

Water Supply Reserve Fund – Grant and Loan Program
Water Activity Summary Sheet
September 18-19, 2019
Agenda Item 9(b)

Applicant & Grantee: Uncompahgre Watershed Partnership

Water Activity Name: Governor Basin Restoration Project

Water Activity Purpose: Non-consumptive/Implementation

County: Ouray

Drainage Basin: Gunnison

Water Source: n/a

Amount Requested: \$20,000 Gunnison Basin Account
\$11,100 Statewide Account
\$31,100 Total Request

Matching Funds: Applicant & 3rd Party Match (cash & in-kind) = \$194,450

- Exceeds 10% match requirement for the Basin Account request
- Exceeds 50% match requirement for Statewide Account request

Staff Recommendation:

Staff recommends approval of up to \$20,000 from the Gunnison Basin Account; and \$11,100 from the Statewide Account to help fund the project titled: Governor Basin Restoration Project.

Water Activity Summary: WSRF grant funds, if approved, will assist the Uncompahgre Watershed Partnership restore Governor Basin that has been impacted by waste rock and tailings, from the Terrible and Virginius mines. These mines leach metals that impair water quality, downgradient aquatic and terrestrial habitat, and watershed health. During the restoration project, waste rock and tailings will be capped and covered. Drainage channels will be constructed to capture and divert flow away from mine waste and tailings. Soil amendments and a custom high alpine seed mix will be used to revegetate the restoration area. The Governor Basin restoration project will improve water quality, aquatic habitat, and watershed health by mitigating the effects of legacy mining activities; and reduce human-health risks to recreational users. The restoration area is approximately seven acres. The restoration project will benefit riparian and aquatic habitat, water quality, and overall watershed health for an estimated eight miles of downstream waters in Governor, Sneffels, and Canyon creeks. WRSF grant funds will be used for the design, engineering, and permitting costs and for project coordination and public outreach. The project is consistent with UWP's existing watershed plan and local stakeholders, including Ouray County, the city of Ouray, and the Trust for Land Restoration, that have been involved in project development for the past fifteen months.

Discussion: This effort will assist the Gunnison Basin Roundtable achieve goals 1, 3, 5, and 6 as called for in the Gunnison Basin Implementation Plan, as well as assisting the state achieve the goals of: Maintaining agricultural viability;

Enhance environmental and recreational economic value; protect healthy environments; promote protection and restoration of water quality; protect and restore critical watersheds as called for in Chapter 10 of Colorado's Water Plan.

Issues/Additional Needs: The applicant must submit one additional letter of matching commitment (see *Funding Summary/Matching Funds* section below) prior to entering into a contract with the state, otherwise no issues or additional needs have been identified.

Eligibility Requirements: The application meets requirements of all eligibility components: General Eligibility, Entity Eligibility, Water Activity Eligibility, and Eligibility Based on Match Requirements.

Evaluation Criteria: This activity has undergone review and evaluation and staff has determined that it satisfies the Evaluation Criteria. Please refer to Basin Roundtable Chair's Recommendation Letter and the WSRF Grant Application for applicant's detailed response.

Funding Summary/Matching Funds:

<u>Funding Source</u>	<u>Cash</u>	<u>In-kind</u>	<u>Total</u>	<u>Status</u>
Uncompahgre Watershed Partnership	\$2,500	\$8,750	\$11,250	Secured
Ouray Silver Mines	\$2,250	\$71,500	\$73,750	Pending
Natural Resources Damages Fund	\$76,200	\$0	\$76,200	Secured
CWCB Water Plan Grant	\$33,250	\$0	\$33,250	Secured
Sub-total	\$114,200	\$80,250	\$194,450	
WSRF Gunnison Basin Account	\$20,000	\$0	\$20,000	Secured
Sub-total	\$134,200	\$80,250	\$214,450	
WSRF Statewide Account	\$11,100	\$0	\$11,100	
Total Project Costs	\$145,300	\$80,250	\$225,550	

CWCB Project Manager: Chris Sturm

July 31, 2019

Colorado Water Conservation Board
Atten. Craig Godbout
1313 Sherman Street
Denver, CO 80203

Re: Governor Basin Restoration Project, WSRF Grant Application

Dear Mr. Godbout and Members of the Board,

On March 18, 2019 the Gunnison Basin Roundtable reviewed and approved the WSRF grant application for the Governor Basin Restoration Project in Ouray County. The Roundtable recommended that the project be funded with \$20,000 in basin funds and be approved to apply for \$11,100 from the statewide account. Due to an oversight, the Roundtable did not vote to approve the statewide funds until our May 20 meeting in the amount of \$11,100.

We would also like to express our support for a modification to the grant budget. We would request that \$2,200 from Task 4- Project Coordination and Public Outreach be moved to Task 3- Monitoring and Evaluation, with no change in the total budget. We would propose using WSRF- Basin funds for this work. The reason the applicant is requesting this change is that approval and contracting for the Natural Resource Damages (NRD) program funds has taken a bit longer than expected, but funding is needed to characterize pre-project conditions. The NRD program has approved the project for funding and is currently drafting the funding resolution and contract. The applicant expects to be under contract in early 2020 (after snow has fallen on the site).

