

**Water Supply Reserve Account – Grant and Loan Program**  
**Water Activity Summary Sheet**  
**September 24, 2013**  
**Agenda Item 18(l)**

**Applicant:** The Lower Willow Creek Restoration Company (LWCRCO)

**Water Activity Name:** Lower Willow Creek Restoration Project: Phase 2

**Water Activity Purpose:** Nonconsumptive

**County:** Mineral

**River Basin:** Rio Grande

**Water Source:** Willow Creek

**Amount Requested:** \$55,000 (Rio Grande Basin Account)

**Matching Funds:** \$22,250 (12%) cash match (CDPHE, Creede Resources, Inc.), \$107,750 (58%) in-kind

<b>Staff Recommendation</b>
Staff recommends approval of up to \$55,000 from the Rio Grande Basin Account to help complete the project titled: Lower Willow Creek Restoration Project: Phase 2

**Water Activity Summary:**

The proposed project will begin Phase 2 of the Lower Willow Creek Restoration Project. Work conducted during the first phase of this project included the identification of contaminated soils, construction of the new creek channel and installation of in-stream structures to stabilize the banks. The project will also increase the delivery of water to the Rio Grande by reducing surface area of the channel and thereby reducing evaporative loss. The goal of Phase 2 is to restore and enhance riparian and upland vegetation along the Lower Willow Creek corridor. This phase will address non-consumptive environmental issues, namely water quality and riparian health. To achieve this goal the LWCRCO will oversee the installation of erosion control fabric and wattles along the new channel. Soil will be imported to provide a growing medium for the tree, shrub, graminoid, and forb plantings that will occur to return the project site to a more natural state. Soil excavation, erosion control installation and vegetation enhancement activities will be conducted as part of Phase 2 of the Lower Willow Creek Restoration Project.

The Water Supply Reserve Account will fund Phase 2 activities include importing soil and planting/seeding to specified areas, legal fees associated with the topsoil donation, and administration time. Topsoil will be excavated from 'Airport Corner', less than one mile from the project site and stockpiled on the floodplain until vegetation activities are implemented. To obtain this soil, the LWCRCO has received a donation of 10,000 cubic yards of soil from John Parker. The permits associated with the mining of this soil expire in March 2014 and make this activity urgent. Vegetation activities will include spreading topsoil, planting woody riparian species, and seeding sites along the newly created riparian corridor of Lower Willow Creek. Because planting riparian species increases the uptake of metals, the input of organic matter to soil and water, as well as stabilization of creek bank, these proposed activities enhance Phase 1 work and increase water quality to the Rio Grande and enhance/create vegetation along lower Willow Creek. The immediate benefit is to the community of Creede and its visitors, and further to the quality of water in the Rio Grande and downstream users. The \$55,000 requested from the Rio Grande WSRA fund will be spent on the following: \$43,500 for excavation/hauling, \$3,000 for revegetation activities, \$2,500 for administration and \$6,000 for legal fees.

### *Threshold and Evaluation Criteria*

The application meets all four Threshold Criteria.

#### **Issues/Additional Needs:**

- The applicant should provide staff with a detailed monitoring plan that describes geomorphic and biologic monitoring methodologies.
- The monitoring plan should conform to the CWCB Measurable Results Program's Standard Operating Procedures for Topographic Survey of Stream Channels.

#### **Staff Recommendation:**

Staff recommends approval of up to \$55,000 from the Rio Grande Basin Account to help complete the project titled: Lower Willow Creek Restoration Project: Phase 2

All products, data and information developed as a result of this grant must be provided to the CWCB in hard copy and electronic format as part of the project documentation. This information will in turn be made widely available to Basin Roundtables and the general public and will help promote the development of a common technical platform. In accordance with the revised WSRA Criteria and Guidelines, staff would like to highlight additional reporting and final deliverable requirements. The specific requirements are provided below.

**Reporting and Final Deliverable:** The applicant shall provide the CWCB a progress report every 6 months, beginning from the date of the executed contract. The progress report shall describe the completion or partial completion of the tasks identified in the scope of work including a description of any major issues that have occurred and any corrective action taken to address these issues. 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.

**Engineering:** All engineering work (as defined in the Engineers Practice Act (§12-25-102(10) C.R.S.)) performed under this grant shall be performed by or under the responsible charge of professional engineer licensed by the State of Colorado to practice Engineering.

Rio Grande Inter-Basin Roundtable  
c/o San Luis Valley Water Conservancy District  
623 Fourth Street  
Alamosa, CO 81101  
Telephone: (719) 589 – 2230  
Email: slwcdco1@qwestoffice.net

August 20, 2013

Mr. Michael King, Executive Director  
Colorado Department of Natural Resources

Ms. Rebecca Mitchell, Section Chief  
Water Supply Planning Section  
Colorado Water Conservation Board

**Reference: Lower Willow Creek Restoration**

Dear Mr. King and Ms. Mitchell:

The Rio Grande Inter-Basin Roundtable (R.G.R.T) has determined that the single, most critical water issue confronting the Rio Grande Basin (Basin) is the current unsustainable management of surface and ground water. The R.G.R.T. 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 (WSRA Funds), providing the proposed water activities meet the SWSI findings for the Basin and the CWCB & IBCC Criteria and Guidelines for funding.

The applicant for funding is the Lower Willow Creek Restoration Company (LWCRCO) which was formed to oversee activities conducted on the Lower Willow Creek Restoration Project, near Creede Colorado. Willow Creek is a tributary to the Rio Grande. The project site was formerly the storage site for mill tailings from the Emperius Mill, where tailings were stored in settling ponds. On two recorded occasions the berms below these settling ponds were breached and the tailings were washed into Willow Creek and the Rio Grande and killed fish as far downstream as South Fork. Creede Resources Inc., the former owners of this project site, offered to donate the land to the City of Creede in 1998, but the City was reluctant to take title to the land because of the known contamination issues. In 2010, the LWCRCO was formed to ensure that Creede Resources Inc. and the City of Creede would both be involved with the cleanup of the site. Membership of this board includes two members from the City of Creede and two from Creede Resources, Inc.

In 2012, the LWCRCO entered into a Voluntary Clean-Up Plan Agreement with the Colorado Department of Public Health and Environment (CDPHE) to clean up the property. The LWCRCO will hold title of this land until the restoration is complete as determined by a 'no further action' letter from the CDPHE. After the CDPHE deems the cleanup complete, the LWCRCO will transfer the title of the land to the City of Creede who will use this property for passive recreation and open space.

