



**COLORADO**

Colorado Water  
Conservation Board

Department of Natural Resources

1313 Sherman Street, Room 718  
Denver, CO 80203

June 9, 2017

Mr. Nick Hughes, President  
West Reservoir and Ditch Company  
P.O. Box 25  
Paonia, CO 81428

Re: Repair of West Reservoir No.1 Outlet Works Repair Project  
Loan Contract Number CT2015-169

**NOTICE OF PROJECT SUBSTANTIAL COMPLETION**

Dear Mr. Hughes:

This letter is to advise you that the Project referenced above will be substantially completed on July 1, 2017. In accordance with the Loan Contract, the Company accrued \$6,165.42 in interest during the construction phase of the Project (see attached Project Expenditure Schedule). Per your request, \$936.67 of the interest accrued during construction will be rolled into the principal loan balance, leaving \$5,228.75 due at this time. Please make this "interest-only payment" check payable to the Colorado Water Conservation Board and include the Loan Contract Number on the check.

The total amount disbursed under this contract was \$313,018.19 (\$309,919.00 plus \$3,099.19 for the 1% service fee). The first annual loan payment will be due on July 1, 2018, in the amount of \$13,976.24 as presented in the attached Promissory Note and Loan Repayment Schedule.

Please note, in accordance with the Borrower's Liability Insurance Provision of the Loan Contract, a renewed insurance certificate must be submitted to the CWCB annually and a Reserve Account must be maintained during the entire repayment period.

It has been a pleasure working with you on the successful completion of this project. Please don't hesitate to call if you have any questions regarding this matter.

Sincerely,

Kirk Russell, P.E., Chief  
Finance Section

Loan Contract Amount = \$313,018.19  
Expended Amount = \$313,018.19

cc: John H. McClow, CWCB Board Member, Gunnison-Uncompahgre River Basin



**Colorado Water Conservation Board**  
**Project Expenditure Schedule**

**West Reservoir No. 1 Outlet Works Repair Project**

**West Reservoir and Ditch Company**

**P. O. Box 25**

**Paonia, CO 81428**

**c/o Mr. Nick Hughes**

**Ph. 970-201-1476**

**Fax**

**nihughes@hughes.net**

**Original**  
Loan Contract No.: **CT2015-169**  
Authorization: **\$248,378.00**  
Contract Amount: **\$245,919.00**  
Loan Service Fee %: **1.00%**  
Loan Service Fee: **\$2,459.19**  
Total Loan Amount: **\$248,378.19**  
Interest: **2.00%**  
Term (Years): **30**  
Conditions: **Up to 100%**  
IDC Calculation Date: **7/1/2017**

**Amended**  
\$313,018.19  
\$309,919.00  
1.00%  
\$3,099.19  
\$313,018.19  
2.00%  
30  
0

**Final**  
\$309,919.00  
\$3,099.19  
\$313,018.19  
2.00%  
30  
0

July 1, 2017

Substantial Completion Date

Contract Expires 4/24/2018

Pay Req. No.	Date	Description	Amount Disbursed	Cumulative Loan Balance	Balance Available to Loan	Interest	Accrued Interest
					\$ 313,018.19		
1	6/9/2015	Equipment rental, engineering, legal, survey	\$ 45,262.05	\$ 45,262.05	\$ 267,756.14	\$ 1,867.52	\$ 1,867.52
2	9/25/2015	Engineering, legal, survey, construction	\$ 16,358.24	\$ 61,620.29	\$ 251,397.90	\$ 578.14	\$ 2,445.66
3	10/19/2015	Construction	\$ 7,957.10	\$ 69,577.39	\$ 243,440.80	\$ 270.76	\$ 2,716.42
4	10/27/2015	Construction and surveying	\$ 16,892.19	\$ 86,469.58	\$ 226,548.61	\$ 567.39	\$ 3,283.81
5	3/4/2016	Construction	\$ 5,214.14	\$ 91,683.72	\$ 221,334.47	\$ 138.28	\$ 3,422.09
6	6/3/2016	Construction, Engineering, Admin	\$ 17,854.00	\$ 109,537.72	\$ 203,480.47	\$ 384.47	\$ 3,806.56
7	6/20/2016	Construction, Engineering, Admin	\$ 9,307.47	\$ 118,845.19	\$ 194,173.00	\$ 191.76	\$ 3,998.32
8	7/21/2016	Construction, Testing	\$ 15,213.80	\$ 134,058.99	\$ 178,959.20	\$ 287.60	\$ 4,285.92
9	8/23/2016	Construction, Engineering, Admin	\$ 28,989.55	\$ 163,028.54	\$ 149,989.65	\$ 495.26	\$ 4,781.18
10	10/17/2016	Construction, Engineering, Admin	\$ 8,916.38	\$ 171,944.92	\$ 141,073.27	\$ 125.56	\$ 4,906.74
11	10/24/2016	Construction, Engineering, Admin	\$ 73,974.09	\$ 245,919.01	\$ 67,099.18	\$ 1,013.34	\$ 5,920.08
12	4/21/2017	Construction, Engineering, Admin	\$ 63,063.32	\$ 308,982.33	\$ 4,035.86	\$ 245.34	\$ 6,165.42
Final	7/1/2017	IDC added to Principal	\$ 936.67	\$ 309,919.00	\$ 3,099.19	\$ (9,166.67)	\$ 5,228.75
Final	7/1/2017	Loan Service Fee @ 1%	\$ 3,099.19	\$ 313,018.19	\$ 0.00	\$ -	\$ 5,228.75