We would like to express our support for the project and apologize for any confusion or delay.

Sincerely,

Kathleen Curry

Kathleen Curry, Chair
Gunnison Basin Roundtable
54542 US Highway 50
Gunnison, CO 81230
Cell 970-209-5537



Last Update: July 31, 2018

Colorado Water Conservation Board
Water Supply Reserve Fund Grant Application

Instructions

All WSRF grant applications shall conform to the current [2016 WSRF Criteria and Guidelines](#).

To receive funding from the WSRF, a proposed water activity must be approved by a Roundtable(s) **AND** the Colorado Water Conservation Board (CWCB). The process for Roundtable consideration and recommendation is outlined in the 2016 WSRF Criteria and Guidelines. The CWCB meets bimonthly according to the schedule on page 2 of this application.

If you have questions, please contact the current CWCB staff Roundtable liaison:

Arkansas

Ben Wade
ben.wade@state.co.us
303-866-3441 x3238

**Gunnison | North Platte |
South Platte | Yampa/White**

Craig Godbout
craig.godbout@state.co.us
303-866-3441 x3210

**Colorado | Metro | Rio Grande |
Southwest**

Megan Holcomb
megan.holcomb@state.co.us
303-866-3441 x3222

WSRF Submittal Checklist (Required)
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X	I acknowledge this request was recommended for CWCB approval by the sponsoring roundtable.
X	I acknowledge I have read and understand the 2016 WSRF Criteria and Guidelines .
X	I acknowledge the Grantee will be able to contract with CWCB using the Standard Contract . ⁽¹⁾
Application Documents	
X	Exhibit A: Statement of Work ⁽²⁾ (<i>Word – see Template</i>)
X	Exhibit B: Budget & Schedule ⁽²⁾ (<i>Excel Spreadsheet – see Template</i>)
X	Letters of Matching and/or Pending 3 rd Party Commitments ⁽²⁾
X	Map ⁽²⁾
X	Photos/Drawings/Reports
X	Letters of Support
Contracting Documents ⁽³⁾	
X	Detailed/Itemized Budget ⁽³⁾ (<i>Excel Spreadsheet – see Template</i>)- <i>Draft of detailed budget provided in Exhibit B.</i>
X	Certificate of Insurance ⁽⁴⁾ (<i>General, Auto, & Workers' Comp.</i>)
X	Certificate of Good Standing ⁽⁴⁾
X	W-9 Form ⁽⁴⁾
	Independent Contractor Form ⁽⁴⁾ (<i>If applicant is individual, not company/organization</i>)
	Electronic Funds Transfer (ETF) Form ⁽⁴⁾

(1) Click "Grant Agreements". For reference only/do not fill out or submit/required for contracting

(2) Required with application if applicable.

(3) Additional documentation providing a Detailed/Itemized Budget maybe required for contracting.

Applicants are encouraged to coordinate with the CWCB Project Manager to determine specifics.



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(4) Required for contracting. While optional at the time of this application, submission can expedite contracting upon CWCB Board approval.

Schedule		
CWCB Meeting	Application Submittal Dates	Type of Request
January	December 1	Basin Account; BIP
March	February 1	Basin/Statewide Account; BIP
May	April 1	Basin Account; BIP
July	June 1	Basin Account; BIP
September	August 1	Basin/Statewide Account; BIP
November	October 1	Basin Account/BIP

Desired Timeline	
Desired CWCB Hearing Month:	September, 2019
Desired Notice to Proceed Date:	October 1, 2019

Water Activity Summary		
Name of Applicant	Uncompahgre Watershed Partnership	
Name of Water Activity	Governor Basin Restoration Project	
Approving Roundtable(s)		Basin Account Request(s) ⁽¹⁾
Gunnison Basin Round Table		\$20,000
Basin Account Request Subtotal		\$20,000
Statewide Account Request ⁽¹⁾		\$11,100
Total WSRF Funds Requested (Basin & Statewide)		\$31,100
Total Project Costs		\$225,550

(1) Please indicate the amount recommended for approval by the Roundtable(s)



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Grantee and Applicant Information	
Name of Grantee(s)	Uncompahgre Watershed Partnership (UWP)
Mailing Address	PO Box 392 Ridgway, CO 81432
FEIN	46-2946756
Grantee's Organization Contact ⁽¹⁾	Scott Williams
Position/Title	UWP Treasurer
Email	s_swilliams2001@yahoo.com
Phone	(970) 626-2599
Grant Management Contact ⁽²⁾	Ashley Bembenek
Position/Title	UWP Technical Coordinator
Email	abembenek@yahoo.com
Phone	(970)-251-0029
Name of Applicant (if different than grantee)	
Mailing Address	
Position/Title	
Email	
Phone	

(1) Person with signatory authority

(2) Person responsible for creating reimbursement invoices (Invoice for Services) and corresponding with CWCB staff.

