



**COLORADO**

**Colorado Water  
Conservation Board**

Department of Natural Resources

1313 Sherman Street, Room 718  
Denver, CO 80203

P (303) 866-3441  
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Jared Polis, Governor

Dan Gibbs, DNR Executive Director

Rebecca Mitchell, CWCB Director

**TO:** Colorado Water Conservation Board Members

**FROM:** Kirk Russell, P.E., Finance Section Chief  
Lauren Miremont, Finance Manager

**DATE:** January 25-26, 2021, Board Meeting

**AGENDA ITEM:** 7a. Loan Delinquency Action  
Two Rivers Water & Farming Company, and Two Rivers Farms F-2, Inc.

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**This is an Information Only Item:**

Staff will continue delinquency action against Two Rivers Water & Farming Company and the Two Rivers Farms F-2, Inc., as approved at the September 2020 CWCB Board meeting.

**Update:**

- The Borrower's March 1, 2020 annual payment of \$76,006.78 is currently over 320 days past due.
- The Board's September 2020 action called the entire loan obligation due if the annual payment and late fee were not received on December 1, 2020, which date has now passed.
- The entire loan obligation is \$656,519.72, which includes outstanding principal, late fees, and accrued interest. This amount is due on March 1, 2021.

**Recent Communications:**

- November 16, 2020 - Email to Greg Harrington reminding of the Board's action in September 2020 and an invitation to address the Board on Nov. 18 at the Board Meeting.
- November 23, 2020 - Email from Mr. Harrington indicating that the Borrower was making arrangements to "fully pay off the CWCB facility". Email response from K. Russell "This is Great news. I will provide the numbers..."
- November 23, 2020 - Email to Mr. Harrington with an attached letter indicating the payoff amount of \$621,637.5 if paid by December 1, 2020.
- November 25, 2020 - Certified letter and email sent to Mr. Harrington summarizing the Board's intent to proceed towards foreclosure if the December 1, 2020 date passes without payment.
- December 3, 2020 - A Certified letter and email was sent to G. Harrington indicating the full loan obligation (\$656,519.72) is due on March 1, 2021. (Greg Harrington letter attached)

- December 21, 2020 - Phone call to CWCB's front desk informing CWCB of the Two Rivers Water and Farming mailing address. (this was confirmation that our letters were going to the proper address)
- January 11, 2021 - Voicemail left on Mr. Harrington's cell phone requesting an update and an offer to discuss the upcoming January CWCB Board Meeting and the March 1 deadline.
- January 13, 2021 - A letter was sent via certified mail reminding the Borrower of the amount due and the March 1, 2021 due date to avoid foreclosure action.

As of January 14, 2021, staff has not receive any communication from the Borrower since November 23<sup>rd</sup> except for the address confirmation call. However, all certified letters sent to Mr. Harrington have been "certified received" and staff's outward email communications have been confirmed to have been opened via a read-receipt response.

#### Loan Collateral:

The CWCB has two distinct properties held as collateral for this loan. There are three Deeds of Trust that represent the CWCB's security interest in the two assets.

- 1) Deed of Trust recorded in Huerfano County for water rights in Orlando Reservoir #2
- 2) Deed of Trust recorded in Huerfano County for the land beneath Orlando Reservoir #2
- 3) Deed of Trust recorded in Pueblo County for approximately 900 acres of farmland

In addition, CWCB has a security interest in "all revenues derived from contracts for the sale of crop production from Debtor's land and all of Debtor's right to receive said revenues"

#### Foreclosure Preparation:

Staff has received title work for both properties utilized to secure the loan. A current appraisal on the Orlando #2 reservoir and water rights indicates that the Reservoir and associated water rights has enough value to cover the amount due. Staff is working with the Attorney General's Office to determine the best course of action in the event that foreclosure proceedings are necessary.

If full payment is not received by March 1, 2021, staff will update the Board regarding foreclosure actions needed at the March 2021 Board meeting.

cc: Greg Harrington, Two Rivers Water & Farming Company  
Jennifer Mele, Colorado Attorney General's Office

Attachment: Greg Harrington Letter dated December 3, 2020



# COLORADO

## Colorado Water Conservation Board

Department of Natural Resources

1313 Sherman Street, Room 718  
Denver, CO 80203

December 3, 2020

Mr. Greg Harrington, CFO  
Two Rivers Water & Farming Company / Company, Two Rivers Farms F-2, Inc.  
129 W. B Street  
Pueblo, CO 81003  
(Sent via certified mail and via email)  
[gharrington@2riverswater.com](mailto:gharrington@2riverswater.com)

Re: Loan Contract #C150328A  
Remedies for Default

Mr. Harrington:

Per the subject loan contract Paragraph 14(b) Remedies for Default, and per the direction of the Colorado Water Conservation Board (CWCB) at its September 16, 2020 Board Meeting, the CWCB has declared the entire principle amount, accrued interest, and late charges due and payable by March 1, 2021. The total amount due on March 1, 2021 is \$656,519.72, per the attached letter prepared by Lauren Miremont, CWCB Finance Manager, dated December 3, 2020.

If the full payment is not received by March 1, 2021, the amount due will be in default and begin accruing interest at rate of 7% per annum until the debt has been settled by payment or through the foreclosure on the loan collateral.

