Town of Rico Memorandum

Date: February 11th, 2019

TO: Town of Rico Board of Trustees

FROM: Kari Distefano

SUBJECT: Town Manager's Report

1. Solar Update

I had a meeting on Wednesday January 30th with Paul Hora of SMPA and Ben Jason of Living Solar to open a discussion of the possibility of a solar array on the Gazebo Property. Both Paul and Ben thought that the Gazebo Property would be a good location. It gets consistent sun and connecting to SMPA power lines is doable. Unfortunately, right now there is a catch. The ability of San Miguel Power Association to increase solar power use is at the mercy of their contract with Tri-State, which places a 5% cap on SMPA's solar development. SMPA is at the 5% now. SMPA is in the process of trying to up the cap to 10%. Paul Hora thinks that they should know within the next six months whether or not that attempt will be successful. It is worth noting that Delta-Montrose Electric Association is attempting to leave Tri-State in an effort to develop renewable energy sources. I have attached a copy of an article from the Montrose Sun that discusses this issue. According to this article there are quite a few rural electric associations that are actively seeking to leave Tri-State. Kit Carson Electric in Taos paid a substantial sum of money to get out of their contract. I would think that the building pressure to use renewable energy would encourage Tri-State to reconsider their reliance on coal-fired power plants.

2. V-CUP Update

We had a meeting on January 31st with representatives from BP, Atlantic Richfield and the Colorado Department Health and Environment in an effort to make progress on a simpler VCUP arrangement. While I believe that in general, all parties are in agreement with the table we generated after the last meeting, there are still a multitude of details to be resolved, including:

- a sampling program to be completed by BP/Atlantic Richfield in the near term (designed to minimize the need for future sampling). BP has provided us with a GIS file that shows sites and data from the existing samples;

- the approach and text for institutional controls program, including a new town ordinance. These controls would set forth the protocol for dealing with contaminated soil and protecting remediation once complete. These controls can be incorporated into our revised Land Use Code. We currently require environmental development permits in flood plains, wetlands areas, avalanche areas etc. I have reviewed the most recent copy of the institution controls from the last V-CUP and I believe that in general that draft makes sense. If we can work out remaining language, I think that we can adopt them into the Rico Land Use Code without too much difficulty, as part of this project. I have attached a simple flow chart that shows how the ordinance would work.

- how the work required by the IC program will be carried out (either by a contractor on call funded by BP/Atlantic Richfield, BP/Atlantic Richfield providing funding to the property owner, a trust fund, some other approach or a combination thereof),

- how BP/ Atlantic Richfield will fund oversight and enforcement of the IC program,

- a plan to remediate lead soils in town streets and rights of way, and the long-term maintenance of that plan (which was discussed with BP/Atlantic Richfield previously), and management of prior VCUP properties located within the River Corridor

We had productive discussions with BP/Atlantic Richfield and plan to continue those discussions with a goal of resolving these issues over the near term.

To provide additional context, I spoke with Karen Guglielmone from the Town of Telluride public works about how they dealt with mine waste. As you probably know, when they replaced water lines in Telluride, there were some portions of the trenching that took place in tailings. They had a contracted engineer on hand to test the soil that came out of the trenches and separate, cover adequately and haul off to a repository near Naturita. This approach (having a contractor available funded by BP/Atlantic Richfield) would likely be the simplest and preferred approach.

We will discuss legal and negotiation strategy issues associated with these negotiation points in executive session.

3. 2nd Reading of an Ordinance to amend the Town of Rico Budget for 2018

There have been no changes to this document. I am recommending that we pass it.

4. Trail Easement Agreement with Mike Popek

As maybe you are all aware, we have been in negotiations with Mike Popek, the owner of the property south of Rico for a trail easement agreement along the old Rio Grande Southern railroad right-of-way. I have attached a copy of the proposed easement agreement along with the exhibit that shows the proposed alignment of the trail. Our insurance company and our attorney have not blessed this document but you as a Board could approve it subject to their revisions.

5. Approval of an easement agreement with Raegan Elease owner of the Assay Office

You probably remember this item from last month. Ms. Elease bought the old assay office. She would like to restore it and use it in some capacity. We have come up with an agreement that both she and our attorney are happy with. I have included it in this packet. It is not a land vacation or a re-subdivision. I believe that this agreement addresses the concern of the Trustees.

6. Acceptance of the resignation of Keith Lindauer from the Rico Board of Trustees

If you did not see the email from Keith, I have included a copy in this packet. The Board of Trustees needs to formally accept his resignation. Since we don't have a municipal election coming up within the next 120 days, Linda will post a notice inviting Rico residents to apply for a seat of the Board. According to our home rule charter, the notice should be open for 30 days. At the end of that period of time, the Trustees will appoint a qualified applicant.

7. Resolution to support HB 1113, concerning the protection of water quality from adverse impacts caused by mineral mining

This came bill up last year but did not make it out of the Senate committee. Representatives Barbara McLachlan and Dylan Roberts are sponsoring it. According to Jennifer Thurston:

> This HB 1113 proposes three changes to the Colorado Mined Land Reclamation Act:
> - It will eliminate corporate self-bonds for hardrock mines
> - It will increase the state's authority to require bonds that cover water treatment costs in addition to land reclamation
> - It will require future mines to provide an end date for water quality restoration after mining is done, which is intended to prevent new mines from requiring perpetual water treatment

A change from last year is a new clause to specifically exempt Good Samaritan cleanups. The bill will be heard in front of the House Rural Affairs Committee on Monday and then is expected to go for a full House vote later this month. It would be very helpful to have the Town's support as the bill heads into the Senate at the end of February.

Included in this packet is a copy of a proposed resolution as well as a fact sheet.

8. Contract with choice of contractor to perform the Town Hall restroom remodel and Contract with choice of economic analysis consultant

Both the bids on the remodel of the Town Hall Restroom and the proposals for the economic development analysis are due Friday, February 15th at 5:00 PM. At this time, we have not had an opportunity to evaluate the bids and the proposals. I am expecting to have recommendations and contracts by Tuesday or Wednesday for your review.

9. The pros and cons of amending the business license ordinance to include providers of services

As requested at the last meeting, I talked to Erin Neer about the pros and cons of requiring business licenses for services as well as retail operations and food, beverage and lodging businesses. She reiterated what we had already discussed. On the con side, there is really no money for the Town in business licenses unless we wanted to charge so much that the cost would likely discourage people from starting businesses.

The pro side would be that we would have more control over businesses that we felt were operating contrary to the best interests of the community.

If we were to institute a business license program that would come with regulations, we would have to determine what types of behavior that we want to regulate. This would be a process. I think that we are better off dealing with these issues with the revised Land Use Code.

Tri-State Generation and Transmission Association's coal-fired Nucla Station, at the west end of Montrose County, will close by the end of 2022. The massive generation cooperative also plans to retire a coal-fired electric generation unit at Craig Station by the end of 2025. But some of the co-op's members feel Tri-State isn't moving to renewable power sources quickly enough. (William Woody, Special to The Colorado Sun)

ENERGY

Colorado co-op's fight for renewable energy could upend how rural communities are powered

As fight with Delta-Montrose Electric Association heads to court -- and PUC hearing -- Tri-State announces new wind, solar projects

FEB 13, 2019 5:04AM MST

Mark Jaffe

A battle between a Western Slope rural electric cooperative and one of the country's largest co-op power providers has intensified, setting the stage for what may be a significant change in how and where some rural communities get their electricity.

On one side is the Delta-Montrose Electric Association (DMEA), the Montrose-based co-op serving about 33,000 members, and on the other is the Tri-State Generation and Transmission Association, which provides power to 43 cooperatives in four states, including 18 in Colorado.

The Colorado Public Utilities Commission is set to weigh in on the issue Thursday, and its decision on whether it has jurisdiction could lead to an unprecedented level of oversight on Tri-State and open the way for more renewable energy in the state's rural co-ops.

DMEA wants to quit Tri-State, seeking to develop more renewable and local energy generation, spurred by lower market prices for wind and solar. Tri-State says that to protect the association's other members, DMEA must fulfill the 21 years left on its contract for debt and revenue.

DMEA officials call Tri-State's undisclosed exit fee "discriminatory" and are asking the PUC to set the fee.

"The world is changing," said John Parker, CEO of Brighton-based United Power, a Tri-State member supporting DMEA at the PUC. "Tri-State is not going to be able to hold back the change. Tri-State is not going to be the little boy with his finger in the dike holding back change."

For its part, Tri-State has added 475 megawatts (MW) of wind, solar and small hydro in the past 10 years and in the past 30 days has announced plans for another 100 MW of solar in 2023 and 104 MW of wind to come online in 2020. It is closing three coal-fired plants, and at the association's April meeting, the board will consider a new, more flexible membership plan.

"Tri-State is considering by-law changes allowing for members to take more local generation," said Jeff Wadsworth, CEO of the Fort Collins-based Poudre Valley Rural Electric Association, which is supporting Tri-State. "Tri-State is looking to add renewables. I think it is a question of the pace of change."

State clean-energy goals at odds with Tri-State contracts

Supporters are lining up on both sides of the PUC case. More than 35 Tri-State member co-ops, most of them out-of-state, have filed in support of Tri-State. United Power and the Durango-based La Plata Electric Association are supporting DMEA, as are the ski industry's trade association, the libertarian Independence Institute, environmental groups and the Colorado Energy Office (CEO).

"The CEO works with communities in Delta, Montrose and Gunnison counties and DMEA to promote 'clean and renewable energy,' 'energy efficiency technologies and practices,' and 'energy storage systems,'" the office said in its PUC filing. "These changes may only be possible if the commission sets a just and reasonable charge for DMEA to withdraw from Tri-State."

MORE: Read more environmental coverage from The Colorado Sun.

Sixty-two state lawmakers also signed a letter to the PUC in support of DMEA and the commission's intervention.

"As members of the Colorado General Assembly who care about rural economic development and allowing all Coloradans access to less expensive power from local and diverse generation sources, we urge the commission to strongly consider exercising its jurisdiction under Colorado law and setting

an exit charge fair to both DMEA and Tri-State's remaining members," the letter said.

"I don't think Tri-State has been a good neighbor," said state Sen. Don Coram, R-Montrose, who signed the letter. "We've tried to talk to Tri-State about renewable energy. We've got great resources in our region. DMEA could do 30 to 40 percent renewables. It is a question of jobs for my community, so it is time for an equitable divorce."

Tri-State says it has the support of 35 of its members, including 11 in Colorado.

The core reason for the clash is the 40-year contracts Tri-State signs with its members. The contracts require the cooperatives to buy 95 percent of their electricity from Tri-State.

Tri-State maintains this is a contract dispute with DMEA and the PUC doesn't have jurisdiction, a position backed by its supporters. "DMEA is complaining about a contractual term, contained in the Tri-State Bylaws, which would only take effect if DMEA is no longer receiving electric service from Tri-State," Limon-based Mountain View Electric Association said in a PUC filings.

Trying to short-circuit the PUC

In January, Tri-State filed a complaint in Adams County District Court seeking a ruling on whether it is in fact a contract dispute ruled by Tri-State's bylaws. Tri-State's headquarters is in Adams County.

"Tri-State is trying to short-circuit the PUC," said Virginia Harman, DMEA's chief operating officer. DMEA has cast the dispute as a rate case in that the exit fee will have to be paid through consumer rate increases.

"We are not wanting to get out for free," Harman said. "We are not asking for something that's not fair. We want to pay our fair share. The number that Tri-State has proposed is not fair."

Tri-State, as an interstate cooperative entity, has only been lightly reviewed by the PUC. The association serves cooperatives in Nebraska, Wyoming, Colorado and New Mexico, but increasingly Colorado co-ops, environmental groups and legislators have raised questions about its governance.

Two-thirds of the people Tri-State serves live in Colorado and the five largest co-ops are based here, led by United Power with nearly 80,000 members.

"PUC is charged with protecting the public interest, including rural Coloradans, like our members," Harman said.

The calculation for Tri-State is complex. Based on those long-term contracts Tri-State developed 5,562 miles of high-voltage lines, has interests in six coal-fired and five natural-gas electric plants and $3.2 billion in debt. Tri-State reported revenues of nearly $1.4 billion in 2017.

Tri-State depends upon coal (through its plants and power purchases) for nearly half its electricity. It gets 30 percent of its power from renewables when all the local co-op projects and hydro power purchased from the federal Western Area Power Administration are included.

For some co-ops and environmental critics, the continued heavy reliance on fossil fuels presents financial risk, as the price of wind and solar generation continue to decline.

