

# 2020 Adopted Budget



**Southeastern Colorado Water Conservancy District**

[www.secwcd.com](http://www.secwcd.com)



# Board of Directors

Directors are appointed by District Court 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 to the region for 62 years.



**Bill Long**  
President  
Bent County



**Curtis Mitchell**  
Vice President  
El Paso County



**Ann Nichols**  
Treasurer  
El Paso County



**Seth Clayton**  
Secretary  
Pueblo County



**Carl McClure**  
Crowley County



**Howard "Bub" Miller**  
Otero County



**Tom Goodwin**  
Fremont County



**Kevin Karney**  
At-large



**Dallas May**  
Prowers-Kiowa  
Counties



**Mark Pifher**  
El Paso County



**Greg Felt**  
Chaffee County



**Alan Hamel**  
Pueblo County



**Andrew Colosimo**  
El Paso County



**Patrick Garcia**  
Pueblo County



**Pat Edelmann**  
El Paso County



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## **Electronic Disclosure:**

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## Message from the Executive Director



James W. Broderick has been Executive Director of the Southeastern Colorado Water Conservancy District since 2002.

A Pueblo native, Mr. Broderick has worked with the Board, staff, and the broader water community to advance the District's goals, and improve relationships both within Colorado and throughout the United States.

He is the immediate Past President of the Colorado River Water Users Association. He is a member of the National Water Resources Association and Family Farm Alliance.

He is past president of the Colorado Water Congress and Arkansas Basin Roundtable.



SOUTHEASTERN COLORADO

### Water Conservancy District

*"Your investment in water"*

**P**ardon the pun, but 2020 is a “watershed” year for the Southeastern Colorado Water Conservancy District (District). In 2019, the Executive Committee and Board of Directors initiated and completed a year-long study of finances. At the end of 2019, there still were some unresolved issues, which the Board and Finance Committee are working through in 2020.

In 2020, we will move the District forward. We have developed an understanding of all the components of our budget. We have adjusted rates to meet a revenue shortfall that has been developing, and would continue to develop, over time. We have aligned our budget to the programs and projects we manage. We have identified the need for reserves.

The process forward is a matter of assigning numerical values to the components we have identified.

With the rate study in place, we are in the process of converting our budget from one that looks at the capacity to spend revenues as they develop to one which reflects actual expenditures with adjustment for inflation.

Our major goals for 2020 are:

- 1) Beginning construction of the Arkansas Valley Conduit.
- 2) Completion of the surcharge study with the Finance Committee.
- 3) Annual Review of the newly Development 20-year Capital Improvement Plan.
- 4) Determination of funding levels for reserve funds.
- 5) Setting Project water sales and storage rates at appropriate levels.
- 6) Successful operation of the James W. Broderick Hydropower Plant.
- 7) Continued stewardship of the Fryingpan-Arkansas Project.
- 8) Management and improvement of District assets.
- 9) Implementing Workforce Planning to assure proper staffing as we move into the future.

So, how did we get here?

In 2019, the Board took important strides in meeting the future needs of the District and the Fryingpan-Arkansas Project (Project).

As we have learned from the Framing the Future process, which we started in

## Message from the Executive Director

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2017, the District and Project are evolving. In the 1950s, far-sighted individuals planned the Project and laid the groundwork for the District.

Construction of the Project consumed the 1960s and 1970s. Repayment began in the 1980s, and will continue until 2031. At times, repayment was not a certain outcome, and the Repayment Contract even contains a provision to apply power revenues to local costs if property taxes and water sales were not sufficient. In 2020, it is clear that growth in the District has provided certainty to repayment.

The focus has now shifted to continued operation, maintenance and replacement of the Project. With the additional expense of joint seal repairs at Pueblo Dam, it is abundantly apparent that these costs are increasing, and the District is taking steps to prepare for the future.

In 2020, it is clear that the District's major role will be as the steward of the Project. This means assuring that the operation of the Project is as seamless as possible, anticipating the full range of operation and maintenance, the lifespan of Project features, and the impacts of unexpected outages.

We're doing this in steps designed to meet immediate and long-range needs:

- 1) Conversion of the Repayment Contract, following the adoption of Amendment 11 in 2018.
- 2) The completion of the Financial Study, and continued review, to align revenues and expenditures needed for stewardship of the Project.
- 3) Asset valuation and condition assessment of Project features.
- 4) Improved forecasting of Project water availability.


The 2020 Budget Publication reflects how all of the goals and steps outlined above will be addressed in the coming year. A more complete idea of the financial structure in the following years, 2021 and 2022, is presented in the 2020 Business Plan. Both of these publications are aligned with the 2020 Strategic Plan, which was first developed in 2017, and which is designed to guide the District through 2031.

Finally, we have had exciting news as 2020 begins: federal funding for construction of the Arkansas Valley Conduit. Significant funding is available this year to finish design and to begin throwing dirt.

Long-range projects requires years of planning, decades of construction, and a purpose that will last a century or more.

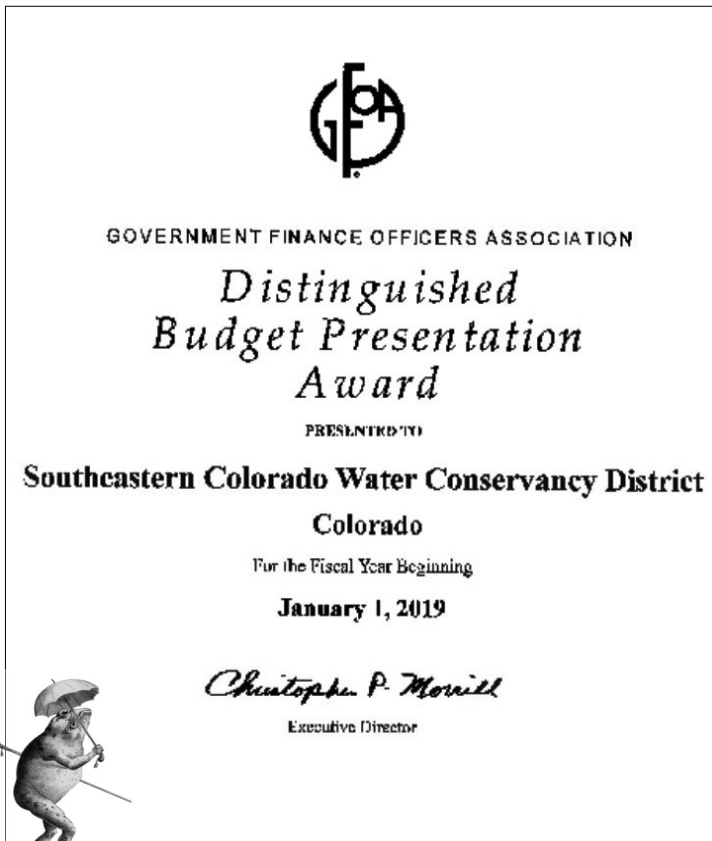
The AVC has been a dream of the lower Arkansas Valley for more than 70 years. With the cooperation of the Bureau of Reclamation, we have reimagined the construction and funding of the AVC toward a more direct route with multiple funding sources. The AVC would fulfill the Project's purpose, and is a valuable remedy to contaminated water supplies.

In the end, the District's primary function is to provide a reliable supply of high-quality water in a way that is fair to all of its stakeholders. At the root of this mission is the responsibility of the District to maintain a healthy financial base. The 2020 budget assures the District and its stakeholders that the tools to accomplish this mission will be available.





The Southeastern Colorado Water Conservancy District budget team, from left, Stephanie Shipley, Leann Noga, Toni Gonzales, James Broderick, Chris Woodka, and Bill Long.



### Distinguished Budget Presentation

The District has earned the Government Finance Officers Association Distinguished Budget Award for eight 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.



## Who we are...

### Committees

Board members serve on committees which evaluate issues prior to consideration by the entire Board.

**Executive:** Officers and chairs of other committees meet on major policy issues.

Chair: Bill Long

Vice-Chair: Curtis Mitchell

Members: Tom Goodwin, Alan Hamel, Carl McClure, Ann Nichols, Kevin Karney, James Broderick

**Allocation & Storage:** Reviews allotment of Project water to be sold, eligibility policy, and related issues.

Chair: Carl McClure

Vice-Chair: Howard “Bub” Miller

Members: Andy Colosimo, Tom Goodwin, Alan Hamel, Curtis Mitchell, James Broderick

**Arkansas Valley Conduit:** Looks at AVC components.

Chair: Kevin Karney

Vice-Chair: Howard “Bub” Miller

Members: Carl McClure, Dallas May, James Broderick

**Colorado River and Water Supply:** Reviews Western Slope technical, legal, and political issues.

Chair: Tom Goodwin

Vice-Chair: Kevin Karney

Members: Seth Clayton, Mark Pifher, Pat Edelmann, James Broderick

**Finance:** Looks at accounting, auditing, budgeting, and investing.

Chair: Ann Nichols

Vice-Chair: Kevin Karney

Members: Seth Clayton, Greg Felt, Pat Edelmann, James Broderick

**Human Resources:** Sets employee policy, and reviews performance.

Chair: Alan Hamel

Vice-Chair: Ann Nichols

Members: Patrick Garcia, Tom Goodwin, Dallas May, James Broderick

**Excess Capacity:** Monitors storage issues relating to non-Project water.

Chair: Curtis Mitchell

Members: Kevin Karney, Howard “Bub” Miller, Mark Pifher, James Broderick

**Resource & Engineering Planning:** Looks at engineering and legal issues affecting the District and Project.

Chair: Curtis Mitchell

Vice-Chair: Seth Clayton

Members: Andy Colosimo, Tom Goodwin, Pat Edelmann, James Broderick

*(Note: President Bill Long serves on all committees.)*

Vision  
Mission  
& Values



### 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.**



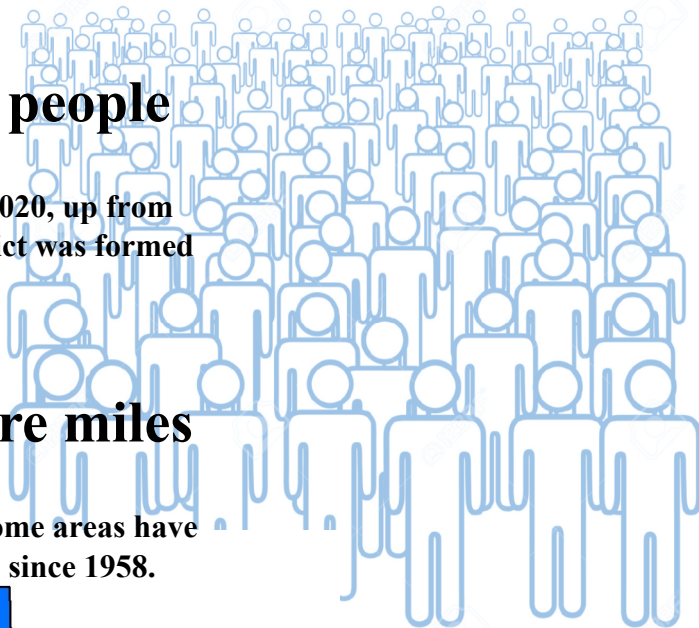
# By the Numbers...



The Fryingpan-Arkansas Project has provided supplemental water for the people of southeastern Colorado for nearly 50 years. We should keep in mind the value of the Project and the Southeastern Colorado Water Conservancy District's role in administering and preserving the Project. These pages offer a quick reference to the scope of service provided by the District and the Project.

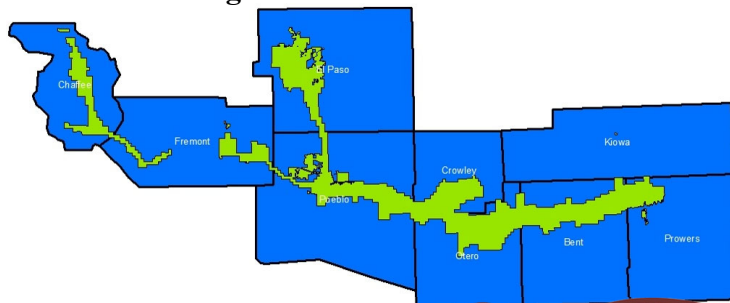
# 893,000 people

Population of the District in 2020, up from about 300,000 when the District was formed in 1958.



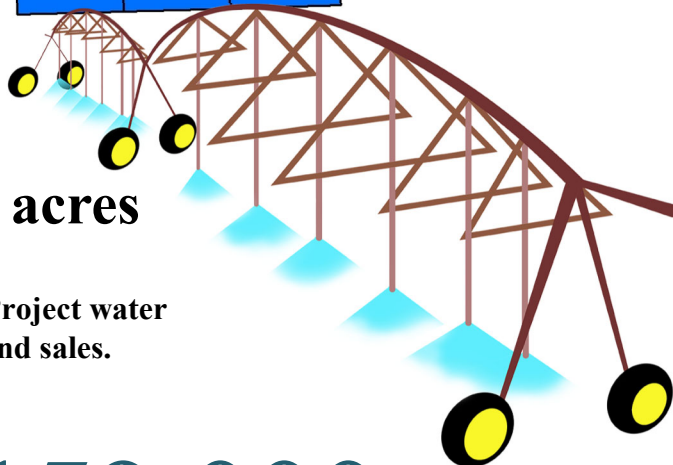
# 5,142 square miles

Area of the District in 2020. Some areas have been added through inclusions since 1958.



# 217,074 acres

Irrigated farmland receives Project water through District allocations and sales.



# 159,000 acre-feet

Amount of space reserved for Project M&I carry-over storage in Pueblo Reservoir.

# 108,173 acre-feet

10-year average for carryover storage in Pueblo Reservoir.



## By the Numbers...

**69,200** acre-feet

Design yield of Project imports, based on historical flows.

**57,836** acre-feet

The 20-year average for Project imports.

**44,263** acre-feet

20-year average for allocations after deductions.

**24,164** acre-feet

The 20-year average for Municipal & Industrial use.

**20,099** acre-feet

The 20-year average for Irrigation use.

**7,809** acre-feet

The 20-year average for Return Flows

**133,176** acre-feet

System-wide total 20-year average for Winter water storage.

**42,000** acre-feet

20-year average for storage of Winter water in Pueblo Reservoir.

**6,575** acre-feet

This amount of space is contracted in 2020 on behalf of Enterprise stakeholders through the Excess Capacity Master Contract. The maximum amount of the contract is 29,938 acre-feet.

**\$42.23/acre-foot**

The rate paid in 2020 to Reclamation for Excess Capacity storage in Pueblo Reservoir.



# Southeastern Colorado Water Conservancy District Municipal Users

## Fry-Ark Principles

Municipal water gets priority under the Fryingpan-Arkansas Project Operating Principles. Project Allocation Principles provide the basis for dividing Project water among regions for municipalities:

**Fountain Valley Authority:** 25%

**Pueblo:** 10%

**East of Pueblo:** 12%

**West of Pueblo:** 4%



NPANIW receives 3.59 percent, which is further divided as follows:

**Arkansas Valley Conduit (future):** 2.18

**Fountain Valley Authority:** 0.48%

**West of Pueblo:** 0.27%

**Pueblo West Metro District:** 0.34%

**Manitou Springs:** 0.35%.

The population within the Southeastern Colorado Water Conservancy District has grown from about 330,000 when the District was formed to roughly 893,000 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.

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.

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

Delivery of Project water varies, depending on municipal needs and availability of storage. The table below shows the amount of water delivered since 1972, and the average since 1982, the first year of full Project water deliveries.

Region	Initial Delivery	Total	Average
Fountain Valley	1972	405,977 af	8,457 af
Pueblo Water	2002	38,271 af	2,126 af
East of Pueblo	1972	155,595 af	3,241 af
West of Pueblo	1980	32,948 af	824 af
Pueblo West	2007	1,485 af	114 af
Manitou Springs	2003	1,792 af	105 af



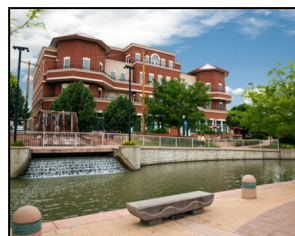
## Fountain Valley Authority

Colorado Springs  
Fountain  
Security  
Stratmoor Hills  
Widefield

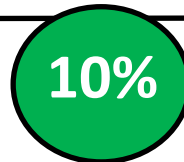


## East of Pueblo

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

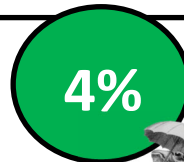


## Pueblo Water



## West of Pueblo

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



# Southeastern Colorado Water Conservancy District Irrigation Users

## Ag Water

### Irrigation Companies

45.41%

- 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



Lower Arkansas Valley fields/ Jack Goble

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.

The District is contemplating agricultural first right of refusal programs that allow irrigation companies to reuse their own Return Flows. The Fort Lyon Canal Pilot Program demonstrated how the program could work.

Description	2020 Rates and Surcharges (\$/ac-ft) (as of 11/21/2019)					
	Proposed Water Rate (\$)	Safety of Dams (\$)	Water Activity (\$)	Environmental Stewardship (\$)	Augmentation (\$)	Proposed Total Charge (\$)
<b>Project Water Sales</b>						
Irrigation	13.14	0.50	0.75	0.75	--	15.14
Municipal	13.14	0.50	1.50	0.75	--	15.89
<b>Project Water Sales used for Well Augmentation</b>						
Irrigation used for Well Augmentation	13.14	0.50	0.75	0.75	2.60	17.74
Municipal used for Well Augmentation	13.14	0.50	1.50	0.75	2.60	18.49
<b>Storage Charges</b>						
Winter Water Storage*	2.80	0.25	--	0.75	--	3.80
Carry-Over Project Water	--	1.00	1.25	0.75	--	3.00
<b>If and When Storage</b>						
In District	--	0.50	0.50	0.75	--	1.75
Out of District	--	2.00	4.00	0.75	--	6.75
Aurora	--	--	10.00	--	--	10.00
<b>Project Water Return Flows</b>						
Irrigation	12.00	0.50	--	0.75	--	13.25
Municipal	12.00	0.50	--	0.75	--	13.25

Water sales rates were raised to \$13.14 per acre-foot by the Board in November 2019. Some rates might increase, pending Board action in early 2020.

# Southeastern Colorado Water Conservancy District History



## 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

**D**rougths 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 Fry-Ingpan-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.

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, such as preserving water quality and enhancing recreation.

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



**Charles Boustead, the District's first general manager, shows off a pile of golden frying pans used to promote the Fry-Ingpan-Arkansas Project in the 1950s.**

local benefits of the Project, which were calculated to be \$134 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 enjoyed 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.



# Southeastern Colorado Water Conservancy District Governance

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. Five appointments are scheduled to occur in 2020.

⇒ 1958-1985

Two seats were appointed per county, except for one seat shared by Prowers and Kiowa Counties.

⇒ 1985

Colorado Springs Utilities and Pueblo Water petitioned the court to appoint board seats according to population.

El Paso County had five seats, Pueblo County three seats, and others one seat.

Prowers and Kiowa still shared one seat.

⇒ 1988

An at-large seat was created, and may be filled from any of the nine counties.

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

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.

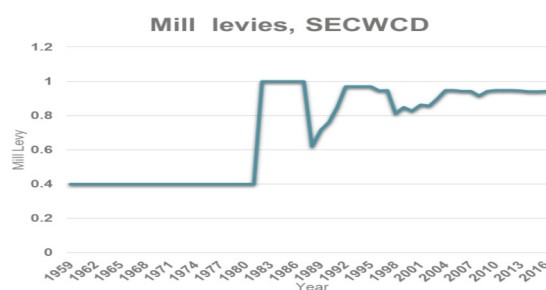
## District ad valorem, specific ownership tax collections

State 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.

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's mill levy.

The District's mill levy in 2020 is 0.893, which is divided into three parts. These are 0.900 mills with temporary deduction total of 0.860 mills for Contract repayment and OM&R; 0.035 with temporary deduction total of 0.033 mills for District administration

and 0.009 mills for refunds and abatements. Temporary mill deductions are taken to ensure State Statute tax collection requirements.



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

The Enterprise, or Business Activity, was formed in 1996, and 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.*



# Southeastern Colorado Water Conservancy District Governance



## HISTORIC DOCUMENTS

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). One of the major purposes of the District has always been to act on behalf of its participants in southern Colorado in matters regarding Fryingpan-Arkansas Project construction, operation, and activities.



### Federal historic documents:

- ◆ **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 in 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:

- ◆ **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 is maintained for water rights held by the District in both the Arkansas River and Upper Colorado River basins.
- ◆ **Fryingpan-Arkansas Project Operating Principles, 1961:** The Operating Principles are an agreement among the District, the Colorado River Conservation District, the Southwestern Colo-

rado 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.



### Agreements and decrees:

- ◆ **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 as described 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.



### Board policies:

- ◆ **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.
- ◆ **Not Previously Allocated Non Irrigation Water Policy, 2007:** This policy allocates the sale of water from lands that were once irrigated, but can no longer receive water under new court decrees. The water can only be used for municipal and industrial purposes.





# 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, in Pueblo for signing of the Fryingpan-Arkansas Act, August 17, 1962

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 Continental Divide to fulfill its demand for water.

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.

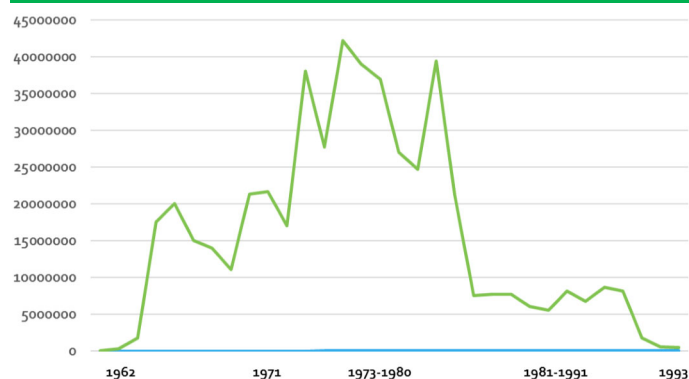
It became apparent in Congress, however, that western slope opposition to moving large quantities of water would have to be balanced against the driving desire to import water to the Front Range.

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

FRYINGPAN-ARKANSAS PROJECT APPROPRIATIONS, 1962-1993



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 Northside and Southside 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.



# Fryingpan-Arkansas Project Features

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

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.



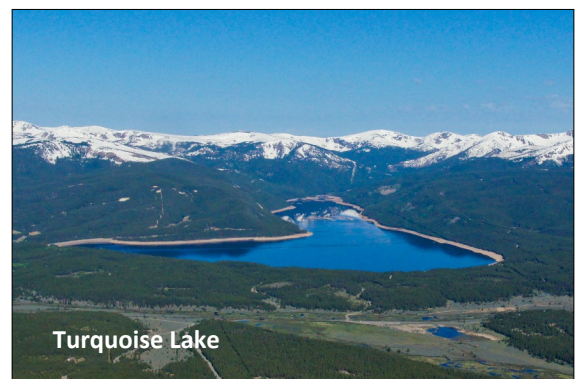
Pueblo Reservoir

### 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

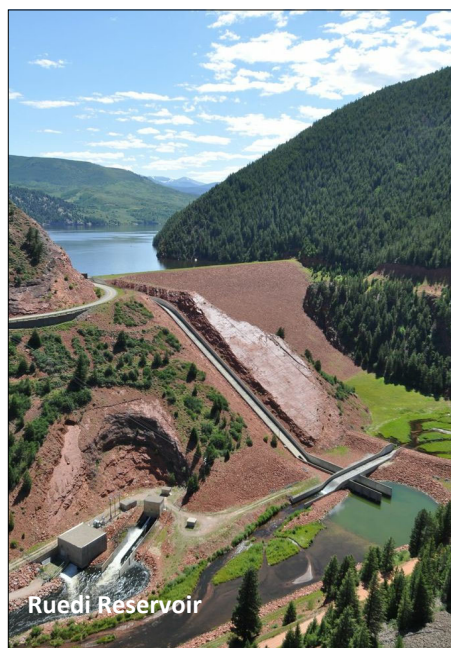
Other Features
Mount Elbert Power Plant, 200 megawatts
Pueblo Fish Hatchery
South Outlet Pueblo Dam
North Outlet Pueblo Dam



Turquoise Lake



Boustead Tunnel



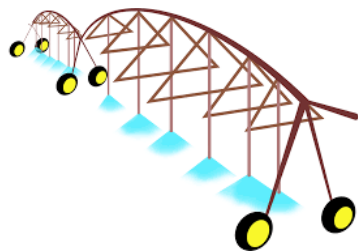
Ruedi Reservoir



Twin Lakes

# Fryingpan-Arkansas Project Purposes

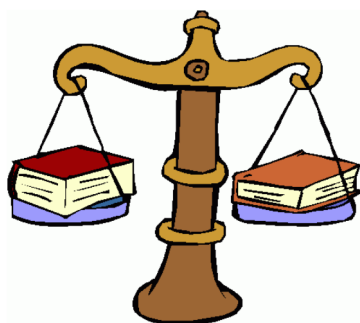
The Southeastern Colorado Water Conservancy District was formed before the Fryingpan-Arkansas Project with the primary goal of making the Project a reality. The Project had been on the drawing board for nearly two decades before it was approved by Congress in 1962. The needs of the Arkansas River basin are still incorporated into the purpose of the modern-day project.



- ◆ Annual allocation of supplemental water for agricultural and municipal use.



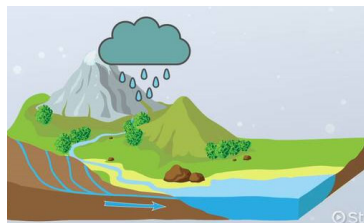
- ◆ Analysis of fiscal policies to ensure adequate funding for the Project.



- ◆ Protecting District water rights.
- ◆ Completion of the Arkansas Valley Conduit, an original purpose of the Project that was not completed because of costs.
- ◆ Flood Control at Pueblo Reservoir.

- ◆ 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.



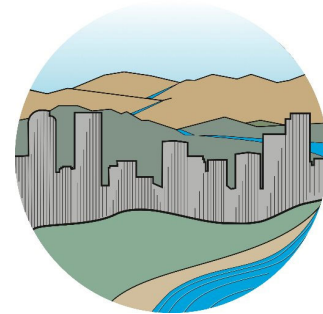
- ◆ Allocation of water strategies for wet, dry, and average years.

- ◆ Development and reliability of the system including analysis of the operations, maintenance, and replacement of outdated or non-operational features.

- ◆ 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.

- ◆ Assuring the safety of dams within the Project.



- ◆ 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.

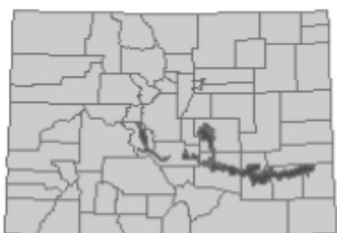
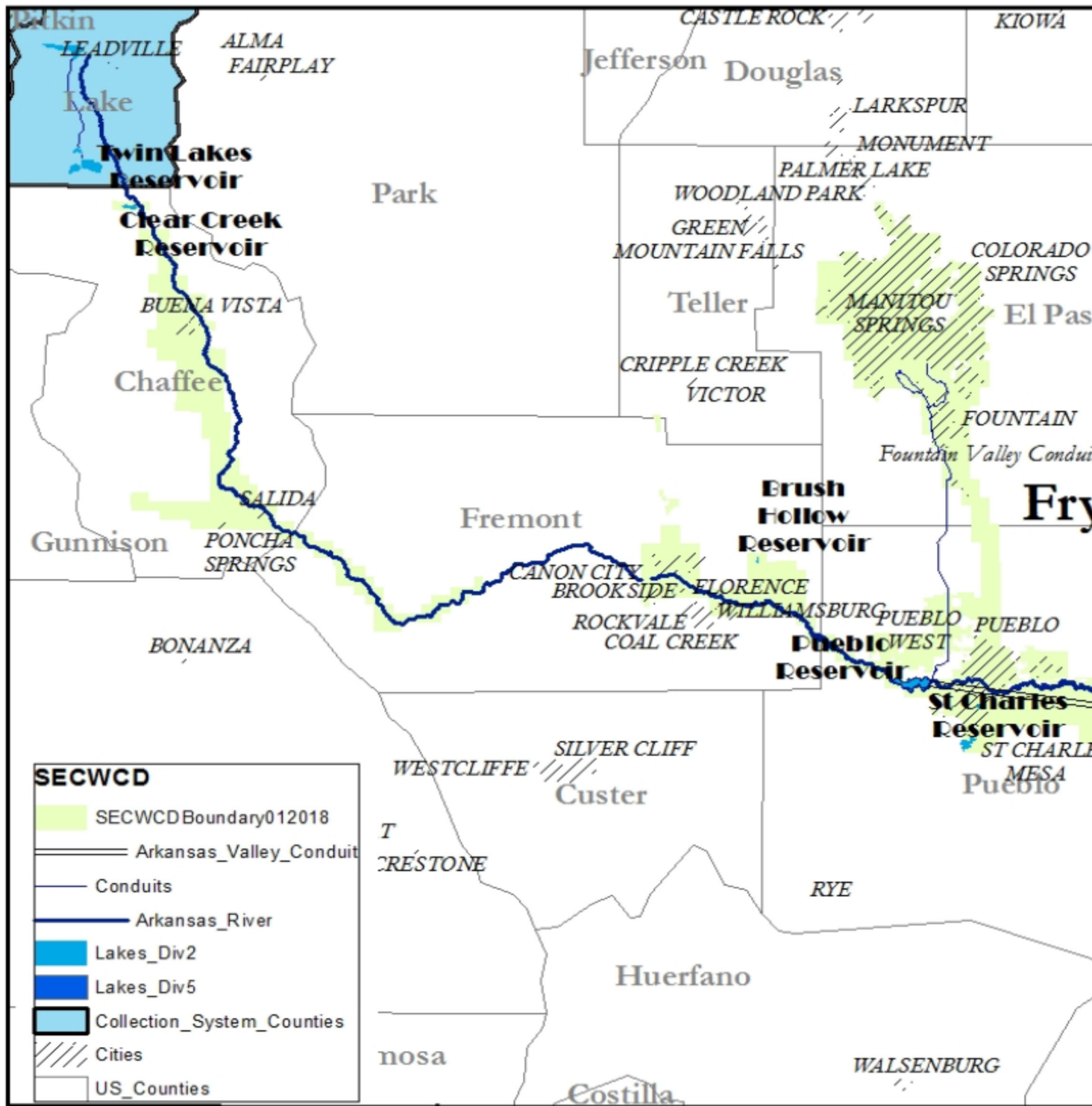
- ◆ Enlargement of reservoirs to provide additional storage and to protect our water resources.



- ◆ 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.



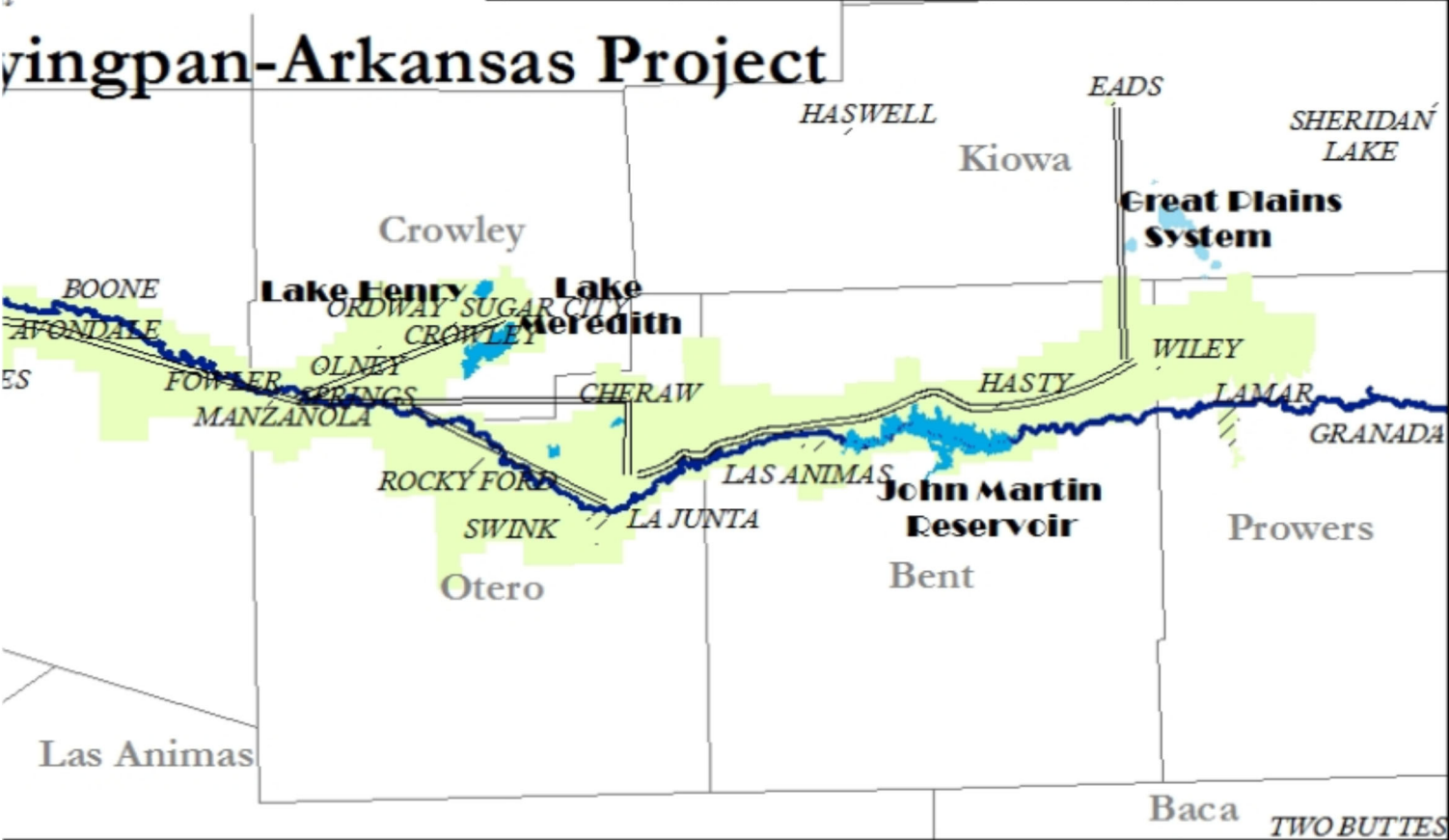
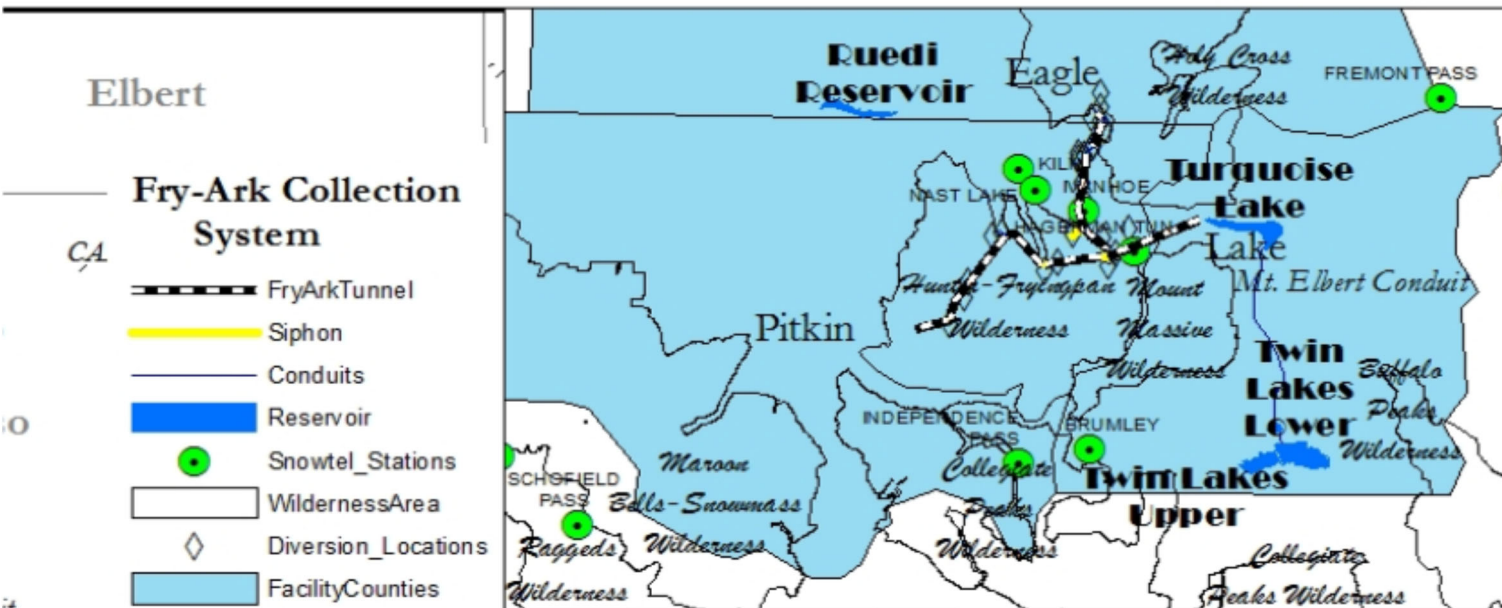


Colorado

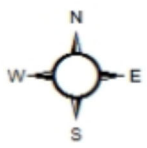


BUREAU OF RECLAMATION





**Southeastern Colorado  
Water Conservancy District**  
31717 United Avenue Pueblo CO 81001



# Fryingpan-Arkansas Project Federal Revenue

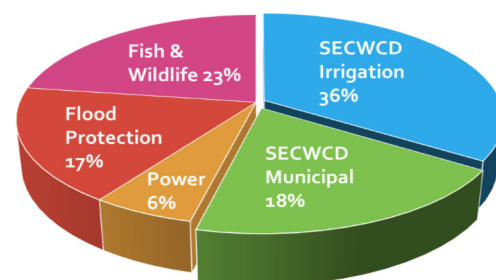
In 2018, the District and the Bureau of Reclamation negotiated the 11th Amendment to the 1982 Repayment Contract. The District will make two payments totaling \$1,467,572 annually toward the construction debt of the Project, as well as paying annual OM&R costs that include routine operations and maintenance, as well as extraordinary Project maintenance and replacement. This allows the District to use remaining collections from the 0.9 mill levy to set up a Fryingpan-Arkansas Project reserve fund which can be applied to future Project costs by mutual agreement and Reclamation. The District can use the interest from the reserve fund for District purposes. The reserve fund is projected to be \$1.95 million at the end of 2019.

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

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 (see graph at right). The District's obligation was \$134.8 million of the total \$585 million.

