

EXHIBIT 5

WETLANDS MANAGEMENT PLAN FOR THE TELLURIDE MOUNTAIN VILLAGE

OCTOBER 1996

1.0 INTRODUCTION

1.1 Applicability and Purpose of the Management Plan

Wetlands form an important part of the ecological setting within the Telluride Mountain Village and surrounding area. All of the wetlands in the project area benefit not only the Telluride Mountain Village, but the broader community of San Miguel County as well. Their unique ecological setting predisposes these features to impacts that may result from development and recreational activities. These pressures have influenced wetlands within the boundaries of the Telluride Mountain Village and the surrounding areas. As wetlands provide a variety of functions that support aesthetic, ecological, and physical needs within the landscape, their protection from further degradation, as well as a framework for their maintenance and enhancement is necessary to maintain the ecological integrity of the area. Management decisions for wetlands within the region can not be effectively undertaken without an understanding of the wetland systems currently within the project area. Such an understanding requires a knowledge of their origins, the functions they provide and the relative value of these functions and, the natural and human-produced conditions that have influenced wetlands in the area to this point.

This Management Plan is applicable to the activities of and binding upon Telluride Ski & Golf Company, The Telluride Company, Mountain Village Inc. (dba Telluride Mountain Village, Inc.), and their business entities, affiliates, contractors, sub-contractors, employees, servants and

agents. This Wetlands Management Plan covers land currently owned by Telluride Ski & Golf Company ("Telski") located within the Telluride Mountain Village area as identified on Exhibit MP-1 (the "Project Area").

The goals of the Management Plan are to (1) document the extent and types of wetlands and other regulated waters on the site, (2) identify cumulative impacts to those wetlands, (3) identify potential threats to wetlands at the site, and (4) describe procedures and techniques to be used to avoid, minimize and mitigate impacts such that there is no further net loss of wetland functions and values (as further explained in this report) within the project area and, if possible, there are gains in these functions and values. The following elements are included in the Management Plan.

- An inventory of all known existing wetlands, other regulated waters of the United States, and wetland mitigation sites within the Project Area (collectively, "wetlands");
- An identification of certain wetlands that Telski will preserve through the recording of a conservation easement;
- Specific measures that Telski will implement in connection with its future application of fertilizers, pesticides, herbicides, fungicides, and insecticides within the Project Area for the purpose of preventing the introduction of these substances into wetlands;
- Specific measures that Telski will implement to make its employees aware of their obligations under this Management Plan; and
- A list of currently anticipated work by Telski within the Project Area for which wetland disturbance cannot practicably be avoided, together with appropriate mitigation for such disturbance.

This Management Plan was developed jointly by Telski and the EPA. It has been approved by the Environmental Protection Agency and is incorporated into and effective upon entry of the Consent Decree in United States v. The Telluride Company, No. 90-K-2181 (D. Colo.) and it shall be implemented and remain in effect until the EPA authorizes modification or termination. The Consent Decree specifies the process for resolving disputes under and enforcing any violation of this Management Plan.

This Management Plan is not, and shall not be interpreted to be, a permit or other authorization issued pursuant to Section 404 of the Clean Water Act, 33 U. S. C. Section 1344.

1.2 Advanced Identification Process (ADID)

“ADID” is an acronym for the advance identification of wetlands, a process provided for in EPA regulations at 40 CFR Section 230.80. The ADID process involves collecting and distributing information on the values and functions of wetland areas. The EPA conducts the process in cooperation with the U. S. Army Corps of Engineers, and in consultation with states, tribes, or local governments. Local communities can use this information to help them better understand the values and functions of wetlands in their areas. It also serves as a preliminary indication of factors likely to be considered during review of a Section 404 permit application.

The ADID process is intended to add predictability to the wetlands permitting process as well as to better account for the impacts of losses from multiple projects within a geographic area.

An ADID study may classify wetland areas as suitable or unsuitable for the discharge of dredged or fill material. However, the classification does not constitute either a permit approval or denial and should be used only as a guide by community planners, landowners, and project proponents in planning future activities. The classification is strictly advisory.

The EPA is working with San Miguel County to supplement previous studies that have been performed in the area (Cooper and Gilbert, 1990) by performing additional evaluations of wetlands in and around the Telluride Mountain Village and in priority areas identified by San Miguel County. The information will be compiled into an ADID report, which is scheduled to be completed in 1997.

The forthcoming ADID report is not a part of this Management Plan, and the formal adoption of any additional wetland protection measures through the ongoing ADID process would only occur after they have been fully reviewed and commented on by local officials and the public. However, under paragraph 20 of the Consent Decree Telski has agreed to cooperate with the ADID process by providing access to its property and providing relevant information

2.0 DEFINITIONS

The terms used in this Management Plan that are defined in the Clean Water Act, 33 U.S.C. §§ 1251 to 1387, or regulations promulgated thereunder shall have the meanings contained therein. The terms used in this Management Plan that are defined in the Consent Decree shall have the meanings contained in the Consent Decree.

The terms "avoid", "minimize," and "mitigate" as used in this Management Plan shall have the same meaning these terms have in the Memorandum of Agreement Between the Environmental Protection Agency and the Department of the Army Concerning the Determination of Mitigation Under the Clean Water Act Section 404(b)(1) Guidelines dated February 6, 1990. (Note that while the cited Memorandum of Agreement focuses on standard, or individual, permits under Section 404, the Management Plan and the policies of avoidance, minimization, and mitigation it contains address all activities that may affect wetlands.)

"No net loss" refers to a national wetlands protection policy that aims to achieve no overall net loss of the nation's remaining wetlands base, as defined by acreage and function, and to restore and create wetlands, where feasible, to increase the quality and quantity of the nation's wetlands resource base. This Management Plan seeks to achieve the same goals within the Project Area.

3.0 DESCRIPTION OF RESOURCE

3.1 Environmental Setting

Most of the area within the Telluride Mountain Village lies within the Silver Mountain landslide, one of the largest landslide features in North America (GEOS, 1980). This geologic feature produces an uneven topography that supports numerous groundwater discharge points in the form of springs and seeps. Although the Prospect Creek and Skunk Creek drainages are well-defined, drainage patterns both within and outside these drainages are irregular. Analyses of the site also refer to the Adams Creek basin; however, a creek only occurs at the bottom of the basin (GEOS, 1980; Cooper, 1995). These three drainages form the backbone of wetland features within the project area.

The type of wetlands in an area are typically defined by the geologic and climatic setting. As in other areas, wetlands in and adjacent to Mountain Village have also been influenced by other factors. Specifically, wetlands in the region have been influenced on a historic basis by the activity of beavers as well as diversions into and out of the drainages that supported agricultural land uses; within the upper portions of the Prospect Creek drainage historic mining disturbances persist. Wetlands in the area have also been directly and indirectly impacted through the development of the Telluride Ski Area; the golf course; residential and commercial construction; and the supporting infrastructure.

Exhibit MP-1 constitutes a mapped inventory of all known existing wetlands within the Project Area, whether or not they are currently owned by Telski. The wetland resources of the project area are generally described in Section 3.2 below.

3.2 Wetland Inventory

Wetlands within the area subject to this management plan fall into three broad categories; communities in permanent shallow water, communities with seasonally or permanently high water tables (without standing water present), and communities adjacent to flowing or standing water. Within these groups, wetlands can be further divided based on substrate (e.g. water, peat or mineral soils), and by the form of the dominant plant species (e.g. herbaceous, shrub or forest). While wetlands that occur along the margins of streams and ponds are typically associated with surface water flow, most of the wetlands in the area are supported or enhanced by the presence of groundwater (Cooper and Gilbert, 1990). Various willow species form the majority of the shrub-dominated wetlands although alder also occurs throughout the area. Cooper notes that alder-dominated wetlands had not been previously documented and are a community type unique to the Telluride area. Sedges are the primary constituent of herbaceous wetland systems.

The Skunk Creek basin consists of an eastern fork and a western fork of Skunk Creek. In addition to the stream side wetlands supported by the creek, pothole wetlands occur within the drainage. The drainage also contains large spring-fed wetland complexes, and prior to development of the site, a number of beaver ponds. The two forks of Skunk Creek formerly formed a continuous riparian corridor connecting the meadows to the north with the forests to the south. While wetlands in the upper reaches of Skunk Creek (south of Arizona Drive and T.D. Drive), remain relatively intact, fills associated with the construction of Mountain Village Boulevard and the golf course have interrupted the continuity of these wetlands in the lower portions of the basin.

