

**Canyon Creek Watershed
Brownfields Assessment Proposal
Ouray County Colorado**

Applicant Information

- 1. Project title:** Canyon Creek Watershed Brownfields Assessment Proposal
Ouray County, Colorado
- 2. Grant Type:** Community Brownfields Assessment
Hazardous substances/mine-scarred lands
- 3. Amount Requested:** \$200,000
- 4. Name of Applicant:** Ouray County, Colorado
Board of County Commissioners
- 5. Project Contact:**

Tom Hollenbeck
County Commissioner
Ouray County
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Ouray, CO 81427

970-209-5775 (cell)
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- 6. Head of Organization:**

Don Batchelder
Chair, Board of County Commissioners
Ouray County
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970-325-7320 (office)
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- 7. Location:** Ouray County, Colorado
San Juan Mountains, southwest Colorado
- 8. Population:** Ouray County: 3,948 (2002 estimate¹)
Target Area: 1,400 (estimate)
- 9. Special considerations:**
 - County Population under 100,000.
 - City of Ouray is a National Historic District.
 - Geographically located in EPA Region 8 San Juan Mountains Focus Area.
 - Key component of Red Mountain Project, a collaborative effort to acquire and protect as natural open space over 11,000 acres of mining claims and other historic mining related properties in the San Juan Mountains.

¹ Colorado Dept. of Local Affairs, Demography Section, <http://www.dola.state.co.us/demog>

Canyon Creek Watershed Brownfields Assessment
Ouray County, Colorado
PROPOSAL OVERVIEW

The Board of County Commissioners of Ouray County, Colorado, together with our project partners, seek a Brownfields Assessment Grant to perform environmental site assessments, stakeholder outreach, and environmental liability analysis of mine-scarred, private properties in the Canyon Creek watershed. The goal of this proposal is to assess 4,000 acres of private mining claims to prioritize properties for public acquisition.

Canyon Creek is within the Red Mountain Project area of southwest Colorado. It is a 28 square-mile watershed adjacent and connected to the City of Ouray, in the rugged San Juan Mountains. These mountains have been described as the most visually stunning mountains in the state, and perhaps in the entire west. In addition to spectacular scenery, the San Juans played host to one of the most colorful and productive hardrock mining eras that the world has ever known. The period 1876 to 1918 saw an incredible mining boom, with Canyon Creek and the surrounding Red Mountain Mining District at the center of it.

Today, Ouray is a National Historic District. US Highway 550, the famed “Million Dollar Highway,” traverses and provides access to the lands in and around Ouray and the Red Mountain Mining District. The area’s scenic splendor has led administrators of the National Scenic Byway system to designate the highway as one of only 19 “All-American Roads” in the nation. Each year, the area attracts over a million visitors. Tourism, in short, has replaced mining as the primary economic driver in this part of Colorado. And while the miners are all but gone, they left behind dozens and dozens of structures that have immense historical value and visitor interest. They also left behind waste rock piles, mill tailings, road scars and acid-rock mine drainage. As they have across the rural west, these sites have become the brownfields of Ouray County.

There is urgency to conserving and protecting open space and historical values in the San Juans. The beauty and the mining history of Ouray County are threatened by an onslaught of dispersed second-home building, and real estate speculation. Also, most of the remaining mining relics are in disrepair. Old age, extreme weather and scavenging by souvenir hunters are taking a toll. Most of these structures require stabilization and minimal restoration to keep them standing. The Red Mountain Project was conceived in 1999 to respond to this urgency.

The Red Mountain Project is a nationally recognized, local collaborative effort to conserve over 11,000 acres of mining claims and other historic mining related properties in the geographic triangle formed by the San Juan Mountain towns of Ouray, Telluride, and Silverton. The Red Mountain Project is overseen by the Red Mountain Task Force, a dynamic partnership of local citizens, local governments of three rural counties, two local historical societies, Ft. Lewis College, state and federal regulatory agencies, the United States Forest Service, a non-profit national land conservation organization in the presence of the Trust for Public Land (TPL), and a non-profit state-wide land trust in the presence of the Trust for Land Restoration (TLR).

On behalf of the Red Mountain Project, Trust for Public Land has, to date, received authorization to utilize federal Land and Water Conservation Funds (LWCF) totaling \$14.2 million to acquire private property in the Red Mountain, Ouray, and Telluride Mining Districts and convey them to the US Forest Service. By the end of 2003, TPL will have acquired and transferred more than 6,000 acres to the US Forest Service, 3,500 acres of which are in Ouray County. Another 150 acres of inactive mined land has been acquired by Ouray County using non-federal funds, and is now managed by the County as an open space park.

