide cloud-seeding station on the Western Slope.

Four species of Colorado River endangered fish.

USBR

Partnerships

Regional Resource Planning Group

- ⇒ Aurora Water
- ⇒ Colorado Springs Utilities
- ⇒ Lower Arkansas Valley Water Conservancy District
- ⇒ Pueblo Water
- ⇒ Southeastern Colorado Water Conservancy District
- ⇒ Upper Arkansas Water Conservancy District

2018 BUDGET IMPACT: $135,000
(Southeastern District contributes $25,000)

Regional Resource Planning Group

The Regional Resource Planning Group was formed in 2003 under the District's Intergovernmental Agreement with Aurora.

In cooperation with the U.S. Geological Survey, the group 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 potential effects of changes in land use, water use, and operations on water quality.

The Enterprise's financial responsibility is mainly one of pass-through. The Enterprise collects the participant payments to fund the contracted USGS studies for projects.

Fountain Creek Transit Loss

In 1988, the U.S. Geological Survey and Colorado Springs Utilities completed a study to develop a method to estimate transit loss on Fountain Creek from Colorado Springs Utilities' Las Vegas Street wastewater treatment facility through the alluvial valley along Fountain Creek downstream about 42 miles to the Arkansas River in Pueblo.

The study resulted in a transit-loss accounting model for quantification of Return flows on Fountain Creek which has been in continual use since April 1989. The model has been expanded to include Monument Creek.

The Division Engineer's Office uses the model to calculate the amount of reusable water arriving at the Arkansas River and at ditch headgates in between.

The District participates in the Fountain Creek Transit Loss Program to better manage the District's obligation to ensure Project water and Project water Return flows are used to extinction.

In 2018, there will be 17 entities participating in the funding of the operation and maintenance of the model with the District's participation.

Fountain Creek

- ⇒ Monument
- ⇒ Woodmoor
- ⇒ Triview
- ⇒ Donala
- ⇒ Forest Lakes
- ⇒ Palmer Lake
- ⇒ Fountain Mutual Irr. Co.
- ⇒ Colorado Springs Utilities
- ⇒ Fountain
- ⇒ Widefield
- ⇒ Security
- ⇒ Stratmoor Hills
- ⇒ Chilcotte Ditch
- ⇒ AGUA
- ⇒ Cherokee Metro
- ⇒ Colorado Centre
- ⇒ Southeastern District

2018 BUDGET IMPACT: $4,000

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 transmountain diverters of water from the Colorado River basin's West Slope to the Colorado Front Range.

Staff members meet regularly to discuss issues and formulate policy positions.

The District, as a member of the Front Range Water Council, has committed to 12 percent of the annual costs.

Front Range Water Council

- ⇒ Aurora Water
- ⇒ Colorado Springs Utilities
- ⇒ Denver Water
- ⇒ Northern Water
- ⇒ Pueblo Water
- ⇒ Southeastern Colorado Water Conservancy District
- ⇒ Twin Lakes Reservoir and Canal Company

2018 BUDGET IMPACT: $36,644

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Partnerships

Water Conservation and Education

Because water is such a scarce commodity, it is important for all of the citizens of the Arkansas River basin to understand the importance of water conservation.

In 2017, the District was involved with programs and tours which promote the efficient use of water, conservation, and collaboration.

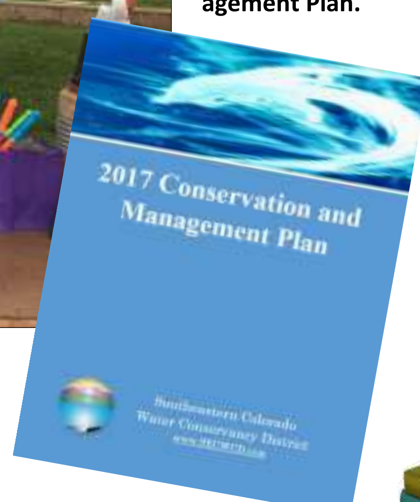
The District's Conservation and Management Plan, a requirement both for Project operation with the federal Bureau of Reclamation, and for cities who use more than 2,000 acre-feet annually under Colorado state statutes, was completed in 2017. It is updated every five years. The plan includes the latest information from municipalities within District boundaries, as well as District activities related to conservation.

During 2017, District staff participated in several activities related to Conservation in the Arkansas River basin. These included planning, organization and participation in the Pueblo Children's Water Festival; planning and participation in the Arkansas River Basin Water Forum; presentations on the Colorado Division of Water Resources Tour; presentations at Colorado Water Congress events; presentations at National Water Resources Council Events; and several presentations to Lower Arkansas Valley groups on the progress of the Arkansas Valley Conduit.

In addition, the District is a participant in the Arkansas Basin Roundtable, Colorado River Water Users Association, Family Farm Alliance, the Ditch and Reservoir Company Association, and other water groups.

District staff also attends annual meetings of irrigation companies, coordinates with the Division of Water Resources in water management discussions, and works with the Bureau of Reclamation to efficiently operate the Fryingpan-Arkansas Project.

2018 WATER CONSERVATION & EDUCATION	
Tours & 60th Anniversary Events	$25,000
Sponsorships, Exhibits & Ads	$6,710
Xeriscape Education	$2,675
Children's Water Festival	$1,200
Garden Tours	$700



Some 2017 outreach activities included the Pueblo Children's Water Festival (above), Colorado Division of Water Resources tour (below), and the publication of the District's Conservation and Management Plan.

District Goals and Strategies

Strategic Plan, Budget, Mission, Vision and Goals

The District adopted a new Strategic Plan in 2017, which clarifies the relationship of the budget to the mission, vision, and goals of the District.

The Strategic Plan identifies the key areas of focus in four areas:

⇒ Water supply, storage, and power

⇒ Water supply protection and water efficiency

⇒ Future water supplies and storage

⇒ Core business

The first three focus areas are incorporated in the Mission Statement of the District, while the core business strategy relates to the Vision Statement. Our Core Values are guiding principles for all of our service and action.

Each part of the budget ties back to one or more of these areas.

Implementation of the Strategic Plan

In 2017, the Executive Committee of the Board of Directors participated in a series of presentations called "Framing the Future." The purpose was to review the financial history of the District, and to chart a course for the future.

Now in its 60th year, the District exists as the Colorado liaison to the U.S. Bureau of Reclamation for the Fryingpan-Arkansas Project.

When construction of the Project began in 1963, the focus of the District was on completing the tunnels, dams, and other structures which make water deliveries possible.

When the Project was substantially complete in 1982, the focus of the District shifted to the repayment of the local share of debt, about $134 million, owed to the federal government.

Now, as the Project ages, the District must again shift its focus toward maintaining the Project. This involves each area of the Strategic Plan and is a top priority for the District.

Performance Measures

The District initiated the process of negotiating a new contract with Reclamation that will allow for two important financial adjustments:

⇒ Extending payment of approximately $21.75 million in debt to the full term of the Repayment Contract (2032) rather than the anticipated payoff date (2021).

⇒ Using a greater share of revenues from property taxes to establish a reserve fund for operation, maintenance, and replacement contingencies.

Future Actions

The District will in 2018 begin a process to establish water rates which are in line with categorical expenses that have appropriate relationships to funding sources.

Mission Statement

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

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.

Core Values

A commitment to honesty and integrity.

A promise of responsible and professional service and action. A focus on fairness and equity.

District Goals and Strategies

The Fryingpan-Arkansas Project Debt

The Fryingpan-Arkansas Project was created in 1962 by a grass-roots efforts among cities, businesses, and farms along the Arkansas River. Realizing that more water was needed in dry periods, the Water Development Association of Southern Colorado formed the Southeastern Colorado Water Conservancy District in 1958. The lobbying efforts of both groups led to Project approval.

With the exception of the Arkansas Valley Conduit, all parts of the Project were complete by 1982. The District's Repayment Contract (Contract) was amended in that year to contribute property tax, water sales, and Winter water storage to repay the debt and to provide operation, maintenance, and replacement funds for annual operation of the Project. The Contract is for 40 years, but federal law allows for repayment within 50 years. At any time during the 40-year period, the District has the opportunity to negotiate a different type of contract that would remain in perpetuity.

After the "Framing the Future" presentations to the Executive Committee, the Board agreed to negotiate a new type of contract in order to more effectively use the financial resources available to the District.

Property Tax, Other Revenues

Crucial to the effort was an examination of the District mill levy. By Colorado statute, the District can assess up to 1.0 mill in ad valorem taxes. Constitutional amendments passed in 1982 and 1992 limit the amount of revenue and restrict the Board's ability to increase taxes without a vote.

The Contract specifies that 0.9 mills will be collected for payment to Reclamation, either for OM&R or the debt. The Board chose to limit its operational budget to 0.035 mills. The Executive Committee also studied other Governmental and Enterprise Revenues, including the specific ownership tax, water sales, surcharges on water sales and storage, winter water storage and interest on investments.

Fund balances for the Government Activity and Enterprise were also reviewed.

Fryingpan-Arkansas Project Expenses

In addition to looking at the Project costs historically paid by the District, the Executive Committee contemplated the entire cost of the Project, and the likelihood of extraordinary expenses in the future.

The reliability of each feature of the Project is assessed under multi-year reviews by Reclamation, which could result in larger-than-usual expenses for the District.

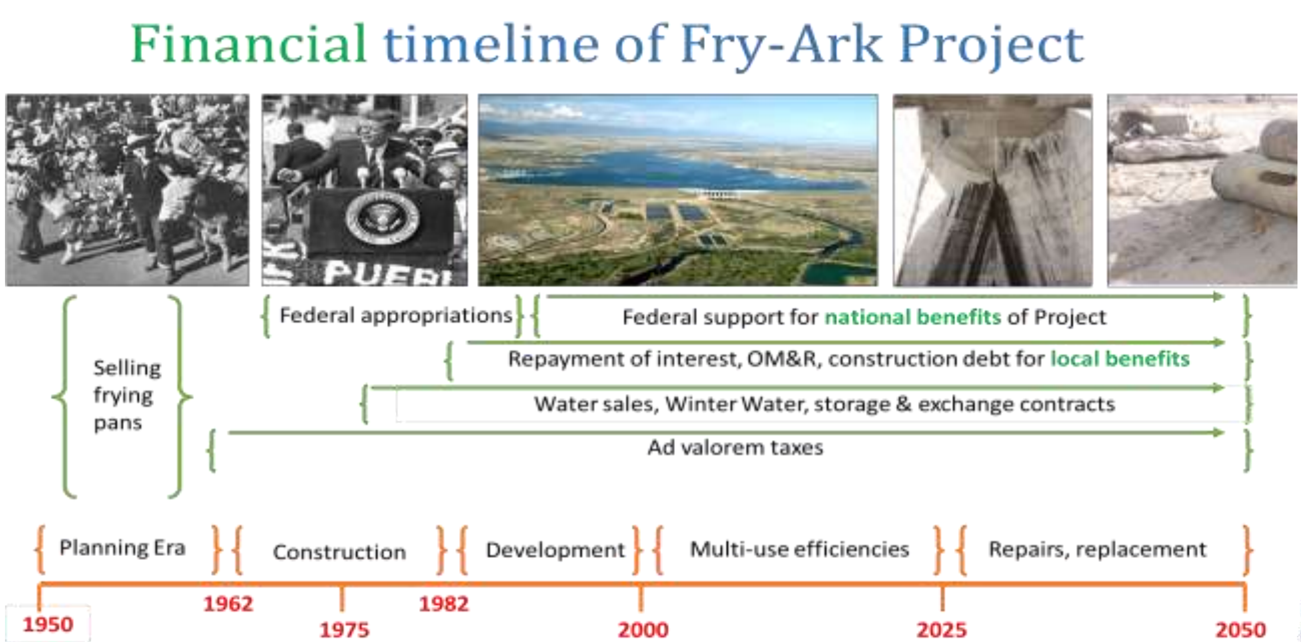
For instance, annual District expenses for OM&R have totaled about $1.5 million annually for the five years prior to 2017. However, work is expected to begin in 2018 on contraction joint seals on Pueblo Dam that will cost the District about $20 million over a five-year period.

In the past, the District has not accrued a reserve large enough to meet this expense, as well as the usual OM&R payments.

Board Strategy

In order to meet the expected cost, the District needs to revise its Repayment Contract with Reclamation. It was decided that this is an opportune time because of the timing of the current contract, personnel in place at the District and Reclamation, and the current financial structure of the District.

The Board agreed to amend the current Contract and renegotiate a new Contract.



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Enterprise Goals and Strategies

Enterprise Objectives

In the Enterprise Activity, efforts centered on four major long-range activities:

⇒ Establishment of a Master Contract for Excess Capacity storage in Pueblo Reservoir.

⇒ Construction of a hydroelectric generation facility at Pueblo Dam.

⇒ Continued development of the Arkansas Valley Conduit.

⇒ Restoration of Storage, Recovery of Yield and Enlargement of reservoirs.

LAKE PUEBLO STORAGE

1986 — Reclamation issues temporary "if-and-when" contracts

2000 — Pueblo Water obtains long-term excess capacity contract.

2005 — Environmental Assessment on excess capacity storage complete.

2007 — Aurora awarded long-term contract.

2010 — Southern Delivery System long-term contract approved.

2016 — SECWCD long-term contract signed.

Excess Capacity Storage

Pueblo Reservoir was designed to accommodate storage of Project water that planners realized would be at less than capacity in most years. Over the years, more and more of this excess capacity, or "if-and-when" storage has been assigned.

This is a more efficient use for the Reservoir which provides a benefit for Project stakeholders. Without such a storage option, more costly reservoirs would have to be built or water that could have been stored would be released.

The District signed a 40-year contract with Reclamation in 2016 that allowed 16 communities to begin storing 6,525 acre-feet of water in Pueblo Reservoir. As much as 29,938 acre-feet could be stored under the Contract.

Reclamation's long-term contracts for excess capacity storage provide for stepped-up increases over time up to almost 100,000 acre-feet. In the future, revenue from that storage will help pay AVC Costs.

North Outlet Works

Pueblo Dam Hydropower

In 2017, the District completed its contract with Mountain States Hydro to build a $19 million, 7.5-megawatt hydroelectric plant at Pueblo Dam.

Construction began in September 2017, with the goal of beginning power generation by spring of 2018.

Three turbines will generate electricity from penstocks that are fed from the SDS pipeline at the North Outlet Works of Pueblo Dam. Flows to the Arkansas River will not be diminished.

The hydropower plant benefits the Enterprise by creating a stream of revenue that can be applied to projects such as the AVC.

Arkansas Valley Conduit

The AVC is a $400 million pipeline project that will bring clean drinking water from Pueblo Dam to Lamar, 130 miles away. About 50,000 people in 40 communities will be served.

The AVC was part of the 1962 Fryingpan-Arkansas Act, but was not built because the local communities lacked the financial resources to construct it on their own.

Water quality concerns, particularly radionuclides, selenium and salinity, created new interest in the AVC in the early 2000s. The Enterprise adopted the AVC as a high-priority project.

Miscellaneous revenues (such as excess capacity contracts) to Reclamation were established as a source of revenue for AVC under 2009 federal legislation. Annual federal appropriations, local contributions, state loans and grants are all sources of funding for the AVC.

While the District has the ability to pay the AVC debt off once it is completed, the challenge has always been to obtain the up-front funding.

With that in mind, the District has begun discussions with Pueblo Water and Reclamation called the New Concept, which would phase in deliveries to the Lower Arkansas Valley by using excess capacity in Pueblo Water's System.

Investigations began in 2017, and negotiations with Pueblo Water could begin as soon as 2018.

Restoration of Storage, Recovery of Yield, Enlargement

Bathymetric measurements at Pueblo Reservoir show that about 20,000 acre-feet of storage has been lost since storage began in 1974. Dredging or some other method could be used to regain it.

In 2004, the District entered a six-party intergovernmental agreement (now seven) that commits funding to develop new storage downstream from Pueblo Dam in order to maintain Arkansas River flows through Pueblo.

The District also is obligated to investigate future enlargement of Pueblo Reservoir and Turquoise Reservoir under the Preferred Storage Options Plan.

Although these projects have not progressed in recent years, they are still among the future needs for Enterprise funding.

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Business Plan Review

Summary of District and Enterprise Programs and Projects in 2017

In 2017, the District developed its first Business Plan. This is intended to be a three-year guide for District and Enterprise Programs, and provided budget targets for 22 areas either affecting programs or policies.

The Business Plan was designed so that goals can be reviewed annually to see how short-term objectives are being met.

Here are point-by-point summaries of Business Plan activities:

1. Safety of Dams

Summary: Reclamation work on Pueblo Dam to stabilize concrete buttresses was completed in 1999, and the District began making annual payments of $60,000 to pay for the agricultural portion (8.21 percent of total costs). The municipal portion (5.42 percent of total cost), which would have accrued interest, was paid off immediately using Enterprise reserves, and is being paid off over time. The District's obligation to Reclamation will be paid off in 2024.

Work on Pueblo Dam in 1998

Surcharge Category/ Safety of Dams	Rate per AF
Water sales, Well Augmentation, In-District Excess Capacity Storage	$0.50
Winter Water Storage	$0.25
Carryover Project Water Storage	$1.00
Out-of-Basin Excess Capacity Storage	$2.00

Funding: Money for these payments is generated by a surcharge on all Project water purchases and excess-capacity storage. Those rates will remain the same in 2018. Those surcharges generated $202,300 in 2017 and are expected to generate about $176,000 in 2018.

Challenges: While the collections and payments do not change, revenues are based on the assumption that water will be sold and stored each year.

No policy is in place for future Safety of Dams issues which could have to be paid off in a similar manner.

Both of these contingencies point to the need for reserve funds to cover shortfalls in water sales or unforeseen extraordinary expenses.

2. Fry-Ark OM&R

Leaking contraction join on Pueblo Dam.

Summary: District payments to Reclamation cover both routine and extraordinary maintenance to all parts of the Fryingpan-Arkansas Project. The District this year gained an improved understanding of how its payments to Reclamation are applied, and its share of each feature of the Project. While the estimated routine maintenance for the Project is expected to remain close to $1.7 million annually for the next five years, extraordinary maintenance costs are anticipated to reach $4.4 million annually.

The increase will largely be due to the repair of leaking contraction joints on Pueblo Dam. The total cost of the project is estimated at $35.6 million, with the bulk of spending occurring in 2018-21. The District's share over that time is 55.793 percent, or about $19.9 million.

Funding: The District's primary payment to Reclamation is ad valorem tax payments, which totaled about $7 million in 2017, and are expected to increase slightly in 2018. Winter water storage contributed about $122,000 to this payment as well.

Opportunities: The District has begun to understand how Reclamation assesses charges for operation, maintenance, and replacement.

With more complete information, better long-term planning is possible.

Anticipated Repairs, 2016-22	Total Cost	SECWCD Share
Pueblo Dam contraction joints	$35,672,000	$19,902,825
Communication radios	$332,000	$180,192
Boustead Tunnel weep holes	$1,230,000	$632,958
Collection tunnel lining repair	$1,835,000	$994,001
Collection system actuators	$1,243,975	$673,849

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Business Plan Review

3. Pueblo Dam Hydro

Summary: Construction began on a 7.5-megwatt hydroelectric power plant at Pueblo Dam in September as long-awaited contracts fell into place. The $21.5 million plant will is expected to be in operation by spring of 2018, with completion by the end of the year. The plant marks the culmination of seven years of planning.

Power from the plant will be sold to the city of Fountain and to Fort Carson (through Colorado Springs Utilities). After 10 years, Fountain will purchase all power generated by the plant.

No water is consumed in the process, as flows pass through to the Arkansas River. Three turbines will be able to generate power at flows ranging from 35-810 cubic feet per second.

The revenues from the plant will go for operating costs, loan repayment, Reclamation payments, and to the Enterprise. It is anticipated that over time, there will be a net gain to Enterprise funds, and this will help pay for ongoing programs, such as operation and maintenance of the Arkansas Valley Conduit or future supply of water to the Arkansas Valley.

Funding: A $17.39 million loan from the Colorado Water Conservation Board is being matched by funds from the Enterprise. The loan will be repaid over 30 years with 2 percent interest, with a 1 percent loan origination fee.

The Board also approved the expenditure of up to $460,000 for the purchase of turbines at the February Enterprise meeting. The purchase was necessary to keep construction on pace for generation of power in mid-2018.

Modeling historic flows and projecting revenues according to the terms of contracts, the Enterprise will realize net revenues of between $8 million and $15 million by the year 2050.

Opportunities: Building the hydro project was a historic undertaking for the District and Enterprise. Contracts or agreements with multiple federal, state, local, and private parties had to be executed within coordinated timeframes. The end user for the power shifted several times after Reclamation granted a Lease of Power Privilege in 2016.

When the District began the process, Colorado Springs Utilities and Pueblo Water were full partners. By late 2016, Pueblo Water removed itself entirely and Colorado Springs Utilities remained only in the role as Fort Carson's Power supplier.

The hydro project showed, however, the value of using a design-build contract. Mountain States Hydro remained as the contractor after its initial design for the plant was completed, agreeing to finish the project within set cost parameters.

The same design-build approach could reduce time and costs for the Arkansas Valley Conduit.

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Construction begins with a blast at District hydro site near Pueblo Dam.

4. Pueblo Dam Interconnection

Summary: Two outlets provide water for municipal users at Pueblo Dam.

The South Outlet supplies Pueblo Water, Pueblo West, the Fountain Valley Conduit and the future Arkansas Valley Conduit. The North Outlet was built as part of Southern Delivery System, then purchased by the Bureau of Reclamation.

Reclamation, which owns both outlets, included an interconnection between the North and South Outlets in a 2014 Record of Decision. The underground line would provide redundancy for municipal deliveries by connecting both outlets. This would allow deliveries to continue during emergencies or maintenance.

Another beneficiary would be the State Fish Hatchery, which has its own outlet at the dam.

Funding: The cost to the District is unknown at this time.

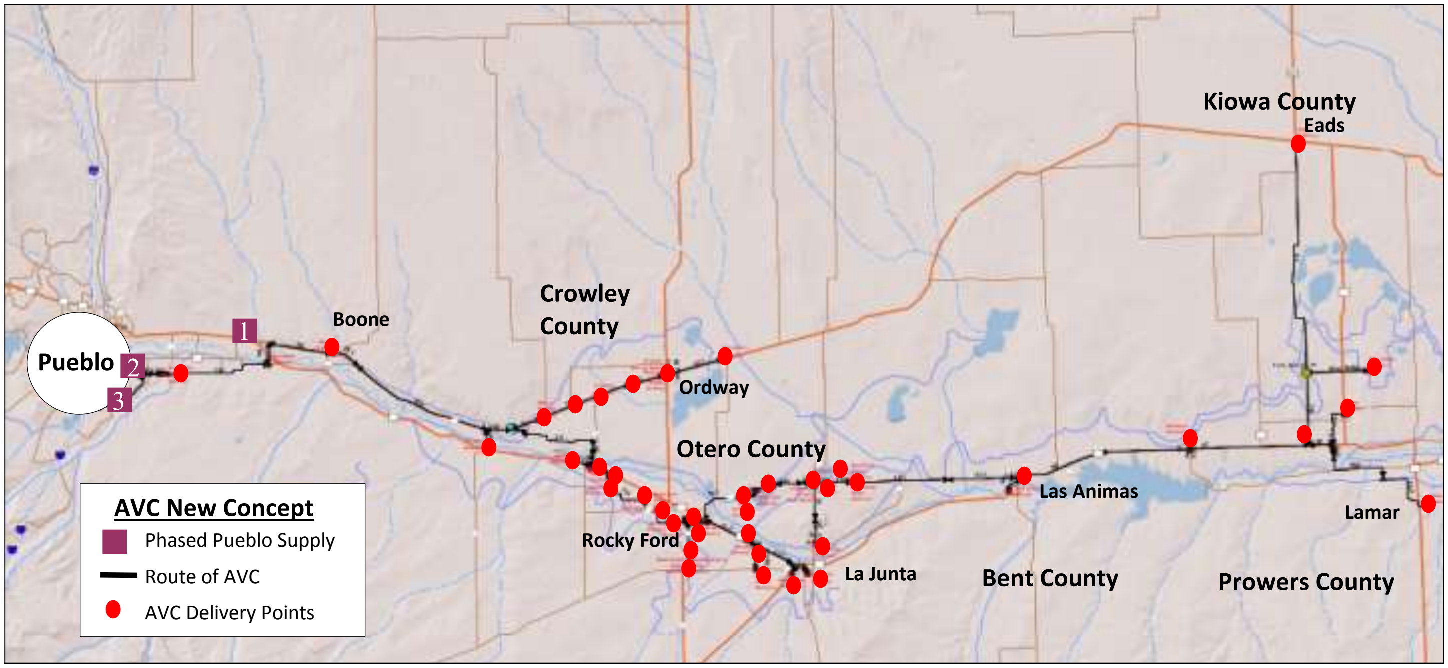
The AVC would benefit from the construction of the Interconnect, but no agreement has been drafted that spells out who pays for it, once it is constructed.

Challenges: Pueblo West's line from the South Outlet under the Arkansas River was replaced in 2016-17, and SDS was used for deliveries.

Water quality issues stemming from water taken at different reservoir elevations is also arising as a need for the Interconnect.

The District needs to determine which funds would be applied to the Interconnect, since multiple stakeholders and the AVC all stand to benefit.

Business Plan Review



5. Arkansas Valley Conduit

Summary: The AVC has been a part of the Fryingpan-Arkansas Project since it was signed into law in 1962. It's been envisioned as a source of clean, supplemental water for the Lower Arkansas Valley, an area historically short of water and plagued by contamination.

Progress was made in 2017 as the District pitched a new proposal to Reclamation and Pueblo Water that would allow the AVC to use excess capacity in Pueblo Water's system in a phased approach. The District also urged Reclamation to adopt a design-build approach. These strategies will allow construction to begin more quickly, potentially saving millions of dollars in costs.

Finally, AVC was tabbed by Reclamation as a candidate for public-private partnerships at a national event in Denver in May 2017. The District is not sure of the consequences of this emerging action.

Funding: Through its lobbying efforts, the District continues to encourage federal funding for the AVC. Multiple trips to Washington were made by District personnel in 2017 and will continue in 2018.

About $3 million in federal funding is anticipated in 2018, based on the Administration's budget request. Congress or adjustments within the federal agency could increase that amount.

In the Enterprise budget, $400,672 is budgeted, which includes $234,760 in participant payments and $165,912 in support from Reclamation.

Challenges: The AVC is a multi-year project that will require large capital investment. The District continues to investigate strategies to move it forward more effectively.

AVC Participants

Pueblo County
Boone
St. Charles Mesa Water

Crowley County
96 Pipeline Company
Crowley County Water Association
Crowley
Olney Springs
Ordway
Sugar City

Bent County
Hasty Water Company
Las Animas
McClave Water Assn.

Prowers County
Lamar
May Valley Water Assn.
Wiley

Kiowa County
Eads

Otero County
Beehive Water Assn.
Bents Fort Water Co.
Town of Cheraw
East End Water Assn.
Eureka Water Co.
Fayette Water Assn.
Fowler
Hancock Water
Hilltop Water Co.
Holbrook Center Soft Water
Homestead Improvement
La Junta
Manzanola
Newdale-Grand Valley
North Holbrook Water
Patterson Valley
Riverside Water Co.
Rocky Ford
South Side Water Assn.
South Swink Water Co.
Swink
Valley Water Co.
Vroman
West Grand Valley Water
West Holbrook Water

RED: Enforcement action from CDPHE Colorado Water Quality Division for radionuclides.
GREEN: Non-Enforceable radionuclide contamination.
(As of January 2018)

Business Plan Review

Pueblo Reservoir as seen from the top of Pueblo Dam.

EXCESS CAPACITY CONTRACT

Canon City
Florence
Fountain
La Junta
Olney Springs
Poncha Springs
Rocky Ford
Salida
Penrose Water District
Pueblo West Metro District
St. Charles Mesa Water District
Security Water District
Stratmoor Hills Water District
Widefield Water District
Lower Arkansas Valley Water Conservancy District
Upper Arkansas Water Conservancy District

6. Excess Capacity Master Contract

Summary: In 2016, the District took a giant step forward by signing a contract with Reclamation that allows stakeholders to store up to 29,938 acre-feet of water in Pueblo Reservoir over the next 40 years.

In the first year, 16 communities — a mix of cities, towns, and water districts — signed up for 6,525 acre-feet of storage.

The contract is rooted in the Preferred Storage Options Plan, a 1998 project of the District that sought more efficient use of Pueblo Reservoir through what was once called reoperations.

The space that is leased is available in most years, but not guaranteed. Project water always has priority for storage in Fry-Ark facilities.

Funding: In 2018, $265,959 in storage charges will be collected from participants. This money will be applied to Ruedi Reservoir and Fountain Valley Conduit repayment. In addition, the storage contracts generate $11,418 for Enterprise surcharges.

The amount increases 1.79 percent annually and eventually will fund the AVC.

Participants, based on the ultimate space requested, pay administrative and water quality charges, projected at $100,152 in 2018.

Opportunities: Another 21 communities will join this contract when AVC is built. An amendment to an earlier MOA was necessary in 2017 to align ongoing payments.

7. Recovery of Storage

Summary: Another part of PSOP was the enlargement of Pueblo and Turquoise Reservoirs. While work has been slowed, water quality studies continue.

Funding: Participants (12) in the enlargement program will pay $100,349 in 2018 for legal work and water quality studies.

Challenges: Enlargement has been politically unpopular, but the District is broadening its vision in looking at activities such as dredging to recover storage space that has been lost since reservoirs were built or expanded.

Pueblo Reservoir as seen from the top of the dam.

