

Feasibility Study

San Luis Valley Canal 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

Date

5/11/2018

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Executive Summary

The San Luis Valley Canal Implementation Project (Project) seeks to address concerns surrounding aging and inefficient irrigation infrastructure and unstable streambanks neighboring the San Luis Valley Canal diversion. Highlighted as a priority of the 2001 Study, the Project will result in the replacement of the San Luis Valley Canal headgate 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 San Luis Valley Canal headgate;
- Enhance water quality by reducing erosion and sediment input;
- Improve riparian condition by stabilizing up to 750 feet of streambanks in the Project area;
- Increase the capacity of the Rio Grande to transport sediment;
- Improve aquatic and wildlife habitat;
- Promote public involvement in water improvement activities through public outreach and education.

The estimated cost of the Project is \$569,000. The San Luis Valley Canal Company 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 the Project. The RGHRP has secured funding through the Colorado Water Conservation Board (CWCB) Water Supply Reserve Account (WSRA). The San Luis Valley Canal Company will provide \$300,000 toward the project cost, which they hope to obtain through the CWCB loan program.

Section 1 - Project Sponsors

The Project, the San Luis Valley Canal Implementation Project, is sponsored by a partnership between the Colorado Rio Grande Restoration Foundation (Foundation), and the San Luis Valley Canal Company.

1.1 The San Luis Valley Canal Company

The San Luis Valley Canal Company (SLVCC) was incorporated as a mutual ditch company in 1923. The SLVCC diverts water from the Rio Grande into the San Luis Valley Canal 4 miles east of the town of Monte Vista. The irrigation system serves 78 shareholders. The total decree of the SLVCC is 569.55 cfs and annual deliveries average around 24,000 acre-feet.

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 enhance 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. 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 diversion included passage for fish and boats. The proposed Project, the San Luis Valley Canal 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 partners to complete forest restoration and wildfire hazard mitigation projects. In the summer of 2013, the West Fork Complex Fire burned over 110,000 acres of critical natural resources in the upper Rio Grande watershed. In response, the Rio Grande Watershed Emergency Action Coordination Team (RWEACT) was formed. The RGHRP has taken the lead in coordinating RWEACT's natural resources committee and implementing projects in the aftermath of the fire. For example, the RGHRP and Colorado School of Mines deployed 6 water quality monitoring probes through the watershed to observe the effects of the wildfire on riparian areas and aquatic health. Additionally, the RGHRP designed and implemented 10 experimental plots within the burned area to investigate methods to improve vegetative cover, increase soil water holding capacity, and reduce hillslope erosion. Data gathered from monitoring the plots will influence the methods used in future wildfire restoration projects. Finally, the RGHRP was the project lead for the Upper Rio Grande Watershed Assessment, which is a comprehensive document of the condition of the Rio Grande and its major tributaries from the headwaters to the town of South Fork, identifying causes of concern and priority projects that will improve the function of uplands, riparian, and aquatic ecosystems.

The RGHRP administers a robust Outreach and Education Program. Talks and tours are routinely given to local schools, community groups, and water related organizations. Volunteer events encourage community members to get involved and get connected with the Rio Grande. The RGHRP website provides project updates and information. In addition to keeping the RGHRP website up-to-date about our projects, informative press releases are submitted to local and regional media. The 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, and nonstructural in nature, 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 the San Luis Valley Canal Implementation Project is the Rio Grande. The Rio Grande watershed in Colorado covers 8,200 square miles (Figure 1). 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 San Luis Valley Canal 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 San Luis Valley Canal diversion. The Project elements include the San Luis Valley Canal headgate and the streambanks upstream and downstream of the diversion.

3.3 Land Ownership

The San Luis Valley Canal Company owns an access easement that follows the canal and surrounds the San Luis Valley Canal headgate. The land surrounding the easement is owned by Scott Dugan. South of Dugan's property is the Rio Grande State Wildlife Area owned by Colorado Parks and Wildlife. 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 San Luis Valley Canal Company. Figure 4 shows the current irrigated acres served by the San Luis Valley Canal.

