

Grand River Ditch Pipeline Project

GRAND RIVER DITCH COMPANY

Silt, Colorado



Alvin Hansen, President

Nella Barker, Secretary/Treasurer

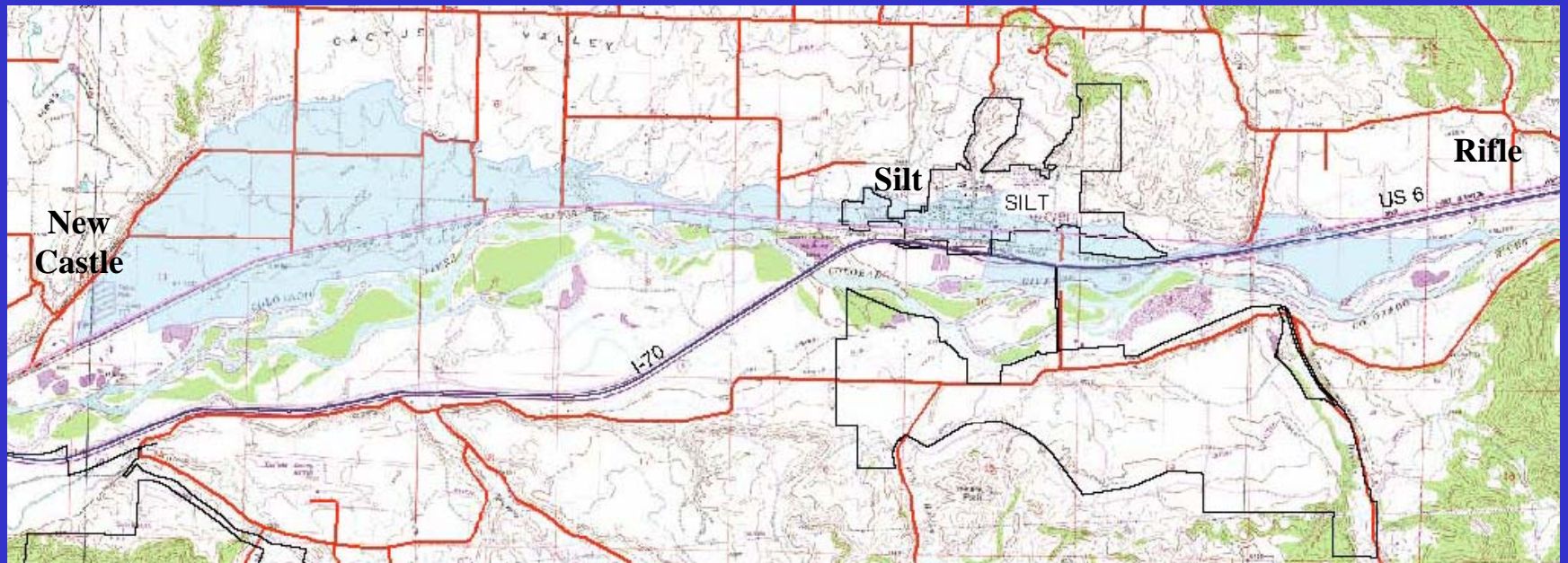
Dennis Davidson, Bookcliff Conservation District

Grand River Ditch Company

- \$538,000 Project cost estimate
- Ditch rehab. along Colorado River:
 - River diversion work
 - Pipeline installation
- NRCS design/cost participation (\$100,000 grant)
- Colo BRT grant request (September)
 - \$25,000 Basin account
 - \$175,000 Statewide account

Grand River Ditch Company

- 1917 Mutual Ditch Co.
- 270 shares and 148 shareholders
- 29% ag, 13% comm. and 58% middle income muni.
- Power to sell stock for non-payment
- Service area is between New Castle and Rifle.



BORROWER

Grand River Ditch Company

- The Ditch is located along north bank of River
- 14 mi. ditch – starts 3 mi. west of New Castle and ends about a mile east of Rifle
- Ditch was severally damaged during high River
- Pipeline will provide long term fix
- Spring of 2010, 60 feet of a retaining wall collapsed due to an extended high-water season
- Wall was installed nearly 100 years old
- More problems expected as River cuts bank

