

Date: December 7th, 2020

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

Hot Springs management

Dave Bulson bought the Hot Springs north of Town. He has some thoughts about the management of the hot springs but he would like to have input from the Board of Trustees and the Rico community.

U.S.F.S. Signage

Nicole Pieterse has requested that the Board of Trustees have a discussion about the proposed U.S.F.S. signs. I have included in this packet examples of the signs that the U.S.F.S. is proposing.

2020 Work Plan and summary of Trustee's visions of Rico in 2030

I have included in this packet, a summary of the Trustees' vision for Rico in 2030 that we discussed this time last year as well as last year's work plan with comments for your review. I didn't have anything from Esteban my notes. I think that he was late or maybe not there at all. Since the composition of the Board has changed and the work plan should be updated for the upcoming year, we should consider scheduling a retreat.

Recycling

I did more research on recycling. It turns out that there are sizable grants available through the Colorado Department of Public Health and Environment for recycling efforts. The deadline for this grant application is March 1st so I spent some time getting more information about what it would cost to equip a trailer with containers that could house recycling materials and be transported to Cortez. We will not know until May if our grant would be funded or not and we would not get a contract until July. I am going to request funding for a trailer, fabricated containers, a truck that would be capable of hauling the container trailer and funding for operations for the first year. Estimates for the trailer and the fabricated containers came from

Colby Early and a fabricator that he recommended. The following is a summary of estimated costs:

Activity	Estimated Cost
Dump trailer	\$10,000
Container fabrication	\$12,000
Truck	\$20,000
Milage costs for first year	\$3,500
Cost of employee to haul recycling to Cortez (first year) Approximately \$30 per hour, 3 hours per week, 52 weeks	\$5,500
Volunteers to sort recycling 4 hours per week	In-kind
Start-up cost total	\$51,000

The idea is that the equipment and the first year could be funded through a grant and going forward, the program would be funded by user fees. I posted a survey on the web and have had 50 responses. Of those 50, 34 have expressed interest in volunteering. I have included a copy of the survey in this packet. The way that I could see this working would be that the containers would be unlocked and manned by volunteers for several hours one day per week and when the containers were full, the trailer would be driven to Cortez. The volunteers would be a critical piece because Cortez charges if the recycles have to be sorted or cleaned by their personnel. The program would have to generate \$9,000 per year to be sustainable. This would mean that the Town would have to charge \$15.00 per month for the service assuming that we could get 50 people that are willing to pay. We could ask the Rico Center to make up any deficit. The proposal that I have described would be heavily reliant on volunteers and would require a buy-in from the community. At this time, the Town does not have the staff to do it without volunteers.

Consideration of the 2nd reading of an Ordinance of the Town of Rico Colorado Amending Rico Budget Ordinance 2019-7 to Reflect Additional Expenditures

This is the second reading of this Ordinance and as a reminder, when the Town opened up new discussions with Atlantic Richfield and British Petroleum for the purpose of negotiating a clean-up agreement, we immediately asked that they pay an attorney to represent the Town. They agreed but when I created the 2020 budget, I had no idea what he would cost and as a result, the 2020 budget under appropriated funding for this attorney’s services. This money comes back to

the Town from BP, but we need to revise last year's budget to reflect the cost of the attorney. The revenue side of the budget reflects the additional revenue that comes from BP to reimburse the Town for these costs. I also underestimated our revenue from sales tax. This resulted in an under appropriation of the sales use tax line item that reflects the money that the general fund takes in from the State and then pays to the street fund and the parks, open space and trails fund.

The street fund budget also needs to be revised because we paid the lease for the loader early so this year's budget expenditures reflects two \$24,533.77 invoices for a total of \$49,067.53 but we will not have this bill in 2021. We still spent less of the street fund than we had anticipated, mostly in contract snow removal. There is a large discrepancy in the water fund that is a result of spending much less than anticipated on the water meter replacement project. Since we spent less, there was and smaller reimbursement from the Department of Local Affairs, the entity that gave us the grant for the project. This project will be carried over until next year. Discrepancies in the other funds were minor. The suggested motion is to approve, approve with conditions or deny the second reading of an Ordinance of the Town of Rico Colorado Amending Rico Budget Ordinance 2019-7 to Reflect Additional Expenditures.

Consideration of the 2nd reading of an Ordinance of the Town of Rico, Colorado Amending Ordinance No. 2008-1 to increase water user's fees for the Town of Rico Water Enterprise Fund

This ordinance proposes a \$5.00 per month increase in the base rate for water use. The rate would go from \$33.00 per month to \$38.00 per month for residences and from \$63.00 to \$68.00 per month for commercial operations. It is again worth noting that these rates have not been raised since 2008 and if the water user rates had kept up with inflation, the base rates would be \$39.91 and \$76.19. The first reading of this ordinance did not include an increase to the \$5.00 charge levied on each additional 1000 gallons beyond the 3000 gallon minimum for residences and the \$6.00 charge for each 1000 additional gallons for commercial operations. I subsequently had a discussion with Pat Drew, our water system responsible operator, and he suggested that to support efforts to conserve water, the Town should increase the price as the usage goes up. He is suggesting \$5.00 per extra 1000 gallons from 3000 to 6000 gallons then \$10.00 per extra 1000 from 6000 to 10,000. If use exceeds 10,000, each extra 1000 would cost \$15.00. This would encourage people to conserve water and get plumbing issues fixed in a timely manner. I have included an Ordinance that reflects that change in this packet. Also as a reminder, this Ordinance includes a \$150.00 shut-off fee for people that leave their houses and want to winterize. I reduced this fee to \$75.00 based on Dennis Swank's fear that people would not get their water turned off when they leave or attempt to do it themselves. We don't want water running in empty

houses in the winter. It is too likely that there will be leaks. Should this Ordinance pass its final reading, I will put a notice in the water bills as well as website and by email that there will be a water fee increase. The suggested motion is to approve, approve with conditions or deny the second reading of an Ordinance of the Town of Rico, Colorado Amending Ordinance No. 2008-1 to increase water user's fees for the Town of Rico Water Enterprise Fund.

Consideration of a lease renewal for 13 S. Glasgow – Justin Bain

Justin Bain's lease on 13 S. Glasgow Avenue expired in May of last year and needs to be renewed. I have attached a copy of the lease agreement. He is currently paying \$400.00 per month. If this lease agreement continues to be acceptable, the Trustee's should approve it or approve it with revision. If it is no longer acceptable, it should be denied.

Consideration of an Ordinance to increase in septic permit fees as per Colorado Department of Public Health and Environment Regulation 43, Section 43.4.B.a 25-10-107, C.R.S. from \$3.00 to \$150.00.

This is the second reading of an Ordinance that would require a permit fee of \$150.00 for routine septic review, inspections and filing. On some occasions, a system may require the review of an outside expert such as a licensed engineer. On these occasions the cost of that review should be passed along to the applicant. Included in this packet is an ordinance to increase these fees. The suggested motion would be a motion to approve or deny the ordinance to increase septic permit fees as per Colorado Department of Public Health and Environment Regulation 43, Section 43.4.B.a 25-10-107, C.R.S. from \$3.00 to \$150.00.

Grant updates

We have received word from the Rico Center that we have been given grants for both snow removal (hopefully we will need this) and a legal review of the revised Rico Land Use Code. I have made arrangements with Marti Whitmore to start working on the legal review immediately. It would be good if it were in place prior to the spring building season.

General Fund Revenues 2020

Operating Revenues	Revenue 2020	Budgeted 2020	Difference
Operating Revenues			
Property Tax	\$77,551.29	\$77,894.60	-\$343.31
Delinquent Taxes & Interest	\$337.88	\$350.00	-\$12.12
Sales & Use Tax	\$149,294.23	\$100,000.00	\$49,294.23
Specific Ownership Tax	\$4,098.25	\$3,750.00	\$348.25
Cigarette Tax	\$143.44	\$100.00	\$43.44
Motor Vehicle Tax	\$1,549.01	\$1,000.00	\$549.01
Total	\$232,974.10	\$183,094.60	\$49,879.50
Intergovernmental Revenue			
Mineral Leasing	\$18,963.02	\$20,000.00	-\$1,036.98
Severance Tax	\$1,794.41	\$2,500.00	-\$705.59
Excise Tax	\$4,519.50	\$0.00	\$4,519.50
Building Permits	\$10,614.60	\$1,000.00	\$9,614.60
Septic Permit	\$12.00	\$0.00	\$12.00
Development Applications	\$3,250.00	\$2,000.00	\$1,250.00
Business Licenses	\$600.00	\$200.00	\$400.00
Dog Licenses	\$130.00	\$90.00	\$40.00
Total	\$39,883.53	\$25,790.00	\$14,093.53
Miscellaneous Revenues			
Reimbursement	\$1,319.24	\$0.00	\$1,319.24
Insurance Reimbursement	\$354.00	\$0.00	\$354.00
Interest	\$438.05	\$350.00	\$88.05
Fines & Forfeits	\$6,316.50	\$6,500.00	-\$183.50
Rent	\$4,400.00	\$5,700.00	-\$1,300.00
SMPA dividend	\$947.37	\$600.00	\$347.37
Miscellaneous/COVID Reimbursement	\$874.43	\$0.00	\$874.43
Total	\$22,716.97	\$13,150.00	\$9,566.97
Labor from Other Funds			
Payroll Transfer	\$151,806.86	\$166,648.58	-\$14,841.72
Attorney pass through	\$59,925.36	\$0.00	\$59,925.36
Contract Labor Transfers	\$0.00	\$500.00	-\$500.00
Total	\$211,732.22	\$167,148.58	\$44,583.64
Total	\$507,306.82	\$389,183.18	\$118,123.64

