

**Rio Grande Inter-Basin Roundtable**  
c/o San Luis Valley Water Conservancy District  
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Alamosa, Colorado 81101  
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November 23, 2010

To the Attention of: Mr. Todd Doherty, Intrastate Water Management & Development  
Colorado Water Conservation Board

RE: Proposal for ***THE McDONALD DITCH AND PLAZA PROJECT : PHASE I – PLANNING***

Dear Mr. Doherty:

The Rio Grande Inter-Basin Roundtable (RGRT) has determined that the single, most critical water issue confronting the Rio Grande Basin is the current unsustainable management of surface and ground water. Thus, the RGRT has made the decision that water activities that address this issue be favorably considered for funding from the Water Supply Reserve Account, SB 2005 -179, providing that the proposed water activities meet the SWSI findings for the Basin and the CWCB and IBCC Criteria and Guidelines for funding.

At the regular RGRT meeting on November 9, 2010, as Vice Chair of the RGRT, I chaired the portion of the meeting in which a request was considered from the Colorado Rio Grande Restoration Foundation (Foundation) for funding *The McDonald Ditch & Plaza Project Phase 1- Planning (Plaza Project – Phase I)*. I assumed the role of Chair for this vote, as Mike Gibson, Chair of the RGRT, is also the Secretary / Treasurer of the Colorado Rio Grande Restoration Foundation, the entity representing the joint applicant of the McDonald Ditch Company and the Rio Grande Headwaters Restoration Project (RGHRP).

At the meeting on November 9, 2010, the members of the Rio Grande InterBasin Roundtable voted unanimously to recommend funding for the *Plaza Project – Phase I* with Rio Grande Basin Funds in the requested amount of \$40,000.00.

The total cost of *Plaza Project – Phase I*, Rio Grande County, Colorado, is estimated at \$90,000.00. The RGRT is requesting authorization and consideration for distribution of funds pursuant to SB 2005 -179, for Basin Funds of \$40,000.00. The balance of the required funds will come from contributions from the McDonald Ditch Company and other ditch companies associated with the project of \$7,000.00, and in-kind Engineering Services from the NRCS of \$36,200.00 as outlined in the proposal budget.

The *Plaza Project – Phase I* is a 5-month analysis of design, engineering, and implementation options to restore historical functions of the 2.8 mile reach of the Rio Grande at Sevenmile Plaza, including the diversions of the McDonald, Silva, Atencio, and Prairie Ditches.

This *Plaza Project – Phase I* represents a milestone as it is the first real opportunity for the RGHRP to work directly with ditch companies. It is anticipated that this project will lead to

further collaboration between the RGHRP and the over 40 ditch companies on the Rio Grande.

The subsequent *The McDonald Ditch & Plaza Project – Phase II* will involve further delineation and engineering of the findings of Phase I and the implementation of those findings.

#### *Plaza Project – Phase I - in the Context of Prior Studies:*

In 2001 a study was completed, sponsored by the San Luis Valley Water Conservancy District and funded through a \$200,000.00 CWCB grant. This study covered 91 miles of the Rio Grande from South Fork to the Alamosa / Conejos County line. This is the reach of the river in Colorado most impacted by human intervention, including the operation of some 49 diversion structures, and the development of many riverside properties. The 2001 Study assessed conditions in terms of the following criteria:

- Provide access to the river for agricultural water diversions.
- Maintain and restore riparian habitat wherever possible.
- Protect lives and property.
- Ensure deliveries of Rio Grande Compact obligations.
- Protect channel and flood plain from flood damage.
- Maintain channel and over bank capacity.

In 2004, the RGHRP received an EPA 319 Non – Point Source grant to work with NRCS to perform riparian restoration on properties of 17 landowners in Rio Grande County, Colorado. In 2007 the *Rio Grande Headwaters Restoration Strategic Plan*, was completed. This *Strategic Plan* was partially funded through the Colorado Watershed Protection Fund and severance taxes, administered by CWCB, and an EPA 319 Watershed Planning grant. During this time the RGHRP has also engaged in education and outreach to landowners, county officials and the general public.

Since 2004 the RGHRP has received additional Colorado Non-Point Source grants for Phase 3 and Phase 4 for this work, both of which were matched with WWSA grant monies. These Phases will result in over \$900,000.00 of riparian stabilization being completed on the Rio Grande. In 2009, the RGHRP was awarded a Natural Resources Conservation Service (NRCS) Cooperative Conservation Partnership Initiative (CCPI) grant of \$390,000.00, and in 2010 the RGHRP was awarded a NRCS Colorado Partnership Program (CPP) grant of \$250,000.00. These grants are being matched through the RGHRP with monies from the Rio Grande Water Conservation District and previously awarded WWSA funds. Both the CCPI & CPP grants have allowed the NRCS to work with private landowners (17) to implement riparian stabilization on their properties.

#### *Plaza Project – Phase I - Landowners, Ditch Companies and Water Rights:*

Landowners in the Sevenmile Plaza area on the Rio Grande, in Rio Grande County, Colorado, represent some of the most senior water rights in Colorado, dating back to 1866 and the first application of water in District Number 20. Over the years, six generations have accessed Rio Grande water for irrigation, wildlife habitat, ranching and recreation.

The *Plaza Project – Phase I* will identify and analyze available resources and create the Plaza Plan to improve the capability of the McDonald, Silva, Atencio and Prairie diversions, and to fulfill the following historical functions: (1) Improve access to the river for water diversion; (2) protect channel and floodplain from damage by flooding; (3) maintain riparian habitat; (4) deliver Rio Grande Compact commitments; and (5) maintain channel capacity and overbank capacity. The analysis will determine the best approaches for meeting Rio Grande Compact deliveries and satisfying the priority water rights system in ways that also improve river function and avoid adverse impacts. Supported by the NRCS design and engineering, some additional geomorphic and micro-hydroelectric engineering data will be developed as potential options for the McDonald, Silva, Atencio, and Prairie diversions which lie in Reach C of the 2001 Study.

The *Plaza Project – Phase I* will yield a deeper understanding of the historical, socio-cultural, and contemporary events that may have affected or which could in the future affect the Rio Grande corridor and riparian areas at this location. Such data will inform the technical analyses involved in meeting the five key functions described above and will help the partners gain a deeper understanding of local considerations, contributions, or limitations affecting the Phase II implementation of the Phase I findings.

On behalf of the RGRT Members, we appreciate the Board's consideration of this request and urge your support to the fullest extent possible.

By this letter, I am forwarding the application and supporting materials for the ***THE McDONALD DITCH AND PLAZA PROJECT : PHASE I – PLANNING*** project. If you require additional information, please contact me or the project proponents as needed.

We in the Rio Grande Basin greatly appreciate the ongoing support of the Department of Natural Resources, the Colorado Water Conservation Board and the Interbasin Compact Commission in meeting the needs of all users of Colorado's water and in fostering intrabasin and interbasin communications and discussions. We believe that the above project will assist in this effort.

Sincerely,

A handwritten signature in cursive script that reads "Rio de la Vista".

Rio de la Vista  
Vice-Chair, Rio Grande Inter-Basin Roundtable  
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Enclosures (1)

C: Rio Grande Headwaters Restoration Project w/encs.  
McDonald Ditch Company w/encs.