Grand River Ditch Company

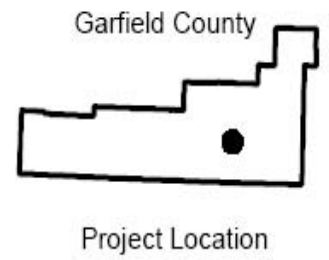
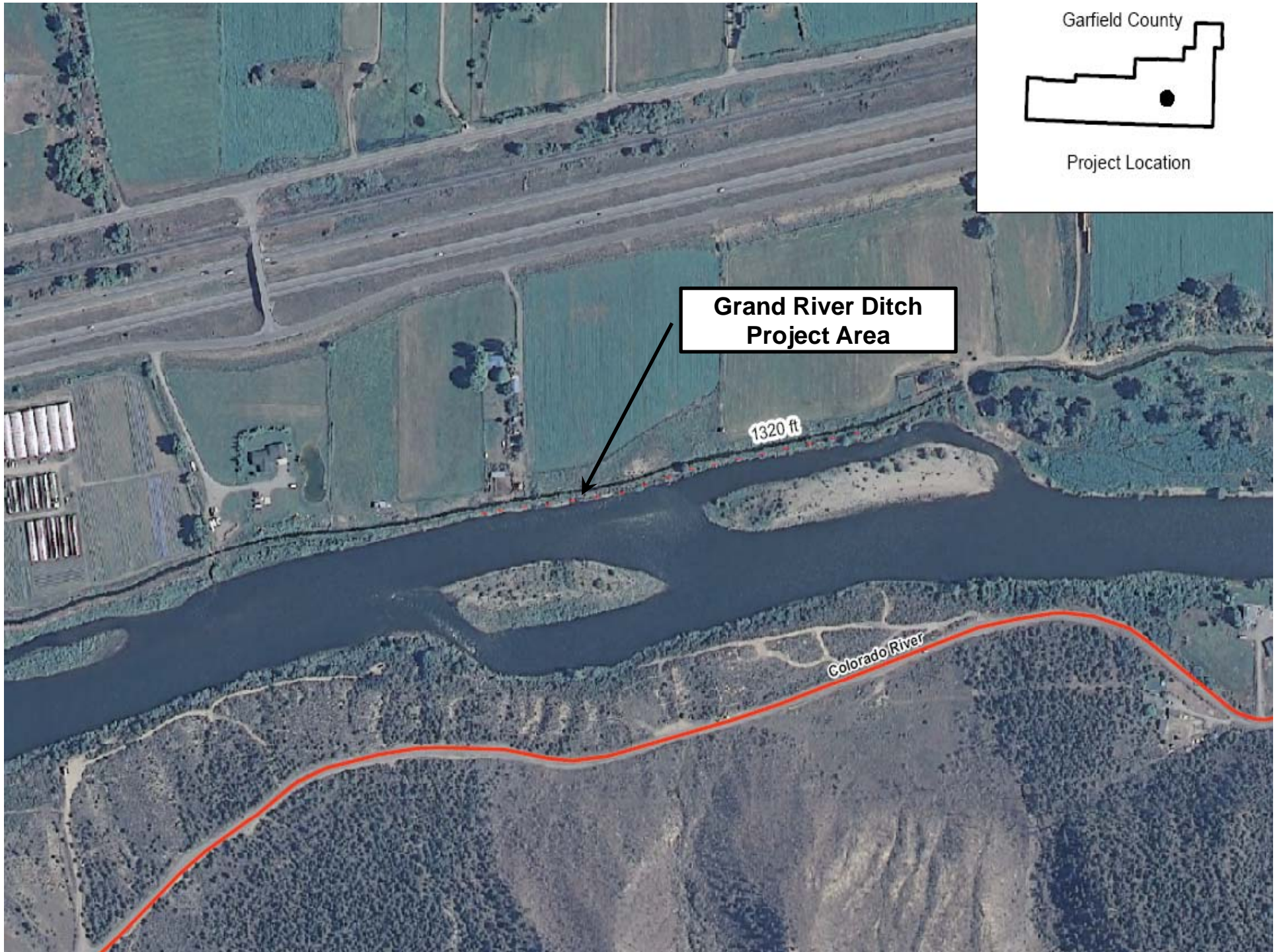
- Grand River Ditch also known as the Cactus Valley Ditch or Lower Cactus Valley Ditch
- Direct diversion right from the Colorado River
- The Company's 50cfs water rights dated 1889
- The Ditch runs May 1st to October 1st.
- Primarily use is ag. irrigation and outside watering of 5 to 10 acre residences
- Small portion decreed for augmentation.