Business Plan Review

8. Debt Repayment

Summary: The District is obligated to repay the federal government for construction of the Project. In 1982, the District cost for the Project was calculated to be $134 million, to be paid off within 50 years.

The District is on course to pay off the debt earlier than anticipated, and in September 2017 took action to stretch payments out over the entire period in which repayment is allowed. This requires an amendment to the current Repayment Contract with Reclamation (Contract) and a new contract.

Funding: The debt repayment is structured so that Reclamation determines how much of each semi-annual payment will go toward OM&R, interest (if any) and the debt.

Sources of funding for the Contract are the ad valorem tax and Winter water sales. One of the District strategies is to recover Winter water payments for Enterprise activities, in the same manner as water sales were transferred to the District in 2010.

Property taxes amount to $7 million annually in the District, which includes parts of nine counties. Winter water adds about $140,000.

Opportunities: The District spent three months in 2017 looking at how the contract is structured. At the end of the “Framing the Future” process, the Board decided to begin contract negotiations.

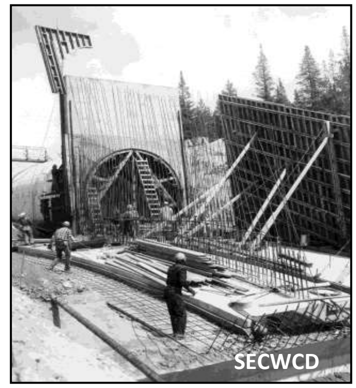
It’s not new territory for the District. The last Contract amendment was negotiated in 2014, and the Excess Capacity contract was quickly negotiated in early 2016. But the 1982 Contract was negotiated in a public process that at times became contentious. That’s not the District’s intention at this point.

However, it is difficult to explain the subtleties of the Contract under which the Project now operates.

It was a hybrid contract that mixed elements of both a water service contract with a repayment contract. Some requirements that are standard conditions for Reclamation agreements are missing in the District’s Contract.

Challenges: There is also a public misunderstanding that the Contract is solely for repayment.

While that has been the focus in the past, a new Contract likely would emphasize the need for long-term funding of aging infrastructure.



Construction of the Fry-Ark Project in the 1960s

9. Water Rate Study

Summary: The District charges $7 per acre-foot for first-use water and $6 per acre-foot for Return flows. These rates have not been raised in 20 years.

Funding: Project water sales totaled about $315,000 in 2017, and projected for $315,000 in 2018. Return flow sales were $50,000 in 2017, and $50,000 in 2018.

Meanwhile, surcharge revenue totaled $586,572 in 2017, about twice as much as the sale of water.

Opportunities: A water rate study is needed to align revenues and expenditures. Rates should better reflect the cost of service. The District should have a better way to visualize long-range needs and prepare for them.

COST OF WATER

Annual price per acre-foot equivalent of several types of water (2016):

Retail water:
(based on 115,000 gallons/year)

Colorado Springs	**$2,286**
Aurora	**$2,125**
Greeley	**$1,616**
Denver	**$1,225**
Pueblo	**$ 954**

Stored water:
(Pueblo Reservoir)

In-District	**$40.04**
Out-of-District	**$61.24**
Winter water	**$ 3.80***
Fry-Ark water	**$ 3.00***

Wholesale water:

Pueblo Board of Water Works:

Dispensing station	**$1,225**
Marijuana	**$1,063**
Long-term lease (high)	**$ 651**
(average)	**$ 365**
Short-term lease (high)	**$ 200**
(average)	**$ 25**

Colorado-Big Thompson:

Open market lease	**$ 85**
Municipal assessment	**$ 42.50**
Agricultural assessment	**$ 24.90**

Fry-Ark water $7.25-12.35*

***Includes surcharges**

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Business Plan Review

Endangered fish, from top to bottom: bonytail, Colorado pikeminnow, razorback sucker, and humpback chub.

10. Colorado River Programs

Summary: The Colorado River basin is crucial to the operation of the Fryingpan-Arkansas Project, and the District's history is rich in both engineering and legal challenges to fulfilling the vision and mission of the Project.

In May, 2018, the District will file a diligence case for water rights in Division 5 water court, which encompasses the Upper Colorado River basin. Diligence cases are required every six years to show the court that development of conditional water rights is continuing. Many of the Division 5 rights are fully decreed, but several still have conditional rights.

When the Project was envisioned in the 1950s, its yield from the Colorado River was estimated to be about 69,200 acre-feet annually. The yield has been about 80 percent of that since water began coming through the Boustead Tunnel in 1972.

Protecting conditional water rights are one way to improve that yield. The District also retains an outside engineering firm to support its water claims.

Funding: In 2018, expenditures total $60,000.

Opportunities: The District also funds programs to provide water for four species of endangered fish, and is a member of the Colorado River Users Association.

11. Conditional Water Rights

Summary: In Division 2 water court, the District continues to develop conditional water rights as well.

In the District's November, 2016, filing, it petitioned the water court to abandon some of its Division 2 water rights related to power canals in the early planning stages of the Fryingpan-Arkansas Project. The canals and hydroelectric power plants associated with them were replaced by the Mount Elbert Power Plant at Twin Lakes when the Project was built.

STANDARD LANGUAGE
- Project water
- Fry-Ark return flows
- Project facilities
- Winter water
- Upper Arkansas Voluntary Flow Management Program
- Pueblo Flow Program and Recreational In-Channel Diversion
- Revegetation
- Terms and conditions
- General definitions

The District clarified legal descriptions of its diversion points in Division 2, particularly on the Upper Arkansas River. Users in the reach of the river (Buena Vista to Pueblo Reservoir) depend on exchanges for most water deliveries, because the terminal storage for Project water is Pueblo Reservoir.

Funding: Legal services funding in 2018 is budgeted for $250,000.

Opportunities: District legal staff in 2017 released a compilation of standard language that will satisfy legal requirements in many cases.

The purpose is to ensure that constituents with common issues

12. Reclamation Reform Act

Summary: Landholders within District boundaries are required to certify landholdings by filing RRA forms prior to receiving Project water. Project water is subject to federal limitations on the size of farms.

The District is required to provide information and guidance to landowners. Information collected by the District is confidential.

Funding: Agricultural organizations are responsible for payment of RRA costs. The District budgets a small amount, $2,000, for fees which have not been collected.

Challenges: Because Project water is delivered to ditch companies or well associations (Return flows), commingling plans are necessary in order to identify what portion of irrigation flows are made up of Project water.

Business Plan Review

13. Winter Water

Summary: Winter water storage began in 1975, after the completion of Pueblo Dam provided a new opportunity for farmers. Under a 1990 court decree, water may be stored from November 15-March 15 in Pueblo Reservoir, or in reservoirs maintained by some ditch companies.

The program conserves water that would have little benefit if applied to fields during winter months, and making it available during dry periods later in the season.

Funding: Fees of $2.80 per acre-foot, plus surcharges totaling $1 per acre-foot are charged on water stored in Pueblo Reservoir.

In 2017, that amounted to 43,718 acre-feet, generating $122,411 toward Repayment Contract payments and $43,718 in surcharges. The District budgets for 50,000 acre-feet of storage, which would generate $117,600.

Opportunities: The price for Winter water is set in the Contract, but would be at the District's discretion if revenues are shifted in Contract negotiations. The District needs to determine where these revenues should be applied.

WINTER WATER

2017 Final Report

Total:
130,961.67 af

Pueblo Reservoir:
43,718.19 af

5-year Average:
123,271 af

20-year Average:
133,282 af

Irrigation in Otero County.

14. Water Quality Sampling

Summary: As new programs develop, water is used more efficiently, and changes occur in the Arkansas River. Over the years, the District has taken the lead in establishing baseline numbers as a way to measure the impacts of its projects on the river system as a whole.

The Enterprise partners with the U.S. Geological Survey in six different programs, with the District paying two-thirds of the costs.

WATER QUALITY PROGRAMS

- **Long-term water quality monitoring.**
- **Collection of continuous specific-conductance data.**
- **Update of web site.**
- **Streamflow data for voluntary flow program.**
- **Fountain Creek suspended sediment.**
- **Pueblo Reservoir water quality.**

Funding: The District bills stakeholders through programs in its Enterprise (Arkansas Valley Conduit, Excess Capacity Master Lease Contract and Enlargement). The Environmental Stewardship Surcharge also pays for some of the USGS activities. The cost for the programs in 2018 is budgeted for $185,704.

Challenges: Protecting the quality of water in the Arkansas River basin is a basic responsibility that the Board has recognized since the formation of the District. Changes in the system can have unexpected results.

15. Fountain Creek Transit Loss Modeling

Summary: The District continues to work with El Paso County communities and the U.S. Geological Survey on the Transit Loss Model for Fountain Creek.

The District pays about 2 percent of the total cost of this program, with the bulk of the bill paid by Colorado Springs Utilities and the Pikes Peak Regional Water Authority.

Funding: The Enterprise funds participation in the Transit Loss Model. In 2017, higher than average base flows on Fountain Creek drove costs up to $21,832 well above projections of $7,950. However, District Return flow sales totaled about $47,500.

Participation in 2018 is projected to cost $4,107.

Opportunities: Gauging stations allow the District to measure Return flows of Project water sold to Fountain Valley Authority members who do not purchase the flows. Return flows generate operating income for the Enterprise.

Fountain Creek/Arkansas River confluence.

Business Plan Review

16. Watershed Health

Summary: The District applied for a federal grant in 2017 to provide monitoring and assessment of water quality threats in the watershed above Pueblo Reservoir. The grant, however, was not approved.

Nevertheless, the District remains committed to making sure that wildfires do not adversely impact all facilities of the Fryingpan-Arkansas Project.

In 2017, Reclamation completed the Fryingpan-Arkansas Project Fire Management Plan, which includes the District as funding partner for the local share of costs.

Funding: Funds are contributed through Project OM&R costs. The District and Enterprise also have grant capacity of $200,000 each if opportunities arise for new programs.

Challenges: Drought in recent years was a double whammy for water providers. Not only were supplies diminished, but fires destroyed vegetation and left soils less resilient. Fire prevention and mitigation are becoming larger concerns for water groups in the West.

17. Restoration of Yield

Summary: A 2004 Intergovernmental Agreement among six parties, joined later by Pueblo West, established a flow regime for the Arkansas River through Pueblo. As part of that, the District has a small share in developing storage downstream from Pueblo Dam.

Called Restoration of Yield (ROY), the group is looking for a way to store water until it can be exchanged upstream.

District activities protect activities such as boating and fishing.

Up until now, the ROY group has leased space in existing reservoirs, but is now ready to move ahead in acquiring land, designing a reservoir, and building it.

Funding: The Enterprise can expect to see payments rise to about $50,000 per year as planning continues, and even more steeply once construction begins. Payments in 2018 could be as much as $160,000

Challenges: Water time moves more slowly than calendars. It may take years to for the costs of past agreements to reveal themselves, and points toward the need to develop strategies for funding contingencies.

RESTORATION OF YIELD MEMBERS

Colorado Springs Utilities
Aurora Water
Pueblo Water
Southeastern District
Fountain
Pueblo West

REGIONAL RESOURCE PLANNING GROUP

Aurora Water
Colorado Springs Utilities
Pueblo Water
Lower Arkansas Valley Water Conservancy District
Southeastern Colorado Water Conservancy District
Upper Arkansas Water Conservancy District

18. Regional Resource Planning Group

Summary: The Regional Resource Planning Group formed under a 2003 agreement between the District and Aurora. The group works to better define water quality, water source areas and processes that affect water quality in the Arkansas River basin.

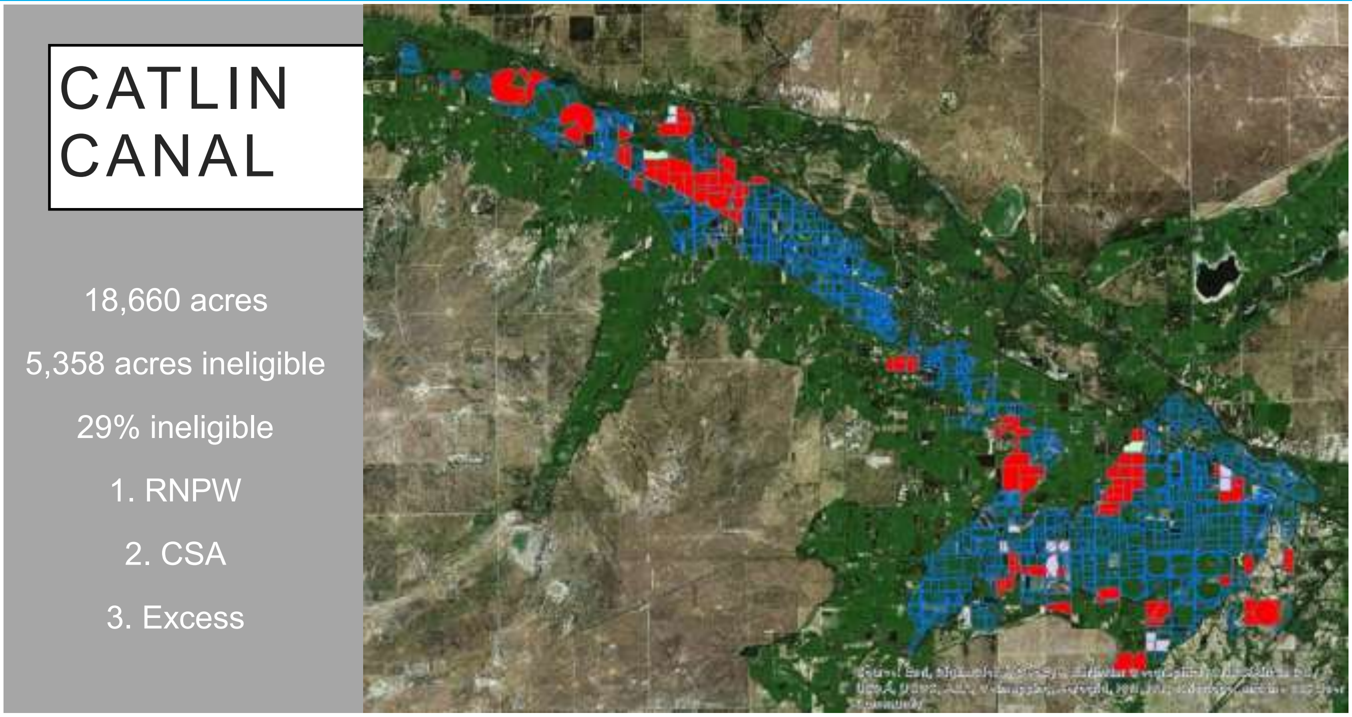
In the past year, the group looked at U.S. Geological Survey studies that show how contaminants such as selenium and uranium are loaded into the Arkansas River from the Niobrara shale formations in the reaches of river above Pueblo Reservoir.

Future studies would look at similar studies for reaches of the Arkansas River east of Pueblo Reservoir.

Funding: The studies are jointly funded by participants, a total of $135,000 this year, and the USGS. The District acts as the sponsor for this activity, and will contribute $25,000 in 2018.

Opportunities: Such studies will be useful in future water development, such as determining where reservoirs or groundwater storage would be located with minimal impact to water quality.

Business Plan Review



A slide from a District presentation on commingling plans shows how new GIS technology is being used.

19. Information Technology

Summary: The District last year invested in an upgrade to the Geographic Information System (GIS) technology, which has improved mapping capability. This can be seen in multiple places, including the improved maps of counties in this budget publication, to the mapping of Catlin Canal farms (above) included in an October presentation to the Allocation Committee.

Staff is investigating several major upgrades in the area of information technology, including:

⇒ **Fiber-optic cable improvement:** In conjunction with the parking lot project (to reduce disturbance), staff has met with consultants on the possibility of increasing Internet speed by upgrading fiber-optic cable into the building.

⇒ **Phone system:** A new phone system is needed to replace outdated technology now in place.

⇒ **Records management:** Staff is looking into a system that would digitize and index District and Enterprise records.

Funding: The Budget includes $125,113 for all programs in 2018. Preliminary work began in late 2017 to look at available technology and how other operations are migrating records online, as well as for technology upgrades.

Challenges: Every governmental operation is different, so it is difficult to find a “one size fits all” solution to records management.

One of the problems will be finding the manpower to scan thousands of records into a sortable database, and care must be taken to make sure entries are made in a way that allows simple retrieval.

Minor repairs occurred in the District parking lot in July.

20. Facilities and Grounds

Summary: The District’s parking lot is in need of resurfacing. The original parking lot was put in 17 years ago, and utility maintenance and weather have taken a toll.

Funding: The capital projects budget includes $50,000 for the parking lot project in 2018, and another $50,000 is projected for 2019. The operating budget is $210,599.

Challenges: Maintaining the District infrastructure is an important task. The building and grounds serve as the headquarters for District and Enterprise operations, as well as a gathering place for regional meetings.

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Business Plan Review

21. Community Outreach

Summary: There are many opportunities throughout the year to share the District's message within larger communities. This may be accomplished at a local, statewide, or national level.

Locally, District staff again participated in the Pueblo Children's Water Festival in 2017. Hundreds of fifth graders from Pueblo County spent the day at Colorado State University-Pueblo, and several District staff members participated.

The District was a major sponsor of the 2017 Arkansas River Basin Water Forum in Colorado Springs, and District staff provided assistance in publicizing the event, hosting guests for special events, and participating on panels.

The state Division of Water Resources Division 2 hosted a tour of Arkansas River water features, and District staff was called upon to serve as "tour guides" for portions of the bus trip.

District staff also participated in panel discussions at the state level through Colorado Water Congress, and at the national level through the National Water Resources Association.

Funding: The District has budgeted $36,825 for community outreach activities.

Opportunities: We have also prepared communication materials for upcoming contract negotiations and water rate increases. The District also plans community meetings on the Arkansas Valley Conduit in 2018.

The District also is planning special activities to celebrate its 60th anniversary in the coming year.

A group of fifth-graders at the Pueblo Children's Water Festival in May 2017.

Executive Director Jim Broderick (second from left) was part of a panel on water infrastructure challenges at the National Water Resources Association 2017 summer meeting in Santa Fe, N.M.

22. Miscellaneous Revenues

Summary: Under Public Law 111-11, miscellaneous revenues (generated by such activities as excess-capacity storage contracts) from the Fryingpan-Arkansas Project can be used to fund portions of the Project that have not been paid off, and eventually the Arkansas Valley Conduit.

Miscellaneous revenues were first applied to the South Outlet at Pueblo Dam, and will pay off the District's share of Ruedi Reservoir in 2019. They will then be applied to the Fountain Valley Conduit, until it is paid off.

Funding: Miscellaneous revenues will jump to $3.5 million in fiscal year 2018, up from recent years, because Southern Delivery System partners had been receiving a credit for construction of the North Outlet.

These funds go directly to the Bureau of Reclamation, so are not reflected in the District's budget.

Opportunities and Challenges: When they are available for the AVC, miscellaneous revenues can be both a source for construction payments or repayment of all AVC costs.

This is a tremendous funding source that will make this project economically feasible.

North Outlet Works at Pueblo Dam.

The major challenge continues to be the availability of up-front funding to begin work on the AVC. In 2018, the District staff will continue working on ideas like the New Concept to move the AVC ahead.

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Business Plan Emerging Areas

Framing the Future

In 2017, the Executive Committee took a comprehensive look at District and Enterprise finances and history, which we called “Framing the Future.”

Most members of the Board, and staff for that matter, joined the District after its initial period of building and developing the Fryingpan-Arkansas Project. When the District formed in 1958, the “business plan” was relatively simple: Get new water.

Over the years, the District’s chief purpose is to protect the Project in a way that ensures high quality, supplemental water will be provided to municipal and agricultural water users in the Arkansas River basin.

So what did we learn?

1. The District’s finances have been to a large part controlled by the Fryingpan-Arkansas Repayment Contract with the Bureau of Reclamation.
2. The Contract wasn’t a true repayment contract, but a hybrid form of water service contract.
3. The Contract covers maintenance costs and extraordinary repairs as well as debt service. Those costs will increase in future years.
4. The mill levy obligation that is used to repay the Project predates state constitutional amendments that restrict revenues.
5. Water sales rates once tied to repayment are now available to the District (through its Enterprise Activity), but have not been adjusted for two decades because of earlier restrictions imposed by the Contract.
6. Fund balances have not been fully invested into designated reserves. This means that shortfalls in the District and Enterprise are recouped by payments from reserves on a regular basis, rather than properly funded in the first place.

Current Contract:

At its September meeting, the Board voted to alter its current Contract to use the full 50-year period from 1982 to repay the local share of federal debt. That will free up funds to pay maintenance and repair costs, and also to establish reserve funds for routine and extraordinary maintenance or repairs.

The Board also asked for a communication plan to help explain the complexities of the District’s relationship to the Fryingpan-Arkansas Project.

Contract Negotiation:

The Board voted to request a contract negotiation with the aim of changing the type of contract to a true repayment contract.

This is allowed under the current contract, which expires in 2022, and would have no expiration date. It could still be amended as needed.

The District wants to begin negotiations in 2018, because it typically takes two years to work out all the details of a contract.

Negotiations would be a public process.

Water Rates:

District staff has proposed gradual water rate increases on sales and storage for the next three years. There are three reasons:

1. Matching revenues with expenses on an annual basis in a way that allows the District and Enterprise to “catch up.”
2. Keeping pace with inflation. The District has not had a rate increase in 20 years.
3. Meeting increased costs in the upcoming three years.

A rate study is anticipated to begin in 2019, and would give the District time to assess changes that would be required in the new Contract, as well as to assess the extent of future expenses related to new projects.

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Three Year Budget Planning Statements—District

Southeastern Colorado Water Conservancy District
2018 Business Plan
Government Activity (District)

Statement of Revenues and Expenditures
(In Whole Numbers)

	2018 Proposted Budget	2019 Estimated Budget	2020 Estimated Budget
Fry-Ark Project Revenue			
Tax Collections	7,431,392	7,670,415	7,903,559
Fountain Valley Authority	5,360,000	5,360,000	5,365,000
Winter Water Storage	117,600	117,600	117,600
Excess Capacity Master Contract	265,959	270,723	275,550
Collection of RRA Fees	2,000	2,000	2,036
Total Fry-Ark Project Revenue	13,176,951	13,420,738	13,663,745
Fry-Ark Project Expenditures			
Contract Payments	7,442,323	7,670,415	7,903,559
Fountain Valley Authority	5,360,000	5,360,000	5,365,000
Winter Water Storage	117,600	117,600	117,600
Excess Capacity Master Contract	265,959	270,723	275,550
RRA Fees	2,000	2,000	2,036
Total Fry-Ark Project Expenditures	13,187,882	13,420,738	13,663,745
Total Fry-Ark Revenues Over (Under) Expenditures	(10,931)	0	0
Grant Revenue			
State	210,000	210,000	210,000
Total Grant Revenue	210,000	210,000	210,000
Grant Expenditures			
Expenditures	210,000	210,000	210,000
Total Grant Expenditures	210,000	210,000	210,000
Total Grant Revenues Over (Under) Expenditures	0	0	0
Operating Revenue			
Tax Revenue for Operations	972,084	993,228	1,014,655
Interfund Reimbursements	1,575,103	1,694,760	1,771,131
Investment Revenue	84,752	94,985	96,685
Other Operating Revenue	1,000	2,500	1,000
Total Operating Revenue	2,632,939	2,785,473	2,883,471
Operating Expenditures			
Human Resources	1,524,060	1,583,582	1,645,486
Headquarter Operations	270,712	274,861	279,532
Meetings and Travel	135,477	132,617	135,136
Outside and Professional Services	470,504	473,508	473,745
Water Conservation and Education	36,285	23,405	23,572
Total Operating Expenditures	2,437,038	2,487,973	2,557,471
Total Operations Revenues Over (Under) Expenditures	195,901	297,500	326,000
Capital Outlay and Improvements	370,000	595,000	652,000
Total Revenues Over (Under) Expenditures	(185,030)	(297,500)	(326,000)

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Three Year Budget Planning Statements—Enterprise

Southeastern Colorado Water Conservancy District
2018 Business Plan
Enterprise Administration (Water Fund)

Statement of Revenues and Expenditures
(In Whole Numbers)

	2018 Proposted Budget	2019 Estimated Budget	2020 Estimated Budget
Grant Revenue			
State	210,000	210,000	213,759
Total Grant Revenue	210,000	210,000	213,759
Grant Expenditures			
Expenditures	210,000	210,000	213,759
Total Grant Expenditures	210,000	210,000	213,759
Total Grant Revenues Over (Under) Expenditures	0	0	0
Operating Revenue			
Water Sales and Surcharges	1,058,794	1,060,635	1,061,510
Investment Revenue	124,221	126,445	128,708
Partnership Contributions	110,000	110,000	110,000
Other Operating Revenue	50,000	50,000	50,000
Total Operating Revenue	1,343,015	1,347,080	1,350,218
Operating Expenditures			
Headquarter Operations	50,000	50,000	50,000
Outside and Professional Services	166,766	189,009	191,170
Personnel and Overhead	1,249,938	1,426,613	1,494,203
Partnerships	232,867	234,003	235,173
Other Payments	21,790	21,822	21,855
Total Operating Expenditures	1,721,361	1,921,447	1,992,401
Total Operations Revenues Over (Under) Expenditures	(378,346)	(574,367)	(642,183)
Capital Outlay and Improvements	176,227	77,000	50,000
Total Revenues Over (Under) Expenditures	(554,573)	(651,367)	(692,183)

Three Year Budget Planning Statements—Enterprise

Southeastern Colorado Water Conservancy District
2018 Business Plan
Excess Capacity Master Contract

Statement of Revenues and Expenditures
(In Whole Numbers)

	2018 Proposted Budget	2019 Estimated Budget	2020 Estimated Budget
Operating Revenue			
Participant Payments	100,152	102,792	105,667
Total Operating Revenue	100,152	102,792	105,667
Operating Expenditures			
Meetings and Travel	3,053	3,106	3,162
Outside and Professional Services	12,500	12,589	12,814
Personnel and Overhead	18,185	18,691	19,233
Partnerships	66,414	68,406	70,458
Total Operating Expenditures	100,152	102,792	105,667
Total Operations Revenues Over (Under) Expenditures	0	0	0
Total Revenues Over (Under) Expenditures	0	0	0

Southeastern Colorado Water Conservancy District
2018 Business Plan
Enlargement Project

Statement of Revenues and Expenditures
(In Whole Numbers)

	2018 Proposted Budget	2019 Estimated Budget	2020 Estimated Budget
Operating Revenue			
Participant Payments	98,559	100,910	103,663
Interfund Reimbursements	1,790	1,822	1,855
Total Operating Revenue	100,349	102,732	105,518
Operating Expenditures			
Meetings and Travel	1,121	1,142	1,163
Outside and Professional Services	20,000	20,000	20,358
Personnel and Overhead	6,387	6,564	6,720
Partnerships	72,841	75,026	77,277
Total Operating Expenditures	100,349	102,732	105,518
Total Operations Revenues Over (Under) Expenditures	0	0	0
Total Revenues Over (Under) Expenditures	0	0	0

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Three Year Budget Planning Statements—Enterprise

Southeastern Colorado Water Conservancy District
2018 Business Plan
Arkansas Valley Conduit Project

Statement of Revenues and Expenditures
(In Whole Numbers)

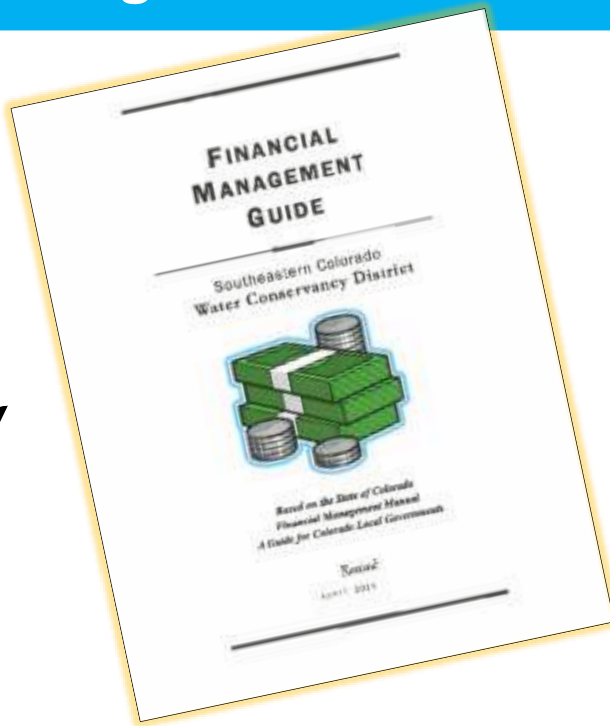
	2018 Proposted Budget	2019 Estimated Budget	2020 Estimated Budget
Total Grant Revenues Over (Under) Expenditures	0	0	0
Operating Revenue			
Participant Payments	234,760	156,885	159,393
Federal Appropriations & USBR	165,912	172,179	178,747
Total Operating Revenue	400,672	329,064	338,140
Operating Expenditures			
Headquarter Operations	102	104	106
Meetings and Travel	40,556	41,282	42,021
Outside and Professional Services	160,448	80,904	81,815
Personnel and Overhead	190,984	197,935	205,093
Partnerships	8,582	8,839	9,105
Total Operating Expenditures	400,672	329,064	338,140
Total Operations Revenues Over (Under) Expenditures	0	0	0
Total Revenues Over (Under) Expenditures	0	0	0

Southeastern Colorado Water Conservancy District
2018 Business Plan
Hydroelectric Power Project

Statement of Revenues and Expenditures
(In Whole Numbers)

	2018 Proposted Budget	2019 Estimated Budget	2020 Estimated Budget
Operating Revenue			
Hydroelectric Generation Revenue	9,415,000	1,282,500	1,479,410
Other Operating Revenue	105,080	0	0
Total Operating Revenue	9,520,080	1,282,500	1,479,410
Operating Expenditures			
Headquarter Operations	1,200	1,200	1,200
Meetings and Travel	6,000	0	0
Outside and Professional Services	20,000	0	0
Water Conservation and Education	5,000	0	0
Personnel and Overhead	114,609	49,957	50,972
Other Payments	105,080	0	0
Debt Service	256,000	347,844	347,844
Annual Project Expense	0	435,036	442,317
Total Operating Expenditures	507,889	834,037	842,333
Total Operations Revenues Over (Under) Expenditures	9,012,191	448,463	637,077
Capital Outlay and Improvements	9,468,200	0	0
Total Revenues Over (Under) Expenditures	(456,009)	448,463	637,077

Long-Range Financial Planning



The Financial Management Guide is applied throughout the Fiscal year to all financial activities of the District.

