

**2011 Budget**  
**Southeastern Colorado Water Conservancy**  
**District**



**December 15, 2010**





# 2011 Annual Budget

## *Southeastern Colorado Water Conservancy District & Water Activity Enterprise*

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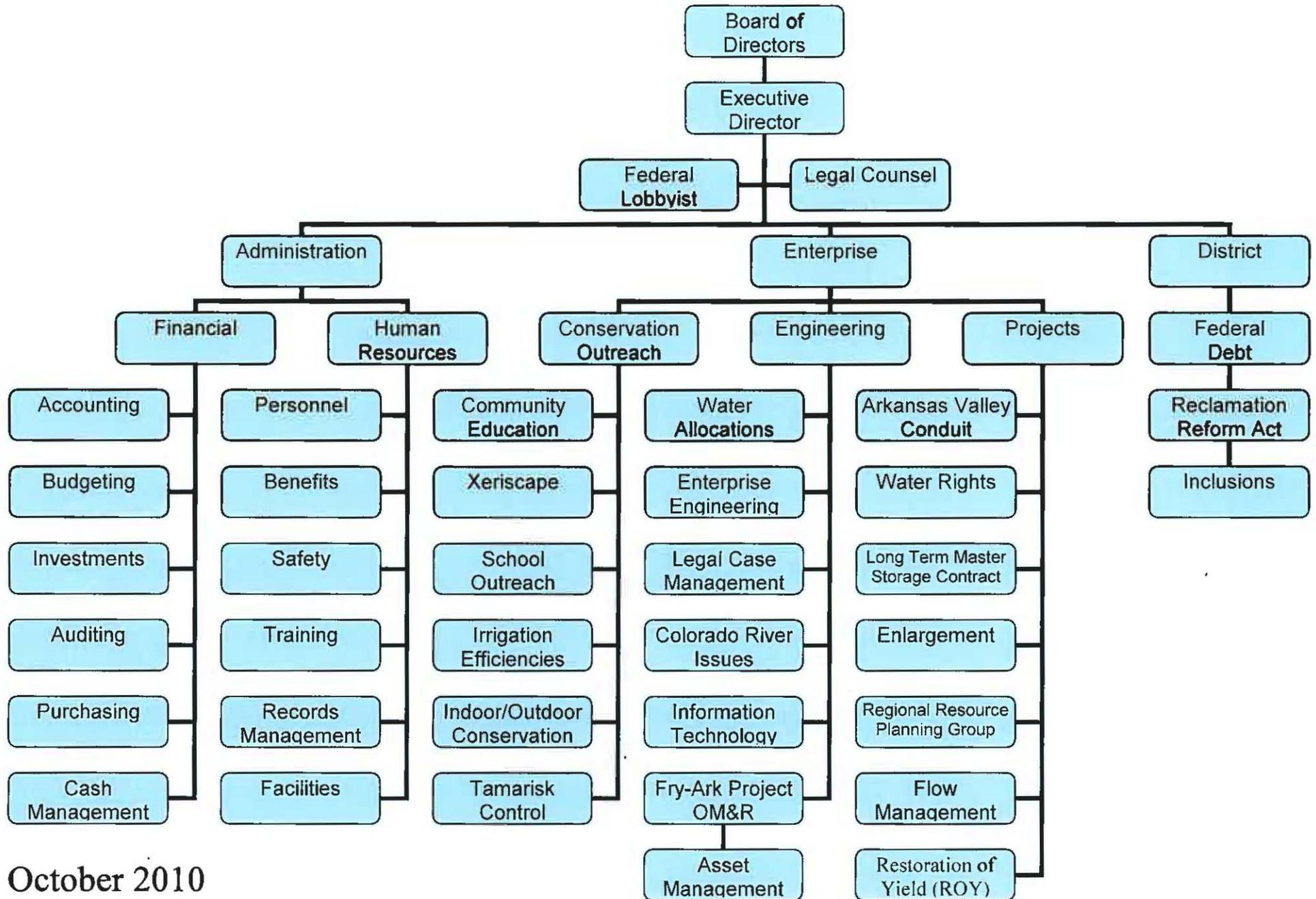
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# Southeastern Colorado Water Conservancy District Functions



October 2010



*Southeastern Colorado  
Water Conservancy District*



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**Letter to the Citizens of the Southeastern Colorado Water Conservancy District,  
Board of Directors and Executive Director**

December 15, 2010

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

As the Budget Officer, it is my pleasure to present to you the 2011 Budget for the Southeastern Colorado Water Conservancy District and the Water Activity Enterprise. This was a collaborative effort on the part of the entire staff with leadership and insight from our Executive Director. Please use this budget as a guideline for our financial operations in 2011. It has been developed using our mission statement;

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

Through the Strategic Plan we develop public trust with leadership within our organization. Leadership and planned direction will ensure continuity of water resources for our community, participants, and the citizens of our nine counties. Our projects must continue to maintain their structure, and new projects such as the Arkansas Valley Conduit, must be built reliably and within a time frame to make the costs affordable to all. Due to the nature of our organization and the unique circumstances in which we operate, human resources recognizes we must hire and develop the most highly qualified people for these projects, and make their employment here desirable and competitive. We must also provide the team with the essential tools needed to do their jobs. This means our technology must be compatible with today's market. Finally, we must maintain the Southeastern Colorado Water Conservancy District with excellent fiscal policy, structure, and balance to achieve our long-range planning strategies.

One of the purposes of the Southeastern Colorado Water Conservancy District (District) is to collect tax revenue from the District citizens of the Fryingpan-Arkansas Project (Project) and repay the Bureau of Reclamation for the construction and maintenance of the Project through the nine participating counties. These counties are:

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

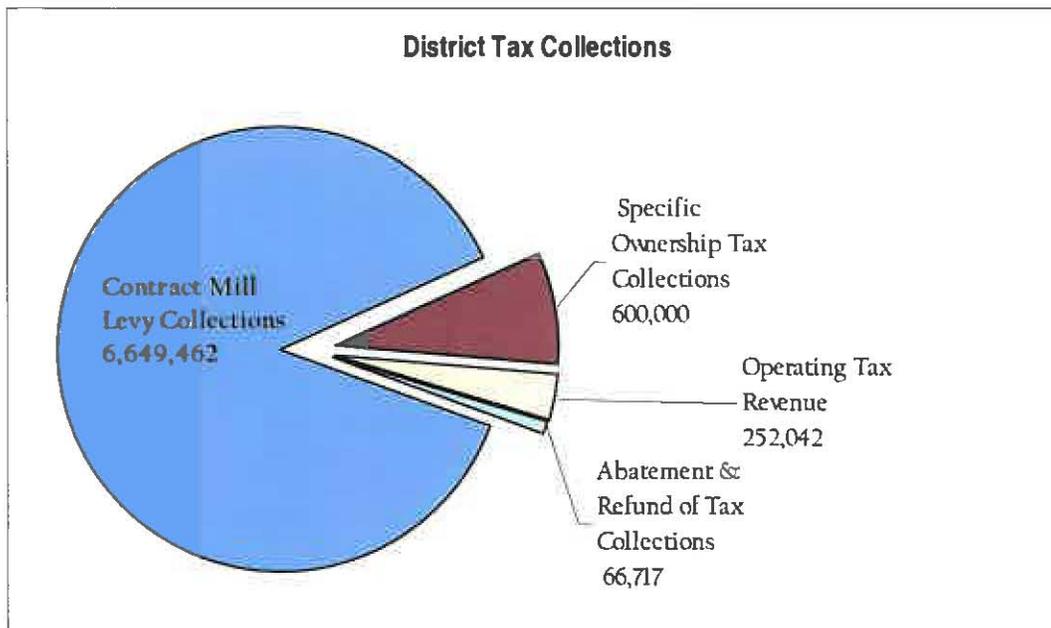
The general fund, commonly referred to as the District, has estimated revenue in 2011 of \$14,446,809. We have four types of Revenue:

- A. Tax revenue which includes Mill Levy Tax and Specific Ownership Tax
- B. Pass-Through
- C. Grant
- D. Other Revenue.
  - Enterprise Reimbursement
  - Interest on investments
  - Miscellaneous Revenue

### ***A. Tax Collections***

The tax revenue breaks down into four components. The first three components are the mill levies and tax collections from the taxpayers. Each year the District certifies the three different mill levies to the nine county treasurers for collection based on the boundaries of the District.

1. The Contract Mill Levy for 2011 will be set at 0.9 mills based on the calculated limits. The Contract Mill Levy can be described as pass-through accounting. One hundred percent of the funds collected from this levy are used to pay for the operation, repair and maintenance (OM&R), and capital construction costs related to the Project less the county collection fee budgeted for \$110,000. The 2011 estimated revenue from this ad valorem tax, based on the county assessor reports is \$6,650,642. The proceeds of the Contract Mill Levy collection are to repay the debt on the Fryingpan-Arkansas Project, commonly referred to as the Project. 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 the Bureau of Reclamation, one in June and one in December. The repayment for 2011 is budgeted at \$6,540,642.
2. A second mill levy is annually certified, currently at 0.035 mills, to help pay operating costs of the District. This mill levy falls under TABOR limitations. The 2011 estimate for this ad valorem tax, based on the county assessor reports is \$233,636.
3. The third certified mill levy allows the District to budget for abatements and refunds of taxes by the local communities. This dollar amount is established by the Division of Local Governments and a levy is set that will generate the assigned dollar amount. For 2011 the abatement and refund allowance is set at \$90,010 which will use a mill levy of approximately 0.012.
4. The District is also entitled to a portion of Specific Ownership (SO) tax to assist with the operating, general and administrative expenditures. SO tax is assessed to personal vehicles, trailers, boats and other taxable items of similar nature by each county. Although the District receives a very small percentage from the counties, the budget for 2011 will generate at least \$600,000 based on county estimates.



***B. Pass-Through Revenue***

The second type of revenue is a pass-through revenue activity like mill levy tax. We collect money from Fountain Valley Authority (Authority) and from participants in Winter Water Storage Program, and apply these payments towards the debt due to the Bureau of Reclamation. We receive a single payment from the Authority at the end of the year, equal to the Authority's payment due on the debt. The annual payment for 2011 is budgeted for \$5,352,760.

The charge for Winter Water Storage Program to participants is \$2.80 per acre foot on storage. We anticipate storing 46,000 acre feet of storage in 2011. Our payment, which is credited to the Project's debt with the Bureau of Reclamation, is budgeted for \$128,800.

***C. Grant Revenue***

The third type of revenue included in the District Budget is the Grant Revenues. In 2011 we have six grant funded projects that maintains the District's continued support of work in conservation and education. The proposed grant budget provides for \$80,173 in grant revenue with a District dollar match of \$4,950 and a personnel match of \$11,700. The Arkansas Valley Conduit will also receive grants in the amount of \$70,000 with a Water Activity Enterprise match of \$6,000. Grants are managed by the Conservation Outreach Coordinator. A narrative and a financial breakdown of each grant, the associated expenditures and the District's expected match has been included in this Budget. We will receive \$4,200 from participants participating in projects related to grant revenue.

***D. All other Revenue***

The final source of revenue for the District is contained in three parts.

- Enterprise Reimbursement
- Investment Interest
- Miscellaneous revenue

1. The Enterprise was created to handle the operation of the business activities within the District. Because Enterprise activity uses District resources, a method of reimbursing the District for those resources used, is made. To estimate the reimbursement from the Enterprise to the District, three expenditures are included. The reimbursement totals 67 percent of these activities.

- a) Cost of burdened payroll
- b) Building space and maintenance
- c) Supplies and other overhead expenses

2. Interest on investments is another revenue source that the District relies on for operational funding. The 2011 Budget marks another year of reduced return on investments. By using a combination of investment strategies, we are continually trying to keep our return at a competitive rate within the market. As other return rates dip to a negative mark, Bills, Bonds, Bullets and Step Ups, although conservative, create a return that provides some operational income to the District.

