

# **Colorado Water Conservation Board**

CONSTRUCTION FUND

AND

SEVERANCE TAX TRUST FUND

PERPETUAL BASE ACCOUNT

## **SMALL PROJECT LOAN REPORT**



Colorado Water Conservation Board  
Department of Natural Resources

2010

# STATE OF COLORADO

## Colorado Water Conservation Board Department of Natural Resources

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January 12, 2011

Senator Gail Schwartz  
Chair, Senate Agriculture, Livestock and Natural Resources Committee

Representative Jerry Sonnenberg  
Chair, House Agriculture, Livestock and Natural Resources Committee

John W. Hickenlooper  
Governor

Mike King  
DNR Executive Director

Jennifer L. Gimbel  
CWCB Director

Re: Colorado Water Conservation Board Small Project Loans for 2010 from the Construction Fund and Severance Tax Trust Fund Perpetual Base Account – Final Report

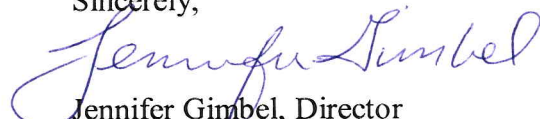
Dear Senator Schwartz and Representative Sonnenberg,

Pursuant to Section 37-60-122(b) of the C.R.S. we are submitting the attached written determination of the basis for all loans authorized by the Colorado Water Conservation Board (CWCB) under \$10,000,000 during the past calendar year 2010. The report was completed by CWCB staff on January 12, 2011 and will be presented at the Colorado Water Conservation Board Meeting January 25, 2011 at the Hilton Garden Inn, Tech Center, 7675 East Union Avenue, Denver, Colorado.

Copies of the report will be available for distribution from the CWCB and the report will also be available on the CWCB web-site [www.cwcb.state.co.us](http://www.cwcb.state.co.us). A copy of the report has been submitted to the Legislative Library, Room 029 of the State Capital Building. Under your direction, we are prepared to present copies of the report to your committee members and others.

If you have questions or need additional copies of the report, please contact Mr. Tim Feehan of the CWCB staff at 303-866-3441 ext. 3211.

Sincerely,

  
Jennifer Gimbel, Director  
Colorado Water Conservation Board

## PREFACE

Pursuant to Section 37-60-122(b) of the C.R.S. the Colorado Water Conservation Board (CWCB) is required to submit a report by January 15<sup>th</sup> of each year to the Colorado General Assembly describing the basis of all Construction Fund and Severance Tax Trust Fund Perpetual Base Account loans authorized by the CWCB under \$10,000,000. This report fulfills the CWCB reporting obligations for those small project loans for calendar year 2010.

The report includes a summary spreadsheet identifying each loan approval date, the project sponsor or borrower, the project name, the loan amount, and the name of the County and river basin where the project is located. There were 11 new loan projects under \$10,000,000 approved by the CWCB in calendar year 2010. The Board also approved loan increases to 2 previously approved projects. The total loan value of the 13 projects was over \$21,000,000.

Also included in the report is a loan project data sheet for each new loan project that includes a project description, project location map, and other pertinent loan and project information.

**Colorado Water Conservation Board**  
**Small Project Loans**  
**For Calendar Year 2010**

Item	Date Approved	Sponsor	Project	Amount Approved	County	Basin
Construction Fund						
1	01/27/10	Lower Latham Reservoir Company	Lower Latham Well Augmentation Project (Phase III)	\$ 3,811,573	Weld	South Platte
2	01/27/10	Trinchera Irrigation Company	Smith Dam Repair	\$ 606,000	Costilla	Rio Grande
3	05/18/10	Consolidated Extension Canal Company	Las Animas Consolidated Canal Diversion Dam Emergency Repair	\$ 180,285	Bent	Arkansas
4	05/18/10	Las Animas Consolidated Canal Company	Las Animas Consolidated Canal Diversion Dam Emergency Repair	\$ 77,265	Bent	Arkansas
5	05/18/10	Parkville Water District	Canterbury Tunnel Water Supply Repair	\$ 1,838,200	Lake	Colorado
6	05/18/10	City of Monte Vista	Augmentation Water Rights Acquisition	\$ 1,693,770	Rio Grande	Rio Grande
7	07/20/10	Stagestop Owners Association	Stagestop Water Augmentation Reservoir Projects Rehabilitation	\$ 192,708	Park	South Platte
8	07/20/10	Grand River Ditch Company	Grand River Ditch Pipeline Project	\$ 543,380	Garfield	Colorado
9	07/20/10	Swan's Nest Metropolitan District	Vidler Tunnel Water Rights Acquisition Project	\$ 151,500	Summit	South Platte
10	11/16/10	Huerfano-Cucharas Irrigation Company	Cucharas Reservoir Rehabilitation Project	\$ 9,999,000	Pueblo / Huerfano	Arkansas
11	11/16/10	Farmers' Highline Canal and Reservoir Company	Farmers' Highline Canal and Reservoir System Rehabilitation	\$ 1,410,768	Adams / Jefferson	South Platte
Total Small Project Loans Approved in 2010 From Construction Fund				\$ 20,504,449		
Severance Tax Trust Fund Perpetual Base Account						
12	05/18/10	Lower Poudre Augmentation Company	Increase to Timnath Flatiron Reservoir and Water Purchase	\$ 456,280	Larimer / Weld	South Platte
13	11/16/10	Bull Creek Reservoir, Canal & Power Company	Increase to Bull Creek Reservoir No. 4 Enlargement & Rehabilitation	\$ 345,412	Mesa	Colorado
Total Small Project Loans Approved in 2010 From Severance Tax				\$ 801,692		
Grand Total - Small Project Loans in 2010				\$ 21,306,141		



## Water Project Loan Program - Project Data

**Borrower:** Lower Latham Reservoir Company    **County:** Weld

**Project Name:** Well Augmentation Proj. (Ph III)    **Project Type:** Water Rights Purchase & Construction of Recharge Facilities

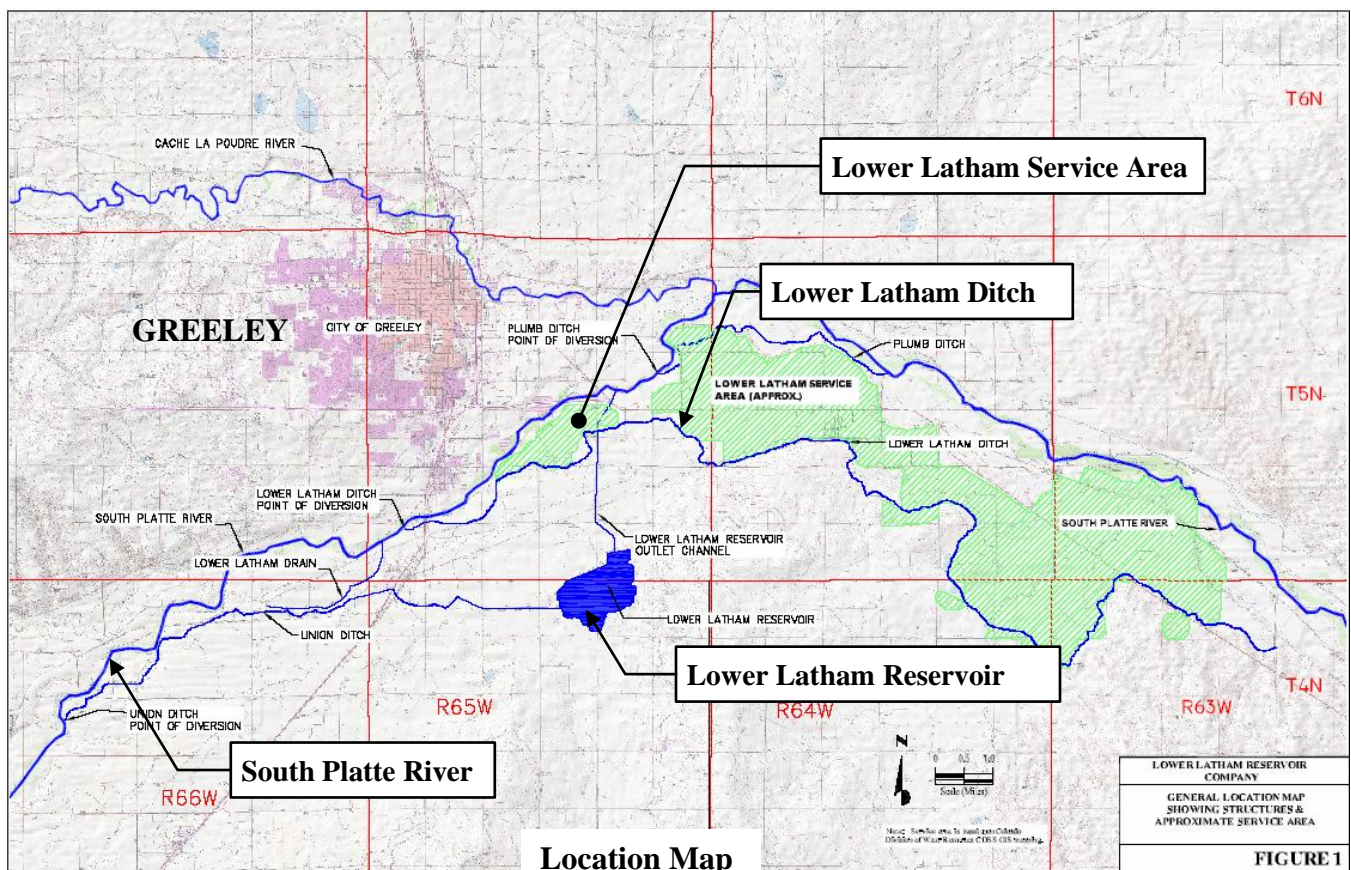
**Drainage Basin:** South Platte    **Water Source:** South Platte River

