

AGENDA  
TOWN OF RICO BOARD OF TRUSTEES  
**2 Commercial Street– Rico Town Hall**  
**February 21<sup>st</sup>, 2018**  
**7:00 p.m.**

- Electronic copies of the Trustee Packet are available on the Town website at [www.ricocolorado.gov](http://www.ricocolorado.gov). A hard copy of the Packet is also available at Town Hall for interested citizens.
- Action may be taken on any agenda item
- Notice is hereby given that a majority or quorum of the Planning Commission or Geothermal Committee may be present at the above noticed City Council meeting to discuss any or all of the matters on the agenda below for Council consideration

CALL TO ORDER at 7:00 p.m.

ROLL CALL

APPROVAL OF MINUTES

CONSENT AGENDA

- Payment of bills
- Approval of Treasurer's Report

CITIZENS COMMUNICATION

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CITY COUNCIL AND COMMITTEE REPORTS

- Town Clerk
- Public Works
- Water Consultant
- Parks and Rec
- Geothermal Committee

TOWN MANAGER'S REPORT

- Update on Rico Transit
- Update on Winter Carnival
- Update on Community Meetings
- Paradox Community Trust Challenge Grant Program application

DISCUSSION ITEMS

- Water tap payment program
- River Corridor land trade request
- Regional Trails

ACTION ITEMS

- River Corridor Easement Agreement for Disposition Properties

- Letter supporting the Protection of Water Quality from Adverse Impacts Caused by Mineral Mining Act
- Letters for zoning violations in the Commercial Core
- Health Insurance Renewal
- Adoption of the 2018 Work Plan

ADJOURNMENT

Town of Rico Memorandum

Date: February 15, 2018

TO: Town of Rice Board of Trustees  
FROM: Kari Distefano, Rico Town Manager  
SUBJECT: Town Manager's Report

*Update on Rico Transit*

Finally on February 5<sup>th</sup>, the Rico Shuttle started its runs to and from Telluride. The insurance requirements took longer than I had hoped but we now have two approved drivers with one in process. The week started a little slowly. We had only two riders on Monday and none on Tuesday but by Friday we were up to seven. I am in the process of writing a grant application to the Rico Center to get some funding for compensation for the drivers. That position comes with a great deal of responsibility and there are several videos and a couple of quizzes that you have to take to become approved to drive so there is a time investment. The annual cost to pay a driver \$15.00 an hour for 1 ½ hours per day 52 weeks a year would be \$6,410. There are other options. We can offer free rides not only to drivers, but also their family members. We can offer food incentives. We are also in need of a ski rack and a bike rack for the shuttle.

*Update on Winter Carnival*

The Winter Carnival was a success. Carnival attendees enjoyed a variety of winter activities, including snow biking, pond hockey, cross-country skiing, yoga, a bonfire, a chili potluck and bluegrass music. We got a great deal of help from the following people and organizations. The Town of Mountain Village kindly loaned us not only their snow bike grooming equipment, but also three dedicated employees to operate it. The Boot Doctors Ski, Snowboard and Bike Shop brought up a dozen loaner snow bikes for our bike tour so those of us who had never been on a snow bike had an opportunity to engage in this extremely enjoyable activity. The Rico Fire Department helped us with cooking supplies and firewood and Aemono donated food. The Telluride Brewing Company provided us with beer and Telluride

Distillery provided us with schnapps. The Enterprise brought in the bluegrass band, Porch Couch, and Allysia Klimasewiski taught a yoga class. Joe Distefano taught a beginner ski lesson at the park and the Rico Trails Alliance and the Rico Parks, Open Space and Trails staff, Zach, Esteban and Mike helped get everything organized. I definitely think we should do it next year with a couple of minor adjustments. Although we had pick-up hockey, we didn't get people to sign up for the tournament. This may have been a result of trying to do it over the course of two days. That was probably too much commitment for most people. Next year perhaps we could do a kid's day and an adult day or just stick with pick-up. People seemed to enjoy that, especially the kids.

#### *Update on Community Meetings*

We will be hosting our second community meeting on March 5<sup>th</sup> or 6<sup>th</sup>. I have included in your packet a draft of what we will be addressing at the meeting. I spent quite a bit of time calculating costs of potential scenarios, but it is important to remember that my estimates are based on dated material with a cost of living equation assigned. I tried to be conservative, particularly with the sewer estimates. Also as I mention in the document, the receipt of grant funding is not only competitive but also vulnerable to state and federal circumstances beyond our control. Department of Local Affairs funding for the big infrastructure grants is based on state severance taxes on energy and mineral production and these taxes can be unpredictable. The other thing to keep in mind about grants is that most require at least a 20% match.

#### *Paradox Community Trust Challenge Grant Program application for Marketing Rico*

The Paradox Community Trust Challenge Grant Program has \$40,000 available for Rico, Norwood, Redvale, Nucla, Naturita, Paradox, and Bedrock for projects that seek to promote economic development. I contacted Ruth Heffron of the Artists of Rico to see if they were interested in partnering on a grant application for a space to sell and exhibit their artwork. She seemed to think that they would be unable to staff it adequately. I had decided that we didn't really have a good project until I got a call from Thea Chase of the

Telluride Foundation on the Friday before the application was due. We talked about hiring someone to help develop a consistent marketing plan for Rico and she even offered to write the grant. I submitted it to the Telluride Foundation and we should hear in early March whether or not we are successful in obtaining that grant funding. I have included a copy of the application in this packet.

#### *Water tap payment program*

In the last couple of weeks, I have had two separate requests for a payment plan for water tap fees. We could offer some kind of arrangement whereby people could make a monthly payment with their water bill over the course of three or four years. I realize offering this could complicate our administrative functions but I do think that it is possible and perhaps something that we should consider. I got a tap fee inventory from Colorado Municipal League that shows our tap fees to be above the Colorado average, which is \$7,405. Some regional rates are Bayfield - \$6,600, Cortez - \$4,190, Dolores - \$4,500, Durango - \$5,733, Ignacio - \$8,240, Nucla - \$2,000, Ridgway - \$4,500, Telluride - \$18,000. I have included the full list of towns and their tap fees in this packet.

#### *River Corridor Land Trade Request*

Just after I had sent out the River Corridor Map to be signed by O'Grady and Burnette, Dave Bulson forwarded me an email from Ramon Escure dated May of 2014. It has to do with the desire of Doug Clark, the owner of the Pasadena Reduction, Tract 8 on the River Corridor Map, for a land trade with the Town of Rico. I have included a copy of a drawing of the land he would like to trade in your packet as well as a google earth photo showing the proposed trade. I am not sure this is to the Town's benefit, however, if we don't agree, Mr. Clark may refuse to sign the map so it should be considered.

### *Regional Trails*

The Rico Trails Alliance requested that the Town of Rico to express support to USFS regarding some trail projects they have in the works in the area. The following is a copy of an email that I received from Alex Wing.

RTA has been working closely with the Forest Service to get three trails projects going in the Rico area as follows:

- **Pull Circle Trail into USFS trails system and rebuild upper section-** This is an existing historic trail that connects the Town of Rico to the well-used Colorado Trail, though it is currently obscure, hard to follow, and unsigned. If completed, this trail would bring Colorado Trail tourism into Rico and would greatly expand our access to the area.
- **Develop the historic Rio Grand Southern Railroad grade from Rico to the County line.** Much of this section of the RGS is on USFS land, and we are working with USFS to start building the historic route out as a trail. This would provide beginner and family-level recreational opportunities to Rico (currently lacking due to our steep mountainous terrain) and could be groomed in the winter for nordic skiing and fat tire cycling.
- **Ryman Trail re-route-** The lower Ryman trail is a non-motorized trail that accesses a beautiful, remote canyon south of Rico near the county line. Lower Ryman trail has several sections that are unsustainably steep and eroding. These sections preclude many uses of this trail, and the trail needs to be re-routed. If completed, the Ryman trail could be connected as a loop with the existing Salt Creek Trail, which is one of the area's most popular trails. This project would expand recreational opportunities near Rico and provide economic benefit to the town through tourism.

The Forest Service is currently putting together internal proposals to decide which projects will be implemented in the near future. The projects listed above will positively benefit Rico if approved however the timing of the approval process is critical. RTA has been awarded grant funding to help get this work implemented, and we have impassioned

volunteers ready to put in the work. Verbal and written support from the Town of Rico would go a long way to getting these projects prioritized and approved by the Forest Service. I've recently been told that the Forest Service will be presenting these projects internally on Thursday (2/15/18). If the town supports this work, the first step would be to contact the USFS District Ranger, Derek Padilla ([970-882-6834](tel:970-882-6834)) before Thursday to voice this support verbally.

I apologize for the short notice of this request. Please contact me if you have any questions or comments about these projects or our work with the Forest Service.

#### *River Corridor Easement Agreement for Disposition Properties*

Another party to the River Corridor Map, Disposition Properties, is also requesting a concession from the Town in return for signing. Fortunately they are only requesting the same agreement from the Town that we gave O'Grady and Burnette. In the O'Grady and Burnette agreement, it is my understanding that the Town of Rico gave O'Grady and Burnette a quitclaim deed of easement with no warrantee of title. In other words rights to ingress and egress to the degree we have them. The map I have included in this packet shows the old road. Carol Viner is currently working on the agreement.

#### *Letter supporting the Protection of Water Quality from Adverse Impacts Caused by Mineral Mining Act*

Jennifer Thurston has requested that the Town of Rico support legislative efforts to ensure that water quality be protected from mining activities. I have included a draft resolution and the information she gave me to this packet. Apparently the bill has been postponed so I would suggest that you take some time to review the material and we can revisit this at next month's meeting.

#### *Letters Addressing Zoning Violations in the Commercial Core*

Carol Viner is in the process of drafting letters regarding zoning violations in the commercial core. I will pass them along to you as soon as I get them.

### *Health Insurance Renewal*

I have included the documents associated with the renewal of Rico's employee health insurance in this packet. To renew our insurance, the Rico Board of Trustees is required to approve a "Participating Employer Certification and HIPAA Confidentiality Agreement".

### *Adoption of the 2018 Work Plan.*

I hope that everyone has had a chance to review the proposed 2018 work plan. Nicole had a couple of suggestions, which I included. Of particular importance is the coordination with the Rico Fire Protection District and Dolores County Emergency Management to develop a wildfire response plan. I believe that we will also need to talk to San Miguel County, Montezuma County and the USFS since all of those entities would likely be involved. I'm not sure how the chain of command works in those situations and it is important that I find out.



## **Notes for next Community Meeting:**

### **What we know:**

#### **Rico's Economic Outlook**

- 2018 projected General Fund Revenues - \$385,981
- 2018 projected General Fund Expenses - \$427,476. The projected \$41,495 shortfall will have to come from reserves.
- Employee and contractor costs represent 75% of the General Fund budget.  
Contractors include the Town Attorney and the Town Auditor.
- Special projects including work on the River Corridor and Rico Land Use Code amendments represent 10% of General Fund costs.
- Administrative costs such as insurance and dues and fees represent 4% of the General Fund budget.
- 2018 projected Street Fund Revenues - \$47,191
- 2018 projected Street Fund Expenses - \$122,992. The projected \$75,731 shortfall will have to come from reserves.
- Capitol expenditures represent 25% of the Street Fund expenses. This includes the purchase of a water truck (if we can find a good deal) and the lease on the loader that replaces the one that failed last year during the heavy storms.
- Employee costs represent 28% of the Street Fund budget.
- 2018 projected Water Fund Revenues - \$186,200
- 2018 projected Water Fund Expenses - \$258,920. The projected \$72,720 shortfall will have to come from reserves.
- 46% of the projected expenses are dedicated to an engineering analysis of the Rico Water system and a determination of what it would take to get the Silver Creek System back on line. 1/2 the cost of this analysis will come from grant funding.
- Employee costs represent 39% of the Water Fund budget.
- Property Taxes in 2017 were down 11% from 2016
- Property Taxes in 2017 were down 8% from 2015
- Property Taxes in 2017 were down 9% from 2014

- Property Taxes in 2017 were down 75% from 2013. Property tax revenues were \$290,954 in 2013. This was an anomaly unexplained by Dolores County.
- Sales Taxes in 2017 were down 33% from 2016
- Sales Taxes in 2017 were down 25% from 2015
- Sales Taxes in 2017 were down 26% from 2014
- Sales Taxes in 2017 were down 32% from 2013

## **What we know:**

### **Studies**

Rico has had several studies regarding both infrastructure and potential development avenues.

- December 1995, Wastewater Evaluation & Analysis – Golf Engineering & Surveying, Inc. Durango Colorado
- February 1996, Town of Rico Water Supply Project Engineering Report – Harris Water Engineering, Inc., Durango Colorado
- January 1999, 201 Wastewater Facility Plan – Rothberg, Tamburini, Winsor, Denver Colorado
- June 2007, Wastewater Treatment Plant and Collection System Final Design Report – Souder, Miller & Associates, Farmington New Mexico. This report included an amendment prepared by Forsgren Associates, Rexburg Idaho
- Spring 2009, Rico Geothermal Reports

## **What needs to be done?**

**What if we continue on our current path? What would be better /worse for our community in the future?**

- To balance our General Fund budget we would have to:
  - Reduce staff hours 25% (save \$27,116)
  - Eliminate Capital expenditures such as upgrades to the Rico Town Hall (save \$5,000)
  - Reduce routine maintenance (save \$3,000)
  - Discontinue travel and conferences (save \$2,500)
  - Reduce supply costs (save \$3,500)

- To balance our Street Fund Budget we would have to
  - Reduce staff hours 15% (save \$4,802)
  - Eliminate capital expenditures such as the lease on the new loader and not purchase a water truck (save \$46,000)
  - Reduce routine maintenance (save \$25,000)
- To balance our Water Fund Budget we would have to
  - Reduce staff hours 15% (save \$4,802)
  - Eliminate capital expenditures such as the water system analysis and upgrading old pipes (save \$46,000)
  - Reduce routine maintenance such as repairing and painting the water tanks (save \$25,000).

