



AGENDA

Colorado State Parks Board

Thursday, February 8th, 2007
 Board Work Session: 2:00 PM – 5:00 PM
 410 Seventeenth Street – 21st Floor
 Denver, CO 80202

Friday, February 9th, 2007
 Board Work Session: 9:00 AM – 10:15 AM
 Board Meeting: 10:30 AM – 12:00 PM
 Centennial Building – Room 318
 1313 Sherman Street, Denver 80203

THURSDAY, February 8th

2:00 PM – 5:00 PM

BOARD WORK SESSION

- | | |
|---|--|
| <ul style="list-style-type: none"> • Director’s Update • Deferred Maintenance • Construction/Future Development Costs: <ul style="list-style-type: none"> ▪ Cheyenne Mountain State Park ▪ St. Vrain State Park ▪ Staunton State Park ▪ Lone Mesa State Park • Trails Program Update <ul style="list-style-type: none"> ▪ CFRT Project/Implementation Plan ▪ State Trails Grant Recommendations • GOCO –Potential Future Large Scale Projects • Retail Program Update | <ul style="list-style-type: none"> • Lyle Laverty • Larry Kramer
 • Michael French • David Giger • David Giger • Kurt Mill • Richard Storm
 • Gary Thorson • Gary Thorson |
|---|--|

FRIDAY, February 9th

9:00 AM – 10:15 AM

BOARD WORK SESSION

- | | |
|---|---|
| <ul style="list-style-type: none"> • Decision Items – FTE/General Fund | <ul style="list-style-type: none"> • Lyle Laverty/Larry Kramer |
|---|---|

BOARD DISCUSSION ITEMS:

- | | |
|---|---|
| <ul style="list-style-type: none"> • Fountain Creek <ul style="list-style-type: none"> ▪ Status/Costs/Partners • Board Reports • Upcoming Events • Roundtable | <ul style="list-style-type: none"> • Dr. Ready |
|---|---|

10:30 AM

PARKS BOARD MEETING

- (A) – Agenda Amendments, if necessary
- (A) – Approval of January 11, 2007 Parks Board Meeting Minutes

PUBLIC COMMENT

10:45 AM

CONSENT AGENDA:

- | | |
|---|--|
| <ul style="list-style-type: none"> (A) – Golden Gate State Park – Clinton Donaton (A) – State Trails Committee Selection – District 4 (A) – Natural Areas Prog - Option to purchase (revision) (A) – Eagle County Water Lease (A) – John Martin State Park – Augmentation Water (A) - Lake Pueblo SP – North Side Rervoir Acquisition | <ul style="list-style-type: none"> • Larry Kramer |
|---|--|

12:00 PM

ADJOURN

(A) - Action Items (I) - Information Items

**** APPROVAL OF “ITEMS REFERRED FOR DIRECTOR’S ACTION” BY THE PARKS BOARD IS BASED ON WRITTEN MATERIAL. NO DISCUSSION WILL OCCUR UNLESS THERE ARE QUESTIONS FROM THE PARKS BOARD OR FROM THE PUBLIC.**
**** PUBLIC COMMENT ON BOARD MEETING AGENDA ITEMS IS WELCOME. PLEASE SIGN UP ON SPEAKER SIGN-UP SHEET UPON ENTERING THE PARKS BOARD MEETING ROOM.**

NOTE: ALL PROGRAMS, SERVICES AND ACTIVITIES OF THE COLORADO BOARD OF PARKS AND OUTDOOR RECREATION ARE OPERATED IN COMPLIANCE WITH THE AMERICANS WITH DISABILITIES ACT. IF YOU NEED A SPECIAL ACCOMMODATION AS A RESULT OF A DISABILITY, PLEASE CALL LINDA FOSTER AT (303) 866-2884. TO ASSURE THAT WE CAN MEET YOUR NEEDS, PLEASE NOTIFY US OF YOUR REQUEST AT LEAST SEVEN BUSINESS DAYS PRIOR TO THE SCHEDULED EVENT.

COLORADO DIVISION OF PARKS AND OUTDOOR RECREATION

Golden Gate State Park-Donation-Bruce Clinton
Topic

Dan Weber
Prepared by

12/28/2006
Date

 X ACTION
ITEM

 INFORMATION
ITEM

 DRAFT
COPY

 X FINAL
COPY

- 1) **PURPOSE:** To seek Board approval for a \$25,000.00 cash donation from The Clinton Family Fund (Mr. Bruce Clinton).

- 2) **BACKGROUND INFORMATION:** Mr. Bruce Clinton has been a neighbor, benefactor and friend of Golden Gate Canyon State Park since the early 1980's. He has long been interested in helping park management meet certain goals that could not be achieved without his Foundation's financial help. For more than ten years Mr. Clinton has made annual donations to Golden Gate Canyon State Park. Examples include materials for four (4) backcountry Appalachian style shelters, an ATV, matching funds (\$5,000.00) for a State Historical Society grant, and recently \$33,000.00 toward the purchase of a new brush truck and associated fire equipment.

- 3) **DISCUSSION AND SUMMARY:** Through this grant Mr. Clinton has challenged State Parks to match fund on a 1:1 basis. Upon approval by the State Parks Board, his wishes are that Golden Gate staff purchase the three capital equipment items listed on attachment A. These items should not exceed the \$25,000 grant. In turn, Golden Gate Park Manager will then request, through normal budget processes, \$25,000.00 to be used for dredging of fishing ponds at Golden Gate. Mr. Clinton understands there is no guarantee that State funds will be allocated but wanted to be assured that a request will be made using his donation as a challenge.

- 4) **DIVISION RECOMMENDATION:** The Director has found this donation to be necessary, suitable or proper for parks and outdoor recreation purposes. Staff recommends the Board give authorization to the Director to accept the \$25,000.00 donation from The Clinton Family Fund.

- 5) **SUGGESTED MOTION:** I move the Parks Board authorize the Director to accept the \$25,000.00 donation from The Clinton Family Fund.



