

Date: June 11th, 2021

TO: Town of Rico Board of Trustees  
FROM: Kari Distefano, Rico Town Manager  
SUBJECT: June Board of Trustee's meeting

**Consideration business proposals for 3 S. Glasgow and approval of a tenet.**

As requested by the Board of Trustees at the meeting on May 19<sup>th</sup>, I asked Brandon Watson, Matt Downer and Lasha Farrar to provide the Trustees with business plans for the space at 3 S. Glasgow. The business plans are included in the packet.

Motion to approve a lease agreement with (fill in business name).

**Consideration of enacting a Town wide fire ban.**

As you all know, it has been dry and windy and will be for the foreseeable future. I have included in this packet a fire ban ordinance. The Board can approve this on Wednesday or make a motion to put it into effect if and when the USFS enacts a fire ban.

**Appointment of a hiring committee to search for a new town manager.**

There are four citizens that are interested in being on the hiring committee for the new town manager. They are Erin Johnson, Benn Vernadakis, Mary Jondrow and Julia Prejs. I have included their letters of interest in this packet. The Board should also decide who from the Board will be appointed to the committee.

Motion to appoint (fill in name) to the search committee for the new Town manager.

**Consideration of a letter of engagement from Kari Distefano to function as the Rico Town Planner**

As we discussed at the meeting on June 2<sup>nd</sup>, I am interested in being the Rico Planner. I have attached a letter of engagement for your review.

**Consideration of an application for a setback variance on Lots 8 and 9, Block 12, Dave Kunz, applicant.**

The applicant, Dave Kunz is seeking a variance to the Colorado Department of Public Health and Environment (CDPHE) requirement that soil treatment areas be located ten feet from all lot lines. His application is complete and compliant and included in this packet. His lots are located on River Street south of a house belonging to Scott Livesay and north of a house belonging to Kelsey and Scott Gilbert. Mr. Kunz is requesting a variance from the ten-foot

setback requirement on the west end of his lot (the rear). His lot on the west side abuts a Town owned alley. The CDPHE requirement of a ten-foot setback from lot lines is intended to ensure that soil treatment areas be located ten feet from any water lines or potential water lines. The Town water line is located in River Street at the front of the proposed building. There would be no reason to re-locate the Town's water line. Again, when evaluating a variance application, the Board of Trustees should consider the following:

There are special circumstances existing on the property on which the application is made related to size, shape, area, topography, surrounding conditions, access, and location that do not apply generally to other property in the same area and Zone District;

As with many Town lots, the space is limited. The Town has in the past granted variances of this nature as long as there is no danger that the soil treatment area would ever be within ten feet of a water line, be it a service line or a main line.

the Variance, if granted, will not constitute a material detriment to the public welfare or injury to the use, of property in the vicinity; and,

Since the setback variance request is at the back of the lot, it should pose no material detriment to the public welfare or injury to the use of the property in the vicinity.

the Variance is not sought to relieve a hardship to development of the property which has been created by the Applicant; and,

The variance is not sought to relieve a hardship.

the proposed use is a permitted use in the underlying Zone District.

There are no changes to the permitted use being contemplated by this variance application.

Motions:

1. Motion to approve the variance on Lots 8 and 9, Block 12.
2. Motion to approve the variance on Lots 8 and 9, Block 12 with conditions (list conditions).
3. Motion to deny approval of the variance on Lots 8 and 9, Block 12.

#### **Update on the pre-application agreement with the CWCB.**

Marti Whitmore will update the Board of the pre-application agreement with the CWCB.

#### **Draft Short-Term Rental Ordinance**

I have attached a copy of a draft short term rental ordinance for review by the Board. I placed a cap on number of short-term rental permits to be issued at ten. I came up with that number by using Ridgway's cap of 50 and equating it to Rico's population. Rico has 20% of Ridgway's population absent of a better idea, I used 20% of 50.

**VCUP discussion, straw poll funding agreement, follow up discussion regarding the EPA question and answer forum.**

Included in the packet is a matrix provided by Nicole Pieterse that examines in detail what the funding agreement with ARCO proposes with the comments and suggestions that are included in the document that you have all seen. Again, the idea is to go through this matrix point by point and do a straw poll to determine whether or not the Board wants to continue to engage in the VCUP process or abandon it.

Included in the packet is a summary of the question and answer session with the EPA. I have uploaded the discussion to YouTube and if the Board believes that it is appropriate, the link can be distributed to the public.

Also included in the packet are three maps showing the soil samples in Rico that tested higher than 1100ppm, higher than 750ppm and higher than 400ppm that Pat Fallon requested. These maps illustrate the number of lots in Rico that would need to be remediated in each scenario.

Unfortunately, there is an inherent degree of risk associated with living in mountain towns. Most mountain towns originated as mining communities at a time when people were unaware of the health hazards associated with mining. It is the duty of Town officials to endeavor to protect the health, safety and welfare of Town residents but as with many things, there is a balance between safety and practicality. Risk assessments are designed to address this balance. Because many people are killed in car accidents, should *everyone* quit driving? The EPA and the CDPHE determine remediation levels based on risk assessments. The risk assessments produced in 2010 and 2011 indicted that 1100ppm was the level at which lots with residential uses should be remediated. The EPA and the CDPHE both agreed upon this level. An updated risk assessment could lower the levels at which the EPA and the CDPHE determine lots in Rico should be remediated.

It is worth addressing the practicalities of remediation activities on construction projects. It will be more difficult to build on lots that need to be remediated. There are additional operations built into the construction process when remediation is required. These include soil sampling, separation and hauling. If risk assessments approved by the CDPHE and the EPA

determine that a lead level higher than 400ppm is acceptable, does the Town really want to insist that any development in Town remediate any lot that exceeds 400ppm?

**Courthouse painting project.**

Rico has a proposal to have the Town Hall painted by Clay Hall. The estimate is included in this packet. This work was supposed to be done last year, but like many things, got side-lined by COVID. There is money in the budget, and I would like to tell Mr. Hall that he can go ahead and start at his earliest convenience.



**Erin Johnson**  
*Attorney at Law, L.L.C.*  
9 S. Glasgow Avenue, POB 189  
Rico, Colorado 81332  
303-588-2695  
erin@fone.net

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June 7, 2021

Kari Destafano  
Rico Town Manager  
PO Box 9  
Rico, CO 81332

RE: Town Manager Hiring Committee

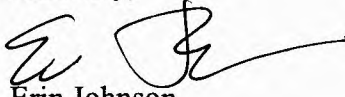
Dear Kari,

I am very interested in participating in the Town Manager Hiring Committee. As you are aware I have significant concerns about the future of the town, and I am also the owner of 3 of the town-designated historic buildings.

If you would like any additional information about my qualifications for this post, please let me know.

Thank you for considering me for this committee.

Sincerely,



Erin Johnson

## **Hiring committee for town manager**

benn@fone.net | 3:17 PM | < 1 min read

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Hi Kari and all other interested parties, I, Benn Vernadakis, would like to be considered to be part of the hiring committee for the town manager position. I have been a resident of Rico for 25 years as well as a builder in the area for over 30. Also I have been on the planning board for over 6 years. I believe I have a great deal of knowledge pertaining to the wants and needs of this community can be of service in this process. I appreciate your consideration. Sincerely, Benn Vernadakis

Sent from my iPhone

Rico Board of Trustees  
P.O. Box 9  
2 Commercial St  
Rico, Colorado 81332

June 9, 2021

Dear Mayor Betts and Members of the Rico Board of Trustees,

I am writing to express interest in serving as the community member of the Rico Town Manager search committee. My husband, Jim Ostrem and I have owned a home here for over ten years. Though we are part-year residents, we have tried to express our commitment to the community by participating and contributing when possible. I feel I have experience that would be useful to you as you seek to find our new Town Manager.