**What if we make some investments in our water system and other public works activities and become a bedroom community with little or no commercial? What would be better /worse for our community in the future?**

The February 1996, Town of Rico Water Supply Project Engineering Report generated by Harris Water Engineering, suggested fixing the Silver Creek System and bringing it back on line. At that time the cost of replacing the Silver Creek Intake Gallery was \$112,000. Assuming that estimate was accurate and adjusting for inflation

[https://www.bls.gov/data/inflation\\_calculator.htm](https://www.bls.gov/data/inflation_calculator.htm) , that cost would be \$178,248. Replacing the treatment plant to conform to Colorado Department of Health and Environment regulations was estimated to be \$981,000 in 1996 and \$1,561,266.

- Total cost estimate for bringing Silver Creek back on line - \$1,739,514 +-
- Estimate for replacing exterior meters with interior meters to help control water loss from pervasive leaking - \$275,000.
- 2,014,514 total estimated cost of upgrading the Rico water system
- Assuming a \$500,000 grant and a 40 year loan at 3.5% (USDA rates)
- Potential grant sources:
  - USDA Water & Waste Disposal Loan & Grant Program
  - Department of Local Affairs Energy & Mineral Assistance Fund Program
  - EPA Clean Water State Revolving Fund

- Colorado Water Conservancy District
- Southwest Water Conservancy District
- If your house is valued at \$150,000 you would pay an additional \$270 per year in property taxes.
- If your house is valued at \$200,000 you would pay an additional \$360 per year in property taxes.
- If your house is valued at \$250,000 you would pay an additional \$450 per year in property taxes.
- If your house is valued at \$300,000 you would pay an additional \$540 per year in property taxes.

**What if we invest in both water and sewer and are able to redevelop our commercial core as well as meet demand for future development? What would be better/worse for our community in the future?**

The most recent central sewer plan for Rico was done in June 2007, the Wastewater Treatment Plant and Collection System Final Design Report by Souder, Miller & Associates, Farmington New Mexico. This report included an amendment prepared by Forsgren Associates, Rexburg Idaho who looked various sewer treatment facilities. The total predicted cost of installing a sewer system that would provide central sewer for the whole town as well as a treatment plant was \$14,189,101. Adjusting for inflation the cost today would be \$17,281,015.

- Estimated cost of sewer treatment plant today - \$3,801,090
- Estimated cost of sewer pipe that would serve the commercial core - \$3,350,541 based on Souder, Miller & Associates estimate adjusted for inflation.
- Total estimated cost \$7,151,631
- Potential grant sources:
  - USDA Water & Waste Disposal Loan & Grant Program
  - Department of Local Affairs Energy & Mineral Assistance Fund Program
  - EPA Clean Water State Revolving Fund
- Assuming a \$2,000,000 grant and a 40 year loan at 3.5% (USDA rates)
- If your house is valued at \$150,000 you would pay an additional \$734 per year in property taxes.

- If your house is valued at \$200,000 you would pay an additional \$979 per year in property taxes.
- If your house is valued at \$250,000 you would pay an additional \$1,224 per year in property taxes.
- If your house is valued at \$300,000 you would pay an additional \$1,469 per year in property taxes.

Other considerations:

- Most grants require, at a minimum, a 20% match.
- It looks like Congress may cut domestic spending making some grant funds unavailable.
- All grants are competitive – there are no guarantees that Rico will be successful in acquiring them.
- Tap fees can help to off set costs but we should be cautious about making them prohibitively expensive.

### **Commercial Core Redevelopment Opportunities**

A stronger commercial core would help Town finances and take the pressure off property owners. Things that we can do to help promote the commercial core:

- Apply to become a Certified Small Business Community – this would help us with grant funding for economic development project.
- Be a bigger presence on the San Juan Scenic Byway web site. Right now we are linked with Telluride.
- Promote unique aspects of Rico through a coordinated marketing effort.
  - Recreational: Fishing, Hunting and Mountain Biking
  - Historical: The museum, Rico Town Hall, other remnants of the mining era.
  - Hot Springs: Pursue an easement agreement with owners. This hot springs is a unique geological feature.

### **What will the Town do next? 2018 Work Plan**

- Continue Community Engagement through meetings.
- Get commuter shuttle service to and from Telluride up and running.

- Issue request for proposals for preliminary engineering report for central sewer in Rico's commercial core.
- Issue request for proposals for a water system analysis.
- Develop an infrastructure ballot initiative for the November 2018 election.
- Encourage and support economic development in Rico.
- Finish River Corridor project.
- Establish a protocol for vacant lots impacted by lead and other mining activities.
- Update and revise Rico Land Use Code.
- Coordinate with the Rico Fire Protection District and Dolores County Emergency Management to develop a wildfire response plan.
- Upgrade the Town of Rico web site

# **The Paradox Community Trust 2018 Community Challenge Grant Program**

## **Grant Application Form**

### **Application Summary**

- 1) **Project Title:** Visit Rico Marketing Collaboration project
- 2) **Grant Request Executive Summary (1 statement, 25 words or less):**  
The Town of Rico seeks assistance in upgrading its external image through refreshing content and coordinating information and messaging with the organizations and business community of Rico to bring more tourists to the area and encourage residents to support local businesses.
- 3) **Funding amount you are requesting (whole dollar amount only):** \$8,000

### **Organizational Information**

- 4) **Primary Contact:**
- **Name:** Kari Distefano
  - **Organization/Business:** Town of Rico
  - **Email:** townmanager@ricocolorado.gov
  - **Phone:** 970-901-3420
  - **Mailing Address:** P.O. Box 9, Rico Colorado, 81332
- 5) **Name, Organization and Email of other team members:**
- **Name:** Ruth Heffron
  - **Organization/Business:** Artists of Rico
  - **Email:** ruthheffron@gmail.com **Phone:** 512-751-9614
  - **Name:** Mike Guskea
  - **Organization/Business:** Rico Trails Alliance
  - **Email:** mguskea@gmail.com **Phone:** 970-967-6806
  - **Name:** Mike Curran
  - **Organization/Business:** Historical Society
  - **Email:** curranho\_8@hotmail.com **Phone:** 970-967-2105
  - **Name:** Brandy Randall
  - **Organization/Business:** Rico Businesses
  - **Email:** brandyrandall@gmail.com **Phone:** 505-609-3880

## Application Purpose

- **Project Description (500 Word Limit):**

*Describe your project, including community need, local assets to be developed, specific market demand, and local commercial activity to be developed; include specific activities that grant funding will support.*

A community potluck was held in October 2017 with the following organizations represented - The Town of Rico, Artists of Rico, Rico Trails Alliance, Women's Club, Rico Fire Protection District, Rico Library, Rico Community Church, Town of Rico, Historical Society, the Rico Center, Region 9, Small Business Development Center. The organizations wish to establish a purposeful collaboration to focus attention on the assets of Rico including its rich history, natural beauty, collection of talented artists, outstanding trail systems, geothermal pools, multiple sports opportunities and friendly people.

The desired results from this collaboration are:

- More tourist visits to Rico
- Increased community involvement
- Increased publicity about Rico activities and assets
- Town community logo
- Annual community calendar
- Joint publicity for community events
- Frequent contact with state/regional tourism boards

The community organizations and local businesses understand that a joint marketing effort is needed that starts with refreshing our image and continues with a sustained effort to promote events and activities throughout the tourist season. However, the organizations are largely volunteer organizations and do not have the staff, budget or expertise to tackle such a project without support. The Town of Rico proposes to hire professional services to assist in rewriting web page content and developing a cohesive image of the community in collaboration with its partnering non-profit and business organizations. The goal will be to share a consistent look and message across the organizations and utilize an intern to take on the joint marketing campaign working throughout the summer to maintain the community calendar, support events, push information through social media, coordinate with local, regional and state tourism offices thereby bringing greater awareness of the assets of this beautiful place.

Ultimately this effort is expected to increase engagement of local and regional residents in activities and organizations, increase tourism and provide a more vibrant business community. The team will work with the partner organizations and businesses to set specific targets for events, social media followers and sales tax dollars to help evaluate the effectiveness of this effort.



- **Support of Regional Marketing and/or Branding Effort** (350 Word Limit):  
*Explain how your project is integrated with a broader, regional marketing or branding effort; describe how you will work with your local economic development center, tourism board, or town administrators to promote the region.*

The Visit Rico Marketing Collaboration project will be the integrator with existing organizations, the Town of Rico and local businesses and will reach out to regional and state tourism resources to promote the community, specifically the San Juan Scenic Byway Vacation Directory and the Southwest Colorado Travel Region ([www.swcolotravel.org](http://www.swcolotravel.org)). Dolores County is not listed Southwest Colorado Travel Region web site and Rico is included in Telluride's page on the San Juan Scenic Byway web site.

- **Collaborations** (350 Word Limit):  
*List the roles of each team member as well as any other groups, businesses, or organizations that you may be collaborating with.*

Kari Distefano – project manager, fiscal agent and intern supervisor  
Ruth Heffron – coordinator of Arts groups and individuals  
Mike Guskea – coordinator of sports related groups and information  
Mike Curran - coordinator of historical related groups and information  
Brandy Randall – representative of the Rico Business Community  
Southwest Innovation Corridor – find and place intern and assist with supervision, assist with identification of marketing consultant and organizing tasks

- **Project Outcomes** (350 Word Limit):  
*Describe specific outcomes and/or indicators that you will measure in order to determine success of your project. How will you measure economic benefit?*

Increased attendance at events  
Increased sales tax collections  
More volunteers for organizations  
Social media reach

- **Project Sustainability** (350 Word Limit):  
*How will you sustain the program or project after the one-year grant period?*

The organizations will have a greater number of engaged volunteers, businesses will have increased sales, events will generate income and the Town will have increased tax collections. All of these factors will increase capacity of the community to provide funding for on-going marketing efforts.

### Project Budget Detail

*Name of Project:* Visit Rico Marketing Collaboration project

*Date Duration of Project:* April/May 2018 – November 2018

*Names & Organization of Team Members:* Kari Distefano, Town of Rico; Ruth Heffron, Artists of Rico; Mike Guskea, Rico Trails Alliance; Mike Curran, Rico Historic Society; Brandy Randall, Rico Business Community

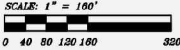
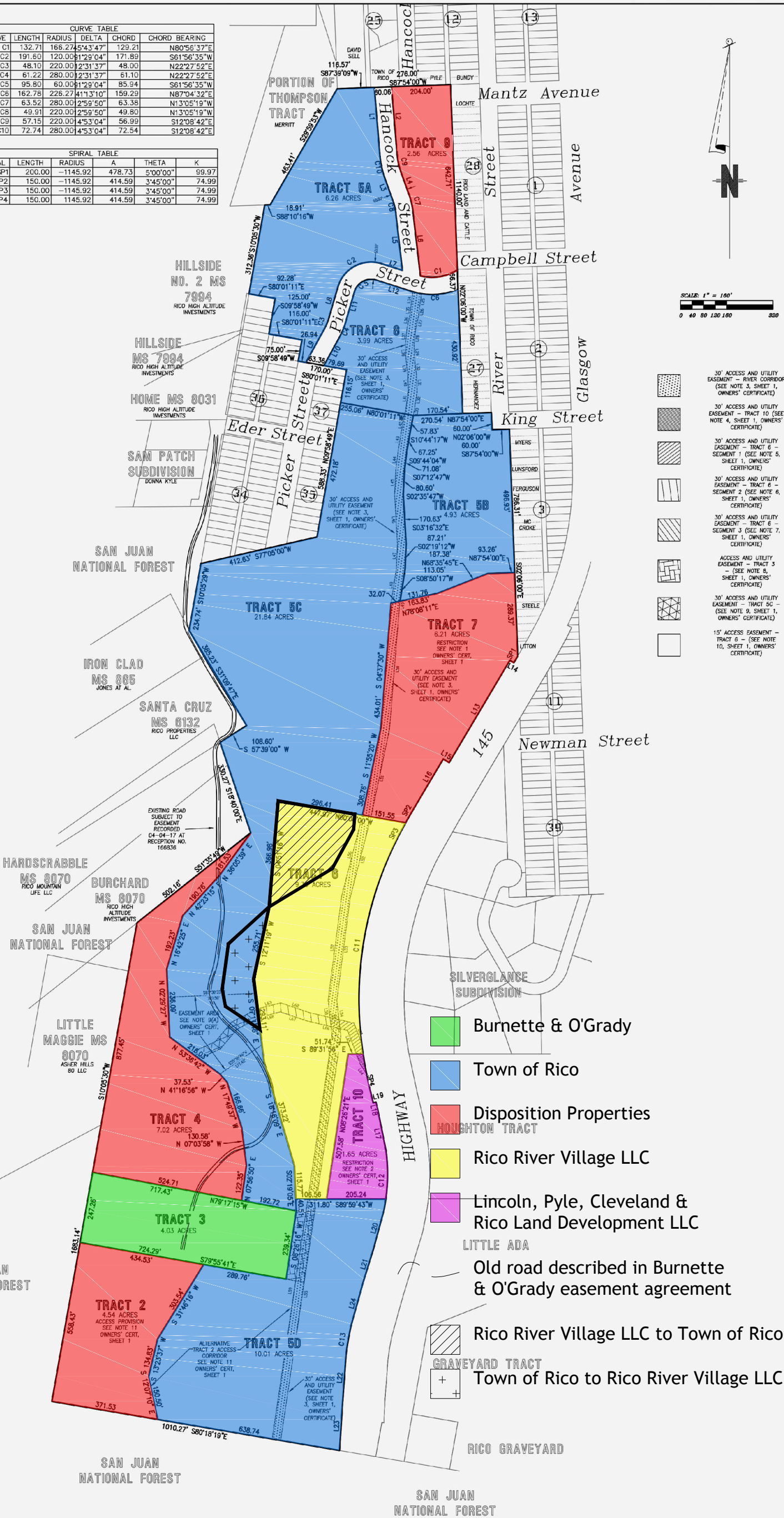
	Community Challenge Grant Request Amount (\$)	Non-Telluride Foundation Support Amount (\$)	Describe Source of Support (i.e. your nonprofit or other funder)	Total Budget (\$)
<b><u>PERSONNEL (List Position)</u></b>				
Project Manager		\$1,000	Town of Rico	\$1,000
Marketing Intern	\$2,500			\$2,500
<b>Subtotal: Personnel</b>				<b>\$3,500</b>
<b><u>OPERATIONS</u></b>				
Lodging for intern	\$1,500			\$1,500
Printing	\$500			\$500
Advertising	\$500			\$500
<b>Subtotal: Operations</b>				<b>\$2,500</b>
<b><u>CONTRACT SERVICES</u></b>				
Marketing consultant	\$3,000			\$3,000
<b>Subtotal: Contract Services</b>				<b>\$3,000</b>

