



COLORADO

Colorado Water
Conservation Board

Department of Natural Resources

1313 Sherman Street, Room 718
Denver, CO 80203

August 15, 2018

Mr. Mark Harris, General Manager
Grand Valley Water Users Association
1147 24 Road
Grand Junction, CO 81505

Re: Government Highline Canal Lining Project
Loan Contract Number CT2017-2258

NOTICE OF PROJECT SUBSTANTIAL COMPLETION

Dear Mr. Harris:

This letter is to advise you that the Project referenced above will be substantially completed on September 1, 2018. In accordance with the Loan Contract, the Company owes \$1,297.14 for interest accrued during the construction phase of the Project (see attached Project Expenditure Schedule). Please make this "interest only payment" check payable to the Colorado Water Conservation Board and include the Loan Contract Number on the check.

The total amount disbursed under this contract was \$151,500.00 (\$150,000.00 plus \$1,500.00 for the 1% service fee). The first annual loan payment will be due on September 1, 2019, in the amount of \$6,353.14 as presented in the attached Promissory Note and Loan Repayment Schedule.

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

Sincerely,

Kirk Russell, P.E. Chief
CWCB Finance Section

Loan Contract Amount = \$151,500.00
Expended Amount = \$151,500.00

ec: Russ George, CWCB Board Member, Colorado River Basin



COLORADO WATER CONSERVATION BOARD

LOAN REPAYMENT SCHEDULE

Borrower	Grand Valley Water Users Association
-----------------	---

FINAL

Loan Contract Number	CT 2017-2258
Principal	\$151,500.00
Interest Rate	1.55%
Frequency	Annual
Term (In Years)	30
First Payment Due	September 1, 2019
Payment Amount	\$6,353.14

Loan Payment No.	Annual Payment Due Date	Annual Payment Amount	Principal	Interest	Principal BALANCE
					\$ 151,500.00
1	1-Sep-19	\$6,353.14	\$ 4,004.89	\$ 2,348.25	\$ 147,495.11
2	1-Sep-20	\$6,353.14	\$ 4,066.97	\$ 2,286.17	\$ 143,428.14
3	1-Sep-21	\$6,353.14	\$ 4,130.00	\$ 2,223.14	\$ 139,298.14
4	1-Sep-22	\$6,353.14	\$ 4,194.02	\$ 2,159.12	\$ 135,104.12
5	1-Sep-23	\$6,353.14	\$ 4,259.03	\$ 2,094.11	\$ 130,845.09
6	1-Sep-24	\$6,353.14	\$ 4,325.04	\$ 2,028.10	\$ 126,520.05
7	1-Sep-25	\$6,353.14	\$ 4,392.08	\$ 1,961.06	\$ 122,127.97
8	1-Sep-26	\$6,353.14	\$ 4,460.16	\$ 1,892.98	\$ 117,667.81
9	1-Sep-27	\$6,353.14	\$ 4,529.29	\$ 1,823.85	\$ 113,138.52
10	1-Sep-28	\$6,353.14	\$ 4,599.49	\$ 1,753.65	\$ 108,539.03
11	1-Sep-29	\$6,353.14	\$ 4,670.79	\$ 1,682.35	\$ 103,868.24
12	1-Sep-30	\$6,353.14	\$ 4,743.18	\$ 1,609.96	\$ 99,125.06
13	1-Sep-31	\$6,353.14	\$ 4,816.70	\$ 1,536.44	\$ 94,308.36
14	1-Sep-32	\$6,353.14	\$ 4,891.36	\$ 1,461.78	\$ 89,417.00
15	1-Sep-33	\$6,353.14	\$ 4,967.18	\$ 1,385.96	\$ 84,449.82
16	1-Sep-34	\$6,353.14	\$ 5,044.17	\$ 1,308.97	\$ 79,405.65
17	1-Sep-35	\$6,353.14	\$ 5,122.35	\$ 1,230.79	\$ 74,283.30
18	1-Sep-36	\$6,353.14	\$ 5,201.75	\$ 1,151.39	\$ 69,081.55
19	1-Sep-37	\$6,353.14	\$ 5,282.38	\$ 1,070.76	\$ 63,799.17
20	1-Sep-38	\$6,353.14	\$ 5,364.25	\$ 988.89	\$ 58,434.92
21	1-Sep-39	\$6,353.14	\$ 5,447.40	\$ 905.74	\$ 52,987.52
22	1-Sep-40	\$6,353.14	\$ 5,531.83	\$ 821.31	\$ 47,455.69
23	1-Sep-41	\$6,353.14	\$ 5,617.58	\$ 735.56	\$ 41,838.11
24	1-Sep-42	\$6,353.14	\$ 5,704.65	\$ 648.49	\$ 36,133.46
25	1-Sep-43	\$6,353.14	\$ 5,793.07	\$ 560.07	\$ 30,340.39
26	1-Sep-44	\$6,353.14	\$ 5,882.86	\$ 470.28	\$ 24,457.53
27	1-Sep-45	\$6,353.14	\$ 5,974.05	\$ 379.09	\$ 18,483.48
28	1-Sep-46	\$6,353.14	\$ 6,066.65	\$ 286.49	\$ 12,416.83
29	1-Sep-47	\$6,353.14	\$ 6,160.68	\$ 192.46	\$ 6,256.15
30	1-Sep-48	\$6,353.12	\$ 6,256.15	\$ 96.97	\$ -
TOTALS		\$190,594.18	\$151,500.00	\$39,094.18	\$0.00