Wetlands within the Adams Creek drainage are primarily supported by a high groundwater table and seeps. Within the basin, groundwater surfaces, creating primarily sedge-dominated wetlands. Surface outflow from these wetland types is minimal; with a stream channel only occurring toward the bottom of the basin near Adams Ranch Road. Since the movement of water tends to be through subsurface flow, organic material within these wetlands stays in place, creating the peat substrate. The unique character of these wetlands results from the accumulation of peat over a period of centuries. The basin contains a large sedge-dominated peat wetland and previously supported a number of willow/sedge wetlands. Areas historically used as irrigated hay meadows also occurred in the Adams Creek basin. Filling activities associated with golf course construction have affected most of the original wetlands in the area; however, proposed restoration activities should restore some of these functions originally provided by wetlands within the basin.

Prospect Creek drains the largest amount of surface area encompassed by this plan. Wetlands in upper portions of the drainage include seeps such as those occurring at the foot of Gold Hill, wet meadows, and stream side riparian communities (USFS, 1995). The middle and

lower portions of Prospect Creek basin (the vicinity of Mountain Village Boulevard north to Russell Drive) supported spring-fed ponds and areas that have been maintained by beavers. Wetland communities are dominated by alder, willow, and sedge. The riparian corridor formed by Prospect, Little Prospect, Waddal, and Gorrano creeks remains relatively intact above the village core. The integrity of the system is reestablished below the dam on Adams Ranch Road. Many of the wetlands in the lower portions of the Prospect Creek basin have been impacted by commercial and residential development, infrastructure, ski area, and golf course development. Wetlands in the vicinity of Benchmark Drive will be subject to development pressures with the construction of new residential structures.

Remaining wetlands, and wetlands to be restored are shown on MP-1, and alleged fill areas in the project area are shown on Exhibit MP-3.

3.3 Ecological and Functional Evaluation

Wetlands and other regulated waters encompassed within the site may exhibit any of the following indicators or characteristics of high ecological value:

- Alder-dominated peat wetlands (wetland communities unique to the Telluride Region)
- Ancient sedge-dominated peat wetlands
- Wetlands that provide flood control, water quality enhancement, ground water discharge (or recharge), and sedimentation functions
- Wetlands or streams that provide wildlife habitat
- Wetlands that provide habitat for unique plant communities or sensitive plant species

Wetlands are typically assessed based on the functions they provide within the landscape and the value of those functions as they pertain to human needs. The value of a particular function may be based on a degree of practicality, such as a wetland's ability to attenuate flood waters, or on aesthetics such as the value of a site in providing wildlife habitat or passive recreational use. Wetlands within the lands managed by Telski demonstrate a range of functions as described by Cooper and Gilbert (1990). Which functions are deemed most important tends to be a subjective decision determined by any number of factors. However, within a residential setting, particularly in an area like Mountain Village, some important functions are obvious.

Wetlands located within topographic lows and adjacent to stream channels provide a level of flood flow attenuation, an important function to property owners adjacent to flood-prone areas. Well-established wetlands along the margins of streams and open water bodies provide

shoreline anchoring which protects these areas from erosion. Sediment trapping and nutrient retention/removal are important in maintaining water quality within the flowing waters of the area. These functions are particularly important in areas where construction is ongoing and in the vicinity of the golf course where fertilizers and pesticides are regularly applied. Wetlands within the area also support the food chain for insect, bird and mammalian populations as well as providing habitat and corridors for movement.

4.0 MANAGEMENT CONSIDERATIONS

A description of the wetlands within the Project Area is only the first step in formulating and implementing an effective wetlands management plan. This section provides a discussion of additional points for consideration in planning and conducting work within the scope of the plan. This section includes a list of potential sources of impacts that could arise from Telski's activities within the project area. It also defines criteria that can be used in the decision-making process when some type of activity is under consideration for an area within or around a particular wetland. These criteria can then be carried through to the mitigation process set forth in Section 5.

4.1 Potential Threats to Wetlands

The development of an effective management plan requires an identification of activities that must be managed as well as an understanding of the potential impact of those activities. Activities considered under this management plan are more fully discussed in Section 5. The potential threats to wetland functions and values include:

- Development pressure from existing and future recreational opportunities (ski area expansion, hike/horse/bike trails, and golf course)
- Maintenance activities associated with the golf course and ski area (fertilizer/pesticide applications; installation, repair and removal of irrigation and snow-making lines; erosion from existing and new ski trail construction)
- Residential construction pressures (the development of ski-in ski-out homes, larger multi-unit properties, home sites located along the golf course. This is currently heaviest in the Upper Prospect Creek area and will increase in the Upper Skunk area when this area is lift serviced.)
- Uninformed individual property owners (landscaping, fertilizer/pesticide application, irrigation, snow removal, alteration of drainage patterns)

- Installation, maintenance, and removal of infrastructure (roadways, sewer and water lines, drainage systems, and electrical, telephone, and cable TV lines)

Impacts to wetlands that may result from the above-mentioned activities can lead to an overall loss of functional integrity for individual wetlands and/or entire wetland communities. For example, habitat values may be reduced by increases in human activity in a particular area. At the same time, local construction activities could result in the production of sediment that not only reduces the value of flood attenuation due to sediment but also reduces the extent and quality of the existing habitat. Such considerations must be included in implementing a management approach that will accommodate both the needs of continued development and the maintenance of the existing environment.

5.0 MEASURES TO BE TAKEN BY TELSКИ TO AVOID AND MINIMIZE IMPACTS TO WETLANDS, WATERS, AND MITIGATION AREAS ON LAND IT OWNS AT THE PROJECT AREA

Wetland impacts that have occurred in the past within the area encompassed by this Management Plan, together with the high ecological value of wetlands that remain and the potential threats to wetlands in the future, necessitate the application of high standards of impact avoidance and minimization of impacts now and in the future. Further impacts to wetlands and other waters should be avoided if at all possible. Where impacts cannot be avoided and activities may be justified under the Clean Water Act § 404 regulatory program, impacts shall be minimized. Then, after avoidance and minimization have been carried as far as possible, any remaining impacts shall be mitigated through performance of adequate mitigation.

The principles of avoidance, minimization, and mitigation are requirements of the Clean Water Act Section 404(b) (1) Guidelines (which are codified as regulations at 40 CFR Part 230) and the U.S. Army Corps of Engineers/EPA Memorandum of Agreement on Mitigation dated February 6, 1990. The application of each of these principles to this Management Plan is discussed further below.

This section details how Telski will avoid and minimize any direct and indirect impacts to wetlands from its activities. The measures to be undertaken by Telski include the avoidance of wetlands where practicable, as well as the minimization of impacts through specified construction practices. After the steps of avoidance and minimization have been carried through to their fullest extent, Telski will implement appropriate mitigation for any remaining impact to wetlands and other waters of the United States in accordance with the principles outlined below.

5.1 Avoidance and Minimization

The concepts of avoidance and minimization are central to this wetlands Management Plan. To the best of its knowledge, Telski believes that there are no places where an existing platted lot conflicts with this Management Plan's goals of protecting wetlands and other waters from any significant further disturbance, if the policies of avoidance, and minimization, and mitigation are strictly adhered to.

A. Prior to submitting a Section 404 permit application or the initiation of any fill, excavation, or disturbance of any wetland, Telski shall examine all practicable alternatives to any activities which may directly or indirectly have an impact upon wetland size or function. A list of all alternatives examined and a discussion as to the merits and limitations of each shall be prepared and kept on file in the Telski offices for a period of three years. Telski's analysis of avoidance and minimization shall be furnished to the EPA and shall accompany all requests for authorization to undertake regulated activities in wetlands and other aquatic areas.

B. Telski shall attempt to reconfigure, replat, and/or use adjacent open space to create buildable areas on existing lots without disturbing wetlands.

C. Proposed roads, utilities, ski runs, and parking facilities shall be designed or, if necessary, redesigned to avoid or minimize wetland impacts. For roads and driveways, minimizing impacts shall include using single span or, in cases where required, multi-span bridges in lieu of culverts to maintain surface flows and allow for passage of wildlife.

During development of this Management Plan, Telski and EPA have reviewed a number of remaining projects and activities that may impact wetlands within the Project Area. In most instances, adherence to the policy of avoidance of wetland impacts enabled Telski to redesign the proposed projects and totally avoid disturbing wetlands and other regulated waters.