<b>Totals</b>	<b>\$8,000</b>	<b>\$1000</b>	<b>\$9000</b>
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LINE TABLE		
LINE	LENGTH	BEARING
L1	240.00	S04°42'10"E
L2	237.27	S04°42'10"E
L3	84.88	S19°35'14"E
L4	84.88	S19°35'14"E
L5	196.08	N08°35'24"W
L6	222.72	N08°35'24"W
L7	75.25	S72°18'53"E
L8	107.60	S16°12'04"W
L9	129.30	N28°43'40"E
L10	108.94	N28°43'40"E
L11	107.60	S16°12'04"W
L12	129.66	S72°18'53"E
L25	52.65	S07°57'39"W
L26	19.29	S05°14'57"W
L27	53.48	S11°57'24"W
L28	54.16	S05°49'51"W
L29	51.32	S02°44'19"E
L30	52.27	S06°22'47"E
L31	55.39	S02°39'00"E
L32	62.60	S08°14'32"W
L33	23.33	S10°44'17"W
L34	54.07	S07°57'39"W
L35	18.24	S05°14'57"W
L36	53.32	S11°57'24"W
L37	58.01	S05°49'51"W
L38	54.52	S02°44'19"E
L39	52.25	S06°22'47"E
L40	51.56	S02°39'00"E
L41	59.09	S08°14'32"W
L42	80.77	S10°44'17"W
L43	68.17	S09°44'04"W
L44	72.95	S07°12'47"W
L45	83.35	S02°35'47"W
L46	170.70	S03°16'32"E
L47	84.03	S02°19'12"W
L48	122.68	S08°50'17"W
L49	10.23	S08°50'17"W
L50	434.82	S04°37'30"W
L51	311.34	S11°55'20"W
L52	286.23	S14°27'16"W
L53	359.29	S07°27'29"W
L54	125.90	S06°19'09"E
L55	1416.49	S08°28'00"W
L56	287.41	S14°27'16"W
L57	364.75	S07°27'29"W
L58	125.63	S06°19'09"E
L59	1412.60	S08°28'00"W
L60	72.13	N20°41'11"W
L61	159.78	N76°45'37"W
L62	103.96	N71°08'55"W
L63	83.06	S75°31'34"W
L64	40.17	N32°34'13"W
L65	126.02	N20°41'11"W
L66	145.28	N76°45'37"W
L67	96.45	N71°08'55"W
L68	77.91	S75°31'34"W

CURVE TABLE				
CURVE	LENGTH	RADIUS	DELTA	CHORD
C1	132.71	166.27	54°33'47"	129.21
C2	191.60	120.00	128°04'	171.89
C3	48.10	220.00	12°31'37"	48.00
C4	61.22	280.00	12°31'37"	61.10
C5	95.80	60.00	128°04'	85.94
C6	162.78	228.27	41°13'10"	159.29
C7	63.52	280.00	2°58'50"	63.38
C8	49.91	220.00	2°58'50"	49.80
C9	57.15	220.00	4°53'04"	56.99
C10	72.74	280.00	4°53'04"	72.54

SPIRAL TABLE				
SPIRAL	LENGTH	RADIUS	A	THETA
SP1	200.00	-1145.92	478.73	5°00'00"
SP2	150.00	-1145.92	414.59	3°45'00"
SP3	150.00	-1145.92	414.59	3°45'00"
SP4	150.00	1145.92	414.59	3°45'00"



- 30' ACCESS AND UTILITY EASEMENT - RIVER CORRIDOR (SEE NOTE 3, SHEET 1, OWNERS' CERTIFICATE)
- 30' ACCESS AND UTILITY EASEMENT - TRACT 10 (SEE NOTE 4, SHEET 1, OWNERS' CERTIFICATE)
- 30' ACCESS AND UTILITY EASEMENT - TRACT 6 - SEGMENT 1 (SEE NOTE 5, SHEET 1, OWNERS' CERTIFICATE)
- 30' ACCESS AND UTILITY EASEMENT - TRACT 6 - SEGMENT 2 (SEE NOTE 6, SHEET 1, OWNERS' CERTIFICATE)
- 30' ACCESS AND UTILITY EASEMENT - TRACT 6 - SEGMENT 3 (SEE NOTE 7, SHEET 1, OWNERS' CERTIFICATE)
- ACCESS AND UTILITY EASEMENT - TRACT 3 - (SEE NOTE 8, SHEET 1, OWNERS' CERTIFICATE)
- 30' ACCESS AND UTILITY EASEMENT - TRACT 5C - (SEE NOTE 9, SHEET 1, OWNERS' CERTIFICATE)
- 15' ACCESS EASEMENT - TRACT 6 - (SEE NOTE 10, SHEET 1, OWNERS' CERTIFICATE)

# RICO RIVER CORRIDOR TRACT MAP

A BOUNDARY LINE AGREEMENT LOCATED WITHIN A PORTION OF TRACT A, RICO TOWNSITE SECTIONS 35 AND 36 T.40N. R.11W, SECTIONS 1 AND 2, T.39N. R.11W. N.M.P.M. DOLORES COUNTY, COLORADO

Project Mgr:	DB	Rev:	1	Updated with new life commitments	date:	10/16/17	by:	DB
Technician:	DB							
Checked by:	DB							
Start date:	05/26/12							



970-728-6153 970-728-6050 fax  
P.O. BOX 1385  
125 W. PACIFIC, SUITE B-1  
TELLURIDE, COLORADO 81435

Drawing path: dwg\River Corrid...lot 2012\PLAT 7-27-17.dwg Sheet 3 of 4 Project #: 07079





BY COUNCIL  
OF THE TOWN OF RICO, COLORADO  
RESOLUTION NO. \_\_\_\_\_

A RESOLUTION IN SUPPORT OF HOUSE BILL **18-XXXX** TO AMEND THE  
COLORADO MINED LAND RECLAMATION ACT

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

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

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

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

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

WHEREAS, mines should be required to provide a defined end point for restoring water quality and completing reclamation once mining operations have ceased; and

WHEREAS, the Colorado General Assembly is currently considering legislation (**HB 18-XXXX**) to amend the Colorado Mined Land Reclamation Act in order to provide such authorities and to protect the public interest; and

WHEREAS, **HB 18-XXXX** will eliminate the practice of corporate self-bonding in order to guarantee hardrock mine reclamation; and

WHEREAS, **HB 18-XXXX** will increase the State's authority to require adequate financial assurances for water quality protection and treatment at permitted hardrock mines; and

WHEREAS, **HB 18-XXXX** will prevent the creation of new hardrock mines that pollute water in perpetuity by requiring a defined endpoint for water treatment after closure.

NOW THEREFORE, BE IT RESOLVED, that the Board of Trustees of the Town of Rico, Colorado, hereby expresses its support of **HB 18-XXXX** and urges the Colorado General Assembly to adopt the bill into law.

INTRODUCED, READ, and ADOPTED this \_\_\_\_ day of \_\_\_\_\_, 2018.

TOWN OF RICO, COLORADO

---

Mayor, Town of Rico

Second Regular Session  
Seventy-first General Assembly  
STATE OF COLORADO

UNREVISED  
REDRAFT  
1.29.18  
Double underlining  
denotes changes from  
prior draft

DRAFT

LLS NO. 18-0737.01 Thomas Morris x4218

HOUSE BILL

HOUSE SPONSORSHIP

Roberts,

SENATE SPONSORSHIP

(None),

**BILL TOPIC:** "Protect Water Quality Adverse Mining Impacts"  
**DEADLINES:** File by: 3/1/2018

A BILL FOR AN ACT

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

Bill Summary

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

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

*Capital letters or bold & italic numbers indicate new material to be added to existing statute.  
Dashes through the words indicate deletions from existing statute.*

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

---

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

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

4 **34-32-116. Duties of operators - reclamation plans.** (3) On the  
5 anniversary date of the permit each year, the operator shall submit:

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

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

10 (I) CHANGES OVER THE PRECEDING YEAR REGARDING ANY  
11 DISTURBANCES TO THE PREVAILING HYDROLOGICAL BALANCE;

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

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

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

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

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



1.29.18

Double underlining  
denotes changes from  
prior draft

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

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

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

16 (A) FOR A RECLAMATION PLAN AMENDMENT, THAT THE WATER  
17 QUALITY IMPACTS THAT HAVE OCCURRED OR ARE OCCURRING FOR WHICH  
18 NO REASONABLE END DATE FOR WATER QUALITY TREATMENT CAN BE  
19 ESTABLISHED WERE EITHER UNFORESEEN AT THE TIME OF APPROVAL OF  
20 THE RECLAMATION PLAN OR EXISTING AT A PERMITTED MINE SITE BEFORE  
21 JANUARY 1, 2018; OR

22 (B) FOR A NEW OR AMENDED RECLAMATION PLAN FOR A PERMIT  
23 INVOLVING A SITE THAT WAS PREVIOUSLY MINED BUT WAS NOT PERMITTED  
24 AS OF JANUARY 1, 2018, THAT EXISTING WATER QUALITY CONDITIONS DO  
25 NOT MEET APPLICABLE WATER QUALITY STANDARDS AND NO REASONABLE  
26 END DATE FOR WATER QUALITY TREATMENT CAN BE ESTABLISHED.

27 (IV) Nothing in this ~~paragraph (g) shall be construed to allow~~

1 SUBSECTION (7)(g) ALLOWS the operator to avoid compliance with other  
2 APPLICABLE statutory provisions governing well permits, and  
3 augmentation requirements, and replacement plans. ~~when applicable.~~

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

7 **34-32-117. Warranties of performance - warranties of**  
8 **financial responsibility - release of warranties - applicability.**

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

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

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

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

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

20 (VII) ~~A certified financial statement for the financial warrantor's~~  
21 ~~most recent fiscal year and a certification by an independent auditor that~~  
22 ~~as of the close of said year:~~

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

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

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

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

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

23          (6) (b) Each financial warrantor providing proof of financial  
24          responsibility in a form described in ~~subparagraphs (IV) to (VII) of~~  
25          ~~paragraph (f) of subsection (3)~~ SUBSECTION (3)(f)(IV), (3)(f)(V), or in  
26          ~~subsection (8) of this section~~ shall annually cause to be filed with the  
27          board a certification by an independent auditor that, as of the close of the

1 financial warrantor's most recent fiscal year, the financial warrantor  
2 continued to meet all applicable requirements of ~~said subparagraphs~~ THE  
3 APPLICABLE SUBSECTION. Financial warrantors ~~who~~ THAT no longer meet  
4 ~~said~~ THE requirements shall instead cause to be filed an alternate form of  
5 financial warranty.

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

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

13 **34-32-122. Fees, civil penalties, and forfeitures - deposit -**  
14 **emergency response cash fund - created.** (2) Any applicant that desires  
15 to utilize the self-insurance provisions listed in section 34-32-117  
16 (3)(f)(IV), ~~to (3)(f)(VII)~~ (3)(f)(V), or (8) shall pay an annual fee to the  
17 office sufficient to defray the actual cost to the office of establishing and  
18 reviewing the financial warranty of the applicant. These funds are hereby  
19 annually made available to the office, which shall utilize outside financial  
20 and legal services for this purpose.

21 **SECTION 4. Act subject to petition - effective date -**  
22 **applicability.** (1) This act takes effect at 12:01 a.m. on the day following  
23 the expiration of the ninety-day period after final adjournment of the  
24 general assembly (August 8, 2018, if adjournment sine die is on May 9,  
25 2018); except that, if a referendum petition is filed pursuant to section 1  
26 (3) of article V of the state constitution against this act or an item, section,  
27 or part of this act within such period, then the act, item, section, or part

1 will not take effect unless approved by the people at the general election  
2 to be held in November 2018 and, in such case, will take effect on the  
3 date of the official declaration of the vote thereon by the governor.

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

6 <{*Do you want a safety clause or a specific effective date?*}>

## Elevating Existing Policy And Good Practice Into State Law

The Gold King spill of August 2015 was a visceral reminder to Coloradans of how risky mining practices can have significant consequences for our streams and rivers. At the state level in Colorado, we can do more to protect taxpayers and prevent future disasters from happening again. There are reasonable steps forward to reduce the risk that taxpayers rather than mining companies bear the costs of protecting water quality.

Proposed legislation to update the Colorado Mined Land Reclamation Act would:

- Eliminate the practice of corporate self-bonding to guarantee mine reclamation;
- Increase the state's authority to require financial assurances for water quality protection and treatment;
- Prevent future mines that pollute water in perpetuity by requiring a defined end point for water treatment after closure.

