

FEASIBILITY REPORT

STERLING IRRIGATION COMPANY STERLING NO. 1 DITCH BYPASS STRUCTURE REPLACEMENT

DIVISION 1, WATER DISTRICT 64
LOGAN COUNTY, COLORADO

July 30, 2024



Feasibility Study Approval

Pursuant to Colorado Revised Statutes 37-60-121 & 122, and in accordance with policies adopted by the Board, the CWCB staff has determined this Feasibility Study meets all applicable requirements for approval.

Prepared for:

Sterling Irrigation Company
P.O. Box 550
Sterling, CO 80751

Zachary Salin
Signed: _____

11/21/2024

In cooperation with the Colorado Water Conservation Board.

Prepared by:

HEC HARRIS
ENGINEERING
CONSULTANTS, INC.

Fort Morgan, CO 80701
(970) 867-4971 | matt@harrisec.com



07/30/24

TABLE OF CONTENTS

Executive Summary	1
Project Sponsor	2
Project Service Area	2
Water Rights	2
Streamflow	3
Need for the Project	4
Alternatives Evaluated	4
Hydraulic Analysis.....	5
The Selected Project.....	6
Cost Estimate.....	7
Implementation Schedule.....	7
Social, Economic, and Physical Impacts.....	7
Permitting	7
Financial Plan	8
Existing Debt Service.....	8
Collateral.....	9
Institutional Considerations	9
Opinion of Feasibility.....	9
References.....	10

EXHIBITS

- Exhibit A: Articles of Incorporation and Bylaws
- Exhibit B: State Engineer Diversion Reports 1950-2023
Sterling No. 1 Ditch
(from CDSS HydroBase)
- Exhibit C: Service Area Map
- Exhibit D: Site Photos
- Exhibit E: Preliminary Design Drawings
- Exhibit F: Detailed Construction Cost Estimate and Loan Amortization
- Exhibit G: Existing Debt Service
- Exhibit H: Financial Statements: 2021 thru 2023
- Exhibit I: Stockholders List and Assessment History

Sterling Irrigation Company

Gene Manuello
President

Darren Luft
Vice-President

Kathie Seetch
Secretary

Cade Reynolds
Treasurer

Tom Giacomini
Les Baney
Bob Roth
Nate Young
Board Members

Chuck Darchuk
Ditch Superintendent

Attorney for the Sterling Irrigation Company

Ryan Donovan
Lawrence Custer Grasmick Jones & Donovan, LLP
Johnstown, Colorado
(970) 622-8181

Engineer for the Sterling Irrigation Company

Matthew C. Harris, P.E.
HARRIS ENGINEERING CONSULTANTS, INC.
Ft. Morgan, Colorado
(970) 867-4971

HARRIS ENGINEERING CONSULTANTS, INC. would like to thank the Sterling Irrigation Company for the valuable assistance provided during the preparation of this report. Special thanks are offered to the following individuals of the Company and other organizations:

Mr. Gene Manuella

President, Sterling Irrigation Company

Ms. Katherine Seetch

Secretary, Sterling Irrigation Company

Mr. Matt Stearns, P.E.

Colorado Water Conservation Board

Mr. Cole Bedford, P.E.

Colorado Water Conservation Board

Executive Summary

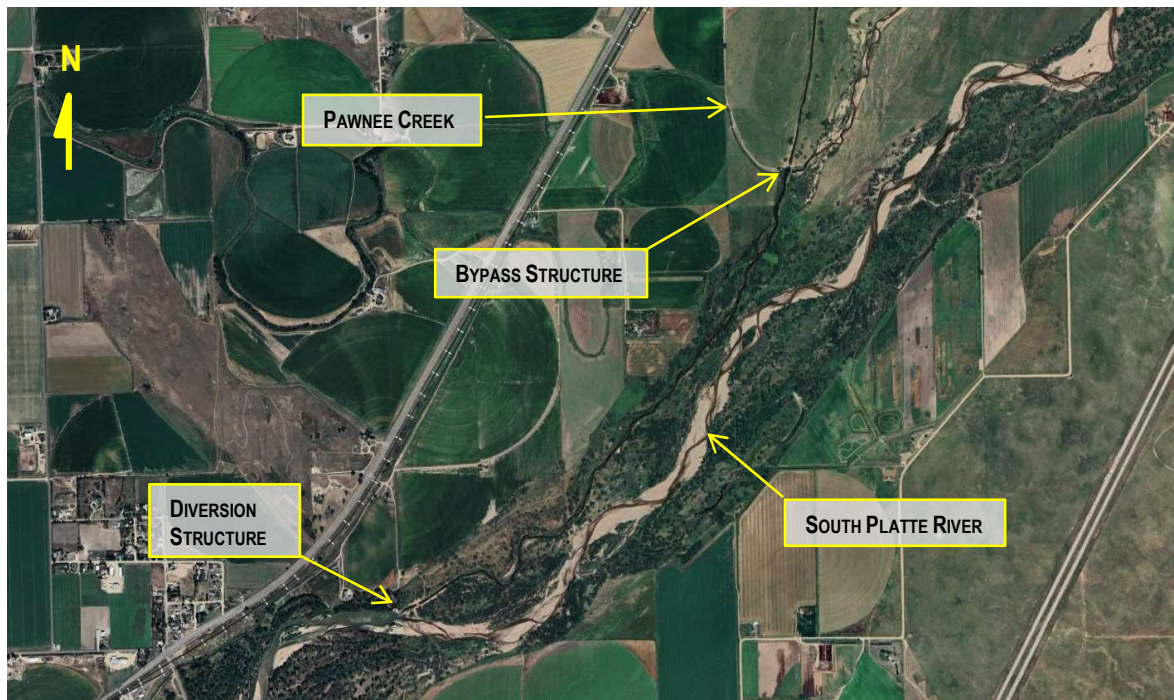
The Sterling Irrigation Company (SIC) operates and maintains an irrigation ditch system, the Sterling No. 1 Ditch, in Logan County for the distribution of water for direct flow irrigation and augmentation. The system serves approximately 6,700 acres for 74 shareholders. Water is diverted from the South Platte River at a diversion structure located approximately six miles southwest of the City of Sterling in Logan County, Colorado. The Sterling No. 1 Ditch is diverted off the north side of the river and flows in a northeasterly direction for approximately 2 miles to a secondary headgate and bypass structure, where flows may be diverted back into the river via the Pawnee Creek channel, which crosses the Sterling No. 1 Ditch at this location. An aerial image of the point of diversion and the existing ditch bypass structure is provided on Figure 1, below.

Principal concerns regarding the existing structure include: poor physical condition; operational difficulties and safety concerns with the existing flash board system; significant erosion of the channel downstream of the structure; undermining of the structure floor; and, the height of the structure floor relative to the channel, which precludes the ability to pass a substantial amount of sediment from both the inlet reach of the ditch and the lower reach of Pawnee Creek. The bypass structure is more than 60 years old and the concrete floor and walls are deteriorating as a result of time and wear. Scour downstream of the structure has resulted in the erosion of the channel floor and undermining of the structure. Pictures of the existing structure are included in Exhibit D.

The cost to replace the bypass structure is estimated at \$1,135,000 (rounded to the nearest thousand dollars). A detailed cost estimate is included in Exhibit F.

The SIC is requesting a low-interest water project loan from the Colorado Water Conservation Board (CWCB) to fund the project.

Figure 1: Aerial Vicinity Map of Existing Structure



Project Sponsor

The Sterling Irrigation Company (SIC), located in Logan County, Colorado is a mutual ditch company and a non-profit corporation per IRC Section 501(c)(12). Articles of Incorporation and Company Bylaws are included in Exhibit A; a list of current shareholders can be found in Exhibit I.

The SIC, incorporated in June of 1915, was formed much earlier (c. 1873) to construct and operate the Sterling No. 1 Ditch for the benefit of shareholders by providing direct flow irrigation water. The Company currently has 74 shareholders with 1290 total shares of stock and a decreed absolute water right of 113.9 cubic feet per second (cfs) from the South Platte River. Water is diverted at the Company's headworks located on the north bank of the South Platte River. The diversion structure is located at stream mile 75.55, in the southwest quarter of the northwest quarter of Section 25 of Township 7 North, Range 53 West of the Sixth Principal Meridian. The SIC undertook a project to rehabilitate their diversion structure on the river in 1999, replacing part of their diversion barrage with a new pneumatically operated bladder gate supplied by Obermeyer Hydro, Inc. (Obermeyer) and replacing their old flashboard-type intake structure with a new radial gate operated structure.

Flows into the ditch are measured across a flume located approximately 2 miles downstream of the headworks, located in the northwest quarter of the northwest quarter of Section 19 (T7N R52W), 650 feet northwest (downstream) of a secondary headgate and ditch bypass structure. The ditch bypass structure allows excess flows from the ditch and inflows from Pawnee Creek, which crosses the ditch at this location, to be released back into the South Platte River.

The Company's distribution system consists of approximately 29 miles of surface ditch, which passes through the City of Sterling. The average annual diversion for the SIC is approximately 23,983 acre-feet, which equates to approximately 18.5 acre-feet per share.

Project Service Area

The service area is located in Logan County, positioned on the north side of the South Platte River between the Town of Atwood and the Town of Iliff, Colorado. The service area is comprised of, on the average, approximately 6,700 acres of irrigated cropland. Water diverted from the river is typically used to irrigate corn, alfalfa, and sugar beets. The elevation at the point of diversion is approximately 3970 feet. A location map of the service area can be found in Exhibit C.

Water Rights

A summary of the historic water rights held by the SIC are included in Table 1, below. This information was obtained from the Structure Summary Report in the Colorado Water Resources Decision Support System (CDSS) attached in Exhibit B. The SIC has a decreed absolute water right of 113.9 cfs.

Table 1: Historic Water Rights Data

APPRO. DATE	ADJ. DATE	CASE NO.	AMOUNT (CFS)
07/15/1873	11/15/1894	CA0304	113.9

Table 2: Water Rights and Diversion Summary

DESCRIPTION	AMOUNT
Decreed Water Right (cfs)	113.9
Historic Maximum Day Diversion (cfs)	238
Date of Maximum	07/08/1993
Average Annual Diversion 1950 – 2023 (acre-ft)	23,983

Yearly diversions over the past fifteen years have generally been consistent with the historic average shown in Table 2. The average and maximum monthly diversions into the Sterling No. 1 Ditch are included in Table 3.

Table 3: Historic Diversions

MONTH	AVG. DIVERSION (CFS)	MAX. DIVERSION (CFS)
November	6	44
December	6	49
January	5	22
February	5	24
March	6	68
April	38	152
May	60	163
June	65	188
July	103	238
August	94	227
September	53	131
October	22	78

Streamflow

As previously noted, the bypass structure serves to release potential inflows from Pawnee Creek where it crosses the Sterling No. 1 Ditch. Pawnee Creek is an ephemeral stream with a drainage basin of approximately 723 square miles that encapsulates a majority of the Pawnee National Grassland, extending nearly to the Town of Briggsdale on the west end of the basin and to the Town of Grover at the northwest. Streamflow in Pawnee Creek may often be nonexistent, or consist primarily of return flows from adjacent irrigation activities; however, major precipitation events in the basin can result in substantial peak flows. As there are no USGS stream gages on Pawnee Creek, flood frequency determination is reliant on hydrologic modelling using statistically processed precipitation data for the area in conjunction with a multitude of physical characteristics associated with the drainage basin or regional regression equations developed by the USGS that relate peak discharge to basin area [Ref. 9].

Peak flood discharges for Pawnee Creek near its confluence with the Sterling No. 1 Ditch are enumerated in Table 4. This data was obtained from the USGS StreamStats website.

Table 4: Flood Discharges, Pawnee Creek @ Sterling No. 1 Ditch

FLOOD EVENT	PEAK DISCHARGE (cfs)
2 yr	501
5 yr	1,570
10 yr	2,810
25 yr	5,200
50 yr	7,720
100 yr	11,100
500 yr	23,200

Need for the Project

The SIC is undertaking repairs to their ditch bypass structure to ensure that it can continue to maintain the inlet to the Sterling No. 1 Ditch and deliver water for irrigation to its shareholders.

The ditch bypass structure is a concrete structure with ten (10) 4-foot tall, 42 inch long flash board bays. An overhead gangway that spans the entire 37-foot long structure is used to operate the flash boards. The concrete floor of the structure is stepped, with the floor under the flashboards positioned approximately 2 feet above the lower floor of the structure on the downstream end. The south abutment wall is constructed of poured-in-place concrete and the north abutment wall is formed with steel sheet piling. Although it is not certain when the ditch bypass structure was constructed, it is older than the secondary headgate structure that is situated adjacent to it. Information provided by the Company suggests that the headgate structure was constructed in the mid-1960s.

The concrete surface of the ditch bypass structure shows signs of extensive age and deterioration. Spalling, fatigue cracking, significant surface erosion from years of abrasion from sediment-laden water and general decay are evident throughout. The steel structural components of the flashboard system and overhead walkway are moderately corroded and battered, presenting operational difficulties and safety concerns. The channel downstream of the structure has been substantially eroded and both the floor and the south abutment wall footing have been partially undermined, which threaten the stability of the structure. If left unmitigated, this could result in the catastrophic failure of the structure. Photos of the existing structure can be found in Exhibit D.

Alternatives Evaluated

Three alternatives were considered for the ditch bypass structure: 1) Do not build the project; 2) Replace the structure and install 30 LF of used bladder gate; and 3) Replace the structure and install 40 LF of new bladder gate. A subjective evaluation of the alternatives is summarized below:

1. Do not build the project:

If this project is not pursued, the structure will continue to deteriorate. As a worst-case scenario, if the ditch bypass structure fails, the Company would be forced to make an emergency repair in order to keep the ditch operational. To minimize downtime and loss of crop yields, the emergency repair would likely consist of the placement of an earthen embankment across the structure with a culvert and rudimentary sluice gate. This action would put the Company in a compromising position by severely limiting their ability to pass sediment and release excess flows in the ditch, presenting an opportunity for a larger scale breach of the ditch inlet which would result in further loss of agricultural production on acreage reliant on the consistent delivery of water via the Sterling No. 1 Ditch, not to mention the additional financial burden associated with making the emergency repairs.