**Total Project Cost:** \$4,193,150    **Funding Sources:** Construction Fund

**Type of Borrower:** Agricultural    **Aver. Delivery:** 5,705 AF

**CWCB Loan:** \$3,811,573 (incl. 1% loan fee)    **Interest Rate:** 2.75%    **Term:** 30 years

The Lower Latham Reservoir Company (Company) is acquiring five shares of Lower Latham Ditch Company, for the purpose of providing augmentation water for existing shareholder wells. It is also constructing groundwater recharge facilities and other system improvements to utilize these shares and shares acquired in phases I & II of the project (both of which were financed by the CWCB). The Company provides augmentation water for 84 wells in Weld County by replacing out-of-priority pumping depletions. 39 of these wells were formerly in the GASP Augmentation Plan, and the remaining 45 wells are covered in the Augmentation Plan of Central Colorado Water Conservancy District's GMS. The Company is attempting to cover the former GASP wells, and supplement coverage of the GMS wells with their own augmentation plan. In 2003, the Company filed a permanent well augmentation plan that is pending. The Company has concluded that additional replacement sources are necessary to provide sufficient replacement water during extended drought years. A 2010 SWSP for the Company was revised and submitted to the SEO in December 2009.



## Water Project Loan Program - Project Data

**Borrower:** Trinchera Irrigation Company

**County:** Costilla

**Project Name:** Smith Dam Repairs Project

**Project Type:** Dam Rehabilitation

**Drainage Basin:** Rio Grande

**Water Source:** Trinchera Creek

**Total Project Cost:** \$667,000

**Funding Source:** Construction Fund

**Type of Borrower:** Agricultural

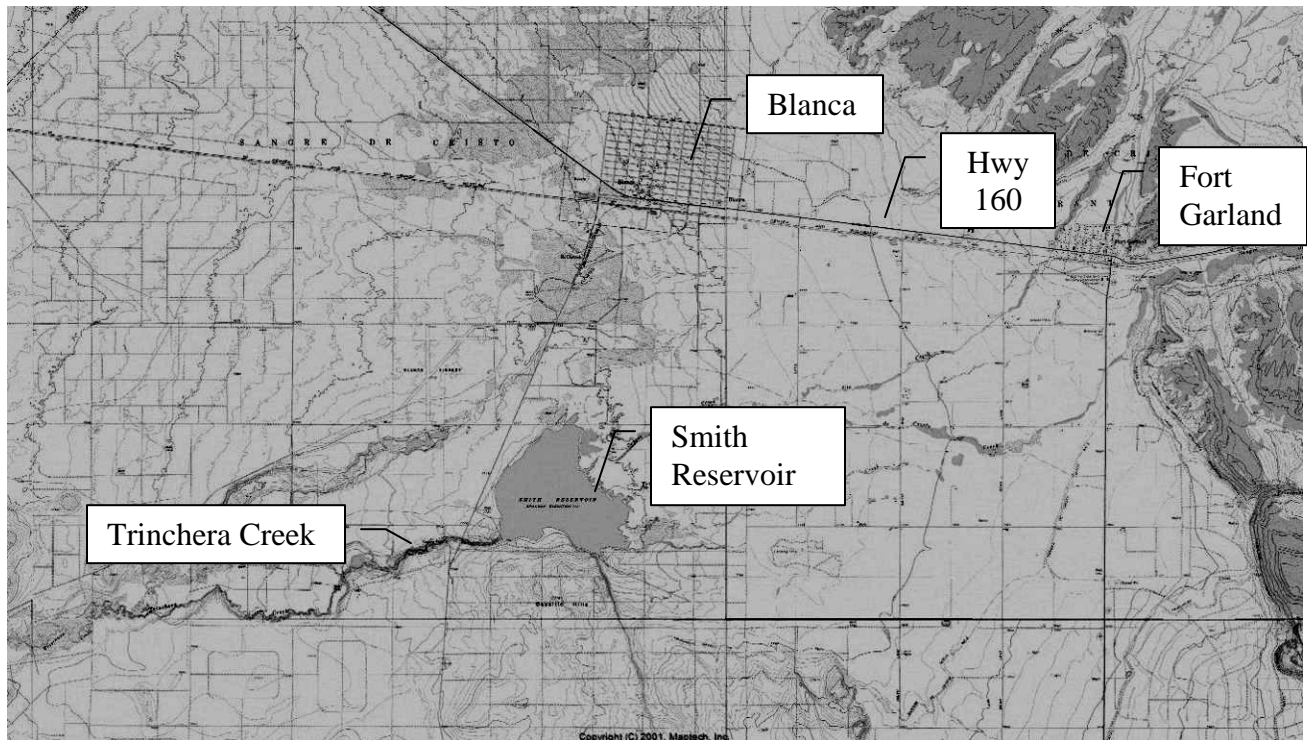
**Aver. Diversion:** 26,700 AF

**Storage Recovered by Project:** 1,100 AF

**CWCB Loan:** \$606,000 (incl. 1% loan fee)

**Interest Rate:** 2.75%    **Term:** 30 years

The Trinchera Irrigation Company (Company) owns and operates Smith Reservoir, Mountain Home Reservoir, and approximately 26 miles of canals and 45 miles of laterals for the purpose of providing irrigation water for the benefit of its shareholders. The Company services approximately 14,100 acres of irrigated farm land. The Company is applying for a loan to repair Smith Reservoir, which the State Engineer's Office (SEO) placed under a storage restriction. The restriction was put in place on April 22, 2009 after a storm caused considerable erosion on the upstream slope of the dam. The repairs include: correcting the slope of the dam, repairing erosion damage on the upstream face of the dam, and replacing the upstream sluice valve. The SEO approved the construction plans on November 2, 2009 and construction began immediately. The Company expects work to be complete by February 2010 so it can begin filling the reservoir as soon as possible.