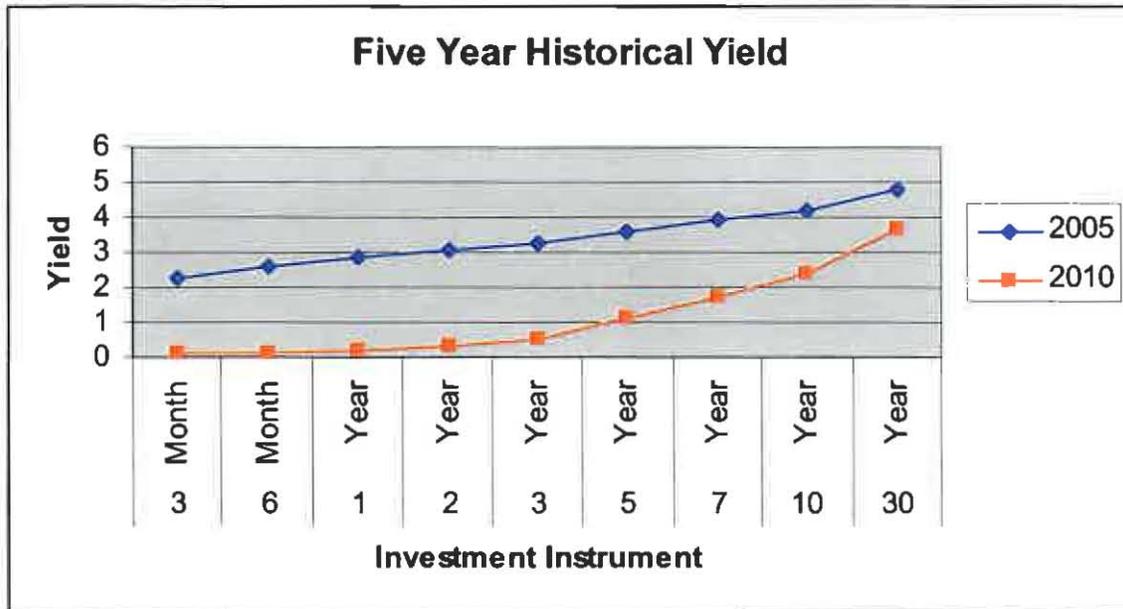
The District and the Enterprise maintain separate investment accounts to support their diverse purposes. These investments are made according to Colorado Revised Statutes and the policies of the District, which have been outlined in the District’s Financial Management Guide.

The earnings from these investments are reinvested immediately in the Money Market account and periodically, as bonds mature, into additional bonds with a laddered maturity.

As the economy continues to deteriorate, the US Treasury continues to buy back long-range instruments with higher yields. The District experienced those buy back transactions in 2010 and purchased other types of investments that yield slightly more than other current instruments, and are somewhat protected from that buy back. One instrument is called a “step-up”. Basically it yields a rate and then in future points of time will step-up to a higher rate. This is a callable instrument, but still enjoys a slightly higher rate to balance our portfolio. Another investment type purchased in 2010 is referred to as “bullets.” Bullets are non-callable Government Agencies such as Freddie Mac. They remain a conservative instrument with a slightly lower rate of return. All in all, we have no control over the economy and therefore, manage our investments with the highest care.

In Analyzing the current Treasury yields, please refer to the graph below. This graph depicts a five year trend for 3 month to 30 year Treasury instruments with the following data :

Five Year Historical Yield Curve					
Investment Instrument	2005	2010	△	%	
3 Month	2.24	0.12	-2.12	-95%	
6 Month	2.58	0.16	-2.42	-94%	
1 Year		0.21			
2 Year	3.09	0.36	-2.73	-88%	
3 Year	3.25	0.53	-2.72	-84%	
5 Year	3.62	1.13	-2.49	-69%	
7 Year		1.75			
10 Year	4.21	2.39	-1.82	-43%	
30 Year	4.81	3.7	-1.11	-23%	



The top line represents the market trend five years ago. The longer the term purchased on the investment, the higher the yield. In 2005, a 3 month instrument returned about 2.24 percent and a 30 Year investment returned about 4.81 percent. The bottom line represents yields as of 10/07/2010<sup>1</sup>. Over the past five years, the decline in 30 year bonds, which normally pay a higher rate of interest, is down 23%. A three month bond, on the other hand, is down 95%. 30 year rates in 2010 are slightly higher than a five year rate offered in 2005.

Our investment schedule with anticipated rates, not including our money market account at Sunflower Bank is listed on the next page.

<sup>1</sup> Source: *Bloombergs.com*

## 2011 INTEREST FORECAST\*

	<u>CPN</u>	<u>MATURITY</u>	<u>MRKT VALUE</u>	<u>Interest</u>	
<b>I</b>	<b>S.E. COL WTR CONS DIST</b>				
	FHLMC STEP UP	2.00	11/15/2014	\$1,500,000.00	\$30,000.00
	FHLB STEP UP	1.250	3/30/2015	\$1,000,000.00	\$12,500.00
	FNMA STEP UP	1.10	8/25/2015	\$1,000,000.00	\$11,000.00
	FHLB STEP UP	1.00	11/25/2016	\$1,000,000.00	\$10,625.00
	FFCB BULLET	1.75	2/21/2013	\$3,100,000.00	\$54,250.00
	FHLB BULLET	1.63	6/14/2013	\$2,000,000.00	\$32,500.00
			<b>\$9,600,000.00</b>		<b>\$150,875.00</b>
			<u>District Total</u>		<u>\$150,875.00</u>
<b>II</b>	<b>WINTER WATER SPILL</b>				
	MMKT ACOUNT	0.30		\$319,000.00	\$960.00
<b>III</b>	<b>REGIONAL RES. PLANNING</b>				
	MMKT ACOUNT	0.30		\$8,000.00	\$12.00
<b>IV</b>	<b>ACTIVITY ENTERPRISE</b>				
	FHLMC STEP UP	2.00	11/15/2014	\$1,500,000.00	\$30,000.00
	FHLB STEP UP	1.00	11/25/2016	\$2,000,000.00	\$21,250.00
			<b>\$3,500,000.00</b>		<b>\$51,250.00</b>
<b>V</b>	<b>AURORA FUND</b>				
	FHLB	1.13	3/9/2012	\$2,900,000.00	\$32,624.00
	FHLB	1.05	5/30/2012	\$2,000,000.00	\$21,000.00
	FNMA STEP UP	1.25	9/17/2015	\$1,800,000.00	\$22,500.00
			<b>\$6,700,000.00</b>		<b>\$76,124.00</b>
			<u>Enterprise Total</u>		<u>\$128,346.00</u>
			<u>Total Interest</u>		<u>\$279,221.00</u>

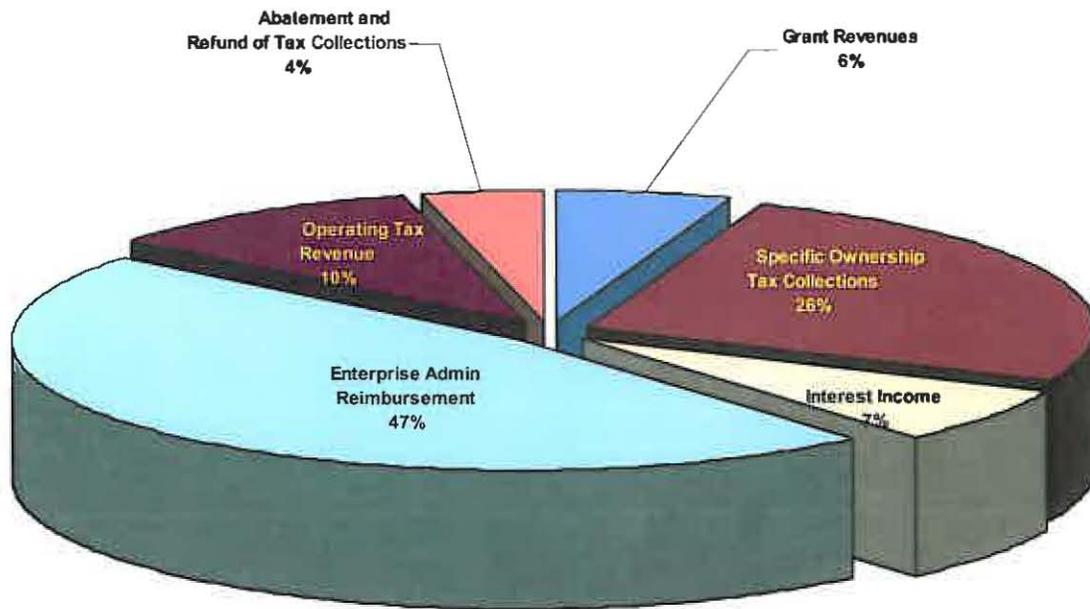
\* Provided by Dave Johnson, Wells Fargo Securities

3. The District also records miscellaneous revenue. It is budgeted at \$550 and contains room rental and other small miscellaneous items.

In review of District Operating and Grant Revenue:

- The single largest source of revenue for operations comes from the Enterprise reimbursement to the District. This accounts for 47 percent of the total operating funds. SO tax is our next largest source. All other smaller revenues including interest combine to keep the District operating for budgetary purposes. The District also relies on investment returns as additional funding.
- Grant revenues are matched against grant project expenditures and do not contribute or assist the daily ongoing operations of the District.

## District Operating and Grant Revenues



### *Expenditures*

The estimated operational Government Wide expenditures in 2011 are \$4,601,874.

- The key expenditure within the budget relates to Executive and Leadership activities, legislation, studies, project and program support.
- Human Resources include salaries, benefits. Professional development is broken out. Eight employees are under the direction of the Executive Director, Jim Broderick. We also include compensation for the Board of Directors.

Our Operations staff includes:

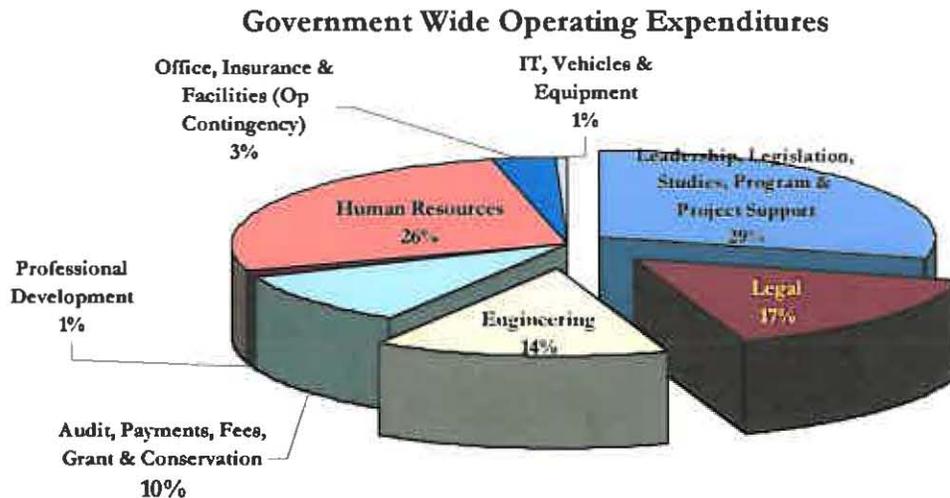
- Director of Engineering & Resource Management
  - Engineering Support Specialist
- Project Manager
- Conservation Outreach Coordinator
  - Xeriscape Coordinator (part-time)

Our General and Administrative Staff includes:

- Administrative Manager
  - Administrative Associate
- Financial Coordinator & Budget Officer

An additional narrative on human resources is included.

- 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 supply, utilities and care and maintenance of the facilities.