Description of Grantee
Provide a brief description of the grantee's organization (100 words or less).
The Uncompahgre Watershed Partnership (UWP), founded in 2007, exists to help protect the economic, natural, and scenic values of the Upper Uncompahgre River Watershed. The Partnership works to inform and engage all stakeholders and solicits input from diverse interests to ensure collaborative restoration efforts in the watershed. UWP is a grassroots coalition of citizens, nonprofits, local and regional governments, and federal and state agencies dedicated to understanding, restoring and protecting land and natural resources within the Uncompahgre Watershed. UWP recently completed three mine remediation projects in the upper Uncompahgre Watershed.



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Type of Eligible Entity (check one)	
	Public (Government): municipalities, enterprises, counties, and State of Colorado agencies. Federal agencies are encouraged to work with local entities. 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.
X	Non-governmental organizations: broadly, any organization that is not part of the government
	Covered Entity: as defined in Section 37-60-126 Colorado Revised Statutes

Type of Water Activity (check one)	
	Study
X	Implementation

Category of Water Activity (check all that apply)		
X	Nonconsumptive (Environmental)	
	Nonconsumptive (Recreational)	
	Agricultural	
	Municipal/Industrial	
	Needs Assessment	
	Education & Outreach	
	Other	Explain:

Location of Water Activity	
Please provide the general county and coordinates of the proposed activity below in decimal degrees . The Applicant shall also provide, in Exhibit C, a site map if applicable.	
County/Countries	Ouray
Latitude	37.968776
Longitude	-107.775137



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Water Activity Overview

Please provide a summary of the proposed water activity (200 words or less). Include a description of the activity and what the WSRF funding will be used for specifically (e.g. studies, permitting, construction). Provide a description of the water supply source to be utilized or the water body affected by the activity. Include details such as acres under irrigation, types of crops irrigated, number of residential and commercial taps, length of ditch improvements, length of pipe installed, area of habitat improvements. If this project addresses multiple purposes or spans multiple basins, please explain. The Applicant shall also provide, in Exhibit A, a detailed Statement of Work, Budget, and Schedule.

Governor Basin is impacted by waste rock and tailings, from the Terrible and Virginius mines, that leach metals that impair water quality, downgradient aquatic and terrestrial habitat, and watershed health. During the restoration project, waste rock and tailings will be capped and covered. Drainage channels will be constructed to capture and divert flow away from mine waste and tailings. Soil amendments and a custom high alpine seed mix will be used to revegetate the restoration area.

The Governor Basin restoration project will improve water quality, aquatic habitat, and watershed health by mitigating the effects of legacy mining activities; and reduce human-health risks to recreational users.

The restoration area is approximately seven acres. The restoration project will benefit riparian and aquatic habitat, water quality, and overall watershed health for an estimated eight miles of downstream waters in Governor, Sneffels, and Canyon creeks.

WSRF grant funds will be used for the design, engineering, and permitting costs and for project coordination and public outreach. The project is consistent with UWP's existing watershed plan and local stakeholders, including Ouray County, the city of Ouray, and the Trust for Land Restoration, have been involved in project development for the past fifteen months.

Measurable Results

To catalog measurable results achieved with WSRF funds please provide any of the following values.

	New Storage Created (acre-feet)	
	New Annual Water Supplies Developed or Conserved (acre-feet), Consumptive or Nonconsumptive	
	Existing Storage Preserved or Enhanced (acre-feet)	
	Length of Stream Restored or Protected (linear feet)	
	Efficiency Savings (indicate acre-feet/year OR dollars/year)	
7.6	Area of Restored or Preserved Habitat (acres)	
	Length of Pipe/Canal Built or Improved	
8	Other	Explain: watershed benefits to downstream waters (miles)

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Water Activity Justification

Provide a description of how this water activity supports the goals of [Colorado's Water Plan](#), the most recent [Statewide Water Supply Initiative](#), and the respective [Roundtable Basin Implementation Plan and Education Action Plan](#) ⁽¹⁾. The Applicant is required to reference specific needs, goals, themes, or Identified Projects and Processes (IPPs), including citations (e.g. document, chapters, sections, or page numbers).

For applications that include a request for funds from the Statewide Account, the proposed water activity shall be evaluated based upon how well the proposal conforms to Colorado's Water Plan criteria for state support (CWP, Section 9.4, pp. 9-43 to 9-44;) (Also listed pp. 4-5 in [2016 WSRF Criteria and Guidelines](#)).

The Governor Basin Restoration Project supports goals identified in the Colorado Water Plan (Section 6.6 goals 2, 3, 5, and 6) by improving water quality and aquatic and riparian habitat that were impacted by legacy mine waste in the headwaters of Uncompahgre River Watershed. The Project will increase resiliency and function in a headwaters watershed to promote a self-sustaining fishery (Canyon and Sneffels creeks).

