

# **COLORADO WATER CONSERVATION BOARD**

## **WATER PROJECT LOAN APPLICATION**

**Instructions:** This application should be typed or printed neatly with black ink. Attach additional sheets as necessary to fully answer any question or to provide additional information that would be helpful in the evaluation of this application. When finished, please sign and return this application to:

**THE COLORADO WATER CONSERVATION BOARD**  
Finance Section  
1313 Sherman St, Room 721  
Denver, CO 80203  
Attn: Anna Mauss, P.E.  
Phone (303) 866-3441 x3224 Fax (303) 866-4474  
Email [anna.mauss@state.co.us](mailto:anna.mauss@state.co.us)

**Part A. - Description of the Applicant** (Generally, the applicant is also the prospective owner and sponsor of the proposed project)

1. Name of applicant **Uncompahgre Valley Water Users Association**  
Mailing Address **601 N. Park Ave. P.O. Box 69**  
**Montrose, CO 81401**  
Business Phone **(970) 249-3813** Fax **(970) 249-6830**  
Federal ID Number **84-0340160** email **sfletcher@montrose.net**
2. Person to contact regarding this application:  
Name **Steve Fletcher**  
Position/Title **Manager**  
Address **601 N. Park Ave. Montrose, CO 81401**  
Business Phone **(970) 249-3813** Cell **(970) 250-8118**  
Email **sfletcher@montrose.net**
3. Type of organization (Ditch Co., Irrigation District, Municipality, etc.): **Irrigation Association**  
Date of Annual Meeting 1st **Tuesday of February each year**  
Is the organization incorporated in the State of Colorado? YES **X** NO        (If YES, please include a copy of the articles of incorporation, and the bylaws)

## **CWCB Water Project Loan Application**

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4. Please provide a brief description of the owner's existing water supply facilities and describe any existing operational or maintenance problems. Attach a map of the service area

SEE ATTACHMENT "A"

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For existing facilities indicate:

Number of shareholders 3534 or Number of customers served \_\_\_\_\_

Current Assessment per share \$42.30 Mesa Number of shares 54,618.2 Mesa

\$33.84 Adobe 25,669.1 Adobe

Number of acres irrigated 80,287.3 Water Right: 2595 CFS.

Average water diverted per year: 584,635 acre-feet.

### **Part B. - Description of the Project**

1. Name of the Project Drop 5 Hydroelectric Project

2. Purpose of this loan application. Check one.

☐ New project

☐ Rehabilitation or replacement of existing facility

☐ Enlargement of existing facility

☐ Emergency Repair

☒ Other (describe) New Hydroelectric Facility

3. If the project is for rehabilitation of an existing reservoir, is the reservoir currently under a storage restriction order from the State Engineer? YES ☐ NO ☐

4. General location of the project. (Please include county, and approximate distance and direction from nearest town, as well as legal description, if known.

Montrose County, About 4.5 miles Southeast of Montrose CO—Latitude: 38° 24' 13.80"

North Longitude: 107° 48' 36.66" West S 24 T9W R48N

5. Please provide a brief narrative description of the proposed project including purpose, need, facilities, type of water uses to be served and service area. Attach separate sheet, if needed.

SEE ATTACHMENT "A"

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6. Will the acquisition of additional water rights be necessary? YES ☐ NO ☒

If YES, please explain. \_\_\_\_\_

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## **CWCB Water Project Loan Application**

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7. Please list the names, addresses and phone numbers of the Applicants' engineer(s) and attorney(s).

<u>NAME</u>	<u>ADDRESS and PHONE</u>
<u>Sorenson Engineering</u>	<u>5203 South 11<sup>th</sup> East Idaho Falls, ID 83404 (208) 522-8069</u>
<u>Vic Roushar (Attorney)</u>	<u>144 S. Uncompahgre Montrose, CO 81401 (970) 249-4531</u>
_____	_____

8. List any feasibility studies or other investigations that have been completed or are now in progress for the proposed project. If so, submit one copy of the study with this application

**Attached is a copy of a latest feasibility study for the project. These figures are on the high side and are currently being closely analyzed to reduce these costs.**

9. Estimated cost of the project. Please include estimated engineering costs, and estimated construction costs, if known.

