

Town of Rico Memorandum

Date: May 15, 2025

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

**Acceptance of the 2024 annual audit (Pg. 15-63)**

Included in the packet is the 2024 annual audit. Andrew Wendt of Atlas will be in attendance via zoom to present the audit and answer any questions the Board of Trustees may have.

*Recommended Action:* Accept the 2024 Annual Financial Report as presented and authorize its submission to the State Auditor's Office.

**Consideration of first reading of Ordinance No. 2025-02 An ordinance of the Town of Rico, Colorado, repealing Ordinance No. 2019-06, as amended by Ordinance No. 2024-01, and adopting new Water Operations Rules and Regulations and providing for penalties for violation of same (Pg. 64-94)**

Included in the packet is Ordinance No. 2025-02, which repeals Ordinance No. 2019-06, as amended by Ordinance No. 2024-01, and adopts the 2025 Rico Water Rules and Regulations. To support the Board's review, a staff comparison memo is also included, summarizing key changes between the 2019 Water Rules and the proposed 2025 version. The memo provides a crosswalk of article titles, outlines major policy and procedural updates, and highlights structural improvements across the document.

Ordinance No 2025-02 was approved by the Board of Trustees at the April 16, 2025 meeting

*Recommended Action:* Approval of the second reading of Ordinance No. 2025-02 An ordinance of the Town of Rico, Colorado, repealing Ordinance No. 2019-06, as amended by Ordinance No. 2024-01, and adopting new Water Operations Rules and Regulations and providing for penalties for violation of same

**Consideration of Resolution 2025-02 A resolution of the Board of Trustees of the Town of Rico, Colorado, setting the water rate and fee schedule for the period beginning May 25, 2025 and ending December 31, 2025, and providing for the annual adjustment of the water rate and fee schedule (Pg. 95-96)**

Included in the packet for the Board's consideration is Resolution 2025-02, which formally adopts the updated water rate and fee schedule for the period beginning May 25, 2025, and ending December 31, 2025. This resolution increases the base monthly residential water rate from \$38 to \$42 and the commercial base rate from \$68 to \$75 for usage up to 3,000 gallons per month. It also introduces a tiered volumetric rate structure for both residential and commercial accounts: \$6 per 1,000 gallons for usage between

3,001 and 8,000 gallons, \$10 per 1,000 gallons for usage between 8,001 and 12,000 gallons, and \$15 per 1,000 gallons for usage over 12,000 gallons. The volumetric rate approach is designed to promote water conservation and ensure that higher-volume users contribute more proportionally to system costs. In addition to base and usage rates, Appendix A outlines updated fees for late payments (\$15 plus 12% annual interest), shutoffs (\$75), water tap fees (ranging from \$12,500 to \$86,000 based on tap size), and system improvement fees calculated at \$6,110 per Equivalent Residential Unit (EQR). The resolution further establishes that water rates and fees will be reviewed and adjusted annually based on inflation to ensure the long-term financial health of the Water Enterprise Fund and to support ongoing infrastructure operations, maintenance, and capital improvement needs.

*Recommended Action:* Approval of Resolution 2025-02 A resolution of the Board of Trustees of the Town of Rico, Colorado, setting the water rate and fee schedule for the period beginning May 25, 2025 and ending December 31, 2025, and providing for the annual adjustment of the water rate and fee schedule

**Consideration of Resolution 2025-03 A resolution of the Board of trustees of the Town of Rico, Colorado, establishing a formal process for requesting letters of support from the Town (Pg. 98-98)**

Included in the packet for the Board's consideration is Resolution 2025-03, which was drafted based on input provided by the Board at the April meeting. This resolution establishes a formal process for how local organizations can request letters of support from the Town of Rico. It sets minimum submission requirements, including a 10-day advance deadline and sufficient documentation to enable staff to prepare a draft letter. The policy ensures that all requests are reviewed in a transparent and consistent manner and that letters of support are issued only to entities with a meaningful connection to the Rico community.

*Recommended Action:* Approval of Resolution 2025-03 A resolution of the Board of trustees of the Town of Rico, Colorado, establishing a formal process for requesting letters of support from the Town

**Consideration of reading of Ordinance 2025-03 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. 99-101)**

The current moratorium on accepting new applications for major and minor subdivisions, as well as residential or commercial planned unit developments, is set to expire on June 30, 2024. Ordinance 2025-03, included in the packet, proposes extending the moratorium through the end of the year. Since the moratorium was first adopted, the Town has implemented development impact fees and is nearing completion of the Project Needs Assessment for the Silver Creek water system; a key

step in securing funding through the State Revolving Fund (SRF) program. These impact fees will help ensure that future development contributes to infrastructure improvements, reducing the burden on existing residents. Given this progress, staff recommends allowing the moratorium to expire as scheduled and does not support the adoption of Ordinance 2025-03

**Consideration of request for expansion of non-conforming building – Burley Building Second-Story Deck, 9 S Glasgow, Erin Johnson, applicant (Pg.102-141)**

The owner of the historic Burley Building has submitted a request for approval to expand a non-conforming building by constructing a second-story deck and roof over an existing utility room and first-floor deck at the rear of the structure. The structure is considered non-conforming under the Rico Land Use Code (RLUC) because it encroaches into the required rear setback and sits directly on the property line adjacent to the alley, in conflict with current zoning regulations.

The original remodel of the building, completed in 2003 with Town approval, included the construction of the utility room and first-floor deck in this rear setback area. At that time, the structural plans also anticipated a future second-story deck, though it was not completed. The applicant now seeks to move forward with construction of the upper deck, using the existing hardened steel structural posts installed during the 2003 project.

The area between the building and the alley has long served as functional access and utility space for the building, with features such as loading docks, coal chutes, and rear stairways historically located in that area. The applicant asserts that this historic use has been continuous and uninterrupted, qualifying the structure for non-conforming status per RLUC §208.1.

Under RLUC §208.2, expansion of a non-conforming building requires specific approval by the Board of Adjustments. The current request involves no increase in the footprint of the existing encroachment but proposes vertical expansion through the addition of a second-story deck and a roof structure to improve safety and drainage. The proposed deck has been reduced from the originally planned 50 feet to 32 feet in width and includes a fire escape ladder and snow guards for safety.

All required submittal material for the Board of Adjustments review have been included in the packet including, Cover Letter, Application Form, 1994 Site Survey, Vicinity Map, Location Map, 2003 Photo, 2025 Photo, First Floor Plan, Second Floor Plan, Deed, Engineer Letter and Plans, 2003 Engineering Plan, 2003 Engineering Specifications

**Consideration of Building Permit Application – Burley Building Second-Story Deck (Historic Commercial Zone), 9 S Glasgow, Erin Johnson, applicant (Pg. 102-141)**

Contingent upon approval by the Board of Adjustments to allow expansion of a non-conforming structure under RLUC §208, the Board of Trustees is asked to review a building permit application for the construction of a second-story deck and roof on the historic Burley Building, located in the Historic Commercial (HC) Zone District.

As required under RLUC §242, all new structures or alterations to existing structures in the HC Zone District must be reviewed and approved by the Board of Trustees prior to issuance of a building permit. While the applicant has not provided architectural renderings or elevation drawings, the submittal includes engineered plans and structural specifications prepared by a licensed engineer.

The Board of Trustees shall evaluate the application using the standards in RLUC §244, which include the following:

- **244.1** The application complies with the Design Regulations for the HC Zone District; the application should incorporate architectural features similar to features established by the historic commercial structures in the Town; such features include, but are not limited to: windows, doors, cornices, trim, and decorative architectural features; and,
- **244.2** Proposed structure or alteration of existing structure utilizes design that is practical and functional with respect to pedestrian traffic flow, parking, loading and deliveries; and,
- **244.3** The design provides visual interest by avoiding long monotonous walls without windows, doors, openings, or trim detail and by using siding materials, doors, windows, and trim detail that provide visible texture, relief, and shadow lines; and,
- **244.4** The overall design is compatible and complimentary to existing buildings in the HC Zone District.

### **Geothermal Heating, Kevin Kitz of Teverra presenter (Pg. 142-152)**

Kevin Kitz of Teverra will present on the potential for geothermal heating in Rico. A memo from Mr. Kitz and his accompanying slide deck are included in the packet for reference.

### **Discussion and direction on use and repairs for the Rico Community Church property**

The Board should be prepared to discuss next steps for the recently acquired Rico Community Church property, which includes both the church building and an adjacent one-bedroom house. Topics for discussion include prioritizing repairs and renovations, budgeting for necessary repairs, establishing an advisory committee, exploring potential uses such as a community gathering space, and identifying grant or other funding opportunities.

### **Street Fund mill levy and sales tax ballot measures (Pg. 153-154)**



At the April Board of Trustees meeting, the Board discussed the potential need for additional, stable revenue sources to support the Town's Street Fund. In response, the Town Attorney has prepared three draft ballot measures for consideration at this meeting. These drafts are intended to provide the Board with preliminary options and solicit input so that staff and legal counsel can finalize language for a ballot ordinance to be introduced at the June meeting. The draft ballot language has been included in the Board packet for review

**Terms of transfer of Firehouse property (lots 9,10,11 and 12 in Block 2) from Town of Rico to Rico Fire Protection District (Pg. 155-160)**

The Rico Fire Protection District (RFPD) has formally requested that the Town of Rico convey ownership of the firehouse property—comprising Lots 9, 10, 11, and 12 in Block 2—to the District. This discussion is intended to determine a path forward, including the terms of a potential transfer agreement. Topics for Board consideration include whether to include a right of first refusal for the Town, and whether the agreement should stipulate a fixed buyback price rather than relying on fair market value in the event the property is sold. As proposed by the District, the property would revert to the Town of Rico at no cost should the District ever be dissolved. Representatives from RFPD will be present to participate in the discussion. Included in the packet is a letter from the District along with supporting documentation.

**Code enforcement**

This item was added to the agenda at the request of residents concerned about potential land use code violations. The Town encourages those wishing to raise specific concerns to attend the meeting prepared to reference the relevant sections of the Rico Land Use Code they believe are being violated. Public participation will be essential to help guide any discussion or potential action.

**Town project updates**

Staff will provide an update on current town projects.

## RICO TOWN BOARD MEETING MINUTES

Date: April 16, 2025  
Call to Order 7:03 PM

### Trustees Present:

Mayor Patrick Fallon  
Mayor Pro Tem Cristal Hibbard  
Trustee Benn Vernadakis  
Trustee Gerrish Willis  
Trustee Scott Poston  
Trustee Joe Dillsworth (zoom)  
Trustee Chris Condon

### Trustees Absent:

**Staff Present.** Chauncey McCarthy, Anna Wolf (Zoom),

### Approval of the Agenda

#### Motion

To approve the agenda.

**Moved by** Trustee Benn Vernadakis, seconded by Trustee Scott Poston

**Vote.** A roll call vote was taken and the motion was approved, 7-0.

Voting Yes Trustee Scott Poston, Trustee Benn Vernadakis, and Mayor Patrick Fallon, Trustee Gerrish Willis, Mayor Pro Tem Cristal Hibbard, Joe Dillsworth, Chris Condon.

### Approval of the Minutes

Board discussion was had.

Amendments to the minutes: Second motion did pass.

#### Motion

To approve the minutes of March 19, 2025 with the above corrections.

**Moved by**, Trustee Chris Condon, seconded by Trustee Benn Vernadakis.

**Vote.** A roll call vote was taken and the motion was approved, 7-0.

Voting Yes Trustee Scott Poston, Trustee Benn Vernadakis, and Mayor Patrick Fallon, Trustee Gerrish Willis, Mayor Pro Tem Cristal Hibbard, Joe Dillsworth, Chris Condon.

### Consent Agenda

#### Payment of the Bills

#### Motion

To approve payment of the bills.

**Moved by** Trustee Benn Vernadakis, seconded by Mayor Pro Tem Cristal Hibbard

**Vote.** A roll call vote was taken and the motion was approved, 7-0.

Voting Yes Trustee Scott Poston, Trustee Benn Vernadakis, and Mayor Patrick Fallon, Trustee Gerrish Willis, Mayor Pro Tem Cristal Hibbard, Joe Dillsworth, Chris Condon.

**Public Comment:**

Nicole Pieterse on behalf of the Rico Trails alliance gives RGS river trail project update.

**Presentation:**

60% Stormwater design, Anderson Engineering

Anderson engineering gives Presentation.

Board of Trustee has discussion.

Funding sources were discussed.

**Action Items:**

Consideration of a letter from Atlantic Richfield Company requesting an extension for deadline to establish clean soil stockpile

Mayor Patrick Fallon gives summary.

Board has discussion.

Public Comment: Skip Zeller

**Motion**

Move approve and sign the letter from Atlantic Richfield Company requesting an extension for deadline to establish clean soil stockpile.

**Moved by** Mayor Pro Tem Cristal Hibbard, seconded by Trustee Benn Vernadakis.

**Vote.** A roll call vote was taken and the motion was approved, 7-0.

Voting Yes Trustee Scott Poston, Trustee Benn Vernadakis, and Mayor Patrick Fallon, Trustee Gerrish Willis, Mayor Pro Tem Cristal Hibbard, Joe Dillsworth, Chris Condon.

Consideration of Task Order Number 3, Sewer Design, Bohannon Huston

Mayor Patrick Fallon gives introduction. Town Manager Chauncey McCarthy gives high level summary.

Bohannon Huston Andrew Swartswalter and Donsel Worthington give summary.

Board has discussion.

Public Comment: Skip Zeller, Allyn Svoboda

**Motion**

Move to direct staff to receive the work order provided two contingencies are added: 1, that it is contingent upon the grant funding that is allocated to the Town of Rico 2 that the payment terms are subject to the Town's grant funding.

**Moved by** Trustee Chris Condon, seconded by Mayor Pro Tem Cristal Hibbard.

**Vote.** A roll call vote was taken and the motion was approved, 7-0.

Voting Yes Trustee Scott Poston, Trustee Benn Vernadakis, and Mayor Patrick Fallon, Trustee Gerrish Willis, Mayor Pro Tem Cristal Hibbard, Joe Dillsworth, Chris Condon.

Consideration of quarter 1 financial statements

Town Manager gives summary.

Board has discussion.

**Motion**

To approve the Quarter 1 financial report as presented.

**Moved by** Trustee Benn Vernadakis, seconded by Trustee Chris Condon.

**Vote.** A roll call vote was taken and the motion was approved, 7-0.

Voting Yes Trustee Scott Poston, Trustee Benn Vernadakis, and Mayor Patrick Fallon, Trustee Gerrish Willis, Mayor Pro Tem Cristal Hibbard, Joe Dillsworth, Chris Condon.

Consideration of first reading of Ordinance No. 2025-02 An ordinance of the Town of Rico, Colorado, repealing Ordinance No. 2019-06, as amended by Ordinance No. 2024-01, and adopting new Water Operations Rules and Regulations and providing for penalties for violation of same

Town Manager gives summary.

Board has discussion.

Public Comment: Skip Zeller, Melissa Kawalick

**Motion**

Move to approve first reading of Ordinance No. 2025-02 An ordinance of the Town of Rico, Colorado, repealing Ordinance No. 2019-06, as amended by Ordinance No. 2024-01, and adopting new Water Operations Rules and Regulations and providing for penalties for violation of same.

**Moved by** Mayor Patrick Fallon, seconded by Trustee Chris Condon.

**Vote.** A roll call vote was taken and the motion was approved, 7-0.

Voting Yes Trustee Scott Poston, Trustee Benn Vernadakis, and Mayor Patrick Fallon, Trustee Gerrish Willis, Mayor Pro Tem Cristal Hibbard, Joe Dillsworth, Chris Condon.

Consideration of Town of Rico Digital Accessibility Plan

Town Manager gives summary.

Board has discussion.

**Motion**

Move to approve the Town of Rico Digital Accessibility Plan.

**Moved by** Trustee Scott Poston, seconded by Trustee Chris Condon.

**Vote.** A roll call vote was taken and the motion was approved, 7-0.

Voting Yes Trustee Scott Poston, Trustee Benn Vernadakis, and Mayor Patrick Fallon, Trustee Gerrish Willis, Mayor Pro Tem Cristal Hibbard, Joe Dillsworth, Chris Condon.

**Staff Report**

Clerk's report:

Quarter 1 closed out.

Safety Deposit box has the original incorporation documents.

Liquor License fee schedule needs to be adopted.

Looking into records retention schedule for the Board to adopt.

Cora request policy needs to be adopted by the Board.

Manager's report

Rico Land collaborative have provided material for the trash day. Completed MOA to be signed by the Rico Land collaborative.

Park pavilion work will start mid May depending on the site's water content.

No interest in the Soils position.

Parks position will be advertised in May.

Land use code restriction for the VCUP does not allow for hard rock mining by either party. This needs to be recorded by the Town.

Onboarding Civic plus in the next 2 months, online permits, cloud for CORA, online payments. It will find a lot of efficiencies.

Joint Planning and Board meeting May 14 at 6:00PM.

Closed on the Church on April 11.

Looking to use the Mantz building and Church for lodging during the Skateboard park build.

Dennis working on patching potholes in the roads.

### **Discussion Items**

#### Town of Rico Road Dust Palliative Application

Board has discussion

#### Street Fund mill levy and sales tax ballot measures

Chauncey McCarthy gives summary, and timeline.

Board directs staff to use creative ways to not burden the residence with too much increase in the mill levy increases.

#### Rico Water System

Chauncey McCarthy gives summary.

Board has discussion

#### Rico Town Park

Chauncey McCarthy gives update.

#### Resolution and requirements for a letter of support

Mayor Patrick Fallon gives summary. Resolution to be introduced to the Board in the next few months.

### **Motion**

Move to adjourn.

**Moved by** Trustee Benn Vernadakis, seconded by Trustee Scott Poston.

**Vote.** A roll call vote was taken and the motion was approved, 7-0.

Voting Yes Trustee Scott Poston, Trustee Benn Vernadakis, and Mayor Patrick Fallon, Trustee Gerrish Willis, Mayor Pro Tem Cristal Hibbard, Joe Dillsworth, Chris Condon.

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Anna Wolf  
Rico Town Clerk

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Patrick Fallon  
Mayor

NEW Town of Rico - General Fund  
**Check Register**  
For the Period From May 1, 2025 to May 31, 2025

Filter Criteria includes: Report order is by Date.

Check #	Date	Payee	Cash Account	Amount
18423	5/8/25	Jon Kelly	10000	375.00
18424	5/8/25	Fraley Propane, LLC	10000	485.00
18425	5/8/25	Rico Telephone Company	10000	250.00
18426	5/8/25	Dolores County Assessor	10000	31.75
18427	5/8/25	Utility Notification Center	10000	41.85
18428	5/8/25	WM Corporate Services, I	10000	47.53
18429	5/8/25	Buckhorn Engineering	10000	656.25
18430	5/8/25	Orkin	10000	152.00
18431	5/8/25	Century Link	10000	53.58
18432	5/8/25	San Miguel Power Associ	10000	122.00
18433	5/8/25	Karp Neu Hanlon, PC	10000	280.00
18434	5/8/25	CEBT	10000	4,439.40
18435	5/8/25	Vectra Bank Colorado	10000	12,853.75
18436	5/12/25	Karp Neu Hanlon, PC	10000	3,375.00
Total				<u>23,163.11</u>

Check Register

For the Period From May 1, 2025 to May 31, 2025

Filter Criteria includes: Report order is by Date.

Check #	Date	Payee	Cash Account	Amount
1437	5/8/25	Bohannan Huston	13500	3,535.00
Total				3,535.00

Filter Criteria includes: Report order is by Date.

Check #	Date	Payee	Cash Account	Amount
2996	5/8/25	Rico Telephone Company	10000	50.00
2997	5/8/25	Slavens, Inc	10000	89.31
2998	5/8/25	WM Corporate Services, I	10000	166.67
2999	5/8/25	San Miguel Power Associ	10000	129.00
Total				434.98



Filter Criteria includes: Report order is by Date.

Check #	Date	Payee	Cash Account	Amount
4719	5/8/25	Rico Telephone Company	10000	115.00
4720	5/8/25	Fraley Propane LLC	10000	200.00
4721	5/8/25	USA BlueBook	10000	1,627.51
4722	5/8/25	Dewco	10000	206.24
4723	5/8/25	La Plata County PH Dept	10000	38.50
4724	5/8/25	AT&T Mobility	10000	111.46
4725	5/8/25	San Miguel Power Associ	10000	549.00
4726	5/8/25	Ferguson Waterwork #111	10000	4,907.31
4727	5/8/25	PVS DX, INC	10000	10.00
4728	5/8/25	Argis Solutions Inc	10000	145.50
Total				7,910.52

Filter Criteria includes: Report order is by Date.

Check #	Date	Payee	Cash Account	Amount
1795	5/8/25	San Miguel Power Associ	11000	30.00
1796	5/8/25	Matthews Electric of Sout	11000	7,001.00
Total				7,031.00

**TOWN OF RICO, COLORADO  
ANNUAL FINANCIAL REPORT  
DECEMBER 31, 2024**

**TOWN OF RICO, COLORADO**  
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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, 2024 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, 2024, 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 14, 2025 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 14, 2025



**TOWN OF RICO, COLORADO**  
**STATEMENT OF NET POSITION**  
**December 31, 2024**

	<b>Governmental Activities</b>	<b>Business - Type Activities</b>	<b>Total</b>
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and equivalents	\$ 617,259	\$ 612,006	\$ 1,229,265
Investments, at fair value	689,096	-	689,096
Taxes receivable	118,173	31,441	149,614
Accounts receivable, net	-	11,105	11,105
<b>TOTAL CURRENT ASSETS</b>	<b>1,424,528</b>	<b>654,552</b>	<b>2,079,080</b>
<b>PROPERTY AND EQUIPMENT</b>			
Capital assets	2,072,053	3,574,920	5,646,973
Less Accumulated depreciation	(886,101)	(1,006,249)	(1,892,350)
<b>NET PROPERTY AND EQUIPMENT</b>	<b>1,185,952</b>	<b>2,568,671</b>	<b>3,754,623</b>
<b>TOTAL ASSETS</b>	<b>2,610,480</b>	<b>3,223,223</b>	<b>5,833,703</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflows related to pensions	77,741	-	77,741
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$ 2,688,221</b>	<b>\$ 3,223,223</b>	<b>\$ 5,911,444</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION</b>			
<b>CURRENT LIABILITIES</b>			
Accounts payable and other liabilities	\$ 26,196	\$ -	\$ 26,196
Accrued payroll	3,371	-	3,371
<b>TOTAL CURRENT LIABILITIES</b>	<b>29,567</b>	<b>-</b>	<b>29,567</b>
<b>LONG-TERM LIABILITIES</b>			
Net pension liability	146,766	-	146,766
<b>TOTAL LONG-TERM LIABILITIES</b>	<b>146,766</b>	<b>-</b>	<b>146,766</b>
<b>TOTAL LIABILITIES</b>	<b>176,333</b>	<b>-</b>	<b>176,333</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable property tax	118,173	31,441	149,614
Deferred inflows related to pensions	151	-	151
Total Deferred Inflows of Resources	118,324	31,441	149,765
<b>NET POSITION</b>			
Net Investment in Capital Assets	1,185,952	2,568,671	3,754,623
Restricted			
TABOR	41,415	-	41,415
Culture and recreation	52,993	-	52,993
Unrestricted	1,113,204	623,111	1,736,315
<b>TOTAL NET POSITION</b>	<b>\$ 2,393,564</b>	<b>\$ 3,191,782</b>	<b>\$ 5,585,346</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION</b>	<b>\$ 2,688,221</b>	<b>\$ 3,223,223</b>	<b>\$ 5,911,444</b>

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

**TOWN OF RICO, COLORADO**  
**STATEMENT OF ACTIVITIES**  
**For the Year Ended December 31, 2024**

FUNCTIONS/PROGRAMS	PROGRAM REVENUES				NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	PRIMARY GOVERNMENT		
					Governmental Activities	Business-type Activities	Total
Governmental Activities							
General Government	\$ 2,242,763	\$ 164,272	\$ -	\$ 943,071	\$ (1,135,420)	\$ -	\$ (1,135,420)
Public Safety	20,320	26,153	-	-	5,833	-	5,833
Public Works	104,778	-	-	-	(104,778)	-	(104,778)
Culture and Recreation	511,121	-	-	-	(511,121)	-	(511,121)
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<b>2,878,982</b>	<b>190,425</b>	<b>-</b>	<b>943,071</b>	<b>(1,745,486)</b>	<b>-</b>	<b>(1,745,486)</b>
Business - Type Activities							
Current:							
Water Operations	211,276	210,832	-	-	-	(444)	(444)
Sewer	24,523	-	-	-	-	(24,523)	(24,523)
<b>TOTAL BUSINESS-TYPE ACTIVITIES</b>	<b>235,799</b>	<b>210,832</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(24,967)</b>	<b>(24,967)</b>
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>\$ 3,114,781</b>	<b>\$ 401,257</b>	<b>\$ -</b>	<b>\$ 943,071</b>	<b>(1,745,486)</b>	<b>(24,967)</b>	<b>(1,770,453)</b>
<b>GENERAL REVENUES</b>							
Taxes:							
Property Taxes					136,587	29,849	166,436
Specific Ownership Taxes					6,020	1,602	7,622
Sales and Use Tax					513,599	-	513,599
Other Taxes					90,688	-	90,688
Miscellaneous					161,886	-	161,886
Interest Income					65,665	2,920	68,585
TRANSFERS					10,000	(10,000)	-
<b>TOTAL GENERAL REVENUES AND TRANSFERS</b>					<b>984,445</b>	<b>24,371</b>	<b>1,008,816</b>
<b>CHANGE IN NET POSITION</b>					<b>(761,041)</b>	<b>(596)</b>	<b>(761,637)</b>
<b>NET POSITION - Beginning of Year</b>					<b>3,154,605</b>	<b>3,192,378</b>	<b>6,346,983</b>
<b>NET POSITION - End of Year</b>					<b>\$ 2,393,564</b>	<b>\$ 3,191,782</b>	<b>\$ 5,585,346</b>

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

**TOWN OF RICO, COLORADO**  
**BALANCE SHEET - GOVERNMENTAL FUNDS**  
**December 31, 2024**

	GENERAL	STREET	NON-MAJOR GOVERNMENTAL FUNDS	TOTAL
<b>ASSETS</b>				
Cash and equivalents	\$ 143,884	\$ 209,609	\$ 263,766	\$ 617,259
Investments, at fair value	689,096	-	-	689,096
Property taxes receivable	103,925	14,248	-	118,173
<b>TOTAL ASSETS</b>	<u>\$ 936,905</u>	<u>\$ 223,857</u>	<u>\$ 263,766</u>	<u>\$ 1,424,528</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE</b>				
<b>LIABILITIES</b>				
Accounts payable	\$ 24,171	\$ -	\$ -	\$ 24,171
Payroll related liabilities	3,371	-	-	3,371
<b>TOTAL LIABILITIES</b>	<u>\$ 27,542</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 27,542</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue - property taxes	103,925	14,248	\$ -	\$ 118,173
<b>FUND BALANCE</b>				
Restricted				
TABOR	\$ 41,415	\$ -	\$ -	\$ 41,415
Culture and recreation	-	-	52,993	52,993
Committed	-	207,583	210,773	418,356
Unassigned	764,023	-	-	764,023
<b>TOTAL FUND BALANCE</b>	<u>\$ 805,438</u>	<u>\$ 207,583</u>	<u>\$ 263,766</u>	<u>\$ 1,276,787</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</b>	<u>\$ 936,905</u>	<u>\$ 221,831</u>	<u>\$ 263,766</u>	<u>\$ 1,422,502</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, 2024**

Total Fund Balances - Governmental Funds	\$	1,276,787
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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		(886,101)

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

77,741

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

(151)

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		(146,766)
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**NET POSITION OF GOVERNMENTAL ACTIVITIES**

	\$	2,393,564
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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, 2024**

	GENERAL	STREET	NON-MAJOR GOVERNMENTAL FUNDS	TOTAL
<b>REVENUES</b>				
Taxes:				
Property Tax	\$ 123,061	\$ 13,526	\$ -	\$ 136,587
Sales Tax	442,587	35,506	35,506	513,599
Other	18,274	75,563	2,871	96,708
Intergovernmental	379,649	-	-	379,649
General Government	190,425	-	-	190,425
Grants	-	-	519,540	519,540
Local Grants	-	-	40,000	40,000
Lottery Proceeds	-	-	3,882	3,882
Interest	64,621	495	549	65,665
Miscellaneous	161,867	19	-	161,886
<b>TOTAL REVENUES</b>	<b>1,380,484</b>	<b>125,109</b>	<b>602,348</b>	<b>2,107,941</b>
<b>EXPENDITURES</b>				
General Government	2,246,908	-	-	2,246,908
Public Safety	18,311	2,009	-	20,320
Public Works	-	74,550	-	74,550
Culture and Recreation	17,719	-	492,302	510,021
<b>TOTAL EXPENDITURES</b>	<b>2,282,938</b>	<b>76,559</b>	<b>492,302</b>	<b>2,851,799</b>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(902,454)	48,550	110,046	(743,858)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	20,000	-	-	20,000
Transfers (out)	-	(10,000)	-	(10,000)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>20,000</b>	<b>(10,000)</b>	<b>-</b>	<b>10,000</b>
Net change in fund balances	(882,454)	38,550	110,046	(733,858)
FUND BALANCE, Beginning	1,687,892	169,033	153,720	2,010,645
FUND BALANCE, Ending	\$ 805,438	\$ 207,583	\$ 263,766	\$ 1,276,787

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, 2024**

Net change in fund balances - total governmental funds	\$	(733,858)
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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.

Depreciation is reported in the government-wide financial statements		(48,400)
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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.

Net pension liability		49,860
Deferred outflow of resources related to pensions		(29,473)
Deferred inflows of resources related to pensions		830
		830

<b>CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES</b>	<b>\$</b>	<b>(761,041)</b>
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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, 2024**

	WATER	SEWER	TOTAL
<b>ASSETS</b>			
CURRENT ASSETS			
Cash	\$ 401,353	\$ 210,653	\$ 612,006
Receivables	11,105	-	11,105
Taxes receivable	-	31,441	31,441
TOTAL CURRENT ASSETS	<u>412,458</u>	<u>242,094</u>	<u>654,552</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	<u>(1,006,249)</u>	<u>-</u>	<u>(1,006,249)</u>
NET CAPITAL ASSETS	<u>2,568,671</u>	<u>-</u>	<u>2,568,671</u>
TOTAL ASSETS	<u>\$ 2,981,129</u>	<u>\$ 242,094</u>	<u>\$ 3,223,223</u>
<b>DEFERRED INFLOWS OF RESOURCES, AND NET POSITION</b>			
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - property taxes	<u>\$ -</u>	<u>\$ 31,441</u>	<u>\$ 31,441</u>
NET POSITION			
Net investment in capital assets	2,568,671	-	2,568,671
Unrestricted	<u>412,458</u>	<u>210,653</u>	<u>623,111</u>
TOTAL NET POSITION	<u>\$ 2,981,129</u>	<u>\$ 210,653</u>	<u>\$ 3,191,782</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, 2024**

	WATER	SEWER	TOTAL
OPERATING REVENUES			
Charges to customers	\$ 210,832	\$ -	\$ 210,832
TOTAL OPERATING REVENUES	210,832	-	210,832
OPERATING EXPENSES			
Salaries	80,080	-	80,080
Repairs and maintenance	15,972	-	15,972
Insurance	6,500	-	6,500
Supplies	7,186	-	7,186
Water samples	5,980	-	5,980
Electric	3,795	-	3,795
Propane	3,414	-	3,414
Utilities-other	7,080	-	7,080
Dolores Water Conservancy	3,000	-	3,000
Miscellaneous	9,581	-	9,581
Treasurers fees	-	596	596
Other expense	-	23,927	23,927
Depreciation expense	68,688	-	68,688
TOTAL OPERATING EXPENSES	211,276	24,523	235,799
NET (LOSS) FROM OPERATIONS	(444)	(24,523)	(24,967)
NON-OPERATING REVENUE			
Interest income	2,338	582	2,920
Property taxes	-	29,849	29,849
Specific ownership taxes	-	1,602	1,602
TOTAL NON-OPERATING REVENUE	2,338	32,033	34,371
INCOME BEFORE TRANSFERS	1,894	7,510	9,404
TRANSFERS			
Transfers (out)	(10,000)	-	(10,000)
CHANGE IN NET POSITION	(8,106)	7,510	(596)
NET POSITION, Beginning	2,989,235	203,143	3,192,378
NET POSITION, Ending	\$ 2,981,129	\$ 210,653	\$ 3,191,782

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, 2024**

	WATER FUND	SEWER FUND	TOTAL
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash received from customers	\$ 210,832	\$ -	\$ 210,832
Cash paid for expenses and employees	(142,588)	(24,523)	(167,111)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	68,244	(24,523)	43,721
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Transfers (to) other funds	(10,000)	-	(10,000)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Property Taxes	-	29,849	29,849
Specific Ownership Taxes	-	1,602	1,602
NET CASH PROVIDED BY CAPITAL AND RELATED FINANCING ACTIVITIES	-	31,451	31,451
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest earned	2,339	582	2,921
NET CASH PROVIDED BY INVESTING ACTIVITIES	2,339	582	2,921
NET INCREASE IN CASH AND CASH EQUIVALENTS	60,583	7,510	68,093
CASH AND CASH EQUIVALENTS, Beginning of Year	340,770	203,143	543,913
CASH AND CASH EQUIVALENTS, End of Year	<u>\$ 401,353</u>	<u>\$ 210,653</u>	<u>\$ 612,006</u>
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES			
Operating loss	\$ (444)	\$ (24,523)	\$ (24,967)
ADJUSTMENTS TO RECONCILE OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:			
Depreciation	68,688	-	68,688
Total adjustments	68,688	-	68,688
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ 68,244</u>	<u>\$ (24,523)</u>	<u>\$ 43,721</u>

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

**TOWN OF RICO, COLORADO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024**

**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, 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, 2024**

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, 2024**

### 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, 2024**

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.