For the reasons above, this alternative is not considered acceptable by the Company.

2. *Replace the structure and install 30 LF of used bladder gate:*

This alternative consists of the complete removal and replacement of the existing structure. The new bypass structure would be constructed on the footprint of the existing structure. The floor of the new structure would be lowered approximately 2 feet, just above the elevation of the receiving channel. The structure would include 30 feet of bladder gate with a controller (PLC) purchased in used condition by the Company. The used bladder gates are of an older design fabricated by Obermeyer and would require new air bladders, as the used bladders are approximately 25 years old and nearing the end of their useful life. The gate panels are fabricated from carbon steel and in fair condition. New peripheral parts (panel-to-panel and panel-to-abutment seals, bolts, nuts and washers), anchor bolts and clamps would be required in order to put the gate into service. The used gates are approximately 7 feet in height. The gate would be fully automated to maintain a constant upstream pool elevation.

The new structure would be constructed of reinforced concrete. The foundation would consist of a slab founded on steel piling. The Obermeyer gate would be actuated using compressed air supplied by a new electric air compressor with air dryer. The gate would be controlled by the PLC using input from a new level transducer installed in a stilling well connected to the upstream ditch. Remote monitoring and operation would be provided via new cellular telemetry. The air-supply system and control system would be housed in a new 12-foot by 15-foot control building, constructed of reinforced concrete. New electric service would be brought to the site by the local utility to power the air compressor and controls.

The ability to incrementally lower the bladder gate during local flooding events of Pawnee Creek will greatly reduce the stress on the ditch inlet channel. This alternative will also enhance sediment passage capability across the ditch inlet and through the lower reach of Pawnee Creek. Full automation will reduce overhead and increase the operational efficiency of the bypass structure.

The cost of this alternative is approximately \$992,000. This alternative is feasible but may have a somewhat reduced service life for the gate and control system as they are purchased used with approximately 25 years of prior service and fabricated from carbon steel. This alternative has a performance to cost ratio of 2.0. The ratio is determined by dividing the estimated hydraulic capacity of the structure in cfs (see Hydraulic Analysis) by the capital cost in thousands of dollars.

For the reasons noted above, this alternative was not selected.

3. *Replace the structure and install 40 LF of new bladder gate:*

This alternative is nearly identical to alternative #2, with the exception of the bladder gate, which would be 40-feet in length, constructed of 304/304L stainless steel and purchased new from Obermeyer. As described in alternative #2, the gate system would be actuated by a new electric air compressor and fully automated with a PLC, both housed in a new control building. Remote monitoring and operation would be provided via new cellular telemetry. New electric service from the local utility would be brought to the site to provide power for the air compressor and control system.

The cost of this alternative is approximately \$1,135,000. This alternative is also feasible, provides more value for the cost with the new stainless steel gate system and controls and has a higher performance to cost rating of 2.6.

Hydraulic Analysis

A hydraulic model of the ditch bypass structure and receiving channel was developed using the HEC-RAS modelling software created by the US Army Corps of Engineers. The model was used to evaluate hydraulic performance of the proposed alternatives against the hydraulic performance of the existing structure.

Performance was rated by quantifying the upstream pool elevation required to pass a certain discharge across the structure. Tailwater elevations in the receiving channel were estimated using the normal depth computed by the Manning equation based on the characteristics of the channel (i.e., roughness, geometry and bed slope) at the discharge specified. The lower the pool elevation at a given discharge, the higher the performance. Table 5 summarizes the results based on several discharges.

Table 5: Hydraulic Simulation Results

DISCHARGE (cfs)	UPSTREAM POOL W.S.E. (feet)			DOWNSTREAM CHANNEL W.S.E. (feet)
	EXIST. STRUCTURE	30 FT BLADDER GATE	40 FT BLADDER GATE	
500	3964.81	3964.10	3963.81	3963.06
1,000	3966.27	3965.72	3965.24	3963.89
1,500	3967.40	3966.97	3966.34	3964.43
2,000	3968.40	3968.07	3967.30	3964.89
2,500	3969.30	3969.07	3968.17	3965.29
3,000	3970.15	3970.01	3968.99	3965.67

Note: Impact to downstream channel water surface elevation (w.s.e.) as a result of auxiliary flows from regional flooding (i.e., South Platte River) not considered in the analysis.

Intuitively, and as confirmed by the hydraulic simulation, the 40-foot gate had a marked improvement in performance as compared to the existing structure and the 30-foot gate, even at greater flows. It should be noted that at upstream pool elevations greater than approximately 3969 to 3970 feet, flows will start to overtop the earthen embankment forming the east side of the Sterling No. 1 Ditch, as presently constructed.

The Selected Project

The SIC plans to construct alternative #3. Features of this alternative are as follows:

- The new concrete structure will be founded on steel pipe or H-piling driven into the ground in a grid pattern.
- Galvanized steel sheet piling will be driven around the perimeter of the foundation to preclude seepage, reduce uplift pressures and exit gradient, and to confine the material under the foundation during all conditions of flow and turbulence.
- The structure will be supported on a monolithic steel reinforced concrete base. The base slab will have a minimum thickness of 18 inches.
- The slab and abutment retaining walls will be constructed of steel reinforced concrete. Abutment walls will have a minimum thickness of 12 inches.
- One 40-foot long pneumatically actuated bladder gate furnished by Obermeyer will be installed on the bypass structure floor. The gate will be 7 feet in operational height and will be fabricated out of 304/304L stainless steel per ASTM A240.
- A 12-foot by 15-foot control building constructed of steel reinforced concrete will house the gate air-supply system and control system.
- New 3-phase electric utility service will be provided by Highline Electric and will supply temporary power for construction (i.e., dewatering activities) and permanent power for the air-supply and control system.

The features narratively described above are shown on the preliminary plan set found in Exhibit E.

Cost Estimate

The estimated total project cost is \$1,135,000. A detailed cost estimate is attached to this report in Exhibit D.

<u>Item</u>	<u>Estimated Cost</u>
1. Planning, Design, and Legal Costs	\$ 58,500
2. Construction Cost	\$ 954,550
3. Miscellaneous and Contingency @ +/-12.0%	\$ 121,675
Total Cost (rounded to nearest 1,000)	\$ 1,135,000

Implementation Schedule

The proposed implementation schedule anticipates a completed project by the end of February, 2026. This is based on construction commencing in late fall of 2025, after irrigation season is completed and when conditions in the river are optimal. Project milestone dates are as follows:

<u>Task</u>	<u>Date of Completion</u>
1. Feasibility Study Submitted to CWCB	08/01/24
2. Feasibility Study Review and Approval by CWCB	09/19/24
3. Order Obermeyer Gate	12/01/24
4. Complete Final Design	12/20/24
5. Sign Agreement with Highline Electric	01/06/25
6. Bidding and Contract Award	03/01/25
7. Order Other Long Lead Items (piling)	06/01/25
8. Notice to Proceed with Construction	10/16/25
9. Begin Construction	11/01/25
10. Complete Construction	02/20/26

Social, Economic, and Physical Impacts

The project will have no significant social impacts.

The construction activity itself will result in short term, localized economic benefits. The primary economic impact, however, will be borne by the shareholders who will assume a considerable increase in annual assessments to subsidize the acquired debt service. This may be offset somewhat by obviated maintenance overhead associated with the existing structure. From a reliability perspective, the project will have a long term positive economic impact by assuring continued delivery of water via the Sterling No. 1 Ditch. As indicated before, the 'no action' alternative is not acceptable.

The project will have no significant negative physical impacts once construction is complete. Positive environmental impacts include: improved sediment passage for the lower reach of Pawnee Creek; more precise release of excess flows (water conservation); and enhanced conveyance of low to moderate flood flows in Pawnee Creek.

Permitting

The project is located on private land with a long-standing easement that includes the Sterling no. 1 Ditch and associated appurtenances (ditch bypass structure and secondary headgate). No additional easements or rights

of way for the selected alternative are anticipated as the new structure will be located on the footprint of the existing structure.

The Company expects to be exempt from 404 permitting by Statutory Exemption, 33 CFR Section 323.4 (a) (3) (repair of an existing diversion structure). This will be confirmed with the Omaha District, Army Corps of Engineers. As the project is unlikely to have any federal nexus, the Company believes no Environmental Assessment (EA) or Environmental Impact Statement (EIS) will be required.

As the structure is located within the regulatory floodway of the South Platte River, a no-rise certification and a floodplain development permit through Logan County will be required. As the primary surface impact to the site as a result of the project will be the small control building, no impact to base flood elevations in the South Platte River is anticipated.

Financial Plan

The total cost of the project is \$1,135,000. The SIC is requesting a 30-year low interest loan from the Colorado Water Conservation Board (CWCB) for the full amount of the project.

Lending rates for CWCB loans are set based on the designation of the entity applying for the loan. Ownership of shares in the Sterling Irrigation Company are approximately 90% agricultural, with 10% of total shares held by the City of Sterling and Logan County. It should be noted that while many of the shareholders are corporate entities, these entities are made up of private farmers that have incorporated to derive taxation benefits and manage liability. It is therefore anticipated that the Company will qualify for a blended interest rate of 2.18% at current lending rates. Accordingly, a rate of 2.18% was used to estimate the debt service associated with the project. The financial analysis summarized in Table 6 is based on a 100% loan from the CWCB.

Table 6: Project Loan Summary

Total Project Cost (rounded)	\$ 1,135,000
1% CWCB Service Fee	\$ 11,350
CWCB Loan (including 1% service fee)	\$ 1,146,350
Annual Payment (30 year term @ 2.18%)	\$ 52,470
Number of Shares	1290
Annual Cost per Share for Loan	\$ 40.67
Current Assessment per Share	\$ 160.00
New Assessment per Share	\$ 200.67

A \$1,146,350 loan from the CWCB (including a 1% origination fee) at 2.18% interest over a 30-year repayment period yields an annual payment of approximately \$52,470, for a total principal plus interest payment of \$1,574,092 over the 30-year term. As there are 1290 shares in the SIC, this results in an annual project cost of \$40.67 per share. Based on a combined average annual diversion of 23,983 acre-feet of water, the project will entail an incremental commodity rate increase of \$2.19 per acre-foot diverted. Considering the existing assessment of \$160 per share, the total cost of water diverted after the project is complete will be \$10.79 per acre-foot. This financial analysis is expected to stay consistent over the period of the CWCB debt retirement.

Existing Debt Service

The SIC is currently in the process of paying off two CWCB loans, described below. Amortization schedules are included in Exhibit G. The SIC has incorporated both annual payments into their budget.

Loan Contract No.	Term (yrs)	Interest Rate	Annual Payment	Remaining Balance
C150024	30	3.75%	\$17,868.56	\$94,436.79
CT2015-097	10	1.50%	\$10,951.87	\$10,790.02

Collateral

The SIC has the following collateral it can offer for the CWCB loan, in this order of preference:

1. The project itself. The project will be owned by the SIC and can be offered by vote of the stockholders.
2. A pledge of assessment revenue of the SIC stockholders, if approved by vote.
3. One annual payment in the form of a Certificate of Deposit (CD), to be held by the State Treasurer.

Institutional Considerations

The SIC will need authorization to borrow \$1,146,350 from the CWCB Construction Fund. The loan from the CWCB, if approved, will be contingent upon the successful negotiation of a contract between CWCB and the SIC. Agreements with contractors will be finalized upon authorization of the CWCB loan.

Opinion of Feasibility

The selected alternative is technically and financially feasible. There are no significant roadblocks which would keep the SIC from successfully completing this project.

References

- 1) **Flood Insurance Study for Logan County, Colorado and Incorporated Areas**, Federal Emergency Management Agency, Flood Insurance Study No. 08075CV000B, May 4, 2021.
- 2) **Colorado Hazard Mapping Program Hydrologic Analysis Technical Support Data Notebook for the South Platte River**, AECOM, CWCB Contract CT 2016-1452, August 2017.
- 3) **South Platte River Watershed Phase 2 Hydrologic Evaluation**, URS, December 2015.
- 4) **Colorado Hazard Mapping Program Hydraulic Analysis Technical Support Data Notebook for the South Platte River**, AECOM, CWCB Contract CT 2016-1452, March, 2018.
- 5) **7.5-Minute Series Topographic Maps**, U.S. Department of the Interior, Geological Survey, Scale 1:24,000, Contour Interval 10 Feet: Sterling South, Colorado (1951); Sterling North, Colorado (1951).
- 6) **Digital Elevation Models**, Colorado GeoData Cache, Colorado Governor's Office of Information Technology, <https://geodata.co.gov/>, February, 2024.
- 7) **Open-Channel Hydraulics**, Chow, Ven Te, McGraw-Hill, Inc., 1959.
- 8) **HEC-RAS River Analysis System, Version 4.1.0**, U.S. Department of the Army, Corps of Engineers, Hydrologic Engineering Center, January 2010.
- 9) **Paleoflood Investigations to Improve Peak-Streamflow Regional-Regression Equations for Natural Streamflow in Eastern Colorado**, Kohn, M.S., et al., U.S. Department of the Interior, Geological Survey, Scientific Investigations Report 2016-5099, 2015.

EXHIBIT A

Articles of Incorporation and Bylaws

STATE OF COLORADO



OFFICE OF THE SECRETARY OF STATE

UNITED STATES OF AMERICA, } SS. **CERTIFICATE.**
STATE OF COLORADO.