Delta-Montrose Electric Association, which serves 33,000 Western Slope customers, is trying to get out of its 40-year contract with Tri-State Generation and Transmission Association, citing consumer demand for power produced from renewable sources such as solar and wind. About half of Tri-State's power is generated using coal. State Sen. Don Coram says conditions on the Western Slope are ripe to generate 30 to 40 percent of required electricity from low-cost renewable sources, but DMEA is obliged to purchase 95 percent of its power from Tri-State. "It is time for an equitable divorce," Coram says. (William Woody, Special to The Colorado Sun)

An analysis by the Rocky Mountain Institute, a Boulder-based energy consultant, calculated that Tri-State could save $600 million between now and 2030 if it shuttered its coal plants and moved to cheaper renewable generation. Tri-State disputed the calculation.

"While other utilities are moving away from coal, Tri-State's continued reliance on coal poses a risk," said Jeremy Nichols, director of the climate and energy program for the environmental group Wild Earth Guardians, which filed in the PUC case in support of DMEA.

Tri-State's debt-to-asset ratio is about 60 percent, and the company terms the debt load "substantial," in federal filings. A high debt-to-asset ratio is not uncommon in the utility industry, where predictable income streams make lenders more comfortable with a larger debt load.

"Our debt-to-capitalization ratio is in line with other G&Ts (generation and transmission associations)," Tri-State spokesman Lee Boughey said.

But anything that roils that predictable revenue stream is a risk.

"If we underestimate the monetary value of a member's obligation or a significant number of our members withdraw, our ability to satisfy our financial obligations could be adversely affected," the company said in its annual report to the U.S. Securities and Exchange Commission.

Tri-State's position is that only its board, made up of representatives of the 43 co-ops, can approve a member quitting the co-op. "If such permission is granted, the board must ensure that the withdrawing member satisfies its contractual obligations so as not to harm the remaining members," Boughey said.

That could include all the debt service and revenue obligations left on the contract.

"DMEA appears to propose a buyout of its contract at an amount that will not come close to making the remaining members financially whole," Boughey said.

Looking for contract flexibility and more renewable power sources

In 2016, the Kit Carson Electric Cooperative, in Taos, New Mexico, paid a $37 million exit fee to leave Tri-State. The fee was financed through Guzman Energy, an energy management and contracting firm, that is also working with DMEA.

"The G&T model has two problems," said Chris Riley, Guzman's president. "There is the assets mix. They built these large, centralized coal plants. Now

distributed renewable generation is an option. … They have both of those problems and they have them simultaneously."

DMEA, La Plata and United have all tried to add more renewable generation or energy storage and butted heads with Tri-State. Proposals by La Plata proposals to increase the 5 percent cap on local generation to 10 percent was rejected by the board, as was a proposal to pool the 5 percent limit so co-ops could trade it amongst themselves.

Still, not all cooperatives are seeking to leave Tri-State. Many are very small, including the 3,100-customer Northern Rio Arriba Electric Co-op, in Chama, New Mexico, and the Southeast Colorado Power Association, which has 5,000 members scattered over 13,000 square miles.

"This issue with DMEA should be settled by the board," said Jack Johnston, CEO La Junta-based Southeast Colorado Power Association.

Even the larger co-ops say they are just looking for a little more flexibility in their contracts with Tri-State.

"I don't how we got so far apart," said Parker, the United CEO. "We are not looking to leave Tri-State. … We are looking to work together to address change."

More from The Colorado Sun

- Summit County health care prices force families to make desperate decisions. A new plan for how consumers buy coverage could change that.
- Climbing gyms are hot, but longtime climbers worry gym rats aren't learning basic real-world safety

- Scarred by war, a young woman comes home to Denver to find her life an ashen void
- In anthology "Blood Business," editors sought to plumb the depths of desperation
- Drew Litton: Broncos' only consistency is a lack of it

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Wild Earth Guardians wind energy

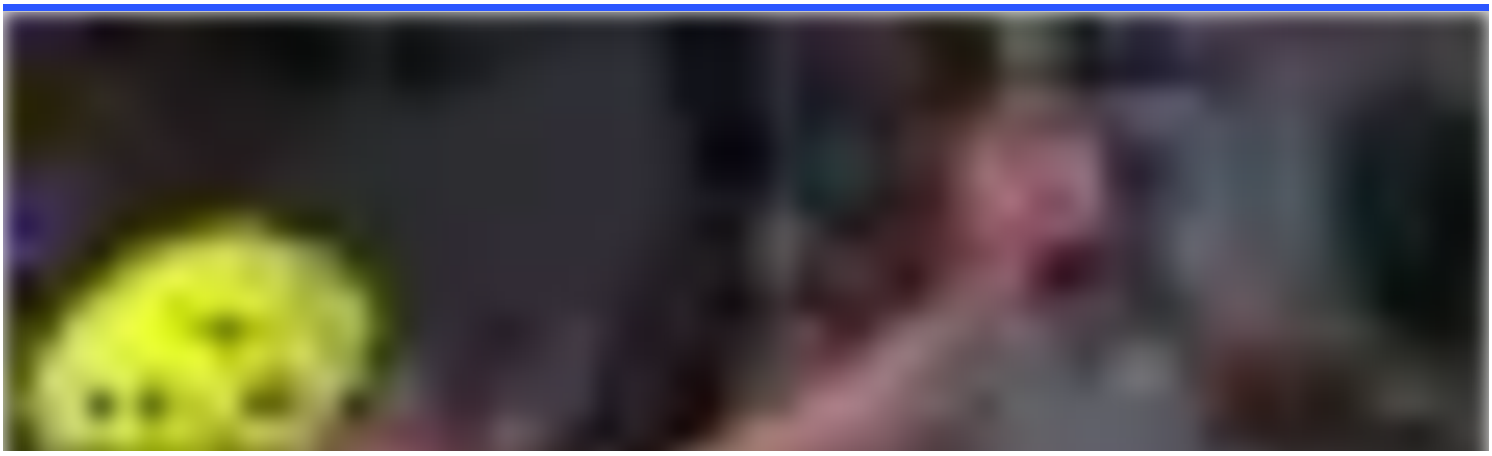
HEALTH

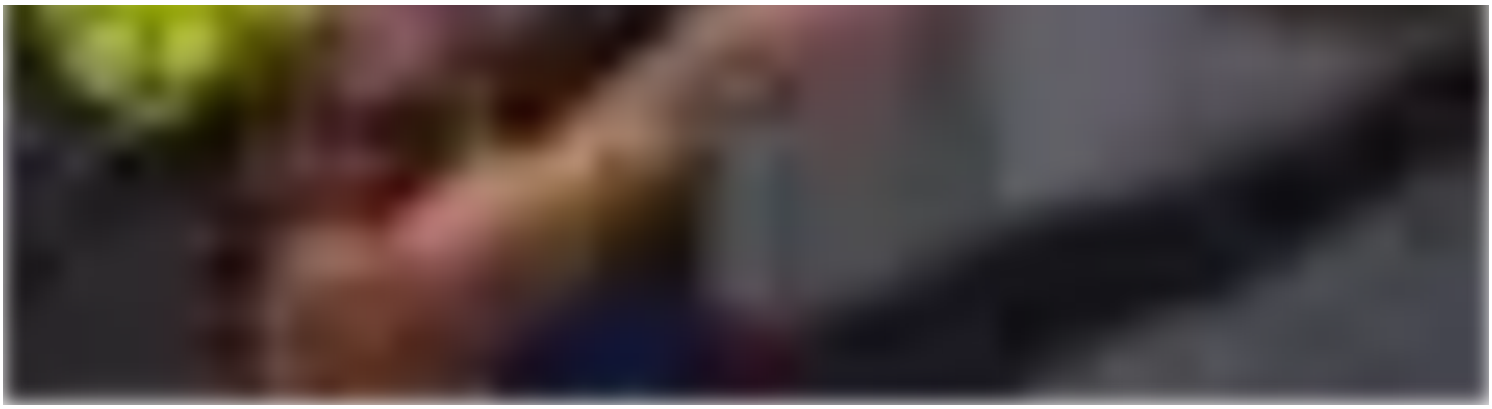
Summit County health care prices force families to make desperate decisions. A new plan for how consumers buy coverage could change that.

The Peak Health Alliance could become a statewide model for how to give patients an upper hand over prices

John Ingold

FEB 15, 2019 5:03AM MST





OUTDOORS

Climbing gyms are hot, but longtime climbers worry gym rats aren't learning basic real-world safety

Traditional mentorships that have passed down safety tips for generations are fading, even as the number of climbers is growing

Joe Purtell

FEB 15, 2019 5:00AM MST

BOOK EXCERPTS

Scarred by war, a young woman comes home to Denver to find her life an ashen void

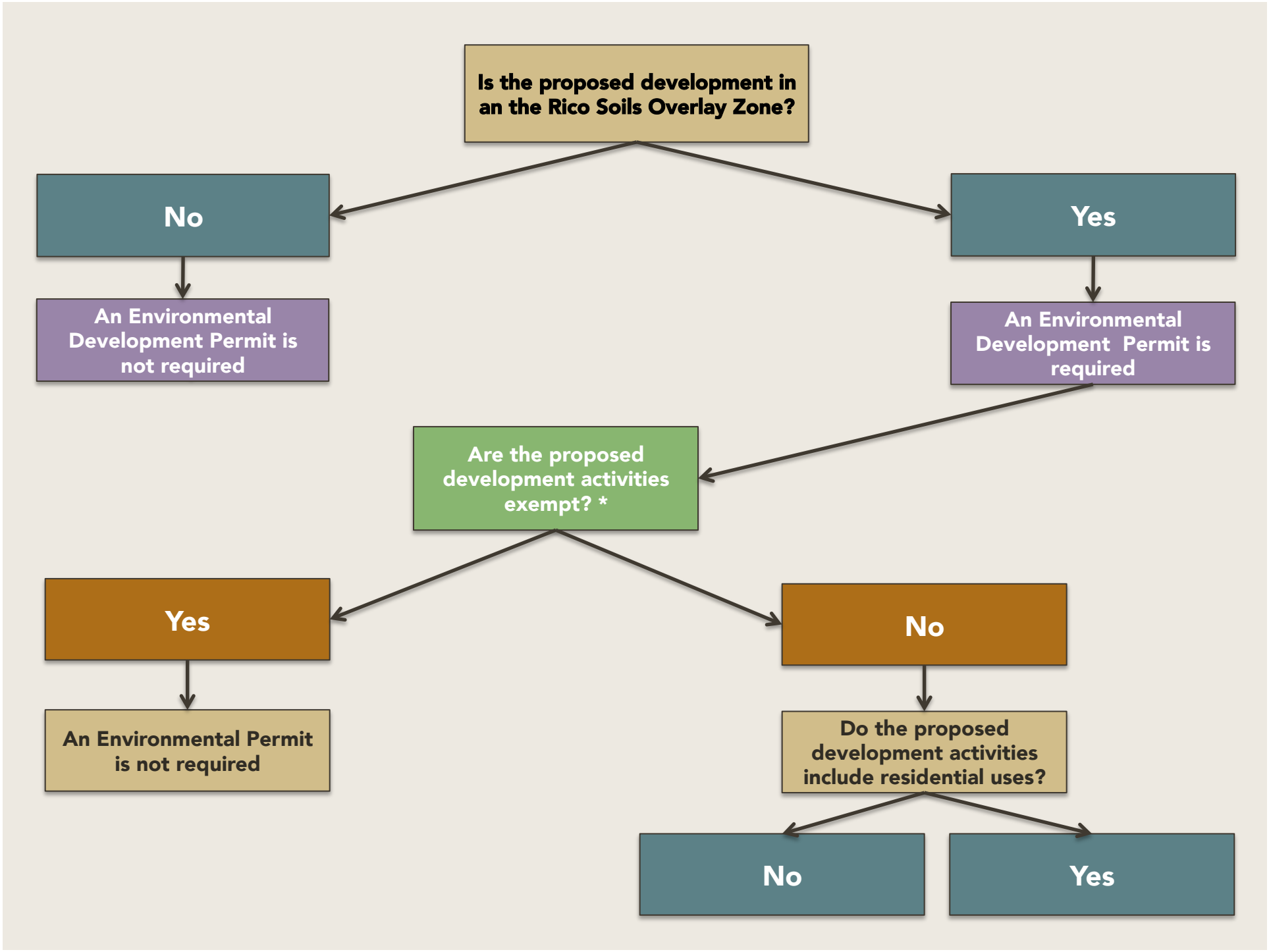
The anthology "Blood Business" tracks the underbelly of human nature through "the muck of our lesser

