

UTE WATER CONSERVANCY DISTRICT

IN MESA COUNTY, COLORADO

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ANNUAL COMPREHENSIVE FINANCIAL REPORT

FISCAL YEAR ENDED DECEMBER 31, 2025
AND DECEMBER 31, 2024





Above Photo by John Eklund - Pump station building under construction as part of the Monument Valley Pump Station Improvement Project in the Redlands area.

Cover Photo by Andrea Lopez - The District replaced approximately 11,000 feet of 24-inch concrete cylinder pipe with 30-inch welded steel pipe from 36 ³/₄ Road and E Rd to 38 Road and Horse Mountain Road.

UTE WATER CONSERVANCY DISTRICT
in
MESA COUNTY, COLORADO

**ANNUAL COMPREHENSIVE FINANCIAL
REPORT**

For the Years Ended December 31, 2025 and 2024

Prepared By:

Finance Department
Scott N Olsen, CPA

Ute Water Conservancy District
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May 20, 2026

To the Board of Directors of Ute Water Conservancy District and Our Customers:

The annual comprehensive financial report (ACFR) of Ute Water Conservancy District (District) for the year ended December 31, 2025, is submitted herewith. Responsibility for the data's accuracy and the presentation's completeness and fairness, including all disclosures, rests with District management. This financial report has been prepared in conformance with the principles and standards for financial reporting as promulgated by the Government Accounting Standards Board (GASB). It has also been prepared following guidelines recommended by the Government Finance Officers Association (GFOA). We believe that the data presented is accurate in all material respects, that the report is presented in a manner designed to fairly set forth the financial position and the results of the financial operations of the District, and that all disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

Squire & Company, PC has audited the District's financial statements. The goal of the independent audit is to provide reasonable assurance that the financial statements of Ute Water Conservancy District as of and for the year ended December 31, 2025 are free of material misstatement. The independent audit involves examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Squire & Company, PC concluded based upon their audit, that there was a reasonable basis for rendering an unmodified opinion that the District's financial statements as of and for the year ended December 31, 2025 are fairly presented in accordance with generally accepted accounting principles (GAAP) accepted in the United States and applied to local government units. The independent auditor's report is presented as the first component of the financial section of this report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The District's MD&A can be found immediately following the report of the independent auditor.

The Reporting Entity

Ute Water Conservancy District was organized in 1956 to provide domestic water service to the rural areas of the Grand Valley in Mesa County, Colorado, under the "Water Conservancy Act"

of Colorado. A 14-member Board of Directors appointed by the Mesa County District Court for overlapping four-year terms governs the District. The District operates using the Board-Manager form. The Board of Directors responsibilities include, but are not limited to, setting District rules and regulations, adoption of resolutions including the annual budget, adoption of water rates and fees, and hiring of the General Manager. The District is legally separate from other local or state governmental units. All operations of the District are accounted for as an enterprise fund.

Economic Condition and Outlook

The Grand Valley is a major service center for western Colorado and eastern Utah and is home to medical facilities, educational facilities, commercial services, and retail outlets that serve a large regional population in addition to the residents of the valley. In addition, the area includes agricultural and manufacturing industries that provide services locally, nationally, and globally. The valley's numerous orchards and vineyards and its proximity to the Grand Mesa, the Colorado National Monument, several National Parks, and other scenic attractions have resulted in defining the valley as a significant tourist destination. The area's mild climate and near proximity to a variety of year-round outdoor activities have contributed to the valley's economy significantly diversifying over the last several decades.

Prior to 2008, natural gas drilling as well as uranium, coal, and other natural resource mining were productive industries for the area. Drops in the prices for natural gas, oil, and other minerals mined in the area combined with protracted sub-prime mortgage lending problems, both nationally and internationally, resulted in a slowdown in the area's economy. This prolonged down-turn in the local economy significantly impacted the levels of local housing construction, growth, and employment. However, the diversification of the economy and the desirability of the area have continued to support nominal levels of population growth since 2008. Schedule 14 on page 54 displays demographic statistics related to population, unemployment rates, and labor force changes. Current development indicators such as subdivision development, building permit activity, and the number of water taps sold reflect the increased levels of growth the valley has realized throughout the last few years. See Schedule 3 on page 42 and Schedule 7 on page 47 for a ten-year history of customers, tap sales, and county building permits.

Ute Water Conservancy District currently obtains its raw water supply primarily from the Plateau Creek drainage on the northern slope of the Grand Mesa in western Colorado. Plateau Creek is a tributary of the Colorado River. A prolonged drought in the Colorado River drainage has resulted in the lowering of water levels to critical levels in both Lake Mead and Lake Powell. In order to preserve and protect the District's and the local region's water resources, the District is engaged with stakeholders in Colorado and throughout the Colorado River basin in the development and implementation of drought contingency plans for the Western Slope, the State of Colorado, and larger regional areas.

The Colorado River drainage is home to four threatened or endangered species of fish: the Colorado pikeminnow, the razorback sucker, the humpback chub, and the bonytail chub. One of the areas considered to be a critical habitat for these fish by the United States Fish and Wildlife Service is the Colorado River from Palisade, in the eastern end of the Grand Valley, to the confluence of the Colorado River with the Gunnison River at Grand Junction. This area is known as the "15 Mile Reach" of the Colorado River and lies within the service area of the District. These four fish have and will continue to affect all water users along the river. The District's

management has been actively involved with federal, state, and other local agencies and officials in efforts to protect general water flows and habitat for these endangered fish and thus protect the District's current and future water sources. The District's involvement in this effort will continue into the foreseeable future.

The District continues long-term efforts to expand storage and develop secondary water sources to increase the amount of water the District will have available for its customers in the future. While the District is currently and will continue to improve upon the efficient use of its water and water rights, additional water rights and storage options, either through construction or additional purchases, will be considered.

Major Initiatives

The Board of Directors' adopted strategic plan outlines priorities to support the focus of the District. The plan identifies priorities to deliver high quality water, conserve and protect water supplies, plan for future water supplies, cultivate organizational and operational excellence, and strengthen and maintain positive relationships.

In 2017, the District completed construction upgrades to pump stations near the Colorado River necessary to continue the conveyance of water from the pump station on the Colorado River to the District's treatment facilities. Completion of the pump station upgrades provides a secondary source of water that exceeds the District's current maximum daily demand. Additionally, in 2015, the District purchased property to allow for the development of pre-sedimentation basins that further increase the water quality of this water source and enhance the District's ability to utilize this water source as an alternate water supply and provide for future growth. Engineering and design work for pre-sedimentation basin infrastructure began in 2020, with construction beginning in early 2023 and startup commissioning occurring later that same year. The pre-sedimentation basin provides the District with redundancy to supplement customers' demands and helps ensure an uninterrupted drinking water supply. The District will continue its efforts to ensure its ability to provide adequate water to its customers into the future and to comply with current and anticipated water quality regulations.

In December 2019, the District Board of Directors unanimously voted to reduce the property tax mill levy assessed to 0.000 mills. This decision was based on the need to decrease the mill levy to remain in compliance with statutory growth limits resulting from increasing assessed property values, the District's anticipated annual savings after the final payment towards the Series 2009 Bonds that was made in 2020, and the goal to reduce the District's reliance on tax revenues.

Since 2019, the District has significantly increased its time and effort in monitoring and, when necessary, responding to legislative activities directly affecting the District in addition to those with potential impacts to the Western Slope, the State of Colorado, and the Colorado River Basin. The renewed level of the District's participation in legislative activities, including the addition of lobbyist services, is expected to continue for the foreseeable future.

In April 2020, the District completed its Clearwell Optimization & Expansion project. The original clearwell was built in 1965 to receive filtered water from two filters and treat up to 5 million gallons of water per day. A 1975 plant upgrade expanded the clearwell and added two additional filters followed by an additional four filters that were put in service in 2009. The completed project combines filtered water from all 8 filters into a 42-inch finished water line before it enters the clearwell. Newly installed slide gates and a new baffle wall ensure proper

contact time for chemical treatment of filtered water. A chemical vault was constructed to provide chemical injection quills and access to the 42-inch combined finished water line for sample collection. The optimized, expanded clearwell is expected to meet the District's needs through the year 2050 based on engineering projections.

In 2021, two water tanks were rehabilitated near the treatment facility. These tanks ensure water quality is maintained while being stored for use and also undergo an inspection for structural integrity and upgrades as necessary. The tanks are sandblasted clean to remove all existing coatings and then primed and recoated to extend their useful life. Four water tanks have undergone rehabilitation since 2019 and similar projects are scheduled for other tanks in the distribution system in coming years.

Also in 2021, the District began compliance testing for the Environmental Protection Agency Lead and Copper Rule which includes creating an inventory of the distribution system and recording the materials present. As part of this testing, the District implemented a comprehensive plan for testing, identifying, and monitoring impacted service lines. With immense appreciation and thanks to the staff involved, the District was recognized as a lead-free system by the Colorado Department of Public Health and Environment in 2024.

Ute Water Conservancy District has fully redeemed its outstanding Series 2012 Water Revenue Refunding Bonds. These were called in June of 2022, paying off the remaining \$13,500,000 and saving the District approximately \$2.5 million dollars in future interest payments. The District's Series 2009 Water Revenue Refunding Bonds matured in June of 2020. See page 29 for additional details of the District's liabilities.

The District began a project in the fourth quarter of 2023 to improve the chemical storage and feed process throughout the treatment plant, it was completed in 2024. This project upgraded chemical components that were originally installed in 1982 and increased the storage capacity, upgraded equipment, and improved the overall safety of chemical storage and distribution at the treatment plant. Improvements continued into 2025 when the powdered activated carbon feed system improvements were started. These improvements will continue into 2026 and will help improve the ability of the District to reliably treat raw water, respond to changing water quality conditions, and optimize overall treatment performance.

In November 2025, the Board of Directors of the District adopted new water and tap rates. The new rates were effective January 1, 2026, and are expected to increase water and tap fee revenues by approximately 5%. The District reviews water and tap rates annually to evaluate the need for possible changes. See pages 44 and 45 for the water and tap rate schedules in effect over the last ten years.

The District has spent an average of \$5.96 million annually in the last 10 years in upgrading and installing new waterlines and treatment facilities within the District. It is anticipated that similar or larger amounts will be spent annually into the foreseeable future to maintain and expand the District's supply, treatment, and distribution facilities. In addition to ongoing infrastructure maintenance, the major focus of the District's efforts continues to be on increasing waterline sizes in those areas that are experiencing growth, replacing older deteriorating waterlines, and expanding distribution waterlines into developing areas.

Future Projects

The District maintains an ongoing five-year long-term capital plan and a five-year revenue and expenditure forecast. The principal non-routine expenditure components of the five-year projection are major capital costs. The costs of estimated major capital improvements over the next five years total \$159 million. The major elements of this plan include:

- Water supply reservoir expansion and new development
- Major distribution line replacements, upgrades, and extensions
- Meter installations and replacements
- Water tank site purchase and construction
- The ongoing replacement of vehicles and equipment

Financial Information

Internal Controls – Management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft, or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in accordance with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of the control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management. Included in the internal control structure is the use of budgetary controls. The objective of budgetary controls is to ensure compliance with the annually appropriated budget approved by the District's Board of Directors. While the adoption of the annual budget by the Board of Directors appropriates funds at the fund level, the District prepares the budget by line item for each department to improve budgetary controls. The finance committee of the Board of Directors is deeply involved in the budget preparation process and in periodic budget to actual reviews and reviews of water and tap rates.

Cash and Investment Administration – The principal objective of the District's investment policy is safety while attaining an appropriate rate of return. As of December 31, 2025, approximately 74% of the District's investments were held in U.S. government securities and 26% held in State of Colorado local government investment pools. The District earned an average return of approximately 4.45% on cash and investments in 2025 compared to approximately 3.63% in 2024. See pages 22 through 25 for additional details of the District's cash and investments.

Other Information

Independent Audit – State statutes require an annual audit by independent certified public accountants. Squire & Company, PC was selected to perform this audit for 2025. The auditor's report on the basic financial statements is included in the financial section of this report.

Awards – The GFOA of the United States and Canada awarded a Certificate of Achievement for Excellence in Financial Reporting to Ute Water Conservancy District for its annual comprehensive financial report for the fiscal year ended December 31, 2024. This was the

twenty-seventh consecutive year that the District has received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted U.S. accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

Acknowledgment – The preparation of this report could not have been accomplished without the efficient and dedicated assistance of the entire staff of the Finance Department. We would also like to express appreciation to the staff in other departments who provided great assistance in the preparation of this report. Due credit also should be given to the Board of Directors for their interest and support in planning and conducting operations of the District in a responsible and progressive manner.

We would also like to commend our external auditor Squire & Company, PC for their comprehensive and efficient examination of the District's accounts and records for the year ended December 31, 2025.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Gregory Williams", with a large, stylized loop at the end.

Gregory Williams
General Manager

A handwritten signature in black ink, appearing to read "Scott N Olsen", with a stylized, cursive script.

Scott N Olsen
Finance Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Ute Water Conservancy District
Colorado**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