The Canyon Creek Brownfields Assessment has great leverage potential. About \$5 million remains in current LWCF authorizations for future Red Mountain Project acquisitions. TPL estimates about 4,000 acres of private inholdings remain to be assessed and prioritized for potential acquisition in Canyon Creek, but additional acquisitions are now hampered by liability concerns related to mine land contamination.

This project also benefits by the participation of the Trust for Land Restoration. TLR is a Colorado land trust that combines land restoration with legal expertise to achieve the goal of restoring and conserving environmentally significant lands degraded by human activity. They may be the only non-profit land trust in the nation dedicated to such an undertaking. TLR brings to the Canyon Creek project legal knowledge and skills honed by its participation with Summit County, Colorado in the Peru Creek Basin Brownfields Assessment Demonstration Pilot project, which was one of the first brownfields assessments of mine-scarred land in a rural setting to be funded by an EPA grant.

An important element of this proposed assessment will be the liability analysis performed by TLR. Attorneys for the Trust will help analyze the results of environmental assessments, uncover site history, review chain of title, provide legal analysis and opinion, and perform other due diligence tasks that will provide the basis for site prioritization that is a core task of this project.

In addition to understanding and managing CERCLA liability, analysis of many of the sites in Canyon Creek will need to consider liability associated with the Clean Water Act (CWA). Like many Brownfields sites, some of the residual contamination from past industrial activities in the Canyon Creek Basin may be causing un-permitted discharges of pollutants in violation of the CWA. Congress has considered amending the CWA by adding a "Good Samaritan" provision to encourage the clean up of contaminated sites that present potential CWA liability issues. Additional study of these issues in a Brownfields context may help to highlight the need for these amendments.

Threshold Criteria for Assessment Grants

A. Applicant Eligibility

Ouray County Government, a local government and political subdivision of the State of Colorado, is the applicant for this Brownfields Assessment grant.

The Brownfields targets of this assessment are mine-scarred properties within the Canyon Creek portion of the Red Mountain Project area whose acquisition and re-use as open space, historical museum and interpretive facilities is complicated by the presence (or potential presence) of mining-related contamination.

B. Community Notification

Citizens of Ouray County were first informed of this Brownfields Assessment grant proposal via a noticed agenda item for October 27, 2003 meeting of the Ouray County Board of County Commissioners, held at the Ouray County Court House, in the city of Ouray. The public notice was published in the October 24, 2003 issue of the *Ouray County Plaindealer* newspaper.

The members of the Red Mountain Task Force discussed this proposal as a noticed agenda item at its bi-monthly meeting held November 13, 2003 at the Ouray Community Center, in the city of Ouray.

The Board of County Commissioners and the Red Mountain Task Force hosted a public meeting on November 18, 2003, at the Ouray Community Center, in Ouray, Colorado. The November 14 issue of *Ouray County Plaindealer* published a brief story entitled “*Input Sought for Grant Application.*” It announced the public meeting, and invited public participation. Phone calls and emails were sent to an additional 40 people identified as likely interested.

C. Letter from the State or Tribal Environmental Authority

A letter from Mark Walker, Colorado Department of Public Health and Environment, is attached.

D. Site Eligibility and Property Ownership Eligibility

The Canyon Creek Brownfields Assessment is a community assessment of privately – owned, mine-scarred lands in the Canyon Creek watershed. Specific sites have not been identified, however a 2000 Colorado Department of Public Health and Environment Report indicates that property-specific determination is not needed for any site in Canyon Creek. There are no ongoing or planned CERCLA removal actions, no unilateral administrative orders, no court orders, no administrative orders on consent or judicial consent decrees, and no site is subject to corrective action orders under RCRA, sections 3004(u) or 3008(h).²

² Colorado Department of Public Health and Environment, Hazardous Materials and Waste Management Division, October 26, 2000. Analytical Results Report, Canyon Creek Watershed, Ouray County Colorado.

