

RESOLUTION NO. 23-20

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CASTLE PINES, COLORADO, APPROVING AN INTERGOVERNMENTAL AGREEMENT BETWEEN THE BOARD OF COUNTY COMMISSIONERS OF THE COUNTY OF DOUGLAS, PARKER WATER AND SANITATION DISTRICT, THE CITY OF CASTLE PINES, CITY OF LONE TREE, TOWN OF PARKER, AND THE TOWN OF CASTLE ROCK DISSOLVING THE RUETER-HESS RECREATION AUTHORITY AND ESTABLISHING THE DOUGLAS COUNTY BOARD OF COUNTY COMMISSIONERS AS THE MANAGING JURISDICTION OF RECREATION OPERATIONS AND MANAGEMENT AT RUETER- HESS RESERVOIR

WHEREAS, C.R.S. § 29-1-203, as amended from time to time, authorizes local governments to cooperate and contract with other governmental entities regarding functions, services and facilities each is authorized to provide; and

WHEREAS, the City of Castle Pines (“City”) is authorized to enter into contracts for lawful purposes for the protection of the health, safety, and welfare of its citizens; and

WHEREAS, the Parker Water and Sanitation District (the “District”) is the owner of certain real property and improvements located in Douglas County known as the Rueter-Hess Reservoir; and

WHEREAS, the City of Castle Pines entered into an Intergovernmental Agreement dated August 27, 2015, between the Board of County Commissioners of the County of Douglas (the “County”), the District and the following municipalities: the City of Lone Tree, the Town of Parker, and the Town of Castle Rock (collectively, “Municipal Members”) establishing the Rueter-Hess Recreation Authority (the “Authority”) and setting forth the terms and conditions to fund, construct, and manage the recreation activities at the Rueter-Hess Reservoir pursuant to the Rueter-Hess Reservoir Master Plan (“Recreation Authority IGA”); and

WHEREAS, the Authority has agreed to dissolve and centralize the ongoing implementation of the Rueter-Hess Reservoir Recreation Master Plan by authorizing the Douglas County Board of County Commissioners to manage the planning, development, financing, construction, administration, operation and maintenance of recreational uses, improvements and facilities at Rueter-Hess Reservoir as the “Managing Jurisdiction,” and transition the role of the Authority to an Advisory Board to make recommendations to the Managing Jurisdiction regarding recreational uses and funding of improvements (the “Agreement”); and

WHEREAS, pursuant to the Agreement, the County and Municipal Members agree to provide an annual contribution for the development, financing, construction, administration, operation and maintenance of recreational uses, improvements and facilities at Rueter-Hess Reservoir (the “Contribution”) as follows:

City of Lone Tree in the amount of \$100,000;
City of Castle Pines in the amount of \$100,000;
Town of Castle Rock in the amount of \$210,000;
Town of Parker in the amount of \$210,000;
Douglas County in the amount of \$250,000.

WHEREAS, the City Council has determined that it is in the best interests of the City to participate collectively with the County, the District, and other Municipal Members in the planning, development, financing, construction and operation of recreational uses, improvements, and facilities at Rueter-Hess Reservoir by approving the Agreement on the terms set forth in the Agreement.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF CASTLE PINES, COLORADO, THAT:

Section 1. The City Council hereby: (a) approves the Intergovernmental Agreement between the Board of County Commissioners of the County of Douglas, Parker Water and Sanitation District, the City of Lone Tree, the Town of Parker, and the Town of Castle Rock dissolving the Rueter-Hess Recreation Authority and establishing the Douglas County Board of County Commissioners as the Managing Jurisdiction of recreational operations and management at Rueter-Hess Reservoir, in substantially the form attached hereto as **Exhibit 1** (the "Agreement"); (b) authorizes the City Attorney, in consultation with the City Manager, to make such changes as may be necessary to correct any non-material errors that do not increase the obligations of the City; and (c) authorizes the Mayor to execute the Agreement in final form.

Section 2. If any section, paragraph, clause, or provision of this Resolution is held to be invalid or unenforceable by a court of competent jurisdiction, the invalidity or unenforceability of such section, paragraph, clause, or provision shall not affect any of the remaining sections, paragraphs, clauses, or provisions of this Resolution.

Section 3. Effective Date. This Resolution shall take effect upon its approval by the City Council.

INTRODUCED, READ, AND ADOPTED AT A REGULAR MEETING OF THE CITY COUNCIL OF THE CITY OF CASTLE PINES BY A VOTE OF 5 IN FAVOR, 0 AGAINST, AND 2 ABSENT THIS 28th DAY OF MARCH 2023.



ATTEST:

Tobi Duffey

Tobi Duffey, MMC, City Clerk

Tracy Engerman
Tracy Engerman (Apr 6, 2023 11:51 MDT)

Tracy Engerman, Mayor

APPROVED AS TO FORM:

Linda C. Michow

Linda C. Michow, City Attorney

EXHIBIT 1

[see attached agreement]

**INTERGOVERNMENTAL AGREEMENT
DISSOLVING THE RUETER-HESS RECREATION AUTHORITY
AND ESTABLISHING THE DOUGLAS COUNTY BOARD OF
COUNTY COMMISSIONERS
AS THE MANAGING JURISDICTION OF RECREATION
OPERATIONS
AND MANAGEMENT AT RUETER- HESS RESERVOIR**

This INTERGOVERNMENTAL AGREEMENT DISSOLVING THE RUETER-HESS RECREATION AUTHORITY AND ESTABLISHING THE DOUGLAS COUNTY BOARD OF COUNTY COMMISSIONERS AS THE MANAGING JURISDICTION OF RECREATION OPERATIONS AND MANAGEMENT AT RUETER-HESS RESERVOIR (the "Agreement") is made, entered into as of the _____ day of _____ 2023, by and between: PARKER WATER AND SANITATION DISTRICT (hereinafter the "District"), a Colorado special district and political subdivision, and political jurisdictions DOUGLAS COUNTY, a Colorado county and political subdivision (the "County"), and the following local municipalities: CITY OF CASTLE PINES, a Colorado municipality ("Castle Pines"), CITY OF LONE TREE, a Colorado home rule municipality ("Lone Tree"), TOWN OF PARKER, a Colorado home rule municipality ("Parker"), and TOWN OF CASTLE ROCK ("Castle Rock"), a Colorado home rule municipality, collectively referred to as the "Municipal Members." The District, County and Municipal Members collectively referred to herein as "Parties".

RECITALS

WHEREAS, the District is the owner of certain real property and improvements located in Douglas County known as Rueter-Hess Reservoir; and

WHEREAS, consistent with the District's purpose as a water and sanitation district under Title 32, C.R.S., the primary purpose of Rueter-Hess Reservoir is to provide drinking water and storage to serve the District's customers; and

WHEREAS, pursuant to C.R.S. 32-1-1006(8)(a), a water and sanitation district may also provide park and recreation improvements and services in connection with a water reservoir owned by the district and adjacent land if such improvements and services are not already being provided by another entity with respect to the water reservoir and adjacent land; and

WHEREAS, park and recreation improvements and services are currently being provided by the Reuter-Hess Recreation Authority, a political subdivision of the State of Colorado ("Authority") which was established by that Intergovernmental Agreement dated August 27, 2015, and entered into between the District and the Municipal Members (the "Recreation Authority IGA"); and

WHEREAS, the members of the Rueter-Hess Recreation Authority are all parties to this Agreement, and by entering into this Agreement intend, pursuant to the requirements of the Recreation Authority IGA, to dissolve the Authority as further provided in this Agreement; and

WHEREAS, the Douglas County Board of County Commissioners as the Managing Jurisdiction of recreation will effect the planning, development, financing, construction, administration, operation and maintenance of recreational uses, improvements and facilities at Rueter-Hess Reservoir; and

WHEREAS, the District, County, and Municipal Members desire to plan, develop and provide recreational uses and amenities around Rueter-Hess Reservoir for the benefit of the County and Municipal Members, their constituents and the public, provided that the recreational activities and related improvements do not interfere with the primary purpose of Rueter-Hess Reservoir as determined by the District; and

WHEREAS, Part 2 of Article 1 of Title 29, C.R.S., permits and encourages governments to make the most efficient and effective use of their authority and responsibilities by cooperating and contracting with other governments; and

WHEREAS, Part 2 of Article I of Title 29, C.R.S., authorizes governments to contract with one another to provide any function, service or facility lawfully authorized to each of the contracting units through the establishment of a separate legal entity; and

WHEREAS, it would be in the best interest of all of the Parties to participate collectively in the planning, development, financing, construction and operation of recreational uses, improvements and facilities at Rueter-Hess Reservoir.

NOW THEREFORE, in consideration of the terms and conditions of this Agreement, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the District, the County, and Municipal Members agree as follows:

SECTION 1: ESTABLISHING DOUGLAS COUNTY AS THE MANAGING JURISDICTION

1.1 Purpose. The purpose of establishing the County as the Managing Jurisdiction is to centralize the ongoing implementation of the Rueter-Hess Reservoir Recreation Master Plan, as amended, and the development, financing, construction, administration, operation and maintenance of recreational uses, improvements and facilities at Rueter-Hess Reservoir (the "Project").

1.2 Termination of Recreation Authority IGA. Pursuant to Section 7.2 of the Recreation Authority IGA, the Parties to this Agreement agree to terminate the Recreation Authority IGA and thereby dissolve the Authority effective as of December 31, 2023 or earlier upon completion by the Authority of the transfer of all Authority property, equipment, applicable agreements, funds on hand or facilities owned by the Authority to the Managing Jurisdiction and completion of all statutory requirements, which shall be completed as soon as reasonably possible after the date of full execution of this Agreement (the "Effective Date"). Written notice of the Effective Date shall be delivered to all Parties.

1.3 Establishment. As of the Effective Date, the District, County, and Municipal Members establish the Douglas County Board of County Commissioners as the Managing Jurisdiction (the "Managing Jurisdiction") of the Project and by and through their respective representatives on the Authority board of directors agree to take the necessary actions to effectuate the actions set forth in section 1.2 hereof.

1.4 Project Subordinate to District Functions. The Project shall be subordinate to the primary duty of the District to provide water and sanitation services to its customers, and consent of the District, which may be granted or withheld in the District's sole discretion, shall be required for all review and approve any water-based recreational activity and improvements at Rueter-Hess Reservoir.

SECTION 2: POWERS AND RESPONSIBILITIES OF THE MANAGING JURISDICTION

2.1 **Authority and Responsibility.** The District and Municipal Members agree that the Douglas County Board of County Commissioners as the Managing Jurisdiction shall be empowered with the authority to plan, design, improve, construct, maintain, repair, control, regulate and operate the Project for the use and benefit of the Parties, their constituents and the public, including the authority to:

- Approve the recommended budget as set forth in Section 4.3.
- Make budgetary decisions to operate, maintain, and offer programming as described in the Master Plan. If changes to the approved budget become warranted, the Managing Jurisdiction will inform the Advisory Board, in writing, why the change is necessary.
- Contract and purchase all necessary supplies, equipment, materials, and services, including professional services, to develop and operate the Project.
- Employ agents and employees as deemed necessary to operate the Project.
- Plan, manage and operate recreational programs for the Parties, their constituents, and the public.
- Plan, manage, and conduct maintenance operations of recreational assets.
- Fix, maintain, and revise fees, rents, security deposits, and charges for functions, services or facilities for recreational opportunities provided at Rueter-Hess Reservoir.
- Acquire, hold, lease (as lessor or lessee), sell, or otherwise dispose of any real or personal property, commodity, or service.
- Incur debts, liabilities, or obligations.
- Adopt regulations respecting the exercise of its authority and the carrying out of its purposes.
- Exercise any other authority that is essential to the provision of functions, services, or facilities by the Managing Jurisdiction and that are specified in this Agreement.

2.2 **Rueter-Hess Reservoir Recreation Master Plan.** The Managing Jurisdiction shall be responsible for updating and coordinating implementation of the Rueter-Hess Reservoir Recreation Master Plan, attached hereto as Exhibit A (the "Master Plan") and made a part hereof.

2.3 **Subject to District Approval.** The Managing Jurisdiction's authority granted to it by this Agreement is subordinate to the primary purpose of Rueter-Hess Reservoir to provide drinking water and storage, and the District may reject any activities or improvements at Rueter-Hess Reservoir authorized under this Agreement if the District determines, in its sole discretion, that such activities or improvements will interfere with the District's operations.

SECTION 3: CREATION OF RUETER-HESS RESERVOIR RECREATION ADVISORY BOARD

3.1 **Creation of Rueter-Hess Reservoir Recreation Advisory Board.** There is hereby created the Rueter-Hess Reservoir Recreation Advisory Board (the "Advisory Board").

3.2 **Members of the Rueter-Hess Reservoir Recreation Advisory Board.** Members of the initial Rueter-Hess Recreation Authority Board shall be those Parties executing this Agreement and as described in Section 3.3 below ("Advisory Board Members").

3.3 **Composition of Rueter-Hess Reservoir Recreation Advisory Board.** The Advisory Board shall be comprised of six representatives: one representative of the District, one from the Managing

Jurisdiction, and one from each Municipal Member. The governing body of each of the Parties shall appoint a representative to the Advisory Board, each representative of whom shall be an elected official or staff member of the jurisdiction. If new municipal members participate in the Project in the future, they shall be represented on the Advisory Board by a designated representative, as detailed herein. If an existing Municipal Member withdraws, then said municipality will lose its representation such that the total number of Advisory Board members shall correspondingly increase or decrease upon the addition or withdrawal of Municipal Member jurisdictions. The Advisory Board shall allow for alternates in the event a regular representative is unable to attend a meeting.

3.4 Terms. There shall be no service limitation on the duration an Advisory Board member may serve on the Advisory Board.