- ⇒ Accounting
- ⇒ Auditing
- ⇒ Financial Reporting
- ⇒ Cash Management
- ⇒ Investment Policy
- ⇒ Budgeting
- ⇒ Financial Management Issues
- ⇒ Records Management
- ⇒ Internal Control Procedures

The Finance Committee reviews financial activities at monthly meetings, and may suggest modifications.

Staff reviews the Financial Management Guide, using Government Finance Officers Association and Colorado Finance Management Manual Guidelines.

The District's Financial Management Guide was last updated in 2014. In 2018, District staff intends to revise the manual in order to best reflect current policies and practices. The Executive Committee's "Framing the Future" discussions indicated a need for improvement in how guidelines are developed and applied.

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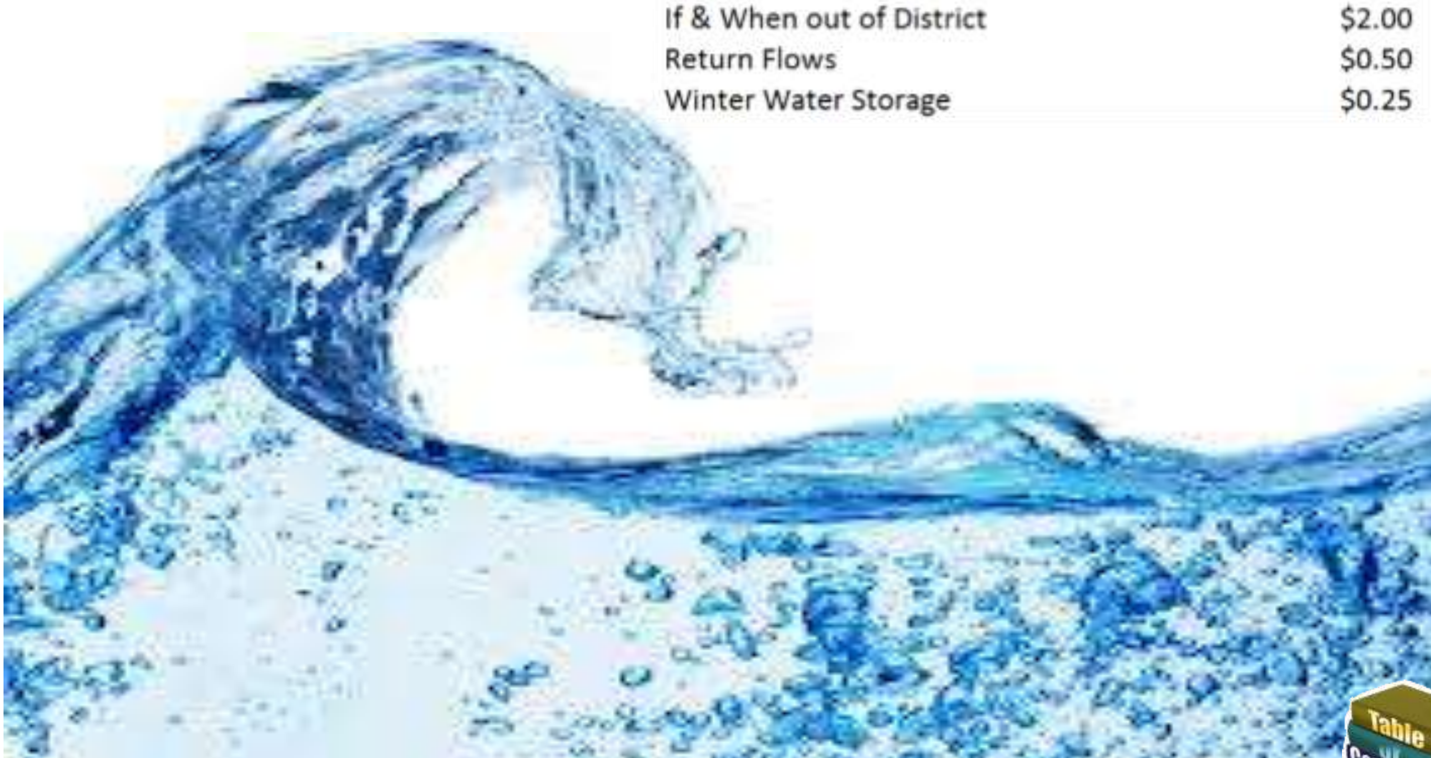
Appendix

2018 Water Rates and Surcharges

Description	Rates and Surcharges					
	Water Rate	Safety of Dams	Water Activity	Environmental Stewardship	Augmentation	Total Charge
Project Water Sales						
Agricultural	$ 7.00	$ 0.50	$ 0.75	$ 0.75	$ -	$ 9.00
Municipal	$ 7.00	$ 0.50	$ 1.50	$ 0.75	$ -	$ 9.75
Project Water Sales used for Well Augmentation						
Agriculture 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
Carry-Over Project Water	$ -	$ 1.00	$ 1.25	$ 0.75	$ -	$ 3.00
If & When Storage						
In District	$ -	$ 0.50	$ 0.50	$ 0.75	$ -	$ 1.75
Out of District	$ -	$ 2.00	$ 4.00	$ 0.75	$ -	$ 6.75
Aurora	$ -	$ 2.00	$ 8.00	$ -	$ -	$ 10.00
Project Water Return Flows						
Return Flows	$ 6.00	$ 0.50	$ -	$ 0.75	$ -	$ 7.25

Type of Water Sales and Saftey of Dams Surcharge Rate	
Project Water Ag & M&I	$0.50
Well Augmentation Ag & M&I	$0.50
Carry Over Project Water	$1.00
If & When in District	$0.50
If & When out of District	$2.00
Return Flows	$0.50
Winter Water Storage	$0.25



County Assessed Valuations and Certification of Tax

Bent County
Certification of Valuation
and
Certification of Tax Levies

11 County Tax Entity Code   DOLA LGID/SID 94128 /1

CERTIFICATION OF VALUATION BY BENT COUNTY ASSESSOR

New Tax Entity ☐ YES X NO   Date December 8, 2017

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 2017:

1.	PREVIOUS YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:	1.	$ 56,880,210
2.	CURRENT YEAR'S GROSS TOTAL TAXABLE ASSESSED VALUATION: ‡	2.	$ 58,555,800
3.	LESS TOTAL TIF AREA INCREMENTS, IF ANY:	3.	$ 0
4.	CURRENT YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:	4.	$ 58,555,800
5.	NEW CONSTRUCTION: *	5.	$ 96,182
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.): Φ	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.	$ 1.45
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.	$ 73.82

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 2017:

1.	CURRENT YEAR'S TOTAL ACTUAL VALUE OF ALL REAL PROPERTY: ¶	1.	$ 221,433,810
	ADDITIONS TO TAXABLE REAL PROPERTY		
2.	CONSTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTS: *	2.	$ 1,129,490
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.	$ 5,329
	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

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

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

County Tax Entity Code   DOLA LGID/SID

CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments

TO: County Commissioners[1] of Bent County, Colorado.

On behalf of the Southeastern Colorado Water Conservancy District (taxing entity)

the Board of Directors (governing body)

of the Southeastern Colorado Water Conservancy District (local government)

Hereby officially certifies the following mills to be levied against the taxing entity's GROSS assessed valuation of: $ 58,555,800 (GROSS assessed valuation, Line 2 of the Certification of Valuation Form DLG 57)

Note: If the assessor certified a NET assessed valuation (AV) different than the GROSS AV due to a Tax Increment Financing (TIF) Area the tax levies must be calculated using the NET AV. The taxing entity's total property tax revenue will be derived from the mill levy multiplied against the NET assessed valuation of: $ 58,555,800 (NET assessed valuation, Line 4 of the Certification of Valuation Form DLG 57) USE VALUE FROM FINAL CERTIFICATION OF VALUATION PROVIDED BY ASSESSOR NO LATER THAN DECEMBER 10

Submitted: 12/13/17 (no later than Dec. 15) for budget/fiscal year 2018

PURPOSE	LEVY[2]		REVENUE[2]
1. General Operating Expenses	.900	mills	$ 52,700.22
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction	< >	mills	$< >
SUBTOTAL FOR GENERAL OPERATING:	.900	mills	$ 52,700.22
3. General Obligation Bonds and Interest		mills	$
4. Contractual Obligations		mills	$
5. Capital Expenditures		mills	$
6. Refunds/Abatements	.004	mills	$ 234.22
7. Other (specify):		mills	$
		mills	$
TOTAL: [Sum of General Operating Subtotal and Lines 3 to 7]	.904	**mills**	$ 52,934.44

Contact person: (print) Leann Noga   Daytime phone: (719) 948-2400

Signed: Title: Finance Manager / Budget Officer

Include one copy of this tax entity's completed form when filing the local government's budget by January 31st, per 29-1-113 C.R.S., with the Division of Local Government (DLG), Room 521, 1313 Sherman Street, Denver, CO 80203. Questions? Call DLG at (303) 864-7720.

[1] If the taxing entity's boundaries include more than one county, you must certify the levies to each county. Use a separate form for each county and certify the same levies uniformly to each county per Article X, Section 3 of the Colorado Constitution.
[2] Levies must be rounded to three decimal places and revenue must be calculated from the total NET assessed valuation (Line 4 of Form DLG57 on the County Assessor's FINAL certification of valuation).

County Tax Entity Code   DOLA LGID/SID

CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments

TO: County Commissioners[1] of Bent County, Colorado.

On behalf of the Southeastern Colorado Water Conservancy District (taxing entity)

the Board of Directors (governing body)

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Note: If the assessor certified a NET assessed valuation (AV) different than the GROSS AV due to a Tax Increment Financing (TIF) Area the tax levies must be calculated using the NET AV. The taxing entity's total property tax revenue will be derived from the mill levy multiplied against the NET assessed valuation of: $ 58,555,800 (NET assessed valuation, Line 4 of the Certification of Valuation Form DLG 57) USE VALUE FROM FINAL CERTIFICATION OF VALUATION PROVIDED BY ASSESSOR NO LATER THAN DECEMBER 10

Submitted: 12/13/17 (no later than Dec. 15) for budget/fiscal year 2018

PURPOSE	LEVY[2]		REVENUE[2]
1. General Operating Expenses	.035	mills	$ 2049.45
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction	< >	mills	$< >
SUBTOTAL FOR GENERAL OPERATING:	.035	mills	$ 2049.45
3. General Obligation Bonds and Interest		mills	$
4. Contractual Obligations		mills	$
5. Capital Expenditures		mills	$
6. Refunds/Abatements		mills	$
7. Other (specify):		mills	$
		mills	$
TOTAL: [Sum of General Operating Subtotal and Lines 3 to 7]	.035	**mills**	$ 2049.45

Contact person: (print) Leann Noga   Daytime phone: (719) 948-2400

Signed: Title: Finance Manager / Budget Officer

Include one copy of this tax entity's completed form when filing the local government's budget by January 31st, per 29-1-113 C.R.S., with the Division of Local Government (DLG), Room 521, 1313 Sherman Street, Denver, CO 80203. Questions? Call DLG at (303) 864-7720.

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[2] Levies must be rounded to three decimal places and revenue must be calculated from the total NET assessed valuation (Line 4 of Form DLG57 on the County Assessor's FINAL certification of valuation).

County Valuations and Citification of Tax Levies

Chaffee County Certification of Valuation and Certification of Tax Levies

CERTIFICATION OF VALUATION BY CHAFFEE COUNTY ASSESSOR

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

IN CHAFFEE COUNTY ON 12/4/2017 — New Entity: No

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 2017 IN CHAFFEE COUNTY, COLORADO

1. PREVIOUS YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:	$323,042,394
2. CURRENT YEAR'S GROSS TOTAL TAXABLE ASSESSED VALUATION: *	$334,098,910
3. LESS TIF DISTRICT INCREMENT, IF ANY:	$0
4. CURRENT YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:	$334,098,910
5. NEW CONSTRUCTION: **	$5,247,370
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.):	$15.77
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.):	$395.08

* 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 53B) 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 2017 IN CHAFFEE COUNTY, COLORADO ON AUGUST 25, 2017

1. CURRENT YEAR'S TOTAL ACTUAL VALUE OF ALL REAL PROPERTY: @	$2,878,427,597
ADDITIONS TO TAXABLE REAL PROPERTY:	
2. CONSTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTS: !	$58,300,348
3. ANNEXATIONS/INCLUSIONS:	$0
4. INCREASED MINING PRODUCTION: %	$0
5. PREVIOUSLY EXEMPT PROPERTY:	$4,231,432
6. OIL OR GAS PRODUCTION FROM A NEW WELL:	$0
7. TAXABLE REAL PROPERTY OMITTED FROM THE PREVIOUS YEAR'S TAX WARRANT:	$227,903
DELETIONS FROM TAXABLE REAL PROPERTY:	
8. DESTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTS:	$1,002,713
9. DISCONNECTIONS/EXCLUSION:	$0
10. PREVIOUSLY TAXABLE PROPERTY:	$261,872

@ 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, 2017

Data Date: 12/4/2017

County Tax Entity Code ______ DOLA LGID/SID ______

CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments

TO: County Commissioners[1] of Chaffee County, Colorado.

On behalf of the Southeastern Colorado Water Conservancy District (taxing entity)[A]

the Board of Directors (governing body)[B]

of the Southeastern Colorado Water Conservancy District (local government)[C]

Hereby officially certifies the following mills to be levied against the taxing entity's GROSS assessed valuation of: $ 334,098,910 (GROSS[D] assessed valuation, Line 2 of the Certification of Valuation Form DLG 57[E])

Note: If the assessor certified a NET assessed valuation (AV) different than the GROSS AV due to a Tax Increment Financing (TIF) Area[F] the tax levies must be calculated using the NET AV. The taxing entity's total property tax revenue will be derived from the mill levy multiplied against the NET assessed valuation of: $ 334,098,910 (NET[G] assessed valuation, Line 4 of the Certification of Valuation Form DLG 57) USE VALUE FROM FINAL CERTIFICATION OF VALUATION PROVIDED BY ASSESSOR NO LATER THAN DECEMBER 10

Submitted: (no later than Dec. 15) 12/13/17 (mm/dd/yyyy) for budget/fiscal year 2018 (yyyy)

PURPOSE (see end notes for definitions and examples)	LEVY[2]		REVENUE[2]
1. General Operating Expenses[H]	.900	mills	$ 300,689.02
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction[I]	< >	mills	$< >
SUBTOTAL FOR GENERAL OPERATING:	.900	mills	$ 300,689.02
3. General Obligation Bonds and Interest[J]		mills	$
4. Contractual Obligations[K]		mills	$
5. Capital Expenditures[L]		mills	$
6. Refunds/Abatements[M]	.004	mills	$ 1,336.40
7. Other[N] (specify):		mills	$
		mills	$
TOTAL: [Sum of General Operating Subtotal and Lines 3 to 7]	.904	mills	$ 302,025.41

Contact person: (print) Leann Noga — Daytime phone: (719) 948-2400

Signed: [signature] — Title: Finance Manager / Budget Officer

Include one copy of this tax entity's completed form when filing the local government's budget by January 31st, per 29-1-113 C.R.S., with the Division of Local Government (DLG), Room 521, 1313 Sherman Street, Denver, CO 80203. Questions? Call DLG at (303) 864-7720.

[1] If the *taxing entity's* boundaries include more than one county, you must certify the levies to each county. Use a separate form for each county and certify the same levies uniformly to each county per Article X, Section 3 of the Colorado Constitution.

[2] Levies must be rounded to three decimal places and revenue must be calculated from the total NET assessed valuation (Line 4 of Form DLG57 on the County Assessor's FINAL certification of valuation).

County Tax Entity Code ______ DOLA LGID/SID ______

CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments

TO: County Commissioners[1] of Chaffee County, Colorado.

On behalf of the Southeastern Colorado Water Conservancy District (taxing entity)[A]

the Board of Directors (governing body)[B]

of the Southeastern Colorado Water Conservancy District (local government)[C]

Hereby officially certifies the following mills to be levied against the taxing entity's GROSS assessed valuation of: $ 334,098,910 (GROSS[D] assessed valuation, Line 2 of the Certification of Valuation Form DLG 57[E])

Note: If the assessor certified a NET assessed valuation (AV) different than the GROSS AV due to a Tax Increment Financing (TIF) Area[F] the tax levies must be calculated using the NET AV. The taxing entity's total property tax revenue will be derived from the mill levy multiplied against the NET assessed valuation of: $ 334,098,910 (NET[G] assessed valuation, Line 4 of the Certification of Valuation Form DLG 57) USE VALUE FROM FINAL CERTIFICATION OF VALUATION PROVIDED BY ASSESSOR NO LATER THAN DECEMBER 10

Submitted: (no later than Dec. 15) 12/13/17 (mm/dd/yyyy) for budget/fiscal year 2018 (yyyy)

PURPOSE (see end notes for definitions and examples)	LEVY[2]		REVENUE[2]
1. General Operating Expenses[H]	.035	mills	$ 11,693.46
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction[I]	< >	mills	$< >
SUBTOTAL FOR GENERAL OPERATING:	.035	mills	$ 11,693.46
3. General Obligation Bonds and Interest[J]		mills	$
4. Contractual Obligations[K]		mills	$
5. Capital Expenditures[L]		mills	$
6. Refunds/Abatements[M]		mills	$
7. Other[N] (specify):		mills	$
		mills	$
TOTAL: [Sum of General Operating Subtotal and Lines 3 to 7]	.035	mills	$ 11,693.46

Contact person: (print) Leann Noga — Daytime phone: (719) 948-2400

Signed: [signature] — Title: Finance Manager / Budget Officer

Include one copy of this tax entity's completed form when filing the local government's budget by January 31st, per 29-1-113 C.R.S., with the Division of Local Government (DLG), Room 521, 1313 Sherman Street, Denver, CO 80203. Questions? Call DLG at (303) 864-7720.

[1] If the *taxing entity's* boundaries include more than one county, you must certify the levies to each county. Use a separate form for each county and certify the same levies uniformly to each county per Article X, Section 3 of the Colorado Constitution.

[2] Levies must be rounded to three decimal places and revenue must be calculated from the total NET assessed valuation (Line 4 of Form DLG57 on the County Assessor's FINAL certification of valuation).

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County Assessed Valuations and Citification of Tax

Crowley County
Certification of Valuation
and
Certification of Tax Levies

County Tax Entity Code　　DOLA LGID/SID

CERTIFICATION OF VALUATION BY CROWLEY COUNTY ASSESSOR

New Tax Entity ☐ YES ☒ NO　　Date: December 11, 2017

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 2017 :

1	PREVIOUS YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:	1	$ 36,059,432
2	CURRENT YEAR'S GROSS TOTAL TAXABLE ASSESSED VALUATION: ‡	2	$ 36,436,079
3	LESS TOTAL TIF AREA INCREMENTS, IF ANY:	3	$ -
4	CURRENT YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:	4	$ 36,436,079
5	NEW CONSTRUCTION: *	5	$ 31,663
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.): Φ	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	$ 55.99

USE FOR TABOR "LOCAL GROWTH" CALCULATION ONLY

1	CURRENT YEAR'S TOTAL ACTUAL VALUE OF ALL REAL PROPERTY: ¶	1	$ 181,347,285
	ADDITIONS TO TAXABLE REAL PROPERTY		
2	CONSTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTS: *	2	$ 317,890
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	$ 71,692
9	DISCONNECTIONS/EXCLUSIONS:	9	$ -
10	PREVIOUSLY TAXABLE PROPERTY:	10	$ -

1	TOTAL ACTUAL VALUE OF ALL TAXABLE PROPERTY	1	$ -

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

County Tax Entity Code　　DOLA LGID/SID

CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments

TO: County Commissioners[1] of Crowley County, Colorado.

On behalf of the Southeastern Colorado Water Conservancy District (taxing entity)

the Board of Directors (governing body)

of the Southeastern Colorado Water Conservancy District (local government)

Hereby officially certifies the following mills to be levied against the taxing entity's GROSS assessed valuation of: $ 36,436,079

Note: If the assessor certified a NET assessed valuation (AV) different than the GROSS AV due to a Tax Increment Financing (TIF) Area the tax levies must be calculated using the NET AV. The taxing entity's total property tax revenue will be derived from the mill levy multiplied against the NET assessed valuation of: $ 36,436,079

USE VALUE FROM FINAL CERTIFICATION OF VALUATION PROVIDED BY ASSESSOR NO LATER THAN DECEMBER 10

Submitted: 12/13/17 for budget/fiscal year 2018

PURPOSE	LEVY[2]		REVENUE[2]
1. General Operating Expenses	.900	mills	$ 32,792.47
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction	< >	mills	$ < >
SUBTOTAL FOR GENERAL OPERATING:	.900	mills	$ 32,792.47
3. General Obligation Bonds and Interest		mills	$
4. Contractual Obligations		mills	$
5. Capital Expenditures		mills	$
6. Refunds/Abatements	.004	mills	$ 145.74
7. Other (specify):		mills	$
		mills	$
TOTAL: [Sum of General Operating Subtotal and Lines 3 to 7]	.904	mills	$ 32,938.22

Contact person: (print) Leann Noga　　Daytime phone: (719) 948-2400

Signed:　　Title: Finance Manager / Budget Officer

Include one copy of this tax entity's completed form when filing the local government's budget by January 31st, per 29-1-113 C.R.S., with the Division of Local Government (DLG), Room 521, 1313 Sherman Street, Denver, CO 80203. Questions? Call DLG at (303) 864-7720.

[1] If the taxing entity's boundaries include more than one county, you must certify the levies to each county. Use a separate form for each county and certify the same levies uniformly to each county per Article X, Section 3 of the Colorado Constitution.
[2] Levies must be rounded to three decimal places and revenue must be calculated from the total NET assessed valuation (Line 4 of Form DLG57 on the County Assessor's FINAL certification of valuation).

County Tax Entity Code　　DOLA LGID/SID

CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments

TO: County Commissioners[1] of Crowley County, Colorado.

On behalf of the Southeastern Colorado Water Conservancy District (taxing entity)

the Board of Directors (governing body)

of the Southeastern Colorado Water Conservancy District (local government)

Hereby officially certifies the following mills to be levied against the taxing entity's GROSS assessed valuation of: $ 36,436,079

Note: If the assessor certified a NET assessed valuation (AV) different than the GROSS AV due to a Tax Increment Financing (TIF) Area the tax levies must be calculated using the NET AV. The taxing entity's total property tax revenue will be derived from the mill levy multiplied against the NET assessed valuation of: $ 36,436,079

USE VALUE FROM FINAL CERTIFICATION OF VALUATION PROVIDED BY ASSESSOR NO LATER THAN DECEMBER 10

Submitted: 12/13/17 for budget/fiscal year 2018

PURPOSE	LEVY[2]		REVENUE[2]
1. General Operating Expenses	.035	mills	$ 1,275.28
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction	< >	mills	$ < >
SUBTOTAL FOR GENERAL OPERATING:	.035	mills	$ 1,275.28
3. General Obligation Bonds and Interest		mills	$
4. Contractual Obligations		mills	$
5. Capital Expenditures		mills	$
6. Refunds/Abatements		mills	$
7. Other (specify):		mills	$
		mills	$
TOTAL: [Sum of General Operating Subtotal and Lines 3 to 7]	.035	mills	$ 1,275.28

Contact person: (print) Leann Noga　　Daytime phone: (719) 948-2400

Signed:　　Title: Finance Manager / Budget Officer

Include one copy of this tax entity's completed form when filing the local government's budget by January 31st, per 29-1-113 C.R.S., with the Division of Local Government (DLG), Room 521, 1313 Sherman Street, Denver, CO 80203. Questions? Call DLG at (303) 864-7720.

[1] If the taxing entity's boundaries include more than one county, you must certify the levies to each county. Use a separate form for each county and certify the same levies uniformly to each county per Article X, Section 3 of the Colorado Constitution.
[2] Levies must be rounded to three decimal places and revenue must be calculated from the total NET assessed valuation (Line 4 of Form DLG57 on the County Assessor's FINAL certification of valuation).

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County Assessed Valuations and Certification of Tax

El Paso County
Certification of Valuation
and
Certification of Tax Levies

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 22, 2017

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 2017:

Previous year's net total taxable assessed valuation:	$ 5,319,884,200
Current year's gross total taxable assessed valuation:	$ 5,973,827,030
Less TIF district increment, if any:	$ 79,463,380
Current year's net total taxable assessed valuation:	$ 5,894,363,650
New construction:	$ 110,168,490
Increased production of producing mine:	$ 0
Annexations/Inclusions:	$ 0
Previously exempt federal property:	$ 0
New primary oil or gas production from any producing oil and gas leasehold or land (29-1-301(1)(b), C.R.S.):	$ 0
Taxes collected last year on omitted property as of August 1 (29-1-301(1)(a), C.R.S.):	$ 2,454.61
Taxes abated and refunded as of August 1 (29-1-301(1)(a) and 39-10-114(1)(a)(I)(B), C.R.S.):	$ 33,305.39

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 2017:

Current year's total actual value of all real property:	$ 32,849,755,047
ADDITIONS TO TAXABLE REAL PROPERTY	
Construction of taxable real property improvements:	$ 1,128,748,269
Increased mining production:	$ 0
Annexations/Inclusions:	$ 0
Previously exempt property:	$ 18,554,860
Oil or gas production from a new well:	$ 0
Taxable real property omitted from the previous year's tax warrant:	$ 1,033,898
DELETIONS FROM TAXABLE REAL PROPERTY	
Destruction of taxable real property improvements:	$ 10,142,344
Disconnection/Exclusion:	$ 0
Previously taxable property:	$ 36,892,572

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, 2017.

DLG-57

CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments

TO: County Commissioners[1] of El Paso County, Colorado.
On behalf of the Southeastern Colorado Water Conservancy District (taxing entity)
the Board of Directors (governing body)
of the Southeastern Colorado Water Conservancy District (local government)

Hereby officially certifies the following mills to be levied against the taxing entity's GROSS assessed valuation of: $ 5,973,827,030

Note: If the assessor certified a NET assessed valuation (AV) different than the GROSS AV due to a Tax Increment Financing (TIF) Area the tax levies must be calculated using the NET AV. The taxing entity's total property tax revenue will be derived from the mill levy multiplied against the NET assessed valuation of: $ 5,894,363,650

USE VALUE FROM FINAL CERTIFICATION OF VALUATION PROVIDED BY ASSESSOR NO LATER THAN DECEMBER 10

Submitted: 12/13/17 for budget/fiscal year 2018

PURPOSE	LEVY[2]		REVENUE[2]
1. General Operating Expenses	.900	mills	$ 5,304,927.29
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction	< >	mills	$< >
SUBTOTAL FOR GENERAL OPERATING:	.900	mills	$ 5,304,927.29
3. General Obligation Bonds and Interest		mills	$
4. Contractual Obligations		mills	$
5. Capital Expenditures		mills	$
6. Refunds/Abatements	.004	mills	$ 23,577.45
7. Other (specify):		mills	$
		mills	$
TOTAL: [Sum of General Operating Subtotal and Lines 3 to 7]	.904	mills	$ 5,328,504.74

Contact person: (print) Leann Noga Daytime phone: (719) 948-2400
Signed: Title: Finance Manager / Budget Officer

[1] If the taxing entity's boundaries include more than one county, you must certify the levies to each county. Use a separate form for each county and certify the same levies uniformly to each county per Article X, Section 3 of the Colorado Constitution.
[2] Levies must be rounded to three decimal places and revenue must be calculated from the total NET assessed valuation (Line 4 of Form DLG57 on the County Assessor's FINAL certification of valuation).

CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments

TO: County Commissioners[1] of El Paso County, Colorado.
On behalf of the Southeastern Colorado Water Conservancy District (taxing entity)
the Board of Directors (governing body)
of the Southeastern Colorado Water Conservancy District (local government)

Hereby officially certifies the following mills to be levied against the taxing entity's GROSS assessed valuation of: $ 5,973,827,030

Note: If the assessor certified a NET assessed valuation (AV) different than the GROSS AV due to a Tax Increment Financing (TIF) Area the tax levies must be calculated using the NET AV. The taxing entity's total property tax revenue will be derived from the mill levy multiplied against the NET assessed valuation of: $ 5,894,363,650

USE VALUE FROM FINAL CERTIFICATION OF VALUATION PROVIDED BY ASSESSOR NO LATER THAN DECEMBER 10

Submitted: 12/13/17 for budget/fiscal year 2018

PURPOSE	LEVY[2]		REVENUE[2]
1. General Operating Expenses	.035	mills	$ 208,302.73
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction	< >	mills	$< >
SUBTOTAL FOR GENERAL OPERATING:	.035	mills	$ 208,302.73
3. General Obligation Bonds and Interest		mills	$
4. Contractual Obligations		mills	$
5. Capital Expenditures		mills	$
6. Refunds/Abatements		mills	$
7. Other (specify):		mills	$
		mills	$
TOTAL: [Sum of General Operating Subtotal and Lines 3 to 7]	.035	mills	$ 208,302.73

Contact person: (print) Leann Noga Daytime phone: (719) 948-2400
Signed: Title: Finance Manager / Budget Officer

[1] If the taxing entity's boundaries include more than one county, you must certify the levies to each county. Use a separate form for each county and certify the same levies uniformly to each county per Article X, Section 3 of the Colorado Constitution.
[2] Levies must be rounded to three decimal places and revenue must be calculated from the total NET assessed valuation (Line 4 of Form DLG57 on the County Assessor's FINAL certification of valuation).

