



Municipal Subdistrict

2025

Annual Budget



📍 220 Water Avenue
Berthoud, CO 80513

🌐 www.NorthernWater.org



TABLE OF CONTENTS

Table of Contents	2
General Manager Transmittal Letter.....	4
Distinguished Budget Presentation Award	6
About The Municipal Subdistrict	7
The Windy Gap Project	8
Water Allotment Contracts.....	8
Carriage Contract	8
In-lieu Deliveries	8
History	9
A Coalition of Six Cities.....	9
A Geologic Cut Called Windy Gap.....	9
Municipal Subdistrict Formed	9
Windy Gap Project Mitigation.....	9
Windy Gap Firming Project	9
Service Area and Participants.....	10
Largest Employers	11
Largest Project Participants.....	12
Population and Job Trends.....	15
Board of Directors	16
Board Committees.....	17
Organizational Chart	18
Our Business Plan	19
Our Mission.....	19
Our Vision.....	19
Our Priorities	19
Our Values and Principles	19
Budget Process	20
Budget Schedule.....	20
Amending the Budget.....	20
Fiscal Policies	21
Balanced Budget.....	21
Reserve Fund Policy.....	21
Charges for Services.....	21
Intergovernmental Grants.....	21
Risk Management.....	21
Investments.....	21
Capital Policy.....	21
Basis of Accounting	21
Capital Contributions	22
Fund Structure and Budget Appropriations – All Funds	23
Organizational Metrics.....	24
Priority: Collect and Deliver Water	24
Priority: Maintain and Strengthen Relationships	25
Social Media.....	25

Priority: Protect and Conserve Water Supplies.....	26
Environmental Services Outreach and Education	26
Environmental Services Impressions.....	26
Fund Landscape Conversion Projects to Low-Water Alternatives.....	26
Priority: Cultivate Operational and Organizational Excellence.....	27
Municipal Subdistrict District Fund Overview	28
Budget Summary.....	28
Windy Gap Water Activity Enterprise Fund	29
Fund Overview.....	30
Budget Summary.....	31
Revenues.....	32
Municipal Subdistrict Fund Revenues	32
Water Assessments.....	32
Carriage Delivery Assessment.....	33
Operations and Maintenance Assessment.....	33
Pumping Energy/Wheeling.....	34
Expenses.....	35
Operating and Maintenance	36
Program Expenses	38
Senior Management Program.....	39
Communications Program.....	40
Contracts Program.....	41
Field Services Program.....	42
Financial Services Program.....	43
Project Management Program.....	44
Real Estate Program.....	45
Security and Emergency Management Program.....	46
Water Quality Program.....	47
Water Resources Program.....	48
Water Rights Program.....	49
Capital Projects	50
Debt Service Expenditures.....	51
Priorities	51
Strategies.....	51
Capital Projects, Initiatives and Studies Details.....	52
Capital Outyears.....	52
Windy Gap Firing Water Activity Enterprise Fund	53
Fund Overview.....	54
Budget Summary.....	56
Capital Expenditures.....	57
Chimney Hollow Construction.....	57
Financing Structure.....	58
Project Map.....	59
Participants Map.....	60
Acronyms	61
Glossary	63
Appropriation	69

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 2025. 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 the 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 2025 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 50 percent completion and remains on schedule for operational activities in late 2025.

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

Fiscal Year 2025 Budget Summary and Highlights

Windy Gap Water Activity Enterprise Fund

Total Sources of Funds are estimated to be approximately \$9.3 million, or approximately 250.0 percent lower than fiscal year 2024, due to:

- No change in assessment deferral charge - \$36 per acre-foot
- No funds will be collected from participants and no new grant funds will be sought for the Colorado River Connectivity Channel as it will be completed in early fiscal year 2025

Operating expenses of \$6.9 million reflect a decrease of \$250,550, or approximately 3.5 percent lower than fiscal year 2024, due to:

- Pump plant, pipeline, reservoir and dam expenses increasing by approximately \$225,000
- Program expenses decreasing by approximately \$650,000

Capital project expenditures of \$2.9 million are planned primarily for completion of the Colorado River Connectivity Channel.

Windy Gap Firming Project Water Activity Enterprise Fund

- Total Sources of Funds are estimated to be \$27.1 million, \$2.5 million more than fiscal year 2024, due to:
 - Contributions of approximately \$18.7 million will be collected from participants
 - Interest income is forecasted to increase significantly
- Capital Project expenditures include \$131.2 million for construction, mitigation and enhancements for Chimney Hollow Reservoir

We believe the budget for the Municipal Subdistrict's fifty-fifth 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, flowing style.

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, 2023

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 for use within or outside Municipal Subdistrict boundaries.

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 55.0 percent of the operating budget or \$4.0 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 2025 will be \$37.82 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

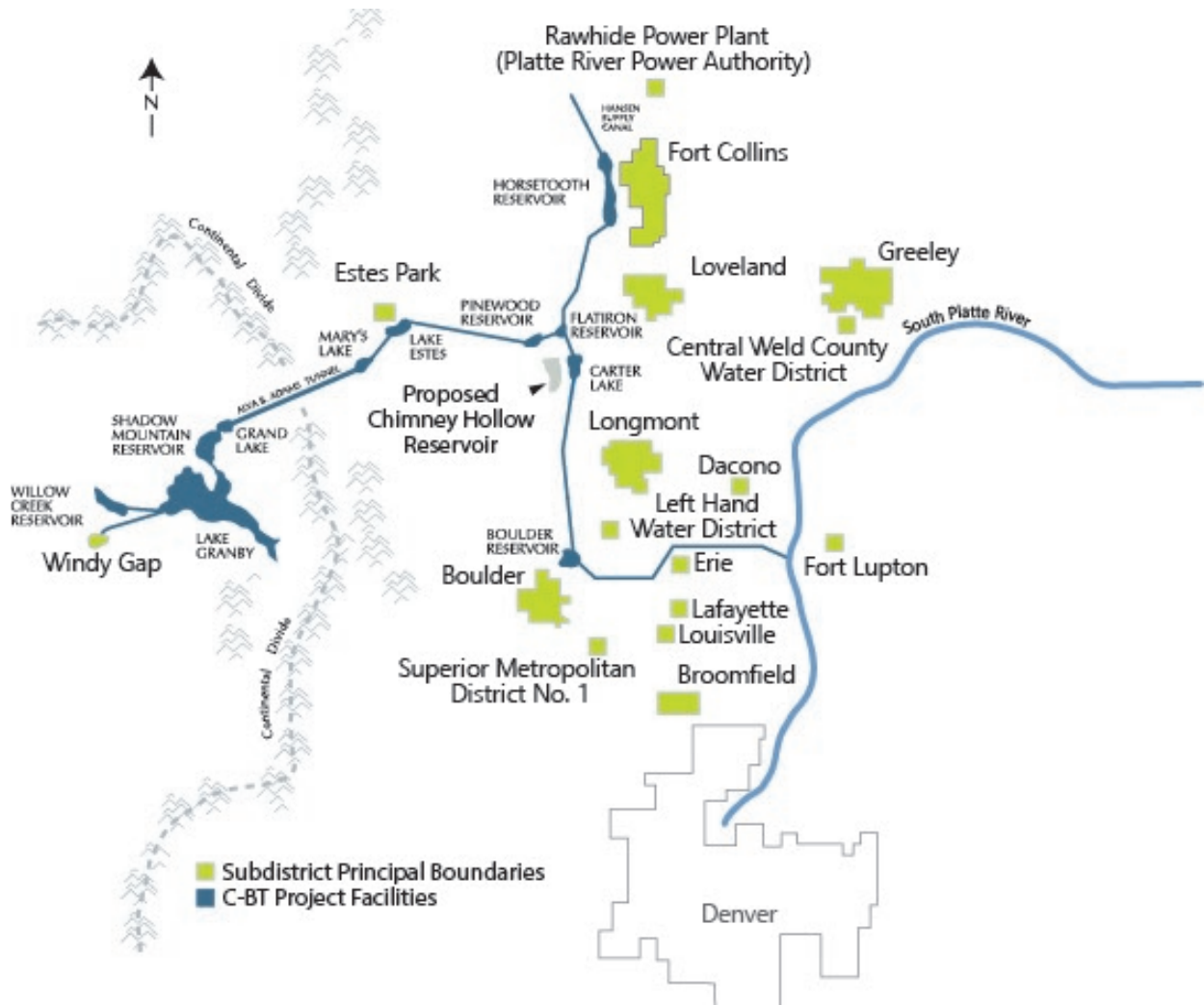
The Municipal Subdistrict is required by the Water Conservancy Act to design, construct and operate the Windy Gap Project in a manner that will not impair the Colorado River Basin or increase costs to its water users. To satisfy the requirement of the 1981 Environmental Impact Statement, the Municipal 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 mid-2025, at which time filling the reservoir is anticipated to take three years.

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	19	4.0%
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	9,620
2	Colorado State University	7,554
3	Poudre School District	4,176
4	Thompson School District R2-J	2,476
5	City of Fort Collins	2,400
6	Larimer County	2,050
7	YMCA of the Rockies	1,470
8	Woodward Inc.	1,420
9	Orthopedic & Spine Center of the Rockies	1,180
10	Avago Technologies US Inc	1,130
Sum of largest employers		33,476
Full labor force December 2023		200,963

Rank	Boulder County Employer *	Employment
1	Ball Aerospace & Technologies Corp.	5,200
2	Boulder Community Health	2,300
3	Google	1,500
4	Good Samaritan Medical Center	1,200
5	University Corps for Atmos Research	1,200
6	Longmont Community Hospital	1,000
7	Seagate Technology	900
8	Tyco Healthcare Group LP	700
9	Avista Adventist Hospital	600
10	IBM	600
Sum of largest employers		15,200
Full labor force December 2023		204,165

Rank	Weld County Employer	Employment
1	JBS Swift Beef Company	6,000
2	Banner Health: Northern Colorado Medical Center	3,560
3	Vestas	2,710
4	Greeley/Evans School District 6	2,258
5	Weld County Government	1,823
6	University of Northern Colorado	1,488
7	City of Greeley	1,145
8	UCHealth	1,060
9	State Farm Insurance	950
10	Aims Community College	934
Sum of largest employers		21,928
Full labor force December 2022		168,716

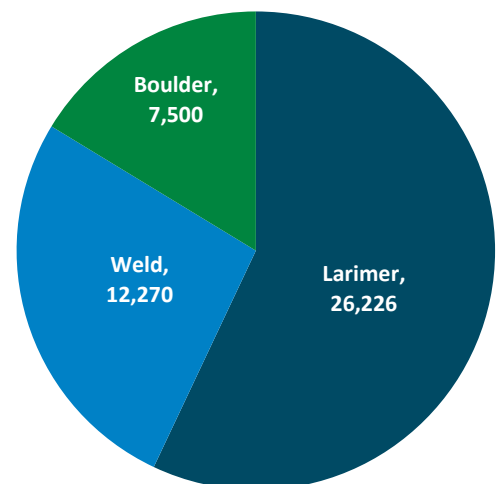
Rank	Broomfield City and County Employer	Employment
1	Oracle America	1,650
2	Intermountain (formerly SCL) Health Care	1,550
3	BAE Systems (formerly Ball Aerospace)	1,100
4	Hunter Douglas Window Fashions	950
5	City and County of Broomfield	900
6	Vail Resorts	750
7	Danone Wave Foods	600
8	Crocs	600
9	Broadcom, Inc.	500
10	VMware	400
Sum of largest employers		9,000
Full labor force December 2023		43,350

Source of largest employers: Reporting Entity 2022 Annual Comprehensive Financial Report

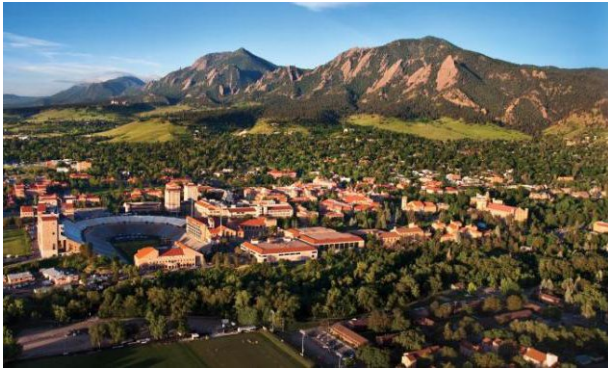
* Source of largest Boulder County Employer: 2022 Annual Comprehensive Financial Report, private employers only

Top Ten Employers – Combined

Rank	Employer	County	Employment
1	UCHealth: Poudre Valley Hospital	Larimer	9,620
2	Colorado State University	Larimer	7,554
3	JBS Swift Beef Company	Weld	6,000
4	BAE Systems (formerly Ball Aerospace)	Boulder	5,200
5	Poudre School District	Larimer	4,176
6	Banner Health: Northern Colorado Medical Center	Weld	3,560
7	Vestas	Weld	2,710
8	Thompson School District R2-J	Larimer	2,476
9	City of Fort Collins	Larimer	2,400
10	Boulder Community Health	Boulder	2,300
Sum of largest employers			45,996



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.