3.5 Compensation. Members of the Advisory Board shall receive no compensation for their services.

3.6 Vacancies. The District, County, and Municipal Members must fill any vacancies from their own jurisdictions.

3.7 No Restriction on Authority of Participants. Nothing herein shall be deemed or construed to restrict, prohibit, or otherwise limit the authority of the District, County or any Municipal Member, and no action of the Advisory Board shall be attributable to the District, County, or a Municipal Member.

3.8 Dissolution of Advisory Board Member. If an Advisory Board Member's jurisdiction is dissolved or otherwise ceases to exist, then either:

- i. the plan for dissolution shall contain adequate provisions acceptable to the Advisory Board for the performance of all such Advisory Board Member's obligations to the Advisory Board, or
- ii. all such obligations shall be fully paid prior to the effective date of dissolution.

3.9 Benefits of Rueter-Hess Reservoir Recreation Advisory Board Membership. Advisory Board Members' jurisdictions shall be entitled to exclusive day-use of Rueter-Hess Reservoir and its facilities to include: a single weekday and a single weekend day of exclusive use between Memorial Day and Labor Day free-of-charge annually. No exclusive days may be scheduled on the following black-out days: holiday weekends including Mother's Day, Father's Day, Memorial Day, Labor Day, and July 4th; the July 4th holiday (if not on a weekend); and any other Federal holidays. The District, as owner of Rueter-Hess Reservoir, upon reasonable notice to the Managing Jurisdiction, may make exclusive use of any portion of Rueter-Hess Reservoir necessary for its statutorily authorized purposes, provided such use does not interfere with a previously scheduled use of Rueter-Hess Reservoir.

SECTION 4: DUTIES OF RECREATION ADVISORY BOARD MEMBERS

4.1 Bylaws, Code of Conduct, and Policies and Procedures. The Advisory Board shall have the authority to promulgate bylaws, a code of conduct, and policies and procedures which shall establish the organizational rules and policies and procedures for the Advisory Board that are not provided for in this Agreement including, but not limited to, the following: establish the Advisory Board meeting schedule, officer elections and setting term limits, voting, and delegation of administrative functions.

- i. Meetings. The Advisory Board shall meet at least monthly.

- ii. Officers. The Advisory Board shall elect from its membership a Chairperson and a Vice Chairperson, who shall have the duties set forth in the bylaws of the Rueter-Hess Reservoir Recreation Advisory Board, if any have been adopted. Officers shall be elected for a two-year term and shall serve until their successors have been elected. Any Advisory Board Member may nominate himself or herself or any other Advisory Board Member as a candidate for an office. The officers shall be elected by an affirmative vote of at least a majority of the Advisory Board.
- iii. Voting. The Advisory Board shall act only upon a duly executed vote of the Advisory Board Members. Each Advisory Board Member shall cast one vote. A vote of the Advisory Board shall be deemed duly executed if made by a majority of a quorum of the Advisory Board Members. A quorum shall consist of a majority of Advisory Board Members. Proxy voting shall be allowed by alternate representatives designated by an Advisory Board Member.
- iv. Delegation of Administrative Functions and Management of Funds. The Advisory Board Members further agree that management of the administrative affairs of the Advisory Board, including, but not limited to, staff support for meetings and agenda preparation, recording of minutes and making of reports, keeping of books, records and accounts and the management shall be undertaken by the Managing Jurisdiction.

4.2 Rueter-Hess Reservoir Recreation Master Plan. Periodically, the Advisory Board shall review the Master Plan and recommend updates to the Managing Jurisdiction. The Advisory Board shall define in its bylaws the process to review and make said recommendations to the Managing Jurisdiction. No amendment to the Master Plan shall take effect until after approval by the District and the Managing Jurisdiction, which approval shall not be unreasonably withheld.

4.3 Responsibility for Recommending Budget Expenditures. The Advisory Board shall make annual recommendations to the Managing Jurisdiction pertaining to major capital improvement projects and new or expanded recreation programming for the Project as set forth in the Master Plan. Recommendations shall be transmitted in writing to the Managing Jurisdiction after a duly executed vote. The Advisory Board shall define in its bylaws the process to review and make said recommendations to the Managing Jurisdiction. For purposes of clarity, the Managing Jurisdiction is not authorized to spend the appropriated Municipal Member funds in such a way that would constitute a material deviation from the Master Plan

SECTION 5: FUNDING OF PROJECT BUDGET

5.1 Rueter-Hess Reservoir Recreation Advisory Board Municipal Member Contributions. The Municipal Members agree that as of the Effective Date each Municipal Member will annually pay to the Managing Jurisdiction a contribution for the implementation of the Rueter-Hess Reservoir Recreation Master Plan and Project, as set forth in this Section (the "Contribution"). The District shall have no monetary contribution obligation as its contribution is the District's authorization of the use of Rueter-Hess Reservoir for the Project.

- i. Contributions. The amount of each Municipal Member's annual Contribution obligation is as follows:
 - City of Lone Tree in the amount of \$100,000;
 - City of Castle Pines in the amount of \$100,000;

Town of Castle Rock in the amount of \$210,000;
Town of Parker in the amount of \$210,000;
Douglas County in the amount of \$250,000; and
Newly added Municipal Members, as allowed for in Section 3.3, will pay an amount that is recommend by the Advisory Board and approved by the Board of County Commissioners.

The Contribution amounts set forth in this Section may be changed only by a super-majority (at least three fourths) vote of all Advisory Board Members. Contributions are non-refundable, except as specifically set forth in this Agreement. Contributions shall be used to fund recreation operations, management, programming, and capital improvement projects at Rueter-Hess Reservoir pursuant to the Master Plan and the Project.

ii. Contribution Deadline. The annual Contribution shall be transmitted to the Douglas County Board of County Commissioners no later than March 31st of each calendar year that this Agreement is in effect. The Managing Jurisdiction will deposit all monies into a dedicated Special Revenue Fund with a general ledger for recreation management at Rueter-Hess Reservoir.

iii. Removal/Withdrawal for Failure to Pay Annual Contribution. If a Municipal Member fails to pay its annual Contribution it forfeits its seat on the Board and any benefits accrued thereto and shall automatically be removed as a Municipal Member effective as of the date the annual contribution is due and shall forfeit any claim to funds previously contributed.

iv. Reinstatement of a Municipal Member. The Managing Jurisdiction may reinstate a Municipal Member to the Board upon a written request once the Municipal Member has fulfilled its outstanding obligations if any, including payment of all Contributions due under this Agreement, unless payment of past-due Contributions is waived by a unanimous vote of the Advisory Board.

v. Withdrawal by the Managing Jurisdiction. If the Managing Jurisdiction withdraws from this Agreement, the remaining Municipal Members may, by a majority vote, designate an alternative entity as the new managing jurisdiction and the County promptly shall transfer the balance of monies in the Special Revenue Fund to the new managing jurisdiction. If no Managing Jurisdiction is designated within ninety (90) days of withdrawal of the Managing Jurisdiction, this Agreement shall terminate, unless the Municipal Members unanimously agree otherwise.

5.2. Appropriations. The annual contribution of funds by the County or any Municipal Member is subject to the annual appropriations of such jurisdiction for such purpose. No debt or multiple fiscal year financial obligation is created by this Agreement.

SECTION 6: MISCELLANEOUS

6.1 Term. This Agreement shall become effective upon its full execution by the Parties and shall renew automatically on January 1st of each year for an additional one-year term until terminated in accordance with the provisions of Section 6.3, below, and subject to the annual appropriation of funds by all Parties. Any future automatic extension of the original term is contingent upon annual funding being appropriated, budgeted, and otherwise made available for such purposes by each of the Parties.

6.2 Amendment. Any Advisory Board Member may propose an amendment to this Agreement in writing and on reasonable notice to all other Advisory Board Members. No proposed amendment shall be effective unless approved by the governing body of each of the Advisory Board Members. Any amendment not so approved shall be void *ab initio*.

6.3 Termination.

i. Termination by the District. The District may terminate this Agreement for cause or for convenience. Cause to terminate exists when another of the Parties materially breaches this Agreement; a law or regulation substantially limits or prohibits the activities contemplated by this IGA because it unduly interferes with the District's operations; or an event occurs which requires substantial effort or funding on the part of the District to remediate, such that it would be unreasonable for the District to resume such activities due to the cost, resources required, or risk of additional substantial interference with District operations. The withdrawal or removal of a Municipal Member to this Agreement pursuant to Section 5.1 shall not constitute cause to terminate. The District may terminate this Agreement for convenience provided it follows the following procedures: (1) the District provides written notice to each Municipal Member and the Managing Jurisdiction that the District's Board of Directors will consider termination at a public meeting to occur no sooner than sixty (60) days from delivery of written notice to each Municipal Member and the Managing Jurisdiction; (2) notice of the public meeting is posted prominently on the District's website at least thirty (30) days prior to the date of the meeting at which the Board will consider terminating the Agreement; (3) the notices required by subsections (1) and (2) shall state that the Board of Directors is considering terminating the Agreement, the date, time, and location of the meeting, and that interested parties may submit written comments prior to the meeting and may attend the meeting to provide comments to the Board of Directors. The District's Board of Directors may only terminate the Agreement for convenience after allowing the Managing Jurisdiction, Municipal Members, and other interested parties to comment at such duly noticed Board meeting and the termination decision shall be made via a public roll-call vote of the District's Board of Directors.

ii. Termination by the Advisory Board. This Agreement may be terminated for any reason by a super-majority (at least three-fourths) of all current Advisory Board Members.

iii. Effect of Termination/Managing Jurisdiction Withdrawal. Except as provided in Section 5.1.v, upon termination or withdrawal by the Managing Jurisdiction, the Managing Jurisdiction will use any existing contributions to pay the cost of the termination or transfer of assets. Any cost for liabilities incurred by the Managing Jurisdiction arising from the termination of this Agreement shall be borne to the extent possible out of the existing contributions. Any unused Contributions will be refunded in the same proportion in which they were made to the Municipal Members as appropriate. Upon the effective date of termination of this Agreement, all authority for recreation operation and management shall revert to the District. The authority granted to the Managing Jurisdiction under this Agreement shall continue to the extent necessary to make an effective disposition of the property, equipment, and facilities acquired by the Managing Jurisdiction to fulfill its obligations under this Agreement.

6.4 No Waiver of Governmental Immunity Act. The Parties understand and agree that all Parties, their commissioners, directors, mayors, city councils, agents, and employees, are relying on, and do not waive or intend to waive by any provisions of this Agreement, the monetary limitations and other rights, immunities and protections provided by the Colorado Governmental Immunity Act, C.R.S. 24-10-101 to 120, or otherwise available to that jurisdiction.

6.5 Entire Agreement. This Agreement contains the entire agreement between and among the County, the District and the Municipal Members. The Parties agree there have been no representations

made other than those contained herein; that this Agreement constitutes their entire Agreement; and further agree that the various promises and covenants contained herein are mutually agreed upon and are in consideration for one another.

6.6 Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original but all of which shall constitute one and the same instrument. Digital signatures to this Agreement shall be acceptable and binding.

6.7 Fair Dealing. The Parties agree that they will act in a fair and reasonable manner with a view to carrying out the intents and goals of this Agreement; provided, however, that nothing herein shall be construed as imposing on the District, the County, or any Municipal Member any greater duty or obligation to any other jurisdiction than that which already exists as a matter of Colorado law.

6.8 No Third-Party Beneficiaries. There are no express or implied third-party beneficiaries of this Agreement. No third party has the right to enforce this Agreement.

6.9 Governing Law and Venue. This Agreement shall be interpreted pursuant to the laws of the State of Colorado and venue for any disputes shall be in Douglas County, Colorado.

6.10 Severability. Should any one or more provisions of this Agreement be determined to be illegal or unenforceable, all other provisions nevertheless shall remain effective.

6.11 Headings; Recitals. The headings contained in this Agreement are for reference purposes only and shall not in any way affect the meaning or interpretation of this Agreement. The Recitals to this Agreement are incorporated by reference herein.

6.12 Relationship of the Municipal Members. This Agreement is not intended to, and will not constitute, create, give rise to, or otherwise recognize a joint venture, partnership, or formal business association or organization of any kind between the Municipal Members, and the rights and obligations of the Municipal Members shall be only those expressly set forth in this Agreement.

THEREFORE, IN WITNESS WHEREOF, the Parties hereto have executed this Agreement the day and year above written.