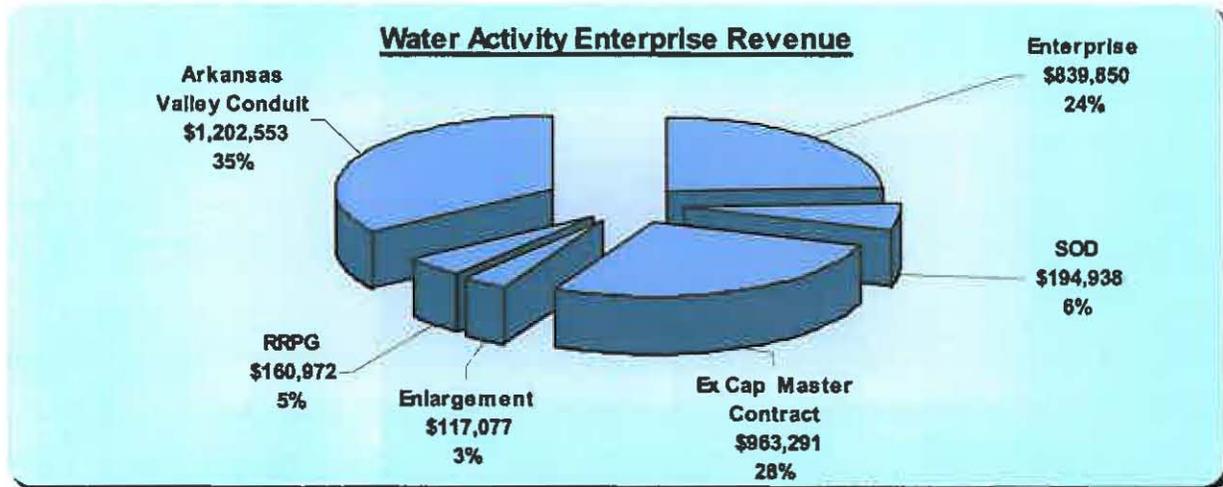


### ***Southeastern Colorado Water Activity Enterprise***

The Southeastern Colorado Water Activity Enterprise (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 construction, operation, and repair 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 2010, the District was able to establish the Master Contract for District M&I Entities and future long term storage contracts. This is referred to in the budget as the Excess Capacity Master Contract. Enlargement is the second piece, and is continuing to move forward and remains a budgeted item. The participants in these programs are responsible for contributions to both Enlargement and Excess Capacity Master Contract. The “ROY Project” (Restoration of Yield) is a program that allows for recapture of water lost due to diminished exchange capacity as a result of Pueblo’s RICD (Recreational In-Channel Diversion) negotiations. RICD refers to the Pueblo Kayak Park. ROY is budgeted at \$5,000. Aurora, Pueblo Board of Water Works, and Colorado Springs Utilities have made significant contributions to this project. Other ongoing projects are the 10,825 project and the Upper Colorado River endangered fish recovery program, and other Colorado River issues. Finally, we continually strive to focus on both the District’s water rights and the Colorado River water rights.

## Revenue

The revenues that the Enterprise generates comes from water sales, water surcharges, well augmentation charges, interest from investments and payments from individuals and organizations who participate (participants) in the ongoing projects. The Enterprise is broken down into six major components.



- 1) The Enterprise anticipates the Arkansas Valley Conduit activity will increase in 2011. \$5 million dollars is included in the 2011 Federal appropriations continuing resolution for the Conduit. The Conduit budget includes an additional \$888,699 in federal appropriations for outside engineering contracts, legal representation, project personnel and overhead. Other sources of revenue are: participants, \$217,854 and a contribution from the District of \$20,000 for general and administrative personnel. The participant's contribution also pays for outside consultants like lobbying, legal, and audit work, and includes charges for overhead and office expense related to the administration of the Conduit project as well as any personnel charges not covered by the District or the Intergovernmental Personnel Act (IPA). A full discussion of the Arkansas Valley Conduit is detailed on pages 43-44.
- 2) Excess Capacity Long Term Master Contract is a long term storage contract for storage of non Project water. This project is also fully funded by participants with an expected contribution in 2011 of \$963,291. The EIS study accounts for \$700,000. An additional \$45,653 in USGS studies and \$124,747 in personnel accounts for 91 percent of project expenditures. The rest of the project expenditures relates to external consultants.
- 3) Safety of Dams (SOD) is a project that began in July 1998, and is functionally a repayment project to the Bureau of Reclamation. SOD is the reimbursable costs for modification of the Pueblo Dam and related facilities, to include M&I (Municipal and Industrial) and irrigation (Ag) beneficiaries. The SOD modifications were undertaken to fully restore the previous conservation storage capacity and operations of the

Pueblo Reservoir<sup>2</sup>. The M&I portion of the payment was completed in 2010. An SOD surcharge is billed to participants purchasing the following types of water; Project Water, If & When, Carry Over, 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 charges. A full explanation of Enterprise Water sales and surcharges follows further in section (5).

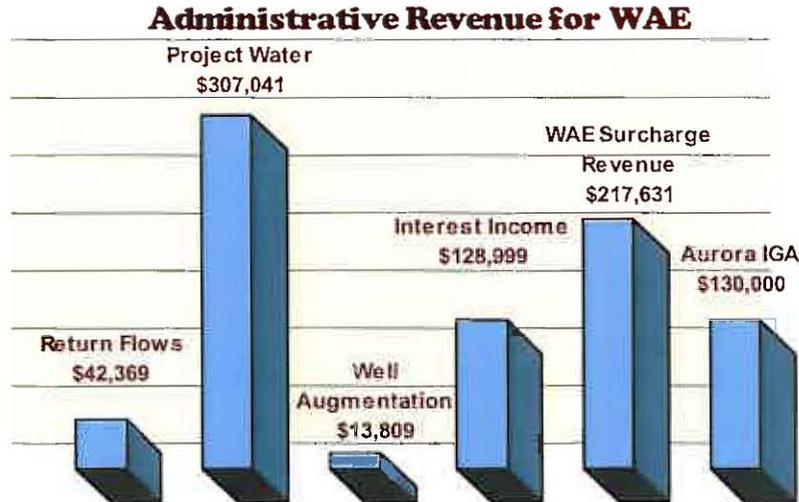
<u>Type of Water Sales</u>	<u>Charge per AF</u>
Project Water Ag & M&I	\$0.50
Well Augmentation Ag & M&I	\$0.50
Carry Over Project Water	\$1.00
If & When in District	\$0.50
If & When out of District	\$2.00
Return Flows	\$0.50
Winter Water Storage	\$0.25

- 4) The Regional Resource Planning Group (RRPG) is an organization that works in alliance with the US Geological Study. Upper Arkansas Area Council of Governments describes the group in the following manner: "The U.S. Geological Survey (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 overall goals are to understand the linkages between water supply, land use, and water quality issues and to develop methods and tools needed to simulate the potential effects of changes in land uses and water uses/operations on water quality. To date, the participating entities include the City of Aurora, Colorado Springs Utilities, Colorado Water Conservation Board, Lower Arkansas Water Conservancy District, Pueblo Board of Water Works, Southeastern Colorado Water Conservancy District, and the Upper Arkansas Water Conservancy District".<sup>3</sup> 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.
- 5) Enlargement study is an ongoing project that focuses on enlarging the 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. The maintenance level is at about \$115,000 to \$120,000 per year. In 2011 we are budgeting \$117,077.
- 6) Administrative portion of the Water Activity Enterprise is funded by six sources of revenue. The revenue comes from return flows, sale of Project water, well augmentation, interest on investments, surcharges and Aurora IGA. Surcharges include Safety of Dams (SOD), Water Activity Enterprise, and Well Augmentation.

<sup>2</sup> Contract Number 8-07-60-W0715 3.(b)(1)

<sup>3</sup> <http://www.uaacog.com/BOARD%20PACKETS/October%2009%20BOD%20Packets/Attachment%201.pdf>

The SOD surcharge is assessed on all types of water uses, plus on any water stored in Pueblo reservoir during the Winter Water Storage Program. For tracking purposes, we break out SOD revenue and expense from the Enterprise on the budget and the table on page 12.



Because Interest and SOD has been covered, the other four types of Enterprise revenue are:

- a) The sale of Project water return flow from both M&I and Ag Project water deliveries. The Ag component is based on 40% of the head gate diversions of irrigation customers. For 2011, this is estimated to be 6,062 AF. It is estimated that there will be approximately 1,000 AF of M&I Project water return flow sales. The total amount of Project water return flow sales is estimated to be 7,062 AF.
- b) The sale of Fry-Ark Project Water is one of the primary sources of revenue for the Enterprise. It is estimated that the Enterprise will allocate (or bill for) approximately 43,863 AF in 2011.
- c) Water Activity Enterprise (WAE) and a Well Augmentation surcharge.
  - a. The WAE surcharge is assessed for the following types of Project Water and for the use Fry-Ark project facilities.
    - i. Project water and Project water return flow sales
    - ii. Project water carried over past May 1 of the year following allocation (Estimated to be 114,000 AF for 2011.)
    - iii. The contracted amount of non-Project water stored in “Excess Capacity” space in Project facilities for use both in and out of the District.
  - b. 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.
- d) Aurora Intergovernmental Agreement (IGA) includes surcharges of \$100,000 as well as an annual administrative reimbursement of \$50,000.

The following table depicts the method that our Engineer uses to calculate water charges:

**Est Water Rates and Surcharges 2011**

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

**Project Water used for Well Augmentation**

*Ag used for Well Augmentation	\$7.00	\$0.50	\$0.75	\$2.60	\$10.85
**Muni used for Well Augmentation	\$7.00	\$0.50	\$1.50	\$2.60	\$11.60

<b>Winter Water Storage</b>	\$2.80	\$0.25	-	-	\$3.05
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<b>Carryover Project Water</b>	-	\$1.00	\$1.25	-	\$2.25
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If and 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

**WATER ACTIVITY ENTERPRISE**

Project Water	\$7.00	Same as Project Water Surcharge			
Project Water Return Flows	\$6.00	\$0.50	\$0.00	\$0.00	\$6.50

***Human Resources***

The Southeastern Colorado Water Conservancy District (District) has recognized that people are their biggest asset. In recognizing that, the District provides very competitive salaries and a fair benefits package.

The District also encourages staff to seek continuing education and certification programs that will benefit the District with the wealth of knowledge needed to have knowledgeable and qualified individuals representing the District. Dollars are designated in the categories Staff Education and Staff Certification in the 2011 Budget.

The District belongs to several organizations. The Executive Director sees a benefit in sending a staff member to these annual conferences to experience the benefits of the organizations that we are part of. Dollars have been put into the 2011 Budget to send a staff member to each of the following conferences on a rotation basis:

- Colorado Water Congress
- Family Farm Alliance
- National Water Resources Association

- Arkansas River Basin Water Forum
- Colorado River Water Users Association

The District allocates dollars for Sponsorships, Exhibits and Ads. The staff participates on planning committees that encourage water conservation and education, such as:

- Arkansas River Basin Water Forum
- Children's Water Festival
- Colorado Water Wise Council
- Water by Colorado 2012
- Tamarisk Coalition
- Garden Tours
- Pueblo Landscape Symposium
- Peak to Prairie Symposium

The participation on these planning committees demonstrates the knowledge, expertise, and qualified individuals the District has selected to represent the mission of the District.

### ***2011 Budget Strategy***

The District team planning efforts provide a strategic approach allowing for further project development. In 2011, under the direction of the District, the following projects will continue to develop in fruition for the future water needs of Southern Colorado and the participants within the nine counties.

1. Conservatively operate within the means of operating revenues.
2. To pay off the debt to the Bureau of Reclamation in a timely manner.
3. To 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. To 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.
5. To maintain an integrated team that is knowledgeable and committed to the adherents of the Strategic Plan.
6. Finally, to integrate 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.

### ***Challenges and Opportunities for 2011 Budget***

- Significant estimated decreases in revenue as sources of operational funding for the District include three intergovernmental shifts in 2010 and investments.
  - 1) Amendment No.9 of Water Service Contract No. 5-07-70-W0086 moved the Project water sales from the District to the Enterprise. In the 2010 Budget, the District anticipated use of this funding and budgeted \$246,416 to be used to supplement the operations of the District and held \$100,000 in reserve. Once the amendment was signed, Project water sales were then moved to the Enterprise from 2009 and 2010 as a new source of revenue to meet the requirements of the amendment. The anticipated Project water sales in 2011 total \$307,041.