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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.

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**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, 2024 that were considered to be material to the financial statements. Therefore, GASB No. 96 does not affect the financial statement presentation and disclosure.

**Accounting Changes and Error Corrections**

Effective January 1, 2024, the Town implemented GASB No. 100, Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The standard did not have any impact on the Town's financial statements for the year ended December 31, 2024. Therefore, GASB No. 100 does not affect the financial statement presentation and disclosure.

**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.

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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, 2024 are as follows:

<u>Type</u>	<u>Rating</u>	<u>Carrying Value</u>
<b>Deposits:</b>		
Demand deposits		\$ 1,228,890
Cash with County Treasurer		<u>375</u>
		<u>1,229,265</u>
<b>Investments:</b>		
CSAFE	AAAm	<u>689,096</u>
<b>Total deposits and investments:</b>		\$ <u>1,918,361</u>
<b>Reconciliation to Statement of Net Position</b>		
<b>Current:</b>		
Cash and Investments		\$ <u>1,918,361</u>



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### **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, 2024, the Town had an investment of \$689,096 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.

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**NOTE 6: CAPITAL ASSETS**

Summary of changes in capital assets as of December 31, 2024 are as follows:

<b>Governmental Activities</b>	<b>Balance 1/1/24</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance 12/31/24</b>
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	426,245	-	-	426,245
Streets	217,394	-	-	217,394
Total Depreciable Assets:	1,618,293	-	-	1,618,293
Less: Accumulated Depreciation				
Improvements	(7,230)	-	-	(7,230)
Buildings	(392,830)	(17,072)	-	(409,902)
Equipment	(48,097)	(1,100)	-	(49,197)
Vehicles	(284,097)	(26,414)	-	(310,511)
Streets	(105,447)	(3,814)	-	(109,261)
Total Accumulated Depreciation	(837,701)	(48,400)	-	(886,101)
Depreciable capital assets, net	780,592	(48,400)	-	732,192
Total Governmental Activities, Capital Assets	\$ 1,234,352	\$ (48,400)	\$ -	\$ 1,185,952

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

General Government	\$ 17,072
Public Works	30,228
Culture and Recreation	1,100
Total	\$ 48,400

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Business-Type Activities	Balance 1/1/24	Additions	Deletions	Balance 12/31/24
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	(42,869)	(1,626)	-	(44,495)
Water System	(894,692)	(67,062)	-	(961,754)
Total Accumulated Depreciation	(937,561)	(68,688)	-	(1,006,249)
Total Business-Type Activities, Capital Assets	\$ 2,637,359	\$ (68,688)	\$ -	\$ 2,568,671

**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](http://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.

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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:

<b>Years Ended December 31:</b>	<b>2023</b>	<b>2024</b>
Employer contribution rate as a percentage of salary	11.00 %	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	9.98	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	0.06
Total Employer Contribution Rate to the LGDTF	13.71 %	13.74 %

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

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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 \$25,926 for the year ended December 31, 2024.

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

At December 31, 2024 the Town reported a liability of \$146,766 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2023. Standard update procedures were used to roll forward the total pension liability to December 31, 2024. The Town's proportion of the net pension liability/(asset) were based on the Town's contributions to the LGDTF for the calendar year 2023 relative to the total contributions of participating employers to the LGDTF.

At December 31, 2024, the Town's proportion was .019994 percent, and was .019612 percent for the year ended December 31, 2023.

For the year ended December 31, 2024, the Town recognized pension expense of \$5,378. At December 31, 2024, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

December 31, 2024	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 7,943	\$ (151)
Net difference between projected and actual earnings on pension plan investments	42,856	-
Contributions subsequent to the measurement date	<u>26,942</u>	<u>-</u>
Total	\$ <u><u>77,741</u></u>	\$ <u><u>(151)</u></u>

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, 2024.

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

<u>Years Ending December 31</u>	<u>Amount</u>
2025	\$ 13,782
2026	13,782
2027	13,782
2028	<u>9,302</u>
Total	\$ <u><u>50,648</u></u>

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*Actuarial assumptions.* The total pension liability in the December 31, 2023 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

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, 2023, 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:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>30 Year Expected Geometric Real Rate of Return</u>
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	<u>100.00 %</u>	

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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)	\$ 72,872	\$ 146,766	\$ 28,592

*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](http://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](http://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.

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**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).

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.



**TOWN OF RICO, COLORADO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024**

**NOTE 11: COMPLIANCE WITH STATE STATUTES**

The Town did not have any expenditures that exceeded appropriations for the year ended December 31, 2024.

**NOTE 12: NEW GASB PRONOUNCEMENTS**

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

- GASB Statement No. 101, *Compensated Absences*
- GASB Statement No. 102, *Certain Risk Disclosures*

**NOTE 13: SUBSEQUENT EVENTS**

In preparing the financial statements, the Town has evaluated transactions for potential disclosure through May 14, 2025, the date the financial statements were available to be issued. Management has determined no events have occurred subsequent to December 31, 2024 that would require disclosure.

**TOWN OF RICO, COLORADO**  
**BUDGETARY COMPARISON SCHEDULE**  
**GENERAL FUND**  
**For the Year Ended December 31, 2024**

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE- POSITIVE (NEGATIVE)
<b>REVENUES</b>				
Taxes				
Property tax	\$ 107,000	\$ 98,580	\$ 120,673	\$ 22,093
Delinquent Tax & Interest	1,000	1,000	2,388	1,388
Sales and use tax	220,000	220,000	442,587	222,587
Specific ownership tax	4,500	4,500	5,294	794
Excise tax		-	1,802	1,802
Lodging tax	8,000	8,000	10,801	2,801
Severance tax	180	180	377	197
Grants	-	-	379,649	379,649
Transfers - payroll	175,690	175,690	145,786	(29,904)
Fines and forfeitures	13,000	13,000	26,153	13,153
Interest	20,000	20,000	64,621	44,621
Licenses and permits	15,550	15,550	18,486	2,936
Special projects revenue	960,500	960,500	-	(960,500)
Miscellaneous	100,400	100,400	161,867	61,467
<b>TOTAL REVENUES</b>	<b>1,625,820</b>	<b>1,617,400</b>	<b>1,380,484</b>	<b>(236,916)</b>
<b>EXPENDITURES</b>				
Town administrator	86,000	86,000	86,000	-
Town clerk	50,380	50,380	50,380	-
Maintenance man	52,250	52,250	44,844	7,406
Part-time maintenance man	35,000	35,000	19,843	15,157
Payroll taxes	21,200	21,200	17,016	4,184
Town attorney	30,000	30,000	28,637	1,363
Auditor	6,600	6,600	6,600	-
Municipal court judge	4,500	4,500	4,500	-
Insurance	9,400	9,400	10,094	(694)
Supplies	20,000	10,000	10,565	(565)
Utilities	13,900	13,900	12,571	1,329
Water technician	4,000	4,000	2,875	1,125
Public safety	20,000	20,000	18,311	1,689
Miscellaneous	191,000	201,000	1,871,893	(1,670,893)
Employee benefits	75,690	75,690	81,090	(5,400)
Special projects/Capital improvements	1,956,000	1,956,000	17,719	1,938,281
<b>TOTAL EXPENDITURES</b>	<b>2,575,920</b>	<b>2,575,920</b>	<b>2,282,938</b>	<b>292,982</b>
<b>EXCESS OF REVENUES (UNDER)</b>				
EXPENDITURES	(950,100)	(958,520)	(902,454)	56,066
<b>OTHER FINANCING SOURCES</b>				
Transfers in	-	-	20,000	20,000
<b>EXCESS OF REVENUES AND OTHER SOURCES</b>				
(UNDER) EXPENDITURES	(950,100)	(958,520)	(882,454)	76,066
<b>Fund Balance, Beginning</b>	<b>685,142</b>	<b>535,997</b>	<b>1,687,892</b>	<b>(1,151,895)</b>
<b>Fund Balance, Ending</b>	<b>\$ (264,958)</b>	<b>\$ (422,523)</b>	<b>\$ 805,438</b>	<b>\$ (1,075,829)</b>

See the accompanying Independent Auditor's Report.

**TOWN OF RICO, COLORADO**  
**BUDGETARY COMPARISON SCHEDULE**  
**STREET FUND**

**For the Year Ended December 31, 2024**

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE- POSITIVE (NEGATIVE)
<b>REVENUES</b>				
Taxes				
Property tax	\$ 14,750	\$ 13,515	\$ 13,526	\$ 11
Sales and use tax	22,000	22,000	35,506	13,506
Specific ownership tax	500	500	726	226
Franchise tax	7,000	7,000	6,377	(623)
Excise tax	2,500	2,500	1,802	(698)
Road and bridge	13,000	13,000	14,965	1,965
Highway users tax	15,000	15,000	12,357	(2,643)
Other taxes	5,100	6,100	39,336	33,236
Miscellaneous	2,000	1,000	19	(981)
Interest	300	300	495	195
<b>TOTAL REVENUES</b>	<b>82,150</b>	<b>80,915</b>	<b>125,109</b>	<b>44,194</b>
<b>EXPENDITURES</b>				
Payroll	57,600	57,600	42,861	14,739
Street Safety	3,000	3,000	2,009	991
Snow removal	5,000	5,000	-	5,000
Fuel	17,000	17,000	8,247	8,753
Repairs and maintenance	7,500	7,500	7,134	366
Insurance	4,700	4,700	4,700	-
Supplies	2,500	2,500	3,648	(1,148)
Electricity	2,000	2,000	1,976	24
Street lights	1,000	1,000	1,068	(68)
Utilities - other	2,500	2,500	4,646	(2,146)
Treasurer fees	350	350	270	80
Miscellaneous	17,500	17,500	-	17,500
<b>TOTAL EXPENDITURES</b>	<b>120,650</b>	<b>120,650</b>	<b>76,559</b>	<b>44,091</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(38,500)</b>	<b>(39,735)</b>	<b>48,550</b>	<b>88,285</b>
<b>OTHER FINANCING (USES)</b>				
Transfers (out)	-	-	(10,000)	-
<b>Change in Fund Balance</b>	<b>(38,500)</b>	<b>(39,735)</b>	<b>38,550</b>	<b>88,285</b>
<b>Fund Balance, Beginning</b>	<b>(15,644)</b>	<b>7,911</b>	<b>169,033</b>	<b>161,122</b>
<b>Fund Balance, Ending</b>	<b>\$ (54,144)</b>	<b>\$ (31,824)</b>	<b>\$ 207,583</b>	<b>\$ 249,407</b>

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, 2024

Measurement period ending December 31,	2023	2022	2021	2020
Town's portion of the net pension liability/(asset)	0.019994%	0.019612%	0.015502%	0.016059%
Town's proportionate share of the net pension liability/(asset)	\$ 146,766	\$ 196,626	\$ (13,291)	\$ 83,688
Town's covered payroll	\$ 301,028	\$ 259,637	\$ 115,368	\$ 113,136
Town's proportionate share of the net pension liability/(asset) as a percentage of its covered payroll	49%	76%	-12%	74%
Plan fiduciary net position as a percentage of the total pension liability/(asset)	88%	83%	101%	110%

Note: Amounts are based on the Colorado PERA year end December 31, 2023.

2019	2018	2017	2016	2015	2014
0.014631%	0.015362%	0.014835%	0.018273%	0.023225%	0.024092%
\$ 107,011	\$ 193,131	\$ 165,182	\$ 246,747	\$ 256,058	\$ 215,694
\$ 100,753	\$ 100,753	\$ 89,920	\$ 110,780	\$ 132,013	\$ 132,013
106%	192%	184%	223%	194%	163%
116%	132%	136%	136%	130%	124%

TOWN OF RICO, COLORADO  
SCHEDULE OF THE TOWN'S CONTRIBUTIONS  
LAST TEN FISCAL YEARS  
DECEMBER 31, 2024

Measurement period ending December 31,	2023	2022	2021	2020
Contractually required contributions	\$ 24,135	\$ 21,614	\$ 15,226	\$ 14,659
Contributions in relation to the contractually required contributions	<u>\$ (24,135)</u>	<u>\$ (21,614)</u>	<u>\$ (15,226)</u>	<u>\$ (14,659)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Town's covered payroll	\$ 301,028	\$ 259,637	\$ 115,368	\$ 113,136
Contributions as a percentage of covered payroll	8%	8%	13%	13%

Note: Amounts are based on the Colorado PERA year end December 31, 2023.

2019	2018	2017	2016	2015	2014
\$ 12,776	\$ 12,776	\$ 11,402	\$ 14,044	\$ 16,739	\$ 16,739
\$ (12,776)	\$ (12,776)	\$ (11,402)	\$ (14,044)	\$ (16,739)	\$ (16,739)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 100,753	\$ 100,753	\$ 89,920	\$ 110,780	\$ 132,013	\$ 132,013
13%	13%	13%	13%	13%	13%

See the accompanying Independent Auditor's Report

**TOWN OF RICO, COLORADO**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**For the Year Ended December 31, 2024**

	CONSERVATION TRUST	PARKS, OPEN SPACE & TRAILS	TOTALS
<b>ASSETS</b>			
Cash and Equivalents	\$ 52,993	\$ 210,773	\$ 263,766
<b>TOTAL ASSETS</b>	<u>\$ 52,993</u>	<u>\$ 210,773</u>	<u>\$ 263,766</u>
<b>LIABILITIES AND FUND BALANCE</b>			
<b>FUND BALANCE</b>			
Restricted for Culture and Recreation	52,993	-	52,993
Committed for Parks and Open Space	<u>-</u>	<u>210,773</u>	<u>210,773</u>
<b>TOTAL FUND BALANCE</b>	<u>52,993</u>	<u>210,773</u>	<u>263,766</u>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<u>\$ 52,993</u>	<u>\$ 210,773</u>	<u>\$ 263,766</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, 2024**

	CONSERVATION TRUST	PARKS, OPEN SPACE & TRAILS	TOTAL
REVENUES			
Taxes:			
Sales and use tax	\$ -	\$ 35,506	\$ 35,506
Lodging tax	-	1,069	1,069
Excise tax	-	1,802	1,802
Grant	-	519,540	519,540
Local Grants	-	40,000	40,000
Lottery Proceeds	3,882	-	3,882
Interest	138	411	549
TOTAL REVENUES	<u>4,020</u>	<u>598,328</u>	<u>602,348</u>
EXPENDITURES			
Parks and Recreation		484,287	484,287
Supplies		7,082	7,082
Insurance		933	933
TOTAL EXPENDITURES	<u>-</u>	<u>492,302</u>	<u>492,302</u>
EXCESS OF REVENUES OVER EXPENDITURES	4,020	106,026	110,046
FUND BALANCE, Beginning	<u>48,973</u>	<u>104,747</u>	<u>153,720</u>
FUND BALANCE, Ending	<u>\$ 52,993</u>	<u>\$ 210,773</u>	<u>\$ 263,766</u>

See the accompanying Independent Auditor's Report.

**TOWN OF RICO, COLORADO**  
**BUDGETARY COMPARISON SCHEDULE**  
**CONSERVATION TRUST FUND**  
**For the Year Ended December 31, 2024**

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE- POSITIVE (NEGATIVE)
REVENUES				
Lottery proceeds	\$ 2,500	\$ 2,500	\$ 3,882	\$ 1,382
Interest	-	-	138	138
TOTAL REVENUES	<u>2,500</u>	<u>2,500</u>	<u>4,020</u>	<u>1,520</u>
EXPENDITURES				
Parks and Recreation	<u>45,000</u>	<u>45,000</u>	-	45,000
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(42,500)	(42,500)	4,020	(43,618)
Fund Balance, Beginning	<u>12,874</u>	<u>12,874</u>	<u>48,973</u>	<u>36,099</u>
Fund Balance, Ending	<u>\$ (29,626)</u>	<u>\$ (29,626)</u>	<u>\$ 52,993</u>	<u>\$ (7,519)</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, 2024**

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE- POSITIVE (NEGATIVE)
REVENUES				
Taxes				
Sales and use tax	\$ 22,000	\$ 22,000	\$ 35,506	\$ 13,506
Lodging tax	1,000	1,000	1,069	69
Excise tax	2,500	2,500	1,802	(698)
Grant	634,990	634,990	519,540	(115,450)
Local Grant revenue	-	-	40,000	40,000
Interest	150	150	411	261
TOTAL REVENUES	660,640	660,640	598,328	(62,312)
EXPENDITURES				
Parks and Recreation Programs	691,500	691,500	484,287	207,213
Supplies	5,000	5,000	7,082	(2,082)
Insurance	2,500	2,500	933	1,567
Capital outlay	1,500	1,500	-	1,500
TOTAL EXPENDITURES	700,500	700,500	492,302	208,198
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(39,860)	(39,860)	106,026	145,886
Fund Balance, Beginning	110,246	97,296	104,747	7,451
Fund Balance, Ending	\$ 70,386	\$ 57,436	\$ 210,773	\$ 153,337

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, 2024**

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
<b>REVENUES</b>				
Charges to customers	\$ 135,000	\$ 135,000	\$ 210,832	\$ 75,832
Electric Reimbursement	1,450	1,450	-	(1,450)
Interest	800	800	2,338	1,538
Water Tap	37,500	37,500	-	(37,500)
<b>TOTAL REVENUES</b>	<b>174,750</b>	<b>174,750</b>	<b>213,170</b>	<b>38,420</b>
<b>EXPENSES</b>				
Salaries	84,890	84,890	80,080	4,810
Attorney	1,000	1,000	-	1,000
Auditor	6,600	6,600	-	6,600
Repairs and maintenance	5,000	5,000	15,972	(10,972)
Insurance	6,500	6,500	6,500	-
Supplies	5,000	5,000	7,186	(2,186)
Water Samples	2,000	2,000	5,980	(3,980)
Electric	6,000	6,000	3,795	2,205
Propane	5,000	5,000	3,414	1,586
Utilities-other	-	-	7,080	(7,080)
Dolores Water Conservancy	2,700	2,700	3,000	(300)
Miscellaneous	11,200	11,200	9,581	1,619
Capital Outlay	57,100	57,100	-	57,100
<b>TOTAL EXPENSES</b>	<b>192,990</b>	<b>192,990</b>	<b>142,588</b>	<b>50,402</b>
<b>OTHER FINANCING (USES)</b>				
Transfers (out)	-	-	(10,000)	10,000
<b>CHANGE IN NET POSITION, Budget Basis</b>	<b>\$ (18,240)</b>	<b>\$ (18,240)</b>	<b>60,582</b>	<b>\$ 98,822</b>
<b>ADJUSTMENTS TO GAAP BASIS:</b>				
Less:				
Depreciation			(68,688)	
<b>CHANGE IN NET POSITION, GAAP Basis</b>			<b>\$ (8,106)</b>	

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, 2024**

	ORIGINAL & FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES			
Property taxes	\$ 29,825	\$ 29,849	\$ 24
Specific ownership tax	950	1,602	652
Interest	500	582	82
Miscellaneous	50	-	(50)
TOTAL REVENUES	31,325	32,033	708
EXPENSES			
Operating	42,950	24,523	18,427
TOTAL EXPENSES	42,950	24,523	18,427
NET INCOME (LOSS)	\$ (11,625)	\$ 7,510	\$ 19,135

See the accompanying Independent Auditor's Report.

## Supplemental Data for Oversight Agencies

<b>LOCAL HIGHWAY FINANCE REPORT</b>	City or County: Town of Rico
	YEAR ENDING : December 2024
This Information From The Records Of (example - City of _ or County of _) <b>Town of Rico</b>	Prepared By: Phone: <b>Chauncey McCarthy, Town Manager</b> 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

ITEM	AMOUNT
<b>A. Receipts from local sources:</b>	
1. Local highway-user taxes	
a. Motor Fuel (from Item I.A.5.)	
b. Motor Vehicle (from Item I.B.5.)	
c. Total (a.+b.)	
2. General fund appropriations	
3. Other local imposts (from page 2)	57,204
4. Miscellaneous local receipts (from page 2)	2,316
5. Transfers from toll facilities	
6. Proceeds of sale of bonds and notes:	
a. Bonds - Original Issues	
b. Bonds - Refunding Issues	
c. Notes	
d. Total (a. + b. + c.)	0
7. Total (1 through 6)	59,520
<b>B. Private Contributions</b>	
<b>C. Receipts from State government</b> (from page 2)	65,589
<b>D. Receipts from Federal Government</b> (from page 2)	0
<b>E. Total receipts (A.7 + B + C + D)</b>	125,109

### III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
<b>A. Local highway disbursements:</b>	
1. Capital outlay (from page 2)	4,716
2. Maintenance:	79,834
3. Road and street services:	
a. Traffic control operations	0
b. Snow and ice removal	0
c. Other	0
d. Total (a. through c.)	0
4. General administration & miscellaneous	0
5. Highway law enforcement and safety	0
6. Total (1 through 5)	84,550
<b>B. Debt service on local obligations:</b>	
1. Bonds:	
a. Interest	0
b. Redemption	0
c. Total (a. + b.)	0
2. Notes:	
a. Interest	0
b. Redemption	0
c. Total (a. + b.)	0
3. Total (1.c + 2.c)	0
<b>C. Payments to State for highways</b>	
<b>D. Payments to toll facilities</b>	
<b>E. Total disbursements (A.6 + B.3 + C + D)</b>	84,550

### IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

	Opening Debt	Amount Issued	Redemptions	Closing Debt
<b>A. Bonds (Total)</b>	0	0	0	0
1. Bonds (Refunding Portion)				
<b>B. Notes (Total)</b>	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
	169,033	125,109	84,550	209,592	0

Notes and Comments:

<b>LOCAL HIGHWAY FINANCE REPORT</b>		STATE: Colorado	
		YEAR ENDING (mm/yy): December 2024	
<b>II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL</b>			
<b>ITEM</b>	<b>AMOUNT</b>	<b>ITEM</b>	<b>AMOUNT</b>
<b>A.3. Other local imposts:</b>		<b>A.4. Miscellaneous local receipts:</b>	
a. Property Taxes and Assessments	13,526	a. Interest on investments	495
b. Other local imposts:		b. Traffic Fines & Penalties	
1. Sales Taxes	35,506	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	8,172	g. Other Misc. Receipts	
6. Total (1. through 5.)	43,678	h. Other	1,821
c. Total (a. + b.)	57,204	i. Total (a. through h.)	2,316
	(Carry forward to page 1)		(Carry forward to page 1)
<b>III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL</b>			
<b>ITEM</b>	<b>AMOUNT</b>	<b>ITEM</b>	<b>AMOUNT</b>
<b>C. Receipts from State Government</b>		<b>D. Receipts from Federal Government</b>	
1. Highway-user taxes	12,357	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	53,232	f. Other Federal	
f. Total (a. through e.)	53,232	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	65,589	3. Total (1. + 2.g)	
			(Carry forward to page 1)
<b>III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL</b>			
	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
<b>A.1. Capital outlay:</b>			
a. Right-Of-Way Costs			0
b. Engineering Costs			0
c. Construction:			
(1). New Facilities			0
(2). Capacity Improvements		4,716	4,716
(3). System Preservation		0	0
(4). System Enhancement & Operation		0	0
(5). Total Construction (1) + (2) + (3) + (4)	0	4,716	4,716
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	4,716	4,716
			(Carry forward to page 1)
<b>Notes and Comments:</b>			





**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, 2024, 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 14, 2025.

***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 2024-001 that we consider to be significant deficiencies.

### ***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 & Advisors PLLC

Phoenix, Arizona  
May 14, 2025

## SCHEDULE OF FINDINGS AND RESPONSES

### *Finding 2024-001*

#### **Significant Deficiencies 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 2023-001 – 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 and has added additional checks and balances to mitigate the overall risk, thus reducing the finding from a material weakness to a significant deficiency.



**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](http://www.ricocolorado.gov)**

April 10, 2025

To: Rico Board of Trustees  
 From: Chauncey McCarthy, Town Manager  
 Subject: Water Rules and Regulations Comparison Memo

This memo outlines the major changes between the Water Operations Rules and Regulations adopted in 2019 and the proposed 2025 Rico Water Rules and Regulations. It includes a comprehensive section-by-section comparison, an overview of updated and newly added definitions, and highlights key improvements in regulatory structure and implementation. The goal is to support the Board's consideration of formally repealing the 2019 Rules and adopting the modernized 2025 framework.

### **Overview of the 2025 Update**

The 2025 Rico Water Rules and Regulations represent a major modernization of the Town's water utility regulations. These revisions are designed to align with updated standards from the Colorado Department of Public Health and Environment (CDPHE), strengthen enforcement and backflow prevention capabilities, introduce clearly defined procedures for water service applications, construction, metering, and inspections, and define and regulate water system usage in a consistent, enforceable manner.

### **Summary of Definition Updates**

The 2025 Rules include a significantly expanded and refined Definitions section. Notable updates include clearer distinctions among roles such as Developer, Customer, and Contractor, addition of terms related to backflow prevention and cross-connection control, and more specific references to equipment and infrastructure standards.

Six definitions from 2019 have been removed, while fifteen new definitions have been added in 2025. All other retained terms have been clarified or updated.

### **Article Crosswalk: 2019 vs 2025 Rules**

- I. General → I. General — Adds 'Waiver or Variance' authority for the Board.

- II. Definitions → II. Definitions — Major expansion with technical and administrative terms.
- III. Ownership & Operation → III. Ownership & Operation — Clarifies service line ownership, liability, and Town access.
- IV. Use of System → IV. Use Restrictions & Connection Requirements — Includes new backflow protection measures and violation penalties.
- V. Application for Service → V. Application for Service — Adds temporary service, developer requirements, and EQR reassessments.
- VI. Construction of Service Lines → VI. Construction of Service Lines — Adds trenching/backfill standards, pipe material requirements, and inspection processes.
- VII. Main Line Extensions → VII. Main Line Extension — Expands requirements for bonding, legal review, easement dedication, and inspection.
- VIII. Rates and Charges → Not included — Removed—rate structures now to be handled by separate resolution.
- IX. Check Valve Definition → Folded into Article IV — Integrated into broader backflow control and system requirements.
- X. Limitation of Use → Folded into Article IV — Consolidated under use restrictions and enforcement section.
- XI. Hearing & Appeals → Included in Article IX Violations and Enforcement — Reorganized under Article IX, Section 9.4 for enforcement and appeal procedures.

### **Key Improvements in the 2025 Version**

In the 2025 Rules, Article VII – Main Line Extension introduces a formalized process for developers to propose and construct extensions to the Town’s water infrastructure. This includes requirements for submitting design plans, executing Line Extension Agreements, providing improvement guarantees (such as bonds or letters of credit), and complying with inspection and engineering standards established by the Town. The Town retains sole discretion to approve these extensions, and all associated infrastructure must ultimately be dedicated to the Town with recorded easements as applicable.

Article IV – Water System Use Restrictions and Connection Requirements reflects a significant expansion of the Town’s backflow prevention and cross-connection control program. These updates bring the Town’s procedures into closer alignment with Colorado Department of Public Health and Environment (CDPHE) regulations. Specifically, the 2025 Rules require: Installation of testable backflow prevention assemblies on high-risk connections, mandatory testing and maintenance by certified technicians, compliance deadlines (120 days from identification),

Enforcement actions for noncompliance, including disconnection or alternative compliance arrangements approved by CDPHE. These changes modernize the Town's public health protections and provide enforceable mechanisms to ensure system-wide compliance.

Article VIII of the 2019 Rules, which addressed Rates and Charges, has been removed from the 2025 document. Rates and fees are now expected to be governed by a separate resolution adopted by the Board.

Article XI of the 2019 Rules, which contained Hearing and Appeal Procedures, has been reorganized into Article IX, Section 9.4 of the 2025 Rules. These procedures remain part of the regulatory framework and ensure due process within the broader enforcement provisions.

In the 2025 Rules, Article VIII – Service Line Repairs consolidates and clarifies customer responsibilities for maintaining and repairing water service lines. While the 2019 Rules required customers to repair leaks within 16 hours, this obligation was spread across various sections and lacked structural clarity. The 2025 update replaces these scattered provisions with a single, clearly organized article. It extends the repair window to 72 hours from the time of notification and establishes a formal enforcement framework. If repairs are not completed within this timeframe, the Town may suspend service and perform the work at the customer's expense, with costs recoverable through liens

Additional modifications:

- Service Application Clarity: Standardizes application procedures, EQR calculations, and changes in service.
- Construction Standards: Codifies acceptable materials, trenching methods, and meter placement.
- Enforcement Tools: Authorizes fines, disconnection procedures, and recovery of legal and administrative costs.

### Definitions Crosswalk – 2019 vs 2025

2019 Term	2025 Term	Notes
Applicant	Applicant	Updated definition
Authorized Plumber		Removed in 2025
Board	Board	Updated definition
Constructor		Removed in 2025
Contractor	Contractor	Updated definition
Customer	Customer	Updated definition
Dwelling Unit		Removed in 2025
Equivalent Dwelling Unit (EDU)		Removed in 2025
Inspector		Removed in 2025
Main Line	Main Line	Updated definition
Owner	Owner	Updated definition
Permit	Permit	Updated definition
Person	Person	Updated definition
Rules and Regulations	Rules and Regulations	Updated definition
Service Line	Service Line	Updated definition
Shall / May		Removed in 2025
Site	Site	Updated definition
Stub-Out	Stub-Out	Updated definition
Tap or Connection	Tap or Connection	Updated definition
Tap Fee and Connection Charge		Removed in 2025
Town Engineer	Town Engineer	Updated definition
Town Manager	Town Manager	Updated definition
Water Main		Removed in 2025
Water System	Water System	Updated definition
	Actual Cost	New in 2025
	Backflow Prevention Assembly	New in 2025
	Backflow Prevention Method	New in 2025
	Charter	New in 2025
	Certified Cross-Connection Control Technician	New in 2025
	Code	New in 2025
	Cross Connection	New in 2025
	Developer	New in 2025
	EQR	New in 2025
	Line Connection Agreement	New in 2025
	Line Extension Agreement	New in 2025

	Secondary Residential Unit	New in 2025
	Single Family Residential Unit	New in 2025
	Tap Fee	New in 2025
	Town	New in 2025
	Unauthorized Connection	New in 2025
	Violation	New in 2025
	Water Charges	New in 2025

### Comparison of Article Titles – 2019 vs 2025 Rico Water Rules

2019 Article	2025 Article
I. General	I. General
II. Definitions	II. Definitions
III. Ownership & Operation of Facilities	III. Ownership and Operation of Water Facilities
IV. Use of Water System	IV. Water System Use Restrictions and Connection Requirements
V. Application for Service	V. Application for Water Service
VI. Construction of Service Lines	VI. Construction of Water Service Lines
VII. Main Line Extensions	VII. Main Line Extension
VIII. Rates and Charges	Removed – addressed by separate ordinance
IX. Check Valve Definition	Integrated into Article IV
X. Limitation of Use	Integrated into Article IV
XI. Hearing & Appeal Procedures	Integrated into Article IX – Violations and Enforcement
—	VIII. Service Line Repairs
—	IX. Violations and Enforcement



**TOWN OF RICO  
ORDINANCE NO. 2025-02**

**AN ORDINANCE OF THE TOWN OF RICO, COLORADO, REPEALING  
ORDINANCE NO. 2019-06, AS AMENDED BY ORDINANCE NO. 2024-01,  
AND ADOPTING NEW WATER OPERATIONS 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 municipal water services within the Town pursuant to the Charter, Article X § 10.4 and C.R.S. § 31-35-401(b); and

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

**WHEREAS**, the Board adopted Ordinance No. 2019-06 together with the Water Operations Rules and Regulations (the “Water Rules”) attached thereto as Exhibit A on November 20, 2019; and

**WHEREAS**, the Board adopted Ordinance No. 2024-01 together with the amendments to the Water Rules attached thereto as Exhibit A on March 20, 2024; and

**WHEREAS**, the Board desires to repeal Ordinance Nos. 2019-06 and 2024-01, the Water Rules and any amendments thereto to comprehensively update and replace the rules and regulations applicable to water services provided by the Town as provided herein; and

**WHEREAS**, the Board finds and declares that it is necessary to repeal and replace the Water Rules as set forth herein and it is 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 Water Operations Rules and Regulations attached as **Exhibit A** to this Ordinance, which is incorporated by this reference.