County Assessed Valuations and Certification of Tax

Fremont County Certification of Valuation and Certification of Tax Levies

CERTIFICATION OF VALUES

Name of Jurisdiction: S.E. COLO 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 2017 in Fremont County On 11/30/2017 Are:

Previous Year's Net Total Assessed Valuation:	$319,544,672
Current Year's Gross Total Assessed Valuation:	$315,454,261
(-) Less TIF district increment, if any:	$0
Current Year's Net Total Assessed Valuation:	$315,454,261
New Construction*:	$1,556,024
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.):	$5,002.16

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 2017 in Fremont County On 11/30/2017 Are:

Current Year's Total Actual Value of All Real Property:	$7,473,826,209
ADDITIONS TO TAXABLE REAL PROPERTY: Construction of taxable real property improvements**:	$18,972,281
ANNEXATIONS/INCLUSIONS:	$0
Increased Mining Production***:	$0
Previously exempt property:	$259,000
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):	$0
DELETIONS FROM TAXABLE REAL PROPERTY: Destruction of taxable property improvements:	$90,000
Disconnections/Exclusions:	$0
Previously Taxable Property:	$0

NOTE: All levies must be certified to the Board of County Commissioners no later than December 15, 2017

County Tax Entity Code   DOLA LGID/SID

CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments

TO: County Commissioners[1] of Fremont County, Colorado.

On behalf of the Southeastern Colorado Water Conservancy District (taxing entity)

the Board of Directors (governing body)

of the Southeastern Colorado Water Conservancy District (local government)

Hereby officially certifies the following mills to be levied against the taxing entity's GROSS assessed valuation of: $ 315,454,261 (GROSS assessed valuation, Line 2 of the Certification of Valuation Form DLG 57)

Note: If the assessor certified a NET assessed valuation (AV) different than the GROSS AV due to a Tax Increment Financing (TIF) Area the tax levies must be calculated using the NET AV. The taxing entity's total property tax revenue will be derived from the mill levy multiplied against the NET assessed valuation of: $ 315,454,261 (NET assessed valuation, Line 4 of the Certification of Valuation Form DLG 57) USE VALUE FROM FINAL CERTIFICATION OF VALUATION PROVIDED BY ASSESSOR NO LATER THAN DECEMBER 10

Submitted: 12/13/17 (no later than Dec. 15) for budget/fiscal year 2018

PURPOSE	LEVY[2]		REVENUE[2]
1. General Operating Expenses	.900	mills	$ 283,908.83
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction	< >	mills	$ < >
SUBTOTAL FOR GENERAL OPERATING:	.900	mills	$ 283,908.83
3. General Obligation Bonds and Interest		mills	$
4. Contractual Obligations		mills	$
5. Capital Expenditures		mills	$
6. Refunds/Abatements	.004	mills	$ 1,261.82
7. Other (specify):		mills	$
		mills	$
TOTAL: [Sum of General Operating Subtotal and Lines 3 to 7]	.904	mills	$ 285,170.65

Contact person: (print) Leann Noga   Daytime phone: (719) 948-2400

Signed: Title: Finance Manager / Budget Officer

Include one copy of this tax entity's completed form when filing the local government's budget by January 31st, per 29-1-113 C.R.S., with the Division of Local Government (DLG), Room 521, 1313 Sherman Street, Denver, CO 80203. Questions? Call DLG at (303) 864-7720.

[1] If the taxing entity's boundaries include more than one county, you must certify the levies to each county. Use a separate form for each county and certify the same levies uniformly to each county per Article X, Section 3 of the Colorado Constitution.
[2] Levies must be rounded to three decimal places and revenue must be calculated from the total NET assessed valuation (Line 4 of Form DLG57 on the County Assessor's FINAL certification of valuation).

County Tax Entity Code   DOLA LGID/SID

CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments

TO: County Commissioners[1] of Fremont County, Colorado.

On behalf of the Southeastern Colorado Water Conservancy District (taxing entity)

the Board of Directors (governing body)

of the Southeastern Colorado Water Conservancy District (local government)

Hereby officially certifies the following mills to be levied against the taxing entity's GROSS assessed valuation of: $ 315,454,261 (GROSS assessed valuation, Line 2 of the Certification of Valuation Form DLG 57)

Note: If the assessor certified a NET assessed valuation (AV) different than the GROSS AV due to a Tax Increment Financing (TIF) Area the tax levies must be calculated using the NET AV. The taxing entity's total property tax revenue will be derived from the mill levy multiplied against the NET assessed valuation of: $ 315,454,261 (NET assessed valuation, Line 4 of the Certification of Valuation Form DLG 57) USE VALUE FROM FINAL CERTIFICATION OF VALUATION PROVIDED BY ASSESSOR NO LATER THAN DECEMBER 10

Submitted: 12/13/17 (no later than Dec. 15) for budget/fiscal year 2018

PURPOSE	LEVY[2]		REVENUE[2]
1. General Operating Expenses	.035	mills	$ 11,040.90
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction	< >	mills	$ < >
SUBTOTAL FOR GENERAL OPERATING:	.035	mills	$ 11,040.90
3. General Obligation Bonds and Interest		mills	$
4. Contractual Obligations		mills	$
5. Capital Expenditures		mills	$
6. Refunds/Abatements		mills	$
7. Other (specify):		mills	$
		mills	$
TOTAL: [Sum of General Operating Subtotal and Lines 3 to 7]	.035	mills	$ 11,040.90

Contact person: (print) Leann Noga   Daytime phone: (719) 948-2400

Signed: Title: Finance Manager / Budget Officer

Include one copy of this tax entity's completed form when filing the local government's budget by January 31st, per 29-1-113 C.R.S., with the Division of Local Government (DLG), Room 521, 1313 Sherman Street, Denver, CO 80203. Questions? Call DLG at (303) 864-7720.

[1] If the taxing entity's boundaries include more than one county, you must certify the levies to each county. Use a separate form for each county and certify the same levies uniformly to each county per Article X, Section 3 of the Colorado Constitution.
[2] Levies must be rounded to three decimal places and revenue must be calculated from the total NET assessed valuation (Line 4 of Form DLG57 on the County Assessor's FINAL certification of valuation).

County Assessed Valuations and Certification of Tax

Kiowa County

Certification of Valuation

and

Certification of Tax Levies

County Tax Entity Code — DOLA LGID/SID

CERTIFICATION OF VALUATION BY KIOWA COUNTY ASSESSOR

New Tax Entity ☐ YES ☑ NO — Date: November 29, 2017

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 2017:

1. PREVIOUS YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION: 1. $ [illegible]
2. CURRENT YEAR'S GROSS TOTAL TAXABLE ASSESSED VALUATION: ‡ 2. $ 2,765,260
3. LESS TOTAL TIF AREA INCREMENTS, IF ANY: 3. $
4. CURRENT YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION: 4. $ 2,765,260
5. NEW CONSTRUCTION: * 5. $ [illegible]
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.): Φ 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. $

USE FOR TABOR "LOCAL GROWTH" CALCULATIONS 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 2017:

1. CURRENT YEAR'S TOTAL ACTUAL VALUE OF ALL REAL PROPERTY: ¶ 1. $ [illegible]

ADDITIONS TO TAXABLE REAL PROPERTY

2. CONSTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTS: * 2. $ [illegible]
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. $
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.

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

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

Form DLG 57 (Rev. 2008)

County Tax Entity Code — DOLA LGID/SID

CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments

TO: County Commissioners[1] of Kiowa County, Colorado.

On behalf of the Southeastern Colorado Water Conservancy District (taxing entity)[A]

the Board of Directors (governing body)[B]

of the Southeastern Colorado Water Conservancy District (local government)[C]

Hereby officially certifies the following mills to be levied against the taxing entity's GROSS assessed valuation of: $ 2,765,260 (GROSS[D] assessed valuation, Line 2 of the Certification of Valuation Form DLG 57[E])

Note: If the assessor certified a NET assessed valuation (AV) different than the GROSS AV due to a Tax Increment Financing (TIF) Area[F] the tax levies must be calculated using the NET AV. The taxing entity's total property tax revenue will be derived from the mill levy multiplied against the NET assessed valuation of: $ 2,765,260 (NET[G] assessed valuation, Line 4 of the Certification of Valuation Form DLG 57) USE VALUE FROM FINAL CERTIFICATION OF VALUATION PROVIDED BY ASSESSOR NO LATER THAN DECEMBER 10

Submitted: 12/13/17 (no later than Dec. 15) (mm/dd/yyyy) for budget/fiscal year 2018 (yyyy)

PURPOSE (see end notes for definitions and examples)	LEVY[2]		REVENUE[2]
1. General Operating Expenses[H]	.900	mills	$ 2,488.73
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction[I]	< >	mills	$< >
SUBTOTAL FOR GENERAL OPERATING:	.900	mills	$ 2,488.73
3. General Obligation Bonds and Interest[J]		mills	$
4. Contractual Obligations[K]		mills	$
5. Capital Expenditures[L]		mills	$
6. Refunds/Abatements[M]	.004	mills	$ 11.06
7. Other[N] (specify):		mills	$
		mills	$
TOTAL: [Sum of General Operating Subtotal and Lines 3 to 7]	.904	mills	$ 2,499.80

Contact person: (print) Leann Noga — Daytime phone: (719) 948-2400

Signed: — Title: Finance Manager / Budget Officer

Include one copy of this tax entity's completed form when filing the local government's budget by January 31st, per 29-1-113 C.R.S., with the Division of Local Government (DLG), Room 521, 1313 Sherman Street, Denver, CO 80203. Questions? Call DLG at (303) 864-7720.

[1] If the taxing entity's boundaries include more than one county, you must certify the levies to each county. Use a separate form for each county and certify the same levies uniformly to each county per Article X, Section 3 of the Colorado Constitution.
[2] Levies must be rounded to three decimal places and revenue must be calculated from the total NET assessed valuation (Line 4 of Form DLG57 on the County Assessor's FINAL certification of valuation).

County Tax Entity Code — DOLA LGID/SID

CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments

TO: County Commissioners[1] of Kiowa County, Colorado.

On behalf of the Southeastern Colorado Water Conservancy District (taxing entity)[A]

the Board of Directors (governing body)[B]

of the Southeastern Colorado Water Conservancy District (local government)[C]

Hereby officially certifies the following mills to be levied against the taxing entity's GROSS assessed valuation of: $ 2,765,260 (GROSS[D] assessed valuation, Line 2 of the Certification of Valuation Form DLG 57[E])

Note: If the assessor certified a NET assessed valuation (AV) different than the GROSS AV due to a Tax Increment Financing (TIF) Area[F] the tax levies must be calculated using the NET AV. The taxing entity's total property tax revenue will be derived from the mill levy multiplied against the NET assessed valuation of: $ 2,765,260 (NET[G] assessed valuation, Line 4 of the Certification of Valuation Form DLG 57) USE VALUE FROM FINAL CERTIFICATION OF VALUATION PROVIDED BY ASSESSOR NO LATER THAN DECEMBER 10

Submitted: 12/13/17 (no later than Dec. 15) (mm/dd/yyyy) for budget/fiscal year 2018 (yyyy)

PURPOSE (see end notes for definitions and examples)	LEVY[2]		REVENUE[2]
1. General Operating Expenses[H]	.035	mills	$ 96.78
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction[I]	< >	mills	$< >
SUBTOTAL FOR GENERAL OPERATING:	.035	mills	$ 96.78
3. General Obligation Bonds and Interest[J]		mills	$
4. Contractual Obligations[K]		mills	$
5. Capital Expenditures[L]		mills	$
6. Refunds/Abatements[M]		mills	$
7. Other[N] (specify):		mills	$
		mills	$
TOTAL: [Sum of General Operating Subtotal and Lines 3 to 7]	.035	mills	$ 96.78

Contact person: (print) Leann Noga — Daytime phone: (719) 948-2400

Signed: — Title: Finance Manager / Budget Officer

Include one copy of this tax entity's completed form when filing the local government's budget by January 31st, per 29-1-113 C.R.S., with the Division of Local Government (DLG), Room 521, 1313 Sherman Street, Denver, CO 80203. Questions? Call DLG at (303) 864-7720.

[1] If the taxing entity's boundaries include more than one county, you must certify the levies to each county. Use a separate form for each county and certify the same levies uniformly to each county per Article X, Section 3 of the Colorado Constitution.
[2] Levies must be rounded to three decimal places and revenue must be calculated from the total NET assessed valuation (Line 4 of Form DLG57 on the County Assessor's FINAL certification of valuation).

County Assessed Valuations and Certification of Tax

Otero County
Certification of Valuation
and
Certification of Tax Levies

County Tax Entity Code ______ DOLA LGID/SID ______

CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments

TO: County Commissioners[1] of Otero County, Colorado.

On behalf of the Southeastern Colorado Water Conservancy District, (taxing entity)

the Board of Directors (governing body)

of the Southeastern Colorado Water Conservancy District (local government)

Hereby officially certifies the following mills to be levied against the taxing entity's GROSS assessed valuation of: $ 134,722,045 (GROSS assessed valuation, Line 2 of the Certification of Valuation Form DLG 57)

Note: If the assessor certified a NET assessed valuation (AV) different than the GROSS AV due to a Tax Increment Financing (TIF) Area the tax levies must be calculated using the NET AV. The taxing entity's total property tax revenue will be derived from the mill levy multiplied against the NET assessed valuation of: $ 133,479,280 (NET assessed valuation, Line 4 of the Certification of Valuation Form DLG 57) USE VALUE FROM FINAL CERTIFICATION OF VALUATION PROVIDED BY ASSESSOR NO LATER THAN DECEMBER 10

Submitted: 12/13/17 (no later than Dec. 15) (mm/dd/yyyy) for budget/fiscal year 2018 (yyyy)

PURPOSE	LEVY[2]		REVENUE[2]
1. General Operating Expenses	.900	mills	$ 120,131.35
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction	< >	mills	$ < >
SUBTOTAL FOR GENERAL OPERATING:	.900	mills	$ 120,131.35
3. General Obligation Bonds and Interest		mills	$
4. Contractual Obligations		mills	$
5. Capital Expenditures		mills	$
6. Refunds/Abatements	.004	mills	$ 533.92
7. Other (specify):		mills	$
		mills	$
TOTAL: [Sum of General Operating Subtotal and Lines 3 to 7]	.904	mills	$ 120,665.27

Contact person: (print) Leann Noga Daytime phone: (719) 948-2400

Signed: Title: Finance Manager / Budget Officer

Include one copy of this tax entity's completed form when filing the local government's budget by January 31st, per 29-1-113 C.R.S., with the Division of Local Government (DLG), Room 521, 1313 Sherman Street, Denver, CO 80203. Questions? Call DLG at (303) 864-7720.

[1] If the taxing entity's boundaries include more than one county, you must certify the levies to each county. Use a separate form for each county and certify the same levies uniformly to each county per Article X, Section 3 of the Colorado Constitution.
[2] Levies must be rounded to three decimal places and revenue must be calculated from the total NET assessed valuation (Line 4 of Form DLG57 on the County Assessor's FINAL certification of valuation).

CERTIFICATION OF VALUATION BY OTERO COUNTY ASSESSOR

Name of Jurisdiction: 020 - Southeast Colo Water Cons Dist New Entity: No

IN OTERO COUNTY ON 11/22/2017

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 2017 IN OTERO COUNTY, COLORADO

1. PREVIOUS YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:	[illegible]
2. CURRENT YEAR'S GROSS TOTAL TAXABLE ASSESSED VALUATION:	$134,722,045
3. LESS TIF DISTRICT INCREMENT, IF ANY:	$1,242,765
4. CURRENT YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:	$133,479,280
5. NEW CONSTRUCTION:	[illegible]
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.):	$0.00
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.):	$533.92

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 2017 IN OTERO COUNTY, COLORADO ON AUGUST 25, 2017

1. CURRENT YEAR'S TOTAL ACTUAL VALUE OF ALL REAL PROPERTY:	[illegible]
ADDITIONS TO TAXABLE REAL PROPERTY	
2. CONSTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTS:	[illegible]
3. ANNEXATIONS/INCLUSIONS:	$0
4. INCREASED MINING PRODUCTION:	$0
5. PREVIOUSLY EXEMPT PROPERTY:	$0
6. OIL OR GAS PRODUCTION FROM A NEW WELL:	$0
7. TAXABLE REAL PROPERTY OMITTED FROM THE PREVIOUS YEAR'S TAX WARRANT:	$0
DELETIONS FROM TAXABLE REAL PROPERTY	
8. DESTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTS:	[illegible]
9. DISCONNECTIONS/EXCLUSION:	$0
10. PREVIOUSLY TAXABLE PROPERTY:	[illegible]

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, 2017

Data Date: 11/22/2017

County Tax Entity Code ______ DOLA LGID/SID ______

CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments

TO: County Commissioners[1] of Otero County, Colorado.

On behalf of the Southeastern Colorado Water Conservancy District, (taxing entity)

the Board of Directors (governing body)

of the Southeastern Colorado Water Conservancy District (local government)

Hereby officially certifies the following mills to be levied against the taxing entity's GROSS assessed valuation of: $ 134,722,045 (GROSS assessed valuation, Line 2 of the Certification of Valuation Form DLG 57)

Note: If the assessor certified a NET assessed valuation (AV) different than the GROSS AV due to a Tax Increment Financing (TIF) Area the tax levies must be calculated using the NET AV. The taxing entity's total property tax revenue will be derived from the mill levy multiplied against the NET assessed valuation of: $ 133,479,280 (NET assessed valuation, Line 4 of the Certification of Valuation Form DLG 57) USE VALUE FROM FINAL CERTIFICATION OF VALUATION PROVIDED BY ASSESSOR NO LATER THAN DECEMBER 10

Submitted: 12/13/17 (no later than Dec. 15) (mm/dd/yyyy) for budget/fiscal year 2018 (yyyy)

PURPOSE	LEVY[2]		REVENUE[2]
1. General Operating Expenses	.035	mills	$ 4,671.77
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction	< >	mills	$ < >
SUBTOTAL FOR GENERAL OPERATING:	.035	mills	$ 4,671.77
3. General Obligation Bonds and Interest		mills	$
4. Contractual Obligations		mills	$
5. Capital Expenditures		mills	$
6. Refunds/Abatements		mills	$
7. Other (specify):		mills	$
		mills	$
TOTAL: [Sum of General Operating Subtotal and Lines 3 to 7]	.035	mills	$ 4,671.77

Contact person: (print) Leann Noga Daytime phone: (719) 948-2400

Signed: Title: Finance Manager / Budget Officer

Include one copy of this tax entity's completed form when filing the local government's budget by January 31st, per 29-1-113 C.R.S., with the Division of Local Government (DLG), Room 521, 1313 Sherman Street, Denver, CO 80203. Questions? Call DLG at (303) 864-7720.

[1] If the taxing entity's boundaries include more than one county, you must certify the levies to each county. Use a separate form for each county and certify the same levies uniformly to each county per Article X, Section 3 of the Colorado Constitution.
[2] Levies must be rounded to three decimal places and revenue must be calculated from the total NET assessed valuation (Line 4 of Form DLG57 on the County Assessor's FINAL certification of valuation).

County Assessed Valuations and Certification of Tax

CERTIFICATION OF VALUATION BY
PROWERS COUNTY ASSESSOR

New Tax Entity ☐ YES X NO

Date: Nov. 17, 2017

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 2015:

1.	PREVIOUS YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:	1.	$ 57,031,069
2.	CURRENT YEAR'S GROSS TOTAL TAXABLE ASSESSED VALUATION: ‡	2.	$ 59,602,146
3.	LESS TOTAL TIF AREA INCREMENTS, IF ANY:	3.	$ 1,566,668
4.	CURRENT YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:	4.	$ 58,035,478
5.	NEW CONSTRUCTION: *	5.	$ 268,008
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.): Φ	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.	$ 3.38
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.	$ 50.27

‡ 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.
Φ 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 2012:

1.	CURRENT YEAR'S TOTAL ACTUAL VALUE OF ALL REAL PROPERTY: ¶	1.	$ 335,239,466
	ADDITIONS TO TAXABLE REAL PROPERTY		
2.	CONSTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTS: *	2.	$ 1,315,693
3.	ANNEXATIONS/INCLUSIONS:	3.	$
4.	INCREASED MINING PRODUCTION: §	4.	$
5.	PREVIOUSLY EXEMPT PROPERTY:	5.	$ 35,320
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.	$ 98,717
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.

Form DLG 57 (Rev. 8/08)

County Tax Entity Code ______ DOLA LGID/SID ______

CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments

TO: County Commissioners[1] of Prowers County, Colorado.

On behalf of the Southeastern Colorado Water Conservancy District (taxing entity)

the Board of Directors (governing body)

of the Southeastern Colorado Water Conservancy District (local government)

Hereby officially certifies the following mills to be levied against the taxing entity's GROSS assessed valuation of: $ 59,602,146 (GROSS assessed valuation, Line 2 of the Certification of Valuation Form DLG 57)

Note: If the assessor certified a NET assessed valuation (AV) different than the GROSS AV due to a Tax Increment Financing (TIF) Area the tax levies must be calculated using the NET AV. The taxing entity's total property tax revenue will be derived from the mill levy multiplied against the NET assessed valuation of: $ 58,035,478 (NET assessed valuation, Line 4 of the Certification of Valuation Form DLG 57) USE VALUE FROM FINAL CERTIFICATION OF VALUATION PROVIDED BY ASSESSOR NO LATER THAN DECEMBER 10

Submitted: (no later than Dec. 15) 12/13/17 (mm/dd/yyyy) for budget/fiscal year 2018 (yyyy)

PURPOSE (see end notes for definitions and examples)	LEVY[2]		REVENUE[2]
1. General Operating Expenses	.900	mills	$ 52,231.93
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction	< >	mills	$ < >
SUBTOTAL FOR GENERAL OPERATING:	.900	mills	$ 52,231.93
3. General Obligation Bonds and Interest		mills	$
4. Contractual Obligations		mills	$
5. Capital Expenditures		mills	$
6. Refunds/Abatements	.004	mills	$ 232.14
7. Other (specify):		mills	$
		mills	$
TOTAL: [Sum of General Operating Subtotal and Lines 3 to 7]	.904	mills	$ 52,464.07

Contact person: (print) Dennis Noga Daytime phone: (719) 948-2400

Signed: Title: Finance Manager / Budget Officer

Include one copy of this tax entity's completed form when filing the local government's budget by January 31st, per 29-1-113 C.R.S., with the Division of Local Government (DLG), Room 521, 1313 Sherman Street, Denver, CO 80203. Questions? Call DLG at (303) 864-7720.

[1] If the taxing entity's boundaries include more than one county, you must certify the levies to each county. Use a separate form for each county and certify the same levies uniformly to each county per Article X, Section 3 of the Colorado Constitution.
[2] Levies must be rounded to three decimal places and revenue must be calculated from the total NET assessed valuation (Line 4 of Form DLG57 on the County Assessor's FINAL certification of valuation).

Prowers County

Certification of Valuation

and

Certification of Tax Levies

County Tax Entity Code ______ DOLA LGID/SID ______

CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments

TO: County Commissioners[1] of Prowers County, Colorado.

On behalf of the Southeastern Colorado Water Conservancy District (taxing entity)

the Board of Directors (governing body)

of the Southeastern Colorado Water Conservancy District (local government)

Hereby officially certifies the following mills to be levied against the taxing entity's GROSS assessed valuation of: $ 59,602,146 (GROSS assessed valuation, Line 2 of the Certification of Valuation Form DLG 57)

Note: If the assessor certified a NET assessed valuation (AV) different than the GROSS AV due to a Tax Increment Financing (TIF) Area the tax levies must be calculated using the NET AV. The taxing entity's total property tax revenue will be derived from the mill levy multiplied against the NET assessed valuation of: $ 58,035,478 (NET assessed valuation, Line 4 of the Certification of Valuation Form DLG 57) USE VALUE FROM FINAL CERTIFICATION OF VALUATION PROVIDED BY ASSESSOR NO LATER THAN DECEMBER 10

Submitted: (no later than Dec. 15) 12/13/17 (mm/dd/yyyy) for budget/fiscal year 2018 (yyyy)

PURPOSE (see end notes for definitions and examples)	LEVY[2]		REVENUE[2]
1. General Operating Expenses	.035	mills	$ 2,031.24
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction	< >	mills	$ < >
SUBTOTAL FOR GENERAL OPERATING:	.035	mills	$ 2,031.24
3. General Obligation Bonds and Interest		mills	$
4. Contractual Obligations		mills	$
5. Capital Expenditures		mills	$
6. Refunds/Abatements		mills	$
7. Other (specify):		mills	$
		mills	$
TOTAL: [Sum of General Operating Subtotal and Lines 3 to 7]	.035	mills	$ 2,031.24

Contact person: (print) Leann Noga Daytime phone: (719) 948-2400

Signed: Title: Finance Manager / Budget Officer

Include one copy of this tax entity's completed form when filing the local government's budget by January 31st, per 29-1-113 C.R.S., with the Division of Local Government (DLG), Room 521, 1313 Sherman Street, Denver, CO 80203. Questions? Call DLG at (303) 864-7720.

[1] If the taxing entity's boundaries include more than one county, you must certify the levies to each county. Use a separate form for each county and certify the same levies uniformly to each county per Article X, Section 3 of the Colorado Constitution.
[2] Levies must be rounded to three decimal places and revenue must be calculated from the total NET assessed valuation (Line 4 of Form DLG57 on the County Assessor's FINAL certification of valuation).

County Assessed Valuations and Certification of Tax

Pueblo County Certification of Valuation and Certification of Tax Levies

Ent.Code: 3 **CERTIFICATION OF VALUATION BY COUNTY ASSESSOR** DOLA Code: 64128

NAME OF TAXING JURISDICTION: S.E.WATER CONSV DIST NEW ENTITY: ☐ YES ☒ NO

LOCATED IN Pueblo COUNTY, COLORADO ON 11/30/2017

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 2017:

1.	PREVIOUS YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:	1.	$ 1,486,346,742
2.	CURRENT YEAR'S GROSS TOTAL TAXABLE ASSESSED VALUATION: ‡	2.	$ 1,572,181,936
3.	LESS TIF DISTRICT INCREMENT, IF ANY:	3.	$ 47,852,886
4.	CURRENT YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:	4.	$ 1,524,329,050
5.	NEW CONSTRUCTION: *	5.	$ 44,673,147
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.	$ 153
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.	$ 31,635

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 2017:

1.	CURRENT YEAR'S TOTAL ACTUAL VALUE OF ALL REAL PROPERTY:	1.	$ 9,712,672,466
	ADDITIONS TO TAXABLE REAL PROPERTY		
2.	CONSTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTS: *	2.	$ 90,761,100
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:	7.	$ 441,270
	DELETIONS FROM TAXABLE REAL PROPERTY		
8.	DESTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTS:	8.	$ 1,326,627
9.	DISCONNECTIONS/EXCLUSIONS:	9.	$ 0
10.	PREVIOUSLY TAXABLE PROPERTY:	10.	$ 0

TOTAL ACTUAL VALUE OF ALL TAXABLE PROPERTY $ 11,111,184,890

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 5 W 10th St. . You may also fax them to Countyfaxnumber.

Form DLG 57 (Rev. 8/03)

CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments

TO: County Commissioners[1] of Pueblo County, Colorado.

On behalf of the Southeastern Colorado Water Conservancy District (taxing entity)

the Board of Directors (governing body)

of the Southeastern Colorado Water Conservancy District (local government)

Hereby officially certifies the following mills to be levied against the taxing entity's GROSS assessed valuation of: $ 1,572,181,936 (GROSS assessed valuation, Line 2 of the Certification of Valuation Form DLG 57)

Note: If the assessor certified a NET assessed valuation (AV) different than the GROSS AV due to a Tax Increment Financing (TIF) Area the tax levies must be calculated using the NET AV. The taxing entity's total property tax revenue will be derived from the mill levy multiplied against the NET assessed valuation of: $ 1,524,329,050 (NET assessed valuation, Line 4 of the Certification of Valuation Form DLG 57) USE VALUE FROM FINAL CERTIFICATION OF VALUATION PROVIDED BY ASSESSOR NO LATER THAN DECEMBER 10

Submitted: (no later than Dec. 15) 12/13/17 for budget/fiscal year 2018

PURPOSE	LEVY[2]		REVENUE[2]
1. General Operating Expenses	.900	mills	$ 1,371,896.18
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction	< >	mills	$< >
SUBTOTAL FOR GENERAL OPERATING:	.900	mills	$ 1,371,896.18
3. General Obligation Bonds and Interest		mills	$
4. Contractual Obligations		mills	$
5. Capital Expenditures		mills	$
6. Refunds/Abatements	.004	mills	$ 6,097.32
7. Other (specify):		mills	$
		mills	$
TOTAL: [Sum of General Operating Subtotal and Lines 3 to 7]	.904	mills	$ 1,377,993.48

Contact person: (print) Leslie Noga Daytime phone: (719) 948-2400

Signed: Title: Finance Manager / Budget Officer

Include one copy of this tax entity's completed form when filing the local government's budget by January 31st, per 29-1-113 C.R.S., with the Division of Local Government (DLG), Room 521, 1313 Sherman Street, Denver, CO 80203. Questions? Call DLG at (303) 864-7720.