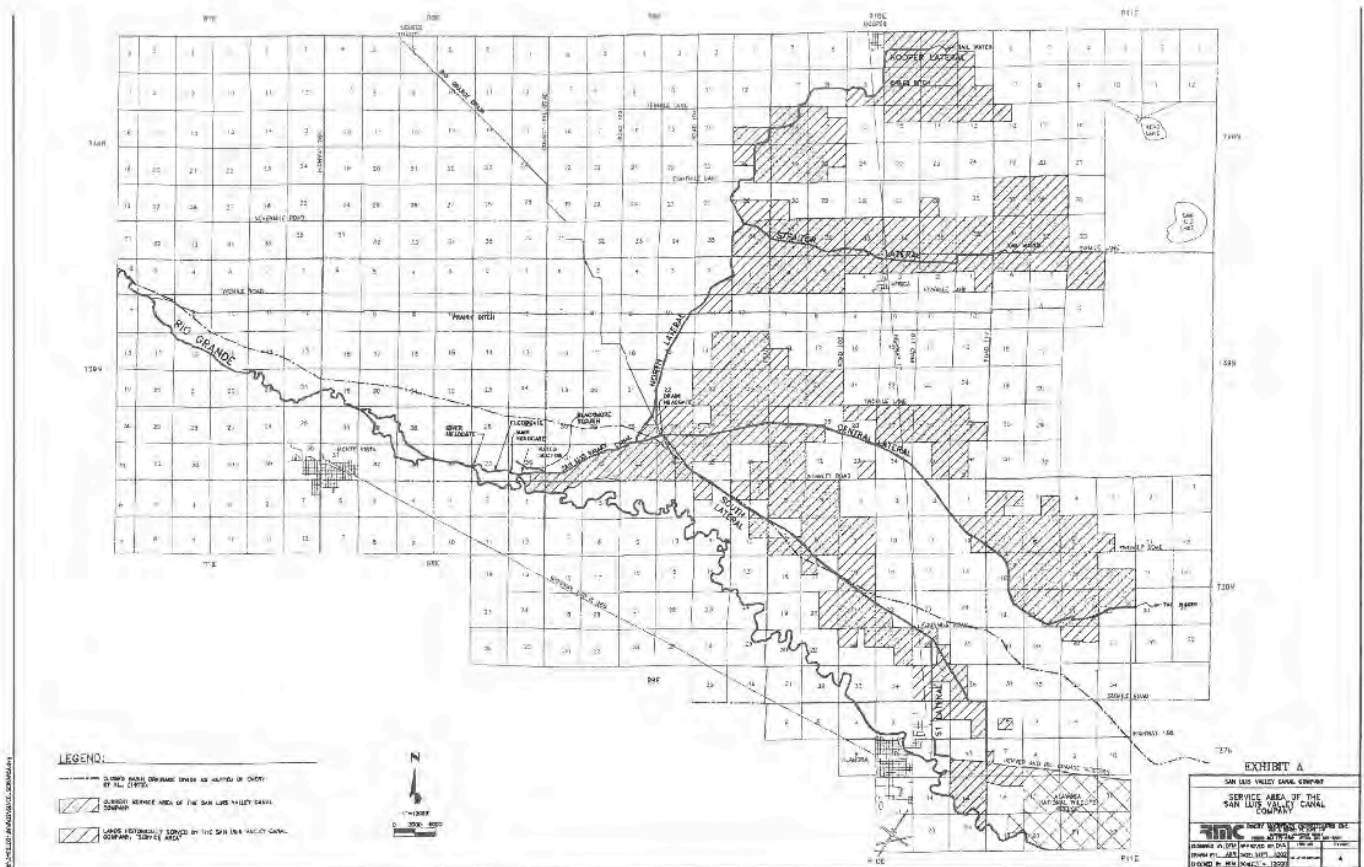


Figure 3: Map of San Luis Valley Canal service area

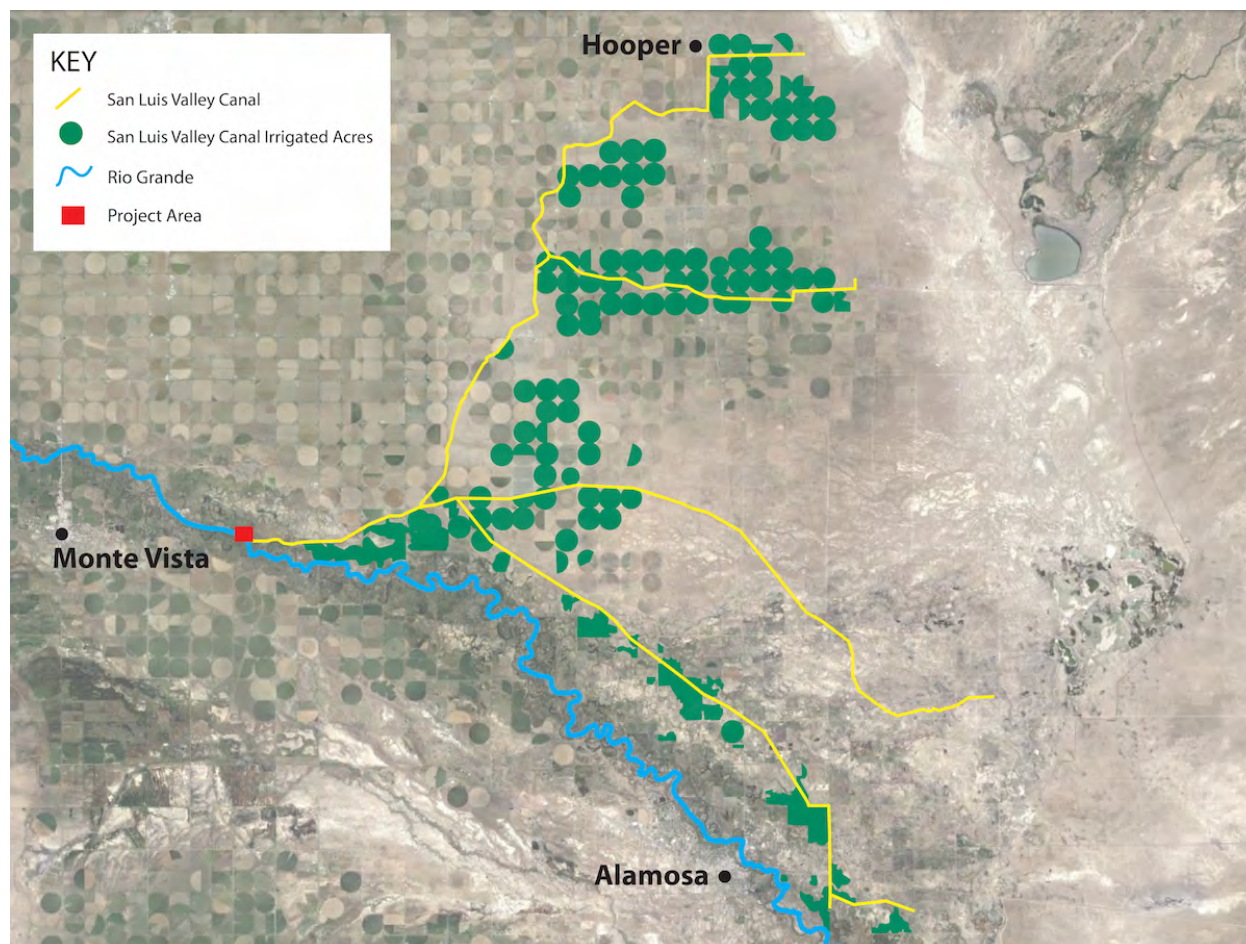


Figure 4: Map of San Luis Valley Canal ditch system and irrigated acres

Section 4 - Water Rights Protection

The San Luis Valley Canal 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 headgate, 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. Additionally, 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 San Luis Valley Canal headgate. 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 D5 of Reach D (Figure 4).

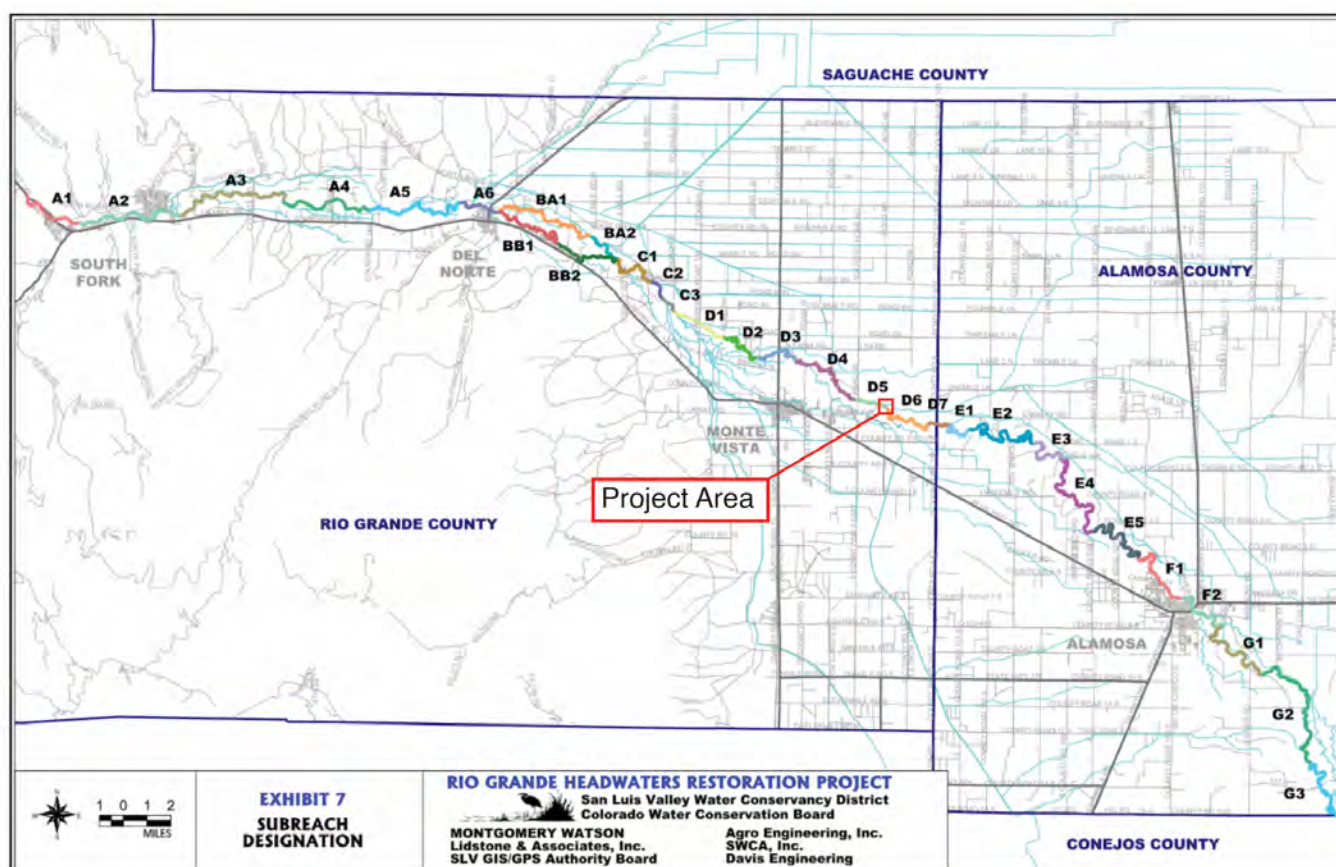


Figure 5: Location of Reach D and Subreach D5 (as designated by the 2001 Study) and the San Luis Valley Canal Implementation Project

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. Within Reach D, a significant number of poorly functioning diversion structures exist, including the San Luis Valley Canal diversion. These diversion structures are used to sustain ranching and agriculture in areas shown in Figure 4 above. Aside from consumptive use, the river supports abundant wildlife habitat and diverse recreation such as boating, paddling, birding, and fishing. 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 trout, the primary cold-water fish. 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.



Figure 6: *Example of eroding streambanks and sedimentation in the Project Area*

5.2 San Luis Valley Canal Headgate Current Condition

The headgate structure for the San Luis Valley Canal is in poor condition. Built in 1916, the current headgate has served the ditch company for over 100 years. However, the concrete headgate has begun to deteriorate. In addition, the river channel is unstable upstream and downstream of the headgate. During future high flow events, there is concern that the river could move into old river channels or be captured by the canal, causing significant problems for the canal and downstream diversions. Currently, debris and sedimentation cause problems at the diversion site, depositing in front of the headgate. Because of these issues, the San Luis Valley Canal headgate structure and surrounding streambanks were highlighted as priorities for rehabilitation in the 2001 Study.



Figure 7: San Luis Valley Canal Headgate

Section 6 - Alternatives Evaluated

During the development of the Project, the San Luis Valley Canal Board and Project stakeholders evaluated alternatives. Project stakeholders included the San Luis Valley Canal Company, Natural Resources Conservation Service (NRCS), Riverbend Engineering and Rio Grande Headwaters Restoration Project. Through this process two possible alternatives were proposed to address the problems facing the San Luis Valley Canal.

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 headgate, diversion dam structure, and channel shaping designed by NRCS

- **Alternative #2:** New concrete headgate and channel shaping designed by Riverbend Engineering, LLC

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

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

6.1.2 Alternative #2: New Concrete Headgate designed by Riverbend Engineering, LLC

The SLVCC Board and the Rio Grande Headwaters Restoration Project hired Riverbend Engineering to complete concept plans and preliminary cost estimates for the replacement of the existing headgate with a new concrete 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 San Luis Valley Canal and was financially feasible for the SLVCC.

Section 7 - Selected Alternative

The stakeholders selected the alternative to replace the existing San Luis Valley Canal headgate with a new concrete structure with automated gates. 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:

- **Headgate:** The existing San Luis Valley Canal headgate will be replaced with a concrete headgate with four gates, including an automated gate. The automated gate will regulate canal flows, improving diversion accuracy and accounting. The new headgate will be positioned closer to the river to reduce sedimentation.
- **Trash Rack:** A floating steel pipe trash rack will be installed to deflect trash and debris.
- **Sluice Channel:** An optional sluice channel will be constructed to help remove debris and sediment from in front of new headgate. This option will be selected depending on cost.
- **Rock Sill Grade Control Structure:** A rock sill will be constructed to control the channel grade and reduce erosion.
- **Channel Shaping and Streambank Stabilization:** Eroding streambanks upstream and downstream of the project area will be will be sloped, stabilized, and revegetated. Willow transplants will be planted throughout the project site for bank protection and improved riparian habitat.