**Section 3.** Any ordinances or resolutions or parts thereof, which are in conflict with this ordinance, are hereby repealed to the extent of such conflict only.

**Section 4.** 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 MARCH 16, 2025.

TOWN OF RICO, COLORADO

\_\_\_\_\_  
Patrick Fallon, 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 MAY 21, 2025.

TOWN OF RICO, COLORADO

\_\_\_\_\_  
Patrick Fallon, Mayor

ATTEST:

\_\_\_\_\_  
Anna Wolf, Town Clerk

Effective Date: May 21, 2025



**Exhibit A**

**Water Operations Rules and Regulations**

**Town of Rico**

## **Article I**

### **General**

**1.1 Authority.** The Town of Rico is a municipality governed by Home Rule Charter adopted May 2<sup>nd</sup>, 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.

**1.2 Purpose.** The purpose of these Rules and Regulations is to govern the administration of water operations in the Town of Rico, Colorado.

**1.3 Policy.** The Board of Trustees of the Town hereby declares that these Rules and Regulations shall serve a public use and are necessary to promote the health, safety, prosperity, security, and general welfare of the inhabitants of the Town.

**1.4 Scope.** These Rules and Regulations shall be treated and considered as the comprehensive regulations governing the operations and administration of the Water System for the Town.

**1.5 Intent of Construction.** It is intended that these Rules and Regulations shall be liberally construed to affect the general purposes set forth herein. No omission or additional material set forth in these Rules and 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 by virtue of ordinance, now existing or subsequently amended, or under any contract or agreement existing between the Town 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.

**1.6 Waiver or Variance.** At its sole discretion, the Board may waive or grant a variance from any provision of these Rules and Regulations, and any such waiver or variance must be in writing, signed by the Board. Such waiver or variance shall only be for good cause shown and shall not be deemed to create any binding precedent or amendment of the Rules and Regulations.

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

## **Article II** **Definitions**

The meaning of the terms used herein shall be as follows:

**2.1 Actual Cost.** “Actual Cost” means all direct costs applicable to the Town’s acts including labor, surveys, construction, preliminary and design engineering, inspection, construction observation, administrative and legal costs, plan approval fees, As-Built Drawings, and other costs necessary for the administration and enforcement of these Rules and Regulation and Water System operations

**2.2 Applicant.** “Applicant” means any Person who applies to the Town for a service connection, service disconnection, or other agreement relating to the Water System.

**2.3 Backflow Prevention Assembly.** “Backflow Prevention Assembly” means any mechanical assembly installed at a Service Line or at a plumbing fixture to prevent a backflow contamination event, provided that the mechanical assembly is appropriate for the identified contaminant at the Cross Connection and is an in-line field-testable assembly.

**2.4 Backflow Prevention Method.** “Backflow Prevention Method” means any method and/or non-testable device installed at a water service line or at a plumbing fixture to prevent a backflow contamination event, provided that the method or non-testable device is appropriate for the identified contaminant at the cross connection.

**2.5 Board.** “Board” means the “Board of Trustees” as defined under the Charter, Article II.

**2.6 Charter.** “Charter” means the Town of Rico Home Rule Charter.

**2.7 Certified Cross-Connection Contral Technician.** “Certified Cross-Connection Control Technician” means a person who possesses a valid Backflow Prevention Assembly Tester certification from one of the following approved organizations: American Society of Sanitary Engineering (ASSE) or the American Backflow Prevention Association (ABPA). If a certification has expired, the certification is invalid.

**2.8 Code.** “Code” means the Town of Rico Land Use Code.

**2.9 Contractor.** “Contractor” means any Person, firm, or corporation engaged to perform work on the Water System on behalf of either a Customer or the Town.

**2.10 Cross Connection.** “Cross Connection” means any connection that could allow any water, fluid, or gas such that the water quality could present an unacceptable health and/or safety risk to the public, to flow from any pipe, plumbing fixture, or a customer’s water system into a public water system’s distribution system or any other part of the

public water system through backflow.

**2.11 Customer.** “Customer” means any Person, company, partnership, corporation, or similar entity authorized to connect to and use the Water System under a Permit.

**2.12 Developer.** “Developer” means any Person who seeks to have land served by the Water System other than a Customer

**2.13 EQR.** “EQR” or “Equivalent Dwelling Residential Unit” is the standard of measurement the Town uses to calculate fees and water dedication requirements based on the amount of water used by a single-family residential unit .

**2.14 Line Connection Agreement.** “Line Connection Agreement” means an agreement between the Town and a Customer which identifies the terms and conditions by which a Developer or Customer is permitted to connect to the Water System and receive water service therefrom.

**2.15 Line Extension Agreement.** “Line Extension Agreement” means an agreement between the Town and a Person that identifies the terms and conditions by which the parties agree to extend the Water System and permit the Person to connect to the Water System and receive water service therefrom. The terms and conditions of a Line Extension Agreement may be expressed within a site specific development plan including, without limitation, a subdivision improvement agreement, as determined by the Town.

**2.16 Main Line.** “Main Line” or “Water Main” means any Town owned line used as a conduit for water in the Water System.

**2.17 Owner.** “Owner” shall mean the Person or Persons, entity or entities, who hold fee simple title to a Site located within the Town, according to the real property records of Dolores County, Colorado.

**2.18 Permit.** “Permit” means the Town’s written permission to connect to the Water System pursuant to the Rules and Regulations and shall be revocable upon the change of use of the Site being served.

**2.19 Person.** “Person” means any individual, firm, partnership, corporation, or other entity of any nature, whether public or private.

**2.20 Rules and Regulations.** “Rules and Regulations” means the Town of Rico Water Operations Rules and Regulations including all amendments and policies as set forth in the minutes, ordinances, and resolutions.

**2.21 Secondary Residential Unit.** “Secondary Residential Unit” means guest houses, separate apartments attached to Single Family Residential Units, Accessory Dwelling Units, and other separate residential units associated with Single Family

Residential Units and containing their own separate kitchens

**2.22 Service Line.** “Service Line” means any pipe, line, or conduit less than or equal to 4 inches in diameter used to provide water service from the Water Main to a structure, whether the pipe, line or conduit is connected or not.

**2.23 Single Family Residential Unit.** “Single Family Residential Unit” means any single-family dwellings, individually-billed mobile homes, mobile homes on individual lots, and mobile homes established as permanent residences which have no more than one kitchen.

**2.24 Site.** “Site” means a legally created parcel of land. In a multi-unit building, each separately owned unit is a Site.

**2.25 Stub-Out.** “Stub-Out” means any connection to a Main Line which extends from the Main Line and which is intended to facilitate the connection of a Service Line to the Water System.

**2.26 Tap or Connection.** “Tap” or “Connection” means the connection of a Service Line to the Water System, either directly to a Main Line or Stub-Out.

**2.27 Tap Fee.** “Tap Fee” means the payment due to the Town for the Connection of a Site to the Water System.

**2.28 Town.** “Town” means the Town of Rico, Colorado.

**2.29 Town Manager.** “Town Manager” means the Town Manager of the Town of Rico, Colorado, or their designee.

**2.30 Town Engineer.** “Town Engineer” means a Person that has been employed or contracted with to do engineering work for the Town.

**2.31 Unauthorized Connection.** “Unauthorized Connection” means any connection to the Water System without approval from the Town pursuant to these Rules and Regulations.

**2.32 Violation.** “Violation” means any failure to follow, uphold, or comply with the requirements of these Rules and Regulations, intentionally or unintentionally, by act of commission or omission, whether or not the Person knew of the existence of the Rule or Regulation. Unless otherwise stated, each day that a Violation exists or continues shall be considered a separate Violation, subject to the penalties which apply

**2.33 Water Charges.** “Water Charges” means Water System Improvement Fees, Tap Fees, service charges, surcharges, inactive tap service charge, cost recovery fees, fines for violation of these Rules and Regulations, together with late charges and interest on delinquencies, and the Town’s cost and expenses incurred to collect any amount due,

enforce or take any action permitted under these Rules and Regulations including, without limitation the Town's attorneys' fees and costs

**2.34 Water System.** "Water System" means all facilities, including but not limited to Water Mains, Service Lines, treatment systems, pumps, tanks, wells, valves, appurtenances, accessories, or portion thereof owned and maintained by the Town for the purpose of delivering water service to its Customers.

### **Article III** **Ownership & Operation of Facilities**

**3.1 Responsibilities of the Town.** Except as otherwise provided by these Rules and Regulations, the Town is responsible for the Water System, which operation and maintenance shall be carried out in accordance with these Rules and Regulations and Colorado Department of Public Health and Environment rules or requirements.

**3.2 Liability of the Town.** The Town shall not be liable or responsible for the following: inadequate, high, or fluctuating water flow rates or water pressure; interruption of water service; the consequences of the Town's failure or refusal to accept additional or new connections that would exceed the capacity of the Water System; damage to service lines; damage caused by water running or escaping from open or defective faucets; burst service lines or other facilities not owned by the Town; damage to water heaters, boilers, or other appliances; damage that results from misuse of any component of the Water System; and problems resulting from hard water or other water chemistry.

#### **3.3 Ownership of Facilities.**

**3.3.1** Upon acceptance by the Town, all Water Mains that connect with and form an integral part of the Water System shall become the Town's property and responsibility; provided, however, the Board reserves the right to determine, in its sole discretion, whether acceptance of a Water Main is appropriate in all circumstances. Said ownership will remain valid whether the Town or other Persons construct, finance, pay for, or otherwise acquire the Water Mains. The Town shall not be liable or responsible for the consequences of its failure or refusal to accept additional or new service which would exceed the capacity of the Water System.

**3.3.2** All existing and future Service Lines extending from the Water Main to the building shall be the property of the Customer. The Customer's obligation to bear the expense of installing and maintaining said Service Line shall exist whether the Service Lines are constructed, financed, paid for, or otherwise acquired by the Town or any other Person. Any damage caused by the homeowner will be the responsibility of the homeowner.

**3.3.3** The Town reserves and shall at all times have a right of access to all Service Lines and other facilities necessary for the Town to carry out its lawful functions.

**3.4 Water Meters and Shut-off Valves.** The cost of maintaining, repairing, or



replacing any meter or valve shall be the obligation of the Owner of the Site served by the meter or valve.

**3.5 Inspection Powers and Authority of Town Agents.** The Town Manager, and other duly authorized employees of the Town, bearing proper credentials and identification, shall be permitted to enter all Sites served by the Water System for the purpose of inspection or any other reasonable purpose in accordance with the provisions of these Rules and Regulations. The right of entry shall include the right to install, read, or otherwise gather data from water meters on a Site in order to assist the Town in analyzing water usage by the Customer. Except in the case of an emergency affecting the health, safety, and welfare of residents of the Town, entry upon a Customer's Site shall only be made after reasonable notice and during reasonable business hours. All Customers shall be deemed to have agreed to entry onto such Site for the purposes set forth. If a Customer denies such an inspection, the Customer's Site will be disconnected from the Water System.

#### **Article IV**

### **Water System Use Restrictions and Connection Requirements**

**4.1 Use of the Water System.** No Person shall uncover, make any connection with, or use, alter, or disturb the Water System without first obtaining a Permit. All installations for water service from the Town shall be made in accordance with these Rules and Regulations, and the designs, plans and specifications approved by the Town.

**4.1.1 Prohibited Use.** No Person shall break, damage, destroy, uncover, deface, or tamper with any portion of the Water System or any water meter. No Person shall place, dump, discharge, or deposit any contaminant or pollutant into the Water System. No Person shall make any unauthorized use of water, including use of water for purposes or on property not authorized by a Permit. Unauthorized Connections to the Water System shall be disabled.

**4.1.2 Stop and Waste Valves.** Stop and waste valves are prohibited below grade or underground.

**4.1.3 Valve Keys and Hydrant Wrenches.** It shall be unlawful for any Person other than authorized personnel to have in their possession a hydrant wrench or valve shut-off key. Town personnel shall confiscate any hydrant wrench or valve shut-off key found in the possession of any unauthorized Person. It shall be unlawful for any Person other than authorized personnel to use a fire hydrant.

**4.2 Responsibilities of Customer.** Each Customer shall notify the Town prior to any change in the Customer's equipment, ownership service, or use of the property served by the Water System. Service Lines shall be constructed in accordance with these Rules and Regulations. The Customer shall repair leaks or breaks in a Service Line within 72 hours after receiving notice from the Town of such condition. If satisfactory progress, in the sole discretion of the Town, toward repairing said leak or break has not been accomplished within such time period, the Town may shut off water service to the Site

until the leak or break has been satisfactorily repaired. The Town's authority to shut off a Customer's water service for such purposes shall be deemed consented to by the Customer at the time Connection to the Water System is made. Any provision herein to the contrary notwithstanding, the Town may, but is not required to, take immediate steps to repair any Service Line, leak, or break. In such event, the Town shall recover the cost of such repair from the Customer owning such Service Line.

If the Customer fails to pay any costs for which the Customer is responsible within 30 days of the Town mailing notice thereof to the Customer, the Town may take such action as is necessary to collect such costs, including the imposition and foreclosure of a lien on the Customer's Site, and the Town shall be entitled to recover all costs of collection, including reasonable attorneys' fees, late charges, and interest.

**4.2.1 Uninterrupted Pressure.** All Customers having boilers and/or other systems depending on pressure or water in pipes, or on a continual supply of water, shall provide, at their own expense, suitable safety devices to protect themselves and their property against a stoppage of water supply or loss of pressure. The Town is not liable or responsible for any damage resulting from a Customer's failure to comply with this Section.

**4.2.2 Water Meters, Pressure Reducing Valves, and Check Valves Required.** No Person shall uncover, make any Connection to, use, alter, or disturb any Water Main or portion of the Water System without first obtaining the Town's written permission. All installations and Connections shall be made in accordance with these Rules and Regulations, and all federal, state, and local requirements. Every connection to the Water System shall be inspected by a Town representative before it is covered. No Connection shall be made to the Water System without a pressure-reducing valve, water meter, and check valve having been installed to serve the Site, which Customers shall purchase from the Town. All water meters shall have devices for remote reading. Meters shall be of the type manufactured by Neptune Meters or an equivalent to coincide with our remote read-out capabilities. The readout unit shall be installed on the building at a height above the ground and snowpack in a Town approved location. All irrigation systems must have a water meter with a remote readout. Irrigation system meters shall be located downstream of the primary meter and shall be separated from the primary meter by a shut-off valve, plumbed in series, not in parallel. The Town shall approve the type of pressure-reducing valve and water meter and location of the meter prior to installation. The Town shall own all water meters whether the meters are installed, financed, paid for, repaired, or maintained by the Town or another Person.

**4.3 Backflow Prevention, Cross-Connections.** All new construction designated by CDPHE as a high risk connection shall be installed with a Backflow Prevention Assembly shall be installed and tested by a state-certified backflow assembly tester. Existing Water System Connections shall be subject to a survey for Cross Connections. If a Cross Connection has been identified an appropriate Backflow Prevention Assembly shall be installed at the Customer's Connection within 120 days of its discovery. The assembly shall be installed downstream of the water meter or as close to that location as deemed

practical by the Town. If the assembly or method cannot be installed within 120 days, the Town must take action to control or remove the Cross Connection, suspend service to the Cross Connection or obtain an alternative compliance schedule from the Colorado Department of Public Health and Environment.

**4.3.1** Backflow Prevention Assemblies or Methods shall be tested by a Certified Cross-Connection Control Technician upon installation and tested at least annually, thereafter, at the Customer's expense. Any Backflow Prevention Assemblies or Methods that are non-testable, shall be inspected at least once annually by a Certified Cross-Connection Control Technician at the Customer's expense.

**4.3.2** As necessary, Backflow Prevention Assemblies or Methods shall be repaired and retested or replaced and tested at the Customer's expense whenever the assemblies or methods are found to be defective.

**4.3.3** Testing gauges shall be tested and calibrated for accuracy at least once annually.

**4.4 Reading Meters.** The Town shall, at the Customer's expense, have the right to read, test, remove, repair or replace any and all water meters and remotes. Each Customer shall notify the Town if their water meter is operating defectively. If any meter fails to register in any period, the Customer shall be charged the average period consumption during the two highest preceding periods as shown by the meter when deemed by the Town to have been in working order. The Town has the authority to require any meter to be replaced at the Customer's expense at any time. Meters showing greater than 1,000,000 gallons shall be replaced.

**4.5 Use Limitations.** The Board of Trustees, in its sole discretion, may impose water use restrictions. In the event a restriction is activated, delivery of water to a Site may be reduced and the Customer shall be notified in writing. Failure to comply with any water user restrictions may result in the imposition of a fine up to \$250.00 per day or 10 cents per gallon, whichever is greater.

**4.6 Suspension of Service.** The Town may physically suspend the supply of water to a Site, without any obligation to refund any payment received from the Customer, for any of the following reasons:

**4.6.1** Upon non-payment of any valid fees or charges owing to the Town. In the event of non-payment, the Town shall provide notice of proposed suspension in writing to the Customer, which notice shall set forth the amount due and the procedure to dispute fees or charges. Failure to comply with any of these Rules and Regulations.

**4.6.2** Any unauthorized use of water, including use of water for purposes or on property not authorized by the Permit.

**4.6 Prosecution.** Any Person who violates the provisions of this Article may be

charged pursuant to applicable state statute or local regulation. In addition to other penalties expressly provided in these Rules and Regulations, any Person violating this Article shall also be subject to a fine of up to \$5,000.00 per occurrence. Any Person violating any of the provisions of these Rules and Regulations shall, in addition to any and all other available remedies and penalties, become liable to the Town for any expense, loss or damage occasioned by reason of such violation, including reasonable attorneys' and engineering fees and costs. The Town may assess any such amount directly to the Site Owner.

## **Article V**

### **Application for Service**

**5.1 Permit Required.** No Connection to the Water System shall be made without a valid Permit issued by the Town. Permits are Site specific. The transfer of a Permit to an alternative Site is prohibited.

**5.2 Water Saving Device Required.** All new Connections are required to install water-saving devices as follows:

**5.2.1 Toilets.** All toilets shall have a maximum flush of 1.6 gallons.

**5.2.2 Showers.** All showers shall have a shower restrictor device installed, which shall have a measured flow, at 60 pounds per square inch, of not greater than 3.20 gallons per minute.

**5.2.3 Rain Sensing Device.** All irrigation systems shall have a rain-sensing device in use.

**5.2.4 Water Conservation.** Water Conservation efforts such as xeriscaping, native landscaping, and using runoff water as a source for direct irrigation are encouraged. All efforts shall be consistent with federal, state, and local guidelines.

**5.3 Service Outside the Town.** The Water System exclusively serves Customers within the Town. No Permit shall be issued outside of the Town, except by resolution of the Board, in its sole discretion.

**5.4 Application for Water Service.** Any Person that desires water service from the Town shall submit an application for a Permit using the Town approved application form together with any supporting documentation that the Town may require payment of any fees or Water Charges due at that time. No Permit shall be approved prior to the acquisition of a building permit for the Site. Without limiting the generality of the forgoing, applications shall contain the following minimum information:

**5.4.1** Applicant's name, address, and phone number;

**5.4.2** Name, address, and phone number of owner of the property where said

Service Line Connection is to be made or laid;

**5.4.3** A diagram of the water meter, remote reading device, curb stop valve, pressure-reducing valves, and Service Lines;

**5.4.4** Location of the proposed Connection and Service Lines;

**5.4.5** Size and type of material to be used and any other information required by these Rules and Regulations governing the particular installation proposed;

**5.4.6** The Applicant's consent to entry, water use record availability and consent to water shut off pursuant to these Rules and Regulations;

**5.4.7** Information about the structure(s) to be served to calculate the EQR of water service requested;

**5.4.8** The Applicant's consent to abide by and be bound by these Rules and Regulations, as amended from time to time.

**5.5 Sprinkler System Applications.** If a fire sprinkler system is to be used, the application shall contain a plan of the system. All fire sprinkler systems shall meet National Fire Protection Association (NFPA) requirements and applicable state and local building and fire protection codes. If a fire suppression system is to be used, the contractor who designs and installs the system shall be certified by the Colorado Division of Fire Prevention and Control for the type of system used.

**5.6 Tapping Period.** No Connections shall be made between October 15 and April 15, unless approved in writing by the Town, in its sole discretion.

**5.7 Accuracy of Information.** All information requested on the application form must be completed. Should any information disclosed on the application be in error, or should the applicant omit any information, the Town shall have the right to: (i) re-assess the Tap Fee; (ii) disconnect the Tap in question, and (iii) revoke the Permit.

**5.8 Approval of Application.** Each application for water service is subject to the Town's approval. In order to obtain such approval, the Applicant shall submit such information that the Town may require. Upon application approval and payment of all applicable Water Charges, the Town shall issue the Applicant a Permit containing all the information contained in the application. No Tap shall be allowed until: the required Tap Fee has been paid; a Permit has been issued; and any and all other applicable Water Charges and fees have been paid. Tap Fees shall be non-refundable unless the Board expressly agrees otherwise.

**5.9 Denial of Application.** The Town may, in its sole discretion, deny an application for the failure to comply with any of these Rules and Regulations.

**5.10 Temporary Permit.** Temporary water service may be provided by the Town upon request at the time of application for a building permit. Any temporary connection to the Water System shall be approved in advance by the Town. No temporary permit shall be approved prior to the acquisition of a building permit for the Site.

**5.11 Change in Customer Service:** A Customer shall file an amended application for Water Service with the Town prior to increasing the size of a structure served by the Town or the type of service received. Examples of such changes are the construction of additions to houses or other buildings, changes in use of an existing structure, addition of water fixtures, additional Connections to Water Mains, or decreases to the level of water service, or abandonment of service.

**5.11.1** If a Customer desires to increase, decrease, or abandon its level of water service, the Customer shall complete an amended application for such service pursuant to the provisions of this Section. A Customer's abandonment of EQR shall be deemed abandonment for all purposes, including Tap Fees previously paid. In the event of a proposed decrease in the EQRs, the water fixtures or other uses included in the proposed decrease must be removed or eliminated before such decrease will be approved.

**5.11.2** The Town shall collect any additional Tap Fees, or Water Charges due and owing retroactive to the date of any such change.

**5.11.3** Purchasers of real property in the Town are responsible for verifying that the amount and type of service for which the Town is currently charging is consistent with the type and amount of service which the seller purports to have paid for and wishes to convey.

**5.11.4** At any time the Board may review actual water usage to determine if such actual usage is greater than that implied by the number of EQR units assessed to the Customer at the time the application for water service was accepted. Winter water use records may be utilized for this purpose. If the Board finds greater actual water usage, the Customer shall be assessed a greater number of EQR units to reflect actual usage.

**5.11.5** In no event shall a refund, credit, or rebate of Tap Fees or Water Charges previously paid be permitted if the type or amount of service is decreased.

**5.12 Transfer of EQR Credits:** EQR credits purchased directly from the Town are considered appurtenant to the structure, or land for which they were obtained and are not transferrable.

**5.13 Service Application for Subdivision Developers:** Any Person who desires water service for a subdivision development shall submit a written request to enter into a Line Extension Agreement to the Town together with any required land use application.

**5.14 Reimbursement of Costs And Fees:** Any Person constructing a line extension project, or undertaking any other activity requiring preparation of plats or plans, legal and

engineering review and advice, inspections, filing or recording fees, or other out-of-pocket expenses by the Town shall be required to reimburse the Town for all such costs and fees. Such Person may be required, prior to commencement of the project or activity, to enter into one or more agreements with the Town related to the proposed development, and make such deposit as the Board deems appropriate.

#### **Article IV**

#### **Construction of Service Lines**

**6.1 Inspection Required.** All Connections and repairs thereto shall be performed by an authorized representative of the Town or under the supervision of the Town. All Service Lines and meters shall be inspected and tested by an authorized representative of the Town prior to Connection to the Water System and prior to any lines being buried. It is the responsibility of the Site Owner to notify the Town that a proposed Connection is ready for inspection and testing.

**6.2 Separate Service Lines Required.** New Service Lines shall be installed at the expense of the Site Owner. Existing Service Lines may be used in connection with new structures only when approved in writing by the Town, in its sole discretion. Separately owned units within a multi-unit building must have individual shut-offs and meters specific to each unit.

**6.3 Construction and Connection.** Only those contractors authorized by the Town shall construct and install Service Lines. Connections shall be completed at the Site Owner's expense. Service stub-ins for residential installations shall terminate with a curb stop at the property line unless the Town approves another location. Meter and yoke shall be located inside buildings with a remote reader on the outside wall designated by the Town. Any Person doing work on a Service Line shall comply with applicable federal, State, and local regulations. The Town maintains the authority to suspend work upon a reasonable belief that there is a violation of any federal, state, or local rule.

**6.4 Water Service Line Construction.** Service Lines shall comply with the following:

**6.4.1** be buried a minimum of six feet below the final grade, and

**6.4.2** be installed, bedded, and compacted pursuant to Town specifications. All corporation stops (tap valves) shall be of a type "compression," 300 psi maximum, ball style with lock wing. No "flair style" shall be allowed, and

**6.4.3** residential Service Lines shall be  $\frac{3}{4}$  inch HDPE (PEX) or equivalent approved by the Town, and

**6.4.4** commercial Service Lines shall be sized according to the volume of use approved in the Permit, and

**6.4.5** if made of copper pipe, be equipped with a thaw wire, and

**6.4.6** be sleeved.

**6.5 Road Cuts.** When a road cut is required for Connection, the Owner shall rebuild the road base in accordance with specifications from the Town.

**6.6 Approved for Backfilling.** No Service Line shall be covered without the Town's prior written approval. Any Person that covers a Service Line without such approval shall be required, at the Owner's expense, to remove all fill, topsoil or any other covering placed over the line.

## **6.7 Installation**

**6.7.1 Location and Alignment of Service.** Service Lines shall be constructed in locations approved by the Town. Unless otherwise approved by the Town, Service Lines shall be installed in a perpendicular alignment to the Main Line, and shall not be located under any paved driveway or service road without the Town's prior written approval, in its sole discretion. The Town may require an Owner, at the Owner's expense, to extend the Main Line.

**6.7.2 Service Line and Control Valves.** Service Lines shall be (HDPE) PEX polyethylene or copper or other Town approved material. All Service Lines shall be equipped with a control valve, accessible to the Town. All Service Lines and fittings shall be installed to withstand 200 psi.

**6.7.3 Sleeves.** Prior to installation of a Service Line, the Town shall approve the type of sleeve.

**6.7.4 Pressure Reducing Valves.** Individual pressure-reducing valves that are required on all Service Lines shall be 400 psi.

**6.7.5 Excavation.** All excavation work required to facilitate a Connection shall be open trench work unless the Town otherwise approves, in its sole discretion. All work, including pipe laying and backfill, shall be performed in accordance with Town approvals, these Rules and Regulations and any other applicable law. All excavation work shall be adequately guarded with barricades and lights so as to protect the public from hazards. Roads, access ways and other public or private property disturbed in the course of the work shall be restored to its previous condition and to the Town's satisfaction. All backfilled areas shall be maintained in a condition satisfactory to the Town. If the Town notifies an Owner that a backfilled area is hazardous, the Owner shall correct the hazardous condition within 72 hours.

**6.7.6 Backfill Materials.** All materials for utility trench backfill shall comply with Town approvals, these Rules and Regulations, and other applicable law. Subject to the following requirements, such material shall be free of frozen material, stumps, roots, brush and other organic matter and debris:



**A. Upper Portion of Trench.** Material placed within one foot of pavement subgrade or the finished surface in unpaved areas shall be soil free from rocks and stones larger than 2½ inches in any dimension.

**B. Remainder of Trench.** Soil may contain a limited number of stones smaller than 6 inches in any dimension provided they are dispersed in the surrounding material in a manner to allow specified compaction.

**C. Public Highways and Streets.** Materials placed within the limits of paved surfacing, gravel shoulders or shoulder slopes shall be approved by the agency having jurisdiction over highway/street maintenance.

**D. Structural Fill and Backfill.** Materials used for structural fill under or around structures shall consist of materials described above and free of stones with any dimension greater than one-half of the specified loose layer thickness. Material shall also be capable of being compacted to a specific density.

## **Article VII**

### **Main Line Extension**

**7.1 Main Line Extensions:** All Main Line extensions shall be made under the observation of the Town Engineer and constructed according to Town approved design, plans and specifications and requirements set forth in the Code. It shall be unlawful for any Person, and a violation of these Rules and Regulations, to construct a line extension within the Town without the Town's prior approval.

**7.2 Line Extension/Connection Agreements:** All Main Line extensions shall require the execution of a Line Extension Agreement in a form approved by the Town's attorney and the Board, prior to the commencement of any construction or the recordation of a final plat. Such Agreement shall set forth the respective rights and obligations of the parties regarding the provision of water service to the subject property.

**7.2.1** Any Line Extension or Line Connection Agreement approved by the Town shall be executed and returned to the Town by the Applicant within 45 days of approval.

**7.2.2** If the Applicant fails to execute and return the Line Extension or Line Connection Agreement within 45 days of approval, the agreement shall be void, and a new request for approval shall be required.

**7.3 Location of Water Line Extensions:** Water line extensions shall be installed in roads or streets which the Town, County, State Highway Department or other public agency has accepted for maintenance as public right-of-way, or in easements granted to the Town. Prior to the Town's acceptance of Water Main, all easements necessary for the installation and maintenance of such mains, shall be platted or conveyed to the Town by warranty deed, as appropriate, duly recorded in the Dolores County real estate

records.

**7.4 Procedure for Water Line Extension Construction by Developer:** Plans for line extensions shall be submitted to the Town for its review and approval along with an application for a line extension no later than the date of preliminary plan submittal to the Town. The plans shall be reviewed and approved for compliance with the Town's service plan and Rules and Regulations, and the Developer shall be responsible the costs associated with the Town's determination of compliance.

**7.4.1 Security Improvements Guaranty:** Subject to the exemption listed below, before recording a final plat, the Developer shall provide an improvement guaranty, such as a surety bond, cash or acceptable collateral, a letter of credit, or other security acceptable to the Town, guaranteeing the completion of all of the Water System improvements necessary for the development, including engineering, construction observation, inspection and legal fees which may be required. Construction costs shall include acquisition of rights-of-way or easements, valves, Water Mains, and Service Lines, and any other facilities and appurtenances. Such guaranty shall be deposited in an amount not less than the estimate of the entire cost to complete the Water System improvements, plus 10%. The Developer shall prepare cost estimates for the improvements for the Board's review and approval. If requested, Developer shall adjust such estimates to reflect actual costs and the Developer shall, upon 10 days' written notification, deposit the balance due to complete the work.

**A.** Any Developer constructing a Water Main extension may be exempted from posting a water improvements guaranty, if the Town, in its sole discretion, determines such Developer satisfies the following requirements:

**i.** The Developer provides adequate assurances and documentation establishing that it has posted security with another public entity pursuant to a Subdivision Improvements Agreement (SIA) where such SIA provides for: (a) a guarantee amount sufficient to cover the cost of all necessary water or sewer improvements; (b) the Town's written approval of water improvements prior to the public entity's release of the portion of the guarantee covering the water improvements; and (c) a provision requiring the Town to be a named beneficiary as to the value of all improvements to be dedicated to the Town.

**ii.** The Developer requests and receives a written waiver of the water improvements guaranty from the Town.

**B.** As improvements are completed, the Developer may petition the Town for a release of part or all of the collateral deposited with the Town as an improvement guaranty. Any such partial release shall be made at the Town's sole discretion upon a determination that the partial improvements are completed and have been approved by the Town in writing. At such time the Developer determines that the water improvements have been completed in accordance with the approved plans and specifications, the Developer shall deliver its written request for full release of the

security. Upon receipt of such request, the Town shall have 45 days to deliver written acceptance of the improvements and release of security to the Developer. If the Town determines that the Developer will not construct or complete any or all of the required water improvements within a reasonable period of time, the Town may liquidate and withdraw and employ from the deposit of collateral such funds as may be necessary to construct or complete the improvements necessary to provide water service to Customers within the development.