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Location Map

## Water Project Loan Program - Project Data

**Borrower:** Consolidated Extension Canal Co.

**County:** Bent

**Project Name:** Emergency Repair of the Las Animas Consolidated Canal Diversion Dam

**Project Type:** Diversion Structure Rehabilitation

**Drainage Basin:** Arkansas

**Water Source:** Arkansas River

**Total Project Cost:** \$1,275,000

**Funding Source:** Construction Fund

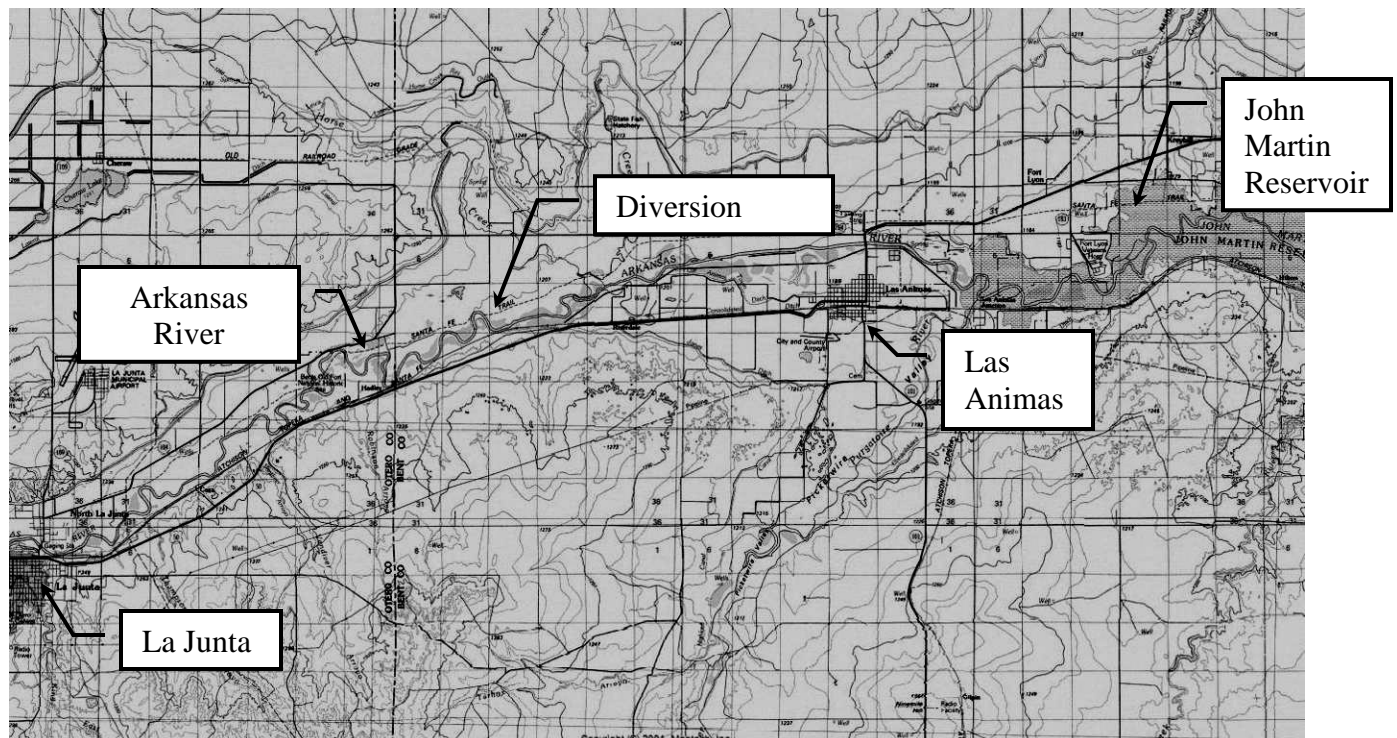
**Type of Borrower:** Agricultural

**Aver. Diversion:** 26,000 AF

**CWCB Loan:** \$180,285 (incl. 1% loan fee)

**Interest Rate:** 2.75%    **Term:** 30 years

The Consolidated Canal Extension Company provides irrigation water to approximately 2,700 acres near Las Animas, Colorado. The Extension Company, along with the Las Animas Consolidated Canal Company, owns and operates the Las Animas ditch diversion dam, located on the Arkansas River approximately 11 miles east of La Junta. The diversion dam was constructed in the late 1800s and is at the end of its useful life. The purpose of this project is to complete emergency repairs to support the dam and to minimize further downstream erosion and deterioration of the diversion dam so that safe and reliable future operations of the structure can be ensured. This loan request is for 14% of the estimated \$1,275,000 total cost of the project. The additional project funding will come from the Las Animas Consolidated Canal Company (through a CWCB loan) and from Xcel Energy (a large shareholder in both companies). The project is expected to be bid in the fall of 2010. Construction will begin around November 15, 2010 and work should be completed by March 15, 2011.



Location Map



## Water Project Loan Program - Project Data

**Borrower:** Las Animas Consolidated Canal Co.    **County:** Bent

**Project Name:** Emergency Repair of the Las Animas Consolidated Canal Diversion Dam

**Project Type:** Diversion Structure Rehabilitation

**Drainage Basin:** Arkansas

**Water Source:** Arkansas River

**Total Project Cost:** \$1,275,000

**Funding Source:** Construction Fund

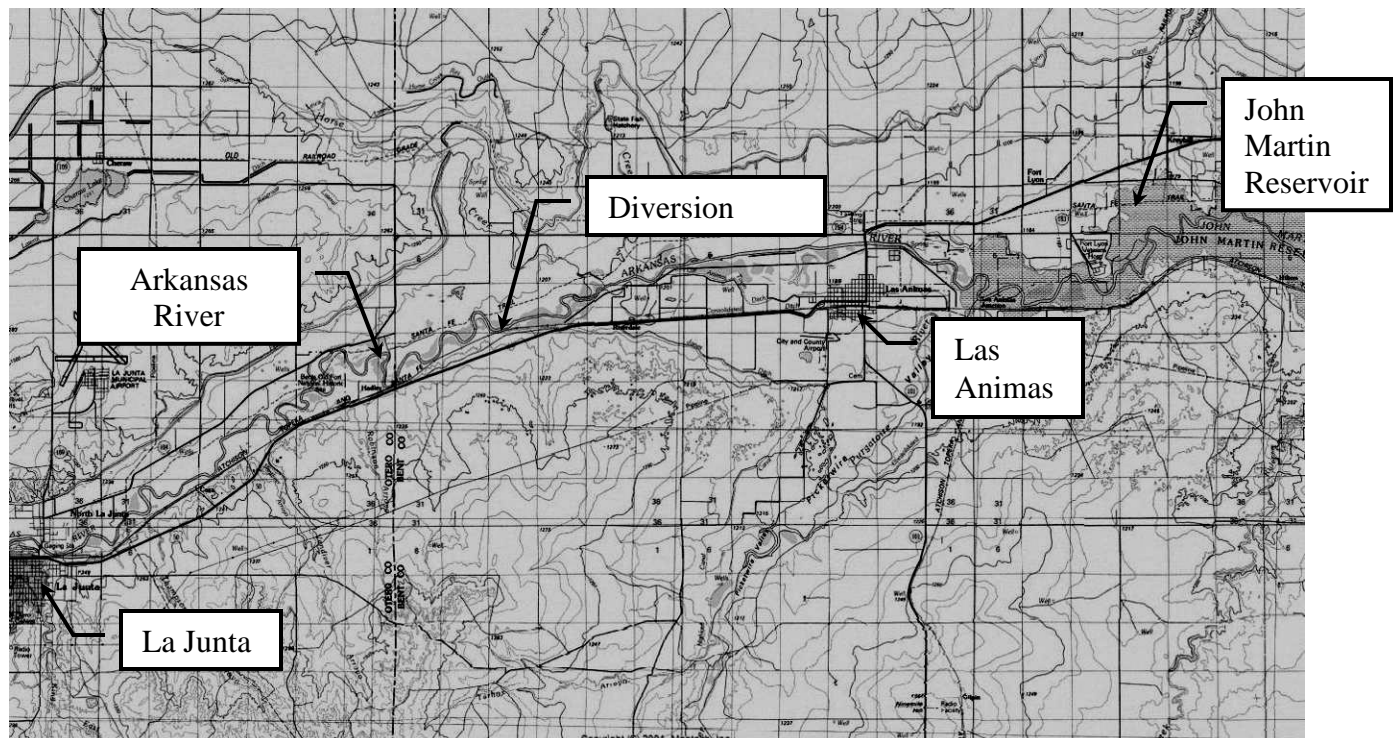
**Type of Borrower:** Agricultural

**Aver. Diversion:** 26,000 AF

**CWCB Loan:** \$77,265 (incl. 1% loan fee)

**Interest Rate:** 2.75%    **Term:** 30 years

The Las Animas Consolidated Canal Company provides irrigation water to approximately 5,600 acres near Las Animas, Colorado. The Canal Company, along with the Consolidated Extension Canal Company, operates the Las Animas ditch diversion dam, located on the Arkansas River approximately 11 miles east of La Junta and about 7 miles west of Las Animas. The diversion dam was constructed in the late 1800s and is at the end of its useful life. The purpose of this project is to complete emergency repairs to support the dam and to minimize further downstream erosion and deterioration of the diversion dam so that safe and reliable future operations of the structure can be ensured. The loan request is for 6% of the estimated \$1,275,000 total cost of the project. The additional project funding will come from the Consolidated Extension Canal Company (through a CWCB loan) and from Xcel Energy (a large shareholder in both companies). The project is expected to be bid in the fall of 2010. Construction will begin around November 15, 2010 and work should be completed by March 15, 2011.