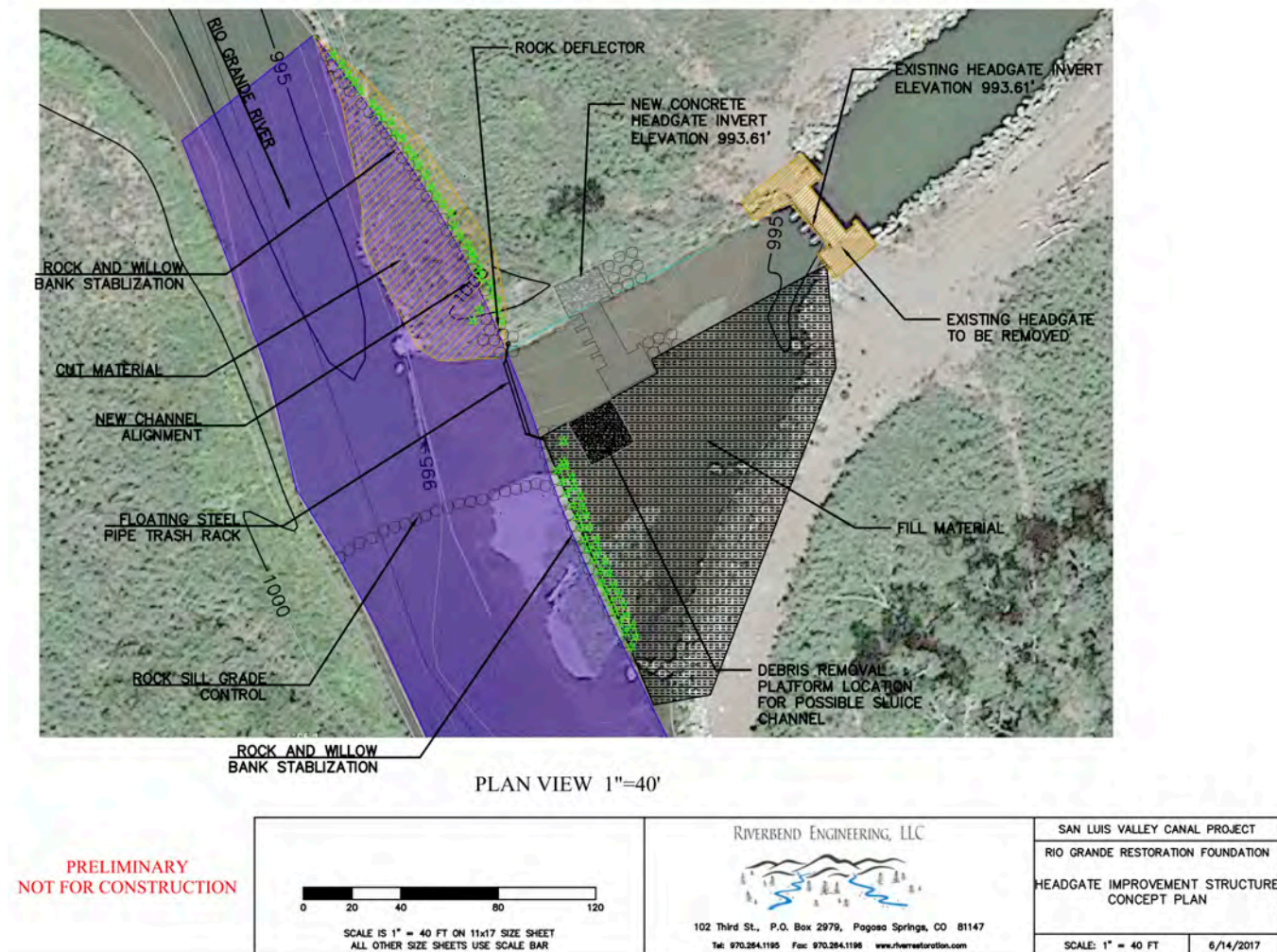


Figure 8: Concept Plan and Project Elements – San Luis Valley Canal Implementation Project

Section 8 - Project Budget and Schedule

8.1 Project Budget

The total estimated cost is \$569,000 for the chosen alternative. Project design costs of \$32,000 are funded through an approved Colorado Water Conservation Board (CWCB) Water Supply Reserve Account (WSRA) Basin grant. Project implementation will be funded by \$300,000 from the San Luis Valley Canal Company (CWCB loan), \$231,000 from a WSRA State Grant, and \$6,000 from in-kind services. 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 new San Luis Valley Canal headgate structure were developed by Riverbend Engineering in June 2017. As of March 2018, project engineers are finalizing the design for each of the project elements. The Project will be a 4-year project, having undergone designs in

year 1 and will continue with execution of the designs in years 2 and 3, monitoring in years 3 and 4, 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 San Luis Valley Canal Company proposes to apply for a \$300,000 loan from the Colorado Water Conservation Board (CWCB) for 20 years at 1.45% interest. This amount, without interest, represents 53% 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 SLVCC savings and stock assessments. Revenue is derived from assessments of 13,318 shares of stock at \$11 annually. Shareholders plan to increase the assessment fee to pay the loan amount off in full in the 20 year term.

9.2 Credit Worthiness

The financial condition of the SLVCC is secure and 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 roadblocks that would keep the SLVCC and RGHRP from successfully completing the project. The Project co-sponsors have received a CWCB Water Supply Reserve Fund Grant and secured in-kind contributions that will make up 47% of the total Project costs, which makes the project financially possible for the SLVCC. The Project will improve the function of the Rio Grande and the ability of the SLVCC to deliver water to shareholders. A failure at the SLVCC headgate would stop deliveries to water users. As such, the project will secure the long-term stability of the SLVCC system.

The SLVCC is requesting a 20-year loan from the CWCB for up to \$300,000 at the rate of 1.45%. This will result in a total annual loan payment of \$17,562. For the first 10 years, the annual payment obligation will be \$19,318, which includes an additional 10% for the loan reserve funds. Figure 9 summarizes the financial aspects of the project. Currently the annual assessment is set at \$11 per share. Annual assessments will increase from \$11 per share, up to \$12.50 per share.

Financial Summary Table	
Total Project Cost	\$569,000.00
Requested Loan (53% of Project Cost)	\$300,000.00
Loan Service Fee (1% of Loan Cost)	\$3,000.00
Total Loan Amount	\$303,000.00
CWCB Annual Loan Payment	\$17,562.00
CWCB Annual Loan Obligation for first 10 years (includes 10% loan reserve)	\$19,318.00
Number of Shareholders	78
Number of Shares of Stock	13,318
Current Assessment per Share	\$11.00
Future Assessment per Share	\$12.50
Annual Project Cost per Acre-foot (average annual water diverted 24,000 AF)	\$0.80

Figure 9: Financial Summary Table

Section 11 - Collateral

The San Luis Valley Canal 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 improved by stabilizing streambanks, improving irrigation infrastructure, restoring wildlife habitat, and protecting the adjacent Rio Grande State Wildlife Area. 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 higher risks of an old structure failing and shutting off water supply, causing harm to crops are also reduced by the Project. The physical condition of the Project area will be improved as the streambank stability, riparian and aquatic habitat, and San Luis Valley Canal headgate will be enhanced.

Section 13 - Permitting

The San Luis Valley Canal 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 San Luis Valley Canal headgate 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:

- San Luis Valley Canal 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 management;
- Scott Dugan: landowner;
- Colorado Water Conservation Board: financing and construction;

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

Appendices

Appendix A – Project Budgets

Appendix B – Project Schedule

Appendix C – CWCB Loan Application

Appendix D – San Luis Valley Canal Company Articles of Incorporation

Appendix E San Luis Valley Canal Company Bylaws

Appendix F – San Luis Valley Canal Company Colorado Certificate of Good Standing

Appendix G –2015 Financial Statement

Appendix H –2016 Financial Statement

Appendix I – 2017 Financial Statement

Appendix A – Detailed Project Budget

Page 1

Detailed Budget for San Luis Valley Canal Implementation Project								Page 1 of 2	
Project Tasks	Total	Source of Funds					Total		
		Cash Contributions			In-Kind				
		WSRA Basin Grant	WSRA State Grant	Landowners (CWCB Loan)		CRGRF			
Task 1: Finalize Design									
Riverbend Engineering will complete the project design	\$ 32,000.00	\$ 32,000.00	\$ -	\$ -	\$ -	\$ -	\$ 32,000.00		
Total Additional Costs	\$ 32,000.00	\$ 32,000.00	\$ -	\$ -	\$ -	\$ -	\$ 32,000.00		
Task 2: Headgate Replacement									
Site Preparation: Includes removal of the old structure and mobilization.	\$ 30,000.00	\$ -	\$ -	\$ 30,000.00	\$ -	\$ -	\$ 30,000.00		
Water Removal	\$ 35,000.00	\$ -	\$ -	\$ 35,000.00	\$ -	\$ -	\$ 35,000.00		
Concrete and Steel Reinforcement	\$ 143,500.00	\$ -	\$ 50,000.00	\$ 93,500.00	\$ -	\$ -	\$ 143,500.00		
Water Control Gates	\$ 32,000.00	\$ -	\$ 21,000.00	\$ 11,000.00	\$ -	\$ -	\$ 32,000.00		
Catwalk and Handrails	\$ 5,000.00	\$ -	\$ -	\$ 5,000.00	\$ -	\$ -	\$ 5,000.00		
Trash Rack	\$ 25,000.00	\$ -	\$ -	\$ 25,000.00	\$ -	\$ -	\$ 25,000.00		
Sluice Construction	\$ 100,000.00	\$ -	\$ 42,000.00	\$ 58,000.00	\$ -	\$ -	\$ 100,000.00		
Automation	\$ 15,000.00	\$ -	\$ 15,000.00	\$ -	\$ -	\$ -	\$ 15,000.00		
Construction Contingency (10%)	\$ 42,000.00	\$ -	\$ 19,500.00	\$ 22,500.00	\$ -	\$ -	\$ 42,000.00		
Total Headgate Replacement	\$ 427,500.00	\$ -	\$ 147,500.00	\$ 280,000.00	\$ -	\$ -	\$ 427,500.00		

