

Municipal Subdistrict

2026

Annual Budget

📍 220 Water Avenue
Berthoud, CO 80513

🌐 www.NorthernWater.org



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GENERAL MANAGER TRANSMITTAL LETTER

To the President and Board of Directors,

We are pleased to present a fiscally sound operating and capital budget for fiscal year 2026. The spending plan is just one part of a long-term commitment to provide quality services while preserving long-term financial viability of the Municipal Subdistrict. This budget is designed to fulfill the Subdistrict's shared mission with Northern Water of collecting water west of the Continental Divide and delivering it to Northeastern Colorado for agricultural, municipal, domestic, industrial and environmental uses. Our water portfolio was expanded when Northern Water's Municipal Subdistrict was formed in 1970 by six municipalities to build and operate the Windy Gap Project.

Due to rapid population growth during the late 1960s, six Front Range communities formed the Northern Water Municipal Subdistrict in July 1970 to plan, finance, build and operate the Windy Gap Project. The six original Windy Gap participants included Boulder, Estes Park, Fort Collins, Greeley, Longmont and Loveland.

Planning, design and funding of the Colorado River Connectivity Channel ensued during fiscal year 2021, and construction began in 2023. This project was the primary focus of Windy Gap Enterprise and is on schedule for operational activities in early 2025.

After receiving the final federal permit needed for the Windy Gap Firming Project in fiscal year 2017 and breaking ground on construction of the Chimney Hollow Reservoir in August 2021, the focus for fiscal year 2026 is to complete the construction project. This project is needed to meet a portion of the existing and future wholesale water supply demands within the boundaries of the Subdistrict. This project aligns with the Subdistrict's vision to ensure a secure water future for Northern Colorado. The Municipal Subdistrict is pleased with the progress of the project, which has surpassed 90 percent completion and remains on schedule for operational activities in early 2026.

Other activities and programs for the Windy Gap Project will be consistent with the past.

Fiscal Year 2026 Budget Summary and Highlights

Windy Gap Water Activity Enterprise Fund

Total Sources of Funds are estimated to be approximately \$14.1 million, or approximately 41.0 percent higher than fiscal year 2025, due to:

- Increase in assessment deferral charge—\$38 per acre-foot.
- Increase in Pumping & Wheeling charge—\$47 per acre-foot.
- Increase in Indirect Cost revenue by \$334,564.

Operating expenses of \$13.3 million reflect an increase of \$6.4 million, or approximately 93.2 percent higher than fiscal year 2025, due to:

- Increase in Carriage Delivery costs by approximately \$3.5 million.
- Increase in Pumping Energy and Wheeling costs by approximately \$1.8 million.
- Increase in Operating and Maintenance costs by approximately \$523,000.
- Increase in Indirect Costs by approximately \$334,564.


Capital project expenditures of \$570,000 are planned primarily for Adaptive Management Initiatives as well as Rate and Reserve Study.

Windy Gap Firming Project Water Activity Enterprise Fund

- Total Sources of Funds are estimated to be \$22.5 million, \$4.0 million less than fiscal year 2025, due to:
 - There is a decrease in contributions of approximately \$3.0 million that will be collected from participants.
 - Interest income is forecasted to decrease significantly due to current market conditions.
- Capital Project expenditures include \$5.5 million for construction, mitigation and enhancements for Chimney Hollow Reservoir.

We believe the budget for the Municipal Subdistrict's 55th year of operation meets the Board's conservative fiscal vision, management's commitment to accountability, and strong overall operational and capital financial management.

Respectfully,

A handwritten signature in blue ink that reads "Bradley D. Wind". The signature is written in a cursive style with a long horizontal stroke at the beginning.

Bradley D. Wind
General Manager

DISTINGUISHED BUDGET PRESENTATION AWARD



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**Municipal Subdistrict, Northern Colorado
Water Conservancy District**

For the Fiscal Year Beginning

October 01, 2024

Christopher P. Morill

Executive Director

ABOUT THE MUNICIPAL SUBDISTRICT



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

The Board of the Municipal Subdistrict is, by statute, the same as the Board of Northern Water. It has been the practice of the Municipal Subdistrict to elect a different slate of officers from those chosen by Northern Water. The staff of Northern Water serves as the staff of the Municipal Subdistrict, with the Municipal Subdistrict reimbursing Northern Water for the actual time of such staff plus an additional percentage to cover costs and overhead. In March 2019, Northern Water engaged a third-party consultant to conduct an Indirect Cost Allocation study. Working closely with Northern Water staff, the consultant has 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 the Northern Water and Municipal Subdistrict Enterprises. The goals of the study were to (1) develop a fair and equitable basis of indirect cost allocation to the U.S. Bureau of Reclamation (Reclamation), the Northern Water Enterprises, the Municipal Subdistrict Enterprises, and other services, and (2) review the appropriateness of existing indirect costs already charged to enterprise funds such as fleet usage chargebacks. In February 2022, the Municipal Subdistrict Board of Directors directed the indirect cost allocation methodology be implemented with the fiscal year 2023 budget.

Northern Water does not approve or modify the Municipal Subdistrict's budget, hold title to any of the Municipal Subdistrict's water rights, authorize issuance of Municipal Subdistrict's bonds or appoint the Municipal Subdistrict's Board

or management. Therefore, the Municipal Subdistrict is not under control of Northern Water and is not included in Northern Water's financial reports. The Municipal Subdistrict's fiscal year end is September 30.

The Windy Gap Project

The Windy Gap Project is located just west of the Town of Granby on Colorado's Western Slope. It consists of a diversion dam on the Colorado River that creates a current active storage 255-acre-foot Windy Gap Reservoir, a pump plant and a six-mile pipeline to Lake Granby. This system was designed to deliver an average of 48,000 acre-feet of water annually, diverted primarily during the spring runoff season between April and July. During these periods of high flows in the Colorado and Fraser rivers, water is pumped from Windy Gap Reservoir to Lake Granby, where it is stored for delivery through the Colorado-Big Thompson Project (C-BT Project) facilities to Front Range water users.

Water Allotment Contracts

The Municipal Subdistrict has entered into water allotment contracts with each of the initial participants and participating transferees. Allotment contracts provide participants with their annually proportional share of Windy Gap water. The Municipal Subdistrict has issued 480 units of water for the Windy Gap Project and each unit is equivalent to 1/480th of the Subdistrict's water supply annually made available by the Northern Water Board of Directors. Each water allotment contract requires participants to make annual payments equal to the corresponding share of the costs related to the Municipal Subdistrict's acquisition of water rights and operation, maintenance and replacement of Windy Gap Project features, as well as carriage charges to Northern Water and Reclamation for using the C-BT Project for storing and delivering Windy Gap water.

A benefit to Municipal Subdistrict allottees is that allotment contract holders are granted total consumptive use of their Windy Gap water. Allottees can use and reuse Windy Gap water because it is imported water not native to the South Platte Basin. After first use within Municipal Subdistrict boundaries, participants may lease, transfer or sell the reuse or successive use rights.

Carriage Contract

The Municipal Subdistrict has a Carriage Contract with Reclamation and Northern Water specifying how Windy Gap water will be stored and carried to the East Slope through the C-BT Project using the unused capacity of the existing C-BT Project's storage and conveyance facilities. Windy Gap's largest annual operating expense is carriage charges, which is 44.3 percent of the operating budget or \$5.8 million.

In-lieu Deliveries

In abnormally dry years, water may not be available because other water users in the Colorado River hold water rights senior in priority to Municipal Subdistrict's water rights. In abnormally wet years, storage space may not be available in Lake Granby. Pursuant to the Carriage Contract and the related Integrated Operations Criteria, C-BT system water may be delivered by the Municipal Subdistrict in-lieu of Municipal Subdistrict water during times when water would not otherwise be available. In-lieu deliveries are subject to requirements, including replacement water to assure C-BT system beneficiaries are not injured as the result of in-lieu deliveries. The use of unused capacity/in-lieu cost for fiscal year 2026 will be \$38.50 per acre-foot.

HISTORY

A Coalition of Six Cities

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

A Geologic Cut Called Windy Gap

The Windy Gap Project the coalition pursued is located on the West Slope near a natural geologic cut called Windy Gap, just below the confluence of the Colorado and Fraser rivers. The cities envisioned Windy Gap as a water source to meet the future needs of the rapidly growing Northern Front Range. After studying growth rates and water supply demand projections, the six cities chose to pursue the Windy Gap Project to meet their future municipal needs.



Construction of Windy Gap Reservoir.

Municipal Subdistrict Formed

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

Today, the Windy Gap Project consists of a diversion dam on the Colorado River that creates the current active storage 255-acre-foot Windy Gap Reservoir, a pump plant and a six-mile pipeline to Lake Granby.

Windy Gap Project Mitigation

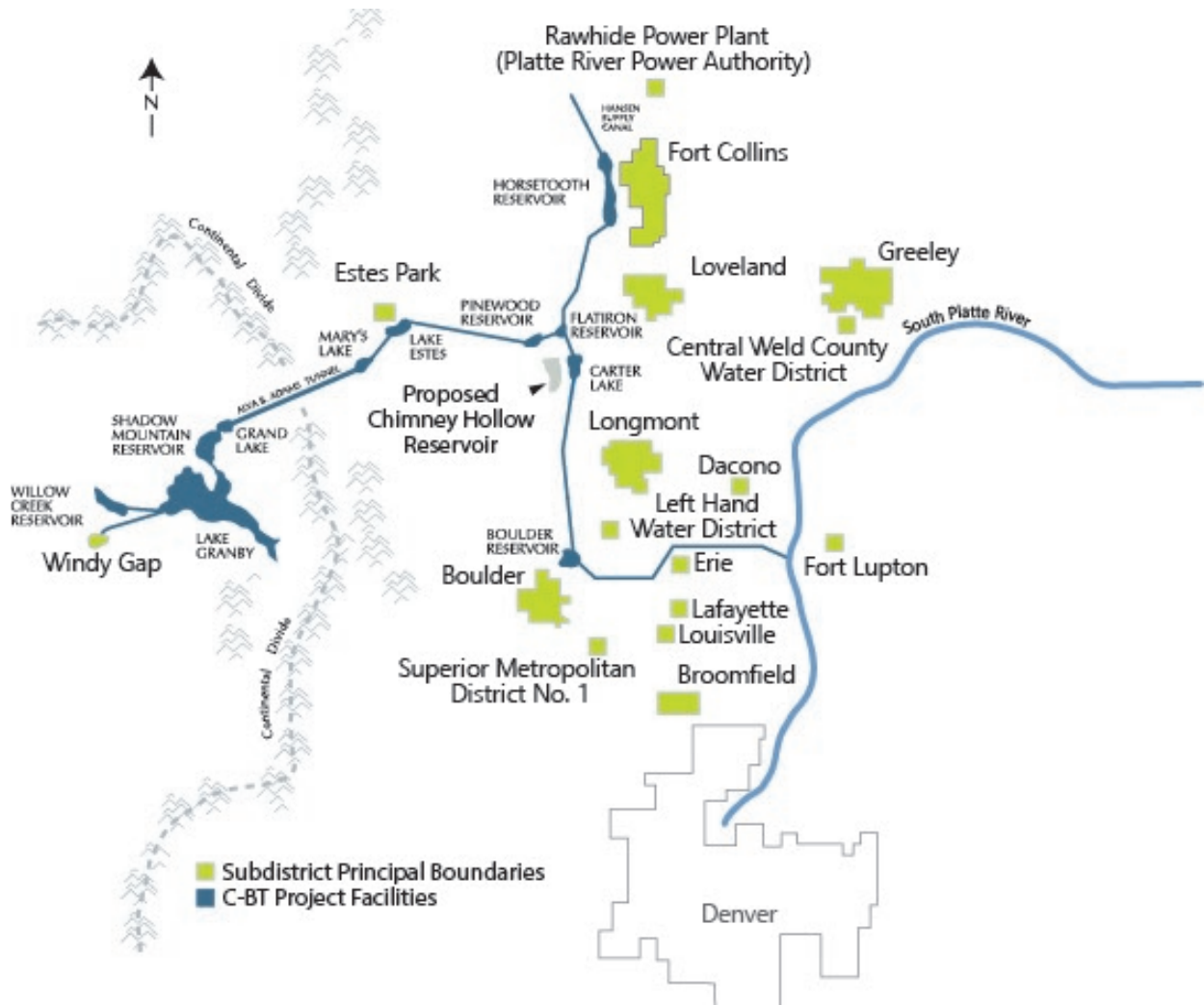
The Municipal Subdistrict is required by the Water Conservancy Act to design, construct and operate the Windy Gap Project in a manner that will not impair the Colorado River Basin or increase costs to its water users. To satisfy the requirement of the 1981 Environmental Impact Statement, the Municipal Subdistrict provided mitigation measures and additional benefits to the West Slope. These included:

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

Windy Gap Firming Project

The Windy Gap Firming Project will provide more reliable Windy Gap water deliveries. The Windy Gap Firming Project will include a 90,000-acre-foot reservoir at Chimney Hollow in the foothills west of Carter Lake. Not all the owners of the Windy Gap Project are participating in the Windy Gap Firming Project. The City of Boulder and Town of Estes Park own Municipal Subdistrict units but are not participating in the Windy Gap Firming Project because they have other storage for Subdistrict water or other water supplies that currently meet their needs. The City of Dacono and towns of Firestone and Frederick also purchased Municipal Subdistrict units after Windy Gap Firming Project storage was allocated and so are not participating in the project. The final federal permit needed to construct the Chimney Hollow Reservoir was signed on May 17, 2017. Groundbreaking for the project was on August 6, 2021, and construction began on August 16, 2021. Construction will be complete in late 2025.

SERVICE AREA AND PARTICIPANTS



Windy Gap Participants	Water Units	Percentage
Platte River Power Authority	107	22.3%
Longmont	80	16.7%
Broomfield	56	11.7%
Greeley	49	10.2%
Loveland	40	8.3%
Boulder	37	7.7%
Erie	20	4.2%
Little Thompson Water District	20	4.2%
Superior Metro District No. 1	15	3.1%
Fort Lupton	13	2.7%
Berthoud	10	2.1%
Louisville	9	1.9%
Frederick	7	1.5%
Firestone	5	1.0%
Dacono	5	1.0%
Lafayette	3	0.6%
Estes Park	3	0.6%
Central Weld County Water District	1	0.2%

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

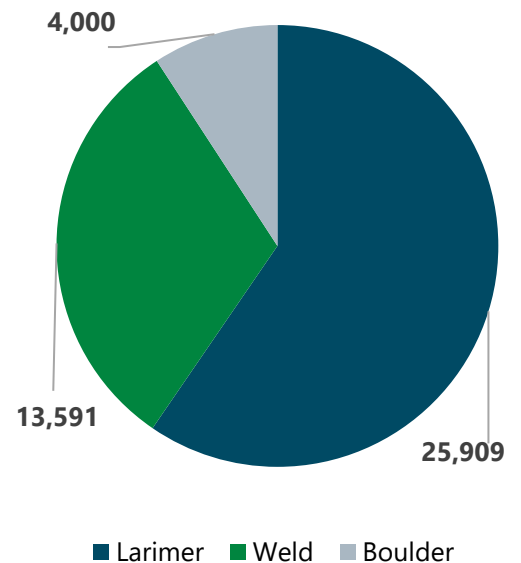
Source of largest employers: Reporting Entity 2024 Annual Comprehensive Financial Report

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

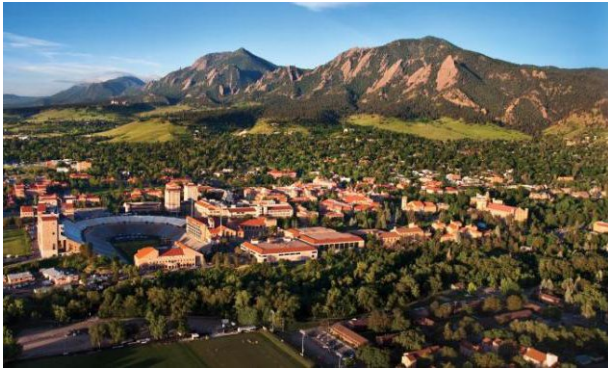
Largest Employers Combined: Larimer, Weld, Boulder and Broomfield Counties

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



LARGEST PROJECT PARTICIPANTS



City of Boulder

Established	1871
Estimated Populations for 2023	106,216
Unemployment Rate for 2023	4.1%
Per Capita Income for 2023	\$93,000
Land Area (square miles)	26



City of Longmont

Established	1871
Estimated Populations for 2023	98,433
Unemployment Rate for 2023	3.3%
Per Capita Income for 2023	\$89,593
Land Area (square miles)	22



City and County of Broomfield

Established	2001
Estimated Populations for 2023	77,552
Unemployment Rate for 2023	4.2%
Per Capita Income for 2023	\$90,026
Land Area (square miles)	33.6



City of Greeley

Established	1870
Estimated Populations for 2023	116,100
Unemployment Rate for 2023	4.4%
Per Capita Income for 2023	\$63,450
Land Area (square miles)	30

Sources: Municipal Annual Consolidated Financial Report (Most Recent Data Available)



City of Loveland

Established	1881
Estimated Populations for 2023	80,860
Unemployment Rate for 2023	3.9%
Per Capita Income for 2023	\$81,898
Land Area (square miles)	35.5



Town of Erie

Established	1874
Estimated Populations for 2023	37,526
Unemployment Rate for 2023	4.0%
Per Capita Income for 2023	\$46,546
Land Area (square miles)	19.8