-of-
RENEWAL

George E. Saunders,
I, James H. Carr, Secretary of
State of the State of Colorado, do hereby certify that

THE STERLING IRRIGATION COMPANY

a DOMESTIC CORPORATION organized under and by virtue of the laws of the STATE OF COLORADO has filed a CERTIFICATE OF RENEWAL of its corporate existence in the office of Secretary of State of the State of Colorado, as provided by law, on this FIFTH day of FEBRUARY, A. D. 1936, at 4:00 o'clock P. M.

NOW, THEREFORE, pursuant to the provisions of the Statutes of the State of Colorado and by virtue of the authority vested in me as Secretary of State of the State of Colorado, I do hereby certify that the said

THE STERLING IRRIGATION COMPANY

has made full payment of all fees and taxes authorized by law to be paid to the Secretary of State and due at the time of the issuance of this certificate.....



IN TESTIMONY WHEREOF I have hereunto
set my hand and affixed the Great
Seal of the State of Colorado at the
City of Denver this FIFTH
day of FEBRUARY A.D. 1936

George E. Saunders
SECRETARY OF STATE.
BY *James H. Carr*
DEPUTY.

Know all Men by these Presents, That we E. M. Gillett, W. B. Giacomini and S. V. Chasira

mutual body corporate not for pecuniary profit residents of the State of Colorado, have associated ourselves together as a under the name and style of The Sterling Irrigation Company for the purpose of becoming a body corporate and politic under and by virtue of the laws of the State of Colorado, and in accordance with the provisions of the laws of said State, we do hereby make, execute and acknowledge in triplicate this certificate in writing of our intention so to become a body corporate, under and by virtue of said laws.

FIRST. The corporate name and style of our said corporation shall be The Sterling Irrigation Company.

SECOND. The object for which our said corporation is formed and incorporated is for the purpose of carrying on in the County of Logan, State of Colorado, the business usual to an irrigation company with right and power, to acquire by purchase or gift, all of the rights, franchises and properties of every kind and nature, belonging to The Sterling Irrigation Company (a corporation whose term of existence has now expired) including what is commonly known as The Sterling No. 1 Ditch or Canal, with power to operate and maintain the same. This company also to have the right and power, to acquire by gift or purchase, all the necessary ditches, rights-of-way and title to such, lying in the course of or adjacent to said ditch or canal, as may be needed in the operation of said ditch or business of this company.

THIRD. The capital stock of our said corporation is Twenty six thousand and no/100 dollars to be divided into thirteen hundred shares of Twenty dollars for each share, and said stock shall be assessable.

FOURTH. Our said corporation is to exist for the term of twenty years.

FIFTH. The affairs and management of our said corporation is to be under the control of six directors and E. M. Gillett, W. B. Giacomini, R. G. Perkins, Thomas Pedroni, S. V. Chasira and C. A. Shorwin are hereby selected to act as said directors and to manage the affairs and concerns of said corporation.

SIXTH. The operations of our said corporation will be carried on in the County of Logan, State of Colorado and the principal place and business office of said corporation shall be located in the City of Sterling County of Logan and State of Colorado aforesaid.

SEVENTH. The corporation shall have power to make such prudential by-laws as they may deem proper for the management of the affairs of this corporation according to the statute in such case made and provided.

IN TESTIMONY WHEREOF, We have herunto set our hands and seals, on this 2nd day of A. D. 1912



E. M. Gillett
W. B. Giacomini
S. V. Chasira



STATE OF COLORADO,

SS.

COUNTY OF LOGAN

I, Phillip D. Barney a notary public

in and for said LOGAN County, in the State aforesaid, do hereby certify that R. H. Gillett, W. B. Giacomini and S. V. Cheaire



personally known to me to be the persons whose names are subscribed to the annexed and foregoing certificate of incorporation, appeared this day in person, and acknowledged that they signed, sealed and delivered the said instrument of writing as their free and for the uses and purposes therein set forth.

Given under my hand and Notarial seal, this 2nd day of March

A. D. 1915.

My commission expires December 26, 1915

Phillip D. Barney
Notary Public

Certificate of Incorporation

INCORPORATION OF A COMPANY

The Starling Irrigation

to
Arthur W. May Company

Company.

DOMESTIC.

Filed in the office of the Secretary of State
of the State of Colorado, on the 17

day of May, A. D. 1915

at 4:50 o'clock P. M. Recorded in

book File, page

Anna B. Perry
Secretary of State

By J. K. Whaley
Deputy

Fees, \$ 5.00

State of Colorado
County of Logan
I hereby certify that this is a true
copy of the original instrument filed for
record in my office May 17 1915
at 9:00 o'clock A. M. and is duly
recorded in book File, page B - Bucket
31
Roberta J. Perry Recorder
Paul Davis Deputy

ROBERT W. GIACOMINI

ATTORNEY AT LAW

P.O. Box 1013

STERLING, COLORADO 80751

(970)
TEL. (303) 522-0751
FAX (303) 522-0752

OFFICE ADDRESS:
131 HAMILTON ST.

February 13, 1996

Board of Directors
The Sterling Irrigation Company
Sterling, CO 80751

Re: CERTIFICATE OF INCORPORATION
ORGANIZED 1873
RE-INCORPORATED 1915
Documents for Loan

Gentlemen:

This letter is being handed to Kathy for your possible use in further supporting the enclosed certified copy of the CERTIFICATE OF INCORPORATION of our company, which copy I obtained today from the Logan County Clerk and Recorder. I understand that we are borrowing some money from Key Bank until we begin to collect the March assessment.

The ditch company was informally organized in 1873, the year of our appropriation. The early history of the ditch is lost in antiquity, but it is fairly well documented that we actually became a corporation, with shares of stock, in 1885. The initial Stock Book purports to begin on June 20, 1885 with the issuance of 48 Certificates. The number of shares is not important, as we totally re-organized with a dissolution of the initial corporation and the re-incorporation in 1915, resulting in the March 2, 1915 CERTIFICATE OF INCORPORATION (enclosed), by the three incorporators, E. M. Gillett, W. B. Giacomini and S. V. Cheairs. This was recorded in our Clerk's office on May 17, 1915, and is the only thing of record here regarding our ditch.

The 1915 re-incorporation established the 1,290 shares which we presently have. I know of my own knowledge that The Sterling Irrigation Company has been consistently in uninterrupted good standing from 1915 to the present. I believe we are a valid outfit!

Let us look forward to a prosperous 1996!

Respectfully submitted,



Robert W. Giacomini

RWG/dib
Enclosure

BY-LAWS
of
The STERLING IRRIGATION COMPANY

ARTICLE I - NAME and LOCATION

Section 1. **Name.** This Company is known as the Sterling Irrigation Company.

Section 2. **Location of Office.** The principal office of this Company shall be located in Logan County, Colorado.

ARTICLE II - THE BOARD of DIRECTORS

Section 1. **Number of Directors.** The corporate powers of this Company shall be exercised by a board of directors composed of six (6) stockholders, who shall have been duly elected directors of this Company.

Section 2. **Term of Office.** The directors shall hold office for a term of three years and until their successors are elected and qualified. Two new directors shall be elected each year, except in the event of an unanticipated vacancy, in which case a replacement director shall be elected in addition to the regularly scheduled two directors.

Section 3. **Vacancies.** In case a vacancy shall occur in the board of directors by death, resignation or otherwise, the board of director shall select a stockholder to fill the vacancy. The selected stockholder shall fill the vacancy until the next shareholders' meeting, at which time a replacement board member shall be elected by the shareholders.

Section 4. **Powers and Duties of the Board of Directors.** The Board of Directors shall have the following powers:

A. To call all meetings of the stockholders as provided in Article IV, of these bylaws whenever they deem it necessary; and they shall call meetings of the stockholders at any time upon a written petition of persons owning one-fourth of the capital stock of the Company.

B. To appoint and remove at pleasure all employees of this Company, to prescribe their duties and fix their compensation annually.

C. To make rules, regulations, and policy determinations not inconsistent with the laws of the State of Colorado or the articles of incorporation or the by-laws of this Company.

D. To incur such indebtedness as they may deem necessary for carrying out the objects and purposes of this Company, not to exceed \$30,000.00.

E. To exercise entire control of the ditch and all of its lateral headgates, regulating the grade of the former by checks or locks when it is necessary, to control the delivery of water through flumes and lock sluices and to determine the location and type of headgates, for the purposes of delivery to the shareholders of their prorata entitlement to the decrees issued to the Company.

F. To cause to be kept a complete record of all the proceedings and acts occurring in their meetings and of the proceedings of the stockholders' meetings.

G. To present a full and detailed statement of the financial condition of the Company, showing its assets and liabilities and the amount and nature of receipts and expenditures at the annual meeting of the stockholders.

H. To supervise all the acts of the officers and employees of this Company and require the secretary and treasurer or secretary/treasurer to keep full and accurate books of account and to prescribe the form and mode of keeping such books of account.

I. To audit and adjust all bills of accounts of indebtedness against this Company and to direct the secretary to draw a check for the payment of such bills as are allowed and to cause stock certificates to be issued to stockholders entitled hereto.

J. To cause to be delivered to each individual stockholder the pro rata share of water due to him according to the number of shares of stock held by each stockholder in this Company using the existing structures and facilities of the Company. The Company may, but is not obligated, to construct new facilities or structures for delivery of shares.

K. To see that there is no obstruction of any kind placed in said ditch whereby the natural flow of the water is impeded or is raised above the proper grade, thus causing danger to the embankments.

L. To protect the integrity of the ditch banks by prohibiting concentrated livestock crossings that threaten the stability of the banks or allow water to escape the ditch channel.

M. To assess applications for a change in the historic use of shares, as more fully described in Article XIII and IX of these bylaws.

Section 6. Meetings of the Board of Directors. The board of directors shall hold an organizational meeting each year following the annual meeting of the shareholders for the purpose of electing a president and vice president, discussing the terms of employment of the ditch rider and other employees, and conducting any other business deemed necessary. Other meetings of the board of directors may be held as deemed necessary by the board of directors, at a time to be determined by the board of directors, upon five (5) days notice to each director. Board meetings may be held in a convenient place within

the county of Logan and state of Colorado, as the board shall fix and determine.

Section 7. Quorum of the Board of Directors. A majority of the board of directors shall constitute a quorum for the transaction of business, except in allowing a bill for indebtedness in which a member of the board is interested directly or indirectly a full board shall be necessary

Section 8. Compensation of the Board of Directors. By resolution of the board of directors, the directors may be paid their expenses, if any, for attendance at each meeting of the board of directors, or other meetings necessary for the business of the Company and may be paid reasonable compensation for attendance at each such meeting. Any compensation in addition to expenses shall be approved yearly by the stockholders.

Section 9. Resignation of Director. A director may resign at any time by giving written notice to the board, the president or the secretary of the Company. Unless otherwise specified in the notice, the resignation shall take effect upon receipt thereof by the board or such officer, and the acceptance of the resignation not be necessary to make it effective.

Section 10. Presumption of Assent. A director of the Company who is present at a meeting of the board of directors at which action on any Company matter is taken shall be presumed to have assented to the action taken unless his dissent shall be entered into the minutes of the meeting or unless he shall file his written dissent to such action with the adjournment thereof or shall forward such dissent by registered mail to the secretary of the Company immediately after the adjournment of the meeting. Such right to dissent shall not apply to a director who voted in favor of such action.

Section 11. Executive and Other Committees. The board, by resolution, may designate from among its members an executive committee and other committees, each consisting of three or more directors. Each such committee shall serve at the pleasure of the board.

Section 12. Action Without a Meeting. Any action required or permitted to be taken at a meeting of the directors may be taken without a meeting if a consent in writing, setting the actions so taken, shall be signed by all of the directors entitled to vote with respect to the subject matter thereof. Such consent shall have the same force and effect as a unanimous vote of the directors.

ARTICLE III - OFFICERS

Section 1. Officers. Each year, the directors shall elect one of their number president, one of their number vice-president, and they shall also appoint a secretary and a treasurer. One person may be appointed both secretary and treasurer. It shall not be

necessary that either the secretary or treasurer be a stockholder or a member of the board of directors. Either such secretary or treasurer may be selected from persons not stockholders, if such action is found to be in the best interests of the Company.

Section 2. Duties of the President. The president shall preside at all meetings of the board of directors and of the stockholders. He shall sign all certificates of stock and all contracts and other instruments in writing which have first been approved by the board of directors. He shall sign all checks prepared by the treasurer. He shall supervise all the officers and employees of the Company, see that their duties are properly performed and report to the board of directors any negligence or misconduct of any officer or employee. He shall call special meetings of the board of directors whenever he deems it necessary, and also on request of any two members of said board. In the absence of the president the vice-president shall perform the duties of the president. The President and Vice-President shall serve for a term of one year and until their successors are elected and qualified. There shall be no limit to the number of terms a director may serve as President.

Section 3. Duties of the Vice-President. The vice-president shall assist the president and shall perform such duties as may be assigned to him by the president or by the board of directors. In the absence of the president, the vice-president designated by the board of directors or (if there be no designation) designated in writing by the president shall have the powers and perform the duties of the president. If no such designation shall be made, the vice-president may exercise such powers and perform such duties.

Section 4. Duties of Secretary. It shall be the duty of the secretary to keep a complete record of all meetings of the board of directors and the stockholders, to keep all amendments to these bylaws duly recorded and indexed, to keep the book of blank certificates of stock, to fill out the same, to countersign as secretary and attach the Company's seal to all certificates issued and to make proper entries of said transactions on the stock certificate book and other records of this Company. He shall collect all moneys due this Company from whatever source, giving receipts. He is authorized to receive payment of any and all assessments and to give stockholders credit therefor. He shall keep a stock ledger in proper form showing the date and number of shares held by each stockholder. He shall have charge of the corporate seal of the Company and of all its records and shall affix said seal to all official instruments in writing. He shall keep in the manner prescribed by the board of directors all the accounts of this Company in books to be provided for that purpose by the board of directors. He shall discharge such other duties as the board of directors may direct. The Secretary shall serve for a term of one year and until his or her successor is elected and qualified. There shall be no limit to the number of terms a director shall serve as Secretary.