Appendix A – Detailed Project Budget

Page 2

Detailed Budget for San Luis Valley Canal Implementation Project								Page 2 of 2
Project Tasks	Total	Source of Funds					Total	
		Cash Contributions			In-Kind			
		Landowners (CWCBL Loan)		CRGRF				
		WSRA Basin Grant	WSRA State Grant					
Task 3: Channel Shaping and Streambank Stabilization								
Channel Shaping	\$ 20,000.00	\$ -	\$ 20,000.00	\$ -	\$ -	\$ -	\$ 20,000.00	
Rock Sill Grade Control Structure	\$ 22,500.00	\$ -	\$ 22,500.00	\$ -	\$ -	\$ -	\$ 22,500.00	
Total Trash Rack	\$ 42,500.00	\$ -	\$ 42,500.00	\$ -	\$ -	\$ -	\$ 42,500.00	
Task 4: Monitoring								
Construction Management, Surveys and Contractor Quality Control	\$ 40,000.00	\$ -	\$ 20,000.00	\$ 20,000.00	\$ -	\$ -	\$ 40,000.00	
Field Personnel - Completed by RGHRP Staff	\$ 2,000.00	\$ -	\$ 2,000.00	\$ -	\$ -	\$ -	\$ 2,000.00	
Total Sluice	\$ 42,000.00	\$ -	\$ 22,000.00	\$ 20,000.00	\$ -	\$ -	\$ 42,000.00	
Task 5: Administration								
Cost for the RGHRP to administer and manage the project at an average rate \$35	\$ 18,000.00		\$ 18,000.00	\$ -		\$ -	\$ 18,000.00	
Project Administration In-kind Match	\$ 5,000.00	\$ -	\$ -	\$ -	\$ 5,000.00	\$ -	\$ 5,000.00	
Outreach and Education	\$ 2,000.00		\$ 1,000.00	\$ -	\$ 1,000.00	\$ -	\$ 2,000.00	
Total Additional Costs	\$ 25,000.00	\$ -	\$ 19,000.00	\$ -	\$ 6,000.00	\$ -	\$ 25,000.00	
TOTAL BUDGET	\$ 569,000.00	\$ 32,000.00	\$ 231,000.00	\$ 300,000.00	\$ 6,000.00	\$ -	\$ 537,000.00	
Percent of Project Cost		6%	41%	53%	1%		100%	

Appendix A – Summary Project Budget

Summary Budget for the San Luis Valley Canal Implementation Project						
Project Tasks	Total	Source of Funds				TOTAL
		WSRA Basin Grant (May 2017)	WSRA State Grant (September 2017)	Landowners (CWCBC Loan)	In-Kind RGHRP	
Task 1: Finalize Design	\$ 32,000.00	\$ 32,000.00	\$ -	\$ -	\$ -	\$ 32,000.00
Task 2: Headgate Replacement	\$ 427,500.00	\$ -	\$ 147,500.00	\$ 280,000.00	\$ -	\$ 427,500.00
Task 3: Channel Shaping and Streambank Stabilization	\$ 42,500.00	\$ -	\$ 42,500.00	\$ -	\$ -	\$ 42,500.00
Task 4: Monitoring	\$ 42,000.00	\$ -	\$ 22,000.00	\$ 20,000.00	\$ -	\$ 42,000.00
Task 5: Administration	\$ 25,000.00	\$ -	\$ 19,000.00	\$ -	\$ 6,000.00	\$ 25,000.00
TOTAL	\$569,000.00	\$32,000.00	\$231,000.00	\$300,000.00	\$6,000.00	\$569,000.00
Percent of Project Cost		6%	41%	53%	1%	100%

Appendix B - Project Schedule

Milestone Table for the San Luis Valley Canal 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: Design																
Task 2: Headgate Replacement																
Task 3: Channel Shaping and Streambank Stabilization																
Task 4: Monitoring																
Task 5: 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: San Luis Valley Canal Company	
Authorized Agent & Title: Terry Chiles, President	
Address: 118 Washington Street, Monte Vista, CO 81144	
Phone: (719) 580-9997	Email: tyla@notes-numbers.com
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
County: Rio Grande	
Water District: Division 3	Number of Shares/Taps: 13,318
Number of Shareholders/Customers Served: 78	Avg. Water Diverted/Yr: 24,000 acre-feet
Federal ID Number: 84-0465386	Current Assessment per Share \$ 11.00 (Ditch Co)
	Average monthly water bill \$ (Municipality)
Contact Information	
Project Representative: Terry Chiles, President	
Phone: (719) 850-9260	Email: chiles.terry@gmail.com
Engineer: Chris Pitcher, P.E. (Riverbend Engineering, LLC)	
Phone: (970) 759-9591	Email: cpitcher@riverrestoration.com
Attorney:	
Phone: ()	Email:
Project Information	
Project Name: San Luis Valley Canal Improvement Project	
Brief Description of Project: (Attach separate sheets if needed)	
This project includes replacing the San Luis Valley Canal headgate 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: 32,000	Estimated Construction Costs: \$510,000
Other Costs (Describe Above): 27,000	Estimated Total Project Costs: \$569,000
Requested Loan Amount: \$300,000	Requested Loan Term (10, 20, or 30 years): 20 Years
Project Start Date(s) Design: June 2017	Construction: November 2018
Signature	
 Signature / Title	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

Appendix D

San Luis Valley Canal Company Articles of Incorporation

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CERTIFICATE OF RENEWAL AND EXTENSION
OF CORPORATE LIFE OF
THE SAN LUIS VALLEY CANAL COMPANY

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KNOW ALL MEN BY THESE PRESENTS that we, R. C. MULLINGS and A. B. COOLEY are, and at all times herein mentioned were, the duly elected, qualified and acting President and Secretary respectively of THE SAN LUIS VALLEY CANAL COMPANY, a corporation organized and existing under the laws of the State of Colorado.

And do further certify that pursuant to a resolution of the board of directors of The San Luis Valley Canal Company, that the question of renewing and extending the corporate life of The San Luis Valley Canal Company, was included in the notice of the annual meeting of said Company, of which the following is a true copy:

"Notice of Stockholders' Meeting"

Notice is hereby given that the regular annual stockholders' meeting of The San Luis Valley Canal Company will be held at the Community Hall in the town of Mosca, County of Alamosa and State of Colorado at 10 o'clock A. M., Monday, January 11, 1943, for the purpose of electing a board of directors, the levying of an assessment, and the transaction of such other business as may properly come before such a meeting. And that there will be submitted to the stockholders at said meeting the question of whether or not the corporate life of the company shall be extended in perpetuity, and Article IV of the Articles of Incorporation of the Company be so amended as to read:

"Article IV. Term of Existence. This corporation shall exist in perpetuity."

A. B. COOLEY, Secretary.

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That said notice was served upon the stockholders of said company by depositing in the post office at least thirty days before the meeting, a copy of said notice, signed by the secretary of said company, addressed to each stockholder entitled to vote thereat, and said notice was published in The Alamosa Courier a newspaper of general circulation in the County of Alamosa where the principal office of said company is located and maintained, as specified in the Articles of Incorporation, for a period of ten days prior to the meeting, the first publication being on the 7th day of DEC. 1942 and the last publication being on the 21st day of DEC. 1942.

That pursuant to said notice, the regular annual meeting of the stockholders of The San Luis Valley Canal Company was duly held on the 11th day of January, 1943, at which a quorum of the stockholders was present and acting throughout.

That the total number of subscribed and voting shares of the capital stock of said company is 1874 shares; that stockholders representing 1140 shares of said company were then and there present at said meeting.

That a ballot was duly spread, and the following resolution was adopted by an unanimous vote of all stock represented in person or by duly authenticated proxy at said meeting:

"WE IT RESOLVED, that the corporate life of The San Luis Valley Canal Company be renewed and extended in perpetuity."

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NOW THEREFORE, the undersigned, the duly elected, qualified and acting President and Secretary respectively of The San Luis Valley Canal Company, pursuant to said resolution, do hereby certify that the resolution so proposed was adopted, and that the corporate life of The San Luis Valley Canal Company, upon the filing of this certificate, shall be renewed and extended in perpetuity.

IN WITNESS WHEREOF, we have hereunto set our hands and affixed hereto the corporate seal of said company this 3rd day of February, A. D. 1942.



ATTEST:

W. B. Cooley
Secretary.

W. B. Cooley
President

STATE OF COLORADO,)
) SS.
COUNTY OF ALAMOSA.)

On this 3rd day of February, A. D. 1943, before me a Notary Public in and for said County of Alamosa and State of Colorado, residing therein, duly commissioned and sworn, personally appeared R. C. MULLINGS, known to me to be the president, and A. B. COOLEY, known to me to be the Secretary of The San Luis Valley Canal Company, described in the within instrument, and they severally acknowledged that they executed said instrument as president and secretary respectively of said company.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal in the County of Alamosa on the day and year first hereinabove written.



R. B. Holmes
Notary Public

My Commission expires Feb. 24, 1946

STATE OF COLORADO, }
COUNTY OF RIO GRANDE. } SS.

I, ZEB WILSON, the duly elected, qualified and acting Assessor of Rio Grande County, do hereby certify that THE SAN LUIS VALLEY CANAL COMPANY has no taxable property in the County of Rio Grande where a portion of what is known as The San Luis Canal is located, and no further certify that THE SAN LUIS VALLEY CANAL COMPANY is known as a ditch company and therefore exempt from all taxes under the laws of the State of Colorado.

Zeb J. Wilson
County Assessor of
Rio Grande County.

GMC°C

2/9/22

6-36-28
D. 240-9

has been
Entered on the
Flat Tax Department

Feb. 20. 1929
Edw. Rudy Kelly Clerk

Attach to No. 96957
Assessor's Certificate in re
The San Luis Valley
Canal Company

DOMESTIC

NOTICE TO THE CREDITORS OF THE ESTATE OF
JAMES H. KELLY, DECEASED
The undersigned, Executor of the last will and testament of
James H. Kelly, deceased, do hereby give notice to the creditors of
the estate of the deceased to present their claims against the estate
for payment within the time specified in the notice.