**C.** The Town reserves the right to terminate the water improvements guaranty exemption if a surety bond provided to another public entity is prematurely released and the Town determines the necessary water improvements are not complete.

**7.4.2 Construction Inspection and Observation:** The Developer shall retain, at its sole expense, a licensed professional engineer for appropriate on-site inspection to ensure that all water improvements are constructed in accordance with the approved plans and specifications. The Developer shall be responsible for payment of any construction observation fees the Town incurs including, without limitation, the costs of reasonable review of drawings and specifications, meetings, inspections, administration, and any other time reasonably required of the Town Engineer, attorney, or other authorized representative.

**7.4.3 As-Built Drawings:** The Developer shall submit, at its sole cost reproducible As-Built Drawings prepared and submitted according to the specifications and procedures set forth in the Code, GIS location data for the Water Main, a video inspection of the Water Main interiors and written reports of lamp tests, vacuum tests and all other tests required by the Town (collectively referred to as "Inspection Report") and a summary of the Developer's actual costs incurred for the improvement project. No Water Main extension project shall be approved, and no Water Mains shall be accepted until the Town receives and approves satisfactory As-Built Drawings and Inspection Report. The Town may deny service through any Water Main extension until the above requirements have been met and the Board accepts the Water Main extension.

**A.** In addition to the deposit required for line extension project costs, the Developer shall deposit with the Town the amount set forth by the Rate and Fee Schedule in Appendix A, to ensure that the As-Built Drawings and Inspection Report are submitted to and approved by the Town. The Board shall determine the amount of the As-Built Drawings deposit based on the Town Engineer's drawing preparation cost estimate for each line extension project. Said Deposit shall not be released back to the Developer until satisfactory As-Built Drawings and Inspection Report are submitted and approved by the Town Engineer.

**B.** If the Town does not receive satisfactory As-Built Drawings and Inspection Report within 30 days of the completion of construction, the Town shall give the Developer written notice specifying the date, time, and place of a hearing in which the Board will consider forfeiture of the Deposit, and the reasons why forfeiture may be required. The notice shall be mailed to the Developer's last known address at least 10

days before the hearing. At the hearing, the Developer shall be allowed to present testimony and other evidence. If the Board determines that the Developer's failure to submit acceptable As-Built Drawings and Inspection Report is inexcusable, the Deposit shall be forfeited as liquidated damages. Forfeiture of the Deposit shall be ordered by formal written resolution of the Board, and said Deposit shall be used to obtain acceptable As-Built Drawings and Inspection Report of the project. Additionally, the Developer shall be responsible for any expenses or costs that exceed the Deposit.

**7.4.4 Warranty:** A Developer's execution of a Line Extension or Connection Agreement with the Town, shall constitute the Developer's warranty of any and all facilities which are conveyed to the Town for a period of two years from the date the Town accepts the facilities. Specifically, but without limitation, Developer shall warrant that:

- A.** The title conveyed shall be good and its transfer rightful;
- B.** Any and all facilities conveyed shall be free from any security interest or other lien or encumbrance; and
- C.** Any and all facilities so conveyed shall be free of any defects in materials or workmanship for a period of two years, as stated above.

**7.4.5 Acceptance of Water Main Extensions:** Upon the completion of construction, installation, and Connection of a Water Main extension, the Developer shall certify compliance with these Rules and Regulations and request that the Town accept the facilities. The Developer's engineer shall give written confirmation to the Board that such facilities have been constructed and installed in accordance with these Rules and Regulations, the approved plans and specifications, and applicable provisions of federal, state, county, and local laws. Upon satisfactory completion of the above requirements, the Town may formally accept the Water Main extension. The Town shall have no obligation to provide water service to Developer until acceptance and dedication. The Developer shall, upon the Town's acceptance, convey such lines and all appurtenances to the Town, free and clear of all liens and encumbrances, by bill of sale.

**7.5 Special Structures:** Special structures required to ensure proper operation of line extensions shall be constructed from designs as approved by the Town Engineer at the Developer's expense.

**7.6 Main or Line Extension Construction by the Town:** Notwithstanding any provision of this Article, the Town itself may, in its discretion, extend mains under such conditions as the Board deems appropriate. The Town shall oversee such line extension projects, and, in conjunction with the Town engineer and attorney, carry out all necessary planning, evaluation of bids, selection of contractors, financing, right-of-way acquisition, inspections and preparation of As-Built Drawings. Where water mains cannot be installed in a street, private drive or common area, and must be installed in easements along adjacent pieces of property, the mains will terminate at point on the line or corner of the

property being served which requires the least amount of construction by the Town. The Town reserves the right to impose a Line Extension Fee surcharge payable by Customers utilizing the Water System extensions to recover the Town's actual costs together with interest.

#### **7.7 Extensions of Water Mains to Serve Unplatted Property within the Town:**

Extension of Main Lines to serve property already in the Town, but not part of a platted subdivision, shall be financed by the Developer or Customer who constructs the extension, subject to the right of reimbursement as hereinafter provided, as otherwise provided by future agreement, or as provided in Tap Fee Purchase Agreements.

**7.8 Extensions of Water Mains Outside the Town's Boundaries:** No Main Lines shall be extended outside the Town limits, except with the purpose of servicing property that is within the Town (across islands, or between peninsulas). Exceptions may be granted upon the express consent of the Board under the terms of a revocable permit.

### **Article VIII**

#### **Water Charges, Fees and Rates**

**8.1 General.** To adequately maintain, preserve, protect and enhance the Water System, the Town must impose and collect Tap Fees, Water System Improvement Fees, Service Charges, Surcharges, Inactive Tap Service Charges, Recovery Fees, Fines for Violation of these Rules and Regulations, together with late charges and interest on delinquencies, and the Town's cost and expenses incurred to collect any amount due, enforce or take any action permitted under these Rules and Regulations including, without limitation the Town's attorneys' fees and costs ("Water Charges"). The Town has a duty to ensure payment of Water Charges from Customers and other Persons that seek to benefit from the Water System. The Board shall establish rates and charges, which shall remain in effect until modified by Resolution of the Board. Nothing contained herein shall limit the Board from modifying rates and charges or from modifying any classification.

**8.2 Type of Service:** Water service shall be metered by the Town. Unless otherwise stated, rates, charges and fees for water service shall be based on EQRs of service calculated in accordance with the Rate and Fee Schedule in Appendix A. The charge per EQR shall be at the rates in the Fee Schedule, as the same may be amended from time to time.

**8.3 Tap Fees:** A Tap Fee shall be charged to all Customers prior to any Connection to the Water System and no Connection to the Water System shall be allowed until all required Water Charges have been paid and a Permit has been issued. Tap Fees are non-refundable. Such fees shall be assessed as provided for in the Rate and Fee Schedule at Appendix A, as the same may be amended from time to time.

**8.4 Water System Improvement Fees.** In order to help offset the financial impacts of new development on the residents of the Town, all new development shall pay a water system improvement fee as provided for in this section.

**8.4.1** Water system improvement fees shall be due and payable to the Town upon the earlier of the Town's approval of any land use application, or any building permit application, that requires a Permit to connect to the Water System. Payment of the water system improvement fee shall be a condition of approval for any such land use or building permit application.

**8.4.2** The amount of the water system improvement fee shall be set by resolution of the Board of Trustees.

**8.4.3** The water system improvement fee shall be based on meter size and calculated as set forth below. One (1) EQR is the equivalent of one single family dwelling unit.

<b>Meter Size (Inches)</b>	<b>EQR</b>
0.75"	1.00
1.00"	1.67
1.50"	3.33
2.00"	5.33
3.00"	10.67
4.00"	16.67
6.00"	33.33
8.00"	53.33
10.00"	76.67

**8.4.4** The Town Manager or their designee has the authority to determine the applicable water system improvement fees based on the amounts adopted by Board resolution, the intent of the fees, and the development's specific configurations or circumstances.

**8.4.5** The Town Manager or their designee has the authority to adjust the timing of water system improvement fee collections based on when the meter sizes within the development are known.

**8.5 Service Charge:** Full service charges, calculated under the Rules and Regulations and EQR Schedule, shall commence and accrue upon the issuance of a temporary certificate of occupancy or certificate of occupancy for the structure being served, whichever first occurs. Each Customer shall be charged a minimum service charge based upon one EQR. The Customer shall be liable for payment of service charges regardless of whether the Customer actually uses the Connection for water service.

**8.5.1** Monthly water service charges shall be based on the EQR value applicable to the property and the quantity of water used during that month. The rate structure is set forth in the Rate and Fee Schedule in Appendix A. In addition to the above water service rates, the Customer will be assessed a base rate as set forth in the Rate and Fee

Schedule in Appendix A.

**8.5.2** Service charges which accrue on or after the date the Certificate of Occupancy is issued shall be due and payable whether or not the premises are occupied. There shall be no right to refund, rebate, or credit for such charges, except as otherwise stated in this Article.

**8.6 Surcharges:** Where any defined part of a Site's water service depends on a discrete facility or equipment that the Town owns and maintains, the Board may establish and charge such Customers a surcharge. The surcharge shall be based on the pro rata cost to each applicable Customer of the facility or equipment and its operation, maintenance, repair or replacement.

**8.7 Main Line Extension Fees:** In order to recover the Town's costs incurred extending a Main Line, the Town may charge a Main Line Extension Fee to any Person desiring to connect to the Water System utilizing the Main Line extension.

**8.7.1** The Main Line Extension Fee shall be based on the size in acres of the property to be served by the extension, the zoning of the property, the existing and potential uses of the property, the potential EQR demand from the property, and any other similar, relevant factors which the Board believes should be considered in arriving at an equitable reimbursement; provided, however, the collection of Line Extension Fees shall not be construed as an obligation to provide operations, maintenance, repair, or replacement of such Service Line extensions.

**8.7.2** The Line Extension Fee shall not exceed the actual cost, including engineering fees, of the extension, including interest. All Line Extension Fees shall be due and payable at the time a Tap Permit is issued or a Line Extension Agreement is executed. The Town may charge an administrative fee for collection and reimbursement of Line Extension Fees. The Town will use its best efforts to collect such fees but shall not be liable for the failure to collect such fees.

**8.8 Line Extension Cost Reimbursements:** The Town may reimburse a Developer for Line Extension Fees collected on a Water Main constructed by a Developer for a period of five years after the execution and pursuant to the terms of the Line Extension Agreement. Upon application made prior to the termination of the initial five-year period, and upon Town approval, such reimbursements may continue for a maximum of five additional years. The right to such reimbursement shall permanently cease at that time, regardless of the amount of reimbursement received. The reimbursement shall not exceed the Water Main's actual construction cost.

**8.9 Cost Recovery Provision in Line Extension Agreements:** No Line Extension Fee shall be collected or reimbursed to any Developer unless the Town and Developer have previously entered into a written Line Extension Agreement containing the following provisions:

**8.9.1** The amount of each Line Extension Fee to be charged.

**8.9.2** The Developer's right to reimbursement by means of the Line Extension Fees.

**8.9.3** The Town's procedure for collection of the Line Extension Fees and forwarding them to the Developer, including time limitations, and the Town's right to retain an administrative fee from each Line Extension Fee collected.

**8.9.4** The Town's obligation to use its best efforts to collect Line Extension Fees, and the Developer's agreement to not hold the Town liable for non-payment of the Line Extension Fees, or for any failure to collect the same.

**8.10 Payment Obligation:** All Customers or other Persons benefitting from the Water System are legally obligated to pay the Water Charges. It is imperative for the Water System's proper operation, maintenance and repair that all Water Charges be paid in full and on time. The Town shall deliver statements for Water Charges to Customers no more frequently than monthly but not less frequently than quarterly, or in such other intervals that the Board may establish. Statements shall be sent to the Site Owner unless the Town approves the Owner's written request for statements to be delivered to an occupant.

**8.10.1** Except as specifically provided for in these Rules and Regulations, Water Charges shall be due and payable on the 25<sup>th</sup> day of the month following the month the statement is issued. Payments will be deemed late if not paid when due.

**8.10.2** When a Customer receives service for two or more units that are provided water service through one water meter, only one statement shall be sent for water service for such properties.

**8.10.3** Nothing herein shall constitute a waiver of the owner's liability for Water Charges, including penalties and interest, nor a waiver of the Town's statutory lien rights.

**8.11 Liability for Nonpayment; Perpetual Lien:** All Water Charges shall be paid by the Site Owner. The Town shall not be bound by any agreement between an Owner and occupant concerning payment of Water Charges, regardless of whether the Town has been notified of the agreement. Until paid, all Water Charges shall constitute a first and perpetual lien on or against the property served, and any such lien may be foreclosed in the manner provided by law. The Town shall have the right to collect from any Customer who is delinquent in payment of its account all legal, court and other costs and expenses necessary or incidental to the collection of said account, including reasonable attorneys' fees, filing fees and other costs, and recording fees. A fee in the amount set forth in the Rate and Fee Schedule in Appendix A shall be imposed on any payment tendered to the Town which, upon presentment to the bank for payment, is returned unpaid due to insufficient funds, an overdrawn or closed account, or for whatever reason. Such fee shall accrue each time a check is returned unpaid.



**8.12 Miscellaneous Costs and Expenses:** Customers shall be responsible for all costs and expenses incident to Service Line installation and Connection shall be borne by the Customer. In addition, Customers shall indemnify the Town for any loss or damage that may directly or indirectly occur as a result of Service Line installation. Town personnel shall not perform Service Line installation or Connection on Fridays, Saturdays, Sundays, or holidays unless written permission is granted by the Town Manager. The fees and charges that shall apply to Town services are listed in the Rate and Fee Schedule in Appendix A.

**8.13 Late Charges, Interest and Collection Remedies.** Each Water Charge, installment thereof, or other amount due to the Town that is not paid in full when due shall be subject to a late charge of five percent of the amount due, or \$15.00, whichever is greater, for each month or part thereof in which such Water Charge remains unpaid. Additionally, such delinquent amount shall bear interest from the due date at the rate of 12% per annum. If any Water Charges remain unpaid for 90 days or more from the date of the statement, the Town may terminate the Customer's service. Additionally, the Town may enforce the Customer's payment obligations by any and all other lawfully available means, including suits for collection, foreclosure of the Town's lien on the Customer's property, or certification of amounts due to the County Treasurer for collection along with taxes.

**8.14 Seller's and Buyer's Responsibilities:** The Town assumes no responsibility for agreements between sellers and buyers of property within the Town. The buyer shall be responsible for determining whether appropriate Water Charges have been paid by the seller. Regardless of ownership, any unpaid Water Charges shall constitute a first and perpetual lien on and against the property and such amounts may be collected pursuant to these Rules and Regulations.

**8.15 Waiver.** The Board of Trustees may waive any fee, or portion thereof, due hereunder after holding a public hearing thereon if the Board finds there is good cause to do so. In making its determination, the Board may take into account, but is not limited to, considerations of hardship or equity.

## **Article IX**

### **Violations and Enforcement; Hearing and Appeal Procedures**

**9.1 Violations:** It is unlawful for any Person to violate any of the provisions stated or adopted in these Rules and Regulations. Any Person violating these Rules and Regulations shall be deemed guilty of a misdemeanor, and such Person shall be deemed guilty of a separate offense for each and every day during which any Violation is committed, continued or permitted.

**9.2 Fines and Revocation of Service:** Unless otherwise specifically stated, any Person that is guilty of a Violation shall be fined in the amount of \$500.00 per EQR for each Violation, or up to one year of imprisonment, or both. Additionally, the Town may revoke water service for any Violation including, without limitation, non-payment of Water

Charges. Except as otherwise provided in this Article, the Customer shall be given written notice prior to revocation of water service. Any Person that commits a Violation shall be liable for reimbursement of any and all actual costs or damages the Town incurs as a result of the Violation, including, without limitation, legal and engineering fees.

**9.3 Unauthorized Connections or Use:** Any Connection to the Water System without first paying the appropriate fees and obtaining the appropriate permits shall constitute a Violation, and each day of such use or Connection shall constitute a continuous or repeat Violation. Any such fines shall be in addition to the Town's right to charge for all services used and shall not limit any and all other remedies which the Town may have. In such circumstances, the Town may require, or carry out immediate disconnection, and shall be entitled to collect any and all of its resulting costs and damages, including the fees set forth in the Rate and Fee Schedule in [Appendix A](#); or the Town may authorize Connection on such terms and conditions as the Town may approve.

**TOWN OF RICO  
RESOLUTION NO. 2025-02**

**A RESOLUTION OF THE BOARD OF TRUSTEES OF THE TOWN OF RICO, COLORADO, SETTING THE WATER RATE AND FEE SCHEDULE FOR THE PERIOD BEGINNING MAY 25, 2025 AND ENDING DECEMBER 31, 2025, AND PROVIDING FOR THE ANNUAL ADJUSTMENT OF THE WATER RATE AND FEE SCHEDULE.**

**WHEREAS**, the Town of Rico Water Operations Rules and Regulations, Article VIII Sections 8.1, 8.2, 8.3 and 8.4, establishes the collection of water tap fees, water system improvement fees, service charges and surcharges and authorizes the Board of Trustees (the “Board”) to set the water rate and fee schedule by resolution; and

**WHEREAS**, the Board desires to set the water rate and fee schedule by resolution consistent with the Water Operations Rules and Regulations; and

**WHEREAS**, the Board further desires to establish annual adjustments to the water rate and fee schedule.

**NOW, THEREFORE, BE IT RESOLVED, BY THE BOARD OF TRUSTEES OF THE TOWN OF RICO, COLORADO:**

1. The above recitals are hereby incorporated as findings by the Board of Trustees of the Town of Rico, Colorado.

2. The water tap fees, water system improvement fees, service charges and surcharges established in the Water Operations Rules and Regulations, Article VIII Sections 8.1, 8.2, 8.3 and 8.4, shall be as set forth in **Exhibit A**.

3. Unless otherwise adjusted by the resolution of the Rico Board of Trustees, the water tap fees, water system improvement fees, service charges and surcharges set herein shall, beginning in 2026, be adjusted annually based on the prior years’ average inflation as established by the Engineering News Record McGraw-Hill Construction Weekly Building Cost Index for Denver, Colorado, to be effective January 1 of each year.

**APPROVED AND ADOPTED BY THE BOARD OF TRUSTEES OF THE TOWN OF RICO**  
on May 21, 2025.

By:

\_\_\_\_\_  
Patrick Fallon, Mayor

Attest:

\_\_\_\_\_  
Anna Wolf, Town Clerk

**APPENDIX A**

*All rates and fees set forth herein may be amended from time to time*

**WATER SERVICE RATES**

	<b>Minimum Monthly Charge for Use 0 to 3,000 gallons per month</b>	<b>Rate for Use over 3,000 gallons up to 8,000 gallons per month</b>	<b>Rate for Use over 8,000 gallons up to 12,000 gallons per month</b>	<b>Rate for Use over 12,000 gallons per month</b>
<b>Residential</b>	\$42	\$6 / 1,000 gallons	\$10 / 1,000 gallons	\$15 / 1,000 gallons
<b>Commercial</b>	\$75	\$6 / 1,000 gallons	\$10 / 1,000 gallons	\$15 / 1,000 gallons
<b>Late Fee</b>	\$15.00 + 12% per annum			
<b>Shutoff Fee</b>	\$75.00			

**TAP FEE SCHEDULE**

<b>Water Tap Size</b>	<b>Minimum Fee for Cost of Tap*</b>
¾" Water Tap	\$12,500
1" Water Tap	\$22,500
1 ¼" Water Tap	\$37,000
1 ½" Water Tap	\$50,000
2" Water Tap	\$86,000

\*Water Taps shall be subject to a minimum fee as shown here in this Tap Fee Schedule, and applicants shall be required to submit a water demand analysis for the proposed project. The Building Official shall require an additional fee over and above the minimum fee as indicated by the water demand analysis.

**SYSTEM IMPROVEMENT FEE SCHEDULE**

<b>Meter Size (inches)</b>	<b>EQR*</b>
¾"	1
1"	1.67
1 ½"	3.33
2"	5.33
3"	10.7
4"	16.7
6"	33.3

\*The cost of one (1) EQR shall be \$6,110.00.

**TOWN OF RICO  
RESOLUTION NO. 2025-3**

**A RESOLUTION OF THE TOWN OF RICO BOARD OF TRUSTEES  
ESTABLISHING A FORMAL PROCESS FOR REQUESTING LETTERS OF  
SUPPORT FROM THE TOWN**

**WHEREAS**, the Town of Rico values collaborative partnerships with local organizations and recognizes that letters of support from the municipality can strengthen applications for grants, technical assistance, and project funding; and

**WHEREAS**, the Town often receives requests for letters of support from a variety of entities, and a formalized process will ensure that such requests are handled fairly, transparently, and consistently; and

**WHEREAS**, it is important that the Town of Rico Board of Trustees has sufficient time to evaluate the merits of each request and understand the potential benefits or implications of providing municipal support; and

**WHEREAS**, establishing clear submission guidelines will assist requesting entities in providing the information necessary for informed consideration and timely preparation of supporting materials by Town staff; and

**WHEREAS**, the Town of Rico seeks to ensure that its letters of support are aligned with community goals and priorities and are provided only to entities that demonstrate a meaningful connection to the Rico community.

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

**Section 1.** Eligibility

Letters of support from the Town of Rico may only be requested by organizations or entities that are based in, operate within, or directly serve the Rico community.

**Section 2.** Submission Requirements

Any entity requesting a letter of support must submit a written request and supporting materials at least ten (10) calendar days prior to the Board of Trustees meeting at which the request is to be considered.

The submission must include:

- a. A brief description of the entity and its mission;
- b. A clear explanation of the purpose of the support request (e.g., grant application, funding proposal);
- c. A summary of how the initiative benefits the Town of Rico; and

d. Sufficient information for Town staff to draft a letter of support in advance of the meeting.

**Section 3.** Review and Consideration

All requests will be placed on the agenda for review by the Board of Trustees. The Board reserves the right to approve, deny, or request additional information before issuing any letter of support.

**Section 4.** Letter Issuance

If the request is approved, Town staff will finalize the letter of support and deliver it to the requesting entity following the meeting or on an agreed-upon timeline.

**Section 5.** Limitation

Letters of support issued by the Town of Rico shall not be construed as financial commitments, endorsements, or policy positions unless explicitly stated otherwise in the resolution or correspondence.

**BE IT FURTHER RESOLVED**, this Resolution shall take effect immediately upon adoption, and the Board of Trustees directs the Town staff to take all necessary actions to implement its provisions.

APPROVED AND ADOPTED BY THE BOARD OF TRUSTEES OF THE TOWN OF RICO

This 21<sup>ST</sup> day of May, 2025.

By:

Attest:

\_\_\_\_\_  
Partick Fallon , Mayor

\_\_\_\_\_  
Anna Wolf, Town Clerk

**TOWN OF RICO  
ORDINANCE NO. 2025-03**

**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; and

**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; and

**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**, on December 20, 2023 the Town amended and extended the moratorium through June 30, 2024 pursuant to Ordinance No. 2023-07 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 to otherwise preserve the status quo; and

**WHEREAS**, on March 20, 2024, the Town amended the Water Operations Rules and Regulations pursuant to Ordinance No. 2024-01 to impose water system improvement fees on new

development within the Town in order to partially fund the water system improvements necessary to accommodate future Town growth; and

**WHEREAS**, on June 19, 2024, the Town extended the moratorium through December 30, 2024 pursuant to Ordinance No. 2024-02 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**, the Town is currently working with the federal EPA Water Technical Assistance team, and engineers from Cadmus Group, to identify available funding sources, determine the requirements for reactivating the Silver Creek surface water treatment plan, and to complete the project needs assessment that must be submitted to the state revolving fund to qualify for future funding; 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**, 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.

**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 June 30, 2025.

**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 June 30, 2025, 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 21ST 2025.

TOWN OF RICO, COLORADO

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Patrick Fallon, Mayor

ATTEST:

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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 18TH 2025.

TOWN OF RICO, COLORADO

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Patrick Fallon, Mayor

ATTEST:

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Anna Wolf, Town Clerk

Effective Date:      June 18, 2025

*J. W. Burley & Co., LLLP  
Erin Johnson, General Partner  
9 S. Glasgow Avenue, POB 189  
Rico, Colorado 81332  
303-588-2695  
erin@fone.net*

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May 14, 2025

Rico Board of Trustees  
2 Commercial St.  
PO Box 9  
Rico, CO 81332

RE: Back Deck on Burley Building

Dear Board,

I am seeking approval of a building permit to build the second level deck on the back of the Burley Building. The proposed deck was part of the plans for the original remodel I conducted after I purchased the property. The original building permit and plans, including the foundation for the utility room, were designed to include the upper deck. Unfortunately I was unable to complete the deck when I did the remodel in 2003. I would like to go forward with this project now.

The utility room was required under the state plumbing code in the original remodel. The room houses the boilers for the new heating system that I installed. The boilers cannot be located below grade, meaning below the ground level. The state plumbing code requirement to have the boilers at or above grade prevents buildings from blowing up if there is a gas leak.

The entire basement level of the Burley Building is about 3 feet below grade, which required that a separate utility room had to be built to house the boilers. The town addressed these issues in 2003 and granted approval for the utility room to extend to the alley, in order to accommodate the boilers and an area to service them. A deck was built over the room to allow for ingress and egress from the back doors of the building. As stated above, the foundation for the utility room was planned at that time by a structural engineer and the upper deck was part of the construction design.

The utility room and the first floor deck were built according to the plans in 2003, with the substitution of hardened steel posts for the 8" x 8" wood posts that were a part of the original plans. These changes were made with the approval of the engineer and the town.

For the current deck project, an engineer has reviewed the original plans and supports the extension of the existing hardened steel posts for the upper level deck. Also, the original deck was planned to span the entire width of the building – it has been reduced to be 32 feet wide instead of 50 feet. New plan and profile drawings have been provided by the engineer for the current project. Please see the attached drawings. The original plans are also attached for reference.

In addition, we plan to install a prefab fire escape ladder on the south end of the upper deck, which will be able to extend to the lower concrete deck next to the alley in the event of fire or other emergency. The upper level deck will utilize the existing second level door that is a part of the historic structure.

One of the main reasons for constructing the upper deck is for safety purposes. Currently the roof overhang drains onto the walkway between the two back doors of the building. This causes ice buildup on the deck and additionally exposes people to the dripping roof during and after rain and snow, both along the walkway and down the stairs to the alley level.

A metal roof will be built above the upper level deck and under the current building roof, with a relatively flat 4/12 pitch. Two rows of snow guards will be placed on the roof to prevent rapid shedding of snow from roof over the new deck area. The main roof is very flat and sheds water only when the snow melts in the spring. In a heavy snow year this occurs over a period of a few weeks, so protection from that runoff will also be provided by the new roof over the deck. The new metal roof with the snow guards will actually improve situations in the winter regarding snow because it will not need to be shoveled onto the alley from the lower deck.

With regard to the "nonconforming use," I believe that the access to the back of the building extended to the alley, probably back to before there was any zoning code in Rico. I also believe that there was historically other features between the back wall of the building and the alley, such as an access to the north door, coal chutes and loading docks for bringing goods into the historic mercantile business. I have a 1994 survey by Foley that shows covered stairs on the north end, the entry access to the south door, and a concrete pad. Accordingly, I believe that the historic use of the area between the alley and the back of the building is "grandfathered" in. See attached Foley plat.

A photo of the building from around when I purchased it in 2003 shows these features. See attached photo. A current photo of the back of the building shows the 2003 construction of the utility room and deck. See attached photo.

Various features of the site include structures that went out to the alley, and probably date back to the original 1891 construction of the Burley Building. The historic use of the area between the back wall of the building and the alley are as historic as the actual building. They have changed over time, the most recent being the 2003 remodel that was approved by the town. I am not aware of any issue that has ever occurred regarding the full use of the alley, either before or after the 2003 remodel. The town has never raised an issue since I have owned the building. The current request, to add an upper level deck and roof for safety purposes, is in keeping with the historical evolution of the use of the building and does not create any new imposition on the use of the alley.

If the town wants its historic buildings to continue to be used in modern times, some accommodations need to be allowed to provide for modern safety features, such as placing boilers in a area that is not subject to an explosion hazard.

The result of the project will provide a safe access from the alley up the stairs to both back doors of the building. This will be a significant safety improvement without causing any additional impact to the alley. I request that the Board of Trustees formally acknowledge the historic use of the area between the building and the alley, and formally grant a waiver for the 5 foot setback from the alley regarding the utility room and deck that was built in 2003 and the second floor deck and roof as currently proposed, so that we don't have to revisit this issue again.

Sincerely,



Erin Johnson

General Partner, J. W. Burley & Company LLLP

List of application package documents follows.



Burley Building Back Deck - Second Level  
Building Permit

1. Cover Letter
2. Application Form
3. 1994 Site Survey
4. Vicinity Map
5. Location Map
6. 2003 Photo
7. 2025 Photo
8. First Floor Plan
9. Second Floor Plan
10. Deed
11. Engineer Letter and Plans
12. 2003 Engineering Plan
13. 2003 Engineering Specifications

Documents provided as one combined pdf, and as separate documents.

The 1994 Site Survey and the 2003 Engineering Plan are provided as pdfs and a 24 x 36 prints.

Building Permit  
Application



Erin Johnson, GP

**Applicant Name** JW Burby & Co LLP Date \_\_\_\_\_

Address PO Box 189 Rico CO 81332 Phone Number 303-588-2695

Email erin@fone.net Cell Phone Number \_\_\_\_\_

Street Address of Subject Property 95 Glasgow Ave Rico CO 81332 Fax Number \_\_\_\_\_

Legal Description of Subject Property Lots 5+6, Block 7, Town of Rico 36/40/11

Zone District of Subject Property Commercial

**Owner Name** (if different than applicant)

JW Burby & Co LLP Phone Number 303-588-2695

Address PO Box 189 Rico CO 81332 Cell Phone Number same

Email erin@fone.net Fax Number n/a

**Contractor Name** Aragorn Ent. Phone Number 970-749-0169

Address 14070 Road 20.7 Cortez CO 81321 Cell Phone Number same

Email aragorn.walt@gmail.com Fax Number n/a

**Design Professional Name**

Thomas Engineering Phone Number 505-490-8000

Address 2194 Golf Course Lane Cortez CO 81321 Cell Phone Number same

Email thomas.engineering@outlook.com Fax Number n/a

☐ Residential construction

☒ Commercial construction

**Type of work - check all applicable items**

- |   |  |  |  |
|---|--|--|--|
| <input type="checkbox"/> New Construction | <input type="checkbox"/> Change of occupancy   | <input type="checkbox"/> Movement of structure | <input checked="" type="checkbox"/> Covered Deck |
| <input type="checkbox"/> Accessory/Garage | <input type="checkbox"/> After the fact permit | <input type="checkbox"/> Alteration/ remodel   | <input type="checkbox"/> Deck                    |

☐ Other \_\_\_\_\_

### Use

☐ Single Family      ☐ Multi-family      ☐ Commercial / residential      ☐ Commercial

☐ Other \_\_\_\_\_

**For change of occupancy:** *n/a*

Existing use \_\_\_\_\_ Proposed use \_\_\_\_\_

**For additions:** *n/a*

Existing square feet \_\_\_\_\_ Additional square feet \_\_\_\_\_

**Attachments Required for residential building permits:** Plans shall contain no added "changes" in ink or pencil.

☐ **Site Plans** Two (2) Minimum size 12"x 18", 24" by 36" preferred and (1) electronic (pdf) site plans prepared by a Colorado registered land surveyor showing at a minimum the following:

North Arrow

Areas of environmental concern\*

Scale not greater than 1" = 20' unless the entire site will not fit on a 24"x 36" sheet

Topography 5 foot interval maximum, 2 foot preferred

Vicinity Map

Proposed grading and drainage

Lot lines with dimensions

Location of existing buildings if applicable

Easements and setbacks with dimensions

Location of proposed building if applicable

Acreage of lot

Location of existing utilities, including septic if applicable

Adjacent streets with labels

Location of proposed utilities, including septic if applicable

**Flood planes must be determined by an Engineer licensed in the state of Colorado.**

**Wetlands must be delineated by a certified technician and surveyed.**

\*Some of this information about Areas of Environmental Concern is obtainable via the adopted town hazard maps to the applicant at the pre-application conference.

All of the following should include two (2) Minimum size 12"x 18", 24" by 36" preferred copies and (1) electronic (pdf).