The items shown in the accompanying tables (below) do not appear in the District budget each year, but contribute to the annual Project operations.

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.



**Fryingpan-Arkansas Project costs as apportioned in the Final Cost Allocation in 1981. Power, Fish & Wildlife, and Flood Protection costs are paid by the federal government, with reimbursement through various "firm contracts." The District pays about 54 percent of the annual OM&R on the Project.**

## Fryingpan-Arkansas Project Federal Allocations

<b>Federal Budget Allotments</b>	<b>FY 19</b>	<b>FY 20</b>
Water & Energy Management & Development	\$ 44,000	\$ 27,000
Land Management & Development	\$ 75,000	\$ 75,000
Fish & Wildlife Management & Development	\$ 33,000	\$ 33,000
Facility Operations	\$ 8,633,000	\$ 9,253,000
Facility Maintenance & Rehabilitation	\$ 5,291,000	\$ 631,000
<b>Total Reclamation Allotment</b>	<b>\$14,076,000</b>	<b>\$10,094,000</b>

## Fryingpan-Arkansas Project Miscellaneous Revenues

<b>Activity</b>	<b>Purpose</b>	<b>2019 Actual</b>	<b>2020 Estimate</b>
<b>Excess Capacity Contracts</b>			
	Fountain Valley Authority	\$ 2,450,000	\$ 3,240,000
	Ruedi Reservoir	\$ 944,000	\$ —
<b>Firm Contracts</b>			
	Project OM&R	\$ 1,520,910	\$ 1,000,000



# Fryingpan-Arkansas Project OM&R

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.	\$35,672,777 (2022)	\$19,902,812
Communication Radio Replacement	Radio relay equipment at the Granite and Hagerman communication sites would be replaced and upgraded.	\$331,000 (2018)	\$179,299
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.	\$1,228,139 (2021)	\$632,000
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.	\$1,835,873 (2020)	\$994,474
System Actuator Replacement	A total of 51 electric slide gates and radial actuators at 14 of 15 diversion sites in the Northside and Southside Collection Systems must be replaced.	\$2,181,893 (2019)	\$1,181,910



Pueblo Dam Contraction Joints/SECWCD

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

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 \$5.5 million and require \$2.9 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.

Total expenditures for OM&R totaled \$8,000,083 for the federal fiscal year (October-September) in 2019. These expenditures are expected to increase to \$8,774,109 in fiscal year 2020.

In 2020, the District will begin an asset valuation study, followed by a condition assessment to determine potential Fry-Ark Project needs.

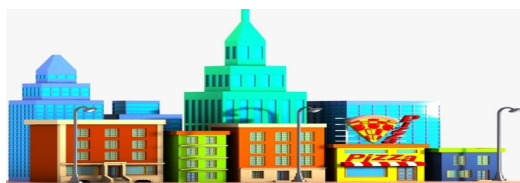


# Fryingpan-Arkansas Project Economic Impact

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 on this page 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 \$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 acre-feet each year for 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: \$200,000/year**

Stream gauges funded by the District in a cooperative program with the U.S. Geological Survey require \$200,000 in funding, but are part of an invaluable network that benefits all water users.



## Flood Control

**Pueblo Dam: \$36.8 million (1976-2019)**

**Ruedi Dam: \$19.7 million (1983-2019)**

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





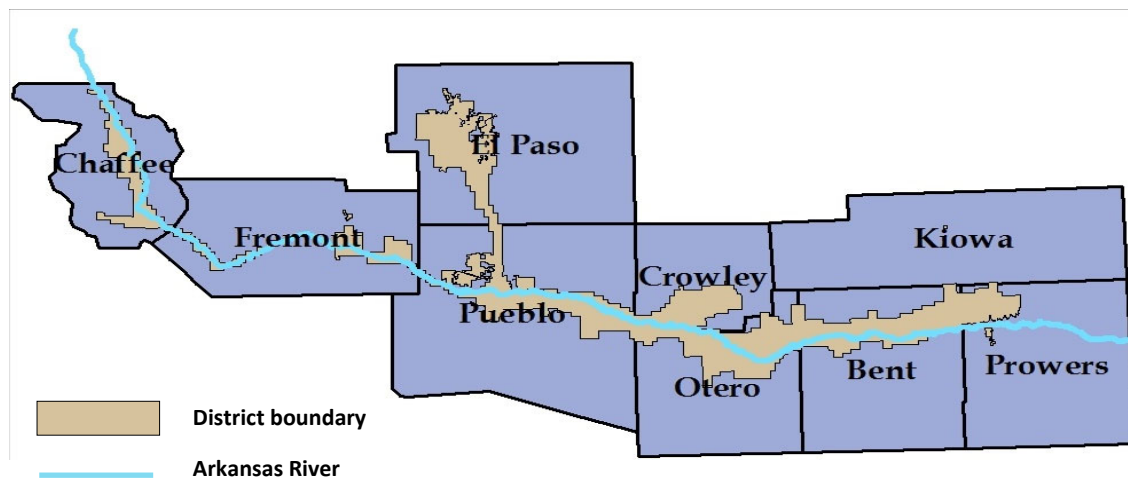
# SECWCD County Snapshots

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.

In the budget presentation this year, we have added photos of wildlife found in each of the counties.



\* Featured in 2020, the highest point in each of our nine counties.



[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



Hill near Ninaview, elevation 4,857 feet/Gene Lutz

## 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.

### 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.

Las Animas, Hasty, and McClave will benefit from the Arkansas Valley Conduit when it is completed.

### **BENT COUNTY**

**Population: 5,938**

**Growth Rate: -1.34% (2019)**

**Housing Units: 2,265**

**Owner-occupied: 1,415 (62%)**

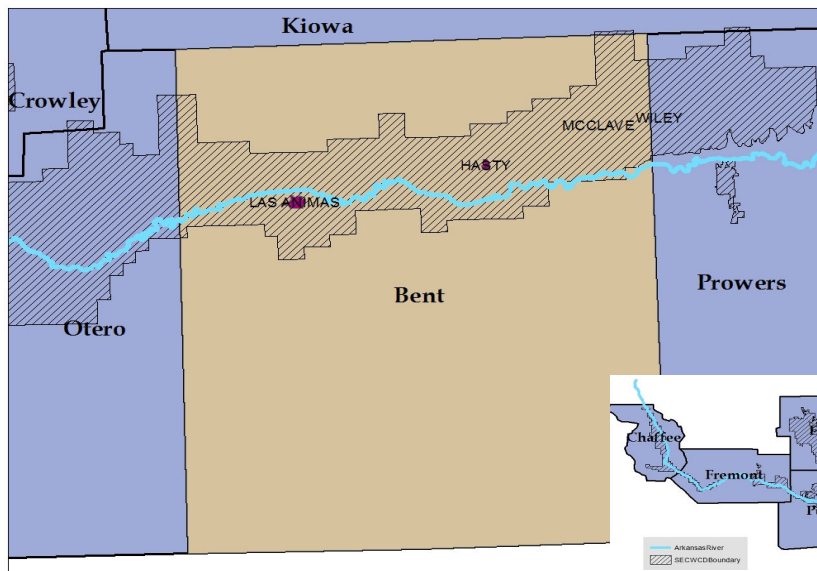
**Median Income: \$32,500**

**Per Capita Income: \$14,028**

(Adjusted Census data)

### Major uses of water:

- ⇒ **Agriculture, 98%**
- ⇒ **Domestic, 2%**  
(2010 USGS report)
- ⇒ **John Martin Reservoir**



# Chaffee County Snapshot



Greg Felt, 2017



Mount Harvard, elevation 14,421 feet/Colorado Mountaineering

## 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

As tourism increased over the past 30 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.

### CHAFFEE COUNTY

Population: 19,638

Growth Rate: 1.1% (2019)

Housing Units: 11,040

Owner-occupied: 8,501 (77%)

Median Income: \$53,762

Per Capita Income: \$28,907

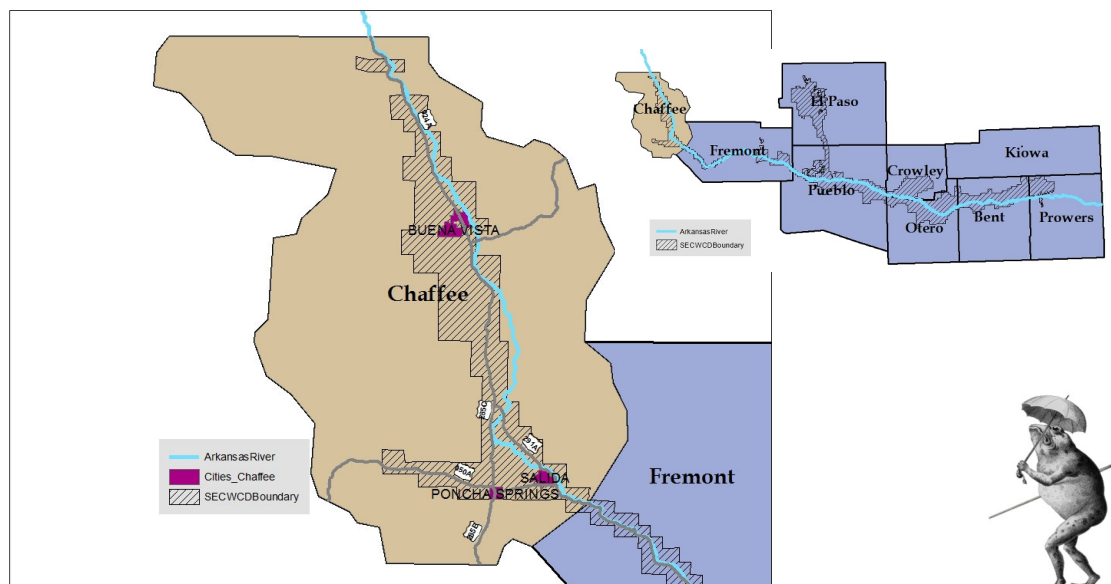
(Adjusted Census data)

### Major uses of water:

⇒ Agriculture 94%

⇒ Domestic 6% (2010 USGS report)

⇒ AHRA, Monarch Ski Area, Clear Creek Reservoir, hot springs, Browns Canyon National Monument



# Crowley County Snapshot



Carl McClure, 2005



NW corner of Crowley County, elevation 5,223 feet/ Crowley County Heritage Foundation

## CROWLEY COUNTY

**Population: 5,810**  
**Growth Rate: -0.25%**  
**(2019)**  
**Housing Units: 1,589**  
**Owner-occupied:**  
**1175 (74%)**  
**Median Income:**  
**\$35,292**  
**Per Capita Income:**  
**\$14,393**  
 (Adjusted Census data)

### Major uses of water:

- ⇒ **Agriculture, 90%**
- ⇒ **Domestic, 10%**  
 (2010 USGS report)
- ⇒ **Lake Meredith**

## 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.

## Population characteristics

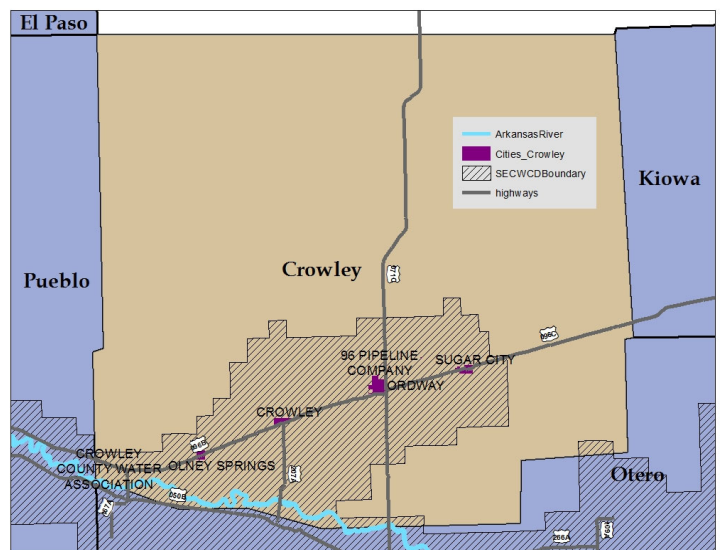
Historically an agricultural economy, Crowley County experienced an economic decline with the sales of Twin Lakes and Colorado Canal water rights to cities in the 1970s and 1980s.

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

## Fry-Ark 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



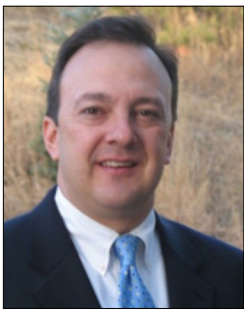
Ann Nichols, 2006



Curtis Mitchell, 2014



Mark Pifher, 2016



Andrew Colosimo, 2018



Pat Edelmann, 2019



Pikes Peak, elevation 14,115 feet/ City of Colorado Springs

## EL PASO COUNTY

**Population:** 699,232  
**Growth Rate:** 1.82% (2019)  
**Housing Units:** 271,801  
**Owner-occupied:** 172,050 (59%)  
**Median Income:** \$62,535  
**Per Capita Income:** \$31,217  
 (Adjusted Census data)

### Major uses of water:

- ⇒ **Domestic, 85%**
  - ⇒ **Agricultural, 13%**
  - ⇒ **Industry, 2%**
- (2010 USGS report)

### 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 Fryngpan-Arkansas Project.

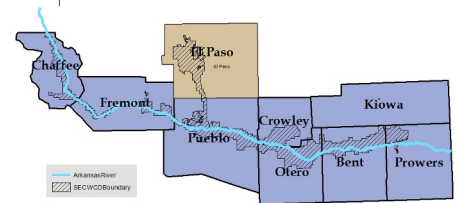
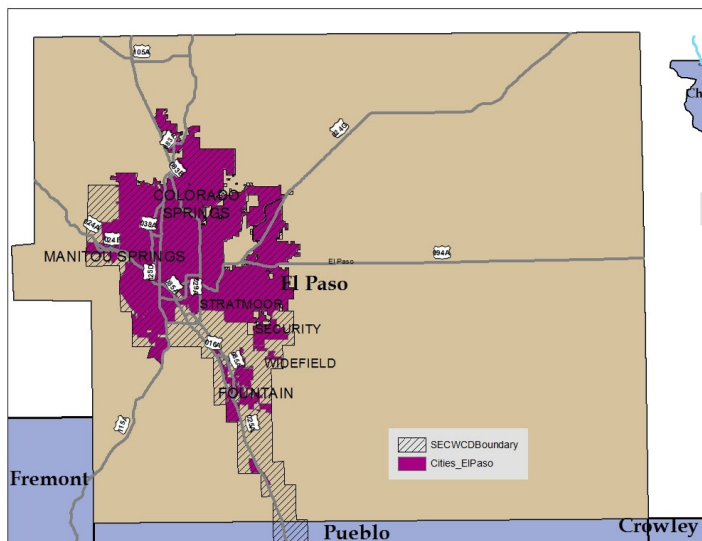
Most recently, Colorado Springs built the Southern Delivery System (along with Fountain, Security and Pueblo West) to fully use its Arkansas River water rights, reuse transmountain water, and provide water system redundancy.

### 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.

### Fryngpan-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



Bushnell Peak, elevation 13,110 feet/Troy Zohner

**FREMONT COUNTY**  
**Population: 47,559**  
**Growth Rate: 1.39%**  
**% (2019)**  
**Housing Units:**  
**19,804**  
**Owner-occupied:**  
**14,853**  
**Median Income:**  
**\$44,712**  
**Per Capita Income:**  
**\$20,919**  
 (Adjusted Census data)

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

## 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.

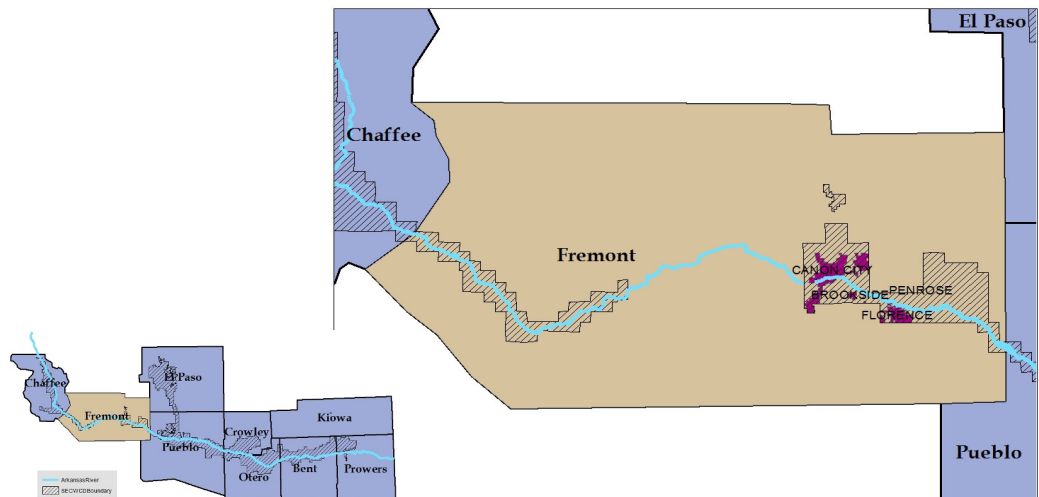
A coal-fired power plant was built in 1897, but closed by Black Hills Energy in 2012.

## 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.



# Prowers-Kiowa Counties Snapshot



Dallas May, 2016



Left: Prowers County, Two Buttes, elevation 4,713 feet/John Kirk  
Above: Western Kiowa County, elevation 4,697 feet, Kiowa County

**PROWERS COUNTY**

Population: 12,070  
Growth Rate: -0.93% (2019)

Housing Units: 5,981

Owner-occupied: 3,894 (50%)

Median Income: \$41,740

Per Capita Income: \$22,033

(Adjusted Census data)

**Major uses of water:**

- ⇒ Agriculture, 94%
  - ⇒ Domestic, 4%
  - ⇒ Industrial, 2%
- (2010 USGS report)

**KIOWA COUNTY**

Population: 1,376  
Growth Rate: 0.14% (2019)

Housing Units: 826

Owner-occupied: 628 (76%)

Median Income: \$39,250

Per Capita Income: \$23,621

(Adjusted Census data)

**Major uses of water:**

- ⇒ Agriculture, 92%
  - ⇒ Domestic, 8%
- (2010 USGS report)

**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.

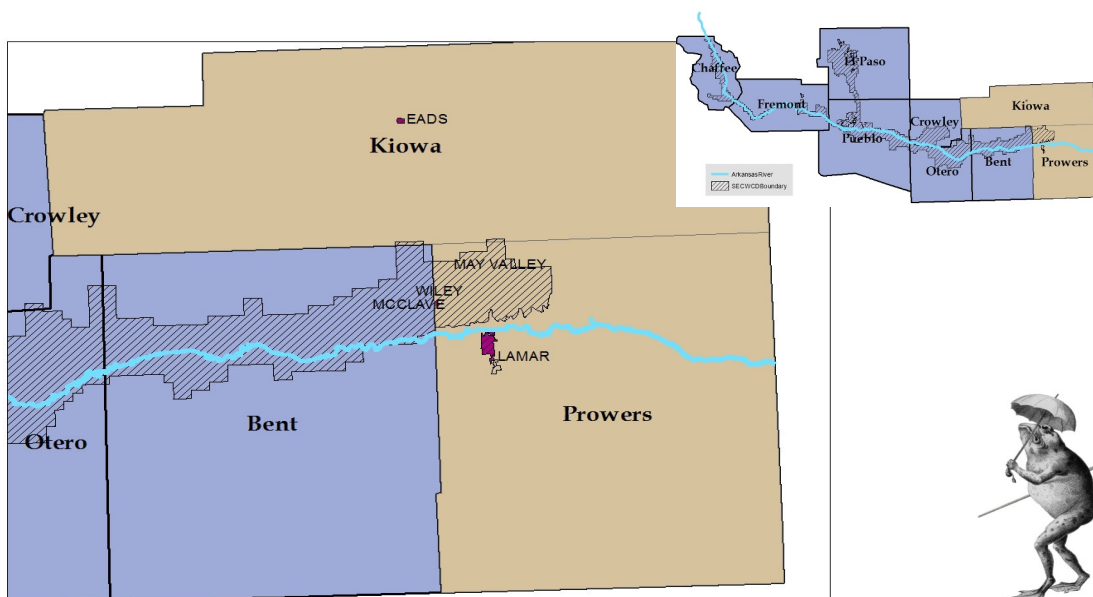
**Population characteristics**

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. Kiowa County has not yet received Project water.



# Otero County Snapshot



Howard "Bub" Miller, 2005



Dry Bluff, elevation 5,273 feet/John Kirk

## 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.

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 in AVC, 25 are in Otero County.

## OTERO COUNTY

Population: 18,326

Growth Rate: -0.71% (2019)

Housing Units: 8,992

Owner-occupied: 5,755 (64%)

Median Income:

\$35,051

Per Capita Income:

\$20,358

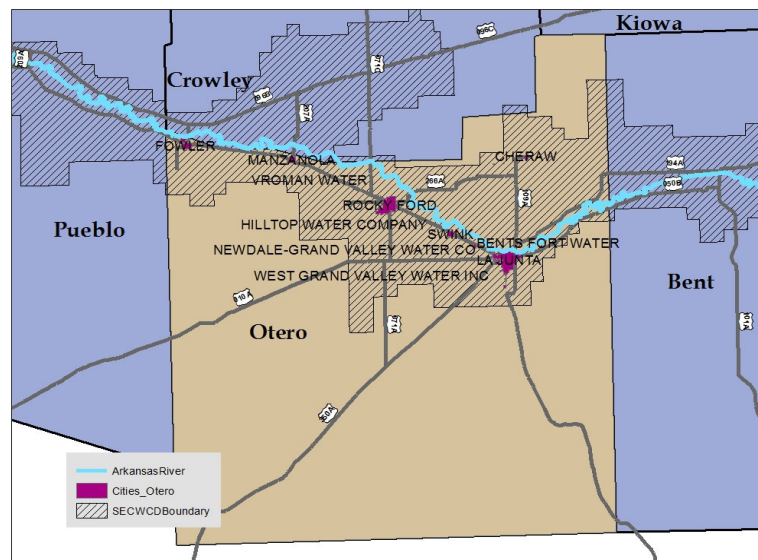
(Adjusted Census data)

## Major uses of water:

⇒ Agriculture, 98%

⇒ Domestic, 2%

(2010 USGS report)





# Pueblo County Snapshot



Alan Hamel, 2017



Seth Clayton, 2017



Patrick Garcia, 2018

**PUEBLO COUNTY**

**Population: 166,475**

**Growth Rate: 0.29% (2019)**

**Housing Units: 71,116**

**Owner-occupied: 44,803 (63%)**

**Median Income: \$42,386**

**Per Capita Income: \$23,110**

(Adjusted Census data)

**Major uses of water:**

- ⇒ **Agriculture, 72%**
  - ⇒ **Domestic, 24%**
  - ⇒ **Industrial, 4%**
- (2010 USGS report)

- ⇒ **Lake Pueblo State Park**



Greenhorn Mountain, elevation 12,352/Steve Garuff

**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.

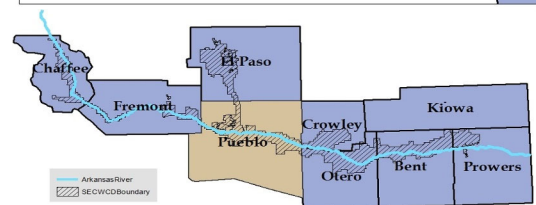
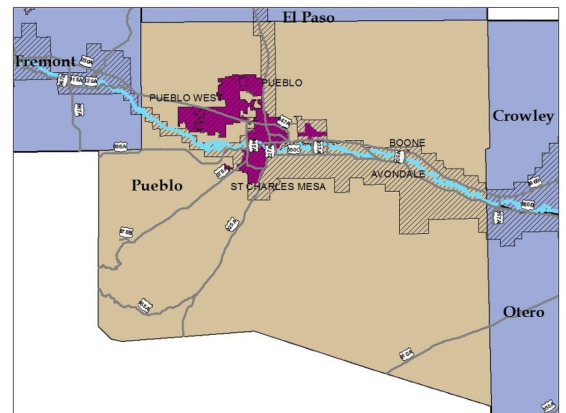
When the Southeastern Colorado Water Conservancy District was formed, Pueblo was the second-largest city in Colorado and its leaders were among the staunchest promoters of the Fryingpan-Arkansas Project.

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

The Pueblo Chile Growers Association was formed in recent years to promote the region's famous chile peppers.

**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. Boone is an AVC participant. Pueblo West petitioned into the District in 1971, but was not able to receive Project water until 2007.





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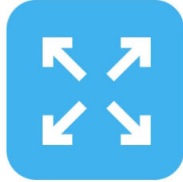


# Section 2 Offices and Human Capital

The District’s professional staff is an asset to those who benefit from the Fryingpan-Arkansas Project and those in our Colorado communities.

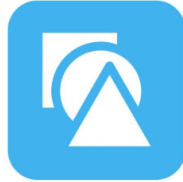
In 2020, the District staff structure is transitioning in anticipation of key retirements. The

Human Resources Committee in October reviewed a Workforce Planning model that assures the work of the District will continue smoothly during this transition, assuring that the staff is able to support all District and Enterprise projects and programs.



**RIGHT SIZE**

- Low friction
- No vacancies
- Not overstaffed



**RIGHT SHAPE**

- Critical competencies
- Succession management



**RIGHT COST**

- Cost efficiency
- Manageable cost



**RIGHT AGILITY**

- Agile
- Resilient
- Flexible

## Workforce planning goals and opportunities

The Southeastern Colorado Water Conservancy District staff grew throughout the years as the needs of the District changed. In the 1960s, a general manager oversaw operations with an office staff of two people. An outside attorney was also employed.

Throughout the years, employees with specialized skill sets were added for engineering, legal, financial, conservation, planning, and project management.

In response to an increasingly complex and technical work requirement, the District has relied on consultants and technology to maintain cost efficiency.

Today, the District has 10 full-time employees, and one half-time position to accomplish the needed work and manage outside contracts.

In 2020, another position is anticipated as the roles of current employees are transitioning into new areas. Part of the reason for this is an upcoming retirement, and those duties are being shifted. The other factor is the increased oversight activity as the James W. Broderick Hydropower Plant goes online, and the Arkansas Valley Conduit prepares for construction.

The District is poised for changes in the upcoming years, which presents both challenges and opportunities.

### Workforce Planning Model



# Organizational Chart

## Board of Directors



*General Counsel & Government Programs Office*



**Lee Miller**  
General Counsel  
2011



**Jim Broderick**  
Executive Director  
2003

*Executive Director Office*



**Toni Gonzales**  
Administrative Manager  
1975

*Engineering & Water Resources Office*



**Garrett Markus**  
Water Resources Engineer  
2014

*Engineering, Planning & Operations Office*



**Kevin Meador**  
Principal Engineer  
2012

*Finance & Administrative Services Office*



**Leann Noga**  
Administrator  
Finance & Administration  
2004

*Community Relations, Outreach & Conservation Office*



**Chris Woodka**  
Senior Policy and Issues Manager  
2016



**Accounting Specialist**  
2020



**Stephanie Shipley**  
Accountant  
2016



**Margie Medina**  
Administrative Support Specialist  
2000



**Patty Rivas**  
Administrative Support Associate  
2014

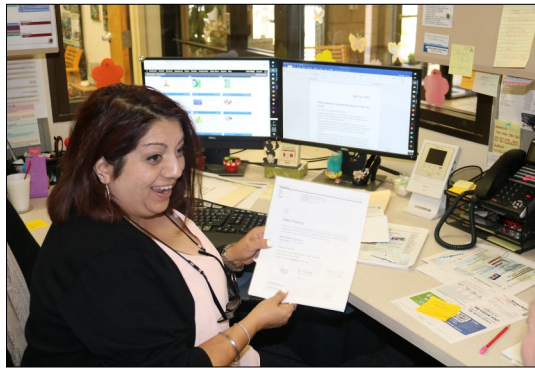


**Liz Catt**  
Garden Coordinator  
2007

*(Dates show initial employment with the District)*



Lee Miller, General Counsel



Patty Rivas, Administrative Support Associate



Toni Gonzales, Administrative Manager



Stephanie Shipley, Accountant



Leann Noga, Administrator



Garrett Markus, Water Resources Engineer



Margie Medina, Administrative Support Specialist

On  
the  
job



Chris Woodka, Senior Policy and Issues Manager



Kevin Meador, Principal Engineer



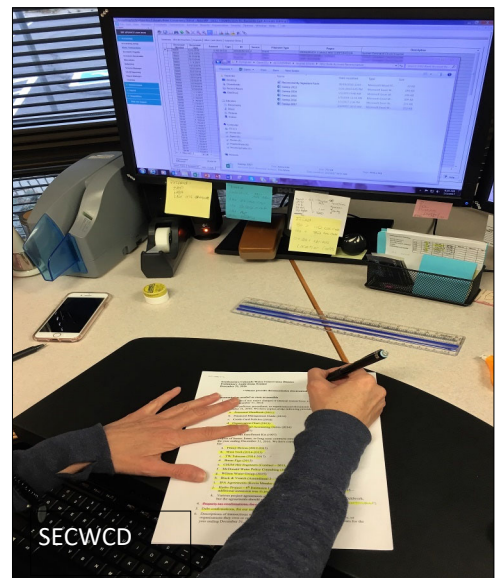
Liz Catt, Garden Coordinator



# Offices and Human Capital Budgeting

Summary of Authorized Full/ Part Time Staff By Department & Title							
	Authorized 2018	Actual 2018	Budget 2019	Actual 2019	Budget 2020	Forecasting 2021	Forecasting 2022
<b>Executive Director Office</b>							
Executive Director	1.00	1.00	1.00	1.00	1.00	1.00	1.00
<b>General Counsel &amp; Governmental Programs Office</b>							
General Counsel	1.00	1.00	1.00	1.00	1.00	1.00	1.00
<b>Finance &amp; Administrative Services Office</b>							
Administrative Manager	1.00	1.00	1.00	1.00	1.00		
Administrator Finance & Administration					1.00	1.00	1.00
Finance Manager	1.00	1.00	1.00	1.00			
Accountant					1.00	1.00	1.00
Accounting Specialist	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Accounting Intern	0.50	-	0.50	-	0.50	0.50	0.50
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
<b>Engineering, Planning, &amp; Operations Office</b>							
Principal Engineer	1.00	1.00	1.00	1.00	1.00	1.00	1.00
<b>Engineering &amp; Water Resources Office</b>							
Water Resource Engineer	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Water Resource Specialist / Engineer							1.00
<b>Issues, Programs &amp; Communications Office</b>							
Senior Policy and Issues Manager			1.00	1.00	1.00	1.00	1.00
Issues Management Program Coordinator	1.00	1.00					
<b>Total Employees</b>	<b>11.00</b>	<b>10.50</b>	<b>11.00</b>	<b>10.50</b>	<b>12.50</b>	<b>11.00</b>	<b>12.00</b>

The staffing chart above reflects transitional changes in District staff in 2020, as well as Workforce Planning moves that fill District staffing needs at the right level, at the right cost, and with the appropriate skill sets.



# Measuring Progress

## How are we doing?

The Business Plan breaks out the major projects the District is working on in a three-year time frame.

Staff evaluates the progress in each project or program on a monthly basis to determine the progress, and reports at the end of the year where each activity stands.

This table breaks down projects and programs according to each office's responsibility.

More complete information can be found in Section 6: Strategic Long-Range Planning, and in the Business Plan, a separate publication.

Color	Project Stage
	Completion
	Implementation
	Design
	Planning



## Interaction of Offices with the Business Plan

Fry-Ark Operations	Lead Office (s)	Description/Goals	2019 Progress	2020 Target
Debt Repayment	Finance/Legal	Repayment of Fry-Ark Debt by 2031	79%	81%
Project Reserve Fund	Finance/Legal	Establish Project Reserves	10%	15%
Fry-Ark OM&R	Finance	Payments for District share of Project	100%	100%
Asset Valuation	Engineering Water Resources	Inventory of Fry-Ark features	0%	100%
Condition Assessment	Engineering Water Resources	Assessment of Fry-Ark features	0%	50%
Hydrologic Variability	Engineering Water Resources	Snow measurement refinements	0%	50%
Pueblo Dam Interconnect	Engineering Planning	Connect North and South Outlets	5%	5%
Fry-Ark Administration	Lead Office (s)	Description/Goals	2019 Progress	2020 Target
Reclamation Reform Act	Engineering Water Resources	Ongoing program to track irrigated acres	100%	100%
Transit Loss Modeling	Engineering Water Resources	Ongoing program to track Fountain Creek flows	100%	100%
Boundaries & Inclusion	Engineering Water Resources	Accurate District boundaries and inclusions	95%	100%
Water Rights Protection	Legal	Diligence filings in Districts 2 and 5	100%	100%
Colorado River Programs	Legal	Ongoing programs for Colorado River activities	90%	90%
Conservation Plan	Communications	Completion of next plan in 2022	40%	60%
Water Quality Monitoring	Engineering Water Resources	USGS cooperative monitoring programs	90%	100%
District Operations	Lead Office (s)	Description/Goals	2019 Progress	2020 Target
Financial Studies	Finance	Financial study initiated in 2019	75%	100%
Headquarters	Administration	Operation and maintenance of building and grounds	100%	100%
Fleet Management	Administration	Replace three vehicles, 6-year rotation	100%	83%
Information Technology	Administration	Hardware, software, broadband, phones	100%	100%
Records Management	Communications	Develop electronic filing system	5%	50%
Human Resources	Administration	Transitional planning and sustainability	90%	100%
Communication & Outreach	Communications	Develop Communication Plan	75%	100%
Enterprise Operations	Lead Office (s)	Description/Goals	2019 Progress	2020 Target
Hydroelectric Power	Engineering Planning	Construct, operate James W. Broderick Hydropower	100%	100%
Excess Capacity Contract	Programs	Institute contract for Pueblo Reservoir accounts	100%	100%
Arkansas Valley Conduit	Programs/Engineering	Begin construction of Arkansas Valley Conduit	25%	50%
New Water Sources	Engineering Water Resources	Investigate acquisition of new water rights	0%	0%
Storage Programs	Programs/Engineering	See complete list below		
Water Sales & Storage	Engineering Water Resources	See complete list below		
Storage Programs	Lead Office (s)	Description/Goals	2019 Progress	2020 Target
Recovery of Storage	Engineering Planning	Recover storage lost to sedimentation (study)	10%	50%
Excess Capacity Contract	Programs	Institute contract for Pueblo Reservoir accounts	100%	100%
Long-Term Excess Capacity	Programs	Monitor all excess capacity accounts	100%	100%
Expansion of Storage	Engineering Planning	Develop additional storage	0%	0%
Restoration of Yield	Engineering Water Resources	Develop storage east of Pueblo	20%	60%
John Martin Reservoir	Engineering Water Resources	Establish account in John Martin Reservoir	10%	25%
Upper Basin Storage	Engineering Water Resources	Participate in Upper District storage program	10%	25%
Winter Water	Engineering Water Resources	Coordinate Winter water storage program	100%	100%
Safety of Dams	Finance	Repayment obligation by 2024	80%	84%
Water Sales and Storage Fees	Lead Office (s)	Description/Goals	2019 Progress	2020 Target
Project Water Municipal	Finance	Establish rates	80%	100%
Project Water Irrigation	Finance	Establish rates	80%	100%
Municipal Carryover	Finance	Establish rates	20%	100%
Return Flows	Finance	Establish rates	80%	100%
First Right of Refusal	Engineering Water Resources	Develop guidelines	75%	100%
Winter Water	Finance	Establish rates	20%	100%
Surcharges	Finance	Establish rates	25%	100%
Partnerships	Lead Office (s)	Description/Goals	2019 Progress	2020 Target
Fountain Creek Transit Loss	Engineering Water Resources	Ongoing program to track Fountain Creek flows	100%	100%
Water Quality Monitoring	Engineering Water Resources	USGS cooperative monitoring programs	90%	100%
Regional Resource Planning	Engineering Water Resources	Annual meeting to determine work plan	0%	100%
Water Basin Forum	Communications	Participate in planning for April event	100%	100%
Ark Basin Roundtable	Communications	Participate in basin planning activities	25%	75%
Voluntary Flow Program	Engineering Water Resources	Coordinate summer boating flow augmentation	100%	100%
Watershed Health	Engineering Water Resources	Protection of watersheds above reservoirs	25%	100%
Reserves	Lead Office (s)	Description/Goals	2019 Progress	2020 Target
Fry-Ark Reserves	Finance	Establish Project Reserves	10%	15%
Cash Reserve	Finance	Establish Targets, Funding mechanisms	50%	100%
Operating Reserve	Finance	Establish Targets, Funding mechanisms	50%	100%
Capital Reserve	Finance	Establish Targets, Funding mechanisms	50%	100%
Exposure Reserve	Finance	Establish Targets, Funding mechanisms	50%	100%
District Fund Balance	Finance	Track Revenues and Expenditures	100%	100%
Enterprise Fund Balance	Finance	Track Revenues and Expenditures	100%	100%

# Summary of Offices — Introduction & Fund Relationship

2020 Budget Human Capital appropriation for Office and Activity	District Fund (General Fund) 53.57%			Enterprise Water Fund & Hydroelectric Fund 46.43%				
	Administration (Core and Program Activities)	Reclamation Reform Act	Conservation	Administration (Core and Program Activities)	Excess Capacity	Enlargement Project	Hydroelectric Power Project	Arkansas Valley Conduit
Executive Director	4.68%			2.98%				
General Counsel & Government Programs Office	4.68%			2.98%				
Finance & Administration Service Office	17.36%	4.93%		9.96%	0.44%	0.22%	0.84%	0.71%
Engineering Offices	9.36%	0.93%		10.98%			1.32%	4.86%
Issues, Programs & Communication Office	6.88%		4.77%	8.98%	0.22%	0.11%		1.86%
	42.95%	5.86%	4.77%	35.86%	0.65%	0.33%	2.17%	7.42%

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 2020 Adopted Budget of human resource expenditures total \$1,710,556. 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 2020 budget the Enterprise Water Fund, Hydroelectric and other projects are budgeted to cover 46.43 percent of the total human resource cost for services provided. The District funds will assume the expense of the other 53.57 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!**



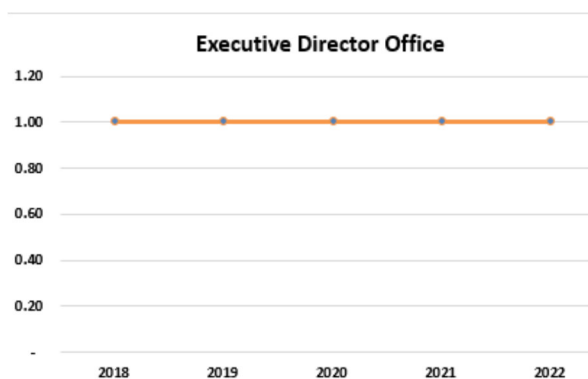
2020 Adopted Budget—District Fund Human Resources	
Executive Director	18.98%
General Counsel & Government Programs Office	11.13%
Finance & Administration Service Office	39.21%
Engineering Offices	21.02%
Community Relations Outreach & Conservation Office	9.66%



# 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.



## Executive Director Office Responsibilities

- ◆ General Counsel & Government Programs Office
- ◆ Finance & Administrative Office
- ◆ Engineering & Water Resources Office
- ◆ Engineering Planning & Operation Office
- ◆ Community Relations Outreach & Conservation Office



2019-20 Office Summary	Filled 2019	Budget 2020
<b>Executive Director Office</b>		
Executive Director	1.00	1.00
Total Employees	1.00	1.00



Executive Director Jim Broderick reacts to a Board resolution to name the James W. Broderick Hydro-power Plant for him at the April 2019 Board meeting.