- 2) Safety of Dams (SOD) Enterprise surcharge payment to the District was in repayment of the municipal portion of debt towards the SOD project started in 1998. The original debt for \$957,788 to the District was paid off in 2010, with a final payment from the Enterprise of \$64,342 in 2010. In the past, the District has included this revenue in the operating budget.
- 3) The discussion on investments reflects a decline in interest revenue of approximately \$88,625.
- 4) As the Enterprise gathers momentum on Excess Capacity Master Contract, Enlargement and Arkansas Valley Conduit, the consumption by the Enterprise of staff, facilities, and supplies burdens the financial resources of the District.

The Enterprise was created to handle the operation of the business activities within the District. Because the activity of the Enterprise uses District resources, a method of reimbursing the District for those resources must be made. It is important that the Enterprise properly reimburse the District for the portion of resources used in 2011 and in future budgets. We believe the fair way to make this reimbursement is on a percentage basis.

This resolves the following issues:

- 1) Provides a better budgeting methodology
- 2) Simplifies record keeping for all non project related employees
- 3) Allows the District's monthly financial reports to be more consistent
- 4) Reimburses the District for Enterprise use of resources

The Enterprise is budgeted to reimburse the District 67 percent of these resources in 2011.

- The activities and opportunities of the Enterprise are expected to increase over the next three years. During this time, the Bureau of Reclamation in partnership with the Enterprise and MWH will finish the required EIS study. The detail of the Enterprise and Conduit are further discussed throughout this document.
- Balancing future staffing levels and the continuance of expert consultation to assist and promote water development for the citizens within the District, is a challenge human resources continues to meet.
- Preparing for the 50<sup>th</sup> Anniversary of the signing of the Legislation for the Fryingpan-Arkansas Project began in the 2010 Budget. In 2011, a portion of the budget will go towards a video interviewing and highlighting key historical figures and contain a detailed history of the Project.

### **2010 Accomplishments**

- Appropriations for the Conduit in preparation for the EIS.
- Establish the Master Long Term Storage Contract for District water M&I entities and the future of long term storage contracts.
- The completion of the STAG project carried forward to 2010 allowed the Bureau of Reclamation to proceed with the NEPA study in the same year. Because the Excess Capacity Master Contract was also ready to proceed with a NEPA study, the EIS was completed jointly for a tremendous cost savings to the participants.
- Amendment No.9 of Water Service Contract No. 5-07-70-W0086, was a tremendous accomplishment that allows the District to further the strategic direction of funding.

- A major project was undertaken to review and update the District boundaries for all nine counties within the District.
- Regarding allocation of water, we changed our methodologies which has saved us a great deal of administrative time. In line with the timing of the Bureau of Reclamation's calendar we allocated 80 percent and then the additional 20 percent. This strategy created a more accurate and timely allocation to the participants.

The 2011 Budget for the Southeastern Colorado Water Conservancy District was prepared with the assistance of the operations and administrative staff. Their contribution of time, leadership, and expertise is very much appreciated by the Finance Coordinator. As a team we will carefully monitor the budget throughout the year in the best interest of the citizens who benefit by the District's effort.

Respectfully submitted,

Tina White  
Finance Coordinator & Budget Officer



*2010 Arkansas Valley Conduit Tour: Looking down from the top of the Pueblo Reservoir Dam.*

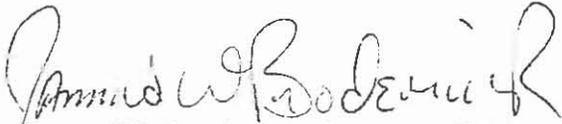


## NOTICE AS TO PROPOSED BUDGET

Notice is hereby given that a Proposed Budget for Fiscal Year 2011 was submitted to the Board of Directors of the Southeastern Colorado Water Conservancy District on October 15, 2010. A copy of the Proposed Budget is on file and open to public inspection in the District office located at 31717 United Ave, Pueblo, Colorado. The Proposed 2011 Budget will be considered at a regular meeting of the Board of Directors to be held at the District Office on Thursday, November 18, 2010 at 11:00 a.m., with final action expected at the December 9, 2010 Board of Director's meeting. The Proposed 2011 Budget includes a separate mill levy for the District's Contract Repayment obligation with the federal government (.900 mills) and an Operating mill levy (.035) to meet the District's annual operational expenses. In addition, the Proposed Budget includes a (.013) mill levy to capture funds lost by Abatements and Refunds. Any taxpayer within the Southeastern Colorado Water Conservancy District may at any time prior to the final adoption of the Budget, file or register comments thereto.

Dated at Pueblo, Colorado October 15, 2010

Board of Directors  
Southeastern Colorado  
Water Conservancy District



James W. Broderick, Assistant Secretary/Treasurer





SOUTHEASTERN COLORADO  
**Water Conservancy District**

*"Your investment in water"*

October 15, 2010

PUBLICATION NOTICE

The Pueblo Chieftain, Pueblo, CO  
The Gazette, Colorado Springs, CO

Re: Notice as to Proposed Budget

Enclosed is a Notice of the Proposed 2011 Budget for Southeastern Colorado Water Conservancy District, 31717 United Avenue, Pueblo, CO 81001. This must be posted in your newspaper one time, with publication on or before October 25, 2010.

Please submit the proof of publication and invoice by November 5, 2010.

Sincerely,

Tina White  
Budget Officer

tlw/ enclosure

cc: Board of Directors, SECWCD  
James Broderick, Executive Director, SECWCD  
Stephen Leonhardt, Attorney for the District  
Larry Daveline, Auditing Consultant for the District



# Southeastern Colorado Water Conservancy District

## 2011 Final Budget - Government Wide Presentation

2011 YEAR END SUMMARY	DISTRICT FUND	ENTERPRISE FUND	GOVERNMENT WIDE
2010 Beginning Fund Balance (Audited)	\$ 9,795,833	\$ 9,101,516	\$ 18,897,349
2011 Projected Ending Fund Balance	\$ 9,808,586	\$ 9,298,342	\$ 19,106,928

FRY-ARK REPAYMENT ACTIVITY	DISTRICT FUND	ENTERPRISE FUND	GOVERNMENT WIDE
<b>USBR Contract Revenues</b>			
Contract Mill Levy Collections	6,650,642		6,650,642
Fountain Valley Authority	5,352,760		5,352,760
Winter Water Storage	128,800		128,800
<b>Total USBR Contract Revenues</b>	<b>12,132,202</b>		<b>12,132,202</b>
<b>USBR Contract Expenditures</b>			
Contract Payment USBR	6,540,642		6,540,642
Payment Fountain Valley Authority USBR	5,352,760		5,352,760
Payment Project Water Purchase - USBR			
Payment - Winter Water Storage - USBR	128,800		128,800
<b>Total USBR Contract Expenditures</b>	<b>12,022,202</b>		<b>12,022,202</b>

OPERATING REVENUES BY FUND	DISTRICT FUND	ENTERPRISE FUND	GOVERNMENT WIDE
Specific Ownership Tax Collections	600,000		600,000
Operating Tax Revenue	233,636		233,636
Abatement and Refund of Tax Collections	90,010		90,010
Prior Year Tax	(5,000)		(5,000)
Enterprise Admin Reimbursement	1,091,833		<i>Interfund activity</i>
Grant Revenue - Federal	63,850	35,000	98,850
Grant Revenue - State & Local	66,323	35,000	101,323
Miscellaneous Revenue	550		550
Interest Income	161,375	129,971	291,346
Project Water Sales		307,041	307,041
Enterprise Return Flow Water Sales		42,369	42,369
Safety of Dams Surcharge		194,937	194,937
All other Surcharge Revenue		217,631	217,631
Well Augmentation		13,809	13,809
Payment - SECWCD		26,000	26,000
Payments - LAVWCD		-	0
Payments - Aurora IGA Administrative & If and When		130,000	130,000
Payments - Participants	12,030	1,458,222	1,470,252
Federal Appropriations and IPA		888,699	888,699
Enterprise S.O.D. Repayment	0		0
<b>Total Operating Revenues</b>	<b>2,314,607</b>	<b>3,478,679</b>	<b>4,701,453</b>
<b>Total Fund Revenues</b>	<b>\$ 14,446,809</b>	<b>\$ 3,478,679</b>	<b>\$ 16,833,655</b>



<b>Operating Expenditures By Fund</b>	<b>DISTRICT FUND</b>	<b>ENTERPRISE FUND</b>	<b>GOVERNMENT WIDE</b>
Human Resources	1,196,449		1,196,449
Enterprise Reimburse to District <i>(Interfund activity)</i>		1,091,833	<i>Interfund activity</i>
Annual Audit (Includes statements)	12,200	24,799	36,999
Annual Audit RRA - (Reimbursable)	7,830		7,830
Board of Directors Expense	45,934	-	45,934
Capital Payments - SOD		60,000	60,000
Capital Outlay - IT, Blacktop	20,429		20,429
Colorado River Negotiations	12,000		12,000
Consultant/Lobbying Services - Federal	30,000	86,000	116,000
County Collection Fees	110,000		110,000
CWC - Colorado River Project Activities	14,000		14,000
Facilities: Building, Landscaping, Utilities	30,666	-	30,666
Grants, Conservation, Water Education	120,558	82,000	202,558
Information Technology	29,555	-	29,555
Professional Services	537,500	836,685	1,374,185
Project Expense	0	34,150	34,150
Staff Certification and Education	20,991	-	20,991
District Special Events	15,000		15,000
Compliance Studies (NEPA, EIS)		742,000	742,000
Executive Travel Expense	12,470		12,470
Insurance	17,250		17,250
Office Expense, Insurance & Supplies	34,785	3,495	38,280
Staff Business Travel	21,037	15,785	36,822
U.S.G.S. Co-op Programs	-	145,106	145,106
Regional Resource Planning Group		160,000	160,000
Vehicle Repair & Maintenance	3,200		3,200
Operating Contingency	50,000		50,000
Grant Contingency	50,000		50,000
AVC Program Contribution	20,000		20,000
<b>Total Operating Expenditures</b>	<b>2,411,854</b>	<b>3,281,853</b>	<b>4,601,874</b>
<b>Total Revenues Over (Under) Expenditures</b>	<b>12,753</b>	<b>196,826</b>	<b>209,579</b>

<b>2011 YEAR END SUMMARY</b>	<b>DISTRICT FUND</b>	<b>ENTERPRISE FUND</b>	<b>GOVERNMENT WIDE</b>
<b>2010 Revised Ending Fund Balance</b>	<b>\$ 9,795,833</b>	<b>\$ 9,101,516</b>	<b>\$ 18,897,349</b>
<b>2011 Projected Ending Fund Balance</b>	<b>\$ 9,808,586</b>	<b>\$ 9,298,342</b>	<b>\$ 19,106,928</b>



# Tax Revenue Calculations And TABOR



Every year, the nine participating counties in accordance with state law, send the Finance office 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<sup>th</sup>. The final assessment is due by December 10<sup>th</sup>. From these assessed property values, we estimate collections for contract repayment, operations and abatement and refunds. For 2010 values and assessments that will be collected in 2011, the following table estimates an increase in assessed values of \$7,255,096.

## 2010 Total Values & Assessments for 2011 Collections

(Estimates as of December 10, 2010)

County	2009 Assessed Value	2010 Assessed Value	Value Change	Percent Change
Bent	49,723,732	48,515,413	-1,208,319	-2.43%
Chaffee	302,011,424	308,980,806	6,969,382	2.31%
Crowley	30,726,424	30,997,193	270,769	0.88%
El Paso	5,342,589,198	5,340,984,980	-1,604,218	-0.03%
Fremont	350,087,095	345,617,189	-4,469,906	-1.28%
Kiowa	1,488,360	1,494,810	6,450	0.43%
Otero*	109,567,542	111,654,250	2,086,708	1.90%
Prowers	54,169,150	54,769,750	600,600	1.11%
Pueblo	1,171,084,051	1,175,687,681	4,603,630	0.39%
<b>Total</b>	<b>7,411,446,976</b>	<b>7,418,702,072</b>	<b>7,255,096</b>	<b>0.10%</b>

In order to calculate the operating mill levy for the District, TABOR calculations must be done to insure that we are not overcharging the tax payer. TABOR refers to the Taxpayer Bill of Rights. 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 DOLA, the Department of Local Affairs <http://dola.colorado.gov> for September of 2010, the Office of State Planning and Budgeting issued a CPI projection of 1.0%. The year end CPI for budget planning in 2011 will not be issued until December.