During my more than 20 years of working in the public sector, I managed several educational programs and grants. Because of this I participated in many search committees and was hiring manager for dozens of searches. Several of these searches were for high-profile hires such as, school superintendent, college vice presidents and vice chancellors. Because of the visibility of these positions, search processes needed to be conducted very conscientiously and with an eye for building consensus in the community. Once I've become familiar with the processes the Board already has in place for conducting searches, I believe I would contribute to the smooth running search process with little additional training.

I assume the schedule will be a critical element to your plan. I expect to be in Rico until the end of October, but will be out of town for a week toward the end of July. I will also be out of town the week of June 14, when you'll be meeting to make a decision regarding the community member of the search committee. I'll happily attend that meeting via Zoom.

Even though it will be difficult for our community to say goodbye to our "rainmaker" Kari, this is also a great opportunity for us to find another energetic, creative leader for Rico. It's an exciting time.

Feel free to call me with any questions. My mobile number is 520 861-0263,

Warmest regards,  
Mary Jondrow  
37 N Silver St., Rico, Colorado

To the Rico Trustees:

Please accept this letter as my request to be considered for the hiring committee for the Rico Town Manager. I am a Society of Human Resource Management Certified Professional (SHRM-CP®), and have been working in Human Resources and Administration for the last 4 years. The scope of my daily job duties at Town of Telluride includes: updating and developing job descriptions, administering the compensation plan, all aspects of recruitment (advertising, reviewing resumes, conducting interviews, reference checks, determining competitive offers and onboarding). I also work very closely with Telluride's Town Manager and have insight on what important attributes are for success and effectiveness in that role. Last but not least, I've been a Rico resident for almost 3 years and I understand the unique challenges that our Town and the Town Manager position will face.

This is an important decision for the Town of Rico, which has the potential to shape our Town's future. Please consider my professional qualifications and expertise for inclusion on this committee. Thank you for your consideration.

Julia A. Prejs, SHRM-CP®

# Rico Loco Bike Shop

Brandon Watson, Certified Master Mechanic

Rico Loco Bicycles, LLC

13 S. Glasgow Ave, Rico, Colorado 81332

970-967-2524

## Business Plan

May 27, 2021

### What we offer:

- Full service bike repair, service and retail shop
  - ⇒ Full service bike tunes
  - ⇒ Suspension rebuilds and service
  - ⇒ Wheel building and truing
  - ⇒ Custom mountain bike builds
  - ⇒ Parts, lubes, tubes and gear sales, recreational accessories
  - ⇒ Bike wash station
  - ⇒ Small demo/rental bike fleet when supported by business volume

### Vision:

- Establish and operate a full service bike repair, service and retail shop in Rico with loco rad credentials!

### Mission:

- Offer quality professional bike repairs, services and retail products to the community by a certified master mechanic with extensive experience:
  - ⇒ State and National bike racing titles in Downhill and Dual Slalom
  - ⇒ 2013 graduate of Barnett Bicycle Institute
  - ⇒ Many other certifications

### Objectives:

- Fulfill current demand for bike services for locals, travelers and bike groups that come through Rico
- Offer a "rest stop" on Glasgow Avenue for bikers that will support economic activity with other local businesses - restaurants, Mine Shaft, Fireweed, Rico Coffee, Mountain Top Convenience, etc.
- Service existing client base developed from managing several bike shops in Telluride

### Strategies:

- Support the Town of Rico by creating a reason for visitors to stop in town, generating sales tax and funneling business to other local businesses
- Promote tourism in the Rico area
- Coordinate activities with local biking community and bike groups

## Plans:

- Convert existing storefront leased from the Town of Rico to bike and traveler retail shop and repair/parts/service center for bicycles
- Open before the 4<sup>th</sup> of July
  - ⇒ Sales tax and Wage withholding licenses already in place
  - ⇒ Wholesale accounts with various vendors currently established
  - ⇒ T-shirts and retail products on order
- Focus on weekend and evening operating hours when most bike traffic occurs
- Repair services, tuning, parts sourcing also by appointment

## Endorsements:

→ *"We would like to voice our support for Brandon Watson's proposed bike shop, 'Rico Loco Bicycles'. Not only is he a long time Rico local, but he also has a passion for this business that would not only benefit residents, but also guests who visit and stay at our hotel. With the expansion of Rico Trail Alliance, as well as many new home owners who seem to be active and into biking, this business seems like a great opportunity for the town. After talking with Brandon, he made it clear that he would like to have space for retail, employ locals, and be able to assist and fix bikes as needed. A real draw for us as hotel owners is also the fact that his long term goals include renting out bikes for people who are interested."*

⇒ Jorden O'Hara and Andrew Romanyshyn, Rico Mine Shaft Inn

→ *"A local bike shop would be a great addition to the Rico business community, and there is a definite need for the services he offers. Brandon's expertise and existing client base will make for an instant success."*

⇒ Erin Johnson, Burley Building

→ *"It's no secret that mountain bike tourism and recreation is growing throughout the country. I have known and worked with Brandon Watson for over a decade and have seen him develop into a respected business owner. I worked with Brandon to build a downhill race team through the Gravity Works bike shop when he managed it in Telluride in 2012. Brandon took full advantage of his role serving the community to bring a level of enthusiasm previously un-imagined to kids and adults alike. Brandon has unstoppable enthusiasm for the sport, dedication to his community and knowledge of the industry. I am nothing but excited to see what he can do for the town of Rico and its evolving recreational community."*

⇒ Trevor Martin, Former Vice President of the San Miguel Bicycle Alliance & longtime local of Southwest Colorado

→ *"Brandon and I met in the winter of 2011-2012 at Telluride Gravity Works. Through the years at TGW, Brandon was not only a reliable and trustworthy employee, but a great friend. In this day and age, it is uncommon to meet people that do what they say and put forth a personal effort they are proud to reflect on. I believe Rico Loco Bike Shop would be a great addition to the Town of Rico for locals and visitors alike. I feel confident Brandon Watson will put forth his best effort to make this business thrive and help create a more lively downtown environment for the Town of Rico."*

⇒ Michael Beckman, Telluride Gravity Works



13 Glasgow Ave. Rico, CO 81332 (970)967-2524



13 Glasgow Ave.  
Rico, CO 81332  
(970)967-2524



13 Glasgow Ave.  
Rico, CO 81332  
(970)967-2524

DR 0140 (02/18/11)  
DEPARTMENT OF REVENUE  
DENVER CO 80261-0013

Must collect  
taxes for:

**SALES TAX  
LICENSE**

THIS LICENSE MUST BE POSTED AT THE FOLLOWING LOCATION  
IN A CONSPICUOUS PLACE: BRANDON WATSON  
13 N GLASGOW AVE RICO CO 81332-5015

STATE  
COLORADO

RTA

CITY  
Rico

USE ACCOUNT NUMBER for all references	LIABILITY INFORMATION					ISSUE DATE			LICENSE VALID TO DECEMBER 31
	county	city	industry type	entity type	party	month	day	year	
94720717-0000	58	0010	003	L	050221	Mar	29	21	2021