The headwaters of the Uncompahgre River upstream of Ouray were identified as an environmental reach by the Gunnison Basin Roundtable and included in the nonconsumptive needs assessment in the Statewide Water Supply Initiative- 2010 (Section 2 Gunnison Basin Map).

The Project will support the following goals and measurable outcomes identified in the Gunnison Basin Implementation Plan:

- Quantify and protect environmental and recreational water uses (Section 1.2, Table 12, page 30); particularly in the headwaters of the Uncompahgre River upstream of Ouray (Section 2.4 page 62).
- Maintain or, where necessary, improve water quality throughout the Gunnison Basin (Section 1.2, pages 30 and 35).
- Compliance with all applicable state and federal water quality standards (page 36)
- Tier 1 project which is feasible by 2025 and does an excellent job of meeting basin goals.

Governor Basin attracts recreational visitors for its mining history, wildflowers, wildlife, and incredible scenery. Governor Basin is accessible by a 4x4 road (Ouray County Road 26A) and is part of the larger San Juan road system. As such, the area is an important element of Ouray's tourism and recreation economy, including camping, hiking, and fishing in the area. The restoration project will also reduce the human-health risk of mine waste in a popular recreation area.

Since 2015, UWP, the Colorado Division of Reclamation, Mining, and Safety (DRMS), the Water Quality Control Division (WQCD), Ouray Silver Mines, Inc. (OSMI), Trout Unlimited (TU), and the United States Forest Service (USFS) have evaluated water quality and environmental conditions, conceptual project designs, and potential funding sources to plan a restoration project in Governor Basin. The data indicate that mines in Governor Basin are among the most problematic in the Canyon Creek Watershed. In 2018, discussions about the project occurred at several public meetings, including three Ouray County board of county commissioner meetings. The project design, benefits, and cost-effectiveness have improved as a result of these collaborations.

(1) Access Basin Implementation Plans or Education Action Plans from Basin drop down menu.



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Matching Requirements: Basin Account Requests	
Basin (only) Account grant requests require a 25% match (cash and/or in-kind) from the Applicant or 3 rd party and shall be accompanied by a letter of commitment as described in the 2016 WSRF Criteria and Guidelines (submitted on the contributing entity's letterhead). Attach additional sheet if necessary.	
Contributing Entity	Amount and Form of Match (note cash or in-kind)
LEAVE BLANK	
Total Match	
If you requested a Waiver to the Basin Account matching requirements, indicate the percentage you wish waived.	Not applicable.

Matching Requirements: Statewide Account Requests	
Statewide Account grant requests require a 50% match as described in the 2016 WSRF Criteria and Guidelines. A minimum of 10% match shall be from Basin Account funds (cash only). A minimum of 10% match shall be provided by the applicant or 3 rd party (cash, in-kind, or combination). The remaining 30% of the required match may be provided from any other source (Basin, applicant, or 3 rd party) and shall be accompanied by a letter of commitment . Attach additional sheet if necessary.	
Contributing Entity	Amount and Form of Match (note cash or in-kind):
GBRT grant amount	\$20,000
Must have basin account match	
Uncompahgre Watershed Partnership (UWP) (cash/in-kind)	\$2,500/\$8,750
Ouray Silver Mines, Inc (OSMI) (cash/in-kind)	\$2,250/\$71,500
Natural Resource Damages Fund (NRD) (cash)	\$76,200
CWCB- Water Plan Grant (Environment and Recreation Category)	\$33,250
Total Match	\$194,450
If you requested a Waiver to the Statewide Account matching, indicate % you wish waived. (Max 50% reduction of requirement).	

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Related Studies

Please provide a list of any related studies, including if the water activity is complimentary to or assists in the implementation of other CWCB programs.

In 2013, UWP finalized the Uncompahgre Watershed Plan. The watershed plan was funded through a nonpoint source grant with the Colorado Department of Public Health and Environment, with support from the Colorado Water Conservation Board. The Uncompahgre Watershed Plan provided much of the baseline information about environmental and water quality issues incorporated into the Gunnison Basin Implementation plan.

UWP has been awarded \$76,200 from for the Idarado Natural Resource Damage (NRD) Funds. The NRD application provides additional details about the project plan. In August 2018, UWP prepared the Governor Basin Assessment Report, funded through a grant with DRMS, to summarize environmental conditions to support the project planning process. The report was prepared in consultation with United States Forest Service staff to support project review and approval. Both documents are provided in Appendix C.

