

STATE OF  
COLORADO

Mason - DNR, Peg &lt;peg.mason@state.co.us&gt;

**Re: FW: C-BT Collateral**

1 message

**Russell - DNR, Kirk** <kirk.russell@state.co.us>

Thu, Apr 29, 2021 at 7:41 AM

To: "Mason - DNR, Peg" &lt;peg.mason@state.co.us&gt;

Cc: Sean Cronin &lt;sean.cronin@svlhwcd.org&gt;, Marie Terry &lt;bookkeeper@svlhwcd.org&gt;, Donna Lee &lt;office@svlhwcd.org&gt;, Sherri Rasmussen &lt;srasmussen@northernwater.org&gt;

Sean

I just wanted to use this email chain to memorialize our phone conversation on 4/28/21.

Looking at our file the CWCB took action to secure the loans with CB-T shares valued at \$26K and at a coverage ratio of 110% of final loan value. If we use a different value or coverage, you will need to do a new appraisal and I will need to take it back to the Board for approval.

(Reservoir Loan) CT16-2452 Emergency Rock'n WP Res Repair (\$3.24M balance) has 200af CBT Units with multiple NCWCD Contracts #s of different quantities.  
It is my understanding that this loan will be ready to be paid off in the next 6 months. So its better to leave this one alone.

(Pipeline Loan) CT17-3213 Lake No.4 Outlet Pipe is expected to be amended to reamortize the current balance across the full 30 years. (\$236K) is secured with 27 CB-T Units with two separate NCWCD contract #'s. (25 units and 5 units - however we only have 2 of the 5 unit contract)

Using round numbers this loan needs about \$260K (\$236 x 1.1) in collateral coverage and using the \$26K valuation we need a minimum of 10 shares. I suppose there are different ways we can do this but the easiest way would be to release the 2 and leave the 25 shares alone and just be over collateralized. Or wait until you pay off the Reservoir loan and use one of the 10 share contracts from the Res loan.

We wont be able to utilize 10 of the 25 shares (not sure why that happened the first time with the 2 of 5)

Before we proceed with the contract amendment we will wait for your desired direction regarding CB-T shares. Your first Pipeline Loan payment is due March 1, 2022 so we would want to start the amendment process no later than November 1, 2021.

I have attached a doc showing some screen shots of the contract information for support.

Thanks

Kirk

**Kirk G. Russell, P.E.**  
Finance Section Chief**COLORADO**Colorado Water  
Conservation Board

Department of Natural Resources

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1313 Sherman St., Rm. 718, Denver, CO 80203

[kirk.russell@state.co.us](mailto:kirk.russell@state.co.us) | [www.cwcb.colorado.gov](http://www.cwcb.colorado.gov)

On Wed, Apr 28, 2021 at 11:52 AM Mason - DNR, Peg &lt;peg.mason@state.co.us&gt; wrote:

No, only that you need Kirk Russell's written approval for the release of collateral. If you decide to request release of the C-BT units, I would suggest you send that request in writing to Kirk. Once I get Kirk's written approval in a response, I can move forward with the steps Sherri laid out for you.

Thank you,  
**Peg Mason, Contracts Manager**  
**Colorado Water Conservation Board**  
**1313 Sherman St., Room 718, Denver, CO 80203**  
**303-866-3441 ext.3227**  
[peg.mason@state.co.us](mailto:peg.mason@state.co.us)

On Wed, Apr 28, 2021 at 11:45 AM Sean Cronin <[sean.cronin@svlhwcd.org](mailto:sean.cronin@svlhwcd.org)> wrote:

Peg,

Please see below. The District may be selling some C-BT relatively soon, so knowing which units are unencumbered is a key piece to our analysis. Anything to add or clarify?

Thanks!

Sean

**Sean T. Cronin | Executive Director**

[www.svlhwcd.org](http://www.svlhwcd.org)

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**From:** Sherri Rasmussen <[srasmussen@northernwater.org](mailto:srasmussen@northernwater.org)>  
**Sent:** Tuesday, April 27, 2021 11:08 AM  
**To:** Sean Cronin <[sean.cronin@svlhwcd.org](mailto:sean.cronin@svlhwcd.org)>  
**Cc:** Marie Terry <[bookkeeper@svlhwcd.org](mailto:bookkeeper@svlhwcd.org)>; Donna Lee <[office@svlhwcd.org](mailto:office@svlhwcd.org)>  
**Subject:** RE: C-BT Collateral

Hi Sean,

See my comments below (in red). Let me know if you have any questions.

Thank you,

Sherri



**Sherri Rasmussen | Contracts Department Manager**  
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Direct: 970-622-2217 | Cell: 720-526-7096  
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subject to the continuing discretion of the Board of Directors of Northern Water and other legal limitations and requirements. Northern Water staff and counsel cannot provide you with legal advice, and you are advised to seek legal counsel with respect to the subject matter of this email. You also have an independent obligation to review and confirm the accuracy and completeness of any information provided to you by Northern Water, and to supplement or correct the records of Northern Water with respect to any errors or omissions.

**From:** Sean Cronin <[sean.cronin@svlhwcd.org](mailto:sean.cronin@svlhwcd.org)>  
**Sent:** Tuesday, April 27, 2021 10:43 AM  
**To:** Sherri Rasmussen <[srasmussen@northernwater.org](mailto:srasmussen@northernwater.org)>  
**Cc:** Marie Terry <[bookkeeper@svlhwcd.org](mailto:bookkeeper@svlhwcd.org)>; Donna Lee <[office@svlhwcd.org](mailto:office@svlhwcd.org)>  
**Subject:** C-BT Collateral

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Sheri,

As you know the St. Vrain and Left Hand Water Conservancy District ("District") collateralized much of its C-BT units with the Colorado Water Conservation Board ("CWCB") loan program. The District has two loans with the CWCB, both using C-BT collateral. One loan is for the Lake No. 4 "Reservoir" and the other is for the Lake No. 4 "Pipeline".

The District will be paying off a majority of the "Reservoir" loan in the coming months, and the remainder by the end of 2021. The "Pipeline" loan however will be financed for at least one year, if not 30 years.

A few questions for you.

1. What is the process to unencumber the C-BT that is collateralized in the "Reservoir" loan? **Peg Mason will send me a letter stating the number of units that have been released from the loan(s). Unless the entire loan is repaid, a letter will suffice. If the entire loan is repaid, I would like a canceled Loan Agreement sent with a letter indicating such.**
2. Do you have a list of the C-BT Contract IDs collateralized for the "Reservoir" loan? **See attached. Each contract has a lienholder section listed that will note the Loan #.**
3. Will Northern unencumber a portion of the collateralized C-BT as the loan is paid down, or does the entire loan need to be cleared before C-BT units are unencumbered? **I can release units as the loan is paid down. I will request a letter from Peg Mason with CWCB indicating how many units have been released. The entire loan does not need to be repaid all at once.**

Thanks!

Sean

**Sean T. Cronin | Executive Director**

Phone: 303.772.4060

[sean.cronin@svlhwcd.org](mailto:sean.cronin@svlhwcd.org)

[www.svlhwcd.org](http://www.svlhwcd.org)

St. Vrain & Left Hand Water Conservancy District | [9595 Nelson Road, Suite 203 | Longmont, CO 80501](#)



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**SVLH CBT Shares.pdf**  
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