

Town of Rico Memorandum

Date: June 12 2024

TO: Town of Rico Board of Trustees
FROM: Chauncey McCarthy, Rico Town Manager
SUBJECT: June Board of Trustees Regular Meeting

Appointment of vacant Board of Trustees seat (Pg. 13)

Included in the packet is a letter of interest for the vacant Board of Trustees seat.

Consideration of 2023 Financial Audit (Pg. 14-60)

Included in the packet is the 2023 Town of Rico Financial Statements. Andrew Wendt, Partner, Atlas CPAs & Advisors PLLC will provide a summary of the audit and answer questions.

Recommended motion: I move to approve the 2023 financial audit as presented

Consideration of 2024 – 2026 audit engagement letter, Atlas CPA & Advisors PLLC (Pg. 61-70)

Included in the packet is an engagement letter from Atlas CPA & Advisors to continue to provide audit support to the Town of Rico through 2026. Staff enjoy working with Andrew Wendt of Atlas and would recommend approving the engagement letter.

Recommended motion: I move to approve the 2024-2026 audit engagement letter from atlas CPA and Advisors

Consideration of change order for historic commercial building permit at 26 N Glasgow, Craig and Sarah Lyons, applicant (Pg. 71-74)

Per the Rico Land Use Code section 242 all building permits for the historic commercial district must be approved by the Board of Trustees. The proposed alterations of a residential structure at 26 N Glasgow were approved by the Board of Trustees during the July 2022 meeting. Craig and Sarah Lyons have completed their construction and have requested the Town issue a certificate of occupancy. The approved plans show a horizontal handrail and what has been constructed varies from the plans. The applicants are requesting the Board of Trustees approve a change order from what was drafted on the plans to what was constructed. The approved plans and photos of what has been constructed are included in the packet.

Consideration of cash donation request to the Rico Fire Protection District for the support of the Tri-state Firefighter Convention (Pg. 75-76)

Included in the packet is a letter from the Rico Fire Protection District requesting a cash donation of \$5,000 to help support the 86th annual Tri-State Fireman's Association convention.

Consideration of Special Event Permit, Rico Roundup Car Show, Eric Arnette applicant (Pg.

Included in the packet is a special event permit and letter for a proposed car show this fall. The applicant is working in partnership with local businesses to host a car show on September 21, 2024. They would like to utilize the off-street parking on CO-HWY 145 to display cars. There are no plans to use any Town owned properties or facilities. They plan to provide dumpsters/trash cans, porta-potties, proof of liability insurance policy for the event. They are proposing to coordinate with local law enforcement and the Rico Fire Protection District. The event will not be selling any food or alcohol.

Consideration of contract amendment regarding professional services for preparation of environmental report, Town of Rico wastewater system project, Bohannon Huston (Pg. 84-95)

Included in the packet is a proposal from Bohannon Huston to amend the Town's current contract and allow for the preparation and completion of an environmental report for the wastewater treatment and collection system. Bohannon Huston has completed the Town's wastewater preliminary engineering report and the next required step, to move the project forward, is completing an environmental report. An environmental report will be required to apply for funding opportunities and release the 2.5 million of congressionally directed spending that was allocated to the project in 2022.

Recommended motion: I move to approve the contract amendment from Bohannon Huston, for the preparation of environmental report, Town of Rico wastewater system project

Consideration of second reading of Ordinance 2024-02 an Ordinance of the Town of Rico, Colorado extending the temporary moratorium on the acceptance of new land use applications for major or minor subdivisions, and residential or commercial planned unit developments (Pg. 97-99)

Included in the packet is ordinance 2024-02 which would extend the current moratorium until December 31, 2024.

The first reading of Ordinance 2024-02 was held during the May Board of Trustees meeting. The first reading was approved (5 – 0 vote) with no amendments.

Recommended motion: I move to approve the second reading of Ordinance 2024-02 an Ordinance of the Town of Rico, Colorado extending the temporary moratorium on the acceptance of new land use applications for major or minor subdivisions, and residential or commercial planned unit developments

Consideration of second reading of Ordinance 2024-03 an Ordinance of the Town of Rico, Colorado adopting Construction Rules and Regulations (Pg. 100-111)

Included in the packet is Ordinance 2024-03 which would adopt construction rules and regulations along with setting fines for violations. The first reading of Ordinance 2024-03 was held during the May Board of Trustees meeting. The ordinance was approved during the first reading with amendments. In addition to a clean copy of the ordinance, a redline version, showing the amendments, has been included in the packet.

Recommended motion: I move to approve the second reading of Ordinance 2024-03 an Ordinance of the Town of Rico, Colorado adopting Construction Rules and Regulations

Violation of Ordinance 277 an Ordinance prohibiting nuisances within the Town of Rico, providing means for abating same, and providing penalties for violation there, 201 & 213 S Glasgow Ave, Camels Garden LLC owner. (Pg. 112-127)

There have been multiple complaints from residents in Town regarding the condition of 201 & 213 S Glasgow Ave. There has also been concern voiced by members of the Board of Trustees. These properties owned by Camels Garden LLC are in violation of Ordinance 277 and cause concern related public safety. Included in the packet are photos of the violation, Ordinance 277, and a staff memo addressing next steps.

Voluntary lead soils clean up ("VCUP") status

Mayor Pieterse to provide an update on the Voluntary lead soils clean up status.

Columbia Tailings and Propatria corrective work update (Pg. 128-178)

Atlantic Richfield Company, ARCO, has been working with the CDPHE to repair the Columbia Tailings site to bring it up to current standards as required by the site's voluntary cleanup. Included in the packet is

ARCO's proposed Columbia tailings OM&M workplan. In addition to the work plan is an email correspondence from Sam Caravello, providing Dave Folk's comment on the proposed plan, and an email response from Mark Rudolph, CDPHE.

Electric utility updates (Pg. 179-183)

Included in the packet is an electric utility updated provided by Allyn Svoboda

Town construction project updates

Town staff will provide an update on construction projects within town.

Park and Recreation open position

The Town is currently down a park and recreation staff member. Mike O'Connor left the position last year due to back surgery. Esteban has been able to fill the position but no longer has the capacity to continue working in the role. Staff plans to advertise the position and we are hopeful of hiring someone within the next couple of weeks. The position would average between 10-15 hours per week and the starting wage range would be 20-22 an hour. Their role and responsibilities include, but are not limited to, watering flowers/park, groundskeeping, ice rink maintenance, and winter grooming. Staff would like feedback from the board prior to posting the position.

RICO TOWN BOARD MEETING MINUTES

Date: May 15, 2024
Call to Order 6:05PM

Trustees Present: Mayor Nicole Pieterse
Mayor Pro Tem Patrick Fallon
Trustee Joe Dillsworth
Trustee Benn Vernadakis
Trustee Cristal Hibbard

Trustees Absent:
Trustee Joe Croke
Trustee Chris Condon

Staff Present. Chauncey McCarthy, Anna Wolf (Zoom)

Approval of the Agenda

Motion

To approve the agenda.

Moved by Trustee Benn Vernadakis, seconded by Trustee Joe Dillsworth

Vote. A roll call vote was taken and the motion was approved, 4-0.

Approval of the Minutes

Motion

To approve the minutes of March 20.

Moved by Trustee Joe Dillsworth, seconded by Trustee Benn Vernadakis.

Vote. A roll call vote was taken and the motion was approved, 4-0.

Consent Agenda

Payment of the Bills

Motion

To approve payment of the bills.

Moved by Trustee Joe Dillsworth, seconded by Mayor Nicole Pieterse.

Vote. A roll call vote was taken and the motion was approved, 4-0.

Public Comment on Non Agendized Items:

Skip Zeller: Rico Land Collaborative would like to re-implement a spring time clean up.
To be discussed at the next meeting once the land collaborative knows more details.

Phyllis Davis: running for Dolores County commissioners introduced herself.

Action Items:

Appointment of vacant Board of Trustees seat

Board had discussion.

Appointed seats expire at the next election.

Motion

To appoint Cristal Hibbard

Moved by Mayor Nicole Pieterse, seconded by Trustee Benn Vernadakis.

Vote. A roll call vote was taken and the motion was approved, 4-0.

Cristal Hibbard was sworn in as a board of Trustee.

Consideration of waiver or reduction of water bill account 111, Nick Kenworthy

Town Manager Chauncey McCarthy gives a high level summary.

Nick Kenworthy gives explanation.

Board of Trustees have a discussion.

Motion

Move to reduce the water bill to his historic monthly average (totaling \$152).

Moved by Trustee Benn Vernadakis, seconded by Mayor Pro Tem Pat Fallon.

Vote. A roll call vote was taken and the motion was approved, 5-0.

Consideration of disturbance permit 101 S Picker, Town of Rico applicant

Town Manager Chauncey McCarthy gives a high level summary.

Board of Trustees has discussion.

Motion

To approve the disturbance permit 101 S Picker, Town of Rico applicant

Moved by Mayor Nicole Pieterse, seconded by Trustee Joe Dillsworth.

Vote. A roll call vote was taken and the motion was approved, 5-0.

Consideration of final plat (condo conversion) subdivision Bedrock subdivision Lot 6, BRD LLC applicant and Resolution 2024-02 a resolution of the Board of Trustees of the Town of Rico approving the final plat of the Bedrock Common Interest Community, Lot 6, Bedrock Subdivision

Town Manager Chauncey McCarthy gives a high level summary and applicant speaks briefly.

Board of Trustees has discussion.

Motion

Move to approve the final plat (condo conversion) subdivision Bedrock subdivision Lot 6, BRD LLC applicant and Resolution 2024-02 approving the final plat of the Bedrock Common Interest Community, Lot 6, Bedrock Subdivision based on the findings that the application meets the requirements of LUC section 546 and to include as conditions incorporated into the Resolution the Certificate of Occupancy requirements as written in the staff memo.

Moved by Mayor Nicole Pieterse, seconded by Trustee Benn Vernadakis.

Vote. A roll call vote was taken and the motion was approved, 5-0.

Bedrock subdivision Lot 6 Deed restriction

Board of Trustees has a discussion of editorial changes:

1. Section 2.g I preceding

2. Section 7 sale price
3. Section 8 Add: the Town's verification, audit, and other administrative regulatory requirements as may be adopted and in effect at the time.
4. Section C II The Town may provide the form of such acknowledgement that shall be recorded at closing
5. Section 13 a. In which case the Town may act.
6. Section 14 B II add it.
7. Add page numbers.

Applicant's attorney, Jim Mahoney, makes comment on section 8 updated.

Motion

Move to approve with the changes above.

Moved by Trustee Benn Vernadakis, seconded by Trustee Joe Dillsworth.

Vote. A roll call vote was taken and the motion was approved, 5-0.

Consideration of San Miguel Authority for Regional Transportation intergovernmental agreement
Chauncey McCarthy gives summary.

SMART director gives summary.

The Board has a discussion and requests a redline or a simple one-page amendment reflecting the only change. A redline was supplied by SMART director later in the meeting.

Motion

Move to approve the San Miguel Authority for Regional Transportation intergovernmental agreement.

Moved by Mayor Nicole Pieterse, seconded by Trustee Joe Dillsworth.

Vote. A roll call vote was taken and the motion was approved, 5-0.

Approved during the discussion period of the meeting.

Consideration of first reading of Ordinance 2024-02 an Ordinance of the Town of Rico, Colorado extending the temporary moratorium on the acceptance of new land use applications for major or minor subdivisions, and residential or commercial planned unit developments

Town Manager Chauncey McCarthy gives summary.

The Board has a discussion

Motion

Move to approve first reading of Ordinance 2024-02 an Ordinance of the Town of Rico, Colorado extending the temporary moratorium on the acceptance of new land use applications for major or minor subdivisions, and residential or commercial planned unit developments

Moved by Trustee Benn Vernadakis, seconded by Mayor Pro Tem Pat Fallon.

Vote. A roll call vote was taken and the motion was approved, 5-0.

Consideration of first reading of Ordinance 2024-03 an Ordinance of the Town of Rico, Colorado adopting Construction Rules and Regulations and providing for penalties for violation of same
Chauncey McCarthy gives summary.

Mayor Nicole Pieterse gave revisions to the board to review.
 Board has discussion.
 Public Comment was had.

Motion

Move to approve first reading of Ordinance 2024-03 an Ordinance of the Town of Rico, Colorado adopting Construction Rules and Regulations and providing for penalties for violation of same with the revisions discussed by the Board and authorize Mayor Nicole Pieterse and Town Manager Chauncey McCarthy to finalize before second reading.

Moved by Trustee Cristal Hibbard, seconded by Trustee Joe Dillsworth.

Vote. A roll call vote was taken and the motion was approved, 5-0.

Cost sharing proposal for alley improvements, Leah Chmielewski applicant

Mayor Nicole Pieterse recuses herself.
 Mayor Pro Tem Pat Fallon gives summary.
 Town Manager gives high level summary.
 Applicant gives summary.
 Board discussion was had.

Motion

To deny funding for Cost sharing proposal for alley improvements

Moved by Mayor Pro Tem Pat Fallon, seconded by Trustee Benn Vernadakis.

Vote. A roll call vote was taken and the motion was approved, 4-0.

Staff Report

Clerk's report:

Q1 was closed out.
 Audit has been completed.
 Radar's in marshal vehicle have been calibrated.
 Fraudulent check in water fund. Resolved.
 Lead/copper mailings.
 Xerox machine contract ends in June. No monthly fee moving forward.
 Election coming up.

Manager's report

Lead and Copper report.
 Audit will not need to be extension moving forward
 Park and Rec project update
 FEMA Training update

Discussion Items

Voluntary lead soils clean up ("VCUP") update and storm water management system

Still under negotiation.
 Mayor Nicole Pieterse gives summary.

Electric utility subcommittee

Allyn Svoboda gives summary
Board has discussion.
To define scope at next meeting.

Parking enforcement ordinance

Chauncey McCarthy gives summary.
Need a local enforcement officer.
Board discussion was had and gives direction to draft ordinance to be presented prior to first reading.

HB 21-1110 Colorado's accessibility law for state agencies

Chauncey McCarthy gives summary

2024 and beyond work plan

Chauncey McCarthy gives summary
Board has discussion of revisions and updates to Work Plan.
Public Comment letter read from Scott Grimmsmith regarding increasing the STR limit. Review of the STR ordinance added to the work plan.

Quarter 1 financial review

Chauncey McCarthy gives review

Adjourn by unanimous consent at 9:32 PM

Anna Wolf
Rico Town Clerk

Nicole Pieterse
Mayor

NEW Town of Rico - General Fund
Check Register
For the Period From Jun 1, 2024 to Jun 30, 2024

Filter Criteria includes: Report order is by Date.

Check #	Date	Payee	Cash Account	Amount
18108	6/10/24	Kaplan Kirsch Rockwell	10000	9,024.37
18109	6/10/24	Colorado Municipal Leagu	10000	50.00
18110	6/10/24	Fraleay Propane, LLC	10000	485.00
18111	6/10/24	Jon Kelly	10000	375.00
18112	6/10/24	Jennifer Stark	10000	866.50
18113	6/10/24	Century Link	10000	104.54
18114	6/10/24	San Miguel Power Associ	10000	111.00
18115	6/10/24	Coast to Coast	10000	209.94
18116	6/10/24	CIRSA	10000	515.00
18117	6/10/24	Janet Wiley Architects, P.	10000	3,315.00
18118	6/10/24	Vectra Bank Colorado	10000	13,277.50
18119	6/10/24	WM Corporate Services, I	10000	95.89
18120	6/10/24	CEBT	10000	4,439.40
18121	6/10/24	Orkin	10000	126.99
18122	6/10/24	Rico Telephone Company	10000	243.08
18123	6/10/24	Xerox Corporation	10000	48.30
18124	6/11/24	Karp Neu Hanlon, PC	10000	4,466.46
18125	6/12/24	Goff Engineering and sur	10000	2,000.00
18126	6/12/24	ATLAS CPAs & Advisors	10000	6,600.00
Total				46,353.97

Check Register

For the Period From Jun 1, 2024 to Jun 30, 2024

Filter Criteria includes: Report order is by Date.

Check #	Date	Payee	Cash Account	Amount
1767	6/6/24	Stephen Roberts	11000	778.80
1768	6/10/24	Lewis Excavation Inc	11000	28,000.00
1769	6/10/24	Fischer Project Manageme	11000	411,540.00
1770	6/10/24	San Miguel Power Associ	11000	27.00
1771	6/10/24	LePew Porta-Johns, Inc	11000	185.00
Total				440,530.80

Check Register

For the Period From Jun 1, 2024 to Jun 30, 2024

Filter Criteria includes: Report order is by Date.

Check #	Date	Payee	Cash Account	Amount
2938	6/10/24	Senergy Petroleum, LLC	10000	2,007.85
2939	6/10/24	San Miguel Power Associ	10000	161.00
2940	6/10/24	WM Corporate Services, I	10000	333.34
2941	6/10/24	Capital One Trade Cr	10000	401.52
2942	6/10/24	Rico Telephone Company	10000	50.00
Total				2,953.71

Check Register

For the Period From Jun 1, 2024 to Jun 30, 2024

Filter Criteria includes: Report order is by Date.

Check #	Date	Payee	Cash Account	Amount
4627	6/10/24	Dewco	10000	119.55
4628	6/10/24	USA BlueBook	10000	1,455.44
4629	6/10/24	AT&T Mobility	10000	199.41
4630	6/10/24	San Miguel Power Associ	10000	464.00
4631	6/10/24	Fraley Propane LLC	10000	200.00
4632	6/10/24	Rico Telephone Company	10000	115.00
4633	6/10/24	La Plata County PH Dept	10000	38.50
4634	6/10/24	RVS Software	10000	979.00
4635	6/10/24	PVS DX, INC	10000	80.00
4636	6/11/24	Goff Engineering surveyin	10000	6,056.45
4637	6/11/24	Ferguson Waterwork #111	10000	847.69
4638	6/12/24	Atlas CPAs & Advisors P	10000	6,600.00
Total				17,155.04

JULIA BUYS

juliakbuys@gmail.com

505-635-0189

311 W Eder Street Rico CO

I have been a part time resident of Rico since 2019 and a full time resident as of 1.5 years ago. I currently teach in Telluride and serve on the Dolores County Library Board. I enjoy skiing, biking, playing volleyball and listening to live music in Rico. I am passionate about this town and its access to educational and recreational resources.

Though I am relatively new to Rico, my partner is a lifelong resident. I could be a great addition to this board because I represent the crossroads of tradition vs progress in Rico. There are new young families in the area that need representation as well as many stakeholders that have been here for generations. I would do my best to act as a voice for both of these parties.

Please text or email with any follow-up questions!

Thanks Again,



Teach For America New Mexico | Alumna
History and Social Studies, B.A. | Western Washington University
Philosophy, M.A. | Saint John's College
History, Ph.D Candidate | University of Maine

TOWN OF RICO, COLORADO
FINANCIAL STATEMENTS
DECEMBER 31, 2023

**TOWN OF RICO, COLORADO
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DECEMBER 31, 2023**

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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Board of Trustees
Town of Rico
Rico, Colorado

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Town of Rico, Colorado (the "Town") as of and for the year ended December 31, 2023 and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Town as of December 31, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

The Town's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for one year after the date that the financial statements are available to be issued, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operation, economic, or historical context. Our opinions on the basic financial statements are not affected by this missing information.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The supplementary information, as shown in the table of contents, is presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary information is the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with Government Auditing Standards, we have also issued our report dated May 28, 2024 on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Town's internal control over financial reporting and compliance.

ATLAS CPAs & Advisors PLLC

Phoenix, Arizona

May 28, 2024

TOWN OF RICO, COLORADO
STATEMENT OF NET POSITION
December 31, 2023

	Governmental Activities	Business - Type Activities	Total
ASSETS			
CURRENT ASSETS			
Cash and equivalents	\$ 813,632	\$ 543,913	\$ 1,357,545
Investments, at fair value	1,226,038	-	1,226,038
Taxes receivable	112,106	29,827	141,933
Accounts receivable	-	11,106	11,106
TOTAL CURRENT ASSETS	2,151,776	584,846	2,736,622
PROPERTY AND EQUIPMENT			
Capital assets	2,072,053	3,574,920	5,646,973
Less Accumulated depreciation	(837,701)	(937,561)	(1,775,262)
NET PROPERTY AND EQUIPMENT	1,234,352	2,637,359	3,871,711
TOTAL ASSETS	3,386,128	3,222,205	6,608,333
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions	107,214	-	107,214
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 3,493,342	\$ 3,222,205	\$ 6,715,547
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION			
CURRENT LIABILITIES			
Accounts payable and other liabilities	\$ 24,171	\$ -	\$ 24,171
Accrued payroll	4,854	-	4,854
TOTAL CURRENT LIABILITIES	29,025	-	29,025
LONG-TERM LIABILITIES			
Net pension liability	196,626	-	196,626
TOTAL LONG-TERM LIABILITIES	196,626	-	196,626
TOTAL LIABILITIES	225,651	-	225,651
DEFERRED INFLOWS OF RESOURCES			
Unavailable property tax	112,106	29,827	141,933
Deferred inflows related to pensions	980	-	980
Total Deferred Inflows of Resources	113,086	29,827	142,913
NET POSITION			
Net Investment in Capital Assets	1,234,352	2,637,359	3,871,711
Restricted			
TABOR	46,445	-	46,445
Culture and recreation	48,973	-	48,973
Unrestricted	1,824,835	555,019	2,379,854
TOTAL NET POSITION	\$ 3,154,605	\$ 3,192,378	\$ 6,346,983
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	\$ 3,493,342	\$ 3,222,205	\$ 6,715,547

The accompanying notes are an integral part of the financial statements.

TOWN OF RICO, COLORADO
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2023

FUNCTIONS/PROGRAMS	Expenses	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	PRIMARY GOVERNMENT		
					Governmental Activities	Business-type Activities	Total
Governmental Activities							
General Government	\$ 859,696	\$ 201,433	\$ -	\$ 562,200	\$ (96,063)	\$ -	\$ (96,063)
Public Safety	23,982	12,892	-	-	(11,090)	-	(11,090)
Public Works	112,366	-	-	-	(112,366)	-	(112,366)
Culture and Recreation	20,469	-	-	-	(20,469)	-	(20,469)
TOTAL GOVERNMENTAL ACTIVITIES	1,016,513	214,325	-	562,200	(239,988)	-	(239,988)
Business - Type Activities							
Current:							
Water Operations	266,771	249,142	-	-	-	(17,629)	(17,629)
Sewer	63,452	-	-	-	-	(63,452)	(63,452)
TOTAL BUSINESS-TYPE ACTIVITIES	330,223	249,142	-	-	-	(81,081)	(81,081)
TOTAL PRIMARY GOVERNMENT	\$ 1,346,736	\$ 463,467	\$ -	\$ 562,200	(239,988)	(81,081)	(321,069)
GENERAL REVENUES							
Taxes:							
Property Taxes					119,140	26,608	145,748
Specific Ownership Taxes					5,900	1,570	7,470
Sales and Use Tax					284,854	-	284,854
Other Taxes					96,188	-	96,188
Miscellaneous					426,909	-	426,909
Interest Income					32,580	1,740	34,320
TRANSFERS					10,000	(10,000)	-
TOTAL GENERAL REVENUES AND TRANSFERS					975,571	19,918	995,489
CHANGE IN NET POSITION					735,583	(61,163)	674,420
NET POSITION - Beginning of Year					2,419,022	3,253,541	5,672,563
NET POSITION - End of Year					\$ 3,154,605	\$ 3,192,378	\$ 6,346,983

The accompanying notes are an integral part of the financial statements.

TOWN OF RICO, COLORADO
BALANCE SHEET - GOVERNMENTAL FUNDS
December 31, 2023

	GENERAL	STREET	NON-MAJOR GOVERNMENTAL FUNDS	TOTAL
ASSETS				
Cash and equivalents	\$ 490,879	\$ 169,033	\$ 153,720	\$ 813,632
Investments, at fair value	1,226,038	-	-	1,226,038
Property taxes receivable	98,590	13,516	-	112,106
TOTAL ASSETS	<u>\$ 1,815,507</u>	<u>\$ 182,549</u>	<u>\$ 153,720</u>	<u>\$ 2,151,776</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE				
LIABILITIES				
Accounts payable	\$ 24,171	\$ -	\$ -	\$ 24,171
Payroll related liabilities	4,854	-	-	4,854
TOTAL LIABILITIES	<u>\$ 29,025</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 29,025</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes	98,590	13,516	\$ -	\$ 112,106
FUND BALANCE				
Restricted				
TABOR	\$ 46,445	\$ -	\$ -	\$ 46,445
Culture and recreation	-	-	48,973	48,973
Committed	-	169,033	104,747	273,780
Unassigned	1,641,447	-	-	1,641,447
TOTAL FUND BALANCE	<u>\$ 1,687,892</u>	<u>\$ 169,033</u>	<u>\$ 153,720</u>	<u>\$ 2,010,645</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	<u>\$ 1,815,507</u>	<u>\$ 182,549</u>	<u>\$ 153,720</u>	<u>\$ 2,151,776</u>

The accompanying notes are an integral part of the financial statements.

TOWN OF RICO, COLORADO
RECONCILIATION OF THE STATEMENT OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
December 31, 2023

Total Fund Balances - Governmental Funds	\$	2,010,645
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Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental funds are not financial resources and therefore are not reported in the funds.

Capital assets		2,072,053
Less: Accumulated depreciation		(837,701)

Deferred outflows of resources related to pensions do not relate to current financial resources and are not reported in the governmental funds.

107,214

Deferred inflows of resources related to pensions do not relate to current financial resources and are not reported in the governmental funds.

(980)

Some liabilities, including long-term debt, are not due and payable in the current period and therefore, are not reported in the funds:

Net pension liability		(196,626)
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NET POSITION OF GOVERNMENTAL ACTIVITIES

	\$	3,154,605
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The accompanying notes are an integral part of the financial statements.

TOWN OF RICO, COLORADO
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
For the Year Ended December 31, 2023

	GENERAL	STREET	NON-MAJOR GOVERNMENTAL FUNDS	TOTAL
REVENUES				
Taxes:				
Property Tax	\$ 107,082	\$ 12,058	\$ -	\$ 119,140
Sales Tax	227,918	28,468	28,468	284,854
Other	24,581	74,655	9,146	108,382
Intergovernmental	420	-	-	420
General Government	203,336	-	-	203,336
Local Grants	513,200	-	36,000	549,200
Lottery Proceeds	-	-	4,275	4,275
Interest	31,734	500	346	32,580
Special Projects	13,000	-	-	13,000
Miscellaneous	426,909	-	-	426,909
TOTAL REVENUES	1,548,180	115,681	78,235	1,742,096
EXPENDITURES				
General Government	844,870	-	-	844,870
Public Safety	23,982	-	-	23,982
Public Works	-	82,477	-	82,477
Culture and Recreation	-	-	20,471	20,471
Capital Outlay	-	-	40,681	40,681
TOTAL EXPENDITURES	868,852	82,477	61,152	1,012,481
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	679,328	33,204	17,083	729,615
OTHER FINANCING SOURCES (USES)				
Transfers in	20,000	-	-	20,000
Transfers (out)	-	(10,000)	-	(10,000)
TOTAL OTHER FINANCING SOURCES (USES)	20,000	(10,000)	-	10,000
Net change in fund balances	699,328	23,204	17,083	739,615
FUND BALANCE, Beginning	988,564	145,829	136,637	1,271,030
FUND BALANCE, Ending	\$ 1,687,892	\$ 169,033	\$ 153,720	\$ 2,010,645

The accompanying notes are an integral part of the financial statements.

TOWN OF RICO, COLORADO
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2023

Net change in fund balances - total governmental funds	\$	739,615
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Amounts reported for governmental activities in the statement of activities
are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of net position the cost of these assets is capitalized and they are depreciated over their estimated useful lives and reported as depreciation expense in the statement of activities.

Capital outlay is reported as an expenditure in the fund financial statements		
but is capitalized in the government-wide financial statements	40,681	
Depreciation is reported in the government-wide financial statements		(48,060)
Net book value of asset adjustments		6,694

Some expenses in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.

Deferred outflows of resources related to pensions		(3,347)
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CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	\$	735,583
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The accompanying notes are an integral part of the financial statements.

TOWN OF RICO, COLORADO
STATEMENT OF NET POSITION
ENTERPRISE FUNDS
December 31, 2023

	WATER	SEWER	TOTAL
ASSETS			
CURRENT ASSETS			
Cash	\$ 340,770	\$ 203,143	\$ 543,913
Receivables	11,106	-	11,106
Taxes receivable	-	29,827	29,827
TOTAL CURRENT ASSETS	<u>351,876</u>	<u>232,970</u>	<u>584,846</u>
CAPITAL ASSETS			
Buildings	48,513	-	48,513
Water system	3,526,407	-	3,526,407
Total Capital Assets	3,574,920	-	3,574,920
Less: accumulated depreciation	(937,561)	-	(937,561)
NET CAPITAL ASSETS	<u>2,637,359</u>	<u>-</u>	<u>2,637,359</u>
TOTAL ASSETS	<u>\$ 2,989,235</u>	<u>\$ 232,970</u>	<u>\$ 3,222,205</u>
DEFERRED INFLOWS OF RESOURCES, AND NET POSITION			
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - property taxes	\$ -	\$ 29,827	\$ 29,827
NET POSITION			
Net investment in capital assets	2,637,359	-	2,637,359
Unrestricted	351,876	203,143	555,019
TOTAL NET POSITION	<u>\$ 2,989,235</u>	<u>\$ 203,143</u>	<u>\$ 3,192,378</u>

The accompanying notes are an integral part of the financial statements.

TOWN OF RICO, COLORADO
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION -
ENTERPRISE FUNDS
For the Year Ended December 31, 2023

	WATER	SEWER	TOTAL
OPERATING REVENUES			
Charges to customers	\$ 249,142	\$ -	\$ 249,142
TOTAL OPERATING REVENUES	249,142	-	249,142
OPERATING EXPENSES			
Salaries	90,556	-	90,556
Repairs and maintenance	7,958	-	7,958
Insurance	6,500	-	6,500
Supplies	10,044	-	10,044
Water samples	8,868	-	8,868
Electric	4,463	-	4,463
Propane	4,824	-	4,824
Utilities-other	1,492	-	1,492
Dolores Water Conservancy	2,700	-	2,700
Miscellaneous	23,239	-	23,239
Treasurers fees	-	520	520
Other expense	-	62,932	62,932
Depreciation expense	106,127	-	106,127
TOTAL OPERATING EXPENSES	266,771	63,452	330,223
NET (LOSS) FROM OPERATIONS	(17,629)	(63,452)	(81,081)
NON-OPERATING REVENUE			
Interest income	1,119	621	1,740
Property taxes	-	26,608	26,608
Specific ownership taxes	-	1,570	1,570
TOTAL NON-OPERATING REVENUE	1,119	28,799	29,918
LOSS BEFORE TRANSFERS	(16,510)	(34,653)	(51,163)
AFTER NONOPERATING REVENUES			
Transfers (out)	(10,000)	-	(10,000)
CHANGE IN NET POSITION	(26,510)	(34,653)	(61,163)
NET POSITION, Beginning	3,015,745	237,796	3,253,541
NET POSITION, Ending	\$ 2,989,235	\$ 203,143	\$ 3,192,378

The accompanying notes are an integral part of the financial statements.

TOWN OF RICO, COLORADO
STATEMENT OF CASH FLOWS
ENTERPRISE FUNDS
For the Year Ended December 31, 2023

	WATER FUND	SEWER FUND	TOTAL
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash received from customers	\$ 244,847	\$ -	\$ 244,847
Cash paid for expenses and employees	(160,644)	(63,452)	(224,096)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	84,203	(63,452)	20,751
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Transfers (to) other funds	(10,000)	-	(10,000)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Property Taxes	-	26,608	26,608
Specific Ownership Taxes	-	1,570	1,570
NET CASH PROVIDED BY CAPITAL AND RELATED FINANCING ACTIVITIES	-	28,178	28,178
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest earned	1,119	621	1,740
NET CASH PROVIDED BY INVESTING ACTIVITIES	1,119	621	1,740
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	75,322	(34,653)	40,669
CASH AND CASH EQUIVALENTS, Beginning of Year	265,448	237,796	503,244
CASH AND CASH EQUIVALENTS, End of Year	<u>\$ 340,770</u>	<u>\$ 203,143</u>	<u>\$ 543,913</u>
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES			
Operating loss	\$ (17,629)	\$ (63,452)	\$ (81,081)
ADJUSTMENTS TO RECONCILE OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:			
Depreciation	106,127	-	106,127
Changes in assets and liabilities:			
(Increase) decrease in:			
Accounts receivable	(4,295)	-	(4,295)
Total adjustments	101,832	-	101,832
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ 84,203</u>	<u>\$ (63,452)</u>	<u>\$ 20,751</u>

The accompanying notes are an integral part of the financial statements.

TOWN OF RICO, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Town of Rico, Colorado (the "Town") have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Town's accounting policies are described below.

Definition of the Reporting Entity

The Town was incorporated in October 11, 1897 in Dolores County, and is governed by a seven member elected Board of Trustees. As required by generally accepted accounting principles, these financial statements present the activities of the Town, which is legally separate and financially independent of other state and local governments.

The Town provides general government, public works (road and streets), water, sewer, and parks and recreation for the geographical area organized as the Town of Rico, Colorado. The Town contracts with the County for police protection. The Rico Fire Protection District (not a component unit) provides fire protection.

Fund Accounting

The government-wide financial statement (i.e. the statement of net position and the statement of activities) reports information on all of the activities of the Town. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes, charges for services, and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on user charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those clearly identifiable with a specific function or segment. Program revenues include: (1) charges to those who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Fund Financial Statements

The accounts of the Town are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures, or expenses, as appropriate. Government resources are allocated to, and accounted for, in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

All governmental funds are accounted for on a flow of current financial resources basis. Balance sheets for these funds generally include only current assets and current liabilities. Reported fund balances are considered a measure of available, spendable resources. Operating statements for these funds present a summary of available, spendable resources and expenditures for the period.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

TOWN OF RICO, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

The Town reports two major governmental funds:

- **General Fund** – is the Town’s primary operating fund. It accounts for the general operations of the Town, which includes the following departments: Legislative, Judicial, Administration, Public Safety-Police, Community Development and Public Works.
- **Street Fund** – accounts for expenditures designated for streets and infrastructure maintenance. Sources of revenue include 1.785 mills and 10% of Town sales tax.

The Town reports two non-major governmental funds:

- **Conservation Trust Fund** – accounts for State of Colorado lottery funds to be used for acquisition, development, and maintenance of new conservation sites or for capital improvements or maintenance for recreational purposes on any public site.
- **Parks, Open Space, and Trails Fund** – accounts for special revenues and expenditures designated for operating and maintaining parks and recreation programs.

The Town reports the following major business-type activity funds:

- **Water Fund** – accounts for the Town’s water distribution system.
- **Sewer Fund** – accounts for revenues collected to establish a solid waste facility.

Measurement Focus and Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the enterprise fund financial statements. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The modified accrual basis of accounting is used by all governmental funds. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). “Measurable” means the amount of the transaction can be determined. “Available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred. Exceptions to this general rule include:

- (1) principal and interest on general long-term debt which is recognized when due and
- (2) compensated absences which are recognized when the obligations are expected to be liquidated with expendable available resources.

Those revenues susceptible to accrual are interest revenue and charges for services. Entitlement revenues are not susceptible to accrual because generally they are not measurable until received. Grant revenues are recognized as they are earned.

The accrual basis of accounting is utilized by enterprise funds. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

Cash and Cash Equivalents

For purposes of the statement of cash flows of the enterprise funds, cash and cash equivalents consist of operating and restricted cash and highly liquid securities with an initial maturity of three months or less.

TOWN OF RICO, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

Investments

Investments are stated at fair value based on quoted market values, with the exception of money market funds and external investment pools. These are stated at fair value according to institution reported balances at year-end.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America required management to make: (1) estimates and assumptions that affect the reported amounts of assets and liabilities and (2) disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Property Taxes

Property taxes for the current year are levied and attached as a lien on property the following January 1. They are payable in full by April 30, or in two equal installments due February 28 and June 15. Property taxes levied in the current year and collected in the following year are reported as a receivable at December 31. However, since the taxes are not available to pay current liabilities, the receivable is recorded as deferred revenue in the governmental and enterprise funds.

Capital Assets

Capital assets are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capitalized assets are defined by the Town as assets that have a useful life of one or more years and for which the initial, individual value equals or exceeds the following dollar amounts:

<u>Asset Class</u>	<u>Dollar Value</u>
Land	No minimum
Buildings	No minimum
Buildings and Other Improvements	\$ 5,000
Furniture and Equipment	\$ 5,000
Infrastructure	\$ 5,000

All purchased assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated assets are valued at their estimated fair market value on the date received. The cost of normal maintenance and repairs that does not add to the value of an asset or materially extend asset life is not capitalized.

Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

<u>Asset Class</u>	<u>Useful Life</u>
Land	25 – 50 years
Buildings	20 years
Buildings and Other Improvements	25 – 45 years
Furniture and Equipment	5 – 30 years
Infrastructure	15 – 40 years

TOWN OF RICO, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

Public domain assets consisting of roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems are examples of infrastructure assets. Infrastructure assets are distinguished from other capitalized assets since their useful life often extends beyond most other capital assets and are stationary in nature. General infrastructure assets are those associated with or arising from governmental activities.

Long-Term Liabilities

In the government-wide financial statements, and enterprise fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable government activities, business-type activities, or enterprise fund type statement of net position. Bond premium and discounts, are deferred and amortized over the term of the related debt using the straight-line method of amortization. Bond issuance costs are expensed in the period incurred.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures. The long-term compensated absences are serviced from revenues of the General Fund from future appropriations.

Net Position

In the government-wide financial statements, net position represents the difference between assets and liabilities. Net capital assets consist of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition or construction of improvements on those assets. Net position portion of equity is reported as restricted when there are limitations imposed on use, either through the enabling legislation adopted by the Town or through external restrictions imposed by creditors, grantors, laws or regulations of other governments.

When both restricted and unrestricted resources are available for use, it is the Town's policy to use restricted resources first, then unrestricted resources as they are needed.

Fund Balances

In the government fund financial statements, the following fund balance classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

Nonspendable fund balance – amounts that are not in spendable form (such as inventory or prepaid expenses) or are required to be maintained intact.

Restricted fund balance – amounts constrained to specific purposes by their providers (such as grantors, bondholders or other debt holders, contributors, and higher levels of government), through constitutional provisions, or by enabling legislation.

Committed fund balance – amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority through an ordinance or resolution. Committed fund balance can also include contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements. To be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint.

