

Rio Grande Inter-Basin Roundtable
c/o San Luis Valley Water Conservancy District
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July 29, 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: Plaza Project – Phase 2: McDonald Ditch Implementation
Project – Supplemental Funding**

Dear Mr. King & 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 Plaza Project – Phase 2, is the second phase of the Plaza Project. Phase 2 will implement the findings of the Plaza Plan. The preliminary design work for Phase 2 was completed under Plaza Planning Project, (Phase 1). Phase 1 was funded with a \$40,000.00 grant from the Rio Grande Basin WSRA Account. Phase 1 was a 5-month collaborative scoping and feasibility study of potential biological and structural approaches to rehabilitate the streambanks, diversion and headgate structures, and a wetland within the approximately 2.8 mile reach of the Rio Grande near the Sevenmile Plaza, Rio Grande County, Colorado.

At the regular R.G.R.T meeting on January 8, 2013, RGRT Members voted unanimously to approve the request of the for funding from SB 2005 - 179 for a total of \$431,000, from the Colorado Rio Grande Restoration Foundation (Foundation). This was communicated to the CWCB in a letter dated January 18, 2013, a copy of which is

attached. The requested amount corresponds to \$22,000 from the Rio Grande Basin Account and \$409,000 from the Statewide Account.

Subsequent to the request of January 18, 2013 the Project proponents requested the CWCB staff not submit the WQSRA request to the CWCB Board in March 2013, as the opportunity had arisen for the Project to be reevaluated. One of the objectives of this evaluation was the possibility of cost reduction. This evaluation included cost elements, and the relocation and design of the McDonald Ditch Diversion, a major element of the Project.

The evaluation took place with input from the respective stakeholders, landowners, McDonald Ditch Company, Foundation and NRCS. The diversion has been redesigned by the Monte Vista office of the NRCS, with corresponding review by the NRCS State Engineering Staff. In addition, other elements of the Project were reviewed. The revised design eliminates the concern that the replacement diversion could affect the stability of the nearby Rio Grande County road bridge. It was determined the previous cost estimate remained valid.

At the regular meeting of the R.G.R.T meeting on July 9, 2013, Ms. Heather Dutton, Executive Director of the Colorado Rio Grande Restoration Foundation, notified the R.G.R.T. that the Project could be completed within the previously estimated budget of \$1,376,000 and that the WSRA request remained at \$ 431,000. The Foundation would like the CWCB to consider their request at the September CWCB Board Meeting.

Attached is a revised request from the Foundation reflecting the Project as now designed. The objectives of Phase 2 are both consumptive and non-consumptive in nature. They are to:

- Improve diversion efficiency and reduce maintenance by replacing the aging McDonald Ditch headgate, installing a solar-powered automated water gate, and replacing the McDonald Ditch diversion structure;
- Enhance water quality by reducing erosion and sediment input;
- Improve riparian and wetland condition by reclaiming a 2-acre wetland, stabilizing up to 2,000 linear feet of streambanks in the project area, and replacing the existing diversion dam with a rock check weir;
- Increase the capacity of the Rio Grande to transport sediment;
- Improve aquatic conditions and wildlife habitat by including a fish passage in the new diversion structure;
- Encourage recreation on the Rio Grande through installing a boat passage in the new diversion structure;
- Restore a Jurisdictional Wetland. It should be noted that the subject wetland was restored to the satisfaction of the US Army Corp of Engineers in November 2012.
- Promote public involvement in water improvement activities through public outreach and education.

The Total Project cost in January 2013 was \$1,376,000 with the source of funding broken down as follows (in thousands of dollars):

• NRCS Environmental Quality Incentives Program (EQIP)	\$ 150
• Colorado Partnership Program (CPP)	\$ 50
• Cooperative Conservation Partnership Initiative (CCPI)	\$ 200
• Landowners	\$ 70
• Rio Grande County	\$ 10
• In- Kind Services	\$ 113
• Prior Approved WSRA Funds	\$ 295
• INITIAL ESTIMATED PROJECT COST	\$ 888
• Additional WSRA Funding	\$ 431
• Additional McDonald Ditch Funding	\$ 30
• Additional In-Kind Funding	\$ 27
CURRENT ESTIMATED PROJECT COST	\$1,376

The McDonald Ditch Company is working with CWCB staff to increase its CWCB Loan from \$70,000 to \$100,000.

The R.G.R.T urges the CWCB to approve this request for funding of \$431,000 from the WSRA 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

Attachment (1)

cc: Colorado Rio Grande Restoration Foundation