



COLORADO

Colorado Water Conservation Board

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

March 9, 2023

Mr. James Yahn, General Manager
North Sterling Irrigation District
PO Box 103
Sterling, CO 80751

Re: North Sterling River Diversion Replacement Project
Loan Contract Number CT2021-3875

NOTICE OF PROJECT SUBSTANTIAL COMPLETION

Dear Mr. Yahn:

This letter is to advise you that the Project referenced above was substantially completed on March 1, 2023. In accordance with the Loan Contract, the Company owes \$36,477.47 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 final total loan amount under this contract is \$3,532,980.00 (\$3,498,000.00 plus \$34,980.00 for the 1% service fee). The first annual loan payment will be due on March 1, 2024, in the amount of \$192,837.29 as presented in the attached Promissory Note and Loan Repayment Schedule.

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 contact us if you have any questions regarding this matter.

Sincerely,

Kirk Russell, P.E. Chief
CWCB Finance Section

Loan Contract Amount = \$3,532,980.00
Final Total Loan Amount = \$3,532,980.00

cc: Robert Sakata, CWCB Board Member, South Platte River Basin



Colorado Water Conservation Board
Project Expenditure Schedule

North Sterling River Diversion Replacement

North Sterling Irrigation District
P. O. Box 103
Sterling, CO 80751-0103
c/o James T. Yahn

Ph. (970) 522-2025
Fax (970) 522-2025
jim@northsterling.org

	Original	Amended	Final
Loan Contract No.:	CT2021-3875		
Authorization:	\$3,532,980.00		
Contract Amount	\$3,498,000.00		\$ 3,498,000.00
Loan Service Fee %	1.00%		
Loan Service Fee	\$34,980.00		\$ 34,980.00
Total Loan Amount	\$3,532,980.00		\$ 3,532,980.00
Interest:	0.85%		0.85%
Term (Years):	20		20
Conditions:	Up to 100%		Up to 100%
IDC Calculation Date:	3/1/2023		

Substantial Completion Date

3/1/2023

Contract Expires:

5/10/2026

Pay Req. No.	Date	Description	Amount Disbursed	Cumulative Loan Balance	Balance Available to Loan	Interest	Accrued Interest
					\$ 3,532,980.00		
1	6/29/2021	Engineering and Materials	\$ 453,152.05	\$ 453,152.05	\$ 3,079,827.95	\$ 6,437.24	\$ 6,437.24
2	8/17/2021	Engineering, Materials, and Construction	\$ 727,629.16	\$ 1,180,781.21	\$ 2,352,198.79	\$ 9,506.03	\$ 15,943.27
3	10/22/2021	Engineering, Materials, and Construction	\$ 794,045.83	\$ 1,974,827.04	\$ 1,558,152.96	\$ 9,153.28	\$ 25,096.55
4	12/27/2021	Engineering, Materials, and Construction	\$ 643,044.91	\$ 2,617,871.95	\$ 915,108.05	\$ 6,424.28	\$ 31,520.83
5	1/12/2022	Engineering and Construction	\$ 338,157.15	\$ 2,956,029.10	\$ 576,950.90	\$ 3,252.33	\$ 34,773.16
6	8/23/2022	Engineering and Construction	\$ 220,946.98	\$ 3,176,976.08	\$ 356,003.92	\$ 977.61	\$ 35,750.77
7	11/21/2022	Engineering and Construction	\$ 305,288.01	\$ 3,482,264.09	\$ 50,715.91	\$ 710.94	\$ 36,461.71
8	1/17/2023	Obermeyer Gates	\$ 15,735.91	\$ 3,498,000.00	\$ 34,980.00	\$ 15.76	\$ 36,477.47
Final	3/1/2023	Loan Service Fee @ 1%	\$ 34,980.00	\$ 3,532,980.00	(\$ 0.00)	-	\$ 36,477.47

% Disbursed

Days

13%	610
33%	561
56%	495
74%	429
84%	413
90%	190
99%	100
99%	43
100%	0

APPENDIX 3, PROMISSORY NOTE

Date: April 8, 2021

Borrower: North Sterling Irrigation District

Total Loan Amount: \$3,532,980.00

Interest Rate: 0.85% per annum

Term of Repayment: Twenty (20) years

Loan Contract Number: CT2021-3875

Annual Loan Payment: \$192,837.29

Payment Initiation Date*: 03/01/2023
(To be filled in at Substantial Completion of Project)

Maturity Date*: 03/01/2043
(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

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.

North Sterling Irrigation District

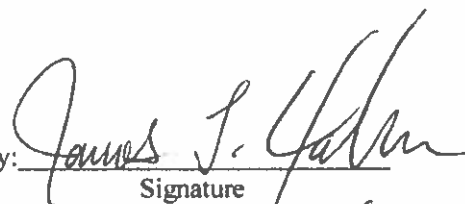
By: 
Signature

Name: David A. Hernandez

Title: President

Date: April 8, 2021

Attest:

