

Feasibility Study

Centennial Ditch Implementation Project

Prepared for the Colorado Water Conservation
Board's Loan Program

Prepared by
Emma Reesor, Executive Director
Rio Grande Headwaters Restoration Project

FEASIBILITY STUDY APPROVAL

Pursuant to Colorado Revised Statutes 37-60-121 & 122, and in accordance with policies adopted by the Board, the CWCB staff has determined this Feasibility Study meets all applicable requirements for approval.

Signed



9/8/2017
Date

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Executive Summary

The Centennial Ditch Implementation Project (Project) seeks to address concerns surrounding aging and inefficient irrigation infrastructure and unstable streambanks surrounding the Centennial Ditch diversion dam. Highlighted as a priority of the 2001 Study, the Project will result in the replacement of the Centennial Ditch diversion dam and the stabilization of streambanks and enhancement of riparian areas upstream and downstream of the diversion structure.

The objectives of the Project are to:

- Improve diversion efficiency and reduce maintenance by replacing the aging Centennial Ditch diversion dam;
- Enhance water quality by reducing erosion and sediment input;
- Improve riparian condition by stabilizing up to 1,000 feet of streambanks in the Project area;
- Increase the capacity of the Rio Grande to transport sediment;
- Improve aquatic and wildlife habitat;
- Maintain local recreation by improving the safety of the Centennial Ditch diversion dam;
- Promote public involvement in water improvement activities through public outreach and education.

The estimated cost of the Project is \$512,000. The Centennial Irrigating Ditch Company (CIDC) has partnered with the Colorado Rio Grande Restoration Foundation (Foundation), the fiscal agent for the Rio Grande Headwaters Restoration Project (RGHRP), to organize and raise funds for Project. The RGHRP has applied for funding through the Colorado Water Conservation Board (CWCB) Water Supply Reserve Account (WSRA), which will be considered by the CWCB Board in September 2017. The CIDC will provide \$230,000 toward the project cost, which they hope to obtain through the CWCB loan program.

Section 1 - Project Sponsors

The Project, the Centennial Ditch Implementation Project, is sponsored by a partnership between the Colorado Rio Grande Restoration Foundation, and the Centennial Irrigating Ditch Company.

1.1 The Centennial Ditch Company

The Centennial Irrigating Ditch Company (CIDC) was incorporated as a mutual ditch company in 1883. The CIDC diverts water from the Rio Grande 4 miles east of the town of Monte Vista into the Centennial Ditch. The irrigation system is approximately 22 miles long, serves 22 shareholders and irrigates 8,500 acres. The total decree of the CIDC is 82.4 cfs and annual deliveries average around 21,700 acre-feet (between 1950 and 2013).

1.2 The Colorado Rio Grande Restoration Foundation and the Rio Grande Headwaters Restoration Project

The Colorado Rio Grande Restoration Foundation (Foundation), a 501(c)(3) Colorado non-profit organization, is the fiscal agent for the Rio Grande Headwaters Restoration Project (RGHRP). The mission of the RGHRP is “to restore and conserve the historical functions and vitality of the Rio Grande in Colorado for improved water quality, optimal agricultural water use, riparian habitat, wildlife and aquatic species habitat, recreation, and community safety, while meeting the requirements of the Rio Grande Compact.”

The RGHRP was formed to implement the recommendations of a study completed in 2001. The 2001 Study was prompted by local stakeholders due to a realized deterioration of the historic functions of the Rio Grande, which include providing high quality water, healthy riparian areas, fish and wildlife habitat, and a functioning floodplain. The 2001 Study analyzed the condition of the riparian area and structures along a 91-mile reach of the Rio Grande and provided recommendations for improvement. The 2001 Study was sponsored by the San Luis Valley Water Conservancy District and funded with a \$250,000 grant from the Colorado Water Conservation Board (CWCB). In 2004, the need was identified for a well-defined Rio Grande Watershed Restoration Strategic Plan (Strategic Plan). Completed in 2007, the Strategic Plan highlighted the importance of continued efforts to implement the recommendations from the 2001 Study. Since establishment, the RGHRP has accrued a successful record of performing projects on the Rio Grande through collaboration with landowners and local, state, and federal entities.

The RGHRP has four Programs: The Streambank Stabilization and Riparian Restoration Program, The Diversion and Headgate Repair and Replacement Program, The Watershed Stewardship Program, and The Outreach and Education Program. Through the Streambank Stabilization and Riparian Restoration Program, the RGHRP has administered five (5) cost-share restoration projects on fifty (50) sites with \$1.8 million grant funding raised. The projects have improved river function using a multi-faceted approach to riparian restoration and streambank stabilization, and have resulted in the treatment of approximately eleven (11) miles of streambanks. Including contribution from partners and landowners, the total value of these projects is \$2.2 million. The techniques used include bank and channel shaping, revegetation, installation of rock and log structures, and implementation of grazing best management practices. These projects reduce sediment loading by stabilizing the streambanks, improve the riparian and upland habitat by increasing willow and riparian vegetation cover, and enhance the fishery. Additionally, the capacity of the Rio Grande to transport sediment that has entered the system from upstream reaches is increased. Finally, improvements to riparian habitat and floodplain function improve the condition of wetlands located throughout the riparian areas

within the Project boundaries. The RGHRP works with the Colorado Watershed Assembly's Colorado Measurable Results Program (MRP) to complete long-term monitoring of the Projects.

Through the Diversion and Headgate Repair and Replacement Program, the RGHRP is working with ditch companies to address concerns surrounding aging and inefficient diversion and headgate structures. The first of these projects was the Plaza Planning Project – Phase 1 (Phase 1) in the Sevenmile Plaza area of Rio Grande County. The RGHRP worked with stakeholders to determine the primary issues in the area, identify remediation methods, and develop an implementation plan, The Plaza Plan, to improve the health and function of the Rio Grande in the Sevenmile Plaza area. The identified issues include streambank instability in the 2.8-mile project reach, a degraded wetland, and aging, hazardous, and inefficient diversion structures. The Plaza Project – Phase 2: McDonald Ditch Implementation Project (Phase 2) was the first phase of implementation of the Plaza Plan and was completed in 2016. Phase 2 included the reclamation of a 2-acre wetland, stabilization of 2,000 feet of streambanks, and replacement of the McDonald Ditch diversion and headgate with a new concrete diversion that allows for increased diversion efficiency and a headgate with automated gates. The Plaza Project – Phase 3: Prairie Ditch Implementation Project (Phase 3) continued the implementation of the Plaza Plan directly downstream of Phase 2. Completed in Spring 2017, Phase 3 included the replacement of the Prairie Ditch diversion and headgate and the stabilization of 500 feet of streambank. Both Phase 2 and Phase 3 diversions included passage for fish and boats. The proposed Project, the Centennial Ditch Implementation Project, will continue implementation of the 2001 Study further downstream of the Plaza Project area. These efforts will improve continuity and function of the Rio Grande.

Through the Watershed Stewardship Program, the RGHRP works with stakeholders and partners to complete wildfire restoration and hazard mitigation projects. In the summer of 2013, the West Fork Fire Complex severely damaged over 110,000 acres of critical natural resources in the upper watershed. In response, the Rio Grande Watershed Emergency Action Coordination Team (RWEACT) was formed, with the cooperation of over 40 entities. RWEACT includes 5 committees: Hydrology, Emergency Coordination, Communications, Economic Recovery, and Natural Resources. The RGHRP has taken the lead on coordinating the natural resources committee. The natural resources committee worked closely with the US Forest Service's Burned Area Emergency Response (BAER) Team to identify Values at Risk (VARs) associated with human life and safety, cultural and historic resources, and significant natural resources. Currently, the RGHRP is coordinating several forest restoration and hazard mitigation projects through RWEACT's natural resources committee. For example, the RGHRP designed and implemented 10 experimental plots within the burned area to investigate different methods to provide ground cover and increase soil water holding capacity to improve vegetative cover and reduce hill slope erosion. Long-term data will be collected from these plots and the results will influence the methods used in future wildfire restoration projects. The implementation of this project was made possible through the donation of several mulch materials and the help of volunteers. Additionally, the RHGRP is organizing the Upper Rio Grande Watershed Assessment (URGWA), which will result in a comprehensive document of the ecological condition of the mainstem of the Rio Grande and major tributaries from the headwaters to the town of South Fork, identifying causes of concern, and developing a list of prioritized projects that will improve the function of uplands, and riparian and aquatic ecosystems.

The RGHRP administers a robust Outreach and Education Program. Informative press releases are submitted to local and regional media with notable project updates. Talks and tours are routinely given to local schools, community groups, and water related organizations. Volunteer events encourage community members to get involved and connected with the Rio Grande.

The RGHRP website provides project updates and information. Content of the Outreach and Education program includes details about projects, partnerships, funding entities, and the importance of protecting and conserving the Rio Grande.

Section 2 - Previous Studies

2.1 The 2001 Study

The 2001 Study was prompted by local stakeholders due to a realized deterioration of the functions of the Rio Grande. The 2001 Study analyzed the condition of the riparian area and structures along a 91-mile reach of the Rio Grande from the town of South Fork to the Alamosa – Conejos County line (Figures 5). The 2001 Study was sponsored by the San Luis Valley Water Conservancy District and funded with a \$250,000 grant from the Colorado Water Conservation Board (CWCB). The study evaluated the condition of the river's functions as they related to:

- a. The condition of riparian habitat and fisheries;
- b. Accessibility of the river to existing irrigation structures and their condition and performance;
- c. The protection of lives and property;
- d. The protection of channel and floodplain from flood damage;
- e. The maintenance of river channel and over bank capacity;
- f. The ability to meet the Rio Grande Compact requirements.

The 2001 Study found the primary cause of degradation to be sedimentation and identified measures that could be implemented to holistically improve the river's functions. These measures were both structural in nature, such as riparian restoration or diversion replacement, or nonstructural measures, such as grazing management practices or land use issues. The proposed Project seeks to implement these actions in order to improve the function of the Rio Grande.