# 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

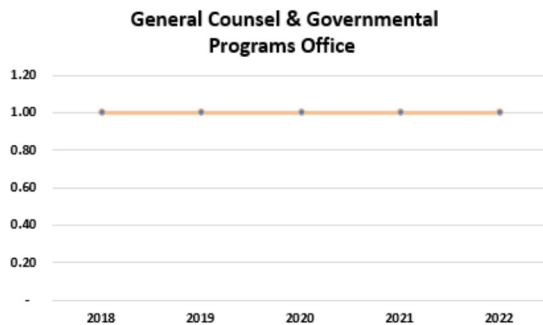
The General Counsel of the District manages all legal affairs, oversees special counsel, and provides a full range of legal services to the Board and District staff in the performance of their official duties. Specifically, the General Counsel ensures that District business is conducted according to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

GOVERNMENT PROGRAMS

This office leads activities related to state legislative relations. It 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.



2019-20 Office Summary	Filled	Budget
	2019	2020
<b>General Counsel &amp; Governmental Programs Office</b>		
General Counsel	1.00	1.00
Total Employees	1.00	1.00

# General Counsel & Government Programs Office

*General Counsel & Government Programs Office*

## Administrative & Program Goals

### Performance Objectives (2020)

- ◆ Fry-Ark Contract Conversion
- ◆ Division 5 District Conditional Water Rights
- ◆ Division 2 District Conditional Water Rights
- ◆ State Legislation Updates for the Board of Directors
- ◆ Colorado River Programs

*General Counsel & Governmental Programs Office*

## Major Project Goals

### Performance Objectives (2020)

- ◆ Arkansas Valley Conduit Contract with Reclamation and Pueblo Board of Water Works
- ◆ Arkansas Valley Conduit Repayment Contract

# PERFORMANCE

## Measurement of Completion

Summary	2019 Actual	2020 Projected Goal	Justification
Fry-Ark Contract Conversion	75%	100%	In-house Standard
Conditional Water Rights Division 2	90%	100%	In-house Standard
Conditional Water Rights Division 5	60%	90%	In-house Standard
Arkansas Valley Conduit Contracts	25%	50%	In-house Standard
Hydroelectric Contracting	100%	100%	In-house Standard
Colorado River Programs	90%	90%	In-house Standard

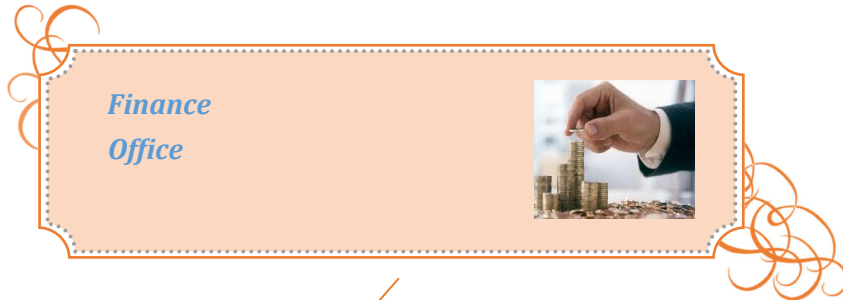
### Performance Results (2019)

- ◆ Informed 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, completion, presentation
- ◆ State Legislation monthly updates to the Board of Directors
- ◆ Arkansas Valley Conduit groundwork for three-party contract with Reclamation, Pueblo Water, and District
- ◆ Hydroelectric Power Project Contracting
- ◆ Colorado River Programs



# Finance & Administrative Services Office

The Finance 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

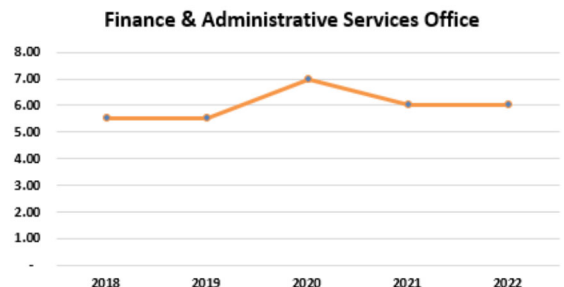
This office is responsible for the procurement of goods and services, inventory control, distribution of materials, supplies, and equipment.

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.

2019-20 Office Summary

	Filled 2019	Budget 2020
<b>Finance &amp; Administrative Services Office</b>		
Administrative Manager	1.00	1.00
Administrator Finance & Administration		1.00
Finance & Administrative Services Office	1.00	
Accountant		1.00
Accounting Specialist	1.00	1.00
Accounting Intern		0.50
Administrative Support Specialist	1.00	1.00
Administrative Support Associate	1.00	1.00
Garden Coordinator	0.50	0.50
<b>Total Employees</b>	<b>5.50</b>	<b>7.00</b>



# Finance & Administrative Services Office

*Finance Office*

## Administrative & Program Goals

### Performance Objectives (2020)

- ◆ Timely rate setting under new Policies and Practices
- ◆ Ensure a satisfactory Annual Audit
- ◆ Ensure a satisfactory Annual Budget
- ◆ Safety of Dams on Pueblo Reservoir Debt Repayment by 2024
- ◆ Fry-Ark Contract Debt Repayment by 2031

*Finance Office*

## Major Project Goals

### Performance Objectives (2020)

- ◆ Assist Board completion of Budget, Rate, and Policies Discussion
- ◆ Assist Board completion of Surcharge Analysis
- ◆ Hydroelectric Power Project finances
- ◆ Ensure Project cash flows and provide support as needed
- ◆ Complete Finance Strategy and Sustainability Study

# PERFORMANCE

## Measurement of Completion

Summary	2019 Actual	2020 Projected Goal	Justification
Financial Strategy and Sustainability Study	75%	100%	In-house Standard
Fry-Ark Debt Repayment	79%	81%	In-house Standard
Fry-Ark Reserves	45%	75%	In-house Standard
Safety of Dams on Pueblo Reservoir	80%	85%	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 Setting	85%	100%	In-house Standard

### **Performance Results (2019)**

- ◆ Led Financial Strategy and Sustainability Study
- ◆ Fry-Ark Contract debt repayment is current
- ◆ Safety of Dams on Pueblo Reservoir debt repayment is current
- ◆ Ensure a satisfactory Annual Audit
- ◆ Ensure a satisfactory Annual Budget
- ◆ Quality Annual Budget Publications



# Finance & Administrative Services Office

The Administrative 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 staff.

## 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.



# Administrative & Employee Service Office

*Administrative Services Office*

## Administrative & Program Goals

### Performance Objectives (2020)

- ◆ 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 Services Office*

## Major Project Goals

### Performance Objectives (2020)

- ◆ Strategically plan for equipment, software, and collaboration tools through technology
- ◆ Ensure administrative support as needed

# PERFORMANCE

## Measurement of Completion

Summary	2019 Actual	2020 Projected Goal	Justification
Headquarters Facilities	100%	100%	In-house Standard
Headquarters Grounds	100%	100%	In-house Standard
Fleet Management	100%	83%	In-house Standard
Human Capital Staffing	90%	100%	In-house Standard
Hardware, Software & Technology	100%	100%	In-house Standard

### Performance Results (2019)

- ◆ District Headquarter facilities maintained
- ◆ District Headquarter grounds maintained
- ◆ District Headquarter fleet vehicles maintained
- ◆ Human capital staffing is consistent from prior year
- ◆ Human capital education including First Aid safety and improved administrative technical skills
- ◆ Information technology up to date, Microsoft 365 upgrade
- ◆ Phone system installation, training complete



# Engineering, Planning & Operations Office

Engineering, Planning and Operations Office develops policies, and conducts strategic and long-term planning. Additionally, manages the James W. Broderick Hydropower Plant at Pueblo Reservoir.



**ENGINEERING SERVICE**

This office provides technical assistance for all engineering activities within the District, including design review, cost estimating, and other functions as required.

**RESOURCE PLANNING & ANALYSIS**

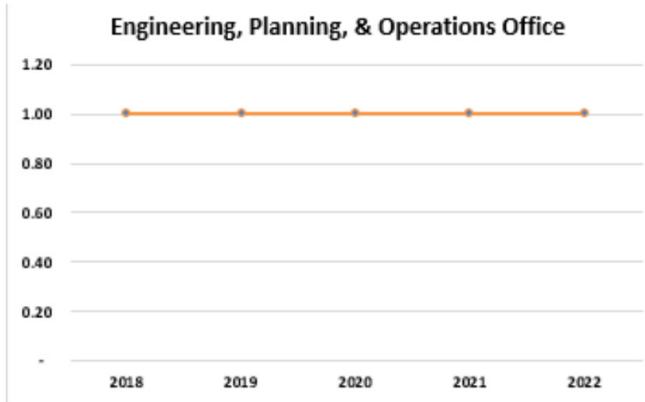
This office assists in long-range water resource planning and policy analysis within the Fry-Ark service area, including initiatives of the Board of Directors.

**POWER SERVICE**

This office manages the James W. Broderick Hydropower Plant at Pueblo Reservoir

### 2019-20 Office Summary

	Filled 2019	Budget 2020
<b>Engineering Planning &amp; Operations Office</b>		
Principal Engineer	1.00	1.00
<b>Total Employees</b>	<b>1.00</b>	<b>1.00</b>





# Engineering, Planning & Operations Office

*Engineering, Planning & Operations Office*

## Administrative & Program Goals

### Performance Objectives (2020)

- ◆ Fine-tune operations at the James W. Broderick Hydro-power Plant
- ◆ Oversee remaining contract items for the Hydro Plant
- ◆ Attain Lease of Power Privilege compliance with the Bureau of Reclamation
- ◆ Provide support for major projects in the District and Enterprise

*Engineering, Planning & Operations Office*

## Major Project Goals

### Performance Objectives (2020)

- ◆ Arkansas Valley Conduit: Coordinate activities with Reclamation to initiate construction
- ◆ Launch Recovery of Storage study for Pueblo Reservoir

# PERFORMANCE

## Measurement of Completion

Summary	2019 Actual	2020 Goal	Justification
Build James W. Broderick Hydropower Plant	100%	100%	In-house Standard
Operate James W. Broderick Hydropower Plant	90%	100%	In-house Standard
Recovery of Storage	10%	50%	In-house Standard
Arkansas Valley Conduit	25%	50%	In-house Standard
Pueblo Dam Interconnect	5%	5%	In-house Standard

### Performance Results (2019)

- ◆ Completed construction of the James W. Broderick Hydropower Plant
- ◆ Worked with Reclamation and CDM Smith to complete Phase 1 of the Arkansas Valley Conduit Regionalization study
- ◆ Worked with Reclamation to complete Value Planning Exercise and Path Forward materials for the Arkansas Valley Conduit
- ◆ Initiated Recovery of Storage study parameters



# Engineering & Water Resources Office

Engineering, Planning and Operations Office manages the water deliveries, develops policies, and conducts strategic and long-term planning for all District and Enterprise programs and projects.



**WATER OPERATIONS**

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

**ENGINEERING SERVICE**

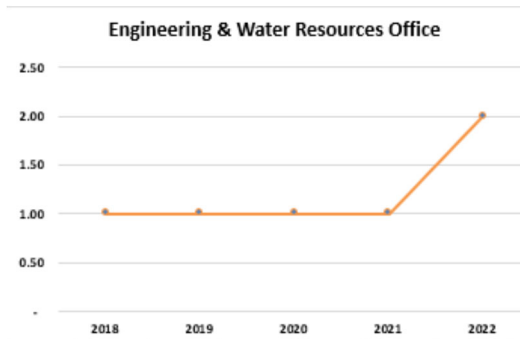
This office provides administration and legal stewardship of Fry-Ark technical records, provides technical engineering expertise, and supervises project management.

**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 assists in the management of the James W. Broderick Hydropower Plant at Pueblo Reservoir



2019-20 Office Summary

	Filled 2019	Budget 2020
<b>Engineering &amp; Water Resources Office</b>		
Water Resource Engineer	1.00	1.00
Water Resource Specialist/Engineer		
<b>Total Employees</b>	<b>1.00</b>	<b>1.00</b>

# Engineering & Water Resources Office

*Engineering & Water Resources*

## Administrative & Program Goals

### Performance Objectives (2020)

- ◆ Completion of District boundaries GIS mapping for true-up with counties
- ◆ Reclamation Reform Act ongoing program to track irrigated acres in the District boundaries
- ◆ Winter Water Storage ongoing program that allows Ag entities to store water during off-season
- ◆ Fountain Creek Transit Loss ongoing program to track Return Flows in Fountain Creek
- ◆ Restoration of Yield study, purchase, design, and implement storage to capture water releases downstream of Pueblo Reservoir
- ◆ Allocation of Project water and Return Flows
- ◆ Provide support for James W. Broderick Hydropower Plant at Pueblo Dam

# PERFORMANCE

## Measurement of Completion

Summary	2019 Actual	2020 Goal	Justification
Boundaries & Inclusion	95%	100%	In-house Standard
Reclamation Reform Act	100%	100%	In-house Standard
Water Sales & Storage	100%	100%	In-house Standard
Winter Water	100%	100%	In-house Standard
Water Quality Monitoring	90%	100%	In-house Standard
Voluntary Flow Management	100%	100%	In-house Standard
Fountain Creek Transit Loss	100%	100%	In-house Standard
Restoration of Yield	20%	60%	In-house Standard
Asset Valuation	0%	100%	In-house Standard
Condition Assessment	0%	50%	In-house Standard
Regional Resource Planning Group	0%	100%	In-house Standard

*Engineering & Water Resources Office*

## Major Project Goals

### Performance Objectives (2020)

- ◆ Initiate Fryingpan-Arkansas Project Asset Valuation
- ◆ Initiate Fryingpan-Arkansas Project Condition Assessment
- ◆ Develop Regional Resource Planning Group path forward
- ◆ Develop Irrigation First Right of Refusal policies and procedures

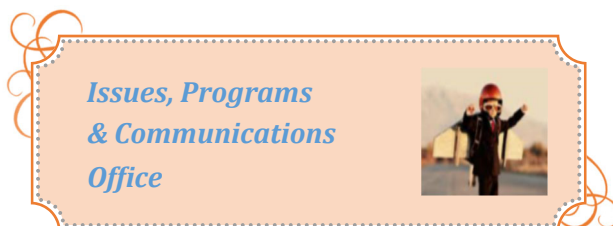
### Performance Results (2019)

- ◆ Completed final year of First Right of Refusal Pilot Program
- ◆ Provided support for James W. Broderick Hydropower Plant at Pueblo Dam
- ◆ Completed boundary survey for true-up with counties; applied inclusion manual to District additions
- ◆ 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 study, purchase, design, and implement storage to capture water releases
- ◆ Ongoing Regional Resource Planning program to ensure water quality in the Arkansas River
- ◆ Ongoing Project water allocation



# Issues, Programs & Communication 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

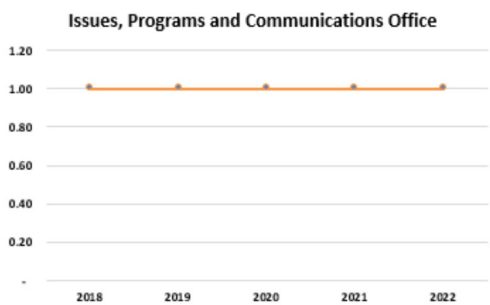
District projects and programs are coordinated to prove assurances that necessary actions are taken at the appropriate time in order to accomplish the best results.

## 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.



2019-20 Office Summary

	Filled 2019	Budget 2020
<b>Community Relations, Outreach &amp; Conservation</b>		
Senior Policy & Issues Manager	1.00	1.00
<b>Total Employees</b>	<b>1.00</b>	<b>1.00</b>

# Issues, Programs & Communication Office

*Issues, Programs & Communications Office*

## Administrative & Program Goals

### Performance Objectives (2020)

- ◆ Arkansas Valley Conduit planning, development and communication
- ◆ Coordination with state and federal agencies and associations
- ◆ Budget Publication, Strategic Plan, Business Plan updates and improvements
- ◆ Administer Excess Capacity Master Contract

*Issues, Programs & Communications Office*

## Major Project Goals

### Performance Objectives (2020)

- ◆ Communication Contact for Arkansas Valley Conduit Project, contract negotiations
- ◆ Communication activities for Financial Strategy and Sustainability Study
- ◆ Coordination of public outreach for James W. Broderick Hydropower Plant at Pueblo Dam
- ◆ Planning liaison for Arkansas River Basin Water Forum

# PERFORMANCE

## Measurement of Completion

Summary	2019 Actual	2019 Projected Goal	Justification
Arkansas Valley Conduit development	25%	50%	In-house Standard
Financial Strategy and Sustainability Study	75%	100%	In-house Standard
Coordination with outside agencies	100%	100%	In-house Standard
Tour and Events	100%	100%	In-house Standard
Budget, Business Plan, Strategic Plan	100%	100%	In-house Standard
Excess Capacity Master Contract	100%	100%	In-house Standard

### Performance Results (2019)

- ◆ Coordination of the dedication ceremony for the James W. Broderick Hydropower Plant; tours of plant
- ◆ Planning and execution of Fryingspan-Arkansas tour for Department of Natural Resources
- ◆ Completion Budget Publication, Business Plan, and Strategic Plan and ready for distribution
- ◆ Development of path forward for Arkansas Valley Conduit with the Bureau of Reclamation
- ◆ Presentation of District projects and programs to various outside groups
- ◆ Participate in planning of Arkansas River Basin Water Forum
- ◆ Administration of Excess Capacity Master Contract



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## Section 3

# Financial Planning

## Introduction

### Planning Documents

The *Strategic Plan* is a long-term roadmap for District and Enterprise projects and programs.

The *Business Plan* provides a blueprint of the work that is expected to be accomplished in the coming three years.

The *Annual Budget* is a more detailed look at the year ahead.

The *Annual Financial Report* reconciles revenues and how funds were spent.

### Finance Study Review

A review of the Financial Strategy and Sustainability Study appears in this section.

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 2020 Budget explanations and budget statements can be found in the Budget Overview section of this document.

The 2020 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, the Water Fund and/or the Business Activity for the year January 1 through December 31, 2020.

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), operations maintenance and replacement, and primary debt of the Fryingpan-Arkansas Project, including developing better tools and methods for financial planning, water conservation, and communications.

In 2019, the District hired the Jacobs Engineering Firm to perform a Financial Strategy and Sustainability Study (Finance Study), including a Financial Plan, Analysis of Policies, Capital Improvement Plan, Revenue Requirement Analysis, Cost of Service Analysis and Rate Design Analysis. The contract was amended to study surcharges in 2020.

The Board will attempt to resolve several issues that emerged as a result of the Finance Study, including Carryover Storage charges, Winter water charges, Return Flow charges and split rates for M&I and irrigation.



# Financial Strategy and Sustainability Study

## Launching the Study

The District announced the Finance Study to stakeholders in March of 2019. A series of outreach meetings throughout the District was hosted by the District to explain the need for the Study, what tools would be developed as a result of the Finance Study, and how the study would be conducted. Jacobs reviewed the financial status of the District and then held four workshops from April-July of 2019. District staff promised stakeholders that more outreach meetings would be scheduled to report the results of the workshops, the progress of the Finance Study, and the likelihood of rate increases as the study neared completion.

Those meetings were held in August, in order to give stakeholders sufficient information to prepare 2020 budgets.



## Choosing a Message to Set the Stage

“ The Southeastern Colorado Water Conservancy District (District) was formed in 1958 to improve the water resources of the Arkansas River, and specifically to develop the Fryingpan-Arkansas Project (Project).

When the Project was authorized by Congress in 1962, the District already had begun the task of funding the legal, engineering and clerical support the Project required.

Much of the District’s activity in the past 60 years has been focused on paying off the debt for construction of the Project, as well as paying for its share of the operation and maintenance of the Project.

In 2019, the District initiated a Financial Strategy and Sustainability Study to develop financial planning tools to cope with an aging Project, as well as dynamic changes that are expected to occur in the coming years. The District will receive financial planning tools that will allow its Board to make solid planning decisions in the future.

This will help meet the Project’s infrastructure needs, as well as give the District the means to address future challenges.

The District will not change its ad valorem tax rate as a result of this study. The property tax is tied to the federal contract for the repayment and operation of the Project.

Other than taxes, the District primarily relies on water sales and storage revenues.

The Project water sales rate has not been raised since 1998, and the District has pulled from its reserves or impose fees to meet shortfalls in revenue that should be covered by sales.

The price of Project water is just a fraction of comparable water that can be purchased for supplemental use in this area.

Project water storage fees are assessed only as surcharges. ”

— Letter to stakeholders, March 2019



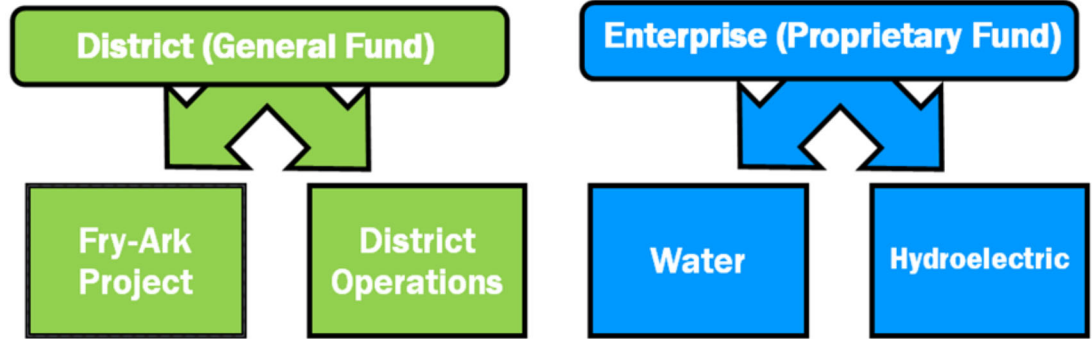


# Financial Strategy and Sustainability Study

## The Workshops

The workshops were held during Executive Committee meetings, which were open to the public and all Board members. The Executive Committee was chosen because its members are the Board officers and committee chairs. At the May committee meeting, there were numerous questions about the Finance Study process, as well as District and Enterprise finances. District staff and the consultant, Jacobs, met over the next few months to attempt to answer the questions raised by the Executive Committee. These broadly included:

- ⇒ Mill levy options
- ⇒ TABOR restrictions
- ⇒ Bond & debt authority
- ⇒ Restrictions on reserves
- ⇒ Size of reserves
- ⇒ Appropriate time to set policies



### Workshop 1, April 23, 2019: Long-Term Financial Plan

Using projections over a 10-year period, called a “base case,” Jacobs found that the District would be losing millions of dollars over the next decade if revenues remained stagnant. Because of state revenue restraints imposed by the Colorado 5.5 percent Property Tax Revenue Limit and TABOR, the only source of increasing revenues is by raising rates on water sales and storage in the Enterprise.



Rate revenues must double over the next 10 years in order to maintain current financial levels. The “base case” study does not look at building reserve funds.

The base case includes only one Capital Improvement project, which is the Restoration of Yield program, an obligation to build reservoirs with partners that is beyond the District’s control.

### Workshop 2, June 27, 2019: Establishing Appropriate Reserves

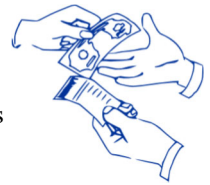
The Board established fund obligation accounts and targets on September 20, 2018, but has no policies or practices on how or when reserve accounts are funded. Jacobs recommended establish Working Cash, Operating, Contingency & Exposure and Capital Reserves.



The District needs better definition and direction in establishing reserve funds, levels, and targets. Jacobs recommended Working Cash, Operating, Exposure, and Capital reserves that reflect the District’s unique circumstances, legal structure, financing capability, and risks of operation.

### Workshop 3, June 27, 2019: Allocating Cost of Service

The goals of the Cost of Service Study were to meet the revenue requirement, apportion costs among customers fairly and equitably, and achieve optimal efficiency.



The Cost of Service Study assigned costs to District and Enterprise functions, as well as classes. Classes of customers were identified as Municipal & Industrial, and Irrigation.

Jacobs based the rate for municipal carryover of Project water charges on opportunity costs, and surcharges were not studied. The Fry-Ark and Hydroelectric Power funds were not considered because they are self-sustaining and not affected by water rates.

### Workshop 4, July 25, 2019: Water Rates Design and Analysis

Aggressive, moderate, and gradual scenarios were presented to model the impact of raising rates quickly or gradually to meet the 10-year revenue requirement. Jacobs recommended a split rate for Municipal & Industrial and Irrigation water sales. The municipal storage carryover rate would be phased in over 5 years to avoid charging for water already stored. There would be no increase in the first year for carryover water.



Surcharges were not changed in the analysis, because they were instituted by past Boards for specific purposes.

It was emphasized that the Board only approves rates for one year, and that increases in the first year would not be sufficient to meet the revenue requirement. A new analysis in three years was recommended.

# Financial Strategy and Sustainability Study

## Into the Board's Hands

In September, the Executive Committee turned the Finance Study over to the Board of Directors, and a “Financial Action Plan for the Future” was launched. The District concurrently conducted its annual budget process with the still incomplete Finance Study in process. The draft Financial Strategy and Sustainability Study was presented in October, but could not be completed until December, following Board action on 2020 water rates.

In August, September, and October, staff and Jacobs answered Board questions that had been raised throughout the process. The Board extended Jacobs’ contract to study the impact of incorporating surcharges into the water sales and storage rate structure. Rates were approved in November, but only a portion of the rate analysis was implemented, pending further discussion by the Board.



## Compromise With Further Review Chosen for 2020

The Board recognized the need to increase rates to meet projected revenue requirements, but was undecided on key issues.

In November, the Board voted to:

- 1) Increase Project water sales rates to \$13.14/af in 2020, up from \$7 in 2019.
- 2) Increase Return Flow rates to \$12/af in 2020, up from \$6/af in 2019.
- 3) Leave storage charges unchanged in 2020.
- 4) Leave surcharges unchanged in 2020.

(Old rates are shown in Table 1; approved rates in Table 3.)

The Board will look at the following issues in the first quarter of 2020:

- 1) Carry-over Storage charges.
- 2) Winter water charges.
- 3) Return Flow charges.
- 4) Split rates for M&I and Irrigation.

The Board reserved the option of increasing charges for the unresolved issues in 2020, but to levels no higher than “Option 1 Aggressive” in the Finance Study (Table 2).

In any case, surcharges will remain in place until at least 2021.

The changes were outlined to stakeholders in a November 25, 2019 letter from District staff.

Table 1: 2019 Water and Storage Rates and Surcharges

Description	2019 Rates and Surcharges (\$/acre-foot)					Current Total Charge (\$)
	Current Water Rate (\$)	Safety of Dams (\$)	Water Activity (\$)	Environmental Stewardship (\$)	Augmentation (\$)	
<b>Project Water Sales</b>						
Irrigation	7.00	0.50	0.75	0.75	--	9.00
Municipal	7.00	0.50	1.50	0.75	--	9.75
<b>Project Water Sales used for Well Augmentation</b>						
Irrigation 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
<b>Storage Charges</b>						
Winter Water Storage	2.80	0.25	--	0.75	--	3.80
Carry-Over Project Water	--	1.00	1.25	0.75	--	3.00
<b>If and When Storage</b>						
In District	--	0.50	0.50	0.75	--	1.75
Out of District	--	2.00	4.00	0.75	--	6.75
Aurora	--	--	10.00	--	--	10.00
<b>Project Water Return Flows</b>						
Return Flows	6.00	0.50	--	0.75	--	7.25

Table 2: Option 1 Aggressive FY 2020

Description	Aggressive Option 1 Proposed Rates and Surcharges (\$/ac-ft)					Proposed Total Charge (\$)
	Proposed Water Rate (\$)	Safety of Dams (\$)	Water Activity (\$)	Environmental Stewardship (\$)	Augmentation (\$)	
<b>Project Water Sales</b>						
Irrigation	13.14	0.50	0.75	0.75	--	15.14
Municipal	15.25	0.50	1.50	0.75	--	18.00
<b>Project Water Sales used for Well Augmentation</b>						
Irrigation used for Well Augmentation	13.14	0.50	0.75	0.75	2.60	17.74
Municipal used for Well Augmentation	15.25	0.50	1.50	0.75	2.60	20.60
<b>Storage Charges</b>						
Winter Water Storage*	5.72	0.25	--	0.75	--	6.72
Carry-Over Project Water	--	1.00	1.25	0.75	--	3.00
<b>If and When Storage</b>						
In District	--	0.50	0.50	0.75	--	1.75
Out of District	--	2.00	4.00	0.75	--	6.75
Aurora	--	--	10.00	--	--	10.00
<b>Project Water Return Flows</b>						
Irrigation	16.18	0.50	--	0.75	--	17.43
Municipal	18.78	0.50	--	0.75	--	20.03

Table 3: Board Approved Rates as of November 21, 2019 for FY 2020 (subject to change pending additional Board action in first quarter of 2020)

Description	2020 Rates and Surcharges (\$/ac-ft) (as of 11/21/2019)					Proposed Total Charge (\$)
	Proposed Water Rate (\$)	Safety of Dams (\$)	Water Activity (\$)	Environmental Stewardship (\$)	Augmentation (\$)	
<b>Project Water Sales</b>						
Irrigation	13.14	0.50	0.75	0.75	--	15.14
Municipal	13.14	0.50	1.50	0.75	--	15.89
<b>Project Water Sales used for Well Augmentation</b>						
Irrigation used for Well Augmentation	13.14	0.50	0.75	0.75	2.60	17.74
Municipal used for Well Augmentation	13.14	0.50	1.50	0.75	2.60	18.49
<b>Storage Charges</b>						
Winter Water Storage*	2.80	0.25	--	0.75	--	3.80
Carry-Over Project Water	--	1.00	1.25	0.75	--	3.00
<b>If and When Storage</b>						
In District	--	0.50	0.50	0.75	--	1.75
Out of District	--	2.00	4.00	0.75	--	6.75
Aurora	--	--	10.00	--	--	10.00
<b>Project Water Return Flows</b>						
Irrigation	12.00	0.50	--	0.75	--	13.25
Municipal	12.00	0.50	--	0.75	--	13.25

Table 1: 2019 water sales and storage rates.

Table 2: “Option 1 Aggressive” rates in the Finance Study.

Table 3: Board-approved rates, which could change pending Board discussion on key issues in early 2020.

# Financial Strategy and Sustainability Study



## Framing the Future

The Finance Study grew out of the “Framing the Future” discussion that began in the Executive Committee in 2017. In that discussion, the importance of maintaining the Fryingpan-Arkansas Project and its supporting activities was stressed. The District’s role as the Project’s sponsor was emphasized. The Finance Study was the logical next step in identifying and implementing changes that will allow the District to fulfill its role for the next 60 years and beyond.



## What are the Next Steps for District Finances?

Throughout the Finance Study, there was an overarching theme of “Get It Right.”

As President Bill Long said in November: “As president of this Board, it is important to me that we be in agreement as we move forward. We’ve got to move forward and work together to take care of the future needs of this District.”

In the history of the District, there has been little stimulus to look at the water rate structure. While the Project was being built, and for many years after that, there was doubt that the Fryingpan-Arkansas Project’s costs could be paid off within 50 years after the 1982 Contract was signed.

Water rates were tied to the repayment, and past Boards resisted Reclamation’s attempts to raise them.

The District obtained use of the water sales revenues in 2010 — nearly 40 years after the first sales of Project water. Water sales and storage revenues remain the major source of income for the Water Activity Enterprise. As the cost of service showed, the rates only cover a portion of the true cost.

The District’s task in the coming years will be to meet the goals defined in Workshop 3 of the Finance Study:

- ⇒ Meet the revenue requirement.
- ⇒ Apportion costs among customers fairly and equitably.
- ⇒ Achieve optimal efficiency.

In 2020, this course of action will take two paths.

The first will be Jacobs’ next task of analyzing surcharges to measure the impact on rates of removing some or all of them. Past Boards added the surcharges to accommodate specific funding needs, and those connections must be defined and resolved.

The second is a deeper, more fundamental discussion. This involves the unresolved issues of carry-over storage, Winter water charges, Return Flow sales, and split rates for M&I and Irrigation.

The District population has tripled to nearly 900,000 people in the past 60 years. The need for supplemental water is greater than ever. The Finance Study has provided the tools to “Get It Right.”

# Financial Policies

## Financial Policies

The 2019 Finance Study recommended four new financial policies for the District, which were adopted by the Board in October 2019. At the same time, some of the more detailed elements of the suggested policies were adopted as practices. The District has an Investment Policy in place, as well as guidelines for Accounting, Auditing, Budgeting, Cash Management, Financial Reporting, Internal Control, Records Management, and Other Issues.



## Rate-Setting Policy

Water rates are set to recover costs, on a long-term basis, net of other revenue sources for the Southeastern Colorado Water Activity Enterprise (SECWAE).

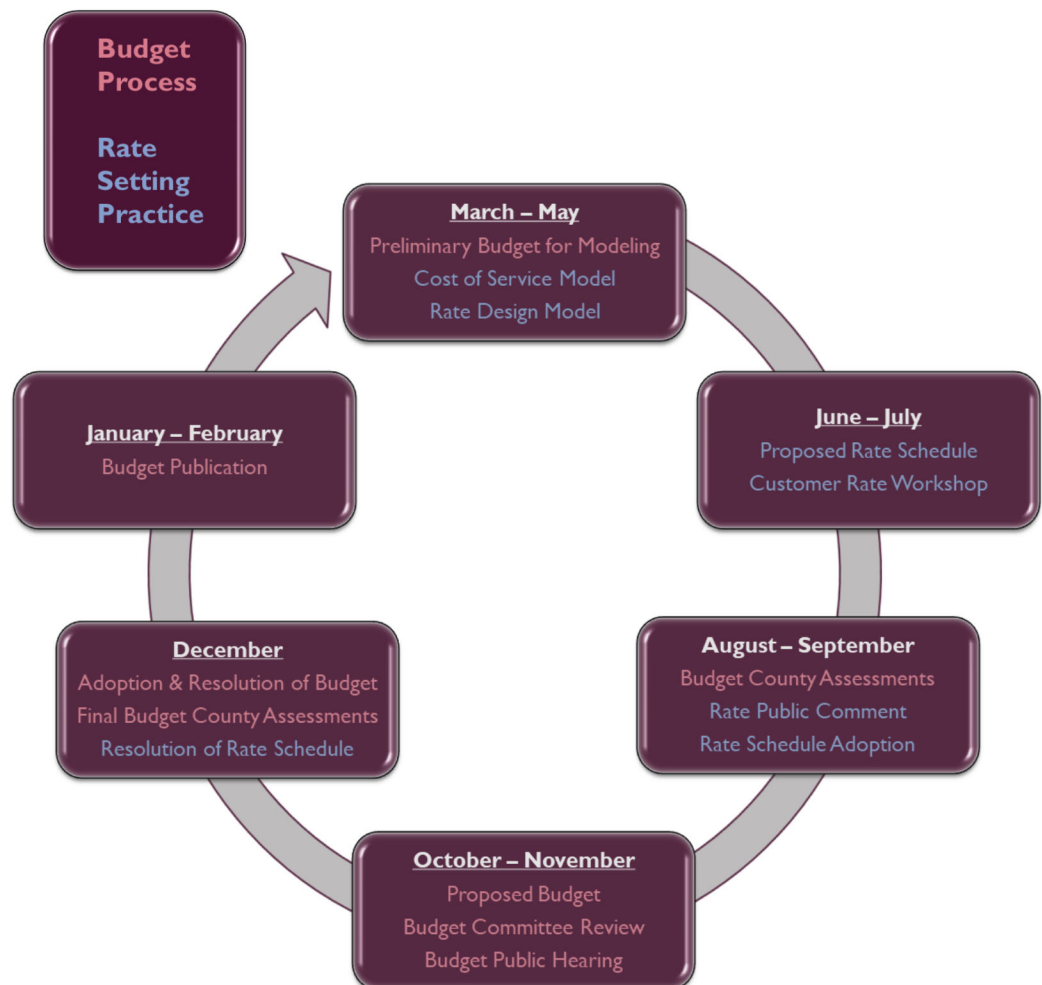
SECWAE will review rates, at least, annually as part of the long-term planning process.

A cost-of-service study will be performed every three years, or as necessary, to forecast the revenue requirement. The cost-of-service study is based on a 10-year planning horizon, called the Forecast Period. Rates are set for one year only, called the Firm Year. The second and third years are Advisory Years and align with the District’s three-year Business Plan.

Costs shall be allocated to two customer groups: Municipal & Industrial and Irrigation customer groups.

Rates, under general circumstances, should only be set following public announcement and an adequate provision of time for public comment.

The Board retains its authority permitted under water delivery contracts to adjust rates, as deemed necessary, if rates prove inadequate to cover cost.



# Financial Policies



## Debt Management Policy

This policy is a guide to the Southeastern Colorado Water Conservancy District (SECWCD) and its Activity Enterprise (SECWAE) for the issuance and use of debt to fund capital projects or to refund/refinance/restructure outstanding debt. SECWCD and SECWAE will ensure compliance with all laws, legal agreements, contracts, best practices, and adopted policies related to debt issuance and management.

SECWCD and SECWAE will promote cooperation and coordination with all stakeholders in the financing and delivery of services by seeking the lowest cost of capital reasonably available and minimizing financing costs for capital projects and other debt issuances.

SECWCD’s and SECWAE’s Boards are responsible for authorizing all debt issuance via a Board resolution. The Board is also responsible for approving the Debt Policy and any material changes to it. SECWCD and SECWAE Board members and staff, District officials, and outside advisors are critical in the debt issuance process.



