

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

August 19, 2024

Cynthia Lefever, Office Manager
Fort Morgan Reservoir and Irrigation Company
218 East Kiowa Ave.
Fort Morgan, CO 80701
fmrico@outlook.com

Re: Augmentation Pump Replacement Project

Loan Contract Number CT2023-3300

NOTICE OF PROJECT SUBSTANTIAL COMPLETION

Dear Ms. Lefever:

This letter is to advise you that the Project referenced above was substantially completed on August 1, 2024. In accordance with the Loan Contract, the District owes \$38,290.64 for interest accrued during the construction phase of the Project (see attached Project Expenditure Schedule). The Company has requested that the CWCB include this accrued interest in the loan balance.

The final total loan amount under this contract is \$1,644,076.86 (\$1,589,508.23 plus \$38,290.64 for the interest accrued plus \$16,277.99 for the 1% service fee) however, the annual payment will remain as shown on the original Promissory Note. Kaylee Salazar, Contracts Manager, will follow up with an executed 'Option Letter' reflecting the adjusted amount. She can be reached at (303) 866-3441 x3227. The first annual loan payment will be due on August 1, 2025, in the amount of \$79,598.56 as presented in the attached Loan Repayment Schedule and Promissory Note.

Please note, in accordance with the Borrower's Loan Contract, annual audited 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 = \$1,770,530.00 Final Total Loan Amount = \$1,644,076.86

cc: Brad Wind, CWCB Board Member, South Platte River Basin



Colorado Water Conservation Board Project Expenditure Schedule

Augmentation Pump Replacement Project

Fort Morgan Reservoir and Irrigation Company P. O. Box 38
Fort Morgan, CO 80701
c/o Cynthia Lefever

Ph. 970-867-7561 Fax fmrico@outlook.com

Original **Amended** Final CT2023-3300 Loan Contract No.: Authorization: \$1,770,530.00 **Contract Amount** \$1,753,000.00 1,627,798.87 1.00% Loan Service Fee % 16,277.99 Loan Service Fee \$17,530.00 Total Loan Amount \$1,770,530.00 1,644,076.86 2.05% Interest: 2.05% Term (Years): 30 30 Up to 100% Conditions: Up to 100% 8/1/2024 IDC Calculation Date:

Substantial Completion Date 8/1/2024 Contract Expires: 2/15/2026

Pay Req. No.	Date	Description		Amount Disbursed		Cumulative Loan Balance		Balance Available to Loan		Interest		Accrued Interest	
							\$	1,770,530.00					
1	3/24/2023	Engineering, Materials, & Construction	\$	524,251.01	\$	524,251.01	\$	1,246,278.99	\$	14,604.34	\$	14,604.34	
2	4/27/2023	Engineering and Construction	\$	354,530.81	\$	878,781.82	\$	891,748.18	\$	9,199.35	\$	23,803.69	
3	5/23/2023	Engineering and Construction	\$	221,931.79	\$	1,100,713.61	\$	669,816.39	\$	5,434.59	\$	29,238.28	
4	6/23/2023	Engineering and Construction	\$	113,053.62	\$	1,213,767.23	\$	556,762.77	\$	2,571.58	\$	31,809.86	
5	7/17/2023	Engineering and Construction	\$	22,461.64	\$	1,236,228.87	\$	534,301.13	\$	480.65	\$	32,290.51	
6	8/30/2023	Engineering and Construction	\$	238,645.20	\$	1,474,874.07	\$	295,655.93	\$	4,516.93	\$	36,807.44	
7	12/1/2023	Engineering and Construction	\$	97,496.67	\$	1,572,370.74	\$	198,159.26	\$	1,336.11	\$	38,143.55	
8	2/21/2024	Engineering and Construction	\$	15,732.49	\$	1,588,103.23	\$	182,426.77	\$	143.14	\$	38,286.69	
9	6/12/2024	Engineering	\$	1,405.00	\$	1,589,508.23	\$	181,021.77	\$	3.95	\$	38,290.64	
Final		Interest added to loan	\$	38,290.64	_	1,627,798.87	\$	142,731.13	(\$	38,290.64)		-	
Final	8/1/2024	Loan Service Fee @ 1%	\$	16,277.99	\$	1,644,076.86	\$	126,453.14		-		-	
CT	8/1/2024	contract adjustment - funds not needed	(\$	126,453.14)	\$	1,644,076.86	\$	0.00		-		-	

 $m\omega$

COLORADO WATER CONSERVATION BOARD

LOAN REPAYMENT SCHEDULE

Borrower	Fort Morgan Reservoir and Irrig					
Loan Contract Number	CT2023-3300					
Principal	\$1,644,076.86					
Interest Rate	2.05%					
Frequency	Annual					
Term (In Years)	30					
First Payment Due	August 1, 2025					
Payment Amount	\$79,598.56					