Previous CWCB Grants

List all previous or current CWCB grants (including WSRF) awarded to both the Applicant and Grantee. Include: 1) Applicant name; 2) Water activity name; 3) Approving RT(s); 4) CWCB board meeting date; 5) Contract number or purchase order

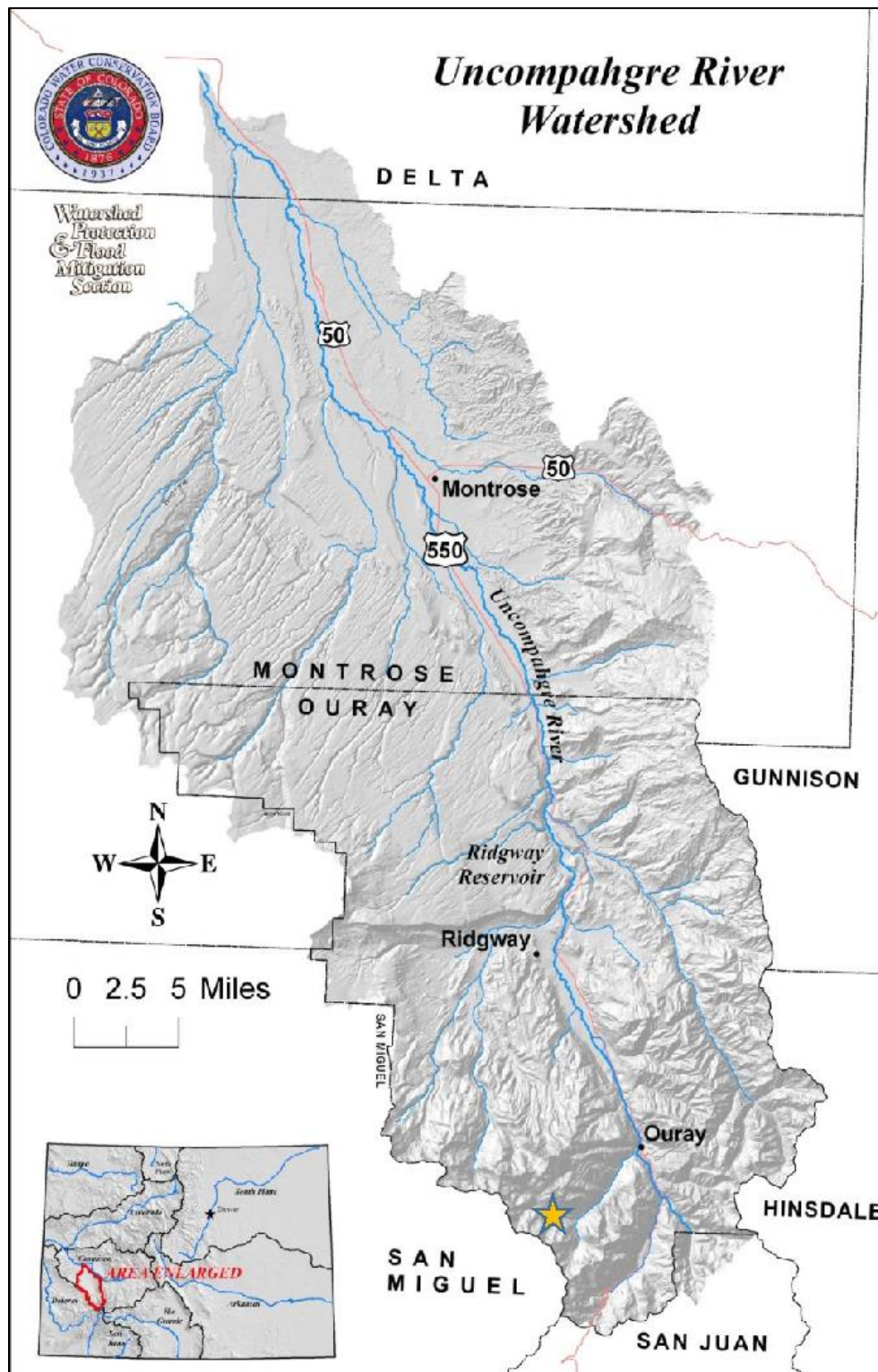
- UWP 2012 Colorado Healthy Rivers Fund (CHRF) for "UWP Community Outreach & Education". CWCB Contract/Purchase Order 13000000053.
- UWP 2012 Colorado Watershed Restoration Program (or CHRF) for "Uncompahgre River Riparian Health Improvement Project". CWCB Contract/Purchase Order 13000000011.