[1] If the taxing entity's boundaries include more than one county, you must certify the levies to each county. Use a separate form for each county and certify the same levies uniformly to each county per Article X, Section 3 of the Colorado Constitution.
[2] Levies must be rounded to three decimal places and revenue must be calculated from the total NET assessed valuation (Line 4 of Form DLG57 on the County Assessor's FINAL certification of valuation).

CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments

TO: County Commissioners[1] of Pueblo County, Colorado.

On behalf of the Southeastern Colorado Water Conservancy District (taxing entity)

the Board of Directors (governing body)

of the Southeastern Colorado Water Conservancy District (local government)

Hereby officially certifies the following mills to be levied against the taxing entity's GROSS assessed valuation of: $ 1,572,181,936 (GROSS assessed valuation, Line 2 of the Certification of Valuation Form DLG 57)

Note: If the assessor certified a NET assessed valuation (AV) different than the GROSS AV due to a Tax Increment Financing (TIF) Area the tax levies must be calculated using the NET AV. The taxing entity's total property tax revenue will be derived from the mill levy multiplied against the NET assessed valuation of: $ 1,524,329,050 (NET assessed valuation, Line 4 of the Certification of Valuation Form DLG 57) USE VALUE FROM FINAL CERTIFICATION OF VALUATION PROVIDED BY ASSESSOR NO LATER THAN DECEMBER 10

Submitted: (no later than Dec. 15) 12/13/17 for budget/fiscal year 2018

PURPOSE	LEVY[2]		REVENUE[2]
1. General Operating Expenses	.035	mills	$ 53,351.52
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction	< >	mills	$< >
SUBTOTAL FOR GENERAL OPERATING:	.035	mills	$ 53,351.52
3. General Obligation Bonds and Interest		mills	$
4. Contractual Obligations		mills	$
5. Capital Expenditures		mills	$
6. Refunds/Abatements		mills	$
7. Other (specify):		mills	$
		mills	$
TOTAL: [Sum of General Operating Subtotal and Lines 3 to 7]	.035	mills	$ 53,351.52

Contact person: (print) Leslie Noga Daytime phone: (719) 948-2400

Signed: Title: Finance Manager / Budget Officer

Include one copy of this tax entity's completed form when filing the local government's budget by January 31st, per 29-1-113 C.R.S., with the Division of Local Government (DLG), Room 521, 1313 Sherman Street, Denver, CO 80203. Questions? Call DLG at (303) 864-7720.

[1] If the taxing entity's boundaries include more than one county, you must certify the levies to each county. Use a separate form for each county and certify the same levies uniformly to each county per Article X, Section 3 of the Colorado Constitution.
[2] Levies must be rounded to three decimal places and revenue must be calculated from the total NET assessed valuation (Line 4 of Form DLG57 on the County Assessor's FINAL certification of valuation).

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Tax Revenue Limits Calculations

State of Colorado
Department of Local Affairs
Division of Local Government

Statutory Property Tax Revenue Limitation
The "5.5%" Limit, 29-1-301, C.R.S
Tax Year 2017 (Budget Year 2018)

Form DLG-53
Revised 2006

Calculated: 13:30 12/11/2017
Generated: 10:31 12/26/2017
Limit ID: 115472

Southeastern Colo Water Con - Operating (64128/1)

The following steps were used to calculate your limit. The Division of Local Government encourages you to check each figure for accuracy. Years referenced are "Tax Year", not budget years. Amounts are rounded to whole dollars.

A1. Adjust the 2016 5.5% Revenue Limit to correct the revenue base, if necessary:
A1a. The 2016 Revenue Limit [$292,500] + 2015 Amount Over Limit [$0] = $292,500
A1b. The lesser of Line A1a [$292,500] or the 2016 Certified Gross General Operating Revenue [$277,105]
A1c. Line A1b [$277,105] + 2016 Omitted Revenue, if any [$54] = A1. $277,159

A2. Calculate the 2016 Tax Rate, based on the adjusted tax base:
Adjusted 2016 Revenue Base [$277,159] ÷ 2016 Net Assessed Value [$7,917,274,657] = A2. 0.000035

A3. Total the assessed value of all the 2017 "growth" properties:
Annexation or Inclusion [$0] + New Construction [$163,631,623] + Increased Production of Producing Mine [$0]¹ + Previously Exempt Federal Property [$0]¹ + New Primary Oil & Gas Production [$0]¹ = A3. $163,631,623

A4. Calculate the revenue that the "growth" properties would have generated in 2016:
Line A3 [$163,631,623] x Line A2 [0.000035] = A4. $5,727

A5. Expand the Revenue Base by "revenue" from "growth" properties:
Line A1 [$277,159] + Line A4 [$5,727] = A5. $282,886

A6. Increase the Expanded Revenue Base by allowable amounts:
A6a. The greater of 5.5% of Line A5 [$15,559] or $0 = $15,559
A6b. Line A5 [$282,886] + Line A6a [$15,559] + DLG Approved Revenue Increase [$0] + Voter Approved Revenue Increase [$0] = A6. $298,445

A7. 2017 Revenue Limit:
Line A6 [$298,445] - 2017 Omitted Property Revenue [$98] = A7. $298,347

A8. Adjust 2017 Revenue Limit by amount levied over the limit in 2016:
Line A7 [$298,347] - 2016 Amount Over Limit [$0] = A8.* $298,347

* THE ALLOWED REVENUE OF A8 DOES NOT TAKE INTO ACCOUNT ANY OTHER LIMITS THAT MAY APPLY TO YOUR PROPERTY TAX REVENUE, SUCH AS STATUTORY MILL LEVY CAPS, VOTER-APPROVED LIMITATIONS, THE TABOR PROPERTY TAX REVENUE LIMIT, OR THE TABOR PROHIBITION AGAINST INCREASING THE MILL LEVY WITHOUT VOTER AUTHORIZATION. THE PROPERTY TAX LIMITATIONS WORKSHEET (FORM DLG-53A) MAY BE USED TO PERFORM SOME OF THESE CALCULATIONS FOR COMPARISON TO THE "5.5%" LIMIT.

¹ These amounts, if certified by your County Assessor(s), may only be used in this calculation after an application has been made to the Division by November 1st (for New Primary Oil & Gas Production). Forms and guidelines are available by contacting the Division.

The formula to calculate a Mill Levy is:

Mill Levy = Revenue ÷ Current Year's Net Total Taxable Assessed Valuation² x 1,000

² Use the Net Total Taxable Valuation as provided on line 4 of the final Certification of Valuation from the County Assessor.
³ Rounding the mill levy up may result in revenues exceeding allowed revenue.

State of Colorado
Department of Local Affairs
Division of Local Government

Statutory Property Tax Revenue Limitation
The "5.5%" Limit, 29-1-301, C.R.S
Tax Year 2017 (Budget Year 2018)

Form DLG-53
Revised 2006

Calculated: 11:32 12/13/2017
Generated: 10:29 12/26/2017
Limit ID: 115938

Southeastern Colo Water Con - Contract (64128/2)

The following steps were used to calculate your limit. The Division of Local Government encourages you to check each figure for accuracy. Years referenced are "Tax Year", not budget years. Amounts are rounded to whole dollars.

A1. Adjust the 2016 5.5% Revenue Limit to correct the revenue base, if necessary:
A1a. The 2016 Revenue Limit [$7,521,395] + 2015 Amount Over Limit [$0] = $7,521,395
A1b. The lesser of Line A1a [$7,521,395] or the 2016 Certified Gross General Operating Revenue [$7,125,547]
A1c. Line A1b [$7,125,547] + 2016 Omitted Revenue, if any [$1,399] = A1. $7,126,946

A2. Calculate the 2016 Tax Rate, based on the adjusted tax base:
Adjusted 2016 Revenue Base [$7,126,946] ÷ 2016 Net Assessed Value [$7,917,274,657] = A2. 0.000900

A3. Total the assessed value of all the 2017 "growth" properties:
Annexation or Inclusion [$0] + New Construction [$163,631,623] + Increased Production of Producing Mine [$0]¹ + Previously Exempt Federal Property [$0]¹ + New Primary Oil & Gas Production [$0]¹ = A3. $163,631,623

A4. Calculate the revenue that the "growth" properties would have generated in 2016:
Line A3 [$163,631,623] x Line A2 [0.000900] = A4. $147,268

A5. Expand the Revenue Base by "revenue" from "growth" properties:
Line A1 [$7,126,946] + Line A4 [$147,268] = A5. $7,274,214

A6. Increase the Expanded Revenue Base by allowable amounts:
A6a. The greater of 5.5% of Line A5 [$400,082] or $0 = $400,082
A6b. Line A5 [$7,274,214] + Line A6a [$400,082] + DLG Approved Revenue Increase [$0] + Voter Approved Revenue Increase [$0] = A6. $7,674,296

A7. 2017 Revenue Limit:
Line A6 [$7,674,296] - 2017 Omitted Property Revenue [$2,507] = A7. $7,671,789

A8. Adjust 2017 Revenue Limit by amount levied over the limit in 2016:
Line A7 [$7,671,789] - 2016 Amount Over Limit [$0] = A8.* $7,671,789

* THE ALLOWED REVENUE OF A8 DOES NOT TAKE INTO ACCOUNT ANY OTHER LIMITS THAT MAY APPLY TO YOUR PROPERTY TAX REVENUE, SUCH AS STATUTORY MILL LEVY CAPS, VOTER-APPROVED LIMITATIONS, THE TABOR PROPERTY TAX REVENUE LIMIT, OR THE TABOR PROHIBITION AGAINST INCREASING THE MILL LEVY WITHOUT VOTER AUTHORIZATION. THE PROPERTY TAX LIMITATIONS WORKSHEET (FORM DLG-53A) MAY BE USED TO PERFORM SOME OF THESE CALCULATIONS FOR COMPARISON TO THE "5.5%" LIMIT.

¹ These amounts, if certified by your County Assessor(s), may only be used in this calculation after an application has been made to the Division by November 1st (for New Primary Oil & Gas Production). Forms and guidelines are available by contacting the Division.

The formula to calculate a Mill Levy is:

Mill Levy = Revenue ÷ Current Year's Net Total Taxable Assessed Valuation² x 1,000

² Use the Net Total Taxable Valuation as provided on line 4 of the final Certification of Valuation from the County Assessor.
³ Rounding the mill levy up may result in revenues exceeding allowed revenue.

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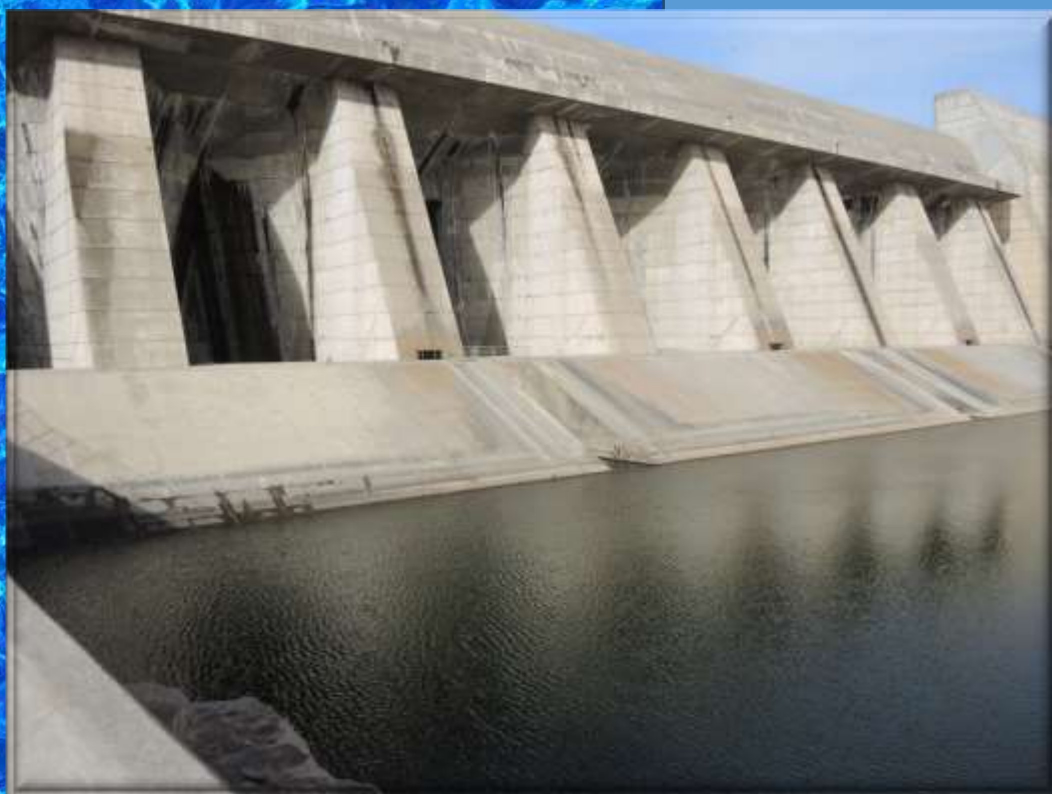
Complete Strategic Plan

2018 Strategic Plan



Southeastern Colorado
Water Conservancy
District
www.SECWCD.com

Complete Strategic Plan

The 2018 Strategic Plan

Facing the future with a focused framework, your investment in water

Purpose

This Strategic Plan has been prepared by the Southeastern Colorado Water Conservancy District (District or SECWCD) as a mid– and long-term strategic roadmap to strengthen the District's organizational capacity and grow the District's core services to the Fryingpan-Arkansas Project (Project) beneficiaries.

The District's last Strategic Plan was adopted in December 2009. This Strategic Plan provides a new strategic framework to grow the organization's value and impact in a broader region through expanded and strengthened partnerships; enhanced outreach and communications; reinforced or new program and organizational scaling; and capacity building.

The plan establishes goals that the District sets, and the resources that are allocated must be consistent with the purpose of the organization. The context for all strategic planning is provided by the District's Mission, Vision and Values; that can only be realized through strong partnerships with our stakeholders and project beneficiaries. The Plan is a living document intended to be periodically reviewed and updated as necessary and appropriate.

The Plan sets into writing a view of what the District will need to do over the next 15 years.

Strategic Planning Process

The District ensures operations are strategically aligned across the organization by developing a 15-year Strategic Plan that sets forth the priorities it will accomplish with its resources. The Strategic Plan is developed by the Executive Director (ED) based on the policies and initiatives set by the Board of Deirectors (Board), reviews of the issues, risks and opportunities facing the Arkansas River Basin (Basin) and reflects the changing environment, economy and District needs.

All District programs support at least one of four Strategic Initiatives :

- Water, Supply, Storage & Power
- Water Efficiency & Project Water Supplies
- Future Water Supplies & Storage
- Core Business

To ensure that the Strategic Plan incorporates a fiscal perspective, the ED annually assesses the long-term fiscal health of the District and reviews a five-year forecast of revenues and expenditures. This process leads to the development of preliminary long-term objectives and the resource allocations necessary to achieve them.

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Complete Strategic Plan

Fryingpan-Arkansas Project History

Water truly is the lifeblood of our communities. That was never more true than during the Dust Bowl days of the 1930s.

It was at that time in modern history that Arkansas River Basin leaders created the vision of a more prosperous future: a future that would include a plentiful supply of water through the Fryingpan-Arkansas Project.

A farm truck tried to outrun a cloud of dirt during the 1930s.

The vision became a reality 50 years ago with the signing of the Fryingpan-Arkansas Act by President John F. Kennedy on August 16, 1962. A special celebration was held in Pueblo. The President provided memorable recognition of the Project and its long developmental history by saying:

"When [people] come to this state and see how vitally important [water] is, not just to this state, but to the West, to the United States, then they realize how important it is that all the people of this country support this project that belongs to all of the people of this country."

Since this historic date in 1962, the Fryingpan-Arkansas Project has provided out communities with more than 50 years of benefits.

The vision of our forefathers and the continued investment and commitment of the citizens of today assures us an important resource of our future … a natural resource that is indeed the lifeblood of our community: WATER.

The Southeastern Colorado Water Conservancy 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 Fryingpan-Arkansas Project.

President John F. Kennedy launched the Fryingpan-Arkansas Project in a speech in Pueblo in 1962.

The District extends along the Arkansas River from Buena Vista to Lamar, and along Fountain Creek from Colorado Springs to Pueblo.

The District consists of parts of nine counties that provide support for and derive benefits from the Project.

On January 21, 1965, the U.S. Department of Interior Bureau of Reclamation and the Southeastern Colorado Water Conservancy District entered into a contract providing "construction of the Fryingpan-Arkansas 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 purpose."

Complete Strategic Plan

2018 Strategic Plan: History

Pueblo Dam as it was being built in 1970. Shown is the buttress and spillway outlet

Repayment

The District is responsible to repay the portion of its construction cost of the Project as well as the cost for annual operation maintenance.

Because the Fryingpan-Arkansas Project provides many benefits to all individuals, the Project also is paid for by the American taxpayer. Funding to fulfill this obligation to the federal government is derived from a property tax on all property within the District boundaries. Payments total over $6.9 million each year.

Allocations

The District allocates supplemental water from the Fryingpan-Arkansas Project for use by various private and mutual ditch companies, and for use by many municipal and domestic water suppliers who directly serve the District's 860,000 residents.

Benefits

Today, we enjoy the benefits of the Fryingpan-Arkansas Project. The project provides water for growing communities, industry and agriculture. Project water helps to sustain fish and wildlife. It is used for rafting, fishing and boating. The Project has provided millions of dollars worth of flood protection and produces clean energy to meet power needs.

Early history

In 1859, the discovery of gold in the Arkansas River Valley brought many settlers to the area, but few were successful in their search for wealth. More and more gold seekers turned to farming to provide for themselves and their families. As permanent settlements were established, normal rainfall proved inadequate for farming and the era of irrigation began.

After years of drought and hardship, the residents of the Arkansas Valley sought government aid to plan and develop a project which would regulate estisting water supplies for more efficient use and provide additional storage capacity for the conservation of flood flows, reservoir space for storage and new water supplies.

Early-day sugar beet dump near Rocky Ford.

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Complete Strategic Plan

2018 Strategic Plan: History

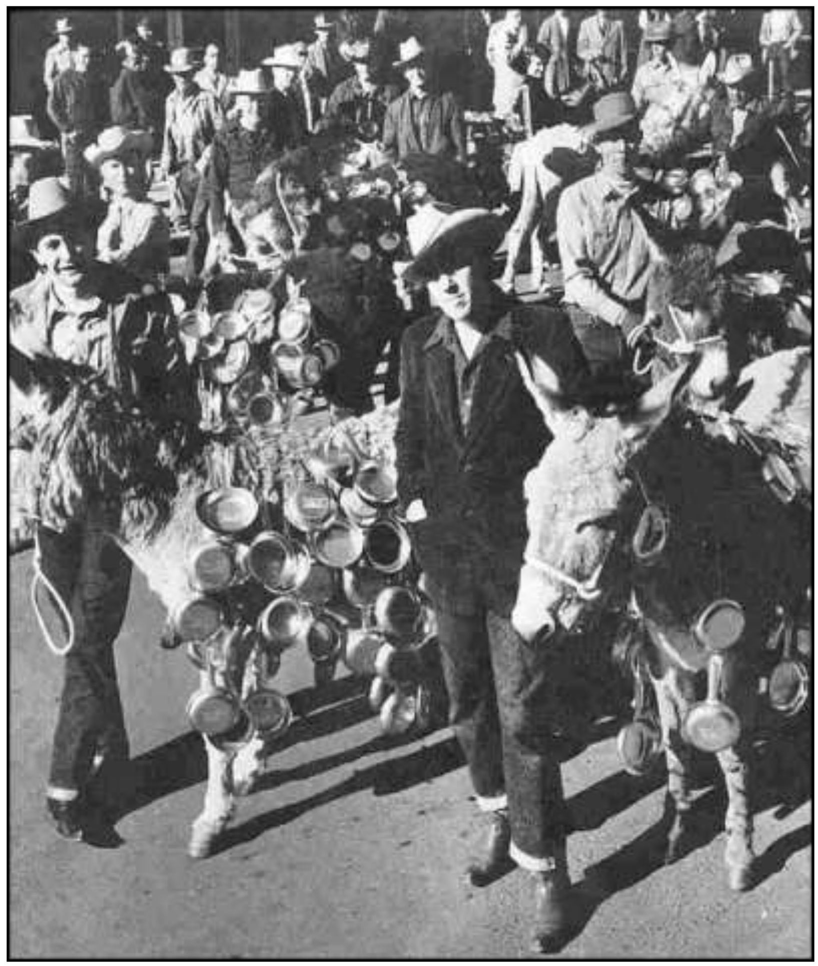
Arkansas Valley community leaders traveled to Washington, D.C., to promote the Fryingpan-Arkansas Project.

Fryingpan-Arkansas Project

Community leaders and irrigators began pushing heavily for a project to bring water from the Western Slope, with its abundant snowfall and sparse population, to the Arkansas River Basin, where irrigated agriculture and city water systems depended on a river that was only a trickle by the time it reached the Kansas state line.

The Fryingpan-Arkansas Project was supported by the sale of golden frying pans up and down the Arkansas Valley. Burros were used to carry the frying pans. During Water Week in January 1955, groups were able to buy small frying pans for $5, and larger ones for $100 and more. More than $30,000 was raised by the end of the week. The money was used to send Project backers to Washington, D.C.

Finally, on June 13, 1962, the House passed the Fryingpan-Arkansas Project Act. The Senate followed suit on August 6, 1962. President John F. Kennedy singed the Project into law on August 16, 1962.



The sale of golden frying pans helped to pay for lobbying efforts on behalf of the Fryingpan-Arkansas Project.

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Complete Strategic Plan

2018 Strategic Plan: History

History of Construction

The Bureau of Reclamation (Reclamation) started construction of the Fryingpan-Arkansas Project beginning with the Ruedi Dam and Reservoir in 1964, completed in 1968. The Charles H. Boustead Tunnel, which is used to transport water from the West Slope to the East Slope was built between 1965-1971.

Turquoise and Twin Lakes Reservoirs were already in existence, but were enlarged by Reclamation. Turquoise was enlarged from 1965-68. Twin Lakes work began in 1975, and the Mount Elbert Power Plant on the north shore was under construction. Both were completed in 1981.

The first unit of Mount Elbert provided power to the Western Area Power Administration in 1981, and the second unit came online in 1984.

Pueblo Dam and Reservoir construction began in 1970 and was completed five years later. The first sale of Fry-Ark Project transmountain water was made in July 1972.

The Fountain Valley Conduit was constructed from 1980-1985.

Construction of the Project continued without interruption from 1964 until 1990, when the Pueblo Fish Hatchery was completed. The hatchery was dedicated on September 28, 1990, when the project was declared completed in a public ceremony.

However, the last piece of the Project, the Arkansas Valley Conduit is yet to be completed. Work is also progressing on two new features, hydroelectric power

Construction at Ruedi Dam during the 1960s

and an interconnection between the North and South Outlets at Pueblo Dam.

Project Facilities

There are two distinct areas of the Project:

- The Western Slope collection system in the Hunter Creek and Fryingpan River watersheds.
- The Eastern Slope in the Arkansas River Basin.

These areas are separated by the Continental Divide, which in many places exceeds an elevation of 14,000 feet.

The project consists of diversion, storage and conveyance facilities designed primarily to divert water from Colorado River tributaries on the Western Slope for used in the historically water-short areas in Southeastern Colorado on the Western Slope.

The mission of the Southeastern District is to develop, protect and manage those flows for the benefit of its constituents.

Complete Strategic Plan

The 2018 Strategic Plan

The Southeastern Colorado Water Conservancy District strives to strengthen its capacity to grow in order to serve beneficiaries of the Fryingpan-Arkansas Project.

Strategic planning incorporates the Mission, Vision and Values of the district into all of its actions and partnerships through measurable goals and objectives.

A long-term roadmap and strategic framework: Initiatives, visions, goals, objectives and measures

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 the direction of better accountability through modernization and integration across the District.

MISSION:

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

VALUES:

Honesty and Integrity

Professional Service and Action

Fairness and Equity

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Complete Strategic Plan

The 2018 Strategic Plan

STRATEGIC INITATIVES

By focusing our priorities, we will continue to advance our vision

The District's strategic planning process is an ongoing activity.

The purpose of the Southeastern Colorado Water Conservancy District (District) Strategic Plan (Plan) is to develop a clear picture of the future from the Board's perspective as a policy-making body.

The Plan sets into writing a view of what the District will need to do over the 15-year period.

It identifies the Strategic Initiatives of crtical concern that the Board must address if it is to continue moving forward, and provides management and staff with clear policy on our strategic direction.

We will revisit the Plan every five years to make minor adjustments, as necessary, to ensure that the priorities articulated in the Stategic Plan reflect the changing envirorment, economy and District needs.The Strategic Plan is the first element of the Strategic Framework, an annual five-part cycle that is a disciplined approach to managing the District for maximum efficiency and effectiveness.

Exactly how we will get there will be discussed in the District's Business Plan, a three-year view, and in the Annual Budget document, which provides a one-year view.

The Business Plan is the second step fo the Strategic Framework, and the Budget the third step.

The Business Plan includes key Focus Areas and Programs that District staff will take to assign resources and work toward achieving priorities and goals.

Finally, the District is also publishing a Conservation and Management Plan that serves several purposes. It is a review of historical efforts to use water wisely and develop water resources in the Arkansas River basin. It also fulfills state and federal requirements for assessing conservation activities as projects and programs progress.

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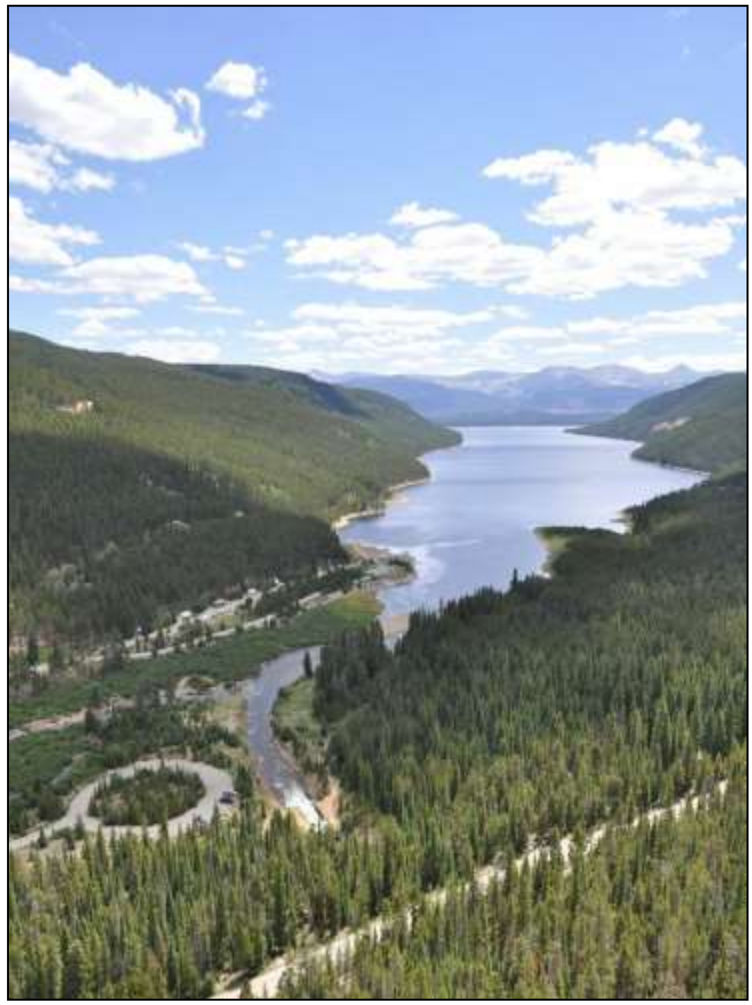
Complete Strategic Plan

WATER SUPPLY, STORAGE & POWER

STRATEGIC INITIATIVE

Efficiently and economically collect, convey, store, distribute and administer water in a safe and reliable manner.

- **Collection System**
  - ✔ North
  - ✔ South
- **Transmission System**
  - ✔ Boustead Tunnel
  - ✔ Turquoise Reservoir
  - ✔ Mount Elbert Conduit
  - ✔ Twin Lakes Reservoir
  - ✔ Arkansas River
- **Storage**
  - ✔ Ruedi Reservoir
  - ✔ Turquoise Reservoir
  - ✔ Mount Elbert Forebay
  - ✔ Twin Lakes Reservoir
  - ✔ Pueblo Reservoir
- **Hydropower Integration**
  - ✔ Ruedi Dam
  - ✔ Mount Elbert Power Plant
  - ✔ Pueblo Dam
- **Project Water Allocation and Storage**
  - ✔ Agricultural allocation
  - ✔ Municipal and industrial allocation
  - ✔ Return flows allocation
  - ✔ Project water allocation
  - ✔ Carryover storage
  - ✔ If-and-when storage long-term and short-term in District
  - ✔ If-and-when-storage long-term and short-term out of District



Boustead Tunnel flows into Turquoise Reservoir

Complete Strategic Plan

WATER SUPPLY PROTECTION & EFFICIENCY

STRATEGIC INITIATIVE

Conserve and protect water supply and monitor water quality using all appropriate operational, engineering, legal and administrative services.

