

2026

ANNUAL BUDGET



📍 220 Water Avenue | Berthoud, CO 80513
🌐 www.NorthernWater.org



Northern Water



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GENERAL MANAGER TRANSMITTAL LETTER

To the President and Board of Directors,

Northern Water staff are pleased to present the fiscal year 2026 budget which allows Northern Water to maintain its strong financial position while continuing to meet its primary commitment to a reliable and high-quality wholesale water supply. Northern Water's sound fiscal health was noted on July 9, 2021, when Moody's Investor Service issued a rating of Aa1 to Northern Water's Certificates of Participation, Series 2021. Concurrently, Moody's assigned an initial AAA issuer rating to Northern Water, noting a stable outlook, which supported Northern Water's successful issuance of Certificates of Participation, Series 2022. Standard & Poor (S&P) Global issued an AA+ rating. Since that time, Northern Water has met the required Municipal Securities Rate Board (MSRB) reporting requirements, has received unqualified audit opinions, and holds no matter of going concern.

The budget utilizes available resources to maintain and improve aging infrastructure. This budget is designed to fulfill the organization's mission: "We develop, collect, protect and deliver reliable water supplies for Northern Colorado, sustaining our communities, economy, and environment, now and for generations to come."

Northern Water addresses several key issues and priorities in the fiscal year 2026 budget. This budget continues to place an emphasis on additional resources needed to manage new capital projects and programs effectively. Programs to protect and conserve water supplies are part of planned activities along with the continuation of permit work on water supply projects. Maintaining one of the core priorities "collect and deliver water" is also included.

Fiscal Year 2026 Budget Summary and Highlights by Fund

District Enterprise Fund

Total Sources of Funds are estimated to be \$83.2 million, or approximately 1.0 percent lower than the fiscal year 2025 budget. Key components included with the fiscal year 2026 budgeted sources are:

- Property and Specific Ownership Tax revenues total approximately \$35.8 million.
- Water assessments totaling \$15.2 million, in accordance with the Board of Director's 2026 Forward Guidance Resolution.
- Charges for Services totaling \$6.7 million from Northern Water enterprises.
- Estimated indirect cost recovery of \$4.0 million from Northern Water and Municipal Sub-District Enterprises.
- Other operating revenues from the Municipal Subdistrict's Windy Gap Project Enterprise, totaling \$2.7 million.
- Other revenues reflecting increases are anticipated from Rule 11 revenues and investment earnings.

Total Uses of Funds are estimated to be \$83.2 million, or approximately 1.0 percent lower than fiscal year 2025. Key components included within fiscal year 2026 budgeted uses are:

- Operating expenses of \$57.8 million reflect an increase of \$6.6 million compared to fiscal year 2025.
- Staffing to increase by 20 full-time positions.
- Capital investments of \$7.2 million, approximately 71.0 percent lower than fiscal year 2025, due to \$3.0 million in completed Bureau of Reclamation Fiber and Tier 2 projects as well as completion of campus development.
- Other non-capital initiatives:
 - East Troublesome Fire Recovery: \$8.2 million, an increase of approximately \$1.5 million from fiscal year 2025 (\$8.2 million expected from grant reimbursements).
 - Other initiatives: \$1.3 million, set forth by the Board of Directors.
- Debt service totaling approximately \$5.6 million, in line with fiscal year 2025, as no new debt instruments were issued in 2025.
- Reserve contribution of \$2.8 million, reflecting 5.0 percent of budgeted operating expenses.

Southern Water Supply Project Water Activity Enterprise Fund

Total Sources of Funds are estimated to be \$3.8 million, \$428,185 lower than fiscal year 2025, from participant assessments and investment earnings.

Total Uses of Funds are estimated to be \$3.7 million, \$486,372 lower than fiscal year 2025.

- Approximately \$2.5 million for operating expenses.
- \$602,632 for indirect costs.
- Capital projects of \$1.0 million, \$511,874 higher than fiscal year 2025 (one of the two projects will be fully funded by those respective participants).

Pleasant Valley Pipeline Project Water Activity Enterprise Fund

Total Sources of Funds are estimated to be \$203,420, approximately \$57,000 higher than fiscal year 2025, from participant assessments and investment earnings.

Total Uses of Funds are estimated to be \$197,720, \$57,368 higher than fiscal year 2025.

- \$30,000 for Cathodic Assessment Capital Project.
- \$50,727 for indirect costs.

Northern Integrated Supply Project Water Activity Enterprise Fund

Total Sources of Funds are estimated to be \$35.7 million, \$3.2 million lower than fiscal year 2025, with \$35.0 million expected in proceeds from participant contributions.

Total Uses of Funds of \$34.9 million (approximately 27.2 percent decrease from fiscal year 2025) for a \$7.5 million reduction in land purchases, as well as pipeline design costs, compared to fiscal year 2025 budget.

Northern Water Hydropower Water Activity Enterprise Fund

Total Sources of Funds are estimated to be approximately \$1.5 million, \$813 lower than the fiscal year 2025 budget.

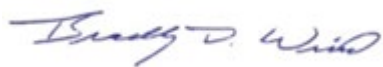
- \$1.3 million from energy revenue.
- \$190,000 from investment earnings.

Total Uses of Funds are estimated to be approximately \$1.2 million, \$73,210 lower than in fiscal year 2025.

- \$423,590 for operating expenses.
- \$60,679 for indirect costs.
- \$639,037 for debt service.

Northern Water believes the budget for eighty-ninth year of operation meets the Board's conservative fiscal vision, management's commitment to accountability, and strong overall operational and capital financial management.

Respectfully,



Bradley D. Wind
General Manager

DISTINGUISHED BUDGET PRESENTATION AWARD



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

Northern Colorado Water Conservancy District

For the Fiscal Year Beginning

October 01, 2024

Christopher P. Morill

Executive Director

ABOUT NORTHERN WATER

Northern Water is a public agency created in 1937 to contract with the U.S. Bureau of Reclamation (Reclamation) to build the Colorado-Big Thompson Project (C-BT Project). The C-BT Project provides supplemental water to irrigate more than 615,000 acres of farm and ranch land and nearly 1.1 million people in eight Northeastern Colorado counties. Northern Water also engages in water management and planning activities for the purpose of meeting present and future water supply needs of water users within its boundaries. Northern Water has educational and water conservation programs, turf and landscape water use efficiency demonstration programs, public educational programs, water-efficient landscape grants, and publications on water planning and management.



The majority of C-BT Project water comes from mountain snowmelt in the upper Colorado River basin west of the Continental Divide. Northern Water delivers on average 210,000 acre-feet of untreated water each year to the South Platte River Basin. In 2023, agricultural and municipal/industrial deliveries were 70,510 and 92,857 acre-feet, respectively. The C-BT Project was constructed and is mostly owned by the United States through Reclamation. Northern Water owns the portions of the C-BT Project downstream of Horsetooth Reservoir and Carter Lake. Northern Water and Reclamation jointly operate and maintain the C-BT Project.

Northern Water's financial structure is defined by the terms and conditions of Colorado's Water Conservancy Act and its Repayment Contract with Reclamation. The Board retains the authority granted in the Water Conservancy Act to establish wholesale water assessment rates. Also, in accordance with the Repayment Contract with Reclamation, Northern Water collects a 1 mill levy property tax on real property located within the eight counties of its boundaries and assesses for water allotment contracts. Except under certain circumstances that currently do not apply to Northern Water, the Water Conservancy Act does not allow an increase in the 1 mill levy. Water allotment contracts are perpetual contracts between Northern Water and water users for the delivery of raw water from the C-BT Project for use within Northern Water boundaries. The Board holds a rate hearing in August of each year at which the rates are set for the next year's water allotment contract assessments. The C-BT Project is funded by a diverse revenue stream led by property taxes, water assessments and charges for services. Together these three sources comprise more than 69.6 percent of Northern Water's annual revenue. Northern Water's fiscal year ends September 30.

The Repayment Contract obligates Northern Water to pay the costs of operation, maintenance, repair and replacement of certain single purpose water supply C-BT Project works. In addition, the Repayment Contract obligates Northern Water and Reclamation to share equally all the costs of operation, maintenance, repair and replacement of joint multi-purpose works. These works are used both for diversion and distribution of water and hydropower productions.

A private market in allotment contracts has developed as the demand for water supplies within Northern Water boundaries has changed. Under current practices with Board approval, a holder of a water allotment contract may sell the right to hold the units represented by an allotment contract to another person or entity who is eligible to hold an allotment. With increasing urbanization along the northern Front Range, the current trend of ownership changing from agricultural to municipal and industrial use is expected to continue. The Board has a current policy limiting the quantity of contract units that can be held by one person or entity. In addition to the permanent transfer of contract units, a holder may annually lease the right of delivery of the water in any year to a water user within Northern Water boundaries that has demonstrated a need for such water.

HISTORY

The early 1930s brought great hardship to the state of Colorado. The economy was struggling because of the nation's 1929 stock market crash and the Great Depression. Scores of Colorado workers were out of jobs and finding it difficult to make ends meet. At the same time, a devastating, multi-year drought was gripping the West. Colorado farming operations were going out of business as fields dried out and crops withered without the water they needed to grow and thrive. One-third of the farms in Larimer County were put up for sale.

The Idea Behind the Colorado-Big Thompson Project

Then came plans for the C-BT Project. The idea was to divert water from the headwaters of the Colorado River on the west side of the Continental Divide. That water would travel through a lengthy tunnel underneath Rocky Mountain National Park to Northeastern Colorado where farmers desperately needed water to supplement their agricultural operations. The project would create hundreds of jobs and make available vast quantities of supplemental water to the parched plains. The idea to bring Colorado River water to the East Slope was not a new one; the state had been exploring that possibility since the 1880s when Colorado commissioned studies to determine if such an endeavor was feasible.



Crews construct the inlet structure on the Granby Pump Plant, later renamed Farr Pump Plant, in September 1948.

Northern Colorado Water Users Association

In the summer of 1933, the Greeley Chamber of Commerce organized the Grand Lake Committee to pursue surveying and funding a water diversion project that would become the C-BT Project. The committee was the predecessor to the Northern Colorado Water Users Association (NCWUA), which formed in 1935 and proposed the C-BT Project to supply water to Northeastern Colorado farmers. The NCWUA was composed of civic leaders who recognized the need for a project like the "Big Tom" as it would come to be known. After discussions with Reclamation, the NCWUA determined the need for an organization with taxing authority and the ability to contract with the federal government to build the project.



Charles Hansen and J.M. Dille signing the 1937 repayment contract with the U.S. Bureau of Reclamation.

Northern Water Created

In 1937, after months of discussion, the state legislature passed the Water Conservancy Act which established the framework under which Northern Water would be created later the same year. Northern Water and its newly created Board of Directors had a lot of work to do before construction could begin. They had to obtain congressional authorization and necessary appropriations. They needed to negotiate a repayment contract with the U.S. Department of the Interior. They also had to guarantee that water users would repay a portion of project costs. To meet this requirement, on June 28, 1938, Northern Water sought and secured residents' approval on a property tax. A few days later on July 5, 1938, Northern Water signed a repayment contract with the United States, agreeing to pay up to \$25.0 million during a 40-year repayment period.



Crews constructing the Big Thompson Siphon at the mouth of the Highway 34 canyon toward Estes Park.



Concrete panels are being constructed for the Pole Hill Canal in 1952.

Construction of the Colorado-Big Thompson Project

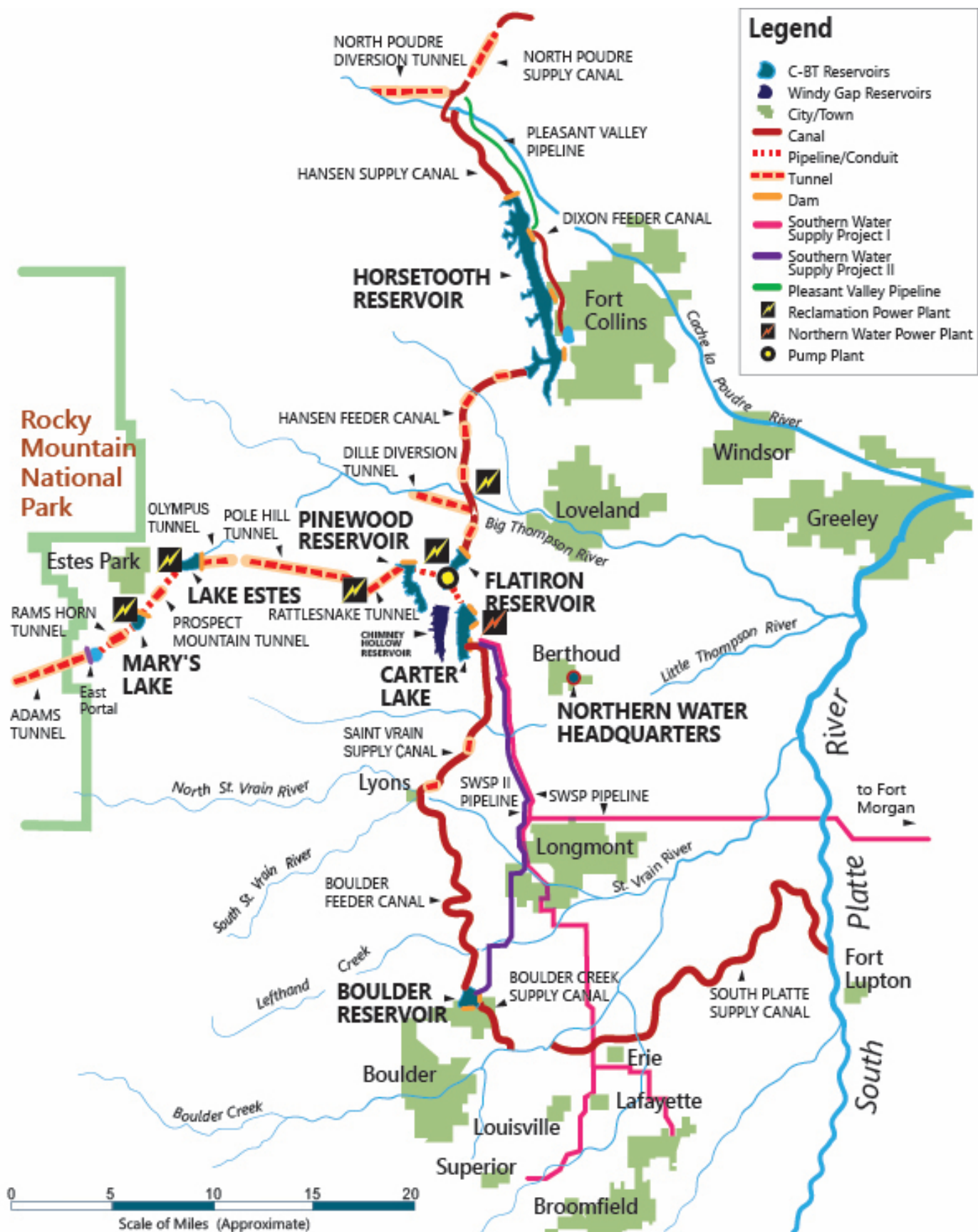
Reclamation oversaw construction on the more than 100 features of the C-BT Project. Work began in 1938 and took nearly 20 years to complete. Crews began work in 1938 on Green Mountain Reservoir, which would store water that could compensate the West Slope for the water that would be diverted to the East Slope.

During the next two decades, C-BT Project construction yielded several significant historical moments and plenty of challenges. The first water deliveries from the C-BT Project began in 1947. For a decade, Northern Water made interim deliveries. Reclamation declared the project to be substantially complete in 1957, the first year of full water deliveries. All Northern Water's indebtedness incurred for the construction of the C-BT Project was paid in full in 2001.

Colorado-Big Thompson West Slope Collection Systems



Colorado-Big Thompson East Slope Distribution Systems



Southern Water Supply Project

In 1999, Northern Water completed construction of the original Southern Water Supply Project pipeline, which consists of 110 miles of pressurized, buried pipeline conveying C-BT Project and Windy Gap Project water to areas located within Northern Water and Municipal Subdistrict boundaries. Total construction costs, funded from participants contributions, for the project totaled \$73.4 million. The primary purpose of the project is to distribute the C-BT Project and Windy Gap Project water supplies to communities with increasing water supply demands and need delivery of raw water during the winter months when the C-BT canal system is shut down.

In April 2020, the Southern Water Supply Project II pipeline became operational. This raw water pipeline project delivers C-BT Project and Windy Gap Project water from Carter Lake to the City of Boulder, the Left Hand Water District, the Town of Berthoud and the Longs Peak Water District. The pipeline provides a secure, year-round water supply to all four of these entities. The total project cost was approximately \$44.0 million. All costs were borne by the four project participants.

Pleasant Valley Pipeline

Northern Water completed construction of the Pleasant Valley Pipeline in 2004 at a cost of \$30.6 million. The 8.5-mile buried pipeline carries Poudre River water from the Munroe Gravity Canal to the Fort Collins and Soldier Canyon water treatment plants during the summer. In the winter, flows are reversed, sending water from the Soldier Canyon outlet at Horsetooth Reservoir to Greeley's Bellvue treatment plant near the Poudre River. The pipeline is operated in conjunction with the pipeline participants and the North Poudre Irrigation Company, which operates the North Poudre Supply Canal. The five project participants bore all costs of the project.

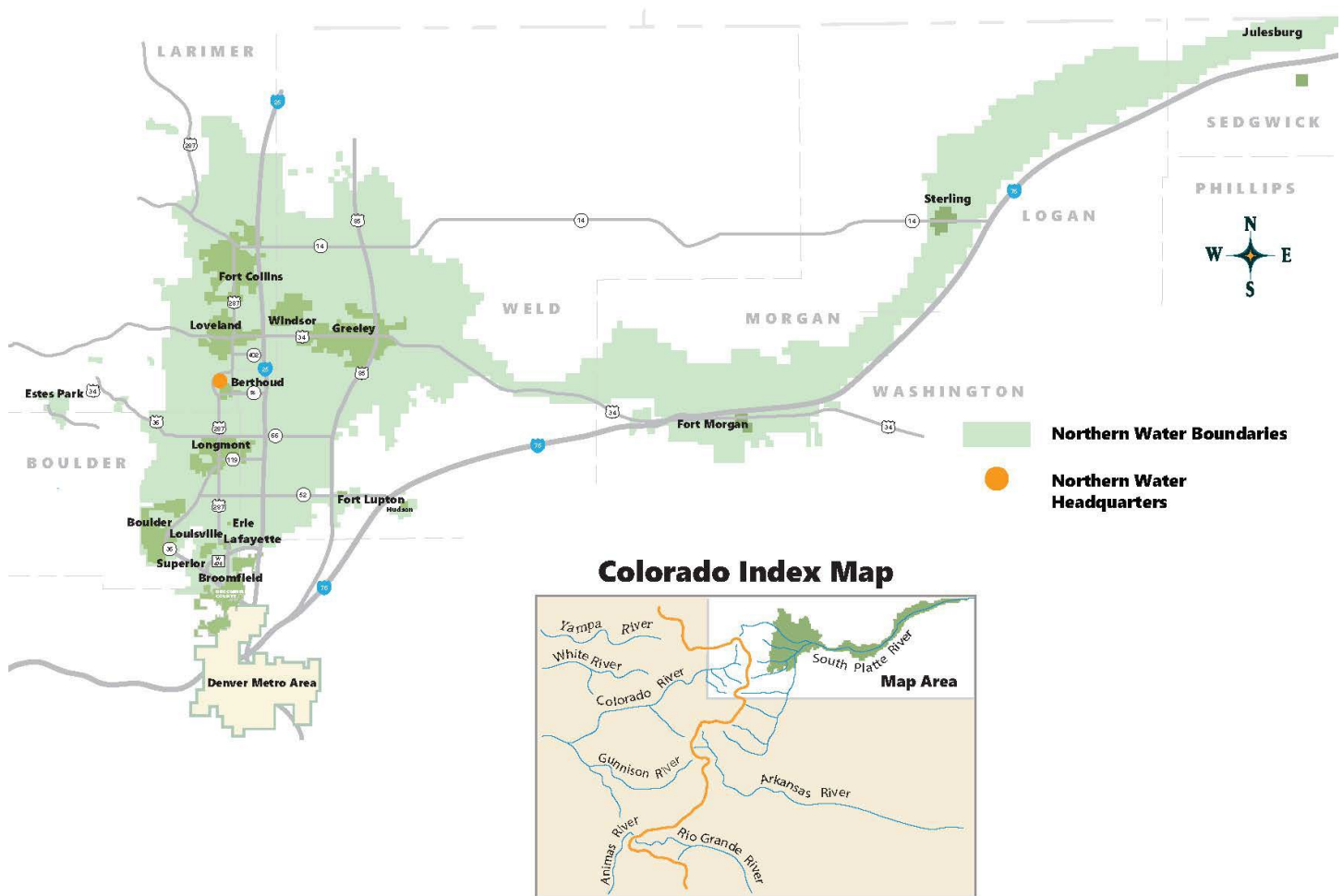
Northern Integrated Supply Project

The proposed Northern Integrated Supply Project is a collaborative effort among 15 water providers (participants) to provide approximately 40,000 acre-feet of new reliable water supply, which would meet a portion of the participants' estimated current and future water supply needs. In 2003, NISP was established and started the Environmental Impact Statement (EIS) process with the U.S. Army Corps of Engineers. A draft EIS was released in 2008, then a Supplemental Draft EIS in 2015. The Corps released the Final EIS on July 20, 2018. The final federal permit and Record of Decision was received in December 2022. The project proposes the construction of two new reservoirs, Glade and Galetton, with capacities of 170,000 and 45,624 acre-feet, respectively. All funding of the permit related costs is funded by cash contributions from the participants.

Hydropower

In 2010, the Hydropower Water Activity Enterprise was established to construct and operate small renewable energy facilities. Construction of the Robert V. Trout Hydropower facility was completed in May 2012, at the cost of \$6.2 million. The Granby Hydropower facility became operational in May 2016 and cost \$5.2 million. The two hydropower facilities together generate enough power annually for approximately 1,600 households. Debt financing was used to fund the construction costs of both power facilities. Revenue from sales of energy will support all costs related to the hydropower plants, including debt service.

SERVICE AREA



Nearly 1.1 million people live within Northern Water’s boundaries, which encompasses 1.6 million acres (2.5 percent of the state’s land mass) in portions of eight counties of Northeastern Colorado: Boulder, Broomfield, Larimer, Logan, Morgan, Sedgwick, Washington, and Weld. Colorado-Big Thompson water supplements native water supplies helping to irrigate approximately 615,000 acres served by 120 ditch, reservoir, and irrigation companies, as well as 60 municipal and rural water districts and several industrial users.

LARGEST EMPLOYERS

Rank	Larimer County Employer	Employment
1	UCHealth: Poudre Valley Hospital	9,107
2	Colorado State University	7,599
3	Poudre School District R-1	4,316
4	Thompson School District R2-J	2,487
5	City of Fort Collins	2,400
6	Larimer County	2,043
7	Columbine Health Systems	1,650
8	Broadcom	1,500
9	Hewlett Packard	1,280
10	Woodward	1,230
	Sum of largest employers	33,612
	Full labor force December 2024	207,630

Rank	Weld County Employer	Employment
1	JBS Swift Beef Company	4,992
2	Banner Health: Northern Colorado Medical Center	3,710
3	Vestas	2,631
4	Greeley/Evans School District 6	2,258
5	Weld County Government	1,823
6	University of Northern Colorado	1,221
7	Haliburton Energy Services Inc.	1,200
8	City of Greeley	1,145
9	AIMS	817
10	Occidental Petroleum Corp.	580
	Sum of largest employers	20,377
	Full labor force December 2024	177,959

Rank	Boulder County Employer *	Employment
1	Ball Aerospace & Technologies Corp.	4,000
2	Boulder Community Health	2,000
3	Google	1,700
4	Medtronic PLC	1,400
5	Exempla Good Samaritan Medical Ctr.	1,300
6	University Corp of Atmospheric Rese.	1,200
7	Longmont Community Hospital	1,000
8	Balfour	800
9	CISCO	700
10	Seagate Technologies	700
	Sum of largest employers	14,800
	Full labor force December 2024	194,122

Rank	Broomfield City and County Employer	Employment
1	Intermountain (formerly SCL) Health Care	1,050
2	City and County of Broomfield	975
3	BAE Systems (formerly Ball Aerospace)	950
4	Oracle America	925
5	Danone Wave Foods	800
6	Hunter Douglas Window Fashions	700
7	Vail Resorts	550
8	Crocs	525
9	Children's Hospital	450
10	Flatirons Dragados	425
	Sum of largest employers	7,350
	Full labor force December 2024	43,296

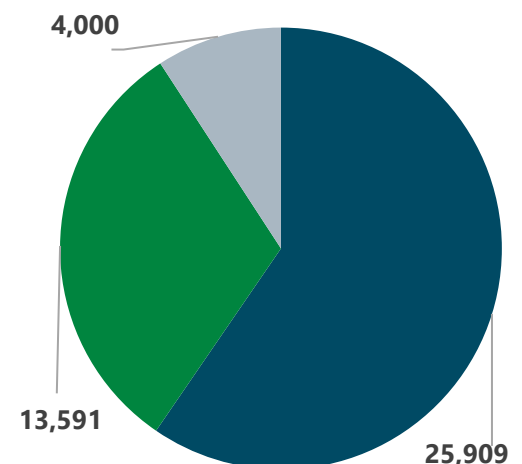
Source of largest employers: Reporting Entity 2024 Annual Comprehensive Financial Report

* Source of largest Boulder County Employer: 2024 Annual Comprehensive Financial Report, private employers only

Largest Employers Combined: Larimer, Weld, Boulder and Broomfield Counties

Rank	Employer	County	Employment
1	UCHealth: Poudre Valley Hospital	Larimer	9,107
2	Colorado State University	Larimer	7,599
3	JBS Swift Beef Company	Weld	4,992
4	Poudre School District	Larimer	4,316
5	Ball Aerospace & Technologies Corp	Boulder	4,000
6	Banner Health: Northern Colorado Medical Center	Weld	3,710
7	Vestas	Weld	2,631
8	Thompson School District R2-J	Larimer	2,487
9	City of Fort Collins	Larimer	2,400
10	Greeley/Evans School District 6	Weld	2,258
	Sum of largest employers		43,500

Largest Employers Combined



■ Larimer ■ Weld ■ Boulder

LARGEST COUNTIES IN SERVICE AREA



Larimer County

Established	1861
Estimated Populations	374,574
Unemployment Rate	3.9%
Per Capita Income	\$71,359
Land Area (square miles)	2,640
Most Populous County in Colorado	8 th



Boulder County

Established	1861
Estimated Populations	328,658
Unemployment Rate	4.3%
Per Capita Income	\$100,242
Land Area (square miles)	742
Most Populous County in Colorado	9 th



Weld County

Established	1861
Estimated Populations	377,586
Unemployment Rate	4.7%
Per Capita Income	\$62,532
Land Area (square miles)	3,987
Most Populous County in Colorado	7 th



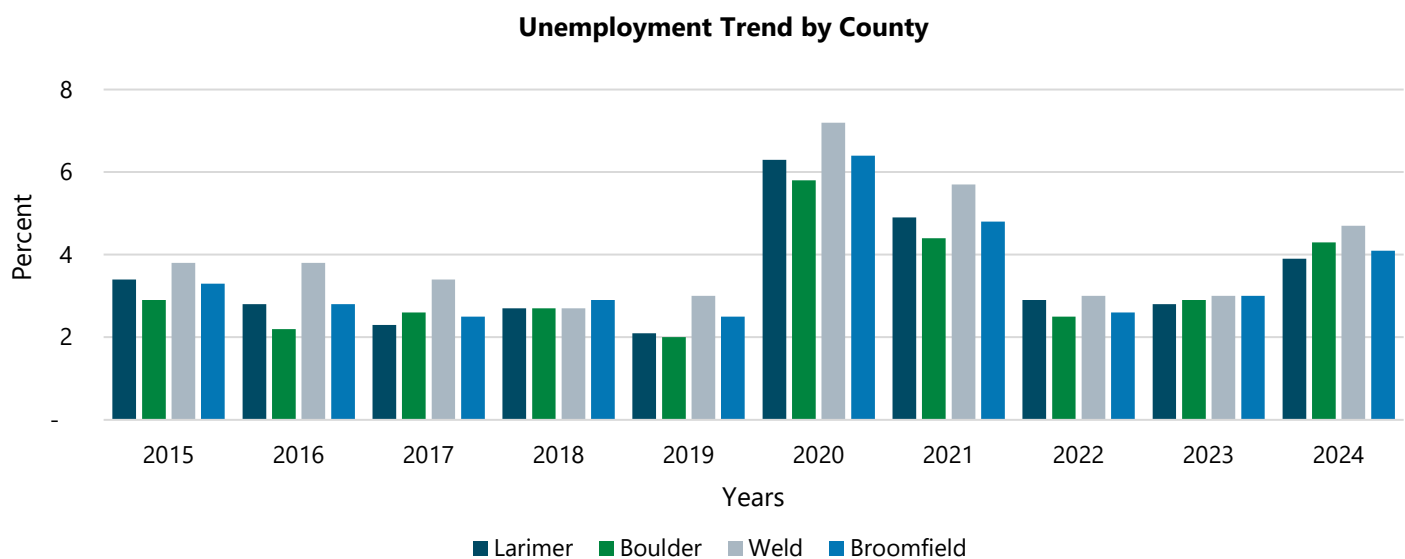
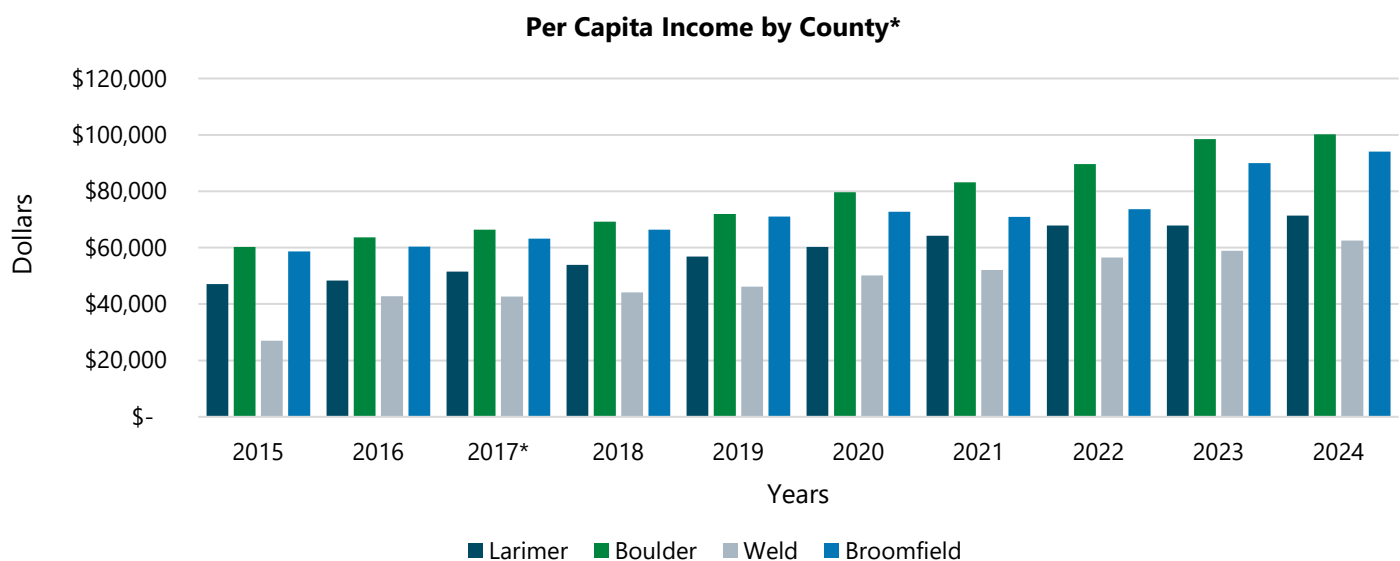
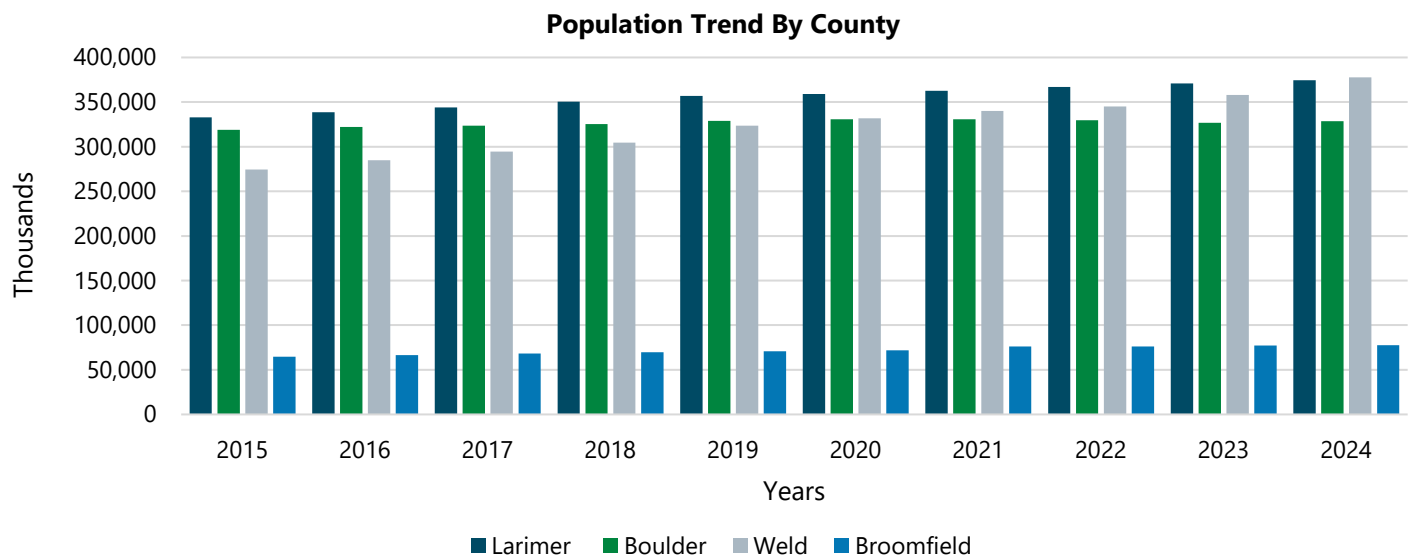
Broomfield County

Established	1998
Estimated Populations	77,500
Unemployment Rate	4.1%
Per Capita Income	\$94,087
Land Area (square miles)	33.6
Most Populous County in Colorado	12 th

Boulder, Weld and Larimer counties have the highest populations, accounting for roughly 90.0 percent of Northern Water's total population. Northern Water's boundary population as of September 2024 was approximately 1,075,097.

- Since 2020, Broomfield County's population has grown 7.7 percent.
- Weld County is the largest county within Northern Water's boundary, with a population of 377,586.
- Since 2015, the four largest counties have grown by 167,200 or 17.0 percent.
- Larimer County has the lowest unemployment at 3.9 percent.
- Boulder County has the highest per capita income at \$100,242.

Sources: 2024 County ACFRs



Sources: 2024 County ACFRs

BOARD OF DIRECTORS

The 13-member Board is the policy-making body of Northern Water. Among other duties, the Board sets the wholesale water assessment rates, adopts the annual budget, determines the amount of water available for delivery annually through its quota process and approves the transfers of allotment contracts. Directors from the counties within Northern Water boundaries are appointed to four-year terms by district court judges. Northern Water officers are elected by the Board at its annual organizational meeting each October. The Board holds its public meetings twice a month.

Current Board of Directors



Dennis Yanchunas
President
Boulder County
Aug. 20, 2010 – Sept. 28, 2028
✳ ▶ ◆



Steve Buckbee
Boulder County
Sept. 28, 2025 – Sept. 29, 2026
✓



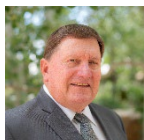
Jennifer Gimbel
Larimer County
July 15, 2019 – Sept. 28, 2028
✳ ▶ ✓



Don Magnuson
Weld County
Sept. 28, 2004– Sept. 28, 2028
✓



Rob McClary
Sedgwick County
Sept. 28, 2011 – Sept. 28, 2027
✳ ▶ ◆ ✓



John Rusch
Morgan and Washington Counties
April 12, 2002 – Sept. 28, 2029
✓



Dick Wolfe
Broomfield County
April 7, 2022 – Sept. 28, 2029
✳ ▶ ◆ ✓



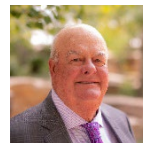
Dale Trowbridge
Vice President
Weld County
Aug. 15, 2014 – Sept. 28, 2027
◆ ✓



Bill Emslie
Larimer County
Sept. 28, 2005 – Sept. 28, 2029
✓



Christine Hawley
Boulder County
Sept. 28, 2025 – Sept. 29, 2029
✓



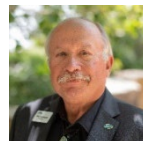
Gene Manuello
Logan County
Sept. 28, 2018 – Sept. 28, 2026
✓



David Nettles
Weld County
Oct. 18, 2018 – Sept. 28, 2026
✳ ▶ ✓



Dave Stewart
Larimer County
Sept. 28, 2023 – Sept. 28, 2027
✳ ◆ ✓



Mike Applegate
Director Emeritus
Mr. Applegate was appointed Director Emeritus in January 2024, after serving 35 years on the Board from 1991 to 2023.

Northern Water District Officers:

Secretary: Brad Wind, General Manager

Treasurer: Gerald Gibbens, Director of Operations

The General Manager is appointed by and serves at the pleasure of the Board.

Committees:

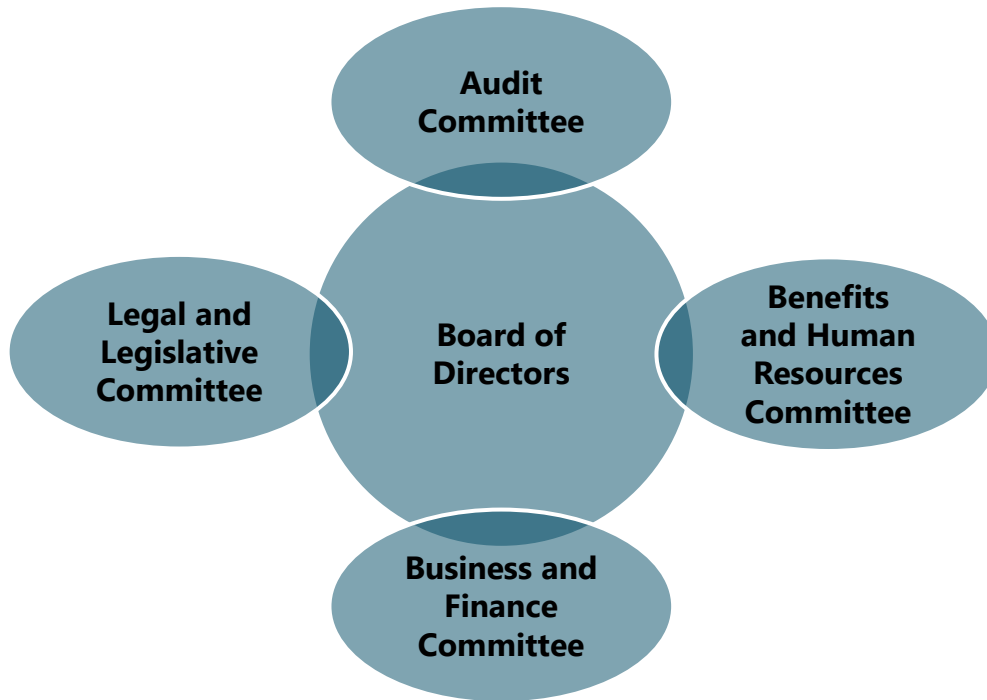
Audit ✳

Benefits and Human Resources ▶

Business and Finance ◆

Legal and Legislative ✓

BOARD COMMITTEES



Northern Water has four standing committees tasked with the detailed study of specialized topics: the Audit Committee, the Benefits and Human Resources Committee, the Business and Finance Committee and the Legal and Legislative Committee. The chair of each committee reports on the committee's activities and, depending on the subject matter, may present committee recommendations for Board action to the Board of Directors. The committees are duplicative between Northern Water and the Municipal Subdistrict. As a note, prior to October 2024, the Benefits and Human Resources Committee and the Business and Finance Committee were combined.

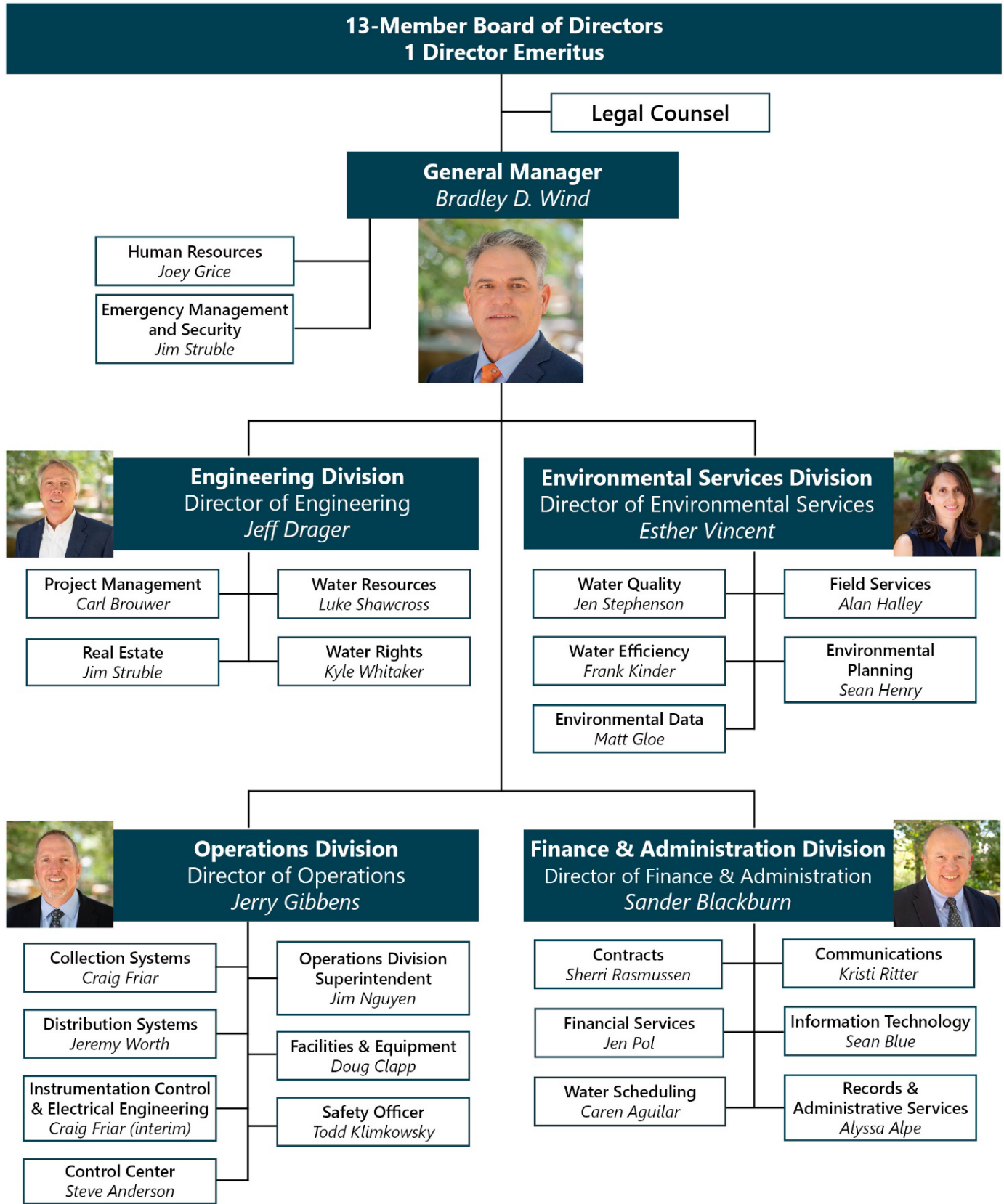
The Audit Committee meets semi-annually, or more often as necessary, to initiate and then conclude each year's annual financial audit process. The committee receives the auditor's findings and recommendations for changes to policy and procedures. The committee works closely with the independent auditors to ensure that the Board can faithfully carry out its fiduciary obligations to Northern Water.

The Benefits and Human Resources Committee meets on a regular basis to review employee benefit policies, investment and Pension Plan fund performance.

The Business and Finance Committee meets on a regular basis with Northern Water financial, actuarial and benefit advisors to review financial policies and to discuss any other financial matters.

The Legal and Legislative Committee meets at least quarterly to receive updates on federal, state and local legislation of interest to Northern Water and its constituents. The committee works closely with its legislative consultant to recommend positions on proposed legislation and to provide input to authors of new legislation. The committee also receives briefings on specialized legal topics.

ORGANIZATIONAL CHART



OUR BUSINESS PLAN

Our Mission

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

Our Vision

Northern Water 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 business plans to Northern Water's long-term mission and values. The Board, general manager, division 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 October 3, 2024, appointed Bradley Wind, Gerald Gibbens, Sander Blackburn, Myles Baker and Shawn Cyr as budget officers and directed them to prepare and submit the requisite budgets of Northern Water for fiscal year 2026. 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 June 19, 2025.

The 2026 budget was prepared utilizing the accrual method of accounting. This is the same basis of accounting used for Northern Water's audited financial statements.

