

BRIDGING THE NEXT 50 YEARS

Adopted
2012 Budget



Southeastern Colorado Water
Conservancy District

Adopted 2012 Budget
Southeastern Colorado Water Conservancy District
December 8, 2011



31717 United Avenue
Pueblo, Colorado 81001
(719) 948-2400
www.secwcd.org

Copies of the 2012 Budget and the Strategic Plan are available at the office and on our website.

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GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

Southeastern Colorado Water Conservancy District

For the Fiscal Year Beginning

January 1, 2012

Linda C. Danson Jeffrey P. Egan

President

Executive Director

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Mission Statement

Water is essential for life

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

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.



Board of Directors

Bill Long, President

Harold Miskel, Vice President

Ann Nichols, Treasurer

Scott Reed, Secretary

James Broderick, Assistant Secretary,
Treasurer

Gary Bostrom

Reed Dils

Tom Goodwin

Gibson Hazard

Greg Johnson

Kevin Karney

Carl McClure

Howard Miller

Vera Ortegon

David Simpson

Shawn Yoxey

Alan Hamel - Advisory Board Member

Committees

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

Our Core Values

A commitment to honesty and integrity

A promise of responsible and professional service and action

A focus on fairness and equity

Executive Director

Jim Broderick

2012 Staff

Liz Catt
Toni Gonzales
Robert Hamilton
Kevin Meador
Margie Medina
Lee Miller
Leann Noga
Jean Van Pelt
Tina White

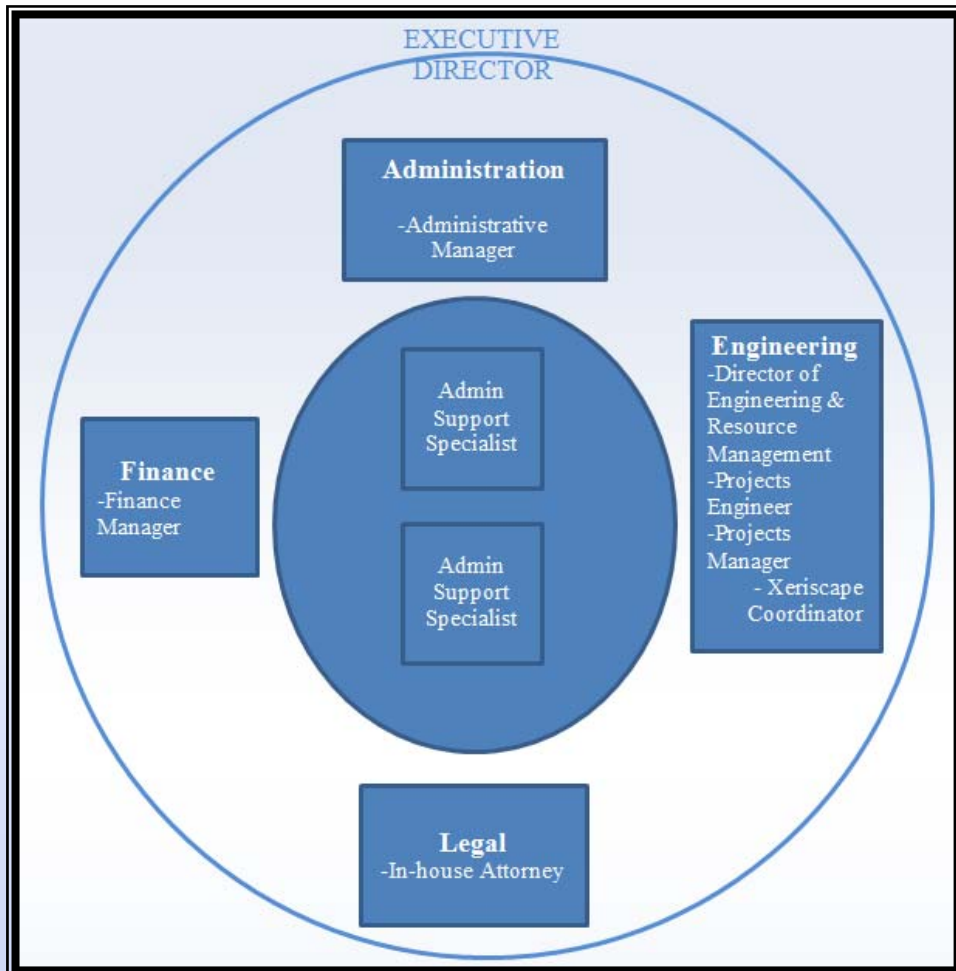


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To Our Board of Directors, Stakeholders and Constituents

Southeastern Colorado Water Conservancy District's budget and Strategic Plan for the year 2012 have been developed and are now being published. The objective of the budget and Strategic Plan is to communicate the alignment of the District's vision to its employees, management, Board, stakeholders and constituents. We commit ourselves to the betterment of the individual, the organization, and the communities by fostering a spirit of trust, creativity, cooperation, integrity, empathy, respect, and quality service to all.



These two documents address high level goals and objectives, accomplishments, budget levels, and financial statistics with both a historical and forward-looking perspective. They will be posted on our web site and be available to the general public. We continue having our employees forecast our project spending levels and projects throughout the budget cycle. The development of the budget and Strategic Plan is a bottom-up process requiring each employee within the District to determine the activities and resources needed to accomplish the overall objectives of the District. This has ensured that our projected resource needs are in line with our strategic goals and our long-term forecast.

Executive Director

James W. Broderick

To ensure that our corporate mission is accomplished, Southeastern Colorado Water Conservancy District developed a comprehensive Strategic Plan. The primary purpose of the Strategic Plan is to identify mid and long-term goals and objectives which, when linked with the budget will help us accomplish our mission.

The plan identified seven District-wide strategies to guide business activities during 2012. We also made a commitment to evaluate our performance in these areas and to reassess those strategies. The seven strategies are:

- ◆ Water Supply and Storage
- ◆ Human Resources
- ◆ Information Technology
- ◆ Project Development and Reliability
- ◆ Legal
- ◆ Finance
- ◆ Leadership

With our vision and these principles, we also need to briefly review the economic climate that has influenced the budget.

Economic Climate:

Falling home prices, tight credit, shrinking equity values, and job losses delivered a severe blow to the national and Colorado economies. Consumer and business spending, the core of both economies, plunged during the 2011. Despite efforts by the U.S. Treasury, the Federal Reserve, Congress and the White House to stimulate the national economy and free up credit, credit remained less available and economic output continued to fall. The outlook for the national and Colorado economies entering 2012 is with very little, if any momentum. As a result, both economies are still very weak. Although, the economic forecast projects improvement, it is expected to be slow. During this difficult and uncertain time, all revenues and expenditures will be closely monitored and appropriate adjustments will be made to ensure the District's financial health and stability.

For now, the District is in a stable financial position. However, the uncertainty regarding the depth and duration of the current economic situation has cast doubt about the level of District revenues expected next year and in the future. For these reasons, the District's Budget Implementation Plan focuses on a range of temporary and permanent cost reduction initiatives, revenue generation priorities, and the use of fiscal reserves for onetime events.

We are pleased with the outcome of this year's budget process, the budget and Strategic Plan documents. With these documents, along with our quarterly financial reviews, we will provide information to our Board and Stakeholders that is both interesting and informative.

As always, your feedback will help us to provide even better information in the future.

Respectfully,



James W. Broderick

Executive Director





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

Water Conservancy District

"Your investment in water"

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

It is my pleasure to present the 2012 Budget for the Southeastern Colorado Water Conservancy District (District) and the Water Activity Enterprise (Enterprise) for January 2012 through fiscal year ending December 31, 2012. Bridging the next 50 years, thematically reflects both our past 50 Years, and our vision for the next. Some objectives in the near future and in long-term Strategic Planning includes; completion of key projects in storage and the Arkansas Valley Conduit, completing the objectives of the 10,825 Project, paying off the primary debt, and developing better tools and methods for financial planning, water conservation, and communication. The detail of these projects and others are presented in this document in conjunction with our newly adopted Strategic Plan. The input and expertise of District staff is critical, as well as policy in budget development. The Strategic Plan is the overriding policy governing budget expenditure and the future direction of the District. Together the budget and the Strategic Plan, bridge the gap to form a blueprint of our organizational goals. Please use the budget as a guideline for our financial operations in 2012.

Annually, the District follows Colorado revised statutes in budget policy:

1. Budget officer was appointed (CRS 29-1-104) on August 18, 2011
2. A draft of the Proposed 2012 Budget was delivered to each member of the Board of Directors (CRS 29-1-105) on October 14, 2011
3. A publication of notice of budget was published in the Pueblo Chieftain and the Colorado Springs Gazette (CRS 29-1-106) on October 24 and October 21 respectively
4. Budget hearing (CRS29-1-108) on November 10, 2011
5. Budget adoption and appropriation (CRS 29-1-108) date set for December 8, 2011

Budgeting policy includes:

Mill levy calculation and assessment in accordance with the State of Colorado Department of Local Governments

Investment policy

A balanced grant budget

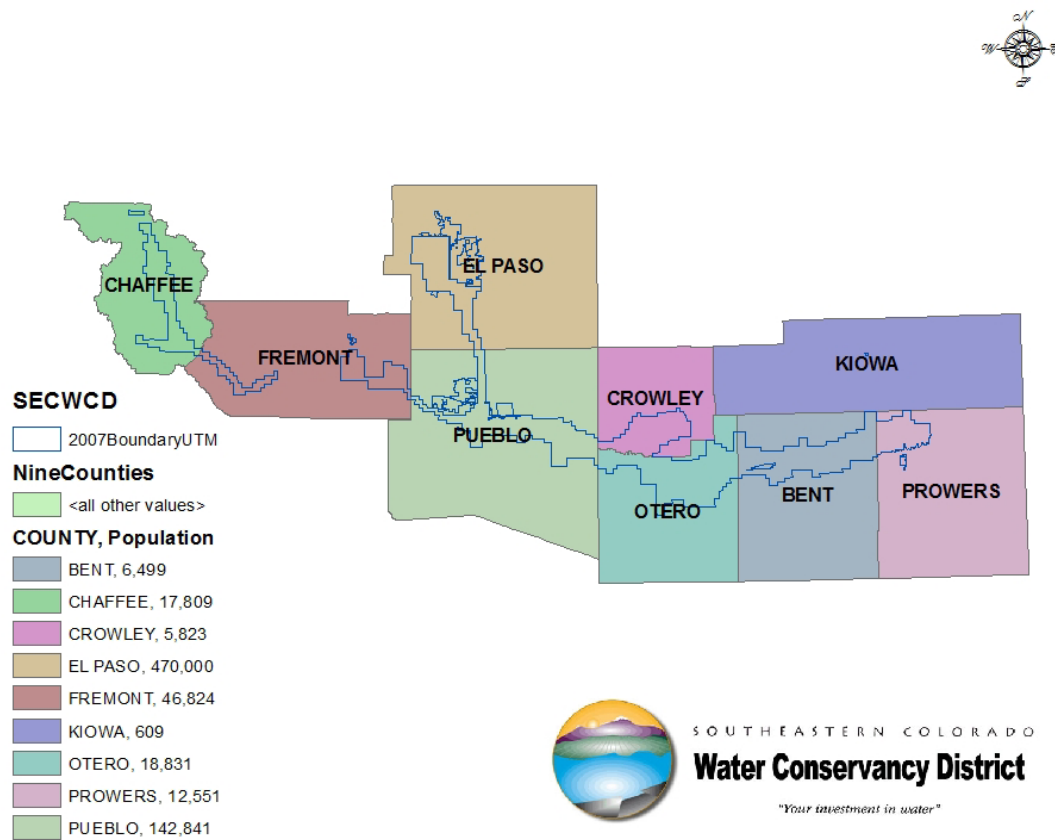
Project participation fees with matching expenditure

Project water allocation principles

The District has estimated revenue in 2012 of \$13,994,197. There are four types of revenue: tax revenue, pass-through activities, grant revenue, and other revenue. Other revenue includes; Enterprise reimbursement, interest on investments, and miscellaneous revenue

Population

Nine counties have an estimated population within the District’s boundaries of 721,787. This accounts for 14.4 percent of the population of the State of Colorado estimated in 2010 by the US Census Bureau of 5,029,196. The majority of the population that lives within the District boundaries and pays ad valorem



The largest county in the State of Colorado by population is El Paso County with 12% of the states population. 76% of El Paso County participates in the benefits of the Fryingpan-Arkansas Project.

taxes towards the primary debt of the Fryingpan-Arkansas Project (Project) is El Paso County at 65.1 percent, Pueblo County at 19.8 percent and Fremont County at 6.5 percent. The remaining counties make up 8.6 percent of the District’s estimated population within the boundaries of the Project.

The portion of tax collection by county is dependent on many factors and therefore population does not necessarily correlate to the amount of dollars the District receives. However, the District assesses the nine counties by an equal rate. Three tax rates, Contract, Abatement and Refunds, and Operating are combined for a total percentage on assessed values of taxable property. Only the Contract, and the Abatement and Refunds tax are used to repay the primary debt. Deductions from tax revenue might include current year abatements and refunds, uncollected prior year taxes, and collection fees charged by the counties. The United States Bureau of Reclamation (Reclamation) allows the District to deduct 95 percent of these deductions from the District’s bi-annual payment towards the primary debt of the Fryingpan-Arkansas Project.

TAX COLLECTION BUDGET BY COUNTY*

	<u>2010 Budget</u>	<u>2011 Budget</u>	<u>2012 Budget</u>	<u>% of Total</u>	<u>Population</u>	<u>% of Total</u>
Bent	\$ 46,790	\$ 45,928	\$ 47,248	0.7%	6,499	0.9%
Chaffee	\$ 284,193	\$ 292,402	\$ 271,038	4.0%	17,809	2.5%
Crowley	\$ 28,914	\$ 29,354	\$ 31,028	0.5%	5,823	0.8%
El Paso	\$ 5,027,376	\$ 5,035,280	\$ 4,689,930	69.5%	470,000	65.1%
Fremont	\$ 329,432	\$ 326,622	\$ 302,670	4.5%	46,824	6.5%
Kiowa	\$ 1,401	\$ 1,416	\$ 1,439	0.0%	609	0.1%
Otero	\$ 103,103	\$ 104,916	\$ 106,161	1.6%	18,831	2.6%
Prowers	\$ 50,973	\$ 51,170	\$ 53,089	0.8%	12,551	1.7%
Pueblo	\$ 1,101,990	\$ 1,112,316	\$ 1,237,065	18.3%	142,841	19.8%
	\$ 6,974,172	\$ 6,999,404	\$ 6,739,668	100%	721,787	100%

* as of December 15, 2011

The tax revenue breaks down into two categories. The first category is mill levy tax. Property owners within the District boundaries of the nine counties are taxed annually by their respective county assessor. The collections are referred to as a "pass-through" activity. Each year the District certifies three different mill levies to the nine Boards of County Commissioners for collection based on the boundaries of the District.

The Contract mill levy for 2012 is proposed to be set at 0.9 mills based on the calculated limits. This mill levy is controlled through Contract No. 5-07-70-W0086 Amendment No. 8 with the United States Bureau of Reclamation. Article 11. (a)(1) *provides for a maximum tax levy of .0009*. One hundred percent of the funds collected from this levy are used to pay for the operation, maintenance and replacement (OM&R), and capital construction costs related to the Project \$6,405,175.

The proceeds of the Contract mill levy collection are to repay the debt on the Fryingpan-Arkansas Project, commonly referred to as the Project. Reclamation has not submitted the outstanding debt schedule for 2012 at the time of this publication. The District collects approximately 70 percent of its annual ad valorem Contract Tax in the first seven months of the year with two payments due to Reclamation, one in June and one in December. The repayment for 2012 is budgeted at \$6,365,577.

A second mill levy is annually certified. In 2012, we propose this levy be set at 0.035 mills, to help pay operating costs of the District. This mill levy falls under TABOR limitations. The estimate for the operating tax, based on the county assessor reports, is \$249,090.

The third certified mill levy allows the District to budget for abatements and refunds of taxes by the portion of the nine counties within the District boundaries. This dollar amount is a levy that will generate the assigned dollar amount budgeted by the county assessor in each of the District's nine counties. For 2012, the abatement and refund allowance has been assessed at \$85,402 that will use a mill levy of approximately 0.012. During 2011, there was an increase in abatement for some counties. A portion of the abatement is included in the contract repayment.

The District is also entitled to a portion of Specific Ownership (SO) tax to assist with the operating, general and administrative expenditures. This is the second category or type of tax the District collects. SO tax is not a mill levy. SO tax is assessed to personal vehicles, trailers, boats, and other taxable items of similar nature by the State of Colorado. Although the District

Ad Valorem Tax

receives a very small percentage from the counties, the operating budget for 2012 will generate approximately \$555,000 based on estimated consumer spending on vehicles and related items. This represents a 17 percent decrease over the prior year.

The District collects money from Fountain Valley Authority (FVA) and from participants in the Winter Water Storage Program, and apply these payments towards the debt due to Reclamation. We receive a single payment from the FVA at the end of the year, equal to the FVA's payment due on the debt. The annual payment for 2012 is budgeted for \$5,352,760. The charge to participants

	ML	PRIMARY DEBT REPAYMENT RELATED TAX					
			<u>2012</u>	<u>2011</u>	<u>Variance</u>		
Contract Mill Levy Collection	0.900	\$	6,405,175	\$	6,652,022	\$ (246,847)	-3.7%
Abatement & Refund of Tax	0.012	\$	85,402	\$	88,694	\$ (3,292)	-3.7%
Prior Year Tax	est	\$	(15,000)	\$	(5,000)	\$ (10,000)	200.0%
County Collection Fees	est	\$	(110,000)	\$	(110,000)	\$ -	
		\$	6,365,577	\$	6,625,716	\$ (260,139)	-4%

for the Winter Water Storage Program is \$2.80 per acre-foot on storage. We anticipate storing 46,000 acre-feet of storage between November 15, 2011 and March 14, 2012. Our payment, which is credited to the Project's debt with Reclamation, is budgeted for \$128,800.

Investment Policy

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

- U.S. Treasury obligations pursuant to C.R.S. 24-75-601.1(1)(a)
- Obligations of U.S. Government Agencies pursuant to C.R.S. 24-75-601.1(1)(b)
- Any corporate or bank security, issued by a corporation or bank that is organized and operated within the U.S. pursuant to C.R.S. 24-75-601.1(1)(m)
- Revenue obligations of any state of the U.S., the District of Columbia, or any territorial possession of the U.S., or of any political subdivisions of any state, rated in the highest rating category by two or more nationally recognized organizations that regularly rate such obligations pursuant to C.R.S. 24-75-601.1(1)(e)
- General obligations of any state of the U.S., the District of Columbia, or any territorial possession of the U.S., or of any political subdivisions of any state, rated in the highest two rating categories by two or more nationally recognized organizations that regularly rate such obligations pursuant to C.R.S. 24-75-601.1(1)(d)
- The purchase of any repurchase agreement pursuant to C.R.S. 24-75-601.1(1)(j)
- Money market mutual funds pursuant to C.R.S. 24-75-601.1(1)(k) and
- Local government investment pools pursuant to C.R.S. 24-75-701, et seq.

Current regulatory challenges in investment for local governments are reflected in C.R.S. 24-75-601.1(1)(b)(II). Nationally recognized credit rating organization Standards and Poor (S&P) cut the credit rating of long-term US Treasury securities from AAA to AA+. During the next 2012 General Assembly of the State of Colorado, this issue may be addressed.