I am available to discuss this action and the process for payment due at your convenience. I can be reached at (303) 866-3441 x3232 or via email at [kirk.russell@state.co.us](mailto:kirk.russell@state.co.us)

Sincerely,

Kirk Russell, P.E., Chief  
Finance Section

cc: Jennifer Mele, Colorado Attorney General's Office  
Lauren Miremont, CWCB Finance Manager

Attachment: Greg Harrington Letter, Dec 3, 2020





# COLORADO

## Colorado Water Conservation Board

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

December 3, 2020

Greg Harrington  
Two Rivers Water and Farming Company  
140 W 29<sup>th</sup> Street #221  
Pueblo, CO 81008

Subject:        Loan Contract C150328A  
                    Payoff Quote as of 03.01.2021

This is to notify you that the payoff amount for the above referenced loan agreement between the Two Rivers Water and Farming Company and the Colorado Water Conservation Board as of March 1, 2021 is \$656,519.72. Attached is a current amortization schedule reflecting principal of \$621,637.50, accrued interest of \$31,176.89 for the period March 1, 2019 through March 1, 2021 and a late fee of \$3,800.34 assessed for the March 1, 2020 payment which has yet to be received. This quote is only good if the full payoff amount is made by March 1, 2021.

Payment can be made by check payable to the Colorado Water Conservation Board remitted to my attention. If you are interested in paying by EFT please let me know and I will provide banking information.

If you have any questions, please contact me at (303)866-3441, ex. 3205 or [lauren.miremont@state.co.us](mailto:lauren.miremont@state.co.us).

Sincerely,

*Lauren Miremont*

Lauren Miremont, Finance Manager  
Finance Section

cc:        Kirk Russell, Finance Section Chief  
                    CWCB Files



**COLORADO WATER CONSERVATION BOARD**

**LOAN REPAYMENT SCHEDULE**

<b>Borrower</b>	<b>Two Rivers Water Company</b>	<b>Final</b>
Loan Contract Number	C150328	RE2016-055
Principal	\$1,184,882.00	
Interest Rate	2.50%	
Frequency	Annual	
Term (In Years)	20	
First Payment Due	March 1, 2014	
Payment Amount	\$76,006.78	

Loan Payment No.	Annual Payment Due Date	Annual Payment Amount	Principal	Interest	Principal BALANCE	
					\$ 1,184,882.00	
Funds Not Needed	1-Mar-13	\$33,876.33	\$ 33,876.33	\$ -	\$ 1,151,005.67	
1	1-Mar-14	\$76,006.78	\$ 47,231.64	\$ 28,775.14	\$ 1,103,774.03	
2	1-Mar-15	\$76,006.78	\$ 48,412.43	\$ 27,594.35	\$ 1,055,361.60	
Special	13-Jul-15	\$210,000.00	\$ 210,000.00	\$ -	\$ 845,361.60	released collateral
3	25-Apr-16	\$76,006.78	\$ 54,872.74	\$ 21,134.04	\$ 790,488.86	*plus \$3800.34 late fee paid
4	30-Mar-17	\$77,635.08	\$ 53,436.56	\$ 24,198.52	\$ 737,052.30	*plus \$3800.34 late fee paid
5a	6-Jun-18	\$20,000.00	\$ 1,068.71	\$ 18,931.29	\$ 735,983.59	*plus \$3800.34 late fee paid
5b	9-Aug-18	\$36,199.66	\$ 35,582.05	\$ 617.61	\$ 700,401.54	
5c	11-Sep-18	\$15,000.00	\$ 14,787.31	\$ 212.69	\$ 685,614.23	
5d	25-Sep-18	\$5,000.00	\$ 4,985.66	\$ 14.34	\$ 680,628.57	
6a	12-Apr-19	\$6,199.66	\$0.00	\$ 6,199.66	\$ 680,628.57	*plus \$3800.34 late fee paid
6b	24-May-19	\$69,807.12	\$58,991.07	\$ 10,816.05	\$ 621,637.50	
7	1-Mar-20	\$ 76,006.78	\$ 60,465.84	\$ 15,540.94		UNPAID
8	1-Mar-21	\$ 652,719.38	\$ 621,637.50	\$ 31,081.88	\$ -	plus \$3800.34 late fee
						Total Payoff Amount with Fee
9	1-Mar-22	\$ -	\$ -	\$ -	\$ -	
10	1-Mar-23	\$ -	\$ -	\$ -	\$ -	
11	1-Mar-24	\$ -	\$ -	\$ -	\$ -	
12	1-Mar-25	\$ -	\$ -	\$ -	\$ -	
13	1-Mar-26	\$ -	\$ -	\$ -	\$ -	
14	1-Mar-27	\$ -	\$ -	\$ -	\$ -	
15	1-Mar-28	\$ -	\$ -	\$ -	\$ -	
16	1-Mar-29	\$ -	\$ -	\$ -	\$ -	
17	1-Mar-30	\$ -	\$ -	\$ -	\$ -	
18	1-Mar-31	\$ -	\$ -	\$ -	\$ -	
19	1-Mar-32	\$ -	\$ -	\$ -	\$ -	
20	1-Mar-33	\$ -	\$ -	\$ -	\$ -	
<b>TOTALS</b>		\$777,744.97	\$1,245,347.84	\$185,116.50	-\$652,719.38	