



COLORADO

Colorado Water
Conservation Board

Department of Natural Resources

1313 Sherman Street, Room 718
Denver, CO 80203

November 4, 2019

Ms. Sue Hauser, Mayor
Town of Empire
30 Park Avenue
Empire, CO 80438
Via email: mayor@empirecolorado.us

Re: Town of Empire - Guanella Reservoir Storage Purchase Project
CWCB Loan Contract Number CT2020-572

NOTICE OF PROJECT SUBSTANTIAL COMPLETION

Dear Ms. Hauser:

This letter is to advise you that the Project referenced above was substantially complete on November 1, 2019. In accordance with the Loan Contract, the Town of Empire owes \$84.25 for interest accrued prior to the substantial completion date (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 \$124,230 (\$123,000 plus \$1,230 for the 1% service fee). The first annual loan payment of \$5,935.42 will be due on November 1, 2020 as presented in the attached Promissory Note and Loan Repayment Schedule.

Please note, in accordance with the Borrower's Loan Contract, audited annual financials must be submitted to the CWCB and a Reserve Account must be maintained during the entire repayment period.

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

Sincerely,

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

Loan Contract Amount = \$124,230.00
Expended Amount = \$124,230.00

ec: Mr. Jim Yahn, CWCB Board Member, South Platte River Basin



COLORADO WATER CONSERVATION BOARD

LOAN REPAYMENT SCHEDULE

| | | |
|-----------------------------|-------------------------|-------------------|
| Borrower | Town of Empire | FINAL |
| Loan Contract Number | CT2020-572 | RE2020-123 |
| Principal | \$124,230.00 | |
| Interest Rate | 2.50% | |
| Frequency | Annual | |
| Term (In Years) | 30 | |
| First Payment Due | November 1, 2020 | |
| Payment Amount | \$5,935.42 | |