General Fund Expenses 2020

Operating Expenses	Spent 2020	Budgeted 2020	Difference
Salaries & Wages			
Town Manager	\$67,573.80	\$65,000.00	\$2,573.80
Town Clerk	\$33,722.83	\$32,749.38	\$973.45
Maintenance Man	\$36,558.80	\$35,504.36	\$1,054.44
Park & Recreation Administrator	\$0.00	\$5,000.00	-\$5,000.00
Park & Recreation groomer	\$7,650.00	\$6,500.00	\$1,150.00
Park & Recreation ice rink	\$7,580.00	\$6,500.00	\$1,080.00
Part Time Maintenance Person	\$640.00	\$20,000.00	-\$19,360.00
Water Technician	\$2,542.50	\$7,500.00	-\$4,957.50
Town Marshall	\$21,772.39	\$20,000.00	\$1,772.39
Total	\$178,040.32	\$198,753.74	-\$20,713.42
Employee Taxes & Benefits			
Payroll Taxes	\$13,324.40	\$19,000.86	-\$5,676.46
Employer PERA	\$24,391.32	\$18,255.76	\$6,135.56
Employee Consideration	\$3,000.00	\$5,200.00	-\$2,200.00
Employee Health Insurance	\$39,754.80	\$41,704.80	-\$1,950.00
Employee Life Insurance	\$122.48	\$106.08	\$16.40
Total	\$80,593.00	\$84,267.50	-\$3,674.50
Contract Labor			
Town Prosecutor (Part Time)w/attorney	\$536.50	\$1,500.00	-\$963.50
Municipal Court Judge (Part Time)	\$4,500.00	\$4,500.00	\$0.00
Town Attorney (Contract)	\$15,817.80	\$18,000.00	-\$11,153.00
Attorney Pass through	\$54,032.01	\$0.00	\$76,539.71
Town Planner (Contract)	\$0.00	\$2,500.00	-\$2,500.00
Auditor	\$4,071.50	\$4,885.80	\$3,614.20
Building Inspector	\$4,301.49	\$0.00	\$1,194.75
Accounting Services (Contract)	\$0.00	\$2,500.00	-\$2,500.00
Surveyor	\$0.00	\$0.00	\$0.00
Total	\$98,117.96	\$33,885.80	\$64,232.16
Administrative Costs			
Insurance (CIRSA)	\$4,967.98	\$5,000.00	-\$32.02
Website - .gov Registrar	\$992.00	\$500.00	\$492.00
Advertisements/Agenda	\$0.00	\$300.00	-\$300.00
Supplies	\$10,472.15	\$10,000.00	\$472.15
Dues & Fees	\$1,455.00	\$6,000.00	-\$4,545.00
Travel/Conference Expenses	\$1,198.15	\$1,500.00	-\$301.85
Miscellaneous	\$4,655.50	\$1,500.00	\$3,155.50
Total	\$23,740.78	\$24,800.00	-\$1,059.22
Utilities			
Electric	\$1,618.00	\$2,300.00	-\$682.00
Propane	\$4,225.00	\$5,000.00	-\$775.00
Telephone & Internet	\$4,175.58	\$5,500.00	-\$1,324.42
Utilities-Other	\$745.85	\$1,000.00	-\$254.15
Total	\$10,764.43	\$13,800.00	-\$3,035.57
Vehicle Costs			
Fuel	\$1,403.37	\$1,500.00	-\$96.63
Repair & Maintenance	\$1,393.72	\$1,000.00	\$393.72
Total	\$2,797.09	\$2,500.00	\$297.09
Other			
Courthouse Roof Snow Removal	\$0.00	\$3,000.00	-\$3,000.00
Treasurer Fees	\$1,543.32	\$2,000.00	-\$456.68
Sales & Use Tax	\$26,233.48	\$10,000.00	\$3,733.48
July 4th Expenses / Town clean up	\$3,287.93	\$2,500.00	-\$212.07
Elections	\$3,000.00	\$0.00	\$1,000.00
Pass thru/Rico Center to Cemetery	\$3,400.00	\$5,000.00	\$3,400.00
Food Bank	\$1,325.60	\$2,500.00	\$1,325.60
Total	\$45,703.34	\$35,500.00	\$10,203.43
Total	\$439,756.92	\$393,507.04	\$46,249.88

General Fund Revenues – Special & Capital 2020

Operating Revenues	Revenue 2020	Budgeted 2020	Notes
Operating Revenues			
Rico Center Grant - facilities	\$13,000.00	\$13,000.00	\$13,000.00
Telluride Foundation Marketing Grant	\$500.00	\$500.00	\$500.00
Rico Center Grant Cemetery	\$3,400.00	\$3,400.00	\$3,400.00
River Corridor	\$0.00	-\$5,000.00	-\$5,000.00
RLUC Revisions	\$0.00	-\$5,155.50	-\$5,155.50
Total	\$16,909.63	\$13,155.50	\$3,754.13
Total \$16,909.63 \$13,155.59 \$3,754.13			

General Fund Expenses – Special & Capital 2020

Operating Expenses	Spent 2020	Budgeted 2020	Difference
Special & Capital Projects			
Facility Improvements	\$18,260.00	\$30,000.00	-\$11,740.00
River Corridor	\$0.00	\$5,000.00	-\$5,000.00
RLUC Revisions	\$1,618.00	\$250.00	\$1,368.00
Community Meetings	\$0.00	\$3,000.00	-\$3,000.00
Total	\$19,878.00	\$38,250.00	-\$18,372.00
Total \$19,878.00 \$38,250.00 -\$18,372.00			

Water Fund Revenues 2020

Operating Revenues	Revenue 2020	Budgeted 2020	Different
Operating Revenues			
Water Revenue	\$124,690.58	\$120,000.00	\$4,690.58
Interest	\$149.49	\$150.00	-\$0.51
Electric Reimbursement	\$1,989.00	\$1,500.00	\$489.00
Miscellaneous	\$0.00	\$0.00	\$0.00
Total	\$126,829.07	\$121,650.00	\$5,179.07
Capital Improvement Revenues			
Remote read meter placement	\$49,804.57	\$289,909.00	-\$240,104.43
Water Tap	\$8,000.00	\$0.00	\$8,000.00
Tap Installation	\$0.00	\$0.00	\$0.00
Total	\$57,804.57	\$289,909.00	-\$232,104.43
Total	\$184,633.64	\$411,559.00	-\$226,925.36

Water Fund Expenses 2020

Operating Revenues	Revenue 2020	Budgeted 2020	Different
Operating Revenues			
Property Tax	\$10,654.17	\$10,679.10	-\$24.93
Sales & Use Tax	\$13,116.74	\$10,000.00	\$3,116.74
Specific Ownership Tax	\$561.85	\$400.00	\$161.85
Delinquent Tax & Interest	\$24.17	\$0.00	\$24.17
Franchise Tax	\$5,778.53	\$6,000.00	-\$221.47
Highway Users Tax	\$14,388.86	\$18,000.00	-\$3,611.14
County R&B Reapportionment	\$11,779.75	\$10,000.00	\$1,779.75
Interest	\$47.66	\$45.00	\$2.66
Miscellaneous	\$0.00	\$0.00	\$0.00
Rico Center Grant - Plowing	\$9,350.00	\$9,350.00	\$0.00
Rico Center Grant - Loader Repair	\$15,278.38	\$15,278.38	\$0.00
Total	\$80,980.11	\$79,752.48	\$1,227.63
Capital Improvement Revenues			
Excise Tax	\$3,754.00	\$1,000.00	\$2,754.00
Total	\$3,754.00	\$1,000.00	\$2,754.00
Total	\$84,734.11	\$80,752.48	\$3,981.63

Street Fund Revenues 2020

Operating Expenses	Spent 2020	Budgeted 2020	Difference
Labor			
Payroll Transfer	\$99,393.19	\$110,511.69	-\$11,118.50
Auditor	\$91.86	\$125.00	-\$33.14
Accounting Services	\$0.00	\$2,035.75	-\$2,035.75
Attorney	\$0.00	\$3,000.00	-\$3,000.00
Total	\$99,485.05	\$115,672.44	-16,187.39
Operations & Maintenance			
Insurance	\$5,285.02	\$6,000.00	-\$714.98
Repairs/Supplies	\$3,969.39	\$2,875.00	\$1,094.39
Water Samples	\$4,506.52	\$3,500.00	\$1,006.52
Electric	\$5,184.00	\$5,300.00	-\$116.00
Propane	\$2,250.00	\$1,200.00	\$1,050.00
Utilities - other	\$1,961.97	\$1,000.00	\$961.97
Dolores Water Conservation District	\$2,700.05	\$2,700.05	\$0.00
Tank Repairs	\$213,985.12	\$200,000.00	\$13,985.12
Miscellaneous	\$125.00	\$500.00	-\$375.00
Total	\$239,967.07	\$223,075.05	\$16,892.02
Capital Improvements			
Water Meter Replacement	\$101,898.98	\$446,014.00	-\$344,115.02
Engineering	\$154.12	\$0.00	\$154.12
Total	\$102,053.10	\$446,014.00	-343,960.90
Total	\$118,610.54	\$784,761.49	-\$343,256.27