Ranking Criteria for Assessment Grants

A. Assessment Grant Proposal Budget

**Canyon Creek Watershed Brownfields Assessment
 Ouray County, Colorado**

Budget Description

Budget Categories	Phase I Enviro. Assessment	Phase II Enviro. Assessment	Remedial Design	Liability Analysis	GIS	Community & Stakeholder Outreach	Prioritization & Remedy Selection	Final Report	Total
Ouray County Personnel	\$2,000	\$2,000		\$4,000		\$4,000	\$2000		\$14,000
Contractor 1: Environmental Consultant*	\$20,000 ³	\$36,000	\$40,000		\$6,000 ⁴				\$102,000
Contractor 2: Independent Legal*	\$2,000	\$2,000	\$4,000	\$4,000					\$12,000
Contractor 3: Trust for Land Restoration*	\$4,000	\$12,000	\$10,000	\$10,000		\$6,000	\$8,000	\$8,000	\$58,000
Contractor 4: Trust for Public Land*						\$6,000	\$8000		\$14,000
Total	\$28,000	\$52,000	\$54,000	\$18,000	\$ 6,000	\$16,000	\$18,000	\$8,000	\$200,000

*Applicant will comply with the procurement procedures contained in 40 CFR 31.36

Budget Category Descriptions:

The budgeted task categories for the EPA-funded aspects of this project include:

- 1) **Phase I Environmental Site Assessments:** Gather existing data, property ownership records, and use history of the private property within the Canyon Creek watershed identified by the Red Mountain Task Force as being important to acquire for open space;
- 2) **Phase II Site Environmental Assessments:** Prioritize sites on the basis of landowner and stakeholder outreach, and the Phase I Environmental Assessment, and conduct Phase II Environmental Site Assessments for the 3 to 5 highest priority sites;

³ Phase II budget reflects cost savings estimated to be \$10,000 due to availability of data collected by Colorado Department of Public Health and Environment and reported in “Analytical Results Report, Canyon Creek Watershed, Ouray County, Colorado, CDPHE, 2000; CERCLIS ID #CO000896994.

⁴ GIS budget reflects cost savings estimated to be \$10,000 due to Trust for Public Land is contribution of GIS data to the project as an in-kind match.

- 3) **Remediation Designs:** Complete remediation planning with scope of work and budget estimates for 2 to 3 of the highest priority sites, based on Environmental Site Assessments, guided by legal expertise and stakeholder consensus;
- 4) **Liability Analysis:** Utilize TLR attorneys and independent counsel to conduct legal analysis and liability assessment of potential environmental liabilities, and develop liability management strategies for acquisition and cleanup of the highest priority sites;
- 5) **GIS:** Develop a project-specific GIS platform to support all phases of the project;
- 6) **Community & Stakeholder Outreach:** Conduct community meetings, generate local newspaper articles, develop and maintain landowner relations, provide outreach to regulators and other government officials.
- 7) **Prioritization/remedy selection:** Consult with stakeholders and project management team, utilizing all elements completed to date, to prioritize sites and choose appropriate remedies.
- 8) **Final Report:** Complete and distribute a final report in a manner that meets EPA reporting requirements, that serves as a demonstration model for future acquisition and cleanup of sites in other drainages within the Red Mountain Project area, and serves other communities trying to address and resolve mine-scarred land/Brownfields issues.

B. Community Need

Ouray County is a small, rural county in southwest Colorado. The population estimate is 3,872 permanent residents.⁵ The target human community of the Canyon Creek Brownfields Assessment is an estimated 1400 people, 827 of whom live in the City of Ouray,⁶ based on 2002 population estimates compiled in Colorado State Demographer. Other demographic statistics for Ouray County⁷ include:

Median Family Income:	\$42,019	Persons below Poverty Level:	7.8%
Per Capita Income:	\$24,335	Unemployment Rate:	3.21%
Non-white Population:	9.06% (predominately Hispanic/Latino)		

The confluence of Canyon Creek and the Uncompahgre River is within the City of Ouray, with the remainder of the Canyon Creek watershed situated adjacent and west of the city limits.

The Brownfields Assessment targets of this proposed study are the dozens of inactive and abandoned mine sites on private land within the Canyon Creek watershed. Most of these mines were abandoned by 1930, but one famous mine, the Camp Bird, continued to operate its mine and mill along Canyon Creek until 1981. The Camp Bird's closing in 1981, combined with the 1978 closing of the region's other last major mine, the Idarado, devastated the local economy with the loss of several hundred of the highest paying jobs in the region. Twenty-two years later, Ouray County finally seems to have economically recovered, by substituting tourism for mining.

⁵ 2002 estimate, Colorado Dept. of Local Affairs, Demography Section, <http://www.dola.state.co.us/demog>.