Location Map



## CWCB Water Project Loan Program Project Data Sheet

**Borrower:** Parkville Water District

**County:** Lake

**Project Name:** Canterbury Tunnel Repair

**Project Type:** Rehabilitation

**Drainage Basin:** Colorado River

**Water Source:** East Fork Arkansas

**Total Project Cost:** \$2,520,000

**Funding Sources:** Construction Fund

**Type of Borrower:** Low Income - Municipal

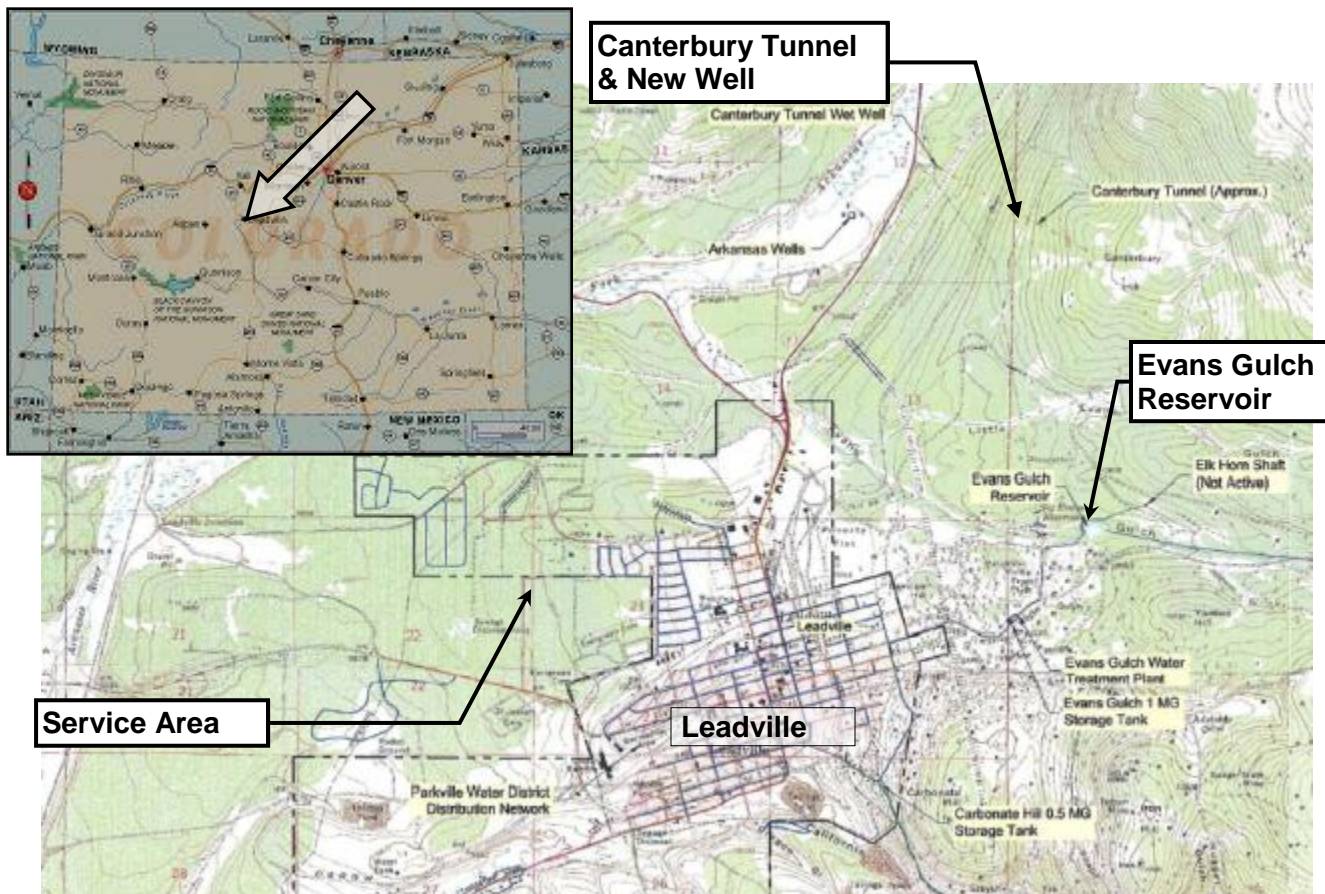
**Project Diversions:** 1,086 AF

**Loan Amount:** \$1,838,200 (Including 1% fee)

**Interest Rate:** 4.0%

**Term:** 30 years

The Parkville Water District provides municipal water for the Town of Leadville and surrounding areas. The District provides service to about 2300 taps. The Canterbury Tunnel has been a critical water supply source to the District for over 45 years. The Tunnel originally served as mine drainage; however, because it was of such good quality and reliability the District added it to its water supply system. About 15 years ago, the flow of water was significantly reduced due to a collapse in the tunnel. The District proposes to drill a new well to access the functioning part of the tunnel and pump the water to the District's distribution system. The Project design is nearly complete and construction is projected for the fall/winter 2010.



## Water Project Loan Program - Project Data

**Borrower:** City of Monte Vista  
(Water Activity Enterprise)

**Project Name:** Augmentation Water Rights  
Acquisition

**Drainage Basin:** Rio Grande

**Total Project Cost:** \$1,863,500

**Type of Borrower:** Low-Income Municipal

**CWCB Loan:** \$1,693,770 (incl. 1% loan fee)

**County:** Rio Grande

**Project Type:** Water Rights Purchase

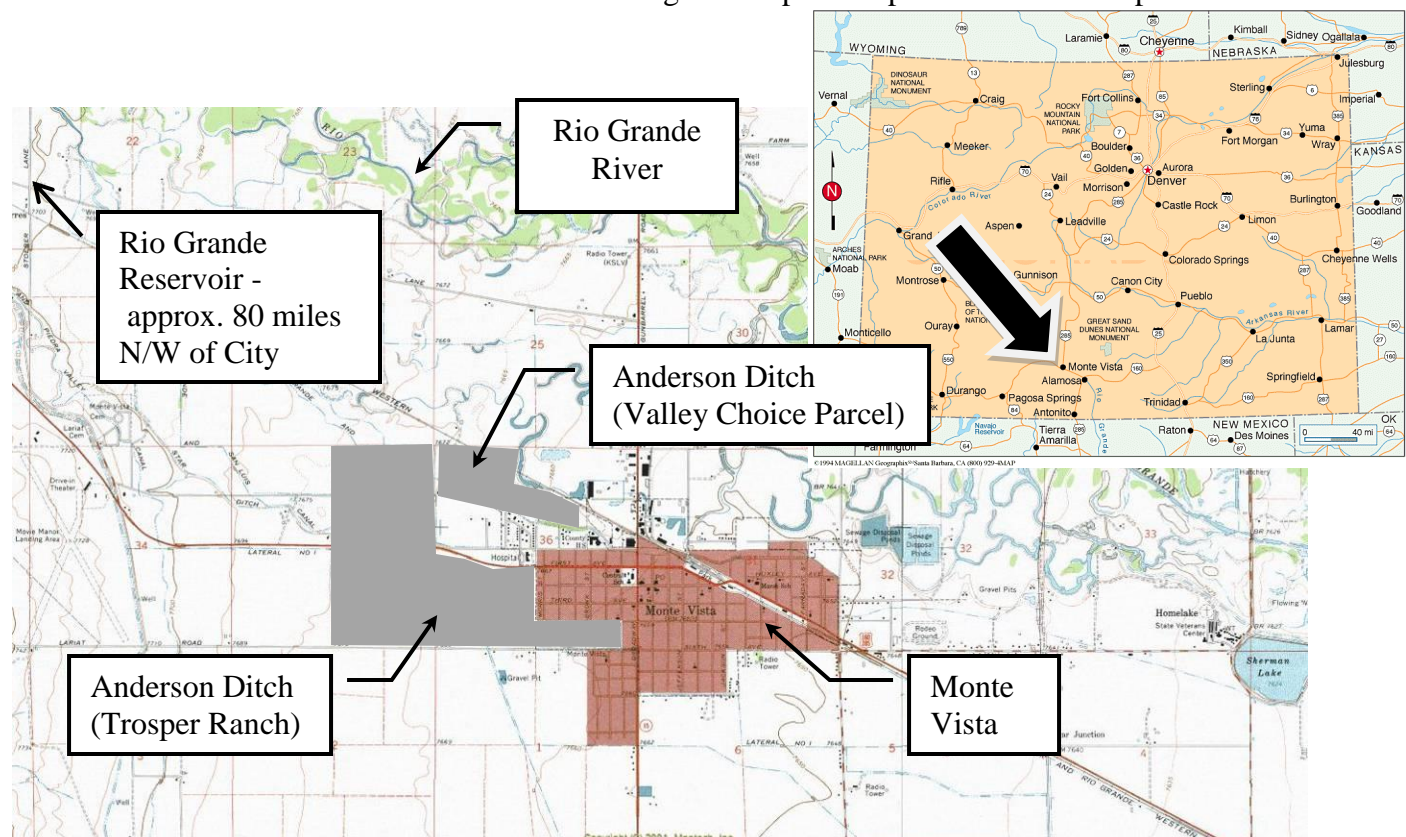
**Water Source:** Rio Grande River

**Funding Source:** Construction Fund

**Aver. Demand:** 1,212 AF/year

**Interest Rate:** 4.0%    **Term:** 30 years

The City of Monte Vista, by and through its water activity enterprise, provides water to 4,300 residents in the San Luis Valley. The City's water system consists of five wells in a confined aquifer and three wells in an unconfined aquifer. Upcoming rules from the Office of the State Engineer will require water users in the San Luis Valley to replace depletions from pumping of wells in both the confined and unconfined aquifers tributary to the Rio Grande River. The water rights currently owned by the City are insufficient to fully replace the City's depletions. The City needs an additional 321 AF of replacement water. In order to meet this need, the City is purchasing Anderson Ditch water rights and storage in the Rio Grande Reservoir to store both the excess credits from the water it is purchasing and to store additional water it intends on leasing. Upon loan approval, the City plans on executing purchase agreements with the sellers of the Anderson Ditch rights and will then file in water court to enable the use of those rights to replace depletions as soon as possible.