Street Fund Expenses 2020

Operating Expenses	Spent 2020	Budgeted 2020	Difference
Labor			
Payroll Transfer	\$35,698.08	\$36,416.09	-\$718.01
Contract Snow Removal	\$10,450.00	\$20,000.00	-\$9,550.00
Total	\$46,148.08	\$56,416.09	-\$10,268.01
Operations & Maintenance			
Fuel	\$4,620.48	\$8,000.00	-\$3,379.52
Equipment Repairs & Maintenance	\$10,039.37	\$21,678.38	-\$11,639.01
Insurance	\$0.00	\$5,000.00	-\$5,000.00
Supplies	\$1,100.12	\$2,500.00	-\$1,399.88
Electric	\$1,279.00	\$2,000.00	-\$721.00
Street Lights	\$1,128.00	\$1,200.00	-\$72.00
Utilities - other	\$1,902.23	\$2,000.00	-\$97.77
Treasurer Fees	\$209.70	\$300.00	-\$90.30
Total	\$20,278.90	\$42,678.38	-\$22,399.48
Capital Improvements			
Gravel Project - Various Streets	\$2,080.15	\$3,000.00	-\$919.85
Loader Lease	\$24,067.53	\$25,000.00	-\$932.47
Total	\$26,147.68	\$28,000.00	-\$1,852.32
Total	\$26,147.68	\$28,000.00	-\$1,852.32

Sewer Fund Revenues 2020

Operating Revenues	Revenue 2020	Budgeted 2020	Notes
Operating Revenues			
Property Tax	\$23,461.94	\$23,565.81	-\$103.87
Specific Ownership Tax	\$1,239.83	\$1,000.00	\$239.83
Delinquent Tax and Interest	\$102.22	\$75.00	\$27.22
Miscellaneous	\$26.00	\$0.00	\$26.00
Interest	\$99.13	\$100.00	-\$0.87
Total	\$24,929.12	\$24,740.81	-\$188.31
Total	\$24,929.12	\$24,740.81	\$188.31

Sewer Fund Expenses 2020

Operating Expenses	Spent 2020	Budgeted 2020	Notes
Labor			
Payroll Transfer	\$9,335.59	\$0.00	\$9,335.59
Total	\$0.00	\$0.00	\$9,335.59
Operations & Maintenance			
Septic Inspection Certification & Training	\$425.00	\$3,000.00	
Treasurer Fees	\$423.96	\$500.00	
Miscellaneous Engineering	\$397.50	\$0.00	
Economic Analysis	\$17,691.99	\$0.00	this grant funding went to GF
Total	\$18,938.45	\$3,500.00	
Total	\$18,938.45	\$3,500.00	

POST Fund Revenues 2020

Operating Revenues	Revenue 2020	Budgeted 2020	Difference
Operating Revenues			
Sales & Use Tax	\$13,116.74	\$9,000.00	\$4,116.74
Lodging Tax	\$241.89	\$1,000.00	-\$758.11
Interest	\$43.86	\$35.00	\$8.86
Excise Tax	\$3,754.00	\$1,500.00	\$2,254.00
Miscellaneous Income	\$0.00	\$9,000.00	\$0.00
Total	\$17,156.49	\$11,535.00	\$5,621.49
Total \$17,156.49 \$11,535.00 \$5,621.49			

POST Fund Expenses 2020

Operating Expenses	Spent 2019	Budgeted 2019	Notes
Labor			
Payroll Transfer	\$7,380.00	\$18,000.00	-\$10,620.00
Total	\$7,380.00	\$18,000.00	-\$10,620.00
Operations & Maintenance			
Repairs & Maintenance	\$0.00	\$1,000.00	-\$1,000.00
Insurance	\$4,851.72	\$5,500.00	-\$648.28
Winter Trail & Ice Rink Supplies	\$7,538.21	\$4,500.00	\$3,038.21
Other Supplies	\$0.00	\$6,950.00	-\$6,950.00
Total	\$12,389.93	\$17,950.00	-\$5,560.07
Projects			
Town Clean-up	\$1,714.25	\$1,500.00	\$214.25
Winter Carnival	\$600.00	\$0.00	\$600.00
Rio Grande Southern Trail	\$0.00	\$2,000.00	-\$2,000.00
Total	\$2,314.25	\$3,500.00	-\$1,185.75
Total \$22,084.18 \$39,450.00 -\$17,365.82			

Colorado Conservation Trust Fund Revenues 2020

Operating Revenues	Revenue 2020	Budgeted 2020	Notes
Operating Revenues			
Lottery Proceeds	\$2,025.46	\$2,000.00	\$25.46
Total	\$2,025.46	\$2,000.00	\$25.46
Total \$2,025.46 \$2,000.00 \$25.46			

Colorado Conservation Trust Fund Expenses 2020

Operating Expenses	Spent 2020	Budgeted 2020	Difference
Projects			
Park Area	\$0.00	\$5,000.00	-\$5,000.00
Total	\$0.00	\$5,000.00	-\$5,000.00
Total \$0.00 \$5,000.00 -\$5,000.00			

January 16, 2021

Dear Rico Board of Trustees;

We are excited to officially be the new owners of the hot spring located north of Town on the west side of the river. A map of the hot springs property is attached to this letter.

Our main goals over the next year will be to educate the general public, get a caretaker, and put up a yurt for our personal use. At this point, we are making the hot springs available to Rico residents and their guests if they visit our website www.ricohotsprings.com and sign our use agreement/waiver of liability. While we don't have an agenda for the work session, some of our more important issues are the following:

- 1) Access
- 2) Liability
- 3) Enforcement
- 4) Human/Dog waste
- 5) Hours of Use

More generally, Michelle and I both believe the Rico Hot Springs to be an asset to the Town of Rico and are hoping to understand if the Board of Trustees feels the same. In our minds, one of the most important aspects to making the hot springs sustainable over the long term is to engage the Town of Rico residents and businesses with a goal of working towards a management plan that best meets the needs of all involved.

Thank you,

Dave Bulson

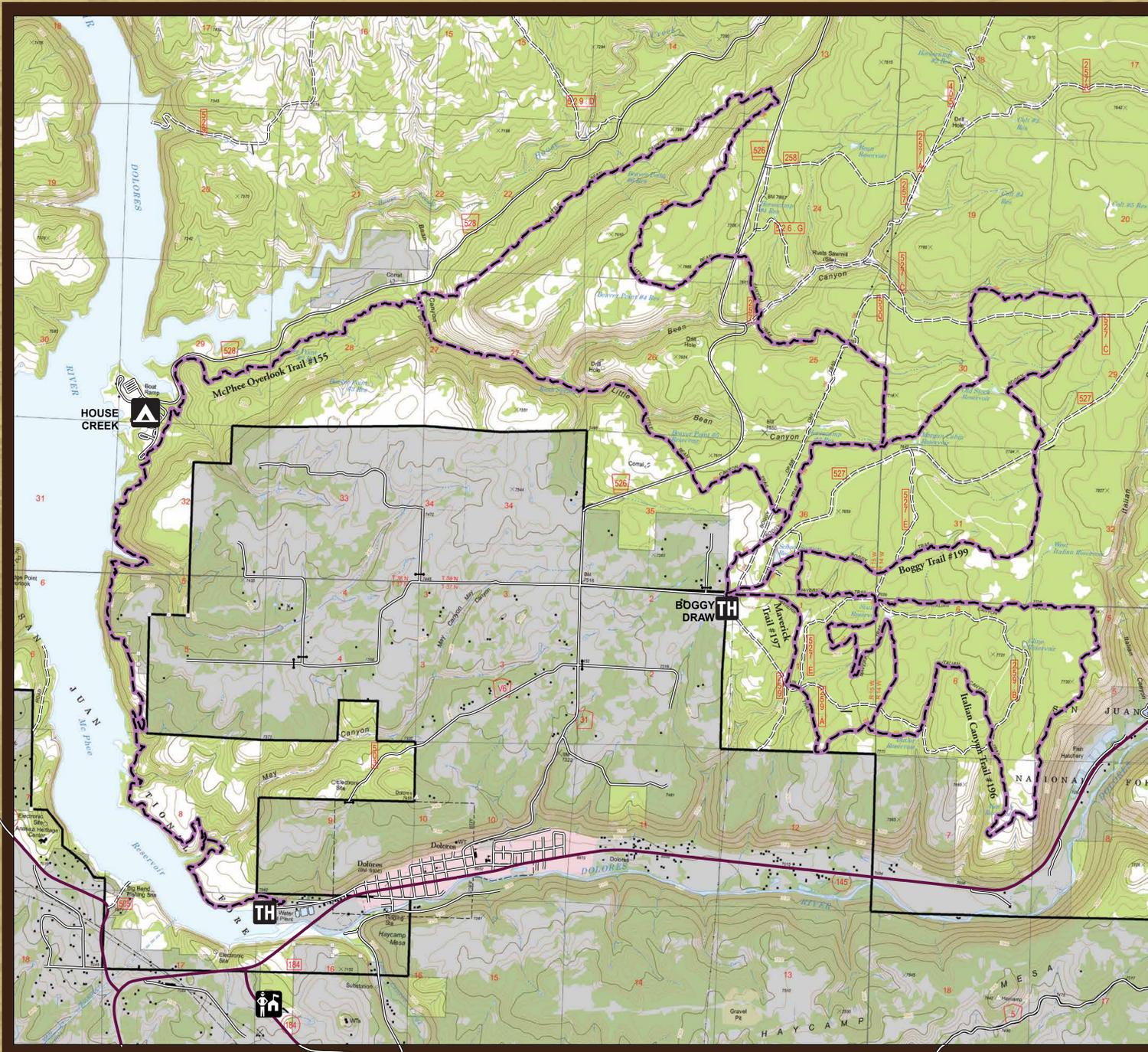
Michelle Haynes

Managers, Homestake Little Cora llc



Rico

McPhee Overlook Trail #155



The McPhee Overlook Trail is prone to damage when the trail surface is wet. Please avoid using the trail during and immediately after heavy rain storms.