The 2012 Budget for investments, based on projected fluctuations in the market are \$153,400 for the District and \$126,597 for the Enterprise.

All other operating revenue for the District is Enterprise reimbursement and miscellaneous revenue. The Enterprise was created to handle the operation of the business activities within the District. The increased activity in the Enterprise may be measured by operating revenue. The District only receives about 30 percent of the total operating revenue government-wide. This indicates that the Enterprise uses a larger portion of District resources in managing operational activities. As a matter of District policy, in 2012 an allocation of District overhead charges to the Enterprise will be made. To estimate the reimbursement from the Enterprise to the

District, three expenditures are included. The reimbursement totals approximately 57 percent of activities including the primary costs of burdened payroll, building space and maintenance, supplies, and other expenses.

The District also records miscellaneous revenue. This revenue is budgeted at \$700 and is comprised of room rental and other small miscellaneous items.

In 2012, the District has six grant-funded projects that maintain continued support of work in conservation and education. Grants are managed by the Conservation Outreach Coordinator. A narrative and financial breakdown of each grant, the associated expenditures and the District's expected match are included in the Budget.

Grant Budget 2012

<u>Project</u>	<u>Fund</u>	<u>State</u>	<u>Federal</u>
CWCB Excess Capacity Blue Mesa	Enterprise	\$ 112,500	
AVC Water Conservation from 2011	Arkansas Valley Conduit		\$ 23,096
AVC Water Conservation 2012	Arkansas Valley Conduit	\$ 53,337	\$ 20,000
Childrens Water Festival	District		\$ 2,000
Colorado Water 2012	District		\$ 5,000
Xeriscape Website	District		\$ 800
Waterwise Website and CoAgMet	District		\$ 3,850
		\$ 165,837	\$ 54,746

Southeastern Colorado Water Activity Enterprise

The Enterprise established in September 1995, continues to grow as the Business Activity for the District. The purpose of the Enterprise is to include activities such as operation, and replacement and maintenance of water projects and facilities, and related contracting, financing, and administration activities. In March 1999, the Enterprise began studying the future storage of water within the District, and all associated engineering studies including structural and non-structural water planning management, to meet the water needs of our constituents through the year 2040. In 2011, the United States Bureau of Reclamation (Reclamation) signed a Memorandum of Agreement (MOA) with the District for the Excess Capacity Master Contract and Arkansas Valley Conduit participants. These activities are budgeted in the Business Activity fund. Enlargement of facilities is a project that will have increased activity in 2012. This may include the future enlargement of Pueblo and Turquoise Lakes. The participants in these programs are responsible for contributions to the Arkansas Valley Conduit, Enlargement, and Excess Capacity Master Contract projects. Hydroelectric Power has been budgeted for \$200,000, to meet the strategic objective "to develop and maximize Fry-Ark power generation capabilities". Other ongoing projects are the 10,825 Project and the Upper Colorado River Endangered Fish Recovery Program, and other Colorado River issues. The Restoration of Yield (ROY) Project is a program that allows for recapture of water lost due to diminished exchange capacity because of Pueblo's Recreational In-Channel Diversion (RICD) negotiations. RICD refers to the Pueblo Kayak Park. ROY is budgeted at \$5,000. Aurora, Board of Water Works Pueblo, and Colorado Springs Utilities have made significant contributions to this project. Finally, we continually strive to focus on protecting both the District's water rights and Colorado's water rights.

Enterprise Revenue

The revenues that the Enterprise generates comes from water sales, water surcharges, well augmentation surcharges, interest from investments and payments from entities participating in the ongoing projects.

Participant Reimbursement on Projects

The Arkansas Valley Conduit (AVC) participants signed a Memorandum of Understanding in 2011 with the District. This allows the participants to reserve conveyance of water within the conduit, and to participate in the National Environmental Protection Act

Environmental Impact Statement (NEPA EIS). The budget for the AVC in 2012 totals \$348,282. The District anticipates the Intergovernmental Personnel Act contract with Reclamation to reimburse the District \$174,929 for costs associated with project personnel working to benefit the participants' on the development of the AVC NEPA EIS.

Long-term Excess Capacity Master Contract is a long-term storage contract for storage of non-Project water in Project facilities. This project is fully funded by participants with an expected contribution in 2012 of \$243,621. The participants paid for a portion of the NEPA EIS study in 2010 and 2011. The remaining portion of \$150,183 will be due in 2012.

Enlargement Study is an ongoing project that focuses on enlarging Pueblo and Turquoise Reservoirs. The single source of revenue comes from participant contributions. The major expenses are the ongoing USGS water studies, and project personnel time. These account for about 70 percent of the expenditures, with the remaining 30 percent on external consultation. In 2012, staff budgeted \$118,167.

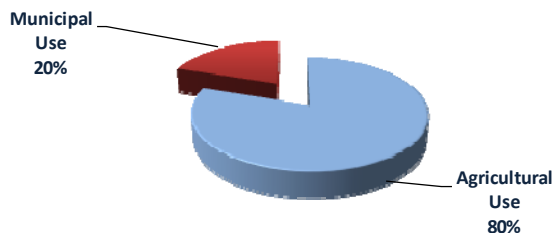
The Regional Resource Planning Group (RRPG) works in alliance with the US Geological Survey (USGS). The participating entities include the City of Aurora, Colorado Springs Utilities, Lower Arkansas Valley Water Conservancy District, Board of Water Works of Pueblo, Southeastern Colorado Water Conservancy District, and the Upper Arkansas Water Conservancy District. The Enterprise manages the financial activity of RRPG. The Enterprise collects the participant payments to fund the ongoing studies for RRPG projects. The difference between the incoming revenue and expenditure is the Enterprise contribution to the RRPG.

Project Water and Related Charges

Project water allocation is estimated on a 20 year rolling average. In 2012, engineering estimated an allocation of 47,300 acre-feet of

TIMELINE OF PROJECT WATER DISTRIBUTION	
April	The District distributes Project water application requests
	Deadline to have applications completed
May 15	The Bureau of Reclamation must notify Southeastern of Project water availability
May Board Meeting	Directors approve Project water allocations, upon review of the Allocation Committee
November	80 percent of Project water allocated for Agriculture must be used
May (year later)	The remaining 20 percent of Project water allocated for Ag must be used. Unused Municipal Project water goes into the carry-over Project water account

PROJECT WATER REVENUE 2011



water to eligible municipal, industrial and agricultural users within the District's boundaries. Other sources of operating revenue for the Enterprise include water surcharges, storage, return flow water, well augmentation, and carry-over water. Many of these charges are related to the allocation of Project water and are an important source of operational funds.



Safety of Dams (SOD) is a project that began in July 1998, and is functionally a repayment project to Reclamation. SOD is the reimbursable costs for modification of the Pueblo Dam and related facilities, to include M&I and irrigation (Ag) beneficiaries. The SOD modifications were undertaken to fully restore the previous conservation storage capacity and operations of the Pueblo Reservoir. A SOD surcharge is charged to participants purchasing the following: Project water; If & When storage; Carry-Over Project water storage, and Winter Water storage. The charges range from \$.25 per acre-foot (AF) for Winter Water storage to \$2.00 (AF) for out of District If & When storage.

The table below breaks out SOD surcharges.

<u>Type of Water Sales</u>	<u>Charge per AF</u>
Project Water Ag & M&I	\$0.50
Well Augmentation Ag & M&I	\$0.50
Carry-Over Project Water	\$1.00
If & When in District	\$0.50
If & When out of District	\$2.00
Return Flows	\$0.50
Winter Water Storage	\$0.25

Water Activity Enterprise (WAE) and Well Augmentation surcharges include:

The Enterprise surcharge assesses for the following types of Project water and for the use of Fry-Ark Project facilities:

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 is also charged to participants. This includes storage use for entities that are either in or out of the District boundaries. Entities out of the District boundaries pay a different rate.

The Well Augmentation Surcharge is assessed to Municipal and Ag customers using “First Use” Project water for well augmentation rather than for direct irrigation or municipal use. Aurora Intergovernmental Agreement (IGA) includes SOD surcharges of \$100,000 as well as an annual administrative reimbursement of \$50,000.

The following table depicts the method that the Director of Engineering and Resource Management uses to calculate water charges:

Estimated Water Rates and Surcharges 2012

Type of Water Sales	Surcharges				Total Charge
	Water Rate	SOD	WAE	Augmentation	
Project Water					
Agricultural	\$7.00	\$0.50	\$0.75		\$8.25
Municipal	\$7.00	\$0.50	\$1.50		\$9.00

Project Water used for Well Augmentation

Agriculture used for Well Augmentation	\$7.00	\$0.50	\$0.75	\$2.60	\$10.85
Municipal used for Well Augmentation	\$7.00	\$0.50	\$1.50	\$2.60	\$11.60

Winter Water Storage	\$2.80	\$0.25	-	-	\$3.05
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Carry-Over Project Water	-	\$1.00	\$1.25	-	\$2.25
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If & When Storage					
Municipal & Agricultural		SOD	WAE		Total
In District	-	\$0.50	\$0.50	-	\$1.00
Out of District	-	\$2.00	\$4.00	-	\$6.00
Aurora	-	\$2.00	\$8.00	-	\$10.00

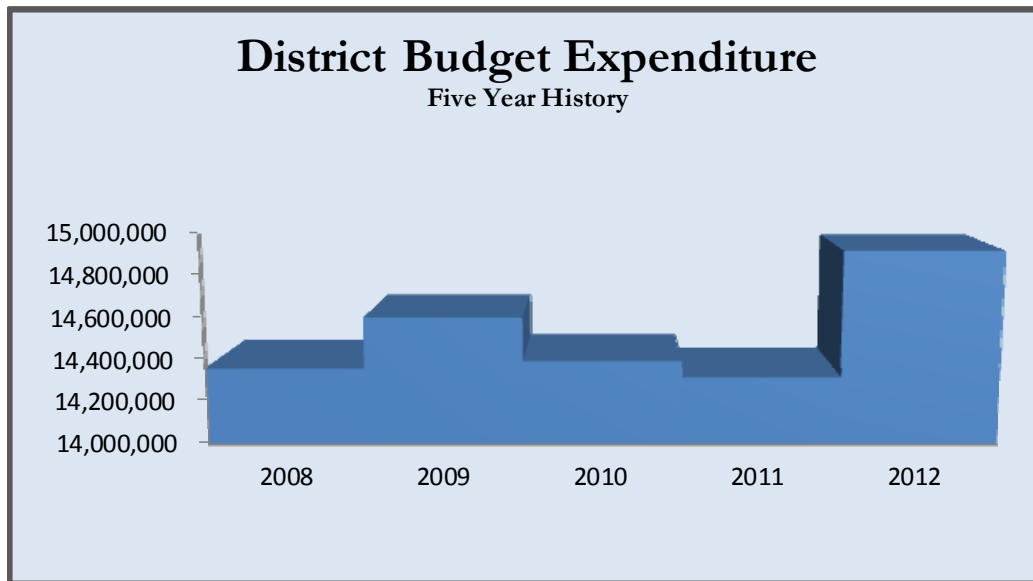
Expenditures

Total Government Wide expenditures in 2012 are \$17,272,165.

	Government Activity	Business Activity					Government Wide
	District	Water Activity Enterprise Administration	Excess Capacity Master Contract	Enlargement	Arkansas Valley Conduit	Hydroelectric Power	
Revenue	\$ 13,994,197	\$ 1,341,937	\$ 243,621	\$ 118,167	\$ 444,715	\$ -	\$ 16,142,637
Expenditure	\$ 14,923,767	\$ 1,341,895	\$ 243,621	\$ 118,167	\$ 444,715	\$ 200,000	\$ 17,272,165
Fund Balance	\$ (929,570)	\$ 42	\$ -	\$ -	\$ -	\$ (200,000)	\$ (1,129,528)

Government Activity Expenditure

- The key expenditures for Government Activity in the 2012 budget relate to executive and leadership activities, legislation, studies, project and program support, and 50th Anniversary.
- The District has budgeted capital expenditures including \$850,000 to purchase the Red Top Ranch with other partners to meet the requirements of the 10,825 Project.



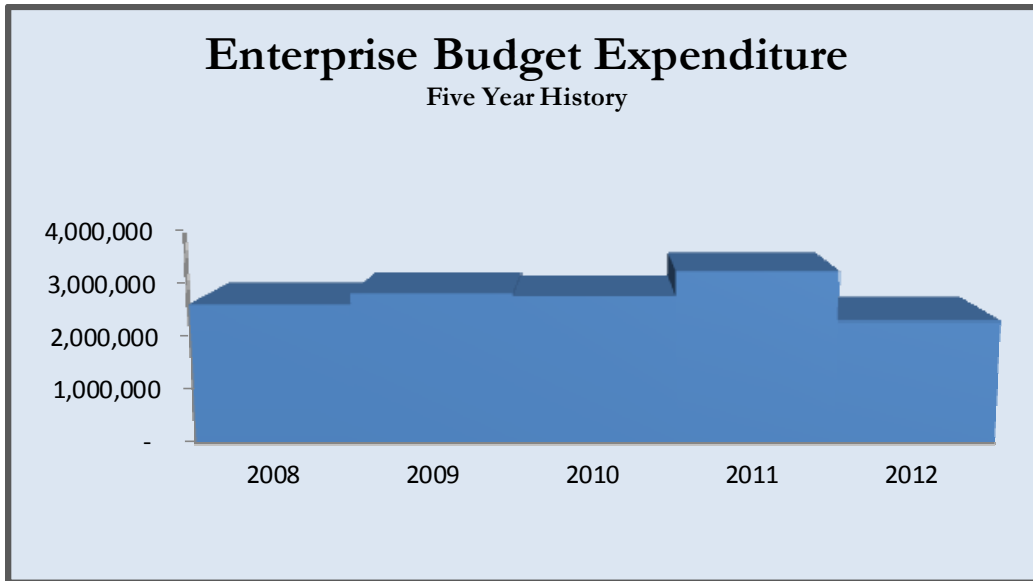
- Human Resources includes salaries and benefits. Professional development is budgeted as well.
- Professional and technical expenses included in the budget are Engineering, Lobbyist, Legal, Audit, Information Technology Consultants.
- Grant and Conservation projects
- All other operating expenditures such as office supplies, utilities, and care and maintenance of the facilities

Business Activity Expenditure

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

- Water studies
- Regional Resource Planning Group

- Colorado River Services
- Capital Improvements SOD
- Hydroelectric power
- Recovery Implementation Program
- Reimbursement to the District for personnel and associated overhead
- Professional and technical expenses included in the budget are for Engineering , Lobbyist, Legal, Audit
- Grant projects
- Travel and meeting expense directly related to projects and core functions of the Enterprise



Key strategic features in the 2012 Budget Government-wide include:

- Human Resources
 - Additions to the engineering team reduce the cost of outside engineering consultant fees by an estimated 83 percent
 - Reduce outside consultant legal fees by 52 percent by hiring in-house legal staff

Government Wide

Human Resources

	Actual 2010	Budget 2011	Budget 2012
Salaries and Benefits	978,832	1,196,449	1,275,471
Budget increase due to 2 FTP*			
Legal Consultants	567,057	727,500	350,500
Engineering Legal Consultants	601,997	609,685	107,000
Engineering Outside Contracts	65,880	37,000	5,000
Total	1,234,934	1,374,185	462,500

Budget decrease due to 2 FTP*

**FTP includes Legal and Project Engineer*

- Colorado River Services
 - Staff budgeted half the estimated partnership cost to purchase Red Top Ranch to implement the 10,825 Project
- Hydroelectric Power
 - Hydroelectric power at the Pueblo Reservoir North Outlet as a future revenue stream, was budgeted at 10 percent of the estimated initial startup costs of the project

- Purchase of software for Reclamation Reform Act management
- Updating the primary website for the organization
- Celebrating the 50th Anniversary

Budget Strategic Policy

The District uses a strategic approach in planning for project development. In 2012, under the direction of the District, budgeted projects will continue to develop toward fruition of the future water needs of the constituents within the District boundaries of the nine counties.

1. Conservatively operate within the means of operating revenues.
2. Pay off the debt to Reclamation in a timely manner.
3. Continue supporting the activities and providing professional direction to the Water Activity Enterprise for purposes of completing the core projects: Arkansas Valley Conduit, Excess Capacity Master Contract, and Enlargement.
4. Initiating and developing new projects that benefit the stakeholders. In 2012, those projects include the purchase of Red Top Ranch for the right to divert water and to pursue the possibility of a hydroelectric power partnership for the Pueblo Dam.
5. Alleviate risk in the general economy by maintaining a portion of unrestricted funds with a balanced investment protocol. This risk is identified by decreases in property tax revenue, SO tax, and changes to the State of Colorado law by amendment or proposition.
6. Maintain an integrated team that is knowledgeable and committed to the adherents of the Strategic Plan.
7. Develop a means of financial sustainability through investment integrated with project development within the Fryingpan-Arkansas Project.
8. Initiate a plan for the future of the District that will maintain the components, and meet our mission by providing Project water for municipalities and industry, agriculture, and other beneficiaries.



Respectfully submitted,

Tina White
Finance Manager & Budget Officer

Tax Revenue Calculations



Every year, the nine participating counties in accordance with state law, send the Budget Officer their total assessed valuations for the current year. The first mailing is generally a year-end estimate and is received on or around August 25, 2011. The final assessment is due by December 10, 2011. From these assessed property values, we estimate collections for contract repayment, operations, and abatement and refunds. For 2011 values and assessments that will be collected in 2012, the following table estimates a decrease in assessed values. The total assessment for 2011 is \$7,391,135,339.

County	2010 Assessed Value	2011 Assessed Value	Value Change	Percent Change
Bent	48,498,680	49,892,639	1,393,959	2.87%
Chaffee	308,766,872	286,206,497	(22,560,375)	-7.31%
Crowley	30,997,193	32,764,858	1,767,665	5.70%
El Paso	5,317,085,380	4,952,407,870	(364,677,510)	-6.86%
Fremont	344,902,240	319,609,562	(25,292,678)	-7.33%
Kiowa	1,495,290	1,519,190	23,900	1.60%
Otero*	110,787,939	112,102,629	1,314,690	1.19%
Prowers	54,033,490	56,059,724	2,026,234	3.75%
Pueblo	1,174,568,255	1,306,298,461	131,730,206	11.22%
Total	7,391,135,339	7,116,861,430	(274,273,909)	-3.71%

In order to calculate the operating mill levy for the District, TABOR calculations must be done to ensure that we are not overcharging the taxpayer. TABOR is a method of limiting the growth of government. Increases in overall tax revenue are tied to inflation and population increases unless larger increases are approved by referendum. "In 1992, the voters of the state amended Article X of the Colorado Constitution to the effect that any tax increase resulting in the increase of governmental revenues at a rate faster than the combined rate of population increase and inflation as measured by either the cost of living index at the state level, or growth in property values at the local level, would be subjected to a popular vote in a referendum." This applies to any cities and counties in Colorado as well as the state itself. The calculations for TABOR are included in the next tables, to verify the budgeted basis for the reader's knowledge. These calculations are generally completed on Form DLG-53a. The rate of inflation to use in this calculation is issued by the Department of Local Affairs (DOLA) <http://dola.colorado.gov>. For September of 2011, the Office of State Planning and Budgeting issued a Consumer Price Index (CPI) projection of 3.5 percent. The year-end CPI for budget planning in 2012 will not be issued until December.