Estimated Engineering Costs:\$	\$ <u>600,000.00</u>	
Estimated Construction Costs:	\$ <u>7,067,481.00</u>	
Estimated Other Costs:	\$ <u>--</u>	(land, water rights purchase, etc.)
Estimated Total Costs:	\$ <u>7,667,481.00</u>	

10. Loan amount and terms you are requesting.

Requested Loan Amount:	\$ <u>6,900,733.00</u>	(Usually 90 % of est. Total Costs)
Term (length) of loan:	<u>20</u> <u>years</u>	(Usually 10, 20, or 30 years)
Interest Rate:	<u>2</u> <u>%</u>	(Please call for our current rates)

### **Part C. - Project Sponsor Financial Information**

Because the CWCB's Fund is a revolving fund, it is important that the project sponsor have the financial capacity to repay any loans made by the CWCB. The following information is needed to assist the CWCB in a preliminary assessment of the applicant's financial capacity. The project sponsor will submit the three most recent annual financial statements.

1. List any existing long-term liability (multi-year) or indebtedness that exceeds one thousand dollars. For example, bank loans, government agency loans, bond issues, accounts payable, etc. Include names and addresses of lenders, amounts, due dates and maturity dates.

## CWCB Water Project Loan Application

<u>Lender Name &amp; Address</u>	<u>Remaining Amount</u>	<u>Annual Payment</u>	<u>Maturity Date</u>
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NONE

2. Are any of the above liabilities now in default, or been in default at any time in the past?

YES\_\_\_\_ NO X. If YES, please give detailed explanation.

3. Please provide a brief narrative description of sources of funding, in addition to the CWCB, which have been explored for this project (Examples would be Banks, USDA Rural Development, NRCS, Colorado Water Resources and Power Development Authority, Colorado Division of Local Government, etc.). Conventional Bank loans were explored, but higher interest rates made the project less feasible. WaterSMART Grant will also be applied for to apply to this project when the opportunity opens this coming fall. This will be a complete grant process.

4. What collateral will you be offering for this loan? Possibilities include a pledge of revenues, the project itself, real estate, water rights. First choice of collateral is the Hydro project itself, will also have the ability to raise assessments to meet annual payments if needed.

The above statements are true, to the best of my knowledge:

Signature of Applicant Steve L. Fletcher

Printed Name Steve L. Fletcher

Title Manager

Date 3/2/15

**ATTACHMENT "A"**

**Part A. No. 4.** Project lands surround the town of Montrose and extend 34 miles along both sides of the Uncompahgre River to Delta, Colorado. Project features include Taylor Park Dam and Reservoir, Gunnison Tunnel, 7 diversion dams, 128 miles of main canals, 438 miles of laterals, and 216 miles of drains. The systems divert water from the Uncompahgre and Gunnison Rivers to serve over 80,000 acres of irrigated land.

**Part B. No. 5.** Site 5 Hydro will be built alongside the existing canal and divert water into a penstock and through a Kaplan Turbine/Generator to produce around 2.4 MW of electricity annually. The existing canal will be used as a by-pass during non-generation. Power has been sold to DMEA (Delta Montrose Electric Association) and will be used in the local area. This is a non-consumptive use of water and the revenues will be used for up-keep and improvements on the irrigation project. This project will only produce electricity during the irrigation season.