⁶ Colorado Dept. of Local Affairs, Demography Section, <http://www.dola.state.co.us/demog>

⁷ 2000 US Census, <http://www.census.gov>

Concern about loss of the natural, recreational, and historic resources on private lands within the Red Mountain Project area due to second home development, over-use, and neglect led the National Trust for Historic Preservation to designate the Red Mountain area as one of the nation's most endangered historical sites. This concern also spurred formation of the Red Mountain Task Force by the Ouray County and San Juan County Commissioners. The Task Force engaged the Trust for Public Land (TPL) to raise public and private funds to begin acquiring key privately owned mining claims and other inholdings within the Red Mountain Project area. Since 1999, the Task Force and TPL have worked with Congress to secure \$14.2 million in federal Land and Water Conservation Fund appropriations. Ouray County has raised an additional \$400,000 from state, local and private sources. By the end of 2003, TPL will have acquired approximately 6,400 acres within the 11,000-acre project area. Most of these properties have been conveyed to the U.S. Forest Service for the protection of their natural and cultural resource values and for management as public open space. The balance has been conveyed to Ouray County for re-use as public open space.

While the Red Mountain Project has been extremely successful to date, future acquisitions are complicated by the presence or perceived presence of mining related contamination. Concern for legal liabilities under CERCLA and the Clean Water Act arising from ownership and re-use of these sites place a large burden on TPL and its project partners. Also, landowners in the Canyon Creek watershed have already expressed a willingness to sell "to the highest bidder," and are unmotivated to pay for environmental assessment themselves. With one exception, none of these landowners ever participated in mining the property they now own.

Many of the sites in the watershed show signs and impacts of their mining past, including waste rock dumps, mining structures and portal opening. Canyon Creek is currently on the State of Colorado's "Proposed Water Quality Limited Segments Still Requiring TMDLs", or 303(d) List".⁸ A 2000 study by the Colorado Department of Public Health and Environment showed elevated levels of zinc in Canyon Creek at the point where the creek enters the limits of the City of Ouray. The City of Ouray's municipal water supply emanates from the Canyon Creek drainage.

The Canyon Creek watershed harbors important biodiversity values, although native trout reproduction appears to be impacted by mining-related water quality problems.⁹ A 1999 study conducted by the Colorado Natural Heritage Program noted Canyon Creek itself for its "good condition examples of two globally vulnerable riparian forest communities," rated as having "high biodiversity significance." Yankee Boy Basin, a high subalpine/alpine basin in the upper reaches of the watershed, famous for spectacular summer wildflowers, was noted for biodiversity significance due to presence of rare plants and a rare species of butterfly. The report also considered biodiversity values in Yankee Boy Basin to be threatened by "being loved to death" by people hiking off trail and driving off road, and stated "with acquisition of private lands, the Forest Service may be able to enforce no camping rules and limit vehicle use to lessen impacts."¹⁰

⁸ Colorado Department of Public Health and Environment, Preliminary List of Water Quality Limited Segments Still Requiring TMDLs 303(d) List, November 3, 2003.

⁹ Carol Russell, USEPA. Personnel communication.

¹⁰ Colorado Natural Heritage Program, Colorado State University, March 1999. The Uncompahgre River Basin; A Natural Heritage Assessment."

C. Site Selection Process

The sites that will be the focus of the Canyon Creek Brownfields Assessment are all within the larger Red Mountain Project area.

This project proposes to build a Geographic Information System (GIS) platform to assist stakeholders in site selection, prioritization and outreach activities. GIS will be used to overlay property ownership and existing water quality information on top of ecological, historical, recreational, and scenic values.

Phase I Site Assessment activities will consolidate existing information, gather landowner data, and conduct database and literature searches. TLR will collect site histories and conduct preliminary liability assessment. Existing information includes Colorado Department of Public Health and Environment, Hazardous Materials and Waste Management Division 2000 report entitled “Analytical Results Report, Canyon Creek Watershed, Ouray County Colorado,” the Colorado Natural Heritage Program 1999 report entitled “Uncompahgre River Basin Natural Heritage Assessment”, Ouray County Land Use Department’s property ownership database, and Red Mountain Project data previously collected by Trust for Public Land.