The LWCRCO works closely with the Willow Creek Reclamation Committee (WCRC) on the Lower Willow Creek Restoration Project. The WCRC identified the reclaiming of lower Willow Creek and its floodplain as one of its six core goals. In addition to changing the physical and chemical qualities the WCRC also identified reclamation of the site to include biological and aesthetic changes of the creek as an integral part of the local community. The WCRC provides technical oversight and volunteer manpower and recruitment for the Lower Willow Creek Restoration Project. The LWCRCO and the WCRC work to improve lower Willow Creek and its floodplain for immediate and downstream benefit.

Since construction began in October of 2012, the LWCRCO has spent \$943,000 on the Lower Willow Creek Project. Work conducted during the first phase of this project included the identification of contaminated soils, construction of the new creek channel and installation of in-stream structures to stabilize the banks. The project will also increase the delivery of water to the Rio Grande by reducing surface area of the channel and thereby reducing evaporative loss.

The requested funding of \$55,000 will begin Phase 2 of the Lower Willow Creek Restoration Project. The goal of Phase 2 is to restore and enhance riparian and upland vegetation along the Lower Willow Creek corridor. Phase 2 will address non-consumptive environmental issues, namely water quality and riparian health. To achieve this goal the LWCRCO will oversee the installation of erosion control fabric and wattles along the new channel. Soil will be imported to provide a growing medium for the tree, shrub, graminoid, and forb plantings that will occur to return the project site to a more natural state. Soil excavation, erosion control installation and vegetation enhancement activities will be conducted as part of Phase 2 of the Lower Willow Creek Restoration Project.

Because planting riparian species increases the uptake of metals, the input of organic matter to soil and water, as well as stabilization of creek bank, these proposed activities enhance Phase 1 work and increase water quality to the Rio Grande and enhance/create vegetation along lower Willow Creek. The immediate benefit is to the community of Creede and its visitors, and further to the quality of water in the Rio Grande and downstream users. The \$55,000 requested from the Rio Grande WSRA fund will be spent on the following: \$43,500 for excavation/hauling, \$3,000 for revegetation activities, \$2,500 for administration and \$6,000 for legal fees.

At the regular R.G.R.T. meeting on July 9, 2013 the R.G.R.T. Members unanimously approved that this request for funding of \$55,000 from the Rio Grande Basin Account be forwarded to the CWCB for their approval. The R.G.R.T. urges the CWB Board to approve this request.

The WCRC has demonstrated its ability to oversee the implementation of many projects related to the clean-up and mitigation of the historical mining sites near the town of Creede. This Phase 2 of the Willow Creek Reclamation Project is essentially the capstone to a project that was originally conceived by the community and warrants WSRA funding.

The R.G.R.T. appreciates the support of the Department of Natural Resources, the Colorado Water Conservation Board and the Interbasin Compact Commission in assisting in meeting the needs of all users of Colorado's water.

Sincerely,

Mike Gibson  
Chair, Rio Grande Interbasin Roundtable

Attachment (1)



# COLORADO WATER CONSERVATION BOARD



## WATER SUPPLY RESERVE ACCOUNT APPLICATION FORM

Lower Willow Creek Restoration Project: Phase 2

### Name of Water Activity/Project

The Lower Willow Creek Restoration Company

### Name of Applicant

Rio Grande Basin Roundtable

Amount from Statewide Account:

0.00

Amount from Basin Account(s):

\$ 55,000.00

Total WSRA Funds Requested:

\$ 55,000.00

### Approving Basin Roundtable(s)

*(If multiple basins specify amounts in parentheses.)*

## Application Content

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### Required Exhibits

- A. Statement of Work, Budget, and Schedule
- B. Project Map
- C. As Needed (i.e. letters of support, photos, maps, etc.)

### Appendices – Reference Material

- 1. Program Information
- 2. Insurance Requirements
- 3. WSRA Standard Contract Information (Required for Projects Over \$100,000)
- 4. W-9 Form (Required for All Projects Prior to Contracting)

## Water Supply Reserve Account – Application Form

Revised December 2011

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### **Instructions**

To receive funding from the Water Supply Reserve Account (WSRA), a proposed water activity must be approved by the local Basin Roundtable **AND** the Colorado Water Conservation Board (CWCB). The process for Basin Roundtable consideration and approval is outlined in materials in Appendix 1.

Once approved by the local Basin Roundtable, the applicant should submit this application **with a detailed statement of work including budget and schedule as Exhibit A** to CWCB staff by the application deadline.

WSRA applications are due with the roundtable letter of support 60 calendar days prior to the bi-monthly Board meeting at which it will be considered. Board meetings are held in January, March, May, July, September, and November. Meeting details, including scheduled dates, agendas, etc. are posted on the CWCB website at: <http://cwcb.state.co.us> Applications to the WSRA Basin Account are considered at every board meeting, while applications to the WSRA Statewide Account are only considered at the March and September board meetings.

When completing this application, the applicant should refer to the WSRA Criteria and Guidelines available at: <http://cwcb.state.co.us/LoansGrants/water-supply-reserve-account-grants/Documents/WSRACriteriaGuidelines.pdf>

The application, statement of work, budget, and schedule **must be submitted in electronic format** (Microsoft Word or text-enabled PDF are preferred) and can be emailed or mailed on a disk to:

Greg Johnson – WSRA Application  
Colorado Water Conservation Board  
1580 Logan Street, Suite 200  
Denver, CO 80203  
[gregory.johnson@state.co.us](mailto:gregory.johnson@state.co.us)

If you have questions or need additional assistance, please contact Greg Johnson at: 303-866-3441 x3249 or [gregory.johnson@state.co.us](mailto:gregory.johnson@state.co.us).

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### Part I. - Description of the Applicant (Project Sponsor or Owner);

1. Applicant Name(s):	Lower Willow Creek Restoration Company		
Mailing address:	P.O. Box 457 Creede, CO 81130		
Taxpayer ID#:	45-3172015		
Primary Contact:	Guinevere Nelson	Position/Title:	Coordinator
Email:	<a href="mailto:guineverenelson@gmail.com">guineverenelson@gmail.com</a>		
Phone Numbers:	Cell: 719-480-4342	Office:	719-658-0178
Alternate Contact:	Eric Grossman	Position/Title:	President
Email:	ericredlion@yahoo.com		
Phone Numbers:	Cell: 415-760-1986	Office:	719-658-2276

### 2. Eligible entities for WSRA funds include the following. What type of entity is the Applicant?

- ☐ Public (Government) – municipalities, enterprises, counties, and State of Colorado agencies. Federal agencies are encouraged to work with local entities and the local entity should be the grant recipient. Federal agencies are eligible, but only if they can make a compelling case for why a local partner cannot be the grant recipient.
- ☐ Public (Districts) – authorities, Title 32/special districts, (conservancy, conservation, and irrigation districts), and water activity enterprises.
- ☐ Private Incorporated – mutual ditch companies, homeowners associations, corporations.
- ☐ Private individuals, partnerships, and sole proprietors are eligible for funding from the Basin Accounts but not for funding from the Statewide Account.
- ☒ Non-governmental organizations – broadly defined as any organization that is not part of the government.