## Capital Cost, Drop 5 Hydroelectric Project

Completed Jan-15

<b>1 Powerhouse and Intake</b>				
a	Excavation & Backfill ,no rip rap			
b	Access Roads			
c	Excavation & Backfill for intake and powerhouse			
d	Metal Building			
e	General Civil Construction including structural concrete			
f	Concrete Demo, fencing, and dewatering			
			\$	3,327,284 Mountain Slaes
<b>2 Mechanical</b>				
a	Kaplan Turbine, Generator, and Brushless exciter		\$	1,296,000 CHEC
c	Hydraulic Pwr Unit		\$	-
d	Fabricated Metal incuding bypass gate and trip gates		\$	-
e	Mechanical Installation		\$	-
f	Trash removal system		\$	710,000 riverside
<b>3 Electrical</b>				
a	Switchgear		\$	285,000 batt
b	Electrical Wiring		\$	180,000 Rapid
c	HVAC		\$	12,000
b	Step up transformer		\$	60,000
<b>4 Interconnect To DMEA</b>				
a	Interconnect		\$	140,000
	Interconnect continency			100,000
<b>5 Miscellaneous</b>				
a	Permitting		\$	30,000
b	Archeological consultant		\$	10,000
	Plant Survey		\$	3,000
	Surveying and mapping		\$	30,000
c	Bur Rec LOPP		\$	50,000
d	Engineering		\$	600,000
e	Legal and Misc		\$	-
g	Interest during Construction (6 month centroid)	Rate	2%	\$ 70,000
	Contingency	%	6.0%	\$ 414,197
				\$ 414,197.04
	<b>Subtotal</b>		\$	6,903,284
	<b>Water User Earthwork , Tunnel and flume and riprap</b>		\$	350,000
	<b>Total Estimated Cost (w/ Contingincy)</b>			
			\$	7,667,481.04

# South Canal Drop 5 Hydroelectric Project Economic Analysis

Completed Jan-15  
Annual Costs

Capital cost	\$	7,667,481
Capital cost to be financed (90%)	\$	6,900,733
Equity (10%)	\$	766,748

Loan Payment	Principal	\$	6,900,733
	Term -Years	25	
	Interest rate	2.00%	
	Annual Payment		\$353,459

## Estimated Annual Operations and Maintenance

a	Labor	\$0
b	Insurance	\$15,000
c	Lease of Power Privilege	\$17,891
d	Property Tax	\$10,000
e	Scheduled Maintenance	\$30,000
f	Unscheduled Maintenance	\$8,000

Subtotal \$80,891

Total Annual Cost \$ 434,349

## Revenue

Power Generation	8,945 MWhr
Power Price 2016	\$ 64.26 per MWhr
Annual Gross Revenue	\$ 574,822
Annual Net Return on Equity	\$ 140,473
Annual Net Return on Equity	18%