The Colorado Division of Mining, Reclamation and Safety already implements these concepts as preferred policy and a matter of good oversight. A proposal to be considered in the Colorado General Assembly in 2018 would elevate these government practices into state law and guarantee they will continue protecting Coloradans into the future.

Colorado is just 1 of 7 states that still allow corporate self-bonds, which substitute a demonstration of current fiscal fitness with a promise to pay for tangible financial assurances that guarantee final reclamation will occur once mining ceases.<sup>1</sup> At the federal level, neither the U.S. Forest Service nor the Bureau of Land Management allows companies to self-bond mines on public lands.<sup>2</sup> Self-bonding also increases the administrative burden of regulatory agencies that allow it.<sup>3</sup>

Mines that require water treatment in perpetuity are the riskiest to taxpayers because of the expense of maintaining operations centuries beyond closure. Colorado has at least two dozen “perpetually polluting” legacy mines that require permanent water treatment costing millions of dollars annually, and most of these costs have fallen to the public.<sup>4</sup> This liability can largely be avoided, as it is possible to design most mines in a way that prevents long-



Gold King Mine treated water discharge, Nov. 2015 EPA

term water treatment.<sup>5</sup> Under historical mine practices, about 1 percent of Colorado's mines have resulted in long-term water degradation.<sup>6</sup> Thus, precluding mines that are designed to require water treatment in perpetuity is likely to affect only a small number of future proposals and can be avoided by making them ineligible for permits. New Mexico and Michigan have enacted these requirements into law for hardrock mines and Pennsylvania has done so for coal mines.<sup>7</sup>

The Mined Land Reclamation Act currently lacks clarity on the state's authority to require financial assurances to guarantee water treatment and protect water quality. Regulators rely on promulgated rules in order to require sufficient bonding to protect the public interest. By amending the law, the state's oversight of these matters will be eased, increasing certainty for both mining companies and the public. Updating the Mined Land Reclamation Act will strengthen one of its most important bedrock provisions – that both land *and* water are returned to beneficial public use after mining.

<sup>1</sup> “Framework for Responsible Mining,” Marta Miranda, David Chambers, Catherine Coumans, 2005, p. 42. <http://bit.ly/2mqjtjvt>

<sup>2</sup> Federal Register, Vol. 65, No. 225; Nov. 21, 2000, p. 70065.

<sup>3</sup> 36 C.F.R. 228.13

<sup>4</sup> Federal Register, Vol. 82, No. 7; Jan. 11, 2017, p. 3432

<sup>5</sup> “Polluting the Future,” Lisa Sumi and Bonnie Gestring, Earthworks, May 2013. <http://bit.ly/2IRBkwu>

<sup>6</sup> “Position Paper on Perpetual Water Treatment for Mines,” Center for Science in Public Participation, 2007. <http://bit.ly/2lhsUeD>

<sup>7</sup> Environmental Policy in Mining; Corporate Strategy and Planning for Closure, eds. Alyson Warhurst, Maria Ligia Noronha, CRC Press, 1999, pp 340-341.

<sup>8</sup> New Mexico Mining Act, Chapter 69, Article 36, Section 69-36-12-B; Michigan Non-Ferrous Mining Statute and Rule, Part 632, Sections 63201-63222; Pennsylvania Clean Streams Law, P.L. 1987, 35 P.S. § 691.1 et seq.

**CEBT RENEWAL**  
**July 1<sup>st</sup>, 2018**

**Town Of Rico**  
**BRANCH BBD8**



Willis Towers Watson  
2000 South Colorado Boulevard  
Tower II, Suite 900  
Denver, CO 80222

## MEMORANDUM

TO: Town Of Rico

FROM: Willis Towers Watson

SUBJECT: CEBT July 1, 2018 Small Group Renewal

Enclosed you will find the CEBT Small Group rate and benefit renewal information for your review. To complete the renewal process please sign and return one copy of each of the documents listed below (marked **SIGNATURE REQUIRED FOR RENEWAL** at the top) by **April 13<sup>th</sup>, 2018**

1. **Renewal Rates sheet**
2. **CEBT Employer Plan Selection**
3. **Business Associates Agreement**

The Renewal Rates sheet shows the current and renewal rates, along with the percentage increase for all CEBT plans available to you with your group's current plan elections highlighted in blue for reference. Please note that there are two new plans for this year's renewal: PPO8 and HD3500.

The CEBT Employer Plan Selection form lists all plans offered through CEBT. You may choose up to three medical plans in addition to the Hospital Reimbursement Plan (HRP). If you are not making any changes to your current plan selection, please mark only that line at the top of the form. If you are changing or adding any plans, please mark all plans that you intend to offer effective July 1, 2018.

As part of CEBT's most recent review of HIPAA compliance measures (privacy and security), updates were made to the Business Associates Agreement (BAA). All CEBT employer groups will be required to sign the updated BAA for compliancy purposes. Please sign and return this document to Willis Towers Watson for completion of your renewal.

The CEBT Benefit Changes sheet outlines each of the plan changes that will take effect July 2018. Please read this sheet carefully to ensure you have a full understanding of the changes taking place. Please communicate these changes to your staff.

Lastly, enclosed is a copy of Willis Towers Watson's Standard Terms and Conditions for Human Capital Accounts. This document outlines the details of the relationship between your organization and Willis Towers Watson as your broker/consultant. This information does not need to be returned, but please retain it for your files.

CEBT remains financially strong with fully funded reserves for run-out claims and a plan stabilization reserve. We look forward to receiving your renewal documents and continuing to offer the exceptional service you've come to expect from Willis Towers Watson and CEBT. If you have any questions or need more information about different plan designs, please contact your account representative at 303-773-1373 or 800-332-1168.





**CEBT**  
**July 2018 Rate Renewal**

**Medical Renewal**

Projected Paid Loss Ratio for June 2018	92.3%
Trend (6.0% annual trend)	x1.06
Administration (\$1 - .085)	÷ .915
Gross Rate Renewal	6.93%

Adjustments to the rate increase

Other Revenue Sources	
Investment income of \$600,000	- 0.37%
Rx Rebate Income of \$3,800,000	- 2.36%

Benefit changes for 2018	<u>0%</u>
	<u>- 2.73%</u>

Overall CEBT Renewal 4.2%

Renewal Brackets

	<u>Loss ratio adj.</u> <u>for claims &gt; \$100k</u>	<u>July 2018</u> <u>rate adjustments</u>
1	77% or lower	2.0%
2	78% to 82%	4.0%
3	83% to 87%	5.0%
4	88% to 92%	6.0%
5	93% to 97%	8.0%
6	98% to 102%	10.5%
7	103% +	13.0%



## Dental and Vision Renewal

	<u>Dental</u>	<u>Vision</u>
Projected Paid Loss Ratio for June 2018	88.5%	80%
Trend	x 1.05	x 1.03
Administration	<u>÷ .915</u>	<u>÷ .915</u>
Calculated Rate Increase	1.6%	-10%
Benefit Changes	<u>+ 0%</u>	<u>+ 6%</u>
	<u>1.6%</u>	<u>- 4%</u>

## Renewal Brackets for July 2018

	<u>Loss ratio</u>	<u>Dental</u>	<u>Vision</u>
1	77% or lower	0.0%	0.0%
2	78% to 87%	0.0%	0.0%
3	88% to 92%	4.0%	0.0%
4	93% to 102%	6.0%	0.0%
5	103% +	8.0%	9.0%



# CEBT

## Utilization Report For December 2017

### Small Groups

Coverage	Enrollment	Paid Claims	Contributions	Loss Ratio	12 Mth Ratio
Month	Total				
January, 2017	1,821	\$1,748,783	\$1,739,624	100.5%	93.6%
February, 2017	1,848	\$1,287,516	\$1,735,557	74.2%	92.5%
March, 2017	1,924	\$1,148,293	\$1,739,708	66.0%	90.6%
April, 2017	1,838	\$1,231,475	\$1,716,177	71.8%	89.5%
May, 2017	1,847	\$1,105,556	\$1,754,248	63.0%	87.1%
June, 2017	1,880	\$1,495,630	\$1,778,607	84.2%	87.1%
July, 2017	1,835	\$1,955,875	\$1,742,330	112.3%	86.7%
August, 2017	1,840	\$1,539,772	\$1,758,749	87.5%	85.2%
September, 2017	1,831	\$1,858,197	\$1,748,632	106.4%	86.0%
October, 2017	1,893	\$2,077,279	\$1,773,109	117.2%	87.2%
November, 2017	1,870	\$1,578,134	\$1,781,669	88.6%	87.0%
December, 2017	1,877	\$1,955,355	\$1,775,157	110.2%	90.2%
Total Month		\$18,982,867	\$21,039,765	90.2%	
Medical	Average				
PPO2	75	\$1,272,132	\$1,108,164	114.8%	
PPO3	285	\$3,839,245	\$3,760,804	102.1%	
PPO4	693	\$6,098,570	\$7,471,837	81.6%	
PPO5	232	\$1,319,212	\$2,088,393	63.2%	
PPO6	134	\$685,345	\$1,230,801	54.1%	
PPO7	48	\$452,869	\$400,789	113.0%	
Total PPO	1,467	\$13,647,373	\$18,060,788	85.0%	
EPO2	0	\$0	\$0	0.0%	
EPO3	57	\$1,218,499	\$711,619	171.2%	
EPO4	191	\$2,537,101	\$2,051,309	123.7%	
EPO5	13	\$60,705	\$94,590	64.2%	
Total EPO	261	\$3,816,304	\$2,857,518	133.6%	
HD1500	0	\$0	\$0	0.0%	
HD2600	44	\$499,748	\$541,121	92.4%	
HD5000	4	\$8,027	\$26,976	29.8%	
Total HD	48	\$507,775	\$568,097	89.4%	
HRP	84	\$0	\$275,275	0.0%	
Total Medical	1,860	\$17,971,453	\$19,781,678	90.9%	
Dental	Average				
Dental A	931	\$567,981	\$793,506	71.6%	
Dental B	306	\$195,642	\$228,821	86.3%	
Dental C	120	\$115,024	\$77,749	147.9%	
Total Dental	1,358	\$878,646	\$1,098,076	80.0%	
Vision	Average				
Vision A	442	\$39,471	\$54,943	71.8%	
Vision B	606	\$74,866	\$97,669	76.7%	
Vision C	138	\$18,431	\$27,399	67.3%	
Total Vision	1,184	\$132,768	\$180,011	73.8%	
Total		\$18,982,867	\$21,039,765	90.2%	
Life A	2,054		\$107,584		
EE Supp Life	33		\$11,098		



**SIGNATURE REQUIRED FOR  
RENEWAL**

BRANCH  
BBD8

**Town Of Rico**  
Renewal and Optional Monthly Rates Effective July 01, 2018

Current Plans: PPO4; Dental A; Vision A; Life A  
Life Coverage: \$20k Base

		EE Only	EE +Spouse	EE + Child	EE +Children	EE +Family	Percent change
Medical (PPO 2)	current	\$848	\$1,696	\$1,569	\$1,569	\$2,037	
(\$600 deductible)	renewal	\$882	\$1,764	\$1,632	\$1,632	\$2,118	4.00%
Medical (PPO 3)	current	\$735	\$1,496	\$1,383	\$1,383	\$1,797	
(\$1,000 deductible)	renewal	\$764	\$1,556	\$1,438	\$1,438	\$1,869	4.00%
Medical (PPO 4)	current	\$654	\$1,331	\$1,231	\$1,231	\$1,598	
(\$1,500 deductible)	renewal	\$680	\$1,384	\$1,280	\$1,280	\$1,662	4.00%
Medical (PPO 5)	current	\$605	\$1,231	\$1,138	\$1,138	\$1,479	
(\$2,500 deductible)	renewal	\$629	\$1,280	\$1,184	\$1,184	\$1,538	4.00%
Medical (PPO 6)	current	\$557	\$1,133	\$1,048	\$1,048	\$1,360	
(\$3,000 deductible)	renewal	\$579	\$1,178	\$1,090	\$1,090	\$1,414	4.00%
Medical (PPO 7)	current	\$512	\$1,042	\$964	\$964	\$1,252	
(\$4,000 deductible)	renewal	\$532	\$1,084	\$1,003	\$1,003	\$1,302	4.00%
Medical (PPO8)	current						
(\$5,000 deductible)	renewal	\$500	\$1,019	\$943	\$943	\$1,224	
Medical (EPO 3)	current	\$757	\$1,542	\$1,501	\$1,501	\$1,927	
(\$1,000 hospital copay)	renewal	\$787	\$1,604	\$1,561	\$1,561	\$2,004	4.00%
Medical (EPO 4)	current	\$676	\$1,378	\$1,341	\$1,341	\$1,723	
(\$1,500 hospital copay)	renewal	\$703	\$1,433	\$1,395	\$1,395	\$1,792	4.00%
Medical (EPO 5)	current	\$642	\$1,309	\$1,274	\$1,274	\$1,636	
(\$2,500 hospital copay)	renewal	\$668	\$1,361	\$1,325	\$1,325	\$1,701	4.00%
Medical (HD2700)	current	\$707	\$1,438	\$1,331	\$1,331	\$1,729	
Formerly HD2600 (\$2,700 deductible)	renewal	\$707	\$1,438	\$1,331	\$1,331	\$1,729	0.00%
Medical (HD3500)	current						
(\$3,500 deductible)	renewal	\$650	\$1,323	\$1,225	\$1,225	\$1,591	
Medical (HD5000)	current	\$587	\$1,197	\$1,107	\$1,107	\$1,436	
(\$5,000 deductible)	renewal	\$587	\$1,197	\$1,107	\$1,107	\$1,436	0.00%
Medical (HRP)	current	\$275					
	renewal	\$275					

Dental Plan A (w/ortho)	current	\$42	\$87	\$111	\$111	\$147	
(\$1750 Annual Max)	renewal	\$42	\$87	\$111	\$111	\$147	0.00%
Dental Plan B (w/ortho)	current	\$34	\$72	\$98	\$98	\$131	
(\$1500 Annual Max)	renewal	\$34	\$72	\$98	\$98	\$131	0.00%
Dental Plan C (w/o ortho)	current	\$34	\$72	\$64	\$64	\$110	
(\$1500 Annual Max)	renewal	\$34	\$72	\$64	\$64	\$110	0.00%
Vision Plan A	current	\$6	\$13	\$14	\$14	\$18	
	renewal	\$6	\$13	\$14	\$14	\$18	0.00%
Vision Plan B (VSP)	current	\$10	\$14	\$13	\$13	\$24	
(12/12/24)	renewal	\$10	\$14	\$13	\$13	\$24	0.00%
Vision Plan C (VSP)	current	\$13	\$18	\$17	\$17	\$31	
(12/12/12)	renewal	\$13	\$18	\$17	\$17	\$31	0.00%

Employee Life Rate 0.14  
(Per \$1,000 in Coverage)

Dependent Life Rate 0.95  
(\$5,000/Spouse & \$2,000/Child)

—Your signature below acknowledges receipt of the CEBT Renewal and Optional Rates, but does not bind your renewal.  
 —To complete your group's renewal, all documents marked "Signature Required For Renewal" must be signed and returned to Willis Towers Watson preferably by [April 13th, 2018](#).  
 —In accordance with your participation agreement, written notice of termination must be received by [May 1st, 2018](#) or run-out claims will not be paid by CEBT.

