



## COLORADO

### Colorado Water Conservation Board

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

February 22, 2022

Mr. Scott King, President  
Huerfano County Water Conservancy District  
P.O. Box 442  
La Veta, CO 81055  
[slking@centurylink.net](mailto:slking@centurylink.net)

Re: Regional Augmentation Project  
CWCB Loan Contract Number CT2015-0047

#### NOTICE OF PROJECT SUBSTANTIAL COMPLETION

Dear Mr. King:

This letter is to advise you that the Project referenced above was substantially completed on February 1, 2022. In accordance with the Loan Contract, the District owes \$56,374.35 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 utilized under this contract was \$2,666,400.00 (\$2,640,000.00 plus \$26,400.00 for the 1% service fee). A prepayment of \$936,979.00 was made on December 1, 2020, bringing the loan balance down to \$2,033,633.98. The first annual loan payment will be due on February 1, 2023, in the amount of \$123,185.93 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.  
CWCB Finance Section

Loan Contract Amount = \$2,666,400.00  
Expended Amount = \$2,666,400.00

ec: Mr. Gregory Felt, CWCB Board Member, Arkansas River Basin



Colorado Water Conservation Board  
Project Expenditure Schedule

**Huerfano County WCD Regional Augmentation Project**

**Huerfano County Water Conservancy District**  
**P. O. Box 442**  
**La Veta, CO 81055**  
**c/o Carol Dunn**

**Ph. (719)742-3597**  
**Fax**  
**hwcwdistrict@gmail.com**

	<b>Original</b>	<b>Amended</b>	<b>Final</b>
Loan Contract No.:	<b>CT2015-047</b>		
Authorization:	\$2,222,000.00	\$2,666,400.00	
Contract Amount	\$2,200,000.00	\$2,640,000.00	\$ 2,007,233.98
Loan Service Fee %	1.00%	1.00%	
Loan Service Fee	\$22,000.00	\$26,400.00	\$ 26,400.00
Total Loan Amount	\$2,222,000.00	\$ 2,666,400.00	\$ 2,033,633.98
Interest:	2.25%	2.25%	2.25%
Term (Years):	30	30	30
Conditions:	Up to 100%		0
IDC Calculation Date:	2/1/2022		

Substantial Completion Date

2/1/2022

**Contract Expires: 12/31/2021**

Pay Req. No.	Date	Description	Amount Disbursed	Cumulative Loan Balance	Balance Available to Loan	Interest	Accrued Interest	% Disbursed
					\$2,666,400.00			
1	1/28/2014	Camp Ranch purchase (land and water rights)	\$ 1,794,109.09	\$ 1,794,109.09	\$ 872,290.91	\$ 323,603.21	\$ 323,603.21	67%
2	9/10/2014	Camp Ranch engineering & construction	\$ 156,756.55	\$ 1,950,865.64	\$ 715,534.36	\$ 26,099.97	\$ 349,703.18	73%
3	7/2/2019	Eng&Const *\$271,134.36 less \$22K overpay	\$ 249,134.36	\$ 2,200,000.00	\$ 466,400.00	\$ 14,512.93	\$ 364,216.11	83%
4	5/8/2020	Engineering	\$ 6,412.00	\$ 2,206,412.00	\$ 459,988.00	\$ 250.60	\$ 364,466.71	83%
5	9/8/2020	Engineering	\$ 15,237.90	\$ 2,221,649.90	\$ 444,750.10	\$ 479.99	\$ 364,946.70	83%
6	9/8/2020	Engineering and Construction	\$ 12,591.46	\$ 2,234,241.36	\$ 432,158.64	\$ 396.63	\$ 365,343.33	84%
7	9/16/2020	Construction	\$ 12,513.59	\$ 2,246,754.95	\$ 419,645.05	\$ 388.01	\$ 365,731.34	84%
8	9/30/2020	Engineering and Construction	\$ 8,246.06	\$ 2,255,001.01	\$ 411,398.99	\$ 248.57	\$ 365,979.91	85%
9	10/7/2020	engineering and construction	\$ 97,941.60	\$ 2,352,942.61	\$ 313,457.39	\$ 2,910.07	\$ 368,889.98	88%
10	11/16/2020	Engineering and Construction	\$ 103,875.00	\$ 2,456,817.61	\$ 209,582.39	\$ 2,830.24	\$ 371,720.22	92%
11	12/1/2020	Engineering and Construction	\$ 117,000.00	\$ 2,573,817.61	\$ 92,582.39	\$ 3,079.66	\$ 374,799.88	97%
1P	12/31/2020	Principal Pre Pay	(\$ 632,766.02)	\$ 1,941,051.59	\$ 92,582.39	(\$ 15,485.43)	\$ 359,314.45	
	12/31/2020	IDC paid	-	\$ 1,941,051.59	\$ 92,582.39	(\$ 304,212.98)	\$ 55,101.47	
12	3/26/2021	Engineering and Construction	\$ 66,182.39	\$ 2,007,233.98	\$ 26,400.00	\$ 1,272.88	\$ 56,374.35	75%
Final	2/1/2022	Loan Service Fee @ 1%	\$ 26,400.00	\$ 2,033,633.98	(\$ 0.00)	-	\$ 56,374.35	76%