Grand River Ditch Company

- Install 1320ft of twin 48" pipe in ditch alignment
- Diversion structure repair
- Design work underway and Construction fall 2010

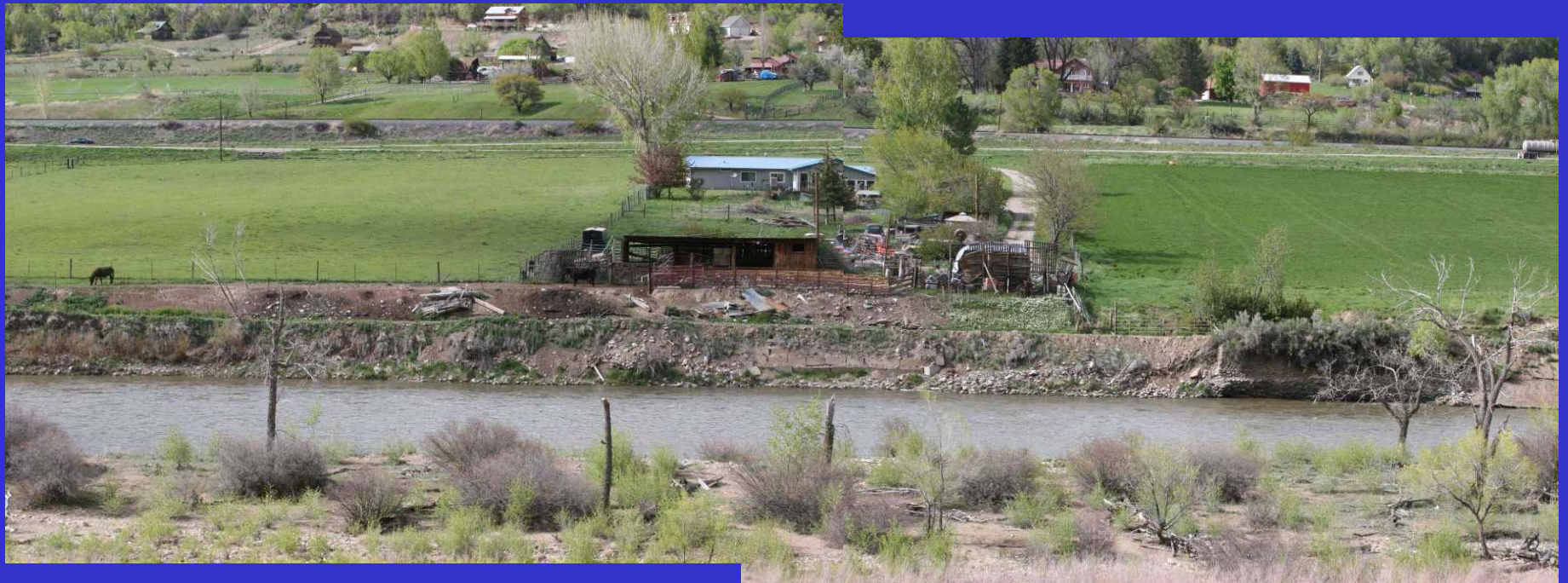


PROJECT





**Looking Downstream (West) from
South Bank of Colorado River**



**Looking North from South Bank
of Colorado River**

















Spring 2010 - Ditch Repair







Grand River Ditch Company

- Project Funding Sources (Table 1)
 - Initial Loan \$538,000 (100% of Project Cost – Policy #11)
 - After construction NRCS contributes \$100,000
- Financial Summary of Project (Table 2)
 - Post Construction Loan \$443,380 (Inc. 1% service fee)
 - 4.2% Interest for 30 Years (Blended Ag./Muni/Comm)
 - \$26,270 Annual Loan Payment
- Company Financial Ratios (Table 3)
 - Ratios indicate a financially strong borrower
 - Cost per Acre-Foot \$4.75
 - Collateral is Pledge of Revenues and Project (Per Policy #5)
 - CHANGE TO MEMO

Grand River Ditch Company

Collateral Change

“a security interest in a portion of the Company’s water rights in the amount of the long term loan.”

To

“the project itself including and contract language that protects CWCB’s right to deny delivery of water through the project in the event of default.”

COLLATERAL

Grand River Ditch Company

STAFF RECOMMENDATION

See Memo for Staff Recommendation

Loan Contract Condition

All grant funds obtained for the purpose of this project shall be applied to the balance of the final Project costs

Additional Condition

Owner agrees to protect CWCB's right to deny delivery of water through the project in the event of loan default

Owner agrees to allow CWCB to step in the shoes of the Company in the event of default