



Municipal Subdistrict

2022
Annual Budget





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GENERAL MANAGER TRANSMITTAL LETTER

To the President and Municipal Subdistrict Board of Directors,

We are pleased to present a fiscally sound operating and capital budget for fiscal year 2022. The spending plan is just one part of a long-term commitment to provide quality services while preserving long-term financial viability of the Municipal Subdistrict. This budget is designed to fulfill the Subdistrict's mission: "To provide water resources management, project operations and water conservation services for our project beneficiaries."

After receiving the final federal permit needed for the Windy Gap Firming Project in fiscal year 2017 and breaking ground on construction of the Chimney Hollow reservoir in August 2021, the focus for fiscal year 2022 remains to advance the construction. This project is needed to meet a portion of the existing and future wholesale water supply needs within the boundaries of the Subdistrict. This project aligns with the Subdistrict's vision to ensure a secure water future for Northern Colorado. Planning, design and funding of the Colorado River Connectivity Channel continued during fiscal year 2021. Other activities and programs for the Windy Gap Project will be consistent with the past.

Fiscal Year 2022 Budget Summary and Highlights

Windy Gap Water Activity Enterprise Fund

Total Sources of Funds are estimated to be \$22.3 million, or approximately 85 percent higher than fiscal year 2021.

Sources include:

- Operating revenues totaling \$6.1 million
- No change in assessment deferral charge - \$36 per acre-foot unit
- Other revenues totaling \$11.3 million
- Contributions totaling \$5 million for the Colorado River Connectivity Channel

Operating expenses of \$7.3 million reflect an increase of \$738,752, or approximately 11.92 percent higher than fiscal year 2021. Expenses include:

- Largest expense is carriage costs amounting to \$3.9 million
- Programs totaling \$1.4 million

Capital project expenditures of \$13.3 million are planned primarily for the Colorado River Connectivity Channel.

Windy Gap Firming Project Water Activity Enterprise Fund

- Total Sources of Funds are estimated to be \$15.1 million, \$570.8 million less than fiscal year 2021, as the funding for Chimney Hollow reservoir construction was received in fiscal year 2021
- Capital Project expenditures of \$205 million are primarily planned for mitigation, enhancements and construction for the Chimney Hollow Reservoir

We believe the budget for the Municipal Subdistrict's fifty-second year of operation meets the Board's conservative fiscal philosophies and directives and leadership's commitment to accountability and strong fiscal management.

Respectfully,



Bradley D. Wind
General Manager

DISTINGUISHED BUDGET PRESENTATION AWARD



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**Municipal Subdistrict, Northern Water
Colorado**

For the Fiscal Year Beginning

October 01, 2020

Christopher P. Morill

Executive Director

ABOUT THE MUNICIPAL SUBDISTRICT

The Municipal Subdistrict was organized as a subdistrict of the Northern Colorado Water Conservancy District (Northern Water) by decree of the District Court of Weld County, Colorado, on July 6, 1970, pursuant to the Water Conservancy Act. Under the Water Conservancy Act, a subdistrict thus formed is a separate and independent conservancy district with the same powers and legal standing as its parent district and is an independent political subdivision of the State of Colorado. The Subdistrict has the authority to undertake projects separate from those undertaken by Northern Water. The Subdistrict has an agreement with Northern Water whereby Northern Water provides all administrative, operation and maintenance functions for the Subdistrict, and is reimbursed by the Subdistrict for the services rendered.

The Board of the Subdistrict is, by statute, the same as the Board of Northern Water. It has been the practice of the Subdistrict to elect a different slate of officers from those chosen by Northern Water. The staff of Northern Water serves as the staff of the Subdistrict, with the Subdistrict reimbursing Northern Water for the actual time of such staff plus an additional percentage to cover costs and overhead. In March 2019, Northern Water entered engaged a third-party consultant to conduct an Indirect Cost Allocation study. Working closely with District staff, the consultant has identified and quantified indirect costs applicable to District enterprise funds. The evaluation was intended to establish adequate documentation of indirect costs, an allocation basis, and general principles of cost allocation for future application. The purpose of the study was to analyze and support modifications to methods, practices and policies used to allocate labor, overhead, facility and fleet costs to the District enterprises. The goals of the study were to (1) develop a fair and equitable basis of indirect cost allocation to the Bureau of Reclamation, the District activity enterprises, the Municipal Subdistrict, and other services, and (2) review the appropriateness of existing indirect costs already charged to enterprise funds such as fleet usage chargebacks. The Board of Directors requested that indirect costs be included in the Fiscal Year 2022 budget; however, at the time of publication of this document, the Board of Directors has not approved its final resolution surrounding the indirect cost methodology or the timing of implementation.

Northern Water does not approve or modify the Subdistrict's budget, hold title to any of the Subdistrict's water rights, authorize issuance of Subdistrict's bonds or appoint the Subdistrict's Board or management. Therefore, the Subdistrict is not under control of Northern Water and is not included in Northern Water's financial reports. The Subdistrict's fiscal year end is September 30.

The Windy Gap Project

The Windy Gap Project is located just west of the Town of Granby on Colorado's Western Slope. It consists of a diversion dam on the Colorado River that creates the 445-acre-foot Windy Gap Reservoir, a pump plant and a six-mile pipeline to Lake Granby. This system was designed to deliver an average of 48,000 acre-feet of water annually, diverted primarily during the spring runoff season between April and July. During these periods of high flows in the Colorado and Fraser rivers, water is pumped from Windy Gap Reservoir to Lake Granby, where it is stored for delivery through the Colorado-Big Thompson Project (C-BT Project) facilities to water users on the Front Range.

Water Allotment Contracts

The Subdistrict has entered water allotment contracts with each of the initial participants and participating transferees. Allotment contracts provide participants with their annually proportional share of Windy Gap water. Every unit equals 100 acre-feet of water, or 1/480 of the annual average yield produced. Each water allotment contract requires participants to make annual payments equal to the corresponding share of the costs related to the Subdistrict's acquisition of water rights and operation, maintenance and replacement of Windy Gap Project features, as well as carriage charges to Northern Water and U.S. Bureau of Reclamation (Reclamation) for using the C-BT Project for storing and delivering Windy Gap water.

A benefit to Subdistrict allottees is that allotment contract holders are granted total consumptive use of their Windy Gap water. Allottees can use and reuse Windy Gap water because it is imported water not native to the South Platte Basin.

After first use within Subdistrict boundaries, participants may lease, transfer or sell the reuse or successive use rights for use within or outside Subdistrict boundaries.

Carriage Contract

The Subdistrict has a Carriage Contract with the U.S. Bureau of Reclamation and Northern Water specifying how Windy Gap water will be stored and carried to the East Slope through the C-BT Project using the unused capacity of the existing C-BT Project's storage and conveyance facilities. Windy Gap's largest annual operating expense is carriage charges, which is 55 percent of the operating budget or \$4 million.

In-lieu Deliveries

In abnormally dry years, no water may be legally available because other water users in the Colorado River hold water rights senior in priority to Subdistrict's water rights. In abnormally wet years, storage space may not be available in Lake Granby. Pursuant to the Carriage Contract and the related Integrated Operations Criteria, C-BT system water may be delivered by the Subdistrict in-lieu of Subdistrict water during times when water would not otherwise be available. In-lieu deliveries are subject to requirements, including replacement water to assure C-BT system beneficiaries are not injured as the result of in-lieu deliveries. The use of unused capacity/in-lieu cost for fiscal year 2022 will be \$35.23 per acre-foot.

HISTORY

A Coalition of Six Cities

Formal efforts to develop and construct the Windy Gap Project began in the summer of 1967 when Longmont Mayor Ralph Price filed for water rights on the Colorado River near Granby. Price was acting as trustee for a coalition of six Northern Colorado cities: Boulder, Estes Park, Fort Collins, Greeley, Longmont and Loveland.

A Geologic Cut Called Windy Gap

The Windy Gap Project the coalition pursued is located on the West Slope near a natural geologic cut called Windy Gap, just below the confluence of the Colorado and Fraser rivers. The cities envisioned Windy Gap as a water source to meet the future needs of the rapidly growing Northern Front Range.

After studying growth rates and water supply demand projections, the six cities chose to pursue the Windy Gap Project to meet their future municipal needs.

Municipal Subdistrict Formed

In 1969, the participants realized that the work and expertise needed to build the Windy Gap Project required a stronger organization than they could provide independently. The Subdistrict was formally established on July 6, 1970, with the same powers and legal standing as the parent Northern Water. Following completion and approval of an Environmental Impact Statement and acquisition of 23 permits and licenses, Windy Gap Project construction began in July 1981. The Windy Gap Project was completed in 1985 and began delivering water to Subdistrict allottees in July.

Today, the Windy Gap Project consists of a diversion dam on the Colorado River that creates the 445-acre-foot Windy Gap Reservoir, a pump plant and a six-mile pipeline to Lake Granby.

Windy Gap Project Mitigation

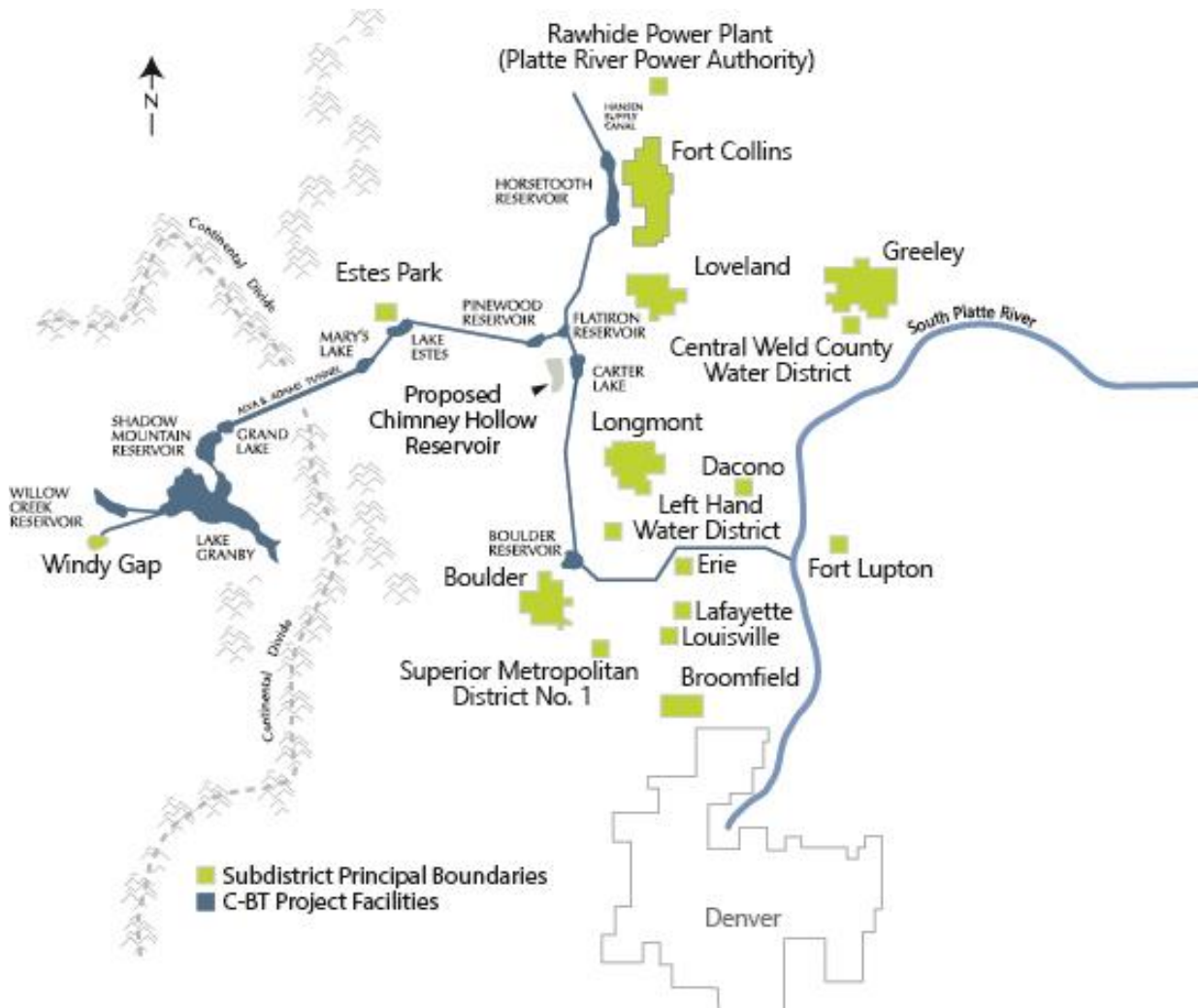
The Subdistrict is required by the Water Conservancy Act to design, construct and operate the Windy Gap Project in a manner that will not impair the Colorado River Basin or increase costs to its water users. To satisfy this requirement, the Subdistrict provided mitigation measures and additional benefits to the West Slope. These included:

- \$10.2 million payment to the Colorado River Water Conservation District used as seed money to construct Wolford Mountain Reservoir
- \$550,000 to the U.S. Fish and Wildlife Service for endangered fish species studies
- \$500,000 to upgrade and provide new pumps for rancher diversions downstream
- \$420,000 to Hot Sulphur Springs for upgrading water and wastewater treatment facilities

Windy Gap Firming Project

The Windy Gap Firming Project is being implemented to provide more reliable Windy Gap water deliveries. The Windy Gap Firming Project will include a 90,000-acre-foot reservoir at Chimney Hollow in the foothills west of Carter Lake. Not all the owners of the Windy Gap Project are participating in the Windy Gap Firming Project. The cities of Boulder and Dacono and towns of Estes Park, Firestone and Frederick own Subdistrict water units but are not participating in the Windy Gap Firming Project because they have other storage for Subdistrict water or other water supplies that currently meet their needs. The final federal permit needed to construct the Chimney Hollow Reservoir was signed on May 17, 2017. Groundbreaking for the project was on August 6, 2021, with construction anticipated to take approximately 48 months.

SERVICE AREA AND WINDY GAP PROJECT PARTICIPANTS



Windy Gap Participants	Water Units	Percentage
Platte River Power Authority	110	22.9%
Longmont	80	16.7%
Broomfield	56	11.7%
Greeley	49	10.2%
Loveland	40	8.3%
Boulder	37	7.7%
Erie	20	4.2%
Little Thompson Water District	19	4.0%
Superior Metro District No. 1	15	3.1%
Fort Lupton	13	2.7%
Louisville	9	1.9%
Frederick	7	1.5%
Firestone	5	1.0%
Dacono	5	1.0%
Lafayette	3	0.6%
Estes Park	3	0.6%
Berthoud	8	1.7%
Central Weld County Water District	1	0.2%

LARGEST EMPLOYERS

Largest Employers by County: 2020 Annual Reports

Rank	Larimer County Employer	Employment
1	UCHealth: Poudre Valley Hospital	7,760
2	Colorado State University	7,676
3	Poudre School District	3,784
4	Thompson School District R2-J	2,113
5	Larimer County	1,799
6	City of Fort Collins	1,637
7	Medical Center of the Rockies	1,621
8	Woodward Inc.	1,590
9	Broadcom Inc.	1,500
10	Banner Health: McKee Medical Center	1,440
	Sum of largest employers	30,920
	Full labor force June 2020	207,120

Rank	Weld County Employer	Employment
1	JBS Swift Beef Company	6,000
2	Banner Health: Northern Colorado Medical Center	3,710
3	Vestas	2,890
4	Greeley/Evans School District 6	2,860
5	Weld County Government	1,783
6	University of Northern Colorado	1,530
7	State Farm Insurance	1,200
8	UC Health	1,030
9	City of Greeley	905
10	Haliburton Energy Services	900
	Sum of largest employers	22,808
	Full labor force June 2020	170,001

Rank	Boulder County Employer *	Employment
1	Medtronic PLC	2,470
2	Boulder Community Health	2,440
3	Ball Aerospace & Technologies Corp.	1,680
4	IBM Corporation	1,670
5	Seagate Technology	1,440
6	Good Samaritan Medical Center	1,430
7	Google	1,300
8	Centura Health: Longmont United and Avista Adventist Hospitals	1,280
9	Sierra Nevada Corporation	750
10	Kaiser Permanente	750
	Sum of largest employers	15,210
	Full labor force June 2019	196,991

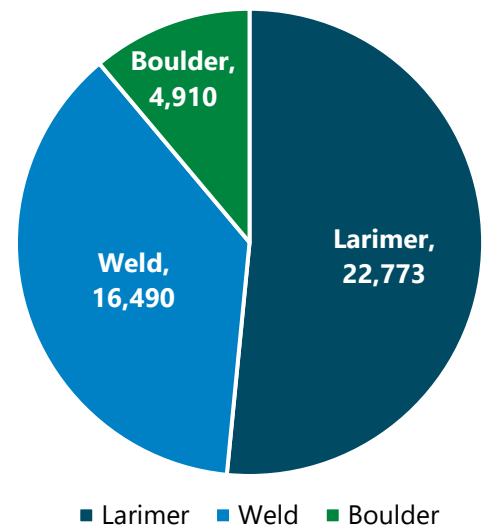
Rank	Broomfield City and County Employer	Employment
1	CenturyLink	1,850
2	Oracle	1,620
3	SCL Health Revenue Service Center	1,530
4	Hunter Douglas Window Fashions	980
5	City and County of Broomfield	795
6	Vail Resorts	740
7	TSYS	580
8	Danone North America	570
9	Broadcom, Inc.	500
10	VMware	465
	Sum of largest employers	9,630
	Full labor force June 2020	38,500