Assigned fund balance – amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or an official or body to which the governing body delegates the authority. The Capital Reserve amount reported is also described in the Town's annual budget document.

TOWN OF RICO, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

Unassigned fund balance – amounts that are available for any purpose; positive amounts are reported only in the general fund.

When fund balance resources are available for a specific purpose in more than one classification, it is the Town's policy to use the most restrictive funds first in the following order: restricted, committed, assigned, and unassigned as they are needed. The Town considers all unassigned fund balances to be "reserves" for future operations or capital replacement as defined within Article X, Section 20 of the Constitution of the State of Colorado (See Note 11).

In the governmental fund financial statements, reservations or restrictions of fund balance represent amounts that are not appropriable, are legally segregated for a specific purpose, or are restricted by grant agreements. Designations of fund balance represent tentative management plans that are subject to change.

Interfund Transactions

Interfund receivables and payables arise from interfund transactions and are recorded by all funds affected in the period in which transactions are executed. At year end, outstanding balances between funds are reported as "due to/from other funds". Nonrecurring or nonroutine permanent transfers of equity and all interfund transfers are reported as transfers in and transfers out. Any residual balances outstanding between the governmental activities and business-type activities are either eliminated or reported in the government-wide financial statements as "internal balances".

Deferred Outflows and Inflows of Resources

In addition to assets, the statement of financial position reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditures) until then. The Town has one item that qualifies for reporting in this category: changes in the net pension liability not included in pension expense reported in the government-wide statement of net position.

In addition to liabilities, the statement of financial position reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The Town has one item that qualifies for reporting in this category: changes in the net pension liability not included in pension expense reported in the government-wide statement of net position.

Pensions

The Town participates in the Local Government Division Trust Fund (LGDTF), a cost-sharing multi-employer defined benefit pension fund administered by the Public Employees' Retirement Association of Colorado (PERA). The net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position of the LGDTF have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

TOWN OF RICO, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

Leases

Effective January 1, 2022, the District implemented GASB No. 87, Leases. As the lessee, the Town determines whether a contract is, or contains a lease at inception. Lease agreements with a maximum lease term of twelve months or less, including options to extend, are accounted for as short-term leases. Lease agreements that transfer ownership of the underlying asset to the Town at the end of the contract are recorded as a finance purchase with a related lease liability. Lease agreements not classified as a short-term lease, or a finance purchase are accounted for as an intangible right to use lease asset. An Intangible right to use lease asset represents the Town's right to use an underlying asset during the lease term and the lease liability represents the Town's obligation to make lease payments arising from the lease. Intangible right to use lease assets and lease liabilities are recognized at lease commencement based upon the estimate present value of unpaid lease payments over the lease term. The Town uses its incremental borrowing rate based on information available at lease commencement in determining the present value of unpaid lease payments. As the lessor, the Town applies the same criteria but recognizes a lease receivable and a deferred inflow of resources equal to the present value of the lease payments. The Town did not have any material leases to be implemented under GASB 87, leases.

Subscription-Based Information Technology Arrangements

Effective January 1, 2023, the Town implemented GASB No. 96, Subscription-Based Information Technology Arrangements (SBITA) . The Town determines whether a contract conveys control of the right to use another party's (SBITA vendor's) IT software, infrastructure, or data warehouse, alone or in combination with tangible capital assets (underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transaction. The SBITA liability is the present value of the annual payments using the Town's incremental borrowing rate. The liability is amortized providing the principal and interest components of the payments over the SBITA term. The SBITA asset is measured as the SBITA liability plus any capitalized expenditures/expenses incurred in the initial implementation stage. The SBITA asset is depreciated (amortized) using a straight-line depreciation method over the term of the SBITA arrangement.

The Town did not have any SBITA's applicable to the implementation of the new standard during the year ended December 31, 2023 that were considered to be material to the financial statements. Therefore, GASB No. 96 does not affect the financial statement presentation and disclosure.

Coronavirus Disease (COVID-19)

On January 3, 2020, the World Health Organization declared the coronavirus outbreak a "Public Health Emergency of International Concern" and on March 11, 2020, declared it to be a pandemic. On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) was enacted to amongst other provisions, provide emergency assistance for individuals, families and businesses affected by the coronavirus pandemic. The Town may be adversely affected through governmental and business closures resulting in a reduction of labor demand or supplies shortages. The Town will continue to monitor the situation surrounding COVID-19 and evaluate the impact it will have on future operations.

NOTE 2: BUDGETARY REQUIREMENTS

Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) for all governmental funds. The Enterprise funds adopt budgets on the Non-GAAP basis wherein tap fees are recognized as revenue, principal payments on debt and capital expenditures are recognized as expenses, and depreciation expense is not budgeted. All annual appropriations lapse at fiscal year-end.

By October 15, the Town Manager (not an elected official) of the Town submits a proposed operating budget for the fiscal year commencing the following January 1, to the Trustees (elected officials). The operating budget, for all budgeted funds, includes proposed expenditures and the means of financing.

TOWN OF RICO, COLORADO
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DECEMBER 31, 2023

Public hearings are held at the regular Trustee meetings to obtain taxpayer input. Prior to December 15, the budget is legally enacted through passage of a budget ordinance. The Town Treasurer is authorized to transfer budgeted amounts within a department of any fund. The Trustees must approve revisions that change total expenditures of any fund or department within a fund.

Appropriations are controlled and the budget is only amended in conformity with Colorado Revised Statutes, which require a balanced budget. Expenditures in excess of appropriations may violate Colorado Revised Statutes and must be reported to the State Auditor.

The Combined Statements of Revenues, Expenditures and Changes in Fund Balances for all fund types include comparisons to budget. Financial statements of the Enterprise Funds are presented in the accompanying Financial Statements on a Non-GAAP and GAAP basis. Budget amounts, included in the financial statements, are as originally adopted and as amended by Board of Trustees.

NOTE 3: RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The governmental funds balance sheet includes reconciliation between fund balances (total governmental funds and net position) and governmental activities, as reported in the government-wide statement of net position. Additionally, the governmental fund statement of revenues, expenditures, and changes in fund balances includes reconciliation between net change in fund balances and changes in net position of governmental activities, as reported in the government-wide statement of activities.

These reconciliations detail items that require adjustment to convert from the current resources measurement and modified accrual basis for government fund statements to the economic resources measurement and full accrual basis used for government-wide statements. However, certain items having no effect on measurement and basis of accounting were eliminated from the government fund statements during the consolidation of governmental activities.

NOTE 4: CASH AND INVESTMENTS

Cash

A summary of the Town's cash and investments at December 31, 2023 are as follows:

<u>Type</u>	<u>Rating</u>	<u>Carrying Value</u>
Deposits:		
Demand deposits		\$ 1,357,170
Cash with County Treasurer		<u>375</u>
		<u>1,357,545</u>
Investments:		
CSAFE	AAAm	<u>1,226,038</u>
Total deposits and investments:		\$ <u>2,583,583</u>
Reconciliation to Statement of Net Position		
Current:		
Cash and Investments		\$ <u>2,583,583</u>

TOWN OF RICO, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

Deposits

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash only in eligible public depositories. Eligibility is determined by state regulations. Amounts on deposit in excess of federal insurance levels must be collateralized by the financial institution. The eligible collateral is determined by the PDPA.

PDPA allows the financial institution to create a single collateral pool for all public funds. The pool is to be maintained by another institution and held in trust for all the uninsured public deposits as a group. Colorado State Statutes require the market value of the collateral to be at least 102 percent of the aggregate uninsured deposits.

Investments

Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local government entities may invest. The allowed investments include local government investment pools and obligations of the United States Government.

Interest Rate Risk: The Town does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk: State law limits investments in commercial paper, corporate bonds, and mutual bond funds to the top two ratings issued by nationally recognized statistical rating organizations. The Town has no investment policy that would further limit its investment choices.

Concentration of Credit Risk: The Town places no limit on the amount the Town may invest in any one issuer.

The Town invests in one investment pool, the Colorado Surplus Asset Fund Trust (CSAFE). The investment is not categorized because the investment is not evidenced by securities that exist in physical book entry form. At December 31, 2023, the Town had an investment of \$1,226,038 fair and carrying value.

NOTE 5: PROPERTY TAXES

Property taxes are collected on behalf of the Town by Dolores County and then remitted to the Town. The property tax is levied and certified in November of the year prior to the year the taxes are collected. Property taxes become an enforceable lien on January 1 of each year.

Secured property taxes are: (1) due in two equal installments on February 28 and June 15 and (2) delinquent after February 28 and June 15, respectively. The entire balance can be paid by April 30 without penalty. Property taxes levied are recorded as deferred revenues in the year levied, since they are not due until the following year. Property tax revenue is recognized when it is collected by Dolores County.

TOWN OF RICO, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 6: CAPITAL ASSETS

Summary of changes in capital assets as of December 31, 2023 are as follows:

Governmental Activities	Balance 1/1/23	Additions	Deletions	Balance 12/31/23
Not depreciated:				
Land	\$ 453,760	\$ -	\$ -	\$ 453,760
Depreciable capital assets:				
Improvements	7,230	-	-	7,230
Buildings	908,366	-	-	908,366
Equipment	59,058	-	-	59,058
Vehicles	385,564	40,681	-	426,245
Streets	217,394	-	-	217,394
Total Depreciable Assets:	1,577,611	40,681	-	1,618,293
Less: Accumulated Depreciation				
Improvements	(7,230)	-	-	(7,230)
Buildings	(375,759)	(17,071)	-	(392,830)
Equipment	(46,997)	(1,100)	-	(48,097)
Vehicles	(258,022)	(26,075)	-	(284,097)
Streets	(101,633)	(3,814)	-	(105,447)
Total Accumulated Depreciation	(789,641)	(48,060)	-	(837,701)
Depreciable capital assets, net	787,971	(7,379)	-	780,592
Total Governmental Activities, Capital Assets	\$ 1,241,731	\$ (7,379)	\$ -	\$ 1,234,352

Depreciation expense was charged to functions of the Town for governmental activities as follows:

General Government	\$ 17,071
Public Works	29,889
Culture and Recreation	1,100
Total	\$ 48,060

TOWN OF RICO, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

Business-Type Activities	Balance 1/1/23	Additions	Deletions	Balance 12/31/23
Depreciable capital assets:				
Buildings	\$ 48,513	\$ -	\$ -	\$ 48,513
Water System	3,526,407	-	-	3,526,407
Total Depreciable Assets:	3,574,920	-	-	3,574,920
Less: Accumulated Depreciation				
Buildings	(41,242)	(1,627)	-	(42,869)
Water System	(790,192)	(104,500)	-	(894,692)
Total Accumulated Depreciation	(831,434)	(106,127)	-	(937,561)
Total Business-Type Activities, Capital Assets	\$ 2,743,486	\$ (106,127)	\$ -	\$ 2,637,359

NOTE 7: DEFINED BENEFIT PENSION PLAN - PERA

The Town participates in the Local Government Division Trust Fund (LGDTF), a cost-sharing multiple-employer defined benefit pension fund administered by the Public Employees' Retirement Association of Colorado (PERA). The net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position of the LGDTF have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Plan description: Eligible employees of the District are provided with pensions through the Local Government Division Trust Fund – a cost-sharing multiple- employer defined benefit pension plan administered by PERA. Plan benefits are specified in Title 24, Article 51 of the Colorado Revised Statutes (C.R.S.), administrative rules set forth at 8 C.C.R. 1502-1, and applicable provisions of the federal Internal Revenue Code. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. PERA issues a publicly available comprehensive annual financial report that can be obtained at www.copera.org/investments/pera-financial-reports.

Benefits provided: PERA provides retirement, disability, and survivor benefits. Retirement benefits are determined by the amount of service credit earned and/or purchased, highest average salary, the benefit structure(s) under which the member retires, the benefit option selected at retirement, and age at retirement. Retirement eligibility is specified in tables set forth at C.R.S. § 24-51-602, 604, 1713, and 1714.

The lifetime retirement benefit for all eligible retiring employees under the PERA benefit structure is the greater of the:

- Highest average salary multiplied by 2.5 percent and then multiplied by years of service credit.
- The value of the retiring employee's member contribution account plus a 100 percent match on eligible amounts as of the retirement date. This amount is then annuitized into a monthly benefit based on life expectancy and other actuarial factors.

TOWN OF RICO, COLORADO
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In all cases the service retirement benefit is limited to 100 percent of highest average salary and also cannot exceed the maximum benefit allowed by the Internal Revenue Code.

Members may elect to withdraw their member contribution accounts upon termination of employment with all PERA employers; waiving rights to any lifetime retirement benefits earned. If eligible, the member may receive a match of either 50 percent or 100 percent on eligible amounts depending on when contributions were remitted to PERA, the date employment was terminated, whether 5 years of service credit has been obtained and the benefit structure under which contributions were made.

Benefit recipients who elect to receive a lifetime retirement benefit are generally eligible to receive post-retirement cost-of-living adjustments, referred to as annual increases in the C.R.S. Benefit recipients under the PERA benefit structure who began eligible employment before January 1, 2007 receive an annual increase of 2 percent, unless PERA has a negative investment year, in which case the annual increase for the next three years is the lesser of 2 percent or the average of the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) for the prior calendar year. Benefit recipients under the PERA benefit structure who began eligible employment after January 1, 2007 receive an annual increase of the lesser of 2 percent or the average CPI-W for the prior calendar year, not to exceed 10 percent of PERA's annual increase reserve for the LGDTF.

Disability benefits are available for eligible employees once they reach five years of earned service credit and are determined to meet the definition of disability. The disability benefit amount is based on the lifetime retirement benefit formula(s) shown above considering a minimum 20 years of service credit, if deemed disabled.

Survivor benefits are determined by several factors, which include the amount of earned service credit, highest average salary of the deceased, the benefit structure(s) under which service credit was obtained, and the qualified survivor(s) who will receive the benefits.

Contributions: Eligible employees of the Town and State are required to contribute to the LGDTF at a rate set by Colorado statute. The contribution requirements are established under C.R.S. § 24-51-401, et seq. The employer contribution requirements for all employees other than State Troopers are summarized in the table below:

Years Ended December 31:	2022	2023
Employer contribution rate as a percentage of salary	10.50 %	11.00 %
Amount of employer contribution apportioned to the Health Care Trust Fund as specified in C.R.S. § 24-51-208(1)(f)	(1.02)	(1.02)
Amount apportioned to the LGDTF	9.48	9.98
Amortization Equalization Disbursement (AED) as specified in C.R.S. § 24-51-411	2.20	2.20
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. § 24-51-411	1.50	1.50
Defined contribution supplement as specified in C.R.S. § 24-51-415	0.03	0.03
Total Employer Contribution Rate to the LGDTF	13.21 %	13.71 %

**Contribution rates for the LGDTF are expressed as a percentage of salary as defined in C.R.S. § 24-51-101(42).

TOWN OF RICO, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

Employer contributions are recognized by the LGDTF in the period in which the compensation becomes payable to the member and the Town is statutorily committed to pay the contributions to the LGDTF. Employer contributions recognized by the LGDTF from the Town were \$21,614 for the year ended December 31, 2023.

Pension Liabilities, Pension Expense, and Deferred Outflows/Inflows of Resources Related to Pensions

At December 31, 2023 the Town reported a liability of \$196,626 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2022. Standard update procedures were used to roll forward the total pension liability to December 31, 2023. The Town's proportion of the net pension liability/(asset) were based on the Town's contributions to the LGDTF for the calendar year 2022 relative to the total contributions of participating employers to the LGDTF.

At December 31, 2023, the Town's proportion was .019612 percent, and was .015502 percent for the year ended December 31, 2022.

For the year ended December 31, 2023, the Town recognized pension expense of \$16,265. At December 31, 2023, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

December 31, 2023	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ 980
Net difference between projected and actual earnings on pension plan investments	80,272	-
Contributions subsequent to the measurement date	26,942	-
Total	\$ 107,214	\$ 980

Deferred outflows of resources related to pensions of \$26,942, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ending December 31, 2023.

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Years Ending December 31	Amount
2024	\$ 19,314
2025	19,314
2026	19,314
2027	21,350
Total	\$ 79,292

Actuarial assumptions. The total pension liability in the December 31, 2022 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

TOWN OF RICO, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

Price inflation	2.3 percent
Real wage growth	0.7 percent
Wage inflation	3.0 percent
Salary increases, including wage inflation	3.2 – 11.3 percent
Long-term investment rate of return, net of pension plan investment expenses, including price inflation	7.25 percent
Discount rate	7.25 percent
Future post-retirement benefit increase: PERA	
Benefit Structure hired prior to 1/1/07 (automatic)	1.00 percent
PERA Benefit Structure hired after 12/31/06 (ad hoc, substantively automatic)	Financed by the Annual Increase Reserve

Healthy mortality assumptions for active members were based on the RP-2014 White Collar Employee Mortality Table, a table specifically developed for actively working people. To allow for an appropriate margin of improved mortality prospectively, the mortality rates incorporate a 70 percent factor applied to male rates and a 55 percent factor applied to female rates.

The actuarial assumptions used in the December 31, 2022, valuations were based on the results of the 2020 experience analysis for the periods January 1, 2016, through December 31, 2019.

The long-term expected return on plan assets is reviewed as part of regular experience studies prepared every four or five years for PERA. Recently, this assumption has been reviewed more frequently. The most recent analyses were outlined in presentations to PERA's Board on November 20, 2020.

The LGDTF's long-term expected rate of return on pension plan investments was determined using a long-normal distribution analysis in which best estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation.

As of the most recent adoption of the long-term expected rate of return by the PERA Board, the target asset allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	30 Year Expected Geometric Real Rate of Return
Global Equity	54.00 %	5.60 %
Fixed Income	23.00 %	1.30 %
Private Equity	8.50 %	7.10 %
Real Estate	8.50 %	4.40 %
Alternatives	6.00 %	4.70 %
Total	100.00 %	

TOWN OF RICO, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

In setting the long-term expected rate of return, projections employed to model future returns provide a range of expected long-term returns that, including expected inflation, ultimately support a long-term expected rate of return assumption of 7.25 percent.

Discount rate: The discount rate used to measure the total pension liability was 7.25 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the fixed statutory rates specified in law, including current and future AED and SAED, until the Actuarial Value Funding Ratio reaches 103 percent, at which point, the AED and SAED will each drop 0.5 percent every year until they are zero. Based on those assumptions, the LGDTF's fiduciary net position was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate determination does not use the Municipal Bond Index Rate. There was no change in the discount rate from the prior measurement date.

Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate: The following presents the proportionate share of the net pension liability calculated using the discount rate of 7.25 percent, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25 percent) or 1-percentage-point higher (8.25 percent) than the current rate:

<u>December 31, 2023</u>	<u>1% Decrease (6.25%)</u>	<u>Current Discount Rate (7.25%)</u>	<u>1% Increase (8.25%)</u>
Proportionate share of the net pension liability (asset)	\$ 330,086	\$ 196,626	\$ 84,898

Pension plan fiduciary net position: Detailed information about the LGDTF's fiduciary net position is available in PERA's comprehensive annual financial report which can be obtained at www.copera.org/investments/pera-financial-reports.

Employees of the District that are also members of the LGDTF may voluntarily contribute to the Voluntary Investment Program, an Internal Revenue Code Section 401(k) defined contribution plan administered by PERA. Title 24, Article 51, Part 14 of the C.R.S, as amended, assigns the authority to establish the Plan provisions to the PERA Board of Trustees. PERA issues a publicly available comprehensive annual financial report for the Plan. That report can be obtained at www.copera.org/investments/pera-financial-reports.

The Voluntary Investment Program is funded by voluntary member contributions up to the maximum limits set by the Internal Revenue Service, as established under Title 24, Article 51, Section 1402 of the C.R.S., as amended. Employees are immediately vested in their own contributions, employer contributions and investment earnings.

NOTE 8: RISK MANAGEMENT – PUBLIC ENTITY RISK POOL

The Town is involved with the Colorado Intergovernmental Risk Sharing Agency (CIRSA), a separate and independent governmental and legal entity formed by intergovernmental agreement by member municipalities pursuant to the provision of 24-10-115.5, Colorado Revised Statutes (1982 Replacement Volume) and Colorado Constitution, Article XIV, Section 18(2).

TOWN OF RICO, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

The purposes of CIRSA are to provide members defined liability and property coverages and to assist members to prevent and reduce losses and injuries to municipal property and to persons and property which might result in claims being made against members of CIRSA, their employees and officers.

It is the intent of the members of CIRSA to create an entity in perpetuity which will administer and use funds contributed by the members to defend and indemnify, in accordance with the bylaws, any member of CIRSA against stated liability of loss, to the limit of the financial resources of CIRSA. It is also the intent of the members to have CIRSA provide continuing stability and availability of needed coverages at reasonable costs. All income and assets of CIRSA shall be at all times dedicated to the exclusive benefit of its members.

CIRSA is a separate legal entity and the Town does not approve budgets nor does it have ability to significantly affect the operations of the unit. The Town is not exposed to any significant risk of loss.

NOTE 9: CONTINGENCIES

Claims and Judgments

The Town participates in a number of federal, state, and county programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the Town may be required to reimburse the grantor government. It is the opinion of management that such reimbursements, if any, will not have a material effect on the Town's financial position.

NOTE 10: TAX, SPENDING, REVENUE AND DEBT LIMITATIONS

In November of 1992 Colorado voters approved Amendment 1 to the state Constitution which is commonly known as the Taxpayer's Bill of Rights or the Tabor Amendment (TABOR). The Amendment applies to all units of local government and limits taxes, spending, revenue, and multi-year debt (excepting bond refundings to lower interest rates and adding employees to pension plans). The amendment does not apply to entities that are defined as Enterprise Funds. The governmental funds of the Town do not qualify as Enterprise Funds.

The Town passed a ballot question on November 7, 1997. The ballot question permitted the Town, to collect, retain and expend, the full revenues from state and federal grants and all other non-tax revenues, and without limiting in any year the amount of other revenues that may be collected and spent by the Town, regardless of any limitation contained in Article X, Section 20, of the Colorado Constitution.

The amendment also requires the Town to establish an Emergency Reserve which must be equal to three (3) percent of the current allowed revenue. Conditions under which these reserves may be spent are severally limited.

The Town believes that it is in compliance with the provisions of TABOR, as it is currently understood. Many of the provisions are complex and subject to interpretation, and may not become fully understood without judicial determination.

NOTE 11: COMPLIANCE WITH STATE STATUTES

The Town did not have any expenditures that exceeded appropriations for the year ended December 31, 2023.

TOWN OF RICO, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 12: NEW GASB PRONOUNCEMENTS

The Governmental Accounting Standards Board (GASB) has approved the following:

- GASB Statement No. 99, *Omnibus 2022*
- GASB Statement No. 100, *Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62*
- GASB Statement No. 101, *Compensated Absences*

NOTE 13: SUBSEQUENT EVENTS

In preparing the financial statements, the Town has evaluated transactions for potential disclosure through May 28, 2024, the date the financial statements were available to be issued. No events have occurred subsequent to December 31, 2023 that would require disclosure.

TOWN OF RICO, COLORADO
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND

For the Year Ended December 31, 2023

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE- POSITIVE (NEGATIVE)
REVENUES				
Taxes				
Property tax	\$ 87,600	\$ 87,600	104,650	\$ 17,050
Delinquent Tax & Interest	1,000	1,000	2,432	1,432
Sales and use tax	220,000	220,000	227,918	7,918
Specific ownership tax	4,500	4,500	5,189	689
Motor vehicle tax	-	-	-	-
Excise tax	4,500	4,500	7,836	3,336
Lodging tax	4,000	4,000	11,556	7,556
Severance tax	180	180	420	240
Transfers - payroll	156,700	161,700	164,395	2,695
Fines and forfeitures	13,000	13,000	12,892	(108)
Local grants	-	950,000	513,200	(436,800)
Interest	550	14,000	31,734	17,734
Licenses and permits	12,075	21,075	26,049	4,974
Special projects revenue	8,300	759,700	13,000	(746,700)
Miscellaneous	105,200	173,680	426,909	253,229
TOTAL REVENUES	617,605	2,414,935	1,548,180	(866,755)
EXPENDITURES				
Town administrator	79,000	79,000	79,000	-
Town clerk	46,650	46,650	46,650	-
Maintenance man	50,000	50,000	50,000	-
Part-time maintenance man	35,000	40,000	39,062	938
Payroll taxes	20,000	20,000	18,578	1,422
Town attorney	30,000	30,000	24,808	5,192
Auditor	12,200	6,300	6,300	-
Municipal court judge	4,500	4,500	4,500	-
Insurance	6,000	7,300	7,055	245
Supplies	18,000	18,000	9,541	8,459
Utilities	13,200	13,200	12,762	438
Water technician	4,000	4,000	1,350	2,650
Public safety	20,000	20,000	23,982	(3,982)
Miscellaneous	198,900	282,800	470,546	(187,746)
Employee benefits	66,340	66,340	74,718	(8,378)
Special projects/Capital improvements	10,300	2,037,700	-	2,037,700
TOTAL EXPENDITURES	614,090	2,725,790	868,852	1,856,938
EXCESS OF REVENUES OVER (UNDER)				
 EXPENDITURES	3,515	(310,855)	679,328	990,183
OTHER FINANCING SOURCES (USES)				
Transfers in (out)	-	-	20,000	20,000
EXCESS OF REVENUES AND OTHER SOURCES				
 OVER (UNDER) EXPENDITURES AND				
 OTHER USES	3,515	(310,855)	699,328	1,010,183
Fund Balance, Beginning	685,142	535,997	988,564	(452,567)
Fund Balance, Ending	\$ 688,657	\$ 225,142	\$ 1,687,892	\$ 557,616

See the accompanying Independent Auditor's Report.

TOWN OF RICO, COLORADO
BUDGETARY COMPARISON SCHEDULE
STREET FUND

For the Year Ended December 31, 2023

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE- POSITIVE (NEGATIVE)
REVENUES				
Taxes				
Property tax	\$ 12,000	\$ 11,775	\$ 12,058	\$ 283
Sales and use tax	22,000	22,000	28,468	6,468
Specific ownership tax	500	500	711	211
Franchise tax	7,000	7,000	7,234	234
Excise tax	4,500	6,500	7,836	1,336
Road and bridge	12,000	12,000	13,276	1,276
Highway users tax	13,000	13,000	18,607	5,607
Other taxes	5,250	5,250	26,991	21,741
Miscellaneous	450	450	-	(450)
Interest	40	40	500	460
TOTAL REVENUES	76,740	78,515	115,681	37,166
EXPENDITURES				
Payroll	47,900	52,900	45,527	7,373
Fuel	10,000	16,000	16,601	(601)
Repairs and maintenance	5,000	5,000	5,681	(681)
Insurance	3,500	4,700	4,537	163
Supplies	2,500	2,500	4,936	(2,436)
Electricity	2,000	2,000	1,524	476
Street lights	1,250	1,250	1,027	223
Utilities - other	2,500	2,500	2,408	92
Treasurer fees	350	350	236	114
Miscellaneous	12,500	17,500	-	17,500
TOTAL EXPENDITURES	87,500	104,700	82,477	22,223
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(10,760)	(26,185)	33,204	59,389
OTHER FINANCING SOURCES (USES)				
Transfers (out)	-	-	(10,000)	-
Change in Fund Balance	(10,760)	(26,185)	23,204	59,389
Fund Balance, Beginning	(15,644)	7,911	145,829	137,918
Fund Balance, Ending	<u>\$ (26,404)</u>	<u>\$ (18,274)</u>	<u>\$ 169,033</u>	<u>\$ 197,307</u>

See the accompanying Independent Auditor's Report.

TOWN OF RICO, COLORADO
SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF NET PENSION LIABILITY/(ASSET)
LAST TEN FISCAL YEARS*
DECEMBER 31, 2023

Measurement period ending December 31,	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Town's portion of the net pension liability/(asset)	0.019612%	0.015502%	0.016059%	0.014631%	0.015362%	0.014835%	0.018273%	0.023225%	0.024092%	0.024744%
Town's proportionate share of the net pension liability/(asset)	\$ 196,626	\$ (13,291)	\$ 83,688	\$ 107,011	\$ 193,131	\$ 165,182	\$ 246,747	\$ 256,058	\$ 215,694	\$ 203,623
Town's covered payroll	\$ 259,637	\$ 115,368	\$ 113,136	\$ 100,753	\$ 100,753	\$ 89,920	\$ 110,780	\$ 132,013	\$ 132,013	\$ 132,013
Town's proportionate share of the net pension liability/(asset) as a percentage of its covered payroll	76%	-12%	74%	106%	192%	184%	223%	194%	163%	154%
Plan fiduciary net position as a percentage of the total pension liability/(asset)	83%	101%	110%	116%	132%	136%	136%	130%	124%	129%

Note: Amounts are based on the Colorado PERA year end December 31, 2022.

*Until a full 10-year trend is compiled, the Town will present information for those years for which information is available.

TOWN OF RICO, COLORADO
SCHEDULE OF THE TOWN'S CONTRIBUTIONS
LAST TEN FISCAL YEARS*
DECEMBER 31, 2023

Measurement period ending December 31,	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Contractually required contributions	\$ 21,614	\$ 15,226	\$ 14,659	\$ 12,776	\$ 12,776	\$ 11,402	\$ 14,044	\$ 16,739	\$ 16,739	\$ 16,739
Contributions in relation to the contractually required contributions	<u>\$ (21,614)</u>	<u>\$ (15,226)</u>	<u>\$ (14,659)</u>	<u>\$ (12,776)</u>	<u>\$ (12,776)</u>	<u>\$ (11,402)</u>	<u>\$ (14,044)</u>	<u>\$ (16,739)</u>	<u>\$ (16,739)</u>	<u>\$ (16,739)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Town's covered payroll	\$ 259,637	\$ 115,368	\$ 113,136	\$ 100,753	\$ 100,753	\$ 89,920	\$ 110,780	\$ 132,013	\$ 132,013	\$ 132,013
Contributions as a percentage of covered payroll	8%	13%	13%	13%	13%	13%	13%	13%	13%	13%

Note: Amounts are based on the Colorado PERA year end December 31, 2022.

*Until a full 10-year trend is compiled, the Town will present information for those years for which information is available.

TOWN OF RICO, COLORADO
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended December 31, 2023

	CONSERVATION TRUST	PARKS, OPEN SPACE & TRAILS	TOTALS
ASSETS			
Cash and Equivalents	\$ 48,973	\$ 104,747	\$ 153,720
TOTAL ASSETS	<u>\$ 48,973</u>	<u>\$ 104,747</u>	<u>\$ 153,720</u>
LIABILITIES AND FUND BALANCE			
TOTAL LIABILITIES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
FUND BALANCE			
Restricted for Culture and Recreation	48,973	-	48,973
Committed for Parks and Open Space	<u>-</u>	<u>104,747</u>	<u>104,747</u>
TOTAL FUND BALANCE	<u>48,973</u>	<u>104,747</u>	<u>153,720</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 48,973</u>	<u>\$ 104,747</u>	<u>\$ 153,720</u>

See the accompanying Independent Auditor's Report.

TOWN OF RICO, COLORADO
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS
For the Year Ended December 31, 2023

	CONSERVATION TRUST	PARKS, OPEN SPACE & TRAILS	TOTAL
REVENUES			
Taxes:			
Sales and use tax	\$ -	\$ 28,468	\$ 28,468
Lodging tax	-	1,310	1,310
Excise tax	-	7,836	7,836
Local Grants	-	36,000	36,000
Lottery Proceeds	4,275	-	4,275
Interest	102	244	346
TOTAL REVENUES	<u>4,377</u>	<u>73,858</u>	<u>78,235</u>
EXPENDITURES			
Parks and Recreation	-	1,244	1,244
Supplies	-	6,007	6,007
Insurance	-	13,220	13,220
Capital Outlay	-	40,681	40,681
TOTAL EXPENDITURES	<u>-</u>	<u>61,152</u>	<u>61,152</u>
EXCESS OF REVENUES OVER EXPENDITURES	4,377	12,706	17,083
FUND BALANCE, Beginning	<u>44,596</u>	<u>92,041</u>	<u>136,637</u>
FUND BALANCE, Ending	<u><u>\$ 48,973</u></u>	<u><u>\$ 104,747</u></u>	<u><u>\$ 153,720</u></u>

See the accompanying Independent Auditor's Report.

TOWN OF RICO, COLORADO
BUDGETARY COMPARISON SCHEDULE
CONSERVATION TRUST FUND
For the Year Ended December 31, 2023

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE- POSITIVE (NEGATIVE)
REVENUES				
Lottery proceeds	\$ 2,500	\$ 2,500	\$ 4,275	\$ 1,775
Interest	-	-	102	102
TOTAL REVENUES	<u>2,500</u>	<u>2,500</u>	<u>4,377</u>	<u>1,877</u>
EXPENDITURES				
Parks and Recreation	<u>40,000</u>	<u>40,000</u>	-	40,000
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(37,500)	(37,500)	4,377	(38,225)
Fund Balance, Beginning	<u>12,874</u>	<u>12,874</u>	<u>44,596</u>	<u>31,722</u>
Fund Balance, Ending	<u>\$ (24,626)</u>	<u>\$ (24,626)</u>	<u>\$ 48,973</u>	<u>\$ (6,503)</u>

See the accompanying Independent Auditor's Report.

TOWN OF RICO, COLORADO
BUDGETARY COMPARISON SCHEDULE
PARKS, OPEN SPACE & TRAILS FUND
For the Year Ended December 31, 2023

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE- POSITIVE (NEGATIVE)
REVENUES				
Taxes				
Sales and use tax	\$ 22,000	\$ 22,000	\$ 28,468	\$ 6,468
Lodging tax	450	450	1,310	860
Excise tax	4,500	6,500	7,836	1,336
Grant revenue	36,000	36,000	36,000	-
Interest	45	45	244	199
TOTAL REVENUES	62,995	64,995	73,858	8,863
EXPENDITURES				
Parks and Recreation Programs	27,000	27,000	1,244	25,756
Supplies	5,000	5,000	6,007	(1,007)
Insurance	14,000	14,000	13,220	780
Capital outlay	40,000	40,000	40,681	(681)
TOTAL EXPENDITURES	86,000	86,000	61,152	24,848
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(23,005)	(21,005)	12,706	33,711
Fund Balance, Beginning	110,246	97,296	92,041	(5,255)
Fund Balance, Ending	\$ 87,241	\$ 76,291	\$ 104,747	\$ 28,456

See the accompanying Independent Auditor's Report.

TOWN OF RICO, COLORADO
SCHEDULE OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION-
BUDGET (NON-GAAP) AND ACTUAL
ENTERPRISE FUND - WATER
For the Year Ended December 31, 2023

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES				
Charges to customers	\$ 233,500	\$ 233,500	\$ 249,142	\$ 15,642
Electric Reimbursement	1,450	1,450	-	(1,450)
Interest	70	70	1,119	1,049
TOTAL REVENUES	235,020	235,020	250,261	15,241
EXPENSES				
Salaries	93,000	93,000	90,556	2,444
Repairs and maintenance	7,500	7,500	7,958	(458)
Insurance	6,500	6,500	6,500	-
Supplies	5,000	5,000	10,044	(5,044)
Water Samples	2,500	2,500	8,868	(6,368)
Electric	5,500	5,500	4,463	1,037
Propane	5,000	5,000	4,824	176
Utilities-other	2,000	2,000	1,492	508
Dolores Water Conservancy	2,700	2,700	2,700	-
Miscellaneous	9,300	18,300	23,239	(4,939)
Capital Outlay	12,500	47,500	-	47,500
TOTAL EXPENSES	151,500	195,500	160,644	34,856
OTHER FINANCING (USES)				
Transfers (out)	-	-	(10,000)	10,000
CHANGE IN NET POSITION, Budget Basis	\$ 83,520	\$ 39,520	79,617	\$ 60,097
ADJUSTMENTS TO GAAP BASIS:				
Less:				
Depreciation			(106,127)	
CHANGE IN NET POSITION, GAAP Basis			\$ (26,510)	

See the accompanying Independent Auditor's Report.

TOWN OF RICO, COLORADO
SCHEDULE OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION -
BUDGET (NON-GAAP) AND ACTUAL
ENTERPRISE FUND - SEWER
For the Year Ended December 31, 2023

	ORIGINAL & FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES			
Property taxes	\$ 26,495	\$ 26,608	\$ 113
Specific ownership tax	950	1,570	620
Interest	150	621	471
TOTAL REVENUES	27,595	28,799	1,204
EXPENSES			
Operating	67,550	63,452	4,098
TOTAL EXPENSES	67,550	63,452	4,098
NET INCOME	\$ (39,955)	\$ (34,653)	\$ 5,302

See the accompanying Independent Auditor's Report.