Operating tax revenue is affected by TABOR. However the contract mill levy is not affected, as it used for the repayment of the "pre-TABOR" debt in the Project. This mill levy is set at .9 for as long as the District must repay the Bureau of Reclamation for the project, subject only to the 5.5% calculation.

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. The table below identifies the estimated calculations of revenues based on our collection for all Levies in 2010 for the 2011 budget. The projected revenues identified in the District budget as Contract Mill Levy, Operating Tax Revenue and Abatement and Refund of Tax Collections are calculated at \$6,676,832, \$259,655, and \$93,726 respectively. These calculations are subject to change based on December 2010 assessments.

## SOUTHEASTERN COLORADO WATER CONSERVANCY DISTRICT

### Collections for all Levys - 2010 for 2011 Budget

Update: 12/13/2010

County	2010 Assesd Value	Percent of Total	Contract Repayment		Operating		Abatements & Refunds		Total Collections
			Mill Levy	Collections	Mill Levy	Collections	Mill Levy	Collections	
Bent	48,498,681	0.66%	0.900	43,649	0.035	1,697	0.012	591	45,937
Chaffee	308,766,872	4.18%	0.900	277,890	0.035	10,807	0.012	3,761	292,458
Crowley	30,997,193	0.42%	0.900	27,897	0.035	1,085	0.012	378	29,360
El Paso	5,317,085,380	71.95%	0.900	4,785,377	0.035	186,098	0.012	64,765	5,036,240
Fremont	344,902,239	4.67%	0.900	310,412	0.035	12,072	0.012	4,201	326,685
Kiowa	1,495,290	0.02%	0.900	1,346	0.035	52	0.012	18	1,416
Otero	110,787,939	1.50%	0.900	99,709	0.035	3,878	0.012	1,349	104,936
Prowers	54,033,495	0.73%	0.900	48,630	0.035	1,891	0.012	658	51,179
Pueblo	1,173,035,661	15.87%	0.900	1,055,732	0.035	41,056	0.012	14,288	1,111,077
<b>Total</b>	<b>7,389,602,750</b>	<b>1.00</b>		<b>6,650,642</b>		<b>258,636</b>		<b>90,010</b>	<b>6,999,289</b>
			Contract + Operating Ad Valorem = 0.935 \$ 6,909,279						

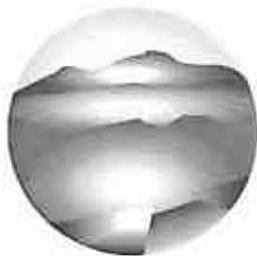
Total compared 2009 to 2010 Assessed Values & projected taxes

2010	7,389,602,750		0.900	6,650,642	0.035	258,636	0.012	90,010	6,999,289
2009	7,411,363,287		0.898	6,655,404	0.034	251,986	0.009	66,702	6,974,093
Increase(Decrease)				(4,762)		6,650		23,308	25,196

Based on Assessments provided by the counties by December 10, 2010



# The Grant Budget





**SOUTHEASTERN COLORADO WATER CONSERVANCY DISTRICT  
AND  
ARKANSAS VALLEY CONDUIT**

**Proposed 2011 Grant Budget**

The Outreach Coordinator will be responsible for submitting all applications and managing the District's grants. Some of the proposed grants are contingent upon receiving them from the various grantors. The contingent grants are indicated on the grant budget with an asterisk (\*). These particular projects will not be undertaken unless they are funded or the project will be scaled back to fit the District's budget.

The proposed grant budget specifies the total revenue to be \$154,373 and the total cost of the proposed grant funded projects to be \$159,323. The cost to the District is \$4,950. The District will benefit greatly by being able to provide \$159,323 worth of projects at the cost of \$4,950 to the District. For every dollar the District contributes, the District could potentially receive \$31 in grant revenue toward the development and implementation of the projects.

The District has consistently received approximately \$25,000 to \$35,000 from the USBR – Water Conservation Field Service (WCFS) grant program. This grant is designated by USBR to fund the implementation of the District's Water Conservation Plan. The WCFS grant application will be submitted in April 2010, it is usually funded in the summer and projects are scheduled to be completed before the end of 2011.

**Project 1: Arkansas River Watershed Invasive Plants Plan (ARKWIPP) Implementation**

A) ARKWIPP Projects: In 2009, the District received \$150,000 in CWCB grant funding and \$10,000 from the LAVWCD to support four "on the ground" tamarisk projects and a Colorado State University monitoring project. The timeline to expend the grant funds is a three year period (2009 – 2011). In 2011, grant revenue is anticipated to be \$45,723. The projected grant expenditures are expected to be \$45,723. The grant will conclude in July 2011.

B) ARKWIPP Website: The District has developed an informative and educational website for the ARKWIPP project, [www.arkwipp.org](http://www.arkwipp.org). The website features strategies for river restoration, educational opportunities, resources and research and the entire ARKWIPP mapping project. USBR –WCFS grant funds of \$900 will be used to pay costs for hosting and updating the website.

**Project 2: Xeriscape Education**

A) Xeriscape brochures: Funded through the USBR-WCFS this grant will provide \$750 to reprint the District's Lawn Watering Guide brochure. Reclamation funded the original design and printing. The total cost of the project should be \$1,500. The District will provide the additional \$750 of the cost of reprinting the brochure.

B) Xeriscape website: The USBR-WCFS grant should provide \$800 to host and update the [www.secwcdxeriscape.org](http://www.secwcdxeriscape.org) website. The website provides District constituents with a resource to

learn about the xeriscape principles, low-water use plants, and efficient irrigation technology without traveling to Pueblo to tour the garden or to attend workshops and classes.

### **Project 3: Agriculture Water Conservation Program**

A) Agricultural water conservation program website: Funded through the USBR-WCFS this grant will provide \$400 from the \$4,400 grant toward this program. The \$400 will be used to host and update the District's [www.secowaterwise.org](http://www.secowaterwise.org) website. 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.

B) COAgMet Outreach Program: In addition, \$4,000 in USBR grant funds will be used to the support the agriculture conservation education and outreach program. The District has partnered with Colorado State University Extension to support a program that will 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.

### **Project 4: School Education/Outreach**

A) Project Wet: Funded through the USBR-WCFS this grant will provide \$5,000 in funding for the cost to sponsor a Project WET trainings for teachers within the District. The training emphasis will stress the value of water, water conservation, and the importance of the Fryingpan-Arkansas Project to the region. Costs include a curriculum guide and an educational CD for each attendee. The cost also includes the expense of an instructor for the training.

B) Children's Water Festival: In addition 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, Bureau of Reclamation and the District. The Festival provides hands-on demonstrations and dozens of classroom presentations that are related to water to local fourth grade students.

### **Project 5: Management Analysis for Upper Arkansas Basin**

In 2010, the District received a grant from CWCB for \$33,600 to conduct a study by Dr. Paul Flack on a Management Analysis for the Upper Arkansas Basin. Both the District and the Upper Arkansas Conservancy District has agreed to contribute \$4,200 each toward the study. In 2011, the total revenue from the grant and the UAWCD contribution will amount to \$24,800. The costs for the project will total \$29,000. This leaves a remainder of \$4,200 as the District's contribution to the study. The project will conclude by the end of 2011.

### **Project 6: Arkansas Valley Conduit Water Conservation Plan**

A) Develop Arkansas Valley Conduit Water Conservation Plan: 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. The District recently completed an interview process to determine the

participant's conservation needs that the plan will focus on. A strong effort will continue to be put forward to engage the participants in this process.

For the years 2009 – 2011 the total grant revenue received to develop the Plan for the AVC equals \$79,926. In 2009 and 2010 the District received a total of \$40,000 in USBR-WCFS grant funding toward the development of the Plan. \$20,000 received from the 2009 grant was used for 2010 project expenses. This leaves \$20,000 from the 2010 USBR-WCFS grant which will be used for 2011 project expenses.

In addition, in 2010 the District received a grant for \$39,926 from the CWCB Office of Conservation and Drought Management to assist with the development of the AVC Plan. \$19,926 of these funds was expended in 2010. This leaves a remainder of \$20,000 that will be used in 2011. The \$20,000 will be considered grant revenue in the 2011 grant budget.

The total cost to complete the AVC water conservation plan is \$79,926. The costs in 2010 were \$39,926. The remaining \$40,000 will be expended in 2011 to complete the Plan.

B) Implement the Arkansas Valley Conduit Water Conservation Plan: In 2011, the District intends to apply for CWCB and USBR grant funds to assist the participants in implementing the programs within the water conservation plan. The District anticipates receiving \$15,000 in grant revenue from the CWCB Office of Conservation and Drought Management. In addition, the District will request \$15,000 from the USBR-WCFS grant program, for a total of \$30,000 in grant revenue.

Costs for the implementation of the AVC Plan should be \$30,000. 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 can pick and choose which programs best suit their personal conservation needs. The District will also provide technical assistance to the participants as they implement the programs.



*Irrigation Canal – SECO Water Wise*



**Southeastern Colorado Water Conservancy District**

**Projects with Grant Funding for 2011 Budget**

Description	FEDERAL GRANTS						STATE GRANTS		TOTALS
	181	506	504	510	303	302	181	400	
	Project 1	Project 2		Project 3	Project 4		Project 1	Project 5	
	ARKWIPP website	Xeriscape brochures	Xeriscape website	Ag WC Program	Project Wel	Children's Water Festival	ARKWIPP projects	Management Analysis for Upper Ark Basin	
<b>REVENUES</b>	900	750	800	4,400	5,000	2,000	45,723	24,800	84,373
Payments - Participants								4,200	4,200
CWCB-W SRA								20,600	20,600
CWCB-ARKWIPP (2009-2011)							45,723		45,723
*USBR-WCFS program	900	750	800	4,400	5,000	2,000			13,850
SECWCD-Contribution		750						4,200	4,950
Project Personnel	900		800	1,000	5,000	2,000	2,000		11,700
<b>TOTAL PROJECT EXPENDITURES</b>	900	1,500	800	4,400	5,000	2,000	45,723	29,000	89,323
Projects Expenses						2,000	45,723		47,723
Consultant for Projects								29,000	29,000
Web hosting/updates	900		500	400					1,800
Conservation - Ag				4,000					4,000
Xeriscape programs & publications			300						300
Xeriscape brochures		1,500							1,500
Project WET teacher trainings					5,000				5,000
Project Personnel	900	0	800	1,000	5,000	2,000	2,000	0	11,700
<b>TOTAL PROJECT EXPENSES WITH PERSONNEL</b>	1,800	1,500	1,800	5,400	10,000	4,000	47,723	29,000	101,023
<b>COST TO DISTRICT</b>	0	(750)	0	0	0	0	0	(4,200)	(4,950)

\* Indicates contingency. No projects will be undertaken unless funded or modified to adhere to the District budget.

District Dollars Compared to Grant Dollars:

Each District \$1 is equal to ~ (\$17)  
 Each District \$1 is equal to ~ with personnel (\$20)

## ARKANSAS VALLEY CONDUIT WATER CONSERVATION PLAN

### Projects with Grant Funding for 2011 Budget

#### STATE AND FEDERAL GRANTS

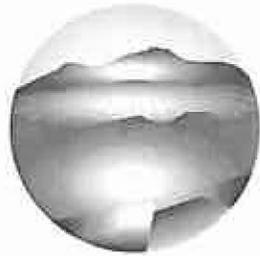
Description	750	750	
	<b>Project 6</b>		
	Develop AVC WC Plan**	Implement AVC WC Plan	TOTALS
<b>REVENUES</b>	<b>40,000</b>	<b>30,000</b>	<b>70,000</b>
*CWCB - Conservation (State)	20,000	15,000	35,000
*USBR-WCFS program (Federal)	20,000	15,000	35,000
SECWCD-Contribution	-	-	-
Project Personnel	-	10,000	10,000
<b>TOTAL PROJECT EXPENDITURES</b>	<b>40,000</b>	<b>30,000</b>	<b>70,000</b>
Projects Expenses		24,000	24,000
Consultant for Projects	40,000		40,000
Web hosting/updates (Enterprise)		6,000	6,000
Project Personnel	-	10,000	10,000
<b>TOTAL PROJECT EXPENSES WITH PERSONNEL</b>	<b>40,000</b>	<b>40,000</b>	<b>80,000</b>
<b>COST TO DISTRICT</b>	<b>-</b>	<b>(10,000)</b>	<b>(10,000)</b>

\* Indicates contingency. No projects will be undertaken unless funded or modified to adhere to the District budget.