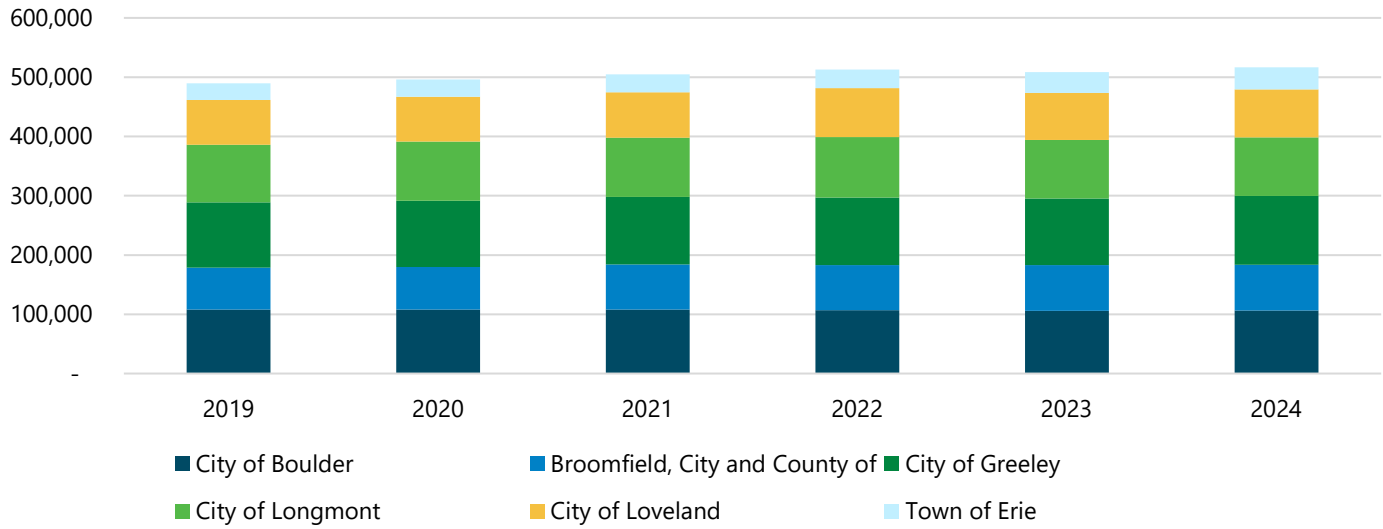
Little Thompson Water District

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)

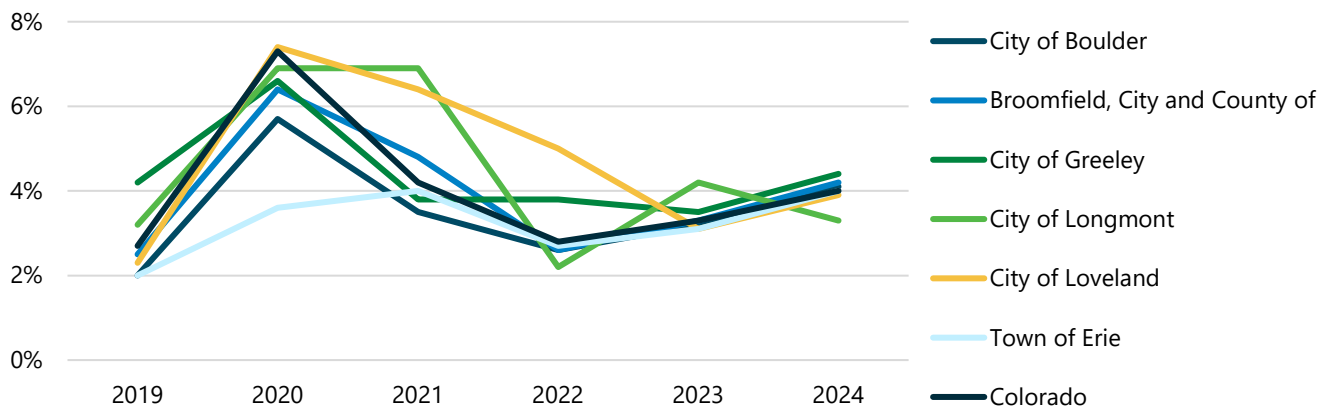
Population Trends

Six Largest Windy Gap Project Participants Municipalities



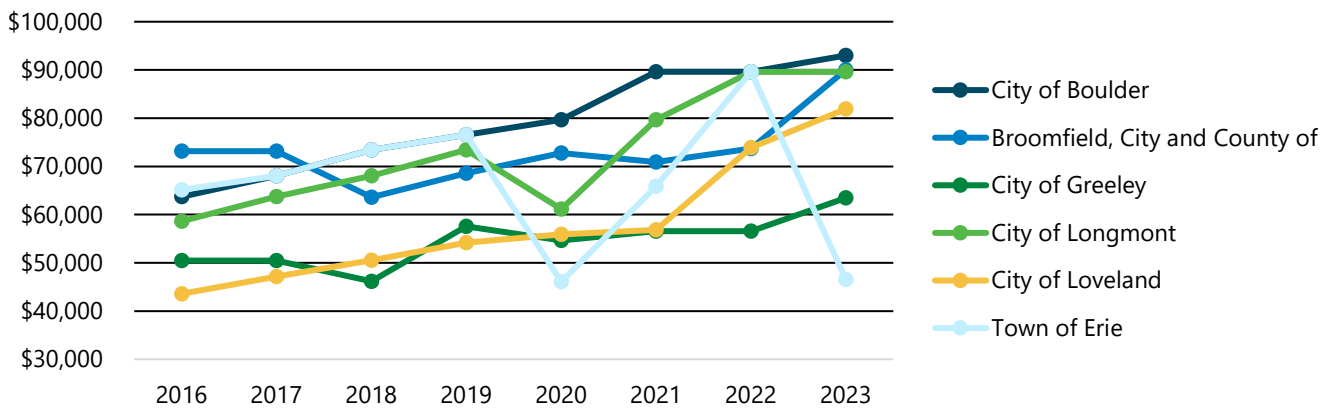
Unemployment Rate

Six Largest Windy Gap Project Participants Municipalities



Per Capita Income

Six Largest Windy Gap Participants Municipalities

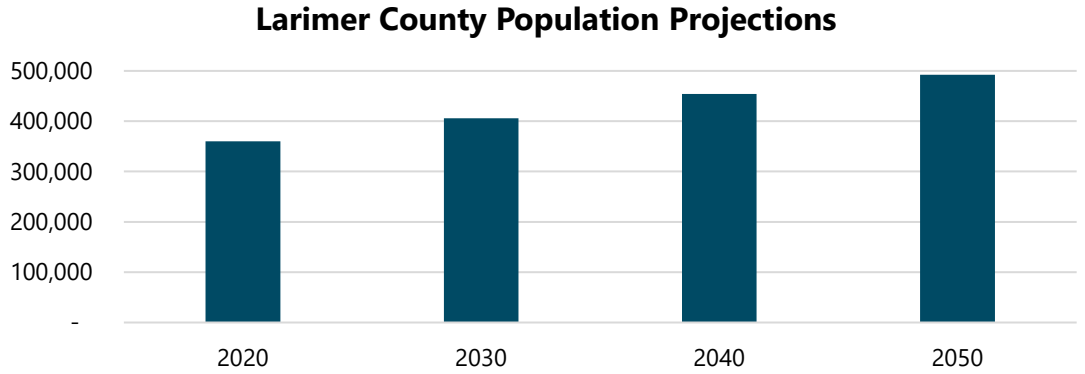


Sources: Government agency ACFR report.

POPULATION AND JOB TRENDS

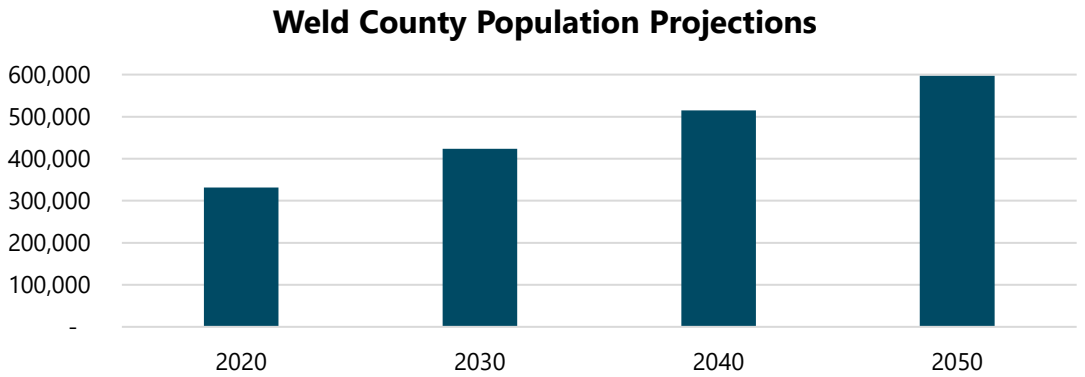
Larimer County

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



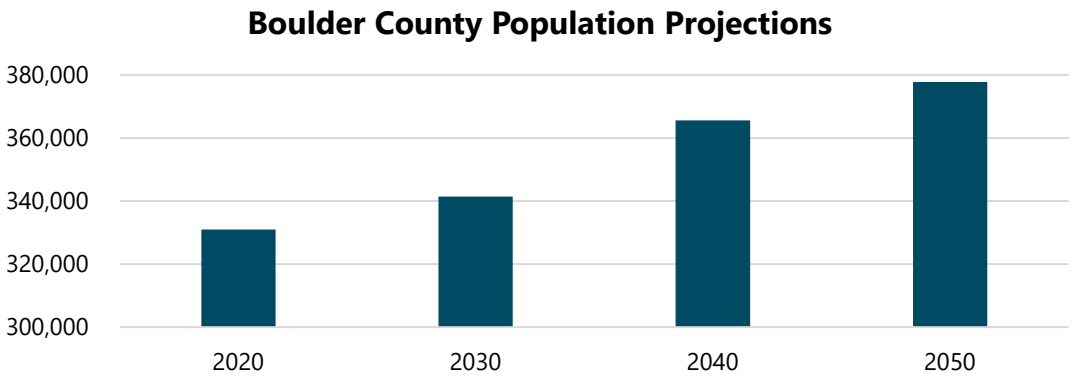
Weld County

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

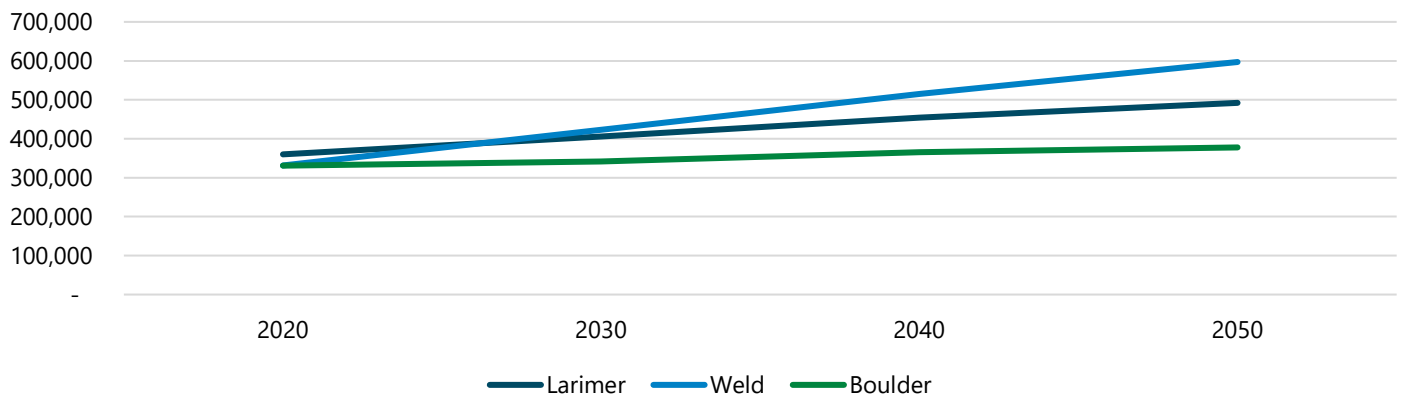


Boulder County

	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, 2025
✓



Dick Wolfe
Vice President
Broomfield County
April 7, 2022 – Sept. 28, 2025
✳



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



Sue Ellen Harrison
Boulder County
Sept. 28, 2009 – Sept. 29, 2026
✓



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, 2025
✓



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



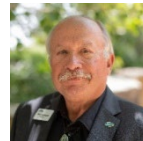
Dale Trowbridge
Weld County
Aug. 15, 2014 – Sept. 28, 2027
✳ ◆ ✓



Todd Williams
Boulder County
Sept. 28, 2017 – Sept. 28, 2025
✳ ▶ ◆ ✓



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.

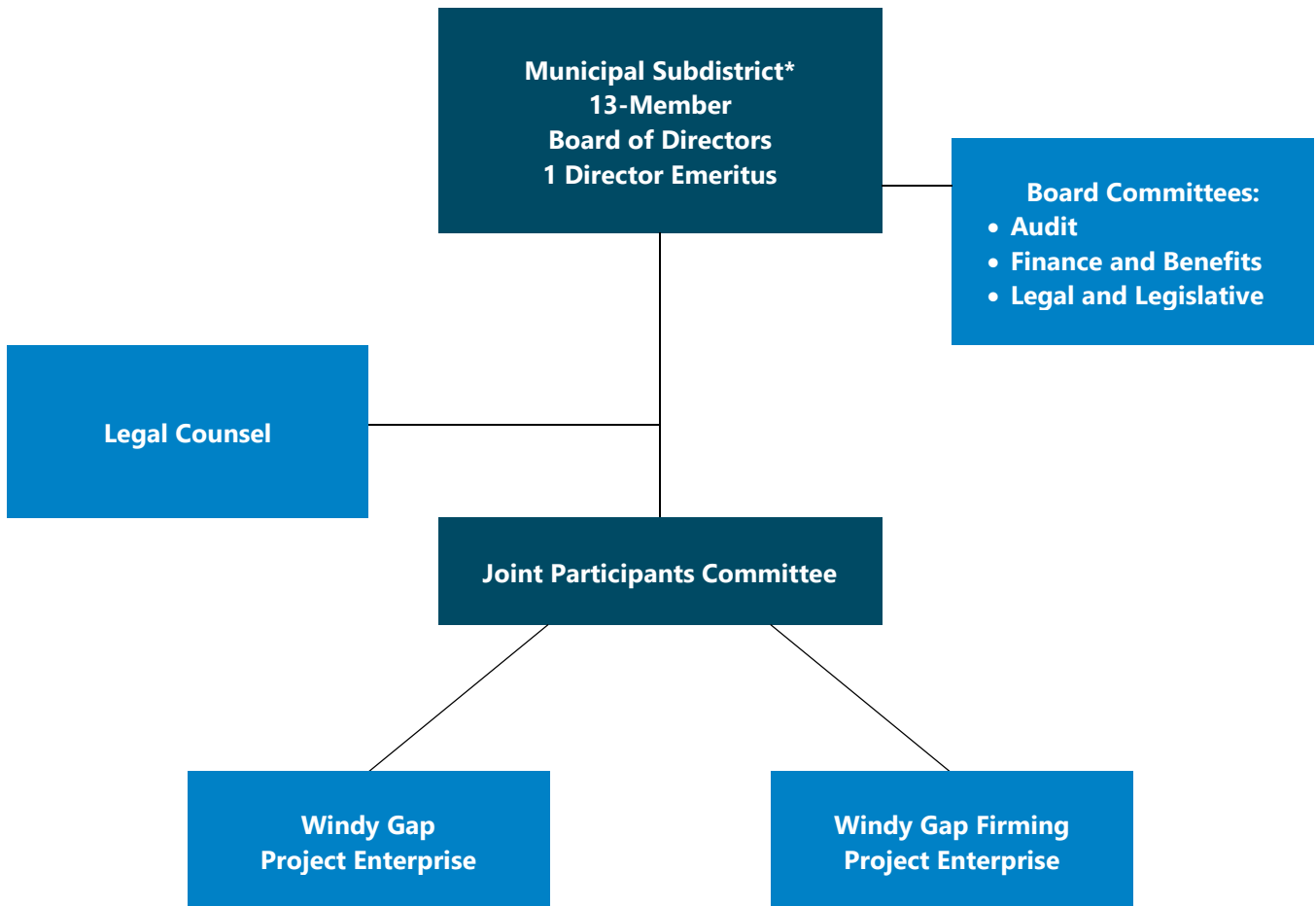
The Audit Committee meets semi-annually, or more often as necessary, to initiate and then conclude each year's annual financial audit process. The committee receives the auditor's findings and recommendations for changes to policy and procedures. The committee works closely with the independent auditors 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 May 9, 2024, appointed Bradley Wind, Gerald Gibbens, Sander Blackburn, Kristyn Persichitte-Unrein, Myles Baker and Shawn Cyr as budget officers and directed them to prepare and submit the requisite budgets of Northern Water for fiscal year 2025. 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 27, 2024. The 2025 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											
Formulate key goals and objectives											
Identify major budget assumptions											
Review and final recommendations of budget by Senior Management team											
Appointment of budget officers and prepare budget reports											
Deliver budget to the Board											
Board holds public hearing and adopts the budget											
File budget with the State of Colorado											