In the following instances, complete avoidance was not possible. However, the steps described below shall be taken to minimize impacts:

1. Road Crossing and Sewer Line at Wetland 92HK (See figure 1.) Impacts from the road crossing shall be avoided by routing the crossing and spanning the wetland with a bridge as shown in the figure. Impacts of the sewer line shall be minimized by routing the sewer line as shown in the figure and adhering to the Best Management Practices in Section 5.6.2 of this Management Plan.

2. Sewer Line Crossing at Wetland 90D. (See figure 2.) Impacts from the sewer line crossing proposed at wetland 90D shall be avoided, if possible, in the following manner. Telski and EPA shall work together with the owners of Lots 368 and 369 to seek the cooperation of the lot owners and the Mountain Village Metropolitan District (MVMD) in servicing the dwellings to be built on those lots with riser pumps connecting the homes to the existing sewer line in the street in front of the lots. Telski agrees to offer to pay the lot owners \$5000 per lot from the savings Telski will realize by not having to make the approximately 665-foot-long sewer line connection shown in the figure. In exchange for this consideration, the lot owners and the Mountain Village Metropolitan District would agree to service these lots using riser pumps. If, after discussions among all the parties involved, including MVMD, both lot owners have not agreed to using riser pumps, and if the impacts of the sewer line cannot otherwise be avoided, Telski shall minimize the impacts of the sewer line by routing the line as shown in the figure and adhering to the Best Management Practices in Section 5.6.2 of this Management Plan.

5.2 Mitigation

Compensatory mitigation is required for any unavoidable adverse impacts which remain after all appropriate and practicable minimization has been required. Mitigation actions, (such as restoration of existing degraded wetlands or creation of man-made wetlands) shall be undertaken in areas near the site of impact whenever possible. If on-site mitigation is not possible, off-site mitigation should be undertaken in the same geographic area (i.e., within the Project Area or the Silver Mountain landslide physiographic area, if possible).

In determining the amount and type of mitigation, the functional values lost by the resource to be impacted must be considered. In-kind mitigation is generally preferable to out-of-kind mitigation, except when opportunities arise to restore unique or rare wetlands in the area as mitigation for the loss of more common and less unique wetlands.

Wetland restoration is strongly preferred over wetland creation because of the greater likelihood of success of restoration projects. Ratios of at least 1:1 will be required for restoration projects within the Project Area; mitigation projects involving off-site wetland restoration, or wetland creation or enhancement will require higher ratios of mitigation acreage to wetland impact. The specific ratio for these projects will depend on the specific factual circumstances of the impacts being mitigated for and the mitigation project being proposed.

During the review of remaining projects and activities, Telski and EPA identified one project whose impacts would require additional mitigation after consideration of avoidance and mitigation. That project is the updating and replacement of the lift terminal on Lift No.4. from a fixed grip chairlift to a high speed detachable chairlift.

Telski has performed an alternative analysis on the chairlift location and has determined that no practicable alternative to avoid wetland impacts exists. (See figure 3.)

Telski shall mitigate the impact by restoring the impacted wetland (approximately .07 acres) back to its approximate location, size and type.

Telski shall increase the size of the restoration area by removing the lift terminal on Lift No. 3 and restoring a portion of the area to wetland. Combined those mitigation activities will result in a gain of approximately .03 acres of additional mitigation in the location indicated on figure 3 of this Management Plan.

When Telski seeks Corps of Engineers authorization to perform this project, it shall include the information and analysis summarized above in its application pursuant to the requirements in Sections 5.1 and 5.2 of this Management Plan.

5.3 Wetlands Disclosure

In addition to the practices listed above, Telski shall disclose to all potential lot purchasers that the lot may contain wetlands or other waters of the U.S. and, as such, any development that may impact those waters is subject to the Town of Mountain Village Land Use Ordinance (June 20, 1995) and subject to Section 404 of the Clean Water Act, 33 U.S.C. Section 1344. The disclosure shall be on Telski letterhead and a copy of the letter shall be provided to any prospective purchaser prior to entering into a sales contract. Notification of the presence of wetlands or other waters to potential owners is intended to increase their awareness and practice of wetland impact avoidance and minimization.

5.4 Preservation of Wetlands on Lands Owned by Telski via Conservation Easements

Within the 9 months after the effective date of this Management Plan, Telski shall place a conservation easement on all wetlands designated on Exhibit MP-2. Conservation easements shall be placed on approximately 43 acres of wetlands. The conservation easement or fee simple title may be conveyed to the Town of Mountain Village or MVMD or both, and shall serve to preserve the wetlands for perpetuity. The form for these conservation easements is attached hereto as Exhibit MP-4.

5.5 Protection of All Other Wetlands Within the Project Area

Telski will attempt to convince local conservation entities to accept wetland conservation easements, and will inform and encourage, by a means of a letter, property owners to participate in a wetland conservation easement program.

A variety of regulatory and non-regulatory mechanisms will be used to protect other wetlands in the Project Area. These include the regulatory programs of the Corps of Engineers and the Town of Mountain Village Land Use Code. Non-regulatory programs include application by Telski of conservation easements on wetlands on unsold lots or lots that come back to Telski ownership through foreclosure and other actions.

5.6 Best Management Practices

5.6.1 Definition and Applicability of Best Management Practices (BMPs)

The BMPs discussed below are conservation practices and land and water management measures aimed at avoiding or minimizing adverse impacts to the chemical, physical, or biological characteristics of wetlands and other aquatic sites. Such practices include, without limitation, avoiding and minimizing impacts to wetlands; controlling soil loss, reducing water quality degradation, and minimizing impacts on hydrologically connected surface and ground water and on plants and animals that the water supports.

Functionally, BMPs are practices designed to consider the needs and values of the community. They balance economic feasibility with biological sustainability. Agricultural practices, weed control, and the maintenance of urban services can have significant cumulative and detrimental impacts on wetlands. However, roads, public utilities and the recreational amenities of the Telluride Mountain village are important values to the community. The BMPs presented in this document recognize that certain services and goals of the community are sometimes in conflict with the preservation of wetlands. Through the use of the BMPs some impacts can be avoided or reduced.

BMPs for avoidance and activity-specific impact minimization are provided in the following sections. Full implementation of these BMPs is a requirement for activities undertaken on all lands owned by Telski, however, other projects could benefit from their application. Private landowners within the Telluride Mountain Village, for example, should be encouraged to employ BMPs whenever applicable.

The following BMPs shall be practiced, where applicable, to minimize the impact to any wetlands or other waters of the United States:

1. Conduct routine maintenance work in wetlands or other waters on an as-needed basis rather than at specified regular intervals, e.g., repairing utility line breaks. In many cases maintenance schedules have evolved to coincide with the actual requirements. In those cases, the responsible entity should explain the criteria used to determine the thresholds for maintenance activities.
2. Reduce the area of disturbance to a minimum by planning access only where absolutely necessary. Install fencing (construction fencing, conventional snow fencing, cyclone fencing, etc.) along the limits of required disturbance to prevent construction equipment from entering wetlands or other waters of the United States.
3. In areas lacking a clearly established access route and staging area, fence sensitive areas such as wetlands and riparian forests to exclude unnecessary disruptive access.
4. Limit disturbance to the minimum duration possible.
5. Place heavy equipment on stabilization mats when working in wetlands.
6. Minimize the use of heavy machinery when working in wetlands or other waters of the United States.
7. Use the smallest available equipment that is feasible when working in wetlands or other waters of the United States.
8. Operate equipment for handling and conveying materials during construction in a manner that prevents dumping or spilling materials into wetlands or other waters of the United States.
9. Do not service or clean equipment in regulated areas, or where runoff will enter a wetland or other waters of the United States.
10. Salvage native plant materials for reclamation where appropriate.
11. Accomplish work during low flow periods.
12. Apply all applicable erosion control measures.
13. Remove excavated material in layers and later replace in the original sequence in wetlands or other waters of the United States.
14. Promptly return disturbed areas to pre-construction grade and replant with native vegetation.

15. If disturbance occurs at a stream or creek crossing, restore stream profile, substrate and habitat to similar or better conditions than those that existed before the start of the activity.
16. Protect vegetation which is not being removed as part of the activity from mechanical and other injury during activities disturbing the land.

In addition to the general minimization techniques presented above, Telski shall apply the following activity-specific impact minimization measures, where appropriate.

5.6.2 Utility Lines

During the design process and prior to the installation of any utility line across, or in contact with a wetland or other water, all means of avoidance shall be thoroughly evaluated for feasibility. Only when avoidance is proven not to be practicable, shall a utility line be installed across, or in contact with a wetland or other water. The following impact minimization measures will be included in the design and installation of all utility lines that cross, or come in contact with a wetland or other water.