## Capital Planning

The Southeastern Colorado Water Conservancy District (SECWCD) Capital Improvement Program (CIP) is a 20-year capital investment plan that encompasses all annual capital expenditures on individual capital projects—generally nonrecurring investments in new or existing infrastructure, including new construction, expansion, renovation, or replacement projects, with a useful life of at least 10 years.

This policy applies to the SECWCD and its Water Activity Enterprise.

The Executive Director, in consultation with the Board President, will be responsible for development of the CIP. The Finance Committee, a standing committee of the Board, will review the CIP annually and forward it to the Board for approval.

The CIP presents the 20-year rolling plan for capital allocation and prioritization. The CIP will be updated and published each year. Capital projects will be required to identify benefits to justify the requested capital investment.



## Financial Policies, Practices, and Guidelines

Policies	Practices	Guidelines	
Rate Setting	Rate Setting	Accounting	Financial Reporting
Debt Management	Debt Management	Auditing	Internal Control
Unrestricted Reserves	Unrestricted Reserves	Budgeting	Records Management
Capital Planning	Capital Planning	Cash Management	Other Issues
Investment			



# Financial Policies



## Unrestricted Reserves

The Southeastern Colorado Water Conservancy District (SECWCD) and its Water Activity Enterprise (SECWAE) have established Unrestricted Reserve funds for: (i) operations and maintenance activities in years of below average income due to drought or other events or contingencies, (ii) major infrastructure or equipment failures, (iii) extraordinary expenses associated with major maintenance and rehabilitation projects, and (iv) new capital projects and programs.

Reserve Category	Purpose	Target Funding Level
<b>Cash Reserve</b>	Working cash sufficient to fund cash-flow variations in a typical operating cycle.	(To be determined)
<b>Operating Reserve</b>	Covers potential interruptions in District Operations and District Enterprise Fund revenue streams; and may be used to smooth and stabilize water rates over the short term.	(To be determined)
<b>Capital Reserve</b>	Funds capital repair, replacement, or betterment of SECWCD properties; funds other capital activities that may be undertaken by SECWCD.	(To be determined)
<b>Exposure Reserve</b>	Covers extraordinary, unforeseen events not otherwise covered by reserves or insurance.	(To be determined)

Reserve policies are to be established and accomplished in accordance with statutory and contractual requirements. This policy does not modify or supersede requirements to maintain certain levels of restricted reserves as specified within various existing and future agreements, including but not limited to Amendment No. 11 To Contract No. 5-07-70-W0086, Between the United States of America and the Southeastern Colorado Water Conservancy District, Fryingpan-Arkansas Project, Colorado, as it may be amended, supplemented or converted. The board has the discretion to change funding priorities.

The SECWCD and SECWAE Board will establish funding targets and priorities of Unrestricted Reserves, and will adjust periodically as necessary.

The Executive Director is authorized to commit and expend reserve funds as necessary in his/her judgment to protect life and property, provided that as soon as practicable, the Executive Director shall notify the Board of such action and obtain Board approval for such commitment and expenditure in a timely manner.



## Future Adjustments

The Board approved the Unrestricted Reserves policy in October, with the condition that target funding levels would be set in the future.

Target funding levels for specific elements were identified in September 2018 for both the District and Enterprise. However, no funding mechanisms or timetables were put in place.

Jacobs recommended broad levels of funding for each category, but with the caveat that the final decision should be the Board's, based on its knowledge of specific needs within the District.

# Basis of Budgeting & Fund Structure

## 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.

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.

The basis of budgeting and basis of accounting are shown in the chart below.

Basis of Budgeting and Accounting Methods	
<b>Government Fund</b>	
General Fund	Modified Accrual
<b>Enterprise Fund</b>	
Proprietary Fund	Accrual



## 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 two subfunds the Fry-Ark Project and District operation. The Fry-Ark subfund includes the Fryingpan-Arkansas Project activity. The District operations includes grant activity, operating expense, reoccurring capital, and capital improvement. The Business Activity is made up of the Water subfund and the Hydroelectric subfund. The Water subfund includes grant activity, operations, and major projects, reoccurring capital, and capital improvement. The hydroelectric subfund is the operation of the James W. Broderick Hydropower Plant at Pueblo Dam.

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 and ensure payment of the District’s portions of the operations maintenance and replacement of the Project. Also, to protect and develop the District’s water rights, retain valued knowledgeable employees, and maintain capital improvements and capital projects.

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.

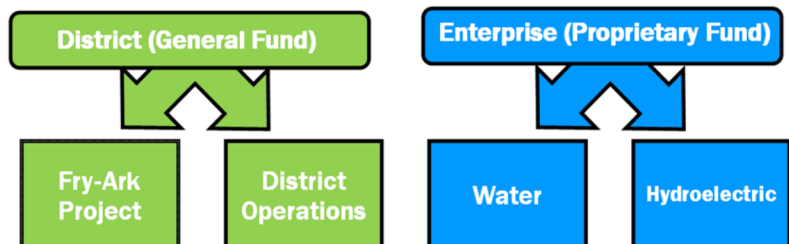
The Business Activity’s primary focus is to develop project and programs and provide services to the District. The Business Activity provides support for ongoing projects and programs for the many stakeholders and constituents of the District.

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

The projects includes 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.

These divisions were created to account for the costs associated with each project individually. The Business Activity account uses the flow of economic resources measurement focus.

### Major Funds and Subfunds



# Budgetary Control

The Budgetary control process is guided by the Board of Directors approved Financial Management Guide.

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.



## Financial Management Guide

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

- ◆ The District general fund must consist of a balanced budget, unless there is a budgeted use of reserve funds.
- ◆ 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 subject 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 (amended) 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.

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 or amended Budget.

The primary function of the District is to collect ad valorem taxes from portions of nine counties to ensure that the Fryingpan-Arkansas Project debt is retired within the contractual limits and ensure payment of the District's portions of the operations, maintenance, and replacement of the Project.

## DISTRICT

(Government Activity)



- ⇒ The District is primarily an administrative agency with one major Project, which in the Fry-Ark Project supported by tax collection.
- ⇒ 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.



# Budgetary Guidelines & Practices

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.

The Board of Directors will take action during a Board of Directors meeting to Restate the Budget and will re-adopt the amended Budget.

On this page are the main statutes which affect financial practices.

## 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

## 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)

## Key District Practices

The following additional internal key policies are followed:

- All financial policies
- A balanced Governmental fund budget
- A balanced grant budget
- Project participation revenues with match-expenditure
- Fryingpan-Arkansas Project Water Allocation Principles



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- 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)

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

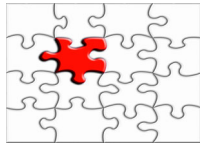
The District budgetary process assists the Board of Directors with decisions as to the project and program for allocation of financial support. The District uses a six-phase approach as listed on this page.



**JULY**

## Phase 1—Budget Call

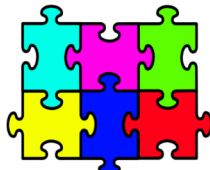
The Executive Director and Budget Officer meet with all department office heads to discuss and update the District mission. Budget forms and budget calendar are communicated. Emphasis is placed on accurate, prompt, and uniform submissions.



**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 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 Statute 29-1-106 (1). Any interested citizen can review the proposed budget and make comments and suggestions at the Public Hearing.



**DECEMBER &  
JANUARY**

## 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 (amended) Budget and Adoption

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



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# Section 4 Budget Overview Description and Comparison Data

## Introduction

### One Budget, Two Funds

The *Government Activity, or General Fund*, encompasses all District business and primarily ensures that the Fryingpan-Arkansas Project is paid off and remains operational.

The *Business Activity, or Enterprise Fund*, focuses on programs and projects, and provides services to the Government Activity.

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 and ensure payment of the District's portions of the operations maintenance and replacement of the Project. Also, to protect and develop the District's water rights, retain valued knowledgeable employees, and maintain capital improvements and capital projects.

Within the District's accounting system and structure all Governmental Activity are recorded

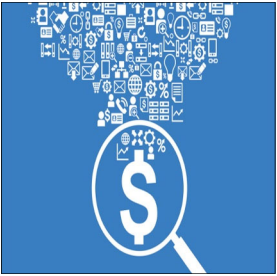
and accounted for under the single fund titled Southeastern Colorado Water Conservancy District.

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 Excess Capacity Master Contract, Enlargement, 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.*



# Budget Overview & Tax Revenue

Property taxes in Colorado are collected by individual counties. Special districts such as the Southeastern Colorado Water Conservancy District, receive tax revenues only for those areas within District boundaries. The District pays a fee to each of the counties for collecting the taxes.

**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.



## Tax Calculation

**Table 4-1: 2019-2020 Total County Assessed Value**

County		2018 Assessed Value	2019 Assessed Value	Value Change	Percent Change
Bent	11/27/2019	59,333,100	61,967,460	2,634,360	4.44%
Chaffee	12/6/2019	338,096,430	403,275,690	65,179,260	19.28%
Crowley	11/4/2019	34,512,829	39,869,907	5,357,078	15.52%
El Paso	11/27/2019	5,991,759,820	6,845,747,570	853,987,750	14.25%
Fremont	12/2/2019	318,420,837	348,966,783	30,545,946	9.59%
Kiowa	12/9/2019	2,778,330	2,937,860	159,530	5.74%
Otero	11/26/2019	135,688,325	138,804,291	3,115,966	2.30%
Prowers	11/15/2019	58,854,714	59,160,059	305,345	0.52%
Pueblo	11/25/2019	1,535,765,745	1,655,985,102	120,219,357	7.83%
<b>Total</b>		<b>8,475,210,130</b>	<b>9,556,714,722</b>	<b>1,081,504,592</b>	<b>12.76%</b>

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 2019 assessments are collected in 2020. The nine counties in the District estimate a total assessed value in 2019 of \$9,556,714,722. Table 4-1 illustrates a comparison between assessed values from 2018 to 2019. Table 4-2 illustrates final assessments and expected collection from each county.

The District certifies all three mill levies and submits 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 2019 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 for 2020. To avoid over collection in tax revenue and to comply with Colorado State Statute the District processed two temporary Mill Levy deductions. Based on the final county assessments and calculated limits. The District certified 0.900 for contract mill levy with a one-time temporary mill levy rate reduction of 0.040 mills to equal a total Contract Mill Levy of 0.860. The District also certified 0.035 for operating mill levy with a one-time temporary mill levy rate reduction of 0.033 mills.

**Table 4-2: Collections for all Levies - 2019 for 2020 Budget**

Last Revised: 12/15/2019

County	2019 Assessed Value	Percent of Total	Contract Repayment		Operating		Abatements & Refunds		Total Collections
			Mill Levy	Collections	Mill Levy	Collections	Mill Levy	Collections	
Bent	61,967,460	0.65%	0.860	53,292	0.033	2,045	0.009	558	55,894.65
Chaffee	403,275,690	4.22%	0.860	346,817	0.033	13,308	0.009	3,629	363,755
Crowley	39,869,907	0.42%	0.860	34,288	0.033	1,316	0.009	359	35,963
El Paso	6,845,747,570	71.63%	0.860	5,887,343	0.033	225,910	0.009	61,612	6,174,864
Fremont	348,966,783	3.65%	0.860	300,111	0.033	11,516	0.009	3,141	314,768
Kiowa	2,937,860	0.03%	0.860	2,527	0.033	97	0.009	26	2,650
Otero	138,804,291	1.45%	0.860	119,372	0.033	4,581	0.009	1,249	125,201
Prowers	59,160,059	0.62%	0.860	50,878	0.033	1,952	0.009	532	53,362
Pueblo	1,655,985,102	17.33%	0.860	1,424,147	0.033	54,648	0.009	14,904	1,493,699
<b>Total</b>	<b>9,556,714,722</b>	<b>1.00</b>		<b>8,218,775</b>		<b>315,372</b>		<b>86,010</b>	<b>8,620,157</b>
Contract + Operating Ad Valorem = 0.893 \$ 8,534,146									
Total compared 2018 to 2019 Assessed Values & projected taxes									
2019	9,556,714,722		0.860	8,218,775	0.033	315,372	0.009	86,010	8,620,157
2018	8,475,210,130		0.900	7,627,689	0.035	296,632	0.009	76,277	8,000,598
Increase(Decrease)				591,086		18,739		9,734	619,558

# Governmental Revenue and Expenditures



## 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 \$300,000 for the 2020 Budget.

## Fryingpan-Arkansas Revenue and Expenditures

Tax revenues are used for the payment made on the primary debt and operation maintenance and replacement (OM&R) of the Fryingpan-Arkansas Project. The taxes are generated by two of the three collected 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 tax revenue.

Table 4-3 provides a four-year comparison of tax mill levy revenue and the 2020 Budgeted assessments. Prior to Amendment 11 of the Fry-Ark Contract in 2018 all annual Fry-Ark tax revenues were paid to Reclamation for OM&R expenditures and debt.

Amendment 11 allows the debt payments to be amortized through December 2031. Meaning that the District makes payments in the amount of \$1,467,572 annually to decrease the debt of the Project. The amendment also provided that the District upfront OM&R expense and create a Fry-Ark reserve fund held by the District for the benefit of the Project.

As of December 31, 2019, the Fryingpan-Arkansas Project outstanding debt is \$17,610,866. At year-end 2019 the Fry-Ark reserve account is estimated at \$2,720,000.

Table 4-4 reflects the total annual payment made to Reclamation for the Fryingpan-Arkansas Project debt and OM&R expenses. At the time of this publication the annual reconciliation of

OM&R for the Fry-Ark was not complete.

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

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 2020 at \$5,365,000. The 2020 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.

The Excess Capacity Master Contract is a storage contract held by the District on behalf of Excess Capacity participants, fees assessed by Reclamation are paid to the District and then forward to Reclamation.

The 2020 Budget includes \$277,662 for 6,575 acre-feet of storage at a Reclamation contracted price of \$42.23.

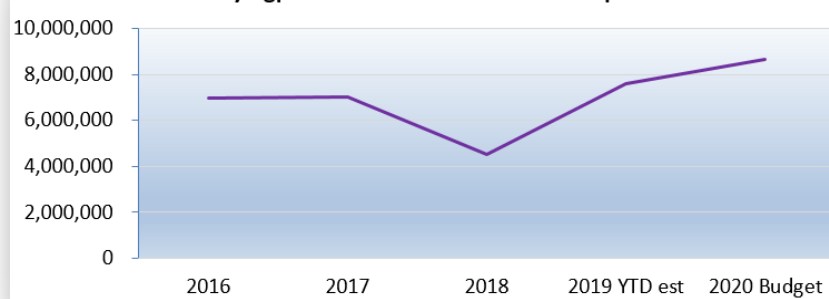
Reclamation Reform Act (RRA) is a project enacted by the Federal government that the District must remain in compliance with as a provision of the Fryingpan-Arkansas Project contract.

The District has budgeted \$20,000 for possible fee bills as a result of RRA compliance. In 2020 the District will go through a Reclamation audit that occurs every five years.

**Table 4-3: Fry-Ark Project Tax Revenues**

	2016	2017	2018	2019 YTD	2020 Budget
<b>Contract Mill Levy Tax</b>	7,021,262	7,089,728	7,441,763	7,548,181	8,218,775
<b>Abatement &amp; Refunds</b>	53,873	39,391	31,866	75,489	86,010
<b>Prior Year Tax</b>	(283)	(17,357)	(6,488)	(4,150)	(12,050)
<b>County Collection Fees</b>	(121,807)	(122,062)	(128,716)	(131,215)	(147,629)
<b>Total Annual Payment</b>	<b>6,953,045</b>	<b>6,989,700</b>	<b>7,338,425</b>	<b>7,488,305</b>	<b>8,145,106</b>

**Table 4-4: Fryingpan-Arkansas USBR Contract Expenditures**



# 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, inter-fund reimbursements for service, investments, and other revenues that enables 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 Project and the Arkansas Valley Conduit. In 2020, the interfund reimbursements make up 54 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 \$283,711 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 \$947,284 per year. This average was increased significantly in the past three years. 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 income because it is economically driven.

The District manages \$10,500,000 in short and long-term investments, even though the portion of these funds are held for a specific purpose. Bonds held through Wells Fargo Securities which make up 76 percent of the investment portfolio and 24 percent are made up of short-term liquid investments held with COLOTrust. The 2020 Budget for investment revenue, based on projected fluctuations in the market is \$213,535. Investment and interest revenue producing an average of \$164,418 per year. The District has \$2,000,000 in bond maturity in 2020 and will be looking to reinvest the funds while managing risk.

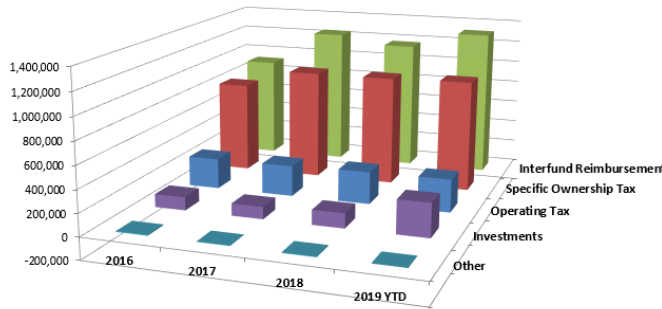
The District has created a fifteen-year Strategic Plan. This will allow leadership to look long-term in the future of the Districts future to plan and accommodate these plans. Accompanying the Strategic Plan, District staff has created a three-year Business Plan. The Business Plan will serve as a short-term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

The long-term and short-term plans attempt to mitigate the effect that economic volatility has on District

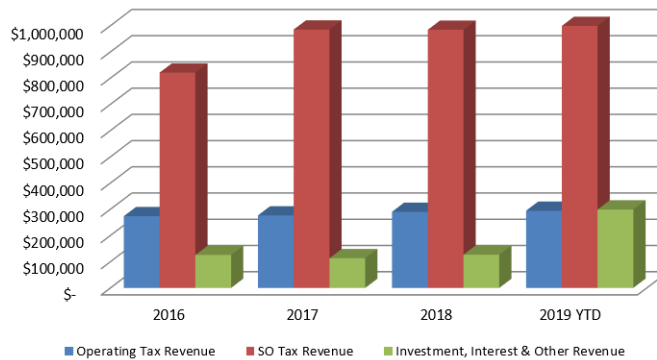
budgeting. Now that these plans have been implemented, staff will begin to review policies and investigate additional revenue streams. In 2019 the District completed the Financial Strategy and Sustainability Study. *Please see Appendix for additional detail regarding the long and short-term planning.*

The 2020 Budget forecasts that the District's operating revenues will consist of interfund reimbursements of 54 percent, Specific Ownership Tax of 27 percent, Operating tax of 11 percent, and investment revenue of 8 percent as shown in Table 4-7.

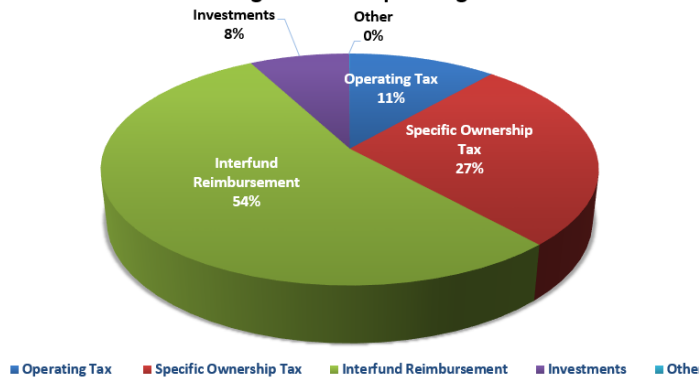
**Table 4-5: Government Activity Operating Revenue**



**Table 4-6: District Operating Revenue Overview**



**Table 4-7: 2020 Budget District Operating Revenue**



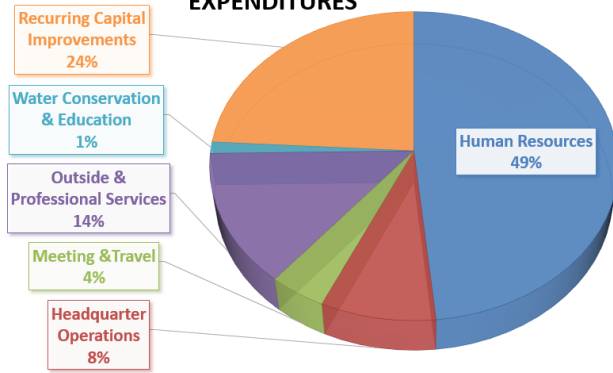


# Government Activity Expenditures

The budgeted Government Activity total expenditures for the 2020 Budget are \$18,276,814. The expenditures are considered in one of four categories; Fryingpan-Arkansas activity \$14,444,639, Grant activity \$300,000, operating expenditures \$2,682,175 and Recurring Capital expenditures of \$850,000.

Operating expenditure policy requires that expenditures match operating revenue to present a balanced governmental budget, unless there is a planned use of reserve funds. For purposes of consistency, Recurring Capital expenditures are included in the analysis of operating expenditures as shown in the Budget financial statements. The 2020 Budget Operating expenditures are illustrated by percentage in Table 4-8.

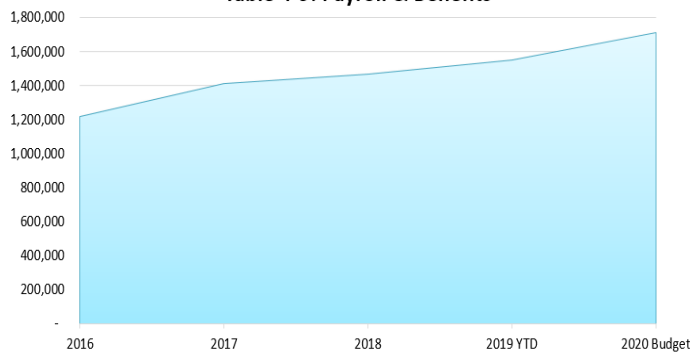
**TABLE 4-8: 2020 BUDGET DISTRICT OPERATING EXPENDITURES**



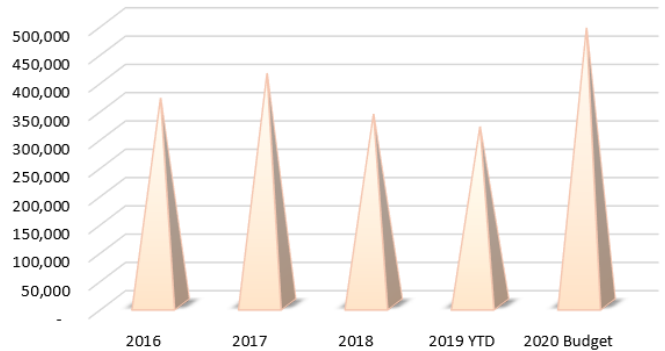
In 2020, the largest planned expenditure of the operating budget is Human Resources, this includes payroll and benefits and makes up 49 percent of District operations. A portion of the Interfund reimbursing revenue assist with coverage of this expense. Actual compared to 2020 Budget of Payroll and Benefits is shown in Table 4-9.

The District is expected to experience a slight adjustment in staffing position in 2020. This is due to adjustment as a result of workforce planning, see Section 2. The District completes a salary and benefits survey every three years, that survey was completed in 2018.

**Table 4-9: Payroll & Benefits**



**Table 4-10: District Outside & Professional Services**



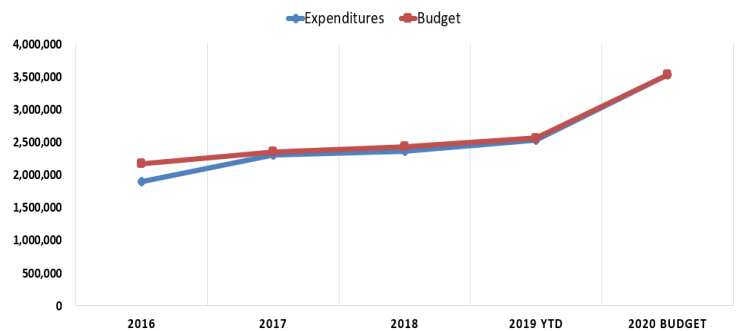
Illustrated in Table 4-10 are outside and professional services also known as consulting activities, which accounts for 14 percent of the District 2020 Budget. This category includes the annual audit contracts, outside engineering consultants, salary and benefits survey consultant, general attorney fees, and other related expenses.

Headquarter operating expense includes insurance, office supplies, utilities, administrative expense, telephones and information technology, and automobile maintenance which make up a total 8 percent of the operating budget.

Meetings and travel expense reflects 4 percent of the operating expense for all staffing positions and members of the Board of Directors.

As required, the Government Activity General Fund has

**TABLE 4-11: GOVERNMENT OPERATING EXPENDITURES COMPARED TO BUDGET**



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 \$2,279,821 actual expenses over the past four years.



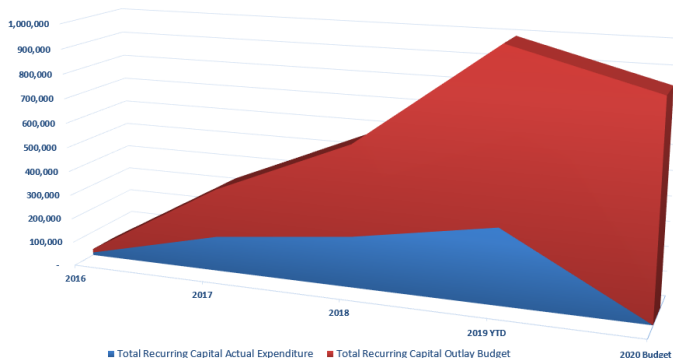
# Government Activity Capital Outlay

In 2019 the District capital improvement expenditures totaled \$309,013. The District purchased new chairs for the Board of Directors meeting room and a fully functioning office copy machine totaling \$67,929. The District continues ongoing engineering expenditures for the protection of the District conditional water rights in Division 5 As well as the nine counties District boundaries in the amount of \$48,818. The Finance Strategy and Sustainability Study expenditures totaled \$192,266.

Recurring Capital expenditures in the District 2020 Budget total \$850,000 and include the following items: \$100,000 for the implementation of an electronic records filing system, technology upgrades, and landscape upgrades. Other items total \$750,000 and include, \$10,000 for Colorado River Issues, \$200,000 for the study of Recovery of Storage, \$40,000 for the Fry-Ark asset assessment, \$80,000 for the Fry-Ark condition assessment, \$10,000 for Watershed and Healthy Forest, \$60,000 for new SNOTEL sites, \$100,000 for the continued Finance Study to study Surcharges, 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 10825 Project. The 10825 relates to the protection of the District's Fry- ingpan-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

Table 4-12: Recurring Capital Budget vs Actual Expenditures



will be discussed in the Business Activity Operating Revenue portion of this document.

In 2020, the District extended the service agreement with Jacobs Engineering to study in detail the Surcharges assessed by the Enterprise on all types of Water sales.

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 schedule below reflects of Capital expenditures for 2019 actual through 2022 budget. This is a portion of the District's 20-year Capital Improvement and Projects Plan.

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

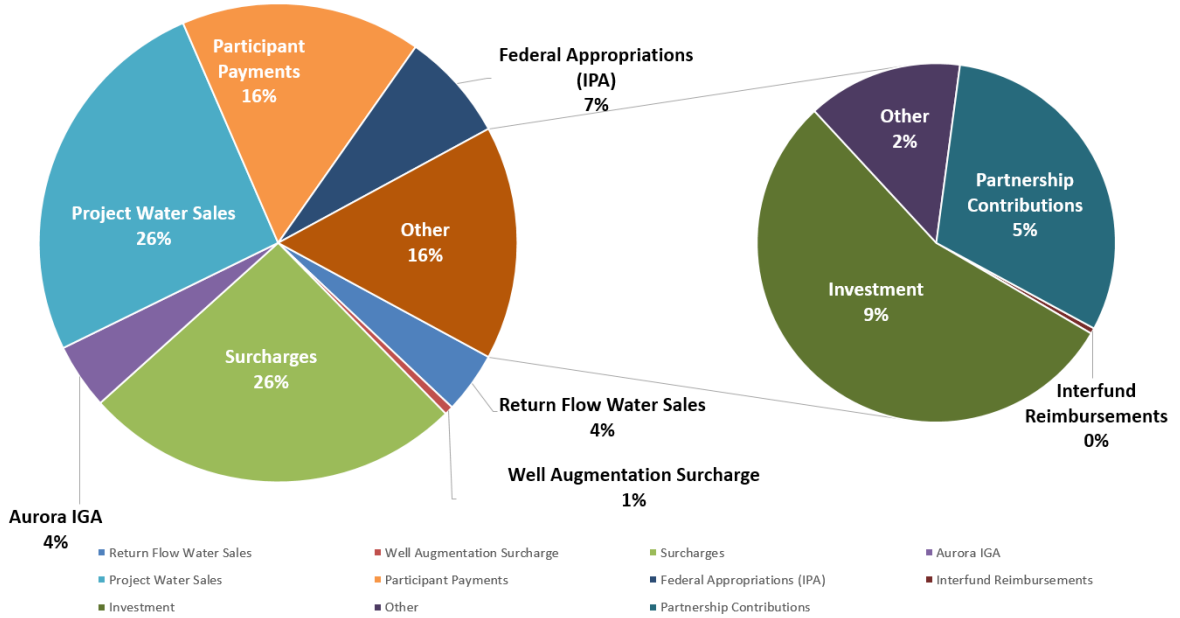
This Capital planning period was designed to align with the three-year Business Plan that accompanies the District's Strategic Plan.

Strategic Component	Action Item Element	2019 Actual	2020 Budget	2021 Forecast	2022 Forecast	
Core Business	Facilities, Information Technology, Vehicles, and Landscape	\$67,929	\$100,000	\$280,000	\$120,000	
	Future Water Supply & Storage	Colorado River Issues		\$10,000	\$10,000	\$10,000
		Recovery of Storage		\$200,000	\$50,000	\$50,000
		Fry-Ark Asset Assessment		\$40,000	\$20,000	
		Fry-Ark Condition Assessment		\$80,000	\$120,000	\$30,000
Water Supply Protection & Efficiency	Watershed Management & Healthy Forest		\$10,000	\$10,000	\$10,000	
	Water Right Protection & District Boundaries	\$48,818	\$250,000	\$250,000	\$250,000	
	Water Supply Storage & Power					
Water Supply Storage & Power	Finance Study	\$192,266	\$100,000		\$75,000	
	SNOTEL Site		\$60,000	\$70,000	\$70,000	
<b>Total</b>		<b>\$309,013</b>	<b>\$850,000</b>	<b>\$810,000</b>	<b>\$615,000</b>	



# Enterprise Water Fund Operating Revenue

**Table 4-13: 2020 Budget Business Activity 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 period Budget the Hydroelectric Power Project is presented separate even though it is a part of the Enterprise. This was 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 2020 Budgeted operating revenues can be found broken out by percentage in Table 4-13, making up a total of \$2,260,490.

The sale of Project water is one of the primary

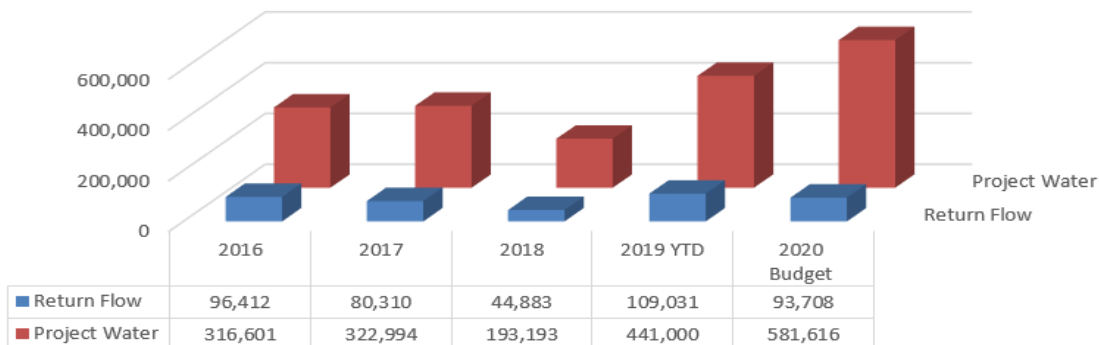
sources of operating revenue for the Enterprise Water Fund and is budgeted at \$581,616. In 2020, Project water sales are budgeted based on a twenty-year running average of water imports.

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 \$93,708. Table 4-14 illustrates historical water sale revenue.

In October 2019, the Board of Directors implemented new rates as a recommendation of the Finance Strategy and Sustainability Study. The 2019 Adopted rates are reflected in the 2020 Adopted Budget. For *2020 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**



# Enterprise Water Fund Operating Revenue

Surcharge revenue is the largest revenue generation in the Enterprise operations totaling \$580,763 in the 2020 Budget. As shown in Table 4-15, 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 2020 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.

In 2020 The District extended the service agreement with Jacobs Engineering to study in detail the Surcharges assessed by the Enterprise on all types of water sales. The study will investigate the elimination or modification of surcharges water sales and storage rates for 2021 and beyond.

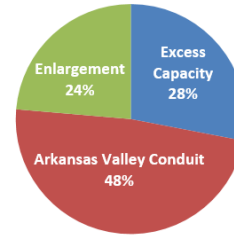
The Well Augmentation surcharge is assessed to Municipal and Irrigation customers using “First Use” Project water for well augmentation rather than for direct irrigation or municipal use.

The Safety of Dams began in July 1998 and is a repayment mechanism to Reclamation in addition to provide additional 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

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 16

**Table 4-16: Business Activity Participant Revenue**



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.

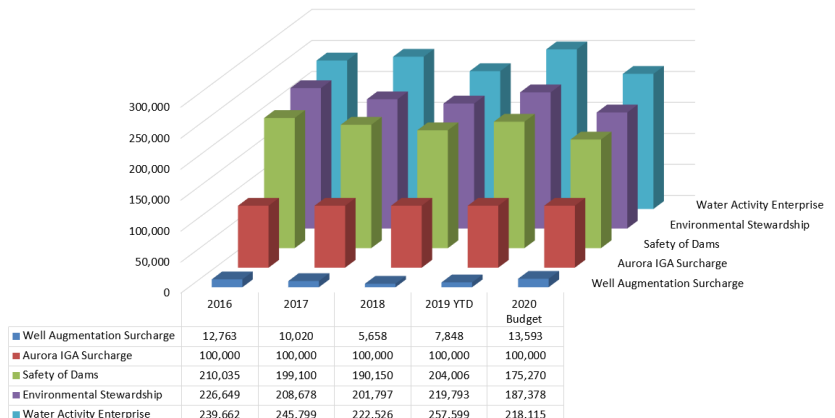
The Long-Term Excess Capacity Master Contract is a long-term storage contract for storage of non-Project water in Project facilities.

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 \$103,489 in 2020, it accounts for the 28 percent participant revenue.

The enlargement study is an ongoing project that focuses on enlarging Pueblo Dam and Sugar Loaf Dam. The single source of revenue comes from participant contributions. The major expenses are the ongoing United States Geological Survey (USGS) water studies. In 2020, staff budgeted total participant revenue of \$87,290, it accounts for the 24 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. The total budgeted 2020 participant revenue for Arkansas Valley Conduit is \$178,449, accounting for the 48 percent of participant revenue in Table 4-16. Total 2020 budgeted participant payments are \$369,228.

**Table 4-15: Surcharge Revenue**



# Other Enterprise & Hydroelectric Power Revenues

## Enterprise Grants

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 2020 Budget has a total of \$300,000 planned for assistance with Enterprise projects.



## 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.

Between 2017 and 2019 the Enterprise pro-

cessed \$16,819,540 (including retainment calculations) in loan disbursements for the project, with the completion of the Hydroelectric Power Project construction in 2019. The 2020 Budget estimates an additional \$400,460 in loan disbursements, this is the last planned disbursement. There is also \$1,212,500 budgeted in revenue as energy generation for sale to Colorado Springs Utilities and the City of Fountain.



## Other Enterprise Operating 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 \$166,160 which makes up 7 percent of the total Enterprise revenue.

Investment interest is another revenue source that the Enterprise relies on for operational funding. The Enterprise currently has \$10,998,000 invested in purchased bonds held through Wells Fargo Securities, LLC and COLOTrust. COLOTrust is a Colorado local government investment pool for liquid funds. The 2020 Budget for investment interest, based on projections are

\$195,422. The Enterprise has approximately \$2,375,000 in bond maturity in 2020.

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 2020, revenue budgeted for RRPG is \$110,000.



# Enterprise Water Fund Operating Expenditures

The budgeted Enterprise Water Fund total expenditures for the 2020 Budget is \$3,898,203. The expenditures are comprised into three categories; 1. Grant activity \$300,000, 2. Operating Expenditures \$2,198,203 and \$350,000 in Recurring Capital expenditures, and 3. one Capital Project totaling \$1,050,000.

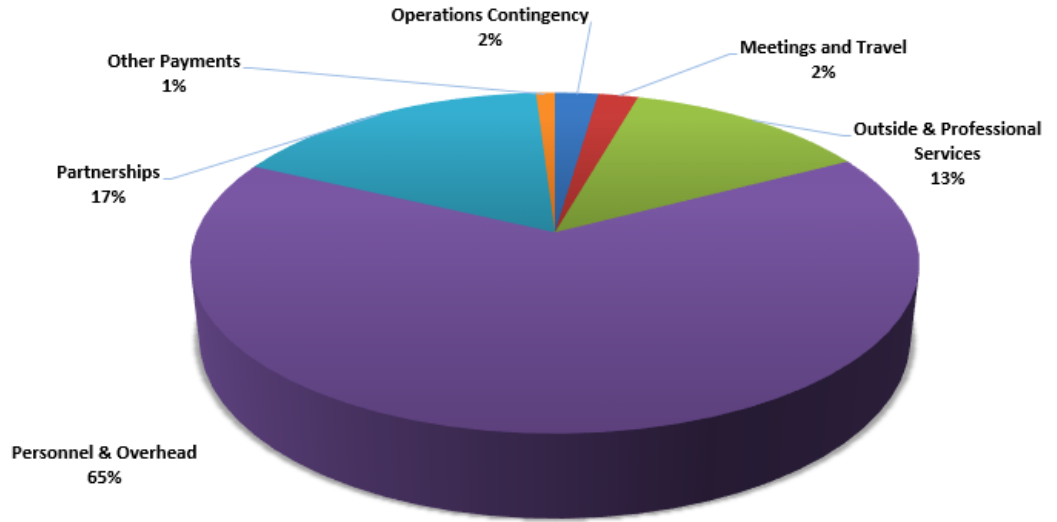
The Enterprise Water Fund has a 2020 budgeted total of \$2,548,203 in operating expenditures which includes Enterprise projects. The Enterprise administration expenses are matched with operating revenues such as water sales and surcharges. The Excess Capacity, Enlargement, and Arkansas Valley Conduit projects are self-balancing budgets due to participant payments. The various 2020 budgeted operation expenditures are illustrated by percentage in Table 4-17.