| Loan Payment No. | Annual Payment Due Date | Annual Payment Amount | Principal | Interest | Principal BALANCE |
|---------------------------------|--|--------------------------------------|---------------------|--------------------|------------------------------|
| | | | | | \$ 124,230.00 |
| 1 | 1-Nov-20 | \$5,935.42 | \$2,829.67 | \$ 3,105.75 | \$ 121,400.33 |
| 2 | 1-Nov-21 | \$5,935.42 | \$2,900.41 | \$ 3,035.01 | \$ 118,499.92 |
| 3 | 1-Nov-22 | \$5,935.42 | \$2,972.92 | \$ 2,962.50 | \$ 115,527.00 |
| 4 | 1-Nov-23 | \$5,935.42 | \$3,047.24 | \$ 2,888.18 | \$ 112,479.76 |
| 5 | 1-Nov-24 | \$5,935.42 | \$3,123.43 | \$ 2,811.99 | \$ 109,356.33 |
| 6 | 1-Nov-25 | \$5,935.42 | \$3,201.51 | \$ 2,733.91 | \$ 106,154.82 |
| 7 | 1-Nov-26 | \$5,935.42 | \$3,281.55 | \$ 2,653.87 | \$ 102,873.27 |
| 8 | 1-Nov-27 | \$5,935.42 | \$3,363.59 | \$ 2,571.83 | \$ 99,509.68 |
| 9 | 1-Nov-28 | \$5,935.42 | \$3,447.68 | \$ 2,487.74 | \$ 96,062.00 |
| 10 | 1-Nov-29 | \$5,935.42 | \$3,533.87 | \$ 2,401.55 | \$ 92,528.13 |
| 11 | 1-Nov-30 | \$5,935.42 | \$3,622.22 | \$ 2,313.20 | \$ 88,905.91 |
| 12 | 1-Nov-31 | \$5,935.42 | \$3,712.77 | \$ 2,222.65 | \$ 85,193.14 |
| 13 | 1-Nov-32 | \$5,935.42 | \$3,805.59 | \$ 2,129.83 | \$ 81,387.55 |
| 14 | 1-Nov-33 | \$5,935.42 | \$3,900.73 | \$ 2,034.69 | \$ 77,486.82 |
| 15 | 1-Nov-34 | \$5,935.42 | \$3,998.25 | \$ 1,937.17 | \$ 73,488.57 |
| 16 | 1-Nov-35 | \$5,935.42 | \$4,098.21 | \$ 1,837.21 | \$ 69,390.36 |
| 17 | 1-Nov-36 | \$5,935.42 | \$4,200.66 | \$ 1,734.76 | \$ 65,189.70 |
| 18 | 1-Nov-37 | \$5,935.42 | \$4,305.68 | \$ 1,629.74 | \$ 60,884.02 |
| 19 | 1-Nov-38 | \$5,935.42 | \$4,413.32 | \$ 1,522.10 | \$ 56,470.70 |
| 20 | 1-Nov-39 | \$5,935.42 | \$4,523.65 | \$ 1,411.77 | \$ 51,947.05 |
| 21 | 1-Nov-40 | \$5,935.42 | \$4,636.74 | \$ 1,298.68 | \$ 47,310.31 |
| 22 | 1-Nov-41 | \$5,935.42 | \$4,752.66 | \$ 1,182.76 | \$ 42,557.65 |
| 23 | 1-Nov-42 | \$5,935.42 | \$4,871.48 | \$ 1,063.94 | \$ 37,686.17 |
| 24 | 1-Nov-43 | \$5,935.42 | \$4,993.27 | \$ 942.15 | \$ 32,692.90 |
| 25 | 1-Nov-44 | \$5,935.42 | \$5,118.10 | \$ 817.32 | \$ 27,574.80 |
| 26 | 1-Nov-45 | \$5,935.42 | \$5,246.05 | \$ 689.37 | \$ 22,328.75 |
| 27 | 1-Nov-46 | \$5,935.42 | \$5,377.20 | \$ 558.22 | \$ 16,951.55 |
| 28 | 1-Nov-47 | \$5,935.42 | \$5,511.63 | \$ 423.79 | \$ 11,439.92 |
| 29 | 1-Nov-48 | \$5,935.42 | \$5,649.42 | \$ 286.00 | \$ 5,790.50 |
| 30 | 1-Nov-49 | \$5,935.26 | \$5,790.50 | \$ 144.76 | \$ - |
| TOTALS | | \$178,062.44 | \$124,230.00 | \$53,832.44 | \$0.00 |

Colorado Water Conservation Board
Project Expenditure Schedule

Guanella Reservoir Storage Project

Town of Empire
30 Park Avenue
Empire, CO 80438
c/o Ms. Sue Hauser

Ph. 303-569-2978
Fax
mayor@empireco.gov.us

| | Original | Amended | Final |
|-----------------------|--------------|---------|---------------|
| Loan Contract No.: | CT2020-572 | | |
| Authorization: | \$124,230.00 | | |
| Contract Amount | \$123,000.00 | | \$ 123,000.00 |
| Loan Service Fee % | 1.00% | | |
| Loan Service Fee | \$1,230.00 | | \$ 1,230.00 |
| Total Loan Amount | \$124,230.00 | | \$ 124,230.00 |
| Interest: | 2.50% | | 2.50% |
| Term (Years): | 30 | | 30 |
| Conditions: | Up to 100% | | Up to 100% |
| IDC Calculation Date: | 11/1/2019 | | |

Substantial Completion Date

11/1/2019

Contract Expires:

9/12/2024

| Pay Req. No. | Date | Description | Amount Disbursed | Cumulative Loan Balance | Balance Available to Loan | Interest | Accrued Interest |
|--------------|------------|------------------------|------------------|-------------------------|---------------------------|----------|------------------|
| | | | | | \$ 124,230.00 | | |
| 1 | 10/22/2019 | water storage purchase | \$ 123,000.00 | \$ 123,000.00 | \$ 1,230.00 | \$ 84.25 | \$ 84.25 |
| Final | 11/1/2019 | Loan Service Fee @ 1% | \$ 1,230.00 | \$ 124,230.00 | - | - | \$ 84.25 |

APPENDIX 3, PROMISSORY NOTE

Date: August 20, 2019
Borrower: Town of Empire
Total Loan Amount: \$124,230.00
Interest Rate: 2.50% per annum
Term of Repayment: Thirty (30) years
Loan Contract Number: CT2020-572
Annual Loan Payment: \$5,935.42
Payment Initiation Date*: November 1, 2019
(To be filled in at Substantial Completion of Project)
Maturity Date*: November 1, 2049
(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 five percent (5%) of the annual payment if the CWCB does not receive the annual payment within sixty (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 a Security Agreement of even date and amount herewith and cover the Pledged Revenues. The Contract and Security Agreement 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 Agreement 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 seven percent (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.