By: 
Signature

Name: James T. Vahn

Title: Secretary

Date: April 8, 2021



COLORADO

Colorado Water Conservation Board

Department of Natural Resources

1313 Sherman Street, Room 718
Denver, CO 80203

Loan Repayment Schedule

Borrower | North Sterling Irrigation District

Loan Contract Number | CT2021-3875

FINAL Loan Amount | \$3,498,000.00

1% Service Fee | \$34,980.00

Interest During Construction Added | \$0.00

FINAL Total Loan Amount | \$3,532,980.00

Interest Rate | 0.850000 %

Term | 20

First Payment Due | March 1, 2024

Annual Payment Amount | \$192,837.29

Line status	Pmt Date	Payment	Principal	Interest	Column fees	True Balance
Service Fee / IDC	03/01/2023	\$0.00	\$-34,980.00	\$0.00	\$34,980.00	\$3,532,980.00
Due Pmt	03/01/2024	\$192,837.29	\$162,806.96	\$30,030.33	\$0.00	\$3,370,173.04
Due Pmt	03/01/2025	\$192,837.29	\$164,190.82	\$28,646.47	\$0.00	\$3,205,982.22
Due Pmt	03/01/2026	\$192,837.29	\$165,586.44	\$27,250.85	\$0.00	\$3,040,395.78
Due Pmt	03/01/2027	\$192,837.29	\$166,993.93	\$25,843.36	\$0.00	\$2,873,401.85
Due Pmt	03/01/2028	\$192,837.29	\$168,413.37	\$24,423.92	\$0.00	\$2,704,988.48
Due Pmt	03/01/2029	\$192,837.29	\$169,844.89	\$22,992.40	\$0.00	\$2,535,143.59
Due Pmt	03/01/2030	\$192,837.29	\$171,288.57	\$21,548.72	\$0.00	\$2,363,855.02
Due Pmt	03/01/2031	\$192,837.29	\$172,744.52	\$20,092.77	\$0.00	\$2,191,110.50
Due Pmt	03/01/2032	\$192,837.29	\$174,212.85	\$18,624.44	\$0.00	\$2,016,897.65
Due Pmt	03/01/2033	\$192,837.29	\$175,693.66	\$17,143.63	\$0.00	\$1,841,203.99
Due Pmt	03/01/2034	\$192,837.29	\$177,187.06	\$15,650.23	\$0.00	\$1,664,016.93
Due Pmt	03/01/2035	\$192,837.29	\$178,693.15	\$14,144.14	\$0.00	\$1,485,323.78
Due Pmt	03/01/2036	\$192,837.29	\$180,212.04	\$12,625.25	\$0.00	\$1,305,111.74
Due Pmt	03/01/2037	\$192,837.29	\$181,743.84	\$11,093.45	\$0.00	\$1,123,367.90
Due Pmt	03/01/2038	\$192,837.29	\$183,288.66	\$9,548.63	\$0.00	\$940,079.24
Due Pmt	03/01/2039	\$192,837.29	\$184,846.62	\$7,990.67	\$0.00	\$755,232.62
Due Pmt	03/01/2040	\$192,837.29	\$186,417.81	\$6,419.48	\$0.00	\$568,814.81
Due Pmt	03/01/2041	\$192,837.29	\$188,002.36	\$4,834.93	\$0.00	\$380,812.45
Due Pmt	03/01/2042	\$192,837.29	\$189,600.38	\$3,236.91	\$0.00	\$191,212.07
Due Pmt	03/01/2043	\$192,837.37	\$191,212.07	\$1,625.30	\$0.00	\$0.00

MW

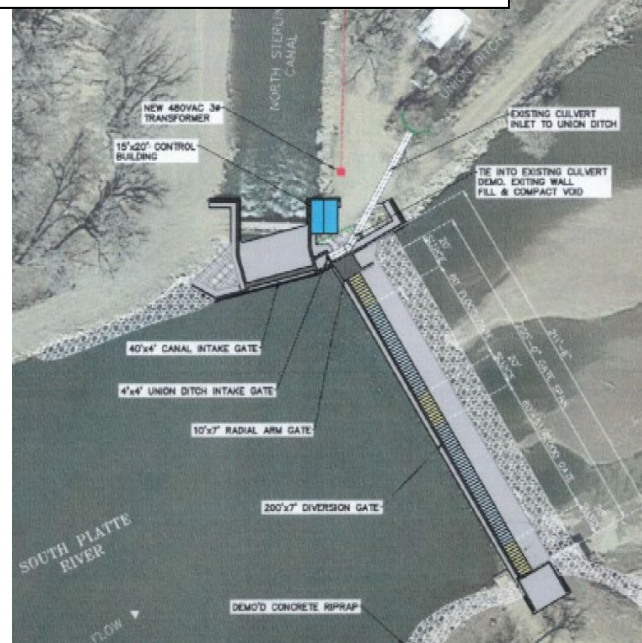




North Sterling River Diversion Replacement

North Sterling Irrigation District
Substantially Complete March 1, 2023

The new diversion structure is reoriented in the river to aid in sediment removal. Principal components include Obermeyer bladder gates, a new headgate structure for the Inlet Canal, a radial gate sluiceway, a control building, and a flume measurement structure.



Project Description

The North Sterling Irrigation District (District) was created in 1907 by the Board of County Commissioners and currently serves 122 landowners with more than 40,000 acres. Irrigated land in the District's service area produces corn, alfalfa, sugar beets, pinto beans, small grains and feed crops.

The project included replacement of the existing 210 foot long diversion structure with a bladder gate, a new inlet headgate, continued service for the Union Ditch, and a new measurement structure. This allowed for safe passage of flood events, sediment, and ice flow in the winter. During intermediate flows, it also allows for fish passage while a partial pool on the upstream side will benefit aquatic habitat and waterfowl. Benefits for the District resulting from the project include improved safety for employees, and automation including remote control. Construction began in the summer of 2021 and was completed in the early spring of 2023.

P R O J E C T D A T A		
<i>Sponsor:</i> North Sterling Irrigation District	<i>County:</i> Logan	<i>Water Source:</i> South Platte River
<i>Type of Project:</i> Diversion Replacement		<i>Board Approval Date:</i> March 2021
<i>Loan Terms: (Original)</i> \$3,532,980 @ 0.85% <i>(Final)</i> \$3,532,980 @ 0.85%		
<i>Design Engineer:</i> Harris Engineering Consultants, Inc.		
<i>Contractor:</i> Concrete Specialties and Utilities Construction, Inc.		