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3. Provide a brief description of your organization: **The Lower Willow Creek Restoration Company (LWCRCO) was formed to oversee activities conducted on the Lower Willow Creek Restoration Project. The project site was formerly the storage site for mill tailings from the Emperius Mill, where tailings were stored in settling ponds. On two recorded occasions the berms below these settling ponds were breached and the tailings were washed into Willow Creek and the Rio Grande and killed fish as far downstream as South Fork. Creede Resources Inc., the former owners of this project site, offered to donate the land to the City of Creede in 1998, but the City was reluctant to take title to the land because of the known contamination issues. In 2010, the LWCRCO was formed to ensure that Creede Resources Inc. and the City of Creede would both be involved with the cleanup of the site. Membership of this board includes two members from the City of Creede and two from Creede Resources, Inc.**

**In 2012, the LWCRCO entered into a Voluntary Clean Up Plan Agreement with the Colorado Department of Public Health and Environment (CDPHE) to clean up the property. The LWCRCO will hold title of this land until the restoration is complete as determined by a ‘no further action’ letter from the CDPHE. After the CDPHE deems the cleanup complete, the LWCRCO will transfer the title of the land to the City of Creede who will use this property for passive recreation and open space.**

**The Lower Willow Creek Restoration Company works closely with the Willow Creek Reclamation Committee (WCRC) on the Lower Willow Creek Restoration Project. The WCRC identified the reclaiming of lower Willow Creek and its floodplain as one of its six core goals. In addition to changing the physical and chemical qualities the WCRC also identified reclamation of the site to include biological and aesthetic changes of the creek as an integral part of the local community. The WCRC provides technical oversight and volunteer manpower and recruitment for the Lower Willow Creek Restoration Project. The LWCRCO and the WCRC work to improve lower Willow Creek and its floodplain for immediate and downstream benefit.**

**Since construction began in October of 2012, the LWCRCO has spent \$943,000 on the Lower Willow Creek Project. This grant money has been spent on design plans created by Casey Resources, Inc., on-site oversight by Casey Resources, Inc., channel construction by SLV Earthmovers, Inc., a Materials Management Plan (to handle contaminated soils), and 18 in-stream structures. Additional work includes the creation and implementation of a Storm Water Management Plan, a wetland delineation survey, an Army Corp of Engineer 404 D Nationwide Permit, a 1-foot contour interval survey, and finally a Sampling and Analysis Plan.**

4. If the Contracting Entity is different then the Applicant (Project Sponsor or Owner) please describe the Contracting Entity here.  
**The Lower Willow Creek Restoration Company is the contracting entity.**
5. Successful applicants will have to execute a contract with the CWCB prior to beginning work on the portion of the project funded by the WSRA grant. In order to expedite the contracting process the CWCB has established a standard contract with provisions the applicant must adhere to. A link to this standard contract is included in Appendix 3. Please review this contract and check the appropriate box.

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☒ The Applicant will be able to contract with the CWCB using the Standard Contract

☐ The Applicant has reviewed the standard contract and has some questions/issues/concerns. Please be aware that any deviation from the standard contract could result in a significant delay between grant approval and the funds being available.

6. The Tax Payer Bill of Rights (TABOR) may limit the amount of grant money an entity can receive. Please describe any relevant TABOR issues that may affect the applicant.  
**We do not anticipate any TABOR issues that will affect the LWCRCO receiving money from the Rio Grande Basin WSRA fund.**

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### Part II. - Description of the Water Activity/Project

1. What is the primary purpose of this grant application? (Please check only one)

- |  |  |
|--|--|
| <input checked="checked" type="checkbox"/> | Nonconsumptive (Environmental or Recreational) |
| <input type="checkbox"/>                   | Agricultural                                   |
| <input type="checkbox"/>                   | Municipal/Industrial                           |
| <input type="checkbox"/>                   | Needs Assessment                               |
| <input type="checkbox"/>                   | Education                                      |
| <input type="checkbox"/>                   | Other  |

Explain:

2. If you feel this project addresses multiple purposes please explain.

**In addition to addressing NonconsumptiveEnvironmental issues along Willow Creek and the Rio Grande this project will enhance fisheries addressing Recreational needs in the Rio Grande and Willow Creek. The stabilization practices implemented will reduce erosion in Willow Creek and the Rio Grande. The implementation of revegetation practices will reduce evaporation and water delivered by creating a riparian corridor.**

3. Is this project primarily a study or implementation of a water activity/project? (Please check only one)

- |                          |       |  |                |
|--------------------------|-------|--|----------------|
| <input type="checkbox"/> | Study | <input checked="checked" type="checkbox"/> | Implementation |
|--------------------------|-------|--|----------------|

4. To catalog measurable results achieved with WSRA funds can you provide any of the following numbers?

- |                                   |  |
|-----------------------------------|--|
| <input type="text"/>              | New Storage Created (acre-feet)  |
| <input type="text"/>              | New Annual Water Supplies Developed, Consumptive or Nonconsumptive (acre-feet) |
| <input type="text"/>              | Existing Storage Preserved or Enhanced (acre-feet)                             |
| <input type="text" value="7200"/> | Length of Stream Restored or Protected (linear feet)                           |
| <input type="text"/>              | Length of Pipe/Canal Built or Improved (linear feet)                           |
| <input type="text"/>              | Efficiency Savings (acre-feet/year OR dollars/year – <b>circle one</b> )       |
| <input type="text" value="108"/>  | Area of Restored or Preserved Habitat (acres)                                  |
| <input type="text"/>              | Other -- Explain:  |

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4. To help us map WSRA projects please include a map (Exhibit B) and provide the general coordinates below:

Latitude: N 37°50' 12.86"

Longitude: W 106°55' 12.71"

5. Please provide an overview/summary of the proposed water activity (no more than one page). Include a description of the overall water activity and specifically what the WSRA funding will be used for. A full **Statement of Work** with a detailed budget and schedule is required as **Exhibit A** of this application.