Section 5. Duties of the Treasurer. It shall be the duty of the treasurer to keep safely all of the moneys belonging to the Company that shall be placed in his possession and to disburse the same under the direction of the board of directors by check signed by the president and countersigned by the secretary. At each annual meeting of the

stockholders said treasurer shall submit a complete statement of his accounts for the past fiscal year. He shall make no payment of the Company's money except on a check signed by the president and countersigned by the secretary. He shall perform such other duties as pertain to his office or as shall be directed by the board of directors. The Treasurer shall serve for a term of one year and until his or her successor is elected and qualified. There shall be no limit to the number of terms a director shall serve as Treasurer.

Section 5. Inspection of Records. The books and papers and other records of this Company kept by its secretary and treasurer shall at all times during reasonable business hours be open to inspection by the board of directors or any of the stockholders of this Company. The Board of Directors may however withhold confidential legal documents from any stockholder, person or party in an adversarial relationship to the Company.

Section 6. Contracts - Board Approval. No contract made by any officer or employee of this Company shall be valid without previous authorization or subsequent ratification by the board of directors.

Section 7. Salaries of Officers and Employees. The salaries of the president, vice-president, secretary and treasurer of the Sterling Irrigation Company shall be such sum as is designated by the stockholders at any regular or special meeting. The salaries of all employees of the Company, outside of officers, shall be such sum as is designated by the board at any regular or special meeting.

ARTICLE IV - STOCKHOLDER MEETINGS

Section 1. Stockholders' Meetings. The regular annual meeting of the stockholders of this Company shall be held on the first Saturday in February of each year, or on such other date as set by the Board of Directors, for the following purposes:

- A. For receiving the reports of directors and officers for the previous year;
- B. For amending its by-laws;
- C. For the election of new directors for the ensuing year; and, if necessary, the election of one or more replacement directors as described in Article II, Sections 2 and 3 of these bylaws.
- D. For the levying of assessments; and
- E. For the transaction of other such business described in these bylaws or as may otherwise properly come before such meeting.

Section 2. Special Stockholders' Meetings. Special stockholders' meetings may be called by the president or secretary upon order of the board of directors or upon the

petition of the owners of one-fourth of the entire capital stock outstanding. In such event, the petition shall be in writing and shall specify the reasons for calling such special meeting and the business desired to be transacted.

Section 3. Notice of Stockholder Meetings. Notice of the time, date and location of the annual stockholders' meeting or any special stockholders' meeting shall be given to each stockholder by mail or personal service at least thirty (30) days prior to the date set for such meeting.

Section 4. Quorum of Stockholders. A quorum of the stockholders of the Sterling Irrigation Company shall consist of a majority of the outstanding capital stock whether represented in person or by proxy. Such majority shall have the power to transact business herein described. If a quorum is present at the beginning of a meeting the meeting may continue until adjournment, notwithstanding the fact that less than a majority of stock remain represented at the meeting. If a quorum of stockholders is not present at the annual meeting, the meeting may be adjourned for a period not to exceed sixty (60) days.

ARTICLE V - ELECTIONS

Section 1. Directors. The election of directors shall take place at the annual stockholders' meeting and shall be made by those stockholders attending such meeting or appearing by proxy, provided a majority of the outstanding capital stock is represented. If the annual meeting is adjourned pursuant to Article IV, Section 5 of these bylaws the election of directors may take place when such meeting is reconvened, provided notice of the new time and date is provided to all stockholders as described in Article IV, Section 4 of these bylaws.

Section 2. Balloting Procedure. Voting for the election of directors to the board of directors shall be by written ballot cast either in person or by proxy. On all other matters, voting shall be by voice, or, at the request of a shareholder, by show of hands or, upon further request of a shareholder, by ballot cast in person or by proxy.

Section 3. Proxies. At all meetings of shareholders, a shareholder may vote by proxy executed in writing by the shareholder or by his duly authorized attorney in fact. Such proxy shall be filed with the secretary of the Company before or at the time of the meeting. No proxy shall be valid after eleven (11) months from the date of its execution, unless otherwise provided in the proxy.

Section 4. Fractional Shares. Each full share shall be entitled to one (1) vote. Each fractional share shall be entitled to a fractional vote equal to the fraction of the share held.

Section 5. Tellers. The president shall appoint three stockholders as tellers at each annual meeting who shall not during the meeting at which they serve be candidates for the office of director of this Company; and they shall receive and count the votes cast at said meeting and announce the result of the count to the president.

Section 6. Voting Lists. The officer or agent having charge of the stock transfer books for shares of the Company shall make, at least ten days before each meeting of shareholders, a complete list of the shareholders entitled to vote at such meeting, or any adjournment thereof, arranged in alphabetical order, with the address of, and the number of shares held by each, which list, for a period of ten days prior to such meeting, shall be kept on file at the principal office of the Company and shall be subject to inspection by any shareholder at any time during usual business hours. Such list shall also be produced and kept open at the time and place of the meeting and shall be subject to the inspection of any shareholder during the whole time of the meeting. The original stock transfer book shall be prima facie evidence as to who are the shareholders entitled to examine such list or transfer books or to vote at any meeting of shareholders.

Section 7. Voting of Shares by Certain Holders.

A. Shares standing in the name of a Company or other entity may be voted by such officer, agent, or proxy as the by-laws or rules of such Company or entity may prescribe, or, in the absence of such provision, as the board of directors of such Company or entity may determine.

B. Shares held by an administrator, executor, guardian, or conservator may be voted by him, either in person or by proxy, in the name of a trustee may be voted by him, either in person or by proxy, but no trustee shall be entitled to vote shares held by him without a transfer of such shares into his name.

C. Shares standing in the name of a receiver may be voted by such receiver, and shares held by or under the control of a receiver may be voted by such receiver without the transfer thereof into his name if authority to do so be contained in an appropriate order of the court by which such receiver was appointed.

ARTICLE VI - ASSESSMENTS

Section 1. Power. The Company shall have the power to make an assessment on the capital stock, to be levied pro-rata on the shares of the stock payable in money for any of the purposes of the Company.

Section 2. Assessments Levied. All assessments for every purpose necessary for the operation and maintenance of the Sterling Irrigation Company, and its property, shall be levied by the stockholders at the annual or any special meeting of the stockholders. The secretary shall give notice of such levy by mail or personal delivery

when directed to do so by the board of directors. This annual assessment shall be payable no later than thirty (30) days from the date that the secretary mails notice of same to the stockholders or personal delivery is made. In the event that the stockholders fail to levy an assessment, a levy may be made by the board of directors to meet the necessary expenses of operation and maintenance of the Company.

Section 3. Unpaid Assessments - Late Fee and Interest. In the event that the assessments described in Section 1 of this Article are not paid within 30 days of the date the secretary has mailed notice of same to the stockholders, or personal delivery is made, a late fee of ten (10) dollars per share shall be due and owing at once, and the board of directors may cease delivery of water. If the assessment has not been paid by sixty (60) days of the date the secretary mailed notice, or personal delivery is made, then interest at the rate of twenty (20) percent per annum shall begin to accrue on the unpaid assessment, and shall continue to accrue until the assessment, including interest, is paid in full.

Section 4. Unpaid Assessments - Suit for Damages. If the assessments described in Section 1 of this Article are not paid within ninety (90) days of the date the secretary mailed notice of same, or personal delivery is made, the board of directors may proceed to collect said assessments, with interest, costs and attorneys fees, by suit for the recovery thereof against the delinquent stockholder.

Section 5. Unpaid Assessments - Forfeiture and Sale. If the assessment is not paid by ten (10) months of the date the secretary mailed notice, or personal delivery is made, the Company may sell the stock, at the annual stockholders meeting or in any other forum, for the purpose of paying the unpaid assessment and interest, together with necessary expenses incurred in selling the stock. All sales of forfeited stock shall be by public auction conducted by the president of the board of directors, and the proceeds of such sale, over and above the amount due on said shares, including late fees and interest, plus the expenses of the sale, shall be paid to the delinquent stockholder. No such sale shall occur until the delinquent stockholder has been given notice of the time, place, manner and purpose of the sale by mail or personal service at least thirty (30) days before the proposed sale and by publication at least ten (10) days before the proposed sale. Inclusion of the notice of sale in the notice of annual meeting mailed to stockholders and published pursuant to Article IV, Section 4 of these bylaws shall constitute sufficient notice to the delinquent stockholder. In the event the sale of the stock shall not cover the unpaid assessment, the Company may seek recovery against the stockholder by any other lawful means available.

ARTICLE VII - DELIVERY of SHARES

Section 1. Notice to Turn in Water. Any stockholder desiring to have water turned into his lateral from the main ditch upon his shares of stock shall give reasonable notice to the ditch rider of this desire and the time when he shall want said water. The board of directors may, at their discretion, direct that such notice be in writing.

Section 2. Timing of Delivery. Water shall not be run at the start of the irrigation season until the ditch rider determines that the ditch, in its entirety, is ready to receive water.

Section 3. Lease of Shares and Diversion. Any Sterling Irrigation Company stockholder not desiring to use for himself the water from said ditch to which he is entitled on account of his capital stock ownership in any year, shall have the right to dispose of such water for such year to another or others, as long as said uses are in accordance with Article VIII, §7 and §8; but in no event shall water represented by the ownership of capital stock of the ditch Company be transferred, used or utilized by any stockholder or user of said water without first going through the headgate and/or measuring weir of the Ditch Company on the South Platte river as presently constructed or as may be hereafter constructed.

Section 4. Obstruction-Tampering With Headgates. No person or persons, whether stockholders in this Company or not, shall put any obstruction in the ditch whereby the natural flow of the ditch is impeded except by written permission from the board of directors nor shall any one open or shut any headgate located in either bank of said ditch without permission of the ditch rider or the board of directors. No boards, checks, dams or other obstructions shall be placed in said ditch except by written permission as aforesaid.

ARTICLE VIII - TRANSFER of STOCK

Section 1. Issuance of Certificate. Certification of stock in the Company for whole or fractional shares may be issued by the secretary, upon surrender of any outstanding certificate, with authority for transfer duly endorsed thereon, provided the conditions set forth in this Article are satisfied.

Section 2. Form of Certificates. All certificates of stock, when issued, shall be signed by the president, countersigned by the secretary, or the board of directors, and shall be sealed with the Company's seal, and such certificate shall be numbered in the order of its issuance, and each certificate shall express on its face its number, the date of its issue, the number of shares which it represents, the name of the holder, the par value of each share, and if fully paid up such fact shall be therein expressed.

Section 3. Excess Certificates Void. At no time shall certificates of stock be outstanding and uncanceled for any shares in excess of the total number of shares of the Company, and any stock issued in excess of the limit shall be null and void.

Section 4. Surrender of Certificate. Stock can be transferred only on the books of the Company upon surrender of the certificate with authority for the transfer endorsed thereon either by the owner in person or by his authorized agent, or attorney in fact, having written authority therefor. Such surrendered certificate shall be canceled before the

issuance of a new certificate in lieu thereof; but no certificate of stock transferred until all assessments and interest thereon up to the date of cancellation or transfer shall have been paid in full.

Section 5. New Stockholders Liable for Assessments and Bound by Bylaws. Any person acquiring stock by purchase, or transfer, either at public or private sale, shall be subject to all liabilities incurred and assumed by the original subscriber to the certificate of stock, and to all provisions of these by-laws.

Section 6. Transfer Fee. The secretary may collect, as his fee for each transfer of capital stock, such sum as set by the Board of Directors each year, the same to be paid by the person, or persons, making such transfer.

Section 7. Lands Historically Irrigated - Shares Freely Transferable. Each stockholder in this ditch Company shall be entitled to freely transfer his stock to any other stockholder or to any purchaser of land heretofore irrigated by said Company, and each holder of capital stock shall be entitled to receive from the Company's ditch, water owned or controlled by the stockholder for the irrigation of lands heretofore irrigated by said ditch, in such amount of water as carried in said ditch, in the ratio and proportion which his shares shall bear to the total outstanding shares of said Company, subject to the limitations and conditions set forth in Section 8 of this Article and Sections 1 through 5 of Article IX of these bylaws.

Section 8. New Lands and Uses - Board Approval Required. No transfer of shares for uses on land not historically irrigated by water of this ditch (hereinafter "new land") or for uses not historically made (hereinafter "new uses") shall be permitted, except by and upon orders and approval of the board of directors. If a person acquiring stock (hereinafter the "applicant") expresses an intent to use the purchased shares for new uses or upon new lands, the secretary of this Company shall suspend the re-issuance of certificates pending review by the board of directors. The applicant shall submit an application to the board describing the new uses and/or locations that is sufficiently detailed to permit the board to determine whether the proposed uses will be detrimental to the operation of the Company's delivery system, in violation of the Company's water rights decrees or these bylaws, or otherwise injurious to the stockholders and the Company as a whole. The board shall review any such application in a timely manner, and, if the board determines that the application cannot be granted as presented, it shall allow the applicant an opportunity to revise its plan to address the board's concerns. The board is authorized to engage engineering and legal help to assist in its review of the application, and any fees thereby generated which would not have been incurred but for the application shall be borne by the applicant.

Section 9. Lost Certificates. Any person seeking reissuance of a lost stock certificate may do so pursuant to §§7-42-113 to 117 C.R.S. If the Board of Directors

determines a bond would protect the Company, a new certificate may be issued upon proof of a bond in an amount to be determined by the Board. The person seeking reissuance of a lost stock certificate shall also pay all the costs incurred by the Company to reissue the lost certificate, including, secretary time, all costs and attorney fees.