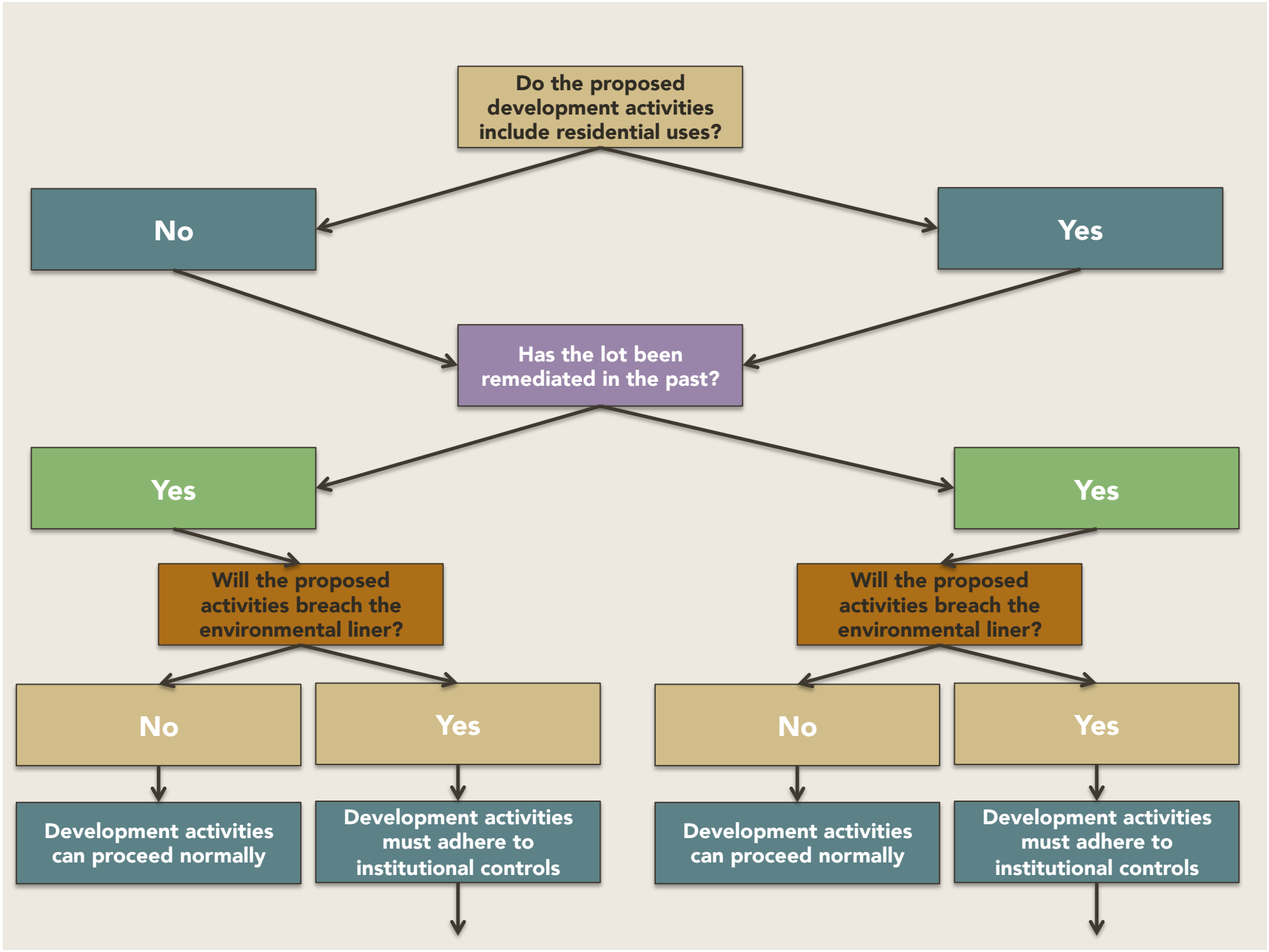
angels" in 27 crime stories -- including this one of embezzlement, murder and despair

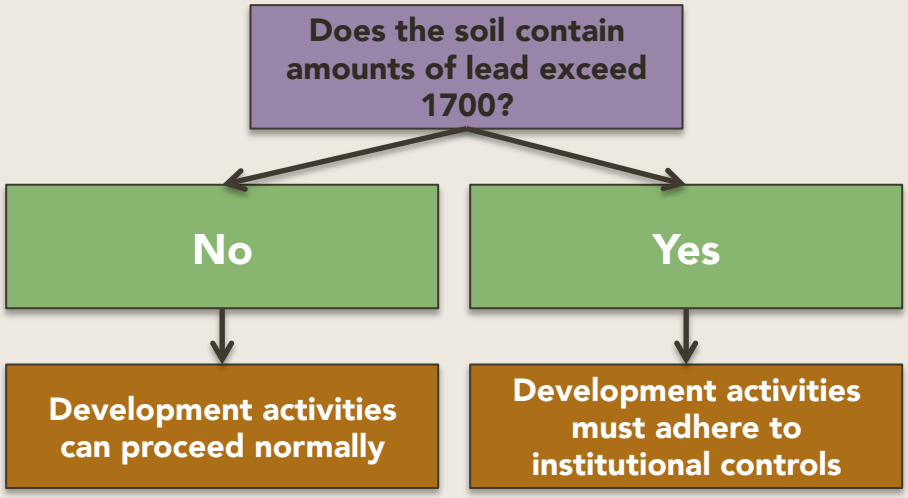
 **Mario Acevedo, editor**

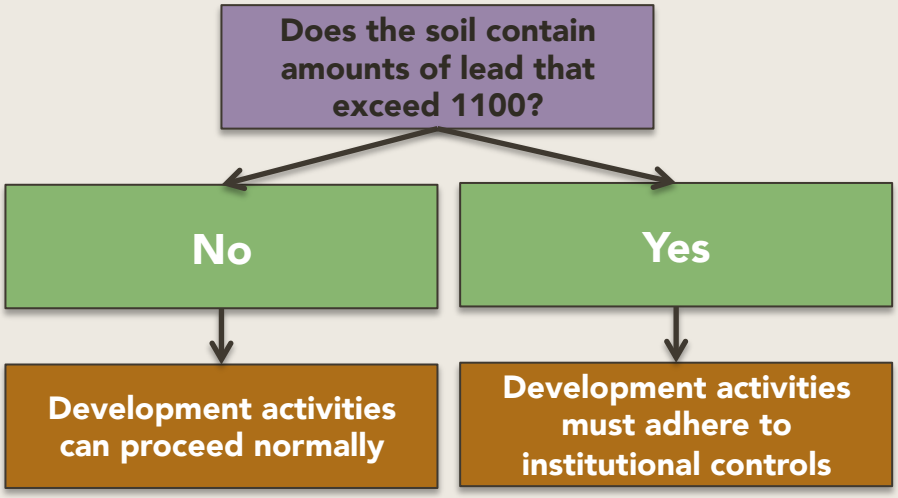
 **Joshua Viola, editor**

FEB 15, 2019 4:57AM MST


Is the proposed development in an the Rico Soils Overlay Zone?
No
Yes
An Environmental Development Permit is not required
An Environmental Development Permit is required
Are the proposed development activities exempt? *
Yes
No
An Environmental Permit is not required
Do the proposed development activities include residential uses?
No
Yes


Do the proposed development activities include residential uses?
No
Yes
Has the lot been remediated in the past?
Yes
Yes
Will the proposed activities breach the environmental liner?
Will the proposed activities breach the environmental liner?
No
Yes
No
Yes
Development activities can proceed normally
Development activities must adhere to institutional controls
Development activities can proceed normally
Development activities must adhere to institutional controls


Does the soil contain amounts of lead exceed 1700?
No
Yes
Development activities can proceed normally
Development activities must adhere to institutional controls


Does the soil contain amounts of lead that exceed 1100?
No
Yes
Development activities can proceed normally
Development activities must adhere to institutional controls

TOWN OF RICO ORDINANCE

NO.2019-01

AN ORDINANCE OF THE TOWN OF RICO, COLORADO, AMENDING RICO BUDGET ORDINANCE NO. 2017-02 TO REFLECT ADDITIONAL REVENUES AND EXPENDITURES

WHEREAS, the Rico Town Charter, Article VI, sec. 6.7, states that the Rico Board of Trustees may make additional appropriations by Ordinance during the fiscal year to amend the Town's 2018 Budget as previously adopted by Ordinance No. 2017-2 , for unanticipated expenditures or receipt of additional revenues. The purpose of this amended budget ordinance is to reconcile and amend the 2018 budget for increased expenditures and their corresponding revenues;

WHEREAS, the Town of Rico's **General Fund** revenues for regular operations were lower than estimated in December 2017. This was due to reduced property taxes and reduced sales tax income likely caused by the National Forest closure. **The General Fund has a projected revenue decrease of $43,171.66.**

WHEREAS, the Town of Rico's **General Fund** expenditures for regular operations were lower than estimated in December 2017. This was due to reduced expenditures in labor costs and other administrative expenses. **The General Fund has a projected expenditure decrease of $66,513.96.**

WHEREAS, the Town of Rico's **General Fund** revenues for capital and special projects were higher than estimated in December 2017. This was due to the success of the Rico shuttle and a grant from the Rico Center for a new, larger bus. **The General Fund for Capital and Special Projects revenue has a projected increase of $80,388.32.**

WHEREAS, the Town of Rico's **General Fund** expenditures for capital and special projects were higher than estimated in December 2017. This was due to the purchase of the larger bus. **The General Fund for Capital and Special Projects expenditures has a projected increase of $86,817.83.**

WHEREAS, the Town of Rico's **Street Fund** revenues for regular operations were higher than estimated in December 2017. While there was a reduction in property taxes, there was an increase in the highway users tax. **The Street Fund has a projected revenue increase of $6,421.49.**

WHEREAS, the Town of Rico's **Street Fund** expenditures for regular operations were lower than estimated in December 2017. This was due to a mild winter and reduced expenditures in labor costs. **The Street Fund has a projected expenditure decrease of $34,692.58.**

WHEREAS, the Town of Rico's **Street Fund** revenues for capital and special projects were higher than estimated in December 2017. This was due to unpredicted building permit fees. **The Street Fund for Capital and Special Projects revenue has a projected increase of $1005.70.**

WHEREAS, the Town of Rico's **Street Fund** expenditures for capital and special projects was lower than estimated in December 2017. The Town had budgeted for a water truck but did not purchase one. **The Street Fund for Capital and Special Projects expenditures has a projected decrease of $22,840.68.**

WHEREAS, the Town of Rico's **Water Fund** revenues for regular operations were lower than estimated in December 2017. Rico residents were more conservative with their water use. **The Water Fund has a projected revenue decrease of $2,630.98.**

WHEREAS, the Town of Rico's **Water Fund** expenditures for regular operations were lower than estimated in December 2017. This was due to fewer necessary repairs. **The Water Fund has a projected expenditure decrease of $42,957.08.**

WHEREAS, the Town of Rico's **Water Fund** revenues for capital and special projects were lower than estimated in December 2017. The cost of the preliminary engineering report for an analysis of the Rico Water System was lower than expected and payment from the two funders, the Colorado Water Conservation Board and the Southwestern Water Conservation Board has not yet been received. **The Water Fund for Capital and Special Projects revenue has a projected decrease of $58,250.00.**

WHEREAS, the Town of Rico's **Water Fund** expenditures for capital and special projects was lower than estimated in December 2017. The cost of the preliminary engineering report for an analysis of the Rico Water System was lower than expected. The Town is responsible for 25% of the total cost of the report and the Colorado Water Conservation Board and the Southwestern Water Conservation Board will reimburse the Town for the rest. **The Water Fund for Capital and Special Projects expenditures has a projected decrease of $85,532.54.**

WHEREAS, the Town of Rico's **Sewer Fund** revenues for regular operations were lower than estimated in December 2017. Property taxes were lower than expected. **The Sewer Fund has a projected revenue decrease of $130.90.**

WHEREAS, the Town of Rico's **Sewer Fund** expenditures for regular operations were lower than estimated in December 2017. This was due to an appropriation for training that did not take place. **The Sewer Fund has a projected expenditure decrease of $3,072.62.**

WHEREAS, the Town of Rico's **Sewer Fund** revenues for capital and special projects were lower than estimated in December 2017. The cost of the preliminary engineering report for the installation of a central sewer system in the commercial core of the Town of Rico was lower than expected and the second payment of the grant for the report from the Department of Local Affairs has not yet been received. **The Sewer Fund for Capital and Special Projects revenue has a projected decrease of $61,575.35.**

WHEREAS, the Town of Rico's **Sewer Fund** expenditures for capital and special projects was lower than estimated in December 2017. The cost of the preliminary engineering report for the installation of a central sewer system in the commercial core of the Town of Rico was lower than expected. The Town is responsible for 50% of the total cost of the report and the Department of Local Affairs will reimburse the Town for the rest.

The Sewer Fund for Capital and Special Projects expenditures has a projected decrease of $61,575.35.