Location Map



## Water Project Loan Program - Project Data

**Borrower:** Stagestop Owners Association

**County:** Park

**Project Name:** Stagestop Water Augmentation Reservoirs Project

**Project Type:** Reservoir Rehabilitation

**Drainage Basin:** South Platte

**Water Source:** Old House Creek/ Tarryall River

**Total Project Cost:** \$212,000

**Funding Source:** Construction Fund

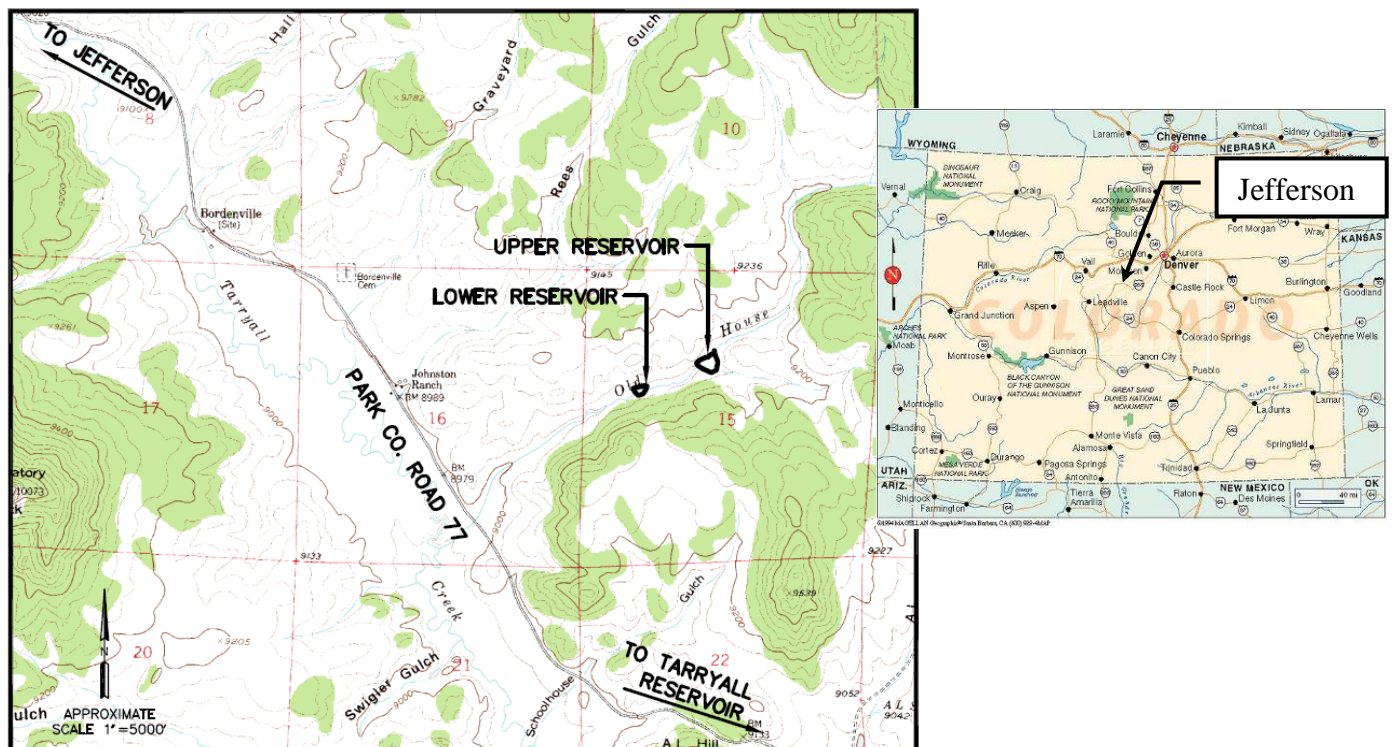
**Type of Borrower:** Middle Income Municipal

**Aver. Diversion:** 20 AF

**CWCB Loan:** \$192,708 (incl. 1% loan fee)

**Interest Rate:** 4.25% **Term:** 20 years  
(Reduced from 4.5% for 30 year term)

The Stagestop Owners Association (Association) represents property owners in the Stagestop subdivision, located near Jefferson, Colorado. The Association was incorporated in 1976 and is made up of 500 single-family residential lots. Individual wells supply water to each lot in the Association. There are 199 active wells at this time. Groundwater depletions from these wells are offset by an augmentation decree that includes storage and releases of water from Old House Creek. The water is stored in two reservoirs referred to as the Upper Reservoir and Lower Reservoir. Both reservoirs need outlet work repair. The Upper Reservoir is under a fill restriction by the Office of the State Engineer. Through this project the Association plans on replacing the existing outlet pipes at both reservoirs, installing new outlet structures and valves, and reconstructing the existing spillways. Currently the project is in the design phase. Construction is expected to occur in the fall of 2010.



Location Map

## Water Project Loan Program - Project Data

**Borrower:** Grand River Ditch Company

**County:** Garfield

**Project Name:** Grand River Ditch Pipeline

**Project Type:** Ditch Rehabilitation

**Drainage Basin:** Colorado River

**Water Source:** Colorado River

**Total Project Cost:** \$538,000

**Funding Source:** Construction Fund

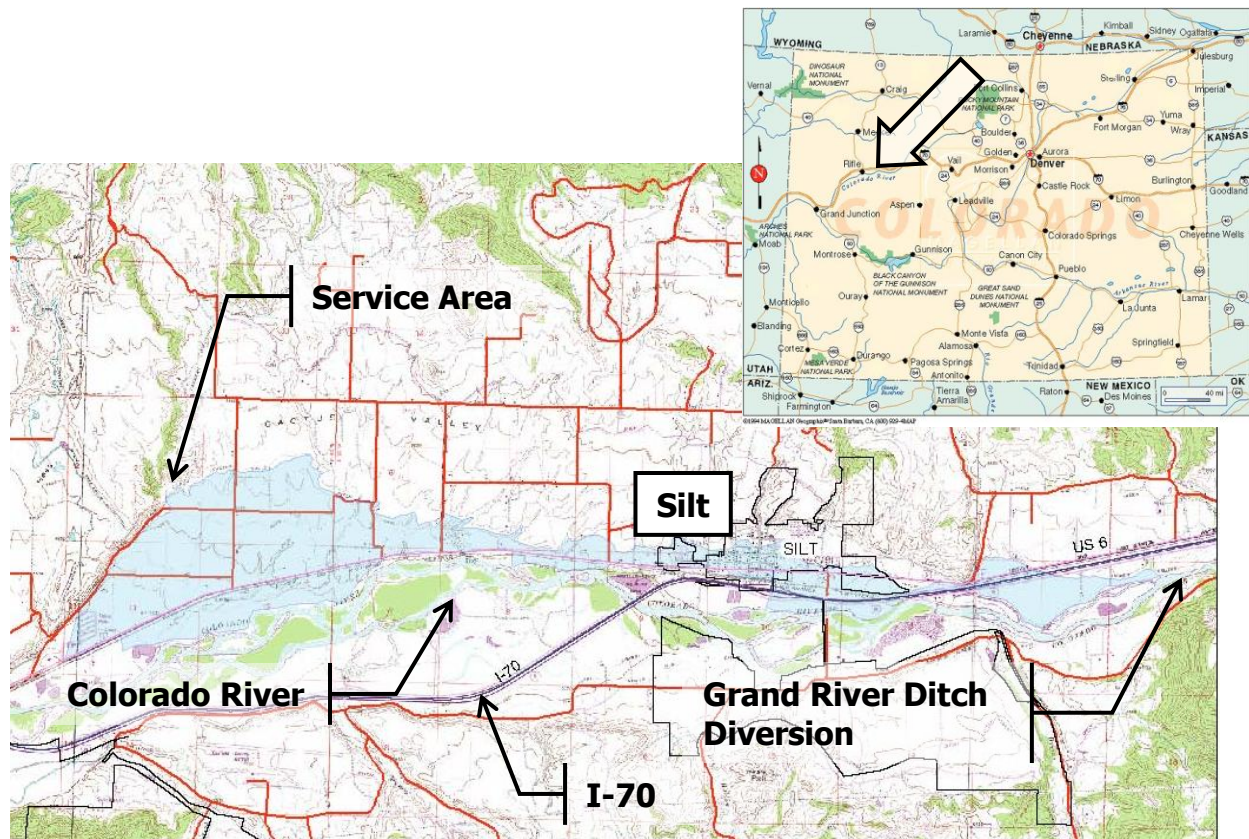
**Type of Borrower:** Blended  
(Ag, Mid-Muni, Commercial)