[Remainder of page intentionally left blank — signatures on following page]

CITY OF CASTLE PINES

By: _____

Tracy Engerman

Mayor

Michael Penny

City Manager

ATTEST:

Tobi Duffey, MMC

City Clerk

[SEAL]

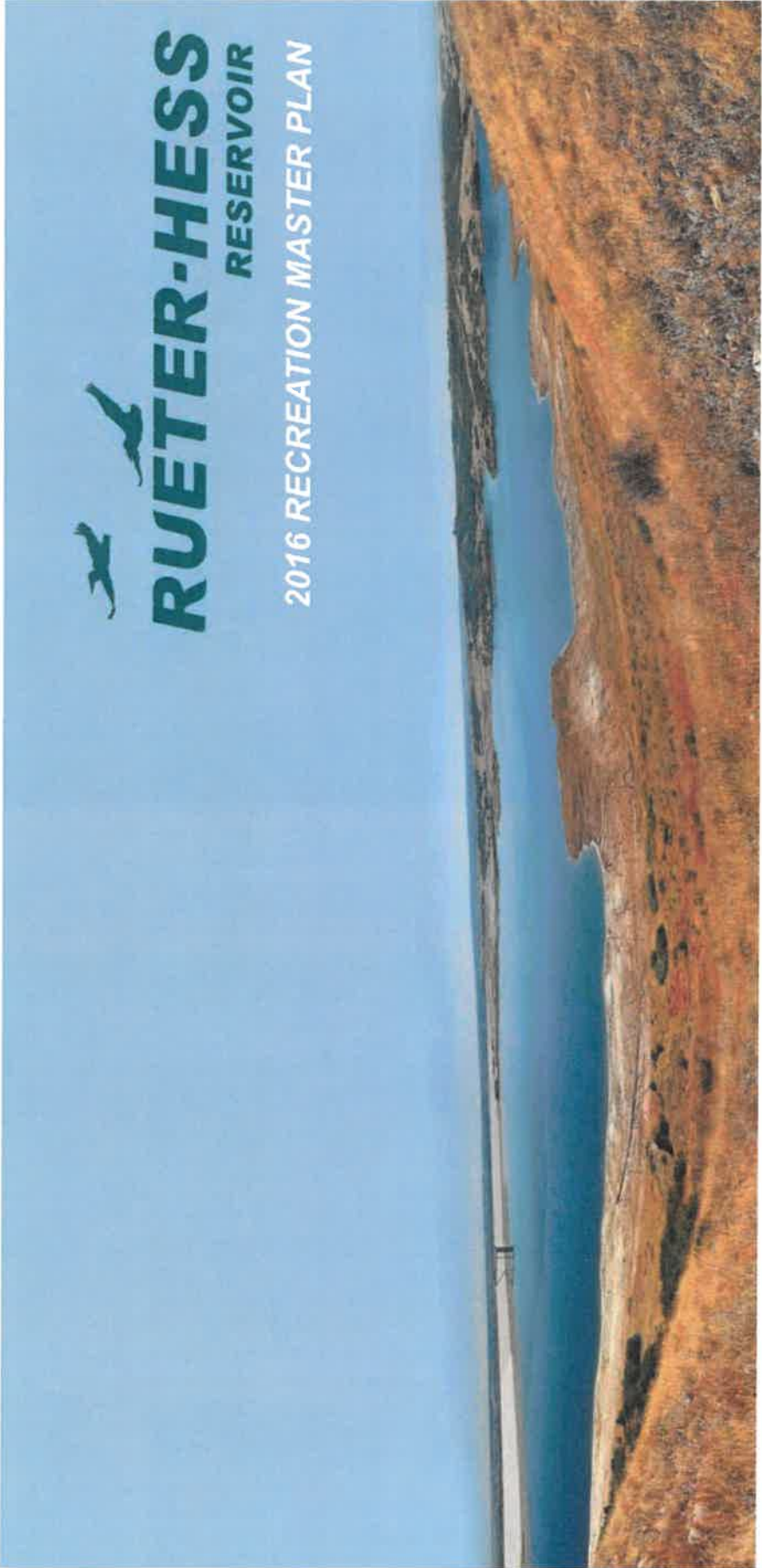
EXHIBIT A

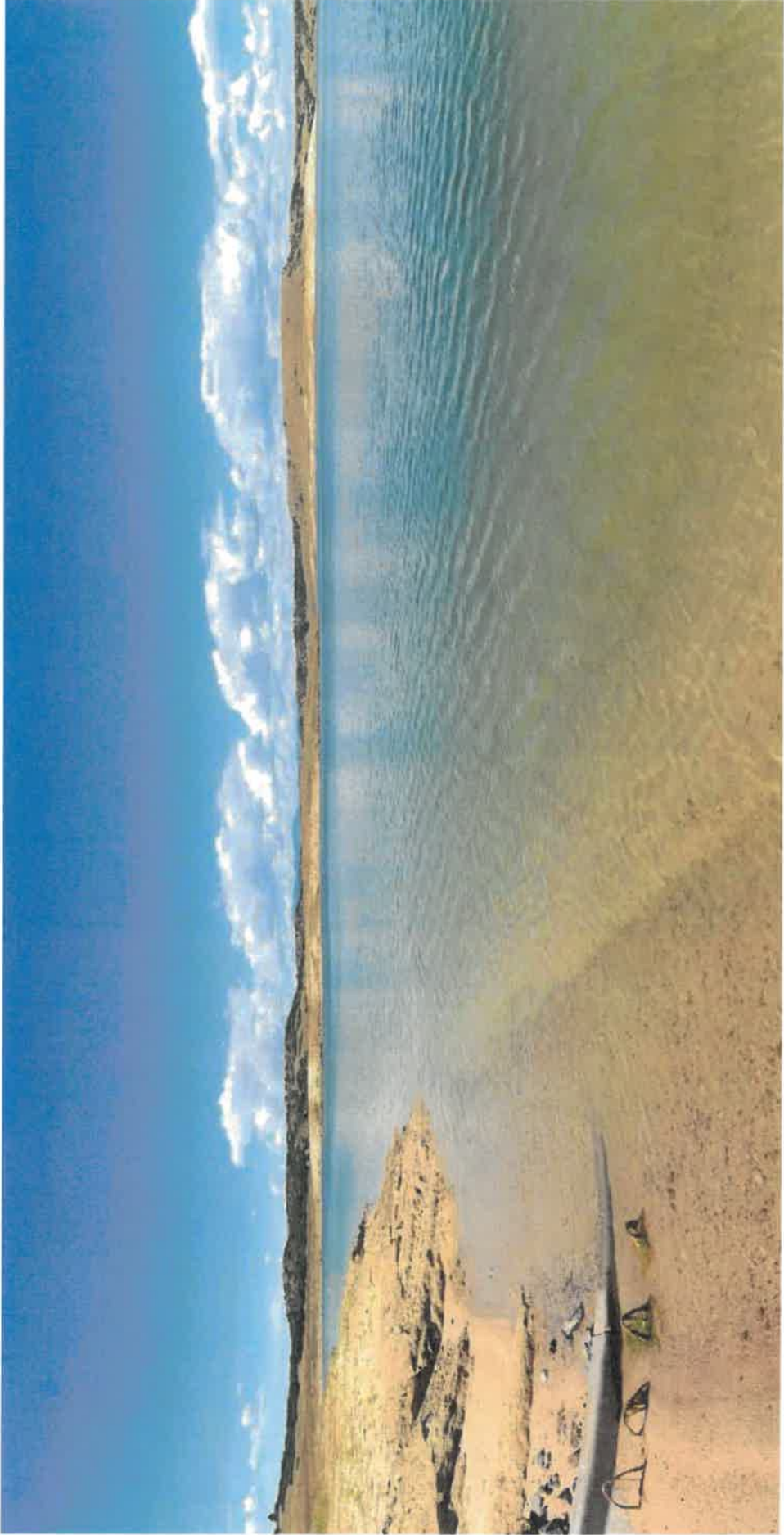
RUETER-HESS RESERVOIR RECREATION MASTER PLAN



RUETER-HESS RESERVOIR

2016 RECREATION MASTER PLAN





Looking west over Rucker-Hess Reservoir

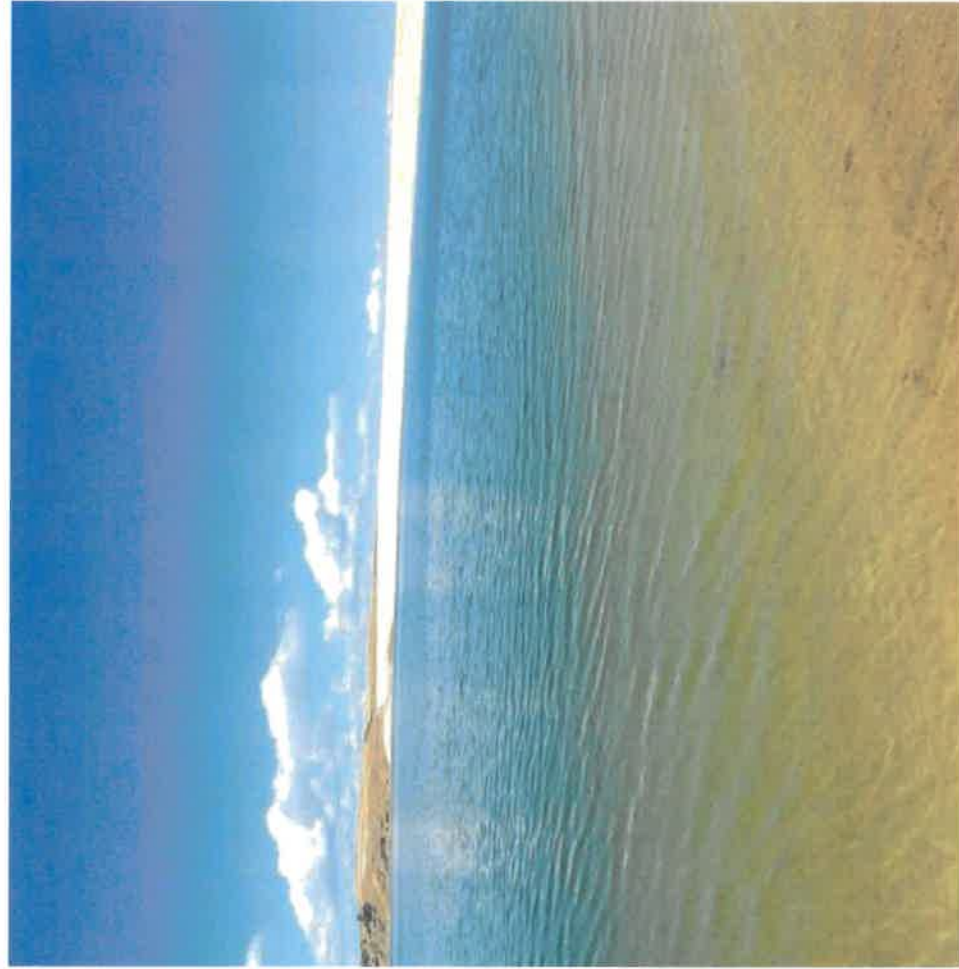


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PROJECT INTRODUCTION



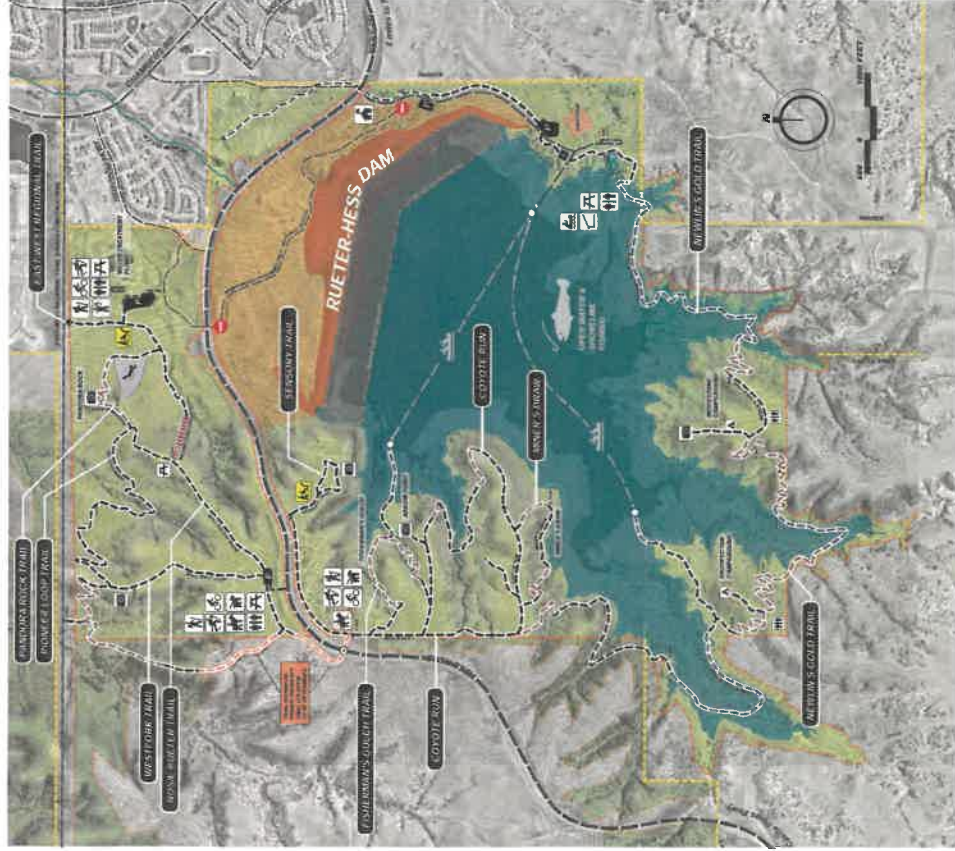
Rueter-Hess Reservoir (RHR) is nestled in the sandstone-timmed bluffs and Gambel Oak valleys of north eastern Douglas County. Abundant in history and rugged landscape, the reservoir resides on the property owned by **Parker Water and Sanitation District (PWSD)**. It is an invaluable water resource to residents in Douglas County and people of the greater Front Range of Colorado. It is located on Hess Road, one mile east of I-25 at the Castle Pines Parkway exit 188, and three miles west of Parker Road.

Numerous archaeological artifacts were discovered during the reservoirs' construction that provides evidence of a long history of human inhabitation of the land dating back 9,000 years. Native and immigrant settlers of the region relied on the land for their livelihood from hunting to mining gold to homesteading and ranching.

Although the ranching community of Douglas County still thrives on the land, continual growth of adjacent developments and an influx of people moving to the region has increased the demand for water.

As stewards of the land and community, it is the wish of PWSD and its' local partners to preserve this land as a resource and to educate visitors about the history of RHR, Newlin Gulch Tributary, and the region to ensure that it continues to be a sanctuary for wildlife and to respect its' important heritage. Jointly, the reservoir will serve as a unique recreational destination to accommodate a broad range of communities and adventure seekers from near and far.