December 1 - April 15
Closed to all users for big game winter range from town to May Canyon

December 1 - May 1
Closed to all users for big game winter range from May Canyon to House Creek Campground

SHARE THE TRAIL

- Portions of the trail close to the Town of Dolores and House Creek Campground can be busy. Ride with caution.
- When encountering stock users stop and yield. Talk to the rider to let them, and their animal know you are there. If you need to pass do not follow close behind, rather ask the rider how and when to pass.

AREA REGULATIONS

- Only non-motorized trail use allowed.
- Please keep pets on a leash or under voice control.
- Please stay on designated trails to avoid creating user routes.
- Please do not collect any items found on National Forest Lands.
- Please respect private property boundaries.

It is your responsibility to know and comply with all regulations!

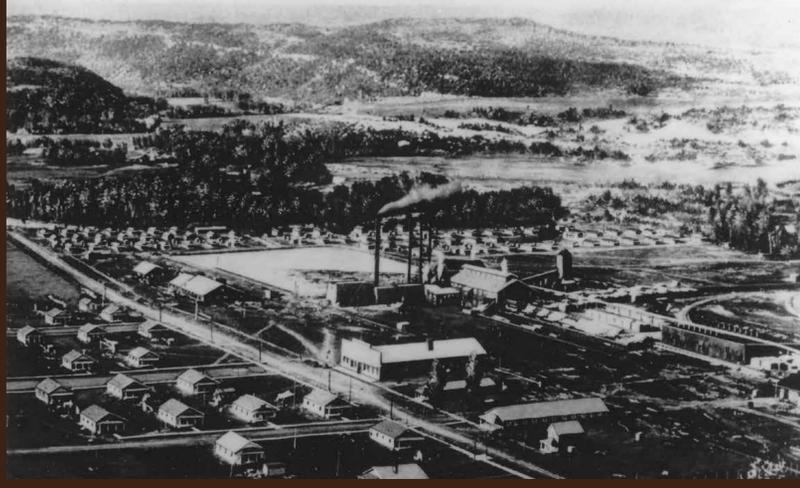
THANK YOU

This project would not have been possible without the support of:

Colorado Parks and Wildlife, Great Outdoors Colorado, the town of Dolores, Greater Dolores Action, Southwest Colorado Cycling Association, Southwest Conservation Corp, Crow Canyon Archaeological Center, Woods Canyon Archaeological Consultants, Dolores Water Conservancy District, Mesa Verde Backcountry Horsemen, US Forest Service and many volunteers.



Dolores River Valley History



The Dolores River valley that lies between the historic town of Big Bend and McPhee Dam is rich in archaeological sites. Groups of hunters and gatherers left evidence of their lives' in the valley as long as 14,000 years ago, while the most recent archaeological sites were created by Ute or Navajo groups and by early American settlers who settled the valley in the late 1800s.

But it was Ancestral Pueblo farm families who lived in the valley for the longest time and in the greatest numbers. These farmers—the ancestors of the Pueblo people who live in New Mexico and Arizona today—occupied this section of the valley between about A.D. 600 and 1175. Their peak population dates between A.D. 840 and 880 when almost 3,000 people lived in the valley and its adjacent lands.

During this time Pueblo families moved out of their small farmsteads and settled into larger villages; in fact, in the late ninth century the largest villages in the entire Four Corners region were found in the area that today lies beneath the waters of McPhee Reservoir.

Archaeological sites and other evidence of these past people can still be found throughout the Dolores River valley and surrounding landscape. Please remember as you cross the paths of past people, to respect their living ancestors. Take only photos and leave only foot prints, so that others may enjoy and learn from the fragile archeological sites that are part of our heritage.



The Dolores River is highly valued for its agricultural, recreational, municipal and industrial contributions to the communities within and outside of the watershed.

The need for long-term dependable water supplies in the Montezuma Valley and surrounding areas resulted in the Dolores Project, which includes the McPhee dam and reservoir as well as a series of canals that transport water for agricultural, municipal and industrial uses. McPhee Reservoir, completed in 1986, is operated and maintained by the Dolores Water Conservancy District.



Living with Wildlife

This area is crucially important to wintering wildlife.

Public lands beyond the Forest Service Boundary are **CLOSED** to public entry to provide refuge for wintering herds of mule deer and elk, **DECEMBER 1st through APRIL 15th.**

Conveniently located near Dolores, public land provides a scenic gateway from the bustle of city life and a wonderful opportunity to hike, bike, and explore. The area is also very important for wintering herds of mule deer and elk as they migrate from high elevations when temperatures fall, snow depths increase, and food becomes scarce.



HOW CAN YOU HELP?

As a result of human population growth in southwest Colorado and the increasing demands on public lands the area beyond the Forest Service Boundary are **CLOSED** to all entry from **DECEMBER 1st through APRIL 15th.** This closure is specifically aimed at reducing human and pet disturbances to mule deer and elk during the crucial winter period.

*Please Help Wintering Animals
By Respecting This Closure*



WAITING FOR SPRING

Mule deer and elk are uniquely adapted to survive Colorado's harsh winter by storing fat and conserving energy. To conserve fat reserves in winter mule deer and elk cluster together and limit their movement. Avoiding people burns energy needed to survive and it forces mule deer and elk to use less suitable habitat.

BURNING CALORIES

In late November herds of mule deer and elk move into this area from the high elevation country. Mule deer and elk respond to loss of forage by reducing activity levels and burning stored fat.

AVOIDING PEOPLE & PETS

Regardless of our intentions, wildlife move to avoid people and pets. In winter, this causes an energy expenditure and burns calories (fat). Energy loss lowers their ability to survive and negatively impacts their reproduction.



Rico Board of Trustees Vision 2030

Barbara Betts

- More businesses on Glasgow Avenue
- Tapped into geothermal resources
- Leader in Smart/Eco growth
- Serving the greater outdoor recreation community
- A series of year-round community events
- Clean & functioning sewer system
- Updated equipment & systems for maintenance
- Officially adopted into the Telluride R-1 School District
- Strong support & participation from Rico residents in local government

Rico Board of Trustees Vision 2030

Nicole Pieterse

- Functional main street – central sewer
- Surrounding open space preserved
- Thriving recreational community
- River trail from Lizardhead to County Line
- Population of less than 900

Rico Board of Trustees Vision 2030

Joe Dillsworth

- Slightly larger population – enough to support more businesses on Glasgow
- A central sewer system
- Expansion of local trail system
- A school
- An identity outside of being a bedroom community to Telluride

Rico Board of Trustees Vision 2030

Pat Fallon

- Financially stable
- Close tightknit community
- Child friendly (things for kids to do)
- Thriving businesses
- Affordable housing/living
- Recognized as a friendly place to visit
- A self supportive community

Rico Board of Trustees Vision 2030

Sophia Kyriakakis

- Sewer system
- Main street economy
- Recreation hub for the area
- Local events / music & festivals
- Large mountain bike / cross bike event with regional & nation exposure
- Lead / mining cleanup completed

Rico Board of Trustees Vision 2030

Brandy Randall

- Public restroom with information plaques
- River trail system
- More businesses – a grocery store, a bike/ski shop, a yoga studio
- Community events in summer & winter
- Public hot springs
- Use of geothermal energy
- A sustainable economy independent of San Miguel County
- A better relationship with Dolores County

Rico Board of Trustees Vision 2030

Esteban Roberts

Work plan items prioritized by the Trustees

Finish River Corridor Map project & negotiate a trail easement agreement with Mike Popek

- Barbara Betts
- Nicole Pieterse
- Joe Dillsworth
- Pat Fallon
- Sophia Kyriakakis
- Brandy Randall

Continue community engagement regarding utilities through meetings

- Barbara Betts
- Nicole Pieterse
- Joe Dillsworth
- Pat Fallon
- Sophia Kyriakakis
- Brandy Randall

Explore the possibility of an agreement with the Dolores County School District

- Barbara Betts
- Nicole Pieterse
- Joe Dillsworth
- Pat Fallon
- Sophia Kyriakakis
- Brandy Randall

Work plan items prioritized by the Trustees

Improve our parks & recreation program

- Barbara Betts
- Joe Dillsworth
- Pat Fallon
- Sophia Kyriakakis
- Brandy Randall

Seek grant funding for the construction of a central sewer system if there is support by commercial core owners

- Barbara Betts
- Joe Dillsworth
- Pat Fallon
- Sophia Kyriakakis
- Brandy Randall

Upgrade Rico's assess to broadband

- Barbara Betts
- Nicole Pieterse
- Pat Fallon
- Sophia Kyriakakis
- Brandy Randall

Work plan items prioritized by the Trustees

Explore the possibility of an agreement with the Dolores County School District

- Barbara Betts
- Nicole Pieterse
- Joe Dillsworth
- Pat Fallon
- Sophia Kyriakakis

Rebuild the Town of Rico's web site portal using the free State portal

- Barbara Betts
- Pat Fallon
- Sophia Kyriakakis
- Brandy Randall

Bring recycling back to Rico

- Joe Dillsworth
- Sophia Kyriakakis
- Brandy Randall

Work plan items prioritized by the Trustees

Explore the possibility of constructing a solar array on the Gazebo property and utilizing geothermal energy