Phase I Environmental Site Assessments will assist Ouray County to determine which sites are appropriate for acquisition as is, and which properties should undergo further evaluation and assessment based on the following criteria:

- a) The property owner’s willingness to participate in assessment, sale of property, and, where needed, clean up and remediation.
- b) Environmental, ecological, historical and open space benefits that will be achieved by acquiring and preserving site in relation to estimates of potential cleanup costs.
- c) Ability to manage environmental and regulatory risks associated with property.

This will help prioritize properties for Phase II Environmental Site Assessments. After Phase II assessments are completed, Ouray County, TPL and TLR will cooperate to review and prioritize sites for Remediation Design. TLR will perform liability and regulatory analysis. TPL will design acquisition strategies for sites not needing further remediation planning.

After Remediation Design is completed on selected sites, TLR will perform liability and regulatory analysis. Stakeholders will convene to plan and strategize for acquisition, where deemed appropriate.

The Red Mountain Project works only with willing landowners. Land ownership will be verified by title investigation. Landowners will be individually contacted by the Trust for Public Land, and permission to be included in the assessment will be secured before entering a property. All landowners will be added to the information mailing list, and all landowners will be invited to attend bi-monthly project meetings.

D. Sustainable Reuse of Brownfields/Development Potential

This project will create economic benefit in Ouray County by improving and restoring ecosystem health, by preserving scenic open space, and by preserving historical buildings and structures, thereby enhancing visitor and recreational opportunities. The economy of the region depends on tourism. The Ouray Chamber Resort Association estimates that Ouray attracts 300,000 visitors a year, spending \$14 million to \$18 million annually in taxable sales. This is about 60% of taxable sales. The Chamber estimates that 50% of all visitors travel into the mining districts surrounding the City at least once during their visit.¹¹

For properties acquired and ultimately transferred into US Forest Service management, Ouray County and the Red Mountain Task Force are working with the Forest Service, and the Ouray County and San Juan County Historical Societies, to plan for sustainable management and re-use. The overarching goal is to ensure these properties are managed for their scenic, ecological, historical, and recreational values in a consistent and integrated manner. Protection of both the natural and historical values of lands within the project area is essential to maintaining and enhancing the economic vitality of the surrounding communities. Where cleanup is required, remedies will consider risks, and be designed and implemented in a manner consistent with a vision of sustainable management of conserved properties within the project area.

The Camp Bird Mine will be assessed for possible acquisition, cleanup, and re-use as an historic mining interpretive area, museum and visitor center.

The activities of the Red Mountain Project, via the Canyon Creek Brownfields Assessment, will inhibit the creation of new, mine-scarred brownfields in Ouray County by offering owners of mine land an alternative to selling out to private development.

Although economic trends in the mining industry have reduced the viability of mining in Ouray County, the Red Mountain Project will offer landowners viable economic alternatives to new mining development, either by outright selling of their property to a public entity, or by donating a conservation easement to the Trust for Land Restoration. Many landowners are unaware of the tax benefits associated by donation of a conservation easement, particularly in Colorado, where the state legislature authorized a transferable conservation tax credit that potentially pays landowners to reduce, or preclude entirely, development of their property.

¹¹ Rennie Ross, Director, Ouray Chamber Resort Association, November 19, 2003. Personal communication.

E. Creation and/or Preservation of Greenspace/Open Space or Other Nonprofit Purpose

Preservation of important open space, in an environmentally responsible manner, is the highest priority of this assessment. Two non-profit land trusts and two non-profit historical societies are partners in this project. Of the 16,500 estimated total acres in Canyon Creek, about 4,500 acres exists as of private inholdings. These private properties will be assessed and prioritized for potential public acquisition.

All acquired properties will be preserved as public open space. Most will be ultimately transferred to the United States and managed by the US Forest Service. At least one site, the Camp Bird Mill, has been identified for possible acquisition, cleanup, and re-use as an historic mining interpretive area, museum and visitor center. This site would likely be transferred to either Ouray County or a non-profit, such as the Trust for Land Restoration, the Ouray County Historical Society, or perhaps a new non-profit dedicated specifically to own and manage the site.

F. Reuse of Existing Infrastructure

A goal of the project is to stabilize and preserve historic structures for interpretive value. No expansion of road infrastructure is anticipated. Canyon Creek is accessed via County Road 361, a seasonally maintained, 4-wheel drive, un-paved road. Most private sites can be accessed from County Road 361 by mining old roads.

The Bureau of Land Management's Risk Management Concentration (RMC) standards, developed using USEPA criteria, will be compared to proposed re-use at each site to determine risk to human health and wildlife, and will be incorporated into risk analysis, prioritization, and remedy selection.