☐ **Foundation Plans:** Show all foundations, slabs, piers and footings. Indicate size, location, thickness, material and reinforcing. Show all embedded anchoring such as anchor bolts, hold-downs and post bases. Provide concrete strength at 28 days, rebar grade and lap length, etc. Structural plans to be stamped by a State of Colorado registered and licensed Engineer or Architect.

☐ **Floor and Roof Framing Plans:** Show all structural members for floors and roofs including but not limited to blocking, headers, columns, joists, bearing walls, rafters, roof trusses and note their sizes, spacing, bearing points, method of attachment along with roof/wall/floor sheathing type and thicknesses. If manufactured trusses are to be used, calculation/truss drawing sheets must be submitted with plans. Provide grade/specs of all lumber products. Structural plans to be stamped by a State of Colorado registered and licensed Engineer or Architect.

☐ **Floor Plans:** Show floor plan for all levels including basements. Show/label all rooms, dimensioned with their use. Provide square footage for each level and total overall. Show all doors and windows. Provide door and window schedules or sizes with required egress windows and safety glass (where applicable) labeled along with U-factor per Town of Rico Design Criteria. If stairs are required show riser height/tread depth and handrail/guardrail heights. Show location of plumbing fixtures, kitchen appliances, fireplace/stove (wood or gas) and mechanical equipment. Show attic and crawl space access locations. Identify all fire rated assemblies.

☐ **Elevations:** Show all views. Show all vertical dimensions and building height as required by (RLUC 204.6).. Indicate all openings and identify all siding and roofing materials. Show roof pitch and roof overhangs.

☐ **Building Sections & Wall Sections:** Show as many sections to the structure as may be necessary to properly identify the structure, including one through stairs. Some structures require more than one section.

Show floor covering, wall construction, siding and type of gypsum wall board on ceilings and walls. Show interior walls, either bearing or nonbearing. Show framing, top and bottom plates, blocking, draft stopping, rim joist, ceiling joist, roof rafters or trusses. Show the wall, floor and roof insulation values per Town of Rico Design Criteria. Indicate the floor and roof sheathing/underlayment and roof pitch and overhangs. Show attached decks, posts, piers and anchoring methods. Show all cross-sectional changes in elevation on section and all dimensions. Label all. Identify all fire rated assemblies.



☐ **Electrical / Mechanical Plans:** Provide locations of all light fixtures, switches, receptacles, panel location, smoke and carbon monoxide detectors. Exterior light fixtures to be shielded to comply with (RLUC 204.2). If achieving energy efficiency compliance through the Simulated Performance Alternative, submit documentation/performance-based compliance report per (IECC 404.4).

☐ **Manufactured product listing data for specialty materials & equipment:** Where materials or equipment of a specialty nature will be used, valid research reports from a recognized listing agency (ICC, UL, AGA, etc.) should be provided addressing their code equivalency. Alternative materials, designs or methods of construction not specifically prescribed by the applicable code may require pre-approval from the building official. (IRC R104.11)

**Attachments Required for commercial building permits:** Plans shall contain no added "changes" in ink or pencil.

☐ **Site Plans** Two (2) Minimum size 12"x 18", 24" by 36" preferred and (1) electronic (pdf) site plans prepared by a Colorado registered land surveyor showing at a minimum the following:

North Arrow	Areas of environmental concern*
Scale not greater than 1" = 20' unless the entire site will not fit on a 24"x 36" sheet	Topography 5-foot interval maximum, 2 foot preferred
Vicinity Map	Proposed grading and drainage
Lot lines with dimensions	Location of existing buildings if applicable
Easements and setbacks with dimensions	Location of proposed building if applicable
Acreage of lot	Location of existing utilities, including septic if applicable
Adjacent streets with labels	Location of proposed utilities, including septic if applicable

**Flood planes must be determined by an Engineer licensed in the state of Colorado.**

**Wetlands must be delineated by a certified technician and surveyed.**

\*Some of this information about Areas of Environmental Concern is obtainable via the adopted town hazard maps to the applicant at the pre-application conference.



All of the following should include two (2) Minimum size 12"x 18", 24" by 36" preferred copies and (1) electronic (pdf).

☐ **Building Code Analysis:** The Town of Rico requires a licenced architect provide a code analysis on all commercial and multifamily projects based on the adopted design codes including Use and Occupancy Classification, Types of Construction, General Building Limitations (actual area per floor/overall, allowable area per floor/overall, Fire-resistant Rated Construction, Fire Suppression Requirements, Means of Egress (occupant load per floor, exists per floor), Accessibility.

☐ **Foundation Plan:** Show all foundations, slabs, piers and footings. Indicate size, location, thickness, material and reinforcing. Show all embedded anchoring such as anchor bolts, hold-downs and post bases. Provide concrete strength at 28 days, rebar grade and lap length, etc. Specify on plans all required Special Inspections per (IBC Chapter 17). **Structural plans and calculations to be stamped by a State of Colorado registered and licensed Engineer or Architect..**

☐ **Floor and Framing Plans:** Show all structural members for floors and roofs including but not limited to blocking, headers, columns, joists, bearing walls, rafters, roof trusses and note their sizes, spacing, bearing points, method of attachment along with roof/wall/floor sheathing type and thicknesses. If manufactured trusses are to be used, calculation/truss drawing sheets must be submitted with plans. Provide grade/specs of all lumber products. Specify on plans all required Special Inspections per (IBC Chapter 17). **Structural plans and calculations to be stamped by a State of Colorado registered and licensed Engineer or Architect.**

☐ **Floor Plans:** Show floor plan for all levels including basements. Show/label all rooms, dimensioned with their use. Provide square footage for each level and total overall. Show all doors and windows. Provide door and window schedules or sizes with required egress windows and safety glass (where applicable) labeled. If stairs are required show riser height/tread depth and handrail/guardrail heights. Show location of plumbing fixtures, kitchen appliances, fireplace/stove (wood or gas) and mechanical equipment. Show attic and crawl space access locations. Identify all fire rated assemblies.

☐ **Elevations:** Show all views. Show all vertical dimensions and building height as required by (RLUC 204.6).. Indicate all openings and identify all siding and roofing materials. Show roof pitch and roof overhangs.

☐ **Building & Wall Sections:** Show as many sections to the structure as may be necessary to properly identify the structure, including one through stairs. Some structures require more than one section.

Show floor covering, wall construction, siding and type of gypsum wall board on ceilings and walls. Show interior walls, either bearing or nonbearing. Show framing, top and bottom plates, blocking, draft stopping, rim joist, ceiling joist, roof rafters or trusses. Show the wall, floor and roof insulation. Indicate the floor and roof sheathing/underlayment and roof pitch and overhangs. Show attached decks, posts, piers and anchoring methods. Show all cross sectional changes in elevation on section and all dimensions. Label all. Identify all fire rated assemblies.

☐ **Electrical Plans:** Provide locations of all light fixtures, switches, receptacles, panel locations, smoke and carbon monoxide detectors. Exterior light fixtures to be shielded to comply with (RLUC 204.2).

☐ **Mechanical Plans:** Show the entire mechanical system. Include all units, their sizes, mounting details, all duct work and duct sizes. Indicate all fire dampers where required. Provide equipment schedules. Submit energy conservation calculations per the International Energy Conservation Code. Provide size of equipment based on BTU's and horsepower. Provide structural calculations and details for all mechanical equipment over 100 lbs. operating weight.

☐ **Manufactures product listing data for specialty materials & equipment:**

Where materials or equipment of a specialty nature will be used, valid research reports from a recognized listing agency (ICC,UL,AGA, etc.) should be provided addressing their code equivalency. Alternative materials, designs or methods of construction not specifically prescribed by the applicable code may require pre- approval from the building official. (IBC 104.11)

**For both residential and commercial applications:**

☐ Letter of agency if applicant is other than the owner of the property

☐ An application fee in the amount calculated on the fee schedule.

☐ A copy of the deed for the property.

I swear that the information provided in this application is true and correct and that I am the owner of the property or otherwise authorized to act on behalf of the owner of the property.

Signature: \_\_\_\_\_



Date \_\_\_\_\_

5/14/25

Date Application Received \_\_\_\_\_

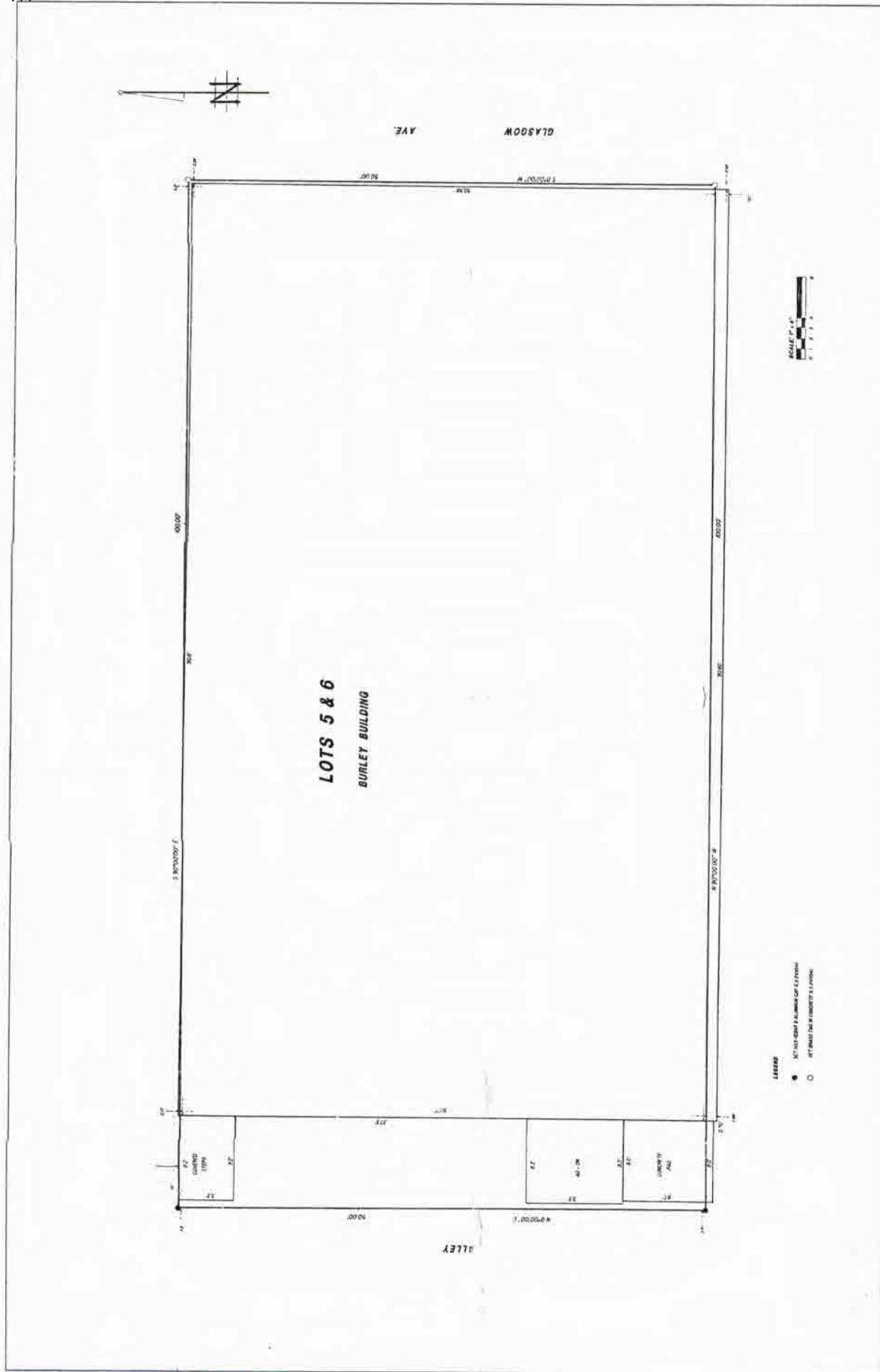
Application Reviewed by \_\_\_\_\_

Application Fee Received \_\_\_\_\_

Approval Subject to Conditions \_\_\_\_\_

Application Complete \_\_\_\_\_

Other comments/identification of hazard zones:











1 S Glasgow Ave

3 S Glasgow Ave

5 S Glasgow Ave

9 S Glasgow Ave

13 S Glasgow Ave

2 S Glasgow Ave

8 S Glasgow Ave

14 S Glasgow Ave

20 S Glasgow Ave

S Glasgow Ave

S Argentine St

S Argentine St

S Argentine St

18 S Argentine St

W Mantz Ave

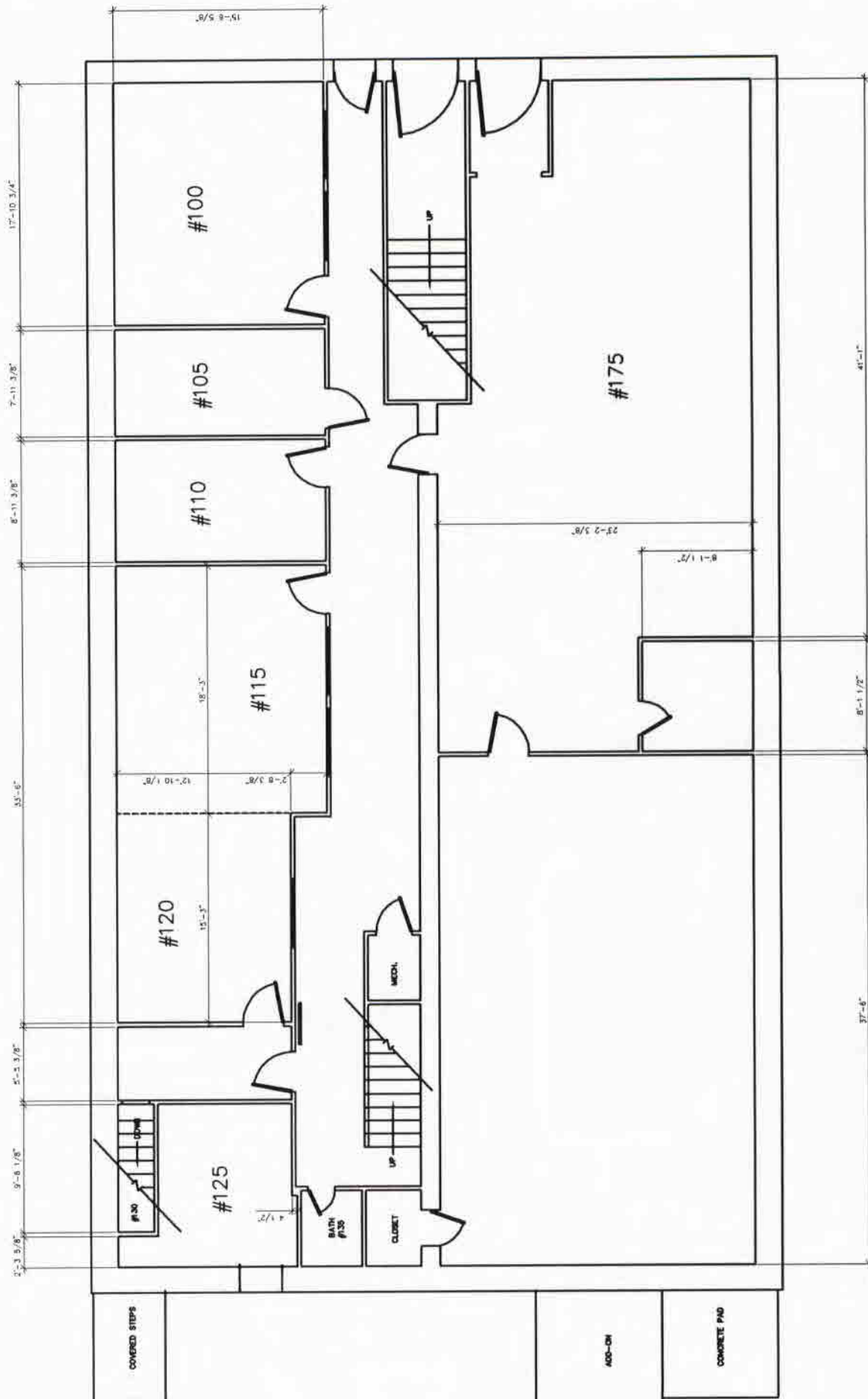




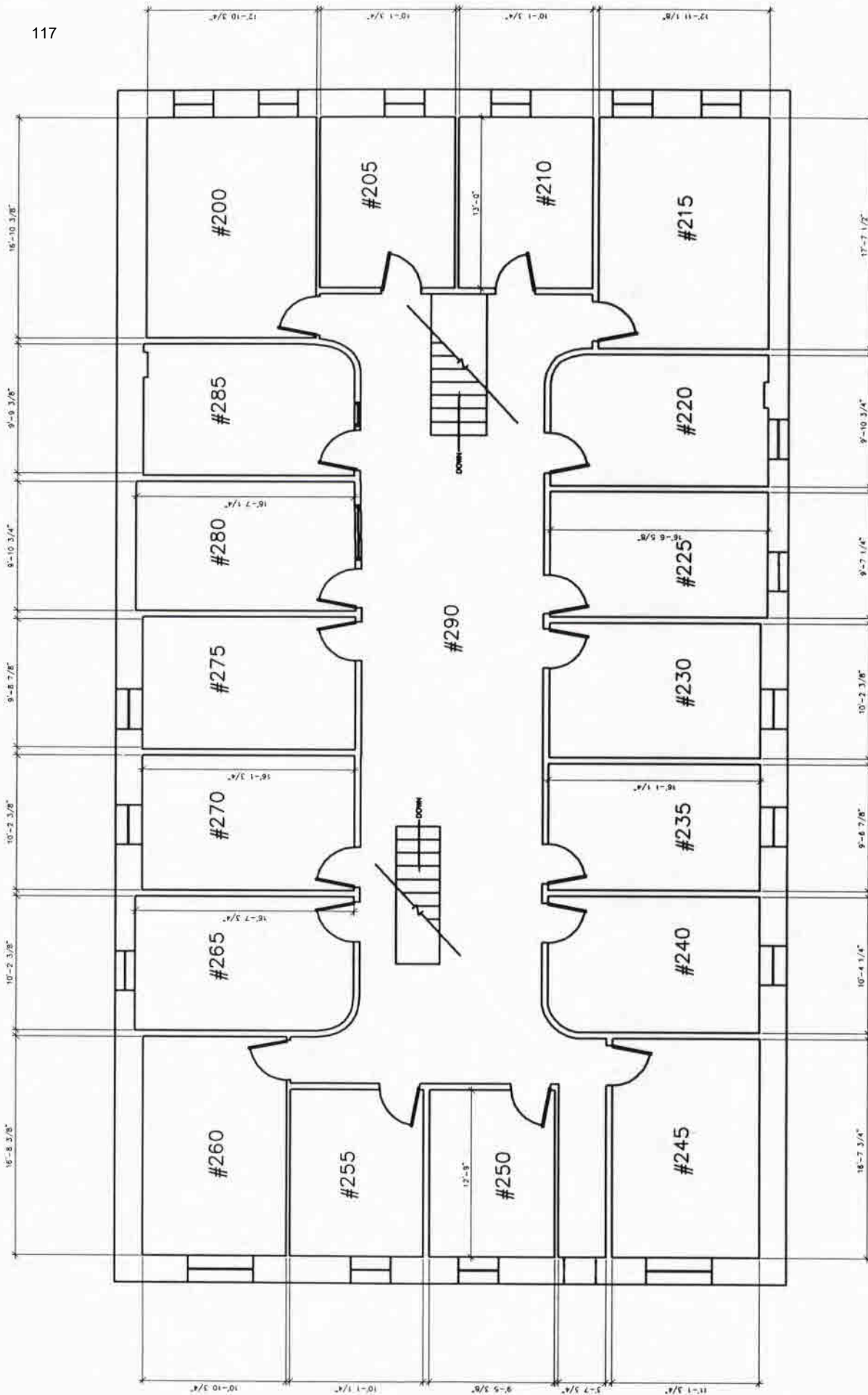
The Burley Building  
-- Est. 1891 --











00145875 03/25/2003 03:45pm BK: 0320 PG: 239  
EARLENE WHITE DOLORES COUNTY CLERK & RECORDER

## Public Trustee Deed

This Deed is made March 25<sup>th</sup>, 2003, between Janie Stiasny as Public Trustee of the County of Dolores, State of Colorado, and J.W. Burley & Co. L.L.P., grantee, (the holder of the Certificate of Purchase), whose legal address is 925 So. Broadway, Suite 208, Cortez, Co 81321

WHEREAS, William H. Baird and Lorraine H. Baird did, by Deed of Trust dated November 10, 1994, and recorded in the office of the Clerk and Recorder of the County of Dolores on November 29, 1994, in Book 266, Page 436-440, Reception #134505, convey to the Public Trustee, in trust, the property hereinafter described to secure the payment of the indebtedness provided in said Deed of Trust; and

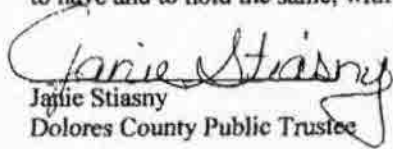
WHEREAS, a violation was made in certain of the terms of covenants of said Deed of Trust as shown by the Notice of Election and Demand for sale filed with the Public Trustee (a duplicate of which was recorded in the office of said County Clerk and Recorder); the said property was advertised for public sale at the place and in the manner provided by law and by said Deed of Trust; Notice of Right to Cure and Redeem and Notice of Sale were given as required by law; said property was sold according to said Notice of Sale; and a Certificate of Purchase thereof was made and recorded in the office of said County Clerk and Recorder; and

WHEREAS, all periods of redemption have expired

NOW THEREFORE, the Public Trustee, pursuant to the power and authority vested by law and by the said Deed of Trust, confirms the foreclosure sale and sells and conveys to Grantee the following described property located in the County of Dolores, State of Colorado, to-wit:

LOTS 5 & 6, BLOCK 1, TOWN OF RICO, ACCORDING TO THE PLAT  
FILED IN THE OFFICE OF THE CLERK AND RECORDER, COUNTY OF  
DOLORES, STATE OF COLORADO.

Also known by street number 11 South Glasgow St. Rico, CO 81332  
to have and to hold the same, with all appurtenance, forever.

  
Janie Stiasny  
Dolores County Public Trustee

State of Colorado )  
                                  )ss.  
County of Dolores )



UNOFFICIAL DOCUMENT

00145875 03/25/2003 03:45pm BK: 0320 PG: 240  
EARLENE WHITE DOLORES COUNTY CLERK & RECORDER

The foregoing instrument was acknowledged before me this 25<sup>th</sup> Day of March, 2003, by  
Janie Stiasny as Public Trustee of said County of Dolores, Colorado.

Witness my hand and Official Seal.  
My Commission Expires: 4/27/06

*Machelle Jones*  
Notary Public



UNOFFICIAL DOCUMENT

# THOMAS

ENGINEERING

2194 Golf Course Lane, Cortez, CO

April 10, 2025  
Erin Johnson  
Burley Building

To Whom it May Concern:

I have reviewed the structural engineering design for the deck structure and roof covering on the west side of the Burley Building in Rico, CO, designed by KRM Consultants, Inc., dated 7-21-2003. The following two modifications have been proposed:

1. Instead of 8x8 wood post columns, it is acceptable to use 3½ in. diameter hardened steel posts.
2. Originally, the 2<sup>nd</sup> story deck and roof extended to the south end of the building. It has been proposed to line up the south line with the existing lower deck. This is acceptable.

If you have any questions, please don't hesitate to contact me.



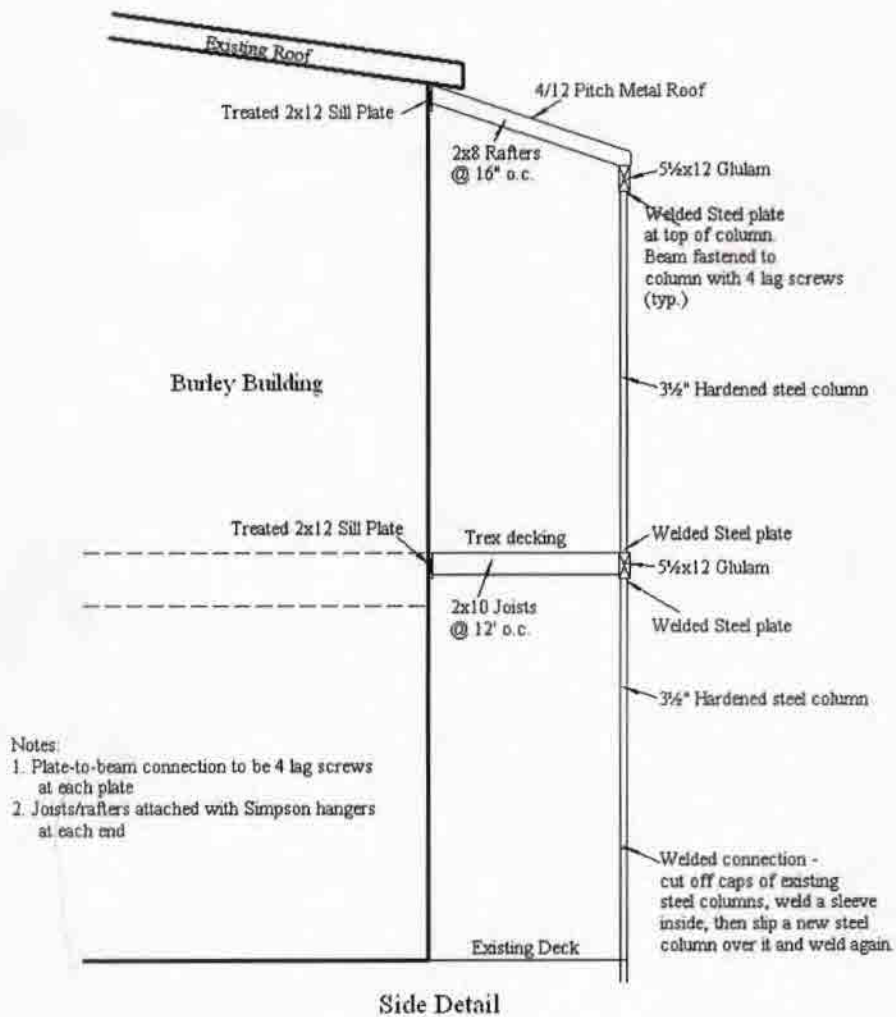
Terri Thomas  
Thomas Engineering  
[thomasengineering@outlook.com](mailto:thomasengineering@outlook.com)  
505-490-8000

# THOMAS

## ENGINEERING

2194 Golf Course Lane, Cortez, CO

May 5, 2025  
Erin Johnson  
Burley Building Page 2 of 2



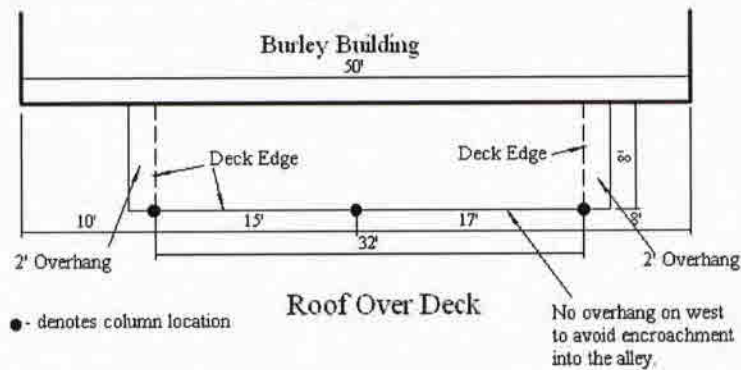
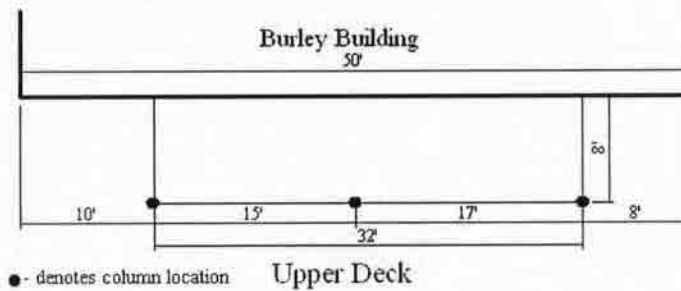
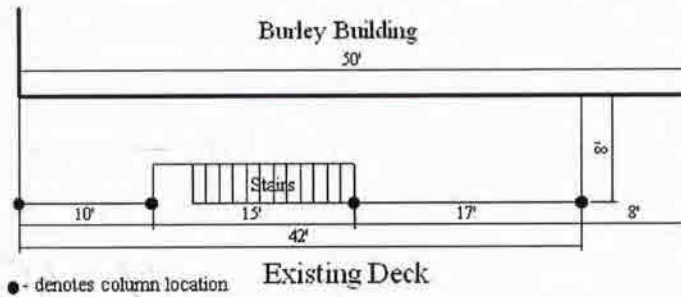
Terri Thomas  
Thomas Engineering  
[thomasengineering@outlook.com](mailto:thomasengineering@outlook.com)  
505-490-8000



# THOMAS

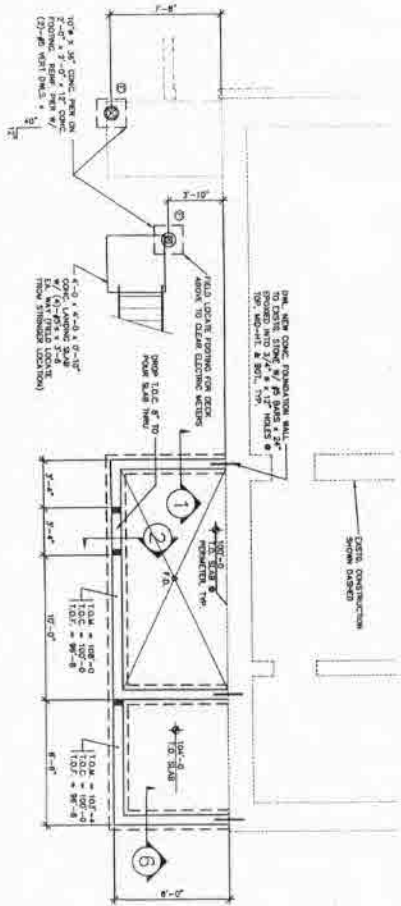
ENGINEERING  
2194 Golf Course Lane, Cortez, CO

May 5, 2025  
Erin Johnson  
Burley Building Page 1 of 2



Terri Thomas  
Thomas Engineering  
[thomasengineering@outlook.com](mailto:thomasengineering@outlook.com)  
505-490-8000

1. POSTS ABOVE ARE INDICATED BY HIGH-CONTRAST POSTS FROM ABOVE ARE INDICATED BY  
2. FLOOR SEALING OVER MECHANICAL ROOM IS 3/4" THICK AND GROUP A/A STRENGTH, 100%, SPALL RATING 2+ O.C.  
3. WOOD BEAMS ARE BUSH WITH FLOOR JOIST UNLESS NOTED OTHERWISE  
4. "O" INDICATES CONNECTION TYPE - NOT "S" FOR SPIGOT

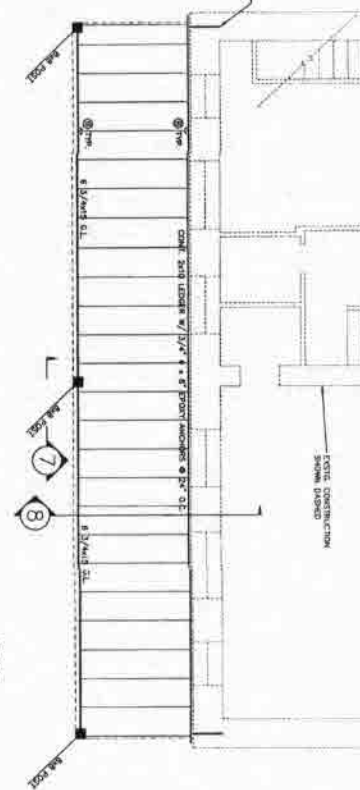


NORTH

SCALE 1" = 1'-0"

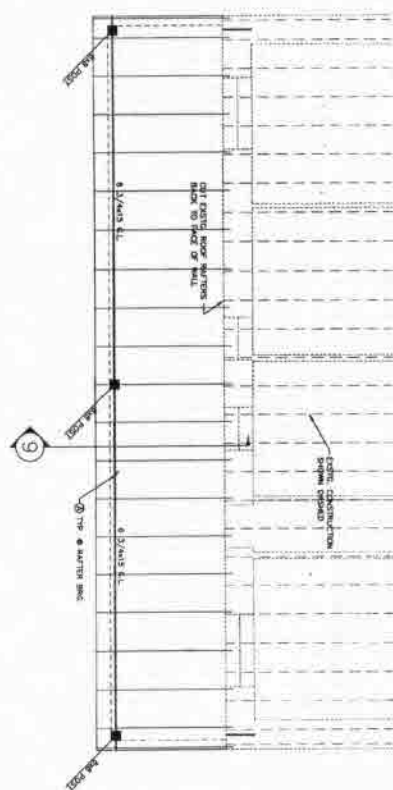
[illegible]