Supplemental Data for Oversight Agencies

LOCAL HIGHWAY FINANCE REPORT	City or County: Town of Rico
	YEAR ENDING : December 2023
This Information From The Records Of (example - City of _ or County of _) Town of Rico	Prepared By: Chauncey McCarthy, Town Manager Phone: 970-967-2863

I. DISPOSITION OF HIGHWAY-USER REVENUES AVAILABLE FOR LOCAL GOVERNMENT EXPENDITURE

ITEM	A. Local Motor-Fuel Taxes	B. Local Motor-Vehicle Taxes	C. Receipts from State Highway-User Taxes	D. Receipts from Federal Highway Administration
1. Total receipts available				
2. Minus amount used for collection expenses				
3. Minus amount used for nonhighway purposes				
4. Minus amount used for mass transit				
5. Remainder used for highway purposes				

II. RECEIPTS FOR ROAD AND STREET PURPOSES

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT	ITEM	AMOUNT
A. Receipts from local sources:		A. Local highway disbursements:	
1. Local highway-user taxes		1. Capital outlay (from page 2)	5,963
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	86,514
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	0
2. General fund appropriations		b. Snow and ice removal	0
3. Other local imposts (from page 2)	49,781	c. Other	0
4. Miscellaneous local receipts (from page 2)	8,336	d. Total (a. through c.)	0
5. Transfers from toll facilities		4. General administration & miscellaneous	0
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	0
a. Bonds - Original Issues		6. Total (1 through 5)	92,477
b. Bonds - Refunding Issues		B. Debt service on local obligations:	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	0
7. Total (1 through 6)	58,117	b. Redemption	0
B. Private Contributions		c. Total (a. + b.)	0
C. Receipts from State government (from page 2)	57,564	2. Notes:	
D. Receipts from Federal Government (from page 2)	0	a. Interest	0
E. Total receipts (A.7 + B + C + D)	115,681	b. Redemption	0
		c. Total (a. + b.)	0
		3. Total (1.c + 2.c)	0
		C. Payments to State for highways	
		D. Payments to toll facilities	
		E. Total disbursements (A.6 + B.3 + C + D)	92,477

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

	Opening Debt	Amount Issued	Redemptions	Closing Debt
A. Bonds (Total)	0	0	0	0
1. Bonds (Refunding Portion)				
B. Notes (Total)	0	0	0	0

V. LOCAL ROAD AND STREET FUND BALANCE

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	145,829	115,681	92,477	169,033	0

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT		STATE: Colorado	
		YEAR ENDING (mm/yy): December 2023	
II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL			
ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		A.4. Miscellaneous local receipts:	
a. Property Taxes and Assessments	12,058	a. Interest on investments	500
b. Other local imposts:		b. Traffic Fines & Penalties	
1. Sales Taxes	28,468	c. Parking Garage Fees	
2. Infrastructure & Impact Fees		d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses		f. Charges for Services	
5. Specific Ownership &/or Other	9,255	g. Other Misc. Receipts	
6. Total (1. through 5.)	37,723	h. Other	7,836
c. Total (a. + b.)	49,781	i. Total (a. through h.)	8,336
	(Carry forward to page 1)		(Carry forward to page 1)
III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL			
ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes	18,607	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	
c. Motor Vehicle Registrations		d. Federal Transit Admin	
d. Other -Rico Center Grant		e. U.S. Corps of Engineers	
e. Other (Specify) Road & Bridge/Mineral Leasing/Severance	38,957	f. Other Federal	
f. Total (a. through e.)	38,957	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	57,564	3. Total (1. + 2.g)	
			(Carry forward to page 1)
III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL			
	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
A.1. Capital outlay:			
a. Right-Of-Way Costs			0
b. Engineering Costs			0
c. Construction:			
(1). New Facilities			0
(2). Capacity Improvements		5,963	5,963
(3). System Preservation		0	0
(4). System Enhancement & Operation		0	0
(5). Total Construction (1) + (2) + (3) + (4)	0	5,963	5,963
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	5,963	5,963
			(Carry forward to page 1)
Notes and Comments:			



**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS***

Honorable Mayor and Board of Trustees
Town of Rico, Colorado

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Rico, Colorado (the “Town”) as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Town’s basic financial statements, and have issued our report thereon dated May 28, 2024.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town’s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Town’s internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses as item 2023-001 that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Town of Rico's Response to Findings

The Town's response to the findings identified in our audit is described in the accompanying schedule of findings and responses. The Town's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

ATLAS CPAs & Auditors PLLC

Phoenix, Arizona
May 28, 2024

SCHEDULE OF FINDINGS AND RESPONSES

Finding 2023-001

Material Weakness in Internal Control over Financial Reporting—Inadequate Segregation of Duties

Criteria: The segregation of duties and responsibilities between different individuals for custody of assets, recordkeeping for those assets, and reconciliation of those asset accounts is an important control activity needed to adequately protect the Town's assets and ensure accurate financial reporting.

Condition: Presently, the same individuals perform all duties at the Town.

Context: We observed inadequate segregation of duties by reviewing an organizational chart, observing the small number of staff present at the Town, and through interviews of personnel and management.

Effect or Potential Effect: Without sufficient segregation of duties, the risk significantly increases that errors and fraud related to the utility billing and collection activities, including misappropriation of assets, could occur and not be detected within a timely basis.

Cause: The entity's limited size and staffing resources have made it difficult for management to provide sufficient staffing to fully segregate incompatible duties in a cost-effective manner.

Same Finding as 2022-001 – Segregation of Duties.

Recommendation: Management and the board should consider a formal evaluation of their risks associated with this lack of duties segregation. In response to the identified risks, consideration should be given to identifying and implementing controls that could help mitigate the risks associated with lack of segregation of duties, such as providing increased management oversight and an independent reconciliation of accounts. It is typical for smaller entities like the Town to contract a fee accountant or have Board members provide additional internal control.

Management's Response: Staffing levels at the Town make it impossible to have complete segregation of duties over the accounting functions. The Town will continue to evaluate internal controls and implement procedures when necessary to safeguard assets and prevent errors and fraud. The Town will also continue contracting with a fee accountant to add a layer of internal control and provide accounting expertise during year-end closeout.



ATLAS CPAs & Advisors PLLC
16841 N 31st Ave, Suite 102
Phoenix, AZ 85053

It's about time.

June 10, 2024

To the Honorable Mayor and Board of Trustees
Town of Rico
Rico, Colorado

To the Honorable Mayor and Board of Trustees:

We are pleased to confirm our understanding of the services we are to provide the Town of Rico, Colorado (the Town) for the years ended December 31, 2024, 2025, and 2026.

Audit Scope and Objectives

We will audit the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information, including the disclosures, which collectively comprise the basic financial statements, of the Town as of and for the years ended December 31, 2024, 2025, and 2026. Accounting standards generally accepted in the United States of America (GAAP) provide for certain required supplementary information (RSI), to supplement the Town's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to the Town's RSI in accordance with auditing standards generally accepted in the United States of America (GAAS). These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The following RSI is required by GAAP and will be subjected to certain limited procedures, but will not be audited:

- 1) Budgetary Comparison Schedules – General Fund and Street Fund
- 2) Schedule of the Town's Proportionate Share of Net Pension Liability
- 3) Schedule of the Town's Contributions

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Town of Rico, Colorado
To the Honorable Mayor and Board of Trustees

The objectives of our audit are to obtain reasonable assurance whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and issue an auditor's report that includes our opinions about whether your financial statements are fairly presented, in all material respects, in conformity with GAAP, and report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement of a reasonable user made based on the financial statements. The objective also includes reporting on:

- Internal control over financial reporting and compliance with provisions of laws, regulations, contracts, and award agreements, noncompliance with which could have a material effect on the financial statements in accordance with *Government Auditing Standards*.

Auditor's Responsibilities for the Audit of the Financial Statements

We will conduct our audit in accordance with GAAS; the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. As part of an audit in accordance with GAAS and *Government Auditing Standards*, we exercise professional judgment and maintain professional skepticism throughout the audit.

We will evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management. We will also evaluate the overall presentation of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the government or to acts by management or employees acting on behalf of the government. Because the determination of waste and abuse is subjective, *Government Auditing Standards* do not expect auditors to perform specific procedures to detect waste or abuse in financial audits nor do they expect auditors to provide reasonable assurance of detecting waste or abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is an unavoidable risk that some material misstatements or noncompliance may exist and not be detected by us, even though the audit is properly planned and performed in accordance with GAAS and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements or major programs. However, we will inform the appropriate level of management of any material errors, any fraudulent financial reporting, or misappropriation of assets that come to our attention. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

Town of Rico, Colorado
To the Honorable Mayor and Board of Trustees

We will also conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the government's ability to continue as a going concern for a reasonable period of time.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry.

We have identified the following significant risks of material misstatement as part of our audit planning:

- Management override of controls (Significant) (Fraud)
- Improper Revenue Recognition (Fraud)
- Compliance with laws, regulations, contracts, grants, agreements, etc.

We may, from time to time and depending on the circumstances, use third-party service providers in serving your account. We may share confidential information about you with these service providers but remain committed to maintaining the confidentiality and security of your information. Accordingly, we maintain internal policies, procedures, and safeguards to protect the confidentiality of your personal information. In addition, we will secure confidentiality agreements with all service providers to maintain the confidentiality of your information and we will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. In the event that we are unable to secure an appropriate confidentiality agreement, you will be asked to provide your consent prior to the sharing of your confidential information with the third-party service provider. Furthermore, we will remain responsible for the work provided by any such third-party service providers.

Audit Procedures—Internal Control

We will obtain an understanding of the government and its environment, including internal control relevant to the audit, sufficient to identify and assess the risks of material misstatement of the financial statements, whether due to error or fraud, and to design and perform audit procedures responsive to those risks and obtain evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentation, or the override of internal control. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

Town of Rico, Colorado
To the Honorable Mayor and Board of Trustees

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. Accordingly, we will express no such opinion. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards, *Government Auditing Standards*.

Responsibilities of Management for the Financial Statements

Our audit will be conducted on the basis that you acknowledge and understand your responsibility for (1) designing, implementing, establishing, and maintaining effective internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, including internal controls over compliance, and for evaluating and monitoring ongoing activities, to help ensure that appropriate goals and objectives are met, (2) following laws and regulations, (3) ensuring that there is reasonable assurance that government programs are administered in compliance with compliance requirements, and (4) ensuring that management and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles, for the preparation and fair presentation of the financial statements, and all accompanying information in conformity with accounting principles generally accepted in the United States of America, and for compliance with applicable laws and regulations (including federal statutes).

You are responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, identification of all related parties and all related-party relationships and transactions and other matters; (2) additional information that we may request for the purpose of the audit, and (3) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence. At the conclusion of our audit, we will require certain written representations from you about the financial statements.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the government complies with applicable laws, regulations, contracts, agreements, and grants.

You are also responsible for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements, or abuse that we report.

Town of Rico, Colorado
To the Honorable Mayor and Board of Trustees

You are also responsible for the preparation of the other supplementary information, which we have been engaged to report on, in conformity with U.S. generally accepted accounting principles. You agree to include our report on the supplementary information in any document that contains and indicates that we have reported on the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon or make the audited financial statements readily available to users of the supplementary information no later than the date the supplementary information is issued with our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP, (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP, (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes), and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying and providing report copies of previous financial audits, attestation engagements, performance audits, or other studies related to the objectives discussed in the Audit Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions, for the report, and for the timing and format for providing that information. With regard to the electronic dissemination of audited financial statements, including financial statements published electronically on your website, you understand that electronic sites are a means to distribute information and, therefore, we are not required to read the information contained in these sites or to consider the consistency of other information in the electronic site with the original document.

You agree to assume all management responsibilities relating to the financial statements, related notes, and any other nonaudit services we provide. You will be required to acknowledge in the management representation letter our assistance with preparation of the financial statements, and related notes and that you have reviewed and approved the financial statements, and related notes prior to their issuance and have accepted responsibility for them. Further, you agree to oversee the nonaudit services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of these services; and accept responsibility for them.

Engagement Administration, Fees, and Other

We understand that your employees will prepare all cash, accounts receivable, or other confirmations we request and will locate any documents selected by us for testing.

We will provide copies of our reports to the Town's management; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

Town of Rico, Colorado
To the Honorable Mayor and Board of Trustees

The audit documentation for this engagement is the property of ATLAS CPAs & Advisors PLLC (ATLAS) and constitutes confidential information. However, pursuant to authority given by law or regulation, we may be requested to make certain audit documentation available to the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of ATLAS personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of five years after the report release date or for any additional period requested by the U.S. Government Accountability Office or any third parties.

Loni Woodley, CPA, CFF, ABV, and Andrew Wendt are the engagement partners and are responsible for supervising the engagement and signing the reports or authorizing another individual to sign them. We expect to issue our audit report no later than June 30th and to submit the financials to the state of Colorado by July 30th following the end of each year. To ensure that ATLAS's independence is not impaired under the AICPA *Code of Professional Conduct*, you agree to inform the engagement partner or director before entering into any substantive employment discussions with any of our personnel.

Our fee for these services will be at our standard hourly rates plus out-of-pocket costs (such as report reproduction, word processing, postage, travel, copies, telephone, etc.), except that we agree that our gross fee, including expenses, can be found below:

2024	\$ 13,000
2025	\$ 13,500
2026	\$ 14,000

Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes 180 days or more overdue and may not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report(s). You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

Town of Rico, Colorado
To the Honorable Mayor and Board of Trustees

Reporting


We will issue a written report upon completion of our Audit. Our report will be addressed to the Honorable Mayor and Board of Trustees and the Town of Rico, Colorado. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinions, add a separate section, or add an emphasis-of-matter paragraph to our auditor's report, or if necessary, withdraw from this engagement. If our opinions are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or issue reports, or may withdraw from this engagement.

The *Government Auditing Standards* report on internal control over financial reporting and on compliance and other matters will include a paragraph that states that (1) the purpose of the report is solely to describe the scope of testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town's internal control or on compliance, and (2) the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control and compliance. The report will state that the report is not suitable for any other purpose.

We appreciate the opportunity to be of service to the Town and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Town of Rico, Colorado
To the Honorable Mayor and Board of Trustees

Very truly yours,

ATLAS CPAs & Advisors PLLC
 ATLAS CPAs & Advisors PLLC

ATLAS CPAs & Advisors PLLC

MANAGEMENT RESPONSE

We have reviewed this letter and we believe this letter correctly sets forth the understanding of the terms of the engagement.

Management:

Signature: _____

Print: _____

Title: _____

Date: _____

Further, the Town of Rico, Colorado hereby designates the following member of its staff, whom it believes has suitable skills, knowledge, and experience to oversee any non-attest services we provide:

Name: _____

Title: _____

REPORT ON THE FIRM'S SYSTEM OF QUALITY CONTROL

April 21, 2023

To the Shareholders of Atlas CPAs & Advisors
and the Peer Review Committee of the Colorado Society of CPAs

We have reviewed the system of quality control for the accounting and auditing practice of Atlas CPAs & Advisors (the firm) in effect for the year ended June 30, 2022. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System Review as described in the Standards may be found at www.aicpa.org/prsummary. The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

Firm's Responsibility

The firm is responsible for designing and complying with a system of quality control to provide the firm with reasonable assurance of performing and reporting in conformity with the requirements of applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported on in conformity with the requirements of applicable professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design of and compliance with the firm's system of quality control based on our review.

Required Selections and Considerations

Engagements selected for review included engagements performed under *Government Auditing Standards*, including compliance audits under the Single Audit Act and audits of employee benefit plans.

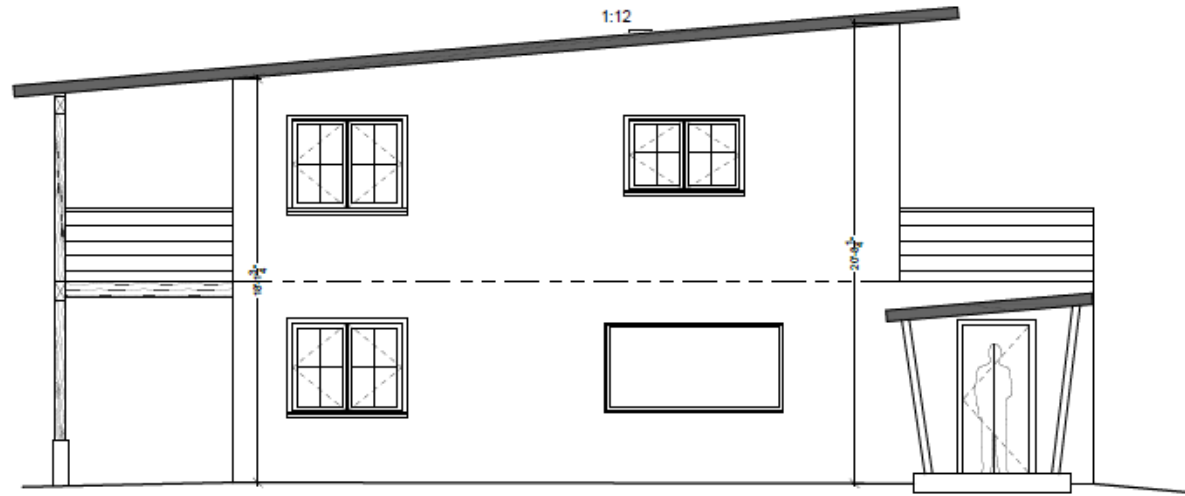
As a part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

Opinion

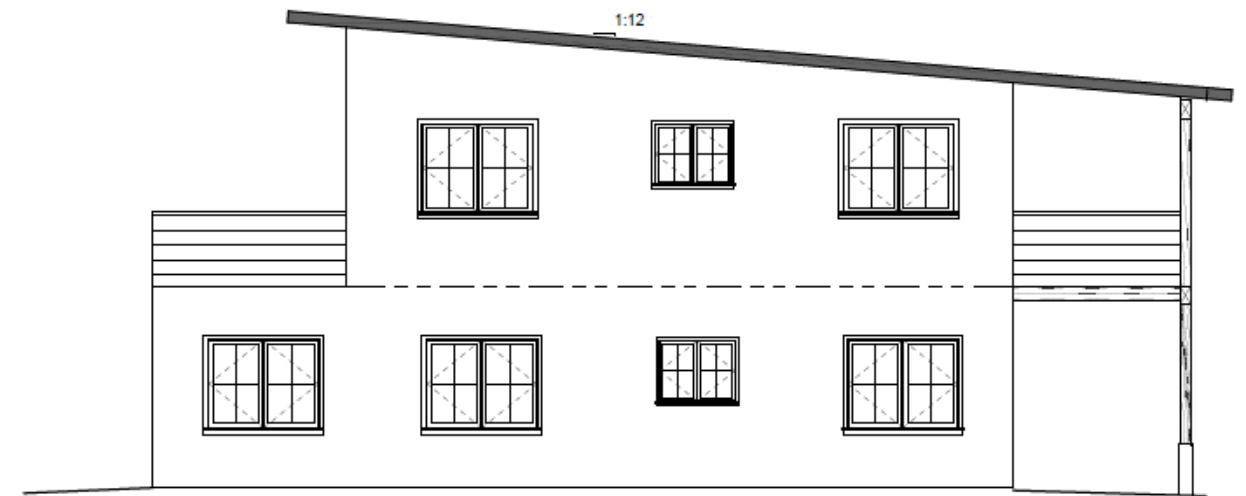
In our opinion, the system of quality control for the accounting and auditing practice of Atlas CPAs & Advisors in effect for the year ended June 30, 2022 has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Atlas CPAs & Advisors has received a peer review rating of *pass*.

A handwritten signature in black ink that reads "Watson Coon Ryan, LLC". The script is cursive and fluid.

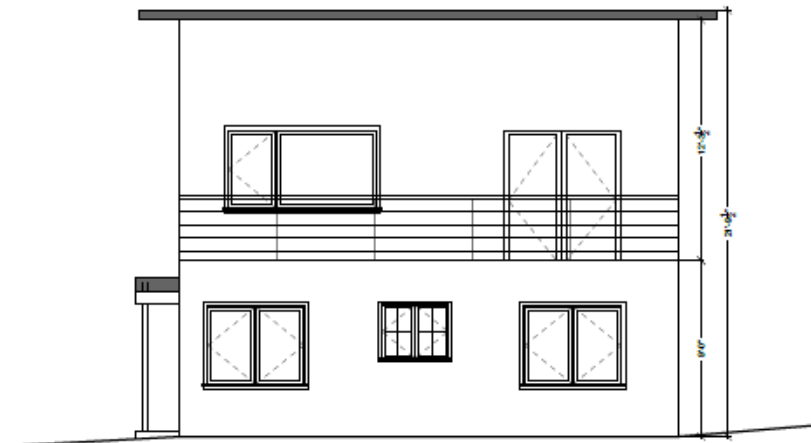
Watson Coon Ryan, LLC



PROPOSED WEST ELEVATION
SCALE : 1/4" = 1'-0"



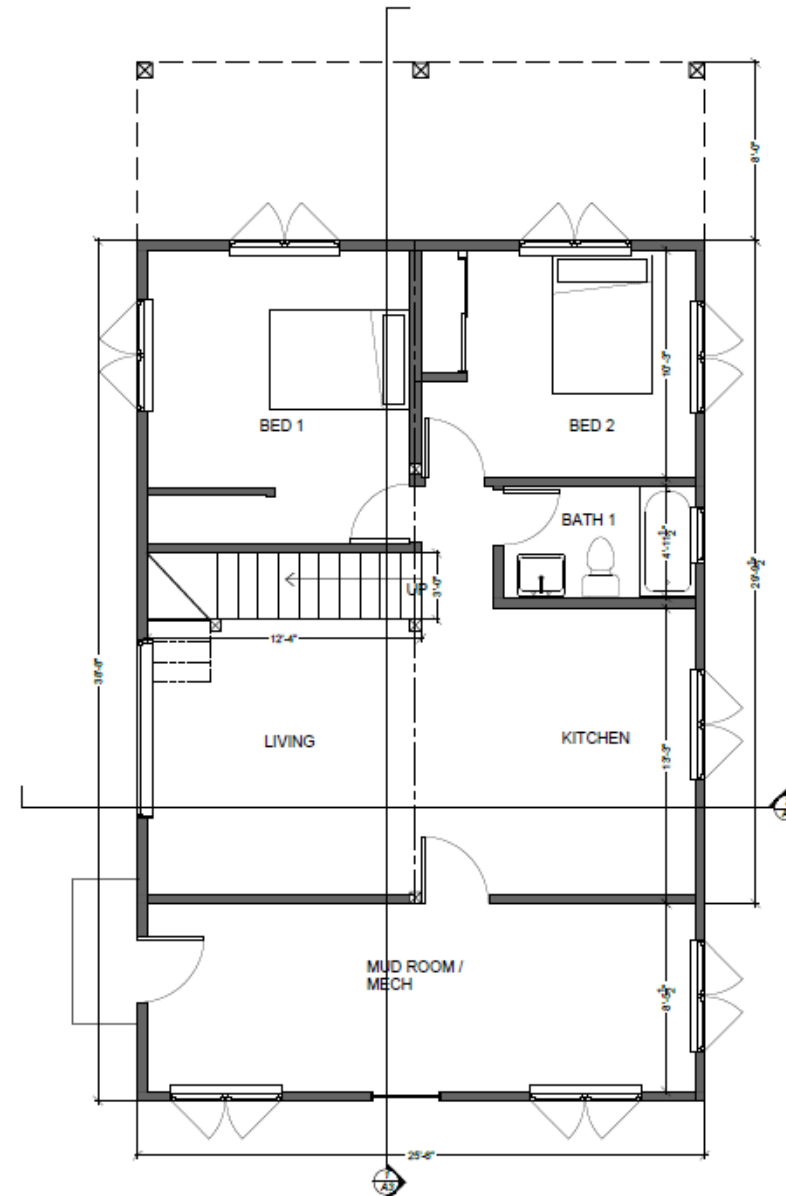
PROPOSED EAST ELEVATION
SCALE : 1/4" = 1'-0"



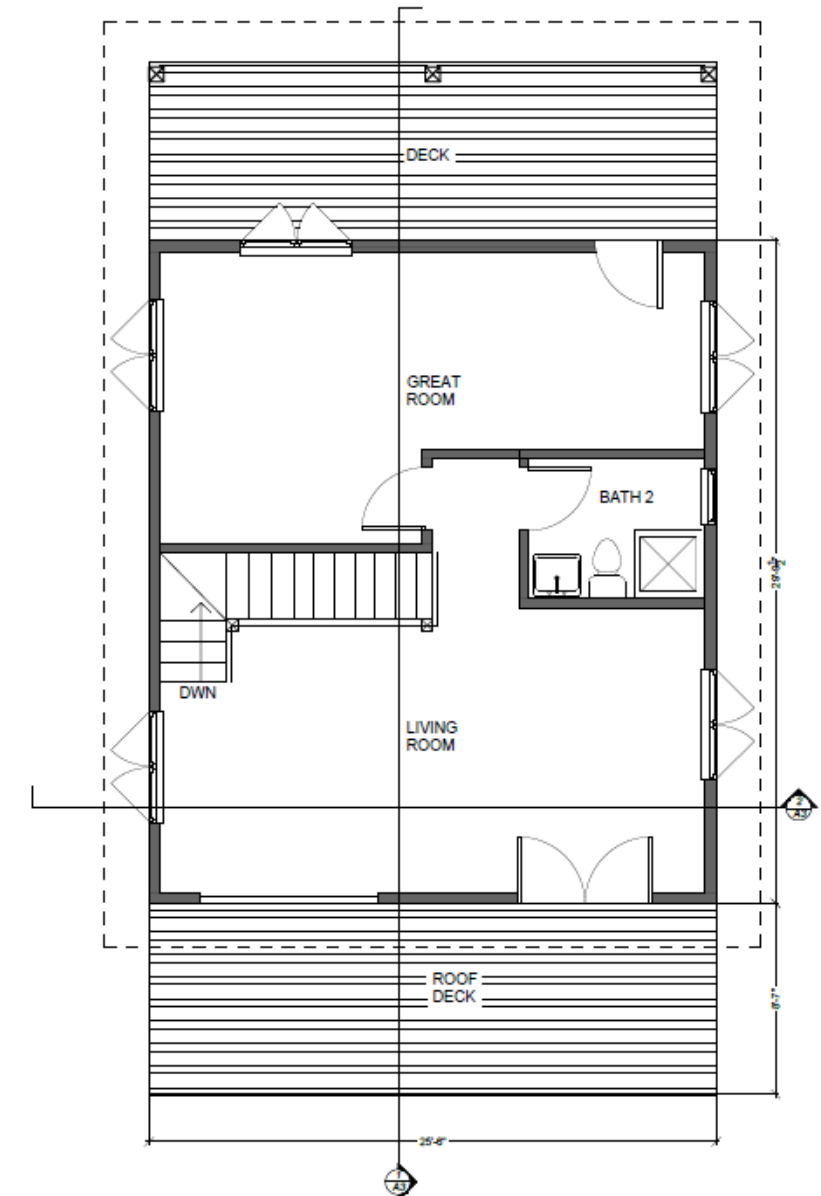
PROPOSED SOUTH ELEVATION
SCALE : 1/4" = 1'-0"



PROPOSED NORTH ELEVATION

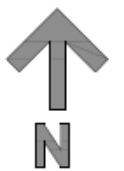


PROPOSED LOWER FLOOR PLAN



PROPOSED UPPER FLOOR PLAN

LYONS RESIDENCE
26 N. GLASGOW AVE.
RICO, COLORADO 81332



JULY 5, 2022

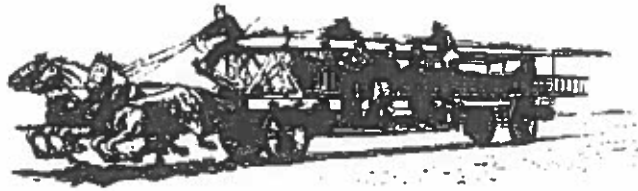
PROPOSED
PLAN &
ELEVATIONS

A2









Rico Fire Protection District

P.O. Box 39/119 S. Glasgow Ave., Rico, CO 81332

Phone/ Fax: 970-967-2222

E-mail: rico_vfd@yahoo.com; Website: ricofpd.colorado.gov

EIN 84-1186375 / CO Tax Exempt Certificate 98-12208-0000 / D&B 96-372-5291

5/15/2024

To the Board of Trustees of the Town of Rico,

In addition to its ongoing role of providing ambulance, fire and rescue services within the Town of Rico and along the CO Highway 145 corridor, the Rico Fire Protection District is preparing to host the 86th annual Tri-State Firemen's Association (TSFA) convention from August 1-4. This event will draw an estimated 300 firefighters and family members from Colorado, Arizona and New Mexico for a weekend of training, competition and fellowship. While RFPD will provide some of the meals for this event, the attendees and their families will provide a significant economic boost to the Town over the course of the weekend.

As when RFPD last hosted the TSFA event in 2017, Rico does not have a suitable gathering space for an event of this size. RFPD will accommodate the visitors by renting a large canopy (to be set up in Rico Town Park) and contracting sanitary services through Le Pew. Each of these fixed costs has increased significantly since 2017.

Fire Department members, along with members of the community at large, will volunteer hundreds of hours to ensure that this is a successful event. RFPD has also solicited cash donations from Dolores County, as well as cash/in kind donations from local and regional businesses our, as well as our suppliers nationwide.

RFPD is requesting the Town Board's consideration of a cash donation of \$5,000 towards the event. We look forward to your response and support.

Respectfully,

A handwritten signature in black ink, appearing to read "Todd Jones", written over a horizontal line.

Todd Jones

Rico Fire Chief

Special Event Permit Application



Application Date: 5/16/2024 Event Name: Rico Roundup CAR Show
 Applicant Name: Eric Arnette Event Date(s): 9/21/2024
 Applicant Phone: 903.203.4232 Event Time(s): All Day
 Applicant Email: TEXASCASH95@gmail.com # Attendees: UNKNOWN
 Organization Name: _____ # Participants: UNKNOWN - 150?
 Mailing Address: _____ Entry Fee(s): \$25.00
 Contact Name (Event Day): MARK ALLEN # of Vendors: 5?
 Contact Cell #: MARK - 970-729-0587 # of Spectators: UNKNOWN 500?

Important: Inaugural and second annual events must receive the express approval of the Rico Board of Trustees. Subsequent annual events will be permitted administratively and include all conditions of approval and other Rico Board of Trustee's requirements.

All event sponsors are required to provide proof on insurance listing the Town of Rico, officers and employee as additional insured and indemnifying the Town of Rico and its officers and employees.

Specify park, facility and/or public right-of-way for the event (check all that apply)

- ☐ Rico Town Hall ☐ Jones Park ☐ Silver Street Pocket Park
☒ Town shop area ☒ Other (specify below) ☒ Right-of-way (specify below)

If using Town rights-of-way or other Town owned property specify exact location(s):

All CAR Show Entrants will be PARKED in the
Parking spots in front of the business on Glasgow

Event Type (check all that apply):

- ☐ Fundraising event ☒ Outdoor concert ☐ Filming/production
☐ Run/walk event ☐ Bicycling Event ☐ Art show
☐ Outdoor market ☐ Community dining event ☒ Other

If other, please describe:

CLASSIC CAR Show with MUSIC All Day

Describe in detail the proposed use and activity for the park, facility or right-of-way:

In Reality this event will mostly be held in front of the businesses on Glasgow with parking on the street. Much like the show that the Enterprise has done, but including all businesses.

For assistance in completing this application please contact Town of Rico (970) 967-2863.

Signature: Eric Annette

Date: 5-16-25

Town staff will complete the fee schedule and requirements below.

Fee category	Amount	Date paid
Event Fee		
Filming/Production		
Park staff assistance		
Electricity use fee		
Law enforcement		

Damage deposit

The goal is to start an annual event that includes a classic car show and all day live music at various local businesses. Hopefully an "end of the season" event that provides a financial benefit to all local businesses & to the town in general.

Additional requirements (check all the apply):

☐ Board of Trustee's approval

☐ Insurance/Indemnity

☐ Sign permit

☐ Special event liquor license

☐ Special event vendor license

☐ Proof on notification of neighbors within 200' of venue

☐ Sales tax license(s)

☐ Other: _____

Vicinity Map/Site Plan

Attach a vicinity map and site plan showing the following:

- | | |
|--|--|
| <input type="checkbox"/> Event site or pathway | <input type="checkbox"/> Temporary road closures |
| <input type="checkbox"/> Parking plan and traffic flow | <input type="checkbox"/> Liquor sales & consumption area |
| <input type="checkbox"/> Locations of security personnel | <input type="checkbox"/> Electrical & lighting sources |
| <input type="checkbox"/> Locations of first aid & emergency services | <input type="checkbox"/> Sound & amplification plan |
| <input type="checkbox"/> Routes for EMS & fire crew | <input checked="" type="checkbox"/> Trash receptacle locations |
| <input type="checkbox"/> Water access | <input type="checkbox"/> Sign type & location |
| <input checked="" type="checkbox"/> Sanitary facility locations & number | <input type="checkbox"/> Tent locations - on business property |
| <input checked="" type="checkbox"/> Vendor booths | |
- wherever the town wants them located

Parking/Traffic Flow

Indicate the number of parking spaces, locations, traffic flow, personnel directing traffic, and traffic signage.

Are you planning event parking on-site?

☒ Yes

☐ No

Are you planning event parking off-site?

☒ Yes

☐ No

Parking in Regular Parking Spaces

How will you be moving people to/from the event site?

N/A

Security/Law Enforcement

Describe the emergency communications plan (example: radio channels, cell phone, tin cans & string etc):

We will coordinate with LE & Fire Dept.

Do you anticipate using Town Marshalls or ground security or traffic control?

☐ Yes

☐ No

only if required

If so, what are the event needs? traffic?

Will a private security company be used?

☐ Yes

☒ No

How will the security personnel be identified? Local LE & Fire Personnel

Will your event interrupt the normal flow of traffic on any roadway? ☐ Yes ☒ No

Will your event need authorization to park vehicles on any roadway? ☐ Yes ☒ No

Does this event need Rico Marshalls or Rico Fire Department ☐ Yes ☐ No

If so why? if Required, but do not anticipate this

Emergency Medical Care

Describe emergency medical services arrangement/plan

Coordination with LE & Fire

Potable water

Are participants/vendors providing their own drinking water? ☒ Yes ☐ No

If yes describe water source, estimated amount and method of distribution:

Sanitation

Are you planning to use Town restroom facilities? ☐ Yes ☒ No

If yes describe:

Will portable facilities be rented? ☒ Yes ☐ No

If yes, provide company name and phone number and confirmation of service:

TBD

Drop off:

Date: _____

Time: _____

Pick up:

Date: _____

Time: _____

Food Service & Merchandise Vendors

Will food service and/or merchandise vendors be present? ☒ Yes ☐ No

If yes, please supply a list of all vendors. The Clerk's Office will issue sales tax remittance forms to each vendor.

Describe the plan to remove hot coals and grease generated by food vendors if applicable:

Local Businesses already in operation

Alcohol Use

No alcoholic beverages may be possessed, consumed or provided on any public property unless the permit holder has been issued an Application for a Special Events Permit from the State of Colorado, available at the Town of Rico Clerk's Office.

Electricity

Is electricity needed for the event?

☐ Yes

☒ No

If yes describe what the electricity will be used for and what type of service is needed:

Sound and Amplification

Will sound amplification be used for the event?

☒ Yes

☐ No

If yes describe:

YES, but AS USUAL AT local businesses with music they provide

Trash Collection/Removal

Will the event use Town trash receptacles? unknown

☐ Yes

☐ No

Will the event rent dumpsters?

☒ Yes

☐ No

If yes, provide company name and phone number and confirmation of service:

TBD

Drop off:

Pick up:

Date: _____

Date: _____

Time: _____

Time: _____

Road Closure

Are temporary road closures needed for the event?

☐ Yes

☒ No

Describe the road closure, signage and safety plan:

If yes, provide company name and phone number:

Drop off:

Pick up:

Date: _____

Date: _____

Time: _____

Time: _____

Signage

Date and time the temporary signage will be placed:

Signage

up:

Date: 9/21/24

Time: 7 AM

Signage

down:

Date: 9/21/24

Time: 6 PM

Myself and Mark Allen will be starting an annual classic car show in Rico this fall that will be a lot of fun for Rico, as well as a big "end of the season" benefit to all of the town. On the 19th, the Board of Trustees will have this on the list of things to consider and approve, so I want to get you the basics beforehand.

The car show will be called "The Rico Roundup" and will be an all inclusive, family friendly festival that will be all day on September 21, 2024 featuring classic cars of all kinds, motorcycles, trucks, foreign cars, and even have categories for kids such as bikes, golf carts, atv's, etc. with the goal of benefiting every business in town - Not just a stand alone show at one business like the Truck Show at the Enterprise has been in the past. Hopefully we will eventually have enough entries to line the streets from one end of town to the other.

The goal is to have live music all day at both the Garden Bar and the Enterprise, as well as food, drinks, and everything else that our local businesses will be serving up and selling. I have been involved in the car show scene for my entire life and have been involved with some of the biggest shows in the country. I believe over time we can turn this into a pretty big deal that could potentially rival the 4th of July in Rico. It's the perfect time of the year and should give all businesses a needed boost at the end of the fall.

I have spoken with just about every business owner in town and everyone I have spoken with is on board and excited about the event's potential. We would most certainly like to have the Town on board with this event as obviously this benefits the Town as well, and if the event grows as we hope it will, most likely we may need a bit more of the Town's involvement over time.

In reality, at this time, after having spoken with Chauncey and Anna I am not sure that we really need to jump through any hoops with the Town to put on this event as we have no plans to use any Town property or really require any Town involvement. The participants will just be parked in front of the businesses, and all of the events will be occurring on the premises of the local businesses - so for them, just business as usual except hopefully a lot more than a normal Saturday.

That being said, I would much prefer to have approval and the Town on board to promote the goal of this turning into a bigger event than we tend to have in Rico, and one that the entire community can enjoy and benefit from. If it grows as we hope it will, Town involvement will be key.

I will not be able to attend the meeting on the 19th, as Kristie and I cannot get to Rico until the following week. Mark Allen will be there in my place, along with a few other folks I believe, to answer any questions you may have. At that time, I will also be available by phone to address anything else that may be needed. I am available anytime from here forward and my contact info is below.

The following are answers to most issues that I think folks will have.

The Event will provide:

1. Dumpsters and Trash cans
2. Porta jons
3. A liability insurance policy for the event
4. Notification to local Law Enforcement and Fire/ EMS
5. The Event **will not** be selling any food or alcohol. Local businesses will provide this at their locations.

As stated above, we do not feel that we will need to utilize any Town properties/ facilities - such as the park- this year.

We would appreciate all of your support on this, and please feel free to contact me with any questions you may have.

Best Regards,

Eric Arnette
903-203-4232 (cell)
Texascash95@gmail.com

June 10, 2024

Town of Rico
Chauncey McCarthy
Town Manager
PO Box 9
Rico, CO 81332

Subject: Town of Rico Wastewater System Project,
Task Order 2 - Professional services for Preparation of Environmental Report

Bohannon Huston, Inc. (BHI) is pleased to submit this scope of work and fee proposal as a proposed amendment to our BHI Contract with the Town of Rico for the preparation of an environmental report for the wastewater treatment and collection system. BHI proposes to complete the Environmental Report in compliance with the USDA Instruction 1970, as further outlined in the attached proposal from SME Environmental Consultants, for a lump sum Fee amount of \$27,570. The total amount of this contract will be \$77,570

If this proposal is acceptable, please issue a purchase order for signature. Attached to this letter are Exhibit A – SME Environmental Consultants Scope and Exhibit B – proposal fee and manhour estimate for tasks described in Exhibit A.

This proposal is subject to renegotiation if not accepted within thirty (30) days. If any portion of this scope extends in duration for more than one year from the date of acceptance, the contract is subject to renegotiation.

We appreciate the opportunity to provide you with this proposal and look forward to working with you on the project. If you have comments or questions, do not hesitate to contact us.

Sincerely,



Todd Burt, P.E.

Senior Vice President [Water and Wastewater Systems](#)

Bohannon Huston

p. 505.823.1000 | c. 505.377.8167

bhinc.com



June 3, 2024

**Scope and Cost Estimate for:
Preparation of an Environmental Report for
Wastewater Treatment & Collection System
for the Town of Rico**

See Project Location Map and RUS Form 1970-B Exhibit C, attached

Task 1. Project Coordination

As necessary, coordinate with staff from USDA Rural Utilities Service (RUS), Town of Rico (TOR) and Bohannon Huston, Inc. (BHI) staff/representatives and other pertinent governmental agencies as necessary.