Tax Payer Bill of Rights

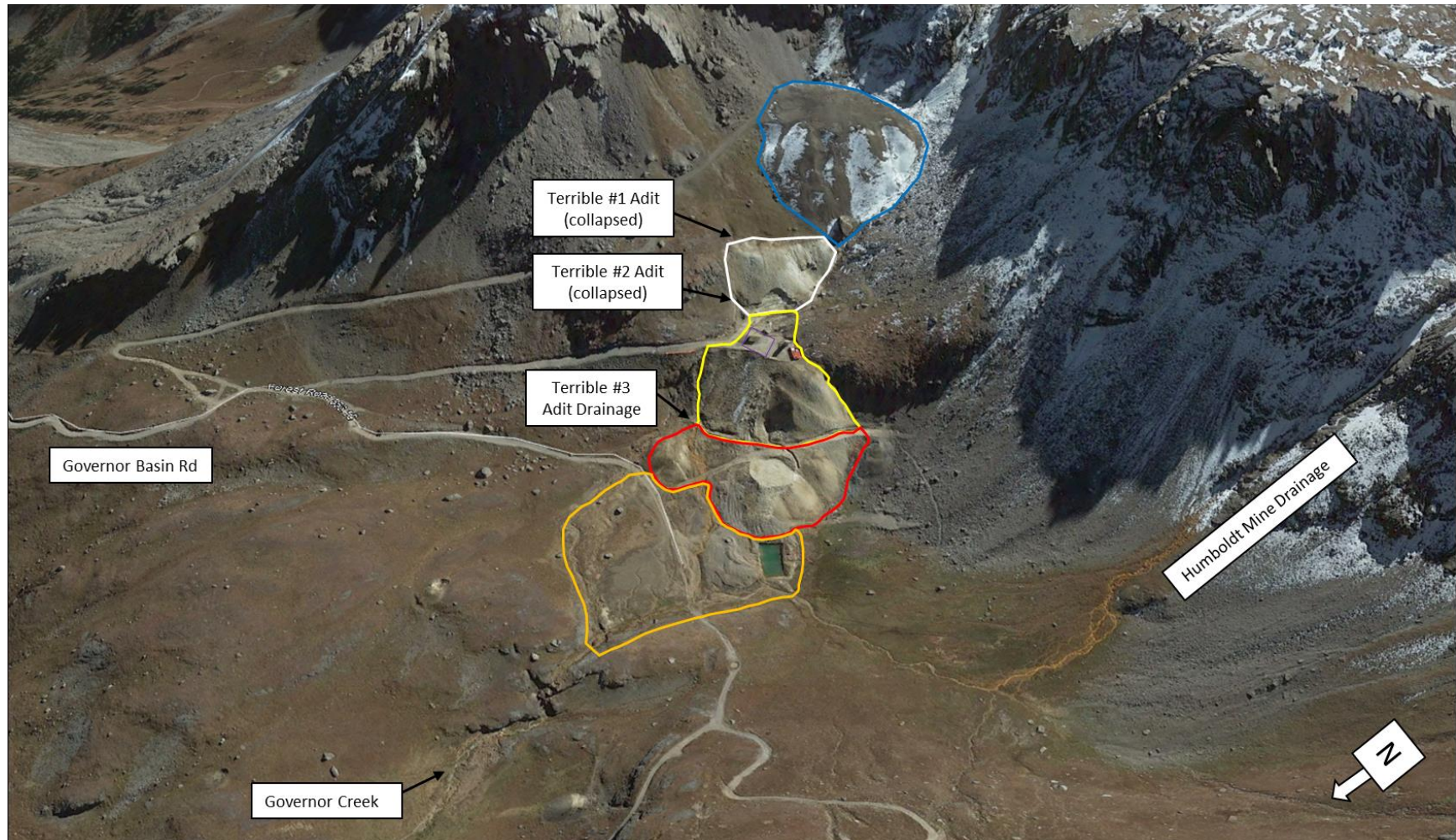
The Tax Payer Bill of Rights (TABOR) may limit the amount of grant money an entity can receive. Please describe any relevant TABOR issues that may affect the applicant.

The Uncompahgre Watershed Partnership is not subject to TABOR limitations, because UWP is a Colorado nonprofit organization, as classified in Section 501(c)(3) of the Internal Revenue Service Code.

Map of the Uncompahgre River watershed in southwest Colorado (UWP, 2013). Governor Basin is located near the star.



Governor Basin, near Governor Basin Road (County Road 26A) in Ouray County, Colorado. The Virginius mine dump (blue polygon), The Terrible #1, #2, and #3 mine dumps (white, yellow, red polygons, respectively), and tailings derived from the Terrible and Virginius veins (orange polygon).