ARTICLE IX - CHANGES of WATER RIGHTS

Section 1. Application - Review - Standard. Any stockholder ("applicant") desiring a change of water right as defined in the Water Right Determination and Administration Act of 1969, Colorado Revised Statutes §37-92-101 through 37-92-603, including, but not limited to, a change in point of diversion or place of use of any water that the applicant is entitled to receive as a result of stock ownership must first make a written application to the directors of the Company. A change of water right shall include the use of water the shareholder is entitled to as a result of stock ownership as augmentation water in a plan for augmentation or exchange. The request should detail the requested change and include adequate terms and conditions to prevent injury to the Company and its shareholders. If, in the reasonable opinion of the directors, such change may be approved without injury to the Company and all of its stockholders, the directors shall then approve the change application subject to necessary terms and conditions. In evaluating whether the requested change of water rights can be made without injury to the Company and its shareholders, the Company may obtain an engineering and legal analysis of the requested change by the applicant and the terms and conditions offered by the applicant.

Section 2. Timely Review. The Company shall evaluate the application for change of water right within a reasonable amount of time.

Section 3. Board Approval Required. No application for approval of a change of water right or plan for augmentation as described above may be made to the District Court for Water Division No. 1, State of Colorado ("Water Court"), unless the same has been submitted to the Company and has either been approved or denied by the Board of Directors. If an application has been approved by the Company, the applicant must include terms and conditions at least as stringent as those approved by the Company in an application to the District Court for Water Division No. 1, State of Colorado.

Section 4. Applicant Pays Costs. An applicant for a change of water right must reimburse the Company for the Company's reasonable costs and fees, including a charge for time spent by the directors and Company employees in analyzing the application to the Company and in any judicial litigation that follows. This specifically includes a challenge to the Company's denial of an application. Prior to analyzing the proposed change, the Company shall obtain an estimate of the costs. The Company shall make said estimate of cost within 30 days of submission of an application and the applicant shall have 30 days after receipt of the estimate from the Company to make the deposit. The Company shall not take final action on any application until, and unless, the applicant makes said deposit. If the estimate and deposit needs to be adjusted by further payment or reimbursement,

said adjustment shall be made upon the completion of the analysis. In no event shall the Company be required to finally approve or disapprove the application until all fees incurred by the Company are reimbursed.

ARTICLE X - INDEMNIFICATION of OFFICERS, DIRECTORS and OTHERS

Section 1. Indemnification by Company. That the Company shall indemnify any person who was or is an involuntary party or is threatened to be made a party to any threatened, pending or contemplated action, suit or proceeding, whether civil, criminal, administrative, or investigative (other than an action by or in the right of the Company) by reason of the fact that he is or was a director, officer, employee, fiduciary or agent of the Company or is or was serving, at the request of the Company as a director, officer, employee, fiduciary or agent of another Company, partnership, joint venture, trust or other enterprise, against expenses (including attorney fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit, or proceeding, if he acted in good faith and in a manner he reasonably believed to be in the best interests of the Company and, with respect to any criminal action or proceeding had no reasonable cause to believe his conduct was unlawful. The termination of any action, suit, or proceeding by judgment, order, settlement, or conviction, or upon a plea of nolo contendere or its equivalent shall not of itself create a presumption that the person did not act in good faith and in a manner which he reasonably believed to be in the best interest of the Company and, with respect to any criminal action or proceeding, had reasonable cause to believe his conduct was unlawful.

Section 2. No Indemnification Upon Negligence or Misconduct. That the Company shall indemnify any person who was or is a party defendant or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the Company to procure a judgment in its favor by reason of the fact that he is or was a director, officer, employee, fiduciary or agent of another Company, partnership, joint venture, trust or other enterprise against expenses (including attorney fees) actually and reasonably incurred by him in connection with the defense or settlement or such action or suit if he acted in good faith and a manner he reasonably believed to be in the best interest of the Company; but no indemnification shall be made in respect to any claim, issue, or matter as to which such person has been adjudged to be liable for negligence or misconduct in the performance of his duty to the Company unless and only to the extent that the court in which such action or suit was brought determines upon application that despite the adjudication such person is fairly and reasonably entitled to indemnification for such expenses which such court deems proper.

Section 3. Indemnification Upon Successful Defense. To the extent that a director, officer, employee, fiduciary or agent of the Company has been successful on the merits in defense of any action, suit or proceeding referred to in paragraphs A. or B. of this Bylaw or in defense of any claim, issue, or matter therein, he shall be indemnified against expenses (including attorney fees) actually and reasonably incurred by him in connection

therewith.

Section 4. Determination by the Board of Directors. Any indemnification under this Bylaw (unless ordered by a court) shall be made by the Company only as authorized in a specific case upon determination that indemnification of the director, officer, employee, fiduciary or agent is proper in the circumstances because he has met the applicable standard of conduct set forth in paragraphs A. or B. above. Such determination shall be made by the Board of Directors by a majority vote of a quorum consisting of directors who were not parties to such action, suit, or proceeding, or if such a quorum is not obtainable, or, even if obtainable, if a quorum of disinterested directors so directs, by independent legal counsel in written opinion.

Section 5. Payment in Advance. The Corporation may pay for or reimburse the reasonable expenses incurred by a director, officer, fiduciary, employee or agent who is a party to a proceeding in advance of final disposition of the proceeding if:

(a) The party seeking indemnification furnishes to the Corporation a written affirmation demonstrating a good faith belief that the party has met the standard of conduct described in Sections 1 and 2 of this bylaw;

(b) The party seeking indemnification furnishes to Corporation a written undertaking, executed personally or on the party's behalf, to repay the advance if it is ultimately determined that the party did not meet the standard of conduct; and

(c) A determination is made that the facts then known to those making the determination would not preclude indemnification under this bylaw.

Section 6. Inurement for the Benefit of Heirs. That the indemnification provided by this Bylaw shall not be deemed exclusive of any other rights to which those indemnified may be entitled to under any other Bylaw, agreement, vote of Shareholders or disinterested directors, or otherwise any procedure provided for by any of the foregoing, both as to action in his official capacity and as to action in another capacity while holding such office, and shall continue as to a person who has ceased to be a director, officer, employee, fiduciary or agent and shall inure to the benefit of heirs, executors, and administrators of such a person.

Section 7. Insurance. That the Company may purchase and maintain insurance on behalf of any person who is or was a director, officer, employee, fiduciary or agent of the Company or who is or was serving at the request of the Company as a director, officer, employee, fiduciary or agent of another Company, partnership, joint venture, trust, or other enterprise against any liability asserted against him and incurred by him in any such capacity or arising out of his status as such, whether or not the Company would have the power to indemnify him against such liability under provisions of this Bylaw.

ARTICLE XI - AMENDMENT

Section 1. **Amendments.** These bylaws may be altered or amended at any annual or special meeting of the stockholders; Provided, that a notice sufficient to indicate the nature and scope of the proposed amendment or alteration shall be given in the notice announcing such meeting.

ARTICLE XII - FORMER BYLAWS REPEALED and SEVERABILITY

Section 1. **Repeal and Amendment of Former Bylaws.** The adoption of the foregoing Bylaws, Articles I through X, inclusive, by the stockholders shall be construed as a repeal and complete amendment of the former Bylaws of this Company, as compiled May 12, 1993. After their adoption, these Bylaws shall control the stockholders, directors, and officers of this Company.

Section 2. **Severability.** If any portion of these bylaws are declared void by a court of law, the remaining portions of these bylaws shall remain in full force and effect.

CERTIFICATE

The undersigned hereby certifies that he is the duly appointed, qualified, and acting Secretary of the aforesaid Company and that the foregoing and annexed Bylaws constitute a true and complete copy of the of the said Company presently in full force and effect.

IN WITNESS WHEREOF, the undersigned has signed the Certificate and affixed hereto the seal of said Company.

Dated this 4 day of March, 2000.

Katherine Senter
Secretary



EXHIBIT B

State Engineer Diversion Reports 1950-2023
(Colorado Decision Support System, HydroBase)



Structure Summary Report

Structure Name: STERLING IRR CO DITCH 1 (6400528)

Associated Permits:

Structure Type: DITCH

Water Source Type: Tributary

CIU Code: Active Structure with contemporary diversion records (A)

Water Source: SOUTH PLATTE RIVER [00201759] @ Stream
Mile: 75.55

Physical Location

Feature Type	Dist N/S	Dist E/W	Q10	Q40	Q160	Sec	Township	Range	PM	UTMx	UTMy	Latitude	Longitude	Location Accuracy
Point of Diversion			SW	SW	NW	25	7.0 N	53.0 W	S	647620.0	4489792.0	40.545747	-103.256707	GPS
Measurement Device				NW	NW	19	7.0 N	52.0 W	S	649440.0	4492115.0	40.566338	-103.234674	GPS

Division: 1 District: 64

County: LOGAN

Designated Basin:

Management District:

Water Rights - Net Amounts

Adj Date	Appro Date	Priority Admin No	Order No	Priority No	Associated Case Numbers	Net Absolute	Net Conditional	Net APEX Absolute	Net APEX Conditional	Decreed Units	Seasonal Limits	Comments
11/15/1894	7/15/1873	8597.00000	0		79CW0332, CA0764, CA0304, 00CW0253	113.9000	0.0000	0.0000	0.0000	C	No	11 ASP 38, 176-189 INJUNCTIVE DECREE, GREAT WESTERN SUGAR CHANGE OF USE, STERLING CHNG USE 12/30/03, STERLING CHNG USE 12/30/03, GREAT WESTERN SUGAR CHANGE OF USE
11/15/1894	9/17/1873	8661.00000	0		00CW0253	0.0000	0.0000	0.2880	0.0000	C	No	ALT PT TO PAWNEE D FOR STR IN PIONEER RES
11/15/1894	6/22/1882	11861.00000	0		00CW0253	0.0000	0.0000	2.5200	0.0000	C	No	ALT PT TO PAWNEE DITCH FOR STRG IN PIONEER RES
11/15/1894	6/7/1884	12577.00000	0		00CW0253	0.0000	0.0000	43.5400	0.0000	C	No	ALT PT TO STERLING # 2 DITCH FOR STORAGE IN PIONEER RES
11/15/1894	7/19/1886	13349.00000	0		00CW0253	0.0000	0.0000	1.0487	0.0000	C	No	ALT PT TO SPRINGDALE DITCH FOR STRG IN PIONEER RES
1/15/1914	5/25/1910	22059.00000	0		00CW0253	0.0000	0.0000	122.7400	0.0000	A	No	ALT PT TO PREWITT RES FOR STRG IN PIONEER RES
10/18/1965	12/31/1929	31423.29219	0		00CW0253	0.0000	0.0000	132.8480	0.0000	A	No	ALT PT TO PREWITT RES FOR STRG IN PIONEER RES
12/31/1998	6/30/1998	54237.00000	0		09CW0269, 98CW0450	0.0000	20.0000	87.6400	402.3600	C	No	STORAGE IN PIONEER RES, EXCH FM STERLING WWTP, EXCH FM STERLING AUG IMPACT REACH; STERLING WWTP ACCRETIONS, EXCH FM HENDERSON SMITH DITCH, EXCH FM STERLING IRR CO DITCH 1 BYPASS, EXCH FM CONFLUENCE SP & PIONEER DRAINAGE DITCH; STERLING... (CONT...)
12/31/2003	3/20/2003	55961.00000	0		12CW0017, 03CW0195	113.9000	0.0000	0.0000	0.0000	C	No	MADE ABSOLUTE
12/31/2005	4/23/2003	56613.55995	0		03CW0195	0.0000	0.0000	0.0000	52.0000	C	No	EXCH FM ILIFF & PLATTE VLY REACH