\*\* \$20,000 from the 2010 USBR-WCFS grant will be used to cover the 2011 costs to develop the AVC Water Conservation Plan

Enterprise Dollars Compared to Grant Dollars:	\$	(7.00)
Enterprise Dollars Compared to Grant Dollars with personnel costs included	\$	(8.00)

# Southeastern Colorado Water Conservancy District Budget





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## SOUTHEASTERN COLORADO WATER CONSERVANCY DISTRICT

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The activity within the operation of the Enterprise continues to accelerate during 2011 as the focus turns towards the Arkansas Valley Conduit (AVC), Southeastern Excess Capacity Long Term Master Contract. This redirection of personnel to focus more on the Enterprise, affects the District through the reimbursement revenue and the allocation of resources. The District continues to maintain its focus on repayment of the debt. The largest dollar amount that the District includes in its budget relates to the repayment of the construction costs for the Fry-Ark Project and the continuing costs incurred in the operation and maintenance of the Project.

Historically the primary concern was to generate adequate funds to “achieve payment of reimbursable costs allocated for repayment by the District within the prescribed 50-year repayment period” as well as payment of the annual operation, maintenance and repair cost as deemed appropriate.

The 30-year repayment tracking includes two years in the first five years that the debt actually increased slightly because the funds collected did not cover all of the operation, maintenance, and interest apportioned to the Project. Since those early years, the District has been faithful and conscientious in its payments to the U.S. Bureau of Reclamation (Reclamation), covering all the annual costs and reducing the debt ahead of the required schedule.

Budget year 2011 continues with the repayment and as of 2009, and the District has been relieved of the interest portion of the M&I, due to a completed repayment of that portion of the debt. Legislation was passed in the U.S. Congress opening the way for the District to manage and allocate funds to complete the AVC. Appropriated funds to facilitate the planning process on the conduit were included in the Federal budget process. The District has established a leadership role, based in part, on the strength of its history of faithful financial stewardship.

The Proposed 2011 District Budget is in the process of combining the budget process with the long range focus and strategy of the Board of Directors. As work continues between District staff and the Bureau of Reclamation, an Intergovernmental Personnel Act (IPA) agreement has been made. This funding source has allowed the AVC project to progress. The Proposed Budget is presented with all the information currently available - structured to provide clear direction financially, while maintaining a dynamic vision for future growth and change.

Notes from the left column of the 2011 Budget presentation:

Revenue notes:

1. Contract Mill Levy Collections are based on assessed values submitted to the District by the nine participating counties within the District boundaries. This is discussed in detail from pages 15 – 20.
2. Grant Revenues are supported by a separate detailed schedule to clearly identify the programs that are being funded. A \$50,000 contingency line item is included in both the

revenue and expenditure sections of the budget as is recommended for grants we are pursuing in 2011, and to prevent a restatement of the Budget.

3. Specific Ownership Tax (note 3a.) and Interest (note 3b.) revenues are budgeted to be consistent with the prior year as a reflection of the current economy.
4. The Enterprise was created to handle the operation of the business activities within the District. Because Enterprise activity uses District resources, a method of reimbursing the District for those resources has been revised. Enterprise Administrative Reimbursement funds include payments made to the District from the Water Activity Enterprise that represent the use of resources such as staff, supplies, facilities, and office equipment by specific projects and can include support from outside participants, such as the Excess Capacity and Enlargement groups. This budget line item is based on the individual project budgets as well as Board policies that direct the relationship of the District and the Enterprise.
5. As a result of Amendment No.9 of Water Service Contract No. 5-07-70-W0086, the Project Water Sales have moved from the District to the Enterprise.
6. The Enterprise Surcharge Payment line item has been used in the past to reimburse the District for funds expended for the repairs and maintenance costs that resulted from the Safety of Dams study by Reclamation. The surcharge was paid off to the District in 2010. This line item has been included to allow the Board the ability to formulate policy to meet future needs appropriate to these funds.
7. Contract Mill Levy Collections are expected to increase by \$21,352 in 2011. The repayment to the Bureau of Reclamation is the collection less the County Collection Fee.

In Summary: The District has an overall decrease of \$515,752 in operating revenues not including the Enterprise Reimbursement. The significant estimated decreases are; Project Water Sales totaling \$346,416 the Enterprise surcharge payment of \$104,578, and a decline in Interest revenue of approximately \$88,625. With some minor increases in other revenue streams, the District will be operating with an overall revenue reduction. The Enterprise reimbursement for District resources has been budgeted for \$1,091,833. Operating expenditures have also been decreased by \$70,991 to further balance the District budget.

**Southeastern Colorado Water Conservancy District**

**Proposed 2011 BUDGET**

November 18, 2010

Notes	Revenues	2010 APPROVED BUDGET	YEAR TO DATE	2011 FINAL BUDGET	Increase (Decrease) 2010 to 2011
	<b>Fry-Ark Repayment Revenues</b>				
1	Contract Mill Levy Collections	6,649,462	6,596,443	6,650,642	1,180
	Fountain Valley Authority	5,352,760	5,382,396	5,352,760	-
	Winter Water Storage	112,000	140,033	128,800	16,800
2	<b>Grant Revenues</b>				
	Grant Contingency	50,000	-	50,000	-
	Grant Revenue State/Local	125,020	56,630	66,323	(58,697)
	Transit Loss Study Contributions	20,000	20,000	-	(20,000)
	Federal Grant	28,200	28,126	13,850	(14,350)
	<b>Operating Revenues</b>				
3a.	Specific Ownership Tax Collections	600,000	616,782	600,000	-
3b.	Interest Income	250,000	157,761	161,375	(88,625)
4	Enterprise Admin Reimbursement	608,705	387,675	1,091,833	483,128
5	Project Water Sales	346,416	-	-	(346,416)
	Operating Tax Revenue	252,042	251,833	233,636	(18,406)
6	Enterprise Surcharge Payment	104,578	62,241	-	(104,578)
	Abatement and Refund of Tax Collections	66,717	66,305	90,010	23,293
	Miscellaneous Revenue	600	215	550	(50)
	Cooperative Management & RRA Payments		-	12,030	12,030
	Prior Year Tax	(12,000)	(512)	(5,000)	7,000
	<b>Total Revenues</b>	<b>14,554,500</b>	<b>13,765,928</b>	<b>14,446,809</b>	<b>(107,691)</b>

	Expenditures	2010 APPROVED BUDGET	YEAR TO DATE	2011 FINAL BUDGET	Increase (Decrease) 2010 to 2011
	<b>Fry-Ark Expenditures</b>				
7	Contract Tax Payment - USBR (Net of fees)	6,539,462	3,341,362	6,540,642	1,180
	County Collection Fees	110,000	108,209	110,000	-
8	Reserve	100,000	-	-	(100,000)
	Payment - Winter Water Storage - USBR	112,000	140,033	128,800	16,800
	Payment - Fountain Valley Authority	5,352,760	-	5,352,760	-
	Payment - SECWCD AVC Contribution	-	70,000	20,000	20,000
	<b>Operating Expenditures</b>				
	Annual Audit (District Portion)	18,000	16,837	12,200	(5,800)
	Annual Audit RRA	-	-	7,830	7,830
	Board Expenses	17,240	11,312	17,184	(56)
	Board Travel & Meeting Expense	28,010	22,752	26,750	(1,260)
	Building Board Room Presentation Equipment	2,000	-	2,000	-
	Building & Grounds Maintenance	29,915	11,793	20,066	(9,849)
	Capital Outlay	30,000	27,885	20,429	(9,571)
	Colorado River Negotiations	12,000	466	12,000	-
	Computer & Internet Service & Support	39,210	24,667	19,055	(20,155)
	Conservation/Xeriscape Education	4,070	1,818	19,235	15,165
	Consultant HR Breadbasket	-	-	2,500	2,500
	Consultant/Lobbying Services - Federal	30,000	20,496	30,000	-
	Contingency - Operating	56,017	-	50,000	(6,017)
	CWC - Colorado River Project Activities	12,000	11,876	14,000	2,000
	District Special Events	4,000	-	15,000	11,000
	Fry-Ark Tours	7,000	-	9,500	2,500
	Engineering Outside Contracts	28,000	22,418	22,000	(6,000)
	Executive Director Travel & Meeting Expense	15,420	9,990	12,470	(2,950)
	Human Resources	1,081,761	884,074	1,196,449	114,688

**Southeastern Colorado Water Conservancy District**  
**Proposed 2011 BUDGET**  
November 18, 2010

<b>Expenditures - continued</b>	<b>2010 APPROVED BUDGET</b>	<b>YEAR TO DATE</b>	<b>2011 FINAL BUDGET</b>	<b>Increase (Decrease) 2010 to 2011</b>
Insurance - Property & Liability	20,300	17,244	17,250	(3,050)
Legal Representation	515,500	472,190	515,500	-
Office Expenses & Supplies	26,050	25,866	27,985	1,935
Sponsorships, Exhibits & Ads	9,000	2,492	6,800	(2,200)
Staff Business Travel	8,980	5,049	21,037	12,057
Staff Education/Certification	14,972	6,785	20,991	6,019
Telephone & Utilities	27,160	20,836	21,100	(6,060)
Vehicle Repair & Maintenance	5,000	5,299	3,200	(1,800)
Project/Grant Expenses (Includes contingency)	211,920	70,572	118,723	(93,197)
Project/Grant Expenses (Federal)	37,300	20,600	20,600	(16,700)
<i>Operating Expenditures Subtotal</i>	2,290,825	1,713,317	2,281,854	(8,971)
<b>Total Expenditures</b>	<b>14,505,047</b>	<b>5,372,921</b>	<b>14,434,056</b>	<b>(70,991)</b>
<b>Total Revenues Over (Under) Expenditures</b>	<b>49,453</b>	<b>8,393,007</b>	<b>12,753</b>	<b>(36,700)</b>

# SOUTHEASTERN COLORADO WATER CONSERVANCY DISTRICT

## COMPARISON of REVENUE & EXPENSE

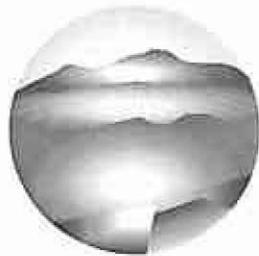
2009 Audit - 2010 Approved Budget - 2011 Final Budget