- Barbara Betts
- Joe Dillsworth

Improve shuttle service to and from Telluride

- Joe Dillsworth
- Pat Fallon

Create a master plan for Town owned land & improve the shop

- Barbara Betts
- Sophia Kyriakakis

Work plan items prioritized by the Trustees

Establish a protocol for developing vacant lots & utility corridors impacted by lead & other mining activities

• Sophia Kyriakakis

Revise & update the Rico Land Use Code

• Joe Dillsworth

Other items mentioned but not prioritized

- Improvements to the computer backup system
- Execute water meter replacement system

2020 Work Plan

Goal 1: Continue community engagement regarding utilities through meetings					
Key Action Steps	Timeline	Expected Outcomes	Evaluation Methodology	Persons Responsible	Percent Complete & Comments
Schedule a meeting with Glasgow Ave. land owners regarding an alternative sewer plan	Early March	A determination regarding whether or not land owners want to continue to pursue a central sewer option for the commercial core	Have the meetings been scheduled and advertised to the Community?	Kari Distefano	
Summarize Meetings	Following the meetings.	Subsequent to meetings, summaries will be written and supplied to the community for comment.	Are summaries available, posted to the web site and mailed out in water bills?	Kari Distefano	
Goal 2: Begin seeking grant funding to help fund the construction of a sewer system in the commercial core if property owners in the commercial core are supportive					
Key Action Steps	Timeline	Expected Outcomes	Evaluation Methodology	Persons Responsible	Comments
Apply for grants through the Department of Local Affairs and the Colorado State Revolving Loan Fund	DOLA has 4 grant cycles. The application would depend on progress and conversations with the community	Get grant funding to begin construction on a central sewer line in for commercial core should the community be supportive of a more affordable option.	Are the grant applications successful?	Kari Distefano	

Goal 3: Continue to improve commuter shuttle service to and from Telluride					
Key Action Steps	Timeline	Expected Outcomes	Evaluation Methodology	Persons Responsible	Comments
Explore a ski bus and/or an additional daily shuttle with the SMART Board	January – February	A ski shuttle would be available to skiers on the weekend or and additional trip by the Rico shuttle could be available to commuters.	Would a ski shuttle or an additional route be viable?	Joe Dillsworth / David Averill (SMART) / Kari Distefano	
Goal 4: Water meter replacement project					
Key Action Steps	Timeline	Expected Outcomes	Evaluation Methodology	Persons Responsible	Comments
Issue Request for proposals	March 1 st 2020	Select a contractor to replace water meters with remote read Neptune meters	Has the Town selected a contractor and awarded the bid	Kari Distefano	
Finish meter replacement	October 31 st 2020	The Town will have new meters that can be read remotely.	Is the project complete?		
Goal 5: Finish River Corridor Map project and continue work on a trail easement along the Rio Grande Southern Railroad grade					
Key Action Steps	Timeline	Expected Outcomes	Evaluation Methodology	Persons Responsible	Comments
Send revised survey out to owners.	This depends on potential problems with owners.	A survey filed in the Dolores County Clerk's office	Has the map been filed and easements secured?	Kari Distefano	
Obtain an easement	An agreement with	An easement	Is there an easement	Kari Distefano / Dave	This is looking a lot

agreement with Popek	Popek is pending. He has purchased Markey's property	agreement over Popek property that will allow use of the RGS railroad grade.	agreement?	Bulson / Mike Popek	more doable now that Mike Popek has purchased the Markey property 
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Goal 6: Create a master plan for Town owned land

Key Action Steps	Timeline	Expected Outcomes	Evaluation Methodology	Persons Responsible	Comments
Determine what is the highest and use for property near the Town Shop	Winter and spring	A master plan of the Town owned lots	Do we have a plan that is supported by the community?	Kari Distefano / Rico Board of Trustees	David Averill of SMART has expressed a willingness to consider a partnership if Rico will provide adequate space for the Rico shuttle bus. I have also had several inquiries regarding the use of that space for employee housing. 
Find a venue for a pump track.	Winter	A venue for a pump tract.	A designated site so that we can hire a contractor to design and build a pump track.	Kari Distefano	Oli Swanky does not want anything permanent to be built on his property. We need to think about a different location. 

Goal 7: Establish a Protocol for Vacant Lots and Utility Corridors Impacted by Lead and Other Mining Activities

Key Action Steps	Timeline	Expected Outcomes	Evaluation Methodology	Persons Responsible	Comments
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 engagement by the CDPHE and the production of a work plan by AR/BP	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 / BP	I can now identify lots that have high lead levels but there has been no further progress on an agreement  A meeting with BP / CDPHE and Consultants is scheduled to take place on January 27 th , 2020.
Create a protocol for mine waste clean up on vacant lots and in utility corridors.	We have a meeting scheduled with BP, Consultants and CDPHE on January 27 th .	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?		We have a list of lots that have been tested and sampling data but the VCUP application has not been submitted and the CDPHE has not indicated whether or not they will accept the draft. BP/AR is still in the process of generating a work plan. 

Goal 8: 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 Planning Commission	First reading on at March meeting	A more concise and user friendly Rico Land Use Code	Finished revisions by February 2020	Kari Distefano / Rico Planning Commission / consultant / attorney	Carol Viner is reviewing the revised RLUC 
Goal 9: Rebuild the Town of Rico web site using free State portal					
Key Action Steps	Timeline	Expected Outcomes	Evaluation Methodology	Persons Responsible	Comments
Make improvements to web site including titling documents consistently, adding event information, designing a notification system	Ongoing	The Town of Rico will continue to provide updated information to the citizens of Rico as well as visitors	More people will use our website for information about Rico	Kari Distefano	I have finished the new web site but there is always room for improvement. 
Goal 10: Explore the possibility of constructing a solar array on the Gazebo Property					
Key Action Steps	Timeline	Expected Outcomes	Evaluation Methodology	Persons Responsible	Percent Complete & Comments
Continue discussions with Disposition Properties about the possibility of leasing that property for a solar array. This	Winter and Spring 2019	An agreement with Disposition Properties	Will this work	Kari Distefano / Disposition Properties / SMPA	

could provide the Town Hall and other buildings with electricity and save on utility bills					
Continue discussions with SMPA about the possibility of an array.		An agreement with SMPA to take part in their Solar Power Pledge Program	Will this work	Kari Distefano / Disposition Properties / SMPA	

Goal 11: Explore the possibility of an agreement with the Dolores County School District

Key Action Steps	Timeline	Expected Outcomes	Evaluation Methodology	Persons Responsible	Comments
Attempt to reach an agreement with the Town of Rico and Dolores County School District regarding the use and upkeep of the school building and some provision for transportation of students to Telluride.	This depends on the Dolores County School District.	An agreement would be reached.	Is Dolores County School District taking some responsibility for Rico students?	Kari Distefano / Dolores County School District / Telluride R-1 School District	Ty Gray has agreed that Rico is better off in the Telluride R1 School District. Mike Gass has promised to keep Rico in the loop. We need to figure out whether or not this can be accomplished without a vote from Dolores County 

Goal 12: Upgrade Rico's access to Broadband

Key Action Steps	Timeline	Expected Outcomes	Evaluation Methodology	Persons Responsible	Comments
Determine what the Town of Rico can do to support efforts to	Winter and summer 2020	That the Town of Rico has access to a minimum of 25mbps	Are the residents that want a higher level of internet service able	Kari Distefano / Rico Telephone Company	

upgrade our internet		internet.	to get it?		
Goal 13: Bring recycling back to Rico					
Key Action Steps	Timeline	Expected Outcomes	Evaluation Methodology	Persons Responsible	Comments
Figure out how to get Bruin to come to Rico or to get Rico recycles to the top of Lizardhead Pass	Winter and summer 2020	That recycling returns to Rico	Does Rico have a vender that picks up items to be recycled	Kari Distefano	
Goal 14: Enhance the Parks & Recreation Program					
Key Action Steps	Timeline	Expected Outcomes	Evaluation Methodology	Persons Responsible	Comments
Add regular yoga to the program	Winter and summer	That Rico has regular yoga classes	Does Rico have someone who is committed to offering classes on a regular basis?	Kari Distefano/Eliza Gass?	Eliza may or may not be willing to do this. She teaches a lot. 
Coordinate with the outfitter that have the permit to offer Fat Bike rides in the Rico area	Winter of 2020-2021	That the outfitter bring regular groups to Rico and that they have a route that they can use	Are guided tours being offered in the Rico area	Kari Distefano/Rico Trails Alliance/ Outfitter	This will need to be coordinated with RTA and the outfitter if they are interested

**TOWN OF RICO ORDINANCE
NO.2020-05
AN ORDINANCE OF THE TOWN OF RICO, COLORADO, AMENDING RICO
BUDGET ORDINANCE NO. 2019-7 TO REFLECT ADDITIONAL REVENUES AND
EXPENDITURES**

WHEREAS, the Rico Town Charter, Article VI, sec. 6.7, states that the Rico Board of Trustees may make additional appropriations by Ordinance during the fiscal year to amend the Town's 2020 Budget as previously adopted by Ordinance No. 2019- 7, for unanticipated expenditures or receipt of additional revenues. The purpose of this amended budget ordinance is to reconcile and amend the 2020 budget for increased expenditures and their corresponding revenues;

WHEREAS, the Town of Rico's General Fund budget lines that support a transfer or expenditure line have been increased. The result was an additional increase in funding to cover the unforeseen costs of an attorney to negotiate a voluntary cleanup agreement with AR/BP. Expenditure estimates have also been increased to account for costs associated with said costs. Town of Rico's General Fund has incurred an increase in expenses of \$40,296 funded through reserves in the General Fund.