Town of Empire

By: [Signature]
Signature
Name: Sue House
Town of Empire
Title: Mayor
Date: 8/20/19

Attest:

By: [Signature]
Signature

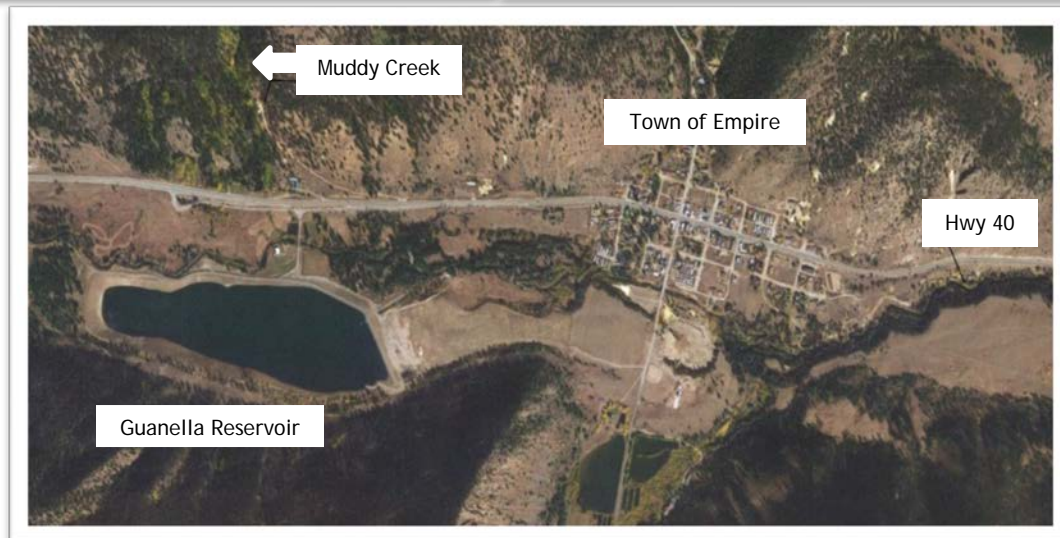
Name: Tiara Zimmerman
Title: Town Clerk
Date: 8/20/19



Guanella Reservoir looking south



Guanella Reservoir and Dam



Muddy Creek

Town of Empire

Hwy 40

Guanella Reservoir

Project Description

The City of Golden constructed Guanella Reservoir in 2003 just upstream from the Town of Empire. During construction of the reservoir, negotiations between Empire and Golden yielded an agreement that allowed Empire the delivery of up to 6.3 acre-feet of water per year from Guanella Reservoir. In addition to the yearly delivery, the Town of Empire has the option to purchase or lease 10 acre-feet of perpetual storage in the reservoir. The term of the purchase/lease option of the Golden Agreement expires in 2033. This project secured the 10 acre-feet of storage space in Guanella Reservoir. The purchase was finalized and the sale was completed October 2019.

P R O J E C T D A T A

| | | |
|---|----------------------------|---|
| <i>Sponsor:</i> Town of Empire | <i>County:</i> Clear Creek | <i>Water Source:</i> West Fork of Clear Creek |
| <i>Type of Project:</i> Reservoir Storage | | <i>Board Approval Date:</i> May 2019 |
| <i>Terms of Loan:</i> 2.50% for 30 years (Original) \$124,230 (Final) \$124,230 | | |
| <i>Engineer:</i> James R. Ford, P.E., Ford Research Group | | |