2.2 The 2007 Rio Grande Watershed Restoration Strategic Plan

In 2004, the need was identified for a well-defined Rio Grande Watershed Restoration Strategic Plan (Strategic Plan). Completed in 2007, the Strategic Plan outlined priority projects for the entire Rio Grande watershed in Colorado. Priority projects included: flood protection, riparian restoration, diversion and headgate improvements, grazing management, flow management, and future studies. The Strategic Plan highlighted the importance of continued efforts to implement the recommendations from the 2001 Study.

Section 3 - Water Source and Project Area

3.1 Water Source

The water body affected by Phase 3 is the Rio Grande. The Rio Grande watershed in Colorado covers 8,200 square miles (Figure 2). The river flows 200 miles through Colorado, originating near the Continental Divide. Numerous tributaries converge on the east slope of the Continental Divide from elevations near 13,000 feet to form the Rio Grande mainstem. The river flows to the east through the Rio Grande National Forest and then through private property for approximately 55 miles, where it passes near the town of Creede, located at approximately 8,850 feet. The Rio Grande continues its relatively steep descent for another 22 miles to the confluence with the South Fork of the Rio Grande at approximately 8,200 feet elevation, where

the town of South Fork is located. The Rio Grande enters the San Luis Valley, the largest intermountain basin in Colorado, at the town of South Fork. The river then flows southeast for approximately 65 miles through Del Norte and Monte Vista to Alamosa, the largest city in the watershed, at an elevation of approximately 7,550 feet. The river turns to the south and flows for another 40 miles to the New Mexico border. The elevation at the New Mexico border is approximately 7,400 feet.

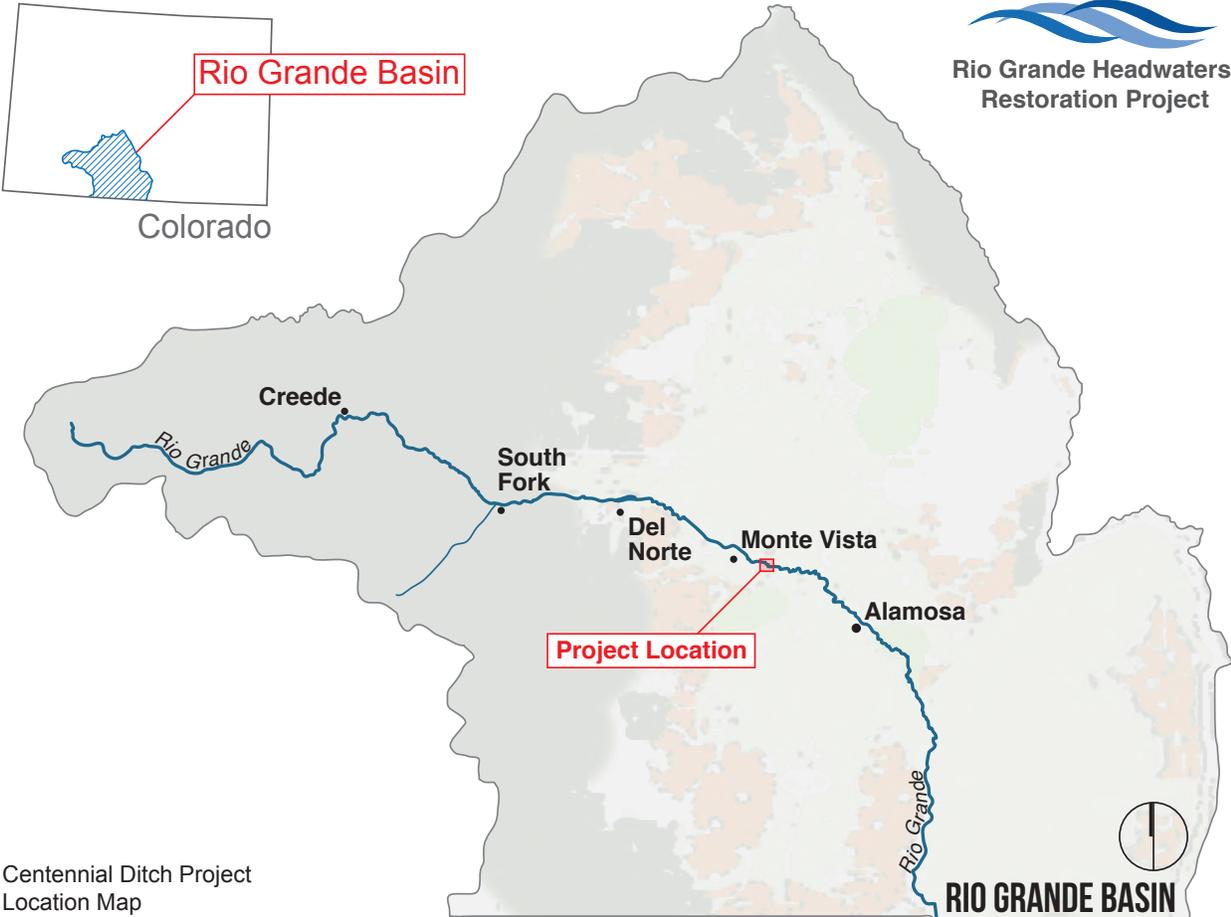


Figure 1: Location of the Centennial Ditch Implementation Project

3.2 Project Area

The Project is located in Rio Grande County. The closest town is Monte Vista, Colorado, which is approximately 4 miles west of the Centennial diversion. The Project elements include the Centennial diversion structure and the streambanks upstream and downstream of the diversion.

3.3 Land Ownership

The Project is located on the Rio Grande State Wildlife Area, owned by the Colorado Parks and Wildlife (CPW). CPW is an active project partner. Please see Figure 2 for detailed landownership.



Figure 2: Land Ownership in the Project Area

3.4 Service Area

Figure 3 shows the service area of the Centennial Ditch Irrigating Company.

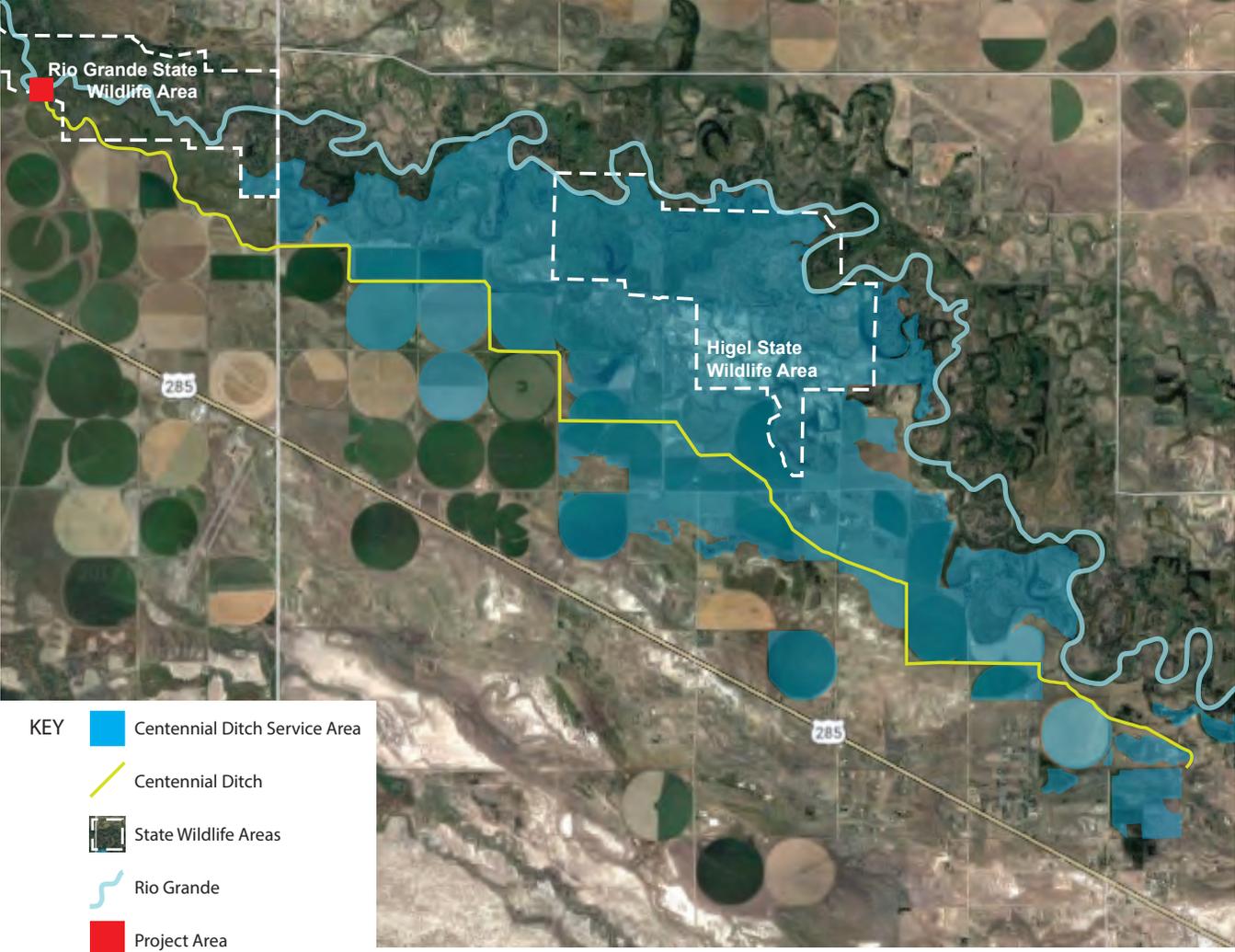


Figure 3: Map of Centennial Ditch Company's ditch system and service area

Section 4 - Water Rights Protection

The Centennial Ditch Improvement Project is a structural and riparian improvement project that will improve the ability of the Rio Grande to meet both consumptive and non-consumptive needs of the area by replacing a poorly functioning diversion, stabilizing streambanks, and increasing the ability of the river to transport water. As such, the Project allows for agriculture demands to be met by increasing the ability of irrigators to divert their appropriated water right when they are in priority. Additionally, the Project sustains multiple non-consumptive uses by improving riparian conditions, repairing river channel problems, and reducing sediment load. Finally, the Project supports the preservation of the long-term cultural values inherent in this rural area's historical and current agricultural lifestyle. It complies with all applicable laws, regulations, and water rights.