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 \$100,000, whether budgeted or unbudgeted, must be authorized by the Municipal Subdistrict Board. Purchase of capital assets over \$100,000, 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

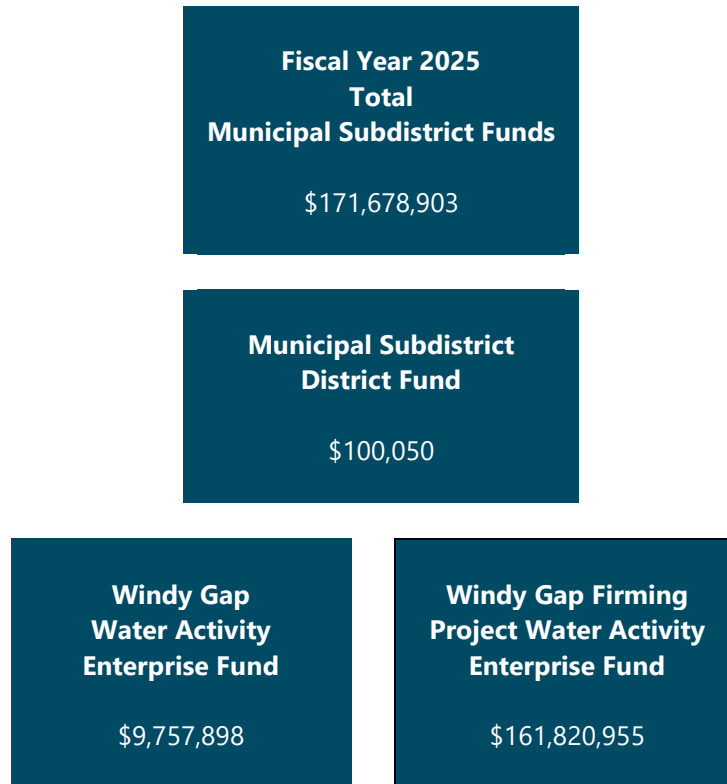
Capital contributions consist of payments from participants for the funding of the Windy Gap Firing Project. Also, payments received for the Colorado River Connectivity Channel are accounted for as contributions. In the Statement of Revenues, Expenses and Changes in Net Position, capital contributions 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 52).

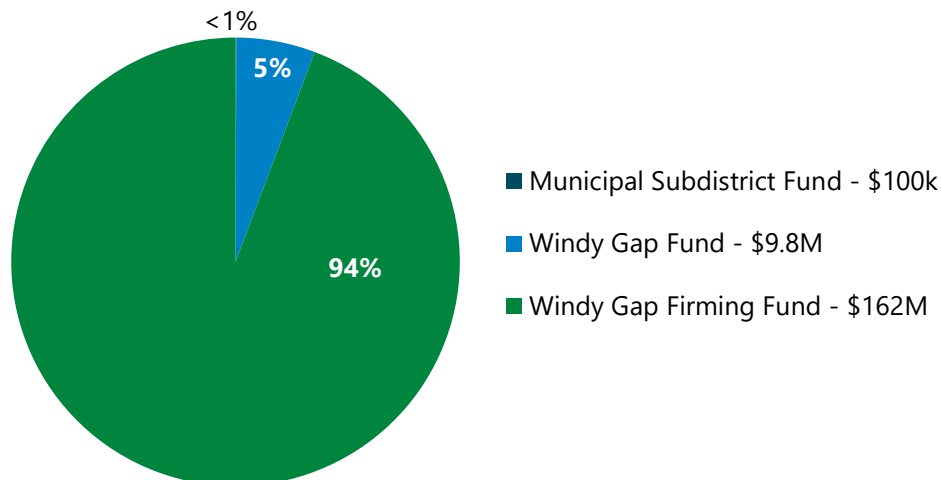
FUND STRUCTURE AND BUDGET APPROPRIATIONS – ALL FUNDS

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



Percentage of Appropriation by Fund



ORGANIZATIONAL METRICS

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

Priority: Collect and Deliver Water

As a raw water supplier, it is incumbent that 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 2022 to 2023 were in part due to:

- Decreased water deliveries from 25,459 acre-feet to 21,116 acre-feet.
- Increased expenses associated with a growing organization.

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

Sources: Acre-feet delivered reported in Northern Water 2023 Annual Comprehensive Financial Report. 2024 data not available at this time.

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 two years, 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

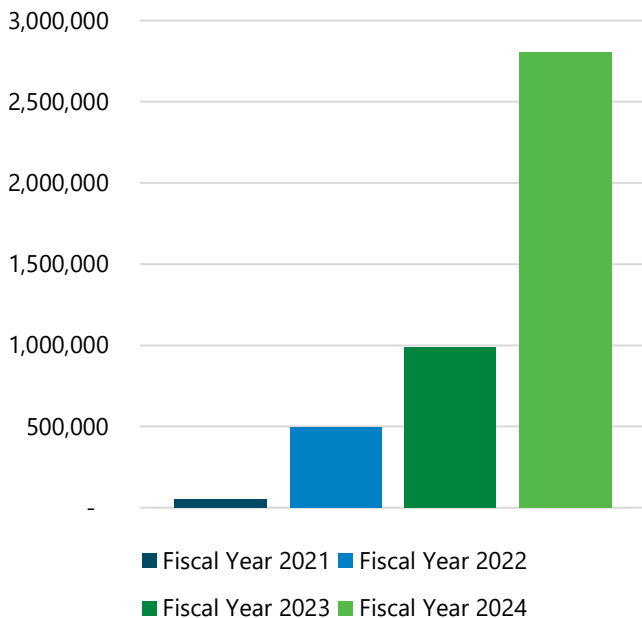
Impressions

Impressions are the number of times a person sees content across social media platforms (X and Facebook). In fiscal year 2024, the Municipal Subdistrict’s total impressions was 2,805,541. This was an increase of 1,806,268, or 367.4 percent, from fiscal year 2023. This increase is due to growing interest in the construction of the Chimney Hollow Reservoir and an increased effort to engage with the general public.

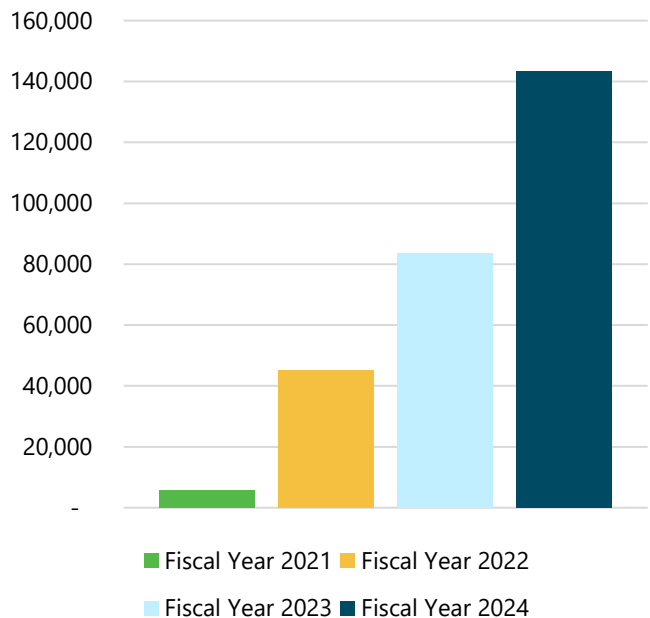
Engagement

Engagement is the number of times people comment, like or share content. Total social media engagement for fiscal year 2024 was 143,252, which was an increase of 59,691 or 71.4 percent. The most engagement came from Facebook, which accounted for 99.0 percent of all engagement. 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 2024, the Environmental Services Department participated in 90 events. This is an increase of nine from fiscal year 2024.

Environmental Services Impressions

In fiscal year 2024, Northern Water’s Environmental Services made 5,934 impressions at the various events. An impression in this case is the number of times we engage with people. This was an increase of 3,777 from fiscal year 2024. The annual goal is 1,000 impressions.

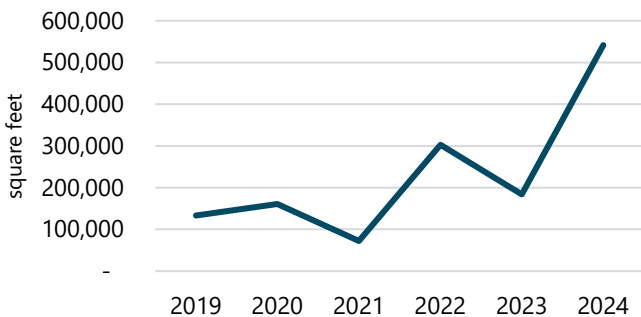
Fiscal Year	Events	Impressions
2021	51	900
2022	62	1,213
2023	81	2,157
2024	90	5,934

Fund Landscape Conversion Projects to Low-Water Alternatives

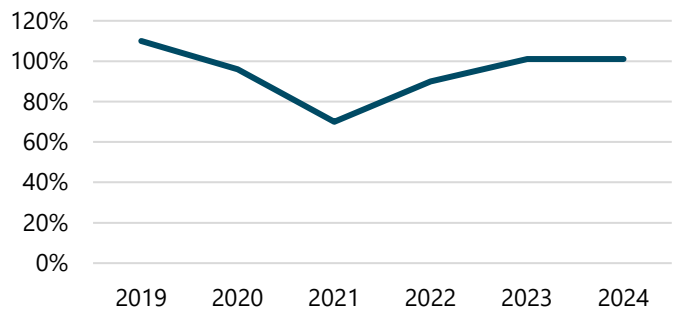
Northern Water offers grants to homeowners’ associations and public agencies to convert their landscape to low water alternatives. This is a competitive process and in fiscal year 2024, 101 percent of the budgeted grant money was distributed to fund the conversion of 541,601 square feet.

Fiscal Year	Square Feet	Percentage of Budget Used
2019	133,445	110.0%
2020	161,120	96.0%
2021	72,303	70.0%
2022	302,803	90.0%
2023	184,058	101.0%
2024	541,601	101.0%

Low Water Landscape Conversions



Percent of Budgeted Grant Dispersed



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 2022 to fiscal year 2023, there is a decrease in the Assets-to-Liabilities. This is a result of decreased investment balances.

Additionally, the Current Ratio increased in fiscal year 2023 as compared to 2022 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
Assets-to-Liabilities	7.2	5.1
Debt-to-Assets	0.0	0.0
Operating Ratio	0.8	1.0
Current Ratio	0.1	1.9
Current Assets as a Percent of Revenues	252.2%	336.1%

The Windy Gap Water Activity Enterprise Fund's liquidity position has historically been strong. At fiscal year-end 2023, unrestricted cash and investments totaled \$21.6 million, representing about 1,105 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 2024 to fiscal year 2025.

Budget Summary

	Fiscal Year 2023 Actual	Fiscal Year 2024 Budget	Fiscal Year 2024 Estimated Actual	Fiscal Year 2025 Budget	Dollar Change From Fiscal Year 2024 Budget	Percentage Change From Fiscal Year 2024 Budget
Beginning cash	\$ 24,383	\$ 22,529	\$ 28,484	\$ 31,727		
Sources of Funds						
Revenues						
Contributions	\$ 61,000	\$ 100,050	\$ 55,000	\$ 100,050	-	n/a
Earnings on investments	2	2	1,000	1,000	998	n/a
Total Sources	\$ 61,002	\$ 100,052	\$ 56,000	\$ 101,050	998	n/a
Balance sheet source (use)						
Total funds available	\$ 85,385	\$ 122,581	\$ 84,484	\$ 132,777		
Uses of Funds						
Expenses						
Board of Directors	\$ 56,901	\$ 100,050	\$ 52,757	\$ 100,050	-	n/a
Total Uses	\$ 56,901	\$ 100,050	\$ 52,757	\$ 100,050	-	n/a
Ending cash	28,484	22,531	31,727	32,727		
Total funds accounted for	\$ 85,385	\$ 122,581	\$ 84,484	\$ 132,777		
Board expenses						
FICA	\$ 1,580	\$ 2,200	\$ 918	\$ 2,200	-	n/a
Legal Fees	12,640	37,950	7,343	37,950	-	n/a
Directors' fees	25,200	28,800	28,800	28,800	-	n/a
Travel /lodging/meals/data	17,381	25,500	10,096	25,500	-	n/a
Bonds	100	5,600	5,600	5,600	-	n/a
Total	\$ 56,901	\$ 100,050	\$ 52,757	\$ 100,050	-	-

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 2025 operating and capital budget totals \$9,757,898. This represents a decrease of \$11,197,338 or 46.6 percent from the fiscal year 2024 budget. The decrease is due to a combination of the Colorado River Connectivity Channel Project nearing completion and a decrease in capital projects to \$360,000. Total revenues of \$9,061,976 represents a decrease of \$7,865,769 from the 2024 budget. This decrease is related to the lower contributions for the Colorado River Connectivity Channel in fiscal year 2025.

