



# COLORADO

## Colorado Water Conservation Board

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

March 12, 2021

Mr. Dan Hicks, Manager  
Town of South Fork  
P.O. Box 369  
100 Silver Thread Lane  
South Fork, CO 81154

Re: Town of South Fork - Augmentation Water Purchase Project  
CWCB Contract Number CT2020-3398

### NOTICE OF PROJECT SUBSTANTIAL COMPLETION

Dear Mr. Hicks:

This letter is to advise you that the Project referenced above was substantially completed on March 1, 2021. In accordance with the Loan Contract, the Town of South Fork owes \$141.04 for interest accrued since 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 \$444,400 (\$440,000 plus \$4,400 for the 1% service fee). The first annual loan payment of \$19,706.27 will be due on March 1, 2022 (see 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 this purchase. 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 = \$444,400.00  
Expended Amount = \$444,400.00

cc: Ms. Heather Dutton, CWCB Board Member, Rio Grande Basin



Colorado Water Conservation Board  
Project Expenditure Schedule

**Augmentation Water Purchase**

**Town of South Fork**  
**0100 Silver Thread Lane**  
**South Fork , CO 81154**  
**c/o Dan Hicks**

**Ph. 719-873-0152**  
**Fax**  
**townadministrator@southfork.org**

	Original	Amended	Final
Loan Contract No.:	<b>CT2020-3398</b>		
Authorization:	\$444,400.00		
Contract Amount	\$440,000.00		\$ 440,000.00
Loan Service Fee %	1.00%		
Loan Service Fee	\$4,400.00		\$ 4,400.00
Total Loan Amount	\$444,400.00		\$ 444,400.00
Interest:	1.95%		1.95%
Term (Years):	30		30
Conditions:	Up to 100%		Up to 100%
IDC Calculation Date:	3/1/2021		

Substantial Completion Date

3/1/2021

Contract Expires:

5/28/2023

Pay Req. No.	Date	Description	Amount Disbursed	Cumulative Loan Balance	Balance Available to Loan	Interest	Accrued Interest
					\$ 444,400.00		
1	2/23/2021	Water Certificate purchase	\$ 440,000.00	\$ 440,000.00	\$ 4,400.00	\$ 141.04	\$ 141.04
Final	3/1/2021	Loan Service Fee @ 1%	\$ 4,400.00	\$ 444,400.00	-	-	\$ 141.04



