



**COLORADO**

**Colorado Water  
Conservation Board**

Department of Natural Resources

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**TO:** Colorado Water Conservation Board Members

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

**DATE:** March 10-11, 2021, Board Meeting

**AGENDA ITEM:** 13. 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 update the Board regarding the current status of the 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 as of February 26, 2021:

- The Borrower's March 1, 2020 annual payment of \$76,006.78 is currently over 361 days past due.
- The entire loan obligation of \$656,519.72, which includes outstanding principal, late fees, and accrued interest is due on March 1, 2021.

Recent Communications:

- January 13 - 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.
- February 8 - 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.
- February 19 - Staff called and left message requesting a call back. No response.

As of February 26, 2021, CWCB staff has not received any communication from the Borrower since November of 2020.

Foreclosure Preparation:

The CWCB Staff continues to work with the Attorney General's Office to determine the best course of action regarding foreclosure proceedings if the full payment is not received by March 1, 2021.

The collateral for this loan is represented by three Deeds of Trust that represent three 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”.

Update: Staff reached out to the contracted entity, Aurora Organic Dairy Inc., that entered into the contract with Two Rivers for the purchase of organic hay. The Company CFO indicated that their records show that there was never a delivery of Two Rivers’ organic hay or payment for such.

Staff and the AG’s Office continue to review documents supporting the loan and foreclosure of the collateral. Staff has contracted with an engineering firm to provide a peer review and opinion of the appraised value of the Orlando Reservoir storage water right.

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