Outstanding local participation in the reservoir's recreation master planning process has resulted in a preferred concept for the property's outdoor recreational and educational opportunities. Upon the reservoir opening, the public will be invited to experience what the land has to offer through

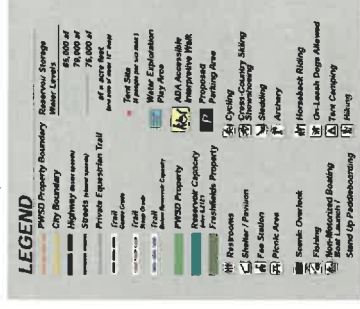


exploring trails, engaging with the water, and learning in an environment dedicated to providing healthy habitats and a clean water supply. The plan includes places to take an archery class, learn to canoe, and identify native plant and animal species on an accessible prairie walk. Visitors can connect with local history throughout the property via trails and signage. Whether it is on cross-country skis, the incline challenge or the sledding hill, people visiting the property will have a way to interact with their community and enjoy the outdoors year-round.

The RHR Recreation Master Plan is intended to be a flexible plan and document. Development is continuing around the reservoir property. Program elements may adjust based on available funding and community trends and needs.

The community must remain involved in protecting this land and educating generations to come about the reservoir and adjacent lands' rich history, unique outdoor space, and preserved native environment while securing a valuable water future.

Preferred Concept Plan



EXISTING CONDITIONS + SITE ANALYSIS

Existing Conditions

An environmental impact statement and 404 permit was established for the property as part of the construction of the reservoir. The permit allows permanent recreation facilities on the east side of the reservoir as well as north of Hess Road. The west side of the reservoir is restricted to soft surface trails and activities that don't impact the wildlife and natural character of the site.

Fishing will be allowed around the reservoir. The PWSD began stocking the reservoir in 2014.

Based on the restrictions on the site, the property can be broken up into two distinct zones; the property surrounding the reservoir south of Hess Road and the 425 acres located north of Hess Road. These two zones have different potentials for recreation based on protection of the reservoir's water quality.

For the property surrounding the reservoir, it is critical that considerations for water quality be a top priority. Protecting the reservoir's sensitive infrastructure from threats like vandalism, Zebra Mussel infestation, water contamination by human and animal waste are major concerns when developing a public recreational amenity central to a drinking water source.

In addition to protecting the reservoir's infrastructure and water quality, design of trails, community gathering spaces, and permanent infrastructure is also dependent on the fluctuating water levels of the reservoir. Currently the reservoir is approximately 33% full. In the future, if the reservoir reaches its maximum capacity, the shoreline could come within one to two hundred feet of the property line. This may cause challenges with building and maintaining trails on the property that could eventually become submerged as the water line rises.

The 425 acres north of Hess Road, which provides more land space, has potential to include amenities that wouldn't be allowed around the reservoir, such as equestrian use or higher active uses.

Preparing the site to withstand degradation in the coming years of potentially heavy usage is key. Adjacent development parcels such as the Freshfields and Coventry Development (north), The Canyons Development (south) and the Anthology Development (east) will bring large numbers of housing and people that will cause wear and tear



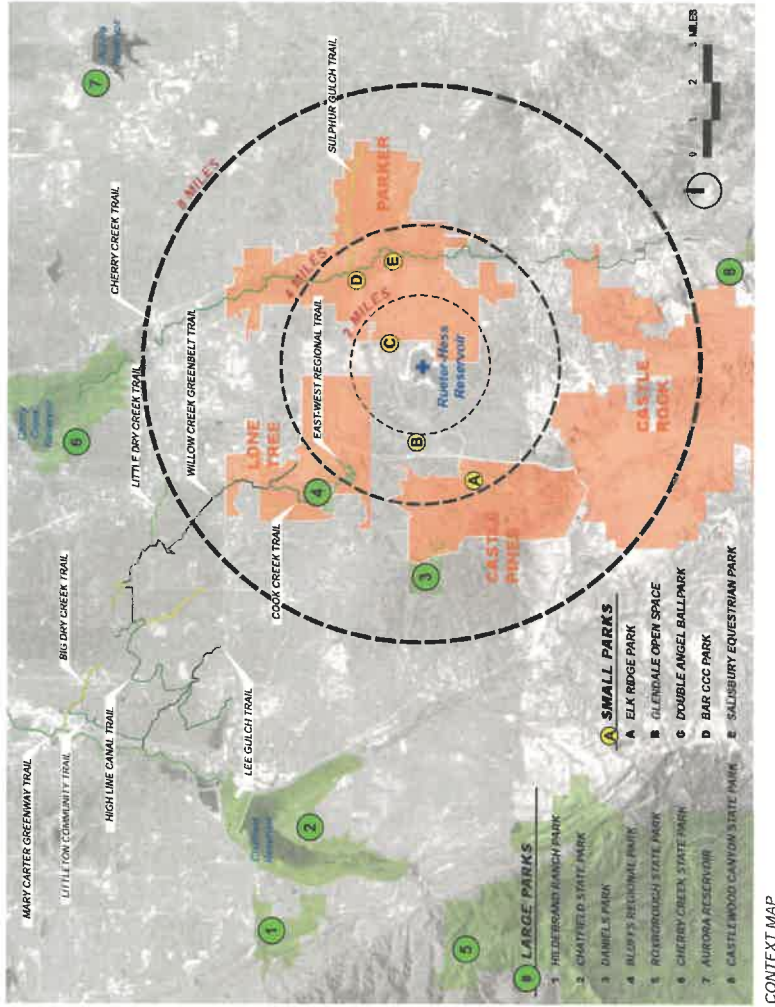
EXISTING CONDITIONS + SITE ANALYSIS

on the property. Limiting user access to a few maintained and staffed entrances will help protect the valuable resources found at Rueter-Hess while remaining available to the public for learning and recreation.

Water Resource

The reservoir's location makes it very easy to access as a regional amenity. The Town of Parker, the Town of Castle Rock, the City of Lone Tree, the City of Castle Pines, Douglas County and PWSID make up the six regional partners contributing to the water storage and the potential recreation components.

Chatfield Reservoir, Cherry Creek Reservoir, and Aurora Reservoir are the closest nearby large bodies of water, providing recreation uses to the front range. Rueter-Hess Reservoir is unique to many other reservoirs in Colorado in that there is no moving body of water consistently running through the reservoir, such as a river. In contrast, water is pumped into Rueter-Hess Reservoir from various sources – and in turn, water is taken out of the reservoir for immediate processing through the District's water purification facility. Because of this, protecting the District's water quality from zebra mussels or invasive plant materials is essential.



CURRENT ADJACENT RESERVOIR COMPARISONS

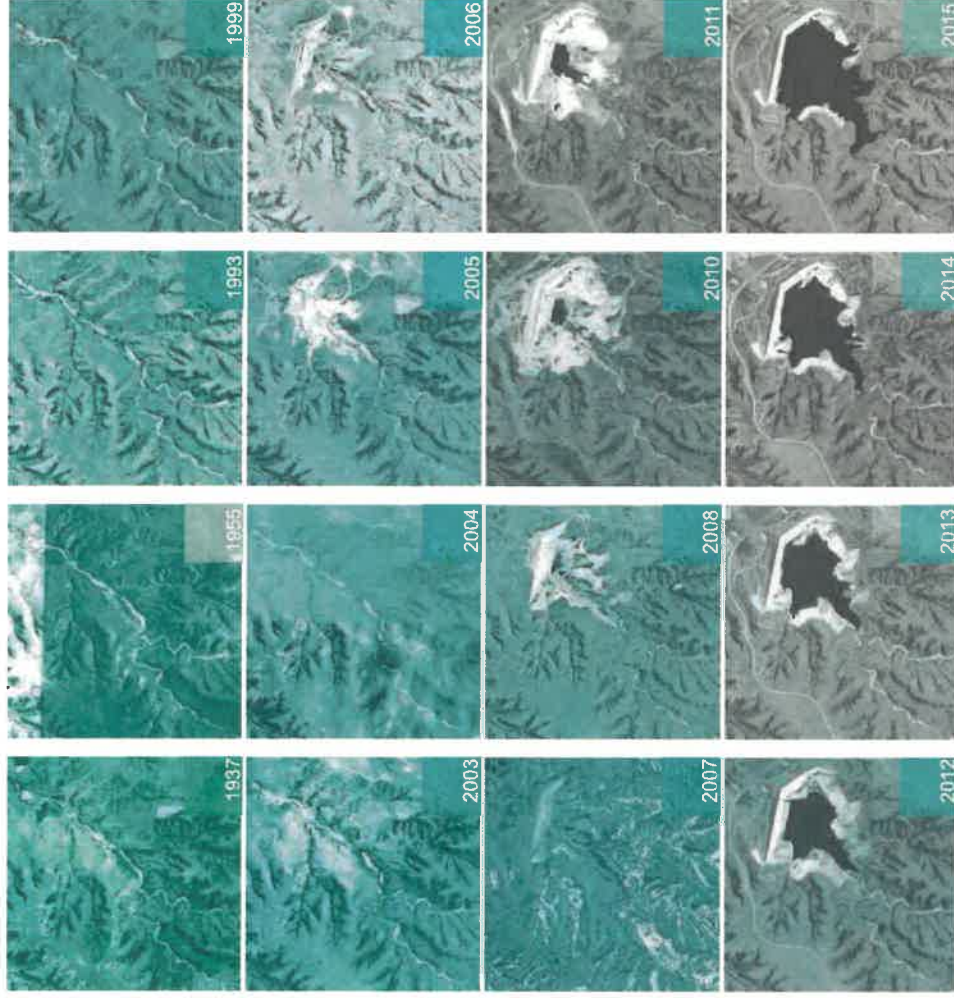
RESERVOIR	MAX. OPERATING CAPACITY (AF)*	MAX. DEPTH	SURFACE ACRES	USE
Rueter-Hess	75,000**	184'	1,170	Drinking/Storage
Chatfield	27,162	47'	1,479	Flood/Recreation
Cherry Creek	13,960	26'	850	Flood/Recreation
Aurora	31,679	79'	3,233	Drinking/Recreation

* 1 acre/foot (AF) = 328,851 gallons (2 families use in a year)
 ** Current Volume 25,000+

Site History + Past Uses

Rapid population growth in Douglas County is increasing the surrounding community's demand for water. The Parker Water and Sanitation District (PWSD) finished the construction of Rueter-Hess Reservoir in 2012 which will serve as drinking water for residents in Parker, Castle Rock, Castle Pines, Lone Tree, and Douglas County helping to prevent a water shortage problem in the future. Rueter-Hess has a capacity of 75,000 acre feet and will have a water surface of 1,170 acres. Approximately 1,600 acres of open land will remain within the PWSD property surrounding the reservoir north and south of Hess Road.

Large areas of the site are considered 'culturally sensitive' where cultural and archaeological artifacts were discovered during construction. Protecting these sensitive areas can be done through trail design and education on the significance the site's heritage.



The evolution of Rueter-Hess Reservoir.



Historical mining equipment.



EXISTING CONDITIONS + SITE ANALYSIS

Site Analysis

Parker Water and Sanitation District's mission for the reservoir and the surrounding property is to maintain the tranquil and serene qualities of the site. The Rueter-Hess property is rich in its cultural and natural history and the master plan aims to protect, yet also highlight, these rich qualities while also providing a place for people to be active in the outdoors and their community year round.

Four project areas were identified based on access and site character. Area A is accessed by the main entrance, Area B is near the PWSD water purification facility north of Hess Road, Area C is the western half of the 425 acres, and area D is the west and south side of the reservoir. Area D is the most limited for recreational development based on the Environmental Impact Statement for the property.



AREA B - Looking southeast toward Jaeger Dam and PWSD water purification facility



AREA C - Looking north



AREA A - Looking west over Rueter-Hess Reservoir



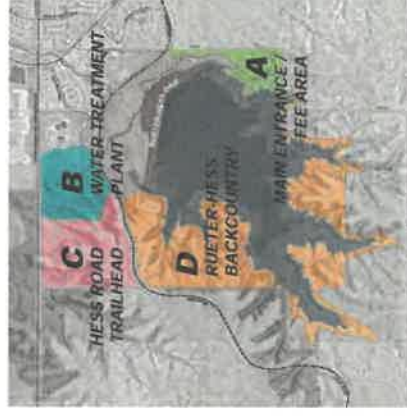
AREA D - Looking east over Rueter-Hess Reservoir



AREA C - Rock outcroppings form the terrain



AREA D - Looking southeast over Newlin Gulch



Project Areas Key Map - Site "Areas" were identified based on access and site character early on in the process for planning purposes.

PROGRAM ANALYSIS C

Programs Considered

Potential programs were broken down into five categories: natural areas, trails, aquatic activities, cultural programs, and adventure recreation. Recreation uses that could jeopardize the water quality of the reservoir were not considered in the master planning process, as these ultimately do not meet the PWSD's mission. Such uses include motorized boats, dog parks near the water, swim beaches, and other uses that have potential water quality risk. Each potential program was considered for viability on the 425 acres and the property surrounding the reservoir based on available land space, topography, water resources, and protection of the water quality.