**The proposed project will begin Phase 2 of the Lower Willow Creek Restoration Project. Work conducted during the first phase of this project included the identification of contaminated soils, construction of the new creek channel and installation of in-stream structures to stabilize the banks. The project will also increase the delivery of water to the Rio Grande by reducing surface area of the channel and thereby reducing evaporative loss. The goal of Phase 2 is to restore and enhance riparian and upland vegetation along the Lower Willow Creek corridor. This phase will address non-consumptive environmental issues, namely water quality and riparian health. To achieve this goal the LWCRCO will oversee the installation of erosion control fabric and wattles along the new channel. Soil will be imported to provide a growing medium for the tree, shrub, graminoid, and forb plantings that will occur to return the project site to a more natural state. Soil excavation, erosion control installation and vegetation enhancement activities will be conducted as part of Phase 2 of the Lower Willow Creek Restoration Project.**

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### Part III. – Threshold and Evaluation Criteria

1. Describe how the water activity meets these **Threshold Criteria**. (Detailed in Part 3 of the Water Supply Reserve Account Criteria and Guidelines.)
  - a) The water activity is consistent with Section 37-75-102 Colorado Revised Statutes.<sup>1</sup>

**The Lower Willow Creek Restoration Project is consistent with Section 37-75-102 C.R.S. because this project does not supersede, abrogate, or otherwise impair the State's current system of allocating water within Colorado or in any manner repeal or amend the existing water rights adjudication system. This project does not affect the State constitution's recognition of water rights as a private usufructuary property right nor is it intended to restrict the ability of the holder of a water right to use or dispose of that water right in any manner permitted under Colorado law. Lower Willow Creek Restoration Project protects water users by improving water quality in Willow Creek and the Rio Grande through the enhancement and creation of a healthy and functioning riparian corridor. This project ensures that the provisions of Section 37-75-102 C.R.S. are observed.**

- b) The water activity underwent an evaluation and approval process and was approved by the Basin Roundtable (BRT) and the application includes a description of the results of the BRT's evaluation and approval of the activity. At a minimum, the description must include the level of agreement reached by the roundtable, including any minority opinion(s) if there was not general agreement for the activity. The description must also include reasons why general agreement was not reached (if it was not), including who opposed the activity and why they opposed it. Note- If this information is included in the letter from the roundtable chair simply reference that letter.

**This information is included in the letter from the Rio Grande Inter-Basin Roundtable Chairman, Mike Gibson.**

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<sup>1</sup> 37-75-102. Water rights - protections. (1) It is the policy of the General Assembly that the current system of allocating water within Colorado shall not be superseded, abrogated, or otherwise impaired by this article. Nothing in this article shall be interpreted to repeal or in any manner amend the existing water rights adjudication system. The General Assembly affirms the state constitution's recognition of water rights as a private usufructuary property right, and this article is not intended to restrict the ability of the holder of a water right to use or to dispose of that water right in any manner permitted under Colorado law. (2) The General Assembly affirms the protections for contractual and property rights recognized by the contract and takings protections under the state constitution and related statutes. This article shall not be implemented in any way that would diminish, impair, or cause injury to any property or contractual right created by intergovernmental agreements, contracts, stipulations among parties to water cases, terms and conditions in water decrees, or any other similar document related to the allocation or use of water. This article shall not be construed to supersede, abrogate, or cause injury to vested water rights or decreed conditional water rights. The General Assembly affirms that this article does not impair, limit, or otherwise affect the rights of persons or entities to enter into agreements, contracts, or memoranda of understanding with other persons or entities relating to the appropriation, movement, or use of water under other provisions of law.

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- c) The water activity meets the provisions of Section 37-75-104(2), Colorado Revised Statutes.<sup>2</sup> The Basin Roundtable Chairs shall include in their approval letters for particular WSRA grant applications a description of how the water activity will assist in meeting the water supply needs identified in the basin roundtable's consumptive and/or non-consumptive needs assessments.

**This information is included in the letter from the Rio Grande Inter-Basin Roundtable Chairman, Mike Gibson.**

- d) Matching Requirement: For requests from the **Statewide Fund**, the applicant is required to demonstrate a **20 percent** (or greater) match of the request from the Statewide Account. Statewide requests must also include a minimum match of **5 percent** of the total grant amount from Basin Funds. Sources of matching funds include but are not limited to Basin Funds, in-kind services, funding from other sources, and/or direct cash match. Past expenditures directly related to the project may be considered as matching funds if the expenditures occurred within 9 months of the date the application was submitted to the CWCBC. Please describe the source(s) of matching funds. (NOTE: These matching funds should also be reflected in your Detailed Budget in **Exhibit A** of this application)

**The total cost of Phase 2 of the Lower Willow Creek Restoration Project is \$185,000. The CDPHE cash match is \$14,250 (8%). Creede Resources, Inc. will contribute \$8,000 (4%). The WCRC in-kind total is \$7,750 (4%). The donation of soil from John Parker is valued at of \$100,000 (54%). The total match for this request is \$130,000 (70%) through a combination of cash and in-kind. LWCRCO is requesting \$55,000 (30%) from the Rio Grande Basin WSRA funds. The funds will used for excavation/hauling, revegetation activities, administration, and legal fees.**

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<sup>2</sup> 37-75-104 (2)(c). Using data and information from the Statewide Water Supply Initiative and other appropriate sources and in cooperation with the on-going Statewide Water Supply Initiative, develop a basin-wide consumptive and nonconsumptive water supply needs assessment, conduct an analysis of available unappropriated waters within the basin, and propose projects or methods, both structural and nonstructural, for meeting those needs and utilizing those unappropriated waters where appropriate. Basin Roundtables shall actively seek the input and advice of affected local governments, water providers, and other interested stakeholders and persons in establishing its needs assessment, and shall propose projects or methods for meeting those needs. Recommendations from this assessment shall be forwarded to the Interbasin Compact Committee and other basin roundtables for analysis and consideration after the General Assembly has approved the Interbasin Compact Charter.

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2. For Applications that include a request for funds from the **Statewide Account**, describe how the water activity/project meets all applicable **Evaluation Criteria**. (Detailed in Part 3 of the Water Supply Reserve Account Criteria and Guidelines and repeated below.) Projects will be assessed on how well they meet the Evaluation Criteria. **Please attach additional pages as necessary.**

**Evaluation Criteria** – the following criteria will be utilized to further evaluate the merits of the water activity proposed for funding from the Statewide Account. In evaluation of proposed water activities, preference will be given to projects that meet one or more criteria from each of the three “tiers” or categories. Each “tier” is grouped in level of importance. For instance, projects that meet Tier 1 criteria will outweigh projects that only meet Tier 3 criteria. WSRA grant requests for projects that may qualify for loans through the CWCB loan program will receive preference in the Statewide Evaluation Criteria if the grant request is part of a CWCB loan/WSRA grant package. For these CWCB loan/WSRA grant packages, the applicant must have a CWCB loan/WSRA grant ratio of 1:1 or higher. Preference will be given to those with a higher loan/grant ratio.