# COLORADO

## Colorado Water Conservation Board

Department of Natural Resources

1313 Sherman Street, Room 718  
Denver, CO 80203

Borrower | Town of South Fork

Loan Contract Number | CT2020-3398

Original Loan Amount | \$440,000.00

Contract Adjustment | \$0.00

1% Service Fee | \$4,400.00

Interest During Construction Added | \$0.00

Final Amount | \$444,400.00

Interest Rate | 1.950000 %

Term | 30

First Payment Due | March 1, 2022

Annual Payment Amount | \$19,706.27

Line status	Pmt Date	Payment	Principal	Interest	Column fees	True Balance
Service Fee / IDC (PMT=0)	03/01/2021	\$0.00	\$-4,400.00	\$0.00	\$4,400.00	\$444,400.00
Due Pmt	03/01/2022	\$19,706.27	\$11,040.47	\$8,665.80	\$0.00	\$433,359.53
Due Pmt	03/01/2023	\$19,706.27	\$11,255.76	\$8,450.51	\$0.00	\$422,103.77
Due Pmt	03/01/2024	\$19,706.27	\$11,475.25	\$8,231.02	\$0.00	\$410,628.52
Due Pmt	03/01/2025	\$19,706.27	\$11,699.01	\$8,007.26	\$0.00	\$398,929.51
Due Pmt	03/01/2026	\$19,706.27	\$11,927.14	\$7,779.13	\$0.00	\$387,002.37
Due Pmt	03/01/2027	\$19,706.27	\$12,159.72	\$7,546.55	\$0.00	\$374,842.65
Due Pmt	03/01/2028	\$19,706.27	\$12,396.84	\$7,309.43	\$0.00	\$362,445.81
Due Pmt	03/01/2029	\$19,706.27	\$12,638.58	\$7,067.69	\$0.00	\$349,807.23
Due Pmt	03/01/2030	\$19,706.27	\$12,885.03	\$6,821.24	\$0.00	\$336,922.20
Due Pmt	03/01/2031	\$19,706.27	\$13,136.29	\$6,569.98	\$0.00	\$323,785.91
Due Pmt	03/01/2032	\$19,706.27	\$13,392.44	\$6,313.83	\$0.00	\$310,393.47
Due Pmt	03/01/2033	\$19,706.27	\$13,653.60	\$6,052.67	\$0.00	\$296,739.87
Due Pmt	03/01/2034	\$19,706.27	\$13,919.84	\$5,786.43	\$0.00	\$282,820.03
Due Pmt	03/01/2035	\$19,706.27	\$14,191.28	\$5,514.99	\$0.00	\$268,628.75
Due Pmt	03/01/2036	\$19,706.27	\$14,468.01	\$5,238.26	\$0.00	\$254,160.74
Due Pmt	03/01/2037	\$19,706.27	\$14,750.14	\$4,956.13	\$0.00	\$239,410.60
Due Pmt	03/01/2038	\$19,706.27	\$15,037.76	\$4,668.51	\$0.00	\$224,372.84
Due Pmt	03/01/2039	\$19,706.27	\$15,331.00	\$4,375.27	\$0.00	\$209,041.84
Due Pmt	03/01/2040	\$19,706.27	\$15,629.95	\$4,076.32	\$0.00	\$193,411.89
Due Pmt	03/01/2041	\$19,706.27	\$15,934.74	\$3,771.53	\$0.00	\$177,477.15
Due Pmt	03/01/2042	\$19,706.27	\$16,245.47	\$3,460.80	\$0.00	\$161,231.68
Due Pmt	03/01/2043	\$19,706.27	\$16,562.25	\$3,144.02	\$0.00	\$144,669.43
Due Pmt	03/01/2044	\$19,706.27	\$16,885.22	\$2,821.05	\$0.00	\$127,784.21
Due Pmt	03/01/2045	\$19,706.27	\$17,214.48	\$2,491.79	\$0.00	\$110,569.73
Due Pmt	03/01/2046	\$19,706.27	\$17,550.16	\$2,156.11	\$0.00	\$93,019.57
Due Pmt	03/01/2047	\$19,706.27	\$17,892.39	\$1,813.88	\$0.00	\$75,127.18
Due Pmt	03/01/2048	\$19,706.27	\$18,241.29	\$1,464.98	\$0.00	\$56,885.89
Due Pmt	03/01/2049	\$19,706.27	\$18,597.00	\$1,109.27	\$0.00	\$38,288.89
Due Pmt	03/01/2050	\$19,706.27	\$18,959.64	\$746.63	\$0.00	\$19,329.25
Due Pmt	03/01/2051	\$19,706.17	\$19,329.25	\$376.92	\$0.00	\$0.00

03.08.2021

LCM



### APPENDIX 3, PROMISSORY NOTE

Date: March 25, 2020

Borrower: Town of South Fork, acting by and through the water activity enterprise

Total Loan Amount: \$444,400.00

Interest Rate: 1.95% per annum

Term of Repayment: Thirty (30) years

Loan Contract Number: CT2020-3398

Annual Loan Payment: \$19,706.27

Payment Initiation Date\*: March 1, 2021  
(To be filled in at Substantial Completion of Project)

Maturity Date\*: March 1, 2051  
(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 South Fork acting by and through the water  
activity enterprise

By: 

Signature

Attest:

Name: Rodney Reed

Title: Mayor

Date: March 25, 2020

By: 