NATURAL AREAS

	NOT ALLOWED	POTENTIALLY ALLOWED ON 425-ACRE SITE	POTENTIALLY ALLOWED ON RUETER-HESS RESERVOIR SITE
WILDLIFE PRESERVE		●	●
AQUATIC PRESERVE / FISH HATCHERY			●
OPEN SPACE		●	●
NATIVE PRAIRIE INTERPRETIVE WALK		●	●
BIRD WATCHING		●	●
OUTDOOR EDUCATION		●	●



ADVENTURE RECREATION

	NOT ALLOWED	POTENTIALLY ALLOWED ON 425-ACRE SITE	POTENTIALLY ALLOWED ON RUETER-HESS RESERVOIR SITE
FRISBEE GOLF		●	
ZIPLINE	●		
ALPINE SLIDE	●		
SLEDDING		●	
CHALLENGE COURSE		●	
PAINTBALL / TACTICAL ZONE	●		
BOULDERING		●	
ARCHERY		●	
OVERNIGHT TENT CAMPING		●	●
NATURE PLAY		●	●



TRAILS / ATHLETIC TRAINING

	NOT ALLOWED	POTENTIALLY ALLOWED ON 425-ACRE SITE	POTENTIALLY ALLOWED ON RUETER-HESS RESERVOIR SITE
CROSS COUNTRY RUNNING & SKIING.....		●	●
MOUNTAIN BIKING.....		●	●
HIKING & SNOWSHOEING.....		●	●
HORSEBACK RIDING.....		●	
INCLINE CHALLENGE.....		●	
ON-LEASH DOG RUN.....		●	●
SPECIAL EVENTS.....		●	●
5K / 10K COMMUNITY EVENTS			
TRIATHLON			
XTERRA TRIATHLON			



CULTURAL PROGRAMS

	NOT ALLOWED	POTENTIALLY ALLOWED ON 425-ACRE SITE	POTENTIALLY ALLOWED ON RUEYER-HESS RESERVOIR SITE
HERITAGE TRAIL LOOP		●	●
LIVING HISTORY ACTIVITIES		●	●
OUTDOOR CLASSROOM (PAVILION)		●	
HISTORICAL SOCIETY EXTENSION		●	●



AQUATIC ACITIVITES

	NOT ALLOWED	POTENTIALLY ALLOWED ON 426-ACRE SITE	POTENTIALLY ALLOWED ON RUETER-HESS RESERVOIR SITE
FISHING.....			●
SMALL BOAT SAILING.....			●
CANOE / KAYAK / PADDLEBOARD.....			●
SWIM BEACH.....	●		
DIVERED WATER PLAY FEATURE.....			●
SCUBA DIVING.....			●





PROGRAM ANALYSIS

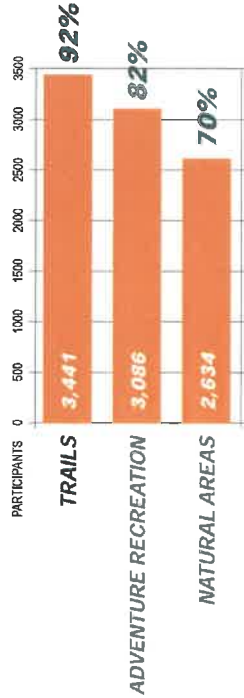
Public Outreach + Survey Feedback

The recreation planning process had tremendous feedback from the community. Nearly 4,000 people participated in two online surveys and four public open houses.

An initial survey was posted online to get input from area residents about recreational activities at the reservoir. Over 3,700 people participated in the first survey from 14 different municipalities. The survey results were used to develop three concepts for the reservoir.

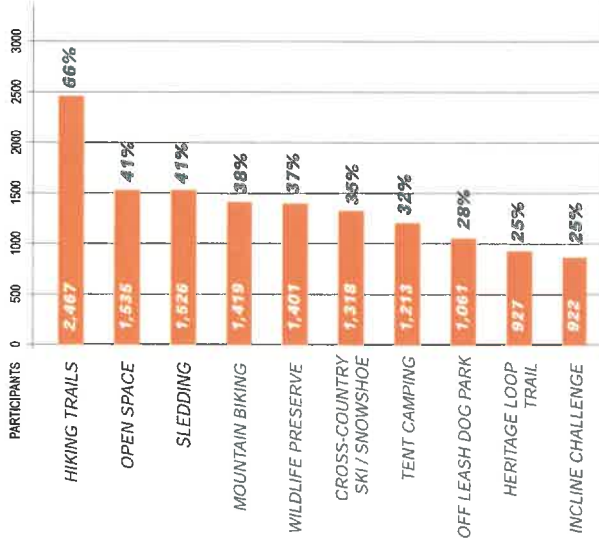
The concepts were presented at four open houses throughout the outreach region. The locations for the open houses included Castle Rock, Town of Parker, Lone Tree, and PWSD.

TOP 3 RESULTS BY PROGRAM CATEGORY

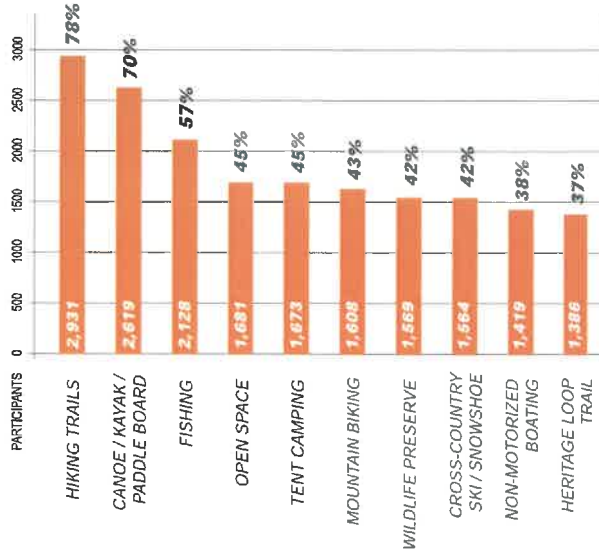


WHAT WE HEARD FROM 3,756 SURVEY PARTICIPANTS FROM 14 MUNICIPALITIES

TOP TEN RESULTS FOR THE 425-ACRE SITE



TOP TEN RESULTS FOR RESERVOIR PROPERTY



The public meeting #2 held at the South Suburban Rec Center in Lone Tree hosted 50 local residents who came to view the plan alternatives for Rueter-Hess Reservoir.



The final public meeting held at the Parker Water and Sanitation District's main office hosted local residents who came to review the final masterplan for the reservoir.

We Asked Participants to Include Additional Feedback ... Here's What They Said.

"When can we volunteer to build trails?"

"I would love to see a Nature Center in Douglas County that focuses on wildlife, ecosystem, and conservation programming as this is something we currently lack as a county. Let me know if you need help, this idea should it make it into the plans."

"Equestrian trails would be SO awesome, but please take trailer parking into consideration."

"Please don't overbuild our open spaces!"

"I am in favor of the least amount of development and amenities in order to have nature be the focal point."

"I'm very happy to see that the main concern is water quality."

"Excited for the potential of this new outdoor asset!"

"We are lacking water recreation sports and this is a great opportunity to bring non-motorized water activities to the young people and families in our community!"

"Let us use our own non-motorized watercraft. Don't make us rent."

"The smaller elements will always be best to preserve the integrity of the land and water. The more you offer in a small reservoir the more risk you place on the water."

"I love kayaking and hiking and have grandchildren, so it would be nice for all three."

"The overall plan must support and educate about the importance of nature and conservation to our society."

"I care more about the amount of trails for mountain biking and hiking than other amenities. A full loop trail around the lake would be key."

"Don't try to be all things to all people. Keep it simple."

"Douglas County is known for its equestrian culture and heritage. Building on this only makes sense in keeping the area a fun, agricultural-based environment."

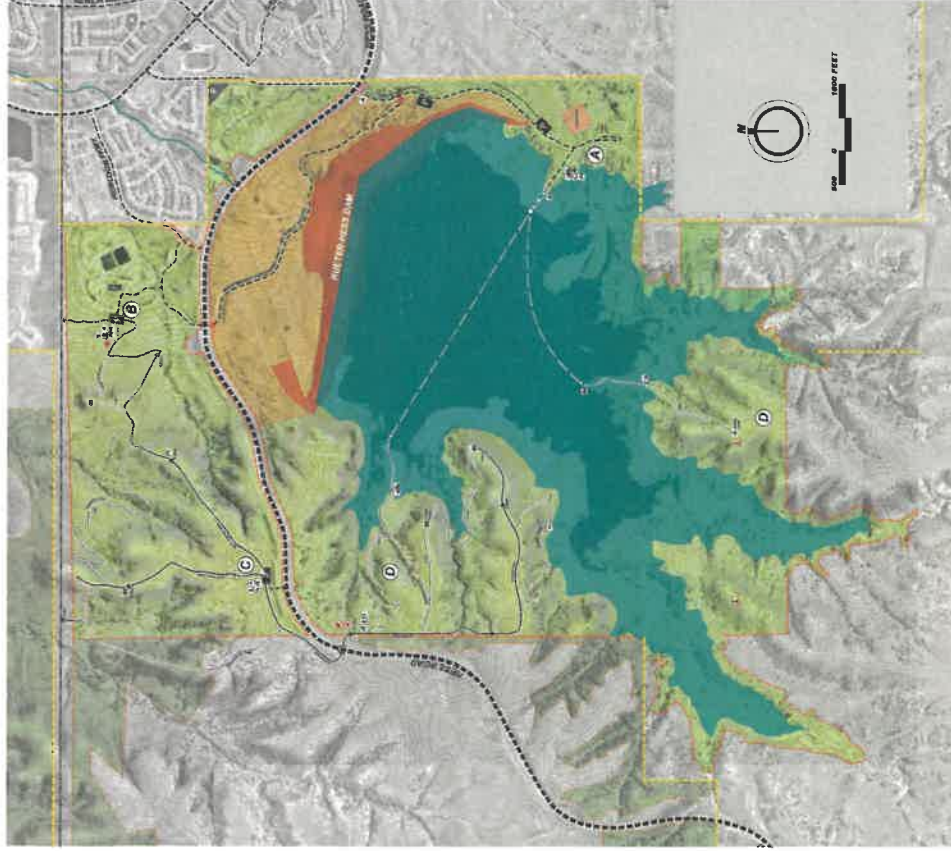




CONCEPT DEVELOPMENT

Concept 1: Nature Preserve

Concept 1 is the least impact alternative and explores the potential of the site as a natural preserve. Amenities are limited to hiking trails and interpretive signage to preserve the site's natural characteristics. Dogs and horses would not be allowed and the trail loop does not connect around the reservoir. Boats would be allowed, but only rented on site.



- Site Elements in ALL Concepts**
- Soft surface trails
 - Nature play area
 - Equestrian trails (limited to 425 ac. site)
 - Picnic area & restrooms
 - Prairie - native plant walk
 - Non-motorized boating (canoe, kayak, paddleboard)
 - Backcountry camp sites
 - Fishing

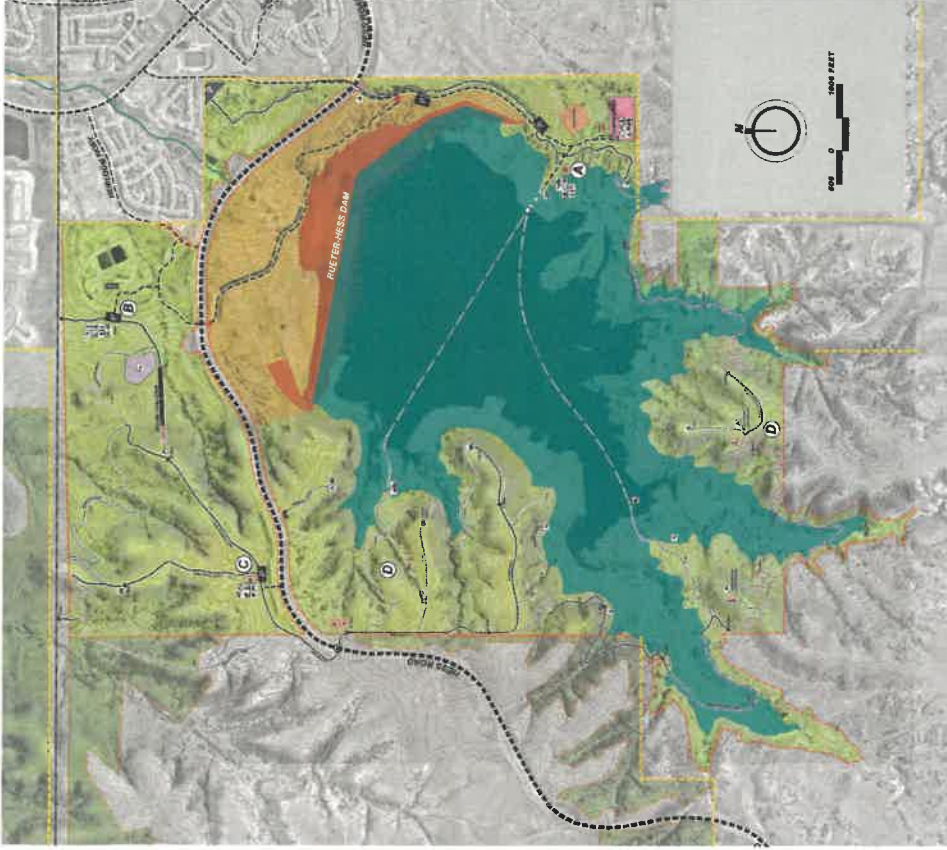


CONCEPT DEVELOPMENT

Concept 3: Regional Destination

Concept 3 is the maximum impact within the limits of the 404 permit. This concept has the most regional amenities including personal boats (if water quality concerns can be resolved), archery, sledding, incline challenge, a cultural center building, an off-leash dog park, water exploration area, and a full trail loop around the reservoir.

Concept 3 was the preferred plan based on public feedback because of the trail loop and the additional regional resources it provided. Written comments also suggested that the site should not be overbuilt and try to serve all people.



Concept 3 Additional Site Elements

- All elements listed in Concepts 1 & 2 (except disc golf)
- Water exploration area
- Off-leash dog park
- Additional camp site
- Two ADA trail options
- Advanced mtn. bike trails on 425 ac. site
- Cultural center building
- Archery
- Sledding
- Soft surface trails connect to form perimeter trail





MASTER PLAN + RECOMMENDATIONS

AREA A: Main Entrance / Fee Area

AREA A is located at the main entrance to the reservoir and extends to the trailhead near the existing boat ramp. An entry gate and small ranger station welcomes visitors at the entrance. Three parking areas are located along the drive up to the reservoir providing approximately 400 parking spaces.