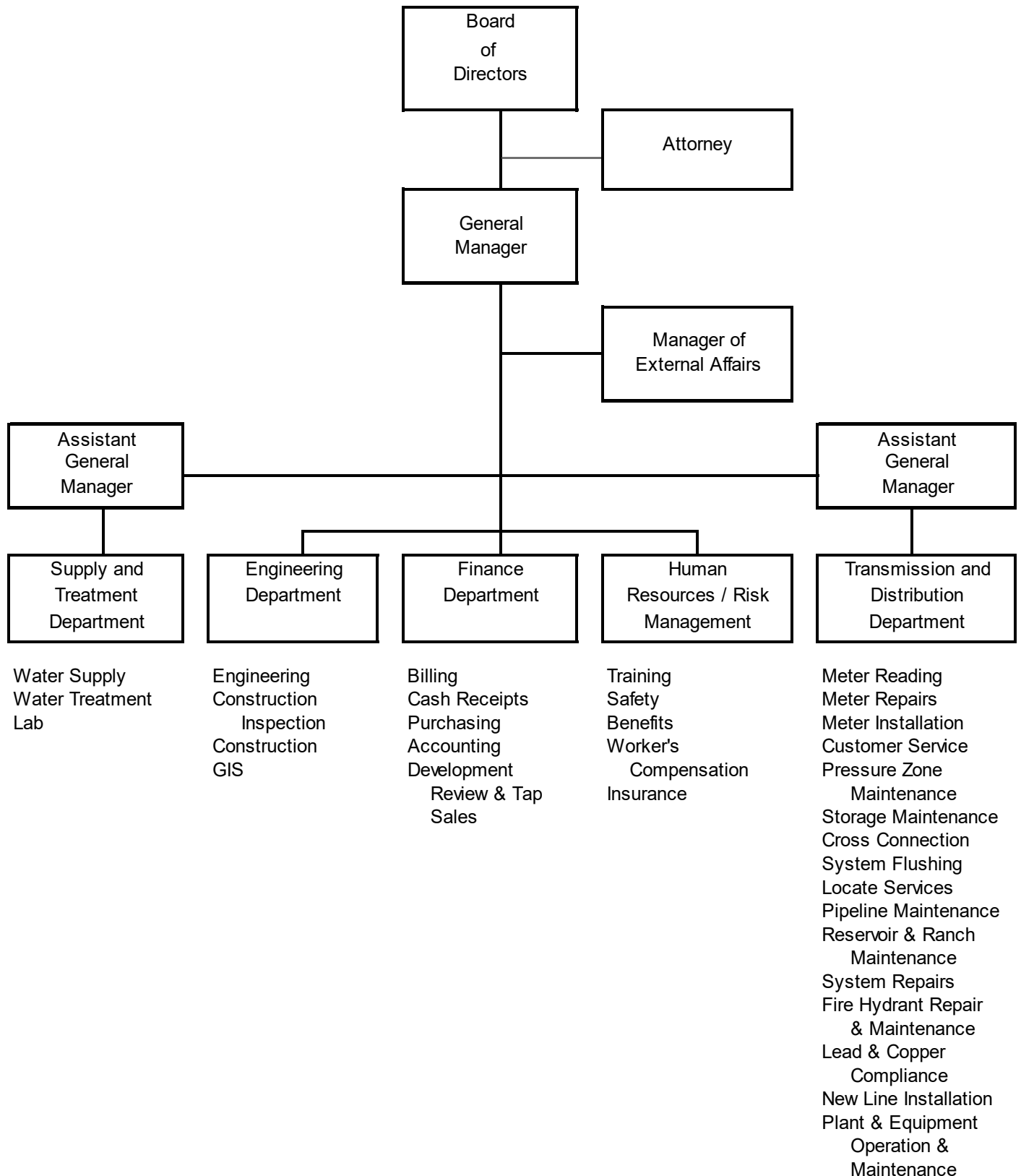
December 31, 2024

Christopher P. Morill

Executive Director/CEO

UTE WATER CONSERVANCY DISTRICT

ORGANIZATION CHART



Ute Water Conservancy District

At December 31, 2025

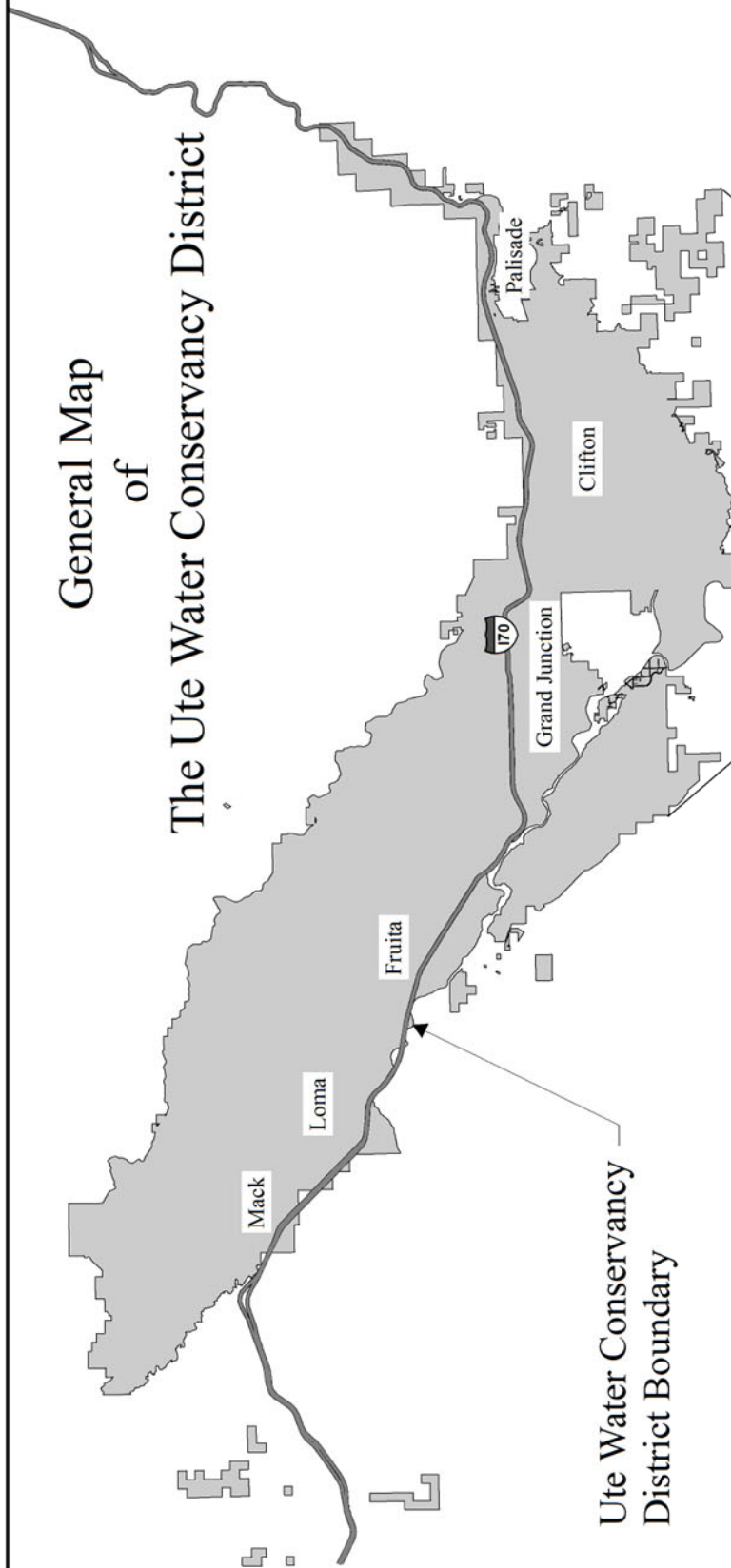
BOARD OF DIRECTORS

<u>District</u>	<u>Name</u>	<u>Term Expires</u>
2	Ben Miller, <i>President</i>	May 2028
3	Troy Waters, <i>Vice President</i>	May 2028
4	Briana Board, <i>Secretary</i>	May 2026
3	Robert Wilson, <i>Treasurer</i>	May 2028
1	Pat Brennan	May 2029
1	Bruce Talbot	May 2026
1	Sally Huddle	May 2028
2	Robert Foster	May 2026
2	Robert Thome	May 2029
3	Ken Henry	May 2027
3	Dan Cronk	May 2026
4	Carl Conner	May 2029
5	Tammy Eret	May 2026
5	Greg Green	May 2028

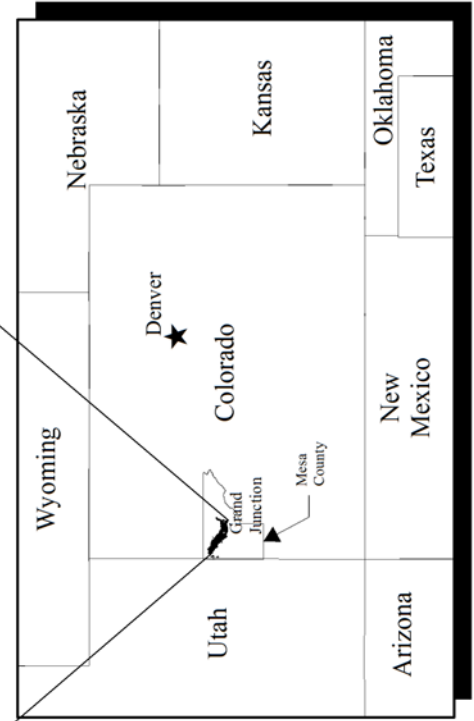
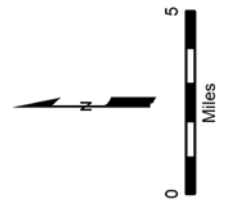
DISTRICT STAFF

<i>General Manager</i>	Gregory Williams
<i>Assistant General Manager - Treatment and Source</i>	David Payne
<i>District Engineer</i>	David Priske
<i>Superintendent of Transmission and Distribution</i>	Timothy Moore
<i>Treatment Plant Superintendent</i>	Benjamin Hoffman
<i>Finance Director</i>	Scott N Olsen
<i>Human Resources / Risk Manager</i>	Jamie George
<i>Project Engineer</i>	Jeremy Lyon
<i>Project Engineer</i>	John Eklund
<i>External Affairs Manager</i>	Andrea Lopez

General Map of The Ute Water Conservancy District



Ute Water Conservancy
District Boundary





Independent Auditor's Report

Board of Directors
Ute Water Conservancy District

Report on the Basic Financial Statements

Opinion

We have audited the statements of net position of Ute Water Conservancy District (the District) as of December 31, 2025 and 2024 and the statements of revenues, expenses, and changes in net position and cash flows for the years then ended, and the related notes to the financial statements, which collectively comprise the District's basic financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Ute Water Conservancy District as of December 31, 2025 and 2024, and the changes in its financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Ute Water Conservancy District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Ute Water Conservancy District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Ute Water Conservancy District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Ute Water Conservancy District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audits of the basic financial statements. We do not express an opinion or provide any assurance on the required supplementary information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District's basic financial statements. The schedules of revenue and expenditures – budget and actual (non-GAAP budgetary basis) are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedules of revenues and expenditures – budget and actual (non-GAAP budgetary basis) are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinion on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 20, 2026, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Squire & Company, PC

Orem, Utah
May 20, 2026

Management's Discussion and Analysis (unaudited) As of and for the Years Ended December 31, 2025 and 2024

The purpose of the management's discussion and analysis (MD&A) is designed to provide an analysis of the District's financial condition and operating results and to also inform the reader on District financial issues and activities. Please read it in conjunction with the transmittal letter at the front of this report and the District's financial statements that follow this MD&A.

HIGHLIGHTS – Business-type Activities

- Operating revenues increased by \$0.8 million (or 3.1%) to \$24.8 million in 2025.
- Total operating expenses increased by \$1.9 million (or 8.9%) when compared to 2024.
- In 2025, net position increased by \$10.6 million (or 4%) when compared to 2024.
- Current assets increased by \$9.6 million (or 14.9%) to \$73.6 million in 2025.
- Capital contributions decreased \$0.6 million (or 21%) when compared to 2024.

USING THIS ANNUAL REPORT

The financial statements included in this annual report are those of a special-purpose government engaged only in a business-type activity. The following statements and schedules are included:

- **Statements of net position** – reports the District's current financial resources (short-term spendable resources with capital assets and long-term obligations). (See page 12)
- **Statements of revenues, expenses, and changes in net position** – reports the District's operating and non-operating revenues by major source along with operating and non-operating expenses and capital contributions. (See page 13)
- **Statements of cash flows** – reports the District's cash flows from operating, investing, capital and non-capital financing activities. (See pages 14 - 15)
- **Schedules of revenues and expenditures – budget and actual – (non-GAAP budgetary basis)** – reports the District's revenues and expenditures on the same basis as the budget. (See pages 34 – 35)

CHANGES IN NET POSITION

The following schedule summarizes the revenues, expenses, and capital contributions resulting in the overall change in total net position.

Years ended December 31,	2025	2024	2023
Revenues	\$ 32,182,370	\$ 31,441,108	\$ 30,304,787
Expenses	(23,668,401)	(21,742,222)	(20,732,474)
Excess before capital contributions	8,513,969	9,698,886	9,572,313
Capital contributions	2,123,202	2,687,549	1,843,326
Increase in Net Position	10,637,171	12,386,435	11,415,639
Net position, beginning of year	267,465,082	255,078,647	243,663,008
Net position, end of year	<u>\$ 278,102,253</u>	<u>\$ 267,465,082</u>	<u>\$ 255,078,647</u>

Management's Discussion and Analysis (unaudited)
As of and for the Years Ended December 31, 2025 and 2024

The following table shows the condensed statement of net position for the past three years.

STATEMENT OF NET POSITION

Years ended December 31,	2025	2024	2023
Current assets	\$ 73,647,148	\$ 64,084,085	\$ 54,621,932
Capital assets	210,136,843	207,700,525	204,392,599
Non-current assets	264,020	326,999	274,059
Total assets	284,048,011	272,111,609	259,288,590
Current liabilities	3,871,270	3,242,350	2,937,273
Non-current liabilities	1,832,349	1,122,845	1,072,997
Total liabilities	5,703,619	4,365,195	4,010,270
Deferred inflows of resources	242,139	281,332	199,673
Total liabilities and deferred inflows of resources	5,945,758	4,646,527	4,209,943
Net position			
Net investment in capital assets	208,372,411	206,618,765	203,467,187
Restricted	50,000	50,000	50,000
Unrestricted	69,679,842	60,796,317	51,561,460
Total net position	\$ 278,102,253	\$ 267,465,082	\$ 255,078,647

Total assets increased \$12.8 million (or 4.9%) from 2023 to 2024 and increased \$11.9 million (or 4.4%) from 2024 to 2025. Total liabilities increased \$1.3 million (or 30.7%) from 2024 to 2025.

From 2023 to 2024, net investment in capital assets increased by \$3.2 million (or 1.5%) to \$206.6 million. From 2024 to 2025 net investment in capital assets increased by \$1.8 million (or 0.8%) to \$208.4 million. Unrestricted net position increased by \$9.2 million (or 17.9%) to \$60.8 million from 2023 to 2024. From 2024 to 2025 unrestricted net position increased by \$8.9 million (or 14.6%) to \$69.7 million. Only the unrestricted net position is readily available to finance continuing and future operations of the water system. During 2024 and 2025, the District continued to expend significant amounts for treatment and distribution system upgrades, system development, and the purchase and development of additional water storage and water rights.

The net position of the District increased to \$267.5 million during 2024, an increase of \$12.4 million over 2023. This increase was made up of \$7.4 million in non-operating revenues, \$2.3 million in operating income, \$2.7 million in capital contributions.

In 2025, the District's net position increased to \$278.1 million, an increase of \$10.6 million over 2024. This increase was made up of \$7.4 million in non-operating revenues, \$1.1 million in operating income, and \$2.1 million in capital contributions.

Management's Discussion and Analysis (unaudited)
As of and for the Years Ended December 31, 2025 and 2024

REVIEW OF REVENUES

Years ended December 31,	2025	2024	2023
Operating revenues			
Waters sales	\$ 23,906,657	\$ 22,824,772	\$ 21,759,975
Fee for tap connections	539,733	792,351	588,842
Other	349,007	426,208	438,542
Total	24,795,397	24,043,331	22,787,359
Non-operating revenues			
Tap fee in excess of connection costs	4,199,067	4,532,349	4,176,433
Investment income	2,888,398	2,469,106	2,254,355
Miscellaneous income	256,353	377,857	1,081,841
Gain on disposition of capital assets	43,155	18,465	4,799
Total	7,386,973	7,397,777	7,517,428
Total revenues	\$ 32,182,370	\$ 31,441,108	\$ 30,304,787

In 2024, operating revenues increased \$1.3 million (or 5.5%) from 2023. This is mainly comprised of increases related to water sales in the amount of \$1.1 million (or 4.9%) due to a \$1 increase in the base residential rate. Non-operating revenues decreased \$0.1 million (or 1.6%) from 2023. The decrease in non-operating revenue primarily resulted due to miscellaneous income decreasing by \$0.7 million due to a 2023 judgment awarded to the District being a one-time income event. The decrease in miscellaneous income was offset by increased tap fees in excess of connection costs of \$0.4 million and increased investment income of \$0.2 million.

In 2025, operating revenues increased \$0.8 million (or 3.1%) from 2024. Water rates were increased by roughly 3.8% (from \$26 to \$27 for the base residential rate) in January of 2025 which accounts for most of the increase. Non-operating revenues remained similar to 2024 at \$7.4 million. Changes in non-operating revenues primarily resulted from an increase of \$0.4 million in investment income from 2024 amounts due to investments held at higher interest rates than 2024, these increases are offset by decreases in tap fees in excess of connection costs and miscellaneous income in the amount of \$0.3 million and \$0.1 million, respectively.

Management's Discussion and Analysis (unaudited)
As of and for the Years Ended December 31, 2025 and 2024

REVIEW OF EXPENSES

Years ended December 31,	2025	2024	2023
Operating expenses			
Water supply and treatment	\$ 4,289,962	\$ 3,551,138	\$ 3,489,568
Transmission and distribution	6,085,361	5,495,485	5,094,960
Engineering and construction	1,614,873	1,392,741	1,183,161
Administration	2,030,712	2,088,710	2,000,152
Finance and accounting	2,185,027	1,933,069	1,866,965
Depreciation	7,462,466	7,281,079	7,097,668
Total operating expenses	<u>\$ 23,668,401</u>	<u>\$ 21,742,222</u>	<u>\$ 20,732,474</u>

In 2024, the District's operating expenses increased \$1 million (or 4.9%) when compared to 2023. A portion of this increase resulted from personnel expense increases of \$0.4 million that consisted of increases in wage and benefit costs. Additional operating expense increases include an increase of \$0.3 million due to increases in system maintenance and repair costs and increased depreciation costs of \$0.2 million.

In 2025, the District's operating expenses increased \$1.9 million (or 8.9%) when compared to 2024. A portion of this increase resulted from personnel expense increases of \$1.1 million that consisted of increases in wage and benefit costs, which included adjustments required for compensated absence reporting under GASB 101, *Compensated Absences*. Additional operating expense increases included an increase of \$0.3 million due to increased chemical costs, credit card and merchant expenses, and electrical costs due to increased pump operations.