Source of largest employers: Reporting Entity 2020 Annual Financial Report

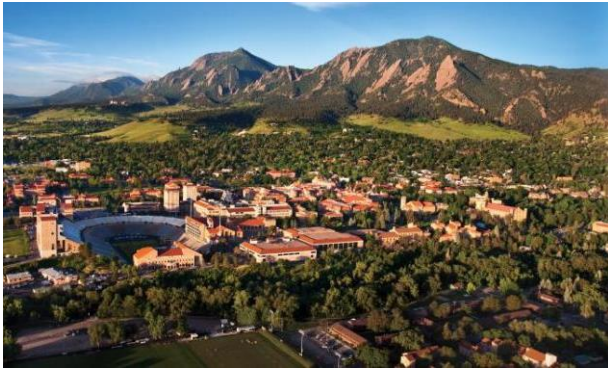
* Source of largest Boulder County Employer: 2019 Annual Financial Report

Top Ten Employers – Combined

Rank	Employer	County	Employment
1	UCHealth: Poudre Valley Hospital	Larimer/Weld	8,790
2	Colorado State University	Larimer	7,676
3	JBS Swift Beef Company	Weld	6,000
4	Banner Health	Larimer/Weld	5,150
5	Poudre School District	Larimer	3,784
6	Vestas	Weld	2,890
7	Greeley/Evans School District 6	Weld	2,860
8	Medtronic PLC	Boulder	2,470
9	Boulder Community Health	Boulder	2,440
10	Thompson School District R2-J	Larimer	2,113
	Sum of largest employers		44,173
	Full labor force 2020		612,612



LARGEST WINDY GAP PROJECT PARTICIPANTS



City of Boulder

Established	1871
Estimated Populations for 2019	108,000*
Unemployment Rate	5.7%
Per Capita Income for 2019	\$76,527*
Land Area (square miles)	26
*2020 data not available	

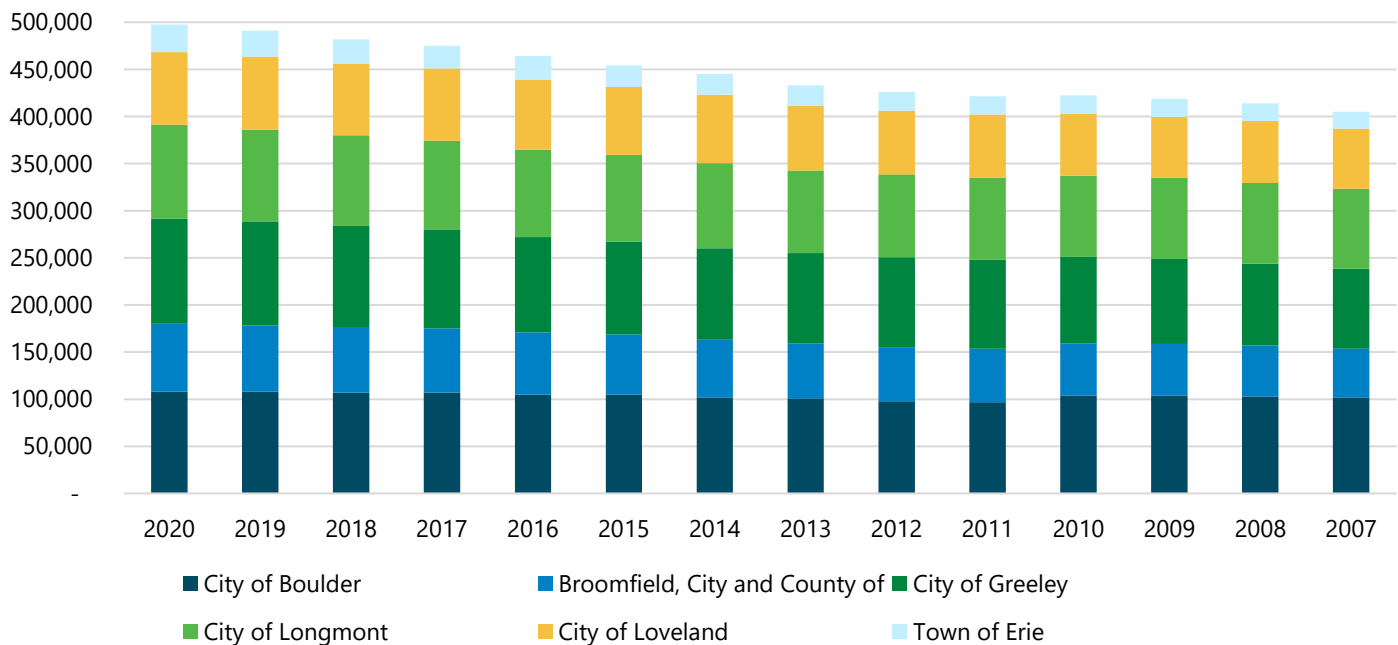


City of Longmont

Established	1871
Estimated Populations for 2020	99,570
Unemployment Rate	6.9%
Per Capita Income for 2020	\$61,157
Land Area (square miles)	22

Population Trends

Six Largest Windy Gap Project Participants - Municipalities



The Subdistrict has experienced a moderately growing population and service area in the past ten years.

- Greeley is the largest city in the Municipal Subdistrict.
- Of the three largest cities in the Municipal Subdistrict, Greeley has had the largest population increase of 9.9 percent in the last five years.
- The Town of Erie's population grew by 14.4 percent since 2016.
- Boulder is the twelfth largest city in Colorado with a 2020 population of approximately 108,000.
- Boulder has had the least increase in population in the last five years of 2.8 percent.

Sources - Colorado Department of Local Affairs, State Demography Office, County websites, Bureau of Labor Statistics, US Census - extrapolated from 2010 by US Census.



City and County of Broomfield

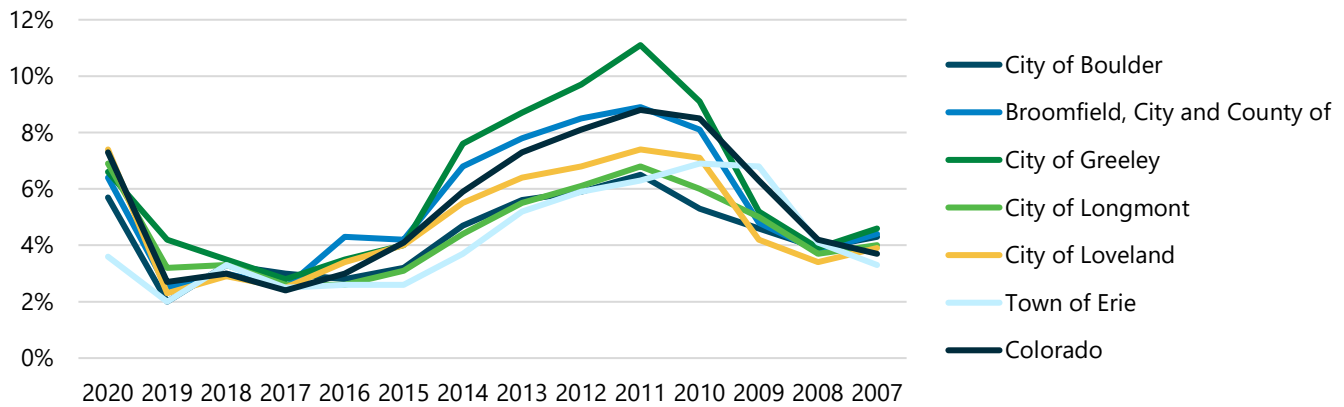
Established	2001
Estimated Populations for 2020	71,950
Unemployment Rate	6.4%
Per Capita Income for 2020	\$72,775
Land Area (square miles)	33.6



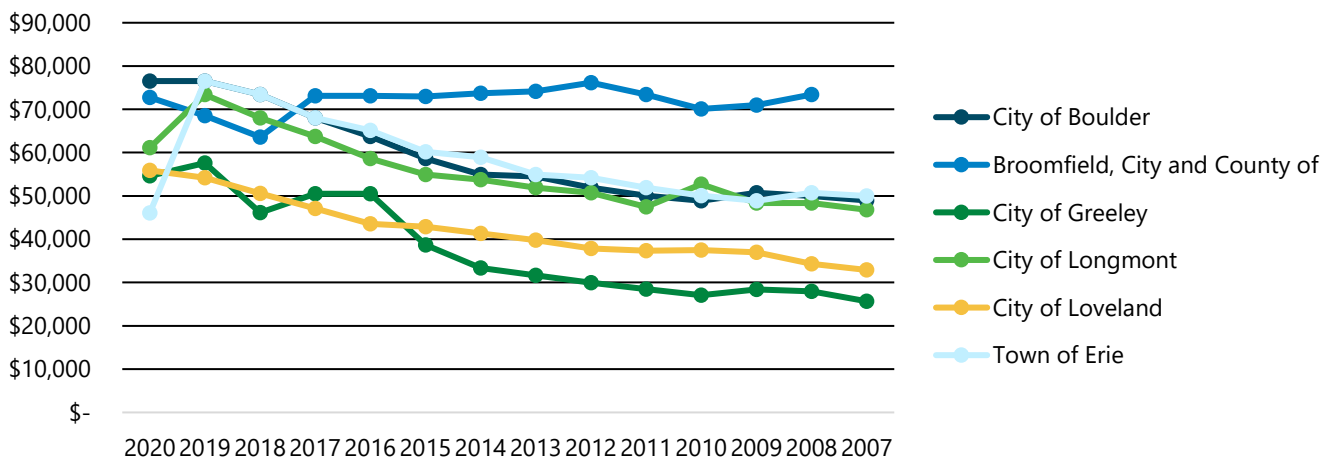
City of Greeley

Established	1870
Estimated Populations for 2020	111,748
Unemployment Rate	6.6%
Per Capita Income for 2020	\$54,612
Land Area (square miles)	30

Unemployment Rate Six Largest Windy Gap Project Participants Municipalities



Per Capita Income Six Largest Windy Gap Project Participants Municipalities



Sources: Colorado Department of Local Affairs, State Demography Office, County websites, Bureau of Labor Statistics, US Census - extrapolated from 2010 by US Census, County CAFRs.



City of Loveland

Established	1881
Estimated Populations for 2020	76,972
Unemployment Rate	7.4%
Per Capita Income for 2020	\$55,884
Land Area (square miles)	35.5



Town of Erie

Established	1874
Estimated Populations for 2020	29,200
Unemployment Rate	3.6%
Per Capita Income for 2020	\$46,090
Land Area (square miles)	19.8



Platte River Power Authority

Established	1975
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Colorado political subdivision established to provide wholesale generation and transmission to municipal utilities of its owner communities – Estes Park, Fort Collins, Longmont and Loveland.



Little Thompson Water District

Established	1960
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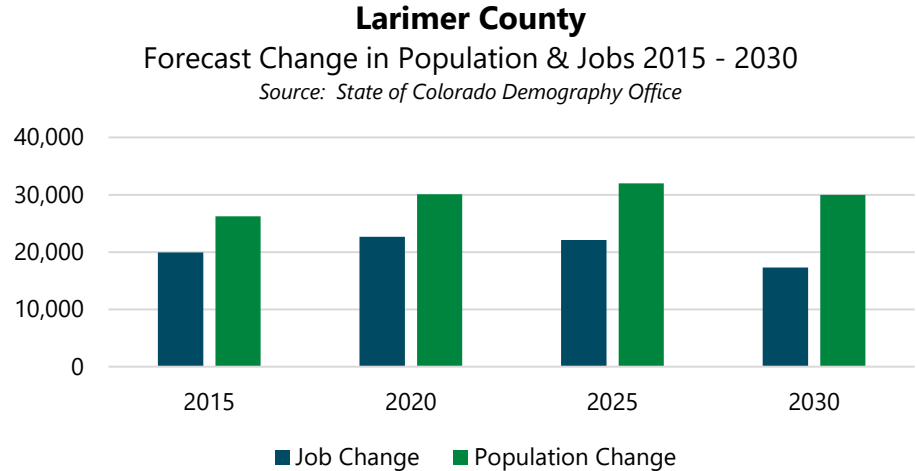
Colorado special district established to provide high-quality drinking water to rural residents in a 300-square-mile services area in Larimer, Weld and Boulder counties.

Sources: Colorado Department of Local Affairs, State Demography Office, County websites, Bureau of Labor Statistics, US Census - extrapolated from 2010 by US Census, County CAFRs.

POPULATION AND JOB TRENDS

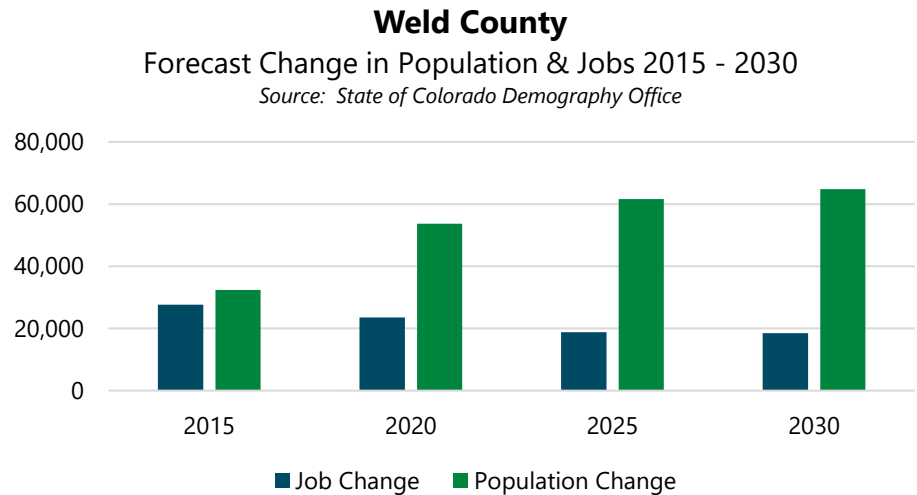
Larimer County

	Total Jobs	Population
2015	19,951	26,260
2020	22,635	30,097
2025	22,087	31,966
2030	17,320	29,948



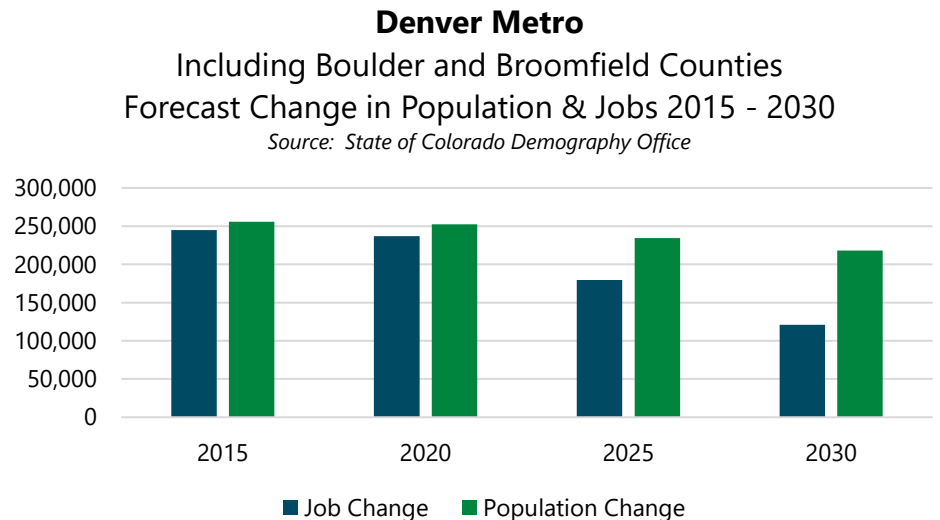
Weld County

	Total Jobs	Population
2015	27,621	32,335
2020	23,490	53,690
2025	18,759	61,600
2030	18,490	64,851



Denver Metro Including Boulder and Broomfield Counties

	Total Jobs	Population
2015	244,961	255,928
2020	236,866	252,376
2025	179,576	235,226
2030	121,141	217,944



BOARD OF DIRECTORS

The 12-member Board is responsible for establishing policy and strategic direction. Directors from the eight counties within Northern Water boundaries are appointed to four-year terms by district court judges. Three Board seats are up for appointment every year. When a director's term expires, he or she continues to serve until the judge reappoints or replaces him or her. The Subdistrict's Board officers are elected by the Board at its annual organizational meeting each October. The Board holds its public meetings twice a month. Directors are paid \$100 per meeting up to a maximum of \$2,400 per year.