<p>Beginning Cash and Reserves \$12,658,432</p>	<p>Sources of Funds \$9,061,976</p>	<p>Uses of Funds \$9,757,898</p>	<p>Ending Cash and Reserves \$11,266,588</p>
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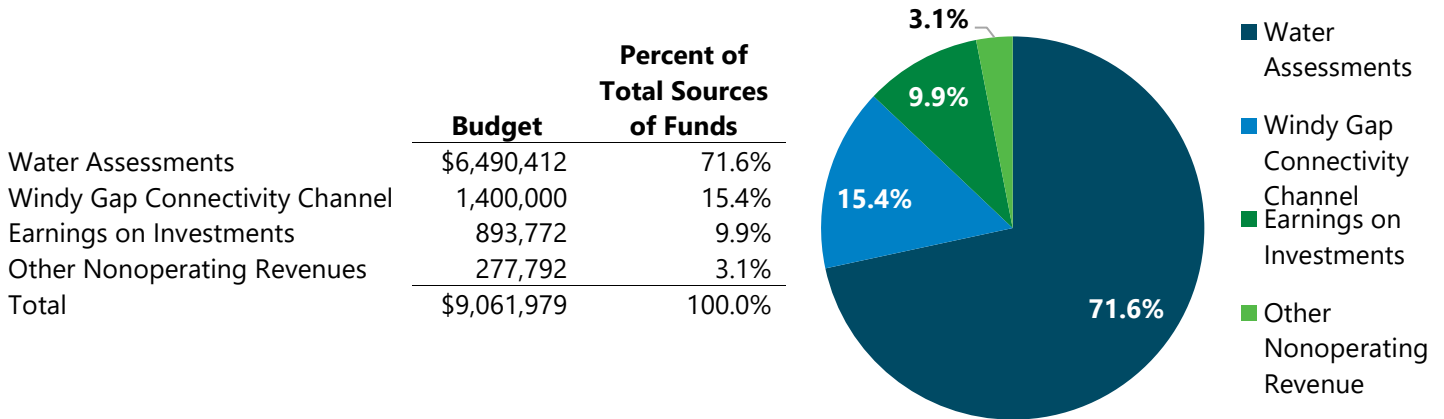
Budget Summary

	Fiscal Year 2023 Actual	Fiscal Year 2024 Budget	Fiscal Year 2024 Estimated Actual	Fiscal Year 2025 Budget	Dollar Change From Fiscal Year 2024 Budget	Percentage Change From Fiscal Year 2024 Budget
Beginning Cash & Reserves						
Unrestricted	\$10,743,334	\$13,519,739	\$13,519,739	\$12,658,432	\$ (861,307)	(6.4%)
Total	\$10,743,334	\$13,519,739	\$13,519,739	\$12,658,432	\$ (861,307)	(6.4%)
Sources of Funds						
Operating Revenues						
Carriage Delivery Costs	\$3,838,667	\$ 3,578,973	\$ 5,589,199	\$ 3,744,262	165,289	4.6%
Pumping and Wheeling	-	1,000,098	-	1,018,150	18,052	1.8%
Water Assessments	1,728,000	1,728,000	1,728,000	1,728,000	-	0.0%
Total operating revenues	\$5,566,667	\$6,307,071	\$7,317,199	\$ 6,490,412	183,341	2.9%
Other Revenues						
Earnings on Investments	\$ 906,802	\$ 671,827	\$ 845,174	\$ 893,772	221,945	33.0%
Rental Income	2,525	1,007	4,000	4,000	2,993	297.2%
Other Nonoperating Revenue	1,300	22,499	22,499	23,793	1,294	5.8%
Intergovernmental Revenue - Connectivity Channel	12,673,557	9,742,000	9,742,000	1,400,000	(8,342,000)	(85.6%)
Adaptive Management Grant Revenue	-	-	-	250,000	250,000	100.0%
Total other revenues	\$13,584,184	\$10,437,333	\$10,613,673	\$ 2,571,564	(7,865,769)	(75.4%)
Total Sources	\$19,150,851	\$16,744,404	\$17,930,872	\$ 9,061,976	(7,682,428)	(45.8%)
Balance Sheet Source (Use)		-	-	(695,922)		
Total Funds Available	\$29,894,185	\$30,264,143	\$31,450,611	\$21,024,486		
Uses of Funds						
Operating Expenses						
Carriage Delivery	\$2,563,948	\$4,125,350	\$3,589,848	\$ 4,199,500	74,150	1.8%
Pumping Energy & Wheeling	-	1,000,098	-	1,018,150	18,052	1.8%
Operation & Maintenance Programs (Eng., Enviro. Svcs., F&A, Sr. Mgm't.)	1,841,505	585,000	1,361,304	810,000	225,000	38.5%
Indirect Cost	647,015	1,100,000	478,296	450,000	(650,000)	(59.1%)
	338,000	338,000	338,000	420,248	82,248	24.3%
Total Operating Expenses	\$5,390,468	\$7,148,448	\$5,767,448	\$6,897,898	(250,550)	(3.5%)
Capital - Projects	356,330	1,589,788	1,057,731	110,000	(1,479,788)	(93.1%)
Capital - CRCC Initiative - Adaptive Management	\$12,759,306	11,967,000	11,967,000	2,500,000	(9,467,000)	(79.1%)
	-	-	-	250,000	250,000	100.0%
Total Capital & Initiatives	\$13,115,636	\$13,556,788	\$13,024,731	\$2,860,000	(10,696,788)	(78.90%)
Total Expenditures	\$18,506,104	\$20,705,236	\$18,792,179	\$9,757,898	(10,947,338)	(52.9%)
Contingency Appropriation	-	250,000	-	-	(250,000)	(100.0%)
Total Uses	\$18,506,104	\$20,955,236	\$18,792,179	\$ 9,757,898	(11,197,338)	(53.4%)
Ending Cash & Reserves						
Unrestricted	\$11,388,081	\$9,308,907	\$12,658,432	\$11,266,588		
Total	\$11,388,081	\$9,308,907	\$12,658,432	\$11,266,588		
Total funds accounted for	\$29,894,185	\$30,264,143	\$31,450,611	\$21,024,486		

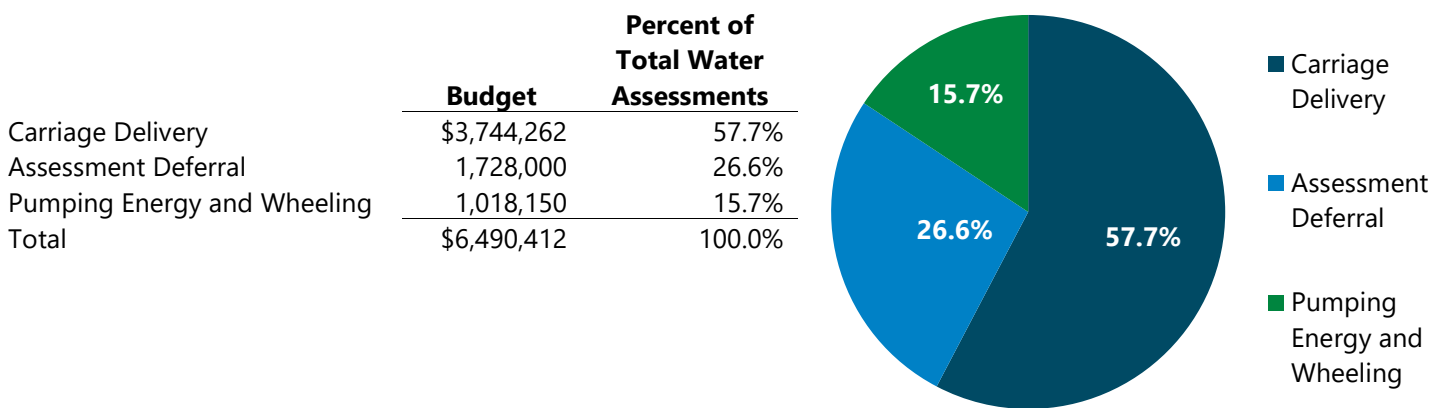
Revenues

Total revenues are expected to be \$9,061,976, which is a decrease of \$7,682,428 from the prior year budget mostly due to fewer contributions to the Colorado River Connectivity Channel in fiscal year 2025. Revenue from wholesale water assessments is estimated to increase by \$182,334 from the fiscal year 2024 budget. Water assessments are estimated on deliveries of 25,000 acre-feet in fiscal year 2025. Pumping energy and wheeling charges associated with pumping at the Windy Gap Pump Plant are projected to be \$29.09 per acre-foot on 35,000 acre-feet. For fiscal year 2025, the charge for the O&M Assessment will be \$36 per acre-foot of ownership in the Windy Gap Project. Other projected revenues for fiscal year 2025 will include \$1,400,000 to the Colorado River Connectivity Channel via intergovernmental revenues; interest earnings of \$893,772 and other income of \$277,792. A summary of total revenues is provided in the charts and graphs below.

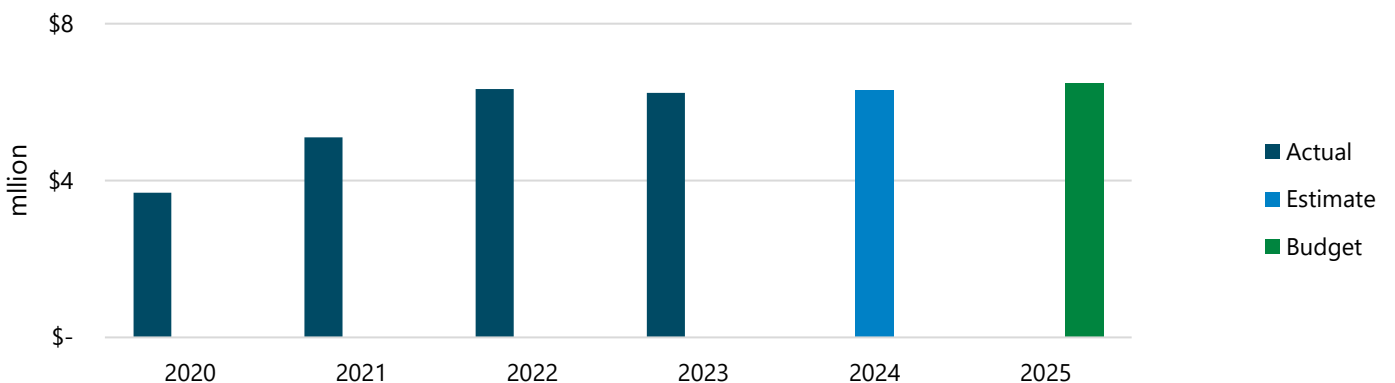
Municipal Subdistrict Fund Revenues



Water Assessments



Windy Gap Annual Carriage Revenues

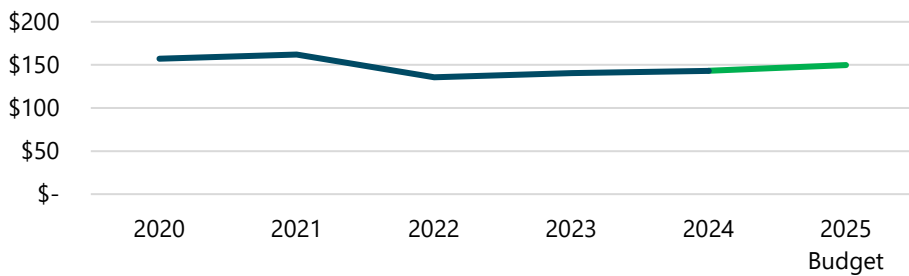


Carriage Delivery Assessment

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 2025, the carriage delivery assessment is projected to be \$149.77 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 \$19.30 per acre-foot in 2025. The Northern Water OM&R charge is estimated to be \$90.25 per acre-foot in 2025. The Unused Capacity charge will be \$37.82 per acre-foot in 2025 per the 2014 Carriage Contract and increases by 1.79 percent each year.

Fiscal Year 2025	Acre-Foot	Charge Per Acre-Foot Per Unit	Total
Carriage Delivery	25,000	\$149.77	\$3,744,262

Windy Gap Carriage Costs Per Acre-Foot

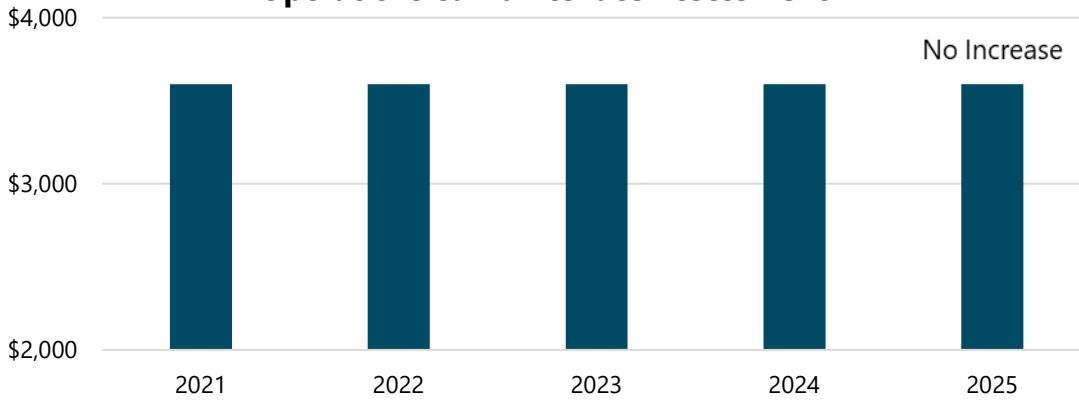


Operations and Maintenance Assessment

The operations and maintenance assessment is used to support all program costs and to maintain and operate the pump station, reservoir, dam, Colorado River Connectivity Channel, and stream gauging stations. For fiscal year 2025, the charge is \$3,600 per ownership unit of Windy Gap Project water, and has not changed since fiscal year 2014. 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 2025	Units	Per Acre-Foot	Total
O&M Assessment	480	\$3,600.00	\$1,728,000