# COLORADO

## Colorado Water Conservation Board

Department of Natural Resources

1313 Sherman Street, Room 718  
Denver, CO 80203

### Loan Repayment Schedule

Borrower | Huerfano County Water Conservancy District

Loan Contract Number | CT 2015\*047

FINAL Loan Amount | \$2,640,000.00

1% Service Fee | \$26,400.00

Interest During Construction Added | \$0.00

FINAL Total Loan Amount | \$2,033,633.98

Interest Rate | 2.250000 %

Term | 30

First Payment Due | February 1, 2023

Annual Payment Amount | \$123,185.93

Line status	Pmt Date	Payment	Principal	Interest	Column fees	True Balance
Contract Adjustment	02/01/2022	\$632,766.02	\$632,766.02	\$0.00	\$0.00	\$2,007,233.98
Service Fee / IDC (PMT=0)	02/01/2022	\$0.00	\$-26,400.00	\$0.00	\$26,400.00	\$2,033,633.98
Due Pmt	02/01/2023	\$123,185.93	\$77,429.17	\$45,756.76	\$0.00	\$1,956,204.81
Due Pmt	02/01/2024	\$123,185.93	\$79,171.32	\$44,014.61	\$0.00	\$1,877,033.49
Due Pmt	02/01/2025	\$123,185.93	\$80,952.68	\$42,233.25	\$0.00	\$1,796,080.81
Due Pmt	02/01/2026	\$123,185.93	\$82,774.11	\$40,411.82	\$0.00	\$1,713,306.70
Due Pmt	02/01/2027	\$123,185.93	\$84,636.53	\$38,549.40	\$0.00	\$1,628,670.17
Due Pmt	02/01/2028	\$123,185.93	\$86,540.85	\$36,645.08	\$0.00	\$1,542,129.32
Due Pmt	02/01/2029	\$123,185.93	\$88,488.02	\$34,697.91	\$0.00	\$1,453,641.30
Due Pmt	02/01/2030	\$123,185.93	\$90,479.00	\$32,706.93	\$0.00	\$1,363,162.30
Due Pmt	02/01/2031	\$123,185.93	\$92,514.78	\$30,671.15	\$0.00	\$1,270,647.52
Due Pmt	02/01/2032	\$123,185.93	\$94,596.36	\$28,589.57	\$0.00	\$1,176,051.16
Due Pmt	02/01/2033	\$123,185.93	\$96,724.78	\$26,461.15	\$0.00	\$1,079,326.38
Due Pmt	02/01/2034	\$123,185.93	\$98,901.09	\$24,284.84	\$0.00	\$980,425.29
Due Pmt	02/01/2035	\$123,185.93	\$101,126.36	\$22,059.57	\$0.00	\$879,298.93
Due Pmt	02/01/2036	\$123,185.93	\$103,401.70	\$19,784.23	\$0.00	\$775,897.23
Due Pmt	02/01/2037	\$123,185.93	\$105,728.24	\$17,457.69	\$0.00	\$670,168.99
Due Pmt	02/01/2038	\$123,185.93	\$108,107.13	\$15,078.80	\$0.00	\$562,061.86
Due Pmt	02/01/2039	\$123,185.93	\$110,539.54	\$12,646.39	\$0.00	\$451,522.32
Due Pmt	02/01/2040	\$123,185.93	\$113,026.68	\$10,159.25	\$0.00	\$338,495.64
Due Pmt	02/01/2041	\$123,185.93	\$115,569.78	\$7,616.15	\$0.00	\$222,925.86
Due Pmt	02/01/2042	\$123,185.93	\$118,170.10	\$5,015.83	\$0.00	\$104,755.76
Due Pmt	02/01/2043	\$107,112.76	\$104,755.76	\$2,357.00	\$0.00	\$0.00
Information	02/01/2044	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Information	02/01/2045	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Information	02/01/2046	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Information	02/01/2047	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Information	02/01/2048	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Information	02/01/2049	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Information	02/01/2050	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Information	02/01/2051	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Information	02/01/2052	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00