CONNECTION SCHEDULE	
①	SWAP-SON HS
②	SWAP-SON LU/226
③	SWAP-SON LU/226
④	SWAP-SON EP/206
⑤	SWAP-SON AB/206
⑥	SWAP-SON AB/186



UPPER LEVEL DECK FRAMING PLAN SCALE: 1/4" = 1'-0"

1. POSTS BELOW ARE INDICATED ■ NON-CONTINUOUS POSTS FROM ABOVE ARE INDICATED □  
2. ° ° ° INDICATES CONNECTION TYPE = REF. SEE FOR SCHEDULE.  
3. DECK POSTS AND 2x10's @ 24" w/ 2x6'S OR 2x8'S @ 18" w/ TRIM BEAMS



ROOF FRAMING PLAN

SCALE: 1/4" = 1'-0"

1. POSTS BELOW ARE INDICATED ■ NON-CONTINUOUS POSTS FROM ABOVE ARE INDICATED ■  
2. ROOF SEATING IS 1" x 20 GA. CORRUGATED METAL, BECOMING  
3. "O" INDICATES DOWNWARD TIE - NOT ST FOR SCHEDULE  
4. ALL ROOF RAFTERS ARE 6x6 @ 24", WITH FLAT 2x4 SLIPPERS AT 24"

KRM CONSULTANTS, INC.  
P.O. Box 4572  
Vail, Colorado 81658  
(970) 949-9391  
Fax (970) 949-1577

JOB BURLEY BUILDING

#0211-04

SHEET NO. 1

OF 9

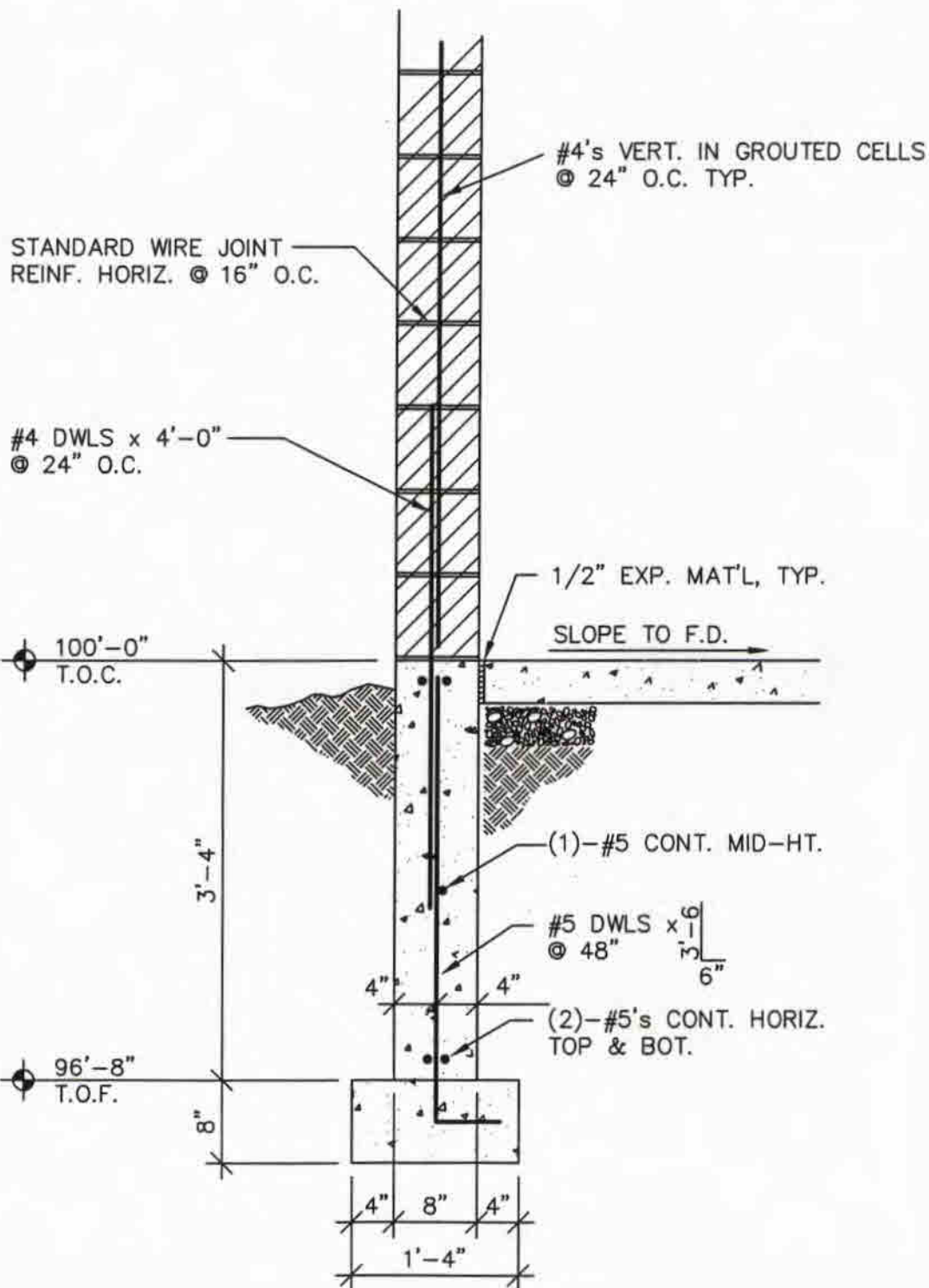
CALCULATED BY KRM

DATE

6/5/2003

CHECK BY

DATE

SCALE  $3/4" = 1'-0"$ 



KRM CONSULTANTS, INC.  
P.O. Box 4572  
Vail, Colorado 81658  
(970) 949-9391  
Fax (970) 949-1577

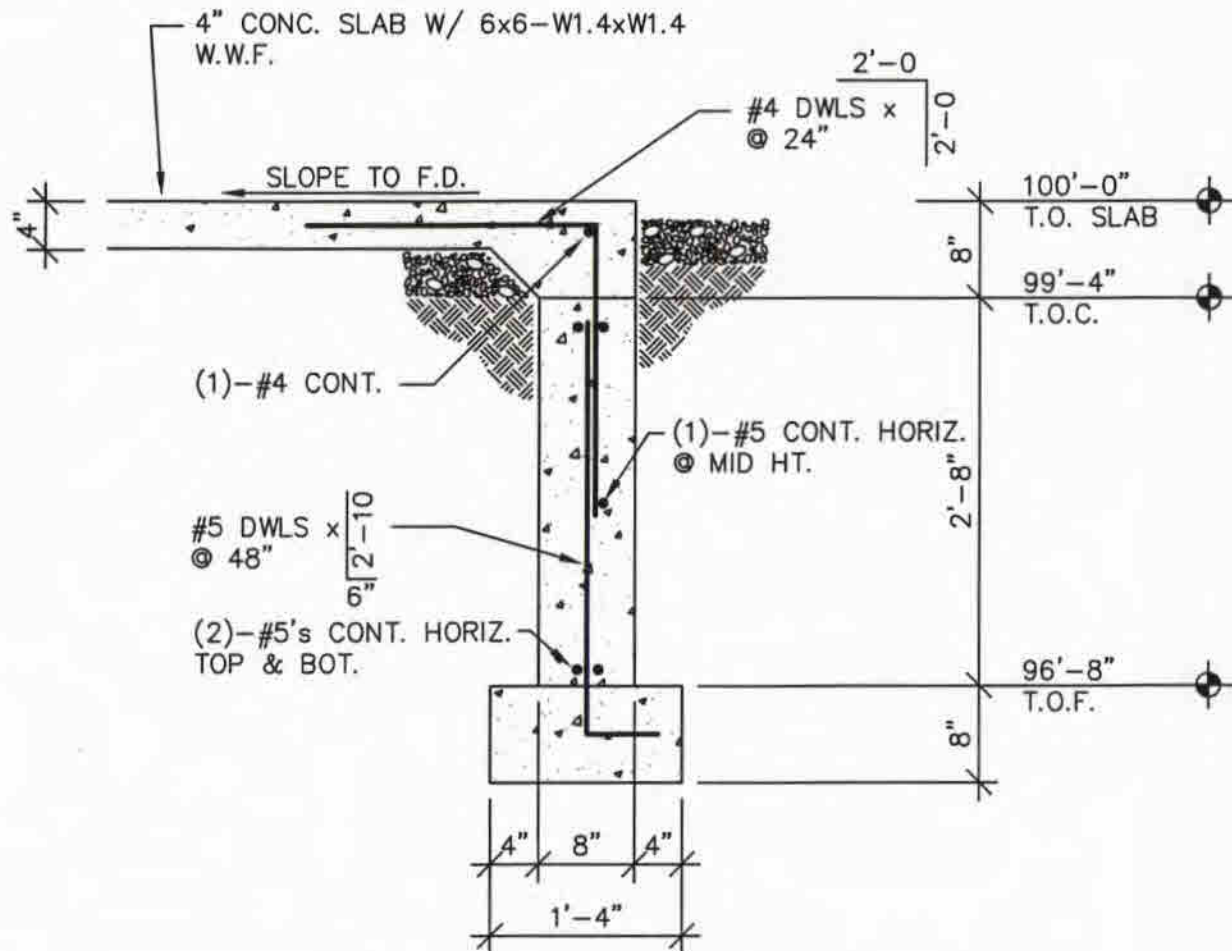
JOB BURLEY BUILDING

#0211-04

SHEET NO. 2 OF 9

CALCULATED BY KRM DATE 6/5/2003

CHECK BY DATE

SCALE  $3/4" = 1'-0"$ 

## KRM CONSULTANTS, INC.

P.O. Box 4572  
Vail, Colorado 81658  
(970) 949-9391  
FAX (970) 949-1577

JOB BURLEY

#0211-04

SHEET NO. 3

OF 9

CALCULATED BY KRM

DATE 6/5/03

CHECKED BY

DATE

SCALE

2X6 DECKING

2X6'S @ 16"

CONT. RIPPED  
2X SHIM108'-0"  
T.O.M.CONT. TREATED 2x8 R  
W/ 1/2"  $\phi$  x 10" A.B.'S @  
48" O.C.

RIPPED 2X6  
TREATED  
SLEEPERS  
@ 16" (ALIGN OVER 2X10'S)  
3/4" PLYWD W/  
WATERPROOF  
MEMBRANE

2X10 BLKG. IN FIRST  
JOIST SPACE @ 24"

2X10'S (SLOPING) @ 16"

CONT. BOND BM. @ TOP  
COURSE W/ (2)-#4'S

8" CMU WALL W/ #4'S  
VERT. IN GROUTED CELLS  
@ 24" O.C.

3

KRM CONSULTANTS, INC.

P.O. Box 4572  
Vail, Colorado 81658  
(970) 949-9391  
FAX (970) 949-1577

JOB BURLEY

# 0211-04

SHEET NO. 4

OF 9

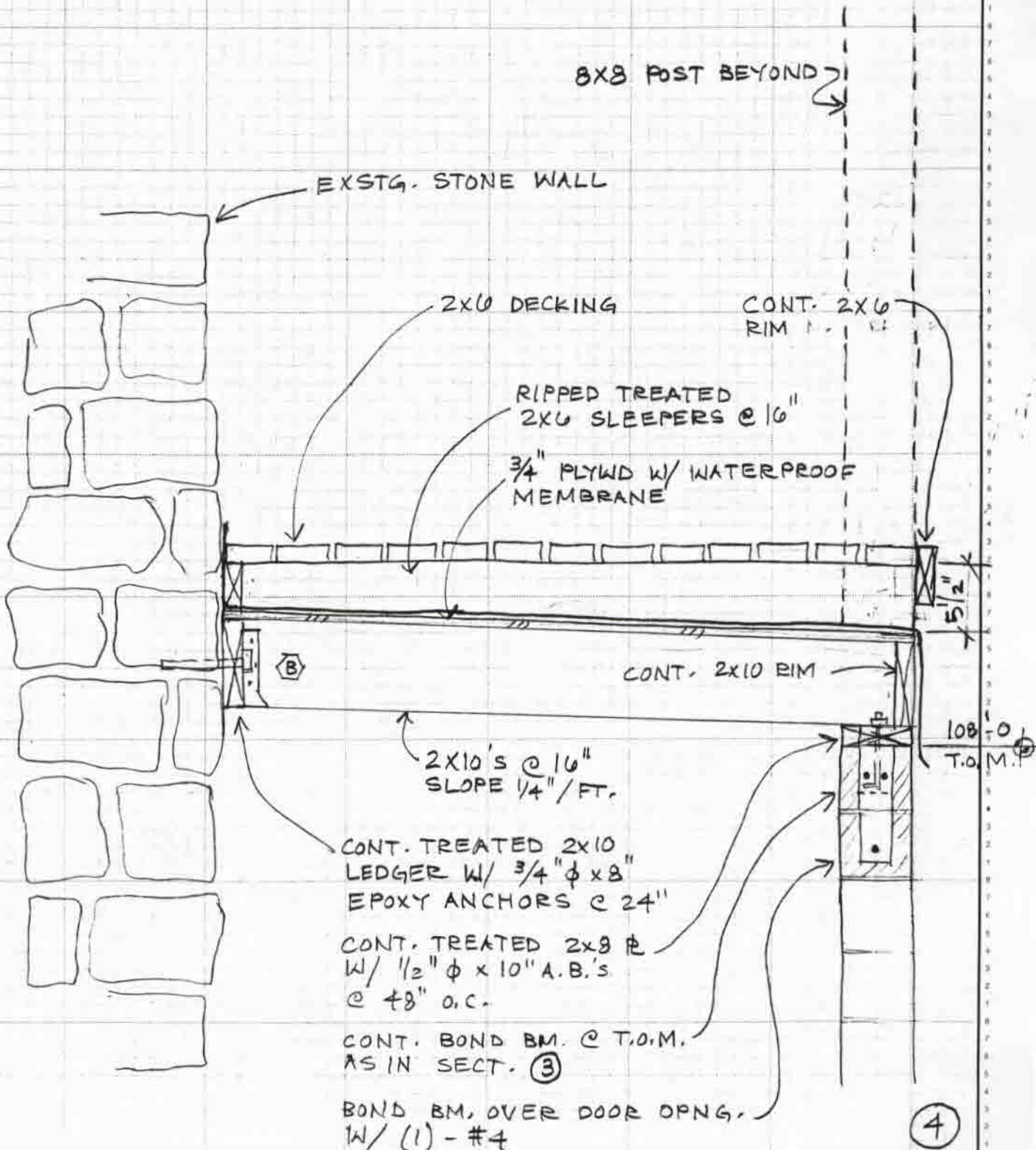
CALCULATED BY KRM

DATE 6/5/03

CHECKED BY \_\_\_\_\_

DATE \_\_\_\_\_

SCALE \_\_\_\_\_





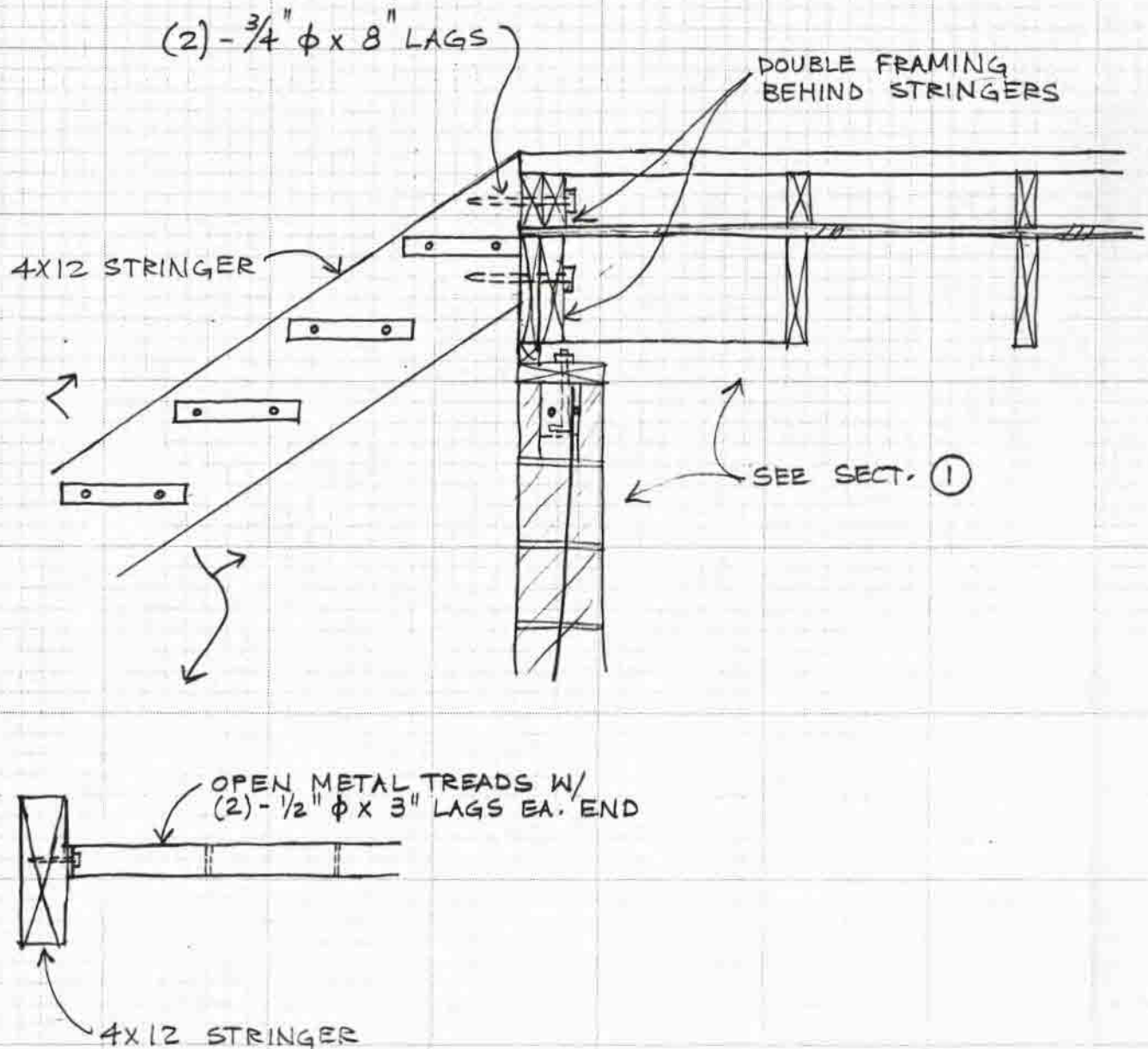
KRM CONSULTANTS, INC.

P.O. Box 4572  
 Vail, Colorado 81658  
 (970) 949-9391  
 FAX (970) 949-1577

JOB BURLEY# 0211-04SHEET NO. 5 OF 9CALCULATED BY KRM DATE 6/5/03

CHECKED BY \_\_\_\_\_ DATE \_\_\_\_\_

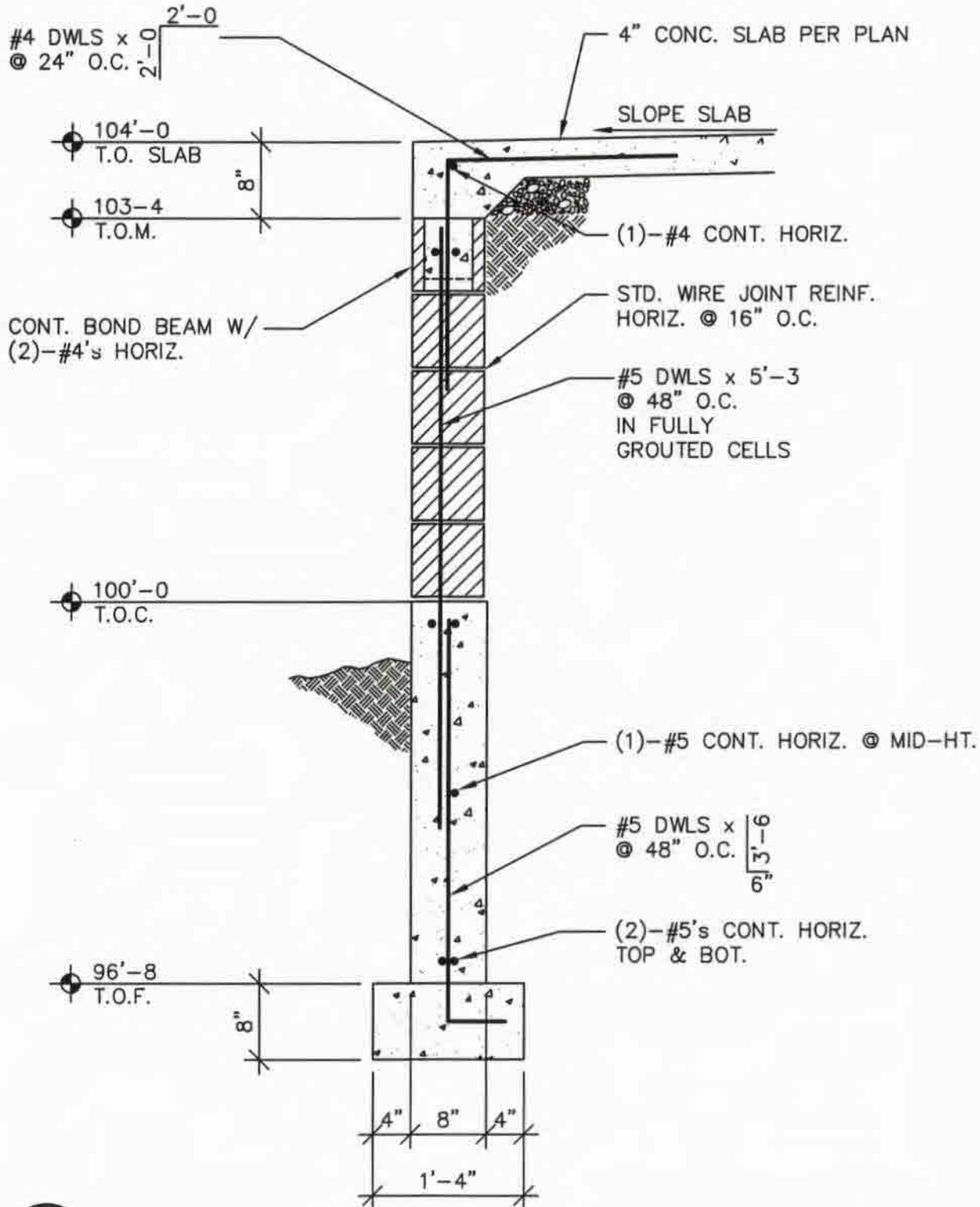
SCALE \_\_\_\_\_



⑤

KRM CONSULTANTS, INC.  
P.O. Box 4572  
Vail, Colorado 81658  
(970) 949-9391  
Fax (970) 949-1577

JOB BURLEY BUILDING #0211-04  
SHEET NO. 6 OF 9  
CALCULATED BY KRM DATE 7/10/2003  
CHECK BY \_\_\_\_\_ DATE \_\_\_\_\_  
SCALE 3/4" = 1'-0

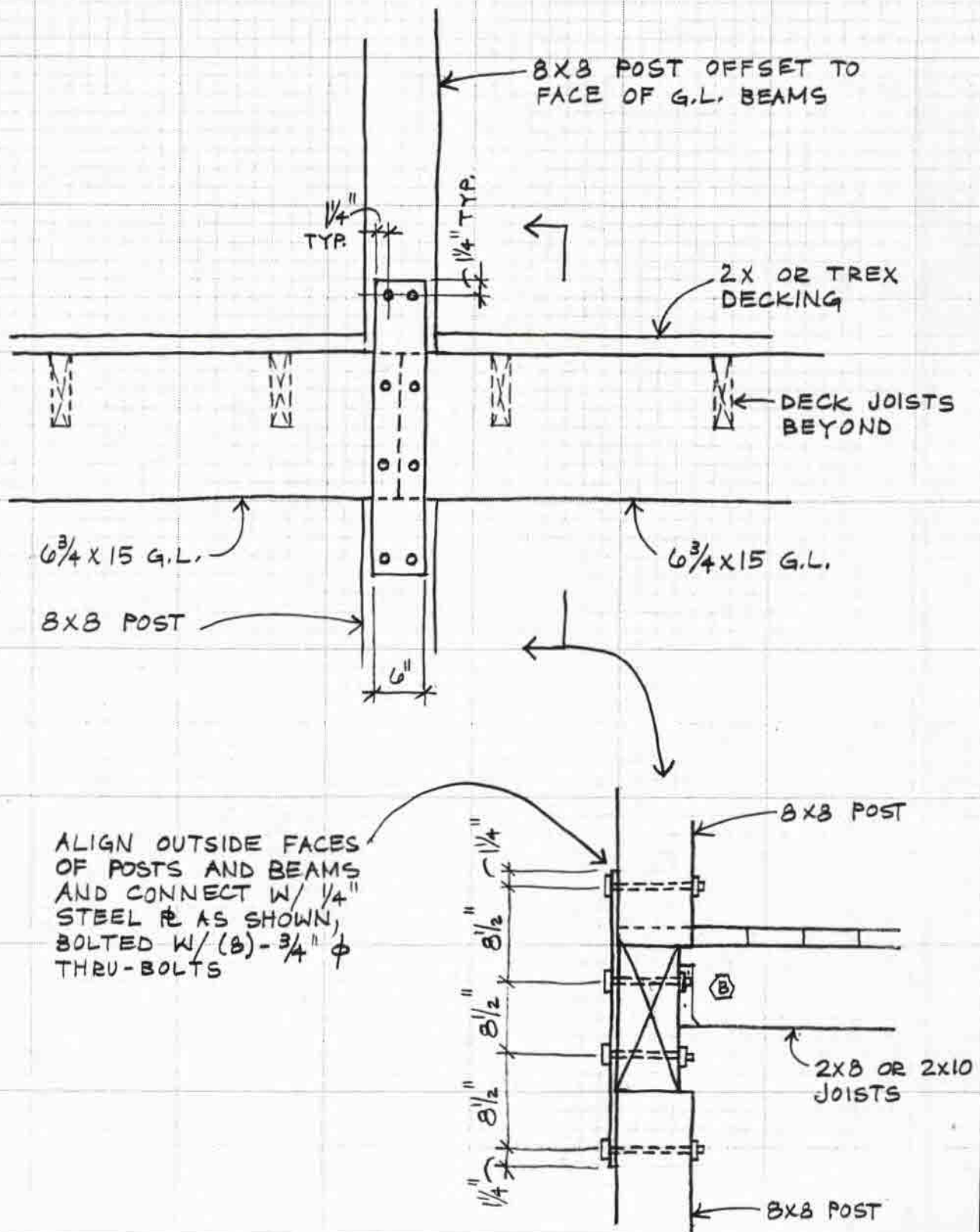


KRM CONSULTANTS, INC.

P.O. Box 4572  
Vail, Colorado 81658  
(970) 949-9391  
FAX (970) 949-1577

JOB BURLEY BUILDING #0211-04SHEET NO. 7 OF 9CALCULATED BY KRM DATE 7/14/03

CHECKED BY \_\_\_\_\_ DATE \_\_\_\_\_

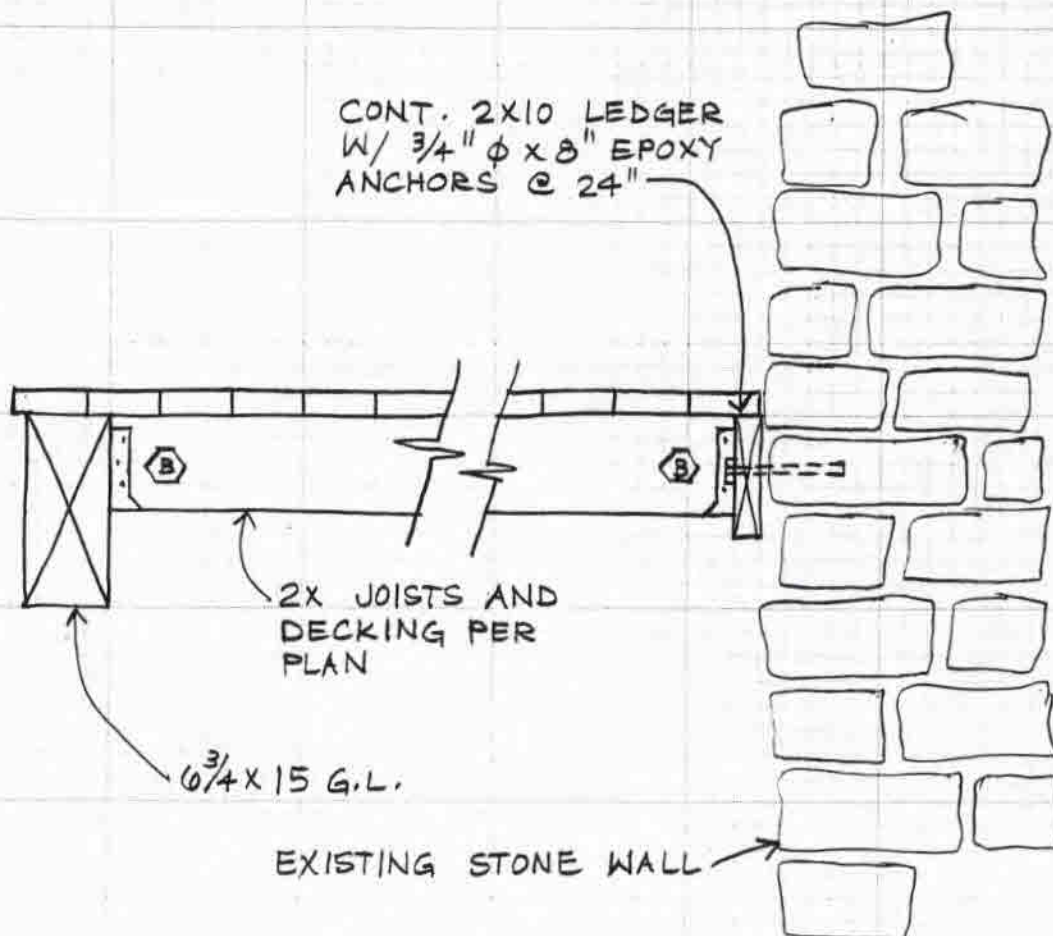
SCALE  $\frac{3}{4}" = 1'-0"$ 

KRM CONSULTANTS, INC.