# COLORADO WATER CONSERVATION BOARD

## LOAN REPAYMENT SCHEDULE

<b>Borrower</b>	<b>West Reservoir and Ditch Company</b>	<b>FINAL</b>
<b>Loan Contract Number</b>	<b>CT 2015-169</b>	
<b>Principal</b>	<b>\$313,018.19</b>	
<b>Interest Rate</b>	<b>2.00%</b>	
<b>Frequency</b>	<b>Annual</b>	
<b>Term (In Years)</b>	<b>30</b>	
<b>First Payment Due</b>	<b>July 1, 2018</b>	
<b>Payment Amount</b>	<b>\$13,976.24</b>	

<b>Loan Payment No.</b>	<b>Annual Payment Due Date</b>	<b>Annual Payment Amount</b>	<b>Principal</b>	<b>Interest</b>	<b>Principal BALANCE</b>
					\$ 313,018.19
1	1-Jul-18	\$13,976.24	\$ 7,715.88	\$ 6,260.36	\$ 305,302.31
2	1-Jul-19	\$13,976.24	\$ 7,870.19	\$ 6,106.05	\$ 297,432.12
3	1-Jul-20	\$13,976.24	\$ 8,027.60	\$ 5,948.64	\$ 289,404.52
4	1-Jul-21	\$13,976.24	\$ 8,188.15	\$ 5,788.09	\$ 281,216.37
5	1-Jul-22	\$13,976.24	\$ 8,351.91	\$ 5,624.33	\$ 272,864.46
6	1-Jul-23	\$13,976.24	\$ 8,518.95	\$ 5,457.29	\$ 264,345.51
7	1-Jul-24	\$13,976.24	\$ 8,689.33	\$ 5,286.91	\$ 255,656.18
8	1-Jul-25	\$13,976.24	\$ 8,863.12	\$ 5,113.12	\$ 246,793.06
9	1-Jul-26	\$13,976.24	\$ 9,040.38	\$ 4,935.86	\$ 237,752.68
10	1-Jul-27	\$13,976.24	\$ 9,221.19	\$ 4,755.05	\$ 228,531.49
11	1-Jul-28	\$13,976.24	\$ 9,405.61	\$ 4,570.63	\$ 219,125.88
12	1-Jul-29	\$13,976.24	\$ 9,593.72	\$ 4,382.52	\$ 209,532.16
13	1-Jul-30	\$13,976.24	\$ 9,785.60	\$ 4,190.64	\$ 199,746.56
14	1-Jul-31	\$13,976.24	\$ 9,981.31	\$ 3,994.93	\$ 189,765.25
15	1-Jul-32	\$13,976.24	\$ 10,180.93	\$ 3,795.31	\$ 179,584.32
16	1-Jul-33	\$13,976.24	\$ 10,384.55	\$ 3,591.69	\$ 169,199.77
17	1-Jul-34	\$13,976.24	\$ 10,592.24	\$ 3,384.00	\$ 158,607.53
18	1-Jul-35	\$13,976.24	\$ 10,804.09	\$ 3,172.15	\$ 147,803.44
19	1-Jul-36	\$13,976.24	\$ 11,020.17	\$ 2,956.07	\$ 136,783.27
20	1-Jul-37	\$13,976.24	\$ 11,240.57	\$ 2,735.67	\$ 125,542.70
21	1-Jul-38	\$13,976.24	\$ 11,465.39	\$ 2,510.85	\$ 114,077.31
22	1-Jul-39	\$13,976.24	\$ 11,694.69	\$ 2,281.55	\$ 102,382.62
23	1-Jul-40	\$13,976.24	\$ 11,928.59	\$ 2,047.65	\$ 90,454.03
24	1-Jul-41	\$13,976.24	\$ 12,167.16	\$ 1,809.08	\$ 78,286.87
25	1-Jul-42	\$13,976.24	\$ 12,410.50	\$ 1,565.74	\$ 65,876.37
26	1-Jul-43	\$13,976.24	\$ 12,658.71	\$ 1,317.53	\$ 53,217.66
27	1-Jul-44	\$13,976.24	\$ 12,911.89	\$ 1,064.35	\$ 40,305.77
28	1-Jul-45	\$13,976.24	\$ 13,170.12	\$ 806.12	\$ 27,135.65
29	1-Jul-46	\$13,976.24	\$ 13,433.53	\$ 542.71	\$ 13,702.12
30	1-Jul-47	\$13,976.16	\$ 13,702.12	\$ 274.04	\$ -
<b>TOTALS</b>		<b>\$419,287.12</b>	<b>\$313,018.19</b>	<b>\$106,268.93</b>	<b>\$0.00</b>