The Camp Bird Mill will be assessed for possible re-use as an historic mining interpretive area, museum and visitor center. This site includes two historic Victorian homes in reasonable condition, with doors, windows, exterior siding, and interior walls and flooring still intact. Roof shingles on both buildings need to be replaced very soon or intense damage will result.

Acquisition of the Camp Bird Mine would also result in the re-opening of a portion of County Road 361 that was closed by the current landowner. Backcountry visitors have long requested that the road be reopened for 4-wheel drive use.

G. Community Involvement (a maximum of 15 points may be received for this criterion)

As has been mentioned, the Canyon Creek Brownfields Assessment is a key implementation component of the Red Mountain Project, led by the Red Mountain Task Force. The Task Force is a successful partnership of local citizens, local government, two local historical societies, Ft. Lewis College, state and federal regulatory agencies, the United States Forest Service, a non-profit national land conservation organization in the presence of the Trust for Public Land (TPL), and a non-profit state-wide land trust in the presence of the Trust for Land Restoration (TLR).

The Red Mountain Task Force has built local, regional, and national consensus of the need and urgency of conserving and permanently protecting scenic open space and historically significant remnants of the golden age of mining in a three county area of the San Juan Mountains. The Red Mountain Project has enjoyed the Congressional support of US Representative Scott McInnis, and both of Colorado's US Senators, Wayne Allard and Ben Nighthorse Campbell.

Participation in the project by Trust for Land Restoration is also noteworthy. TLR is a statewide land trust, dedicated to understanding and managing environmental liability, so the land degraded by mining can be restored and conserved. TLR brings unique expertise to this project, as a result of its participation in the Peru Creek Brownfields Demonstration Assessment Pilot, in Summit County, Colorado. In that project, TLR attorneys assisted Summit County in identifying strategies to manage liabilities associated with the acquisition, cleanup and re-use of mine-scarred land near Keystone and Arapahoe Basin Ski Resorts. TLR will work in a similar fashion at Canyon Creek. An added plus is that TLR is based in Ridgway, Ouray County's only other incorporated town, located 8 miles north of the City of Ouray. TLR's executive director, Pat Willits, is currently also the Mayor of Ridgway, and thus is personally acquainted with many of the stakeholders involved in this project.

The Canyon Creek Assessment will include a program of stakeholder identification and outreach. Landowners, local environmental groups, downstream water users, the Colorado Department of Public Health and Environment (CDPHE), and the Colorado Division of Minerals and Geology (CDMG) will be included. To some degree, this has already begun. One representative each from the CDPHE and the CDMG has agreed to participate in the project as a member of the Canyon Creek Brownfields Assessment Advisory Committee.

Ouray County will encourage continued community involvement by hosting a bi-monthly project meeting, timed to immediately follow the Red Mountain Task Force's bi-monthly meetings. The assessment project will also distribute updates and solicit public involvement via newspaper articles, mailings, updates posted on the Trust for Land Restoration website, www.restorationtrust.org, and email.

The Canyon Creek Brownfields Assessment Advisory Committee

Ouray County Board of County Commissioners	Tom Hollenbeck	970-209-5775
Ouray County Historical Society	Ann Hoffman	970-325-4075
Colorado Department of Public Health and Environment, Hazardous Materials & Waste Management Division	Camille Price	970-728-5487
Colorado Department of Natural Resources Division of Minerals & Geology	Paul Krabacher	970-243-6299
Ft. Lewis College Office of Community Service	Ken Francis	970-247-7310
Red Mountain Task Force	Bob Risch	970-325-4205
The Trust for Public Land	Doug Robotham	303-837-1414
The Trust for Land Restoration	Pat Willits	970-626-3236
US Forest Service GMUG Forest Land & Minerals Office	Lauri Kelso	970-240-5405
US EPA Region 8 Mining Coordinator	Carol Russell	303-312-6982

Other non-profit community organizations consulted in the formation of this proposal:

Mountain Studies Institute	Ellen Stein	970-387-5161
Ouray County Trails Council	Walt Rule	970-325-4206
Ridgway Ouray Community Council	Melissa McKay	970-626-4097
San Juan County Historical Society	Bev Rich	970-387-5488

H. Reduction of Threats to Human Health and the Environment

Many of the sites in the watershed show signs and impacts of their mining past, including waste rock dumps, mining structures and portal opening. Canyon Creek is currently on the State of Colorado’s “Proposed Water Quality Limited Segments Still Requiring TMDLs, or 303(d) List”.¹² A 2000 study by the Colorado Department of Public Health and Environment showed elevated levels of zinc in Canyon Creek at the point where the creek enters the limits of the City of Ouray. This study also reviewed Colorado State

¹² Colorado Department of Public Health and Environment, Preliminary List of Water Quality Limited Segments Still Requiring TMDLs 303(d) List, November 3, 2003.