WHEREAS, the Town of Rico's **Parks, Open Space and Trails Fund** revenues for regular operations were higher than estimated in December 2017. **The Parks, Open Space and Trails Fund has a projected revenue increase of $2,215.28.**

WHEREAS, the Town of Rico's **Parks, Open Space and Trails Fund** expenditures for regular operations were lower than estimated in December 2017. **The Parks, Open Space and Trails Fund has a projected expenditure decrease of $1,926.17.**

WHEREAS, the Town of Rico's **Parks, Open Space and Trails Fund** revenues for capital and special projects were lower than estimated in December 2017. Work on a pocket park next to the Rico Town Hall did not occur so the anticipated Great Outdoors Colorado grant did not materialize. **The Parks, Open Space and Trails Fund for Capital and Special Projects revenue has a projected decrease of $22,500.00.**

WHEREAS, the Town of Rico's **Parks, Open Space and Trails Fund** expenditures for capital and special projects was lower than estimated in December 2017. Work on a pocket park next to the Rico Town Hall did not occur so the anticipated Great Outdoors Colorado grant did not materialize. **The Parks, Open Space and Trails Fund for Capital and Special Projects expenditures has a projected decrease of $37,500.00.**

WHEREAS, the Town of Rico Board of Trustees declares that it is in the best interest of the Town's citizens and necessary for the health, safety and welfare of the Town to amend the 2017 annual budget to reflect the above described changes in revenues and expenses.

WHEREAS, the Town of Rico's **Conservation Trust Fund** revenues were higher than estimated in December 2017. **The Conservation Trust Fund has a projected revenue increase of $662.92.**

WHEREAS, the Town of Rico's **Conservation Trust Fund** expenditures were lower than estimated in December 2017. **The Conservation Trust Fund has a projected expenditure decrease of $2,798.00.**

NOW, THEREFORE, BE IT ORDAINED BY THE BOARD OF TRUSTEES OFTHE TOWN OF RICO AS FOLLOWS:

SECTION 2. The amendments set forth herein in no way effect the taxes levied as set forth in the 2017 Budget, Ordinance No. 2017-2.

SECTION 3. This Ordinance shall take effect immediately upon final adoption.

ORDINANCE INTRODUCED, READ, APPROVED AND ADOPTED ON THE 16th DAY OF January 2019.

ORDINANCE READ, APPROVED AND ADOPTED BY FINAL READING THIS 20th

DAY OF FEBRUARY 2018.

By: _____

Rico Mayor

Attest:_____

Rico Town Clerk

2018 Amended Summary

Revenues			
	Revenues 2018 Adopted Budget	Revenues as of December 31st 2018	Revenue Increase/ Decrease
General Fund - Regular Operations	$350,795.42	$307,623.76	-$43,171.66
General Fund - Capital & Special Projects	$15,226.00	$95,614.32	+$80,388.32
Street Fund - Regular Operations	$47,190.00	$53,611.49	+$6,421.49
Street Fund – Capital & Special Projects	$0	$1,005.70	+$1,005.70
Water Fund – Regular Operations	$126,200.00	$123,569.02	-$2,630.98
Water Fund – Capital & Special Projects	$60,000	$1,750.00	-$58,250.00
Sewer Fund – Regular Operations	$22,587.19	$22,456.29	-$130.90
Sewer Fund – Capital & Special Projects	$74,000.00	$12,424.65	-$61,575.35
Parks, Open Space & Trails – Regular Operations	$48,531.33	$50,746.61	-$2,215.28
Parks, Open Space & Trails – Capital & Special Projects	$22,500.00	$0	-$22,500.00
Conservation Trust Fund	$2,000.00	$2,662.96	+$662.96

2018 Amended Summary

Expenditures			
	Expenditures 2018 Adopted Budget	Expenditures as of December 31st 2018	Expenditure Increase/ Decrease
General Fund - Regular Operations	$383,399.93	$316,885.97	-$66,513.96
General Fund - Capital & Special Projects	$19,726.00	$106,543.83	+$86,817.83
Street Fund - Regular Operations	$76,991.77	$42,299.19	-$34,692.58
Street Fund – Capital & Special Projects	$46,000.00	$23,159.32	-$22,840.68
Water Fund – Regular Operations	$133,583.46	$90,626.38	-$42,957.08
Water Fund – Capital & Special Projects	$125,336.80	$39,804.26	-$85,532.54
Sewer Fund – Regular Operations	$3,500.00	$427.38	-$3,072.62
Sewer Fund – Capital & Special Projects	$148,000.00	$34,142.62	-$113,857.38
Parks, Open Space & Trails – Regular Operations	$42,509.50	$40,583.33	-$1,926.17
Parks, Open Space & Trails – Capital & Special Projects	$37,500	$0	-$37,500
Conservation Trust Fund	$5,000.00	$2,202.00	-$2,798.00

RECREATIONAL TRAIL EASEMENT

This RECREATIONAL TRAIL EASEMENT ("**Trail Easement**") is made and entered into by and between the Town of Rico, a Colorado home rule municipality and political subdivision of the State of Colorado ("**Grantee**"), whose legal address is PO Box 9, Rico, Colorado 81332, and Michael Popek and Alana Karen (collectively "**Grantor**"), whose legal address is 959 Waverly Street, Palo Alto, CA 94301. Grantee and Grantor may sometimes singularly be referred to as a "Party" or collectively be referred to as the "Parties."

RECITALS:

A. Grantor owns certain real property legally described in Exhibit A, attached hereto and incorporated herein by this reference ("**Grantor's Property**").

B. Grantor and Grantee desire to establish a perpetual, nonexclusive public trail easement across Grantor's Property in the location depicted and described in the attached Exhibit B.1 and Exhibit B.2 attached hereto and incorporated herein by this reference.

NOW THEREFORE, in consideration of the terms and conditions of this Trail Easement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and subject to the terms and conditions hereof, the Parties agree as follows.

AGREEMENTS:

1. Grant of Trail Easement. Grantor hereby grants, quitclaims, conveys, assigns, establishes, and creates to and for the benefit of Grantee, for Grantee's and the public's use and the use of Grantee's agents, contractors and employees, a perpetual, non-exclusive public recreational trail easement over and across Grantor's Property for pedestrian, bicycle and other non-motorized mechanical means of conveyance and for trail and infrastructure installation and maintenance within the area depicted and described on Exhibits B.1 and B.2 ("**Trail Easement**"). In granting the Trail Easement, Grantor expressly represents, and Grantee acknowledges, that Grantor does not: (a) extend any assurances that the Trail Easement area is safe for any purpose; (b) confer upon any person using the Trail Easement the legal status of an invitee or licensee to whom a duty of care is owed by Grantor; (c) assume any responsibility or incur an liability for any injury to person or property or for the death of anyone caused by an act or omission of such person.

2. Restrictions on Use. Camping, campfires, hunting, livestock and equestrian uses shall not be permitted in the Trail Easement area. Except as set forth in sections 4 and 5 below, motorized use shall not be permitted in the Trail Easement area.

3. Grantor's Rights. Grantor reserves the right of ownership, use, and occupancy of Grantor's Property, insofar as the ownership, use, and occupancy does not materially impair the rights granted to Grantee herein. Without limiting the foregoing, Grantor may install utility and cable lines, paving, and landscaping, fencing and other improvements so long as the same do not interfere with Grantee's use of the designated Trail Easement area on Grantor's Property. Moreover, Grantor may remove or plow snow from driveway areas, grade and/or pave driveway

areas, and nothing in this Agreement shall be construed to limit Grantor's right to modify the circulation of automobile or pedestrian traffic within Grantor's Property, provided that use of the Trail Easement is not materially diminished, unreasonably interfered with, or causes a violation of applicable law.

4. Construction of Trail Improvements. A trail currently exists only on portions of the Trail Easement area. Grantee has the right to clear brush, rocks and stumps, and in that portion of the Trail Easement area where no trail currently exists, to construct a single tract dirt trail ("**New Trail**"). Grantee shall construct and maintain the New Trail in a manner to minimize erosion. At the north and south ends of the Trail Easement area just inside Grantor's Property's boundaries, Grantee shall install gates and/or boulders and signage to block and prohibit unauthorized motorized access. Grantor shall have the opportunity to approve all signage prior to installation, which approval shall not be unreasonably withheld. All trail improvements shall be constructed at Grantee's sole cost and expense and motorized tools, vehicles and equipment may be used for construction and installation of the trail improvements authorized herein. Upon substantial completion of the construction of the New Trail, Grantee shall send written notice of completion to Grantor ("**Notice of Completion**") notifying Grantor that the New Trail is substantially completed. The Notice of Completion shall be accompanied by a "**Notice of Relocation**" in which the Grantee's surveyor depicts and legally describes the "as-built" location of the New Trail and which shall be recorded as an amendment to Exhibits B.1 and B.2 hereto. Not less than twenty (20) days following the provision of the Notice of Completion and Notice of Relocation, Grantee is authorized and directed to sign and record the Notice of Relocation. A copy of the recorded Notice of Relocation shall be delivered to Grantor.

5. Maintenance of Trail Easement Area; Grooming. Grantee, at its sole cost and expense, shall be responsible for maintaining the trail and other trail improvements located in the Trail Easement area in reasonably good condition. Motorized tools, vehicles and equipment may be used for such maintenance. During the months of November through March each winter, Grantee shall be permitted to groom the trail for Nordic recreation, including but not limited to Nordic skiing, snow shoeing, fat biking and other non-motorized use ("**Nordic Grooming**"). Nordic Grooming may only occur between the hours of 8am and 9pm.

6. Default. In the event of a default by either Party under this Trail Easement in the observance or performance of any of the covenants or other provisions here to be observed or performed by such Party, if such default is not cured within sixty (60) days after notice to defaulting Party (or if such default is incapable of cure within such 60-day period and defaulting Party commences to cure within such 60-day period and thereafter diligently and continuously takes action to effect a cure), the non-defaulting Party shall have the following remedies: (a) to cure, if capable of cure, the breach by the defaulting Party, with the right of reimbursement from the defaulting Party for all reasonable costs and expenses incurred in connection with such cure, including reasonable legal fees; (b) an action for specific performance and/or injunction; and (c) an action for actual damages. No breach of this Trail Easement shall entitle any party to consequential, incidental, economic, treble or punitive damages or to cancel, rescind, or otherwise terminate this Agreement, but such limitation shall not affect in any manner any other rights or remedies which such Party may have by reason of any breach of this Agreement.

7. Mechanic's Liens. Grantee shall not permit any mechanic's liens to be placed upon the Grantor's Property in connection with construction and maintenance performed by or on behalf of Grantee in conjunction with the Trail Easement.

8. Notices. All notices and other communications required or permitted under this Trail Easement shall be in writing and shall be (a) personally delivered, (b) deposited with a nationally recognized overnight delivery service that routinely issues receipts, or (c) given by registered or certified mail. Any such notice or other communication shall be effective when such notice is delivered to the addresses set forth above. Any Party, by ten (10) days' prior written notice given as set forth above, may change the address to which future notices or other communications intended for such Party shall be sent.

9. Landowner Protection Statutes; Indemnification. In granting and accepting the recreational Trail Easement, the Parties intend to avail themselves of the maximum immunities, benefits and protections available to each of them pursuant to the public recreational use statute, CRS §33-41-101 *et seq*., the Colorado landowner liability statute, CRS §13-21-115, and the Colorado Governmental Immunity Act, CRS §24-10-114 (collectively the "**Colorado Landowner Protection Statutes**"). Nothing in this Agreement is intended to waive any limits on liability afforded to the Parties under the Colorado Landowner Protection Statutes. By granting the Trail Easement, Grantor shall have no obligation to repair, clear or otherwise maintain the Trail Easement area, or to insure or indemnify Grantee or the public for any injury, claim or damage to any person or property whether alleged to have occurred as a result of use of the Trail Easement for public non-motorized trail or otherwise, or due to the condition of the road or trail, unless the need therefore is caused by grantor, in which case Grantor shall perform the maintenance or care so required. Grantee hereby agrees to defend and hold harmless Grantor and Grantor's heirs, successors and assigns to the full extend allowed under Colorado law, from and against any and all claims, demands, causes of action, damages, losses, liabilities, costs and expenses of any kind or nature (including those involving death, personal injury or property damage an including reasonable attorney's fees) arising from or incurred in any way in connection with the use of the Trail Easement by anyone, including members of the general public, excepting any such claims or losses which may arise direction from the willful, intentional, reckless, or grossly negligent acts of Grantor, its agents or employees, or other claims as described in CRS §33-41-104(1). Grantee may satisfy this obligation by maintaining comprehensive public entity liability insurance coverage to which the Grantor is named as an additional insured.

