



COLORADO

Colorado Water Conservation Board

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

October 15, 2025

Mr. Eric Westlind, General Manager
The Tunnel Water Company
P.O. Box 2017
Fort Collins, CO 80522
ewestlind@wtsupply.com

Re: West Half Laramie-Poudre Tunnel Rehabilitation Project
Loan Contract Number CT2019-3706

NOTICE OF PROJECT SUBSTANTIAL COMPLETION

Dear Eric:

This letter is to advise you that the Project referenced above will be substantially completed on November 1, 2025. In accordance with the Loan Contract, the Company owes \$1,014,963.78 for interest accrued during the construction phase of the Project (see attached Project Expenditure Schedule). Please make this "interest only payment" check payable to the Colorado Water Conservation Board and include the Loan Contract Number on the check. Mail it to the address above, attention Mimi Winter.

The final total loan amount under this contract is \$18,917,300.00 (\$18,730,000.00 plus \$187,300.00 for the 1% service fee). The first annual loan payment will be due on November 1, 2026, in the amount of \$946,527.35 as presented in the attached Loan Repayment Schedule and Promissory Note.

Please note, in accordance with the Borrower's Liability Insurance Provision of the Loan Contract, a renewed insurance certificate must be submitted to the CWCB annually and a Reserve Account must be maintained during the entire repayment period.

It has been a pleasure working with you on the successful completion of this project. Please don't hesitate to contact us if you have any questions regarding this matter.

Sincerely,

Kirk Russell, P.E. Chief
CWCB Finance Section

Loan Contract Amount = \$18,917,300.00
Final Total Loan Amount = \$18,917,300.00

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



Colorado Water Conservation Board
Project Expenditure Schedule

West Half Laramie-Poudre Tunnel Rehabilitation

The Tunnel Water Company
P. O. Box 2017
Fort Collins, CO 80522
c/o Erik Westlind

Ph. 970-482-3433
Fax (970) 482-1486
ewestlind@wtrsupply.com

	Original	Amended	Final
Loan Contract No.:	CT2019-3706		
Authorization:	\$9,090,000.00	\$18,917,300.00	
Contract Amount	\$9,000,000.00	\$18,730,000.00	\$ 18,730,000.00
Loan Service Fee %	1.00%	1.00%	
Loan Service Fee	\$90,000.00	\$187,300.00	\$ 187,300.00
Total Loan Amount	\$9,090,000.00	\$ 18,917,300.00	\$ 18,917,300.00
Interest:	2.85%	2.85%	2.85%
Term (Years):	30	30	30
Conditions:	Up to 100%		0
IDC Calculation Date:	11/1/2025		

Substantial Completion Date

11/1/2025

Contract Expires:

