



COLORADO

Colorado Water Conservation Board

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

September 1, 2021

Ms. Corinne Koehler, President
Pueblo Conservancy District
115 East Riverwalk, Suite 400
Pueblo, CO 81003
cor_koehler@yahoo.com

Re: Arkansas River and Wildhorse Creek Levees Project
CWCB Loan Contract Number CT2019-0366

NOTICE OF PROJECT SUBSTANTIAL COMPLETION

Dear Ms. Koehler:

This letter is to advise you that the Project referenced above was substantially completed on September 1, 2021. In accordance with the Loan Contract, the Company owed \$380,320.54 for interest accrued during the construction phase of the Project, which was paid on 09/08/2021.

The total amount disbursed under this contract was \$23,230,000.00 (\$23,000,000.00 plus \$230,000.00 for the 1% service fee). The first annual loan payment will be due on September 1, 2022, in the amount of \$1,102,488.59 as presented in the 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 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 = \$23,230,000.00
Expended Amount = \$23,230,000.00

cc: Mr. Gregory Felt, CWCB Board Member, Arkansas Basin



Colorado Water Conservation Board
Project Expenditure Schedule

Arkansas River and Wildhorse Creek Levees

Pueblo Conservancy District
115 E. Riverwalk, Suite 400
Pueblo, CO 81003

Ph.
Fax

	Original	Amended	Final
Loan Contract No.:	CT2019-366		
Authorization:	\$17,170,000.00	\$23,230,000.00	
Contract Amount	\$17,000,000.00	\$23,000,000.00	\$ 23,000,000.00
Loan Service Fee %	1.00%	1.00%	
Loan Service Fee	\$170,000.00	\$230,000.00	\$ 230,000.00
Total Loan Amount	\$17,170,000.00	\$ 23,230,000.00	\$ 23,230,000.00
Interest:	2.45%	2.45%	2.45%
Term (Years):	30	30	30
Conditions:	Up to 100%		0
IDC Calculation Date:	9/1/2021		

Substantial Completion Date

9/1/2021

Contract Expires:

9/18/2023

Pay Req. No.	Date	Description	Amount Disbursed	Cumulative Loan Balance	Balance Available to Loan	Interest	Accrued Interest
					\$ 23,230,000.00		
1	11/16/2018	Engineering and Construction	\$ 15,711,110.83	\$ 15,711,110.83	\$ 7,518,889.17	\$ 1,075,673.04	\$ 1,075,673.04
2	1/16/2019	Engineering and Construction	\$ 318,587.40	\$ 16,029,698.23	\$ 7,200,301.77	\$ 20,507.86	\$ 1,096,180.90
3	1/29/2019	Engineering and Construction	\$ 775,224.10	\$ 16,804,922.33	\$ 6,425,077.67	\$ 49,225.67	\$ 1,145,406.57
4	3/1/2019	Engineering and Construction	\$ 195,077.67	\$ 17,000,000.00	\$ 6,230,000.00	\$ 11,981.24	\$ 1,157,387.81
	8/30/2019	EFT	-	\$ 17,000,000.00	\$ 6,230,000.00	(\$ 323,246.72)	\$ 834,141.09
	11/30/2020	EFT	-	\$ 17,000,000.00	\$ 6,230,000.00	(\$ 521,480.82)	\$ 312,660.27
5	3/17/2021	Engineering and Construction	\$ 6,000,000.00	\$ 23,000,000.00	\$ 230,000.00	\$ 67,660.27	\$ 380,320.54
	9/1/2021	IDC	-	\$ 23,000,000.00	\$ 230,000.00	(\$ 380,320.54)	\$ 0.00
Final	9/1/2021	Loan Service Fee @ 1%	\$ 230,000.00	\$ 23,230,000.00	-	-	\$ 0.00