Past Presidents

William D. Farr	1970-1995	25 years
Ray Joyce	1995-2000	5 years
Les Williams	2000-2013	13 years

Current Board of Directors



Dennis Yanchunas
President
Boulder County
Aug. 20, 2010 – Sept. 28, 2024



Bill Emslie
Vice President
Larimer County
Sept. 28, 2005 – Sept. 28, 2025



Mike Applegate
Larimer County
Sept. 28, 1991 – Sept. 28, 2023



Jennifer Gimbel
Larimer County
July 15, 2019 – Sept. 28, 2024



Sue Ellen Harrison
Boulder County
Sept. 28, 2009 – Sept. 29, 2022



Don Magnuson
Weld County
Sept. 28, 2004- Sept. 28, 2024



Gene Manuella
Logan County
Sept. 28, 2018 – Sept. 28, 2022



Rob McClary
Sedgwick County
Sept. 28, 2011 – Sept. 28, 2023



David Nettles
Weld County
Oct 18, 2018 – Sept. 28, 2022



John Rusch
Morgan and Washington Counties
April 12, 2002 – Sept. 28, 2025

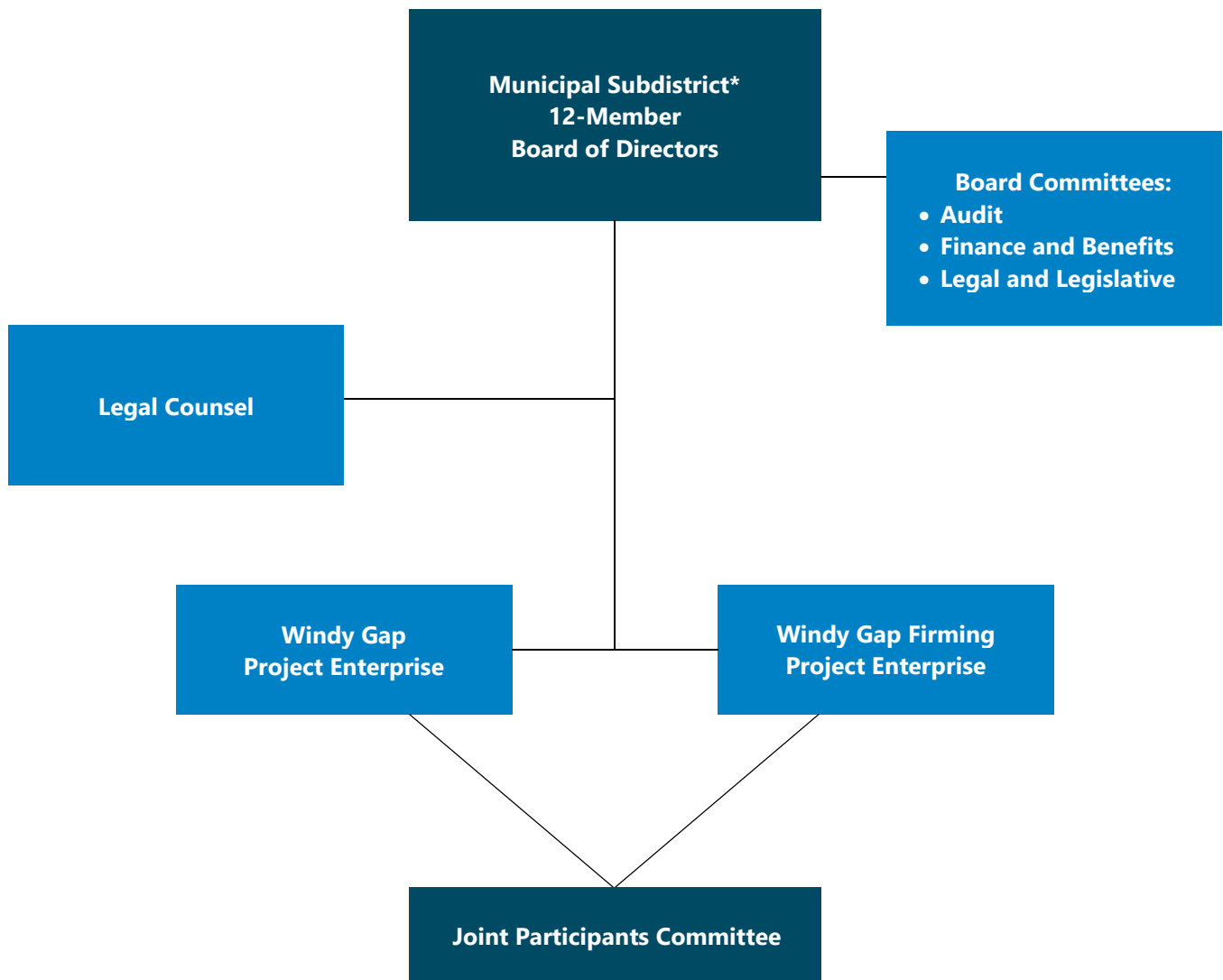


Dale Trowbridge
Weld County
Aug. 15, 2014 – Sept. 28, 2023



Todd Williams
Boulder County
Sept. 28, 2017 – Sept. 28, 2025

SUBDISTRICT ORGANIZATIONAL CHART



*The Subdistrict has no full-time employees. All day-to-day functions are provided through an agreement with Northern Water.

*For convenience throughout this document, references to staff are Northern Water staff acting on behalf of the Subdistrict through this agreement.

OUR BUSINESS PLAN

The following mission, values, priorities and principles were developed by Northern Water and shared with the Municipal Subdistrict.

Our Mission

Provide water resources management, project operations and conservation services for project beneficiaries.

Our Vision

The Municipal Subdistrict will be a leader in ensuring a secure water future for Northern Colorado.

Our Priorities

- Collect and deliver water
- Protect and conserve water supplies
- Plan and implement new water supply projects
- Cultivate operational and organizational excellence
- Maintain and strengthen relationships

Our Values and Principles

- Collaborative, proactive and progressive leadership
- Water resources conservation
- Environmental stewardship
- Personal and corporate ethical integrity and professionalism
- Solution-oriented service
- Regional cooperation



BUDGET PROCESS

The budget process provides an opportunity to align short-term objectives and actions at the program level to the Subdistrict's long-term mission and values. The Board, General Manager, Directors and staff participate in the development of the budget.

The budget is presented to the Board for consideration and adoption in August to align it with the adoption of water assessments which are also approved. The Board, at its regular meeting of May 13, 2021, appointed Bradley Wind, Karen Rademacher (retired prior to adoption of budget), Jerry Gibbens, Kristyn Unrein and Fahim Ghafoori as budget officers and directed them to prepare and submit the requisite budgets of Northern Water for fiscal year 2022. A notice is published, as required by law, in all the counties located wholly or partly within Northern Water boundaries stating the annual budget is available for inspection by the public, including the date and time for public hearing. This year's budget review process included a Board workshop on July 20, 2021.

The 2022 budget was prepared utilizing the accrual method of accounting. This is the same basis of accounting used for the Subdistrict's audited financial statements.

Budget Schedule

Task	Jan	Feb	Mar	Apr	May	June	July	Aug	Sep
Formulate key goals and objectives									
Identify major budget assumption									
Budget instructions issued to all department managers									
Review and final recommendations of budget by senior managers									
Appointment of budget officers and prepare budget reports									
Deliver budget to the Board									
Hold public hearing and adopt budget by the Board									
File budget with the state									

Amending the Budget

Senior management is authorized to add or revise budget amounts between operating expenses and projects. Any revisions that exceed the total appropriation for the fund, must be approved by the Subdistrict Board. All contracts over \$75,000, whether budgeted or unbudgeted, must be authorized by the Subdistrict Board. Purchase of capital assets over \$25,000, whether budgeted or unbudgeted must be authorized by the General Manager.

FISCAL POLICIES

Balanced Budget

The Subdistrict has not adopted a fiscal policy on a balanced budget. Subdistrict considers the budget to be balanced when the sources of funds equal the uses of funds. On occasion, the planned use of reserves, along with budgeted operating revenues are equal to or greater than budgeted expenditures.

Reserves

The Windy Gap Water Activity Enterprise Fund (Windy Gap Fund) accumulates reserves sufficient to pay operation, maintenance, pumping energy, capital additions and working capital. These reserves may be drawn upon if unusual or unplanned events occur, or they may not be used at all. In the future, the Board will be reviewing and updating the types and amounts of the reserves.

The Windy Gap Fund practice is to maintain reserves that are sufficient to provide:

- 150 percent of expected operation and maintenance expenses
- 100 percent of the energy costs to pump 35,000 acre-feet of water
- Minimum of 360 unrestricted days cash on hand

Revenues

The Windy Gap Fund is fully funded through assessments for wholesale water provided by the Windy Gap Project.

Expenditures

The Subdistrict continues to find new ways to operate efficiently while setting high standards in maintaining its facilities.

Risk Management

The Subdistrict is exposed to various risks of loss related to torts, (Colorado Governmental Immunity Act limits general liability to \$387,000 per person and \$1,093,000 per occurrence) theft of, damage to and destruction of assets; errors and omissions; and natural disasters. The Subdistrict carries commercial insurance for these risks. Settled claims resulting from these risks did not exceed commercial insurance coverage in any of the past three years. The Subdistrict utilizes a third-party risk management consultant.

Investments

The Board established an Investment Policy Statement (IPS) for funds not used to meet current liquidity requirements. The purpose of the IPS is to establish the investment restriction standards, investment objectives, delegation of authority, prudence, ethics and conflicts of interest, authorized securities and transactions, portfolio maturities and liquidity, safekeeping and custody, portfolio performance and reporting. The investment objectives in order of priority are safety, liquidity, return and diversification.

Capital Policy

Assets that have a service life of more than one year and have an initial cost of \$5,000 or more are capitalized. Assets not meeting these criteria are expensed. Depreciation is computed using the straight-line method over the estimated useful life.

Basis Accounting

The Municipal Subdistrict financial statements are prepared using the accrual basis of accounting with the economic resources measurement focus as prescribed by the Governmental Accounting Standard Board (GASB). Under this approach, all assets, deferred outflow of resources, liabilities and deferred inflow of resources are reported in the Statement of Net Position. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

Capital Contributions

Capital contributions consist of payments from participants for the funding of the Windy Gap Firing Project. Also, payments received for the Colorado River Connectivity Channel (Connectivity Channel) are accounted for as contributions. In the Statement of Revenues, Expenses and Changes in Net Position, capital contributions are recognized after nonoperating revenues (expenses).

In August 2021, the Windy Gap Firing Project enterprise secured financing for the Chimney Hollow project. Project costs, estimated at \$593 million, were fully funded through a combination of direct capital cash contributions from five participants, and pooled financing by the Subdistrict on behalf of the remaining participants. Capital cash contributions by the five participants, which included the City and County of Broomfield, Platte River Power Authority, the City of Loveland, the City of Longmont and Central Weld County Water District totaled \$299.8 million. The remaining seven participants joined in a pooled financing consisting of a bond offering and a subordinated loan (see page 43).

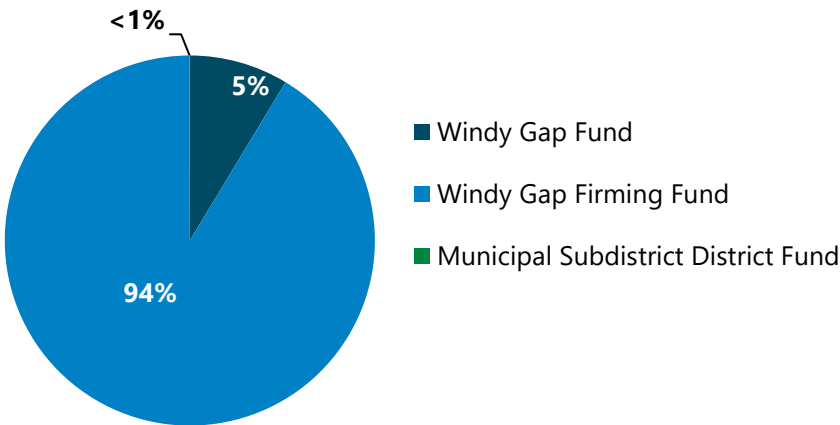
BUDGET APPROPRIATIONS – ALL FUNDS

The Municipal Subdistrict is comprised of three enterprise funds that use activities of the organization to track financial performance and budgetary oversight of its business-like operations. The two major enterprise funds, Windy Gap Water Activity and Windy Gap Firming Project Water Activity, account for the wholesale water operations of the Municipal Subdistrict. The other fund, Municipal Subdistrict District Fund, is the owner of the two water activity enterprise funds. For financial reporting purposes, the Municipal Subdistrict District Fund is included in the Windy Gap Water Activity Enterprise Fund statements. The two water activity enterprise funds are legally distinct and financially independent funds. Both have been established in accordance with Colorado Statutes, as “enterprises” and are excluded from the application of Article X, Section 20, of the Colorado Constitution.

Subdistrict Budget Appropriations by Fund



Percentage of Appropriation by Fund





WINDY GAP WATER ACTIVITY ENTERPRISE FUND



Windy Gap Water Activity Enterprise Fund Overview

Windy Gap is self-supporting through water assessments. The purpose of Windy Gap is to account for the wholesale water activities of the Windy Gap Project which provides water supplies to Northern Colorado municipalities, rural domestic suppliers and industry. The Windy Gap Project consists of a diversion dam on the Colorado River, a pump station and a pipeline to pump and transport diverted Windy Gap Project water to the C-BT Project for storage and distribution to the eighteen participants. Construction of the \$81.7 million Windy Gap Project commenced in July 1981 with operation commencing in July 1985. The fiscal year 2022 operating and capital budget totals \$19,442,730. This represents an increase of \$6,400,812 or 49 percent from the fiscal year 2021 budget. The increase is primarily due to increased costs related to the design, permitting and construction of the Connectivity Channel. Total revenues of \$22,380,350 represents an increase of \$10,280,000 from the 2021 budget. The increase was related to the higher contributions for the Connectivity Channel.

Fiscal Year 2022 Budget

Beginning Cash and Reserves \$ 24,219,791	Sources of Funds \$22,380,350	Uses of Funds \$19,442,730	Ending Cash and Reserves \$27,157,411
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Comparison of Sources and Uses by Fiscal Year

	Fiscal Year 2020 Actual	Fiscal Year 2021 Budget	Fiscal Year 2021 Estimated Actual	Fiscal Year 2022 Budget	Dollar Change From Fiscal Year 2021	Percentage Change From Fiscal Year 2021 Budget
Beginning Cash & Reserves						
Unrestricted	22,080,331	21,616,637	25,633,593	24,219,791		
Total	22,080,331	21,616,637	25,633,593	24,219,791		
SOURCES						
Revenue Sources						
Operating Revenues						
Water Assessments	3,687,686	6,073,250	4,817,629	6,098,250	25,000	0.41%
Other operating revenue	-	-	-	900	900	n/a
Total operating revenues	3,687,686	6,073,250	4,817,629	6,099,150	25,900	0.41%
Other Revenues						
Earnings on Investments	634,151	401,200	585,200	261,200	(140,000)	-34.90%
Other Nonoperating Revenue	-	25,900	26,900	20,000	(5,900)	-22.78%
Intergovernmental Grants (Connectivity Channel)	141,863	-	-	11,000,000	11,000,000	n/a
Total other revenues	776,014	427,100	612,100	11,281,200	10,854,100	2541.35%
Contributions						
Colorado River Connectivity Channel	139,602	5,600,000	1,855,000	5,000,000	(600,000)	-10.71%
Total Contributions	139,602	5,600,000	1,855,000	5,000,000	(600,000)	-10.71%
Total Sources	4,603,302	12,100,350	7,284,729	22,380,350	10,280,000	84.96%
Balance Sheet Source (Use)	3,918,621	-	-	-		
Total Funds Available	30,602,254	33,716,987	32,918,322	46,600,141		
USES						
Operating Expenses						
Carriage Delivery	1,962,369	3,365,250	3,350,000	3,978,350	613,100	18.22%
Pumping Energy & Wheeling	-	980,000	863,108	980,000	-	0.00%
Pump Station and Pipeline	310,108	526,083	593,077	565,976	39,893	7.58%
Reservoir and Dam	11,695	9,061	11,035	23,783	14,722	162.48%
Other	163,753	-	-	-	-	n/a
Programs	808,692	1,317,524	1,546,611	1,388,561	71,037	5.39%
Indirect Cost	-	-	-	338,000	-	n/a
Total Operating Expenses	3,256,617	6,197,918	6,363,831	7,274,670	738,752	11.92%
Capital						
Projects	1,703,765	6,507,000	2,247,700	13,331,060	6,824,060	104.87%
Contribution to Connectivity Channel	-	-	-	(1,500,000)	(1,500,000)	n/a
Fuels Treatment Initiative	8,279	87,000	87,000	87,000	-	n/a
Total Projects	1,712,044	6,594,000	2,334,700	11,918,060	5,324,060	80.74%
Total Expenditures	4,968,661	12,791,918	8,698,531	19,192,730	6,062,812	47.40%
Contingency Appropriation	-	250,000	-	250,000		
Total Uses	4,968,661	13,041,918	8,698,531	19,442,730	6,400,812	
Ending Cash & Reserves						
Unrestricted	25,633,593	20,675,069	24,219,791	27,157,411		
Total	25,633,593	20,675,069	24,219,791	27,157,411		
Total funds accounted for	30,602,254	33,716,987	32,918,322	46,600,141		

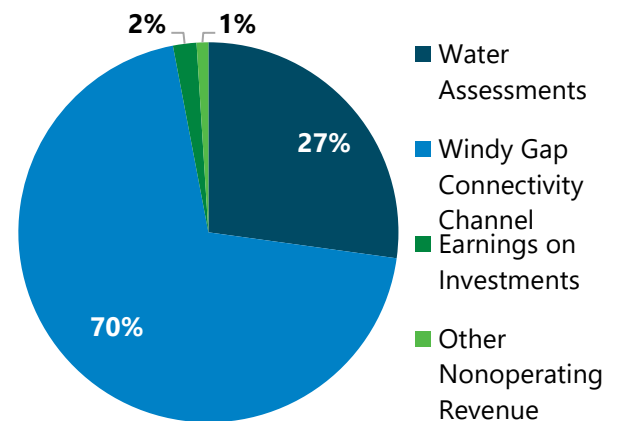
Revenues

Total revenues are expected to be \$22,380,350 which is an increase of \$10,280,000 from the prior year budget mostly due to the Connectivity Channel in fiscal year 2022. Revenue from wholesale water assessments is estimated to increase by \$25,000 from the fiscal year 2021 budget. Water assessments are estimated on deliveries of 25,000 acre-feet in fiscal year 2022. Pumping energy and wheeling charges associated with pumping at the Windy Gap Pump Plant are projected to be \$28.00 per acre-foot on 35,000 acre-feet. For fiscal year 2022, the charge for the assessment deferral will be \$36 per acre-foot of ownership in the Windy Gap Project. Other projected revenues for fiscal year 2022 will include \$16,000,000 to the Connectivity Channel; interest earnings of \$261,200 and other income of \$20,000.