APPROVED FOR SUBMITTAL TO THE PARKS BOARD

January 25, 2007
Date



1313 Sherman Street, Room 618 • Denver, Colorado 80203 • Phone (303) 866-3437 • FAX (303) 866-3206 • www.parks.state.co.us

August 10, 2006

Mr. Bruce Clinton
The Clinton Companies
5020 South Lakeshore Drive
Chicago, Ill. 60615

Dear Bruce,

Thank you for again considering funding projects or equipment at Golden Gate Canyon State Park. The list below mirrors some of the ideas you and I discussed in my office earlier this week and reflects items we were not able to obtain through our State Parks budget process. These include the following:

- An enhanced audio-visual (AV) package for interpretive programs at the Reverend's Ridge Campground amphitheater. The package would include an LCD projector with specialized "back lens" for back lighting a screen instead of the front, laptop computer, outdoor speaker system, an audio component capable of interacting with an LCD projector and laptop, and a remote microphone. These items are needed to replace old, outdated equipment currently in use by our staff to deliver educational programs to our camping visitors. Programs are given Friday and Saturday evenings from Memorial to Labor Day. Cost estimate - \$10,000.00.
- Poinjar – a specialized tool for rock removal on trails and roads. This tool would enhance our ability to build and maintain trails and roads at the park. Currently we share one poinjar among 10 Denver area state parks. Cost estimate - \$8,000.
- GPS "Trimble" unit and software for mapping such things as trail routes, property boundaries, underground utilities, noxious weed infestations, and park wide infrastructure. This unit would allow us to download information into our GIS systems for map making and data transfer to our Denver office staff. Cost estimate - \$6,500.00

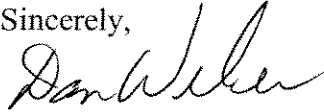
In addition to these one time equipment needs, you had asked me to think about several long term, up to 3 year, project ideas. Conceptually, I would propose the following for your consideration. First, the park is in dire need of fishing pond dredging. Over the years all of our ponds have slowly silted in and they are now at a point where something needs to be done. Your Foundation dollars could either directly fund dredging projects over a three year period or we could use less dollars and match State Fishing is Fun grants to complete the work. Second, Foundation dollars could be used to hire youth crews in order to build new trail connecting the main section of Golden Gate to the Green Ranch portion of the park. This trail will be a vital link between the two properties as visitors traverse the park from north to south. Obviously these ideas are very preliminary and general in nature. As such, further discussion will become necessary if either project interests you and the Foundation members.

STATE OF COLORADO • COLORADO STATE PARKS

Bill Owens, Governor • Russell George, Executive Director, Department of Natural Resources • Lyle Lavery, Director, Colorado State Parks
Colorado Board of Parks and Outdoor Recreation: • Dr. Tom Ready, Chair, Natural Areas Representative
Wade Haerle, GOCO Representative • Antonette DeLauro, Secretary • Tom Glass, Member • Kevin Holst, Member

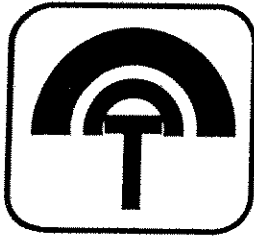
Again, thank you for considering our needs at the park. We certainly appreciate the many generous projects you have funded throughout the years!

Sincerely,

A handwritten signature in cursive script, appearing to read "Dan Weber".

Dan Weber
Park Manager VI
Golden Gate Canyon State Park

PS: I really enjoyed spending time with you, Martha and the Foundation members the other day. I'm just sorry we had to rush but it was quality time to say the least.



December 21, 2006

Mr. Dan Weber
Park Manager
Colorado State Parks
92 Crawford Gulch Road
Golden, CO 80403

Dear Dan:

We are pleased to inform you that at their annual meeting, the Trustees of The Clinton Family Fund approved a \$25,000.00 1:1 matching grant to the Golden Gate Canyon State Park.

This is a restricted grant, to be used for the purposes outlined in your letter dated August 10, 2006:

- The purchase of an enhanced audio-visual package at the Reverend's Ridge Campground amphitheater.
- The purchase of a Pionjar rock removal tool, to be domiciled and maintained at GGCSP.
- The purchase of a GPS "Trimble" unit and software for mapping the park.
- Dredging of the fishing pond within the park.

Please find enclosed a check in the amount of \$25,000.00 as our gift for 2007:

Sincerely,

Mark W. Honings
VP of Finance/CFO

Enclosure: Check

Copy: Bruce E. Clinton

The Clinton Companies

5020 South Lake Shore Drive • Chicago, Illinois 60615 • Fax (773) 643-0554 • Phone (773) 643-2611

COLORADO DIVISION OF PARKS AND OUTDOOR RECREATION

State Trails Committee Selection
TOPIC

Lori Malcolm
PREPARED BY

01-29-07
DATE

ACTION	INFORMATION	DRAFT	FINAL
<u>X</u> ITEM	_____ ITEM	_____ COPY	<u>X</u> COPY

- 1) **PURPOSE:** Select the State Trails Committee Member to represent District 4.

- 2) **BACKGROUND INFORMATION:** The State Trails Committee established to advise the division on all matters directly or indirectly pertaining to trails and their use, extent, and location and the objective and purposes of Article 33-11-105 consists of nine members. Seven members represent each Congressional District, one member at large and one GOCO Representative. The position for District 4 is currently vacant and applications were accepted from December 1st 2006 through January 31st, 2007.

- 3) **DISCUSSIONS AND SUMMARY:** Statute 33-11-105(1) CRS addresses the tenure of State Trails Committee members. Committee member, Brooke Fox resigned due to a change in her district location. Gary Buffington is being recommended to represent District 4 to complete this term. The Department of Natural Resources and State Parks Staff reviewed the application. A copy of the application is attached.

- 4) **DIVISION RECOMMENDATION:** Colorado State Parks recommends Gary Buffington to represent District 4 on the State Trails Committee.

- 5) **SUGGESTED MOTION:** "I move the Board of Parks and Outdoor Recreation select Gary Buffington to represent District 4 on the State Trails Committee."



APPROVED FOR SUBMITTAL TO THE PARKS BOARD

January 29, 2007
Date

Colorado State Parks

1513 Sherman Street, Room 616 • Denver, Colorado 80203 • Phone (303) 866-3437 • FAX (303) 866-3206 •
www.parks.state.co.us

APPLICATION FOR STATE RECREATIONAL TRAILS COMMITTEE APPOINTMENT

We would like to know about your interests and your experience. Please fill in the information requested below and answer the questions as clearly and concisely as possible.

NAME Gary Buffington PHONE (970) 231-8037

RESIDENTIAL ADDRESS 2755 Willow Creek Drive

CITY Fort Collins ZIP 80525 Email buffingk@co.larimer.co.us

CONGRESSIONAL DISTRICT 4

References: Provide the name, affiliation, and telephone number of three persons willing to provide more information about your qualifications to serve on the Committee.