Platte River Power Authority

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

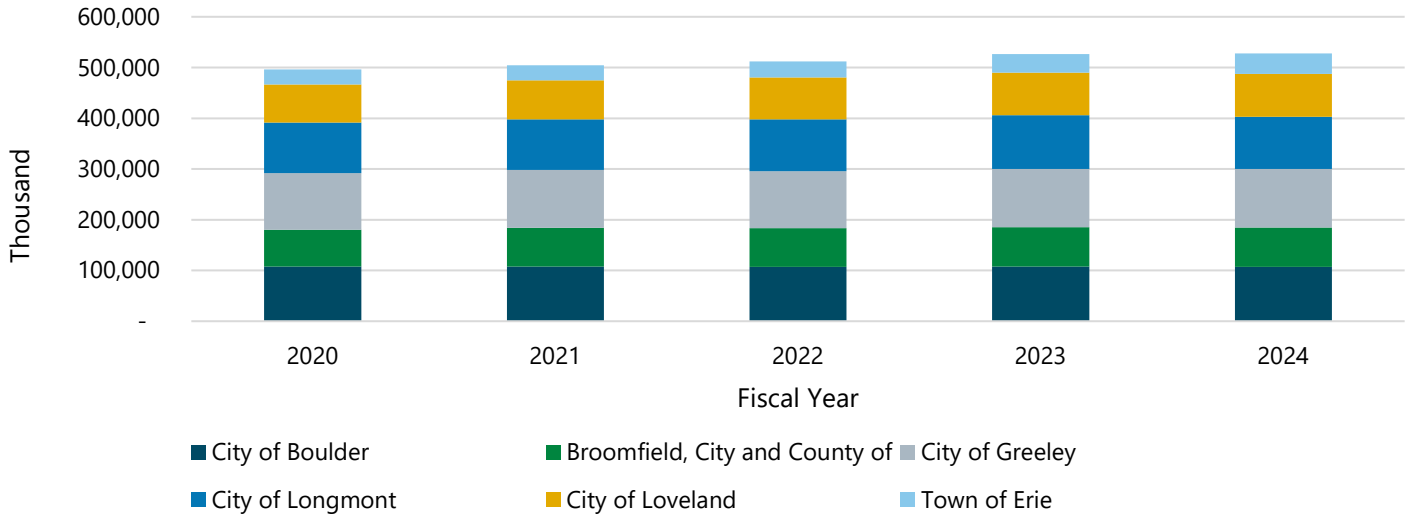


Little Thompson Water District

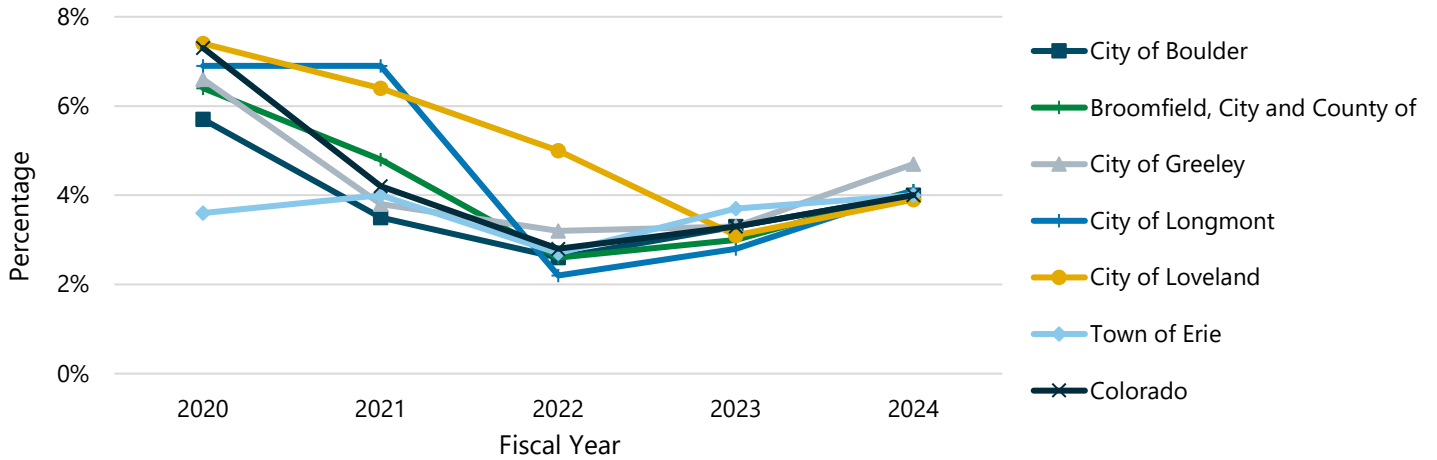
Established 1960
 Colorado special district established to provide high-quality drinking water to rural residents in a 300-square-mile services area in Larimer, Weld and Boulder counties.

Sources: Sources: Municipal Annual Consolidated Financial Report (Most Recent Data Available)

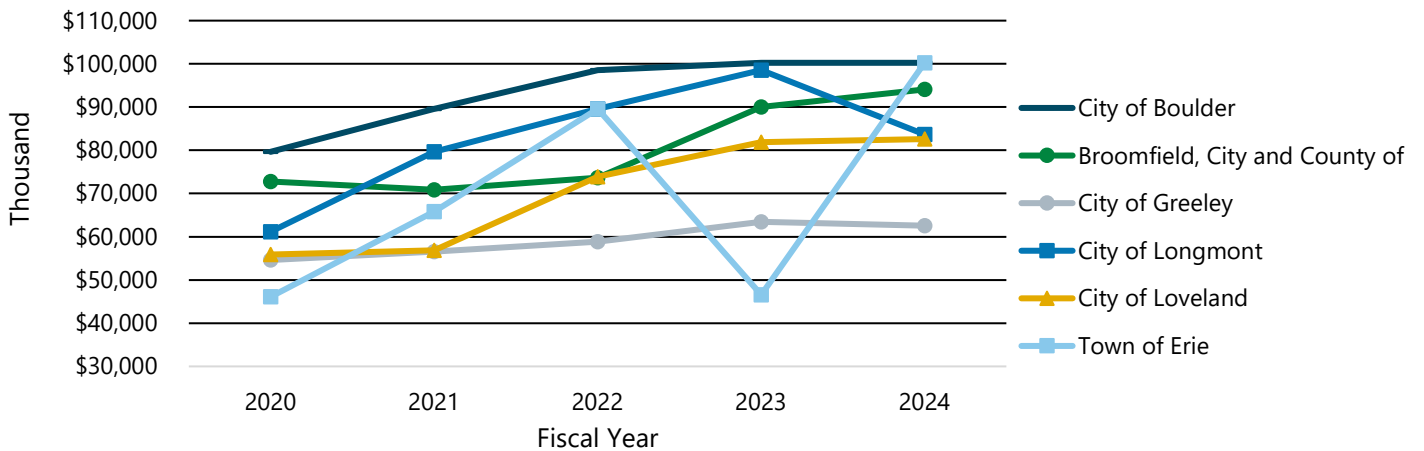
Population Trends - Six Largest Windy Gap Project Participants Municipalities



Unemployment Rate - Six Largest Windy Gap Project Participants Municipalities



Per Capita Income - Six Largest Windy Gap Project Participants Municipalities

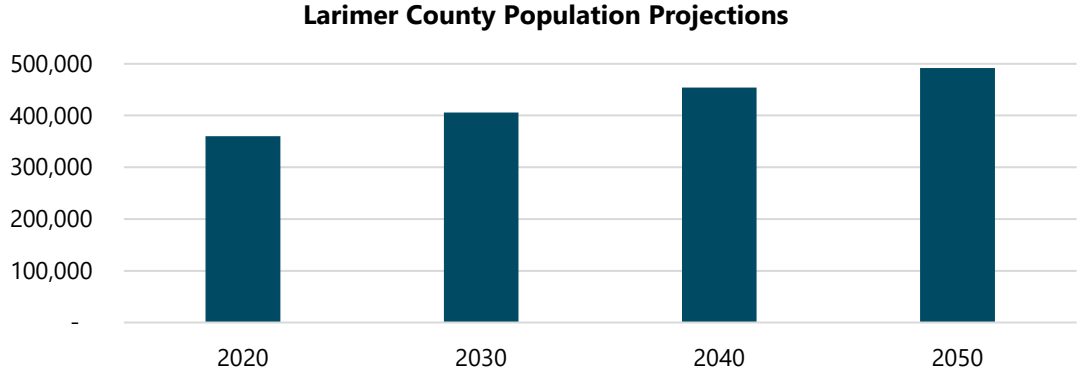


Sources: Government agency ACFR report.

POPULATION AND JOB TRENDS

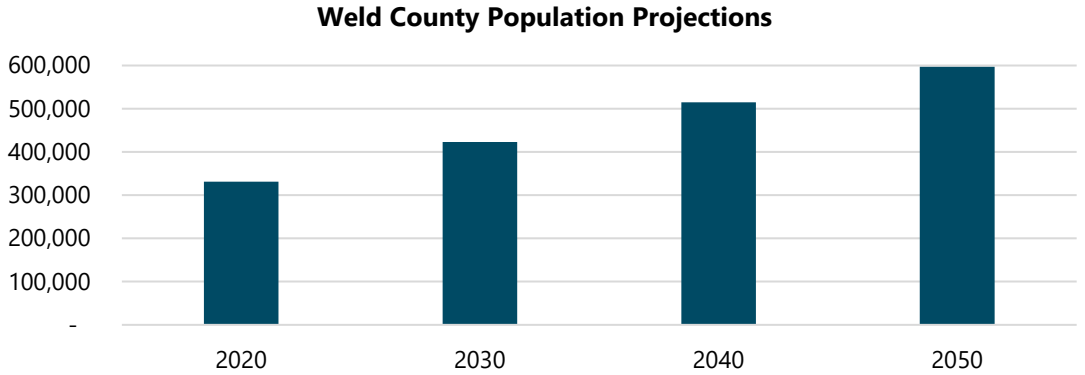
Larimer County

	Population
2020	359,920
2030	406,062
2040	453,945
2050	492,123



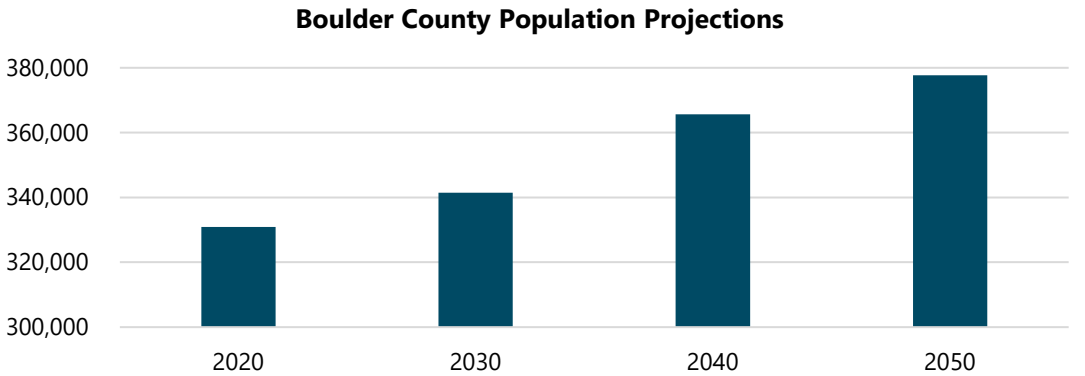
Weld County

	Population
2020	331,423
2030	423,208
2040	514,801
2050	597,004

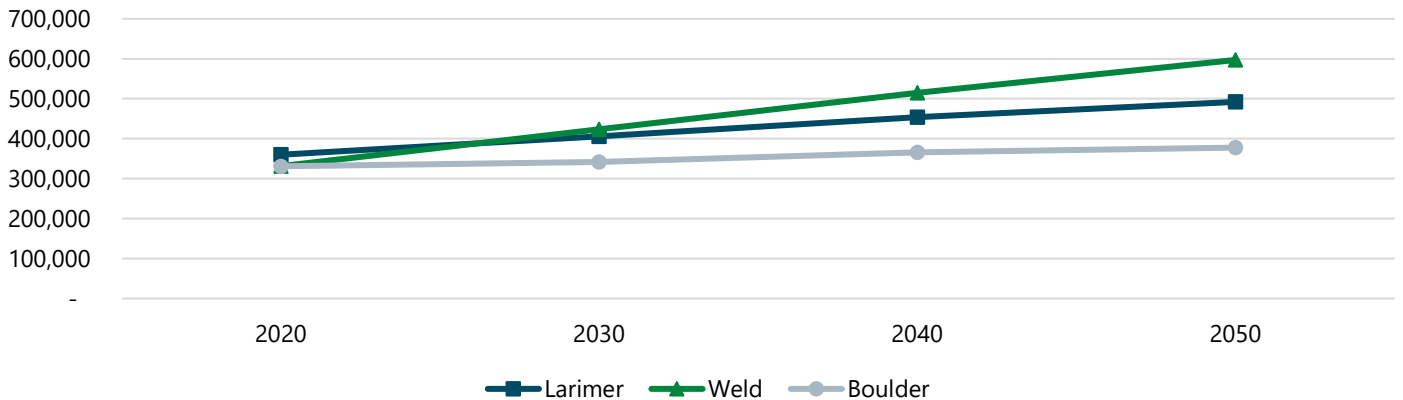


Boulder County

	Population
2020	330,923
2030	341,451
2040	365,616
2050	377,706



Projected Population of Larimer, Weld and Boulder Counties



BOARD OF DIRECTORS

The 13-member Board is responsible for establishing policy and strategic direction. Directors from the eight counties within the Municipal Subdistrict boundaries are appointed to four-year terms by district court judges. Three Board seats are up for appointment every year. When a director's term expires, he or she continues to serve until the judge reappoints or replaces him or her. The Municipal Subdistrict's Board officers are elected by the Board at its annual organizational meeting each October. The Board holds its public meetings twice a month.

Current Board of Directors



Bill Emslie
President
Larimer County
Aug. 20, 2010 – Sept. 28, 2029
✓



Dick Wolfe
Vice President
Broomfield County
April 7, 2022 – Sept. 28, 2029
✳



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



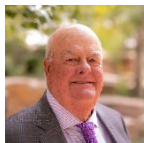
Jennifer Gimbel
Larimer County
July 15, 2019 – Sept. 28, 2028
✳ ▶ ✓



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



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



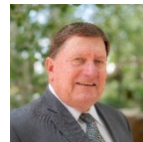
Gene Manuello
Logan County
Sept. 28, 2018 – Sept. 28, 2026
✓



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



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



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



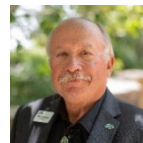
Dave Stewart
Larimer County
Sept. 28, 2023 – Sept. 28, 2027
✳ ◆ ✓



Dale Trowbridge
Weld County
Aug. 15, 2014 – Sept. 28, 2027
✳ ◆



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



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

Municipal Subdistrict 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



The Municipal Subdistrict has four joint committees with Northern Water 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.

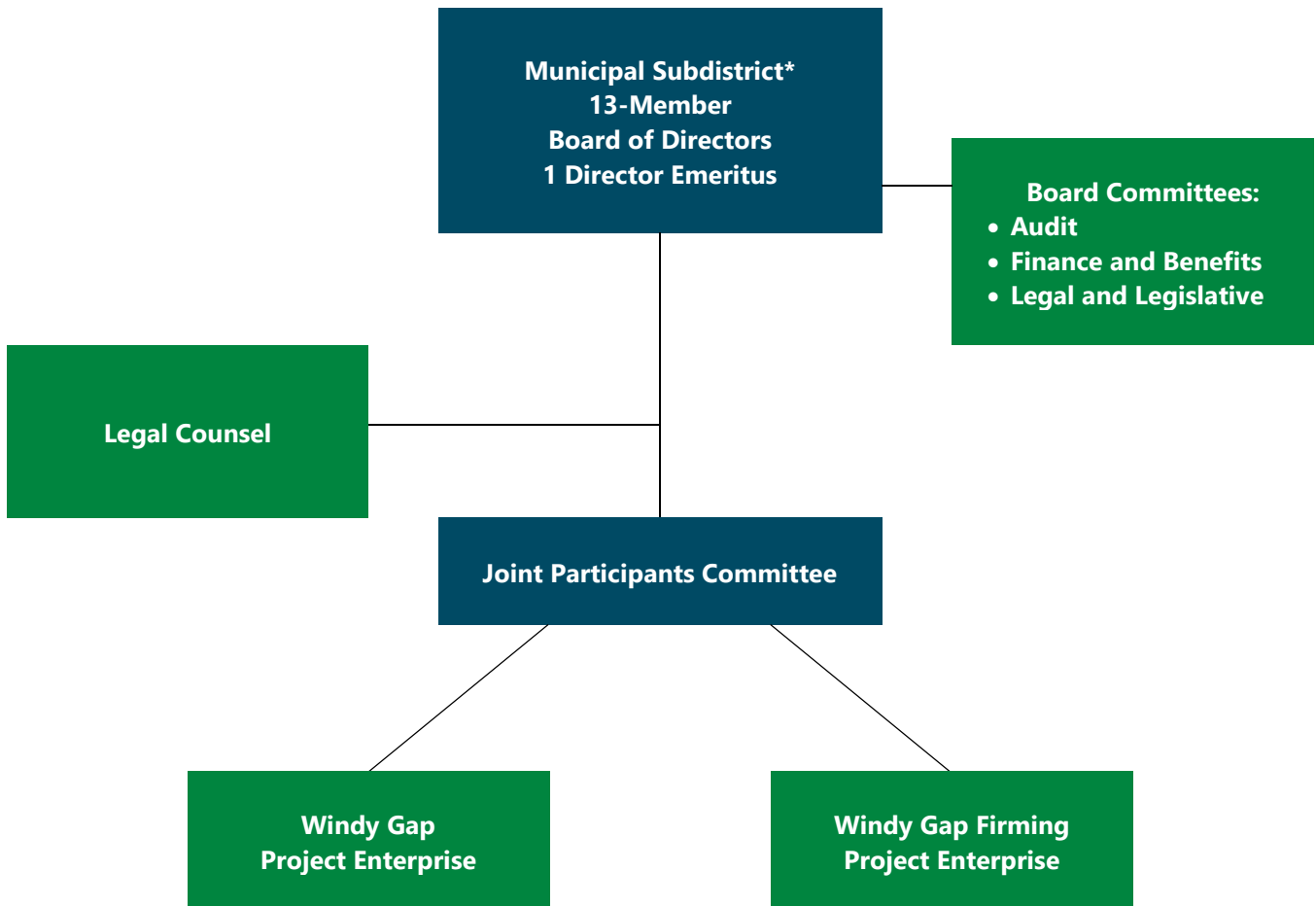
The Audit Committee meets semi-annually, or more often as necessary, to initiate and then conclude each year's annual financial audit process. The committee receives the auditor's findings and recommendations for changes to policy and procedures. The committee works closely with the independent auditors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



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

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

OUR BUSINESS PLAN

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

Our Mission

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

Our Vision

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

Our Priorities

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

Our Values and Principles

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



BUDGET PROCESS

The budget process provides an opportunity to align short-term objectives and actions at the program level to the Municipal Subdistrict’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 the Municipal Subdistrict’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 Municipal Subdistrict Board. All contracts over \$250,000, whether budgeted or unbudgeted, must be authorized by the Municipal Subdistrict Board. Purchase of capital assets over \$250,000, whether budgeted or unbudgeted must be authorized by the General Manager.

