

Cache Creek Placer Area Fee Proposal

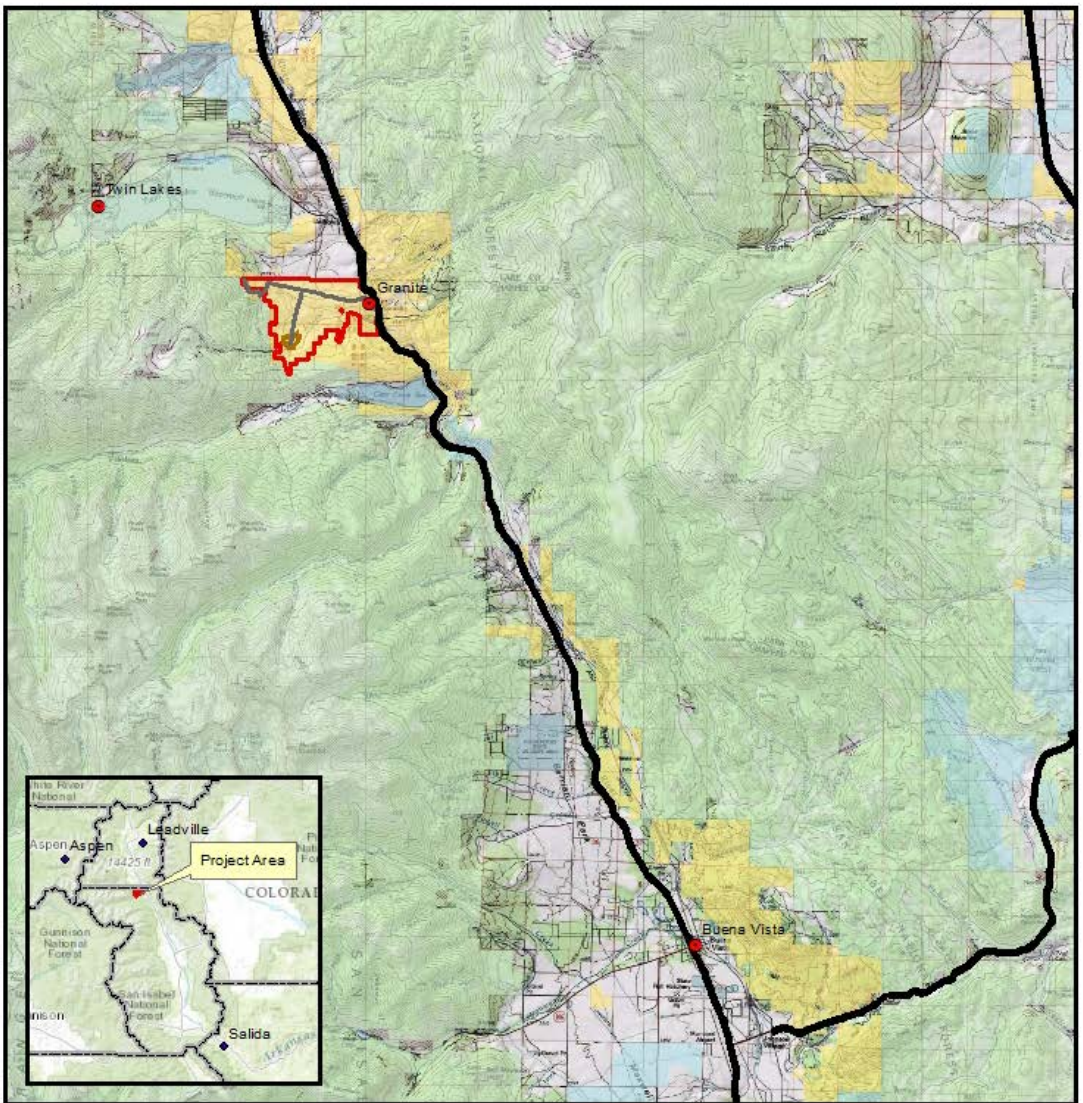


History of Placer Mining at Cache Creek

- Prospecting in Colorado began in 1858
 - 1859, First discovery of gold in Cache Creek Park
 - 1860, Campbell and Shoewalter excavated their first pits in Cache Creek
 - 1863, Cache Creek Ditch completed; introduction of “booming”
 - 1863 – 1865, most productive days in Cache Creek. About 200 people resided in camps in the area.
 - 1866, Cache Creek was formally incorporated as a town, richest gold deposits were exhausted
 - 1867, Workings were 150’ wide and 30’ deep, 4,000 aggregate feet of sluices; company was profitable
 - 1872, Cache Creek mining company purchased the claims, began operations
 - 1881, Company acquired water rights – excavated a system of distribution ditches to take water from Clear Creek and Lake Creek
 - 1883, Twin Lakes Consolidated Placer Mining company purchased the operation (British Investors)
 - 1884, company builds a tunnel and flume to minimize on-going water problems. The completed tunnel and flume nearly tripled placer gold output to \$100,000.
 - 1889, Hydraulic mining introduced – high pressure jets of water squirted from a heavy cast iron or brass nozzle (monitor), 6 were used in Cache Creek
 - 1911, mining in Cache Creek shut down in Colorado’s first environmental lawsuit. Canon City and Pueblo sued the mining company for an injunction against operations due to sediment loads in the river
- After 50 years of profitable operations, Cache Creek was shut down during production. Placer gold still remains in the area.