Operating tax revenue is affected by TABOR. However, the contract mill levy is not affected, as it is used for the repayment of the "pre-TABOR" debt to the Project. This mill levy is set at .9 for as long as the District must repay Reclamation for the Project, subject only to the 5.5 percent calculation. In 2012, the mill levy is calculated based on the Division of Local Government (DLG) at .035 to cover the operational expenses of the District. The final mill levy on abatements & refunds is an average based on each counties assessment. Table 2 identifies the estimated calculations of revenues based on our collection for all levies in 2011 for the 2012 budget.

Table 2

SOUTHEASTERN COLORADO WATER CONSERVANCY DISTRICT

Collections for all Levys - 2011 for 2012 Budget

County	2011 Assesd Value	Percent of Total	Contract Repayment		Operating		Abatements & Refunds		Total Collections
			Mill Levy	Collections	Mill Levy	Collections	Mill Levy	Collections	
Bent	49,892,639	0.70%	0.900	44,903	0.035	1,746	0.012	599	47,248
Chaffee	286,206,497	4.02%	0.900	257,586	0.035	10,017	0.012	3,434	271,038
Crowley	32,764,858	0.46%	0.900	29,488	0.035	1,147	0.012	393	31,028
El Paso	4,952,407,870	69.59%	0.900	4,457,167	0.035	173,334	0.012	59,429	4,689,930
Fremont	319,609,562	4.49%	0.900	287,649	0.035	11,186	0.012	3,835	302,670
Kiowa	1,519,190	0.02%	0.900	1,367	0.035	53	0.012	18	1,439
Otero	112,102,629	1.58%	0.900	100,892	0.035	3,924	0.012	1,345	106,161
Prowers	56,059,724	0.79%	0.900	50,454	0.035	1,962	0.012	673	53,089
Pueblo	1,306,298,461	18.35%	0.900	1,175,669	0.035	45,720	0.012	15,676	1,237,065
Total	7,116,861,430	100.00%		6,405,175		249,090		85,402	6,739,668
			Contract + Operating Ad Valorem = 0.935 \$ 6,654,265						

Total compared 2010 to 2011 Assessed Values & projected taxes

2011	7,116,861,430		0.900	6,405,175	0.035	249,090	0.012	85,402	6,739,668
2010	7,391,135,339		0.900	6,652,022	0.035	258,690	0.012	88,694	6,999,405
Increase(Decrease)				(246,847)		(9,600)		(3,291)	(259,737)

Based on Assessments provided by the counties by December 15, 2011

The projected revenues identified in the District budget as Contract Mill Levy, Operating Tax Revenue and Abatement and Refund of Tax Collections are calculated: \$6,405,175, \$249,090, and \$85,402 respectively. To calculate the Abatement and Refund of Tax Collections, all abatements submitted by the county assessors are totaled. This total is divided by the assessed value to reach a levy assessed to all counties. These calculations are estimates based on assessments. Due to the volatility of the economic climate, including foreclosures, protested assessments, and activity of consumer spending including homes and cars, the value of collections is not a guarantee. To mitigate the risk in tax collections, the second annual payment to Reclamation, is always adjusted to actual.

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A Historical Perspective



**Write-up on
Projects and
Programs
Within
The District**



A Historical Perspective



The Fryingpan-Arkansas Project (Project) provides a reliable water supply for municipal and industrial users, agriculture, recreation, and wildlife to the Project stakeholders in southeastern Colorado. To celebrate the progress of the Project, and to reach the strategic goals of

the organization in the future, a historical perspective is featured in the 2012 Budget. Many of the projects and programs promote the development and completion of the elements of the Project.

The Homestead Act, a law signed by President Abraham Lincoln in May 1862, effectively redistributed Government land to settle issues related to the Revolutionary War. Territories were divided into six-mile square areas called a township. Townships were further divided into 36 sections of 1 square mile each or 640 acres. The move west had begun and the population shift within the borders of the United States would remain. If a homesteader occupied 160 acres of land for five years, transfer of title to the homesteader occurred for a nominal fee. The first homesteader in Colorado was the Stevens-Coulahan log cabin built in Wheat Ridge in the 1860's. With the influx of homesteaders, management and the infrastructure of water systems for municipal, industrial and agricultural uses became critical. The long-term effect of the Homestead Act includes 270 million agricultural acres and 93 million Americans.

The first water right in Colorado was granted in District 14 in 1861. This right is more locally recognized today as the Bessemer ditch, located in Pueblo, Colorado. By the time the Homestead Act had passed, there were already 14 registered water rights in the State of Colorado. Towns grew, and with reliable water system development, locally grown produce and livestock would encourage economic independence. The United States Congress enacted the Reclamation Act in 1902. The intent of the act was to develop irrigation methods in the west to encourage family



FIFTY-SEVENTH CONGRESS.
Sess. I. CH. 1093
-- June 17, 1902
[Public, No. 161]

CHAP. 1093. -- An Act Appropriating the receipts from the sale and disposal of public lands in certain States and Territories to the construction of irrigation works for the reclamation of arid lands.
(Francis Griffith Newlands, 1902)



Application } Homestead
 No. 1. } Land office
 Brownville N.T. January 1st 1863

I Daniel Freeman of Gage County Nebraska Territory
 Do hereby apply to enter under the Provisions of the
 act of Congress approved May 20th 1862 entitled, an act
 to Secure Homesteads to actual Settlers on the Public Domain
 The South half of N. 1/4 & NE 1/4 of N 1/4 & S 1/4 of N 1/4 Sec. 26.
 in Township ~~34~~⁽⁴⁾ N in Range Five East. containing 160 acres
 Having filed my Preliminary Declaration thereto on
 the Eighth day of September 1862

Daniel Freeman

Land office at:
 Brownville N.T. January 1st 1863

I Richard F Barrett Register of the Land office do
 hereby certify that the above application is for damaged
 Lands of the Class which the applicant is legally entitled to enter
 under the Homestead act. of May 20th 1862 and that there is no
 Prior valid adverse Right to the same

Richard F Barrett
 Register

Homestead Act, First Application on File to Daniel Freeman, January 1, 1863



**PUEBLO DISASTER
BRIEFLY DESCRIBED**

The situation tonight in Pueblo, Col., after the waters of the Arkansas and Fountain rivers had receded may be summed up as follows:
Dead, 500, estimated.
Property damage from flood and fire, \$10,000,000.
Martial law proclaimed with state rangers and national guard in control. Orders "shoot to kill" given to prevent looting.
Two-thirds of city still under water; business section ruins from fire; thousands marooned on high points.
City without light, heat, drinking water. No sanitary arrangements and pestilence feared.
System of food from rationing instituted and food administrator named.
Relief trains started from Denver and Colorado Springs. Red Cross organizing relief measures.



The Fryingpan- Arkansas Project was developed to control flooding and mitigate drought, as well as plan for southeastern Colorado's future water needs.

farming. Through the act, Congress created a funding mechanism to develop the construction of irrigation projects in the west. Implementing the act took time, and expansion along the Arkansas continued.

As settlements popped up along the Arkansas and Fountain Rivers, concern over the natural occurrence of flooding grew. Settlers first began reporting floods in 1844. These were interspersed with long periods of drought. The "Great Flood of Pueblo" in July 1921, is historically the largest recorded. The water was nine and half feet deep in some urban areas. *"The flood covered over three hundred square miles."* (telcomhistory.org) The United States Geological Survey reported that the discharge prior to the flood was 298 second-feet. *"During the flood, the flow was 103,000 second-feet at Pueblo to 200,000 second-feet at La Junta."* (Jones, 1922)



Other reports state more than 1,500 people died, and property damage totaled twenty million dollars. Newspapers as far away as Tennessee reported looting, two thirds of all businesses on fire, and an appeal for relief efforts.

Even today, the devastation from flooding can be an economic disaster. In September 2011, flooding on the Fountain River caused property damage and erosion. Flood control is a critical function of the Project.

2012 Budget



Bridging the Next 50 Years

In 1937, the dust bowl destroyed farmland in the west and rendered poverty in its wake. Historically, the climate in southeastern Colorado is unpredictable and volatile. Less than ten years later, farmers and community leaders along the Arkansas valley to the Kansas border formed the Water Development Association in 1946. Their vision was to bring supplemental water to the Arkansas River basin, to mitigate drought, and to manage flood. The work they did became the cornerstone for the District's foundation.

In April 1958, the Southeastern Colorado Water Conservancy District (District) was created to develop the Fryingpan-Arkansas Project. Water is arguably Colorado's most important resource. The management of the District's Project water helps our communities thrive, economically and agriculturally. On August 16, 1962, in Pueblo, Colorado, United States President, John F. Kennedy, signed into law, an act of the 87th Congress; *"To authorize the construction, operation and maintenance by the Secretary of the Interior of the Fryingpan-Arkansas Project, Colorado."* It is only by coincidence that this occurred one hundred years after Abraham Lincoln signed the bill that created the need for water management in the west. As the District prepares for a 50th Anniversary celebration, we recognize the many celebrations and anniversaries that relate to water in our state.

The nine counties who fund and benefit from the Project have bridged the gap between drought and flood to a reliable water supply for their municipalities and agricultural lands. The first piece of the Project to be built was Ruedi Dam and Reservoir in 1964. Development continues today, as we partner with the stakeholders of the Arkansas Valley Conduit. Strategically, we cannot consider the Project as static. As the recognized stewards of the Project, the District must continue in their mission of developing, protecting, and managing our water resources.

In 2012, the District celebrates their 50th anniversary. This long anticipated celebration provides an opportunity for education and strategic outreach towards our communities. In 2011 and throughout 2012, a total budget of \$60,000 was established to cover the many activities and events. District staff in partnership with the Bureau of Reclamation have teamed up for the event!

A Commemorative Magazine	Events at Lake Pueblo State Park	Commemorative & Congratulatory videos
Tours of the Fry-Ark Project	Leadership Outreach Opportunities	A Celebration Dinner



Prowers, Colorado 1937



Charles Boustead

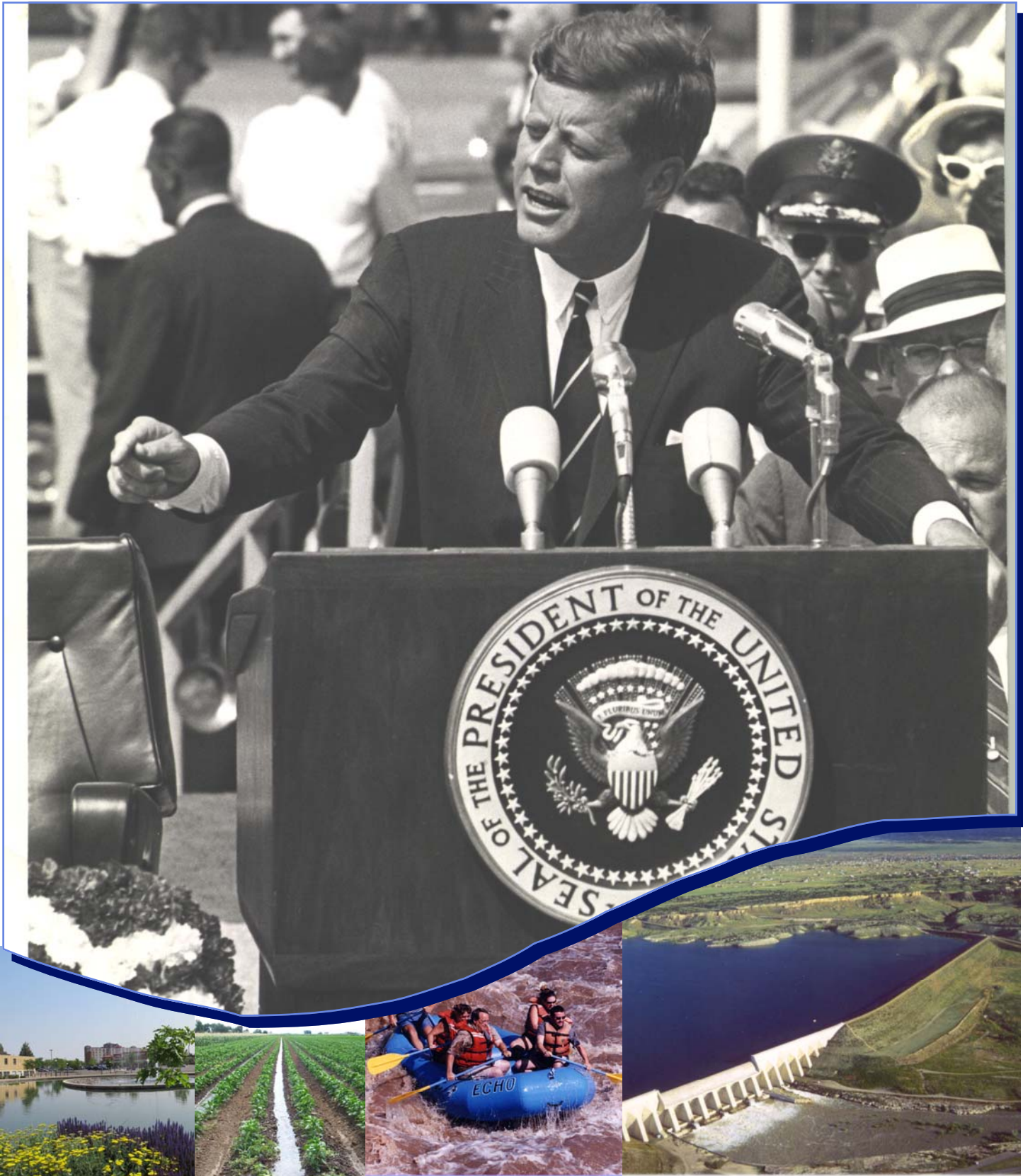
Frank S. Hoag Jr.

Damian Ducy

Harold Christy

Served as volunteers and leaders for the Water Development Association of Southeastern Colorado.

They were instrumental in getting the Fryingpan-Arkansas Project approved.



2012 Budget



Bridging the Next 50 Years

Over the next 50 years, the development and management of the Fryingpan-Arkansas Project, the features and capabilities, is the key component for a long-term strategic future. The work on Project features are budgeted and will be discussed in detail. In celebrating, the 50th anniversary of the Fryingpan-Arkansas Project the District brings forth a planned effort in developing water projects in southeastern Colorado. The District is a government that provides leadership, community and strategic alliance to other governments and organizations on a wide-scale basis. These cooperative relationships are formed to provide many services in a cost effective manner to the taxpayers and participants within the District boundaries as well as stakeholders in other communities.

Strategically the District continues to promote the management of our rivers and streams to accomplish the following tasks:

- Flood control
- Analysis of the current spill policies and development of a working model of spill priority
- Storage to mitigate extreme drought
- Enlargement to provide additional storage
- The Arkansas Valley Conduit to move the Fry-Ark Project towards completion
- Participation in the preservation and conservation of southeastern Colorado's water resources
- Development of Project features to ensure the economic viability and sustainability of the District
- Allocation strategies for wet, dry, and average years
- Development and reliability of the system including analysis of the operations, maintenance and replacement of outdated or non-operational features
- Protecting our water rights
- Providing water leadership to the District

Annually, Reclamation reports in the "Annual Operating Plans Fryingpan-Arkansas Project" the potential dollars that the Project benefits in flood control. For 2010, the benefit totaled \$2,993,000.





Reclamation Reform Act

The Homestead Act of 1862 created the need for sharing water and developing water law and policy to govern and ensure the homesteaders a fair-share. The Reclamation Act of 1902 bridged that gap in water law. The Reclamation Reform Act (RRA) of 1982 further defined and codified acreage limitations to agriculture. Today, Project water users within our boundaries are required to file RRA forms with the District, prior to receiving an allocation of Project water. Historically, the District conformed to the discretionary provisions of the RRA in 1984.

The limitations as specified are:

1. 240 acres for qualified recipients
2. 40 Acres to limited recipients, trusts, and public entities
3. Landholders over 960 acres and limited recipients over 640 acres require additional reporting

In 2010, the United States Bureau of Reclamation (Reclamation) conducted a Water District Review (WDR) of the RRA paperwork of those landholders reporting between 240-960 acres. In 2011, the WDR consisted of those landholders over 960 acres. Reclamation forwarded to the District, 17 separate bills, for collection of RRA administrative fees totaling \$8,990 for landholders whose RRA paperwork was not submitted or changes were not reported within the required time. The Board of Directors authorized the District to pay the administrative fees as a one-time only occurrence; after 2011, the District will require the canal companies to be responsible for the fees.

In the 2012 budget, staff estimates that there will be approximately \$7,000 in RRA fees charged to agricultural Project water users. The District will act as an accounting pass-through to Reclamation for these fees. In effect, the expenditure offsets the revenue. Staff has budgeted \$40,000 to procure custom RRA software to assist in the management of the RRA reporting data. This software attempts to integrate with the GIS mapping software, to allow a comprehensive and auditable package, for Reclamation. Software features include; calculations, form completion, and summary forms.

2012 Budget



Bridging the Next 50 Years

As a water leader in the southeastern community, the District attempts to serve counties strategically. In 2011, District staff presented a model for Strategic Planning to the Board of Directors. These issues and many other goals for the District are detailed in that model and are presented in this budget. Initially, the District's responsibilities were to repay Reclamation the debt on the Project through the collection of ad valorem taxes. Now, the District takes on the role of stewardship of the Project and its features, as well as a government formed to manage the financial obligation that is incurred. With great pride, the transformation of the organization over the past 50 years is one that will continue to grow into water leadership for the next 50 years.



Prowers Bridge in Bent County. It is the oldest bridge over the lower Arkansas River and is Colorado's longest trussed crossing. Built in 1900 (Denverlibrary.org)





Human Resources

The Southeastern Colorado Water Conservancy District (District) has developed a professional staff and recognizes this as an essential asset. Strategically, the District provides very competitive salaries and a fair benefits package. The Board of Directors has authorized a breadbasket on salaries and benefits to be done every three years to assure that the District is in line with other national and state water organizations. In 2012 a breadbasket will be performed on salaries and benefits. The District encourages staff to seek continuing education and certification programs that will benefit the District with the wealth of knowledge that is essential to move forward with the Strategic Plan. Training will be made available for staff in teambuilding, time management, first aid, safety training, and other topics that will make the work force a united team working toward the mission, vision, and values of the District.



For several years the District employed only three employees (General Manager, Office Manager, and Receptionist). In 1988 the fourth employee was hired, an engineer. In 1999 a financial position was established. The positions of Engineering Support Specialist and Conservation Outreach Coordinator were established, and a new Administrative Assistant was hired. A part-time Garden Coordinator was also hired. As the District moves forward with the Strategic Plan, there is a need to hire additional staff to assist in reaching the goals of the future. An Engineer to assist in the technical development of the Arkansas Valley Conduit project and other current projects is needed. An in-house attorney will assist with the legal aspects of the District and Enterprise. We will continue to employ outside legal counsel to assist with water right cases and District issues. The strategic goal of the District is to mobilize employees to establish new alignments linked to strategy, objectives, and issues. In the next decade the District commits to increase productivity and enhance the workforce through teamwork.

The District will begin to use key performance indicators to evaluate the successes or success of a particular activity. Performance against measurable objectives is the



Southeastern Staff
has over
one hundred and
ninety five years
of combined
experience in
water.

2012 Budget



Bridging the Next 50 Years

prime indicator for judging whether or not the goals are being achieved. Accountability will be focused on in the workforce to take the District through the next 50 years.

The labor cost for District employees, reflect the strategic goals over the past three years. In 2012, the District will spend an average of approximately \$54.32 per hour for non-executive professional staff. These dollars include the cost of labor and benefits, training and education, and the resources and tools that staff requires to do their jobs.

The table below depicts the cost summary for human resources in 2012. This represents all staff including executive leadership.