CAPITAL CONTRIBUTIONS

Years ended December 31,	2025	2024	2023
Developer donated assets and system upgrades	<u>\$ 2,123,202</u>	<u>\$ 2,687,549</u>	<u>\$ 1,843,326</u>

Capital contributions result from the donation of line extensions, subdivision lines, and other system assets from developers. Changes in amounts from year to year are dependent on the amount of residential and commercial development within the District.

Management's Discussion and Analysis (unaudited)
As of and for the Years Ended December 31, 2025 and 2024

CAPITAL ASSETS

(in thousands)

Capital assets, net of depreciation

Balances for years ended December 31,	2025	2024	2023
Source of supply	\$ 81,058	\$ 82,503	\$ 83,778
Transmission and distribution	86,812	87,034	83,330
Water treatment	24,467	25,639	22,259
General plant and equipment	6,901	6,961	6,873
Construction in progress	10,899	5,564	8,153
	<u>\$ 210,137</u>	<u>\$ 207,701</u>	<u>\$ 204,393</u>

Capital assets had net increases (additions, retirements, and depreciation) of about \$2.4 million in 2025 and \$3.3 million in 2024.

The major capital asset additions were as follows:

(in thousands)

	2025	2024
Transmission and distribution system upgrades	\$ 7,816	\$ 6,235
Treatment and supply upgrades and improvements	470	2,430
Meter and service installations	540	792
Vehicle and equipment purchases	498	715
Reservoir permitting, design, and expansion	476	394
Land and water rights	115	23
Total capital asset additions	<u>\$ 9,915</u>	<u>\$ 10,589</u>

Additional information regarding capital assets is available in the footnotes to the financial statements (see page 28).

DEBT OUTSTANDING

The District has no bonds or notes payable outstanding nor had any long-term debt activity in 2024 or 2025.

ECONOMIC AND OTHER FACTORS

The economy of the region surrounding the District has grown and diversified over the last several decades. Prior to 2017, the effects of the national economy significantly impacted the region's natural gas and construction industries which in turn resulted in substantially reduced levels of growth of the local area's economy. This slowdown in the local economy appears to have reversed as low residential real estate inventory and reduced foreclosure filings support the renewed levels of residential and commercial construction activity. The region's economic diversification and the desirability of the area as a place to live has resulted in an increase in medical, industrial, recreational, and service-related businesses.

Management's Discussion and Analysis (unaudited)
As of and for the Years Ended December 31, 2025 and 2024

The number of water tap connections (tap sales), county building permits (see page 47), and subdivision development reflect the renewed level of growth the valley is experiencing. The real estate market appears to have stabilized in 2024 and 2025 compared to previous year's low lot inventory for new development. The District continues to plan for future growth with the continued emphasis on upgrading the District's treatment and distribution systems. The determination of future water needs and the purchase and development of additional water rights and water sources continue as a priority for the District.

FINANCIAL CONTACT

The District's financial statements are designed to present financial statement users (water users, taxpayers, and creditors) with a general overview of the District's finances and to demonstrate the District's accountability. If you have any questions concerning this report or need additional financial information, please contact the Finance Department, Ute Water Conservancy District, P.O. Box 460, Grand Junction, Colorado 81502.

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Ute Water Conservancy District
Financial Statements,
Notes to Financial Statements,
and Supplemental Information



UTE WATER CONSERVANCY DISTRICT

STATEMENTS OF NET POSITION

December 31, 2025 and 2024

ASSETS	2025	2024
CURRENT ASSETS		
Cash and cash equivalents	\$ 22,348,717	\$ 20,672,583
Restricted cash and cash equivalents	50,000	50,000
Cash held for others	207,868	274,168
Investments	45,704,460	38,399,775
Accounts receivable - less allowance of \$3,900	2,491,321	2,528,476
Lease receivable - current portion	82,480	73,876
Loans receivable - current portion	6,313	6,106
Accrued interest receivable	476,416	363,141
Inventories	1,787,842	1,577,688
Prepaid expenses	487,381	138,272
TOTAL CURRENT ASSETS	73,642,798	64,084,085
NON-CURRENT ASSETS		
Capital assets - not being depreciated	47,623,669	42,173,034
Capital assets - being depreciated	162,513,174	165,527,491
Lease receivable - long term portion	155,026	204,108
Loans receivable - long term portion	113,344	122,891
TOTAL NON-CURRENT ASSETS	210,405,213	208,027,524
TOTAL ASSETS	284,048,011	272,111,609
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable	2,262,924	1,600,256
Funds held for others	207,868	274,168
Accrued wages payable	302,397	248,667
Unearned revenue	280,893	298,009
Compensated absences payable - current portion	817,188	821,250
TOTAL CURRENT LIABILITIES	3,871,270	3,242,350
NON-CURRENT LIABILITIES		
Compensated absences payable - long term portion	1,832,349	1,122,845
TOTAL NON-CURRENT LIABILITIES	1,832,349	1,122,845
TOTAL LIABILITIES	5,703,619	4,365,195
DEFERRED INFLOWS OF RESOURCES		
Lease revenue	242,139	281,332
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	5,945,758	4,646,527
NET POSITION		
Net investment in capital assets	208,372,411	206,618,765
Restricted for constitutional emergency reserves	50,000	50,000
Unrestricted	69,679,842	60,796,317
TOTAL NET POSITION	\$ 278,102,253	\$ 267,465,082

The accompanying notes are an integral part of these statements.

UTE WATER CONSERVANCY DISTRICT

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

For the years ended December 31, 2025 and 2024

	2025	2024
OPERATING REVENUES		
Water sales	\$ 23,906,657	\$ 22,824,772
Fees for making water tap connections	539,733	792,351
Other operating revenues	349,007	426,208
<i>TOTAL OPERATING REVENUES</i>	24,795,397	24,043,331
OPERATING EXPENSES		
Water supply and treatment	4,289,962	3,551,138
Transmission and distribution	6,085,361	5,495,485
Engineering and construction	1,614,873	1,392,741
Administration	2,030,712	2,088,710
Finance and accounting	2,185,027	1,933,069
Depreciation and amortization	7,462,466	7,281,079
<i>TOTAL OPERATING EXPENSES</i>	23,668,401	21,742,222
<i>OPERATING INCOME</i>	1,126,996	2,301,109
NON-OPERATING REVENUES		
Tap fees in excess of connection costs	4,199,067	4,532,349
Investment income	2,888,398	2,469,106
Miscellaneous income	256,353	377,857
Gain on disposition of capital assets	43,155	18,465
<i>TOTAL NON-OPERATING REVENUES</i>	7,386,973	7,397,777
<i>INCOME BEFORE CONTRIBUTIONS</i>	8,513,969	9,698,886
CAPITAL CONTRIBUTIONS		
Developer donated lines	2,123,202	2,687,549
<i>CHANGE IN NET POSITION</i>	10,637,171	12,386,435
NET POSITION, Beginning of year	267,465,082	255,078,647
NET POSITION, End of year	\$ 278,102,253	\$ 267,465,082

The accompanying notes are an integral part of these statements.

UTE WATER CONSERVANCY DISTRICT

STATEMENTS OF CASH FLOWS

For the years ended December 31, 2025 and 2024

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from customers	\$ 24,275,703	\$ 23,259,854
Cash paid to suppliers	(6,320,022)	(4,697,075)
Cash paid to employees	(9,782,277)	(9,088,198)
Cash received for making water tap connections	539,733	792,351
Miscellaneous nonoperating receipts	153,650	281,675
<i>NET CASH PROVIDED BY OPERATING ACTIVITIES</i>	8,866,787	10,548,607
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Tap fees in excess of connection costs	4,199,067	4,532,349
Proceeds from sale of capital assets	60,122	18,465
Proceeds from lease of capital assets	96,296	84,220
Interest received from lease of capital assets	7,688	8,390
Purchase of capital assets	(6,861,548)	(7,401,088)
Wages and benefits capitalized in capital assets	(248,329)	(344,021)
<i>NET CASH USED IN CAPITAL AND RELATED FINANCING ACTIVITIES</i>	(2,746,704)	(3,101,685)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale and maturities of investments	15,000,000	19,000,000
Interest received	2,418,790	1,852,047
Purchase of investments	(21,938,379)	(23,509,922)
Payments received on loans receivable	9,340	5,751
<i>NET CASH USED BY INVESTING ACTIVITIES</i>	(4,510,249)	(2,652,124)
<i>NET CHANGE IN CASH AND CASH EQUIVALENTS</i>	1,609,834	4,794,798
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	20,996,751	16,201,953
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 22,606,585	\$ 20,996,751

The accompanying notes are an integral part of these statements.

UTE WATER CONSERVANCY DISTRICT

STATEMENTS OF CASH FLOWS - continued

For the years ended December 31, 2025 and 2024

	<u>2025</u>	<u>2024</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
<i>OPERATING INCOME</i>	<u>\$ 1,126,996</u>	<u>\$ 2,301,109</u>
ADJUSTMENTS TO RECONCILE NET OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Depreciation	7,462,466	7,281,079
Decrease in accounts receivable	37,155	65,819
(Increase) decrease in inventory	(210,154)	166,442
(Increase) decrease in prepaid expenses	(349,109)	267,882
Increase in accounts payable	662,671	210,072
(Decrease) in accounts payable due to the purchase of capital assets on account	(682,671)	(156,347)
Increase in accrued wages and compensated absences payable	759,172	187,819
(Decrease) in unearned revenue	(17,116)	(56,945)
Miscellaneous nonoperating receipts included in operating activities	<u>153,650</u>	<u>281,677</u>
TOTAL ADJUSTMENTS	<u>7,816,064</u>	<u>8,247,498</u>
<i>NET CASH PROVIDED BY OPERATING ACTIVITIES</i>	<u><u>\$ 8,943,060</u></u>	<u><u>\$ 10,548,607</u></u>
NON-CASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES		
Purchase of capital assets on account	\$ 1,764,431	\$ 1,081,760
Lease revenue from a reduction in deferred lease	95,011	91,233
Lease gains (losses) from amortization and adjustments	(1,285)	3,572
Unrealized gain on investments	366,306	585,093
Contributed capital - developer donated lines	2,123,202	2,687,549

UTE WATER CONSERVANCY DISTRICT

NOTES TO FINANCIAL STATEMENTS

As of and for the years ended December 31, 2025 and 2024

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Ute Water Conservancy District (District) is a political subdivision of the State of Colorado with all the powers of a public or quasi-municipal corporation. The District was created April 4, 1956, by decree of the District Court in and for Mesa County as provided by Colorado Revised Statutes, Title 37, Article 45; the “Water Conservancy Act”. The District is organized to provide domestic water service to most rural areas of the Grand Valley in Mesa County in central western Colorado. Water service is also provided within the City of Fruita. A Board of Directors consisting of fourteen members governs the District. The members of the Board of Directors are appointed for staggered four-year terms of office by the Mesa County District Court.

The financial statements of the District have been prepared in accordance with generally accepted accounting principles (GAAP) accepted in the United States and as applied to local government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The District applies all applicable GASB pronouncements. A summary of significant accounting policies follows.

This summary of significant accounting policies of Ute Water Conservancy District is presented to assist in the understanding of the District’s financial statements. The financial statements and notes are representations of the District’s appointed officials and management, who are responsible for their integrity and objectivity. These accounting policies have been consistently applied in the presentation of the financial statements.

Reporting Entity

The reporting entity of the District includes those activities and functions over which the District is considered to be financially accountable. The District’s financial statements include the accounts and operations of all the District’s functions. The District’s functions include the construction and maintenance of domestic water supply and delivery lines and the operation of a domestic water system. The District is the primary government and does not include any component units using the criteria set forth in GAAP.

Basic Financial Statements

The District is a special-purpose government engaged only in a business-type activity. For this type of government, only enterprise (proprietary) fund financial statements are presented.

Basis of Presentation - Fund Accounting

The accounts of the District are organized and operated on a fund basis. The operations of a fund are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position, revenues, and expenses. The focus of proprietary fund measurement is upon determination of operating income, changes in net position, financial position, and cash flows. The generally accepted accounting principles applicable are those similar to those applicable to businesses in the private sector.

UTE WATER CONSERVANCY DISTRICT

NOTES TO FINANCIAL STATEMENTS

As of and for the years ended December 31, 2025 and 2024

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

GAAP sets forth minimum criteria for the determination of major funds to be presented in the financial statements. Since the operations of the District are accounted for on a fund basis in a single enterprise fund, it is the only fund presented.

Enterprise funds are required to be used to account for operations for which a fee is charged to external users for goods or services and the activity (a) is financed with debt that is solely secured by a pledge of net revenues; (b) has third-party requirements that the cost of providing services, including capital costs, be recovered with fees or charges or; (c) has a pricing policy designed for the fees and charges to recover similar costs. Enterprise funds may also be used to account for operations (a) that are financed and operated in a manner similar to business enterprises and where the intent of the governing body is that costs (expenses, including depreciation) of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Basis of Accounting

Basis of accounting refers to when revenues or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. Proprietary (enterprise) funds are presented on a flow of economic resources measurement focus. With this measurement focus, all assets, deferred inflows, liabilities, and deferred outflows associated with the operation of a fund are included on the statement of net position. Net position is categorized as net investment in capital assets, restricted, and unrestricted. Fund operating statements present increases (e.g., revenues and contributions) and decreases (e.g., expenses) in net position. Proprietary (enterprise) funds are presented on an accrual basis of accounting whereby revenues are recognized when earned and expenses are recognized when incurred. The District records unbilled water service receivables as revenue at year-end.

The District reports unearned revenue on its statement of net position. Unearned revenues arise when potential revenue is measurable but has not yet been earned. In subsequent periods, when the steps required for the revenue to be earned are met, the liability for unearned revenue is removed from the statement of net position and revenue is recognized. Unearned revenues include prepaid user charges, billing corrections, and account adjustments (e.g., leak adjustments) resulting in customer account credit balances where the credit will be applied against future account usage charges.

UTE WATER CONSERVANCY DISTRICT

NOTES TO FINANCIAL STATEMENTS

As of and for the years ended December 31, 2025 and 2024

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Budgets and Budgetary Accounting

The Board of Directors approves the annual budget in accordance with Colorado Revised Statutes and prior to December 31. The District adopts a resolution appropriating sums of money for the ensuing fiscal year. The statutory details of the budget calendar are as follows:

December 15,	Statutory deadline for certification of mill levies to the Board of County Commissioners
December 22,	Statutory deadline for Board of County Commissioners to levy all taxes and certify the levies

The District's budget is prepared on the accrual basis of accounting modified to include the proceeds of debt issuance in revenues, to include capital expenditures and debt service principal payments in expenditures, to exclude contributed capital from revenues, and to exclude contributed capital, depreciation, and amortization from expenditures.

The District's level of budgetary control (the level at which expenditures may not exceed the appropriated amount) is established at the fund level. A supplemental budget appropriation may be adopted by the Board of Directors when necessary. The District does not record commitments related to unperformed contracts for goods and services outstanding at year-end. Appropriations lapse at year-end.

For the year ended December 31, 2025, the District's original appropriation and expenditures were limited to \$29,271,889. The District did not make any supplemental appropriations for the year ended December 31, 2025. For the year ended December 31, 2024, the District's original appropriation and expenditures were limited to \$27,003,766. The District did not make any supplemental appropriations for the year ended December 31, 2024.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the District considers all highly liquid investments with maturities of three months or less when purchased to be cash equivalents.

Inventory and Prepaid Items

Inventory held by the District consists of repair and replacement parts, treatment chemicals, and equipment fuel and is stated at cost using the first-in-first-out cost basis.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

UTE WATER CONSERVANCY DISTRICT

NOTES TO FINANCIAL STATEMENTS

As of and for the years ended December 31, 2025 and 2024

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Investments

Colorado statutes specify investments meeting defined rating and risk criteria in which local governments may invest, which include:

- Obligations of the United States and certain U.S. government agency securities
- Local government investment pools
- General obligation and revenue bonds of U.S. local government entities
- Certain international agency securities
- Guaranteed investment contracts
- Commercial paper
- Written repurchase agreements collateralized by certain authorized securities
- Banker's acceptances of certain banks
- Certain money market funds

The District's investment policy limits District investments to the first three listed categories except for investments specifically approved by the District's Board of Directors. The District's investment policy does not include limits of investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. Colorado statutes limit authorized investments to investments having maturities of five years or less, unless the entity's governing body specifically authorizes longer maturities.