A summary of total revenues is provided in the charts and graphs below.

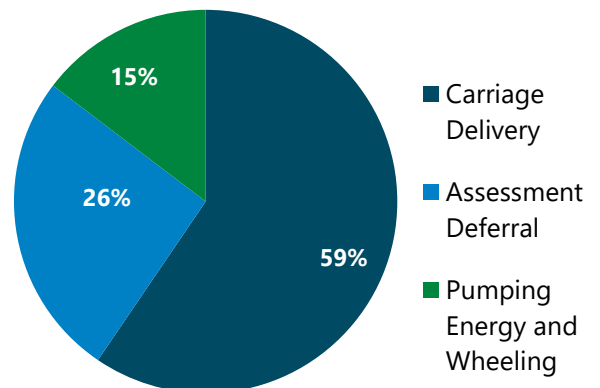
Subdistrict Fund Revenues

	Budget	Percent of Total Sources of Funds
Water Assessments	\$6,098,250	27%
Windy Gap Connectivity Channel	\$16,000,000	70%
Earnings on Investments	\$261,200	2%
Other Nonoperating Revenues	\$20,000	1%
TOTAL	\$22,379,450	100%

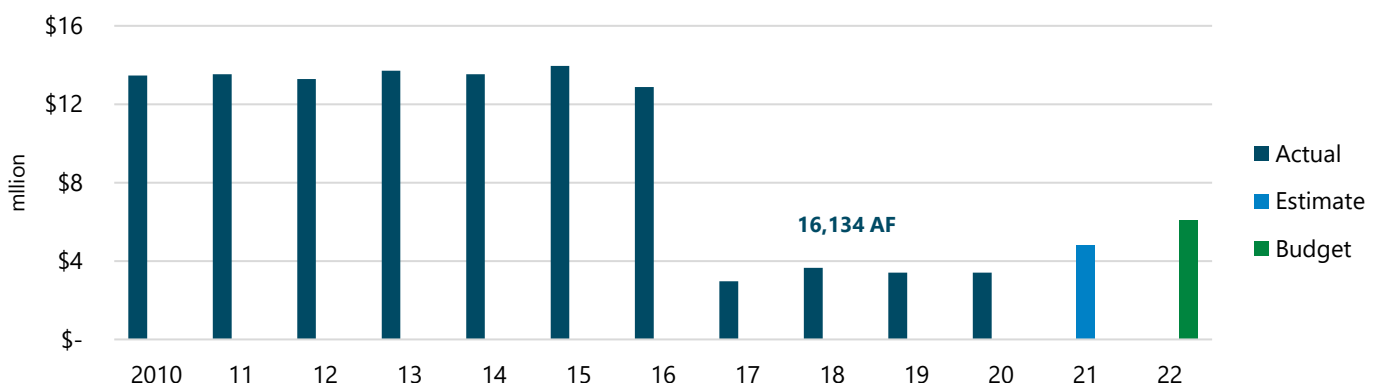


Water Assessments

	Budget	Percent of Total Water Assessments
Carriage Delivery	\$3,978,350	59%
Assessment Deferral	\$1,728,000	26%
Pumping Energy and Wheeling	\$980,000	15%
TOTAL	\$6,686,350	100%



Windy Gap Annual Assessments Revenues

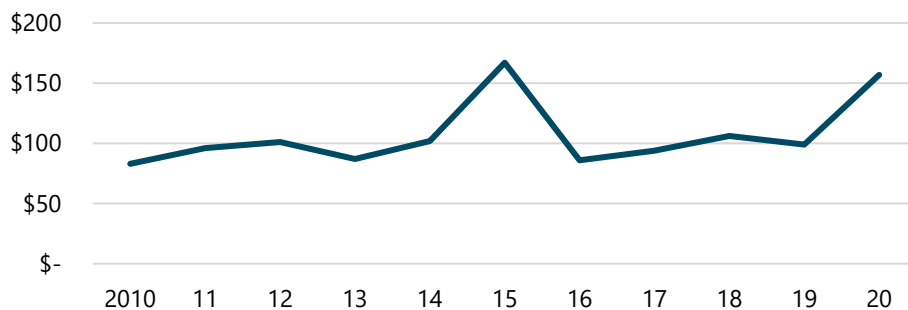


Carriage Delivery Assessment

Water delivery assessment is the charge to use the C-BT Project storage system and conveyance to transport Windy Gap Project water from the West Slope of Colorado across the Continental Divide to the East Slope through C-BT facilities. For fiscal year 2022, the cost recovery charge is projected to be \$135.61 per acre-foot of water delivered. The water delivery assessment is calculated on the costs of providing the service and on total water carried through the C-BT Project Adams Tunnel. When less water is carried through the tunnel, Windy Gap Project water becomes a larger percent of the total, resulting in higher water delivery cost. In 2015, the water carried through the Adams Tunnel was 113,856 acre-feet, the lowest since the Windy Gap Project began delivering water. This was the driver of higher delivery assessments. An additional charge of \$35.23 per acre-foot was assessed to the carriage delivery fee per the 2014 Carriage Contract. This new charge beginning in fiscal year 2020 is the Unused Capacity with Reclamation. The Participants wanted this charge broken down and we did so to show the impact financially of the Unused Capacity. That rate is \$34.61 and changes every year by 1.79 percent increase. A summary of carriage delivery charges is provided in the table and charts below.

Fiscal Year 2022	Acre-Feet	Charge Per Acre-Foot Per Unit	Total
Carriage Delivery	25,000	\$135.61	\$3,390,250

Windy Gap Carriage Costs Per Acre-Foot

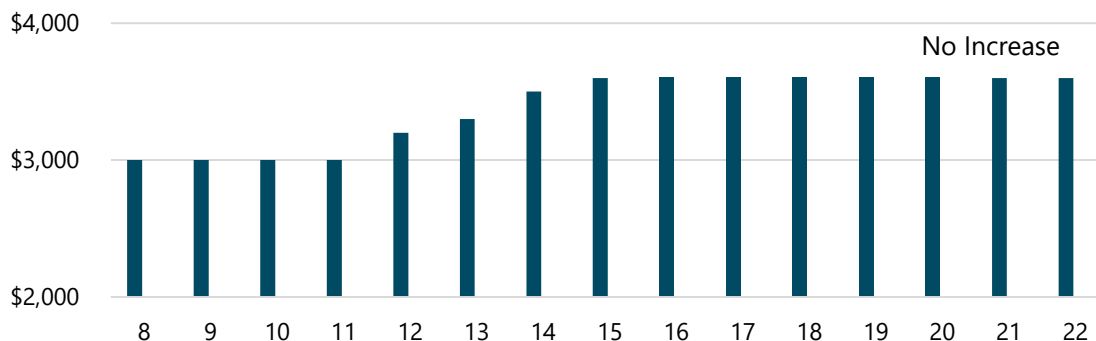


Operations and Maintenance Assessment

The Operations and Maintenance (O&M) assessment is used to support all program costs and to maintain and operate the pump station, reservoir and dam, and stream gauging stations. For fiscal year 2022, the charge is \$3,600 per ownership unit of Windy Gap Project water, no change since fiscal year 2014. This O&M assessment is paid by participants regardless of whether or not the participant takes delivery of water. A summary of O&M assessment charges is provided in the table and chart below.

Fiscal Year 2022	Per Unit	Per Acre-Foot	Total
Assessment Deferral	3,600	\$36.00	\$1,728,000

O&M Assessment



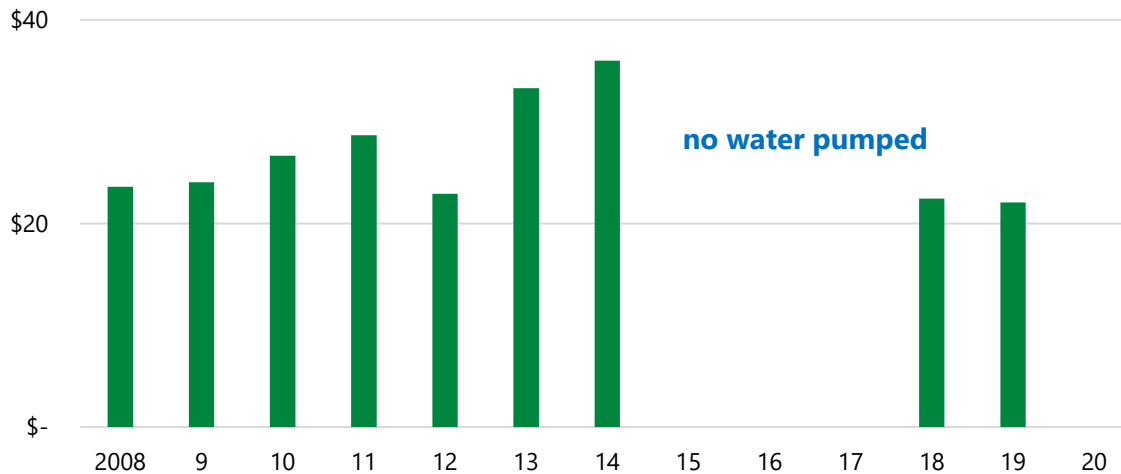
Pumping Energy/Wheeling

Energy and wheeling assessment are for pumping Windy Gap Project water primarily during April through May, from the Windy Gap Reservoir on the Colorado River through a six-mile pipeline to Lake Granby. For fiscal year 2022, the charge is projected to be \$28.00 per acre-foot of water delivered (same as fiscal year 2021). The amount of water pumped can vary annually based on hydrologic conditions and water storage. During the times when Windy Gap water is not available, C-BT Project water is delivered by the Subdistrict in-lieu of Subdistrict water. The in-lieu water deliveries must provide replacement water or can be met by certain C-BT system spill conditions. Also, Windy Gap Project water was spilled in 2011 and 2014 to make space for C-BT system water. A summary of pumping energy/wheeling charges and pricing structure is provided in the tables and charts below.

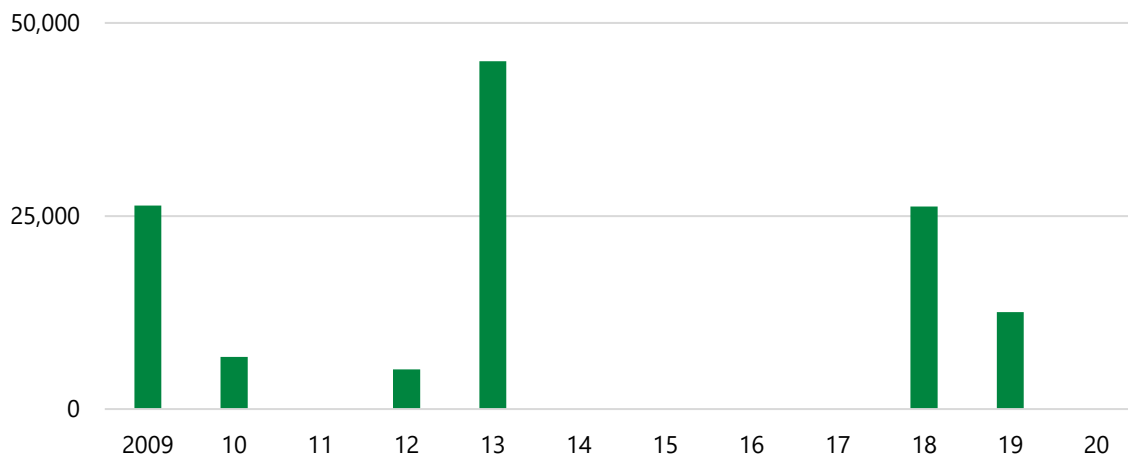
Fiscal Year 2022	Per Unit	Per Acre-Foot	Total
Pumping Energy/Wheeling	35,000	\$28.00	\$980,000

Tier	Rate (\$/kWH)
1 Energy Price	0.03047
2 Energy Price	0.04624
3 Energy Price	0.08406

Energy Weighted Average Cost per Acre-Foot



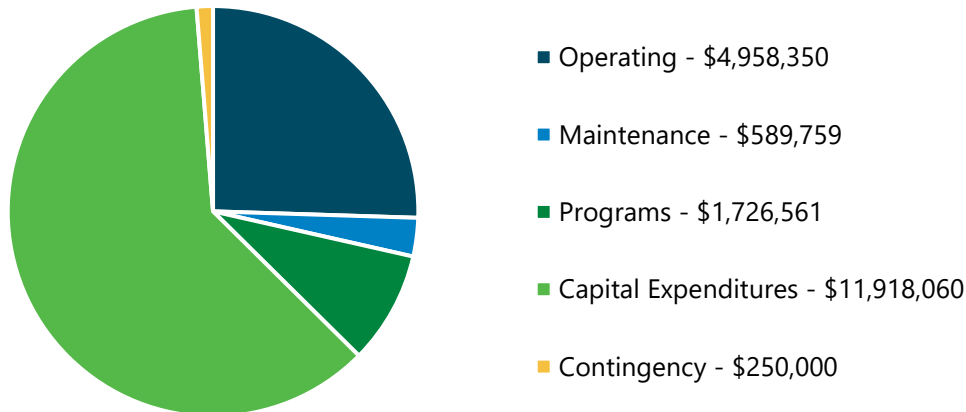
Water Pumped per Acre-Foot



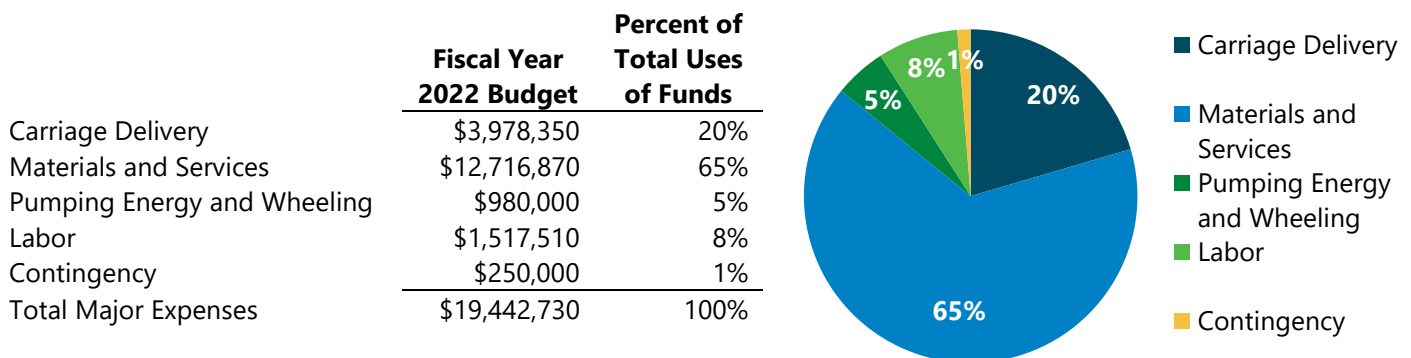
Expenses

The fiscal year 2022 Windy Gap budgeted expenses are \$19,442,730. The fiscal year 2022 budget represents an increase of \$6,400,812 from the fiscal year 2021 budget of \$13,041,918. Operating and maintenance expenditures total \$5,548,109, a \$667,715 increase from the 2021 budget. Program expenses are projected to be \$1,388,561, increasing \$71,037. Capital additions total \$11,918,060, an increase of \$5,324,060. The contingency of \$250,000 is unchanged from the 2021 budget. The Municipal Subdistrict has no full-time staff, and all personnel services are provided by Northern Water. The Municipal Subdistrict reimburses Northern Water for the actual time incurred spent on Windy Gap activities. Labor reimbursement costs are estimated to increase by \$588,606 compared to fiscal year 2021. The increase is related primarily to engineering resources for the Connectivity Channel project.

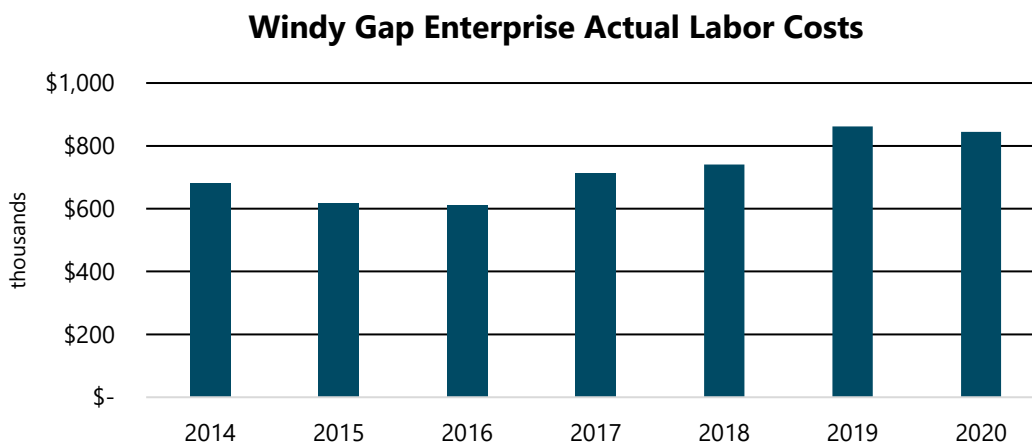
A summary of the total expenditures is provided in the graph below.