5/18/2026

Pay Req. No.	Date	Description	Amount Disbursed	Cumulative Loan Balance	Balance Available to Loan	Interest	Accrued Interest
					\$ 18,917,300.00		
1	8/6/2019	Design and Engineering	\$ 550,215.80	\$ 550,215.80	\$ 18,367,084.20	\$ 97,910.52	\$ 97,910.52
2	9/20/2019	Engineering and Construction	\$ 378,152.41	\$ 928,368.21	\$ 17,988,931.79	\$ 65,963.25	\$ 163,873.77
3	10/8/2019	Engineering and Construction	\$ 593,456.16	\$ 1,521,824.37	\$ 17,395,475.63	\$ 102,685.80	\$ 266,559.57
4	11/15/2019	Engineering and Construction	\$ 1,122,429.53	\$ 2,644,253.90	\$ 16,273,046.10	\$ 190,883.75	\$ 457,443.32
5	1/10/2020	Engineering and Construction	\$ 965,835.22	\$ 3,610,089.12	\$ 15,307,210.88	\$ 160,029.63	\$ 617,472.95
6	1/23/2020	Engineering and Construction	\$ 548,028.65	\$ 4,158,117.77	\$ 14,759,182.23	\$ 90,246.81	\$ 707,719.76
7	2/24/2020	Engineering and Construction	\$ 364,305.75	\$ 4,522,423.52	\$ 14,394,876.48	\$ 59,081.91	\$ 766,801.67
8	3/30/2020	Engineering and Construction	\$ 225,604.62	\$ 4,748,028.14	\$ 14,169,271.86	\$ 35,971.27	\$ 802,772.94
9	4/6/2020	Engineering and Construction	\$ 874,041.10	\$ 5,622,069.24	\$ 13,295,230.76	\$ 138,882.74	\$ 941,655.68
10	4/28/2020	Engineering and Construction	\$ 689,088.76	\$ 6,311,158.00	\$ 12,606,142.00	\$ 108,310.59	\$ 1,049,966.27
11	5/26/2020	Engineering and Construction	\$ 779,801.24	\$ 7,090,959.24	\$ 11,826,340.76	\$ 120,863.85	\$ 1,170,830.12
12	6/25/2020	Engineering and Construction	\$ 560,659.88	\$ 7,651,619.12	\$ 11,265,680.88	\$ 85,585.11	\$ 1,256,415.23
13	7/31/2020	Engineering and Construction	\$ 299,538.25	\$ 7,951,157.37	\$ 10,966,142.63	\$ 44,882.73	\$ 1,301,297.96
14	9/8/2020	Engineering and Construction	\$ 310,867.89	\$ 8,262,025.26	\$ 10,655,274.74	\$ 45,633.70	\$ 1,346,931.66
15	9/29/2020	Engineering and Construction	\$ 387,924.33	\$ 8,649,949.59	\$ 10,267,350.41	\$ 56,309.08	\$ 1,403,240.74
16	11/12/2020	Engineering and Construction	\$ 153,029.66	\$ 8,802,979.25	\$ 10,114,320.75	\$ 21,687.24	\$ 1,424,927.98
17	12/28/2020	Engineering and Construction	\$ 197,020.75	\$ 9,000,000.00	\$ 9,917,300.00	\$ 27,213.96	\$ 1,452,141.94
18	2/3/2021	Engineering and Construction	\$ 367,752.11	\$ 9,367,752.11	\$ 9,549,547.89	\$ 49,734.19	\$ 1,501,876.13
