



## COLORADO

Colorado Water  
Conservation Board

Department of Natural Resources

1313 Sherman Street, Room 718  
Denver, CO 80203

September 21, 2018

Mr. Howard Cantrell  
Lupton Bottom Ditch Company  
11016 County Road 23  
Fort Lupton, CO 80621

Re: Diversion Structure Repair Project  
Contract Number CT2018-2829

### NOTICE OF PROJECT SUBSTANTIAL COMPLETION

Dear Mr. Cantrell:

This letter is to advise you that the Project referenced above will be substantially completed on October 1, 2018. In accordance with the Loan Contract, Lupton Bottom Ditch Company owes \$4,145.31 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 Contract Number on the check.

The total amount disbursed under this contract was \$561,831.60 (\$556,268.91 plus \$5,562.69 for the 1% service fee). An adjustment in the amount of \$44,168.40 will be made to the contract for funds no longer needed. Peg Mason, Contracts Manager, will follow up with an executed "Option Letter" reflecting the adjusted amount. The first annual loan payment will be due on October 1, 2019, in the amount of \$66,059.72 as presented in the attached Loan Repayment Schedule and Promissory Note.

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

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

Sincerely,

Kirk Russell, P.E., Section Chief  
CWCB Finance Section

Loan Contract Amount: \$606,000.00  
Expended Amount: \$561,831.60

cc: Mr. Jim Yahn, CWCB Board Chair, South Platte River Basin



# COLORADO WATER CONSERVATION BOARD

## LOAN REPAYMENT SCHEDULE

<b>Borrower</b>	<b>Lupton Bottom Ditch Company</b>
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FINAL

<b>Loan Contract Number</b>	<b>CT 2018-100</b>
<b>Principal</b>	<b>\$606,000.00</b>
<b>Interest Rate</b>	<b>1.60%</b>
<b>Frequency</b>	<b>Annual</b>
<b>Term (In Years)</b>	<b>10</b>
<b>First Payment Due</b>	<b>October 1, 2019</b>
<b>Payment Amount</b>	<b>\$66,059.72</b>

<b>Loan Payment No.</b>	<b>Annual Payment Due Date</b>	<b>Annual Payment Amount</b>	<b>Principal</b>	<b>Interest</b>	<b>Principal BALANCE</b>
					\$ 606,000.00
Adjustment	1-Oct-18	\$44,168.40	\$ 44,168.40	\$ -	\$ 561,831.60
1	1-Oct-19	\$66,059.72	\$ 57,070.41	\$ 8,989.31	\$ 504,761.19
2	1-Oct-20	\$66,059.72	\$ 57,983.54	\$ 8,076.18	\$ 446,777.65
3	1-Oct-21	\$66,059.72	\$ 58,911.28	\$ 7,148.44	\$ 387,866.37
4	1-Oct-22	\$66,059.72	\$ 59,853.86	\$ 6,205.86	\$ 328,012.51
5	1-Oct-23	\$66,059.72	\$ 60,811.52	\$ 5,248.20	\$ 267,200.99
6	1-Oct-24	\$66,059.72	\$ 61,784.50	\$ 4,275.22	\$ 205,416.49
7	1-Oct-25	\$66,059.72	\$ 62,773.06	\$ 3,286.66	\$ 142,643.43
8	1-Oct-26	\$66,059.72	\$ 63,777.43	\$ 2,282.29	\$ 78,866.00
9	1-Oct-27	\$66,059.72	\$ 64,797.86	\$ 1,261.86	\$ 14,068.14
10	1-Oct-28	\$14,293.23	\$ 14,068.14	\$ 225.09	\$ -

**TOTALS**

<b>\$608,830.71</b>	<b>\$561,831.60</b>	<b>\$46,999.11</b>	<b>\$0.00</b>
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Colorado Water Conservation Board  
Project Expenditure Schedule

**Lupton Bottom Diversion Structure Repair**

Lupton Bottom Ditch Company  
11016 County Road 23  
Fort Lupton, CO 80621  
c/o Mr. Howard Cantrell  
  
Ph. 970-396-6155  
Fax  
corkfires@aol.com

Loan Contract No.: CT2018-2829  
Authorization: \$606,000.00  
Contract Amount \$600,000.00  
Loan Service Fee % 1.00%  
Loan Service Fee \$6,000.00  
Total Loan Amount \$606,000.00  
Interest: 1.60%  
Term (Years): 10  
Conditions: Up to 100%  
IDC Calculation Date: 10/1/2018