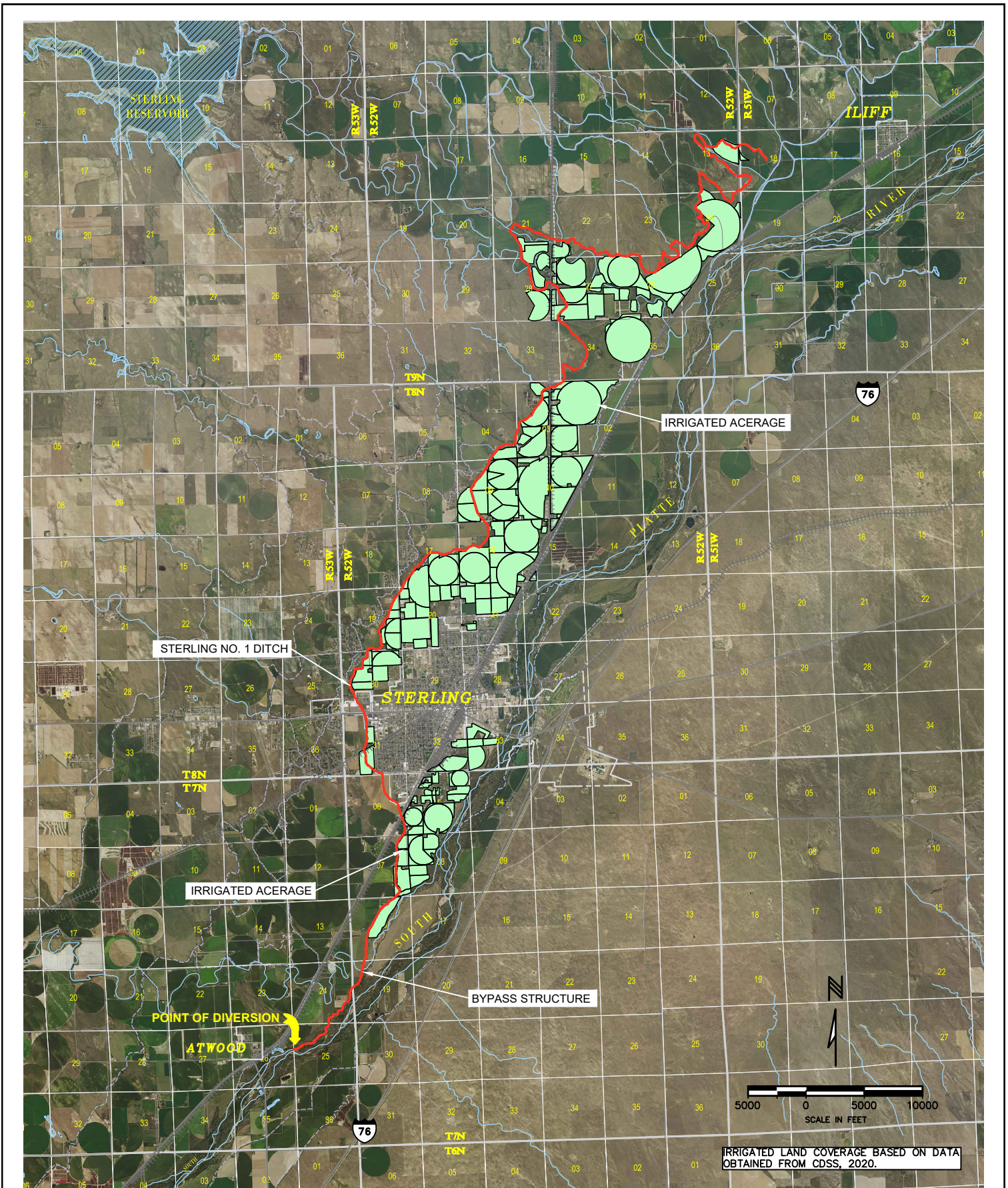
Diversion Record - Totals

Water Class	Irr Year	FDU	LDU	MaxQ	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Annual Amount	Units	Data Status
Total (Diversions)	2023	11/1/22	10/31/23	113.04	207.79	132.35	16.25	24.58	357.45	715.98	1868.99	597.02	3545.82	5525.77	3988.79	1744.82	18725.63	AF	Provisional
Total (Diversions)	2022	11/1/21	10/31/22	107.45	112.28	148.11	11.04		71.01	1321.15	4481.37	5397.09	7026.08	6587.18	4474.36	877.74	30507.40	AF	Approved
Total (Diversions)	2021	11/1/20	10/31/21	114.00	142.30	94.12	56.68	93.92	226.42	754.00	1230.37	2478.44	5900.42	6227.95	4042.58	1470.11	22717.32	AF	Approved
Total (Diversions)	2020	11/1/19	10/31/20	103.82	286.24	319.16	148.06	32.99	31.20	1777.95	3624.92	5268.12	5638.67	6276.60	3456.16	1141.27	28001.34	AF	Approved
Total (Diversions)	2019	11/1/18	10/31/19	105.64	186.07	172.56	125.26	83.01	127.28	1542.25	2946.29	3364.39	5507.25	4359.22	2752.34	991.63	22157.56	AF	Approved
Total (Diversions)	2018	11/1/17	10/31/18	107.57	149.44	64.56	7.08	68.59	238.16	396.76	2259.46	4644.33	5554.02	3699.09	3562.88	1205.65	21850.02	AF	Approved

Note:
 FDU - First day used
 LDU - Last day used
 MaxQ - Maximum flow rate

EXHIBIT C

Service Area Map



REV	BY	DATE	HARRIS ENGINEERING CONSULTANTS, INC.		PROJECT NUMBER	CLIENT REFERENCE
△	MCH	7/24/24			23075	
△			DRAWN:	MATT HARRIS	7/16/24	
△			CHECKED:	M. C. HARRIS	7/24/24	
△			CAD FILE: 23075 STERLING NO 1 DITCH MAP VX.DWG			
△			STERLING IRRIGATION COMPANY			
△			REVIEW:	STERLING DITCH CO.		
△			APPROVED:	STERLING DITCH CO.		
			HARRIS ENGINEERING CONSULTANTS, INC. 21482 County Road 15 Fort Morgan, CO 80701 (970) 867-0871			
			HEC			
STERLING IRRIGATION COMPANY						
STERLING NO 1 DITCH BYPASS STRUCTURE REPLACEMENT PROJECT SERVICE AREA LOGAN COUNTY, COLORADO						
			SCALE: 1"=5000' (D)		DRWG. NO.: FIGURE C1	SHEET 1 of 1
					REV. △	

EXHIBIT D

Site Photos



Fig. 1: Bypass structure, south abutment, looking north.



Fig. 2: Bypass structure, looking south (downstream).



Fig. 3: Bypass structure, north abutment, looking south.



Fig. 4: Structure floor and downstream scour pad (from south abutment).

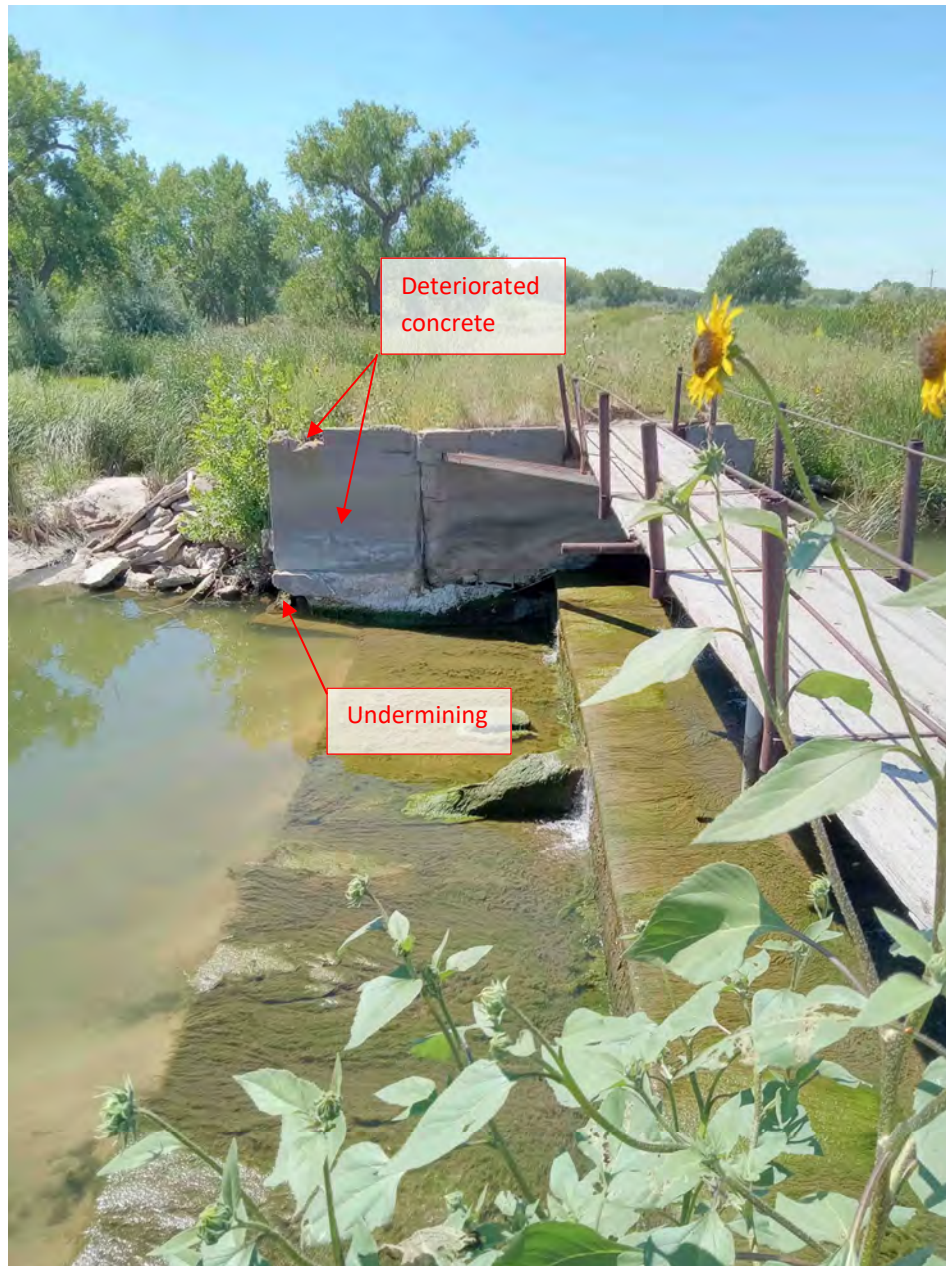


Fig. 5: Structure floor and downstream scour pad (from north abutment).

EXHIBIT E

Preliminary Design Drawings of the Preferred Alternative



"PRELIMINARY: ISSUED FOR REVIEW"



HARRIS ENGINEERING CONSULTANTS, INC.
21482 County Road T.5
Fort Morgan, CO 80701
(970) 867-4971

SCALE:

1"=25' (D)

DRAWN:

M. C. HARRIS

CAD FILE:

23075 STERLING NO 1 STRUCTURE VX.DWG

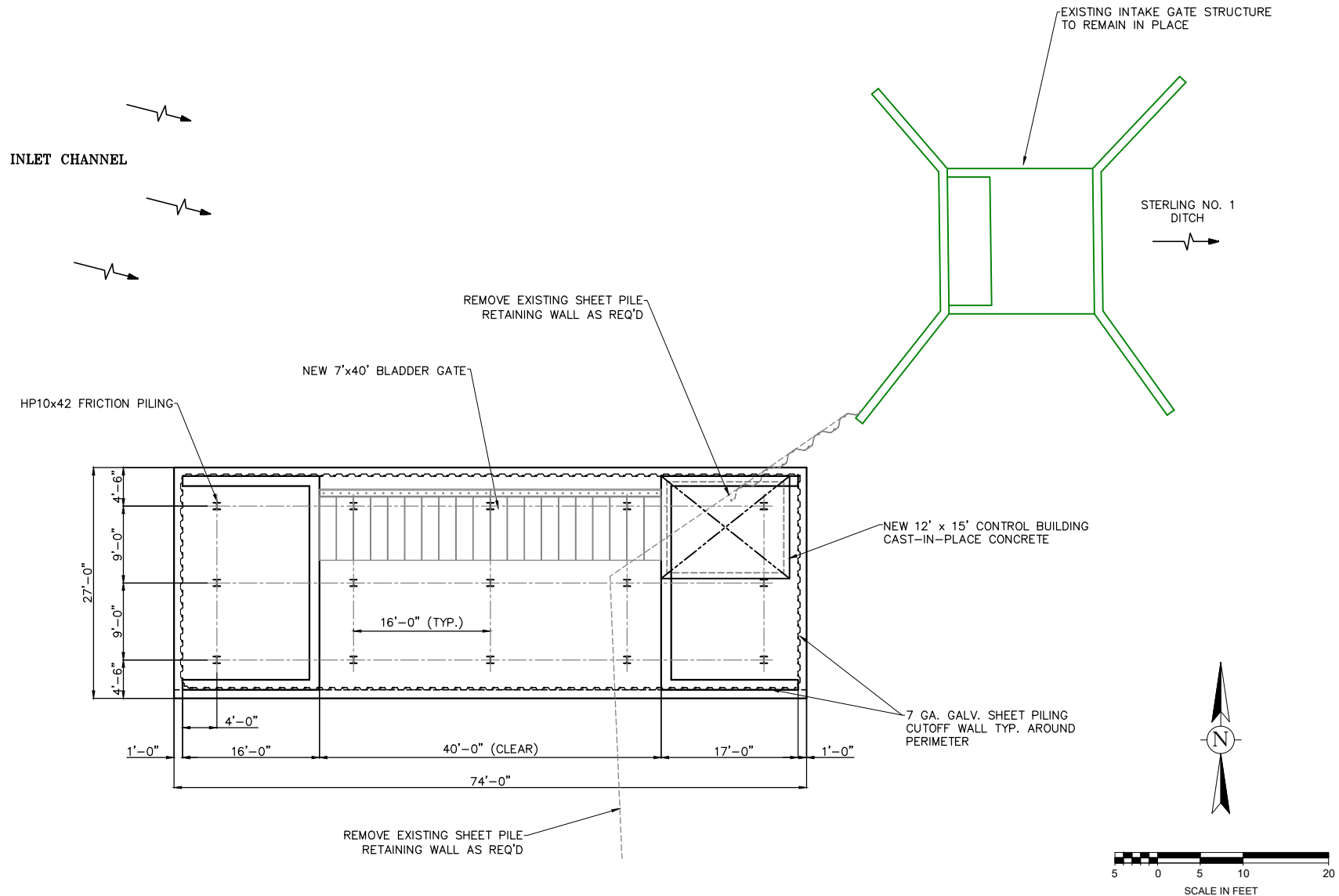
STERLING NO. 1 DITCH BYPASS STRUCTURE REPLACEMENT PROJECT SITE PLAN

DATE: 11/24/23

REV DATE: 5/31/24

FIGURE E1

REV.