Signature

Name: Dan Hicks

Title: Town Administrator

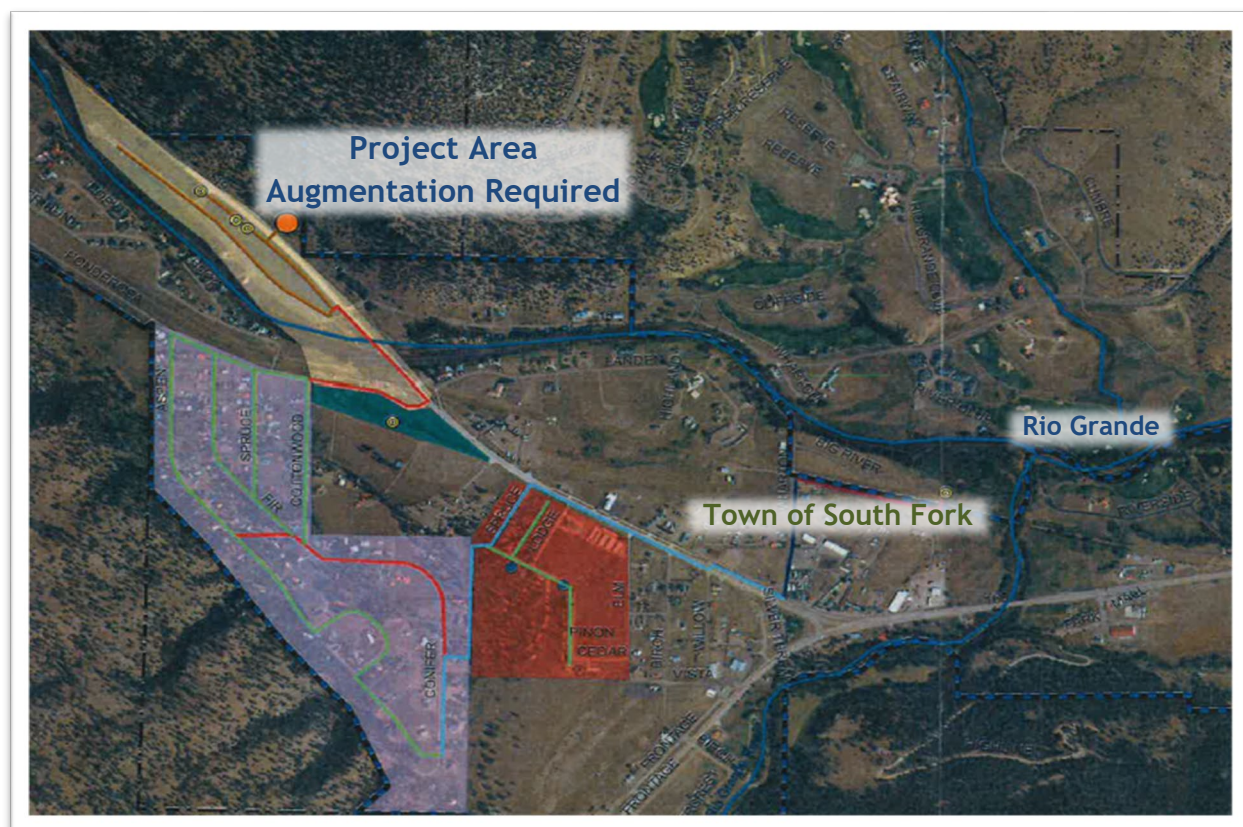
Date: March 25, 2020



## Augmentation Water Purchase Project

Town of South Fork

Substantially Complete March 1, 2021



### Project Description

The Town of South Fork (Town), acting through its water enterprise, is creating a municipal water system to comply with the Rules Governing the Withdrawal of Groundwater in Water Division No. 3 (Rules). These Rules, approved by Water Court in 2019, require all non-exempt wells in the Rio Grande basin to replace their usage depletions through ownership of augmentation water and operation of an augmentation plan. Several private water systems in South Fork do not meet these requirements and may be subject to shut down by the State on or before March 15, 2021. In an effort to work toward compliance, the Town obtained five water systems and requested a loan to purchase augmentation water from the San Luis Valley Water Conservancy District. The purchase included a certificate representing 22 acre-feet of augmentation water that allowed the Town to continue providing water to its customers and comply with the Rules for the Town's municipal water system.

P R O J E C T   D A T A		
Sponsor: Town of South Fork	County: Rio Grande	Water Source: Rio Grande
Type of Project: Water Purchase	Board Approval Date: January 2020	
Terms of Loan: 1.95% for 30 years	(Original) \$444,400.00	(Final) \$444,400.00
Engineer: Clinton Phillips, P.E., Davis Engineering Services, Inc.		
Appraiser: John Allen Davey, P.E., Davis Engineering Services, Inc.		