## Drop 5 Hydro Economic Performance

Power Sales and O&M Escalation Rate 2%

Year	Price per MWhr	5 Year Low Average Generation (MWhr)	5 Year High Average Generation (MWhr)	Average Generation (MWhr)	5 Year Low Average Revenue	5 Year High Average Revenue	Average Revenue	O & M Costs	Debt Service	Net Low Average	Net High Average	Net High Average
2016	\$ 64.26	7,551	9,987	8,945	\$485,256	\$ 641,759	\$ 574,822	\$ 80,891	\$353,459	\$ 50,906	\$ 207,410	140,473
2017	\$ 65.55	7,551	9,987	8,945	\$494,961	\$ 654,594	\$ 586,319	\$ 82,508	\$353,459	\$ 58,994	\$ 218,627	150,352
2018	\$ 66.86	7,551	9,987	8,945	\$504,860	\$ 667,686	\$ 598,045	\$ 84,158	\$353,459	\$ 67,243	\$ 230,069	160,428
2019	\$ 68.19	7,551	9,987	8,945	\$514,957	\$ 681,040	\$ 610,006	\$ 85,842	\$353,459	\$ 75,657	\$ 241,739	170,706
2020	\$ 67.56	7,551	9,987	8,945	\$510,175	\$ 674,716	\$ 604,342	\$ 87,558	\$353,459	\$ 69,158	\$ 233,699	163,325
2021	\$ 68.95	7,551	9,987	8,945	\$520,672	\$ 688,597	\$ 616,776	\$ 89,310	\$353,459	\$ 77,904	\$ 245,829	174,007
2022	\$ 68.37	7,551	9,987	8,945	\$516,292	\$ 682,805	\$ 611,587	\$ 91,096	\$353,459	\$ 71,737	\$ 238,251	167,033
2023	\$ 71.81	7,551	9,987	8,945	\$542,269	\$ 717,160	\$ 642,399	\$ 92,918	\$353,459	\$ 95,893	\$ 270,784	195,983
2024	\$ 73.29	7,551	9,987	8,945	\$553,445	\$ 731,941	\$ 655,598	\$ 94,776	\$353,459	\$ 105,210	\$ 283,706	207,363
2025	\$ 74.80	7,551	9,987	8,945	\$564,848	\$ 747,021	\$ 669,105	\$ 96,672	\$353,459	\$ 114,717	\$ 296,891	218,975
2026	\$ 76.33	7,551	9,987	8,945	\$576,401	\$ 762,301	\$ 682,792	\$ 98,605	\$353,459	\$ 124,338	\$ 310,237	230,728
2027	\$ 77.90	7,551	9,987	8,945	\$588,257	\$ 777,980	\$ 696,836	\$ 100,577	\$353,459	\$ 134,221	\$ 323,945	242,800
2028	\$ 79.50	7,551	9,987	8,945	\$600,339	\$ 793,959	\$ 711,148	\$ 102,589	\$353,459	\$ 144,292	\$ 337,912	255,101
2029	\$ 81.13	7,551	9,987	8,945	\$612,648	\$ 810,238	\$ 725,729	\$ 104,641	\$353,459	\$ 154,549	\$ 352,139	267,630
2030	\$ 82.79	7,551	9,987	8,945	\$625,184	\$ 826,816	\$ 740,578	\$ 106,733	\$353,459	\$ 164,992	\$ 366,624	280,386
2031	\$ 84.49	7,551	9,987	8,945	\$638,021	\$ 843,794	\$ 755,785	\$ 108,868	\$353,459	\$ 175,695	\$ 381,467	293,458
2032	\$ 86.22	7,551	9,987	8,945	\$651,085	\$ 861,071	\$ 771,260	\$ 111,045	\$353,459	\$ 186,581	\$ 396,567	306,756
2033	\$ 87.98	7,551	9,987	8,945	\$664,376	\$ 878,648	\$ 787,004	\$ 113,286	\$353,459	\$ 197,651	\$ 411,924	320,279
2034	\$ 89.78	7,551	9,987	8,945	\$677,968	\$ 896,625	\$ 803,105	\$ 115,532	\$353,459	\$ 208,978	\$ 427,635	334,115
2035	\$ 91.61	7,551	9,987	8,945	\$691,787	\$ 914,901	\$ 819,475	\$ 117,842	\$353,459	\$ 220,487	\$ 443,600	348,174
2036	\$ 93.49	7,551	9,987	8,945	\$705,984	\$ 933,676	\$ 836,292	\$ 120,199	\$353,459	\$ 232,326	\$ 460,019	362,635
2037	\$ 93.49	7,551	9,987	8,945	\$705,984	\$ 933,676	\$ 836,292	\$ 122,603	\$353,459	\$ 229,922	\$ 457,615	360,231
2038	\$ 93.49	7,551	9,987	8,945	\$705,984	\$ 933,676	\$ 836,292	\$ 125,055	\$353,459	\$ 227,470	\$ 455,163	357,779
2039	\$ 93.49	7,551	9,987	8,945	\$705,984	\$ 933,676	\$ 836,292	\$ 127,556	\$353,459	\$ 224,969	\$ 452,661	355,278
2040	\$ 93.49	7,551	9,987	8,945	\$705,984	\$ 933,676	\$ 836,292	\$ 130,107	\$353,459	\$ 222,418	\$ 450,110	352,726