In 2020, the largest expense of the Enterprise Water Fund is the Interfund Reimbursement for Services from the Enterprise, which encompass 65 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 2020 Budget regarding interfund reimbursements can be located in Table 4-18.

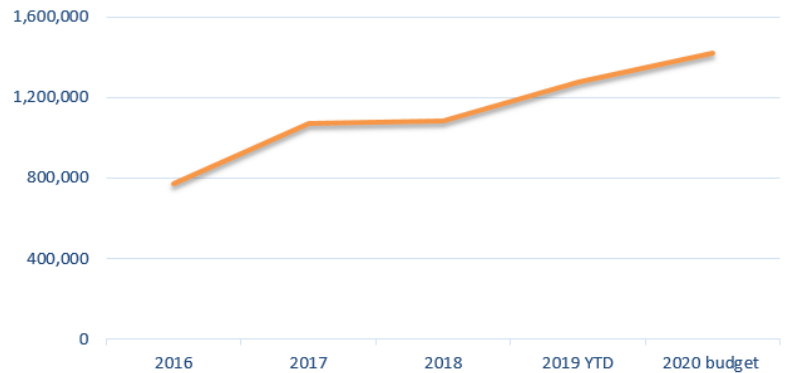
Table 4-19 provides a view of the percentage distribution of the total Enterprise Interfund Reimbursement. Please note that the Intergovernmental Personnel Act (IPA) for the Arkansas Valley Conduit provides a revenue to cover the majority of the AVC personnel cost but does not provide revenue for overhead costs. The Enterprise Administration has assumed the costs of this portion of the overhead and is included in the 84 percent.

The Enterprise budget consists of 13 percent

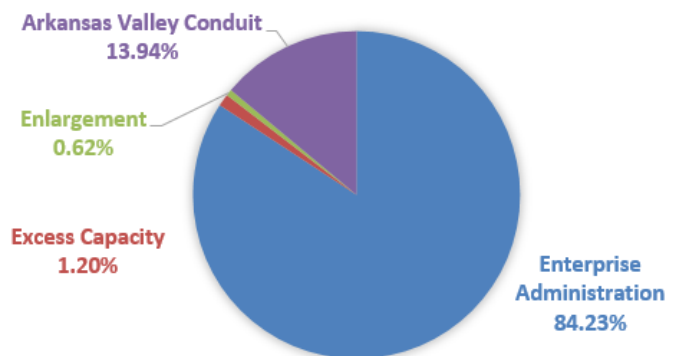
**Table 4-17: Budget Enterprise Business Activity Operating Expense**



**Table 4-18: Enterprise Interfund Reimbursement for Services**



**TABLE 4-19: 2020 BUDGET PERSONNEL & OVERHEAD DISTRIBUTION**



outside and professional services expense. The total of \$283,420 expenses are mainly distributed over the projects as indicated in Table 4-20.



# Other Enterprise & Hydroelectric Power Expenditures

Partnerships account for 17 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.

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 \$1,128,845 will be used from reserves for operations in 2020, mainly due to the ROY Capital Project.

This is stated in the 2020 Budget Finance statements.

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

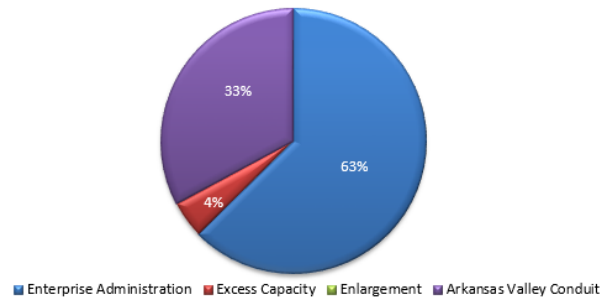
## Enterprise Water Fund Capital Outlay

The 2020 Budget Enterprise Water Fund recurring Capital totals \$350,000. The total makes up; Interfund transfer funds and a portion to study Upper Basin Storage. The Capital Project and development of the Restoration of Yield Storage Project is Budgeted for \$1,050,000 for the purchase of phase 1 of the project.

The schedule below reflects the Enterprise Capital expenditures for 2019 actual through 2022 budget. This is a portion of the District's 20-year Capital Improvement and Projects Plan.

Strategic Component	Action Item Element	2019 Actual	2020 Budget	2021 Forecast	2022 Forecast
Recurring Capital	Fund Transfer & Upper Basin Storage	\$0	\$350,000	\$335,000	\$335,000
Restoration of Yield	Phase 1 Purchase	\$0	\$1,050,000	\$200,000	\$200,000
<b>Total</b>		<b>\$0</b>	<b>\$1,400,000</b>	<b>\$535,000</b>	<b>\$535,000</b>

Table 4-20: 2020 Budget Outside & Professional Services



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

## Hydroelectric Power Project Operating Expense

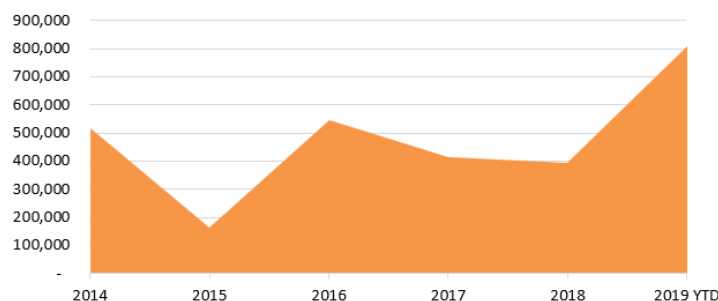
Between 2012 and 2017 the Hydroelectric Power project expenditure budget was rolled into the Enterprise. As a result of the start of construction on the project in 2017, a separate budget resolution was presented to show members of the Board a clear view of the project; one budget resolution for the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

The 2020 Adopted Budget is presented in this same format as described above.

In the early stages of the Hydroelectric project the Operations and administration expenditures were supported by the Enterprise reserve funds. Due to the fact the construction is complete and the Project has experienced positive 2019 revenues from energy generation sales, the operations of the project will be supported with Hydroelectric revenues.

In 2020 the budgeted operating expense totals \$963,867 and encompasses headquarter operations, meeting and travel, outside professional services, personnel and overhead cost, travel expense, and expense associated with a on site tours.

Table 4-21: Pueblo Dam Hydroelectric Power Operating Expense



From the conception of the project in 2012 through 2019 the project has expended an estimated \$3,133,000 in Enterprise reserve funds (See Table 4-21).



# Hydroelectric Power Capital Outlay & Budget in Brief Overview

## Hydroelectric Power Capital

The 2020 Capital Outlay expense total for Pueblo Dam Hydroelectric Power is \$490,000. This expenditure is the remaining construction contract reimbursable by the Colorado Water Conservation Board (CWCB) loan and \$20,000 for the Hydro building sign.

The total Hydroelectric Project expense for 2020 is budgeted at \$1,453,867.

This budget amount is separated into \$963,867 operations and \$490,000 Capital Outlay.

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

Table 4-23 provides, in the 2020 Budget the Government Activity accounts for 78 percent, the Enterprise Water Fund accounts for 16 percent, and the Hydroelectric Project accounts for 6 percent of the total Government and Enterprise appropriated expenditures. The District expense budgets are mainly consistent. The Enterprise increases in 2020 Budget is due to the ROY Capital Improvement Project. The Hydroelectric Project construction was completed in 2019, and forecasts indicate that the project will generate sufficient revenues to cover expenses in 2020.

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

Table 4-22: 2020 Adopted Budget Government & Enterprise Presentation

	Government Activity	Water Activity Fund	Hydroelectric Fund	Total
<b>Revenue</b>				
Fryingpan-Arkansas Activity	13,927,404	-	-	13,927,404
Grant Activity	300,000	300,000	-	600,000
Operating Activity	2,764,408	2,469,358	1,283,094	6,516,860
Hydroelectric Loan	0	0	400,460	400,460
<b>Total Revenue</b>	<b>16,991,812</b>	<b>2,769,358</b>	<b>1,683,554</b>	<b>21,444,724</b>
<b>Expenditures</b>				
Fryingpan-Arkansas Activity	14,444,639	-	-	14,444,639
Grant Activity	300,000	300,000	-	600,000
Operating Activity (Including Recurring Capital)	3,532,175	2,548,203	963,867	7,044,245
<b>Total Expenditure</b>	<b>18,276,814</b>	<b>2,848,203</b>	<b>963,867</b>	<b>22,088,884</b>
<b>Total Fry-Ark Revenues over (under) Expenditures</b>	<b>(517,235)</b>	<b>-</b>	<b>-</b>	<b>(644,160)</b>
<b>Total Operations Revenues over (under) Expenditures</b>	<b>(767,767)</b>	<b>(78,845)</b>	<b>(2,647,421)</b>	<b>(3,494,033)</b>
Capital Improvement/Project Expenses	-	1,050,000	490,000	1,540,000
<b>Total Over (Under) Expenditures</b>	<b>(1,285,002)</b>	<b>(1,128,845)</b>	<b>229,687</b>	<b>(2,184,160)</b>

Table 4-23: Five Year Budget Trends

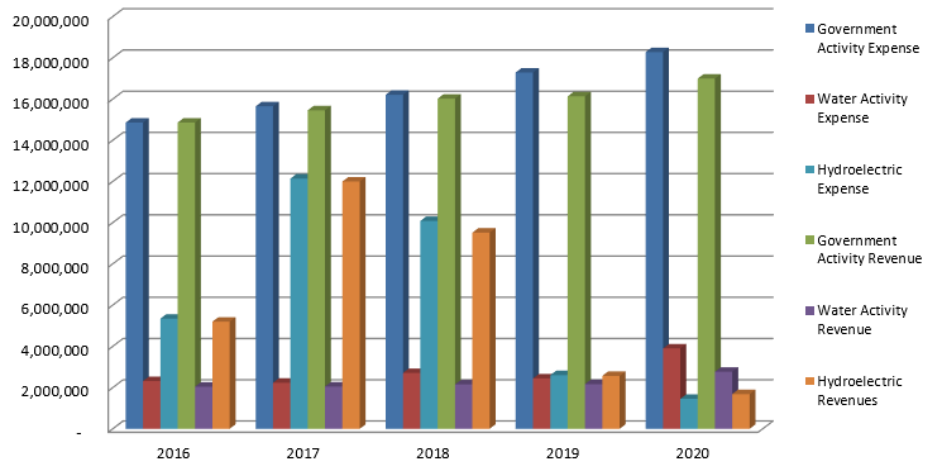
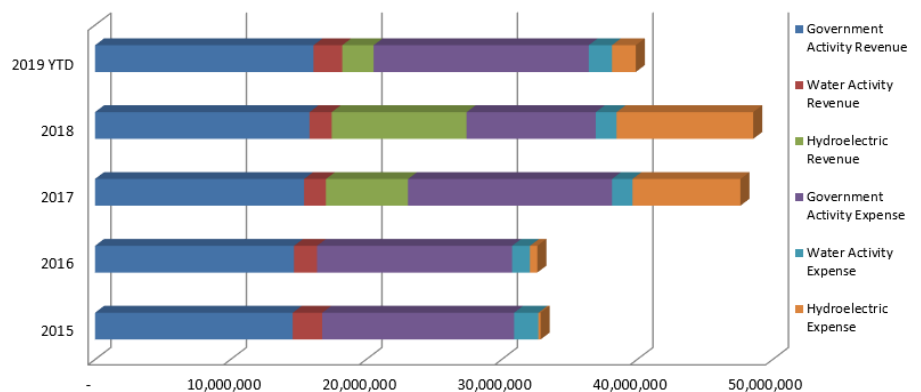


Table 4-24: Five Year Actual Trends Government Wide





## Fund Balances

The year-end 2019 estimates can be found in Table 4-25. This estimation is based on actual revenues and expenditures as of month end December 31, 2019, prior to year-end entries.

In 2019, the Fry-Ark Project estimated fund balance is expected to decrease \$113,907 due to the December 2019 Fry-Ark contract payment.

At the time of this publication the December 2019 payment was estimated and had not been processed. The \$113,907 decrease would create a year-end 2019 balance in the Fry-Ark reserve of \$2,720,850.

The District is expected to experience an increase of \$372,979 in general fund balance. This is a direct result of the unplanned increase in specific ownership

tax and interest income. The \$372,979 increase will would create a year-end 2019 balance in the District of \$13,115,228.

The Enterprise estimated fund balance is forecasted to increase \$402,845, due to high Project water sales and interest income.

The 20-year average for water sales is 44,263 acre-feet and the amount that was sold in 2019 was 63,000 acre-feet. The 2019 year-end estimated fund balance for the Enterprise totals \$11,953,490.

The District and Enterprise have experience a healthy increase in interest income due to diversifying in investment strategy by using COLOTrust. COLOTrust is a Colorado local government liquid daily demand investment pool.

The Hydroelectric Project estimated fund balance is forecasted to increase by \$547,045. This is due to the high water year and energy generation in 2019.

Table 4-26 applies the 2018 audited financial fund balances, applies the 2019 estimated fund balances and then applies the 2020 Adopted Budget.

Please note that this is an estimate and the final year-end fund balances can be found in the 2019 Annual Financial Report (audit).

The District has implemented a Strategic Plan, Business Plan, and a 2019 Finance Strategy and Sustainability Study to address future reserve spending. These plans can be viewed in the *Appendix*.

**Table 4-25: 2019 Estimated Year-End - Government Wide Detail**

	Government Activity		Enterprise Activity		Government Wide Total
	Fry-Ark	District	Water Fund	Hydroelectric Fund	
<b>Operating Revenues</b>					
Fry-Ark Activity	13,213,273	-	-	-	13,213,273
Grant Activity	-	-	-	-	-
Operating Revenues	-	2,910,101	2,120,357	2,319,956	7,350,414
<b>Total Operating Revenues</b>	<b>13,213,273</b>	<b>2,910,101</b>	<b>2,120,357</b>	<b>2,319,956</b>	<b>20,563,687</b>
<b>Operating Expenditures</b>					
Fry-Ark Activity	13,327,180	-	-	-	13,327,180
Enterprise Capital Reimbursement	-	-	-	-	-
Grant Activity	-	-	-	-	-
Operating Expense	-	2,228,109	1,710,372	824,324	4,762,805
Recurring Capital Improvement	-	309,013	7,140	948,587	1,264,740
<b>Total Operating Expenditures</b>	<b>13,327,180</b>	<b>2,537,122</b>	<b>1,717,512</b>	<b>1,772,911</b>	<b>19,354,725</b>
<b>Net Total Revenue over (under) Expenditures</b>	<b>(113,907)</b>	<b>372,979</b>	<b>402,845</b>	<b>547,045</b>	<b>1,208,962</b>

**Table 4-26: Fund Balance Estimate**

	Government Activity		Enterprise Activity		Government Wide Total
	Fry-Ark	District	Water Fund	Hydroelectric Fund	
2018 Audited Fund Balance	2,834,757	12,742,249	11,550,645	(2,297,566)	24,830,085
2019 Estimated Year-End Fund Balance	(113,907)	372,979	402,845	547,045	1,208,962
<b>2019 Forecasted Year-End Fund Balance</b>	<b>2,720,850</b>	<b>13,115,228</b>	<b>11,953,490</b>	<b>(1,750,521)</b>	<b>26,039,047</b>
2020 Adopted Budget	(767,767)	(517,235)	(1,128,845)	229,687	(2,184,160)
<b>2020 Estimated Ending Fund Balance</b>	<b>1,953,083</b>	<b>12,597,993</b>	<b>10,824,645</b>	<b>(1,520,834)</b>	<b>23,854,887</b>



# Government Activity Budget Statement

## Southeastern Colorado Water Conservancy District 2020 Adopted Budget

### Government Activity (Fry-Ark & District Fund)

#### Statement of Revenues and Expenditures

(In Whole Numbers)

	2018 Budget	2018 Actual	2019 Budget	2019 Actual DRAFT	2020 Budget
<b>Fry-Ark Project Revenue</b>					
Tax Collections	7,431,392	7,338,426	7,564,552	7,488,305	8,145,106
Fountain Valley Authority	5,360,000	5,362,911	5,360,000	5,334,080	5,365,000
Winter Water Storage	117,600	169,784	117,600	118,506	117,600
Excess Capacity Master Contract	265,959	265,959	272,382	272,382	277,662
Collection of RRA Fees	2,000	0	2,000	0	22,036
<b>Total Fry-Ark Project Revenue</b>	<b>13,176,951</b>	<b>13,137,080</b>	<b>13,316,534</b>	<b>13,213,272</b>	<b>13,927,404</b>
<b>Fry-Ark Project Expenditures</b>					
Contract Payments	7,442,323	2,556,763	8,027,640	4,167,999	8,662,341
Fountain Valley Authority	5,360,000	5,362,911	5,360,000	5,334,080	5,365,000
Winter Water Storage	117,600	169,784	117,600	118,506	117,600
Excess Capacity Master Contract	265,959	265,959	272,382	272,382	277,662
RRA Fees	2,000	0	2,000	0	22,036
<b>Total Fry-Ark Project Expenditures</b>	<b>13,187,882</b>	<b>8,355,417</b>	<b>13,779,622</b>	<b>9,892,967</b>	<b>14,444,639</b>
<b>Total Fry-Ark Revenues Over (Under) Expenditures</b>	<b>(10,931)</b>	<b>4,781,662</b>	<b>(463,088)</b>	<b>3,320,306</b>	<b>(517,235)</b>
<b>Grant Revenue</b>					
State	210,000	0	250,000	0	300,000
<b>Total Grant Revenue</b>	<b>210,000</b>	<b>0</b>	<b>250,000</b>	<b>0</b>	<b>300,000</b>
<b>Grant Expenditures</b>					
Expenditures	210,000	0	250,000	0	300,000
<b>Total Grant Expenditures</b>	<b>210,000</b>	<b>0</b>	<b>250,000</b>	<b>0</b>	<b>300,000</b>
<b>Total Grant Revenues Over (Under) Expenditures</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Operating Revenue</b>					
Tax Revenue for Operations	972,084	1,274,397	1,009,009	1,293,417	1,058,950
Interfund Reimbursements	1,575,103	1,168,945	1,435,048	1,317,686	1,490,923
Investment Revenue	84,752	126,451	120,212	298,996	213,535
Other Operating Revenue	1,000	(4,983)	1,000	0	1,000
<b>Total Operating Revenue</b>	<b>2,632,939</b>	<b>2,564,810</b>	<b>2,565,269</b>	<b>2,910,099</b>	<b>2,764,408</b>
<b>Operating Expenditures</b>					
Human Resources	1,524,060	1,465,953	1,622,235	1,549,593	1,710,556
Headquarter Operations	270,712	238,930	284,272	190,897	294,336
Meetings and Travel	135,477	77,877	141,309	67,435	145,536
Outside and Professional Services	470,504	336,947	495,326	314,632	489,380
Water Conservation and Education	36,285	39,946	22,430	27,970	42,367
Recurring Capital	370,000	69,623	690,000	309,012	850,000
<b>Total Operating Expenditures</b>	<b>2,807,038</b>	<b>2,229,276</b>	<b>3,255,572</b>	<b>2,459,540</b>	<b>3,532,175</b>
<b>Total Operations Revenues Over (Under) Expenditures</b>	<b>(174,099)</b>	<b>335,533</b>	<b>(690,303)</b>	<b>450,559</b>	<b>(767,767)</b>
<b>Total Revenues Over (Under) Expenditures</b>	<b>(185,030)</b>	<b>5,117,195</b>	<b>(1,153,391)</b>	<b>3,770,865</b>	<b>(1,285,002)</b>
<b>Beginning Fund Balance</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(0)</b>	<b>0</b>
<b>Ending Fund Balance</b>	<b>(185,030)</b>	<b>5,117,195</b>	<b>(1,153,391)</b>	<b>3,770,865</b>	<b>(1,285,002)</b>



# Enterprise Administration Budget Statement

**Southeastern Colorado Water Conservancy District**  
**2020 Adopted Budget**  
**Enterprise Operations (Enterprise Water Fund)**  
 Statement of Revenues and Expenditures  
 (In Whole Numbers)

	2018 Budget	2018 Actual	2019 Budget	2019 Actual DRAFT	2020 Budget
Grant Revenue					
State	210,000	0	250,000	0	300,000
Total Grant Revenue	210,000	0	250,000	0	300,000
Grant Expenditures					
Expenditures	210,000	0	250,000	0	300,000
Total Grant Expenditures	210,000	0	250,000	0	300,000
Total Grant Revenues Over (Under) Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Operating Revenue					
Water Sales, Surcharges and Fees	1,058,794	958,206	1,030,792	1,339,277	1,369,680
Investment Revenue	124,221	169,570	194,780	321,709	195,422
Partnership Contributions	110,000	0	110,000	0	110,000
Other Operating Revenue	50,000	50,000	50,000	50,000	50,000
Total Operating Revenue	1,343,015	1,177,777	1,385,572	1,710,986	1,725,102
Operating Expenditures					
Headquarter Operations	50,000	0	50,000	0	50,000
Outside and Professional Services	166,766	77,465	175,138	90,679	177,615
Personnel and Overhead	1,053,838	874,522	1,150,866	1,134,171	1,198,172
Partnerships	232,867	39,437	234,003	74,437	215,173
Other Payments	21,790	21,678	21,822	6,399	21,855
Recurring Capital	372,327	8,367	32,500	7,140	350,000
Total Operating Expenditures	1,897,588	1,021,470	1,664,329	1,312,826	2,012,815
Total Operations Revenues Over (Under) Expenditures	<u>(554,573)</u>	<u>156,307</u>	<u>(278,757)</u>	<u>398,160</u>	<u>(287,713)</u>
Capital Outlay and Improvements	0	0	0	0	1,050,000
Total Revenues Over (Under) Expenditures	<u>(554,573)</u>	<u>156,307</u>	<u>(278,757)</u>	<u>398,160</u>	<u>(1,337,713)</u>
Ending Fund Balance	<u>(554,573)</u>	<u>156,307</u>	<u>(278,757)</u>	<u>398,160</u>	<u>(1,337,713)</u>



# Enterprise Project Budget Statements

**Southeastern Colorado Water Conservancy District**  
**2020 Adopted Budget**  
**Enlargement Project (Enterprise Fund)**  
 Statement of Revenues and Expenditures  
 (In Whole Numbers)

	2018 Budget	2018 Actual	2019 Budget	2019 Actual DRAFT	2020 Budget
Operating Revenue					
Participant Payments	98,559	90,669	81,153	75,605	85,435
Interfund Reimbursements	1,790	1,678	1,822	1,399	1,855
Total Operating Revenue	<u>100,349</u>	<u>92,347</u>	<u>82,975</u>	<u>77,004</u>	<u>87,290</u>
Operating Expenditures					
Meetings and Travel	1,121	0	1,142	0	1,163
Outside and Professional Services	20,000	17,360	0	0	0
Personnel and Overhead	6,387	4,486	6,807	4,653	8,850
Partnerships	72,841	70,502	75,026	72,352	77,277
Total Operating Expenditures	<u>100,349</u>	<u>92,347</u>	<u>82,975</u>	<u>77,004</u>	<u>87,290</u>
Total Operations Revenues Over (Under) Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Revenues Over (Under) Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Ending Fund Balance	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

**Southeastern Colorado Water Conservancy District**  
**2020 Adopted Budget**  
**Excess Capacity Master Contract (Enterprise Fund)**  
 Statement of Revenues and Expenditures  
 (In Whole Numbers)

	2018 Budget	2018 Actual	2019 Budget	2019 Actual DRAFT	2020 Budget
Operating Revenue					
Participant Payments	100,152	75,043	96,618	76,211	103,489
Total Operating Revenue	<u>100,152</u>	<u>75,043</u>	<u>96,618</u>	<u>76,211</u>	<u>103,489</u>
Operating Expenditures					
Meetings and Travel	3,053	0	3,106	0	3,162
Outside and Professional Services	12,500	0	12,589	0	12,814
Personnel and Overhead	18,185	10,583	12,517	8,917	17,055
Partnerships	66,414	64,460	68,406	67,294	70,458
Total Operating Expenditures	<u>100,152</u>	<u>75,043</u>	<u>96,618</u>	<u>76,211</u>	<u>103,489</u>
Total Operations Revenues Over (Under) Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Revenues Over (Under) Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Ending Fund Balance	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>



# Enterprise Project Budget Statement

**Southeastern Colorado Water Conservancy District**  
**2020 Adopted Budget**  
**Arkansas Valley Conduit (Enterprise Water Fund)**  
 Statement of Revenues and Expenditures  
 (In Whole Numbers)

	2018 Budget	2018 Actual	2019 Budget	2019 Actual DRAFT	2020 Budget
Total Grant Revenues Over (Under) Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Operating Revenue					
Participant Payments	234,760	117,903	164,705	158,678	178,449
Federal Appropriations & USBR	<u>165,912</u>	<u>172,844</u>	<u>186,728</u>	<u>95,477</u>	<u>166,160</u>
Total Operating Revenue	400,672	290,747	351,433	254,156	344,609
Operating Expenditures					
Headquarter Operations	102	22	104	0	106
Meetings and Travel	40,556	49	41,282	4,400	42,068
Outside and Professional Services	160,448	91,279	87,527	116,549	92,991
Water Conservation and Education	0	0	0	1,016	2,000
Personnel and Overhead	190,984	193,356	213,681	127,133	198,339
Partnerships	<u>8,582</u>	<u>6,042</u>	<u>8,839</u>	<u>5,058</u>	<u>9,105</u>
Total Operating Expenditures	<u>400,672</u>	<u>290,747</u>	<u>351,433</u>	<u>254,156</u>	<u>344,609</u>
Total Operations Revenues Over (Under) Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Revenues Over (Under) Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Ending Fund Balance	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>



# Enterprise Project Budget Statement

**Southeastern Colorado Water Conservancy District**  
**2020 Adopted Budget**  
**Hydroelectric Power Project (Enterprise Fund)**  
 Statement of Revenues and Expenditures  
 (In Whole Numbers)

	2018 Budget	2018 Actual	2019 Budget	2019 Actual DRAFT	2020 Budget
Operating Revenue					
Investment Revenue	0	165	0	441	594
Hydroelectric Generation Revenue	9,415,000	0	2,567,700	2,288,001	1,682,960
Other Operating Revenue	<u>105,080</u>	<u>73,500</u>	<u>0</u>	<u>31,514</u>	<u>0</u>
Total Operating Revenue	9,520,080	73,665	2,567,700	2,319,956	1,683,554
Operating Expenditures					
Headquarter Operations	1,200	5	50,000	61,642	140,366
Meetings and Travel	6,000	3,314	5,350	2,621	5,400
Outside and Professional Services	20,000	128,720	80,000	77,664	40,000
Water Conservation and Education	5,000	0	5,000	16,268	5,000
Personnel and Overhead	114,609	85,998	51,177	42,813	68,507
Other Payments	105,080	73,500	0	31,514	0
Debt Service	256,000	100,842	347,844	11,392	347,844
Annual Project Expense	<u>0</u>	<u>0</u>	<u>310,750</u>	<u>152,823</u>	<u>356,750</u>
Total Operating Expenditures	507,889	392,380	850,121	396,737	963,867
Total Operations Revenues Over (Under) Expenditures	9,012,191	(318,715)	1,717,579	1,923,218	719,687
Capital Outlay and Improvements	9,577,221	0	1,755,824	464,991	490,000
Total Revenues Over (Under) Expenditures	<u>(565,030)</u>	<u>(318,715)</u>	<u>(38,245)</u>	<u>1,458,228</u>	<u>229,687</u>
Beginning Fund Balance	0	0	0	(2,714,639)	0
Ending Fund Balance	<u>(565,030)</u>	<u>(318,715)</u>	<u>(38,245)</u>	<u>(1,256,411)</u>	<u>229,687</u>



# 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 2019 TO BE COLLECTED IN THE YEAR 2020.

RESOLUTION AND ORDER NO. 2019-01DF

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 Officer, to prepare a Budget for the year 2020, and submitted same to said Board on October 15, 2019; 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 21, 2019.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of the Southeastern Colorado Water Conservancy District hereby approves and adopts the Budget and Statement of Designated and Reserved Funds as submitted and subsequently amended by final Board action December 5, 2019, 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 \$18,276,814, of which \$13,932,366 is for Contract Obligations as part of the Contract with the U.S. Bureau of Reclamation (Reclamation Contract), 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 2020, levied on the 2019 assessed valuation of \$9,556,714,722 will produce revenue of \$8,534,147. The District certifies a mill levy at .900 with a temporary mill levy rate reduction of .040 for a total of .860 in compliance with Colo. Rev. Stat section 29-1-301, *et seq.*, for the Reclamation Contract. The District also certifies a mill levy at .035 with a temporary mill levy rate reduction of .002 for a total of .033 in compliance with Colo. Rev. Stat section 29-1-301, *et seq.*, for Operating Expenses, both totaling .893 mills.

BE IT FURTHER RESOLVED that the Board of Directors of said District certifies an additional .009 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 \$86,010.



The Abatements and Refunds mill levy assessment is authorized under C.R.S. 39-10-114 (1) (a) (I) (B).

BE IT FURTHER RESOLVED, that the Board of Directors of said District does now certify to the Boards of County Commissioners of Bent, Chaffee, Crowley, El Paso, Fremont, Kiowa, Otero, Prowers, and Pueblo Counties, in the State of Colorado, said combined net (including temporary mill levy rate reduction) of .893 mill so fixed for said purposes of said District (including .860 mill for the Reclamation Contract and .033 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 .893 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 .009 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, Bill Long, President of the Southeastern Colorado Water Conservancy District, do hereby certify the foregoing is a true and correct copy of Resolution and Order passed and adopted in a regular meeting of the Board of Directors of the Southeastern Colorado Water Conservancy District, held on December 5, 2019, 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 2019 to be collected in the year 2020.

*Bill Long*  
Bill Long, President

ATTEST:  
*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.

RESOLUTION AND ORDER NO. 2019-02EF

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.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of the Southeastern Colorado Water Activity Enterprise hereby adopts the Budget as submitted by final Board action December 5, 2019, for the Water Fund within the Enterprise and appropriates the funds for the purpose shown within the 2020 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 \$3,898,203, and appropriates funds for the purposes shown within said Budget.

STATE OF COLORADO) §  
COUNTY OF PUEBLO)

I, Bill Long, President of the Southeastern Colorado Water Activity Enterprise, do hereby certify the foregoing is a true and correct copy of Resolution and Order passed and adopted in a regular meeting of the Board of Directors of the Southeastern Colorado Water Activity Enterprise, held on December 5, 2019, determining the amount of money to be appropriated for expenditures by the Southeastern Colorado Water Activity Enterprise.

  
\_\_\_\_\_  
Bill Long, President

ATTEST:

  
\_\_\_\_\_  
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 – HYDROELECTRIC POWER.

RESOLUTION AND ORDER NO. 2019-03EF

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

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of the Southeastern Colorado Water Activity Enterprise hereby amends and adopts the Budget as submitted by final Board action December 5, 2019 for the Hydropower Funds within the Enterprise and appropriates the funds for the purpose shown within the 2020 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 \$1,453,867, and appropriates funds for the purposes shown within said Budget.

STATE OF COLORADO) §  
COUNTY OF PUEBLO)

I, Bill Long, President of the Southeastern Colorado Water Activity Enterprise, do hereby certify the foregoing is a true and correct copy of Resolution and Order passed and adopted in a regular meeting of the Board of Directors of the Southeastern Colorado Water Activity Enterprise, held on December 5, 2019, determining the amount of money to be appropriated for expenditures by the Southeastern Colorado Water Activity Enterprise.

  
\_\_\_\_\_  
Bill Long, President

ATTEST:

  
\_\_\_\_\_  
James W. Broderick, Assistant Secretary-Treasurer







# Section 5

## Major Fund Driving Factors, Projects, Programs, and Partnerships

### Introduction

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.



### Major Fund Sources:

#### GOVERNMENT

**Fryingpan-Arkansas Project:** Contract mill levy, Fountain Valley Authority, Winter water storage, Excess Capacity Master Contract, RRA fee reimbursement.

**Grant Revenue:** Capacity

**District Operating Revenue:** Operating tax mill levy, Specific Ownership tax, interfund reimbursements, interest income.

#### ENTERPRISE

**Water Sales, Surcharges and Investment Revenue:** Project water sales, Return Flows, well augmentation, surcharge revenue, investments.

**Partnerships:** Regional Resource Planning Group fee, Aurora IGA administrative fee, project participant fees, USBR Intergovernmental Personnel Agreement.

**Grants:** Capacity

**Hydroelectric Power:** Sales of electrical power to Fountain, Colorado Springs Utilities.

### Major Expenditures:

#### GOVERNMENT

**Fryingpan-Arkansas Project:** Contract mill levy, Fountain Valley Authority, Winter water storage, Excess Capacity Master Contract, RRA fee reimbursement.

**Grants and Administration:** Reserved capacity allows District to apply for grants.

**District Operating Expenses:** Human resources, headquarters operations, meetings and travel, outside professional services, water conservation and education.

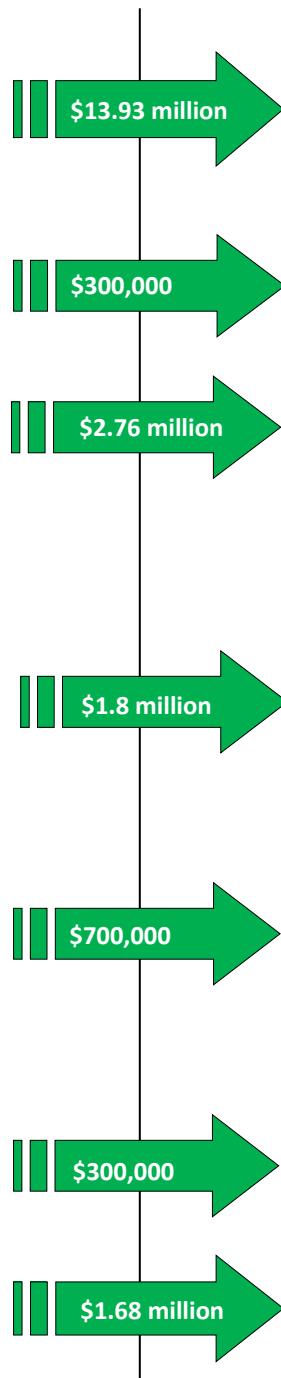
#### ENTERPRISE

**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, U.S. Geological Survey co-op programs, Arkansas Valley Conduit, Enlargement, Excess Capacity contract.

**Grants and Administration:** Reserved capacity allows Enterprise to apply for grants.

**Hydro expenses:** Debt service, fees, overhead, OM&R.



# 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 2020, Project revenue is projected to be \$13,927,404. This amount includes:

- ◆ A net collection of \$8,145,106 in Contract mill levy taxes.
- ◆ A payment of \$5,365,000 from the Fountain Valley Authority.
- ◆ Collection of \$117,600 from the Winter Water Storage Program.
- ◆ Collection of \$277,662 from Excess Capacity Master Contract participants.
- ◆ RRA \$22,036

## Contract Mill Levy

When the Project was declared substantially complete in 1981, the District entered Contract negotiations with the Bureau of Reclamation (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.

The District's primary source of revenue is a 0.9 mill levy on property in parts of nine counties. The mill levy is temporarily reduced to 0.860 in 2020.

The cost of the Project was calculated by Reclamation to be \$585 million, and the District's share was \$134.7 million. In December 2019, the remaining debt totaled \$17.6 million. Two payments totaling \$1,467,572 annually will be made until 2031 under the most recent Contract amendment.

Projected routine OM&R costs for the Project have been about \$1.8 million annually, but will increase to an average of \$8.6 million annually over the next three years, according to Reclamation's most current projections.

The District has established a reserve fund for future Project expenses, to be spent in ways mutually agreed on with Reclamation. The District is able to spend the interest on this fund for any purpose.

## 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 \$12 million for the pipeline, and



Pueblo Dam Construction 1972/SECWCD

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 2019, PL 111-11 applied about \$2.5 million to the Authority and \$944,000 to Ruedi Reservoir. Miscellaneous Revenues will total about \$3.5 million in 2020, and increase each year as rates and contracted storage amounts increase.

The Authority could pay off its debt as soon as 2021, about three 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 \$117,600, which is applied to PL 111-11.

## 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 6,575 acre-feet of storage. The amount can increase, but not decrease. In 2020, participants paid \$277,662.



# Government Projects & Programs

The District partners with the Bureau of 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 Fryngpan-Arkansas Act and reinforced by subsequent contracts and agreements. The District's role is as an intermediary between the federal government and state or local constituents. The four programs on this page reflect the District's ongoing responsibility.

## Reclamation Reform Act

The Reclamation Reform Act (RRA) of 1982 defines 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. District staff 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

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.

District staff continues to investigate methods to assure that Project water is delivered only to eligible lands.

## District Boundaries

District boundaries were approved in Pueblo District Court in 1958 to include only those areas likely to benefit from the Fryngpan-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.

In 2019, District staff improved GIS mapping to align recorded boundaries with actual boundaries throughout the District. Staff also applied the 2018 Inclusion Manual to new boundaries, and prepared inclusions during the past year for District Court.

## Fry-Ark Facilities Operations, Maintenance, and Replacement

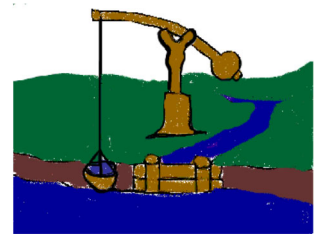
Under its Contract with Reclamation, the District is obligated to pay a share of the costs of operation, maintenance, and replacement (OM&R) of Fry-Ark facilities.

During 2019, Reclamation began replacement of contraction joint seals on Pueblo Dam, a \$35.6 million project for which the District has a 56 percent cost share.

In 2018, the District and Reclamation signed the 11th Contract Amendment that developed a payment schedule for debt, prepaid OM&R costs, and allowed the District to establish a reserve fund for large future expenditures.



