

OPTION LETTER NO. 1

State Agency Department of Natural Resources Colorado Water Conservation Board (CWCB) 1313 Sherman St, Room 718 Denver, CO 80203	Option Letter No. 1 Contract Number CMS 162703 CT2017-2880
Borrower Town of Firestone acting by and through the water activity enterprise 151 Grant Ave. Firestone, Colorado 80520	Original Contract Numbers CMS 95596 CT2017-2880
Project Name Storage Development and Water Rights Purchase Project	Loan Contract Effective Date 03/23/2017
Current Contract Maximum Amount \$5,964,859.01	Loan Contract Expiration Date 07/01/2040

1. OPTIONS:

- A. Option to decrease total Contract amount and revise Contract expiration date upon CWCB *Notice of Project Substantial Completion*.


2. REQUIRED PROVISIONS:

- A. The amount of the current Loan Contract Amount is decreased by \$4,035,140.99 from \$10,000,000.00 to \$5,964,859.01 in consideration of substantial completion of the Project. The Total Loan Amount is hereby modified accordingly.
- B. This change does not include a change to the annual payment and interest rate.
- C. This Option Letter and supporting documentation shall become part of and be incorporated into this Contract for the total duration of the Loan Contract.
- D. This Option Letter shall include the written Notice of Project Substantial Completion.
- E. The Contract Maximum Amount table on the Contract's Signature and Cover Page is hereby deleted and replaced with the Current Contract Maximum Amount table shown above.

3. OPTION EFFECTIVE DATE:


- A. The effective date of this Option Letter is upon approval of the State Controller or an authorized delegate.

STATE OF COLORADO
Jared S. Polis, Governor
Department of Natural Resources
Dan Gibbs, Executive Director
Colorado Water Conservation Board

By: _____

DocuSigned by: KIRK RUSSELL
Name: _____
Title: Finance Chief
Date: July 21, 2020 | 8:15 AM PDT

In accordance with §24-30-202 C.R.S., this Option is not valid until signed and dated below by the State Controller or an authorized delegate.

STATE CONTROLLER
Robert Jaros, CPA, MBA, JD

By: _____

DocuSigned by: ION COTSAPAS
Name: _____
Title: DNR Contracts Director

Option Effective Date: July 21, 2020 | 2:38 PM PDT



COLORADO

Colorado Water Conservation Board

Department of Natural Resources
1313 Sherman Street, Room 718
Denver, CO 80203

July 14, 2020

Ms. Julie Pasillas, Director of Public Works
151 Grant Avenue
Firestone, CO 80520
jpasillas@firestoneco.gov

Re: Storage Development and Water Rights Purchase Project
CWCB Loan Contract number CT2017-2880

NOTICE OF PROJECT SUBSTANTIAL COMPLETION

Dear Ms. Pasillas:

This letter is to advise you that the Project referenced above was substantially completed on July 1, 2020. In accordance with the Loan Contract, the Town of Firestone owes \$61,030.06 for interest accrued during the disbursement of funds (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 expended amount under this contract was \$5,964,859.01 (\$5,905,801.00 plus \$59,058.01 for the 1% service fee). This resulted in \$4,035,140.99 that was not needed. An adjustment will be made to the loan contract accordingly. Peg Mason, Contracts Manager, will initiate this process. The first annual loan payment of \$632,417.38 will be due on July 1, 2021 (see attached Loan Repayment Schedule and Promissory Note).

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 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 = \$10,000,000.00
Expended Amount = \$5,964,859.01

cc: Mr. Jim Yahn, CWCB Board Member, South Platte River Basin
Ms. Jessica Clanton, Director of Finance jclanton@firestoneco.gov



COLORADO WATER CONSERVATION BOARD

LOAN REPAYMENT SCHEDULE

Borrower	Town of Firestone	FINAL
Loan Contract Number	CT2017-2880	CT2017-2880
Principal	\$10,000,000.00	\$5,964,859.01
Interest Rate	2.35%	2.35%
Frequency	Annual	Annual
Term (In Years)	20	20
First Payment Due		July 1, 2021
Payment Amount	\$632,417.38	\$632,417.38