### Tier 1: Promoting Collaboration/Cooperation and Meeting Water Management Goals and Identified Water Needs

- a. The water activity addresses multiple needs or issues, including consumptive and/or non-consumptive needs, or the needs and issues of multiple interests or multiple basins. This can be demonstrated by obtaining letters of support from other basin roundtables (in addition to an approval letter from the sponsoring basin).
- b. The number and types of entities represented in the application and the degree to which the activity will promote cooperation and collaboration among traditional consumptive water interests and/or non-consumptive interests, and if applicable, the degree to which the water activity is effective in addressing intrabasin or interbasin needs or issues.
- c. The water activity helps implement projects and processes identified as helping meet Colorado’s future water needs, and/or addresses the gap areas between available water supply and future need as identified in SWSI or a roundtable’s basin-wide water needs assessment.

### **Tier 1: Lower Willow Creek Restoration Project Phase 2 promotes collaboration/cooperation to meet water management goals and water needs.**

- **The Nonconsumptive Environmental Needs identified in the Rio Grande Basin Needs Assessment includes the SWSI 2010 recommendations that will be addressed by the Lower Willow Creek Restoration Project Phase 2 through improving potential habitat of the Rio Grande Cutthroat in the Rio Grande and Willow Creek. The proposed project will also increase water quality in the Gold Medal Trout Streams in the Rio Grande, immediately below the Willow Creek confluence.**
- **Further Nonconsumptive needs will be addressed including improved stream bank protection, water quality, and riparian vegetation cover.**
- **Collaboration and cooperation from a diverse stakeholder group first identified the Lower Willow Creek Restoration Project when the WCRC was formed. During the creation of the Casey Resources, Inc. design plans, several meetings, input forums, and tours were held to ensure stakeholder input was represented. From these, the design plans were revisited to ensure that fish habitat was a primary consideration during the design process.**

### Tier 2: Facilitating Water Activity Implementation

- d. Funding from this Account will reduce the uncertainty that the water activity will be implemented. For this criterion the applicant should discuss how receiving funding from the Account will make a



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significant difference in the implementation of the water activity (i.e., how will receiving funding enable the water activity to move forward or the inability obtaining funding elsewhere).

- e. The amount of matching funds provided by the applicant via direct contributions, demonstrable in-kind contributions, and/or other sources demonstrates a significant & appropriate commitment to the project.

### **Tier 2: The Rio Grande Basin WSRA Funds will ensure that the Lower Willow Creek Restoration Project Phase 2 is implemented.**

- **The LWCRCO has a limited window to excavate the topsoil from John Parker’s ‘Airport Corner’, whereas other sources of topsoil are too costly to purchase and transport, which otherwise makes this activity cost prohibitive.**
- **The match of 12% cash and 58% in-kind demonstrates significant and appropriate commitment to the project from the CDPHE and local stakeholders.**

### **Tier 3: The Water Activity Addresses Other Issues of Statewide Value and Maximizes Benefits**

- f. The water activity helps sustain agriculture & open space, or meets environmental or recreational needs.
- g. The water activity assists in the administration of compact-entitled waters or addresses problems related to compact entitled waters and compact compliance and the degree to which the activity promotes maximum utilization of state waters.
- h. The water activity assists in the recovery of threatened and endangered wildlife species or Colorado State species of concern.
- i. The water activity provides a high level of benefit to Colorado in relationship to the amount of funds requested.
- j. The water activity is complimentary to or assists in the implementation of other CWCB programs.

### **Tier 3: The Lower Willow Creek Restoration Project Phase 2 addresses issues of Statewide Value and Maximizes Benefit.**

- **Phase 2 of the Lower Willow Creek Restoration Project will enhance the open space needs of the Creede community. On the site there is a trail that is consistently used by walkers, bicyclists, horse riders and ATV riders. Activity is limited to the trail and the immediate surrounding area. When the lower Willow Creek corridor has significant vegetation cover there will be a significant increase in recreation along the trail and the floodplain.**
- **The water activity proposed will assist in the recovery of Rio Grande Cutthroat by providing quality habitat in the historic elevation range of the species.**

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### **Part IV. – Required Supporting Material**

1. **Water Rights, Availability, and Sustainability** – This information is needed to assess the viability of the water project or activity. Please provide a description of the water supply source to be utilized, or the water body to be affected by, the water activity. This should include a description of applicable water rights, and water rights issues, and the name/location of water bodies affected by the water activity.

The waters affected by the Lower Willow Creek Restoration Project Phase 2 are Willow Creek and the Rio Grande. The Willow Creek watershed is approximately 35 square miles and begins on the eastern side of the continental divide in the San Juan Mountains north-northwest of the City of Creede. At elevations above 12,000 feet, East and West Willow Creek branches begin about three miles apart, flow into steep canyons through the Creede Mining District and converge just above the City of Creede. Willow Creek is channeled into a concrete flume as it passes through the City of Creede for roughly one mile. Just below the City of Creede, the flume ends and Willow Creek enters the lower Willow Creek floodplain. Willow Creek meanders through the newly created channel before entering the Wason Ranch property and then converges with the Rio Grande in two branches, the western branch is the main portion of Willow Creek, and the eastern confluence is created from discharge at the Wason Ranch's headgate.

The proposed project will also affect the Rio Grande below the confluences with Willow Creek. Heavy metal input from Willow Creek can be identified in the Rio Grande as far down as the confluence with Bellows Creek. Data collected along the Rio Grande in the Wagon Wheel Gap area indicate another source of high zinc concentration that is not associated with Willow Creek input. As the Rio Grande converges with the South Fork of the Rio Grande, the heavy metal load from Willow Creek are offset by the increased volume of water.

Water right holders on Willow Creek include Wason Ranch, Mineral County Fairgrounds Association, the City of Creede, and Rio Grande Silver, Inc. Activities associated with the Lower Willow Creek Restoration Project Phase 2 will not affect water rights in Willow Creek. The numerous water rights below the Willow Creek confluence with the Rio Grande will not be affected by the activities associated with the Lower Willow Creek Restoration Project Phase 2.

2. Please provide a brief narrative of any related studies or permitting issues.

The activities associated with the Lower Willow Creek Restoration Project were outlined in the NRCS's Willow Creek Stream Restoration: Planning Study. Because the Lower Willow Creek floodplain was a priority for the WCRC, it's partner the NRCS, produced this report to identify restoration objectives:

- A. Construct a geomorphically stable, meandering stream channel from the end of the existing flume to the Rio Grande.
- B. Vegetate the riparian corridor with regionally appropriate herbaceous and woody vegetation.
- C. Provide physical conditions so that, when water-quality improvements have been made within the watershed, proper biologic function of riparian corridor can be attained.
- D. Monitor the channel morphology, vegetation success, and biologic re-colonization following construction.