Page 43

	2009 AUDIT	2010 APPROVED BUDGET	2011 FINAL BUDGET
<b>PROJECT REVENUES</b>			
Contract Mill Levy Collections	6,377,436	6,649,462	6,650,642
Fountain Valley Authority	5,359,648	5,352,760	5,352,760
Sale of Project Water	359,128	346,416	-
Winter Water Storage	134,505	112,000	128,800
<b>TOTAL PROJECT REVENUES</b>	<b>12,230,717</b>	<b>12,460,638</b>	<b>12,132,202</b>
<b>PROJECT EXPENDITURES</b>			
USBR Repayment Contract	6,252,455	6,539,462	6,540,642
County Collection Fees	104,043	110,000	110,000
Fountain Valley Authority	5,359,648	5,352,760	5,352,760
Project Water Payment & Reserves	359,128	100,000	-
Payment - SECWCD AVC Contribution	-	-	20,000
Winter Water Storage	134,505	112,000	128,800
<b>TOTAL PROJECT EXPENDITURES</b>	<b>12,209,779</b>	<b>12,214,222</b>	<b>12,152,202</b>
<b>NET TO BALANCE</b>	<b>20,938</b>	<b>246,416</b>	<b>(20,000)</b>
<b>OPERATING REVENUES</b>			
S.O. Tax Collections	724,994	600,000	600,000
Enterprise Admin Reimbursement	528,075	608,705	1,091,833
Participant payments	80,000	-	12,030
Interest	173,500	250,000	161,375
Operating Mill Levy Collections	248,037	252,042	233,636
Grant Revenue	83,669	173,220	80,173
Transfer in from Enterprise Surcharge	84,246	104,578	-
Abatement & Refunds Collections	57,270	66,717	90,010
Misc. Revenues/Inclusion Fees	947	600	550
Prior Year Taxes	(18,013)	(12,000)	(5,000)
Grant Contributions/Contingency	-	50,000	50,000
<b>TOTAL OPERATING REVENUES</b>	<b>1,962,725</b>	<b>2,093,862</b>	<b>2,314,607</b>
<b>OPERATING EXPENDITURES</b>			
Board Expenses	35,910	47,250	45,934
Capital Outlay	7,461	30,000	20,429
Computer & Internet services & support	6,915	39,210	19,055
Facilities & Vehicles	25,145	34,915	23,266
Grants & Projects Expenditures	109,623	249,220	139,323
Human Resources	1,057,201	1,081,761	1,196,449
Office/Insurance/Utilities	83,950	73,510	74,165
Operating Contingency	-	56,017	50,000
Outside Services (Legal, Engin., & Audit)	587,023	591,500	582,200
Staff Business Travel	41,611	24,400	33,507
Staff Education & Certification	8,885	14,972	20,991
Water Sponsorships & Co-Op Funding	15,696	48,070	76,535
<b>TOTAL OPERATING EXPENDITURES</b>	<b>1,979,420</b>	<b>2,290,825</b>	<b>2,281,854</b>
<b>NET TO FUND BALANCE</b>	<b>4,243</b>	<b>49,453</b>	<b>12,753</b>
<b>Fund Balance Dec 31, 2009</b>	<b>9,795,833</b>		
<b>Fund Balance Estimate Dec 31, 2010</b>		<b>9,845,286</b>	
<b>Fund Balance Estimate Dec 31, 2011</b>			<b>9,816,332</b>



# Southeastern Colorado Water Activity Enterprise





## **Southeastern Colorado Water Activity Enterprise**

### **Arkansas Valley Conduit, Southeastern Excess Capacity Long Term Master Contract, and Enlargement**

In 2011 the major focus for the Arkansas Valley Conduit (Conduit) and Southeastern Excess Capacity Long Term Master Contract (Master Contract) projects will be the Environmental Impact Statement (EIS) and all the supporting work it entails. The project manager will spend a large amount of his time and resources working in the Enterprise. These projects will also require significant time from project team with assistance from additional staff. In addition to the direct work on the EIS, these projects will require supporting engineering and legal work on the study and on the Conduit Conservation Plan. This outside support work will require coordination and oversight from the staff.

#### **Arkansas Valley Conduit**

In 2010, the Bureau of Reclamation selected MWH to perform the EIS and they have signed a \$4,234,203 contract to complete the EIS. This study will continue through at least December 2012. The work covered in the EIS includes:

- Project Management
- Resource Planning
- Public Involvement
- Field Studies
- Purpose and Need
- Alternatives Analysis
- Affected Environment
- Environmental Consequences
- Draft EIS
- Public Review of the EIS
- Compilation of the Final EIS
- Record of Decision
- Project Closeout



*Ribbon cutting ceremony for the Arkansas Valley Conduit*

An additional \$5 million is included in the 2011 Federal appropriations continuing resolution (CR) that will allow other work to be performed in support of, and in conjunction with the EIS. This funding will be handled through the Bureau of Reclamation to keep the Conduit project on the fast track. This additional work includes:

- Preliminary Right of Way Investigation
- Corridor Study
- Geo-technical Study
- Conceptual Design
- Reclamation Oversight
- Hydrologic Modeling

Kevin Meador will remain as the District's Engineer and technical support to assist with the project management and engineering components of the study. Staff will work closely with Kevin, the

Bureau of Reclamation, MWH and its sub-consultants during the EIS in the areas of project expertise, oversight, coordination, and project management and administration.

The District has entered into an Intergovernmental Personnel Act (IPA) with the Bureau Reclamation to cover the personnel and travel costs associated with the study. Additionally, Federal legislation has been introduced and is expected to be passed that will allow funding to flow to the District to cover its' costs (including personnel) as well as the engineering and legal support needed on the project. If the legislation is passed, the IPA will no longer be needed, as those costs will be covered under the legislation. This funding could amount to about \$890,000 during 2011.

### **Southeastern Excess Capacity Long Term Master Contract**

It was agreed in 2010 that the Master Contract project will be included in the Conduit EIS, allowing both projects to move concurrently. The Master Contract will provide long-term storage contracts to twelve District entities as well as all of the Conduit participants. The work covered in this portion of the EIS includes:

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

A separate contract for the Master Contract portion of the EIS will be signed with the costs being covered by the participants wanting storage. The costs associated with the Conduit entities for storage will be included in the Conduit funding.

For both the Conduit and Master Contract, in addition to the specific NEPA study costs, general administration, legal, and lobbying activities will continue with these costs being paid for by the appropriate participants.

### **Enlargement**

The Enlargement project is continuing to move forward, which will require monitoring by staff as well as administration of the cooperative Water Quality Monitoring Program with the USGS.

**In Conclusion:** As the Conduit and Master Contract projects progress during the 2011 budget cycle, the Enterprise will rely on District staff to further the projects expediently. The cost savings in this preliminary work will possibly reduce the overall costs originally forecasted for the Conduit project.

## **Regional Resource Planning Group**

Outreach is an external leadership program that the Enterprise is actively engaged. An example of an Outreach program that has multiple use projects is the Regional Resource Planning Group.

The Regional Resource Planning Group (RRPG) was formed as a result of the 2003 IGA between Aurora and the SECWCD. For the first five years (2004-2008) Aurora contribute \$50,000 each year to the RRPG.

Currently there are six (6) entities in the RRPG. The entities are:

The City of Aurora (Aurora)

The Board of Water Works of Pueblo (BWWP)

Colorado Springs Utilities (CS-U)

The Lower Arkansas Valley Water Conservancy District (LAVWCD)

The Southeastern Colorado Water Conservancy District (SECWCD)

The Upper Arkansas Water Conservancy District (UAWCD)

Revenues collected by the participants are used for the following projects:

- 1) Development of a Webpage.
- 2) Applegate Groups Line Diagram of the Arkansas River from Leadville to the Kansas Border, and the River graphing charts.
- 3) Aqua Engineering's facilitating of the Water Transfer Committee
- 4) Colorado Mountain College Fen Research Project.
- 5) The on-going USGS "Arkansas Basin Water-Quality Study" which for 2010, 2011, and 2012 is projected to cost \$160,000 per year.

Beginning in 2009, the six (6) entities in the RRPG have been making annual contributions to continue the Water Quality studies. In mid 2010, Aurora & the LAVWCD negotiated a settlement and Aurora made an extra \$75,000 contribution to the RRPG. The extra monies will be used in the future for the USGS Arkansas Basin Water-Quality Study.

## **Calculation of Water Revenue**

Water revenue is calculated annually by the Engineer. It includes water sales and surcharges. These calculations are based on historical averages, current storage, and contractual agreements. The following table of calculations is presented as a reference to the Water Activity Enterprise budget



## 2011 District and Enterprise Revenues for Water & Surcharges

### 2011 Budgeted Water Sales

Based on 43,863 AF Project Water Allocated & Sold by The District

Project Water (Enterprise)	A/F	0	A/F Rate SOD	\$ Revenue SOD	A/F Rate WAE	\$ Revenue WAE
Municipal	23,945	\$ 167,615.00	\$ 0.50	\$ 11,972.50	\$ 1.50	\$ 35,917.50
Agricultural	19,918	\$ 139,426.00	\$ 0.50	\$ 9,959.00	\$ 0.75	\$ 14,938.50
<b>TOTAL WATER SALES</b>	<b>43,863</b>	<b>\$ 307,041.00</b>		<b>\$ 21,931.50</b>		<b>\$ 50,856.00</b>
Return Flows	A/F	Water @ \$6.00	A/F Rate SOD	\$ Revenue SOD	A/F Rate WAE	\$ Revenue WAE
Municipal	1,000	\$ 6,000.00	\$ 0.50	\$ 500.00	\$ -	\$ -
Agricultural	6,062	\$ 36,372.00	\$ 0.50	\$ 3,031.00	\$ -	\$ -
	<b>7,062</b>	<b>\$ 42,372.00</b>		<b>\$ 3,531.00</b>		<b>\$ -</b>
Augmentation Surcharge	A/F	Water @ \$2.60	A/F Rate SOD	\$ Revenue SOD	A/F Rate WAE	\$ Revenue WAE
Muni Augmentation	4,116	\$ 10,701.60	\$ -	\$ -	\$ -	\$ -
Ag Augmentation	1,195	\$ 3,107.00	\$ -	\$ -	\$ -	\$ -
Total Augmentation	<b>5,311</b>	<b>\$ 13,808.60</b>		<b>\$ -</b>		<b>\$ -</b>
<b>TOTAL Water/ Return/Augment. TOTAL SOD and WAE</b>		<b>\$ 363,221.60</b>		<b>\$ 25,462.50</b>		<b>\$ 50,856.00</b>

### Surcharge Revenues

District Project Water	A/F	\$7.00/AF Water Sales	A/F Rate SOD	\$ Revenue SOD	A/F Rate WAE	\$ Revenue WAE
Municipal	-	<b>Enterprise</b>	\$ 0.50	\$ -	\$ 1.50	\$ -
Agricultural	-	<b>Collects above</b>	\$ 0.50	\$ -	\$ 0.75	\$ -
<b>TOTALS</b>	<b>-</b>			<b>\$ -</b>		<b>\$ -</b>
Winter Water Storage Surcharge Fees	A/F	Storage A/F @ \$2.80	A/F Rate SOD	\$ Revenue SOD	A/F Rate WAE	\$ Revenue WAE
Municipal			0	0	0	
Agricultural	46,000	<b>District</b>	\$ 0.25	\$ 11,500.00	0	
<b>TOTALS</b>	<b>46,000</b>	<b>Collects for BoR</b>		<b>\$ 11,500.00</b>		<b>\$ -</b>
Carryover Water Storage Surcharge Fees	A/F	Storage Fees	A/F Rate SOD	\$ Revenue SOD	A/F Rate WAE	\$ Revenue WAE
Municipal & Agricultural	114,000	-	\$ 1.00	\$ 114,000.00	\$ 1.25	\$ 142,500.00
<b>TOTALS</b>	<b>114,000</b>			<b>\$ 114,000.00</b>		<b>\$ 142,500.00</b>
If & When Contract Storage Surcharge Fees	A/F	Storage Fees	A/F Rate SOD	\$ Revenue SOD	A/F Rate WAE	\$ Revenue WAE
In -District	47,350	<b>Bor</b>	\$ 0.50	\$ 23,675.00	\$ 0.50	\$ 23,675.00
Out-of-District (R.Min & Victor)	150	<b>Collects</b>	\$ 2.00	\$ 300.00	\$ 4.00	\$ 600.00
<b>SUB-TOTAL</b>	<b>47,500</b>	<b>Directly</b>		<b>\$ 23,975.00</b>		<b>\$ 24,275.00</b>
Out of Basin (Aurora) ***	10,000		\$ 2.00	\$ 20,000.00	\$ 8.00	\$ 80,000.00
<b>TOTALS</b>		<b>Water&amp;Storage Fees **</b>		<b>\$ 363,221.60</b>		<b>\$ 174,937.50</b>
				<b>Excludes Aurora</b>		<b>\$ 217,631.00</b>

Mine  
**Water/Storage Fees \$ 363,221.60**  
**SOD Surcharge Revenue \$ 174,937.50**  
**WAE Surcharge Revenue \$ 217,631.00**  
**2011 Water Sales & Surcharge \$ 755,790.10**

\*\*\* Aurora's Out of Basin Surcharge are accounted  
for elsewhere in the Budget

\*\* Excludes Winter Water Storage which is passed  
through to the Bureau of Reclamation

