



COLORADO

Colorado Water Conservation Board

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

May 8, 2024

Mr. Richard McIntyre, Senior Director
East Mesa Water Company
1625 Prince Creek Road
Carbondale, CO 81623
richardmcintyre1952@gmail.com

Re: East Mesa Emergency Ditch Repair
Loan Contract Number CT2024-2668

NOTICE OF PROJECT SUBSTANTIAL COMPLETION

Dear Mr. McIntyre:

This letter is to advise you that the Project referenced above was substantially completed on May 1, 2024. In accordance with the Loan Contract, the Company owes \$265.86 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 \$43,347.94 (\$42,918.75 plus \$429.19 for the 1% service fee). An adjustment in the amount of \$374,792.06 will be made to the contract for funds no longer needed; however, the annual payment will remain as contracted. Kaylee Salazar, Contracts Manager, will follow up with an executed 'Option Letter' reflecting the adjusted amount. The first annual loan payment will be due on May 1, 2025, in the amount of \$18,414.19 as presented in the attached Loan Repayment Schedule and Promissory Note.

Please note, in accordance with the Borrower's Liability Insurance Provision of the Loan Contract, a renewed insurance certificate must be submitted to the CWCB annually 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 = \$418,140.00
Final Total Loan Amount = \$43,347.94

cc: Paul Bruchez, CWCB Board Member, Colorado River Basin



Colorado Water Conservation Board
Project Expenditure Schedule

East Mesa Emergency Ditch Repair

East Mesa Water Company
1625 Prince Creek Road
Carbondale, CO 81623
c/o Richard McIntyre

Ph. 970-948-9628
Fax
richardmcintyre1952@gmail.com

	Original	Amended	Final
Loan Contract No.:	CT2024-2668		
Authorization:	\$418,140.00		
Contract Amount	\$414,000.00		\$ 42,918.75
Loan Service Fee %	1.00%		
Loan Service Fee	\$4,140.00		\$ 429.19
Total Loan Amount	\$418,140.00		\$ 43,347.94
Interest:	1.90%		1.90%
Term (Years):	30		30
Conditions:	Up to 100%		Up to 100%
IDC Calculation Date:	5/1/2024		

Substantial Completion Date

5/1/2024

Contract Expires:

10/13/2026

Pay Req. No.	Date	Description	Amount Disbursed	Cumulative Loan Balance	Balance Available to Loan	Interest	Accrued Interest
					\$ 418,140.00		
1	1/3/2024	Geophysics and Engineering	\$ 42,918.75	\$ 42,918.75	\$ 375,221.25	\$ 265.86	\$ 265.86
Final	5/1/2024	Loan Service Fee @ 1%	\$ 429.19	\$ 43,347.94	\$ 374,792.06	-	\$ 265.86
CT	5/1/2024	Adjustment - Funds not needed	(\$ 374,792.06)	\$ 43,347.94	\$ 0.00	-	\$ 265.86

MW



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Loan Repayment Schedule

Borrower | East Mesa Water Company

Loan Contract Number | CT2024-2668

FINAL Loan Amount | \$42,918.75

1% Service Fee | \$429.19

Interest During Construction Added | \$0.00

FINAL Total Loan Amount | \$43,347.94

Interest Rate | 1.900000 %

Term | 30

First Payment Due | May 1, 2025

Annual Payment Amount | \$18,414.19

Line status	Pmt Date	Payment	Principal	Interest	Column fees	True Balance
Information	05/01/2024					\$42,918.75
Service Fee / IDC	05/01/2024	\$0.00	\$-429.19	\$0.00	\$429.19	\$43,347.94
Due Pmt	05/01/2025	\$18,414.19	\$17,590.58	\$823.61	\$0.00	\$25,757.36
Due Pmt	05/01/2026	\$18,414.19	\$17,924.80	\$489.39	\$0.00	\$7,832.56
Due Pmt	05/01/2027	\$7,981.38	\$7,832.56	\$148.82	\$0.00	\$0.00
Information	06/02/2027	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

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APPENDIX 3, PROMISSORY NOTE

Date: 4/24/2024
Borrower: East Mesa Water Company
Total Loan Amount: \$418,140.00
Interest Rate: 1.90% per annum
Term of Repayment: 30 years
Loan Contract Number: CT2024*2668
Annual Loan Payment: \$18,414.19
Payment Initiation Date*: 5/1/2024
(To be filled in at Substantial Completion of Project)
Maturity Date*: 5/1/2054
(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: Security Agreement and Deed of Trust ("Security Instruments") of even date and amount herewith and cover the Pledged Revenues and Pledged Property. The Contract and Security Instruments 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 Instruments securing this Promissory Note occurs, the CWCB may declare the entire outstanding principal balance of the

Executed the day and date first written above.

Grantor:

By:

Signature

Name:

Tim Nieslensk

Title:

President

Date:

10/11/2023

Attest:

By

Signature

Name RICHARD MCINTYRE

Title SECT. / TREAS.

Date 10/11/2023

Notary Required

State of Colorado)

County of Garfield)

ss.

The foregoing instrument was acknowledged before me on October 11th, 2023 by

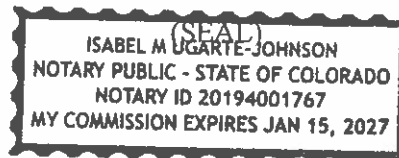
Tim Nieslensk (Name) as grantor (Title) and

Richard McIntyre (Name) as Attest (Title) of the East Mesa Water Company.

(Borrower). Witness my hand and official seal.

Notary Public Signature

My commission expires 01/15/2027



(Colorado Water Conservation Board will record the Deed of Trust with the County.)



East Mesa Emergency Ditch Repair

East Mesa Water Company
Substantially Complete May 1, 2024

The East Mesa Ditch suffered from the collapse of two sinkholes - pictured below - effectively cutting the ditch off from the lower third of shareholders. The sinkholes were filled and approximately 1,500 feet of ditch was piped.



Project Description

The East Mesa Water Company (Company) provides irrigation water to approximately 740 acres for 12 shareholders. Irrigated acreage within the Company's service area is primarily used for cattle ranching, and to grow hay and forage crops.

In September 2023, a portion of the lower ditch collapsed into two sinkholes, leaving about a third of the Company's service area without access to irrigation or stock water. The Project included filling in the sinkholes, realigning the ditch away from potential sinkholes based on a geophysics analysis, and piping it to protect against additional sinkhole development. The Project began in October 2023 and construction was completed March 2024 in time to receive water in the ditch for spring runoff.

P R O J E C T D A T A		
<i>Sponsor:</i> East Mesa Water Company	<i>County:</i> Garfield	<i>Water Source:</i> Crystal River
<i>Type of Project:</i> Ditch Rehabilitation		<i>Board Approval Date:</i> September 2023
<i>Loan Terms:</i> 30yr @ 1.90% (Original) \$418,140.00 (Final) \$43,347.94		
<i>Design Engineer:</i> Water Resource Consultants, LLC.		
<i>Contractor:</i> Sierra Excavating		