THIS LICENSE IS NOT  
TRANSFERABLE



RICO LOCO BICYCLES LLC  
PO BOX 174  
RICO CO 81332-0174

*Mark F. L.*

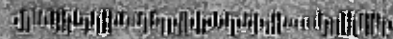
Executive Director  
Department of Revenue

DR 0140 (02/18/11)  
COLORADO DEPARTMENT OF REVENUE  
DENVER CO 80261-0013

**WAGE WITHHOLDING LICENSE**

THIS LICENSE IS  
NOT TRANSFERABLE

USE ACCOUNT NUMBER for all references	LIABILITY INFORMATION					ISSUE DATE		
	county	city	industry type	entity type	party	month	day	year
94720717	58	0010	003	L	050221	Mar	29	21



RICO LOCO BICYCLES LLC  
PO BOX 174  
RICO CO 81332-0174

*Mark F. L.*

Executive Director  
Department of Revenue





## CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)  
03/25/2021

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

<b>PRODUCER</b> Next First Insurance Agency, Inc. PO Box 80787 Palo Alto, CA 94306	<b>CONTACT</b> NAME: PHONE: (855) 222-5019 FAX: N/A E-MAIL: support@nextfirstinsurance.com ADDRESS: <b>INSURER(S) AFFORDING COVERAGE</b> INSURER A: Next Insurance US Company NAIC # 16285 INSURER B: INSURER C: INSURER D: INSURER E: INSURER F:
<b>INSURED</b> Brandon Watson Rico Loco Bicycles 13 S Glasgow Ave Rico, CO 81332	

COVERAGES		CERTIFICATE NUMBER: 5684209		REVISION NUMBER:	
THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.					
DATE	TYPE OF INSURANCE	POLICY NO.	POLICY EFF. DATE	POLICY EXP. DATE	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR  GEN'L AGGREGATE LIMIT APPLIES PER <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER:  AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS ONLY <input type="checkbox"/> NON-OWNED AUTOS ONLY  UMBRELLA LIAB <input type="checkbox"/> OCCUR EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED <input type="checkbox"/> RETENTION \$  WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/OWNER EXCLUDED? (Mandatory in NM) If yes, describe under DESCRIPTION OF OPERATIONS below	NOTPCSEPIK-00-01	03/25/2021	03/25/2022	EACH OCCURRENCE \$1,000,000.00 DAMAGE TO RENTED PREMISES (CL. 16.02.01) \$100,000.00 MED EXP (Any one person) \$15,000.00 PERSONAL & ADV INJURY \$1,000,000.00 GENERAL AGGREGATE \$2,000,000.00 PRODUCTS - COMPROP AGG \$2,000,000.00 \$ COMBINED SINGLE LIMIT (CL. 16.02.01) \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$ EACH OCCURRENCE \$ AGGREGATE \$ \$ PER STATUTE <input type="checkbox"/> OTHER <input type="checkbox"/> E.L. EACH ACCIDENT \$ E.L. DISEASE - SA EMPLOYER \$ E.L. DISEASE - POLICY LIMIT \$
DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)					
Proof of Insurance.					

<b>CERTIFICATE HOLDER</b> Brandon Watson Rico Loco Bicycles 13 S Glasgow Ave Rico, CO 81332	<b>CANCELLATION</b> SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.  AUTHORIZED REPRESENTATIVE
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# **Matt Downer Designs Business Proposal - June 2021**

## **Description of Business:**

Matt Downer Designs creates handmade, one-of-a kind furniture and lighting out of wood, steel, stone and glass for clients across the country from a home workshop in Rico, CO. All sales are made as a wholesaler to galleries in Telluride and Santa Fe, NM. Matt Downer Designs is currently without a retail sales presence.

## **Current Challenges:**

After steady growth over the past 17 yrs., I, Matt Downer, have found that in the last two years, I have been unable to meet the demand for my work. As a result, I am either losing clients by not being able to meet their deadlines, or I am forced to decline projects altogether that I would otherwise love to take. Consequently, work that I could and should be doing is being done by other craftsmen. Additionally, my reliance on galleries to market and sell my work makes my business especially vulnerable to the whims of the gallery owners.

## **Proposed Solution:**

My business has reached the limit of its capacity simply as a function of limited work space. By being able to expand into the commercial space on Glasgow, I will both be able to meet client demand as well as develop a much needed retail space for my work.

## **Long-term vision:**

My long-term goal is to create a larger, stand-alone workshop in or near Rico. The Glasgow space will create the possibility of not only meeting the needs of current and future clients, but crucially, it will allow me to establish a retail outlet. This will be critical to both diversifying my sales presence as well as to growing the business by allowing for direct client outreach and marketing. I look forward to the time when I can move out of the Glasgow space and allow another business to use it for their growth.

## **Key Benefits of Business to Rico:**

- **Most effective, productive use of the space.**
- **Business is non-seasonal - 12 month a year.**
  - The shop will be operating full time. We will be as busy during the shoulder seasons and Winter as we are in peak Summer.
- **Establish an attractive, creative space that meets the growing demand for high-end furniture, lighting and art.**
  - Travelers through town will be able to watch and interact with the creation of handmade heirlooms made of the most beautiful woods from around the world.
  - The regional demand for hand-crafted, custom work is strong and growing rapidly. An active shop on Main st. will help to establish Rico as a destination for commissioning such work. Visiting clients will likely eat and drink in Rico.

**- Rico will capture revenue that is currently leaving the county.**

- Retail galleries paid approx. \$30,000 in sales tax on my work last year. As a wholesaler, none of that revenue came through Rico or Dolores county.

- Currently, my marketing is limited to gallery exposure and word of mouth. Opening a retail space will allow for regional marketing and outreach that is currently untapped.

- Towns across the west are booming. Designers and home owners from Moab to Crested Butte, to Denver have more high-end projects than they have craftsmen to build them. My marketing focus will be to make direct, strategic outreach to designers, architects and builders in target markets.

- I will capitalize on an established social media presence. Customized videos will be created for and distributed to specific geographic markets on Youtube, Facebook and Instagram creating visibility directly to homeowners.

- These strategies can be expanded nationally.

- I will be able to promote the new retail space directly to my extensive list of clients, architects and designers in the Telluride region.

- This is all on top of the sales generated by homeowner and tourist traffic going to and from Telluride.

- Current pieces retail for between \$950 and \$20,000. Future designs will include more modestly priced items affordable to most travelers through Rico and not just the very wealthy.

**- Offer woodworking classes.**

- Offering and advertising open woodworking classes will bring students that would not otherwise make the trip to Rico. These students will inevitably frequent other businesses in town. Classes will also be offered in conjunction with the Ah Haa School for the Arts in Telluride.

**- Enliven Main Street.**

- An active, creative business will help create and entertain foot traffic thus encouraging visitors to patronize other businesses.

**- Foster increased collaboration with other Rico craftsmen.**

- Having worked with Dylan Robertson and Jesse Steed for years, their considerable skills would be in greater demand. This could also apply to the various members of the Artist of Rico and the many skilled builders that live in our town.

- Opportunities for potential apprenticeships would be welcome and encouraged.

- If the Artists of Rico would like to use the space for their week-long summer showing, I would be glad to make the space available to them.

**- No significant startup obstacles.**

- Colorado Sales Tax License for Matt Downer Designs LLC is and has been active for several years.

- Liability insurance is and has been active for several years.