19	2/3/2021	Engineering and Construction	\$ 571,845.48	\$ 9,939,597.59	\$ 8,977,702.41	\$ 77,335.44	\$ 1,579,211.57
20	3/1/2021	Engineering and Construction	\$ 540,075.86	\$ 10,479,673.45	\$ 8,437,626.55	\$ 71,942.54	\$ 1,651,154.11
21	4/2/2021	Engineering and Construction	\$ 477,214.66	\$ 10,956,888.11	\$ 7,960,411.89	\$ 62,376.53	\$ 1,713,530.64
22	5/13/2021	Engineering and Construction	\$ 628,618.66	\$ 11,585,506.77	\$ 7,331,793.23	\$ 80,154.05	\$ 1,793,684.69
23	6/3/2021	Engineering and Construction	\$ 952,494.46	\$ 12,538,001.23	\$ 6,379,298.77	\$ 119,889.04	\$ 1,913,573.73
24	8/2/2021	Engineering and Construction	\$ 242,784.96	\$ 12,780,786.19	\$ 6,136,513.81	\$ 29,421.55	\$ 1,942,995.28
25	11/1/2021	Engineering and Design	\$ 312,207.41	\$ 13,092,993.60	\$ 5,824,306.40	\$ 35,616.02	\$ 1,978,611.30
	12/3/2021	IDC Interim Payment	-	\$ 13,092,993.60	\$ 5,824,306.40	(\$ 514,635.27)	\$ 1,463,976.03
26	2/8/2022	Engineering and Construction	\$ 702,588.61	\$ 13,795,582.21	\$ 5,121,717.79	\$ 74,718.85	\$ 1,538,694.88
27	2/28/2022	Engineering and Construction	\$ 410,632.64	\$ 14,206,214.85	\$ 4,711,085.15	\$ 43,028.68	\$ 1,581,723.56
28	3/10/2022	Engineering and Construction	\$ 842,798.75	\$ 15,049,013.60	\$ 3,868,286.40	\$ 87,655.69	\$ 1,669,379.25
29	4/8/2022	Engineering, Mining Const	\$ 538,387.66	\$ 15,587,401.26	\$ 3,329,898.74	\$ 54,776.15	\$ 1,724,155.40
30	5/27/2022	Eng & Construction	\$ 450,300.15	\$ 16,037,701.41	\$ 2,879,598.59	\$ 44,091.17	\$ 1,768,246.57
31	6/15/2022	Engineering and Construction	\$ 631,702.75	\$ 16,669,404.16	\$ 2,247,895.84	\$ 60,916.05	\$ 1,829,162.62
32	10/7/2022	Construction	\$ 410,595.84	\$ 17,080,000.00	\$ 1,837,300.00	\$ 35,939.51	\$ 1,865,102.13
33	5/16/2023	Construction	\$ 747,506.00	\$ 17,827,506.00	\$ 1,089,794.00	\$ 52,530.22	\$ 1,917,632.35
	1/24/2024	IDC Interim Payment	-	\$ 17,827,506.00	\$ 1,089,794.00	(\$ 433,322.46)	\$ 1,484,309.89
34	8/23/2024	Eng., Construction, Settlement	\$ 902,494.00	\$ 18,730,000.00	\$ 187,300.00	\$ 30,653.89	\$ 1,514,963.78
	2/6/2025	IDC interm Payment	-	\$ 18,730,000.00	\$ 187,300.00	(\$ 500,000.00)	\$ 1,014,963.78
Final	11/1/2025	Loan Service Fee @ 1%	\$ 187,300.00	\$ 18,917,300.00	(\$ 0.00)	-	\$ 1,014,963.78