W. H. KELLY

ARTICLES OF INCORPORATION
OF
THE SAN LUIS VALLEY CANAL COMPANY.

KNOW ALL MEN BY THESE PRESENTS that We,
W.F. PILLEY, OSCAR LORD, WILLIAM W. ANDREWS, BEN COOK, FRANCIS
TRAVIS, CARL E. PETERSON and ROBERT M. SELLERS, residents of
the State of Colorado, have associated ourselves together
as a corporation under the name and title of THE SAN LUIS VALLEY
CANAL COMPANY for the purposes of becoming a body corporate and
politic under and by virtue of the laws of the State of Colorado,
and in compliance with the provisions of the statutes in such case
made and provided, we do hereby make, execute and acknowledge in
triplicate these certificates in writing of our intention to be-
come a body corporate and politic under and by virtue of said laws.

ARTICLE I. NAME. The corporate name of our said
company shall be THE SAN LUIS VALLEY CANAL COMPANY.

ARTICLE II. OBJECTS. The objects for which said corporation
is formed and incorporated are: for the purpose of acquiring
title to that certain irrigating canal known as The San Luis Canal,
the headgate of which is located in the Southwest Quarter (SW $\frac{1}{4}$) of
Section Thirty Six (36), Township Thirty-nine (39), North of Range
Eight (8), East of the New Mexico Principal Meridian, in the
County of Rio Grande, and State of Colorado, on the east bank of
the Rio Grande River, together with all extensions thereto and all
laterals diverting water therefrom, and which said canal flows in
a general northeasterly direction and waters lands located in the
County of Rio Grande and the County of Alamosa, in the State of
Colorado; and all water rights and appropriations of water decreed
or to be decreed to the said The San Luis Canal, including all
rights heretofore decreed by the District Court of the Twelfth

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Judicial District in Water District Number 20, Irrigation Division Number Three of the State of Colorado, to The San Luis Valley Canal, being appropriation priority No.270, as of the date January 5, 1885 for 92.9 cubic feet of water per second of time; appropriation priority No.1903-22 B as of the date June 30, 1890 for 161.46 cubic feet of water per second of time; appropriation priority No.1903-24 D as of the date June 30, 1891 for 44.27 cubic feet of water per second of time; appropriation priority No.1903-34 D as of the date June 30, 1895 for 51.25 cubic feet of water per second of time; appropriation priority No. 1903-37 C as of the date of June 30, 1894 for 10.42 cubic feet of water per second of time; appropriation priority No.1903-41 C as of the date of June 30, 1895 for 7.81 cubic feet of water per second of time; appropriation priority No.1903-45 D as of the date June 30, 1896 for 18.25 cubic feet of water per second of time; appropriation priority No.1903-46 D as of the date June 30, 1897 for 20.84 cubic feet of water per second of time; appropriation priority No.1903-49 E as of the date June 30, 1898 for 26.04 cubic feet of water per second of time; appropriation priority No. 1903-52 D as of the date June 30, 1899 for 10.42 cubic feet of water per second of time; appropriation priority No. 1903-57 B as of June 30, 1900 for 27.34 cubic feet of water per second of time; and also including that certain feeder to The San Luis Canal known as The San Luis Canal Overflow and Seepage Ditch with its headgate located at a point in the County of Rio Grande and State of Colorado on the south bank of a natural arroyo of the Rio Grande River, commonly known as the Blackmore or North Farm Slough, twenty nine hundred and eighty seven (2987) feet north and fifteen (15) feet west of the East Quarter corner of Section Thirty-six (36), Township Thirty-nine (39), North, Range Eight (8), East of the New Mexico Principal Meridian, together with all water rights and appropriations decreed thereto or to be decreed thereto, including appropriation priority No.1916-30 as of

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the date of December 31, A.D. 1890 for 50 cubic feet of water per second of time, and all extensions thereof; and all rights of way and franchises thereunto belonging to either of said canals or in anywise thereto appertaining; and for the further purpose of acquiring all franchises and appropriations of said company and of its predecessors in interest therein; and to maintain the same for the use of the stock holders of said company; to construct and maintain laterals from said canals for carrying and distributing to the stock holders of said company the priorities aforesaid and such other priorities as may be acquired by the company from time to time; to build and construct such other ditches for the purpose of carrying water for irrigation and other beneficial uses, and to acquire, build and construct reservoirs and to use and operate the same; to enlarge the present canal and laterals, or any of them; to acquire other canals and water rights and priorities of right to the use of water, and the necessary lands, sites, rights-of-way and franchises; and to use and operate such canals, laterals and reservoirs; and to dispose of the rights of carriage, storage, and distribution of water for irrigation and other beneficial use therefrom to said company's respective stockholders; to sell and dispose of water rights, rights of carriage and storage rights for said purposes to our respective stock holders according to law; and to levy assessments pro rata upon the stock of our stock holders of said corporation for the operation and maintenance of the same; to borrow money and convey said property or any part thereof in trust as security therefor, and to sell and convey any part or parcel of such property for the uses and purposes hereinabove set forth, or as may seem best for the general interests of all concerned; Each stock holder shall be entitled, during the irrigation season, to statutory inches of water from the total capacity of the canal's system in the same proportion as his stock bears to the total number

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of shares issued and outstanding.

ARTICLE III. CAPITAL STOCK. The capital stock of said Company shall be Ninety-six thousand nine hundred thirty-five (\$96,935.00) Dollars, to be divided into nineteen thousand three hundred eighty-seven (19,387) shares of the par value of Five (\$5.00) Dollars each.

ARTICLE IV. TERM OF EXISTENCE. This corporation shall exist for the term of twenty (20) years from the date hereof.

ARTICLE V. DIRECTORS. The number of Directors of said Company shall be seven (7) and the names of those who shall be Directors of said Company for the first year of its existence; shall be: W. F. FILLEY, OSCAR LORD, WILLIAM W. ANDREWS, BEN COOK, FRANCIS TRAVIS, CARL E. PETERSON and ROBERT E. SKELLES.

ARTICLE VI. OFFICE. The principal office of said company shall be kept at the Town of Mosca, in the County of Alamosa, and the State of Colorado, and the principal business of said company shall be carried on in the County of Rio Grande and the County of Alamosa.

ARTICLE VII. VOTING. Cumulative voting will be allowed.

ARTICLE VIII. BY-LAWS. The Board of Directors shall have power to make such prudential by-laws as they may deem proper for the management of the affairs of said company, and not in conflict with the laws of this State, for the purpose of carrying on all kinds of business within the objects and purposes of said Company.

IN WITNESS WHEREOF, the said incorporators have hereunto set their hands and seals this 18th day of January, A.D. 1923.

W. F. Filley (SEAL.)
Oscar Lord (SEAL.)
William W. Andrews (SEAL.)

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Francis R. Travis (SEAL.)
Ben Coats (SEAL.)
Carl N. Peterson (SEAL.)
Robert E. Sellers (SEAL.)

STATE OF COLORADO,)
COUNTY OF RIO GRANDE.) ss.

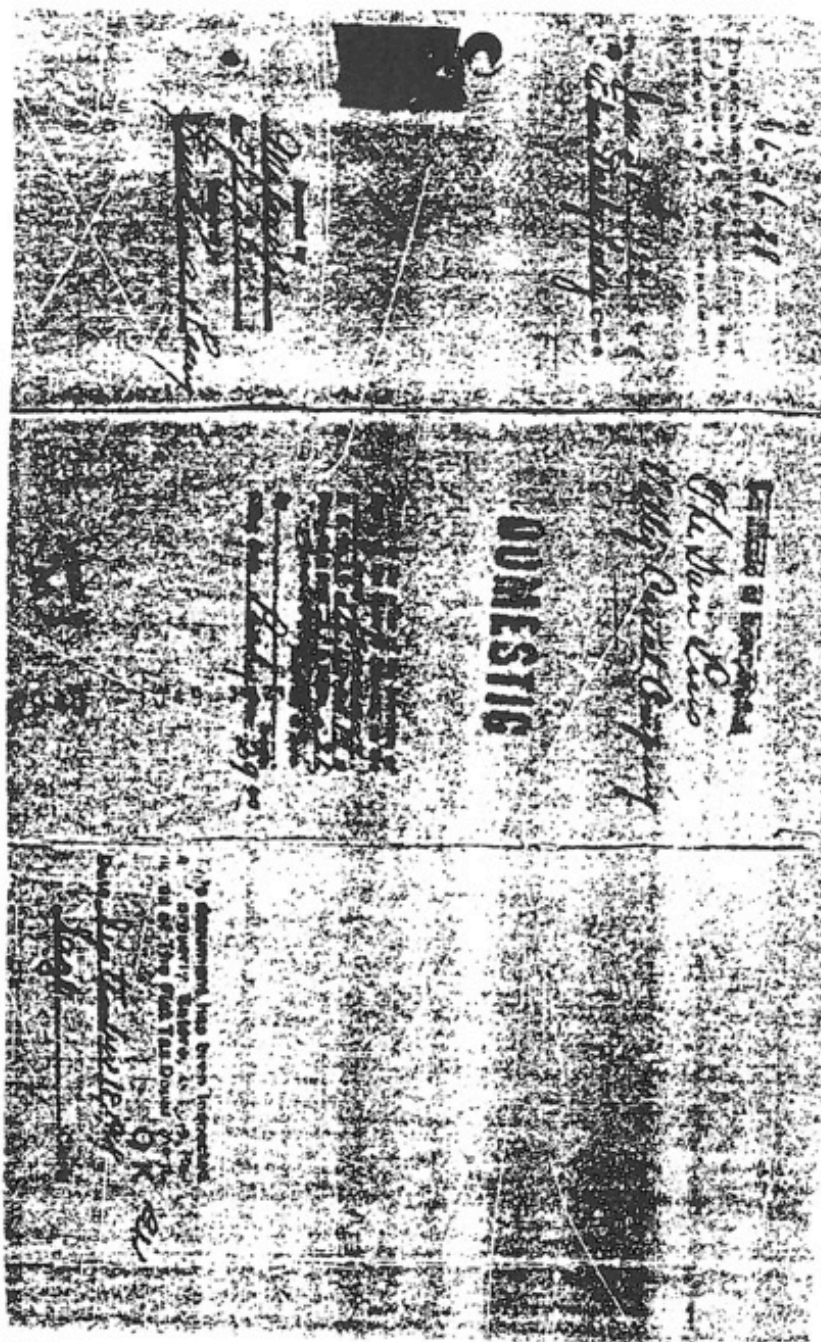
I, GEORGE M. CORLETT, a Notary Public in and for said County of Rio Grande, in the State aforesaid, do hereby certify that W. F. FILLERY, OSCAR LORD, WILLIAM W. ANDREWS, BEN COOK, FRANCIS TRAVIS, CARL N. PETERSON and ROBERT E. SELLERS, who are personally known to me to be the persons whose names are subscribed to the foregoing Articles 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 acts and deeds, for the uses and purposes therein set forth.