**2020 Budget: \$22,036 for planned audit, unpaid bills.**



**2020 Budget: Included within Engineering, Planning, and Operations expenditures.**



**2020 Budget: Included within Engineering, Planning, and Operations expenditures.**

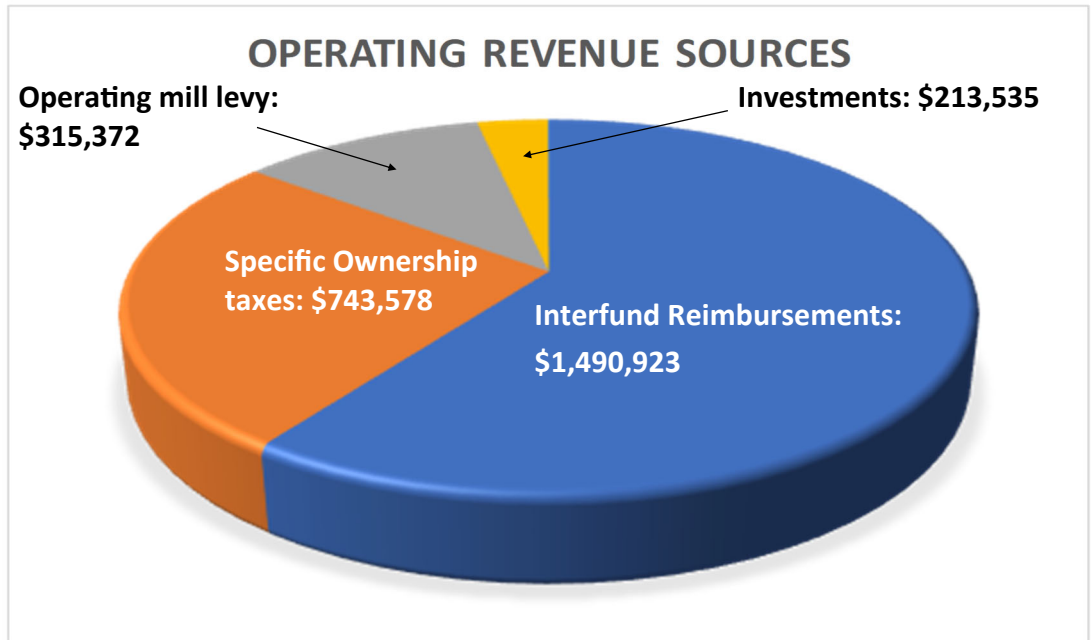


**2020 Budget: Included within Contract payments.**



# District Operating Revenue

The District has a \$2,764,408 operating budget for 2020, which is funded by a 0.035 operating mill levy (temporarily reduced to 0.033 mills), Specific Ownership taxes, interfund reimbursements, investment revenue, and smaller miscellaneous revenues.



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 budget.
  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 0.035 mill levy for operations in each of nine counties. Temporarily reduced to 0.033 for 2020.
  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 2020, and is not reflected in the accompanying chart.
- Operations funding 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 a portion of 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.
  - ◆ **1996-2020:** 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 was about \$12.6 million at the end of 2019.



# District Operating Expenses

This page describes how District funds are spent, and outlines capital projects that are anticipated in 2020. Operating expenditures are budgeted at \$2,682,175 in 2020, while recurring capital projects total \$850,000.

## Human Resources

Human Resources expenditures total \$1,710,556 in the 2020 budget, an increase of 10 percent over the 2019 budget. This covers wages and benefits of District staff and Directors.

There were no significant changes in the size of staff or duties in the prior year.

The Human Resources Committee is discussing workforce planning as some employees near retirement. This will have an impact on office structures and duties in 2020 and 2021.

## Headquarters Operations

Operation of the District's headquarters at 31717 United Avenue in Pueblo are expected to total \$294,336 in 2020. This includes a \$50,000 expenditure contingency.

## Meetings and Travel

The budget for meetings and travel includes staff and Board members. In 2020, the District has budgeted for spending capacity of \$145,536.

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 \$489,380 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 2020, an increase of 31 percent is foreseen.

## Water Conservation and Education

The budget includes \$42,367 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 2020, the District will contribute \$19,750 toward boat inspections at Pueblo Reservoir to reduce the threat of aquatic nuisance species.



District Headquarters/SECWCD

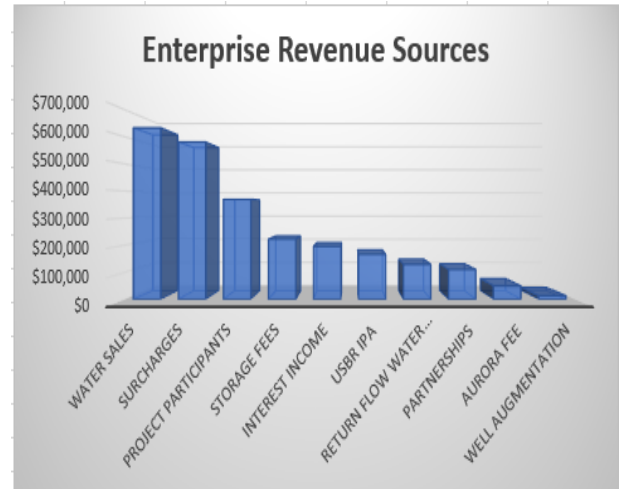


# Enterprise Operating Revenue

Enterprise revenue is variable, depending on the water available for sales, storage and hydroelectric generation. For budgeting purposes, the District relies on 20-year averages for water sales and Return Flows. Surcharges on storage remain more consistent, as the level of Project carryover and Excess Capacity storage has not fluctuated in recent years. Water sales rates were increased for 2020, and the Board is looking at carryover storage charges, Return Flow charges, Winter water, and split rates in 2020. Surcharges are being studied, but will remain at current levels until 2021.

Enterprise operating revenue is expected to come from the following sources in 2020:

- Water Sales:** \$632,602
- Return Flow Water Sales:** \$128,950
- Surcharges:** \$580,763
- Well Augmentation:** \$13,593
- Storage Fees:** \$222,640
- Interest Income:** \$195,422
- Partnerships:** \$110,000
- Aurora Administrative Fee:** \$50,000
- Project Participants:** \$369,228
- USBR IPA:** \$166,160



### 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 \$13.14 per acre-foot, and could increase, pending Board action prior to May 2020.

The budget is calculated on the 20-year running average for Project water imports, which is 57,846 acre-feet. After deductions, that would yield about 44,263 acre-feet. Revenues for 2020 are projected to total \$632,602.

#### Deductions:

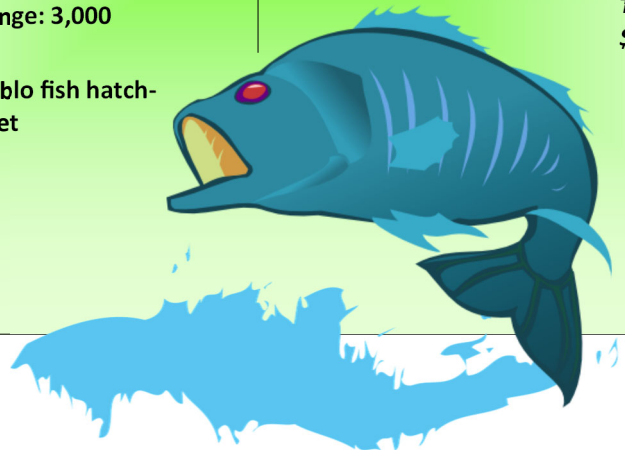
- ⇒ Twin Lakes exchange: 3,000 acre-feet
- ⇒ Leadville and Pueblo fish hatcheries: 200 acre-feet
- ⇒ Transit loss: 10 %
- ⇒ Evaporation: 10%

### 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 2020, based on 20-year averages for water delivery and storage.

- 1998 – Safety of Dams: \$175,270
- 2002 – Water Activity Enterprise: \$218,115
- 2005—Well Augmentation: \$13,593
- 2013 – Environmental Stewardship: \$187,378

**Total Surcharges:**  
**\$594,605**



# Enterprise Projects & Programs

The Enterprise has four major projects or programs. Listed below are expenditure capacities in the 2020 budget :

1. Arkansas Valley Conduit, \$344,609
2. James W. Broderick Hydropower Plant, \$1,683,554
3. Excess Capacity Master Contract, \$103,489
4. Enlargement, \$87,290

## Arkansas Valley Conduit

The Enterprise continues to provide administrative support, lobbying efforts, engineering, and legal assistance for the Arkansas Valley Conduit (AVC). This year’s budget also includes water quality monitoring through U.S. Geological Survey Cooperative Programs. Reclamation is working on final design for the first reach of the AVC this year. Revenues are payments from program participants.



## James W. Broderick Hydropower Plant

The hydroelectric power generation plant at Pueblo Dam was completed in 2019, and began producing revenues for the Enterprise. Revenues totaled about \$1 million. The 2020 Budget estimates \$1.2 million in revenues, and \$963,867 in expenses.

## Excess Capacity Master Contract

District staff administers the Excess Capacity Master Contract, provides legal services, and coordinates with Reclamation for the 37 participants. Participants also pay for water quality monitoring through USGS cooperative programs. Revenues are payments from program participants.



## Enlargement

The Enlargement participants are obligated through agreements made during the Preferred Storage Options Plan. Payments cover administrative expenses, and USGS cooperative programs. Revenues are payments from program participants.





## Section 5

# Focus on Partnerships



The Enterprise continues 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.



## 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 2020, these programs add up to more than \$61,000. Some of the activities include:

- ◆ **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.
- ◆ **Weather modification:** The District contributes \$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 Water Users Association

Jim Broderick, Executive Director of the Southeastern Colorado Water Conservancy District, presided over the Colorado River Water Users Association annual convention in Las Vegas, Nevada, in December 2019.



# Partnerships

## 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

**2020 BUDGET IMPACT: \$26,368**

## Front Range Water Council

The Front Range Water Council formed in 2008 to advocate for 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.

The Group spent much of 2019 discussing Colorado River issues in light of Drought Contingency Plan discussions and resolutions among the seven states in the Colorado River Compact.

## 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.

## 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

**2020 BUDGET IMPACT: \$135,000**  
**(Southeastern District contributes \$25,000)**

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

## Fountain Creek Transit Loss Planning Group

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 2020, there will be 17 participants, including the District.

## Fountain Creek Transit Loss

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

**2020 BUDGET IMPACT: \$3,215**



# Partnerships



## 2019 Colorado DNR Fry-Ark tour

The District and the Colorado Department of Natural Resources toured the Fryingpan-Arkansas Project in September 2019. Bureau of Reclamation employees also participated in the tour.

The tour provided an in-depth look at the Project for state employees who were not familiar with the Project, including Division of Water Resources personnel from Divisions 2 and 5, Colorado Water Conservation Board, DNR management, Attorney General’s office, and the Governor’s office.

The group visited the James W. Broderick Hydropower Plant at Pueblo Dam, the Mount Elbert Power Plant at Twin Lakes, the East Portal of the Boustead Tunnel at Turquoise Lake, and the Collection System, including the West Portal of the Boustead Tunnel.

The tour was an opportunity for Southeastern District and Bureau of Reclamation staff to discuss Fry-Ark Project operations, water rights, goals, and challenges with these state officials. State officials gained on-the-ground knowledge and insight about the Project, with interdepartmental participation.



# Partnerships



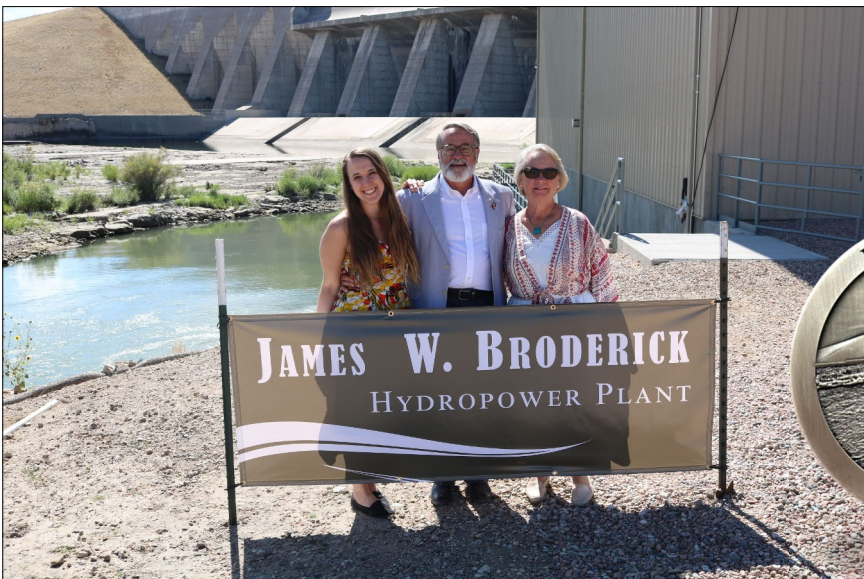
## Hydro Dedication

On September 16, 2019, the James W. Broderick Hydropower Plant was dedicated at a ceremony attended by about 100 people.

Reclamation Commissioner Brenda Burman and Congressman Scott Tipton delivered addresses at the event, and Southeastern Board President Bill Long made the formal dedication.

The group enjoyed tours of the plant following an hour-long ceremony.

Among the special guests were Jim's wife Cindy and their daughter Amy.



# Partnerships



Colorado Parks & Wildlife

Lake Pueblo, rated a fishing hot spot, provides over 4,600 surface acres of water, 60 miles of shoreline and almost 10,000 acres of land.

## Colorado Parks & Wildlife

Lake Pueblo State Park and the Arkansas Headwaters Recreation Area were formed following completion of the Fryingpan-Arkansas Project.

The Southeastern District works with Colorado Parks and Wildlife through a variety of programs as these two highly popular recreation areas continue to be developed.

Through careful water management, these amenities have remained successful for the benefit of all the state’s residents.

At Pueblo Reservoir, the District participates in discussions regarding water levels, keeping in mind recreation activities while managing accounts of Project and Excess Capacity water to the full benefit of stakeholders.

In 2020, the District, along with Pueblo Water and Colorado Springs Utilities, will contribute \$19,750 toward boat inspections for Aquatic Nuisance Species (ANS). The inspections are necessary to assure that boaters do not spread ANS from lake to lake, the most common way such species spread.

## Water Conservation Education & Outreach

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 2019, the District was involved with programs and tours which promote the efficient use of water, conservation, and collaboration. The Demonstration Garden at District headquarters regularly hosts guests and answers questions about native plants. Staff works with community groups to provide information on these topics.

### 2020 WATER CONSERVATION & EDUCATION

Tours & Anniversary Events.....	\$12,000
Sponsorships, Exhibits & Ads.....	\$ 6,952
Xeriscape Education.....	\$ 2,952
Garden Tours.....	\$ 713

District staff made presentations to numerous outside groups throughout the year. One of the most intensive efforts were meetings throughout the District on the Financial Strategy and Sustainability Study, which included potential rate hikes.

The District also provided sponsorship and support for several events throughout the year, including the Arkansas River Basin Water Forum, water tours, and the Leadership Pueblo program.

There were many formal and informal tours of the newly completed James W. Broderick Hydropower Plant throughout the year.



Demonstration garden in full bloom.

## Partnerships

### Arkansas River Basin Water Forum

The Arkansas River Basin Water Forum (ARBWF) began in 1995 as a way to discuss water issues in a relaxed environment similar to a college classroom setting.

The event is rotated to communities throughout all parts of the basin, and continually updates presentations with an emphasis on the region where the event is being held. The usual format includes a VIP Dinner the night before the forum, two days of presentations, and tours of notable water-related activities within the highlighted region.

This year’s forum is April 23-24 at in Salida and will look at the development of water issues of concern to entire Arkansas River basin.

Over the years, the program for the ARBWF has evolved to include scholarships, an art contest, and the annual presentation of the Bob Appel Friend of the Arkansas River Award. Several Southeastern District Board members have received the award since it was first given in 2005.

The Southeastern District has a long history of supporting the ARBWF, both through financial



**U.S. Senator Cory Gardner speaks at the Arkansas River Basin Water Forum in April 2019.**

sponsorship (\$2,500 in 2020), and in the planning process.

In fact, the first forum, “A River of Dreams and Realities,” was dedicated to the late Tommy Thomson, who died in 1994 after serving since 1966 as the general manager of the Southeastern District. Thomson was chairman of the ARBWF at the time of his death, and worked throughout his career to bring together the basin’s water community.

### Arkansas Basin Roundtable

The Arkansas Basin Roundtable was formed in 2005 by state legislation that created a template for statewide collaboration on water issues.

The Roundtable has met monthly since that time to discuss water issues, and to review requests for state grants and loans that have been made available for water projects.

The Roundtable is branching out to include public education about water issues, forest management programs, and acting as a focal point for issues such as Colorado’s Water Plan.



### Upper Arkansas Voluntary Flow Management Program

In 1990, the Voluntary Flow Management Program on the Upper Arkansas River was formed to assure flows were available for fish habitat and recreation between Turquoise Lake and Pueblo Reservoir.

The results have been spectacular. The reach of river, located within the Arkansas Headwaters Recreation Area, is the most popular commercial rafting spot in the nation, and a Gold Medal trout fishery as well.

The District coordinates the program through a five-year contract among Colorado Parks and Wildlife, Chaffee County, Arkansas River Outfitters Association, Trout Unlimited and the District. The contract outlines parameters for the program.



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## Section 6

# Strategic Long-Range Planning

### Strategic Plan, Budget, Mission, Vision, and Goals

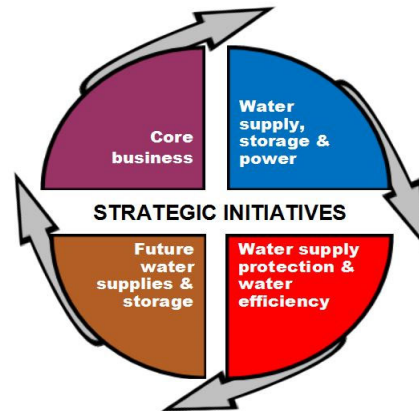
The Strategic Plan clarifies the relationship of the budget to the mission, vision, and goals of the District.

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.

This section is a recap of the previous year and a look ahead to the future.



### 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.

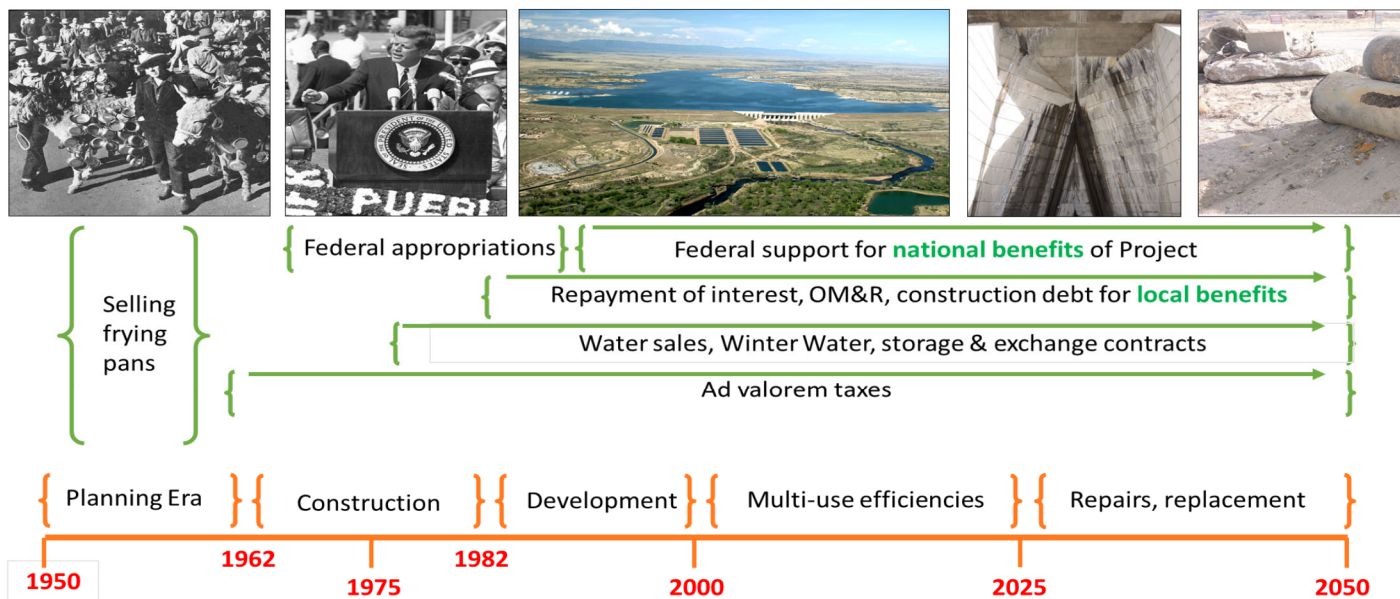
A promise of responsible and professional service and action.

A focus on fairness and equity.



# Fryingpan-Arkansas Project Goals & Strategies

## Financial timeline of Fry-Ark Project



### Moving into the Future

**2017:**

The Executive Committee and Board review District history and finances in the “Framing the Future” discussion.

**2018:**

Amendment 11 to the Fryingpan-Arkansas Project restructures construction debt and OM&R payments.  
Reserves established.

**2019:**

Financial Strategy and Sustainability Study analyzes finances, makes funding recommendations.

**2020:**

Board implements changes to align revenues and expenditures. Contract conversion process begins.



### Asset Valuation, Condition Assessment

During the “Framing the Future” discussion, the aging infrastructure of the Fry-ingpan-Arkansas Project was a centerpiece for discussion.

While the District’s share of the construction costs for the Project will be paid off in 2031, stakeholders will depend on the Project’s dams, conduits, and pipelines for the many decades that will follow.

Beginning in 2017, the Board continued a tradition that has always included laying the groundwork for both present-day needs and future generations.

In 2020, two important studies are planned to continue this vigilance.

The Asset Valuation will look at key features of the Project, providing an estimate of what it would cost to repair or replace them.

The Condition Assessment will provide a picture of when the District



**Sugarloaf Dam construction in the 1970s.**

should expect to see greater costs for normal replacements above and beyond annual operation and maintenance costs.

This proactive approach complements the management of the Project by the Bureau of Reclamation. Ultimately, federal processes will determine when replacements are needed.

But from a financial planning standpoint, the reserve fund established in 2018 will be employed in a more strategic manner because of these planning studies.



# District Goals & Strategies

## District

### Objectives

The District provides support for both the Fryingpan -Arkansas Project and the Water Activity Enterprise. From a financial planning standpoint, the District has to have the proper tools and resources to accomplish that end. During the 2019 Financial Study, many of these on-going costs were identified and can now be addressed through strategic programs.



## Headquarters improvements

In 2020, the District will begin improvements in the Board and conference rooms to improve audio-visual components.

Remote teleconferencing saves time and travel expense. The systems in place are outdated. Furniture and lighting are also being upgraded.



## Electronic Records Management

In 2020, the District is scheduled to move on a plan to digitize records in order to conserve space and maximize efficiency in retrieving information.

State laws require electronic access in a usable format for public information requests.

District staff is investigating which system to choose in order to get the maximum benefit at the most affordable price.



## Workforce Planning

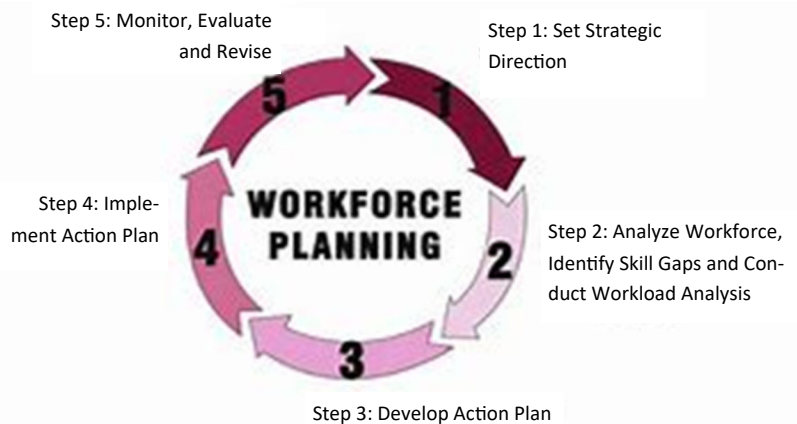
The Human Resources Committee discussed Workforce Planning in October, 2019.

Some of the changes discussed by the committee could occur in 2020.

Workforce planning assures that changes in District staff will not adversely impact the Mission, Vision and Values of the District.

District staff has grown over the years to accommodate increasing activity.

### Workforce Planning Model



# Enterprise Goals & Strategies

## Enterprise Objectives

In the Enterprise Activity, efforts centered on five 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.
- ◆ Watershed protection programs.

## Pueblo Reservoir Excess Capacity Storage

Pueblo Reservoir was designed to accommodate storage of Project water, and by design, the reservoir is below full 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. Storage in 2020 is 6,575 acre-feet. As much as 29,938 acre-feet could be stored under the Contract, and another 21 participants eventually will join.

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 construction and repayment costs of the Arkansas Valley Conduit.

### 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.

## James W. Broderick Hydropower Plant

The James W. Broderick Hydropower Plant was completed in 2019, and will begin its first full year of electric power production in 2020.

This is a monumental step in the history of the District that is the result of years of planning. Working under a lease of Power Privilege with the Bureau of Reclamation, the District was able to fulfill a goal that had been dreamed about for decades, ever since the completion of Pueblo Dam in 1975.

During the 18-month construction period, Mountain States Hydro, the general contractor, worked with the District under a design-build agreement. This allowed the completion of the \$20.5 million, 7.5 megawatt plant.

duce an average of 28 million kilowatt-hours annually, enough to power 2,500 homes. The power will be sold to Fountain and Fort Carson (through Colorado Springs Utilities), which is expected to generate an average of \$1.2 million annually.

In the near future, the revenues from the Hydropower Plant will pay off the \$17.2 million loan from the Colorado Water Conservation Board, and the loan from the Water Activity Enterprise, along with various fees associated with transmitting the power.

Years from now, the revenues will help fund Enterprise activities, such as the OM&R payments for the Arkansas Valley Conduit.

The District is in the forefront of a national effort to develop sus-

The Hydropower Plant is able to generate power from flows ranging from 35-810 cubic feet per second through the North Outlet of Pueblo Dam. The plant will pro-

tainable renewable sources of power. The James W. Broderick Hydropower Plant is just the first step into a brighter future.



# Enterprise Goals & Strategies



**Erosion at the burn scar from the 2016 Hayden Creek fire in Fremont County.**

## Watershed Protection

Wildfires throughout Colorado and other western states have increased erosion and sedimentation in river basins.

One of the outcomes for water providers is the increased silt load in reservoirs. The Fryingpan-Arkansas Project depends heavily on storage.

The District again partnered with the Bureau of Reclamation in 2018 for wildland fire response and mitigation, through Project Contract payments.

The District also is looking at a proposal by the Arkansas Basin Roundtable that would jointly fund a fulltime watershed protection coordinator.

The budget impact is unknown at this point.



## Arkansas Valley Conduit

The District is the lead agency for the Arkansas Valley Conduit.

Working with federal, state, and local agencies, our goal is to align funding sources and complete planning for the AVC in 2020, beginning construction in 2021.

The Colorado General Assembly is set to act on a \$100 million funding package approved by the Colorado Water Conservation Board.

Efforts continue to restore federal funding.



## Recovery of Storage

Pueblo Reservoir has lost 20,000 acre-feet of storage since opening in 1975.

In 2020, the District will fund a study to find the best way to recover the lost storage. Dredging, enlargement, or new storage are among possibilities.



## Restoration of Yield

A 2004 agreement to support Arkansas River flows through Pueblo commits the District to a portion of costs for the Restoration of Yield program.

The program allows participants to store water that is passed through Pueblo in support of the ROY program in order to exchange it into Pueblo Reservoir at a later date.

The group is planning to purchase land for a reservoir and/or reservoir space downstream from Pueblo, as soon as 2020.

The largest entities in the program are Colorado Springs Utilities, Aurora Water, and Pueblo Water, who collectively hold 86 percent interest. The District, Fountain, and Pueblo West are minority partners.

Because new storage is expensive, and the timing and control of funding are in the hands of the larger partners, the District included this as a capital reserve item in financial planning.

The Board will make the final determination for expenditures related to ROY.



# BUSINESS PLAN STRUCTURE



The Business Plan is aligned to the Strategic Plan. The Business Plan is a mid-range view of the District’s long-range objectives, which are embodied in the Strategic Plan.

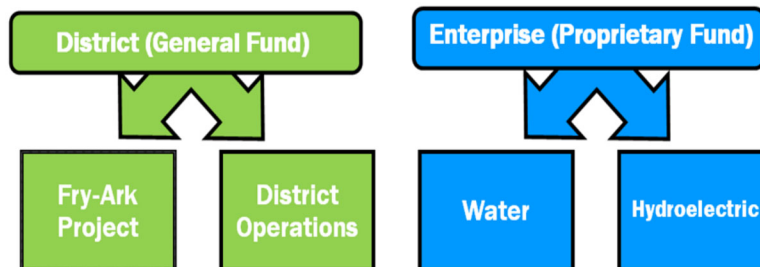
## Business Plan Review

The District adopted a new Business Plan in 2017. It provides a three-year guide as both a planning and budget tool.

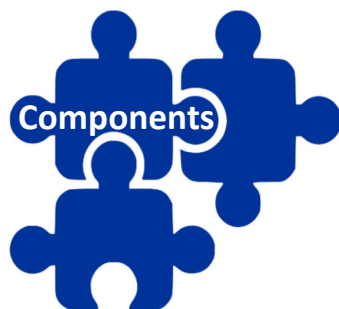
In the past three years, it has expanded to better incorporate more of the goals in the Strategic Plan, while reflecting the annual work that is done in each area.

The 2020 Business Plan has been revised to include “component classes” as well as individual areas of work.

In the 2020 Budget Document, progress in each area of the Business Plan will be reviewed, along with the goals in the upcoming year.



The Southeastern Colorado Water Conservancy District has two funds, which are the District and Enterprise funds. The District fund has the Fryingpan-Arkansas Project subfund and District Operations subfund. The Enterprise fund has the Water and Storage subfund and the Hydroelectric subfund.



Component Classes have been added to the 2020 Business Plan as a way to identify common purposes of programs and projects which contribute to one or more Strategic Plan areas, and may be part of either the District or Enterprise funds.

## Component Classes

- ⇒ Fry-Ark Operations
- ⇒ Fry-Ark Administration
- ⇒ District Operations
- ⇒ Enterprise Programs
- ⇒ Storage Programs
- ⇒ Water Sales & Storage
- ⇒ Partnerships
- ⇒ Reserves





COMPONENT CLASS:

## Fry-Ark Operations

The District works in partnership with the Bureau of Reclamation to operate the Fryingpan-Arkansas Project, sharing costs for construction, OM&R and betterments. District investigations will help identify future funding needs.



### Fry-Ark Debt Repayment

Under Amendment 11 to the Fryingpan-Arkansas Project Contract, payments to the Bureau of Reclamation are set at \$1,467,572 per year until 2031, when the existing debt will be paid off.



### Fry-Ark Reserve Account

A reserve has been established to hold revenues from the Contract mill levy for future Fry-Ark Project expenses. Interest from the reserve contributes to District Operating Fund revenues.

### Fry-Ark OM&R

Project operations, maintenance, and replacements are funded from the Contract mill levy. An advance payment was established under Amendment, but OM&R costs are determined by annual reconciliation by Reclamation.



### Asset Valuation, Condition Assessment

Contracts will be prepared this year to begin an asset valuation of Fry-Ark features. The condition assessment will look at the timing and expense of periodic replacement.

### Hydrologic variability

Snow measurement sites at higher elevations would improve forecasting of yield from the Fry-Ark collection system. The District is working with other agencies to determine the best method.

### Pueblo Dam Interconnect

An underground 84-inch pipeline would connect the North and South Outlets at Pueblo Dam to improve reliability, offer redundancy, and allow for shutdowns due to emergencies or routine maintenance. Action is envisioned in future years.





COMPONENT CLASS:

## Fry-Ark Administration

The District has numerous programs which support and enhance the Fryingpan-Arkansas Project. It is crucial to protect the legal rights to water and to provide staff the tools to properly administer the District.



### Reclamation Reform Act

The District ensures compliance with the 1982 Reclamation Reform Act in an annual, ongoing program design to limit federal water deliveries to family farms.

### Fountain Creek Transit Loss Monitoring

This annual program allows the District to track Return Flows of Project water on Fountain Creek, which is necessary to assure that Project water is fully utilized. The District is among 17 entities who contribute to this program.



### Boundaries and Inclusion

A boundaries survey was undertaken in 2019 with the assistance of Wilson Water in order to “true up” present-day boundaries with those described when the District was formed in 1958. This will assist in property tax assessment, as well as Project benefits.

### Water Rights Protection

This ongoing program assures District water rights in Division 2 and Division 5 are fully protected. Conditional water rights diligence filings are scheduled in 2022 and 2024.



### Colorado River Programs

The District has ongoing agreements through various partnerships to maintain Colorado River basin flows, and enhance environmental conditions. This allows the District to divert flows for use in the Arkansas River basin.

### Conservation Plan

The District is required to file a Conservation Plan with the Bureau of Reclamation every five years. The next plan will be filed in 2022.

### Water Quality Monitoring

Water quality monitoring is essential for Project and Enterprise purposes alike. Many of the U.S. Geological Survey programs in place are required under past agreements.



COMPONENT CLASS:

## District Operations

District operations support the Fryingpan-Arkansas Project, District activities and Enterprise activities. People, buildings, vehicles, and technology are included in this category.

### Financial Strategy and Sustainability Study

The District undertook a comprehensive study of its finances in 2019, and the Jacobs Engineering firm completed a financial report that produced a financial plan, analysis of policies, capital improvement plan, revenue requirement analysis, cost of service analysis, and rate design analysis. The Board will continue the financial discussion in 2020.

### Headquarters Improvements

Headquarters improvements continued in 2019 with the replacement of some furniture. In 2020, projects include mud-jacking the east end of the building, audio-visual upgrades, and outdoor demonstration upgrades.

### Fleet Management

The District owns three vehicles, which are replaced in a six-year rotation. A new vehicle was purchased in 2019.

### Information Technology

The District annually makes improvements to keep electronic hardware and software up-to-date. Phone, computer, copier, and software improvements were made in 2019.

### Records Management

The District continues to evaluate a system that will streamline access to electronic records. Implementation is scheduled in 2020. This will serve both internal and public information purposes.

### Human Resources

The Board approved a plan which increased responsibility and duties of some staff members. The Human Resources Committee looked at Emergency Succession and Workforce Planning in 2019, with Board Action possible in 2020.

### Communication and Outreach

The District staged a major event for the dedication of the James W. Broderick Hydropower Plant at Pueblo Dam in 2019. The District also coordinated a tour of the Fryingpan-Arkansas Project with the Colorado Department of Natural Resources, and provided leadership for the Arkansas River Basin Forum in 2019. Planning for 2020 events is underway.





COMPONENT CLASS:

## Enterprise Programs

The Water Activity Enterprise is the business arm of the District. The completion of the James W. Broderick Hydropower Plant in 2019, the administration of the Excess Capacity Master Contract, the Arkansas Valley Conduit, and Recovery of Storage are major programs.

### James W. Broderick Hydroelectric Plant

The James W. Broderick Hydroelectric Plant was completed in May 2019, and will be in its first full year of operation in 2020. The focus will be on fine-tuning operations of the plant.



### Excess Capacity Master Contract

The annual program will increase storage capacity to 6,575 among 16 entities in 2020. The 40-year program began in 2016, and allows participants to store non-Project water in Pueblo Reservoir.



### Arkansas Valley Conduit

The Arkansas Valley Conduit remains the highest priority for the Enterprise. The AVC is an original feature of the Fryingpan-Arkansas Project, is as vitally necessary today as it was in 1962, when the Project was first authorized. The District held preliminary AVC contract discussions with Reclamation in early 2019, completed a study of Regionalization, completed a Value Planning study, and gained Colorado Water Conservation Board approval for a \$100 million funding package. The goal in 2020 is to obtain federal funding to begin construction.

### New Water Sources



One purpose of the District is to buy water rights as needed. The District has not done this in the past, but might have the need and opportunity in the future. This item is included in the Business Plan for future reference.

### Storage Programs

Storage is key to maintaining a water supply that meets the needs of all stakeholders in the District. A portfolio of storage programs is discussed in more detail in the next section of this report.

### Water Sales and Storage

The Board took action in 2019 to increase water rates for the first time in 20 years. The new rates will take effect in 2020.







COMPONENT CLASS:

## Storage Programs

Storage is essential to the operation of the Fryingpan-Arkansas Project, and beneficial to all stakeholders of the Southeastern District. Reservoirs created by storage provide recreation opportunities, while creating aquatic habitat.



### Recovery of Storage

The Board voted in 2019 to study ways to recover storage that the Fryingpan-Arkansas Project has lost. Bathymetric studies show that more than 20,000 acre-feet of storage space in Pueblo Reservoir has been lost to sedimentation since 1975. The study, which will begin in 2020, will look at ways to recover storage through dredging, enlargement, new storage or other methods. Any implementation will require coordination with the Bureau of Reclamation.

### Long-Term Excess Capacity Contracts

The District's Excess Capacity Master Contract is one of four major contracts that allow storage in Pueblo Reservoir that total nearly 100,000 acre-feet. In addition, there are smaller long-term contracts and annual contracts. Revenues from these contracts will be applied to construction and repayment of the Arkansas Valley Conduit beginning in 2022.

### Expansion of Storage

The District discussed expansion of storage in the late 1990s and early 2000s. This would involve enlargement of Pueblo Reservoir to accommodate non-Project water. Water users have looked toward other solutions to fill gaps identified in the 1998 Water Needs Assessment Study, but enlargement remains an Enterprise program.

### Restoration of Yield

Restoration of Yield is a program to obtain storage downstream from Pueblo, in order to support Arkansas River flows through Pueblo. The District is a minor partner in the program, and shares costs annually in the program.

### John Martin Reservoir Storage

Pueblo is among water agencies that are looking at accounts in John Martin Reservoir. The Arkansas River Compact Administration is considering the proposal.

### Upper Basin Storage

The Upper Arkansas Water Conservancy District is working on a multipurpose storage project at Trout Creek that may lead to additional storage upstream of Pueblo. The District is not yet an official participant, but could be in the future.

### Winter Water

Winter Water stores non-Project water from November 15-March 15 each year. The District coordinates the program in conjunction with other agencies.

### Safety of Dams

Safety of Dams work on Pueblo Dam was completed by the Bureau of Reclamation in 1999. The Enterprise collects a surcharge to recover its costs, and makes annual \$60,000 payments to Reclamation through 2024.



#### COMPONENT CLASS:

## Water Sales and Storage

Water and storage sales provide revenue for the Enterprise, which is the business arm of the District. The 2019 Financial Strategy and Sustainability Study offered a new way of looking at the Enterprise water rate structure.



## Project Water Sales, Municipal and Irrigation

Water sales revenue funds Enterprise Activities. The Financial Strategy and Sustainability Study recommended a split rate for water sales, but the Board in November 2019 chose to implement a uniform increase to \$13.14 per acre-foot, pending further discussion. The Board will discuss the issue further in 2020.