**APPENDIX A, AMENDMENT NO. 1 TO LOAN CONTRACT CT2015-169  
AMENDMENT TO PROMISSORY NOTE**

Date: January 31, 2017  
Borrower: West Reservoir and Ditch Company  
Total Loan Amount: \$313,018.19  
Interest Rate: 2.00% per annum  
Term of Repayment: 30 years or until loan is paid in full  
Loan Contract No.: CT2015-169  
Loan Payment: \$13,976.24  
Payment Initiation Date\*: July 1, 2017  
(To be filled in at Substantial Completion of Project)  
Maturity Date\*: July 1, 2047  
(To be filled in at Substantial Completion of Project)

\* Payment Initiation Date and Maturity Date fields are filled in *after* the project has been substantially completed.

FOR VALUE RECEIVED, the BORROWER promises to pay the Colorado Water Conservation Board ("CWCB"), the Principal Amount plus Interest for the Term of Repayment, pursuant to the LOAN CONTRACT and this promissory note.

1. This Amendment to Promissory Note replaces and supersedes the Promissory Note attached to the original contract dated March 31, 2015, in the amount of \$248,378.00.
2. Principal and interest shall be payable in equal Loan Payments, with the first payment due and payable one year from Payment Initiation Date, and annually thereafter. All principal, interest, and late charges, if any, then remaining unpaid shall be due and payable on or before the Maturity Date.
3. Payments shall be made to the Colorado Water Conservation Board at 1313 Sherman Street, Room 718, Denver, Colorado 80203.
4. The CWCB may impose a late charge in the amount of 5% of the annual payment if the CWCB does not receive the annual payment within 15 calendar days of the due date.
5. This Note may be prepaid in whole or in part at any time without premium or penalty. Any partial prepayment shall not postpone the due date of any subsequent payments or change the amount of such payments.
6. All payments received shall be applied first to late charges, if any, next to accrued interest and then to reduce the principal amount.

7. This Note is issued pursuant to the LOAN CONTRACT between the CWCB and the BORROWER. The LOAN CONTRACT creates security interests in favor of the CWCB to secure the prompt payment of all amounts that may become due hereunder. Said security interests are evidenced by a Security Agreement ("Security Instruments") of even date and amount and cover certain revenues, real property, water rights and/or accounts of the BORROWER. The LOAN CONTRACT and Security Instruments grant additional rights to the CWCB, including the right to accelerate the maturity of this Note in certain events.
8. If any annual payment is not paid when due or any default under the LOAN CONTRACT or the Security Instruments securing this Note occurs, the CWCB may declare the entire outstanding principal balance of the Note, all accrued interest, and any outstanding late charges immediately due and payable, and the indebtedness shall bear interest at the rate of 7% per annum from the date of default. The CWCB shall give the BORROWER written notice of any alleged default and an opportunity to cure within thirty (30) days of receipt of such notice before the BORROWER shall be considered in default for purposes of this Promissory Note.
9. The BORROWER and any co-signer or guarantor hereby agree that if this Note or interest thereon is not paid when due or if suit is brought, then it shall pay all reasonable costs of collection, including reasonable attorney fees. In the event of any bankruptcy or similar proceedings, costs of collection shall include all costs and attorney fees incurred in connection with such proceedings, including the fees of counsel for attendance at meetings of creditors' committees or other committees.
10. This Note shall be governed in all respects by the laws of the State of Colorado.