The main trailhead provides close access to the existing boat ramp. This trailhead not only serves access to the water for kayaks, paddle boards, and canoes, but also serves as the beginning of Newlin's Gold Trail which provides access around the reservoir. Shoreline fishing will be available around the reservoir with some limitations due to natural terrain and possible safety hazard areas.

Additional amenities include nature play features, educational signage and a future water exploration area. The water exploration area is an opportunity for visitors to interact with the water without direct contact with the reservoir. A water channel would be diverted and treated prior to going into the reservoir, creating a place to sit along the water's edge, and safely play in shallow pools and falls.

In the future, a concessionaire building may be considered near the pump house. The concessionaire building could be a future phase of the planned PWSD facilities building which would allow it to share infrastructure and utilities. The concessionaire building could potentially provide boat storage, public restrooms, and an indoor gathering space.



WATER EXPLORATION PLAY AREA



PADDLE BOARDING



NON-MOTORIZED BOATING



AREA B: Water Treatment Plant

AREA B provides access to the 425 acres north of Hess Road at the existing water purification facility. Program elements in this area take advantage of the scenic views and topography of the property.

The Rosie Rueter Trailhead, named after one of the historical settlers of the property, provides access to trails, a sledding hill, and an incline challenge. Amenities at the trailhead include picnic areas, restrooms, nature play and educational signage. The trailhead would serve as a destination point for visitors to gather, socialize, and play. An informal outdoor classroom could be used by groups coming to the property for hikes, archery classes, or training groups gathering before or after exercising on the incline challenge.

A prairie or native plant walk provides visitors with educational and historical information to explore the native landscape and features of the area. The incline challenge provides a destination for families to challenge themselves in the outdoors. The staircase has the opportunity to gain 200 feet vertically in a 1,500 foot span.

The archery area considered in the master plan is a controlled, classroom-type setting area. It would not be open for use daily, but as permitted through a program with the Recreation Authority Board. This element would be considered as a future amenity once higher priority elements have been implemented.



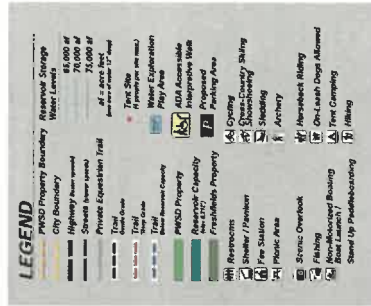
ADA ACCESSIBLE INTERPRETIVE WALK



INCLINE CHALLENGE



SLEDDING HILL



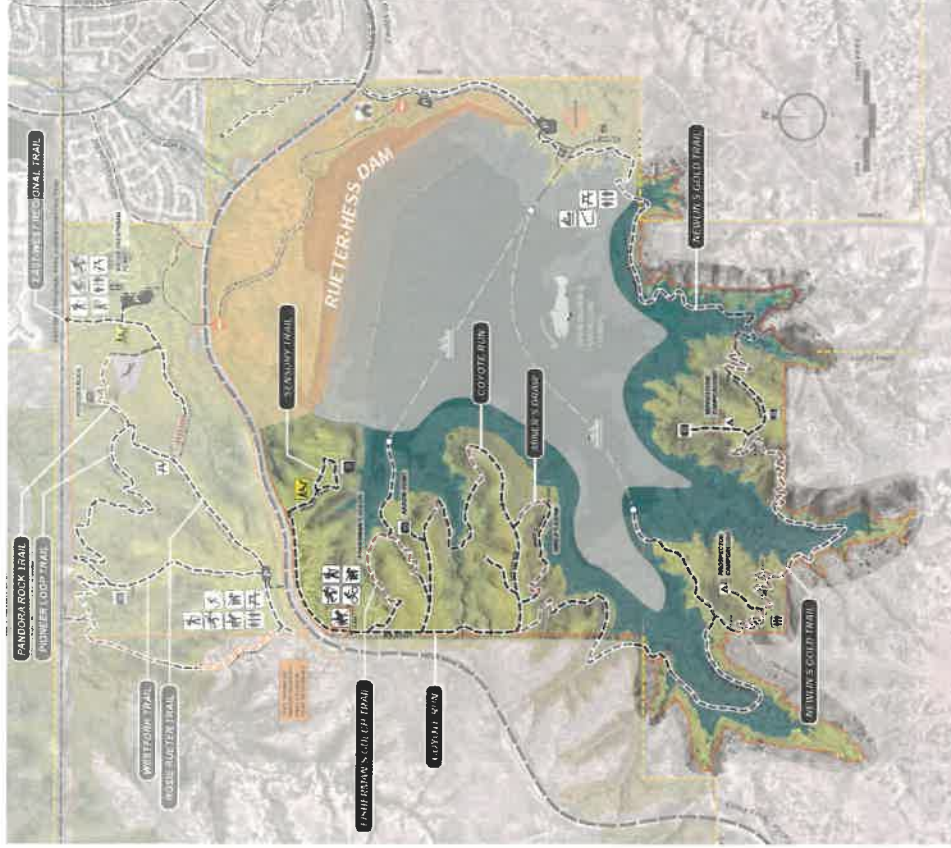
AREA D: Backcountry

The Rueter-Hess backcountry is one of the most pristine areas of the plan and offers visitors an opportunity to enjoy a quiet hike, shoreline fishing, and wildlife viewing opportunities.

Remote camping sites are considered in the master plan. These sites would be accessible only by hiking or canoeing. Initially, sunrise to sunset recreational opportunities will be offered (i.e., no overnight camping or other events). Two remote camping areas, with improved sites such as restrooms and cleared land, are included in the plan for consideration in the future. Considerations for future additions include site access, general personal safety improvements, and access for fire and other emergency health services.



MOUNTAIN BIKING

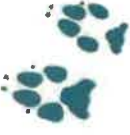


WINTER SPORTS



BACKCOUNTRY CAMPING





PHASING + IMPLEMENTATION

Phasing + Implementation

The estimate of probable cost for the Rueter-Hess Master Plan preferred concept is between \$7.5 million and \$8 million. The full estimate includes a concessionaire building, water exploration area, and camping sites. Excluding these larger items, priority recreation elements identified through the planning process can be constructed for approximately \$3.5 million and would include trails, adventure recreation and natural area access.

It is anticipated that the preferred concept for the Rueter-Hess Reservoir Master Plan will be built in phases as funding becomes available. To allow for the greatest flexibility, the Master Plan has been broken up into plan elements that allow for flexible phasing scenarios. Plan elements can be arranged in different phasing scenarios based on recreation priorities and available funds.

FUNDING

Funding for implementation of the Master Plan is anticipated through the regional partners who include Douglas County, the Towns of Parker and Castle Rock, and the Cities of Lone Tree and Castle Pines, as well as grants, public-private partnerships, and revenue from programmed events.

A potential phasing strategy, shown on the following pages, was developed for build out of the recreation elements. The first phase focuses on organized activities such as special events, classes, and programs led by the regional partners. This will allow the opportunity for users to access and utilize the site in a controlled environment while building enthusiasm for the next phases. Phase 2 includes the entry station at the reservoir which allows for gated access. Phase 3 expands to the trailheads on the north property. Phase 4 completes the trail loop around the reservoir, and Phase 5 completes all the trails in the master plan. Future phases include camping, the concessionaire building and the water exploration area. As funding becomes available, the phasing scenario can adjust to meet the priorities and needs.

COST ESTIMATE ASSUMPTIONS

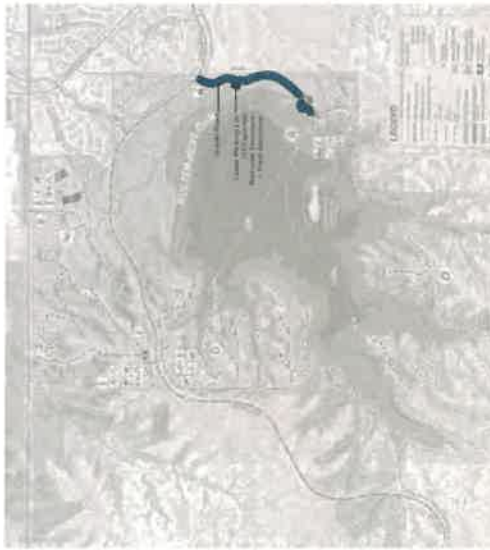
- Costs are based on available 2016 construction data. Actual contractor prices may vary at the time of construction.
- All items include a 25% contingency.
- All items include a 10% general conditions and mobilization fee.
- All items include an 8% design fee. Design fees may vary for items based on survey needs, disciplines and review processes required.
- Traffic studies and roadway work along Hess Road are not included. Coordination will likely be required at the time of design.
- Allowances for utility infrastructure are limited.
- Irrigation is not included.

ESTIMATED COST OF PLAN ELEMENTS

PLAN ELEMENT	ESTIMATED CAPITAL COST
Lower Parking Lot at the Reservoir & Fencing at the Dam	\$ 164,000
Port-o-let at the Lower Parking Lot	\$ 73,000
Trail along Entry Road	\$ 182,000
Entry Fence & Drive	\$ 218,000
Entry Station Building	\$ 60,000
Upper Parking Lot	\$ 227,000
Vault Toilet at Upper Parking Lot	\$ 87,000
Trails – SE stretch of Newlin’s Gulch Trail	\$ 40,000
Hess Road Trailhead Parking	\$ 105,000
Trails – South of Hess Road, Coyote Run & Fisherman’s Gulch	\$ 56,000
Port-o-let at Hess Road Trailhead	\$ 78,000
ADA Parking Lot	\$ 142,000
Accessible Trail Loop	\$ 198,000
Rosie Rueter Trailhead Parking Lot	\$ 388,000
Trails – Rosie Rueter Trail	\$ 47,000
Trails – Panorama Rock Trail	\$ 16,000
Incline Challenge	\$ 84,000
South Overlook (no structure)	\$ 4,000
Picnic Areas – Upper Lot	\$ 228,000
Trails – Newlin’s Gulch to Boat Launch	\$ 66,000
Trails – West access to water/Boat Launch	\$ 42,000
Picnic Areas – Hess Trailhead	\$ 221,000
Trail – Southwest Stretch of Newlin’s Gulch	\$ 70,000
Trail – Coyote Run Loop & Miner’s Draw	\$ 92,000
Overlook – Arrow Point	\$ 4,000
Overlook – North of Hess Road	\$ 8,000
Port-o-let at Rosie Rueter Trailhead	\$ 78,000
Picnic Areas – Rosie Rueter Trailhead	\$ 224,000
Archery Facility	\$ 86,000
West Fork Trail Connection to E-W Trail	\$ 17,000
Pioneer Loop Trail	\$ 39,000
Freshfields Trail	\$ 30,000
Overflow Parking lot	\$ 182,000
Woodstone Camping Sites (12 sites)	\$ 32,000

Potential Phasing Strategy

PHASE 1 Entry I	\$419,000	PHASE 2 Entry II	\$632,000	PHASE 3 North & West Trailheads	\$1,114,000
Lower Parking Lot at the Reservoir & Fencing at the Dam	\$ 164,000	Entry Fence & Drive	\$ 218,000	Hess Road Trailhead Parking	\$ 105,000
Port-o-let at the Lower Parking Lot	\$ 73,000	Entry Station Building	\$ 60,000	Trails – South of Hess Road; Coyote Run & Fisherman's Gulch	\$ 56,000
Trail along Entry Road	\$ 182,000	Upper Parking Lot	\$ 227,000	Port-o-let at Hess Road Trailhead	\$ 78,000
		Vault, Toilet at Upper Parking Lot	\$ 87,000	ADA Parking Lot	\$ 142,000
		Trails – SE stretch of Newlin's Gulch Trail	\$ 40,000	Accessible Trail Loop	\$ 198,000
				Rosie Ruetter Trailhead Parking Lot	\$ 388,000
				Trails – Rosie Ruetter Trail	\$ 47,000
				Trails – Panorama Rock Trail	\$ 16,000
				Incline Challenge	\$ 84,000





PHASING + IMPLEMENTATION

PHASE 4
Fishing Access & Perimeter Trail

\$1,125,000	South Overlook (no structure)	\$ 4,000
	Picnic Areas – Upper Lot	\$ 228,000
	Trails – Newlin's Gulch to Boat Launch	\$ 66,000
	Trails – West access to water/Boat Launch	\$ 42,000
	Picnic Areas – Hess Trailhead	\$ 221,000
	Trial – Southwest Stretch of Newlin's Gulch	\$ 70,000
	Trial – Coyote Run Loop & Miner's Draw	\$ 92,000
	Overlook – Arrow Point	\$ 4,000
	Overlook – North of Hess Road	\$ 8,000
	Port-a-let at Rosie Rueter Trailhead	\$ 78,000
	Picnic Areas – Rosie Rueter Trailhead	\$ 224,000
	Archery Facility	\$ 88,000