- **Base Water Supply**
  - ✔ **Review of water rights in the Arkansas and Colorado River basins.**
- **Fryingpan-Arkansas Project Water and Return Flows**
  - ✔ **Modeling, account for and monitoring return flows and Reclamation Reform Act administration.**
- **Conservation Programs**
  - ✔ **Demonstration Garden and Conservation Plan updates.**
- **Arkansas River Voluntary Flow Management Program**
  - ✔ **Monitor flows for fishing and boating programs in the Upper Arkansas River Basin.**
- **Water Quality Program**
  - ✔ **Arkansas River USGS water quality programs.**
- **Watershed Management**
  - ✔ **Monitor and participate in activities related to watershed and forest health, as well as the Lake Pueblo Management Plan.**
- **Arkansas River Compact**
  - ✔ **Monitor and participate in activities associated with the compact.**

Rafting and fishing in the Arkansas River canyon

- **Upper Colorado River Endangered Fish Recovery Program**
  - ✔ **Coordinate peak and low flow enhancement.**

Upper Colorado River Compact
  - ✔ **Colorado River Compact call Studies.**

Complete Strategic Plan

FUTURE WATER SUPPLIES & STORAGE

STRATEGIC INITIATIVE

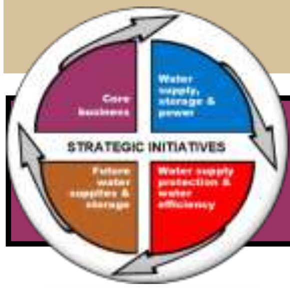
Plan, permit, design and construct projects to enhance water supplies for agricultural, domestic, municipal and industrial uses.

- **Agricultural/Urban Opportunities**
  - ✔ **Alternative transfer methods**
  - ✔ **Water Bank program**
  - ✔ **Augmented deficit irrigation**
- **Regional Water Storage Programs**
  - ✔ **Feasibility and planning efforts**
- **Arkansas Valley Conduit**
  - ✔ **Project in design phase**
- **Excess Capacity Master Contract**
  - ✔ **Regional water supply and Master Contract for District storage development**

Water pumps for the Fountain Valley Conduit

- **Enlargement Studies**
  - ✔ **Storage enlargement for future storage needs for agricultural, domestic, municipal and industrial uses within the Arkansas River basin.**
- **Interconnection at Pueblo Dam**
  - ✔ **Redundant infrastructure for South and North Outlets in design phase**
- **Hydrological Variability**
  - ✔ **Potential impacts to Southeastern Colorado Water supplies**

Complete Strategic Plan



CORE BUSINESS

STRATEGIC INITIATIVE

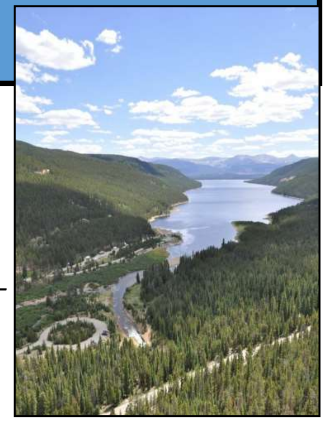
Development and implementation of the Core Business Focus Area programs are critical to achieving the vision. The Core Business programs can be grouped into five areas: planning for water supply, associated storage, power and infrastructure; building and maintaining external relations; ensuring financial capacity; maintaining qualified staff and technology; and managing the environmental processes that allow timely completion of our projects.

- **Financial Management Planning**
  - ✔ **Comprehensive financial management plans.**
- **Emergency Management Planning**
  - ✔ **Facilities and system emergency response plan; business continuity plans.**
- **Enterprise Resource Planning**
  - ✔ **Programs and project report development**
- **Headquarters Facility Planning**
  - ✔ **Headquarters facilities improvements on main entrance and building security modifications; parking improvements.**
- **Information Technology**
  - ✔ **Network and computer improvements and software purchases.**
- **Administrative Record Management**
  - ✔ **Electronic filing system implementation, Phase I.**
- **Strategic & Budget Planning**
  - ✔ **Strategic Plan, Business Plan and Budget integration.**
- **Human Resources**
  - ✔ **Review and develop long-term organization and staff plans.**
- **Asset Management**
  - ✔ **Develop a multi-year asset management forecasting tool.**
- **Water Operations**
  - ✔ **Water records and accounting system development and software acquisition.**

Southeastern Colorado Water Conservancy District offices at the Pueblo Memorial Airport Industrial Park

Complete Strategic Plan

ACTION PLANS



STRATEGIC INITIATIVE: WATER SUPPLY, STORAGE & POWER

Efficiently and economically collect, convey, store, distribute and administer water in a safe and reliable manner.

ELEMENT | FOCUS AREA | AREA OF RESPONSIBILITY

Collection System
- North
- South

Transmission System
- Boustead Tunnel
- Turquoise Reservoir
- Mount Elbert Conduit
- Arkansas River

Storage
- Ruedi Reservoir
- Turquoise Reservoir
- Mount Elbert Forebay
- Twin Lakes Reservoir

→ **Bureau of Reclamation**

Hydropower Integration
- Ruedi Dam
- Mount Elbert Power Plant

- Pueblo Dam

→ **SECWCD Engineering/ Power Services**

Project Water Allocation and Storage
- Agricultural Allocation
- Municipal and Industrial Allocation
- Return Flows Allocation
- Project Water Allocation
- Project Water Carryover Storage
- If-and-when Storage in District
- If-and-when Storage out of District

→ **SECWCD Engineering/ Operations**

Complete Strategic Plan

ACTION PLANS

STRATEGIC INITIATIVE: WATER SUPPLY PROTECTION & EFFICIENCY

Conserve and protect water supply and monitor water quality using all appropriate operational, engineering, legal and administrative services.

ELEMENT	FOCUS AREA	AREA OF RESPONSIBILITY
Base Water Supply	Review of water rights in the Arkansas and Colorado River basins.	General Counsel
Fry-Ark Project and Return Flows	Modeling, account for and monitor return flows and Reclamation Reform Act administration.	Engineering/Administration
Conservation Programs	Demonstration Garden, publications update and Conservation Plan update	Conservation/Demonstration Garden Coordinator
Arkansas River Voluntary Flow Management Program	Monitor flows for fish and river rafting programs in the Upper Arkansas River Basin.	Engineering/Operations
	Arkansas River USGS water quality programs.	USGS, Engineering/Operations
Water Quality Program	Monitor and participate in activities related to watershed and forest health as well as the Lake Pueblo Watershed Plan.	Community Relations Engineering/Resource
	Monitor and participate in activities related to the Arkansas River Compact with Kansas.	General Counsel
Watershed Management	Coordinate peak and low flow enhancement.	General Counsel Engineering/Operations
Arkansas River Compact	Monitor and participate in activities releated to the Colorado River Compact and Compact call studies.	General Counsel

Complete Strategic Plan

ACTION PLANS

STRATEGIC INITIATIVE: FUTURE WATER SUPPLIES & STORAGE

Plan, permit, design and construct projects to enhance water supplies and storage for agricultural, domestic, municipal and industrial uses.

ELEMENT	FOCUS AREA	AREA OF RESPONSIBILITY
Agricultural/Urban Operations	Monitor Alternative transfer methods, Water Bank programs and augmented deficit irrigation studies.	**Engineering/Resource Planning**
Regional Water Storage Programs	Monitor and participate in regional water storage feasibility and planning efforts.	**Engineering/Services**
Arkansas Valley Conduit	Contracting agency with Bureau of Reclamation for building the Conduit. Project in design phase.	**Executive Director Office**
Excess Capacity Master Contract	Regional Water storage Master Contract for District storage and development. Project is in final contract review and execution for 2017.	**General Counsel Community Relations**
Enlargement Studies	Plan for storage enlargement for future storage needs for agricultural, domestic, municipal and industrial uses within the basin.	**Executive Director Office**
Interconnection at	Redundant infrastructure for North and South Outlets. Project in design phase.	**Executive Director Office**
	Plan for potential impacts to Southeastern Colorado water supplies.	**Engineering/Operations**

Complete Strategic Plan

ACTION PLANS

STRATEGIC INITIATIVE: CORE BUSINESS

Development and implementation of the Core Business Focus Area programs are critical to achieving the vision. The Core Business programs can be grouped into five areas: planning for water supply, associated storage, power and infrastructure; building and maintaining external relations; ensuring financial capacity; maintaining qualified staff and technology; and managing the environmental processes that allow timely completion of our projects. That allow completion of our projects

ELEMENT	FOCUS AREA	AREA OF RESPONSIBILITY
Financial Management Planning	Comprehensive financial management plans, long-range financial planning.	**Finance**
Emergency Management Planning	Facilities and system emergency response plan and business continuity plans.	**Finance/ Information Technologies Community Relations**
	Develop and design programs and projects; report on progress.	**Finance Engineering/Resource**
Enterprise Resource Planning	Headquarters facilities improvements plan on building security, main entrance modifications and parking.	**Administration Engineering/Services**
Headquarters Facilities Planning	Network and computer improvements and software purchases.	**Finance/ Information Technologies**
Information Technology	Planning process for long-range electronic filing system. Phase One.	**Administration Finance/ Information Technologies**
Administrative Record Management	Monitor Strategic Plan, Business Plan and Budget integration, audit integration and performance reporting.	**Executive Director Office**
	Monitor and review long-term organization and staff plans.	**Administration/ Human Resources**
Strategic and Budget Planning	Develop multi-year asset management, maintenance forecasting tools.	**Engineering/ Resource Planning**
Human Resources	Water records and accounting system development and software acquisition.	**Engineering/ Operations**

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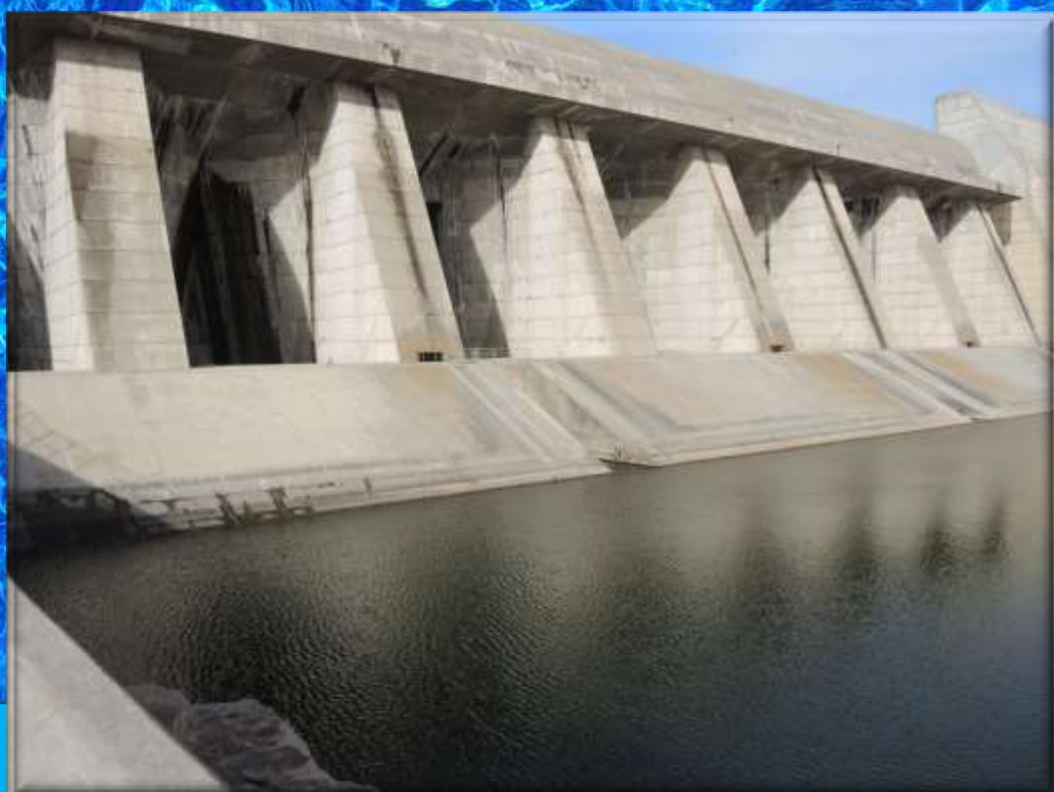
2018 Business Plan



Southeastern Colorado
Water Conservancy District

www.SECWCD.com

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Complete Business Plan

What's Inside? Program or Project	3- Year Status	2017 Actual	2018 Budget (est)	2019 Budget (est)	2020 Budget (est)	Page
Introduction and Purpose		NA	NA	NA	NA	3
Safety of Dams	Ongoing	$60,000	$60,000	$60,000	$60,000	5
Pueblo Dam OM&R	Ongoing	$2,313,767	$ 6,478,998	$6,865,834	$6,511,078	6
Pueblo Dam Hydroelectric	Construction	$7,577,659	$9,468,200	$834,037	$637,077	7
Arkansas Valley Conduit	Feasibility-Design	$159,513	$400,672	$329,064	$338,140	8
Pueblo Dam Interconnect	Feasibility-Design	$ -	$ -	$ -	$-	9
Excess Capacity Master Contract	Ongoing	$341,086	$366,111	$373,515	$381,217	10
Recovery of Storage (Enlargement)	Emerging	$90,459	$100,349	$202,732	$205,518	11
Fry-Ark Debt Repayment	Ongoing	$5,581,060	$1,587,096	$1,446,095	$2,039,880	12
Water Rate Study (proposed)	Emerging	$ -	$ -	$125,000	$125,000	13
Colorado River Programs	Ongoing	$33,577	$60,056	$61,131	$62,225	14
Winter Water	Ongoing	$ 140,000	$117,600	$117,600	$117,600	15
Conditional Water Rights	Ongoing	$ 120,000	$250,000	$250,000	$250,000	16
Reclamation Reform Act	Ongoing	$2,000	$2,000	$2,000	$2,036	17
Water Quality Sampling	Ongoing	$151,285	$185,704	$191,274	$197,013	18
Fountain Creek Transit Loss	Ongoing	$21,832	$4,107	$25,000	$23,000	19
Watershed Health	Emerging	$-	$-	$-	$-	20
Restoration of Yield	Ongoing	$15,506	$160,000	$50,000	$50,000	21
Regional Resource Planning Group	Ongoing	$ 135,000	$135,000	$135,000	$135,000	22
Information Technology	Ongoing	$64,706	$125,113	$112,235	$109,513	23
Facilities and Grounds	Ongoing	$91,700	$210,599	$212,626	$212,019	24
Community Outreach & Conservation	Ongoing	$3,932	$36,285	$23,405	$23,572	25
Miscellaneous Revenues	Ongoing	$3,444,000	$3,505,647	$3,568,398	$3,632,273	26
Upper Basin Storage (Enterprise)	Emerging	$ -	$25,000	$25,000	$ -	27
Infrastructure Assessment	Emerging	$ -	$ -	$ -	$ 100,000	28
Detailed Budget Analysis		NA	NA	NA	NA	29

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Complete Business Plan

The 2018 BUSINESS PLAN

Southeastern Colorado Water Conservancy District

Background

The Southeastern Colorado Water Conservancy District (District) was formed in 1958 as the agency to contract with the United States Department of Interior, Bureau of Reclamation (Reclamation) to construct and manage the Fryingpan-Arkansas Project (Project).

The Project was authorized by Congress in 1962, and signed into law by President John F. Kennedy on August 16, 1962, in a historic visit to Pueblo, Colorado.

Construction on the Project began in 1964 at Ruedi Reservoir near Aspen, Colorado, and continued until 1990, when the Pueblo Fish Hatchery was completed. The features of the Project include:

- Five reservoirs: Ruedi, Turquoise, Mount Elbert Forebay, Twin Lakes and Pueblo.
- The South and North Collection Systems on the Western Slope.
- The Boustead Tunnel.
- The Mount Elbert Conduit
- The Mount Elbert Power Plant at Twin Lakes.
- The Fountain Valley Conduit.
- The Arkansas Valley Conduit, which is still to be built.

The District collects an ad valorem tax to fund the repayment of part of the federal contracts that were used to build the existing structures of the Fryingpan-Arkansas Project.

In addition, the District has responsibility to pay for operation, maintenance and replacement of these features over the life of the Project. Payments are made to Reclamation for this purpose.

In 2009, Public Law 111-11 was passed by Congress and signed by President Barack Obama to authorize a new repayment option for the Arkansas Valley Conduit (AVC) and other parts of the Fryingpan-Arkansas Project using revenues from excess-capacity storage or exchange contracts with Reclamation.

The same legislation created a 65 percent federal, 35 percent local cost share for AVC construction. Reclamation contract revenues could be applied to construction costs or federal repayment under S. 187.

In 2016, the District sought new legislation to make those contract revenues available to repay third-party loans that would part of the local costs as well. For example, the District has secured $60.6 million in loan availability for the AVC from the Colorado Water Conservation Board.

At the end of 2016, the legislation had not yet passed, and the District continued to look for additional funding sources.

During 2016, the District negotiated a Master Contract for Excess Capacity Storage with Reclamation. This is another step toward improving long-term storage in Pueblo Reservoir for AVC participants and other beneficiaries within the District.

The District is supporting construction of an Interconnect at Pueblo Dam to provide redundancy between the North and South Outlets.

The District also continues to investigate Enlargement of Pueblo Reservoir for agricultural, domestic, municipal and industrial uses.

The District, with partners, is pursuing a Lease of Power Privilege at Pueblo Dam for future hydroelectric generation.

Over the course of its 59-year existence, the District also has entered numerous partnerships with water interests in the Arkansas River Basin that have expanded the responsibility of the District and created the need for more robust financial planning.

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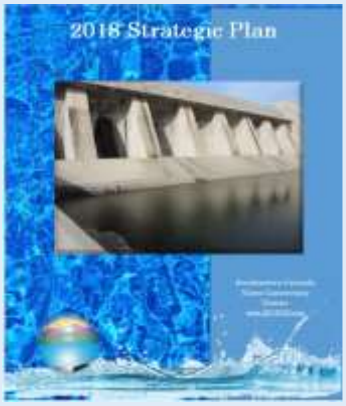
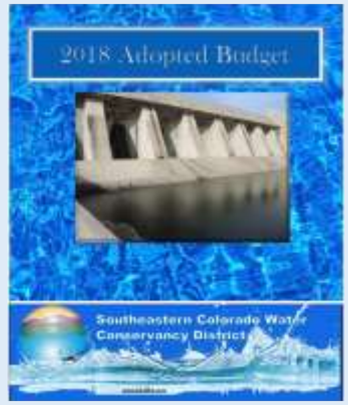
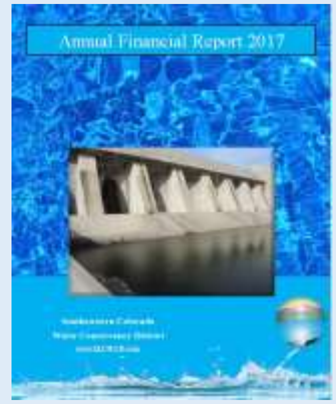
Complete Business Plan







Purpose of the Business Plan

The District produced its first Business Plan in 2017 as a way of connecting its newly adopted Strategic Plan to its Annual Budget.

The Business Plan outlines the major scope of work the District and Enterprise will undertake in a three-year period, given the most accurate projections.

It does not commit the District to more than one year of spending, but provides an estimate of expected revenues and expenditures for the upcoming three-year period. It also aligns programs and Projects to the Strategic Plan.

The District will review its Business Plan annually in order to track progress of financial goals

District Fund Structure

Southeastern District finances are divided between two entities, the Government Activity, or General Fund, and the Business Activity, or Enterprise.

The Government Activity's primary purpose is to ensure that the Fryingpan-Arkansas Project debt is retired within contractual limits, to hire and retain valued knowledgeable employees and to maintain capital improvements of District property.

The Business Activity was created with the establishment of the Enterprise in 1995. The purpose of the Enterprise is to undertake and develop commercial activities. Projects such as the Arkansas Valley Conduit, the Excess Capacity Master Contract, Enlargement of Pueblo Reservoir and Hydroelectric Power at Pueblo Dam were initiated by and supported by the Business Activity.

The District includes parts of nine counties, and collects a tax of 0.900 mills on all real property within its boundaries. Another tax of 0.035 mills is collected for operations, while a tax of 0.004 covers abatements and refunds. Project payments are made in June and December to cover District costs.

One goal of the District is to establish a long-term reserve fund to cover catastrophic events such as tunnel collapse or dam failure in future years. A second goal is to set aside an identifiable amount for operation and maintenance of the Project.

The district's 50-year repayment for the project may continue through 2031, and a portion money from the current fee structure could be directed toward a reserve fund.

The Business Activity is funded through water sales, surcharges on water sales and storage, program participant payments and state or federal grants or loans.

The Business Activity also reimburses the Government Activity for use of District staff, facilities and services.

Another goal of the District in the next three years is to establish a reliable funding mechanism and schedule for capital improvements.

Complete Business Plan

Pueblo Dam and Arkansas River/ SECWCD Archives

1. Safety of Dams

The District, through its Enterprise, adopted a financing plan for the Safety of Dams program in 1998. Payments of $60,000 annually began when the work was completed in 1999, and they will continue until 2025, when the obligation is paid off.

Those payments will not change in the 2018-20 time frame.

Revenue for the program is generated through surcharges on sales and storage of water.

The Bureau of Reclamation initiated a Corrective Action at Pueblo Dam on July 7, 1997.

Although there was no imminent danger of failure, an investigation determined that work was needed to reinforce the concrete buttresses at the center of the dam to avoid slippage on the underlying shale bedrock.

A 20-foot thick concrete “doorstop” was installed in the stilling pool at the toe of the dam, and rock bolts were installed to anchor the structures.

More than 61,600 cubic yards of roller-compacted concrete were placed in the stilling basin, and a 2-foot thick concrete cap was placed on top.

Water restrictions were in place during 1998-99 while the construction progressed. That led to the spill of more than 66,000 acre-feet of winter water and more than 14,000 acre-feet of excess-capacity water.

State-of-the-art equipment monitors the earthen sections of the dam and have not detected any movement since the dam was completed in 1975.

One of the most important reasons for the Safety of Dams work was to determine whether the level of the dam could be raised in the future. Enlargement still remains an option.

Project	2017	2018	2019	2020
Safety of Dams	$60,000	$60,000	$60,000	$60,000

2. Fry-Ark OM&R

As the Fryingpan-Arkansas Project ages, the cost for operations, maintenance and repair (OM&R) will increase.

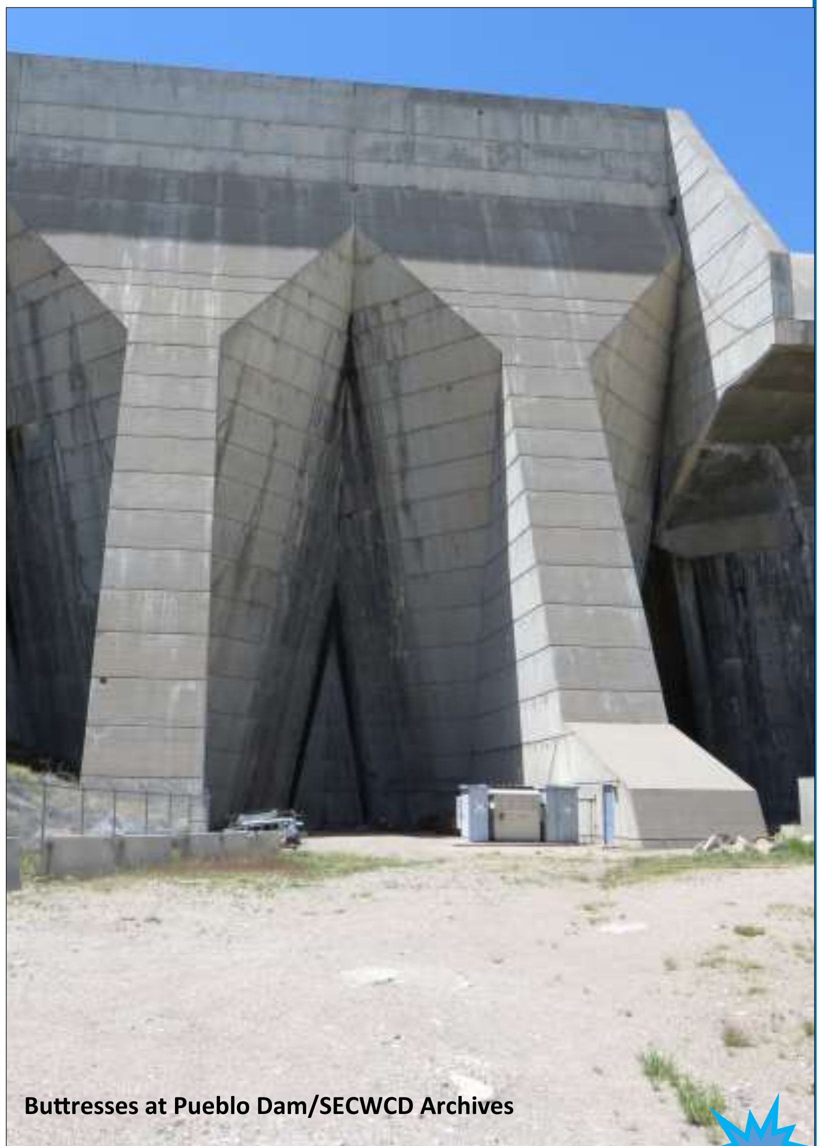
Currently, the largest OM&R item facing the District is the joint seal replacement at Pueblo Dam. The Bureau of Reclamation estimates the cost to be $35.6 million over four years, and the District's share will be $19.9 million, roughly 56 percent of the total cost.

In addition, there are several smaller projects, totaling about $4.6 million, as well as the District's share of routine maintenance, which is between $1.5 million and $2 million annually.

Payments for maintenance of the Project come from Contract revenues — either ad valorem taxes or Winter water — and were not previously carefully tracked by the District.

In 2017, the District took a more active role in determining what future costs would be and how the responsibility of paying the costs would affect the budget.

The costs were one element of the Framing the Future discussion by the Executive Committee, and the decision by the Board to open Contract talks with Reclamation.



Buttresses at Pueblo Dam/SECWCD Archives

Future strategies:

In 2017, the District Board voted to establish reserves to pay for long-term OM&R costs of the Fry-Ark Project. These will be negotiated in a new Repayment Contract.

Project	2017	2018	2019	2020
Pueblo Dam O&M	$2,313,767	$6,478,998	$6,865,834	$6,511,078

Complete Business Plan

Construction at hydro plant/SECWCD

3. Hydroelectric Power at Pueblo Dam

Construction began in 2017 on a 7.5-megawatt hydroelectric power plant at Pueblo Dam.

The hydro plant is expected to be running at full capacity in 2019, which will allow the District to begin earning revenues to repay the cost of the project. As the costs are paid, the hydro plant will become a revenue generator for the Enterprise.

The Southeastern District, along with Colorado Springs Utilities and Pueblo Water, obtained a Lease of Power Privilege (LoPP) from the Bureau of Reclamation in 2011. The District was the sole signatory on the LoPP when it finalized in 2017.

Mountain States Hydro LLC is the design-build contractor for the project.

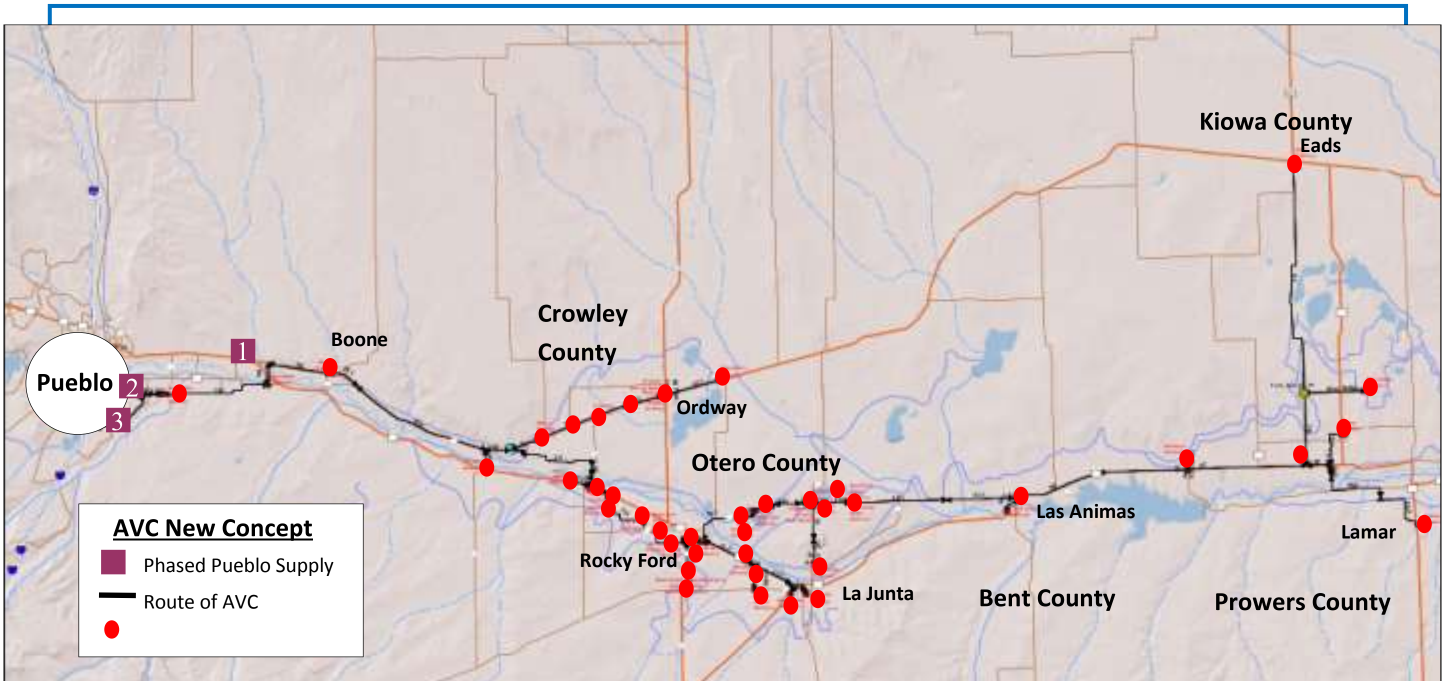
The $20.3 million project is being financed by a $17.3 million loan from the Colorado Water Conservation Board that will be repaid by revenues from power sales. The remaining funds are in the form of a long-term loan from the Enterprise.