The Project will in no way alter the current water rights held by Project participants or

surrounding water users. This Project does not supersede, abrogate, or otherwise impair the State’s current system of allocating water within Colorado. This project does not affect the State constitution’s recognition of water rights as a private usufructuary property right nor is it intended to restrict the ability of the holder of a water right to use or to dispose of that water right in any manner permitted under Colorado law. The Project protects water users and landowners along the Rio Grande from loss by replacing an aging diversion and headgate, repairing the river channel, and restoring the riparian corridor, thereby helping to ensure that the provisions of Section 37-75-102 C.R.S. are supported and observed.

Section 5 - Existing Conditions

The project elements include the streambanks in the project area and the Centennial Ditch diversion dam. The elements included in Project were identified as priorities for restoration in the 2001 Study and the 2007 Watershed Strategic Plan.

5.1 Streambanks and Channel Current Condition

The 2001 Study area was broken into reaches based on homogeneity of geomorphic, hydrologic, bed material, and man-influenced conditions. The project area is located within Subreach D6 of Reach D (Figure 4).

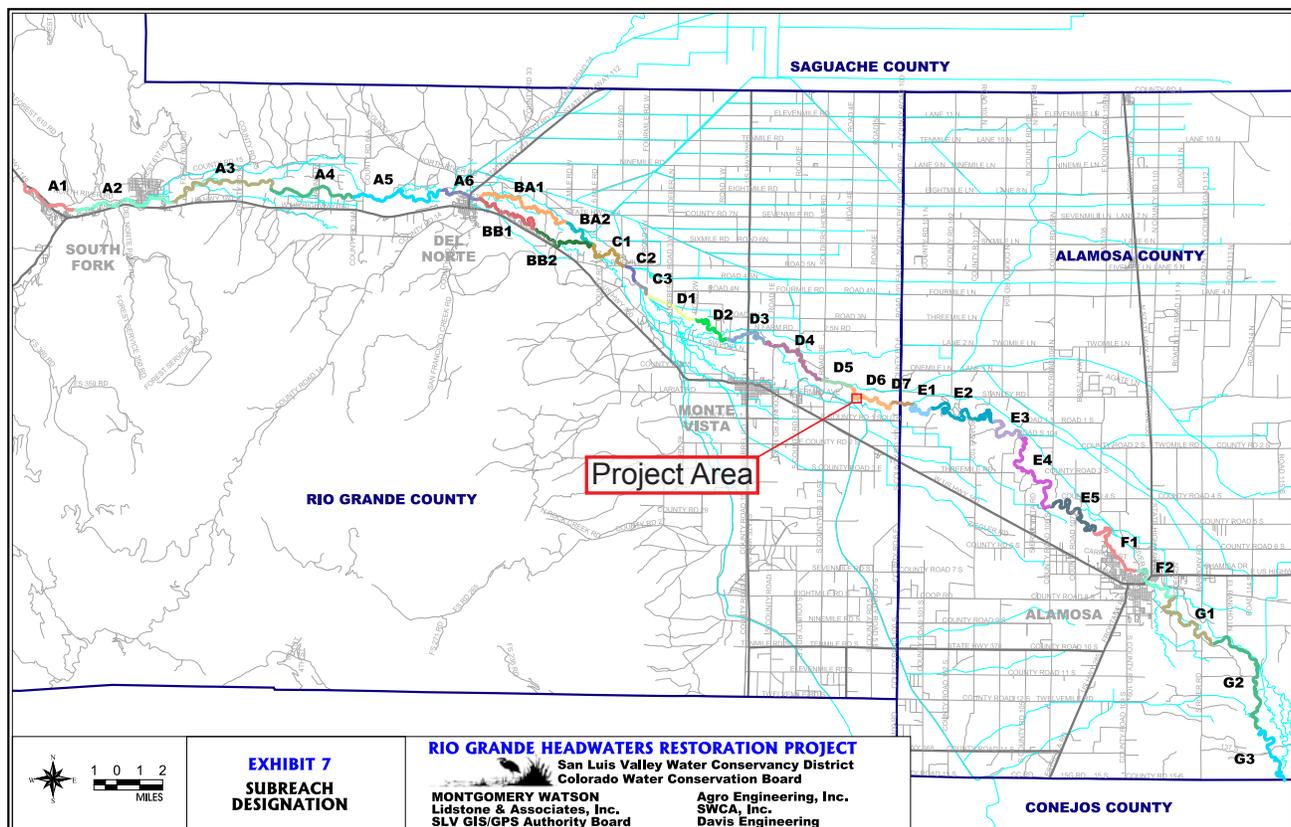


Figure 4: Location of Reach D and Subreach D6 (as designated by the 2001 Study) and the Centennial Ditch Implementation Project

The Rio Grande in this Reach is primarily used for irrigation, wildlife habitat, ranching and recreation. Reach D was ranked “poorest” in channel stability and condition of the floodplain, and was identified as a high priority for restoration. Reach D is a gently sloped, poorly entrenched, gravel and sand bed channel with cobbles. The bed form is riffle/pool. A significant number of poorly functioning diversion structures exist within Reach D, including the Centennial Ditch diversion. The fishery in the project area is a transition zone between cold water and warm water fisheries. The main factors limiting the extent and quality of the cold water fishery are dewatering, channelization, and aggradation. The loss of water reduces the pool capacity, increases the water temperature, and provides for high sedimentation rates - all detrimental to the primary cold-water fish, trout. Colorado Parks and Wildlife does not manage for trout in the Project area due to lack of public lands, amount of diversions, and presence of other competing landuses. Therefore, owners of private lands assume the responsibility for the majority of aquatic habitat improvements. Colorado Parks and Wildlife has provided the CIDC and RGHRP with input on the new diversion dam design. Like the existing diversion, the new diversion will be designed to be a partial barrier to northern pike. This will help protect the threatened native fish species upstream of the diversion from predation from non-native pike.



Figure 5: Example of eroding streambanks in the Project Area

5.2 Centennial Diversion Current Condition

The diversion structure for the Centennial Ditch is in poor condition. The current diversion dam is unable to deliver sufficient water during low flow. The ditch company is required to install wood planks, straw bales, and other materials in order to raise the level of the dam to get their allotted water. This ongoing maintenance is hazardous and inefficient. In addition, the channel is unstable upstream and downstream of the diversion. Upstream the channel is migrating eastward, causing tightening of the meander on which the diversion is located. During future high flow events, there is

concern that the river could move into old river channels, cutting off the entrance to the diversion. In addition, erosion and sedimentation are significant problem at the diversion site. The annual maintenance compounds these issues, negatively impacting channel and streambank stability and inducing downstream sedimentation. Because of these issues, the Centennial Ditch diversion structure and surrounding streambank instability were highlighted as priorities for rehabilitation in the 2001 Study.



Figure 6: Centennial Diversion Dam and surrounding Rio Grande State Wildlife Area

Section 6 - Alternatives Evaluated

During the development of the Project Centennial Irrigating Ditch Company Board and Project stakeholders evaluated alternatives. Project stakeholders included the Natural Resources Conservation Services (NRCS), Centennial Irrigating Ditch Company, Riverbend Engineering and Colorado Parks and Wildlife. Through this process two possible alternatives were proposed to address the problems facing the Centennial Ditch.

6.1 Project Alternatives

Both NRCS and Riverbend Engineering performed preliminary surveys of the project elements and developed initial designs for the two alternatives. Project Stakeholders met to discuss the feasibility and affordability of each alternative.

The two alternatives were:

- Alternative #1: New concrete diversion dam structure designed by NRCS
- Alternative #2: New grouted rock diversion dam structure designed by Riverbend Engineering, LLC

6.1.1 Alternative #1: New Concrete Diversion Dam designed by NRCS

NRCS engineers worked with the CIDC Board to create concept plans and preliminary cost estimates for the replacement of the existing diversion with a new concrete diversion dam. This alternative was not selected because the cost for the concrete diversion structure was prohibitive for the CIDC.