- A professional website is and has been active for several years.

- A highly qualified partner, Tyson Atwell, is ready to begin work immediately.

- A full shop of state of the art woodworking tools is currently sitting in storage awaiting transport to Rico.

- Social media presence with thousands of followers is ready to deploy.

- A dozen original designs are ready to populate the display space.

- I currently have back-stock of premium materials for months worth of work.

- I have a back-log of projects that will keep the shop busy for months to come.

# *Rooted in Rico*

• *local, earthy, healing* •



# A BUSINESS PLAN FOR 13 S. GLASGOW AVE, RICO by LASHA FARRAR

## THE BUSINESS OPPORTUNITY

Why drive all the way to Telluride or Dolores for superior Yoga and wellness services when you can stay right here in Rico and walk (or bike) to class, your massage appointment, to exercise, to pick up a cute gift for a friend or yourself, or to do all those things?

We all drive so much to get to every person, place, and thing we need and want.

Staying local means that we can save time and money. It also means that we can employ locally and put our hard-earned money back into our own community!

This town is currently lacking a sufficient wellness community center.

My plan can alleviate that problem.

## COMPANY DESCRIPTION

A community-centered exercise experience that works to build a better Rico and stronger you!

We are a local hub that is dedicated to providing quality wellness experiences and giving back to the community that supports us. Our families and our friends in a welcoming gathering place that supports all facets of health and well-being. Yoga, exercise, nutrition, massage, holistic healing, and so much more. As health as we know it evolves, so do we. One day at a time, one breath at a time, we will cultivate calm from within and let it ripple widespread.

All of our services and products must first pass our three values test:

- 1) Is it LOCAL?
- 2) Is it EARTHY?
- 3) Is it HEALING?

Bonus points and greatest chances for being all of the above!!!

We are also dedicated to Karma Yoga – unselfish action. That means free classes and offerings our time and services for the greater good, as well as fundraising for local organizations, and giving to charitable causes that directly affect those in our community.

## TEAM

This community hub cannot survive or thrive solely upon one person teaching all classes and offering all services and being present to keep the doors open through all business times to our clients. The key to its success will be the combination of exceptional talent by several wellness makers and movers in our area. Please note that this list is not exhaustive and just the beginning!

- Lasha Farrar (myself) is the owner and CEO of Rooted in Rico. I will be the Lead Instructor and Lead Therapist. I am the right person to build this business based on my credentials (Kinesiologist, Exercise Physiologist, Licensed Massage Therapist, Certified Yoga Instructor), as well as my extensive experience creating and growing wellness studios for other organizations.
- I have mentorship by Jessica Mishu, a colleague and prior employer who has successfully owned and operated Blue Ridge Yoga since 2015; she provides the greatest business model and inspiration of how a community-centered Yoga studio works best and consistently gives back to the community and beyond.
- Carisa Franck is my COO and personal assistant. There are many people to blame for me submitting this plan, but you can go ahead and thank her for being one of the primary instigators and I will thank her for helping me with all the little details.
- Robin Hercia is my CMO, graphic designer, and branding expert. She will help me maintain my active website domain [www.rootedinrico.com](http://www.rootedinrico.com) and will also provide handmade tie-dyed yoga wear for retail sales.
- Jennifer Cate is my CFO and responsible for financial oversight, QuickBooks, accounting, and budgeting.
- My support system includes local instructors and therapists potentially including and not limited to: Eliza Gass, Melissa Saye, Tony Pappas, Sara Daneman, as well as growing interest by many others.
- A large part of our retail section will be aromatherapy and apothecary items. Britt Pirtle is my doTerra business partner and will be assisting me with all things essential oils.
- Another section of our retail will be living herbs, plants, pottery, and unique planters. Along with what I grow and sell, Gary Gass is willing to provide his locally grown plants for sale.
- I am creating a wholesale business relationship with Patrick Labruzzo, Director of Ayani Botanicals, to provide outstanding local CBD.
- I will showcase the many Artists of Rico in this studio space. Not only will their works of art be creatively on display and for sale, but they will also have access to the space for classes, workshops, and other offerings. Laurie Adams and Peggy Erickson are willing to provide their artwork and expertise.
- Cindy Brannon from Circle K Guest Ranch & Outfitter is a liaison for venturing out of our studio space into our community for larger groups and extended retreats.

## TARGET MARKET

Industry trend are females 25-55 years old but rapidly changing.

Health-conscious and athletic. People interested in alternative healing and pain management.

It is important to note that we intend to be inclusive of all ages and genders and abilities. We want this to be a place where our older adults can exercise and socialize. Where our badass athletes and weekend warriors can work to achieve peak performance. Where our kids can come for an after-school program. Where we can all come to breathe deeply and be well.

## INDUSTRY ANALYSIS

There is no specific wellness center/gym/spa in our region of Rico. Few in our area have the access to affordable and effective treatment. Our goal is to provide quality classes and care within walking and biking distance for a fraction of the price.

Currently, the closest mainstream yoga studios and gyms are located in Mountain Village (The Madeline, The Peaks), Telluride (Telluride Yoga Center, Mangala Yoga, Kaiut Yoga Telluride), Dolores (Wild Roots Yoga & Wellness) and some as far as Mancos, Durango, Ridgway, Montrose, and even further for specialized offerings, workshops, trainings, and coaching.

The beauty of the Yoga industry is that it is less competitive and more complementary than most industries. It is quite common to invite guest instructors from other studios and to create alliances.

Most of the massage therapy in our area is available only within luxury resort spas in Mountain Village and Telluride, with the exception of some private practices and house calls by local Massage Therapists.

There is a true lack of teacher trainings in our area of Colorado. Wild Roots Yoga & Wellness is our closest Yoga teacher training center. Durango and Grand Junction are our closest Massage Schools. It is our goal to provide exemplary trainings for our locals and to attract non-locals to come study and practice in our beautiful town.

## IMPLEMENTATION TIMELINE

My plan is to roll out the business in phases. First and foremost upon acquisition of the space, an assessment and renovations will need to be completed to get it to purposeful capacity (ie. studio floor in the center, desk with computer and storage with studio supplies, bodywork treatment table with herbals and holistic section, functional movement corner with exercise equipment and free weights, retail displays, etc.).

We will begin with a simplified class schedule and treatment menu based on current needs that builds momentum to adjust for growth.

Phase 1: Grand Opening Week - All Classes Free. Test drive class types and instructor styles.

Door Prize Raffle for Class Packages, free massages, and retail gifts.

30 Days for \$30 new client promotion to try as many classes as you wish!

\*Draft Schedule upon request\*

Phase 2: After first quarter (3 months) - re-assess client needs and goal to grow the instructor roster by 25% and class volume to 8 people per class. Establish walking and running clubs. Offer first fundraising event and a weekend workshop.

Phase 3: After 6 months, re-assess; goal to grow monthly memberships by 50%. Offer first off-site retreat.



Phase 4: One year anniversary – goal is to grow all offerings and memberships by 100%.

Phase 5: Two year anniversary – outgrow our incubator space and move into a larger, more efficient and functional building with several treatment rooms and exercise areas. Pass the torch onto the next local start-up business needing the space and support.

