

# STATE OF COLORADO

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## Colorado Water Conservation Board Department of Natural Resources

1313 Sherman Street, Room 721  
Denver, Colorado 80203  
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TO: Colorado Water Conservation Board Members

FROM: Greg Johnson,  
Water Supply Planning Section

DATE: November 3, 2011

SUBJECT: **Agenda Item 31.a, November 15-16, 2011 Board Meeting**  
Water Supply Reserve Account Change of Fiscal Agent –  
Lower Willow Creek Restoration Project

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John W. Hickenlooper  
Governor

Mike King  
DNR Executive Director

Jennifer L. Gimbel  
CWCB Director

### Staff Recommendation

Staff recommends granting the requested change of fiscal agent for the Water Supply Reserve Account application of the Lower Willow Creek Restoration Project.

### Background

The Mineral County Fairgrounds Association received approval for a WSRA grant for the Lower Willow Creek Restoration Project totaling \$250,000 at the September 2009 CWCB Board Meeting. The grant includes \$50,000 from the Rio Grande Basin Account and \$200,000 from the Statewide WSRA Account. The CWCB grant provides a critical match for \$398,770 of EPA 319 grant funds approved for the project. The initial project application was submitted by the Willow Creek Reclamation Committee with the San Luis Valley Resource Conservation and Development Council (SLVRC&D) serving as the fiscal agent. Due to complications with the SLVRC&D, the Mineral County Fairgrounds Association (MCFA) assumed full fiscal responsibilities for the WSRA grant prior to the CWCB's approval. To be consistent with fiscal agent responsibilities of the 319 funds the fiscal agent was then changed to the City of Creede at the May 2010 CWCB Board Meeting.

To streamline administration and management of the project, project proponents now request that the fiscal agent be changed to the Lower Willow Creek Restoration Company (LWCRCo), a non-profit whose sole focus is the restoration project. LWCRCo will manage and administer project funds from all sources and ultimately hold title to the land. The non-profit board of LWCRCo consists of two City of Creede Trustees and two members from the current owners, Creede Resources Inc. The Willow Creek Reclamation Committee (WCRC) will continue to serve its role as an advisor to the City of Creede and the Lower Willow Creek Restoration Company. WCRC will aid with project management, technical assistance and serve as a contact to agency personnel, the public and other interested stakeholders.

# Willow Creek Reclamation Committee

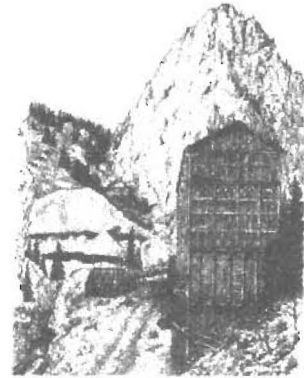
Chairman: Zeke Ward  
Phone: 719-658-2425

Director: Guinevere Nelson  
Phone: 719-658-0178

P.O. Box 518  
Creede, CO 81130

[willowcreekrc@my.amigo.net](mailto:willowcreekrc@my.amigo.net)

[www.willowcreede.org](http://www.willowcreede.org)



Colorado Water Conservation Board  
1313 Sherman Street Room 721  
Denver, CO 80203  
303-866-3441

October 21, 2011

Colorado Water Conservation Board,

We appreciate your continued support of the Lower Willow Creek Restoration Project to reclaim the Willow Creek floodplain from historic mining activities. The Willow Creek Reclamation Committee (WCRC) and the City of Creede continue to make progress toward restoring this site to a natural functioning floodplain, to returning riparian and upland vegetation, and rebuilding the gateway to the City of Creede.

Initially the \$200,000 requested from the Water Supply Reserve Account and the \$50,000 from the Rio Grande Basin Roundtable was to be administered through the San Luis Valley Resource Conservation and Development Council. The fiscal agent was then changed to the City of Creede to be consistent with our fiscal agent for Colorado Department of Public Health and Environment 319 funds.

At this time, we request to change the fiscal agent to the Lower Willow Creek Restoration Company (LWCRCo), a non-profit whose sole focus is the restoration project and will administer all project funds. This non-profit board consists of two City of Creede Trustees and two members from the current owners, Creede Resources Inc. This structure ensures that the Lower Willow Creek floodplain property will be remediated and that both parties' interests are represented throughout the lifetime of the restoration project. In essence, this change is in name only as the LWCRCo must seek approval from the City of Creede Town Board of Trustees.