- 1. Line installation.** Utility lines will be constructed at a minimum slope gradient, when practicable, through a wetland or other water to reduce the risk of piping and hydrologic modification. Utility lines shall be installed perpendicular to the flow of surface and/or groundwater. The intent shall be to provide the shortest route across a wetland, water, mitigation site, or high water table area, and provide the easiest means of mitigating the potential effects on the ground water flow system.
- 2. Trench Excavation.** If trenching absolutely cannot be avoided, trenched material shall be sidecast for the shortest period possible and in no case for more than 30 days. Excavated material shall be removed in layers and later replaced in the original sequence. Excavated material shall not be placed in a location or manner in which it can be dispersed by surface water or runoff currents. Trench excavations within a wetland shall be avoided during the months of March, April, May, and June and within 48 hours of a rain event.
- 3. Area of disturbance.** The area of wetland or other water disturbed shall be limited to the minimum required for timely, effective, and safe construction of the utility line. All staging and equipment parking areas shall be outside of the wetland.
- 4. Backfill materials.** Native backfill materials shall be used as standard procedure for backfill to finished grade. Trenches shall be backfilled with the original material, in its original sequence, and compacted to the approximate density that existed

prior to excavation. Excess materials shall be immediately removed to upland areas after the excavation is backfilled. The use of porous or granular material shall be avoided as their use may result in adverse hydrological impacts.

The material to be used for backfilling pipes crossing wetlands shall be the native material obtained from the excavation of the same pipe trench. Backfill material shall be placed in horizontal layers not more than 6 inches thick after being compacted. The distribution of the backfill material shall be such that the compacted material will be homogeneous and free from lenses, pockets, streaks, channels, or other imperfections. Prior to and during compaction operations the backfill material shall have the optimum moisture content required for the purpose of compaction, as determined by the Inspecting Engineer. In this regard, the backfill material shall be moistened or dried as necessary to achieve the optimum moisture content. The backfill material shall be compacted by tamping or other means determined to be appropriate by the Inspecting Engineer. The dry density of the soil fraction in the compacted material shall not be less than 95 percent of the laboratory standard maximum soil dry density.

5. Erosion control. Erosion control methods shall be employed to minimize the discharge of sediment-laden runoff into wetland or other waters. Erosion control measures shall include, but are not limited to, silt fences, straw bale barriers, temporary berms, sediment traps, and vegetative buffer zones.

6. Cutoff collars. Cutoff collars shall be used for utility lines placed below the mean annual high ground water table if the native materials excavated from the trench are not used.

7. Topsoil management. The top 12 inches of topsoil/sod shall be removed and stored in a single location which is bounded by silt fence or barrier fence to protect the pile from construction activities occurring at the site. Deeper soil material shall be stored adjacent to the trench on tarps or other suitable material so that only the trench area will need revegetation following project completion. Excess material shall be covered with clean tarps or clean straw if stored for more than 1 week.

8. Revegetation. Revegetation plans for disturbed areas within or next to wetlands shall be designed to replicate natural characteristics. Topsoil (if possible the original) shall be placed into the top 12 inches of the trench. Willow stem cuttings shall be planted when the utility line crosses through a willow stand. Sedges and alders shall be planted if native populations of either of these species are disturbed. Native species from areas immediately adjacent to the disturbance, including seeds gathered from local sources, shall be used for revegetation. No other plants shall be introduced into the wetlands unless a nursery is contracted to grow indigenous genotypes of native plants from the project site. A weed management plan shall be implemented immediately after planting and kept in force for a minimum of three years.

5.6.3 Road Crossings

Except as described in Section 5.1 above, Telski does not envision construction of any more road crossings of wetlands within the area affected by this Management Plan. However, purchasers of lots may need to cross wetlands or other waters with driveways from platted roads to dwelling sites.

During the design process and prior to the installation of any such road or driveway across, or in contact with a wetland or other water, all means of avoidance and minimization shall be practiced. Only when avoidance is proven not to be practicable, shall a road or driveway crossing be installed across, or in contact with a wetland or other water. The following impact minimization measures will be included in the design and installation of all road or driveway crossings that cross, or come in contact with, a wetland or other water.

1. **Bridging.** Road or driveway crossings shall bridge wetland sites in a single span or use multiple span bridges to avoid concentration of surface water or disruption of groundwater flow.
2. **Location.** Road or driveway crossings shall be located to reduce impacts to wetlands due to changing flow or quality of surface or groundwater.
3. **Erosion and sediment control.** During construction, erosion and sediment control practices such as phased construction to reduce soil exposure, silt fences, straw bale barriers, mulch, diversion ditches, erosion control netting, hydro mulch, etc. will be implemented to reduce sediment discharges both during and after completion of construction activities.

5.6.4 Chemical Application, Irrigation, Stormwater, Mowing and Pruning Management

This section presents BMPs which will be used by Telski to prevent introduction of fertilizers and pesticides into wetlands and other waters within the project area. Irrigation practices in areas adjacent to wetlands are also addressed in this section since they can affect the movement of fertilizers and pesticides.

A. Fertilizer Management

Fertilizers contain nutrients such as phosphorus, nitrogen and potassium. Although important for enhancing vegetation cover, these nutrients can be pollutants in wetlands and other waters. Although wetlands can mobilize nitrogen and fix phosphorus, this capability is limited and a great deal remains to be learned about the impacts of these nutrients upon the wetlands

themselves. Additionally, nutrients can become bound to sediment and carried to wetlands or other waters as soil erodes. The amount of contamination associated with the silt and clay particles is often higher than the pollutant levels in the water in which those particles are suspended. Because of these concerns, Telski shall comply with the following guidelines in handling and applying fertilizers within the project area.

1. No fertilizers shall be directly applied to any wetlands or other waters.
2. Use of fertilizers shall be limited to approved application rates to reduce the potential of off-site movement of nutrients either by surface runoff or by leaching. However, fertilizer application rates below the manufacturers specifications are preferred. Therefore, Telski shall experiment with application rates below manufacturers specifications.
3. Only granular, slow-release fertilizers or foliar spray shall be used in areas within 20 feet of wetlands and other waters. No fertilizers shall be applied to any areas within 10 feet from the edge of any wetland unless soils tests or vegetative conditions indicate nutrient deficiencies which must be corrected. In this case only the minimum required amount of granular, slow-release fertilizer shall be applied. Wherever possible, a "buffer zone" of un-mowed grasses or rough shall be created in areas adjacent to wetlands or other waters to identify areas where no fertilizers shall be applied.
4. No fertilizers shall be applied to steep slopes (slopes steeper than 2:1) which are located within 20 feet of a wetland or other waters.
5. Fertilizers shall not be applied during or within 24 hours after rain events.
6. Fertilizers shall only be applied by experienced and qualified personnel under the supervision of the golf course superintendent.
7. At no time shall fertilizers be stored outside within 100 feet from a wetland such that a heavy rainstorm or a prolonged wet period could result in the transport of fertilizer into a wetland or other waters.
8. Records shall be kept of all fertilizers used and an analysis of fertilizer elements. The records shall be stored for a period of three years in the office of the golf course superintendent.

B. Pesticide Application Management

Telski shall comply with the following guidelines for using pesticides within 100 feet of wetlands and waters. The BMPs to be implemented in this section shall be to use Integrated Pest Management (IPM) techniques which include a range of control measures available including

cultural, mechanical, and chemical methods of pest control. General guidelines include the following:

1. All pesticides shall be applied on a curative basis; no routine preventative applications shall be used.
2. Non-pesticide controls shall be used before any chemical treatment in areas within 20 feet from wetlands or other waters. Non-pesticide controls include, but are not limited to: irrigation, over-seeding, biological controls, and mechanical or physical controls. The goal shall be to maintain turf in a healthy condition which will reduce the need for pesticides.
3. Pesticides shall only be applied by experienced and qualified personnel under the supervision of the golf course superintendent.
4. No pesticides shall be directly applied to impervious surfaces such as paved roads or cart paths.
5. No pesticides shall be stored, even temporarily, within 100 feet of wetlands or other waters.
6. In areas within 10 feet of wetlands or other waters, all pesticides shall be hand-applied using dabbing or discontinuous spray application devices held within 6 inches of the ground surface.
7. Pesticides shall not be applied when there is a high probability of rain or high winds and drift retardants shall be employed whenever practicable to avoid impacts of wetlands or other waters.
8. All pesticides shall be used, handled, stored, and disposed of in strict accordance with the product label.
9. Records shall be kept of all pesticide applications for a period of three years in the office the golf course superintendent.
10. Insecticides shall be used only when monitoring detects numbers of insects that are causing or may cause damage to the golf course or other landscape areas owned by Telski. Preventative insecticide use should not be necessary, and shall not be used by Telski.
11. Fungicides shall be used primarily for snowmold control on the greens, and generally shall not be used in other areas on the golf course unless a significant problem is detected.

