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United States Department of the Interior

BUREAU OF RECLAMATION
Durango Field Division
185 Suttle Street, Suite 2
Durango, CO 81303-7911



Mr. Phil Lane
President
Pine River Irrigation District
13029 County Road 501
Bayfield, CO 81122

Subject: Contract Administration and Clarification of Lease Terms - Contract 4-02-40-L4010
(Repayment Contract between Pine River Irrigation District (PRID) and the Bureau of Reclamation, Pine River Project, Colorado)

Dear Mr. Lane:

This contract administration letter is to provide clarity and resolution to discussions between the PRID and Western Colorado Area Office concerning land-based recreation at the Pine River Project. These discussions indicate the need to clarify some of the terms in the recreation Memorandum of Agreement (MOA), Contract 4-02-40-L4010, dated June 11, 1984 and the Amendatory Repayment Contract, Ilr-1204, dated November 30, 1953. This clarification will allow the PRID to manage recreation at the reservoir in a more efficient manner:

- The title of the MOA title does not recognize the inclusion of land-based recreation purposes, but it is the intent of the overall MOA to have PRID manage both land and water-based recreation activities and facilities.
- Article 4. Transfer of Responsibility. The intent of the article is to include all land-based recreation activities within the Pine River Project area, including the project lands above the 7,670-foot contour line, to be under the administration of the PRID. The project area and boundary are shown on the attached. In addition, the campgrounds and day use area along the east side of the reservoir are managed by the United States Forest Service and are specifically excluded from PRID's management boundary. The campgrounds include and are known as Middle Mountain, Pine Point, North Canyon, Graham Creek, and the day use area as Old Timers Picnic Area.
- Article 30 of the Amendatory Repayment Contract. This article grants PRID the right to 5/6 of all revenues derived from land and property and the Southern Ute Indian Tribe the right to the remaining 1/6 of revenues within the project area that is required for the operation and maintenance of the project works including revenues from boating and other uses, to be applied against the annual cost of the operation and maintenance of the project works.

We recognize the need to negotiate a new recreation lease to contain updated and current terms and conditions pursuant to Title XXVIII of the Reclamation Recreation Management Act of October 30,

1992 (Public Law 102-575, 106 Stat. 4690-4693). This letter is to serve as clarification to the current agreement until a new recreation lease can be negotiated and executed.

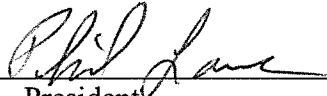
Please indicate your acceptance of the clarifications above by signing in the space provided below and returning this letter to Reclamation. Once Reclamation receives the signed letter, we will then send it to the Southern Ute Indian Tribe for their concurrence and provide you with a signed original. If you have any questions, please contact Ethan Scott, Lands Group Chief with the Western Colorado Area Office in Durango, CO, at (970) 385-6572 or by email at escott@usbr.gov. For the hearing impaired please call the Federal Relay System at (800) 877-8339 (TTY).

Sincerely,

Digitally signed by Ed Warner
 Date: 2021.02.16 07:09:24 -07'00'

Ed Warner
 Ed Warner
 Area Manager

CONCURRENCE



 President Date: 4/28/21
 Pine River Irrigation District

 Chairman Date
 Southern Ute Indian Tribe