FISCAL POLICIES

Balanced Budget

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

Reserve Fund Policy

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

Charges for Services

The Northern Water District Enterprise Fund provides certain administrative, engineering, environmental and operational services to the other Northern Water and Municipal Subdistrict 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 Northern Water District Enterprise Fund and operating expenses by the Municipal Subdistrict enterprise funds receiving the services.

Intergovernmental Grants

Grant funding received under NRCS and CWCB grant agreements relating to the Colorado River Connectivity Channel effort is recognized as earned under the terms of the agreements and reflected as intergovernmental grant revenue.

Risk Management

The Municipal Subdistrict 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. The Municipal Subdistrict carries commercial insurance for these risks. Settled claims resulting from these risks did not exceed commercial insurance coverage in any of the past three years. The Municipal Subdistrict utilizes a third-party risk management consultant.

Investments

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

Capital Policy

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

Basis of Accounting

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

Capital Contributions

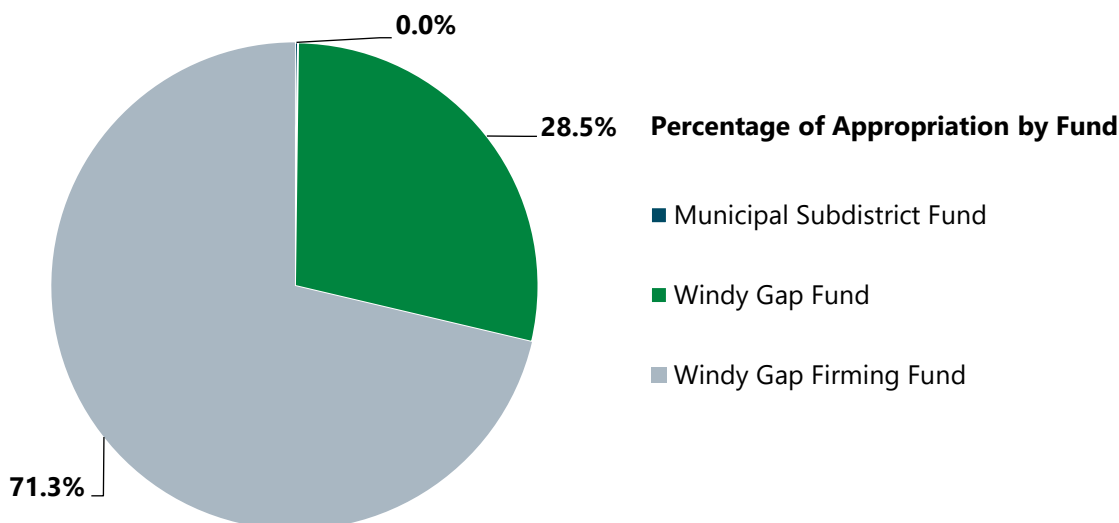
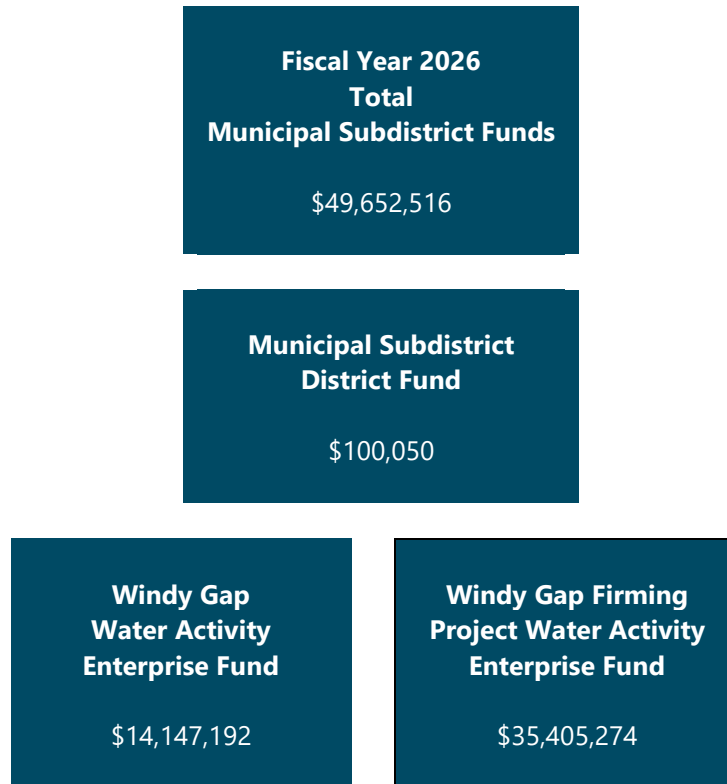
Capital contributions consist of payments from participants for the funding of the Windy Gap Firing Project. Also, payments received for the Colorado River Connectivity Channel are accounted for as contributions. In the Statement of Revenues, Expenses and Changes in Net Position, capital contributions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

In August 2021, the Windy Gap Firing Project enterprise secured financing for the Chimney Hollow project. Project costs, estimated at \$593.0 million, were fully funded through a combination of direct capital cash contributions from five participants, and pooled financing by the Municipal Subdistrict on behalf of the remaining participants. Capital cash contributions by the five participants, which included the City and County of Broomfield, Platte River Power Authority, the City of Loveland, the City of Longmont and Central Weld County Water District totaled \$299.8 million. The remaining seven participants joined in a pooled financing consisting of a bond offering and a subordinated loan (see page 61).

FUND STRUCTURE AND BUDGET APPROPRIATIONS – ALL FUNDS

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

Municipal Subdistrict Budget Appropriations 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 2026. 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 Northeastern Colorado.

Priority: Collect and Deliver Water

As a raw water supplier, it is incumbent that the Municipal Subdistrict 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 for the Windy Gap Water Activity Enterprise Fund include:

- Employees per thousand acre-feet delivered is intended to measure employee efficiency.
- Assets per acre-foot delivered includes all assets divided by water deliveries. This metric is an indicator of asset efficiency of water delivered.
- Liabilities per acre-foot delivered includes all liabilities divided by water deliveries. This metric is an indicator of liability efficiency of water delivered.
- Debt per acre-foot delivered includes all debt divided by water deliveries. This metric is an indicator of debt efficiency of water delivered.
- Revenue/receipts per acre-foot 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.
- Total expenses per acre-foot 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.

Increases from 2023 to 2024 were in part due to:

- Decreased water deliveries from 21,116 acre-feet to 16,292 acre-feet.
- The decreased deliveries resulted in less revenue and expenses. The per acre-foot increased due to the decrease in water deliveries.

Fiscal Year	2022	2023	2024
Assets per acre-foot delivered	\$1,697	\$2,925	\$4,287
Liabilities per acre-foot delivered	\$235	\$578	\$811
Debt per acre-foot delivered	\$-	\$-	\$-
Revenue/receipts per acre-foot delivered	\$470	\$323	\$366
Expenses per acre-foot delivered	\$363	\$338	\$372

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

Priority: Maintain and Strengthen Relationships

Engaging with stakeholders and the public is an important piece of the Municipal Subdistrict’s goal to maintain and strengthen its relationships. Throughout the last four years and construction of the Chimney Hollow Reservoir Project, the Municipal Subdistrict has put a focus on pushing information through various channels.

Social Media

Public engagement and transparency are important to Senior Management and the Municipal Subdistrict Board of Directors. The Municipal Subdistrict uses social media as a tool to engage with our stakeholders and keep them current on organizational activities. In terms of social media, the Municipal Subdistrict measures impressions and engagement. Facebook accounted for 97.0 percent of the Municipal Subdistrict’s social media engagement.

Fiscal Year	Impressions	Engagement
2021	55,322	5,857
2022	493,509	45,345
2023	999,273	83,561
2024	2,805,541	143,252
2025	1,712,392	164,124

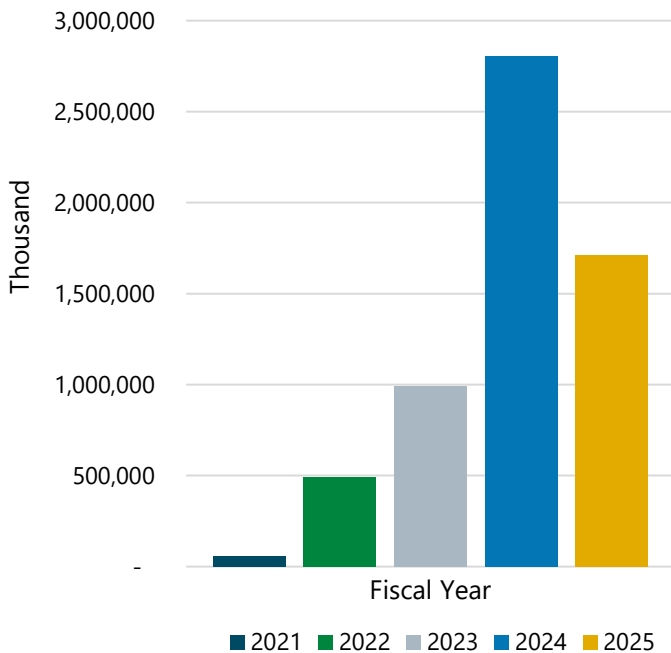
Impressions

Impressions are the number of times a person sees content across social media platforms (X and Facebook). In fiscal year 2025, the Municipal Subdistrict’s total impressions was 1,712,392. This was a decrease of 1,093,149, or 39.0 percent, from fiscal year 2024. This decrease is due to the conclusion of construction of the Chimney Hollow Reservoir.

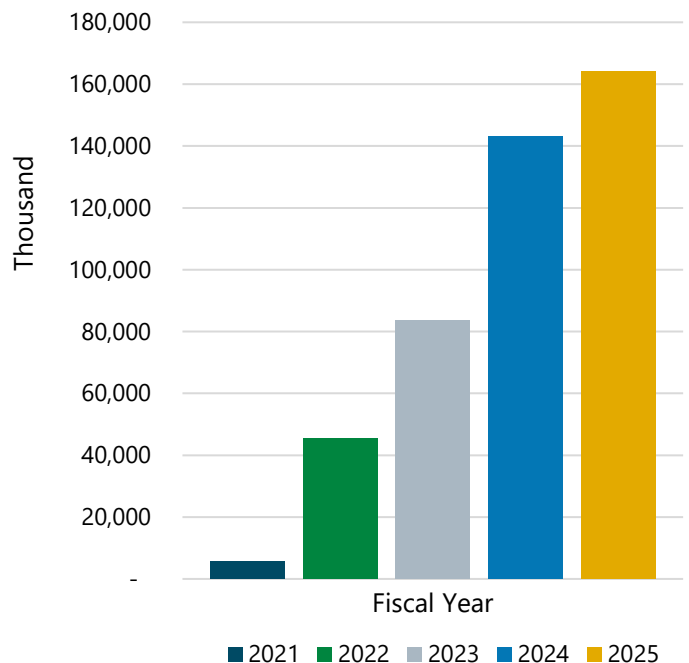
Engagement

Engagement is the number of times people comment, like or share content. Total social media engagement for fiscal year 2025 was 164,124, which was an increase of 20,872 or 14.6 percent. Just like Impressions, the engagement was due to interest in the continued construction on the Chimney Hollow Reservoir.

Municipal Subdistrict Social Media Impressions



Municipal Subdistrict Social Media Engagement



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 supports 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

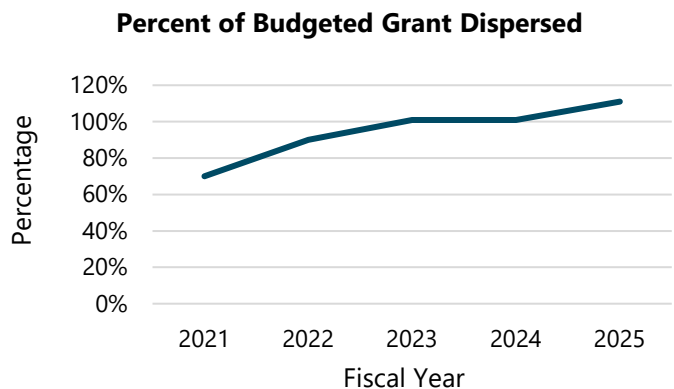
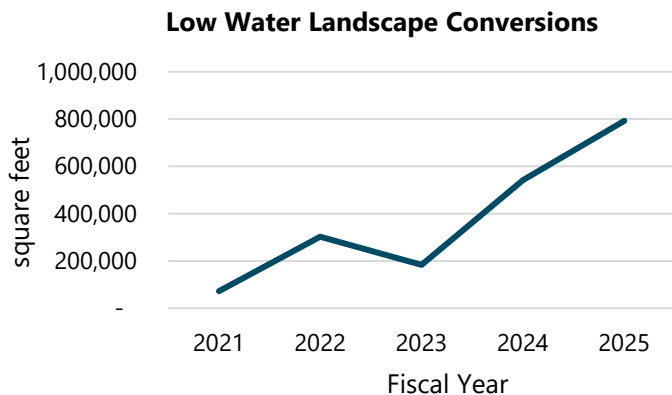
In fiscal year 2025, Northern Water’s Environmental Services made 6,863 impressions at the various events. An impression in this case is the number of times we engage with people. This was an increase of 929 from fiscal year 2024. The annual goal is 1,000 impressions.

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: Cultivate Operational and Organizational Excellence

The Municipal Subdistrict uses various financial ratios to measure organizational excellence, as well as the overall financial health. As a result, the organization monitors the following ratios for the Windy Gap Water Activity Enterprise Fund:

- 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.

In comparing fiscal year 2023 to fiscal year 2024, the Assets-to-Liabilities held steady. This is a result of minimal increase in both assets and liabilities.

Additionally, the Current Ratio decreased slightly in fiscal year 2024 as compared to 2023 as a result of less cash being used toward expenses. Finally, the Current Assets as a Percent of Revenues increased as a result of maintaining lower investment balances on hand.

Fiscal Year	2022	2023	2024
Assets-to-Liabilities	7.2	5.1	5.3
Debt-to-Assets	0.0	0.0	0.0
Operating Ratio	0.8	1.0	1.0
Current Ratio	0.1	1.9	1.8
Current Assets as a Percent of Revenues	252.2%	336.1%	394.2%

The Windy Gap Water Activity Enterprise Fund's liquidity position has historically been strong. At fiscal year-end 2024, unrestricted cash and investments totaled \$20.5 million, representing about 862 days of operating expenses on hand and during the past five fiscal years, this metric has been not lower than 400 days.

MUNICIPAL SUBDISTRICT DISTRICT FUND OVERVIEW

The Municipal Subdistrict District Fund, in accordance with Colorado statutes, is the owner of the Windy Gap Water Activity Enterprise Fund and the Windy Gap Firing Project Water Activity Enterprise Fund. The Municipal Subdistrict District Fund includes personnel and operating expenses pertaining to the Municipal Subdistrict Board of Directors. There are no significant budgetary changes for this Enterprise from fiscal year 2025 to fiscal year 2026.

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						
Contributions	\$ 100,050	\$ 100,050	\$ 55,000	\$ 100,050	-	n/a
Earnings on investments	2	1,000	1,000	1,000	-	n/a
Total Sources	\$ 100,052	\$ 101,050	\$ 56,000	\$ 101,050	-	n/a
Uses of Funds						
Board Expenses						
FICA	\$ 1,580	\$ 2,200	\$ 1,000	\$ 2,200	-	n/a
Legal Fees	12,640	37,950	8,000	37,950	-	n/a
Directors' fees	25,200	28,800	28,800	28,800	-	n/a
Travel /lodging/meals/data	17,381	25,500	11,000	25,500	-	n/a
Bonds	100	5,600	5,600	5,600	-	n/a
Total	\$ 56,901	\$ 100,050	\$ 54,400	\$ 100,050	-	-

WINDY GAP WATER ACTIVITY ENTERPRISE FUND





Fund Overview

Windy Gap is self-supporting through water assessments. The purpose of Windy Gap is to account for the wholesale water activities of the Windy Gap Project which provides water supplies to Northern Colorado municipalities, rural domestic water utilities. The Windy Gap Project consists of a diversion dam on the Colorado River, the Colorado River Connectivity Channel, a pump plant and a pipeline to pump and transport diverted Windy Gap Project water to the C-BT Project for storage and distribution to the eighteen participants. Construction of the \$81.7 million Windy Gap Project commenced in July 1981 with operation commencing in July 1985. The fiscal year 2026 operating and capital budget totals \$13,897,192. This represents an increase of \$3,989,294 or 40.8 percent from the fiscal year 2025 budget. Total revenues of \$14,147,192 represent an increase of \$4,058,468 from the 2025 budget which is also driven by the additional planned water deliveries.