	Actual 2009	Actual 2010	Budget 2011	Budget 2012
Staff Labor	708,214	676,331	770,445	907,712
Benefits	311,348	269,622	388,222	327,894
Staff Training, Meetings, Education and Travel	14,569	14,449	44,643	64,133
Awards, Memberships & Desk Supplies	5,104	5,401	5,200	4,503
All other ovehead costs	698,557	778,379	722,039	697,969
	1,737,792	1,744,182	1,930,549	2,002,211
Enterprise Reimbursement	528,075	539,661	1,091,833	1,120,220
	528,075	539,661	1,091,833	1,120,220
Final Cost to the District	1,209,717	1,204,521	838,716	881,991

Extensive training is budgeted for new positions in Engineering. In addition, other educational programs are being implemented to improve staff's technological skills. Increased travel reflects the activities within engineering and project development.

The key performance indicators that reflect the success of Human Resource strategic development in establishing a workforce to move the District and the Strategic Plan forward within the scope of qualifications and requirements for staff training are:

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

2012 Budget



Bridging the Next 50 Years

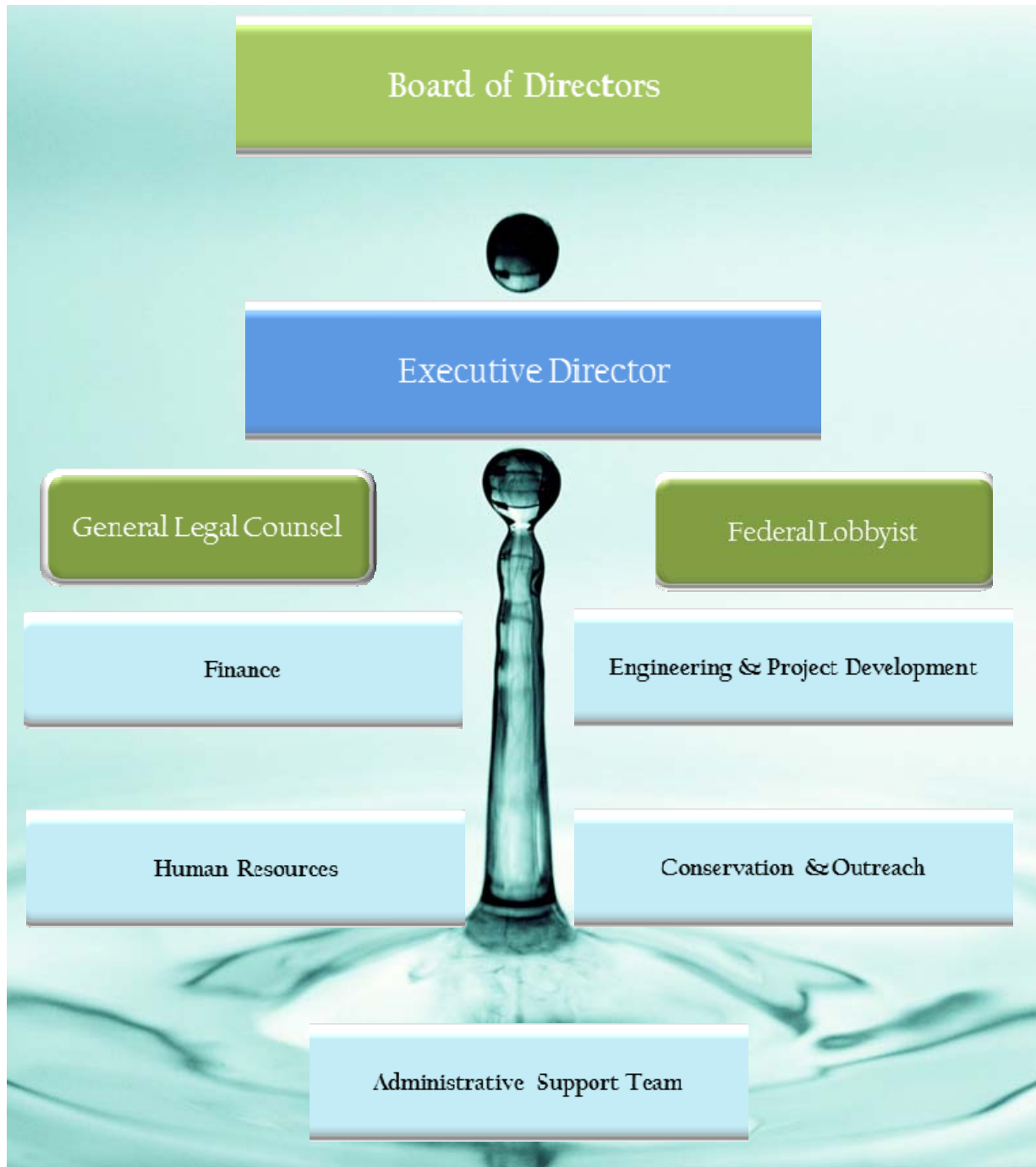
- Annual determination of staff training needs are evaluated

An evaluation of staffing levels in 2011 has led to the determinations as presented in the 2012 Budget. The following staffing chart presents the level of professional staff required to meet the objectives of the Human Resources Strategic Plan:

Staffing Chart	Actual 2009	Actual 2010	Actual 2011	Budget 2012
<i>Executive</i>				
Executive Director	1	1	1	1
Attorney			0.2	1
<i>Finance</i>				
Financial Manager	1	1	1	1
<i>Engineering & Project Development</i>				
Director of Engineering & Resource Management	1	1	1	1
Project Engineer				1
Engineer				0.1
Project Manager	1	1	1	0.5
Engineering Support Specialist	1	1	1	
<i>Human Resources & Admin Support</i>				
Administrative Manager	1	1	1	1
Administrative Support Specialist	1	1	1	2
<i>Conservation & Outreach</i>				
Conservation Outreach Coordinator	1	1	1	0.5
Garden Coordinator	0.5	0.5	0.5	0.5
District Total	8.5	8.5	8.667	9.58

The staffing chart represents an 11 percent increase in combined Full Time Positions (FTP) in the 2012 Budget. Through savings in benefits, the overall cost to the District is a 7 percent increase in budget dollars from the prior year's budget. The District budget will also realize a savings in outside professional services by utilizing an internal attorney and an internal half time project engineer. For the success of the strategic succession planning, a junior water engineer will join the District team, as an FTP as well.

In planning for new staff, the District has made communication improvements through the strategic leadership and information technology plan. In 2012, staff has budgeted \$10,000 to update the website secwcd.org.



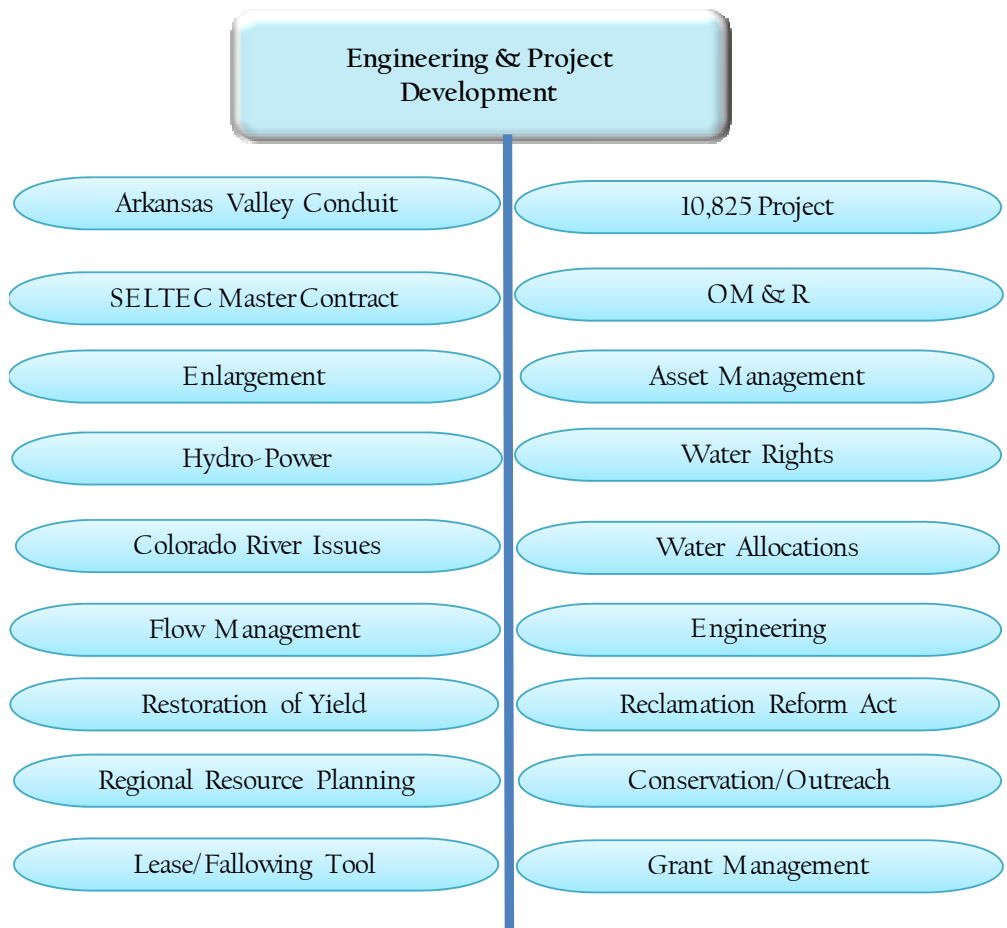


Strategic Planning

- Shift in Supply and Demand
- Water Quality Changes
- Regional Roles
- Catastrophic Events and Failures
- Regulatory and Environmental Issues
- Changes in Technology
- Climate Change
- Economic, Political, and Social Issues

Engineering and Project Development

The engineering and project development team manage the technical development of the District through the Enterprise. These projects are the strategic development of the Fry-Ark Project, the management and protection of water rights, the allocation of water, and the partnerships that are created for protection of the District's water resources.





The Arkansas Valley Conduit

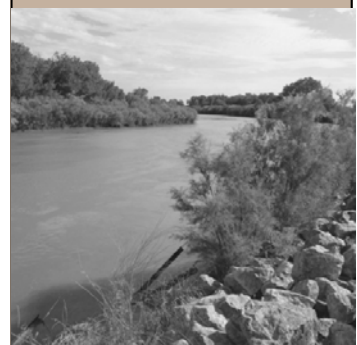
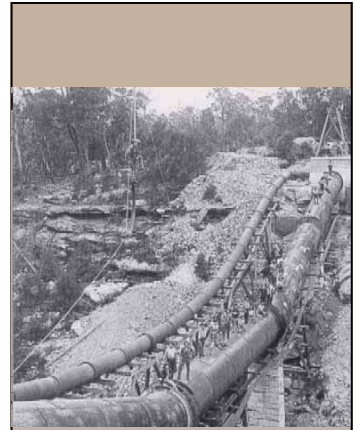
The lower Arkansas River valley is an area where the cost of water treatment processes continue to rise as a result of poor quality groundwater and the requirements of the Safe Drinking Water Act. This portion of the river is the most saline stream of its size in the United States. As a result, the feasibility of building a pipeline to the area from the Pueblo Reservoir was determined.

The Southeastern Colorado Water Conservancy District was able to bridge the gap between the past and the original intent of the Project, to the future, a reliable water supply to the participants and the generations to come within the District's eastern boundaries. In November of 2010, the National Environmental Protection Act Environmental Impact Statement (NEPA EIS) began to assess any significant impact of the construction and implementation of the Conduit on the surrounding areas. This study is slated to conclude in 2013. The District, as the facilitator of the project, continues to lobby for appropriated federal funding to mitigate the cost of the study, engineering, and construction. In 2010, an Intergovernmental Personnel Act was implemented to reimburse the District for costs related to personnel when working directly on the Conduit project.

Other revenue for the Project includes participant reimbursement for the planning and development costs. The participants share this cost by the percentage of participation they approved in signing a Memorandum of Agreement (MOA) with the District in 2011. Participants also contribute to the water quality studies. They are billed quarterly based on the number of acre-feet of water they have committed to the Arkansas Valley Conduit project. At the conclusion of the NEPA EIS, the pre-design phase of the Conduit will begin. There are 37 participants in the Arkansas Valley Conduit project. They have committed 9,094 acre-feet of water to run through the proposed pipeline. These participants will reimburse the Water Activity Enterprise 8.58 percent of the cost for water quality studies conducted for the following projects:

- Enlargement of the Pueblo Reservoir
- Long-term Excess Capacity Storage
- Arkansas Valley Conduit

Water quality studies determine the baseline of the river prior to any changes that may be made by the implementation of these projects. Once the baseline is deter-



2012 Budget

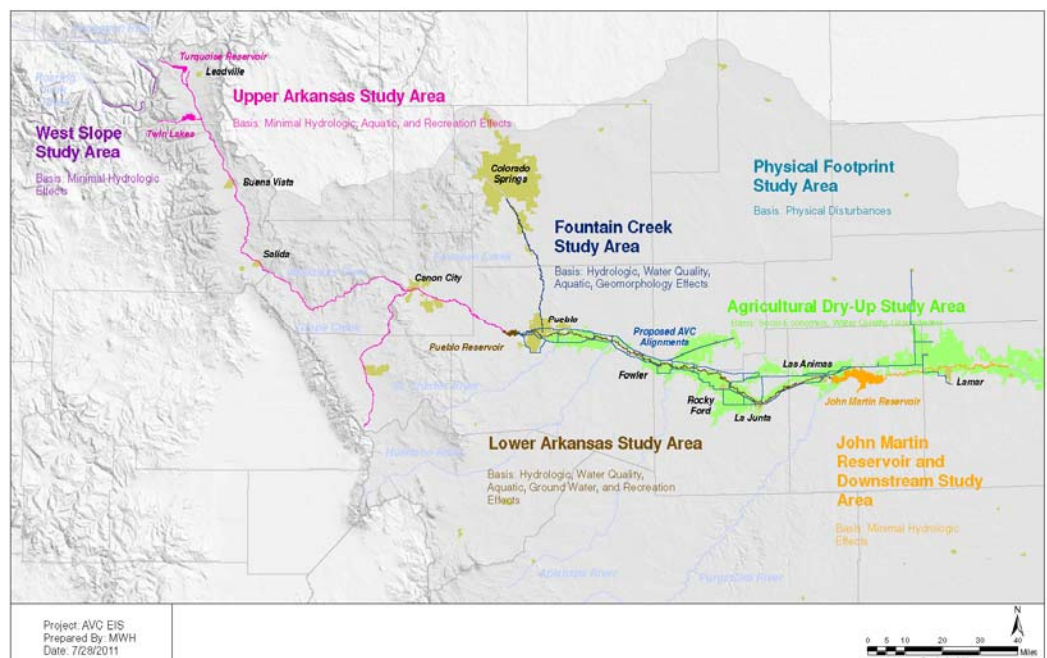


Bridging the Next 50 Years

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

mined, as each project comes on-line, researchers will determine the change to water quality as the water moves downstream. Water quality will continue to be monitored by our cooperative agreement with the United States Geological Survey (USGS), once the projects are completed.

Other future considerations for the Arkansas Valley Conduit that are currently in the development stages are pre-engineering and design, and construction. The Conduit is scheduled to go on-line in 2020. The current estimated population of the counties within the boundaries of the Conduit is 55,600. The importance of clean drinking water in southeastern Colorado areas provides the opportunity for development. Improving the water supply provides capacity to grow into a foreseeable future for the citizens and businesses within the District boundaries. This will build bridges in eastern Colorado towards a more attractive environment for economic development.



Map of the NEPA EIS Study Area provided by the United States Bureau of Reclamation



Excess Capacity Master Contract

Southeastern Long-Term Excess Capacity Master Contract (SELTEC) historically developed from the Preferred Storage Options Plan (PSOP). Excess capacity storage allows participants to store non-Fry-Ark Project water in the Pueblo Reservoir. The PSOP process for the District began in December of 1998 with a “Future Water and Storage Needs Assessment” by GEI Consultants, Incorporated. In November 2010, the United States Bureau of Reclamation signed a Memorandum of Understanding (MOU) with the District, to begin the NEPA EIS Process for SELTEC. The study will conclude mid-year 2013. The critical task at hand for SELTEC is strategically planning for the future needs of municipal storage in southeastern Colorado. The participants in SELTEC are comprised of an original group who has participated for a number of years. Their contribution to the project has provided the District funding for lobbying, engineering, studies and other administrative charges. An additional group, who agree with the benefits of excess capacity storage have joined in on the NEPA EIS study and are participating now in administrative charges. The participants with the largest storage plan are the Lower Arkansas Valley Water Conservancy District and Pueblo West Metropolitan District. Colorado Springs Utilities, Board of Water Works of Pueblo, and Aurora contribute to administrative costs through a fee for their participation in the water quality studies. Their contribution greatly reduces the costs of planning and development costs to the other participants.

Participants who have signed a MOA with the District to participate in the costs associated with the NEPA EIS study are listed in the table on the right.

The work covered in the NEPA EIS includes:

- Project Management Surface Water Hydrology and Modeling
- Environmental Consequences
- Land-Based Effects
- Water Quality
- Wetlands
- Groundwater
- Aquatic Resources

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



- Data Collection
- Agricultural Transfers

Excess capacity storage planning and development costs have remained relatively consistent. In 2010, the advent of the NEPA EIS caused costs to rise for participants. The budget for the study was \$300,000 payable in 2010 and \$700,000 payable in 2011. There are 36,825 acre-feet of water storage to the participants. The average planning and development costs are budgeted a \$1.27 per acre-foot. Water quality studies and NEPA EIS Compliance studies will cost an additional \$196,936 in the 2012 budget. Water quality studies are shared with AVC participants, Enlargement participants, the Enterprise, and the RRP. Some future considerations for participants for excess capacity storage include:

- Findings of the NEPA EIS
- Market rate studies conducted by the United States Bureau of Reclamation for storage





Enlargement

Phase II of the Preferred Storage Options Plan (PSOP) calls for the enlargement of existing Fry-Ark Project reservoirs in order to meet the full demand for storage. The PSOP proposes the enlargement of Pueblo Reservoir by 54,000 acre-feet to meet future demands, and the enlargement of Turquoise Reservoir by 19,000 acre-feet.

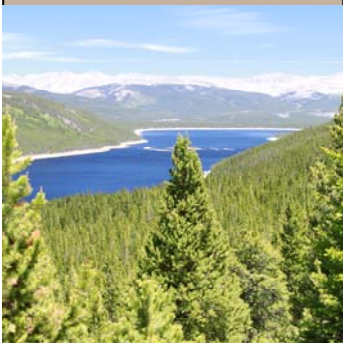
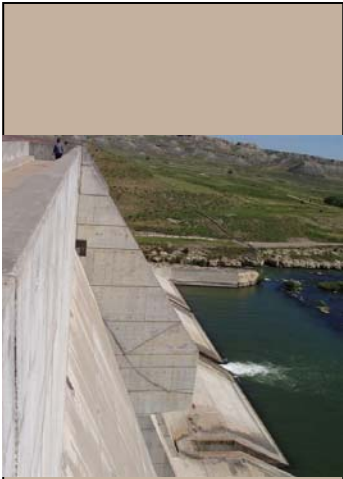


This additional storage space is needed to meet the estimated 2025 demand for storage. All water-user entities within the boundaries of the Southeastern Colorado Water Conservancy District will be eligible to participate in these enlarge-

ment projects under the required terms of the PSOP MOA. The genesis of the enlargement project in 2001 required a federal-level feasibility study, congressional authorization, negotiations with the Bureau of Reclamation, and the final EIS for the enlargement project. Funding to date has come from participants. Federal appropriations to help fund PSOP would move the project into fruition. Over the years, participants have continued to fund a lobbying effort for the necessary appropriations. The District recognizes the need for enlargement through Strategic Planning. In the 2012 budget, staff prepares for a more actively engaged effort to move this project forward. Due to the increased activity in storage projects. This is reflected in the 2012 budget, as an additional \$10,000 will be spent in a concerted lobbying effort to pursue appropriations for the feasibility study.