Loan Payment No.	Annual Payment Due Date	Annual Payment Amount	Principal		Interest		Principal BALANCE
							\$ 1,644,076.86
1	1-Aug-25	\$79,598.56	\$	45,894.98	\$	33,703.58	\$ 1,598,181.88
2	1-Aug-26	\$79,598.56	\$	46,835.83	\$	32,762.73	\$ 1,551,346.05
3	1-Aug-27	\$79,598.56	\$	47,795.97	\$	31,802.59	\$ 1,503,550.08
4	1-Aug-28	\$79,598.56	\$	48,775.78	\$	30,822.78	\$ 1,454,774.30
5	1-Aug-29	\$79,598.56	\$	49,775.69	\$	29,822.87	\$ 1,404,998.61
6	1-Aug-30	\$79,598.56	\$	50,796.09	\$	28,802.47	\$ 1,354,202.52
7	1-Aug-31	\$79,598.56	\$	51,837.41	\$	27,761.15	\$ 1,302,365.11
8	1-Aug-32	\$79,598.56	\$	52,900.08	\$	26,698.48	\$ 1,249,465.03
9	1-Aug-33	\$79,598.56	\$	53,984.53	\$	25,614.03	\$ 1,195,480.50
10	1-Aug-34	\$79,598.56	\$	55,091.21	\$	24,507.35	\$ 1,140,389.29
11	1-Aug-35	\$79,598.56	\$	56,220.58	\$	23,377.98	\$ 1,084,168.71
12	1-Aug-36	\$79,598.56	\$	57,373.10	\$	22,225.46	\$ 1,026,795.61
13	1-Aug-37	\$79,598.56	\$	58,549.25	\$	21,049.31	\$ 968,246.36
14	1-Aug-38	\$79,598.56	\$	59,749.51	\$	19,849.05	\$ 908,496.85
15	1-Aug-39	\$79,598.56	\$	60,974.37	\$	18,624.19	\$ 847,522.48
16	1-Aug-40	\$79,598.56	\$	62,224.35	\$	17,374.21	\$ 785,298.13
17	1-Aug-41	\$79,598.56	\$	63,499.95	\$	16,098.61	\$ 721,798.18
18	1-Aug-42	\$79,598.56	\$	64,801.70	\$	14,796.86	\$ 656,996.48
19	1-Aug-43	\$79,598.56	\$	66,130.13	\$	13,468.43	\$ 590,866.35
20	1-Aug-44	\$79,598.56	\$	67,485.80	\$	12,112.76	\$ 523,380.55
21	1-Aug-45	\$79,598.56	\$	68,869.26	\$	10,729.30	\$ 454,511.29
22	1-Aug-46	\$79,598.56	\$	70,281.08	\$	9,317.48	\$ 384,230.21
23	1-Aug-47	\$79,598.56	\$	71,721.84	\$	7,876.72	\$ 312,508.37
24	1-Aug-48	\$79,598.56	\$	73,192.14	\$	6,406.42	\$ 239,316.23
25	1-Aug-49	\$79,598.56	\$	74,692.58	\$	4,905.98	\$ 164,623.65
26	1-Aug-50	\$79,598.56	\$	76,223.78	\$	3,374.78	\$ 88,399.87
27	1-Aug-51	\$79,598.56	\$	77,786.36	\$	1,812.20	\$ 10,613.51
28	1-Aug-52	\$10,831.09	\$	10,613.51	\$	217.58	\$ 0.00

mw

TOTALS \$2,159,992.21 \$1,644,076.86 \$515,915.35 \$0.00

APPENDIX 3, PROMISSORY NOTE

Date: February 4, 2023

Borrower: Fort Morgan Reservoir and Irrigation Company

Total Loan Amount: \$1,770530.00

Interest Rate: 2.05% per annum

Term of Repayment: 30 years

Loan Contract Number: CT2023-3300

Annual Loan Payment: \$79,598.56

Payment Initiation Date*: 08/01/2024

(To be filled in at Substantial Completion of Project)

Maturity Date*: 08/01/2052

(To be filled in at Substantial Completion of Project)

- 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 ("Security Instrument") 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 Note, all accrued interest, and any outstanding late charges immediately due and payable, and the indebtedness

^{*} Payment Initiation Date and Maturity Date fields are filled in *after* the Project has been substantially completed.

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 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. 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.

Fort Morgan Reservoir and Irrigation Company

Attest:

Name: Dal - Ballan

Title: Secretary / Trasurer

Date: Feb. 4, 2023

Name: William E. Lauck

Title: President, Board of Director

Date: Fob 4, 2023



Augmentation Pump Replacement Project

Fort Morgan Reservoir and Irrigation Company Substantially Complete August 1, 2024





Project Description

The Company was organized in 1882, and diverts irrigation water for approximately 15,000 acres, and augmentation water for approximately 90 wells. These diversions are carried through the Fort Morgan Canal to recharge ponds and agricultural lands south of the South Platte River between Weldona and Brush for 98 shareholders.

The Company also has an operational agreement with Groves Farms, LLC to re-time excess augmentation credits from senior recharge projects when those credits are not needed for direct augmentation, and to divert water under new junior water rights when available for recharge and augmentation use. The infrastructure to implement this operation was originally constructed around 2012, with the Company's portion of the project funded with CWCB loan and grant funds.

The Project was the rehabilitation of this pipeline system, and included a new intake structure, an automated airburst system to backwash the intake screens, 4-stage vertical turbine pumps, and an insulated building to house the pumps and mechanical equipment. Loan funds covered the entire project cost for planning, design, and construction.

P R	0 J E C 7	DAT	A				
Sponsor: Fort Morgan Reservoir and Irrigation Company	County: Fort M	organ	Water Source: South Platte				
Type of Project: Augmentation Fac	cilities E	Board Approval Date: January 2023					
Loan Terms: 30yrs @ 2.05% (Original) \$1,770,530.00 (Final) \$1,643,693.95							
Design Engineer: Harris Engineering Consultants Inc.							
Contractor: Ransom Boone Excavation, LLC.							