1. Ron Benson, Douglas County Parks, Open Space, 303-660-7495
2. Kathay Rennels, Larimer County Commissioner, 970-498-7001
3. Frank Lancaster, County Manager, Larimer County, 970-498-7002

Please briefly answer the following:

1. Describe the experience and qualifications that would make you an effective Trails Committee member.
(please see attached)
2. Describe your involvement in recreation and outdoor-related groups and activities.
(please see attached)
3. What topics concern you that relate to the State Trails Committee?
(please see attached)
4. Why do you want to be a member of the State Trails Committee?
(please see attached)

STATE OF COLORADO • COLORADO STATE PARKS

Bill Owens, Governor • Russell George, Executive Director, Department of Natural Resources • Lyle Lavery, Director, Colorado State Parks
Colorado Board of Parks and Outdoor Recreation: • Dr. Tom Ready, Chair, Natural Areas Representative • Doug Cole, GOCD Representative
Wade Heerte, Member • Tom Glass, Member • Antonette DeLaure, Member

Colorado State Parks
State Trails Committee Appointment
1/24/07
Attachment Gary Buffington

Please briefly answer the following:

- 1. Describe the experience and qualifications that would make you an effective Trails Committee member?*

I am currently the Director of the Larimer County Parks, Open Space, and Land Stewardship Department. During the past 6 years, we have completed our Open Lands Master Plan and will soon complete our Parks Master Plan giving our citizens a voice and a choice to decide the future of these two important programs. Both master plans indicate a high importance on regional trails, partnerships, and statewide links along the front range of Colorado.

With support from our County Commissioners, and Open Lands Advisory Board we have completed numerous Management Plans on Open Space properties where trails are our main recreation attraction. We now are proud to say that we have one of Colorado's longest continuous trails (Blue Sky Trail-16 miles without crossing a road) between Loveland and Fort Collins. Most of our trails are multiple use and we have been successful working with user groups to provide these types of trails.

Prior to my position with Larimer County, I had an enjoyable career with Colorado State Parks (CSP). After graduating from Colorado State University with a degree in Natural Resource management, I had the privileged opportunity to work with many dedicated and talented employees with CSP. I began as an entry level ranger and worked through the management series and then to an operations manager at the regional level. Throughout that time period I worked at many different parks in the north, south and metro regions. Sustainable trails were always an important element in the effective outdoor recreation management of those state parks.

As an alumnus of Colorado State University, I stay connected to the Natural Resource Department for academic updates in the field of outdoor recreation management and new trends with trails and trail users.

In Larimer County we work with many trail user groups, such as the Mountain Peaks Mountain Bike Club, Fort Collins Running Club, Colorado Mountain Club, Sundance Saddle Club, Northern Colorado Mounted Patrol, and the Diamond Peaks Mountain Bike Patrol.

Page 2
Gary Buffington

2. *Describe your involvement in recreation and outdoor-related groups and activities.*

I personally have enjoyed hiking trails with my family throughout Colorado for many years. I have also utilized a mountain bike and enjoyed horseback riding the many trails in Larimer County. I understand and recognize the multiple use concept of trail management with its inherited challenges.

I currently serve on a number of recreation related Boards: Fort Collins Visitors Bureau Board member for Sports and Tourism, Colorado Counties Incorporated-Board proxy for Commissioner Rennels-Tourism and Recreation, and Fort Collins Youth Baseball-Board President.

3. *What topics concern you that relate to the State Trails Committee?*

The availability of funding always seems to be a concern to be able to implement the trail construction/planning needs throughout Colorado. I trust that GOCO, State Parks, and maybe LWCF dollars will continue to fund the program.

Sustainable trails and proper placement of trails in the landscape is so important in the planning process for grant recipients to understand.

I would want to assure that collaboration and partnerships continue to happen in the trail planning and implementation process.

4. *Why do you want to be a member of the State Trails Committee?*

I would like to represent Congressional District 4 as a State Recreational Trails Committee member to continue the great strides that the program has completed in the past and move forward with new and creative ideas that will address future concerns. I feel I have the qualifications, knowledge and experience to participate with a balanced view, the trail planning and implementation challenges that we face today.

COLORADO DIVISION OF PARKS AND OUTDOOR RECREATION

Revision of Option to Buy land in Montrose

Rob Billerbeck/Larry Kramer

1/29/07

TOPIC

PREPARED BY

DATE

X ACTION ITEM INFORMATION ITEM DRAFT COPY FINAL COPY
 X

- 1) **PURPOSE:** This action item is a modification to the agenda item passed on 4/14/06 titled "Option to Buy Land in Montrose". Since that agenda item passed:
1. State Parks has purchased a \$13,000 option on this 43 acre parcel. The purchase price agreed upon was \$210,000, and this option needs to be executed before the end of March.
 2. Colorado Natural Areas Program (CNAP) has received a grant from the US Fish and Wildlife Service (USFWS) for \$159,450.00 to purchase this land.
 3. The Nature Conservancy (TNC) has raised the matching funds (\$50,550) required to purchase this property for \$210,000.
 4. The friends of CNAP has raised over \$13,000 to be able to repay the cost of the option.

The change required at this time is that instead of TNC holding title to the land, it may necessary to consider a different structure. TNC is willing to assume management responsibility for the land and to contribute between \$37,000-55,000 for the purchase. The state and federal requirements for this transaction have prevented the original mechanism from working, so we are currently in negotiations and considering other mechanisms. Either the State will hold all or part of the property in fee title and TNC will manage the land under a conservation easement or other agreement, or TNC will hold title and the State will hold a conservation easement. Whichever mechanism works out, it will be ensured that TNC will actively manage the property and fulfill the USFWS grant requirements.

2) **BACKGROUND INFORMATION:**

The option to buy

- Under the terms of the purchase option, State Parks paid \$13,000 dollars to the seller for the exclusive right to purchase the property until March 2007. The \$13,000 option money payment was paid from the Real Estate Buffer Acquisition line. The option payment will be credited to the purchase price at closing.
- The option sets the purchase price at \$210,000 and the appraised value was \$216,500.
- The Friends of CNAP have conducted fund-raisers to re-coop costs for Parks/CNAP and TNC, and have raised more than the \$13,000 already.

The reason for the purchase of the lands

- CNAP and TNC have been very interested and involved in this land over the last 20 years because it has a federally endangered rare plant, the Clay-Loving Wild Buckwheat, on it. It is adjacent to a BLM Area of Critical Environmental Concern (ACEC) which also has the plant and together these lands make up one of the two most important populations of the plant in the state. This plant is only found in Colorado and there are only 15 other smaller occurrences of this plant on the West Slope.
- Purchasing the lands will protect this endangered plant and keep it viable, and may help lead eventually to its recovery and de-listing. The purchase of this specific property and the protection afforded by CNAP and TNC are specific goals listed in the recovery plan for this species in the 1988 USFWS Recovery plan.