"PRELIMINARY: ISSUED FOR REVIEW"



HARRIS ENGINEERING CONSULTANTS, INC.
21482 County Road T.5
Fort Morgan, CO 80701
(970) 867-4971

SCALE: 1/8"=1'-0" (D)

DRAWN: M. C. HARRIS

CAD FILE: 23075 STERLING NO 1 STRUCTURE VX.DWG

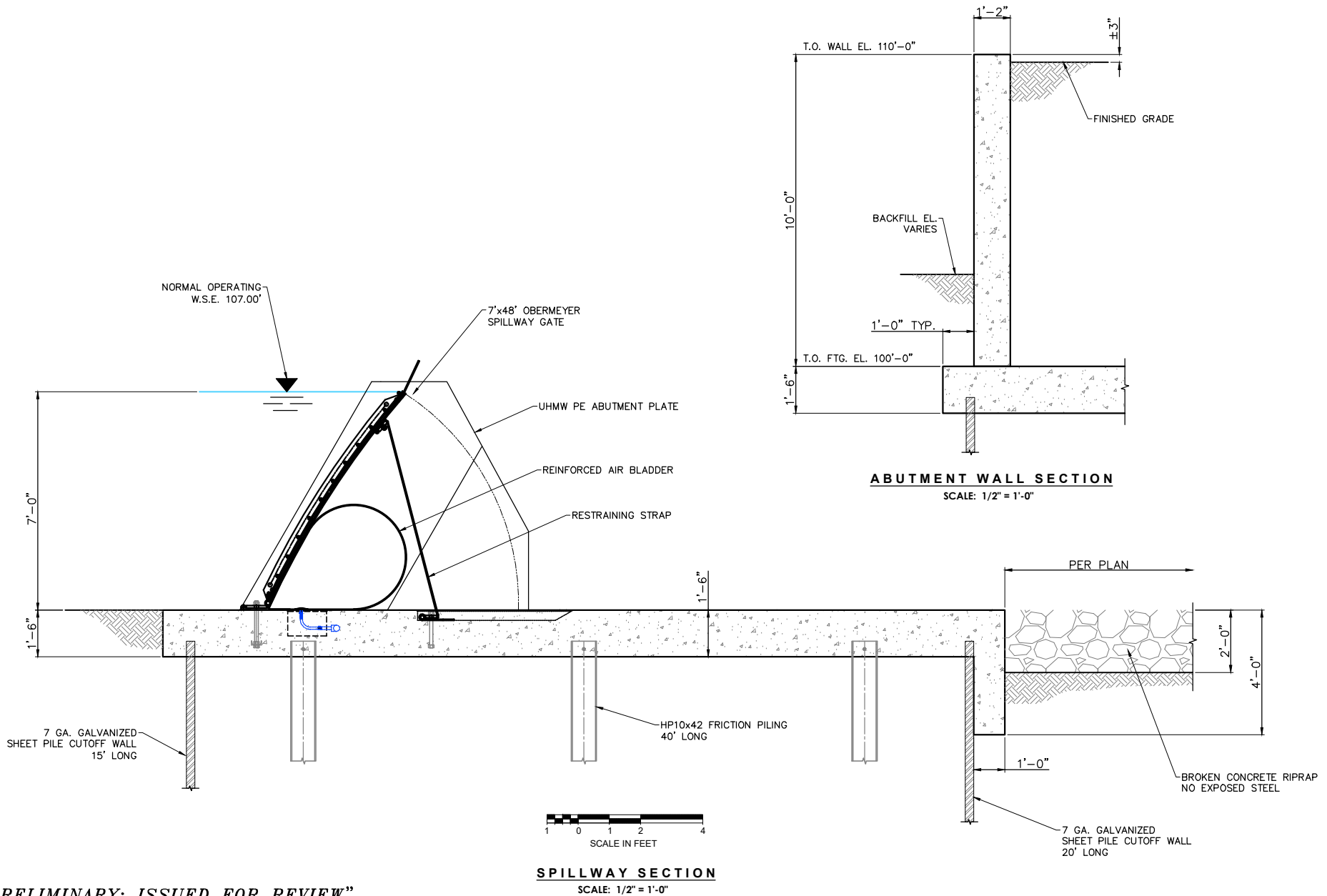
STERLING NO. 1 DITCH BYPASS STRUCTURE REPLACEMENT PROJECT FOUNDATION PLAN

DATE: 11/24/23

REV DATE: 5/31/24

FIGURE E2

REV.



"PRELIMINARY: ISSUED FOR REVIEW"



HARRIS ENGINEERING CONSULTANTS, INC.
21482 County Road T.5
Fort Morgan, CO 80701
(970) 867-4971

SCALE: 1/2"=1'-0" (D)

DRAWN: M. C. HARRIS

CAD FILE: 23075 STERLING NO 1 STRUCTURE VX.DWG

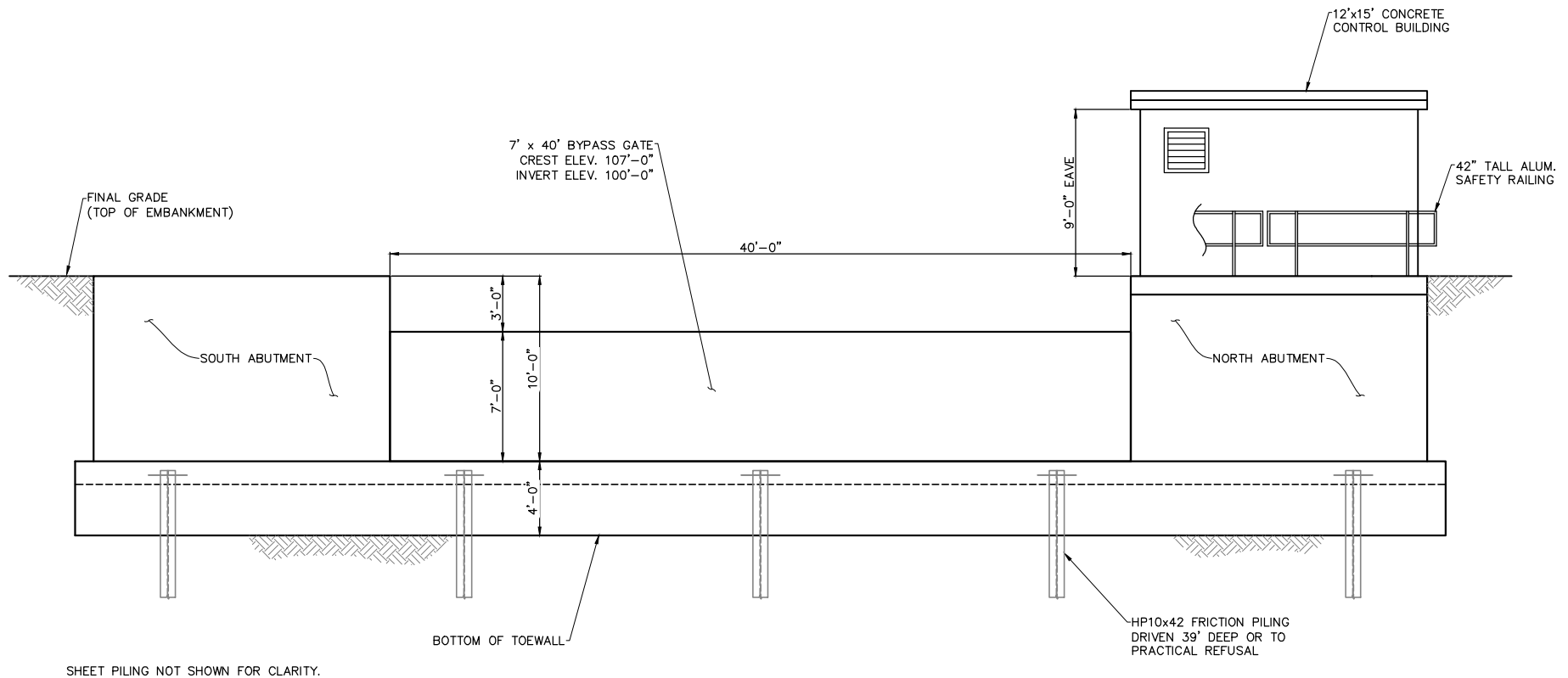
STERLING NO. 1 DITCH BYPASS STRUCTURE REPLACEMENT PROJECT TYPICAL SECTIONS

DATE: 11/24/23

REV DATE: 5/31/24

FIGURE E3

REV.



"PRELIMINARY: ISSUED FOR REVIEW"



HARRIS ENGINEERING CONSULTANTS, INC.
21482 County Road T.5
Fort Morgan, CO 80701
(970) 867-4971

SCALE: 1/4"=1'-0" (D)

DRAWN: M. C. HARRIS

CAD FILE: 23075 STERLING NO 1 STRUCTURE VX.DWG

STERLING NO. 1 DITCH BYPASS STRUCTURE REPLACEMENT PROJECT
SPILLWAY ELEVATION

DATE: 11/24/23

REV DATE: 5/31/24

FIGURE E4

REV.

EXHIBIT F

Detailed Construction Cost Estimate and Loan Amortization

STERLING IRRIGATION COMPANY

221 East Kiowa Avenue, Fort Morgan, CO 80701
STERLING NO. 1 DITCH BYPASS STRUCTURE

PROJECT COST ESTIMATE**\$1,134,725****BUDGETARY COST ESTIMATE****NEW BYPASS STRUCTURE AT PAWNEE CREEK CONFLUENCE**

Demolish and Remove Existing Concrete Structure; Install New Bypass Structure
New 7'x40' Bladder Gate Spillway, New Utility Electric Service, Gate Controls & Automation.

**PROCUREMENT AND INSTALLATION**

	Description	Quantity	Unit	Unit Cost	Base Cost	Contg.	Total Cost	Basis
1	Mobilization and Demobilization, Insurance and Bonding	1	LS	\$115,000	\$115,000	10%	\$126,500	Estimate
2	Demolish Existing Concrete Structures and Process Demolished Concrete on site for Use as Riprap, Including Removal of Existing Sheet Pile Retaining Wall	1	LS	\$40,000	\$40,000	10%	\$44,000	Estimate
3	Control of Water and De-Watering (Utility Electric Supply)	1	LS	\$90,000	\$90,000	10%	\$99,000	Estimate
4	Unclassified Excavation	1,500	CY	\$10	\$15,000	10%	\$16,500	Estimate
5	Structural Fill	1,000	CY	\$8	\$8,000	10%	\$8,800	Estimate
6	Imported Demolished Concrete for Use as Rip-Rap	40	HRS	\$110	\$4,400	10%	\$4,840	Estimate
7	Place Demolished Concrete Rip-Rap	300	CY	\$15	\$4,500	10%	\$4,950	Estimate
8	Furnish and Install 7 Gauge Galvanized Sheet Piling	3,310	SF	\$20	\$66,200	15%	\$76,130	Estimate
9	Furnish and Install HP10x42 Friction Piling	600	LF	\$58	\$34,800	15%	\$40,020	Estimate
10	Furnish Obermeyer Bladder Gate, 40' x 7', 304L Stainless Steel Panels and Peripheral Parts	1	LS	\$194,000	\$194,000	15%	\$223,100	Estimate
11	Installation of Item #10, Including Air Supply Piping	1	LS	\$21,000	\$21,000	10%	\$23,100	Estimate
12	Gate Controls and Air Supply System	1	LS	\$72,000	\$72,000	15%	\$82,800	Estimate
13	Cast-In-Place Concrete, 4500 psi @ 28 days	180	CY	\$750	\$135,000	10%	\$148,500	Estimate
14	Reinforcing Steel, Epoxy Coated, A615 Gr. 60	23,000	LB	\$2.00	\$46,000	10%	\$50,600	Estimate
15	Site Electrical Work	1	LS	\$35,000	\$35,000	15%	\$40,250	Estimate
16	Provide and Install Buried (3 Feet Deep) Three Phase Electric Conductor-in-Conduit from New Service Meter to Control Building	120	LF	\$45	\$5,400	15%	\$6,210	Estimate
17	Control Building 12' x 15' (CIP concrete)	180	SF	\$200	\$36,000	10%	\$39,600	Estimate
18	Final Cleanup and Site Restoration	1	LS	\$10,000	\$10,000	10%	\$11,000	Estimate
19	Telemetry	1	LS	\$20,000	\$20,000	10%	\$22,000	Estimate
20	Furnish and Install Aluminum Handrails	30	LF	\$75	\$2,250	10%	\$2,475	Estimate
21	Utility Electric Service 480 VAC 3-Phase (ex. ovhd line 900 ft west of site)	1	LS					Note 1
22								
23								
24								
25								
26								
SUBTOTAL:					\$954,550	12.1%	\$1,070,375	

ENGINEERING, ADMINISTRATION AND CONTINGENCY

	Description	Quantity	Unit	Unit Cost	Base Cost	Contg.	Total Cost	Basis
27	Engineering, Planning & Design	1	LS	\$15,000	\$15,000	10%	\$16,500	Estimate
28	Construction Inspection & Administration	1	LS	\$34,000	\$34,000	10%	\$37,400	Estimate
29	Legal Services (review of company by-laws, contracts, etc.)	1	LS	\$5,000	\$5,000	10%	\$5,500	Estimate
30	Materials Testing	5	Days	\$900	\$4,500	10%	\$4,950	Estimate
31								
SUBTOTAL:					\$58,500	10.0%	\$64,350	

TOTAL INSTALLED COST 2025 CONSTRUCTION: \$1,013,050 12.0% \$1,134,725*Net Contingency @ 12.0% of Total Installed Cost: \$121,675***FEASIBILITY**

Note 1: Cost to provide utility electric service will be assessed to Company on a monthly basis by way of a facilities & usage charge. No initial capital expenditure is required (per Highline Electric).