**Aver. Diversion:** 14,500 AF

**CWCB Loan:** \$543,380 (incl. 1% loan fee)

**Interest Rate:** 4.20% **Term:** 30 years

The Grand River Ditch Company (Company) operates the Grand River Ditch by providing direct flow irrigation water from the Colorado River. The ditch is 14 miles long and runs on the north side of the river from three miles west of New Castle to about a mile east of Rifle. In the spring of 2010, a retaining wall that protects the ditch from the river collapsed. The Company plans to repair the ditch by piping the damaged section, and by installing riprap and rock jetties in the river. Construction is expected to begin October 2010. NRCS has provided design engineering services for the Project. The Company has been approved for a \$100,000 grant from the USDA Farm Service Agency Emergency Conservation Program for this Project. Applications for additional grants have been made to the local Basin Roundtable WSRA. CWCB loan funding will allow for an initial loan for 100% of construction costs which will be reduced by the grant dollars received. The remaining balance will become a 30-year CWCB Loan.



Location Map



## Water Project Loan Program - Project Data

**Borrower:** Swan's Nest Metro District

**County:** Summit

**Project Name:** Water Acquisition Project

**Project Type:** Water Rights Purchase

**Drainage Basin:** South Platte

**Water Source:** Snake River

**Total Project Cost:** \$285,000

**Funding Source:** Construction Fund

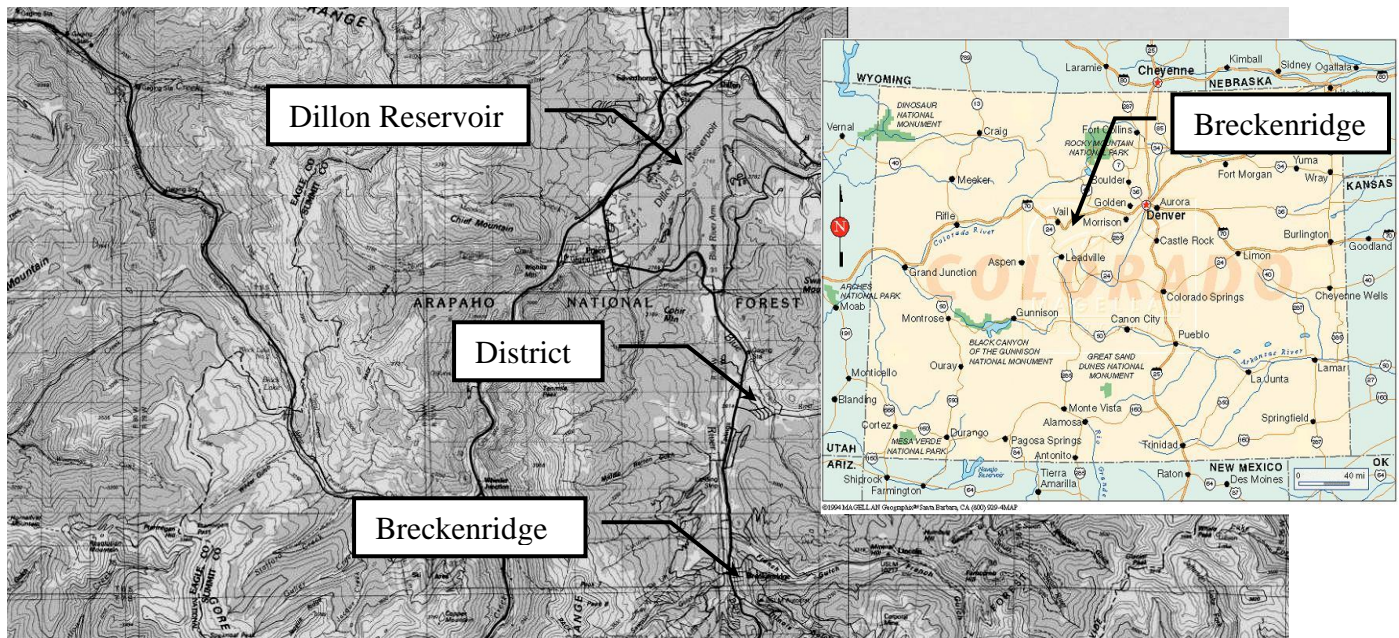
**Type of Borrower:** High Income Municipal

**Aver. Diversion:** 10 AF

**CWCB Loan:** \$151,500 (incl. 1% loan fee)

**Interest Rate:** 4.75%    **Term:** 20 years  
(Reduced from 5.0% for 30 year term)

The Swan's Nest Metropolitan District (District) is located in Summit County between Breckenridge and Frisco, Colorado. It provides water service to 160 single family equivalent (SFE) customers in Swan River Ranch, The Villas at Swan's Nest, and the Upper Blue Sanitation District employee housing. In addition, it leases water to 100 SFEs in the Tiger Run RV Park. The District's water system is made up of two wells, a 240,000 gallon steel tank, and water mains throughout the area. The District uses 10 acre-feet of Vidler Tunnel water rights to augment its wells. The District currently owns the water system infrastructure but not the Vidler Tunnel water rights. The water rights are held by Breckenridge Meadows Development Co. LLC (Development Company), the original developer of the area. The Development Company acquired the water rights in the mid 1990s at the same time it acquired and developed the property in the District. The Vidler water rights have historically been used to serve the developed property without cost to the District. Through this loan, the District will finance the purchase of the Vidler Tunnel water rights so it can continue to augment the wells in the District and provide water to its customers.



