

Governor Basin Restoration Project Update

Prepared by Ashley Bembenek, Uncompahgre Watershed Partnership (UWP), on May 5, 2022 for the Ouray County Board of County Commissioners (BOCC).

Background

Governor Basin is located roughly 10 miles southwest of Ouray in the headwaters of the Canyon Creek Watershed. Governor Basin is home to the Virginius and Terrible mines; both are historic abandoned mines. Waste rock and tailings from these mines create human-health and environmental risks in the basin and substantial water quality impacts that extend several miles downstream. The Governor Basin Restoration Project will reduce these impacts by consolidating and treating mine waste and tailings, redirecting surface water flows to prevent contamination, and use designated parking areas and fences to prevent recreationists from contacting contaminated materials. The Project will address approximately 8 acres on lands owned by Ouray Silver Mines, Inc (OSMI) and the United States Forest Service (USFS).

Recent Accomplishments

- The USFS has approved the project work plan and the acting Regional Engineer has officially signed off.
- Trout Unlimited (TU) and Environmental Protection Agency (EPA) will supervise construction which is scheduled to begin in July 2022.
- NRD staff reviewed the updated restoration plan that UWP and TU submitted in early May. NRD staff have strongly recommend that the NRD Trustees maintain funding for the project. NRD staff reported that we should move forward with project planning as anticipated.

Next Steps

- OSMI and EPA finalize Administrative Settlement Agreement and Order on Consent (ASAOC). This document will provide liability protection and define other critical terms for this collaborative and voluntary project.
- UWP and TU finalize application to the Colorado River District's Community Funding Partnership (CFP, funded by ballot measure 7a that passed in November 2020). The application will be submitted on May 13th. The funding request is for approximately \$173,000.
- BOCC to revise and sign the attached letter of support to accompany CFP application. If the commissioners would like to further support the project, please consider contacting Colorado River District Board Members to encourage them to support the full funding request.
 - Marti Whitmore is the Ouray County representative
 - Other Board Members are listed [here](#).
 - Board Members will consider the application at the July board meeting.
- TU, OSMI, and EPA will continue preparing for construction, including public communications related to road closures during construction.



LYNN M. PADGETT

JAKE NIECE

BEN TISDEL

BOARD OF COUNTY COMMISSIONERS

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

May 10, 2022

Amy Moyer
Director of Strategic Partnerships
Colorado River District
201 Centennial Street Suite 200
Glenwood Springs, CO 81601

Board of Directors
Colorado River District
201 Centennial Street Suite 200
Glenwood Springs, CO 81601

Transmitted via email: amoyer@crwcd.org

RE: Community Funding Partnership for Governor Basin Restoration Project

Dear Amy and Directors,

In 2018 the Ouray County Board of County Commissioners (BOCC) hosted several stakeholder meetings to determine how to best use funds from the Colorado Natural Resource Damages Fund to restore habitat and watershed health in the headwaters of the Uncompahgre River Watershed. The **Governor Basin Restoration Project** (Project) was identified as a top priority by Ouray County stakeholders.

The Project will reclaim abandoned mine lands and acidic waste dumps and tailings attributed to the historic Terrible and Virginus mines which currently mobilize cadmium, copper, lead, manganese, and zinc into Governor Creek, a tributary of Sneffels Creek and the Uncompahgre River¹. Contaminants attributed to the historic mine features cause water quality impairments and negative impacts to human health or ecological receptors². This collaborative and voluntary project will restore alpine, riparian, and aquatic habitat, and improve water quality in Governor, Sneffels, and Canyon creeks. The Project will reduce metals-laden runoff from approximately 10.5 acres and may benefit water quality in up to eight miles of downstream waters while improving watershed health and function.

For the past four years the Uncompahgre Watershed Partnership (UWP), Ouray Silver Mines, Inc. (OSMI), and Trout Unlimited have collaborated with the US Forest Service and the Environmental Protection Agency (EPA) to design and approve this important restoration project. The BOCC has monitored the groups' progress and offered support throughout the planning phase. On October 19, 2021, the BOCC adopted Resolution 2021-037 in support of the project (attached). The resolution prohibits surface disturbance in the restored areas and allows for public access following completion of the project. These prohibitions will preserve the restoration area and the investments made by local stakeholders.

The Project has the full support of the BOCC and is the first request to the Community Funding Partnership made by Ouray County stakeholders. We strongly recommend that the Colorado River District fully fund UWP's Community Funding Partnership application for the project.

Respectfully,

Lynn M. Padgett, Chair

Jake Niece, Vice-Chair

Ben Tisdell, Member

¹ 5 CCR 1002-93. Regulation No. 93 – Colorado's Section 303(d) List of Impaired Waters and Monitoring and Evaluation List. Effective 8/14/21.

² Uncompahgre Watershed Partnership, August 2018, "Assessment Report: Governor Basin: Terrible, Virginus, and Humboldt Mine Sites Near Ouray, Colorado." Pages 15-16, 28-31, and 34.