Given under my hand and Notarial Seal, this 12th day of January, A.D. 1925.

My Commission expires February 12, 1925.

George M. Corlett
Notary Public.....

GMC-D 4
1/11/25.



Appendix E

San Luis Valley Canal Company Bylaws

BY-LAWS
of
The San Luis Valley Canal Company
(Revised)

Original By-laws Adopted

January 12, 1923

Revised By-laws Adopted

December 8, 1954

Revised By-laws Adopted

January 28, 1985

Revised By-laws Adopted

January 12, 1998

Revised By-laws Adopted

January 10, 2004

Revised By-laws Adopted

January 14, 2012

OFFICERS

Harvey L. Smalley.....President
Terry Chiles.....Vice President
Lyla Davis.....Secretary/Treasurer

DIRECTORS

Terry Chiles Jess Freel
Rob Jones Jason Kirkpatrick
Hal Meredith Shawn Schulz
Harvey Smalley

WATER SUPERINTENDENT

David Vance

BY-LAWS
of
THE SAN LUIS VALLEY CANAL COMPANY

ARTICLE I
INCORPORATION

This Company shall be known as THE SAN LUIS VALLEY CANAL COMPANY, a mutual ditch company, incorporated January 12, A.D. 1923.

ARTICLE II
SEAL

The seal of this Company shall contain the word “SEAL” in the center thereof, with the words, “THE SAN LUIS VALLEY CANAL COMPANY”, in the form of a circle.

ARTICLE III
OFFICERS AND DUTIES

Section 1. The officers of this corporation shall consist of a President and Vice-President, who shall be chosen from the members of the Board; and a Secretary and a Treasurer, who need not be members of the Board. All of said officers shall be elected 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.

Section 2. The duties of the President shall be to preside at all meetings of the Stockholders and of the Board of Directors; to sign as President all Certificates of stock and all notes and obligations, and all contracts or other papers requiring the corporate seal, and he shall in general be the chief executive of the Company; and shall present a report of the general condition and transactions of the Company at the Annual Stockholders’ Meeting.

Section 3. 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.

Section 4. Secretary. It shall be the duty of the Secretary to keep the minutes of the meetings of the Board of Directors and of the Stockholders; to keep custody of the corporate seal and affix the same to all certificates of stock, contracts, and conveyances requiring the same; to carry on all correspondence of the Company and to keep a record of the issuance and transfer of stock; to give notice of all meetings of the Board and of the stockholders; to keep a record of the name and post office address of each stockholder; to keep a correct record of all the transactions of the Company; to collect all assessments and other moneys due to the Company and if the office of Secretary and Treasurer are not held by the same person, to turn them over to the Treasurer, taking his receipt therefore; and to make a written report at the Annual Meeting of the Stockholders.

Section 5. Treasurer. The Treasurer shall have charge of the funds of the Company, after filling such bond as the Board of Directors may require, and shall pay out the same only on warrants signed by the President and attested by the Secretary. He shall keep written books of account, showing all receipts and expenditures, and shall deposit such funds 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 to do so, and his books shall be open at all times to the inspection of any of the officers of the Company.

Section 6. Vacancies. Any vacancy in any office caused by death, resignation, sale of stock or otherwise, shall be filled by election by ballot at the next meeting of the Board of Directors after vacancy occurs.

ARTICLE IV DIRECTORS

By-laws of the San Luis Valley Canal Company, dated December 8, 1954 have been amended January 28, 1985 as follows:

ARTICLE IV, DIRECTORS, Section 1, Page 3, is amended to read:

The Board of Directors shall consist of seven (7) members, all of whom shall be stockholders in the Company or the designated representative of a Corporation which owns stock in the Company and any Director who is absent for three consecutive meetings without valid notification to the Secretary will automatically be replaced at the fourth meeting. Vacancies in the Board caused by death, resignation, sale of stock or otherwise shall be filled by the remaining members of the Board of Directors after such vacancy shall occur.

Section 2. Powers of the Board of Directors. The Board of Directors shall have the power:

- (a) To appoint a Water Superintendent to whom shall be delegated such of the powers of the Board relative to the distribution of water and the maintenance of the ditch system as the Board of Directors may by resolution direct.
- (b) To appoint and remove at pleasure all employees and agents of the Company; to prescribe their duties; fix their compensation; and to require of them such security for the faithful performance of their duties as may be required by the Board.
- (c) To make rules and regulations not inconsistent with the Statutes of the State of Colorado or the Articles of Incorporation or By-Laws of this Company, for the guidance of the officers and management of the Company and to prescribe such rules as may be necessary for the distribution of water from the waterways of the Company.
- (d) At the first regular meeting of the Board of Directors held after the annual stockholders' meeting, the Board of Directors shall fix a reasonable sum as compensation for their services, allowing a fee for attendance at each meeting of the Board and each inspection of the Canal of the Company, and allowances for their reasonable and actual traveling expenses while actually engaged in the business of the Company, to be audited and allowed as in other cases of demand against the Company.
- (e) To exercise all such other powers as are usually exercised by Boards of Directors and Companies of like character.

ARTICLE V WATER SUPERINTENDENT

Section 1. A Water Superintendent shall be appointed by the Board of Directors who shall have the direct management of the Canal. He shall direct the diversion of water from the canal pro rata to all shares issued and entitled to be issued, and make correct returns to the Board of Directors of all persons hired and employed on the Canal, or elsewhere, in the interest and on behalf of the Company, with a statement of their wages; and shall perform such other duties as the Board of Directors may direct.

Section 2. In times of scarcity of water, the Superintendent may, when there is not enough water to supply the needs of all of the Stockholders, acting under the direction of the Board of Directors, deliver the water to certain Stockholders during certain days of the week and at other times to the other Stockholders, provided that he is to treat all Stockholders fairly in the distribution of water.

Section 3. The Water Superintendent is authorized and directed to take immediate action for the prosecution of any person or corporation altering or in any way interfering with any structure on the canal system of the Company after the same has been fixed by the Water Superintendent or ditch rider

of the Company and notice posted thereon that the headgate or check has been set by such Water Superintendent or ditch rider.

ARTICLE VI MEETINGS

That Section 1 of ARTICLE VI of the By-Laws of The San Luis Valley Canal Company be changed to read: Section 1. Annual Stockholders' Meeting. The annual meeting of the Stockholders for the election of directors and the transaction of other business shall be held in the Town of Mosca, in the County of Alamosa and the State of Colorado, on the second Saturday in January of each year, commencing at the hour of 11:00 o'clock a.m. for the purpose of certification of proxies, with the business meeting to commence promptly at 1:00 o'clock p.m. (Amended January 2011 from 1:30 p.m.) Notice of the time and place of the annual meeting and of all special meetings of the stockholders shall be given in the manner prescribed by laws. At the annual meeting, nominations for the office of directors shall be made by any stockholder present at the meeting. The election of directors shall be by ballot. Each stockholder shall have the right to vote in person or by proxy the number of shares standing in his name on the books of the Company, and shall be entitled to one vote for each such share of stock. (Approved January 8, 2000).

Section 2. Special Stockholders' Meetings. Special meetings of the stockholders may be called at any time, in the manner required by law, for the consideration of any matter requiring the action of the stockholders.

Section 3. Director's Meetings. Meetings of the Board of Directors may be called at any time by the President or by any two Directors by giving at least twenty-four (24) hours notice to the other directors of the time, place and purpose of the meeting. Four (4) Directors shall constitute a quorum.

ARTICLE VII ANNUAL REPORT

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

- (a) The amount spent by the Company during the preceding year and a general statement of the purposes 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 a general statement of 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 maintenance and operation of the Company's Canal System for the ensuing year.
- (f) A recommendation as to the amount of money necessary to be raised for the purpose of aforesaid by assessment for the ensuing year.

ARTICLE VIII CERTIFICATES OF STOCK

Section 1. Certificates of stock shall be issued to each owner of capital stock of this Company.

Section 2. Certificates of stock shall be signed by the President and Secretary and each certificate shall state upon its face the date of issue, the number of shares for which it is issued, and the name of the person to whom it is issued. Several certificates may be issued to the same person or persons, provided that, in the aggregate, the number of shares so issued shall not exceed the number of shares so belonging to such persons.