Hydroelectric Power

In 2011, an application for a Lease of Power Privilege (LoPP) was submitted to Reclamation to develop hydroelectric power in response to a “Notice of Intent to Contract for Hydroelectric Power” published in the *Federal Register* on April 20, 2011. The District, in partnership with Colorado Springs Utilities and the Board of Water Works of Pueblo, proposed to build a 5.8 megawatt hydropower facility in the North Outlet Works at the base of the Pueblo Dam. On December 9, 2011, the partnership was granted the LoPP by Reclamation. The capital cost of construc-



tion is estimated at approximately \$18,000,000. The financing for this project will be pre-arranged prior to committing. The District's qualifications on this strategic project include:

- Preference entity status as the government responsible for the features of the Fry-Ark Project
- A team of key staff members including engineers and the professional experience and leadership of the executive director
- A partnership with Colorado Springs Utilities provides hydroelectric experience and the highest priority status as a preferred entity
- A partnership with the Board of Water Works of Pueblo, also a leader in water project development in the Arkansas River basin
- An excellent safety record
- Financial soundness
- A proven record of successful and strategic alliances to promote and complete projects that are beneficial to the Arkansas River basin

The District, in securing financing for this project may need to provide as much as a ten percent match towards a two million dollar, two percent loan from Colorado Water Resources and Power Development Authority (CWRPDA). This expenditure is budgeted in 2012. Additional monies will be acquired from the Colorado Water Conservation Board (CWCB).

Colorado River Services

The water that is allocated to the District comes from the Colorado River as supplemental water from the western slope. The District engages in numerous projects that range from protection of the Project water rights, conservation, outreach, engineering, water and wildlife recovery, and research projects. Annually a portion of revenue is budgeted to support these projects in their infancy or as programs to accomplish District strategic goals. This program is often referred to as Colorado River Services. In the 2012 Budget, staff has highlighted two projects.

1. 10,825 Project: Upper Colorado River Endangered Fish Recovery Program

In 1988, the Upper Colorado River Endangered Fish Recovery Program was established to help bring four species of endangered fish back from the brink of extinction: the humpback chub, bonytail, Colorado pike minnow, and razorback sucker (U.S. Fish and Wildlife Service).

This program has an established number of program partners. The District contrib-

2012 Budget



Bridging the Next 50 Years

utes annually to this program through the 10,825 Project. The impact this has on District stakeholders is that it allows for the diversion of Fry-Ark Project water. In 2012, the District in partnership with other Front Range entities will purchase the Red Top Ranch. The cost share to the District is 10.19 percent. This cost will be broken up equally into two budget years. The total cost to the District is estimated at \$1,700,000. The environmental goal of the project is to recover the fish. Requested contributions to the Recovery Implementation Program (RIP) through the Colorado Water Congress Colorado River Projects, to maintain the Endangered Species Act (ESA) compliance is budgeted for \$136,754 in 2012. The District, a large contributor to this program has budgeted \$13,195 towards the RIP program in 2012.

2. The Front Range Water Council

The District, as a member of the Front Range Water Council, has committed to 12 percent or \$36,000 of the annual costs. The Council's is a collaborative effort with the primary strategic objective to follow Colorado River issues and investigate these issues for stakeholders along the Front Range.

The Regional Resource Planning Group (RRPG)

RRPG was formed in 2003 under the District's Intergovernmental Agreement (IGA) with Aurora. The participating entities are; the City of Aurora, Colorado Springs Utilities, Lower Arkansas Valley Water Conservancy District, Board of Water Works of Pueblo, Southeastern Colorado Water Conservancy District, and the Upper Arkansas Water Conservancy District. The USGS in cooperation with the Arkansas basin RRPG, seeks to better define the water quality conditions, the dominant source areas, and the processes that affect water quality in the Arkansas River basin. The strategic goals are to understand the relationships between water supply, land use, and water quality issues. The group seeks to develop methods and tools needed to simulate the potential effects of changes in land use, water use, and operations on water quality. The Enterprise's financial responsibility regarding RRPG is mainly one of pass-through. The Enterprise collects the participant payments to fund the ongoing studies for RRPG projects. The difference between the incoming revenue and expenditure is the Enterprise contribution to the RRPG.

Colorado Water 2012 is a statewide project to connect Coloradan's to their water by recognizing and celebrating the major anniversaries of water organizations in Colorado.





Lease Following Administrative Tool

Due to the complexity in filing a water exchange application and in exploring the mechanisms, economics, and policies needed to implement a lease following program for the Arkansas Valley Super Ditch Corporation, the concept of an accounting tool is envisioned. The Lease Following Administrative Tool, although being developed to administer the policies of the Arkansas River Compact, may be used statewide, once established. As a leader in Arkansas Valley basin water projects, the District has committed to a partnership in the development of the tool as well as the following partners; Upper Arkansas Water Conservancy District, Board of Water Works of Pueblo, Lower Arkansas Valley Water Conservancy District, and Colorado Springs Utilities. The project will be funded by a number of grants. The District's contribution in 2012 is budgeted for \$10,000.

Project ROY

The Restoration of Yield (ROY) Project is a program that allows for recapture of water lost due to diminished exchange capacity as a result of Pueblo's Recreational In-Channel Diversion (RICD) negotiations. RICD refers to the Pueblo Whitewater Park. ROY is budgeted at \$5,000. Aurora, Board of Water Works of Pueblo, City of Fountain, and Colorado Springs Utilities have made significant contributions to this project.





Grant Budget

The government-wide grant budget specifies total new revenue of \$197,486 and carry-over revenue of 23,099. The total cost including personnel of the grant funded projects to be \$253,035 (pg. 53). The District will benefit greatly by providing \$220,585 worth of projects for a cash and personnel contribution of \$55,549. For every dollar the District contributes, the District could potentially receive \$3.97 in grant revenue toward the development and implementation of the projects.

District Grant

The District has consistently received approximately \$25,000 to \$35,000 from Reclamation's Water Conservation Field Service (WCFS) grant program. This grant is designated by Reclamation to fund the implementation of the District's Water Conservation Plan. The WCFS grant application will be submitted in April 2012, it is usually funded in the summer and projects are scheduled to be completed before the end of 2012. The District will use this grant for three projects.

1. Xeriscape Education



Xeriscaping is the art of creating water-conserving landscapes by efficient watering techniques and selecting plants that are appropriate to the natural environment. The District maintains a website as a resource in education and outsourcing. The website promotes the xeriscape principles, low-water use plants, and efficient irrigation technology. This communication and leadership tool assists those who prefer not to travel to Pueblo to tour the garden or to attend

workshops and classes. USBR-WCFS grant would provide \$800 to host and update the website www.secwcdxeriscape.org.

The Seven Principles of Xeriscape

- ◇ Planning and Design
- ◇ Evaluate and improve the soil
- ◇ Create practical turf areas
- ◇ Appropriate plant selection
- ◇ Water efficiently
- ◇ Use of mulches
- ◇ Appropriate maintenance



To learn more about xeriscape:
www.secwcdxeriscape.org



The southeastern Colorado (SECO) water wise website provides information about the value of agricultural water-management practices and technology.

www.secowaterwise.org



Visit our website to learn more about

- ◇ The COAgMet weather stations and evapotranspiration
- ◇ Agricultural research and resources
- ◇ Agricultural current events

2. Agriculture Water Conservation Program

The District and the Colorado State University Arkansas Valley Research Center with funding from the United States Bureau of Reclamation (USBR) have developed a website to provide information about the value of efficient agricultural water-management practices and technology as well as practical guidance about their implementation. The website provides accurate state-of-the-art weather information to constituents by providing crop Evapotranspiration (Et) values and weather forecast information. The website also provides important resource and research materials on improving irrigation water efficiencies and crop development.

The agricultural water conservation program website may be accessed at, www.secowaterwise.org. This website is hosted by the District. Funded through a federal grant from Reclamation-Water Conservation Field Service (WCFS) this grant will provide \$550 towards the cost of the website from the \$3,850 grant toward this program.

The remaining \$3,300 from the Reclamation grant funds will be used to support the Colorado Agricultural Meteorology (COAgMet) Outreach Program. COAgMet promotes agricultural conservation education and outreach. The District has partnered with Colorado State University Extension to post crop Et rates in the local newspapers. It has been noted that many agricultural irrigators do not have time to retrieve Et rates from the internet. Having these rates posted in the newspaper each day will encourage them to utilize Et in their irrigation management and thus will conserve water and proper crop management. In addition, a pilot project to provide irrigators crop Et information via text messages has been implemented.

3. Education/Outreach

Colorado Water 2012 is a statewide campaign that focuses on the coordination of various water education and awareness activities for 2012. Grant funding of \$5,000 provided by the USBR-WCFS funds will be used to support educational and outreach efforts associated with the Colorado Water 2012 effort and fund the following activities: the coordination of events, tours, speakers bureaus, library and museum displays, and K-12 education within the Arkansas River basin and throughout the State of Colorado.

2012 Budget



Bridging the Next 50 Years

The annual Children's Water Festival held at Colorado State University in Pueblo, Colorado is a successful and popular outreach program for students and teachers.



Colorado Water 2012

Connecting Coloradans To Their Water

The goals of Colorado Water 2012 are to:

Raise awareness about water as a valuable and limited resource

Increase support for management and protection of Colorado's water and waterways

Showcase exemplary models of cooperation and collaboration among Colorado water users

Connect Coloradans to existing and new opportunities to learn about water

Motivate Coloradans to become proactive participants in Colorado's water future

The USBR-WCFS grant will provide \$2,000 in support of the Children's Water Festival that is held in conjunction with St. Charles Mesa Water District, the Board of Water Works of Pueblo, Pueblo West Metro District, Colorado State University-Pueblo, Reclamation and Southeastern Colorado Water Conservancy District. The Festival provides hands-on demonstrations and dozens of classroom presentations that are water related to fourth grade students. The District also contributes \$1,000 to this outreach project.

Enterprise Grant

CWCB Excess Capacity Blue Mesa State Grant will be used to provide an evaluation of the use of excess capacity in Blue Mesa Reservoir, under different hydrological scenarios, to avoid or reduce the impact of a Colorado River Compact curtailment in Colorado. Tasks include: developing a scenario, evaluating a model tool, simulating different hydrological scenarios, analyzing scenario sensitivities, evaluating management options and providing reporting to CWCB, the Gunnison and Arkansas basin roundtables. A final report will summarize the management options using Blue Mesa Reservoir to avoid or mitigate a curtailment of Colorado River diversions in Colorado.

MISSION

Colorado Water 2012 engages Coloradans in a statewide celebration of water: past, present, and future. We believe Coloradans should celebrate our unique heritage as a headwaters state and understand the diverse uses and values of this precious resource.



www.water2012.org

2012 Budget



Bridging the Next 50 Years

Blue Mesa Reservoir

Elevation 7,519 feet

Largest body of water
contained in
Colorado

Has 96 Miles of shore-
line

The reservoir covers
41,972 acres

960,000 Visitors per
Year



The District received a CWCB Water Supply Reserve Grant for \$196,000 in April 2011. In addition, the Gunnison and Arkansas basin roundtable accounts will provide \$24,500 each towards the project. TABOR limitations on State grants may require the grant funds be divided between the District and a yet to be determined partner.



Arkansas Valley Conduit State and Federal Grants for Water Conservation Plan Development and Implementation

In the Pre-NEPA report for the AVC, a conservation effort was recommended to assist the AVC participants in reducing their future demands. The District has contracted with a consultant to assist in the development of a regional Arkansas Valley Conduit (AVC) Water Conservation Plan (Plan). The consultant will also assist with developing the water conservation programs within the Plan. A strong effort will continue to be put forward to engage the participants in this process. For years 2009 through 2011 the total grant revenue received to develop the Plan for the AVC equaled \$79,853. In 2009 and 2010 the District received a total of \$39,927 in USBR-WCFS grant funding toward the development of the Plan. A grant received in 2009 for \$16,828, will be used for 2010 and 2011 project expenses. This leaves \$23,099 from the 2010 USBR-WCFS grant which will be used for continuation of the project expenses in budget year 2012.

The CWCB Office of Conservation and Drought Management assisting with the development of the AVC Plan has contributed a State grant. In 2010, the District received this grant for \$39,926. In 2010 and in 2011, \$6,589 of these funds were expended. The remaining \$33,336, will be used in 2012.



Implementation of the Plan is a key strategic use of grant funding. In 2012, the District will apply for CWCB and USBR-WCFS grant funds to assist the participants in implementing the programs within the water conservation plan. The District anticipates receiving \$20,000 in grant revenue from the CWCB Office of Conservation and Drought Management. In addition, the District will request \$20,000 from USBR-WCFS grant program, for a total of \$40,000 in grant revenue. The District may apply for additional funding from other sources to further fund the implementation of the Plan.

Costs for the implementation of the AVC Plan may be \$40,000 or greater. The costs will include the development of a website that will house the Plan and a toolbox of water conservation programs. The website will be available to the AVC participants so they may pick and choose which programs best suit their conservation needs. The District will also provide technical assistance to the participants as they implement the programs.

Water Conservation Tips!

#01



There are a number of ways to save water, and they all start with you.

- #2 When washing dishes by hand, don't let the water run while rinsing. Fill one sink with wash water and the other with rinse water.
- #3 Some refrigerators, air conditioners and ice-makers are cooled with wasted flows of water. Consider upgrading with air-cooled appliances for significant water savings.
- #4 Adjust sprinklers so only your lawn is watered and not the house, sidewalk, or street.
- #5 Run your clothes washer and dishwasher only when they are full. You can save up to 1,000 gallons a month.
- #6 Choose shrubs and groundcovers instead of turf for hard-to-water areas such as steep slopes and isolated strips.
- #7 Install covers on pools and spas and check for leaks around your pumps.
- #8 Use the garbage disposal sparingly. Compost vegetable food waste instead and save gallons every time.
- #9 Plant in the fall when conditions are cooler and rainfall is more plentiful.

#10



For cold drinks keep a pitcher of water in the refrigerator instead of running the tap. This way, every drop goes down you and not the drain.

Projects with Grant Funding for 2012 Budget

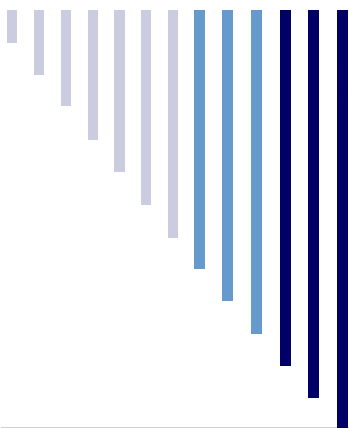
	SECWCD				SEWAE	AVC		
	Project 1	Project 2	Project 3		Project 1	Project 1		
	Xeriscape Education	Ag WC Program	Colorado Water 2012	Children's Water Festival	Excess Capacity in Blue Mesa Reservoir Impact of a CO River Compact Curtailment	Develop AVC Water Conservation Plan*	Implement AVC Water Conservation Plan	TOTALS
REVENUES	800	3,850	5,000	2,000	112,500	56,436	40,000	220,586
CWCB-WSRA					112,500			112,500
*CWCB - Conservation						33,337	20,000	53,337
*USBR-WCFS Program	800	3,850	5,000	2,000		23,099	20,000	54,749
SECWCD-Contribution						23,099		23,099
Project Personnel	800	3,850	5,000	2,000		10,400	10,400	32,450
TOTAL PROJECT EXPENDITURES	800	3,850	5,000	2,000	112,500	56,436	40,000	220,586
Projects Expenses			5,000	2,000			40,000	47,000
Consultant for Projects					112,500	56,436		168,936
Web Hosting & Updates	500	550						1,050
Conservation - Ag		3,300						3,300
Xeriscape Programs & Publications	300							300
Project Personnel	800	3,850	5,000	2,000	-	10,400	10,400	32,450
TOTAL PROJECT EXPENSES WITH PERSONNEL	1,600	7,700	10,000	4,000	112,500	66,836	50,400	253,036
COST TO DISTRICT	-	-	-	-	-	-	-	-

*\$23,099 from the 2010 USBR-WCFS grant will be used to cover the 2012 costs to develop the AVC Water Conservation Plan

For every Dollar in District and Personnel Costs \$ 3.97 is Provided in Grant Dollars

Strategic Budget





SOUTHEASTERN COLORADO

Water Conservancy District

"Your investment in water"

STRATEGIC PLAN



Table of Contents

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INTRODUCTION

As a 50 year old organization, the District needs to create strategies and actions with a new management system designed to manage strategy. Strategic performance requires objectives, issues, and employees to be aligned with the organization's strategy. With rapid changes in technology and processes, the formulation and implementation of strategy must be a continual and participative process. Organizations need a language for communicating strategy and systems to implement it. Success comes from having strategy become everyone's everyday job.

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

The vision and strategy allows the District to concentrate on factors that create

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

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

DEVELOPMENT

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

The Strategic Plan will clearly communicate the programmatic direction to Southeastern stakeholders. The Plan will provide direction for conducting capital, resource, and financial planning; for developing and implementing programs and projects; and for preparing the District budget. The basic policies in the Strategic Plan will facilitate and guide progress in the coming years

on the Long-Term Financial Plan, the System Overview Study, the Long Range Personnel Plan, the Annual Operating Plan, and the annual budget process. It will provide a basis for evaluation of the District's accomplishments in accordance to its mission, vision, values, and goals.

OUR VISION

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



Objectives and Strategies

OUR VALUES

Reliability

Ensure we will optimize our existing Colorado River supply

Leadership

We will be a leader in local and regional water issues

Our Employees

Our employees are our most important resource

Stewardship

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

Excellence

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

Environment

We will operate in an environmentally responsible manner

CORE VALUES

A commitment to honesty and integrity

A promise of responsible and professional service and action

A focus on fairness and equity

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

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

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

The development of a Strategic Plan is necessary to identify and prioritize District activities and improve overall operations. The Plan can serve as a covenant with

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

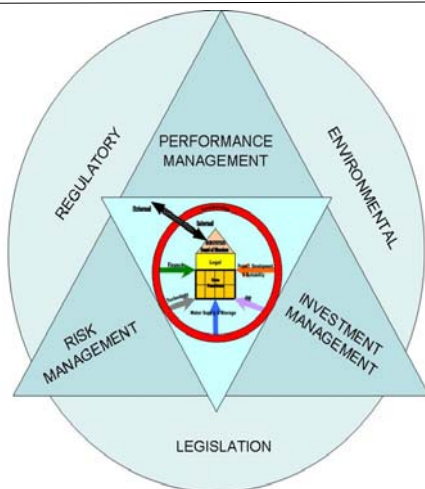
DEVELOPMENT PROCESS

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

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

In undertaking the strategic planning process, the District could have chosen to hire a consultant to interview stakeholders, develop recommendations, and a

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



IDENTIFYING KEY PLANNING UNCERTAINTIES

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

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



ELEMENTS OF THE STRATEGIC PLAN

Key Results Areas

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

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

Strategic Goals

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

Strategic Objectives

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

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

Objectives require both the commitment and expenditure of resources, as described in their related strategies. The objectives presented in the Strategic Plan are not meant to be conclusive. They are intended to provide a basis for dialogue regarding what must happen

to achieve the Board's mission and goals. Further analysis must be conducted on strategies to determine associated resource requirements needed to achieve desired results.