Task 1 Subtotal: \$1,100

Task 2. Desktop Reconnaissance and Site Visit

Compile and assess via desktop analysis pertinent resource data from available sources in preparation for site visit and report draft. Data could include (but not be limited to): National Resource Conservation Service (NRCS) soils data, National Wetland Inventory (NWI) mapping, special status species habitat, important farmlands, etc. Conduct site visit to assess proposed project area at the project site, as to prepare Environmental Report document (based upon the Environmental Report (ER) Checklist/Outline provided by RUS and guidance under 1970-B Exhibit C). Additionally, ground-truth wetland assessment data as to fully address wetlands in ER.

Task 2 Subtotal: \$2,900

Task 3. Agency Outreach

Draft agency scoping letters and mail letters out to all necessary agencies. Address any comments, as necessary (both to agency and within the ER). Assumes there will be no significant comments from agencies that could change the SME scope of project. If something significant that needs to be addressed comes out of an agency comment, SME reserves the right to obtain additional scope/fee.

Task 3 Subtotal: \$1,300

Task 4. Draft and Finalize Environmental Assessment Document

Draft and finalize ER document per RUS 1970-B Exhibit C requirements to address issues/topics identified in the checklist. Exhibits will include ground truthed wetland assessment and 404 Permit analysis.

Task 4 Subtotal: \$5,700

Task 5. Draft and Finalize Phase I Environmental Site Assessment Document

Complete Phase I Environmental Assessment for the subject property per ASTM E1527-21 for inclusion under Section (i) of the ER. Per the ASTM standard, this task will include ordering an Environmental Data Resources (EDR) data base query, conducting a site visit, conducting appropriate interviews and drafting/finalizing the final Phase I Environmental Site Assessment report.

Task 5 Subtotal: \$4,000

Reimbursables

Mileage, reprographics, postage, half day GPS, digital camera use fee and EDR hazardous materials database query, History Colorado database query.

Reimbursables Subtotal: \$1,500

TOTAL ESTIMATED COST: \$16,500

Notes and Exclusions

Per RUS 1970-B Exhibit C, the following resource categories will be addressed in the ER (with assumptions noted*, where applicable):

- a) **Project Description and Location (no assumptions)**
- b) **Land Ownership and Land Use (no assumptions)**
- c) **Historic Preservation (see below)**

*This resource analysis will be completed via SME initiating a Class I database query for the project area with the State of Colorado for review by RUS. If RUS requires a full Class III cultural resources survey/report, any such effort will require additional budget. Another option to address this task would be to rely on past Class III reporting that the Town of Rico holds.

d) Threatened and Endangered (T & E) Species / Biological Resources (see below)

*This resource will be completed based upon a US Fish & Wildlife Service IPaC special status species database query and a single site visit to the subject property.

Assumes previous disturbance excludes any suitable habitat. Assumes any indirect impacts to species can be avoided by seasonal construction constraints. Also assumes no species-specific surveys or formal consultation with the USFWS (e.g., Canada lynx, Southwestern Willow Flycatcher, New Mexico Meadow Jumping Mouse, etc.). If any such work is required, SME can provide a scope/fee for these services.

Finally, this scope assumes that the project will have no growth inducing effects and will not result in new water depletions that wouldn't otherwise occur if not for the project. New water depletions would adversely affect endangered fishes of the Colorado River and would require formal consultation with the USFWS under Section 7 of the Endangered Species Act. If any depletions are anticipated, SME can provide a scope/fee for ESA compliance services. SME assumes BHI would provide all necessary water depletion analysis as related to effects determinations for Colorado River fish species.

e) Wetlands (see below)

*No formal delineation of aquatic resources will be done on the subject property. This resource analysis will be assessed based upon desktop analysis (e.g., existing Town of Rico Wetland Inventory, NRCS hydric soils data, National Wetland Inventory mapping, etc.); and subsequently ground truthed with a sub-meter GPS unit. A full analysis of likely 404 Permit (with project design provided by BHI) scenario will be included in the analysis. If a formal delineation of aquatic resources is required by an agency, such work will require additional budget and that the conditions on the subject property are conducive to doing such work.

Assumes if a Clean Water Act 404 Permit is needed for the project, the Town of Rico will procure such a permit at the final design stage. If SME is required to procure a 404 Permit for this project, SME can provide a scope and cost for such services.

f) Floodplains

*Assume existing flood plain data and/or information provided by the Town of Rico/BHI will suffice for addressing this resource.

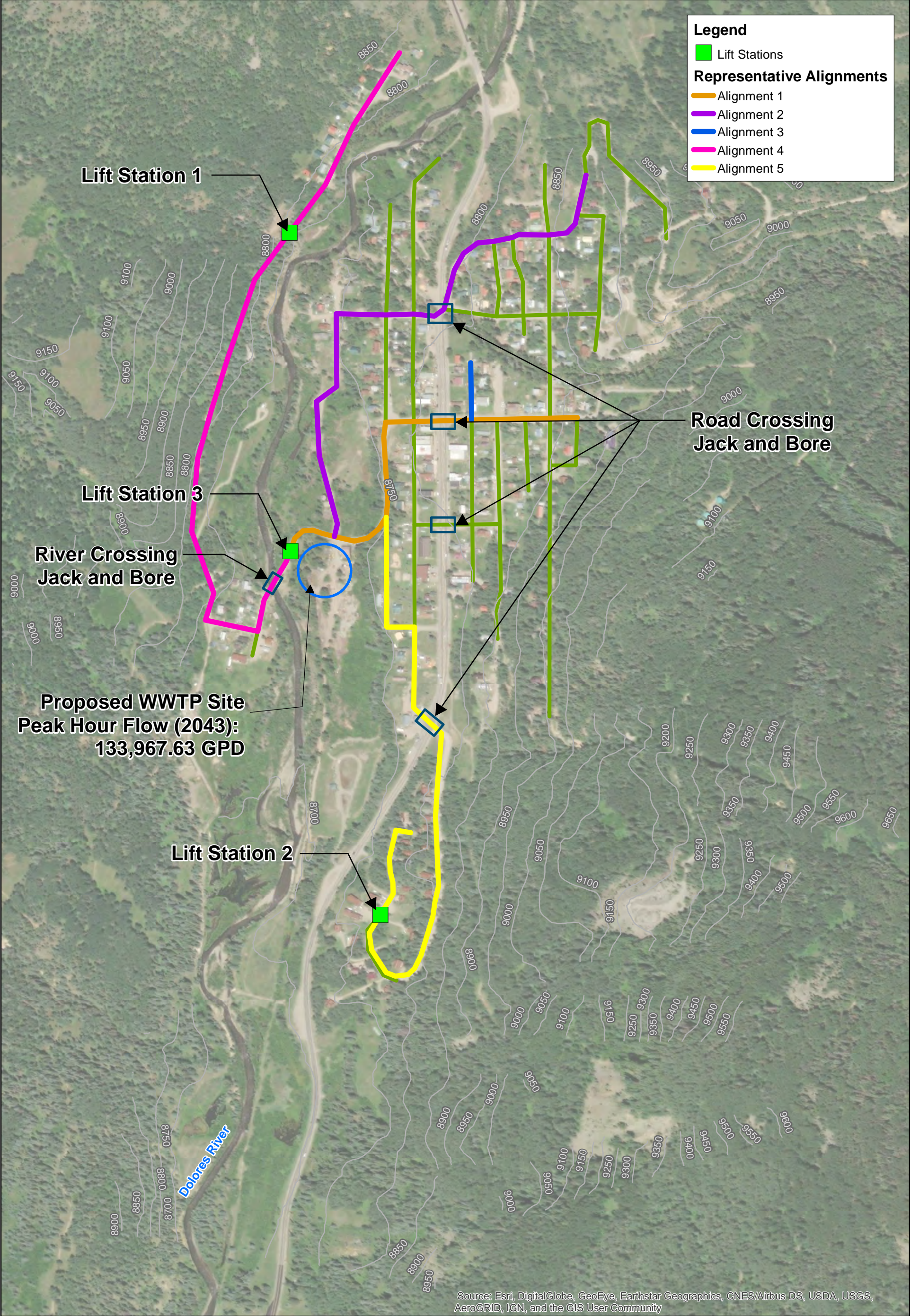
g) Coastal Areas (N/A in Colorado)

h) Important Farmlands (no assumptions)

i) Environmental Risk Management (see below)

See details in Task 5 above.

j) Other Resources (no assumptions)



Guide to Applicants for Preparing Environmental Reports for Categorical
Exclusions
Under § 1970.54

Overview

USDA Rural Development (Rural Housing Service (RHS), Rural Business-Cooperative Service (RBS), and Rural Utilities Service (RUS) each referred to individually as the "Agency") is required to assess and consider the impacts of proposed federal actions, such as the provision of financial assistance through each of the Agency's programs, to the human environment in accordance with the National Environmental Policy Act (NEPA), Section 106 of the National Historic Preservation Act (NHPA), Section 7 of the Endangered Species Act (ESA), and other applicable federal, state, and local environmental laws. If applicant's proposed actions are classified under § 1970.54, "Categorical Exclusions Involving Small-scale Development," they must provide an Environmental Report (ER) with their application. The ER provides project-specific information including an evaluation of the proposal's potential to impact specific environmental resources and historic properties so that the Agency can either complete the required environmental review process or determine if additional impact analysis may be needed. The ER also assists the Agency in verifying that the proposal is consistent with § 1970.54, and that there are no extraordinary circumstances, listed in § 1970.52, that would preclude the proposal from being categorically excluded. An extraordinary circumstance may warrant a higher level of review (environmental assessment or environmental impact statement). The Agency will notify applicants if additional information or analyses are necessary beyond what was submitted in the ER.

The following sections provide specific guidance to applicants and their environmental consultants in preparing ERs. ERs must be submitted to the Agency along with applications for financial assistance and the Agency must complete the environmental review process prior to approving those applications. In addition to agency or resource-specific references, a useful screening tool is EPA's "NEPAssist" (nepassisttool.epa.gov/nepassist/entry)

No construction activities may begin until the Agency completes its environmental review process. In accordance with § 1970.12, applicants are prohibited from taking actions "that may potentially have an environmental impact or would otherwise limit or affect the Agency's decision until the Agency's environmental review process is concluded." If the proposed project involves construction activities, the applicant is generally prohibited from acquiring, rehabilitating, converting, leasing, repairing or constructing property or facilities, or committing or expending federal or non-federal funds that are subject to reimbursement by the Agency until after the Agency completes its environmental review process.

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Exhibit C
Page 2

If the applicant moves forward with any such activities prior to the Agency's completion of the environmental review, and those activities affect the Agencies ability to conclude the NEPA analysis, the Agency may deny the request for financial assistance.

An applicant may use an environmental document that has been prepared in connection with obtaining permits, approvals, or other financing for the proposed project from state, local or other federal agencies. Such material, to the extent determined to be relevant, may be incorporated by reference into the Agency's environmental review. However the Agency retains the right to request additional information or analyses as necessary.

Applicants shall not reference items provided in other parts of the application package in the ER; all materials relevant to the ER must be integrated herein to facilitate timely review.

Information to be included in the Environmental Report

(a) **Project Description and Location:** Provide a complete project description including a description of all project-related activities such as land purchase, easements/rights-of-way procurement, acreage/area, and proposed clearing, grading, excavation, paving, new construction, utility installations, fencing, etc. that will be involved with the project. Complete descriptions, locations, and maps must be provided for each site affected by project-related activities. Maps must be equivalent to a Geological Survey 7.5-minute quadrangle map at a map scale of 1:24,000; larger scale maps may be provided for site-specific proposals. USGS maps may be obtained and purchased at <http://www.usgs.gov/pubprod/maps.html>. All project elements, if known at the time of the application, must be clearly shown on any map provided. If appropriate, photographs or aerial photographs of site-specific conditions may also be provided.

(b) **Land Ownership and Land Use:** The ER must describe the amount of property to be affected or disturbed by each project site(s) including the site's current land use and, if applicable, zoning.

(1) The ER must document the land ownership (federal, state, or private) of each project site or rights-of-way (ROWs), including any formally classified lands such as parks, wilderness areas, state or national forests, etc. Land ownership will dictate with whom the Agency must consult with to determine whether there will be an adverse effect to such land areas or resources, or if any permits are needed. Further detail is found in 1970 Subpart L - "Land Use and Formally Classified Lands." For information related to federal lands see <http://www.geocommunicator.gov/GeoComm/>.

This website provides cadastral survey and land management information and data from the National Integrated Land System specifically the distribution of the Public Land Survey System (PLSS), other survey-based data, and federal land boundaries. Please note that all roads and associated ROWs traversing federal lands are controlled by the appropriate federal agency.

(2) For all proposals except single family housing, the applicant must consider low income or minority populations that may be located within the vicinity of the proposal so that the Agency can document if they would be adversely affected by the proposal in accordance with 1970 Subpart E - Environmental Justice.

(3) For all proposals except for single family housing, non-construction proposals, and for those programs for which Intergovernmental Review is not required, the applicant is authorized to initiate consultation with State and local governments to afford them the opportunity to review program activities located in areas subject to their legal jurisdiction in accordance with Subpart I - Intergovernmental Review.

(4) The ER must indicate whether a Phase I Environmental Site Assessment (ESA) or a Transaction Screen Questionnaire (TSQ) (or other environmental due diligence procedures) has been completed on the proposal site within the past 6 months. Any ESA or TSQ should be part of the ER.

(c) **Historic Preservation:** The ER must describe all steps taken to identify historic properties as required under Section 106 of the National Historic Preservation Act (NHPA) and related legislation. Implementation guidelines are located at 1970 Subpart H - "Historic Preservation." Any correspondence with State Historic Preservation Officers (SHPOs), Tribal Historic Preservation Officers (THPOs) or Tribes should be part of the Environmental Report. In accordance with S.106 of the NHPA, federal agencies are required to take into account the effect of their undertakings on historic properties and provide the Advisory Council on Historic Preservation (ACHP) a reasonable opportunity to comment on those effects. Pursuant to 36 CFR §800.16(y), an "undertaking" is defined as a "project, activity or program funded in whole or part under the direct or indirect jurisdiction of a federal agency". The Agency has determined that the provision of Federal financial assistance to program applicants is an undertaking subject to S. 106 and its implementing regulations, "Protection of Historic Properties" (36 CFR part 800).

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In accordance with 36 CFR § 800.2(d)(4), and by letters dated July 16, 2009 and August 14, 2012, RUS issued a blanket delegation authorizing all of its applicants to "initiate consultation." This blanket delegation allows RUS applicants to proceed through S.106 review as long as the applicant and consulting parties agree on the recommended finding of effect and any determinations of eligibility. RUS, which retains responsibility to document findings and determinations as required by 54 U.S.C. part 306114 [formerly Section 110(1) of NHPA], is likely to conclude S.106 review on the basis of the agreed upon recommendations. Federally recognized Indian tribes are legally considered sovereign nations entitled to a special government-to-government relationship with the federal government. Accordingly, RUS may not delegate to an applicant the authority "to consult" with Indian tribes. However, an applicant may "work with", "engage" or "involve" a federally recognized Indian tribe in S.106 review under delegated authority as long as the tribe is willing to participate. An applicant must involve RUS in S.106 review whenever a federally recognized Indian tribe requests the participation of the federal agency. RUS encourages federally recognized Indian tribes to work with its applicants under delegated authority in order to become involved as early as possible in S.106 review. Applicants authorized under this blanket delegation are required to involve RUS whenever there is an adverse effect, a disagreement between the applicant and consulting parties, an objection from a consulting party or the public, or a failure to adhere to regulatory requirements. The direct participation of RUS is required because all decision making authority in S.106 review rests with the federal agency. Accordingly, only RUS can successfully resolve these issues in the public interest.

(d) **Threatened and Endangered Species/Biological Resources:** The applicant is to assist the Agency in making determinations of effect under S. 7 of the Endangered Species Act, and thus the ER must document whether any project sites and activities will directly or indirectly affect any threatened, endangered, proposed or candidate species, or would adversely affect designated critical habitat. Applicants must obtain and provide species lists and appropriate species accounts (i.e. requisite habitat) from the Fish and Wildlife Service's website, <http://ecos.fws.gov/ipac/>, and, if applicable, National Marine Fisheries Service's website, <http://www.nmfs.noaa.gov/pr/species/index.htm>, for each county affected by construction. Information about potential critical habitat areas is found on the Fish and Wildlife Service's website, <http://ecos.fws.gov/ecp/report/table/critical-habitat.html>. It is the responsibility of the applicant to comply with any requirements of the Migratory Bird Treaty Act and/or the Bald and Golden Eagle Protection Act. Refer to the Agency's guidance for further information at 1970 Subpart N - "Biological Resources". The applicant is to notify the Agency immediately should it appear that formal consultation with the Services will be required.

(e) **Wetlands:** The ER must document whether wetlands are present on or near project sites. Without having a hired wetlands professional visit the site, mapped hydric soils are the best indicator of the presence of wetlands on a site. A map of hydric soils may be obtained from the Natural Resources Conservation Service website. Wetland maps are also available from the Fish and Wildlife Service's National Wetland Inventory (<http://www.fws.gov/wetlands/>) and state data (<http://websoilsurvey.nrcs.usda.gov/app/WebSoilSurvey.aspx>). Agency implementation guidelines for wetland protection are located at 1970 Subpart G - "Wetland Protection." If the presence of wetlands is suspected and they are potentially impacted, applicants may be asked to provide a wetland delineation to establish locations, proximity, and diagnostic environmental characteristics (U.S. Army Corps of Engineers (December 1987), Wetland Delineation Manual.) with respect to proposed project sites and obtain Section 404 of the Clean Water Act authorization through the issuance of a permits from the U.S. Army Corps of Engineers.

(1) **Nationwide General Permits (NWP):** NWPs are issued for minor temporary wetland impacts including buried and/or aerial utility lines/cables, outfalls, discharges, and maintenance activities etc. Typically no additional wetland information is necessary other than the NWP and verification that such actions are within the general conditions of the NWP. A wetland delineation and a search for alternatives to wetland impacts is not required for NWPs as long as the general conditions of the NWP are followed.

(2) **Regional General Permits:** Wetland impacts authorized through a Regional General Permit (excluding NWPs) are not considered extraordinary circumstances, however proposals with general permits typically require a wetland delineation, and require consideration and documentation of alternatives completed either by ACE or by RD if desired to avoid adverse effects.

(3) **Individual Permits:** Wetland impacts authorized through an individual permit are considered an extraordinary circumstance under 1970.52 and an Environmental Assessment must be completed rather than an ER. Public noticing will also be required.

(4) **ConAct Programs:** Agency programs authorized under Section 363 of the Consolidated Farm and Rural Development Act may not utilize Agency funds to fill, alter or manipulate a wetland. Check with the Agency to ensure that the program you are applying for does not need to separate funds for wetland impacts, if proposed.

(00-00-00) SPECIAL PN
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(f) **Floodplains:** The ER must document whether any project activities or facilities are located within a floodplain. This does not apply to buried and/or aerial utilities lines. If any project-related construction activities are within floodplains, a copy of a Federal Emergency Management Agency's (FEMA) Flood Insurance Rate Map (FIRM) that shows the location of construction activities must be included. Information related to floodplains and National Flood Insurance Maps may be obtained from the Federal Emergency Management Agency's (FEMA) website, <http://msc.fema.gov/portal>. Applicants or guaranteed lenders must complete and submit with their applications a copy of FEMA Form 086-0-32, <https://www.fema.gov/media-library/assets/documents/225>. Actions that do not adversely affect the hydrologic character of a floodplain, such as installation of buried utility lines, telecommunication cables, subsurface pump stations, electric transmission lines, or purchase of existing structures within the floodplain, would not create an extraordinary circumstance, and would not require an EA, but may still require consideration of alternatives when determined appropriate by the Agency. If the proposal will convert, occupy, place fill, or modify the 100-yr floodplain, or 500-yr floodplain for critical actions, or substantially improve structures within them, as defined in 1970 Subpart F - Floodplain Management, an extraordinary circumstance exists and the proposal is not eligible for a categorical exclusion. Critical actions include any activity for which even a slight chance of flooding would be too great. Examples include: An action a structure or facility producing and/or storing highly volatile, toxic, radioactive, or water-reactive materials; structures such as hospitals, nursing homes, prisons, and schools, where occupants may not be sufficiently mobile and have available transport capability to avoid loss of life and injury given the flood warning lead times available; essential or irreplaceable resources, utilities, or other functions that could be damaged beyond repair, destroyed, or otherwise made unavailable.

(g) **Coastal Areas:** The ER must document whether any project sites are within the boundaries of a coastal zone management area (CZMA) and/or Coastal Barrier Resource Area (CBRA). For information related to CZMA, see National Oceanic and Atmospheric Administration, Office of Ocean and Coastal Resource Management's website, <https://coast.noaa.gov/czm/>. Development on Coastal Barrier Resources is prohibited except for a few narrow exceptions. More detailed instructions related to coastal areas can be found in 1970 Subpart O - Coastal Zones and Coastal Barriers.

(h) **Important Farmland:** The ER must document whether any project sites (except utility line construction) will convert agriculture lands defined as important farmland by the USDA Natural Resources Conservation Service (NRCS) to non-agricultural uses. For specific information related to effects to farmland see NRCS's website, <http://www.nrcs.usda.gov/wps/portal/nrcs/main/national/landuse/fppa/>. NRCS uses a land evaluation and site assessment (LESA) system to

establish a "farmland conversion impact rating" score on proposed project sites. This score is used as an indicator for applicants and

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the Agency to consider alternative sites if the potential adverse impacts on farmland exceed the recommended allowable level (if total points are equal or exceed 160, alternative sites must be considered). The assessment is completed on a NRCS form, [AD-1006](#), Farmland Conversion Impact Rating. The portions on the form that are indicated to be completed by a federal agency can be inputted by applicants in coordination with the Agency. The Agency, however, will coordinate the submittal of Form AD-1006 to the NRCS for processing. Implementation guidelines are located at 1970 Subpart L - "Land Use and Formally Classified Lands."

(i) **Environmental Risk Management:** The ER must document the affect hazardous materials, substances or wastes that may be released at, generated by, or required for the operation of a proposed facility may have in the context of a real estate transaction. In addition, the environmental condition of a property and any proposal's management and operation activities that use or create these materials or wastes need to be evaluated to determine and manage risks to the environment and people. These risks include the presence of lead-based paints, asbestos, or mold. In order to determine the environmental condition of a parcel of real estate, the applicant may be responsible for completing the ASTM E1528-14, Standard Practice for Limited Environmental Due Diligence: Transaction Screen Process; ASTM E1527-13, Standard Practice for Environmental Site Assessments: Phase I Environmental Site Assessment Process; or ASTM E2247-08, Standard Practice for Environmental Site Assessments: Phase I Environmental Site Assessments for Forestland or Rural Property. If the proposal includes an existing facility, the applicant may be responsible for completing the ASTM E2107, Standard Practice for Environmental Regulatory Compliance Audits. Implementation of these processes, as well as those described in 1970 Subpart J, "Environmental Due Diligence", is defined by each RD program, so consult the Agency environmental staff for further guidance.

(j) **Other Resources:** The ER must document whether any project sites are located within key water resource areas such as sole source aquifers or wellhead protection areas. The ER must also identify, as appropriate, if the proposal will affect coral reef ecosystems of American Samoa, Florida, Guam, Hawaii, Northern Mariana Islands, Puerto Rico, and the U.S. Virgin Islands. Implementation guidelines are located at 1970 Subpart O - "Other Protected Resources."

EXHIBIT B

			Labor									Expenses				
			Senior	Technical					Technical	Engineering	Admin.					
			Engr.	Manager	Engr. 6	Engr. 4	Engr. 3	Engr. 2	Specialist 6	Technician 7	Asst. 4	Total	Fixed Costs	Subconsultants	Other Expenses	
			Hours	Hours	Hours	Hours	Hours	Hours	Hours	Hours	Hours	Hours		SME		Cost
			T. Burt	D. Worthington							K. Bird			Environmental		
Direct Labor Rates			\$260.00	\$235.00	\$235.00	\$180.00	\$160.00	\$135.00	\$135.00	\$150.00	\$100.00		Sean Miller			
1	Project Management															
	1	Project Oversight (assume 3 months)	8	12						8	28				\$5,700.00	
	2	Presentation of Draft Document to the Town of Rico		12						4	16			\$500.00	\$3,720.00	
		Task 1 Total	8	24	0	0	0	0	0	12	44	\$0.00	\$0.00	\$500.00	\$9,420.00	
2	Pre Design Phase Services															
	A	Environmental Report														
	1	Environmental Report Development (Lump Sum)									0		\$18,150.00		\$18,150.00	
		Task 2 Total	0	0	0	0	0	0	0	0	0	\$0.00	\$18,150.00	\$0.00	\$18,150.00	
		TOTAL	8	24	0	0	0	0	0	12	44	0	18150	500	\$ 27,570.00	
		TOTAL													\$27,570.00	

**TOWN OF RICO
ORDINANCE NO. 2024-02**

**AN ORDINANCE OF THE TOWN OF RICO, COLORADO EXTENDING
THE TEMPORARY MORATORIUM ON THE ACCEPTANCE OF NEW
LAND USE APPLICATIONS FOR MAJOR OR MINOR SUBDIVISIONS,
AND RESIDENTIAL OR COMMERCIAL PLANNED UNIT
DEVELOPMENTS**

WHEREAS, the Town of Rico, Colorado (the “Town”) is a Colorado home rule municipality organized pursuant to Article XX of the Colorado Constitution and with the authority of the Rico Home Rule Charter (the “Charter”); and

WHEREAS, pursuant to C.R.S. §§ 29-20-101 *et seq.*, 31-15-101 *et seq.*, and 31-23-101 *et seq.*, the Town has broad authority to ensure the health, safety and welfare of the community and its residents; and

WHEREAS, the Town currently has access to both surface water and groundwater drinking water sources. At this time, only the groundwater source is operated for Town drinking water supply. The Silver Creek surface water treatment plant was shut down in 2015 due to water quality issues.

WHEREAS, the Town’s currently operational drinking water source is capable of meeting current demands but the Town will need to improve or replace the Silver Creek surface water treatment plant together with the related facilities and equipment in order to accommodate future Town growth, reduce operational costs and improve current water system inefficiencies.

WHEREAS, by Ordinance No. 2022-13, the Town imposed a temporary moratorium on the acceptance of new applications for Major or Minor Subdivisions and for Residential or Commercial Planned Unit Developments through June 30, 2023 to limit increasing the water system demand while it reviewed alternatives for water system improvements to increase water availability as well as options for funding said improvements; and

WHEREAS, on June 21, 2023 the Town extended the moratorium through December 30, 2023 pursuant to Ordinance No. 2023-03 to preserve the status quo as it continued evaluating water system improvement and funding alternatives to increase water availability to meet the demands of future growth and development within the Town; and

WHEREAS, the Town has completed an impact fee study to determine the impact fees amounts that will provide partial funding for water system improvements, the preliminary engineering report has been submitted to the state revolving fund as necessary to qualify for funding in 2024, and the pre-qualification application necessary to access additional funding for improvement of the Silver Creek system is in process; and

WHEREAS, the Town is currently mapping the water system and preparing an asset management plan to preserve, protect and enhance the portions of the water system that are

currently in use including, without limitation, installation of an automatic meter reading system to track daily water use and flag leaks to help decrease system wide water usage; and

WHEREAS, an extension of the moratorium is required to preserve the status quo as the Town continues efforts to secure funding for necessary water system improvements, and to obtain bids for design and construction of the water system improvements; and

WHEREAS, precluding acceptance of applications for Major or Minor Subdivisions and for Residential or Commercial Planned Unit Developments that the Town has previously approved, or which have been allocated water prior to submission of said application, and will not otherwise increase current demand on the water system is not necessary to preserve the status quo or to promote the public health, safety, and welfare of the Town's residents; and

WHEREAS, amendment of moratorium is appropriate to allow applications for Major or Minor Subdivisions and for Residential or Commercial Planned Unit Developments that the Town has previously approved, or which have been allocated water prior to submission of said application, and will not otherwise increase current demand on the water system; and

WHEREAS, in order to promote the public health, safety, and welfare of the Town's residents, the Board of Trustees finds it is necessary to extend the temporary moratorium on new applications for Major or Minor Subdivisions and for Residential or Commercial Planned Unit Developments, and to amend same to permit applications for such projects that the Town has previously approved, or which have been allocated water prior to submission of said application, and will not otherwise increase current demand on the water system.

NOW THEREFORE, BE IT ORDAINED BY THE BOARD OF TRUSTEES OF THE TOWN OF RICO THAT:

Section 1. The recitals above are hereby adopted as findings and incorporated herein.

Section 2. Upon the effective date of this Ordinance, the Town of Rico hereby extends the temporary moratorium on the acceptance of applications for approval of minor or major subdivisions submitted under Article V of the Rico Land Use Code ("RLUC"), and applications for approval of Residential or Commercial Planned Unit Developments submitted under Article III of the RLUC, as enacted by Ordinance No. 2022-13, which is incorporated by this reference, until December 31, 2024.

Section 3. Notwithstanding the forgoing, this temporary moratorium shall not apply to preclude acceptance of applications for Major or Minor Subdivisions and for Residential or Commercial Planned Unit Developments that the Town has previously approved, or which have been allocated water prior to submission of said application, and will not otherwise increase current demand on the water system

Section 4. This temporary moratorium shall automatically terminate on December 31, 2024, unless terminated earlier by the Board of Trustees or extended in its duration by enactment of another Ordinance.

Section 5. If any section, subsection, clause, phrase, or provision of this ordinance, or the application thereof to any person or circumstance shall to any extent be held by a court of

competent jurisdiction to be invalid, void or unconstitutional, the remaining sections, subsections, clauses, phrases and provisions of this ordinance, or the application thereof to any person or circumstance, shall remain in full force and shall in no way be affected, impaired or invalidated

THIS ORDINANCE WAS, FOLLOWING PUBLIC NOTICE, INTRODUCED, READ, AND APPROVED ON FIRST READING, AND ORDERED PUBLISHED BY TITLE ONLY ON MAY 15, 2024.

TOWN OF RICO, COLORADO

Nicole Pieterse, Mayor

ATTEST:

Anna Wolf, Town Clerk

THIS ORDINANCE WAS, FOLLOWING PUBLIC NOTICE, INTRODUCED, READ ON SECOND READING, PASSED AND ORDERED PUBLISHED BY TITLE ONLY TO BE EFFECTIVE IMMEDIATELY ON JUNE 19, 2024.

TOWN OF RICO, COLORADO

Nicole Pieterse, Mayor

ATTEST:

Anna Wolf, Town Clerk

Effective Date: June 19, 2024

**TOWN OF RICO
ORDINANCE NO. 2024-03**

**AN ORDINANCE OF THE TOWN OF RICO, COLORADO, ADOPTING
THE TOWN OF RICO CONSTRUCTION RULES AND REGULATIONS
AND PROVIDING FOR PENALTIES FOR VIOLATION OF SAME**

WHEREAS, the Town of Rico, Colorado (the “Town”) is a Colorado home rule municipality organized pursuant to Article XX of the Colorado Constitution and with the authority of the Rico Home Rule Charter (the “Charter”); and

WHEREAS, pursuant to C.R.S. § 29-20-101 *et seq.*, 31-15-101 *et seq.*, and 31-23-101 *et seq.*, the Town has broad authority to ensure the health, safety and welfare of the community and its residents; and

WHEREAS, the Town has the authority to adopt rules and regulations regarding construction activities within the Town as necessary to protect the health, safety and welfare of the community and its residents pursuant to the Charter, Article I § 1.2; and

WHEREAS, the Charter, Article III § 3.1 provides that enactments of the Board imposing fines, penalties or fees shall be made by ordinance; and

WHEREAS, the Board desires to adopt rules and regulations for permitted construction activity within the Town to minimize the impact of such activity on the community and its residents; and

WHEREAS, the Board finds and declares that construction rules and regulations set forth herein are proper in light of the needs and desires of the Town and in the promotion of the public health, safety, and welfare of the Town’s residents.

NOW THEREFORE, BE IT ORDAINED BY THE BOARD OF TRUSTEES OF THE TOWN OF RICO THAT:

Section 1. The recitals above are hereby adopted as findings and incorporated herein.

Section 2. The Town of Rico hereby adopts the Construction Rules and Regulations attached as **Exhibit A** to this Ordinance, which is incorporated by this reference.

Section 3. This Ordinance shall take effect immediately on final adoption.

THIS ORDINANCE WAS, FOLLOWING PUBLIC NOTICE, INTRODUCED, READ, AND APPROVED ON FIRST READING, AND ORDERED PUBLISHED BY TITLE ONLY ON MAY 15, 2024.

TOWN OF RICO, COLORADO

Nicole Pieterse, Mayor

ATTEST:

Anna Wolf, Town Clerk

THIS ORDINANCE WAS, FOLLOWING PUBLIC NOTICE, INTRODUCED, READ ON SECOND READING, PASSED AND ORDERED PUBLISHED BY TITLE ONLY TO BE EFFECTIVE IMMEDIATELY ON JUNE 19, 2024.

TOWN OF RICO, COLORADO

ATTEST:

Nicole Pieterse, Mayor

Anna Wolf, Town Clerk

Effective Date: June 19, 2024

EXHIBIT A

Town of Rico Construction Rules and Regulations

ARTICLE I

General

1. Authority. The Town of Rico is a municipality governed by Home Rule Charter adopted May 2nd, 2000. The Town shall have and may exercise all powers, functions, rights and privileges allowed or granted to any municipalities including home rule cities or towns by law except as limited or expressly forbidden by the Charter or the Constitution of the State of Colorado or the United States. All powers of the Town shall be exercised in a manner prescribed by the Charter, or if the manner is not prescribed then as prescribed by ordinance, or if no ordinance exists which is applicable, then as prescribed by statute or other law.

2. Purpose. In order to ensure that any permitted Construction Activity within the Town is done in the most sensitive manner practicable and to minimize Construction Impacts to residents, businesses and guests, these Construction Regulations shall be enforced during Construction Activities. Each developer, architect and/or property owner ("**Owner's Representative**") and owner shall ensure that all Construction Activity subject to a Town permit that is performed on their construction site shall be performed in accordance with the following requirements.

3. Policy. The Board of Trustees of the Town of Rico hereby declares that the Construction Regulations hereinafter set forth will serve a public use and are necessary to promote the health, safety, prosperity, security, and general welfare of the inhabitants of the Town.

4. Intent of Construction. It is intended that these Construction Regulations shall be liberally construed to affect the general purposes set forth herein. No omission or additional material set forth in these Regulations shall be construed as an alteration, waiver or deviation from any grant of power, duty or responsibility, or limitation or restriction, imposed or conferred upon the Board of Trustees of the Town of Rico by virtue of ordinance, now existing or subsequently amended, or under any contract or agreement existing between the Town of Rico and any other entity. Nothing contained herein shall be so construed as to prejudice or affect the right of the Town to secure the full benefit and protection of any rule or regulation which is now enacted or may subsequently be enacted by the Board of Trustees pertaining to the affairs of the Town.

5. Conflicts. If the provisions of these Construction Regulations conflict with any other provisions of the Rico Land Use Code then the more restrictive of the two shall govern. Where there is a conflict between a general requirement and a specific requirement, the specific requirement shall be applicable.

6. Amendment. It is specifically acknowledged that the Town of Rico has the power and authority to amend these Construction Regulations from time to time to reflect those changes determined to be necessary by the Board of Trustees of the Town of Rico in its sole discretion.

ARTICLE II

Definitions

In addition to any to terms defined in the Rico Land Use Code, Article IX § 910, capitalized terms used in these Construction Rules and Regulations, are defined as follows:

1. **Blasting** shall mean the process of cracking rock material by using a small amount of explosives.
2. **Construction Activity** means activity subject to a town excavation, building or development permit, including but not limited to the disturbance of soils associated with clearing, grading, excavating, road-work, filling, hardscaping, landscaping, operation of chainsaw, or other similar activities, and construction, alteration, and/or repair of a building or other structure and its associated components.
3. **Construction Impact(s)** shall include excessive noise, excessive dust, any windblown trash, and excessive fugitive dirt, mud, aggregate, or concrete from clean out.
4. **Construction Management Site Plan** is a combination of diagrams, documents, drawings, and specifications that clearly define the steps that will be taken to demonstrate how the impacts to the community will be minimized, managed, or mitigated.
5. **Construction Regulations or Regulations** shall mean these Town of Rico Construction Rules and Regulations.
6. **Construction Vehicle** shall mean any private or commercial vehicles or heavy equipment actively involved in the construction process or in the delivery or storage of tools, supplies or materials.
7. **Disturbance** shall be anything that is an interruption of a settled and peaceful condition.
8. **Excessive** shall be anything beyond what is typical or normal.
9. **Hazard** shall mean anything that has the potential for harm.
10. **Material Storage** shall mean any area from which a Construction Activity material is staged or from which a Construction Activity is partially staged and shall include on-site staging areas and off-site staging areas.
11. **Trash or Debris** shall mean any and all trash, refuse, junk, solid waste, recyclable materials, construction materials not used in the Construction Activity, or other debris, which is produced during the Construction Activity, including preparation for construction and cleanup after completion of construction.

ARTICLE III

Construction Activity Regulations

1. **Access and Parking.** Construction Vehicles shall gain access to construction sites only from existing rights-of-way adjacent to the construction site. Parking in the Town right-of-way shall not impede traffic, emergency access, or road maintenance operations unless otherwise provided in the applicable Construction Management Site Plan. Special safety precautions may be necessary for the road including, but not limited to, safety cones, barriers, and/or flagging.
2. **Blasting.** No blasting shall be performed on any site without the Town Building Official's prior consent. Written notification to the Town Building Office shall be provided a minimum of 48 hours in advance of any blasting. Blasting may occur only Monday - Friday between the hours of 10:00 AM and 4:00 PM. Blasting may be subject to certain restrictions, which shall be determined by the Building Official in its sole and absolute discretion, and which may vary from site to site.

3. Construction Equipment and Material Storage. Each owner or Owner's Representatives and their contractors shall ensure that all construction material is stored in a designated Materials Storage area(s) which may be designated on or off site or, if authorized by the Building Official, in the Town right-of-way. Such Material Storage areas shall be indicated on the Construction Management Site Plan approved by the Building Official.

4. Debris and Trash Removal. Owners, Owner's Representatives, and their contractors shall be responsible for debris and trash removal. The requirements are as follows:

a. At the end of each day, all trash and debris on the construction site shall be removed or cleaned up and stored in proper containers or organized piles in a manner that will not be affected by wind.

b. All food trash must either be removed from the site at the end of each workday or securely disposed of in a bear-proof poly-cart, which must be on-site, and may not be disposed of in a construction dumpster.

c. All trash and debris shall be kept off of adjacent property and Town rights-of-way at all times. Dumpsters may be stored in the right-of-way if and as approved as part of the Construction Site Management Plan. Dumpsters in the right-of-way shall not impede traffic, emergency access, or Town road maintenance operations. Dumpster location shall be indicated on the Construction Management Site Plan and only placed in the right-of-way during the timeframe provided.