Capital Assets

Capital assets (property, plant, and equipment) are recorded at cost, or in the case of donations, at their acquisition value on the date donated. Cost includes the capitalization of materials and direct labor for additions made by District personnel. The District's capitalization level for capital assets is \$5,000.

Maintenance, repairs, and renewals that neither materially add to the value of the property nor appreciably prolong its life are charged to expense as incurred. Upon the disposition of property, infrastructure or equipment, the costs and related accumulated depreciation are removed from the corresponding accounts and gains or losses are included in income.

Depreciation is computed using the straight-line method over estimated useful lives, as follows:

Structures and improvements	30 to 60 years
Reservoirs, supply lines, mains, and services	10 to 50 years
Equipment, tools, and furniture	3 to 25 years

UTE WATER CONSERVANCY DISTRICT

NOTES TO FINANCIAL STATEMENTS

As of and for the years ended December 31, 2025 and 2024

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Compensated Absences

Vacation and sick leave balances accrue immediately upon full-time employment up to a maximum amount of 35 days. Unused sick leave at termination, which had accumulated prior to August 1, 1987, is paid to the remaining eligible employees upon termination at 17% to 20% of full pay rates as of August 1, 1987. There is no compensation upon termination for unused sick leave accrued after August 1, 1987. All compensated absences liabilities include salary-related payments, where applicable.

Deferred Outflows/Inflows of Resources

A deferred outflow of resources represents a consumption of net assets that applies to future periods and will not be recognized as an expense/expenditure until such future period. A deferred inflow of resources represents an acquisition of net asset that applies to future periods and will not be recognized as revenue until the future period.

Leases Receivable

The District is a lessor for multiple parcels of land and a single cell tower site, and recognizes leases receivable and deferred inflows of resources related to leases in the financial statements as required by GASB Statement No. 87, *Leases*. At the commencement of a lease, the lease receivable is measured at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflows of resources are initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. The deferred inflows of resources are recognized as revenue over the life of the lease term in a straight-line method.

Key estimates and judgments include how the District determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The District uses U.S. Treasury rates at the time a new lease is executed as the discount rate.
- The lease term includes the noncancelable period of the lease plus any option periods that are likely to be exercised.
- Lease receipts included in the measurement of the lease receivable are composed of fixed payments from the lessee.

The District monitors changes in circumstances that would require a remeasurement of its leases and will remeasure the lease receivable and deferred inflows of resources if changes occur that are expected to significantly affect the amount of the lease receivable.

UTE WATER CONSERVANCY DISTRICT

NOTES TO FINANCIAL STATEMENTS

As of and for the years ended December 31, 2025 and 2024

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Net Position

Investment in capital assets is intended to reflect the portion of net position that is associated with non-liquid capital assets, less outstanding capital-related debt. Restricted assets are assets that have third-party (constitutional/statutory or bond covenant) limitation on their use. The District typically uses restricted assets when the restriction first makes them available but reserves the right to selectively defer their use.

Restricted – Constitutional Emergency Reserve – Provisions of the Colorado constitution require the District to maintain a portion of its fiscal year spending in reserve which is restricted for declared emergencies only. As of year-end 2025 and 2024, the restricted amount of net position for constitutional emergency reserves was \$50,000.

Reclassifications

For comparability, 2024 amounts have been reclassified where appropriate to conform to the year 2025 financial presentation.

Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets, deferred outflow of resources, liabilities, deferred inflow of resources, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

UTE WATER CONSERVANCY DISTRICT

NOTES TO FINANCIAL STATEMENTS

As of and for the years ended December 31, 2025 and 2024

NOTE B – CASH AND INVESTMENTS

The captions on the statements of net position of the District related to cash and investments are as follows:

	2025	2024
Cash and cash equivalents	\$ 22,348,717	\$ 20,672,583
Restricted cash and cash equivalents	50,000	50,000
Cash held for others	207,868	274,168
Investments	45,704,460	38,399,775
	<u>\$ 68,311,045</u>	<u>\$ 59,396,526</u>

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles and GASB Statement No. 72. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The composition, including level under the GASB 72 fair value hierarchy, where applicable, of all cash and investments held by the District at December 31, 2025 and 2024 is as follows:

	2025	2024
Cash on hand	\$ 1,700	\$ 1,700
Cash in bank account(s)	6,289,710	5,005,258
Investment pools:		
COLOTRUST EDGE (GASB 31)	11,670,775	12,517,406
CSAFE CORE (Level 1)	2,372,779	2,196,276
CSLIP (Level 1)	2,063,753	1,001,943
CSAFE Cash (Level 1)	207,868	274,168
U.S. Treasury Notes (Level 1)	45,704,460	32,425,615
Federal Agency securities:		
Federal Home Loan Bank (Level 1)	-	3,982,980
Federal Home Loan Mortgage Corporation (Level 1)	-	1,991,180
	<u>\$ 68,311,045</u>	<u>\$ 59,396,526</u>

Deposits

District policy requires that the District only have deposits with eligible public depositories as defined in Colorado statutes including the Public Deposit Protection Act (PDPA) of 1989. Under PDPA, the depository is required to pledge eligible collateral having a fair/market value at all times equal to at least 102 % of the aggregate public deposits held by the depository not insured by the Federal Deposit Insurance Corporation. The District's cash deposits at December 31, 2025 and 2024 had bank balances and carrying balances as follows:

	2025	2024
Bank balance	\$ 6,496,400	\$ 4,975,805
Carrying balance	6,289,710	5,005,258

UTE WATER CONSERVANCY DISTRICT

NOTES TO FINANCIAL STATEMENTS

As of and for the years ended December 31, 2025 and 2024

NOTE B – CASH AND INVESTMENTS – continued

Investments

The District's investments include external investment pool portfolio options provided by Colorado Surplus Asset Fund Trust (CSAFE), Centennial State Liquid Investment Pool (CSLIP), and Colorado Government Liquid Asset Trust (COLOTRUST). CSAFE, CSLIP, and COLOTRUST are local government investment pool trust funds registered with the Colorado Securities Commissioner pursuant to the Local Government Investment Pool Trust Fund Administration and Enforcement Act.

CSAFE Cash investments and CSLIP investments follow GASB 79 valuing investments at their amortized cost basis, CSAFE CORE investments use GASB 72 valuing investments at fair value. These investment pools are considered Level 1 inputs according to the hierarchy disclosure requirements of GASB 72.

COLOTRUST EDGE measures its investments at fair value in accordance with Paragraph 41 of GASB 79 and Paragraph 11 of GASB 31, and therefore a Participant's investment in COLOTRUST EDGE is not required to be categorized within the fair value hierarchy for purposes of GASB 72.

As of December 31, 2025, the District had \$16,315,175 in the CSAFE, CSLIP, and COLOTRUST government investment pools established for local governments in Colorado to pool surplus funds, an increase of \$325,382 from December 31, 2024 balance of \$15,989,793. The underlying investments of these pools consist of U.S. Treasury securities, the highest rated commercial paper, and repurchase agreements collateralized by U.S. Treasury and agency securities.

Investments in the CSAFE Cash investment pool portfolio and the CSLIP portfolio options are valued at \$1 net asset value (NAV) per share and the underlying investments held in the portfolios are valued at amortized cost which approximates fair value. There are no limitations on withdrawals in the CSAFE Cash and CSLIP options. The CSAFE Cash portfolio is rated AAAMmf by Fitch and the CSLIP portfolio is rated AAAM by Standard & Poor's.

Investments in the CSAFE CORE investment pool portfolio option are valued at \$2 net asset value (NAV) per share and the underlying investments held in the portfolio are valued at fair value. Participants are limited to three (3) redemptions per month in the CSAFE CORE option. The CSAFE CORE portfolio is rated AAAf/S1 by Fitch.

COLOTRUST EDGE is a variable net asset value (NAV) local government investment pool that offers intermediate liquidity to Participants. COLOTRUST EDGE has a NAV that is managed to approximate a \$10 transactional share price and there are no limitations on withdrawals, though a 1-day settlement period applies. COLOTRUST EDGE is rated AAAf/S1 by Fitch.

UTE WATER CONSERVANCY DISTRICT

NOTES TO FINANCIAL STATEMENTS

As of and for the years ended December 31, 2025 and 2024

NOTE B – CASH AND INVESTMENTS - continued

In 2014, the District was appointed administrator and custodian of the Grand Valley Fund. The Grand Valley Fund, and any earnings, are to be used for water supply, water quality, and/or water infrastructure projects benefiting the Grand Valley. There are six Grand Valley entities, including the District, that determine the use of these funds. In 2025, these entities authorized net disbursements of \$26,835, decreasing the December 31, 2024 balance available of \$224,730 to \$207,868 at December 31, 2025 after interest earnings totaled \$9,973 in 2025. Funds and associated earnings being held for the Grand Valley Fund are invested in CSAFE Cash investment pool portfolio and offset by a District liability in the same amount.

Investments in U.S. Treasury securities at December 31, 2025, were as follows:

Face Amount	Security	CUSIP	Coupon	Yield	Carrying Value
\$ 2,000,000	U.S. Treasury note due January 31, 2026	91282CJV4	4.250%	4.404%	\$ 2,000,800
1,500,000	U.S. Treasury note due February 28, 2026	91282CKB6	4.625%	4.708%	1,501,950
2,000,000	U.S. Treasury note due April 15, 2026	91282CGV7	3.750%	4.572%	2,000,940
2,000,000	U.S. Treasury note due May 15, 2026	91282CHB0	3.625%	4.929%	2,000,540
2,000,000	U.S. Treasury note due June 30, 2026	91282CKY6	4.625%	4.500%	2,010,380
2,000,000	U.S. Treasury note due September 15, 2026	91282CHY0	4.625%	4.370%	2,014,600
2,000,000	U.S. Treasury note due November 15, 2026	91282CJK8	4.625%	4.324%	2,017,880
2,000,000	U.S. Treasury note due February 15, 2027	91282CKA8	4.125%	4.015%	2,013,120
2,000,000	U.S. Treasury note due May 15, 2027	91282CKR1	4.500%	3.497%	2,026,560
2,000,000	U.S. Treasury note due June 30, 2027	91282CEW7	3.250%	3.512%	1,993,120
2,000,000	U.S. Treasury note due August 15, 2027	91282CLG4	3.750%	3.639%	2,008,280
2,000,000	U.S. Treasury note due October 31, 2027	91282CFU0	4.125%	3.934%	2,022,180
2,000,000	U.S. Treasury note due November 15, 2027	91282CLX7	4.125%	4.134%	2,022,820
1,500,000	U.S. Treasury note due January 15, 2028	91282CMF5	4.250%	4.409%	1,522,095
2,000,000	U.S. Treasury note due March 15, 2028	91282CMS7	3.875%	3.991%	2,016,100
2,000,000	U.S. Treasury note due April 15, 2028	91282CMW8	3.750%	3.823%	2,010,400
2,000,000	U.S. Treasury note due May 15, 2028	91282CND9	3.750%	3.972%	2,010,860
2,000,000	U.S. Treasury note due June 15, 2028	91282CNH0	3.875%	3.861%	2,017,180
2,000,000	U.S. Treasury note due July 15, 2028	91282CNM9	3.875%	3.714%	2,016,880
2,000,000	U.S. Treasury note due August 15, 2028	91282CNU1	3.625%	3.490%	2,005,080
2,000,000	U.S. Treasury note due October 15, 2028	91282CPC9	3.500%	3.595%	1,997,960
2,000,000	U.S. Treasury note due November 15, 2028	9128285M8	3.125%	3.561%	1,977,660
2,500,000	U.S. Treasury note due December 15, 2028	91282CPP0	3.500%	3.630%	2,497,075
<u>\$ 45,500,000</u>	<i>Total U.S. Treasury securities</i>				<u>\$ 45,704,460</u>

UTE WATER CONSERVANCY DISTRICT

NOTES TO FINANCIAL STATEMENTS

As of and for the years ended December 31, 2025 and 2024

NOTE B – CASH AND INVESTMENTS – continued

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligation to a depositor or investor. To limit credit risk, the District's investment policy limits District investments to obligations of the United States and certain U.S. government agency securities, specified local government investment pools, and general obligation and revenue bonds of United States local government entities.

Custodial Credit Risk

The custodial credit risk for deposits is the risk that, in the event of a bank failure, the District will not be able to recover deposits or will not be able to recover collateral securities that are in possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investments or collateral securities that are in the possession of an outside party. The District's deposits are either covered by depository insurance or are collateralized under the Colorado Public Deposit Protection Act and are therefore not deemed to be exposed to custodial credit risk. The District's investments are not deemed to be exposed to custodial credit risk because the investments are held by the District or by the District's custody agent in the District's name.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The District does not place a limit on the amount that may be invested in any one issuer. Investments amounting to 5% or more in any single issuer of the District's investments total include U.S. Treasury securities and investment pools. These investments are 73.7% and 26.3% of the District's total investments at December 31, 2025, respectively.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The District manages its exposure by coordinating investment maturities with anticipated cash flow requirements, establishing a pattern of rolling maturity dates, and employing a buy-and-hold strategy.

Investment Type	Investment Maturities as of December 31, 2025			Cash, Cash Equivalents, & Investments
	Less than 1 Year	1 - 2 Years	2 - 3 Years	
Deposits	\$ 6,291,410	\$ -	\$ -	\$ 6,291,410
Investment pools	16,315,175	-	-	16,315,175
U.S. Treasury securities	13,547,090	12,086,080	20,071,290	45,704,460
Total	<u>\$ 36,153,675</u>	<u>\$ 12,086,080</u>	<u>\$ 20,071,290</u>	<u>\$ 68,311,045</u>

UTE WATER CONSERVANCY DISTRICT

NOTES TO FINANCIAL STATEMENTS

As of and for the years ended December 31, 2025 and 2024

NOTE C – LOANS RECEIVABLE

The purpose of the District’s loans receivable was to provide various property owners, formerly on a well system, with the ability to compensate the District for the costs of infrastructure capital improvements related to new and upgraded water services in a service area of the District. The District installed the required infrastructure capital improvements. Certain property owners in the affected service area elected to pay infrastructure charges in full rather than elect the District’s loan option. The District views the loan principal repayments as contributions to be used to offset costs for the new and upgraded water services and associated distribution system component improvements that are owned and maintained by the District. The loans receivable originated in 2009 and are due in installments through 2039. The loans bear interest at 6% and are collateralized by liens on the affected properties.

Loan Receivable activity for the year ended December 31, 2025, was as follows:

	Beginning Balance	Principal Received	Ending Balance	Amounts due within one year
Loans receivable	<u>\$ 128,997</u>	<u>\$ 9,340</u>	<u>\$ 119,657</u>	<u>\$ 6,313</u>

Loan Receivable activity for the year ended December 31, 2024, was as follows:

	Beginning Balance	Principal Received	Ending Balance	Amounts due within one year
Loans receivable	<u>\$ 134,748</u>	<u>\$ 5,751</u>	<u>\$ 128,997</u>	<u>\$ 6,106</u>

NOTE D – LEASES RECEIVABLE

The District leases multiple parcels of land and a single cell tower site, and recognizes leases receivable. Leases receivable consist of agreements with others for the “right-to-use” the underlying land asset at various locations owned by the District. The remaining terms of the agreements that were used in calculating the leases receivable range from 2 to 5 years. For the year ended December 31, 2025, the District recognized \$96,296 in lease revenue and \$7,413 in interest revenue, and the outstanding receivable amount was \$237,506.

For the year ended December 31, 2024, the District recognized \$84,220 in lease revenue and \$9,226 in interest revenue, and the outstanding receivable amount was \$277,984.