Management Strategies

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

Key Performance Indicators

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

progress toward strategic goals, but often, success is simply the repeated achievement of some level of operational goal.

Process Status

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

NEXT and FUTURE STEPS

Next Steps

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

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

Future Steps

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

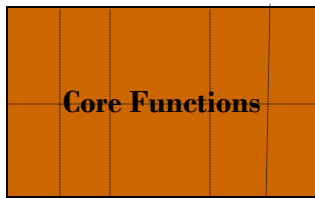
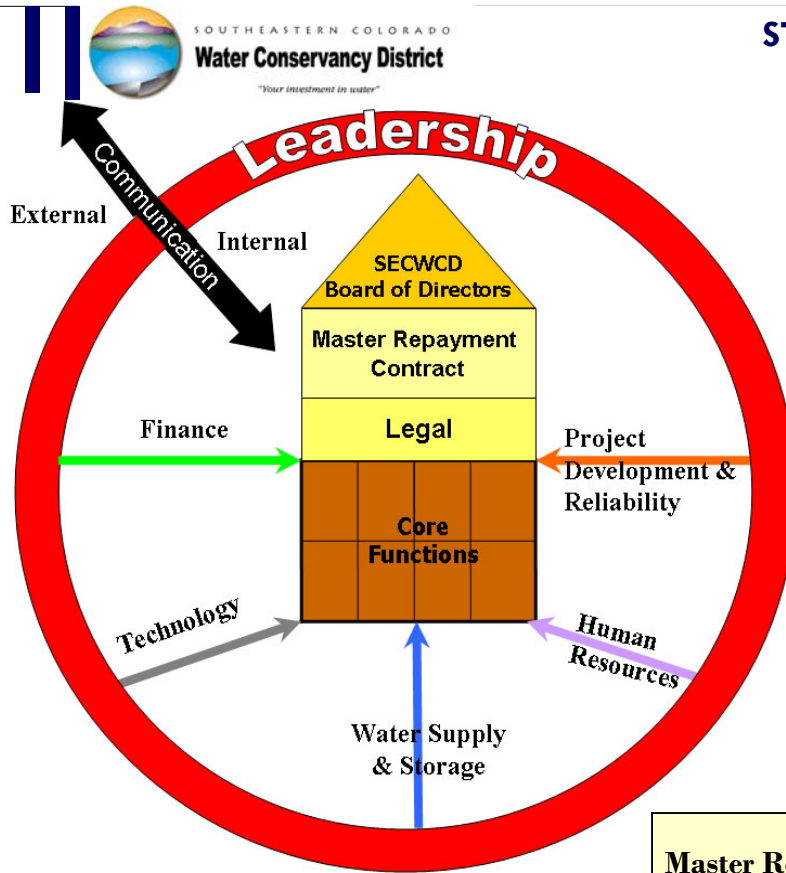
ing a schedule and timeline to management strategies for implementation; and developing an accountability model for staff core.

MAJOR ELEMENTS OF THE STRATEGIC PLAN

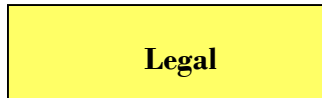
- ◆ Mission
- ◆ Vision
- ◆ Values
- ◆ Key Results Areas
- ◆ Strategic Goals
- ◆ Strategic Objectives
- ◆ Management Strategies
- ◆ Process Status
- ◆ Budget
- ◆ Timelines
- ◆ Performance Reporting

THE STRATEGIC PLAN STAMP

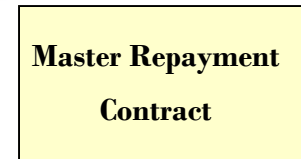
This page is intended to illustrate what is known as the Strategic Plan Stamp. The Stamp is used to demonstrate how the different elements of the Strategic Plan fit together.



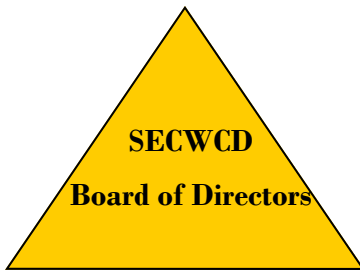
Core functions are defined as a majority of the programs and projects to accomplish the day to day operations of the SECWCD



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



Master Repayment Contract No. 5-07-70-W0086 between the United States and the SECWCD



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

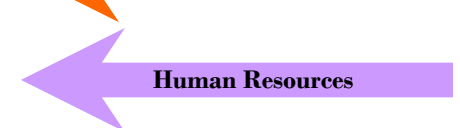


Internal: Educate potential future SECWCD leaders

External: Better inform and involve community decision makers and leaders



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





Project Analysis as it relates to the Strategic Plan	Business Activity Development Projects				
		SE Long-Term Excess Capacity and the NEPA EIS	Arkansas Valley Conduit and the NEPA EIS	Enlargement	Hydro-Electric Power
Service Provider	MWH through the United Bureau of Reclamation (U.S.B.R.)	MWH through the United Bureau of Reclamation (U.S.B.R.)	Southeastern Colorado Water Activity Enterprise	Applegate	
Established Partnership	Yes	Yes	Yes	Yes	
Strategy	Yes	Yes	Yes	Yes	
Location	Central	Lower Arkansas Basin	Central and Upper Arkansas Basin	Central	
Key Result Area	Project Development & Reliability	Project Development & Reliability	Project Development & Reliability	Project Development & Reliability	
Strategic Goal	Long-Term Excess Capacity Master Contract NEPA EIS Study	Arkansas Valley Conduit NEPA EIS Study	Manage Fry-Ark Project Assets	Develop & Maximize Fry-Ark Power Generation Capabilities	
Key Result Area	Water Supply & Storage	Water Supply & Storage	Water Supply & Storage	Water Supply & Storage	
Strategic Goal	Reliable Future Water Supply	Reliable Future Water Supply	Reliable and Secure Water Storage	Study of East Slope System Reservoirs	
Performance Indicator	Complete NEPA EIS for Excess Capacity contract	Complete NEPA EIS for AVC	Reservoir capacities & reserved storage space	Pursue Lease of Power Privilege (LOPP) from Reclamation to use existing releases of water for power generation	
Process Status	Discovery	Implementation	Discovery	Implementation	
Timeline	2012-2013	2010-2013	2010-2015	2012	
TOTAL PROJECT EXPENSE 2012	\$ 243,621.00	\$ 444,715.00	\$ 118,167.00	\$ 200,000.00	TOTAL \$ 1,006,503.00
TOTAL PROJECT BUDGET 2011	\$ 963,291.00	\$ 1,078,077.00	\$ 117,077.00	New	\$ 2,158,445.00

Strategic Plan Table 1



Project Analysis as it relates to the Strategic Plan	Business Activity Development Programs			
	Regional Resource Planning Group	Safety of Dams		
Service Provider	United States Geological Survey (U.S.G.S.)	The United Bureau of Reclamation (U.S.B.R.)		
Established Partnership	Yes	No		
Strategy	Yes	Yes		
Location	Arkansas Basin	Central		
Key Result Area	Water Supply & Storage	Project Development & Reliability		
Strategic Goal	Establish a water quality baseline for reaches of the Ark-Basin watershed	Manage Fry-Ark Project assets		
Performance Indicator	Water quality baseline established	Reliability of Pueblo Dam and reporting of stability		
Process Status	Implementation	Implementation		
Timeline	2011-2015	2011-2015		
TOTAL PROJECT EXPENSE 2012	\$ 160,000.00	\$ 60,000.00		TOTAL \$ 220,000.00
TOTAL PROJECT BUDGET 2011	\$ 160,000.00	\$ 60,000.00		\$ 220,000.00



Project Analysis as it relates to the Strategic Plan	Colorado River and Research Project Support						
	10825 Implementation	Recovery Implementation Program	Colorado River Issues	Research Project Support Co Ag Met O&M	Research Project Support Outreach through Education	Research Project Support	
Service Provider	Pitts / Northern	Pitts / CWC	Grand River / CS	UAWCD	Colorado Water	To be determined	
Established Partnership	Yes	Yes	Yes	Yes	Yes	Yes	
Strategy	Yes	Yes	Yes	Yes	Yes	Yes	
Location	West Slope	West Slope	West Slope	Upper Arkansas Basin	Upper Arkansas Basin	Upper Arkansas Basin	
Key Result Area	Water Supply & Storage	Water Supply & Storage	Water Supply & Storage	Leadership	Leadership	Leadership	
Strategic Goal	Reliable Future Water Supply	Reliable Future Water Supply / Environmental compliance	Protect and secure Colorado River rights	Help provide support for data gathering in the Arkansas basin	Meet constituents needs through education & outreach	Support communication & activities with stakeholders	
Key Result Area	Financial	Legal	Legal				
Strategic Goal	Establish a Long-Term Stable Funding Mechanism	Policy & Administration	Policy & Administration				
Performance Indicator	Purchase Red Top Mountain Ranch to secure water rights	Ensure permit for Project water delivery	Policies related to outside issues are determined	Regional funding is secured to support research that will benefit the basin	Partnership funding of scholarships at Colorado Universities	Regional funding is secured to support research that will benefit the basin	
Process Status	Design	Implementation	Implementation	Implementation	Implementation	Implementation	
Timeline	2012-2013	2010-2015	2010-2015	2011-2015	2012	2011-2015	
TOTAL PROJECT EXPENSE 2012	\$ 850,000.00	\$ 15,000.00	\$ 36,000.00	\$ 2,000.00	\$ 5,000.00	\$ 10,000.00	TOTAL \$ 918,000.00
TOTAL PROJECT BUDGET 2011	\$ -	\$ 14,000.00	\$ 36,000.00	\$ 2,000.00	\$ -	\$ 12,000.00	\$ 64,000.00



Project Analysis as it relates to the Strategic Plan	Outside Engineering and U.S.G.S. Cooperative Studies		
	Other Engineering Outside Contracts	U.S.G.S. Co-Op Programs	
Service Provider	ROY	USGS / RRP	
Established Partnership	Yes	Yes	
Strategy	Yes	Yes	
Location	Below Pueblo Reservoir	Arkansas Basin	
Key Result Area	Water Supply & Storage	Water Supply & Storage	
Strategic Goal	Reliable Future Water Supply	Reliable Future Water Supply	
Key Result Area	Legal		
Strategic Goal	Review & Manage Water Cases to Protect Frypan-Arkansas Water Rights	Aurora Settlement	
Performance Indicator	Program	Program	
Process Status	Implementation	Implementation	
Timeline	2011-2015	2011-2015	
TOTAL PROJECT EXPENSE 2012	\$ 5,000.00	\$ 322,520.00	TOTAL \$ 327,520.00
TOTAL PROJECT BUDGET 2011	\$ 5,000.00	\$ 305,106.00	\$ 310,106.00

Strategic Plan Table 4



Project Analysis as it relates to the Strategic Plan	Legal Engineering and Policy Management				
	Case # 01CW151	Case # 09CW140	Case # 10CW4	Case # Not yet filed	
Case referred to as:	Lower Arkansas Exchange	Woodmore Exchange	Super Ditch	Water rights diligence	
Fund the case resides in	Enterprise	District	District	District	
Issue / Notes	Exchange Flows	Exchange Flows	This case involves partnership contributions	Six Year Project divided into two pieces in 2012: (1) Review of water rights and (2) Alternatives. Case includes Lime Creek and Last Chance	
Strategy	Yes	Yes	Yes	Yes	
Location	Lower Arkansas Basin	Fountain Creek	Lower Arkansas Basin	West Slope Collection System	
Key Result Area	Legal	Legal	Legal	Legal	
Goal	Review & Manage Water Cases to Protect Fryingpan-Arkansas Water Rights	Review & Manage Water Cases to Protect Fryingpan-Arkansas Water Rights	Review & Manage Water Cases to Protect Fryingpan-Arkansas Water Rights	Review & Manage Water Cases to Protect Fryingpan-Arkansas Water Rights	
Key Result Area	Water Supply & Storage	Water Supply & Storage	Water Supply & Storage	Water Supply & Storage	
Goal	Reliable Future Water Supply	Reliable Future Water Supply	Reliable Future Water Supply	Reliable Future Water Supply	
Performance Indicator	Determination is made on how to use water rights and/or alternatives to using them is defined	Determination is made on how to use water rights and/or alternatives to using them is defined	Determination is made on how to use water rights and/or alternatives to using them is defined	Determination is made on how to use water rights and/or alternatives to using them is defined	
Process Status	Implementation	Implementation	Strategy	Discovery	
Timeline	2012	2012	2011 - 2012	2011-2017	
TOTAL PROJECT EXPENSE 2012	\$ 10,000.00	\$ -	\$ 10,000.00	\$ 10,000.00	TOTAL \$ 30,000.00
TOTAL PROJECT BUDGET 2011	N/A	N/A	N/A	N/A	\$ 40,000.00

Strategic Plan Table 5



Project Analysis as it relates to the Strategic Plan	Legal Engineering and Policy Management Projects					
	Market Analysis Rate Study	Analysis and use of miscellaneous revenues	Miscellaneous objectives	Accounting and Administration Tool for Lease-Fallowing	Colorado River Negotiations	
Service Provider	Bill McDonald	Bill McDonald	Bill McDonald	Upper Arkansas Valley Water Conservancy District		
Established Partnership	Yes	Yes	No	Yes	Yes	
Issue / Notes				Super Ditch		
Strategy	Yes	Yes	Yes	Yes		
Location	Arkansas Basin	Fry-Ark System	Fry-Ark System	Lower Arkansas Basin	West Slope	
Key Result Area	Project Development & Reliability	Project Development & Reliability	Project Development & Reliability	Water Supply & Storage	Water Supply & Storage	
Goal	Manage Fry-Ark Project assets	Manage Fry-Ark Project assets	Manage Fry-Ark Project assets	Reliable Future Water Supply	Reliable Future Water Supply	
Key Result Area	Financial	Financial			Legal	
Goal	Develop a plan to determine cost of service versus market based analysis for pricing storage costs	Budget use of miscellaneous revenues to pay off project elements			Review & Manage Water Cases to protect Fryingpan-Arkansas Water rights	
Performance Indicator	Market Analysis Rate Study is complete	Project elements are paid off by miscellaneous revenues	Ensure infrastructure and equipment readiness	Implementation of lease fallowing administrative tool		
Process Status	Planning	Design		Discovery	Discovery	
Timeline	2012-2015	2011-201		2011-2015	2012-2015	
TOTAL PROJECT EXPENSE 2012	\$ 25,000.00	\$ 25,000.00	\$ 5,000.00	\$ 10,000.00	\$ 12,000.00	TOTAL \$ 77,000.00
TOTAL PROJECT BUDGET 2011	New	New	New	New	\$ 12,000.00	\$ 12,000.00



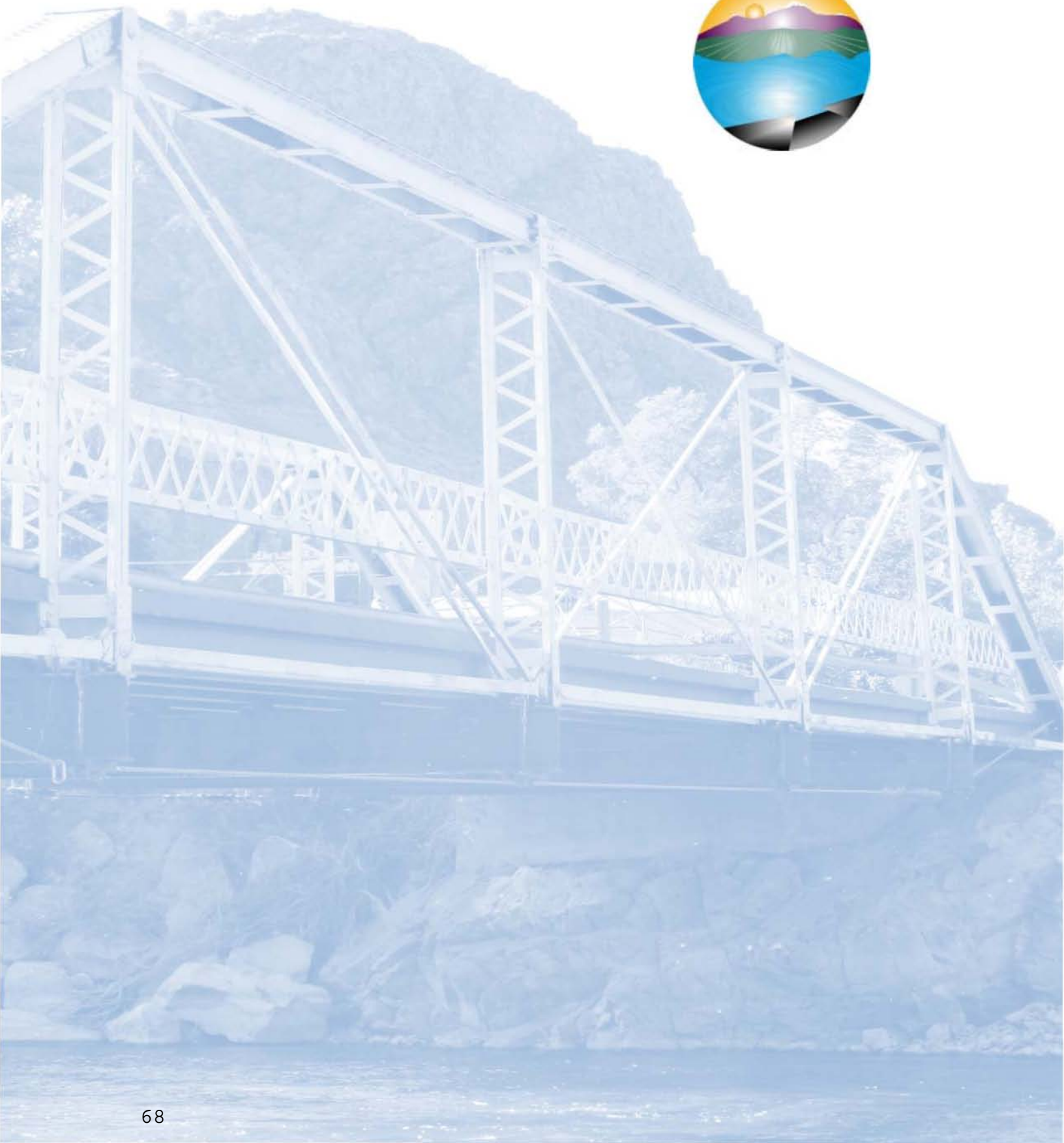
Project Analysis as it relates to the Strategic Plan	Business Activity Grants				
	CWCB Excess Capacity Blue Mesa	Arkansas Valley Conduit Regional Water Conservation Plan Development	Arkansas Valley Conduit Regional Water Conservation Plan Implementation	USBR Water Conservation Field Services Conservation Plan Implementation	
Grantor / Service Provider	CWCB - WSRA	CWCB	CWCB	USBR - WCFS	
State / Federal / Local	State	State	State	Federal	
Established Partnership	Yes	Yes	Yes	Yes	
Strategy	Yes	Yes	Yes	Yes	
Location	West Slope	Lower Arkansas Basin	Lower Arkansas Basin	Lower Arkansas Basin	
Key Result Area	Water Supply & Storage	Water Supply & Storage	Water Supply & Storage	Water Supply & Storage	
Strategic Goal	Reliable Future Water Supply	Reliable Future Water Supply	Reliable Future Water Supply	Reliable Future Water Supply	
Key Result Area	Leadership	Leadership	Leadership	Leadership	
Strategic Goal	Support communication & activities with stakeholders through outreach programs	Support communication & activities with stakeholders through outreach programs	Support communication & activities with stakeholders through outreach programs	Support communication & activities with stakeholders through outreach programs	
Performance Indicator	Technical memorandum and modeling. Final reporting competed for presentation	Conservation plan developed	Conservation plan implemented	Conservation plan implemented	
Process Status	Design	Design	Design	Design	
Timeline	2011-2013	2011-2012	2011-2013	2011-2013	
TOTAL PROJECT EXPENSE 2012	\$ 112,500.00	\$ 56,435.00	\$ 20,000.00	\$ 20,000.00	\$ 208,935.00
TOTAL PROJECT BUDGET 2011	New	\$ 40,000.00	\$ 15,000.00	\$ 15,000.00	\$ 70,000.00