A RESOLUTION OF THE BOARD OF COUNTY COMMISSIONERS OF OURAY COUNTY, COLORADO APPROVING ENVIRONMENTAL USE RESTRICTIONS 1) PREVENTING FUTURE LAND DISTURBANCES, AND 2) PROVIDING FOR PUBLIC ACCESS TO THE GOVERNOR BASIN RESTORATION PROJECT ON LANDS OWNED BY OURAY SILVER MINES

WHEREAS, the Uncompahgre Watershed Partnership (UWP), with the support of Ouray Silver Mines, Incorporated (OSMI) and Trout Unlimited (TU), secured funding from the Colorado Natural Resource Damages (NRD) Program to complete a restoration project in Governor Basin, as outlined in "History and Rationale to Support Ouray County Resolution for Governor Basin Restoration Project" attached hereto as "Exhibit A"; and

WHEREAS, the NRD Program required recorded environmental use restrictions preventing future surface-based mining on the property and any other land disturbances that could interfere with the restoration project located on lands owned by OSMI; and

WHEREAS, the NRD Program required OSMI to provide for public access and use of all properties in the project area on lands owned by OSMI; and

WHEREAS, the Governor Basin Restoration Project, which includes waste from the Virginius and Terrible Mines, is located at 37.96923, -107.77513 in Governor Basin, approximately 10 miles southwest of Ouray, in Ouray County Colorado.

NOW THEREFORE, BE IT RESOLVED that the Board of County Commissioners finds the requirements of the NRD program appropriate and consistent with the goals of the Governor Basin Restoration Project. Therefore, the Board of County Commissioners of Ouray County hereby adopt the following:

- 1) Surface disturbance that could interfere with the Governor Basin Restoration Project on lands owned by Ouray Silver Mines Incorporated is prohibited.
- 2) Public access and use of all properties in the Governor Basin Restoration Project on lands owned by Ouray Silver Mines Incorporated shall be permitted.

Adopted this 19TH day of OCTOBER, 2021.

Voting for: COMMISSIONERS TISEL, PADGETT + NIECE
Voting against: NONE

BOARD OF COUNTY COMMISSIONERS OF OURAY COUNTY, COLORADO

Attest:

Ben Tisdel, Chair

Lynn M. Padgett, Vice-Chair

Jake Niece, Commissioner Member

Michelle Nauer, Clerk and Recorder
By: Hannah Hollenbeck, Deputy Clerk of the Board

History and Rationale to Support Ouray County Resolution for Governor Basin Restoration Project

Prepared by Ashley Bembenek, Uncompahgre Watershed Partnership, on September 24, 2021.

In April 2018, the Colorado Department of Public Health and Environment provided a letter to Ouray County stakeholders. The letter listed projects completed in Ouray and San Miguel counties using Idarado Natural Resource Damages ("NRD") funds¹, identified the remaining balance of NRD funds, and encouraged Ouray County stakeholders to lead a public process to recommend projects to use the remaining NRD funds.

In the months that followed, Ouray County facilitated the public process to recommend projects to the NRD program. Two projects were identified through the public process. The Trust for Land Restoration will use NRD funds to acquire and conserve lands on and near the Silver Mountain Mine. The Uncompahgre Watershed Partnership, along with Ouray Silver Mines Incorporated ("OSMI") and Trout Unlimited ("TU"), will complete a restoration project to reduce environmental contamination attributed to the Revenue and Terrible mines in Governor Basin ("Project" or "Governor Basin Restoration Project").

In June 2019, the NRD trustees² adopted a resolution approving the use of Idarado NRD funds for the Project. The NRD trustees' resolution for the Project includes seven conditions that must be met to prior to the use of NRD funds. Ouray County, NRD staff, and local project partners have decided that a county resolution is the most efficient way to accomplish two of the conditions.

These conditions are 1) to prevent surface disturbance in the restored areas and 2) allow for public access and use on lands owned by OSMI. The attached resolution was drafted to satisfy the requirements of the NRD Trustees. The resolution was reviewed and is supported by UWP, OSMI, TU, and NRD staff. If Ouray County adopts the resolution, UWP will be granted the NRD funds for the Project. Project construction is planned for the summer of 2022.

Governor Basin is located roughly 10 miles southwest of Ouray in the headwaters of the Canyon Creek Watershed. Governor Basin is home to the Revenue and Terrible mines; both are historic abandoned mines. Waste rock and tailings from these mines create human-health and environmental risks in the basin and substantial water quality impacts that extend downstream. The Governor Basin Restoration Project will reduce these impacts by consolidating and treating mine waste and tailings, redirecting surface water flows to prevent contamination, and use designated parking areas and fences to prevent recreationists from contacting contaminated materials. The Project will treat approximately 10.5 acres.

¹ In 1983, the State of Colorado filed suit against Idarado Mining Company for natural resource damages under the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA). In 1993, the State and Idarado entered into a consent decree outlining the remedial action plan for the Idarado site. As part of the consent decree, the state received approximately \$1.1 million dollars for NRD restoration activities in Ouray and San Miguel counties.

² The State Attorney General and the Directors of the Departments of Public Health and Environment and Natural Resources serve as the NRD Trustees.