5. Construction Hours. Construction Activity may only take place between 7:00 A.M.- 7:00 P.M. Monday – Friday and 8:00 A.M.-5:00 P.M. on Saturday.

6. Deliveries. Construction Vehicles must obey all posted speed limits and traffic regulations within the Town. During winter months, construction and delivery trucks must be capable of traveling on snow packed roads.

7. Hazards Marked. All hazards should be marked on site and fenced as determined by the Building Official.

8. Fire Protection. At least one 10-pound ABC-rated dry chemical fire extinguisher shall be present and available on site.

9. Prohibited General Practices. All owners are responsible for the conduct and behavior of their contractors, and sub-contractors in the Town. The following practices are prohibited in conjunction with Construction Activities within the Town:

- a.** Changing oil on any vehicle or equipment on a construction site;
- b.** Allowing concrete suppliers and contractors to clean their equipment on any Town owned lot, roadway, right-of-way, ditch, easement, or property of others;
- c.** Removing any rocks, vegetation, topsoil, or similar items from any property of others within Town;
- d.** Using disposal methods or units other than those approved by the Town (Ordinance 2009-02);

- e. Working before or after the construction hours set forth in Section 5 above;
- f. Driving trucks with uncovered loads containing material that creates dust or debris; and
- g. Amplifying music that can be heard beyond the construction site.

10. Roadway Maintenance. Except as otherwise expressly approved in the Construction Site Management Plan or other written authorization from the Town, owners, Owner's Representatives and their contractors and sub-contractors shall keep all Town roads and rights-of-way free and clear of all materials, trash, and debris, resulting from Construction Activity and shall repair and revegetate any damage to roads, road rights-of way, landscaping, and other streetscape improvements within the Town caused by Owner's Construction Activity. Construction Sites adjacent to Colorado Highway 145 must keep the site and all adjacent roads, and highway clean from mud, and debris on a daily basis.

11. Dust. Dust suppression shall be addressed on a case by case basis.

12. Sanitary Facilities. If required by the Construction Management Site Plan or otherwise by the Building Official on-site, enclosed, chemical toilets must be available at all times during Construction Activity. Chemical toilets shall be screened from view if practicable and shall be located so as to minimize any adverse impacts on adjacent lots. In no instance shall chemical toilets be placed within any Town right-of-way. Location of chemical toilets shall be indicated on the Construction Management Site Plan.

13. Signage. If required by the Construction Management Site Plan or otherwise by the Building Official one temporary construction sign not to exceed 20 square feet overall shall be located on the site and shall be easily visible from the adjacent roadway. The sign must conform generally to the layout shown below with only the name, address and telephone number of the developer, contractor, and location. All information listed must be shown in uniform type style and color.

<p>PROJECT LOCATION</p> <p>Building Permit #</p> <p>Developer/Owner: [Name and Phone #]</p> <p>Contractor: [Name]</p>
--

14. Site Specific Requirements. The Town may impose additional Construction Activity mitigation requirements imposed on a site by site basis as conditions warrant.

15. Violation, liability and penalty. The failure to comply with these Construction Regulations shall constitute a nuisance. The owners of the property upon which such violation occurs shall be jointly and severally liable for the violation. For violations arising from Construction Activity that does not occur on the construction site, the owners of the property associated with the permit applicable to such Construction Activity shall be jointly and severally liable for the violation,

a. Any person who violates any of the provisions of these Construction Regulations shall be fined an amount determined by the Board of Trustees not to exceed \$1,000 for each offense. Each day that such violation continues to exist may be deemed a separate offense.

b. In addition, any person who violates any provision of these Construction Regulations shall be liable to the Town for any expense, loss or damage, including reasonable attorneys' fees, occasioned by reason of such violation.

c. The Town may institute injunction, abatement or any other action to prevent, enjoin or abate any violation of this Article.

d. The remedies provided herein are cumulative and not exclusive, and are in addition to any other remedies provided by law, including but not limited to stop work orders for permit violations, injunctive relief, etc.

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EXHIBIT A**Town of Rico Construction Rules and Regulations****ARTICLE I****General**

1. Authority. The Town of Rico is a municipality governed by Home Rule Charter adopted May 2nd, 2000. The Town shall have and may exercise all powers, functions, rights and privileges allowed or granted to any municipalities including home rule cities or towns by law except as limited or expressly forbidden by the Charter or the Constitution of the State of Colorado or the United States. All powers of the Town shall be exercised in a manner prescribed by the Charter, or if the manner is not prescribed then as prescribed by ordinance, or if no ordinance exists which is applicable, then as prescribed by statute or other law.

2. Purpose. In order to ensure that any permitted Construction Activity within the Town is done in the most sensitive manner practicable and to minimize Construction Impacts to residents, businesses and guests, these Construction Regulations shall be enforced during Construction Activities. Each developer, architect and/or property owner ("**Owner's Representative**") and owner shall ensure that all Construction Activity subject to a Town permit that is performed on their construction site shall be performed in accordance with the following requirements.

3. Policy. The Board of Trustees of the Town of Rico hereby declares that the Construction Regulations hereinafter set forth will serve a public use and are necessary to promote the health, safety, prosperity, security, and general welfare of the inhabitants of the Town.

4. Intent of Construction. It is intended that these Construction Regulations shall be liberally construed to affect the general purposes set forth herein. No omission or additional material set forth in these Regulations shall be construed as an alteration, waiver or deviation from any grant of power, duty or responsibility, or limitation or restriction, imposed or conferred upon the Board of Trustees of the Town of Rico by virtue of ordinance, now existing or subsequently amended, or under any contract or agreement existing between the Town of Rico and any other entity. Nothing contained herein shall be so construed as to prejudice or affect the right of the Town to secure the full benefit and protection of any rule or regulation which is now enacted or may subsequently be enacted by the Board of Trustees pertaining to the affairs of the Town.

5. Conflicts. If the provisions of these Construction Regulations conflict with any other provisions of the Rico Land Use Code then the more restrictive of the two shall govern. Where there is a conflict between a general requirement and a specific requirement, the specific requirement shall be applicable.

6. Amendment. It is specifically acknowledged that the Town of Rico has the power and authority to amend these Construction Regulations from time to time to reflect those changes determined to be necessary by the Board of Trustees of the Town of Rico in its sole discretion.

ARTICLE II**Definitions**

In addition to any to terms defined in the Rico Land Use Code, Article IX § 910, capitalized terms used in these Construction Rules and Regulations, are defined as follows:

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1. **Blasting** shall mean the process of cracking rock material by using a small amount of explosives.
2. **Construction Activity** means activity subject to a town excavation, building or development permit, including but not limited to the disturbance of soils associated with clearing, grading, excavating, road-work, filling, hardscaping, landscaping, operation of chainsaw, or other similar activities, and construction, alteration, and/or repair of a building or other structure and its associated components.
3. **Construction Impact(s)** shall include excessive noise, excessive dust, any windblown trash, and excessive fugitive dirt, mud, aggregate, or concrete from clean out.
4. **Construction Management Site Plan** is a combination of diagrams, documents, drawings, and specifications that clearly define the steps that will be taken to demonstrate how the impacts to the community will be minimized, managed, or mitigated.
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ARTICLE III **Construction Activity Regulations**

1. **Access and Parking.** Construction Vehicles shall gain access to construction sites only from existing ~~rights-of-way~~~~roads~~ adjacent to the construction sites. Parking in the Town right-of-way shall not impede traffic, emergency access, or road maintenance operations unless otherwise provided in the applicable Construction Management Site Plan. Special safety precautions may be necessary for the road including, but not limited to, safety cones, barriers, and/or flagging.
2. **Blasting.** No blasting shall be performed on any site without the Town Building Official's prior consent. Written notification to the Town Building Office shall be provided a minimum of 48 hours in advance of any blasting. Blasting may occur only Monday - Friday between the hours of 10:00 AM and 4:00 PM. Blasting may be subject to certain restrictions, which shall be determined by the Building Official in its sole and absolute discretion, and which may vary from site to site.

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8. Fire Protection. At least one 10-pound ABC-rated dry chemical fire extinguisher shall be present and available on site.

9. Prohibited General Practices. All owners are responsible for the conduct and behavior of their contractors, and sub-contractors in the Town. The following practices are prohibited in conjunction with Construction Activities within the Town:

a. Changing oil on any vehicle or equipment on a construction site;

b. Allowing concrete suppliers and contractors to clean their equipment on any Town owned lot, roadway, right-of-way, ditch, easement, or property of others;

c. Removing any rocks, vegetation, topsoil, or similar items from any property of others within Town;

d. Using disposal methods or units other than those approved by the Town (Ordinance 2009-02);

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- e. Working before or after the construction hours set forth in Section 5 above;
- f. Driving trucks with uncovered beds-loads containing ~~dirt, aggregate or other~~ material that creates dust or debris; and
- g. Amplifying music that can be heard beyond the construction site.

10. Roadway Maintenance. Except as otherwise expressly approved in the Construction Site Management Plan or other written authorization from the Town, owners, Owner's Representatives and their contractors and sub-contractors shall keep all Town roads and rights-of-way free and clear of all materials, trash, and debris, resulting from Construction Activity and shall repair and revegetate any damage to roads, road rights-of way, landscaping, and other streetscape improvements within the Town caused by Owner's Construction Activity. Construction Sites adjacent to Colorado Highway 145 must keep the site and all adjacent roads, and highway clean from mud, and debris on a daily basis.

- 11. Dust.** ~~Water shall be on site to suppress d~~Dust suppression shall be addressed on a case by case basis.

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13. Signage. If required by the Construction Management Site Plan or otherwise by the Building Official one temporary construction sign not to exceed 20 square feet overall shall be located on the site and shall be easily visible from the adjacent roadway. The sign must conform generally to the layout shown below with only the name, address and telephone number of the developer, contractor, and location. All information listed must be shown in uniform type style and color.

PROJECT LOCATION

Building Permit #
Developer/Owner: [Name and Phone #]
Contractor: [Name]

14. Site Specific Requirements. The Town may impose additional Construction Activity mitigation requirements imposed on a site by site basis as conditions warrant.

15. Violation, liability and penalty. The failure to comply with these Construction Regulations shall constitute a nuisance. The owners of the property upon which such violation occurs shall be jointly and severally liable for the violation. For violations arising from Construction Activity that does not occur on the construction site, the owners of the property associated with the permit applicable to such Construction Activity shall be jointly and severally liable for the violation,

- a. Any person who violates any of the provisions of these Construction Regulations shall be fined an amount determined by the Board of Trustees not to exceed \$1,000 for each offense. Each day that such violation continues to exist may be deemed a separate offense.

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b. In addition, any person who violates any provision of these Construction Regulations shall be liable to the Town for any expense, loss or damage, including reasonable attorneys' fees, occasioned by reason of such violation.

c. The Town may institute injunction, abatement or any other action to prevent, enjoin or abate any violation of this Article.

d. The remedies provided herein are cumulative and not exclusive, and are in addition to any other remedies provided by law, including but not limited to stop work orders for permit violations, injunctive relief, etc.

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TOWN OF RICO
INCORPORATED OCTOBER 11, 1879
2 North Commercial Street
Post Office Box 9
Rico, Colorado 81332
Office # 970.967.2861
Fax # 970.967.2862
www.ricocolorado.gov

To: Rico Board of Trustees 06/11/2024
 From: Chauncey McCarthy, Town Manager
 Subject: Violation of Ordinance 277 an Ordinance prohibiting nuisances within the Town of Rico, providing means for abating same, and providing penalties for violation there, 201 & 213 S Glasgow Ave, Camels Garden LLC owner.

201 and 213 S. Glasgow Ave, owned by Camels Garden LLC, are in violation of Town of Rico Ordinance No. 277, an Ordinance prohibiting nuisances within the Town of Rico, providing means for abating same, and providing penalties for violation there. Construction materials, shade shelter, and restaurant supplies and materials (tables, counter tops, etc.) are placed throughout the property. The shade shelter was not properly secured and flew across CO-HWY 145 a few weekends ago creating potentially dangerous conditions for vehicle traffic and pedestrians. Below is a review of the current site conditions to ordinance 277.

Section 1 Definitions - Nuisance “Any substance, act, occupation, condition or use of property declared a "nuisance" by this ordinance or declared a “nuisance” by the State of Colorado or by any court or agency thereof, or known as a "nuisance" at common law, or which is of such nature and duration as to:

- A. Substantially annoy, injure or endanger the comfort, health, repose or safety of the public.
- B. In any way render the public insecure in life or in the use of property.
- C. Unlawfully and substantially interfere with, obstruct or tend to obstruct or render dangerous for passage any street, alley, highway or other public way.”

The examples provided above of the current conditions at 201 & 213 S. Glasgow shows that this property owner is in direction violation of ordinance 277. Furthermore section 4.P Accumulation of garbage, refuse, etc. States that any “accumulation of refuse, trash or other waste or discarded material outside of a designated landfill, including discarded building and construction materials, that endangers the public health and safety is hereby declared to be a nuisance.”

Section 3 -Authority of Town to declare nuisances.

“Any act, condition, substance, occupation or use of property which substantially meets the criteria of a nuisance as defined in Section 1 above may be so declared by the Board of Trustees, and nothing in Section 4 below shall be construed to limit the power of the town to make such declaration.”

The board should consider declaring 201 and 213 Glasgow in violation of Ordinance 277 due to generally unsafe conditions and violation of section 4.P. Once the nuisance is declared the Town shall notice the property owner and provide a reasonable time in which the nuisance shall be abated. This time frame shall not exceed 14 days unless it appears from the facts and circumstances that compliance could not reasonably be made within 14 days or that a good faith attempt at compliance is being made. (Section 7.C)

The board will need to discuss the current site conditions, violation, and abatement timeframe. Once those items have been determined, staff can prepare a notice to the property owner, which should be signed by the Mayor, send via certified mail. If the property owner does not abate the property within the provided timeframe, this violation will be elevated to our attorney and may go before the judge in municipal court.









ORDINANCE NO. 277

AN ORDINANCE PROHIBITING NUISANCES WITHIN THE TOWN OF RICO, PROVIDING MEANS FOR ABATING SAME, AND PROVIDING PENALTIES FOR VIOLATION THEREOF.

SECTION 1 - DEFINITIONS.

As used in this Ordinance, the following terms shall have the meanings indicated:

INOPERABLE VEHICLE - Any automobile, truck or self-propelled vehicle incapable of moving under its own power and which lacks a valid current license plate or does not comply with the minimum safety requirements of the Colorado Motor Vehicle Law.

NUISANCE - Any substance, act, occupation, condition or use of property declared a "nuisance" by this ordinance or declared a "nuisance" by the State of Colorado or by any court or agency thereof, or known as a "nuisance" at common law, or which is of such nature and duration as to:

- A. Substantially annoy, injure or endanger the comfort, health, repose or safety of the public.
- B. In any way render the public insecure in life or in the use of property.
- C. Unlawfully and substantially interfere with, obstruct or tend to obstruct or render dangerous for passage any street, alley, highway or other public way.

SECTION 2 - NUISANCES PROHIBITED.

No person being the owner, agent or occupant or having under his control any building, lot or premise or unimproved real estate within the town limits of the Town of Rico, Colorado, shall maintain or allow any nuisance to be or remain therein.

SECTION 3 - AUTHORITY OF TOWN TO DECLARE NUISANCES.

Any act, condition, substance, occupation or use of property which substantially meets the criteria of a nuisance as defined in Section 1 above may be so declared by the Board of Trustees, and nothing in Section 4 below shall be construed to limit the power of the town to make such declaration.

SECTION 4 - NUISANCES DECLARED.

A. Unwholesome business. Offensive or unwholesome businesses or establishments are prohibited. From and after the effective date of this ordinance, it shall be unlawful for any

leave at the building or premises, a twenty-four (24) hour written notice of intention to inspect. The notice given to the owner or occupant or left on the premises as aforesaid shall state that the property owner has the right to refuse entry and that in the event that such entry is refused, inspection may be made only upon issuance of a search warrant by the Municipal Judge of the Town of Rico or a judge of any other court having jurisdiction.

B. After the expiration of said twenty-four (24) hour period from the giving or leaving of notice, the Town Clerk, Mayor, Marshal or police officer, or any of them, or their authorized representative, may appear before the Municipal Judge of the Municipal Court of the Town of Rico and, upon a showing of probable cause, shall obtain a search warrant entitling him to enter said building or go upon such premises. Upon presentation of said search warrant and proper credentials, or possession of the same in the case of an unoccupied building or premises, said person may enter into said building or go upon said premises using such reasonable force as may be necessary to gain entry.

C. For the purpose of the above Subsection B, a determination of probable cause will be based upon reasonableness, and if a valid public interest justified the intrusion contemplated, then there is probable cause to issue a search warrant. The person applying for such warrant shall not be required to demonstrate specific knowledge of the condition of the particular structure or premises in issue in order to obtain a search warrant. It shall be unlawful for any owner or occupant of said building or premises to resist reasonable force used by any authorized agent acting pursuant to this section.

D. Whenever an emergency situation exists in relation to the enforcement of any of the provisions of this ordinance, the Town Clerk, Mayor, Marshal or police officer, or the authorized representative of any of them, upon a presentation of proper credentials or identification and upon stating the nature of the complaint in the case of an occupied building or premises, or possession of said credentials in the case of an unoccupied building or premises, may enter into any building or go upon any premises within the jurisdiction of the Town of Rico. In said emergency situation, such person or his authorized representative may use such reasonable force as may be necessary to gain entry into said building or upon said premises.

E. For purpose of the above Subsection D, an emergency situation shall include but not be limited to any situation where there is imminent danger of loss of life, limb and/or property. It shall be unlawful for any owner or occupant of said building or premises to resist reasonable force used by the authorized official acting pursuant to this subsection.

person of any kind to allow or suffer upon his premises or any premises which he is entitled to possess any offensive or unwholesome business or establishment within the town, or within one (1) mile beyond the outer limits of the town as such outer limits are now, or may be hereafter, constituted. Any slaughterhouse or other place for slaughtering animals within this town is therefore declared to be a nuisance.

B. Junkyards and dumping grounds. All places used or maintained as junkyards or dumping grounds or for the wrecking or disassembling of automobiles, trucks, tractors or machinery of any kind or for the storing or leaving of worn out, wrecked or abandoned automobiles, trucks, tractors, trailers, boats and house trailers or machinery of any kind, or of any of the parts thereof, or for the storing or leaving of any kind, or of any of the parts thereof, or for the storing or leaving of any machinery or equipment used by contractors or builders or by other persons, which places essentially interfere with the comfortable enjoyment of life or property by others, are hereby declared to be nuisances.

C. Discharge of noxious liquids. The discharge out of or from any house or place of foul or noxious liquid or substance of any kind whatsoever into or upon any adjacent ground or lot or into any street, alley or public place in the town is hereby declared a nuisance.

D. Stale matter. The accumulation of any stale, putrid or stinking fat or grease or other matter is hereby declared to be a nuisance.

E. Sewer inlet. Any article or materials accumulated in any sewer, sewer inlet or privy vault that shall have a sewer connection, which cause or might cause such sewer, sewer inlet or privy vault to become noxious or offensive to others or injurious to public health, are hereby declared to be nuisances.

F. Dead animals; removal. The body of any animal which has died and which is undisposed of after twenty-four (24) hours after death is hereby declared to be a nuisance.

G. Stagnant ponds. Any cellar, vault, drain, sewer, pond of water or other place in this town that shall be noxious or offensive to others, or injurious to public health, through an accumulation or deposit of noxious, offensive or foul water or other substances shall be deemed a nuisance. This applies in all cases for which no other specific provisions are made in this ordinances or any other ordinances of the town.

H. Open wells, cisterns or excavations. It is hereby declared that permanent excavations exceeding five (5) feet in depth, cisterns and wells or any excavation used for storage of

water are public nuisances unless the same are adequately covered with a locked lid or other covering weighing at least sixty (60) pounds or are securely fenced with a solid fence to a height of at least five (5) feet, and it shall be unlawful for any person to permit such nuisance to remain on premises owned or occupied by him. Any well or cistern on any property within the limits of the Town of Rico, whenever a chemical analysis or other proper test or the locations of the same shows that the water of the said well or cistern is probably contaminated, impure or unwholesome, shall be deemed a nuisance. Any abandoned or unused well or cistern shall be filled with dirt and covered.

I. Noise making devices to attract children. The use of bells, whistles, sirens, music, horns or any other noise making devices for the purpose of attracting children or minors to any vehicle upon the streets, highways, rights-of-way, alleys or public ways of the town for the purposes of selling, distributing or giving away any product whatsoever to such minors is hereby declared to be a public nuisance and hazard and is expressly prohibited and shall be unlawful, except such activities carried on as part of duly authorized public parades or processions.

J. Handbills, posters and placards. Any handbill, poster, placard or painted or printed matter which shall be stuck, posted or pasted upon any public or private house, store or other building or upon any fence, power pole, telephone pole or other structure without the permission of the owner, agent or occupant of the house shall be deemed a nuisance.

K. Unused appliances. Any unused refrigerator, washer, dryer, freezer or other appliance within any accessible yard or lot or carport or residential garage within the limits of the Town of Rico without the door of the same being removed is hereby declared a nuisance.

L. Vacant buildings. It is declared a nuisance for the owner of any vacant building to fail to replace any broken window or fail to secure any other means of entry into such building within seventy-two (72) hours after notice is given by the town.

M. Transporting of garbage or manure. The transport of manure, garbage, swill or offal upon any street in this town in a vehicle so as to allow such filth to be scattered or thrown into such street is hereby declared a nuisance.

N. Removal of inoperable or abandoned vehicle. Any inoperable and abandoned vehicle, or any abandoned vehicle, parked out of doors on any lot or piece of ground in the Town of Rico not removed from the town within thirty (30) days after the expiration of its registration, as determined by examining the license plate on the exterior of the vehicle, is a nuisance.

O. Barking, yelping, howling or mewing by dogs or cats.

Any dog or cat which, by loud or frequent or habitual barking, yelping, howling or mewling, causes a serious annoyance to the neighborhood or to persons passing to and fro upon the streets or sidewalks is hereby declared a nuisance.

P. Accumulation of garbage, refuse, etc. Any accumulation of refuse, trash or other waste or discarded material outside of a designated landfill, including discarded building and construction materials, that endangers the public health and safety is hereby declared to be a nuisance.

Q. Smoke and odor from burning. Any smoke and odor resulting from the burning of refuse, trash or other materials outside of a solid fuel burning device, including but not limited to those material outlined in Subsection P above, is hereby declared to be a nuisance.

R. Accumulation of manure. The accumulation of manure or other animal waste in quantities which endanger or tend to endanger the public health and safety is hereby declared a nuisance. This provision does not apply to a light spread of manure upon lawns or gardens or which is plowed under the surface of the ground

SECTION 5 - COMPLAINTS.

Complaints of nuisances may be made to the Town Clerk, Mayor, Marshal or any other town official. Any complaint shall state the nature of such nuisance, the location, including street address, name of the owner, agent or occupant of the building or lot, if known, and the name and address of the complainant.

SECTION 6 - INSPECTIONS; RIGHT OF ENTRY; EMERGENCIES.

A. Whenever necessary to make an inspection to enforce any of the provisions of this chapter, or whenever an authorized representative of the town shall have reasonable cause to believe that there exists in any building or upon any premises any conditions which constitutes a nuisance hereunder, the Town Clerk, Mayor, Marshal or police officer may enter such building or premises at all reasonable times to inspect the same or to perform any duty imposed on any of them. If such building or premises is occupied, such person shall first present proper credentials, state the nature of the complaint, and request entry; and if such building or premises is unoccupied, he shall first make a reasonable effort to locate the owner or occupant or other person or persons having charge or control of the building or premises and, upon locating said owner, occupant or other person or persons, shall present proper credentials, state the nature of the complaint, and request entry. If entry is refused, such person shall give the owner or occupant, or, if said owner or occupant cannot be located after a reasonable effort, he shall

SECTION 7 - ABATEMENT OF NUISANCES; FAILURE TO COMPLY.

A. Each and every nuisance declared or defined by any ordinance of the town or otherwise is hereby prohibited, and the Town Mayor and Town Marshal are hereby authorized, in their discretion, to cause the same to be summarily abated in such manner as they may direct, subject to the limitations herein provided. If any nuisance is found to exist upon public property, it shall be the duty of the town to abate such nuisance immediately.

B. Upon authorization of the Mayor, Town Clerk or Marshal, if any nuisance found to exist shall cause such imminent danger to the life, limb, property or health as to require immediate abatement, any such nuisance may be summarily abated by action of the Mayor, Town Clerk, Marshal, police officer or Fire Marshal or their designated representative.

C. In the case of any nuisance not requiring summary abatement, it shall be the duty of the Town Clerk or Marshal to cause notice to be served upon the person responsible for any nuisance which may be found, requiring said person to abate the same in a reasonable time and in such reasonable manner as prescribed, and such notice may be given or served by any officer directed or deputized to give or make the same. In causing notice to be served, the Mayor, Town Clerk or Marshal may authorize town officials, inspectors or any other appropriate town employee to issue notice of abatement. The reasonable time for abatement shall not exceed fourteen (14) days unless it appears from the facts and circumstances that compliance could not reasonably be made within fourteen (14) days or that a good-faith attempt at compliance is being made. Such notice shall be in writing, signed by the official issuing the same and shall be personally served upon the owner or occupant of the premises upon which said nuisance exists or, if not occupied, then by the posting of the same prominently at some place on the premises upon which said nuisance exists. If service is by posting as aforesaid, then a copy of said notice shall also be mailed by certified mail, return receipt requested, to the owner of such property as shown upon the tax rolls of Dolores County, Colorado, at the address of such owner as therein shown.

D. If, after notification, a nuisance is not voluntarily abated, the following procedures shall apply:

(1) If the person notified in accordance with Subsection C shall neglect or refuse to comply with the requirements of said notice to abate the nuisance within the time specified, such person shall be guilty of a violation of this ordinance, and the Mayor, Town Clerk, Marshal and Town Attorney, or their authorized agent, may proceed at once, upon the expiration of the time specified in such notice, to commence

appropriate legal action to cause such nuisance to be abated, provided that, if the owner is unknown or cannot be found, the Town Clerk may proceed to abate such nuisance after notice has been posted for the period equal to the time specified to abate said nuisance. In either case, the expense of such abatement shall be collected from the owner of the property upon which said nuisance existed.

(2) When any owner has responsibility for a nuisance and such nuisance shall exist and said owner fails to abate the same after the giving of such notice as provided for in this ordinance, within the time limited therein, or as extended, then the Town Attorney is authorized to institute proceedings in a court of competent jurisdiction to obtain a judicial determination that such nuisance exists, to abate such nuisance, to enjoin the same and for such other and further relief as may seem necessary or proper, including but not limited to the costs, attorney fees and expenses of abatement.

(3) Upon a judicial determination that a nuisance exists, the Mayor or Town Marshal may be authorized to abate said nuisance or cause the same to be abated, employing such force and persons as may be necessary to abate said nuisance or cause the same to be abated, including the employees of the town or by contract or otherwise. All other town officials and employees are hereby authorized and directed to render such assistance to the Mayor or Town Marshal as may be required for the abatement of such nuisance and in connection with the enforcement thereof.

(4) Any officer or employees of the Town of Rico who shall be authorized herein to abate any nuisance specified in this ordinance shall have authority to engage the necessary assistance and incur the necessary expenses thereof. In any case where a nuisance is to be abated by the town, it shall be the duty of said authorized person to employ such assistance and adopt such means as may be necessary to effect abatement of said nuisance. It shall also be the duty of the town or any of its representatives to proceed in all abatement cases with due care and without any unnecessary destruction of property.

SECTION 8 - RESPONSIBILITY FOR COSTS OF ABATEMENT; COLLECTION; FAILURE TO PAY.

A. The person or persons responsible for any nuisance within the town shall be liable for and pay and bear all costs and expenses of the abatement of said nuisance, which costs and expenses may be collected by the town in any action at law, referred for collection in connection with an action to abate a nuisance or assessed against the property as hereinafter provided.

B. The notice required by this ordinance shall, in addition to other requirements herein, state that, if the

nuisance is not abated within the time stated in the notice, the cost of such abatement may be assessed as a lien against the property (describing the same) pursuant to the terms of this ordinance, referring to this chapter, together with an additional five-percent (5%) assessment for inspection and incidental costs and an additional ten-percent (10%) assessment for costs of collection, and collected in the same manner as real estate taxes against the property. If the owner of the property is not personally served with a copy of such notice, then a true copy of such notice shall be mailed by registered or certified mail, return receipt requested, to the owner of such property as shown upon the tax rolls of Dolores County, Colorado, at the address of such owner as therein shown.

C. If after the expiration of the period of time provided for in said notice, or as extended, costs or expenses are incurred by or on behalf of the town in the abatement or in connection with the abatement of the nuisance, and said costs are not otherwise collected, then the Town Treasurer may thereafter certify to the Town Clerk the legal description of the property upon which such work was done, together with the name and the owner thereof as shown by the tax rolls of Dolores County, Colorado, together with a statement of the work performed, the date of performance and the costs thereof.

D. Upon receipt of such a statement from the Town Treasurer, the Town Clerk shall mail a notice to the owner of said premises as shown by said tax roll, at the address shown upon the tax rolls, by first-class mail, postage prepaid, notifying such owner that work has been performed pursuant to this ordinance, stating the date of performance of the work, the nature of the work and demanding payment of the costs thereof (as certified by the Board of Trustees, together with five-percent (5%) assessment for inspection and other incidental costs in connection therewith. Such notice shall state that if said amount is not paid within thirty (30) days after mailing the notice, it shall become an assessment on and a lien against the property of said owner, describing the same, and will be certified as an assessment for costs of collection, including a reasonable attorney fee, and the above mentioned assessments will be collected in the same manner as a real estate tax upon the property.

E. If the Clerk shall not receive payments within the period of thirty (30) days following the mailing of such notice, the Clerk shall inform the Board of Trustees of such fact, and the Board shall thereupon enact an ordinance assessing the whole cost of such work, including a charge of five-percent (5%) of said whole cost for inspection and other incidental costs in connection therewith upon the lots and tracts of land upon which the nuisance was abated, together with a charge of ten percent (10%) of said whole costs for costs of collection.

F. Following the passage of such ordinance, the Clerk shall certify the same to the County Treasurer, who shall collect the assessment, including the ten-percent (10%) charge for costs of collection, in the same manner as other taxes are collected.

G. Each such assessment shall be a lien against each lot of tract of land until paid and shall have priority over other liens except general taxes and prior special assessments.

SECTION 9 - REMEDIES CUMULATIVE AND NONEXCLUSIVE.

A. No remedy provided herein shall be exclusive, but the same shall be cumulative, and the taking of any action hereunder, including charge or conviction of violation of this ordinance in the Municipal Court of the Town of Rico, shall not preclude or prevent the taking of other action hereunder to abate or enjoin any nuisance found to exist.

B. Whenever a nuisance exists, no remedy provided for herein shall be exclusive of any other charge or action, and, when applicable, the abatement provisions of this ordinance shall serve and constitute a concurrent remedy over and above any charge or conviction of any municipal offense or any other provision of law. Any application of this ordinance that is in the nature of a civil action shall not prevent the commencement or application of any other charges brought under the municipal ordinances or any other provision of law.

SECTION 10 - VIOLATION AND PENALTIES.

A. Whenever in any section of this ordinance, the doing of any act is required, prohibited or declared to be unlawful, any person, firm or corporation who shall be convicted of a violation of any such section shall be subject to a \$300.00 fine or 90 days in the contract jail of the Town or both such fine and imprisonment. Unless otherwise indicated, each day or portion thereof in violation of this Ordinance shall constitute a separate offense.

B. The Town may, in its discretion, also proceed against any violation or violations of this Ordinance by any person, partnership, corporation or other entity, in a civil action for abatement, injunction, damages, specific performance or by a lien foreclosure or through other equitable remedies, and these remedies shall be in addition to the criminal penalties provided in this section.

SECTION 11 - SEVERABILITY.

This ordinance is hereby declared to be severable, and in the event any section hereof is declared unconstitutional, it

shall not effect the validity of any other section or sections.

SECTION 12 - EFFECTIVE DATE.

The provisions of this ordinance shall be in effect on the 8th day of March 1988 and thereafter until repealed.

READ, PASSED, APPROVED AND ADOPTED by the Board of Trustees of the Town of Rico, Colorado, this 8th day of March 1988.

ATTEST:

TOWN OF RICO:

Linda Yellowman
Town Clerk

M.G. Maxwell
Mayor

DRAFT

Columbia Tailings VCUP
Rico, Colorado

Columbia Tailings VCUP
2024 OM&M Work Plan

Atlantic Richfield Company
317 Anaconda Road
Butte, Montana 59701

May 2024

DRAFT

Columbia Tailings VCUP
Rico, Colorado

Columbia Tailings VCUP
2024 OM&M Work Plan

Prepared By: ***Alloy Group***
 406 E. Park Avenue
 Anaconda, Montana 59711

Prepared For: ***Atlantic Richfield Company***
 317 Anaconda Road
 Butte, Montana 59701

May 2024

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Attachment 1: Columbia Tailings OM&M Drawings

Attachment 2: Blank Inspection Form

1.0 INTRODUCTION

This VCUP Operations, Monitoring, and Maintenance (OM&M) Work Plan has been prepared by Atlantic Richfield Company (Atlantic Richfield) to address the presence of seepage and stained material observed at the Columbia Tailings Site (Site). The Site was previously remediated in 1996 under a Voluntary Clean-Up and Redevelopment Program (VCUP) application approved by the Colorado Department of Public Health and Environment (CDPHE) (Atlantic Richfield, et al, 1996).

1.1 Site History and Background

The Site is a 4.5-acre parcel located in the southern portion of the Town of Rico, Colorado in between the Dolores River and Highway 145 as seen in Figure 1 of Attachment 1. Consolidated and capped tailings are present above the seasonal high-water table and out of the 100-year floodplain of the Dolores River. The original Site VCUP applicants included Atlantic Richfield, Rico Properties, L.L.C. (now dissolved), and the Town of Rico. This Site was reclaimed by Atlantic Richfield pursuant to the original VCUP application (Atlantic Richfield, et al, 1996) and remediation plans approved through the VCUP. The VCUP Site remediation activities began on July 1, 1996 and were completed on November 13, 1996. The VCUP Construction Completion Report (CCR) (Anderson, 1997) provides details of the remediation activities completed at the Columbia Tailings Site during the 1996 construction operations. In September 1999, Atlantic Richfield submitted to CDPHE a No Further Action Determination (NFAD) petition letter, along with supporting documentation (“NFAD Petition”), on behalf of itself and the other 1990s VCUP Site applicants. In December 1999, CDPHE issued a NFAD letter for the Site (CDPHE, 1999). Atlantic Richfield currently owns most of the Site and the planned OM&M work will only be performed on Atlantic Richfield-owned property.

1.2 1996 Site Remediation Features

The list below is a summary of the 1996 remediation work completed at the Columbia Tailings Site.

- Consolidation of tailings and reconfiguration of tailings slopes to control erosion.
- Site regrading to control stormwater around the consolidated waste piles.
- Construction of gravel road and concrete pad to control erosion.
- Surface adjustments and compaction to shed rainfall and snowmelt from the waste to control erosion and limit infiltration.
- Placement of vegetated soil cover over the tailings.
- Construction of a riprap lined stormwater management ditch.
- 24-inch Reinforced Concrete Pip (RCP) culvert installations.
- Construction of a retention basin.
- Placing riprap along the Dolores River for erosion and flood protection.

1.3 Current Status

Since the completion of the VCUP work, two issues that require maintenance have been observed. During recent inspections (2016 to present), discoloration of rocks and sediment build up in the drainage ditch on the east side of the parcel were observed. Additionally, the final soil cover in the northeast corner of the parcel has begun to erode. During 2023, interim measures were implemented at the Site in order to provide additional stormwater retention and settling time and to keep as much seepage and stormwater on-site as possible. This included the addition

of rock check dams to stormwater channels and sandbagging culvert inlets. This OM&M Work Plan addresses the maintenance items planned for implementation during 2024, including those identified during recent site inspections and additional measures to reduce infiltration into the Columbia Tailings pile. This OM&M Work Plan also describes the approach for future site inspections and the process to implement additional maintenance as needed.

2.0 2024 PROPOSED OM&M ACTIVITIES

This section presents the Columbia Tailings OM&M activities planned for 2024, including stormwater controls improvements, relocation and consolidation of stained material and mine waste, cover improvements, and other design improvement features. Attachment 1 provides the OM&M drawings. See below for a list of OM&M activities planned to take place at the Site:

- Demolition and Site Prep
 - Remove the pavilion.
 - Clear and grub overgrown areas of the parcel.
 - Remove debris from culvert inlets and outlets.
- Stormwater Control Maintenance
 - Remove sediment buildup/precipitated solids accumulation from channels, revetment structures, and basin.
 - Relocate the stormwater channel on the eastern side of the property.
 - Reshape detention basin at the south of the property.
- Addressing Stained Material and Exposed Mine Waste Along the Eastern Portion of the Property
 - Excavate and consolidate stained material and exposed mine waste located along the hillside on the eastern edge of the property.
 - Backfill excavations with clean fill and revegetate.
- Cover Improvements
 - Add additional cover material to the Columbia Tailings pile.
 - Revegetate.

2.1 Safety & Dust Mitigation Measures

In addition to compliance with general health, safety, security, and environment (HSSE) requirements, measures to ensure protection of the work, workers, and nearby community from airborne dust associated with the OM&M activities will be implemented, including appropriate dust suppression measures and occupational and general area air monitoring as needed. The primary dust control measure will be application of water from a water truck. If control measures are not fully effective (visible dust leaving the Site), work will be stopped and additional dust control measures implemented prior to resuming work. No utilities are located within the Site work area.

2.2 Site Access and Security

Site access will be from HWY 145 located to the east of the Site (see Attachment 1 – Figure 1). The Site is currently gated. Prior to OM&M activities, Atlantic Richfield will ensure that the Site is adequately fenced and secured to control public access, prevent unauthorized vehicular traffic, provide for site security both during and after hours, and prevent illegal dumping of wastes. It is not anticipated that any improvements are required to support traffic to and from the Site.

2.3 Demolition and Site Prep

The pavilion will be removed to allow for cover improvements. Any overgrown areas of the Site will be cleared and grubbed as needed to facilitate OM&M activities. Additionally, any debris will be removed from culvert inlets and outlets. Any construction debris generated during

demolition and site prep will be loaded into trucks and transported to an Atlantic Richfield-approved landfill.