A summary of total expenditures by major expense categories is provided in the chart and graph below.



A summary of labor costs is provided in the graph below.

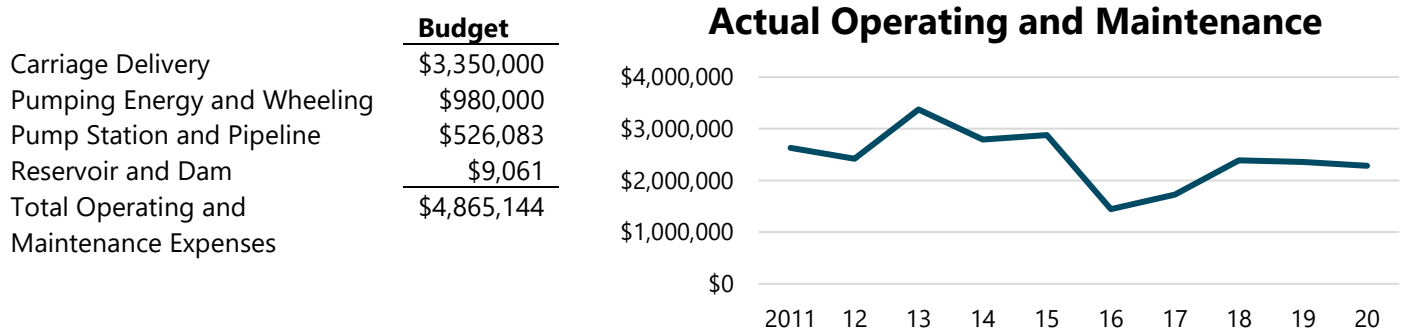


Operating and Maintenance

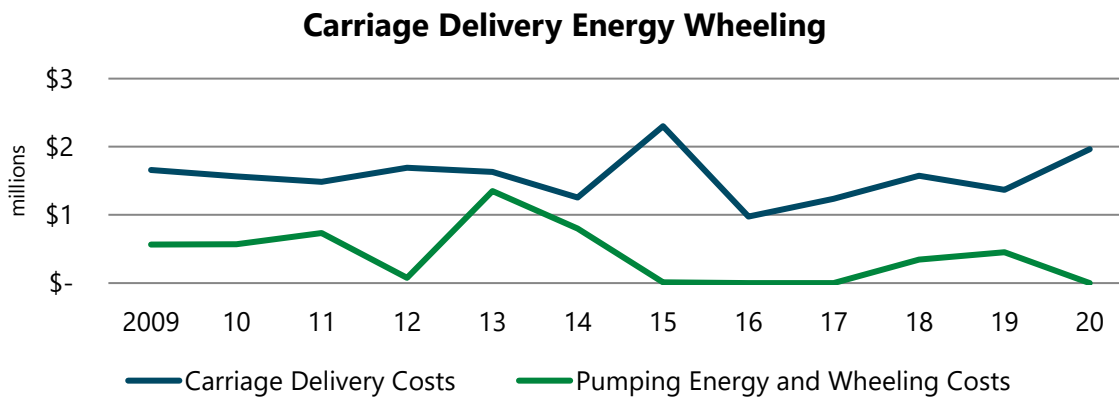
Carriage expenses for the use of the C-BT Project conveyance and storage system to deliver Windy Gap water are expected to be the same compared to fiscal year 2021 budget.

Carriage delivery and pumping energy and wheeling are operating expenses driven by volume of water pumped and delivered. Energy and wheeling costs for pumping 35,000 acre-feet of water are projected to be \$980,000, no change from 2021 budget.

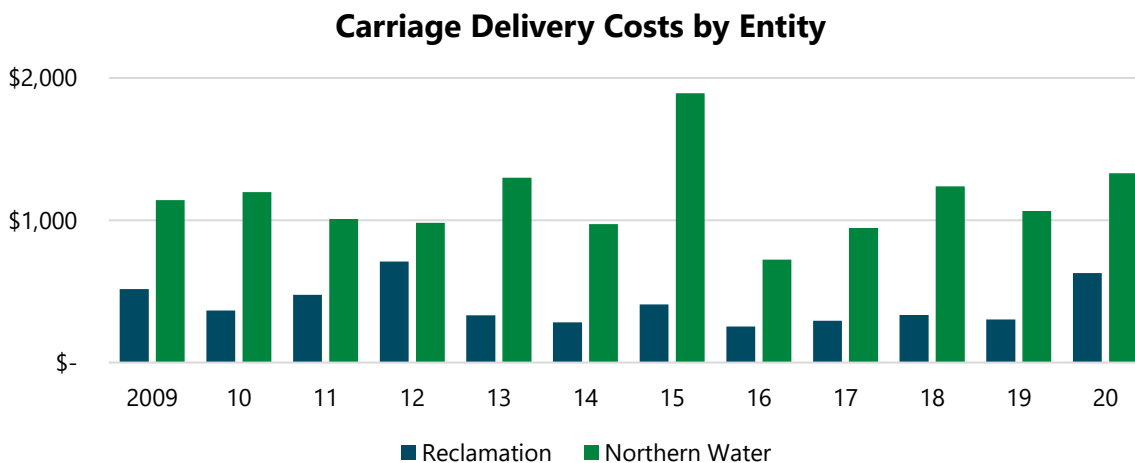
A summary of the operating and maintenance expenses (56.4 percent of the total uses of funds) is provided in the table and chart below.



A summary of carriage delivery costs and pumping energy and wheeling costs is provided in the charts below.

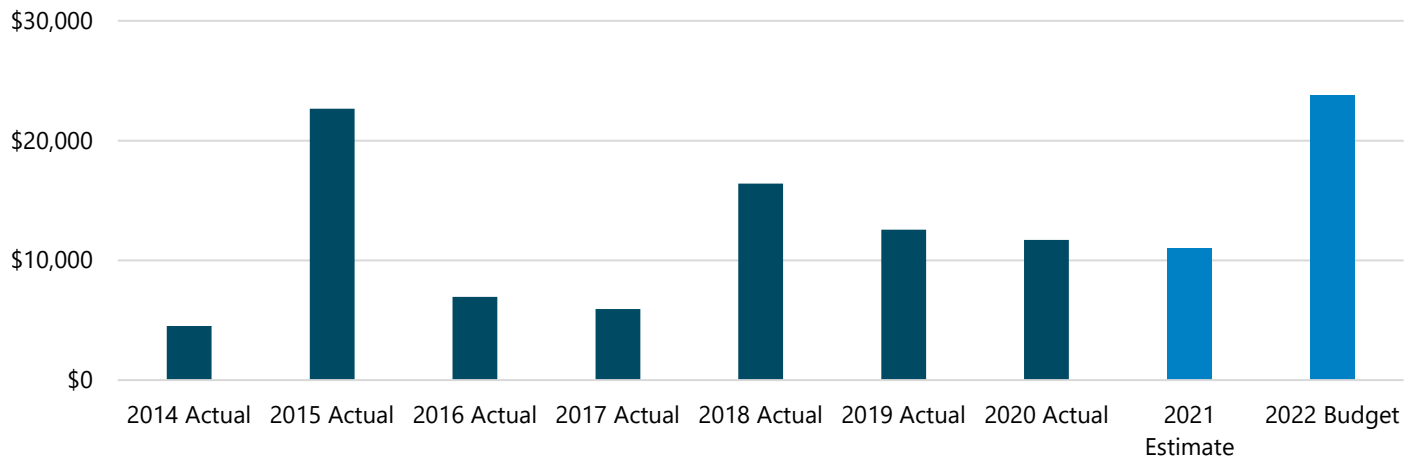


Carriage and delivery costs are paid to Northern Water and Reclamation who both promote operations and maintenance services to the Subdistrict.

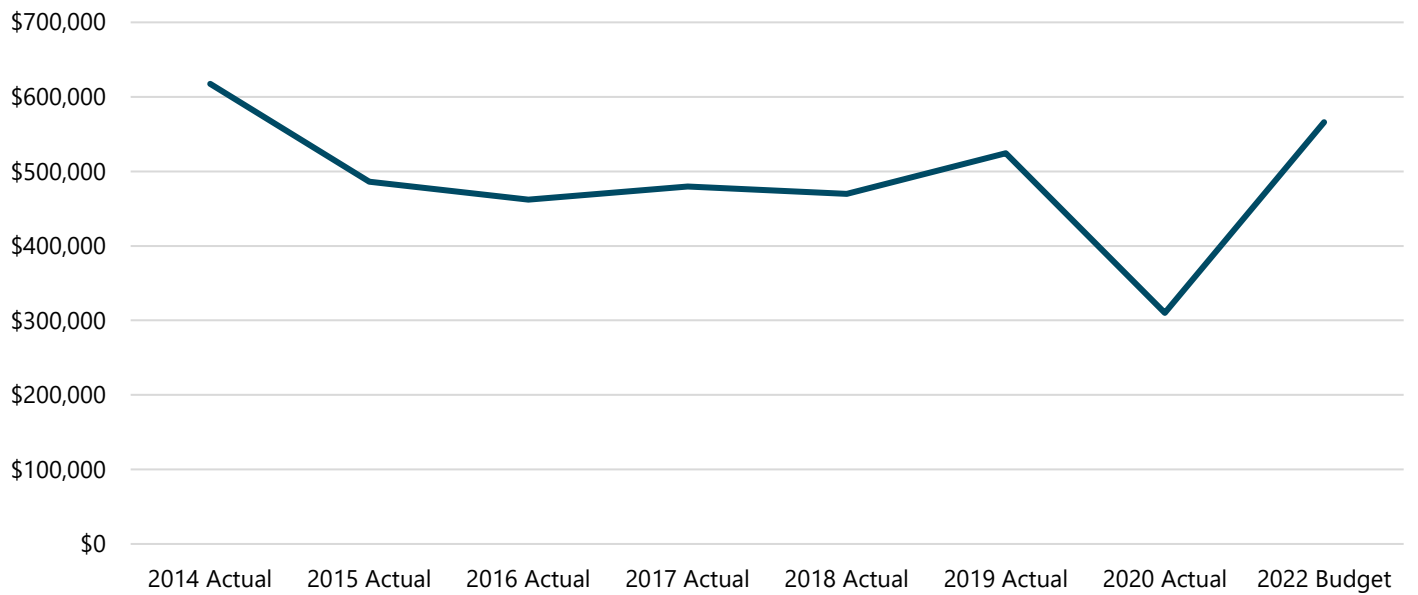


A summary of pump station, pipeline and reservoir and dams' expenses are provided in the charts below.

Reservoir and Dam Expenses



Pump Station and Pipeline Expenses

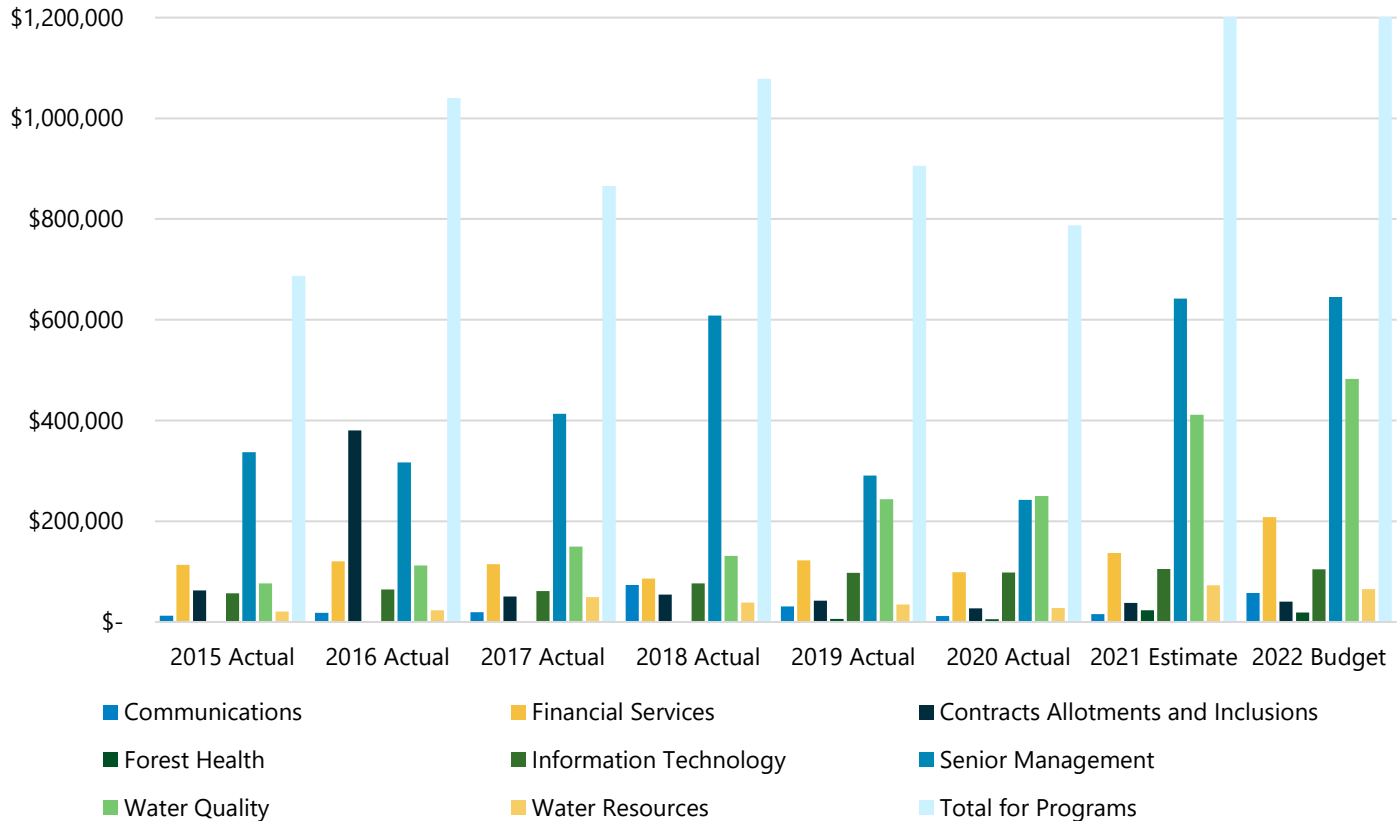


PROGRAMS

Expenses

Programs expenses (8.4 percent of the total uses of funds) include primarily outside services and labor. The following discussion and tables are provided to show detail for the eight largest Subdistrict programs: Senior Management, Communications, Contracts, Financial Services, Information Technology, Water Quality and Water Resources programs expense. A summary of programs expenses is provided in the graph and table below.

Windy Gap Eight Largest Programs Expenses



	Budget	Percent of Total Program Expenses
Senior Management	\$645,356	39.4%
Water Quality	\$482,792	29.5%
Financial Services	\$207,835	12.7%
Information Technology	\$104,495	6.4%
Water Resources	\$65,186	4.0%
Communications	\$57,851	3.5%
Contracts Allotments and Inclusions	\$40,101	2.4%
Forest Health	\$18,832	1.1%
Water Records and Accounting (Water Scheduling)	\$6,848	0.4%
Field Services	\$6,000	0.4%
Real Estate	\$2,000	0.1%
General Engineering	\$1,202	0.1%
Emergency and Security	\$63	0.0%
Total Program Expenses	\$1,638,561	100.0%

Senior Management

Northern Water's Senior Management Team oversees all aspects of Northern Water and the Municipal Subdistrict's day-to-day operations and carries out the directives of the General Manager and the Board of Directors. The Senior Management Team also develops long-range strategic plans and is always prepared to respond to unforeseen circumstances.

The Senior Management Program 2022 major initiatives include:

- Provide general oversight of all Northern Water Municipal Subdistrict activities and enterprises.
- Respond to stages of the COVID-19 pandemic by enacting policies and practices to protect employees and guests and ensure uninterrupted service by the organization.
- Participate in statewide, regional and national discussions and strategies related to Colorado River drought conditions.
- Protect and develop water rights assets in regard to Windy Gap.
- Respond to major unforeseen contingency projects and expenses.

The Senior Management Program 2021 accomplishments include:

- Responded to stages of the COVID-19 pandemic by transitioning staff from remote work back to in-office work, while implementing public health practices to protect employees and guests and ensure uninterrupted service by the organization.