The grant

- ❑ The USFWS has a set of grants for protection of federally listed species which only state entities can apply for via section 6 of the Endangered Species Act. This means that only State Parks/CNAP is eligible and TNC could not apply directly for this grant.
- ❑ The application was for \$159,450.00 in federal funds (75% of the project cost), with about \$55,000 in matching funds from TNC.
- ❑ State rare plant groups, the BLM, the current property owner, and local government officials have expressed support for the project and are submitting letters in support of the grant.
- ❑ CNAP has received other section 6 grants every year for the last several years for rare plant monitoring and data acquisition, and hence has a proven track record with these types of grant.
- ❑ Colorado has the opportunity to receive about \$1 million dollars per year to fund purchases of land such as this one for Species Recovery or for Habitat Conservation Plans.

Ownership and management of the property

- ❑ CNAP and TNC are currently working on an agreement to ensure TNC will protect the plant population on the land via appropriate long term management and to ensure the state's obligations with respect to the grant funds.
- ❑ The property will become a Designated Colorado Natural Area after the purchase, if approved by the Parks Board, the Colorado Natural Areas Council and Montrose County Commissioners.

3) **DISCUSSION AND SUMMARY:** This opportunity is a good one for State Parks and CNAP. For State Parks it demonstrates a commitment to rare plant conservation in the state and the willingness to act at the right time to protect and recover endangered species. The partnerships formed thus far by CNAP and the successful grant application to FWS have gained a fair amount of positive attention in the conservation community. If we are unable to do this action at this time, then we will likely lose the \$13,000 in the option as well as the \$159,450.00 in federal grant funding.

4) **DIVISION RECOMMENDATION:** Staff recommends the Board approve the Director to purchase this 43 acre property using USFWS funds and TNC matching funds, such that TNC has management responsibility and to negotiate and consummate other aspects of this deal as described in this Action Item.

5) **SUGGESTED MOTION:** I move the Board of Parks and Outdoor Recreation approve the Director to purchase this 43 acre property using USFWS funds and TNC matching funds, such that TNC has management responsibility and to negotiate and consummate other aspects of this deal as described in this Action Item.



APPROVED FOR SUBMITTAL TO THE PARKS BOARD

January 29, 2007
Date

COLORADO DIVISION OF PARKS AND OUTDOOR RECREATION

Option to Buy land in Montrose
TOPIC

Rob Billerbeck/Greg Monroe
PREPARED BY

3/22/06
DATE

REFERENCED IN February 2007 Action Item

1) **PURPOSE:** The Natural Areas Program (CNAP) would like to propose that State Parks purchase an option to buy 43 acres of land near Montrose, Colorado. CNAP has been coordinating with the Nature Conservancy (TNC) to apply for a federal grant from US Fish and Wildlife for funds to purchase this land. The property is currently on the market for sale. The purchase option will give State Parks the exclusive right to purchase the property until March 2007 (when grant funds are expected to be available), and remove this land from the market.

2) **BACKGROUND INFORMATION:**

The option to buy

- ❑ Under the terms of the purchase option, State Parks will pay \$10,000 dollars to the seller for the exclusive right to purchase the property until March 2007. State Parks (and TNC) will have 90 days after the option money payment within which to perform our due diligence requirements on potential purchase of the property. The purchase money is refundable within the 90 day due diligence period if we discover any negative condition of the property. After the due diligence period, the option money goes “hard” and is nonrefundable, whether we exercise the option to purchase or not. The \$10,000 option money payment will be paid from the Real Estate Buffer Acquisition line, and reimbursed from CNAP. The option payment will be credited to the purchase price at closing.
- ❑ The purchase option sets the purchase price at \$200,000. We will obtain an appraisal within the 90 day due diligence period, and if the appraised market value does not equal or exceed \$200,000, the option will be terminated and the option money payment refunded to State Parks.
- ❑ The Friends of CNAP plan to conduct a fund-raiser to re-coop costs for Parks/CNAP and TNC, and we will ensure that Parks costs are reimbursed first out of the funds raised.

The reason for the purchase of the lands

- ❑ CNAP and TNC have been very interested and involved in this land over the last 20 years because it has a federally endangered rare plant, the Clay-Loving Wild Buckwheat, on it. It is adjacent to a BLM Area of Critical Environmental Concern (ACEC) which also has the plant and together these lands make up one of the two most important populations of the plant in the state. This plant is only found in Colorado and there are only 15 other smaller occurrences of this plant on the West Slope.
- ❑ Purchasing the lands will protect this endangered plant and keep it viable, and may help lead eventually to its recovery and de-listing. The purchase of this specific property and the protection afforded by CNAP and TNC are specific goals listed in the recovery plan for this species in the 1988 USFWS Recovery plan.

The grant

- ❑ The USFWS has a set of grants for protection of federally listed species which only state entities can apply for via section 6 of the Endangered Species Act. This means that only State Parks/CNAP is eligible and TNC could not apply directly for this grant.
- ❑ The application will be for about \$150,000-170,000 in federal funds (75% of the project cost), with about \$50,000 in matching funds from TNC.
- ❑ Colorado has the opportunity to receive about \$1 million dollars per year to fund purchases of land such as this one for Species Recovery or for Habitat Conservation Plans. The HCP's projects often get the majority of the funding and make this a fairly competitive grant, however we are not aware of any other Colorado state agency applying for this grant, and believe that this project meets the criteria well and has a good chance of being funded.
- ❑ State rare plant groups, the BLM, the current property owner, and local government officials have expressed support for the project and are submitting letters in support of the grant.
- ❑ CNAP has received other section 6 grants every year for the last several years for rare plant monitoring and data acquisition, and hence has a proven track record with these types of grant.

Ownership and management of the property

- ❑ If the federal grant is funded, then State Parks will assign the purchase option to TNC, TNC will become a subgrantee under the grant and they will exercise the option, and TNC will become the titled landowner and manager. State Parks and CNAP will not have a management burden for this property.
 - ❑ CNAP and TNC are currently working on an agreement to ensure TNC protects the plant population on the land via appropriate long term management to ensure the state's obligations with respect to the grant funds.
 - ❑ The property will become a Designated Colorado Natural Area after the purchase.
- 3) **DISCUSSION AND SUMMARY:** This opportunity is a good one for State Parks and CNAP. For State Parks it demonstrates a commitment to the big picture in the state and the willingness to act at the right time to help protect and hopefully recover endangered species. For CNAP the program focus has shifted toward playing a larger role coordinating conservation efforts particularly on private lands. This relationship will help further that role and demonstrate the effectiveness of the program.
- 4) **DIVISION RECOMMENDATION:** Staff recommends the Board approve the Director entering into a purchase option to buy this 43 acre property, and to negotiate and consummate other aspects of this deal as described in this Action Item.
- 5) **SUGGESTED MOTION:** I move the Board of Parks and Outdoor Recreation approve the Director entering into a purchase option to buy this 43 acre property, and to negotiate and consummate other aspects of this deal as described in this Action Item.