10. Insurance. Grantee shall obtain and maintain insurance and name Grantor as an additional insured on its general liability insurance policy, which shall cover those claims and liabilities arising in connection with an y an all use of the Trail Easement by Grantee, its citizens, residents, visitors, licensees and invitees and any other person. The limits of such insurance coverage must meet or exceed liability limits allowed from time to time under the Colorado Governmental Immunities Act ("**Insurance Coverage**"). Upon written request from Grantor, Grantee shall provide a certificate of the Insurance Coverage. The Insurance Coverage shall provide that Grantor shall receive notice of cancellation of Grantee's policy at least 30 days prior to its termination. Without limiting Grantee's Insurance Coverage obligations, Grantor may also obtain and maintain its own insurance coverage.

11. Modification. No provision or term of this Agreement may be amended, modified, revoked, supplemented, waived, or otherwise changed except by a written instrument duly executed by the Parties hereto or such others as may from time to time own an interest in the respective Properties.

12. Entire Agreement. This Agreement constitutes and incorporates the entire agreement among the Parties hereto concerning the subject matter of this Agreement and supersedes any prior agreements concerning the subject matter hereof.

13. Attorneys' Fees. If any action is commenced between the Parties concerning this Agreement or for the enforcement of rights and duties of any Party pursuant to this Agreement, the court shall award the substantially prevailing Party in the action its reasonable attorneys' fees in addition to any other relief that may be granted.

14. Severability. If any provision of this Agreement shall be held invalid, illegal, or unenforceable in any jurisdiction, the validity, legality, and enforceability of the remaining provisions of this Agreement shall not be impaired thereby.

15. Successors and Assigns/Covenants Run With Land. The terms and conditions of this Agreement bind and inure to the benefit of the Parties, and their respective successors, assigns and personal representatives. The Trail Easement granted herein shall constitute a covenant running with the land and shall bind Grantor's Property described herein and inure to the benefit of and be binding upon the Parties, their grantees, and respective successors and assigns, and any persons claiming by, through or under them.

16. No Waiver. No provision of this Agreement may be waived except by written instrument signed by the Party to be charged with such waiver. Waiver by any Party of any agreement, condition, or provision contained in this Agreement will not be deemed to be a waiver of any subsequent breach of the same or any other agreement, condition, or provision contained in this Agreement.

17. Construction of Agreement. This Agreement resulted from review and negotiations between the Parties and their attorneys. This Agreement will be construed to have been drafted by all of the Parties so that the rule of construing ambiguities against the drafter will have no force or effect.

18. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Colorado, without reference to conflicts of law principles.

19. Authorization. Each Party is authorized and empowered to execute this Agreement and all necessary corporate or partnership action has been taken to authorize execution of this Agreement.

20. Execution. The Parties shall execute and deliver such further documents as may be reasonably required in order to effect the intent of this Agreement.

21. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed to constitute an original and all of which when taken together shall constitute one and the same instrument; provided, however, that this Agreement will not become binding upon any Party unless and until executed (whether or not in counterpart) by all the Parties.

22. Facsimile/E-Mail. Original signatures of the parties hereto on copies of this Agreement transmitted by facsimile or e-mail shall be deemed originals for all purposes hereunder and such copies shall be binding on all parties hereto.

IN WITNESS WHEREOF, the undersigned have executed and delivered this Agreement as of the date first above written.

GRANTEE:

Town of Rico

By: _____
Zach McManus, Mayor

STATE OF COLORADO)
COUNTY OF DOLORES)

Subscribed to and acknowledged before me this ____ day of _____, 2019 by Zach McManus as Mayor of the Town of Rico, a home rule municipality and political subdivision of the State of Colorado.

Witness my hand and official seal.
My commission expires: _____

_____
Notary Public

GRANTOR:

_____ _____
Mike Popek Alana Karen

STATE OF_____)
COUNTY OF _____)

Subscribed to and acknowledged before me this ____ day of _____, 2019 by Mike Popek and Alana Karen

Witness my hand and official seal.
My commission expires: _____

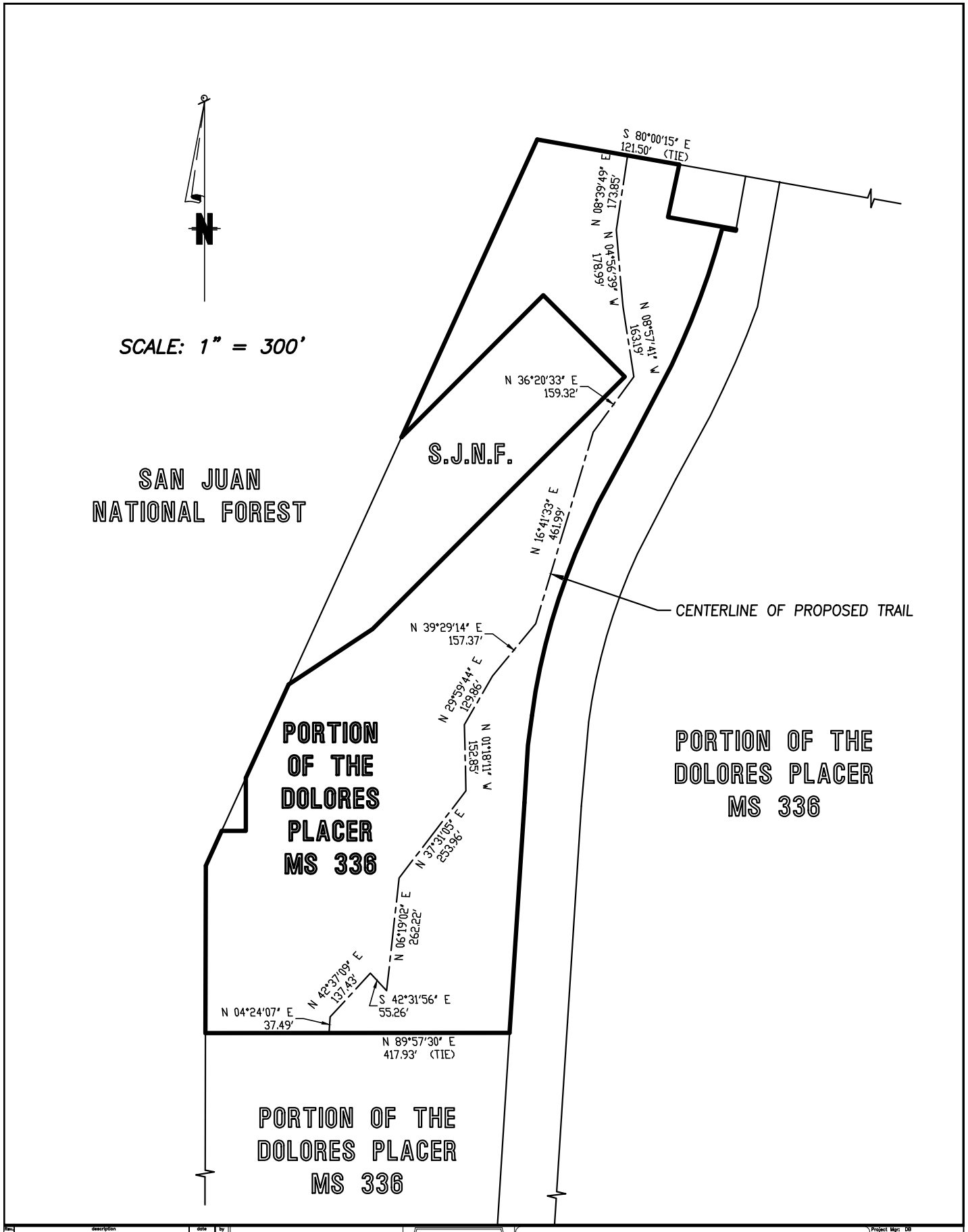
_____
Notary Public

EXHIBIT "A"

A tract of land in Section 2, Township 39 North, Range 11 West, N.M.P.M., which is all that part of the Dolores Placer Claim, U.S. Mineral Survey #336, located in the Pioneer Mining District, lying West of Colorado Highway 145, being more particularly described as follows:

Beginning at a point in said Section 2, which is Corner No. 5, Dolores Placer Claim, U.S. Mineral Survey #336, from which point the Northeast Corner of said Section 2 bears North 61 °51'04" East a distance of 961.68 feet and from which point U.S.L.M. #3 bears South 77°28'58" East a distance of 923.03;
thence South 80°33'36" East a distance of 334.30 feet along the North line of the Dolores Placer Claim, U.S. Mineral Survey #336, to a point on a fenceline;
thence South 12°25'51" West a distance of 126.82 feet along a fenceline;
thence South 79°47'45" East a distance of 139.65 feet along a fenceline to the West right of way of Colorado Highway 145;
thence 337.45 feet along the arc of a curve to the right with a radius of 1843.86 feet, the long chord of which bears South 22°28'03" West a distance of 336.98 feet along the right of way of Colorado State Highway 145;
thence South 27°43'30" West a distance of 196.50 feet along the West right of way of Colorado State Highway 145;
thence South 28°43'30" West a distance of 165.50 feet along the West right of way of Colorado State Highway 145;
thence South 24°43'30" West a distance of 69.00 feet along the West right of way of Colorado State Highway 145;
thence 444.58 feet along the arc of a curve to the left with a radius of 1498.39 feet, the long chord of which bears South 16°13'28" West a distance of 442.95 feet along the West right of way of Colorado State Highway 145;
thence South 07°43'30" West a distance of 69.00 feet along the West right of way of Colorado State Highway 145:
thence South 03°43'30" West a distance of 675.41 feet on the West right of way of Colorado State Highway 145;
thence West a distance of 704.83 feet to the West line of the Dolores Placer Claim, U.S. Mineral Survey #336;
thence North 0°10'45" East a distance of 387.00 feet along the West line of the Dolores Placer Claim, U.S. Mineral Survey #336, to Corner No. 4 of the Dolores Placer Claim, U.S. Mineral Survey #336;
thence North 24°38'13" East a distance of 1845.25 feet along the West line of the Dolores Placer Claim, U.S. Mineral Survey #336, to Corner No. 5, Dolores Placer Claim, U.S. Mineral Survey #336, the point of beginning,
County of Dolores, State of Colorado.

LESS AND EXCEPT that portion of the above named mining claim, if any, within overlapping mining claims.



Rev.	description	date	by

FOLEY ASSOCIATES, INC.
ENGINEERING • PLANNING • SURVEYING
PO Box 1385 - 125 W. Pacific Ave. Suite B1
Telluride, Colorado, 81435
phone 970•728•6153 fax 970•728•6050
e-mail to: info@foleyassoc.com

EXHIBIT

Client:

Contact:

Project Mgr: DB
Drawn by: FO
Checked by:
Start date:
Dwg path:
Sheet No. 1
Project #: 05056

P

145

Sundial Way

Ten Peaks Trail

SNOWFLAKE MS 8216

STEPHANITE MS 7980

SILVER GLANCE MS 6201

HALF LOAF M.S. 8017

HIGHLAND CHIEF M.S. 8017

LOWLAND CHIEF M.S. 8017

LITTLE LULU M.S. 8017

Google earth

RIGHT-OF-WAY ENCROACHMENT LICENSE AGREEMENT

THIS AGREEMENT, made and entered into effective the 28th day of January, 2019, by and between: the Town of Rico, a Colorado home rule town,(Town); and Raegan Ellease (Licensee).

RECITALS

WHEREAS, Lot 39 and 40, Block 12 (Property) is owned by Licensee (see Warranty Deed attached as Exhibit B) and the Historic Assay Building of the Rio Grande Southern Railroad a/k/a the old stone building (Assay Building) is located on the Property;

WHEREAS, the Assay Building encroaches on the Town of Rico right-of-way by approximately 3 feet - 8 inches on the North side only, which is Soda Street;

WHEREAS, Licensee and Town desires to enter into this agreement to memorialize the fixed encroachment so the Property has free and clear title concerning any encroachment or trespass issues in contemplation of a sale of the Property; and

WHEREAS, the portion of the Town right-of-way to be used by Licensee is depicted in Exhibit A, which is attached to and by this reference incorporated in this Agreement (Encroachment Area).

NOW, THEREFORE, in consideration of the recitals above, and the mutual covenants and agreements between the parties hereto, it is mutually agreed as follows:

1. Grant of License. The Town grants to Licensee permission to enter upon the Town right-of-way and to use the Encroachment Area described above (License), subject to the terms, conditions and limitations of this Agreement. The License granted in this Agreement shall be subject to all existing utility easements, if any, located within the Town right-of-way, or any other easements, conditions, covenants or restrictions of record.

2. Term. This License shall continue until terminated under paragraph 8, below.

3. Consideration. The consideration for this License is $150.00 which has been received by the Town.

4. No Real Property Interest. Licensee understands, acknowledges and agrees that this Agreement does not create an interest or estate in Licensee's favor in the Town right-of-way. The Town retains legal possession of the full boundaries of its right-of-way and this Agreement merely grants to Licensee the privilege to use the Encroachment Area described above throughout the term of this Agreement.