## MARKETING PLAN

The channels and platforms that I will use to reach and convert our target audience include:

- Website: [www.rootedinrico.com](http://www.rootedinrico.com)
- FaceBook Page
- Instagram
- YouTube (for free videos & tutorials, as well as monthly online subscriptions) - not only can you attend in studio, but by offering virtual classes, our max capacity is limitless.
- MindBody Online – scheduling platform
- Business Cards & Brochures
- Printed Schedules to post on all local bulletin boards and within all local businesses

## FINANCIAL SUMMARY

Yoga Cost Structure:

- First Class Free. Always.
- New Client Special: 30 Days for \$30
- Drop-in Class Rate: \$11
- 5 Class Package: \$50 (save \$5)
- 10 Class Package: \$90 (save \$20)
- Monthly Membership: \$50 (Auto-Pay)
- Seasonal Membership (3 months): \$140 = 10% savings
- Annual Membership: \$480 = 20% savings
- Series/Workshops/Retreats: variable; dependent on length and complexity
- Teacher Trainings: TBD

Massage & Bodywork Treatments:

- 60 minutes: \$72
  - 75 minutes: \$90
  - 90 minutes: \$108
  - 120 minutes: \$144
- \*enhancements & add-ons for additional cost\*

Retail Revenue Streams:

- Essential oils, diffusers, & aromatherapy products
- Handmade bath & body & home goods
- Exercise Clothing & Accessories (bags, headbands, etc.)
- Ayani Botanicals (CBD)

- Solar Recover®
- antedotum – vital face oil and elixir firming serum
- Yoga Props & Supplies (mats, blankets, bolsters, blocks, straps, eye pillows, etc.)
- Herbs, Plants, Pottery & Planters, Seeds, Soil, & Worm Casings/Plant Food
- Books, Magazines, Journals, Cards & Miscellaneous Gifts
- Jewelry, crystals, and rocks
- Smudging bundles (sage, cedar, patchouli root)
- Locally raised chicken eggs

#### Fixed Costs:

- Rent \$400/month
- San Miguel Power Association: TBD; variable per month
- Rico Telephone Company (Internet & Phone): \$120/month
- Town of Rico Water: \$55
- MindBody Online Scheduling Software: \$60
- Insurance: TBD
- QuickBooks: \$20/month

#### Variable Costs:

- Treatment Supplies (massage oil, towels, linens)
- Montrose Water Factory – water dispenser rental and jugs
- SquareSpace credit card transaction fees
- Packaging and supplies for DIY apothecary
- Other studio supplies (paper, toiletries, amenities)

#### Forecasting Sales Goals:

- Short-Term Sales Goals: Make rent and monthly costs. Then make \$4,500 profit per month, approximately \$1000 per week.
- Long-Term Sales Goals: \$9,000/month

### FUNDING REQUIRED

Start-Up Costs: To be honest, this is my area of least expertise. I am currently consulting with others who have been down this road before and those who have more knowledge about how much to invest and more specifically to what areas and ideal timing. I'm attempting to keep start-up costs at about \$11,000 total if possible

- Studio Transformation: TBD upon assessment; approximately \$5,000 and includes an aerial set-up
- Supplies: \$2,200
- Inventory: \$1,501
- iMac Computer: \$1,299
- Business Licensing, Payroll, & Miscellaneous: \$1,000

Investors & Grants: Personal Savings, Private Investors, SW Colorado Small Business Development Center, Region 9, Opportunity Zone Fund, SCAPE, Enterprise Zone Administration, Business Loan Fund, EZ Tax Credits, Historical Fund & State Funds

Any and all funding will go to start-up costs, the first few months of fixed and variable costs, payroll escrow, and grand opening week.

## IN CONCLUSION

I would like to wholeheartedly thank our Rico Town Manager, Kari Distefano, and every member of the Rico Board of Trustees for your time and thorough consideration of this plan, and every other proposal and plan that has been submitted for this opportunity.

I recognize the difficulty in choosing the perfect candidate and I am humbled to know that this business plan is by no means perfect. It is however a work in progress and I am so hopeful and grateful for all those angels who are willing to be part of this experiment. As the saying goes, it takes a village to raise a child. I also believe it takes a village to raise a business from a plan on paper into a fruitful endeavor. I don't think there is a better village to attempt this feat.

One of my dear idols who I had the privilege of meeting a couple years ago at Mountainfilm in Telluride, Cheryl Strayed, best-selling author of *Wild*, recently said "Trust yourself and find beauty. Cultivate courage and risk vulnerability. Forge ahead with love and kindness and a sense of optimism – no matter what." Those words couldn't have come to me in a better time. I truly believe that whether this is the space for Rooted in Rico or not, eventually it will rise up and meet our community and its need for health and wellness.

Thank you.

Namaste.

**TOWN OF RICO ORDINANCE NUMBER 2021-0**  
**AN EMERGENCY ORDINANCE OF THE TOWN OF RICO, COLORADO**  
**IMPLEMENTING FIRE RESTRICTIONS TO BAN OPEN FIRE AND**  
**FIREWORKS EFFECTIVE ON JUNE (need date)**

**WHEREAS**, the Rico Board of Trustees declares that the danger of wild land fires is high, with continuing drought conditions affecting the mountains of Colorado;

**WHEREAS**, the Board further declares that a local ordinance establishing a fire restriction is necessary to protect the health, safety and welfare of Rico citizens.

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

1. Open fires are prohibited within the Town of Rico as long as current drought conditions persist.
2. An "open fire" is any fire in an outdoor location where burning is not contained in an incinerator, outdoor fireplace, barbeque grill or barbeque pit. Bum barrels and incinerators must have an adequate screen to restrict ash.
3. This ban on open fires shall continue in effect at all times, or until the Board of Trustees suspends such ban by adoption of a Resolution finding that drought conditions have subsided.
4. Fireworks are prohibited within the Town of Rico as long as current drought conditions persist.
5. Any person who knowingly causes an open fire in violation of this Ordinance shall be punished by imprisonment for a term not exceeding thirty days, or by a fine not exceeding the sum of \$50.00, plus costs, or by both a fine and imprisonment or uses fireworks;
6. Because of the high wildfire danger, the Board of Trustees declares an emergency and adopts this ordinance upon first reading.

**READ, APPROVED AND ADOPTED BY FINAL READING** by Town of Rico  
Board of Trustees this th day of 2021

TOWN OF RICO, COLORADO

\_\_\_\_\_  
Barbara Betts, Mayor

ATTEST:

\_\_\_\_\_  
Linda Yellowman, Town Clerk

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## Complete & Compliant Letter



June 7th, 2021

David Kunz  
P.O. Box 263  
Rico Colorado, 81332

RE: Application for a variance to the CDPHE Regulation 43 setback requirements on Lots 8 and 9 Block 12, Town of Rico

Dear Applicant,

The Town of Rico has received an application for a variance to the Colorado Department of Health (CDPHE) Regulation 43 setback requirements on the above mentioned lots. I have performed an initial review of this application and at this time the application is complete and compliant. This determination does not preclude the Town from determining following additional review at a subsequent time, that the application is not complete or compliant. In such an event, the Town Staff would require the applicant to correct any deficiencies.

Pursuant to this determination that this application is complete and compliant, this application is scheduled for the June the June 16<sup>th</sup> Rico Board of Trustee's meeting.