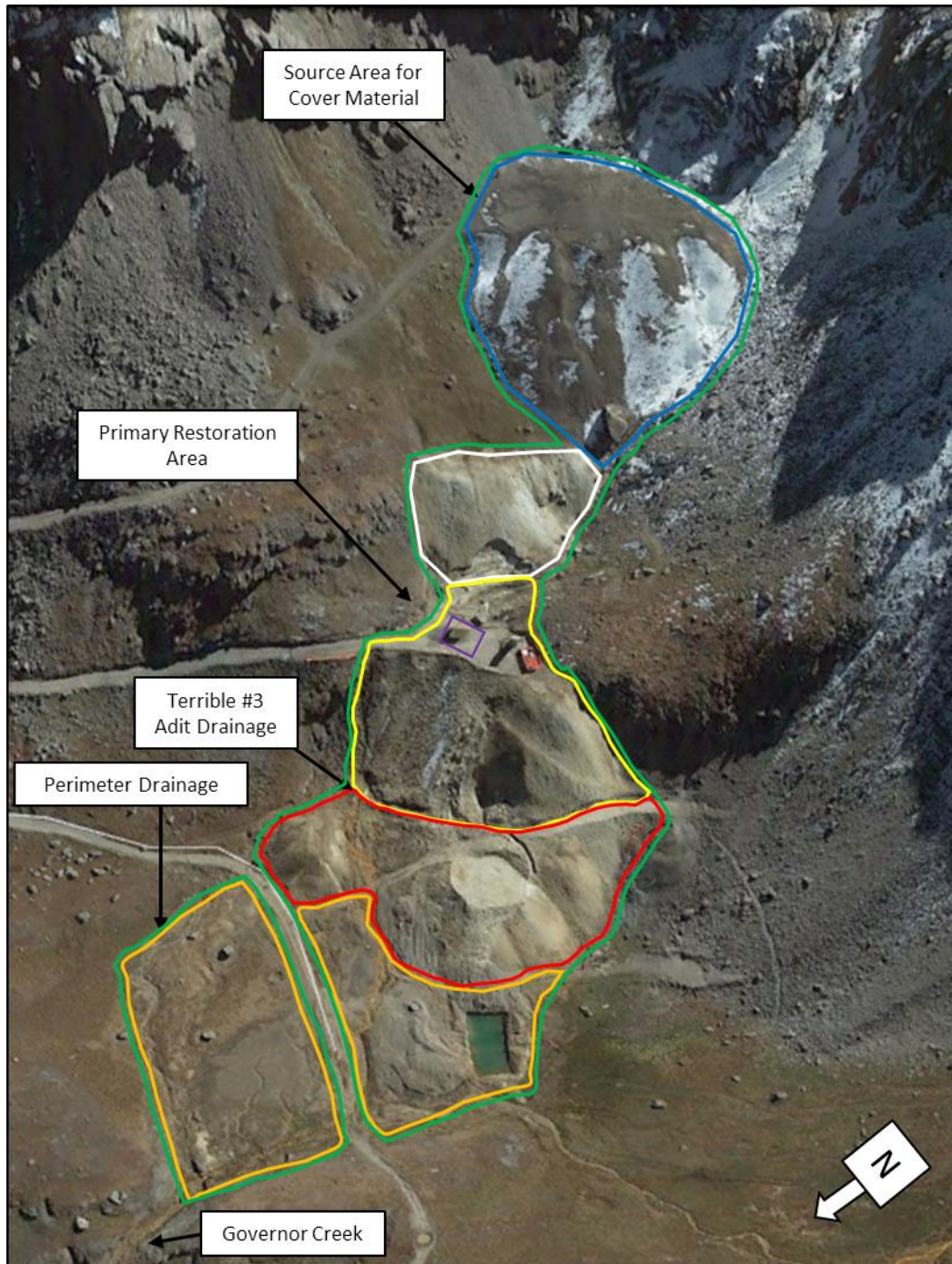


View from the Terrible #3 Adit drainage channel. The foreground of the photo characterizes resource damage common throughout the project area. Left of center, drainage from the Terrible Mine flows into Governor Creek. The background of the photo includes alpine tundra characteristic of the San Juan Mountains. Photo credit: Jeff Litteral, DRMS.



View of tailings near Governor Basin Road. The tailings limit plant growth in the area. The red polygon shows the approximate area of the USFS claim.

Conceptual project design for the Governor Basin restoration project. Neutralizing waste rock from the Virginius Mine Dump will be used as the cover material (blue polygon) to isolate mine waste from the Terrible mine and mill sites (white, yellow, red, and orange polygons). Multiple best management practices will be used in the primary restoration area to improve water quality and support restoration of alpine, riparian, and aquatic habitat.



**COLORADO NATURAL RESOURCES TRUSTEES
RESOLUTION OF JUNE 24, 2019
CONCERNING GOVERNOR'S BASIN RESTORATION PROJECT**

WHEREAS, the Colorado Natural Resources Trustees ("Trustees") are responsible for the management and direction of Colorado's natural resource damages program;

WHEREAS, the Trustees are responsible for administering State funds to restore, replace or acquire the equivalent of injured natural resources;

WHEREAS, the Idarado Mine Site natural resource damages ("NRDs") settlement established a fund of \$1,000,000 through a Consent Decree dated July 6, 1992 for restoration projects; and

WHEREAS, the Uncompahgre Watershed Partnership ("UWP") submitted a proposal dated June 6, 2019 requesting \$76,200 from the Idarado NRD funds to restore alpine, riparian, and aquatic habitat, and improve water quality in Governor Creek, Sneffels Creek, and Canyon Creek ("Proposal").