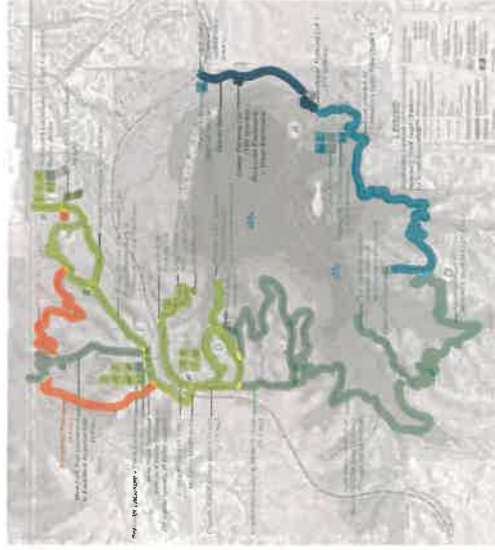
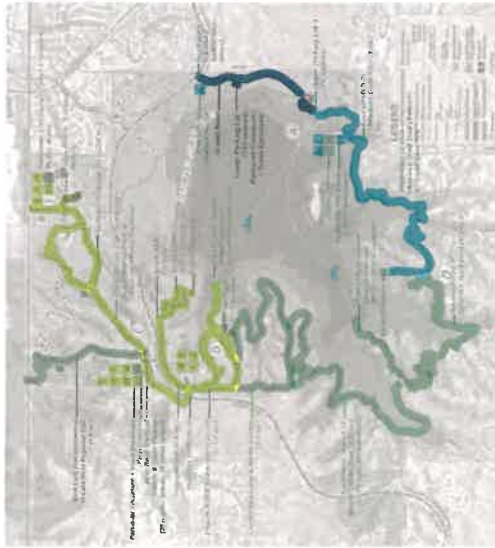
PHASE 5
Completed Trail Network

\$86,000	West Fork Trail Connection to E-W Trail	\$ 17,000
	Pioneer Loop Trail	\$ 39,000
	Freshfields Trail	\$ 30,000

FUTURE PHASES
Additional Future Potentials

\$4,661,000	Overflow Parking Lot	\$ 182,000
	Woodstone Camping Sites (12 sites)	\$ 32,000
	Vault Toilet at Camping Area	\$ 223,000
	Prospector Camping Sites (6 sites)	\$ 16,000
	Vault Toilet at Camping Area	\$ 223,000
	Concessionaire Building	\$ 1,003,000
	Water Exploration Area	\$ 2,970,000
	Sledding Hill	\$ 12,000

Estimated cost of Phases 1-5 \$3,376,000





PHASING + IMPLEMENTATION

Financial Analysis Comparison

In order to construct a financial model of recreational operations at Rueler-Hess, the design team examined the recreational operating characteristics and budgets of other similar reservoirs and parks around the state, including several near the Denver metro area. Many public parks and open spaces typically operate at a loss. For example, the relatively small Standley Lake Regional Park had a 2015 net operating loss of almost \$17,000, while Chatfield State Park expenditures outpaced revenues by nearly \$91,000. Other examples of public reservoirs in the metro area including info about annual expenditure and revenue are below.

AURORA RESERVOIR
City of Aurora

Size	800 acres
Full Time Employees	7.5
Annual Visitation	270,000
Annual Revenue	\$948,000
Annual Operating Expenditures	\$1,500,000
Net Operating Costs	-\$552,000



BOULDER RESERVOIR
City of Boulder

Size	700 acres
Full Time Employees	3 (75-100 seasonal)
Annual Visitation	250,000
Annual Revenue	\$1,030,000
Annual Operating Expenditures	\$960,000
Net Operating Costs	\$70,000



HORSETOOTH RESERVOIR
Larimer County Natural Resources Dept.

Size	2,040 acres
Full Time Employees	8 (36 seasonal)
Annual Visitation	900,000
Annual Revenue	\$980,000
Annual Operating Expenditures	\$1,000,000
Net Operating Costs	-\$20,000



Appendix I - Financial Analysis of Recreational Facilities

In October 2016, BBC Research & Consulting (BBC) developed an updated financial analysis for capital investments and the associated operating revenues and expenditures based on capital construction costs distributed by Wenk Associates for incorporating recreational facilities and activities at Rueter-Hess Reservoir.

BBC also constructed estimates of the incremental visitation, expenditure, and revenue impacts of each phase after the completion of the baseline Phases I and II. The exercise was intended to provide the Rueter-Hess Recreation Authority Board (Board) with an illustration of how financial operations might vary if the phasing schedule were to be altered.

Introduction

In order to construct a financial model of recreational operations at Rueter-Hess, BBC examined the recreational operating characteristics and budgets of other similar reservoirs and parks around the state, including several near the Denver metro area. Many public parks and open spaces typically operate at a loss. For example, the relatively small Standley Lake Regional Park had a 2015 net operating loss of almost \$17,000, while Chatfield State Park expenditures outpaced revenues by nearly \$91,000.

BBC incorporated data and assumptions from these and other locations in order to estimate the annual financial operations of recreational activities, based on the capital construction cost schedule. It is important to note that Phases I-V are likely to be implemented in relatively close succession, while Phase VI describes a longer-term plan for improvements that will occur at in an uncertain order and time.

The financial model estimates an average annual operating loss of \$32,179 for recreational activities at Rueter-Hess once all elements in Phases I-V of the master plan are built out. These estimates are due in part to lower visitation during the initial capital construction phases, and limited revenue opportunities.

As the recreational infrastructure expands according to the phasing schedule, estimated operating revenues and costs increase from \$1,500 and \$39,986 in Phase I, to \$271,183 and \$318,397 by Phases V, and \$392,105 and \$455,931 once Phase VI is implemented, respectively. The projected ratio of operating revenues to expenditures at Rueter-Hess ranges from 3.8 to 130.9 percent across the initial five phases, with an overall average of 66.5 percent. Revenues exceed expenditures only in Phase IV of the cumulative model.

There are several considerations for improving the projected financial performance of recreational operations at Rueter-Hess. For example, the recreational fees in the model are based on the average fees for similar activities at other locations. However, Rueter-Hess could choose to charge tiered fees for nonresidents in order to generate higher revenues. The model includes several other operating assumptions that will significantly influence projected operating cash flows, described in detail in the attached figures.

The remainder of this appendix serves as a guide to the updated financial analysis. The updated aggregated capital cost schedule is presented in Figure 1. Figure 2 illustrates the cumulative infrastructure completed in each phase. The operating pro forma is found in Figures 3 through 5. The six phases of the capital cost schedule are considered as one time period each, regardless of the time necessary to complete each. A full list of assumptions can be found in Figure 6, and a breakdown of the data collected from other recreational sites can be found in Figure 7.

Capital Expenditures and Infrastructure by Phase

Figure 1 provides the capital costs from the phasing schedule. These costs are aggregated by category where possible, and divided into two primary groups. The buildings, facilities, & equipment panel shows the aggregated cost estimates for the physical structures and recreational equipment. The roads, trails, & infrastructure panel describes all other capital infrastructure expenditure. The cost schedule includes a 25 percent contingency cost for each estimate, as well as a 10% mobilization and general conditions cost and an 8% design cost. These costs are compounded and added to the total cost of each capital construction phase at the bottom of the figure.

Figure 2 presents the cumulative infrastructure completed in each phase. This figure describes the cumulative completed infrastructure, based on the new schedule of capital construction, providing a snapshot of the Rueter-Hess recreational site in any given phase. For example, two miles of trail are constructed in Phase I, and one mile in Phase II, for a Phase II total of three miles. The percent of total capital costs incurred represents the cumulative proportion of the total capital budget that has been spent as of each phase.

Operating Expenditures by Phase

Figure 3 presents estimates of the operating costs in each phase, based on the cumulative capital infrastructure completed in that phase, annual visitation, and expenditure characteristics at other recreational sites.

Labor costs. Estimated annual salary, benefits, and wage expenses are presented in this panel. BBC assumes an average annual salary of \$59,000 and hourly wage of \$13. The annual cost of fringe benefits for salaried workers is estimated as 35 percent of the salary, and each seasonal worker is assumed to work 1,000 hours per season (40 hours per week in the summer



season). Based on other reservoirs and parks in Colorado with similar characteristics and/or recreational facilities, BBC assumes three seasonal workers per each full time employee.

During the first phase there will be no entry station or major infrastructure, so BBC assumes that maintenance and oversight can be provided by two seasonal staff. Once the entry station is constructed in Phase II, one full time equivalent (FTE) worker will be necessary to oversee operations, increasing to two FTEs as group picnic sites are completed in Phase IV, and to three FTEs in Phase VI as all infrastructure is completed. The Board has indicated that watercraft rentals and archery lessons will likely be conducted by a third party concessionaire, requiring no additional labor costs for Rueter-Hess.

Operating costs. The estimates in this panel are based on a review of the budgets and characteristics of these other sites. For example, BBC calculated the average utilities cost per square foot of building or covered structure from other parks, and multiplied this figure by the Rueter-Hess building square footage scheduled to be completed in each phase. Other operating costs are calculated in a similar fashion, based on completed infrastructure and annual visitation. BBC also includes cost estimates for up to two vehicles dedicated to operational activities at the reservoir. These estimates are based on a three-year, \$500 per month lease agreement for a new full-size pickup truck, and the average per-vehicle maintenance and fuel costs from other sites. Operating costs for watercraft and archery activity will be borne by the respective concessionaires.

Operating Revenues by Phase

Figure 4 presents projected operating revenues based on projected Rueter-Hess total visitation numbers. Visitation is also presented by activity since activity-based revenues will be driven by activity-specific visitation.

Annual visitation. Since there will be limited facilities for visitors to take advantage of during the early years of operation, BBC assumes a conservatively low initial baseline visitation of 15,000. BBC assumes that visitation will increase steadily to a total of 200,000 annual visits by the time the capital infrastructure is completed in the final phase, based on the average annual visitation at Aurora and Boulder Reservoirs.

Activity-specific visitation is estimated based on the facilities completed in each phase. For example, 18 campsites are scheduled for completion in Phase VI; assuming a 20 percent annual occupancy for each campsite and an average camping group size of 2.5, BBC estimates a Phase VI camping visitation of 3,285. Similarly, group picnic visitation is based on the number of completed picnic sites, with an assumption of 25 events per site per year and an average of 20 attendees per event.

Watercraft visitation is expected to begin in Phase II once the main entry station is constructed and the concessionaire can set up a rental site. Initial boating visitation is projected at 1,000 per year with the primary point of entry being the existing east side boat ramp, growing to 1,500 by Phase IV when more trails to the waterfront are completed and additional shore-line launching around the reservoir becomes possible.

The Board indicated that the archery range will host classes conducted by members of the recreational staff or a concessionaire. BBC estimates that Rueter-Hess could host 50 one-hour group classes per year during summer weekends, with an average of 15 attendees per class once the archery range is

complete.

Revenues. In this panel, BBC estimates operating revenues for each activity, based on associated visitation numbers. The first source of revenue is collected through gate fees. Since park fees will likely be charged on per car basis, BBC assumes that Rueter-Hess visitation will consist of similar numbers of vehicles and passengers per vehicle as seen at other sites. The average fee for similar sites is \$8, with an average gate fee revenue of \$1.09 per visitor. Note that there are no gate fee revenues collected in Phase I because the entry station is not scheduled for construction until Phase II.

Camping revenues are based on a \$15 daily camping fee as seen at Horsetooth Reservoir for non-electric sites, and picnic revenues are based on the \$75 fee to reserve picnic sites at the Aurora Reservoir.

Watercraft rental revenues are based on a \$10 hourly rental fee for reservoir-owned small watercraft at Aurora Reservoir. In the preferred concessionaire model, BBC assumes that the operator will share back 30 percent of revenues, or \$3 per watercraft rental hour, with an average rental length of 2.5 hours. All watercraft visitors will have to rent equipment, as private watercraft will not be allowed. Additional revenues may also be generated through educational watercraft classes. BBC assumes that the concessionaire could hold approximately 50 two-hour watercraft classes per year with an average attendance of five people per class during summer weekends and a fee of \$70 (including equipment rental), based on the group paddleboard lessons provided by 5280 Paddle Sports. As with rentals, BBC assumes a 30 percent revenue shareback agreement between Rueter-Hess and the concessionaire.

Revenues generated from group archery range classes are based on a fee of \$20 per person, per class, based on group lesson fees at Quickdraw Archery in Highlands Ranch. BBC

assumes that this price will include equipment rentals from the concessionaire, and that the operator will share back 30 percent of the class fee revenues to Rueter-Hess.

Many Board members expressed interest in hosting special events at the Reservoir such as races, weddings, and other social or programmed events. BBC includes three special events during the first year of operations, increasing to six events per year by Phase VI, each with an associated event fee of \$500. Finally, merchandise and concession sales may commence once the concessionaire building is completed in Phase VI. Revenues from these sales are estimated based on sales per visitor at other parks.

Financial Analysis by Phase

Figure 5 combines information from the previous figures to provide annual cash flows based on the assumptions described above.

Operations. The first panel in Figure 5 presents the annual operations cash flow based on the revenues and costs calculated in previous sections. The average operating cash flow over the initial five phases equals negative \$32,179. BBC calculates the average ratio of operating revenues to expenditures across the initial five phases, which is equal to 66.5 percent.

Operations & Capital. The second panel presents a separate financial analysis that includes the capital construction cost estimates, by phase. This allows the Board to factor in the capital costs incurred in each phase, in order to examine whether and to what degree operations might cover some capital costs. As expected, the inclusion of capital costs significantly reduces the financial performance indicators. The average annual net cash flow in Phases I-V is negative \$705,348. Average annual self-sufficiency after incorporating capital expenditures is reduced 20.5 percent. Finally the net return on capital investment of negative 40.2 percent is calculated as the total annual net

cash flows divided by total capital costs in Phases I-V. The inclusion of Phase VI in these averages would yield lower performance metrics as this last phase includes several large capital expenditures such as the water exploration area, and has projected operating expenditures that are higher than revenues.

Incremental Financial Impacts of Each Phase

Members of the Board expressed an interest in examining the individual visitation and financial impacts of each phase, in the event that the phasing schedule is altered from the current plan. BBC utilizes the results of the cumulative model described above to isolate and estimate the independent impacts of each phase, after baseline operations are established with Phases I and II.