Beginning Cash and Reserves
\$54,498,616

Sources of Funds
\$14,147,192

Uses of Funds
\$14,147,192

Ending Cash and Reserves
\$54,498,616

Budget Summary

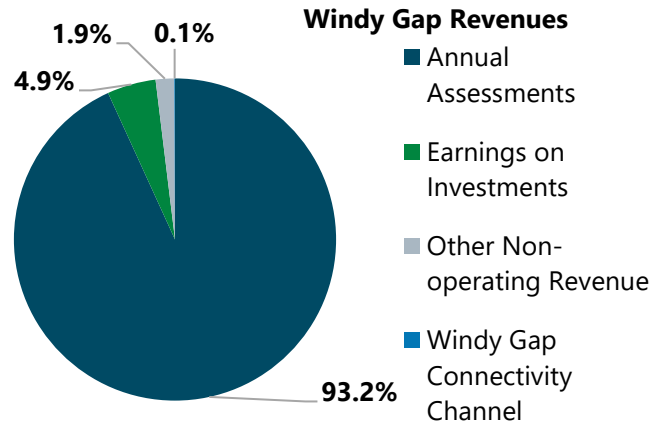
	Fiscal Year 2024 Actual	Fiscal Year 2025 Budget	Fiscal Year 2025 Estimated Actual	Fiscal Year 2026 Budget	Dollar Change From Fiscal Year 2024 Budget	Percentage Change from Fiscal Year 2024 Budget
Sources of Funds						
Operating Revenue						
Carriage Delivery Costs	\$4,703,048	\$4,199,512	\$4,279,096	\$7,768,568	\$3,569,056	85.0%
Pumping and Wheeling	547,652	1,018,150	1,561,214	2,835,000	1,816,850	178.5%
O&M Assessments	1,728,000	1,728,000	1,728,000	1,824,000	96,000	5.6%
District Indirect Charge	338,000	420,248	420,248	754,812	334,564	79.6%
Total Operating Revenues	\$7,316,699	\$7,365,910	\$7,988,558	\$13,182,380	\$5,816,470	74.4%
Other Non-operating Revenue						
Earnings on Investments	\$1,245,642	\$710,457	\$691,812	\$691,812	\$(18,645)	(2.6%)
Rental Income	1,525	4,000	4,000	4,000	-	0.0%
Other Nonoperating Revenue - Inclusions	2,500	23,793	8,000	9,000	(14,793)	(62.2%)
Intergovernmental Revenue - Connectivity Channel	7,158,977	1,400,000	1,400,000	10,000	(1,390,000)	(99.3%)
Adaptive Management Grant Revenue	-	250,000	-	250,000	-	100.0%
Total Other Non-operating Revenues	\$8,408,644	\$2,388,250	\$2,103,812	\$964,812	\$(1,423,438)	(59.6%)
Total Sources	\$15,725,343	\$9,754,160	\$10,092,370	\$14,147,192	\$4,393,032	41.6%
Uses of Funds						
Operating Expenses						
Carriage Delivery	\$3,589,848	\$4,199,500	\$4,199,500	\$7,768,568	\$3,569,068	85.0%
Pumping Energy & Wheeling	547,652	1,018,150	1,018,150	2,835,000	1,816,850	178.5%
Operation & Maintenance Programs (Eng., Enviro. Svcs., F&A, Sr. Mgm't.)	1,361,304	810,000	1,074,673	1,333,812	523,812	64.7%
Indirect Cost	478,296	450,000	478,296	635,000	185,000	41.1%
	338,000	420,248	420,248	754,812	334,564	79.6%
Total Operating Expenses	\$6,315,100	\$6,897,898	\$7,190,867	\$13,327,192	\$6,429,294	93.2%
Capital & Initiatives						
Capital - CRCC	\$8,215,030	\$2,500,000	\$1,400,000	\$10,000	\$(2,490,000)	(99.6%)
Capital - Projects	1,057,731	110,000	110,000	160,000	50,000	45.5%
Rate Study	-	-	-	150,000	-	-
Initiative - Adaptive Mgmt.	-	250,000	-	250,000	-	0.0%
Total Capital & Initiatives	\$9,272,761	\$2,860,000	\$1,510,000	\$570,000	\$(2,440,000)	(85.3%)
Total Expenditures	\$15,587,861	\$9,757,898	\$8,700,867	\$13,897,192	3,989,294	40.9%
Other Project Expenses						
Contingency Appropriation	-	250,000	-	250,000	-	0.0%
Total Other Project Expenses	\$-	\$250,000	\$-	\$250,000	\$-	0.0%
Total Uses	\$15,587,861	\$10,007,898	\$8,700,867	\$14,147,192	\$4,139,294	41.4%

Revenues

Total revenues are expected to be \$14,147,192, which is an increase of \$4,393,032 from the prior year budget mostly due to an increase in assessments and planned water to be delivered and pumped. Revenue from wholesale water assessments is estimated to increase by \$5,481,906 from the fiscal year 2025 budget. Water assessments are estimated on deliveries of 55,000 acre-feet in fiscal year 2026. Pumping energy and wheeling charges associated with pumping at the Windy Gap Pump Plant are projected to be \$47.25 per acre-foot on 60,000 acre-feet. For fiscal year 2026, the charge for the O&M Assessment will be \$38.00 per acre-foot of ownership in the Windy Gap Project. Other projected revenues for fiscal year 2026 will include interest earnings of \$691,812, Windy Gap Connectivity Channel for \$10,000 and other income of \$263,000. A summary of total revenues is provided in the charts and graphs below.

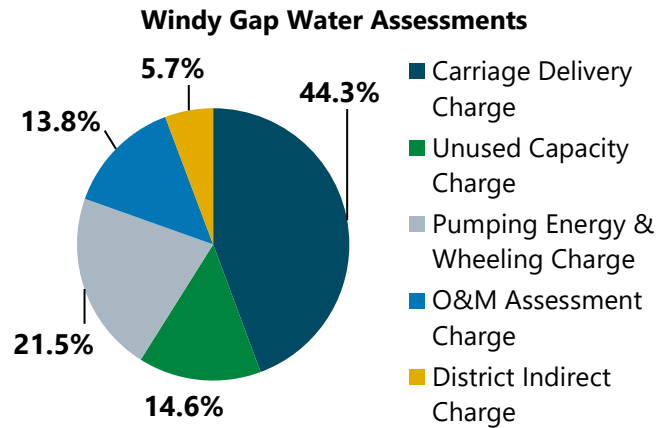
Windy Gap Fund Revenues

	Budget	Percent of Total Sources of Funds
Water Assessments	\$13,182,380	93.2%
Earnings on Investments	691,812	4.9%
Other Nonoperating Revenues	263,000	1.9%
Windy Gap Connectivity Channel	10,000	0.1%
Total	\$14,147,192	100.0%

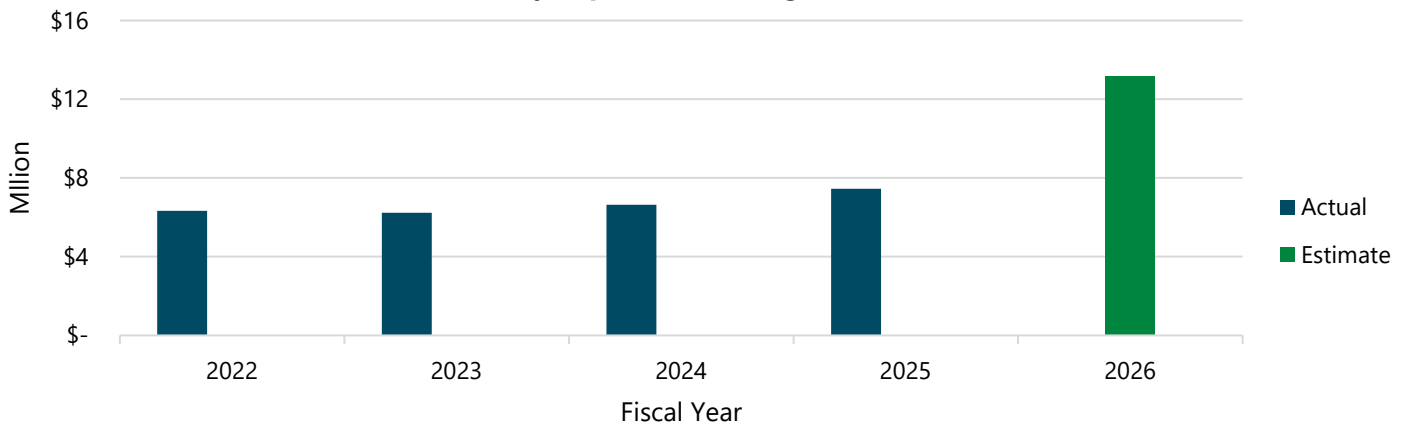


Water Assessments

	Budget	Percent of Total Water Assessments
Carriage Delivery	\$5,843,801	44.3%
Unused Capacity Charge	1,924,767	14.6%
Pumping Energy and Wheeling	2,835,000	21.5%
O&M Assessment Charge	1,824,000	13.8%
District Indirect Charge	754,812	5.7%
Total	\$13,182,380	100.0%



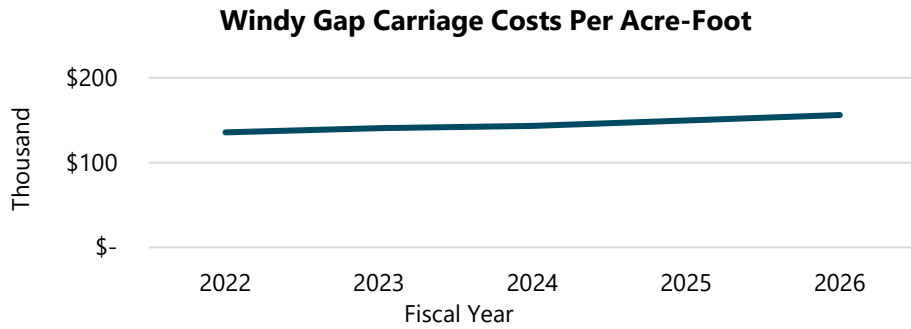
Windy Gap Annual Carriage Revenues



Carriage Delivery Assessment

The Bureau of Reclamation and Northern Water charge the Windy Gap Project to use the C-BT Project storage and conveyance system to transport Windy Gap Project water from the West Slope of Colorado to the East Slope. This charge is passed along to project Windy Gap participants as a carriage delivery assessment. For fiscal year 2026, the carriage delivery assessment is projected to be \$155.38 per acre-foot of water delivered. This charge is made up of three components: a) a Reclamation Operation, Maintenance and Recovery (OM&R) charge covering Reclamation’s costs to operate and maintain the joint works of the C-BT Project, including pumping at C-BT facilities; b) a Northern Water OM&R charge covering Northern Water’s costs to operate and maintain the joint works of the C-BT Project; and c) an Unused Capacity charge paid to Reclamation to recover previous and future capital costs of the C-BT Project. The OM&R charges are calculated each year based on the pro rata amount of Windy Gap Project Water and the total amount of water carried through the Adams Tunnel. When less water is carried through the tunnel, the Windy Gap Project Water becomes a larger percent of the total, resulting in a higher OM&R charge. The Reclamation OM&R charge is estimated to be \$19.49 per acre-foot in 2026. The Northern Water OM&R charge is estimated to be \$97.39 per acre-foot in 2026. The Unused Capacity charge will be \$38.50 per acre-foot in 2026 per the 2014 Carriage Contract and increases by 1.79 percent each year.

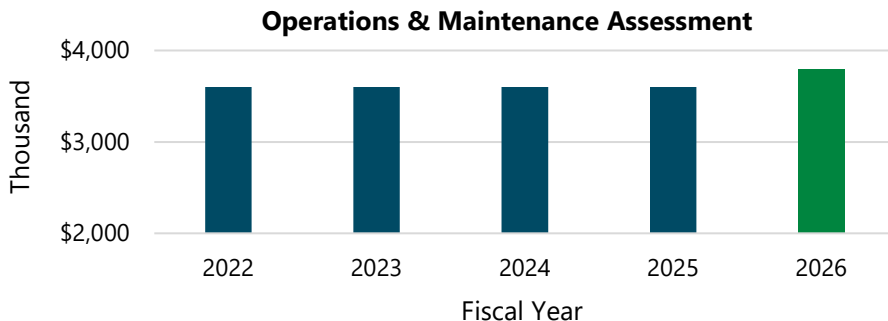
Fiscal Year 2026	Acre-Feet	Charge Per Acre-Foot Per Unit	Total
Carriage Delivery	50,000	\$155.37	\$7,768,500



Operations and Maintenance Assessment

The operations and maintenance assessment is used to support all program costs and to maintain and operate the pump plant, reservoir, dam, Colorado River Connectivity Channel and stream gauging stations. For fiscal year 2026, the charge is \$3,800 per ownership unit of Windy Gap Project water. This assessment is paid by participants regardless of whether the participant takes delivery of water. The Municipal Subdistrict is conducting a review to determine if the operations and maintenance assessment should be increased to cover current operating costs. A summary of operations and maintenance assessment charges is provided in the table and chart below.

Fiscal Year 2026	Units	Per Acre-Foot	Total
O&M Assessment	480	\$3,800.00	\$1,824,000

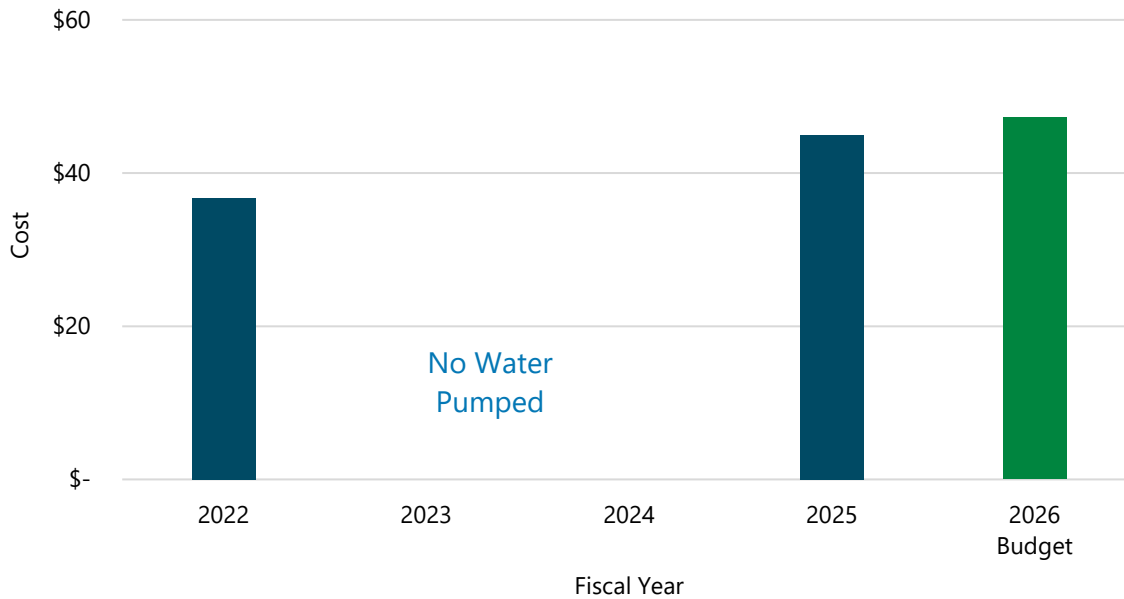


Pumping Energy/Wheeling

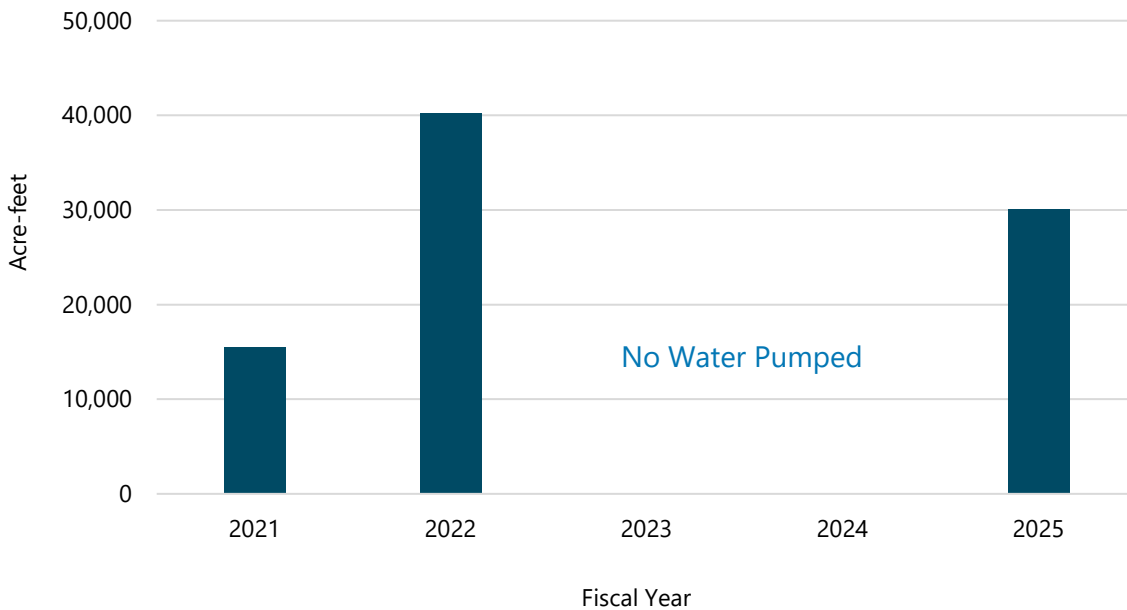
Energy and wheeling assessment are for pumping Windy Gap Project water primarily during April through June from the Windy Gap Reservoir on the Colorado River through a six-mile pipeline to Lake Granby. For fiscal year 2026, the charge is projected to be \$47.25 per acre-foot of water delivered. The amount of water pumped can vary annually based on hydrologic conditions and water storage. During the times when Windy Gap water is not available, C-BT Project water is delivered by the Municipal Subdistrict in-lieu of Municipal Subdistrict water. The in-lieu water deliveries must provide replacement water or can be met by certain C-BT system spill conditions. Also, Windy Gap Project water was spilled in 2020, 2023 and 2024 to increase capacity for C-BT system water. A summary of pumping energy/wheeling charges and pricing structure is provided in the tables and charts below.