P.O. Box 4572  
Vail, Colorado 81658  
(970) 949-9391  
FAX (970) 949-1577

JOB BURLEY BUILDING #0211-04SHEET NO. 8 OF 9CALCULATED BY KRM DATE 7/15/03

CHECKED BY \_\_\_\_\_ DATE \_\_\_\_\_

SCALE  $\frac{3}{4}'' = 1'-0$ 

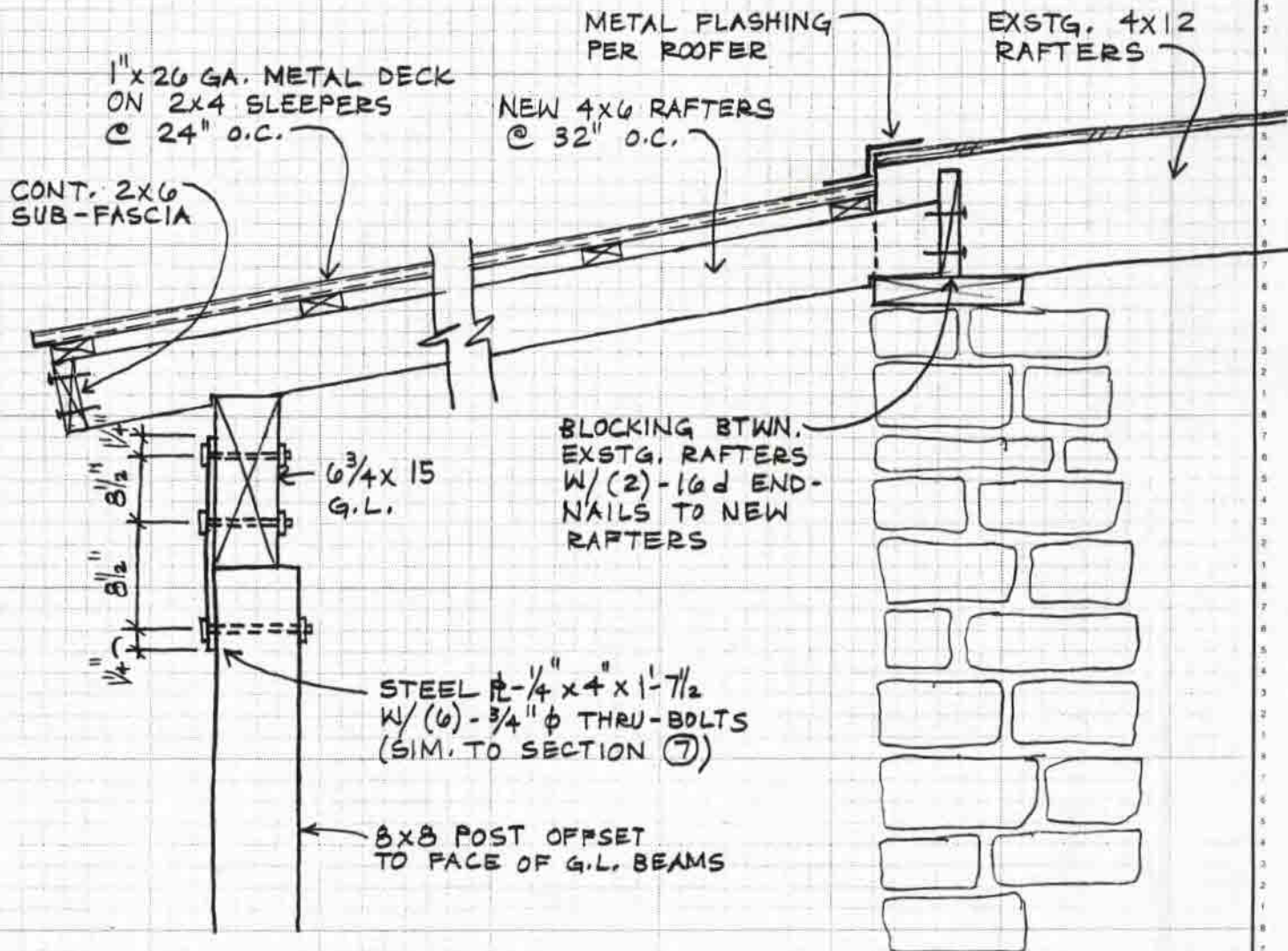


## KRM CONSULTANTS, INC.

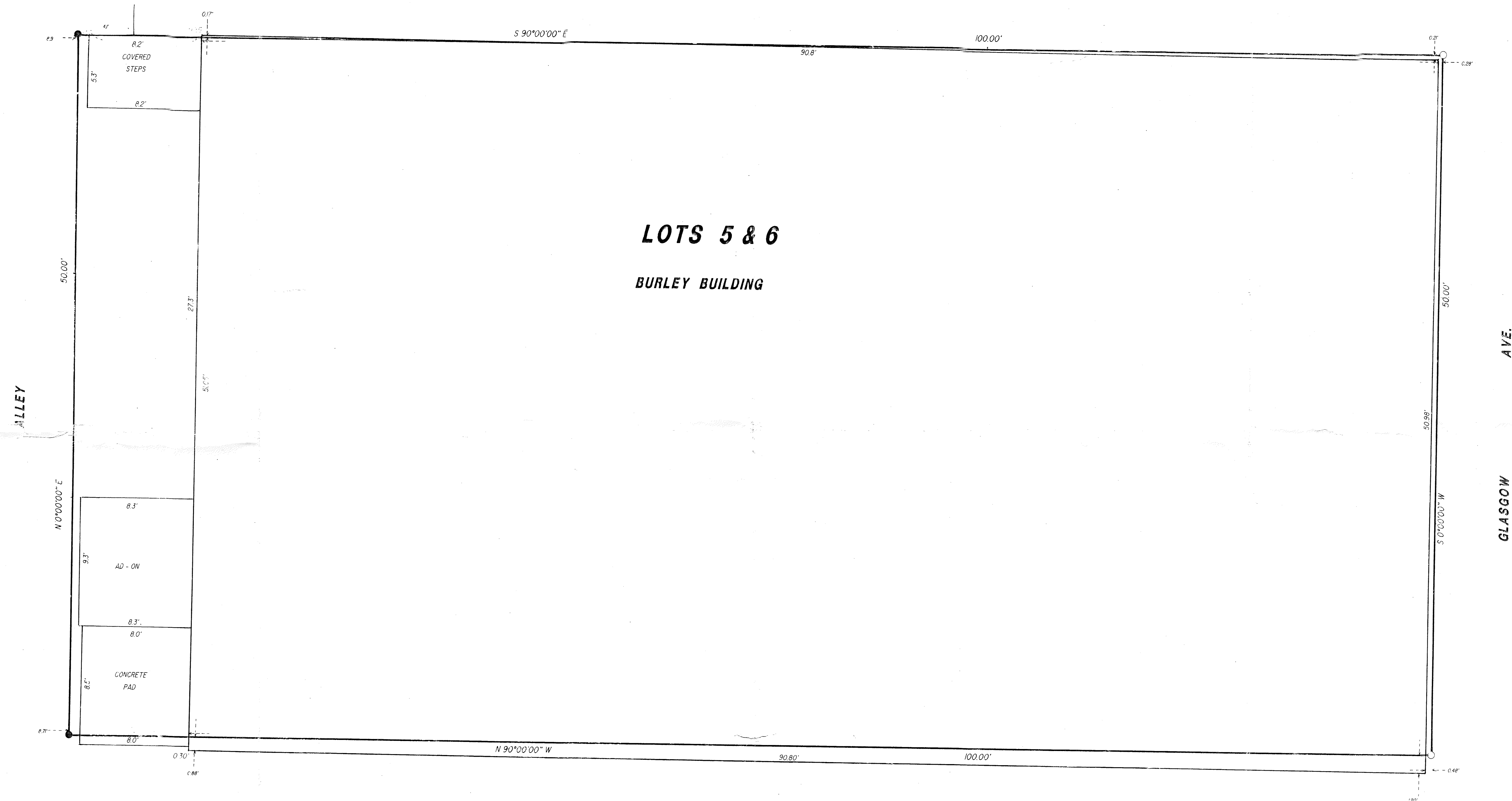
P.O. Box 4572  
Vail, Colorado 81658  
(970) 949-9391  
FAX (970) 949-1577

JOB BURLEY BUILDING #0211-04SHEET NO. 9 OF 9CALCULATED BY KRM DATE 7/15/03

CHECKED BY \_\_\_\_\_ DATE \_\_\_\_\_

SCALE  $\frac{3}{4}" = 1'-0"$ 





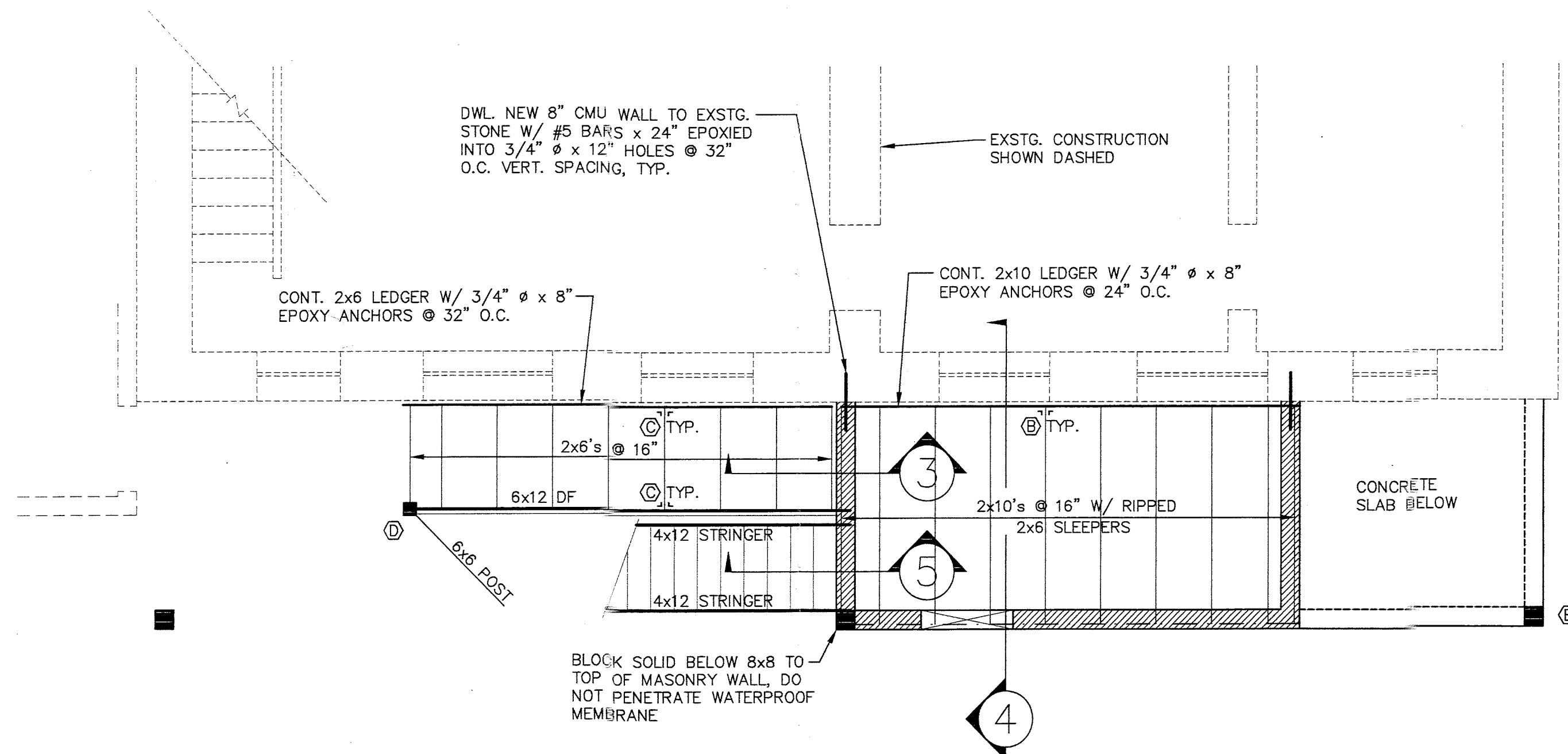
# LEGEND

- SET NO. 5 REBAR & ALUMINUM CAP (LS 24954)
- SET BRASS TAG IN CONCRETE (LS 24954)

SCALE: 1" = 4'

## BURLEY BUILDING SITE PLAN

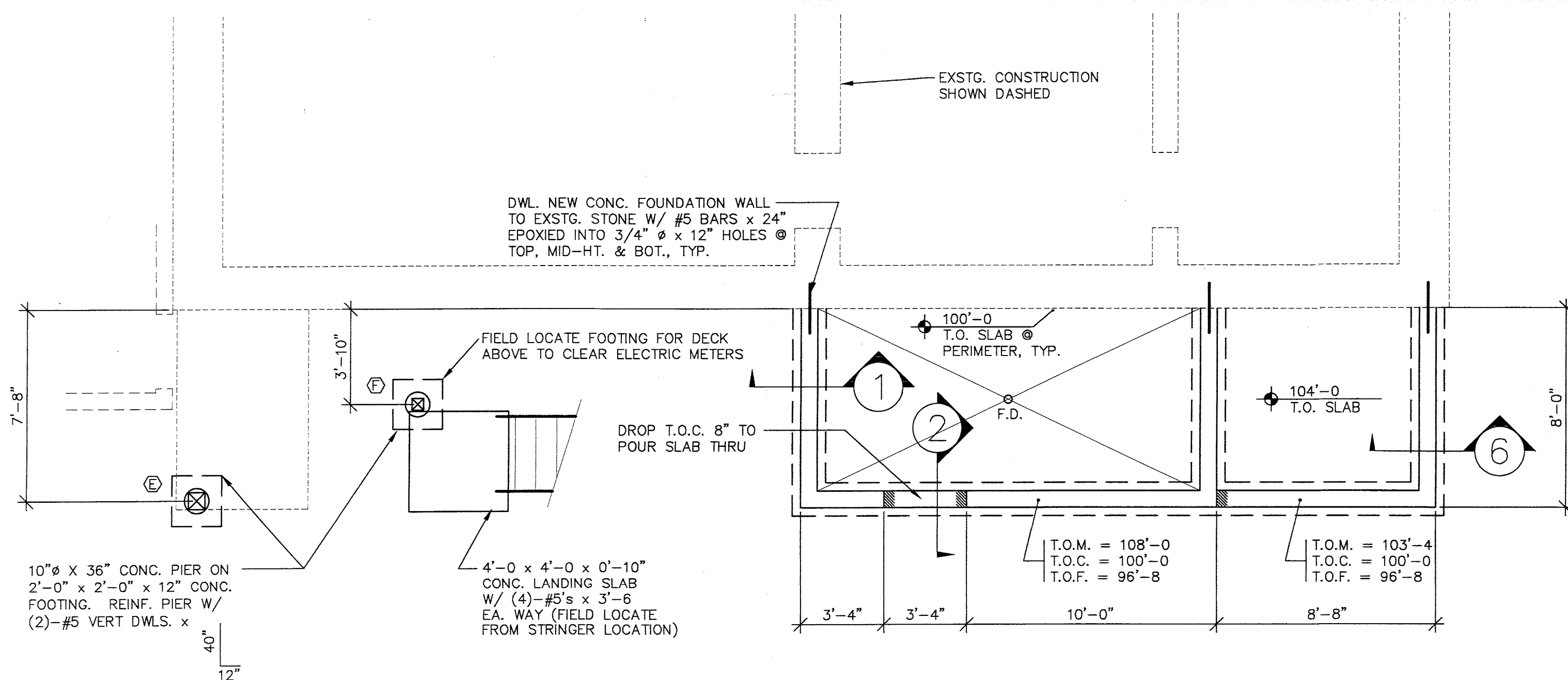
FOLEY ASSOCIATES, INC. ENGINEERING & SURVEYING  
P.O. BOX 1385 TELLURIDE, COLORADO 81435 303-728-6155  
SEPTEMBER, 1994 94/93



**MAIN LEVEL DECK FRAMING PLAN** SCALE: 1/4" = 1'-0" NORTH

**PLAN NOTES:**

1. POSTS BELOW ARE INDICATED: ■ NON-CONTINUOUS POSTS FROM ABOVE ARE INDICATED: □
2. FLOOR SHEATHING OVER MECHANICAL ROOM IS 3/4" TONGUE AND GROOVE APA STURDIFLOOR, EXP.1, SPAN RATING 24" O.C.
3. WOOD BEAMS ARE FLUSH WITH FLOOR JOISTS UNLESS NOTED (DROPPED).
4. "○" INDICATES CONNECTION TYPE - REF. S1 FOR SCHEDULE.

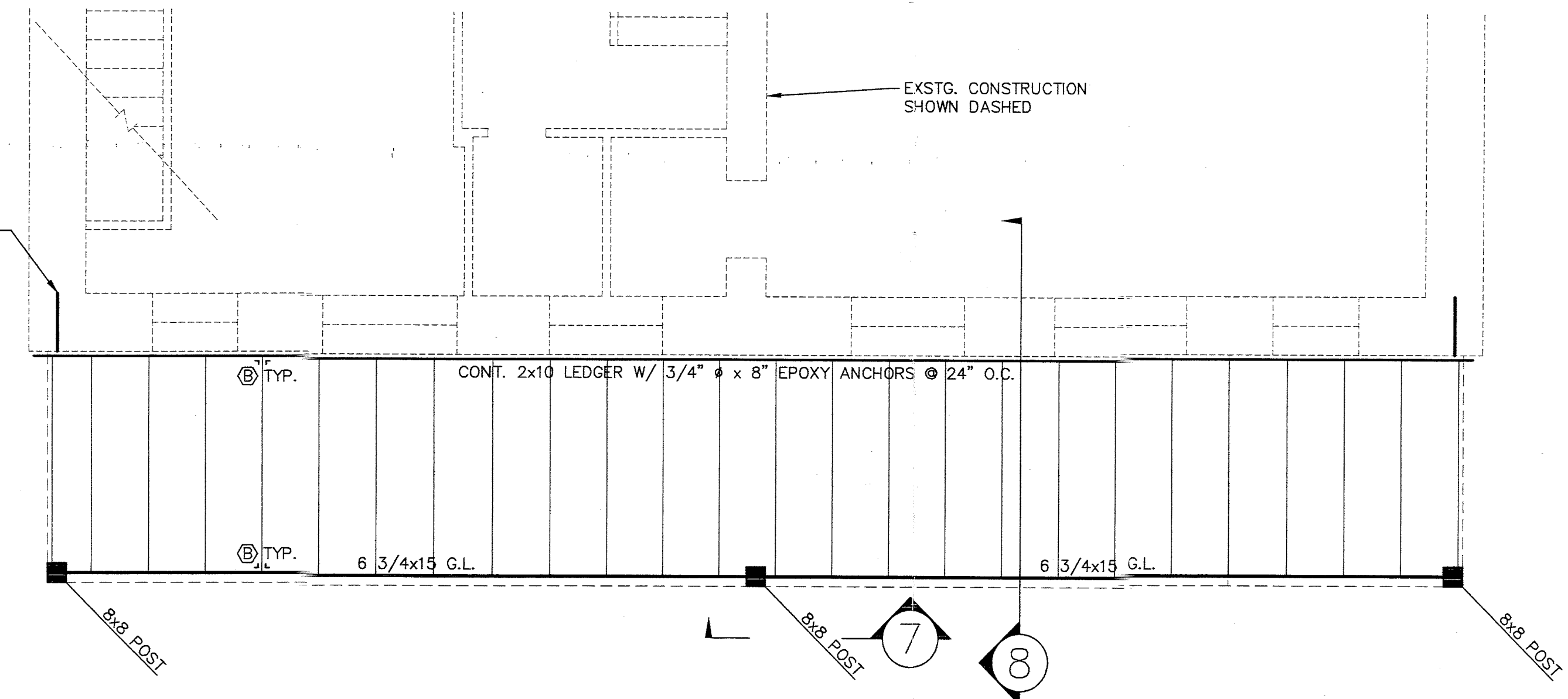


**FOUNDATION PLAN** SCALE: 1/4" = 1'-0" NORTH

**PLAN NOTES:**

1. ELEVATIONS OF FOUNDATION ELEMENTS INDICATED ON PLAN THUS: T.O.C.=TOP OF CONCRETE WALL T.O.F.=TOP OF CONCRETE FOOTING T.O.M.=TOP OF MASONRY THESE ELEVATIONS RELATE TO 100'-0" AS A REFERENCE ELEVATION AT THE MECHANICAL FLOOR, AND DO NOT REFLECT ACTUAL SITE ELEVATIONS.
2. TOP OF FOOTING ELEVATIONS ARE BASED ON FINDING ADEQUATE SOIL BEARING CONDITIONS AT THAT DEPTH. CONTACT ENGINEER IF OVEREXCAVATION IS REQUIRED.
3. STEPS IN TOP OF CONCRETE WALL INDICATED: ■
4. CONTINUOUS CONCRETE FOOTINGS ARE CENTERED BENEATH CONCRETE FOUNDATION WALLS UNLESS NOTED OTHERWISE.
5. CONCRETE FOUNDATION WALLS ARE 8" THICK AND CONTINUOUS FOOTINGS ARE 8" THICK x 16" WIDE UNLESS NOTED OTHERWISE.
6. DO NOT SCALE DRAWINGS.

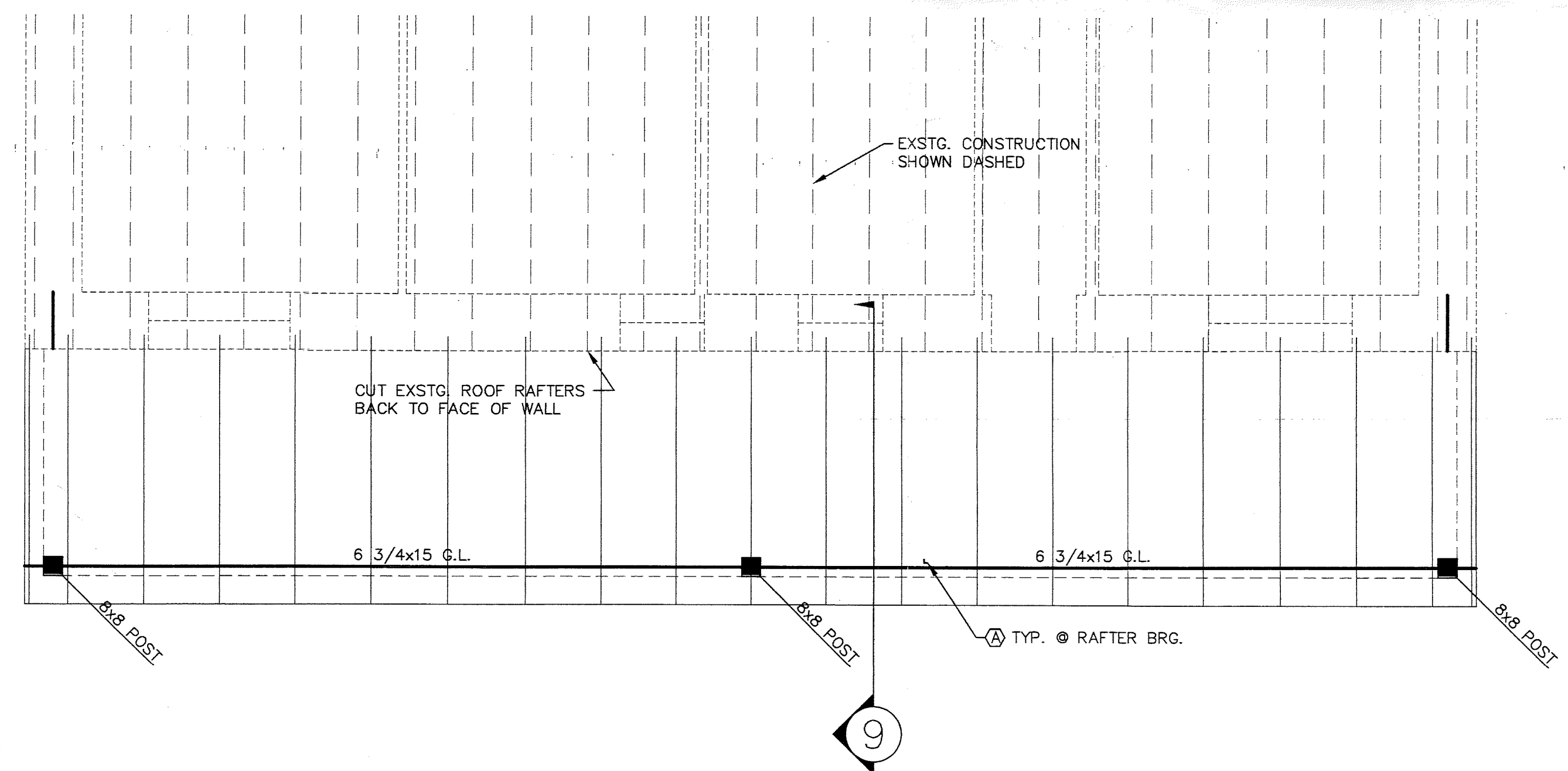
CONNECTION SCHEDULE	
(A)	SIMPSON H5
(B)	SIMPSON LUS28
(C)	SIMPSON LUS26
(D)	SIMPSON EPC66
(E)	SIMPSON ABU88
(F)	SIMPSON ABU66



**UPPER LEVEL DECK FRAMING PLAN** SCALE: 1/4" = 1'-0" NORTH

**PLAN NOTES:**

1. POSTS BELOW ARE INDICATED: ■ NON-CONTINUOUS POSTS FROM ABOVE ARE INDICATED: □
2. "○" INDICATES CONNECTION TYPE - REF. S1 FOR SCHEDULE.
3. DECK JOISTS ARE: 2x10's @ 24" W/ 2x6 DECKING OR 2x8's @ 16" W/ TREX DECKING.



**ROOF FRAMING PLAN** SCALE: 1/4" = 1'-0" NORTH

**PLAN NOTES:**

1. POSTS BELOW ARE INDICATED: ■ NON-CONTINUOUS POSTS FROM ABOVE ARE INDICATED: □
2. ROOF SHEATHING IS 1" x 26 GA. CORRUGATED METAL DECKING.
3. "○" INDICATES CONNECTION TYPE - REF. S1 FOR SCHEDULE.
4. ALL ROOF RAFTERS ARE: 4x6's @ 32", WITH FLAT 2x4 SLEEPERS AT 24".

**KRM** CONSULTANTS, INC.  
structural engineering and design

P.O. BOX 4572  
VAIL, CO 81658  
(970) 949-9391  
(FAX) 949-1577

**BURLEY BUILDING**  
RICO, CO

designed by KRM  
drawn by MAB/KRM  
checked by \_\_\_\_\_  
issued \_\_\_\_\_

REVISED PERMIT  
07/21/03

sheet

**S1**

JOB # 0211-04

00145875 03/25/2003 03:45pm BK: 0320 PG: 239  
EARLENE WHITE DOLORES COUNTY CLERK & RECORDER

## Public Trustee Deed

This Deed is made March 25<sup>th</sup>, 2003, between Janie Stiasny as Public Trustee of the County of Dolores, State of Colorado, and J.W. Burley & Co. L.L.P., grantee, (the holder of the Certificate of Purchase), whose legal address is 925 So. Broadway, Suite 208, Cortez, Co 81321

WHEREAS, William H. Baird and Lorraine H. Baird did, by Deed of Trust dated November 10, 1994, and recorded in the office of the Clerk and Recorder of the County of Dolores on November 29, 1994, in Book 266, Page 436-440, Reception #134505, convey to the Public Trustee, in trust, the property hereinafter described to secure the payment of the indebtedness provided in said Deed of Trust; and

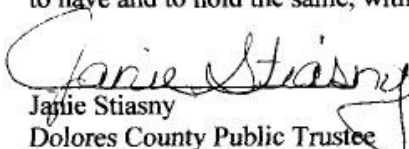
WHEREAS, a violation was made in certain of the terms of covenants of said Deed of Trust as shown by the Notice of Election and Demand for sale filed with the Public Trustee (a duplicate of which was recorded in the office of said County Clerk and Recorder); the said property was advertised for public sale at the place and in the manner provided by law and by said Deed of Trust; Notice of Right to Cure and Redeem and Notice of Sale were given as required by law; said property was sold according to said Notice of Sale; and a Certificate of Purchase thereof was made and recorded in the office of said County Clerk and Recorder; and

WHEREAS, all periods of redemption have expired

NOW THEREFORE, the Public Trustee, pursuant to the power and authority vested by law and by the said Deed of Trust, confirms the foreclosure sale and sells and conveys to Grantee the following described property located in the County of Dolores, State of Colorado, to-wit:

LOTS 5 & 6, BLOCK 1, TOWN OF RICO, ACCORDING TO THE PLAT  
FILED IN THE OFFICE OF THE CLERK AND RECORDER, COUNTY OF  
DOLORES, STATE OF COLORADO.

Also known by street number 11 South Glasgow St. Rico, CO 81332  
to have and to hold the same, with all appurtenance, forever.

  
Janie Stiasny

Dolores County Public Trustee

State of Colorado )  
                                  )ss.  
County of Dolores )



239  
UNOFFICIAL DOCUMENT



00145875 03/25/2003 03:45pm BK: 0320 PG: 240  
EARLENE WHITE DOLORES COUNTY CLERK & RECORDER

The foregoing instrument was acknowledged before me this 25<sup>th</sup>. Day of March, 2003, by  
Janie Stiasny as Public Trustee of said County of Dolores, Colorado.

Witness my hand and Official Seal.  
My Commission Expires: 4/27/06

Machelle Jones  
Notary Public



240

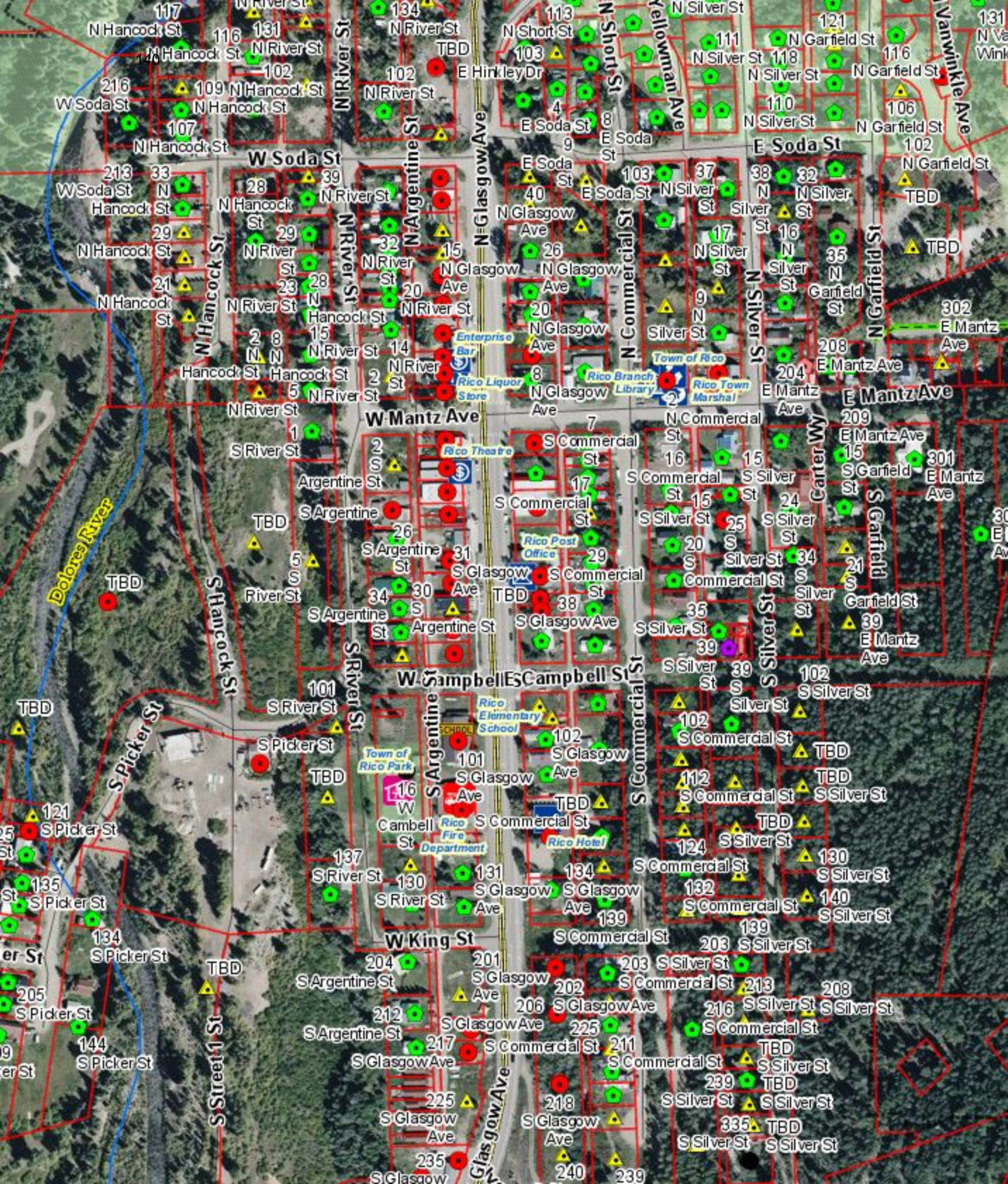
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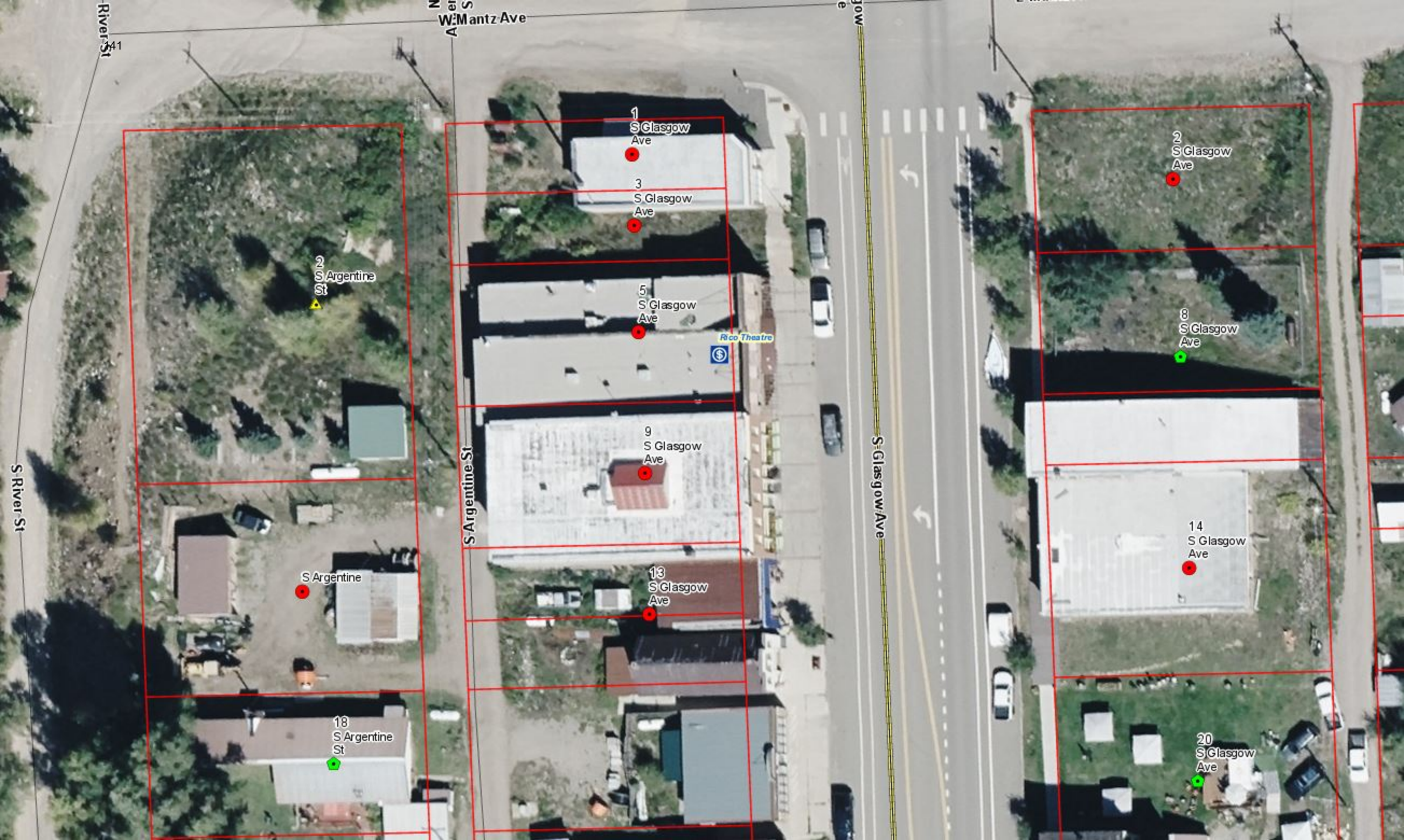












1

S Glasgow Ave

3

S Glasgow Ave

5

S Glasgow Ave

9

S Glasgow Ave

13

S Glasgow Ave

2

S Argentine St

S Argentine

18

S Argentine St

2

S Glasgow Ave

8

S Glasgow Ave

14

S Glasgow Ave

20

S Glasgow Ave

S Argentine St

S Glasgow Ave

W Mantz Ave

S River St

Rico Theatre



## KitzWorks LLC

5078 E Stemwood St. Boise, ID 83716  
(208) 761-3442 | kevin@kitzworks.com

May 13, 2025

Chauncey McCarthy  
Town Manager  
Rico, CO

RE: Joint infrastructure development: Wastewater and Geo Heating

Dear Mr. McCarthy,

I have worked in geothermal energy engineering for 40 years, and I would appreciate the opportunity to present the attached materials at the Rico Board of Trustees meeting.