12. Biological and mechanical controls will be used as an integrated management technique with fungicide. These techniques shall include, but are not limited to: over-seeding with disease-resistant cultivars, maintenance of healthy turf, use of "transfilm" to prevent winter-kill, and removal of snow on greens in early spring.

13. Weed infestation in or within 50 feet of wetlands shall be managed with the objective of eliminating weeds in these areas. An on-going aggressive weed management program shall be implemented to ensure the management of weeds in or adjacent to these areas.

14. Telski shall specifically target management of weed infestations in wetlands of weed species that shall include Canada thistle (*Cirsium Arvense*), cattail (*Typhia Latifolia*), butter and eggs (*Linaria Vulgarius*), and other weed species that are problematical.

15. Herbicides shall be selected for effective control of target weed species. A list of target weed species, problem areas that will be treated, and herbicides to be used shall be prepared at the beginning of each season, prior to application.

16. In wetlands or other waters, or within 20 feet from them, herbicides shall be hand-applied using dabbing or discontinuous spray application devices held no more than 6 inches from the target species.

17. In wetlands or other waters, or areas within 20 feet of them, only the minimum recommended doses of herbicide shall be used.

C. Irrigation and Stormwater Management in Areas Adjacent to Wetlands

Telski shall comply with the following irrigation guidelines in areas within 20 feet from wetlands.

1. Wherever practicable, sprinkler heads shall be adjusted or relocated to avoid watering wetlands in the course of providing adequate irrigation to the golf course turf areas.

Notwithstanding the foregoing, Telski is entitled to irrigate the turf areas on the golf course.

2. Irrigation rates shall be monitored by Telski golf course personnel to avoid over-irrigation of areas within 20 feet from wetlands.

Telski shall comply with the following stormwater management guidelines in wetlands or waters of the U.S. within the project area;

1. Stormwater siltation ponds that currently exist in wetland areas or waters of the U.S. shall not be dredged.
2. Stormwater siltation or biofiltration ponds shall not be constructed in wetland areas or in other waters of the U.S.

D. Mowing and Pruning Management

1. Except in existing fairways, Telski shall not mow areas where naturally occurring hydrology is fostering the reemergence of wetland vegetation. In these areas, the natural restoration process shall be allowed to continue.
2. Where woody wetland vegetation (i.e. willows and alders) are located in ski runs within the project area, Telski shall not prune or cut willows or alders to a height less than one foot.

6.0 IMPLEMENTATION

6.1 Implementation of the Management Plan

Unless otherwise specified elsewhere in this Management Plan, the policies and practices described herein shall be implemented upon entry of the Consent Decree.

- a. Telski shall assume the overall responsibility for managing and monitoring the wetlands on properties owned by Telski within the Project Area as well as ensuring that the BMPs established herein are implemented to their fullest on said properties.
- b. Pursuant to the provisions of the Wetlands Disclosure and Deed Restriction (see Exhibit 6 to the Consent Decree) parties who purchase properties within the Project Area from Telski subsequent to the entry of the Consent Decree are obligated to comply with all applicable provisions of this Management Plan.

6.2 Contractor and Sub-Contractor Affidavits.

As a requirement of this plan and to ensure adherence to the requirements herein, Telski shall prepare a "Notice to Contractors and Sub-Contractors" and require all of its contractors and sub-contractors to sign an affidavit stating that the project foreman, or other person that will be on-site and responsible for the actions of the company, has read the Management Plan and the notice and agrees to abide by the measures listed herein. Failure to do so will result in the termination of their services. The notice is as follows:

“Notice to Telski Contractors and Sub-Contractors”

Telski has been made aware of the widespread presence of wetlands and other aquatic resources in areas under its ownership and control. These wetlands and aquatic resources are sensitive to direct and indirect effects of human activity. Some wetlands are not easily recognized, and may not appear very wet. If you intend to excavate or place any fill in a wetland, or an area that might be a wetland, contact the Corps of Engineers regarding required approvals under Section 404 of the Clean Water Act before you begin any work. Furthermore, the Telluride Mountain Village Wetland Management Plan (Management Plan) contains requirements that go beyond Corps of Engineers regulatory requirements. Telski is not administering the 404 program, nor requiring permits under it as a part of Telski’s approval of your project. All responsibility for compliance with the regulations and Management Plan rests with the contractor, sub-contractor or developer. For further information, contact:

Mr. Grady McNure
U.S. Army Corps of Engineers
Regulatory Office
402 Rood Avenue, Room 142
Grand Junction, Colorado 81501

All contractors and sub-contractors shall then be required to sign the following affidavit.

Affidavit

I have received and read a copy of the Telluride Mountain Village Wetlands Management Plan (Management Plan) and the “Notice to Contractors and Sub-Contractors” concerning Section 404 of the Clean Water Act and understand that it is my responsibility to determine that the proposed activity on the property listed below fully complies with the Management Plan and applicable regulations.

Contractor/Sub-Contractor (please print)

Signature

Date

Property in Question

7.0 EMPLOYEE EDUCATION

Telski shall include a discussion of this Management Plan as part of its annual employee orientation prior to the beginning of each construction season. As part of this discussion, Telski shall require the appropriate members of its planning and construction staff to review the Plan and familiarize themselves with the obligations it imposes. Telski shall also make this Plan available to any of their employees, Town of Mountain Village employees or citizen, San Miguel County employee or citizen, or any other interested party.

Copies of this Management Plan shall be issued to the following personnel:

- Vice President, Legal and Engineering
- Director, Engineering Department
- Director, Construction Department
- Construction Superintendent, Construction Department
- Utility Crew Chief, Construction Department
- Earthwork Crew Chief, Construction Department
- Vice President, Golf Operations
- Golf Course Superintendent
- Assistant Golf Course Superintendent
- Vice President, Mountain Operations
- Manager, Slope Grooming
- Vice President, Human Resources and Risk Management
- Director of Risk Management
- Director of Human Resources
- Mayor, Mountain Village
- Council Members, Mountain Village

Copies of this Management Plan shall be kept at the following locations and available for review by any interested party:

- Telski Corporate Office
- Telski Construction Department
- Telski Golf Course Maintenance Shop
- Telski Mountain Operations Shop
- Telski Human Resources and Risk Management Department

The Telski contact person regarding this Plan shall be:

Jeff Proteau, Landscape Architect/Planner
P.O. Box 11163
Telluride, Colorado 81435
(970) 728-7444

8.0 REFERENCES

Cooper, D.J. and D. Gilbert. 1990. An Ecological and Functional Evaluation of Wetlands in the Telluride Region of Colorado. Performed for the U.S. Environmental Protection Agency-Region VIII.

Cooper, D.J. 1995. An Analysis of Wetland Impacts in the Telluride Mountain Village. Report Prepared for the U.S. Department of Justice.

GEOS, Inc. 1980. Drainage Study submitted to The Telluride Company. Prepared by T.G. Griepentrog, D.P. Groeneveld, and M. Silversher.

NOTES:
 THIS ROAD ACCESS DESIGN IS SCHEMATIC ALIGNMENT HAS TAKEN INTO CONSIDERATION MINIMUM FIRE TRUCK ACCESS REQUIREMENT. FINAL ENGINEERED DRAWINGS SHALL BE SUBMITTED PRIOR TO FINAL APPROVAL. THIS ALTERNATIVE SHALL BE A DESIGN PRIORITY TAKING EXISTING TOPOGRAPHY AND NATURAL FEATURES INTO CONSIDERATION.

2. WETLANDS DELINEATED IN THE FIELDS BY ERIC OLGEIRSON, PHD IN JUNE, 1993 AND SURVEYED BY BANNER ASSOC. ON JULY 19, 1993.