Received by Kari Diste Fano  
 Title Rice Town Manager

Date 2/12/2018

BBD8



## CEBT EMPLOYER PLAN SELECTION

Town Of Rico

**SIGNATURE  
REQUIRED  
FOR RENEWAL**

**Current Plans Offered:** PPO4; Dental A; Vision A; Life A, \$20k Base

Effective July 1<sup>st</sup>, 2018 our group selects the following benefit options to be offered to our staff:

       IF NO PLAN CHANGES (deletions or additions), mark here and sign the second page.

<u>NETWORK</u>		<u>      </u> United Healthcare Network		<u>      </u> Rocky Mountain Health Plan	
MEDICAL	PLAN	OFFICE CO-PAY (primary/specialist)	HOSPITAL CO-PAY	DEDUCTIBLE (single/family)	MAXIMUM OOP (single/family)
<b>PPO Plans</b>					
<u>      </u>	PPO2	\$30/\$30	N/A	\$600/\$1,800	\$3,500/\$7,000
<u>      </u>	PPO3	\$35/\$35	N/A	\$1,000/\$3,000	\$3,750/\$7,500
<b>X</b>	PPO4	\$40/\$40	N/A	\$1,500/\$4,500	\$4,000/\$8,000
<u>      </u>	PPO5	\$45/\$45	N/A	\$2,500/\$7,500	\$4,500/\$9,000
<u>      </u>	PPO6	\$50/\$50	N/A	\$3,000/\$9,000	\$5,000/\$10,000
<u>      </u>	PPO7	\$55/\$55	N/A	\$4,000/\$12,000	\$6,000/\$12,000
<u>      </u>	PPO8	\$55/\$55	N/A	\$5,000/\$14,000	\$7,000/\$14,000
<b>EPO Plans</b>					
<u>      </u>	EPO3	\$40/\$55	\$1000	N/A	\$5,000/\$10,000
<u>      </u>	EPO4	\$45/\$60	\$1500	N/A	\$5,500/\$11,000
<u>      </u>	EPO5	\$50/\$65	\$2500	N/A	\$6,000/\$12,000
<b>High Deductible Health Plans</b>					
<u>      </u>	HD2700	N/A	N/A	\$2,700/\$5,400	\$5,000/\$10,000
<u>      </u>	HD3500	N/A	N/A	\$3,500/\$7,000	\$6,000/\$12,000
<u>      </u>	HD5000	N/A	N/A	\$5,000/\$10,000	\$6,550/\$13,100

January 30, 2018  
Branch# BBD8

**CEBT EMPLOYER PLAN SELECTION  
(SIGNATURE REQUIRED FOR RENEWAL)**

Page 2

**OTHER**

☐ HRP Hospital Reimbursement Plan (\$1,000 per day for hospital confinement for unreimbursed charges)  
(Please choose one)

**DENTAL**

☒ Plan A \$1,750 annual benefit maximum/ \$2,000 Ortho lifetime maximum

☐ Plan B \$1,500 annual benefit maximum/ \$1,500 Ortho lifetime maximum

☐ Plan C \$1,500 annual benefit maximum/ No Ortho

**VISION**

(Please choose one)

☒ Plan A 12/24/24 \$150 frames, no network

☐ Plan B (VSP) - 12/12/24 \$160 frames, \$15 copay at VSP providers

☐ Plan C (VSP) - 12/12/12, \$175 frames, \$10 copay at VSP providers

**LIFE**

☒ Employer Group Life (required) – Volume \$20k min to \$450k max

☐ Dependent Group Life – Volume \$5k spouse, \$2k child

☐ Voluntary Life

**\* See Benefit Changes Form for any changes in deductible/out of pocket**

***Please sign and return this form as soon as possible (preferably by April 13th, 2018) as supplies will be shipped on a first come first serve basis after all of the REQUIRED DOCUMENTS have been completed and returned to Willis Towers Watson.***

Open enrollment should be held sometime between April and mid-May, and enrollment changes should be returned to Willis Towers Watson **by May 18th, 2018** to ensure that the members receive their ID cards prior to July 1<sup>st</sup>, 2018.

Enrollment changes should be completed **ONLY** under the following circumstances:

1. If an employer group is offering more than one medical plan and the employee wants to change the coverage plan previously selected;
2. If an employer group is offering a dental and/or vision plan and an employee wishes to enroll or drop the coverage;
3. When adding or dropping dependent coverage.

An employer group is allowed to choose a maximum of three medical plans plus the Hospital Reimbursement Plan.

Group Name: Town Of Rico

Branch Number: BBD8

Authorized by \_\_\_\_\_ Date \_\_\_\_\_

(Please keep one copy for your records)

January 30, 2018  
Branch# BBD8

**CEBT  
PARTICIPATING EMPLOYER CERTIFICATION AND  
HIPAA CONFIDENTIALITY AGREEMENT**

This Participating Employer Certification and HIPAA Confidentiality Agreement (together, "Agreement") is effective as of July 1<sup>ST</sup>, 2018 ("Effective Date"), by and between CEBT ("CEBT" or "Health Plan"), and Town Of Rico ("Participating Employer").

**RECITALS**

WHEREAS, Health Plan is maintained pursuant to the Agreement and Declaration of Trust as amended and restated July 1, 2015 and as may be amended thereafter from time to time ("Trust Agreement"); and

WHEREAS, Participating Employer's employees are covered by Health Plan pursuant to the Trust Agreement; and

WHEREAS, Health Plan is a Covered Entity as defined at 45 CFR § 160.103 and is subject to the Administrative Simplification requirements of the Health Insurance Portability and Accountability Act of 1996 ("HIPAA"), and regulations promulgated thereunder, including the Standards for Privacy of Individually Identifiable PHI ("PHI") codified at 45 CFR Parts 160 and 164 (the "Privacy Regulations" or "Privacy Rule") (all regulatory references herein are to Chapter 45 of the Code of Federal Regulations.);

WHEREAS, Participating Employer is permitted to create, obtain, and maintain certain enrollment, disenrollment, and summary information; and

WHEREAS, Participating Employer requires certain PHI to perform administrative functions; and

WHEREAS, the Privacy Regulations require Health Plan to mandate certain protections for the privacy and security of PHI, including restrictions of PHI to certain permitted uses and disclosures;

NOW, THEREFORE, in consideration of the foregoing, and for other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, the parties agree as follows:

**PARTICIPATING EMPLOYER CERTIFICATION REGARDING  
THE USE AND DISCLOSURE OF PHI**

In order to fully comply with HIPAA and its Privacy Regulations, Participating Employer agrees:

1. Not to use or disclose PHI it receives from CEBT other than as permitted or required by this Agreement, the Trust Agreement, or as Required by Law.



2. To ensure that its subcontractors or agents to whom it provides PHI agree to these same restrictions and conditions that apply to Participating Employer with respect to PHI.
3. Not to use or disclose PHI it receives from CEBT for employment-related actions or decisions or on behalf of any other benefit or employee benefit plan of Participating Employer.
4. To report to CEBT any use or disclosure of PHI that is inconsistent with this Agreement, the Trust Agreement, or the Privacy Rule, of which it becomes aware.
5. To permit individuals access to their own PHI.
6. To permit individuals to amend their own PHI.
7. To assist CEBT in providing an accounting of disclosures when requested as required by the Privacy Rule.
8. To make its practices, books, and records regarding its use of PHI available to the Secretary of the U.S. Department of Health and Human Services for purposes of determining CEBT's compliance with HIPAA and its Privacy Rule.
9. To return to CEBT or to destroy, if feasible, all PHI received from CEBT when it is no longer needed, or when such return or destruction is not feasible, to extend the protections of this Agreement to PHI and to limit further uses and disclosures of PHI to those purposes that make the return or destruction of the information infeasible; and
10. To establish appropriate "firewalls" between itself and CEBT, ensuring that only those employees and agents of Participating Employer who require access to PHI in order to perform their plan administration functions are permitted such access.

Participating Employer identifies the following employees and agents as those who require access to PHI in order to perform enrollment and administrative functions as related to Health Plan: *include employee name, function, class/position, (e.g. Director of Human Resources and her staff)*

Employee Name	Function	Class or Position

#### HIPAA CONFIDENTIALITY AGREEMENT

1. **Definitions.** Except as otherwise defined in this Agreement, the terms used in this Agreement shall have the same meaning as those terms used in and defined by the Privacy Regulations.

## **2. Obligations and Activities of Participating Employer.**

2.1. Use and Disclosure. Participating Employer shall not use or disclose any PHI in a manner other than as permitted by the terms of this Agreement or Required by Law.

2.2. Adequate Safeguards for PHI. Participating Employer shall implement and maintain appropriate administrative, physical, and technical safeguards to prevent the Use or Disclosure of PHI and Electronic PHI in any manner other than as permitted by this Agreement.

2.3. Reporting and Mitigating Non-Permitted Use or Disclosure or Breach. Participating Employer shall report to Health Plan any Use or Disclosure of PHI in its possession of which it becomes aware, including security incidents and breaches of Unsecured PHI, that is not permitted by the terms of this Agreement or as may be Required by Law. Participating Employer agrees to mitigate, to the extent practicable, any harmful effect a Use or Disclosure of PHI in violation of the requirements of this Agreement. In the event Participating Employer discovers a breach, Participating Employer shall notify Health Plan as soon as practicable and in no case later than 30 calendar days after the discovery of the breach by Participating Employer. Such notice shall include the identification of each Individual whose unsecured PHI has been, or is reasonably believed by Participating Employer to have been, accessed, acquired, or disclosed during such breach.

2.4. Prohibition on the Collection of Genetic Information. Participating Employer will not collect genetic information from an employee, participant, or potential participant, either for underwriting purposes or prior to or in connection with enrollment.

2.5. Availability of Internal Practices, Books and Records to Government Agencies. Participating Employer agrees to make its internal practices, books and records relating to the Use and Disclosure of PHI received from, or created by Participating Employer on behalf of, Health Plan available to the Secretary of the U.S. Department of Health and Human Services for purposes of determining Health Plan's compliance with the Privacy Regulations.

2.6. Use by Subcontractors and Agents. Participating Employer agrees to require that any of its agents or subcontractors that create, receive, maintain, or transmit PHI on behalf of Participating Employer to agree to the same or substantially similar restrictions, conditions, and requirements that apply to Participating Employer with respect to such information.

2.7. Access to PHI. Upon Health Plan's reasonable written request, Participating Employer will make available PHI in a Designated Record Set to Health Plan in response to an Individual's request as necessary to satisfy Health Plan's obligations under 45 CFR § 164.524.

2.8. Delegation of Health Plan's Duties. To the extent Health Plan properly delegates to Participating Employer through this Agreement any privacy rule obligation of Health Plan, Participating Employer must comply with the same privacy rule provisions that apply to Health Plan in the performance of the obligation.

2.9. Amendment to PHI. Upon Health Plan's reasonable written request, Participating Employer will make any amendment to PHI in a Designated Record Set as agreed to by Health Plan or take other measures necessary to satisfy Health Plan's obligations under 45 CFR § 164.52.

2.10. Accounting of Disclosures. Upon Health Plan's reasonable written request, Participating Employer will maintain and make available the information required to provide an accounting of disclosures to Health Plan as necessary to satisfy Health Plan's obligations under 45 CFR § 164.52.

**3. Permitted Uses and Disclosures of PHI by Participating Employer.**

3.1. Use and Disclosure. Except as otherwise limited by this Agreement, Participating Employer may only use and/or disclose PHI in its capacity as a Participating Employer of Health Plan, for purposes of fulfilling its enrollment and administrative functions or as otherwise Required by Law. Participating Employer may not use or disclose PHI in a manner that would violate 45 CFR Part 164, Subpart E if done by Health Plan.

3.2. Minimum Necessary. Participating Employer shall use and/or disclose PHI only to the extent necessary to satisfy its enrollment and administrative functions.

**4. Obligations of Health Plan.**

4.1. Notice of Privacy Practices. Health Plan shall provide Participating Employer with the Notice of Privacy Practices for PHI that Health Plan produces as required under HIPAA, as well as any changes to such notice.

4.2. Authorization Revocations. Health Plan shall provide Participating Employer with any changes in, or revocation of, permission by Individuals to Use or Disclose PHI about them, if such changes affect Participating Employer's permitted or required uses and disclosures.