Engineer's well permit data to estimate that 656 people were using ground for domestic use, within four miles of Canyon Creek.¹³

The City of Ouray's municipal water supply emanates from springs high above the Canyon Creek streambed. While the City's water supply doesn't appear to be impacted by mining, there are private claims uphill of the City's source. For protection, the City would like to acquire these claims. Environmental site assessment is needed.¹⁴

The Colorado Department of Public Health and Environment's report on the cleanup of the Idarado Mine, in the next drainage south of Canyon Creek states "the major human health concern is possible exposure to heavy metals in the tailings, specifically lead and cadmium. However, human contact with tailings is minimal. The main impact to the aquatic system is from zinc, cadmium, manganese and changes in pH. High zinc concentrations adversely affect aquatic life in local rivers and creeks."¹⁵

Another mining-related concern in Canyon Creek is the large, wind-driven, dust cloud plumes are occasionally seen emanating from mill tailings piles from some of the mill sites in the basin.

The Bureau of Land Management's Risk Management Concentration (RMC) standards, developed using USEPA criteria, will be compared to proposed re-use at each site to determine risk to human health and wildlife, and will be incorporated into risk analysis, prioritization, and remedy selection. The objective of risk-based cleanup in Canyon Creek is to identify and select appropriate remedies that take into account human health, environmental health, intended re-use, historic values and site characterization results, in order to:

- 1) Reduce mine-related acid-rock drainage (ARD) to Canyon Creek, a proposed-for-listing 303(d) "Water Quality Limited, TMDL Assessment Required" stream;
- 2) Reduce airborne dust and particulates from mill tailing piles;
- 3) Remove or make safe environmental contaminants from intact, habitable structures so that they may be re-used as museums and visitor facilities;
- 4) Implement institutional and land-use controls to conserve passive open space and preclude inappropriate human use.

Working with state or environmental authority:

Sites eventually transferred to Ouray County (or a suitable, local non-profit) that require a cleanup response will be coordinated through Mark Walker and CDPHE's Voluntary Cleanup Program. Review of environmental assessment for sites intended to be eventually transferred to the US Forest Service will include US Forest Service's Linda Lanham and Lauri Kelso, as well as Ouray District Ranger Jim Free and GMUG Forest Supervisor Bob Storch.

¹³ Colorado Department of Public Health and Environment, Hazardous Materials and Waste Management Division, October 26, 2000. Analytical Results Report, Canyon Creek Watershed, Ouray County Colorado.

¹⁴ Michael Penny, Ouray City Administrator, November 19, 2003. Personal communication.

¹⁵ <http://www.cdphe.state.co.us/hm/rpidarado.asp#concerns>

Camille Price (CDPHE Hazardous Materials and Waste Management Division), and Paul Krahbacher (Colorado Division of Minerals and Geology) will participate in the project as members of the Canyon Creek Brownfields Assessment Advisory Committee.

I. Leveraging of Additional Resources

The Canyon Creek Brownfields Assessment will help focus and leverage the acquisition activities of the Trust for Public Land and the Red Mountain Project. About \$5 million remains in current LWCF authorizations for Red Mountain Project acquisitions. Funds to cleanup those sites transferred to the US Forest Service, if any cleanup is necessary, would come either from the seller or from the Forest Service. Most acquired properties will eventually be transferred to the US Forest Service.

It is anticipated that one or potentially two properties, such as the Camp Bird Mine, may be acquired and transferred to Ouray County, or to a local non-profit entity, such as the Trust for Land Restoration or the Ouray County Historical Society, or perhaps to a combination of all three. Funds to cleanup the mine tailings at the Camp Bird would likely come from the seller, perhaps in the form of a dramatically reduced purchase price. Funds to restore historic Victorian buildings on the site would come from fundraising by the Ouray County Historical Society (OCHS). Since 1999 OCHS has raised over \$130,000 to stabilize and/or restore 10 sites in the Red Mountain Project area. Most of these funds have come in the form of grants from the Colorado State Historical Society, which awards proceeds from Colorado gaming and gambling taxes to historical preservation projects. The Gates Family Foundation and Fort Lewis College have also contributed funds, as have Ouray citizens. Ouray County government has been the recipient and administrator for \$92,000 of the total funds, on behalf of OCHS.