APPROVED FOR SUBMITTAL TO THE PARKS BOARD

April 6, 2006
DATE

COLORADO DIVISION OF PARKS AND OUTDOOR RECREATION

Eagle County Water Lease
TOPIC

Paul Flack
PREPARED BY

01/17/07
DATE

X ACTION ITEM INFORMATION ITEM DRAFT COPY X FINAL COPY

- 1) **PURPOSE:** The purpose of this item is to obtain the Board’s approval to instruct the Director of State Parks to negotiate and consummate a water lease agreement with Eagle County.

- 2) **BACKGROUND INFORMATION:** Colorado State Parks is currently entitled to historical consumptive use credits derived from the water rights described in Case No. 03CW23, Water Division No.5. While some of this water is used to augment two wells and a spring associated with Brush Creek State Park, there is 70 acre-feet of water that is available for lease. Eagle County has expressed an interest in executing a forty year lease with CO State Parks for up to 70 acre-feet of historical consumptive use credits at \$2,500 per acre foot.

- 3) **DISCUSSION AND SUMMARY:** Colorado State Parks would agree to deliver to Eagle County a daily flow rate percentage that is equal to an average annual amount of 70 acre-feet pending in Water Court Case No.03CW23.

- 4) **DIVISION RECOMMENDATION:** The recommendation of the staff is to enter into negotiations Eagle County for a 40-year lease of up to 70 acre-feet of historical consumptive use credits at \$2,500 per acre foot. As part of this agreement, we recommend that Colorado State Parks agrees to lease the water to Eagle County for a “trial” period of two years prior to executing the 40-year term, upon request from Eagle County. At the end of these two years, Eagle County would give Parks written notice to either extend or terminate the lease.

- 5) **SUGGESTED MOTION:** I move that the Board of Parks and Outdoor Recreation grant the Director of Colorado State Parks the authority to negotiate and consummate a contract for the lease of up to 70 acre- feet of historical consumptive use credits to Eagle County.



APPROVED FOR SUBMITTAL TO THE PARKS BOARD

January 25, 2007
Date



1313 Sherman Street, Room 618 • Denver, Colorado 80203 • Phone (303) 866-3437 • FAX (303) 866-3206 • www.parks.state.co.us

DRAFT

Term Sheet for Water Lease – Eagle County

The following is a preliminary set of terms and conditions that Colorado State Parks will discuss with its Board on January 11, 2007 regarding a potential water lease with Eagle County. The purpose of the Term Sheet is to identify important components of the lease arrangements that will eventually become part of the final sale contract.

It should be noted that the term sheet is not binding for either party and that this particular Term Sheet has not been approved for submittal to anyone other than the parties involved. All terms are negotiable until such time that a final sale contract is developed and signed by the parties.

Terms:

1. Length of Contract: 40 years;
2. Condition of Renewal: The lease will be renewed contingent upon approval of both parties. Lease terms will be reconsidered at the time of the renewal. Colorado State Parks agrees to give notice to Eagle County at the beginning of the 35th year of the lease (20____) if the agency is not going to execute a continuance beyond the original terms;
3. Unit Price: \$2,500 per acre-foot;
4. Maximum Yield: Colorado State Parks agrees to lease Eagle County up to 70 acre feet of historical consumptive use credits derived from the water rights described in Case No.03CW23, Water Division No.5.
5. Annual Yield: Colorado State Parks will lease Eagle County the water rights as described in Water Court Case Number 03CW23 on a percentage basis. In other words, Parks will deliver a daily flow rate percentage that is equal to 70 acre feet divided by the total amount of historical consumptive use credits ultimately decreed in Case No.03CW23. This percentage will then be applied to the total amount of historical consumptive use credits that are divertible and in priority on a daily basis. Whatever water is available to State Parks from the 03CW23 decree, Eagle County is entitled to its percentage under this lease, based on the yield of the water rights in priority.



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6. Option: Colorado State Parks agrees to lease the water to Eagle County for a period of two years prior to executing the 40-year term. At the end of the two years, Eagle County will give Colorado State Parks written notice to either extend or terminate the lease. If the lease is extended, the 40-year term will include the option period. Lease amount for the two year period will be \$_____ per acre-foot.

7. Lease and Sublease: Colorado State Parks agrees to allow Eagle County to sublease water subject to this lease. Eagle County agrees to sublease the water at the unit cost outlined in paragraph 3 above, plus appropriate costs associated with engineering, legal, operation, maintenance, accounting and other costs incurred in the exercise of the water rights. The intent is that Eagle County can sublease the water, but at no profit. Colorado State Parks has no objections to allow Eagle County to include the said water rights in subsequent water court actions with the understanding that no such actions may alter or impair the terms adjudicated in Case No. 03CW23, without prior approval by Colorado State Parks.

8. Payment Schedule: Eagle County agrees to make annual payments of \$_____, or at county's discretion, a single payment of \$_____ for the entire length of the contract. Annual payments would be indexed to reflect the 2006 costs of the lease contract.

9. Accounting – Eagle County will be responsible for all accounting and reporting of use for said leased water rights to the Division 5 Engineer.

Chairman, Colorado State Park Board

Date

Eagle County, _____

Date

COLORADO DIVISION OF PARKS AND OUTDOOR RECREATION

John Martin State Park Augmentation Water
TOPIC

Paul Flack
PREPARED BY

01/17/07
DATE

<u> X </u> ACTION ITEM	<u> </u> INFORMATION ITEM	<u> </u> DRAFT COPY	<u> X </u> FINAL COPY
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- 1) **PURPOSE:** The purpose of this item is to obtain the Board's approval to instruct the Director of State Parks to negotiate and consummate a stock purchase agreement with the Lower Arkansas Water Management Association (LAWMA) for augmentation purposes at John Martin State Park.

- 2) **BACKGROUND INFORMATION:** The Lake Hasty Campground is located immediately downstream from John Martin Dam. Currently, A pump diverts water from Lake Hasty to flood irrigate up to 45 acres of grass at the campground. Colorado State Parks proposes to pump no more than 100 acre-feet from this well, resulting in a consumptive irrigation requirement of 60 acre-feet. The water that Parks would acquire from LAWMA though this stock purchase would be used to augment this out-of-priority well pumping to supply water to the Lake Hasty campground at John Martin State Park.

- 3) **DISCUSSION AND SUMMARY:** Augmentation requirements are strict in the lower Arkansas River Valley pursuant to the recently litigated Arkansas River Compact dispute between the states of Colorado and Kansas. Additionally, availability of augmentation water for out-of -priority pumping is limited and expensive. However, to continue to irrigate at the current rate at John Martin State Park, augmentation water is required for the 2007 water year and beyond. State Parks is conducting a water market analysis in the lower Arkansas River basin to ensure that a fair-market price will be paid for the LAWMA shares.