5. No Vested Right. Notwithstanding any expenditure of money, time or labor by Licensee on or within the Encroachment Area, this Agreement shall not create an assignment coupled with an interest or any vested rights in favor of Licensee. Licensee shall expend any time, money or labor on or in the Encroachment Area at Licensee's own risk and peril.

6. Limited Scope. The License granted to Licensee is limited in scope to the use of the existing portion of the Assay Building that is located within the Encroachment Area and any improvements thereto.

Licensee shall not have the right to expand the Encroachment Area or alter or change Licensee's use of the Encroachment Area without the Town's prior written consent.

7. Assignment. The License is transferable only upon the conveyance of the property and shall run with the land unless revoked by the Town. This agreement shall be binding on the parties to this Agreement and their respective successors and permitted assigns.

8. Termination. This agreement and the License granted by it to Licensee shall terminate upon any substantial breach of this Agreement or upon the complete destruction of the Assay Building such that the portion of the Assay Building located within the Encroachment Area no longer exists.

9. No Compensation to Owner. In the event of termination of this Agreement, Licensee shall not be entitled to receive a refund of any portion of the consideration paid for this Agreement, nor shall Licensee be entitled to any compensation or reimbursement for any costs or expenses incurred in any way arising from this Agreement or relating to the construction, installation, maintenance or removal of improvements in the Encroachment Area, nor any monetary damages of any kind.

10. Removal of Encroachment on Termination. At such time as this Agreement and the License granted by this Agreement to Licensee is terminated, Licensee shall remove, at the option of the Town, at Licensee's sole cost and expense, any and all encroachments or improvements owned or maintained by Licensee in the Town right-of-way. If Licensee fails to exercise its duties under this paragraph, the Town shall have the right to remove the encroachments or improvements and restore the Town right-of-way, the full and complete cost of which shall be borne by Licensee. Licensee shall reimburse the Town its full cost and expense for any such removal or restoration.

11. Recording Notice of Termination. Upon termination of this Agreement, the Town may cause a written Notice of Termination to be recorded with the Dolores County Clerk and Recorder.

12. Insurance. Licensee shall maintain at all times during the term of this Agreement, at Licensee's sole cost, a policy or policies of comprehensive general liability coverage on an occurrence basis in an amount adequate to protect the Town and public from harm.

13. Compliance with Law. Licensee shall adhere to and comply with all ordinances, laws, rules and regulations that may pertain to or apply to the Encroachment Area and Licensee's use of the Encroachment Area.

14. Indemnification. To the fullest extent permitted by law, Licensee agrees to indemnify, defend, save, and hold the Town, its officers, agents, servants, employees, boards and commissions harmless from and against:

    a. Damage to Licensee's Property. Any and all claims, loss or damage (including reasonable attorneys' fees) to Licensee's encroaching improvements or any property belonging to or rented by Licensee, its officers, servants, agents or employees, which may be stolen, destroyed, or in any way damaged by any cause.

    b. Damage to Others. Any claims, suits, judgments, costs, attorneys' fees, loss, liability, damage or other relief, including but not limited to workers' compensation claims, to any

person or property in any way resulting from or arising out of the existence of this Agreement or the existence, maintenance, use or location of Licensee's encroaching improvements within the Town right-of-way. In the event of any action against the Town, its officers, agents, servants, employees, boards or commissions covered by the foregoing duty to indemnify, defend and hold harmless, such action shall be defended by legal counsel of the Town's choosing.

c. Mechanic's Lien. Any loss, liability, claim or suit arising from the foreclosure, or attempted foreclosure, of a mechanic's or materialmen's lien for goods delivered to Licensee or work performed by or for Licensee upon or at the Encroachment Area or Licensee's property. Such indemnification shall include the Town's reasonable attorneys' fees incurred in connection with any such loss, claim or suit. The provisions of this paragraph shall survive any termination or expiration of this Agreement.

16. Breach and Limits on Damages. If either party violates or breaches any term of this Agreement, such violation or breach shall be deemed to constitute a default, and the other party shall have the right to seek such administrative, contractual or legal remedies as may be suitable for such violation or breach; provided, however, that in no event shall the Town be liable to Licensee for monetary damages of any kind relating to or arising from any breach of this Agreement, and that no action of any kind shall be commenced by Licensee against the Town for monetary damages. If any legal action is brought by the Town for the enforcement of any of the obligations of Licensee related to or arising from this Agreement and the Town is the prevailing party in such action, the Town shall be entitled to recover from Licensee reasonable interest and attorneys' fees.

17. Miscellaneous.

a. Governing Law and Venue. This Agreement shall be governed by the laws of the State of Colorado, and any legal action concerning the provisions hereof shall be brought in Dolores County, Colorado.

b. No Waiver. Delays in enforcement or the waiver of any one or more defaults or breaches of this Agreement by any Party shall not constitute a waiver of any of the other terms or obligation of this Agreement

c. Integration. This Agreement constitutes the entire agreement between the Parties, superseding all prior oral or written communications.

d. Notice. Any notice under this Agreement shall be in writing, and shall be deemed sufficient when directly presented or sent pre-paid, first class U.S. Mail to the Party at the address set forth on the first page of this Agreement.

e. Severability. If any provision of this Agreement is found by a court of competent jurisdiction to be unlawful or unenforceable for any reason, the remaining provisions hereof shall remain in full force and effect.

f. Modification. This Agreement may only be modified or amended upon written agreement of the Parties. No agent, employee, or representative of either Party is authorized to modify any term of this Agreement, either directly or implied by a course of action.

g. Governmental Immunity. Both Parties and their officers, attorneys and employees, are relying on, and do not waive or intend to waive by any provision of this Agreement, the monetary limitations or any other rights, immunities or protections provided by the Colorado Governmental Immunity Act, C.R.S. § 24-10-101, et seq., as amended, or otherwise available to the Parties and their officers, attorneys or employees.

IN WITNESS WHEREOF, the parties execute the same.

TOWN OF RICO, COLORADO

_____
Zach McManus, Mayor

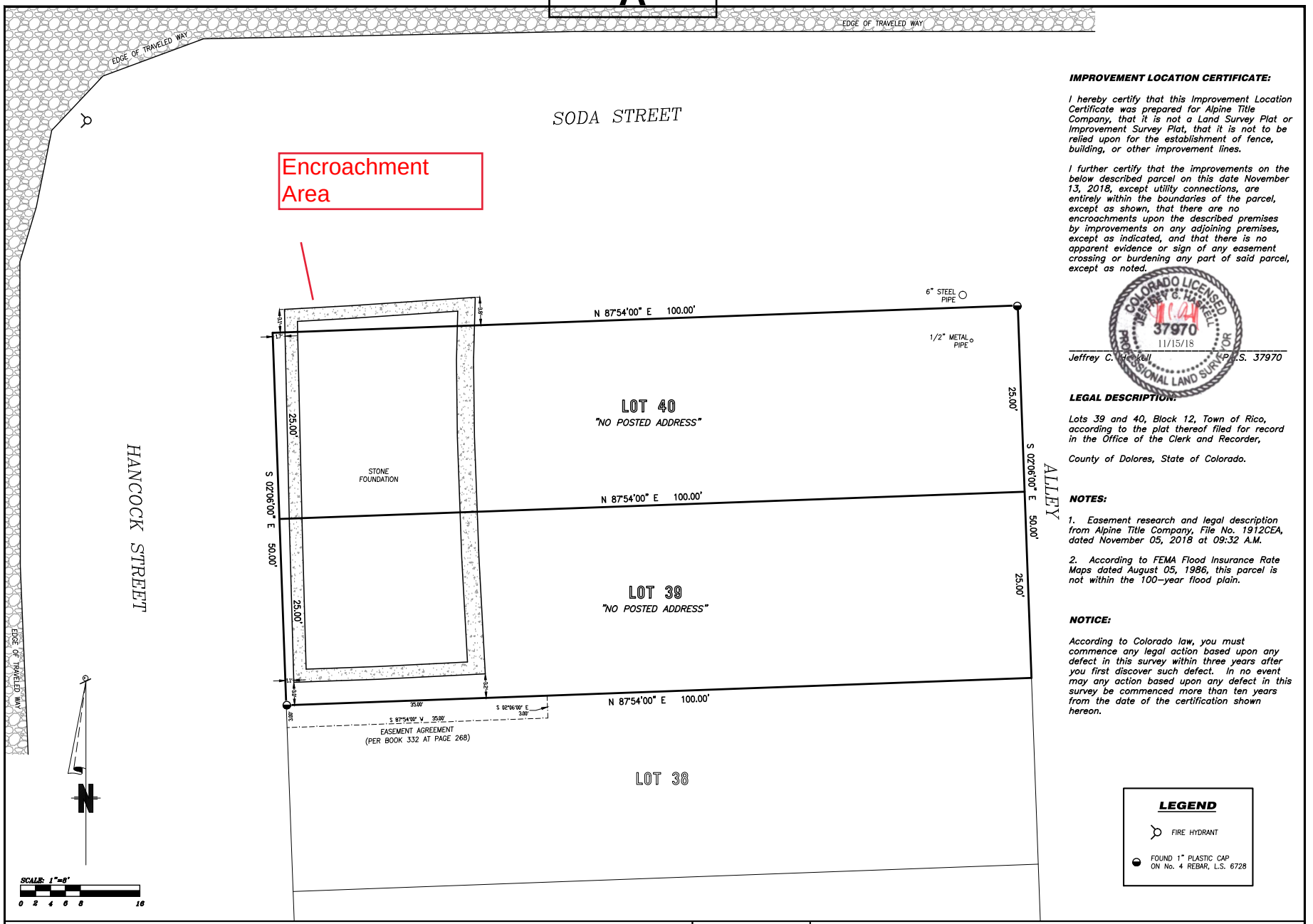
ATTEST:

_____
Linda Yellowman, Town Clerk

LICENSEE:

_____
Raegan Ellease

EXHIBIT A



IMPROVEMENT LOCATION CERTIFICATE:

I hereby certify that this Improvement Location Certificate was prepared for Alpine Title Company, that it is not a Land Survey Plat or Improvement Survey Plat, that it is not to be relied upon for the establishment of fence, building, or other improvement lines.

I further certify that the improvements on the below described parcel on this date November 13, 2018, except utility connections, are entirely within the boundaries of the parcel, except as shown, that there are no encroachments upon the described premises by improvements on any adjoining premises, except as indicated, and that there is no apparent evidence or sign of any easement crossing or burdening any part of said parcel, except as noted.

COLORADO LICENSED PROFESSIONAL LAND SURVEYOR
JEFFREY C. HICKELL
37970
11/15/18

Jeffrey C. Hickell P.L.S. 37970

LEGAL DESCRIPTION:

Lots 39 and 40, Block 12, Town of Rico, according to the plat thereof filed for record in the Office of the Clerk and Recorder,

County of Dolores, State of Colorado.

NOTES:

1. Easement research and legal description from Alpine Title Company, File No. 1912CEA, dated November 05, 2018 at 09:32 A.M.

2. According to FEMA Flood Insurance Rate Maps dated August 05, 1986, this parcel is not within the 100–year flood plain.

NOTICE:

According to Colorado law, you must commence any legal action based upon any defect in this survey within three years after you first discover such defect. In no event may any action based upon any defect in this survey be commenced more than ten years from the date of the certification shown hereon.

LEGEND

FIRE HYDRANT

FOUND 1" PLASTIC CAP ON No. 4 REBAR, L.S. 6728

Improvement Location Certificate

Lots 39 and 40, Block 12, Town of Rico, Dolores County, Colorado.

Project Mgr:	JH
Technician:	MC
Technician:	
Checked by:	KV/MF
Start date:	11/13/2018

FOLEY ASSOCIATES, INC.
ENGINEERING PLANNING SURVEYING
970-728-6153 970-728-6050 fax
PO Box 1385
125 W. Pacific Ave., Suite B-1
Telluride, Colorado, 81435

Drawing path: dwg\18046 ILC 11-18.dwg | Sheet 1 of 1 | Project #: 18046

168507
Page 1 of 3
Lana Hancock, County Clerk & Recorder
Dolores County, CO RP $0.00
01-28-2019 08:33 AM Recording Fee $23.00

EXHIBIT
B

WARRANTY DEED

THIS DEED, made this 23rd **day of January, 2019**, between

Thomas Lunifeld and Mina Hakami
of County of MARICOPA, State of ARIZONA, grantor, and

Raegan Ellease
whose **legal address** is PO Box 1413, Norwood, CO 81423, grantee:

WITNESSETH, That the grantor for and in consideration of the sum of **Forty Four Thousand and 00/100 Dollars**, the receipt and sufficiency of which is hereby acknowledged, has granted, bargained, sold and conveyed, and by these presents does grant, bargain, sell, convey and confirm unto the grantee, his heirs and assigns forever, all the real property together with improvements, if any, situate, lying and being in the County of **Dolores** and State of Colorado described as follows:

Lots 39 and 40, Block 12, Town of Rico, according to the plat thereof filed for record in the Office of the Clerk and Recorder,
County of Dolores, State of Colorado.