2.4 Stormwater Control Maintenance

Stormwater control maintenance will focus on improving run-on and run-off controls at the Site. Existing channels, revetment structures, and the detention basin that remains will have accumulated sediment removed to restore them to the original capacity. Sediments will be loaded into trucks and hauled to the Atlantic-Richfield operated Soil Lead Repository located at the Rico-Argetine Site. Any riprap or non-stained soils removed will be consolidated along the eastern edge of the waste pile. This material will be covered as described in Section 2.6.

The stormwater channel located along the eastern side of the Site will be abandoned in place. This channel will be reconstructed as shown in Attachment 1 after cover improvements are completed. The channel will be reconstructed as an approximately 12-foot-wide riprap lined channel. All stormwater controls are being sized to retain and convey water volumes from at least a 25-year 24-hour storm event. The stormwater controls will be routed to a detention basin as shown in Attachment 1. After sediment has been excavated from the detention basin at the south end of the Site, the detention basin will be reshaped to allow for additional capacity as shown in Attachment 1. The detention basin will overflow through an existing culvert to the Dolores River.

2.5 Addressing Stained Material and Exposed Mine Waste Along the Eastern Portion of the Property

During Site inspections, exposed mine waste and stained material was observed along the eastern portion of the property. This area is delineated in Attachment 1. Selective excavation of exposed mine waste and stained material from within this delineated area will occur prior to cover improvements. Excavation will occur to a depth of 12 inches and the extent of excavation will be based upon visual observation in the field. Excavated material will be consolidated along the eastern edge of the waste pile with any riprap or non-stained soils removed during stormwater control maintenance. This material will be compacted in 12-inch lifts during consolidation. This material will then be covered as described in Section 2.6.

Areas of excavation will be backfilled to previous grade with imported 6-inch minus pit run material capable of sustaining vegetation and revegetated as described in Section 2.6. It is anticipated that this material will be imported from Dolores or Cortez, CO.

2.6 Cover Improvements

The existing cover on the waste pile will be improved to reduce the potential for infiltration. Prior to placement of any cover material, the existing cover will be bladed smooth to remove depressions that could trap surface water. The extent of this blading is shown in Attachment 1. Materials will be graded to create maximum 4:1 slopes and minimize ponding. A cover will be placed over the graded materials as shown in Attachment 1. The cover material will consist of 6-inch minus pit run material capable of sustaining vegetation. Lead concentrations in the cover material will be less than 400 mg/kg. Multiple lifts will be installed, as necessary, to meet the specified upper soil cover thickness as shown in Attachment 1.

The cover soil material will be sampled for existing organic matter and soil fertility (available Nitrogen: Phosphorus: Potassium [N:P:K]). Organic matter and fertilizer (N:P:K) will be incorporated as needed. After soil amendment incorporation, if necessary, the surface of the soil

cover may be firmed using tracked heavy equipment such as a dozer, track hoe, or other implement to firm the final seedbed for seeding.

Following soil amendment, seeding of disturbed areas of the Site and the cover will be completed. A native upland weed-free seed mix will be used. Seeding will ideally occur in late fall (October—November) for germination and plant growth the following spring. Hydro-seeding may be utilized, which has been successful at the Rico-Argentine Site. Seeded areas will not be irrigated.

2.7 Stormwater Controls During OM&M Activities

During OM&M activities, appropriate temporary stormwater and dust control measures will be implemented. Materials shall be managed to prevent material migration offsite during OM&M activities. Exterior stormwater channels will be maintained to manage run-on and run-off during OM&M activities. Appropriate temporary stormwater controls (i.e., silt fence, wattles, etc.) will be used to prevent material migration at the Site. Temporary stormwater controls will be inspected and maintained in accordance with a stormwater management plan and associated general construction stormwater permit which will be in place prior to the start of OM&M activities.

If imported 6-inch minus pit run material needs to be stockpiled on-site prior to placement, the stockpile location will avoid slopes, drainageways, and traffic routes, if possible. Perimeter sediment controls shall be placed and maintained around the stockpiles. Examples of suitable control measures include berms, silt fence, and straw waddle barriers.

2.8 Final Survey

At the completion of OM&M activities outlined in the sections above, a final survey to document the as-built conditions will be conducted. Surveys will be done to horizontal and vertical accuracies of ± 0.10 feet, using the Colorado State Plane coordinate system of 1983 South Zone (in feet), which is a Lambert conformal conic projection of the North American datum of 1983, having standard parallels at north latitudes 37 degrees 14 minutes and 38 degrees 26 minutes along which parallels the scale shall be exact. The origin of coordinates is at the intersection of the meridian 105 degrees 30 minutes west of Greenwich and the parallel 36 degrees 40 minutes north latitude. This origin is given the coordinates: x - 914,401.8289 meters and y - 304,800.6096 meters. The vertical datum for the Site is the North American Vertical Datum of 1988 (NAVD88) based on a United States Geological Survey (USGS) benchmark established in the Town of Rico. Since the coordinate system is based on a rectangular planar system, north represents Grid North, not True North.

2.9 Record Keeping

An OM&M Completion Report will be developed upon completion of the OM&M activities. The OM&M Completion Report is anticipated to include:

- Consolidated material volumes,
- As-built drawings, and
- Variations from this OM&M Work Plan.

2.10 2024 OM&M Schedule

OM&M activities are anticipated to occur based on the following schedule. This schedule is preliminary and subject to change based on site conditions and contractor availability:

1. Submit OM&M Work Plan to CDPHE for approval – Mid-May 2024,
2. Receive CDPHE approval – Mid-June 2024,
3. Planning and procurement – June 2024,
4. Begin OM&M activities – July 2024,
5. Complete OM&M activities except for final revegetation – August 2024, and
6. Perform final revegetation and complete OM&M Completion Report – October 2024.

OM&M activities are anticipated to occur between the hours of 8 am and 5 pm Monday through Friday. No evening or weekend work is anticipated.

3.0 INSPECTION AND MAINTENANCE PROCEDURES

3.1 Inspection Procedures

The intent of the site inspection is to assess the current state of the VCUP work and determine if maintenance is warranted to return the Site to as-built conditions. Observations shall be recorded for any new developments or conditions at the Site, including erosion, flow path changes, sediment build up, precipitated solids accumulation, trespass or security concerns, new land development, vegetation condition, metals staining, etc.

Qualitative inspections will be performed on a periodic basis (no less often than annually) and will focus on site remedial features and landowner stewardship activities, specifically including:

- Security and access,
- Vegetation condition (including noxious weeds),
- Cover soil and erosion,
- Stormwater control features,
- Land use changes/development,
- Streambank stabilization, and
- Seeps.

Each inspection will be conducted by walking in a grid pattern across the surface sweeping the area for key items. Field inspection forms will be used to document inspection observations, conditions encountered during the inspection process, recommended future maintenance and/or repairs if any, and maintenance performed during the inspection. Approximate locations of recommended maintenance shall be indicated on the site map included with the inspection forms. Blank inspection forms are provided as Attachment 2. In addition to inspection forms, a photographic record of the Site will be maintained.

Qualitative assessments will be made on the overall condition of individual component of the reclaimed area. Recommendations for property maintenance actions of the individual components of the reclaimed area will be assigned a number from 0 to 3 on the inspection forms as follows:

0. No action required. Site in good condition and no actions necessary in the near future.
1. Minor action required (e.g., weed spraying, fertilization, fence repair, etc.). Site is relatively stable and only minor actions required in the near future.
2. Some action required. Site requires some evaluation to make best management decisions for addressing identified issues. Site Maintenance activities may be necessary.
3. Significant action required. Site requires evaluation to protect the remedial features. Maintenance activities are necessary.

3.1.1 Site Access and Security

The Site is currently owned mostly by Atlantic Richfield, as well as a smaller portion owned by the Town of Rico, and there is minimal security to limit public access. Inspectors shall look for evidence of debris and disturbance (e.g. vehicle tracks/roads, foot, bike or ATV paths; livestock grazing; digging; vandalism; etc.). Inspectors shall document any security or access issues or conditions denoting evidence of activities that could compromise remedial conditions at the Site.

3.1.2 Vegetation Inspection

In general, this inspection will assess the condition of the vegetative canopy cover condition, as applicable, and the presence of noxious weeds, if any. The vegetation shall be observed and described as follows:

- Excellent condition: characterized by dense uniform canopy.
- Good condition: similar to excellent, but with less density, and possibly small barren areas (5-10 feet in diameter).
- Fair condition: less uniform vegetation with large barren areas (greater than 10 feet in diameter).
- Poor condition: characterized by sparse vegetation and large barren areas that exceed vegetated areas in size.

The presence and quantity of weeds, if any, as defined by the Colorado Noxious Weed List and Species Identification, will also be documented. It is anticipated that weed control will be performed at the Site on an annual basis. Note that some cover material may consist of rock mulch, where vegetation condition may not be as critical to provide protection for the covered materials. This condition should be noted on the Cover Inspection form.

3.1.3 Cover and Erosion Inspection

The Site is graded such that precipitation falling directly onto the covered surface or side slopes should flow away from the cover without causing erosion. The inspection shall assess if the cover is functioning properly, by looking for any signs of erosion or instability, or any areas of exposed waste material below the cover. The cover will be inspected for:

- Evidence of exposed waste,
- Evidence or signs of erosion, such as rills or gullies (rills are defined as eroded channels less than 6 inches deep, deeper eroded channels will be considered gullies),
- Erosion potential (an evaluation of the potential for surface erosion to occur, not an evaluation of erosion that has previously occurred),
- Depressions or evidence of ponding water,
- Evidence of mass instability (the potential for a significant portion of the slope's vertical profile to slip or move down gradient),
- Presence of water flow patterns other than those designed for the project,
- The effectiveness of drainage and erosion control structures in minimizing concentrated flow, erosion, and/or sedimentation, and
- Dust from cover.

3.1.4 Stormwater Features Inspection

Run-on water from rainfall and snowmelt in up gradient areas should flow around the covered materials via the riprap run-on ditch on the east side of the covered area. Surface waters are routed to the retention area in the southwest portion of the Site where the flow makes its way onto the riprap flood revetment along the Dolores River. The inspection team shall evaluate the following:

- Evidence of water flow patterns other than those designed for the project,
- The effectiveness of drainage and erosion control structures in minimizing concentrated flow, erosion, and/or sedimentation, and

- Evidence of rills and gullies.

The following stormwater-related features completed as part of the 1996 VCUP work at the Site shall also be inspected (refer to Figure 3-1 in the CCR)¹:

- Riprap run-on/runoff ditch, including a 24-inch RCP culvert under the access road,
- Retention basin, including a 24-inch RCP culvert under the former railroad grade,
- Riprap flood revetment along the northern base of the covered waste pile, and
- Riprap along the Dolores River for erosion protection.

3.1.5 Land Use/Development Inspection

Inspectors shall document evidence of any new land use and/or development (or general site changes since the previous inspection) within the Site. The inspection shall also look for any evidence that the site cover has been disturbed by excavation, drilling, grading, or development not authorized as part of OM&M activities.

3.1.6 Streambank Stabilization Inspection

The Dolores River flows along the length of the west side of the site. A qualitative Streambank Stabilization Inspection will be completed on a periodic basis and include approximately 830 linear feet of streambank on the east side of the Dolores River where riprap was placed in 1996. Additional inspection tasks and/or more frequent inspections may be conducted as determined by Atlantic Richfield to account for site-specific factors, weather conditions, river flooding, or unforeseen circumstances. In general, riprap will be inspected for integrity, erosion, and any movement of riprap along the streambank stabilization area shown on Figure 3-1 in the CCR.

3.1.7 Seep Inspection

The inspectors shall observe any evidence of seeps (active or inactive) emanating from the base of the covered waste pile.

3.2 Remediation Features Maintenance

Site maintenance may be scheduled as appropriate to address deficiencies found during the inspections as described in Section 3.1 and in discussion with Atlantic Richfield. No maintenance activities shall be initiated until a work plan is approved by Atlantic Richfield and/or the landowner.

The Inspection Report will identify VCUP-related features needing maintenance and/or repair, which could include the following:

- Water flow flanking the upstream end of the structures,
- Loss of rock/riprap along the channels or flood revetment structures,
- Excessive erosion of any unprotected portions of the channels or structures,
- Evidence of sediment buildup/ precipitated solids accumulation within channels, revetment structures, or the basin,
- Evidence of staining within the revetment or water drainage features,
- Presence of debris blocking culvert inlets or outlets, and

¹ Figure 3-1 in the CCR calls out the construction of a French drain to capture a seep at the south end of the site, but it was apparently installed below grade and is not visible for inspection .

- Evidence of missing cover, staining, or exposed tailings that may require soil cover addition.

3.2.1 Site Access and Security Maintenance

Maintenance at the site shall be conducted to assure continued effective performance of the structures which may include securing the Site to prohibit/minimize activities that could damage the cover.

3.2.2 Vegetation Maintenance

Areas requiring vegetation maintenance may be amended with organic material, fertilizer, and/or seeding, as needed, based on observations from the Vegetation Inspection and as directed by Atlantic Richfield. The soil in these areas may require testing to determine pH and necessary amendments (e.g., lime, organic, nutrient).

3.2.3 Weed Control

The presence of noxious weeds may require the application of appropriate herbicide. Areas containing noxious weeds will be controlled as needed based on observations from the most recent inspection and as directed by Atlantic Richfield. Noxious weeds will be spot sprayed using an herbicide. Herbicide will be applied during the appropriate time of year to achieve maximum inoculation. Weed control is anticipated to be performed at the Site on an annual basis.

3.2.4 Re-seeding

If bare areas are observed (areas greater than 10 feet in diameter), or if there is evidence of serious stress or serious infestation by undesirable plants or insects, re-seeding maintenance may be warranted. Re-seeding maintenance may include fertilization, re-seeding areas where vegetation has failed or is damaged, and/or control or removal of noxious weeds or undesirable insects.

Re-seeding will be completed in either early spring or late fall using drill seeding, hand broadcast seeding (and raking), or hydroseeding. Prior to re-seeding, the seed bed may be prepared to accept the seed by hand raking for small areas. Equipment that disturbs more than the upper 6 inches will not be used on the cover. A weed-free seed mix (or a similar seed mix suitable to the site conditions and approved by Atlantic Richfield) will be used.

Following the seeding operation, the seed bed may be mechanically rolled or dragged to compact and/or cover the seed as deemed necessary in the field. The final stage of the re-seeding operation may be mulching. This may include use of hydro-mulch or straw mulch to prevent wind erosion, as deemed necessary in the field.

3.2.5 Cover and Erosion Maintenance

Erosion rills or gullies will require maintenance that may include grading, soil addition, and/or addition of armoring, if deemed necessary. Potential maintenance items may include:

- Regrading to route surface water around the covered waste pile,
- Surface adjustments and/or compaction to shed rainfall and snowmelt,
- Soil addition and/or grading for rills, gullies, or areas of exposed mine waste, and/or
- Repairing damaged riprap or providing additional erosion protection if needed.

Significantly eroded areas will be repaired in a timely manner after they are observed to prevent progressive erosion and damage to cover system components. Furthermore, it is easier to repair erosion rills prior to their development into larger erosion gullies. Rills can be removed by tilling or hand raking the soil surface. Gullies should be cut out and backfilled with soil that is blended into the adjacent soil.

If warranted, based on inspection observations, additional cover soil will be applied as directed by Atlantic Richfield. The source of the cover soil will be approved by Atlantic Richfield. The final surface after soil addition and/or grading shall tie into the existing cover topography. All areas which receive cover soil maintenance will be re-seeded and fertilized in accordance with the methods discussed in Section 3.3.

3.2.6 Stormwater Features Maintenance

If stormwater is observed to be flowing outside the designed features, maintenance may include cleanout and/or repair of stormwater run-on/runoff ditches or culverts. Riprap revetments will be repaired, as necessary.

3.2.7 Land Use/Development Maintenance

Any new land development or site changes documented during the inspection shall be evaluated to identify problems associated with the previously implemented VCUP work. Inspection documentation will be provided immediately to Atlantic Richfield.

3.2.8 Streambank Stabilization Maintenance

Those areas of the Dolores River streambank requiring stabilization will be repaired as needed. Riprap used for stabilization shall match or exceed the existing flood revetment placed as part of the VCUP project. Any stabilization maintenance activities shall be initiated following the recession of high waters after spring runoff and shall be timed to minimize excessive erosion.

3.2.9 Seep Maintenance

Should the inspection observe the presence of seeps involving impacted water, potential maintenance could include repair of the cover to preclude percolating water or capture and utilize passive treatment of the seep water.

3.3 Reporting

Personnel conducting the inspections shall submit inspection forms to Atlantic Richfield for review. Inspectors shall develop an inspection report which shall detail all inspection results and recommendations for maintenance at the Site. A scaled drawing will provide detailed locations of observed issues and proposed maintenance items. If relevant, the inspection report shall include an “as built” drawing of any significant maintenance items completed. The report shall include the completed inspection forms.

4.0 REFERENCES

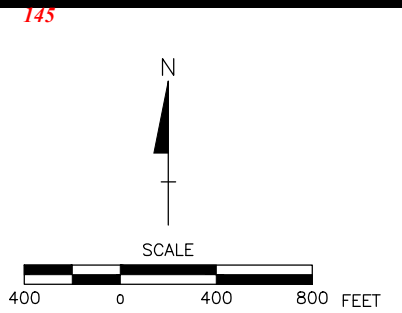
Anderson Engineering Company, Inc., 1997. RICO Mining Area Construction Completion Report. Prepared for the Atlantic Richfield Company.

Atlantic Richfield Company, Rico Properties, LLC, Town of Rico, 1996. Voluntary Cleanup and Redevelopment Act Application for Columbia and Old Pro Patria Mill Tailings and Silver Swan East Waste Rock Pile, Rico, Colorado. Prepared for Colorado Department of Public Health and Environment.

CDPHE, 1999. Re: No Action Determination Approval, Columbia Tails Site, W of the Town of Rico, Colorado. Sent on to Charles Stillwell (ARCO Environmental Remediation, LLC) from Mark Walker (CDPHE). Dated December 10, 1999.

ATTACHMENT 1: COLUMBIA TAILINGS OM&M DRAWINGS

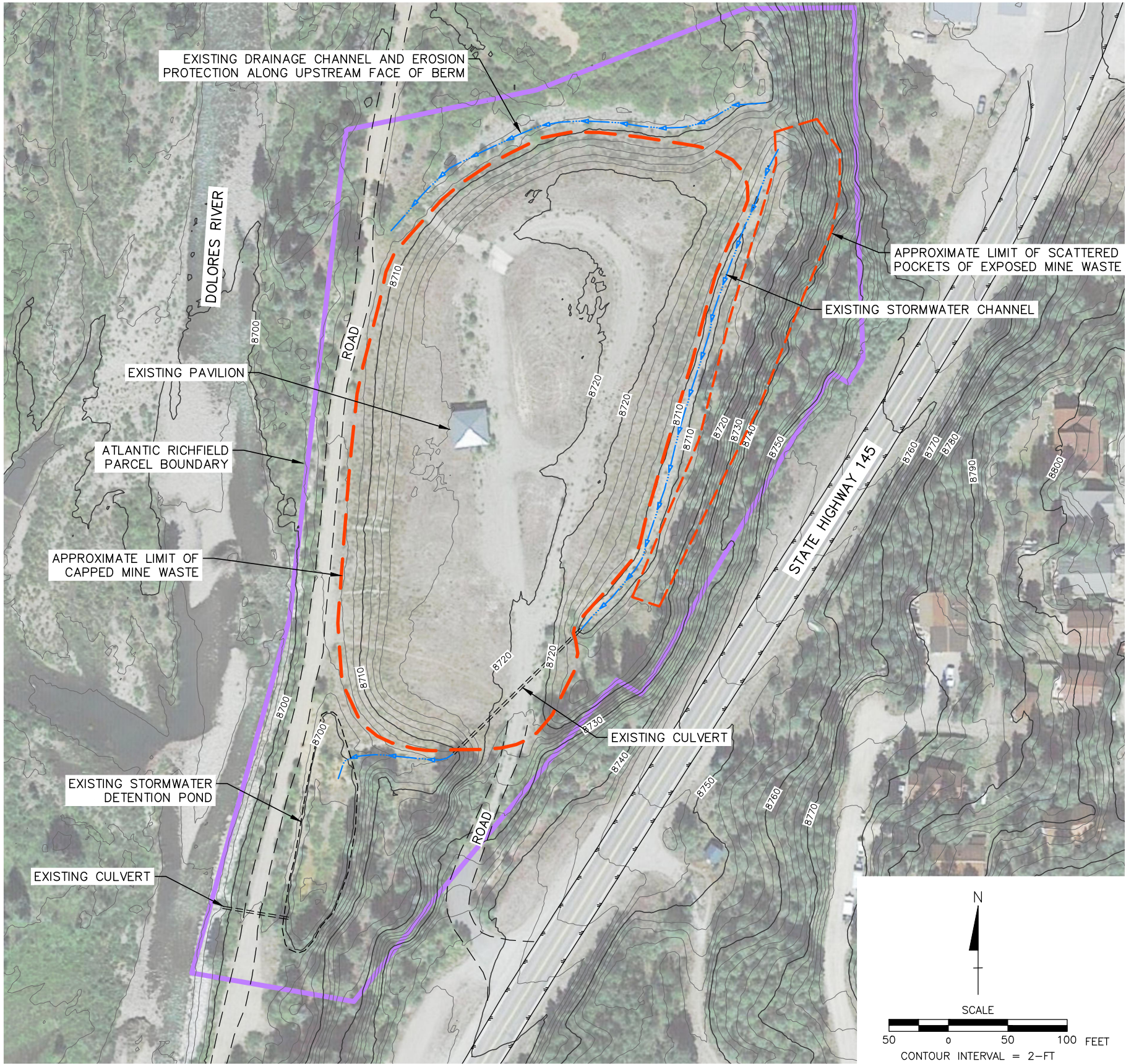
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VICINITY MAP

REFERENCES:

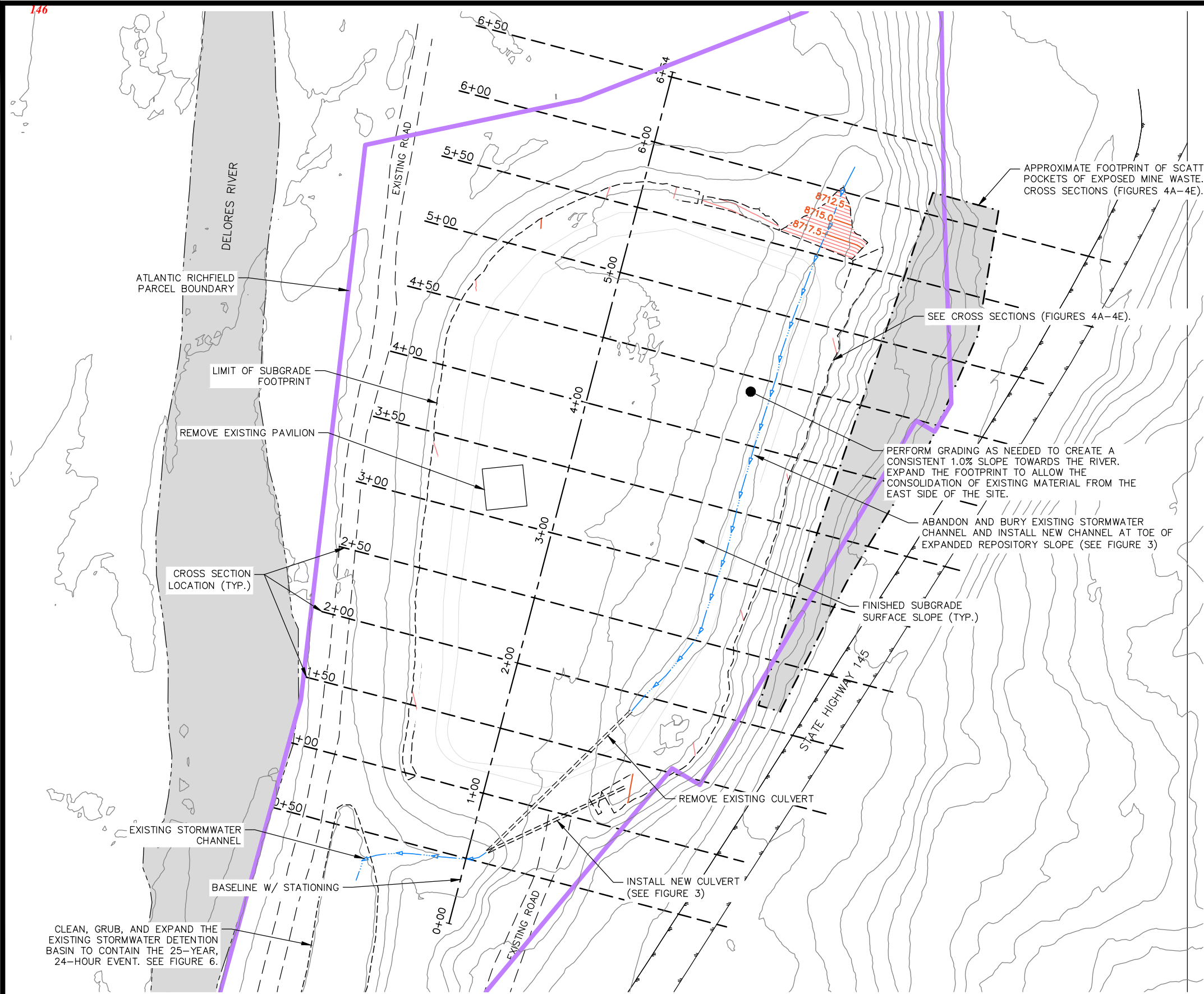
1. EXISTING GROUND CONTOURS DEVELOPED FROM LIDAR DATA WITH A NOMINAL POINT SPACING OF 0.7 METERS PRODUCED BY THE SOUTHWEST COLORADO LIDAR QL2 PROJECT. ONLINE LINKAGE: [HTTPS://COLORADOHAZARDMAPPING.COM/LIDARDOWNLOAD](https://coloradohazardmapping.com/lidardownload). DATES OF LIDAR ACQUISITION FLIGHTS OCCURRED IN THE FALL OF 2018 AND 2019.
2. AERIAL PHOTOGRAPH BACKGROUND IMAGES:
 - 2.1. GOOGLE SATELLITE IMAGES OBTAINED FROM CADEARTH. DATE OF IMAGE ACQUISITION CIRCA 2019.
 - 2.2. DRONE ORTHOMOSAIC, DATE OF IMAGE ACQUISITION JULY 18, 2023.
3. PROPERTY OWNERSHIP INFORMATION FROM THE DOLORES COUNTY ONLINE MAP VIEWER. ONLINE LINKAGE: [HTTP://162.221.202.11/MAPGUIDE/DOLORES/INDEX.PHP](http://162.221.202.11/MAPGUIDE/DOLORES/INDEX.PHP)
4. SITE COORDINATE SYSTEM: COLORADO STATE PLANE NAD83 2011, CENTRAL ZONE, U.S. FOOT. VERTICAL DATUM IS NAVD88 GEOID 12B, U.S. FOOT.



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TITLE:	COLUMBIA TAILINGS VCUP OM&M EXISTING CONDITIONS	FIGURE
PROJECT:	Dolores County, Colorado	1

May 10, 2024 - 7:23am
C:\Users\MichaelRosales\Alloy\20-Anaconda - Projects\Rico Townsites Soils - Beneficial Reuse\ColumbiaRepositoryGrading_r.dwg - (FIG-2 SG)



LEGEND

EXISTING GROUND CONTOURS (2-FT CONTOUR INTERVAL)

EXISTING RIPRAP LINED STORMWATER CHANNEL

N

SCALE
40 0 40 80 FEET

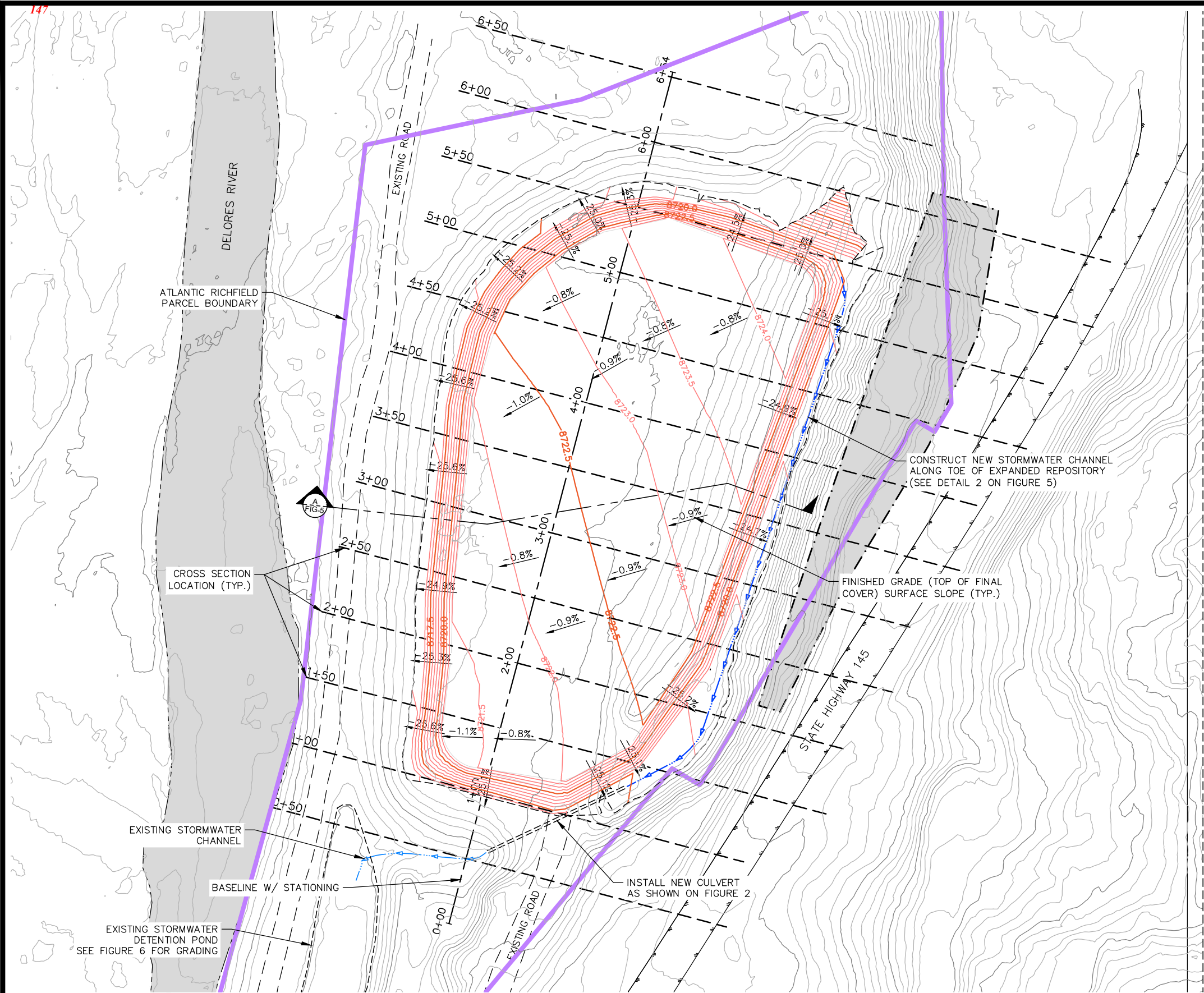
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B	09/14/23	EJJ			PROGRESS SET FOR REVIEW
C	10/13/23	EJJ			PROGRESS SET FOR REVIEW
D	5/10/24	MAR			PROGRESS SET FOR REVIEW

Alloy GROUP

7310 North 16th Street, Suite 310
Phoenix, AZ 85020
Tel: (602) 331-3859

Atlantic Richfield Company	TITLE:	COLUMBIA TAILINGS VCUP OM&M	FIGURE 2
	PROJECT:	DEMOLITION AND SUBGRADE GRADING PLAN	
	Dolores County, Colorado		

May 10, 2024 - 11:05am MichaelRosales - (FIG-3 FG) C:\Users\MichaelRosales\Alloy\20-Anaconda - Projects\Rico Townsites Soils - Beneficial Reuse\ColumbiaRepositoryGrading_r.dwg - (FIG-3 FG)

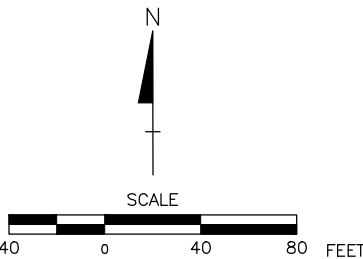


QUANTITY SUMMARY		
ITEM	QUANTITY	UNIT
2-FT THICK FINAL SOIL COVER	6,990	CU. YD.

* LINER QUANTITY DOES NOT INCLUDE ANCHOR TRENCH.

LEGEND

- EXISTING GROUND CONTOURS (2-FT CONTOUR INTERVAL)
- FINISHED GRADE CONTOURS (0.5-FT CONTOUR INTERVAL)
- EXISTING RIPRAP LINED STORMWATER CHANNEL
- NEW RIPRAP LINED STORMWATER CHANNEL



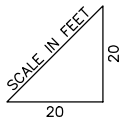
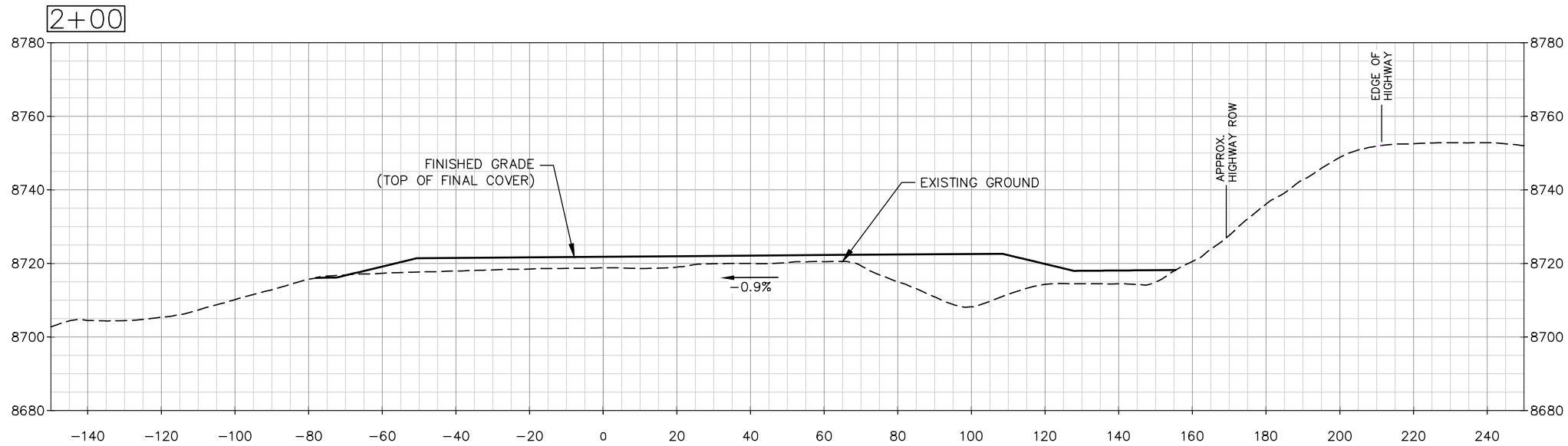
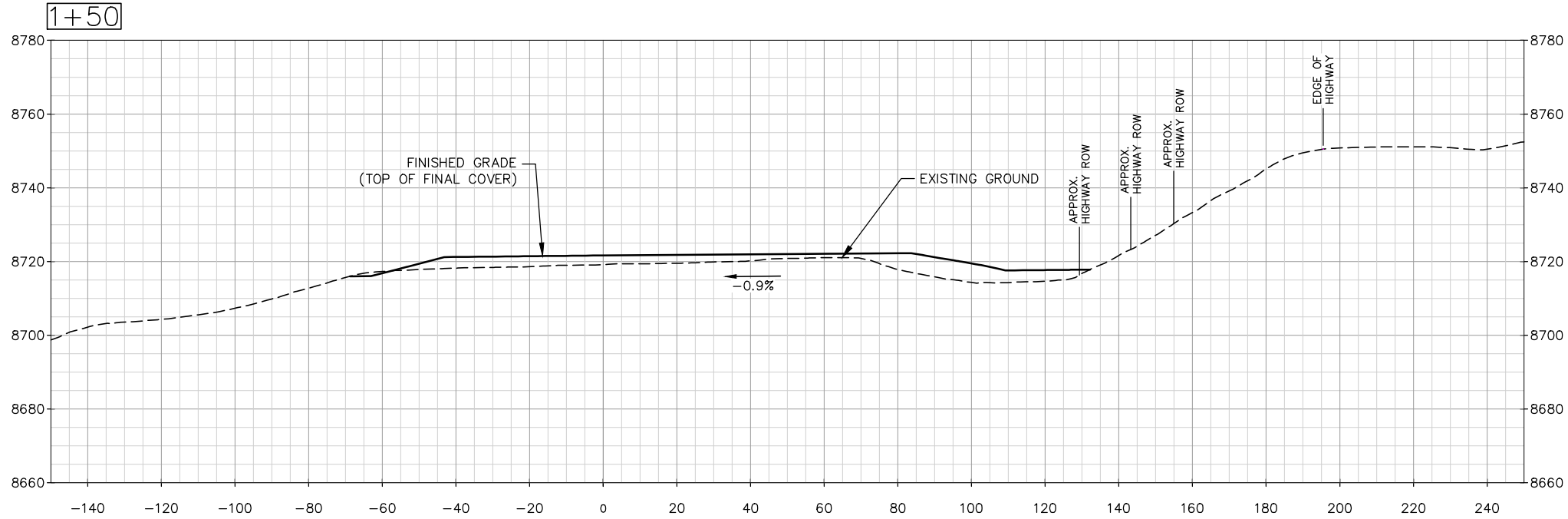
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D	5/10/24	MAR			PROGRESS SET FOR REVIEW



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TITLE:	COLUMBIA TAILINGS VCUP OM&M	FIGURE
PROJECT:	FINISHED GRADE (TOP OF CAP) GRADING PLAN	3
	Dolores County, Colorado	

May 10, 2024 - 11:05am MichaelRosales - (FIG-4A) C:\Users\MichaelRosales\Alloy\20-Anaconda - Projects\Rico Townsites Soils - Beneficial Reuse\ColumbiaRepository\Grading_r.dwg - (FIG-4A)



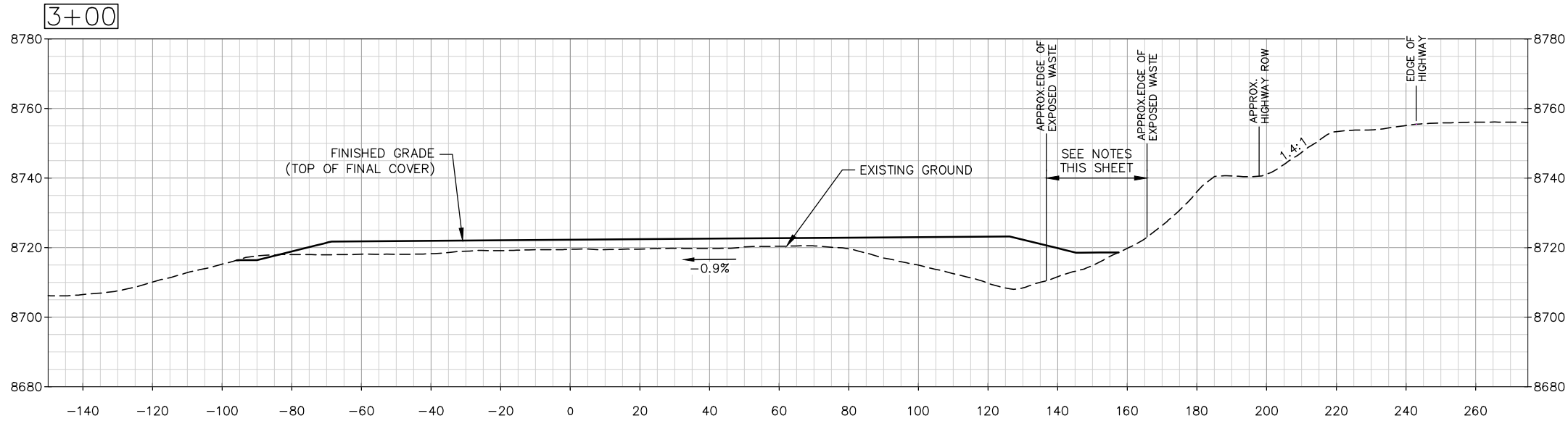
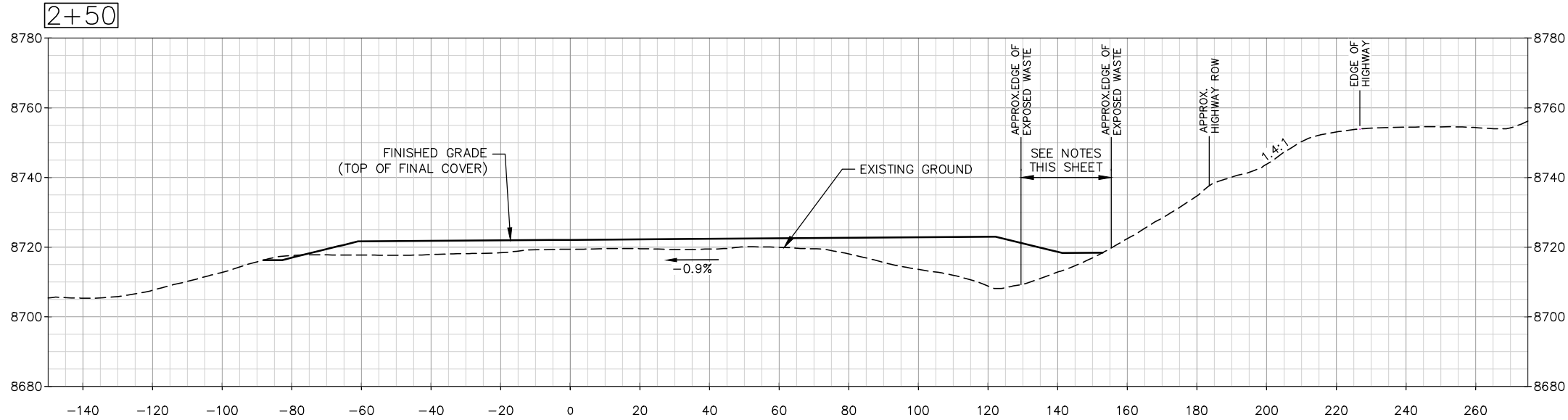
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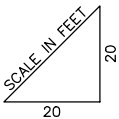
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TITLE:	FIGURE
COLUMBIA TAILINGS VCUP OM&M CROSS SECTIONS	4A
PROJECT:	
Dolores County, Colorado	

May 10, 2024 - 11:06am C:\Users\MichaelRosales\Alloy\20-Anaconda - Projects\Rico\Projects\Rico Townsites Soils - Beneficial Reuse\ColumbiaRepository\Grading_r.dwg - (FIG-4B)



- MINE WASTE REMOVAL NOTES:**
1. REMOVE EXPOSED MINE WASTE TO A DEPTH OF 1-FT AND BACKFILL WITH CLEAN COVER MATERIAL.
 2. CONSOLIDATE REMOVED MINE WASTE MATERIAL ALONG THE EASTERN BOUNDARY OF THE COLUMBIA TAILINGS PILE.
 3. AVOID DISTURBING EXISTING TREES TO THE MAXIMUM EXTENT POSSIBLE ON THE SLOPE ABOVE THE COLUMBIA TAILINGS PILE.
 4. REVEGETATE ALL BACKFILLED AND DISTURBED AREAS ON THE SLOPE ABOVE THE COLUMBIA TAILINGS PILE.