UTE WATER CONSERVANCY DISTRICT

NOTES TO FINANCIAL STATEMENTS

As of and for the years ended December 31, 2025 and 2024

NOTE D – LEASES RECEIVABLE – continued

Lease receivable activity for the year ended December 31, 2025, was as follows:

Beginning Balance	Additions	Reductions	Ending Balance	Amounts due within one year
\$ 277,984	\$ 55,818	\$ (96,296)	\$ 237,506	\$ 82,480

Lease receivable activity for the year ended December 31, 2024, was as follows:

Beginning Balance	Additions	Reductions	Ending Balance	Amounts due within one year
\$ 192,753	\$ 169,451	\$ (84,220)	\$ 277,984	\$ 73,876

Required payments for leases, including interest as of December 31, 2025, is as follows:

Year	Lease Receivable	Interest Receivable	Total
2026	\$ 82,480	\$ 5,287	\$ 87,767
2027	92,600	3,100	95,700
2028	48,283	1,000	49,283
2029	14,143	157	14,300
	<u>\$ 237,506</u>	<u>\$ 9,544</u>	<u>\$ 247,050</u>

Future deferred inflows of resources for leases will be as follows:

Year	Total
2026	\$ 94,060
2027	88,332
2028	46,318
2029	13,429
	<u>\$ 242,139</u>

UTE WATER CONSERVANCY DISTRICT

NOTES TO FINANCIAL STATEMENTS

As of and for the years ended December 31, 2025 and 2024

NOTE E – CAPITAL ASSETS

At December 31, 2025, capital assets (property, plant, and equipment) transactions and balances include the following:

	December 31, 2024	Additions	Dispositions	Transfers	December 31, 2025
Capital assets, not being depreciated:					
Land and water rights	\$ 36,609,209	\$ 115,190	\$ -	\$ -	\$ 36,724,399
Construction in progress	5,563,825	5,458,852	-	(123,407)	10,899,270
Total capital assets not being depreciated	42,173,034	5,574,042	-	(123,407)	47,623,669
Capital assets, being depreciated:					
Structures and improvements	64,883,036	236,728	(40,721)	-	65,079,043
Equipment, tools, and furniture	9,128,028	467,171	(265,136)	123,407	9,453,470
Reservoirs, supply lines, mains, and services	234,014,715	3,637,810	(31,360)	-	237,621,165
Total capital assets being depreciated	308,025,779	4,341,709	(337,217)	123,407	312,153,678
Less accumulated depreciation for:					
Structures and improvements	(28,805,581)	(1,945,163)	23,754	-	(30,726,990)
Equipment, tools, and furniture	(6,374,219)	(593,737)	265,136	-	(6,702,820)
Reservoirs, supply lines, mains, and services	(107,318,488)	(4,923,566)	31,360	-	(112,210,694)
Total accumulated depreciation	(142,498,288)	(7,462,466)	320,250	-	(149,640,504)
Total capital assets being depreciated, net	165,527,491	(3,120,757)	(16,967)	123,407	162,513,174
Total capital assets, net	\$ 207,700,525	\$ 2,453,285	\$ (16,967)	\$ -	\$ 210,136,843

At December 31, 2024, capital assets (property, plant, and equipment) transactions and balances include the following:

	December 31, 2023	Additions	Dispositions	Transfers	December 31, 2024
Capital assets, not being depreciated:					
Land and water rights	\$ 36,586,134	\$ 23,075	\$ -	\$ -	\$ 36,609,209
Construction in progress	8,152,797	503,985	-	(3,092,957)	5,563,825
Total capital assets not being depreciated	44,738,931	527,060	-	(3,092,957)	42,173,034
Capital assets, being depreciated:					
Structures and improvements	60,301,489	2,184,152	-	2,397,395	64,883,036
Equipment, tools, and furniture	8,504,529	814,443	(190,944)	-	9,128,028
Reservoirs, supply lines, mains, and services	226,641,867	7,063,350	(386,064)	695,562	234,014,715
Total capital assets being depreciated	295,447,885	10,061,945	(577,008)	3,092,957	308,025,779
Less accumulated depreciation for:					
Structures and improvements	(26,983,288)	(1,822,293)	-	-	(28,805,581)
Equipment, tools, and furniture	(5,990,187)	(574,976)	190,944	-	(6,374,219)
Reservoirs, supply lines, mains, and services	(102,820,742)	(4,883,810)	386,064	-	(107,318,488)
Total accumulated depreciation	(135,794,217)	(7,281,079)	577,008	-	(142,498,288)
Total capital assets being depreciated, net	159,653,668	2,780,866	-	3,092,957	165,527,491
Total capital assets, net	\$ 204,392,599	\$ 3,307,926	\$ -	\$ -	\$ 207,700,525

UTE WATER CONSERVANCY DISTRICT

NOTES TO FINANCIAL STATEMENTS

As of and for the years ended December 31, 2025 and 2024

NOTE F – LONG-TERM DEBT

Long-term liabilities activity for the year ended December 31, 2025 was as follows:

	Beginning balance	Net Increase / (Decrease)	Ending balance	Amounts due within one year
Compensated absences payable	\$ 1,944,095	\$ 705,443	\$ 2,649,538	\$ 817,188

Long-term liabilities activity for the year ended December 31, 2024 was as follows:

	Beginning balance (As restated)	Net Increase / (Decrease)	Ending balance	Amounts due within one year
Compensated absences payable	\$ 1,813,299	\$ 130,796	\$ 1,944,095	\$ 821,250

NOTE G – DEFINED CONTRIBUTION AND DEFERRED COMPENSATION PLANS

Through District resolutions, the District provides retirement benefits for all full-time employees through a defined contribution plan administered by the Colorado Retirement Association (CRA). In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings.

Under the defined contribution retirement plan, the District is required to match the employee's required contribution of 8% to the plan, and will match up to a total of 10% of employee contributions to the employee's 401(a) account. Employees are eligible to receive employer matching contributions to their 401(a) plan following 90 days of employment. The plan provides retirement benefits based upon the employee's vested account. A participant becomes 100% vested upon completion of five years of covered service. Amounts forfeited by employees who leave employment before their 401(a) plan becomes fully vested are divided up among the remaining participants in the plan. Under the plan, employees direct the investment of both the employee and employer contributions among several investment options available through an outside plan administrator.

District employees may defer a portion of their compensation under District sponsored Deferred Compensation Plan options created in accordance with Internal Revenue Code Section 457. Participants can elect to contribute to a 457(b) plan that defers the tax liability of contributed amounts from their compensation until it is distributed to them, or they can elect to make contributions to a Roth designated 457(b) plan in which the participant elects to include contributed amounts in gross taxable income. Distributions from either plan option may be made only at termination, retirement, or death.

UTE WATER CONSERVANCY DISTRICT

NOTES TO FINANCIAL STATEMENTS

As of and for the years ended December 31, 2025 and 2024

NOTE G – DEFINED CONTRIBUTION AND DEFERRED COMPENSATION PLANS - continued

For the years ended December 31, 2025 and 2024, total payroll, covered payroll, and the employer contributions to the plan were as follows:

	2025	2024
Total payroll	\$ 7,552,748	\$ 7,163,511
Covered payroll	7,273,348	6,913,147
District contribution	708,254	672,359
Percent of covered payroll	9.7%	9.7%

The laws governing deferred compensation plan assets require plan assets to be held by a Trust for the exclusive benefit of Plan participants and their beneficiaries. Since the assets held under these plans are not the District's property and are not subject to District control, they have been excluded from these financial statements.

NOTE H – RISK MANAGEMENT

The District purchases general liability, property, and various other types of insurance through commercial carriers to provide coverage for all significant losses, claims, and judgments. There have been no significant reductions in insurance coverage, nor have settlement amounts materially exceeded coverage for the current or prior three years.

NOTE I – TAX, SPENDING, AND DEBT LIMITATIONS

In November 1992, the voters of Colorado approved Amendment 1, commonly known as the Taxpayer's Bill of Rights (TABOR), which added a new Section 20 to Article X of the Colorado Constitution. TABOR contains tax, spending, revenue, and debt limitations and certain election requirements that apply to the State of Colorado and all local governments. TABOR is complex and subject to interpretation. The District's management believes the District is in compliance with the provisions of TABOR as it is understood from judicial interpretations, legal opinions, and commonly accepted practices.

NOTE J – COMMITMENTS AND CONTINGENCIES

The District is an objector in various water matters pending before various courts. The District opposes applications for water rights made by third parties in order to protect the District's water rights.

The District is involved in several claims as the result of the normal conduct of District business. District management believes that these will not have a material effect on the financial statements of the District.

UTE WATER CONSERVANCY DISTRICT

NOTES TO FINANCIAL STATEMENTS

As of and for the years ended December 31, 2025 and 2024

NOTE K – RECONCILIATION OF REVENUES AND EXPENSES - BUDGETARY BASIS TO GAAP BASIS

	2025	2024
Excess of revenues over expenditures (Budget Basis)	\$ 8,198,336	\$ 9,084,518
Adjustments:		
Less:		
Depreciation	(7,462,466)	(7,281,079)
Net book value of disposed capital assets	(16,967)	-
Principal adjustments of lease receivables	(113,796)	(108,411)
Add:		
Capital expenditures	7,544,219	7,650,377
Contributed capital - donated lines	2,123,202	2,687,549
Amortization of deferred lease revenue	116,314	102,402
Personnel costs capitalized	248,329	251,079
Total Adjustments	2,438,835	3,301,917
Change in Net Position (GAAP Basis)	\$ 10,637,171	\$ 12,386,435

NOTE L – SOLID WASTE FINANCIAL ASSURANCE

The District owns and operates a water treatment facility that generates treatment residuals classified as solid waste under regulations of the State of Colorado Department of Public Health & Environment (CDPHE) (6 CCR 1007-2, Part 1). As required by these regulations, the District prepares estimates of financial assurance related to potential closure and post-closure care costs associated with the disposal of these residuals.

The water treatment facility is not expected to be closed in the foreseeable future; however, in the event of closure, the District has estimated total closure costs of approximately \$561,578. This amount is based on current regulatory requirements and engineering estimates and are periodically updated in accordance with CDPHE requirements.

The estimated costs are disclosed for informational purposes only and are not reported as a liability in the financial statements. The solid waste generated by the District's water treatment operations is related to the production of potable water and does not give rise to a legal obligation associated with the retirement of a tangible capital asset. Accordingly, the District has determined that no asset retirement obligation exists under GASB Statement No. 83, *Certain Asset Retirement Obligations*.

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SUPPLEMENTAL INFORMATION – FINANCIAL



UTE WATER CONSERVANCY DISTRICT

SCHEDULE OF REVENUES AND EXPENDITURES – BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

For the year ended December 31, 2025

	2025			
	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Tap connection fees	\$ 3,400,000	\$ 3,400,000	\$ 4,738,800	\$ 1,338,800
Water sales	23,250,000	23,250,000	23,906,657	656,657
Service charges	229,000	229,000	239,072	10,072
Other operating revenues	140,000	140,000	109,935	(30,065)
Miscellaneous revenues	200,000	200,000	253,835	53,835
Investment income	1,540,000	1,540,000	2,888,398	1,348,398
Proceeds from disposal of capital assets	10,000	10,000	60,122	50,122
TOTAL REVENUES	<u>28,769,000</u>	<u>28,769,000</u>	<u>32,196,819</u>	<u>3,427,819</u>
EXPENDITURES				
Operating expenditures:				
Water supply and treatment	3,699,676	3,699,676	3,765,269	(65,593)
Transmission and distribution	6,420,524	6,420,524	6,529,049	(108,525)
Engineering and construction	1,585,132	1,585,132	1,543,390	41,742
Administration	2,446,817	2,446,817	2,029,224	417,593
Finance and accounting	2,028,240	2,028,240	2,182,260	(154,020)
Capital expenditures:				
Water supply and treatment	2,776,000	2,776,000	685,217	2,090,783
Transmission and distribution	1,352,000	1,352,000	1,427,303	(75,303)
Engineering and construction	8,353,500	8,353,500	5,716,344	2,637,156
Administration	5,000	5,000	2,470	2,530
Finance and accounting	5,000	5,000	2,767	2,233
Purchase of land and water rights	-	-	115,190	(115,190)
Unallocated:				
Contingency	600,000	600,000	-	600,000
TOTAL EXPENDITURES	<u>29,271,889</u>	<u>29,271,889</u>	<u>23,998,483</u>	<u>5,273,406</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>\$ (502,889)</u>	<u>\$ (502,889)</u>	<u>\$ 8,198,336</u>	<u>\$ 8,701,225</u>
Adjustments - budgetary basis to GAAP basis			2,438,835	
CHANGE IN NET POSITION - (GAAP Basis)			<u>\$ 10,637,171</u>	

UTE WATER CONSERVANCY DISTRICT

SCHEDULE OF REVENUES AND EXPENDITURES – BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) – continued

For the year ended December 31, 2024

	2024			
	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Tap connection fees	\$ 3,200,000	\$ 3,200,000	\$ 5,324,700	\$ 2,124,700
Water sales	21,700,000	21,700,000	22,824,772	1,124,772
Service charges	228,000	228,000	233,646	5,646
Other operating revenues	120,000	120,000	192,562	72,562
Miscellaneous revenues	225,000	225,000	383,866	158,866
Investment income	1,200,000	1,200,000	2,469,106	1,269,106
Proceeds from disposal of capital assets	10,000	10,000	18,464	8,464
TOTAL REVENUES	<u>26,683,000</u>	<u>26,683,000</u>	<u>31,447,116</u>	<u>4,764,116</u>
EXPENDITURES				
Operating expenditures:				
Water supply and treatment	3,339,031	3,339,031	3,229,699	109,332
Transmission and distribution	5,785,480	5,785,480	5,910,463	(124,983)
Engineering and construction	1,381,536	1,381,536	1,373,261	8,275
Administration	2,369,867	2,369,867	2,079,511	290,356
Finance and accounting	1,989,052	1,989,052	1,930,512	58,540
Capital expenditures:				
Water supply and treatment	2,314,200	2,314,200	2,364,133	(49,933)
Transmission and distribution	1,428,800	1,428,800	1,895,021	(466,221)
Engineering and construction	7,766,800	7,766,800	3,544,701	4,222,099
Administration	24,000	24,000	9,665	14,335
Finance and accounting	5,000	5,000	2,557	2,443
Purchase of land and water rights	-	-	23,075	(23,075)
Unallocated:				
Contingency	600,000	600,000	-	600,000
TOTAL EXPENDITURES	<u>27,003,766</u>	<u>27,003,766</u>	<u>22,362,598</u>	<u>4,641,168</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>\$ (320,766)</u>	<u>\$ (320,766)</u>	<u>\$ 9,084,518</u>	<u>\$ 9,405,284</u>
Adjustments - budgetary basis to GAAP basis			<u>3,301,917</u>	
CHANGE IN NET POSITION - (GAAP Basis)			<u>\$ 12,386,435</u>	

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Ute Water Conservancy District
Statistical Section



STATISTICAL SECTION

This part of Ute Water Conservancy District's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements and note disclosures say about the District's overall financial health.

<u>Contents</u>	<u>Pages</u>
Financial Trends	39-41
These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.	
Revenue Capacity	42-51
These schedules contain information to help the reader assess the factors affecting the District's ability to generate water revenue, tap fees, and property taxes.	
Debt Capacity	52-53
These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt.	
Demographic and Economic Information	54-56
These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place and to help make comparisons over time and with other governments.	
Operating Information	57-59
These schedules contain information about the District's operations and resources to help the reader understand how the District's financial information relates to the services the District provides and the activities it performs.	