The total revenues and expenditures of each phase in the cumulative model are divided by the total visitation in that phase to generate an average revenue and expenditure per visitor. BBC estimates the incremental visitation for each phase, based on the scheduled capital infrastructure completion and associated visitation effects from the cumulative model. The average revenue and expenditures per visitor are then multiplied by the estimated incremental visitation to calculate incremental revenue and expenditure impacts, for each phase.

Phase VI is separated into three sub-phases as requested by the Board, allowing for separate examinations of the incremental effects of adding campsites (Phase VI.1), constructing the water exploration facility (Phase VI.2), and constructing the concessionaire building (Phase VI.3).

Figure 6 presents the incremental effects of each phase after baseline operations are established in Phases I and II. Each column can be thought of as the effects of the corresponding phase, if it were to be implemented directly after Phases I and II are completed.

Financial Plan Assumptions

Figure 7 provides a full list of assumptions and calculations used in this financial analysis. Many of these assumptions were incorporated based on the recreational operations of other reservoirs and parks. Other assumptions are based on conversations with park managers and previous BBC experience with park planning and finances. In many cases, small changes in these assumptions can have major impacts on the projected financial performance of recreational activities.

Inputs from Other Parks and Recreational Sites

Figure 8 provides an overview of recreational facilities planned at Rueter-Hess, and the observed infrastructure and operating characteristics from ten other locations around the state. Estimates are averaged across all locations where data was available.

Summary

This appendix describes and presents the results of the updated financial analysis of recreational capital construction and operations at the Rueter-Hess Reservoir, based on the new capital construction schedule, data from other sites around the state, and various BBC assumptions. The first section presents a cumulative financial model under the assumption that each phase is completed as scheduled. A second analysis considers the incremental visitation and financial effects of each phase if it were implemented directly after baseline operations are established in Phases I and II.

The purpose of this financial model is to provide the Board with actionable estimates of the visitation, revenues, and expenditures associated with the proposed capital infrastructure and recreational activities at Rueter-Hess.

Table 1. Capital Expenditures by Phase

	Phase I	Phase II	Phase III	Phase IV	Phase V
Buildings, Facilities, & Equipment					
Entry Station Building (1300 sq. ft.)	\$ -	\$ -	\$ -	\$ -	\$ -
Port-Out Enclosure	\$ 32,000	\$ -	\$ 32,000	\$ -	\$ -
Furniture, Furnishings, & Equipment	\$ -	\$ 25,000	\$ -	\$ -	\$ -
Trash Enclosures	\$ 16,000	\$ 8,000	\$ 18,000	\$ -	\$ -
Tram Cais And Fencing	\$ -	\$ 75,000	\$ -	\$ -	\$ -
Entry Station Electrical	\$ 2,000	\$ 15,000	\$ -	\$ -	\$ -
Trash Recycling	\$ -	\$ -	\$ 2,700	\$ 43,400	\$ -
Vault Toilet	\$ -	\$ 50,000	\$ -	\$ 190,000	\$ -
Shelters	\$ -	\$ -	\$ -	\$ 125,000	\$ -
Plastic Tables	\$ -	\$ -	\$ -	\$ 31,000	\$ -
Benches (Metal Or Shrike)	\$ -	\$ -	\$ -	\$ -	\$ 9,000
Water Exploration Area	\$ -	\$ -	\$ -	\$ 22,500	\$ -
Concessionaire Building (1,000 sq. ft.)	\$ -	\$ -	\$ -	\$ -	\$ 2,500,000
Restrooms	\$ -	\$ -	\$ 45,000	\$ -	\$ 500,000
Equipment Storage Building (Armway)	\$ -	\$ -	\$ -	\$ 15,000	\$ -
Armway Equipment	\$ -	\$ -	\$ -	\$ -	\$ 5,000
Roads, Trails, & Infrastructure					
Fencing Around The Dam	\$ 90,000	\$ -	\$ -	\$ -	\$ -
Sprague	\$ 5,000	\$ 20,000	\$ 22,500	\$ 10,000	\$ 7,500
Soil Surface Trail	\$ 118,800	\$ 28,000	\$ 65,950	\$ 103,850	\$ 45,850
Parking Lot + Gravel Road Repair/Improvement	\$ 10,000	\$ -	\$ -	\$ -	\$ -
Clark Gate	\$ 7,500	\$ -	\$ 10,250	\$ -	\$ -
Trail Rehabilitation (Stops & Visitor Rest)	\$ 850	\$ 1,372	\$ 3,749	\$ 7,021	\$ 3,247
Cleaning And Grubbing	\$ -	\$ 11,475	\$ 36,575	\$ 19,675	\$ -
Asphalt Paving	\$ -	\$ 191,250	\$ 297,000	\$ -	\$ 83,500
Gravel Paving	\$ -	\$ -	\$ 45,000	\$ -	\$ 90,000
Road Connected To Restroom	\$ -	\$ -	\$ -	\$ -	\$ 200,000
Concrete Paving For Shelter Annex	\$ -	\$ -	\$ -	\$ 86,800	\$ -
Decorative Trees	\$ -	\$ -	\$ -	\$ 18,000	\$ -
Timbers	\$ -	\$ -	\$ -	\$ -	\$ 9,000
Crusher Fines Plus For Trail	\$ -	\$ -	\$ -	\$ -	\$ 5,400
Concrete Trail	\$ -	\$ -	\$ 120,720	\$ -	\$ -
Leak/Parade Shifting	\$ -	\$ 3,750	\$ -	\$ -	\$ -
Timber Steps	\$ -	\$ -	\$ 42,240	\$ -	\$ -
Earthwork (Earth Berm Gateways/Access)	\$ -	\$ -	\$ -	\$ 3,600	\$ -
Paving All Shouting Lims	\$ -	\$ -	\$ -	\$ 900	\$ -
Capital Costs	\$ 284,040	\$ 423,947	\$ 747,964	\$ 763,498	\$ 3,636,988
25% Contingency Costs	\$ 71,010	\$ 105,982	\$ 186,986	\$ 185,374	\$ 909,247
Capital Costs with Contingency	\$ 355,050	\$ 529,929	\$ 934,950	\$ 948,872	\$ 4,546,235
General Conditions & Mobilization Costs	\$ 31,244	\$ 46,603	\$ 82,234	\$ 82,885	\$ 400,989
Design Costs	\$ -	\$ -	\$ -	\$ -	\$ -
Total Capital Costs	\$ 421,799	\$ 629,413	\$ 1,110,182	\$ 1,118,842	\$ 6,400,927

Table 2. Infrastructure by Phase

Facility Inputs	i	ii	iii	iv	v	vi
Reservoir Size	1,170	1,170	1,170	1,170	1,170	1,170
Percent of Total Capital Costs Incurred	4.8%	12.0%	34.7%	37.4%	38.4%	100.0%
Miles of Trails	2.0	3.0	8.2	17.1	20.2	20.2
Entry Station	-	-	1	-	-	1
Concessionaire Building	-	-	-	-	-	1
Buildings	-	1	-	1	-	2
Parking Spaces	150	225	430	430	430	580
Square Feet	300	300	300	300	300	1,956
Port-a-Lets	1	1	2	3	3	3
Vault Toilets	-	1	-	-	-	1
Campsites	-	-	-	-	-	18
Group Picnic Sites	-	-	-	-	36	36
Incline Challenge	-	-	1	-	-	1
Water Exploration Area	-	-	-	-	-	1
Archery Range	-	-	-	-	-	1
Shedding Hill	-	-	-	-	-	1
Special Events	3	3	4	4	5	6

Table 3. Operating Expenditures by Phase

Labor Costs	i	ii	iii	iv	v	vi
Full Time Staff	-	1	1	1	1	3
Average Annual Salary Paid	\$ -	\$ 56,000	\$ 56,000	\$ 56,000	\$ 56,000	\$ 177,000
Average benefits (35%)	\$ -	\$ 20,600	\$ 20,600	\$ 20,600	\$ 20,600	\$ 61,850
Subtotal FT Labor Cost	\$ -	\$ 76,600	\$ 76,600	\$ 76,600	\$ 76,600	\$ 238,850
Seasonal workers	2	2	3	3	6	6
Total Seasonal Hours Worked	2,600	3,600	3,000	3,000	5,000	6,000
Subtotal Seasonal Labor Cost (\$13/hr)	\$ 26,000	\$ 39,000	\$ 39,000	\$ 39,000	\$ 78,000	\$ 117,000
Subtotal Labor Costs	\$ 26,000	\$ 115,600	\$ 115,600	\$ 115,600	\$ 237,900	\$ 455,950
Operating Costs						
Utilities (based on sq. ft.)	\$ -	\$ 584	\$ 584	\$ 584	\$ 584	\$ 3,697
Equipment & Materials (based on sq. ft.)	\$ -	\$ 857	\$ 857	\$ 857	\$ 857	\$ 5,615
Building Repair & Maintenance (based on sq. ft.)	\$ -	\$ 74	\$ 74	\$ 74	\$ 74	\$ 488
Land Repair & Maintenance (based on trail-mi)	\$ 1,386	\$ 2,078	\$ 5,681	\$ 11,847	\$ 13,885	\$ 13,885
Equipment Repair & Maintenance (per visitor)	\$ 385	\$ 1,178	\$ 1,976	\$ 3,227	\$ 4,017	\$ 4,870
Purchased Services (per visitor)	\$ 4,110	\$ 13,271	\$ 22,227	\$ 34,320	\$ 45,207	\$ 54,802
Uniforms (based on total employees)	\$ 68	\$ 132	\$ 132	\$ 132	\$ 264	\$ 396
Vehicles Leased	1	1	1	1	2	2
Vehicle Lease Costs (\$6,000/yr)	\$ 6,000	\$ 6,000	\$ 6,000	\$ 6,000	\$ 12,000	\$ 12,000
Vehicles Repair & Maintenance Costs	\$ 184	\$ 194	\$ 184	\$ 184	\$ 389	\$ 389
Vehicle Fuel Costs	\$ 2,058	\$ 2,059	\$ 2,059	\$ 2,059	\$ 4,118	\$ 4,119
Subtotal Operating Cost	\$ 13,886	\$ 28,218	\$ 30,588	\$ 61,081	\$ 81,097	\$ 99,861
TOTAL OPERATING COSTS	\$ 39,886	\$ 144,866	\$ 166,219	\$ 178,731	\$ 318,997	\$ 465,931

Table 4. Operating Revenues by Phase

	Phase I	Phase II	Phase III	Phase IV	Phase V	Phase VI
Annual Visitation						
Baseline Visitation	15,000	47,433	79,866	112,299	144,732	175,965
Camping Visitation	-	-	-	-	-	3,295
Group Picnic Visitation	-	-	-	18,000	18,000	18,000
Water Exploration Area Visitation	-	-	-	-	-	500
Boating Visitors	-	1,000	1,250	1,500	1,500	1,500
Archery Visitors	-	-	-	750	750	750
Total Annual Visitation	15,000	48,433	81,116	132,549	184,982	200,000
Revenues						
Average Exhibit Revenue per Visitor	\$ 1.09	\$ 1.09	\$ 1.09	\$ 1.09	\$ 1.09	\$ 1.09
Subtotal/Gala Revenue	\$ -	\$ 52,895	\$ 88,590	\$ 144,782	\$ 180,183	\$ 219,427
Camping Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 19,710
Group Picnic Revenue	\$ -	\$ -	\$ -	\$ 67,500	\$ 67,500	\$ 67,500
Subtotal Camp/Picnic Revenue	\$ -	\$ -	\$ -	\$ 67,500	\$ 67,500	\$ 67,210
Watercraft Annual Rental Revenue	\$ -	\$ 7,500	\$ 9,375	\$ 11,250	\$ 11,250	\$ 11,250
Educational Watercraft Class Revenue	\$ -	\$ 5,250	\$ 5,250	\$ 5,250	\$ 5,250	\$ 5,250
Subtotal Watercraft Revenue	\$ -	\$ 12,750	\$ 14,625	\$ 16,500	\$ 16,500	\$ 16,500
Archery Class Annual Revenue	\$ -	\$ -	\$ -	\$ 4,500	\$ 4,500	\$ 4,500
Subtotal Archery Revenue	\$ -	\$ -	\$ -	\$ 4,500	\$ 4,500	\$ 4,500
Special Events	\$ 3	\$ 3	\$ 4	\$ 4	\$ 5	\$ 6
Subtotal Special Event Revenue	\$ 1,500	\$ 1,500	\$ 2,000	\$ 2,000	\$ 2,500	\$ 3,000
Merchandise & Concession Sales	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 62,468
TOTAL OPERATING REVENUES	\$ 1,500	\$ 67,145	\$ 105,215	\$ 235,282	\$ 271,183	\$ 382,105

Table 5. Financial Analysis by Phase

	Phase I	Phase II	Phase III	Phase IV	Phase V	Phase VI
Operations						
Annual Operating Revenues	\$ 1,500	\$ 67,145	\$ 105,215	\$ 235,282	\$ 271,183	\$ 382,105
Annual Operating Costs	\$ (36,866)	\$ (144,866)	\$ (168,219)	\$ (179,731)	\$ (318,389)	\$ (466,831)
Annual Operations Cash Flow	\$ (35,366)	\$ (77,721)	\$ (63,004)	\$ 55,551	\$ (47,206)	\$ (84,726)
Revenue-to-Expenditure Ratio	3.6%	46.4%	68.5%	130.8%	85.2%	86.0%
Operations & Capital						
Annual Net Cash Flow	\$ (40,286)	\$ (107,133)	\$ (116,517)	\$ (124,180)	\$ (205,593)	\$ (251,451)
Self-Sufficiency	0.3%	8.7%	8.3%	18.1%	67.1%	30.5%
Total Capital Investment	\$ 8,750,775					
Return on Investment	-10.2%					