**Appendix 2A, Amendment No. 2 to Loan Contract CT2015-047**  
**Amendment to Promissory Note**

Date: January 27, 2020  
 Borrower: Huerfano County Water Conservancy District  
 Total Loan Amount: \$2,666,400.00  
 Interest Rate: 2.25% per annum  
 Term of Repayment: 30 years or until loan is paid in full  
 Loan Contract No.: CT2015-047  
 Annual Loan Payment: \$123,185.93  
 Payment Initiation Date: 02/01/2022  
 (to be filled in at Substantial Completion of Project)  
 Maturity Date: 02/01/2043  
 (to be filled in at Substantial Completion of Project)

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 \$2,666,400.00** shall replace and supersede the Original Promissory Note, attached as Appendix 2 to the Original Loan Contract, in the amount of \$2,222,000.00, 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.

Huerfano County Water Conservancy District

Attest:

By Carol S Dunn

Name Carol Dunn

Title Secretary

Date 1/27/2020

By   
Signature

Name Scott King

Title President

Date 1/27/2020



Sheep Mountain Augmentation Facility - Reservoir



Sheep Mountain Augmentation Facility -  
Downstream from reservoir and pump facility



## Project Description

The Huerfano County Water Conservancy District (District) was approved for a CWCB loan in September 2013 to develop a regional augmentation program to replace depletions of wells in unincorporated communities in Huerfano County through a regional augmentation program. Within Huerfano County there are many water users that are at risk of being curtailed due either to being out of priority or due to failing (or failed) augmentation plans. The users include schools and domestic, commercial, and agricultural users. The District has utilized a Substitute Water Supply Plan and Regional Rule 14 Replacement Plan to provide augmentation water to entities that were in danger of having water use curtailed due to out of priority usage. The District believes that other water users will find it necessary to join the regional augmentation plan and the Division Engineer has indicated an urgent need for such a plan. Key project components included: the purchase of land and water rights, the construction of a recharge reservoir, and a reservoir for augmentation named the Sheep Mountain Augmentation Facility.

### P R O J E C T D A T A

<i>Sponsor:</i> Huerfano County Water Conservancy District	<i>County:</i> Huerfano	<i>Water Source:</i> Arkansas River
<i>Type of Project:</i> Augmentation	<i>Board Approval Date:</i> September 2013	
<i>Terms of Loan:</i> 2.25% for 30 years	<i>(Original)</i> \$2,666,400.00	<i>(Final)</i> \$2,666,400.00
<i>Design Engineer:</i> TZA - Lamp Rynearson, Inc.		
<i>Contractor:</i> Paul Morgan Excavating, Inc. and Frontier Environmental Services		