## Municipal Carryover Storage

Allocation Principles set aside 159,000 acre-feet for Municipal Carryover storage. Surcharges are applied to this water, and the municipalities are responsible for evaporative losses. The Financial Study recommended a charge on storage, which is under consideration by the Board in 2020.

## Return Flows

Return Flow sales benefit Enterprise Activities. The Board has approved a \$12 per acre-foot charge, but a higher rate was recommended in the Financial Study. The Board is considering the rate in 2020.

## First Right of Refusal

The District launched a pilot program in 2014 that allowed farmers on the Fort Lyon Canal to claim return flows from Project water. In 2019, Rocky Ford High Line Canal and Oxford Farmers Ditch were added to the program. Other large canals will be evaluated in 2020.

## Winter Water

Revenues from Winter water previously funded Project costs. Amendment 11 to the Repayment Contract allows them to fund Public Law 111-11 costs. The Financial Study recommended additional charges that would provide Enterprise Revenues. The Board will review this in 2020.

## Surcharges

The District amended its contract with Jacobs Engineering to analyze surcharge revenue in 2020. Surcharges were added from 1998-2014 to fund specific programs. During financial discussions in 2019, the Board asked what the impacts would be on other rates if surcharges were reduced or eliminated. The study will be complete in 2020, but surcharges will remain at current levels at least until 2021.





COMPONENT CLASS:

## Partnerships

The District partners with other agencies to provide needed water services for its stakeholders. Partnerships are a valuable to collaboratively work with others in the Arkansas River basin to achieve common goals.



### Fountain Creek Transit Loss Model

The District works in partnership with 17 entities to track flows on Fountain Creek in this annual program.



### Water Quality Monitoring

Stakeholders in the Enlargement, Excess Capacity, and Arkansas Valley Conduit programs fund U.S. Geological Survey water quality monitoring programs. The program is ongoing.

### Regional Resource Planning Group

The Regional Resource Planning Group was formed in a 2003 agreement between the District and Aurora to establish water quality guidelines and projects. The group did not meet in 2019, and is considering next steps in 2020.

### Arkansas River Basin Water Forum

The District contributed planning, resources and presentations to the Arkansas River Basin Water Forum at Pueblo in 2019. The 2020 Forum is at Salida in April.



### Arkansas Basin Roundtable

The Roundtable was formed by state legislation in 2020 to look at water issues throughout the Arkansas River basin, and establish connections with other basins. The District is an active participant.

### Voluntary Flow Management Program



The Voluntary Flow Management Program on the upper Arkansas River in 1991 as a way to optimize flows for fish and recreation. The District hosted a meeting in November to review the program's performance. Native flows were sufficient to keep river levels above the target throughout the July 1-August 15, 2019 boating season.

### Watershed Health

The District supports watershed health through its operation, maintenance and repayment funding of the Fryingpan-Arkansas Project. Cooperative efforts within the basin are looking at measures to promote watershed health in light of recent wildfires.





COMPONENT CLASS:

**Reserves**

The Board created strategic fund reserve categories in October 2019 as a result of recommendations from the Financial Strategy and Sustainability Study. In addition, Amendment 11 to the Fry-Ark Contract in 2018 created reserves for Project OM&R. The Board will discuss reserve funding targets and mechanisms in 2020.



**Fryingpan-Arkansas Reserve**

A reserve has been established to hold revenues from the Contract mill levy for future Fryingpan-Arkansas Project expenses. Interest from the reserve contributes to District Operating Fund revenues.

**Cash Reserve**

The cash reserve holds working cash sufficient to fund cash-flow variations in a typical operating cycle.

**Operating Reserve**

The operating reserve covers potential interruptions in District Operations and Enterprise Fund revenue streams. It may be used to stabilize water rates in the short term.

**Capital Reserve**

The capital reserve funds repair, replacement, or betterment of District properties and other capital activities undertaken by the District.

**Exposure Reserve**

The exposure reserve covers extraordinary, unforeseen event not otherwise covered by reserves or insurance.





# Section 7

## Appendix

Description	2020 Rates and Surcharges (\$/ac-ft) (as of 11/21/2019)					
	Proposed Water Rate (\$)	Safety of Dams (\$)	Water Activity (\$)	Environmental Stewardship (\$)	Augmentation (\$)	Proposed Total Charge (\$)
<b>Project Water Sales</b>						
Irrigation	13.14	0.50	0.75	0.75	--	15.14
Municipal	13.14	0.50	1.50	0.75	--	15.89
<b>Project Water Sales used for Well Augmentation</b>						
Irrigation used for Well Augmentation	13.14	0.50	0.75	0.75	2.60	17.74
Municipal used for Well Augmentation	13.14	0.50	1.50	0.75	2.60	18.49
<b>Storage Charges</b>						
Winter Water Storage*	2.80	0.25	--	0.75	--	3.80
Carry-Over Project Water	--	1.00	1.25	0.75	--	3.00
<b>If and When Storage</b>						
In District	--	0.50	0.50	0.75	--	1.75
Out of District	--	2.00	4.00	0.75	--	6.75
Aurora	--	--	10.00	--	--	10.00
<b>Project Water Return Flows</b>						
Irrigation	12.00	0.50	--	0.75	--	13.25
Municipal	12.00	0.50	--	0.75	--	13.25

**\*Board Approved Rates as of November 21, 2019 for FY 2020**  
 (subject to change pending additional Board action in first quarter of 2020)



# County Assessed Valuations and Certification of Tax



## Bent County Certification of Valuation and Certification of Tax Levies



12 County Tax Entity Code DOLA LGRDSD 64128 /1

### CERTIFICATION OF VALUATION BY BENT COUNTY ASSESSOR

New Tax Entity  YES  NO Date: November 27, 2019

NAME OF TAX ENTITY: SE COLORADO WATER CONSERVANCY DISTRICT

USE FOR STATUTORY PROPERTY TAX REVENUE LIMIT CALCULATION (2.5% LIMIT) ONLY  
IN ACCORDANCE WITH 39-5-121(2)(a) AND 39-5-120(1), C.R.S., AND NO LATER THAN DECEMBER 10th, THE ASSESSOR CERTIFIES THE TOTAL VALUATION FOR ASSESSMENT FOR THE TAXABLE YEAR 2019:

1. PREVIOUS YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:	1. \$ 59,333,100
2. CURRENT YEAR'S GROSS TOTAL TAXABLE ASSESSED VALUATION: †	2. \$ 61,967,460
3. LESS TOTAL TIF AREA INCREMENTS, IF ANY:	3. \$ 0
4. CURRENT YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:	4. \$ 61,967,460
5. NEW CONSTRUCTION: *	5. \$ 38,102
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(j)(b), C.R.S.): †††	9. \$ 0
10. TAXES RECEIVED LAST YEAR ON OMITTED PROPERTY AS OF AUG. 1 (29-1-301(f)(a), C.R.S.):	10. \$ 71,27
11. TAXES ABATED AND REFUNDED AS OF AUG. 1 (29-1-301(i)(a), C.R.S.) and (39-10-114(1)(a)(b), C.R.S.):	11. \$ 20,11

† This value reflects personal property exemptions if enacted by the jurisdiction as authorized by Art. X, Sec. 20(9)(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 responsive Certifications of Impact in order for the values to be treated as growth in the limit calculation; use Form DLG 52 & 52A.  
‡ Jurisdiction must apply to the Division of Local Government before the value can be treated as growth in the limit calculation; use Form DLG 52B.

USE FOR TABOR "LOCAL GROWTH" CALCULATION ONLY

IN ACCORDANCE WITH ART. X, SEC. 20, COLO. CONSTITUTION AND 39-5-121(2)(a), C.R.S., THE ASSESSOR CERTIFIES THE TOTAL ACTUAL VALUATION FOR THE TAXABLE YEAR 2019:

1. CURRENT YEAR'S TOTAL ACTUAL VALUE OF ALL REAL PROPERTY: †	1. \$ 228,441,970
<b>ADDITIONS TO TAXABLE REAL PROPERTY</b>	
2. CONSTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTS: *	2. \$ 532,900
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. \$ 0

<b>DELETIONS FROM TAXABLE REAL PROPERTY</b>	
8. DESTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTS:	8. \$ 0
9. DISCONNECTIONS/EXCLUSIONS:	9. \$ 0
10. PREVIOUSLY TAXABLE PROPERTY:	10. \$ 0

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

IN ACCORDANCE WITH 39-1-101(1)(c), C.R.S., AND NO LATER THAN DECEMBER 10th, THE ASSESSOR CERTIFIES TO SCHOOL DISTRICTS:  
1. TOTAL ACTUAL VALUE OF ALL TAXABLE PROPERTY: \$

NOTE: ALL LEVIES MUST BE CERTIFIED TO THE COUNTY COMMISSIONERS NO LATER THAN DECEMBER 15.

### CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments

TO: County Commissioners<sup>1</sup> of Bent County, Colorado.  
On behalf of the Southeastern Colorado Water Conservancy District  
(taxing entity)<sup>A</sup>  
the Board of Directors  
(governing body)<sup>B</sup>  
of the Southeastern Colorado Water Conservancy District  
(local government)<sup>C</sup>

Hereby officially certifies the following mills to be levied against the taxing entity's GROSS \$ 61,967,460 (GROSS<sup>U</sup> assessed valuation, Line 2 of the Certification of Valuation Form DLG 57)<sup>U</sup> assessed valuation of:

Note: If the assessor certified a NET assessed valuation (AV) different than the GROSS AV due to a Tax Increment Financing (TIF) Area<sup>2</sup> 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: \$ 61,967,460 (NET<sup>V</sup> 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: 12/10/2019 for budget/fiscal year 2020 (no later than Dec. 15) (mm/dd/yyyy) (yyyy)

PURPOSE (see end notes for definitions and examples)	LEVY <sup>2</sup>	REVENUE <sup>2</sup>
1. General Operating Expenses <sup>H</sup>	.900 mills	\$ 55,770.71
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction <sup>I</sup>	< .040 > mills	\$ < (2,478.70) >
<b>SUBTOTAL FOR GENERAL OPERATING:</b>		
	.860 mills	\$ 53,292.02
3. General Obligation Bonds and Interest <sup>J</sup>	mills	\$
4. Contractual Obligations <sup>K</sup>	mills	\$
5. Capital Expenditures <sup>L</sup>	mills	\$
6. Refunds/Abatements <sup>M</sup>	.009 mills	\$ 557.71
7. Other <sup>N</sup> (specify):	mills	\$
	mills	\$
<b>TOTAL:</b> † Sum of General Operating Subtotal and Lines 3 to 7	0.869 mills	\$ 53,849.72

Contact person: Loann Noga Daytime phone: (719) 248-9950  
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, 1212 Sherman Street, Denver, CO 80202. Questions? Call DLG at (303) 864-7720.

<sup>1</sup> 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.  
<sup>2</sup> 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<sup>1</sup> of Bent County, Colorado.  
On behalf of the Southeastern Colorado Water Conservancy District  
(taxing entity)<sup>A</sup>  
the Board of Directors  
(governing body)<sup>B</sup>  
of the Southeastern Colorado Water Conservancy District  
(local government)<sup>C</sup>

Hereby officially certifies the following mills to be levied against the taxing entity's GROSS \$ 61,967,460 (GROSS<sup>U</sup> assessed valuation, Line 2 of the Certification of Valuation Form DLG 57)<sup>U</sup> assessed valuation of:

Note: If the assessor certified a NET assessed valuation (AV) different than the GROSS AV due to a Tax Increment Financing (TIF) Area<sup>2</sup> 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: \$ 61,967,460 (NET<sup>V</sup> 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: 12/10/19 for budget/fiscal year 2020 (no later than Dec. 15) (mm/dd/yyyy) (yyyy)

PURPOSE (see end notes for definitions and examples)	LEVY <sup>2</sup>	REVENUE <sup>2</sup>
1. General Operating Expenses <sup>H</sup>	.035 mills	\$ 2,168.86
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction <sup>I</sup>	< .002 > mills	\$ < (123.93) >
<b>SUBTOTAL FOR GENERAL OPERATING:</b>		
	.033 mills	\$ 2,044.93
3. General Obligation Bonds and Interest <sup>J</sup>	mills	\$
4. Contractual Obligations <sup>K</sup>	mills	\$
5. Capital Expenditures <sup>L</sup>	mills	\$
6. Refunds/Abatements <sup>M</sup>	mills	\$
7. Other <sup>N</sup> (specify):	mills	\$
	mills	\$
<b>TOTAL:</b> † Sum of General Operating Subtotal and Lines 3 to 7	.033 mills	\$ 2,044.93

Contact person: Loann Noga Daytime phone: (719) 248-9950  
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, 1212 Sherman Street, Denver, CO 80202. Questions? Call DLG at (303) 864-7720.

<sup>1</sup> 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.  
<sup>2</sup> 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 Certification of Tax Levies



**CERTIFICATION OF VALUATION BY CHAFFEE COUNTY ASSESSOR**  
 Name of Jurisdiction: **04 - S.E. Colo. Water District**  
 IN CHAFFEE COUNTY ON 12/8/2019 New Entry: No

**USE FOR STATUTORY PROPERTY TAX REVENUE LIMIT CALCULATIONS (6.5% LIMIT) ONLY**

IN ACCORDANCE WITH 39-6-12(2)(a) AND 39-6-12(1), C.R.S. AND NO LATER THAN AUGUST 25, THE ASSESSOR CERTIFIES THE TOTAL VALUATION FOR ASSESSMENT FOR THE TAXABLE YEAR 2019 IN CHAFFEE COUNTY, COLORADO

1. PREVIOUS YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:	\$338,099,430
2. CURRENT YEAR'S GROSS TOTAL TAXABLE ASSESSED VALUATION:	\$403,275,690
3. LESS TIF DISTRICT INCREMENT, IF ANY:	\$0
4. CURRENT YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:	\$403,275,690
5. NEW CONSTRUCTION: **	\$9,612,864
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 (39-6-141(1)(a)(i)(B) C.R.S.):	\$753.69

\* This value reflects personal property exemptions if enacted by the jurisdiction as authorized by Art. X, Sec.20(9)(3) Colo.  
 \*\* New construction is defined as: Taxable real property structures and the personal property connected with the structures.  
 # 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 (Form DLG 52B) to the Division of Local Government before the value can be treated as growth in the limit calculation.

**USE FOR TABOR LOCAL GROWTH CALCULATIONS ONLY**

IN ACCORDANCE WITH THE PROVISION OF ARTICLE X, SECTION 20, COLO CONST, AND 39-6-12(2)(b), C.R.S. THE ASSESSOR CERTIFIES THE TOTAL ACTUAL VALUATION FOR THE TAXABLE YEAR 2019 IN CHAFFEE COUNTY, COLORADO ON AUGUST 25, 2019

1. CURRENT YEAR'S TOTAL ACTUAL VALUE OF ALL REAL PROPERTY: @	\$3,670,439,409
ADDITIONS TO TAXABLE REAL PROPERTY:	
2. CONSTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTS: †	\$109,675,130
3. ANNEXATIONS/INCLUSIONS:	\$0
4. INCREASED MINING PRODUCTION: %	\$0
5. PREVIOUSLY EXEMPT PROPERTY:	\$230,852
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: †	\$1,260,004
9. DISCONNECTIONS/EXCLUSION:	\$0
10. PREVIOUSLY TAXABLE PROPERTY:	\$850,530

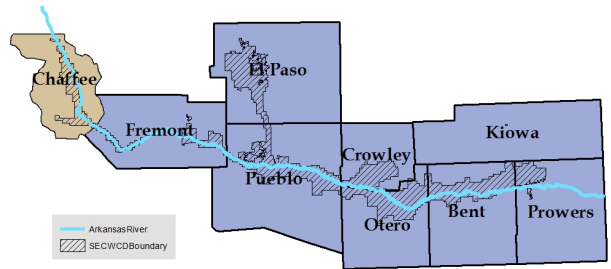
@ This includes the actual value of all taxable real property plus the actual value of religious, private schools, and charitable real property.  
 † Construction is defined as newly constructed taxable real property structures.  
 % Includes production from new mines and increases in production of existing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

IN ACCORDANCE WITH 39-6-12(1), C.R.S. AND NO LATER THAN AUGUST 25, THE ASSESSOR CERTIFIES TO SCHOOL DISTRICTS: †, TOTAL ACTUAL VALUE OF ALL TAXABLE PROPERTY: \$0

NOTE: All levies must be certified to the Board of County Commissioners NO LATER THAN DECEMBER 16, 2019

Data Date: 12/8/2019

## Chaffee County Certification of Valuation and Certification of Tax Levies



**CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments**

TO: County Commissioners<sup>1</sup> of Chaffee County, Colorado.

On behalf of the Southeastern Colorado Water Conservancy District (taxing entity)<sup>A</sup>

the Board of Directors (governing body)<sup>B</sup>

of the Southeastern Colorado Water Conservancy District (local government)<sup>C</sup>

Hereby officially certifies the following mills to be levied against the taxing entity's GROSS \$ 403,275,690 assessed valuation of: (GROSS<sup>B</sup> assessed valuation, Line 2 of the Certification of Valuation Form DLG 57<sup>A</sup>)

Note: If the assessor certified a NET assessed valuation (AV) different than the GROSS AV due to a Tax Increment Financing (TIF) Area<sup>2</sup> the tax levies must be \$ 403,275,690 (NET<sup>AV</sup> 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: 12/10/19 for budget/fiscal year 2020 (no later than Dec. 15) (mm/dd/yyyy) (yyyy)

PURPOSE (see end notes for definitions and examples)	LEVY <sup>2</sup>	REVENUE <sup>2</sup>
1. General Operating Expenses <sup>H</sup>	.900 mills	\$ 362,948.12
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction <sup>I</sup>	< .040 > mills	\$ < (16,131.03) >
<b>SUBTOTAL FOR GENERAL OPERATING:</b>	<b>.860 mills</b>	<b>\$ 346,817.09</b>
3. General Obligation Bonds and Interest <sup>J</sup>	mills	\$
4. Contractual Obligations <sup>K</sup>	mills	\$
5. Capital Expenditures <sup>L</sup>	mills	\$
6. Refunds/Abatements <sup>M</sup>	.009 mills	\$ 3,629.48
7. Other <sup>N</sup> (specify):	mills	\$
<b>TOTAL:</b> (Sum of General Operating Subtotal and Lines 3 to 7)	<b>.869 mills</b>	<b>\$ 350,446.57</b>

Contact person: (print) Loann Noga Daytime phone: (719) 248-9950  
 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 571, 1313 Sherman Street, Denver, CO 80202. Questions? Call DLG at (303) 864-7720.

<sup>1</sup> 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.  
<sup>2</sup> 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<sup>1</sup> of Chaffee County, Colorado.

On behalf of the Southeastern Colorado Water Conservancy District (taxing entity)<sup>A</sup>

the Board of Directors (governing body)<sup>B</sup>

of the Southeastern Colorado Water Conservancy District (local government)<sup>C</sup>

Hereby officially certifies the following mills to be levied against the taxing entity's GROSS \$ 403,275,690 assessed valuation of: (GROSS<sup>B</sup> assessed valuation, Line 2 of the Certification of Valuation Form DLG 57<sup>A</sup>)

Note: If the assessor certified a NET assessed valuation (AV) different than the GROSS AV due to a Tax Increment Financing (TIF) Area<sup>2</sup> the tax levies must be \$ 403,275,690 (NET<sup>AV</sup> 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: 12/10/19 for budget/fiscal year 2020 (no later than Dec. 15) (mm/dd/yyyy) (yyyy)

PURPOSE (see end notes for definitions and examples)	LEVY <sup>2</sup>	REVENUE <sup>2</sup>
1. General Operating Expenses <sup>H</sup>	.035 mills	\$ 14,114.65
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction <sup>I</sup>	< .002 > mills	\$ < (806.55) >
<b>SUBTOTAL FOR GENERAL OPERATING:</b>	<b>.033 mills</b>	<b>\$ 13,308.10</b>
3. General Obligation Bonds and Interest <sup>J</sup>	mills	\$
4. Contractual Obligations <sup>K</sup>	mills	\$
5. Capital Expenditures <sup>L</sup>	mills	\$
6. Refunds/Abatements <sup>M</sup>	mills	\$
7. Other <sup>N</sup> (specify):	mills	\$
<b>TOTAL:</b> (Sum of General Operating Subtotal and Lines 3 to 7)	<b>.033 mills</b>	<b>\$ 13,308.10</b>

Contact person: (print) Loann Noga Daytime phone: (719) 248-9950  
 Signed: [Signature] Title: Finance Manager / Budget Officer

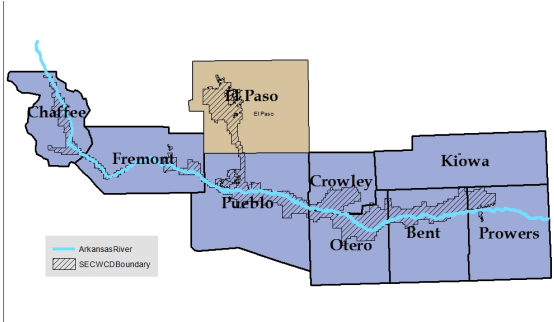
Include one copy of this tax entity's completed form when filing the local government's budget by January 31st, per 29-1-113 C.R.S., with the Division of Local Government (DLG), Room 571, 1313 Sherman Street, Denver, CO 80202. Questions? Call DLG at (303) 864-7720.

<sup>1</sup> 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.  
<sup>2</sup> 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



## 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 November 4, 2019

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 2019:

1	PREVIOUS YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:	1	\$	34,512,829
2	CURRENT YEAR'S GROSS TOTAL TAXABLE ASSESSED VALUATION: ‡	2	\$	39,869,907
3	LESS TOTAL TIF AREA INCREMENTS, IF ANY:	3	\$	-
4	CURRENT YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:	4	\$	39,869,907
5	NEW CONSTRUCTION: *	5	\$	764,929
6	INCREASED PRODUCTION OF PRODUCING MINE: §	6	\$	-
7	ANNEXATIONS/INCLUSIONS:	7	\$	-
8	PREVIOUSLY EXEMPT FEDERAL PROPERTY: ¶	8	\$	-
9	NEW PRIMARY OIL OR GAS PRODUCTION FROM ANY PRODUCING OIL AND GAS LEASEHOLD OR LAND (29-1-301(1)(b), C.R.S.):	9	\$	-
10	TAXES RECEIVED LAST YEAR ON OMITTED PROPERTY AS OF AUG. 1 (29-1-301(1)(a), C.R.S.). Includes all revenue collected on valuation not previously certified:	10	\$	-
11	TAXES ABATED AND REFUNDED AS OF AUG. 1 (29-1-301(1)(a), C.R.S.) and (39-10-114(1)(a)(B), C.R.S.):	11	\$	1,228.88

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

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

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

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

#### USE FOR LABOR "LOCAL GROWTH" CALCULATION ONLY

1	CURRENT YEAR'S TOTAL ACTUAL VALUE OF ALL REAL PROPERTY: ¶	1	\$	195,371,146
<b>ADDITIONS TO TAXABLE REAL PROPERTY</b>				
2	CONSTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTS: *	2	\$	3,138,460
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	\$	85,798
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	\$	-
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NOTE: ALL LEVIES MUST BE CERTIFIED TO THE COUNTY COMMISSIONERS NO LATER THAN DECEMBER 15.

Form DLG 57 (Rev. 8/08)

### CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments

TO: County Commissioners<sup>1</sup> of Crowley County, Colorado.

On behalf of the Southeastern Colorado Water Conservancy District

the Board of Directors

of the Southeastern Colorado Water Conservancy District

Hereby officially certifies the following mills to be levied against the taxing entity's GROSS \$ 39,869,907 assessed valuation of: (GROSS<sup>2</sup> assessed valuation, Line 2 of the Certification of Valuation Form DLG 57<sup>3</sup>)

Note: If the assessor certified a NET assessed valuation (AV) different than the GROSS AV due to a Tax Increment Financing (TIF) Area<sup>4</sup> 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: (NET<sup>5</sup> assessed valuation, Line 4 of the Certification of Valuation Form DLG 57) \$ 39,869,907 USE VALUE FROM FINAL CERTIFICATION OF VALUATION PROVIDED BY ASSESSOR NO LATER THAN DECEMBER 10

Submitted: 12/10/19 for budget/fiscal year 2020 (no later than Dec. 15) (mm/dd/yyyy) (yyyy)

PURPOSE (see end notes for definitions and examples)	LEVY <sup>2</sup>	REVENUE <sup>2</sup>
1. General Operating Expenses <sup>H</sup>	.900 mills	\$ 35,882.92
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction <sup>I</sup>	< .040 > mills	\$ < (1,594.80) >
<b>SUBTOTAL FOR GENERAL OPERATING:</b>		
	.860 mills	\$ 34,288.12
3. General Obligation Bonds and Interest <sup>J</sup>	mills	\$
4. Contractual Obligations <sup>K</sup>	mills	\$
5. Capital Expenditures <sup>L</sup>	mills	\$
6. Refunds/Abatements <sup>M</sup>	.009 mills	\$ 358.83
7. Other <sup>N</sup> (specify):	mills	\$
<b>TOTAL:</b> [Sum of General Operating Subtotal and Lines 3 to 7]	.869 mills	\$ 34,646.95

Contact person: Loann Noga Daytime phone: (719) 248-9950  
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 80202. Questions? Call DLG at (303) 864-7720.

### CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments

TO: County Commissioners<sup>1</sup> of Crowley County, Colorado.

On behalf of the Southeastern Colorado Water Conservancy District

the Board of Directors

of the Southeastern Colorado Water Conservancy District

Hereby officially certifies the following mills to be levied against the taxing entity's GROSS \$ 39,869,907 assessed valuation of: (GROSS<sup>2</sup> assessed valuation, Line 2 of the Certification of Valuation Form DLG 57<sup>3</sup>)

Note: If the assessor certified a NET assessed valuation (AV) different than the GROSS AV due to a Tax Increment Financing (TIF) Area<sup>4</sup> 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: (NET<sup>5</sup> assessed valuation, Line 4 of the Certification of Valuation Form DLG 57) \$ 39,869,907 USE VALUE FROM FINAL CERTIFICATION OF VALUATION PROVIDED BY ASSESSOR NO LATER THAN DECEMBER 10

Submitted: 12/10/19 for budget/fiscal year 2020 (no later than Dec. 15) (mm/dd/yyyy) (yyyy)

PURPOSE (see end notes for definitions and examples)	LEVY <sup>2</sup>	REVENUE <sup>2</sup>
1. General Operating Expenses <sup>H</sup>	.035 mills	\$ 1,395.45
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction <sup>I</sup>	< .002 > mills	\$ < (79.74) >
<b>SUBTOTAL FOR GENERAL OPERATING:</b>		
	.033 mills	\$ 1,315.71
3. General Obligation Bonds and Interest <sup>J</sup>	mills	\$
4. Contractual Obligations <sup>K</sup>	mills	\$
5. Capital Expenditures <sup>L</sup>	mills	\$
6. Refunds/Abatements <sup>M</sup>	mills	\$
7. Other <sup>N</sup> (specify):	mills	\$
<b>TOTAL:</b> [Sum of General Operating Subtotal and Lines 3 to 7]	.033 mills	\$ 1,315.71

Contact person: Loann Noga Daytime phone: (719) 248-9950  
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 80202. Questions? Call DLG at (303) 864-7720.

<sup>1</sup> 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.

<sup>2</sup> 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).

<sup>1</sup> 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.

<sup>2</sup> 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 COUNTY ASSESSOR**  
 NAME OF JURISDICTION: SOUTHEASTERN COLO WATER CONSERVANCY NEW ENTITY: ( ) YES (X) NO  
 IN EL PASO COUNTY, COLORADO ON November 27, 2019

**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 2019:

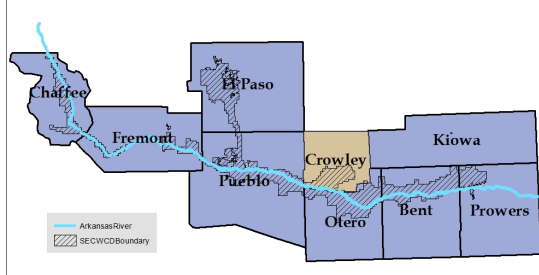
Previous year's net total taxable assessed valuation:	\$ 5,991,799,820
Current year's gross total taxable assessed valuation: <sup>1</sup>	\$ 6,951,537,510
Less TIF district increment, if any:	\$ 105,809,940
Current year's net total taxable assessed valuation:	\$ 6,845,747,570
New construction: <sup>2</sup>	\$ 159,734,590
Increased production of producing mine: <sup>3</sup>	\$ 0
Annexations/Inclusions:	\$ 0
Previously exempt federal property: <sup>4</sup>	\$ 0
New primary oil or gas production from any producing oil and gas leasehold or land (29-1-301)(b), C.R.S.): <sup>5</sup>	\$ 0
Taxes collected last year on omitted property as of August 1 (29-1-301)(a), C.R.S.):	\$ 424,95
Taxes abated and refunded as of August 1 (29-1-301)(a) and 39-10-114(a)(D)(B), C.R.S.):	\$ 77,916.12

**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 2019:

Current year's total actual value of all real property: <sup>6</sup>	\$ 64,310,309,938
<b>ADDITIONS TO TAXABLE REAL PROPERTY</b>	
Construction of taxable real property improvements: <sup>7</sup>	\$ 1,761,582,478
Increased mining production: <sup>8</sup>	\$ 0
Annexations/Inclusions:	\$ 0
Previously exempt property:	\$ 19,590,400
Oil or gas production from a new well:	\$ 0
Taxable real property omitted from the previous year's tax warrant: (If land and/or a structure is picked up as omitted property for multiple years, only the most current year's actual value can be reported as omitted property.)	\$ 1,606,873
<b>DELETIONS FROM TAXABLE REAL PROPERTY</b>	
Destruction of taxable real property improvements:	\$ 11,549,560
Disconnection/Exclusion:	\$ 0
Previously taxable property:	\$ 36,708,777

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, 2019.

## El Paso County Certification of Valuation and Certification of Tax Levies



### CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments

TO: County Commissioners<sup>1</sup> of EL Paso County, Colorado.  
 On behalf of the Southeastern Colorado Water Conservancy District  
 (taxing entity)<sup>A</sup>  
 the Board of Directors  
 (governing body)<sup>B</sup>  
 of the Southeastern Colorado Water Conservancy District  
 (local government)<sup>C</sup>

Hereby officially certifies the following mills to be levied against the taxing entity's GROSS \$ 6,951,557,510 assessed valuation of (GROSS<sup>D</sup> assessed valuation, Line 2 of the Certification of Valuation Form DLG 57<sup>4</sup>)

Note: If the assessor certified a NET assessed valuation (AV) different than the GROSS AV due to a Tax Increment Financing (TIF) Area<sup>5</sup> 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: \$ 6,845,747,570 (NET<sup>E</sup> 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: 12/10/19 for budget/fiscal year 2020  
 (no later than Dec. 15) (mm/dd/yyyy) (yyyy)

PURPOSE (see end notes for definitions and examples)	LEVY <sup>2</sup>	REVENUE <sup>2</sup>
1. General Operating Expenses <sup>H</sup>	.900 mills	\$ 6,161,172.81
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction <sup>I</sup>	< .040 > mills	\$ < (273,829.90) >
<b>SUBTOTAL FOR GENERAL OPERATING:</b>	<b>.860 mills</b>	<b>\$ 5,887,342.91</b>
3. General Obligation Bonds and Interest <sup>J</sup>	mills	\$
4. Contractual Obligations <sup>K</sup>	mills	\$
5. Capital Expenditures <sup>L</sup>	mills	\$
6. Refunds/Abatements <sup>M</sup>	.009 mills	\$ 61,611.73
7. Other <sup>N</sup> (specify):	mills	\$
<b>TOTAL:</b> (Sum of General Operating Subtotal and Lines 3 to 7)	<b>.869 mills</b>	<b>\$ 5,948,954.64</b>

Contact person: Loann Hoga Daytime phone: (719) 248-9950  
 (print)  
 Signed: [Signature] Title: Financo 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 80202. Questions? Call DLG at (303) 864-7720.

<sup>1</sup> 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.  
<sup>2</sup> 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<sup>1</sup> of EL Paso County, Colorado.  
 On behalf of the Southeastern Colorado Water Conservancy District  
 (taxing entity)<sup>A</sup>  
 the Board of Directors  
 (governing body)<sup>B</sup>  
 of the Southeastern Colorado Water Conservancy District  
 (local government)<sup>C</sup>

Hereby officially certifies the following mills to be levied against the taxing entity's GROSS \$ 6,951,557,510 assessed valuation of (GROSS<sup>D</sup> assessed valuation, Line 2 of the Certification of Valuation Form DLG 57<sup>4</sup>)

Note: If the assessor certified a NET assessed valuation (AV) different than the GROSS AV due to a Tax Increment Financing (TIF) Area<sup>5</sup> 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: \$ 6,845,747,570 (NET<sup>E</sup> 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: 12/10/19 for budget/fiscal year 2020  
 (no later than Dec. 15) (mm/dd/yyyy) (yyyy)

PURPOSE (see end notes for definitions and examples)	LEVY <sup>2</sup>	REVENUE <sup>2</sup>
1. General Operating Expenses <sup>H</sup>	.035 mills	\$ 239,601.16
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction <sup>I</sup>	< .002 > mills	\$ < (13,691.50) >
<b>SUBTOTAL FOR GENERAL OPERATING:</b>	<b>.033 mills</b>	<b>\$ 225,909.67</b>
3. General Obligation Bonds and Interest <sup>J</sup>	mills	\$
4. Contractual Obligations <sup>K</sup>	mills	\$
5. Capital Expenditures <sup>L</sup>	mills	\$
6. Refunds/Abatements <sup>M</sup>	mills	\$
7. Other <sup>N</sup> (specify):	mills	\$
<b>TOTAL:</b> (Sum of General Operating Subtotal and Lines 3 to 7)	<b>.033 mills</b>	<b>\$ 225,909.67</b>

Contact person: Loann Hoga Daytime phone: (719) 248-9950  
 (print)  
 Signed: [Signature] Title: Financo Manager / Budget Officer

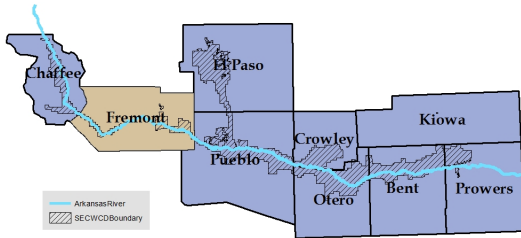
Include one copy of this tax entity's completed form when filing the local government's budget by January 31st, per 29-1-113 C.R.S., with the Division of Local Government (DLG), Room 521, 1313 Sherman Street, Denver, CO 80202. Questions? Call DLG at (303) 864-7720.

<sup>1</sup> 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.  
<sup>2</sup> 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 (6.8% LIMIT) ONLY

In accordance with 39-5-12(2)(a) and 39-5-12(1), C.R.S. The total Assessed Valuations for taxable year 2019  
In Fremont County      On 12/02/2019      Are:

Previous Year's Net Total Assessed Valuation:	\$318,420,837
Current Year's Gross Total Assessed Valuation:	\$348,966,783
(-) Less TIF district increment, if any:	\$0
Current Year's Net Total Assessed Valuation:	\$348,966,783
New Construction*:	\$3,571,150
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 (29-10-114(1)(a)(II)(B) C.R.S.):	\$3,263.56

This value reflects personal property exemptions if enacted by the jurisdiction as authorized by Art. X, Sec. 20(2)(b), Colo. Constitution  
\*New Construction is defined as Taxable real property structures and the personal property connected with the structures.  
\*\* Jurisdiction must submit to the Division of Local Government respective Certification of Impact in order for a value to be treated as growth in the limit calculation; use forms DLG52 & 62A.  
\*\*\* Jurisdiction must apply to the Division of Local Government before the value can be treated as growth in the limit calculation; use forms DLG 62B.

USE FOR "TABOR" LOCAL GROWTH CALCULATIONS ONLY

In accordance with the Art. X, Sec. 20, Colorado Constitution and 39-5-12(2)(b), C.R.S. The Actual Valuations for the taxable year 2019  
In Fremont County      On 12/02/2019      Are:

Current Year's Total Actual Value of All Real Property*:	\$2,882,755,228
ADDITIONS TO TAXABLE REAL PROPERTY: Construction of taxable real property improvements**:	\$34,205,869
ANNEXATIONS/INCLUSIONS:	\$0
Increased Mining Production***:	\$0
Previously exempt property:	\$0
Oil or Gas production from a new well:	\$0
Taxable real property omitted from the previous year's tax warrant. (Only the most current year value can be reported):	\$0
DELETIONS FROM TAXABLE REAL PROPERTY: Destruction of taxable property improvements:	(\$282,500)
Disconnections/Exclusions:	\$0
Previously Taxable Property:	\$0

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

NOTE: All levies must be certified to the Board of County Commissioners no later than December 15, 2019

### CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments

TO: County Commissioners<sup>1</sup> of Fremont County, Colorado.

On behalf of the Southeastern Colorado Water Conservancy District  
(taxing entity)<sup>A</sup>

the Board of Directors  
(governing body)<sup>B</sup>

of the Southeastern Colorado Water Conservancy District  
(local government)<sup>C</sup>

Hereby officially certifies the following mills to be levied against the taxing entity's GROSS \$ 348,966,783 assessed valuation of: (GROSS<sup>B</sup> assessed valuation, Line 2 of the Certification of Valuation Form DLG 57)<sup>D</sup>

Note: If the assessor certified a NET assessed valuation (AV) different than the GROSS AV due to a Tax Increment Financing (TIF) Area<sup>E</sup> 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: (NET<sup>C</sup> assessed valuation, Line 4 of the Certification of Valuation Form DLG 57) \$ 348,966,783

USE VALUE FROM FINAL CERTIFICATION OF VALUATION PROVIDED BY ASSESSOR NO LATER THAN DECEMBER 10

Submitted: 12/10/19 for budget/fiscal year 2020  
(no later than Dec. 15) (mm/dd/yyyy) (yyyy)

PURPOSE (see end notes for definitions and examples)	LEVY <sup>2</sup>	REVENUE <sup>2</sup>
1. General Operating Expenses <sup>H</sup>	.900 mills	\$ 314,070.10
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction <sup>I</sup>	< .040 > mills	\$ < (13,958.67) >
<b>SUBTOTAL FOR GENERAL OPERATING:</b>	<b>.860 mills</b>	<b>\$ 300,111.43</b>
3. General Obligation Bonds and Interest <sup>J</sup>	mills	\$
4. Contractual Obligations <sup>K</sup>	mills	\$
5. Capital Expenditures <sup>L</sup>	mills	\$
6. Refunds/Abatements <sup>M</sup>	.009 mills	\$ 3,140.70
7. Other <sup>N</sup> (specify):	mills	\$
<b>TOTAL:</b> (Sum of General Operating Subtotal and Lines 3 to 7)	<b>.869 mills</b>	<b>\$ 303,252.13</b>

Contact person: Loann Noga Daytime phone: (719) 248-9950  
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) 864-7770.