Senior Management	Fiscal Year 2020 Actual	Fiscal Year 2021 Budget	Fiscal Year 2021 Estimated Actual	Fiscal Year 2022 Budget	Dollar Change From Fiscal Year 2021 Budget	Percentage Change From Fiscal Year 2021 Budget
Expenditures:						
Program Summary						
General Programs	\$20,579	\$71,093	\$325,400	\$26,173	-\$44,920	-63.18%
Colorado River Wild and Scenic	3,557	4,945	4,945	55,440	50,495	1021.13%
Colorado River Stream Management Plan	20,045	21,536	21,536	25,124	3,588	16.66%
Colorado River Recovery Program	13,496	0	0	14,000	14,000	--
Colorado River Front Range Council	6,435	5,000	5,000	0	-5,000	-100.00%
Colorado Water Congress	13,035	15,000	15,000	16,173	1,173	7.82%
Colorado River Fire Studies	9,153	69	69	0	-69	-100.00%
Insurance	7,544	10,000	10,000	10,000	0	0.00%
Legal Matters	46,499	98,000	98,000	98,000	0	0.00%
Board of Directors	68,085	60,993	60,993	48,084	-12,909	-21.16%
Travel and Training	2,184	5,537	5,537	261	-5,276	-95.29%
Total	\$210,611	\$292,173	\$546,480	\$293,255	\$1,082	0.37%
Summary by Category						
Labor	\$70,361	\$44,573	\$44,573	\$56,806	\$12,233	27.44%
Non Labor	140,250	247,600	501,907	236,449	-11,151	-4.50%
Total	\$210,611	\$292,173	\$546,480	\$293,255	\$1,082	0.37%

Communications Program

The Communications Department provides internal and external communications and public outreach for Northern Water and the Municipal Subdistrict. Major functions and responsibilities include: media relations; website and social media content development and management; creation of printed educational and marketing materials; tours and public speaking activities; photos, graphics, video, and display materials; events and meeting coordination; drafting official Board and committee meeting minutes; and all Subdistrict internal and external communications activities.

The Communications Program 2022 major initiatives include:

- Continue to build social media engagement on Subdistrict happenings on all platforms utilizing analytics to determine appropriate tactics.
- Develop and build out construction communications associated with the Windy Gap Firing Project. This will include newsletters, landowner outreach, website and social media updates and more.
- Develop a Participant, employee and public tour program for the Windy Gap Firing Project that aligns safely with our COVID-19 pandemic protocols to keep safety at the forefront.

The Communications Program 2021 accomplishments include:

- Began public outreach for the Windy Gap Firing Project, which began construction in August 2021. Hosted a successful groundbreaking event in early August. Started a monthly newsletter to provide project updates, and regularly updated the project website and social media platforms.
- Reinstated Northern Water and Municipal Subdistrict public events under appropriate state and county protocols, including a major groundbreaking event for the Windy Gap Firing Project.
- Coordinated internal and external communications during COVID-19 pandemic.

Communications	Fiscal Year 2020 Actual	Fiscal Year 2021 Budget	Fiscal Year 2021 Estimated Actual	Fiscal Year 2022 Budget	Dollar Change From Fiscal Year 2021 Budget	Percentage Change From Fiscal Year 2021 Budget
Expenditures:						
Program Summary						
Communications Programs	\$11,726	\$58,341	\$15,841	\$57,851	-\$490	-0.84%
Presentations and Tours	0	0	0	0	0	n/a
Total	\$11,726	\$58,341	\$15,841	\$57,851	-\$490	-0.84%
Summary by Category						
Labor	\$8,726	\$9,841	\$9,841	\$9,351	-\$490	-4.98%
Non Labor	3,000	48,500	6,000	48,500	0	0.00%
Total	\$11,726	\$58,341	\$15,841	\$57,851	-\$490	-0.84%

Contracts Program

Contracts Department staff oversee the entire contracting process for all water allotment contracts, construction contracts, professional services agreements, intergovernmental agreements and transfers for Windy Gap projects by facilitating the preparation, approval and management of contracts. The Contracts Department provides administrative guidance in obtaining professional legal and risk management review of all contracts. Allotment contract change applications go through a well-defined review process with the Municipal Subdistrict Board of Directors. The Contracts Department administers all inclusion petitions for the Municipal Subdistrict, managing the Board of Director approval process and, when applicable.

Contracts	Fiscal Year 2020 Actual	Fiscal Year 2021 Budget	Fiscal Year 2021 Estimated Actual	Fiscal Year 2022 Budget	Dollar Change From Fiscal Year 2021 Budget	Percentage Change From Fiscal Year 2021 Budget
Expenditures:						
Program Summary						
Allotments	522	5,333	5,333	173	-5,160	-96.76%
Inclusions	26,334	46,508	31,508	39,928	-6,580	-14.15%
Travel and Training	0	729	729	0	-729	-100.00%
Total	\$26,856	\$52,570	\$37,570	\$40,101	-\$12,469	-23.72%
Summary by Category						
Labor	\$294	\$333	\$333	\$173	-\$160	-48.05%
Non Labor	26,562	52,237	37,237	39,928	-12,309	-23.56%
Total	\$26,856	\$52,570	\$37,570	\$40,101	-\$12,469	-23.72%

Financial Services Program

The Financial Services Program consists of accounting, payroll and purchasing functions and support of the Municipal Subdistrict Board and staff on issues relating to financial reporting, budgets, investments, special projects, contracts, debt issuance and adherence to financial policies and procedures.

The Financial Services Program 2021 accomplishments include:

- Earned the Award for Outstanding Achievement in Comprehensive Annual Financial Reporting for the 34th consecutive year for the Subdistrict from the Government Finance Officers Association (GFOA).
- Earned the Distinguished Budget Presentation Award for the third consecutive year for the Municipal Subdistrict and for the fourth consecutive year for the Subdistrict from the GFOA.
- Played an integral role in securing the Windy Gap Firing Project Bond issuance.

Financial Services	Fiscal Year 2020 Actual	Fiscal Year 2021 Budget	Fiscal Year 2021 Estimated Actual	Fiscal Year 2022 Budget	Dollar Change From Fiscal Year 2021 Budget	Percentage Change From Fiscal Year 2021 Budget
Expenditures:						
Program Summary						
Accounting Services	\$25,336	\$27,188	\$27,188	\$121,081	\$93,893	345.35%
Audit	41,338	48,050	48,050	43,750	-4,300	-8.95%
Treasury	13,236	13,634	13,634	26,140	12,506	91.73%
Budget	18,372	47,313	47,313	15,714	-31,599	-66.79%
Total	\$98,282	\$136,185	\$136,185	\$206,685	\$70,500	51.77%
Summary by Category						
Labor	\$63,471	\$101,358	\$101,358	\$151,435	\$50,077	49.41%
Non Labor	34,810	34,827	34,827	55,250	20,423	58.64%
Total	\$98,282	\$136,185	\$136,185	\$206,685	\$70,500	51.77%

Information Technology Services Program

The Information Technology Services Department supports the Municipal Subdistrict technical and information resources. The IT department is divided into four focus areas: Geographical Information System (GIS); Client Support Services; Network Infrastructure; Software Development and Application Support.

The GIS area is responsible for creating and maintaining geographic information. They provide geospatial support to staff in the creation of datasets, analysis and maps for various projects and activities.

Network Infrastructure support provides the design, maintenance and troubleshooting of Northern Water and the Municipal Subdistrict's network, security and technical infrastructure. IT is responsible for all technical aspects of infrastructure including, but not limited to servers, routers, switches, cybersecurity and firewalls.

Finally, IT Services is responsible for managing all electronic information. The department provides security, appropriate availability and accessibility to Municipal Subdistrict information while maintaining business continuity through backup and recovery processes.

Information Technology	Fiscal Year 2020 Actual	Fiscal Year 2021 Budget	Fiscal Year 2021 Estimated Actual	Fiscal Year 2022 Budget	Dollar Change From Fiscal Year 2021 Budget	Percentage Change From Fiscal Year 2021 Budget
Expenditures:						
Program Summary						
IT Support Services	98,497	90,000	101,452	104,495	14,495	16.11%
Geographic Information System	0	3,207	3,207	0	-3,207	-100.00%
Travel and Training	0	526	526	0	-526	-100.00%
Total	\$98,497	\$93,733	\$105,185	\$104,495	\$10,762	11.48%
Summary by Category						
Labor	\$0	\$3,733	\$3,733	\$0	-\$3,733	-100.00%
Non Labor	98,497	90,000	101,452	104,495	14,495	16.11%
Total	\$98,497	\$93,733	\$105,185	\$104,495	\$10,762	11.48%

Water Quality Program

The Water Quality Program serves to monitor, evaluate and manage water quality associated with the Municipal Subdistrict in order to best serve and protect the organization and its allottees and constituents.

The Water Quality Program 2022 major initiatives include:

- Develop Windy Gap Firming Nutrient Reduction Plan and seek approval by Reclamation.
- Implement Windy Gap Firming Project mitigation and enhancement commitments in accordance with multiple permits and agreements.

The Water Quality Program 2021 accomplishments include:

- Pursued planning of pollutant (nutrient, E. coli) reduction strategies and projects associated with permit requirements for WGFP.

Water Quality	Fiscal Year 2020 Actual	Fiscal Year 2021 Budget	Fiscal Year 2021 Estimated Actual	Fiscal Year 2022 Budget	Dollar Change From Fiscal Year 2021 Budget	Percentage Change From Fiscal Year 2021 Budget
Expenditures:						
Program Summary						
Water Quality Programs	\$72,505	\$117,022	\$117,022	\$136,587	\$19,565	16.72%
Baseline Monitoring	142,204	148,000	148,000	181,794	33,794	22.83%
Water Quality Studies	5,940	108,990	108,990	101,303	-7,687	-7.05%
Watershed Groups	10,708	19,507	19,507	19,994	487	2.50%
Regulations	14,179	7,470	7,470	6,771	-699	-9.36%
Travel and Training	2,221	10,478	10,478	8,802	-1,676	-16.00%
Total	\$247,757	\$411,467	\$411,467	\$455,251	\$43,784	10.64%
Summary by Category						
Labor	\$129,668	\$143,832	\$143,832	\$184,917	\$41,085	28.56%
Non Labor	118,089	267,635	267,635	270,334	2,699	1.01%
Total	\$247,757	\$411,467	\$411,467	\$455,251	\$43,784	10.64%

Water Resources Program

The Water Resources program performs engineering activities that support the Municipal Subdistrict. Specific engineering assignments include projects operations planning and modeling, river basin modeling, water availability studies, water supply quantifications, streamflow forecasting and water rights engineering.

The Water Resources Program 2022 major initiatives include:

- Inform leadership of available Windy Gap supplies and make recommendations for allocation and use.
- Update operations models of Windy Gap and advise the Board, management and staff on proposed operations.

The Water Resources Program 2021 accomplishments include:

- Produced water supply and operations forecasts of the Windy Gap Project and informed the Board, management, staff and participants of water availability for allocation and use.

Water Resources	Fiscal Year 2020 Actual	Fiscal Year 2021 Budget	Fiscal Year 2021 Estimated Actual	Fiscal Year 2022 Budget	Dollar Change From Fiscal Year 2021 Budget	Percentage Change From Fiscal Year 2021 Budget
Expenditures:						
Program Summary						
Water Resources General	\$1,012	\$968	\$968	\$1,797	\$829	85.64%
Stream Flow Forecast	21,426	51,569	51,569	39,300	-12,269	-23.79%
Climate Change	0	12,000	12,000	12,000	0	0.00%
Riverware System Model	595	2,974	2,974	4,200	1,226	41.22%
WG Project Operations	2,472	2,975	2,975	2,889	-86	-2.89%
Travel and Training	1,904	2,193	2,193	0	-2,193	-100.00%
Total	\$27,409	\$72,679	\$72,679	\$60,186	-\$12,493	-17.19%
Summary by Category						
Labor	\$5,983	\$10,130	\$10,130	\$4,686	-\$5,444	-53.74%
Non Labor	21,426	62,549	62,549	55,500	-7,049	-11.27%
Total	\$27,409	\$72,679	\$72,679	\$60,186	-\$12,493	-17.19%

DEBT SERVICE EXPENDITURES

There are no future Windy Gap capital projects planned that will be funded by capital financing. All outstanding indebtedness incurred for the construction of the Windy Gap Project was fully defeased in 2016. The Subdistrict does not have a specific debt limit dollar amount threshold.

CAPITAL PROJECTS

	Fiscal Year 2022 Budget
Connectivity Channel	\$5,940,000
Windy Gap Programmable Logic Controller Upgrade	\$231,060
TOTAL	<hr/> \$184,381,500

Colorado River Connectivity Channel Project

\$5,940,000

As part of the 1041 permit conditions for the Windy Gap Firing Project, the Windy Gap Reservoir Modification Study preferred alternative was creation of the Connectivity Channel. The Connectivity Channel is a modification to the existing Windy Gap dam as necessary to bypass flows through and/or around the Windy Gap Reservoir. The project contributions will be from the Windy Gap Firing Project and several other organizations. The project is awaiting full funding; meanwhile, the Municipal Subdistrict is studying potential increased/decreased operating and maintenance costs.

Windy Gap Programmable Logic Controller Upgrade

\$231,060

The existing system was installed approximately 15 years ago. Equipment is becoming obsolete, and parts will be difficult to procure. It is critical that the system be kept up to date. Existing pumps and station service Programmable Logic Controller will be purchased and installed.

Projected Net Position - Windy Gap

The projected net position below is for fiscal years 2021 and 2022. Net position is the residual of all other financial statement elements presented in a statement of net position.

	Fiscal Year 2020 Actual	Fiscal Year 2021 Estimated Actual	Fiscal Year 2022 Budget
Net Cash Flows from (use) Operations	10	\$407,939	\$407,939
Net Cash Produced	(\$1,268,837)	\$407,939	\$407,939
Beginning Net Position	\$36,073,391	\$35,212,493	\$35,212,493
Ending Net Position	<hr/> \$34,804,554	<hr/> \$35,212,493	<hr/> \$35,212,493



WINDY GAP FIRING WATER ACTIVITY ENTERPRISE FUND

The Windy Gap Firing Project is a collaboration between Front Range water providers to improve the reliability of (ie. "firm") water supplies from the Windy Gap Project. This reliability will be established by development of the Chimney Hollow Reservoir and related appurtenances, providing dedicated storage capacity for Windy Gap Project water.

Comparison of Sources and Uses by Fiscal Year

Beginning Cash \$583,749,589	Sources of Funds \$15,180,000	Uses of Funds \$ 205,067,731	Ending Cash \$393,861,858
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	Fiscal Year 2020 Actual	Fiscal Year 2021 Budget	Fiscal Year 2021 Estimated Actual	Fiscal Year 2022 Budget	Dollar Change From Fiscal Year 2021 Budget	Percentage Change From Fiscal Year 2021 Budget
Beginning Cash & Reserves						
Unrestricted	6,156,735	6,114,735	7,792,389	315,224,778		
Restricted	-	-	-	268,524,811		
Total	6,156,735	6,114,735	7,792,389	583,749,589		

SOURCES						
Contributions and Bond Proceeds	12,000,000	584,000,000	592,999,200	13,120,000	(570,880,000)	-97.75%
Contribution from District (Chimney Hollow Outlet Works)	-	2,000,000	-	2,000,000	-	0.00%
Interest and Rental Income	176,390	60,000	67,000	60,000	-	0.00%
Total Sources	12,176,390	586,060,000	593,066,200	15,180,000	(570,880,000)	-97.41%
Balance sheet source (use)	(2,751,897)	-	-	-		
Total funds available	15,581,228	592,174,735	600,858,589	598,929,589		

USES						
Capital						
Planning	33,585	-	-	-	-	n/a
Permits	80,526	120,000	240,000	-	(120,000)	-100.00%
Design	84,802	-	-	5,000	5,000	n/a
Construction	6,538,016	161,753,186	10,178,000	188,892,131	27,138,945	17%
Mitigation and Enhancements	989,871	8,280,650	1,654,000	15,685,900	7,405,250	89.43%
Property management	62,039	43,550	37,000	12,000	(31,550)	n/a
Settlement	-	-	5,000,000	-	-	n/a
Indirect Cost	-	-	-	472,700	472,700	n/a
Total Uses	7,788,839	170,197,386	17,109,000	205,067,731	34,870,345	20.49%

Ending Cash & Reserves						
Unrestricted	7,792,389	6,174,735	315,224,778	325,404,778		
Restricted	-	415,802,614	268,524,811	68,457,080		
Total	7,792,389	421,977,349	583,749,589	393,861,858		
Total Funds Accounted For	15,581,228	592,174,735	600,858,589	598,929,589		

Windy Gap Firing Project Water Activity Enterprise Fund Overview

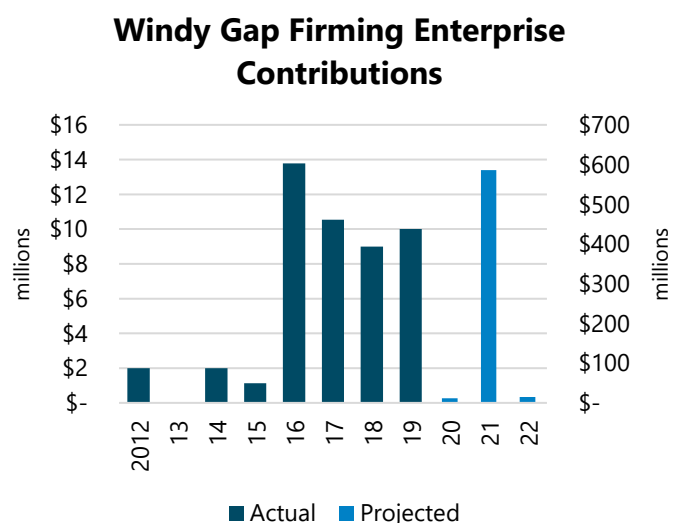
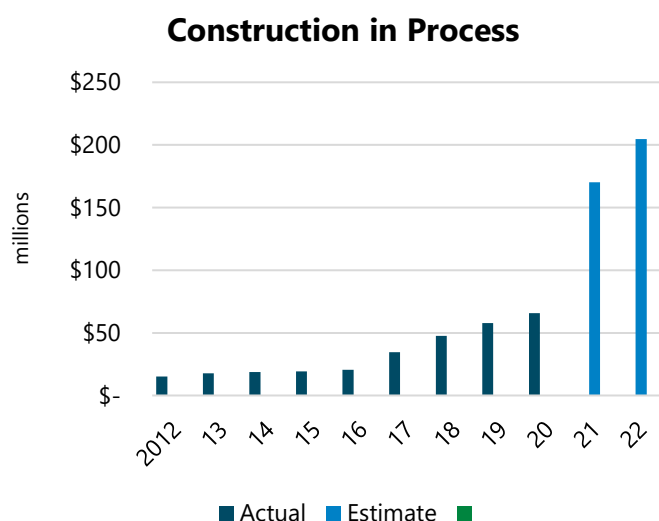
The Windy Gap Firing Project Water Activity Enterprise Fund is self-supporting through participants' contributions. The Municipal Subdistrict has undertaken the Windy Gap Firing Project to increase the reliable firm yield of the existing Windy Gap Project. The annual delivery of Windy Gap Project water is not reliable in years of low spring runoffs, due to the Windy Gap Project's junior water rights, and conversely, during some wet periods, storage space in Lake Granby is not available for Windy Gap Project water. In 1999, a group of the Windy Gap Project participants working through the Municipal Subdistrict, initiated the proposed Windy Gap Firing Project to complement the Windy Gap Project by firing a portion of their Windy Gap Project water units. The Windy Gap Firing Project participants include the Platte River Power Authority, Central Weld County Water District, Little Thompson Water District and the municipalities of Broomfield, Fort Lupton, Greeley, Lafayette, Longmont, Louisville, Loveland, Superior and Erie.