Operations & Maintenance Assessment

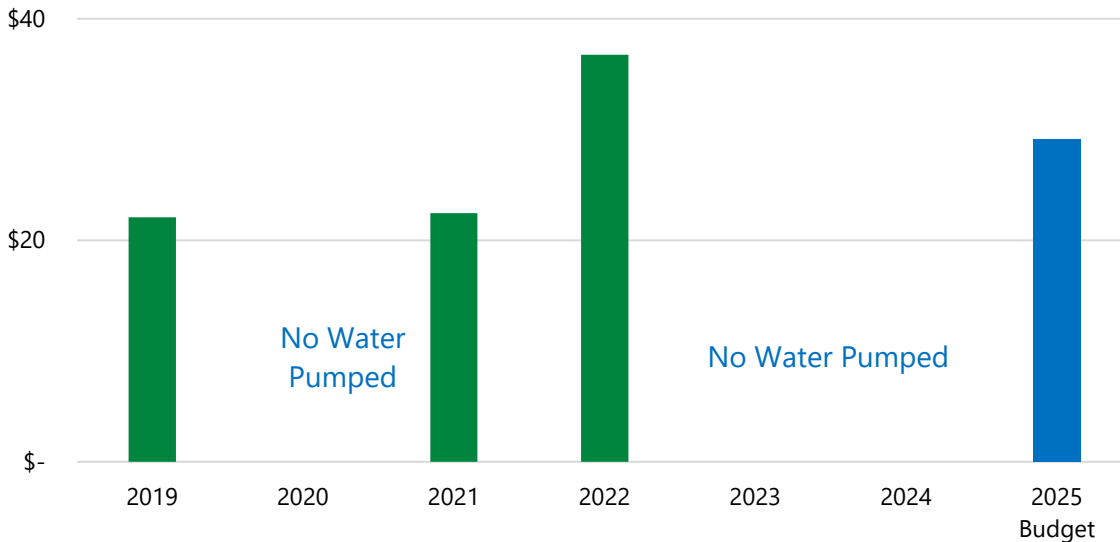


Pumping Energy/Wheeling

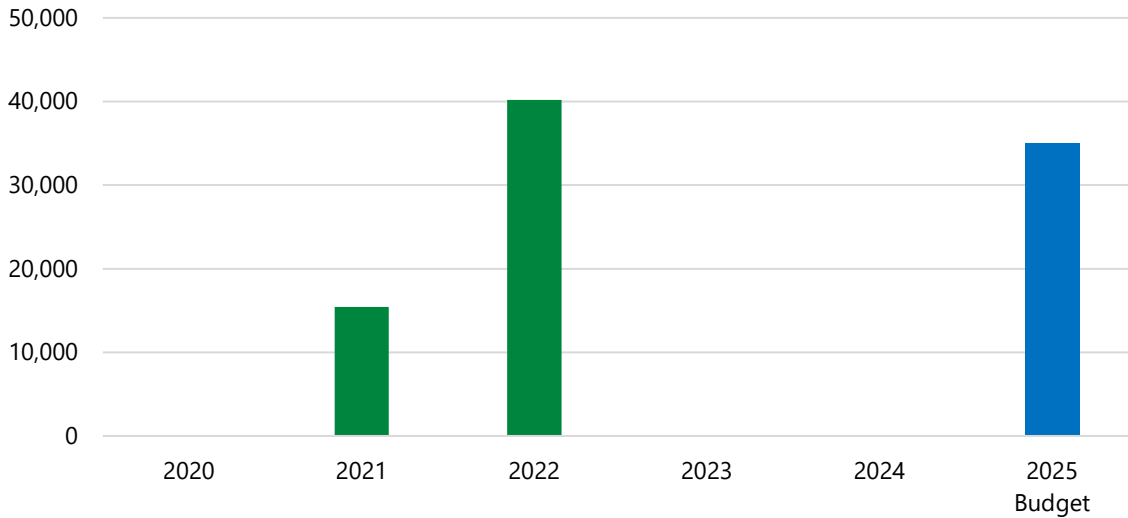
Energy and wheeling assessment are for pumping Windy Gap Project water primarily during April through June from the Windy Gap Reservoir on the Colorado River through a six-mile pipeline to Lake Granby. For fiscal year 2025, the charge is projected to be \$29.09 per acre-foot of water delivered. The amount 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 2025	Units	Per Acre-Foot	Total
Pumping Energy/Wheeling	35,000	\$29.09	\$1,018,150

Energy Weighted Average Cost per Acre-Foot



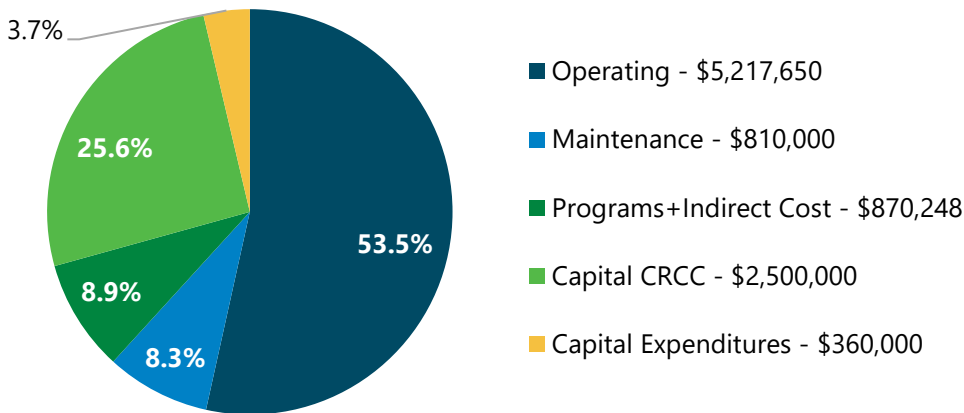
Water Pumped per Acre-Foot



Expenses

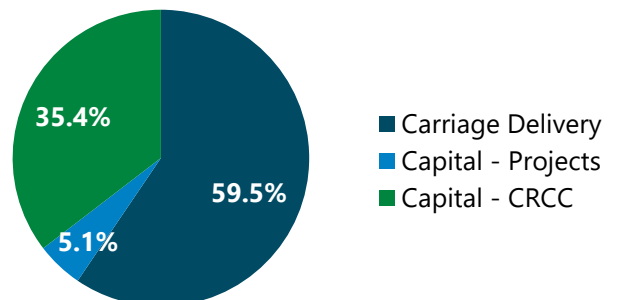
The fiscal year 2025 Windy Gap budgeted expenses are \$9,757,898. The fiscal year 2025 budget represents a decrease of \$11,197,338 from the fiscal year 2024 budget. Operating and maintenance expenditures total \$6,027,650, a \$317,202 increase from the 2024 budget. Program and indirect cost expenses are projected to be \$870,248. Capital additions total \$2,860,000, a decrease of \$10,696,788, primarily resulting from decreased capital project costs due to completion of Colorado River Connectivity Channel construction. The Municipal Subdistrict has no full-time staff, and all personnel services are provided by Northern Water. The Municipal Subdistrict reimburses Northern Water for the actual time incurred spent on Windy Gap activities. Labor reimbursement costs are estimated to decrease by \$53,025 compared to fiscal year 2024.

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

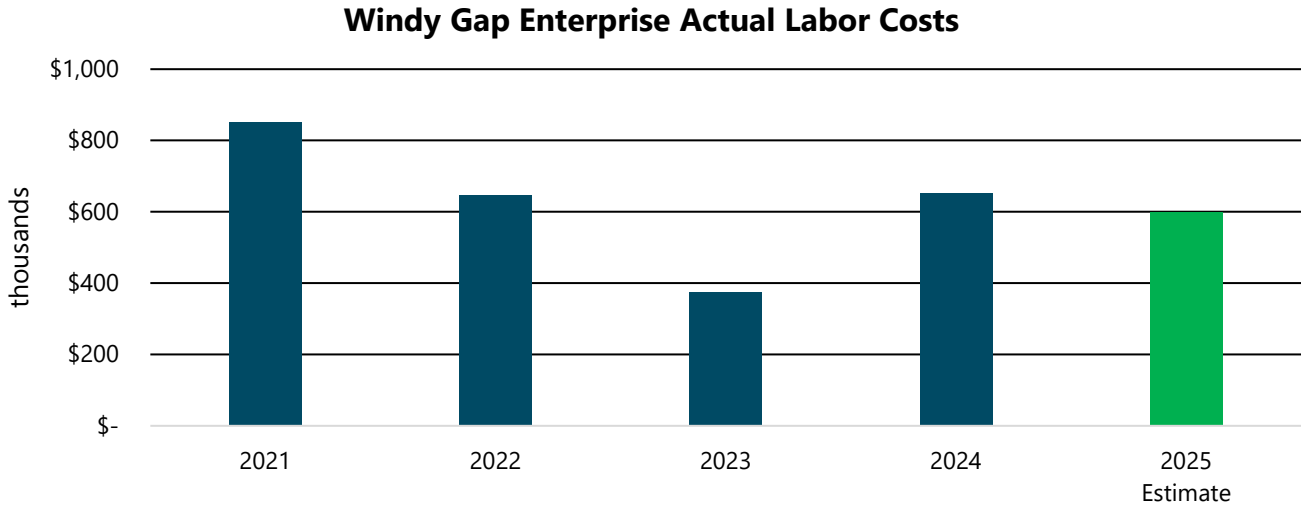


A summary of total expenditures by major expense categories is provided in the chart and graph below.

	Fiscal Year 2025 Budget	Percent of Total Uses of Funds
Carriage Delivery	\$4,199,500	59.5%
Capital – Projects	360,000	5.1%
Capital – CRCC	2,500,000	35.4%
Total Major Expenses	\$7,059,500	100.0%



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

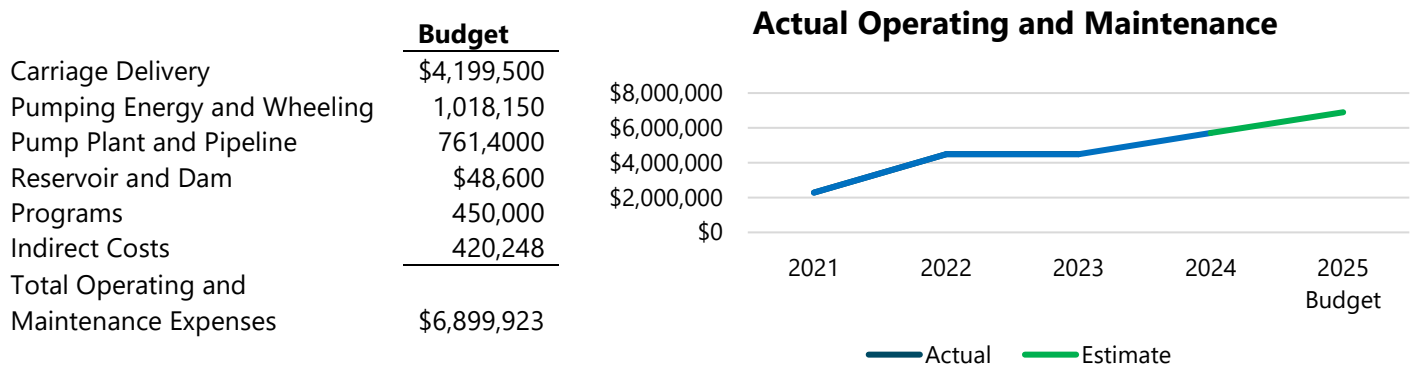


Operating and Maintenance

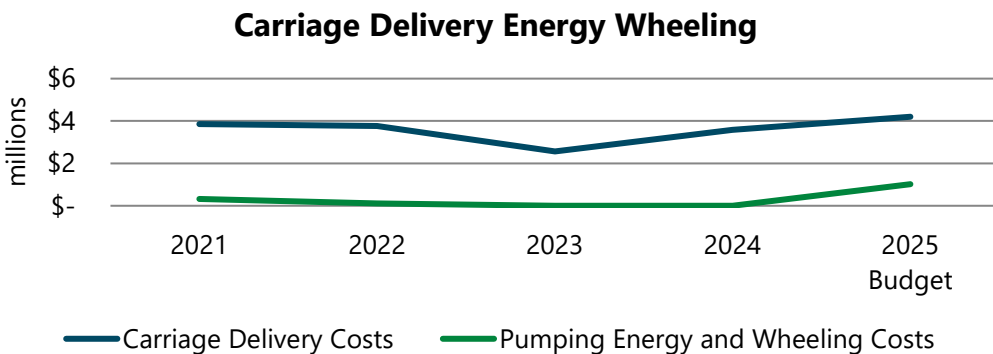
Carriage costs charged by Reclamation and Northern Water for the use of the C-BT Project conveyance and storage system to deliver Windy Gap water are expected to be similar compared to fiscal year 2024 budget.

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 35,000 acre-feet of water are projected to be \$1,018,150 an increase of \$18,052 from the 2024 budget.

A summary of the operating and maintenance expenses (59.5 percent of the total uses of funds) is provided in the table and chart below.

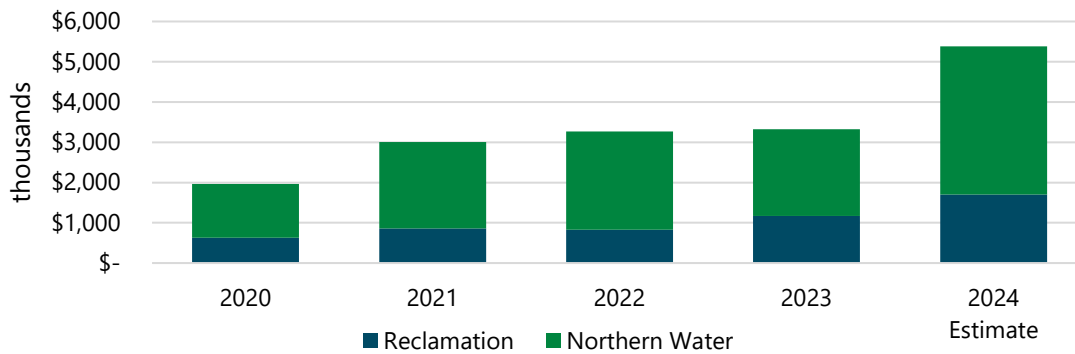


A summary of carriage delivery costs and pumping energy and wheeling costs is provided in the charts below.



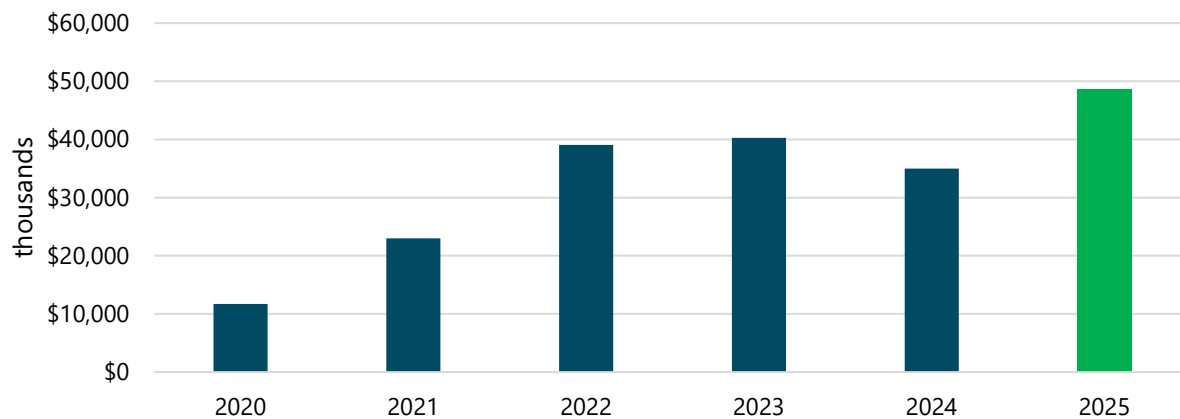
Carriage and delivery costs are paid to Northern Water and Reclamation who both promote operation, maintenance and replacement services to the Municipal Subdistrict.