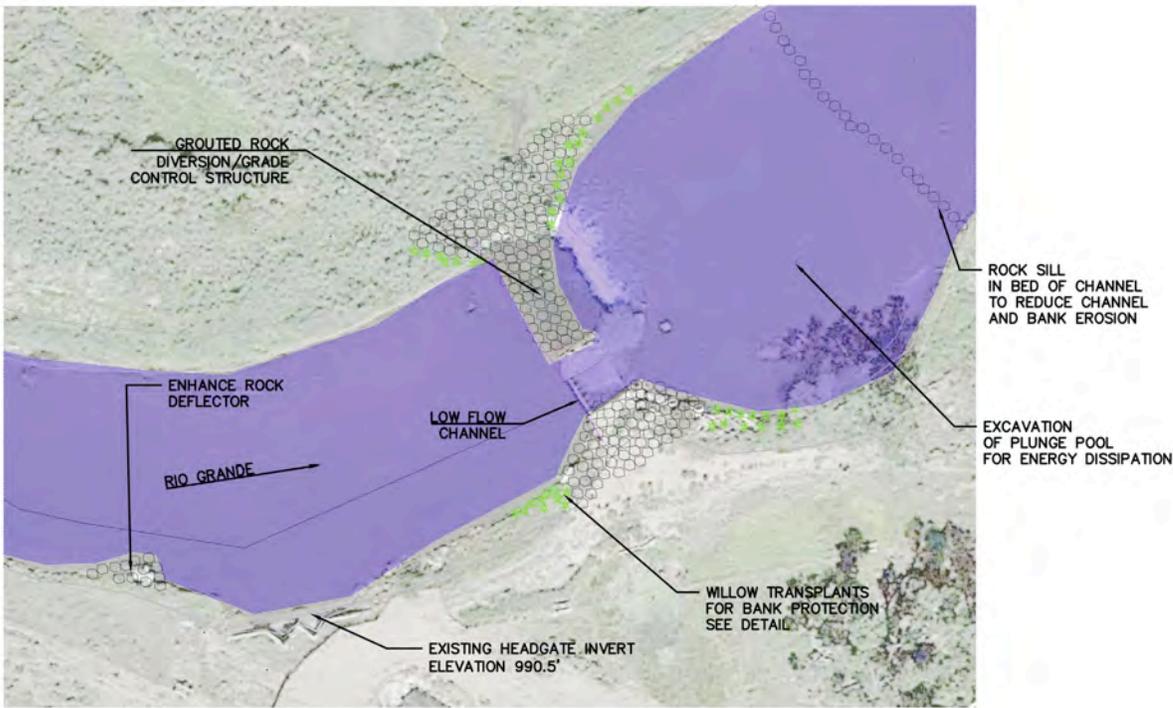
6.1.2 Alternative #2: New Grouted Rock Diversion Dam designed by Riverbend Engineering, LLC

The CIDC Board and the RGHRP hired Riverbend Engineering to complete concept plans and preliminary cost estimates for the replacement of the existing diversion dam with a new grouted rock diversion structure. This alternative included the stabilization eroding streambanks upstream of the project area and the restoration of surrounding riparian habitat. This alternative was selected by stakeholders since it addressed the issues facing the Centennial Ditch and was financially feasible for the CIDC.

Section 7 - Selected Alternative

The stakeholders selected the alternative to replace the existing Centennial Ditch diversion at the existing location with a new grouted rock structure. Upon selecting this alternative, stakeholders worked with Riverbend Engineering to develop a desired implementation plan for each project element. The Project will include the following project elements:

- **Diversion:** The existing Centennial Ditch diversion dam will be replaced with a grouted rock diversion dam, spanning the entire width of the river. The structure will include a low flow channel to allow for sediment transport. The diversion dam will be designed to remain a partial fish barrier at the request of Colorado Parks and Wildlife to protect native fish upstream from downstream non-native predators such as the pike. Downstream of the diversion, a plunge pool will be constructed for energy dissipation and a rock sill will be installed in the bed of the channel to improve streambank stability and reduce erosion.
- **Rock Deflector:** The existing rock deflector above the Centennial Ditch headgate will be enhanced to better facilitate the movement of trash and sediment downstream.
- **Channel Shaping and Streambank Stabilization:** Eroding streambanks upstream of the project area will be sloped, stabilized, and revegetated, and fish habitat structures will be installed. Willow transplants will be planted throughout the project site for bank protection and improved riparian habitat.



PLAN VIEW 1"=40'

PRELIMINARY
NOT FOR CONSTRUCTION

<p>SCALE IS 1" = 40 FT ON 11x17 SIZE SHEET ALL OTHER SIZE SHEETS USE SCALE BAR</p>	<p>RIVERBEND ENGINEERING, LLC</p> <p>102 Third St., P.O. Box 2979, Pogos Springs, CO 81147 Tel: 970.264.1195 Fax: 970.264.1196 www.riverrestoration.com</p>	<p>CENTENNIAL DITCH DIVERSION PROJECT RIO GRANDE RESTORATION FOUNDATION</p> <p>RIVER DIVERSION IMPROVEMENT STRUCTURE CONCEPT PLAN</p> <p>SCALE: 1" = 40 FT 6/14/2017</p>
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Figure 7: Concept Plan and Project Elements – Centennial Ditch Implementation Project

Section 8 - Project Budget and Schedule

8.1 Project Budget

The total estimated cost is \$512,000. Project design costs of \$28,000 are funded through an approved Colorado Water Conservation Board (CWCB) Water Supply Reserve Account (WSRA) Basin grant. Project implementation will be funded by \$230,000 from the Centennial Irrigating Ditch Company (CWCB loan), \$245,000 from a WSRA Grant pending approval, and \$9,000 from in-kind services. The WSRA funds will depend on CWCB Board approval in September 2017. The 1% loan origination fee is not included in the budget. A complete budget with expenses broken down by task and source of funds is attached in Appendix A.

8.2 Project Schedule

Preliminary designs for the Centennial diversion structure were developed by Riverbend Engineering in June 2017. Currently, project engineers are finalizing the design for each of the project elements. The Project will be a 4-year project with execution of designs in years 1 and 2, monitoring in years 2 and 3, and final reporting in year 4. A complete milestone table is attached in Appendix B.

Section 9 - Financial Plan

9.1 Current Financial Condition

The Centennial Irrigating Ditch Company proposes to apply for a \$230,000 loan from the Colorado Water Conservation Board (CWCB) for 10 years at 0.95% interest. This amount represents 45% of the total project cost. Other sources of funds are detailed in Section 8. The 1% loan origination fee and loan payments will be paid with funds from the CIDC savings and stock assessments. Revenue is derived from assessments of 144 shares of stock at \$300 annually. Shareholders plan to increase the assessment fee to pay the loan amount off in full in the 10 year term.

9.2 Credit Worthiness

The financial condition of the CIDC is solid at the present time. The company has no debt and no outstanding obligations.

Section 10 - Opinion of Feasibility

There do not appear to be significant roadblocks that would keep the CIDC and RGHRP from successfully completing the project. The Project co-sponsors have applied for CWCB Water Supply Reserve Funds and secured in-kind contributions that will make up 55% of the total Project costs, which makes the project financially possible for the CIDC. The Project will greatly improve the function of the Rio Grande and the ability of the CIDC to deliver water to shareholders. A failure at the CIDC diversion would stop deliveries to water users. As such, the project will secure the long-term stability of the CIDC system.

The CIDC is requesting a 10-year loan from the CWCB for up to \$230,000 at the rate of 0.95%. This will result in a total annual payment obligation of \$26,907, including the 10% emergency reserve account. Figure 10 summarizes the financial aspects of the project. Currently the annual assessment is set at \$300 per share, of which \$75 is allocated to the project budget. Annual assessments will increase from \$300 per share, up to \$412 per share. This represents an annual assessment increase of \$112 per share.

Financial Summary Table	
Total Project Cost	\$512,000.00
Requested Loan (45% of Project Cost)	\$230,000.00
Loan Service Fee (10% of Loan Cost)	\$2,300.00
Total Loan Amount	\$232,300.00
CWCB Annual Loan Payment Obligation, including 10% loan reserve	\$26,907.00
Number of Shareholders	22
Number of Shares of Stock	144
Current Assessment per Share	\$300.00
Future Assessment per Share	\$412.00
Annual Project Cost per Acre-foot (average annual water diverted 21,700 AF)	\$1.24

Figure 10: Financial Summary Table

Section 11 - Collateral

The Centennial Irrigating Ditch Company can offer the following collateral for the CWCB loan:

1. The revenue from assessments as allowed by the Company By-Laws and Articles of Incorporation.
2. The project itself.

Section 12 - Social, Economic, and Physical Impacts

The project will improve the social, economic, and physical condition of the Rio Grande in the Project reach. The social condition will be influenced by the diversion, which will include fish and boat passage. This will lead to improved condition of the fisheries and opportunity for recreation. The economic condition will be improved as maintenance costs will be reduced and the proposed headgate automation will more efficiently provide irrigation water to the stockholders. The physical condition of the Project area will be improved, as the streambank stability, riparian and aquatic habitat, and Centennial Ditch diversion dam will be enhanced.

Section 13 - Permitting

The Centennial Irrigating Ditch Company, Riverbend Engineering, and RGHRP staff will work with the US Army Corps of Engineers (USACE) to review the project scope and discuss permitting requirements. Work surrounding the Centennial diversion is associated with agriculture and will likely fall under the Nation Wide Permits. The local USACE representative will be involved in this Project and advise partners as final designs are completed. As such, no permitting issues are anticipated.

Section 14 - Institutional Considerations

Entities that are, or may be, involved in the management, design, construction and financing of the project include:

- Centennial Irrigating Ditch Company: project owner, co-sponsor, financing, and project management;
- Colorado Rio Grande Restoration Foundation and Rio Grande Headwaters Restoration Project: project co-sponsor, financing, and project management;
- Riverbend Engineering, LLC: design, and construction;
- Colorado Parks and Wildlife: project landowner;
- Colorado Water Conservation Board: financing and construction;

CIDC and RGHRP are the co-sponsors of the Project. CIDC will enter into contracts with CWCB for a loan. RGHRP will enter into a contract with CWCB for any grant funds secured for this project.