Ute Water Conservancy District

Schedule 1

**NET POSITION BY COMPONENT,
LAST TEN YEARS**
(Accrual basis of accounting)

	As of December 31,				
	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Net investment in capital assets	\$ 165,246,901	\$ 168,034,757	\$ 171,603,912	\$ 175,870,824	\$ 178,938,065
Restricted	3,202,909	3,202,909	3,252,909	3,252,909	1,677,750
Unrestricted	<u>27,555,578</u>	<u>33,283,831</u>	<u>38,422,564</u>	<u>43,062,128</u>	<u>49,806,254</u>
Total Net Position	<u>\$ 196,005,388</u>	<u>\$ 204,571,497</u>	<u>\$ 213,279,385</u>	<u>\$ 222,185,861</u>	<u>\$ 230,422,069</u>
	As of December 31,				
	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Net investment in capital assets	\$ 181,288,339	\$ 197,410,131	\$ 203,467,187	\$ 206,618,765	\$ 208,372,411
Restricted	1,677,750	50,000	50,000	50,000	50,000
Unrestricted	<u>55,026,861</u>	<u>47,381,033</u>	<u>51,561,460</u>	<u>60,796,317</u>	<u>69,679,842</u>
Total Net Position	<u>\$ 237,992,950</u>	<u>\$ 244,841,164</u>	<u>\$ 255,078,647</u>	<u>\$ 267,465,082</u>	<u>\$ 278,102,253</u>

Source: District Finance Department

Ute Water Conservancy District

Schedule 2

CHANGES IN NET POSITION, LAST TEN YEARS

(Accrual basis of accounting)

For the years ended December 31,

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>
OPERATING REVENUES:				
Water sales	\$23,906,657	\$22,824,772	\$21,759,975	\$18,817,660
Service and late charges	147,028	145,333	144,844	150,628
Fees for tap connections	539,733	792,351	588,842	562,634
Other operating revenue	201,979	280,875	293,698	334,425
Total operating revenue	<u>24,795,397</u>	<u>24,043,331</u>	<u>22,787,359</u>	<u>19,865,347</u>
OPERATING EXPENSES:				
Water supply and treatment	4,289,962	3,551,138	3,489,568	3,230,972
Transmission and distribution	6,085,361	5,495,485	5,094,960	4,769,078
Engineering and construction	1,614,873	1,392,741	1,183,161	1,162,582
Administration	2,030,712	2,088,710	2,000,152	1,965,480
Finance and accounting	2,185,027	1,933,069	1,866,965	1,864,707
Depreciation and amortization	7,462,466	7,281,079	7,097,668	7,007,500
Total operating expense	<u>23,668,401</u>	<u>21,742,222</u>	<u>20,732,474</u>	<u>20,000,319</u>
OPERATING INCOME (LOSS)	<u>1,126,996</u>	<u>2,301,109</u>	<u>2,054,885</u>	<u>(134,972)</u>
NONOPERATING REVENUES (EXPENSES):				
Property taxes	-	-	-	-
Tap fee in excess of connection costs	4,199,067	4,532,349	4,176,433	4,728,241
Investment income (loss)	2,888,398	2,469,106	2,254,355	(783,206)
Miscellaneous income	256,353	377,857	1,081,841	429,351
Interest expense (net of capitalized interest)	-	-	-	(123,125)
County Treasurer's fees	-	-	-	-
Gain (loss) on disposition of capital assets	43,155	18,465	4,799	(331)
Total nonoperating revenues (expenses)	<u>7,386,973</u>	<u>7,397,777</u>	<u>7,517,428</u>	<u>4,250,930</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS	<u>8,513,969</u>	<u>9,698,886</u>	<u>9,572,313</u>	<u>4,115,958</u>
CAPITAL CONTRIBUTIONS:				
Developer donated lines	2,123,202	2,687,549	1,843,326	2,732,256
Developer donated land	-	-	-	-
CHANGE IN NET POSITION	<u><u>\$10,637,171</u></u>	<u><u>\$12,386,435</u></u>	<u><u>\$11,415,639</u></u>	<u><u>\$6,848,214</u></u>

Source: District Finance Department

Ute Water Conservancy District

Schedule 2 - continued

CHANGES IN NET POSITION, LAST TEN YEARS

(Accrual basis of accounting)

For the years ended December 31,

<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
\$18,883,187	\$19,008,177	\$17,907,968	\$18,220,430	\$17,962,733	\$17,360,229
120,755	116,013	160,266	165,410	182,389	174,071
539,571	464,104	475,582	420,706	351,012	291,514
181,277	150,755	228,571	195,004	149,345	130,862
<u>19,724,790</u>	<u>19,739,049</u>	<u>18,772,387</u>	<u>19,001,550</u>	<u>18,645,479</u>	<u>17,956,676</u>
2,879,502	2,777,781	2,546,751	2,414,307	2,267,047	2,218,592
4,412,951	3,932,258	3,538,496	3,516,103	3,150,517	3,044,874
1,009,107	946,562	893,443	947,110	846,916	837,713
1,817,640	1,746,272	1,729,983	1,598,979	1,490,940	1,352,632
1,750,084	1,753,177	1,555,541	1,495,722	1,401,134	1,387,745
6,857,327	6,684,386	6,461,748	6,250,868	6,048,983	5,823,534
<u>18,726,611</u>	<u>17,840,436</u>	<u>16,725,962</u>	<u>16,223,089</u>	<u>15,205,537</u>	<u>14,665,090</u>
<u>998,179</u>	<u>1,898,613</u>	<u>2,046,425</u>	<u>2,778,461</u>	<u>3,439,942</u>	<u>3,291,586</u>
-	-	790,406	781,098	778,810	752,574
4,878,929	4,336,121	3,313,118	3,392,819	2,929,538	1,968,341
(25,286)	800,780	1,238,903	763,085	297,853	364,085
332,766	387,510	326,519	234,511	241,958	337,143
(488,868)	(549,990)	(650,201)	(742,263)	(825,116)	(897,078)
-	-	(13,772)	(13,616)	(13,495)	(13,348)
<u>(368,207)</u>	<u>(24,799)</u>	<u>31,000</u>	<u>(21,447)</u>	<u>75,999</u>	<u>712,908</u>
<u>4,329,334</u>	<u>4,949,622</u>	<u>5,035,973</u>	<u>4,394,187</u>	<u>3,485,547</u>	<u>3,224,625</u>
5,327,513	6,848,235	7,082,398	7,172,648	6,925,489	6,516,211
2,243,368	1,387,973	1,824,076	1,585,242	1,590,620	540,350
-	-	-	-	-	2,720
<u>\$7,570,881</u>	<u>\$8,236,208</u>	<u>\$8,906,474</u>	<u>\$8,757,890</u>	<u>\$8,516,109</u>	<u>\$7,059,281</u>

Source: District Finance Department

Ute Water Conservancy District

Schedule 3

NUMBER OF CUSTOMERS, GALLONS SOLD, AND WATER REVENUE, LAST TEN YEARS

<u>Year</u>	<u>Residential</u>			<u>Other</u>			<u>Total</u>		
	<u>Number of Customers Billed</u>	<u>Gallons Sold (000's)</u>	<u>Water Revenue</u>	<u>Number of Customers Billed</u>	<u>Gallons Sold (000's)</u>	<u>Water Revenue</u>	<u>Number of Customers Billed</u>	<u>Gallons Sold (000's)</u>	<u>Water Revenue</u>
2016	34,753	2,098,331	\$ 13,262,223	1,318	721,886	\$ 4,098,006	36,071	2,820,217	\$ 17,360,229
2017	35,314	2,171,310	13,686,422	1,338	755,109	4,276,311	36,652	2,926,419	17,962,733
2018	35,622	2,179,724	13,856,072	1,368	770,268	4,364,358	36,990	2,949,992	18,220,430
2019	36,174	2,102,785	13,575,774	1,386	754,867	4,332,194	37,560	2,857,652	17,907,968
2020	36,881	2,291,129	14,514,247	1,396	774,116	4,493,930	38,277	3,065,245	19,008,177
2021	37,650	2,202,880	14,178,399	1,414	805,817	4,704,788	39,064	3,008,697	18,883,187
2022	38,195	2,135,630	14,032,774	1,417	813,934	4,784,886	39,612	2,949,564	18,817,660
2023	38,950	2,151,694	16,258,822	1,566	834,769	5,501,153	40,516	2,986,463	21,759,975
2024	39,609	2,206,063	17,157,290	1,604	847,824	5,667,482	41,213	3,053,887	22,824,772
2025	40,181	2,256,857	18,068,700	1,612	857,264	5,837,957	41,793	3,114,121	23,906,657

Note: Residential includes single-family and multi-family residential units.
Number of monthly billed customers as of December.
Other includes industrial, commercial, agricultural, government, schools, churches, and other connections.

Source: District Finance Department

Ute Water Conservancy District

Schedule 4

WATER PRODUCTION AND USES WITH RELATED INFORMATION, LAST TEN YEARS

Year	Raw Water Inflows to Treatment Plant	Finished Water Produced	Gallons Sold	Gallons of Water Unbilled	Percent of Water Unbilled	Other Water Used*	Gallons of Water not Accounted For	Percent of Water not Accounted For	Average Daily Water Production	Peak Daily Water Production	Rainfall in Inches	
											Year	4/1 to 9/30
2016	3,152,023	2,987,622	2,820,217	167,405	5.60%	25,175	142,230	4.76%	8,185	12,638	8.83	4.49
2017	3,281,554	3,266,495	2,926,419	340,076	10.41%	40,462	299,614	9.17%	8,949	14,634	5.08	2.81
2018	3,350,129	3,285,552	2,949,992	335,560	10.21%	53,537	282,023	8.58%	9,002	13,611	8.21	2.25
2019	3,246,902	3,207,239	2,857,652	349,587	10.90%	38,807	310,780	9.69%	8,787	13,715	8.48	3.39
2020	3,479,345	3,414,101	3,065,245	348,856	10.22%	50,278	298,578	8.75%	9,354	14,750	5.11	2.06
2021	3,394,198	3,375,311	3,008,697	366,614	10.86%	37,422	329,192	9.75%	9,247	14,589	9.79	4.87
2022	3,459,125	3,404,270	2,949,564	454,706	13.36%	78,066	376,640	11.06%	9,327	13,659	9.33	4.38
2023	3,520,591	3,356,281	2,986,463	369,818	11.02%	71,131	298,687	8.90%	9,195	14,402	7.52	2.57
2024	3,437,117	3,464,765	3,053,887	410,878	11.86%	54,540	356,338	10.28%	9,493	14,735	9.25	4.90
2025	3,620,519	3,572,545	3,144,120	428,425	11.99%	68,457	359,968	10.08%	9,788	14,641	7.19	3.12

* Other uses include water for flushing lines, filling and disinfecting new lines, construction, and known leaks.

Note: All water flows are in thousands of gallons.

Source: Water flows - District Treatment Plant
Rainfall - National Weather Service, Grand Junction, Colorado.
All other - District Finance Department

Ute Water Conservancy District

Schedule 5

WATER AND TAP RATES, LAST TEN YEARS

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
<u>Residential Tap Fees</u>										
3/4" x 5/8"	\$ 8,500	\$ 8,000	\$ 8,000	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000
3/4" x 3/4"	10,500	10,000	10,000	8,750	8,750	8,750	8,750	8,750	8,750	8,750
1"	13,000	12,000	12,000	10,500	10,500	10,500	10,500	10,500	10,500	10,500
<u>Commercial Tap Fees</u>										
3/4" x 5/8"	\$ 8,500	\$ 8,000	\$ 8,000	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000
3/4" x 3/4"	10,500	10,000	10,000	8,750	8,750	8,750	8,750	8,750	8,750	8,750
1"	13,000	12,000	12,000	10,500	10,500	10,500	10,500	10,500	10,500	10,500
1 1/2"	19,000	18,000	18,000	15,725	15,725	15,725	15,725	15,725	15,725	15,725
2"	28,000	26,500	26,500	23,150	23,150	23,150	23,150	23,150	23,150	23,150
3"	51,000	48,000	48,000	41,700	41,700	41,700	41,700	41,700	41,700	41,700
4"	89,500	84,000	84,000	73,100	73,100	73,100	73,100	73,100	73,100	73,100
6"	223,000	210,000	210,000	182,800	182,800	182,800	182,800	182,800	182,800	182,800
Fee effective as of:	Jan-25	Jan-24	Feb-23	Jan-16	Jan-16	Jan-16	Jan-16	Jan-16	Jan-16	Jan-16

Taps larger than 6 inches require District Board approval.

Monthly

Residential Base Rate

3/4" x 5/8"	\$ 27.00	\$ 26.00	\$ 25.00	\$ 22.00	\$ 22.00	\$ 22.00	\$ 22.00	\$ 22.00	\$ 22.00	\$ 22.00
3/4" x 3/4"	27.00	26.00	25.00	22.00	22.00	22.00	22.00	22.00	22.00	22.00
1"	27.00	26.00	25.00	22.00	22.00	22.00	22.00	22.00	22.00	22.00

Monthly residential base rate includes first 3,000 gallons of usage.

Residential Tiered Rates

3,000 gal - 9,000 gal	\$ 4.25	\$ 4.25	\$ 4.25	\$ 3.70	\$ 3.70	\$ 3.70	\$ 3.70	\$ 3.70	\$ 3.70	\$ 3.70
9,000 gal -15,000 gal	4.85	4.85	4.85	4.20	4.20	4.20	4.20	4.20	4.20	4.20
15,000 gal - 21,000 gal	5.70	5.70	5.70	4.95	4.95	4.95	4.95	4.95	4.95	4.95
21,000 gal - 30,000 gal	6.55	6.55	6.55	5.70	5.70	5.70	5.70	5.70	5.70	5.70
30,000 gal +	11.75	11.75	11.75	10.20	10.20	10.20	10.20	10.20	10.20	10.20

Rates effective as of:	Jan-25	Jan-24	Feb-23	Jan-16	Jan-16	Jan-16	Jan-16	Jan-16	Jan-16	Jan-16
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Rates are per thousand gallons, billed on a monthly basis.

Source: District Finance Department

Schedule 5 - continued

			<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Meter Size	Monthly Commercial Base Rate	<i>Gallons included in base rate</i>										
	3/4" x 5/8"	3,000	\$ 27.00	\$ 26.00	\$ 25.00	\$ 22.00	\$ 22.00	\$ 22.00	\$ 22.00	\$ 22.00	\$ 22.00	\$ 22.00
	3/4" x 3/4"	3,000	27.00	26.00	25.00	22.00	22.00	22.00	22.00	22.00	22.00	22.00
	1"	3,000	27.00	26.00	25.00	22.00	22.00	22.00	22.00	22.00	22.00	22.00
	1 1/2"	15,000	135.00	130.00	125.00	110.00	110.00	110.00	110.00	110.00	110.00	110.00
	2"	24,000	216.00	208.00	200.00	176.00	176.00	176.00	176.00	176.00	176.00	176.00
	3"	52,500	472.50	455.00	437.50	385.00	385.00	385.00	385.00	385.00	385.00	385.00
	4"	90,000	810.00	780.00	750.00	660.00	660.00	660.00	660.00	660.00	660.00	660.00
	6"	210,000	1,890.00	1,820.00	1,750.00	1,540.00	1,540.00	1,540.00	1,540.00	1,540.00	1,540.00	1,540.00
Meter Size	Commercial Tiered Rates											
5/8" &	3,000 gal - 9,000 gal	\$ 4.25	\$ 4.25	\$ 4.25	\$ 3.70	\$ 3.70	\$ 3.70	\$ 3.70	\$ 3.70	\$ 3.70	\$ 3.70	\$ 3.70
3/4" &	9,000 gal - 15,000 gal	4.85	4.85	4.85	4.20	4.20	4.20	4.20	4.20	4.20	4.20	4.20
1"	15,000 gal +	5.70	5.70	5.70	4.95	4.95	4.95	4.95	4.95	4.95	4.95	4.95
1 1/2"	15,000 gal - 45,000 gal	\$ 4.25	\$ 4.25	\$ 4.25	\$ 3.70	\$ 3.70	\$ 3.70	\$ 3.70	\$ 3.70	\$ 3.70	\$ 3.70	\$ 3.70
	45,000 gal - 75,000 gal	4.85	4.85	4.85	4.20	4.20	4.20	4.20	4.20	4.20	4.20	4.20
	75,000 gal +	5.70	5.70	5.70	4.95	4.95	4.95	4.95	4.95	4.95	4.95	4.95
2"	24,000 gal - 72,000 gal	\$ 4.25	\$ 4.25	\$ 4.25	\$ 3.70	\$ 3.70	\$ 3.70	\$ 3.70	\$ 3.70	\$ 3.70	\$ 3.70	\$ 3.70
	72,000 gal - 120,000 gal	4.85	4.85	4.85	4.20	4.20	4.20	4.20	4.20	4.20	4.20	4.20
	120,000 gal +	5.70	5.70	5.70	4.95	4.95	4.95	4.95	4.95	4.95	4.95	4.95
3"	52,500 gal - 157,500 gal	\$ 4.25	\$ 4.25	\$ 4.25	\$ 3.70	\$ 3.70	\$ 3.70	\$ 3.70	\$ 3.70	\$ 3.70	\$ 3.70	\$ 3.70
	157,500 gal - 262,500 gal	4.85	4.85	4.85	4.20	4.20	4.20	4.20	4.20	4.20	4.20	4.20
	262,500 gal +	5.70	5.70	5.70	4.95	4.95	4.95	4.95	4.95	4.95	4.95	4.95
4"	90,000 gal - 270,000 gal	\$ 4.25	\$ 4.25	\$ 4.25	\$ 3.70	\$ 3.70	\$ 3.70	\$ 3.70	\$ 3.70	\$ 3.70	\$ 3.70	\$ 3.70
	270,000 gal - 450,000 gal	4.85	4.85	4.85	4.20	4.20	4.20	4.20	4.20	4.20	4.20	4.20
	450,000 gal +	5.70	5.70	5.70	4.95	4.95	4.95	4.95	4.95	4.95	4.95	4.95
6"	210,000 gal - 630,000 gal	\$ 4.25	\$ 4.25	\$ 4.25	\$ 3.70	\$ 3.70	\$ 3.70	\$ 3.70	\$ 3.70	\$ 3.70	\$ 3.70	\$ 3.70
	630,000 gal - 1,050,000 gal	4.85	4.85	4.85	4.20	4.20	4.20	4.20	4.20	4.20	4.20	4.20
	1,050,000 gal +	5.70	5.70	5.70	4.95	4.95	4.95	4.95	4.95	4.95	4.95	4.95
Rates effective as of:			Jan-25	Jan-24	Feb-23	Jan-16	Jan-16	Jan-16	Jan-16	Jan-16	Jan-16	Jan-16

Rates are per thousand gallons, billed on a monthly basis.