Location Map

## CWCB Water Project Loan Program Project Data Sheet

**Borrower:** Huerfano-Cucharas Irrigation Co.

**County:** Pueblo/ Huerfano

**Project Name:** Cucharas Dam Rehabilitation

**Project Type:** Reservoir Rehabilitation

**Drainage Basin/District:** Arkansas / 16

**Water Source:** Cucharas River

**Total Project Cost:** \$26,983,000

**Funding Source:** Construction Fund

Phase I Total: \$240,000 Phase II Total: \$26,743,000

**Type of Borrower:** Agricultural (Phase I)  
Commercial (Phase II)

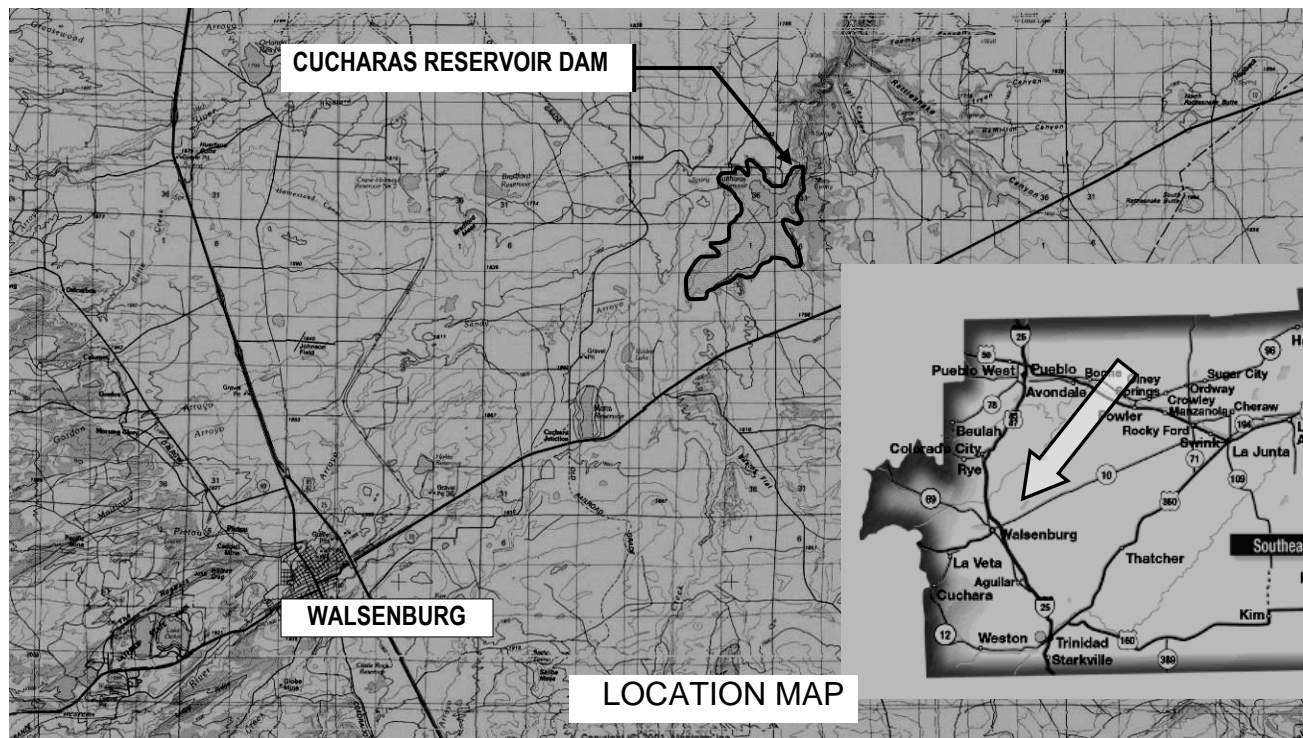
**Average Delivery:** 3,000 acre-feet

**New Storage:** 31,958AF (Restricted)

**Loan:** \$9,999,000 (Including 1% fee)

**Interest Rate:** 2.5% (I) & 6.0% (II) **Term:** 20 years

The Huerfano-Cucharas Irrigation Company (Company) owns and operates the Cucharas Reservoir and provides irrigation water to farmers in the Arkansas valley. The Irrigation Company was organized in 1944; however, 91% of the shares were recently purchased by Two Rivers. Two Rivers is in the process of reintroducing agricultural production to the area. In order to do this, the Cucharas dam must be repaired. The dam is a 145-foot high rock fill dam that has been under a SEO mandated storage restriction since 1988. The Company (with financial assistance from Two Rivers) plans on rehabilitating the dam, to restore the full storage capacity of the reservoir. The project will be completed in two phases. Phase I consists of lowering the existing spillway to pass the SEO required design flood for a restricted volume of storage. This will allow the agricultural production to continue while Phase II is developed. Phase II is to design and construct a larger reservoir that will restore storage up to 40,000 AF. The details of Phase II are still being finalized. The alternatives being considered are: a new roller compacted concrete dam to be built downstream of the existing dam or the existing dam will be rehabilitated. Other components of Phase II include the formation of a new District in the area and the introduction of water produced by coal bed methane production to be stored in the reservoir. A second presentation will be made to the Board to expand upon the Phase II details once they are finalized. Phase I construction is expected to be completed between February - March 2011 and Phase II design and construction will take place November 2010 – August 2013.



**CWCB Water Project Loan Program  
Project Data Sheet**

**Borrower:** Farmers' High Line Canal and Reservoir Company

**Project Name:** System Rehabilitation

**Drainage Basin/District:** South Platte / 7

**Total Project Cost:** \$1,552,000

**Type of Borrower:** Municipal

**CWCB Loan:** \$1,410,768 (incl. 1% loan fee)

**County:** Adams/Jefferson

**Project Type:** Ditch Rehabilitation

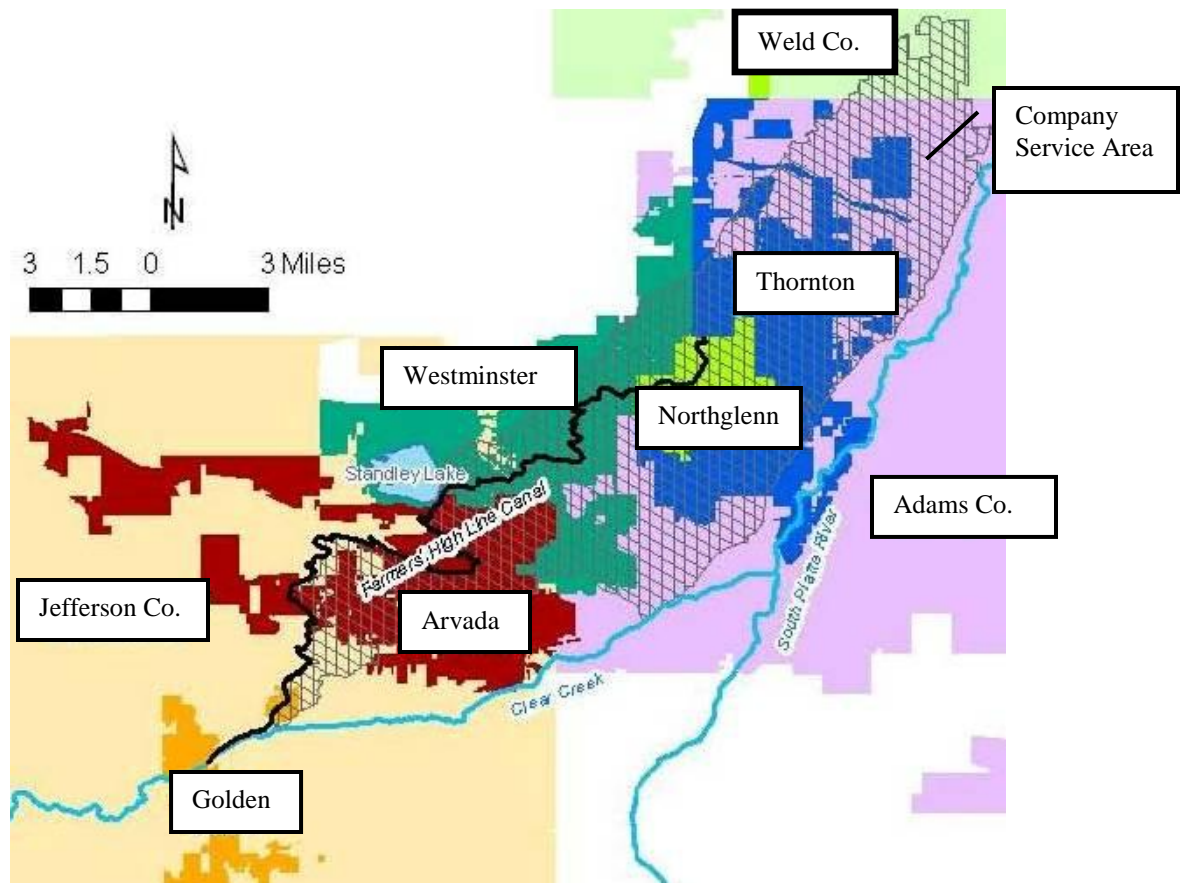
**Water Source:** Clear Creek

**Funding Source:** Construction Fund

**Water Delivery:** 24,000 AF/yr

**Interest Rate:** 4.65%    **Term:** 30 years  
(Blended rate)

The Farmers High Line Canal and Reservoir Company (Company) is a ditch company that was established in 1885. It diverts water off of clear creek and it delivers water through a 31 mile canal running from Golden to Northglenn, through Arvada and Westminster. The Company has completed a canal evaluation and engineering planning study and identified a list of improvements it intends to do with the CWCB loan proceeds. These items include: replacement of corroded drain pipes, replacement of three siphons, headgate rehabilitation, SCADA control system installation at the headgate, diversion dam rehabilitation, and tree removal along the ditch. This work is expected to be completed between the fall of 2010 through the winter of 2014.