Fiscal Year 2026	Units	Per Acre-Foot	Total
Pumping Energy/Wheeling	60,000	\$47.25	\$2,835,000

Energy Weighted Average Cost per Acre-Foot



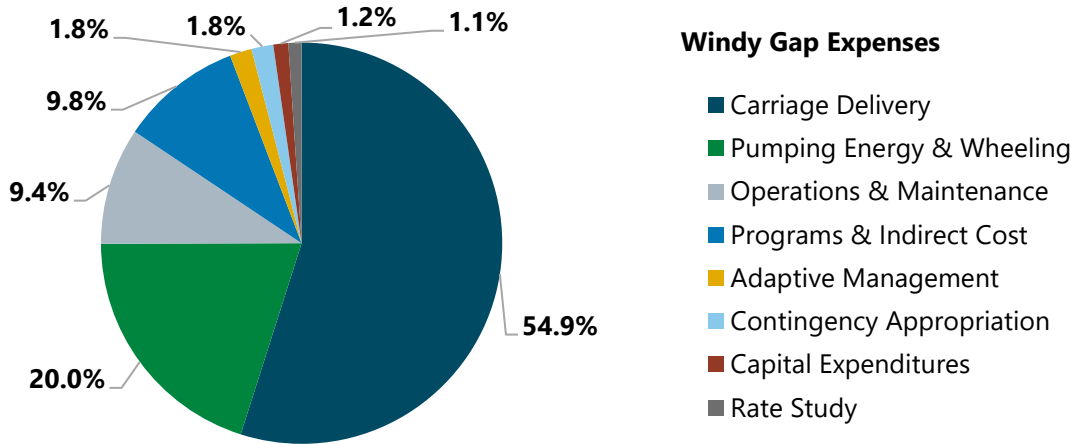
Water Pumped per Acre-Foot



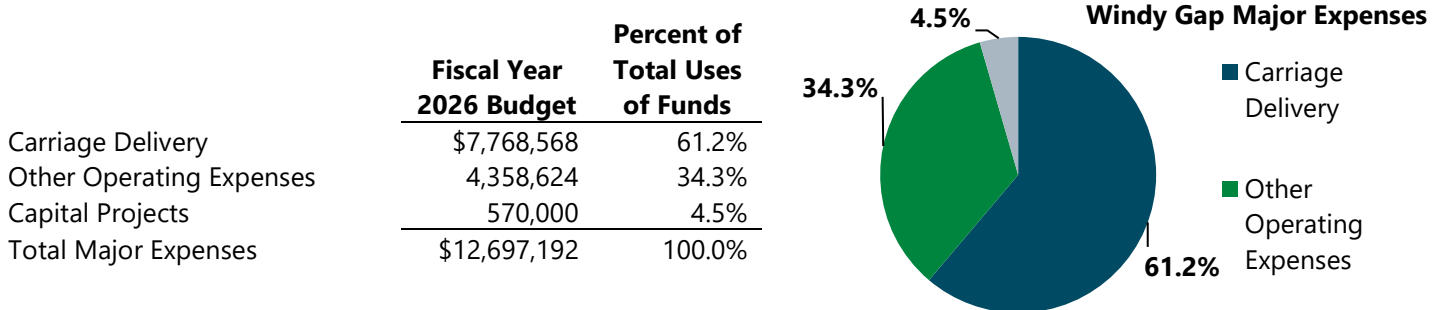
Expenses

The fiscal year 2026 Windy Gap budgeted expenses are \$14,147,192. The fiscal year 2026 budget represents an increase of \$4,139,294 from the fiscal year 2025 budget. Operating and maintenance expenditures total \$1,333,812, a \$523,812 increase from the 2025 budget. Program and indirect cost expenses are projected to be \$1,389,812 and increase of \$519,564 which is primarily related to the additional planned water deliveries to fill Chimney Hollow. Total planned capital expenses decreased significantly, as the Colorado River Connectivity Channel Project moves to Operations, however, we do plan to invest approximately \$170,000 in capital. The Municipal Subdistrict has no full-time staff, and all personnel services are provided by Northern Water. The Municipal Subdistrict reimburses Northern Water for the actual time spent on Windy Gap activities. Labor reimbursement costs are estimated to decrease by \$64,025 compared to fiscal year 2025.

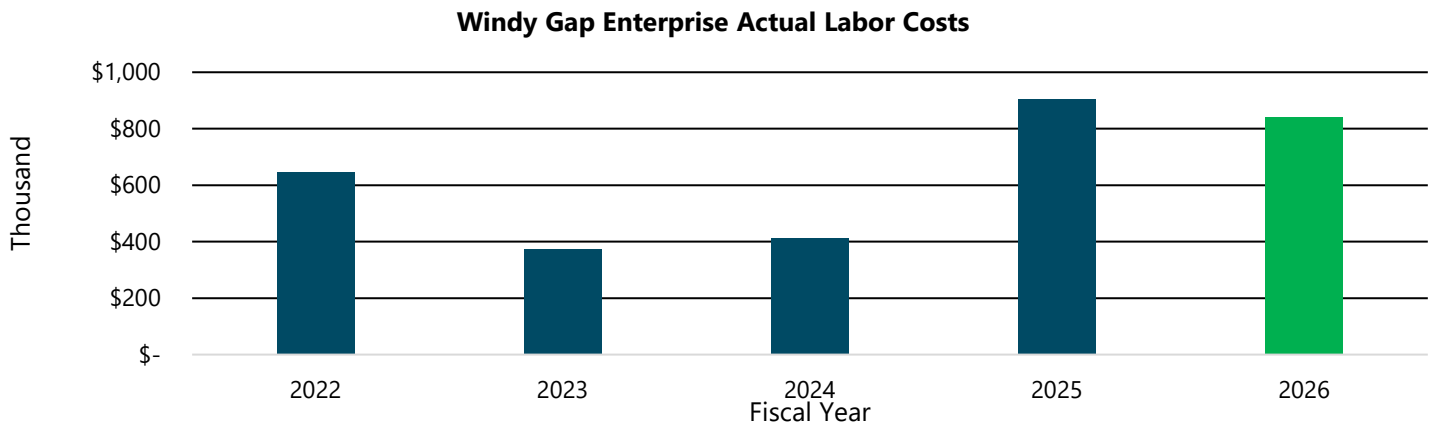
A summary of the total expenditures is provided in the graph below.



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

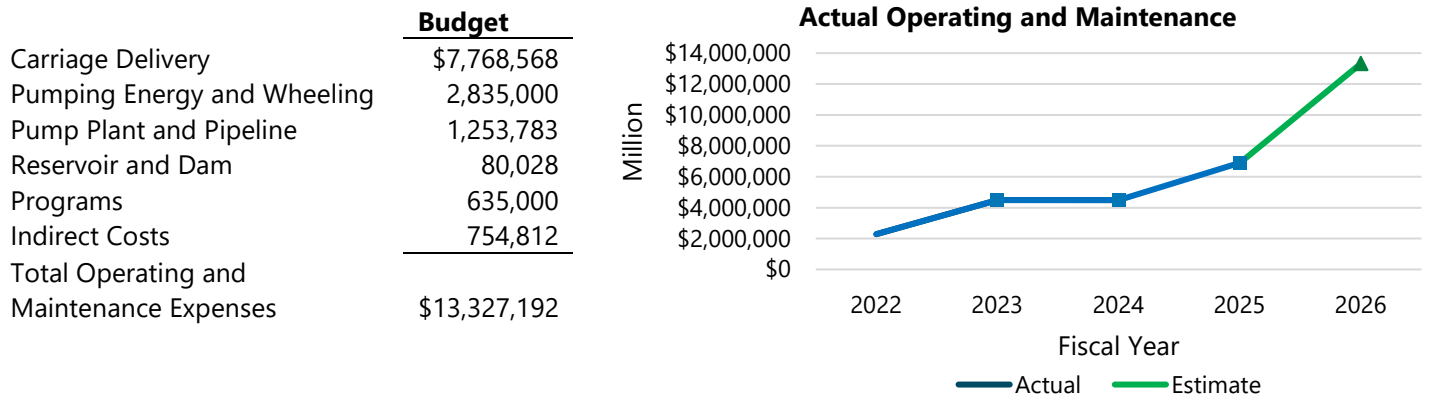


A summary of labor costs is provided in the graph below.

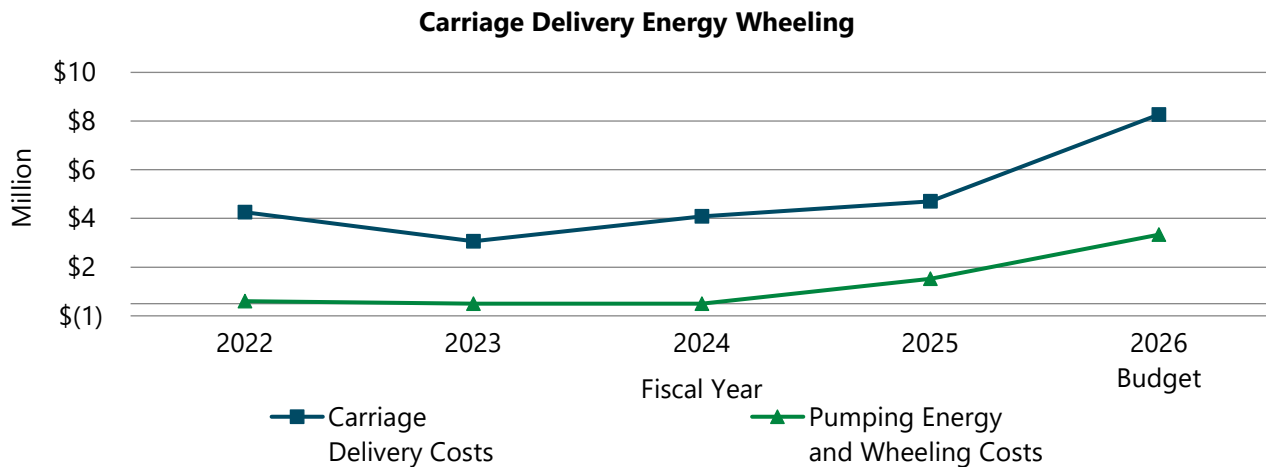


Operating and Maintenance

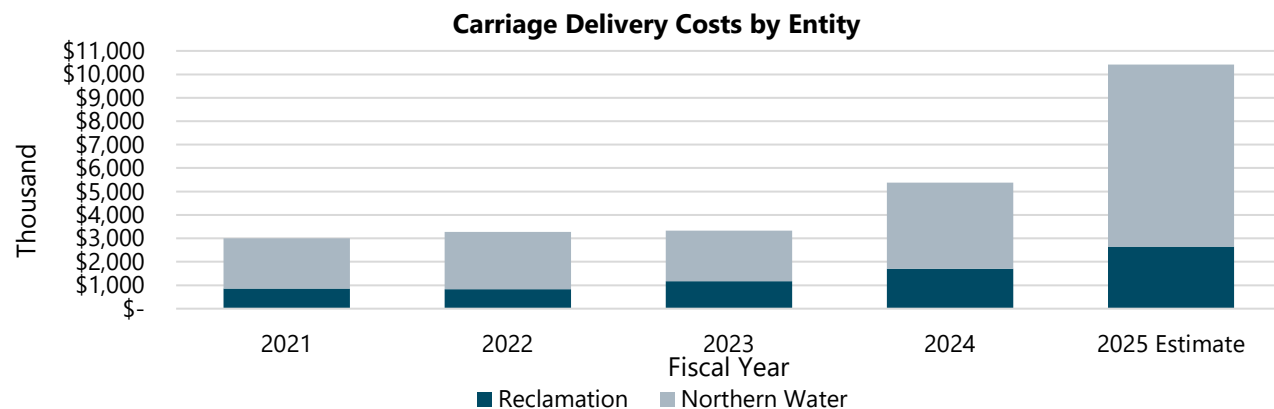
Carriage costs charged by Reclamation and Northern Water for the use of the C-BT Project conveyance and storage system to deliver Windy Gap water are expected to increase compared to fiscal year 2025 budget. Carriage delivery and pumping energy and wheeling are operating expenses driven by the volume of water pumped and delivered. Energy and wheeling costs for pumping 60,000 acre-feet of water are projected to be \$2,835,000 an increase of \$1,816,850 from the 2025 budget due to planned additional deliveries to begin to fill Chimney Hollow Reservoir. A summary of the operating and maintenance expenses (94 percent of the total uses of funds) is provided in the table and chart below.



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

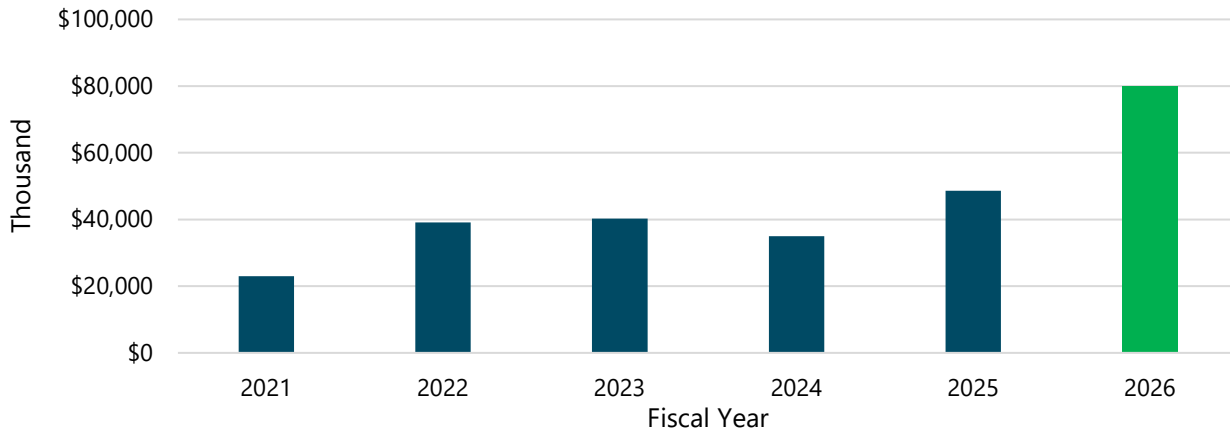


Carriage and delivery costs are paid to Northern Water and Reclamation who both promote operation, maintenance and replacement services to the Municipal Subdistrict.

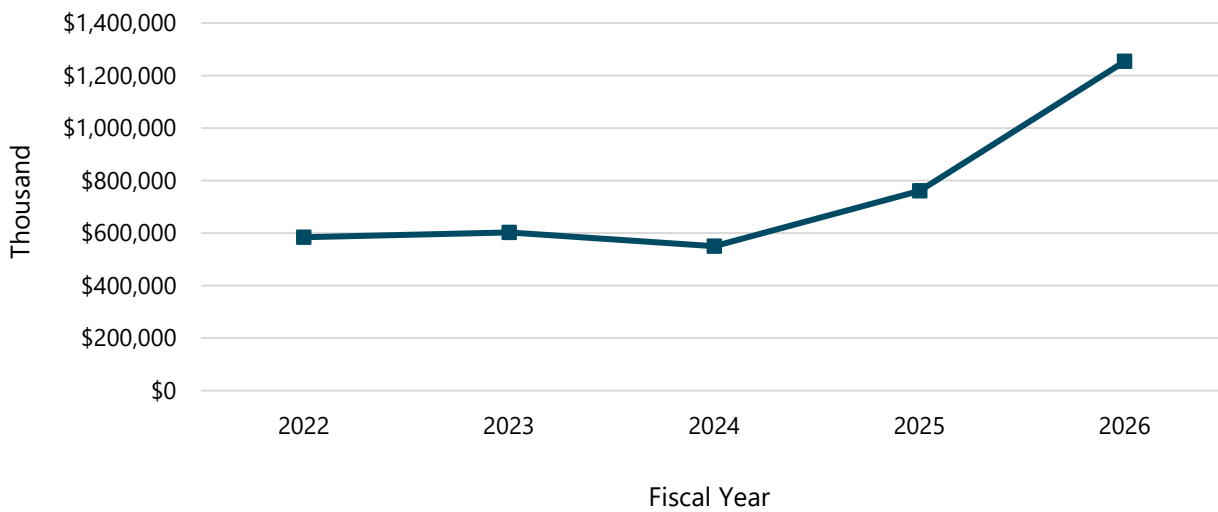


A summary of pump plant, pipeline and reservoir and dams' expenses are provided in the charts below.