Appendices

Appendix A – Project Budgets

Appendix B – Project Schedule

Appendix C – CWCB Loan Application

Appendix D – Centennial Ditch Articles of Incorporation

Appendix E – Centennial Ditch Bylaws

Appendix F – Centennial Ditch Colorado Certificate of Good Standing

Appendix G –2014 Financial Statement

Appendix H –2015 Financial Statement

Appendix I – 2016 Financial Statement

Appendix A – Detailed Project Budget

Page 1 of 2

Detailed Budget for the Centennial Ditch Implementation Project							Total
Project Tasks	Total	Sources of Funds				In -Kind	
		WSRA Basin Grant (approved May 2017)	WSRA State Grant (pending approval)	Landowners (CWCBC Loan)	RGHRP		
Task 1: Finalize Design							
Riverbend Engineering will complete the project design	\$ 28,000.00	\$ 28,000.00	\$ -	\$ -	\$ -	\$ -	\$ 28,000.00
Total Task 1	\$ 28,000.00	\$ 28,000.00	\$ -	\$ -	\$ -	\$ -	\$ 28,000.00
Task 2: Diversion Replacement *							
Site Preparation: Includes subgrade prep, removal of the old structure, channel clearing and shaping, pollution control, and mobilization.	\$ 35,000.00	\$ -	\$ 35,000.00			\$ -	\$ 35,000.00
Water Removal	\$ 50,000.00		\$ 50,000.00			\$ -	\$ 50,000.00
Construction and materials of new grouted rock diversion dam	\$ 282,000.00		\$ 82,000.00	\$ 200,000.00		\$ -	\$ 282,000.00
Construction Contingency (15%)	\$ 40,000.00	\$ -	\$ 10,000.00	\$ 30,000.00		\$ -	\$ 40,000.00
Total Task 2	\$ 407,000.00	\$ -	\$ 177,000.00	\$ 230,000.00		\$ -	\$ 407,000.00
Task 3: Channel Shaping and Streambank Stabilization							
Channel clearing and shaping	\$ 4,000.00		\$ 4,000.00	\$ -		\$ -	\$ 4,000.00
Revegetation: includes seeding, spriggin, and mulching disturbed sites	\$ 2,000.00		\$ 2,000.00	\$ -		\$ -	\$ 2,000.00
Total Task 3	\$ 6,000.00	\$ -	\$ 6,000.00	\$ -		\$ -	\$ 6,000.00

Appendix A – Detailed Project Budget

Page 2 of 2

Detailed Budget for the Centennial Ditch Implementation Project						
Project Tasks	Total	Sources of Funds				Total
		Cash Contribution		Landowners (CWCB Loan)	In-Kind	
		WSRA Basin Grant (approved May 2017)	WSRA State Grant (pending approval)			
Task 4: Monitoring						
Construction Management, Surveys and Contractor Quality	\$ 40,000.00		\$ 40,000.00	\$ -	\$ -	\$ 40,000.00
Field Personnel - Completed by RGHRP Staff	\$ 2,000.00		\$ 2,000.00	\$ -	\$ -	\$ 2,000.00
Field Volunteer	\$ 1,000.00		\$ -	\$ -	\$ 1,000.00	\$ 1,000.00
Total Task 4	\$ 43,000.00		\$ 42,000.00	\$ -	\$ 1,000.00	\$ 43,000.00
Task 5: Outreach and Education						
Project Outreach and Education; press, tours, production of materials, and volunteer coordination by the RGHRP	\$ 3,000.00		\$ 2,000.00	\$ -	\$ 1,000.00	\$ 3,000.00
Total Task 5	\$ 3,000.00		\$ 2,000.00	\$ -	\$ 1,000.00	\$ 3,000.00
Task 6: Administration						
Cost for the RGHRP to administer and manage the project at an average rate \$35 per hour	\$ 20,000.00		\$ 18,000.00	\$ -	\$ 2,000.00	\$ 20,000.00
Office Support In-kind Match	\$ 2,000.00		\$ -	\$ -	\$ 2,000.00	\$ 2,000.00
Project Administration In-kind Match	\$ 3,000.00		\$ -	\$ -	\$ 3,000.00	\$ 3,000.00
Total Task 6	\$ 25,000.00		\$ 18,000.00	\$ -	\$ 7,000.00	\$ 25,000.00
TOTAL	\$ 512,000.00		\$ 245,000.00	\$ 230,000.00	\$ 9,000.00	\$ 512,000.00
	<i>Percent of Project Cost</i>		48%	45%	2%	100%

Appendix A – Summary Project Budget

Summary Budget for the Centennial Ditch Implementation Project						
Project Tasks	Total	Source of Funds				TOTAL
		WSRA Basin Grant (Approved May 2017)	WSRA State Grant (pending approval)	Landowners (CWCB Loan)	In-Kind RGHRP	
Task 1: Finalize Design	\$ 28,000.00	\$ 28,000.00	\$ -	\$ -	\$ -	\$ 28,000.00
Task 2: Diversion Replacement	\$ 407,000.00	\$ -	\$ 177,000.00	\$ 230,000.00	\$ -	\$ 407,000.00
Task 3: Channel Shaping and Streambank Stabilization	\$ 6,000.00	\$ -	\$ 6,000.00	\$ -	\$ -	\$ 6,000.00
Task 4: Monitoring	\$ 43,000.00	\$ -	\$ 42,000.00	\$ -	\$ 1,000.00	\$ 43,000.00
Task 5: Outreach and Education	\$ 3,000.00	\$ -	\$ 2,000.00	\$ -	\$ 1,000.00	\$ 3,000.00
Task 6: Administration	\$ 25,000.00	\$ -	\$ 18,000.00	\$ -	\$ 7,000.00	\$ 25,000.00
TOTAL	\$512,000.00	\$28,000.00	\$245,000.00	\$230,000.00	\$9,000.00	\$512,000.00
<i>Percent of Project Cost</i>		5%	48%	45%	2%	100%

Appendix B - Project Schedule

Milestone Table for the Centennial Ditch Implementation Project																
Project Tasks	Year 1 - 2017				Year 2 - 2018				Year 3 - 2019				Year 4 - 2020			
	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Task 1: Finalize Design																
Task 2: Diversion Replacement																
Task 3: Channel Shaping and Streambank Stabilization																
Task 4: Monitoring																
Task 5: Outreach and Education																
Task 6: Administration																

Appendix C

Loan Application



COLORADO

Colorado Water Conservation Board

Department of Natural Resources

Water Project Loan Program

Application Type	
<input type="checkbox"/> Prequalification (Attach 3 years of financial statements)	<input checked="" type="checkbox"/> Loan Approval (Attach Loan Feasibility Study)
Agency/Company Information	
Company / Borrower Name: Centennial Irrigating Ditch Company	
Authorized Agent & Title: James Higel, President	
Address: 3414 CR 104 S, Alamosa, CO 81101 (phone & email for Mary Lynn Stillings, secretary)	
Phone: (719) 588-0112	Email: glenml@gojade.org
Organization Type: <input checked="" type="checkbox"/> Ditch Co. <input type="checkbox"/> District, <input type="checkbox"/> Municipality	Incorporated? <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO
<input type="checkbox"/> Other:	
County: Rio Grande	Number of Shares/Taps: 144
Water District: Division 3	Avg. Water Diverted/Yr 21,700 acre-feet
Number of Shareholders/Customers Served: 22	Current Assessment per Share \$300 (Ditch Co)
Federal ID Number: 84-0164415	Average monthly water bill \$ (Municipality)
Contact Information	
Project Representative: Greg Higel, Superintendent	
Phone: (719) 588-4061	Email: greghigel@gmail.com
Engineer: Chris Pitcher, P.E. (Riverbend Engineering, LLC)	
Phone: (970) 759-9591	Email: cpitcher@riverrestoration.com
Attorney: Bill Paddock	
Phone: ()	Email: bpaddock@chp-law.com
Project Information	
Project Name: Centennial Ditch Improvement Project	
Brief Description of Project: (Attach separate sheets if needed)	
This Project includes replacing the Centennial Ditch diversion dam with a grouted rock structure and rehabilitating nearby streambanks. See feasibility study for details.	
(Other costs include project monitoring, outreach, coordination, and administration)	
General Location: (Attach Map of Area)	
Rio Grande County, approximately 4 miles east of Monte Vista, CO	
Estimated Engineering Costs: \$28,000	Estimated Construction Costs: \$453,000
Other Costs (Describe Above): \$31,000	Estimated Total Project Costs: \$512,000
Requested Loan Amount: \$230,000	Requested Loan Term (10, 20, or 30 years): 10 Years
Project Start Date(s) Design: June 2017	Construction: November 2017
Signature	
 Signature / Title <u>President</u>	Return to: Finance Section Attn: Anna Mauss 1313 Sherman St #718 Denver, CO 80203 Ph. 303/866.3449 e-mail: anna.mauss@state.co.us
	8-1-17 Date

Appendix D

Centennial Irrigating Ditch Company Articles of Incorporation

STATE OF COLORADO

OFFICE OF THE SECRETARY OF STATE

UNITED STATES OF AMERICA,) ss.
STATE OF COLORADO.)

CERTIFICATE

-of-

L. J. Bennett,

RENEWAL

I, ~~Wallace D. Zimmerman~~ Secretary of

State, of the State of Colorado, do hereby certify that
on the TWENTY-FIRST day of DECEMBER, A.D. 1943, at the hour of
1:00 o'clock P.M. there was filed in my office as provided by
Section 152, Chapter 41, 1935 Colorado Statutes Annotated, a
CERTIFICATE OF RENEWAL extending IN PERPETUITY the term of
existence of

THE CENTENIAL IRRIGATING DITCH COMPANY

NOW, THEREFORE, pursuant to the provisions of the Statutes
of the State of Colorado and by virtue of the authority vested
in me as Secretary of State of the State of Colorado, I do
hereby certify that said Corporation has made full payment of
all fees and taxes authorized by law to be paid to the
Secretary of State and due at the time of issuance of this
certificate.



..... IN TESTIMONY WHEREOF *I have hereunto*
set my hand and affixed the Great
Seal of the State of Colorado, at the
City of Denver, this TWENTY-FIRST
day of DECEMBER *A. D. 1943*

L. J. Bennett
SECRETARY OF STATE.
BY *Earl E Ewing*
DEPUTY.

This Document was written by

Jessie J. Tharp
Stenographer

Date Dec 22 1943

Compared by

Alexander J. Tharp

STATE OF COLORADO



OFFICE OF THE SECRETARY OF STATE

UNITED STATES OF AMERICA, } ss. **CERTIFICATE.**
STATE OF COLORADO.

L. J. Bennett,

I, ~~Walter H. Morrison~~, Secretary of

State, of the State of Colorado, do hereby certify that
the annexed is a full, true and complete copy of

CERTIFICATE OF INCORPORATION

-of-

CENTENIAL IRRIGATING DITCH COMPANY

filed in this office on the NINETEENTH day of MARCH, A. D.
1883, at 9:00 o'clock A. M. and admitted to record.....