Section 3. The Company shall have a lien on all shares of stock for the payment of assessments thereon, and any other indebtedness owed to the Company by the owner thereof; all stock certificates printed shall have a notice printed thereon stating that a lien is reserved by the Company upon such stock for the payment of assessments and any other indebtedness due the Company and also stating the restriction upon the transfer of such stock imposed by Section 5 and 6 of Article VIII of these By-Laws.

Section 4. The Secretary shall keep a stock ledger and a true account of all shares issued and reissued by the Company, in accordance with the provisions of the Statutes of the State of Colorado.

Section 5. Transfers of stock to entitle a stockholder to vote the same must be made and registered at least ten (10 days) prior to the time of the meeting at which such stock is voted. All stock shall be transferred on the books of the Company by assignment either in person or by attorney.

Section 6. No transfers of stock shall be made except upon the surrender of the original certificates for cancellation, nor shall any transfer be made upon which assessments are due or unpaid, or while the holder is indebted to the Company on any account whatever. In case of loss of any stock certificate, a duplicate certificate may be issued in lieu thereof in accordance with the terms for reissuance of a certificate of capital stock as set forth in Article 42 (Ditch and Reservoir Companies) of Title 7 (Corporations and Associations), Colorado Revised Statutes, as the same may be amended from time to time.

Section 7. The shares of the Company, when issued, shall be issued as full paid stock of the par value of Five Dollars (\$5.00) per share.

ARTICLE IX ASSESSMENTS

That Section 1, Article IX of the By-Laws of The San Luis Valley Canal Company be amended by repealing the following sentence thereof, to-wit:

“The total amount levied or assessed against stock of the Company in any one year shall not exceed twenty percent (20%) of the par value of the stock.”

Section 1, Article IX of the By-Laws of The San Luis Valley Canal Company shall now read as follows, to wit:

Section 1. All outstanding capital stock of this Company shall be subject to assessment for all lawful purposes, including the maintenance of the canal system and other business of this Company not otherwise provided for. All such assessments shall be payable in money, labor or services, or any combination of these, and shall be levied pro rata on all shares of stock issued and outstanding at the time of the levy of any such assessment. No water is to be delivered to any stockholder until all assessments have been paid in full.

Section 2. No such assessments shall be made unless the question of making the same shall have first been submitted to the stockholders of the Company 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 making such assessment. Provided, that in case said stockholders fail to hold such a meeting, or fail to make or authorize any such assessment by the First of April in any year, then the Board of Directors shall have power to make such assessments for that year, at any regular or special meeting of said Board called for that purpose.

Section 3. The Board of Directors shall each year, after an assessment on the stock of the Company shall have been levied, whether by a stockholders’ meeting or by the Board of Directors, fix by resolution the date upon which assessments shall become due and the Secretary shall thereupon give notice of said due date at least fifteen (15) days prior thereto by mailing a notice to each stockholder as shown by the books of the Company.

Section 4. All assessments so levied shall bear interest from their due dates as fixed by the resolution of the Board of Directors, at the rate of eighteen percent (18%) per annum until paid, and nineteen (19) months after such due date if they, or any part thereof, remain unpaid all such unpaid assessments shall

be and become delinquent, and the stock upon which such assessments are delinquent shall be subject to sale as provided by this Article.

Section 5. At the expiration of nineteen (19) months after any assessment shall have become due against any stock in this Company, the Secretary of this Company shall make a demand in writing upon such delinquent stockholder for payment of such assessment, which demand shall state the amount of such assessment, the amount of accrued interest thereon as provided by these By-Laws, and the time when and the place where such stock will be offered for sale if said assessment and interest are not sooner paid, and upon the failure of the stockholder to pay such assessment before said time, said stock or so much thereof as shall be necessary to satisfy said assessment, the interest thereon and the cost of sale, shall be sold at the time and place mentioned in said Notice and Demand.

Section 6. The Notice and Demand mentioned in Section 5 shall be duly mailed to the last known address to such stockholder at least thirty (30) days prior to the time when such sale is held, and in all other respect compliance shall be made with Colorado Revised Statutes Section 104 of Article 42 (Ditch and Reservoir Companies) of Title 7 (Corporations and Associations), Colorado Revised Statutes, as the same may be amended from time to time relating to the sale or forfeiture of corporate stock for non-payment of assessments, in making such sale or declaring the forfeiture of such stock. (Amended January 2011 to site current State Statute)

Section 7. If upon sale of any stock under the provisions of Section 5 and 6 of this Article, sufficient money shall be realized to pay said assessment with interest thereon at the rate provided by the By-Laws of this Company and costs of sale, if any surplus shall remain, offer to pay said surplus shall be immediately mailed to the stockholder at his last known address.

Section 8. If at any such sale no person shall bid for such stock so to be sold, or if the highest and best bid made shall be insufficient to pay and discharge said assessment, the accrued interest thereon and the costs of sale, the stock, or so much thereof as shall be considered by the Board of Directors (or by the acting officer of the Company duly authorized by the Board of Directors to act at such sale) to be of a value sufficient to satisfy said assessment, interest and costs, shall be bid in by the officer of the Company conducting such sale at the full amount of the delinquent assessments and interest due thereon together with the costs, and thereupon said stock shall be forfeited to the Company and proper entries to that effect shall be made upon the books of the Company. Any stock so forfeited to the Company shall thereafter be held as Treasury stock until such time as the Board of Directors shall decide to sell it. The Board shall never sell less than fifty (50) full shares of Treasury stock to any one person who is not already a stockholder in the Company.

ARTICLE X DEBTS

No debts shall be contracted against the Company except by order of the Board of Directors. The Board is authorized to incur such indebtedness as it considers necessary for carrying out the objects and purposes of the Company. The Company's total debt may not exceed fifty percent (50%) of the total annual assessments on all shares levied by the Company in the calendar year in which the debt is contracted. A greater amount of debt may be authorized by a majority of the shares voting at the annual meeting or at a special meeting of the stockholders. Within these limits, the Board may authorize the President and Secretary to make the Company's note evidencing any indebtedness so incurred, to enter into security agreements, and to take any other action necessary to secure the indebtedness. But, no encumbrance, pledge, or assignment of any Company property, assets or rights shall be made unless first authorized by a majority of the shares voting at the annual meeting or at a special meeting of the stockholders. (Approved January 8, 2000)

ARTICLE XI USE OF WATER

Section 1. Each share of stock of this Corporation shall entitle its holder of record on the books of the Corporation to use each year its pro rata share of all water carried and distributed in the waterways of the Corporation to which this corporation is entitled; that is to say, the stock of this Corporation shall represent and be entitled to all the priorities of rights to the use of water heretofore decreed to The San Luis Valley Canal and The San Luis Over Flow and Seepage Ditch and all other priorities and rights otherwise acquired or owned by the Company including but not by way of limitation, the following priorities:

Priority No.	Date	Cubic Ft of Water Per Sec. Of Time	Total Decreed From River
270	Jan. 5, 1885	92.90	1,555.31
357		0.700	2132.81
362		3.40	2468.23
1903-22B	Jun. 30, 1890	161.46	3,080.43
1903-24D	Jun. 30, 1891	44.27	3,366.78
1903-24G		11.070	3718.22
1903-34D	Jun. 30, 1893	31.25	4,109.37
1903-34H		15.630	4260.58
1903-37C	Jun. 30, 1894	10.42	4,318.10
1903-37F		13.02	4351.96
1903-41C	Jun. 30, 1895	7.81	4,404.78
1903-45D	Jun. 30, 1896	18.23	4,554.02
1903-45G		14.330	4584.55
1903-46D	Jun. 30, 1897	20.84	4,742.72
1903-49E	Jun. 30, 1898	26.04	4,942.55
1903-49H		10.420	4963.39
1903-52D	Jun. 30, 1899	10.42	5,075.81
1903-57B	Jun. 30, 1900	27.34	5,159.04
1916-30	Dec. 31, 1890	50.00	

and also all rights to the use of reservoir, drainage or other priorities to the use of water of every kind and character so-ever now owned by or which may be hereafter acquired by this Company.

Section 2. The aquifer recharge credits quantified pursuant to the decree pending Case no. 96CW046, District Court, Water Division 3, shall only be available for use by stockholders pursuant to bylaws or rules and regulations hereafter adopted for that purpose by the Board of Directors. In adopting such bylaws or rules and regulations, the Board shall ensure that the aquifer recharge credits (1) shall be used to sustain, in so far as possible, existing levels of withdrawals from the unconfined aquifer by stockholders' wells located in the Closed Basin portion of the Company's service area, and (2) shall not be used to increase the withdrawal of ground water by any well or to bring more land under irrigation with ground water from the unconfined aquifer. (Adopted January 12, 1998).

Section 3. No installation of any new diversion structure will be permitted nor any water diverted from the Company's Canal by means thereof unless the water available to a minimum of fifty (50) shares of the capital stock of the Company is diverted by means of such structure. From and after October 31, 1997, the Company will not permit the diversion of water for fewer than fifty shares (50) through any existing diversion structure from the Company's Canal unless the diversion structure has been the point of diversion for fewer than fifty shares (50) of stock since April 1992. In such cases, only the owner or record of the shares on October 31, 1997, (including successor corporations owned by the owner of

record, and heirs of the owner of record) shall be entitled to continue to receive delivery of water from fewer than fifty (50) shares of stock at that point of diversion. (Amended January 12, 1998).