WHEREAS, the Town of Rico's Sewer Fund budget lines that support a transfer or expenditure line have been increased. The result was an additional increase in funding to account for payroll transfers. Town of Rico's Sewer Fund has incurred an increase in expenses of \$775.00 funded through reserves in the Sewer Fund.

WHEREAS, the Town of Rico Board of Trustees declares that it is in the best interest of the Town's citizens and necessary for the health, safety and welfare of the Town to amend the 2020 annual budget to reflect the above described changes in revenues and expenses.

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

SECTION 2. The amendments set forth herein in no way effect the taxes levied as set forth in the 2020 Budget, Ordinance No. 2019-7

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

This Ordinance was, following public notice, introduced, read and adopted upon first reading on the 13th day of December 2020.

This Ordinance was, following public notice, introduced, read and adopted finally adopted upon second reading on the 20th day of January 2021.

This Ordinance was, following public notice, introduced, read and adopted upon first reading on the 13th day of December 2020.

This Ordinance was, following public notice, introduced, read and adopted finally adopted upon second reading on the 20th day of January 2021.

By: _____
Barbara Betts, Mayor

Attest: _____
Linda Yellowman, Town Clerk

TOWN OF RICO
ORDINANCE NO. 2020-06
AN ORDINANCE OF THE TOWN OF RICO, COLORADO AMENDING ORDINANCE
NO. 340 TO INCREASE WATER USER FEES FOR THE TOWN OF RICO WATER
ENTERPRISE FUND

WHEREAS, it is the duty and obligation of the Board of Trustees to set and establish rates and charges for the Town's Water Enterprise in an amount sufficient to pay for the operation, maintenance, and indebtedness of the Town's water system;

WHEREAS, the Town of Rico has recently undergone substantial improvements to its water treatment facilities and will continue to undergo additional improvements in the coming year;

WHEREAS, the Board of Trustees finds that the current rates for water service are insufficient to pay for the costs of providing water service to water tap holders in the Rico area;

WHEREAS, the Board of Trustees finds that charging water tap users an amount which pays for the thereby promote the health and welfare of the Rico community.

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

SECTION 1. Water Rates, Ordinance 2020-06, subsection A, subparagraphs 1 and 2 (which Amended Ordinance 340), are hereby amended as follows:

- A. All water tap holders in the Town of Rico shall pay to the Town Clerk the sums set for water usage in accordance with the following schedule:
1. Four Hundred and Fifty-Six Dollars (\$456.00) per year minimum for each residential tap holder within the Town of Rico. The \$456.00 per year minimum residential payment may be paid monthly at the rate of Thirty-Eight Dollars (\$38.00) per month. The minimum payment shall entitle each tap holder to the use of 3,000 gallons per calendar month.
 2. Eight Hundred and Sixteen (\$816.00) per year minimum for each commercial tap holder within the Town of Rico. The \$816.00 per year minimum commercial payment may be paid monthly at the rate of Sixty-Eight Dollars (\$68.00) per month. The minimum payment shall entitle each tap holder to the use of 7,000 gallons per calendar month.
 3. Each residential tap holder shall pay, in addition to the minimum monthly fee set forth above, Five Dollars (\$5.00) per thousand (1,000) gallons of water usage above the entitled three thousand (3,000) gallons of water usage for each calendar month. Each residential tap holder shall pay, in addition to the minimum monthly fee set

forth above, Ten Dollars (\$10.00) per thousand (1,000) gallons of water usage above six thousand (6,000) gallons of water usage for each calendar month. Each residential tap holder shall pay, in addition to the minimum monthly fee set forth above, Fifteen Dollars (\$15.00) per thousand (1,000) gallons of water usage above the ten thousand (10,000) gallons of water usage for each calendar month.

4. Each tap holder outside the municipal limits of the Town of Rico shall pay fees for water service at the rate of two times the prevailing rates in the Town.
5. Each commercial tap holder shall pay, in addition to the minimum monthly fee set forth above, Six Dollars (\$6.00) per thousand (1,000) gallons of water usage above the entitled seven thousand (7,000) gallons of water usage for each calendar month.
6. Each tap holder wishing to turn off their water for a period of time shall pay a fee of \$75.00 to have the water turned back on. Water shall not be turned on until the fee is paid.

B. Water fees shall begin the month that a water tap holder connects to the Rico Water System. The minimum monthly fees shall be assessed in full for the first month, on a calendar basis, that the water tap holder connects to the Rico Water System

This Ordinance was, following public notice, introduced, read and adopted upon first reading on the 13th day of December 2020.

This Ordinance was, following public notice, introduced, read and adopted finally adopted upon second reading on the 20th day of January 2021.

This Ordinance shall take effect upon final adoption and publication.

By: _____
Barbara Betts, Mayor

Attest: _____
Linda Yellowman, Town Clerk

Town of Rico

Lot 7, Block 1 –

LEASE

THIS LEASE, is made and entered into this 20th day of January, 2021, by and between the Town of Rico, a Colorado Municipal Corporation, (hereinafter collectively called "Lessor") and Justin Bain, dba Adrian Heinback, (hereinafter called "Lessee").

ARTICLE 1 PREMISES

1.1 In consideration of the mutual promises and covenants contained herein, Lessor leases and Lessee hereby leases from Lessor the commercial/retail space located at Lot 7, Block 1, Town of Rico, known as the Old Fire House building in the Town of Rico, Colorado (hereinafter referred to as "Premises").

ARTICLE 2 TERM

2.1 The term of this Lease shall commence on the 21st day of January, 2021, and terminate on the 21st day of January, 2022, unless sooner terminated or extended under other provisions of this Lease. This Lease may be terminated by Lessee with three (3) months prior written notice delivered to Lessor.

ARTICLE 3 RENTAL

3.1 Lessee agrees to pay rent of four hundred dollars per month (\$400.00) for the term of this Lease, payable in advance on the first day of each month during the term hereof, commencing January 2021. All rent shall be paid without notice to the Town of Rico at 2 Commercial Street or P.O. Box 9, Rico, Colorado, 81332, or at such other place as Lessor shall, from time to time, designate in writing.

3.2 Lessee agrees to pay a late charge in the amount of 10% of the rental payment for each rental payment, which is delinquent fifteen (15) days or more, to cover Lessor's additional cost of handling delinquent payments.

3.3 Lessee agrees to pay interest on any unpaid balance of rent payments due which are delinquent thirty (30) days or more in the amount of one and one half percent per month (1.5%) compounded monthly.

ARTICLE 4 · POSSESSION

4.2 Taking possession of the leased Premises by Lessee shall be conclusive evidence as against Lessee that said Premises were in good and satisfactory condition when possession was taken, and acknowledgment of completion in full accordance with the

provisions hereof, unless prior to taking possession Lessee submits in writing to Lessor a detailed list of deficiencies which Lessee claims exist Premises.

4.3 Lessor covenants that Lessee shall peaceably and quietly possess and enjoy the Premises as against all persons claiming any right, title or interest in and to said Premises so long as Lessee shall faithfully perform the covenants, obligations, agreements and conditions of this Lease. However, Lessor reserves the right to subject this Lease at all times to the lien of any mortgages or deeds of trust now or hereafter placed upon the Premises or any part thereof.

ARTICLE 5 NUISANCE AND COMPLIANCE WITH LAWS

5.1 Lessee agrees to not use the Premise in any manner, which constitutes a nuisance. If the Lessor determines that any use of the Premises constitutes a nuisance or is otherwise not in compliance with local, state or federal laws, Lessor shall have the right to terminate the Lease with 14 days prior written notice. The fact that the Lessor is also the governing body of the Town of Rico shall not in any way restrict the Town's rights to abate any nuisance in accordance with the laws and procedures of the Town of Rico, nor shall any action by the Board of Trustees to abate a nuisance at the Premise give rise to any challenge or legal claim of breach of contract or bad faith dealings by the Lessee against the Lessor.

ARTICLE 6 SERVICES AND MAINTENANCE BY LESSEE

6.1 Lessee agrees to arrange and pay for all utility services including gas, electricity, internet, telephone, and water. Lessee shall pay the cost of replacing light bulbs or tubes used in lighting the leased Premises. Lessee shall be responsible for any maintenance or repairs required for the service portion of the water and sewer systems on the interior of the building. Lessee shall be responsible for paying the monthly water bill in such amounts as set forth in Town's regulations for water users generally. In the event that centralized sewer is provided in the Town of Rico and to the property, Lessor shall be responsible for pay all costs associated with connecting the Premises to the sewer system including any sewer tap fees and Lessee shall be responsible for paying sewer user fees at such rates that are adopted by the Town. Lessor is responsible for the water systems from the walls of the building outward. Lessee shall maintain all utility services to its name and its account and shall pay any deposits required by any utility providers. Lessor agrees that no deposit for water services shall be required from Lessee. Lessee agrees to remove snow and ice from sidewalk area within a reasonable time after storm events and further agrees to assume liable for the maintenance of such sidewalk area and indemnify the Town from any liability associated with maintenance of such sidewalk area.

ARTICLE 7 ALTERATIONS, ADDITIONS AND REPAIRS

7.1 Exterior and interior painting, signage, and other desired improvements shall be at the expense of the Lessee.

7.2 Lessee agrees to permit Lessor upon reasonable notice to enter the leased Premises to examine and inspect the same or make such repairs, additions or alterations as Lessor may deem necessary or proper for the safety, improvement or preservation thereof.