.....IN TESTIMONY WHEREOF *I have hereunto*
set my hand and affixed the Great
Seal of the State of Colorado, at the
City of Denver, this THIRTY-FIRST
day of AUGUST *A. D.* 1913

L. J. Bennett
SECRETARY OF STATE.
BY *Earl E. Ewing*
DEPUTY

Know all Men by these Presents,

That we *A. D. Ford, Ed Bryden, Isaac Whitman, Daniel Workman, W. L. Brown, J. C. Vaughan, J. W. Johansen, Fred Merbitz, Al Cole, Brothers, H. H. Scherley, W. C. Fulcher, William Fulcher and Henry Bacchus.*

residents of the State of Colorado, have associated ourselves together as a *Cooperative* under the name and style of the *Centennial Irrigating Ditch Company*

for the purpose of becoming a body corporate and politic under and by virtue of the Laws of the State of Colorado; and in accordance with the provisions of the Laws of said State, we do hereby make, execute and acknowledge in *in duplicate* this certificate in writing of our intention to become a body corporate, under and by virtue of said Laws.

FIRST-The corporate name and style of our said *Cooperative* shall be The *Centennial Irrigating Ditch Company*

SECOND-The object for which our said *Cooperative* is formed and incorporated is for the purpose of *operating and maintaining an irrigating ditch in the Counties of Rio Grande and Conejos in the State of Colorado commencing on South side of Rio Grande River in Twp. 7 North 2 Township 35 N Range 8 E 10th M and ending in Section 32 Township 35 N Range 10 E 10th M* in the State of Colorado.

THIRD-The Capital stock of our said *Cooperative* is *Twenty thousand* Dollars to be divided into *two hundred* shares of *one hundred* Dollars for each share.

FOURTH-Our said *Cooperative* is to exist for the term of *Twenty years* years.

FIFTH-The affairs and management of our said *Cooperative* is to be under the control of *five* directors and *Ed Bryden* for President *J. C. Vaughan* Secretary *H. Johansen* Treasurer *A. D. Ford* Superintendent and *James Scherley* Assistant Superintendent and to manage the affairs and concerns of said *Cooperative* until *First Monday in March* 18*84*

SIXTH-The operations of our said *Cooperative* will be carried on in the County of *Rio Grande* and *Conejos*, within the State of *Colorado*

and the principal place and business office of said *Cooperative* be located in *Alamosa* in *Conejos County* and *State of Colorado* aforesaid.

SEVENTH-The *Cooperative* shall have power to make such prudential by-laws as they may deem proper for the management of the affairs of this *Cooperative* according to the statute in such case made and provided and the stock of said *Cooperative* shall be *assessable* for the *purpose of operating and maintaining* of said *irrigating ditch* day

IN TESTIMONY WHEREOF, we have hereunto set our hands and seals, on this _____ day of _____ 18____

In presence of

Signed

*A. D. Ford
Ed Bryden
Isaac Whitman
Daniel Workman
W. L. Brown
J. C. Vaughan
J. W. Johansen
Fred Merbitz
Al Cole
H. H. Scherley
W. C. Fulcher
William Fulcher
Henry Bacchus*

STATE OF COLORADO,

COUNTY OF *Conjaco*

Theo. M. Tuley a Notary Public
in and for said County, in the State aforesaid, do hereby certify that *W. Ford, C. C. Bryden, Lewis Whitman, Daniel McKinnon, M. L. Jacob, J. C. Vaughan, D. W. Starbuck, Fred Kuehly, Ad Cole & Brothers, H. Johnson, R. B. Tuley & K. Melcher, Willard Melcher and Henry Bachus*

persons, all known to me as the persons whose names are subscribed to the annexed and foregoing certificate of incorporation, appeared before me this day in person, and acknowledged that they signed, sealed and delivered the said instrument of writing as their free and voluntary act, for the uses and purposes therein set forth.

Given under my hand and *Notarial* seal, on this *10th* day of *March* A. D. 18*83*

Theo. M. Tuley
Notary Public



5546

5546 / *5546*

Certificate of Incorporation.

OF THE
Centennial Irrigating
Detete Leon Many

State of Colorado, County of *San*
Diego Grande Leon Many

STATE OF COLORADO,
COUNTY OF *San Diego*

Filed for record at _____ o'clock _____ M.,
188*3*

in my office, and duly recorded in Book
page No _____

DOMESTIC Recorder.

No. _____ Fees, \$ _____

STATE OF COLORADO,
Secretary's Office.

3/19 A. D. 18*83*
9 o'clock, *A. M.*

MELVIN EDWARDS,
Secretary of State.

Recorded in Book 5, Page 25

OFFICE OF SECRETARY
OF
STATE OF COLORADO
DENVER

1003

The Centennial Irrigating Ditch Co
c/o Herbert W. Donattin, Atty
Monte Vista, Colo.

CORPORATION LICENSE TAX		\$ TAX	\$ PENALTY	\$ TOTAL
For Year 19	ending April 30, 19			
For Year 19	ending April 30, 19			
For Year 19	ending April 30, 19			
<i>Ditch</i>		TOTAL TAX		
		FILING ANNUAL REPORT		1 -
		RE-INSTATEMENT FEE		
		GRAND TOTAL		1 -

AMOUNT EMPLOYED IN COLORADO, \$ _____
 CAPITAL STOCK \$ *20,000* RECEIVED PAYMENT *3/15/57*
 DOMESTIC)
 FOREIGN)
 CHECK CASH
 CLERK *Winter*

OFFICE OF SECRETARY
OF
STATE OF COLORADO
DENVER

19144

Centennial Irrigating Ditch Co
c/o H W Martin
Monte Vista Colo

CORPORATION LICENSE TAX		\$ TAX	\$ PENALTY	\$ TOTAL
For Year 19	ending April 30, 19			
For Year 19	ending April 30, 19			
For Year 19	ending April 30, 19			
TOTAL TAX				
FILING ANNUAL REPORT				1 -
RE-INSTATEMENT FEE				
GRAND TOTAL				1 -

AMOUNT EMPLOYED IN COLORADO, \$ _____

CAPITAL STOCK \$ 20,000 RECEIVED PAYMENT _____ 19 3/15/49

DOMESTIC }
FOREIGN }

CHECK CASH

CLERK Bob

OFFICE OF SECRETARY
OF
STATE OF COLORADO
DENVER **10090**

The Centennial Irrig Dist Co.

CORPORATION LICENSE TAX	\$ TAX	\$ PENALTY	\$ TOTAL
For Year 19 ending April 30, 19			
For Year 19 ending April 30, 19			
For Year 19 ending April 30, 19			
TOTAL TAX			
FILING ANNUAL REPORT			1 -
RE-INSTATEMENT FEE			
GRAND TOTAL			1 -

Utch

AMOUNT EMPLOYED IN COLORADO, \$ _____

CAPITAL STOCK \$ 20000 RECEIVED PAYMENT 3/15/48

DOMESTIC }
FOREIGN }

ck

CLERK *Dunn*

CHECK CASH

Nº 10560

RECEIPT FOR
**ANNUAL CORPORATION LICENSE TAX
 ANNUAL REPORT AND RE-INSTATEMENT**

STATE OF COLORADO

OFFICE OF SECRETARY OF STATE

Capitol Building

DENVER

*The Centennial Irrigation Ditch
 Co. H. W. Marting
 Monte Vista
 Colorado*

<i>Ditch</i>	\$ TAX		\$ PENALTY		\$ TOTAL	
For Year ending April 30,						
For Year ending April 30,						
For Year ending April 30,						
For Year ending April 30,						
For Year ending April 30,						
For Year ending April 30,						
For Year ending April 30,						
For Year ending April 30,						
For Year ending April 30,						
For Year 1942 ending April 30, 1943						
For Year 1943 ending April 30, 1944						
For Year 1944 ending April 30, 1945						
For Year 1945 ending April 30, 1946						
Total Flat Tax						
Filing Annual Report						1-
Re-instatement Fee						
Grand Total,						1-

RECEIPT

Amount Employed in Colorado, \$

Capital Stock, \$ *20000*

Domestic }
 Foreign }

Check

Cash

Received payment

Feb 21 1944

Clerk

E. Heo

Appendix E

Centennial Irrigating Ditch Company Bylaws

Adopted August 1, 1901

BYLAWS
OF
THE CENTENNIAL IRRIGATING DITCH COMPANY
a Mutual Ditch Company

* * *

ARTICLE I
INCORPORATION

144 shares

This Company shall be known as The Centennial Irrigating Ditch Company, a mutual ditch company, incorporated March 10, 1883.

ARTICLE II

SEAL

The seal of this Company shall contain the word "SEAL" in the center thereof, with the words "CENTENNIAL IRRIGATING DITCH COMPANY" in the form of a circle around the same.

ARTICLE III

OFFICERS

The officers of this Company shall consist of a President and a Vice President, who shall be chosen from the members of the Board, and a Secretary, a Treasurer, and a Superintendent, who may or may not be chosen from the members of the Board, at the first meeting of the Board of Directors after the annual meeting of the stockholders each year. The offices of Secretary and Treasurer may be held by the same person.

ARTICLE IV

DUTIES OF OFFICERS

1. President. The President shall preside at all meetings of the Directors and stockholders. He shall sign, as President, all certificates of stock, all notes and obligations, and all contracts, conveyances or other papers requiring the corporate seal, and shall in general be the chief executive officer of the Company. He shall present a report of the general condition and transactions of the Company at the Annual Stockholders' Meeting.

2. Vice President. The Vice President shall act at all directors' meetings in the absence of the President and shall perform all executive acts required of the President when the President is absent or unable to act.

