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Rio Grande Inter-Basin Roundtable
c/o San Luis Valley Water Conservancy District
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December 29, 2008

Mr. Harris D. Sherman, Executive Director
Colorado Department of Natural Resources

Mr. Eric Hecox, Manager, Office of Interbasin Compact Negotiations
Colorado Department of Natural Resources

Mr. Todd Doherty, Intrastate Water Management & Development
Colorado Water Conservation Board

Reference: Lower Willow Creek Restoration Project –
Willow Creek Reclamation Committee

Gentlemen:

The Rio Grande Inter-Basin Roundtable (R.G.R.T) has determined that the single, most critical water issue confronting the Rio Grande 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 R.G.R.T. is requesting authorization to distribute WSRA Funds pursuant to SB 2005 - 179 as follows: Basin Funds of \$50,000.00 and Statewide Funds of \$200,000.00 for a total of \$250,000.00. The applicant is the San Luis Valley Resource Conservation and Development Council who is the fiscal agent for the Willow Creek Reclamation Committee.

The work, to be partially funded by the requested WSRA Funds, is for the *Lower Willow Creek Reclamation Project*, (the Project). The WSRA funds will restore approximately 3,700 feet of the total 8,230 feet of the planned restoration of the lower portion of Willow Creek, after the creek has left the built-up area of Creede. The total cost of the overall project cost is estimated at \$1.56 million. The restoration includes changing a multi-brained creek into a single meandering body of water.

The matching monies or in-kind contributions to the WSRA funds are anticipated to come from the following sources:

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| • EPA 319 Funds– Awarded in January 2008 | \$399,000.00 |
| • EPA Brownfield's Program | \$200,000.00 |

• CDPHE- Hazardous Materials & Waste Mngt.	\$ 50,000.00	
• Colorado Division of Mining Reclmn. & Safety	\$ 35,000.00	
• Creede Resources /Hecla – Land Donation	\$250,000.00	
• Great Outdoors Colorado – Trails/Landscaping	\$375,000.00	
• In-Kind –NRCS/Mineral County Fairgrounds/ City of Creede/ Mineral County	<u>\$ 6,000.00</u>	
Sub-Total	\$1,310,000.00	84%
• WRSA	<u>\$250,000.00</u>	16%
Total	<u>\$1,560,000.00</u>	100%

At the regular R.G.R.T meeting on November 11, 2008, there was a quorum of the appointed members, of whom the majority of the membership voted to request funding from SB 2005 – 179 for the *Lower Willow Creek Restoration Project*. There was one (1) dissenting vote.

PROJECT AND AMOUNT REQUESTED	SOURCE SB 179
<i>Lower Willow Creek Restoration Project</i> \$200,000.00	STATE
<i>Lower Willow Creek Restoration Project</i> \$ 50,000.00	BASIN

The dissenting vote questioned the rationale for keeping the Lower Willow Creek in a natural channel, rather than placing the creek in a concrete lined channel, which he believed would reduce the future possibility of the creek becoming contaminated by drainage and contact with contaminated soils and materials. There was discussion of this alternative. The Project's proponents argued that the intent was to make the restored stream as natural as possible, with the long-range plan to include trails and nature education exhibits. The possibility of the creek becoming contaminated in this reach will be addressed by either removing or capping any potential sources of contaminants.

The Project to be funded or partially funded by WRSA funds will consist of:

- The Management and Administration of the design of the actual on-site work, bid preparation, and evaluation of bids and contractor selection and contact execution. Payment of administration fees.
- Evaluate floodplain contamination, and develop final designs for the restoration. This effort will include the taking of surface and sub-surface samples and the establishment of clean-up criteria. GIS maps of the contamination will be produced and final stream floodplain restoration design.
- Reconstruction of some 3,700 feet of the creek into a stable, meandering, single thread stream channel away from contamination. Relocation of contaminated soils or spoils, stream channel contouring, stabilization of ditch diversions, installation of rock structures, planting of willows on stream banks and the establishment of wetlands (wet meadows) with willows and /or hydrophytes.

The deliverables from this Project will be the restoration of some 3,700 feet of the braided floodplain of Willow Creek, into a stable, meandering, single thread stream.

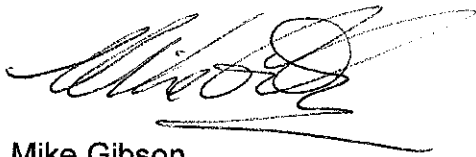
This Project fulfills many of the consumptive and non-consumptive use objectives identified in the "Water Supply and Needs Report for the Rio Grande Basin" (SWSI). There will be a reduction in consumptive use by reduced evaporation, and non-consumptive needs will be addressed by the establishment of a new riparian zone along the restored reach of Willow Creek. Water quality will be improved in the Rio Grande because of the creek no longer picking up contaminants in the restored reach.

Collaboration in this project will involve the active support of the San Luis Valley Resource Conservation and Development Council, who is the fiscal agent for the Willow Creek Reclamation Committee, the Rio Grande Water Conservation District, the Rio Grande Headwaters Restoration Project, NRCS, EPA 319 Funds, EPA Brownfield's Program, CDPHE- Hazardous Materials & Waste Management Program, Colorado Division of Mining Reclamation & Safety, Great Outdoors Colorado, Mineral County Fairgrounds, City of Creede, Mineral County and Creede Resources /Hecla.

On behalf of the R.G.R.T. members, we appreciate the Board's consideration of this request and urge your support to the fullest extent possible. Enclosed are the application and supporting materials for the Project. If you require additional information, please notify me accordingly.

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 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 black ink, appearing to read "Mike Gibson", with a horizontal line underneath.

Mike Gibson
Chair, Rio Grande Inter-Basin Roundtable

Enclosures (1)

cc: Zeke Ward - Willow Creek Reclamation Committee
Jim Mietz - San Luis Valley Resource Conservation and Development Council