Based on preliminary estimates, the District would realize revenues of $50 million over the next 50 years, which would go toward other Enterprise programs which are crucial to the supply and protection of Fryingpan-Arkansas Project water.

Blasting at hydro site/Bureau of Reclamation

Project	2017	2018	2019	2020
Pueblo Dam Hydropower	$7,577,659	$9,468,200	$834,037	$637,077

Complete Business Plan



4. Arkansas Valley Conduit

The Arkansas Valley Conduit (AVC) has been anticipated for more than 50 years as a way to bring clean drinking water to communities east of Pueblo. It will serve about 40 communities that deliver water to roughly 50,000 people.

Part of the original Fryingpan-Arkansas Project (Project), the Conduit's construction has been delayed for years by a lack of funding. The challenge is to get water to a series of water systems which are independent and diverse.

In 2017, the District recognized the need to begin construction sooner than anticipated in the Comanche North route chosen as the preferred alternative in the Bureau of Reclamation's 2014 Record of Decision. That route would require as much as 10 years to build before the first water system would be reached.

About 17 of the 39 AVC participants face enforcement action for radionuclides, and others are dealing with new rules that treat groundwater as under the influence of surface water. These water providers have chosen the AVC as their best option to deal with enforcement issues.

In 2018, Reclamation will evaluate the District's New Concept proposal which would use more of the Pueblo Water system capacity to reach the alignment of the AVC more quickly. The District's goal is to have construction of the line underway by 2020, with activities ramping up as excess capacity revenues from the Project can be applied, most likely in 2022.

The District has delivered a technical report to Reclamation that looks at hydraulics, treatment and cost of the New Concept.

Project	2017	2018	2019	2020
Arkansas Valley Conduit	$159,513	$400,672	$329,064	$338,140

Complete Business Plan


North Outlet at Pueblo Dam/ SECWCD Archives

5. Pueblo Dam Interconnection

Reclamation is completing the feasibility study for the Pueblo Dam Interconnection this year, which will clear the way to design and build it. It connects the North and South Outlets at Pueblo Dam.

The District does not include the project in its budget forecast for the next three years, but would pay a share of maintenance when the project is complete.

The Interconnect would benefit the Arkansas Valley Conduit, which will use the South Outlet, but could benefit from the North Outlet during maintenance and in emergency situations.

Interconnection participants:

Arkansas Valley Conduit
Fountain Valley Authority
Southern Delivery System
State Fish Hatchery
Pueblo West
Pueblo Water

Future strategies:

In the Environmental Impact Statement, the Interconnection at Pueblo Dam was seen as a way to deal with temporary shutdowns of the North or South Outlets due to emergencies or maintenance. There may also be water quality benefits for some water providers at certain times.

Project	2017	2018	2019	2020
Pueblo Dam Interconnection	$ -0-	$ -0-	$ -0-	$ -0-

Complete Business Plan

6. Excess Capacity Master Contract

The Southeastern District administered the first year of a 40-year Excess Capacity Master Contract with the Bureau of Reclamation in 2017.

So far, 16 communities are storing 6,525 acre-feet of water in Pueblo Reservoir under the Contract.

Another 21 communities will be part of the contract when the Arkansas Valley Conduit is built. A revised Memorandum of Agreement was drafted to reflect the change.

In this year's budget, pass-through payments to Reclamation amount to $265,959; water quality studies, $66,414; and administration, $33,738.

Over the next three years, the primary goal will be to begin administration of the program through the Engineering department and to create a path forward for the remaining AVC communities that eventually will need storage in Pueblo Reservoir.

2018 Participants

Canon City

Florence

Fountain

La Junta

Lower Arkansas Valley Water Conservancy District

Olney Springs

Penrose Water District

Poncha Springs

Pueblo West Metro District

Rocky Ford

Project	2017	2018	2019	2020
Excess Capacity Master Contract	$341,086	$366,111	$373,515	$381,217

Complete Business Plan

Pueblo Dam Spillway Crest/SECWCD Archives

7. Recovery of Storage

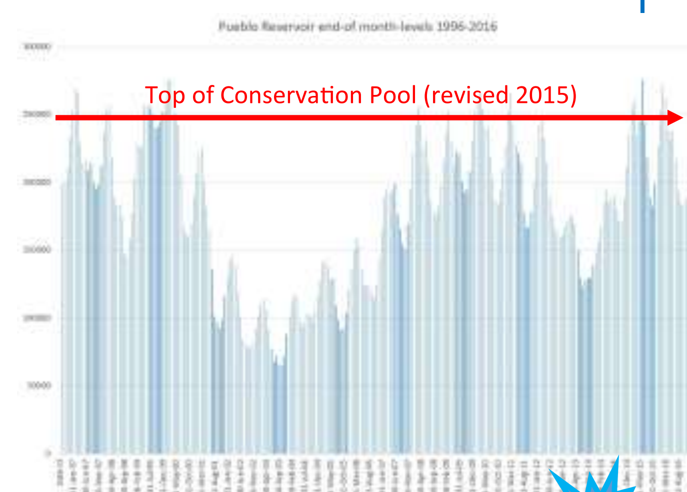
Since 1998, the District has looked at the possibility of gaining more storage in reservoirs of the Fryingpan-Arkansas Project. At the same time, the Project loses storage — about 20,000 acre-feet since 1975 — in Lake Pueblo.

Cities are becoming more reliant on excess-capacity storage in Pueblo Reservoir; agricultural storage beyond Winter Water is needed; and Upper Arkansas River users would like more options as well.

The District continues to look for ways to recover storage that already has been lost and to create new opportunities for its members to benefit from increased storage, either through dredging or physical enlargement of Pueblo and Turquoise Reservoirs.

The graph at right illustrates the month-end storage levels at Pueblo Reservoir, showing the availability of space in some years and the lack of it when the reservoir is full.

Funding now goes toward water quality studies and lobbying efforts.



Future strategies:

Both enlargement and dredging would require heavy funding. The trick will be determining what is most cost-effective.

Project	2017	2018	2019	2020
Enlargement	$90,459	$100,349	$202,732	$205,518

Complete Business Plan

Arkansas Valley officials visit D.C. in the 1950s/SECWCD Archives

8. Fry-Ark debt repayment

In 1982, Contract payments began on a 50-year schedule for the construction cost of the Fryingpan-Arkansas Project. The debt at the time was $132 million of the $585 million cost of building the Project.

In 2017, the District Executive Committee engaged in a discussion called "Framing the Future," which was part history lesson, and part financial and legal review. Most Board members took part in the discussion.

At the end, the Board chose to slow down the rate of repayment in order to begin accumulating a reserve to pay for unforeseen operation, maintenance and replacement (OM&R) associated with the Project.

The Board also chose to ask Reclamation for a provision to pre-pay annual OM&R for routine Project activities.

The District and Bureau of Reclamation are preparing for a new round of negotiations, which will occur during the next three years.

There will be two separate rounds of talks. The first will amend the current contract to slow down the amount of repayment and establish the advance OM&R payment.

The 1982 Contract covered only the first 40 years of the 50-year repayment period, and contained a clause to negotiate a new Contract at any time. The Board voted to begin that process once the current Contract is amended.

The negotiations themselves will be an expense for the District, and staff has begun planning on how to schedule negotiations at the same time as Arkansas Valley Conduit negotiations on a contract with Pueblo Water are beginning.

Project	2017	2018	2019	2020
Debt Repayment	$5,581,060	$1,587,096	$1,446,095	$2,039,880

Complete Business Plan

Boustead Outlet/SECWCD

9. Water Rate Study

The cost of Project water has not risen since 1998, and in 2017 the Board began contemplating an increase in water rates.

Staff will use 2018 as a base year to continue to collect data on how revenues from water sales relate to programs and projects within the Enterprise.

In the 20 years since the last rate increase, four surcharges have been created to fund expenses that arose. Other expenses have been covered with transfers from reserves.

Future strategies:

The District has not had a rate increase since 1998, and expenses which have arisen have been paid for with surcharges, from capital reserves or by adding to the previous debt of the Fryingpan-Arkansas Project. This table compares the District's rates to others throughout Colorado.

COST OF WATER

Annual price per acre-foot equivalent of several types of water (2016):

Retail water:	
(based on 115,000 gallons/year)	
Colorado Springs	**$2,286**
Aurora	**$2,125**
Greeley	**$1,616**
Denver	**$1,225**
Pueblo	**$ 954**
Stored water:	
(Pueblo Reservoir)	
In-District	**$40.04**
Out-of-District	**$61.24**
Winter Water	**$ 3.80***
Fry-Ark Water	**$ 3.00***

Wholesale water:	
Pueblo Board of Water Works:	
Dispensing station	**$1,225**
Marijuana	**$1,063**
Long-term lease (high)	**$ 651**
(average)	**$ 365**
Short-term lease (high)	**$ 200**
(average)	**$ 25**
Colorado-Big Thompson:	
Open market lease	**$ 85**
Fry-Ark water	**$7.25-12.35***

***Includes surcharges**

In 2018, staff will begin revisions of its Financial Planning Policies manual in order to more closely track revenues and expenditures.

At the same time, data will be collected for cost of service and water rate studies which are anticipated in 2019 and 2020.

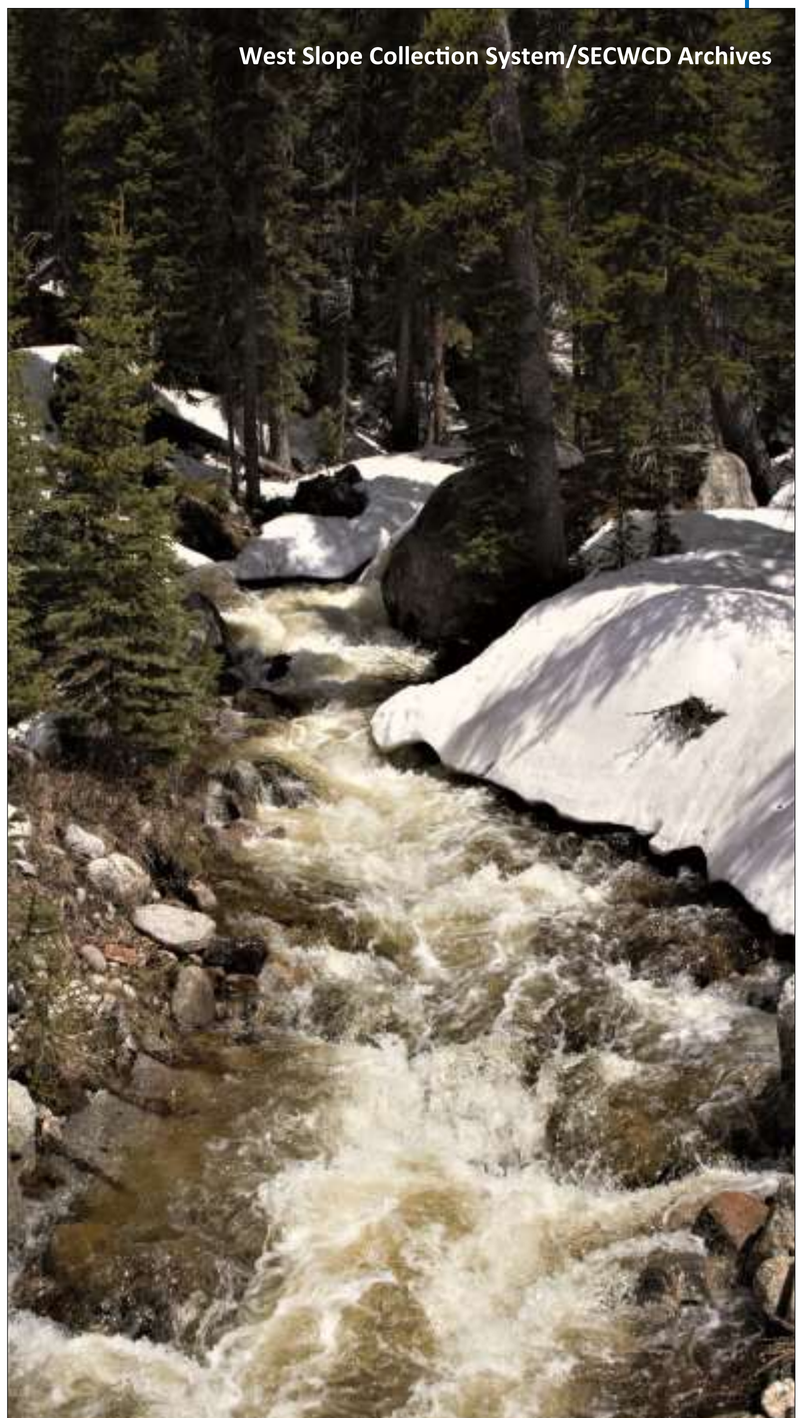
In the meantime, a communication plan is being developed to explain the eventual changes to stakeholders within the District.

Project	2017	2018	2019	2020
Water Rate Study	$ -0-	$ -0-	$125,000	$125,000

Complete Business Plan

10. Colorado River Programs

The Fryingpan-Arkansas Project depends on the ability to move water from the West Slope of the Continental Divide into the Arkansas River Basin. This requires the District to remain involved at several levels to protect its interests in the Colorado River Basin.



The District plans to continue funding for those programs over the next three years to protect and strengthen its position.

Some of the programs the District is involved in include:

- Fish Recovery Program: The District contributed $1.75 million to the Front Range Water Council's $17.2 million plan for water releases to benefit four species of endangered fish on the Colorado River.
- Colorado River Water Users Association: Executive Director Jim Broderick was elected President of the group for a two-year term beginning in December 2017.
- Front Range Water Council. The District cooperates with other water importers on a variety of programs including weather modification and fish recovery.
- Colorado Water Congress. The District participates in activities to better communicate with Western Slope interests.

Project	2017	2018	2019	2020
Colorado River Programs	$33,577	$60,056	$61,131	$62,225

11. Winter Water

The Winter Water program allows farmers to store water from Nov. 15-March 15, during the season when few crops which require irrigation water are growing.


Irrigation in Otero County/SECWCD Archives

The program was made possible by the completion of Pueblo Reservoir in 1975, providing an off-season use for Fryingpan-Arkansas Project facilities, and the means to store agricultural water for times when it is needed during the growing season.

The Enterprise collects surcharge fees on water stored in Pueblo Reservoir and administers storage in reservoirs owned by canal companies. The water is allocated according to the final decree in Pueblo Water Court in 1990.

The amount stored overall in the Winter Water Program varies depending on weather conditions, but the amount in Pueblo Reservoir remains relatively consistent because of the need to balance storage among participants who either have their own storage or who have no other way to receive Winter Water.

Project	2017	2018	2019	2020
Winter Water	$140,000	$117,600	$117,600	$117,600

Complete Business Plan

12. Conditional Water Rights

Conditional water rights are incomplete claims that reserve a priority obtained through a Water Court decree. Those who hold them are required to report due diligence to the court every six years.

The Southeastern District has these types of rights on both the East Slope and West Slope.

In 2016, the District filed a diligence application on 19 East Slope conditional rights. In this case, the District maintained diligence on storage rights at Pueblo Reservoir, Twin Lakes and Turquoise Lake; filed for changes on six other diversions; and abandoned 10 other rights.

The abandoned rights were associated with original plans of the Fryingpan-Arkansas Project to build a series of canals that would serve inline hydropower plants. The plants were never built, and there are no plans to build them.

The Board voted to abandon these rights to avoid future legal costs to defend them, and most importantly because they are no longer needed by the District.

The District also has conditional water rights in Water Division 5 on the West Slope. These rights come up for diligence review in Water Court in May, 2018.

Project	2017	2018	2019	2020
Legal Services	$120,000	$250,000	$250,000	$250,000

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Complete Business Plan

13. Reclamation Reform Act

The Reclamation Reform Act of 1982 defines and codifies acreage limitations to agriculture.

Project water users within the Southeastern Colorado Water Conservancy District boundaries are required to certify their landholdings by filing RRA forms prior to receiving an allocation of Project water dependent upon varying ownership entitlements.

No major changes are planned in this program over the next three years, so budget amounts will remain flat.

The District must provide information and guidance to all landholders regarding the acreage limitation provision of Federal Reclamation Law and the associated regulations.

In 2013, the District's Water Allocation Policy was amended to specify that it is the agricultural water organization's responsibility to pay the District any Bureau of Reclamation administrative fees and/or bills for Project water at the full cost rate delivered by the agricultural water organization 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 budgeted amount covers only the possibility of unpaid bills, and does not reflect staff time devoted to this task.

Project	2017	2018	2019	2020
Reclamation Reform Act	$2,000	$2,000	$2,000	$2,036

Complete Business Plan

14. Water Quality Sampling

Arkansas River Canyon/SECWCD Archives

The District, through its Enterprise Activity, has multiple contracts with the U.S. Geological Survey for water quality monitoring throughout the Arkansas River Basin. The programs are ongoing and will continue to be funded during the upcoming three-year period.

The USGS picks up about one-third of the costs, with the District and its partners paying the remainder.

One program has a budget of about $200,000 and covers water quality on the Upper and Lower Arkansas River, Fountain Creek and Pueblo Reservoir to support Special Projects. The Enterprise pays $141,003.

The program has six elements:

- Long term water quality monitoring.
- Collection of continuous specific-conductance data.
- Update of Web site.
- Stream-flow data for voluntary flow program.
- Fountain Creek suspended sediment.
- Pueblo Reservoir water quality.

A second program is about $20,000 and is funded by $14,437 through the Enterprise.

Project	2017	2018	2019	2020
Water Quality	$151,285	$185,704	$191,274	$197,013

Complete Business Plan

Fountain Creek at Clear Springs Ranch/Pueblo Chieftain

15. Fountain Creek transit loss

The District has been a participant in the U.S. Geological Survey model of transit loss on Fountain Creek since 2015.

The USGS and Colorado Springs began using the model in 1989 to help measure return flows on fully consumable water released into Fountain Creek. Since then, more participants in El Paso County have joined and the model is operated as part of the Pikes Peak Regional Water Authority (PPRWA).

The District joined the program as part of its accounting for return flows from Fryingpan-Arkansas water sold to Fountain Valley participants.

In 2017, the District paid $21,832, which was higher than expected because of municipal return flows of Project water.

In 2018, $4,107 is budgeted for each year to cover the base fee, PPRWA membership and potential flow-based fees.

Future strategies:

As part of its contract with the Bureau of Reclamation, the Southeastern District has agreed to use transmountain water to extinction. Better tracking of return flows also maximizes the amount of water available to sell. Transit loss models help those goals.

Project	2017	2018	2019	2020
Fountain Creek Transit Loss	$21,832	$4,107	$25,000	$23,000

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Complete Business Plan

Beetle-killed trees/Colorado State Forest Service

16. Watershed Health

The District was unsuccessful in obtaining a drought assistance grant from the Bureau of Reclamation in 2017 that would have established further monitoring of Pueblo Reservoir for the effects of three wildfires that occurred upstream in late 2016.

As the lead agency in the effort, the District was helping water providers who store water in Pueblo Reservoir develop tools for advance warning of water quality issues.

Discussions with water users revealed that there are already lines of communication in place that can assist with this effort.

Nevertheless, the District remains aware of the importance of maintaining healthy watersheds because of the immense damage sedimentation can cause to reservoirs.

Through its operations, maintenance and replacement (OM&R) payments to Reclamation, the District does participate in forest health activities.

In 2017, Reclamation approved a Fryingpan-Arkansas Project Fire Management Plan which addresses fire management, ecosystem stability, responses to wildland fires, and restoration of areas which have been debilitated by fire.

Project	2018	2019	2020
Watershed Health (projected)	$ 0	$ 0	$ 0

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Complete Business Plan

Kayaker in Pueblo Whitewater Park/Pueblo Chieftain

17. Restoration of Yield

An intergovernmental agreement (IGA) in 2004 established a program designed to keep flows in the Arkansas River through Pueblo called the Flow Management Program. As part of that effort the Restoration of Yield (ROY) group was formed

The City of Pueblo at the time was developing its Whitewater Park, and feared that increased exchanges on the Arkansas River would deplete the amount of water in the river, diminishing the city's investment. The IGA cleared the way for Pueblo's Recreational In-Channel Diversion.

Other parties in the agreement were Aurora, Colorado Springs, Pueblo Board of Water Works, Fountain and the Southeastern Colorado Water Conservancy District. All had an interest in protecting future exchange potential into Pueblo Reservoir. Pueblo West joined the group in 2015 because of common interests and subsequent legal agreements.

In the past three years, the group's technical committee has been investigating sites for small reservoirs east of Pueblo.

The idea is to capture releases which otherwise could be exchanged, but are bypassed to ensure certain flow levels. At times, some water may be released to bolster flows.

Initial reconnaissance for reservoir sites is complete, and now the ROY group is preparing to move ahead to develop storage.

Over the next three years, the District anticipates it will pay its share of costs toward planning, design and site acquisition for the ROY reservoir.

Project	2017	2018	2019	2020
Restoration of Yield	$15,506	$160,000	$50,000	$50,000

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Complete Business Plan

Fisherman on the Arkansas River/SECWCD Archives

18. Regional Resource Planning Group

Formed under the 2003 Intergovernmental Agreement with Aurora, the Resource Regional Planning Group works to better define the water quality conditions, dominant source areas and processes that affect water quality in the Arkansas River Basin.

The Southeastern Colorado Water Conservancy District acts as a pass-through agency for the group, and coordinates its activities.

The current contract with the U.S. Geological Survey is for $207,600, which is funded by $135,000 from the six partners and $72,600 from the USGS. The District contributes $25,000.

The scope of work during the next three years will look at total dissolved solids (TDS), selenium and uranium concentrations from the mountains to the Kansas state line.

TDS is a concern because it affects drinking water quality in the Lower Arkansas Valley. High salinity also affects crop yields.

Uranium is a problem for all drinking water providers throughout the basin.

High selenium levels are detrimental to wildlife and present a regulatory challenge.

Regional Resource Planning Group

Aurora Water
Colorado Springs Utilities
Lower Arkansas Valley Water Conservancy District
Pueblo Water
Southeastern Colorado Water Conservancy District
Upper Arkansas Water Conservancy District

Project	2017	2018	2019	2020
Regional Resource Planning Group	$135,000	$135,000	$135,000	$135,000

Complete Business Plan

Conference room/SECWCD

19. Information Technology

Many of the oldest documents relating to the Fryingpan-Arkansas Project were generated on typewriters or even carbon copies.

Technology has moved a long way during the 59 years the District has been in existence and it will mean some big changes during the next three years.

In the past few years, the District has upgraded its meeting rooms by adding more sophisticated equipment to improve the quality of presentations and to make recorded electronic minutes more accurate. The facilities also allow for updated audio and video conferencing.

Computer systems have increased the productivity of employees.

Some of the money budgeted for Information Technology will be used for routine maintenance and upgrades for the systems in place.

In 2017, the District will upgrade its Geographic Information Systems (GIS), which are used by the Engineering Department for tasks such as inclusion and for Reclamation Reform Act compliance.

Another project will be the installation of fiber optic cable in the building. This will allow greater communication speed and more reliable internet service.

A new telephone system is needed to keep pace with features that are now available that will improve the reliability and clarity of phones within the building.

Within the next three years, the District will move toward an electronic filing system to improve access to records.

Project	2017	2018	2019	2020
Information Technology	$64,706	$125,113	$112,235	$109,513

Complete Business Plan

Southeastern Colorado Water Conservancy District Offices

20. Facilities and Grounds

The headquarters of the Southeastern Colorado Water Conservancy District moved into its new offices at the current location in 2000.

As with any organization, the District needs to maintain a modern work environment suited for the tasks it performs.

The goal in the next three years is to make needed repairs on the parking lot, which has begun to show signs of wear.

Additionally, the District is entering a phase where it will be converting many of the original paper documents stored in the building to a form that can be accessed electronically.

There also have been changes in the function of staff which require some office modifications, as well as routine maintenance.

Xeriscape Gardens at SECWCD

Future strategies:

While the Fryingpan-Arkansas Project will always remain the primary focus for the District, the offices at the Pueblo Airport Industrial Park serve as the base of operations for the District. Opened in 2000, the headquarters have expanded to accommodate greater stores of records and new technology, while fulfilling a role as community meeting place.

Project	2017	2018	2019	2020
Facilities and grounds	$91,700	$210,599	$212,626	$212,019

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Complete Business Plan

21. Community Outreach and Conservation

The District is celebrating its 60th anniversary this year and has plans for a summer water tour that will incorporate the 50th anniversary of the completion of Ruedi Reservoir.

Some additional publications are also in the works, including the Legacy of Service that includes short biographies of all Board members, as well as recipients of the prestigious Aspinall Awards, members of state water boards, and those honored at the annual Arkansas River Basin Water Forum.

The District also has prepared materials to explain the significance of the Fryingpan-Arkansas Project as Contract negotiations with the Bureau of Reclamation near.

The District plans to continue working with other organization to educate the public about the importance of water and conservation to the Arkansas River basin.

Covers of upcoming communication materials (above); Southeastern Board Member Greg Felt (left) appears in a video at the 2017 Arkansas River Basin Water Forum in Colorado Springs.

Project	2017	2018	2019	2020
Outreach and Conservation	$3,932	$36,285	$23,405	$23,572

Complete Business Plan

22. Miscellaneous Revenues


Ruedi Reservoir/SECWCD

Public Law 111-11 allows miscellaneous revenues from excess capacity or exchange contracts with the Bureau of Reclamation to fund specific parts of the Fryingpan-Arkansas Project.

The South Outlet Works was paid off first, and Ruedi Reservoir is expected to be paid in full by 2019. The remaining debt of the Fountain Valley Conduit should be retired in 2021.

That will leave the remaining revenues to be used for construction of the Arkansas Valley Conduit (AVC).

Miscellaneous revenues now total roughly $3.5 million annually, and are expected to increase to more than $10 million annually over the next 50 years. That money can be used to pay for construction or to repay the Bureau of Reclamation for construction of the AVC.

The Southeastern District continues to develop strategies for the payment of the local 35 percent match for the AVC, as well as finding ways to build in more efficiency to save costs.

The next three years will be a critical time for taking steps to begin construction of the AVC.


Fountain Valley Conduit pumps/SECWCD

Firm Miscellaneous Revenues:

Revenues from Reclamation firm contracts are applied toward Project debt or OM&R. Those totaled $897,442 in 2017.

Project	2017	2018	2019	2020
Miscellaneous Revenues	3,444,000	$3,505,647	$3,568,398	$3,632,273

Complete Business Plan

23. Upper Basin Storage (Enterprise)

Innovative projects by the Upper Arkansas Water Conservancy District propose to add integrated surface and underground storage in the Upper Arkansas River.

Two projects also will explore new concepts for an interruptible water supply for cities in order to avoid “buy and dry” of irrigated farmland; enhance recreational and environmental opportunities; provide low-impact hydroelectric power generation; educate the public; and encourage public-private collaboration.

The two projects share many of the same components, but different in scale.

Currently, the Upper Ark District is doing a feasibility study at Lake Ranch.

The Trout Creek Multi-Use Project, for which the Upper Ark District is seeking funds in the form of partnerships, is a larger, more complex version of the Lake Ranch Multi-Use Project.

The project is located just west of Trout Creek Pass near Buena Vista, in an area that presently contains wetlands, wildlife habitat, and irrigated agriculture.

The goal is to keep all of those values in a sustainable project. Crucial to that is the need for storage. Trout Creek Reservoir, underground storage, and aquifer recharge ponds will all work in concert to fulfill the goal.

Part of the mission of the Southeastern District has been to improve water resources and storage potential for all of its members.

It is anticipated that the District would provide financial support for this new approach toward water conservation.

Project	2017	2018	2019	2020
Upper Basin Storage (Enterprise)	$ -	$25,000	$25,000	$ -

Complete Business Plan


Hunter Creek/Pro Trails

23. Fry-Ark Infrastructure Assessment

"You cannot escape the responsibility of tomorrow by evading it today."

—Abraham Lincoln

As the Fryingpan-Arkansas Project moves into the future, it is important to carefully consider what we are leaving for future generations.

The oldest parts of the Fryingpan-Arkansas Project were built 50 years ago, and may have a long, useful life ahead of them.

In order to fulfill its mission, the District needs to assure water users that major features of the collection system, Boustead Tunnel at the core of the Project, and East Slope storage vessels remain functional.

The health of the system also will drive funding decisions which are looming for the District.

The Bureau of Reclamation periodically assesses the infrastructure of the Project with an eye to criticality of needed repairs. While its rating system allows for appropriate management of operation, maintenance, and replacement, the District as funding partners should be a part of that assessment.