Budget Schedule

Task	Dec	Jan	Feb	Mar	Apr	May	June	July	Aug	Sep	Oct
Budget instructions issued to all department managers	X										
Formulate key goals and objectives		X									
Identify major budget assumptions			X								
Review and final recommendations of budget by Senior Management team				X	X	X					
Appointment of budget officers and prepare budget reports					X	X					
Deliver budget to the Board							X				
Board holds public hearing and adopts the budget									X		
File budget with the State of Colorado											X

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 Board. All contracts over \$250,000, whether budgeted or unbudgeted, must be authorized by the Northern Water Board. Purchase of capital assets over \$,000, whether budgeted or unbudgeted must be authorized by the general manager.

HUMAN CAPITAL

Staffing

Total full-time positions funded are 215.

Summary of positions planned for:

Filled and funded	195
Vacant and funded	20
Total positions	215

The following are a selection of newly funded positions for the upcoming budget year:

Operations Division

Control System Engineer
Civil I
Electrician Technician

Finance & Administration Division

Board Coordinator & Administrative Assistant
Buyer I
Developer

Engineering Division

Project Engineer
Right-of-Way Agent

Environmental Services Division

Water Quality Modeling Support
Senior Environmental Specialist

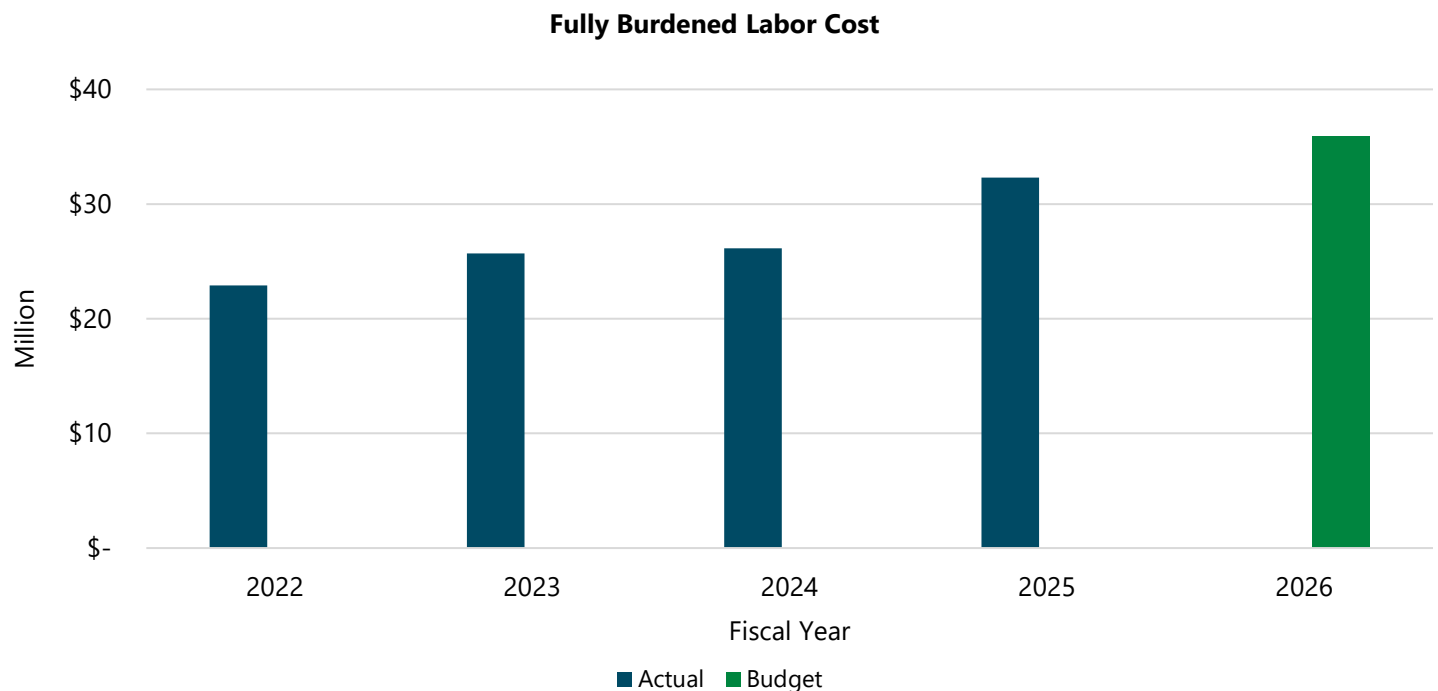
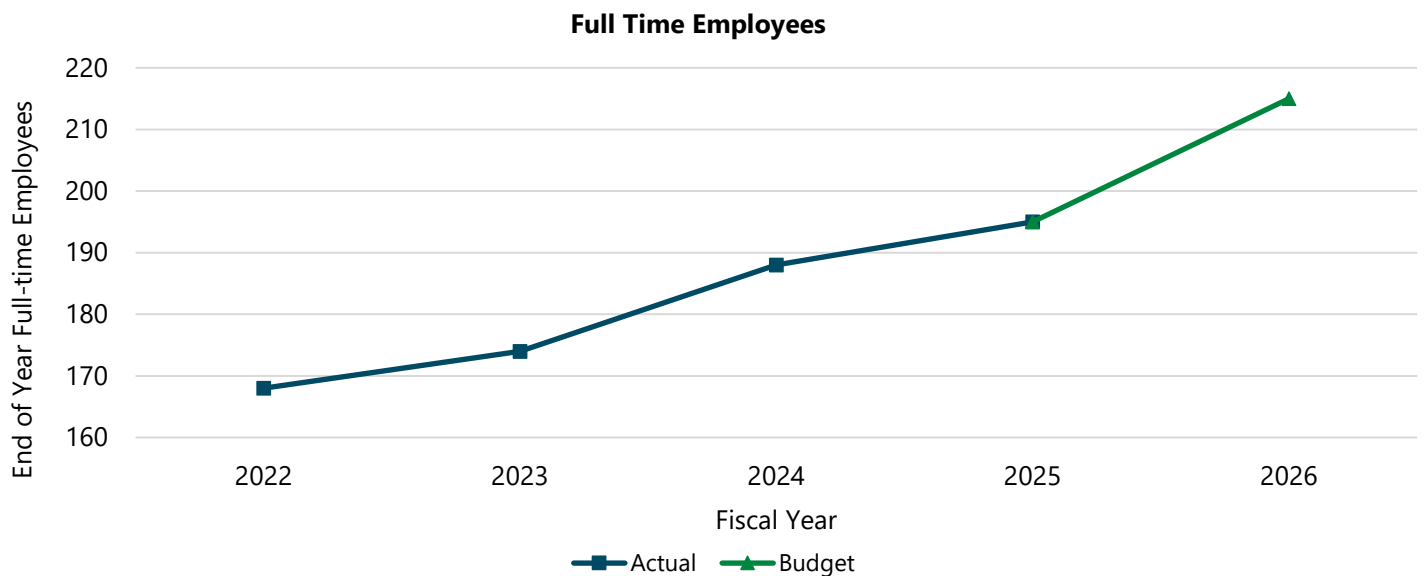
Schedule of Employees by Division

	Actual Full Time	Estimated Open Full Time	Estimated Total Full Time	Percent of Total	Part Time
2024					
Engineering	31	-1	30	16.0%	1
Environmental	28	3	31	16.0%	0
Finance & Administration	57	5	62	33.0%	1
Operations	58	7	65	35.0%	0
Total	174	14	188	100.0%	2
2025					
Engineering	30	0	30	15.0%	0
Environmental	31	1	32	16.0%	1
Finance & Administration	62	5	67	33.5%	1
Operations	65	6	71	35.5%	2
Total	188	12	200	100.0%	4
2026					
Engineering	29	3	32	15.0%	0
Environmental	32	4	36	17.0%	1
Finance & Administration	68	8	76	35.0%	1
Operations	66	5	71	33.0%	2
Total	195	20	215	100.0%	4

Labor Expenditures

Labor expenditures are accounted for individually within the organizational divisions of Operations, Engineering, Environmental Services, and Finance and Administration, and further defined by key activities within each respective division. Labor costs including benefits and capitalized labor are budgeted at \$35,912,692 for fiscal year 2026 compared to \$32,308,702 for fiscal year 2025. This is an increase of 11.2 percent over fiscal year 2025 which represents an increase in the number of full-time employees, shared services costs and facility expenses. Total benefit costs are projected at 46.3 percent of labor and thus 2026 benefits are estimated at \$11,365,398 compared to \$9,592,492 for 2025.

The increase in staffing is related to filling open positions, new and expanded services, and support for two new major water projects. A 3.0 percent increase to Northern Water's salary pay structure is included in the fiscal year 2026 anticipated labor expenditures. Northern Water (District Fund) utilizes activity-based costing and thus charges labor to other funds, operations, programs and projects according to actual labor worked. Northern Water's fiscal year 2026 budget encompasses labor costs for 215 full-time equivalent positions approved by the Board of Directors.



Grade and Step

Northern Water uses a grade/step system for each job. Each job classification is assigned a grade that strives to reflect the level of knowledge, training, authority, experience and responsibility for that job and strives to be consistent with prevailing market conditions. Within each grade, individual employees are assigned a step that reflects their individual level of knowledge, training, authority and responsibility, as well as satisfactory job performance.

Upon reaching the specified time in a grade, employees may be eligible for the next step. Step changes are not automatic and can be delayed or accelerated based on your work performance.

The table below shows the pay increase percentages for each grade level step, as well as the length of service in each step and the approximate percentage of employees in each step.

	Increase	Step Increase Schedule	Percentage of Employees
Step 1	5%	6 months	1.1%
Step 2	5%	1 year	2.1%
Step 3	5%	1 year	2.1%
Step 4	5%	1 year	6.3%
Step 5	5%	2 years	20.0%
Step 6	5%	2 years	15.3%
Step 7	5%	3 years	22.6%
Step 8	5%	4 years	14.2%
Step 9	5%	5 years	8.4%
Step 10	5%	6 years	6.3%
Step 11	5%		1.6%

The fiscal year 2026 budget includes an additional \$124,307 to fund ongoing movement in the Grade and Step Plan.

Employee Turnover

The table below shows recent employee turnover rates, as well as average years of service as of the end of each of the past calendar years.

	Sept. 30 2022	Sept. 30 2023	Sept. 30 2024	Sept. 30 2025	Sept. 30 2026
Total Actual Employees	168	174	188	195	215
Average years of active employment	8.9	7.8	7.9	7.8	
Turnover rate (number/percentage)	17/10.2%	22/12.4%	9/4.8%	12/6.2%	
Average years for discontinued employees	9.2	13.17	3.3	6.3	

FISCAL POLICIES

Balanced Budget

Northern Water has not adopted a fiscal policy on a balanced budget. Northern Water 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.

Reserve Fund Policies

The Board established the following unrestricted reserves and target funding levels within the District Fund to address the inherent risks and uncertainties in operating, maintaining, protecting, replacing and bettering Northern Water, the C-BT Project and water supplies collected and delivered by the C-BT Project.

District Fund Reserve	Purpose of Reserve	Target Funding for Reserve
Operating Reserve	Covers potential interruptions in Northern Water District Fund revenue streams; used to smooth and stabilize assessments	100 percent (12 months) of anticipated District Fund annual operating costs not including depreciation
Capital Reserve	Funds capital repair, replacement or betterment of the C-BT Project and Northern Water properties; funds other capital activities that may be undertaken by Northern Water	Minimum of 1.0 percent and up to 2.0 percent of the most recently estimated gross (non-depreciated) asset value of C-BT Project and Northern Water properties
Fleet Replacement Reserve	Funds timely replacements, upgrades, and additions to Northern Water's fleet of vehicles, equipment, and other mobile machinery	50.0 percent of Northern Water District Fund operations equipment accumulated depreciation
Exposure Reserve	Covers extraordinary, unforeseen events not otherwise covered by reserves or insurance	Risk-based economic qualification of potential exposures

Northern Water will budget and fund from its annual operating budget equivalent to or exceeding 5.0 percent of the annual District fund operating budget for that year to fund reserves unless financial conditions dictate otherwise.

The Southern Water Supply Project and Pleasant Valley Pipeline a reserve balance 1.5 times their average annual expenditures.

The Hydropower Water Activity Enterprise holds restricted reserves in accordance with the debt financing requirements of the Granby Hydropower Plant and the Robert V. Trout Hydropower Plant.

Charges for Services

The District Enterprise Fund provides certain administrative, engineering, environmental and operational services to the other Northern Water enterprise funds. Charges for these services are considered equal to their cost and, therefore, are reported as operating revenue from charges for services by the District Enterprise Fund and operating expenses by the enterprise funds receiving the services.

C-BT Project Operations Costs

Northern Water reimburses Reclamation 50 percent of the operations costs incurred by Reclamation on those multipurpose project features not maintained by Northern Water. Similarly, Reclamation reimburses Northern Water 50 percent of the operations costs incurred by Northern Water for multipurpose features up to agreed-upon limitations and

contingent on appropriations being made. In accordance with Northern Water's Repayment Contract with Reclamation, Northern Water makes estimated advance payments to Reclamation for its share of operations costs as described above. Reclamation reimbursements to Northern Water and Northern Water reimbursements to Reclamation are reflected as operating revenues from charges for services and operating expenses for operations, respectively.

Property and Specific Ownership Taxes

Northern Water collects a voter-approved 1 mill levy tax on real property located within Northern Water boundaries. This tax is levied by the respective eight county treasurers in December of each year and attached as an enforceable property lien on January 1 of the following year. The county treasurers are responsible for collecting the assessments and remitting them to Northern Water. Property and specific ownership tax revenue is reported as nonoperating revenue.

Intergovernmental Grants

Grant funding received under NRCS, CWCB and BLM grant agreements relating to the East Troublesome Fire recovery effort is recognized as earned under the terms of the agreements and reflected as intergovernmental grant revenue. Hydropower intergovernmental grant revenue represents an incentive payment from the U.S. Department of Energy based on hydropower energy production from the Trout hydropower plant.

Risk Management

Northern Water is exposed to various risks of loss related to torts, (Colorado Governmental Immunity Act limits general liability to \$424,000 per person and \$1,195,000 per occurrence) theft of, damage to and destruction of assets; errors and omissions; and natural disasters. Northern Water 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.

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 of Accounting

Northern Water 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.

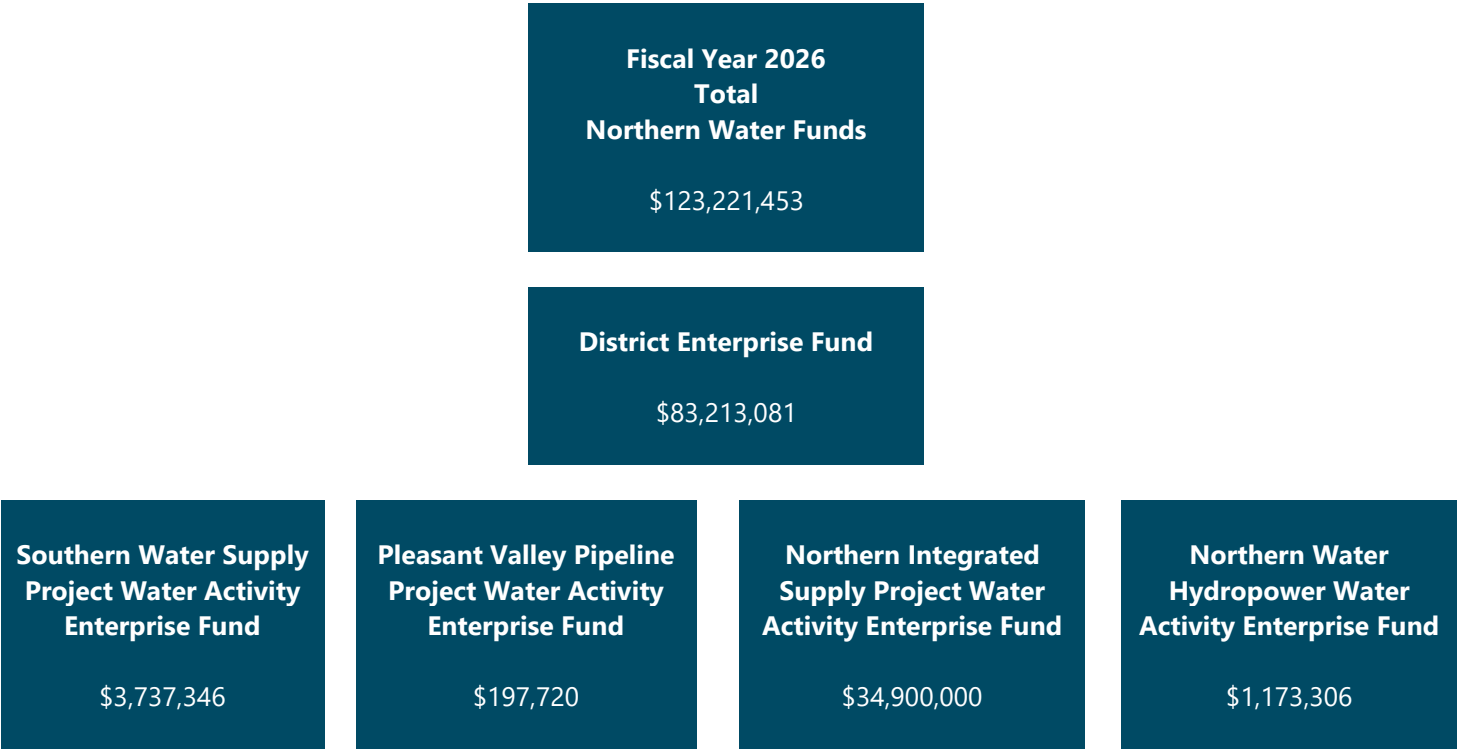
Capital Contributions

Capital contributions consist of payments from participants for the funding of the various projects. In the Statement of Revenues, Expenses and Changes in Net Position, capital contributions are recognized after non-operating revenues (expenses).

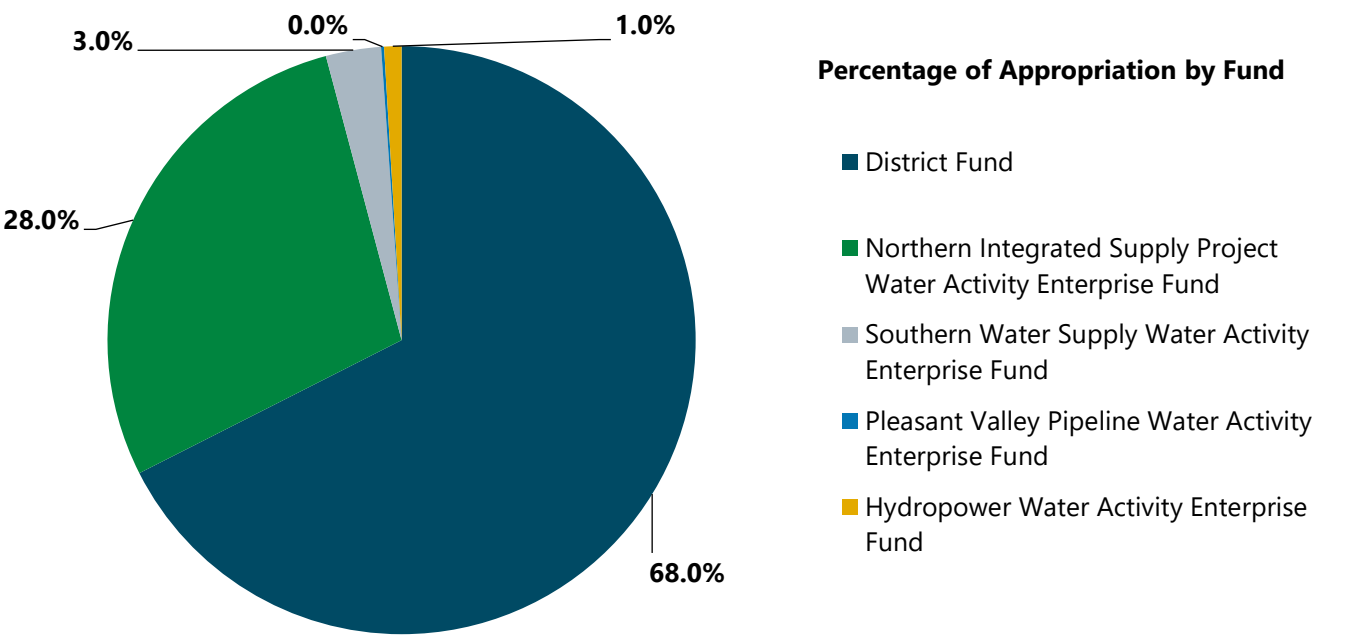
FUND STRUCTURE AND BUDGET APPROPRIATIONS – ALL FUNDS

Northern Water is comprised of five enterprise funds that use activities of the organization to track financial performance and budgetary oversight of its business-type operations. All the business-type enterprise funds are major funds and are equally distinct and financially independent funds. The four water activity enterprise funds 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. Northern Water is the owner of the four water activity enterprise funds.

Northern Water Budget Appropriations by Enterprise Funds



Percentage of Appropriation by Fund



ORGANIZATIONAL METRICS

The Senior Management team has begun to establish metrics to measure the major priorities established by the organization. These metrics will be continually developed and refined as we implement an updated strategic plan in 2025. Following are the current measurements with explanation and analysis. These metrics do not currently encompass all details of the priorities but are just one of the many tools to ensure the organization is maintaining its priorities and commitments to serve the water needs of Northern Colorado.

Priority: Collect and Deliver Water

As a raw water supplier, it is incumbent that Northern Water deliver water to municipalities and water districts at a reasonable and consistent cost. As a result, one approach the organization has taken is to monitor and measure its efficiencies related to employees, assets, liabilities, debt, revenue and total expenses per average annual volume of water delivered measured in acre-feet. The efficiency metrics include:

- Employees per thousand acre-feet delivered is intended to measure employee efficiency. This metric includes employee effort across all Northern Water systems, including C-BT, SWSP, PVP, NISP and Hydropower.
- Assets per acre-feet delivered includes all assets divided by water deliveries. This metric is an indicator of asset efficiency of water delivered.
- Liabilities per acre-feet delivered includes all liabilities divided by water deliveries. This metric is an indicator of liability efficiency of water delivered.
- Debt per acre-feet delivered includes all debt divided by water deliveries. This metric is an indicator of debt efficiency of water delivered.
- Revenue/receipts per acre-feet delivered includes all revenues, assessments, charges for services and other receipts divided by water deliveries. This metric is an indicator of revenue efficiency of water delivered.
- Expenses per acre-feet delivered includes all Distribution and Collection Systems expenses and capital costs divided by water deliveries. This metric is an indicator of cost efficiency of water delivered.
- Liquidity position measures unrestricted cash and investments against operating expenses, over a 365-day year. This metric is an indicator of Northern Water's ability to quickly convert assets into cash to meet short-term obligations.

Increases changes from 2023 to 2024 were in part due to:

- Increased staffing related to the Windy Gap Firming Project, conservation efforts, campus maintenance, administrative needs and more.
- Increase in total acre-feet delivered reduced financial "per acre-foot" ratios.

Fiscal Year	2021	2022	2023	2024
Employees per thousand-acre-foot delivered	0.95	0.93	1.15	0.90
Assets per acre-foot delivered	\$ 1,670	\$ 1,761	\$ 2,196	\$ 1,759
Liabilities per acre-foot delivered	\$ 441	\$ 602	\$ 739	\$ 540
Debt per acre-foot delivered	\$ 359	\$ 511	\$ 597	\$ 437
Revenue/receipts per acre-foot delivered	\$ 370	\$ 382	\$ 420	\$ 380
Expenses per acre-foot delivered	\$ 274	\$ 336	\$ 338	\$ 261
Liquidity Position	\$ 697	\$ 1,033	\$ 858	\$ 874

Sources: Acre-feet delivered reported in Northern Water 2024 Annual Comprehensive Financial Report.

Priority: Protect and Conserve Water Supplies

Northern Water views water efficiency as an integral part of its management strategy with long-range planning that encourages appropriate stewardship of water resources. The supplemental water that is provided through the C-BT Project is diverted from the Colorado River. With known pressures on Colorado River water supplies, it is critically important that Northern Water makes the best use of this resource and support regional water resilience by promoting water efficient and drought tolerant landscapes. For example, we have developed metrics around public outreach, education and our water efficiency grant program to help measure a segment of our Protect and Conserve Water Supplies priority.

Environmental Services Outreach and Education

Public outreach and education are an important function of Environmental Services. These outreach opportunities are utilized to educate the public about water savings. In fiscal year 2025, the Environmental Services Department participated in 94 events. This is an increase of four from fiscal year 2024.

Environmental Services Impressions

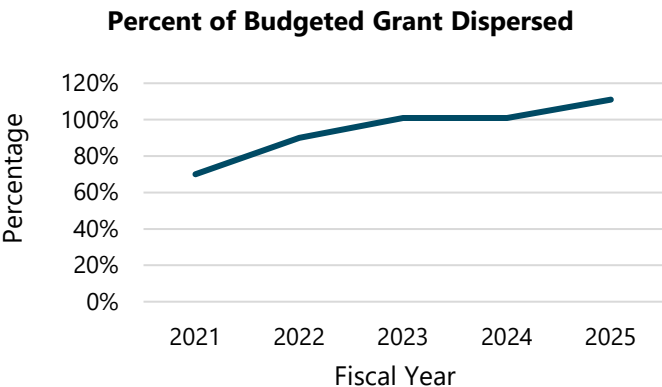
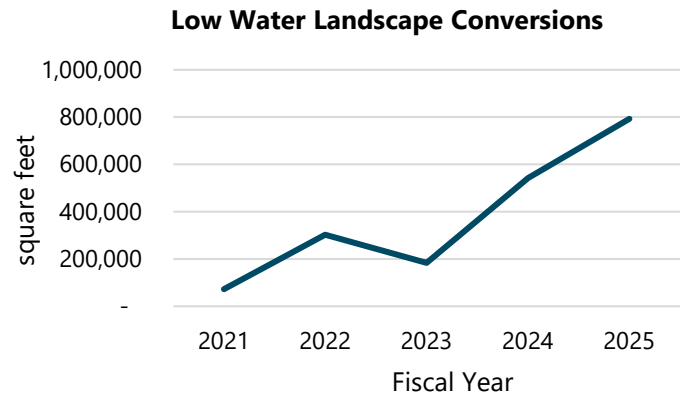
In fiscal year 2025, Northern Water’s Environmental Services made 6,863 impressions at the various events. An impression in this case is the number of times we engage with people. This was an increase of 929 from fiscal year 2024. The annual goal is 1,000 impressions.

Fiscal Year	Events	Impressions
2021	51	900
2022	62	1,213
2023	81	2,157
2024	90	5,934
2025	94	6,863

Fund Landscape Conversion Projects to Low-Water Alternatives

Northern Water offers grants to homeowners’ associations and public agencies to convert their landscape to low water alternatives. This is a competitive process and in fiscal year 2025, 111.0 percent of the budgeted grant money was distributed to fund the conversion of 792,690 square feet.

Fiscal Year	Square Feet	Percentage of Budget Used
2021	72,303	70.0%
2022	302,803	90.0%
2023	184,058	101.0%
2024	541,601	101.0%
2025	792,690	111.0%



Priority: Maintain and Strengthen Relationships

Engaging with stakeholders and the public is an important piece of Northern Water’s goal to maintain and strengthen its relationships. Throughout the last two years, Northern Water has put a focus on pushing information through various channels.

Social Media - Northern Water District

Public engagement and transparency are important to Senior Management and the Northern Water Board of Directors. Northern Water uses social media as a tool to engage with our stakeholders and keep them informed on organizational activities. In terms of social media, Northern Water measures impressions and engagement.

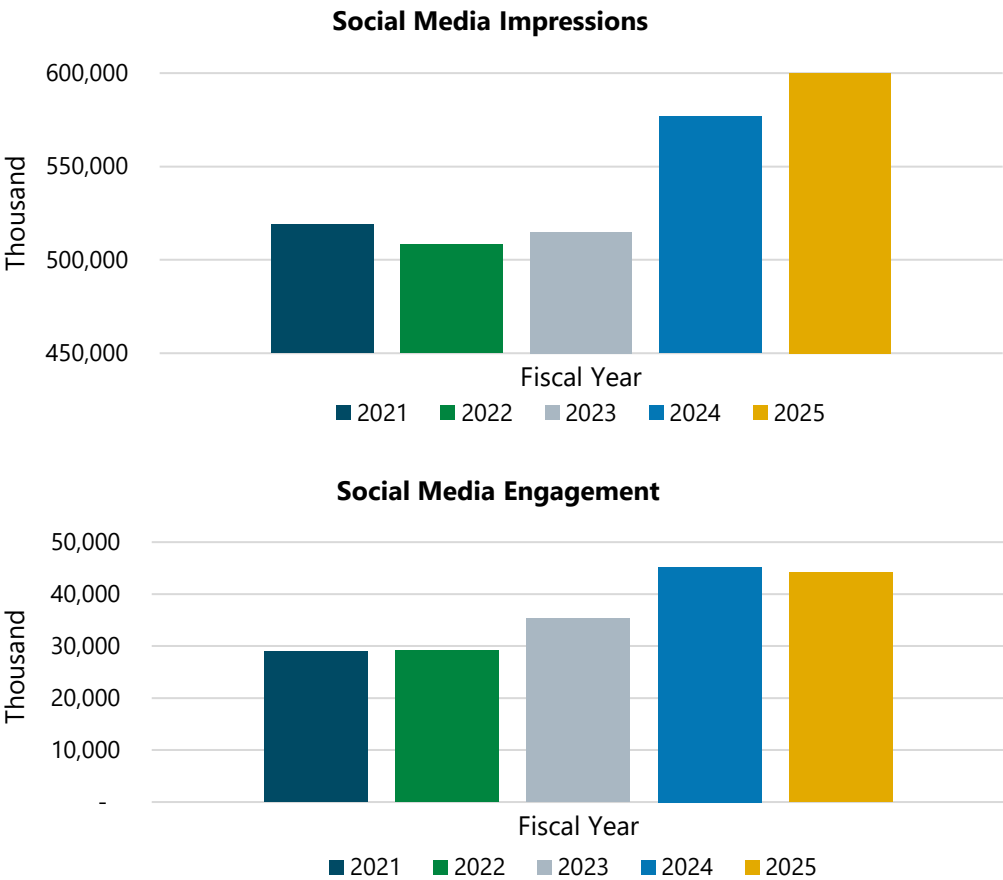
Fiscal Year	Impressions	Engagement
2021	519,019	28,958
2022	508,340	29,136
2023	514,891	35,256
2024	576,646	45,229
2025	600,550	44,196

Impressions

Impressions are the number of times a person sees content across social media platforms (Facebook, X, Instagram and LinkedIn). In fiscal year 2025, Northern Water’s total impressions across all Districts (excluding NISP) social media accounts were 600,550. This was an increase of 4.1 percent from fiscal year 2024.

Engagement

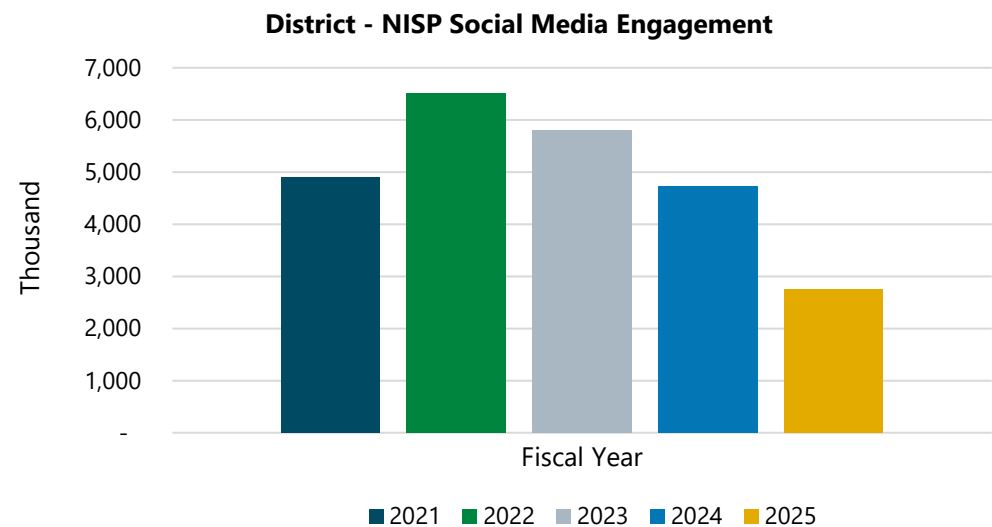
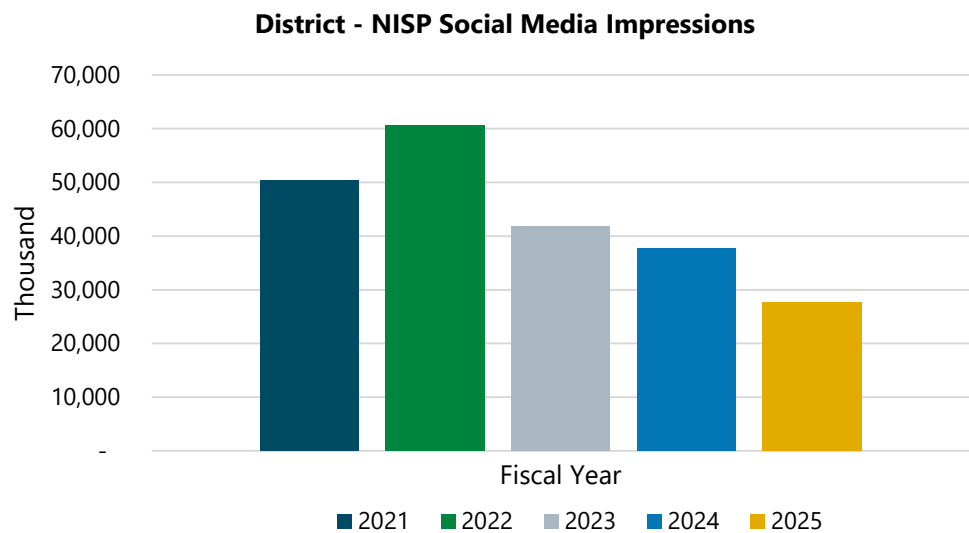
Engagement is the number of times people comment, like or share content. Total social media engagement for fiscal year 2025 was 44,196, which was a decrease of 1,033 or 2.3 percent.



Social Media - Northern Integrated Supply Project

The Northern Integrated Supply Project enterprise is in the design and development stage. Northern Water uses social media to keep the public current on its progress. In fiscal year 2025, total impressions were 27,641, a decrease of 10,114 or 26.8 percent. Engagement decreased in fiscal year 2025 by 41.6 percent.

Fiscal Year	Impression	Engagement
2021	50,291	4,907
2022	60,542	6,507
2023	41,783	5,807
2024	37,755	4,724
2025	27,641	2,761



Priority: Cultivate Operational and Organizational Excellence

Northern Water uses various financial ratios to measure organizational excellence, as well as the overall financial health. As a result, the organization monitors the following ratios:

- Asset-to-Liabilities is a credit granting ratio that is useful in determining an organization's borrowing ability. Ideally the ratio should be at least 2.0 or higher.
- Debt-to-Assets is a leverage ratio that measures the degree to which an organization has used debt to finance its assets. The lower the ratio, the less debt that has been utilized to finance its assets.
- Operating Ratio is a ratio that measures an organization's operational efficiency.
- Current Ratio is a liquidity ratio that measures an organization's ability to pay short-term obligations.
- Current Assets as a Percent of Revenues is another liquidity ratio that measures an organization's ability to pay its obligations, particularly those resulting from unexpected events. The higher the current assets as a percent of revenue, the more capable the organization is of paying unforeseen events.

Fiscal Year	2021	2022	2023	2024
Assets-to-Liabilities	3.8	2.9	3.0	3.3
Debt-to-Assets	0.2	0.3	0.3	0.2
Operating Ratio	0.7	0.9	0.8	0.7
Current Ratio	11.1	6.7	12.4	8.9
Current Assets as a Percent of Revenues	262.0%	173.5%	199.2%	192.6%

The District Enterprise Fund's liquidity position has historically been strong. At fiscal year-end 2024, unrestricted cash and investments totaled \$141.8 million, representing about 901 days of operating expenses on hand.



Fund Overview

The District Fund is an enterprise fund established to record all revenues and expenses associated with the wholesale water operations and maintenance of the C-BT Project, which collects and delivers, on average, more than 210,000 acre-feet of untreated water each year. The water is a supplemental water supply (higher water quota in dry years and lower water quota in wet years) for irrigation, industrial and municipal use in Northeastern Colorado.

Budget Summary

	Fiscal Year 2024 Actual	Fiscal Year 2025 Budget	Fiscal Year 2025 Estimated Actual	Fiscal Year 2026 Budget	Dollar Change From Fiscal Year 2025 Budget	Percentage Change From Fiscal Year 2025 Budget
Sources of Funds						
Property & Specific Ownership Taxes						
Property Tax	\$ 36,673,230	\$ 37,783,363	\$ 32,899,089	\$ 34,078,018	\$ (3,705,345)	(9.8%)
Specific Ownership Tax	1,606,195	1,577,539	1,737,847	1,782,494	204,955	13.0%
Total Property & Specific Ownership Taxes	\$ 38,279,424	\$ 39,360,902	\$ 34,636,936	\$ 35,860,512	\$ (3,500,390)	(8.9%)
Water Assessments						
Class B-D Assessments	10,845,123	11,016,406	11,016,406	11,619,414	603,008	5.5%
Carryover Assessments	2,709,706	2,872,288	2,718,734	2,781,000	(91,288)	(3.2%)
Regional Pool Allocation	17,500	-	17,500	17,500	17,500	0.0%
Rule 11	1,667,440	649,422	650,000	700,000	50,578	7.8%
Other (Transfer Fees, Inclusions, Winter Deliveries)	170,556	147,741	147,741	163,455	15,714	10.6%
Total Water Assessments	\$ 15,410,325	\$ 14,685,857	\$ 14,550,381	\$ 15,281,369	\$ 595,512	4.1%
Other Operating Revenues						
Charges for Services	5,317,701	6,762,044	6,762,044	6,705,500	(56,544)	(0.8%)
BOR Operation, Maintenance & Replacement Allocation	2,778,637	2,620,000	2,620,000	2,620,000	-	0.0%
Indirect Costs Recovery	4,050,667	2,542,018	4,050,667	4,050,667	1,508,649	59.3%
Other Operating Revenues (WGAP Carriage; Exchange Use)	4,727,219	2,721,934	2,721,934	2,721,934	-	0.0%
Total Other Operating Revenues	\$ 16,874,224	\$ 14,645,995	\$ 16,154,645	\$ 16,098,101	\$ 1,452,105	9.9%
Initiatives & Studies						
Fire Recovery (USFS & CWCB)	1,574,264	6,800,000	700,000	8,200,000	1,400,000	20.6%
Intergovernmental Grants (KVERC)	145,117	480,000	150,000	775,000	295,000	61.5%
Intergovernmental Grants (Forest Health FRMWRM)				125,000	125,000	0.0%
Intergovernmental Grants (Mysis Shrimp Study)				500,000	500,000	0.0%
Carter Lake Filter Plant Cost Share				115,500	115,500	0.0%
CWCB Intergovernmental Grant (Source Water Planning Support)		-	-	65,000	65,000	0.0%
Intergovernmental Grants (Airborne Snow Observation)	212,370	208,954	153,248	218,227	9,273	4.4%
Total Initiatives & Studies	\$ 1,931,752	\$ 7,488,954	\$ 1,003,248	\$ 9,998,727	\$ 2,509,773	33.5%
Other Non-operating Revenues						
Interfund Loan Receivable (Hydropower Fund)		352,676	352,676	352,676	-	0.0%
Earnings (loss) on Investments	8,410,842	4,332,962	5,000,000	4,088,776	(244,186)	(5.6%)
Sale of Assets	360,010	298,055	23,546	129,652	(168,403)	(56.5%)
Bureau of Reclamation Funded Fiber	1,057,543	536,000	442,457	400,000	(136,000)	(25.4%)
BOR RAX Tier 2 funding (50% of Costs)		800,000	-	300,000	(500,000)	(62.5%)
Other Nonoperating Revenues	124,458	804,604	250,000	703,268	(101,336)	(12.6%)
Total Other Non-Operating Revenues	\$ 9,952,853	\$ 7,124,297	\$ 6,068,679	\$ 5,974,373	\$ (1,149,925)	(16.1%)
Total Sources	\$ 82,448,578	\$ 83,306,005	\$ 72,413,889	\$ 83,213,081	\$ (92,925)	(0.1%)

Budget Summary (continued from page 35)

	Fiscal Year 2024 Actual	Fiscal Year 2025 Budget	Fiscal Year 2025 Estimated Actual	Fiscal Year 2026 Budget	Dollar Change From Fiscal Year 2025 Budget	Percentage Change From Fiscal Year 2025 Budget
Uses of Funds						
Operating Labor, Expenses & Projects						
Facilities, Fleet, and Equipment	\$ 2,989,914	\$ 3,919,460	\$ 3,919,460	\$ 4,023,296	\$ 103,836	2.6%
Operations & Maintenance	8,798,186	9,171,277	9,171,277	10,219,864	1,048,587	11.4%
Programs (Engineering, Enviro. Svcs., F&A, Sr. Mgm't.)	41,259,095	38,142,652	38,000,000	43,626,961	5,484,309	14.4%
Total Operating Expenses	\$ 53,047,195	\$ 51,233,389	\$ 51,090,737	\$ 57,870,121	\$ 6,636,732	13.0%
Initiatives & Studies						
Fire Recovery (USFS & CWCB)	1,961,967	7,050,000	1,000,000	8,200,000	1,150,000	16.3%
Other Initiatives & Studies	1,474,176	1,203,605	1,200,000	1,392,075	188,470	15.7%
Total Initiatives & Studies	\$ 3,436,143	\$ 8,253,605	\$ 2,200,000	\$ 9,592,075	\$ 1,338,470	16.2%
Capital						
Capital Assets (Equipment & Fleet)	\$ 2,877,129	\$ 2,351,200	\$ 2,300,000	\$ 2,749,000	\$ 397,800	16.9%
Capital Projects - Facilities	335,375	645,000	500,000	495,000	(150,000)	(23.3%)
Capital Projects - Other	1,846,238	4,681,200	4,500,000	2,536,400	(2,144,800)	(45.8%)
Capital Projects - Bureau of Reclamation Funded Fiber	1,058,215	750,000	735,000	400,000	(350,000)	(46.7%)
Capital Projects - BOR RAX Tier 2	57,908	1,600,000	170,000	1,100,000	(500,000)	(31.3%)
Capital Projects - Campus Development	15,261,940	280,000	280,000	-	(280,000)	(100.0%)
Total Capital & Initiatives	\$ 21,436,805	\$ 10,307,400	\$ 8,485,000	\$ 7,280,400	\$ (3,027,000)	(29.4%)
Debt Service						
Horsetooth Safety of Dams	\$ 323,416	\$ 323,416	\$ 323,416	\$ 323,416	\$ -	0.0%
Certificates of Participation	5,250,013	5,253,563	5,253,563	5,253,563	-	0.0%
Total Debt Service	\$ 5,573,429	\$ 5,576,978	\$ 5,576,978	\$ 5,576,979	\$ 0	0.0%
Supplemental Contribution to Pension Liability	\$ -	\$ 234,525	\$ 234,525	\$ -	\$ (234,525)	(100.0%)
Contingency Appropriation	-	-	-	-	-	n/a
Reserve Funding (5%, per Reserve Policy)	2,340,254	2,531,669	2,500,000	2,893,506	361,837	14.3%
Additional Reserve Funding	-	5,168,440	-	-	(5,168,440)	n/a
Total Uses	\$ 85,833,825	\$83,306,005	\$70,087,240	\$ 83,213,081	\$ (92,926)	(0.1%)

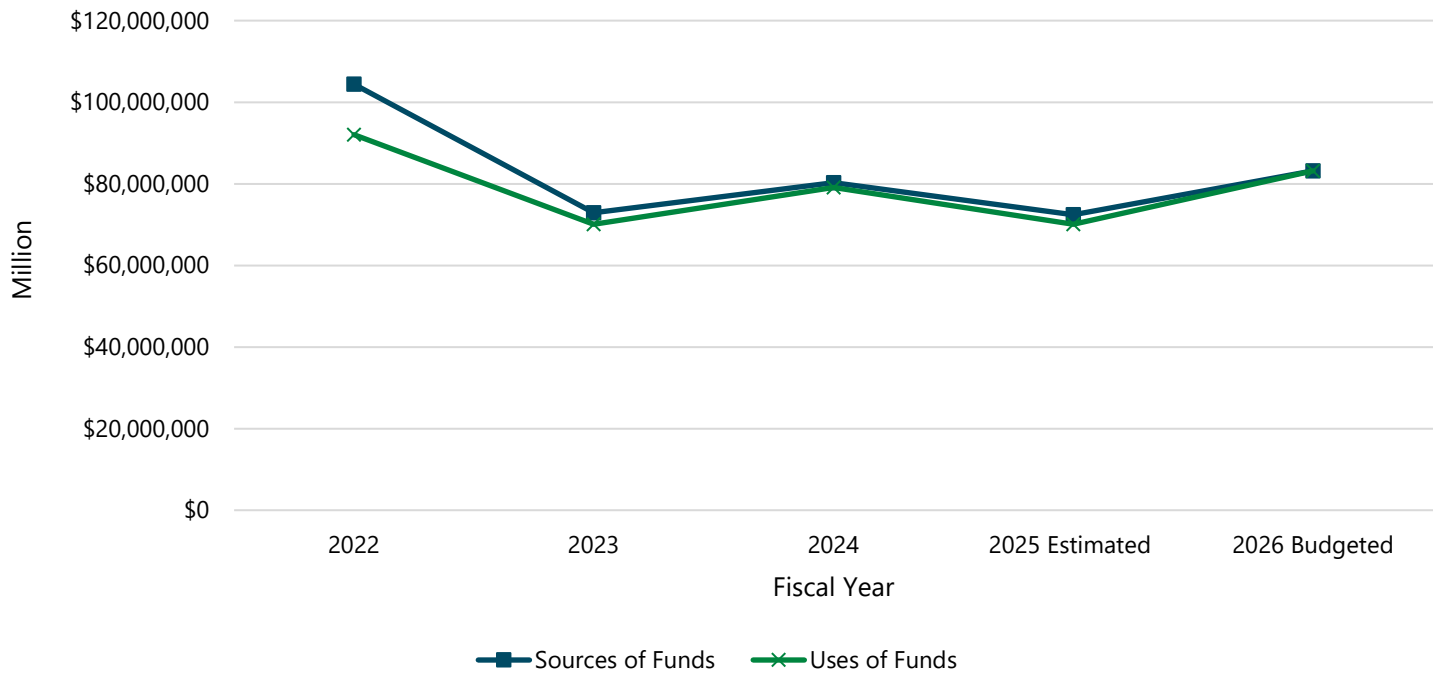
**Beginning Fund
Balance**
\$265,709,113