MW



COLORADO

Colorado Water Conservation Board

Department of Natural Resources

1313 Sherman Street, Room 718
Denver, CO 80203

Loan Repayment Schedule

Borrower | Tunnel Water Company

Loan Contract Number | CT2019-3706

FINAL Loan Amount | \$18,730,000.00

1% Service Fee | \$187,300.00

Interest During Construction Added | \$0.00

FINAL Total Loan Amount | \$18,917,300.00

Interest Rate | 2.850000 %

Term | 30

First Payment Due | November 1, 2026

Annual Payment Amount | \$946,527.35

Line status	Pmt Date	Payment	Principal	Interest	Column fees	True Balance
Service Fee / IDC	11/01/2025	\$0.00	\$-187,300.00	\$0.00	\$187,300.00	\$18,917,300.00
Due Pmt	11/01/2026	\$946,527.35	\$407,384.30	\$539,143.05	\$0.00	\$18,509,915.70
Due Pmt	11/01/2027	\$946,527.35	\$418,994.75	\$527,532.60	\$0.00	\$18,090,920.95
Due Pmt	11/01/2028	\$946,527.35	\$430,936.10	\$515,591.25	\$0.00	\$17,659,984.85
Due Pmt	11/01/2029	\$946,527.35	\$443,217.78	\$503,309.57	\$0.00	\$17,216,767.07
Due Pmt	11/01/2030	\$946,527.35	\$455,849.49	\$490,677.86	\$0.00	\$16,760,917.58
Due Pmt	11/01/2031	\$946,527.35	\$468,841.20	\$477,686.15	\$0.00	\$16,292,076.38
Due Pmt	11/01/2032	\$946,527.35	\$482,203.17	\$464,324.18	\$0.00	\$15,809,873.21
Due Pmt	11/01/2033	\$946,527.35	\$495,945.96	\$450,581.39	\$0.00	\$15,313,927.25
Due Pmt	11/01/2034	\$946,527.35	\$510,080.42	\$436,446.93	\$0.00	\$14,803,846.83
Due Pmt	11/01/2035	\$946,527.35	\$524,617.72	\$421,909.63	\$0.00	\$14,279,229.11
Due Pmt	11/01/2036	\$946,527.35	\$539,569.32	\$406,958.03	\$0.00	\$13,739,659.79
Due Pmt	11/01/2037	\$946,527.35	\$554,947.05	\$391,580.30	\$0.00	\$13,184,712.74
Due Pmt	11/01/2038	\$946,527.35	\$570,763.04	\$375,764.31	\$0.00	\$12,613,949.70
Due Pmt	11/01/2039	\$946,527.35	\$587,029.78	\$359,497.57	\$0.00	\$12,026,919.92
Due Pmt	11/01/2040	\$946,527.35	\$603,760.13	\$342,767.22	\$0.00	\$11,423,159.79
Due Pmt	11/01/2041	\$946,527.35	\$620,967.30	\$325,560.05	\$0.00	\$10,802,192.49
Due Pmt	11/01/2042	\$946,527.35	\$638,664.86	\$307,862.49	\$0.00	\$10,163,527.63
Due Pmt	11/01/2043	\$946,527.35	\$656,866.81	\$289,660.54	\$0.00	\$9,506,660.82
Due Pmt	11/01/2044	\$946,527.35	\$675,587.52	\$270,939.83	\$0.00	\$8,831,073.30
Due Pmt	11/01/2045	\$946,527.35	\$694,841.76	\$251,685.59	\$0.00	\$8,136,231.54
Due Pmt	11/01/2046	\$946,527.35	\$714,644.75	\$231,882.60	\$0.00	\$7,421,586.79
Due Pmt	11/01/2047	\$946,527.35	\$735,012.13	\$211,515.22	\$0.00	\$6,686,574.66
Due Pmt	11/01/2048	\$946,527.35	\$755,959.97	\$190,567.38	\$0.00	\$5,930,614.69
Due Pmt	11/01/2049	\$946,527.35	\$777,504.83	\$169,022.52	\$0.00	\$5,153,109.86
Due Pmt	11/01/2050	\$946,527.35	\$799,663.72	\$146,863.63	\$0.00	\$4,353,446.14
Due Pmt	11/01/2051	\$946,527.35	\$822,454.14	\$124,073.21	\$0.00	\$3,530,992.00
Due Pmt	11/01/2052	\$946,527.35	\$845,894.08	\$100,633.27	\$0.00	\$2,685,097.92
Due Pmt	11/01/2053	\$946,527.35	\$870,002.06	\$76,525.29	\$0.00	\$1,815,095.86
Due Pmt	11/01/2054	\$946,527.35	\$894,797.12	\$51,730.23	\$0.00	\$920,298.74
Due Pmt	11/01/2055	\$946,527.25	\$920,298.74	\$26,228.51	\$0.00	\$0.00

MW



**Appendix A-2, Amendment No. 3 to Loan Contract CT2019-3706
Amendment to Promissory Note**

Date: 7/11/2024, 2023
Borrower: Tunnel Water Company
Interest Rate: 2.85% per annum
Term: Thirty (30) years or until loan is paid in full
Loan Contract No.: CT2019-3706
Annual Loan Payment: \$946,527.35
Payment Initiation Date: 11/1/2025
(to be filled in at Substantial Completion of Project)
Maturity Date: 11/1/2055
(to be filled in at Substantial Completion of Project)

For Value Received, the Borrower promises to pay the Colorado Water Conservation Board ("CWCBC"), the Principal Amount plus Interest for the Term of Repayment, pursuant to the Loan Contract and this Amendment to Promissory Note (Note).