Project	2017	2018	2019	2020
Infrastructure Assessment	$ -	$ -	$ -	$100,000

Complete Business Plan

Southeastern Colorado Water Conservancy District
2018 Business Plan
Government Activity (District)

Statement of Revenues and Expenditures

(In Whole Numbers)

		2018 Proposted Budget	2019 Estimated Budget	2020 Estimated Budget
Fry-Ark Project Revenue				
Tax Collections				
Contract Mill Levy Collections	4510	7,521,766	7,752,699	7,985,280
Abatement and Refund of Tax Collections	4530	33,430	40,716	41,445
Prior Year Tax	4540	(4,905)	(5,000)	(5,090)
County Collection Fees	6340	(118,899)	(118,000)	(118,076)
Total Tax Collections		7,431,392	7,670,415	7,903,559
Fountain Valley Authority				
Fountain Valley Authority	4340	5,360,000	5,360,000	5,365,000
Total Fountain Valley Authority		5,360,000	5,360,000	5,365,000
Winter Water Storage				
Winter Water Storage	4330	117,600	117,600	117,600
Total Winter Water Storage		117,600	117,600	117,600
Excess Capacity Master Contract				
Excess Capacity Master Contract	4360	265,959	270,723	275,550
Total Excess Capacity Master Contract		265,959	270,723	275,550
Collection of RRA Fees				
RRA Fee Reimbursement	4135	2,000	2,000	2,036
Total Collection of RRA Fees		2,000	2,000	2,036
Total Fry-Ark Project Revenue		13,176,951	13,420,738	13,663,745
Fry-Ark Project Expenditures				
Contract Payments				
Contract Tax Payment - USBR	5010	7,442,323	7,670,415	7,903,559
Total Contract Payments		7,442,323	7,670,415	7,903,559
Fountain Valley Authority				
Payment - Fountain Valley Authority	5040	5,360,000	5,360,000	5,365,000
Total Fountain Valley Authority		5,360,000	5,360,000	5,365,000
Winter Water Storage				
Payment - Winter Water Storage - USBR	5030	117,600	117,600	117,600
Total Winter Water Storage		117,600	117,600	117,600
Excess Capacity Master Contract				
Payment - Excess Capacity Master Contract - USBR	5065	265,959	270,723	275,550
Total Excess Capacity Master Contract		265,959	270,723	275,550
RRA Fees				
Reclamation Reform Act Audit	6025	2,000	2,000	2,036
Total RRA Fees		2,000	2,000	2,036
Total Fry-Ark Project Expenditures		13,187,882	13,420,738	13,663,745
Total Fry-Ark Revenues Over (Under) Expenditures		(10,931)	0	0
Grant Revenue				
State				
Grant Revenue - Contingency	4170	210,000	210,000	210,000
Total State		210,000	210,000	210,000
Total Grant Revenue		210,000	210,000	210,000
Grant Expenditures				
Expenditures				
Contingency - Grants	7260	210,000	210,000	210,000
Total Expenditures		210,000	210,000	210,000
Total Grant Expenditures		210,000	210,000	210,000
Total Grant Revenues Over (Under) Expenditures		0	0	0

Complete Business Plan

Southeastern Colorado Water Conservancy District
2018 Business Plan
Government Activity (District)
Statement of Revenues and Expenditures
(In Whole Numbers)

		2018 Proposted Budget	2019 Estimated Budget	2020 Estimated Budget
Operating Revenue				
Tax Revenue for Operations				
Specific Ownership Tax Collections	4420	679,571	691,735	704,117
Operating Tax Revenue	4520	292,513	301,493	310,538
Total Tax Revenue for Operations		972,084	993,228	1,014,655
Interfund Reimbursements				
Enterprise Admin Reimbursement	4440	1,575,103	1,694,760	1,771,131
Total Interfund Reimbursements		1,575,103	1,694,760	1,771,131
Investment Revenue				
Interest Income	4040	2,417	2,460	2,504
Interest on Bonds	4042	82,335	92,525	94,181
Total Investment Revenue		84,752	94,985	96,685
Other Operating Revenue				
Miscellaneous Revenue	4150	0	1,500	0
Room Rental and Services	4460	100	100	100
Xeriscape Tour and Garden Shows	4470	900	900	900
Total Other Operating Revenue		1,000	2,500	1,000
Total Operating Revenue		2,632,939	2,785,473	2,883,471
Operating Expenditures				
Human Resources				
Staff Payroll	5110	987,927	1,027,444	1,068,542
Incentive/Performance Capacity	5120	51,000	53,040	55,162
Directors Payroll	5140	36,000	36,000	36,000
Payroll Taxes	5210	75,536	78,557	81,700
HSA Contributions	5220	34,600	35,984	37,423
401 Retirement Contribution	5230	130,689	135,917	141,353
457 Retirement Contribution	5235	48,117	50,042	52,043
Health Insurance	5250	124,081	129,044	134,206
Life Ins - Staff & Directors	5254	8,280	8,611	8,956
Medical Reimbursement Expense	5255	4,950	5,149	5,354
LT Disability Ins	5256	6,996	7,276	7,567
Employee Assistance Program	5258	749	778	810
Dental Insurance	5260	8,760	9,111	9,475
Vision Insurance	5265	1,728	1,797	1,869
Worker's Compensation Insurance	5270	4,647	4,832	5,026
Total Human Resources		1,524,060	1,583,582	1,645,486
Headquarter Operations				
Admin Fees for Human Resources	6015	4,000	4,072	4,144
Bank Fees	6030	2,000	1,368	1,392
Board Awards/Gifts	6040	1,018	1,036	1,055
Board Coffee/Snacks	6050	509	518	527
Board Memberships/Subscriptions	6070	8,500	8,500	8,500
Board Printing	6090	1,018	1,036	1,055
Board Room Presentation Equipment and Maintenance	6100	204	208	211
Board Room Accessories	6110	305	310	316
Board/Committee Meals	6120	7,838	7,978	8,121
Building Heating/Cooling	6130	1,932	1,967	2,002
Building Other/Misc Maintenance	6140	2,545	2,591	2,637
Building Plumbing & Electrical	6150	2,290	2,331	2,373
Building Tools & Equipment	6160	204	208	212
Computer - General Contracts	6250	21,386	22,386	23,386
Computer - Supplies	6260	773	787	802

Complete Business Plan

Southeastern Colorado Water Conservancy District
2018 Business Plan
Government Activity (District)
Statement of Revenues and Expenditures
(In Whole Numbers)

		2018 Proposted Budget	2019 Estimated Budget	2020 Estimated Budget
Fry-Ark Project Revenue				
Tax Collections				
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Total Tax Collections		7,431,392	7,670,415	7,903,559
Fountain Valley Authority				
Fountain Valley Authority	4340	5,360,000	5,360,000	5,365,000
Total Fountain Valley Authority		5,360,000	5,360,000	5,365,000
Winter Water Storage				
Winter Water Storage	4330	117,600	117,600	117,600
Total Winter Water Storage		117,600	117,600	117,600
Excess Capacity Master Contract				
Excess Capacity Master Contract	4360	265,959	270,723	275,550
Total Excess Capacity Master Contract		265,959	270,723	275,550
Collection of RRA Fees				
RRA Fee Reimbursement	4135	2,000	2,000	2,036
Total Collection of RRA Fees		2,000	2,000	2,036
Total Fry-Ark Project Revenue		13,176,951	13,420,738	13,663,745
Fry-Ark Project Expenditures				
Contract Payments				
Contract Tax Payment - USBR	5010	7,442,323	7,670,415	7,903,559
Total Contract Payments		7,442,323	7,670,415	7,903,559
Fountain Valley Authority				
Payment - Fountain Valley Authority	5040	5,360,000	5,360,000	5,365,000
Total Fountain Valley Authority		5,360,000	5,360,000	5,365,000
Winter Water Storage				
Payment - Winter Water Storage - USBR	5030	117,600	117,600	117,600
Total Winter Water Storage		117,600	117,600	117,600
Excess Capacity Master Contract				
Payment - Excess Capacity Master Contract - USBR	5065	265,959	270,723	275,550
Total Excess Capacity Master Contract		265,959	270,723	275,550
RRA Fees				
Reclamation Reform Act Audit	6025	2,000	2,000	2,036
Total RRA Fees		2,000	2,000	2,036
Total Fry-Ark Project Expenditures		13,187,882	13,420,738	13,663,745
Total Fry-Ark Revenues Over (Under) Expenditures		(10,931)	0	0
Grant Revenue				
State				
Grant Revenue - Contingency	4170	210,000	210,000	210,000
Total State		210,000	210,000	210,000
Total Grant Revenue		210,000	210,000	210,000
Grant Expenditures				
Expenditures				
Contingency - Grants	7260	210,000	210,000	210,000
Total Expenditures		210,000	210,000	210,000
Total Grant Expenditures		210,000	210,000	210,000
Total Grant Revenues Over (Under) Expenditures		0	0	0

Complete Business Plan

Southeastern Colorado Water Conservancy District
2018 Business Plan
Government Activity (District)

Statement of Revenues and Expenditures

(In Whole Numbers)

		2018 Proposted Budget	2019 Estimated Budget	2020 Estimated Budget
Directors - Other Transportation (Taxi/Shuttle/Rental)	6380	254	259	264
Directors Airfare	6390	6,201	3,766	3,834
Directors Hotels	6400	8,550	8,703	8,859
Directors Meals	6410	1,400	1,425	1,451
Directors Meeting Registrations	6420	8,300	8,449	8,600
Directors Mileage Reimbursement	6430	13,233	13,470	13,711
Executive - Airfare	6480	4,536	2,072	2,109
Executive - District Vehicle Gas	6490	1,018	1,036	1,055
Executive - Hotels	6500	5,090	5,181	5,274
Executive - Meals	6510	1,018	1,036	1,055
Executive - Meeting Registrations	6520	2,850	2,901	2,953
Executive - Other Travel Expense	6530	509	518	527
Meeting Expense	6725	1,492	1,519	1,546
Meeting Meals	6727	917	934	951
Staff Business and Training- Airfare	6860	10,900	10,900	11,095
Staff Business and Training- District Vehicle Gas	6870	4,760	4,845	4,932
Staff Business and Training- Hotels	6880	13,570	13,813	14,280
Staff Business and Training- Meals	6890	3,945	4,016	3,775
Staff Business and Training- Meeting Registrations	6900	13,595	13,838	14,087
Staff Business and Training- Other Travel	6910	1,315	1,339	1,363
Staff Certification - Airfare	6920	300	305	310
Staff Certification - Hotels	6930	1,300	1,323	1,396
Staff Certification - Meals	6940	350	356	474
Staff Certification - Other Expense	6950	85	87	100
Staff Certification - Registrations	6960	3,060	3,115	3,258
Staff Education - Hotels	6980	130	132	140
Staff Education - Meals	6990	80	81	100
Staff Education - Other Travel	7000	1,425	1,451	1,477
Staff Ed - Registrations (General Skills)	7010	24,734	25,177	25,580
Total Meetings and Travel		135,477	132,617	135,136
Outside and Professional Services				
Annual Audit	6020	50,000	50,000	50,000
Consultant HR Breadbasket	6328	10,000	0	0
Consultant/Lobbying Services - Federal	6330	27,300	27,300	27,300
Colorado River Services	6350	12,000	12,000	12,000
Legal Representation	6440	326,000	330,000	330,000
Legal Expense	6445	17,000	22,000	22,000
Water Policy Management Consultants	6455	15,000	19,000	19,000
Engineering Outside Contracts	6470	13,000	13,000	13,233
Legal Travel Expense	6632	204	208	212
Total Outside and Professional Services		470,504	473,508	473,745
Water Conservation and Education				
Children's Water Festival	6220	1,200	1,200	1,200
Xeriscape Garden Tours	6320	700	700	700
Tours & Anniversary Events	6540	25,000	12,000	12,000
Sponsorships, Exhibits & Ads	6840	6,710	6,830	6,952
Xeriscape Ed Programs & Publications	7240	2,675	2,675	2,720
Total Water Conservation and Education		36,285	23,405	23,572
Total Operating Expenditures		2,437,038	2,487,973	2,557,471
Total Operations Revenues Over (Under) Expenditures		195,901	297,500	326,000

Complete Business Plan

Southeastern Colorado Water Conservancy District
2018 Business Plan
Government Activity (District)

Statement of Revenues and Expenditures
(In Whole Numbers)

		2018 Proposted Budget	2019 Estimated Budget	2020 Estimated Budget
Capital Outlay and Improvements				
Capital Outlay - Headquarters	6200	120,000	120,000	77,000
Capital Outlay-Projects & Studies	6210	250,000	475,000	575,000
Total Capital Outlay and Improvements		370,000	595,000	652,000
Total Revenues Over (Under) Expenditures		(185,030)	(297,500)	(326,000)

Complete Business Plan

Southeastern Colorado Water Conservancy District
2018 Business Plan
Enterprise Administration (Water Fund)

Statement of Revenues and Expenditures
(In Whole Numbers)

		2018 Proposted Budget	2019 Estimated Budget	2020 Estimated Budget
Grant Revenue				
State				
Grant Revenue State/Local	4160	118,000	35,000	35,626
Grant Revenue - Contingency	4170	92,000	175,000	178,133
Total State		210,000	210,000	213,759
Total Grant Revenue		210,000	210,000	213,759
Grant Expenditures				
Expenditures				
Project/Grant Expenses	6825	118,000	35,000	35,626
Contingency - Grants	7260	92,000	175,000	178,133
Total Expenditures		210,000	210,000	213,759
Total Grant Expenditures		210,000	210,000	213,759
Total Grant Revenues Over (Under) Expenditures		0	0	0
Operating Revenue				
Water Sales and Surcharges				
Return Flow Water Sales	4010	47,070	47,070	47,070
Well Augmentation Surcharge	4030	13,666	13,666	13,666
Surcharge Revenue	4050	586,572	588,413	589,288
Aurora IGA - If & When WAE fee	4100	100,000	100,000	100,000
Project Water Sales	4320	311,486	311,486	311,486
Total Water Sales and Surcharges		1,058,794	1,060,635	1,061,510
Investment Revenue				
Interest Income	4040	783	797	811
Interest on Bonds	4042	123,438	125,648	127,897
Total Investment Revenue		124,221	126,445	128,708
Partnership Contributions				
Regional Resource Planning Payments	4205	110,000	110,000	110,000
Total Partnership Contributions		110,000	110,000	110,000
Other Operating Revenue				
Aurora IGA - Administration Fee	4090	50,000	50,000	50,000
Total Other Operating Revenue		50,000	50,000	50,000
Total Operating Revenue		1,343,015	1,347,080	1,350,218
Operating Expenditures				
Headquarter Operations				
Contingency - Operating	7250	50,000	50,000	50,000
Total Headquarter Operations		50,000	50,000	50,000
Outside and Professional Services				
Consultant/Lobbying Services - Federal	6330	33,300	33,300	33,300
Colorado River Services	6350	60,056	61,131	62,225
Legal Representation	6440	7,634	7,771	7,910
Water Policy Management Consultants	6455	25,448	25,903	26,367
Engineering Outside Contracts	6470	10,000	10,000	10,000
Transit Loss Study Expenses	6826	2,880	23,000	23,000
Research Project Support	6830	27,448	27,904	28,368
Total Outside and Professional Services		166,766	189,009	191,170
Personnel and Overhead				
Office Overhead	6762	440,296	466,857	470,205
Overhead Capital	6763	196,100	297,500	326,000
Project Directors Allocation	6821	24,120	24,120	24,120
Project Personnel	6822	589,422	638,136	673,878

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Complete Business Plan

Southeastern Colorado Water Conservancy District
2018 Business Plan
Enterprise Administration (Water Fund)

Statement of Revenues and Expenditures
(In Whole Numbers)

		2018 Proposted Budget	2019 Estimated Budget	2020 Estimated Budget
Total Personnel and Overhead		1,249,938	1,426,613	1,494,203
Partnerships				
Capital Improvements - SOD Irrigation	6170	60,000	60,000	60,000
U.S.G.S. Co-op Programs	7060	37,867	39,003	40,173
RRPG Project Costs	7065	135,000	135,000	135,000
Total Partnerships		232,867	234,003	235,173
Other Payments				
AVC Project Contributions	5046	20,000	20,000	20,000
Reimbursement to Other Project/Fund	5047	1,790	1,822	1,855
Total Other Payments		21,790	21,822	21,855
Total Operating Expenditures		1,721,361	1,921,447	1,992,401
Total Operations Revenues Over (Under) Expenditures		(378,346)	(574,367)	(642,183)
Capital Outlay and Improvements				
Capital Outlay - Projects	6185	150,000	50,000	50,000
Capital Outlay- Fountain Creek Transit Loss	6186	1,227	2,000	0
Capital Outlay - Basin Storage	6187	25,000	25,000	0
Total Capital Outlay and Improvements		176,227	77,000	50,000
Total Revenues Over (Under) Expenditures		(554,573)	(651,367)	(692,183)

Complete Business Plan

Southeastern Colorado Water Conservancy District
2018 Business Plan
Excess Capacity Master Contract

Statement of Revenues and Expenditures
(In Whole Numbers)

		2018 Proposted Budget	2019 Estimated Budget	2020 Estimated Budget
Operating Revenue				
Participant Payments				
Payments - Participants	4130	100,152	102,792	105,667
Total Participant Payments		100,152	102,792	105,667
Total Operating Revenue		100,152	102,792	105,667
Operating Expenditures				
Meetings and Travel				
Directors Mileage Reimbursement	6430	204	208	212
Executive - Hotels	6500	305	310	316
Executive - Meals	6510	305	310	316
Executive - Other Travel Expense	6530	305	310	316
Meeting Expense	6725	509	518	527
Meeting Meals	6727	509	518	527
Staff Business and Training- Hotels	6880	509	518	527
Staff Business and Training- Meals	6890	407	414	421
Total Meetings and Travel		3,053	3,106	3,162
Outside and Professional Services				
Legal Representation	6440	5,000	5,089	5,180
Water Policy Management Consultants	6455	7,500	7,500	7,634
Total Outside and Professional Services		12,500	12,589	12,814
Personnel and Overhead				
Office Overhead	6762	6,808	6,859	6,863
Project Personnel	6822	11,377	11,832	12,370
Total Personnel and Overhead		18,185	18,691	19,233
Partnerships				
U.S.G.S. Co-op Programs	7060	66,414	68,406	70,458
Total Partnerships		66,414	68,406	70,458
Total Operating Expenditures		100,152	102,792	105,667
Total Operations Revenues Over (Under) Expenditures		0	0	0
Total Revenues Over (Under) Expenditures		0	0	0

Complete Business Plan

Southeastern Colorado Water Conservancy District
2018 Business Plan
Enlargement Project

Statement of Revenues and Expenditures

(In Whole Numbers)

		2018 Proposted Budget	2019 Estimated Budget	2020 Estimated Budget
Operating Revenue				
Participant Payments				
Payments - Participants	4130	98,559	100,910	103,663
Total Participant Payments		98,559	100,910	103,663
Interfund Reimbursements				
Matching Project Contribution	4140	1,790	1,822	1,855
Total Interfund Reimbursements		1,790	1,822	1,855
Total Operating Revenue		100,349	102,732	105,518
Operating Expenditures				
Meetings and Travel				
Executive - Airfare	6480	611	622	633
Executive - Hotels	6500	204	208	212
Executive - Meals	6510	102	104	106
Meeting Expense	6725	102	104	106
Meeting Meals	6727	102	104	106
Total Meetings and Travel		1,121	1,142	1,163
Outside and Professional Services				
Consultant/Lobbying Services - Federal	6330	20,000	20,000	20,358
Total Outside and Professional Services		20,000	20,000	20,358
Personnel and Overhead				
Office Overhead	6762	2,391	2,409	2,398
Project Personnel	6822	3,996	4,155	4,322
Total Personnel and Overhead		6,387	6,564	6,720
Partnerships				
U.S.G.S. Co-op Programs	7060	72,841	75,026	77,277
Total Partnerships		72,841	75,026	77,277
Total Operating Expenditures		100,349	102,732	105,518
Total Operations Revenues Over (Under) Expenditures		0	0	0
Total Revenues Over (Under) Expenditures		0	0	0

Complete Business Plan

Southeastern Colorado Water Conservancy District
2018 Business Plan
Arkansas Valley Conduit Project

Statement of Revenues and Expenditures
(In Whole Numbers)

		2018 Proposted Budget	2019 Estimated Budget	2020 Estimated Budget
Total Grant Revenues Over (Under) Expenditures		0	0	0
Operating Revenue				
Participant Payments				
Payments - Participants	4130	234,760	156,885	159,393
Total Participant Payments		234,760	156,885	159,393
Federal Appropriations & USBR				
Federal IPA USBR Contract	4163	165,912	172,179	178,747
Total Federal Appropriations & USBR		165,912	172,179	178,747
Total Operating Revenue		400,672	329,064	338,140
Operating Expenditures				
Headquarter Operations				
Board/Committee Meals	6120	102	104	106
Total Headquarter Operations		102	104	106
Meetings and Travel				
Directors Airfare	6390	7,329	7,460	7,594
Directors Hotels	6400	9,715	9,889	10,066
Directors Meals	6410	2,443	2,487	2,532
Directors Mileage Reimbursement	6430	1,221	1,243	1,265
Executive - Airfare	6480	3,664	3,730	3,797
Executive - Hotels	6500	4,886	4,973	5,062
Executive - Meals	6510	1,221	1,243	1,265
Executive - Other Travel Expense	6530	1,221	1,243	1,265
Meeting Expense	6725	509	518	527
Meeting Meals	6727	509	518	527
Staff Business and Training- District Vehicle Gas	6870	5,598	5,698	5,800
Staff Business and Training- Hotels	6880	1,629	1,658	1,688
Staff Business and Training- Meals	6890	407	414	421
Staff Business and Training- Other Travel	6910	204	208	212
Total Meetings and Travel		40,556	41,282	42,021
Outside and Professional Services				
Consultant/Lobbying Services - Federal	6330	30,000	30,000	30,000
Water Policy Management Consultants	6455	25,000	25,000	25,447
Engineering Outside Contracts	6470	25,448	25,904	26,368
Project Studies	6472	80,000	0	0
Total Outside and Professional Services		160,448	80,904	81,815
Personnel and Overhead				
Office Overhead	6762	9,386	9,452	9,401
Project Personnel	6822	181,598	188,483	195,692
Total Personnel and Overhead		190,984	197,935	205,093
Partnerships				
U.S.G.S. Co-op Programs	7060	8,582	8,839	9,105
Total Partnerships		8,582	8,839	9,105
Total Operating Expenditures		400,672	329,064	338,140
Total Operations Revenues Over (Under) Expenditures		0	0	0
Total Revenues Over (Under) Expenditures		0	0	0

Complete Business Plan

Southeastern Colorado Water Conservancy District
2018 Business Plan
Hydroelectric Power Project

Statement of Revenues and Expenditures
(In Whole Numbers)

		2018 Proposted Budget	2019 Estimated Budget	2020 Estimated Budget
Operating Revenue				
Hydroelectric Generation Revenue				
Hydroelectric Power Loan	4200	9,415,000	0	172,200
Hydroelectric Generation Revenue-CS-U	4201	0	593,750	607,941
Hydroelectric Generation Revenue-Fountain	4202	0	618,750	629,269
Energy Distribution Revenue	4203	0	70,000	70,000
Total Hydroelectric Generation Revenue		9,415,000	1,282,500	1,479,410
Other Operating Revenue				
Miscellaneous Revenue	4150	105,080	0	0
Total Other Operating Revenue		105,080	0	0
Total Operating Revenue		9,520,080	1,282,500	1,479,410
Operating Expenditures				
Headquarter Operations				
Bank Fees	6030	1,200	1,200	1,200
Total Headquarter Operations		1,200	1,200	1,200
Meetings and Travel				
Directors Airfare	6390	600	0	0
Executive - Airfare	6480	600	0	0
Executive - Hotels	6500	1,000	0	0
Executive - Meals	6510	500	0	0
Meeting Expense	6725	400	0	0
Meeting Meals	6727	200	0	0
Staff Business and Training- Airfare	6860	800	0	0
Staff Business and Training- District Vehicle Gas	6870	250	0	0
Staff Business and Training- Hotels	6880	1,200	0	0
Staff Business and Training- Meals	6890	150	0	0
Staff Business and Training- Other Travel	6910	300	0	0
Total Meetings and Travel		6,000	0	0
Outside and Professional Services				
Legal Representation	6440	10,000	0	0
Engineering Outside Contracts	6470	10,000	0	0
Total Outside and Professional Services		20,000	0	0
Water Conservation and Education				
Tours & Anniversary Events	6540	5,000	0	0
Total Water Conservation and Education		5,000	0	0
Personnel and Overhead				
Office Overhead	6762	42,905	18,333	18,188
Project Personnel	6822	71,704	31,624	32,784
Total Personnel and Overhead		114,609	49,957	50,972
Other Payments				
Miscellaneous Expense	7150	105,080	0	0
Total Other Payments		105,080	0	0
Debt Service				
Hydroelectric Interest During Construction	7301	256,000	347,844	347,844
Total Debt Service		256,000	347,844	347,844
Annual Project Expense				
Energy Transmission (BH)	7302	0	19,036	19,417
Energy Distribution (BH)	7303	0	140,000	140,000
Operations & Maintenance	7310	0	126,000	129,150
Lease of Power Privilege	7315	0	84,000	86,100
Scheduling & Firming	7325	0	66,000	67,650
Total Annual Project Expense		0	435,036	442,317

Complete Business Plan

Southeastern Colorado Water Conservancy District
2018 Business Plan
Hydroelectric Power Project

Statement of Revenues and Expenditures

(In Whole Numbers)

		2018 Proposted Budget	2019 Estimated Budget	2020 Estimated Budget
Total Operating Expenditures		507,889	834,037	842,333
Total Operations Revenues Over (Under) Expenditures		9,012,191	448,463	637,077
Capital Outlay and Improvements				
Capital Improvement - Hydroelectric (CWCB)	6171	9,415,000	0	0
Capital Improvement- Hydroelectric Change Orders	6174	53,200	0	0
Total Capital Outlay and Improvements		9,468,200	0	0
Total Revenues Over (Under) Expenditures		(456,009)	448,463	637,077

Glossary of Terms

Acre-Foot of Water	An acre-foot of water is the amount of water that would cover an acre of land to a depth of one foot, or 325,851 gallons.
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
Balanced Budget	A balanced budget reflects one single fiscal year that the overall difference between government revenues and spending equal.
Basin	The Basin refers to the Arkansas River Basin unless otherwise stated
Board	The Board refers to the Board of Directors of the District
Budget	A financial plan for a defined period of time
Capital Outlay or Capital Expenditure	Capital outlay or capital expenditure are defined as changes for the acquisition a the delivery price including transportation, cost of equipment, land and buildings, or any other permanent improvement with a value of $5,000 and a useful life expectancy of greater than one year.
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.
CRS	Colorado Revised Statues
CWCB	Colorado Water Conservation Board
DISTRICT	Southeastern Colorado Water Conservancy District (General Fund)
DOLA	Department of Local Affairs (State of Colorado)
Enterprise	Southeastern Colorado Water Activity Enterprise (Proprietary Fund)
ED	ED refers to the Executive Director of the District
Excess Capacity	Southeastern Long-Term Excess Capacity Master Contract for storage in Pueblo Reservoir to improve water supply. Also known as Master Contract.
Fountain Valley Authority	A pipeline that is part of the Fry-Ark contract with Reclamation
Fry-Ark	Fryingpan-Arkansas Project (Entire System from Ruedi Reservoir east to Pueblo)
Fund	Fiscal and accounting entity with a self-balancing set of accounts
Fund Balance	The net position of a government fund which is the difference between assets, liabilities, deferred outflows of resources, and deferred inflows of resources.
FVA	Fountain Valley Authority
General Fund	Governmental Activities and/or District Fund
Governmental Activities	District Activities generally financed through taxes, intergovernmental revenues, and other none change revenues.
Governmental Fund	Funds generally used to account for tax-supported activities.
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.
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.

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Glossary of Terms

Master Contract	Southeastern Long-Term Excess Capacity Master Contract. Also known as Excess Capacity.
Mill	Millage tax: The amount per $1,000 of assessed valuation of real property, which is used to calculate taxes.
Mill Levy	An ad valorem tax that a property owner must pay annually on their property
MOA	Memorandum of Agreement (Contract)
OM&R	Operations, Maintenance and Repair
Plan	The Plan refers to the District's Strategic Plan
Proprietary Fund	Business Activities and/or the Enterprise Fund
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
RWC Plan	Regional Water Conservation Plan
Restated Budget	When the original Adopted Budget is required to be amended due to the expenditure levels higher than the appropriation, this will trigger a Restate Budget process. When the Budget is adopted a second time in one fiscal year the budget becomes a "Restated Budget".
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."
ROY	Restoration of Yield: Methods of restoring or increasing water yield, and water quality
RRA	Reclamation Reform Act
RRPG	Regional Resource Planning Group
SECWCD	Southeastern Colorado Water Conservancy District. Also referred to as the District.
SO Tax	Specific Operating Tax: Collected on personal vehicles, such as automobiles and trailers
SOD	The Safety of Dams 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.
TABOR	Taxpayer Bill of Rights Amendment of the Colorado Constitution Section 20 Article X
The Conduit	AVC, Arkansas Valley Conduit
The Project	Fryingpan-Arkansas Project (Entire System from Ruedi Reservoir East to Pueblo)
USBR	United States Bureau of Reclamation, also referred to as Reclamation
USGS	United States Geological Survey
WAE	Southeastern Colorado Water Activity Enterprise
WM&C Plan	Water Management and Conservation Plan: The District's five year water and conservation plan.

Southeastern Colorado Water Conservancy District Hydro Project at Pueblo Dam, March 2018.

Southeastern Colorado

Water Conservancy District

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