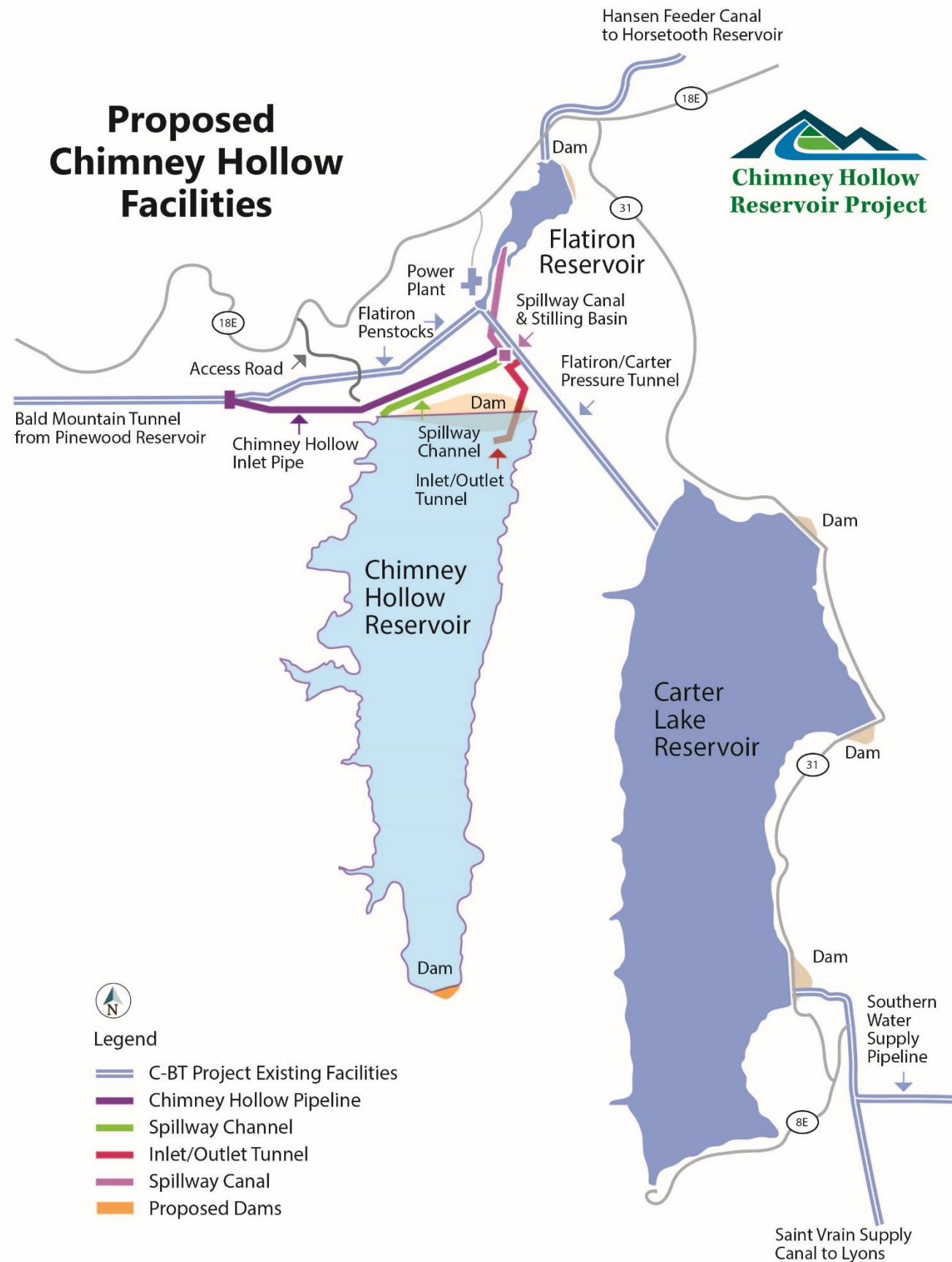
The specific purpose of the Windy Gap Firing Project is to increase the firm yield to 30,000 acre-feet of water from the existing Windy Gap Project. Additional reliability and yield will be achieved by constructing a new 90,000-acre-foot reservoir, Chimney Hollow Reservoir, located southwest of Loveland and just west of Carter Lake dedicated to store Windy Gap Project water. Firm water deliveries from the Windy Gap Project are needed to meet a portion of the existing and future demands of the Windy Gap Firing Project participants and ultimately the existing and future demands the end users served within the boundaries of the Municipal Subdistrict.

The permitting process for the Windy Gap Firing Project began in 2003 and has included a 1041 permit which was received from Grand County in 2012, and an official Record of Decision (ROD) that was received from the U.S. Bureau of Reclamation in 2014, approving construction and operation of the Chimney Hollow Reservoir and a physical connection of the Chimney Hollow Reservoir and appurtenant facilities to the C-BT Project facilities. The Colorado Department of Public Health and Environment issued its 401 water quality certification for the Windy Gap Firing Project on March 25, 2016. Also, the State of Colorado officially endorsed the Windy Gap Firing Project and Chimney Hollow Reservoir on April 12, 2016. The final ROD and federal 404 Clean Water Act (CWA) permit from the U.S. Army Corps of Engineers was signed on May 17, 2017. This 404 CWA permit is the final federal requirement needed to construct Chimney Hollow Reservoir. Final design began in 2017 and construction began in August 2021. The reservoir is anticipated to be completed and operational in 2025. The estimated cost of the reservoir and appurtenant facilities is approximately \$563.6 million. Following completion of construction, the projected operation and maintenance costs are currently forecasted to be approximately \$2 million annually.

The fiscal year 2022 Windy Gap Firing Project budget totals \$205,067,731 million. The increase is due to in-process construction of Chimney Hollow Reservoir.

A summary of construction in progress costs and contributions are provided in the graphs below.

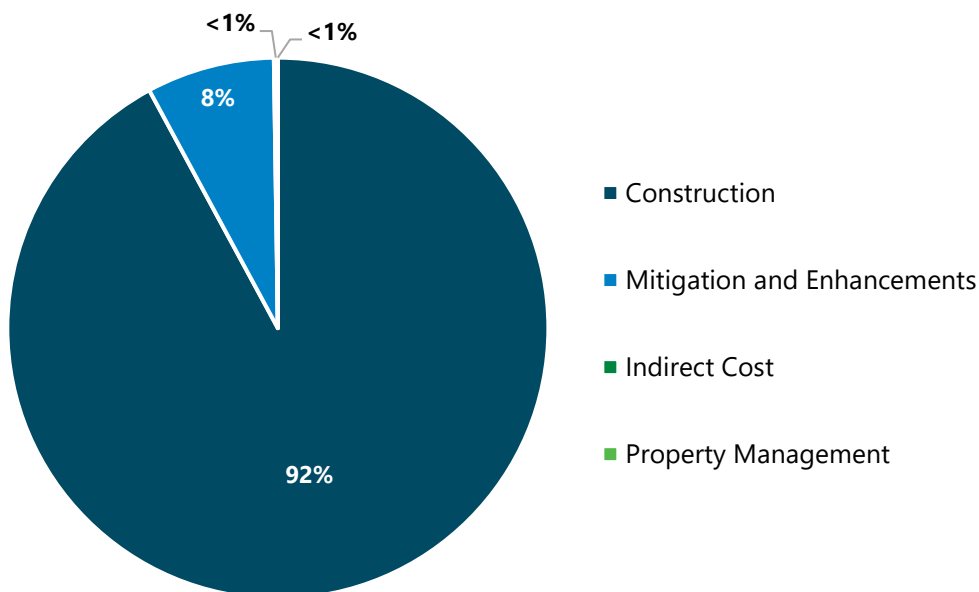




Capital Expenditures

A summary of the expenses is provided in the table and graph below.

	Budget	Percent of Total Uses of Funds
Construction	\$188,892,131	92.11%
Mitigation and Enhancements	\$15,685,900	7.65%
Indirect Cost	\$472,700	0.23%
Property Management	\$12,000	0.01%
TOTAL	\$205,067,731	100.0%



Chimney Hollow Construction

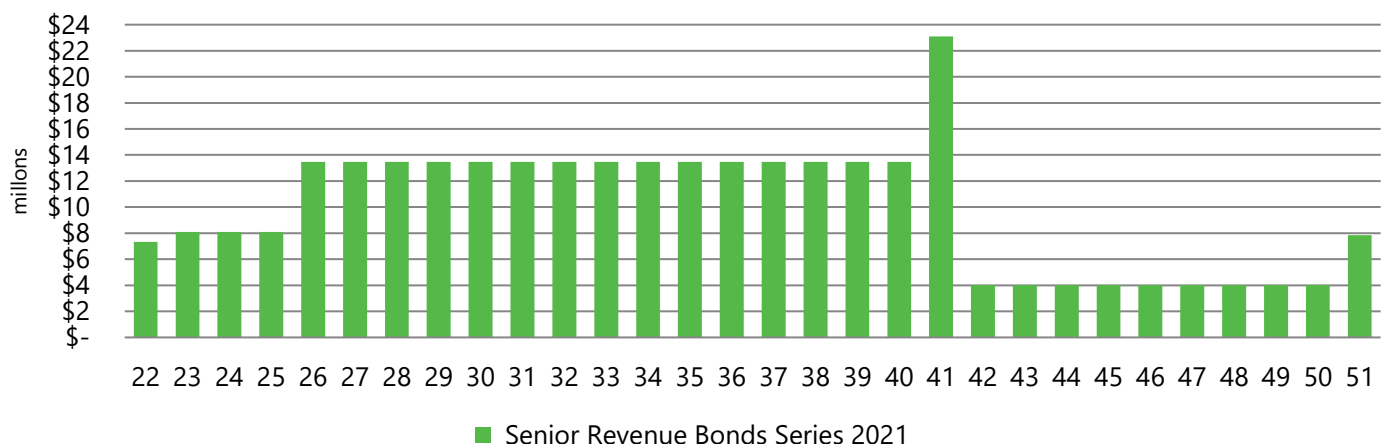
\$177,900,000

The specific purpose of the Windy Gap Firing Project is to increase the firm yield to 30,000 acre-feet of water from the existing Windy Gap Project. Additional reliability and yield will be achieved by constructing a new 90,000-acre-foot reservoir, Chimney Hollow Reservoir, located southwest of Loveland and just west of Carter Lake, dedicated to store Windy Gap Project water. Firm water deliveries from the Windy Gap Project are needed to meet a portion of the existing and future demands of the Windy Gap Firing Project participants and ultimately the existing and future demands the end users served within the boundaries of the Municipal Subdistrict. Construction began in August 2021 and will take approximately four years to complete the reservoir.

Windy Gap Firing Project Financing Structure

In August 2021 Windy Gap Firing Project secured financing for the Chimney Hollow Reservoir project. Project costs, estimated at \$593 million, were fully funded through a combination of direct capital cash contributions from five participants, and pooled financing by the Subdistrict on behalf of the remaining participants. Capital cash contributions by the five participants, which included Broomfield, Loveland, Longmont, Fort Lupton and Central Weld County Water District totaled \$299.8 million. The remaining seven participants joined in a pooled financing consisting of a bond offering and a \$90 million subordinated loan from Colorado Water Conservation Board (CWCB). The Senior Revenue Bonds have a par value of \$169,705,000 with a coupon rate of 4 to 5 percent and were sold at a premium of \$49,351,105, yielding net proceeds of approximately \$217,571,800 after all issuance costs. Annual debt service consisting of principal and interest is due on the bonds, with interest starting in January 2022 and principal payments starting in July 2026. Debt service payments will be funded by annual participant assessments under the terms of the allotment contracts. A debt service reserve of \$13,472,650 has been established. In addition, the pooled financing participants are funding over two years an additional liquidity reserve equal to 30 percent of their individually determined maximum annual debt service. Bond proceeds and participant capital contributions are held in a trust account. Windy Gap Firing Project draws upon the funds by submitting monthly Project Fund Disbursement Requests. It is anticipated that the subordinated CWCB loan will be drawn upon towards the end of the construction period. A summary is provided in the graph below.

Senior Revenue Bonds Series 2021 Debt Service



In 2041 and 2051, it is anticipated that bond reserves will be used to offset 20-year and 30-year debt issuances. Six of the seven pooled financing participants have debt service arrangements whereby 90 percent of the bond principal is repaid over 20 years and the remainder over the next 10 years. The other participant has a debt service arrangement where their pro rata share of the bond principal is repaid over 30 years. It is anticipated that the existing debt service reserve will be used to offset bond principal payments as that reserve is no longer required.

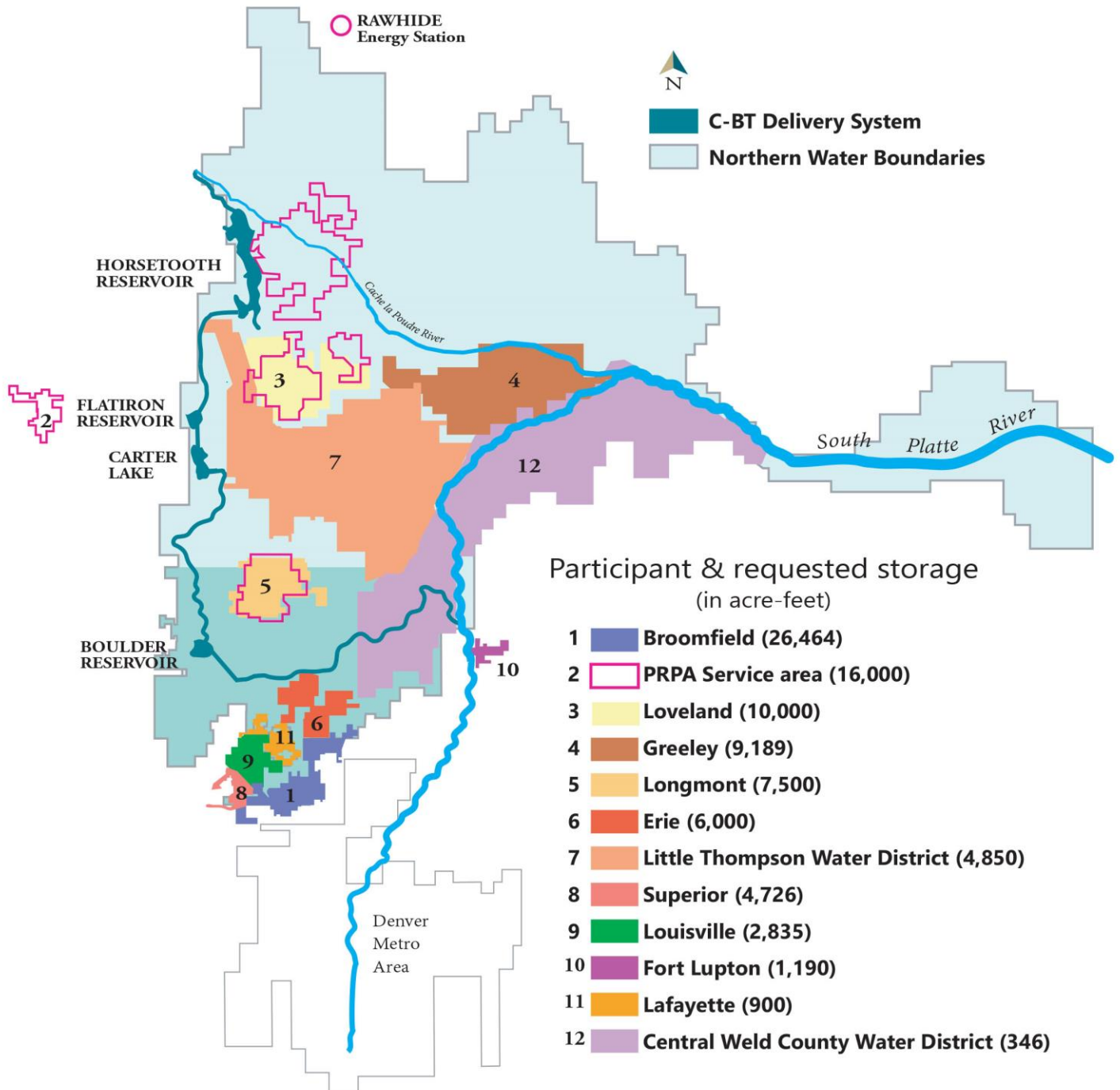
Projected Net Position - Windy Gap Firing

The projected net position below is for fiscal years 2021 and 2022. Net position is the residual of all other financial statement elements presented in a Statement of Net Position.