3. WETLAND IS TRIBUTARY TO SKUNK CREEK AND THE SAN MIGUEL RIVER.

4. TOE OF FILL OF ACCESS ROAD MAY BE SLIGHTLY WIDER THAN SHOWN IN PLACES.

LEGEND

	APPROXIMATE WETLAND LOCATION (TO BE VERIFIED)
	PROPOSED WETLAND RESTORATION
	OPEN BODY OF WATER

KEY FEATURES

	MAJOR WATER COURSE
	SECONDARY WATER COURSE
	WATER LINE WWL427

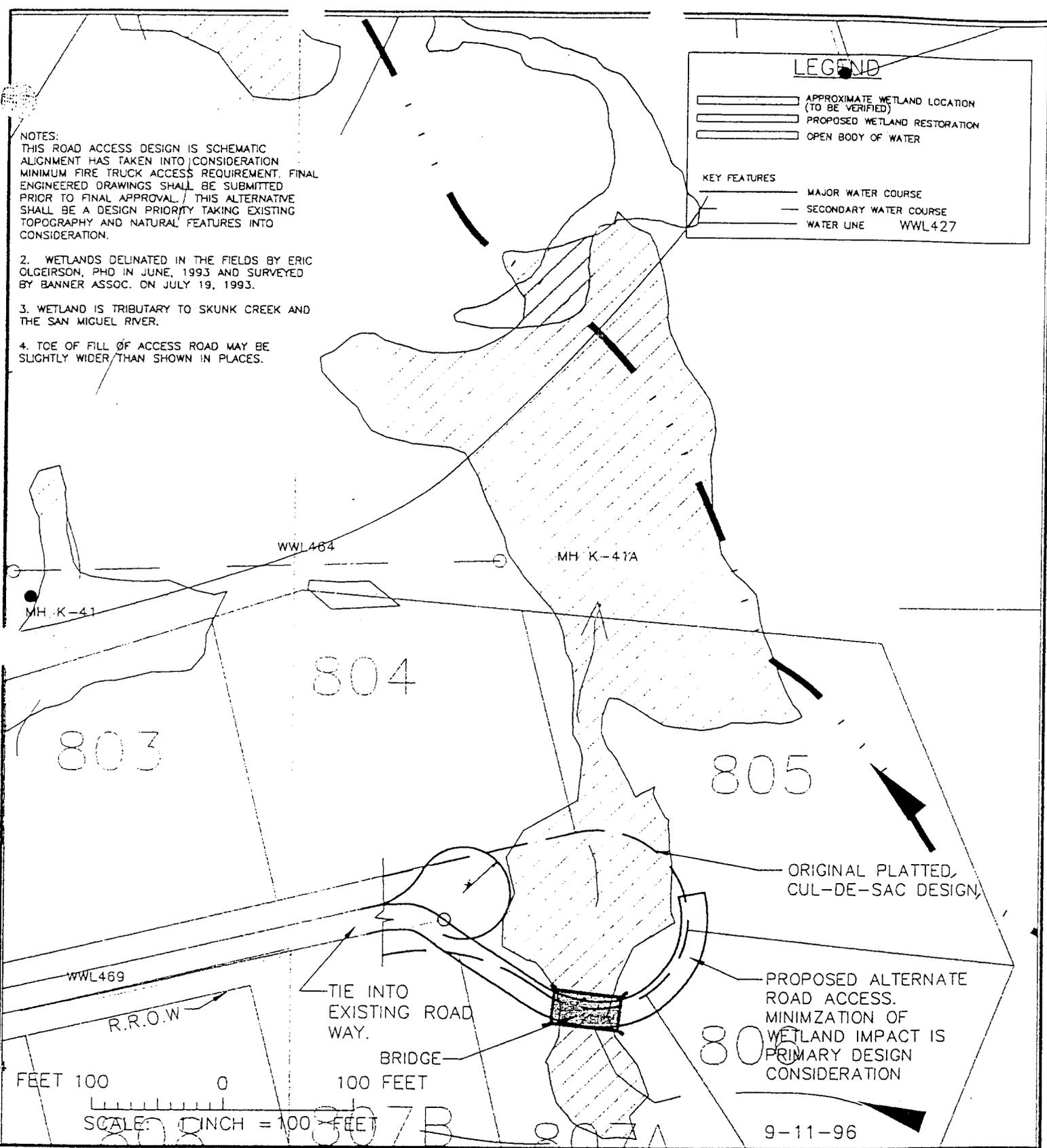
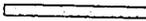


FIGURE 1
ROAD CROSSING AND SEWER LINE
AT SITE 92HK

9-11-96

LEGEND	
	EXISTING WETLANDS
	PROPOSED WETLAND RESTORATION
	OPEN BODY OF WATER
	PROPOSED WETLAND CONSERVATION EASEMENT
KEY FEATURES	
	MAJOR WATER COURSE
	SECONDARY WATER COURSE