The Willow Creek Reclamation Committee will continue to serve its role as an advisor to the City of Creede and the Lower Willow Creek Restoration Company. WCRC will aid with project management, technical assistance and serve as a contact to agency personnel, the public and other interested stakeholders.

Your agreement to this request will ensure prompt and appropriate use of the funds as outlined in the scope of work. Also it will streamline administration and management of the project because the LWCRCo will be the fiscal agent for all funds.

# City of Creede

A Colorado Town

P.O. Box 457  
Creede, CO 81130  
(719) 658-2276  
Fax 658-2017



Colorado Water Conservation Board  
1313 Sherman Street, Room 721  
Denver, Colorado 80203

October 21, 2011

Colorado Water Conservation Board,

The "Lower Willow Creek Restoration Project" approved grants for \$200,000 from the Water Supply Reserve Account and \$50,000 from the Rio Grande Basin Roundtable, which lists the City of Creede as the fiscal agent. Because the Lower Willow Creek Restoration Company will be the fiscal agent for all other funds for said project, the City of Creede does not object to relinquishing fiscal agent sponsorship for the WSRA and Rio Grande Roundtable funds.

The City of Creede and local community wish to see the highly disturbed Lower Willow Creek floodplain south of town restored to a natural functioning stream with open space access as efficiently and timely as possible. The City has a vested interest in the restoration project and the non-profit that will hold title to the land as two Trustees sit on the Lower Willow Creek Restoration Company board. With oversight by the municipality, the LWCRCo will be beholden to the greater community of Creede and is therefore an appropriate entity to fiscally sponsor this grant. The Willow Creek Reclamation Committee is in line with this change and WCRC staff will continue to serve the role outlined in the Scope of Work.

The City of Creede supports the change in sponsorship to the Lower Willow Creek Restoration Company for the "Lower Willow Creek Restoration Project" grants awarded by the Colorado Water Conservation Board and Rio Grande Basin Roundtable.

Thank you for your consideration.

Respectfully,

Clyde Dooley  
City of Creede-Town Manager

Thank you for your time, consideration and financial support of this project.

Respectfully,

A handwritten signature in cursive script, reading "Guinevere Nelson". The signature is written in dark ink and is positioned above the printed name and contact information.

Guinevere Nelson  
Watershed Coordinator  
Willow Creek Reclamation Committee  
719-658-0178  
willowcreekrc@my.amigo.net

# Willow Creek Reclamation Committee

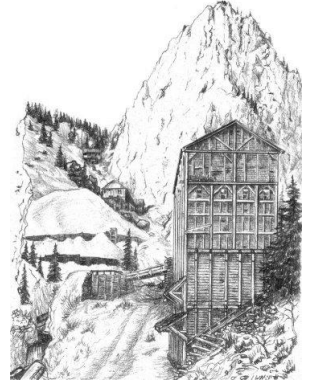
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## Dear Colorado Water Conservation Board

Please accept this revised statement of work for the Lower Willow Creek Floodplain project. We are working on finalizing the budget and would like to present it when it is complete. Since the original scope of work was submitted, the engineering firm has changed and we are working to ensure that our budget is still correct.

The finalized budget is in motion, and we will present it prior to contracting. If you have any questions, please do not hesitate to contact the Willow Creek Reclamation Committee. Thank you.

Respectfully,

Guinevere Nelson  
Watershed Coordinator  
Willow Creek Reclamation Committee

## **INTRODUCTION AND BACKGROUND:**

Lower Willow Creek and its floodplain below Creede have been significantly impacted from upstream mining operations, milling operations, conveyance and storage of mill waste, and physical disturbance. Prior to mining, the now highly braided and unsightly Lower Willow Creek was a stable, meandering stream with dense willow vegetation.

The local Creede community has had a vision to restore the floodplain area to a community resource with a natural functioning stream and floodplain system. The Willow Creek Reclamation Committee (WCRC) has been working to restore the Willow Creek watershed since 1997 with one of its primary missions to reclaim Lower Willow Creek and its floodplain. The WCRC will be aiding the City of Creede to design, manage and implement the Lower Willow Creek Restoration Project.