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### **E. Produce data, maps, and reports for dissemination of information regarding the approach to stream restoration and success.**

To meet the objectives, the Planning Study outlined tasks that include studying the project site for contamination and existing conditions, identifying management practices to facilitate proper creek and floodplain functions, establishing plans for revegetation and wetland enhancements, involving adjacent landowners and water right holders, as well as ensuring community involvement. The Planning Study details the existing hydrological, biological, chemical, and cultural characteristics and provides alternatives for the restoration project. Using this report LWCRCO/WCRC selected Alternative 2a as the best alternative with the resources available. Alternative 2 is a single-thread stream to downstream limit of the fairgrounds property. Sub-alternative 2a includes the importation of soil to foster vegetation growth. A combination of dense willow plantings and seeding were identified to defend outside bends against erosion. Cost estimates were included noting that importing soil was to be one of the most costly components of the project.

The LWCRCO has obtained an U.S. Army Corp of Engineer 404 D Nationwide Permit for the entire Lower Willow Creek Restoration Project. The LWCRCO has also successfully submitted a Storm Water Management Plan for Stormwater Discharges Associated with Construction Activity with the CDPHE for the Lower Willow Creek Restoration Project. For the soil excavation, the LWCRCO holds a CDOT Special Use Permit. Mineral County and the Colorado Division of Reclamation Mining and Safety require a permit for the excavation, which expire in March 2014. The fees and expiration dates associated with these specific permits are driving the timeline of this phase of the project. LWCRCO does not anticipate any further permit needs for the Lower Willow Creek Restoration Project.

### **3. Statement of Work, Detailed Budget, and Project Schedule**

The statement of work will form the basis for the contract between the Applicant and the State of Colorado. In short, the Applicant is agreeing to undertake the work for the compensation outlined in the statement of work and budget, and in return, the State of Colorado is receiving the deliverables/products specified. **Please note that costs incurred prior to execution of a contract or purchase order are not subject to reimbursement.** All WSRA funds are disbursed on a reimbursement basis after review invoices and appropriate backup material.

**Please provide a detailed statement of work using the template in Exhibit A.** Additional sections or modifications may be included as necessary. Please define all acronyms and include page numbers.

## **REPORTING AND FINAL DELIVERABLE**

**Reporting:** The applicant shall provide the CWCB a progress report every 6 months, beginning from the date of the executed contract. 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.

## **PAYMENT**

Payment will be made based on actual expenditures and invoicing by the applicant. Invoices from any other entity (i.e. subcontractors) cannot be processed by the State. The request for payment must include a description of the work accomplished by major task, and estimate of the percent completion for individual tasks and the entire water activity in relation to the percentage of budget spent, identification of any major issues and proposed or implemented corrective actions. The last 5 percent of the entire water activity budget will be withheld until final project/water activity documentation is completed. All products, data and information developed as a result of this grant must be provided to the CWCB in hard copy and electronic format as part of the project documentation. This information will in turn be made widely available to Basin Roundtables and the general public and help promote the development of a common technical platform.

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The above statements are true to the best of my knowledge:

**Signature of Applicant:** Guinevere Nelson

**Print Applicant's Name:** Guinevere Nelson

**Project Title:** The Lower Willow Creek Restoration Project Phase 2

**Return an electronic version (hardcopy may also be submitted) of this application to:**

Greg Johnson – WSRA Application  
Colorado Water Conservation Board  
1580 Logan Street, Suite 200  
Denver, CO 80203  
[gregory.johnson@state.co.us](mailto:gregory.johnson@state.co.us)

**Attachment A: Statement of Work**

## **Lower Willow Creek Restoration Project Phase 2**

### **Project Description:**

The Lower Willow Creek Restoration Project was described in the NRCS Willow Creek Restoration: Planning Study in 2007. From this report the LWCRCO and WCRC moved forward with Alternative 2a to utilize the resources available and the outcomes desired. Alternative 2a puts heavy emphasis on the importance of establishing vegetation to achieve the goals of the Lower Willow Creek Restoration Project and has guided the development of Phase 2 of the project.

The goal of Phase 2 is to establish vegetation along this section of Willow Creek, about 108 acres. The Willow Creek watershed has low sediment input, and sediment that would be transported to the floodplain is impeded by the man made structures built above the City of Creede to assist with flood control. Thus, the lower Willow Creek floodplain has very little sediment on it to provide a growing medium for planting and seeding. Included in the Lower Willow Creek Restoration design plans are bank stabilization plans and specific sites where the establishment of vegetation is likely and beneficial to stream restoration. These activities will improve water quality, create aquatic and riparian habitat and improve the aesthetic qualities for the Creede community.

The second phase of the Lower Willow Creek Restoration Project will stabilize the newly created stream bank, protect the channel from erosion, and enhance the vegetation along the riparian corridor. To achieve these objectives the LWCRCO will implement the following tasks; soil excavation, riparian enhancements, conduct monitoring activities, grant administration and employ legal advice as part of the topsoil donation.

### **TASKS:**

#### **Task 1: Soil Excavation**

Description: Excavate 10,000 cubic yards from ‘Airport Corner’, control traffic across Highway 149, haul topsoil to the Lower Willow Creek Floodplain for use during revegetation activities.

Method: The LWCRCO will hire contractors to excavate and haul material roughly one mile to stockpile until stabilization/vegetation activities commence. Contractor will also be responsible for traffic control on Highway 149 during hauling as well as reseeded of the excavated site with a CDOT approved seed mix.

Deliverable: Stockpiled topsoil on the Lower Willow Creek Floodplain, excavated land on ‘Airport Corner’ reseeded, and a CDOT approved Traffic Plan.

#### **Task 2: Riparian Enhancements**

Description: Install Turf Reinforcement Material (TRM) and wattles per the design plan specifications,

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plant appropriate shrubs/trees along the corridor as specified by the design.

Method: WCRC volunteers will install the erosion control materials and plant vegetation with oversight by the WCRC Coordinator. Soil movement from the stockpile site to prescribed areas of revegetation will be handled by the City of Creede.

Deliverable: Stabilized bank channel, reestablished riparian vegetation, and reduced erosion.

### **Task 3: Monitoring**

Description: Monitor the site for two years using the Lower Willow Creek Restoration Project Sampling and Analysis Plan.

Method: WCRC will look at stream function, water quality, and riparian condition as outlined in the Lower Willow Creek Restoration Project Sampling and Analysis Plan. Monitoring will include geomorphic assessments, structure monitoring, surface water sampling, macroinvertebrate sampling, Proper Functioning Condition assessment and photo-points.

Deliverable: A report comparing pre-project conditions to post project conditions and identify further needs.