Revised 10/5/2010 RWH



**Southeastern Colorado Water Activity Enterprise**

Proposed 2011 Budget November 18, 2010

2010 Approved Budget

	2010 Budget	2011 Final Budget	2010 Budget	2011 Final Budget	2010 Budget	2011 Final Budget	2010 Budget	2011 Final Budget	2010 Budget	2011 Final Budget	2010 Budget	2011 Final Budget	2010 Budget	2011 Final Budget	2010 Budget	2011 Final Budget	2010 Budget	2011 Final Budget	Approved 2010 Budget	Proposed 2011 BUDGET
REVENUES	Water Activity Enterprise	Water Activity Enterprise	SOD	SOD	Ex Cap Master Contract	Ex Cap Master Contract	Enlarge-ment	Enlarge-ment	RRPG	RRPG	AVC General Admin	AVC General Admin	AVC NEPA	AVC NEPA	AVC STAG Grant	AVC STAG Grant				
Water & Return Flows	42,102	42,369																	42,102	42,369
Project Water		307,041																	-	307,041
SOD Surcharge Revenue			139,834	174,937															139,834	174,937
Well Augmentation	14,609	13,809																	14,609	13,809
Interest Income	249,567	128,999							433	972	-	-							250,000	129,971
WAE Surcharge Revenue	212,198	217,631	24,744																236,942	217,631
Payments - Other Aurora IGA	150,000	130,000		20,000															150,000	150,000
Payments - Other LAVWCD											20,000	-							70,000	-
Payments - Participants	-	-	-	-	1,220,068	963,291	121,768	117,077	-	-	174,955	217,854							1,530,836	1,298,222
Payment - Interfund					-	-					20,000	20,000							70,000	26,000
CWCB Round Table																			66,137	-
Grant Revenue - State																			-	35,000
Grant Revenue - Federal																			-	35,000
Regional Resource Planning Group									100,000	160,000									100,000	160,000
U.S.B.R. Federal IPA																			-	130,315
U.S.B.R. Federal Appropriations																			-	758,384
<b>TOTAL PROJECT REVENUES</b>	<b>668,476</b>	<b>839,849</b>	<b>164,578</b>	<b>194,937</b>	<b>1,220,068</b>	<b>963,291</b>	<b>121,768</b>	<b>117,077</b>	<b>100,433</b>	<b>160,972</b>	<b>214,955</b>	<b>237,854</b>	<b>-</b>	<b>964,699</b>	<b>498,489</b>	<b>-</b>	<b>-</b>	<b>2,988,767</b>	<b>3,478,679</b>	
<b>EXPENSES</b>																				
<b>OUTSIDE SERVICES</b>																				
Annual Audit (Enterprise portion)	10,000	13,000			3,000	3,933	3,000	3,933			3,000	3,933							19,000	24,799
Consulting/Lobbying Services	24,000	24,000			15,000	15,000	15,000	15,000			20,000	32,000							74,000	86,000
Engineering Outside Contracts	42,000	30,000			5,000	50,000									519,685	423,583			470,583	599,685
Engineering Legal		20,000																	-	20,000
Legal Representation	33,000	33,000			60,000	40,000	15,000	15,000			40,000	24,000			100,000	-			148,000	212,000
Compliance Studies (NEPA, EIS)					1,000,000	700,000													1,000,000	700,000
Project Expenses - ROY	5,000	5,000																	5,000	5,000
<b>TOTAL OUTSIDE SERVICES</b>	<b>114,000</b>	<b>125,000</b>	<b>-</b>	<b>-</b>	<b>1,083,000</b>	<b>808,933</b>	<b>33,000</b>	<b>33,933</b>	<b>-</b>	<b>-</b>	<b>63,000</b>	<b>59,933</b>	<b>-</b>	<b>619,685</b>	<b>423,583</b>	<b>-</b>	<b>-</b>	<b>1,716,583</b>	<b>1,647,484</b>	
<b>SPECIFIC PROJECT EXPENSE</b>																				
USGS Water Studies	50,000	53,800			45,638	45,653	45,638	45,653											141,276	145,106
Regional Resource Planning Group									100,000	160,000									100,000	160,000
Research Project Support	20,000	22,000																	20,000	22,000
10825 NEPA Cost Share	25,500	42,000																	25,500	42,000
Capital Improvements (USBR - SOD -AG)			60,000	60,000															60,000	60,000
Water Conservation		6,000													76,000				-	82,000
Surcharge payment to District			104,578	-															104,578	-
<b>TOTAL SPECIFIC PROJECTS</b>	<b>95,500</b>	<b>123,800</b>	<b>164,578</b>	<b>60,000</b>	<b>45,638</b>	<b>45,653</b>	<b>45,638</b>	<b>45,653</b>	<b>100,000</b>	<b>160,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>76,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>451,354</b>	<b>511,106</b>	
<b>ADMINISTRATIVE SERVICES</b>																				
SECWCD Paid - Personnel													20,000	20,000					20,000	20,000
Director Payroll	12,000	24,120																	12,000	24,120
Administrative Personnel		616,613																		616,613
Project Personnel	240,000				75,000	81,809	35,000	26,663			104,000	11,530	-	200,953	14,045				468,045	320,955
<b>TOTAL ADMIN. SERVICES</b>	<b>252,000</b>	<b>640,733</b>	<b>-</b>	<b>-</b>	<b>75,000</b>	<b>81,809</b>	<b>35,000</b>	<b>26,663</b>	<b>-</b>	<b>-</b>	<b>124,000</b>	<b>31,530</b>	<b>-</b>	<b>200,953</b>	<b>14,045</b>	<b>-</b>	<b>-</b>	<b>500,045</b>	<b>981,688</b>	
<b>OFFICE EXPENSES</b>																				
Overhead	42,000				14,080	23,646	6,080	8,778			46,500	9,660			68,061				108,660	110,145
Meeting Expenses	8,700	8,700			1,000	1,250	1,000	1,000			1,200	1,200							11,900	12,150
Travel	6,000	3,000			900	1,500	600	600			8,700	10,685							16,200	15,785
Office Expense Supplies & Postage	2,500	2,175			450	500	450	450			1,000	370							4,400	3,495
<b>TOTAL OFFICE EXPENSES</b>	<b>59,200</b>	<b>13,875</b>	<b>-</b>	<b>-</b>	<b>16,430</b>	<b>26,896</b>	<b>8,130</b>	<b>10,828</b>	<b>-</b>	<b>-</b>	<b>57,400</b>	<b>21,915</b>	<b>-</b>	<b>68,061</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>141,160</b>	<b>141,575</b>	
<b>TOTAL EXPENSES</b>	<b>520,700</b>	<b>903,408</b>	<b>164,578</b>	<b>60,000</b>	<b>1,220,068</b>	<b>963,291</b>	<b>121,768</b>	<b>117,077</b>	<b>100,000</b>	<b>160,000</b>	<b>244,400</b>	<b>113,378</b>	<b>-</b>	<b>964,699</b>	<b>437,628</b>	<b>-</b>	<b>-</b>	<b>2,809,142</b>	<b>3,281,853</b>	
<b>OPERATING RESERVE</b>	<b>147,776</b>	<b>(63,559)</b>	<b>-</b>	<b>134,937</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>433</b>	<b>972</b>	<b>(29,445)</b>	<b>124,476</b>	<b>-</b>	<b>-</b>	<b>60,861</b>	<b>-</b>	<b>-</b>	<b>179,625</b>	<b>196,826</b>	



**SOUTHEASTERN COLORADO WATER ACTIVITY ENTERPRISE  
COMPARISON of REVENUE & EXPENSE**

**2009 Audit - 2010 Approved Budget - 2011 Final Budget**

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	<b>2009 AUDIT</b>	<b>2010 APPROVED BUDGET</b>	<b>2011 FINAL BUDGET</b>
<b>OPERATING REVENUE</b>			
Interest Income	201,239	250,000	129,971
Project Water Sales		-	307,041
Return Flow Water Sales	55,536	42,102	42,369
Surcharges and Well Augmentation	413,893	391,385	406,377
<b>Total Operating Revenue</b>	<b>670,668</b>	<b>683,487</b>	<b>885,758</b>
<b>PROJECT REVENUE AND GRANTS</b>			
Payment - SECWCD	70,000	70,000	26,000
Payments - All other	355,000	320,000	310,000
Payments - Participants	404,481	1,530,836	1,298,222
Grants - Federal & State	306,942	384,444	70,000
Federal Appropriations and IPA		-	888,699
<b>Total Project Revenue and Grants</b>	<b>1,136,423</b>	<b>2,305,280</b>	<b>2,592,921</b>
<b>TOTAL REVENUE</b>	<b>1,807,091</b>	<b>2,988,767</b>	<b>3,478,679</b>
<b>OPERATING EXPENDITURES</b>			
Annual Audit (Enterprise portion)	14,800	19,000	24,799
Consulting/Lobbying Services	62,638	74,000	86,000
Engineering Outside Contracts & Legal	453,643	470,583	619,685
Legal Representation	88,092	148,000	212,000
Administrative Personnel	11,000	32,000	44,120
Office Expense	86,452	32,500	31,430
<b>Operating Expenditures Total</b>	<b>716,625</b>	<b>776,083</b>	<b>1,018,034</b>
<b>PROJECT EXPENDITURES</b>			
Compliance Studies		1,000,000	700,000
Project ROY	667	5,000	5,000
USGS Water Studies	138,980	141,276	145,106
Regional Resources Planning Group	130,000	100,000	160,000
Other project exp & cap improvement payments	25,014	105,500	206,000
Surcharge payment to District		104,578	-
Project Personnel and Overhead	511,875	576,705	1,047,713
<b>Project Expenditures Total</b>	<b>806,536</b>	<b>2,033,059</b>	<b>2,263,819</b>
<b>TOTAL EXPENDITURES</b>	<b>1,523,161</b>	<b>2,809,142</b>	<b>3,281,853</b>
	<b>283,930</b>	<b>179,625</b>	<b>196,826</b>
<b>Fund Balance Dec 31, 2009</b>	<b>9,101,516</b>		
		<b>9,281,141</b>	
<b>Fund Balance Estimate Dec 31, 2011</b>			<b>9,477,967</b>



**Additional Contributors:**

**Margie Medina, Ribbon Cutting Ceremony Photograph**

**Picture on the front cover and of the top of Pueblo Reservoir Dam, courtesy of Dan Kugler, PE  
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*Southeastern Colorado  
Water Conservancy District*

**TABLE OF TERMS AND ACRONYMS**

*2011 Budget*

A/F	Acre Foot Water
Ag	Agricultural
ARKWIPP	Arkansas River Watershed Invasive Plants Plan Implementation
Aurora	City of Aurora
AVC	Arkansas Valley Conduit
BWWP	Board of Water Works Pueblo
CPI	Consumer Price Index (TABOR Calculations)
CSU	Colorado Springs Utilities
CWCB	Colorado Water Conservation Board
DISTRICT	Southeastern Colorado Water Conservancy District
DOLA	Department of Local Affairs
EIS	Environmental Impact Statement
ENTERPRISE	Southeastern Colorado Water Activity Enterprise
Excess Capacity	South Eastern Long Term Excess Capacity Master Contract
Fry-Ark	Frying-Pan Arkansas Project (Entire System from Bousted Tunnel down)
FVA	Fountain Valley Authority
IGA	Inter Governmental Agreement
IPA	Intergovernmental Personnel Act
LAVWCD	Lower Arkansas Valley Water Conservancy District
M&I	Municipal and Industrial
Master Contract	South Eastern 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
Muni	Municipal
MWH	MWH Global: Engineering firm hired by USBR for the AVC project
NEPA	National Environmental Protection Act
OM&R	Operations, Maintenance and Repair
Reclamation	United States Bureau of Reclamation
RICD	Recreational In-Channel Diversion
ROY	Restoration of Yield
RRPG	Regional Resource Planning Group
SECO	Southeastern Colorado Waterwise
SECWCD	Southeastern Colorado Water Conservancy District
SELTEC	South Eastern 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
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	Frying-Pan Arkansas Project (Entire System from Bousted 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 Filed Service