3. Secretary. It shall be the duty of the Secretary to keep the minutes of the Meetings of the Board of Directors and stockholders; to keep custody of the Corporate seal and affix the same to all certificates of stock and contracts and conveyances requiring the same; to carry on all correspondence of the Company and to keep a record of the issuance and transfers of stock; to keep a record of the finances of the Company and its dealings; to keep a record of the name and post office address of each stockholder, and a correct record of all the transactions of the Company in proper books of record; to

collect all assessments and other moneys due the Company and turn them over to the Treasurer, taking his receipt therefor; and to make written report at the Annual Meeting of the stockholders. He shall furnish a Bond in such amount as may be determined by, and with such sureties satisfactory to, the Board of Directors.

4. Treasurer. The Treasurer shall have charge of the funds of the Company, after filing such Bond as the Board of Directors shall require, and shall pay out the same only on vouchers, countersigned by the President or such other officer as the Board of Directors may direct. He shall keep written books of account showing all receipts and expenditures and shall deposit in such Bank as the Board of Directors may by Resolution select. He shall render an account to the stockholders at their annual meeting and to the Board of Directors whenever by Resolution he may be required so to do, and his books shall be open at all times to the inspection of any of the officers of the Company.

5. Superintendent. The Superintendent shall have direct management of the irrigation system of the Company including laterals to the last division headgate. He shall have charge of the construction, operation, care and management of the ditches, canals, and structures of the Company. He shall be subject to the direction of the Board of Directors in

all matters. He or his authorized ditch riders shall distribute all water to stockholders according to the pro-rata share of water to which such stockholders are entitled; and no stockholder, or water user, shall open or close any headgate in the canal system of the Company without notifying the Superintendent or authorized ditch rider not less than 24 hours in advance of the time he wants water turned into his headgate, or water turned off and his headgate closed. Any water not used by a stockholder shall be made available to stockholders using their water in proportion to their shares.

ARTICLE V

DIRECTORS

1. The Board of Directors shall consist of five members, who shall be elected by the stockholders at the annual meeting and shall serve for a term of one year, or until their successors are elected and qualified.

2. Any vacancy or vacancies in the office of Director may be filled by the remaining Directors or Director until the next meeting of the stockholders.

ARTICLE VI

DUTIES AND POWERS OF THE BOARD OF DIRECTORS

1. It shall be the duty of the Board of Directors to exercise general supervision over the affairs of the Company;

to fix salaries and compensation of officers and employees; to direct and control the conduct of any officer of the Company in his official capacity, and, for cause, to remove any officer, and control any book or paper of the Company in the hands of any of its officers; and to exercise general powers in connection with any and all of the business in which the Company may engage.

2. In addition to the general powers, duties and functions incident, and which usually appertain to their offices and positions, and such as they are severally authorized to perform under the law and the Articles of the Company as well as these Bylaws, the Board of Directors shall have power and it is hereby enjoined upon them as a duty to do the following things:

(a) to make and change such reasonable rules and regulations for the administration of the company's water distribution system and the delivery of water therefrom, not inconsistent with these Bylaws, to the end that there may be effected an equitable distribution of such water among the stockholders of the Company, which rules and regulations shall be binding upon the stockholders and water users of the Company, their assigns and successors in interest.

(b) To purchase, acquire, and employ improvements, devices, and manpower for the measurement and delivery of water

and the protection and maintenance of the Company's properties and water distribution system.

(c) To compel the general and impartial collection of assessments levied upon the stock of the stockholders.

(d) To levy assessments for the maintenance and repair of the Company's ditches and canals if the stockholders shall fail so to do before the first day of April in each year.

(e) To fill all vacancies among the members of the Board of Directors until the next meeting of the stockholders.

(f) To consent to or deny any proposed transfers of stock from lands upon which it is currently used and appurtenant to other lands under the Company's water distribution system, and to consent to or deny any proposed transfers of stock for use outside the Company's water distribution system. In reaching its decision concerning such proposed transfers, the Board of Directors shall assess the effect of the transfer on other stockholders and on the Company, including, without limitation: increased ditch losses; difficulty of carriage and delivery of the transferred water and other stockholders' water; and increased ditch maintenance and supervision costs. The Board of Directors may refuse to allow any proposed transfer which will result in injury to the other stockholders or the Company, or it may require terms and conditions upon such proposed transfers to prevent injury to the other stockholders and the

Company, including, without limitation: requiring that a portion of the water sought to be transferred remain in the Company's water distribution system; requiring that assessments on the Company's stock continue to be paid, and providing for mortgages, liens, or other arrangements to secure such required payments of assessments to the Company; and such other terms and conditions as the Board determines will prevent injury to the other stockholders and the Company in the case of such transfer.

ARTICLE VII

MEETINGS

1. Annual Stockholders' Meeting. The annual meeting of the Stockholders for the election of Directors and the transaction of other business, shall be held on a date between November 1 and February 28 to be designated each year by the Board of Directors, and at the place and hour designated by the Board of Directors in the notice of the annual meeting, on notice as required by law, and stockholders in person or by their duly attested proxies shall vote upon matters relating to the Company. Cumulative voting will not be allowed.

Special meetings of the stockholders may be called at any time, on such notice as is provided by law for the consideration of any matter requiring the action of the stockholders.

A majority of the stock of the Company represented either in person or by duly authenticated proxies shall constitute a quorum of stockholders.

2. Director's Meetings. A meeting of the Board of Directors shall be held each year immediately following the annual meeting of stockholders.

Upon request of any Director the President shall call a meeting of the Board, to be held within ten days after such request, and at such place in the County of Rio Grande, Colorado, or the County of Alamosa, Colorado, as the President shall direct. The President shall cause the other Directors to be notified of all meetings, and each Director shall have at least twenty-four hours' notice of all special meetings.

Three Directors shall constitute a quorum for the transaction of business at any meeting.

ARTICLE VIII

CERTIFICATES OF STOCK

1. Certificates of stock shall be issued to every holder and shall be signed by the President and the Secretary and sealed with the corporate seal. Each certificate shall express on its face the date of issue and the number of shares for which said certificate is issued, and the person or persons to whom the same is issued. Several certificates may be issued

to the same person or persons, provided that the aggregate number of shares so issued, shall not exceed the number of shares so belonging to such person or persons.

2. The Secretary shall keep a stock ledger and true account of all shares issued and received by the Company in accordance with the provisions of the Statutes of the State of Colorado.

3. No certificate of stock in this company shall be issued for a fractional part of a single share, and no water shall be delivered based upon ownership of a fractional part of a single share.

4. Transfers of stock to entitle the holder to vote must be made and registered at least ten (10) days prior to the time of any meeting, at which such vote is tendered, and all stock shall be transferred on the books of the Company by assignment, either in person or by attorney.

No transfer of stock shall be made except upon surrender of the original certificate for cancellation, and on payment of a reasonable transfer charge to be fixed from time to time by the Board of Directors, nor shall any transfer be made without the approval of the Board of Directors, which may, in the case of transfers of water to new lands, or transfers out of the Company's water distribution system, prohibit transfers which would result in injury to the other stockholders or

the Company, or impose terms and conditions on such transfers to prevent any such injury.

No transfer shall be made of stock upon which assessments or interest accrued thereon is due or unpaid or while the holder of such stock is indebted to the Company on any account whatsoever.

5. In the case of lost certificates, duplicate certificates may be issued upon the Stockholder furnishing: (1) proof of ownership of the lost certificate; and (2) a bond with surety satisfactory to the Board of Directors in such penal sum as the Board may decide, which shall indemnify the Company from loss on account of the reappearance of the lost certificate.

6. The shares of the Company shall be issued as full paid stock of the par value of \$100 per share.

7. All stock certificates hereafter to be issued shall contain sufficient extracts from these Bylaws written, printed, typed, or stamped thereon to give notice to persons interested that:

(a) a lien is reserved by the Company upon the stock for the payment of assessments;

(b) there is a restriction upon transfer thereof while any assessment is unpaid; and

(c) no transfer of the use of water represented by this certificate from the lands for and on account of which a

certificate of stock has been issued to other lands shall be permitted except by and upon order of, and with the approval of, the Board of Directors.

Such extracts may be written, printed, typed, or stamped on the face or back of stock certificates; and, if on the back of the certificate, a reference thereto shall be written, printed, typed, or stamped on the face of the certificates.

ARTICLE IX

ASSESSMENTS

1. The capital stock of the Company shall be subject to assessment to raise funds with which to keep its ditches and canals in good repair; to pay any indebtedness contracted or the interest on such indebtedness; to pay the cost of operating its ditches and canals; and generally to protect and enhance the water rights of the Company. Such assessment shall be payable in money and shall be levied pro rata upon the shares of stock issued and outstanding.

2. No such assessment shall be made unless the question of making such assessment shall be first submitted to the stockholders at an annual meeting, or at a special meeting called for that purpose, and a majority of the stock issued and outstanding represented either by the owner in person or by

proxy voting thereon shall vote in favor of such assessment; provided, however, that in the event the stockholders fail to hold such meeting or fail to make or authorize any such assessment by the 1st day of April in any year, then the Board of Directors shall have the power to make any such assessment at any regular or special meeting called therefor for such year.

3. Assessments made or authorized by the stockholders, unless express provision be made otherwise, shall become due on March 1st of each year and shall become delinquent on April 1st.

4. Assessments made and authorized by the Board of Directors shall become payable ten days after the date of the adoption of the resolution providing therefor and shall become delinquent 15 days after the date of the adoption of such resolution.

5. Delinquent assessments shall bear interest at the rate of 1.5% per month, compounded monthly.

6. Immediately after the meeting at which an assessment is made or authorized, the Secretary shall give notice of each assessment by mailing to each stockholder of record at his post office address, as shown by the books of the Company, a written or printed, or partly written and partly printed, notice giving the amount of the assessment on each share of stock, the date of the vote or resolution authorizing such

assessment, the date when each assessment becomes due and the date when it becomes delinquent.

7. The Company shall have a perpetual lien upon all shares of stock and the water rights represented thereby for any and all assessments and all parts thereof until the same are fully paid and satisfied.