Substantial Completion Date October 1, 2018

Contract Expires: 2/14/2021

Pay Req. No.	Date	Description	Amount Disbursed	Cumulative Loan Balance	Balance Available to Loan	Interest	Accrued Interest
					\$ 606,000.00		
1	3/19/2018	Construction	\$ 235,631.62	\$ 235,631.62	\$ 370,368.38	\$ 2,024.50	\$ 2,024.50
2	4/13/2018	Construction	\$ 147,585.60	\$ 383,217.22	\$ 222,782.78	\$ 1,106.29	\$ 3,130.79
3	5/14/2018	Construction	\$ 145,270.68	\$ 528,487.90	\$ 77,512.10	\$ 891.52	\$ 4,022.31
4	6/22/2018	Construction	\$ 27,781.01	\$ 556,268.91	\$ 49,731.09	\$ 123.00	\$ 4,145.31
Final	10/1/2018	Loan Service Fee @ 1%	\$ 5,562.69	\$ 561,831.60	\$ 44,168.40	\$ -	\$ 4,145.31
Final	10/1/2018	Funds not Needed	\$ (44,168.40)	\$ 561,831.60	\$ 0.00	\$ -	\$ 4,145.31

### APPENDIX 3, PROMISSORY NOTE

Date: February 5, 2018  
Borrower: Lupton Bottom Ditch Company  
Total Loan Amount: \$606,000.00  
Interest Rate: 1.60% per annum  
Term of Repayment: 10 years  
Loan Contract Number: CT2018-2829  
Annual Loan Payment: \$66,059.72  
Payment Initiation Date\*: October 1, 2018  
(To be filled in at Substantial Completion of Project)  
Maturity Date\*: October 1, 2028  
(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 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 60 calendar days of the due date. At the discretion of the CWCB, and if the Borrower requests in writing with sufficient justification, the late fee may be waived by the CWCB. CWCB will review the request from the Borrower, and may, in its sole discretion, choose to waive the late fee.
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. This Promissory Note is issued pursuant to the Contract between the CWCB and the Borrower. The 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 the Security Agreement and Deed of Trust ("Security Instruments") of even date and amount herewith and cover the Pledged Revenues and Pledged Property. The Contract and Security Instruments grant additional rights to the CWCB, including the right to accelerate the maturity of this Promissory Note in certain events.
7. If any annual payment is not paid when due or any default under the Contract or the Security Instruments securing this Promissory 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 sixty (60) days of receipt of such notice before the Borrower shall be considered in default for purposes of this Promissory Note.
8. 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.
9. This Promissory Note is authorized pursuant to and in accordance with the Constitution of the State of Colorado and all other laws of the State thereunto enabling. Specifically, but not by way of limitation, the Contract and this Promissory Note are authorized pursuant to and under the authority of Title 31, Article 35; Title 37, Article 45.1; and Title 11, Article

57. Part 2, C.R.S., and in full conformity therewith. Pursuant to Section 11-57-210, C.R.S., and Section 31-35-413, C.R.S., this recital shall be conclusive evidence of the validity and the regularity of the issuance of this Promissory Note and the Promissory Note shall be incontestable for any cause whatsoever after its delivery for value.

Borrower: Lupton Bottom Ditch Company

By: Joe R. Miller  
Signature

Name: JOE MILLER

Title: PRESIDENT

Date: 2-5-18

Attest:

By: Howard Cantrell  
Signature

Name: HOWARD CANTRELL

Title: Sgt / TRS

Date: 2-5-18



## Diversion Structure Repair Project

Lupton Bottom Ditch Company  
Substantially Complete October 1, 2018



*Figure 1 - Diversion repair on North side of diversion structure and Lupton Bottom headgate.*



*Figure 2 - Diversion repair on South side of diversion structure.*



*Figure 3 - Diversion structure.*



*Figures 4 & 5 - Bank stabilization upstream and downstream of diversion structure.*



*Figure 6 - Lupton Bottom Ditch headgate.*

### Project Description

The Lupton Bottom Ditch Company diverts water from the South Platte River near Wattenberg in Weld County. The original check dam was built in 1949 and the gates were replaced in 2001. Damage to the structure began when high river flows overtopped the rock dam and scoured a large hole on the downstream side and subsequently extended that scour into the structure. The structure was initially damaged during September 2013 flooding and further damaged in subsequent high river flows. This repair work was completed in a two-stage process due to the requirement for construction to occur during low flow conditions within the river. During the first stage, upstream stabilization and installation of sheet piling and the construction of a concrete apron occurred. The downstream side of the structure was stabilized with grouted boulders. The second stage included rebuilding the rock dam on the southern side of the diversion structure.

With this project, the Company repaired and improved the diversion and intake structures, provided water deliveries to the shareholders, and improved operation safety. Design commenced in 2017, project construction occurred in early 2018 through summer 2018 and construction is complete.

P R O J E C T   D A T A		
<i>Sponsor:</i> Lupton Bottom Ditch Company	<i>County:</i> Weld	<i>Water Source:</i> South Platte
<i>Type of Loan:</i> Diversion Structure Repair		<i>Board Approval Date:</i> January 2018
<i>Loan Terms:</i> 1.6% for 10 years (Original) \$606,000 (Final) \$561,832		
<i>Design Engineer:</i> Civil Resources, LLC		
<i>Contractor:</i> Zak Dirt, Inc.		