Reservoir and Dam Expenses



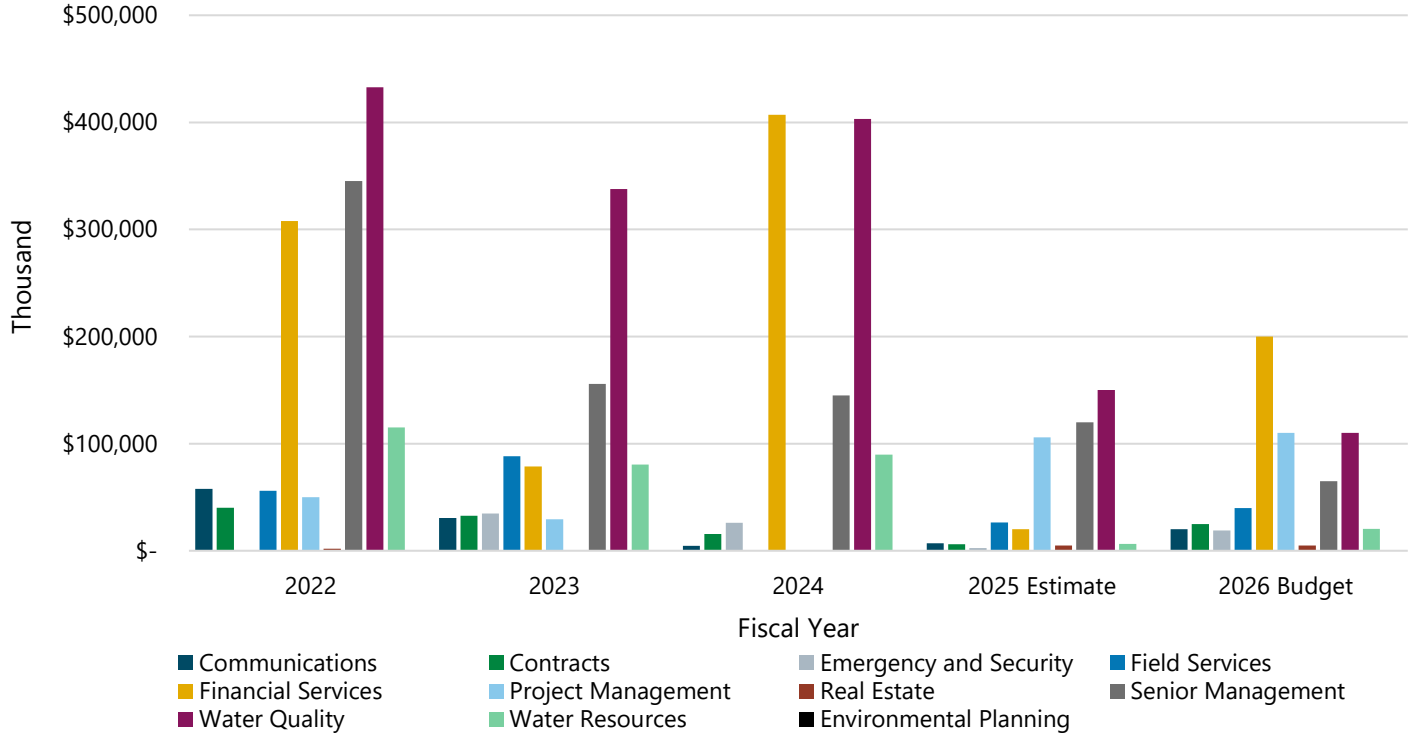
Pump Plant and Pipeline Expenses



PROGRAM EXPENSES

Program expenses, which comprise 4.5 percent of the total uses of funds, include primarily outside services and labor. The following discussion and tables are provided to show detail for the Municipal Subdistrict Programs. A summary of programs expenses is provided in the graph and table below.

Windy Gap Program Expenses



	Budget	Percent
Financial Services	\$200,000	31.5%
Project Management	110,000	17.3%
Water Quality	110,000	17.3%
Senior Management	65,000	10.2%
Field Services	40,000	6.3%
Contracts	25,000	3.9%
Water Resources	20,500	3.2%
Environmental Planning	20,500	3.2%
Communications	20,000	3.1%
Emergency and Security	19,000	3.0%
Real Estate	5,000	0.8%
Total Program Expenses	\$635,000	100.0%

Senior Management Program

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

Northern Water’s Senior Management program oversees all aspects of Northern Water and the Municipal Subdistrict’s day-to-day operations and carries out the directives of the general manager and the Municipal Subdistrict 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:

- Provide general oversight of all Municipal Subdistrict activities and enterprises.
- Participate in statewide, regional and national discussions and strategies related to Colorado River drought conditions.
- Protect and develop water rights assets in regard to Windy Gap.
- Respond to major unforeseen contingency projects and expenses.
- Negotiate a new power supply contract for the Windy Gap Pump Plant.

In 2025, the Senior Management program:

- Provided general oversight of all Municipal Subdistrict activities and enterprises.
- Protected and developed water rights assets in regard to Windy Gap.
- Responded to major unforeseen contingency projects and expenses.

Senior 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						
General Programs	\$50,000	\$5,000	\$65,520	\$20,000	\$15,000	300.0%
Partner Programs	8,000	2,500	8,000	8,000	5,500	220.0%
Legal Matters	92,000	2,000	99,704	11,000	9,000	450.0%
Board of Directors	51,205	10,000	61,205	25,000	15,000	150.0%
Travel and Training	3,700	500	3,700	1,000	500	100.0%
Total	\$204,905	\$20,000	\$238,129	\$65,000	\$45,000	225.0%
Summary by Category						
Labor	\$45,528	\$5,000	\$40,152	\$15,000	\$10,000	200.0%
Expenses	159,377	15,000	197,977	50,000	35,000	233.3%
Total	\$204,905	\$20,000	\$238,129	\$65,000	\$45,000	225.0%

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 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:

- Plan and host several key events to celebrate the accomplishments and completion of the Chimney Hollow Reservoir Project.
- Continue to support and develop strategic communication efforts related to the discovery of mineralized uranium at Chimney Hollow Reservoir.
- Support and document fill efforts for Chimney Hollow Reservoir through written, visual and digital content.
- Begin archival of all content development related to the Chimney Hollow Reservoir Project, including articles, photos, videos and more.

In 2025, the Communications Department:

- Concluded the final year of the public tour program for the Chimney Hollow Reservoir Project with a focus on providing tour opportunities for Participants and key partners.
- Developed written, visual and digital content to continue communication about construction milestones of the Chimney Hollow Reservoir Project.
- Continued to build relationships and increase communications with neighbors of the Chimney Hollow Reservoir Project.

Communications	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						
Communications Programs	\$32,391	\$7,000	\$39,000	\$20,000	\$13,000	185.7%
Total	\$32,391	\$7,000	\$39,000	\$20,000	\$13,000	185.7%
Summary by Category						
Labor	\$32,391	\$1,000	\$39,000	\$18,000	\$17,000	1700.0%
Expenses	-	6,000	-	2,000	(4,000)	(66.7%)
Total	\$32,391	\$7,000	\$39,000	\$20,000	\$13,000	185.7%

Contracts Program

Business Plan Priority: Cultivate operational and organizational excellence.

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

The Contracts Program administers all inclusion petitions for the Municipal District, managing the Board of Director approval process and, when applicable, facilitating secretarial assent from Reclamation, and approval from the Weld County District Court.

The Contracts Program administers the Municipal Subdistrict's property and liability program, including other non-packaged overage lines. The Contracts Program collaborates closely with the Risk Manager to protect the organization's interest.

The Contracts Program administers the coordination of all grants, including the pre-award planning, organization and preparation, as well as post-award administration of various grants, including those awarded by the Municipal Subdistrict to grantees.

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						
Allotments & General						
Management	\$24,000	\$4,500	\$16,640	\$22,000	\$17,500	388.9%
Inclusions	13,466	2,000	13,463	3,000	1,000	50.0%
Total	\$37,466	\$6,500	\$30,103	\$25,000	\$18,500	284.6%
Summary by Category						
Labor	\$5,148	\$5,000	\$1,150	\$2,000	\$(3,000)	(60.0%)
Expenses	32,318	1,500	28,953	23,000	21,500	1433.3%
Total	\$37,466	\$6,500	\$30,103	\$25,000	\$18,500	284.6%

Environmental Planning Program

Business Plan Priority: Protect and conserve water supplies

The Environmental Planning Program provides environmental permitting, strategic planning, project management, source water protection planning, technical guidance, environmental compliance management, construction oversight, recommendations for proposed/changing environmental regulations, and environmental stewardship guidance for Northern Water and Municipal Subdistrict operations and new capital projects.

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 environmental compliance support for Windy Gap Firing Project elements, including but not limited to Chimney Hollow and Colorado Connectivity Channel post-construction restoration, monitoring and reporting.

In 2025, the Environmental Planning Program:

- Provided environmental compliance support for all Windy Gap Firing Project elements, including Chimney Hollow Reservoir and the Colorado River Connectivity Channel, and acted as the primary environmental contact for other stakeholders and regulatory agencies.

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 Programs	\$-	\$-	\$177,858	\$20,500	\$20,500	0.0%*
Total	\$-	\$-	\$177,858	\$20,500	\$20,500	0.0%
Summary by Category						
Labor	\$-	\$-	\$9,780	\$4,000	\$4,000	0.0%
Expenses	-	-	168,078	16,500	16,500	0.0%
Total	\$-	\$-	\$177,858	\$20,500	\$20,500	0.0%

* Environmental Planning Department has not been included in prior year’s programs summaries.

Field Services Program

Business Plan Priority: Protect, conserve and deliver water supplies

The Field Services Department provides resources to accomplish fieldwork for the Municipal Subdistrict. 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 to support the ongoing permitting processes for the Windy Gap FIRMING Project.
- Measured flow discharge and maintained automated flow monitoring stations throughout the Municipal Subdistrict boundaries. Many of these projects and activities are in cooperation with other local, state and federal agencies.

In 2025, the Field Services Program:

- Completed the collection of accurate and reliable water quality data from rivers, streams, canals, reservoirs and lakes for the Municipal Subdistrict.
- Conducted additional water quality sampling to assess post-fire impacts as needed.
- Conducted several West Slope discharge measurements to support Windy Gap operations.

Field 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						
Baseline Monitoring	\$ 9,850	\$13,250	\$19,025	\$20,000	\$ 6,750	50.9%
Flow O&M	10,547	13,250	18,902	20,000	6,750	50.9%
Total	\$20,397	\$26,500	\$37,927	\$40,000	\$13,500	50.9%
Summary by Category						
Labor	\$19,178	\$20,000	\$31,503	\$15,000	\$(5,000)	(25.0%)
Expenses	1,219	6,500	6,424	25,000	18,500	284.6%
Total	\$20,397	\$26,500	\$37,927	\$40,000	\$13,500	50.9%

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 the Municipal Subdistrict 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 procurement 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 Municipal Subdistrict 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:

- Develop additional reporting from the Enterprise Resource Planning system, including self-service options for department and project managers.
- Review the Indirect Cost Allocation Model for any appropriate changes to the methodology.
- Continue to refine purchasing procedures.
- Continue to enhance the Accounting Policies and Procedures Manual.
- Implement financial structure training opportunities for staff.
- Continuity of Operations Planning and cross-training throughout the department.
- Complete a comprehensive rate study to evaluate the Municipal Subdistrict'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 Financial Services Program:

- Developed additional reporting from the Enterprise Resource Planning system, including self-service options for department and project managers.
- Reviewed the Indirect Cost Allocation Model for any appropriate changes to the methodology.
- Continued to refine purchasing procedures.
- Continued to enhance the Accounting Policies and Procedures Manual.
- Implemented financial structure training opportunities for staff.
- Continuity of Operations Planning and cross-training throughout the department.
- Earned the Award for Outstanding Achievement in Comprehensive Annual Financial Reporting for the 38th consecutive year for the Municipal Subdistrict from the Government Finance Officers Association (GFOA).
- Earned the Distinguished Budget Presentation Award for the eighth consecutive year for the Municipal Subdistrict from the GFOA.

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	\$85,700	\$1,200	\$115,530	\$20,000	\$18,800	1566.7%
Audit	90,000	8,000	143,526	150,000	142,000	1775.0%
Treasury	12,300	6,500	8,362	10,000	3,500	53.8%
Budget	11,073	4,300	21,545	20,000	15,700	365.1%
Total	\$199,073	\$20,000	\$288,963	\$200,000	\$180,000	900.0%
Summary by Category						
Labor	\$83,958	\$15,000	\$68,816	\$50,000	\$35,000	233.3%
Expenses	115,115	5,000	220,147	150,000	145,000	2900.0%
Total	\$199,073	\$20,000	\$288,963	\$200,000	\$180,000	900.0%

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:

- Begin operations of Chimney Hollow Reservoir.

In 2025, the Project Management Program:

- Completed construction of Windy Gap Firing Project (Chimney Hollow Reservoir).
- Began operational testing of Chimney Hollow Reservoir.
- Developed operations and maintenance protocols for Chimney Hollow Reservoir.

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	\$33,987	\$6,000	\$105,219	\$110,000	\$104,000	1733.3%
Total	\$33,987	\$6,000	\$105,219	\$110,000	\$104,000	1733.3%
Summary by Category						
Labor	\$16,800	\$3,000	\$104,989	\$108,000	\$105,000	3500.0%
Expenses	17,187	3,000	230	2,000	(1,000)	(33.3%)
Total	\$33,987	\$6,000	\$105,219	\$110,000	\$104,000	1733.3%

Real Estate Program

Business Plan Priority: Cultivate operational and organizational excellence

The Real Estate Program manages, protects, acquires and disposes of real property rights for the Municipal Subdistrict. Property oversight includes ranch property currently held by the Municipal Subdistrict and property for future water projects.

In 2026, the Real Estate Program intends to:

- Continue to work with tenants on Municipal Subdistrict owned properties. This will include removing any unused buildings, fencing, and cleaning and clearing properties.

In 2025, the Real Estate Program:

- Continued to work with tenants to manage Municipal Subdistrict owned properties.
- Completed easement agreements needed for the Chimney Hollow Reservoir Project with Larimer County and the Bureau of Reclamation.

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						
ROW Work for Windy Gap	\$8,000	\$5,000	\$2,600	\$5,000	\$-	0.0%
Total	\$8,000	\$5,000	\$2,600	\$5,000	\$-	0.0%
Summary by Category						
Labor	\$5,000	\$4,000	\$1,600	\$4,000	\$-	0.0%
Expenses	3,000	1,000	1,000	1,000	-	0.0%
Total	\$8,000	\$5,000	\$2,600	\$5,000	\$-	0.0%

Security and Emergency Management Program

Business Plan Priority: Cultivate operational and organizational excellence

The Security and Emergency Management Program protects and secures the Municipal Subdistrict’s assets including structures, dams and most importantly the staff, Municipal Subdistrict Board of Directors and guests. In addition, the program develops, plans, and prepares procedures and protocols, training and exercises for emergency preparedness for the Municipal Subdistrict.

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

- Finalize Emergency Action Plan for Chimney Hollow Reservoir.
- Work with New Safety of Dams staff for all dams.
- Complete necessary security measures for Chimney Hollow Reservoir facilities.

In 2025, the Security and Emergency Management Program

- Worked to develop Emergency Action Plan for Chimney Hollow Reservoir.
- Upgraded and complete all access control at Windy Gap Facilities and Connectivity Channel.

Emergency & Security	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						
Emergency & Security Programs	\$230	\$26,000	\$18,335	\$19,000	\$(7,000)	(26.9%)
Total	\$230	\$26,000	\$18,335	\$19,000	\$(7,000)	(26.9%)
Summary by Category						
Labor	\$-	\$5,000	\$11,500	\$10,000	\$5,000	100.0%
Expenses	230	21,000	6,835	9,000	(12,000)	(57.1%)
Total	\$230	\$26,000	\$18,335	\$19,000	\$(7,000)	(26.9%)

Water Quality Program

Business Plan Priority: Protect and conserve water supplies.

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

In 2026, the Water Quality Program intends to:

- Continue implementation of Windy Gap Firming Project mitigation and enhancement commitments in accordance with multiple permits and agreements.
- Implement the Windy Gap Firming Nutrient Reduction Implementation Plan.
- Continue to work on the update to the Grand County Stream Management Plan in partnership with Learning By Doing.
- Finalize design and begin the implementation phase of the Willow Creek restoration project in partnership with Learning By Doing.
- Complete the update on the Colorado River Temperature Model in accordance with the Windy Gap Firming Project 401 Water Quality Certification.
- Conduct 2025 riparian monitoring and reporting in accordance with the Windy Gap Firming Project Riparian Monitoring Plan as approved through the 1041 Permit.
- Facilitate data collection, data sharing and data analysis to support investigations of uranium in Chimney Hollow Reservoir.
- Conduct water quality monitoring activities within the Windy Gap Project to support baseline data collection for assessment of water quality conditions.

In 2025, the Water Quality Program:

- Began Implementation Windy Gap Firming Project mitigation and enhancement commitments in accordance with multiple permits and agreements.
- Received final approval from the U.S. Bureau of Reclamation (Reclamation) and the U.S. Army Corps of Engineers of the Windy Gap Firming Nutrient Reduction Implementation Plan.
- Updated to the Grand County Stream Management Plan in partnership with Learning By Doing.
- Prepared the final design of the Willow Creek restoration project in partnership with Learning By Doing.
- Updated on the Colorado River Temperature Model in accordance with the Windy Gap Firming Project 401 Water Quality Certification.
- Conducted riparian monitoring in accordance with the Windy Gap Firming Project Riparian Monitoring Plan as approved through the 1041 Permit.
- Facilitated data collection, data sharing and data analysis to support investigations of uranium in Chimney Hollow Reservoir.
- Continued to conduct water quality monitoring activities within the Windy Gap Project to support baseline data collection for assessment of water quality conditions.