This application includes the following required components:

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## Attachments Required:

- ☒ Signed application form.
- ☒ Description of Variance Request – cite Rico Land Use sections for which the variance is sought.
- ☒ Narrative of reasons that Variance should be granted
- ☒ Statement from County Treasurer showing the status of current taxes due on affected property
- NA Letter of agency if applicant is other than the owner of the property
- ☒ An application fee in the amount of \$200.00
- ☒ A Certificate of Mailing with names, addresses, and property owned of property owners within 200 feet of subject property.
- ☒ A copy of the deed for the property.
- ☒ Two (2) 24" by 36" Site Plans and (1) electronic (pdf) site plan showing the following:

☒ North Arrow

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

NA Vicinity Map

☒ Lot lines with dimensions

NA Easements with dimensions

☒ Acreage of lot

☒ Adjacent streets with labels

☒ Areas of environmental concern if applicable

☒ Location of existing buildings if applicable

☒ Location of proposed building if applicable

☒ Location of existing utilities if applicable

Date Application Received: 06-01-2021

Application Fee Received: 06-01-2021

Application Complete 06-01-2021

Mailing Notice Complete yes

Application Reviewed by Kari Distefano

Date of Hearing 06-16-2021

Rico Planning Commission Action NA

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

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Other comments:

A resolution by the Town of Rico Board of Trustees will be required if the variance is approved.

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## Variance Application



Applicant Name David Kunz

Phone Number 970 967 2012

Address Box 263, Rico

Cell Phone Number 970 729 1690

Email Kunzdave@hotmail

Fax Number 970 967 2222

Street Address of Subject Property 25 or 27 N. River St. (TBD)

Legal Description of Subject Property Lots 8 & 9, Block 12, Town of Rico

Zone District of Subject Property Residential

### Attachments Required:

5/28 = 20 days out

☒ Description of Variance Request – cite Rico Land Use sections for which the variance is sought. 0 LUC, B074

☒ Narrative of reasons that Variance should be granted – alley, undeveloped. Due to existing roads, topography, slope this ally cannot be developed to down side.

☒ Statement from County Treasurer showing the status of current taxes due on affected property ☒

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

☒ An application fee in the amount of \$200.00 ☐

☒ A Certificate of Mailing with names, addresses, and property owned of property owners within 200 feet of subject property. ☐

☒ A copy of the deed for the property. ☒

☐ Two (2) 24" by 36" Site Plans and (1) electronic (pdf) site plan showing the following:



North Arrow

Adjacent streets with labels

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

Areas of environmental concern if applicable

☒ Vicinity Map

Location of existing buildings if applicable

Lot lines with dimensions

Location of proposed building if - site plan applicable

Easements with dimensions N/A

Location of existing utilities if none applicable

Acreage of lot

Locations of setbacks and proposed yes, 6A setbacks if applicable

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

Signature: DAVID P KUNZ Date 5/27/21

Date Application Received 6-01-2021

Application Reviewed by KLW

Application Fee Received 6-01-2021

Date of Hearing 6-19-2021

Application Complete 6-01-2021

Rico Planning Commission Action NA

Mailing Notice Complete yes

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

Other comments:

Description of Variance request: This is not a LUC variance. The variance requested is to reduce the setback of the Onsite Wastewater Treatment System (OWTS) septic field to the rear property line from 10 feet to 2 feet. The Rico Town Board will be acting as the Board of Health.

Narrative of Reasons that variance should be granted: Due to the square footage required by current OWTS systems, the setbacks of the OWTS field from the property line, and the Towns' requirements for building setbacks in a residential zone, the buildable envelope on this 5,000 sq.ft. lot is constrained to a 36' x 38' footprint (almost a square). The requested variance would allow the proposed building to have a more rectangular footprint: the building would be longer east-west due to the reduced septic setback, and smaller north to south, resulting in improved solar exposure, views and access. The reduction in the septic field setback would locate the edge of the septic field 2' from an unnamed, platted alley. Due to Soda Street's gradient and topography of the ROW, this alley could not be developed to Town standards (RLUC:478.4). In addition, given to the topography of adjoining lots, the retaining structures required to improve the alley would result in an impractically small roadway (RLUC: 478.6).

Statement from County Treasurer showing no taxes Due: Attached

Letter of Agency: N/A, applicant is the owner

Application fee: Submitted, Check #350

Certificate (affadavit) of mailing: Attached, including list of property owners within 200 feet of the property subject to the proposed amendment

Copy of deed: Attached

TAX DISTRICT 102

SCHEDULE NUMBER

504735104015 R

PAGE 967

Legal Description of Property:

EXCEPTIONS:

17-5047-351-04-015 FROM:RICO DEV/ROWE/US BANK  
 RICO LTS 31-38, 8 & 9 BLK 12 35&36-40-11 2020 TAX AMT 2092.80  
 B-109 P-128,462 B-120 P-211 ,212 B-176 P-66 B-177 P-288 2020 TAX PD 2092.80-  
 B-193 P-342 B-198 P-274 B- 199 P-91 B-201 P-152  
 B-222 P-213 B-224 P-376 B-233 P-496,497 B-238 P-312  
 B-256 P-9-21 B-264 P-144, 145 B-265 P-520-522  
 B-268 P-195,196,281 B-302 P -208-210 B-313 P-52(TD)  
 B-332 P-267(WD),268(EAS), 273(SA),274(AFF)  
 B-333 P-297(WTR) B-334 P- 146(AFF),147(DC),148(SA)  
 B-334 P-149(WD),151(WD),154 (WD) B-333 P-297(WTR)  
 B-370 P-72(WD) B-379 P-467 (WD) B-397 P-328(CP)  
 B-397 P-435(CD) B-399 P-185 (SWD) 168454(TD/OGM)

2020 Taxes	\$2,092.80	Paid	\$2,092.80	Taxes Due	\$ .00
2020 Other	.00	Paid	.00	Other Due	.00
				Other Years Due	.00
				Interest Due	.00
				Cert Amt Due	\$ .00
				Total Now Due	\$ .00

TAXES HAVE BEEN PAID IN FULL

Assessed Owner:  
 KUNZ DAVID P.  
 P.O. BOX 263  
 RICO CO 81332

AFFIDAVIT OF MAILING PUBLIC NOTICE LETTER

Town of Rico

Town of Rico

P.O. Box 9

Rico, Colorado, 81332

Re: Certification and Affidavit of Mailing Public Notice Letter for a Proposed  
Variance Application, Town of Rico.

I hereby declare that David Kunz mailed a copy of the Town approved, enclosed public letter via U.S. First Class Mail, postage prepaid thereon on May 26, 2021 to the attached list of property owners. The public notice letter was prepared and mailed in accordance with the public noticing requirements of the Rico Land Use Code. The public notice letter was placed in the mail on May 26, 2021, which was 20 days prior to the public hearing to be held on June 16, 2021. The list of property owners includes all lot and condominium property owners located within 200 feet of the boundary of the existing or proposed lot(s). The adjacent property owner list was compiled from the Dolores County GIS website or Assessors Office.

Attached is the copy of the noticing letter, list of all property owners noticed, including their lot number and mailing address, a copy of the vicinity map mailed with the noticing letter, and a map showing all lots that were included within the 200 foot noticing area.

I declare under penalty of perjury under the laws of the State of Colorado that the foregoing is true and correct.

                    D.P. 74

## **NOTICE OF PENDING VARIANCE APPLICATION**

Date: 5/25/2021

RE: Public Hearing on Variance Application

Dear Property Owner,

You are receiving this public notice as required by the Town of Rico Land Use Code because you own property within 200 feet of a proposed variance application. The variance requests a reduction of the septic field setback at the rear/west/alley side of the parcel from 10 feet to 2 feet.