Lessee agrees to make no alterations in or additions to the leased Premises without first obtaining the written consent of Lessor; and all alterations, additions or improvements made by either party at the expense of Lessor or Lessee (except only movable, free-standing office equipment, furnishings and furniture not attached to the building) shall be deemed a part of the real estate and the property of Lessor and shall remain upon and be surrendered with said Premises as a part thereof without molestation, disturbance or injury at the end of said term, whether by lapse of time or otherwise, unless Lessor by notice given to the Lessee no later than fifteen days (15) prior to the end of the term shall elect to have Lessee remove said additions and improvements and restore the leased Premises to the condition in which said Premises were prior to the making of such alterations, additions or improvements, ordinary wear excepted.

7.3 Lessee agrees to keep the leased Premises in as good order, condition and repair, loss by fire (unless caused by the negligence of Lessee, its agents, employees or invitees) or ordinary wear excepted.

7.4 ARTICLE 8 INSURANCE, WAIVER AND INDEMNITY

8.1 Lessee shall not do any act upon the Premises or bring into or keep upon the Premises any article, which will affect the fire risk or increase the rate of fire insurance or other insurance on the building. Lessee shall comply with the rules and requirements of all boards of fire underwriters, rating bureaus, bureaus of fire prevention and like bodies, with the requirements of all insurance companies having policies of any kind in effect covering the building, including policies of any kind in effect covering the building, including policies insuring against tort liability, and with the requirements of all companies which have at any time been requested to issue such policies. Should the rate of any type of insurance on the building be increased by reason of any violation of this Lease by Lessee, Lessor, in addition to all other remedies, may pay the amount of such increase, and the amount so paid shall become due and payable immediately by Lessee as additional rent. In no event shall any flammable materials, except for kinds and quantities required for ordinary conduct of Lessee's business, or any explosives whatever, be taken into the Premises or retained therein. Lessee hereby waives its right of subrogation against Lessor, on account of any insured loss or damage to the Premises or their contents, and Lessee further agrees to require its insurer to waive its right of subrogation against the Lessor, and to endorse this waiver on

policies of risk insurance.

8.2 Lessee shall prepare a plan for the handling of combustible materials, particularly rags and other materials used, soaked, or containing varnish, turpentine or other combustible liquids, which plan shall be subject to approval by the Lessor in Lessor's sole discretion. Failure to follow the plan for the handling of combustible materials prepared by Lessee and approved by Lessor shall be grounds for immediate termination of this lease by Lessor.

8.3 Lessee shall carry liability insurance at its expense against bodily injury and property damage occurring on the Premises and adjacent public areas in the minimum total amounts of \$1,000,000.00 combined single limits for bodily injury (if individual limits are specified, then also \$200,000.00 per person) and \$1,000,000.00 for property damage; all such insurance policies shall name Lessor as an additional insured and provide for ten days prior to written notice to Lessor of lapse or cancellation for any reason whatsoever. Lessee shall furnish Lessor with certificates evidencing that the insurance is in effect at all times during the term of this Lease.

8.4 Lessee shall indemnify and hold Lessor harmless from and against any and all losses, claims and damages arising from Lessee ' s use of the leased Premises or the conduct of its business or from any activity, work or thing done, permitted or suffered by Lessee in or about the leased Premises, and shall further indemnify and hold Lessor harmless from and against any and all claims arising from any breach or default in the performance of any obligation on Lessee's part to be performed under the terms of this Lease, or arising from any act or negligence of Lessee or any of its agents, contractors or employees, and from and against all costs, attorney's fees, expenses and liabilities incurred in or about any such claims or any actions or proceedings brought thereon; and in case any action or proceeding be brought against Lessor by reason of such claim, Lessee, upon notice from Lessor, shall defend the same at Lessee's expense by counsel reasonably satisfactory to Lessor, Lessee, as a material part of the consideration to Lessor, hereby assumes all risks of damage to property or injury to persons in, upon or about the Leased Premises.

8.5 The parties hereto understand and agree that Lessor is relying on, and does not waive or intend to waive by any provision of this Lease, the monetary limitations {presently \$200,000.00 per person and \$1,000,000.00 per occurrence) or any other rights, immunities, and protections provided by the Colorado Governmental Immunity Act, §24-10-101 *et. seq.*, C.R.S. as from Lessor, its officers, or its employees. Without limiting the generality of the foregoing, the Parties hereto understand that Lessee shall have the exclusive possession of the Premises for the term of the Lease in accordance with the terms hereof, that the public shall have no right of access to the Premises, and that the Premises shall not be considered to be a public building for the purposes of said Governmental Immunity Act during the term of the Lease.

ARTICLE 9 DAMAGE BY FIRE OR OTHER CASUALTY

9.1 Lessor agrees that it will keep the building of which the Premises are a part insured against loss or damage by fire. Lessor shall furnish Lessee with certificates evidencing that the insurance is in effect at all times during the term of this Lease.

9.2 If the Premises, in the Lessor's sole determination, or the building, shall be so damaged by fire or other casualty as to render said Premises wholly untenable, then this Lease shall cease and terminate from the date of the occurrence of such damage, and the Lessee thereupon shall surrender to the Lessor said Premises and all interest therein hereunder, and the Lessor may re-enter and take possession of said Premises and remove the Lessee therefrom. The Lessee shall pay rent apportioned to the time of such termination of the Lease. If, however, the damage shall be such that the Premises can be made tenable within said 150-day period from the happening of such damage by fire or other casualty, then the Lessor shall repair the damage so done with all reasonable speed, and Lessee's rent shall abate during the period the Premises are untenable.

9.3 If said demised Premises, without the fault of the Lessee, shall be slightly damaged by fire or other casualty, but not so as to render the same untenable, the Lessor, after receiving notice in writing of the occurrence of damage, shall cause the same to be repaired with reasonable promptness, without diminution of rent. If the fire or other casualty causing injury to the demised Premises or other parts of the building shall have been caused by the negligence or misconduct of the Lessee, its agents, servants or employees, or of any other persons entering upon the Premises under express or implied invitation of the Lessee, such injury shall be repaired by the Lessor at the expense of the Lessee, despite contrary provisions, if any, appearing in this Lease.

ARTICLE 10 DEFAULT

10.5 Lessee's right in and to the Premises depends upon the performance and keeping of the covenants, agreements, duties and obligations of Lessee set forth in this Lease. Lessor shall have the rights and remedies specified in Article 10.2, in addition to any other rights and remedies provided elsewhere in this Lease or by law, upon the happening of any of the following events (herein called "events of default"):

- (a) If Lessee shall default in the due and punctual payment of the fixed rent, or any additional rent or charges payable hereunder, and such default shall continue for five (5) days after receipt of written notice from Lessor.
- (b) If Lessee shall neglect or fail to perform or observe any of the covenants herein contained on Lessee's part to be performed or observed and Lessee shall fail to remedy the same within twenty (20) days after

Lessor shall have given to Lessee written notice specifying such neglect or failure.

(c) If this Lease or the demised Premises or any part thereof shall be taken upon execution or by other process of law directed against Lessee, or shall be taken upon or subject of any attachment at the instance of any creditor of or claimant against Lessee, and said attachment shall not be discharged or disposed of within fifteen (15) days after the levy thereof.

(d) If, because of any act or omission of Lessee, any mechanic's or other lien or order for payment of money shall be filed against the Premises or any other part of the building, or against Lessor (whether or not such lien or order is valid or enforceable as such), and Lessee shall fail, within ten (10) days after notice either to cause the same to be canceled and discharged of record or deliver to Lessor a bond containing provisions satisfactory to Lessor, issued by a surety company reasonably acceptable to lessor guaranteeing the removal thereof, and indemnifying and saving harmless Lessor from and against all costs, expenses, claims, losses, damages and liabilities, including reasonable counsel fees, resulting therefrom.

10.5 If the tenant abandons the premises as used herein; the term "abandon" shall mean and refer to closing operations of and vacating the premises without intent to return. Upon the occurrence of any of the events of default specified in Article 10.1, Lessor may exercise any one or more of the following rights and remedies:

(a) Lessor may pay the sum or perform the obligation, which Lessee has failed to pay or perform, and the amount of such sum or the cost of such performance shall be deducted from the deposit or paid to Lessor on or before the next rental paying date.

(b) Lessor may give lessee written notice of intention to terminate this lease on the date of such given notice or on any later date specified therein, and on the date specified in such notice, Lessee's right to possession of the demised Premises shall cease and this Lease shall thereupon be terminated. If this Lease is terminated by Lessor by reason of any default by Lessee, Lessor shall be entitled to recover from the Lessee, in addition to payment of any moneys due and owing, the worth at the time of such termination of the excess, if any, of the amount of rent reserved in this Lease for the balance of the term hereof in excess of the then reasonable rental value of the demised Premises for the same period. It is agreed that the "reasonable rental value" shall be the amount of rental which the Lessor can reasonably expect to obtain as rent for the remaining balance expect to obtain as rent for the remaining balance of the term.

(c) Lessor may, as per statute, re-enter and take possession of the

demised Premises or any part thereof, and repossess the same as of Lessor's former estate and expel Lessee and those claiming through or under Lessee, and remove the effects of both or either (forcibly, if necessary) without being deemed guilty of any manner of trespass and without prejudice to any remedies for arrears of rent or any preceding breach of covenants.