NOW THEREFORE, the Colorado Natural Resource Trustees resolve as follows:

The Trustees do hereby approve the release of \$76,200 – plus the remaining balance after funding the Society Turn Tailings Pile No. 1 Project - from the Idarado NRD funds ("Funds") to be applied towards the Uncompahgre Watershed Partnership Governor's Basin Restoration Project proposal dated June 6, 2019 ("Project") and subject to the following conditions:

- 1) Release of the Funds is contingent upon Uncompahgre Watershed Partnership contributing matching funds as presented in the Proposal, which may be obtained through other state or federal grant programs, or otherwise;
- 2) Release of the Funds is contingent upon compliance with all laws and regulations, including but not limited to: State and Federal laws, local regulations and ordinances, permitting and zoning requirements, and water rights requirements, including any necessary discharge permits;
- 3) Release of the Funds is contingent upon the Division of Reclamation, Mining and Safety having closed permit P2015-003;
- 4) Release of the Funds is contingent upon Ouray Silver Mines, Inc. ("OSMI") and Caldera Resources ("Caldera") providing to CDPHE a copy of the recorded environmental use restrictions preventing future

mining on the property and any other land disturbances that could interfere with the restoration project; and

- 5) Release of the Funds is contingent upon OSMI and Caldera providing for public access and use of all properties in the Project area;
- 6) Release of the Funds is contingent upon UWP receiving approval from the United States Forest Service to perform restoration activities on lands owned by USFS.
- 7) In order to use the Funds, UWP must enter into a contract with CDPHE, consistent with this resolution, no later than June 23, 2024. Funds will remain available from CDPHE through the term of the CDPHE contract.

Phil Weiser

Colorado Attorney General

Date

Jill Hunsaker Ryan,

Executive Director, CDPHE

Date

Dan Gibbs,

Executive Director, DNR

Date

Ouray Silver Mines, Inc.
1900 Main St. Unit 1
PO Box 564
Ouray, CO 81427



Colorado Water Conservation Board
1313 Sherman Street Room
718 Denver CO 80203

Date: January 30, 2019
Subject: Commitment to Governor Basin Restoration Projection

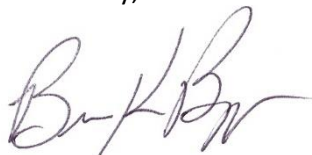
Dear Colorado Water Conservation Board Members,

Ouray Silver Mines Inc. (OSMI) is pleased to submit this letter of commitment to support the Uncompahgre Watershed Partnership application for the Governor Basin Restoration Project. OSMI owns and operates the Revenue-Virginus Mine near Ouray, CO. As a part of the ongoing multi-stakeholder effort to restore legacy mining impacts in Governor Basin and improve water quality and aquatic habitat in downgradient waters, OSMI has agreed to provide in-kind contributions of heavy equipment and operators to support project implementation; in addition to analytical work, mapping, and planning efforts. We are committing engineering and construction services currently estimated at \$73,000.00 to complete the Governor Basin Restoration Project.

OSMI has worked with Division of Reclamation Mining and Safety (DRMS) staff in the inactive mining program and the Uncompahgre Watershed Partnership (UWP) to develop restoration plans for legacy mine sites in the Ouray area. The Governor Basin restoration plan was developed in collaboration with several local stakeholders. The project, which uses locally-sourced neutralizing rock to cap and cover historic mine waste will reduce surface water runoff from acidic and metal-laden tailings materials to improve water quality and downstream habitat. The restoration project also includes several best management practices to support long-term site stability, revegetation, and to reduce long-term maintenance needs. OSMI is committed to an environmental covenant on the consolidation area so that restored areas will not be disturbed in the future.

Thank you for considering UWP's Governor Basin Restoration Project application. Please do not hesitate to call me with concerns or questions at 970-325-9830.

Sincerely,



Brian K. Briggs, P.E.
Chief Executive Officer
Ouray Silver Mines, Inc.



JOHN E. PETERS
BEN TISDEL
DON BATCHELDER

BOARD OF COUNTY COMMISSIONERS

P.O. Box C • Ouray, Colorado 81427 • 970-325-7320 • FAX: 970-325-0452

January 15, 2019

To Whom It May Concern:

During the spring and summer of 2018, Ouray County hosted a series of meetings with local stakeholders to help identify and prioritize projects in the upper Uncompahgre Watershed. The public process incorporated feedback from multiple stakeholders and evaluated potential projects relative to the Colorado Water Plan Grant guidelines. Through this process, local stakeholders identified the Governor Basin Restoration Project.

The County of Ouray strongly supports the Governor Basin Restoration Project. Historic mining activities and abandoned mine waste in upper Governor Basin have impaired natural resources in the upper Uncompahgre watershed. The proposed restoration project will restore natural resources through a cap and cover project that minimizes surface water interaction with mine waste. The restoration activities will improve alpine, aquatic, and riparian habitat, as well as water quality, in a headwaters region, which benefits downstream waters such as Sneffels and Canyon Creek. The project will not only improve watershed health in the Uncompahgre watershed, but also provide benefits to recreational users. Governor Basin is a popular 4X4 area for nature viewing and improvements to downstream fish habitat benefits anglers.

The Ouray County Board of County Commissioners supports the Governor Basin Project and urges favorable consideration of this grant request.

Sincerely,

John E. Peters
Chair

Ouray County Board of County Commissioners