**Name of Applicant:** David Kunz

**Type of Development Application(s):** Rear setback variance for Residential  
Property Septic Field

**Legal Description:** Lots 8 and 9, Block 12

**Address:** TBD North River St., Rico, Colorado

**Lot or Site Size:** 5,000 square feet / .11 acre

**Review Authority:** Rico Board of Trustees, acting as Local Board of Health

**Board of Trustee's Hearing Date:** June 16<sup>th</sup>, 2021

**Location of Public Hearing:** Rico Town Hall, 2 Commercial Street, Rico Colorado,  
81332

Send emailed comments addressed to the [townmanager@ricocolorado.gov](mailto:townmanager@ricocolorado.gov)

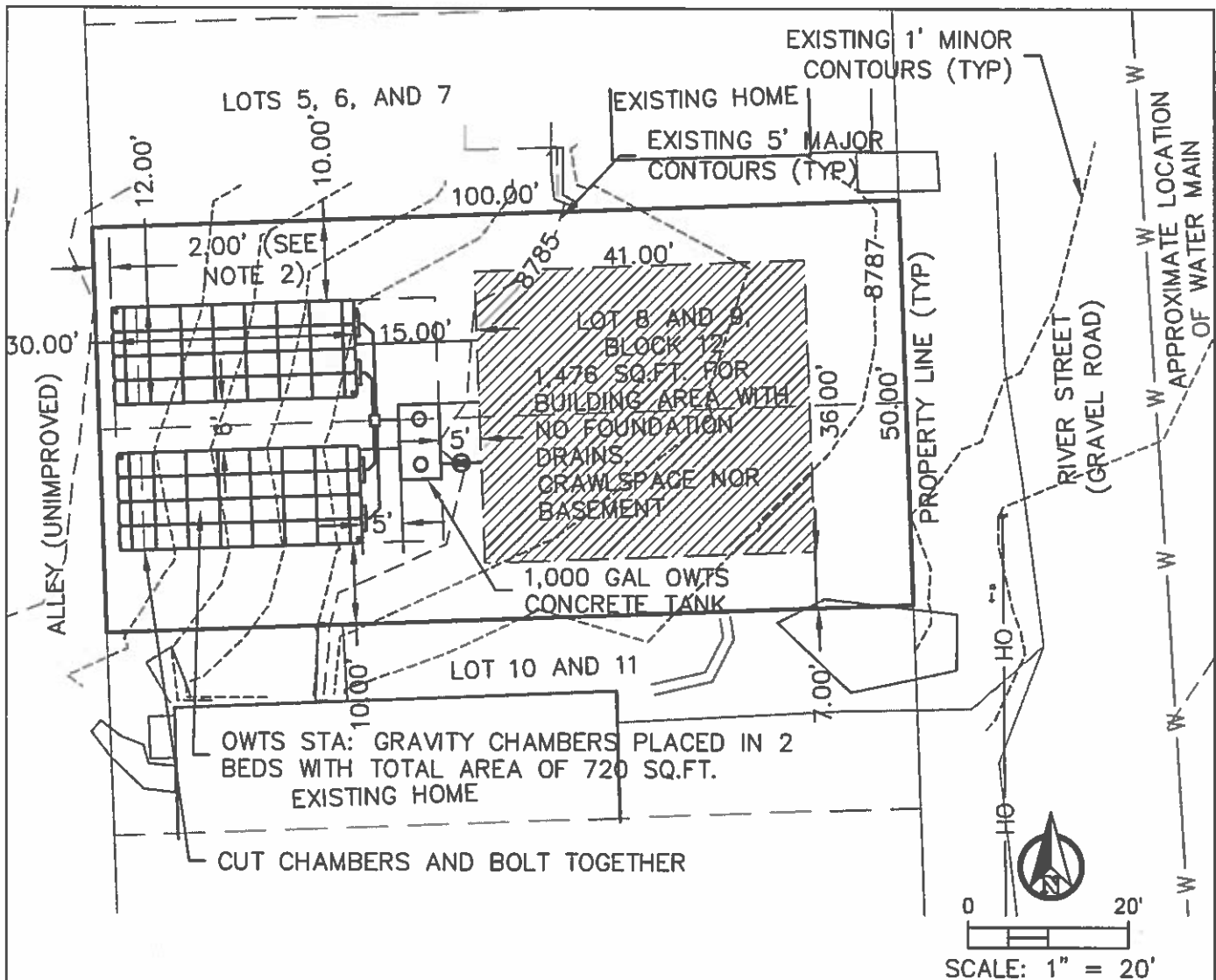
Or by surface mail to:

Kari Distefano

Town of Rico

PO Box 9

Rico Colorado, 81332



### NOTES:

1. ALL BOUNDARY INFORMATION PROVIDED BY ALL POINTS LAND SURVEY LLC, TOPOGRAPHIC MAP OF LOTS 8 & 9, BLOCK 12 DATED 11/17/2020.
2. A VARIANCE FOR THE REAR PROPERTY LINE SETBACK TO THE OWTS SOIL TREATMENT AREA (STA) MUST BE GRANTED (10' MIN REDUCED TO 2' SETBACK).
3. THIS IS A CONCEPTUAL PLANNING SITE EXHIBIT AND NOT TO BE USED FOR CONSTRUCTION
4. THIS OWTS IS DESIGNED FOR A MAXIMUM OF 2 BEDROOMS WITH 4 PEOPLE MAXIMUM OCCUPYING THE HOME.
5. THE SITE HAS A SOIL TYPE 3, SANDY CLAY LOAM WITH AN LTAR=0.35
6. SOME GRADING OVER THE STA WILL BE REQUIRED AS PART OF THE OWTS CONSTRUCTION PLANS.

