



COLORADO

**Colorado Water
Conservation Board**

Department of Natural Resources

1313 Sherman Street, Room 718
Denver, CO 80203

P (303) 866-3441
F (303) 866-4474

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

DATE: May 19-20, 2021, Board Meeting

AGENDA ITEM: 12. Loan Delinquency Action
Two Rivers Water & Farming Company, and Two Rivers Farms F-2, Inc.

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 May 1, 2021:

- The Borrower's loan obligation of \$656,519.72, which was due on March 1, 2021 (including outstanding principal, late fees, and accrued interest) is now assessed an interest 7.0% interest rate per the Loan Contract.

Recent Communications:

- April 9 - Staff received a call from Mr. Harrington. Mr. Harrington indicated that progress has been made in the Company's efforts to bring additional capital into the Company to avoid foreclosure of the property.

Foreclosure Preparation:

The Attorney General's Office continues to prepare for foreclosure proceedings with a focus on the Orlando Reservoir #2 and associated water rights.

Staff and the AG's Office continue to review documents supporting the collateral including an Ownership and Encumbrance (O&E) report received in April. This O&E report will allow proper notification of parties impacted by the foreclosure. In addition, CWCB has contracted with Leonard Rice Engineering to provide a peer review and opinion of the appraised value of the Orlando Reservoir storage water right. This effort includes a review of the water rights and the options available for their use.