Where the BLM Comes in

- In January 2000, the Bureau of Land Management acquired 2,160 acres, through which Cache Creek flows, extending from the USFS boundary to Highway 24.
 - The parcel was acquired from the Land Water Conservation Fund with support from Colorado Parks and Wildlife
 - It was purchased to help protect critical elk and riparian habitat, as well as provide recreational access.
 - Since it was acquired land, it is not open to mining law; claims can't be filed and mining regulations don't apply



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|  Cities and Towns |  Bureau of Land Management |
|  US Hwy |  Private |
|  Roads |  State |
|  Cache Creek Placer Area (Pet on Leash Area) |  State, County, City; Areas |
|  Parking Area |  US Forest Service |
|  Cache Creek Parcel (Permit Area) | |

6th PM, T12S, R80W Sec. 1 & 2
 T11S, R80W Sec. 34-36,
 T12S, R79W Sec. 6
 T11S, R79W Sec. 31



- In 2005 BLM signed a decision to focus mineral collection in a designated area within the parcel. The document estimated minimal impacts and low volumes of use.
- Around 2010 staff began to see increases in mineral collection activities at the site and associated impacts to resources. Public safety concerns were also identified.
 - This increase in use coincided with the economic downturn and increase in interest in prospecting.
 - Management controls were inadequate to manage this high level of use







- In 2012 the BLM began formally investigating management solutions.
 - Included working with the RAC, prospecting clubs, Colorado Division of Water Resources, Colorado Parks and Wildlife, along with providing multiple public input opportunities.
- The illegal water diversion was addressed by DWR and the private land owner.
- The last two years visitor use declined but digging shifted to near the cemetery for easier access to water
 - Resulted in impacts to historic properties
- A decision was signed for the management plan in 2016.
 - Identified the need for a permit along with terms and conditions
 - Goes back to focusing use in a designated area
 - Allows for gold panning throughout the parcel
 - Follows the original season of use to protect wintering elk
 - Allows for re-circulating mechanized equipment and wheeled devices
 - Identified the need for a fee to adequately protect resources

Projected Expenses

	2016*	2017	2018	2019	2020
Toilets ¹	\$ 1,377	\$ 1,377	\$ 0	\$ 0	\$ 0
Reclamation	\$ 5,400	\$ 5,400	\$ 5,400	\$ 5,400	\$ 5,400
Road Maintenance	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500
Patrolling/Monitoring/Law Enforcement (anticipate larger need upfront)	\$ 30,946	\$ 30,946	\$ 22,306	\$ 22,306	\$ 22,306
Campground Host (\$125/week x 20 weeks)	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500
Materials and Supplies	\$ 300	\$ 300	\$ 500	\$ 500	\$ 500
Capital Improvements ²	\$ 10,000	\$ 0	\$ 30,000	\$ 0	\$ 0
Annual Cost Totals	\$ 51,023	\$ 41,023	\$ 61,206	\$ 31,206	\$ 31,206

Comparable Sites

Comparable Site	Rate
Reed Gold Mine, SC	\$2.00/day
Big Thunder Gold Mine SD	\$25/five hours with equipment
Jamestown CA	\$6.00/day
Crow Creek AK	\$20.00/day
Alabama Gold Camp AL	\$5.00/day
Crow Creek AK	\$10.00/half day
Country Boy Mine CO	\$9.95/day
Custer State Park	\$15.00/vehicle
BLM-Redding, CA	\$5.00/five days
BLM-Point Barr	\$25/two years
Gold Prospectors of Colorado (GPOC) club	\$25.00/year
Colorado Prospectors club	\$69.00/year
Cache Creek Placer Area	\$5.00/day or \$25.00/year

Analysis of Revenue Scenarios

	Private Facility-Daily	Annual Fee-Clubs	Annual Fee-Point Barr	Daily Rate-BLM	Proposed Combination-Daily/Annual
Fee	\$10.33*	\$25**	\$12.50	\$5.00	\$25/\$5
# of day-pass Users/Year	1909	N/A	N/A	1909	954.5 (1/2 of average # of users)
# of annual-pass Users/ Year ***	N/A	1909	1909	N/A	954.5 (1/2 of average # of users)
Estimated Revenue	\$19,719.97	\$47,725	\$23,862.50	\$9,545	\$28,635.00
Revenue/Expense Difference, 2016	(\$31,303)	(\$3,298)	(\$27,161)	(\$41,478)	(\$22,388)
Revenue/Expense Difference, 2017	(\$21,303)	\$6,702	(\$14,534.21)	(\$31,478)	(\$12,388)
Revenue/Expense Difference, 2018	(\$41,203)	(\$13,481)	(\$37,343.50)	(\$51,661)	(\$32,571)
Revenue/Expense Difference, 2019	(\$11,486)	\$16,519	(\$7,343.50)	(\$21,661)	(\$2,571)
Revenue/Expense Difference, 2020	(\$11,486)	\$16,519	(\$7,343.50)	(\$21,661)	(\$2,571)

Public Input

- Minimal comments received on the fee throughout the process
- Changed the decision language to make it affordable to families based on comment