(SEAL)

BORROWER: West Reservoir and Ditch  
Company

By Nick Hughes  
Signature

Name Nick Hughes

Title President

Date 1-31-17

Attest:

By Karla Tschoepe  
Signature

Name Karla Tschoepe

Title Secretary

Date 1/31/17

ST

**Colorado Water Conservation Board  
Project Expenditure Schedule**

**West Reservoir No. 1 Outlet Works**

**West Reservoir and Ditch Company**

PO Box 25

Paonia, CO 81428

Nick Hughes, President

708 1250 Road Delta, CO 81416

970 201 1476

shillyard@att.net

nihughes@hughes.net

**Original**  
Loan Contract No. CT2015-169  
Authorization \$248,378.00  
Contract Amount \$245,919.00  
Loan Service Fee \$2,459.00  
Total Loan Amount \$248,378.00  
Interest 2.00%  
Term 30-years  
Up to 100%  
x  
IDC Calculation Date

**Final**  
CT2015-170-169  
\$313,018.19  
\$308,918.00  
\$3,098.19  
\$313,018.19  
2.00%  
30-years  
Up to 100%

Contract Expires: 4/24/2018

Open

Substantial Completion Date

Pay Req. No.	Date	Description	Amount Disbursed	Cumulative Loan Balance	Balance Available to Loan	Interest	Accrued Interest	% Complete
1	6/9/2015	Equipment rental, engineering, legal, survey	\$ 45,262.05	\$ 45,262.05	\$ 309,919.00	X	-	15%
2	8/25/2015	Engineering, legal, survey, construction	\$ 16,358.24	\$ 61,620.29	\$ 284,656.95	-	-	20%
3	10/19/2015	Construction	\$ 7,957.10	\$ 69,577.39	\$ 248,298.71	-	-	22%
4	10/27/2015	Construction and surveying	\$ 15,892.19	\$ 85,469.58	\$ 240,341.61	-	-	28%
5	3/4/2016	Construction	\$ 5,214.14	\$ 91,683.72	\$ 223,449.42	-	-	30%
6	6/3/2016	Construction, Engineering, Admin	\$ 17,854.00	\$ 109,537.72	\$ 218,235.28	-	-	35%
7	6/20/2016	Construction, Engineering, Admin	\$ 9,307.47	\$ 118,845.19	\$ 200,381.28	-	-	35%
8	7/21/2016	Construction, Testing	\$ 15,213.80	\$ 134,058.99	\$ 191,073.61	-	-	43%
9	8/23/2016	Construction, Engineering, Admin	\$ 28,969.55	\$ 163,028.54	\$ 175,860.01	-	-	53%
10	10/17/2016	Construction, Engineering, Admin	\$ 8,916.38	\$ 171,944.92	\$ 146,890.46	-	-	55%
11	10/24/2016	Construction, Engineering, Admin	\$ 73,974.09	\$ 245,919.01	\$ 137,974.08	-	-	76%
12	4/17/2017	Construction, Engineering, Admin	\$ 63,063.32	\$ 308,982.33	\$ 83,988.98	-	-	89.7%
					\$ 936.67	-	-	

**Notes:** Board approved loan increase of \$84,000 at Jan 2017 meeting.

4035.81

4035.81





## Repair of West Reservoir No. 1 Outlet Works

West Reservoir and Ditch Company  
Substantially Complete July 1, 2017



### Project Description

The West Reservoir and Ditch Company operates West Reservoir No. 1, providing water seven miles eastward via Wakefield Ditch to Wakefield Mesa. The water is available for livestock as it traverses east Oak Mesa, and irrigates approximately 600 acres of hay and pasture. The current landowners use the Oak Mesa Reservoir and Ditch water for spring irrigation, and, when those flows are exhausted, use the West Reservoir flows for mid-summer to fall irrigation. The West Reservoir was improved in the early 1950s, but came to be under a storage restriction order from the Office of the State Engineer due to deterioration of the outlet pipe. The reconstruction of the dam project included a low-level outlet sized to meet SEO release requirements, an outlet stilling basin structure downstream of the dam for energy dissipation, an intake structure for a manually-operated slide gate and trash racks, and new riprap armoring on the upstream face of the dam.

P R O J E C T   D A T A		
Sponsor: West Reservoir and Ditch Company	County: Delta	Water Source: Jay Creek
Type of Loan: Reservoir Rehabilitation	Board Approval Date: November 2014	
Terms of Loan: \$248,378.00 (Original) \$313,018.19 (Final) at 2.0% for 30 years		
Design Engineer: RJH Engineers		
Contractor: Rundle Construction		