



COLORADO

Colorado Water
Conservation Board

Department of Natural Resources

1313 Sherman Street, Room 718
Denver, CO 80203

August 15, 2018

Mr. Brett Corsentino
Corsentino Dairy Farms, Inc.
2689 State Highway 10
Walsenburg, CO 81089

Re: Holita Dam Rehabilitation
Loan Contract Number CT2018-980

NOTICE OF PROJECT SUBSTANTIAL COMPLETION

Dear Mr. Corsentino:

This letter is to advise you that the Project referenced above will be substantially completed on September 1, 2018. In accordance with the Loan Contract, the Dairy owes \$180.51 for interest accrued during the construction phase of the Project (see attached Project Expenditure Schedule). Per your conversation with the Project Manager, Anna Mauss, the interest accrued will be rolled into the final loan balance.

The total amount disbursed under this contract was \$99,263.32 (\$98,280.51 plus \$982.81 for the 1% service fee). An adjustment in the amount of \$13,452.68 will be made to the contract for funds no longer needed. Peg Mason, Contracts Manager, will follow up with an executed "Option Letter" reflecting the adjusted amount. The first annual loan payment will be due on September 1, 2019, in the amount of \$11,583.89 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 call if you have any questions regarding this matter.

Sincerely,

Kirk Russell, P.E. Chief
CWCB Finance Section

Loan Contract Amount = \$112,716.00
Expended Amount = \$99,263.32

cc: Jack Goble, CWCB Board Member, Arkansas River Basin



**Colorado Water Conservation Board
Project Expenditure Schedule**

Corsentino Dairy Farms Holita Dam Rehabilitation

Corsentino Dairy Farms
2689 State Highway 10
Walsenburg, CO 81089
c/o Mr. Brett Corsentino

Ph. (719) 568-0429
Fax
bcorsentino@hotmail.com

Original
Loan Contract No.: CT2018-980
Authorization: \$85,446.00
Contract Amount: \$84,600.00
Loan Service Fee %: 1.00%
Loan Service Fee: \$846.00
Total Loan Amount: \$85,446.00
Interest: 0.50%
Term (Years): 10
Conditions: Up to 90%
IDC Calculation Date: 9/1/2018

Amended
\$112,716.00
\$111,600.00
1.00%
\$1,116.00
\$112,716.00
0.50%
10

Final
\$98,280.51
\$982.81
\$99,263.32
0.50%
10
0

Substantial Completion Date: 9/1/2018

Contract Expires: 8/18/2019

Pay Req. No.	Date	Description	Amount Disbursed	Cumulative Loan Balance	Balance Available to Loan	Interest	Accrued Interest
					\$ 112,716.00		
1	2/19/2018	Construction	\$ 27,000.00	\$ 27,000.00	\$ 85,716.00	\$ 71.75	\$ 71.75
2	4/27/2018	Construction	\$ 27,000.00	\$ 54,000.00	\$ 58,716.00	\$ 46.97	\$ 118.72
3	5/14/2018	Construction	\$ 30,600.00	\$ 84,600.00	\$ 28,116.00	\$ 46.11	\$ 164.83
4	5/23/2018	Construction	\$ 5,400.00	\$ 90,000.00	\$ 22,716.00	\$ 7.47	\$ 172.30
5	6/19/2018	Engineering	\$ 8,100.00	\$ 98,100.00	\$ 14,616.00	\$ 8.21	\$ 180.51
Final	9/1/2018	IDC added to Principal	\$ 180.51	\$ 98,280.51	\$ 14,435.49	\$ (180.51)	-
Final	9/1/2018	Loan Service Fee @ 1%	\$ 982.81	\$ 99,263.32	\$ 13,452.68	-	-
Final	9/1/2018	Funds no longer needed	\$ (13,452.68)	\$ 99,263.32	-	-	-

COLORADO WATER CONSERVATION BOARD

LOAN REPAYMENT SCHEDULE

Borrower	Corsentino Dairy Farm
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Final

Loan Contract Number	CT 2018-980
Principal	\$112,716.00
Interest Rate	0.50%
Frequency	Annual
Term (In Years)	10
First Payment Due	September 1, 2019
Payment Amount	\$11,583.89

Loan Payment No.	Annual Payment Due Date	Annual Payment Amount	Principal	Interest	Principal BALANCE
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					\$ 112,716.00
Adjustment	1-Sep-18	\$13,452.68	\$ 13,452.68	\$ -	\$ 99,263.32
1	1-Sep-19	\$11,583.89	\$ 11,087.57	\$ 496.32	\$ 88,175.75
2	1-Sep-20	\$11,583.89	\$ 11,143.01	\$ 440.88	\$ 77,032.74
3	1-Sep-21	\$11,583.89	\$ 11,198.73	\$ 385.16	\$ 65,834.01
4	1-Sep-22	\$11,583.89	\$ 11,254.72	\$ 329.17	\$ 54,579.29
5	1-Sep-23	\$11,583.89	\$ 11,310.99	\$ 272.90	\$ 43,268.30
6	1-Sep-24	\$11,583.89	\$ 11,367.55	\$ 216.34	\$ 31,900.75
7	1-Sep-25	\$11,583.89	\$ 11,424.39	\$ 159.50	\$ 20,476.36
8	1-Sep-26	\$11,583.89	\$ 11,481.51	\$ 102.38	\$ 8,994.85
9	1-Sep-27	\$9,039.82	\$ 8,994.85	\$ 44.97	\$ -
10	1-Sep-28	\$0.00	\$ -	\$ -	\$ -