8. Whenever any stockholder shall fail to pay any assessment when the same becomes delinquent, his stock shall be subject to forfeiture as herein provided. At any time after such assessment has become delinquent, the Board of Directors may direct the Secretary to make demand for payment thereof by written or printed notice of demand either served or delivered in person or by mailing the same to the last known address of the stockholder so in default, at least thirty (30) days prior to the time when such forfeiture is to take effect.

If such assessment, together with the accrued interest, is not paid within thirty (30) days after such notice is mailed or delivered, the Board of Directors may declare and order such stock so in default to be forfeited. A copy of such Order of forfeiture shall be mailed to the last known address of the defaulting stockholder. Thereafter, the Board shall hold such stock for a period of six (6) months, during which time the default in payment of assessments may be redeemed and the stock reinstated by the payment of all delinquent

assessments plus interest and any expenses incurred for forfeiture or collection. At the expiration of such six-month period, the Board may, in its discretion, elect to cancel such forfeited stock, or it may hold such stock as treasury stock and sell and reissue such forfeited stock to persons who will use the said stock for irrigation of lands beneath the water distribution system of the Company, and to whom distribution of water delivered on such stock can be made without injury to or interference with the distribution of water to other stockholders of the Company ("eligible buyers").

9. If the Board elects to sell any such forfeited stock, the Secretary shall publish a Notice of Sale, describing the stock to be sold by date, certificate, and number of shares, stating that the Board has ordered sale of the forfeited stock for delinquent assessments, designating the time and place of the sale, and inviting persons interested in purchasing such stock for irrigation of lands beneath the water distribution system of the Company to contact the Secretary no less than thirty (30) days prior to the sale date, so that their eligibility to purchase such stock may be ascertained by the Board. The Notice shall be published once a week for not less than two (2) weeks in a newspaper of general circulation in Rio Grande County, Colorado, and the Secretary shall mail a copy of such notice to the last known address of the defaulting stockholder.

10. The Secretary shall obtain the following information in writing from any persons seeking to purchase such stock: land to be irrigated; method of irrigation proposed; lateral and headgate proposed to be used or constructed for diversion of the water.

The Board shall review such information, determine whether such applicant is eligible to purchase the stock, and promptly notify the applicant in writing of its determination.

All persons determined to be eligible to purchase the forfeited stock may participate in the sale, which shall be by auction conducted by the officer of the Company or other person designated by the Board. The Company may bid at such sale. Sales shall be for cash or certified check only. Any proceeds of the sale which exceed the delinquent assessments, plus interest and costs and expenses, including attorney's fees, of the forfeiture and sale shall be paid to the defaulting stockholder.

11. Upon sale of such forfeited stock, new certificates of stock shall be issued to the purchaser, with a memorandum across the face thereof describing the certificate of stock forfeited by certificate number, date, and number of shares, date of the Order of Forfeiture, and date of the sale to an eligible buyer. Thereafter, neither the defaulting stockholder, nor his successors, administrators, heirs or

assigns, shall have any right, title, or interest whatever, either in law or in equity, in and to such forfeited stock, the water rights represented thereby, or any of the property, business, or franchises of the Company.

12. The remedy of the Company set forth above, for nonpayment of assessments, shall not be obligatory or exclusive; and the Board of Directors may pursue any other remedy allowed by law which it deems to serve the best interests of the Company.

13. Any stock of the Company upon which assessments have not been paid for a period of 18 years shall be deemed to have become the property of the Company without any further proceeding or action by the Company, and water thereon shall be distributed pro rata to the remaining stockholders in the Company.

ARTICLE X

HEADGATES

1. The Company shall operate, maintain, and replace all headgates existing as of January 1, 1984, as shown on the map attached hereto as Exhibit A.

2. Any secondary or additional headgates not shown on Exhibit A attached hereto, shall be constructed, operated, and maintained at the expense of the stockholder desiring to install and use the same.

Any such headgates and measuring devices shall be of as nearly uniform specifications as possible. They shall be installed in the canal of the Company or its laterals under the direct supervision of the Superintendent Engineer of the Company, or such person as the Board of Directors may designate to represent the Board, according to plans and specifications adopted and approved by the Board.

The cost of installation, operation, maintenance, or repair made on any such secondary or additional headgates installed pursuant to this section shall be repaid to the Company by the stockholder desiring the installation and use of such secondary or additional headgate.

ARTICLE XI
DELIVERY OF WATER

1. The Company will deliver water to any stockholder at the nearest feasible and satisfactory headgate on any main canal or lateral maintained by the Company, provided that the stockholder so demanding water shall construct and maintain in a condition satisfactory to the Board or its Superintendent, a head ditch or lateral leading from such headgate to and upon the lands of the stockholder. The Company will maintain all main canals and laterals and the stockholders using head and lead ditches will maintain their head and lead ditches.

2. No stockholder shall be entitled to demand or receive water from the waterways of the Company until he shall have paid all assessments and interest accrued thereon due on the stock of the Company upon which the demand for water is made and all charges on the books of the Company for maintenance and headgate repairs, and shall have placed his headgate and head ditch in condition to receive the same and in condition satisfactory to the Superintendent of the Company.

ARTICLE XII

DEBTS

No debts shall be contracted against the Company except by order of the Board of Directors; provided, however, the Board is authorized to incur such indebtedness as it may deem necessary for carrying out the objects and purposes of this Company, and may authorize the President and Secretary to make the note of the Company with which to pay the indebtedness so incurred; provided always, that no mortgage or Trust Deed shall be placed upon the property of this Company or any part thereof, until authorized by a two-thirds vote of the stockholders of the Company.

ARTICLE XIII

USE OF WATER

Each share of stock of this Company shall entitle its holder of record on the books of the Company to the use each year for irrigation purposes of its pro rata share of all the water carried and distributed in the waterways of the Company.

ARTICLE XIV

ANNUAL REPORT

The Board of Directors shall cause a report in writing to be made to the Annual Stockholders' Meeting each year, of the following items:

- (a) The amount spent by the Company during the preceding year and generally the purpose for which such money was expended.
- (b) The amount of obligations of the Company at that time.
- (c) The amount of money due the Company and generally the sources from which such money is due.
- (d) Repairs and extensions needed for the ensuing year and the probable cost thereof.
- (e) The amount of money necessary to cover the maintenance and operation of the Company's irrigation system for the ensuing year.

(f) A recommendation as to the amount of money necessary to be raised for the purposes aforesaid by assessment for the ensuing year.

ARTICLE XV

SALARIES

1. Superintendent. The Superintendent of the Company, Ditch Riders and other employees shall receive such compensation as may be determined upon by the Board of Directors.

2. Directors. The Board of Directors shall receive such reasonable compensation as it may fix from time to time, for the Directors' services, for attendance at each meeting of the Board and for each day actually employed in the management of the affairs of the Company, and their reasonable traveling expenses when actually engaged in the business of the Company, to be audited and allowed as in other cases of demand against the Company.

3. Secretary and Treasurer. The Secretary and Treasurer shall be allowed such compensation as may be determined upon by the Board of Directors.

ARTICLE XVI

RIGHTS-OF-WAY

The Company may from time to time grant to stockholders or others permission to make or construct crossings

over the Company's rights-of-way or to allow sprinklers to pass on or near the Company's rights-of-way. Such permission, if granted by the Board of Directors, shall be in writing and shall include such terms and conditions as the Board of Directors shall deem proper to protect the rights and property of the Company and its stockholders.

ARTICLE XVII

COMPLAINTS

In case any stockholder shall have any complaint to make on account of the distribution of water in the Company or on account of the conduct of the water officers of the Company, or for any other reason, he shall make complaint in writing to the Superintendent who shall take such action as shall be just and right, to adjust the matter; provided, however, if the decision of the Superintendent does not satisfy the objections of the stockholder, he may appeal to the Board, which shall make full investigation of the matter and of the complaint and such stockholder or stockholders may appear and offer such evidence as he or they may see fit and the Board shall use all proper efforts to correct the evils complained of. The final determination of the Board, however, shall be final and binding upon all parties concerned.

ARTICLE XVIII

AMENDMENTS

Subject to repeal or change by action of the stockholders, these bylaws may be altered, amended, or repealed and new bylaws adopted, by the vote of a majority of the Board of Directors.

Appendix F – Centennial Irrigating Ditch Company Colorado Certificate of Good Standing

OFFICE OF THE SECRETARY OF STATE
OF THE STATE OF COLORADO

CERTIFICATE OF FACT OF GOOD STANDING

I, Wayne W. Williams, as the Secretary of State of the State of Colorado, hereby certify that, according to the records of this office,

Centennial Irrigating Ditch Company

is a

Nonprofit Corporation

formed or registered on 01/26/2017 under the law of Colorado, has complied with all applicable requirements of this office, and is in good standing with this office. This entity has been assigned entity identification number 20171075914.

This certificate reflects facts established or disclosed by documents delivered to this office on paper through 01/25/2017 that have been posted, and by documents delivered to this office electronically through 01/26/2017 @ 17:21:38.

I have affixed hereto the Great Seal of the State of Colorado and duly generated, executed, and issued this official certificate at Denver, Colorado on 01/26/2017 @ 17:21:38 in accordance with applicable law. This certificate is assigned Confirmation Number 10043645.



Secretary of State of the State of Colorado

*****End of Certificate*****
Notice: A certificate issued electronically from the Colorado Secretary of State's Web site is fully and immediately valid and effective. However, as an option, the issuance and validity of a certificate obtained electronically may be established by visiting the Validate a Certificate page of the Secretary of State's Web site, <http://www.sos.state.co.us/ble/CertificateSearch/Validate>, entering the certificate's confirmation number displayed on the certificate, and following the instructions displayed. Confirming the issuance of a certificate is merely optional and is not necessary to the valid and effective issuance of a certificate. For more information, visit our Web site, <http://www.sos.state.co.us>, click "Business, trademarks, trade names" and select "Frequently Asked Questions."