10.3 The mention in this Lease of any particular remedy shall not preclude Lessor from any other remedy Lessor might have, either in law or in equity, nor shall the waiver of or redress for any violation of any covenant or condition contained in this Lease or any of the rules and regulations set forth herein or hereafter adopted by Lessor prevent a subsequent act, which would have originally constituted a violation, from having all the force and effect of any original violation. In case it should be necessary or proper for Lessor to bring any action under this Lease, or to place said Lease with an attorney for the enforcement of any of Lessor's rights hereunder, then Lessee agrees in each and any such case to pay to Lessor a reasonable attorney's fee. The receipt by Lessor of rent with knowledge of a default or the breach of any covenant in this Lease contained shall not be deemed a waiver of such default or breach. The failure of Lessor to enforce any of the rules and regulations set forth herein, or hereafter adopted, against Lessee and/or any other lessee in the building, shall not be deemed a waiver of such rules and regulations or any part thereof. The receipt by Lessor of rent from any assignee, sub-tenant or occupant of said Premises shall not be deemed a waiver of the covenants in this Lease contained against assignment and sub-letting, or an acceptance of this assignee, sub-tenant or occupant as Lessee, or a release of Lessee from the further observance or performance by Lessee of the covenants in this Lease contained on the part of Lessee to be observed and performed. No provisions of this Lease shall be deemed to have been waived by Lessor unless such waiver be in writing signed by Lessor. No act or thing done by Lessor or Lessor's agents during the term hereof shall be deemed an acceptance of a surrender of said Premises, and no agreement to accept such surrender shall be valid unless in writing signed by the Mayor or Town Manager of Lessor. No employee of Lessor or of Lessor's agents shall have any power to accept the keys of said Premises prior to the termination of this Lease. The delivery of keys to any employee of Lessor, or of Lessor's agents, shall not operate as a termination of this Lease or a surrender of the Premises. No payment by Lessee, or receipt by Lessor, of a lesser amount than the minimum monthly rental herein stipulated, shall be deemed to be other than payment or partial payment of the earliest stipulated rent; nor shall any check, or payment as rent, be deemed an accord and satisfaction, and Lessor may accept such check or payment without prejudice to Lessor's rights to recover the balance of such rent or pursue any other remedy available to Lessor. Time is of the essence hereof.

10.5 If Lessee shall fail to remove all effects from the leased Premises upon

abandonment, upon termination of this Lease for any cause whatsoever, or upon expiration of this Lease, Lessor, at its option, may remove such effects in any manner that it shall choose, and store them without liability to Lessee for loss or damage thereof, and Lessee agrees to pay Lessor on demand any and all expenses incurred in such removal, including court costs and attorney's fees and storage charges on such effects for any length of time they shall be in Lessor's possession, or Lessor, at its option, without notice, may sell said effects, or any of them, at private sale and without legal process, for such prices as Lessor may obtain, and apply the proceeds of such sale to payment of any amounts due under this Lease from Lessee to Lessor and to payment of the expense incident to the removal and sale of said effects, rendering the surplus, if any, to Lessee.

10.5 No payments of money by Lessee to Lessor after the termination of this Lease, in any manner, or after the giving of any notice (other than a demand for payment of money) by Lessor to Lessee, shall reinstate, continue or extend the term of this Lease or affect any notice given to Lessee prior to the payment of such money, it being agreed that after the service of notice or the commencement of a suit or after final judgment granting Lessor possession of said Premises, Lessor may receive and collect any sums of rent due, or any other sums of money due under the terms of this Lease, and the payment of such sums of money, whether as rent or otherwise, shall not waive said notice, or in any manner affect any pending suit or any judgment theretofore obtained.

ARTICLE 11 HOLDING OVER

11.1 If, after the expiration of this Lease, Lessee shall remain in possession of the leased Premises with Lessor's permission and continue to pay rent, without any express agreement as to such holding, then such holding over shall be deemed and taken to be a holding upon a tenancy from month to month subject to all the terms and conditions of this Lease on the part of Lessee to be observed and performed and at a monthly rental equivalent to the monthly installments hereinabove provided for, payable in advance on the same day of each calendar month.

ARTICLE 12 ASSIGNMENT OR SUBLETTING

12.1 Lessee agrees not to sell, assign, mortgage, pledge or in any manner transfer this Lease or any estate or interest thereunder, or any controlling interest in Lessee, and not to sublet the Premises or any part or parts thereof and not to permit any licensee or concessionaire on the Premises without the prior written consent of Lessor in each instance. Consent by Lessor to be an assignment of this Lease or the subletting of the Premises shall not be a waiver of Lessor's rights as to any subsequent assignment or subletting. Lessor's rights to assign its interest in this Lease are and shall remain unqualified, and shall not relieve Tenant from its obligations under the law.

ARTICLE 13 SUBORDINATION

13.1 It is expressly understood and agreed that this Lease shall be subject and subordinate to any mortgage or deed of trust now upon the demised Premises and any mortgage or deed of trust hereafter placed upon the demised Premises by Lessor. Lessee hereby agrees to execute, if the same is required, any and all instruments in writing which may be requested by Lessor to subordinate Lessee's rights acquired by this Lease to the lien of any such mortgages or deeds of trust. Lessee hereby appoints Lessor its attorney-in-fact irrevocably to execute, acknowledge and deliver any such instrument or instruments for the Lessee as Lessor may determine necessary to carry out the intent of this Article.

ARTICLE 14 SURRENDER OF POSSESSION

14.1 Lessee covenants to surrender and deliver up the possession of the Premises promptly at the expiration of the lease term, or in the case of the exercise by Lessor of its rights under Articles 14 or 15 hereof to terminate this Lease or remove Lessee from possession. If Lessee shall fail or refuse to so surrender possession, and Lessor shall commence an unlawful detainer action to remove Lessee, Lessee agrees to pay all expenses and attorney's fees of Lessor in said proceeding, and specifically agrees to the entry by the Court in the unlawful detainer proceeding of an award of Lessor's reasonable attorney's fees, which are stipulated to be not less than \$300.00.

ARTICLE 15 MISCELLANEOUS PROVISIONS

15.1 Any notices to Lessor under the terms and provisions hereof shall be in writing and shall be delivered in person to the Town Clerk in her office at the Town Hall. Notice to Lessee under the terms and provisions hereof shall be in writing and may be delivered in person to any officer, partner or manager of Lessee, located on the demised Premises, or may be hand delivered, or sent by U.S. mail to Lessors addresses set forth herein. Service, if by mail, shall be complete as of the day following the mailing thereof. Either party shall have the right to designate in writing a different address to which notice is to be mailed or delivered.

15.2 Lessee acknowledges and agrees that it has not relied upon any statements, representations, agreements or warranties except such as are expressed herein, and that no amendment or modification of this Lease shall be valid or binding unless expressed in writing and executed by the parties hereto in the same manner as the execution of this Lease.

15.3 If any clause or provision of this Lease is illegal, invalid or unenforceable under present or future laws effective during the term of this Lease, then and in that event, it is the intention of the parties hereto that the remainder of this Lease shall not be affected hereby, and it is also the intention parties to this Lease that in lieu of each clause or provision of this Lease that is

illegal, invalid or unenforceable, there be added as a part of this Lease a clause or provision as similar in terms to such illegal, invalid or unenforceable clause or provision as may be possible and be legal, valid and enforceable.

15.4 The caption of each Article hereof is added as a matter of convenience only and shall be considered to be of no effect in the construction of any provision or provisions of this Lease.

15.5 This Lease, its validity, interpretation and enforcement, shall be governed by the laws of the State of Colorado.

15.6 All terms, conditions and covenants to be observed and performed by the parties hereto shall be applicable to and binding upon their respective heirs, administrators, executors, successors and assigns. The obligations of Tenant under this lease and joint and several.

15.7 Time is of the essence in the performance of obligations under this lease.

IN WITNESS WHEREOF, the parties hereto have executed this Lease on the day and the year first above written.

LESSOR:

TOWN OF RICO

By: _____
Barbara Betts
Mayor, Town of Rico

Attest: _____
Linda Yellowman
Town of Rico

LESSEE:

By: _____
Justin Bain

Adrian Heinbach

STATE OF COLORADO }

COUNTY OF }

The forgoing instrument was acknowledged before me this _____ day of _____ 2021

WITNESS my hand and official seal.

Notary Public

My commission expires: _____

TOWN OF RICO
ORDINANCE NO. 2020-07
AN ORDINANCE OF THE TOWN OF RICO, COLORADO TO INCREASE SEPTIC
PERMIT FEES AS PER COLORADO DEPARTMENT OF HEALTH AND
ENVIRONMENT REGULATION 43, SECTION 43.4B.a 25-10-107, C.R.S. FROM \$3.00
TO \$150.00

WHEREAS, it is the duty and obligation of the Board of Trustees to set and establish rates and charges for permits in an amount sufficient to pay for the plan review, inspection costs and filing of septic permits;

WHEREAS, the Board of Trustees finds that the current application surcharge of \$3.00 is insufficient to cover the costs of septic system permitting and wishes to charge a permit application fee;

WHEREAS, the Board of Trustees finds that charging septic permit applicants an amount which pays for the plan review, inspection costs and filing promotes the health, safety and welfare of the Rico community.

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

SECTION 1. Ordinance 2017-1, Section 1, 100.4 are hereby amended as follows:

A. Permit application fees shall be \$150.00 unless review of the system requires an expert such as a licensed engineer. In that instance, cost of the professional review shall be paid by the applicant.

This Ordinance was, following public notice, introduced, read and adopted upon first reading on the 13th day of December 2020.

This Ordinance was, following public notice, introduced, read and adopted finally adopted upon second reading on the 20th day of January 2021.

This Ordinance shall take effect upon final adoption and publication.

By: _____
Barbara Betts, Mayor

Attest: _____
Linda Yellowman, Town Clerk