Project Analysis as it relates to the Strategic Plan	Government Activity Grants				
	USBR Water Conservation Field Services Xeriscape Education	USBR Water Conservation Field Services Agriculture Water Conservation Program	USBR Water Conservation Field Services Colorado Water 2012	USBR Water Conservation Field Services Children's Water Festival	
Grantor / Service Provider	USBR - WCFS	USBR - WCFS	USBR - WCFS	USBR - WCFS	
State / Federal / Local	Federal	Federal	Federal	Federal	
Established Partnership	Yes	Yes	Yes	Yes	
Strategy	Yes	Yes	Yes	Yes	
Location	Arkansas Basin	Arkansas Basin	Arkansas Basin	Central	
Key Result Area	Water Supply & Storage	Water Supply & Storage	Water Supply & Storage	Water Supply & Storage	
Strategic Goal	Reliable Future Water Supply	Reliable Future Water Supply	Reliable Future Water Supply	Reliable Future Water Supply	
Key Result Area	Leadership	Leadership	Leadership	Leadership	
Strategic Goal	Support communication & activities with stakeholders through outreach programs	Support communication & activities with stakeholders through outreach programs	Support communication & activities with stakeholders through outreach programs	Support communication & activities with stakeholders through outreach programs	
Performance Indicator	Establish a regional outreach campaign that supports research & education	Establish a regional outreach campaign that supports research & education	Establish a regional outreach campaign that supports research & education	Establish a regional outreach campaign that supports research & education	
Process Status	Implementation	Implementation	Implementation	Implementation	
Timeline	2012	2012	2012	2012	
TOTAL PROJECT EXPENSE 2012	\$ 800.00	\$ 3,850.00	\$ 5,000.00	\$ 2,000.00	TOTAL \$ 11,650.00
TOTAL PROJECT BUDGET 2011	\$ 1,600.00	\$ 5,400.00	\$ 10,000.00	\$ 4,000.00	\$ 21,000.00

Strategic Plan Table 8

2012 Budget



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2012 Budget

Government Wide	DISTRICT FUND	ENTERPRISE FUND	GOVERNMENT WIDE
<u>Fry-Ark Repayment Activity</u>			
Fry-Ark Project Revenue			
Contract Mill Levy Collections	6,405,175		6,405,175
Abatement and Refund of Tax Collections	85,402		85,402
Prior Year Tax	(15,000)		(15,000)
County Collection Fees	(110,000)		(110,000)
<i>Sub Total Tax Collections</i>	6,365,577	-	6,365,577
Fountain Valley Authority	5,352,760		5,352,760
Winter Water Storage	128,800		128,800
Collection of RRA Fees	7,000		7,000
Total Fry-Ark Project Revenue	11,854,137	-	11,854,137
Fry-Ark Project Expenditures			
Contract Payments	6,365,577		6,365,577
Fountain Valley Authority	5,352,760		5,352,760
Winter Water Storage	128,800		128,800
RRA Fees	7,000		7,000
Total Fry-Ark Project Expenditures	11,854,137	-	11,854,137
Total Fry-Ark Repayment Activity	-	-	-
<u>Grant Activity By Fund</u>			
Grant Revenue			
State & Local	50,000	165,837	215,837
Federal	11,650	43,096	54,746
Total Grant Revenue	61,650	208,933	270,583
Grant Expenditures			
Project/Grant Expenses	11,650	208,933	220,583
Contingency - Grants	50,000	-	50,000
Total Grant Expenditures	61,650	208,933	270,583
Total Grant Activity	-	-	-
<u>Operating Revenue by Fund</u>			
Operating Tax Revenue			
Specific Ownership Tax Collections	555,000	-	555,000
Operating Tax Revenue	249,090	-	249,090
<i>Sub Total Operating Tax Revenue</i>	804,090	-	804,090
Water Sales and Surcharges			
Project Water Sales	-	331,100	331,100
Surcharges and Water Fees	-	636,740	636,740
<i>Sub Total Water Sales and Surcharges</i>	-	967,840	967,840
Participant Payments	-	515,141	515,141
Federal Revenue- IPA & Appropriations	-	174,929	174,929
Interfund Reimbursement for Services	1,120,220	20,000	1,140,220
Investment Revenue	153,400	126,597	279,997
Partnership Contributions	-	135,000	135,000
Other Revenue	700	-	700
Total Operating Revenue	2,078,410	1,939,507	4,017,917
Total Fund Revenue	\$ 13,994,197	\$ 2,148,440	\$ 16,142,637

2012 Budget

Government Wide	DISTRICT FUND	ENTERPRISE FUND	GOVERNMENT WIDE
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Operating Expenditures

Human Resources	1,275,471	-	1,275,471
Staff Training, Meetings, Education and Travel	63,933	8,356	72,289
Executive, Director Travel and Meetings	36,400	11,490	47,890
Outside and Professional Services	393,040	111,799	504,839
Lobbyists	30,000	86,452	116,452
External Partners, Studies, Water Rights	12,000	540,703	552,703
Water Education, Sponsorships, Conservation	62,072	145	62,217
Board Room Meetings and Expense	17,842		17,842
Building and Landscape Expense	35,545		35,545
Insurance	16,265		16,265
Office and Administrative Expense	92,428	300	92,728
Telephones, Information Technology	45,911		45,911
Capital Improvements Safety of Dams		60,000	60,000
Capital Outlay*	900,000	200,000	1,100,000
Automobile Expense and Insurance	7,073		7,073
Personnel and Overhead	-	1,120,220	1,120,220
AVC Matching Contribution	20,000	-	20,000
Total Operating Expenditures	\$ 3,007,980	\$ 2,139,465	\$ 5,147,445

Revenue 2012 Budget	\$ 13,994,197	\$ 2,148,440	\$ 16,142,637
Requested Expenditure for 2012 Budget	\$ 14,923,767	\$ 2,348,398	\$ 17,272,165
Revenues minus Expenditures	\$ (929,570)	\$ (199,958)	\$ (1,129,528)

Fund Balance Summary

2010 Audited Ending Fund Balance	\$ 9,782,692	\$ 9,715,403	\$ 19,498,095
2011 EOY Add/Sub to Fund Balance	\$ -	\$ 423,275	\$ 423,275
2011 Projected Ending Fund Balance	\$ 9,782,692	\$ 10,138,678	\$ 19,921,370
Additions to Fund Balance	\$ -	\$ -	\$ -
Subtractions from Fund Balance	\$ (929,570)	\$ (199,958)	\$ (1,129,528)
2012 Projected Ending Fund Balance	\$ 8,853,122	\$ 9,938,721	\$ 18,791,843

2012 Budget

*Capital Outlay Projects and One Time Expense	DISTRICT FUND	ENTERPRISE FUND	GOVERNMENT WIDE
Red Top Ranch: for the purpose of participating in the east slope water entities efforts to acquire water to fulfill the District's proportionate obligation under the final programmatic biological opinion for Bureau of Reclamation's operations and depletions, other depletions, and funding and implementation of recovery program actions in the upper Colorado River above the Gunnison River	850,000		850,000 -
RRA Software, Training and Support	40,000		40,000 -
SECWCD.org website redesign	10,000		10,000 -
One time 50th Anniversary project in 2012	30,000		30,000 -
Lease of Power Privilege for Hydroelectric Power project at Pueblo Dam		200,000	200,000
Total Capital Outlay Projects & One Time Expense	\$ 930,000	\$ 200,000	\$ 1,130,000

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Southeastern Colorado Water Conservancy District

2012 Budget

Government Activity	2010 Actual	2011 Budget	*2011 Actual	2012 Budget
Fry-Ark Project Revenue				
Tax Collections				
Contract Mill Levy Collections	6,604,358	6,650,642	6,601,200	6,405,175
Abatement and Refund of Tax Collections	68,918	90,010	90,006	85,402
Prior Year Tax	(453)	(5,000)	(15,508)	(15,000)
County Collection Fees	(108,469)	(110,000)	(114,563)	(110,000)
<i>Total Tax Collections</i>	6,564,354	6,625,652	6,561,135	6,365,577
Fountain Valley Authority				
Fountain Valley Authority	5,352,751	5,352,760	5,352,751	5,352,760
FVA Additional Contract	29,645	-	15,235	
<i>Total Fountain Valley Authority</i>	5,382,396	5,352,760	5,367,986	5,352,760
Winter Water Storage	140,033	128,800	124,753	128,800
Collection of RRA Fees		7,830	-	7,000
Total Fry-Ark Project Revenue	12,086,783	12,107,212	12,053,874	11,854,137
Fry-Ark Project Expenditures				
Contract Payments				
Contract Tax Payment - USBR	6,723,536	6,540,642	6,548,300	6,365,577
<i>Total Contract Payments</i>	6,723,536	6,540,642	6,548,300	6,365,577
Fountain Valley Authority				
Payment - Fountain Valley Authority	5,352,751	5,352,760	5,352,751	5,352,760
Payment - FVA Additional Contract	11,085	-	15,235	
<i>Total Fountain Valley Authority</i>	5,363,836	5,352,760	5,367,986	5,352,760
Winter Water Storage	-	128,800	124,753	128,800
RRA Fees	-	7,830	8,960	7,000
Total Fry-Ark Project Expenditures	12,087,372	12,030,032	12,049,999	11,854,137
Total Fry-Ark Revenues Over (Under) Expenditures	(589)	77,180	3,875	-
Grant Revenue				
State & Local	79,837	66,323	38,484	-
Grant Contingency		50,000		50,000
Federal	8,126	13,850	3,966	11,650
Total Grant Revenue	87,963	130,173	42,450	61,650
Grant Expenditures				
Project/Grant Expenses	115,768	89,323	60,286	11,650
Contingency - Grants	-	50,000		50,000
Total Grant Expenditures	115,768	139,323	60,286	61,650
Total Grant Activity	(27,805)	(9,150)	(17,836)	-
Operating Revenue				
Operating Tax Revenue				
Specific Ownership Tax Collections	668,383	600,000	549,503	555,000
Operating Tax Revenue	249,337	233,636	254,689	249,090
Total Operating Tax Revenue	917,720	833,636	804,191	804,090
Water Sales and Surcharges				
Project Water Sales	259,128	-	-	-
Enterprise Safety of Dams Repayment	62,242	-	-	-
Total Water Sales and Surcharges	321,370	-	-	-
Participant Payments				
Payments - Participants	-	4,200	4,200	
Total Participant Payments	-	4,200	4,200	-
Interfund Reimbursements				
Enterprise Admin Reimbursement	539,661	1,091,833	889,852	1,120,220
Total Interfund Reimbursements	539,661	1,091,833	889,852	1,120,220

Southeastern Colorado Water Conservancy District

2012 Budget

Government Activity	2010 Actual	2011 Budget	*2011 Actual	2012 Budget
Investment Revenue				
Interest Income	120,390	161,375	16,140	153,400
Income to Fair Market Adjust	(52,056)	-	139,303	
Interest on Bonds	-	-	103,188	
Total Investment Revenue	68,334	161,375	258,630	153,400
Other Revenue				
Miscellaneous Revenue	48,355	550	791	700
Xeriscape Tour and Materials Sale	-	-	400	
Total Other Revenue	48,355	550	1,191	700
Partnership Contributions				
Transit Loss Study Contributions	20,000	-	-	-
Total Partnership Contributions	20,000	-	-	-
Total Operating Revenue	1,915,440	2,091,594	1,958,065	2,078,410

Operating Expenditures

Human Resources

Subtotal Human Resources

Staff Training, Meetings, Education and Travel

Meeting Expense

Staff Business Travel

Staff Certification & Education

Subtotal Staff Training, Meetings, Education and Travel

Executive, Director Travel and Meetings

Directors Travel Expense & Meals

Executive Travel Expense & Meals

Subtotal Executive, Director Travel and Meetings

Outside and Professional Services

Annual Audit

Consultant HR Breadbasket

Legal Representation

Engineering Legal Consultants

Engineering Outside Contracts

Legal Travel Expense

Subtotal Outside and Professional Services

Lobbyists

Consultant/Lobbying Services - Federal

Subtotal Lobbyists

External Partners, Studies, Water Rights

Colorado River Negotiations

Compliance Studies

Colorado River Project Activities

Subtotal External Partners, Studies, Water Rights

Water Education, Sponsorships, Conservation

Conservation - Ag

Children's Water Festival

Conservation - Irrigation Technology

Conservation - Muni

Conservation - Education

Xeriscape Garden Tours

District Special Events

Fry-Ark Tours

Sponsorships, Exhibits & Ads

Web Hosting

Xeriscape Ed Programs & Publications

Subtotal Water Education, Sponsorships, Conservation

	978,832	1,196,449	1,045,109	1,275,471
	1,250	3,315	328	3,175
	5,564	20,337	7,479	40,716
	7,796	20,991	15,359	20,042
	14,610	44,643	23,166	63,933
	24,886	26,750	28,814	25,800
	12,829	12,470	11,330	10,600
	37,714	39,220	40,144	36,400
	17,457	12,200	11,097	11,540
	-	2,500	-	6,000
	515,014	515,000	515,083	350,000
	-	20,000	5,322	25,000
	14,381	2,000	-	-
	93	500	217	500
	546,944	552,200	531,719	393,040
	24,227	30,000	19,914	30,000
	24,227	30,000	19,914	30,000
	466	12,000	-	-
	-	-	-	-
	11,876	14,000	11,176	12,000
	12,342	26,000	11,176	12,000
	400	-	-	-
	1,000	1,000	-	1,000
	320	215	188	50
	500	1,750	-	-
	500	15,000	12,921	14,900
	182	670	562	670
	-	15,000	-	20,000
	-	9,500	9,500	10,000
	2,017	5,800	9,663	15,100
	740	1,116	1,876	352
	88	-	9	-
	5,747	50,051	34,718	62,072

Southeastern Colorado Water Conservancy District

2012 Budget

Government Activity	2010 Actual	2011 Budget	*2011 Actual	2012 Budget
Board Room Meetings and Expense				
Board Meetings and Expense	11,074	15,884	15,450	17,542
Board Room Expense	117	2,300	30	300
<i>Subtotal Board Room Meetings and Expense</i>	11,191	18,184	15,480	17,842
Building and Landscape Expense				
<i>Subtotal Building and Landscape Expense</i>	84,543	32,566	31,224	35,545
Liability Insurance				
<i>Subtotal Liability Insurance</i>	15,654	15,700	14,795	16,265
Office and Administrative Expense				
Office and Administration General Expense	28,409	27,146	21,049	42,428
Contingency - Operating	-	50,000	-	50,000
<i>Subtotal Office and Administrative Expense</i>	28,409	77,146	21,049	92,428
Telephones, Information Technology				
<i>Subtotal Telephones, Information Technology</i>	35,166	27,363	23,210	45,911
** Capital Outlay and Improvements				
Capital Outlay - Automobile	27,885	-	-	-
Capital Outlay - Information System	-	14,959	76,394	50,000
Capital Outlay - Other	-	5,470	32,460	850,000
<i>Subtotal Capital Outlay and Improvements</i>	27,885	20,429	108,854	900,000
Automobile Expense and Insurance				
Insurance - Automobile	1,590	1,550	1,923	1,848
Vehicle Maintenance	5,318	3,200	2,094	5,225
<i>Subtotal Automobile Expense and Insurance</i>	6,908	4,750	4,017	7,073
Interest Expense				
Interest Expense	10	-	-	-
<i>Subtotal Interest Expense</i>	10	-	-	-
Other Payments				
AVC Matching Contribution	70,000	20,000	20,000	20,000
Other Payments	-	-	-	-
<i>Subtotal Other Payments</i>	70,000	20,000	20,000	20,000
Total Operating Expenditures	1,900,183	2,154,701	1,944,576	3,007,980
Revenues	\$ 14,090,186	\$ 14,328,979	\$ 14,054,389	\$ 13,994,197
Expenditures	\$ (14,103,324)	\$ (14,324,056)	\$ (14,054,861)	\$ (14,923,767)
Revenues minus Expenditures	\$ (13,138)	\$ 4,923	\$ (472)	\$ (929,570)

* Unaudited ** Capital Outlay and Improvements for Actual reflects balance prior to year end closing entries

Southeastern Colorado Water Activity Enterprise

2012 Budget

Business Activity Consolidated	2010 Actual	2011 Budget	*2011 Actual	2012 Budget
Grant Revenue				
State & Local	200,000	35,000	8,887	165,837
Federal	258,945	35,000	20,000	43,096
Total Grant Revenue	458,945	70,000	28,887	208,933
Grant Expenditures				
Project/Grant Expenses	-	76,000	25,087	208,933
Contingency - Grants	-	-	-	-
Total Grant Expenditures	-	76,000	25,087	208,933
Total Grant Activity	458,945	(6,000)	3,800	-
Operating Revenue				
Water Sales and Surcharges				
Return Flow Water Sales	65,134	42,369	107,010	45,216
Well Augmentation	12,528	13,809	11,341	14,890
Surcharge Revenue	432,319	392,568	474,914	426,634
Aurora IGA	150,000	150,000	150,000	150,000
Project Water Sales	437,449	307,041	555,842	331,100
Total Water Sales and Surcharges	1,097,430	905,787	1,299,107	967,840
Investment Revenue				
Interest Income	84,223	129,971	1,675	126,597
Income to Fair Market Adjust	(35,347)	-	123,003	-
Interest on Bonds	-	-	106,750	-
Total Investment Revenue	48,876	129,971	231,428	126,597
Participant Payments	741,448	1,298,222	1,090,179	515,141
Federal Revenue- IPA & Appropriations	45,630	888,699	99,068	174,929
Interfund Reimbursement for Services	70,000	26,000	26,000	20,000
Partnership Contributions	135,000	160,000	150,000	135,000
Other Revenue	70,000	-	-	-
Total Operating Revenue	2,208,384	3,408,679	2,895,782	1,939,507
Operating Expenditures				
Staff Training, Meetings, Education and Travel				
Meeting Expense	624	11,800	123	1,000
Meeting Meals	281	1,350	106	600
Staff Business - District Vehicle Gas	901	5,185	766	6,756
Staff Business - Meals	2,021	500	218	-
<i>Subtotal Staff Training, Meetings, Education and Travel</i>	3,827	18,835	1,212	8,356
Executive, Director Travel and Meetings				
Directors Travel Expense & Meals	965	5,380	17	6,780
Executive Travel Expense & Meals	3,422	6,720	1,502	4,710
<i>Subtotal Executive, Director Travel and Meetings</i>	4,387	12,100	1,518	11,490
Outside and Professional Services				
Annual Audit	17,827	24,799	22,193	24,799
Legal Representation	51,920	212,000	60,899	-
Engineering Legal Consultants	601,997	589,685	100,441	82,000
Engineering Outside Contracts	51,499	35,000	5,797	5,000
Legal Travel Expense	30	-	-	-
<i>Subtotal Outside and Professional Services</i>	723,273	861,484	189,329	111,799
Lobbyists				
Consultant/Lobbying Services - Federal	74,307	86,000	66,579	86,452
<i>Subtotal Lobbyists</i>	74,307	86,000	66,579	86,452