Carriage Delivery Costs by Entity

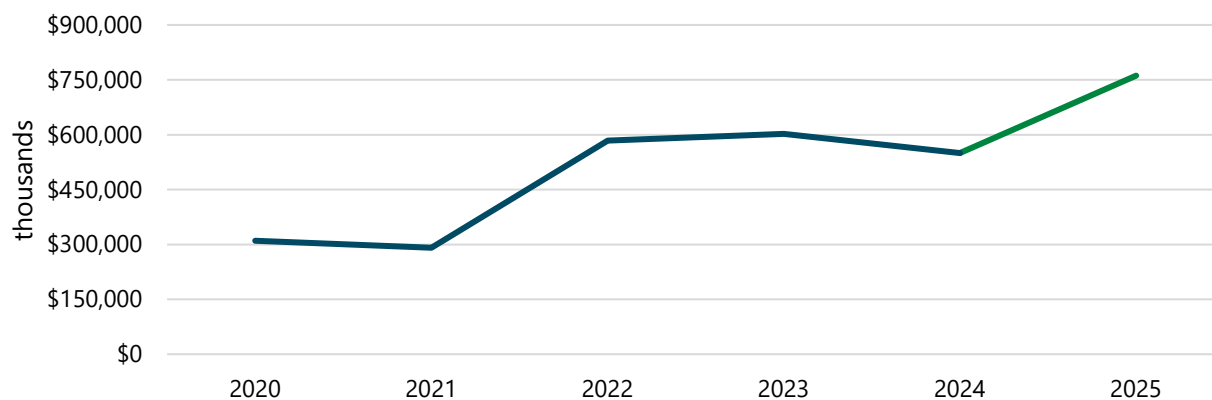


A summary of pump plant, pipeline and reservoir and dams' expenses are provided in the charts below.

Reservoir and Dam Expenses



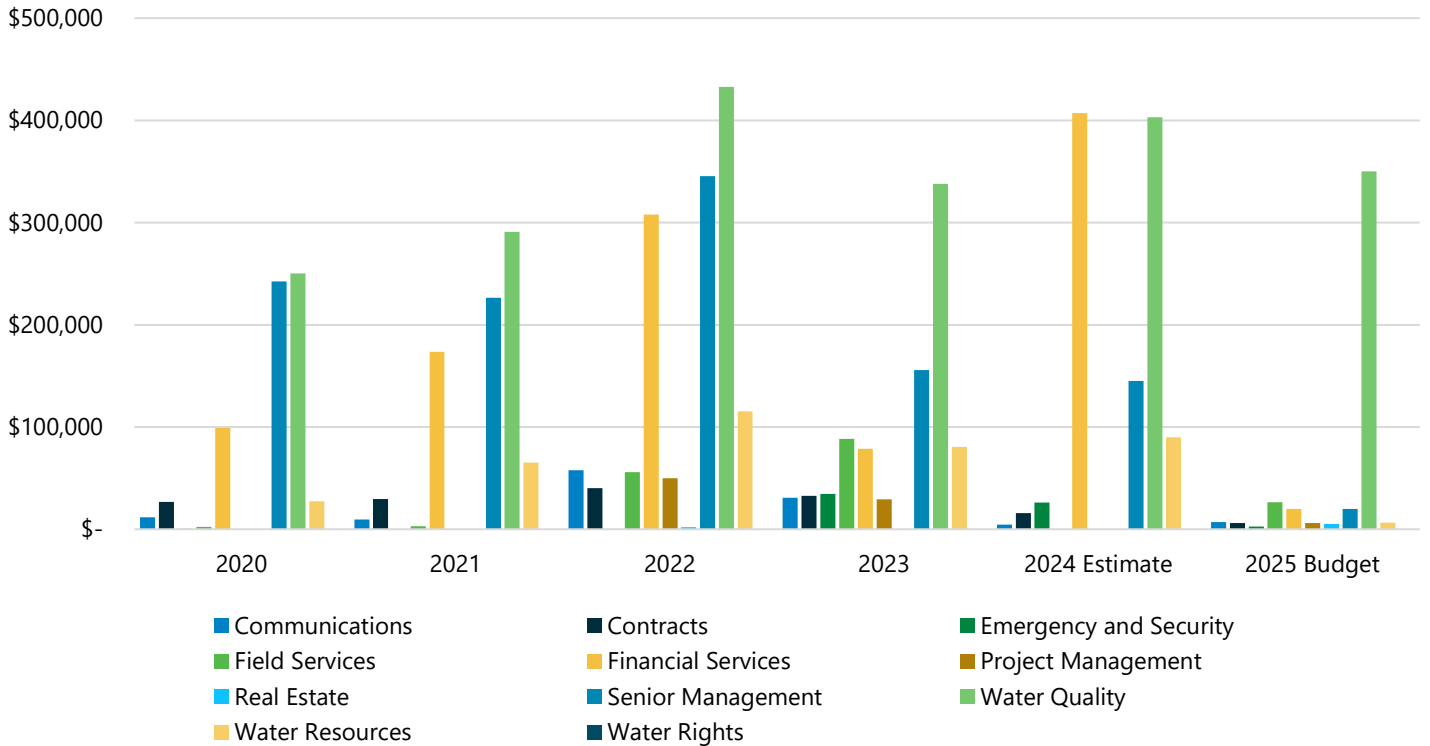
Pump Plant and Pipeline Expenses



PROGRAM EXPENSES

Program expenses, which comprise 6.9 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 following Municipal Subdistrict Programs: Senior Management, Communications, Contracts, Emergency and Security, Financial Services, Water Quality, Water Resources and Water Rights Program expenses. A summary of programs expenses is provided in the graph and table below.

Windy Gap Program Expenses



	Budget	Percent
Water Quality	\$350,000	77.8%
Financial Services	20,000	4.4%
Senior Management	20,000	4.4%
Water Resources	6,500	1.4%
Emergency and Security	2,500	0.6%
Contracts	6,000	1.3%
Water Rights	500	0.1%
Communications	7,000	1.6%
Real Estate	5,000	1.1%
Project Management	6,000	1.3%
Field Services	26,500	5.9%
Total Program Expenses	\$450,000	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 2025, 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 2024, 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 2023 Actual	Fiscal Year 2024 Budget	Fiscal Year 2024 Estimated Actual	Fiscal Year 2025 Budget	Dollar Change From Fiscal Year 2024 Budget	Percentage Change From Fiscal Year 2024 Budget
Expenditures:						
Program Summary						
General Programs	\$78,173	\$30,000	\$50,000	\$5,000	\$(25,000)	(83.3%)
Partner Programs	22,838	4,500	8,000	2,500	(2,000)	(44.4%)
Legal Matters	48,000	80,000	92,000	2,000	(78,000)	(97.5%)
Board of Directors	25,084	30,000	51,205	10,000	(20,000)	(66.7%)
Travel and Training	1,321	2,500	3,700	500	(2,000)	(80.0%)
Total	\$175,416	\$147,000	\$204,905	\$20,000	\$(127,000)	(86.4%)
Summary by Category						
Labor	\$19,352	\$22,000	\$45,528	\$5,000	\$(17,000)	(77.3%)
Expenses	158,064	125,000	159,377	15,000	(110,000)	(88.0%)
Total	\$177,416	\$147,000	\$204,905	\$20,000	\$(127,000)	(86.4%)

Communications Program

Business Plan Priority: Maintain and strengthen relationships.

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

In 2025, the Communications Department intends to:

- Conclude 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.
- Plan and host several key events to celebrate the accomplishments of the Chimney Hollow Reservoir Project.
- Develop written, visual and digital content to continue communication about construction milestones of the Chimney Hollow Reservoir Project.
- Continue to build relationships and increase communications with neighbors of the Chimney Hollow Reservoir Project.

In 2024, the Communications Department:

- Continued development of the Chimney Hollow Reservoir Project communications plan in year three of construction. Key objectives met included increased content development, video production, virtual tours and a revamped tour program.
- Built social media engagement on Subdistrict platforms utilizing analytics to determine appropriate tactics; further manage social media advertising opportunities to ensure success and increased engagement of investment.
- Hosted a successful public tour program for the Chimney Hollow Reservoir Project with a focus on providing tour opportunities for Participants and key partners.
- Hosted a public affairs workshop and provided ongoing updates to Participant communications staff for the Chimney Hollow Reservoir Project.
- Continued to build relationships and increase communications with neighbors of the Chimney Hollow Reservoir Project.

	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year	Dollar	Percentage
Communications	2023 Actual	2024 Budget	2024 Estimated Actual	2025 Budget	Change From Fiscal Year 2024 Budget	Change From Fiscal Year 2024 Budget
Expenditures:						
Program Summary						
Communications Programs	\$22,736	\$4,500	\$32,391	\$7,000	\$2,500	55.6%
Total	\$22,736	\$4,500	\$32,391	\$7,000	\$2,500	55.6%
Summary by Category						
Labor	\$20,736	\$2,500	\$32,391	\$1,000	\$(1,500)	(60.0%)
Expenses	2,000	2,000	-	6,000	4,000	200.0%
Total	\$22,736	\$4,500	\$32,391	\$7,000	\$2,500	55.6%

Contracts Program

Business Plan Priority: Cultivate operational and organizational excellence.

The Contracts Program oversees the entire contracting process for all water allotment contracts, construction contracts, professional services agreements, intergovernmental agreements and transfers for C-BT and 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 Northern Water and the Municipal Subdistrict, 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 Northern Waters property and liability program, including other non-packaged overage lines. The Contracts Program collaborates closely with Northern Water's Risk Manager to protect the organization's interest.

Contracts	Fiscal Year 2023 Actual	Fiscal Year 2024 Budget	Fiscal Year 2024 Estimated Actual	Fiscal Year 2025 Budget	Dollar Change From Fiscal Year 2024 Budget	Percentage Change From Fiscal Year 2024 Budget
Expenditures:						
Program Summary						
Allotments & General Management	\$180	\$5,000	\$24,000	\$4,500	\$(500)	(10.0%)
Inclusions	-	\$10,710	13,466	1,500	(9,210)	(86.0%)
Total	\$180	\$15,710	\$37,466	\$6,000	\$(9,710)	(61.8%)
Summary by Category						
Labor	\$-	\$14,740	\$5,148	\$5,000	\$(9,740)	(66.1%)
Expenses	180	1,000	32,318	1,000	-	0.0%
Total	\$180	\$15,740	\$37,466	\$6,000	\$(9,740)	(61.9%)

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 2025, 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 2024, 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 2023 Actual	Fiscal Year 2024 Budget	Fiscal Year 2024 Estimated Actual	Fiscal Year 2025 Budget	Dollar Change From Fiscal Year 2024 Budget	Percentage Change From Fiscal Year 2024 Budget
Expenditures:						
Program Summary						
Baseline Monitoring	\$26,140	\$5,000	\$9,850	\$13,250	\$8,250	165.0%
Flow O&M	15,714	1,000	10,547	13,250	12,250	1225.0%
Total	\$41,854	\$6,000	\$20,397	\$26,500	\$20,500	341.7%
Summary by Category						
Labor	\$19,237	\$5,000	\$19,178	\$20,000	\$15,000	300.0%
Expenses	4,721	1,000	1,219	6,500	5,500	550.0%
Total	\$23,958	\$6,000	\$20,397	\$26,500	\$20,500	341.7%

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 2025, the Financial Services Program intends to:

- Support the Windy Gap Assessment Subcommittee in its review of past and future revenues and expenditures.
- Support the transition of the Chimney Hollow Reservoir from a capital project to an operational facility.
- Begin development of a Public Annual Financial Report (PAFR).

In 2024, 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 37th consecutive year for the Municipal Subdistrict from the Government Finance Officers Association (GFOA).
- Earned the Distinguished Budget Presentation Award for the seventh consecutive year for the Municipal Subdistrict from the GFOA.

Financial Services	Fiscal Year 2023 Actual	Fiscal Year 2024 Budget	Fiscal Year 2024 Estimated Actual	Fiscal Year 2025 Budget	Dollar Change From Fiscal Year 2024 Budget	Percentage Change From Fiscal Year 2024 Budget
Expenditures:						
Program Summary						
Accounting Services	\$99,750	\$167,000	\$85,700	\$1,200	\$(165,800)	(99.3%)
Audit	145,000	160,130	90,000	8,000	(152,130)	(95.0%)
Treasury	10,140	55,000	12,300	6,500	(48,500)	(88.2%)
Budget	12,181	25,000	11,073	4,300	(20,700)	(82.8%)
Total	\$267,071	\$407,130	\$199,073	\$20,000	\$(387,130)	(95.1%)
Summary by Category						
Labor	\$59,492	\$152,000	\$83,958	\$15,000	\$(137,000)	(90.1%)
Expenses	207,579	255,130	115,115	5,000	(250,130)	(98.0%)
Total	\$267,071	\$407,130	\$199,073	\$20,000	\$(387,130)	(95.1%)

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 2025, the Project Management Program intends to:

- Complete construction of Windy Gap Firming Project (Chimney Hollow Reservoir).
- Begin operational testing of Chimney Hollow Reservoir.
- Develop operations and maintenance protocols for Chimney Hollow Reservoir.

In 2024, the Project Management Program:

- Completed the Colorado River Connectivity Channel at Windy Gap Reservoir.
- Continued the construction of the Windy Gap Firming Project (Chimney Hollow Reservoir).

Project Management	Fiscal Year 2023 Actual	Fiscal Year 2024 Budget	Fiscal Year 2024 Estimated Actual	Fiscal Year 2025 Budget	Dollar Change From Fiscal Year 2024 Budget	Percentage Change From Fiscal Year 2024 Budget
Expenditures:						
Program Summary						
Project Management	\$1,240	\$4,500	\$33,987	\$6,000	\$1,500	33.3%
Total	\$1,240	\$4,500	\$33,987	\$6,000	\$1,500	33.3%
Summary by Category						
Labor	\$1,036	\$2,500	\$16,800	\$3,000	\$500	20.0%
Expenses	204	2,000	17,187	3,000	1,000	50.0%
Total	\$1,240	\$4,500	\$33,987	\$6,000	\$1,500	33.3%

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 2025, 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.
- Complete any easement agreements needed for the Chimney Hollow Reservoir Project with Larimer County and the Bureau of Reclamation.