TOTAL PROJECT COST **\$1,135,000**

	SOURCE 1	SOURCE 2	TOTAL
FINANCING SOURCE	CWCB Loan		
COST SHARE	100%		
BASE LOAN AMOUNT	\$1,135,000	\$0	
SERVICE FEE @ 1%	\$11,350		
PRINCIPAL	\$1,146,350		
INTEREST RATE*	2.18%		
TERM (YEARS)	30		
ANNUAL PAYMENT	\$52,470	\$0	\$52,470
STARTING YEAR	2026		

Company Shares 1290
Annual Diversions (ac-ft)** 23,983
Cost per Share **\$40.67**
Cost per ac-ft **\$2.19**

YEAR	PAYMENT	INTEREST	PRINCIPAL	BALANCE
2026	\$52,470	\$25,006	\$27,464	\$1,146,350
2027	\$52,470	\$24,407	\$28,063	\$1,118,886
2028	\$52,470	\$23,795	\$28,675	\$1,090,824
2029	\$52,470	\$23,169	\$29,300	\$1,062,149
2030	\$52,470	\$22,530	\$29,939	\$1,032,849
2031	\$52,470	\$21,877	\$30,593	\$1,002,909
2032	\$52,470	\$21,210	\$31,260	\$972,317
2033	\$52,470	\$20,528	\$31,942	\$941,057
2034	\$52,470	\$19,831	\$32,639	\$909,115
2035	\$52,470	\$19,119	\$33,350	\$876,477
2036	\$52,470	\$18,392	\$34,078	\$843,126
2037	\$52,470	\$17,648	\$34,821	\$809,048
2038	\$52,470	\$16,889	\$35,581	\$774,227
2039	\$52,470	\$16,113	\$36,357	\$738,646
2040	\$52,470	\$15,320	\$37,150	\$702,289
2041	\$52,470	\$14,509	\$37,961	\$665,139
2042	\$52,470	\$13,681	\$38,789	\$627,178
2043	\$52,470	\$12,835	\$39,635	\$588,389
2044	\$52,470	\$11,970	\$40,499	\$548,755
2045	\$52,470	\$11,087	\$41,383	\$508,255
2046	\$52,470	\$10,184	\$42,286	\$466,872
2047	\$52,470	\$9,262	\$43,208	\$424,587
2048	\$52,470	\$8,319	\$44,150	\$381,379
2049	\$52,470	\$7,356	\$45,114	\$337,229
2050	\$52,470	\$6,372	\$46,098	\$292,115
2051	\$52,470	\$5,367	\$47,103	\$246,017
2052	\$52,470	\$4,339	\$48,131	\$198,914
2053	\$52,470	\$3,289	\$49,181	\$150,784
2054	\$52,470	\$2,216	\$50,253	\$101,603
2055	\$52,470	\$1,120	\$51,350	\$51,350
2056	\$0	(\$0)	\$0	(\$0)

TOTAL \$1,574,092 \$427,742 \$1,146,350

*Estimated blended rate based on proportion of shares held by agricultural, commercial and municipal entities.

**Average annual diversion per State of Colorado's records for the years 1950 through 2023 (Colorado Decision Support System).

EXHIBIT G

Existing Debt Service

Debt Service
As of May 17, 2024

Loan C150024

- Debt Holder: Colorado Water Conservation Board
- Current Payment: \$17,868.56 annually
- Remaining Balance: \$94,436.79
- Term: 30 year loan @ 3.75%
- Currently two CD's, each with one annual payment of \$17,868.56 are held as collateral.

Loan CT2015-097

- Debt Holder: Colorado Water Conservation Board
- Current Payment: \$10,951.87 annually
- Remaining Balance: 10,790.02
- Term: 10 year loan @ 1.5%
- Currently one CD with one annual payment of \$10,951.85 is held as collateral.

Amortizations schedules for both loans are attached.



COLORADO

Colorado Water Conservation Board

Department of Natural Resources

1313 Sherman Street, Room 718
Denver, CO 80203

Sterling Irrigation Company
P.O. Box 1825
Sterling, CO 80751

Date: April 16, 2021
Loan No. CT2015-097

Line status	Pmt Date	Payment	Principal	Interest	Column fees	True Balance
Paid Pmt	05/01/2016	\$10,951.85	\$9,436.85	\$1,515.00	\$0.00	\$91,563.15
Paid Pmt	05/01/2017	\$10,951.85	\$9,578.40	\$1,373.45	\$0.00	\$81,984.75
Paid Pmt	05/01/2018	\$10,951.85	\$9,722.08	\$1,229.77	\$0.00	\$72,262.67
Paid Pmt	05/01/2019	\$10,951.85	\$9,867.91	\$1,083.94	\$0.00	\$62,394.76
Paid Pmt	05/01/2020	\$10,951.85	\$10,015.93	\$935.92	\$0.00	\$52,378.83
Paid Pmt	05/01/2021	\$10,951.85	\$10,166.17	\$785.68	\$0.00	\$42,212.66
Due Pmt	05/01/2022	\$10,951.85	\$10,318.66	\$633.19	\$0.00	\$31,894.00
Due Pmt	05/01/2023	\$10,951.85	\$10,473.44	\$478.41	\$0.00	\$21,420.56
Due Pmt	05/01/2024	\$10,951.85	\$10,630.54	\$321.31	\$0.00	\$10,790.02
Due Pmt	05/01/2025	\$10,951.87	\$10,790.02	\$161.85	\$0.00	\$0.00

Thank you for your recent payment applied as indicated in the schedule above. Please refer to your loan contract insurance provisions and provide a Certificate of Liability Insurance at the time of its renewal as applicable.

Should you have any questions, please contact me at (303) 866-3441, ext. 3205 or lauren.miremont@state.co.us.





COLORADO

Colorado Water Conservation Board

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

Sterling Irrigation Company
P.O. Box 1825
Sterling, CO 80751

Date: April 16, 2021
Loan No. C150024

Line status	Pmt Date	Payment	Principal	Interest	Column fees	True Balance
Paid Pmt	05/01/2001	\$17,868.56	\$5,921.70	\$11,946.86	\$0.00	\$312,661.30
Paid Pmt	05/01/2002	\$17,868.56	\$6,143.76	\$11,724.80	\$0.00	\$306,517.54
Paid Pmt	05/01/2003	\$17,868.56	\$6,374.15	\$11,494.41	\$0.00	\$300,143.39
Paid Pmt	05/01/2004	\$17,868.56	\$6,613.18	\$11,255.38	\$0.00	\$293,530.21
Paid Pmt	05/01/2005	\$17,868.56	\$6,861.18	\$11,007.38	\$0.00	\$286,669.03
Paid Pmt	05/01/2006	\$17,868.56	\$7,118.47	\$10,750.09	\$0.00	\$279,550.56
Paid Pmt	05/01/2007	\$17,868.56	\$7,385.41	\$10,483.15	\$0.00	\$272,165.15
Paid Pmt	05/01/2008	\$17,868.56	\$7,662.37	\$10,206.19	\$0.00	\$264,502.78
Paid Pmt	05/01/2009	\$17,868.56	\$7,949.71	\$9,918.85	\$0.00	\$256,553.07
Paid Pmt	05/01/2010	\$17,868.56	\$8,247.82	\$9,620.74	\$0.00	\$248,305.25
Paid Pmt	05/01/2011	\$17,868.56	\$8,557.11	\$9,311.45	\$0.00	\$239,748.14
Paid Pmt	05/01/2012	\$17,868.56	\$8,878.00	\$8,990.56	\$0.00	\$230,870.14
Paid Pmt	05/01/2013	\$17,868.56	\$9,210.93	\$8,657.63	\$0.00	\$221,659.21
Paid Pmt	05/01/2014	\$17,868.56	\$9,556.34	\$8,312.22	\$0.00	\$212,102.87
Paid Pmt	05/01/2015	\$17,868.56	\$9,914.70	\$7,953.86	\$0.00	\$202,188.17
Paid Pmt	05/01/2016	\$17,868.56	\$10,286.50	\$7,582.06	\$0.00	\$191,901.67
Paid Pmt	05/01/2017	\$17,868.56	\$10,672.25	\$7,196.31	\$0.00	\$181,229.42
Paid Pmt	05/01/2018	\$17,868.56	\$11,072.46	\$6,796.10	\$0.00	\$170,156.96
Paid Pmt	05/01/2019	\$17,868.56	\$11,487.67	\$6,380.89	\$0.00	\$158,669.29
Paid Pmt	05/01/2020	\$17,868.56	\$11,918.46	\$5,950.10	\$0.00	\$146,750.83
Paid Pmt	05/01/2021	\$17,868.56	\$12,365.40	\$5,503.16	\$0.00	\$134,385.43
Due Pmt	05/01/2022	\$17,868.56	\$12,829.11	\$5,039.45	\$0.00	\$121,556.32
Due Pmt	05/01/2023	\$17,868.56	\$13,310.20	\$4,558.36	\$0.00	\$108,246.12
Due Pmt	05/01/2024	\$17,868.56	\$13,809.33	\$4,059.23	\$0.00	\$94,436.79
Due Pmt	05/01/2025	\$17,868.56	\$14,327.18	\$3,541.38	\$0.00	\$80,109.61
Due Pmt	05/01/2026	\$17,868.56	\$14,864.45	\$3,004.11	\$0.00	\$65,245.16
Due Pmt	05/01/2027	\$17,868.56	\$15,421.87	\$2,446.69	\$0.00	\$49,823.29
Due Pmt	05/01/2028	\$17,868.56	\$16,000.19	\$1,868.37	\$0.00	\$33,823.10
Due Pmt	05/01/2029	\$17,868.56	\$16,600.19	\$1,268.37	\$0.00	\$17,222.91
Due Pmt	05/01/2030	\$17,868.77	\$17,222.91	\$645.86	\$0.00	\$0.00

Thank you for your recent payment applied as indicated in the schedule above. Please refer to your loan contract insurance provisions and provide a Certificate of Liability Insurance at the time of its renewal as applicable.

Should you have any questions, please contact me at (303) 866-3441, ext. 3205 or lauren.miremont@state.co.us.



EXHIBIT I

Stockholders List and Assessment History

TOTAL SHARES	NAME	
20	2001 PROPERTIES LLC	
77	A & L LAND	
29	DALE D & VIRGINIA LEE ANDERSON	
54	LESLIE BANEY	
1	RICHARD J BERG	JESSICA D KURTH
4	THE BOARD OF COUNTY COMMISSIONERS	OF LOGAN COUNTY
20	CONRAD DANIEL BOSTRON	
16	JAMES & SHERRILL A BRAMMER	
37	MICHAEL M & GINA BRANDT	
2	WILLIAM C BRANDT	
24	CHARLES A & CATHERINE L BRIGGS	
1	SHIRLEY KURTH	
1	TRENTON J CASTLE	
216	CEDAR CREEK FARMS LLC	
119.5	CITY OF STERLING	
3.5	CONNIE S CLARK	
15	MARTY D DALLEGGE	REBECCA K DALLEGGE
1	ALYSSA CHRISTEEN DESOTO	
3	LORAIN DRESEN	
2	PAUL C SCHRADER, TRACI L SCHRADER	MCKINLEY D LAND & CARLY N SCHRADER
1	WILLIAM G ERTLE	BRENDA L ERTLE
1	GLENN ERTLE	
30	FREUND INVESTMENTS LLC	
18	KENNETH JOSEPH GAREIS FAMILY TRUST	
22	ALAN E GENTZ	JULIA K GENTZ
1	TED J & JUDITH A GIACOMINI	
20	DAVID GUENZI	
9	RONALD D & CATHY K HEIMANN	
19	JAY W & JILL K HILL	
1	JOHN T & MICHAEL A HRADECKY	
1	LAWRENCE E & MICHELLE L HUGGINS	
1	TANNER JAMES	

TOTAL SHARES	NAME	
1.5	BARBARA A KELLEY	RICHARD L TAYLOR
1	DEBRA & WAYNE KLEE	
7.5	RICHARD E & PATRICIA A KLOBERDANZ	
18	FULTON G & MARTHA KLOBERDANZ	C/O BRENDA KLOBERDANZ
1	SARAH LAMBRECHT AND BRIAN HEATON	
8	DAVE & CHERYL LEBSOCK	
14	DAVID L LIEBER	
5	ROBERT D LINGREEN	
68	MANUELLO'S INC	
3	JONH ALLEN MARIN	SANDRA JANE MARIN
2	ROCKY L & LINDA L MEUSBORN	
1	SCHELL FAMILY LAND, LLC	C/O DANIEL SCHELL
16	DARREN A MOOS	MELISSA S MOOS
4	MX2 ENTERPRISES LLC	
30	NECO INVESTMENTS	
14	SANDRA K NEEDHAM	
5	ROBERT E & CYNTHIA D PENNINGTON	
1	LEVON C DAUGHERTY & MAUREEN DAUGHERTY	
2	PREMIER PARTNERSHIP LTD	C/O GENE WAGNER
20	RAS FARM LLC	
16	R-BAR CATTLE COMPANY	
2	TRAVIS JAY RICHARDSON	MALLORY SKYE RICHARDSON
2.5	ROSIE'S LLC	
49	ROBERT L & SHEILA A ROTH	
64	STRATUS H2O LLC	
40	PARRY FARMS LAND LLC	
1	KENNETH & PAULA K SCHMITT	
1	KEACH SEE & MINNA K SEE	
1	RACHEL SHWAYDER	SANDRA SHWAYDER SANCHEZ
1	RANDAL P & SUSAN G STAHLEY	
12	STERLING ENTERPRISES INC	
21	T. GIACOMINI RANCH INC	

TOTAL SHARES	NAME	
3	DAVID L & KIMBERLY K UNREIN	
1	JUSTIN M UNREIN	AUTUMN D UNREIN
9	DR RICHARD O & SYDNEY A WALKER	
1	ELMER E WATERMAN, ET AL	
18	THOMAS C & MYRA D WESTFALL JR	
0.5	ROBERT & MARY WHIPKEY	C/O BILLIE DARLINE NOTT
1	JACOB A & KERI A WRIGHT	
6	CARLTON J & SHARON I WYCKOFF	
2	CASEY YOST	
46	YOUNG LAND & LIVESTOCK LLC	
1290	TOTAL SHARES	

Assessment Information

Assessments are levied on a per share basis.

Prior assessments are as follows.

2021: \$130 per share levied of which \$40 was abated.

2022: \$160 per share levied of which \$30 was abated.

2023: \$160 per share levied of which \$30 was abated.

2024: \$160 per share levied.