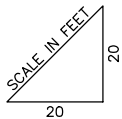
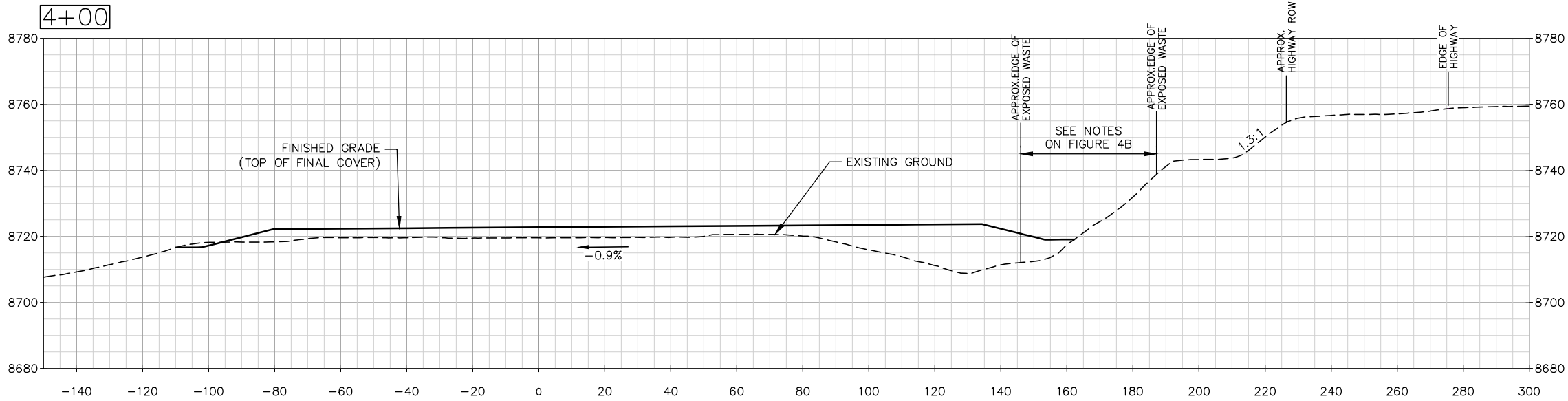
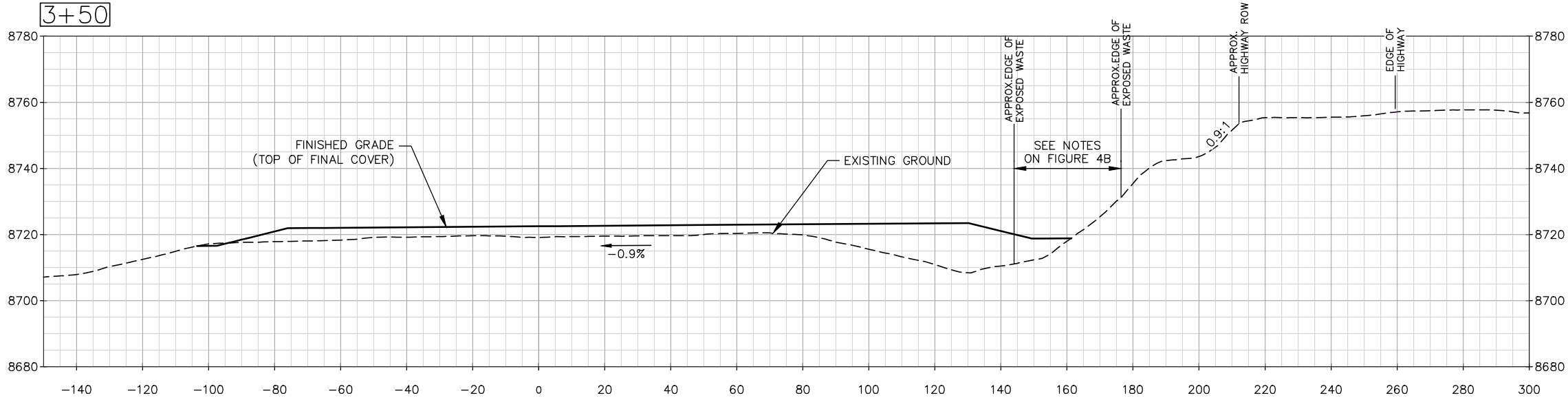
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C	10/13/23	EJJ			PROGRESS SET FOR REVIEW
D	5/10/24	MAR			PROGRESS SET FOR REVIEW



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TITLE:	FIGURE
PROJECT: COLUMBIA TAILINGS VCUP OM&M CROSS SECTIONS	4B
Dolores County, Colorado	

May 10, 2024 - 11:07am MichaelRosales - (FIG-4C) C:\Users\MichaelRosales\Alloy\20-Anaconda - Projects\Rico\10_CAD\Projects\Rico Townsites Soils - Beneficial Reuse\ColumbiaRepository\Grading_r.dwg - (FIG-4C)



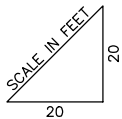
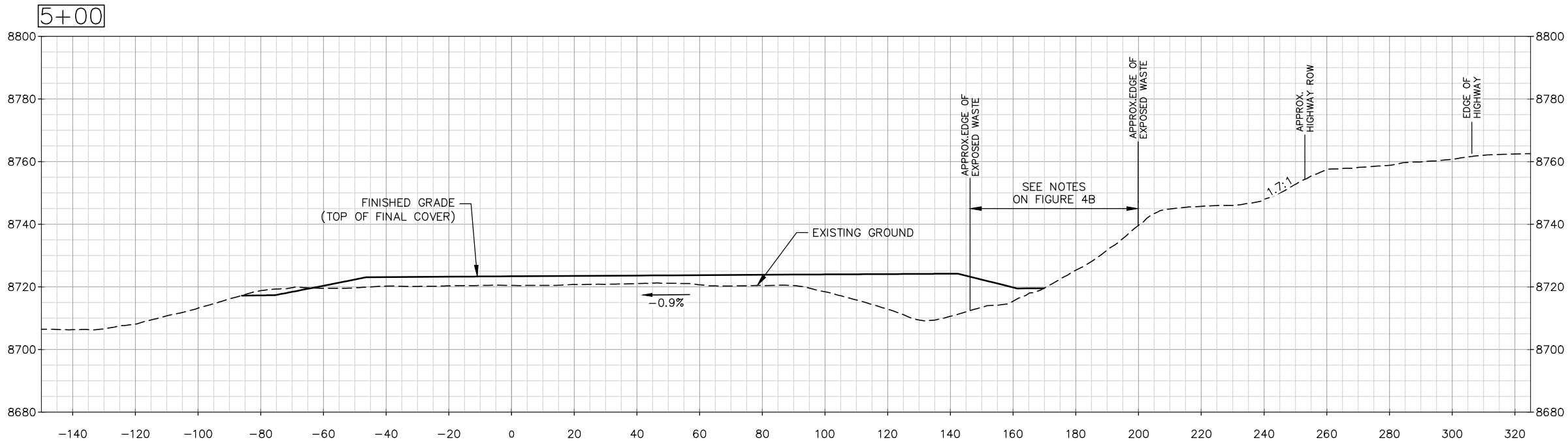
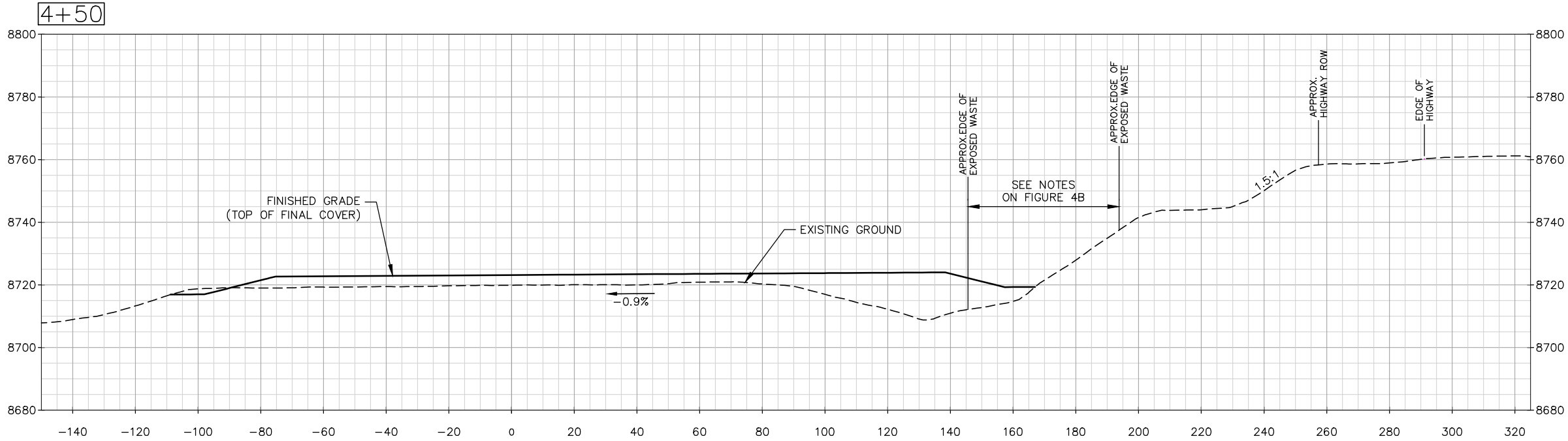
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C	10/13/23	EJJ			PROGRESS SET FOR REVIEW
D	5/10/24	MAR			PROGRESS SET FOR REVIEW



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TITLE:	FIGURE
COLUMBIA TAILINGS VCUP OM&M CROSS SECTIONS	4C
PROJECT:	Dolores County, Colorado

May 10, 2024 - 11:07am MichaelRosales -(FIG-4D) C:\Users\MichaelRosales\Alloy\20-Anaconda - Projects\Rico\Projects\Rico Townsites Soils - Beneficial Reuse\ColumbiaRepository\Grading_r.dwg -(FIG-4D)



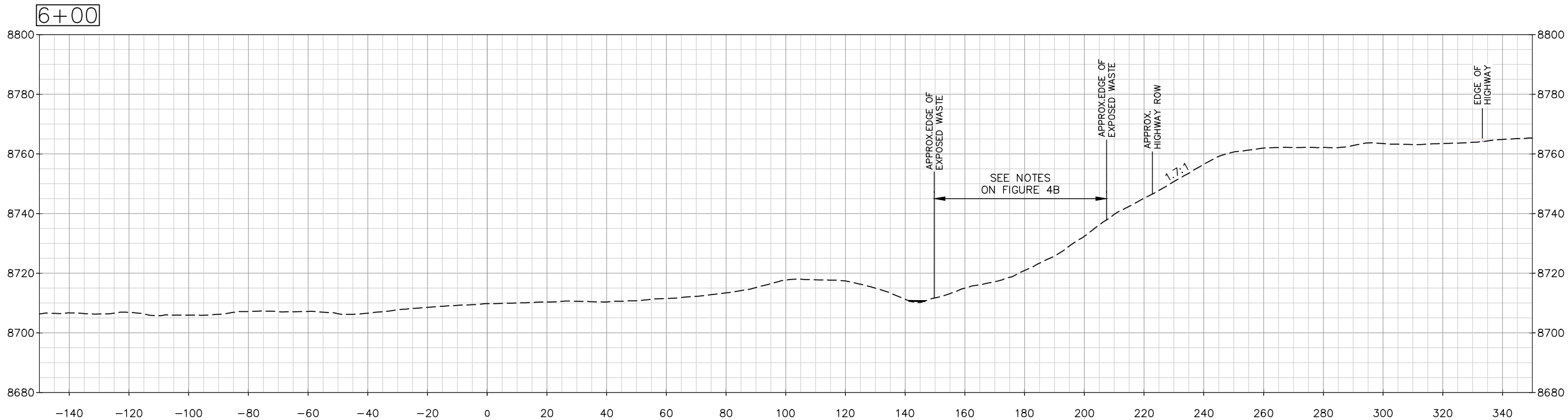
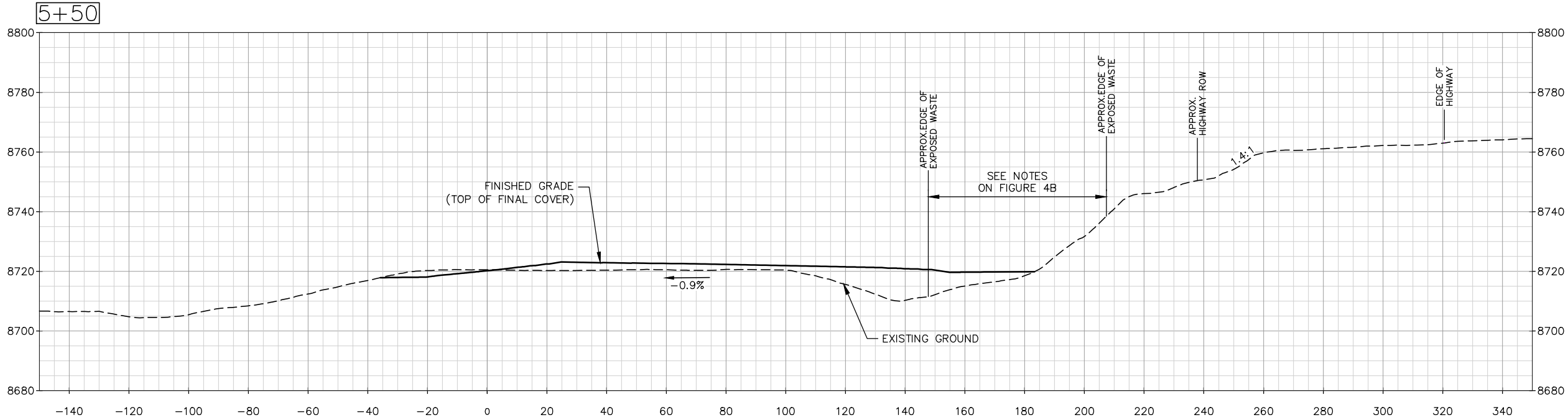
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D	5/10/24	MAR			PROGRESS SET FOR REVIEW



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TITLE:	COLUMBIA TAILINGS VCUP OM&M CROSS SECTIONS	FIGURE
PROJECT:	Dolores County, Colorado	4D

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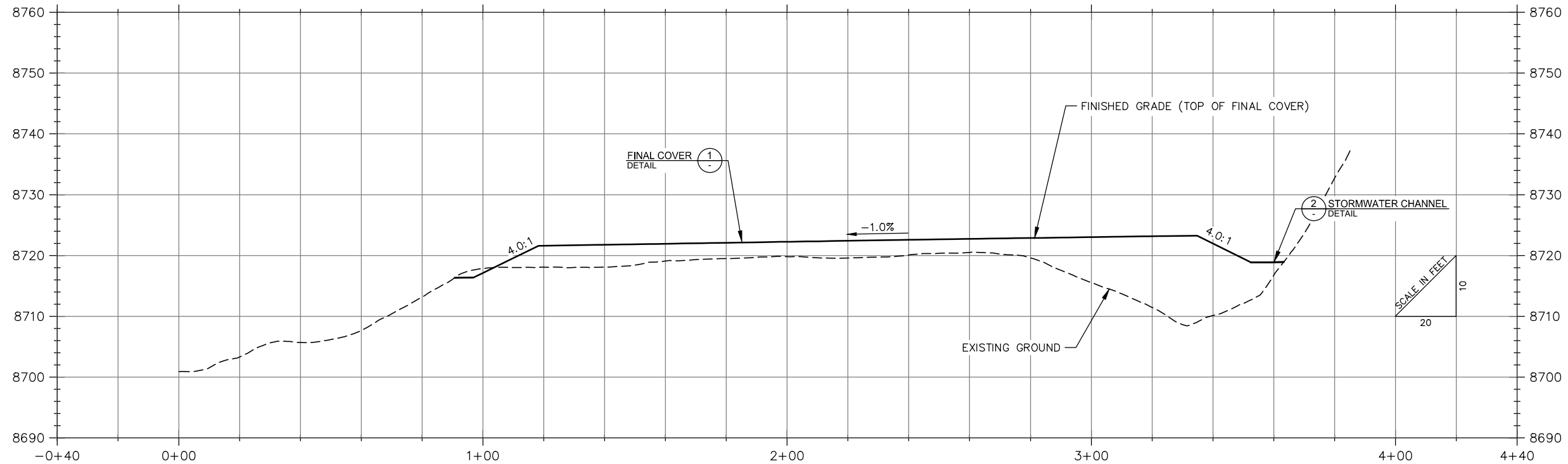
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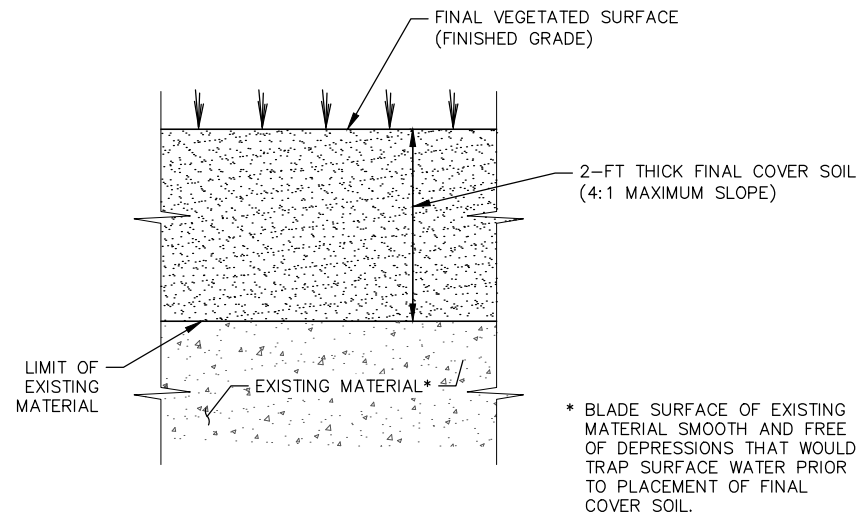
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TITLE:	COLUMBIA TAILINGS VCUP OM&M CROSS SECTIONS	FIGURE
PROJECT:	Dolores County, Colorado	4E

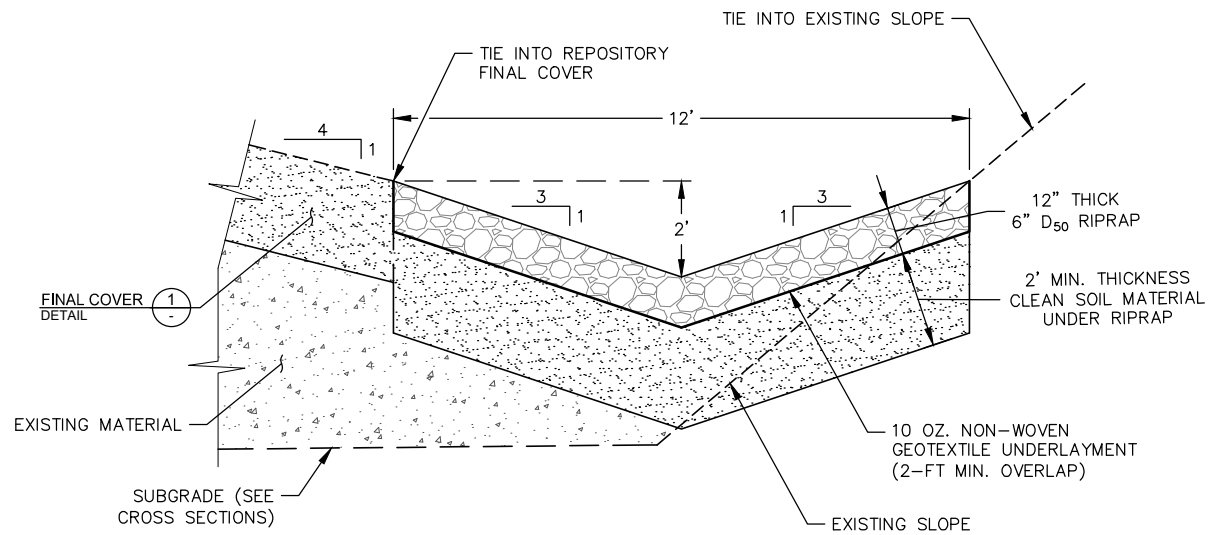
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A COLUMBIA TAILINGS PILE
TYPICAL SECTION (SCALE AS SHOWN)



1 FINAL COVER
DETAIL (NTS)



2 STORMWATER CHANNEL (LOOKING NORTH)
DETAIL (NTS)

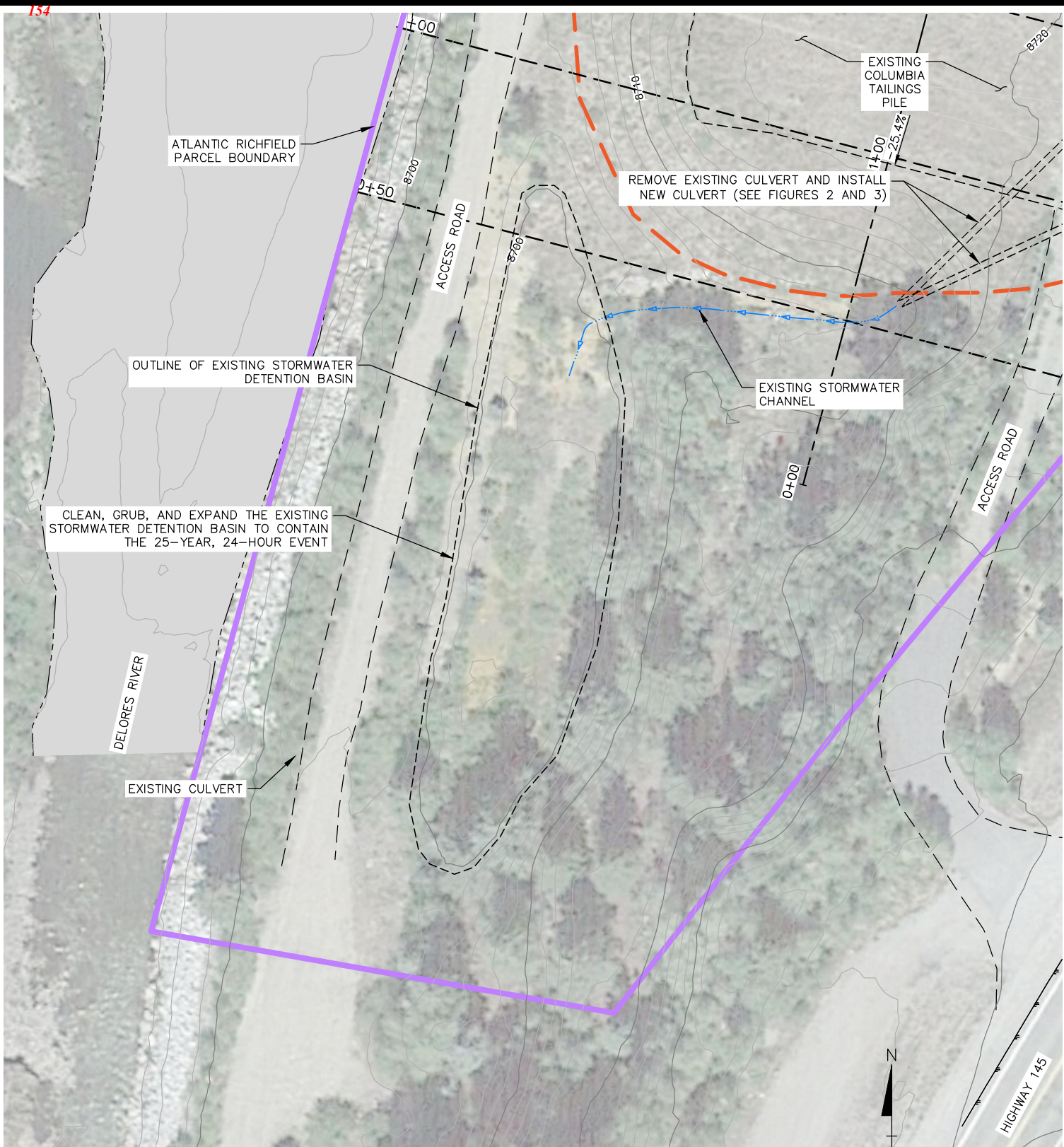
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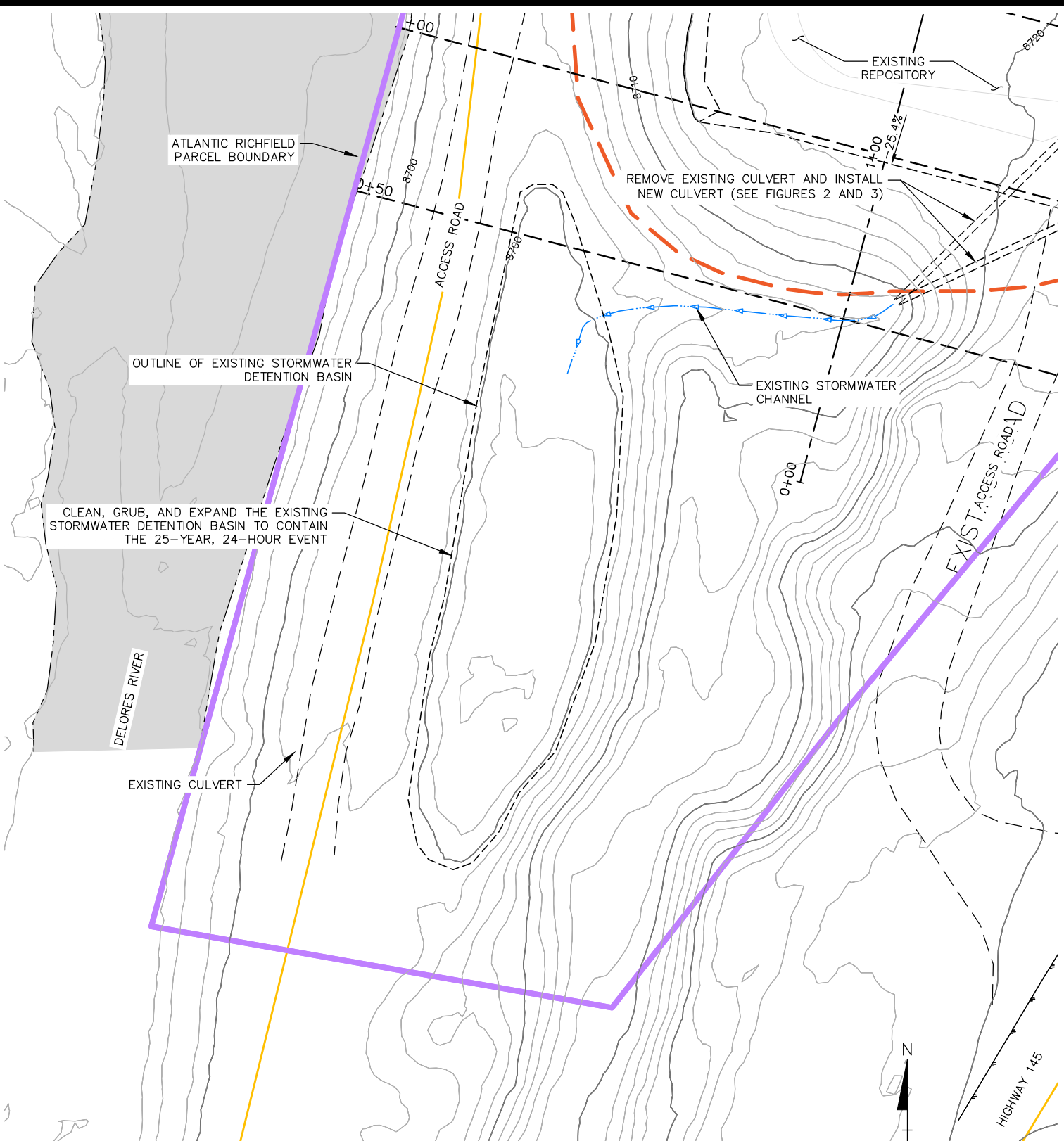
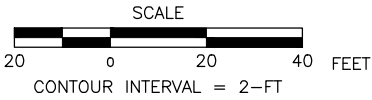
TITLE:	FIGURE
COLUMBIA TAILINGS VCUP OM&M TYPICAL SECTIONS AND DETAILS	5
PROJECT:	Dolores County, Colorado

May 10, 2024 - 7:41am MichaelRosales -(FIG-6) C:\Users\MichaelRosales\Alloy\20-Anaconda - Projects\Rico Townsites Soils - Beneficial Reuse\ColumbiaRepositoryGrading_r.dwg -(FIG-6)

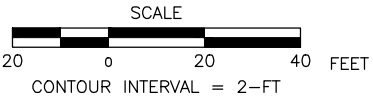


SITE PLAN W/ AERIAL PHOTO BACKGROUND IMAGE

REFERENCE NOTE: AERIAL PHOTOGRAPH BACKGROUND IMAGE IS A DRONE ORTHOMOSAIC, DATE OF IMAGE ACQUISITION JULY 18, 2023.