4.3. Restrictions. Health Plan shall notify Participating Employer of any restriction on the use or disclosure of PHI that Health Plan has agreed to or is required to abide by pursuant to 45 CFR § 164.522 only if such restriction affects Participating Employer's permitted use or disclosure of PHI pursuant to this Agreement.

4.4. Conformity with Privacy Regulations. Health Plan shall not request Participating Employer to Use or Disclose PHI in a manner that would conflict with the Privacy Regulations or that would be impermissible if Used or Disclosed by Health Plan.

5. Indemnification. To the extent permitted by law, Participating Employer shall hold Health Plan harmless and indemnify it from and defend it in any legal or regulatory proceeding where Participating Employer's alleged violation of HIPAA or the Privacy Regulations is the result of actions or omissions of Participating Employer. To "hold harmless" and to "indemnify" means to pay reasonable legal fees, pay costs, and be responsible for and pay any exactions, fines, penalties, judgments, or other amounts of any kind or nature.

**6. Term and Termination.**

6.1 Term. The term of this Agreement shall commence on the Effective Date and continue until terminated as provided in Section 5.2 of this Agreement, or until such date as Participating Employer's participation in CEBT terminates.

6.2 Termination. Any material breach of a provision of this Agreement is grounds for termination by the non-breaching party. However, the non-breaching party shall provide a

written notice of the alleged breach and afford the breaching party an opportunity to cure said alleged breach upon mutually agreeable terms. If the breaching party fails to cure the breach within thirty (30) days of receipt of notice of the breach, the non-breaching party may terminate this Agreement, report the breach to the secretary of Health and Human Services, and pursue any available remedies. The obligations of Participating Employer to preserve the confidentiality of PHI that it retains after termination of this Agreement shall survive the termination of this Agreement.

**7. Return or Destruction of Health Information.**

**7.1 Return or Destruction of Health Information.** Except as provided in Section 6.2 below, and subject to any applicable record retention rules, upon termination of this Agreement, Participating Employer shall return to Health Plan or destroy all PHI received from Health Plan or created by Participating Employer on behalf of Health Plan. This provision shall also apply to PHI that is in the possession of subcontractors or agents of Participating Employer.

**7.2 When Return or Destruction of Health Information Infeasible.** In the event that Participating Employer reasonably determines that returning or destroying the PHI is infeasible, Participating Employer shall retain the PHI, extend the protections of this Agreement to such PHI and maintain the confidentiality of all such PHI, for so long as Participating Employer maintains such PHI. The obligations of Participating Employer under this Section 6.2 shall survive termination of this Agreement.

**8. Miscellaneous.**

**8.1 Amendments.** No amendment to this Agreement shall be effective unless in writing and executed and dated by the parties hereto.

**8.2 Interpretation.** This Agreement shall be interpreted to conform with the requirements of HIPAA and the Privacy Regulations, including any amendments or modifications to HIPAA and the Privacy Regulations.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized representatives as of the date first stated above.

**CEBT, HEALTH PLAN**

**PARTICIPATING EMPLOYER**

By: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_



## CEBT BENEFIT CHANGES (Effective July 1, 2018)

### CEBT Plans will have the following benefit changes:

#### Medical

- Additional plan options available:

Plan	PPO8 (New 7/1/18)	HD3500 (New 1/1/18)
Office Copay	\$55	N/A
Deductible (single/family)	\$5,000 / \$14,000	\$3,500 / \$7,000
Maximum OOP (single/family)	\$7,000 / \$14,000	\$6,000 / \$12,000

- Vision Therapy: Coverage available if medically necessary for specific conditions. Subject to office visit copay or deductible co-insurance, depending on place of service, limited to 20 visits per condition.
- Hearing Aids (Over age 18): \$3,500 benefit available every 36 months. High Deductible (HDHP) plans will apply to deductible first.
- Hospital Reimbursement Plan (HRP): This plan has been updated and is now considered a COBRA eligible plan. If someone is enrolled in this plan and is terminated from coverage, COBRA notification will be required.

#### Vision

- Increase to the Frame and Contact lens allowance

Plan Option	Frames / Contact Lens
Plan A	Current: \$130 New: \$150
Plan B (VSP)	Current: \$130 New: \$160
Plan C (VSP)	Current: \$150 New: \$175

### Changes Due to Legislation

- Generic Statins will be covered at no cost share for members:
  - Age 40-75 (men and women)
  - With one or more CVD risk factors; and
  - That have a calculated 10 year risk of cardiovascular event of 10% or greater

(Please keep one copy for your records)

January 30, 2018

**CEBT  
PARTICIPATING EMPLOYER CERTIFICATION AND  
HIPAA CONFIDENTIALITY AGREEMENT**

This Participating Employer Certification and HIPAA Confidentiality Agreement (together, "Agreement") is effective as of \_\_\_\_ July 1<sup>ST</sup>, 2018\_\_\_\_ ("Effective Date"), by and between CEBT ("CEBT" or "Health Plan"), and Town Of Rico ("Participating Employer").

**RECITALS**

WHEREAS, Health Plan is established and maintained pursuant to the Agreement and Declaration of Trust effective July 1, 1995 as amended and restated July 1, 2015 and as may be amended thereafter from time to time ("Trust Agreement"); and

WHEREAS, Participating Employer's employees are covered by Health Plan pursuant to the Trust Agreement; and

WHEREAS, Health Plan is a Covered Entity as defined at 45 CFR § 160.103 and is subject to the Administrative Simplification requirements of the Health Insurance Portability and Accountability Act of 1996 ("HIPAA"), and regulations promulgated thereunder, including the Standards for Privacy of Individually Identifiable PHI ("PHI") codified at 45 CFR Parts 160 and 164 (the "Privacy Regulations" or "Privacy Rule") (all regulatory references herein are to Chapter 45 of the Code of Federal Regulations.);

WHEREAS, Participating Employer is permitted to create, obtain, and maintain certain enrollment, disenrollment, and summary information; and

WHEREAS, Participating Employer requires certain PHI to perform administrative functions; and

WHEREAS, the Privacy Regulations require Health Plan to mandate certain protections for the privacy and security of PHI, including restrictions of PHI to certain permitted uses and disclosures;

NOW, THEREFORE, in consideration of the foregoing, and for other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, the parties agree as follows:

**PARTICIPATING EMPLOYER CERTIFICATION REGARDING  
THE USE AND DISCLOSURE OF PHI**

In order to fully comply with HIPAA and its Privacy Regulations, Participating Employer agrees:

1. Not to use or disclose PHI it receives from CEBT other than as permitted or required by this Agreement, the Trust Agreement, or as Required by Law.

2. To ensure that its subcontractors or agents to whom it provides PHI agree to these same restrictions and conditions that apply to Participating Employer with respect to PHI.
3. Not to use or disclose PHI it receives from CEBT for employment-related actions or decisions or on behalf of any other benefit or employee benefit plan of Participating Employer.
4. To report to CEBT any use or disclosure of PHI that is inconsistent with this Agreement, the Trust Agreement, or the Privacy Rule, of which it becomes aware.
5. To permit individuals access to their own PHI.
6. To permit individuals to amend their own PHI.
7. To assist CEBT in providing an accounting of disclosures when requested as required by the Privacy Rule.
8. To make its practices, books, and records regarding its use of PHI available to the Secretary of the U.S. Department of Health and Human Services for purposes of determining CEBT's compliance with HIPAA and its Privacy Rule.
9. To return to CEBT or to destroy, if feasible, all PHI received from CEBT when it is no longer needed, or when such return or destruction is not feasible, to extend the protections of this Agreement to PHI and to limit further uses and disclosures of PHI to those purposes that make the return or destruction of the information infeasible; and
10. To establish appropriate "firewalls" between itself and CEBT, ensuring that only those employees and agents of Participating Employer who require access to PHI in order to perform their plan administration functions are permitted such access.

Participating Employer identifies the following employees and agents as those who require access to PHI in order to perform enrollment and administrative functions as related to Health Plan: *include employee name, function, class/position, (e.g. Director of Human Resources and her staff)*

Employee Name	Function	Class or Position

### HIPAA CONFIDENTIALITY AGREEMENT

1. **Definitions.** Except as otherwise defined in this Agreement, the terms used in this Agreement shall have the same meaning as those terms used in and defined by the Privacy Regulations.

## **2. Obligations and Activities of Participating Employer.**

2.1. Use and Disclosure. Participating Employer shall not use or disclose any PHI in a manner other than as permitted by the terms of this Agreement or Required by Law.

2.2. Adequate Safeguards for PHI. Participating Employer shall implement and maintain appropriate administrative, physical, and technical safeguards to prevent the Use or Disclosure of PHI and Electronic PHI in any manner other than as permitted by this Agreement.

2.3. Reporting and Mitigating Non-Permitted Use or Disclosure or Breach. Participating Employer shall report to Health Plan any Use or Disclosure of PHI in its possession of which it becomes aware, including security incidents and breaches of Unsecured PHI, that is not permitted by the terms of this Agreement or as may be Required by Law. Participating Employer agrees to mitigate, to the extent practicable, any harmful effect a Use or Disclosure of PHI in violation of the requirements of this Agreement. In the event Participating Employer discovers a breach, Participating Employer shall notify Health Plan as soon as practicable and in no case later than 30 calendar days after the discovery of the breach by Participating Employer. Such notice shall include the identification of each Individual whose unsecured PHI has been, or is reasonably believed by Participating Employer to have been, accessed, acquired, or disclosed during such breach.

2.4. Prohibition on the Collection of Genetic Information. Participating Employer will not collect genetic information from an employee, participant, or potential participant, either for underwriting purposes or prior to or in connection with enrollment.

2.5. Availability of Internal Practices, Books and Records to Government Agencies. Participating Employer agrees to make its internal practices, books and records relating to the Use and Disclosure of PHI received from, or created by Participating Employer on behalf of, Health Plan available to the Secretary of the U.S. Department of Health and Human Services for purposes of determining Health Plan's compliance with the Privacy Regulations.

2.6. Use by Subcontractors and Agents. Participating Employer agrees to require that any of its agents or subcontractors that create, receive, maintain, or transmit PHI on behalf of Participating Employer to agree to the same or substantially similar restrictions, conditions, and requirements that apply to Participating Employer with respect to such information.

2.7. Access to PHI. Upon Health Plan's reasonable written request, Participating Employer will make available PHI in a Designated Record Set to Health Plan in response to an Individual's request as necessary to satisfy Health Plan's obligations under 45 CFR § 164.524.

2.8. Delegation of Health Plan's Duties. To the extent Health Plan properly delegates to Participating Employer through this Agreement any privacy rule obligation of Health Plan, Participating Employer must comply with the same privacy rule provisions that apply to Health Plan in the performance of the obligation.

2.9. Amendment to PHI. Upon Health Plan's reasonable written request, Participating Employer will make any amendment to PHI in a Designated Record Set as agreed to by Health Plan or take other measures necessary to satisfy Health Plan's obligations under 45 CFR § 164.52.



2.10. Accounting of Disclosures. Upon Health Plan's reasonable written request, Participating Employer will maintain and make available the information required to provide an accounting of disclosures to Health Plan as necessary to satisfy Health Plan's obligations under 45 CFR § 164.52.

**3. Permitted Uses and Disclosures of PHI by Participating Employer.**

3.1. Use and Disclosure. Except as otherwise limited by this Agreement, Participating Employer may only use and/or disclose PHI in its capacity as a Participating Employer of Health Plan, for purposes of fulfilling its enrollment and administrative functions or as otherwise Required by Law. Participating Employer may not use or disclose PHI in a manner that would violate 45 CFR Part 164, Subpart E if done by Health Plan.

3.2. Minimum Necessary. Participating Employer shall use and/or disclose PHI only to the extent necessary to satisfy its enrollment and administrative functions.

**4. Obligations of Health Plan.**

4.1. Notice of Privacy Practices. Health Plan shall provide Participating Employer with the Notice of Privacy Practices for PHI that Health Plan produces as required under HIPAA, as well as any changes to such notice.

4.2. Authorization Revocations. Health Plan shall provide Participating Employer with any changes in, or revocation of, permission by Individuals to Use or Disclose PHI about them, if such changes affect Participating Employer's permitted or required uses and disclosures.

4.3. Restrictions. Health Plan shall notify Participating Employer of any restriction on the use or disclosure of PHI that Health Plan has agreed to or is required to abide by pursuant to 45 CFR § 164.522 only if such restriction affects Participating Employer's permitted use or disclosure of PHI pursuant to this Agreement.

4.4. Conformity with Privacy Regulations. Health Plan shall not request Participating Employer to Use or Disclose PHI in a manner that would conflict with the Privacy Regulations or that would be impermissible if Used or Disclosed by Health Plan.

5. Indemnification. To the extent permitted by law, Participating Employer shall hold Health Plan harmless and indemnify it from and defend it in any legal or regulatory proceeding where Participating Employer's alleged violation of HIPAA or the Privacy Regulations is the result of actions or omissions of Participating Employer. To "hold harmless" and to "indemnify" means to pay reasonable legal fees, pay costs, and be responsible for and pay any exactions, fines, penalties, judgments, or other amounts of any kind or nature.

**6. Term and Termination.**

6.1 Term. The term of this Agreement shall commence on the Effective Date and continue until terminated as provided in Section 5.2 of this Agreement, or until such date as Participating Employer's participation in CEBT terminates.

6.2 Termination. Any material breach of a provision of this Agreement is grounds for termination by the non-breaching party. However, the non-breaching party shall provide a

written notice of the alleged breach and afford the breaching party an opportunity to cure said alleged breach upon mutually agreeable terms. If the breaching party fails to cure the breach within thirty (30) days of receipt of notice of the breach, the non-breaching party may terminate this Agreement, report the breach to the secretary of Health and Human Services, and pursue any available remedies. The obligations of Participating Employer to preserve the confidentiality of PHI that it retains after termination of this Agreement shall survive the termination of this Agreement.