\*25 year loan term and a 21 year Power Purchase Agreement

\* Year 22 to 25 power sales estimated

Completed Jan-15



**THE UNCOMPAHGRE VALLEY WATER USERS ASSOCIATION**

**BALANCE SHEETS**

October 31, 2012 and 2011

	<u>2012</u>	<u>2011</u>
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 862,193	\$ 681,325
Investments	1,518,840	1,392,323
Other receivables	941,540	675,189
Materials and supplies	65,530	80,562
Prepaid expenses	37,828	40,632
<b>Total Current Assets</b>	<b>3,425,931</b>	<b>2,870,031</b>
<b>Property and equipment, net</b>	<b>572,128</b>	<b>570,786</b>
<b>Other Assets</b>		
Delinquent assessments receivable, net	-	-
<b>Total Assets</b>	<b><u>\$ 3,998,059</u></b>	<b><u>\$ 3,440,817</u></b>
<b>LIABILITIES AND MEMBERS' EQUITY</b>		
<b>Current Liabilities</b>		
Accounts payable	\$ 291,494	\$ 387,893
Accrued wages and benefits	307,985	289,638
<b>Total Current Liabilities</b>	<b>599,479</b>	<b>677,531</b>
<b>Noncurrent Liabilities</b>		
Liability for pension benefits	614,715	578,461
<b>Total Liabilities</b>	<b><u>1,214,194</u></b>	<b><u>1,255,992</u></b>
<b>Members' Equity</b>		
Unrestricted	899,157	309,080
Accumulated other comprehensive income	(668,292)	(573,255)
Designated	2,553,000	2,449,000
<b>Total Members' Equity</b>	<b><u>2,783,865</u></b>	<b><u>2,184,825</u></b>
<b>Total Liabilities and Members' Equity</b>	<b><u>\$ 3,998,059</u></b>	<b><u>\$ 3,440,817</u></b>

See accompanying notes.

# THE UNCOMPAHGRE VALLEY WATER USERS ASSOCIATION

## STATEMENTS OF OPERATIONS

Years Ended October 31, 2012 and 2011

	<u>2012</u>	<u>2011</u>
<b>Operating Revenue</b>		
Member assessments, net of discounts of \$55,024 and \$50,787, respectively	\$ 3,304,101	\$ 2,965,395
Contract revenue	<u>3,878,057</u>	<u>1,927,386</u>
<b>Total Operating Revenue</b>	<u>7,182,158</u>	<u>4,892,781</u>
<b>Operating Expenses</b>		
Maintenance expenses	4,856,403	3,261,534
General and administrative expenses	850,728	785,639
System and operating expenses	574,599	598,242
Depreciation expense	125,818	113,942
Purchase of water	<u>114,400</u>	<u>114,400</u>
<b>Total Operating Expenses</b>	<u>6,521,948</u>	<u>4,873,757</u>
<b>Income from Operations</b>	<u>660,210</u>	<u>19,024</u>
<b>Other Revenues (Expenses)</b>		
Reimbursement of research and development costs	-	207,890
Other revenue	128,807	102,139
Late charges on member assessments	33,126	30,318
Interest on investments	16,876	27,065
Gravel sales	-	10,301
Gain on sale of equipment	17,938	1,015
Easement construction revenue	22,509	30,202
Easement construction expense	(11,431)	(30,202)
Research and development	(10,948)	-
Provision for doubtful accounts	<u>(163,010)</u>	<u>(400,465)</u>
<b>Total Other Revenues (Expenses)</b>	<u>33,867</u>	<u>(21,737)</u>
<b>Net Income (Loss) before Other Comprehensive Income (Loss)</b>	<u>694,077</u>	<u>(2,713)</u>
<b>Other Comprehensive Income</b>		
Unrealized losses on available for sale securities arising during the period	658	(8,304)
Adjustment to recognize minimum liability on defined benefit pension plan	<u>(95,695)</u>	<u>(192,511)</u>
<b>Total Other Comprehensive Income (Loss)</b>	<u>(95,037)</u>	<u>(200,815)</u>
<b>Net Income (Loss)</b>	<u>\$ 599,040</u>	<u>\$ (203,528)</u>

See accompanying notes.