Water Quality	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 Quality						
Programs	\$60,823	\$275,000	\$10,596	\$75,000	\$(200,000)	(72.7%)
Watershed Groups	31,500	20,000	31,500	5,000	(15,000)	(75.0%)
Regulations	7,000	33,000	7,000	16,000	(17,000)	(51.5%)
Travel and Training	8,802	22,000	8,802	14,000	(8,000)	(36.4%)
Total	\$108,125	\$350,000	\$57,898	\$110,000	\$(240,000)	(68.6%)
Summary by Category						
Labor	\$11,346	\$20,000	\$1,000	\$20,000	\$8,654	43.3%
Expenses	96,779	330,000	56,898	90,000	(248,654)	(75.3%)
Total	\$108,125	\$350,000	\$57,898	\$110,000	\$(240,000)	(68.6%)

Water Resources Program

Business Plan Priority: Protect and conserve water supplies

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

In 2026, the Water Resources Program intends to:

- Inform leadership, the Board, and Windy Gap Participants concerning water supply conditions, the availability of Windy Gap Project supplies, and Chimney Hollow Reservoir first fill planning.
- Produce daily and seasonal streamflow forecasts during the snow accumulation and snowmelt runoff seasons for basins critical to Windy Gap operations.
- Translate seasonal streamflow forecasts to Windy Gap pumping availability forecasts.
- Participate in stakeholder groups including river administration and operations discussions and Grand County Learning by Doing (LBD).
- Provide modeling, analytical and planning support to Windy Gap Participants, operations and management for Windy Gap annual operating plans including Windy Gap water availability operational forecasts, Windy Gap pumping recommendations and Chimney Hollow first fill operations planning.
- Provide water resources expertise for other Subdistrict programs including Management, Operations, Water Quality, Project Management, Water Scheduling, Water Rights, Contracts, Communications and Finance.
- Create reports summarizing operations in water year 2025.
- Report on water year 2025 demand prediction and update the model to automate tasks
- Communicate monthly with the Board of Directors on precipitation, storage, snowpack and other items as needed.

In 2025, the Water Resources Program:

- Informed leadership, the Board and Windy Gap Participants concerning water supply conditions, the availability of Windy Gap Project supplies and Chimney Hollow Reservoir first fill planning.
- Produced daily and seasonal streamflow forecasts during the snow accumulation and snowmelt runoff seasons for basins critical to Windy Gap operations.
- Reviewed and refined Windy Gap water availability operational forecasts to better inform decisions related to Windy Gap pumping operations.
- Provided modeling, analytical and planning support to Windy Gap Participants, operations and management for Windy Gap annual operating plans including Windy Gap water availability operational forecasts, Windy Gap pumping recommendations and Chimney Hollow first fill operations planning.
- Revised and updated the C-BT and Windy Gap operations model to add capabilities related to Chimney Hollow Reservoir water quality. Made model runs for different Chimney Hollow Reservoir operations scenarios.
- Provide water resources expertise for other Subdistrict programs including Management, Operations, Water Quality, Project Management, Water Scheduling, Water Rights, Contracts, Communications and Finance.
- Completed draft operating criteria for the Windy Gap Firing Project in collaboration with Windy Gap Participants and other departments at Northern Water.
- Participated in stakeholder groups including river administration and operations discussions and Grand County Learning by Doing (LBD).

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	\$36,430	\$1,000	\$16,430	\$8,000	\$7,000	700.0%
Stream Flow Forecast	40,200	3,000	21,200	6,000	3,000	100.0%
WG Project Operations	16,500	1,500	16,500	4,500	3,000	200.0%
Travel and Training	14,995	1,000	14,880	2,000	1,000	100.0%
Total	\$108,125	\$6,500	\$69,010	\$20,500	\$14,000	215.4%
Summary by Category						
Labor	\$11,346	\$1,500	\$35,349	\$10,000	\$8,500	566.7%
Expenses	96,779	5,000	33,661	10,500	5,500	110.0%
Total	\$108,125	\$6,500	\$69,010	\$20,500	\$14,000	215.4%

CAPITAL PROJECTS

The Municipal Subdistrict has the benefit of many long-term employees in its Engineering, Environmental Services, Finance and Administration, and Operations Divisions. Their intimate knowledge of our vast Collection and Distribution Systems is invaluable throughout our capital budget planning process. In addition to this, the Municipal Subdistrict 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. The Municipal Subdistrict 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 Municipal Subdistrict 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 Municipal Subdistrict 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.

Debt Service Expenditures

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

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:

- 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

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

Capital Projects, Initiatives and Studies Details

	Fiscal Year 2025 Budget
Connectivity Channel #	\$2,500,000
Windy Gap Motor Protection Relays *	110,000
Windy Gap Adaptive Management Initiative #	250,000
Total	\$2,860,000

Colorado Connectivity Channel (\$2,500,000) – As part of the 1041 permit conditions for the Windy Gap Firing Project, the Windy Gap Reservoir Modification Study preferred alternative was creation of the Connectivity Channel. The Connectivity Channel is a modification to the existing Windy Gap dam as necessary to bypass flows through and/or around the Windy Gap Reservoir. The project contributions are from the Windy Gap Firing Project and several other organizations.

Windy Gap Motor Protection Relays (\$110,000) – Northern Water will install new motor protection relays at the Windy Gap Pump Plant. This will provide protection of the equipment.

Windy Gap Adaptive Management Initiative (\$250,000) – The construction of a channel designed to replicate natural river conditions is an unconventional practice, and its performance will be highly site-specific. The project partners will gather information through task 1 monitoring about actual project operations before any specific adaptive management measures can be proposed. The initiative for adaptive management measures within the first five years will be limited, given the unconventional nature of this project. Funding is to enable swift action should adaptive management measures become necessary and time-sensitive. Adaptive management relates to adjustments or changes to the project's operation, or structural components of the connectivity channel and adjacent floodplain intended to address project performance issues detected through monitoring. Any changes or adjustments will occur within the parameters set forth in the Monitoring and Adaptive Management Plan.

Impacts to Operating Costs

Most capital projects will have a positive financial impact on operating and maintenance costs through 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.

Capital Outyears

With two major long-term projects now underway, the priority going forward is to establish a five to 10-year capital plan. The focus will be on maintenance and upgrades of existing infrastructure. Municipal Subdistrict staff will be meeting with participant members to establish priorities and a sustainable financial plan.

Project Name	Total Cost	2026	2027	2028	2029
Windy Gap Crane Bridge	\$ 585,000	X			
Windy Gap Breaker Replacements	\$ 21,000,000	X	X	X	X

WINDY GAP FIRING WATER ACTIVITY ENTERPRISE FUND



Fund Overview

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

The specific purpose of the Windy Gap Firming Project is to increase the firm yield to 30,000 acre-feet of water from the existing Windy Gap Project. Additional reliability and yield will be achieved by finalizing the construction of a new 90,000-acre-foot reservoir, Chimney Hollow Reservoir, located southwest of Loveland and just west of Carter Lake dedicated to store Windy Gap Project water. Firm water deliveries from the Windy Gap Project are needed to meet a portion of the existing and future demands of the Windy Gap Firming Project participants and ultimately the existing and future demands the end users served within the boundaries of the Municipal Subdistrict. Construction began in August 2021 and will be complete in 2025, with filling anticipated to take three years.

After an 18-year permitting process, construction on Chimney Hollow Reservoir began in August 2021. Construction took four years and was complete at the end of fiscal year 2025.

Major components of the project include:

- Main Dam – A 350-foot asphalt core dam contains approximately 10 million cubic yards of rockfill and 75,000 cubic yards of hydraulic asphaltic concrete (HAC).
- Saddle Dam – A 40-foot-tall clay-core dam at the south end of the reservoir will impound about 30 feet of water, enabling the addition of over 30 percent of available volume to the overall reservoir.
- Inlet/Outlet Works
 - The Chimney Hollow Conduit is 1-mile of buried steel pipe that will bring water from the existing Colorado-Big Thompson Project infrastructure into the new reservoir.
 - The Valve House will control pressures and flows between the C-BT Project and Chimney Hollow systems.
 - The inlet/outlet tunnel is a 2,000-foot-long tunnel under the right abutment of the dam. This allows water to flow in and out of the reservoir.
 - The inlet/outlet tower will provide a 'dead storage' space in the bottom of the reservoir.



The final lift of asphalt was placed on the main dam on July 18, 2025.



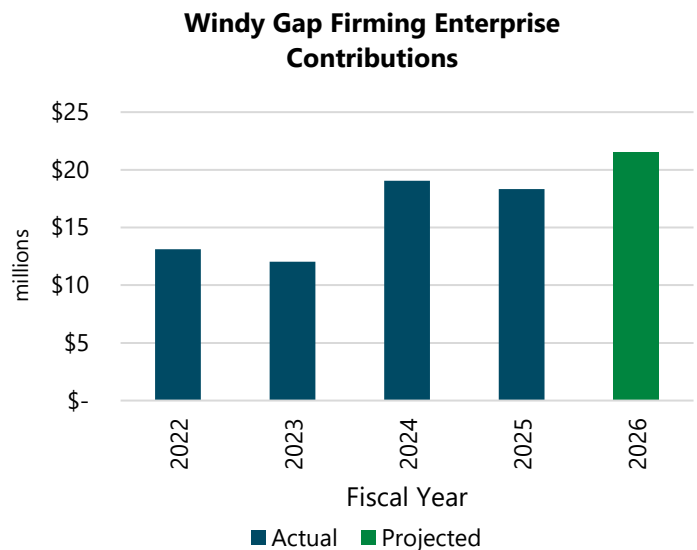
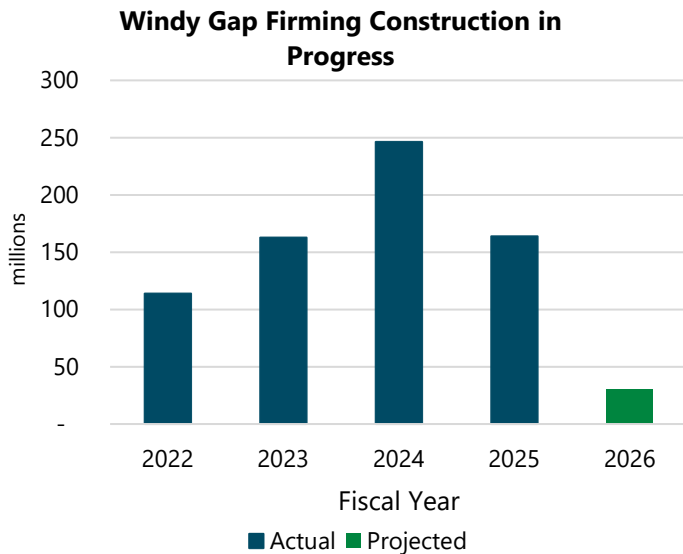
The valve house will control pressures and flows between the C-BT Project and Chimney Hollow systems.

- Spillway – A reinforced concrete spillway is on the left abutment of the main dam. The purpose of the spillway is to safely convey storm events around the main dam embankment.
- Temporary On-Site Construction Facilities – There are several components of the project that wrapped up in early 2025.
 - The asphalt batch plant managed by WALO, a Switzerland-based company, constructed the asphalt-core on the main dam. While there are about 200 asphalt-core dams worldwide, the main dam at Chimney Hollow Reservoir is only the second one built in the United States and is by far the tallest asphalt core dam in the United States.
 - The cofferdam is a clay-core, earth embankment, 50-foot-tall, 1,000-foot-long dam. It was constructed upstream of the main dam to block runoff and stormwater from entering the dam site during construction. It will be breached before the reservoir is filled.
 - The on-site concrete batch plant eliminated the need for concrete deliveries by truck. It produced more than 35,000 cubic yards of concrete during construction.
 - The rock quarry and aggregate processing plant were the most essential aspects of the Chimney Hollow dam construction. The on-site quarry supplied about 62,000 tons of materials per day, making it one of the largest mining operations in Colorado. The aggregate processing plant make aggregates to specific sizes to be hauled to the rockfill portions of the main and saddle dams.



The quarry supplied about 62,000 tons of materials during peak production.

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



Beginning Cash and Reserves
\$393,263,585

Sources of Funds
\$22,258,274

Uses of Funds
\$35,405,274

Ending Cash and Reserves
\$380,416,585

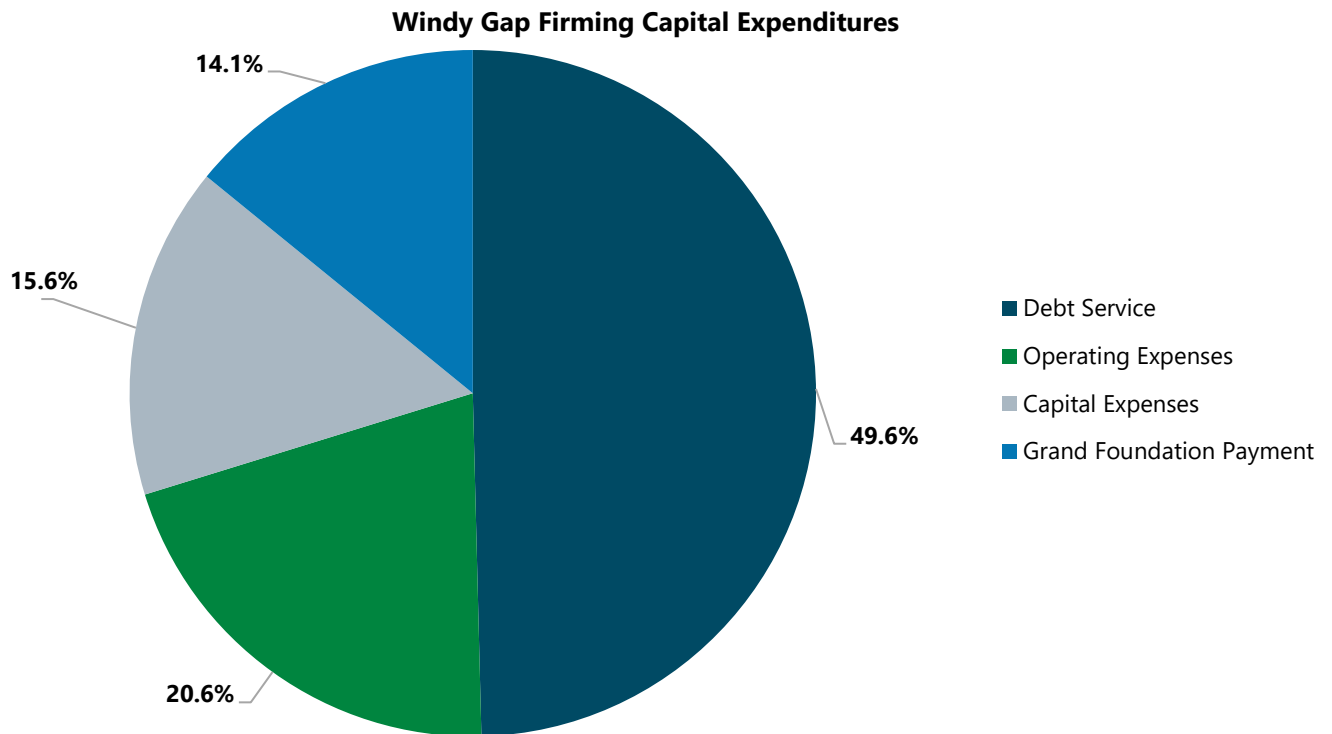
Budget Summary

	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 Revenue						
Contributions from Participants	\$19,039,387	\$18,333,337	\$18,333,337	\$ 21,528,274	\$ 3,194,937	17.4%
Total Operating Expenses	\$19,039,387	\$18,333,337	\$18,333,337	\$ 21,528,274	\$ 3,194,937	17.4%
Non-operating Revenue						
Rental Income	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ -	100.0%
Earnings on Investments	11,051,988	8,425,203	4,196,527	1,000,000	(7,425,203)	(88.1%)
Total Non-operating Revenue	\$11,081,988	\$ 8,455,203	\$ 4,226,527	\$ 1,030,000	\$(7,425,203)	(87.8%)
Total Sources	\$30,121,375	\$26,788,540	\$22,559,864	\$22,558,274	(4,230,266)	(15.8%)
Uses of Funds						
Capital Expenses						
Construction	\$227,986,354	\$107,070,000	\$147,821,880	\$ 4,000,000	\$(103,070,000)	(96.3%)
Mitigation and Enhancements	2,863,530	24,081,000	2,500,000	1,500,000	(22,581,000)	(93.8%)
Property Management	26,582	40,000	10,000	40,000	-	0.0%
Total Capital Expenses	\$230,876,466	\$131,191,000	\$150,331,880	\$ 5,540,000	\$(125,651,000)	(95.8%)
Operating Expenses						
Operating	\$ -	\$ 955,500	\$ 955,500	\$ 2,050,000	\$ 1,094,500	114.6%
Operating Start Up	-	630,000	630,000	3,300,000	2,670,000	423.8%
Operating Reserve Payment	-	2,000,000	2,000,000	100,000	(1,900,000)	(95.0%)
Indirect Costs	472,700	796,438	796,438	1,854,565	1,058,127	132.9%
Total Operating Expenses	\$ 472,700	\$ 4,381,938	\$ 4,381,938	\$ 7,304,565	\$ 2,922,627	66.7%
Debt Service						
Interest Expense	\$ 8,111,888	\$ 8,086,650	\$ 8,086,650	\$ 11,306,650	\$ 3,220,000	39.8%
Principal Expense	-	-	-	5,380,000	5,380,000	0.0%
Liquidity Fund Reserve Pymt	-	1,218,849	1,218,849	874,059	(344,790)	(28.3%)
Total Debt Service Expenses	\$ 8,111,888	\$ 9,305,499	\$ 9,305,499	\$ 17,560,709	\$ 8,255,210	88.7%
Total Expenditures	\$239,461,054	\$144,878,437	\$164,019,317	\$ 30,405,274	\$ 9,313,337	6.4%
Other Project Expenses						
Settlement	\$ 5,000,000	\$ 5,000,000	\$ -	\$ 5,000,000	\$ -	0.0%
Contingency Appropriation	-	15,000,000	-	-	(15,000,000)	(100.0%)
Total Other Project Expenses	\$ 5,000,000	\$ 20,000,000	-	\$ 5,000,000	\$ (15,000,000)	(75.0%)
Total Uses	\$244,461,054	\$164,878,437	\$164,019,317	\$ 35,405,274	\$(129,473,163)	(78.5%)