The majority of the floodplain area is currently owned by Creede Resources, Inc. and negotiations have concluded to donate this land to the City of Creede via a non-profit. Lower Willow Creek Restoration Company (LWCR Co) has been formed to oversee the project, take title, and administer funds. This entity consists of (2) City of Creede Town Trustees, and (2) Creede Resources, Inc. representatives, and is expected to take title to the floodplain lots this next month (December 2011.) This will clear the way for work to begin in early 2012. Upon completion of the clean up project the future plan is to donate this property as open space to the city of Creede. In additions, this WRSA grant will fund the cost to restore the channel between the flume and the downstream limit of the MCFA property.

## **OBJECTIVES:**

The overall objective of the Lower Willow Creek Restoration Project is to restore the lower Willow Creek from its current braided form within its disturbed floodplain to a state more similar to pre-mining conditions. Additional objectives include:

- Restore stream functions to improve long-term management of stream energy and sediment transport within a single or double-thread meandering channel.
- Improve water quality of Lower Willow Creek and Rio Grande Segment 4 by reducing stream erosion and interaction with contaminated soils and relocation of contaminated soils above the water table
- Reduce evaporative water loss affecting Rio Grande water users by reducing areas of braided stream channel and wetted soils
- Reduce public health risk associated with direct contact with contaminated soils and improve soil conditions for re-vegetation
- Improve riparian habitat, long-term stream stability, and aesthetic conditions with appropriate vegetation for riparian and upland areas
- Improve aesthetic conditions, recreational values, and educational opportunities with landscaping and trails
- Improve downstream fisheries and support for threatened and endangered species through improvements to water quality and riparian habitat

Stream channel restoration will be limited to the Creede Resources and the Mineral County Fairgrounds Associations properties, while floodplain restoration will be limited to the Creede Resources property.

## **TASKS:**

### **Task 1: Project Management and Administration**

#### **Description of Task**

- Manage and administer project design, bidding, construction, and execution
- Develop bid documents and solicit and select construction contractor or contractor team
- Facilitate transfer of property to non-profit or governmental entity
- Submit reimbursement requests, pay invoices, and track project expenditures
- Provide CWCB a progress report every 6 months after contract date  
Progress reports will describe the completion or partial completion of project tasks, description of any major issues, and any corrective actions
- Provide CWCB a final report upon completion of project  
Final report will summarize activities and document project

#### **Method/Procedure**

The LWCR Co will be primarily responsible for project management, administration, accounting, and reporting while the LWCRCo will be responsible for the property transfer, submission of reimbursement requests, invoice payment, and overall oversight of the project. The City of Creede or WCRC may assume additional management responsibilities if needed. All funds will either be retained by the LWCR Co to either offset or directly reimburse Willow Creek Reclamation Committee staff for time spent directly on project tasks. Any portions of unused administrative expenses will be applied to direct construction expenses upon approval of the CWCB.

#### **Deliverables**

- Contractor bid documents
- An accounting of project expenditures
- Progress reports every 6 months after contract date
- Final progress report upon completion of project

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### **Task 2: Final Design and Construction Supervision**

#### **Description of Task:**

Although a conceptual plan and preliminary design parameters were developed by the NRCS, a final design for the Lower Willow Creek Restoration Project has not yet been developed. The final design will define design layout, construction procedures, estimated costs, and construction schedules and will integrate preliminary design information, areas of contamination, ease of construction, cleanup goals, and elevation profiles. Design tasks may include additional investigation of extent and depth of soil contamination or rely on other recent investigations. The final design may indicate a layout, procedures, or costs that are different than the conceptual plan and cost estimates presented in the

WSRA grant application. A portion of this final design may be performed as part of a voluntary clean up plan (VCUP) application. This task also encompasses construction supervision.

**Method/Procedure:**

As directed by CWCB, all engineering work shall be performed by or under the responsible charge of professional engineer licensed by the State of Colorado. An experienced consulting hydrologist working with an engineer could be responsible for some portions of design or construction supervision. The final design will be developed by Casey Resources Inc; an engineering firm contracted by the City of Creede and LWCRCo. A construction supervisor or supervisors may be a Willow Creek Reclamation Committee staff reimbursed through the LWCRCo or a qualified supervisor employed by the construction contractor or contractor team. Any portions of unused design expenses will be applied to direct construction expenses upon approval of the CWCB.