	Fiscal Year 2020 Actual	Fiscal Year 2021 Estimated Actual	Fiscal Year 2022 Budget
Contributions	\$12,000,000	\$592,999,200	\$15,120,000
Net Cash Produced	\$12,000,000	\$592,999,200	\$15,120,000
Beginning Net Position	\$62,906,802	\$75,083,193	\$668,082,393
Ending Net Position	\$75,083,193	\$668,082,393	\$683,202,393

The significant increase in net position is the result of receiving contributions with no operation and maintenance expense. This fund has no operations at this time and will start when the Chimney Hollow Reservoir is completed.

Windy Gap Firing Project Participants



MUNICIPAL SUBDISTRICT DISTRICT FUND OVERVIEW

The Municipal Subdistrict District Fund, in accordance with Colorado statutes, is the owner of the Windy Gap Water Activity Enterprise Fund and the Windy Gap Firing Project Water Activity Enterprise Fund.

Comparison of Sources and Uses by Fiscal Year

	Fiscal Year 2020 Actual	Fiscal Year 2021 Budget	Fiscal Year 2021 Estimated Actual	Fiscal Year 2022 Budget	Dollar Change From Fiscal Year 2021 Budget	Percentage Change From Fiscal Year 2021 Budget
Beginning cash	16,181	16,782	20,282	22,527		
SOURCES						
Revenues						
Contributions	61,000	100,050	55,000	100,050	-	n/a
Earnings on investments	2	2	2	2	-	n/a
Total Sources	61,002	100,052	55,002	100,052	-	n/a
Balance sheet source (use)						
Total funds available	77,183	116,834	75,284	122,579		
USES						
Expenses						
Board of Directors	56,901	100,050	52,757	100,050	-	n/a
Total Uses	56,901	100,050	52,757	100,050	-	n/a
Ending cash	20,282	16,784	22,527	22,529		
Total funds accounted for	77,183	116,834	75,284	122,579		
Board expenses:						
FICA	1,580	2,200	918	2,200	-	n/a
Legal Fees	12,640	37,950	7,343	37,950	-	n/a
Directors' fees	25,200	28,800	28,800	28,800	-	n/a
Travel /lodging/meals/data	17,381	25,500	10,096	25,500	-	n/a
Bonds	100	5,600	5,600	5,600	-	n/a
Total	56,901	100,050	52,757	100,050	-	-

ACRONYMS

AF

Acre-foot or Acre-feet

CAFR

Comprehensive Annual Financial Report

C-BT

Colorado-Big Thompson Project

CIP

Capital Improvement Plan

COE

U.S. Army Corps of Engineers

COPs

Certificates of Participation

CWCB

Colorado Water Conservation Board

CRS

Colorado Revised Statutes

CWA

Clean Water Act

DEIS

Draft Environmental Impact Statement

DOLA

Department of Local Affairs (Colorado)

EAM

Enterprise Asset Management

EIS

Environmental Impact Statement

EPA

Environmental Protection Agency

FEMA

Federal Emergency Management Agency

FTE

Full time equivalent

FONSI

Finding of no significant impact

GAAP

Generally Accepted Accounting Principles

GASB

Governmental Accounting Standards Board

GIS

Geographic Information System

IPS

Investment Policy Statement

NEPA

National Environmental Policy Act

Northern Water

Northern Colorado Water Conservancy District

NRCS

Natural Resource Conservation Service

NWRA

National Water Resource Association

ROD

Record of Decision

ROW

Right of Way

SUBDISTRICT

Municipal Subdistrict, Northern Colorado Water Conservancy District

TABOR

Taxpayers Bill of Rights, revenue and tax limit amendment. See Amendment 1 (glossary).

TIF

Taxing Increment Finance District

GLOSSARY

Accounting Standards

Northern Water's financial statements are prepared in accordance with principles generally accepted in the United States of America (GAAP). Additionally, Northern Water applies all applicable pronouncements of the Governmental Accounting Standards Board.

Acre-foot or Acre-feet

Volume of water equal to one foot in depth covering an area of one acre, or 43,560 cubic feet; approximately 325,851 gallons. One acre-foot is roughly the amount needed to serve 2.5 families each year.

Adopted Budget

The budget adopted by the Board of Directors at the August Planning and Action meeting. The adopted budget becomes effective annually as of October 1, and appropriations lapse at fiscal year-end (September 30).

Allocations

Distribution of costs.

Amendment 1

Approved by the electorate in the November 1992 election, this amendment is known as the Taxpayers Bill of Rights (TABOR). This is a revenue and expenditure limiting amendment to the Colorado constitution. The limit is determined by whichever is more restrictive to the growth of government.

Appropriation

Legal authorization granted by the Board to make expenditures as specified in the appropriating resolution.

Assets

Economic resources owned by Northern Water.

Audit

A systematic collection of sufficient, competent evidential matter needed to attest to the fairness of management's assertions in the financial statements.

Basis of Accounting

Northern Water's financial statements are accounted for on the flow of economic resources measurement focus, using the accrual basis of accounting. Under this method, all assets and liabilities associated with operations are included on the statement of net assets, revenues and are recorded when earned, and expenses are recorded at the time liabilities are incurred. This is different from the basis of budgeting.

Board or Board of Directors

For Northern Water, this is a 12-member group of appointed officials.

Budget

A financial plan for a specified period of time (fiscal year) that assigns resources to each activity in sufficient amounts so as to reasonably expect accomplishment of the objectives in the most cost-effective manner.

Budget Hearing

A publicly held meeting where the public can comment or ask questions about the proposed budget.

Capital Policy

Initial acquisition costs of assets are capitalized if they have a service life of more than one year and a cost of \$5,000 or more. Costs not meeting these criteria are expenses. Depreciation and amortization are computed using the straight-line method over the estimated useful lives of the respective asset classes.

Capital Project

Expenditures which result in the construction of or major improvements to buildings and infrastructure; generally, consist of projects costing more than \$5,000 and lasting more than three years.

Clean Water Act

The federal law that establishes how the United States will restore and maintain the chemical, physical and biological integrity of the country's waters (oceans, lakes, streams and rivers, ground water and wetlands.) The law provides protection for the country's waters from both point and nonpoint sources of pollution.

Colorado Local Government Budget Law

All local governments are required to conform to the budget regulations of Title 29, Article 1, Part 1 of the Colorado Revised Statutes which define the legal requirements for budget format and content. It covers budget hearing and adoption; appropriations resolution; filing the budget; and changing the budget.

Commitments

Obligations in the form of purchase orders, contracts or salary commitments.

Contingency

Appropriation to cover the deficiency that might arise where an expenditure could not be foreseen at the time the budget was prepared.

COPs

Certificates of Participation are a kind of municipal debt which can be contracted by cities/counties without voter approval. Courts have ruled that, because of their structure, COPs do not constitute long-term obligations of the issuing authority and are therefore exempt from state and local laws that require voter approval of long-term debt.

Debt Service

Cash required in a given period, usually one year, for payment of interest and current maturities of principal for outstanding debt.

Depreciation

The expiration in the service life of an asset generally attributable to wear and tear through use, lapse of time or obsolescence. Depreciation is generally not budgeted; however, it is accounted for on the financial statements.

Direct Cost

An expense that can be traced directly to (or identified with) a specific cost center or activity. A direct cost may include labor, materials, services and equipment charges.

Emergency

An emergency is defined as an a) Act of God; b) Public Enemy; and c) something which could not have been reasonably foreseen at the time of the adoption of the budget. For the purpose of TABOR this is further restricted to exclude economic conditions, or revenue shortfalls.

Enterprise

An entity that qualifies under the Taxpayer's Bill of Rights (TABOR) as being a government-owned business authorized to issue its own revenue bonds and receiving fewer than 10 percent of its annual revenue in grants from all Colorado state and local governments combined.

Enterprise Asset Management (EAM)

Software system to manage major infrastructure with a preventative maintenance program.

Expenses

Charges incurred, whether paid or unpaid for operation, maintenance, and interest, and other charges, which are presumed to benefit the current fiscal period.

Fiscal Period

A period of time usually consisting of twelve months. At the end of the fiscal period a government unit determines its financial position and the results of its operations. Northern Water's fiscal period is October 1 to September 30.

Fixed Cost

Indirect or overhead expense of a business that does not vary with the volume of activity

Fund

Fiscal and accounting entity with self-balancing set of accounts which are segregated usually by financial resources or other special regulations, restrictions, or limitations.

Generally Accepted Accounting Principles

Uniform minimum standards and guidelines for financial accounting and reporting, and encompasses the conventions, rules, and procedures necessary to define accepted accounting practices.

GFOA

An organization whose membership consists of government financial officers throughout the United States and Canada. Information on pertinent legislation, accounting changes, new programs or innovations is shared with members in a regular newsletter. Career seminars and educational classes are provided regularly.

Governmental Accounting Standards Board

The authoritative accounting and financial reporting standard-setting body for government entities.

Hydropower

Hydroelectric power of/ or relating to production of electricity of water power.

Indirect Cost

An expense that cannot be traced directly to (or identified with) a specific cost center or activity. Indirect cost types may include indirect labor, indirect materials and overhead costs.

Internal Controls

A plan of organization under which employee's duties are so arranged and records and procedures so designed as to make it possible to protect and exercise effective accounting control over assets, liabilities, revenues and expenditures.

Long-term debt

Debt with a maturity of more than one year from date reported.

Net Revenues

Gross revenue less operating and maintenance expenses.

Nonoperating Revenue

Revenue received from property and specific ownership taxes, investment income, and other nonoperating revenues.

Operating Revenue

Revenue from water assessments, charges for services, energy and other operating revenue.

Operation and Maintenance (O&M) Expenses

All reasonable and necessary current expenses paid or accrued for operating, maintaining, and repairing infrastructure.

Operation and Maintenance Work Plan

A category of master plan items not capital in nature, that are normally ongoing activities and pertain to the general operations of Northern Water.

Political Subdivision

A county, city, town, or other municipal corporation, a public authority, and generally any publicly owned entity that is an instrumentality of a state or of a municipal corporation.

Principal and Interest Requirements

As used in the debt guidelines, interest requirements plus the current portion of long-term debt (includes general obligation bonds, certificates of participation and capital leases).

Professional Services

Consists of consultant payments for consultants to provide services such as facility design, legal work and auditors.

Program

An organized group of activities and the resources to carry them out, aimed at achieving related goals.

Program Budget

A method of budgeting in which the focus is on the project and activities that are required to accomplish Northern Water's mission, goals and objectives. It provides for consideration of alternative means to accomplish these criteria. It also provides a control device for higher level management and cuts across organizational lines. Resources are allocated along program lines and across organizational lines.

Property Tax

Taxes levied on all real and personal property according to the property's valuation and the tax rate, in compliance with state and local statutes.

Proprietary Funds

Used to account for activities that are similar to businesses in the private sector. These funds are considered self-supporting in that the services rendered by them are generally financed through user charges or on a cost reimbursement basis. There are two types of proprietary funds such as Enterprise Funds and Internal Services Funds.

Pump Stations

A pump station is a man-made structure that uses a pump to transfer water from one location to another.

Purchase Order

A document which authorizes the delivery of specified services.

Quasi Municipal Corporation

A quasi corporation generally refers to an entity that exercises some of the functions of a corporation but has not been granted separate legal personality by statute, particularly a public corporation with limited authority and powers such as a county or school district.

Rating

The credit-worthiness of Northern Water as evaluated by independent agencies.

Raw Water

Untreated water.

Reclamation

United States Bureau of Reclamation

Record of Decision

In the United States, a Record of Decision is the formal decision document, prepared by a governmental agency, which is recorded for the public.

Reservoir

An impoundment to collect and store water. Raw water reservoirs impound water in a watershed; terminal reservoirs collect water where it leaves a watershed to enter the treatment process; and treated-water reservoirs are tanks or cisterns used to store potable water.

Revenue Bonds

Bonds whose principal and interest are payable exclusively from a dedicated revenue source.

Revenues

Northern Water Enterprise Funds are financed through assessments, tax revenues, charges for services and energy revenues.

Risk Management

Northern Water is exposed to various risks of losses

Statutory Property Tax Revenue Limit

Colorado Revised Statute 29-1-301. Property tax increases are limited to 5.5% from one tax year to the next. An adjustment for growth factor is allowed for new construction. The exemptions to this restriction are payment of bonds, payment of other contractual obligations approved by voters, and capital expenditures allowed by "Truth in Taxation" legislation.

Strategic Plan

Process that is a practical method used by organizations to identify goals and resources that are important to the long-term wellbeing of its future.

Supplemental Budget Request

Appropriations may be changed to allow for unforeseen circumstances that may occur after the budget has been adopted.

Taxing Increment Finance District

Tax increment financing is a public financing method that is used as a subsidy for redevelopment, infrastructure, and other community improvement projects.

TIF

Taxing increment financing is a public financing method that is used as a subsidy for redevelopment, infrastructure, and other community-improvement projects.

Type of Expenditure

A classification of resources or commodities that will be budgeted and charged to projects and activities by cost control centers.

Water Conservancy District

Water Conservancy Districts are formed in conformance with the Water Conservancy Act. They are organized under procedures in state district courts and remain under their jurisdiction and are formed at the request of communities and are local instrumentalities of state government.

Water Efficiency

Obtaining the benefits of water more efficiently, resulting in reduced demand for water. Sometimes called "end-use-efficiency" or "demand management."

Water Revenues

Revenues generated through billing process from the delivery of water.

Works

Dams, storage reservoirs, compensation and replacement reservoirs, canals, conduits, pipelines, tunnels, power plants, and any and all works, facilities, improvements, and property necessary or convenient for the supplying of water for domestic, irrigation, industrial and all other beneficial uses.

Working Capital

Current and restricted assets less current liabilities other than current year principal payments or long-term debt.

APPROPRIATION

MUNICIPAL SUBDISTRICT NORTHERN COLORADO WATER CONSERVANCY DISTRICT

RESOLUTION MS-393-08-21

APPROPRIATION RESOLUTION

WHEREAS, the Board of Directors of the Municipal Subdistrict, Northern Colorado Water Conservancy District, appointed Bradley D. Wind, Secretary and General Manager; Gerald A. Gibbens, Treasurer and Director of Operations Division; Kristyn Unrein, Financial Services Department Manager; and Fahim Ghafoori, Senior Financial Analyst; to prepare a Budget for Fiscal Year 2022; and they have submitted the same to said Board and caused to be published the requisite Notice of Hearing; and

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of the Municipal Subdistrict, Northern Colorado Water Conservancy District, hereby approves and adopts the Budget of the Municipal Subdistrict, Northern Colorado Water Conservancy District Fund, as submitted by the duly appointed Budget Officers and appropriates the aggregate sum of \$100,050 for Fiscal Year 2022, for the purpose of paying the cost of all Board contractual obligations; and the expenses for the transaction of all such other business functions and activities found by said Board to be necessary and convenient; and

NOW THEREFORE, BE IT RESOLVED, that the Board of Directors of the Municipal Subdistrict, Northern Colorado Water Conservancy District, hereby approves and adopts the Budget of the Municipal Subdistrict, Northern Colorado Water Conservancy District-Windy Gap Water Activity Enterprise Fund as submitted by the duly appointed Budget Officers and appropriates for Fiscal Year 2022 the aggregate sum of \$19,442,730 for the purpose of paying the cost of all contractual obligations; purchasing of capital items; meeting the expenses required to conserve, allocate, and control the water supplies of the Subdistrict including the expense of administration, engineering, operation and maintenance of all works, facilities, properties, and functions necessary for the distribution and beneficial utilization of those water supplies; and the expenses for the transaction of all such other business functions and activities found by said Board to be necessary and convenient; and

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of the Municipal Subdistrict, Northern Colorado Water Conservancy District, hereby approves and adopts the Budget of the Municipal Subdistrict, Northern Colorado Water Conservancy District - Windy Gap Farming Project Water Activity Enterprise Fund as submitted by the duly appointed Budget Officers and appropriates for Fiscal Year 2022 the aggregate sum of \$205,067,731 for the purpose of paying the cost of all contractual obligations; and the expenses for the transaction of all such other business functions and activities found by said Board to be necessary and convenient; and

BE IT FURTHER RESOLVED, that any revenue in excess of the sums appropriated in this or any further appropriations for unforeseen contingencies shall be transferred to and deposited in the Municipal Subdistrict Reserve Funds; and

BE IT FURTHER RESOLVED, that the funds required for the sums so appropriated shall be provided in the manner and by the means adopted by the Board of Directors, Municipal Subdistrict, Northern Colorado Water Conservancy District.

CERTIFICATE

I, Bradley D. Wind, do hereby certify that the above is a true and correct copy of a Resolution unanimously adopted by the Board of Directors of the Municipal Subdistrict, Northern Colorado Water Conservancy District, at a Planning Session meeting of said Board held in Berthoud, Colorado, on August 5, 2021.


Secretary



Municipal Subdistrict