**Sources
of Funds**
\$83,213,081

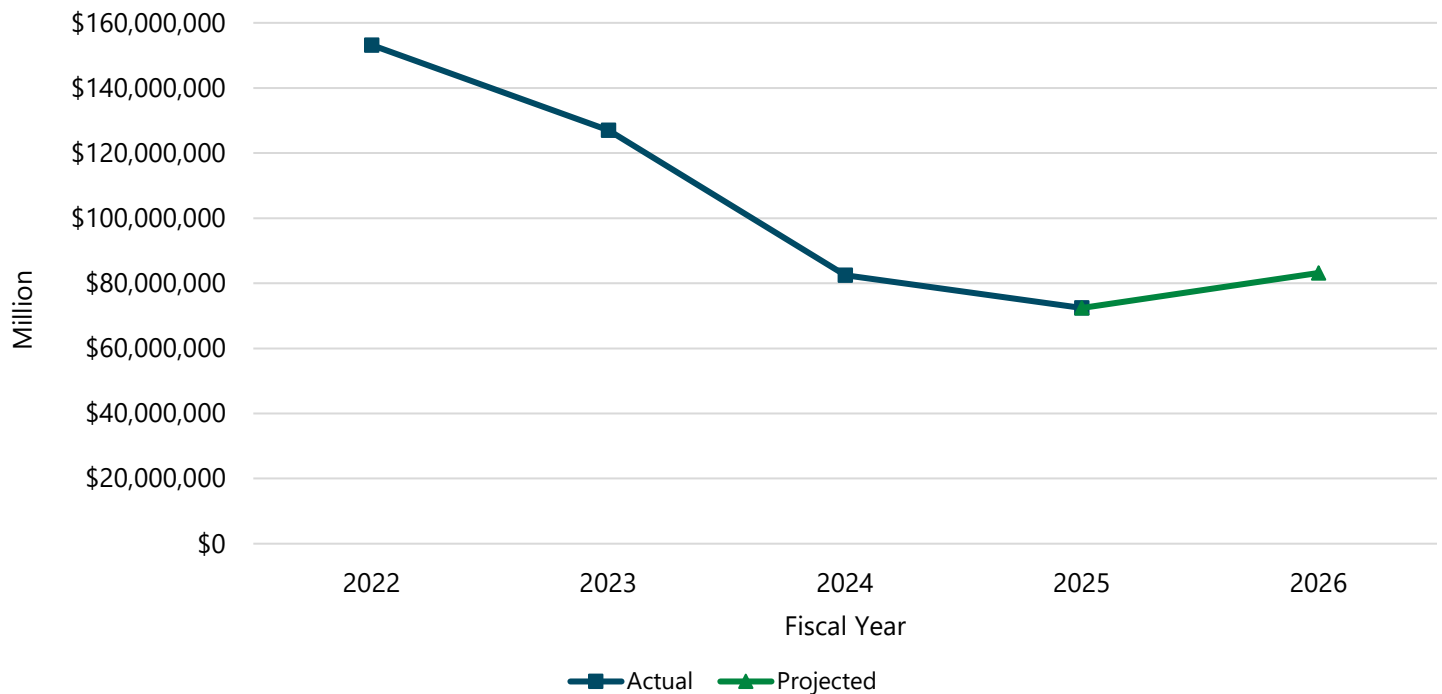
**Uses
of Funds**
\$83,213,081

**Ending Fund
Balance**
\$265,709,113

District Enterprise Funds - Sources and Uses of Funds



District Enterprise Fund Cash and Reserve Trends



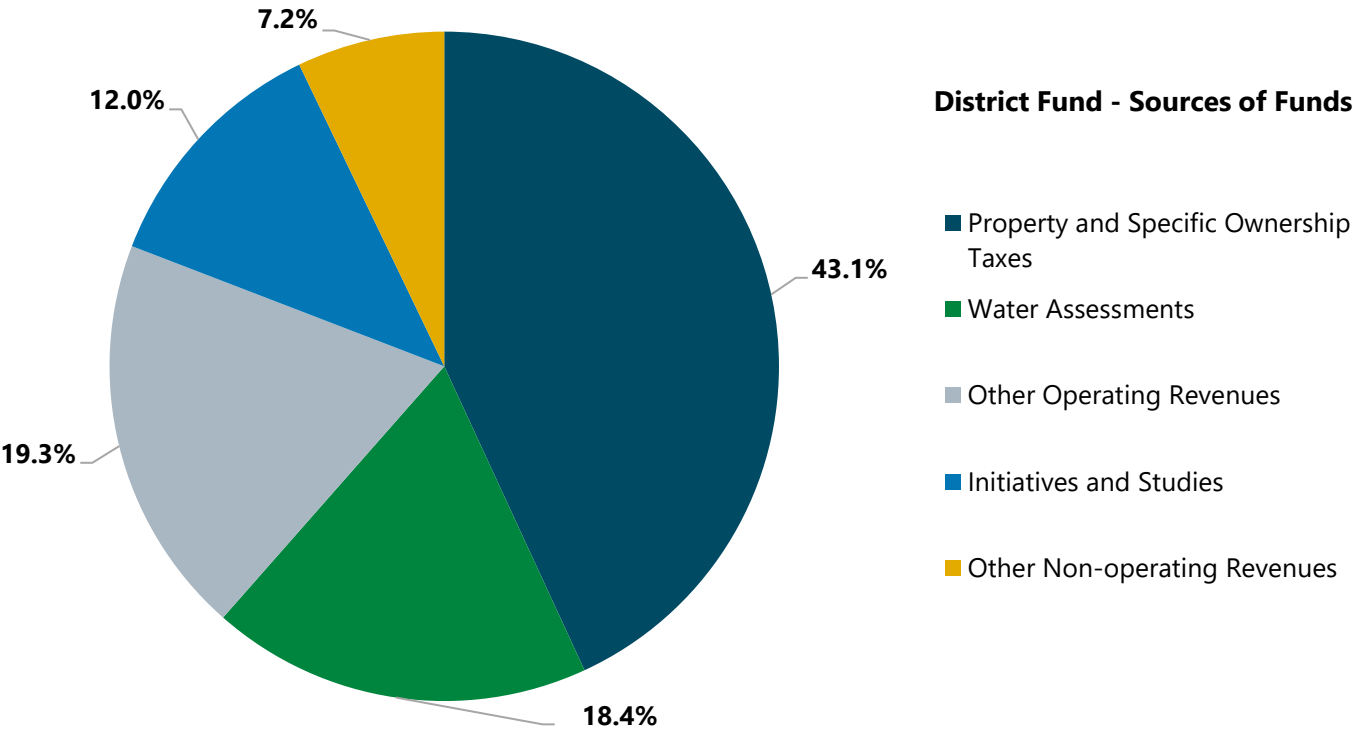
Revenues

The fiscal year 2026 District Enterprise Fund budgeted revenues are \$83,213,081 compared to \$83,306,005 for fiscal year 2025, a decrease of \$135,400 or 1.2 percent.

A summary of district fund sources is provided in the chart and table below.

Sources of Funds

	Budget	Percent
Property and Specific Ownership Taxes	\$35,860,512	43.1%
Water Assessments	15,281,368	18.4%
Other Operating Revenues	16,098,101	19.3%
Initiatives and Studies	9,998,727	12.0%
Other Non-Operating Revenues	5,974,373	7.2%
Total	\$83,213,081	100.0%



Property and Specific Ownership Taxes

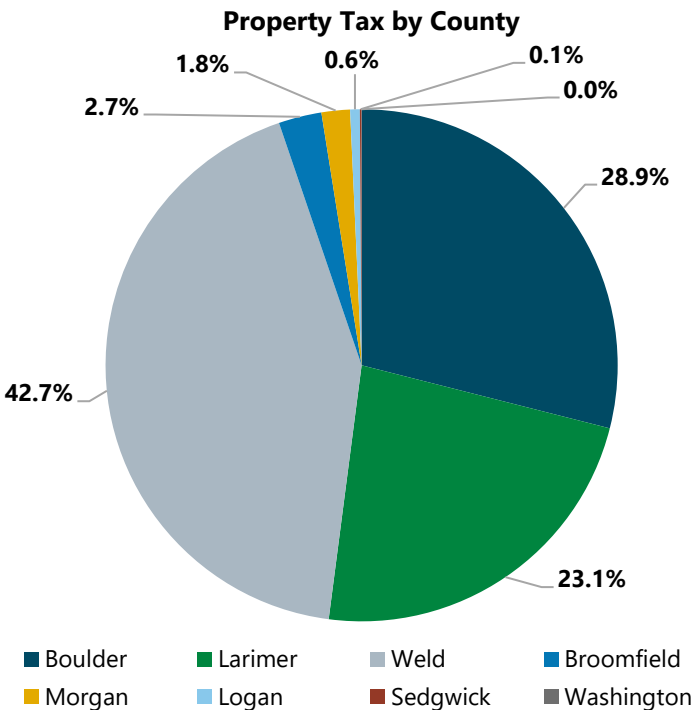
Ad valorem revenue is made up of two sources property and specific ownership tax collection, estimated ad valorem taxes in fiscal year 2026 are \$35,860,512 or 43.1 percent of the total District Enterprise Fund revenue. The Repayment Contract requires Northern Water collect a voter-approved 1 mill levy tax on real property located within the boundaries. The boundary, as outlined in the Repayment Contract, includes eight counties in Northeastern Colorado; much of the tax revenue collected is from Broomfield, Boulder, Larimer and Weld counties. Northern Water’s taxable real property revenue is estimated to be \$34,078,018. The tax millage rate is 1.00 (1 mill = \$1 of property tax for every \$1,000 of assessed value) representing no increase since 1957. Throughout time, this revenue has grown as assessed values have grown. This continued increase is related primarily to strong economic conditions within the four counties identified above. The combined counties make up roughly 97.0 percent of the property tax collections.

The state of Colorado also distributes revenue associated with Specific Ownership Tax (SOT) which is an annual tax that Colorado Residents pay on their vehicles to cities, counties, school districts, and special districts in proportion to the property tax levied by those entities. Total estimated revenue paid to Northern Water for fiscal year 2026 is \$1,782,494.

The charts and table below provide a summary.

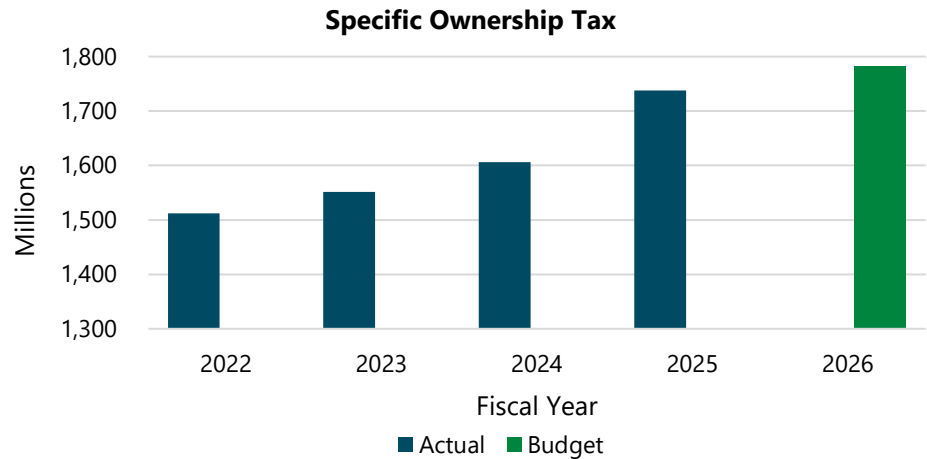
Property Tax by County

	Budget	Percent
Boulder County	\$9,868,924	28.9%
Larimer County	7,870,219	23.1%
Weld County	14,556,419	42.7%
Broomfield County	924,636	2.7%
Morgan County	612,421	1.8%
Logan County	208,252	0.6%
Sedgwick County	33,661	0.1%
Washington County	3,488	0.0%
Total	\$34,078,018	100.0%



Specific Ownership Tax

A type of Ad Valorem tax on motor vehicles.



Water Assessments

Northern Water is obligated to assess water assessments to meet funding obligations under the Repayment Contract. Wholesale water assessments are collected annually from water supply contract holders based on C-BT Project units held. The assessments are not contingent on delivery of water and must be paid regardless of the amount of water delivered. The rates for water allotment contract assessments are set by class of service, Class B, C and D for municipalities, corporations and individuals, respectively.

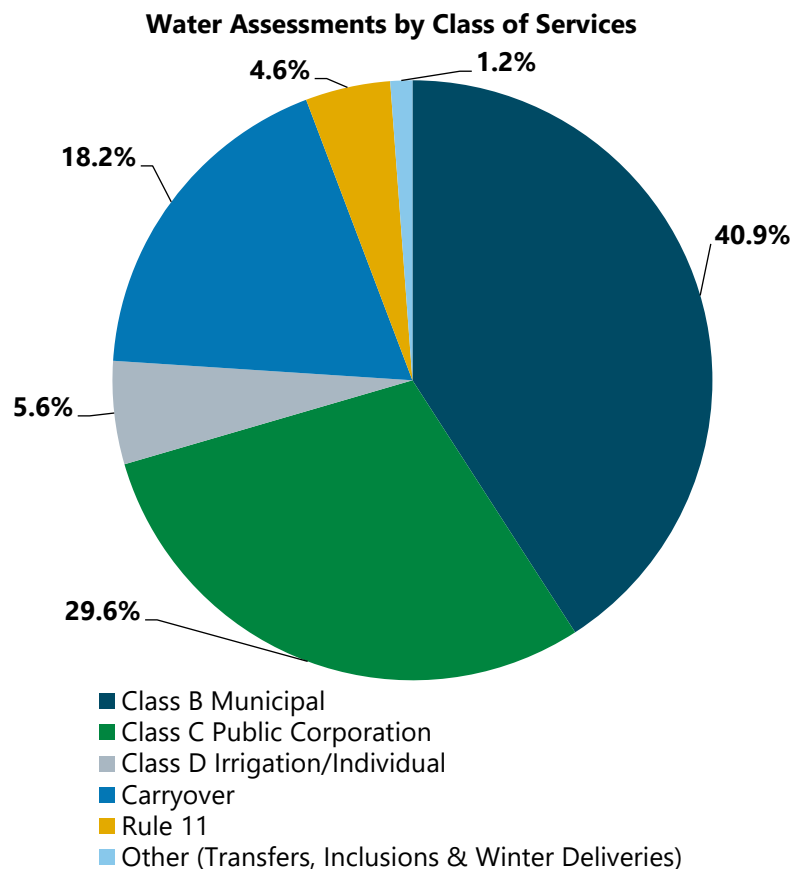
In fiscal year 2014, the water assessment rates were examined by a consultant who recommended rate structure modifications as part of a multi-year financial management plan. The rate structure adjustments serve to meet current and projected operating and capital cost requirements, as well as to maintain adequate reserves. Also, the open-rate irrigation units have transitioned from an ability-to-pay-basis to a net cost of services basis. The study suggested the Board give annual forward guidance on future assessments including a range of estimated future open-rate assessments. The study was updated in fiscal year 2022 with revised rate structure recommendations which were evaluated and approved by the Board. Forward guidance review continues to be conducted annually by the Board.

Fiscal year 2026 wholesale open-rate water assessments revenue is projected to increase \$603,008 or 3.9 percent from fiscal year 2025 budget based on the following rates: \$36.17 per acre-foot for agricultural users, \$56.17 per acre-foot for municipal/industrial users and \$2.00 per acre-foot for Unit 2 charges (special charge to allottees downstream of Boulder Reservoir). Holders of allotment contracts entered into prior to 1959 are assessed, regardless of end use, a fixed amount of \$1.50 per unit per year. When a unit is transferred, sold or altered, the contract is changed from the original fixed rate to an open-rate assessment.

On average throughout the last 10 years, 578 units are annually transferred and changed to open-rate assessments. The trend in water allotment contract ownership changes within Northern Water is from agricultural ownership to municipal ownership. Also included in water assessments are revenues related to the Carryover Program, which is available to customers to store undelivered C-BT Project water in Northern Water facilities from year to year.

The Carryover Program revenue depends on the number of subscribers and water assessment rates. Carryover water revenue is expected to be \$2,781,00 for fiscal year 2026, which is a decrease of \$91,288 or (3.0) percent from the fiscal year 2025 budget. The fiscal year 2026 budget is based on a revised three-year average with a projected water assessment rate increase of 3.0 percent.

Rule 11 Revenue is a charge that is assessed when water is transferred from a lower assessment class (typically agricultural or \$1.50 original contracts) to a higher assessment use (often municipal and industrial). Budgeted revenue from this revenue class is \$700,000. There is some volatility with this class as it is tied to the volume of water transferred, which is heavily dependent on water demand (weather) and quota.



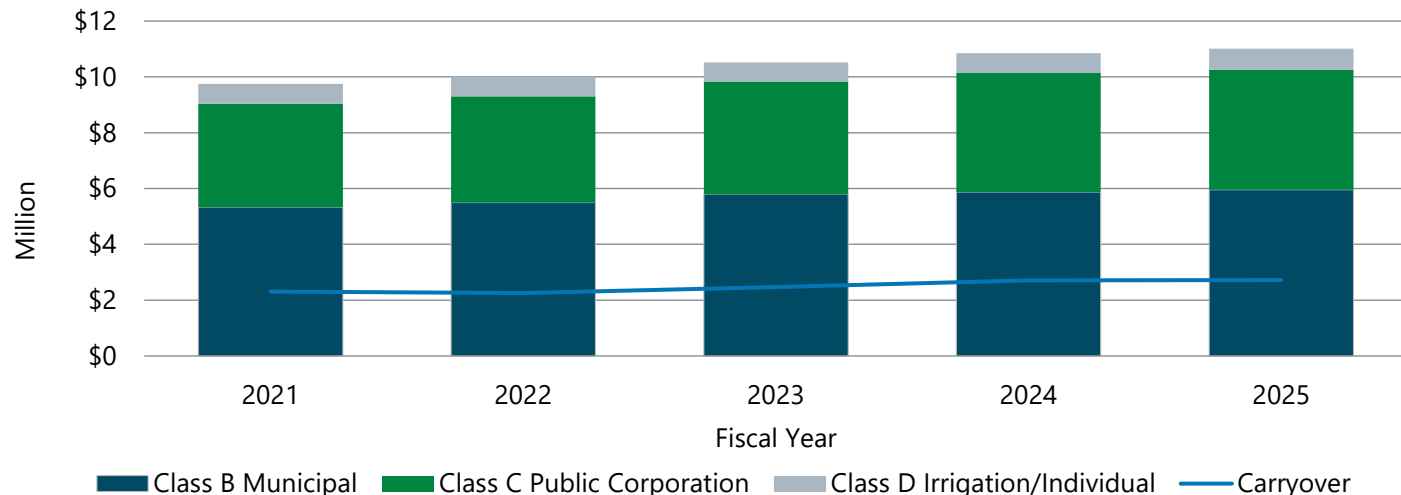
Other Water Assessment revenue sources include Transfer Fees which are a charge for the issuance of any new allotment contract and an inclusion fee which is charged to landowners to have their property added into Northern Water's boundary to gain access to C-BT and Windy Gap project water. Finally, winter delivery contract fees which were established to supplement water resources for municipalities during the winter months. Total budgeted revenue for these sources is \$180,955 for fiscal year 2026.

Water assessment revenue comprises 18.4 percent of total sources of funds.

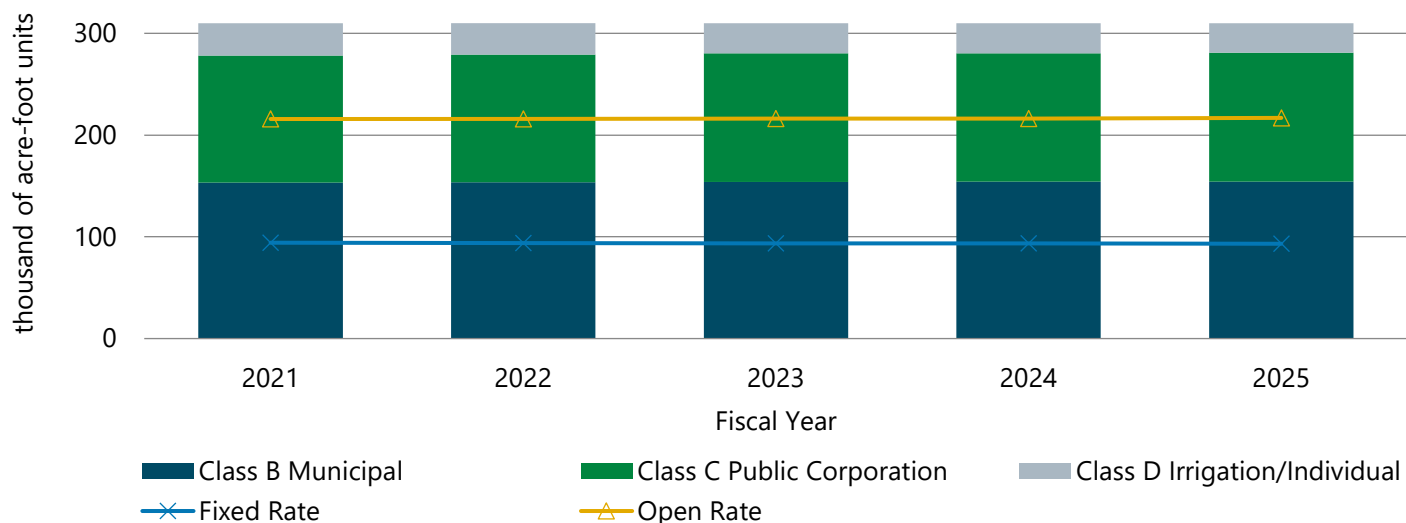
Water Assessments by Class of Service

	Budget	Percent
Class B Municipal	\$6,246,355	40.9%
Class C Public Corporation	4,524,446	29.6%
Class D Irrigation/Individual	848,613	5.6%
Carryover	2,781,000	18.2%
Rule 11	700,000	4.6%
Other (Transfer Fees, Inclusions & Winter Deliveries)	180,955	1.2%
Total	\$15,281,369	100.0%

Water Assessments by Class of Service



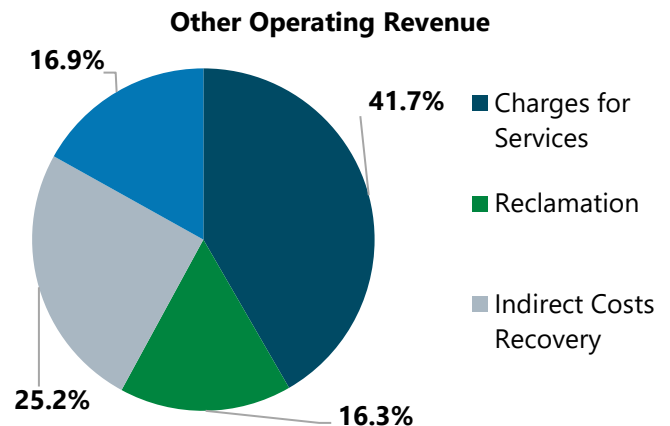
C-BT Ownership by Water Allotment Contract Class



Other Operating Revenue

Other Operating Revenue includes charges for services, the annual allocation from Reclamation for Operation, Maintenance and Replacement on the C-BT Project System, indirect costs and other operating revenue such as carriage delivery charges and exchange use fees. The budget for fiscal year 2026 is \$16,098,101 and is summarized in the table below.

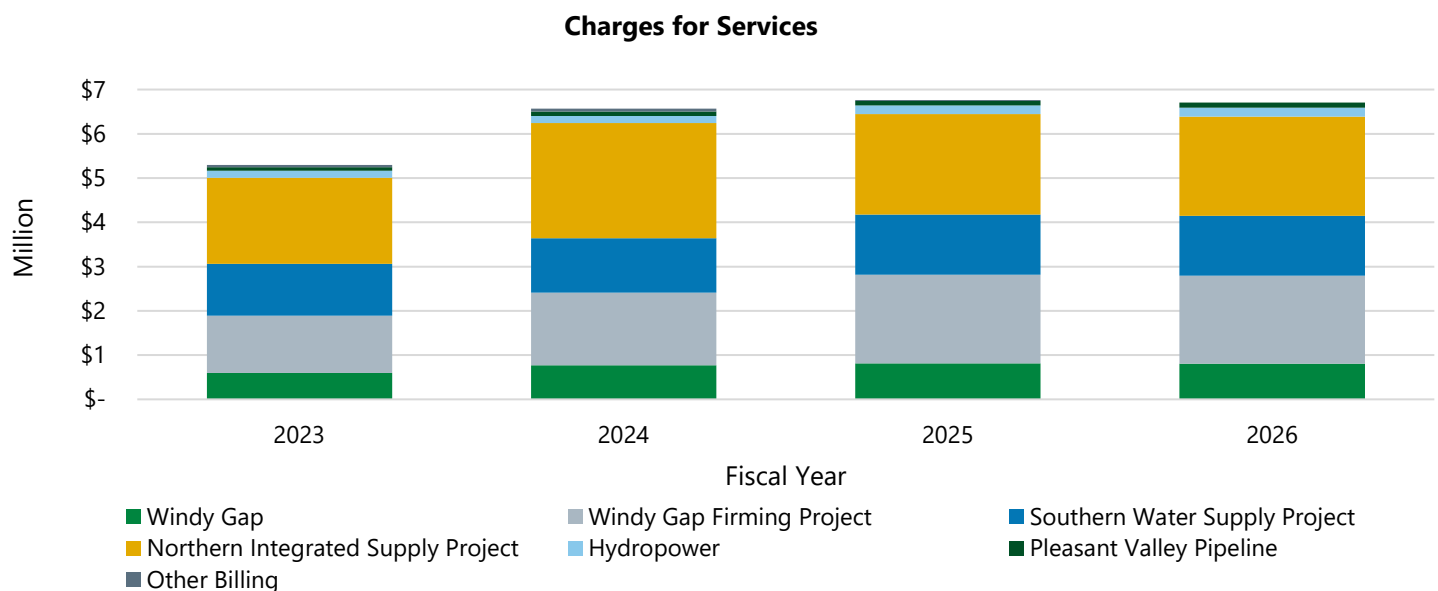
	Budget	Percent
Charges for Services	\$6,705,500	41.7%
Bureau of Reclamation (BOR) Operation, Maintenance & Replacement Allocation	2,620,000	16.3%
Indirect Costs Recovery	4,050,667	25.2%
Other Operating Revenue (WGAP Carriage & Exchange Use)	2,721,934	16.9%
Total Other Operating Revenue	\$16,098,101	100.0%



Charges for Services

Charges for Services revenues are generated from providing administrative, engineering and operation and maintenance services to the Northern Water activity enterprises, the Municipal Subdistrict, and others such as Reclamation for C-BT Joint Works. Northern Water (through the District Enterprise Fund) charges its costs for these services to the benefited entity and is reimbursed for these costs. Fiscal year 2026 revenues are projected to decrease (1.0) percent or (\$56,544) as the result of the completion of the Chimney Hollow Reservoir. Charges for services comprises 41.7 percent of total other operating revenue source of funds. The chart and table below provide a summary.

	Budget	Percent
Windy Gap Enterprise	\$804,660	12.0%
Windy Gap Firming Enterprise	1,991,534	29.7%
Southern Water Supply Project Enterprise	1,347,806	20.1%
Northern Integrated Supply Project Enterprise	2,246,343	33.5%
Hydropower Enterprise	201,165	3.0%
Pleasant Valley Pipeline Enterprise	113,994	1.7%
Total	\$6,705,500	100.0%



Bureau of Reclamation (BOR) Operation, Maintenance and Replacement Allocation

When Northern Water was founded in 1937 to partner with Reclamation to operate and maintain the C-BT Project, an agreement was established that the project would require ongoing attention and support to continue to meet the needs of the participants. It was agreed between the two agencies that Reclamation would provide an annual allocation of funds to cover operation, maintenance and replacement of the system infrastructure. The current allocation for fiscal year 2026 is \$2,620,000 and represents 16.3 percent of total other operating revenue.

Indirect Costs Recovery

In March 2019, Northern Water engaged a third-party consultant to conduct an Indirect Cost Allocation study. Working closely with staff, the consultant identified and quantified indirect costs applicable to Northern Water and Municipal Subdistrict 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 Northern Water and Municipal Subdistrict Enterprises. Generally, Northern Water has not sought to recover costs associated with indirect labor, overhead or facilities from the enterprises in the past.

The goals of the study were to first develop a fair and equitable basis of indirect cost allocation to Reclamation, Northern Water Enterprises, Municipal Subdistrict Enterprises and other services, and secondly, review the appropriateness of existing indirect costs already charged to enterprise funds such as fleet usage chargebacks. The Board of Directors approved its final resolution to implement the approved cost allocation methodology beginning in fiscal year 2023.

Windy Gap Carriage

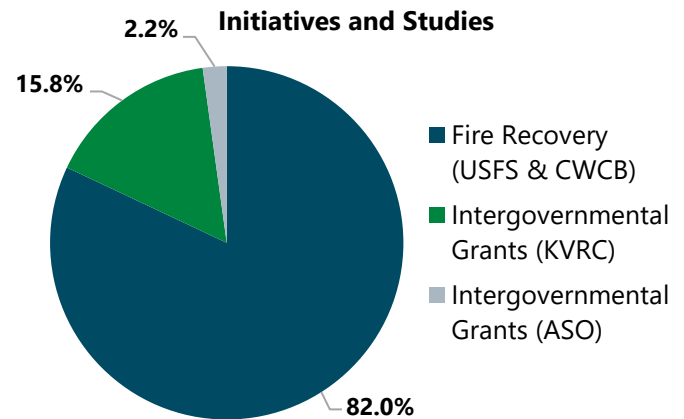
Carriage delivery charges represent the use by the Municipal Subdistrict of the C-BT Project conveyance and storage system. Winter delivery fees are for water delivered from C-BT Project facilities in the winter months, November through March. Rule 11 charges are when customers transferring water are charged the assessment differential if water is transferred to a higher-rate user from a lower-rate user. Water conveyance and carriage credits are fees from the use of the C-BT Project shared equally between Northern Water and Reclamation. Other Operating Revenues are projected to be \$2,721,933 in fiscal year 2026, which is equal to the budget for fiscal year 2025. Other operating revenue comprises 16.9 percent of total sources of funds.

Initiatives and Studies

Working with several partners, Northern Water will work in 2026 on several initiatives and studies.

- Fire recovery efforts following the 2020 East Troublesome Fire will continue in conjunction with the United States Forest Service as the agencies will work to mitigate runoff of contaminants in the watershed.
- Working with regional partners, Northern Water is leading efforts to secure grants and procure contractors on habitat restoration as part of the Kawuneeche Valley Restoration Collaborative (KVRC) to help protect source waters.
- Northern Water will also continue its partnership with the Airborne Snow Observatories (ASO) Program, which uses airborne lidar to measure snow depth at high resolution and estimates snow water equivalent. This snow data is the most accurate high-resolution data that is currently available and fills in many gaps that exist in our current snow data networks, but it is not used widely in Colorado. To fund this effort, Northern Water applied for and received grant funding from Reclamation.

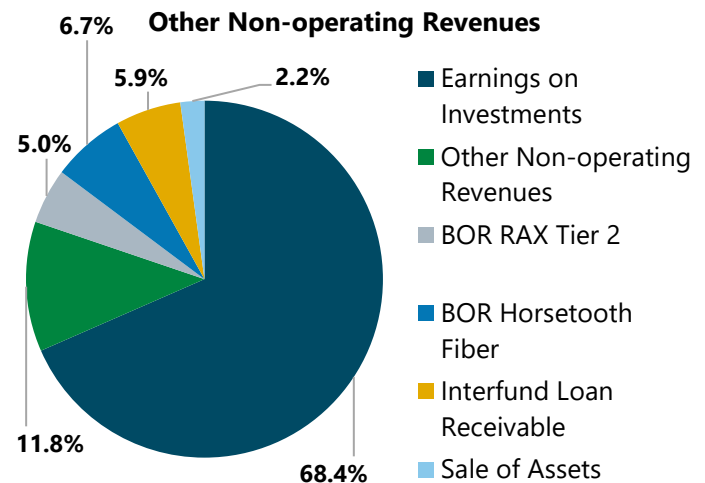
	Budget	Percent
Fire Recovery (USFS & CWCB)	\$8,200,000	82.0%
Intergovernmental Grants (KVRC)	1,580,000	15.8%
Intergovernmental Grants (ASO)	218,227	2.2%
Total Initiatives & Studies	\$9,998,727	100.0%



Other Non-operating Revenue

Other Non-operating Revenue Sources are the most volatile year over year. Estimated Earnings on Investments represent 68.4 percent of this category. For fiscal year 2026 the budget team maintain market conditions will be less favorable for interest compared to the prior years. Recognition of the remaining 31.6 percent of these revenue sources are generally influenced by factors outside of Northern Water's control, such as requests for additional funding, in the case of additional work with Reclamation, to power generation and assets made available for sale. Other Non-operating Revenue sources total \$5,974,372 or 24.4 percent of the total revenue for fiscal year 2026.

	Budget	Percent
Earnings on Investments	\$4,088,776	68.4%
Other Non-operating Revenues	703,268	11.8%
BOR RAX Tier 2 funding	300,000	5.0%
BOR Horsetooth Fiber	400,000	6.7%
Interfund Loan Receivable	352,676	5.9%
Sale of Assets	129,652	2.2%
Total Non-operating Revenues	\$5,974,372	100.0%



Certificates of Participation

In July 2021, Northern Water issued Certificates of Participation, Series 2021 to fund its Campus Development efforts. The certificates have a par value of \$52,050,000 with a stated interest rate of 4.0 percent to 5.0 percent and were sold at a premium of \$11,365,647 to yield net proceeds of approximately \$63,415,647.

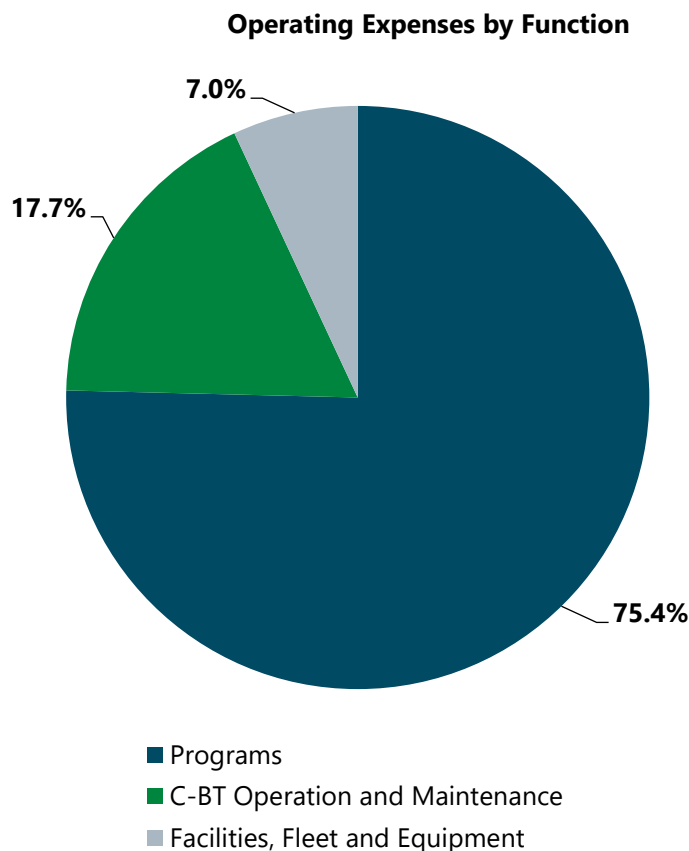
In 2022, Northern Water issued its Certificates of Participation, Series 2022 (the 2022 Certificates), to continue funding its Campus Development projects. The 2022 Certificates were issued in an original principal amount of \$33,940,000 with stated interest rates of either 4.0 percent, 5.0 percent or 5.3 percent. The 2022 Certificates were sold at a premium to yield net proceeds of approximately \$37,252,689 and a true interest cost of 4.4 percent. Annual debt service consisting of principal and interest is due on both certificate series.

The Campus Development projects were completed in fiscal year 2024, and the proceeds from both series issuances were fully utilized as of September 30, 2024. As such, there are no drawdowns from proceeds or anticipated uses for Campus Development activities budgeted for fiscal year 2026.

Expenses

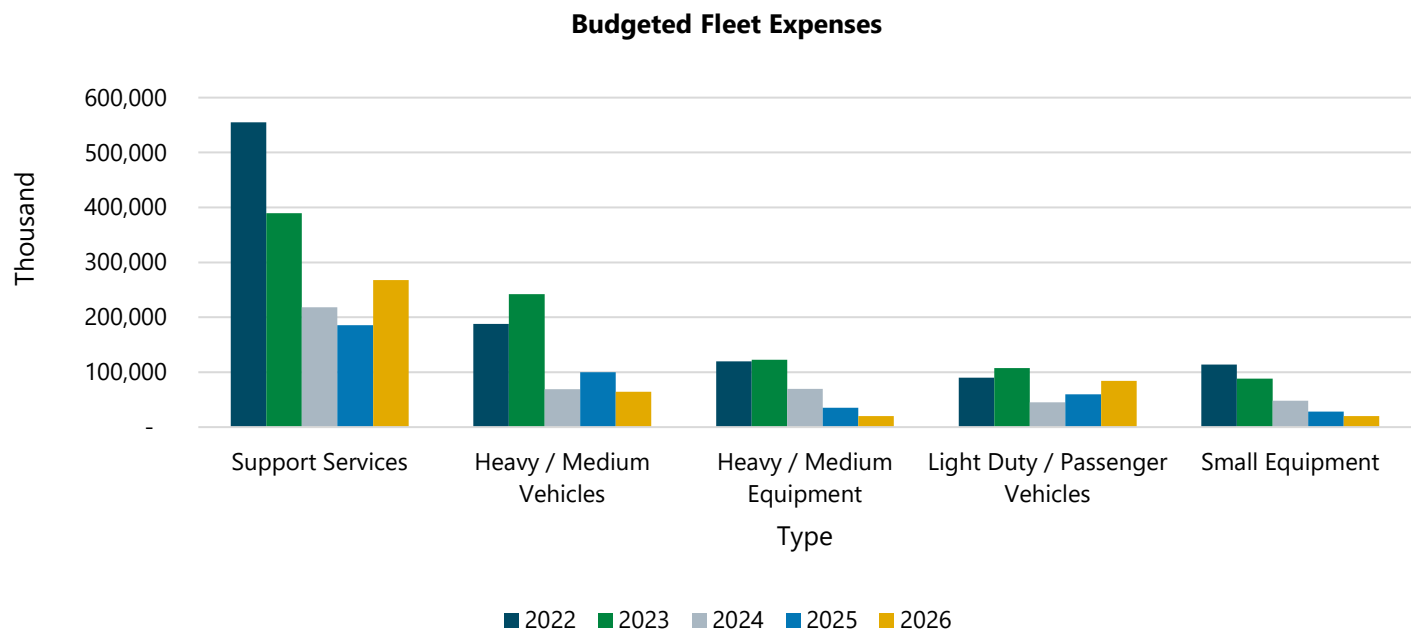
Budgeted expenses for fiscal year 2026 are \$83,213,081 compared to \$83,306,006 for fiscal year 2025, a decrease of \$92,925 or -0.1 percent. Planned expenses include operating and capital expenses, grant-funded expenses, special initiatives, debt service and a contribution to operating reserves of \$2,893,506 or 5.0 percent of operating expenses. Budgeted operating expenses are \$57,870,121. The chart and table below provide a summary.

	Budget	Percent	Labor	Non-Labor
Programs	\$43,626,961	75.4%	\$25,790,152	\$17,686,808
C-BT Operation and Maintenance	10,219,864	17.7%	7,340,864	2,879,000
Facilities, Fleet and Equipment	4,023,296	6.9%	2,065,176	1,958,120
Total	\$57,870,121	100.0%	\$35,196,192	\$22,523,928



Fleet Expenses

Fleet expenses are used for the operation and maintenance costs of Northern Water’s vehicles and major equipment. The fiscal year 2026 fleet expense budget is \$456,489. This represents an increase of \$47,494 or 9.0 percent from the fiscal year 2025 budget. Fleet expenses comprise 0.5 percent of total uses of funds. Below is an updated breakdown of fleet expenditures for fiscal years 2022 through 2026.



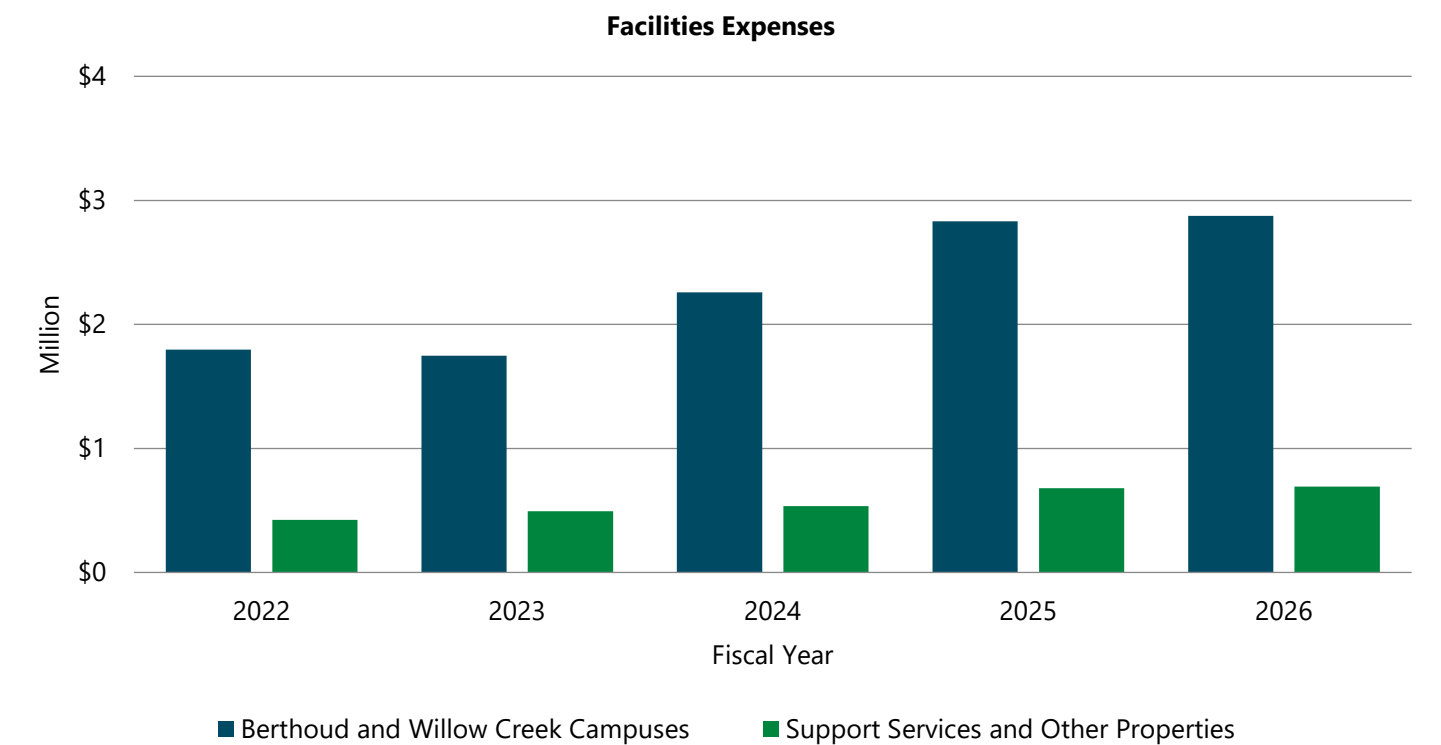
	Budget	Percent
Support Services	\$267,789	58.7%
Heavy/Medium Vehicles	64,500	14.2%
Light Duty/Passenger Vehicles	84,000	18.4%
Heavy/Medium Equipment	20,000	4.3%
Small Equipment	20,200	4.4%
Total	\$456,489	100.0%

Expenses by Category

Labor	\$267,789	58.6%
Non-Labor	188,700	41.4%
Total	\$456,489	100.0%

Facilities Expenses

Facilities expenses are for the operation and maintenance costs of Northern Water’s Berthoud and Willow Creek campuses and property held for future water supply projects. The fiscal year 2026 facilities budget is \$3,566,807. This represents an increase of \$56,342 or 9.8 percent more than fiscal year 2025 budget. Facilities expenses comprise 6.9 percent of total uses of funds. The chart and table below provide a summary.



