



COLORADO

Colorado Water Conservation Board

Department of Natural Resources

1313 Sherman Street, Room 718
Denver, CO 80203

January 24, 2020

Mark Ellis, Finance Director
City of Walsenburg
525 South Albert Avenue
Walsenburg, CO 81089
mellis@cityofwalsenburg.com

Re: City Lake Dam Rehabilitation and Enlargement Project
Loan Contract Number CT2019-648

NOTICE OF PROJECT SUBSTANTIAL COMPLETION

Dear Mr. Ellis:

This letter is to advise you that the Project referenced above will be substantially completed on February 1, 2020. In accordance with the Loan Contract, the Company owes \$85,978.25 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 \$6,889,210.00 (\$6,821,000.00 plus \$68,210.00 for the 1% service fee). The first annual loan payment will be due on February 1, 2021, in the amount of \$307,602.69 as presented in the attached Promissory Note and Loan Repayment Schedule.

Please note, in accordance with the 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 = \$6,889,210.00
Expended Amount = \$6,889,210.00

cc: Mr. Jack Goble, CWCB Board Member, Arkansas River Basin



Colorado Water Conservation Board
Project Expenditure Schedule

City Lake Dam Rehabilitation & Enlargement

City of Walsenburg
525 Albert Ave.
Walsenburg, CO 81089
c/o Mark Ellis

Ph. 719-695-1036
Fax 719-738-1875
mellis@cityofwalsenburg.com

	Original	Amended	Final
Loan Contract No.:	CT2019-648		
Authorization:	\$6,889,210.00		
Contract Amount	\$6,821,000.00		\$ 6,821,000.00
Loan Service Fee %	1.00%		
Loan Service Fee	\$68,210.00		\$ 68,210.00
Total Loan Amount	\$6,889,210.00		\$ 6,889,210.00
Interest:	2.00%		2.00%
Term (Years):	30		30
Conditions:	Up to 100%		Up to 100%
IDC Calculation Date:	2/1/2020		

Substantial Completion Date

2/1/2020

Contract Expires: 12/7/2023

Pay Req. No.	Date	Description	Amount Disbursed	Cumulative Loan Balance	Balance Available to Loan	Interest	Accrued Interest	% Disbursed
					\$6,889,210.00			
1	1/24/2019	Engineering & Construction	\$ 391,703.73	\$ 391,703.73	\$ 6,497,506.27	\$ 8,005.78	\$ 8,005.78	6%
2	2/13/2019	Construction	\$ 576,322.95	\$ 968,026.68	\$ 5,921,183.32	\$ 11,147.51	\$ 19,153.29	14%
3	3/15/2019	Engineering & Construction	\$ 364,738.79	\$ 1,332,765.47	\$ 5,556,444.53	\$ 6,455.38	\$ 25,608.67	19%
4	3/19/2019	Engineering and Construction	\$ 556,733.36	\$ 1,889,498.83	\$ 4,999,711.17	\$ 9,731.39	\$ 35,340.06	27%
5	4/17/2019	Engineering and Construction	\$ 388,179.70	\$ 2,277,678.53	\$ 4,611,531.47	\$ 6,168.33	\$ 41,508.39	33%
6	5/29/2019	Engineering and Construction	\$ 827,237.37	\$ 3,104,915.90	\$ 3,784,294.10	\$ 11,241.36	\$ 52,749.75	45%
7	6/13/2019	Engineering and Construction	\$ 805,380.01	\$ 3,910,295.91	\$ 2,978,914.09	\$ 10,282.39	\$ 63,032.14	57%
8	7/12/2019	Engineering and Construction	\$ 459,854.00	\$ 4,370,149.91	\$ 2,519,060.09	\$ 5,140.29	\$ 68,172.43	63%
9	8/21/2019	Engineering and Construction	\$ 821,196.82	\$ 5,191,346.73	\$ 1,697,863.27	\$ 7,379.52	\$ 75,551.95	75%
10	9/18/2019	Engineering and Construction	\$ 1,004,553.76	\$ 6,195,900.49	\$ 693,309.51	\$ 7,485.99	\$ 83,037.94	90%
11	10/15/2019	Engineering and Construction	\$ 458,718.17	\$ 6,654,618.66	\$ 234,591.34	\$ 2,739.74	\$ 85,777.68	97%
12	1/10/2020	Engineering and Construction	\$ 166,381.34	\$ 6,821,000.00	\$ 68,210.00	\$ 200.57	\$ 85,978.25	99%
Final	2/1/2020	Loan Service Fee @ 1%	\$ 68,210.00	\$ 6,889,210.00	(\$ 0.00)	-	\$ 85,978.25	100%

COLORADO WATER CONSERVATION BOARD

LOAN REPAYMENT SCHEDULE

Borrower	City of Walsenburg	FINAL
Loan Contract Number	CT2019-648	RE2020-274
Principal	\$6,889,210.00	
Interest Rate	2.00%	
Frequency	Annual	
Term (In Years)	30	
First Payment Due	February 1, 2021	
Payment Amount	\$307,602.69	