### **Task 4: Administration**

Description: Complete required reporting, contracts and documents and ensure tasks are completed on time and on budget.

Method: LWCRCO will contract with the WCRC to administer the Phase 2 grants WSRA and CDPHE by completing all contracts, managing budgets, reimbursement requests, required reports and maintaining contact with the project partners. The LWCRCO will oversee the project to ensure the implementation is timely and accurate.

Deliverable: Reports, contracts, and activities timely and accurately completed.

### **Task 5: Legal**

Description: Ensure legal interests are secured by employing attorney review of the Topsoil Agreement.

Method: LWCRCO will work with John Parker's attorney and LWCRCO's attorney to ensure the legal requirements of the donation are met and both parties are satisfied.

Deliverable: Legal agreement for the Topsoil Donation signed by John Parker and LWCRCO.

## **PROJECT BUDGET:**

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LOWER WILLOW CREEK RESTORATION PROJECT PHASE 2						SOURCE OF FUNDS					
PHASE 2 PROJECT TASKS	Year 1: 2013	Year 2: 2014	Year 3: 2016	Year 4: 2016	Total	CDPHE	CWCB WSRA	Creede Resources, Inc.	WCRC	John Parker	Total
<b>Task 1: Soil Excavation</b>						CASH			IN-KIND		
Mobilization, Excavation and Hauling	\$ -	\$ 44,500.00	\$ -	\$ -	\$ 44,500.00	\$ -	\$38,500.00	\$ 6,000.00	\$ -	\$ -	\$ 44,500.00
Traffic Control on 149	\$ -	\$ 4,000.00	\$ -	\$ -	\$ 4,000.00	\$ -	\$ 2,000.00	\$ 2,000.00	\$ -	\$ -	\$ 4,000.00
Reseeding Excavation Site	\$ -	\$ 3,000.00	\$ -	\$ -	\$ 3,000.00	\$ -	\$ 3,000.00	\$ -	\$ -	\$ -	\$ 3,000.00
<b>Task 1 Total</b>	\$ -	\$ 51,500.00	\$ -	\$ -	\$ 51,500.00	\$ -	\$43,500.00	\$ 8,000.00	\$ -	\$ -	\$ 51,500.00
<b>Task 2: Riparian Enhancements</b>											
Planting/Seeding along Willow Creek *(WCRC Contributions derived from previous activities)	\$ -	\$ 55,500.00	\$ 3,750.00	\$ 3,750.00	\$ 63,000.00	\$ 7,500.00	\$ 3,000.00	\$ -	\$ 2,500.00	\$ 50,000.00	\$ 63,000.00
Erosion Control includes wattle installation and TRM installation*	\$ -	\$ 55,000.00	\$ -	\$ -	\$ 55,000.00	\$ 2,500.00	\$ -	\$ -	\$ 2,500.00	\$ 50,000.00	\$ 55,000.00
<b>Task 2 Total</b>	\$ -	\$110,500.00	\$ 3,750.00	\$ 3,750.00	\$ 118,000.00	\$10,000.00	\$ 3,000.00	\$ -	\$ 5,000.00	\$100,000.00	\$118,000.00
<b>Task 3: Monitoring</b>											
Field Personnel WCRC personnel valued at \$25/hour	\$ -	\$ 500.00	\$ 500.00	\$ 500.00	\$ 1,500.00	\$ 750.00	\$ -	\$ -	\$ 750.00	\$ -	\$ 1,500.00
<b>Task 3 Total</b>	\$ -	\$ 500.00	\$ 500.00	\$ 500.00	\$ 1,500.00	\$ 750.00	\$ -	\$ -	\$ 750.00	\$ -	\$ 1,500.00
<b>Task 4: Administration</b>											
Grant Administration LWCRCO personnel valued at \$25/hour	\$2,000.00	\$ 1,000.00	\$ 1,000.00	\$ 2,000.00	\$ 6,000.00	\$ 3,500.00	\$ 2,500.00	\$ -	\$ -	\$ -	\$ 6,000.00
Office Support provided by the City of Creede to the WCRC for utilities and office space	\$ 500.00	\$ 500.00	\$ 500.00	\$ 500.00	\$ 2,000.00	\$ -	\$ -	\$ -	\$ 2,000.00	\$ -	\$ 2,000.00
<b>Task 4 Total</b>	\$2,500.00	\$ 1,500.00	\$ 1,500.00	\$ 2,500.00	\$ 8,000.00	\$ 3,500.00	\$ 2,500.00	\$ -	\$ 2,000.00	\$ -	\$ 8,000.00
<b>Task 5: Legal</b>											
Attorney Fees	\$6,000.00	\$ -	\$ -	\$ -	\$ 6,000.00	\$ -	\$ 6,000.00	\$ -	\$ -	\$ -	\$ 6,000.00
<b>Task 5 Total</b>	\$6,000.00	\$ -	\$ -	\$ -	\$ 6,000.00	\$ -	\$ 6,000.00	\$ -	\$ -	\$ -	\$ 6,000.00
<b>TOTAL</b>	<b>\$8,500.00</b>	<b>\$164,000.00</b>	<b>\$5,750.00</b>	<b>\$ 6,750.00</b>	<b>\$ 185,000.00</b>	<b>\$14,250.00</b>	<b>\$55,000.00</b>	<b>\$ 8,000.00</b>	<b>\$ 7,750.00</b>	<b>\$100,000.00</b>	<b>\$185,000.00</b>
Percent of Project Cost						8%	30%	4%	4%	54%	100%

## PROJECT TIMELINE

Project Tasks	Lower Willow Creek Restoration Project Phase 2 Project Schedule												
	2013	2014				2015				2016			
	QTR 4	QTR 1	QTR 2	QTR 3	QTR 4	QTR 1	QTR 2	QTR 3	QTR 4	QTR 1	QTR 2	QTR 3	QTR 4
Task 1: Soil Excavation													
Task 2: Riparian Enhancements													
Task 3: Monitoring													
Task 4: Administration													
Task 5: Legal Fees													