- 4) **DIVISION RECOMMENDATION:** The Division recommendation is for the Board to authorize the Director to negotiate and consummate a stock purchase agreement with the Lower Arkansas Water Management Association for common shares of augmentation water required for for John Martin State Parks' current level of out-of -priority well pumping for irrigation. .

- 5) **SUGGESTED MOTION:** I move that the Board of Parks and Outdoor Recreation grant the Director of Colorado State Parks the authority to negotiate and consummate a stock purchase agreement with LAWMA for the necessary common shares of augmentation water.



APPROVED FOR SUBMITTAL TO THE PARKS BOARD

January 25, 2007
Date

STOCK PURCHASE AGREEMENT

THIS STOCK PURCHASE AGREEMENT ("Agreement") is made and entered into this _____ day of _____, 2006 (the "Effective Date"), by and between Lower Arkansas Water Management Association, a Colorado non-profit corporation ("LAWMA"), whose address is P. O. Box 1161, Lamar, Colorado and _____, a _____, ("Participant"), whose address is _____.

RECITALS

- A. LAWMA is a nonprofit corporation formed for the primary purpose of providing replacement water to its members.
- B. LAWMA needs to acquire additional water to replace depletions to both intrastate and interstate water users caused by well pumping, particularly during dry years and, to satisfy that need, has entered into that certain Water Rights Option Agreement with Broyles Land & Water, LLLP dated May 26, 2005 as amended September 30, 2005, January 26, 2006 and April 28, 2006 (the "Option Agreement") for the purchase of one-half of the water rights decreed to the Keesee Ditch and Keesee storage account in John Martin Reservoir (the "Keesee Water Rights"). The Keesee Water Rights are described as follows:
1. Four and one-half cubic feet per second (4.5 cfs) of a total of nine cubic feet per second (9 cfs) decreed to the Keesee Ditch by the Bent County District Court on July 1, 1895 in the original adjudication proceeding in Water District No. 67, with an appropriation date of March 13, 1871 representing Priority No. 1 in the Water District No. 67.
 2. Two and one-quarter cubic feet per second (2.25 cfs) of a total of four and one-half cubic feet per second (4.5 cfs) decreed to the Keesee Ditch by the Bent County District Court on July 1, 1895 in the original adjudication proceeding in Water District No. 67, with an appropriation date of December 31, 1883 representing Priority No. 4 in the Water District No. 67.
 3. Seven and one-half cubic feet per second (7.5 cfs) of a total of fifteen cubic feet per second (15 cfs) decreed to the Keesee Ditch by the Bent County District Court on October 14, 1918 with an appropriation date of September 3, 1893.
 4. A divided one-half interest in the Keesee storage account in John Martin Reservoir, arising under the 1980 Operating Plan for John Martin Reservoir, which plan was adopted as a Resolution of the Arkansas River Compact Administration on April 24, 1980 and amended on May 10, 1984 and December 11, 1984. Under the 1980 Operating Plan for John Martin Reservoir, the Keesee

storage account is allotted 2.30% of the Colorado Water District No. 67 ditches' entitlement to conservation storage in the reservoir.

- C. In order to finance a portion of LAWMA's purchase of the Keesee Water Rights under the Option Agreement LAWMA must sell 400 shares of preferred LAWMA stock for \$3,167.00 per share.
- D. Subject to the terms of this Agreement, Participant desires to purchase ____ shares of preferred LAWMA stock (the "Preferred Shares").
- E. The Parties desire to enter into this Agreement to specify the terms and conditions for the sale of the Preferred Shares from LAWMA to Participant.

NOW THEREFORE, subject to the terms, conditions, contingencies and mutual promises and consideration made, the parties hereto mutually agree as follows:

SECTION 1 – PURCHASE AGREEMENT

1.1 Purchase Price.

- a. The purchase price for the Preferred Shares shall be \$_____ (the "Purchase Price"), and shall be payable as follows:
 - i. Within five (5) days of the Effective Date of this Agreement, Participant shall pay into an interest bearing escrow account held by Colorado East Bank and Trust ("Escrow Account") for the benefit of LAWMA \$_____ [20% of Purchase Price] in cash or certified funds payable to Colorado East Bank and Trust, Lower Arkansas Water Management Association Escrow Fund ("Earnest Money"). If closing does not take place, the Earnest Money and any interest accrued thereon shall be refunded to Participant in accordance with this Agreement and the Escrow Instructions attached hereto as Exhibit A ("Escrow Instructions"). If closing does occur, the Earnest Money and accrued interest shall be disbursed by the escrow agent to LAWMA at closing in accordance with this Agreement and the Escrow Instructions. The Earnest Money and the accrued interest shall be credited toward the Purchase Price.
 - ii. The balance of the Purchase Price payable to Colorado East Bank and Trust, Lower Arkansas Water Management Association Escrow Fund ("Final Payment") shall be deposited into the Escrow Account for the benefit of LAWMA and shall be disbursed to LAWMA in cash or certified funds at closing all in accordance with the provisions of sections 1.3 and 2 of this Agreement and the Escrow Instructions.

- b. The Purchase Price shall include the Preferred Shares and all rights and interests represented by the Preferred Shares as defined in LAWMA's Articles, Bylaws and policies as they currently exist or as may be amended.

1.2 Conditions Precedent to LAWMA's Obligation.

- a. LAWMA's obligation to issue the Preferred Shares to Participant and perform its obligations hereunder is expressly conditioned upon the following and the failure of any such condition(s) for any reason shall not constitute a breach of a covenant or conditions of this Agreement and shall not constitute an event of default by LAWMA under this Agreement:
 - i. LAWMA is prepared to close on the purchase of the Keesee Water Rights under the Option Agreement.
 - ii. LAWMA has obtained sufficient funding to cover the purchase of the Keesee Water Rights under the Option Agreement.
 - iii. LAWMA has obtained a final non-appealable decree from the District Court, Water Division No. 2 that quantifies the historical consumptive use credits available to the Keesee Water Rights and authorizes the storage of said water in John Martin Reservoir without any limitation that is unacceptable to LAWMA.
 - iv. LAWMA has obtained approval from the Arkansas River Compact Administration for storage of the Keesee Water Rights in the Permanent Pool in John Martin Reservoir without any limitation that is unacceptable to LAWMA.
 - v. All of Participant's representation and warranties shall be true and correct as of the Effective Date of this Agreement and as of the Closing.
 - vi. Participant shall have performed and observed all covenants, agreements and obligations hereunder which are due before or at Closing.
- b. In the event that any of the foregoing conditions are not met to LAWMA's sole satisfaction, LAWMA may at its sole discretion, waive the condition(s) not met, agree to modify the condition(s), or decline waiver or modification of the condition(s), in which event LAWMA shall be entitled to the remedies provided in section 4.2, below. Any waiver or modification of the condition(s) shall be specified by LAWMA in writing.