Loan Payment No.	Annual Payment Due Date	Annual Payment Amount	Principal	Interest	Principal BALANCE
					\$ 10,000,000.00
CT ADJ	7/1/2020	\$4,035,140.99	\$4,035,140.99	\$ -	\$ 5,964,859.01
1	7/1/2021	\$632,417.38	\$492,243.19	\$ 140,174.19	\$ 5,472,615.82
2	7/1/2022	\$632,417.38	\$503,810.91	\$ 128,606.47	\$ 4,968,804.91
3	7/1/2023	\$632,417.38	\$515,650.46	\$ 116,766.92	\$ 4,453,154.45
4	7/1/2024	\$632,417.38	\$527,768.25	\$ 104,649.13	\$ 3,925,386.20
5	7/1/2025	\$632,417.38	\$540,170.80	\$ 92,246.58	\$ 3,385,215.40
6	7/1/2026	\$632,417.38	\$552,864.82	\$ 79,552.56	\$ 2,832,350.58
7	7/1/2027	\$632,417.38	\$565,857.14	\$ 66,560.24	\$ 2,266,493.44
8	7/1/2028	\$632,417.38	\$579,154.78	\$ 53,262.60	\$ 1,687,338.66
9	7/1/2029	\$632,417.38	\$592,764.92	\$ 39,652.46	\$ 1,094,573.74
10	7/1/2030	\$632,417.38	\$606,694.90	\$ 25,722.48	\$ 487,878.84
11	7/1/2031	\$499,343.99	\$487,878.84	\$ 11,465.15	\$ -
12	7/1/2032	\$ -	\$ -	\$ -	\$ -
13	7/1/2033	\$ -	\$ -	\$ -	\$ -
14	7/1/2034	\$ -	\$ -	\$ -	\$ -
15	7/1/2035	\$ -	\$ -	\$ -	\$ -
16	7/1/2036	\$ -	\$ -	\$ -	\$ -
17	7/1/2037	\$ -	\$ -	\$ -	\$ -
18	7/1/2038	\$ -	\$ -	\$ -	\$ -
19	7/1/2039	\$ -	\$ -	\$ -	\$ -
20	7/1/2040	\$ -	\$ -	\$ -	\$ -
TOTALS		\$6,823,517.79	\$5,964,859.01	\$858,658.78	\$0.00

Colorado Water Conservation Board
Project Expenditure Schedule

Firestone Storage Development and Water Rights Purchase

Town of Firestone
151 Grant Ave
Firestone, CO 80520
c/o Jessica Clanton

Ph. 303-531-6279
Fax
jclanton@firestoneco.gov

	Original	Amended	Final
Loan Contract No.:	CT2017-2880		
Authorization:	\$10,000,000.00		
Contract Amount	\$9,900,990.00		\$ 5,905,801.00
Loan Service Fee %	1.00%		
Loan Service Fee	\$99,010.00		\$ 59,058.01
Total Loan Amount	\$10,000,000.00		\$ 5,964,859.01
Interest:	2.35%		2.35%
Term (Years):	20		20
Conditions:	Up to 100%		Up to 100%
IDC Calculation Date:	7/1/2020		

Substantial Completion Date

7/1/2020

Contract Expires:

3/23/2022

Pay Req. No.	Date	Description	Amount Disbursed	Cumulative Loan Balance	Balance Available to Loan	Interest	Accrued Interest
					\$ 10,000,000.00		
1	8/14/2017	Water Rights Purchase	\$ 1,580,000.00	\$ 1,580,000.00	\$ 8,420,000.00	\$ 107,015.78	\$ 107,015.78
	1/29/2019	IDC calc on 8.14.17 disbursement as of 02.01.19	-	\$ 1,580,000.00	\$ 8,420,000.00	(\$ 54,525.15)	\$ 52,490.63
2	4/11/2019	Carbon Valley Parcel/Res pit purchase, Rural Ditch	\$ 3,839,095.14	\$ 5,419,095.14	\$ 4,580,904.86	\$ 110,487.05	\$ 162,977.68
	1/22/2020	IDC	-	\$ 5,419,095.14	\$ 4,580,904.86	(\$ 65,254.10)	\$ 97,723.58
3	1/28/2020	Carbon Valley Res Engineering	\$ 486,705.86	\$ 5,905,801.00	\$ 4,094,199.00	\$ 4,857.06	\$ 102,580.64
	2/4/2020	IDC	-	\$ 5,905,801.00	\$ 4,094,199.00	(\$ 41,550.58)	\$ 61,030.06
Final	7/1/2020	Loan Service Fee @ 1%	\$ 59,058.01	\$ 5,964,859.01	\$ 4,035,140.99	-	\$ 61,030.06
CT	7/1/2020	Funds Not Needed	(\$ 4,035,140.99)	\$ 5,964,859.01	-	-	\$ 61,030.06

PROMISSORY NOTE

DATE: March 8, 2017

BORROWER: Town of Firestone, Acting by and through the Water Activity Enterprise

TOTAL LOAN AMOUNT: \$10,000,000.00

INTEREST RATE: 2.35% per annum

TERM OF REPAYMENT: 20 years

LOAN CONTRACT NUMBER: CT2017-2880

ANNUAL LOAN PAYMENT: \$632,417.38

PAYMENT INITIATION DATE*: July 1, 2020
(to be filled in at Substantial Completion of Project)

MATURITY DATE*: July 1, 2040
(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.

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.