Colorado Water Conservation Board
Project Expenditure Schedule

Grand Valley Water Users' Association 1147 24 Road Grand Junction, CO 81505-9639 c/o Mr. Mark Harris Ph. (970) 242-5065 Fax (970) 243-4871			Loan Contract No.: CT2017-2258 Authorization: \$151,500.00 Contract Amount \$150,000.00 Loan Service Fee % 1.00% Loan Service Fee \$1,500.00 Total Loan Amount \$151,500.00 Interest: 1.55% Term (Years): 30 Conditions: Up to 100% IDC Calculation Date: 9/1/2018			Original Amended Final		
						Contract Expires: 12/5/2019		
Pay Req. No.	Date	Description	Substantial Completion Date	Amount Disbursed	Cumulative Loan Balance	Balance Available to Loan	Interest	Accrued Interest
			September 1, 2018			\$ 151,500.00		
1	3/16/2017	Engineering		\$ 4,983.09	\$ 4,983.09	\$ 146,516.91	\$ 113.00	\$ 113.00
2	3/22/2017	Engineering (grant paid)		-	\$ 4,983.09	\$ 146,516.91	-	\$ 113.00
3	4/7/2017	Engineering		\$ 2,142.33	\$ 7,125.42	\$ 144,374.58	\$ 46.58	\$ 159.58
4	5/17/2017	Engineering		\$ 5,291.50	\$ 12,416.92	\$ 139,083.08	\$ 106.06	\$ 265.64
5	6/15/2017	Engineering		\$ 729.84	\$ 13,146.76	\$ 138,353.24	\$ 13.73	\$ 279.37
6	8/4/2017	Engineering		\$ 5,908.89	\$ 19,055.65	\$ 132,444.35	\$ 98.61	\$ 377.98
7	9/14/2017	Engineering		\$ 1,317.20	\$ 20,372.85	\$ 131,127.15	\$ 19.69	\$ 397.67
8	11/3/2017	Engineering		\$ 809.00	\$ 21,181.85	\$ 130,318.15	\$ 10.38	\$ 408.05
9	12/19/2017	Engineering & Construction		\$ 16,854.07	\$ 38,035.92	\$ 113,464.08	\$ 183.22	\$ 591.27
10	2/2/2018	Construction		\$ 24,691.15	\$ 62,727.07	\$ 88,772.93	\$ 221.24	\$ 812.51
11	3/2/2018	Construction		\$ 38,266.05	\$ 100,993.12	\$ 50,506.88	\$ 297.37	\$ 1,109.88
12	3/30/2018	Construction		\$ 25,577.59	\$ 126,570.71	\$ 24,929.29	\$ 168.36	\$ 1,278.24
13	8/13/2018	Construction		\$ 23,429.29	\$ 150,000.00	\$ 1,500.00	\$ 18.90	\$ 1,297.14
Final	9/1/2018	Loan Service Fee @ 1%		\$ 1,500.00	\$ 151,500.00	\$ (0.00)	-	\$ 1,297.14