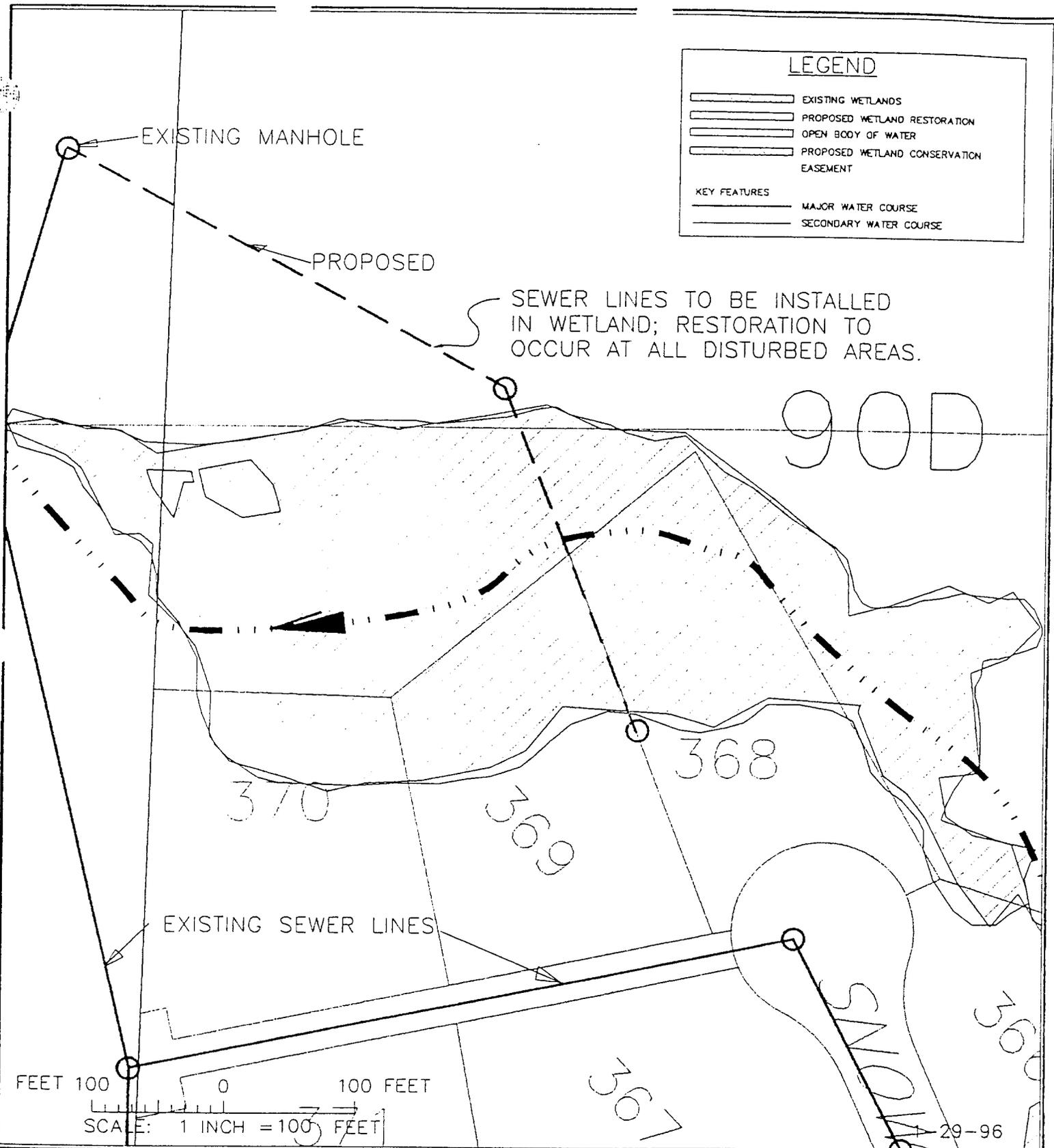


FIGURE 2
UTILITY LINE INSTALLATION IN
SITE 90D

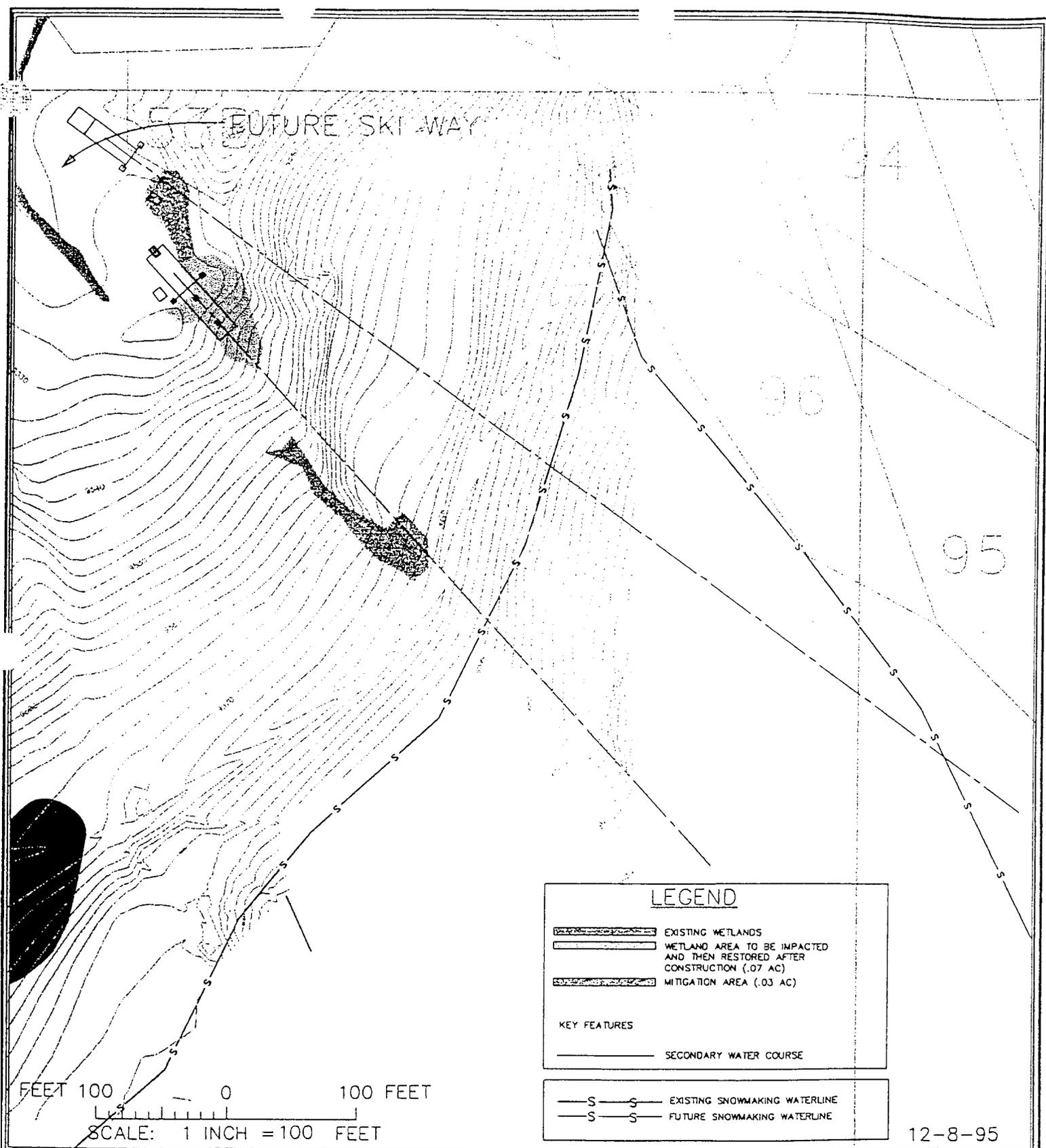


FIGURE 3
LIFT TERMINAL MODIFICATION
AT WETLAND

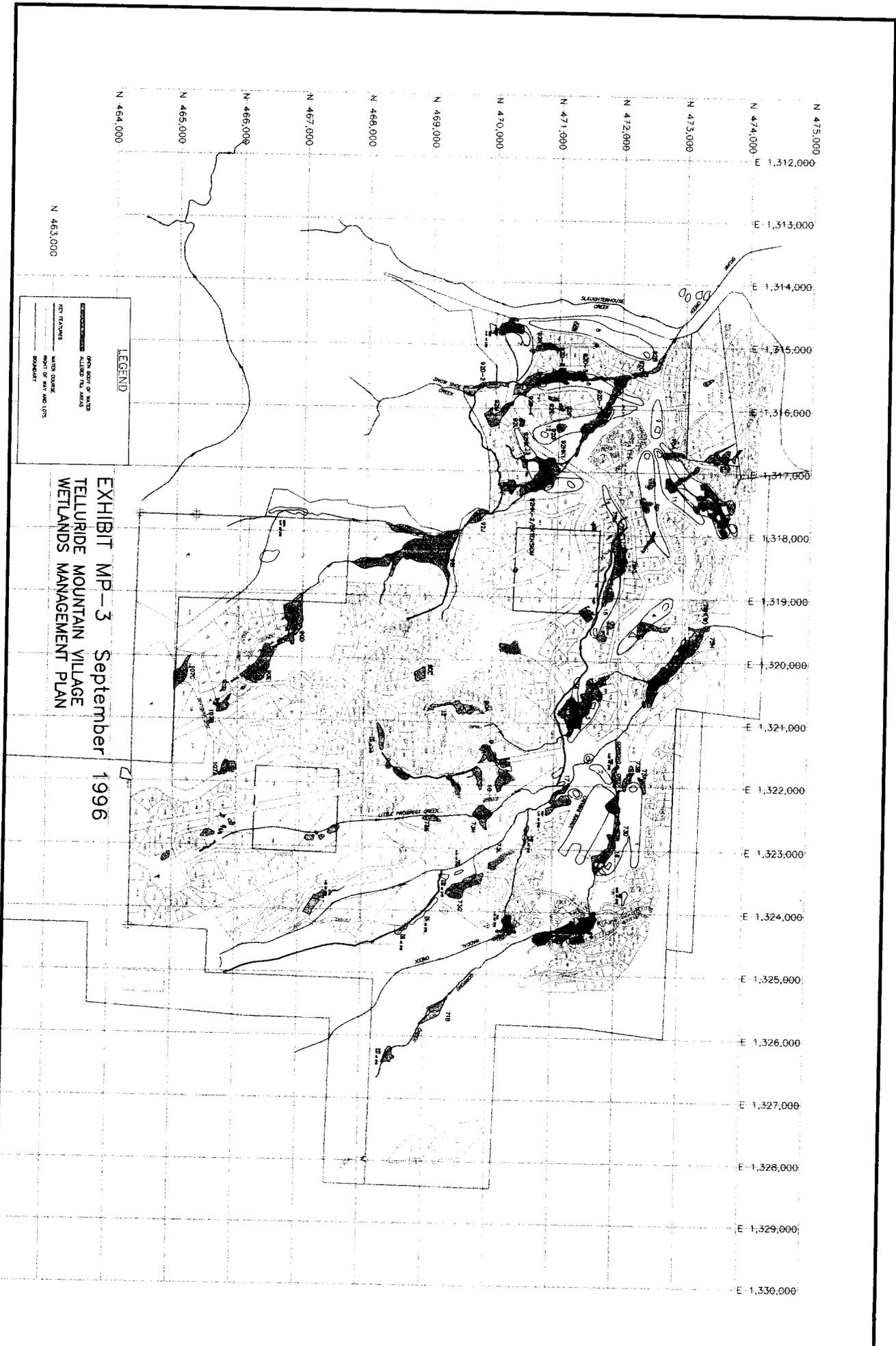


EXHIBIT MP-3 September 1996
TELLURIDE MOUNTAIN VILLAGE
WETLANDS MANAGEMENT PLAN

LEGEND

- OPEN SPACE OR WATER
- ALTERED TELL. AREA
- WATER COURSE
- POINT OF VIEW AND LOTS
- ROADWAY

E 1,330,000

E 1,329,000

E 1,328,000

E 1,327,000

E 1,326,000

E 1,325,000

E 1,324,000

E 1,323,000

E 1,322,000

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E 1,320,000

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E 1,318,000

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E 1,316,000