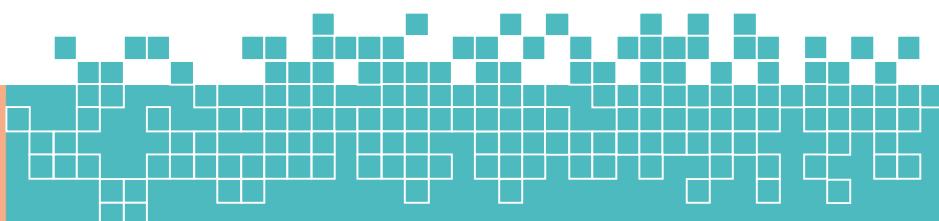
The presentation is a collaboration between the Rico Geothermal Coalition and Teverra, who together have secured a grant from the State of Colorado to evaluate the potential for geothermal heating in Rico.

The term “Geothermal Heating” can apply to two different types of systems. One of these is the direct use of geothermal heat from pumped wells drilled into hot geothermal source water. The most notable of these types of systems is the geothermal heating district owned by the City of Boise, ID which serves most of the downtown area. The hot water is used to directly heat the air which circulates through the building. Water temperatures are typically 150F to 190F.

The second type of geothermal heating district is one based on geothermal heat pumps. This type of geo-heating systems circulates cool to warm water (40F to 70F) through uninsulated pipes in the ground. Geo-exchange through plastic tubing drilled into the ground (geothermal boreholes) are used to keep the loop of circulating water in the streets at constant temperature. Geothermal heat pumps in each building use electricity to pull heat from the water in the circulating pipes, to heat the buildings. The best known example of this type of geothermal heating system is the one that serves the campus of Colorado Mesa University in Grand Junction, which is one of the largest in the country.

Hybrids of the two are also possible, such as using low temperature geothermal heat (e.g. 50 and 150F) and/or flow rates in a geothermal heat pump system. This type of system can also store summer heat in the ground for use in the winter.

There are multiple potential advantages to geothermal heating systems for Rico. A brief list includes ALL of the following:



- Reduce the cost of infrastructure (e.g. sewer pipes) by sharing trenches among multiple utilities. This is both splitting the cost of the trench to lower both utilities costs, but also, it makes the trenching and backfilling eligible for partial reimbursement from the Federal Government (and possible the State as well?) as a renewable energy investment.
- Improve air quality by reducing winter heating emissions.
- Create a revenue stream (“margin”) for the Town through the heating utility. That revenue stream can help offset other costs, such as those of operating the wastewater and/or potable water systems.
- Reduce the cost of operating the electric system for San Miguel Power Association. There are three different ways in which a geothermal heat pump based district heating system can lower SMPA’s costs, and therefore, justify incentives that will lower the cost of the geothermal heating district for Rico’s residents.

A recent study of the downtown area of Vernal City, Utah, near the Colorado border, found that a City-owned geothermal heat pump district energy system could be a cost effective option for the City to install.

The coalition looks forward to the opportunity to continue the discussion about options for geothermal heating in Rico.

Sincerely,

*Kevin Kitz*

Kevin Kitz, P.E.  
Principal / Sr. Consulting Engineer  
KitzWorks LLC





1

# Two Types of Geothermal Heating

(NOT geothermal power)

2

## Direct Use Geothermal

(hot water flowing from deep below the surface)

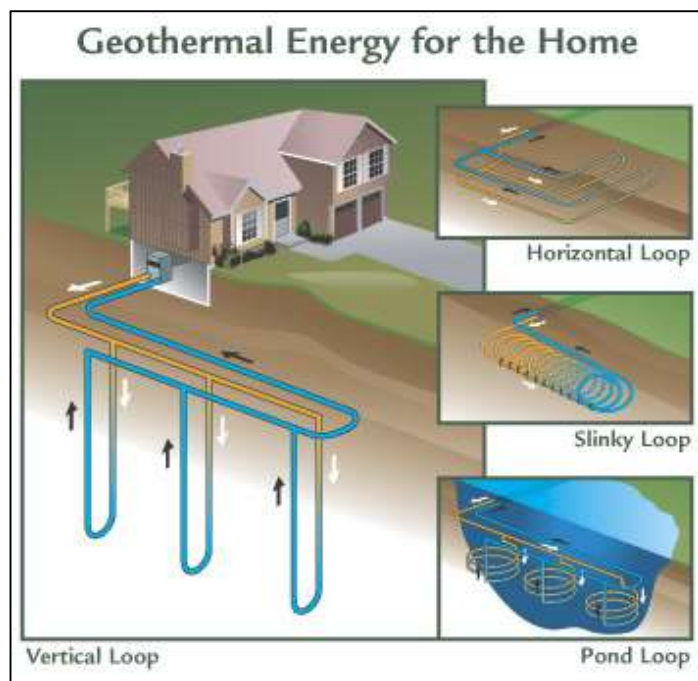
Example:  
City of Boise  
Heating District



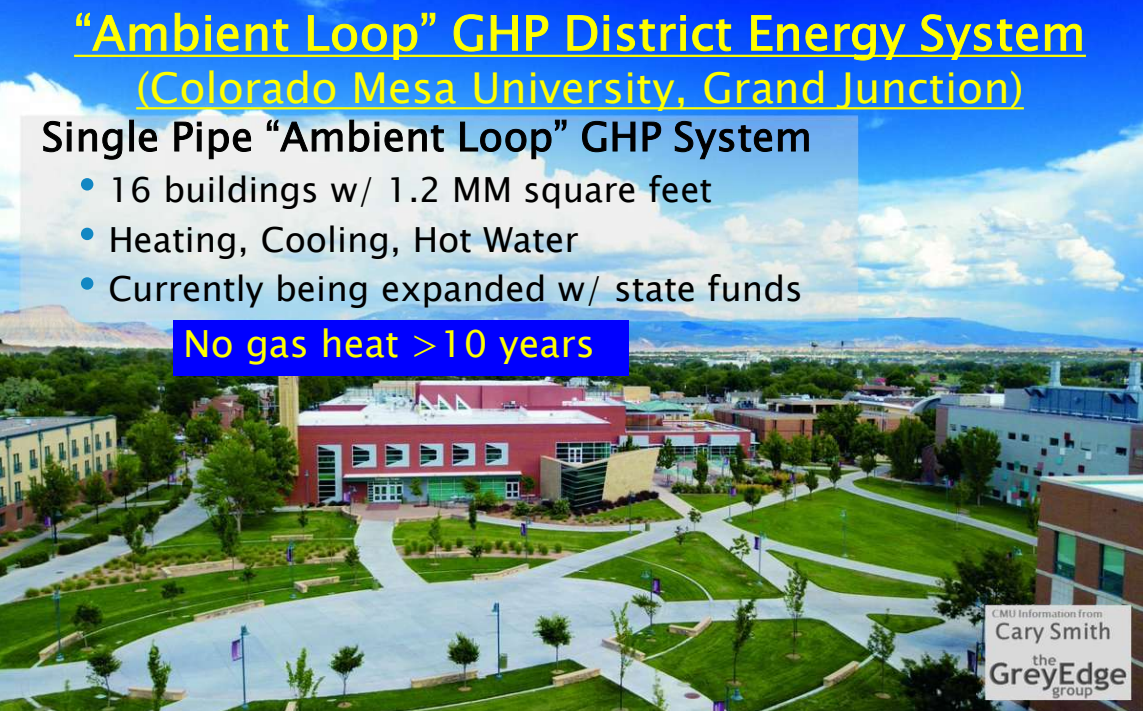
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## Geothermal Heat Pump

(heat extracted from shallow ground – anywhere)



4



## “Ambient Loop” GHP District Energy System (Colorado Mesa University, Grand Junction)


### Single Pipe “Ambient Loop” GHP System

- 16 buildings w/ 1.2 MM square feet
- Heating, Cooling, Hot Water
- Currently being expanded w/ state funds

**No gas heat >10 years**


CMU Information from  
Cary Smith  
the  
**GreyEdge**  
group

5



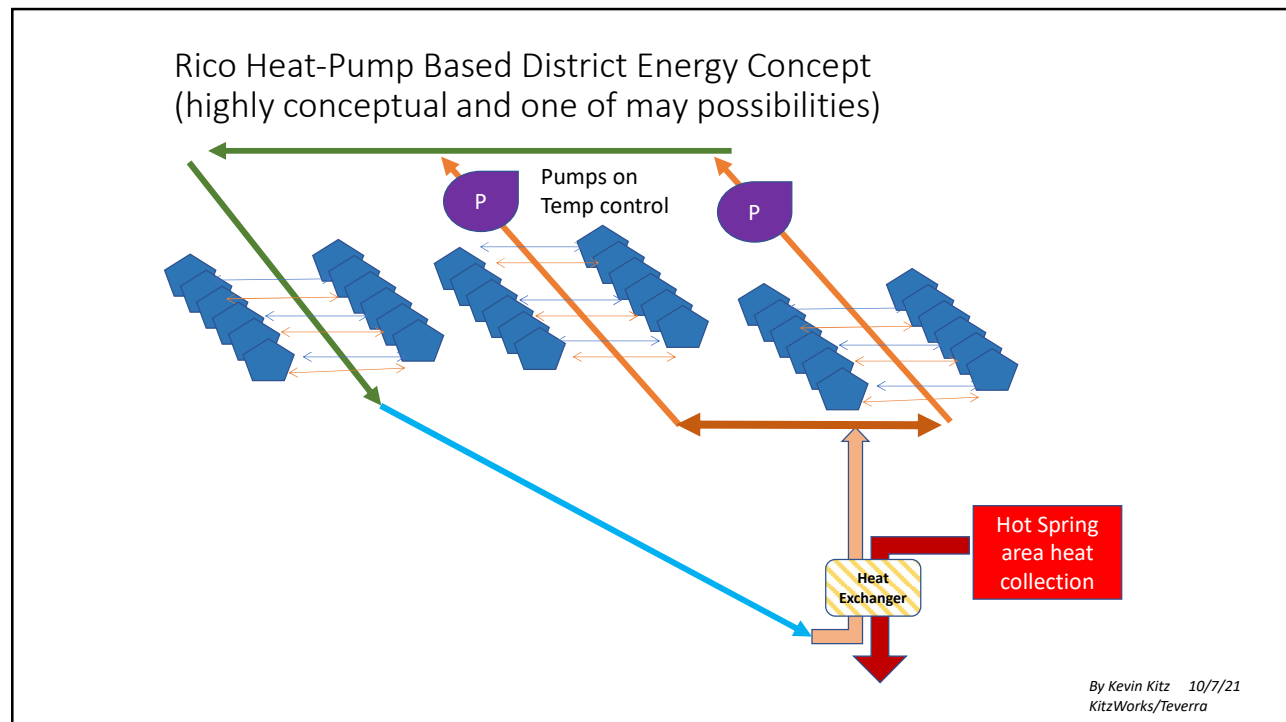
## **Main Concept for Rico:** Natural Geothermal Augmented Thermal Energy Network

- Combines:
  - Shared District Heating System
  - Geothermal Heat Pumps
  - **Can** use Rico's natural geothermal heat
- Provides
  - Renewable Heating to the town of Rico

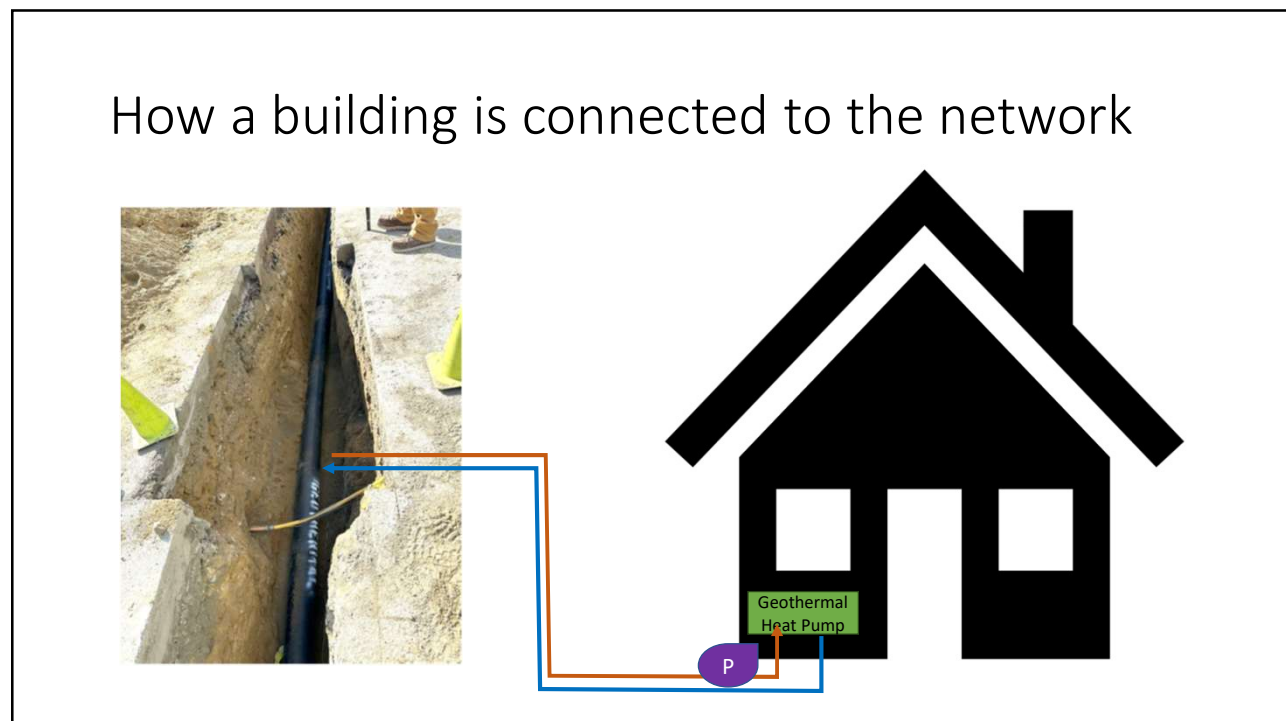
 **TEVERR**

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8



# Geothermal Benefits to Town of Rico



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9

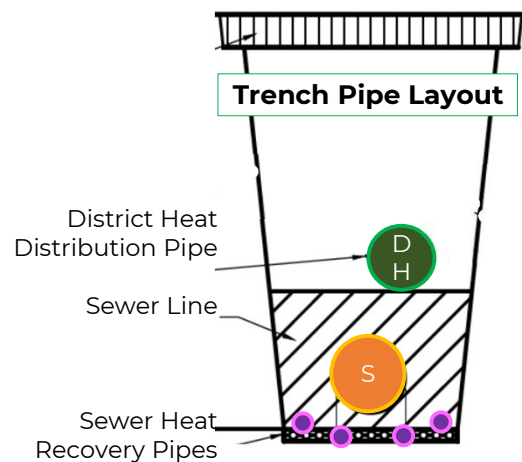
## Could Reduce Cost of Sewer Upgrade

- Trench and backfill cost is large part of total cost
- 50% - 100% of cost attributed to the geothermal system if co-located.
- The Investment Tax Credit (ITC) can be paid to the city by US Treasury. It is 40% of the geothermal system cost.
- The ITC could reduce trenching and backfill cost by 20% to 40%.
  - \$2MM could get \$500k back from Treasury

Not tax advice. For further investigation by the Town of Rico



10



10





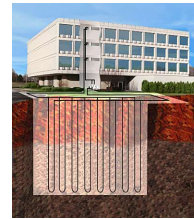
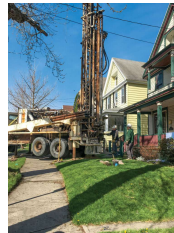
## Domestic Job Choice

### GHP Energy Infrastructure

#### New Storage & Power Generation

- No benefits to Rico or Dolores County

- Local Job Intensive
- Local cascade economic activity + tax revenue
- Reduces SMPA cost of service
- US manufacturing



11

## Why GHPs help SMPA

- Reduces Costs to:
  - Build & Run Power Plants
- Lowers rates
  - Uses more & cheaper power

### Potential Incentive Value

=====

- **\$4k to \$16k per home**

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## Why GHPs help SMPA (Details)

### Cost of Power Supply & Lower Rates

- Lower peak demand (\$/kW)
  - Peak capacity is expensive
- Lower cost of energy (\$/kWh)
  - Less on peak power use
- Lower rates
  - Above
  - Plus more power use when it is inexpensive

### Potential Incentive Value

- \$2,000 per kW of peak reduction
- \$2,000 per peak kW avoided future cost (present value)
- 1 – 4 kW per home peak kW reduction

=====

- **\$4k to \$16k per home incentive**

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## Summary

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## Why use Geothermal Heat Pumps in Rico

### Technical

- Option to use natural geothermal

### Financial

- Positive Margin for Town of Rico Utilities
- Reduces Wastewater system cost
- Lower annual energy Costs for Residents
- Installation incentives from SMPA

### Other

- Regional Jobs
- Reduce winter air pollution

15

## Incentives & Project Attributes Summary

### Government Incentives

Federal ITC Payment to local gov't	40% - 50%
Colorado Pace Loans	????
State Incentive/Grant Programs	????
Utility Incentive for Efficiency/capacity	\$4k - \$16k per bldg
Reduction in Sewer installation cost	0% - 75%
CO2 offset sale (10 yrs @ \$40/ton)	\$40/ton displace CO2
<b>Total 1<sup>st</sup> Year CAPEX offset %</b>	<b>40% - 60%</b>
More affordable building heating	25% - 80%
Improved Rico winter air quality	????
Local jobs	????
Increased economic activity	????

### Monetized project attributes

### Other Rico & Colorado benefits not in economic calcs

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# Empowering Earth's Truth

## Questions?

 [info@teverra.com](mailto:info@teverra.com)

 **TEVERRRA**

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### Draft Ballot Language

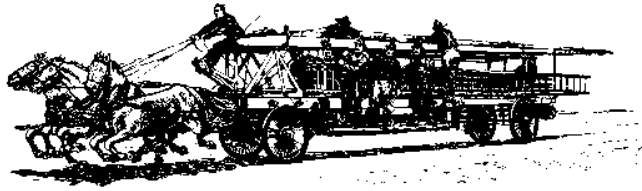
**SALES TAX:** SHALL THE TOWN OF RICO'S SALES TAXES BE INCREASED NOT MORE THAN \$\_\_\_\_\_ ANNUALLY (WHICH AMOUNT REPRESENTS ESTIMATED REVENUES IN 2026, THE FIRST FULL FISCAL YEAR OF COLLECTION) AND BY WHATEVER AMOUNT IS GENERATED THEREAFTER, THROUGH THE IMPOSITION OF A STREET RECONSTRUCTION AND MAINTENANCE A 0.25% INCREASE IN THE TOWN'S SALES TAX RATE FROM 5.0% TO 5.25%, IMPOSED AT THE RATE OF ONE-QUARTER OF ONE PERCENT (0.25%), WHICH TAX SHALL COMMENCE \_\_\_\_\_, 2026; AND SHALL, WITHOUT FUTURE VOTER APPROVAL SUCH TAX BE USED ONLY FOR THE RECONSTRUCTION AND MAINTENANCE OF EXISTING STREETS AND ALLEYS INCLUDING SIDEWALKS, DRAINAGE, AND UTILITIES; SUCH REVENUES TO BE COLLECTED, RETAINED AND SPENT BY THE TOWN AS A VOTER APPROVED REVENUE CHANGE, NOTWITHSTANDING ANY REVENUE OR EXPENDITURE LIMIT SET FORTH IN ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION OR ANY OTHER LAW;

AND SHALL THE RATE OF SALES TAX REVENUE ALLOCATED FOR STREET RECONSTRUCTION AND MAINTENANCE BE INCREASED FROM THE CURRENT RATE OF 10% OF THE GENERAL OPERATING FUND TO A RATE 20% OF THE GENERAL OPERATING FUND?

**MILL LEVY INCREASE:** SHALL TOWN OF RICO TAXES BE INCREASED BY NOT MORE THAN \$\_\_\_\_\_ IN TAX COLLECTION YEAR 2026 (SUCH AMOUNT BEING THE ESTIMATED FIRST FULL FISCAL YEAR INCREASE) AND BY WHATEVER ADDITIONAL AMOUNTS ARE GENERATED ANNUALLY THEREAFTER, THROUGH AN INCREASE IN THE MILL LEVY FOR THE STREET RECONSTRUCTION AND MAINTENANCE FUND BY SIX (6.000) MILLS—FROM 1.785 MILLS TO NOT MORE THAN 7.785 MILLS—FOR THE PURPOSE OF FUNDING THE RECONSTRUCTION AND MAINTENANCE OF EXISTING STREETS AND ALLEYS, INCLUDING SIDEWALKS, DRAINAGE, AND UTILITIES; AND SHALL THE BOARD OF TRUSTEES BE AUTHORIZED TO ADJUST THIS MILL LEVY FROM YEAR TO YEAR SO LONG AS IT DOES NOT EXCEED A MAXIMUM RATE OF \_\_\_\_\_ MILLS; AND SHALL THE TOWN BE AUTHORIZED TO COLLECT, RETAIN, AND EXPEND SUCH REVENUES AS A VOTER-APPROVED REVENUE CHANGE, NOTWITHSTANDING ANY REVENUE OR EXPENDITURE LIMITATION CONTAINED IN ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION OR ANY OTHER LAW?

**REALLOCATION OF EXISTING MILLS:** WITHOUT INCREASING THE MILL LEVY, SHALL THE TOWN OF RICO BE AUTHORIZED TO TRANSFER AN ADDITIONAL TWO (2) OF THE EXISTING MILLS CURRENTLY LEVIED FOR THE SEWER FUND TO THE STREET RECONSTRUCTION AND MAINTENANCE FUND, TO BE USED EXCLUSIVELY FOR THE RECONSTRUCTION AND MAINTENANCE OF EXISTING STREETS AND ALLEYS, INCLUDING SIDEWALKS, DRAINAGE, AND UTILITIES; AND SHALL THE TOWN BE AUTHORIZED TO COLLECT, RETAIN, AND SPEND SUCH REVENUES AS A VOTER-APPROVED REVENUE CHANGE, NOTWITHSTANDING ANY REVENUE OR EXPENDITURE LIMITATION CONTAINED IN ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION OR ANY OTHER LAW?





## **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: ricofire.org**

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

Memo in Re: Terms of transfer of Firehouse property (lots 9,10,11 and 12 in Block 2) from Town of Rico (TOR) to Rico Fire Protection District (RFPD);

In 1996, TOR exchanged town-owned property in Silver Glance with Rico Renaissance for 4 Glasgow Ave. lots (TOR Ordinance 321) to provide a dedicated site for a firehouse. RFPD was able to secure DOLA grant funding as well as financing to begin construction on the firehouse in fall of 1996. However, the property underlying the firehouse remained under TOR ownership.

In November, 2024, TOR voters were asked whether they approved the transfer of the 4 lots from TOR to RFPD (full text attached) and 92% responded in favor (election summary also attached)

RFPD would like to proceed with the transfer under terms acceptable to both RFPD and TOR, with the understanding that:

RFPD will bear all costs (title, legal, etc) associated with the transfer;

In the unlikely event that RFPD ceases to exist, the property would revert to TOR.

RFPD will have representatives at the May, 21<sup>st</sup> TOR board meeting to discuss this proposal.

# **ORDINANCE No. 321**

## **TOWN OF RICO**

### **AN ORDINANCE AUTHORIZING AND APPROVING THE TRANSFER OF TOWN LAND ADJACENT TO THE SILVER GLANCE SUBDIVISION TO RICO RENAISSANCE FOR LOTS 9, 10, 11 & 12, BLOCK 2, TOWN OF RICO, FOR A FIRE STATION**

WHEREAS, the Rico Fire Protection District ("District") is currently pursuing a grant for construction of a new fire station;

WHEREAS, the District desires to obtain a suitable site for the construction of a new fire station that is adjacent to Highway 145 to promote ready and convenient access to the fire station and for emergency vehicles responding to emergencies;

WHEREAS, the District has requested the Board of Trustees approve the transfer of town land so the District may obtain a suitable site for construction of a new fire station;

WHEREAS, C.R.S. sec. 31-15-101(d) authorizes municipalities to acquire and dispose of property for municipal purposes; and,

WHEREAS, the Board of Trustees finds that the acquisition of a suitable site for the construction of new fire station will promote the health, safety, and general welfare of the Rico community by enhancing the emergency response capabilities of the District;

NOW, THEREFORE, BE IT ORDAINED BY THE BOARD OF TRUSTEES OF THE TOWN OF RICO, COLORADO, the following:

#### **SECTION 1: AUTHORIZATION OF TRANSFER**

The Mayor, Town Clerk, and Town Attorney are hereby authorized and directed to take all actions to effectuate the purpose of this Ordinance in their discretion. The

**- Ordinance No. 321 - Town of Rico - Land Transfer -**

property to be conveyed by the Town of Rico to Rico Renaissance, LLC., is described generally as follows:

Those portions of Lots 21-27, Block 39, and the parcel of land which lies east of the Silver Glance subdivision cul-de-sac and is adjacent to Lots 11 & 12, Silver Glance subdivision, all of which are not part of the old Town dump site, by warranty deed;  
A non-exclusive irrevocable easement over Lots 21-27, Block 39, for ingress, egress and utilities;

A covenant on Lots 21-27, Block 39, prohibiting the construction of any structure; and,

The parcel of land adjacent and west of the Silver Glance Subdivision cul-de-sac, by warranty deed;

all in the Town of Rico (collectively referred to as "Town Property").

The property to be conveyed by Rico Renaissance, LLC., to the Town of Rico is described as follows:

Lots 9, 10, 11 & 12, Block 2, Town of Rico, (four lots south of school district property abutting Highway 145), by warranty deed.

**SECTION 2:                    DEVELOPMENT RIGHTS ON PROPERTY ACQUIRED BY RICO  
                                     RENAISSANCE**

Town agrees that pursuant to the current zoning of the Town Property, four residential building sites are permitted by right, and further agrees that any replat application for four detached single family residential building sites shall not be prohibited by Ordinance No. 315, Town of Rico. Town agrees that upon transfer of the properties described in Section 1 that Rico Renaissance shall have a vested right to four detached single-family residential building sites on the Town Property and that such vested right shall extend for three years from the date of transfer. The Town agrees and acknowledges that there are no historic sites on the Town Property which merit protection or preservation and that preservation of historic sites shall not restrict the location of building sites. Any application for replat shall be processed, reviewed, and acted on pursuant to adopted subdivision regulations and other applicable regulations of the Town of Rico. Town agrees that Town shall provide an attorney opinion regarding

**- Ordinance No. 321 - Town of Rico - Land Transfer -**

the development rights described in this Section 2 to Rico Renaissance for the benefit of and reliance by Rico Renaissance.

**SECTION 3. ACKNOWLEDGMENTS**

The Town acknowledges that Rico Renaissance may seek replatting of the Town Property to create appropriate single family home sites and encourages a replat application by Rico Renaissance to create appropriate building sites. The Town further acknowledges that a replat application may include lot line adjustments of Lots 11 & 12, Silver Glance Subdivision, Town of Rico, to create appropriate building sites. The Town acknowledges that Rico Renaissance may request reconfiguration of the cul-de-sac area.

**SECTION 4. SEVERABILITY**

If any provision of this ordinance or portion thereof is held by a court of competent jurisdiction to be invalid or unconstitutional, such invalidity or unconstitutionality shall not affect any other provision which can be given effect without the invalid portion.

**SECTION 5. PUBLICATION**

After final adoption, the Town Clerk shall cause a copy of this ordinance to be posted in accordance with Resolution No. 104 of the Town of Rico, Colorado.

**READ, PASSED, AND ADOPTED BY THE BOARD OF TRUSTEES OF THE TOWN OF RICO** this 10<sup>th</sup> day of July (July 13<sup>th</sup> if we schedule Saturday meeting), 1996.

By:  Robert Small, Mayor

  
Attest: Linda Yellowman, Town Clerk

[Town Seal]

  
Approved as to Form: Eric James Heil, Esq.  
Town Attorney

Do the voters of the Rico Fire Protection District (“RFPD”) approve of the Town of Rico's transfer of ownership of Lots 9, 10, 11 and 12 in Block 2 (the land which underlies the Rico Fire Station building constructed in 1996) from the Town of Rico to RFPD, for the purpose of ensuring continued Fire and Life Safety operations by the District, as well as enabling the District to utilize said property as collateral for future Fire Station expansion, if the District agrees to bear all costs for the transfer of said property?

**San Miguel Authority for Regional Transportation (SMART) Ballot Issue 3A  
(Vote for 1)**

		Total	
Times Cast		190 / 280	67.86%
Candidate	Party	Total	
Yes/For		86	
No/Against		98	
Total Votes		184	
		Total	
Unresolved Write-In		0	

**Dove Creek Ambulance District Ballot Issue 6A (Vote for 1)**

		Total	
Times Cast		1,189 / 1,441	82.51%
Candidate	Party	Total	
Yes/For		668	
No/Against		473	
Total Votes		1,141	
		Total	
Unresolved Write-In		0	

**Rico Fire Protection District Ballot Question 6B (Vote for 1)**

		Total	
Times Cast		211 / 296	71.28%
Candidate	Party	Total	
Yes/For		184	
No/Against		16	
Total Votes		200	
		Total	
Unresolved Write-In		0	