1.3 Notification Concerning Satisfaction of Conditions Precedent and Deposit of the Balance of the Purchase Price. LAWMA shall notify Participant, in writing, when the conditions set forth in sections 1.2.a.i., ii., iii. and iv. have been met to LAWMA's sole satisfaction.

On or before 15 calendar days following such notification by LAWMA to Participant, Participant shall deposit the balance of the Purchase Price, in cash or certified funds, into the Escrow Account.

- 1.4 Evaluation of Preferred Shares. Participant agrees that it will rely upon its own experts, including its own water engineers and attorneys, to examine the Preferred Shares and will perform its own evaluation of the title, quality, worth and nature of the Preferred Shares. LAWMA makes no warranty with respect to such matters or the Preferred Shares in general. Participant further agrees that it is responsible for its own evaluation of laws, ordinances, court decrees, articles of incorporation, bylaws, policies and regulations affecting the Preferred Shares.

SECTION 2 – CLOSING

- 2.1 Date and Place of Closing. Subject to the terms and conditions set forth herein, the closing of the sale of the Preferred Shares shall take place at the same time as the closing under the Option Agreement (“Closing Date”), which is currently November 1, 2006 at 11:00 a.m., at the office of LAWMA, or on such other date or at such other place mutually acceptable to the parties.
- 2.2 Conduct of Closing. At closing, the following shall occur each of which shall be a condition precedent to the others:
- a. The Earnest Money, including interest accrued thereon, and the Final Payment shall be disbursed by the escrow agent to LAWMA in cash or certified funds.
 - b. LAWMA shall execute and deliver to Participant the Preferred Shares in the name of Participant. At LAWMA’s discretion, use of an escrow agent may be required to hold and deliver the Preferred Shares to Participant.
 - c. The parties will execute and deliver to each other any other documents reasonably required to properly close the transaction.

SECTION 3 – REPRESENTATIONS, WARRANTIES AND COVENANTS

- 3.1 Representations, Warranties and Covenants of Participant. Participant represents, warrants and covenants to LAWMA as of the Effective Date and as of closing that Participant has all necessary authority to enter into this Agreement and to perform the obligations hereunder, and the consummation of this transaction will not violate any material contracts to which Participant is a party, and this Agreement and all other documentation required by LAWMA hereunder, when duly executed and delivered, shall constitute the valid and binding obligation of Participant, enforceable in accordance with its terms.

3.2 Representations, Warranties and Covenants of LAWMA. LAWMA represents, warrants and covenants to Participant as follows:

- a. LAWMA is a non-profit corporation duly formed and validly existing in the State of Colorado.
- b. LAWMA has all authority necessary to enter into this Agreement, and when executed and delivered this Agreement shall constitute a valid and binding obligation of LAWMA, enforceable in accordance with its terms.

SECTION 4 – DEFAULT AND REMEDIES

4.1 Notice and Cure Rights. Any event of default hereunder shall not be deemed to have occurred unless the non-defaulting party provides written notice of default to the defaulting party setting forth the nature of the alleged default and the curative actions required, and the defaulting party does not cure such default (a) within three (3) business day of such notice in the event the default is the failure to pay money, or (b) thirty (30) days of such notice in case of other types of defaults.

4.2 Remedies. Time is of the essence. Upon an event of default hereunder under any provisions of this Agreement, the non-defaulting party shall be entitled to the following remedies, unless otherwise provided in this Agreement:

- a. If Participant shall breach any covenant or condition or default in its obligations hereunder, LAWMA may elect to treat this Agreement as terminated and to retain the Earnest Money and the interest accrued on the Earnest Money as liquidated damages. Alternatively, LAWMA may elect to treat this Agreement as being in full force and effect and shall have the right to an action for specific performance and damages.
- b. If LAWMA shall breach any covenant or condition or default in its obligations hereunder, Participant may elect to treat this Agreement as terminated and shall be entitled to a refund of the Earnest Money, together with any interest earned on the Earnest Money. Alternatively, Participant may elect to treat this Agreement as being in full force and effect and shall have the right to an action for specific performance and damages.

4.3 Attorney Fees. In the event of any litigation between the parties arising out of this Agreement, the prevailing party or parties shall be reimbursed by and entitled to recover from the other party or parties all reasonable costs and expenses incurred in such proceedings, including reasonable attorney fees and costs.

SECTION 5 – GENERAL PROVISIONS

- 5.1 Non-Merger and Survival. All of the rights, obligations, covenants, representations and warranties created under this Agreement shall survive the closing and shall not merge in the instruments delivered at closing.
- 5.2 Entire Agreement. This Agreement embodies the entire understanding and agreement between LAWMA and Participant and supercedes any and all prior negotiations, understanding or agreements regarding the subject matter hereof. This Agreement may not be amended nor any rights hereunder waived except by an instrument in writing signed by all parties, in the case of amendments to the Agreement, and in the case of a waiver, by the party or parties sought to be charged with such waiver. The failure of a party to insist in one or more cases upon the strict performance of any covenants or conditions of this Agreement shall not be construed as a waiver or relinquishment in any future case of such covenant or condition.
- 5.3 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Colorado.
- 5.4 Further Assurances. Each of the parties hereto undertakes and agrees to execute and deliver such documents, writings and further assurances as may be required to carry out the intent and purpose of this Agreement.
- 5.5 Brokers. LAWMA represents and warrants that it has not engaged or utilized the services of any broker on this transaction and shall indemnify and hold Participant harmless from and against any such broker's or finder's fees. Participant represents and warrants that it has not engaged or utilized the services of any broker in this transaction and shall indemnify and hold LAWMA harmless from and against any such broker's or finder's fees.
- 5.6 Paragraph Headings and Numbering. The paragraph headings and numbering herein are inserted for convenience of reference only and do not define, limit, or prescribe the scope of this Agreement or any Exhibit attached hereto.
- 5.7 Assignment. No party may assign any of its rights or obligations under this Agreement without the prior written consent of the other parties, which consent shall not be unreasonably withheld.
- 5.8 Successors and Assigns. This Agreement shall be binding and inure to the benefit of the parties and their respective successors and assigns, provided such assignment has been permitted hereunder.
- 5.9 Notice. Any notices, demands, or any other communication given or made by either party hereto to the other relating to this Agreement shall be deemed given and received:

(a) upon personal delivery or upon transmission by telecopier or similar facsimile transmission device; or (b) on the first business day after receipted delivery to a courier service which guarantees next day delivery. For notice purposes, notice shall be address or faxed as follows:

If to LAWMA: Lower Arkansas Water Management Association
c/o Donald F. Higbee
P. O. Box 1161
Lamar, Colorado 81052
Fax Number: (719) 336-2422

With a copy to: David L. Harrison, Esq.
Richard J. Mehren, Esq.
Moses, Wittemyer, Harrison and Woodruff, P.C.
P. O. Box 1440
Boulder, Colorado 80306-1440
Fax Number: (303) 443-8796

If to Participant: _____

Fax Number: _____

With a copy to: _____

Fax Number: _____

The foregoing addresses may be changed by written notice.