**Deliverable**

- Final design
  - Construction supervisor
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**Task 3: Re-construct Stable Stream Channel/s, Bank, and Wetland Areas**

**Description of Task:**

Elements of project construction will be defined and driven by the final design (task 2). However, project construction will generally be limited to the following activities.

- Cut, fill, and grade floodplain area
- Relocate areas of highly contaminated soil above groundwater table
- Place adequate soil/fill on channel overbank areas
- Excavate meandering single or double stream channel based on final design
- Stabilize ditch diversion structures with designed control structures
- Excavate new ditch channels if required
- Stabilize new channel grades with rock cross-vanes
- Stabilize outside bends with J-hooks, log structures, and/or willow re-vegetation
- Apply adequate soil and/or amendments for establishment of vegetation in channel area
- Plant additional willow and other appropriate vegetation in channel area
- Construct wetland areas in soil borrow areas with willow and/or hydrophytes

**Method/Procedure:**

Bids will be solicited directly from contractors. In the case that bids do not meet available budget, individual contractors may be managed by the LWCRCo through the City of Creede or through a contracted supervisor.

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**Phase 2 Tasks:**

The following Non-CWCB tasks of the overall project will follow completion of the CWCB portion of project. There is no cost to CWCB for these tasks.



**Task 4:** Monitor channel stability, water quality, and re-vegetation (phase 1/2)

**Task 5:** Transfer land from the non-profit to the City of Creede if timing is appropriate

**Task 6:** Apply soil cap to upland areas within floodplain

**Task 7:** Landscaping and trails design and installation

## **REPORTING AND FINAL DELIVERABLE:**

**Progress Reports:** The LWCRCo will provide the CWCB a progress report every 6 months, beginning from the date of the executed contract, as mentioned in Task 1. The progress report shall describe the completion or partial completion of the tasks identified in the statement of work including a description of any major issues that have occurred and any corrective action taken to address these issues.

**Final Deliverable:** At completion of the project, the applicant shall provide the CWCB a final report that summarizes the project and documents how the project was completed. This report may contain photographs, summaries of meetings and engineering reports/designs.

## **KEY PERSONNEL**

**Fiscal Agent/** Lower Willow Creek Restoration Company  
**Project Administration:** P.O. Box 457 / 2223 N. Main St  
Creede, CO 81130  
719-658-2276

**Project Management:** Willow Creek Reclamation Committee  
P.O. Box 518  
Creede, CO 81130  
719-658-0178

**Technical Assistance:** Willow Creek Reclamation Committee's Technical Advisory Committee (TAC) Includes professionals from United States NRCS, EPA, FWS, BLM, and FS; Colorado CDPHE and CDRMS; retired chemists, engineers, and geologists.

Bruce Van Haveren      Restoration Consultant / Volunteer  
With a Ph.D. in Natural Resources Policy, Mr. Haveren is a retired federal scientist and adjunct faculty member and consults on ecological monitoring and watershed hydrology.  
Heads WCRC TAC Re-vegetation subcommittee.

Agro Engineering, Inc. 0210 Road 2 South, Alamosa, CO 81101  
Agro Engineering completed the Willow Creek Flood Control and Stream Stability Study for the CWCB and the WCRC, served as contractor on the CWCB's Rio Grande Headwaters Restoration Project and Alamosa River Watershed Restoration Master Plan and Environmental Assessment, and has local experience in stream restoration design, soil reclamation, and hydraulic modeling.

Steve Belz, Black Creek Hydrology, LLC;  
10998 Patterson Court, Northglenn, CO 80234  
Hydrologist Steve Belz has worked on numerous stream restoration including the projects on the Rio Chama, Lake Fork of the Gunnison, Poudre River, and Alamosa River; and may provide consultation on final

design and construction.

Zeke Ward  
417 West Pine Drive  
Creede, CO 81130

Zeke Ward is the chairman of the Willow Creek Reclamation Committee and was the project manager and construction supervisor for the Mineral County Fairgrounds Association voluntary clean-up plan project.

Paul Casey, Casey Resources Inc.  
4890 Kipling Street, Wheat Ridge, CO 80033  
Casey Resources provides environmental engineering, consulting, remediation, and management services; and has worked as consultant for Creede Resources to complete Voluntary Cleanup Plans of the mill site near Lower Willow Creek.