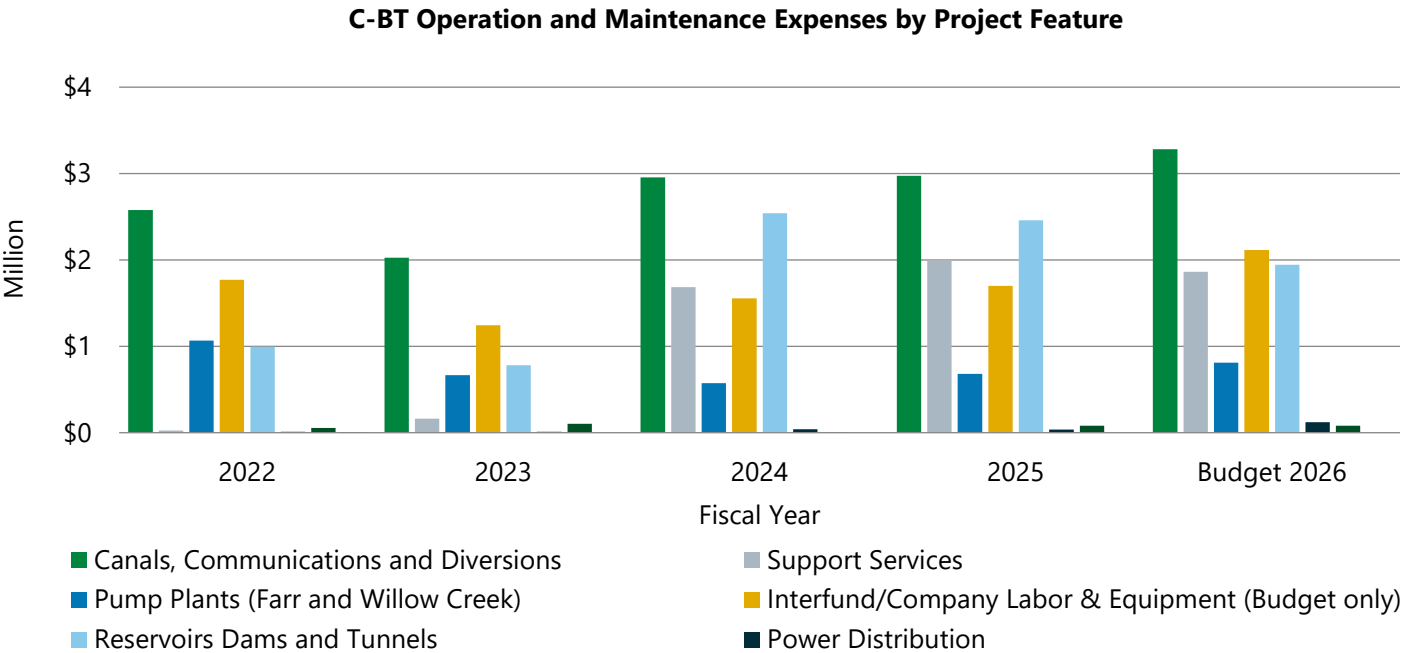
	Budget	Percent
Berthoud and Willow Creek Campuses	\$2,874,956	80.6%
Support Services and Other Properties	691,851	19.4%
Total	\$3,566,807	100.0%

Expenses by Category

Labor	\$1,797,387	50.4%
Non-Labor	1,769,420	49.6%
Total	\$3,566,807	100.0%

C-BT Operation and Maintenance Expenses

Operation and maintenance expenses are the non-capital labor, materials and services costs necessary to operate and maintain the C-BT Project. Major infrastructure maintained include reservoirs, dams, dikes, canals, pump plants, pipelines and tunnels. The fiscal year 2026 operation and maintenance budget totals \$10,219,864, which represents a 10.3 percent increase from the fiscal year 2025 budget. C-BT operation and maintenance expenses comprise 17.7 percent of total uses of funds.



	Budget	Percent
Canals, Communications and Diversions	\$3,282,263	40.5%
Reservoirs Dams and Tunnels	1,945,045	24.0%
Support Services	1,864,001	23.0%
Pump Plants (Farr and Willow Creek)	810,435	10.0%
Equipment Shops (Farr, Horsetooth and Lyons)	121,565	1.5%
Power Distribution	81,044	1.0%
Interfund/Company Labor and Equipment (budget only)	2,115,511	
Total	\$10,219,864	100.0%

Expenses by Category

Labor	\$7,340,864	71.8%
Non-Labor	2,879,000	28.2%
Total	\$7,550,705	100.0%

C-BT operation and maintenance program expenses include activities by the Collection Systems, Distribution Systems, Control Center, and Facilities and Equipment departments as described in the following sections.

Operations Division Programs

Division: Operations – Collection Systems

Business Plan Priority: Collect and deliver water

The Collection Systems Department is responsible for operating and maintaining the C-BT and Windy Gap projects on the West Slope in Grand County. The department has staff members with experience in civil, mechanical and electrical trades.

During the spring and early summer runoff season, natural inflows are collected in Lake Granby along with water pumped from Willow Creek and Windy Gap reservoirs. The department coordinates with Reclamation to send water to the East Slope through the West Portal of the Adams Tunnel in accordance with the annual operating plan. The Farr Pump Plant pumps water from Lake Granby to Shadow Mountain Reservoir to maintain required elevations in Grand Lake, to replenish storage in Carter Lake and Horsetooth Reservoir on the East Slope, and to fulfill Reclamation's hydropower generation objectives.

In 2026, the West Slope Collection Systems Program intends to:

- Finalize repairs on Shadow Mountain Spillway.
- Replace direct current (DC) battery system at Willow Creek Pump Plant.
- Conduct annual silt removal from Willow Creek and Stillwater watersheds.
- Continue to refurbish the Willow Creek canals.

In 2025, the Collections Program:

- Continued the modernization of the Farr Pump Plant elevator.
- Completed the installation of the newly acquired generators.
- Rehabilitated piping and valves within Farr Pump Plant.
- Replaced gate motors on the radial gates at Willow Creek gate house.
- Started design for Farr Pump Plant shop rehabilitation.
- Conducted annual silt removal from Willow Creek and Stillwater watersheds.
- Began design on Granby Dam outlet works tunnel extension.
- Installed new wire cables for radial gates at Shadow Mountain, Granby Dam, Granby Pump Canal and Willow Creek.

Division: Operations – Distribution Systems

Business Plan Priority: Collect and deliver water

The Distribution Systems Department services and maintains the East Slope water distribution system and delivers water from Carter Lake and Horsetooth Reservoir to C-BT and Windy Gap project allotment contract owners and project participants. The department operates and maintains a variety of facilities including pump plants, a hydroelectric generation plant, several open canals, siphons, trash racks, pipelines and reservoirs. The department is responsible for the continuous and uninterrupted operation of the water delivery infrastructure.

In 2026, the East Slope Distribution Systems Program intends to:

Colorado-Big Thompson Project:

- Complete the replacement of the Carter Lake Programmable Logic Controller (PLC) system.
- Conduct temporary repair activities on the Shadow Mountain Spillway.
- Design the Canal Safety Underdrain for the Willow Creek Feeder Canal.
- Complete design, engineering and permitting for the Shadow Mountain Spillway.
- Conduct repairs on the Big Thompson Siphon retaining wall along the Hansen Feeder Canal 550.
- Complete work on the Boulder Reservoir Bypass.
- Install an automatic gate at Dixon Canal.
- Complete siphon repairs along the St. Vrain Supply Canal.
- Conduct concrete sealing and lining improvements on the St. Vrain Supply Canal.
- out sealing and lining of concrete on the Hansen Supply Canal.
- Complete cross drain sealing at Dowe Flats on the St. Vrain Supply Canal.
- Conduct rehabilitation of turnout pipes at Boulder Lefthand and Boulder Whiterock.
- Complete rehabilitation of distribution meters.
- Install and complete the Loveland Turnout overshot gate on Hansen Feeder Canal 550.
- Perform annual sealing and lining on the Hansen Feeder Canal.
- Complete interconnect work between the Hansen Supply Canal and Pleasant Valley Pipeline.
- Conduct actuator replacements at the Soldier Canyon Valve House.

Southern Water Supply Project:

- Complete blowoff valve replacement along the Broomfield Pipeline at station 989+60.
- Install an automatic security drive-through gate at Louisville / Superior.
- Replace and install a variable frequency drive at the Broomfield Pump Plant.
- Conduct an expansion study for the Louisville / Superior Pump Plant.
- Complete a study for installation of an emergency generator at the Louisville / Superior Pump Plant.
- Complete the upstream isolation valve replacement at the West Longmont Pump Plant.
- Perform motor rebuild work at the West Longmont site.

In 2025, the East Slope Distribution Systems Program:

Colorado-Big Thompson Project:

- Installed new bypass lines at Soldier Valve House.
- Continued with the sealing and lining programs on the Hansen Supply Canal, Hansen Feeder Canal and the St. Vrain Supply Canal.
- Continued the meter rehab project, in which installations will focus on the St. Vrain Supply Canal.
- Installed back up power supply to provide auxiliary power to the gates on Lower Boulder Canal.
- Replaced existing turnout for lefthand on Boulder Creek Supply Canal.
- Replaced the existing bifurcation building in Lyons with a new building.
- Installed a new actuator and gate at Supply Creek Turnout.
- Replaced the roof at the Lyons shop.
- Completed the Masonville Siphon Project by continuation of the steel rig replacement.

- Conducted a bulk-head test on Horsetooth Outlet works, as well as conduct an unbalanced head test of the guard gates.
- Reshaped and installed new clay material on the Coal Ridge Canal.
- Reshaped and installed new clay lining material on the St. Vrain Supply Canal.
- Repainted and recoated steel fixtures in Horsetooth valve house to include doors and floor coverings.
- Installed new automation for the Coal Ridge Canal trash rack, and provided a new programmable logic controller.
- Installed new gate operators and programmable logic controller upgrades for the Munroe/Poudre River Diversion.

Southern Water Supply Project:

- Installed a new anode well on County Line Road.
- Installed new bypass valves on the downstream side of Broomfield Pump Plant.
- Installed new downstream bypass valves in the following vaults, Fort Lupton, Mainline 1, Fort Lupton, Master Meter and SWSP 2 Mainline.

Trout Hydro Plant:

- Installed new bathroom facilities.

Division: Operations – Control Center

Business Plan Priority: Collect and deliver water

The Control Center Department works with the Collection and Distribution Departments and is responsible for the monitoring and operations of all pump plants, hydropower plants, water control equipment and facilities, and reservoir elevations within Northern Water's collection and distribution systems. Monitoring and operations occur 24 hours per day, seven days per week. The Control Center Department also prepares, and issues clearances as requested, per the Hazardous Energy Control Program (HECP). The department has staff members with experience in the seasonal operations of the above-mentioned facilities and structures. The operators go through an extensive training syllabus through their first three years with Northern Water.

In 2026, the Control Center Program intends to:

- Perform annual HECP training with all departments.
- Prepare and issue HECP documents to all departments upon request.
- Continue to update all Standing Operating Procedures.
- Continue to send operators over to the East Slope for hands-on training of system.
- Continue to train new operators. There are currently three operators with less than three years of experience.

In 2025, the Control Center Program:

- Performed annual training and refresher training with all departments requiring HECP training.
- Prepared and issued all documents per the HECP to all departments upon request.
- Prepared new Standing Operating Procedures for the Willow Creek Control Center.
- Continued to update all Standing Operating Procedures as needed throughout the year.
- Scheduled West to East Slope tours for the operators along with continued training for the East Slope system.
- Completed training for the new Lead Operator, as well as for two Control Center Operators.

Division: Operations – Facilities and Equipment

Business Plan Priority: Cultivate operational and organizational excellence

The Facilities and Equipment Department responsibilities include: budgeting for and maintaining all of the Berthoud headquarters campus which includes nine buildings; assisting with the design and construction management of Phase II Campus Development; planning for the best care of this investment associated with heating and ventilation, electrical, mechanical, structural, custodial, grounds and landscape needs; continuing to support the additional Lincoln office rental property until Phase II Campus Development is complete; assisting in special projects including modernization of existing headquarters, supporting new remodel and construction infrastructure; and continuing to assist all staff and events by maintaining the cleanliness of facilities offices, workspace areas, shipping and receiving, restocking supplies, and removing surplus equipment and supplies.

Other responsibilities include specifying and ordering approved vehicles and equipment while maintaining the existing fleet and heavy equipment. This includes general maintenance, make-ready services, Department of Transportation inspections and removal of surplus vehicles and equipment.

The department supports an on-site fuel island, all Northern Water staff members with various projects and off-site facilities and pump plants as our trades may apply. The department also supports special events on and off site.

In 2026, the Facilities and Equipment Department intends to:

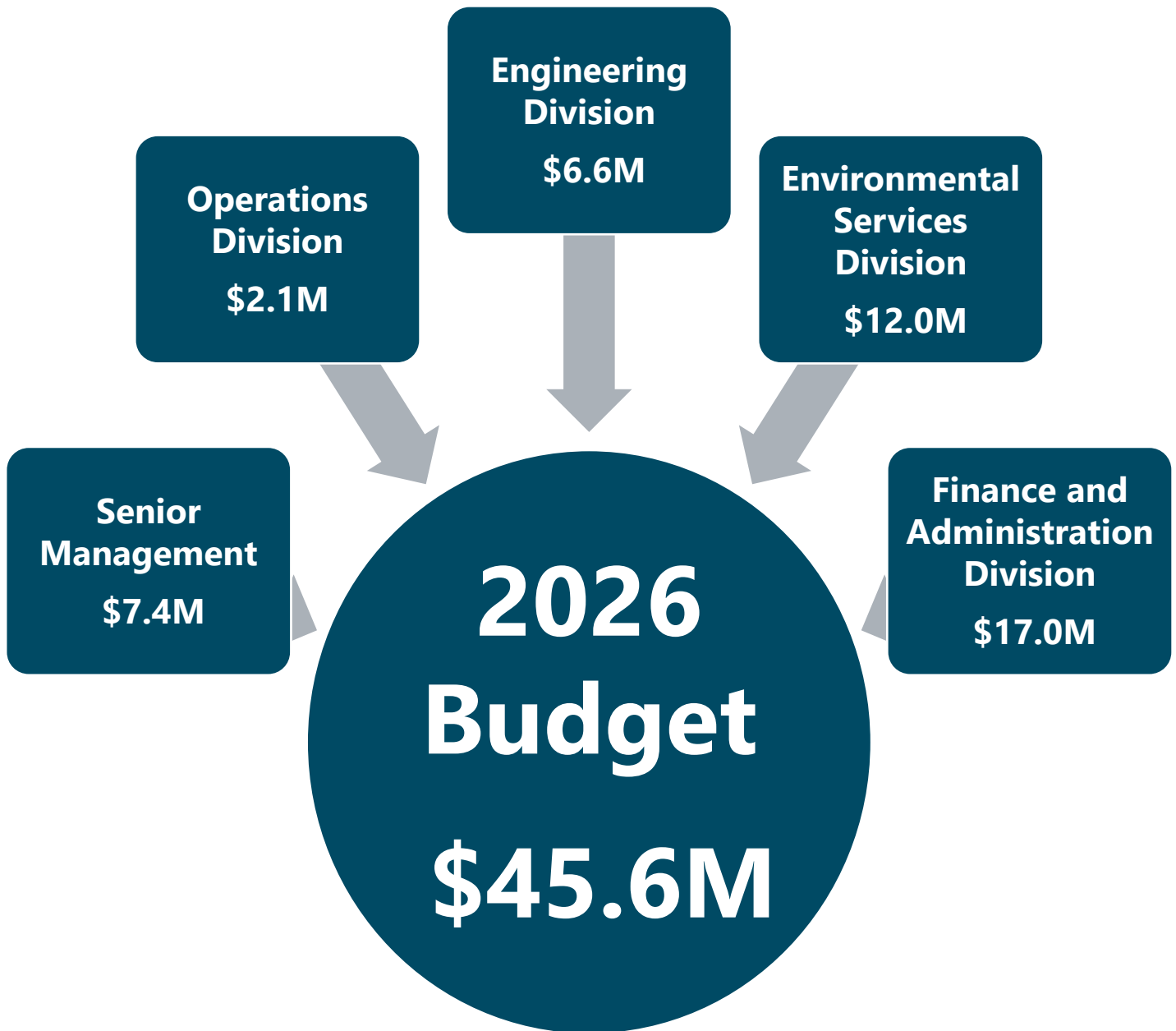
- Install Solar Photovoltaic (PV) on Building A roofs.
- Install power meter on equipment in Building A.
- Change out of uninterrupted power source batteries in Building A.
- Replace the Hotzy unit in the wash bay and refresh wall panels in wash bay in Building B.
- Continue with campus upgrades of garage door operators.
- Repaint portions of Building B and C.
- Proceed with re-design of raw water in flow culvert and pipe for campus irrigation pond.

In 2025, the Facilities and Equipment Department:

- Milled and replaced asphalt and repaired portions of concrete in yard areas and south entrance drive.
- Completed automation/tie in UPS and computer room heating, ventilation and air conditioning (HVAC).
- Continued with garage door motor replacements.
- Installed computer room HVAC.
- Installed plasma cutter and table.
- Replaced radiant tube heaters on several building locations.
- Replaced mix air dampers.
- Painted portions of Building A exterior.

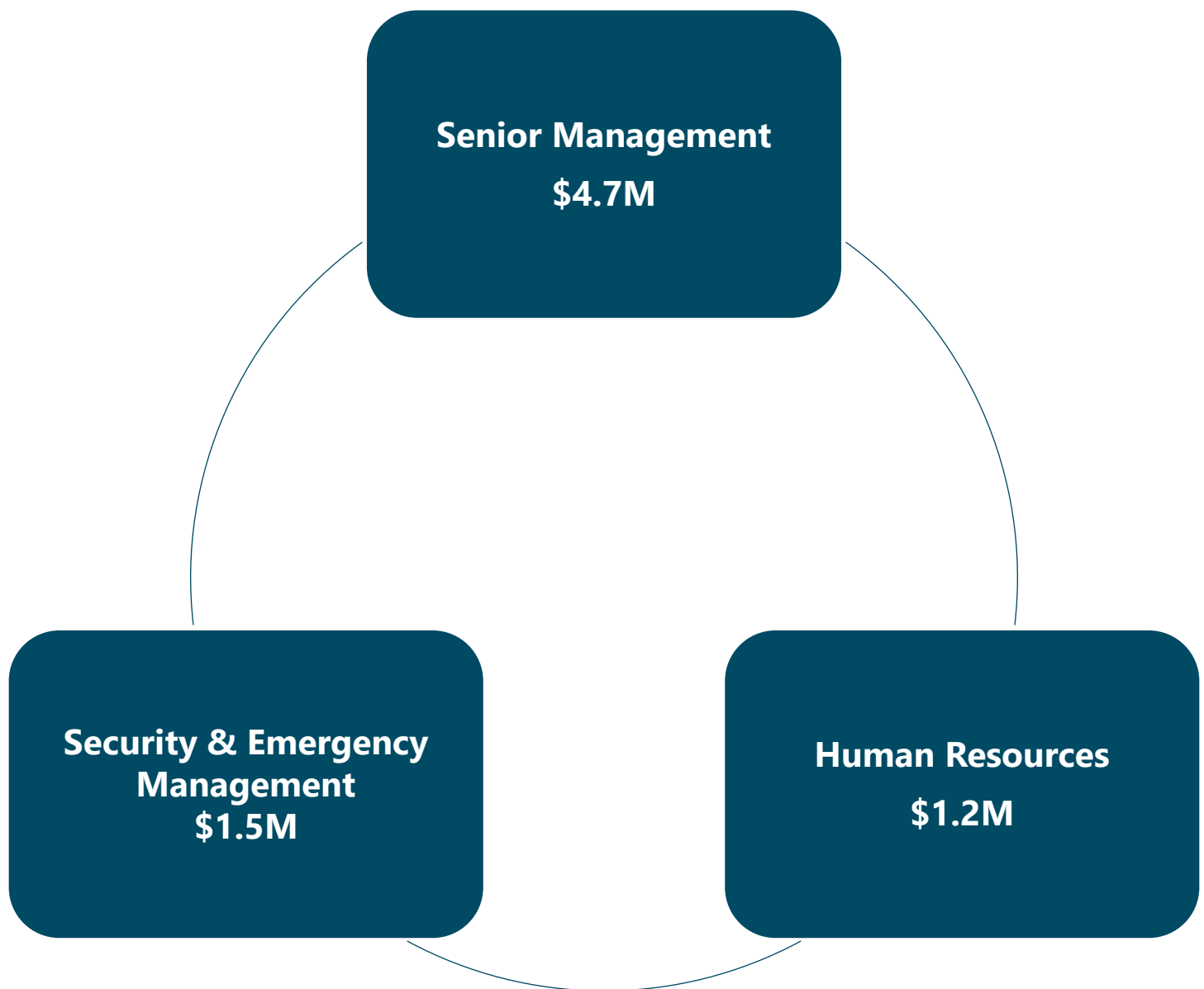
PROGRAM EXPENSES

Program expenses are the cost of 22 programs unique to Northern Water that provide administrative, environmental and engineering functions to the organization. Program expenses make up 74.1 percent of the total uses of funds. The fiscal year 2026 program budget totals \$57.8 million consisting of \$45.6 million for Northern Water division expenses and \$6.5 million Charges for Services (interfund labor expense). A summary is provided in the chart below.



General Manager Programs

The general manager is appointed by the Board of Directors and provides organizational leadership to implement Board Policies. Senior Management provides organizational leadership to the divisions of Northern Water. Human Resources manages employee health benefits, compensation, recruitment, and other human resource policies and procedures.



Division: General Manager – Senior Management Program

Business Plan Priority: Cultivate operational and organizational excellence, and maintain and strengthen relationships

Northern Water's Senior Management team oversees all aspects of Northern Water'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.

In 2026, the Senior Management Program intends to:

- Unveil and integrate Northern Water's mission, vision and values across the organization to inspire alignment, strengthen culture, and guide decision-making and stakeholder engagement.
- Enhance cross-functional integration and organizational alignment across Northern Water's divisions, departments and functional areas to improve collaboration, efficiency and mission delivery.
- Continue strengthening organizational culture and enhancing employee engagement by fostering trust, collaboration and open communication across all levels of the organization. Emphasize recognition, professional growth and a shared sense of purpose to ensure Northern Water remains a workplace where employees feel valued, supported and connected to the mission.
- Invest in the organization's leadership development by expanding opportunities for current managers to strengthen leadership effectiveness, collaboration and strategic decision-making. Continue supporting emerging leader development through initiatives such as the Water Futures program, which broadens organizational understanding and prepares employees for future leadership responsibilities.
- Strengthen relationships with community members, participants and stakeholders through proactive outreach, transparent communication and collaborative engagement opportunities.
- Increase public awareness of Northern Water's mission and programs by expanding outreach efforts, promoting the organization's role in regional water management, and welcoming the community to experience the Conservation Gardens, low-water landscaping and educational resources available on campus.
- Advance collaborative solutions to improve water clarity in Grand Lake, working with partners and stakeholders to support research, monitoring and implementation of effective management strategies.
- Increase Participant knowledge of projects and programs through educational workshops.
- Complete a comprehensive rate study to evaluate Northern Water's cost-of-service structure and ensure rates are equitable, transparent and aligned with long-term financial sustainability and capital investment needs.

In 2025, the Senior Management Program:

- Launched and implemented the Water Futures leadership development program, tailored for employees not currently in management or part of the Stewardship Team and designed to strengthen leadership and organizational understanding among emerging leaders. The inaugural class of 10 participants graduated in 2025, marking a significant milestone in cultivating internal talent and building Northern Water's next generation of leaders.
- Successfully launched the NISP Adaptive Management Program, ensuring implementation consistent with all state and federal permit requirements. This milestone established a framework for ongoing monitoring, coordination and adaptive decision-making to support environmental stewardship and regulatory compliance throughout the life of the project.
- Provided strategic oversight and direction for all Northern Water activities and enterprises, ensuring effective governance, operational alignment and adherence to organizational goals, policies and regulatory requirements.
- Continued refining Northern Water's Strategic Plan to clearly articulate the organization's goals, values and priorities as it addresses contemporary water supply challenges and emerging opportunities over the next decade and beyond.
- Developed and enforced organizational policies, rules and procedures to ensure compliance with applicable laws, promote consistency across operations and support effective governance throughout Northern Water.
- Focused on strengthening risk management practices, including the procurement and administration of general liability and other insurance coverages, to ensure comprehensive protection of Northern Water's assets, operations and personnel.

- Participated in statewide, regional and national discussions and strategy development addressing Colorado River drought conditions, contributing to collaborative solutions that support long-term water reliability and resource sustainability for Colorado and the broader basin.
- Engaged in regional and statewide cooperative initiatives, including recovery programs, stream management planning and river basin studies, to advance collaborative water resource management and strengthen relationships with partner agencies and stakeholders.

Senior Management & Board of Directors	Fiscal Year 2024 Actual	Fiscal Year 2025 Budget	Fiscal Year 2025 Estimated Actual	Fiscal Year 2026 Budget	Dollar Change From Fiscal Year 2025 Budget	Percentage Change From Fiscal Year 2025 Budget
Expenditures:						
Program Summary						
Senior Management	\$829,525	\$738,163	\$765,715	\$800,707	\$62,544	8.5%
Legal Matters	1,255,137	1,234,060	1,289,231	1,400,900	166,840	13.5%
Board of Directors	204,510	300,000	287,490	325,070	25,070	8.4%
Senior Mgmt. Meetings	361,002	305,124	316,513	310,300	5,176	1.7%
General Programs	1,276,195	1,370,500	1,360,651	1,450,000	79,500	5.8%
Travel and Training	189,662	171,124	177,511	200,000	28,876	16.9%
Total	\$4,116,031	\$4,118,971	\$4,197,111	\$4,486,977	\$368,006	8.9%
Summary by Category						
Labor	\$1,972,420	\$2,266,491	\$2,485,790	\$2,778,977	\$512,486	22.6%
Expenses	2,143,611	1,852,480	1,711,321	1,708,000	(144,480)	(7.8%)
Total	\$4,116,031	\$4,118,971	\$4,197,111	\$4,486,977	\$368,006	8.9%

Division: General Manager – Human Resources Program

Business Plan Priority: Maintain and strengthen relationships

The Human Resources staff administers all employee benefits, such as medical, dental, life, long-term disability, retirement plans and workers' compensation. The department also reconciles billing statements for benefit payments and provides recommendations on benefit vendor selection, new benefits, and plan changes. The staff assists employees with benefits enrollment and changes; resolves issues with medical and dental claims; and counsels and advises employees and managers on employment issues. The department provides leadership in recruiting, interviewing and training new employees. The department conducts ongoing salary surveys, makes compensation recommendations, maintains the employee handbook, maintains the Human Resources Information System and provides relevant personnel reports on behalf of all employees.

In 2026, the Human Resources Program intends to:

- Continue early career outreach through internships and high school/college fairs to maintain Northern Water as the desirable workplace.
- Increase trainings for managers and supervisors to continue the strong culture and legal compliances.
- Adopt an IRS pre-approved plan document for the Defined Benefit Retirement Plan to replace the current individually designed plan document to obtain cost savings by eliminating some of the legal services required to stay compliant with the IRS. In the process, other associated documents, such as the investment policy statement and trust agreement, were reviewed, restated and adopted by the Board of Directors.
- Develop a charter for the Defined Benefit Retirement Plan Administrative Committee for its use in administering the retirement plan to carry out their fiduciary duties when managing Northern Water's defined benefit plan.
- Create a human resources electronic files retention policy that outlines compliance and business reasons for retaining specific data and what to do with it when targeted for disposal.

In 2025, the Human Resources Program:

- Implemented Samba Safety to align organization goals with insurance discounts by reviewing validity of driving licenses.
- Created an internship program to onboard five interns across departments and divisions to provide hands on learning to the future workforce.
- Conducted a compensation study analysis with CBIZ that compared all roles with the market, ensured pay practices are aligned and working, and evaluated exemption status through FLSA compliance.
- Researched and added health plan benefits to better accommodate employee needs while focusing on long term plan strength.

	Fiscal Year 2024 Actual	Fiscal Year 2025 Budget	Fiscal Year 2025 Estimated Actual	Fiscal Year 2026 Budget	Dollar Change From Fiscal Year 2025 Budget	Percentage Change From Fiscal Year 2025 Budget
Human Resources						
Expenditures:						
Program Summary						
Human Resources						
General	\$675,780	\$807,809	\$915,663	\$810,000	\$2,191	0.3%
Benefits Management	35,460	21,121	25,405	30,350	9,229	43.7%
Employee Engagement	285,183	37,203	361,203	175,570	138,367	371.9%
Recruiting	182,132	198,740	238,156	78,454	(120,286)	(60.5%)
Retirements	27,568	4,402	26,219	30,000	25,598	581.6%
Travel and Training	65,000	71,425	55,521	60,000	(11,425)	(16.0%)
Total	\$1,271,123	\$1,140,700	\$1,622,167	\$1,184,374	\$43,674	3.8%
Summary by Category						
Labor	\$617,387	\$676,100	\$676,953	\$591,374	\$(84,726)	(12.5%)
Expenses	653,736	464,600	945,214	593,000	\$128,400	27.6%
Total	\$1,271,123	\$1,140,700	\$1,622,167	\$1,184,374	\$43,674	3.8%

Division: General Manager – Security and Emergency Management Program

Business Plan Priority: Cultivate operational and organizational excellence

The Security and Emergency Management Program protects and secures Northern Water’s assets including structures, dams and most importantly the staff, Board of Directors and guests. In addition, the program develops, plans, and prepares procedures and protocols, training, and exercises for emergency preparedness for Northern Water and the multiple Water Activity Enterprises (Enterprise) established by Northern Water.

In 2026, the Security and Emergency Management Program intends to:

- Completed implementation of Security Operations Center (SOC), and contracted with a security company to provide staffing for SOC.
- Perform drills at a minimum of two per year.
- Continue to work on security plan to add access control and cameras in critical areas.
- Train new staff on how to respond to security and weather issues.
- Update and compete continuity or operations plans with all departments.
- Prepare and host at least one tabletop exercise.

In 2025, the Security and Emergency Management Program:

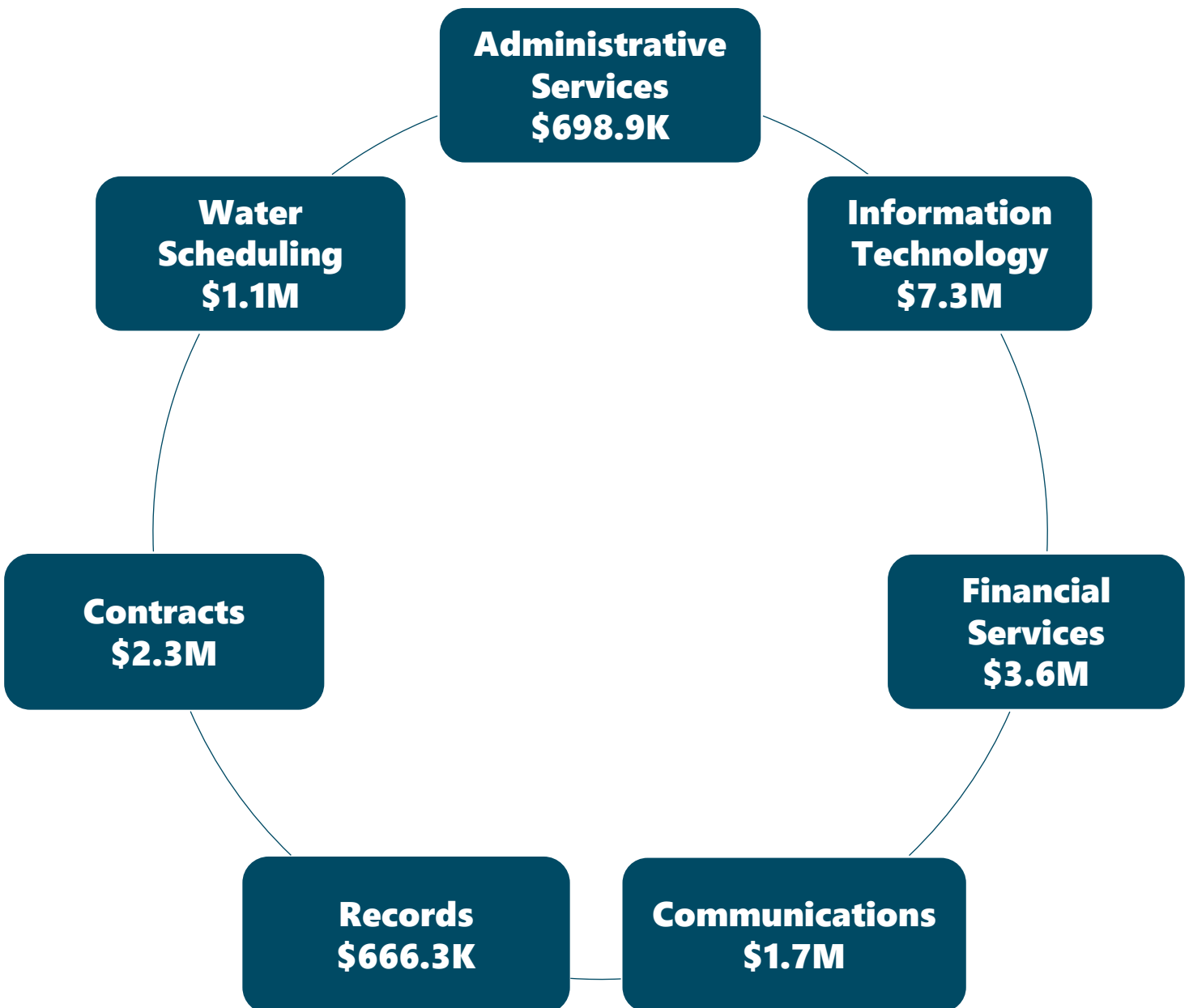
- Created the SOC and removed the responsibility from the operators in the Northern Water Control Center.
- Completed Continuity of Operation Plans with remaining departments.
- Prepared and hosted active hurter training.
- Continued to add access control and cameras to critical infrastructure.
- Worked with West Slope Control Rooms Operators to make sure they have correct camera views of critical operations facilities.
- Completed installation Reclamation cameras and confirm analytics are operational to Reclamation’s requirements.
- Educated staff on emergency response using the “I Love U Guys” campaign.
- Performed fire drills at a minimum of two times per year.
- Prepared and offered one tabletop exercise.

Emergency/Security Management	Fiscal Year 2024 Actual	Fiscal Year 2025 Budget	Fiscal Year 2025 Estimated Actual	Fiscal Year 2026 Budget	Dollar Change From Fiscal Year 2025 Budget	Percentage Change From Fiscal Year 2025 Budget
Expenditures:						
Program Summary						
Security General	\$476,945	\$1,287,872	\$1,342,034	\$1,409,721	\$121,849	9.5%
Travel and Training	23,993	40,000	16,210	40,000	-	0.0%
Total	\$500,938	\$1,327,872	\$1,358,244	\$1,449,721	\$121,849	9.2%
Summary by Category						
Labor	\$ -	\$603,072	\$762,737	\$638,971	\$35,899	6.0%
Expenses	500,938	724,800	595,507	810,750	85,950	11.9%
Total	\$500,938	\$1,327,872	\$1,358,244	\$1,449,721	\$121,849	9.2%

*Labor was included in the Real Estate Department for fiscal year 2023 and fiscal year 2024

Finance and Administration Division Programs

The Finance and Administration Division provides support to Northern Water through office operations. Responsibilities include: management of water contracts and inclusions; administration of property and general liability, management of enterprise budgets, accounting and purchasing for the organization; information technology infrastructure and application support; maintaining geographic information of water and real estate ownership; cybersecurity and secure protection of our IT assets; controlling and managing all official records; administrative services; internal and external communications; events and meeting coordination; and management of all water scheduling activities.



Division: Finance and Administration – Administrative Services Program

Business Plan Priority: Cultivate operational and organizational excellence

The Administrative Services Program provides office and front desk support, Board of Directors and management support, meeting scheduling and support, board meeting preparation, management of office supply inventories, word processing support, and coordination of employee anniversary recognition and gifts.

In 2026, the Administrative Services and Records Program intends to:

- Support hybrid Board and participant meetings in the Granby Boardroom.
- Evaluate agenda management platforms for streamlined management of all Board of Directors meetings and minute approvals.
- Continue to provide additional training to Northern Water staff on Board meeting procedures, protocol and statute requirements.
- Support additional front desk security protocols in newly renovated rotunda and front entry.
- Strategic coordination with Communications Department related to important dates and tours.
- Provide data entry, word processing, meeting and event support to staff working in the office and from remote locations.
- Coordination of Board travel and attendance at key regional and national water-related conferences.

In 2025, the Administrative Services and Records Program:

- Supported hybrid Board and participant meetings in newly renovated Granby Boardroom.
- Transitioned the Board meeting minutes process into the Records and Administrative Services Department.
- Continued to provide additional training to Northern Water staff on Board meeting procedures, protocol and statute requirements.
- Supported additional front desk security protocols in newly renovated rotunda and front entry.
- Coordinated with Communications Department related to important dates and tours.
- Provided data entry, word processing, meeting and event support to staff working in the office and from remote locations.
- Coordinated Board travel and attendance at key regional and national water-related conferences.

Administrative Services	Fiscal Year 2024 Actual	Fiscal Year 2025 Budget	Fiscal Year 2025 Estimated Actual	Fiscal Year 2026 Budget	Dollar Change From Fiscal Year 2025 Budget	Percentage Change From Fiscal Year 2025 Budget
Expenditures:						
Program Summary						
Administrative Support	\$575,808	\$639,069	\$437,754	\$507,798	\$(131,271)	(20.5%)
Workroom	42,320	85,759	73,735	69,900	(15,859)	(18.5%)
Travel and Training	15,466	132,759	30,168	121,300	(11,459)	(8.6%)
Total	\$633,594	\$857,586	\$541,657	\$698,998	\$(158,588)	(18.5%)
Summary by Category						
Labor	\$587,101	\$798,836	\$525,010	\$634,748	\$(164,088)	(20.5%)
Expenses	46,493	58,750	16,647	64,250	5,500	9.4%
Total	\$633,594	\$857,586	\$541,657	\$698,998	\$(158,588)	(18.5%)

Division: Finance and Administration – Communications Program

Business Plan Priority: Maintain and strengthen relationships

The Communications Program provides internal and external communications for Northern Water. Major functions and responsibilities include: communications strategies and initiatives, projects and efforts; media relations; website and digital content; marketing and outreach; public speaking; photos, graphics, video and display materials; and tours, events and meeting coordination.

In 2026, the Communications Department intends to:

- Oversee all strategic communications efforts, including cross-functional organizational department collaboration, plan development, deliverables, outreach and more.
- Build the Northern Water brand and awareness of our mission through increased external communications.
- Develop a strategic approach to share the Northern Water story and efforts throughout the organization.
- Execute public outreach efforts, including tours and events, for increasing awareness of projects and programs throughout Northern Water's service area.
- Launch a refreshed website alongside the Information Technology Department that addresses current digital technologies, integrations and accessibility standards.
- Continue to work on accessibility efforts for the Northern Water website to meet ADA compliance laws required as part of Colorado's statewide web accessibility standards. This includes ongoing automated and manual website scans to check for ADA deficiencies.
- Continue development of the digital asset management platform to make images and video assets available for the entire organization.
- Provide coordination with all departments and security related to tours, events and meetings.
- Develop a construction communications plan for the Northern Integrated Supply Project.
- Continue public outreach associated with the Northern Integrated Supply Project and ongoing communications with Participants public affairs staff.

In 2025, the Communications Department:

- Built the Northern Water brand and awareness of our organizational mission through increased external communications through various channels including website, social media, video and email communications.
- Evaluated and determined public outreach efforts for increasing awareness of our projects and programs in the communities that we serve.
- Continued work to ensure the Northern Water website is accessible to everyone to meet ADA compliance laws outlined through the requirements of Colorado's statewide web accessibility standards. As part of this, develop training for staff to assist in meeting compliance and understanding the new laws.
- Worked with Information Technology to continue to utilize website scanning compliance software to scan the Northern Water website for ADA deficiencies.
- Began development on a website refresh alongside Information Technology to evaluate current website demands, future needs and current digital trends.
- Continued development of the new digital asset management platform to make images and video assets available for the entire organization.
- Evaluated our digital advertising presence and adjusted focus and messaging based on current communication needs.
- Continued public outreach associated with the Northern Integrated Supply Project and ongoing communications with Participants public affairs staff.

			Fiscal Year 2025 Estimated Actual	Fiscal Year 2026 Budget	Dollar Change From Fiscal Year 2025 Budget	Percentage Change From Fiscal Year 2025 Budget
Communications	Fiscal Year 2024 Actual	Fiscal Year 2025 Budget				
Expenditures:						
Program Summary						
Communications						
Programs	\$1,180,558	\$1,445,076	\$1,536,803	\$1,706,423	\$261,347	18.1%
Travel and Training	25,000	125,500	33,699	40,500	(85,000)	(67.7%)
Total	\$1,205,558	\$1,570,576	\$1,570,502	\$1,746,923	\$176,347	11.2%
Summary by Category						
Labor	\$1,022,758	\$1,238,726	\$1,361,125	\$1,451,623	\$212,897	17.2%
Expenses	182,800	331,850	209,377	295,300	(36,550)	(11.0%)
Total	\$1,205,558	\$1,570,576	\$1,570,502	\$1,746,923	\$176,347	11.2%

Division: Finance and Administration – Contracts Program

Business Plan Priority: Cultivate operational and organizational excellence

The Contracts Program continues to serve as a cornerstone of Northern Water’s operational integrity, overseeing the full lifecycle of contracts related to water allotments, construction, professional services, intergovernmental agreements, and transfers for both the C-BT and Windy Gap projects. Through close coordination with legal and risk management teams, the program ensures each contract is thoroughly reviewed and responsibly managed.

Allotment contract change applications are guided through a structured review process, culminating in Northern Water Board of Directors approval. The program also manages inclusion petitions for Northern Water and the Municipal District, facilitating necessary approvals from the Board, Reclamation and the Weld County District Court when applicable.

In collaboration with the Risk Manager, the Contracts Program administers Northern Water’s property and liability insurance portfolio, including specialized coverage lines. Regular insurance meetings help maintain compliance and track asset changes.

The program also leads grant coordination efforts, from pre-award planning to post-award administration, supporting both internal and external grantees.

In 2026, the Contracts Program intends to:

- Implement the new INFOR contracts module, integrating templates, requisitions and vendor data into a centralized system. This transition will enable comprehensive contract tracking and reporting, including visibility into outstanding contract balances — a key request from the Board of Directors.
- Meet monthly with water providers will continue to address and resolve longstanding inclusion boundary discrepancies. These collaborative efforts aim to finalize historical issues and ensure accurate service area representation.
- Continue to host its annual workshop, bringing together project managers, senior leadership, legal counsel and risk management to share best practices and strengthen cross-departmental coordination.
- Conduct quarterly insurance reviews will remain a priority, with a continued focus on tracking coverage, asset transitions and monitoring claims activity to ensure comprehensive risk management.
- Maintain direct engagement with county assessors and planners to address ownership and boundary changes related to Class D allotment contracts. This work supports more accurate recordkeeping and improved contract administration.

In 2025, the Contracts Program:

- Partnered with multiple water providers to address longstanding inclusion boundary discrepancies, laying the groundwork for more accurate service area mapping and improved coordination.
- Expanded the grant program with the addition of a dedicated Grants Coordinator, funding requests surged to \$13.2 million — a 78.0 percent increase compared to the previous four-year total. This growth reflects a more strategic and proactive approach to grant acquisition.
- Increased grant application volume with submissions rising by 9.0 percent, with 12 applications submitted since August 2024, exceeding the total submitted over the prior four years. This uptick demonstrates increased engagement and capacity across departments.
- Launched Grant Stream, a centralized grant management application, along with a GIS dashboard built using ArcGIS Experience Builder. These tools have improved data visualization, tracking and reporting capabilities.
- Hosted Northern Water’s annual contracts and procurement workshop, fostering collaboration among project managers, senior leadership, legal counsel and risk management. The event remains a cornerstone for knowledge sharing and process alignment.
- Maintained quarterly insurance reviews to monitor coverage and asset transitions. Successfully renewed coverage with the Colorado Special Districts Pool and implemented the SAMBA Safety program to promote workplace safety across the organization.

- Advanced corrective actions related to Class D allotment contracts, working closely with county assessors and planners to address ownership and boundary changes.

Contracts	Fiscal Year 2024 Actual	Fiscal Year 2025 Budget	Fiscal Year 2025 Estimated Actual	Fiscal Year 2026 Budget	Dollar Change From Fiscal Year 2025 Budget	Percentage Change From Fiscal Year 2025 Budget
Expenditures:						
Program Summary						
Contracts	\$224,558	\$376,699	\$314,703	\$426,315	\$49,616	13.2%
Allotments	210,956	405,402	334,665	455,402	50,000	12.3%
Inclusions	196,746	184,265	229,495	344,265	160,000	86.8%
Insurance	286,428	328,189	344,047	1,000,000	671,811	204.7%
Travel and Training	26,023	45,000	51,194	45,000	-	0.0%
Total	\$944,711	\$1,339,555	\$1,274,104	\$2,270,982	\$931,427	69.5%
Summary by Category						
Labor	\$816,725	\$958,083	\$1,173,540	\$1,270,378	\$312,295	32.6%
Expenses	127,986	381,472	100,564	1,000,604	619,132	162.3%
Total	\$944,711	\$1,339,555	\$1,274,104	\$2,270,982	\$931,427	69.5%

Division: Finance and Administration – Financial Services Program

Business Plan Priority: Cultivate operational and organizational excellence

The Financial Services Program consists of budgeting, purchasing, payroll and accounting functions in support of Northern Water's Board of Directors, management and staff. The program provides support of matters relating to financial reporting, programs, grants, capital projects, investments, special projects, contracts, retirement and debt issuance while maintaining adherence to financial policies, procedures and regulatory compliance requirements.