**THE UNCOMPAHGRE VALLEY WATER USERS ASSOCIATION**

**BALANCE SHEETS**

October 31, 2013 and 2012

	<u>2013</u>	<u>2012</u>
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 1,039,032	\$ 862,193
Investments	1,506,261	1,518,840
Other receivables	566,890	941,540
Materials and supplies	55,145	65,530
Prepaid expenses	<u>36,090</u>	<u>37,828</u>
<b>Total Current Assets</b>	<b>3,203,418</b>	<b>3,425,931</b>
<b>Property and equipment, net</b>	<u>621,867</u>	<u>572,128</u>
<b>Total Assets</b>	<u><b>\$ 3,825,285</b></u>	<u><b>\$ 3,998,059</b></u>
<b>LIABILITIES AND MEMBERS' EQUITY</b>		
<b>Current Liabilities</b>		
Accounts payable	\$ 139,087	\$ 291,494
Accrued wages and benefits	<u>320,949</u>	<u>307,985</u>
<b>Total Current Liabilities</b>	<b>460,036</b>	<b>599,479</b>
<b>Noncurrent Liabilities</b>		
Liability for pension benefits	<u>450,892</u>	<u>614,715</u>
<b>Total Liabilities</b>	<u><b>910,928</b></u>	<u><b>1,214,194</b></u>
<b>Members' Equity</b>		
Unrestricted	761,751	899,157
Accumulated other comprehensive income	(575,394)	(668,292)
Designated	<u>2,728,000</u>	<u>2,553,000</u>
<b>Total Members' Equity</b>	<u><b>2,914,357</b></u>	<u><b>2,783,865</b></u>
<b>Total Liabilities and Members' Equity</b>	<u><b>\$ 3,825,285</b></u>	<u><b>\$ 3,998,059</b></u>

See accompanying notes.

**THE UNCOMPAHGRE VALLEY WATER USERS ASSOCIATION**

**STATEMENTS OF OPERATIONS**

Years Ended October 31, 2013 and 2012

	<u>2013</u>	<u>2012</u>
<b>Operating Revenue</b>		
Member assessments, net of discounts of \$53,511 and \$55,024, respectively	\$ 3,286,953	\$ 3,304,101
Contract revenue	<u>1,647,533</u>	<u>3,878,057</u>
<b>Total Operating Revenue</b>	<u>4,934,486</u>	<u>7,182,158</u>
<b>Operating Expenses</b>		
Maintenance expenses	3,067,699	4,856,403
General and administrative expenses	902,733	850,728
System and operating expenses	616,271	574,599
Depreciation expense	123,433	125,818
Purchase of water	<u>114,400</u>	<u>114,400</u>
<b>Total Operating Expenses</b>	<u>4,824,536</u>	<u>6,521,948</u>
<b>Income from Operations</b>	<u>109,950</u>	<u>660,210</u>
<b>Other Revenues (Expenses)</b>		
Other revenue	69,857	128,807
Late charges on member assessments	33,324	33,126
Interest on investments	16,801	16,876
Sale of equipment	(213)	17,938
Easement construction revenue	-	22,509
Easement construction expense	-	(11,431)
Research and development	(30,919)	(10,948)
Provision for doubtful accounts	<u>(161,206)</u>	<u>(163,010)</u>
<b>Total Other Revenues (Expenses)</b>	<u>(72,356)</u>	<u>33,867</u>
<b>Net Income</b>	<u>37,594</u>	<u>694,077</u>
<b>Other Comprehensive Income</b>		
Unrealized (loss)/gain on available for sale securities arising during the period	(13,848)	658
Adjustment to recognize minimum liability on defined benefit pension plan	<u>106,746</u>	<u>(95,695)</u>
<b>Total Other Comprehensive Income (Loss)</b>	<u>92,898</u>	<u>(95,037)</u>
<b>Total Comprehensive Income</b>	<u>\$ 130,492</u>	<u>\$ 599,040</u>

See accompanying notes.