## Attachment B: Maps

Map of approximate excavation and stockpile sites



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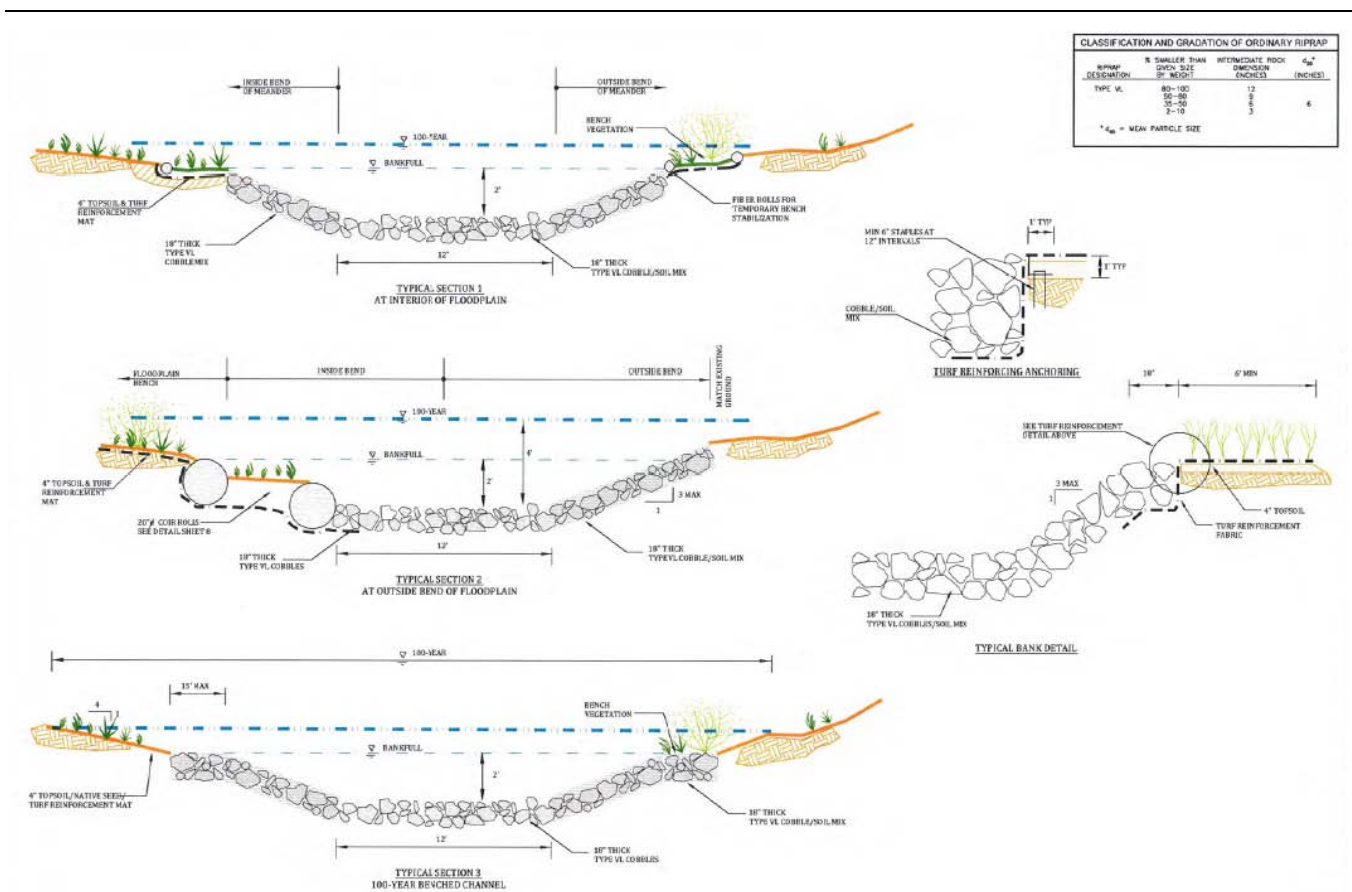
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Design plans to be implemented during revegetation activities.

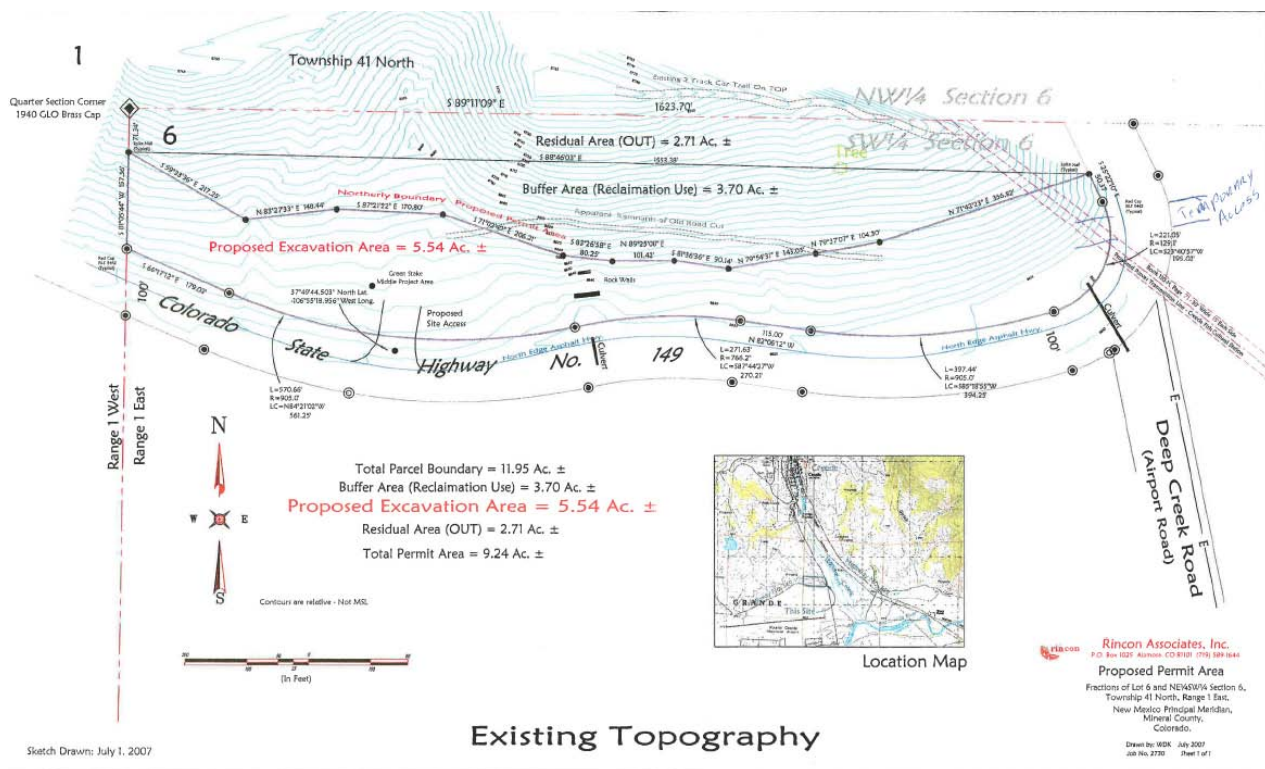
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## Topography before and after excavation for the Lower Willow Creek Restoration Project Phase 2