<sup>1</sup> 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.  
<sup>2</sup> 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<sup>1</sup> of Fremont County, Colorado.

On behalf of the Southeastern Colorado Water Conservancy District  
(taxing entity)<sup>A</sup>

the Board of Directors  
(governing body)<sup>B</sup>

of the Southeastern Colorado Water Conservancy District  
(local government)<sup>C</sup>

Hereby officially certifies the following mills to be levied against the taxing entity's GROSS \$ 348,966,783 assessed valuation of: (GROSS<sup>B</sup> assessed valuation, Line 2 of the Certification of Valuation Form DLG 57)<sup>D</sup>

Note: If the assessor certified a NET assessed valuation (AV) different than the GROSS AV due to a Tax Increment Financing (TIF) Area<sup>E</sup> 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: (NET<sup>C</sup> assessed valuation, Line 4 of the Certification of Valuation Form DLG 57) \$ 348,966,783

USE VALUE FROM FINAL CERTIFICATION OF VALUATION PROVIDED BY ASSESSOR NO LATER THAN DECEMBER 10

Submitted: 12/10/19 for budget/fiscal year 2020  
(no later than Dec. 15) (mm/dd/yyyy) (yyyy)

PURPOSE (see end notes for definitions and examples)	LEVY <sup>2</sup>	REVENUE <sup>2</sup>
1. General Operating Expenses <sup>H</sup>	.035 mills	\$ 12,213.84
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction <sup>I</sup>	< .002 > mills	\$ < (697.93) >
<b>SUBTOTAL FOR GENERAL OPERATING:</b>	<b>.033 mills</b>	<b>\$ 11,515.90</b>
3. General Obligation Bonds and Interest <sup>J</sup>	mills	\$
4. Contractual Obligations <sup>K</sup>	mills	\$
5. Capital Expenditures <sup>L</sup>	mills	\$
6. Refunds/Abatements <sup>M</sup>	mills	\$
7. Other <sup>N</sup> (specify):	mills	\$
<b>TOTAL:</b> (Sum of General Operating Subtotal and Lines 3 to 7)	<b>.033 mills</b>	<b>\$ 11,515.90</b>

Contact person: Loann Noga Daytime phone: (719) 248-9950  
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) 864-7770.

<sup>1</sup> 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.  
<sup>2</sup> 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**  
**KIOWA COUNTY ASSESSOR**

County Tax Entity Code: 690 DOLA LGD/SID: 64128

New Tax Entity:  YES  NO Date: December 9, 2019

NAME OF TAX ENTITY: SOUTHEAST COLORADO WATER CONSERVANCY DISTRICT (FINAL CERTIFICATION)

**USE FOR STATUTORY PROPERTY TAX REVENUE LIMIT CALCULATION ("5.5%" LIMIT) ONLY**  
 IN ACCORDANCE WITH 39-5-1212(a) and 39-5-128(1), C.R.S., AND NO LATER THAN AUGUST 23, THE ASSESSOR CERTIFIES THE TOTAL VALUATION FOR ASSESSMENT FOR THE TAXABLE YEAR 2019:

1. PREVIOUS YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:	1.	\$ 2,778,330
2. CURRENT YEAR'S GROSS TOTAL TAXABLE ASSESSED VALUATION: †	2.	\$ 2,937,860
3. LESS TOTAL TIF AREA INCREMENTS, IF ANY:	3.	\$
4. CURRENT YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:	4.	\$ 2,937,860
5. NEW CONSTRUCTION *:	5.	\$
6. INCREASED PRODUCTION OF PRODUCING MINE ‡:	6.	\$
7. ANNEXATIONS/INCLUSIONS:	7.	\$
8. PREVIOUSLY EXEMPT FEDERAL PROPERTY: §:	8.	\$
9. NEW PRIMARY OIL OR GAS PRODUCTION FROM ANY PRODUCING OIL AND GAS LEASEHOLD OR LAND (29-1-301(1)(b)), C.R.S.): ¶:	9.	\$
10. TAXES RECEIVED LAST YEAR ON OMITTED PROPERTY AS OF AUG. 1 (29-1-301(1)(a), C.R.S.):	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.	\$ 24.85

† This value reflects personal property exemptions if enacted by the jurisdiction as authorized by Art. X, Sec. 20(b), Colo. Constitution.  
 \* New Construction as defined in 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 value to be treated as growth in the limit calculation; see Form DLG 57 & 52A.  
 ¶ Jurisdiction must apply to the Division of Local Government before the value can be treated as growth in the limit calculation; see Form DLG 53B.

**USE FOR LABOR "LOCAL GROWTH" CALCULATION ONLY**  
 IN ACCORDANCE WITH ART. X, SEC. 20, COLO. CONSTITUTION AND 39-5-1212(b)(3), C.R.S., THE ASSESSOR CERTIFIES THE TOTAL ACTUAL VALUATION FOR THE TAXABLE YEAR 2019:

1. CURRENT YEAR'S TOTAL ACTUAL VALUE OF ALL REAL PROPERTY: ¶	1.	\$ 23,106,045
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ADDITIONS TO TAXABLE REAL PROPERTY:

2. CONSTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTS: *	2.	\$
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.	\$

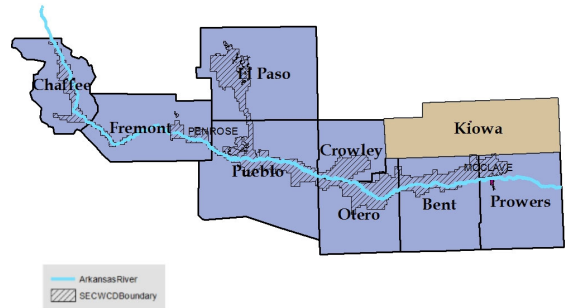
¶ This includes the actual value of all taxable real property plus the actual value of religious, private school, and charitable real property.  
 \* Construction is defined as newly constructed taxable real property structures.  
 § Includes production from new mines; and increases in production of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

IN ACCORDANCE WITH 39-5-128(1), C.R.S., AND NO LATER THAN AUGUST 23, THE ASSESSOR CERTIFIES TO SCHOOL DISTRICTS:

1. TOTAL ACTUAL VALUE OF ALL TAXABLE PROPERTY	1.	\$
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NOTE: ALL LEVIES MUST BE CERTIFIED TO THE COUNTY COMMISSIONERS NO LATER THAN DECEMBER 15.  
 Form DLG 57 (Rev. 8/08)

## Kiowa County Certification of Valuation and Certification of Tax Levies



**CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments**

TO: County Commissioners' of Kiowa County, Colorado.

On behalf of the Southeastern Colorado Water Conservancy District (taxing entity)<sup>A</sup>

the Board of Directors (governing body)<sup>B</sup>

of the Southeastern Colorado Water Conservancy District (local government)<sup>C</sup>

Hereby officially certifies the following mills to be levied against the taxing entity's GROSS \$ 2,937,860 (GROSS assessed valuation, Line 2 of the Certification of Valuation Form DLG 57)<sup>D</sup> assessed valuation of:

Note: If the assessor certified a NET assessed valuation (AV) different than the GROSS AV due to a Tax Increment Financing (TIF) Area<sup>E</sup> 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: 2,937,860 (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: 12/10/19 for budget/fiscal year 2020 (no later than Dec. 15) (mm/dd/yyyy) (yyyy)

PURPOSE (see end notes for definitions and examples)	LEVY <sup>2</sup>	REVENUE <sup>2</sup>
1. General Operating Expenses <sup>H</sup>	.900 mills	\$ 2,644.07
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction <sup>I</sup>	< .040 > mills	\$ < (117.51) >
<b>SUBTOTAL FOR GENERAL OPERATING:</b>	<b>.860 mills</b>	<b>\$ 2,526.56 X</b>
3. General Obligation Bonds and Interest <sup>J</sup>	mills	\$
4. Contractual Obligations <sup>K</sup>	mills	\$
5. Capital Expenditures <sup>L</sup>	mills	\$
6. Refunds/Abatements <sup>M</sup>	.009 mills	\$ 26.44
7. Other <sup>N</sup> (specify):	mills	\$
<b>TOTAL:</b> [Sum of General Operating Subtotal and Lines 3 to 7]	<b>.869 mills</b>	<b>\$ 2,553.00</b>

Contact person: (print) Loann Noga Daytime phone: (719) 248-9950

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.

<sup>1</sup> 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.  
<sup>2</sup> 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' of Kiowa County, Colorado.

On behalf of the Southeastern Colorado Water Conservancy District (taxing entity)<sup>A</sup>

the Board of Directors (governing body)<sup>B</sup>

of the Southeastern Colorado Water Conservancy District (local government)<sup>C</sup>

Hereby officially certifies the following mills to be levied against the taxing entity's GROSS \$ 2,937,860 (GROSS assessed valuation, Line 2 of the Certification of Valuation Form DLG 57)<sup>D</sup> assessed valuation of:

Note: If the assessor certified a NET assessed valuation (AV) different than the GROSS AV due to a Tax Increment Financing (TIF) Area<sup>E</sup> 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: 2,937,860 (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: 12/10/19 for budget/fiscal year 2020 (no later than Dec. 15) (mm/dd/yyyy) (yyyy)

PURPOSE (see end notes for definitions and examples)	LEVY <sup>2</sup>	REVENUE <sup>2</sup>
1. General Operating Expenses <sup>H</sup>	.035 mills	\$ 102.83
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction <sup>I</sup>	< .002 > mills	\$ < (5.88) >
<b>SUBTOTAL FOR GENERAL OPERATING:</b>	<b>.033 mills</b>	<b>\$ 96.95</b>
3. General Obligation Bonds and Interest <sup>J</sup>	mills	\$
4. Contractual Obligations <sup>K</sup>	mills	\$
5. Capital Expenditures <sup>L</sup>	mills	\$
6. Refunds/Abatements <sup>M</sup>	mills	\$
7. Other <sup>N</sup> (specify):	mills	\$
<b>TOTAL:</b> [Sum of General Operating Subtotal and Lines 3 to 7]	<b>.033 mills</b>	<b>\$ 96.95</b>

Contact person: (print) Loann Noga Daytime phone: (719) 248-9950

Signed: [Signature] Title: Finance Manager / Budget Officer

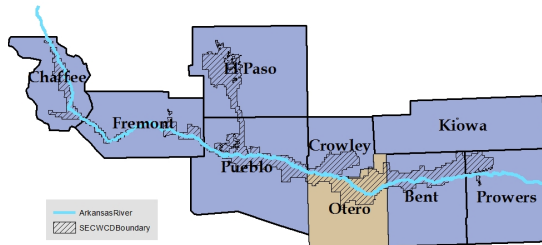
Include one copy of this tax entity's completed form when filing the local government's budget by January 31st, per 29-1-113 C.R.S., with the Division of Local Government (DLG), Room 521, 1313 Sherman Street, Denver, CO 80203. Questions? Call DLG at (303) 864-7720.

<sup>1</sup> 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.  
<sup>2</sup> 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



**CERTIFICATION OF VALUATION BY OTERO COUNTY ASSESSOR**  
 Name of Jurisdiction: **020 - Southeast Colo Water Cons Dist**  
 IN OTERO COUNTY ON 11/28/2019 New Entry: No

**USE FOR STATUTORY PROPERTY TAX REVENUE LIMIT CALCULATIONS (6.5% 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 2019 IN OTERO COUNTY, COLORADO

1. PREVIOUS YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:	\$136,888,326
2. CURRENT YEAR'S GROSS TOTAL TAXABLE ASSESSED VALUATION:	\$141,158,186
3. LESS TIF DISTRICT INCREMENT, IF ANY:	\$2,363,890
4. CURRENT YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:	\$138,804,291
5. NEW CONSTRUCTION: **	\$726,629
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)(b) C.R.S.):	\$0.52
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.):	\$613.31

\* The value reflects personal property exemptions if enacted by the jurisdiction as authorized by Art. X, Sec.20(b), Colo. Const.  
 \*\* New construction is defined as: Taxable real property structures and the personal property connected with the structure.  
 # Jurisdiction must submit respective certifications (Forms DLG 52 AND 52A) to the Division of Local Government in order for the values to be treated as growth in the limit calculation.  
 ## Jurisdiction must apply (Forms DLG 52B) to the Division of Local Government before the value can be treated as growth in the limit calculation.

**USE FOR TABOR LOCAL GROWTH CALCULATIONS ONLY**

IN ACCORDANCE WITH THE PROVISION OF ARTICLE X, SECTION 20, COLO CONST. AND 39-5-121(2)(b) C.R.S. THE ASSESSOR CERTIFIES THE TOTAL ACTUAL VALUATION FOR THE TAXABLE YEAR 2019 IN OTERO COUNTY, COLORADO ON AUGUST 25, 2019

1. CURRENT YEAR'S TOTAL ACTUAL VALUE OF ALL REAL PROPERTY: ⑥	\$753,852,810
ADDITIONS TO TAXABLE REAL PROPERTY:	
2. CONSTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTS: †	\$3,150,322
3. ANNEXATIONS/INCLUSIONS:	\$0
4. INCREASED MINING PRODUCTION: ‡	\$0
5. PREVIOUSLY EXEMPT PROPERTY:	\$13,900
6. OIL OR GAS PRODUCTION FROM A NEW WELL:	\$0
7. TAXABLE REAL PROPERTY OMITTED FROM THE PREVIOUS YEARS 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.)	\$1,200
DELETIONS FROM TAXABLE REAL PROPERTY:	
8. DESTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTS:	\$24,875
9. DISCONNECTIONS/EXCLUSION:	\$0
10. PREVIOUSLY TAXABLE PROPERTY:	\$122,893

⑥ 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, 2019

Date Date: 11/28/2019

### CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments

TO: County Commissioners<sup>1</sup> of Otero County, Colorado.

On behalf of the Southeastern Colorado Water Conservancy District (taxing entity)<sup>A</sup>

the Board of Directors (governing body)<sup>B</sup>

of the Southeastern Colorado Water Conservancy District (local government)<sup>C</sup>

Hereby officially certifies the following mills to be levied against the taxing entity's GROSS \$ 141,158,186 assessed valuation of: (GROSS<sup>D</sup> assessed valuation, Line 2 of the Certification of Valuation Form DLG 57<sup>1</sup>)

Note: If the assessor certified a NET assessed valuation (AV) different than the GROSS AV due to a Tax Increment Financing (TIF) Area<sup>2</sup> 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: (NET<sup>E</sup> 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 15

Submitted: 12/10/19 for budget/fiscal year 2020 (no later than Dec. 15) (mm/dd/yyyy) (yyyy)

PURPOSE (see end notes for definitions and examples)	LEVY <sup>2</sup>	REVENUE <sup>2</sup>
1. General Operating Expenses <sup>H</sup>	.900 mills	\$ 124,923.86
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction <sup>I</sup>	< .040 > mills	\$ < (5,552.17) >
<b>SUBTOTAL FOR GENERAL OPERATING:</b>	<b>.860 mills</b>	<b>\$ 119,371.69</b>
3. General Obligation Bonds and Interest <sup>J</sup>	mills	\$
4. Contractual Obligations <sup>K</sup>	mills	\$
5. Capital Expenditures <sup>L</sup>	mills	\$
6. Refunds/Abatements <sup>M</sup>	.009 mills	\$ 1,249.24
7. Other <sup>N</sup> (specify):	mills	\$
<b>TOTAL:</b> [Sum of General Operating Subtotal and Lines 3 to 7]	<b>.869 mills</b>	<b>\$ 120,620.93</b>

Contact person: (print) Loann Hoga Daytime phone: (719) 248-9950

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 80202. Questions? Call DLG at (303) 864-7770.

<sup>1</sup> 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.  
<sup>2</sup> 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<sup>1</sup> of Otero County, Colorado.

On behalf of the Southeastern Colorado Water Conservancy District (taxing entity)<sup>A</sup>

the Board of Directors (governing body)<sup>B</sup>

of the Southeastern Colorado Water Conservancy District (local government)<sup>C</sup>

Hereby officially certifies the following mills to be levied against the taxing entity's GROSS \$ 141,158,186 assessed valuation of: (GROSS<sup>D</sup> assessed valuation, Line 2 of the Certification of Valuation Form DLG 57<sup>1</sup>)

Note: If the assessor certified a NET assessed valuation (AV) different than the GROSS AV due to a Tax Increment Financing (TIF) Area<sup>2</sup> 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: (NET<sup>E</sup> 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 15

Submitted: 12/xx/19 for budget/fiscal year 2020 (no later than Dec. 15) (mm/dd/yyyy) (yyyy)

PURPOSE (see end notes for definitions and examples)	LEVY <sup>2</sup>	REVENUE <sup>2</sup>
1. General Operating Expenses <sup>H</sup>	.035 mills	\$ 4,858.15
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction <sup>I</sup>	< .002 > mills	\$ < (277.61) >
<b>SUBTOTAL FOR GENERAL OPERATING:</b>	<b>.033 mills</b>	<b>\$ 4,580.54</b>
3. General Obligation Bonds and Interest <sup>J</sup>	mills	\$
4. Contractual Obligations <sup>K</sup>	mills	\$
5. Capital Expenditures <sup>L</sup>	mills	\$
6. Refunds/Abatements <sup>M</sup>	mills	\$
7. Other <sup>N</sup> (specify):	mills	\$
<b>TOTAL:</b> [Sum of General Operating Subtotal and Lines 3 to 7]	<b>.033 mills</b>	<b>\$ 4,580.54</b>

Contact person: (print) Loann Hoga Daytime phone: (719) 248-9950

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 80202. Questions? Call DLG at (303) 864-7770.

<sup>1</sup> 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.  
<sup>2</sup> 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



22 County Tax Entity Code DOLA LG/DSD 6412818 /  
**CERTIFICATION OF VALUATION BY PROWERS COUNTY ASSESSOR**  
 New Tax Entity  YES  NO Date **Nov. 15, 2019**

NAME OF TAX ENTITY: **SOUTHEAST COLORADO WATER CONSERVANCY DISTRICT**

**USE FOR STATUTORY PROPERTY TAX REVENUE LIMIT CALCULATION ("5.5% LIMI) ONLY**  
 IN ACCORDANCE WITH 39-5-121(2)(a) and 39-5-122(1), C.R.S., AND NO LATER THAN AUGUST 25, THE ASSESSOR CERTIFIES THE TOTAL VALUATION FOR ASSESSMENT FOR THE TAXABLE YEAR 2020:

1. PREVIOUS YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:	1. \$ 58,854,474
2. CURRENT YEAR'S GROSS TOTAL TAXABLE ASSESSED VALUATION: ‡	2. \$ 61,784,486
3. LESS TOTAL TIF AREA INCREMENTS, IF ANY:	3. \$ 2,624,427
4. CURRENT YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:	4. \$ 59,160,059
5. NEW CONSTRUCTION: *	5. \$ 552,200
6. INCREASED PRODUCTION OF PRODUCING MINE: ≈	6. \$
7. ANNEXATIONS/INCLUSIONS:	7. \$
8. PREVIOUSLY EXEMPT FEDERAL PROPERTY: ≈	8. \$
9. NEW PRIMARY OIL OR GAS PRODUCTION FROM ANY PRODUCING OIL AND GAS LEASEHOLD OR LAND (29-1-301(1)(b), C.R.S.): †	9. \$
10. TAXES RECEIVED LAST YEAR ON OMITTED PROPERTY AS OF AUG. 1 (29-1-301(1)(a), C.R.S.):	10. \$
11. TAXES ABATED AND REFUNDED AS OF AUG. 1 (29-1-301(1)(a), C.R.S.) and (39-10-114)(X)(A)(B), C.R.S.):	11. \$ 46.00

‡ This value reflects personal property exemptions (if enacted by the jurisdiction as authorized by Art. X, Sec. 20(8)(b), Colo. Constitution)  
 † New Construction is defined as: Taxable real property structures and the personal property connected with the structure.  
 ≈ Jurisdiction must submit to the Division of Local Government respective Certifications of Impact in order for the values to be treated as growth in the limit calculation; see forms DLG 53 & 52A.  
 ‡ Jurisdiction must apply to the Division of Local Government before the value can be treated as growth in the limit calculation; see 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 2020:

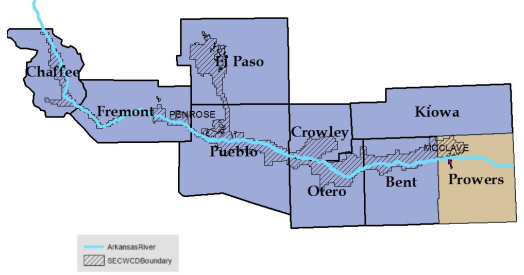
1. CURRENT YEAR'S TOTAL ACTUAL VALUE OF ALL REAL PROPERTY: ¶	1. \$ 353,841,939
2. CONSTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTS: *	2. \$ 2,316,324
3. ANNEXATIONS/INCLUSIONS:	3. \$
4. INCREASED MINING PRODUCTION: §	4. \$
5. PREVIOUSLY EXEMPT PROPERTY:	5. \$
6. OIL OR GAS PRODUCTION FROM A NEW WELL:	6. \$
7. TAXABLE REAL PROPERTY OMITTED FROM THE PREVIOUS YEARS 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. \$

¶ 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 39-5-122(1), C.R.S., AND NO LATER THAN AUGUST 25, THE ASSESSOR CERTIFIES TO SCHOOL DISTRICTS:  
 I. TOTAL ACTUAL VALUE OF ALL TAXABLE PROPERTY I. \$

NOTE: ALL LEVIES MUST BE CERTIFIED TO THE COUNTY COMMISSIONERS NO LATER THAN DECEMBER 15.  
 Form DLG 57 (Rev. 8/08)

## Prowers County Certification of Valuation and Certification of Tax Levies



### CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments

TO: County Commissioners<sup>1</sup> of Prowers County, Colorado.  
 On behalf of the Southeastern Colorado Water Conservancy District (taxing entity)<sup>A</sup>  
 the Board of Directors (governing body)<sup>B</sup>  
 of the Southeastern Colorado Water Conservancy District (local government)<sup>C</sup>

Hereby officially certifies the following mills to be levied against the taxing entity's GROSS assessed valuation of: 61,784,486 (GROSS assessed valuation, Line 2 of the Certification of Valuation Form DLG 57)<sup>D</sup>

Note: If the assessor certified a NET assessed valuation (AV) different than the GROSS AV due to a Tax Increment Financing (TIF) Area<sup>E</sup> 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.  
 Submitted: 12/10/19 for budget/fiscal year 2020  
(no later than Dec. 15) (mm/dd/yyyy) (yyyy)

PURPOSE (see end notes for definitions and examples)	LEVY <sup>2</sup>	REVENUE <sup>2</sup>
1. General Operating Expenses <sup>H</sup>	.900 mills	\$ 53,244.05
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction <sup>I</sup>	< .040 > mills	\$ < (2,366.40) >
<b>SUBTOTAL FOR GENERAL OPERATING:</b>	<b>.860 mills</b>	<b>\$ 50,877.65</b>
3. General Obligation Bonds and Interest <sup>J</sup>	mills	\$
4. Contractual Obligations <sup>K</sup>	mills	\$
5. Capital Expenditures <sup>L</sup>	mills	\$
6. Refunds/Abatements <sup>M</sup>	.009 mills	\$ 532.44
7. Other <sup>N</sup> (specify):	mills	\$
<b>TOTAL:</b> <small>(Sum of General Operating Subtotal and Lines 3 to 7)</small>	<b>.869 mills</b>	<b>\$ 51,410.09</b>

Contact person: Loann Hoga Daytime phone: (719) 248-9950  
 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 80202. Questions? Call DLG at (303) 864-7770.

### CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments

TO: County Commissioners<sup>1</sup> of Prowers County, Colorado.  
 On behalf of the Southeastern Colorado Water Conservancy District (taxing entity)<sup>A</sup>  
 the Board of Directors (governing body)<sup>B</sup>  
 of the Southeastern Colorado Water Conservancy District (local government)<sup>C</sup>

Hereby officially certifies the following mills to be levied against the taxing entity's GROSS assessed valuation of: 61,784,486 (GROSS assessed valuation, Line 2 of the Certification of Valuation Form DLG 57)<sup>D</sup>

Note: If the assessor certified a NET assessed valuation (AV) different than the GROSS AV due to a Tax Increment Financing (TIF) Area<sup>E</sup> 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.  
 Submitted: 12/10/19 for budget/fiscal year 2020  
(no later than Dec. 15) (mm/dd/yyyy) (yyyy)

PURPOSE (see end notes for definitions and examples)	LEVY <sup>2</sup>	REVENUE <sup>2</sup>
1. General Operating Expenses <sup>H</sup>	.035 mills	\$ 2,070.60
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction <sup>I</sup>	< .002 > mills	\$ < (118.32) >
<b>SUBTOTAL FOR GENERAL OPERATING:</b>	<b>.033 mills</b>	<b>\$ 1,952.28</b>
3. General Obligation Bonds and Interest <sup>J</sup>	mills	\$
4. Contractual Obligations <sup>K</sup>	mills	\$
5. Capital Expenditures <sup>L</sup>	mills	\$
6. Refunds/Abatements <sup>M</sup>	mills	\$
7. Other <sup>N</sup> (specify):	mills	\$
<b>TOTAL:</b> <small>(Sum of General Operating Subtotal and Lines 3 to 7)</small>	<b>.033 mills</b>	<b>\$ 1,952.28</b>

Contact person: Loann Hoga Daytime phone: (719) 248-9950  
 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 80202. Questions? Call DLG at (303) 864-7770.

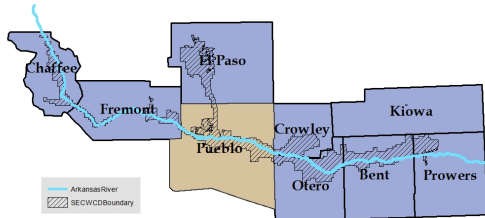
<sup>1</sup> If the taxing entity's boundaries include more than one county, you must certify the levies to each county. Use a separate form for each county and certify the same levies uniformly to each county per Article X, Section 3 of the Colorado Constitution.  
<sup>2</sup> Levies must be rounded 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



## Pueblo County Certification of Valuation and Certification of Tax Levies



Ent. Code: 3 **CERTIFICATION OF VALUATION BY COUNTY ASSESSOR** DOLA Code: 64128  
 NAME OF TAKING JURISDICTION: S.E. WATER CONSV DIST NEW ENTITY:  YRS  NO  
 LOCATED IN Pueblo COUNTY, COLORADO ON 11/25/2019

**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 2019:

1.	PREVIOUS YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:	1.	\$ 1,535,765,745
2.	CURRENT YEAR'S GROSS TOTAL TAXABLE ASSESSED VALUATION: <sup>†</sup>	2.	\$ 1,713,133,926
3.	LESS TIF DISTRICT INCREMENT, IF ANY:	3.	\$ 57,148,824
4.	CURRENT YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:	4.	\$ 1,655,985,102
5.	NEW CONSTRUCTION: *	5.	\$ 14,520,197
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:	10.	\$ 829
	AUG. 1 (29-1-301(1)(a), C.R.S.)		
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.	\$ 4,917

<sup>†</sup> This value reflects personal property exemptions if enacted by the jurisdiction as authorized by Art. 2, Sec. 20(8)(b), Colo. Constitution. New Construction includes real property structures and the personal property connected with the structure.  
<sup>\*\*</sup> Jurisdiction must submit to the Div. of Local Government respective Certifications of Impact in order for the values to be treated as growth in the limit calculation; use Form DLG 52 & 53.  
<sup>\*\*\*</sup> Jurisdiction must apply to the Div. of Local Government before the value can be treated as growth in the limit calculation; use form DLG28.

**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 2019:

1.	CURRENT YEAR'S TOTAL ACTUAL VALUE OF ALL REAL PROPERTY:	1.	\$ 11,360,646,645
<b>ADDITIONS TO TAXABLE REAL PROPERTY</b>			
2.	CONSTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTS: *	2.	\$ 149,440,462
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.	\$ 1,711,167
<b>DELETIONS FROM TAXABLE REAL PROPERTY</b>			
8.	DESTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTS:	8.	\$ 1,300,481
9.	DISCONNECTIONS/EXCLUSIONS:	9.	\$ 0
10.	PREVIOUSLY TAXABLE PROPERTY: <sup>†</sup> This includes the actual value of all taxable real property plus the actual value of religious, private school, and charitable real property. <sup>**</sup> Construction is defined as newly constructed taxable real property structures. <sup>††</sup> Includes production from new mines and increases in production of existing producing mines	10.	\$ 0

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

<b>TOTAL ACTUAL VALUE OF ALL TAXABLE PROPERTY</b>	<b>\$ 12,775,236,739</b>
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NOTE: ALL LEVIES MUST BE CERTIFIED TO THE COUNTY COMMISSIONERS NO LATER THAN DECEMBER 15. Mill certifications should be sent to the Pueblo County Office of Budget at 215 W 10th St. . You may also fax them to Countyfaxnumber.

Form DLG 57 (Rev. 8/02)

**CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments**

TO: County Commissioners<sup>1</sup> of Pueblo County, Colorado.  
 On behalf of the Southeastern Colorado Water Conservancy District  
 (taxing entity)<sup>A</sup>  
 the Board of Directors  
 (governing body)<sup>B</sup>  
 of the Southeastern Colorado Water Conservancy District  
 (local government)<sup>C</sup>

Hereby officially certifies the following mills to be levied against the taxing entity's GROSS \$ 1,713,133,926 assessed valuation of: (GROSS<sup>D</sup> assessed valuation, Line 2 of the Certification of Valuation Form DLG 57<sup>†</sup>)

Note: If the assessor certified a NET assessed valuation (AV) different than the GROSS AV due to a Tax Increment Financing (TIF) Area<sup>†</sup> 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: (NET<sup>G</sup> assessed valuation, Line 4 of the Certification of Valuation Form DLG 57)  
1,655,985,102  
 USE VALUE FROM FINAL CERTIFICATION OF VALUATION PROVIDED BY ASSESSOR NO LATER THAN DECEMBER 10

Submitted: 12/10/19 for budget/fiscal year 2020  
 (no later than Dec. 15) (mm/dd/yyyy) (yyyy)

PURPOSE (see end notes for definitions and examples)	LEVY <sup>2</sup>	REVENUE <sup>2</sup>
1. General Operating Expenses <sup>H</sup>	.900 mills	\$ 1,490,386.59
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction <sup>I</sup>	< .040 > mills	< \$ (66,239.40) >
<b>SUBTOTAL FOR GENERAL OPERATING:</b>	<b>.860 mills</b>	<b>\$ 1,424,147.19</b>
3. General Obligation Bonds and Interest <sup>J</sup>	mills	\$
4. Contractual Obligations <sup>K</sup>	mills	\$
5. Capital Expenditures <sup>L</sup>	mills	\$
6. Refunds/Abatements <sup>M</sup>	.009 mills	\$ 14,903.87
7. Other <sup>N</sup> (specify):	mills	\$
<b>TOTAL:</b> [Sum of General Operating Subtotal and Lines 3 to 7]	<b>.869 mills</b>	<b>\$ 1,439,051.05</b>

Contact person: (print) Loann Noga Daytime phone: (719) 248-9950  
 Signed: [Signature] Title: Financo 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 80202. Questions? Call DLG at (303) 864-7720.

<sup>1</sup> 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.  
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1,655,985,102  
 USE VALUE FROM FINAL CERTIFICATION OF VALUATION PROVIDED BY ASSESSOR NO LATER THAN DECEMBER 10

Submitted: 12/10/19 for budget/fiscal year 2020  
 (no later than Dec. 15) (mm/dd/yyyy) (yyyy)

PURPOSE (see end notes for definitions and examples)	LEVY <sup>2</sup>	REVENUE <sup>2</sup>
1. General Operating Expenses <sup>H</sup>	.035 mills	\$ 57,959.48
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction <sup>I</sup>	< .002 > mills	< \$ (3,311.97) >
<b>SUBTOTAL FOR GENERAL OPERATING:</b>	<b>.033 mills</b>	<b>\$ 54,647.51</b>
3. General Obligation Bonds and Interest <sup>J</sup>	mills	\$
4. Contractual Obligations <sup>K</sup>	mills	\$
5. Capital Expenditures <sup>L</sup>	mills	\$
6. Refunds/Abatements <sup>M</sup>	mills	\$
7. Other <sup>N</sup> (specify):	mills	\$
<b>TOTAL:</b> [Sum of General Operating Subtotal and Lines 3 to 7]	<b>.033 mills</b>	<b>\$ 54,647.51</b>

Contact person: (print) Loann Noga Daytime phone: (719) 248-9950  
 Signed: [Signature] Title: Financo Manager / Budget Officer

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<sup>2</sup> 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).

# 5.5% 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 2019 (Budget Year 2020)

Form DLG-53  
Revised 2006

Calculated: 13:46 12/10/2019  
Generated: 12:15 12/16/2019  
Limit ID: 121209

**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 2018 5.5% Revenue Limit to correct the revenue base, if necessary:**  
 A1a. The 2018 Revenue Limit [\$315,160] + 2017 Amount Over Limit [\$0] = \$315,160  
 A1b. The lesser of Line A1a [\$315,160] or the 2018 Certified Gross General Operating Revenue [\$296,632]  
 A1c. Line A1b [\$296,632] + 2018 Omitted Revenue, if any [\$0] = **A1. \$296,725**
- A2. Calculate the 2018 Tax Rate, based on the adjusted tax base:**  
 Adjusted 2018 Revenue Base [\$296,725] + 2018 Net Assessed Value [\$8,475,210,160] = **A2. 0.000035**
- A3. Total the assessed value of all the 2019 "growth" properties:**  
 Annexation or Inclusion [\$0] + New Construction [\$189,426,660] + Increased Production of Producing Mine [\$0] + Previously Exempt Federal Property [\$0] + New Primary Oil & Gas Production [\$0] = **A3. \$189,426,660**
- A4. Calculate the revenue that the "growth" properties would have generated in 2018:**  
 Line A3 [\$189,426,660] x Line A2 [0.000035] = **A4. \$6,630**
- A5. Expand the Revenue Base by "revenue" from "growth" properties:**  
 Line A1 [\$296,725] + Line A4 [\$6,630] = **A5. \$303,355**
- A6. Increase the Expanded Revenue Base by allowable amounts:**  
 A6a. The greater of 5.5% of Line A5 [\$16,685] or \$0 = \$16,685  
 A6b. Line A5 [\$303,355] + Line A6a [\$16,685] + DLG Approved Revenue Increase [\$0] + Voter Approved Revenue Increase [\$0] = **A6. \$320,039**
- A7. 2019 Revenue Limit:**  
 Line A6 [\$320,039] - 2019 Omitted Property Revenue [\$50] = **A7. \$319,989**
- A8. Adjust 2019 Revenue Limit by amount levied over the limit in 2018:**  
 Line A7 [\$319,989] - 2018 Amount Over Limit [\$0] = **A8.\* \$319,989**

**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.**

\* 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:

$$\text{Mill Levy} = \frac{\text{Revenue}}{\text{Current Year's Net Total Taxable Assessed Valuation}^2} \times 1,000$$

<sup>2</sup> Use the Net Total Taxable Valuation as provided on line 4 of the final Certification of Valuation from the County Assessor.

<sup>3</sup> Rounding the mill levy up may result in revenues exceeding allowed revenue.

S.E. Colorado Water Conservancy District  
Leann Noga or Budget Officer  
31717 United Avenue  
Pueblo, CO 81001

If you need assistance, please contact the Division of Local Government:  
www.dola.colorado.gov/dlg/ta/budgeting/  
Phone: (303) 864-7720  
Fax: (303) 864-7759



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 2019 (Budget Year 2020)

Form DLG-53  
Revised 2006

Calculated: 13:46 12/10/2019  
Generated: 12:11 12/16/2019  
Limit ID: 121208

**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.

- Adjust the 2018 5.5% Revenue Limit to correct the revenue base, if necessary:**  
 A1a. The 2018 Revenue Limit [\$8,104,107] + 2017 Amount Over Limit [\$0] = \$8,104,107  
 A1b. The lesser of Line A1a [\$8,104,107] or the 2018 Certified Gross General Operating Revenue [\$7,627,689]  
 A1c. Line A1b [\$7,627,689] + 2018 Omitted Revenue, if any [\$2,400] = **A1. \$7,630,089**
- A2. Calculate the 2018 Tax Rate, based on the adjusted tax base:**  
 Adjusted 2018 Revenue Base [\$7,630,089] + 2018 Net Assessed Value [\$8,475,210,160] = **A2. 0.000900**
- A3. Total the assessed value of all the 2019 "growth" properties:**  
 Annexation or Inclusion [\$0] + New Construction [\$189,426,660] + Increased Production of Producing Mine [\$0] + Previously Exempt Federal Property [\$0] + New Primary Oil & Gas Production [\$0] = **A3. \$189,426,660**
- A4. Calculate the revenue that the "growth" properties would have generated in 2018:**  
 Line A3 [\$189,426,660] x Line A2 [0.000900] = **A4. \$170,484**
- A5. Expand the Revenue Base by "revenue" from "growth" properties:**  
 Line A1 [\$7,630,089] + Line A4 [\$170,484] = **A5. \$7,800,573**
- A6. Increase the Expanded Revenue Base by allowable amounts:**  
 A6a. The greater of 5.5% of Line A5 [\$429,032] or \$0 = \$429,032  
 A6b. Line A5 [\$7,800,573] + Line A6a [\$429,032] + DLG Approved Revenue Increase [\$0] + Voter Approved Revenue Increase [\$0] = **A6. \$8,229,605**
- A7. 2019 Revenue Limit:**  
 Line A6 [\$8,229,605] - 2019 Omitted Property Revenue [\$1,276] = **A7. \$8,228,329**
- A8. Adjust 2019 Revenue Limit by amount levied over the limit in 2018:**  
 Line A7 [\$8,228,329] - 2018 Amount Over Limit [\$0] = **A8.\* \$8,228,329**

**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.**

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<sup>2</sup> Use the Net Total Taxable Valuation as provided on line 4 of the final Certification of Valuation from the County Assessor.

<sup>3</sup> Rounding the mill levy up may result in revenues exceeding allowed revenue.

S.E. Colorado Water Conservancy District  
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# 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 Statutes
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.



# 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 2020 BUDGET