PROMISSORY NOTE

DATE: November 10, 2016

BORROWER: Grand Valley Water Users Association, a Colorado nonprofit corporation

TOTAL LOAN AMOUNT: \$151,500.00

INTEREST RATE: 1.55% per annum

TERM OF REPAYMENT: 30 years

LOAN CONTRACT NUMBER: CT2017-2258

ANNUAL LOAN PAYMENT: \$6,353.14

PAYMENT INITIATION DATE*: September 1, 2018 _____
(to be filled in at Substantial Completion of Project)

MATURITY DATE*: September 1, 2048 _____
(to be filled in at Substantial Completion of Project)

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

1. FOR VALUE RECEIVED, the BORROWER promises to pay the Colorado Water Conservation Board ("CWCB"), the Principal Amount plus Interest for the Term of Repayment, pursuant to the LOAN CONTRACT and this PROMISSORY NOTE.
2. Principal and interest shall be payable in annual equal payments as set forth in "Annual Loan Payment" above, with the first payment due and payable one year from the Payment Initiation Date (the date the CWCB determines that the project is substantially complete), and annually thereafter. All principal, interest, and late charges, if any, then remaining unpaid shall be due and payable on or before the Maturity Date.
3. Payments shall be made to the Colorado Water Conservation Board at 1313 Sherman Street, Room 718, Denver, Colorado 80203.
4. The CWCB may impose a late charge in the amount of 5% of the annual payment if the CWCB does not receive the annual payment within 15 calendar days of the due date.
5. This PROMISSORY NOTE may be prepaid in whole or in part at any time without premium or penalty. Any partial prepayment shall not postpone the due date of any subsequent payments or change the amount of such payments.
6. All payments received shall be applied first to late charges, if any, next to accrued interest and then to reduce the principal amount.
7. This PROMISSORY NOTE is issued pursuant to the LOAN CONTRACT between the CWCB and the BORROWER. The LOAN CONTRACT creates security interests in favor of the CWCB to secure the prompt payment of all amounts that may become due hereunder. Said security interests are evidenced by: a SECURITY AGREEMENT, ("SECURITY INSTRUMENT") of even date and amount herewith and cover certain revenues and accounts of the BORROWER. The LOAN CONTRACT and

SECURITY INSTRUMENT grant additional rights to the CWCB, including the right to accelerate the maturity of this PROMISSORY NOTE in certain events.

8. If any annual payment is not paid when due or any default under the LOAN CONTRACT or the SECURITY INSTRUMENTS securing this Note occurs, the CWCB may declare the entire outstanding principal balance of the Note, all accrued interest, and any outstanding late charges immediately due and payable, and the indebtedness shall bear interest at the rate of 7% per annum from the date of default. The CWCB shall give the BORROWER written notice of any alleged default and an opportunity to cure within thirty (30) days of receipt of such notice before the BORROWER shall be considered in default for purposes of this PROMISSORY NOTE.
9. The BORROWER hereby agrees that if this Note or interest thereon is not paid when due or if suit is brought, then it shall pay all reasonable costs of collection, including reasonable attorney fees. In the event of any bankruptcy or similar proceedings, costs of collection shall include all costs and attorney fees incurred in connection with such proceedings, including the fees of counsel for attendance at meetings of creditors' committees or other committees.
10. This PROMISSORY NOTE shall be governed in all respects by the laws of the State of Colorado.

BORROWER: Grand Valley Water Users
Association, a Colorado nonprofit
corporation

(SEAL)

Attest:

BY: Joseph C. Bernal
Signature

NAME: Joseph C. Bernal

TITLE: President

DATE: 10 Nov 2016

BY: D. Kim Albertson
Signature

NAME: D. Kim Albertson

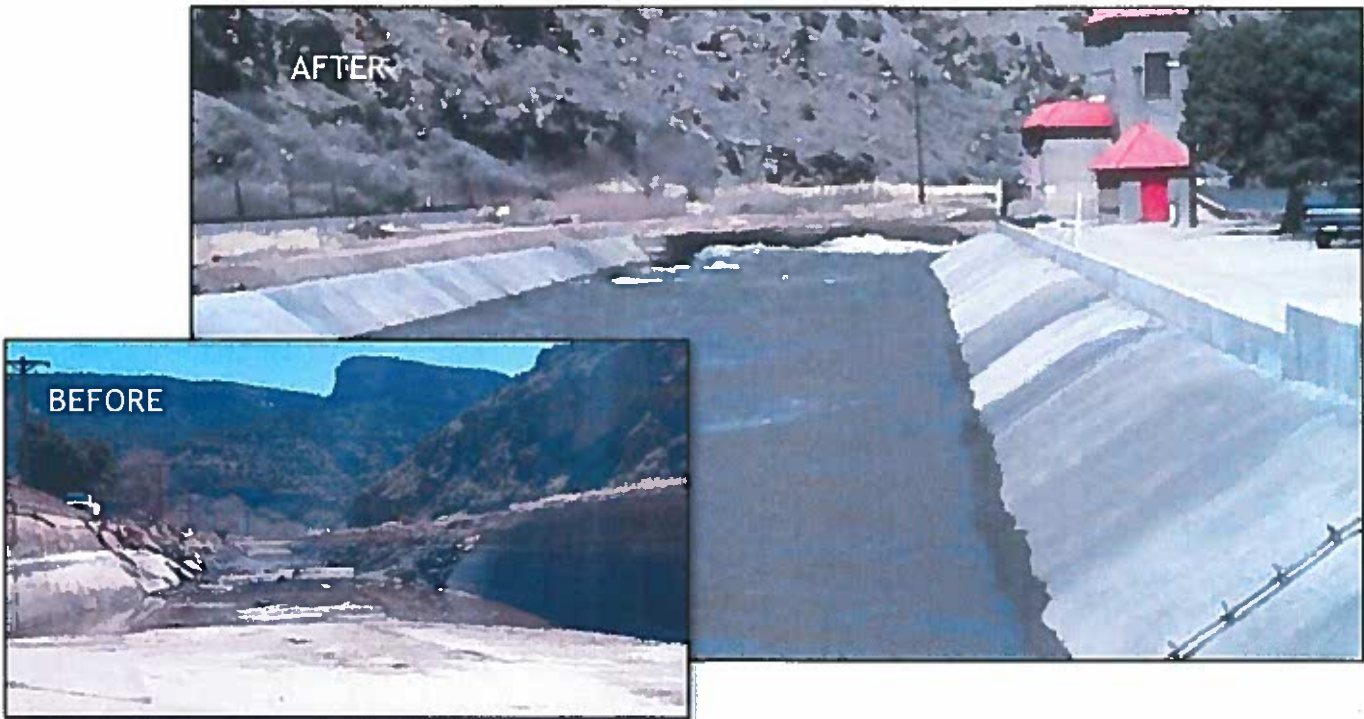
TITLE: Secretary

DATE: 11/10/2016



Government Highline Canal Lining

Grand Valley Water Users Association
Substantially Complete September 1, 2018



Project Description

The Grand Valley Water Users Association (Association), obtained loan and grant funding for the Government Highline Canal Lining Project. The Association is the managing entity of the Bureau of Reclamation's Grand Valley Project. The Grand Valley Project facilities includes the Grand Valley Diversion Dam (also known as the Roller Dam) on the Colorado River in De Beque Canyon and the 55-mile-long Government Highline Canal. The embankment immediately below the Roller Dam is relatively narrow and separates the Government Highline Canal from the Colorado River. This section of canal was constructed around 1915. Over the last 100 years the embankment settled and degraded. Erosion within the embankment led to material loss and sinkholes. As a result of canal degradation, water flow was restricted and the canal cross section was reduced, causing a reduction in capacity of the canal channel. Through this loan the Association lined the upper section of the canal to increase the conveyance capacity.

P R O J E C T D A T A		
Sponsor: Grand Valley Water Users Association	County: Mesa	Water Source: Colorado River
Type of Project: Ditch Rehabilitation	Board Approval Date: September 2016	
Loan Terms: 1.55% for 30 years (Original) \$151,500 (Final) \$151,500		
Design Engineer: SGM, Inc.		
Contractor: Mountain Valley Contracting, Inc.		