Loan Payment No.	Annual Payment Due Date	Annual Payment Amount	Principal	Interest	Principal BALANCE
					\$ 6,889,210.00
1	2/1/2021	\$307,602.69	\$169,818.49	\$ 137,784.20	\$ 6,719,391.51
2	2/1/2022	\$307,602.69	\$173,214.86	\$ 134,387.83	\$ 6,546,176.65
3	2/1/2023	\$307,602.69	\$176,679.16	\$ 130,923.53	\$ 6,369,497.49
4	2/1/2024	\$307,602.69	\$180,212.74	\$ 127,389.95	\$ 6,189,284.75
5	2/1/2025	\$307,602.69	\$183,816.99	\$ 123,785.70	\$ 6,005,467.76
6	2/1/2026	\$307,602.69	\$187,493.33	\$ 120,109.36	\$ 5,817,974.43
7	2/1/2027	\$307,602.69	\$191,243.20	\$ 116,359.49	\$ 5,626,731.23
8	2/1/2028	\$307,602.69	\$195,068.07	\$ 112,534.62	\$ 5,431,663.16
9	2/1/2029	\$307,602.69	\$198,969.43	\$ 108,633.26	\$ 5,232,693.73
10	2/1/2030	\$307,602.69	\$202,948.82	\$ 104,653.87	\$ 5,029,744.91
11	2/1/2031	\$307,602.69	\$207,007.79	\$ 100,594.90	\$ 4,822,737.12
12	2/1/2032	\$307,602.69	\$211,147.95	\$ 96,454.74	\$ 4,611,589.17
13	2/1/2033	\$307,602.69	\$215,370.91	\$ 92,231.78	\$ 4,396,218.26
14	2/1/2034	\$307,602.69	\$219,678.32	\$ 87,924.37	\$ 4,176,539.94
15	2/1/2035	\$307,602.69	\$224,071.89	\$ 83,530.80	\$ 3,952,468.05
16	2/1/2036	\$307,602.69	\$228,553.33	\$ 79,049.36	\$ 3,723,914.72
17	2/1/2037	\$307,602.69	\$233,124.40	\$ 74,478.29	\$ 3,490,790.32
18	2/1/2038	\$307,602.69	\$237,786.88	\$ 69,815.81	\$ 3,253,003.44
19	2/1/2039	\$307,602.69	\$242,542.62	\$ 65,060.07	\$ 3,010,460.82
20	2/1/2040	\$307,602.69	\$247,393.47	\$ 60,209.22	\$ 2,763,067.35
21	2/1/2041	\$307,602.69	\$252,341.34	\$ 55,261.35	\$ 2,510,726.01
22	2/1/2042	\$307,602.69	\$257,388.17	\$ 50,214.52	\$ 2,253,337.84
23	2/1/2043	\$307,602.69	\$262,535.93	\$ 45,066.76	\$ 1,990,801.91
24	2/1/2044	\$307,602.69	\$267,786.65	\$ 39,816.04	\$ 1,723,015.26
25	2/1/2045	\$307,602.69	\$273,142.38	\$ 34,460.31	\$ 1,449,872.88
26	2/1/2046	\$307,602.69	\$278,605.23	\$ 28,997.46	\$ 1,171,267.65
27	2/1/2047	\$307,602.69	\$284,177.34	\$ 23,425.35	\$ 887,090.31
28	2/1/2048	\$307,602.69	\$289,860.88	\$ 17,741.81	\$ 597,229.43
29	2/1/2049	\$307,602.69	\$295,658.10	\$ 11,944.59	\$ 301,571.33
30	2/1/2050	\$307,602.76	\$301,571.33	\$ 6,031.43	\$ -
TOTALS		\$9,228,080.77	\$6,889,210.00	\$2,338,870.77	\$0.00

APPENDIX 3, PROMISSORY NOTE

Date: October 15, 2018
Borrower: City of Walsenburg, acting by and through the water activity enterprise
Total Loan Amount: \$6,889,210.00
Interest Rate: 2.0% per annum
Term of Repayment: 30 years
Loan Contract Number: CT2019-648
Annual Loan Payment: \$307,602.69
Payment Initiation Date*: February 1, 2020
(To be filled in at Substantial Completion of Project)
Maturity Date*: February 1, 2050
(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 ("Security Instrument") of even date and amount herewith and cover the Pledged Revenues. 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.

(SEAL)

Attest:

By:

Wanda A. Britt

Signature

Name:

Wanda A. Britt

Title:

Deputy City Clerk

Date:

10/15/18

Borrower: City of Walsenburg, acting by and through the water activity enterprise

By:

James P. Echols

Signature

Name:

James P. Echols

Title:

Mayor

Date:

10/15/18



Outlet Works Construction



Outlet Valve Tower



Auxiliary Spillway



Upstream Slope of Dam

Photos show construction and completion of Walsenburg's City Lake Dam Project.

Project Description

The City of Walsenburg's City Lake dam and reservoir provides the primary water supply and storage for the City's water treatment plant located downstream of the dam. Its average annual water delivery is 730 acre-feet. The original dam was subject to a State Engineer's Office (SEO) safety compliance plan since September of 2014, and a formal storage restriction since April 2017 as a result of dam safety deficiencies including seepage, stability, and spillway capacity. The Colorado Dam Safety imposed a 1-foot storage restriction on April 1, 2017, a 2-foot storage restriction on November 15, 2017, and a 3-foot storage restriction on May 1, 2019. The City needed the full storage capacity of City Lake to adequately supply their water treatment plant and to ensure future water supplies.

Elements of the Project included dam embankment reconstruction, new outlet works, new spillway construction, riprap channel lining, and a temporary bypass conduit to route water to the water treatment plant. The Project increased storage by 120 acre-feet by raising the dam embankment three feet. Construction rehabilitation and enlargement was completed in 2019.

P R O J E C T D A T A		
<i>Sponsor:</i> City of Walsenburg	<i>County:</i> Huerfano	<i>Water Source:</i> Cucharas River
<i>Type of Project:</i> Reservoir Rehabilitation		<i>Board Approval Date:</i> July 2017
<i>Terms of Loan:</i> 2.0% for 30 years	<i>(Original)</i> \$6,889,210	<i>(Final)</i> \$6,889,210
<i>Terms of Grant:</i> <i>(Original)</i> \$804,000 <i>(Final)</i> \$804,000		
<i>Design Engineer:</i> RJH Consultants, Inc.		
<i>Contractor:</i> Kirkland Construction		