The project budget for environmental site assessments reflects cost savings due to availability of data collected by Colorado Department of Public Health and Environment and reported in “Analytical Results Report, Canyon Creek Watershed, Ouray County, Colorado.”¹⁶ The project budget for GIS reflects cost savings attributable to previous GIS database work contributed by Trust for Public Land.

The demonstration value of the Canyon Creek Brownfields Assessment will be leveraged region-wide by the outreach and education activities of the Trust for Land Restoration. TLR makes frequent presentations to other land trusts, non-profits, public agencies, and the real estate community. Canyon Creek will be cited as an example of community collaboration to resolve complex contamination problems. TLR will also post updates and the project final report on its website, www.restorationtrust.org.

There are over 1200 land trusts in the United States. Cumulatively, they have played a part in the conservation and protection of over 7 million acres of land, mostly via conservation easement. With the notable exception of the Trust for Land Restoration’s work with Summit County, Colorado in the Peru Creek Brownfields Assessment Pilot,

¹⁶ Colorado Department of Public Health and Environment, “Analytical Results Report, Canyon Creek Watershed, Ouray County, Colorado, CDPHE, 2000; CERCLIS ID #CO000896994.

land trust expertise has heretofore been a largely untapped resource for brownfields projects. For example, land trust knowledge of conservation easements will be of value to those seeking to design and implement institutional controls in a brownfields setting.

J. Ability to Manage Grants

Ouray County is a political subdivision of the State of Colorado. An elected Board of three County Commissioners oversees a \$4.7 million annual operating budget. Ouray County has 52 full-time employees and 7 part-time employees, including an elected Sheriff, Clerk, Treasurer, and Assessor. A full-time County Administrator oversees staff for Land Use, Public Health, Social Services, EMS, Information Technology, and Fairgrounds departments. The County Administrator, the Road and Bridges Department supervisor, and the County Attorney report directly to the County Commissioners.

Ouray County has demonstrated its ability to manage grant-funded projects and its commitment to the Red Mountain Project by completing two land acquisition projects utilizing \$397,000 in grants¹⁷, and by serving on behalf of the Ouray County Historical Society as grant recipient and administrator for \$92,000 in funds for historical stabilization and restoration. Ouray County is currently the recipient of an EPA NPDES Water Quality Cooperative Agreement totaling \$35,500 to monitor and report on water quality in the Uncompahgre River. That project completion date has recently been extended until January 31, 2005. It is on time and on budget.

Ouray County has not been the recipient of any previous EPA Brownfields Cooperative agreement.

Ouray County has a strong, positive record of grant management. It has not been the subject of any adverse audit findings. Ouray County will follow all federal guidelines and requirements in utilizing federal funds awarded by this grant. Due to limited staff resources, Ouray County intends to contract the majority of the scope of work to complete the Assessment. Ouray County purchasing policies meet Federal purchasing policies and guidelines, requiring a written and published Request for Proposal and open public selection process for contracting.

County Commissioner Tom Hollenbeck is the County representative to the Red Mountain Task Force. He is also the lead contact for the Canyon Creek Brownfields Assessment. The County Administrator will manage and administer the proposed grant, in coordination with Commissioner Hollenbeck, and the County Attorney.

¹⁷ 2002 Garard Open Space acquisition: \$154,000 Great Outdoors Colorado Trust Fund, \$131,000 Idarado Resource Damage Mitigation Fund. 2003 Turk acquisition: \$50,000 Colorado State Historical Society, \$65,000 Idarado Resource Damage Funds.

ATTACHMENTS

**Ouray County Location Map
Canyon Creek Site Map**

Letter from the State Environmental Authority:

Mark Walker, Colorado Department of Public Health and Environment

Letters of Support:

**US Senator Ben Nighthorse Campbell
Bob Risch, Red Mountain Project
Mayor Pamela Larson, City of Ouray
District Ranger Jim Free, United States Forest Service
Ken Francis, Office of Community Services, Fort Lewis College
Doug Robotham, Trust for Public Lands
Pat Willits, The Trust for Land Restoration**