1. 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.
2. Payments shall be made to the Colorado Water Conservation Board at 1313 Sherman Street, Room 718, Denver, Colorado 80203.
3. 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.
4. 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.
5. All payments received shall be applied first to late charges, if any, next to accrued interest and then to reduce the principal amount.
6. 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 the SECURITY AGREEMENT ("SECURITY INSTRUMENT") of even date and amount herewith and cover the PLEDGED REVENUES. The LOAN CONTRACT and SECURITY INSTRUMENTS grant additional rights to the CWCB, including the right to accelerate the maturity of this

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6. 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.
7. The BORROWER hereby agree 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.
8. This PROMISSORY NOTE shall be governed in all respects by the laws of the State of Colorado.
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 LOAN 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: Town of Firestone, Acting by and through its Water Activity Enterprise

(SEAL)

Attest:



By:

Signature

NAME: Crisse Medina

TITLE: Town Clerk

DATE: 3.9.17

By:

Signature

NAME: Paul Sorensen

TITLE: Mayor

DATE: 3.9.17

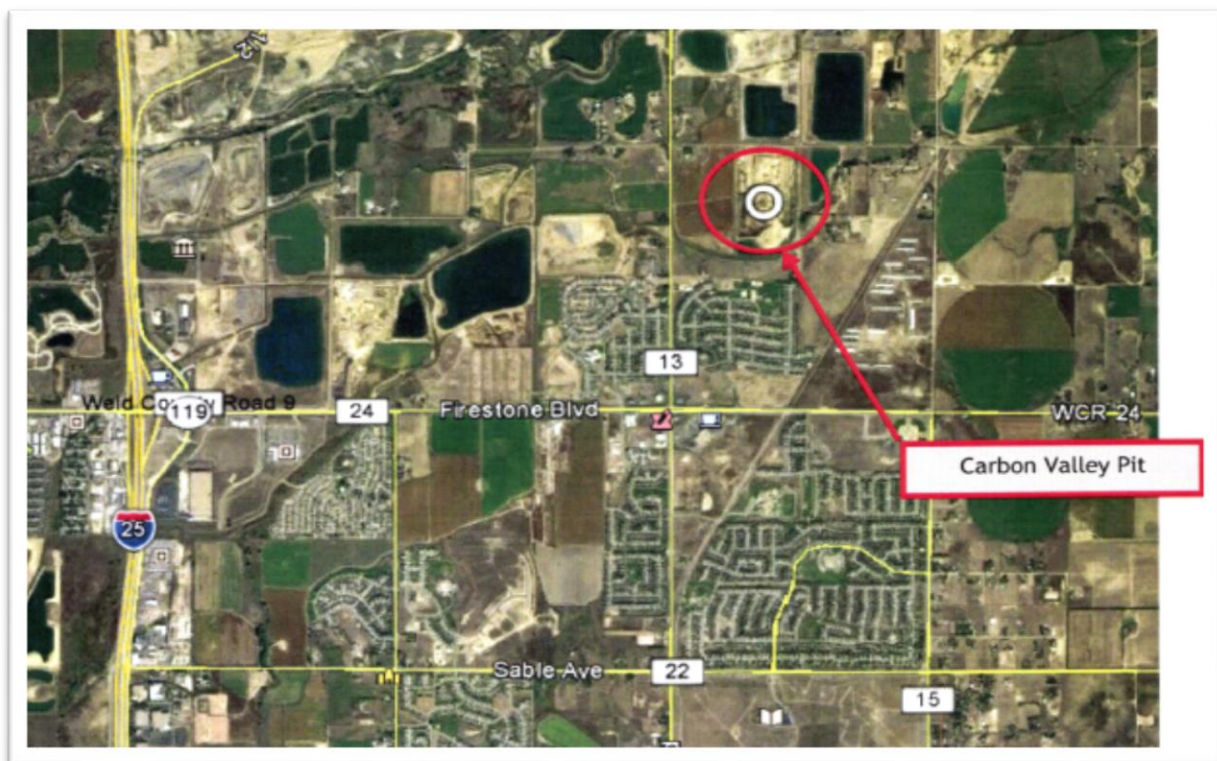


COLORADO
Colorado Water
Conservation Board
Department of Natural Resources

Storage Development and Water Rights Purchase

Town of Firestone

Substantially Complete July 1, 2020



Project Description

The Town of Firestone's boundary encompasses approximately 9,089 acres and is generally located east of Interstate 25 between Highway 66 and Highway 52. The Town provides water and wastewater services to approximately 12,110 residents. The purpose of the project is to provide a water storage to help meet the current and the future non-potable water needs. The Town plans for approximately two times the demand, or 2,000 acre-feet (AF) of non-potable storage. They purchased the Carbon Valley Resource Pit and acquired 1,219 AF of lined storage and 1.41 shares of Rural Ditch Company with an average annual yield of 105 AF/share. Also purchased was 3.97 of preferred shares and 6.667 of common shares of Lower Boulder Reservoir and Ditch Company. A common share average annual yield is approximately 11.5 AF/share and a preferred share average annual yield is approximately 34.5 AF/share. The water purchased may be used to fill the reservoir. Construction is planned for the Fall of 2020. The Town has acquired a revenue bond to pay off the CWCB loan balance and complete the project. The CWCB loan allowed for the purchase of the cornerstone elements of the non-potable irrigation system.

P R O J E C T D A T A		
Sponsor: Town of Firestone	County: Weld	Water Source: St. Vrain River and Boulder Creek
Type of Project: Reservoir Storage and Water Rights Purchase		Board Approval Date: November 2016
Terms of Loan: 2.35% for 20 years	(Original) \$10,000,000.00	(Final) \$5,964,859.01
Engineer: David B. Lindsay, P.E., Colorado Civil Group, Inc. Engineering Consultants		