TOGETHER WITH an easement as contained in Easement Agreement recorded September 30, 1994 in Book 332 at page 268,
County of Dolores, State of Colorado.

TOGETHER WITH all minerals of every kind and description, if owned by the grantor, including but not limited to coal, oil, gas and other minerals lying in, on or under or that may be produced from the lands herein granted of said East 75' of Lot 39 and 40, Block 12;
County of Dolores, State of Colorado.

as known by street and number as:
3940 Hancock Street, Rico, CO 81332

TOGETHER with all and singular the hereditaments and appurtenances thereto belonging, or in anywise appertaining, and the reversion and reversions, remainder and remainders, rents, issues and profits thereof, and all the estate, right, title, interest, claim and demand whatsoever of the grantor, either in law or equity, of, in and to the above bargained premises, with the hereditaments and appurtenances.

TO HAVE AND TO HOLD the said premises above bargained and described, with the appurtenances, unto the grantee, his heirs and assigns forever. And the **grantor,** for himself, his heirs, and personal representatives, does covenant, grant, **bargain,** and agree to and with **the grantee,** his heirs and assigns, that at the time of the ensealing and delivery of these presents, he is well seized of the premises above conveyed, has good, sure, perfect, absolute and indefeasible estate of inheritance, in law, in fee simple, and has good right, full power and lawful authority to grant, bargain, sell and convey the same in manner and form as aforesaid, and that the same are free and clear from all former and other grants, bargains, sales, liens, taxes, assessments, encumbrances and restrictions of whatever kind or nature what so ever, except

General taxes for the current year and subsequent years and subject to easements, restrictions, reservations, covenants and rights of way of record, as listed on the ATTACHED EXHIBIT EXC - 1912CEA

The grantor shall and will WARRANT AND FOREVER DEFEND the above-bargained premises in the quiet and peaceable possession of the grantee, his heirs and assigns, against all and every person or persons lawfully claiming the whole or any part thereof. The singular number shall include the plural, the plural the singular, and the use of any gender shall be applicable to all genders.

IN WITNESS WHEREOF, the grantor has executed this deed on the date set forth above.

Thomas **Lunifeld**

Mina Hakami

STATE OF Arizona
COUNTY OF Maricopa

Subscribed and sworn to before me on this 23rd **day of January, 2019** by **Thomas Lunifeld and Mina Hakami**.

Witness my hand and official seal.

My Commission **Expires:** 06/02/2022

Notary Public

HIBA AYANZEN, NOTARY PUBLIC
COMM. NO. 548635
COMM. EXP. 06-02-2022
MARICOPA CO., AZ

EXHIBIT EXC - 1912CEA

1. Notes, easements, restrictions, reservations, densities, designated uses, setbacks, rights of way of a public, or private nature, and all other matters as disclosed on plats of said subdivision in Plat Book 2 at page 8.

2. All mines, minerals, lodes, deposits and Veins as conveyed to Julius Thompson by the Town of Rico in Deed recorded November 15, 1892 in Book 28 at Page 140, and any and all assignments thereof or interests therein. Note: The Company makes no representation as to the present ownership of any such interests. There may be leases, grants, exceptions or reservations of interests that are not listed.

3. **All mines, minerals, metals, lodes, deposits, veins and all mineral bearing ores, rocks, all mining rights as reserved by Rico Argentine mining Company and all rights, either expressed** or **implied, other than the surface estate, as reflected in Decree recorded July 16, 1954 in Book 75 at page 169. Note: The Company makes no** representation as to the present ownership of any such interests. There may be leases, grants, exceptions or **reservations of interests that are not listed**

4. **Easement Agreement by and between Duane Rowe, Robert** P. Lackey and Phyllis A. Lackey, Trustees, Lackey **Family Trust dated August 30, 1994 in Book 332 at Page** 268; subject to the terms, conditions, provisions and **obligations contained therein.**

5. All minerals of every kind and description including but not limited to coal, oil, gas and other minerals lying in, on or under or that may be produced from the lands herein of the East 75 feet of Lots 39 and 40, Block 12, as granted in deed recorded September 9, 2004 in Book 332 at page 341, and any interest therein or rights thereunder. The Company makes no representation as to the present ownership of any such interests. There may be leases, grants, exceptions or reservations of interests that are not listed

6. Any tax, assessment, fees or charges by reason of the inclusion of the subject property in the Dolores Water Conservancy District pursuant to that document recorded October 25, 2004 in Book 333 at page 297.

7. Ordinance #1-05 recorded July 20, 2005 at Reception No. 148987; subject to the terms, conditions, provisions and obligations contained therein.

8. Stone Foundation as it encroaches onto Soda Street and all other matters as shown on Improvement Location Certificate by, Jeffrey C. Haskell, PLS #37970, Foley Associates, Inc. dated November 13, 2018, Project # 18048.

From: **Keith Lindauer** keith.lindauer@yahoo.com
Subject: Resignation from Rico Town Council
Date: January 31, 2019 at 2:49 PM
To: townmanager@ricocolorado.gov

KL

Dear Kari:

Please accept this notice as my resignation from the Rico Town Council, effective immediately.

As my kids are scattering, so must I. I am focused in other areas and my presence in Rico will be considerably less than in the past nearly 29 years.

I have enjoyed working with you and consider your work as town manager to be outstanding and hiring you was one of the best decisions ever made for the benefit of Rico. I hope you continue to enjoy a positive relationship with Rico for a long time.

Best wishes,

Keith Lindauer

Sent from Mail for Windows 10

BY THE BOARD OF TRUSTEES
OF THE TOWN OF RICO, COLORADO
RESOLUTION NO. _____

A RESOLUTION IN SUPPORT OF HOUSE BILL 19-1113 TO AMEND THE COLORADO MINED LAND RECLAMATION ACT

WHEREAS, the Board of Trustees of the Town of Rico, Colorado, together with its residents, agree that water bodies, streams and rivers should be protected; and that the local community of Rico has benefitted from protection of the watershed and the environment; and

WHEREAS, Colorado's rivers and streams have been impacted by historic mining activities that were not conducted in an environmentally protective manner, including the Dolores River as it flows through Rico; and

WHEREAS, the Town of Rico has participated actively and cooperatively through the years with many partners to protect water quality; and

WHEREAS, sound and reasonable mining regulations that protect the public interest and require mines to conduct operations in a manner that does not cause a public fiscal burden is in the best interests of the local economy; and

WHEREAS, the State of Colorado should have all reasonable authorities to require adequate financial assurances and guarantees from mining operators so that the costs of reclamation and protecting water quality do not fall on the public; and

WHEREAS, mines should be required to provide a reasonably foreseeable end date for restoring water quality and completing reclamation once mining operations have ended in the future; and

WHEREAS, the Colorado General Assembly is currently considering legislation to amend the Colorado Mined Land Reclamation Act in order to provide such authorities and to protect the public interest; and

WHEREAS, HB 19-1113 will eliminate the practice of corporate self-bonding in order to guarantee hardrock mine reclamation; and

WHEREAS, HB 19-1113 will increase the State's authority to require adequate financial assurances for water quality protection and treatment at permitted hardrock mines; and

WHEREAS, HB 19-1113 will prevent the creation of new hardrock mines that pollute water in perpetuity by requiring an end date for water treatment after closure.

NOW THEREFORE, BE IT RESOLVED, that the Board of Trustees of the Town of Rico, Colorado, hereby expresses its support of HB 19-1113 and urges the Colorado General Assembly to adopt the bill into law.

INTRODUCED, READ, and ADOPTED this 20th day of February, 2019.

TOWN OF RICO, COLORADO

_____

Zach McManus
Mayor

First Regular Session
Seventy-second General Assembly
STATE OF COLORADO

INTRODUCED

LLS NO. 19-0083.01 Thomas Morris x4218 **HOUSE BILL 19-1113**

HOUSE SPONSORSHIP

Roberts and McLachlan, Arndt, Buentello, McCluskie, Titone

SENATE SPONSORSHIP

(None),

House Committees
Rural Affairs & Agriculture

Senate Committees

A BILL FOR AN ACT

CONCERNING THE PROTECTION OF WATER QUALITY FROM ADVERSE IMPACTS CAUSED BY MINERAL MINING.

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at http://leg.colorado.gov.)

Current law does not address reliance on perpetual water treatment as the means to minimize impacts to water quality in a reclamation plan for a mining operation. **Section 1** of the bill requires most reclamation plans to demonstrate, by substantial evidence, an end date for any water quality treatment necessary to ensure compliance with applicable water quality standards.

Current law allows a mining permittee to submit an audited financial statement as proof that the operator has sufficient funds to meet its reclamation liabilities in lieu of a bond or other financial assurance. **Section 2** eliminates this self-bonding option and also requires that all reclamation bonds include financial assurances in an amount sufficient to protect water quality, including costs for any necessary treatment and monitoring costs.

Be it enacted by the General Assembly of the State of Colorado:

SECTION 1. In Colorado Revised Statutes, 34-32-116, **amend** (3), (7) introductory portion, and (7)(g) as follows:

34-32-116. Duties of operators - reclamation plans. (3) On the anniversary date of the permit each year, the operator shall submit:

(a) ~~a report and~~ A map showing the extent of current disturbances to affected land; AND

(b) A REPORT DESCRIBING THE AFFECTED LAND AND THE SURROUNDING AREA, INCLUDING:

(I) CHANGES OVER THE PRECEDING YEAR REGARDING ANY DISTURBANCES TO THE PREVAILING HYDROLOGIC BALANCE;

(II) CHANGES OVER THE PRECEDING YEAR REGARDING ANY DISTURBANCES TO THE QUALITY AND QUANTITY OF WATER IN SURFACE AND GROUNDWATER SYSTEMS;

(III) Reclamation accomplished to date and during the preceding year;

(IV) New disturbances that are anticipated to occur during the upcoming year; and

(V) Reclamation that will be performed during the upcoming year.

(7) Reclamation plans and the implementation ~~thereof shall~~ OF RECLAMATION PLANS MUST conform to the following general requirements:

(g) (I) Disturbances to the prevailing hydrologic balance of the affected land and of the surrounding area and to the quality and quantity of water in surface and groundwater systems both during and after the mining operation and during reclamation shall be minimized.

(II) EXCEPT AS SPECIFIED IN SUBSECTIONS (7)(g)(III) AND (7)(g)(IV) OF THIS SECTION, A RECLAMATION PLAN FOR A NEW OR AMENDED PERMIT MUST DEMONSTRATE, BY SUBSTANTIAL EVIDENCE, AN END DATE FOR ANY WATER QUALITY TREATMENT NECESSARY TO ENSURE COMPLIANCE WITH APPLICABLE WATER QUALITY STANDARDS.

(III) THE BOARD MAY APPROVE A RECLAMATION PLAN THAT LACKS SUBSTANTIAL EVIDENCE OF AN END DATE FOR ANY NECESSARY WATER QUALITY TREATMENT IF THE NEW OR AMENDED PERMIT INCLUDES AN ENVIRONMENTAL PROTECTION PLAN AND RECLAMATION PLAN ADEQUATE TO ENSURE COMPLIANCE WITH APPLICABLE WATER QUALITY STANDARDS AND UPON MAKING A WRITTEN DETERMINATION:

(A) FOR AN AMENDED RECLAMATION PLAN, EXCEPT AS PROVIDED IN SUBSECTION (7)(g)(III)(B) OF THIS SECTION, THAT THE WATER QUALITY IMPACTS THAT HAVE OCCURRED OR ARE OCCURRING FOR WHICH NO REASONABLE END DATE FOR WATER QUALITY TREATMENT CAN BE ESTABLISHED WERE EITHER UNFORESEEN AT THE TIME OF APPROVAL OF THE RECLAMATION PLAN OR EXISTING AT A MINE SITE PERMITTED BEFORE JANUARY 1, 2019; OR

(B) FOR A NEW OR AMENDED RECLAMATION PLAN FOR A PERMIT INVOLVING A SITE THAT WAS PREVIOUSLY MINED BUT WAS NOT PERMITTED AS OF JANUARY 1, 2019, THAT EXISTING WATER QUALITY CONDITIONS DO NOT MEET APPLICABLE WATER QUALITY STANDARDS AND NO REASONABLE END DATE FOR WATER QUALITY TREATMENT CAN BE ESTABLISHED.