In 2024, the Real Estate Program:

- Continued to work with tenants to manage Municipal Subdistrict owned properties.

Real Estate	Fiscal Year 2023 Actual	Fiscal Year 2024 Budget	Fiscal Year 2024 Estimated Actual	Fiscal Year 2025 Budget	Dollar Change From Fiscal Year 2024 Budget	Percentage Change From Fiscal Year 2024 Budget
Expenditures:						
Program Summary						
ROW Work for Windy Gap	\$18,664	\$11,194	\$8,000	\$5,000	\$(6,194)	(55.3%)
Total	\$18,664	\$11,194	\$8,000	\$5,000	\$(6,194)	(55.3%)
Summary by Category						
Labor	\$17,732	\$10,673	\$5,000	\$4,000	\$(6,673)	(62.5%)
Expenses	932	521	3,000	1,000	\$479	91.9%
Total	\$18,664	\$11,194	\$8,000	\$5,000	\$(6,194)	(55.3%)

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 2025, the Security and Emergency Management Program intends to:

- Finalize all aspects of the Emergency Action Plan for Chimney Hollow Reservoir.

In 2024, the Security and Emergency Management Program

- Worked with Chimney Hollow Construction dam to develop Emergency Action Plan for Chimney Hollow Reservoir.

Emergency & Security	Fiscal Year 2023 Actual	Fiscal Year 2024 Budget	Fiscal Year 2024 Estimated Actual	Fiscal Year 2025 Budget	Dollar Change From Fiscal Year 2024 Budget	Percentage Change From Fiscal Year 2024 Budget
Expenditures:						
Program Summary						
Emergency & Security Programs	\$10,752	\$26,000	\$230	\$2,500	\$(23,500)	(90.4%)
Total	\$10,752	\$26,000	\$230	\$2,500	\$(23,500)	(90.4%)
Summary by Category						
Labor	\$10,752	\$5,000	\$-	\$500	\$(4,500)	(90.0%)
Expenses	-	21,000	230	2,000	(19,000)	(90.5%)
Total	\$10,752	\$26,000	\$230	\$2,500	\$(23,500)	(90.4%)

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 2025, the Water Quality Program intends to:

- Implement Windy Gap Firing Project mitigation and enhancement commitments in accordance with multiple permits and agreements.
- Get final approval from the Reclamation of the Windy Gap Firing Nutrient Reduction Implementation Plan.
- Continue work on the update to the Grand County Stream Management Plan in partnership with Learning By Doing.
- 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 WGFP 401 Water Quality Certification.
- Conduct riparian monitoring in accordance with the WGFP Riparian Monitoring Plan as approved through the 1041 Permit.
- Continue to conduct water quality monitoring activities within the Windy Gap Project to support baseline data collection for assessment of water quality conditions.

In 2024, the Water Quality Program:

- Implemented Windy Gap Firing Project mitigation and enhancement commitments in accordance with multiple permits and agreements.
- Continued to develop the Windy Gap Firing Nutrient Reduction Implementation Plan in preparation for final approval by Reclamation.
- Developed Willow Creek restoration project design in partnership with Learning By Doing.
- Continued work on the update to the Grand County Stream Management Plan in partnership with Learning By Doing.
- Started the update on the Colorado River Temperature Model in accordance with the WGFP 401 Water Quality Certification.
- Continued to conduct water quality monitoring activities within the Windy Gap Project to support baseline data collection for assessment of water quality conditions.
- Conducted baseline macroinvertebrate monitoring to assess aquatic life health within the Windy Gap Project.

Water Quality	Fiscal Year 2023 Actual	Fiscal Year 2024 Budget	Fiscal Year 2024 Estimated Actual	Fiscal Year 2025 Budget	Dollar Change From Fiscal Year 2024 Budget	Percentage Change From Fiscal Year 2024 Budget
Expenditures:						
Program Summary						
Water Quality Programs	\$101,700	\$320,000	\$60,823	\$275,000	\$(45,000)	(14.1%)
Watershed Groups	32,094	41,100	31,500	20,000	(21,100)	(51.3%)
Regulations	29,071	30,000	7,000	33,000	3,000	10.0%
Travel and Training	12,813	12,000	8,802	22,000	10,000	83.3%
Total	\$175,678	\$403,100	\$108,125	\$350,000	\$(53,100)	(13.2%)
Summary by Category						
Labor	\$795	\$15,000	\$11,346	\$20,000	\$14,205	94.7%
Expenses	174,883	388,100	96,779	330,000	(67,305)	(17.3%)
Total	\$175,678	\$403,100	\$108,125	\$350,000	\$(53,100)	(13.2%)

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 2025, the Water Resources Program intends to:

- Produce daily and seasonal streamflow forecasts during the snow accumulation and snowmelt runoff seasons for basins critical to Windy Gap operations.
- Review and refine Windy Gap water availability operational forecasts.
- 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 and Chimney Hollow first fill operations planning.
- Provide water resources analysis to Windy Gap participants, operations and management to support Windy Gap project operations.
- Review and refine operating criteria for the Windy Gap Firming Project in collaboration with Windy Gap Participants and other departments at Northern Water.

In 2024, the Water Resources Program:

- Produced daily and seasonal streamflow forecasts during the snow accumulation and snowmelt runoff seasons for basins critical to Windy Gap operations.
- Provided modeling, analytical and planning support to Windy Gap participants, operations and management for Windy Gap annual operating plans.
- Developed operating criteria for the Windy Gap Firming Project in collaboration with Windy Gap Participants and other departments at Northern Water.
- Developed and reviewed Windy Gap Firming Project operational modeling and guidance in collaboration with Participants.
- Prepared a water resources based first fill planning tool to analyze and plan for probable Chimney Hollow Reservoir first fill scenarios.
- Expanded Windy Gap operations modeling in preparation for Chimney Hollow Reservoir operations.

Water Resources	Fiscal Year 2023 Actual	Fiscal Year 2024 Budget	Fiscal Year 2024 Estimated Actual	Fiscal Year 2025 Budget	Dollar Change From Fiscal Year 2024 Budget	Percentage Change From Fiscal Year 2024 Budget
Expenditures:						
Program Summary						
Water Resources General	\$6,997	\$25,000	\$36,430	\$1,000	\$(24,000)	(96.0%)
Stream Flow Forecast	19,300	44,000	40,200	3,000	(41,000)	(93.2%)
WG Project Operations	2,401	15,900	16,500	1,500	(14,400)	(90.6%)
Travel and Training	1,000	5,000	14,995	1,000	(4,000)	(80.0%)
Total	\$29,698	\$89,900	\$108,125	\$6,500	\$(83,400)	(92.8%)
Summary by Category						
Labor	\$6,247	\$20,000	\$11,346	\$1,500	\$(18,500)	(92.5%)
Expenses	23,451	69,900	96,779	5,000	(64,900)	(92.8%)
Total	\$29,698	\$89,900	\$108,125	\$6,500	\$(83,400)	(92.8%)

Water Rights Program

Business Plan Priority: Protect and conserve water supplies

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

Water Rights	Fiscal Year 2023 Actual	Fiscal Year 2024 Budget	Fiscal Year 2024 Estimated Actual	Fiscal Year 2025 Budget	Dollar Change From Fiscal Year 2024 Budget	Percentage Change From Fiscal Year 2024 Budget
Expenditures:						
Program Summary						
Water Rights Programs	\$5,000	\$8,660	\$270	\$500	\$(8,160)	(94.2%)
Total	\$5,000	\$8,660	\$270	\$500	\$(8,160)	(94.2%)
Summary by Category						
Labor	\$-	\$2,500	\$270	\$500	\$(2,000)	(80.0%)
Expenses	5,000	6,160	-	-	(6,160)	(100.0%)
Total	\$5,000	\$8,660	\$270	\$500	\$(8,160)	(94.2%)

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 (\$250,00) – 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				
Windy Gap Breaker Replacement	\$ 21,000,000				

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 constructing a new 90,000-acre-foot reservoir, Chimney Hollow Reservoir, located southwest of Loveland and just west of Carter Lake dedicated to store Windy Gap Project water. Firm water deliveries from the Windy Gap Project are needed to meet a portion of the existing and future demands of the Windy Gap Firming Project participants and ultimately the existing and future demands the end users served within the boundaries of the Municipal Subdistrict.

After an 18-year permitting process, construction on Chimney Hollow Reservoir began in August 2021. Construction throughout the past three years has made steady progress toward a successful completion anticipated in summer 2025.

Major components of the project include:

- Main Dam – A 350-foot asphalt core dam will contain approximately 10 million cubic yards of rockfill and 75,000 cubic yards of hydraulic asphaltic concrete (HAC). At the start of fiscal year 2025 the dam height was approximately 275 feet, leaving only 75 feet to finish.
- 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. The saddle dam is anticipated to be complete in fall 2024.
- 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. Construction on the valve house is anticipated to be completed in fall 2024.
 - 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 tunnel was complete in 2024.
 - The inlet/outlet tower will be constructed to provide a 'dead storage' space in the bottom of the reservoir. Construction is anticipated to be completed in spring 2025.
- Spillway – A reinforced concrete spillway will be constructed on the left abutment of the main dam.



The paver laying down the asphalt core on the main dam at Chimney Hollow Reservoir.



Equipment putting down clay for the Saddle Dam foundation.

The purpose of the spillway is to safely convey storm events around the main dam embankment. Spillway construction is anticipated to be complete in early 2025.

- Temporary On-Site Construction Facilities – There are several components of the project that will be wrapping up in the next year as the project is finished.
 - The asphalt batch plant is managed by WALO, a Switzerland-based company that has constructed the asphalt-core on the main dam. While there are about 200 asphalt-core dams worldwide, the main dam at Chimney Hollow Reservoir will be only the second one built in the United States and will be by far the tallest asphalt core dam in the United States once constructed.
 - 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 are the most essential aspects of the Chimney Hollow dam construction. The on-site quarry supplies 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.

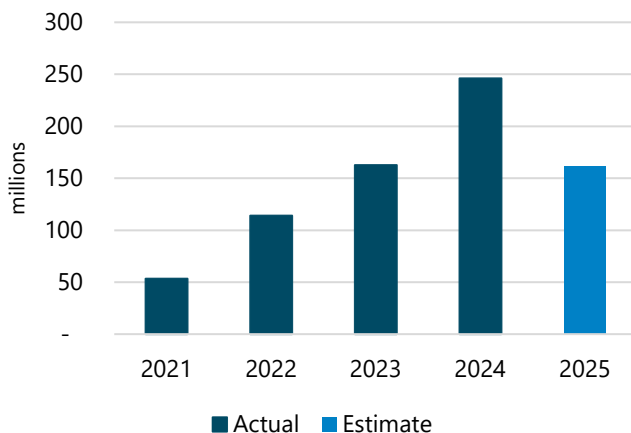


The on-site quarry produces all the rockfill for the main and saddle dams.

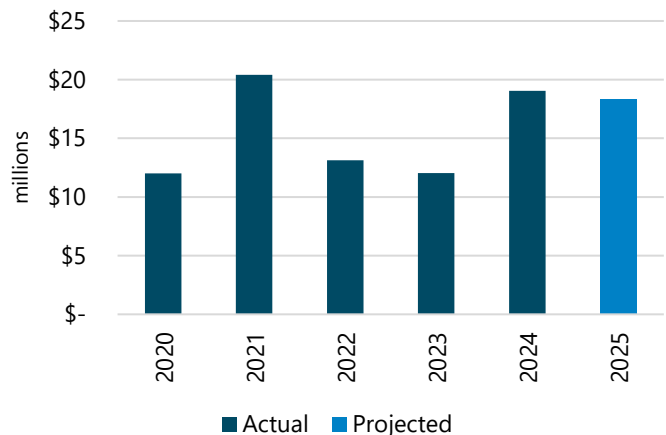
The fiscal year 2025 Windy Gap Firming Project budget totals \$161,820,995 million.