Southeastern Colorado Water Activity Enterprise

2012 Budget

Business Activity Consolidated	2010 Actual	2011 Budget	*2011 Actual	2012 Budget
External Partners, Studies, Water Rights				
10825 Costs / Recovery Implementation Program	25,842	42,000	9,838	15,000
Colorado River	18,176	-	46,365	36,000
Research Project Support	2,000	22,000	2,000	17,000
Compliance Studies	146,493	700,000	703,324	150,183
U.S.G.S. Co-op Programs	136,990	145,106	145,115	162,520
RRPG Project Costs	160,000	160,000	160,000	160,000
<i>Subtotal External Partners, Studies, Water Rights</i>	489,501	1,069,106	1,066,642	540,703
Board Room Meetings and Expense				
Board/Committee Meals	-	-	-	-
<i>Subtotal Board Room Meetings and Expense</i>	-	-	-	-
Office and Administrative Expense				
Project Related Supply and Expense	4,774	1,495	44	445
<i>Subtotal Office and Administrative Expense</i>	4,774	1,495	44	445
Capital Outlay and Improvements				
Safety of Dams Irrigation	128,820	60,000	60,000	60,000
Safety of Dams M&I	85,993	-	-	-
Hydroelectric Power	-	-	50,000	200,000
<i>Subtotal Capital Outlay and Improvements</i>	214,813	60,000	110,000	260,000
Personnel and Overhead				
Office Overhead	89,370	110,145	260,389	466,964
Project Directors Allocation	11,000	24,120	24,120	24,120
Project Personnel	438,164	957,568	605,343	629,136
<i>Subtotal Personnel and Overhead</i>	538,534	1,091,833	889,852	1,120,220
Other Payments				
AVC Matching Contribution	-	6,000	6,000	-
Other Payments	-	-	97	-
<i>Subtotal Other Payments</i>	-	6,000	6,097	-
	2,053,416	3,206,853	2,331,273	2,139,465

Revenues	\$ 2,667,329	\$ 3,478,679	\$ 2,924,669	\$ 2,148,440
Expenditures	\$ (2,053,416)	\$ (3,282,853)	\$ (2,356,360)	\$ (2,348,398)
Revenues minus Expenditures	\$ 613,913	\$ 195,826	\$ 568,309	\$ (199,958)

* Unaudited

2012 Budget for Active Projects

SE LONG-TERM EXCESS CAPACITY MC	2010 Actual	2011 Budget	*2011 Actual	2012
Prior Year Project Balance	\$ (50,325)		\$ 53,551	
Revenues	\$ 381,708	\$ 963,291	\$ 782,575	\$ 243,621
Expenditures	\$ (277,832)	\$ (963,291)	\$ (905,813)	\$ (243,621)
Project Balance End of Year	\$ 53,551	\$ -	\$ (69,687)	\$ -

Operating Revenue

Participant Payments	381,708	963,291	782,575	243,621
Total Operating Revenue	381,708	963,291	782,575	243,621

Operating Expenditures

Staff Training, Meetings, Education and Travel

Meeting Expense	4	1,250	48	200
Meeting Meals	109	-	74	300
Staff Business - District Vehicle Gas	52	500	13	
Staff Business - Meals	2	500		
<i>Subtotal Staff Training, Meetings, Education and Travel</i>	167	2,250	135	500

Executive, Director Travel and Meetings

Directors Travel Expense & Meals		500		
Executive Travel Expense & Meals			23	
<i>Subtotal Executive, Director Travel and Meetings</i>	-	500	23	-

Outside and Professional Services

Annual Audit	2,815	3,933	3,520	3,933
Legal Representation	16,806	40,000	15,305	
Engineering Outside Contracts		50,000	13,082	
Legal Travel Expense				
<i>Subtotal Outside and Professional Services</i>	19,621	93,933	31,907	3,933

Lobbyists

Consultant/Lobbying Services - Federal	10,874	15,000	14,703	18,600
<i>Subtotal Lobbyists</i>	10,874	15,000	14,703	18,600

External Partners, Studies, Water Rights

Compliance Studies	146,493	700,000	703,324	150,183
U.S.G.S. Co-op Programs	43,100	45,653	45,658	46,753
<i>Subtotal External Partners, Studies, Water Rights</i>	189,593	745,653	748,982	196,936

2012 Budget for Active Projects

SE LONG-TERM EXCESS CAPACITY MC	2010 Actual	2011 Budget	*2011 Actual	2012
Office and Administrative Expense				
Project related supply and expense		500		
<i>Subtotal Office and Administrative Expense</i>	-	500	-	-
Personnel and Overhead				
Office Overhead	7,511	23,646	33,104	10,077
Project Personnel	50,066	81,809	76,959	13,576
<i>Subtotal Personnel and Overhead</i>	57,577	105,455	110,064	23,653
Total Operating Expenditures	277,832	963,291	905,813	243,621
Revenues minus Expenditures	\$ 103,876	\$ -	\$ (123,238)	\$ -

* Unaudited

2012 Budget for Active Projects

ENLARGEMENT	2010 Actual	2011 Budget	*2011 Actual	2012
Prior Year Project Balance	\$ (31,272)		\$ 34,692	\$ -
Revenues	\$ 152,101	\$ 117,077	\$ 40,543	\$ 118,167
Expenditures	\$ (86,137)	\$ (117,077)	\$ (91,985)	\$ (118,167)
Project Balance End of Year	\$ 34,692	\$ -	\$ (16,750)	\$ 0

Operating Revenue

Participant Payments	152,101	117,077	40,543	118,167
Total Operating Revenue	152,101	117,077	40,543	118,167

Operating Expenditures

Staff Training, Meetings, Education and Travel

Meeting Expense		1,000		550
Meeting Meals				
Staff Business - District Vehicle Gas		600		-
Staff Business - Meals				
<i>Subtotal Staff Training, Meetings, Education and Travel</i>	-	1,600	-	550

Executive, Director Travel and Meetings

Directors Travel Expense & Meals				3,900
Executive Travel Expense & Meals				2,550
<i>Subtotal Executive, Director Travel and Meetings</i>	-	-	-	6,450

Outside and Professional Services

Annual Audit	2,815	3,933	3,520	3,933
Legal Representation		15,000	70	-
Engineering Outside Contracts			-	
Legal Travel Expense			-	
<i>Subtotal Outside and Professional Services</i>	2,815	18,933	3,590	3,933

Lobbyists

Consultant/Lobbying Services - Federal	6,543	15,000	9,957	25,000
<i>Subtotal Lobbyists</i>	6,543	15,000	9,957	25,000

External Partners, Studies, Water Rights

Compliance Studies				
U.S.G.S. Co-op Programs	43,100	45,653	45,658	51,135
<i>Subtotal External Partners, Studies, Water Rights</i>	43,100	45,653	45,658	51,135

2012 Budget for Active Projects

ENLARGEMENT	2010 Actual	2011 Budget	*2011 Actual	2012
Office and Administrative Expense				
Project related supply and expense		450		
<i>Subtotal Office and Administrative Expense</i>	-	450	-	-
Personnel and Overhead				
Office Overhead	3,633	8,778	9,860	13,249
Project Personnel	30,046	26,663	22,921	17,850
<i>Subtotal Personnel and Overhead</i>	33,679	35,441	32,781	31,099
Total Operating Expenditures	86,137	117,077	91,985	118,167
Revenues minus Expenditures	\$ 65,964	\$ -	\$ (51,442)	\$ 0

* Unaudited

2012 Budget for Active Projects

ARKANSAS VALLEY CONDUIT	2010 Actual	2011 Budget	*2011 Actual	2012
Prior Year Project Balance	\$ (109,472)		\$ (182,703)	
Revenues	\$ 852,214	\$ 1,202,553	\$ 421,017	\$ 444,715
Expenditures	\$ (925,445)	\$ (1,078,077)	\$ (373,212)	\$ (444,715)
Project Balance End of Year	\$ (182,703)	\$ 124,476	\$ (134,898)	\$ 0

Grant Revenue

State & Local	200,000	35,000	8,887	53,337
Federal	258,945	35,000	20,000	43,096
Total Grant Revenue	458,945	70,000	28,887	96,433

Grant Expenditures

Project/Grant Expenses		76,000	25,087	96,433
Contingency - Grants				
Total Grant Expenditures	-	76,000	25,087	96,433
Total Grant Activity	458,945	(6,000)	3,800	-

Operating Revenue

Participant Payments	207,639	217,854	267,062	153,353
Federal Revenue- IPA & Appropriations	45,630	888,699	99,068	174,929
Interfund Reimbursement for Services	70,000	26,000	26,000	20,000
Partnership Contributions				
Other Revenue	70,000			
Total Operating Revenue	393,269	1,132,553	392,130	348,282

Operating Expenditures

Staff Training, Meetings, Education and Travel

Meeting Expense	447	850	75	250
Meeting Meals	142	350	32	300
Staff Business - District Vehicle Gas	825	1,085	741	6,756
Staff Business Travel Expense & Meals	2,019		218	-
<i>Subtotal Staff Training, Meetings, Education and Travel</i>	3,433	2,285	1,066	7,306

Executive, Director Travel and Meetings

Directors Travel Expense & Meals	11	2,880	17	2,880
Executive Travel Expense & Meals	3,407	6,720	329	2,160
<i>Subtotal Executive, Director Travel and Meetings</i>	3,418	9,600	346	5,040

2012 Budget for Active Projects

ARKANSAS VALLEY CONDUIT	2010 Actual	2011 Budget	*2011 Actual	2012
Outside and Professional Services				
Annual Audit	2,815	3,933	3,519	3,933
Legal Representation	18,236	124,000	10,799	-
Engineering Outside Contracts	601,997	519,685	48,006	-
Legal Travel Expense	20		53	
<i>Subtotal Outside and Professional Services</i>	623,068	647,618	62,377	3,933
Lobbyists				
Consultant/Lobbying Services - Federal	19,955	32,000	25,988	30,852
<i>Subtotal Lobbyists</i>	19,955	32,000	25,988	30,852
External Partners, Studies, Water Rights				
Compliance Studies				
U.S.G.S. Co-op Programs				4,382
<i>Subtotal External Partners, Studies, Water Rights</i>	-	-	-	4,382
Board Room Meetings and Expense				
Board/Committee Meals				
<i>Subtotal Board Room Meetings and Expense</i>	-	-	-	-
Office and Administrative Expense				
Project related supply and expense	1,470	370	42	445
<i>Subtotal Office and Administrative Expense</i>	1,470	370	42	445
Personnel and Overhead				
Office Overhead	38,966	77,721	77,692	126,241
Project Personnel	235,135	232,483	180,615	170,083
<i>Subtotal Personnel and Overhead</i>	274,101	310,204	258,307	296,324
Total Operating Expenditures	925,445	1,002,077	348,125	348,282
Revenues minus Expenditures	\$ (73,231)	\$ 124,476	\$ 47,805	\$ 0

* Unaudited

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 2011 TO BE COLLECTED IN THE YEAR 2012.

RESOLUTION AND ORDER NO. 2011-1DF

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, Tina White, Financial Coordinator for the District, was appointed by this Board of Directors as Budget Officer, to prepare a Budget for the year 2012, and submitted same to said Board on October 14, 2011; the District has caused to be furnished the requisite Notice of Hearing, and a Hearing was held at the District Office at 11:00 a.m. November 10, 2011.

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 8, 2011, 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 **\$14,923,767**, of which **\$11,854,137** is for Contract Obligations as part of the Repayment Contract with the U.S. Bureau of Reclamation, and appropriates funds for the purpose shown within said Budget; and,

BE IT RESOLVED, the Board of Directors of said District does now determine that the amount of money to be raised by taxation for said purposes for the year 2012, levied on the 2011 assessed valuation of **\$7,116,861,430** will produce revenue of **\$6,405,175**. The District certifies a mill levy at **.90** for Contract Repayment, and a mill levy at **.035** for Operating Expenses, totaling **.935** mills.


BE IT FURTHER RESOLVED that the Board of Directors of said District certifies an additional **.012** 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 **\$85,402**. The Abatements and Refunds mill levy assessment is authorized under C.R.S. 39-10-114 (1) (a) (I) (B).

BE IT FURTHER RESOLVED, that the Board of Directors of said District does now certify to the Boards of County Commissioners of Bent, Chaffee, Crowley, El Paso, Fremont, Kiowa, Otero, Prowers, and Pueblo Counties, in the State of Colorado, said combined rate of .935 mill so fixed for said purposes of said District (including .90 mill for Contract Repayment and .035 for Operating Expenses) to be levied upon every dollar of assessed value on all property within said District and in said Counties, as aforesaid; and said Boards of County Commissioners shall levy said tax of .935 mill upon each dollar of assessed valuation of all property, real and personal, within the District, in their respective Counties, in addition to such other taxes as may be levied by such Boards of County Commissioners; and, in addition does now direct that at the time and in the manner required by law, and under the Abatements and Refunds mill levy provision (C.R.S. 39-10-114 (1) (a) (I) (B)), said Boards of County Commissioners shall levy said additional tax of .013 mill upon each dollar of assessed valuation of all property, real and personal, within the District, in their respective Counties.

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

STATE OF COLORADO) §
COUNTY OF PUEBLO)

I, James W. Broderick, Assistant Secretary/Treasurer of the Southeastern Colorado Water Conservancy District, do hereby certify the foregoing is a true and correct copy of Resolution and Order passed and adopted in a regular meeting of the Board of Directors of the Southeastern Colorado Water Conservancy District, held on December 8, 2011, 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 2011 to be collected in the year 2012.


James W. Broderick
Assistant Secretary/Treasurer

ATTEST:


Bill Long
President

S E A L

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

RESOLUTION AND ORDER NO. 2011-1EF

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

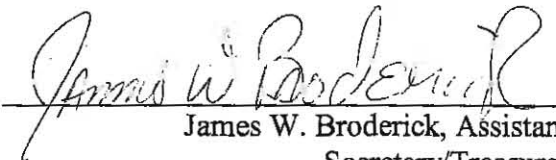
WHEREAS, Tina White, Budget Officer for the Southeastern Colorado Water Conservancy District was appointed by this Board of Directors, as Budget Officer, to prepare a Budget for the year 2012, and submitted same to said Board on October 14, 2011; the District has caused to be furnished the requisite Notice of Hearing, and a Hearing was held at the District Office at 11:00 a.m. November 10, 2011.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of the Southeastern Colorado Water Activity Enterprise hereby approves and adopts the Budget as submitted by final Board action December 8, 2011, and appropriates the funds for the purpose shown within said Budget; and,

BE IT RESOLVED, the Board of Directors of the Southeastern Colorado Water Activity Enterprise hereby approves and adopts expenditures in the amount of \$2,348,398, and appropriates funds for the purposes shown within said Budget.

STATE OF COLORADO) §
COUNTY OF PUEBLO)

I, James Broderick, Assistant Secretary/Treasurer of the Southeastern Colorado Water Activity Enterprise, do hereby certify the foregoing is a true and correct copy of Resolution and Order passed and adopted in a regular meeting of the Board of Directors of the Southeastern Colorado Water Activity Enterprise, held on December 8, 2011, determining the amount of money to be appropriated for expenditures by the Southeastern Colorado Water Activity Enterprise.


James W. Broderick, Assistant
Secretary/Treasurer

ATTEST:


Bill Long
President

SEAL



Additional Contributions

United Bureau of Reclamation, Photographs and logo

MWH Global, Gerald Gibbens, Map

Margie Medina, Photograph and map

Bill Long, Photograph

Liz Catt, Photograph

Tina White, Photographs

Alexander Productions, Photograph on Grant Budget

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The Arkansas River Flood of June 3-5, 1921 by Robert Follansbee and Edward E. Jones, Department of the Interior, United States Geological Survey, Washington Government Printing Office, 1922

The Commercial Appeal, Memphis, Tennessee, June 5, 1921

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Southeastern Colorado Water Conservancy District

TABLE OF TERMS AND ACRONYMS

2012 Budget

A/F	Acre-Foot Water
Ag	Agricultural
ARKWIPP	Arkansas River Watershed Invasive Plants Plan Implementation
Aurora	City of Aurora
AVC	Arkansas Valley Conduit
Bill McDonald	McDonald Water Policy Consulting, LLC
BWWP	Board of Water Works of Pueblo, Colorado
COAgMet	Colorado Agricultural Meteorology Outreach Program
CPI	Consumer Price Index (TABOR Calculations)
CSU	Colorado Springs Utilities
CWCB	Colorado Water Conservation Board
CWRPDA	Colorado Water Resources and Power Development Authority
DISTRICT	Southeastern Colorado Water Conservancy District
DOLA	Department of Local Affairs
EIS	Environmental Impact Statement
Enterprise	Southeastern Colorado Water Activity Enterprise
ESA	Endangered Species Act
Excess Capacity	South Eastern Long Term Excess Capacity Master Contract
Fry-Ark	Fryingpan-Arkansas Project (Entire System from Bousted Tunnel down)
FTP	Full Time Positions
FVA	Fountain Valley Authority
IGA	Intergovernmental Agreement
IPA	Intergovernmental Personnel Act
IT	Information Technology (Computers and related communication devices)
LAVWCD	Lower Arkansas Valley Water Conservancy District
LoPP	Lease of Power Privilege
M&I	Municipal and Industrial
Master Contract	Southeastern Long-Term Excess Capacity Master Contract
Mill	Millage tax: The amount per 1000 that property tax is calculated on
Mill Levy	An Ad Valorem tax that a property owner must pay annually on their property
MOA	Memorandum of Agreement
MOU	Memorandum of Understanding
Muni	Municipal
MWH	MWH Global: Engineering firm hired by USBR for the AVC project
NEPA	National Environmental Protection Act
Northern	Northern Colorado Water Conservancy District
OM&R	Operations, Maintenance and Repair
PSOP	Preferred Storage Options Plan
Reclamation	United States Bureau of Reclamation
RICD	Recreational In-Channel Diversion
RIP	Recovery Implementation Program
ROY	Restoration of Yield
RRA	Reclamation Reform Act



Southeastern Colorado Water Conservancy District

TABLE OF TERMS AND ACRONYMS

2012 Budget

RRPG	Regional Resource Planning Group
SECO	Southeastern Colorado Waterwise
SECWCD	Southeastern Colorado Water Conservancy District
SELTEC	Southeastern Long-Term Excess Capacity Master Contract
SO Tax	Specific Operating Tax: Collected on personal vehicles, such as automobiles and trailers
SOD	Safety of Dams - Program through Reclamation
STAG	State and Tribal Assistance Grant
TABOR	Taxpayer Bill of Rights - Colorado Law
The Authority	Fountain Valley Authority
The Conduit	Arkansas Valley Conduit
The Project	Fryingpan-Arkansas Project (Entire System from Busted Tunnel down)
UAWCD	Upper Arkansas Water Conservancy District
USBR	United States Bureau of Reclamation
USGS	United States Geological Survey
WAE	Southeastern Colorado Water Activity Enterprise
WCFS	Water Conservation Field Service
WDR	Water District Review

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Bridging the Next 50 Years