

December 16, 2015

Jodie Tavares Loan Program Assistant 1313 Sherman St., Rm. 718 Denver, CO 80203

Subject: Request for Extension of Time for Performance in Loan Contract C150192

Dear Ms. Tavares;

An extension for the subject contract was extended from March 23, 2012 to December 31, 2015 in order to complete the environmental impact statement for re-permitting of the Upper Arkansas Water Conservancy District's three South Arkansas reservoirs by the US Forest Service. Part of the loan contract was for the rehabilitation of one of these reservoirs, North Fork Reservoir, which rehabilitation was completed. The EIS has been underway for some time and has been delayed due to the US Forest Service's reassignment of their district personnel in the past 3 years. As of August 2015 a new District Ranger for the San Isabel Ranger Office has been assigned and also a biologist and hydrologist are now available from US Forest Service staff to complete the EIS. It is estimated that an additional three years will be needed to complete the EIS analysis and reach a record of decision for the issuance of term special use permits.

Due to the above circumstances the District is requesting a three year extension to December 31, 2018.

Sincerely,

Ralph "Terry" Scanga General Manager