(IV) THE BOARD MAY APPROVE A NEW RECLAMATION PLAN THAT LACKS SUBSTANTIAL EVIDENCE OF AN END DATE FOR ANY NECESSARY WATER QUALITY TREATMENT IF A PERMIT APPLICATION IS SUBMITTED AND THE RECLAMATION PLAN IS LIMITED TO REMOVING OR OTHERWISE TREATING ALREADY-MINED ORE OR OTHER WASTE MATERIALS, INCLUDING MINE DRAINAGE OR RUNOFF, AS PART OF A NONCOMMERCIAL CLEANUP.

(V) Nothing in this ~~paragraph (g) shall be construed to allow~~ SUBSECTION (7)(g) ALLOWS the operator to avoid compliance with other APPLICABLE statutory provisions governing well permits, ~~and~~ augmentation requirements, and replacement plans. ~~when applicable.~~

SECTION 2. In Colorado Revised Statutes, 34-32-117, **amend** (4)(b)(I), (6)(b), and (6)(c); and **repeal** (3)(f)(VI) and (3)(f)(VII) as follows:

34-32-117. Warranties of performance - warranties of financial responsibility - release of warranties - applicability - repeal.

(3) (f) Proof of financial responsibility may consist of any one or more of the following, subject to approval by the board:

(VI) ~~A certified financial statement for the financial warrantor's most recent fiscal year and a certification by an independent auditor that:~~

~~(A) The financial warrantor is the issuer of one or more currently outstanding senior credit obligations that have been rated by a nationally recognized rating organization;~~

~~(B) Said obligations enjoy a rating of 'A' or better; and~~

~~(C) At the close of the financial warrantor's most recent fiscal year, his or her net worth was equal to or greater than two times the amount of all financial warranties;~~

(VII) ~~A certified financial statement for the financial warrantor's~~

~~most recent fiscal year and a certification by an independent auditor that as of the close of said year:~~

~~(A) The financial warrantor's net worth was at least ten million dollars and was equal to or greater than two times the amount of all financial warranties;~~

~~(B) The financial warrantor's tangible fixed assets in the United States were worth at least twenty million dollars;~~

~~(C) The financial warrantor's total liabilities-to-net-worth ratio was not more than two to one; and~~

~~(D) The financial warrantor's net income, excluding nonrecurring items, was positive. Nonrecurring items which affect net income should be stated in order to determine if they materially affect self-bonding capacity.~~

(4) (b) (I) In any single year during the life of a permit, the amount of required financial warranties ~~shall~~ MUST not exceed the estimated cost of fully reclaiming all lands to be affected in said year, plus all lands affected in previous permit years and not yet fully reclaimed. For the purpose of this ~~paragraph (b)~~ SUBSECTION (4)(b)(I), reclamation costs shall be computed with reference to current reclamation costs. The amount of the financial warranty ~~shall~~ MUST be sufficient to assure the completion of reclamation of affected lands if the office has to complete ~~such~~ THE reclamation due to forfeiture, ~~Such~~ INCLUDING ALL MEASURES COMMENCED OR REASONABLY FORESEEN TO ASSURE THE PROTECTION OF WATER RESOURCES, INCLUDING COSTS NECESSARY TO COVER WATER QUALITY PROTECTION, TREATMENT, AND MONITORING AS MAY BE REQUIRED BY PERMIT. THE financial warranty ~~shall~~ MUST include an additional amount equal to five percent of the amount of the financial

warranty to defray the administrative costs incurred by the office in conducting the reclamation.

(6) (b) (I) Each financial warrantor providing proof of financial responsibility in a form described in ~~subparagraphs (IV) to (VII) of paragraph (f) of subsection (3)~~ SUBSECTION (3)(f)(IV), (3)(f)(V), or ~~in subsection~~ (8) of this section shall annually cause to be filed with the board a certification by an independent auditor that, as of the close of the financial warrantor's most recent fiscal year, the financial warrantor continued to meet all applicable requirements of ~~said subparagraphs~~ THE APPLICABLE SUBSECTION. Financial warrantors ~~who~~ THAT no longer meet ~~said~~ THE requirements shall instead cause to be filed an alternate form of financial warranty.

(II) (A) THE BOARD SHALL PROVIDE A REASONABLE PERIOD OF TIME, NOT TO EXCEED ONE YEAR AFTER THE EFFECTIVE DATE OF THIS SUBSECTION (6)(b)(II), TO FINANCIAL WARRANTORS THAT, AS OF THE EFFECTIVE DATE OF THIS SUBSECTION (6)(b)(II), HAD PROOF OF FINANCIAL RESPONSIBILITY UNDER SUBSECTION (3)(f)(VI) OR (3)(f)(VII) OF THIS SECTION, AS THEY EXISTED IMMEDIATELY BEFORE THE EFFECTIVE DATE OF THIS SUBSECTION (6)(b)(II), TO FILE AN ALTERNATE FORM OF FINANCIAL WARRANTY.

(B) THIS SUBSECTION (6)(b)(II) IS REPEALED, EFFECTIVE SEPTEMBER 1, 2021.

(c) Each financial warrantor providing proof of financial responsibility in a form described in ~~subparagraphs (IV) to (VII) of paragraph (f) of subsection (3)~~ SUBSECTION (3)(f)(IV), (3)(f)(V), or ~~in subsection~~ (8) of this section shall notify the board within sixty days of any net loss incurred in any quarterly period.

SECTION 3. In Colorado Revised Statutes, 34-32-122, **amend** (2) as follows:

34-32-122. Fees, civil penalties, and forfeitures - deposit - emergency response cash fund - created - definition. (2) Any applicant that desires to utilize the self-insurance provisions listed in section 34-32-117 (3)(f)(IV), ~~to (3)(f)(VII)~~ (3)(f)(V), or (8) shall pay an annual fee to the office sufficient to defray the actual cost to the office of establishing and reviewing the financial warranty of the applicant. These funds are hereby annually made available to the office, which shall utilize outside financial and legal services for this purpose.

SECTION 4. Act subject to petition - effective date - applicability. (1) Section 34-32-117 (6)(c), as amended in section 2 of this act, takes effect August 2, 2020, and the remainder of this act takes effect at 12:01 a.m. on the day following the expiration of the ninety-day period after final adjournment of the general assembly (August 2, 2019, if adjournment sine die is on May 3, 2019); except that, if a referendum petition is filed pursuant to section 1 (3) of article V of the state constitution against this act or an item, section, or part of this act within such period, then the act, item, section, or part will not take effect unless approved by the people at the general election to be held in November 2020 and, in such case, will take effect on the date of the official declaration of the vote thereon by the governor.

(2) This act applies to conduct occurring on or after the applicable effective date of this act.

Protecting Clean Water

HB19-1113 Will Enact Common-Sense Changes to State Law to Protect Coloradans and the Environment.

Protect taxpayers by eliminating self-bonding for hardrock mines.

Under a new bill, companies will no longer be able to make a promise to pay for cleanup after they close but will instead have to back up their promise with financial resources or insurance policies. This will reduce the likelihood that mining companies can walk away from a mess.

In self-bonding, the mine operator's financial statements are taken as proof that the operator has the financial resources to stabilize the site and cover all reclamation and cleanup costs. By the time a mine ceases operations, a company may not be able to pay or afford cleanup, leaving the taxpayers with the responsibility to do so.

Protect our water by disallowing new mines that require water treatment forever.

Mines that are designed to endlessly pollute water sources will no longer be eligible for new or amended permits in Colorado. This bill requires companies to design mines that reduce the risks of water pollution and damage to the environment.

If complications arise at mines, this bill limits the risks to taxpayers by allowing the state to collect adequate financial guarantees from companies to ensure that water quality will be protected into the future.

Prevent future disasters and protect our rivers by including water treatment costs in cleanup bonds.

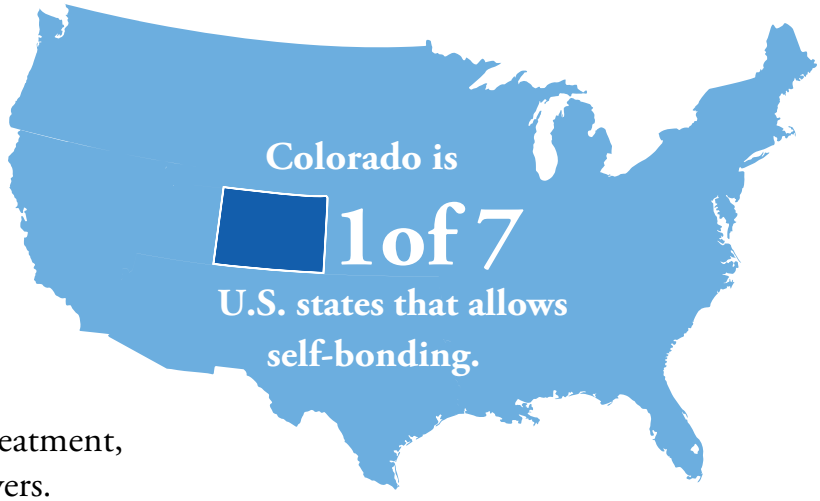
HB 1113 ensures the state's authority to make sure that mining bonds include the costs of restoring water quality after mining ceases and covers the costs of water treatment if a mine becomes insolvent. By creating an incentive for companies to design mines that reduce the risks of water pollution and damage to the environment, this bill limits taxpayer risk by guaranteeing that adequate financial guarantees are collected to protect water quality into the future.

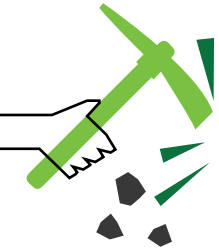
Coloradans of all backgrounds value clean water and good stewardship over the land.

67% OF VOTERS

want to see their elected officials do more to clean up Colorado's mines.

230 Colorado mines have been identified (so far) that are tainting our rivers by discharging toxic pollutants into watersheds.





Colorado has more than

24 MINES

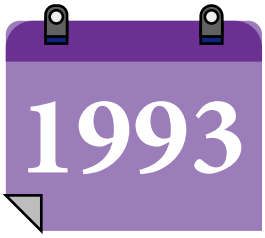
that require longterm, costly water treatment, which pose the greatest risk to taxpayers.

Water treatment isn't cheap. At the Gold King Mine, the EPA estimated operating and maintenance costs will be

1.2 MILLION per year.

1,600 miles of rivers and streams are polluted from mining and contribute to the degradation of headwaters for four of the West's most important river basins.

75% of voters say mining companies should be held financially responsible for the damage and pollution that they cause.



was the last year Colorado's bonding law was updated.

Becky Long - Siegel Public Affairs 303-863-2400 becky@siegelpa.com | Katie Belgard - Conservation Colorado 303-605-3482 katie.belgard@conservationco.org

Support HB19-1113 to Protect Colorado's Water.

Please Support HB 19-1113:
Safeguarding Water Quality During Hardrock Mining Reclamation

Representatives Roberts and McLachlan

BACKGROUND

Mining is a rich part of Colorado's history. However, past mining operations have created significant water quality and public health issues for Colorado, with more than 1,600 miles of rivers and streams impacted to date. As the industry has advanced, best practice has improved to better protect our rivers, streams, and groundwater.

Colorado has the opportunity to align state mining law with current practice to ensure our rivers and drinking water are adequately protected well into the future. HB 1113 assures that when new mining reclamation permits are issued, appropriate financial tools are in place to ensure cleanup.

WHY WE NEED HB 1113:

- HB 1113 allows for Colorado to have adequate bonds in place to help address any water quality issues and better protect public health and our environment.
- Colorado already has over two dozen mines that require long term, costly water treatment operations. At the Summitville mine, the Colorado Department of Public Health and Environment will assume the annual $2.2 million operating costs beginning in 2022. Currently, the EPA is covering the majority of these costs and stimulus grants were used to construct a new $19 million water treatment plant. The plant was completed in 2011.
- Colorado is just one of seven remaining states that allows for "self-bonding" which occurs when mines are not backed by recoverable assets, leaving taxpayers vulnerable to potential cleanup costs.

WHAT THE BILL DOES

- Explicitly includes water quality protection into the calculation for the amount of bonds required for hardrock mines within the Mined Land Reclamation Act.
- Requires operators to include an end date in the development of a plan for water quality treatment to avoid creating more chronically polluting mines.
- Does away with the rarely used practice of "self-bonding" in Colorado, aligning our laws with neighboring states and federal land management agencies.
- HB 1113 ***does not change the water quality or stream standards*** set by the Colorado Department of Public Health and Environment, and ***does not apply retroactively to permits*** issued by the Division of Reclamation, Mining and Safety.
- Ensures that historic mine sites which may have existing water pollution challenges can be reopened without the operator being required to resolve previously existing water quality concerns.

PLEASE VOTE "YES" ON HB 19-1113

For additional questions, please contact:
Becky Long at (970) 389-2719; becky@siegelpa.com
Diana Protopapa at (303) 810-3708; diana@frontlinepublicaffairs.com