The purchasing function secures goods and services using competitive and cooperative purchasing methods as outlined in the Northern Water Procurement and Purchasing Card policies. This function processes requisitions, obtains quotations, administers purchasing cards and manages all solicitations.

The accounting function provides financial services including fund accounting, preparation of the Annual Comprehensive Financial Report, cash disbursements, payroll processing, fixed asset management, cash management, accounts receivable, preparation of monthly reporting to the Board of Directors and participant committees and managing Northern Water's investments and retirement plans. The accounting function also maintains, monitors and enforces a system of internal control, segregation of duties and continuity of operations for critical functions. This program also provides financial planning for the annual budget and the five-year capital improvement program, analysis of operational productivity and special projects.

In 2026, the Financial Services Program intends to:

- Implement additional modules within the Enterprise Resource Planning system.
- Engage financial services contractor to perform a detailed Rate Study and Indirect Costs methodology refresh.
- Support the Northern Integrated Supply Project financing mechanisms.
- Continue to refine purchasing procedures.
- Enhance the Accounting Policies and Procedures Manual.
- Strengthen month end closing process.
- Put into action the recently developed Grants and Donations Procedures Manual for staff.
- Implement ClearGov for Annual Comprehensive Financial Report (ACFR) and Budgeting reporting.

In 2025, the Financial Services Program:

- Implemented additional modules within the Enterprise Resource Planning system.
- Developed additional reporting from the Enterprise Resource Planning system, including evaluation of conversion of ACFR, budget and annual reports to a new software platform.
- Engaged consulting services for updates to the Northern Water Rate Study and Indirect Cost Methodology.
- Continued to support the Northern Integrated Supply Project financing mechanisms.
- Continued to refine purchasing procedures.
- Developed a Rental Equipment Solicitation Policy.
- Continued to enhance the Accounting Policies and Procedures Manual.
- Developed a Grants and Donations Procedures Manual for staff.
- Developed Investment Policy Statements for the 401(a) and 457(b) retirement plans.
- Began development of a Public Annual Financial Report.

Financial Services	Fiscal Year 2024 Actual	Fiscal Year 2025 Budget	Fiscal Year 2025 Estimated Actual	Fiscal Year 2026 Budget	Dollar Change From Fiscal Year 2025 Budget	Percentage Change From Fiscal Year 2025 Budget
Expenditures:						
Program Summary						
Accounting Services	\$1,329,403	\$1,237,463	\$1,217,269	\$1,350,500	\$113,037	9.1%
Purchasing	543,134	247,904	461,837	650,000	402,096	162.2%
Treasury	768,100	724,338	784,788	800,000	75,662	10.4%
Budget	165,752	238,454	163,897	315,000	76,546	32.1%
Payroll	168,169	284,338	102,781	299,394	15,056	5.3%
Pension	37,790	320,930	52,300	100,000	(220,930)	(68.8%)
Travel and Training	60,000	129,127	55,000	75,000	(54,127)	(41.9%)
Total	\$3,072,348	\$3,182,553	\$2,837,872	\$3,589,894	\$407,340	12.8%
Summary by Category						
Labor	\$992,117	\$1,982,554	\$1,520,867	\$2,458,194	\$475,660	24.0%
Expenses	2,080,231	1,200,000	1,317,005	1,131,700	(68,300)	(5.7%)
Total	\$3,072,348	\$3,182,554	\$2,837,872	\$3,589,894	\$407,340	12.8%

Division: Finance and Administration – Information Technology Services Program

Business Plan Priority: Cultivate operational and organizational excellence

The Information Technology Services Department supports Northern Water's technical and information resources. The IT department is divided into four focus areas: Client Support Services and System Administration; Network and Cybersecurity Administration; Software Development and Application Support; Geographical Information System (GIS).

Client Support Services and System Administration are responsible for client and server infrastructure support. Client services offer a range of support activities covering help desk calls, audio/visual support for internal and external meetings, and workstation management and mobile device support.

Network and Cybersecurity Administration oversees Northern's network and security infrastructure's design, maintenance and troubleshooting. The network team is responsible for all technical aspects of Northern Water's infrastructure, including but not limited to routers, switches, security and firewalls. The cybersecurity area will develop and implement enterprise-wide information security programs to monitor and protect communications, electronic systems and technical assets from internal and external threats.

Software development and application support are responsible for Northern Water's custom applications and enterprise off-the-shelf applications. This group provides support for our ERP, websites, document management system, and many custom-developed and off-the-shelf applications.

The GIS area is responsible for creating and maintaining geographic information. They provide GIS support to staff in creating datasets, analyses and maps for various projects and activities. The GIS team also oversees Northern Water's drone program by flying drone missions to collect aerial video and imagery of Northern Water's physical assets and facilities.

Finally, Information Technology Services is responsible for managing all electronic information.

In 2026, the Information Technology Services Program intends to:

- Refresh the Data Center Switches that have reached their projected maximum end-of-life. The new switches will provide advanced snapshot, replication and backup features for disaster recovery and business continuity. They will also have redundant power supplies for high availability.
- Engage with an ERP third-party consultant to assist with implementing and configuring additional modules. The new modules will digitize manual business processes.
- Replace a legacy Storage Area Network (SAN) system. The project involves the decommissioning the existing SAN infrastructure and the implementing a new SAN system to improve performance, scalability and reliability for enterprise storage needs.
- Complete the Northern Water website refresh project to stay current with website trends, technologies and ADA compliance.
- Engage with an Artificial Intelligence (AI) consulting firm to implement an AI tool to drive efficiencies, automation, enhanced decision-making and support for various business workflows. The AI consultant will provide guidance on how to develop a clear stance on AI acceptable use and best practices.
- Perform a cyber tabletop exercise to improve incident response capabilities by identifying gaps in plans and procedures, testing communication, developing decision-making skills under pressure and ensuring compliance with regulations. The project includes engaging with a consulting firm to facilitate the exercise.

In 2025, the Information Technology Services Program:

- Engaged with a website consulting firm to refresh the Northern Water website. The project involved consultant work to redesign templates for the website, HTML code and integrations into our current content management system.
- Procured a Blue-listed Unmanned Aerial System (UAS) for phases two and three of the Northern Water drone initiative. The new drone will provide additional capabilities and versatility with swappable payloads.

- Replaced two virtual machine clusters and three SQL Server physical servers that have reached their projected maximum end-of-life.
- Completed the Horsetooth fiber dense wavelength-division multiplexing project. The project included installing a Cisco Network Convergence System, configuring it, testing it and providing hardware support. It also includes fiber characterization tests, hardware and licensing.
- Completed the Software-Defined Wide Area Network (SD-WAN) implementation. The project improves application performance and simplifies the management of complex networks by using a central control plane to manage traffic across multiple connections. SD-WAN provides better visibility, flexibility and security, and enables more direct and efficient access to cloud services by intelligent routing of traffic.
- Implemented micro-segmentation at Northern Water campuses, which is a network security strategy that divides a network into smaller, isolated segments to secure workloads and authorize specific traffic flows.

Information Technology	Fiscal Year 2024 Actual	Fiscal Year 2025 Budget	Fiscal Year 2025 Estimated Actual	Fiscal Year 2026 Budget	Dollar Change From Fiscal Year 2025 Budget	Percentage Change From Fiscal Year 2025 Budget
Expenditures:						
Program Summary						
Programming	\$435,102	\$525,200	\$645,102	\$650,000	\$124,800	23.8%
Cybersecurity & Governance	506,254	650,000	700,266	650,000	-	0.0%
IT Support Services	2,815,189	4,250,250	4,544,189	4,500,000	249,750	5.9%
Geographic Information System	350,589	530,050	577,589	600,000	69,950	13.2%
Policy Administration	38,469	42,020	85,916	42,020	-	0.0%
IT General	224,230	343,555	355,822	337,690	(5,865)	(1.7%)
Security	80,100	61,000	80,566	61,000	-	0.0%
Travel and Training	135,592	476,000	164,669	476,000	-	0.0%
Total	\$4,585,525	\$6,878,075	\$7,154,119	\$7,316,710	\$438,635	6.4%
Summary by Category						
Labor	\$2,654,221	\$2,858,737	\$3,342,174	\$3,170,306	\$311,569	10.9%
Expenses	1,931,304	4,019,338	3,811,945	4,146,404	\$127,066	3.2%
Total	\$4,585,525	\$6,878,075	\$7,154,119	\$7,316,710	\$438,635	6.4%

Division: Finance and Administration – Records Program

Business Plan Priority: Cultivate operational and organizational excellence

The Records Program is responsible for controlling and maintaining all official Northern Water records. Major functions include organizing, digitizing, storing, preserving, retrieving, and disposing all records; developing Board and Participant meeting minutes; assisting staff and legal counsel with records research, coordinating, and distributing all mail and packages; and responding to Colorado Open Records Act (CORA) requests.

In 2026, the Records Program intends to:

- Coordinate the transfer of vital electronic and paper records related to critical infrastructure and water allotment contracts into the eDocs Document Management (DM)/ Records Management (RM) system for long-term preservation.
- Continue to inventory and index legacy record collections and incorporate the material in the eDocs DM/RM system for long-term preservation.
- Track and evaluate transitory material for disposition per the records retention schedule using the eDocs DM/RM system.
- Update the records retention schedule.
- Work with the Information Technology Department in relation to AI governance models that impact records and information management.
- Upgrade the eDocs DM/RM systems to enhance integration with other enterprise applications; continued to deploy the eDocs DM/RM system to select departments to import permanent electronic records; and train employees on use.
- Upgrade the Kofax imaging system to stay updated with the latest imaging and digitization technologies.
- Develop and implement RIM training modules for employee onboarding.
- Facilitate records transfers from offboarding/retiring personnel.
- Respond to records requests from Northern Water staff and the public.

In 2025, the Records Program:

- Realigned the file taxonomy between the RM electronic file plan system and legacy filing system.
- Coordinated the transfer of vital electronic and paper records related to critical infrastructure and water allotment contracts into the eDocs DM/RM system for long-term preservation.
- Tracked and evaluated transitory material for disposition per the records retention schedule using the eDocs DM/RM system.
- Conducted staff training on eDocs Document Management system administration in coordination with IT. Conduct staff training on Microsoft Purview Records and Information Management (RIM) tools.
- Continued facilitation of records transfers from offboarding/retiring personnel.
- Transitioned the Board meeting minutes process into the Records and Administrative Services Department.
- Responded to records requests from Northern Water staff and the public.

Records	Fiscal Year 2024 Actual	Fiscal Year 2025 Budget	Fiscal Year 2025 Estimated Actual	Fiscal Year 2026 Budget	Dollar Change From Fiscal Year 2025 Budget	Percentage Change From Fiscal Year 2025 Budget
Expenditures:						
Program Summary						
Records	\$568,646	\$487,783	\$536,657	\$621,328	\$133,545	27.4%
Travel and Training	5,000	55,000	5,000	45,000	(10,000)	(18.2%)
Total	\$573,646	\$542,783	\$541,657	\$666,328	\$123,545	22.8%
Summary by Category						
Labor	\$564,279	\$478,533	\$525,010	\$607,578	\$129,045	27.0%
Expenses	9,367	64,250	16,647	58,750	(5,500)	(8.6%)
Total	\$573,646	\$542,783	\$541,657	\$666,328	\$123,545	22.8%

Division: Finance and Administration – Water Scheduling Program

Business Plan Priority: Cultivate operational and organizational excellence

The Water Scheduling Department allocates water in accordance with project policies and allotment contracts, responds to customer and allottee requests for delivery and transfer of water, maintains accounting and provides reporting of water allocation, deliveries and transfers, communicates canal delivery orders to Distribution Systems' personnel and to state officials, and coordinates various invoicing and payment activities related to water use and transfer. The department is also responsible for quantifying all stored water in project reservoirs, ensuring that all releases and inflows are properly assigned to the various water projects and beneficiaries as described in applicable contracts and agreements. The department coordinates software and database support and prepares various custom reports and analytical products.

In 2026, the Water Scheduling Program intends to:

- Continue to respond to customer requests in a timely manner and accurately administer requests for delivery and transfer of water.
- Continue to develop and maintain reporting products to support the needs of internal departments, the Board of Directors, and outside agencies, both state and federal.
- Maintain and submit monthly reservoir accounting for Carter Lake, Horsetooth and Boulder reservoirs, and newly added Chimney Hollow to state officials.
- Create import tools for data mining of municipal water accounting to support Article 19 protection of C-BT Project return flows and provide the state officials daily return flow amounts at certain locations on the river.
- Submit monthly accounting to the Colorado Division of Water Resources for the following: West Slope Intergovernmental Agreement, West Slope Building Augmentation plan.
- Develop a new tool that allows power usage to be easily compared to pipeline intake flows for power plant bills.

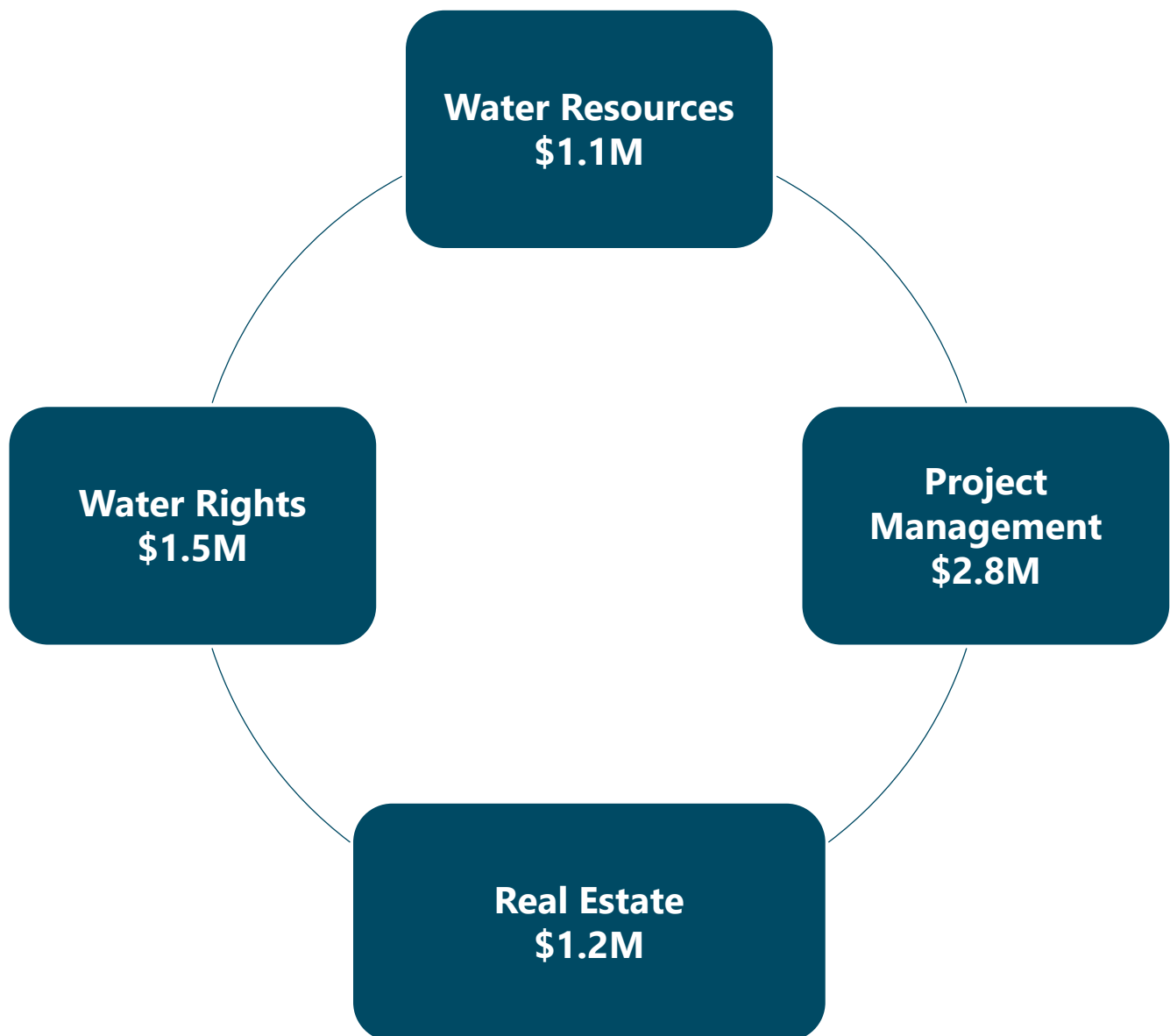
In 2025, the Water Scheduling Program:

- Accurately administered requests for delivery/transfer of water in a timely manner.
- Developed, tested and implemented a faster way to allow requests for water deliveries to be made within a few hours of receiving the water without any confusion on the ground all by using newly installed automatic gates, screens and dashboards.
- Maintained reporting products and developed new reports to support the needs of internal departments, the Board of Directors, and outside agencies, both state and federal.
- Maintained and submitted monthly reservoir accounting for Carter Lake, Horsetooth and Boulder reservoirs, and newly added Chimney Hollow Reservoir to state officials.
- Created import tools for data mining of municipal water accounting to support Article 19 protection of C-BT Project return flows and provide the state officials daily return flow amounts at certain locations on the river.
- Submitted monthly accounting to the Colorado Division of Water Resources for the following: West Slope Intergovernmental Agreement, West Slope Building Augmentation plan and more.
- Continued to support tools that allow power usage to be easily compared to pipeline intake flows for power plant bills.
- Created and supported advanced comparative dashboards for internal and external partners.

Water Scheduling	Fiscal Year 2024 Actual	Fiscal Year 2025 Budget	Fiscal Year 2025 Estimated Actual	Fiscal Year 2026 Budget	Dollar Change From Fiscal Year 2025 Budget	Percentage Change From Fiscal Year 2025 Budget
Expenditures:						
Program Summary						
Water Scheduling						
General	\$1,007,375	\$1,014,025	\$1,106,666	\$1,093,691	\$79,666	7.9%
Travel and Training	14,638	20,000	15,433	20,000	-	-
Total	\$1,022,013	\$1,034,025	\$1,122,099	\$1,113,691	\$79,666	7.7%
Summary by Category						
Labor	\$1,016,364	\$1,024,025	\$1,118,975	\$1,103,691	\$79,666	7.8%
Expenses	5,649	10,000	3,124	10,000	-	-
Total	\$1,022,013	\$1,034,025	\$1,122,099	\$1,113,691	\$79,666	7.7%

Engineering Division Programs

The Engineering Division looks at existing facilities and operations to ensure water delivery is successful, while planning for future goals for the organization. Responsibilities include: water supply planning and forecasting to maximize operation of the system; design improvements to the existing system; plan new projects to improve operation and reliability; protect the water supply through water rights and permitting issues; and manage property and real estate.



Division: Engineering – Project Management Program

Business Plan Priority: Plan and implement new water supply projects

The Project Management Program leads the various civil project development efforts at Northern Water. Activities within the program include project planning, budgeting, scheduling, permitting, design, contracting and construction management.

In 2026, the Project Management Program intends to:

- Continue the design, pre-construction and financial planning activities for the Northern Integrated Supply Project.
- Provide support to the Distribution and Collection programs related to budgeting, planning, design and construction management of various hydraulic structure improvements and rehabilitation.

In 2025, the Project Management Program:

- Continued the design, pre-construction and financial planning activities for the Northern Integrated Supply Project.
- Provided support to the Distribution and Collection programs related to budgeting, planning, design and construction management of various hydraulic structure improvements and rehabilitation.

Project Management	Fiscal Year 2024 Actual	Fiscal Year 2025 Budget	Fiscal Year 2025 Estimated Actual	Fiscal Year 2026 Budget	Dollar Change From Fiscal Year 2025 Budget	Percentage Change From Fiscal Year 2025 Budget
Expenditures:						
Program Summary						
Project Management	\$1,910,497	\$2,221,662	\$2,414,607	\$2,728,250	\$506,588	22.8%
Travel and Training	30,443	110,000	28,657	105,000	(5,000)	(4.5%)
Total	\$1,940,940	\$2,331,662	\$2,443,264	\$2,833,250	\$536,588	21.5%
Summary by Category						
Labor	\$1,864,883	\$2,296,662	\$2,369,528	\$2,793,250	\$496,588	21.6%
Expenses	76,057	35,000	73,736	40,000	5,000	14.3%
Total	\$1,940,940	\$2,331,662	\$2,443,264	\$2,833,250	\$501,588	21.5%

Division: Engineering – Real Estate Services Program

Business Plan Priority: Cultivate operational and organizational excellence

The Real Estate Program manages, protects, acquires and disposes of real property rights for Northern Water, its Municipal Subdistrict and multiple Water Activity Enterprises (Enterprise) established by Northern Water. Property oversight includes ranch properties currently held by Northern Water and properties for future water projects. The Real Estate Program also provides utility locates activities with the majority of those services provided to the Southern Water Supply Project and Pleasant Valley Pipeline operations.

In 2026, the Real Estate Program intends to:

- Complete acquisitions of properties needed for the relocation of U.S. Highway 287 for the construction of the Northern Integrated Supply Project.
- Complete acquisitions of properties needed for the Galeton Reservoir forebay pond and pump plant location.
- Continue to acquire easements for the Northern Integrated Supply Project conveyance pipeline.
- Acquire remaining properties needed for construction of the Glade Reservoir, conveyance from Poudre River and forebay pond.
- Continue to work with multiple tenants that lease property from Northern Water and its Enterprises.
- Continue to work with locates and operations staff to make sure all utilities constructed by them are in the GIS layer so that facilities can be marked in located in the field prior to construction activities. These facilities include fiber optic lines, electric lines, water lines, sewer lines etc.
- Complete mailing to all property owners whose property has easements on their property for SWSP and PVP projects. Answer any questions from underlying property owners regarding the easements.
- Begin planning for the disposal of properties that are no longer necessary for the Chimney Hollow Reservoir construction activities.
- Clearing East and West Slope ranch properties of all unnecessary structures, fencing, etc.

In 2025, the Real Estate Program:

- Began fee acquisitions of properties needed for the relocation of U.S. Highway 287 for Northern Integrated Supply Project.
- Made offers and purchased property interest needed for the Galeton Reservoir forebay and pump plant site near the confluence of the Poudre and South Platte rivers.
- Continued to acquire easements needed for Northern Integrated Supply Project Conveyance pipeline.
- Prepared plans for acquisition of remaining properties needed for Glade Reservoir and Forebay pond, as well as other easements and fee lands for appurtenant facilities related to Glade Reservoir.
- Continued to work with tenants on Northern Water and Enterprise owned properties. This included removal of any unused buildings, fencing, and cleaning and clearing of properties.
- Continued to work with GIS Department to confirm that all pipelines, electrical and fiber optic facilities are in Northern Water's mapping system and Colorado 811 system.
- Completed easement agreements needed for the Chimney Hollow Reservoir Project with Larimer County and Reclamation.
- Developed a plan and mailed notices to notify all property owners were Southern Water Supply Project and Pleasant Valley Pipeline own easements. Met with property owners that requested additional information regarding these easements.
- Continued to develop working relationships with Ditch Companies that Northern Water owns the property interests.
- Attended annual meetings and worked on building relationships with ditch company's Northern Water holds stock in.

Real Estate	Fiscal Year 2024 Actual	Fiscal Year 2025 Budget	Fiscal Year 2025 Estimated Actual	Fiscal Year 2026 Budget	Dollar Change From Fiscal Year 2025 Budget	Percentage Change From Fiscal Year 2025 Budget
Expenditures:						
Program Summary						
Real Estate General	\$1,577,389	\$1,043,225	*\$966,528	\$1,135,550	\$92,325	8.8%
Real Estate						
Travel/Training	108,644	100,000	36,296	100,000	-	0.0%
Total	\$1,686,033	\$1,143,225	\$1,002,824	\$1,235,550	\$92,325	8.1%
Summary by Category						
*Labor	\$1,481,318	\$862,325	\$918,785	\$1,122,650	\$260,325	30.2%
Expenses	204,715	280,900	36,296	112,900	(168,000)	(59.8%)
Total	\$1,686,033	\$1,143,225	\$1,686,033	\$1,235,550	\$92,325	8.1%

* For 2025 Split Department 280 - Real Estate and 290 - Emergency and Security

Division: Engineering – Water Resources Program

Business Plan Priority: Protect and conserve water supplies

The Water Resources program performs engineering activities that support Northern Water and the various Water Activity Enterprise (Enterprise) funds. Specific engineering efforts include projects operations planning and modeling, streamflow forecasting, river basin modeling, water availability studies and water supply quantifications.

As a component of the Water Resources program, the South Platte Special Project conducts and manages special projects where they involve irrigation management for deficit practices, groundwater issues and the maintenance and enhancement of groundwater return flows within Northern Water boundaries.

In 2026, the Water Resources Program intends to:

- Inform leadership and the Board concerning water supply conditions, the availability of C-BT Project supplies, and recommendations for C-BT water allocation and use.
- Produce daily and seasonal streamflow forecasts for eight basins during the snow accumulation and snowmelt runoff seasons.
- Update streamflow forecast models, including implementing a new version of our statistical model and running hindcasts to improve our physical model.
- Participate in the funding and planning of the 2027 Colorado Airborne Snow Measurement program, including Airborne Snow Observatory flights.
- Complete Northern Water's Snow Water Supply and Forecasting grant project with Reclamation.
- Implement Airborne Snow Observatory flight data and results in annual streamflow forecasting efforts.
- Participate in stakeholder groups including river administration and operations discussions, Green Mountain Historic User Pool (HUP) discussions, Grand County Learning by Doing (LBD) and Grand Lake Adaptive Management for clarity (GLAM).
- Provide modeling, analytical and planning support for the C-BT Project Annual Operating Plan including production of C-BT Project demand forecasts.
- Collaborate on the development of water quantity and water quality related operations plans for Boulder Reservoir.
- Participate in Northern Water's regional messaging initiative.
- Create reports summarizing operations in Water Year 2025.
- Report on Water Year 2025 demand prediction and update the model to automate tasks.
- Develop daily RiverWare model of the Cache La Poudre river system that includes river administration, water accounting, and NISP project components to be used in support of NISP operations development and water supply planning.
- Provide water resources expertise for NISP activities, including support for NISP environmental commitments, South Platte salinity issues and NISP infrastructure design.
- Update Poudre River point flow model to include years 2019-2024.
- Participate in South Platte Salinity Stakeholder Group and salinity monitoring and modeling efforts.
- Continue work at USDA-CSU Greeley research and demonstration farm on growing grain corn with less crop consumptive use (ET) and water applied with saved water as a firming supply for future growth.
- Develop new groundwater recharge projects in the lower South Platte River for local well augmentation groups and SPWRAP as credits for PRRIP. Continue well augmentation accounting services for decree augmentation plans.
- Work with Northern Water field services team on developing real-time monitoring for irrigation efficiency and ET. Perform educational outreach at group meetings on return flow hydrology as the foundation of South Platte River flows and river administration as well as the importance of well augmentation plans on maintaining return flows.

In 2025, the Water Resources Program:

- Informed leadership and the Board concerning water supply conditions, the availability of C-BT Project supplies, and recommendations for C-BT water allocation and use.

- Produced daily and seasonal streamflow forecasts for eight basins during the snow accumulation and snowmelt runoff seasons.
- Provided modeling, analytical and planning support for the C-BT Project Annual Operating Plan including production of C-BT Project demand forecasts.
- Participated in the funding and planning of the 2026 Colorado Airborne Snow Measurement program, including Airborne Snow Observatory flights.
- Implemented Airborne Snow Observatory flight data and results in annual streamflow forecasting efforts.
- Participated in stakeholder groups including river administration and operations discussions, Green Mountain Historic User Pool (HUP) discussions, Grand County Learning by Doing (LBD) and Grand Lake Adaptive Management for clarity (GLAM).
- Collaborated on the development of water quantity and water quality related operations plans for Boulder Reservoir.
- Participated in Northern Water’s regional messaging initiative.
- Investigated impacts to water supplies due to climate change and other water supply pressures.
- Participated in South Platte Salinity Stakeholder Group salinity monitoring and modeling efforts.
- Developed new groundwater recharge projects in the lower South Platte River for local well augmentation groups and South Platte Water Related Activities Program (SPWRAP) as credits for Platte River Recovery and Implementation ESA Program (PRRIP).
- Worked with Northern Water field services on developing real-time monitoring for irrigation efficiency and crop consumptive use.
- Performed educational outreach at group meetings on return flow hydrology as the foundation of South Platte River flows and river administration, as well as the importance of well augmentation plans on maintaining return flows.
- Provided water resources modeling and analytical and planning support for NISP.
- Developed daily Poudre Operations for Water, Diversion, Exchanges, and Reservoir (POWDER) Lite Model in RiverWare that uses historic modeled point-flow data to support NISP right-sizing efforts and will be used as base for full accounts and water rights model.
- Modeled over 40 different scenarios of NISP in ModSIM to support right-sizing efforts NISP design and operations planning, including a yield impact analysis for different Glade forebay sizes.

Water Resources	Fiscal Year 2024 Actual	Fiscal Year 2025 Budget	Fiscal Year 2025 Estimated Actual	Fiscal Year 2026 Budget	Dollar Change From Fiscal Year 2025 Budget	Percentage Change From Fiscal Year 2025 Budget
Expenditures:						
Program Summary						
Water Resources General	\$325,678	\$262,861	\$290,163	\$330,505	\$67,644	25.7%
Stream Flow Forecast	672,818	684,896	688,190	680,000	(4,896)	(0.7%)
Climate Change	65,400	68,151	120,650	129,000	60,849	89.3%
South Platte WRAP	14,080	14,278	15,650	15,078	800	5.6%
Project Modeling	8,555	5,711	5,854	5,129	(582)	(10.2%)
Mapping & Analysis	42,602	37,888	43,895	27,888	(10,000)	(26.4%)
USDA Deficit Study	411,336	466,432	416,379	420,600	(45,832)	(9.8)
Travel and Training	15,273	55,158	25,875	55,000	(158)	(0.3%)
Total	\$1,555,742	\$1,595,375	\$1,606,656	\$1,663,200	\$67,825	4.3%
Summary by Category						
Labor	\$1,025,225	\$1,075,375	\$1,082,556	\$1,122,650	\$47,275	4.4%
Expenses	530,517	520,000	524,100	540,550	20,550	4.0%
Total	\$1,555,742	\$1,595,375	\$1,606,656	\$1,663,200	\$67,825	4.3%

Division: Engineering – Water Rights Program

Business Plan Priority: Protect and conserve water supplies

The Water Rights Department is responsible for managing the water right assets owned by Northern Water and its enterprises, oversees the protection of those assets as needed in Water Court in cooperation with Northern Water's legal counsel, and serves as a voice for Northern Water and Colorado water users to ensure water resources are protected on a local, state, regional and federal level. Overall, this department helps provide oversight and guidance on a variety of recovery, alternative management and water protection programs.

In 2026, the Water Rights Program intends to:

- Participate in various local, statewide, regional and interstate cooperative programs including endangered species recovery programs, stream management and river basin studies.
- Protect C-BT Project return flows within district boundaries as per the Repayment Contract and continue to engage in statements of opposition on water rights applications.
- File statements of opposition and continue due diligence to protect C-BT Project and NISP water rights.
- Provide water rights and water resources expertise for other Northern Water programs.
- Participate in interstate Compact discussions to protect Colorado River and South Platte River water supplies.
- Preserve native water supplies for use within Northern Water boundaries.

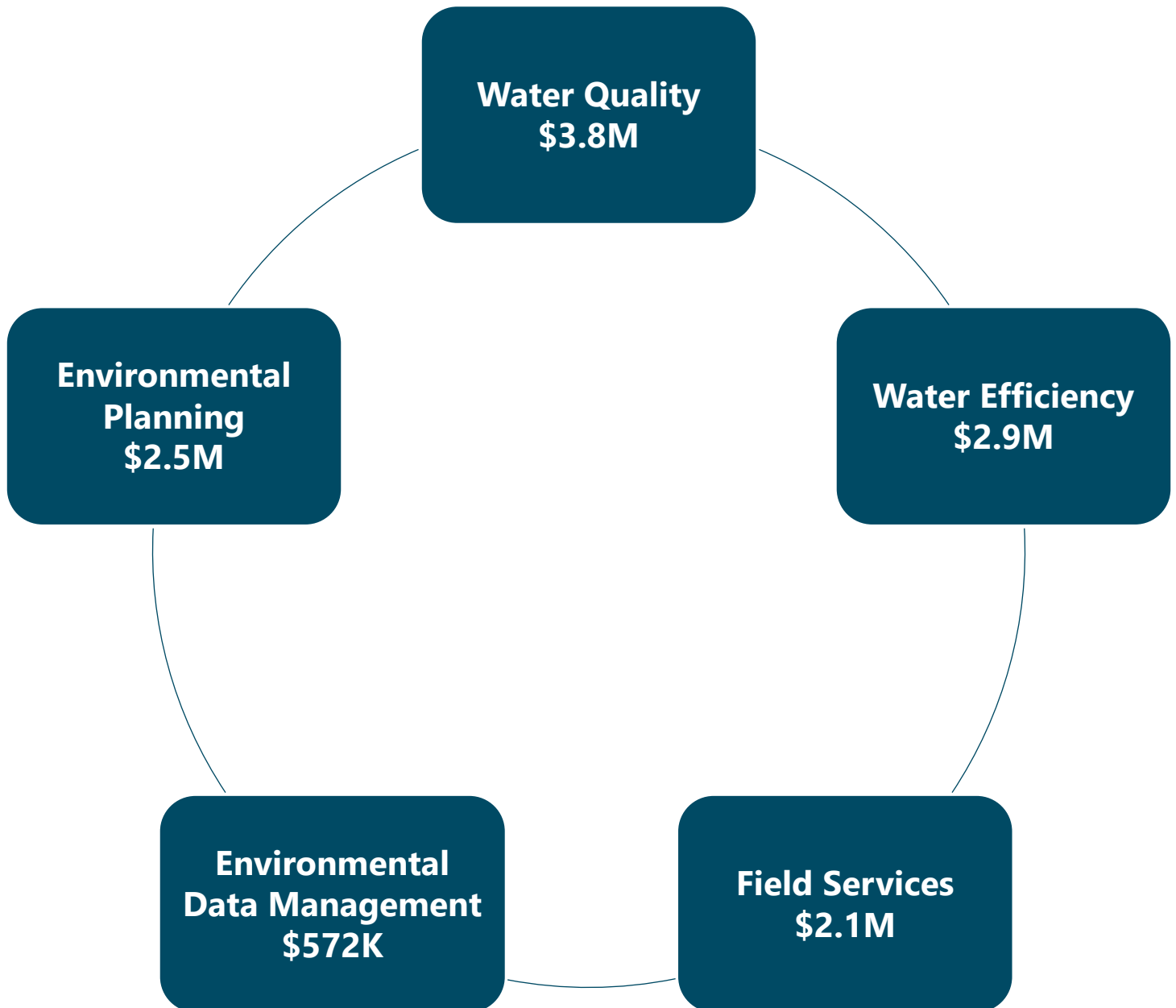
In 2025, the Water Rights Program:

- Participated in various local, statewide, regional and interstate cooperative programs including endangered species recovery programs, stream management operations, stakeholder groups and river basin studies.
- Protected C-BT Project return flows within district boundaries as per the Repayment Contract and continue to engage in statements of opposition on water rights applications.
- Filed statements of opposition and continued due diligence to protect C-BT Project and NISP water rights.
- Provided water rights and water resources expertise for other Northern Water programs.
- Represented Colorado South Platte water users on the 3 States Endangered Species Act Platte River Recovery Program.
- Represented Colorado River water users on the Upper Colorado River Endangered Species Recovery Program.
- Represented water users of Colorado River supplies on the Upper Colorado River Commission.
- Participated in the continued implementation of the Wild and Scenic Alternative Management Plan for the upper Colorado River for the reach from Kremmling to Glenwood Springs.
- Participated in various groups and collaborated with regional water providers to preserve native South Platte River water supplies for use by future generations within Northern Water boundaries.

	Fiscal Year 2024 Actual	Fiscal Year 2025 Budget	Fiscal Year 2025 Estimated Actual	Fiscal Year 2026 Budget	Dollar Change From Fiscal Year 2025 Budget	Percentage Change From Fiscal Year 2025 Budget
Water Rights						
Expenditures:						
Program Summary						
Water Rights Return Flow Study	\$343,040	\$302,457	\$278,948	\$360,500	\$58,043	19.2%
Water Opposition United, EC, ACW	200,615	233,717	212,823	225,050	(8,667)	(3.7%)
Water Opposition Other	424,129	493,670	362,340	500,897	7,227	1.5%
Water Rights General	215,674	304,961	344,498	338,000	33,039	10.8%
Travel and Training	18,802	40,000	19,484	40,000	-	0.0%
Total	\$1,202,259	\$1,374,806	\$1,218,093	\$1,464,447	\$89,641	6.5%
Summary by Category						
Labor	\$848,523	\$823,806	\$965,992	\$900,447	\$76,641	9.3%
Expenses	353,736	551,000	252,101	564,000	13,000	2.4%
Total	\$1,202,259	\$1,374,806	\$1,218,093	\$1,464,447	\$89,641	6.5%

Environmental Services Division Programs

The Environmental Services Division supports the development of future water supplies and the operation of existing water projects. Responsibilities include: ensuring compliance with environmental regulations and commitments; protecting existing and future water supplies; managing and protecting watershed and forest health; restoring and maintaining stream and aquatic habitat; collecting water flow, water quality and weather data; developing and supporting data management systems; and providing water efficiency education and technical support.



Division: Environmental Services – Environmental Data Management Program

Business Plan Priority: Protect and conserve water supplies

The Environmental Data Program aims to improve the quality, usability and accessibility of data assets and assists in data compilation and analysis. This is achieved by aligning departmental data management efforts and implementing a data governance framework to ensure adoption of best practices, while developing and supporting organizational data infrastructure, analytical tools, and techniques in an integrated fashion. Environmental Data Program seeks to provide a common data foundation and data-driven framework from which all departments can build and operate upon. The Water Information System KISTERS (WISKI) product forms the backbone of Northern Water’s environmental data warehouse.

In 2026, the Environmental Data Program intends to:

- Expand data visualization tools and real-time data access for users and system operators.
- Developed new mobile data acquisition systems for field data collection that directly interfaces with the WISKI data warehouse.
- Improve data intake procedures, including front end data processing, quality assurance and import methods.
- Explore and implement new data validation and quality assurance tools and platforms.
- Expand publicly available data access via web portal and web service systems.
- Broaden system documentation and provide internal user training for the expanded data system.

In 2025, the Environmental Data Program:

- Completed migration of Water Quality data to the data management system.
- Implemented new data intake work flows and automated data processing procedures.
- Further expanded Northern Water’s data sharing capabilities through additional tools and services, both internally and externally.
- Published a new central hub of data system documentation, operations, logistics and troubleshooting accessible and searchable by all staff.

Environmental Data Management	Fiscal Year 2024 Actual	Fiscal Year 2025 Budget	Fiscal Year 2025 Estimated Actual	Fiscal Year 2026 Budget	Dollar Change From Fiscal Year 2025 Budget	Percentage Change From Fiscal Year 2025 Budget
Expenditures:						
Program Summary						
Environmental Data Management	\$127,772	\$350,317	\$180,665	\$542,992	\$192,675	55.0%
Travel and Training	6,002	25,000	1,000	30,000	5,000	20.0%
Total	\$133,774	\$375,317	\$181,665	\$572,992	\$197,675	52.7%
Summary by Category						
Labor	\$105,889	\$320,317	\$136,742	\$418,242	\$97,925	30.6%
Expenses	27,885	55,000	44,923	154,750	99,750	181.4%
Total	\$133,774	\$375,317	\$181,665	\$572,992	\$197,675	52.7%

Division: Environmental Services – Environmental Planning

Business Plan Priority: Protect and conserve water supplies

The Environmental Compliance Program provides environmental permitting, strategic planning, recommendations for proposed/changing environmental regulations, and environmental stewardship guidance for Northern Water and Municipal Subdistrict operations and new capital projects. The program specializes in aquatic ecology, source water protection planning, and compliance with the National Environmental Policy Act (NEPA), Clean Water Act, Migratory Bird Treaty Act, Bald and Golden Eagle Protection Act, Endangered Species Act, National Historic Preservation Act (NHPA compliance), Colorado Water Quality Control Act and others.

Forest Health management is an important initiative for Northern Water to protect and maintain the long-term water quality of the C-BT and Windy Gap projects. Northern Water's water supplies are almost entirely dependent upon snowmelt from high-elevation watersheds, and as major wildfires such as the 2020 East Troublesome Fire have shown, wildfires within these watersheds can have dramatic effects on the quality of watershed runoff and the ability to meet water supply needs. In addition, Northern Water takes an active role in supporting local, state and federal entities' efforts to promote and implement projects that improve forest health and protect infrastructure from wildfire risks.

In 2026, the Environmental Planning Program intends to:

- Provide support for East Troublesome Fire recovery, including project management, environmental compliance, and primary point of contact for stakeholders, regulatory agencies and land administrators.
- Provide environmental compliance support for all Northern Integrated Supply Project elements, including but not limited to Glade Reservoir, U.S. Highway 287 relocation and Poudre River Adaptive Management.
- Provide environmental compliance support for a variety of operations and maintenance projects. Anticipated activities include, but are not limited to, permitting, emergency guidance and strategic planning. Act as primary environmental contact for other stakeholders and regulatory agencies.
- Support NEPA process for evaluation of alternatives to meet the Grand Lake clarity standard.
- Track proposed legislation and regulatory changes. Work with legal counsel on strategy. Participate in stakeholder meetings. Provide feedback to stakeholders and regulatory agencies. Provide internal guidance.
- Provide environmental compliance training for construction and project management staff.
- Provide source water protection planning support. This includes development of an organizational source water protection plan and long-term forest health projects.
- Provide expert aquatic ecology guidance and problem-solving for operation of existing projects and planning of new projects.
- Support the establishment of organizational environmental stewardship initiatives.
- Provide funding and capacity support to forest and watershed health partners to implement projects within Northern Water's source water protection areas.
- Participate in numerous stakeholder groups and collaboratives aimed at forest and watershed health improvement.

In 2025, the Environmental Planning Program:

- Provided support for East Troublesome Fire recovery, including project management, environmental compliance, and primary point of contact for stakeholders, regulatory agencies and land administrators.
- Provided environmental compliance support for all Northern Integrated Supply Project elements, including, but not limited to, Glade Reservoir, U.S. Highway 287 relocation and Poudre River Adaptive Management.
- Provided environmental compliance support for a variety of operations and maintenance projects.
- Anticipated activities including, but are not limited to, permitting, emergency guidance and strategic planning.
- Acted as primary environmental contact for other stakeholders and regulatory agencies.
- Supported the NEPA process for evaluation of alternatives to meet the Grand Lake clarity standard.
- Tracked proposed legislation and regulatory changes; worked with legal counsel on strategy.
- Participated in stakeholder meetings.
- Provided feedback to stakeholders and regulatory agencies.
- Provided environmental compliance training for construction and project management staff.

- Provided source water protection planning support. This included development of an organizational source water protection plan and long-term forest health projects.
- Provided expert aquatic ecology guidance and problem-solving for operation of existing projects and planning of new projects.
- Supported the establishment of organizational environmental stewardship initiatives.
- Provided funding and capacity support to forest and watershed health partners to implement projects within Northern Water's source water protection areas.
- Participated in numerous stakeholder groups and collaboratives aimed at forest and watershed health improvement.

Environmental Planning	Fiscal Year 2024 Actual	Fiscal Year 2025 Budget	Fiscal Year 2025 Estimated Actual	Fiscal Year 2026 Budget	Dollar Change From Fiscal Year 2025 Budget	Percentage Change From Fiscal Year 2025 Budget
Expenditures:						
Program Summary						
Environmental Planning	\$383,196	\$650,000	\$478,933	\$550,000	\$(100,000)	(15.4%)
Watershed Groups	170,124	310,000	165,388	376,000	66,000	21.3%
Source Water Protection	240,250	320,000	505,243	350,000	30,000	9.4%
Fire Recovery	1,931,204	1,852,533	1,545,681	1,230,598	(621,935)	(33.6%)
Travel and Training	49,550	50,000	60,189	60,000	10,000	20.0%
Total	\$2,774,324	\$3,182,533	\$2,755,434	\$2,566,598	(\$615,935)	(19.4%)
Summary by Category						
Labor	\$576,323	\$1,982,533	\$736,625	\$966,598	\$(1,015,935)	(51.2%)
Expenses	2,198,001	1,200,000	2,018,809	1,600,000	400,000	33.3%
Total	\$2,774,324	\$3,182,533	\$2,755,434	\$2,566,598	(\$615,935)	(19.4%)

Division: Environmental Services – Field Services Program

Business Plan Priority: Protect and conserve water supplies

The Field Services Department provides resources to accomplish fieldwork for other Northern Water departments. Services include flow measurements, GPS applications, agricultural conservation, agricultural irrigation practices, soil sampling, automated measurement stations, water quality monitoring, water quality sampling and other field related duties. Staff collects water samples from canals, ditches, creeks, rivers and reservoirs to help support programs and findings within the Water Quality Department. Another large project is the South Platte flow monitoring network. Field Services works with the Colorado Division of Water Resources and others to collect automated flow data from several diversion structures throughout Northeastern Colorado.