1. This Note, in the **revised loan amount of \$18,917,300.00**, shall replace and supersede the Original Promissory Note, attached as Appendix 3 to the Original Loan Contract.
2. Principal and interest shall be payable in equal Annual Loan Payments, as set forth above, with the first payment due and payable one year from Payment Initiation Date, and annually thereafter. All principal, interest, and late charges, if any, then remaining unpaid shall be due and payable on or before the Maturity Date.
3. Payments shall be made to the Colorado Water Conservation Board at 1313 Sherman Street Room 718, Denver, Colorado 80203.
4. The CWCBC may impose a late charge in the amount of 5% of the annual payment if the CWCBC does not receive the Annual Loan Payment within sixty (60) calendar days of the due date. At the discretion of the CWCBC, and if the Borrower requests in writing with sufficient justification, the late fee may be waived by the CWCBC. CWCBC will review the request from the Borrower, and may, in its sole discretion, choose to waive the late fee.
5. This Note may be prepaid in whole or in part at any time without premium or penalty. Any partial prepayment shall not postpone the due date of any subsequent payments or change the amount of such payments.
6. All payments received shall be applied first to late charges, if any, next to accrued interest and then to reduce the principal amount.
7. This Note is issued pursuant to the Loan Contract between the CWCBC and the Borrower. The Loan Contract creates security interests in favor of the CWCBC to secure the prompt payment of all amounts that may become due hereunder. Said security interests are evidenced by a Security Agreement ("Security Instrument") of even date and amount and cover certain revenues and/or accounts of the Borrower. The Loan Contract and Security Instruments grant additional rights to the CWCBC, including the right to accelerate the maturity of this Note in certain events.
8. If any annual payment is not paid when due or any default under the Loan Contract or the Security

Instruments securing this Note occurs, the CWCB may declare the entire outstanding principal balance of the Note, all accrued interest, and any outstanding late charges immediately due and payable, and the indebtedness shall bear interest at the rate of 7% per annum from the date of default. The CWCB shall give the Borrower written notice of any alleged default and an opportunity to cure within sixty (60) days of receipt of such notice before the Borrower shall be considered in default for purposes of this Promissory Note.

9. The Borrower hereby agrees that if this Note or interest thereon is not paid when due or if suit is brought, then it shall pay all reasonable costs of collection, including reasonable attorney fees. In the event of any bankruptcy or similar proceedings, costs of collection shall include all costs and attorney fees incurred in connection with such proceedings, including the fees of counsel for attendance at meetings of creditors' committees or other committees.
10. This Note shall be governed in all respects by the laws of the State of Colorado.

Tunnel Water Company

Attest:

By

Name Eric Westlind

Title General Manager

Date 7/11/2024

By

Keith W. Amen

Signature

Name Keith W. Amen

Title President

Date 7/11/2024



Project Description

The Tunnel Water Company operates the Laramie-Poudre Tunnel, originally built in 1910, for the Water Supply and Storage Company (WSSC) and Windsor Reservoir and Canal Company (WRCC). The tunnel diverts from the Laramie River, about 60 miles west of Fort Collins, and delivers water through a 2.2-mile tunnel to the Poudre River. The Project repaired various sections of the tunnel to prevent future collapse and tunnel blockage, this project included support structures, rock bolts and shotcrete to ensure future serviceability and maintenance access.

The Company began work in 2019. The project was originally scheduled for completion in the Spring of 2020, but was delayed due to a fire within the tunnel in February of 2020. Another major setback for the Project occurred in August 2020 due to the Cameron Peak Fire that forced the Project into a third construction season. In early 2022, the contractor discovered they had constructed the tunnel 8ft higher than design grade over a length of about 100 feet. The correction was made under warranty. The construction was declared substantially complete in May 2022. Upon inspection in August 2022, the Company discovered that a significant portion of the tunnel had collapsed and were actively collapsing in the same area. The Company negotiated with the contractor regarding which issues were under the contract as warranty work vs. additional construction cost. The final construction work was completed May 2023 and the final settlement was in April 2024.

P R O J E C T D A T A		
<i>Sponsor:</i> The Tunnel Water Company	<i>County:</i> Larimer	<i>Water Source:</i> Laramie River
<i>Type of Project:</i> Ditch Rehabilitation		<i>Board Approval Date:</i> March 2019
<i>Terms of Loan:</i> 30yrs @ 2.85% (Original) \$9,090,000.00 (Amended) \$18,917,300.00 (Final) \$18,917,300.00		
<i>Design Engineer:</i> Lithos Engineering		
<i>Contractor:</i> Harrison Western Corporation		