Location Map



## Water Project Construction Loan Program - Project Data

**Borrower:** Lower Poudre Augmentation Co.

**County:** Larimer, Weld

**Project Name:** Timnath Flatiron Reservoir

**Project Type:** Reservoir and Water Purchase

**Drainage Basin:** South Platte

**Water Source:** Box Elder Ditch, Other Sources

**Total Project Cost:** \$3,414,800

**Funding Sources:** CWCB, LPAC

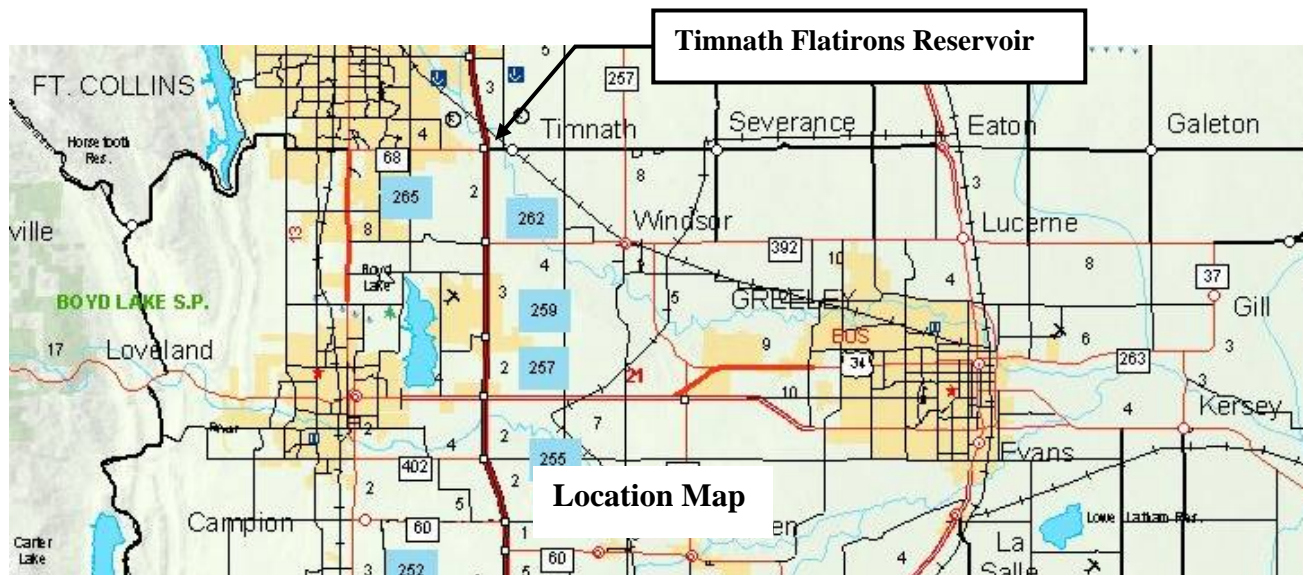
**Type of Borrower:** Agricultural

**Aver. Delivery:** 657 acre-feet reservoir capacity

**CWCB STTFPBA Loan:** \$3,104,053  
(incl. 1% loan fee)

**Interest Rate:** 2.50%    **Term:** 30 years

The LPAC is a non-profit company that was incorporated in 2004, by the New Cache La Poudre Irrigating Company (2/3 interest) and the Cache La Poudre Reservoir Company (1/3 interest.) LPAC supplies well augmentation coverage for well owners throughout the Irrigating Company service area in Larimer and Weld Counties. There are 88 wells owned by 35 individuals/entities and the augmentation demands are approximately 3200 AF. The LPAC has filed for a permanent Augmentation Plan, and has operated on a Substitute Water Supply Plan for 3-4 years. LPAC proposes to purchase the Timnath Flatiron Reservoir, and 4.5 shares of Boxelder Ditch, and construct the necessary improvements to utilize the reservoir for augmentation purposes. The reservoir is located in Larimer County at the northeast corner of I-25 and Harmony Road, and would be filled via a lateral from the Boxelder Ditch located on the west side of I-25. The reservoir currently has a storage capacity of approximately 657 AF, with a depth of 12-15 feet. The reservoir area was mined for sand and gravel and lined with clay once mining was complete. The reservoir has received SEO certification as a lined gravel pit storage facility. The reservoir is desirable because of its location relative to the Irrigating Company and the depletions associated with the LPAC Augmentation Plan. The Irrigating Company river diversion structure is just downstream of the reservoir, less than two miles with no intervening diversions. Thus, any water released out of reservoir can be left in the river to replace well depletions in various reaches of the Augmentation Plan, or taken to other facilities within the service area. The acquisition of the Boxelder Ditch shares provides the LPAC a good senior right to respond quickly to augmentation plan needs.





## CWCB Construction Loan Program PROJECT DATA SHEET

**Borrower:** Bull Creek Res. Canal & Power Co.    **County:** Mesa

**Project Name:** Res. No. 4 Rehabilitation/Enlarge    **Project Type:** Reservoir Rehabilitation

**Drainage Basin:** Colorado River

**Water Source:** Bull Creek

**Total Project Cost:** \$1,602,000

**Funding Sources:** CWCB & Company

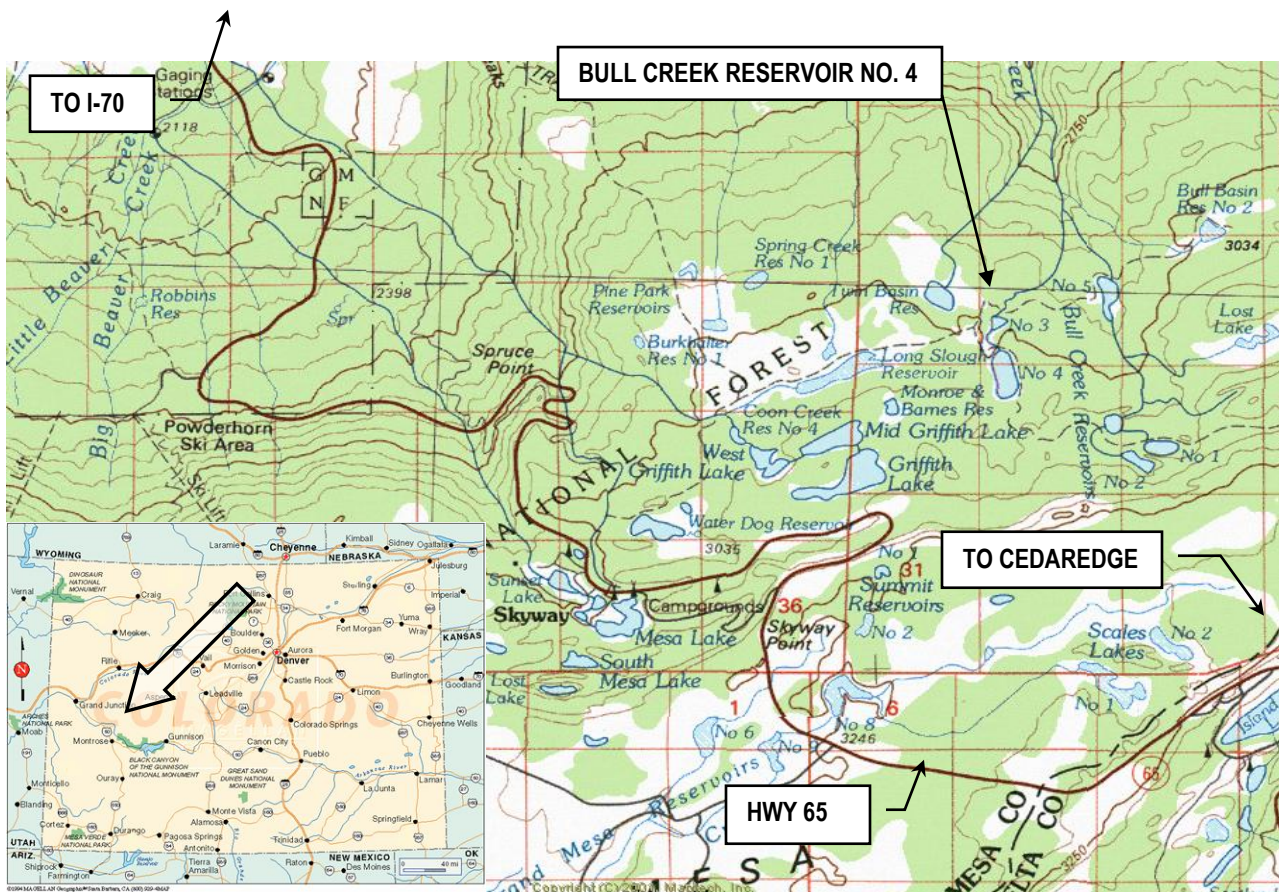
**Type of Borrower:** Agricultural

**Company Delivery:** 900 acre-feet

**Loan Amount:** \$1,456,218

**Interest Rate:** 2.5%    **Term:** 30 years

The Bull Creek Reservoir, Canal and Power Company is located in Mesa, Colorado, and has a service area of approximately 800 acres. The Company operates the Bull Creek Reservoirs that provide irrigation water to shareholders. The Company plans to repair and enlarge Reservoir No. 4. This will remove the current restriction on the reservoir and provide additional storage necessary to store the Company's decreed rights. The Company has a Stipulation and Agreement with the SEO that requires the Company to repair Reservoir No. 4 in order to avoid abandonment of a portion of the senior water rights. The Project is located on the US Forest Service property and will require a Special Use Permit for access roadway work and dam construction. The reservoir is remote and located at 10,000 feet elevation and will require special mobilization techniques. The Company was approved for a \$244,218 increase at the September 2009 Board Meeting, from its original January 2007 loan authorization, for a new total loan amount of \$1,456,218.



LOCATION MAP