SITE PLAN



NO:	DATE	CADD	CHECK	APP'D	ISSUE / REVISION DESCRIPTION
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D	5/10/24	MAR			PROGRESS SET FOR REVIEW



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TITLE:	FIGURE
COLUMBIA TAILINGS VCUP OM&M TYPICAL SECTIONS AND DETAILS	6
PROJECT:	
Dolores County, Colorado	

ATTACHMENT 2: BLANK INSPECTION FORM

<p style="text-align: center;">ATTACHMENT 2</p> <p style="text-align: center;">COLUMBIA TAILINGS SITE</p> <p style="text-align: center;">OPERATIONS, MONITORING, AND MAINTENANCE WORK PLAN</p> <p style="text-align: center;">QUALITATIVE INSPECTIONS</p>

YEAR: _____

INSPECTION _____

DATE: _____

INSPECTOR(S): _____

RECLAIMED AREA INSPECTION SUMMARY

Inspection Form	Completion Date	Maintenance Recommendations (Yes/No)	Additional Comments
Site Security and Access Inspection:	_____	_____	_____
Vegetation Inspection:	_____	_____	_____
Noxious Weeds Inspection:	_____	_____	_____
Cover and Erosion Inspection:	_____	_____	_____
Stormwater Features Inspection:	_____	_____	_____
Land Use/Development Inspection:	_____	_____	_____
Streambank Stabilization Inspection:	_____	_____	_____
Seep Inspection:	_____	_____	_____

SITE SECURITY AND ACCESS INSPECTION (OM&M WORK PLAN SECTION 3.1.1)**1 Fences**

- ☐ Not applicable
☐ Fencing present
☐ Fencing material missing

Condition of Fences (if applicable)

- ☐ Good
☐ Need repair and/or replacement

2 Locks

- ☐ Not applicable
☐ Locks present and "daisy chained"
☐ Locks missing

Condition of Locks (if applicable)

- ☐ Good
☐ Need repair and/or replacement

3 Type of Disturbance Present (check all that apply)

- ☐ No significant disturbance observed
☐ Vehicle tracks on capped surface
☐ Apparent vandalism at site
☐ Other _____

- ☐ Foot/bike paths
☐ Evidence of livestock grazing
☐ Digging/Excavation

4 Actions Required to Repair Disturbance (check all that apply)

- ☐ No actions required
☐ Add soil amendments
☐ Other _____

- ☐ Apply additional cover soil
☐ Replant disturbed surface

5 Actions Required to Prevent Re-Disturbance

- ☐ No actions required
☐ Other _____

- ☐ Post Signs
☐ Fencing

6 Debris/Garbage on Site

- ☐ No material present
☐ Small amount of easily removed material
☐ Significant amount of material to be removed
☐ Material requiring immediate removal (detailed below in comments)

7 Identify approximate location of problem areas on Inspection Site Map Provided**8 Comments**

9 Recommendations

- ☐ 0 No action required
☐ 1 Minor action; site stable
☐ 2 Small areas on site require some action
☐ 3 Significant action required

Inspector Signature

Date

VEGETATION INSPECTION (OM&M WORK PLAN SECTION 3.1.2)

1 Estimated Vegetative Canopy Cover*

☐ >60% ☐ 40-60% ☐ 20-40% ☐ 10-20% ☐ 0-10%

2 Uniformity of Vegetated Cover*

<input type="checkbox"/> Very uniform	<input type="checkbox"/> Cover varies but no significant barren areas	<input type="checkbox"/> Barren Areas Present: <input type="checkbox"/> Small (5' - 10') <input type="checkbox"/> Large (>10') <input type="checkbox"/> Infrequent <input type="checkbox"/> Frequent <input type="checkbox"/> % Barren <input type="checkbox"/> Dominant <input type="checkbox"/> % Barren
---------------------------------------	---	--

3 Plant Litter Accumulation*

☐ Heavy ☐ Moderate ☐ Light ☐ Negligible

4 General Vegetation*

☐ Excellent - dense uniform canopy cover and no noxious weeds

☐ Good - similar to excellent, but with less density, possibly small barren areas, and few noxious weeds

☐ Fair - less uniform vegetation, large barren areas, and weeds comprising a fair portion of the plant community

☐ Poor - sparse vegetation and large barren areas that exceed vegetated areas in size

5 Identify approximate location of problem areas on Inspection Site Map Provided

6 Comments

7 Recommendations

☐ 0 No action required

☐ 1 Minor action; site stable

☐ 2 Small areas on site require some action

☐ 3 Significant action required

* Make note if cover consists of rock mulch material, where vegetation may not be as critical for protection

Inspector Signature

Date

NOXIOUS WEEDS INSPECTION (OM&M WORK PLAN SECTION 3.1.2)

1 Noxious Weed Species Present:

☐ None
 ☐ Infrequent
 ☐ Frequent
 ☐ Dominant

2 Species Identified (refer to attached Colorado noxious weed ID pages)

3 Identify approximate location of problem areas on Inspection Site Map Provided
4 Comments

5 Recommendations

- ☐ 0 No action required
☐ 1 Minor action; site stable
☐ 2 Small areas on site require some action
☐ 3 Significant action required

Inspector Signature

Date

Colorado Noxious Weeds (including Watch List), effective May 2023

List A Species (26)

<i>Common</i>	<i>Scientific</i>
African rue	(<i>Peganum harmala</i>)
Bohemian knotweed	(<i>Fallopia x bohemicum</i>)
Camelthorn	(<i>Alhagi maurorum</i>)
Common crupina	(<i>Crupina vulgaris</i>)
Cypress spurge	(<i>Euphorbia cyparissias</i>)
Dyer's woad	(<i>Isatis tinctoria</i>)
Elongated mustard	(<i>Brassica elongata</i>)
Flowering rush	(<i>Butomus umbellatus</i>)
Giant knotweed	(<i>Fallopia sachalinensis</i>)
Giant reed	(<i>Arundo donax</i>)
Giant salvinia	(<i>Salvinia molesta</i>)
Hairy willow-herb	(<i>Epilobium hirsutum</i>)
Hydrilla	(<i>Hydrilla verticillata</i>)
Japanese knotweed	(<i>Fallopia japonica</i>)
Meadow knapweed	(<i>Centaurea x moncktonii</i>)
Mediterranean sage	(<i>Salvia aethiopsis</i>)
Medusahead	(<i>Taeniatherum caput-medusae</i>)
Myrtle spurge	(<i>Euphorbia myrsinites</i>)
Orange hawkweed	(<i>Hieracium aurantiacum</i>)
Parrotfeather	(<i>Myriophyllum aquaticum</i>)
Purple loosestrife	(<i>Lythrum salicaria</i>)
Rush skeletonweed	(<i>Chondrilla juncea</i>)
Squarrose knapweed	(<i>Centaurea virgata</i>)
Tansy ragwort	(<i>Senecio jacobaea</i>)
Yellow starthistle	(<i>Centaurea solstitialis</i>)
Yellow flag iris	(<i>Iris pseudacorus</i>)

List B Species (38)

<i>Common</i>	<i>Scientific</i>
Absinth wormwood	(<i>Artemisia absinthium</i>)
Black henbane	(<i>Hyoscyamus niger</i>)
Bouncingbet	(<i>Saponaria officinalis</i>)
Bull thistle	(<i>Cirsium vulgare</i>)
Canada thistle	(<i>Cirsium arvense</i>)
Chinese clematis	(<i>Clematis orientalis</i>)
Common tansy	(<i>Tanacetum vulgare</i>)
Common teasel	(<i>Dipsacus fullonum</i>)
Cutleaf teasel	(<i>Dipsacus laciniatus</i>)
Dalmatian toadflax, broad-leaved	(<i>Linaria dalmatica</i>)
Dalmatian toadflax, narrow-leaved	(<i>Linaria genistifolia</i>)
Dame's rocket	(<i>Hesperis matronalis</i>)
Diffuse knapweed	(<i>Centaurea diffusa</i>)
Eurasian watermilfoil	(<i>Myriophyllum spicatum</i>)
Hoary cress	(<i>Lepidium draba</i>)
Houndstongue	(<i>Cynoglossum officinale</i>)

Colorado Noxious Weeds (including Watch List), effective May 2023

List B Species (38) continued

<i>Common</i>	<i>Scientific</i>
Jointed goatgrass	(<i>Aegilops cylindrica</i>)
Leafy spurge	(<i>Euphorbia esula</i>)
Mayweed chamomile	(<i>Anthemis cotula</i>)
Moth mullein	(<i>Verbascum blattaria</i>)
Musk thistle	(<i>Carduus nutans</i>)
Oxeye daisy	(<i>Leucanthemum vulgare</i>)
Perennial pepperweed	(<i>Lepidium latifolium</i>)
Plumeless thistle	(<i>Carduus acanthoides</i>)
Russian knapweed	(<i>Rhaponticum repens</i>)
Russian-olive	(<i>Elaeagnus angustifolia</i>)
Salt cedar	(<i>Tamarix. ramosissima</i>)
Salt cedar	(<i>T. chinensis</i>)
Scentless chamomile	(<i>Tripleurospermum inodorum</i>)
Scotch thistle	(<i>Onopordum acanthium</i>)
Scotch thistle	(<i>O. tauricum</i>)
Spotted knapweed	(<i>Centaurea stoebe</i> L. ssp. <i>micranthos</i>)
Spotted x diffuse knapweed hybrid	(<i>Centaurea x psammogena</i>)
Sulfur cinquefoil	(<i>Potentilla recta</i>)
Wild caraway	(<i>Carum carvi</i>)
Yellow nutsedge	(<i>Cyperus esculentus</i>)
Yellow toadflax	(<i>Linaria vulgaris</i>)
Yellow x Dalmatian toadflax hybrid	(<i>Linaria vulgaris</i> x <i>L. dalmatica</i>)

List C Species (18)

<i>Common</i>	<i>Scientific</i>
Bulbous bluegrass	(<i>Poa bulbosa</i>)
Chicory	(<i>Cichorium intybus</i>)
Common burdock	(<i>Arctium minus</i>)
Common mullein	(<i>Verbascum thapsus</i>)
Common St. Johnswort	(<i>Hypericum perforatum</i>)
Downy brome, cheatgrass	(<i>Bromus tectorum</i>)
Field bindweed	(<i>Convolvulus arvensis</i>)
Halogeton	(<i>Halogeton glomeratus</i>)
Johnsongrass	(<i>Sorghum halepense</i>)
Perennial sowthistle	(<i>Sonchus arvensis</i>)
Poison hemlock	(<i>Conium maculatum</i>)
Puncturevine	(<i>Tribulus terrestris</i>)
Quackgrass	(<i>Elymus repens</i>)
Redstem filaree	(<i>Erodium cicutarium</i>)
Siberian elm	(<i>Ulmus pumila</i>)
Tree of Heaven	(<i>Ailanthus altissima</i>)
Velvetleaf	(<i>Abutilon theophrasti</i>)
Wild proso millet	(<i>Panicum miliaceum</i>)

Colorado Noxious Weeds (including Watch List), effective May 2023

Watch List Species (19)

<i>Common</i>	<i>Scientific</i>
Baby's breath	<i>(Gypsophila paniculata)</i>
Caucasian bluestem	<i>(Bothriochloa bladhii)</i>
Common bugloss	<i>(Anchusa officinalis)</i>
Common reed	<i>(Phragmites australis)</i>
Garden loosestrife	<i>(Lysimachia vulgaris)</i>
Garlic mustard	<i>(Alliaria petiolata)</i>
Himalayan blackberry	<i>(Rubus armeniacus)</i>
Hoary alyssum	<i>(Berteroa incana L.)</i>
Meadow hawkweed	<i>(Hieracium caespitosum)</i>
Onionweed	<i>(Asphodelus fistulosus)</i>
Perennial Sweet Pea	<i>(Lathyrus latifolius)</i>
Scotch broom	<i>(Cytisus scoparius)</i>
Swainsonpea	<i>(Sphaerophysa salsula)</i>
Syrian beancaper	<i>(Zygophyllum fabago)</i>
Tall Oatgrass	<i>(Arrhenatherum elatius)</i>
Ventenata grass	<i>(Ventenata dubia)</i>
White bryony	<i>(Bryonia alba)</i>
Yellow bluestem	<i>(Bothriochloa ischaemum)</i>
Yellow mignonette	<i>(Reseda lutea)</i>

Noxious Weed Species ID

Colorado Department of Agriculture

List A Species in Colorado that are designated by the Commissioner for eradication.

List B Species are species for which the Commissioner, in consultation with the state noxious weed advisory committee, local governments, and other interested parties, develops and implements state noxious weed management plans designed to stop the continued spread of these species.

List C Species are species for which the Commissioner, in consultation with the state noxious weed advisory committee, local governments, and other interested parties, will develop and implement state noxious weed management plans designed to support the efforts of local governing bodies to facilitate more effective integrated weed management on private and public lands. The goal of such plans will not be to stop the continued spread of these species but to provide additional education, research, and biological control resources to jurisdictions that choose to require management of List C species.

Watch List Species that have been determined to pose a potential threat to the agricultural productivity and environmental values of the lands of the state. The Watch List is intended to serve advisory and educational purposes only. Its purpose is to encourage the identification and reporting of these species to the Commissioner in order to facilitate the collection of information to assist the Commissioner in determining which species should be designated as noxious weeds.

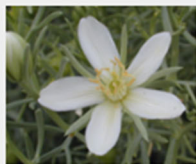
List A Species

Not Known in CO | Fewer Than 10 Known Populations | More Than 10 Populations

Not Known In Colorado

 <p><u>Camelthorn</u> <i>Alhagi pseudalhagi</i></p>	 <p><u>Common crupina</u> <i>Crupina vulgaris</i></p>	 <p><u>Giant salvinia</u> <i>Salvinia molesta</i></p>	 <p><u>Hydrilla</u> <i>Hydrilla verticillata</i></p>
 <p><u>Medusahead</u> <i>Taeniatherum caput-medusae</i></p>	 <p><u>Parrotfeather</u> <i>Myriophyllum aquaticum</i></p>	 <p><u>Squarrose knapweed</u> <i>Centaurea virgata</i></p>	

Fewer Than 10 Known Populations



[African rue](#)
Peganum harmala



[Dyer's woad](#)
Isatis tinctoria



[Elongated mustard](#)
Brassica elongata



[Flowering rush](#)
Butomus umbellatus



[Meadow knapweed](#)
Centaurea x moncktonii



[Rush skeletonweed](#)
Chondrilla juncea



[Tansy ragwort](#)
Senecio jacobaea



[Yellow starthistle](#)
Centaurea solstitialis

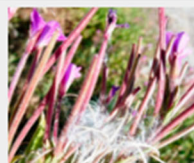
More Than 10 Populations in Colorado



[Cypress spurge](#)
Euphorbia cyparissias



[Giant reed](#)
Arundo donax



[Hairy willow-herb](#)
Epilobium hirsutum



[Knotweeds](#)
Japanese, Giant, and
Bohemian



[Mediterranean sage](#)
Salvia aethiopis



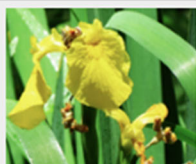
[Myrtle spurge](#)
Euphorbia myrsinites



[Orange hawkweed](#)
Hieracium aurantiacum



[Purple loosestrife](#)
Lythrum salicaria



[Yellow flag iris](#)
Iris pseudacorus

List B Species



Absinth wormwood
Artemisia absinthium



Black henbane
Hyoscyamus niger



Bouncingbet
Saponaria officinalis



Bull thistle
Cirsium vulgare



Canada thistle
Cirsium arvense



Chinese clematis
Clematis orientalis



Common tansy
Tanacetum vulgare



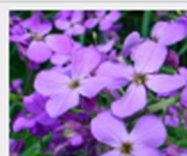
Common teasel
Dipsacus fullonum



Cutleaf teasel
Dipsacus laciniatus



Dalmatian toadflax
Linaria dalmatica & genistifolia



Dame's rocket
Hesperis matronalis



Diffuse knapweed
Centaurea diffusa



Eurasian watermilfoil
Myriophyllum spicatum



Hoary cress
Lepidium draba



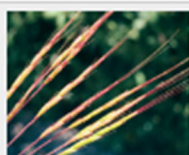
Houndstongue
Cynoglossum officinale



Hybrid knapweed
Centaurea x psammogena
= *C. stoebe* x *C. diffusa*



Hybrid toadflax
Linaria vulgaris x *L. dalmatica*



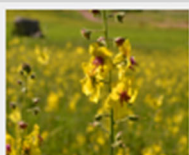
Jointed goatgrass
Aegilops cylindrica



Leafy spurge
Euphorbia esula



Mayweed chamomile
Anthemis cotula



Moth mullein
Verbascum blattaria



Musk thistle
Carduus nutans



Oxeye daisy
Leucanthemum vulgare



Perennial pepperweed
Lepidium latifolium

List B Species (continued)



Plumeless thistle
Carduus acanthoides



Russian knapweed
Rhaponticum repens



Russian olive
Elaeagnus angustifolia



Salt cedar
Tamarix chinensis, T. parviflora, and T.



Scentless chamomile
Tripleurospermum inodorum



Scotch thistle
Onopordum acanthium



Spotted knapweed
Centaurea stoebe ssp. micranthos



Sulfur cinquefoil
Potentilla recta



Wild caraway
Carum carvi



Yellow nutsedge
Cyperus esculentus



Yellow toadflax
Linaria vulgaris

List C Species



Bulbous bluegrass
Poa bulbosa



Chicory
Cichorium intybus



Common burdock
Arctium minus



Common mullein
Verbascum thapsus



Common St. Johnswort
Hypericum perforatum



Downy brome
Bromus tectorum



Field bindweed
Convolvulus arvensis



Halogeton
Halogeton glomeratus



Johnsongrass
Sorghum halepense



Perennial sowthistle
Sonchus arvensis



Poison hemlock
Conium maculatum



Puncturevine
Tribulus terrestris



Quackgrass
Elymus repens



Redstem filaree
Erodium cicutarium



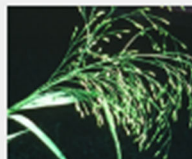
Siberian elm
Ulmus pumila



Tree of Heaven
Ailanthus altissima



Velvetleaf
Abutilon theophrasti



Wild-proso millet
Panicum miliaceum

Watch List Species



Baby's breath
Gypsophila paniculata



Caucasian bluestem
Bothriochloa bladhii



Common bugloss
Anchusa officinalis



Common reed
Phragmites australis



Garlic mustard
Alliaria petiolata



Garden loosestrife
Lysimachia vulgaris



Himalayan blackberry
Rubus armeniacus



Hoary alyssum
Berteroa incana



Meadow hawkweed
Hieracium caespitosum



Onionweed
Asphodelus fistulosus



Perennial Sweet Pea
Lathyrus latifolius



Scotch broom
Cytisus scoparius



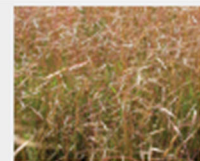
Swainsonpea
Sphaerophysa salsula



Syrian beancaper
Zygophyllum fabago



Tall Oatgrass
Arrhenatherum elatius



Ventenata grass
Ventenata dubia



White bryony
Bryonia alba



Yellow bluestem
Bothriochloa ischaemum



Yellow mignonette
Reseda lutea

COVER SOIL AND EROSION INSPECTION (OM&M WORK PLAN SECTION 3.1.3)**1 Evidence of Exposed Waste**

☐ None ☐ Small ☐ Significant

2 Bare Areas Visible

☐ None ☐ Areas <10' ☐ Areas >10'

3 Evidence of Soil Movement

☐ None ☐ Deposition areas infrequent and/or shallow (<3") ☐ Deposition areas common and/or >3" deep

4 Presence of Rills

☐ None ☐ Infrequent and less than 2" in depth ☐ At intervals >10' and 2" to 6" in depth ☐ At intervals <10' and 2" to 6" in depth

5 Presence of Gullies

☐ None ☐ Gullies present
☐ Estimated average size of gullies: Width _____ Depth _____
☐ Frequent, at intervals <10' ☐ Infrequent, at intervals >10'
☐ Active Erosion ☐ Inactive Erosion

6 Check Site for Signs of Potential Mass Instability (check all that apply)

☐ No signs of mass instability ☐ Significant tension cracks present
☐ Saturated area present ☐ Obvious signs of surface displacement
☐ Uplifted areas present at toe of slope ☐ Significant depressions/subsidence present
☐ Other observations (detailed below)

7 Erosion Potential

☐ Not applicable ☐ Stable ☐ Moderate ☐ Severe

8 Identify approximate location of problem areas on Inspection Site Map Provided**9 Comments**

10 Recommendations

☐ 0 No action required
☐ 1 Minor action; site stable
☐ 2 Small areas on site require some action
☐ 3 Significant action required

Inspector Signature

Date

STORMWATER FEATURES INSPECTION (OM&M WORK PLAN SECTION 3.1.4)

1 East Riprap Run-on/Runoff Ditch

- ☐ Fully Operational
☐ Water flow impeded*
☐ Staining
☐ Solids Accumulation

Debris/Garbage

- ☐ No material present
☐ Small amount of easily removed material
☐ Significant amount of material to be removed
☐ Material requiring immediate removal
(detailed below)

2 South Riprap Run-on/Runoff Ditch

- ☐ Fully Operational
☐ Water flow impeded*
☐ Staining
☐ Solids Accumulation

Debris/Garbage

- ☐ No material present
☐ Small amount of easily removed material
☐ Significant amount of material to be removed
☐ Material requiring immediate removal
(detailed below)

3 Southeast 24" RCP Culvert

- ☐ Fully Operational
☐ Water flow impeded*
☐ Staining
☐ Solids Accumulation

Debris/Garbage

- ☐ No material present
☐ Small amount of easily removed material
☐ Significant amount of material to be removed
☐ Material requiring immediate removal
(detailed below)

4 Southwest 24" RCP Culvert

- ☐ Fully Operational
☐ Water flow impeded*
☐ Staining
☐ Solids Accumulation

Debris/Garbage

- ☐ No material present
☐ Small amount of easily removed material
☐ Significant amount of material to be removed
☐ Material requiring immediate removal
(detailed below)

5 Southern Retention Basin

- ☐ Fully Operational
☐ Water flow impeded*
☐ Staining
☐ Solids Accumulation

Debris/Garbage

- ☐ No material present
☐ Small amount of easily removed material
☐ Significant amount of material to be removed
☐ Material requiring immediate removal
(detailed below)

6 North End Riprap Flood Revetment

- ☐ Fully Operational
☐ Missing riprap material
☐ Staining

7 Concrete Pan (drainage)

- ☐ Fully Operational
☐ Damaged, missing, or undercut concrete

8 Upper Cap Surface

- ☐ Fully Operational; sheds water off upper surface
☐ Evidence of ponding occurring

9 Identify approximate location of problem areas on Inspection Site Map Provided

10 Comments *(note cause of impeded flow in ditches and culverts)

11 Recommendations

- ☐ 0 No action required
☐ 1 Minor action; site stable
☐ 2 Small areas on site require some action
☐ 3 Significant action required

Inspector Signature

Date

LAND USE CHANGES AND DEVELOPMENT INSPECTION (OM&M WORK PLAN SECTION 3.1.5)**1 New Land Use**

- ☐ Is there evidence of any new land use and/or development since previous inspection?
- ☐ Is there evidence of any general site changes since previous inspection?

2 Institutional Controls

- ☐ Is there evidence that the Waste Left in Place cover has been disturbed by excavation, drilling, or grading?

3 Identify approximate location of problem areas on Inspection Site Map Provided**4 Comments** (describe new land use, development, or changes)

5 Recommendations

- ☐ 0 No action required
- ☐ 1 Minor action; site stable
- ☐ 2 Small areas on site require some action
- ☐ 3 Significant action required

 Inspector Signature

 Date

STREAMBANK STABILIZATION INSPECTION (OM&M WORK PLAN SECTION 3.1.6)

1 Is there evidence of riprap movement? ☐ Yes ☐ No
If yes describe below.

2 Is there evidence of failure? ☐ Yes ☐ No
If yes describe below.

3 Is there evidence of erosion? ☐ Yes ☐ No
If yes describe below.

4 Description of visual observations (conditions of riprap, other physical damage, etc.).

5 Based on Inspection, describe maintenance or repairs that may be required.

7 Identify approximate location of problem areas on Inspection Site Map Provided

8 Comments

9 Recommendations

- ☐ 0 No action required
☐ 1 Minor action; site stable
☐ 2 Small areas on site require some action
☐ 3 Significant action required

Inspector Signature

Date

SEEP INSPECTION (OM&M WORK PLAN SECTION 3.1.7)

1 Active Seeps

- ☐ Is there an active seep emanating from base of cap?
- ☐ Estimated flow in gpm _____
- ☐ Estimated aerial dimensions _____
- ☐ Does flow reach surface body of water?*
- ☐ Iron staining
- ☐ Solids deposition

2 Inactive Seeps

- ☐ Is there evidence of an inactive seep emanating from base of cap?
- ☐ Iron staining
- ☐ Solids deposition

3 Comments *(descriptions and explanations)

4 Recommendations

- ☐ 0 No action required
- ☐ 1 Minor action; site stable
- ☐ 2 Small areas on site require some action
- ☐ 3 Significant action required

Inspector Signature

Date



Columbia Tailings Site Inspection Photo Log

[illegible]

From: "Samantha R. Caravello" <scaravello@kaplankirsch.com>

Subject: Columbia Tailings Site work plan comments

Date: June 6, 2024 at 10:57:47 AM MDT

To: "npieterse@ricocolorado.gov" <npieterse@ricocolorado.gov>

Hi Nicole,

As discussed on the phone, please see Dave's comments below. I'm highlighting the ones I mentioned that I think the Town might want to raise with AR as critical for addressing the acknowledged issues with the integrity of the remediation.

In addition, based on my own review, I think you might want to:

- Ask whether the work plan places any obligations on the Town. The work plan notes that a "smaller portion" of the Site is owned by the Town of Rico (p.7), and suggests that a landowner other than AR might approve maintenance activities ("Site maintenance may be scheduled as appropriate to address deficiencies found during the inspections as described in Section 3.1 and in discussion with Atlantic Richfield. No maintenance activities shall be initiated until a work plan is approved by Atlantic Richfield and/or the landowner." (p.9)). Is there any expectation that the Town as a landowner will have to approve and implement a maintenance work plan?
- Ask whether the inspection results will be made publicly available, or at least made available upon request or a copy sent to the Rico Town Manager.

Please feel free to call if you'd like to discuss.

Thanks,
Sam

Dave's comments:

1. Section 2.1 Safety & Dust Mitigation Measures:
 - a. Dust control monitoring and mitigation will be most critical when moving and placing the mine waste along the east side of the existing pile – this should be noted.
 - b. Some quantitative criteria for dust control when moving contaminated materials should be included (e.g., maximum wind speed).
 - c. Provisions for temporary covering of stockpiled materials (i.e., that are not immediately placed in lifts in the pile) should be included.
2. Section 2.6 Cover Improvements:
 - a. The minimum slope of -1% should also be mentioned (as it is on Figure 5).
 - b. I think most of precipitation will infiltrate the soil cover using the -6" pit run material, with a -1.0% slope, except perhaps for high intensity rainfall that saturates the surface. In other words, this is not a cap intended to prevent

infiltration, it only prevents direct contact. This could be verified by runoff calculations or HELP model runs.

- c. The -6" size criterion does not seem appropriate for the "soil" cover – it will not promote vegetation. In fact, the work plan currently states in Section 3.1.2 that "some cover material may consist of rock mulch, where vegetation conditions may not be as critical to provide protection for the covered material." This is true with respect to direct contact risk but is not true for prevention of infiltration and potential leaching of the tailings below the cover.
 - d. The 400 ppm lead criterion seems high – what is the source of the pit run, and what lead levels have been measured there?
 - e. There are no specifications for the soil fertility amendments.
3. Section 3.1.2 Vegetation Inspection: The criteria allow for bare areas up to 10 feet in diameter, with no limit on the number of bare areas. Further, there are no criteria for vegetation density (and no irrigation is planned). Since evapotranspiration is likely to be the main process that limits percolation of precipitation into the tailings, the vegetative cover is an important factor in controlling downward percolation of precipitation that infiltrates the cover.
 4. Section 3.2.9 Seep Maintenance: It's not very clear how seeps will be addressed. Preventing or minimizing seepage of impacted water from the tailings should be a primary objective of the upgrades.
 5. Figure 1. The locations of the seeps and discolored sediments and rock have been observed in the past should be shown.
 6. Figure 3. Finished Grade (Top of Cap) Grading Plan. The plan shows the existing surface grade with arrows (black), typically at about -0.9%. This is mislabeled as the finished grade. Further, the actual finished grade of -1.0% (see Figure 5) should be shown as well (or instead) with red arrows.
 7. Figures 4A to 4E. As above, the existing ground surface grade of -0.9% is shown with black arrows, but the finished grade of -1.0% is not.
 8. Figure 5. Detail 2 shows "existing material" below the left side of the channel – this will actually be mine waste relocated from east of the existing pile, as described in the work plan. However, I recommend that clean soil (ideally low permeability) be placed under the full width of the channel riprap, between the riprap and the existing grade. It's possible that the historic seeps have been due to lateral movement of water from the eastern channel into the tailings.

Samantha R. Caravello

Attorney at Law

She/Her/Hers

D [303.825.7009](tel:303.825.7009) | C [516.353.8703](tel:516.353.8703)
1675 Broadway | Suite 2300 | Denver, CO 80202

[website](#) | [vCard](#)



Chauncey McCarthy <townmanager@ricocolorado.gov>

Draft Columbia Tailings O&M Plan

Rudolph - CDPHE, Mark <mark.rudolph@state.co.us>

Tue, Jun 11, 2024 at 8:12 AM

To: "Mcanulty, Michael C" <mcanumc@bp.com>

Cc: Kevin Pfeifer <kpfeifer@alloygroup.com>, townmanager <townmanager@ricocolorado.gov>, Chris Condon <ccondon@ricocolorado.gov>, Nicole Pieterse <npieterse@ricocolorado.gov>, Dave Folkes <DFolkes@geosyntec.com>

Mike, I finished my review over the weekend. I agree with Dave Folkes comments provided by Nicole. I do want to highlight my major comment re: Cover Improvements, which Dave highlighted in his comments.

Section 2.1 Safety and Dust Mitigation Measures

Please bold sentences #2 and #3 to emphasise the importance of dust control measures.

Section 2.6 Cover Improvements - The cap discussion just states that "a cover will be placed over graded materials shown in Attachment 1 (shows areal extent)" and "The cover material will consist of 6-inch minus pit run material capable of sustaining vegetation".

There is no discussion of the number of lifts of "Pit Run" or the soils criteria for supporting vegetation. While a proper graded and compacted cap will assist in lessening infiltration, the work on this site is an opportunity to correct decades of neglect and should be completed in a manner that reflects deferred maintenance. Pit Run is good to provide for vadose wicking upward. State would like to see a minimum of 12" of soil with nutrients specified for establishing a vegetated cap which is designed as an evapotranspirative cap. Sub layers of 6-inch pit run lifts would be good to help further establish the viability of the site. If Pit Run material is proposed for use, a minimum of 12" with a geosynthetic barrier to prevent infiltration.

Section 3.1 Inspection Procedures

Please clarify the approximate time frame of the annual inspection. State requests that inspections occur post spring runoff or early summer to allow for construction repairs, if needed, to occur in the same year.

Thanks and please feel free to call or email to discuss these
Mark

On Mon, Jun 10, 2024 at 9:52 AM Mcanulty, Michael C <mcanumc@bp.com> wrote:

Mark:

Do you have comments on the subject plan that you can share with AR?

Thanks, Mike

[Quoted text hidden]

SAN MIGUEL POWER ASSOCIATION UPDATE

Annual Refunds

“Patronage Capital” is each member/patron’s share of an electric cooperative’s annual margin. Electric co-op bylaws allow Boards of Directors to retain this “allocated patronage capital” as “member equity” for as long as the Board desires. This equity investment is a requirement of member/patrons. Electric co-ops are monopolies.

The benefit to co-op member/patrons in providing equity to an electric cooperative is a reduction of the co-op’s long-term debt interest. Co-op’s loans from U.S. Rural Utilities Service and/or other lenders include interest charges. Co-op member/patrons’ equity is effectively a 0% interest loan which has no repayment schedule.

The downside of the required equity contribution for member/patrons is loss of purchasing value due to inflation, since the equity investment earns no interest or dividend. Former electric co-op member/patrons may be financially harmed by this practice since they no longer receive the benefit of the co-op’s reduced LTD interest expense.

U.S. Internal Revenue Code rules prohibit not-for-profit cooperatives from paying interest or dividends on the retained allocated patronage capital. If co-ops paid these benefits, then re-classification to “for-profit” status may be required, resulting in income tax liability.

The financial effect of the SMPA annual refund delay on Town of Rico electric service accounts is unknown. Comparison of SMPA’s reduced LTD interest expense versus Town’s loss of purchasing power over the years of annual refund delay is needed. All electric consumers within Town of Rico are affected by SMPA’s annual refunds delay.

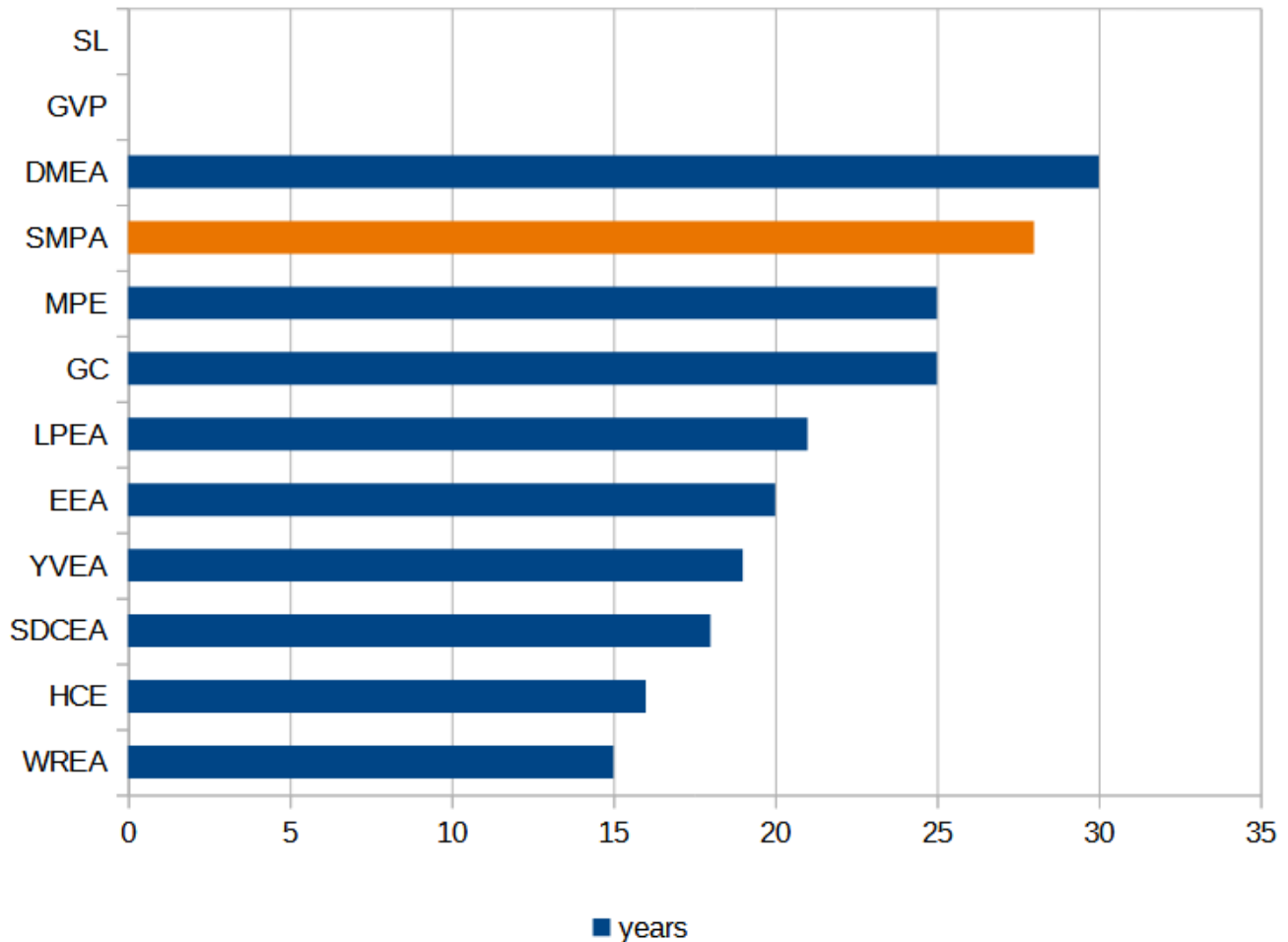
[Twenty-two electric co-ops](#) provide service in rural Colorado. Morgan County Rural Electric Association in northeast Colorado has the shortest annual refund cycle – 7 years.

The number of cooperatives such as SMPA providing “distribution” [electric service in the United States](#) is 832.

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Chart below compares San Miguel Power Association wait-time for member/patrons to receive annual refunds with all western Colorado electric cooperative associations. Two electric co-ops do not provide this information at their websites. “Cycle” is the number of years, also known as “rotation cycle.” Cooperatives use revenues from current member/patrons to payout older patronage capital allocations.

Western Colorado Electric Cooperatives Annual Patronage Capital Credits (Refunds) Cycles year-end 2023



Excerpt of a transcript from an SMPA August 22, 2023 Board of Directors meeting (below) explains why the SMPA annual refund wait-time is extended compared to other electric co-ops. Board President Felicelli revealed that previous SMPA boards did not authorize annual refunds for 10 years. SMPA attorney warned that exceeding 30 years may result in SMPA members suing SMPA.

Felicelli: I do want to point out that the reason we're on the 30-year cycle is for 10 years we did not retire capital credits. And as a result, *(garbled)*.

CEO: *(garbled)* Since I've become CEO we've cut eight years off our cycle.

Multiple voices for several seconds.

Attorney: The reason back then (*garbled*) that board said what we're essentially doing today is borrowing money to pay that back. And they said, "We don't think the current members should have to pay interest on borrowed money to pay back members from 30 years ago." And then when we got into it a few years and got behind then there were some court cases, not here in Colorado. That was the co-op trend at the time, saying "why should we do this," and there were some court cases that said "You can't do it forever." And that's where the 30 year compromise that Brad mentioned kind-of came up. Which is, if you're 30 years or less, you're in a kind-of safe harbor, best practices. If you're more than that, you need a darn good reason why you're going to be more than 30 years. Otherwise the court, any of our members could take you to court, and then we'd have to defend why we are higher.

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Excerpts below from SMPA Bylaws pertaining to annual refunds. In Section 2 is a provision by which SMPA pretends to pay member/patrons at year-end their share of the cooperative's margins for that year, and member/patrons pretend to invest these refunds in cooperative:

All such amounts credited to the capital account of any Patron shall have the same status as though they had been paid to the Patron in pursuance of a legal obligation to do so and the Patron had then furnished the Cooperative corresponding amounts of capital.

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SAN MIGUEL POWER ASSOCIATION, INC.
BYLAWS
REVISED January 25, 2022

ARTICLE VIII
NON-PROFIT OPERATION

Section 1. Interest or Dividends on Capital Prohibited:

The Cooperative shall at all times be operated on a Cooperative non-profit basis for the mutual benefit of its Patrons. No interest or dividends shall be paid or payable by the Cooperative on any capital furnished by its Patrons.

Section 2. Patronage Capital in Connection with the Sale of Electricity:

In the sale of energy from various sources, the Cooperative's operations shall be so conducted that all Patrons will, through their patronage, furnish capital for the Cooperative. In order to induce patronage and to assure that the Cooperative will operate on a non-profit basis, the Cooperative is obligated to account on a patronage basis to all its Patrons for all amounts received and receivable from the sale of energy from various sources in excess of the sum of: (a) operating costs and expenses properly

chargeable against the furnishing of energy from various sources, and (b) amounts required to offset any losses incurred during the current or any prior fiscal year.

All such amounts in excess of operating costs and expenses at the moment of receipt by the Cooperative are received with the understanding that they are furnished by the Patrons as capital. The Cooperative is obligated to allocate, by credits to a capital account for each Patron, all such amounts in excess of operating costs and expenses. The books and records of the Cooperative shall be set up and kept in such a manner that at the end of each fiscal year the amount of the capital, if any, so furnished by each Patron is clearly reflected and credited in an appropriate record to the capital account of each Patron and the Cooperative shall, within a reasonable time after the close of the fiscal year, notify each Patron of the amount of capital so credited to his or her account.

All such amounts credited to the capital account of any Patron shall have the same status as though they had been paid to the Patron in pursuance of a legal obligation to do so and the Patron had then furnished the Cooperative corresponding amounts of capital.

All other amounts received by the Cooperative from its operations in excess of costs and expenses shall, insofar as permitted by law, be: (a) used to offset any losses incurred during the current or any prior fiscal year, and (b) to the extent not needed for that purpose, allocated to its Patrons on a patronage basis, and any amounts so allocated shall be included as part of the capital credited to the accounts of Patrons as herein provided.

In the event of dissolution or liquidation of the Cooperative, after all outstanding indebtedness of the Cooperative shall have been paid, outstanding capital credits shall be retired without priority on a pro rata basis. If, at any time prior to dissolution or liquidation, the Board shall determine that the financial condition of the Cooperative will not be impaired thereby, the capital credited to Patron's accounts may be retired in full or in part. If the amount owed to a Patron from such retirement that is a current consumer of energy from various sources in a particular year is less than ten Dollars (\$10.00), the Cooperative need not pay such amount, but may accumulate the amount owed to such Patron until the earlier of: (i) such time as the amount owed to such Patron is equal to or greater than Ten dollars (\$10.00); (ii) such time as the Cooperative credits such amount to the Patron's bill; or (iii) such time as such Patron ceases to be a current consumer of energy. Except as set forth in the preceding sentence, any such retirements shall be made by such method, basis, priority and order as shall be determined, from time to time, by the Board of Directors. Capital credited to the account of each Patron shall be assignable only on the books of the Cooperative pursuant to written instruction from the assignor and only to successors in interest or successors in occupancy in all or part of such Patron's premises served by the Cooperative unless the Board, acting under policies of general application, shall determine otherwise. The Board, acting under policies of general application, may provide for separate and different accounting for patronage capital or similar credits received from organizations affiliated with the Cooperative.

Section 3. Unclaimed Capital Credits: In all cases where a Patron fails to claim any deposits, stocks, dividends, capital credits, patronage refunds, or any other property held for him by the Cooperative within six (6) months after the same have been declared payable to him, the Cooperative may recover and use such unclaimed property or funds for expenditures associated with the provision of electric service as directed by the Board of Directors of the Cooperative. Before using said funds, the

Cooperative shall first have notice by mail addressed to such Member or consumer at his or her last known address as shown by the records of the Cooperative, unless the Cooperative has knowledge that such address is no longer accurate. Further, the Cooperative shall have caused to be published a notice in a newspaper of general circulation and posted on the Cooperative's website that unless such payment is claimed, the Patron's claim thereto shall be extinguished and forever barred.