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

Windy Gap Firming Construction in Progress



Windy Gap Firming Enterprise Contributions



Beginning Cash
\$140,944,807

Sources of Funds
\$27,142,640

Uses of Funds
\$161,820,995

Ending Cash
\$168,057,447

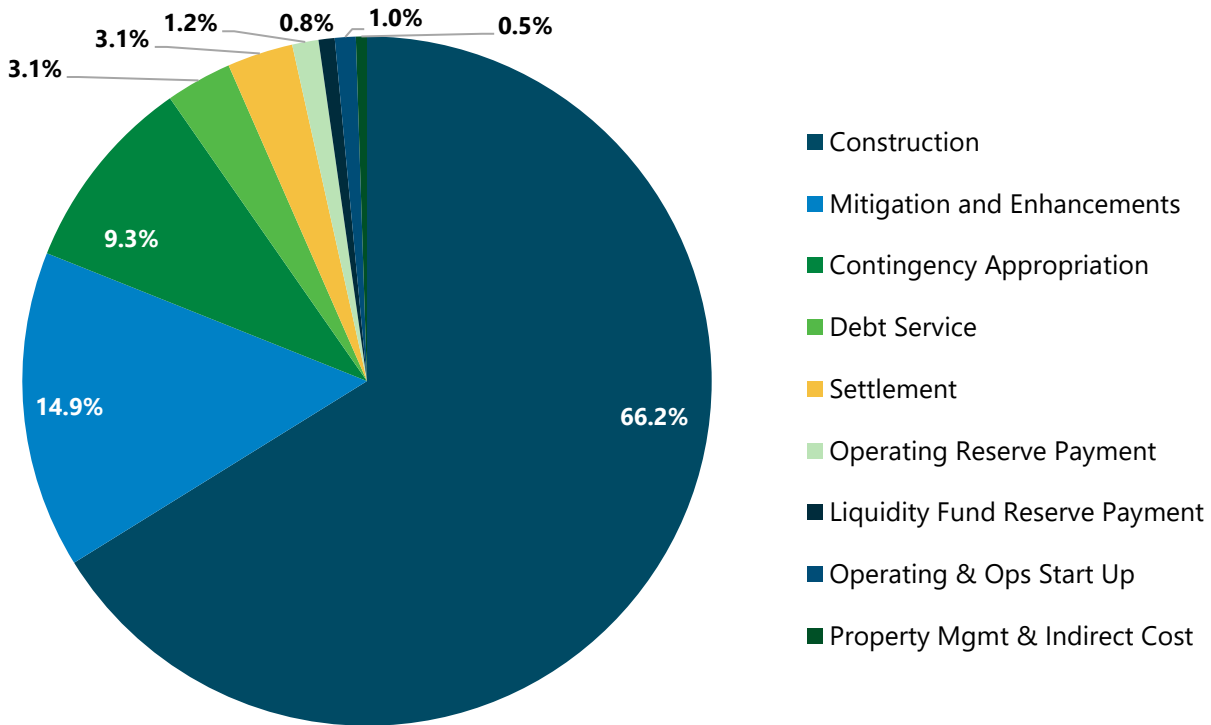
Budget Summary

	Fiscal Year 2023 Actual	Fiscal Year 2024 Budget	Fiscal Year 2024 Estimated Actual	Fiscal Year 2025 Budget	Dollar Change From Fiscal Year 2024 Budget	Percentage Change From Fiscal Year 2024 Budget
Beginning Cash & Reserves						
Unrestricted	\$ 12,949,124	\$ 113,913,725	\$ 113,913,725	\$140,944,807	27,031,082	23.7%
Restricted	82,407,769	61,611,372	61,611,372	-	(61,611,372)	n/a
Total	\$ 95,356,893	\$ 175,525,097	\$ 175,525,097	\$140,944,807	\$ (34,580,290)	(19.7%)
Sources of Funds						
Contributions from						
Participants	\$ 12,039,387	\$ 19,063,687	\$ 19,063,987	\$ 18,687,437	\$ (376,250)	(2.0%)
Rental Income	30,000	-	30,000	30,000	30,000	n/a
Earnings on Investments	14,220,482	5,532,261	7,967,095	8,425,203	2,892,942	52.3%
Total Sources	\$ 26,289,869	\$ 24,595,948	\$ 27,061,082	\$ 27,142,640	\$ 2,546,692	10.4%
Balance sheet source (use)	-	199,880,536	184,548,108	161,790,995		
Total funds available	\$ 121,646,762	\$ 400,001,581	\$ 387,134,287	\$329,878,442		
Uses of Funds						
Capital						
Construction	\$ 145,469,321	\$ 197,450,000	\$ 218,147,572	\$107,070,000	\$(90,380,000)	(45.8%)
Mitigation and Enhancements	11,683,710	23,500,000	2,500,000	24,081,000	581,000	2.5%
Property Management	23,444	40,000	40,000	40,000	-	0.0%
Settlement	-	5,000,000	5,000,000	5,000,000	-	0.0%
Interest Expense	8,074,884	8,086,650	8,086,650	8,086,650	-	0.0%
Bond Expense	(3,057,442)	(3,057,442)	(3,057,442)	(3,057,442)	-	0.0%
Indirect Costs	472,700	472,700	472,700	796,438	323,738	68.5%
Contingency Appropriation	-	30,000,000	15,000,000	15,000,000	(15,000,000)	(50.0%)
Operating	-	-	-	955,500	955,500	n/a
Operating Start Up	-	-	-	630,000	630,000	n/a
Operating Reserve Payment	-	-	-	2,000,000	2,000,000	n/a
Liquidity Fund Reserve Payment	-	-	-	1,218,849	1,218,849	n/a
Total Uses	\$ 162,666,617	\$ 261,491,908	\$ 246,189,480	\$161,820,995	\$(99,670,913)	(38.1%)
Ending Cash & Reserves						
Unrestricted	\$ 39,208,993	\$ 138,509,673	\$ 140,944,807	\$168,057,447		
Restricted	126,260,260	-	-	-		
Total	\$ 165,469,253	\$ 138,509,673	\$ 140,944,807	\$168,057,447		
Total Funds Accounted For	\$ 328,135,870	\$ 400,001,581	\$ 387,134,287	\$329,878,442		

Capital Expenditures

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

	Budget	Percent
Construction	\$107,070,000	66.2%
Contingency Appropriation	15,000,000	9.3%
Mitigation and Enhancements	24,081,000	14.9%
Debt Service	5,029,208	3.1%
Settlement	5,000,000	3.1%
Operating Reserve Payment	2,000,000	1.2%
Liquidity Fund Reserve Payment	1,218,849	0.8%
Operating and Operations Start Up	1,585,500	1.0%
Property Management	836,438	0.5%
Total	\$161,820,995	100.0%



Chimney Hollow Construction

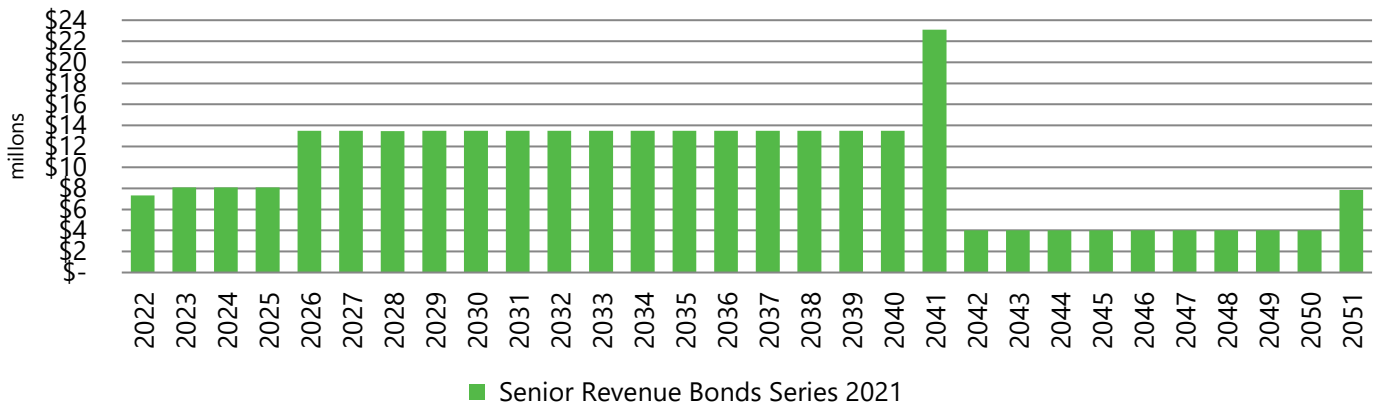
\$107,070,000

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 constructing a new 90,000-acre-foot reservoir, Chimney Hollow Reservoir, located southwest of Loveland and just west of Carter Lake, dedicated to store Windy Gap Project water. Firm water deliveries from the Windy Gap Project are needed to meet a portion of the existing and future demands of the Windy Gap 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.

Financing Structure

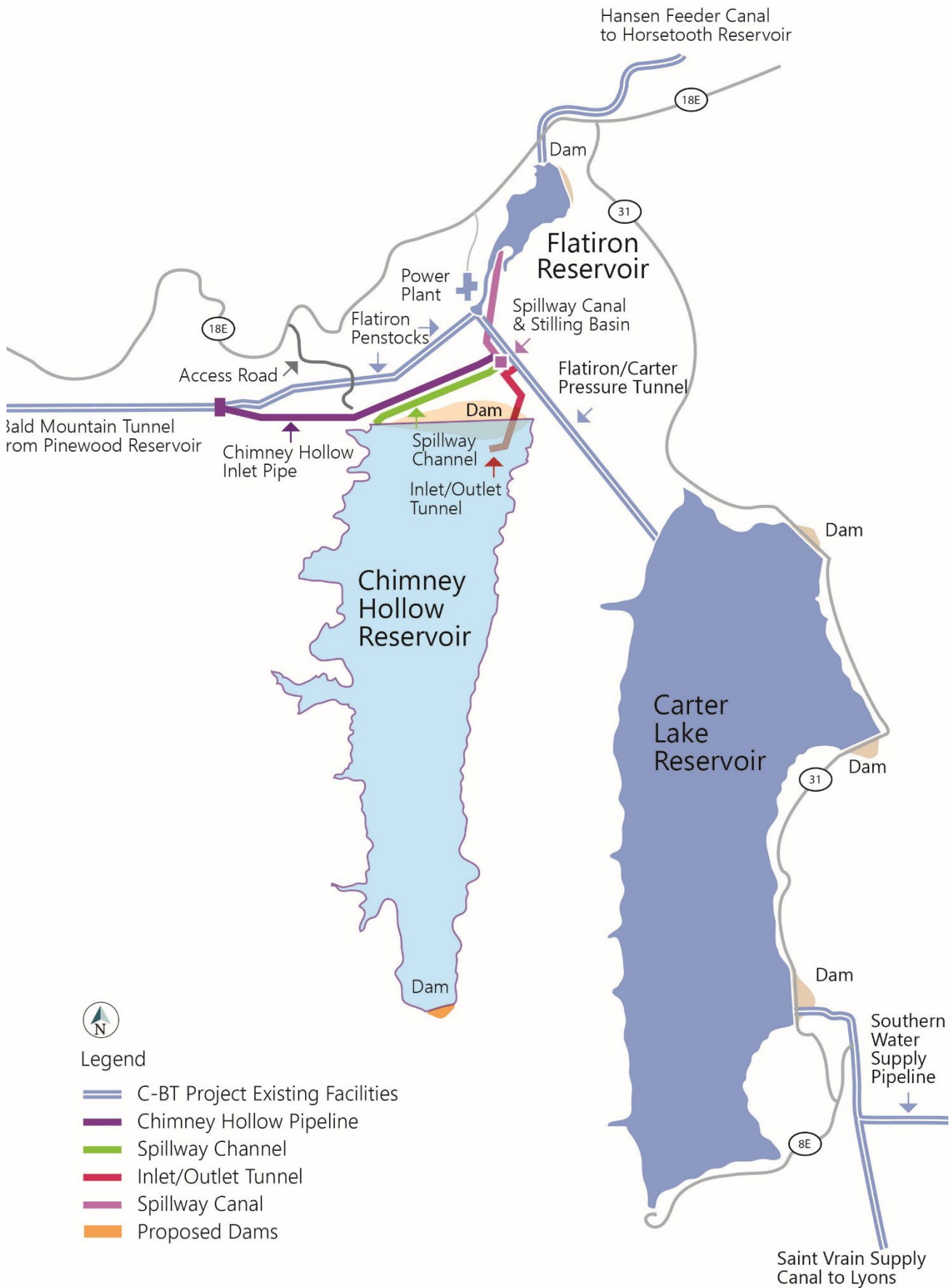
In August 2021, Windy Gap Firing Project (WGFP) secured financing for the Chimney Hollow Reservoir project. Construction of the Chimney Hollow Reservoir Project is being financed in part with \$218 million in proceeds from the Senior Revenue Bonds, Series 2021 (Series 2021 Bonds) issued by WGFP, reflecting 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 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

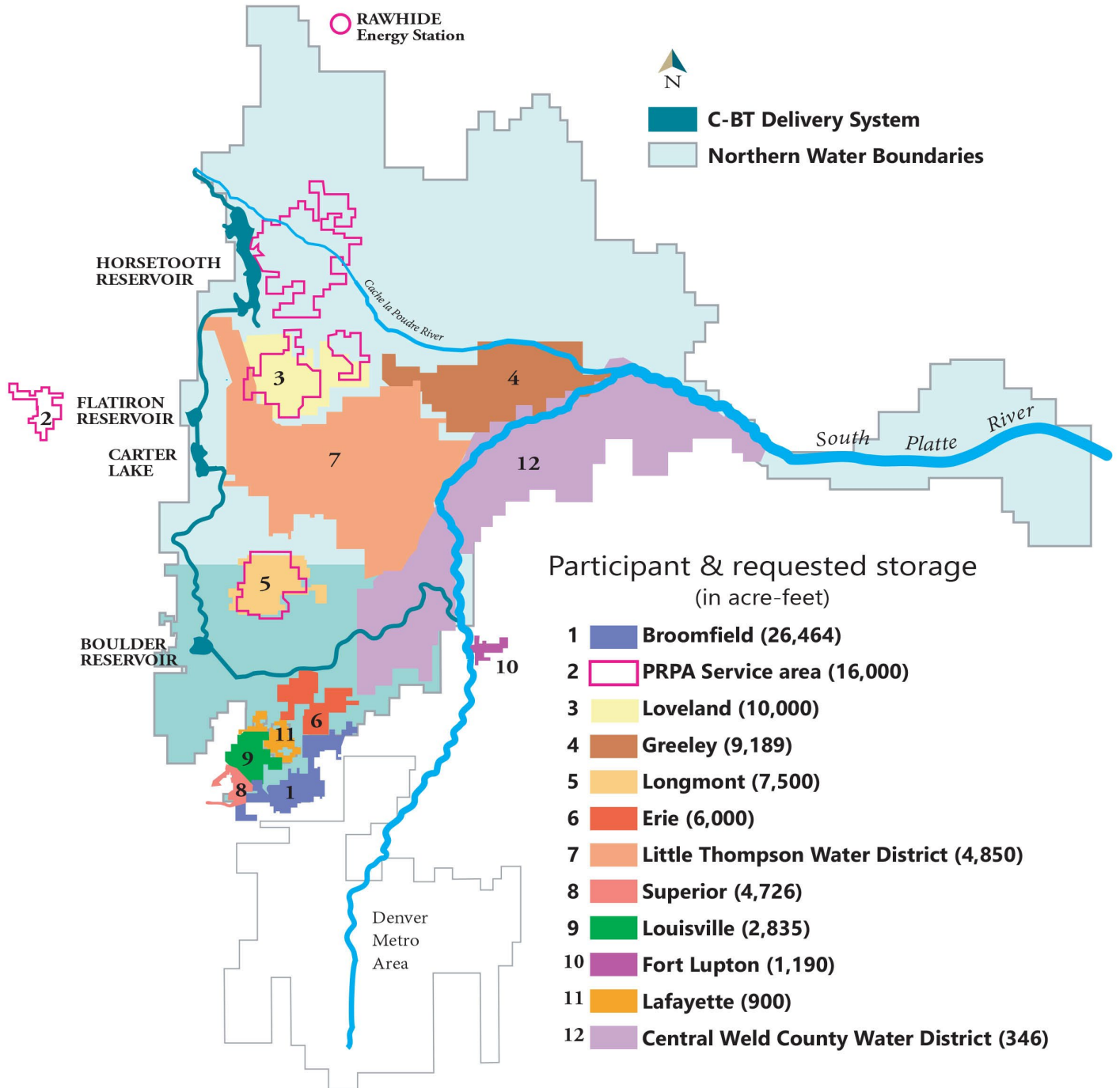


In 2041 and 2051, it is anticipated that bond reserves will be used to offset 20-year and 30-year debt issuances. Six of the seven pooled financing participants have debt service arrangements whereby 90.0 percent of the bond principal is repaid over 20 years and the remainder throughout the next 10 years. 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 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