**7. Return or Destruction of Health Information.**

7.1 Return or Destruction of Health Information. Except as provided in Section 6.2 below, and subject to any applicable record retention rules, upon termination of this Agreement, Participating Employer shall return to Health Plan or destroy all PHI received from Health Plan or created by Participating Employer on behalf of Health Plan. This provision shall also apply to PHI that is in the possession of subcontractors or agents of Participating Employer.

7.2 When Return or Destruction of Health Information Infeasible. In the event that Participating Employer reasonably determines that returning or destroying the PHI is infeasible, Participating Employer shall retain the PHI, extend the protections of this Agreement to such PHI and maintain the confidentiality of all such PHI, for so long as Participating Employer maintains such PHI. The obligations of Participating Employer under this Section 6.2 shall survive termination of this Agreement.

**8. Miscellaneous.**

8.1 Amendments. No amendment to this Agreement shall be effective unless in writing and executed and dated by the parties hereto.

8.2 Interpretation. This Agreement shall be interpreted to conform with the requirements of HIPAA and the Privacy Regulations, including any amendments or modifications to HIPAA and the Privacy Regulations.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized representatives as of the date first stated above.

**CEBT, HEALTH PLAN**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**PARTICIPATING EMPLOYER**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

# CEBT: Communities

## Get Started With Online Enrollment



### Communities Quick Facts:

- **Simple Setup**- Your designated membership and premium accounting representative will help guide you through the initial setup, train you on the system, and act as ongoing technical support.
- **Grab monthly Invoices**- Ability to download monthly invoice in excel or pdf, and view past invoices.
- **Run Enrollment and Census Reports**- Employers have the ability to run a variety of reports to track changes processed in the system, and gather information as needed.
- **Real-Time Data**- Ability to see current enrollment information.
- **24/7 Access**- Employers and employees have access to making changes or managing enrollment at any time.
- **Enrollment Management**- During the year and at open enrollment Employers and Employees have access to view benefits, make changes to benefits, and update demographic information.
- **Ongoing Administration**- Communities allows Employers to update employment information, add newly eligible employees year round, and process terminations.
- **Secure Process to house data and send PHI**- Our secure online enrollment system uses a 256-bit encryption at rest and in transit.
- **Two-Step approval process**- Any changes made by an employee will be submitted to both the employer and CEBT for final approval to ensure no errors were made.
- **Track Communication and Documentation**- Ability to open cases on specific member eligibility/billing issues, send/attach documents, order ID cards for members, view past discussions, and order supplies.

### To Get Started:

Contact your MPA representative to begin using the online system, as access is currently available for all CEBT Employer groups.

Please visit [www.CEBT.org](http://www.CEBT.org) and click on the Communities tab for video tutorials, instructional flyers, and to access the Online Community.



**Standard Terms and Conditions for Human Capital Accounts**

Please note the following terms and conditions related to your decision to utilize Willis Towers Watson to purchase insurance coverage, products and/or services:

**Services and Responsibilities**

The services we provide to you will rely in significant part on the facts, information and direction provided by you or your authorized representatives. In order to make our relationship work, we must each provide the other with accurate and timely facts, information and direction as is reasonably required. You must provide us with complete and accurate information regarding your loss experience, risk exposures, and changes in the analysis or scope of your risk exposures and any other information reasonably requested by us or insurers. It is important that you advise us of any changes in your business operations that may affect our Services, the insurance coverages, or other services we place for you. If you have any doubt about what information is material, please ask us inasmuch as failure to provide accurate and current information could adversely impact your insurance coverage.

We will assess the financial soundness of the insurers we recommend to provide your coverages based on publicly available information, including that produced by well-recognized rating agencies. Upon request, we will provide you with our factual analysis of such insurers. We cannot, however, guarantee or warrant the solvency of any insurer or any intermediary that we may use to place your coverage.

The final decisions with respect to underwriting submissions and all matters relating to your insurance coverages and employee benefits program are yours. We will procure the insurance coverage and services chosen by you, assist in confirming coverage, and review and transmit policies to you.

We will review all policies and endorsements for the purpose of confirming their accuracy and conformity to negotiated specifications and your instructions and advise you of any errors in, or recommended changes to, such policies. You agree that you will also review all such documents and advise us of any questions you have or of any document or provision which you believe may not be in accordance with your instructions as soon as possible, and in no event longer than two weeks, after you receive them.

We will meet, as requested by you, with your representatives to explain coverage and policies. We will promptly respond to your requests for coverage information, analysis of changing market conditions, and assistance in reporting subsequent changes in information to insurance companies and service providers.

In our capacity as employee benefits professionals, we do not provide legal or tax advice. We encourage you to seek any such advice you want or need from competent legal counsel or tax professionals.

**Confidentiality**

We will treat information you provide us in the course of our professional relationship as confidential and will use it only in performing services for you. We may share this information with third parties as may be required to provide services. We may also disclose this information to the extent required to comply with applicable laws or regulations or the order of any court or tribunal. By providing us with data, you agree and represent that you are fully authorized to possess that data and to provide it to us, and further that we are fully authorized to obtain, maintain, process and transfer such data in a commercially reasonable manner and as we reasonably deem advisable in order to provide our services. In so doing, we agree that we will comply with all applicable privacy laws, and that we have implemented and will maintain commercially reasonable and appropriate security measures in order to protect sensitive information from unauthorized use or disclosure. Records you provide us will remain your property and will be returned to you upon request, although we will have the right to retain copies of such records to the extent required in the ordinary course of our business or by law. You will treat any information we provide to you, including

## WillisTowersWatson

data, recommendations, proposals, or reports, as confidential, and you will not disclose it to any third parties. You may disclose this information to the extent required to comply with applicable laws or regulations or the order of any court or tribunal. We retain the sole rights to all of our proprietary computer programs, systems, methods and procedures and to all files developed by us.

Willis Towers Watson represents and warrants that, with respect to the personal information of any Massachusetts resident, (1) it has and is capable of maintaining appropriate security measures to protect Personal Information consistent with 201 CMR 17.00 and any applicable federal regulations; and (2) as of the Agreement Effective Date, it has and will at all times during the term of this Agreement, maintain a comprehensive written information security program that complies with applicable privacy and data security laws. Willis Towers Watson's information security program shall contain at least the following:

- Reasonable restrictions upon physical access to records containing personal information and storage of such records and data in locked facilities, storage areas or counters.
- Regular monitoring to ensure that the comprehensive information security program is operating in a manner reasonably calculated to prevent unauthorized access to or unauthorized use of personal information; and upgrading information safeguards as necessary to limit risks.
- Reviewing the scope of the security measures at least annually or whenever there is a material change in business practices that may reasonably implicate the security or integrity of records containing personal information.
- Documenting responsive actions taken in connection with any incident involving a breach of security, and mandatory post-incident review of events and actions taken, if any, to make changes in business practices related to protection of personal information.

In the event that you or any of the benefit plans you sponsor need to enter into business associate agreements with Willis Towers Watson in order to satisfy the requirements of the Health Insurance Portability and Accountability Act, the regulations implementing that Act (the "Standards for Privacy of Individually Identifiable Health Information," codified at 45 C.F.R. parts 160 and 164), or any other similar law, you agree to work with Willis Towers Watson to execute an agreement in compliance with these requirements.

### Carrier Quotes

The quotes we have provided to you are based upon the information that you have provided to us. If you discover that previously submitted information is inaccurate or incomplete, please advise us immediately so that we can attempt to revalidate terms with insurers.

A carrier quote is an offer to provide coverage. Offers can be modified or withdrawn prior to your acceptance through your order to bind coverage. The quote itself is not a legally binding commitment or a confirmation of actual coverage. Should you choose to bind coverage, we will secure a formal commitment, typically in the form of a binder on a form issued or approved by the carrier(s) at issue.

### Compensation and Disclosure

Willis Towers Watson is an insurance producer licensed to do business worldwide, including in all 50 states and the District of Columbia. Insurance producers are authorized by their license to work with insurance purchasers and discuss the benefits and terms and conditions of insurance contracts; to offer advice concerning the substantive benefits of particular insurance contracts; to sell insurance; and to obtain insurance for purchasers. The role of an insurance producer in any particular transaction involved one or more of these activities.

The compensation that will be paid to Willis Towers Watson will vary based on the insurance contract it sells. Depending on the insurer and insurance contract you select, compensation may be paid by the insurer selling the insurance contract or by another third party. Such compensation may be contingent and may vary depending on a number of factors, including the insurance contract and insurer you select. In some cases, other factors such as the volume of business Willis Towers Watson provides to the insurer or the profitability of insurance contracts Willis Towers Watson provides to the insurer also may affect compensation. Willis Towers Watson may accept this compensation in locations where it is legally permissible, and meet standards and controls to address conflicts of interest. Because insurers account for contingent payments when developing general pricing, the price you pay for your policies is not affected whether Willis Towers Watson accepts contingent payments or not. If you prefer that we not accept contingent compensation related to your policy, we will request that your insurer(s) exclude your business from their contingent payment calculations.

Upon request, Willis Towers Watson will provide you with additional information about the compensation Willis Towers Watson expects to receive based in whole or in part on your purchase of insurance, and (if applicable) the compensation expected to be received based in whole or in part on any alternative quotes presented to you.

To the extent Willis Towers Watson is compensated by commissions paid to us by insurers, they will be earned for the entire policy period at the time we place policies for you. We will be paid the commission percentage stated for the placement of your insurance as indicated, and will receive the same commission percentage for all subsequent renewals of this policy unless we negotiate a different commission percentage with you.

Commission schedules and other compensation arrangements related to our services on your behalf may change over time and may not always be congruent with your specific policy period. Willis Towers Watson will provide you with accurate information to the best of our knowledge when information is requested or presented to you, but it is possible that compensation arrangements may change over time.

In some cases the use of a wholesale broker may be beneficial to you. We will not directly or indirectly place or renew your insurance business through a wholesale broker unless we first disclose to you in writing any compensation we or our corporate parents, subsidiaries or affiliates will receive as a result.

Willis Towers Watson develops panels of insurers in certain market segments. Participating insurers are reviewed on a variety of factors. Commission rates on panel placements may be higher than rates paid on business placed outside of the panel process. Willis Towers Watson discloses its commission rates to clients on quotes obtained through the panel process prior to binding the coverage. In some instances, insurers pay an administration fee to participate in the panel process, or for additional reporting. Your Willis Towers Watson broker will provide you with additional information on Willis Towers Watson Panels upon request.

You may choose to use a third party administrator, utilization review firm or other similar service provider in connection with the insurance coverages we place for you or the services we provide to you. If you elect to use a service provider from which we or our corporate parents, subsidiaries or affiliates will receive any compensation directly or indirectly relating to the services you purchase from the provider, we will disclose additional information regarding that compensation to you before you make a final decision to use the service provider.

We or our corporate parents, subsidiaries, and affiliates may provide reinsurance brokerage services to insurers with which your coverage is placed pursuant to separate agreements with those insurers. Under these arrangements we may be compensated by the insurers for the services provided in addition to any commissions we may receive for placement of your insurance coverages.

In certain instances and where explicitly agreed upon in advance, Willis Towers Watson may collect insurance premium from you and remit the premium to the appropriate insurance company or intermediary. In doing so, we

may also receive and retain interest on premiums you pay from the date we receive the funds until we pay them to the insurers or their intermediaries, or until we return them to you after we receive such funds.

As an insurance intermediary, we normally act for you. However, for some insurance products we or our corporate parents, subsidiaries or affiliates may have managing general agent agreements or other agreements which give us binding authority enabling us to accept business on their behalf and immediately provide coverage for a risk. Further, we or our corporate parents, subsidiaries or affiliates may arrange lineslips or similar facilities which enable an insurer to bind business for itself and other insurers and we may manage these lineslips for such insurers. We may place your insurance business under a managing general agent's agreement, a binding authority, lineslip or similar facility when we reasonably consider these match your insurance requirements/instructions. When we intend to bind coverage for you under such a facility, we shall inform you prior to the inception of the insurance contract.

Subsidiaries of Willis North America Inc are members of a major international group of companies. In addition to the commissions received by us from insurers for placement of your insurance coverages, other parties, such as excess and surplus lines brokers, wholesale brokers, reinsurance intermediaries, underwriting managers and similar parties (some of which may be owned in whole or in part by our corporate parents or affiliates), may earn and retain usual and customary commissions for their role in providing insurance products or services to you under their separate contracts with insurers or reinsurers.

The insurance market is complex, and there could be other relationships which are not described in this document which might create conflicts of interest. If a conflict arises for which there is no practicable way of complying with this commitment, we will promptly inform you and withdraw from the engagement, unless you wish us to continue to provide the services and will provide your written consent. Please let us know in writing if you have concerns or we will assume that you understand and consent to our providing our services pursuant to these terms.

Prices on the services specified herein are exclusive of all federal, state, and local sales, use, excise, receipts, gross income and other similar taxes and governmental charges. Any such taxes or charges upon the services provided hereunder, now imposed or hereafter becoming effective during the Term of this agreement, shall be added to the price herein provided and paid by you unless, in lieu thereof, you provide us with a valid tax exemption certificate acceptable to us.

The Foreign Account Tax Compliance Act (FATCA) is a U.S. law aimed at foreign financial institutions and other financial intermediaries (including insurance companies and intermediaries such as brokers) to prevent tax evasion by U.S. citizens and residents through offshore accounts. FATCA only applies if you are a U.S. company or individual or a non-U.S. company paying premium through a U.S. insurance broker to a non-U.S. insurer. In order to comply with FATCA, insurance companies and intermediaries must meet certain legal requirements. Insurance placed with an insurance company that is not FATCA compliant may result in a 30% withholding tax on your premium. Where FATCA is applicable to you, in order to avoid this withholding tax, Willis Towers Watson will only place your insurance with FATCA-compliant insurers and intermediaries for which no withholding is required unless you instruct us to do otherwise and provide your advance written authorization to do so. If you do instruct Willis Towers Watson to place your insurance with a non-FATCA compliant insurer or intermediary, you may have to pay an additional amount equivalent to 30% of the premium covering U.S.-sourced risks to cover the withholding tax. If you instruct us to place your insurance with a non-FATCA compliant insurer but you do not agree to pay the additional 30% withholding if required, we will not place your insurance with such insurer. Please consult your tax adviser for full details of FATCA.