In 2026, the Field Services Program intends to:

- Continue collecting water quality samples from flowing rivers, streams and canal locations throughout Northern Water's boundaries and from the C-BT Project reservoirs and lakes.
- Continue collecting water quality samples to support the ongoing permitting processes for the Windy Gap FIRMing Project, Northern Integrated Supply Project, and the South Platte Water Conservation Project.
- Provide operational support and maintenance for the automated electrical conductivity stations located on the South Platte and Cache la Poudre River, the automated stream flow temperature monitoring stations throughout Northern Water's boundaries, the real-time weather stations, and the sondes, cameras, instruments and equipment to monitor water quality parameters throughout the C-BT Project.
- Measure flow discharge and maintained automated flow monitoring stations throughout Northern Water's boundaries. Many of these projects and activities are in cooperation with other local, state and federal agencies, and the water activity enterprises.
- Continue operation and maintenance of Northern Water's weather station network. The weather station network provides vital information to farmers, turf managers and augmentation plans throughout Northeastern Colorado.
- Continue to support the Distribution Systems Department meter rehab project by adding telemetry stations to the meters.

In 2025, the Field Services Program:

- Completed collecting accurate and reliable water quality data from rivers, streams, canals, reservoirs and lakes.
- Collected additional water quality samples for the Windy Gap FIRMing Project for operational readiness.
- Installed new automated flow monitoring stations on the C-BT and South Plate River networks.
- Collected water quality sampling to assess post-fire impacts.
- Conducted several discharge measurements throughout the C-BT system.
- Reinstalled automated electrical conductivity monitoring stations on the Lower South Plate River.
- Completed sensor calibrations and maintenance on the Northern Water's weather station network to provide vital weather information to Northeastern Colorado.
- Collected water quality time-series data from buoys, sondes and other automated stations.
- Installed pH monitoring stations for C-BT canal algae management.
- Installed telemetry on C-BT canal meters for real-time flow monitoring.

			Fiscal Year 2025		Dollar	Percentage
	Fiscal Year	Fiscal Year	Estimated	Fiscal Year	Change From	Change From
Field Services	2024 Actual	2025 Budget	Actual	2026 Budget	Fiscal Year	Fiscal Year
					2025 Budget	2025 Budget
Expenditures:						
Program Summary						
Flow Monitoring						
Stations	\$601,115	\$750,000	\$751,352	\$850,000	\$100,000	13.3%
Weather Stations	595,295	710,000	699,858	760,000	50,000	7.0%
Field Services Programs	199,798	475,200	416,232	459,200	(16,000)	(3.4%)
Travel and Training	21,389	62,174	20,011	50,149	(12,025)	(19.3%)
Total	\$1,417,597	\$1,997,374	\$1,887,453	\$2,119,349	121,975	6.1%
Summary by Category						
Labor	\$1,197,247	\$1,616,374	\$1,618,085	\$1,732,349	\$115,975	7.2%
Expenses	220,350	381,000	269,368	387,000	6,000	1.6%
Total	\$1,417,597	\$1,997,374	\$1,887,453	\$2,119,349	\$121,975	6.1%

Division: Environmental Services – Water Quality Program

Business Plan Priority: Protect and conserve water supplies

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

In 2026, the Water Quality Program intends to:

- Continue to conduct water quality monitoring activities within the C-BT Project to support baseline data collection for assessment of water quality conditions.
- Participate in Grand Lake Adaptive Management to develop operational approaches to improve clarity in Grand Lake while National Environmental Policy Act (NEPA) options are evaluated.
- Engage stakeholders on the evaluation of structural alternatives to support the Grand Lake NEPA process for Grand Lake Clarity.
- Train staff on the updated Three Lakes CE-QUAL-W2 Water Quality Model. Perform model runs to support Grand Lake Adaptive Management.
- Work with the Three Lakes Technical Committee to provide the technical basis needed to support Grand Lake Adaptive Management and Grand Lake NEPA and investigate studies that may help improve clarity in Grand Lake.
- Continue investigative studies on Mysis Shrimp in Grand Lake to understand their impact on food web dynamics and Grand Lake Clarity.
- Continue to support the Grand County Water Information Network and completion of their database platform.
- Continue to participate in Colorado Water Quality Control Division workgroups, forums and technical advisory groups to support the development of and changes to state water quality regulations.
- Complete the migration of water quality data on to the WISKI platform.
- Continued collaboration with the NISP Adaptive Management frameworks.
- Support start-up and activities of the Poudre River Improvement Fund Committee.
- Continue water quality monitoring in compliance with the NISP 401 Water Quality Certification.
- Begin the update to the NISP temperature model in accordance with the NISP 401 Water Quality Certification.
- Continue active engagement with the South Platte Salinity Stakeholder Group.
- Continue to support investigation of solutions to Eurasian Watermilfoil in Boulder Reservoir.

In 2025, the Water Quality Program:

- Continued to conduct water quality monitoring activities within the C-BT Project to support baseline data collection for assessment of water quality conditions.
- Participated in Grand Lake Adaptive Management to develop operational approaches to improve clarity in Grand Lake while National Environmental Policy Act (NEPA) options are evaluated.
- Concluded the evaluation of structural alternatives to support the Grand Lake NEPA process for Grand Lake clarity.
- Worked with the Three Lakes Technical Committee to provide the technical basis needed to support Grand Lake Adaptive Management and Grand Lake NEPA and investigate studies that may help improve clarity in Grand Lake.
- Began investigations on Mysis Shrimp in Grand Lake to understand their impact on food web dynamics and Grand Lake Clarity.
- Completed the update to the Three Lakes CE-QUAL-W2 Water Quality Model.
- Continued to participate in Colorado Water Quality Control Division workgroups, forums and technical advisory groups to support the development of and changes to state water quality regulations.
- Continued the migration of water quality data on to the WISKI platform.
- Continued collaboration with the Northern Integrated Supply Project Adaptive Management frameworks.
- Continued water quality monitoring and completed the first annual report in compliance with the NISP 401 Water Quality Certification.
- Continued active engagement with the South Platte Salinity Stakeholder Group.
- Continued to support investigation of solutions to Eurasian Watermilfoil in Boulder Reservoir.
- Completed a storymap for post-East Troublesome Fire water quality.

			Fiscal Year 2025 Estimated Actual	Fiscal Year 2026 Budget	Dollar Change From Fiscal Year 2025 Budget	Percentage Change From Fiscal Year 2025 Budget
Water Quality	Fiscal Year 2024 Actual	Fiscal Year 2025 Budget				
Expenditures:						
Program Summary						
Water Quality Programs	\$959,388	\$1,550,000	\$992,560	\$1,750,000	\$200,000	12.9%
Baseline Monitoring	566,985	875,000	624,578	900,000	25,000	2.9%
Water Quality Studies	749,473	965,000	920,393	945,000	(20,000)	(2.1%)
Regulations	35,322	98,531	65,279	104,123	5,592	5.7%
Travel and Training	69,792	110,000	78,817	110,000	-	-
Total	\$2,380,960	\$3,598,531	\$2,681,627	\$3,809,123	\$210,592	5.9%
Summary by Category						
Labor	\$1,183,561	\$1,186,431	\$1,637,838	\$1,273,523	\$87,092	7.3%
Expenses	1,197,399	2,412,100	1,043,789	2,535,600	123,500	5.1%
Total	\$2,380,960	\$3,598,531	\$2,681,627	\$3,809,123	\$210,592	5.9%

Division: Environmental Services – Water Efficiency Program

Business Plan Priority: Protect and conserve water supplies

The Water Efficiency Program develops, promotes, supports and assesses water efficiency as an integral component of water planning, management and supply for the benefit of its allottees, stakeholders and the citizens of Colorado. The department seeks to minimize agricultural dry-up, meet a portion of future water needs as intended in the Colorado Water Plan, increase C-BT Project system resilience to drought and increased climate uncertainty, minimize structural and non-structural water development costs and support environmental conservation.

In 2026, the Water Efficiency Program intends to:

- Finalize the 2030 Urban Water Efficiency Roadmap to guide current and future initiatives.
- Publish Colorado-friendly landscape designs and tools to promote landscape sustainability.
- Assess and analyze regional landscape conditions through targeted consultations.
- Accelerate regional landscape transformation with collaborative water-efficient landscape grants.
- Improve irrigation performance by conducting irrigation audits and advancing efficiency practices.
- Showcase flexible, functional Colorado-friendly landscapes in the Conservation Gardens.
- Build regional water efficiency expertise by offering training programs and certification courses.
- Inspire public engagement in water sustainability through outreach and education events.
- Advance indoor water efficiency for homes and businesses through audits, retrofits and training.
- Strengthen water efficiency policy implementation through tools, partnerships and facilitation.
- Support water loss management for municipal partners through water audit validation.

In 2025, the Water Efficiency Program:

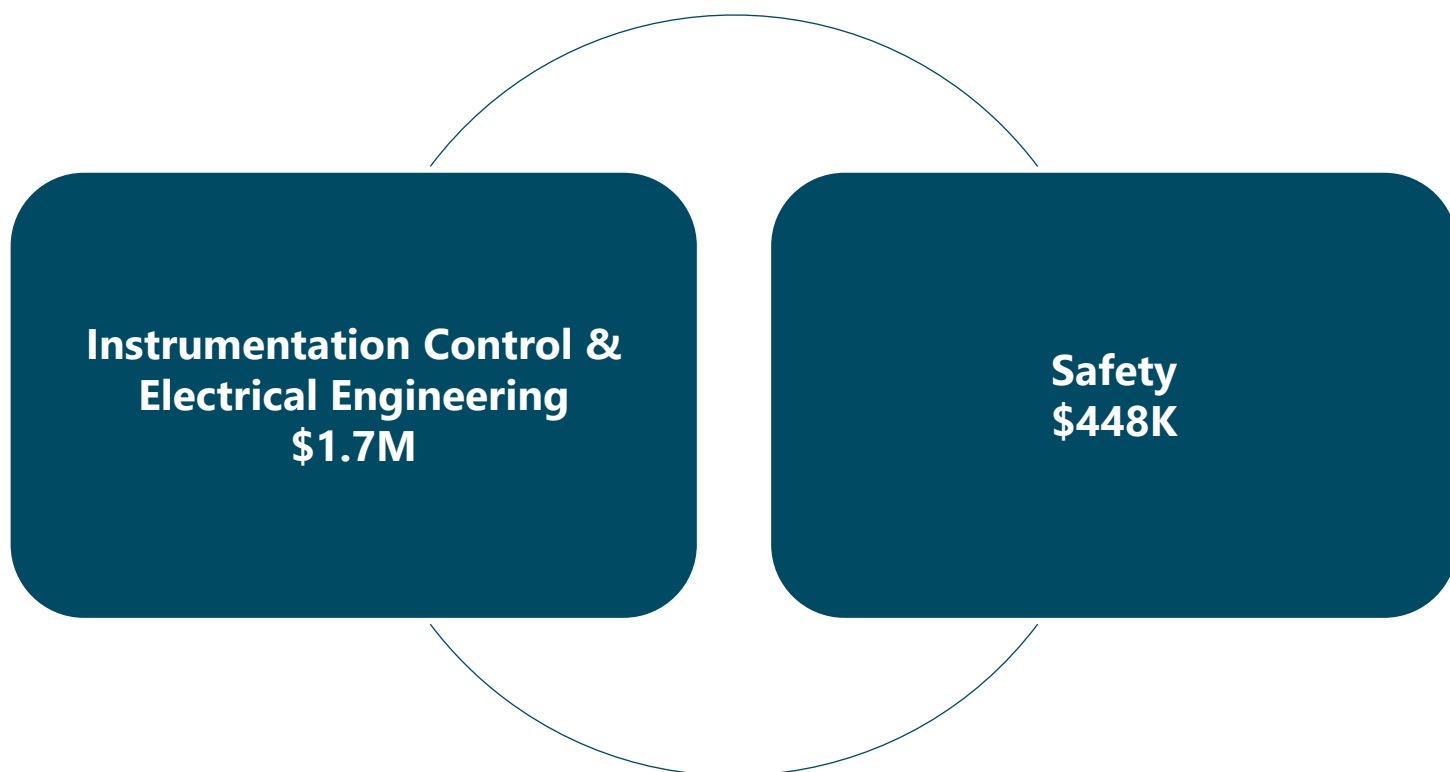
- Kicked off a new five-year Urban Efficiency Roadmap with new and enhanced efficiency services.
- Published commercial landscape plans for low- and no-water and low-maintenance median, right of way, street strip and bufferyard designs as demonstrated in the Conservation Gardens.
- Designed, built and interpreted Sustainable Landscape Templates in the Conservation Gardens.
- Expanded installation of regional waterwise demonstration gardens through increased Landscape Consultations, Irrigation Assessments and Collaborative Water-Efficiency Landscape Grants.
- Increased collaboration with efficiency partners through sponsorship, outreach and education.
- Grew regional Commercial Indoor Assessments and Retrofits with the state and allottees.
- Expanded regional Residential Indoor Retrofits through additional partnerships and pilot projects.
- Added to Conservation Campus demonstrations through signage, metering and media materials.
- Continued progressing the Regional Messaging Initiative through allottee engagement.
- Determined the landscape area and ownership of non-essential turf within our service territory.

	Fiscal Year 2024 Actual	Fiscal Year 2025 Budget	Fiscal Year 2025 Estimated Actual	Fiscal Year 2026 Budget	Dollar Change From Fiscal Year 2025 Budget	Percentage Change From Fiscal Year 2025 Budget
Water Efficiency						
Expenditures:						
Program Summary						
Water Efficiency						
Programs	\$550,000	\$895,000	\$530,850	\$850,000	\$(45,000)	(5.0%)
Workgroups	350,000	516,181	398,889	860,000	343,819	66.6%
Landscape Grants	610,000	675,000	370,150	850,000	175,000	25.9%
Conservation Gardens	107,000	375,000	245,600	380,530	5,530	1.5%
Travel and Training	22,345	100,000	40,367	40,000	(60,000)	(60.0%)
Total	\$1,639,345	\$2,561,181	\$1,585,856	\$2,980,530	\$419,349	16.4%
Summary by Category						
Labor	\$717,678	\$1,008,181	\$917,258	\$987,280	\$(20,901)	(2.1%)
Expenses	921,667	1,553,000	668,598	1,993,250	440,250	28.3%
Total	\$1,639,345	\$2,561,181	\$1,585,856	\$2,980,530	\$419,349	16.4%

Operations Division Programs

The Operations Division's largest responsibilities include operating and maintaining the transferred works and joint works portions of the CB-T and the Windy Gap projects, as well as Northern Water's pipelines and two hydropower plants. The division is also responsible for maintaining Northern Water's facilities and the organization's vehicle and equipment fleet. Operational responsibilities include: around-the-clock monitoring and controlling pump plants, canals, pipelines, reservoirs, hydropower facilities, buildings and grounds using a comprehensive SCADA (supervisory control and data acquisition) system and manual operations by field staff. Maintenance activities include: constructing civil, electrical, mechanical and SCADA systems; and repairing and modernizing equipment, infrastructure, and facilities via an enterprise-wide asset management system.

The Collection Systems, Distribution Systems, Facilities and Fleet and Control Center departments are also in the Operations Division but described in previous portions of this document.



Division: Operations – Instrumentation Controls and Electrical Engineering Program

Business Plan Priority: Cultivate Operational and Organizational Excellence

The Instrumentation Controls and Electrical Engineering Program analyzes, optimizes, controls and designs complex systems that are used throughout Northern Water's water storage and supply systems. These systems include pump plants, hydropower plants, canal controls and flow control vaults. Labor charges for work on specific projects are charged directly to those activities. Other responsibilities include design and implementation of the core Northern Water communication system and developing strategies for fiber connectivity.

In 2026, the Instrumentation Controls and Electrical Engineering Program intends to:

- Install fiber on Horsetooth Supply Canal.
- Install fiber to Dixon and Spring Canyon dams.
- Replace Poudre River Diversion programmable logic controller.
- Configure Poudre River Diversion for low flows.
- Replace Mainline Valve programmable logic controller.
- Replace Broomfield Pump Plant variable frequency drives.
- Replace Carter Lake Outlet programmable logic controllers.
- Automate turnouts to include new controllers and network equipment at Longmont, Star, Lefthand and Little Thompson.
- Maintain 100 percent system uptime.

In 2025, the Instrumentation Controls and Electrical Engineering Program:

- Installed fiber on Dixon Canal connecting Soldier Canyon and Horsetooth.
- Replaced Platteville programmable logic controller.
- Replaced West Longmont Pump Plant variable frequency drives.
- Connected Horsetooth and Soldier Canyon Dams to Northern Water headquarters.
- Maintained 100 percent system uptime.

Instrumentation Control & Electrical Engineering	Fiscal Year 2024 Actual	Fiscal Year 2025 Budget	Fiscal Year 2025 Estimated Actual	Fiscal Year 2026 Budget	Dollar Change From Fiscal Year 2025 Budget	Percentage Change From Fiscal Year 2025 Budget
Expenditures:						
Program Summary						
Colorado-Big Thompson Project Support	\$1,000,363	\$1,290,083	\$1,447,334	\$1,898,698	\$451,364	35.0%
District Operations Support	774,749	818,911	516,380	655,606	139,227	17.0%
Specialized Equipment Operations & Maintenance	447,919	236,611	103,906	135,621	31,715	13.4%
Travel and Training	16,563	20,500	10,500	22,500	12,000	58.5%
Total	\$2,239,593	\$2,366,105	\$2,078,120	\$2,712,426	\$961,975	40.7%
Summary by Category						
Labor	\$1,034,213	\$1,165,805	\$1,188,935	\$1,480,426	\$291,492	25.0%
Expenses	1,205,380	1,200,300	889,185	1,232,000	342,815	28.6%
Total	\$2,239,593	\$2,366,105	\$2,078,120	\$2,712,426	\$961,975	40.7%

Division: Operations – Safety Program

Business Plan Priority: Cultivate Operational and Organizational Excellence

The Safety Program builds and strengthens a safety culture such that employees accept and understand the importance of safe work practices. Health and safety audits are performed to determine health and safety risks so that solutions can be developed and implemented to reduce health and safety risks. The program develops and delivers employee training to promote risk awareness and education about the proper use of protective equipment.

In 2026, the Safety Program intends to:

- Purchase and install fall protection netting at the Poudre Drop Structure.
- Install fall protection equipment on the West Slope.
- Install TSI OmniTrak to map sound in pump plants and valve houses.
- Attempt to reach 100 percent training compliance for a larger Colorado Special District Pool discount.
- Develop a safety culture among employees by hosting annual Safety Day.
- Keep the PPE supply cabinet stocked for employees.
- Work with West Slope staff on safety.
- Replace older equipment with safer options: table saw.
- Replace ladder cages with self-retracting lifelines.
- Create a furniture standard to improve ergonomics.
- Create lifting hardware board at different facilities.
- As part of the Capital Improvement Plan, build a hazardous waste storage area.
- Encourage more employees to attend live trainings.

In 2025, the Safety Program:

- Purchased fall protection at the Farr Pump Plant, Windy Gap Pump Plant and Willow Creek Pump Plant.
- Identified location needing fall protection.
- Completed sound mapping at various locations.
- Created a tracking program attached to work orders, to ensure only trained employees are entering hazardous environments.
- Added new buildings to audit schedule.
- Attempted to reach 100 percent training compliance for a larger Colorado Special District Pool discount.
- Held nine live training classes on various topics.
- Presented at the Finance and Administration Division staff meeting.
- Developed a safety culture among employees by hosting annual Safety Day.
- Hosted a safety speaker during an all-employee meeting.
- Developed safety contests and implemented safety awards.
- Abated asbestos and lead from multiple projects.
- Kept the PPE supply cabinet stocked for all employees.
- Purchased a pneumatic vacuum and air compressor for Biosafe product.
- Attended the ASSP Safety conference with two other Northern Water employees.

Safety	Fiscal Year 2024 Actual	Fiscal Year 2025 Budget	Fiscal Year 2025 Estimated Actual	Fiscal Year 2026 Budget	Dollar Change From Fiscal Year 2025 Budget	Percentage Change From Fiscal Year 2025 Budget
Expenditures:						
Program Summary						
Safety Programs	\$80,502	\$65,000	\$40,168	\$65,000	\$ -	0.0%
Safety Contractors	3,022	7,000	3,205	7,000	-	0.0%
Environmental Health	20,558	30,000	1,805	30,000	-	0.0%
Safety Medical	13,980	14,143	19,752	15,977	\$1,834	13.0%
Safety Staff Training	143,194	140,291	94,780	150,000	\$9,709	6.9%
Safety General	152,789	150,000	146,000	150,000	-	0.0%
Safety Travel and Training	31,934	32,726	22,566	30,700	(\$2,026)	(6.2%)
Total	\$382,111	\$439,160	\$328,276	\$448,677	\$9,517	2.2%
Summary by Category						
Labor	\$166,062	\$171,410	\$193,916	\$190,677	\$19,267	11.2%
Expenses	216,049	267,750	134,360	258,000	(9,750)	(3.6%)
Total	\$382,111	\$439,160	\$328,276	\$448,677	\$9,517	2.2%

CAPITAL PROJECTS

Capital Process

Northern Water maintains a three- to five-year capital plan. The annual process relies on multiple levels of review and evolves with the entire budget process. Starting the process early in the budget cycle ensures projects are properly vetted in context of the organization's priorities and budget constraints. Northern Water does not currently have a specific revenue source dedicated to capital projects.

Step One

In January, department managers begin submitting their capital budget requests to the Financial Services Department. This process includes a project summary form for each request made and includes information such as the budget, project description and justification.



Step Two

Financial Services compiles the requests and distributes reports to division directors and department managers for review. Many requests are made, and this allows them to see the total for their respective area of responsibility. In addition to department reports, there are also reports for each enterprise fund. This is another lens to review projects through as the enterprises have their own budget.

Step Three

Each budget request is assigned an organizational priority (listed at the beginning of this document) and a capital strategy. This ensures the projects are in line with the organization and the most critical needs are given priority.

Step Four

Financial Services meets individually with division directors and department managers to review each project on its merits and budgetary requirements.

Step Five

Senior Management and Financial Services meet to review the projects in the context of the entire organization's budget. Again, priorities and budget constraints are considered, and discussion leads to the final proposal to be taken to the Board of Directors. Enterprise participants are presented with their capital budget.

Step Six

Along with the entire budget, Financial Services presents the capital budget to the Board of Directors for review and discussion at the annual Budget Work Session. Various projects are highlighted and context is given related to the organization's total budget. As required by statute, the Board approves the budget at the August Board Planning Session.

Throughout each step in the process, discussions take place on the merit of each project. In addition, the projects that are determined to be delayed are tracked and brought up in the subsequent year as part of the capital outyear plan.

Priorities

Northern Water uses a two-pronged approach to the capital and initiative budget. First, each project must relate to one of the five priorities outlined earlier in this document and shown below:

1. Collect and deliver water
2. Protect and conserve water supplies
3. Plan and implement new water supply projects
4. Cultivate operational and organizational excellence
5. Maintain and strengthen relationships

In addition, each project is assigned a strategy with a value from one to three and shown below:

Strategies

- 1 – Essential
 - A – Health and Safety
 - B – Legal Obligation
 - C – Core Operations / End of Life
- 2 – Priority
 - A – Upgrade, Rehabilitate or Obsolete Item or Facility
 - B – Efficiency – Reduce Future Operating and Maintenance Costs
 - C – Maintain Like-New Condition
- 3 – Value Added
 - A – New or Expanded Level of Service / Redundancy / Backup
 - B – Promote Regional Cooperation
 - C – Enhance Natural Resources

The table below shows how much Northern Water is spending on all projects (capital and non-capital in nature) within each combination of priority and strategy. This tool is used by staff and Senior Management to ensure capital projects, non-capital projects, other studies and initiatives are in alignment with their priorities.

Strategy	Collect & Deliver Water	Protect / Conserve Water	Organizational Excellence	Maintain & Strengthen Relationships	Cultivate Operational & Organizational Excellence	Total
Essential - Health and Safety	\$ 400,000		\$ 250,000	\$ -	\$ -	\$ 650,000
Essential - Core Operations / End of Life	2,520,400	-	15,000	-	-	2,535,400
Priority - Upgrade, Rehabilitate, or Obsolete	231,000		125,000	-	-	356,000
Priority - Efficiency	-	-	470,000	-	-	470,000
Value Added - New or Expanded Level of Service	-	-	500,000	-	-	500,000
Value Added - Promote Regional Cooperation	-	-	967,075	30,000	-	997,075
Maintain Like-New Condition	20,000	150,000	810,000	-		980,000
Efficiency – Reduce Future Operating & Maintenance Costs					25,000	25,000
Total	\$3,171,400	\$ 150,000	\$ 3,137,075	\$ 30,000	\$ 25,000	\$ 6,513,475

Greater than \$5,000,000	\$100,000 to \$999,999
\$1,500,000 to \$4,999,999	\$1 to \$99,999
\$1,000,000 to \$1,499,999	

Capital Projects, Initiatives and Studies Details

A capital project is defined as the purchase, replacement, maintenance or repair of infrastructure and fixed assets. The fiscal year 2026 capital projects, initiatives and studies budget totals \$5,103,475. A listing of the capital projects and other initiatives and studies is provided below.

Impacts to Operating Costs

Most capital projects will have a positive financial impact on operating and maintenance costs through automation and efficiency improvements. In general, new features such as pipelines are not being added and therefore do not require additional operations and maintenance costs. Items without designation have no operating cost impact.

* Operating cost savings due to modernization and operational efficiencies.

Operating cost increase due to additional maintenance requirements.

	Fiscal Year 2026 Budget	Total Cost Estimate
Pump Plants		
Willow Creek Pump Plant: Battery Replacement	\$125,000	\$125,000
Canals		
Willow Creek Feeder Canal: Canal Safety Underdrain (Design)	150,000	
Big Thompson Siphon Retain Wall Repair *	100,000	
Hansen Supply Canal Fiber *	300,000	
Boulder Reservoir Bypass #	225,000	
Hansen Feeder Canal 550: Loveland Turnout Overshot Gate *	550,000	
Hansen Feeder Canal: Sealing and Lining (Annual Program) *	250,400	
Willow Creek Canal: Sealing and Lining Program *	100,000	
Hansen Supply Turnout to Pleasant Valley Pipeline Interconnect #	120,000	\$1,795,400
Reservoirs and Dams		
Granby Dam: Radial Gate Re-Coating *	\$250,000	
Granby Dam Outlet Works: Tunnel Extension	300,000	
Carter Lake Programmable Logic Controller Replacement *	20,000	
Shadow Mountain Spillway: Temporary Repair *	200,000	
Shadow Mountain Spillway: Design and Engineering *	100,000	\$870,000
Facilities		
Miller Hereford Ranch Rehabilitation *	\$250,000	
Boulder Reservoir EWM Pesticide Application	400,000	
Building A Power Meter *	15,000	
Building A Solar Photovoltaic *	400,000	
Raw Water Culvert (Design) #	25,000	
Educational Exhibit Design and Installation	250,000	
Modular 1 - Shipping and Receiving Separation #	70,000	\$1,410,000
Studies		
Rate Study	\$125,000	
Capital Improvement Plan	150,000	
Indirect Cost Study	125,000	\$400,000
Initiatives		
Airborne Snow Observatory Program – West Slope	\$355,075	
Streamflow Gage JFA	35,000	
Airborne Snow Observatory Program – East Slope	42,000	\$432,075

Other

Infor Module Upgrade Implementation	\$500,000	
DC Switch Upgrade *	185,000	
Website Refresh	30,000	
Northern Water Futures Program 2026 (MORF Consulting)	160,000	
Storage Area Network (SAN) Refresh	325,000	
Carter Lake Filter Plant Expansion (50% Reimbursement From CLFP) #	231,000	
Soldier Canyon Valve House Actuator Replacements *	50,000	\$1,481,000
		\$6,513,475

The following provides more description of larger and/or less routine capital projects.

Pump Plants

- Willow Creek Pump Plant Battery Replacement (\$125,000) – Replacement of the battery system that provides DC control for the pump plant motors

Canals

- Willow Creek Feeder Canal: Canal Safety Underdrain Design (\$150,000) – Work seeks to improve Willow Creek Feeder Canal safety underdrain to improve employee and infrastructure safety.
- Big Thompson Siphon Retain Wall Repair (\$100,000) – Repair or reconstruction of the Big Thompson Siphon retaining wall, located above Highway 34, west of Loveland. The project will be executed in two phases.
- Hansen Supply Canal Fiber (\$300,000) – This fiber run is part of a larger initiative to create operational redundancy, connectivity and reliability for NWs electronically controlled systems. A contractor was hired for boring under roads and rivers, and the Northern Water Distributions Systems Department will install the straight conduit runs down the canal road with a vibratory plow.
- Boulder Reservoir Bypass (\$225,000) – Design for a full Boulder Reservoir bypass from the Boulder Feeder Canal to the Boulder Creek Supply Canal. The bypass will include new piping and appurtenances for a full 200 cfs. The primary purpose of the project is to allow for ongoing Eurasion Milfoil treatment in Boulder Reservoir. A secondary benefit is redundancy and operational flexibility in Boulder Reservoir.
- Hansen Feeder Canal 550: Loveland Turnout Overshot Gate (\$550,000) – The addition of an Obermeyer gate near the Loveland Turnout on the Hansen Feeder Canal 550 Section will allow for improved delivery capability to the City of Loveland at their turnout by better controlling the downstream pool. The gate will also serve to better control flows in the canal to reduce the chance of overtopping when the canal reaches its capacity. The project includes the purchase and installation of an Obermeyer gate including structure excavation, backfill and concrete work.
- Hansen Feeder Canal: Sealing and Lining Annual Program (\$250,400) – Ongoing program for operations and maintenance of the Hansen Feeder Canal 550 section.
- Willow Creek Canal: Sealing and Lining Program (\$100,000) – Ongoing program for operations and maintenance of the Willow Creek Feeder Canal 550 section.
- Hansen Supply Turnout to PVP Interconnect (\$120,000) – This project is to plan, design and implement an improved interconnection from the Hansen Supply Canal to the Pleasant Valley Pipeline through an existing blind flange. The project will involve a new intake in the Hansen Supply Canal, a new storage structure, and piping material purchases to better prepare the project for a quick startup should emergency water supply be needed through the Pleasant Valley Pipeline.

Reservoirs and Dams

- Granby Dam: Radial Gate Re-Coating (\$250,000) – Repair and replace coating on the entirety of the radial gates. This will extend their life.
- Granby Dam Outlet Works: Tunnel Extension (\$300,000) – Provide protection of staff and infrastructure to the outlet works from rock fall damage.

- Carter Lake Programmable Logic Controller Replacement (\$20,000) – Replace to ensure continue reliability and compatibility with current operations.
- Shadow Mountain Spillway: Temporary Repair (\$200,000) – Concrete patching on the Shadow Mountain Spillway. Long term project goal is to complete a major rehabilitation or replacement of the spillway. This work is intended to temporarily keep the spillway operating until a permanent solution can be implemented.
- Shadow Mountain Spillway: Design & Engineering (\$100,000) – Continues the design for Shadow Mountain Spillway. Long-term project goal is to complete a major rehabilitation or replacement of the spillway.

Facilities

- Miller Hereford Ranch Rehabilitation (\$250,000) – Structural improvements to the existing facility.
- Boulder Reservoir EWM Pesticide Application (\$400,000) – Application of herbicide to eradicate and control the Eurasian Water Milfoil invasive species at the Boulder Reservoir.
- Building A Power Meter (\$15,000) – Installation of a power meter and tie it into the building automation system. Allows staff to trend amperage and voltage at any given day. Both Building F and Building A addition already have power monitors.
- Building A Solar Photovoltaic (\$400,000) – Installation of a 142KwH solar panel system that will fully be used to reduce the electricity bills on building A. Estimated cash rebate for this job is 30.0 percent of the total contract amount.
- Raw Water Culvert Design (\$25,000) – Design an existing culvert that runs under the railroad tracks that feeds raw water to our pond needs to be replaced and is at end of lifecycle.
- Educational Exhibit Design and Installation (\$250,000) – This project will create a public facing exhibit in Phases. The first phase is an installation in Building A that tells the story of Northern Water, the importance of water in the region, how we operate the system and “leading by doing” examples to encourage water users to responsibly reduce water consumption.
- Modular 1 – Shipping and Receiving Separation (\$70,000) – Separate four bays with chain link fencing to facilitate a centralized shipping and receiving area requiring card access, cameras and shelving.

Studies

- Rate Study (\$125,000) – Hire a consultant to develop a forecast model that will provide 10-year guidance on the allotment contract rates.
- Capital Improvement Plan (\$150,000) – Continue consulting services to facilitate creation of a 10-year master capital plan including integration with existing asset management software.
- Indirect Cost Study (\$42,000) – Indirect Costs were implemented in 2023 to recover costs that their enterprises benefited from. The original study will be evaluated to determine the best course of action going forward.

Initiatives

- Airborne Snow Observatory Program – West Slope (\$355,075) – Airborne Snow Observatories uses airborne lidar to measure snow depth at high resolution and estimates snow water equivalent. This snow data is the most accurate high-resolution data that is currently available and fills in many gaps that exist in our current snow data networks, but it is not used widely in Colorado.
- Streamflow Gage JFA (\$35,000) – Operation and maintenance of select gaging stations in the Cache la Poudre and upper Colorado River Basins, as well as alert rain gages withing the East Troublesome burn scar.
- Airborne Snow Observatory Program – East Slope (\$100,000) – Airborne Snow Observatories uses airborne lidar to measure snow depth at high resolution and estimates snow water equivalent. This snow data is the most accurate high-resolution data that is currently available and fills in many gaps that exist in our current snow data networks, but it is not used widely in Colorado.

Other Projects

- Infor Module Upgrade Implementation (\$500,000) – Northern Water is investing in their enterprise resource program with the purchase of new modules. These include budgeting, employee expense report and contract management.

- DC Switch Upgrade (\$185,000) – The data center switches are no longer supported by manufacturer. This will allow Northern Water to stay up to date on vulnerability patches and ensures greater reliability.
- Website Refresh (\$30,000) – Website refresh to stay current with new technologies and implement the latest accessibility upgrades.
- Northern Water Futures Program 2026 (\$160,000) – Seeking to invest in its employees, this program provides self-assessments and coaching to a small cohort of Northern Water employees.
- Storage Area Network (SAN) Refresh (\$325,000) – This project involves the decommissioning of the existing Storage Area Network (SAN) infrastructure and the implementation of a new SAN system to improve performance, scalability and reliability for enterprise storage needs.
- Carter Lake Filter Plant Expansion (\$231,000) – This project will investigate feasibility and provide alternatives for the new turn out from the canal. In addition, potential turnouts from the same section of the canal that could be used by the district or others in the future.
- Soldier Canyon Valve House Actuator Replacements (\$50,000) – Replace outdated actuator for more precise control of the outlet at Soldier Canyon Valve House.

Capital Asset Purchases

A capital purchase is defined as a major purchase which has an estimated total expenditure of \$5,000 or more and generally has an expected life of at least one year. The capital asset budget totals \$2,159,000. A summary is provided in the table below.

Fleet Vehicles and Equipment	Fiscal Year 2026 Budget	Total Cost Estimate
Semi Tractor	\$255,000	
Mini-Excavator (West Slope)	133,000	
Truck - Extended Cab 4x4 with Service Body & Tommy Lift	106,000	
Truck - Extended Cab 4x4 with Service Body #1	101,000	
Truck - Extended Cab 4x4 with Service Body #2	101,000	
Boat - Sampling Boat 20ft. Deck, 125hp Outboard	90,000	
Truck - Extended Cab 4x4 with Flatbed	81,000	
Lowboy Trailer	80,000	
Truck - Electric 4x4	75,000	
6-inch Trailer Pump	74,000	
Articulating Boom Lift	67,000	
Truck - Hybrid 4x4 with Camper & Cargo	65,000	
Truck - Hybrid 4x4 with Camper & Cargo	65,000	
Track Skid Steer	60,000	
Scissor Lift w/Pick Eyes	60,000	
Replacement / Wrecked Vehicle Contingency	55,000	
Truck - Hybrid 4x4 Truck	55,000	
Truck - Hybrid 4x4 Truck	55,000	
Truck - Extended Cab 4x4 with Bed Cover	55,000	
Precision Water Quality Instruments	52,000	
SUV - Larger SUV	50,000	
Truck - Hybrid 4x4	50,000	
Truck - Hybrid 4x4	50,000	
Tire Changer and Wheel Balancer	43,000	
SonTek SR5 Doppler Current Profiler	39,000	
Utility vehicle - Canal & Pipeline Work	28,000	
Fiber Optic Cable Trailer	25,000	
1,000gal Water Tank - Trailer Mounted	25,000	
Vibratory Plate Compactor	23,000	
Tilt Trailer	21,000	

Vinyl Cutter	\$21,000
Vibratory Plate Compactor	20,000
Trailer Mounted Power Washers (2)	14,000
Hotsy Power Washer for Wash Bay	14,000
Soil Conditioner	11,000
Hydraulic Breaker for Mini-Excavator	10,000
5 x 10 Enclosed Trailer	9,000
Printer for Communications	7,000
Trailer for Utility	7,000
60" Rotary Broom	7,000

\$2,159,000

Impacts to Operating Costs

Fleet purchases (including diesel generator replacement) will alleviate future repair and replacement on aged vehicles and equipment currently in Northern Water's fleet. Operating costs will include properly equipping and marking new vehicles, fueling, routine maintenance performed by in-house staff, Department of Transportation inspections and unforeseen repairs outside of the warranty period.

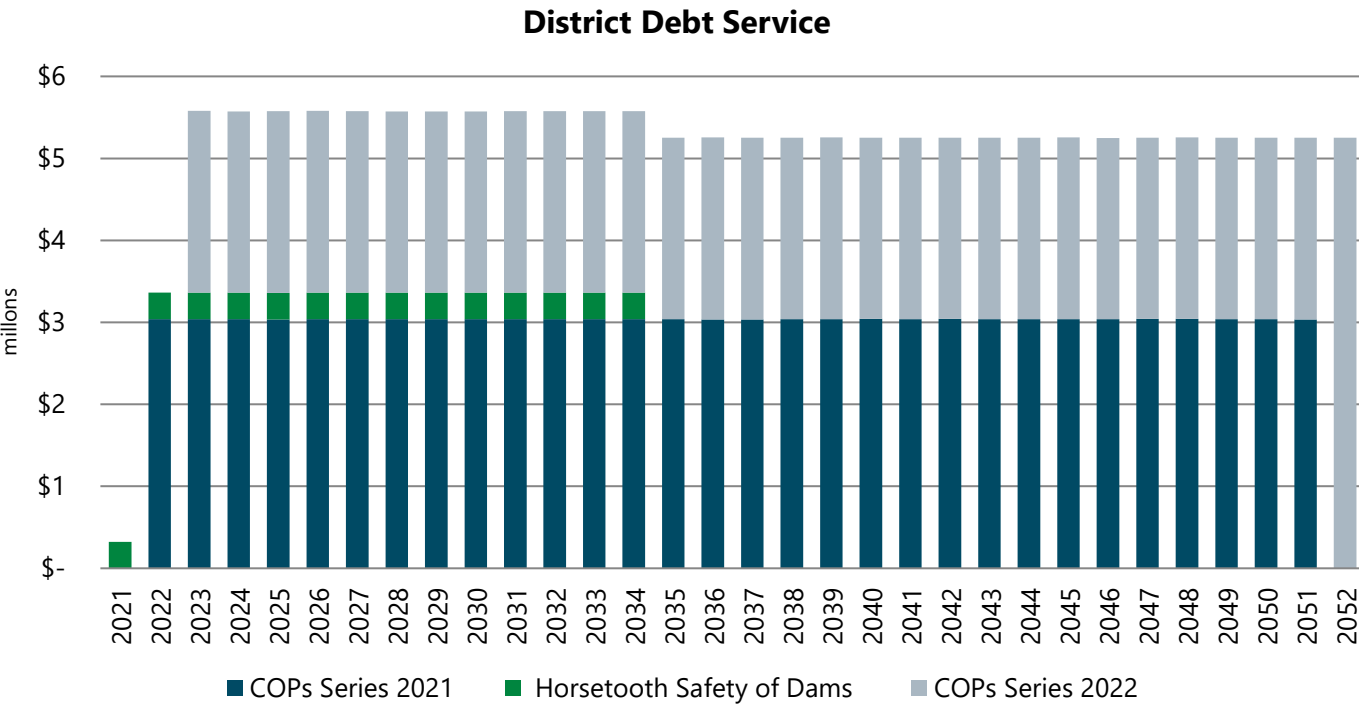
Capital Outyears

Northern Water has the advantage of many long-time staff to assess capital needs on an annual basis. However, there is also a need to plan out projects. Staff and Senior Management continue to evaluate and prioritize projects based on budget and alignment with stated priorities. In addition, in fiscal year 2023 staff partnered with a consulting firm to assess the current capital project plan and make recommendations for future projects based on a scoring method that considers likelihood of failure and cost of failure. This project will be completed in fiscal year 2025 and will provide a five-year and 20 plan that staff can use to guide future capital decisions.

Project Name	Total Cost	2027	2028	2029	2030	2031
Northern Integrated Supply Project	2,700,000,000	X	X	X	X	X
Fleet - Heavy / Medium Vehicles	3,000,000	X	X	X	X	X
Light Duty / Passenger Vehicles	1,800,000	X	X	X	X	X
Heavy / Medium Equipment	1,800,000	X	X	X	X	X
Small Equipment	600,000	X	X	X	X	X
Broomfield VFD Replacement	100,000	X				
Broomfield Pipeline Rehabilitation	150,000			X		
(2) Rectifiers on Fort Lupton Segment	180,000	X				
(2) Rectifiers on Fort Morgan Segment	200,000	X				
Blow Off Valve Replacement (Broomfield Pipeline 1081+50)	45,000	X				
Blow Off Valve Replacement (Broomfield Pipeline 1081+80)	55,000		X			
Louisville Pipeline Rehabilitation	300,000		X	X		
Longmont Flow Control Downstream Isolation Valve Actuator	70,000			X		
SWSP II Mainline 1 Isolation Valve Actuator	25,000			X		
West Longmont Pump Plant: Additional Pumping Unit	500,000		X	X		
Carter Lake Dam 1 Shaft House: Hydraulic Unit	400,000	X				
Granby Dam Outlet Works: Tunnel Extension (Engineering & Design)	550,000			X	X	X
Granby Dam, Shadow Mountain: Radial Gate Re-Coating	250,000	X				
Hansen Feeder Canal (550 & 930): Blowoff Valve Replacements	100,000				X	
Hansen Feeder Canal (550 & 930): Tunnel Drains	100,000				X	
Hansen Feeder Canal 500: Tunnel Covers	300,000		X			
Hansen Feeder Canal 500: Capacity Restoration	4,800,000		X	X	X	
Hansen Feeder Canal 550 & 930: Sealing and Lining (Annual Program)	1,000,000	X	X	X	X	
Hansen Feeder Canal 550: Masonville Siphon Limited Rehabilitation	400,000	X	X	X		
Big Thompson Siphon Retaining Wall Rehabilitation	5,200,000			X	X	
Horsetooth Outlet Works: Dissipator Drain and Floor Repair	100,000			X		
Horsetooth Outlet Works: Electrical Upgrades	150,000				X	
Shadow Mountain Dam: Bulkhead Replacement	500,000	X				
Shadow Mountain Dam: Spillway Replacement	11,600,000		X	X	X	X

Debt Service

The fiscal year 2026 Debt Service is scheduled at \$5,576,979 to fund the principal and interest due related to Northern Water’s outstanding contract payable with the Bureau of Reclamation for the Horsetooth Safety of Dams Project (of which \$1,577,077 will remain due as of September 30, 2026), as well as to fund the principal and interest due related to Northern Water’s outstanding Series 2021 and Series 2022 Certificates of Participation (COPs). A total of \$52,050,000 in certificates of participation were closed on August 11, 2021, and have been amortized through 2051. Finally, \$33,940,000 in certificates of participation were closed on June 7, 2022, and have been amortized through 2052. No new debt instruments were issued in fiscal year 2025. Debt service comprises 6.7 percent of total uses of funds. A summary is provided in the chart below.



Net Pension Liability

This is a use of funds to pay down the unfunded pension plan liability related to the Defined Benefit Plan. A limited number of Northern Water’s current and former employees participate in the plan. As a result of the Governmental Accounting Standards Board (GASB 68) Statements on Financial Reporting for Pensions, a noncurrent liability of \$2,863,441 is included in the District Enterprise Fund on Northern Water’s financial statements on September 30, 2024. This was determined by an actuarial valuation as of January 1, 2025, using a long-term expected rate of return, net of investment expense of 5.75 percent. The Pension Plan is on a calendar year end. Northern Water annually funds the actuarially determined contribution as defined by the Pension Plan’s actuarial report. For the fiscal year 2026, Northern Water has budgeted total contributions to the plan of \$909,012.

SOUTHERN WATER SUPPLY PROJECT WATER ACTIVITY ENTERPRISE FUND





Fund Overview

Beginning Fund Balance \$86,094,563	Sources of Funds \$3,880,622	Uses of Funds \$3,737,346	Ending Fund Balance \$86,237,839
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The Southern Water Supply Project Water Activity Enterprise Fund is self-supporting through pipeline and pump plant assessments paid by Enterprise participants. The purpose of the Southern Water Supply Water Project (SWSP) is to provide year-round water deliveries to several Northeastern Colorado communities. The SWSP has two raw water transmission pipelines and four pump plants. The fiscal year 2026 Southern Water Supply Project Water Activity Enterprise Fund budget, including operating expenses, capital outlay and indirect costs totals \$3,737,346. There are no future debt financing plans for the SWSP.