Ute Water Conservancy District

Schedule 6

TEN LARGEST WATER CUSTOMERS, CURRENT YEAR AND NINE YEARS AGO

<u>Business Type</u>	2025			2016		
	<u>Revenue</u>	<u>Rank</u>	<u>%</u>	<u>Revenue</u>	<u>Rank</u>	<u>%</u>
Fill Station/Construction	\$ 242,613	1	1.01%	\$ -	-	-
Hotel	141,182	2	0.59%	75,862	4	0.44%
Education	129,693	3	0.54%	-	-	-
Mobile Home Park	115,096	4	0.48%	102,619	2	0.59%
Manufacturer	98,456	5	0.41%	126,535	1	0.73%
Car Wash	95,364	6	0.40%	68,223	5	0.39%
Retail Sales	94,374	7	0.39%	-	-	-
Apartment Complex	84,258	8	0.35%	-	-	-
Healthcare	69,944	9	0.29%	-	-	-
Retail Sales	69,869	10	0.29%	51,953	7	0.30%
Manufacturer	-	-	-	79,293	3	0.46%
Food Producer	-	-	-	58,941	6	0.34%
Hotel	-	-	-	42,254	8	0.24%
Mobile Home Park	-	-	-	41,707	9	0.24%
Mobile Home Park	-	-	-	37,924	10	0.22%
Subtotal (10 largest)	<u>1,140,849</u>		<u>4.75%</u>	<u>685,311</u>		<u>3.95%</u>
Balance from other customers	<u>22,765,808</u>		<u>95.25%</u>	<u>16,674,918</u>		<u>96.05%</u>
Total	<u>\$ 23,906,657</u>		<u>100.00%</u>	<u>\$ 17,360,229</u>		<u>100.00%</u>

Note: This schedule represents actual billings made for water during the year.
The difference from amounts on the accrual basis is not significant.

Source: District Finance Department

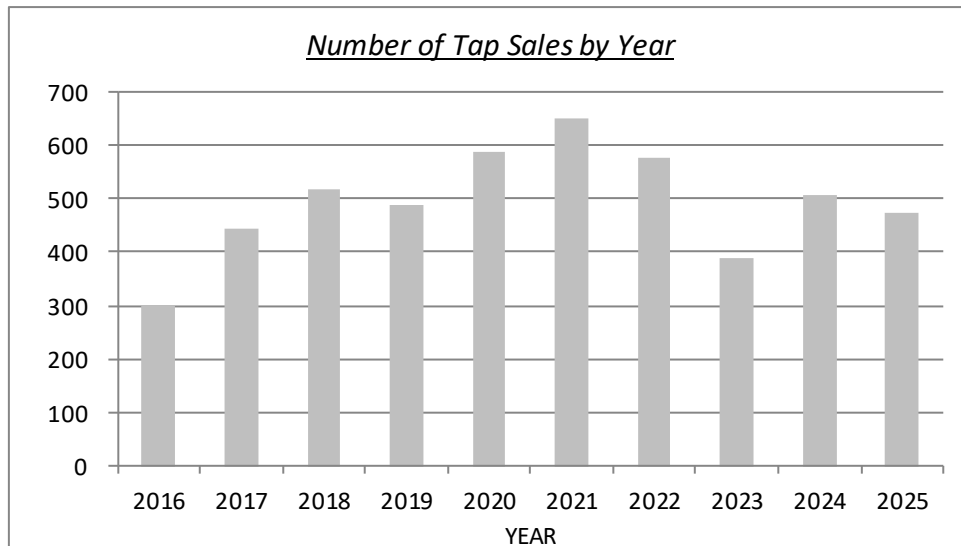
Ute Water Conservancy District

Schedule 7

TAP SALES AND CONSTRUCTION PERMITS, LAST TEN YEARS

Year	Tap Sales by Year (a)		Construction Permits by Year (b)			
	Number of Tap Sales	Amount of Tap Sales	New Commercial Construction		New Residential Construction	
			Number of Permits	Value of Permits	Number of Permits	Value of Permits
2016	299	\$ 2,259,855	24	\$ 11,814,561	536	\$ 121,381,719
2017	443	3,280,550	34	19,797,039	761	143,310,625
2018	516	3,813,525	46	29,618,525	862	125,468,551
2019	487	3,788,700	44	18,750,135	794	121,261,012
2020	587	4,800,225	27	16,252,822	849	142,857,798
2021	650	5,418,500	37	14,688,789	984	172,327,489
2022	577	5,290,875	39	46,058,536	772	138,565,758
2023	389	4,765,275	25	11,423,317	571	131,461,315
2024	505	5,326,700	41	27,411,443	753	115,965,525
2025	474	4,738,800	63	54,877,815	727	120,635,819

Source: (a) District Finance Department
 (b) Mesa County Building Department - County-wide permits excluding incorporated municipalities completely outside of the Ute Water District
 City of Fruita Building Division



Ute Water Conservancy District

Schedule 8

PROPERTY TAX LEVIES AND COLLECTIONS, LAST TEN YEARS

Levy Year	Fiscal Year of Collection	Total Tax Levy	Current Tax Collections	Percent of Levy Collected	Delinquent Tax Collections	Total Tax Collections	Total Collections as a Percentage of Current Tax Levy
2015	2016	\$ 668,681	\$ 666,631	99.69%	\$ (386)	\$ 666,245	99.64%
2016	2017	678,609	674,472	99.39%	(692)	673,780	99.29%
2017	2018	682,043	680,145	99.72%	(426)	679,719	99.66%
2018	2019	688,565	687,138	99.79%	284	687,422	99.83%
2019	2020	-	-	N/A	(644)	(644)	N/A
2020	2021	-	-	N/A	(175)	(175)	N/A
2021	2022	-	-	N/A	50	50	N/A
2022	2023	-	-	N/A	54	54	N/A
2023	2024	-	-	N/A	1	1	N/A
2024	2025	-	-	N/A	-	-	N/A

Notes: After property taxes are levied by the Board of Directors, the Mesa County Assessor may adjust the valuation of various properties due to corrections, abatements, refunds, and adjustments to the property tax rolls. The tax levy as shown is the original levy as approved by the District.

Property tax levies and collections exclude specific ownership taxes collected.

In December 2019, the District Board adopted a resolution to set the mill levy for 2019 property taxes to be collected in 2020 at 0.000 mills. This resulted in property taxes receivable and deferred inflows being reduced to \$0 at the end of 2019. Unknown amounts related to delinquent property and specific ownership taxes will continue to be intermittently received in future periods until remitted in full.

Source: District Finance Department

Ute Water Conservancy District

Schedule 9

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY, LAST TEN YEARS

Levy Year	Fiscal Year of Collection	Mesa County-Wide Valuations					
		Commercial/ Industrial Property	Agricultural Property	Residential Property	Total Taxable Assessed Property	Tax-Exempt Property	Total Assessed Value
2015	2016	\$ 1,017,803,470	\$ 32,936,330	\$ 838,018,250	\$ 1,888,758,050	\$ 452,929,650	\$ 2,341,687,700
2016	2017	962,779,190	33,401,450	849,295,690	1,845,476,330	451,552,500	2,297,028,830
2017	2018	969,971,530	36,397,010	850,360,870	1,856,729,410	395,583,340	2,252,312,750
2018	2019	1,002,324,630	36,655,800	864,390,840	1,903,371,270	405,432,970	2,308,804,240
2019	2020	1,161,320,500	35,264,880	1,004,807,290	2,201,392,670	451,591,130	2,652,983,800
2020	2021	1,119,523,510	35,262,590	1,023,809,700	2,178,595,800	457,810,990	2,636,406,790
2021	2022	1,092,062,480	40,383,670	1,178,692,360	2,311,138,510	519,768,500	2,830,907,010
2022	2023	1,170,870,650	37,642,300	1,170,963,970	2,379,476,920	534,190,370	2,913,667,290
2023	2024	1,389,702,960	46,662,260	1,348,264,290	2,784,629,510	764,366,880	3,548,996,390
2024	2025	1,354,624,890	47,087,400	1,370,368,740	2,772,081,030	797,526,840	3,569,607,870
2025	2026	1,401,210,150	45,264,730	1,581,874,990	3,028,349,870	807,722,190	3,836,072,060
		District Taxable Assessed Valuation	Total Direct Tax Rate	Estimated Actual District Taxable Value	Taxable Assessed Value as a Percentage of Actual Taxable Value	Ratio of Assessed to Estimated Actual Value	
2015	2016	\$ 1,337,362,252	0.500	\$ 10,890,114,190	12.28%	7.96 - 29%	
2016	2017	1,357,218,380	0.500	11,030,816,890	12.30%	7.96 - 29%	
2017	2018	1,364,085,006	0.500	12,019,284,620	11.35%	7.20 - 29%	
2018	2019	1,377,130,506	0.500	12,205,239,570	11.28%	7.20 - 29%	
2019	2020	1,563,372,750	0.000	14,316,473,950	10.92%	7.15 - 29%	
2020	2021	1,580,255,028	0.000	14,566,763,930	10.85%	7.15 - 29%	
2021	2022	1,737,762,147	0.000	16,562,275,180	10.49%	7.15 - 29%	
2022	2023	1,733,733,533	0.000	16,903,150,540	10.26%	6.95 - 29%	
2023	2024	2,056,088,440	0.000	20,697,779,940	9.93%	6.7 - 29%	
2024	2025	2,087,003,280	0.000	21,052,887,710	9.91%	6.7 - 29%	
2025	2026	2,331,310,670	0.000	25,454,350,250	9.16%	6.7 - 29%	

Source: Mesa County Assessor's office

Ute Water Conservancy District

Schedule 10

**PROPERTY TAX RATES PER \$1,000 ASSESSED VALUATION (MILL LEVY)
DIRECT AND OVERLAPPING GOVERNMENTS, LAST TEN YEARS**

<u>MILL LEVY</u>					
Levy Year	Year of Collection	Ute Water Conservancy District	Mesa County	Mesa County School District #51	All Other Taxing Entities
2016	2017	0.500	12.214	36.079	12.370
2017	2018	0.500	12.246	43.784	12.409
2018	2019	0.500	12.357	43.768	12.565
2019	2020	0.000	8.554	41.971	11.665
2020	2021	0.000	11.977	41.985	14.344
2021	2022	0.000	11.764	43.845	14.286
2022	2023	0.000	12.213	45.077	16.449
2023	2024	0.000	11.243	45.077	16.027
2024	2025	0.000	11.588	45.077	16.111
2025	2026	0.000	10.520	42.218	15.967

<u>PROPERTY TAX REVENUE LEVY</u>					
Levy Year	Year of Collection	Ute Water Conservancy District	Mesa County	Mesa County School District #51	All Other Taxing Entities
2016	2017	\$ 678,609	\$ 22,540,647	\$ 60,866,935	\$ 11,429,841
2017	2018	682,043	22,617,251	62,708,144	11,445,134
2018	2019	688,565	23,401,595	73,764,272	11,828,431
2019	2020	-	18,830,713	80,840,836	13,170,871
2020	2021	-	25,496,106	80,774,587	14,308,519
2021	2022	-	27,809,931	92,461,681	15,335,194
2022	2023	-	28,918,391	94,726,164	16,180,670
2023	2024	-	31,132,899	112,000,092	18,252,122
2024	2025	-	31,929,396	113,505,525	18,436,319
2025	2026	-	31,677,632	127,216,163	19,953,486

Notes: Tax rates shown are for a representative taxing area within the Ute Water Conservancy District and exclude several taxing entities that are wholly or partially within the District.

Property tax levy revenues exclude specific ownership tax revenues.

Source: Mesa County Assessor's office

Ute Water Conservancy District

Schedule 11

PRINCIPAL PROPERTY TAXPAYERS, CURRENT YEAR AND NINE YEARS AGO

		2025			2016		
		Taxable Assessed Value	Rank	Percentage of Total District Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total District Taxable Assessed Value
<u>Taxpayer</u>	<u>Business Type</u>						
Xcel Energy (formerly Public Service Company)	Utility	\$ 66,457,170	1	2.85%	\$ 36,081,880	1	2.70%
Union Pacific Railroad Company	Railroad	17,495,050	2	0.75%	11,009,070	3	0.82%
Spectrum Pacific West, LLC (formerly Bresnan)	Utility	10,300,130	3	0.44%	4,205,680	9	0.31%
GAHC4 Grand Junction CO MOB LLC	Medical Facility	8,492,800	4	0.36%	-	-	-
Grand Mesa Center	Shopping Mall	7,540,030	5	0.32%	5,244,600	7	0.39%
SM Mesa Mall LLC	Shopping Mall	6,706,000	6	0.29%	9,825,690	4	0.73%
Coorstek	Manufacturing	6,080,110	7	0.26%	-	-	-
Dillon Real Estate Co Inc.	Retail Grocery Store	4,789,700	8	0.21%	-	-	-
Grand Valley Rural Power Lines Inc.	Utility	4,577,850	9	0.20%	5,062,960	8	0.38%
Walmart Real Estate Business Trust	Retail Stores/Shopping Mall	4,534,360	10	0.19%	3,978,430	10	0.30%
Nabors Drilling (Nabor Lux Finance 2)	Oil / Gas Field Services	-	-	-	11,534,820	2	0.86%
Helmerich & Payne International Drilling	Oil / Gas Field Services	-	-	-	7,829,290	5	0.59%
Halliburton Energy Services Inc.	Oil / Gas Field Services	-	-	-	6,633,280	6	0.50%
		<u>\$ 136,973,200</u>		<u>5.88%</u>	<u>\$ 101,405,700</u>		<u>7.58%</u>

Source: Mesa County Assessor's office

Ute Water Conservancy District

Schedule 12

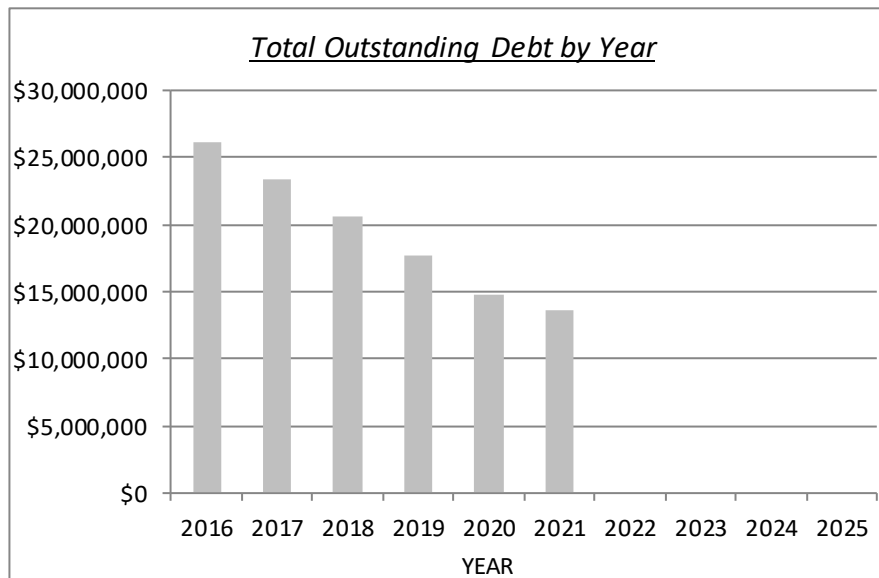
RATIO OF OUTSTANDING DEBT BY TYPE, LAST TEN YEARS

Year	Revenue Bonds	Total		As a Share of Personal Income (b)
		Amount	Per Capita (a)	
2016	\$ 26,104,453	\$ 26,104,453	\$ 322.10	0.80%
2017	23,378,210	23,378,210	283.48	0.66%
2018	20,586,078	20,586,078	247.53	0.55%
2019	17,711,310	17,711,310	209.69	0.45%
2020	14,748,046	14,748,046	170.72	0.35%
2021	13,613,217	13,613,217	154.21	0.30%
2022	-	-	N/A	N/A
2023	-	-	N/A	N/A
2024	-	-	N/A	N/A
2025	-	-	N/A	N/A

Notes: Details regarding the District's outstanding debt can be found in the notes to the financial statements.