Section 4. Any redistribution of water from its present place of diversion from the Company's canal and any change of use from stock watering, agricultural irrigation and recharge of the aquifer in aid thereof, shall only be made upon the written application to and the approval of the Board of Directors. No conservation easement can be placed on water rights represented by shares of stock in the Company except upon written application to and the written consent and approval of the Board of Directors. If, in the opinion of the Board of Directors such change or changes can be made, or conservation easement allowed, without injury to the San Luis Valley Canal, the Company, or other stockholders, upon written order of the Board of Directors, such water shall then be delivered to such place or places, or by such means, as requested, unless, however, such delivery would contravene the laws of the State of Colorado.

Whenever such request has been filed with the Board of Directors, the Board shall cause all other stockholders who are entitled to delivery of water at either the place from which or the place to which, delivery is changed, or from the place of diversion from the Company's canal where water will be delivered to the shares proposed to be burdened by the conservation easement, to be notified in writing of the request. (Amended February 17, 2003).

Section 5. Delivery of Water for Others. The transportation and delivery of non-San Luis Valley Canal Company water by and through the San Luis Valley Canal shall be permitted subject to the provisions of this Section 5.

Transportation and delivery of non-San Luis Valley Canal Company water shall only be allowed upon written application to and approval of the Board of Directors. Such transportation and delivery shall only be allowed if, among other considerations as deemed just and appropriate by the Board of Directors, the same can be made without injury to the San Luis Valley Canal, the Company, or other Stockholders, and so long as the same in no way contravenes the laws of the State of Colorado. The determination of the Board of Directors shall be final and binding.

The San Luis Valley Canal Company shall maintain at all times the prior and superior right to utilize the capacity of its headgate and water delivery system. If such application is approved, the Company shall make reasonable attempts to deliver non-San Luis Valley Canal Company water from its headgate to the point of delivery as stated in the agreement there for. Whenever possible those deliveries shall be made at the same time the Company is delivering its water to or past the point of delivery. At no time shall the Company be required to deliver the non-San Luis Valley Canal Company water when it is not diverting water from the Rio Grande River and delivering its water either to or past the point of delivery.

The entity or individual(s) (hereinafter "applicant") desiring the transportation and delivery of non-San Luis Valley Canal Company water shall pay for ditch losses resulting from such transportation at a rate to be set by the Board of Directors. The amount of water to be delivered for the applicant along with transportation loss water will be measured at the Company's measuring device at its diversion on the Rio Grande River and at the applicant's measuring device installed on the ditch lateral located on the point of delivery.

Any such agreement for the transportation and delivery of non-San Luis Valley Canal Company water may be terminated by the Company if the applicant fails to perform any of the covenants, conditions or requirements contained in this Section 5 or in the Agreement between the Company and the applicant, provided that either party shall have thirty (30) days from receipt of notice of an alleged default to cure such default or, if more than thirty (30) days are reasonably necessary to cure the alleged default, the party allegedly in default commences such cure within thirty (30) days from the receipt of notice, and thereafter diligently pursue such cure to completion. No such right to cure shall be allowed if

the Board of Directors determines that such termination is necessary to prevent injury to the San Luis Valley Canal, the Company, or other Stockholders.

In the event that the Board of Directors, in considering the application, deems it appropriate to engage legal and/or engineering services for the purpose of making its determination on the said application, the costs of all such engineering and legal services, together with any other associated costs incurred by the Company, shall be paid by the applicant. The Board of Directors may require the estimated costs associated with making its determination be paid by the applicant prior to engaging such legal or engineering services. In the event that the Board of Directors requires the payment of estimated costs, any consideration of an application may be deferred, without penalty or liability, until such payment has been received by the Company. However, in no case shall any non-San Luis Valley Canal Company water be transported or delivered until all actual costs have been paid by the applicant.

The Board of Directors shall set its compensation for such transportation and delivery at its discretion so long as the same is reasonable and appropriate, in the sole determination of the Board of Directors, for the services provided.

ARTICLE XII HEADGATES AND WASTAGE

All headgates shall be under the exclusive control of the Water Superintendent and water shall at no time be turned on or off except by notifying the Superintendent and receiving his consent thereof. The headgate of any stockholder allowing water to go to waste shall be closed until he shall satisfy the Board that he is able to care for and apply his water.

ARTICLE XIII COMPLAINTS

In case any stockholder shall desire to make any complaint concerning the distribution of water in canals of the Company or the conduct of the Water Officers of the Company, or concerning any other matter he shall make such complaint in writing to the Superintendent, who shall take such action as he considered to be just and right to adjust the matter. If the decision of the Superintendent is not satisfactory to the stockholder, he may appeal to the Board, who shall make a full investigation of the matter complained of and such stockholder may appear before the Board and offer such evidence as he may see fit and the Board shall use all proper efforts to correct the evils complained of.

ARTICLE XIV AMENDMENTS

Section 1. Amendments: These bylaws may be amended by the majority of the shares voting at a regular annual meeting of the stockholders or at a special meeting of the stockholders, provided, however, that written notice of any proposed amendments shall be submitted to each stockholder at least thirty (30) days prior to any regular or special stockholders meeting at which the proposed amendments are to be considered.

Section 2. If, in the judgment of the Board of Directors, it is necessary to make an immediate amendment to the bylaws for the well being of the San Luis Valley Canal, the Company, or its stockholders, the Board of Directors may adopt a temporary bylaw which shall remain in full force and effect until the next annual or special meeting of the stockholders. At the next annual meeting of the stockholders any newly-adopted bylaws shall be submitted to the stockholders for their approval or repeal.

**BY-LAWS
of
THE SAN LUIS VALLEY CANAL COMPANY
Amendment**

Article VIII, Section 6 – CERTIFICATES OF STOCK

Section 6. No transfers of stock shall be made except upon the surrender of the original certificates for cancellation, nor shall any transfer be made upon which assessments are due or unpaid, or while the holder is indebted to the Company on any account whatever.

In case of loss of any stock certificate, a duplicate certificate may be issued in lieu thereof in accordance with terms for reissuance of a certificate of capital stock as set forth in Article 42 (Ditch and Reservoir Companies) of Title 7 (Corporations and Associations), Colorado Revised Statutes, as the same may be amended from time to time.

**BY-LAWS
of
THE SAN LUIS VALLEY CANAL COMPANY
Amendment**

Article XI, Section 5 – USE OF WATER

Section 5. Delivery of Water for Others. The transportation and delivery of non-San Luis Valley Canal Company water by and through the San Luis Valley Canal shall be permitted subject to the provisions of this Section 5.

Transportation and delivery of non-San Luis Valley Canal Company water shall only be allowed upon written application to and approval of the Board of Directors. Such transportation and delivery shall only be allowed if, among other considerations as deemed just and appropriate by the Board of Directors, the same can be made without injury to the San Luis Valley Canal, the Company, or other Stockholders, and so long as the same in no way contravenes the laws of the State of Colorado. The determination of the Board of Directors shall be final and binding.

The San Luis Valley Canal Company shall maintain at all times the prior and superior right to utilize the capacity of its headgate and water delivery system. If such application is approved, the Company shall make reasonable attempts to deliver non-San Luis Valley Canal Company water from its headgate to the point of delivery as stated in the agreement therefor. Whenever possible those deliveries shall be made at the same time the Company is delivering its water to or past the point of delivery. At no time shall the Company be required to deliver the non-San Luis Valley Canal Company water when it is not diverting water from the Rio Grande River and delivering its water either to or past the point of delivery.

The entity or individual(s) (hereinafter “applicant”) desiring the transportation and delivery of non-San Luis Valley Canal Company water shall pay for ditch losses resulting from such transportation at a rate to be set by the Board of Directors. The amount of water to be delivered for the applicant along with transportation loss water will be measured at the Company’s measuring device at its diversion on the Rio Grande River and at the applicant’s measuring device installed on the ditch lateral located on the point of delivery.

Any such agreement for the transportation and delivery of non-San Luis Valley Canal Company water may be terminated by the Company if the applicant fails to perform any of the covenants, conditions or requirements contained in this Section 5 or in the Agreement between the Company and the applicant, provided that either party shall have thirty (30) days from receipt

of notice of an alleged default to cure such default or, if more than thirty (30) days are reasonably necessary to cure the alleged default, the party allegedly in default commences such cure within thirty (30) days from the receipt of notice, and thereafter diligently pursue such cure to completion. No such right to cure shall be allowed if the Board of Directors determines that such termination is necessary to prevent injury to the San Luis Valley Canal, the Company, or other Stockholders.

In the event that the Board of Directors, in considering the application, deems it appropriate to legal and/or engineering services for the purpose of making its determination on the said application, the costs of all such engineering and legal services, together with any other associated costs incurred by the Company, shall be paid by the applicant. The Board of Directors may require the estimated costs associated with making its determination be paid by the applicant prior to engaging such legal or engineering services. In the event that the Board of Directors requires the payment of estimated costs, any consideration of an application may be deferred, without penalty or liability, until such payment has been received by the Company. However, in no case shall any non-San Luis Valley Canal Company water be transported or delivered until all actual costs have been paid by the applicant.

The Board of Directors shall set its compensation for such transportation and delivery at its discretion so long as the same is reasonable and appropriate, in the sole determination of the Board of Directors, for the services provided.

Appendix F – San Luis Valley Canal 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,

THE SAN LUIS VALLEY CANAL COMPANY

is a

Nonprofit Corporation

formed or registered on 01/29/1923 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 19871076957 .

This certificate reflects facts established or disclosed by documents delivered to this office on paper through 03/22/2018 that have been posted, and by documents delivered to this office electronically through 03/26/2018 @ 10:22:40 .

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 03/26/2018 @ 10:22:40 in accordance with applicable law. This certificate is assigned Confirmation Number 10801089 .



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/biz/CertificateSearchCriteria.do> 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 "Businesses, trademarks, trade names" and select "Frequently Asked Questions."