



COLORADO

Colorado Water Conservation Board

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

February 17, 2024

Mr. Seth Clayton, Executive Director
Board of Water Works of Pueblo
319 W 4th Street
Pueblo, CO 81003
sclayton@pueblowater.org

Re: Southside Diversion Dam Improvements Project
Loan Contract Number CT2024-1240

NOTICE OF PROJECT SUBSTANTIAL COMPLETION

Dear Mr. Clayton:

This letter is to advise you that the Project referenced above was substantially completed on February 1, 2025. In accordance with the Loan Contract, Pueblo Water owes \$158,179.36 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. Mail it to the address above, attention Mimi Winter.

The final total loan amount under this contract is \$9,847,500.00 (\$9,750,000.00 plus \$97,500.00 for the 1% service fee). The first annual loan payment will be due on February 1, 2026, in the amount of \$616,867.79 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 contact us if you have any questions.

Sincerely,

Kirk Russell, P.E. Chief
CWCB Finance Section

Loan Contract Amount = \$9,847,500.00
Final Total Loan Amount = \$9,847,500.00

cc: Greg Felt, CWCB Board Member, Arkansas River Basin



Colorado Water Conservation Board
Project Expenditure Schedule

Southside Diversion Dam Improvement Project

Board of Water Works of Pueblo
319 W. 4th Street
Pueblo, CO 81003
c/o Seth Clayton

Ph.
Fax
sclayton@pueblowater.org

	Original	Amended	Final
Loan Contract No.:	CT2024-1240		
Authorization:	\$9,847,500.00		
Contract Amount	\$9,750,000.00		\$ 9,750,000.00
Loan Service Fee %	1.00%		
Loan Service Fee	\$97,500.00		\$ 97,500.00
Total Loan Amount	\$9,847,500.00		\$ 9,847,500.00
Interest:	2.25%		2.25%
Term (Years):	20		20
Conditions:	Up to 100%		Up to 100%
IDC Calculation Date:	2/1/2025		

Substantial Completion Date

2/1/2025

Contract Expires:

9/11/2026

Pay Req. No.	Date	Description	Amount Disbursed	Cumulative Loan Balance	Balance Available to Loan	Interest	Accrued Interest
					\$ 9,847,500.00		
1	4/17/2024	Engineering and Construction	\$ 7,612,750.39	\$ 7,612,750.39	\$ 2,234,749.61	\$ 136,090.95	\$ 136,090.95
2	6/27/2024	Construction	\$ 1,092,158.52	\$ 8,704,908.91	\$ 1,142,591.09	\$ 14,744.14	\$ 150,835.09
3	10/10/2024	Construction	\$ 1,045,091.09	\$ 9,750,000.00	\$ 97,500.00	\$ 7,344.27	\$ 158,179.36
Final	2/1/2025	Loan Service Fee @ 1%	\$ 97,500.00	\$ 9,847,500.00	\$ 0.00	-	\$ 158,179.36