(a) Based on estimated District population from Schedule 14.

Source: District Finance Department



Ute Water Conservancy District

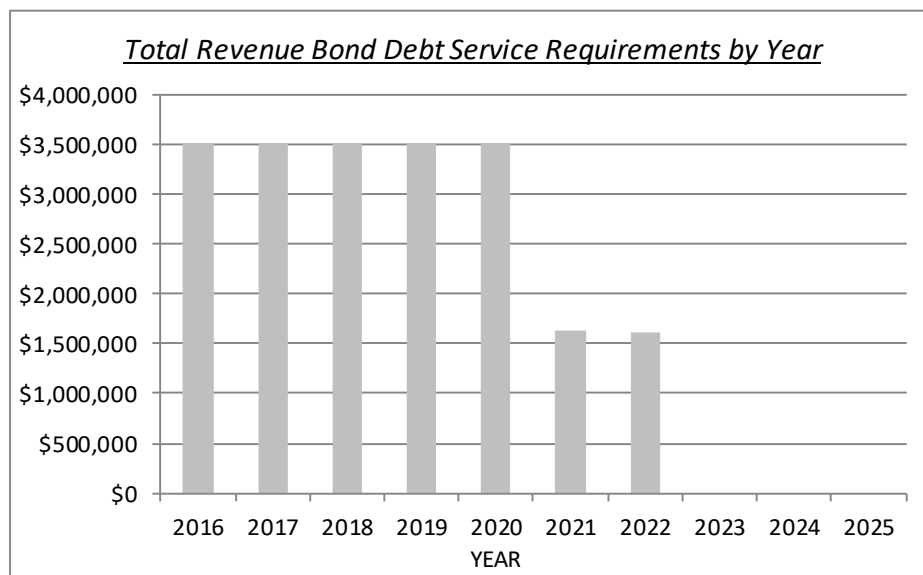
Schedule 13

REVENUE BOND AND DEBT COVERAGE, LAST TEN YEARS

Fiscal Year	Gross Revenues (1)	Operating Expenses (2)	Net Revenue Available for Debt Service	Debt Service Requirements (3)			Coverage
				Principal	Interest	Total	
2016	\$ 20,626,245	\$ 8,841,556	\$ 11,784,689	\$ 2,470,000	\$ 1,035,370	\$ 3,505,370	3.36
2017	22,114,828	9,156,554	12,958,274	2,565,000	940,862	3,505,862	3.69
2018	23,391,965	9,972,221	13,419,744	2,665,000	836,937	3,501,937	3.82
2019	23,640,724	10,264,214	13,376,510	2,780,000	725,764	3,505,764	3.81
2020	25,258,843	11,156,050	14,102,793	2,900,000	607,021	3,507,021	4.02
2021	24,930,403	11,869,284	13,061,119	1,090,000	533,697	1,623,697	8.04
2022	24,239,733	12,992,819	11,246,914	1,125,000	478,867	1,603,867	7.01
2023	30,299,988	13,634,806	16,665,182	-	-	-	N/A
2024	31,422,643	14,461,143	16,961,500	-	-	-	N/A
2025	32,139,215	16,205,935	15,933,280	-	-	-	N/A

- Notes: (1) Gross revenues includes investment income, miscellaneous income, and tap fees and excludes property taxes.
 (2) Total operating expenses exclusive of depreciation.
 (3) Principal and interest for revenue bonds only. Does not include debt defeasance transaction payments over the required amount.

Source: District Finance Department



Ute Water Conservancy District

Schedule 14

DEMOGRAPHIC AND ECONOMIC STATISTICS, LAST TEN YEARS

Year	Estimated District Population (a)	County Population (b)	School Enrollment (c)	Personal Income (thousands of dollars) (d)	Per Capita Personal Income (d)	Unemployment Rate			Labor Force (e)
						Mesa County (e)	State of Colorado (e)	National (f)	
2016	81,046	150,346	22,105	\$ 6,058,618	\$40,462	5.0%	3.1%	4.9%	73,256
2017	82,469	152,148	22,084	6,496,022	42,972	3.6%	2.6%	4.4%	74,615
2018	83,165	154,047	22,082	6,944,767	45,405	3.7%	3.0%	3.9%	76,580
2019	84,466	155,108	22,046	7,204,611	46,719	3.2%	2.7%	3.7%	77,105
2020	86,388	156,010	21,081	7,536,582	48,435	6.8%	6.8%	8.1%	76,006
2021	88,279	157,465	21,315	8,200,469	52,121	5.8%	5.5%	5.3%	78,564
2022	89,282	158,596	20,851	8,670,085	54,654	3.4%	3.1%	3.6%	78,074
2023	91,186	159,701	20,208	9,206,041	57,653	3.6%	3.3%	3.6%	78,628
2024	92,580	161,196	19,900	9,663,489	59,925	4.4%	4.3%	4.0%	80,029
2025	93,782	162,594	19,280	N/A	N/A	4.5%	4.0%	4.3%	80,044

Source: (a) District Finance Department (persons per housing unit times residential unit connections)
 (b) Colorado Department of Local Affairs, State Demography Office
 (c) Colorado Department of Education - Data Center - Mesa County Valley School District 51
 (d) US Department of Commerce, Bureau of Economic Analysis - Personal Income Summary for Mesa County
 (e) Colorado Department of Labor and Employment, average for year
 (f) US Department of Labor, Bureau of Labor Statistics, average for year
 N/A - Data not available

Ute Water Conservancy District

Schedule 15

PRINCIPAL EMPLOYERS, CURRENT YEAR AND NINE YEARS AGO

	2025			2016		
	Number of Employees	Rank	Percentage of Total County Employment	Number of Employees	Rank	Percentage of Total County Employment
Mesa County Valley School District No. 51	3,397	1	4.24%	2,500	1	3.44%
St. Mary's Hospital & Medical Center	3,007	2	3.76%	2,326	2	3.20%
Community Hospital	1,403	3	1.75%	800	6	1.10%
Mesa County	1,250	4	1.56%	1,012	4	1.39%
Colorado Mesa University	1,206	5	1.51%	1,037	3	1.43%
City of Grand Junction	1,156	6	1.44%	629	10	0.86%
VA Medical Center - Grand Junction	1,001	7	1.25%	720	8	0.99%
Family Health West	630	8	0.79%	-	-	-
West Star Aviation	584	9	0.73%	-	-	-
Hilltop Community Resources	495	10	0.62%	-	-	-
State of Colorado	-	-	-	1,004	5	1.38%
City Markets, Inc.	-	-	-	800	7	1.10%
Star Tek Inc.	-	-	-	700	9	0.96%
	<u>14,129</u>		<u>17.65%</u>	<u>11,528</u>		<u>15.84%</u>

Source: Grand Junction Economic Partnership

The data provided to the Grand Junction Economic Partnership may not include all leading employers in the area. 2025 survey data as of February 2026

Ute Water Conservancy District

Schedule 16

DISTRICT EMPLOYEES BY TYPE, LAST TEN YEARS

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Water Supply and Treatment:										
Managers and Supervisors	3	3	2	2	2	2	2	2	3	3
Water Resource Specialists	1	1	1	1	1	1	1	1	1	1
Water Plant Operators	4	4	4	4	4	4	4	4	4	4
Water Plant Maintenance	2	2	3	3	3	3	3	3	2	3
Laboratory Staff	3	3	3	3	3	3	3	3	3	3
<i>Total Water Supply and Treatment</i>	13	13	13	13	13	13	13	13	13	14
Transmission and Distribution:										
Managers and Supervisors	4	4	4	4	4	5	5	5	5	5
Fleet Mechanics	2	2	2	2	2	2	2	2	2	2
Meter Readers and Service Representatives	7	7	7	7	7	7	7	8	7	7
Maintenance Worker / Technician	17	17	17	19	19	19	19	19	20	20
Customer Service Representative	1	1	1	1	1	1	1	1	1	1
Water Supply Coordinator	1	1	1	1	1	1	1	1	1	1
<i>Total Transmission and Distribution</i>	32	32	32	34	34	35	35	36	36	36
Engineering and Construction:										
District Engineer	1	1	1	1	1	1	1	1	1	1
Project Engineer	1	1	1	1	1	1	1	2	2	2
Engineering Technician	2	2	2	2	2	2	2	2	2	2
Inspectors	2	2	2	2	2	2	2	2	2	2
GIS Staff	2	2	2	2	2	2	2	2	2	2
<i>Total Engineering and Construction</i>	8	8	8	8	8	8	8	9	9	9
Administration:										
Managers	2	2	2	2	2	3	3	2	2	1
General Counsel	0	1	1	1	0	0	0	0	0	0
External Affairs Manager	1	1	1	1	1	1	1	1	1	1
External Affairs Assistant	1	1	1	1	0	0	1	1	0	1
Human Resources / Risk Manager	1	1	1	1	1	1	1	1	1	1
Human Resources / Risk Specialist	1	1	1	1	1	1	1	1	1	1
<i>Total Administration</i>	6	7	7	7	5	6	7	6	5	5
Finance and Accounting:										
Managers and Supervisors	2	2	2	2	2	2	2	2	2	2
Finance Specialist	0	0	1	1	1	0	0	0	0	0
Accounting Clerks	1	1	1	1	1	1	1	1	1	1
Billing / Customer Service Clerks	6	6	6	6	6	6	6	6	5	5
New Services Coordinator	1	1	1	1	1	1	1	0	0	0
Purchasing Agent	1	1	1	1	1	1	1	1	1	1
<i>Total Finance and Accounting</i>	11	11	12	12	12	11	11	10	9	9
<i>Total Full-Time Employees</i>	70	71	72	74	72	73	74	74	72	73

Source: District Finance Department

Ute Water Conservancy District

Schedule 17

OPERATING AND CAPITAL INDICATORS, LAST TEN YEARS

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Size of watershed (square miles drained)	504	504	504	504	504	504	504	504	504	504
Terminal reservoirs storage capacity (acre-feet)	8,736	8,736	8,736	8,736	8,736	8,736	8,736	8,736	8,736	8,736
Miles of raw water delivery pipeline	21.2	21.2	21.2	21.2	21.2	21.2	21.2	21.2	21.2	21.2
Treatment plant capacity (MGD)	34.0	34.0	34.0	34.0	34.0	34.0	34.0	34.0	34.0	34.0
Treated water storage (MG)	27.5	27.5	27.5	27.5	27.5	27.5	27.5	27.5	27.5	27.5
Miles of transmission & distribution pipeline (by pipe diameter):										
4 inches and smaller	275.86	277.65	279.52	280.58	282.40	285.37	287.09	288.97	288.98	290.62
6 inches	108.83	108.69	108.81	109.92	109.90	109.92	111.76	111.29	110.85	111.10
8 inches	387.42	381.29	372.76	370.71	364.04	353.87	346.74	340.59	334.99	328.44
10 inches to 18 inches	129.09	128.14	126.81	126.89	125.85	126.59	125.81	126.21	124.88	124.35
Larger than 18 inches	49.39	49.39	49.39	49.40	49.41	48.37	48.37	48.37	48.38	48.25
Total miles of distribution pipeline	950.59	945.16	937.29	937.50	931.60	924.12	919.77	915.43	908.08	902.76
Number of fire hydrants in the distribution system	5,032	4,936	4,830	4,762	4,679	4,570	4,488	4,392	4,291	4,198

Notes: MGD = Million gallons of water per day

MG = Million gallons of water

Acre-foot = 325,829 gallons

Additional operating indicators can be found in schedules 3 and 4.

Source: District GIS Department and District Treatment & Source Department

Ute Water Conservancy District

Schedule 18

INSURANCE COVERAGE

Effective January 1, 2026

<u>Coverage</u>	<u>Limits</u>	<u>Deductible</u>	<u>Expiration Date</u>
<u>Colorado Special Districts Property and Liability Pool</u>			12/31/2026
Public Entity Liability Coverage	\$ 2,000,000		
General Liability	Included	\$ 5,000	
Medical Payments - Premises	\$ 10,000	None	
Employee Benefits Administration Liability	Included	\$ 5,000	
Public Officials Liability	Included	\$ 1,000	
Employment Practices Liability	Included	\$ 100(*)	
Pre-loss Legal Assistance	\$ 5,000	None	
No-Fault Water & Sewer Back-up - Per Premise(+)	\$ 10,000	\$ 500	
Excess Liability	\$ 8,000,000	None	
Auto Liability	Included	\$ 1,000	
Medical Payments - Auto	\$ 10,000	None	
Non-Owned / Hired Auto Liability	Included	None	
Uninsured/Underinsured Motorists Liability	Included	None	
Cyber Liability(±)	\$ 200,000	\$ 1,000	
Excess Cyber Liability	\$ 1,000,000	\$ 10,000	
Fiduciary Liability(+)	\$ 200,000	\$ 1,000	
(*) 50% of loss, maximum deductible of \$100,000/occurrence			
(+) Subject to \$1,000,000 all member aggregate limit			
(±) Subject to \$5,000,000 all member aggregate limit			
Auto Physical Damage			
Hired Auto Physical Damage	\$ 50,000	\$ 500	
Employee Deductible Reimbursement	\$ 2,500	None	
Property Coverage			
Buildings, Business Personal Property (per schedule)	\$ 96,503,132	\$ 5,000	
Portable Equipment, Mobile Equipment and Inland Marine items	\$ 1,698,304	\$ 5,000	
Combined Earthquake and Flood	\$ 2,000,000	2%/Occurrence	
Excess Flood (per schedule)	\$ 2,500,000	\$ 5,000	
Business Income	\$ 250,000	\$ 10,000	
Equipment Breakdown / Boiler and Machinery			
Comprehensive Boiler, Pressure Vessel, Mechanical and Electrical	\$ 95,611,585	\$ 10,000	

Ute Water Conservancy District

Schedule 18 - continued

INSURANCE COVERAGE

Effective January 1, 2026

<u>Coverage</u>	<u>Limits</u>	<u>Deductible</u>	<u>Expiration Date</u>
<u>Colorado Special Districts Property & Liability Pool (Continued)</u>			12/31/2026
Comprehensive Crime Coverage	\$ 300,000	\$ 1,500	
Identity Recovery	\$ 35,000	None	
Pollution Coverage	\$ 1,000,000	\$ 1,000	
\$1,000,000 / pollution incident, \$5,000,000 all member aggregate limit			
Workers' Compensation Insurance			
Each Accident	\$ 2,000,000	\$ 1,000	
Employee Disease (Policy Limit)	\$ 2,000,000		
Employee Disease (Each Employee)	\$ 2,000,000		

Source: District Human Resource & Risk Department

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