TOTALS

\$101,710.94	\$99,263.32	\$2,447.62	\$0.00
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**Appendix A, Amendment No. 1 to Loan Contract CT2018-980
Amendment to Promissory Note**

Date: April 10, 2018
Borrower: Corsentino Dairy Farms, Inc.
Total Loan Amount: \$112,716.00
Interest Rate: 0.50% per annum
Term of Repayment: 10 years or until loan is paid in full
Loan Contract No.: CT2018-980
Loan Payment: \$11,583.89
Payment Initiation Date: September 1, 2018 _____
(to be filled in at Substantial Completion of Project)
Maturity Date: September 1, 2027 _____
(to be filled in at Substantial Completion of Project)

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

1. This Amendment to Promissory Note in the revised total loan amount *shall replace and supersede* the Original Promissory Note, attached as Appendix 3 to the Original Loan Contract, in the amount of \$85,446.00 and incorporated by reference.
2. Principal and interest shall be payable in equal Loan Payments, 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 CWCB may impose a late charge in the amount of 5% of the annual payment if the CWCB does not receive the annual payment within sixty (60) calendar days of the due date.
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 CWCB and the Borrower. The Loan Contract creates security interests in favor of the CWCB to secure the prompt payment of all amounts that may become due hereunder. Said security interests are evidenced by a Deed of Trust ("Security Instrument") of even date and amount and cover real property. The Loan Contract and Security Instrument grants additional rights to the CWCB, 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

this PROMISSORY NOTE in certain events.

7. If any annual payment is not paid when due or any default under the LOAN CONTRACT or the SECURITY INSTRUMENT 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.
8. The BORROWER hereby agrees that if this Note or interest thereon is not paid when due or if suit is brought, then it shall pay all reasonable costs of collection, including reasonable attorney fees. In the event of any bankruptcy or similar proceedings, costs of collection shall include all costs and attorney fees incurred in connection with such proceedings, including the fees of counsel for attendance at meetings of creditors' committees or other committees.
9. This PROMISSORY NOTE is authorized pursuant to and in accordance with the Constitution of the State of Colorado and all other laws of the State thereunto enabling. Specifically, but not by way of limitation, the LOAN CONTRACT and this PROMISSORY NOTE are authorized pursuant to and under the authority of Title 31, Article 35; Title 37, Article 45.1; and Title 11, Article 57, Part 2, C.R.S., and in full conformity therewith. Pursuant to Section 11-57-210, C.R.S., and Section 31-35-413, C.R.S., this recital shall be conclusive evidence of the validity and the regularity of the issuance of this PROMISSORY NOTE and the PROMISSORY NOTE shall be incontestable for any cause whatsoever after its delivery for value.

BORROWER: Corsentino Dairy Farms, Inc.,
a Colorado corporation

(SEAL)

Attest:

BY: Brett Corsentino
Signature

NAME: Brett Corsentino

TITLE: President

DATE: 7-31-17

BY: Joe C Corsentino
Signature

NAME: Joe C Corsentino

TITLE: VB

DATE: 7-31-17



Holita Dam Rehabilitation

Corsentino Dairy Farms, Inc.
Substantially Complete September 1, 2018



Figure 1 - Reservoir before construction



Figure 2 - Downstream view of dam before construction



Figure 3 - Construction - Dam core



Figure 4 - Embankment reconstruction



Figure 5 - Finished dam

Project Description

Corsentino Dairy Farms, Inc. is located on 1,019 acres located approximately three miles east of the City of Walsenburg, along the north and south sides of State Highway 10. The Dairy has been in the Corsentino family since 1936 and is currently operated as an organic dairy. The primary water for the dairy operation comes from a well. The well is operated in accordance with the Corsentino Dairy plan for augmentation. The replacement water comes from the Holita Reservoir.

Holita reservoir has a storage capacity of 498 acre-feet and was built in 1889. In September of 2014 the Dairy received a letter from the Office of the State Engineer (SEO) that identified the Holita dam as unsatisfactory and restricted the storage level to five feet below the low point of the west dam crest.

Through this loan, the Dairy addressed seepage issues by reconstructing the embankment and permanently lowered the spillway to allow a storage volume of 274 acre-feet.

P R O J E C T D A T A		
Borrower: Corsentino Dairy Farms, Inc.	County: Huerfano	Water Source: Cucharas River
Type of Loan: Reservoir Rehabilitation		Board Approval Date: July 2017
Loan Terms: 0.5% for 10 years (Original) \$112,716.00 (Final) \$99,263.32		
Design Engineer: Nicholas Kock, P.E.		
Contractor: Double M Excavating, Inc., La Veta, CO		