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Loan Repayment Schedule

Borrower | Board of Water Works Pueblo CO

Loan Contract Number | CT2024-1240

FINAL Loan Amount | \$9,750,000.00

1% Service Fee | \$97,500.00

Interest During Construction Added | \$0.00

FINAL Total Loan Amount | \$9,847,500.00

Interest Rate | 2.250000 %

Term | 20

First Payment Due | February 1, 2026

Annual Payment Amount | \$616,867.79

Line status	Pmt Date	Payment	Principal	Interest	Column fees	True Balance
Service Fee / IDC	02/01/2025	\$0.00	\$-97,500.00	\$0.00	\$97,500.00	\$9,847,500.00
Due Pmt	02/01/2026	\$616,867.79	\$395,299.04	\$221,568.75	\$0.00	\$9,452,200.96
Due Pmt	02/01/2027	\$616,867.79	\$404,193.27	\$212,674.52	\$0.00	\$9,048,007.69
Due Pmt	02/01/2028	\$616,867.79	\$413,287.62	\$203,580.17	\$0.00	\$8,634,720.07
Due Pmt	02/01/2029	\$616,867.79	\$422,586.59	\$194,281.20	\$0.00	\$8,212,133.48
Due Pmt	02/01/2030	\$616,867.79	\$432,094.79	\$184,773.00	\$0.00	\$7,780,038.69
Due Pmt	02/01/2031	\$616,867.79	\$441,816.92	\$175,050.87	\$0.00	\$7,338,221.77
Due Pmt	02/01/2032	\$616,867.79	\$451,757.80	\$165,109.99	\$0.00	\$6,886,463.97
Due Pmt	02/01/2033	\$616,867.79	\$461,922.35	\$154,945.44	\$0.00	\$6,424,541.62
Due Pmt	02/01/2034	\$616,867.79	\$472,315.60	\$144,552.19	\$0.00	\$5,952,226.02
Due Pmt	02/01/2035	\$616,867.79	\$482,942.70	\$133,925.09	\$0.00	\$5,469,283.32
Due Pmt	02/01/2036	\$616,867.79	\$493,808.92	\$123,058.87	\$0.00	\$4,975,474.40
Due Pmt	02/01/2037	\$616,867.79	\$504,919.62	\$111,948.17	\$0.00	\$4,470,554.78
Due Pmt	02/01/2038	\$616,867.79	\$516,280.31	\$100,587.48	\$0.00	\$3,954,274.47
Due Pmt	02/01/2039	\$616,867.79	\$527,896.61	\$88,971.18	\$0.00	\$3,426,377.86
Due Pmt	02/01/2040	\$616,867.79	\$539,774.29	\$77,093.50	\$0.00	\$2,886,603.57
Due Pmt	02/01/2041	\$616,867.79	\$551,919.21	\$64,948.58	\$0.00	\$2,334,684.36
Due Pmt	02/01/2042	\$616,867.79	\$564,337.39	\$52,530.40	\$0.00	\$1,770,346.97
Due Pmt	02/01/2043	\$616,867.79	\$577,034.98	\$39,832.81	\$0.00	\$1,193,311.99
Due Pmt	02/01/2044	\$616,867.79	\$590,018.27	\$26,849.52	\$0.00	\$603,293.72
Due Pmt	02/01/2045	\$616,867.83	\$603,293.72	\$13,574.11	\$0.00	\$0.00

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APPENDIX 3, PROMISSORY NOTE

Date: 2/1/2025
Borrower: Board of Water Works of Pueblo
Total Loan Amount: \$9,847,500
Interest Rate: 2.25% per annum
Term of Repayment: 20 years
Loan Contract Number: CT2024-1240
Annual Loan Payment: \$616,867.79
Payment Initiation Date*: 2/1/2025
(To be filled in at Substantial Completion of Project)
Maturity Date*: 2/1/2045
(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 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 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 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.

Borrower: DocuSigned by:
 By: Sam Krage
916897E8DD899404
 Signature

Attest:

Name: Sam Krage
 Title: President
 Date: August 28, 2023 | 11:01 AM CDT

DocuSigned by:
 By: Seth Clayton
FDBF7AEB4003417
 Signature

Name: Seth Clayton
 Title: Executive Director
 Date: August 28, 2023 | 10:05 AM MDT



Southside Diversion Dam Improvements

Board of Water Works of Pueblo
 Substantially Complete February 1, 2025

The Southside Diversion Dam, originally built after the 1921 Arkansas River flood, was a low-head dam located downstream of Pueblo Reservoir that provided a backup water supply for the Whitlock Water Treatment Plant.



Project Description

The Southside Diversion Dam is located about 3.5 miles below Pueblo Reservoir and 0.5 miles above the Whitlock Water Treatment Plant. The Dam was a monolithic, concrete low-head dam featuring a 200-foot-long weir with a vertical drop of about 10 feet. Low-head dams are extremely hazardous to recreators because of recirculating currents on their downstream sides.

The Board of Water Works of Pueblo elected to remove the low-head diversion dam and replace it with a series of drops that would allow for fish and recreational passage. This was accomplished by lengthening the slope of the downstream side of the dam weir so that recreators may pass safely over it and by making improvements to the intake infrastructure. A bypass channel with several pools was constructed adjacent to the dam to allow for boat travel. Other improvements included bank stabilization, installation of new vegetation, and stream continuity for the first time in over 100 years. Two pedestrian bridges were also installed to provide easier and safer access for recreators. Construction began in the fall of 2023 and was complete at the end of 2024.

P R O J E C T D A T A		
<i>Sponsor:</i> Board of Water Works of Pueblo	<i>County:</i> Pueblo	<i>Water Source:</i> Arkansas River
<i>Type of Project:</i> Diversion Rehabilitation	<i>Board Approval Date:</i> March 2023	
<i>Loan Terms:</i> 20yr @ 2.25% (Original) \$9,847,500.00 (Final) \$9,847,500.00		
<i>Design Engineer:</i> BGC Engineering USA Inc.		
<i>Contractor:</i> Holcim WCR Inc.		