



ST. VRAIN AND LEFT HAND WATER CONSERVANCY DISTRICT

9595 Nelson Road, Suite 203 • Longmont, CO 80501 • 303-772-4060 • [www.svlhwcd.org](http://www.svlhwcd.org)

May 21, 2021

Colorado Water Conservation Board  
Finance Section  
Attn: Mr. Kirk Russell, PE  
1313 Sherman St., Room 718  
Denver, CO 80203

**RE: Lake 4 Outlet Pipe Loan (CT17-3213) - C-BT Collateral Revaluation**

Dear Mr. Russell:

The St. Vrain and Left Hand Water Conservancy District ("District") is a Grantor to a Colorado Water Conservation Board ("CWCB") loan described as CT2017-3213, secured for an amount of \$864,560.

The project requiring this loan is now complete and the final costs are less than what was believed to be necessary in 2017. The total construction amount for this project was \$709,000. Moreover, Boulder County paid half (50%) of the costs (up from the previously agreed 33%). Therefore, the total amount the District seeks to finance is \$236,154.57.

As a result, the District requests the CWCB reevaluate the Colorado-Big Thompson ("C-BT") collateral amount.

Attached is a licensed engineer's opinion that 5 Units of C-BT is sufficient to meet the CWCB policy for collateral. This finding is based on the going market of \$54,000 - \$60,000 per C-BT Unit.

Please let me know if you require any additional information to fulfill this request.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Sean T. Cronin'.

Sean T. Cronin  
Executive Director

# DEERE & AULT

A SCHNABEL ENGINEERING COMPANY

May 12, 2021

Colorado Water Conservation Board  
Finance Section  
Attn: Mr. Kirk Russell, PE  
1313 Sherman St., Room 718  
Denver, CO 80203

## **RE: ST. VRAIN AND LEFT HAND WATER CONSERVANCY DISTRICT – C-BT UNITS AS COLLATERAL**

Dear Mr. Russell:

As you are aware, the CWCB Board approved the St. Vrain and Left Hand Water Conservancy District's (District) Construction Fund loan request for repairs to the Rock'n WP Ranch Lake No. 4 outlet works pipeline, including the District's commitment to provide up to 71 Colorado-Big Thompson (C-BT) Project units it owns as collateral. This letter is provided to provide a basis for updating and resetting the number of units required for collateral based on the District's final financial obligation to the project.

We receive a monthly report from Stratecon, Inc. reflecting C-BT transactions typically one to three months in arrears. The monthly report describes the acquirers, the suppliers, the acquirer's use (typically municipal), the prior use, the number of units in each transaction and the terms of the transactions. The table attached shows the sales transacted during the past twelve months for which we have sales information available (February 2020 through January 2021). Often, and especially over the last year, the terms for many of the transaction are "Transfer for Taps". These are indicated as "none" in the table. Transactions with prices are provided for the months with price data provided.

Generally, we have seen the value of C-BT units increase over time, sometimes dramatically, as fewer and fewer become available for purchase, however, the sales from August 2020 and January 2021 are lower than the sales from July 2020 and earlier. We do not have sufficient information to evaluate whether these two sales indicate a fundamental drop in value (which seems unlikely) or whether they might have been prices agreed upon previously.

**Mr. Kirk Russell, PE**  
**SVLHWCD – C-BT Units as Collateral**

Based on the weighted average sales over the last 12 months with reported sales (\$60,272 per Unit), I believe it is reasonable to estimate the current value of the District's C-BT units at \$60,000 per Unit. Now that the project construction has been completed, and with an increase in the project cost contribution from Boulder County Parks and Open Space (to half the project cost) the District's final loan repayment obligation is \$233,817. Considering the CWCB policy of requiring collateral at 110 percent of the debt amount, collateralizing 5 Units of the District's C-BT (\$300,000) would be more than sufficient. Even if the value is reduced to that of the January, 2021 sale price (\$54,000 per Unit) the 5 units still provide adequate collateral value (\$270,000).

On behalf of the District, thank you and please do not hesitate to call me or Sean Cronin if you have any questions.

Sincerely,

**DEERE AND AULT CONSULTANTS INC.**  
**A SCHNABEL ENGINEERING COMPANY**



Mark A. McLean, P.E.  
Principal

cc: Sean T. Cronin – SVLHWCD (w/ attachment)  
Scott E. Holwick – Lyons Gaddis (w/ attachment)

**C-BT Transaction Prices - Trailing 12 months of Reporting**

Period	Number of Sales with Prices Reported	Number of Units Sold with Prices Reported	Average Sales Price per Unit
Feb, 2020	1	2	\$ 58,000
Mar, 2020	2	75	\$ 60,733
Apr, 2020	6	150	\$ 61,748 1)
May, 2020	none	none	
Jun, 2020	1	10	\$ 60,000
Jul, 2020	1	21	\$ 62,500
Aug, 2020	1	67	\$ 58,200
Sep, 2020	none	none	
Oct, 2020	none	none	
Nov, 2020	none	none	
Dec, 2020	none	none	
Jan, 2021	1	25	\$ 54,000
Weighted Average (\$/Unit)			\$ 60,272

Source: Stratecon, Inc.

Notes: 1) Prices for three transactions ranged from \$59,200 to \$62,500 per unit