- 5.10 Dates. If any date set forth in this Agreement for the delivery of any document or occurrence of any event should, under the terms hereof, fall on a weekend or holiday, then such date shall be automatically extended to the next succeeding weekday that is not a holiday.
- 5.11 Time is of the Essence. Time is of the essence of each and every aspect of this Agreement, and strict compliance with all time requirements is at the heart of this Agreement and shall be strictly enforced.
- 5.12 Counterparts. This Agreement shall not be in force or effect or be binding on any party until properly executed by all parties. This Agreement may be executed in counterparts, all of which taken together shall constitute one and the same Agreement.

5.13 No Third Party Beneficiaries. There are no third party beneficiaries to this Agreement.

Executed as of the date first written above.

LOWER ARKANSAS WATER
MANAGEMENT ASSOCIATION

William J. Grasmick, President
ATTEST:

Donald F. Higbee, Secretary

By: _____
Title: _____

ATTEST:

STATE OF COLORADO)
)
COUNTY OF _____) ss.

The foregoing instrument was acknowledged before me this _____ day of _____, 2006, by William J. Grasmick as President and Donald F. Higbee as Secretary of Lower Arkansas Water Management Association.

Witness my hand and official seal.

My commission expires: _____

Notary Public

STATE OF COLORADO)
)
COUNTY OF _____) ss.

The foregoing instrument was acknowledged before me this _____ day of _____, 2006, by _____ as _____ and _____ as _____ of _____.

Witness my hand and official seal.

My commission expires: _____

Notary Public

COLORADO DIVISION OF PARKS AND OUTDOOR RECREATION

Lake Pueblo State Park -North Side Reservoir Acquisition
TOPIC

Paul Flack **01/17/07**
PREPARED BY DATE

ACTION	INFORMATION	DRAFT	FINAL
<u> X </u> ITEM	_____ ITEM	_____ COPY	<u> X </u> COPY

- 1) **PURPOSE:** The purpose of this item is to obtain the Board's approval to instruct the Director of State Parks to negotiate and consummate a purchase contract to acquire the North Side Reservoir at Lake Pueblo State Park.

- 2) **BACKGROUND INFORMATION:** Colorado State Parks currently has an option with Transit Mix to purchase the 1600 acre foot lined gravel pit reservoir located approximately 1 mile east of Pueblo Reservoir for \$3 million. Woodmoor Water and Sanitation District (Woodmoor) is a potential partner in the sale agreement. Woodmoor is willing to contribute \$2,500,000 of the total purchase price in return for joint ownership and operation of the reservoir. This reservoir is located in the Chain-of-Lakes area of Lake Pueblo State Park and if incorporated into the park, would provide excellent recreational opportunities for visitors.

- 3) **DISCUSSION AND SUMMARY:** The proposed terms for the joint ownership and operation of the North Side Reservoir between CO State Parks and Woodmoor would include a 270-day due diligence period in which both parties will have an opportunity to analyze the technical feasibility of the project and address outstanding issues. Remaining matters include obtaining easements for the West Pueblo Ditch and an outlet structure, defining operation plans, use of the access bridge, and negotiating a payment schedule for the Parks' portion of the purchase price (\$500,000). The purchasers may terminate the contract for any reason during the due diligence period.

- 4) **DIVISION RECOMMENDATION:** The recommendation of the staff is to enter into negotiations with the Woodmoor Water and Sanitation District for joint ownership and operations of the North Side Reservoir, currently owned by Transit Mix. The contract with the seller will allow for two six-month extensions of the due diligence for non-refundable option payments that will accrue to the purchase price at closing (end of 2007).

- 5) **SUGGESTED MOTION:** I move that the Board of Parks and Outdoor Recreation grant the Director of Colorado State Parks the authority to negotiate and consummate a contract for the purchase of the North Side Reservoir at Lake Pueblo State Park.



APPROVED FOR SUBMITTAL TO THE PARKS BOARD

January 25, 2007
Date



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Proposed Terms for the Purchase of North Side Reservoir

Property: 1600 acre foot lined gravel pit reservoir located approximately 1 mile east of Pueblo Reservoir on approximately 100 acres adjacent to the Arkansas River

Seller: Transit Mix

Purchasers: Woodmoor Water and Sanitation District and State Division of Parks and Outdoor Recreation

Purchase Price: \$3,000,000 (based on current informal option between Parks and Transit Mix)

Earnest Money: \$50,000, refundable until the end of due diligence

Due Diligence: The Purchasers will have 270 days to complete due diligence on the reservoir. The Purchasers may terminate the contract for any reason during the due diligence period and receive the return of their earnest money deposit. During the Due Diligence Period the Purchasers will complete analysis of the technical feasibility of the project including:

1. Review the reservoir lining, including construction practices, as built drawings and the State Engineer's approval of the liner.
2. Determine feasibility of use of the West Pueblo Ditch (owned jointly by Parks and Pueblo Board of Water Works) to fill the Reservoir.
3. Analyze the feasibility of acquiring water rights in the Arkansas River that can be transferred through the Water Court and delivered to North Side Reservoir.
4. Determine easements needed from State Parks for diversion facilities, pump station, pipeline and access for operations and maintenance.
5. Analyze feasibility of permitting, financing and constructing a pipeline from North Side Reservoir to Woodmoor.
6. Negotiate a comprehensive joint ownership and operating between Woodmoor and State Parks regarding cost sharing for the purchase, reservoir operations and access to the West Pueblo Ditch and other issues.
7. Any other issues regarding the feasibility of the project.



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Options Extensions: The contract will allow for two six-month extensions of the Due Diligence for non-refundable option payments that will accrue to the purchase price at Closing.

Title: The contract will call for an ALTA title policy and survey and adequate time for the Purchasers' lawyers to review the status of title.

Closing: Closing will forty-five days after the end of Due Diligence.