Ongoing Operational Activities:

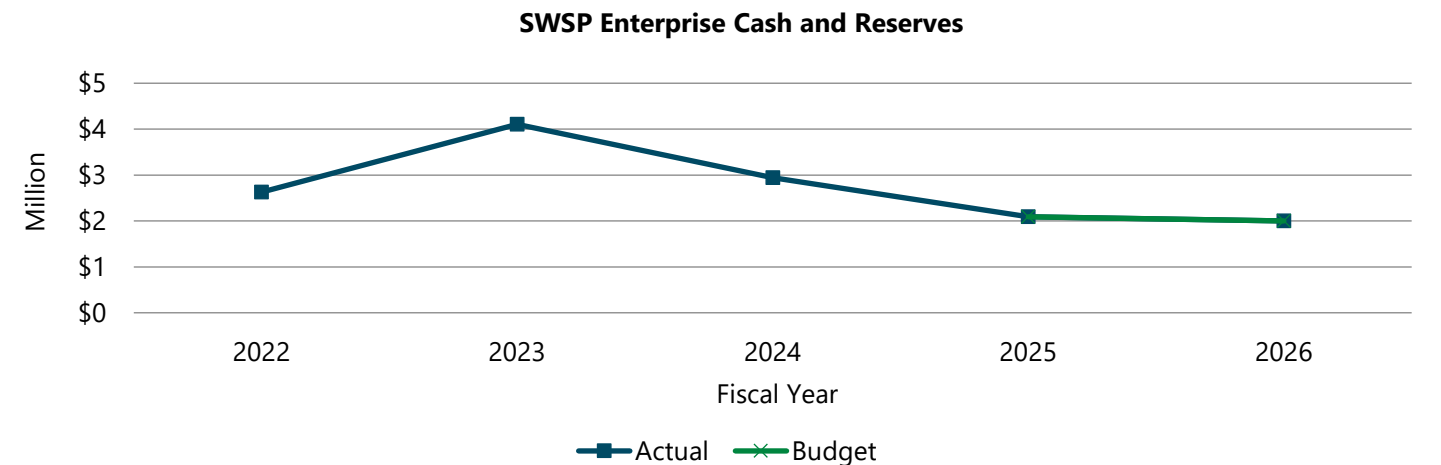
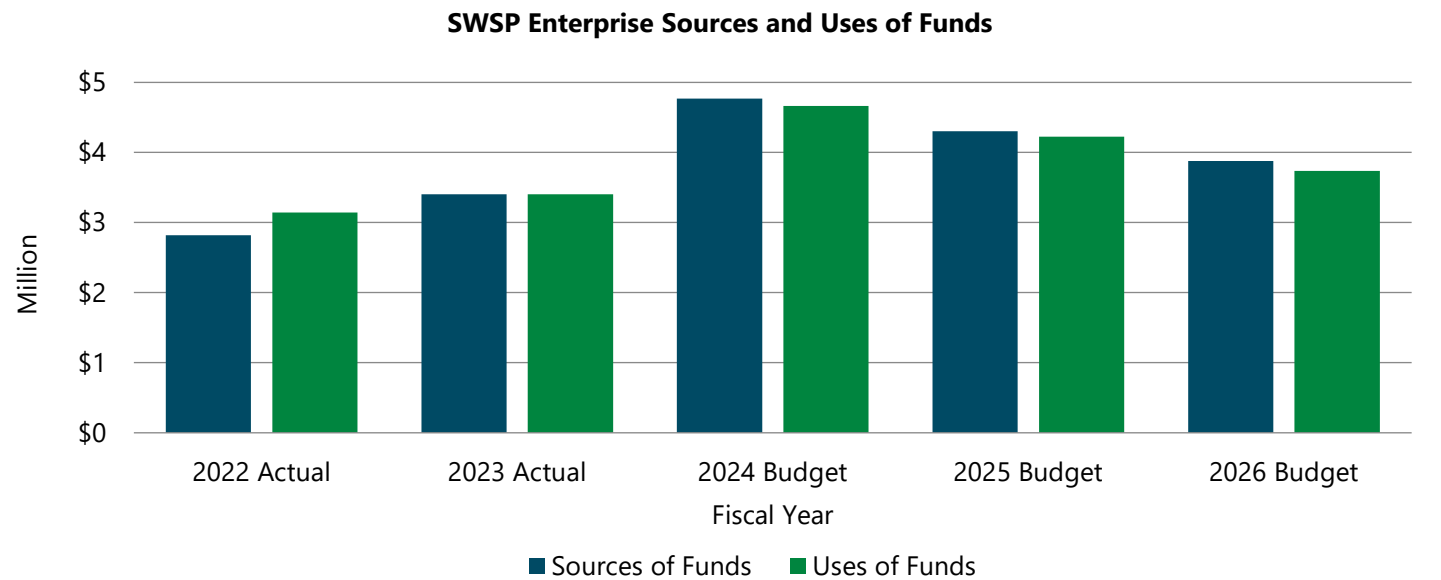
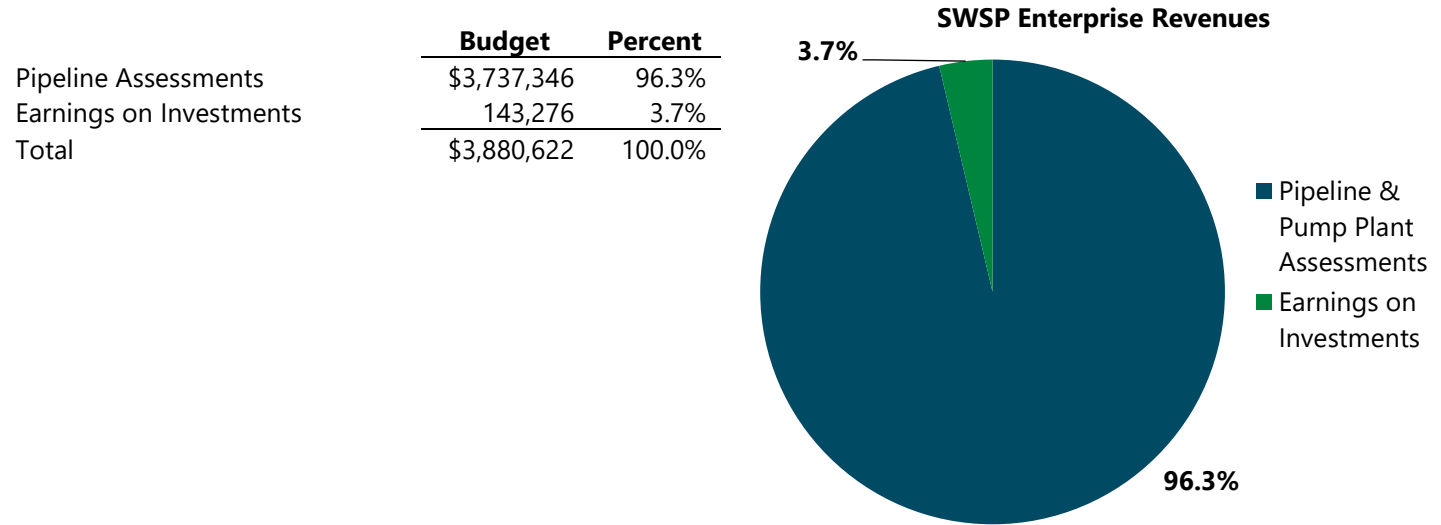
- Continue to assess and monitor pipeline infrastructure on SWSP I.
- Continue to work with property owners on reclamation needs on the SWSP II pipeline.
- Continue access control replacements.
- Review cathodic assessments.
- Weekly inspections and preventative maintenance program.
- Improve functionality of SWSP I and II through SCADA improvements.

Budget Summary

	Fiscal Year 2024 Actual	Fiscal Year 2025 Budget	Fiscal Year 2025 Estimated Actual	Fiscal Year 2026 Budget	Dollar Change From Fiscal Year 2025 Budget	Percentage Change From Fiscal Year 2025 Budget
Sources of Funds						
Revenues						
Operating Revenues						
Pipeline Assessments	\$ 3,076,920	\$ 4,165,531	\$ 3,084,490	\$ 3,737,346	\$ (428,185)	(10.3%)
Total operating revenues	3,076,920	4,165,531	3,084,490	3,737,346	(428,185)	(10.3%)
Other revenues						
Other nonoperating revenues	-	-	-	-	-	n/a
Earnings on Investments	184,085	139,607	102,468	143,276	3,669	
Total other revenues	184,085	139,607	102,468	143,276	3,669	-
Contributions	-	-	-	-	-	-
Total Contributions	-	-	-	-	-	0.0%
Total Sources	\$ 3,261,004	\$ 4,305,138	\$ 3,186,958	\$ 3,880,622	\$ (424,516)	(9.9%)
Uses of Funds						
Expenses						
Operating						
Operation & Maintenance	\$ 1,499,912	\$ 2,170,500	\$ 2,170,500	\$ 1,933,340	\$ (237,160)	(10.9%)
Indirect Cost	602,632	414,970	602,632	602,632	187,662	n/a
Total Operating	\$ 2,102,544	\$ 2,585,470	\$ 2,773,132	\$ 2,535,972	\$ (49,498)	(1.9%)
Capital						
Capital Projects/Assets	\$ 981,946	\$ 1,538,248	\$ 750,000	\$ 1,026,374	\$ (511,874)	(33.3%)
Total Capital Projects	981,946	1,538,248	750,000	1,026,374	(511,874)	(33.3%)
Total Capital	981,946	1,538,248	750,000	1,026,374	(511,874)	(33.3%)
Contingency Appropriation	-	100,000	-	175,000	75,000	n/a
Total Uses	\$ 3,084,490	\$ 4,223,718	\$ 3,523,132	\$ 3,737,346	\$ (486,372)	(11.5%)

Revenues

The fiscal year 2026 Southern Water Supply Project Water Activity Enterprise Fund revenues and contributions total \$3,880,622. This amount represents a decrease of \$465,986 from the fiscal year 2025 budget. A summary is provided in the table and charts below.

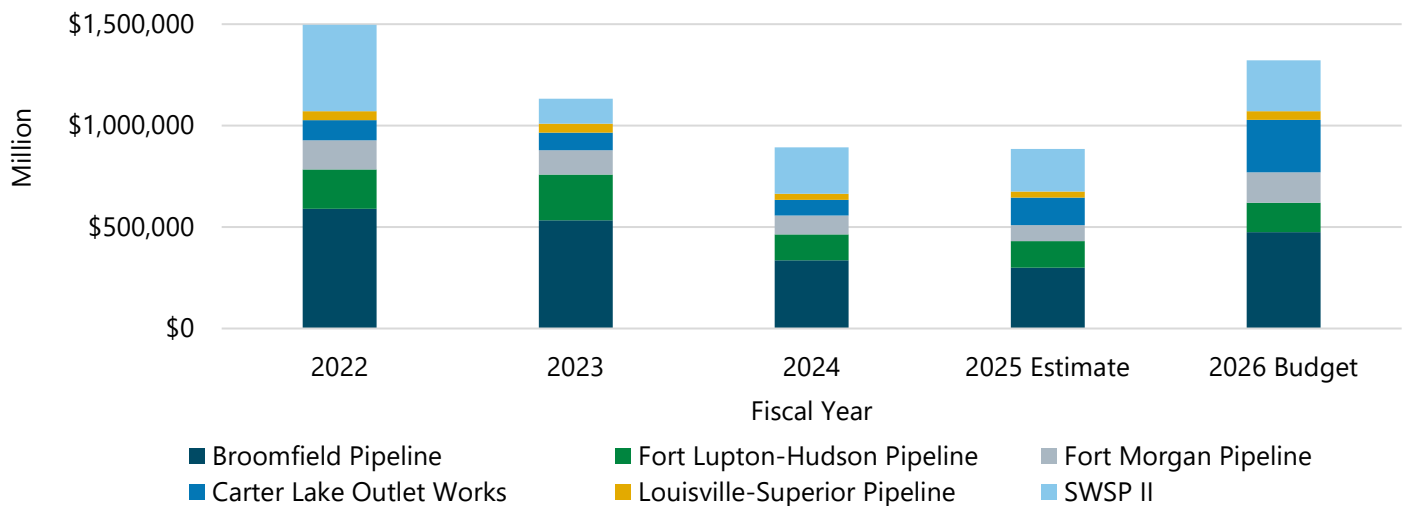


Expenses

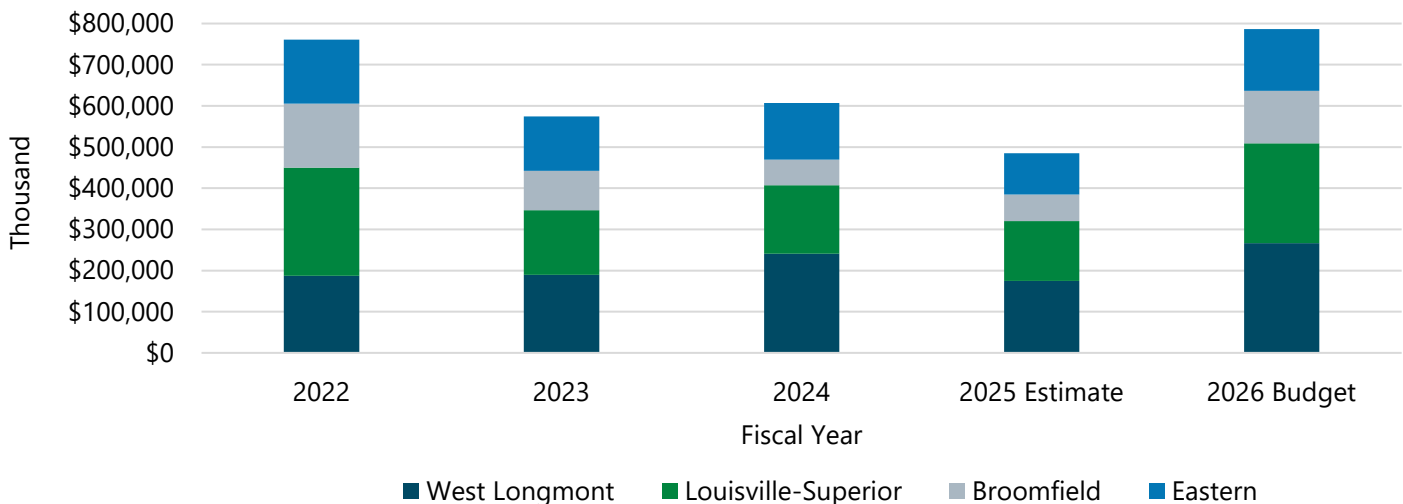
The fiscal year 2026 Southern Water Supply Project Water Activity Enterprise Fund operating expense budget totals \$2,535,972 including Indirect Costs. This represents an increase of \$738,340 from the fiscal year 2025's estimate. A summary of the operating expenses by pump plant, pipeline and outlet is provided in the table and charts below.

	Fiscal Year 2023 Actual	Fiscal Year 2024 Actual	Fiscal Year 2025 Estimate	Fiscal Year 2026 Budget	Percent Change
Broomfield Pipeline	\$ 533,726	\$ 335,466	\$ 300,000	\$ 475,000	41.6%
Broomfield Pump Plant	95,182	62,376	65,000	127,771	104.8%
Carter Lake Outlet Works	87,446	77,511	135,000	258,468	233.5%
Eastern Pump Plant	131,998	137,047	100,000	150,170	9.6%
Fort Lupton / Hudson Pipeline	224,877	128,639	130,000	145,000	12.7%
Louisville / Superior Pipeline	44,052	30,729	30,000	43,000	39.9%
Louisville / Superior Pump Plant	157,576	166,596	145,000	242,721	45.7%
Fort Morgan Pipeline	119,568	92,090	80,000	150,000	62.9%
SWSP II Pipeline	123,617	228,747	210,000	250,000	9.3%
West Longmont Pump Plant	189,226	240,711	175,000	266,210	10.6%
Total	\$ 1,707,268	\$ 1,499,912	\$ 1,370,000	\$ 2,108,340	

SWSP Enterprise Pipeline, Outlet and Turnout Expenses



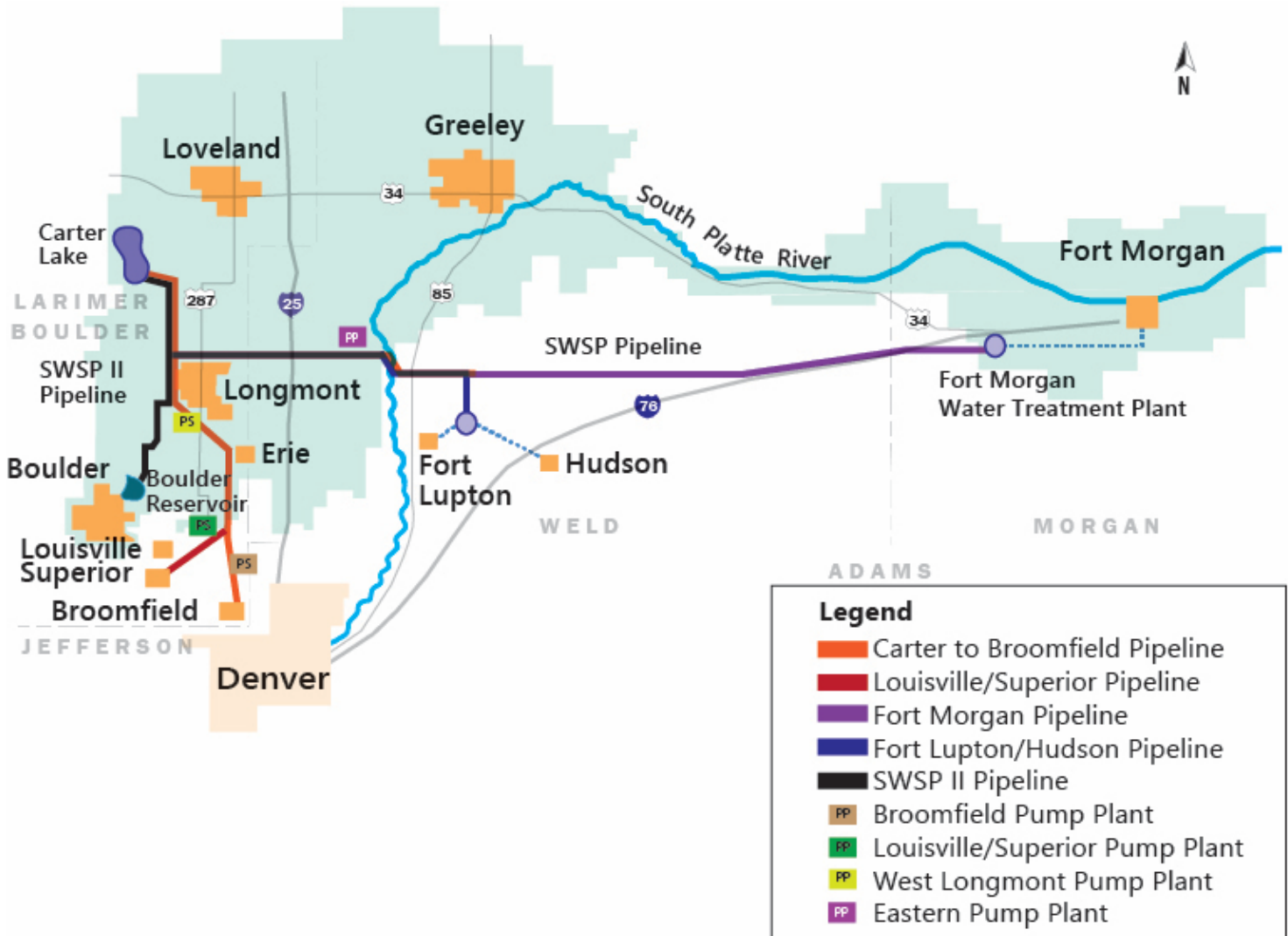
SWSP Enterprise Pump Plant Expenses



Pipelines and Pump Plants Map

The original Southern Water Supply Project includes four pipeline reaches spanning 180 miles and four related pump plants that convey project water to various Front Range sites and water districts within Northern Water boundaries.

With continued Front Range growth, Boulder, Left Hand Water District, Berthoud, and Longs Peak Water District agreed to fund a second phase of the Southern Water Supply Project for secure, year-round water deliveries. Construction on the Southern Water Supply Project II began in 2018 and completed in early 2020, with construction costs totaling approximately \$38.0 million. Total project costs, including design, permitting, administration, management and right-of-way were approximately \$44.0 million.



Capital Outlay

The fiscal year 2026 Southern Water Supply Project Water Activity Enterprise Fund capital outlay budget totals \$1,026,374.

- Blowoff Value Replacement (Broomfield Pipeline) (\$45,000)
- Louisville/Superior Automatic Security Drive Through Gate (\$26,374)
- Broomfield Pump Plant Variable Frequency Drive (\$300,000)
- Louisville/Superior Pump Plant Expansion Study (\$150,000)
- Louisville/Superior Pump Plant Emergency Generator Study (\$40,000)
- Upstream Isolation Valve Replacement (West Longmont Pump Plant) (\$100,000)
- West Longmont Motor Rebuild (\$65,000)
- Louisville Pump Study (\$300,000)



Fund Overview

Beginning Fund Balance \$16,076,780	Sources of Funds \$203,420	Uses of Funds \$197,720	Ending Fund Balance \$16,283,680
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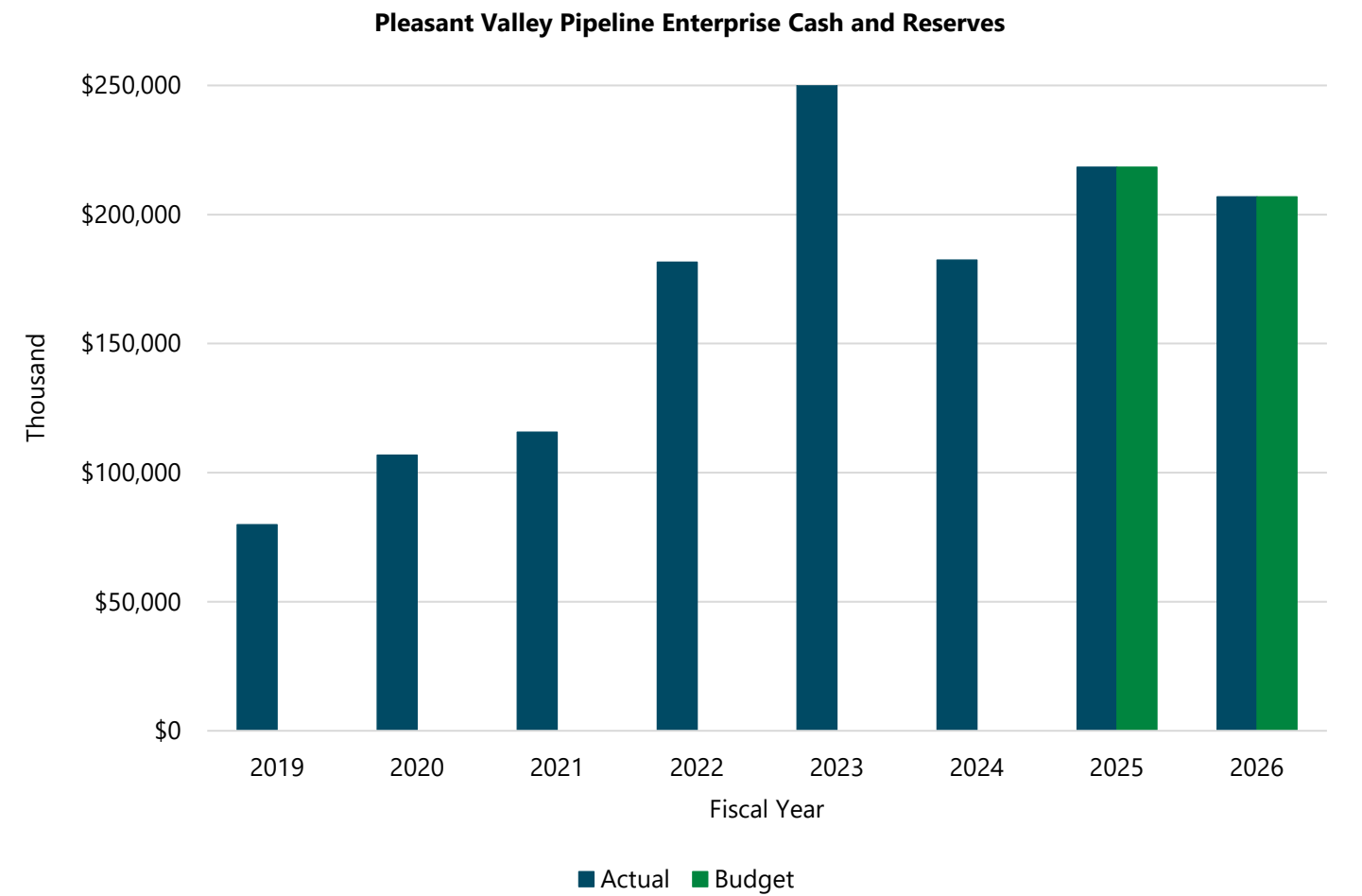
The Pleasant Valley Pipeline Project Water Activity Enterprise Fund is self-supporting through pipeline assessments. The purpose of the Pleasant Valley Pipeline Project (PVP) is to increase the flexibility and reliability of water deliveries for project participants. Construction of the 8.5-mile pipeline finished in 2004. The pipeline is divided into a number of segments to account for costs. Individual segment charges are based upon each participant's share of the capacity allocated to them. The primary focus for fiscal year 2026 is to provide continued operational support to project participants and conduct periodic maintenance activities as necessary. There are no future debt financing plans.

Budget Summary

	Fiscal Year 2024 Actual	Fiscal Year 2025 Budget	Fiscal Year 2025 Estimated Actual	Fiscal Year 2026 Budget	Dollar Change From Fiscal Year 2025 Budget	Percentage Change From Fiscal Year 2025 Budget
Sources of Funds						
Operating Revenues						
Pipeline Assessments	\$ 134,694	\$ 140,352	\$ 138,815	\$ 197,720	\$ 57,368	40.9%
Capital Contributions	-	-	-	-	-	n/a
Total Operating Revenues	134,694	140,352	138,815	197,720	57,368	40.9%
Other Revenues						
Earnings on Investments	11,061	6,000	5,700	5,700	(300)	(5.0%)
Total Other Revenues	11,061	6,000	5,700	5,700	(300)	n/a
Total Sources	\$ 145,755	\$ 146,352	\$ 144,515	\$ 203,420	\$ 57,068	39.0%
Uses of Funds						
Expenses						
Operating						
Operating Expenses	\$ 104,510	\$ 90,214	\$ 75,000	\$ 116,993	\$ 26,779	29.7%
Indirect Cost	50,727	30,138	50,727	50,727	20,589	68.3%
Total	\$ 155,237	\$ 120,352	\$ 125,727	\$ 167,720	\$ 47,368	39.4%
Capital						
Poudre Diversion / Munroe TO PLC (Direct Pay by Fort Collins & Soldier Canyon)	12,173	-	-	-	-	n/a
Cathodic Assessment	-	-	-	30,000	30,000	n/a
Total Capital Projects	\$ 12,173	\$ -	\$ -	\$ 30,000	\$ 30,000	n/a
Contingency Appropriation	-	20,000	-	-	(20,000)	n/a
Total Uses	\$ 167,411	\$ 140,352	\$ 125,727	\$ 197,720	\$ 57,368	40.9%

Revenues

Revenue from pipeline assessments is estimated at \$197,720, an increase of \$57,368 or a 40.8 percent increase compared to the fiscal year 2025 budget. This includes \$30,000 for cathodic assessment. Pipeline assessments are expected to be the same as budgeted expenses. A summary is provided in the graph below.



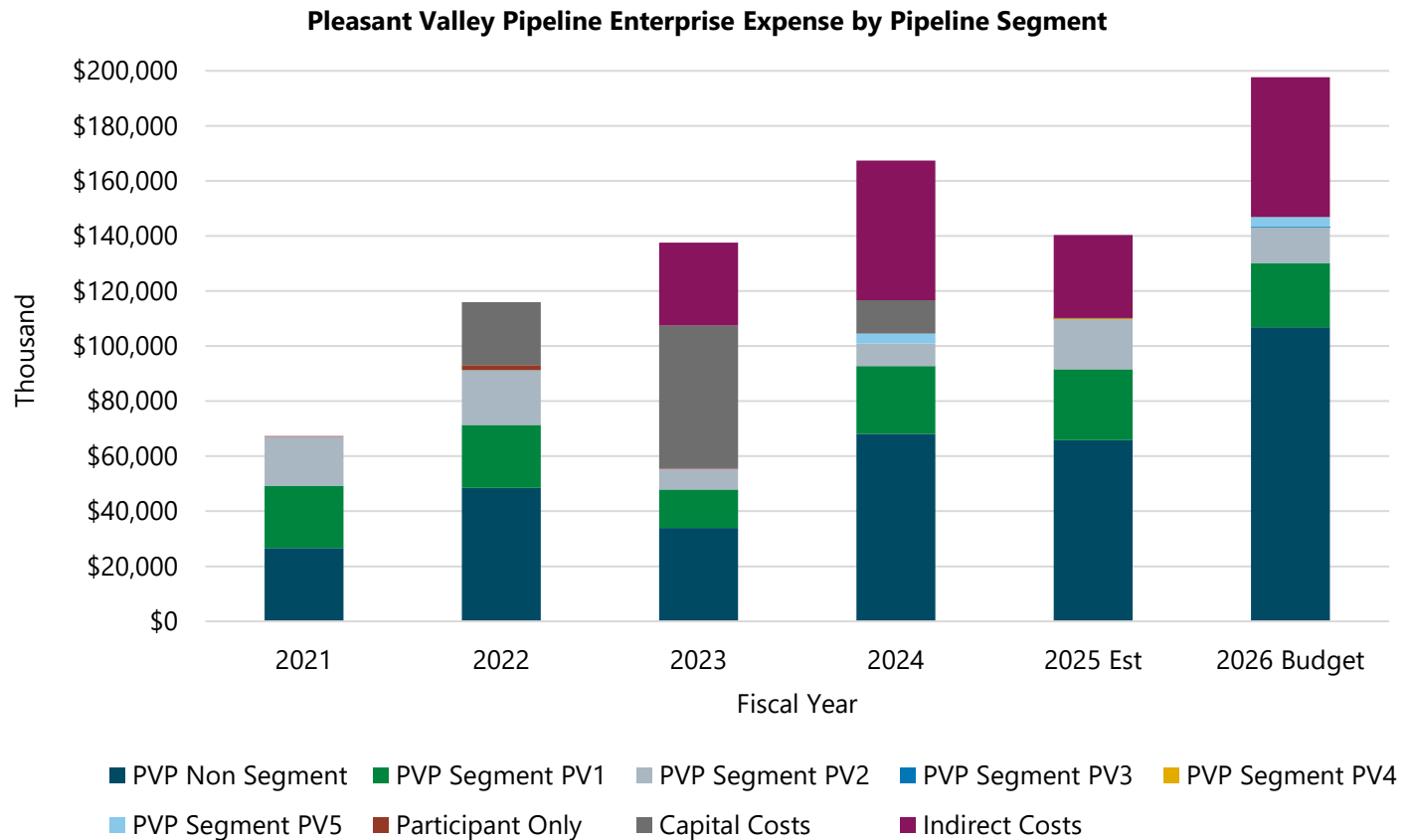
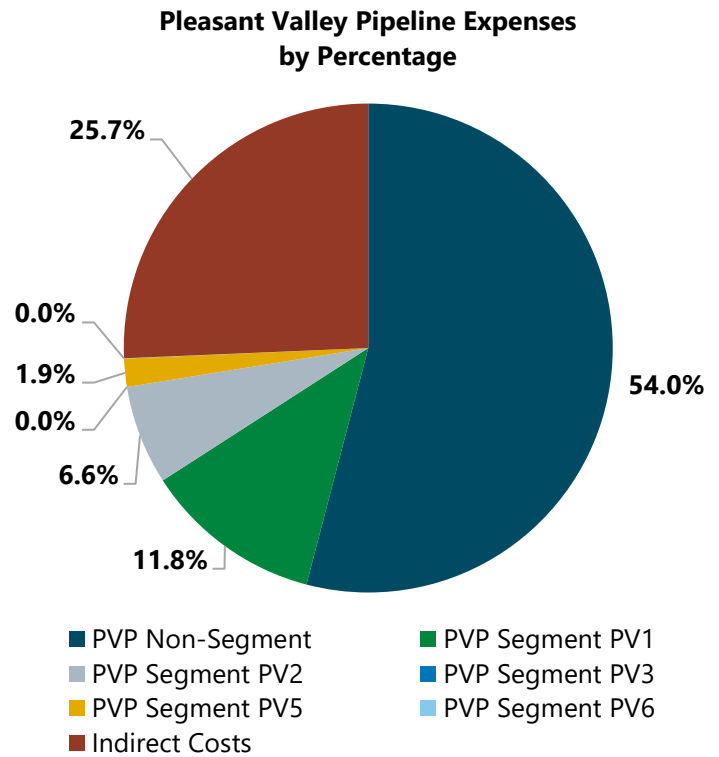
Expenses

The fiscal year 2026 Pleasant Valley Pipeline Enterprise budgeted operating expenses are \$197,720. This represents an increase of \$57,368. A summary of operating expenses is provided in the table and graphs below.

	Budget	Percent
Pleasant Valley Non-Segment	\$106,862	54.0%
Pleasant Valley Segment PV1	23,356	11.8%
Pleasant Valley Segment PV2	12,967	6.6%
Pleasant Valley Segment PV3	90	0.0%
Pleasant Valley Segment PV5	3,672	1.9%
Pleasant Valley Segment PV6	46	0.0%
Indirect Costs	50,727	25.7%
Total	\$197,720	100.0%

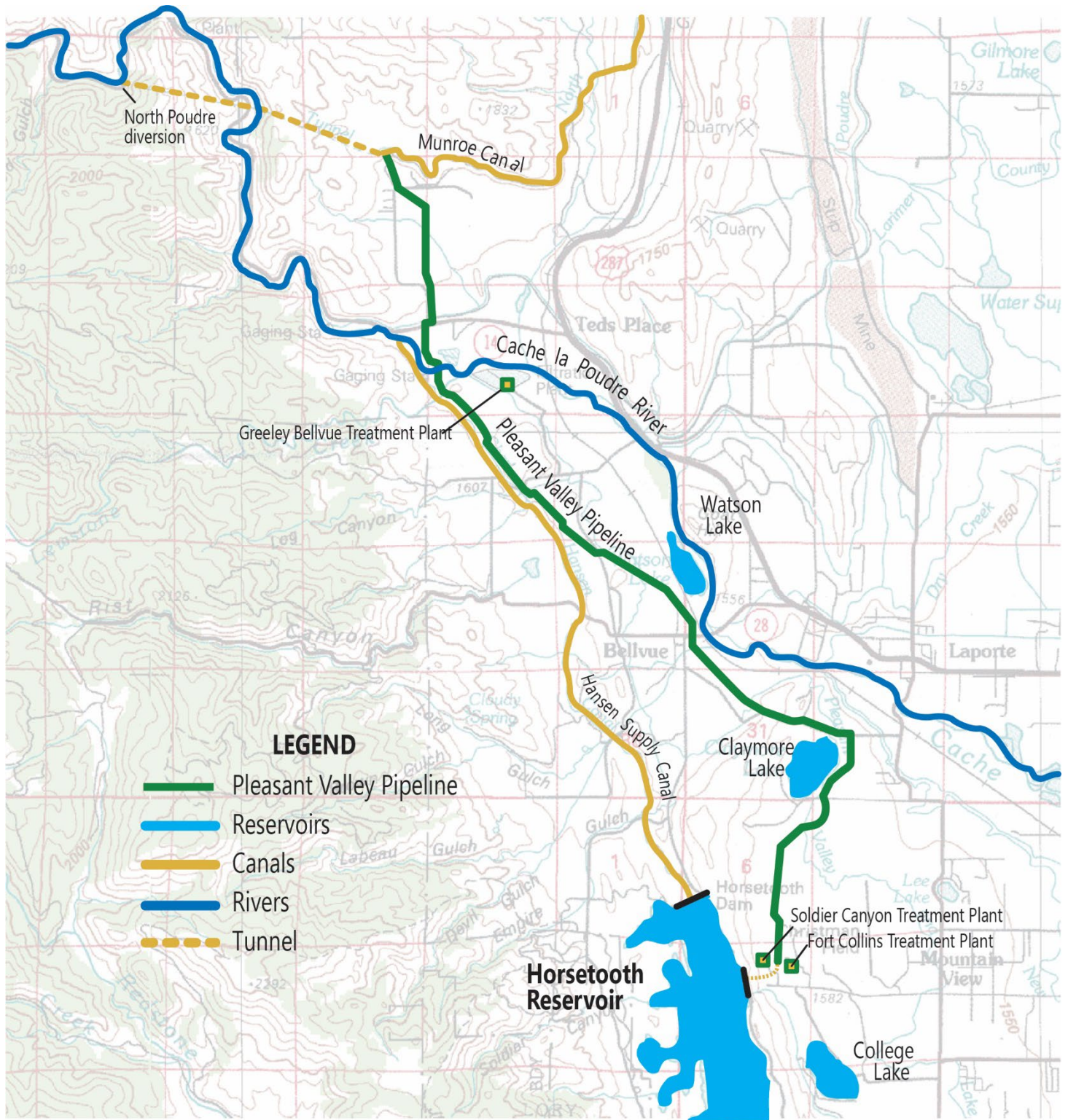
Expenses by Category

Non-Labor	\$140,272
Labor	57,448
Total	\$197,720



Pipeline Map

The 8.5-mile buried pipeline carries Poudre River water from the Munroe Gravity Canal to the Fort Collins and Soldier Canyon water treatment plants during the summer. In the winter, flows are reversed sending water from the Soldier Canyon outlet at Horsetooth Reservoir to Greeley's Bellvue treatment plant near the Poudre River.



NORTHERN INTEGRATED SUPPLY PROJECT WATER ACTIVITY ENTERPRISE FUND



Fund Overview

Beginning Fund Balance \$158,907,480	Sources of Funds \$35,700,000	Uses of Funds \$34,900,000	Ending Fund Balance \$159,707,480
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The Northern Integrated Supply Project (NISP) Water Activity Fund, as an enterprise fund, is self-supporting through participants' contributions. The purpose of the NISP Enterprise is to pursue federal and other permits in connection with a proposed water storage and distribution project that will supply 15 northern Front Range water partners with 40,000 acre-feet of new, reliable water supplies.

In January 2020, NISP received a 401 Water Quality certification from the Water Quality Control Division of the Colorado Department of Public Health and Environment. In September 2020, the Larimer County Board of County Commissioners approved the 1041 Land Use Permit, which allows the construction of Glade Reservoir, its recreation components and the pipelines to convey water from Glade Reservoir to participants throughout Northern Colorado. In January 2023, the U.S. Army Corps of Engineers issued a federal Clean Water Act Section 404 Record of Decision for the Northern Integrated Supply Project.

The current estimate of total project costs is \$2.7 billion.

In 2026, NISP intends to:

- Develop an allotment contract with the NISP Participants.
- Complete final design of the Glade Reservoir facilities.
- Negotiate a final contract price for U.S. Highway 287 construction.
- Continue design of the NISP delivery pipelines.
- Continue the NISP financial planning and submit a loan application to the EPA WIFIA program.
- Continue ongoing permitting activities associated with Glade Reservoir, U.S. Highway 287, the conveyance pipeline.
- Continue purchase of additional land for Glade Reservoir and U.S. Highway 287 relocation areas.
- Continue purchase of pipeline easements for the NISP delivery pipelines.
- Continue advancement of NISP mitigation and environmental enhancement activities.
- Continue advancing the NISP Adaptive Management and Poudre River Collaborative frameworks.
- Continue public outreach.

In 2025, NISP:

- Completed 90 percent design of the Glade Reservoir facilities.
- Completed design of U.S. Highway 287.
- Continued design of the NISP delivery pipelines.
- Continued the NISP financial planning and submitted a loan application to the EPA WIFIA program.
- Continued ongoing permitting activities associated with Glade Reservoir, U.S. Highway 287, the conveyance pipeline.
- Continued purchase of additional land for Glade Reservoir and U.S. Highway 287 relocation areas.
- Continued purchase of pipeline easements for the NISP delivery pipelines.
- Continued advancement of NISP mitigation and environmental enhancement activities.
- Continued advancing the NISP Adaptive Management and Poudre River Collaborative frameworks.
- Continued public outreach.

Budget Summary

	Fiscal Year 2024 Actual	Fiscal Year 2025 Budget	Fiscal Year 2025 Estimated Actual	Fiscal Year 2026 Budget	Dollar Change From Fiscal Year 2025 Budget	Percentage Change From Fiscal Year 2025 Budget
Sources of Funds						
Participant Contributions	\$27,300,000	\$33,400,000	\$33,400,000	\$29,900,000	\$(3,500,000)	(11.7%)
Transfer from Restricted Cash (a)	-	5,000,000	-	5,000,000	-	n/a
Earnings on investments	1,022,025	500,000	500,000	750,000	250,000	33.3%
Other nonoperative revenue	58,908	40,000	40,000	50,000	10,000	20.0%
Total Sources	\$28,380,933	\$38,940,000	\$33,940,000	\$35,700,000	\$(3,240,000)	(9.1%)
Uses of Funds						
Capital						
Land Purchase (a)	\$ 8,409,205	\$ 5,000,000	\$ 1,500,000	\$ 5,000,000	\$ -	0.0%
Project Development	8,413,248	2,100,000	2,100,000	2,700,000	600,000	28.6%
Legal Costs	724,191	700,000	700,000	600,000	(100,000)	(14.3%)
Glade Reservoir	14,218,158	5,000,000	3,500,000	5,200,000	200,000	4.0%
Glade State Land Board Land		6,500,000	-		(6,500,000)	(100.0%)
Highway 287 Relocation	2,438,188	1,600,000	1,600,000	5,600,000	4,000,000	250.0%
Water Secure	23,382	-	-	-	-	n/a
Environmental Mitigation & Water Quality	275,373	4,000,000	4,000,000	5,000,000	1,000,000	25.0%
Pipeline Easements		3,000,000	3,000,000	3,000,000	-	0.0%
South Platte Water Cons. Project					-	n/a
Galeton Advancement	13,708				-	n/a
Poudre Canal Agreement & Design		1,400,000	1,400,000		(1,400,000)	(100.0%)
Pipeline Designs & Early Const.		10,000,000	10,000,000	2,500,000	(7,500,000)	(75.0%)
WQ Sample Testing / Studies		400,000	400,000	400,000	-	0.0%
Financing & Bond Counsel		100,000	100,000	300,000	200,000	200.0%
ROW - Land Appraisal / Title / Survey		200,000	200,000	200,000	-	0.0%
Treatability Study				500,000	500,000	n/a
TRIC Design & CM				300,000	300,000	n/a
Settlement Costs			5,000,000			
Indirect Cost	815,300	800,000	800,000	900,000	100,000	12.5%
Contingency Appropriation	-	3,600,000	-	2,700,000	(900,000)	(33.0%)
Total Uses	\$35,330,753	\$44,400,000	\$34,300,000	\$34,900,000	\$(9,500,000)	(27.2%)

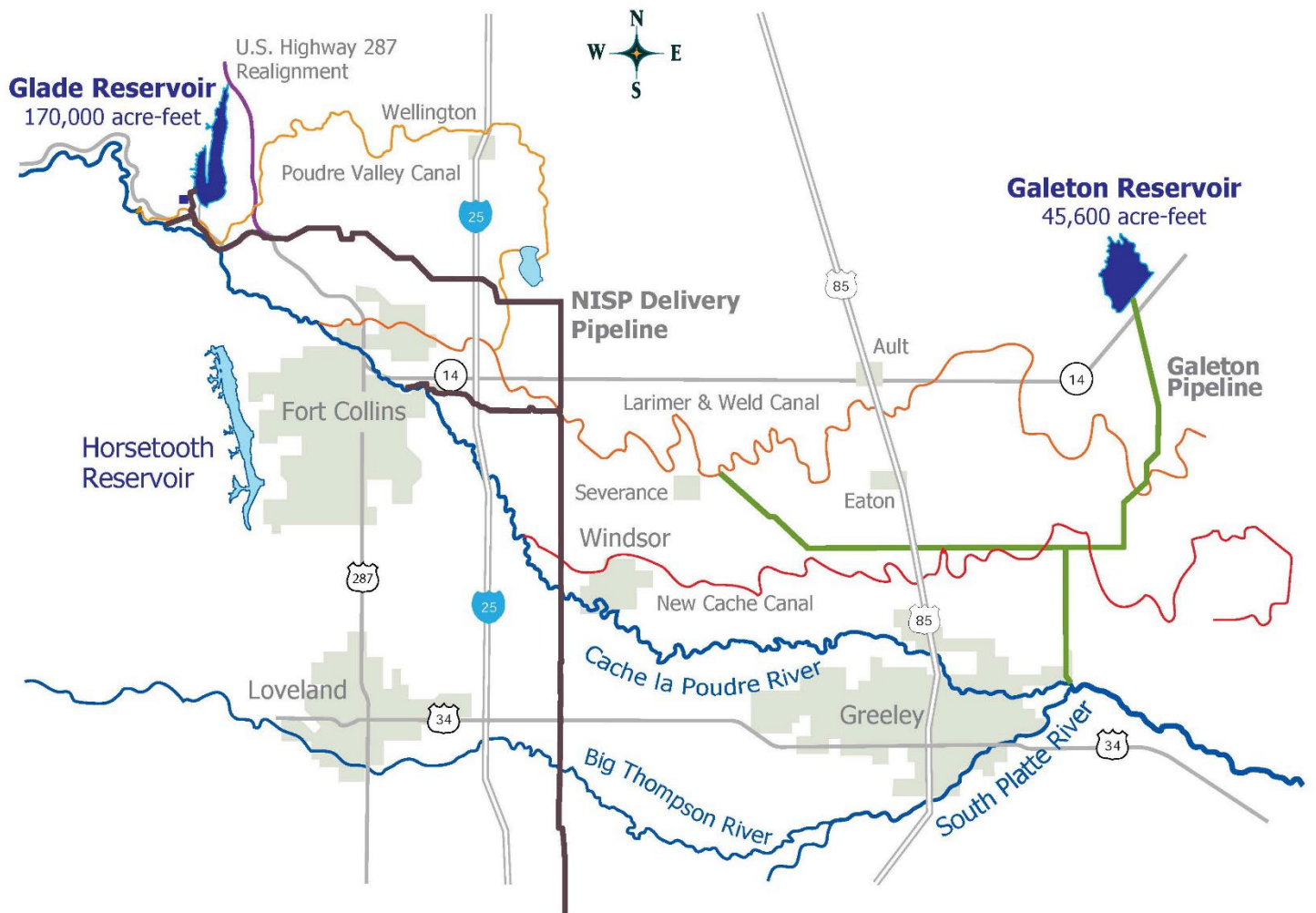
Contributions

Contributions from the 15 project participants and line of credit proceeds are projected to be \$29,900,000 in fiscal year 2026. Additional revenue will come from land purchase reserves, earnings on investments and other non-operating revenue.