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Loan Repayment Schedule

Borrower | Pueblo Conservancy District

Loan Contract Number | CT2019-366

FINAL Loan Amount | \$23,000,000.00

1% Service Fee | \$230,000.00

Interest During Construction Added | \$0.00

FINAL Total Loan Amount | \$23,230,000.00

Interest Rate | 2.450000 %

Term | 30

First Payment Due | September 1, 2022

Annual Payment Amount | \$1,102,488.59

Line status	Pmt Date	Payment	Principal	Interest	Column fees	True Balance
Service Fee / IDC (PMT=0)	09/01/2021	\$0.00	\$-230,000.00	\$0.00	\$230,000.00	\$23,230,000.00
Due Pmt	09/01/2022	\$1,102,488.59	\$533,353.59	\$569,135.00	\$0.00	\$22,696,646.41
Due Pmt	09/01/2023	\$1,102,488.59	\$546,420.75	\$556,067.84	\$0.00	\$22,150,225.66
Due Pmt	09/01/2024	\$1,102,488.59	\$559,808.06	\$542,680.53	\$0.00	\$21,590,417.60
Due Pmt	09/01/2025	\$1,102,488.59	\$573,523.36	\$528,965.23	\$0.00	\$21,016,894.24
Due Pmt	09/01/2026	\$1,102,488.59	\$587,574.68	\$514,913.91	\$0.00	\$20,429,319.56
Due Pmt	09/01/2027	\$1,102,488.59	\$601,970.26	\$500,518.33	\$0.00	\$19,827,349.30
Due Pmt	09/01/2028	\$1,102,488.59	\$616,718.53	\$485,770.06	\$0.00	\$19,210,630.77
Due Pmt	09/01/2029	\$1,102,488.59	\$631,828.14	\$470,660.45	\$0.00	\$18,578,802.63
Due Pmt	09/01/2030	\$1,102,488.59	\$647,307.93	\$455,180.66	\$0.00	\$17,931,494.70
Due Pmt	09/01/2031	\$1,102,488.59	\$663,166.97	\$439,321.62	\$0.00	\$17,268,327.73
Due Pmt	09/01/2032	\$1,102,488.59	\$679,414.56	\$423,074.03	\$0.00	\$16,588,913.17
Due Pmt	09/01/2033	\$1,102,488.59	\$696,060.22	\$406,428.37	\$0.00	\$15,892,852.95
Due Pmt	09/01/2034	\$1,102,488.59	\$713,113.69	\$389,374.90	\$0.00	\$15,179,739.26
Due Pmt	09/01/2035	\$1,102,488.59	\$730,584.98	\$371,903.61	\$0.00	\$14,449,154.28
Due Pmt	09/01/2036	\$1,102,488.59	\$748,484.31	\$354,004.28	\$0.00	\$13,700,669.97
Due Pmt	09/01/2037	\$1,102,488.59	\$766,822.18	\$335,666.41	\$0.00	\$12,933,847.79
Due Pmt	09/01/2038	\$1,102,488.59	\$785,609.32	\$316,879.27	\$0.00	\$12,148,238.47
Due Pmt	09/01/2039	\$1,102,488.59	\$804,856.75	\$297,631.84	\$0.00	\$11,343,381.72
Due Pmt	09/01/2040	\$1,102,488.59	\$824,575.74	\$277,912.85	\$0.00	\$10,518,805.98
Due Pmt	09/01/2041	\$1,102,488.59	\$844,777.84	\$257,710.75	\$0.00	\$9,674,028.14
Due Pmt	09/01/2042	\$1,102,488.59	\$865,474.90	\$237,013.69	\$0.00	\$8,808,553.24
Due Pmt	09/01/2043	\$1,102,488.59	\$886,679.04	\$215,809.55	\$0.00	\$7,921,874.20
Due Pmt	09/01/2044	\$1,102,488.59	\$908,402.67	\$194,085.92	\$0.00	\$7,013,471.53
Due Pmt	09/01/2045	\$1,102,488.59	\$930,658.54	\$171,830.05	\$0.00	\$6,082,812.99
Due Pmt	09/01/2046	\$1,102,488.59	\$953,459.67	\$149,028.92	\$0.00	\$5,129,353.32
Due Pmt	09/01/2047	\$1,102,488.59	\$976,819.43	\$125,669.16	\$0.00	\$4,152,533.89
Due Pmt	09/01/2048	\$1,102,488.59	\$1,000,751.51	\$101,737.08	\$0.00	\$3,151,782.38
Due Pmt	09/01/2049	\$1,102,488.59	\$1,025,269.92	\$77,218.67	\$0.00	\$2,126,512.46
Due Pmt	09/01/2050	\$1,102,488.59	\$1,050,389.03	\$52,099.56	\$0.00	\$1,076,123.43
Due Pmt	09/01/2051	\$1,102,488.45	\$1,076,123.43	\$26,365.02	\$0.00	\$0.00