# THE UNCOMPAHGRE VALLEY WATER USERS ASSOCIATION

## BALANCE SHEETS

October 31, 2014 and 2013

	2014	2013
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 1,613,907	\$ 1,039,032
Investments	1,412,197	1,506,261
Other receivables	203,814	566,890
Materials and supplies	78,026	55,145
Prepaid expenses	34,848	36,090
<b>Total Current Assets</b>	<b>3,342,792</b>	<b>3,203,418</b>
 <b>Property and equipment, net</b>	 <b>618,419</b>	 <b>621,867</b>
 <b>Other Assets</b>		
Receivable - South Canal Hydro Project	272,000	-
<b>Total Assets</b>	<b>\$ 4,233,211</b>	<b>\$ 3,825,285</b>
 <b>LIABILITIES AND MEMBERS' EQUITY</b>		
<b>Current Liabilities</b>		
Accounts payable	\$ 233,020	\$ 139,087
Accrued wages and benefits	333,054	320,949
<b>Total Current Liabilities</b>	<b>566,074</b>	<b>460,036</b>
 <b>Noncurrent Liabilities</b>		
Liability for pension benefits	413,217	450,892
Real estate commitment	45,000	-
Deferred revenue - South Canal Hydro Project	272,000	-
<b>Total Liabilities</b>	<b>1,296,291</b>	<b>910,928</b>
 <b>Members' Equity</b>		
Unrestricted	696,786	761,751
Accumulated other comprehensive income	(597,866)	(575,394)
Designated	2,838,000	2,728,000
<b>Total Members' Equity</b>	<b>2,936,920</b>	<b>2,914,357</b>
<b>Total Liabilities and Members' Equity</b>	<b>\$ 4,233,211</b>	<b>\$ 3,825,285</b>

See accompanying notes.

# THE UNCOMPAHGRE VALLEY WATER USERS ASSOCIATION

## STATEMENTS OF OPERATIONS

Years Ended October 31, 2014 and 2013

	<u>2014</u>	<u>2013</u>
<b>Operating Revenue</b>		
Member assessments, net of discounts of \$55,767 and \$53,511, respectively	\$ 3,314,162	\$ 3,138,283
Contract revenue	<u>1,251,892</u>	<u>1,647,533</u>
<b>Total Operating Revenue</b>	<u>4,566,054</u>	<u>4,785,816</u>
<b>Operating Expenses</b>		
Maintenance expenses	2,782,368	3,067,699
General and administrative expenses	938,715	902,733
System and operating expenses	639,430	616,271
Depreciation expense	110,237	123,433
Purchase of water	<u>120,000</u>	<u>114,400</u>
<b>Total Operating Expenses</b>	<u>4,590,750</u>	<u>4,824,536</u>
<b>Income (Loss) from Operations</b>	<u>(24,696)</u>	<u>(38,720)</u>
<b>Other Revenues (Expenses)</b>		
Other revenue	168,503	69,857
Late charges on member assessments	33,184	33,324
Interest on investments	16,612	16,801
Sale of equipment	3,960	(213)
Research and development	(102,691)	(30,919)
Provision for doubtful accounts	<u>(49,837)</u>	<u>(12,536)</u>
<b>Total Other Revenues (Expenses)</b>	<u>69,731</u>	<u>76,314</u>
<b>Net Income</b>	<u>45,035</u>	<u>37,594</u>
<b>Other Comprehensive Income</b>		
Unrealized (loss)/gain on available for sale securities arising during the period	4,997	(13,848)
Adjustment to recognize minimum liability on defined benefit pension plan	<u>(27,469)</u>	<u>106,746</u>
<b>Total Other Comprehensive Income (Loss)</b>	<u>(22,472)</u>	<u>92,898</u>
<b>Total Comprehensive Income</b>	<u>\$ 22,563</u>	<u>\$ 130,492</u>

See accompanying notes.