Capital Outlay

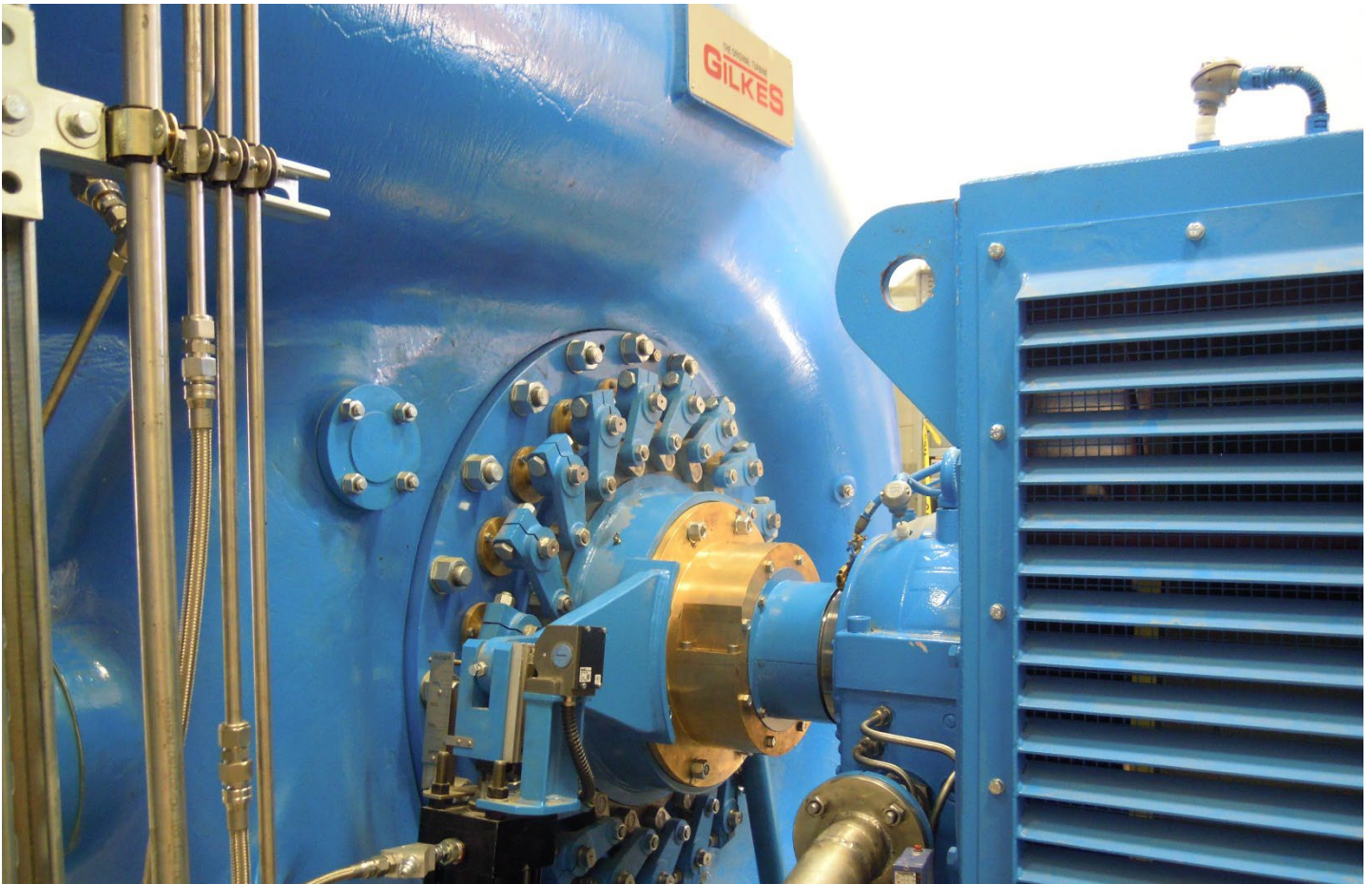
The fiscal year 2026 Northern Integrated Supply Project Water Activity Enterprise Fund capital outlay budget totals \$45,000,000. This represents an increase of \$10,000,000 from the fiscal year 2025 budget.

Project Map



HYDROPOWER WATER ACTIVITY ENTERPRISE FUND





Fund Overview

Beginning Fund Balance \$6,023,847	Sources of Funds \$1,490,000	Uses of Funds \$1,173,306	Ending Fund Balance \$6,340,541
--	--	---	---

The Hydropower Water Activity Fund is an enterprise fund established to record all revenues and expenses associated with the operations and maintenance of the Robert V. Trout and Granby Hydropower facilities. The Granby Hydropower facility is located at Lake Granby and began producing hydropower energy in May 2016. The two turbines have the potential to produce energy of 5 million kilowatt hours annually or enough to power about 600 homes. The Robert V. Trout Hydropower facility is located at Carter Lake and started generating power in May 2012. The hydropower facility has an energy capacity of 7 to 10 million kilowatt hours a year or enough to power about 1,000 homes. The two hydropower projects each received a Lease of Power Privilege from Reclamation granting the ability to pursue hydropower on an unpowered federally owned dam or canal. Northern Water sells all of its output from the two small renewable facilities to two consumer-owned electric cooperatives under long-term power purchase agreements. Energy revenues from the two small hydropower facilities provide for operation and maintenance and debt service costs. The fiscal year 2026 budget for expenses and capital outlay totals \$1,173,306.

Budget Summary

	Fiscal Year 2024 Actual	Fiscal Year 2025 Budget	Fiscal Year 2025 Estimated Actual	Fiscal Year 2026 Budget	Dollar Change From Fiscal Year 2025 Budget	Percentage Change From Fiscal Year 2025 Budget
Sources						
Operating Revenues						
Energy	\$ 1,245,462	\$ 1,300,000	\$ 1,300,000	\$1,300,000	\$ -	0.0%
Total Operating Revenues	1,245,462	1,300,000	1,300,000	1,300,000	-	0.0%
Other Revenues						
Earnings on Investments	158,214	190,813	205,714	190,000	(813)	(0.4%)
Dept. of Energy Hydroelectric Incentive	502,053	-	-	-	-	n/a
Total Other Revenues	660,267	190,813	205,714	190,000	(813)	0.0%
Total Sources	\$ 1,905,729	\$ 1,490,813	\$ 1,505,714	\$1,490,000	\$ (813)	(0.1%)
Balance Sheet Source (Use)	(322,236)	(93,583)	-	-	-	-
Total Funds Available	\$ 4,824,215	\$ 3,807,833	\$ 5,176,965	\$5,507,886		
Uses of Funds						
Operating Expenses						
Operation and Maintenance	\$ 386,757	\$ 482,000	\$ 459,363	\$ 423,590	\$ (58,410)	(12.1%)
Indirect Cost	120,600	60,679	60,679	60,679	-	0.0%
Total Operating	507,357	542,679	520,042	484,269	(58,410)	(10.8%)
Capital						
Capital Projects	6,570	14,800	-	-	(14,800)	(100.0%)
Total Capital	6,570	14,800	-	-	(14,800)	(100.0%)
Debt Service						
Debt Service-Granby Facility	229,286	229,286	229,286	229,286	-	0.0%
Debt Service-R.V. Trout Facility	409,751	409,751	409,751	409,751	-	0.0%
Total Debt Service	639,037	639,037	639,037	639,037	-	0.0%
Contingency Appropriation	-	50,000	-	50,000	-	0.0%
Total Uses	\$ 1,152,964	\$ 1,246,516	\$ 1,159,079	\$1,173,306	\$ (73,210)	(5.9%)

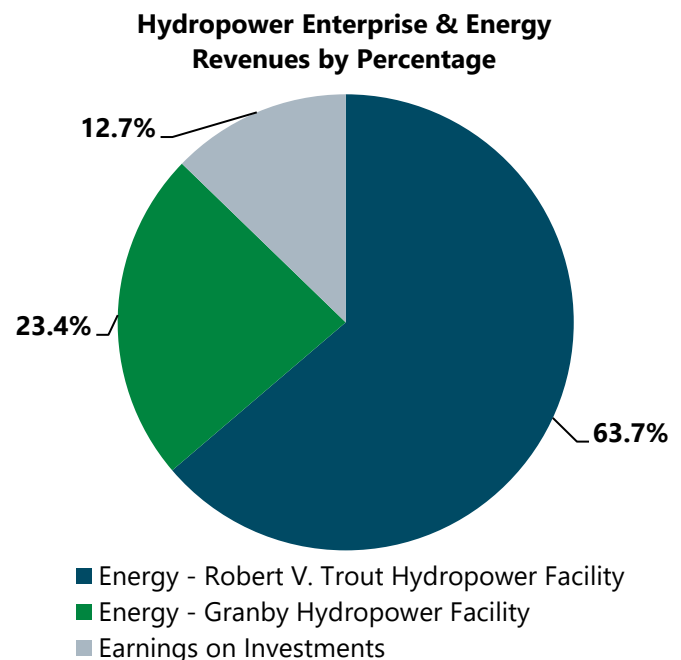
Revenues

Hydropower Water Activity Enterprise Fund energy revenues are projected at \$1,300,000, which is equal to the fiscal year 2025 estimated actual revenue. Revenue from the sale of energy from the Robert V. Trout Hydropower facility is estimated to be \$950,000. The energy revenues for the Granby Hydropower facility are projected to be \$350,000. Earnings on Investments are projected to be \$190,000. Differences in energy revenues from year to year can be affected by the increases or decreases in water flows due to weather conditions, water demands and reservoir levels.

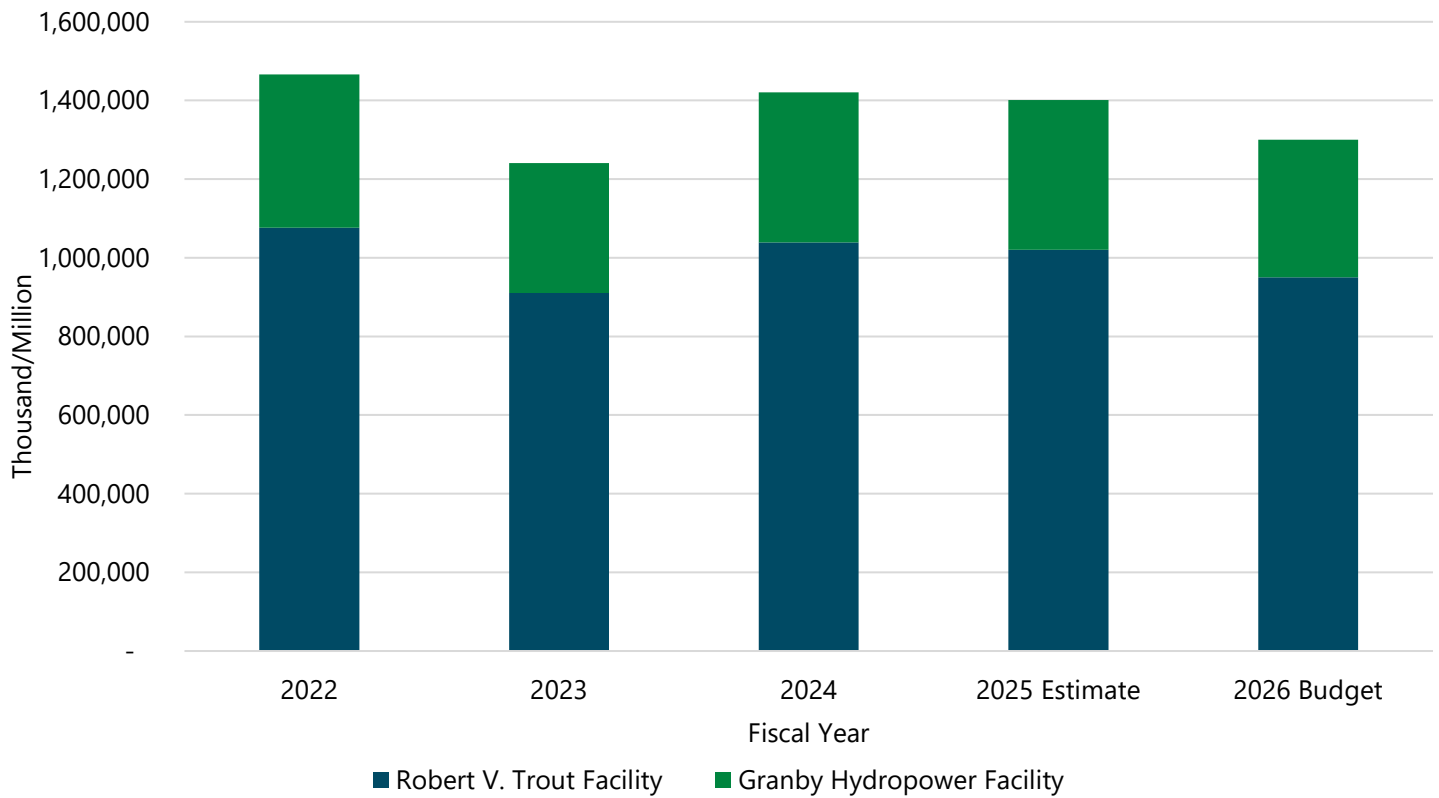
The Policy 115 and Policy 117 payments are from Tri-State Generation and Transmission policies that were put in place to reimburse their local rural electric association providers for renewable energy. The Policy 115 comes from the 115th Congress (2017-2018) and designates the Federal Energy Regulatory Commission (FERC) as the lead agency for coordinating all federal authorizations and reviews related to hydropower license applications, including compliance with the National Environmental Policy Act of 1969. FERC must establish a process to set a schedule for the review and disposition of each federal authorization following the filing of an application for a license. The bill expands the definition of "renewable energy" to include electric energy generated from hydropower projects. The bill authorizes FERC to extend the length of time of preliminary permits and to extend the time limit that a licensee has to commence construction on a hydropower project. The bill creates a process to approve license amendments for qualifying hydropower projects. Policy 117 comes from the 117th Congress (2019-2020) and expands provisions related to renewable energy, including hydropower production, and revises the hydropower licensing process. Policy 115 energy payment rates increased until 2025 and 2021 for the Granby Hydropower facility and Robert V. Trout facility, respectively, and remain at those higher levels through at least 2031. Policy 117 energy payment rates decreased in 2021 and 2022 for the Granby Hydropower facility and Robert V. Trout Hydropower facility, respectively, and remain at those lowered levels through at least 2026. The Policy 115 represents their estimate of the value of the electricity sold. It was forecast for 10 years and then froze at that level for the remainder of the contract term. The Policy 117 was the additional value of the renewable energy.

A summary of the major resources is provided in the table and charts below.

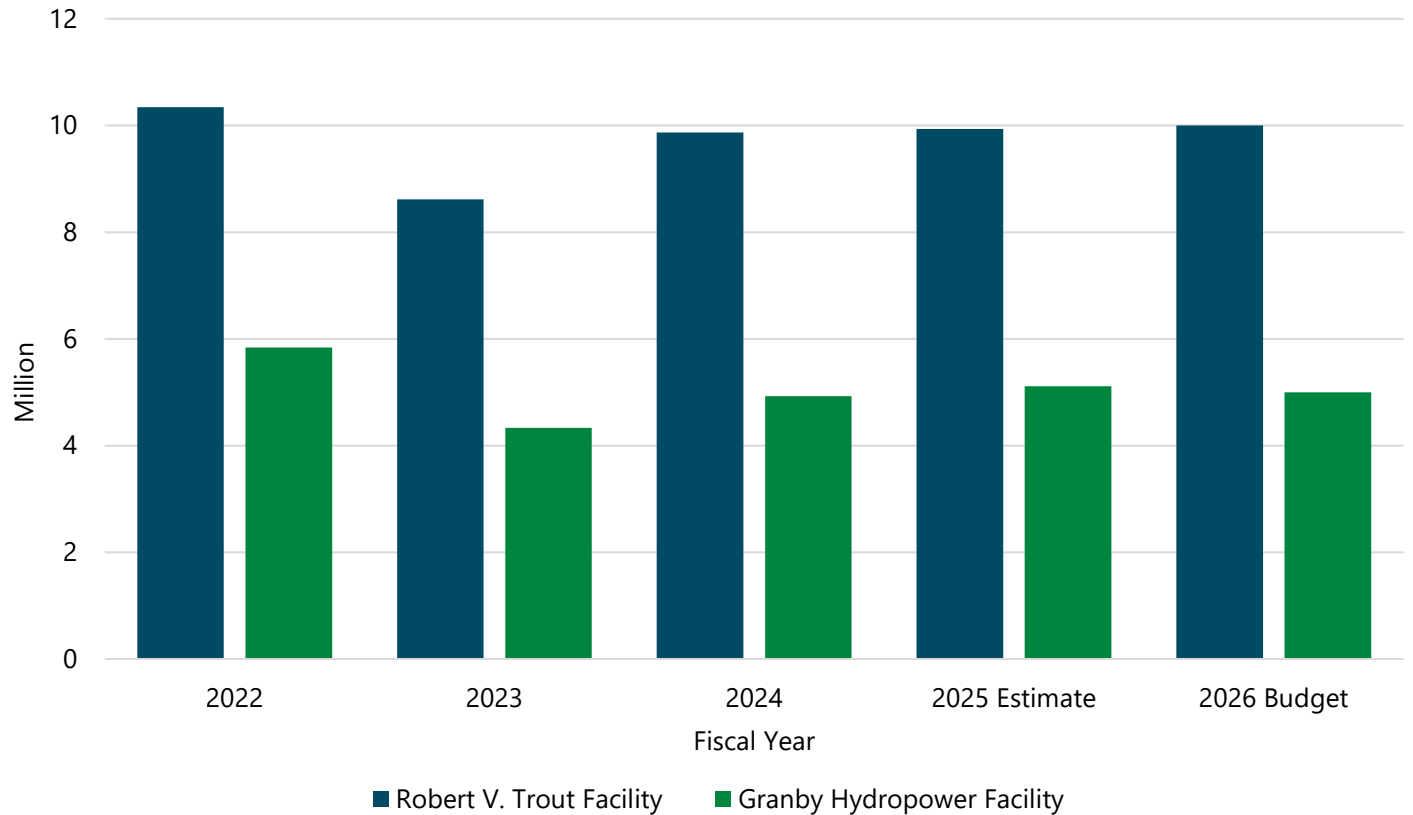
	Budget	Percent
Energy – Robert V. Trout Hydropower Facility	\$950,000	63.7%
Energy – Granby Hydropower Facility	350,000	23.4%
Earnings on Investments	190,000	12.7%
Total	\$1,490,000	100.0%



Hydropower Enterprise Energy Revenues by Facility



Hydropower Enterprise Generation in Kilowatt-Hours by Facility



Expenses

The fiscal year 2026 Hydropower Water Activity Enterprise Fund operating expenses total \$534,269. Operating expenses for the Robert V. Trout Hydropower facility are budgeted at \$383,699. Granby Hydropower facility operating costs are projected to be \$150,570. Capacity charge is the system use charge assessed by the electric cooperatives. Lease of Power Privilege are the charges associated with the non-federal development of hydropower at Reclamation facilities.

A summary of the Hydropower Water Activity Enterprise Fund major operating expenses by facility are provided in the tables and chart below.

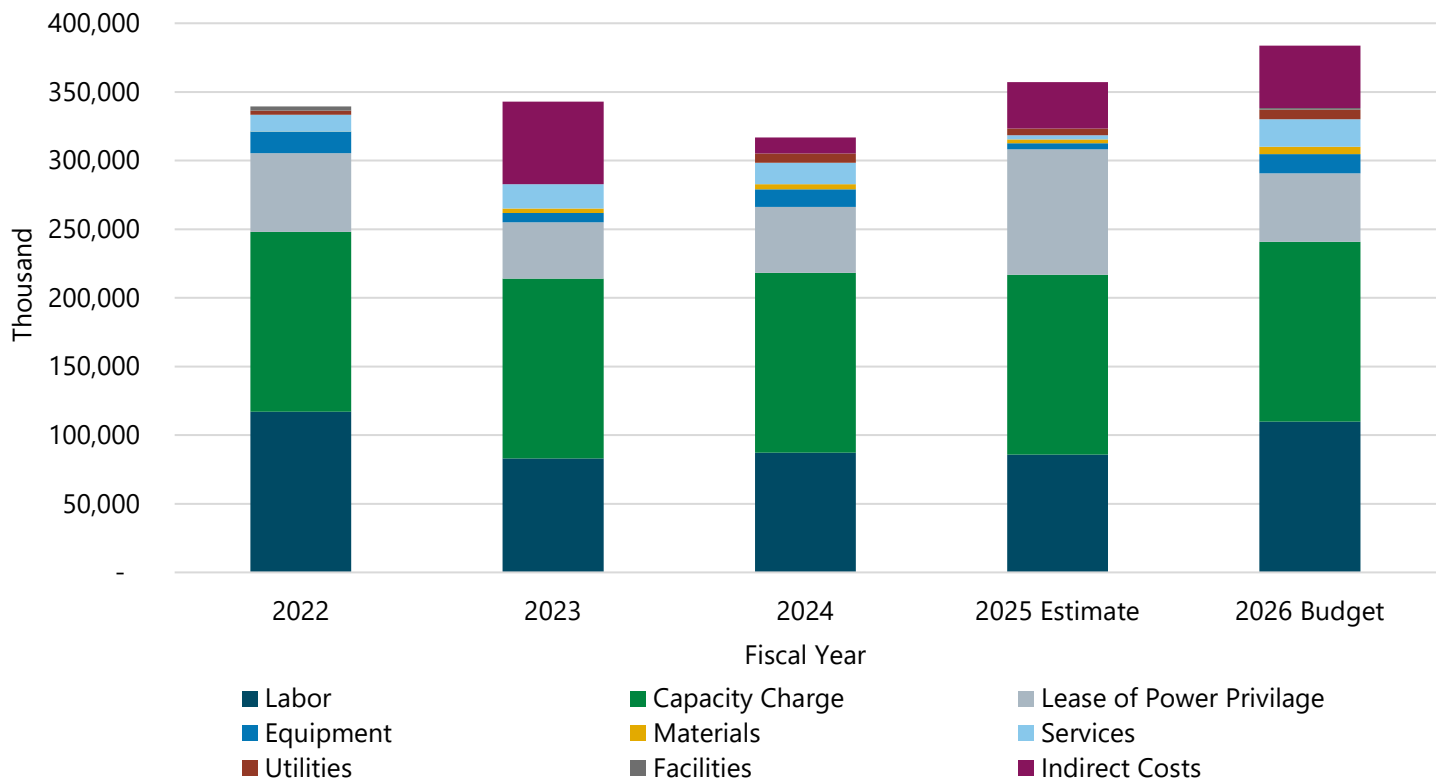
Robert V. Trout Hydropower Facility Operating Expenses

	Budget	Percent
Labor	\$109,750	28.6%
Capacity Charge	131,040	34.2%
Lease of Power Privilege	50,000	13.0%
Equipment	67,252	3.6%
Materials	176,259	1.4%
Services	47,868	5.3%
Utilities	50,000	1.8%
Facilities	1,000	0.3%
Indirect Costs	45,509	11.9%
Total	\$383,699	100.0%

Expenses by Category

Non-Labor	\$273,949
Labor	109,750
Total	\$383,699

Robert V. Trout Hydropower Facility Operating Expenses



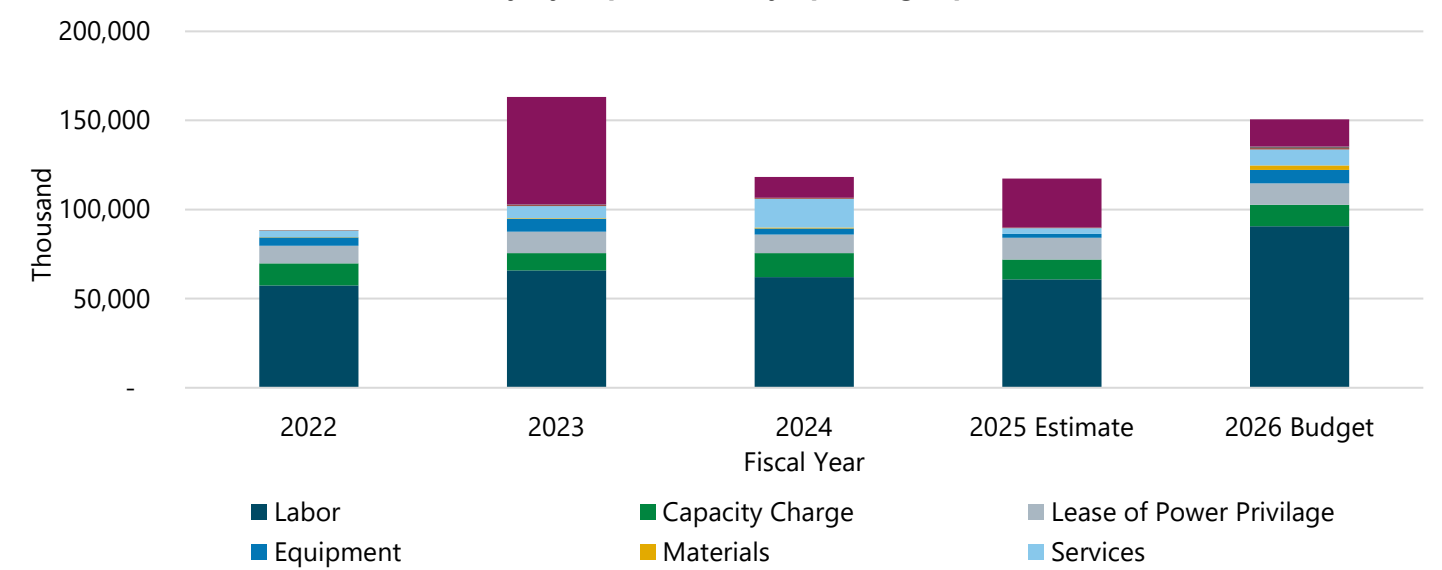


Granby Hydropower Plant

Granby Hydropower Facility Operating Expenses

	Budget	Percent	Expenses by Category	
Labor	\$90,700	60.2%	Non-Labor	\$59,870
Capacity Charge	12,000	8.0%	Labor	90,700
Lease of Power Privilege	12,000	8.0%	Total	\$150,570
Equipment	7,500	5.0%		
Materials	2,500	1.7%		
Services	9,100	6.0%		
Utilities	600	0.7%		
Facilities	1,000	0.6%		
Indirect Costs	15,170	10.1%		
Total	\$150,570	100.0%		

Granby Hydropower Facility Operating Expenses



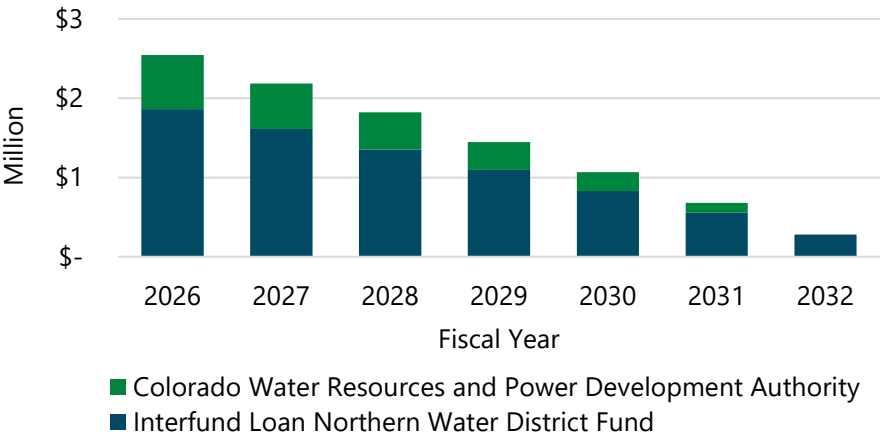
Debt Service

The fiscal year 2026 Debt Service is scheduled at \$639,036. No future debt financing is planned. The Debt Service payable and the projected September 30, 2026, outstanding balance by each hydropower facility are provided below.

Robert V. Trout Hydropower Facility

- Colorado Water Resources and Power Development Authority: \$2,000,000, September 1, 2013, of which \$685,130 is outstanding
- Interfund Loan - Northern Water District Enterprise Fund: \$4,700,000, February 15, 2014, of which \$1,860,286 is outstanding

Robert V. Trout Hydropower Facility
Outstanding Debt



Granby Hydropower Facility

- Colorado Water Conservation Board: \$5,135,183, July 1, 2017, of which \$3,749,147 is outstanding

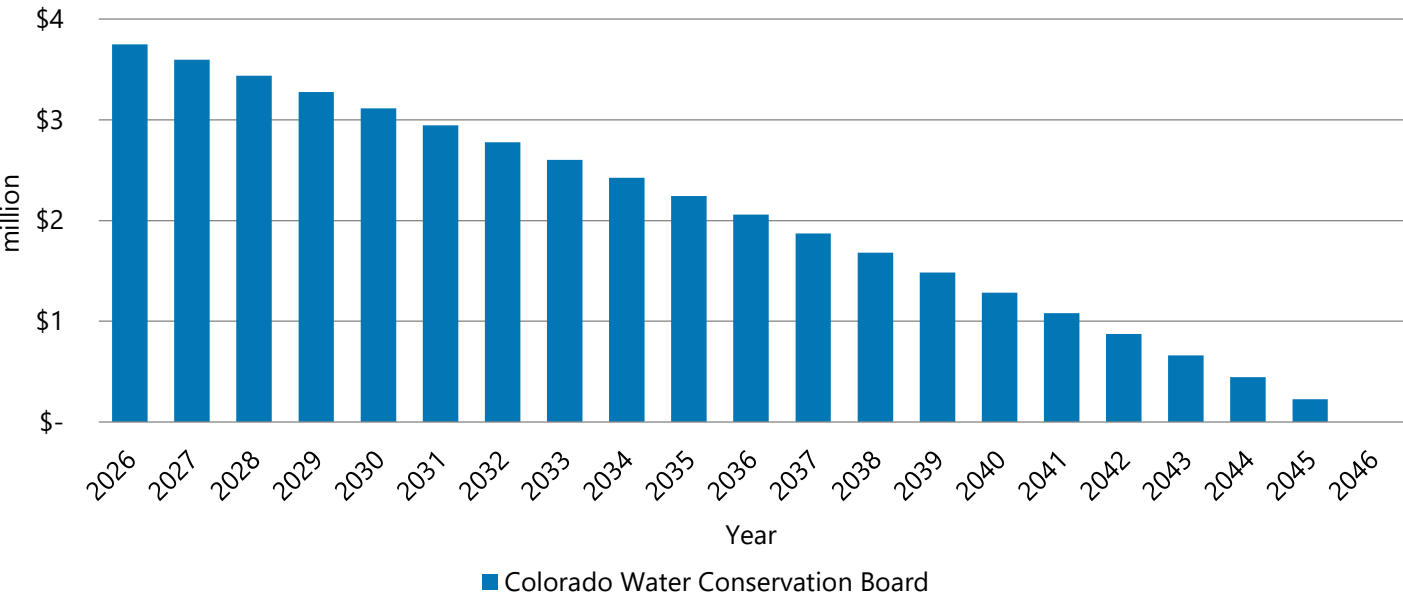
Robert V. Trout Hydropower Facility

	2024 Budget	2025 Budget	2026 Budget
Principal	\$338,145	\$344,907	\$351,806
Interest	71,605	64,843	57,944
Total	\$409,750	\$409,750	\$409,750

Granby Hydropower Facility

Principal	\$145,403	\$148,311	\$151,277
Interest	83,883	80,975	78,008
Total	\$229,286	\$229,286	\$229,286

Granby Hydropower Facility
Outstanding Debt



ACRONYMS

ACFR

Annual Comprehensive Financial Report

AF

Acre-foot or Acre-feet

C-BT

Colorado-Big Thompson Project

CIP

Capital Improvement Plan

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 Financing

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.

Assessed Valuation

Total valuation established by the County Assessor on real and personal property within Northern Water boundaries which is used as a basis for levying taxes.

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 13-member group of appointed officials.

Budget

A financial plan for a specified period (fiscal year) that assigns resources to each activity in sufficient amounts 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 type 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 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.

Full Time Equivalent

An employee position is converted to decimal equivalent value. Numeric equivalent of one person occupying one employment position for one year. Example: 0.50 FTE is equal to half time position.

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.

Government Finance Officers Association (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 costs 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.

Levy

The total amount of taxes, special assessments or service charges imposed by Northern Water.

Long-term debt

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

Mill

One one-thousandth of a dollar (\$1.00 of tax for each \$1,000 of assessed valuation) of assessed valuation of property used to determine property taxes.

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, which 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 Plants

A pump plant is a manmade 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 creditworthiness of Northern Water as evaluated by independent agencies.

Raw Water

Untreated water.

Reclamation

United States Bureau of Reclamation

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 percent 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.

Tax Levy

Unit of measurement is a mill (.001) which is then multiplied times the assessed value of real or personal property to determine the amount of taxes due.

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.

Temporary Employee

An employee hired as an interim replacement or temporary supplement of the workforce. Assignments in this category can be of limited duration or indefinite duration, but generally do not exceed one year.

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.

AD VALOREM MILL LEVY

NORTHERN COLORADO WATER CONSERVANCY DISTRICT

RESOLUTION

D-1430-08-25

AD VALOREM MILL LEVY

WHEREAS, it is the duty of the Board of Directors of Northern Colorado Water Conservancy District, as provided by law, in each year to determine the amount of money necessary to be raised by ad valorem taxation, taking into consideration other sources of revenue of Northern Water, and to fix a rate of levy, which when levied upon every dollar of assessed valuation will raise the amount required for Northern Water to supply funds for paying the costs of all construction obligations; for providing the services required to conserve, allocate, and control the water supplies of Northern Water; for paying the expenses of administration, engineering, operation, maintenance, repair, and replacement of the works, facilities, and properties of Northern Water; and for paying the expenses of such other business functions and activities as found by said Board to be necessary and convenient; and

WHEREAS, the Repayment Contract between Northern Water and the United States, Contract No. 9-07-70-W0020, was submitted to and approved by vote of the qualified electors of Northern Water, which contract states in part "...Northern Water shall levy not less than one mill tax on property within Northern Water as authorized by the Water Conservancy Act of Colorado..." in order to operate and maintain Northern Water functions and facilities; and

WHEREAS, C.R.S. § 37-45-122 limits the rate of levy to one mill on the dollar of assessed valuation of property within Northern Water after delivery of water from the works of Northern Water and Northern Water is not increasing the levy above one mill, which levy was in existence for years prior to November 4, 1992; and

WHEREAS, C.R.S. § 29-1-301 as amended, does not apply to a conservancy district if the property tax revenue increase results from a contractual obligation which has been approved by a majority of the qualified electors of the taxing authority; and

WHEREAS, the Board of Directors found and determined that water has been delivered; is being delivered; and will continue to be delivered from the works of Northern Water;

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of Northern Water does now estimate the amount of money to be raised by ad valorem taxation for the year of 2025, to be collected in the calendar year of 2026, is approximately \$34,078,018; and said Board of Directors does hereby fix the rate of levy of one mill to be levied upon every dollar of assessed valuation of property, both real and personal, within Northern Colorado Water Conservancy District for the year 2025; and

BE IT FURTHER RESOLVED, that the Board of Directors of Northern Water does now certify to the Board of County Commissioners of Boulder, Larimer, Weld, Morgan, Washington, Logan, and Sedgwick Counties, and the City Council of the City and County of Broomfield, in the State of Colorado, said rate of one mill, so fixed for said purposes of Northern Water to be levied upon every dollar of assessed value on all property within Northern Water in said counties and city and county as aforesaid, and does now direct that at the time and in the manner required by law for levying of taxes for county and city and county purposes, said Boards of County Commissioners and City Council shall levy said tax of one mill upon each dollar of assessed valuation of all property, real or personal, within Northern Water, in their respective counties and city and county, in addition to such other taxes as may be levied by such Boards of County Commissioners and City Council; and

BE IT FURTHER RESOLVED, that all officers having authority to levy and collect such taxes within each said county and city and county, levy and collect such taxes in the form and manner as county and city and county taxes are collected and when collected to pay same to Northern Colorado Water Conservancy District, all as provided by the Water Conservancy Act of Colorado, C.R.S. §§ 37-45-101 et seq.

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 Northern Colorado Water Conservancy District at a Planning Session of said Board held in Berthoud, Colorado, on August 7, 2025.


Secretary

COLLECTION OF CLASS D SPECIAL ASSESSMENTS

NORTHERN COLORADO WATER CONSERVANCY DISTRICT

RESOLUTION D-1431-08-25

COLLECTION OF CLASS D SPECIAL ASSESSMENTS

WHEREAS, the Board of Directors of Northern Colorado Water Conservancy District has heretofore made Class “D” allotments of water, as provided by law, and such allotments are attached to certain lands within Northern Water; and

WHEREAS, the Northern Water Board has caused to be recorded in the counties in which said lands are located, the petitions of the owners of the land and the attached Orders of the Board for the allotments so made; and

WHEREAS, to levy and collect special assessments upon those lands having Class “D” allotments, the Board of Directors of Northern Water is required, on or before the first day of October of each year, to certify to the County Assessors of the counties within Northern Water in which such lands are located, the amount of the annual installment to be collected on the tax roll as a flat special assessment against the lands for which such water was petitioned and allotted; and

WHEREAS, the Board has certified to the County Assessors in each of the counties in which such allotments have been made, a list of the lands and the amount of such annual installments in dollars to be collected against said lands; and

WHEREAS, the Northern Water Board has computed the aggregate total of such installments to be collected in each of the counties and such totals shall approximate but not exceed the following:

BOULDER	\$ 105,000
LARIMER	\$ 175,000
MORGAN	\$ 16,000
WELD	\$ 510,000

NOW, THEREFORE, BE IT RESOLVED, that under the provisions of the Water Conservancy Act, C.R.S. § 37-45-101 et seq. all officers or bodies having authority to levy and collect special assessments within their jurisdiction shall so levy in the year 2025 and collect such special assessments in the year 2026 as are herein provided, in the time, form, and manner and with like interest and penalties as special assessments are collected, and when collected, shall pay the same to 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 Northern Colorado Water Conservancy District at a Planning Session of said Board held in Berthoud, Colorado, on August 7, 2025.


Secretary

COLLECTION OF ALL SOURCES OF REVENUE

NORTHERN COLORADO WATER CONSERVANCY DISTRICT

RESOLUTION D-1432-08-25

COLLECTION OF ALL SOURCES OF REVENUE

WHEREAS, it is the duty of the Board of Directors of Northern Colorado Water Conservancy District, as provided by law and in compliance with the District - United States Contract No. 9-07-70-W0020, formerly Contract 11r-1051, and supplements thereof, to provide such revenues, in addition to those arising from taxation and special assessments, as will fulfill the purposes and obligations of said District; and

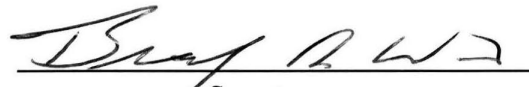
WHEREAS, said Board has fixed the rate of tax levy for the calendar year 2025 collectable in 2026 in the estimated amount of \$34,078,018 and has levied the Class "D" special assessments for 2025, also collectable in 2026 in the estimated sum of \$806,000; and

WHEREAS, said Board has adopted its budget for all funds and appropriated the aggregate sum of \$123,221,453 for the Fiscal Year 2026.

NOW, THEREFORE, BE IT RESOLVED, that the General Manager and Treasurer of said District are hereby authorized and directed to collect from all outstanding contracts for District water supplies or services and, further, to collect from all other revenue sources legally available to this Board, a sum which, with revenues from taxation and Class "D" special assessments, will provide the aggregate revenues required to meet the sum appropriated for all District purposes in 2026.

CERTIFICATE

I, Bradley D. Wind, do hereby certify that the above is a true and correct copy of a Resolution adopted by the Board of Directors of Northern Colorado Water Conservancy District at a Planning Session meeting of said Board held in Berthoud, Colorado, on August 7, 2025.


Secretary

APPROPRIATION

NORTHERN COLORADO WATER CONSERVANCY DISTRICT

RESOLUTION

D-1433-08-25

APPROPRIATION RESOLUTION

WHEREAS, the Board of Directors of Northern Colorado Water Conservancy District appointed; Bradley D. Wind, Secretary and General Manager; Gerald A. Gibbens, Treasurer and Operations Division Director; Sander Blackburn, Finance and Administrative Services Division Director; Myles Baker, Senior Financial Analyst; and Shawn Cyr, Senior Financial Analyst of said District to prepare a Budget for Fiscal Year 2026; and they have submitted the same to said Board and caused to be published the requisite Notice of Hearing;

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of Northern Colorado Water Conservancy District hereby approves and adopts the Budget of the Northern Colorado Water Conservancy District Fund as submitted by the duly appointed Budget Officers and appropriates the aggregate sum of \$83,213,081 for Fiscal Year 2026, for the purpose of paying the costs of all contractual obligations; meeting the expenses required to conserve, allocate, and control the water supplies of the District including the expense of construction, administration, and engineering; costs associated with the design and construction of new office, maintenance and site facilities using proceeds from the issuance of debt through Certificates of Participation; and the expenses for the transaction of all such other business functions and activities as found by said Board to be necessary and convenient; and

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of Northern Colorado Water Conservancy District hereby approves and adopts the Budget as submitted by the duly appointed Budget Officers and appropriates the aggregate sum of \$3,737,346 for the purpose of paying the Fiscal Year 2026 construction, operation and maintenance expenses of the Southern Water Pipeline Project; and the expenses for the transaction of all such other business functions and activities as found by said Board to be necessary and convenient for the Northern Colorado Water Conservancy District - Southern Water Supply Project Water Activity Enterprise; and

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of Northern Colorado Water Conservancy District hereby approves and adopts the Budget as submitted by the duly appointed Budget Officers and appropriates the aggregate sum of \$197,720 for the purpose of paying the Fiscal Year 2026 operation and maintenance expenses of the Pleasant Valley Pipeline Project; and the expenses for the transaction of all such other business functions and activities as found by said Board to be necessary and convenient for the Northern Colorado Water Conservancy District - Pleasant Valley Pipeline Project Water Activity Enterprise; and

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of Northern Colorado Water Conservancy District hereby approves and adopts the Budget as submitted by the duly appointed Budget Officers and appropriates the aggregate sum of \$34,900,000 for the purpose of paying the Fiscal Year 2026 construction and capitalized expenses of the Northern

Integrated Supply Project; and the expenses for the transaction of all such other business functions and activities as found by said Board to be necessary and convenient for the Northern Colorado Water Conservancy District - Northern Integrated Supply Project Water Activity Enterprise; and

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of Northern Colorado Water Conservancy District hereby approves and adopts the Budget as submitted by the duly appointed Budget Officers and appropriates the aggregate sum of \$1,173,306 for the purpose of paying the Fiscal Year 2026 operation and maintenance expenses of the Hydropower Project; and the expenses for the transaction of all such other business functions and activities as found by said board to be necessary and convenient for the Northern Colorado Water Conservancy District – Hydropower Water Activity Enterprise.

BE IT FURTHER RESOLVED, that the funds required for the sums so appropriated shall be provided in the manner and by the means set forth in those certain Resolutions of even date in which the Board of Directors of said District exercises the authority given by C.R.S. § 37-45-101 et seq. for the levying of taxes and special assessments and for providing other revenues to the District; and

BE IT FURTHER RESOLVED that the funds required to be appropriated shall be provided in the manner and by the means adopted by the Board of Directors of Northern Colorado Water Conservancy District; and

BE IT FURTHER RESOLVED, that pursuant to Article X Section 20(2) of the Colorado State Constitution, any revenues within the allowable revenue and spending limit which will not be spent during Fiscal Year 2025 shall be set aside and classified as reserve increases, and that pursuant to Article X Section 20(5) of the Colorado State Constitution, the reserve funds of said District for use in declared emergencies equals or exceeds three percent of the allowable revenue and spending limit for Fiscal Year 2026.

CERTIFICATE

I, Bradley D. Wind, do hereby certify that the above is a true and correct copy of a Resolution adopted by the Board of Directors of Northern Colorado Water Conservancy District at a Planning Session meeting of said Board held in Berthoud, Colorado, on August 7, 2025.


Secretary