E 1,315,000

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N 472,000

N 471,000

N 470,000

N 469,000

N 468,000

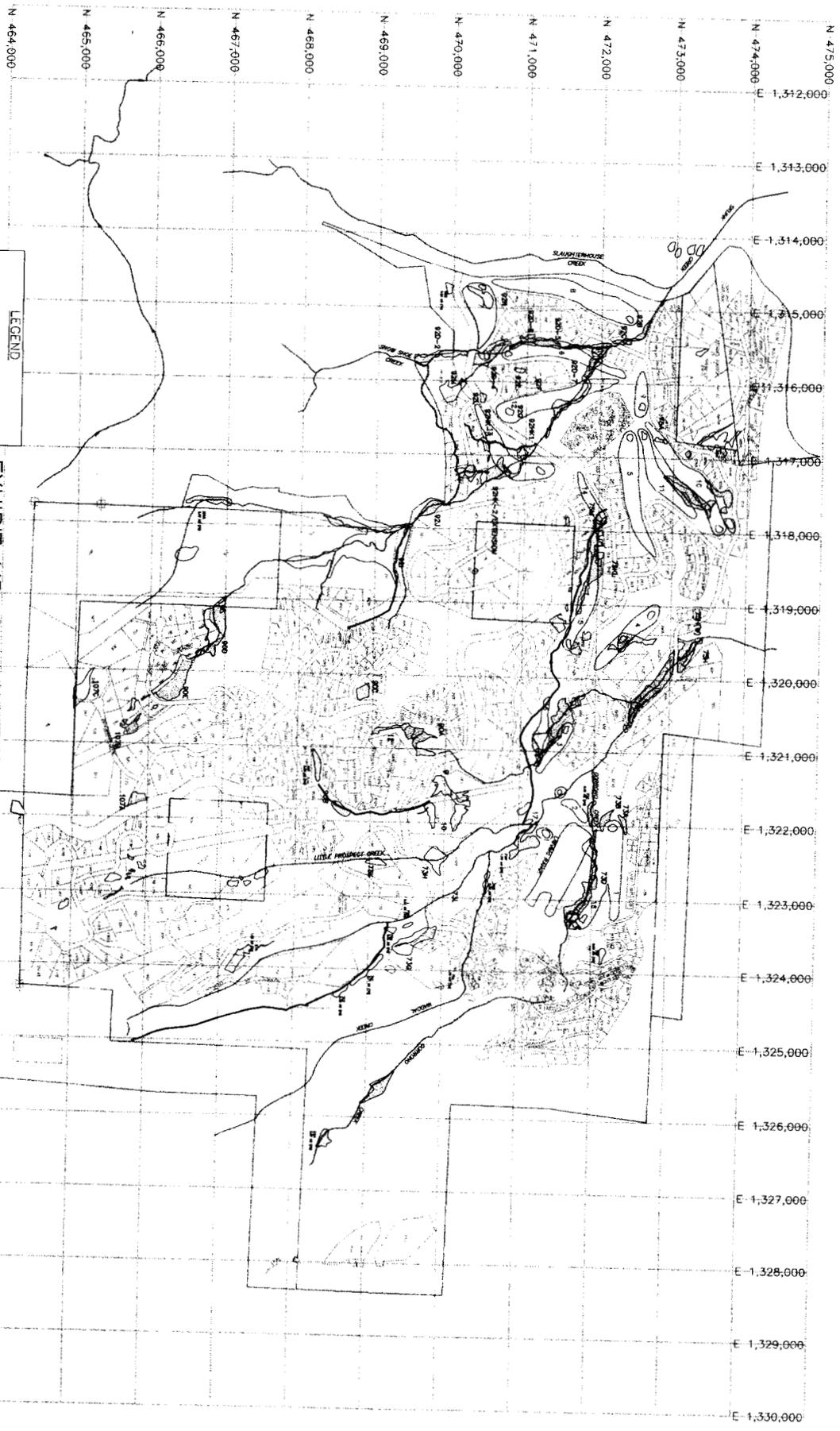
N 467,000

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N 463,000



LEGEND

- OWN BOUND OF WATER
- PROPOSED CONSERVATION EASEMENTS
- APPROXIMATE CITY AC
- WATER COURSE
- RIGHT OF WAY AND LOTS
- BOUNDARY

EXHIBIT MP-2 September 1996
TELLURIDE MOUNTAIN VILLAGE
WETLANDS MANAGEMENT PLAN

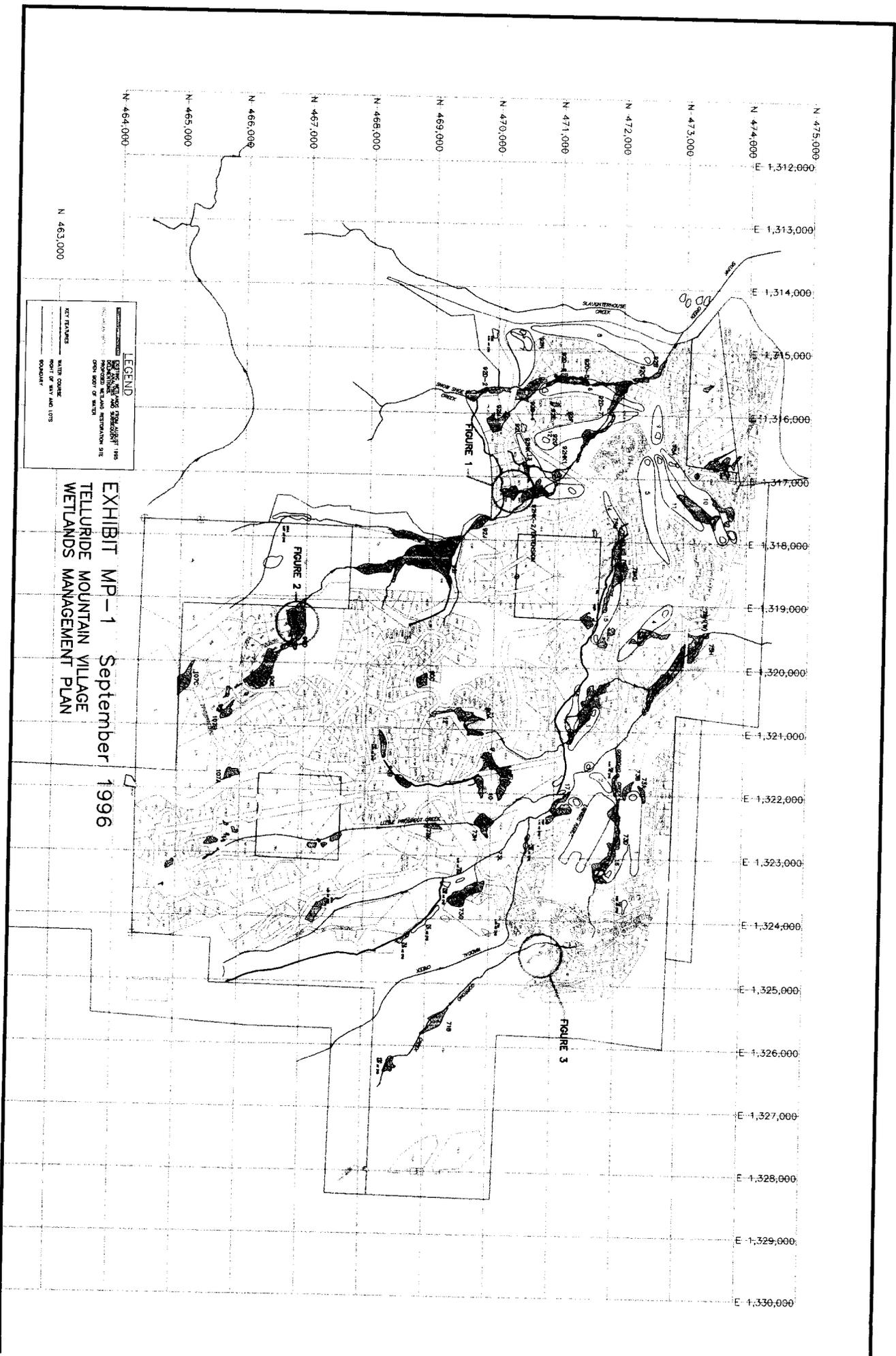


EXHIBIT MP-1 September 1996
TELLURIDE MOUNTAIN VILLAGE
WETLANDS MANAGEMENT PLAN

LEGEND

WETLANDS
 OPEN BODY OF WATER
 WATER COURSE
 RIGHT OF WAY AND LOTS
 BOUNDARY