08/30/2021

LCM



**Appendix A, Amendment No. 1 to Loan Contract CT2019-366
Amendment to Promissory Note**

Date:	<u>August 26</u> , 2020
Borrower:	Pueblo Conservancy District
Total Loan Amount:	\$23,230,000.00
Interest Rate:	2.45% per annum
Term of Repayment:	30 years or until loan is paid in full
Loan Contract No.:	CT2019-366
Annual Loan Payment:	\$1,102,488.59
Payment Initiation Date:	<u>September 01, 2021</u> <u>(to be filled in at Substantial Completion of Project)</u>
Maturity Date:	<u>September 01, 2051</u> <u>(to be filled in at Substantial Completion of Project)</u>

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. This Amendment to Promissory Note, in the revised loan amount of \$23,230,000.00, shall replace and supersede the Original Promissory Note, attached as Appendix 3 to the Original Loan Contract, in the amount of 17,170,000.00, and incorporated by reference.
2. Principal and interest shall be payable in equal Loan Payments, with the first payment due and payable one year from Payment Initiation Date, 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 sixty (60) calendar days of the due date.
5. This 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. All payments received shall be applied first to late charges, if any, next to accrued interest and then to reduce the principal amount.
7. This 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 a Security Agreement ("Security Instrument") of even date and amount and cover certain revenues of the Borrower. The Loan Contract and Security Instruments grant additional rights to the CWCB, including the right to accelerate the maturity of this Note in certain events.
8. 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 sixty (60) days of receipt of such notice before the Borrower shall be considered in default for purposes of this Promissory Note.

9. The Borrower and any co-signer or guarantor 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.
10. This Note shall be governed in all respects by the laws of the State of Colorado.

Attest:

By Ron Serna

Signature

Name Ron Serna

Title Secretary

Date August 26, 2020

Pueblo Conservancy District

By Corinne Koehler

Signature

Name Corinne Koehler

Title President

Date August 26, 2020



Project Description

The Pueblo Conservancy District (District) was formed in response to the 1921 flood in Pueblo. Its primary function is flood protection within its designated boundaries. In 2006, the District was advised that unless the Arkansas River and Wildhorse Creek levees were accredited by the Federal Emergency Management Agency (FEMA), the City would lose their protected status which ensures that flood insurance can be provided at affordable rates. The City and District has not forgotten the victims of the catastrophic Great Flood in 1921. A Dedication ceremony was held to honor the 1921 flood victims, the City and the surrounding communities for the long road of this multiple phased construction project spanning about ten years.

The District completed the reconstruction and stabilization of approximately 13,000 lineal feet of the Arkansas River Levee, and approximately 3,000 feet of Wildhorse Creek Levee has been constructed and complies with FEMA standards. FEMA required levee certification documentation by 44 CFR 65.10 and EM-1110-2-1913. The District provided these documents to FEMA on June 3, 2021. The District has not received any other correspondence or requests for information from FEMA.

P R O J E C T D A T A		
<i>Sponsor:</i> Pueblo Conservancy District	<i>County:</i> Pueblo	<i>Water Source:</i> Arkansas River
<i>Type of Project:</i> Flood Control	<i>Board Approval Date:</i> September 2017	
<i>Terms of Loan:</i> 2.45% for 30 years	<i>(Original)</i> \$23,230,000	<i>(Final)</i> \$23,230,000
<i>Design Engineer:</i> NorthStar Engineering and Surveying, Inc.		
<i>Contractor:</i> K.R.Swerdfeger Construction, Inc. and ASI Construction, LLC		