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

Mr. Craig Godbout, Water Supply Planning Section Colorado Water Conservation Board

Reference: Plaza Project – Phase 3: Prairie Ditch Implementation Project

Gentlemen:

The Rio Grande Inter-Basin Roundtable (R.G.R.T) has determined 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 WSRA Funding is the Colorado Rio Grande Restoration Foundation (Foundation), a 501(c)(3) Colorado non-profit organization, and is the fiscal agent for the Rio Grande Headwaters Restoration Project (RGHRP). The RGHRP was formed to implement the recommendations of a study completed in 2001. The 2001 Study was prompted by local stakeholders due to a realized deterioration of the historic functions of the Rio Grande, which include providing high quality water, healthy riparian areas, fish and wildlife habitat, and a functioning floodplain. The 2001 Study analyzed the condition of the riparian area and structures along a 91-mile reach of the Rio Grande and provided recommendations for improvement. The 2001 Study was sponsored by the San Luis Valley Water Conservancy District and funded with a \$250,000 grant from the Colorado Water Conservation Board (CWCB). In 2004, the need was identified for a well-defined Rio Grande Watershed Restoration Strategic Plan (Strategic Plan). Completed in 2007, the Strategic Plan highlighted the importance of continued efforts to implement the recommendations from the 2001 Study. Since establishment, the RGHRP has accrued a successful record of performing projects on the Rio Grande through collaboration with landowners and local, state, and federal entities.

The proposed Plaza Project – Phase 3: Prairie Ditch Implementation Project (Phase 3) will continue implementation of the Plaza Plan and recommendations of the 2001 Study. These efforts will improve continuity and function of the Rio Grande. The Project elements include the Prairie Ditch headgate and diversion dam, and the surrounding streambanks. The Prairie Ditch has a total decree of 367 cubic feet per second (cfs) and 65 stockholders, irrigating 25,000 acres. Incorporated in 1902, a rich history surrounds this ditch company. The headgate, which was described by the Ditch Company's then Secretary as "One of the best, if not the best, headgate in the Valley," was completed in June of 1920. While it has served well, over 90 years of use and exposure have left the headgate concrete crumbling and worn in places. The diversion dam is composed of rocks and was built in the early 1900s. It was reworked in 1962; railroad iron was driven into the bed of the channel, rocks were placed against the iron, and US Air Force surplus landing mats from World War II were used to fill in gaps and hold the rocks in place. Since this work was done, high river flows have moved the rocks as far as 130 feet downstream. The Prairie Ditch Board and stockholders have expressed concern that the next big water year may move enough of the remaining rocks the dam would stop effectively pooling water for diversion.

Furthermore, the 2001 Study noted the channel in the Project area is impacted by sedimentation, which builds on the current Prairie Ditch diversion dam.

Phase 3 is a structural project that will improve the ability of the Rio Grande to meet consumptive and non-consumptive needs of the area by replacing a poorly functioning diversion and headgate, stabilizing up to 1,000 feet streambanks, and increasing the ability of the river to transport water and associated sediment. As such, Phase 3 allows for agriculture demands to be met by increasing the ability of irrigators to divert their appropriated water right when they are in priority. Phase 3 supports the preservation of the long-term cultural values inherent in this rural area's historic and current agricultural lifestyle. Through riparian restoration and improvement of the Prairie Ditch diversion dam, Phase 3 sustains multiple non-consumptive uses by improving riparian and aquatic conditions, repairing river channel problems, reducing sediment load, and improving opportunity for recreation. The Project Area is located in the management area for the San Luis Valley Regional Habitat Conservation Plan (HCP) for the Southwestern Willow Flycatcher and the Yellow-bill Cuckoo. In accordance with the HCP, the riparian restoration activities will improve streambank habitat for these threatened species and help with recovery efforts. Phase 3 will assist in administration of the Rio Grande Compact as it includes installation of automated measuring gates in the headgate and a new gauging station in the canal. These improvements will assist the Division Engineer in water management and meeting the Rio Grande Compact. Phase 3 provides the opportunity to promote public involvement in water improvement activities through public outreach and education.

Phase 3 will be a three-year project with execution of designs in years 1 and 2, and monitoring in years 2 and 3. The Rio Grande Headwaters Restoration Project will complete project administration and oversight, outreach and education, and monitoring. Preliminary designs for the Phase 3 have been developed by the NRCS. In Phase 3, project engineers will finalize the design for each of the project elements.

The following are summaries of the Tasks and their costs associated with the Phase 3 Project:

- Task 1 Finalize Design for Project Elements \$90,000: Finalize the design for the Project Elements, which include the Prairie Ditch headgate and diversion replacement, and streambank stabilization.
- Task 2 Prairie Ditch Diversion Replacement \$481,000: Replace the Prairie Ditch Diversion with a rock diversion rock that allows for fish and boat passage.
- Task 3 Prairie Ditch Headgate Replacement \$332,000: Replace the Prairie Ditch headgate with a concrete headgate that includes automated gates.
- Task 4 Channel and Streambank Stabilization \$12,000: Implement channel and streambank stabilization techniques upstream and downstream of the Prairie Ditch diversion and headgate structure.
- Task 5 Monitoring \$4,500: Monitor the site for two years using the RGHRP Sampling and Analysis Plan (SAP).
- Task 6 Outreach and Education \$3,500: Conduct a public outreach and education program to raise awareness of Phase 3 activities and the RGHRP, and encourage other landowners to participate in future projects
- Task 7 Project Administration \$52,000: Complete all necessary contracts, status reports, and internal and external documents. Ensure Tasks are completed within approved costs and timelines.

The Foundation is requesting \$21,500 from Rio Grande Basin WSRA funds and \$408,500 from Statewide WSRA funds, or 44% of the total project cost of \$975,000. Matching funds are as follows: \$315,000 or 32% from the Cooperative Conservation Partnership Initiative (CCPI) Program; \$130,000 or 14% from Landowners; \$100,000 or 10% from in-kind engineering, monitoring, and administration services.

At the regular R.G.R.T meeting on January 8, 2013, RGRT Members voted unanimously to request funding from SB 2005 - 179 for a total of \$430,000. The R.G.R.T urges the CWCB to approve this request for funding of \$430,000 from the WRSA Rio Grande Basin and Statewide Accounts for a Project with multiple benefits to local stakeholders but also on a Statewide basis.

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,

Mike Gibson

Chair, Rio Grande Interbasin Roundtable

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cc: Colorado Rio Grande Restoration Foundation