Capital Expenditures

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

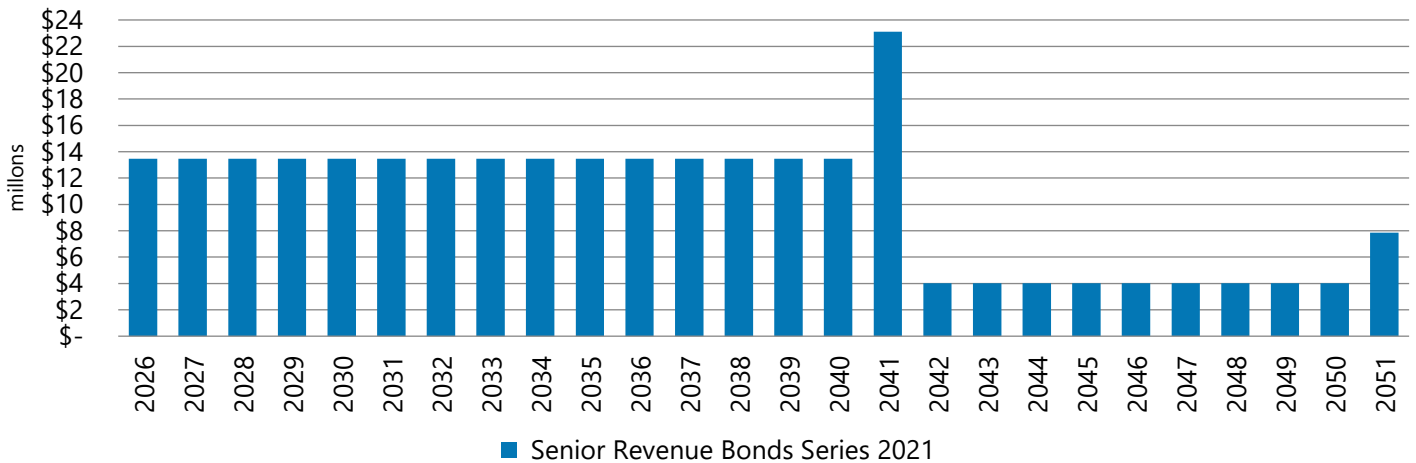
	Budget	Percent
Debt Service	\$17,560,709	49.6%
Operating Expenses	7,304,565	20.6%
Capital Expenses	5,540,000	15.6%
Grand Foundation Payment	5,000,000	14.1%
Total	\$35,405,274	100.0%



Financing Structure

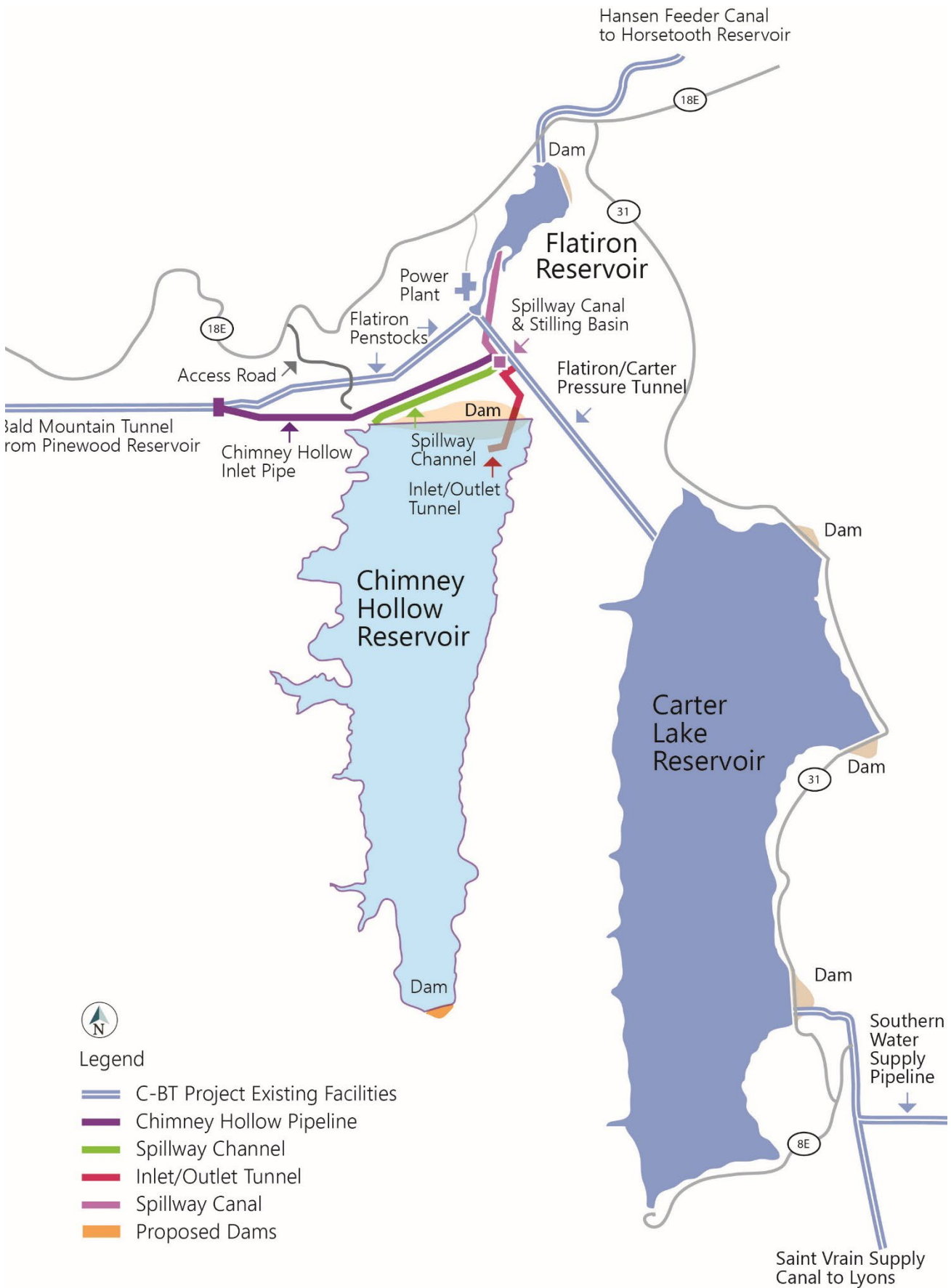
In August 2021, Windy Gap Firing Project (WGFP) secured financing for the Chimney Hollow Reservoir project. Construction of the Chimney Hollow Reservoir Project is being financed in part with \$218.0 million in proceeds from the Senior Revenue Bonds, Series 2021 (Series 2021 Bonds) issued by WGFP, reflecting the pooled interests of seven of the twelve WGFP allottees. S&P Global Ratings assigned a rating of "AA." In addition, funding includes just under \$300 million in up-front cash payments from the remaining five cash allottees. The seven allottees participating in the pooled financing consist of Platte River Power Authority, the cities of Greeley, Louisville, Fort Lupton and Lafayette, Superior Metropolitan District No. 1 and Little Thompson Water District. The five allottees cash funding their interests in the project consist of the City and County of Broomfield, the cities of Loveland, Longmont and Fort Lupton, and Central Weld County Water District. In addition, the Windy Gap Firing Project has a \$155.0 million subordinate loan from the Colorado Water Conservation Board that is expected to be used towards the end of construction. Bond proceeds funded a \$13.5 million debt service reserve account. Both bond proceeds and participant cash payments are held by a trustee and accessed by the Windy Gap Firing Project through the submission of monthly pay requests. In accordance with the allotment contracts, the allottees will be assessed annually. For pooled financing allottees, this assessment includes annual debt service requirements and contributions to a Liquidity Fund. It is anticipated that the Liquidity Fund will be funded over the next three years.

Senior Revenue Bonds Series 2021 Debt Service

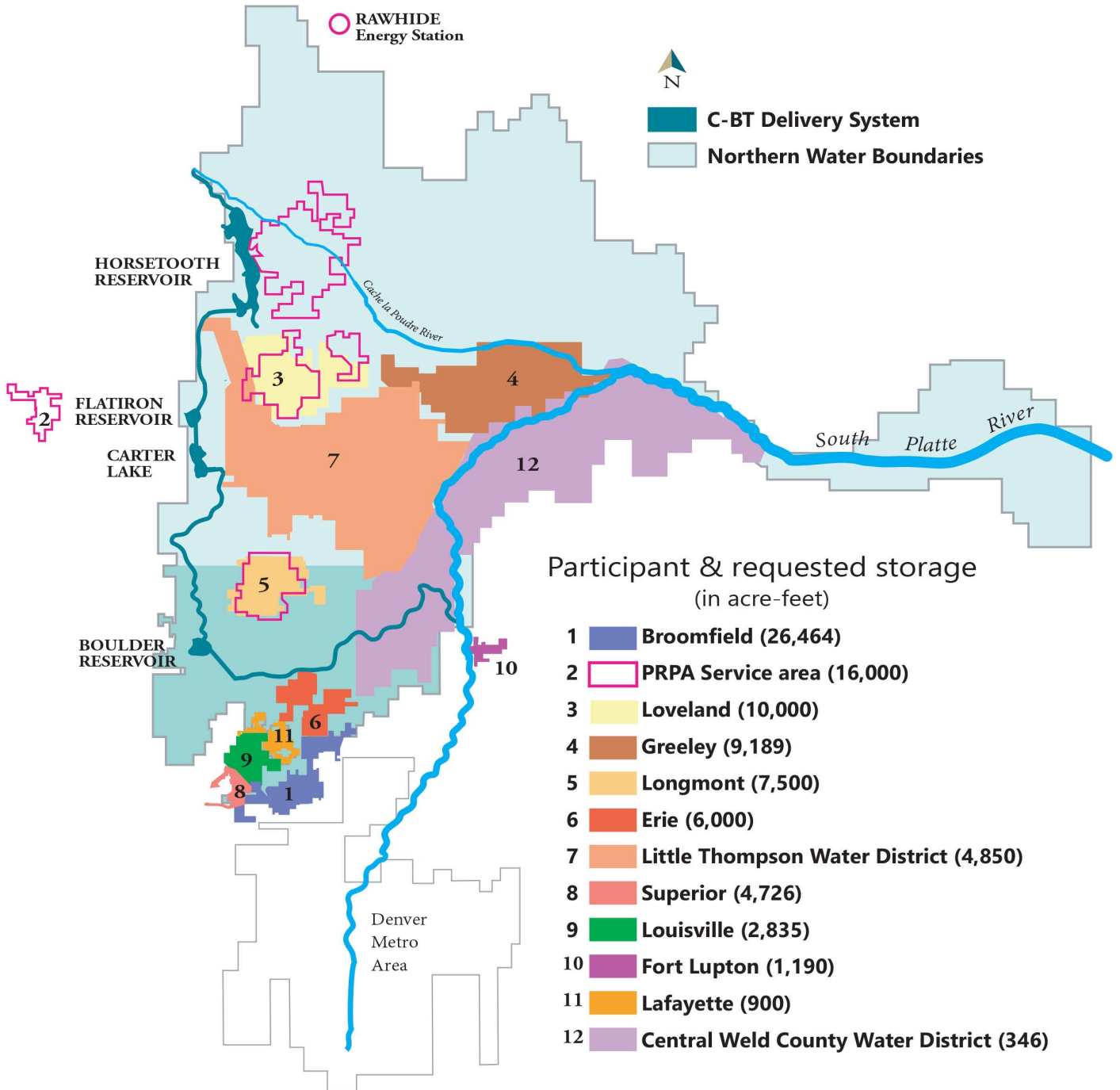


In 2041 and 2051, it is anticipated that bond reserves will be used to offset 20-year and 30-year debt issuances. Six of the seven pooled financing participants have debt service arrangements whereby 90.0 percent of the bond principal is repaid over 20 years and the remainder throughout the next 10 years. The other participant has a debt service arrangement where their pro rata share of the bond principal is repaid over 30 years. It is anticipated that the existing debt service reserve will be used to offset bond principal payments as that reserve is no longer required. The Municipal Subdistrict was approved for an addendum to the Colorado Water Conservation Board loan of \$65.0 million by the Colorado State Legislature in fiscal year 2024, bringing the total loan amount to \$155 million.

Project Map



Participants Map



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

The Municipal Subdistrict's financial statements are prepared in accordance with principles generally accepted in the United States of America (GAAP). Additionally, the Municipal Subdistrict 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 Municipal Subdistrict Board of Directors at the August Planning and Action meeting. The adopted budget becomes effective annually as of October 1, and appropriations lapse at fiscal year-end (September 30).

Allocations

Distribution of costs.

Amendment 1

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

Appropriation

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

Assets

Economic resources owned by the Municipal Subdistrict.

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

The Municipal Subdistrict'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 the Municipal Subdistrict, this is a 13-member group of appointed officials.

Budget

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

Budget Hearing

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

Capital Policy

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

Capital Project

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

Clean Water Act

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

Colorado Local Government Budget Law

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

Commitments

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

Contingency

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

COPs

Certificates of Participation are a 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 of time usually consisting of twelve months. At the end of the fiscal period a government unit determines its financial position and the results of its operations. The Municipal Subdistrict's fiscal period is October 1 to September 30.

Fixed Cost

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

Fund

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

Generally Accepted Accounting Principles

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

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 cost types may include indirect labor, indirect materials and overhead costs.

Internal Controls

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

Long-term debt

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

Net Revenues

Gross revenue less operating and maintenance expenses.

Nonoperating Revenue

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

Operating Revenue

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

Operation and Maintenance (O&M) Expenses

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

Operation and Maintenance Work Plan

A category of master plan items not capital in nature, 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 the Municipal Subdistrict'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 man-made structure that uses a pump to transfer water from one location to another.

Purchase Order

A document which authorizes the delivery of specified services.

Quasi Municipal Corporation

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

Rating

The credit-worthiness of the Municipal Subdistrict as evaluated by independent agencies.

Raw Water

Untreated water.

Reclamation

United States Bureau of Reclamation

Record of Decision

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

Reservoir

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

Revenue Bonds

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

Revenues

Municipal Subdistrict Enterprise Funds are financed through assessments, tax revenues, charges for services and energy revenues.

Risk Management

The Municipal Subdistrict is exposed to various risks of losses.

Statutory Property Tax Revenue Limit

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

Strategic Plan

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

Supplemental Budget Request

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

Taxing Increment Finance District

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

TIF

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

Type of Expenditure

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

Water Conservancy District

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

Water Efficiency

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

Water Revenues

Revenues generated through billing process from the delivery of water.

Works

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

Working Capital

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

APPROPRIATION

MUNICIPAL SUBDISTRICT NORTHERN COLORADO WATER CONSERVANCY DISTRICT

RESOLUTION MS-410-08-24

APPROPRIATION RESOLUTION

WHEREAS, the Board of Directors of the Municipal Subdistrict, Northern Colorado Water Conservancy District, appointed Bradley D. Wind, Secretary and General Manager; Gerald A. Gibbens, Treasurer and Operations Division Director; Sander Blackburn, Finance and Administrative Services Division Director; Kristyn Unrein, Financial Services Department Manager; Myles Baker, Senior Financial Analyst; and Shwan Cyr, Senior Financial Analyst to prepare a Budget for Fiscal Year 2025; and they have submitted the same to said Board and caused to be published the requisite Notice of Hearing; and

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of the Municipal Subdistrict, Northern Colorado Water Conservancy District, hereby approves and adopts the Budget of the Municipal Subdistrict, Northern Colorado Water Conservancy District Fund, as submitted by the duly appointed Budget Officers and appropriates the aggregate sum of \$100,050 for Fiscal Year 2025, for the purpose of paying the cost of all Board contractual obligations; and the expenses for the transaction of all such other business functions and activities found by said Board to be necessary and convenient; and

NOW THEREFORE, BE IT RESOLVED, that the Board of Directors of the Municipal Subdistrict, Northern Colorado Water Conservancy District, hereby approves and adopts the Budget of the Municipal Subdistrict, Northern Colorado Water Conservancy District-Windy Gap Water Activity Enterprise Fund as submitted by the duly appointed Budget Officers and appropriates for Fiscal Year 2025 the aggregate sum of \$9,757,898 for the purpose of paying the cost of all contractual obligations; purchasing of capital items; meeting the expenses required to conserve, allocate, and control the water supplies of the Subdistrict including the expense of administration, engineering, operation and maintenance of all works, facilities, properties, and functions necessary for the distribution and beneficial utilization of those water supplies; and the expenses for the transaction of all such other business functions and activities found by said Board to be necessary and convenient; and

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of the Municipal Subdistrict, Northern Colorado Water Conservancy District, hereby approves and adopts the Budget of the Municipal Subdistrict, Northern Colorado Water Conservancy District - Windy Gap Firming Project Water Activity Enterprise Fund as submitted by the duly appointed Budget Officers and appropriates for Fiscal Year 2025 the aggregate sum of \$161,820,995 for the purpose of paying the cost of all contractual obligations; and the expenses for the transaction of all such other business functions and activities found by said Board to be necessary and convenient; and

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

BE IT FURTHER RESOLVED, that the funds required for the sums so appropriated shall be provided in the manner and by the means adopted by the Board of Directors, Municipal Subdistrict, Northern Colorado Water Conservancy District; 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 2024 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 2025.

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 the Municipal Subdistrict, Northern Colorado Water Conservancy District, at a Planning Session meeting of said Board held in Berthoud, Colorado, on August 1, 2024.


Secretary