### **Premium Payment/Handling of Funds**

You agree to provide immediately available funds for payment of premiums by the payment dates specified in the insurance policies, invoices or other payment documents. Failure to pay premium on time may prevent coverage

from incepting or result in cancellation of coverage by the insurer. We will not be responsible for any consequences that may arise from any delay or failure by you to pay the amount payable by the indicated date.

We will handle any premiums you pay through us and any funds which we receive from insurers or intermediaries for payment or return to you in accordance with the requirements and restrictions of applicable state and federal insurance laws and regulations and state unclaimed property laws. In some cases we may transfer your funds directly to insurers. In other case we may be required to transfer your funds to third parties such as wholesale brokers, excess and surplus lines brokers, or managing general agents for carrying out transactions for you.

### **Ethical Business Practice**

We do not tolerate unethical behavior either in our own activities or in those with whom we seek to do business. We will comply with all applicable laws, regulations, and rules.

### **Sanctions**

The sanctions profile of different business(es) may differ on the basis of a number of complex factors. Whether a sanctions program applies to you depends on a number of factors, including your ownership structure, control, location, and the nationality of your employees. In certain circumstances, the United States and other countries prohibit or restrict companies from conducting business in certain jurisdictions (e.g. Cuba), and can sanction companies who conduct such business. We cannot advise on the applicability of sanctions programs either to you or to insurers nor can we guarantee or otherwise warrant the position of any insurer under existing or future sanctions programs. You should take legal advice as you deem appropriate in this regard.

We will comply with all applicable sanctions programs and you are advised that, where obliged by law, we may have to take certain actions, including freezing of funds held on behalf of parties and individuals as required by sanctions programs.

### **Anti-money Laundering**

To comply with applicable anti-money laundering regulations there are times when we may ask clients to confirm (or reconfirm) their identity. We may need to do this at the time you become a client or have been one for some time or for example, when checking details on proposal forms and transferring claims payments. This information may be shared with other subsidiaries of Willis Towers Watson PLC and where we deem necessary with regulatory or law enforcement bodies. Please note that we are prohibited from disclosing to you any report we may make based on knowledge or suspicion of money laundering, including the fact that such a report has been made.

We have systems that protect our clients and ourselves against fraud and other crime and we may utilize the **services of third parties in order to identify and verify clients**. Client information can be used to prevent crime and trace those responsible. We may check your details against financial crime databanks. If false or inaccurate information is provided, we may be obliged to pass such details to relevant regulatory agencies that may use this information.

### **Intellectual Property**

Willis Towers Watson shall own and retain all right, title, and interest in and to the following (collectively, "Willis Towers Watson Property"): (i) all software, hardware, technology, documentation, and information provided by Willis Towers Watson in connection with the Claim and Risk Control Services; (ii) all ideas, know-how, methodology, models and techniques that may be developed, conceived, or invented by Willis Towers Watson during its performance under this Agreement; and (iii) all worldwide patent, copyright, trade secret, trademark and other intellectual property rights in and to the property described in clauses (i) and (ii) above. Accordingly, all rights in the Willis Towers Watson Property are hereby expressly reserved.



## Electronic Communication

We agree that we may communicate with each other from time to time by electronic mail, sometimes attaching further electronic data as and when the circumstances require attachments. By consenting to this method of communication you and we accept the inherent risks (including the security risks of interception of or unauthorized access to such communications, the risks of corruption of such communications and the risks of viruses or other harmful devices). We each agree, however, that we will employ reasonable virus checking procedures on our computer systems, and we will each be responsible for checking all electronic communications received for viruses. You will also be responsible for checking that messages received are complete. In the event of a dispute neither of us will challenge the legal evidentiary standing of an electronic document, and the Willis Towers Watson system shall be deemed the definitive record of electronic communications and documentation.

Please note that our system blocks certain file extensions for security reasons, including, but not necessarily limited to, .rar, .text, .vbs, .mpeg, .mp3, .cmd, .cpl, .wav, .exe, .bat, .scr, .mpq, .avi, .com, .pif, .wma, .mpa, .mpg, .jpeg. Emails with such files attached will not get through to us; and no message will be sent to tell you they have been blocked. If you intend to send us emails with attachments, please verify with us in advance that our system will accept the proposed form of attachment.

## Other Agreements

To the extent there is a conflict between this Agreement and a separately negotiated and signed agreement between you and Willis Towers Watson, the relevant portions of the signed agreement will control.

## Termination

In the event of termination, we will be entitled to receive and retain any commissions payable under the terms of our commission agreements with the insurers in relation to policies placed by us, whether or not the commissions have been received by us.

Our obligation to render services under the agreement ceases on the effective date of termination of the agreement. Nevertheless, we will process all remaining deposit premium installments on policies in effect at the time of termination. Claims and premium or other adjustments may arise after our relationship ends. Such items are normally handled by the insurance broker serving you at the time the claim or adjustment arises. However, it may be mutually agreed that we will provide services in these areas after the termination of our relationship for mutually agreed additional compensation. The obligations set forth under "Confidentiality" above shall survive any termination of the agreement.

## Choice of Law

Our agreement for services shall be governed by and construed in accordance with the laws of the state in which our office is located.

## Inquiries and Complaints

Your satisfaction is important to us. If you have questions or complaints, please inform the person who handles your account or contact the head of our office. Alternatively, you may call 1-866-704-5115, the toll free number we have set up exclusively for client feedback and complaints.

<b>Goal 1: Continue Community Engagement through Meetings</b>					
<b>Key Action Steps</b>	<b>Timeline</b>	<b>Expected Outcomes</b>	<b>Evaluation Methodology</b>	<b>Persons Responsible</b>	<b>Comments</b>
Sign new Contract with Marjo Curgus of Del Corazón Consulting	February 21 <sup>st</sup> , 2018 Trustee's Meeting	Contract with Del Corazón Consulting for three more community meetings this year	Is there a signed contract?	Kari Distefano / Marjo Curgus	
Schedule Meetings	February – September 2018	Three more community meetings to occur prior to November election	Have the meetings been scheduled and advertises to the Community	Kari Distefano / Marjo Curgus	
Summarize Meetings	February – September 2018	Subsequent to meeting, summaries will be written and supplied to the community for comment	Are summaries available and posted to the web site and mailed out in water bills	Kari Distefano / Marjo Curgus	
<b>Goal 2: Get Commuter Shuttle Service to and from Telluride Up and Running</b>					
<b>Key Action Steps</b>	<b>Timeline</b>	<b>Expected Outcomes</b>	<b>Evaluation Methodology</b>	<b>Persons Responsible</b>	<b>Comments</b>
Get volunteer drivers approved by CIRSA	January 29 <sup>th</sup> – February 15 <sup>th</sup>	A pool of at least three drivers will be available to drive the Rico Shuttle	Do we have three approved volunteer drivers	Kari Distefano / Volunteer Drivers / David Averill (SMART)	

Insure that shuttle runs regularly	February 6 <sup>th</sup>	That the Rico to Telluride Shuttle begins running regularly five days a week	Is the shuttle reliable?	Kari Distefano / Volunteer Drivers	
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### Goal 3: Issue Request for Proposals for Preliminary Engineering Report for Central Sewer in Commercial Core

Key Action Steps	Timeline	Expected Outcomes	Evaluation Methodology	Persons Responsible	Comments
Secure grant funding from DOLA or other source should the DOLA grant application fail	Reviews of DOLA grant applications for this round occur in March. Award notifications three weeks later and no work can occur until grant contracts are executed. Expected issue date for RFPs – June 2018	Hire a engineering team to conduct a preliminary engineering report and feasibility study for a central sewer along the commercial core	Is funding available from DOLA? Has an engineering team been hired	Kari Distefano	

### Goal 4: Issue Request for Proposals for a Water System Analysis

Key Action Steps	Timeline	Expected Outcomes	Evaluation Methodology	Persons Responsible	Comments
Secure grant funding from SWCD	Reviews of CWCB grant applications	Hire a engineering team to conduct a	Is funding available from SWCD and	Kari Distefano	

and CWCB or other source should these grant applications fail	for this round occur in April. Award notifications three weeks later and no work can occur until grant contracts are executed. Expected issue date for RFPs – June to July 2018	water system analysis with the ultimate goal of re-activating the Silver Creek System	CWCB? Has an engineering team been hired		
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#### Goal 5: Develop an Infrastructure Ballot Initiative for the November 2018 Election

Key Action Steps	Timeline	Expected Outcomes	Evaluation Methodology	Persons Responsible	Comments
Determine if and to what degree there is public support for a tax for upgraded infrastructure and additional town services	March – September 2018	Several proposals will be discussed at community meetings. A preferred option will be generated	Will a ballot initiative pass?	Kari Distefano	

#### Goal 6: Encourage and Support Economic Development in Rico

Key Action Steps	Timeline	Expected Outcomes	Evaluation Methodology	Persons Responsible	Comments
Explore programs such as Blueprint 2.0 Tourism Initiative	?	Putting together a grant application for Rico to take part in the Office of	Has a grant application been submitted?	Kari Distefano	

		Economic Development and International Trade			
<b>Goal 7: Finish River Corridor Project</b>					
Key Action Steps	Timeline	Expected Outcomes	Evaluation Methodology	Persons Responsible	Comments
Continue to send survey out for signatures	This depends on potential problems with owners.	A survey filed in the Office of the Clerk & Recorder of Dolores County	Has the map been filed and easements secured	Kari Distefano	We may have challenges with two owners. One wants an easement agreement similar to that of Burnett and O'Grady and one wants a land trade
Begin discussions with River Corridor and South land owners regarding a potential trail along the old railroad right-of-way to USFS property	March 2018 – March 2019	Easement agreements with owners between the Town of Rico River Corridor easement and USFS property	Have easements been secured?	Kari Distefano	Rico Trails alliance may be interested in helping with this effort.
<b>Goal 8: Establish a Protocol for Vacant Lots Impacted by Lead and Other Mining Activities</b>					
Key Action Steps	Timeline	Expected Outcomes	Evaluation Methodology	Persons Responsible	Comments
Obtain (if possible)	? This will depend	Rico has access to	Is updated	Kari Distefano /	

lead sampling data	on data availability possibly through the CDPHE or BP	lead sampling data	sampling available for use by the Town	CDPHE / Anderson Engineering	
Create a lead hazard overlay over-lay that will determine whether or not mitigation measures are needed on vacant lots within the Town of Rico	? This will depend on if and when we get sampling data.	Lots that are impacted by mining activities will be identified on Rico's GIS system.	Can lots impacted by mining activities be identified?	Kari Distefano / CDPHE / Anderson Engineering	
Create a protocol for mine waste clean up on vacant lots	?	Lots will be determined to be safe from contamination as per CDPHE requirements.	Are lots that were determined to have lead and other mine waste hazards considered free from contamination by CDPHE.		

### Goal 9: Update and Revise Rico Land Use Code

Key Action Steps	Timeline	Expected Outcomes	Evaluation Methodology	Persons Responsible	Comments
Generate revisions based on prior and continuing discussions with the Rico Planning	February 2018 – February 2019	A more concise and user friendly Rico Land Use Code	Finished revisions by December 2019	Kari Distefano / Rico Planning Commission / consultant	

Commission					
Work with professional planner when draft updates are complete for a comprehensive review.	March 2019 – November 2019	A more concise, user friendly and professional Rico Land Use Code			
<b>Goal 10: Coordinate with the Rico Fire Protection District and Dolores County Emergency Management to Develop a Wildfire Response Plan</b>					
<b>Key Action Steps</b>	<b>Timeline</b>	<b>Expected Outcomes</b>	<b>Evaluation Methodology</b>	<b>Persons Responsible</b>	<b>Comments</b>
Meet with the Rico Fire Protection District, Dolores County Emergency Management Staff and USFS to develop an operation management plan should Rico have a wildfire	March 2018	Determine which entity is responsible for coordinating a wildfire response strategy and how it is implemented	A clear understanding of what would take place and who would be the point entity should Rico experience a wildfire.	Town of Rico Staff / Rico Fire Protection District Staff / Dolores County Emergency Management Staff	San Miguel County and Montezuma County Emergency Management staff may need to be included in this discussion
Meet with the Rico Fire Protection District, Dolores County Emergency	March 2018	Determine who is responsible for notifying Rico residents and where	Designate the point entity for disseminating relevant information		

Management Staff and USFS to develop a resident notification system		they should go to get updates			
Meet with the Rico Fire Protection, Dolores County Emergency Management Staff and USFS to insure that Rico residents have a clear evacuation plan should one be needed	March 2018	Develop an evacuation strategy	Rico residents will know where to go and where to get information in the event of an evacuation order.		
<b>Goal 11: Upgrade the Town of Rico web site</b>					
<b>Key Action Steps</b>	<b>Timeline</b>	<b>Expected Outcomes</b>	<b>Evaluation Methodology</b>	<b>Persons Responsible</b>	<b>Comments</b>
Take the Rico.org web site off line	February 2018	The old web site will be gone.	The old web site will be unavailable on browsers	Kari Distefano / Judy Shafer	Judy's cooperation will be required.
Make improvements to web site including titling documents consistently, adding event information,	Ongoing	An improved web site with more relevant, accessible information	More users	Kari Distefano	



designing a notification system					
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