### LOT 8 AND 9, BLOCK 12, TOWN OF RICO CONCEPTUAL ONSITE WASTEWATER TREATMENT SYSTEM (OWTS) PLAN

PROJECT MANAGER: GEA DATE: MAY 26, 2021  
DRAWN BY: ADM PROJECT #: 2021008



ALPINE LAND  
CONSULTING, LLC

P.O. BOX 234  
RICO, COLORADO 81332  
970-708-0326  
GREGG@ALPINELANDCONSULTING.COM

Parcel Number	Owner Name	Mailing Address	City	ST	ZIP Code	Property Address
504736206002	DOW PAUL R. & MARGARET K. &	MULDOON, 13418 RIDGELINE DR.	MONTROSE	CO	81401	119 N. RIVER STREET
504735101001	SMITH KIPLYNN	P.O. BOX 474	TELLURIDE	CO	81435	102 N. HANCOCK
504736208028	UNGER GEOFFREY	1221 NE 60TH AVE.	PORTLAND	OR	97213	RIVER ST.
504736208027	HEUERTZ JOHN	957 S. 73RD PLACE	KANSAS CITY	KS	66111	14 N. RIVER ST.
504736208023	FABIAN DAVID	P.O. BOX 111	RICO	CO	81332	20 N. RIVER ST.
504736208006	GETTER RANDAL G. & AIMEE GETTER	2839 BLAIR ROAD	NEW ALBIN	IA	52160	24 N. RIVER STREET
504735102007	BRITTON JAMES W.	P.O. BOX 26	RICO	CO	81332	107 N. HANCOCK STREET
504735102008	ROBERTSON SUSAN M. (BEN DEED)	P.O. BOX 53	RICO	CO	81332	131 N. HANCOCK STREET
504735103003	KIRSCH CARL R.	P.O. BOX 334	JOSHUA TREE	CA	92252	
504735104015	KUNZ DAVID P.	P.O. BOX 263	RICO	CO	81332	28 N. HANCOCK STREET
504735104015	KUNZ DAVID P.	P.O. BOX 263	RICO	CO	81332	28 N. HANCOCK STREET
504736207017	JOHNSON BENJAMIN D. & REBECCA B.	WILLIS (JT) P.O. BOX 2624	FORT DEFIANC	AZ	86504	
504735103013	RICO TOWN OF	P.O. BOX 56	RICO	CO	81332	213 W. SODA STREET
504735103006	ANDERSON GREGORY E. & BENSETT,	MONIQUE D P.O. BOX 2171	TELLURIDE	CO	81435	39 N. HANCOCK STREET
504735103007	REESER ERIC T.	P.O. BOX 63	RICO	CO	81332	33 N. HANCOCK ST.
504735103004	KAVENEY KEVIN F. & CAROLINE S	(JT) 14 NORTHGATE RD	COLORADO SPRINGS	CO	80906	29 N. HANCOCK ST.
504735103009	SANDS JOSHUA M.	P.O. BOX 1701	TELLURIDE	CO	81435	21 NORTH HANCOCK
504735104006	DISPOSITION PROPERTIES, LLC	C/O EMMER 14555 N. SCOTTSDALE ROAD, STE 330	SCOTTSDALE	AZ	85254	8 N. HANCOCK STREET
504736207001	POLZIN JAMES EVAN	5599 SOUTH ALAMEDA ROAD	APACHE JUNCTION	AZ	85118	39 N. RIVER ST.
504736207002	WILLIAMS STEVEN E. REVOCABLE	LIVING TRUS 1623 EAST DEL RIO STREET	CHANDLER	AZ	85225	35 N. RIVER STREET
504736207003	LIVESAY W. SCOTT	405 LONDONDERRY, SUITE 203	WACO	TX	76712	29 N. RIVER STREET
504736207018	NOLAN WILLIAM III & EMILY JEAN	NOLAN (JT) 19 MULE DEER RUN	SNOWMASS	CO	81654	15 N. RIVER STREET
504735104012	ELLEASE RAEGAN	P.O. BOX 87	RICO	CO	81332	135 W. SODA ST.
504735103012	RICO TOWN OF	P.O. BOX 56	RICO	CO	81332	
504735103011	RICO TOWN OF	P.O. BOX 56	RICO	CO	81332	
504735103010	REGAN TIMOTHY	302 CALLE LOMA NORTE	SANTA FE	NM	87501	17 NORTH HANCOCK
504735103008	KIRSCH CARL R.	P.O. BOX 334	JOSHUA TREE	CA	92252	25 NORTH HANCOCK
504736207014	BENNETT THOMAS W. & GORDON R.,JR	P.O. BOX 830	RIDGEWAY	CO	81432	11 N. RIVER STREET
504736207013	MC CREEDY KELSEY ANNE, SCOTT	PAGET GILBE P.O. BOX 97	RICO	CO	81332	23 N. RIVER ST.
504736208026	GASS GARY & CHRISTINE	P.O. BOX 102	RICO	CO	81332	34 N. RIVER STREET
504736208021	BELASCO MARIA (NORA) L. &	LESEM MICH P.O. BOX 43	RICO	CO	81332	32 N. RIVER STREET
504736208005	PERKINS S. GREGORY &	SHENCK DAI 1375 SE DEER CREEK DR.	CEDAREDDGE	CO	81413	26 N. RIVER STREET
504736208019	HEIL ERIC JAMES & JOLYNN	1022 SUMMIT DR.	DILLON	CO	80435	18 N. RIVER STREET
504736208010	EIG-HLG FAMILY TRUST	6340 WIND RIVER POINT	COLORADO SPRINGS	CO	80923	2 N. RIVER ST.
504736208024	CLARK DOUGLAS A. & CHERYL A.	6545 EAST STALLION ROAD	PARADISE VALLEY	AZ	85253	15 N. GLASGOW AVE
504736208015	HEIL ERIC JAMES & JOLYNN H (JT)	1022 SUMMIT DR.	DILLON	CO	80435	21 N. GLASGOW AVE
504736208016	ROTHSCHILD C. DESIREE & KARIN H.	NANCE (T.I.) 190 CRYSTAL RD	CARBONDALE	CO	81623	25 N. GLASGOW AVE.
504736208017	MOORE CARMA, FAHRION JACK E., &	WALKER JAN 25150 RD. G. 15	CORTEZ	CO	81321	31 N. GLASGOW AVE.
504736208018	KNAUER DONALD W.	9441 SUNRISE LAKES DR. #308	SUNRISE	FL	33322	33 N. GLASGOW AVE



DOW

Smith

Britton

Robertson

Town of Rico

Anderson

Reeser

Kaveney

Kirsch

Sands

Regan

Kirsch

Town of Rico

Town of Rico

Ellease

Kunz

Johnson

Disposition  
Properties

Polzin

Williams

Livesay

Kunz

McCreedy

Nolan

Bennett

Barnett

Gass

Belasco

Perkins

Getter

Fabian

Heil

Heuertz

Unger

EIG-HLG

Knauer

Moore

Rothschild

Heil

Clark

EIG-HLG



**SPECIAL WARRANTY DEED**

THIS DEED, Made this 24<sup>TH</sup> day of June, 2011,  
between U.S. Bank National Association

of the County of Dolores and State of Colorado,  
grantor(s), and David P. Kunz

Filed for record in  
Dolores County  
180807  
06/30/2011 At 08:45 AM  
SPECIAL WARRANTY DEED  
DOC FEES 2.95  
OR Book 399 Page 185  
LARITA RANDOLPH  
CLERK & RECORDER

whose legal address is PO Box 263, Rico, CO 81332

of the County of Dolores and State of Colorado, grantee(s):

WITNESS, that the grantor(s), for and in consideration of the sum of TWENTY NINE THOUSAND FOUR HUNDRED FIFTY AND 00/100 DOLLARS (\$29,450.00), the receipt and sufficiency of which is hereby acknowledged, has granted, bargained, sold and conveyed, and by these presents does grant, bargain, sell, convey and confirm, unto the grantee(s), his heirs and assigns forever, all the real property, together with improvements, if any, situate, lying and being in the County of Dolores and State of Colorado, described as follows:

Lots 8 and 9, Block 12, Townsite of Rico, according to the plat thereof filed for record in the office of the clerk and recorder.  
County of Dolores, State of Colorado.

also known by street and number as: 23 N. River St., Rico, CO 81332

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

TO HAVE AND TO HOLD the said premises above bargained and described with the appurtenances, unto the grantee(s), his heirs and assigns forever. The grantor(s), for himself, his heirs, and personal representatives or successors, does covenant and agree that he shall and will WARRANT AND FOREVER DEFEND the above-bargained premises in the quiet and peaceable possession of the grantee(s), his heirs and assigns, against all and every person or persons lawfully claiming the whole or any part thereof, by, through or under the grantor(s).

The singular number shall include the plural, the plural the singular, and the use of any gender shall be applicable to all genders.

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

U.S. Bank National Association

By JOSEPH T. TRAVERS  
OFFICER

STATE OF MINNESOTA

COUNTY OF HENNEPIN

} ss.

The foregoing instrument was acknowledged before me this 24<sup>TH</sup> day of June, 2011, by

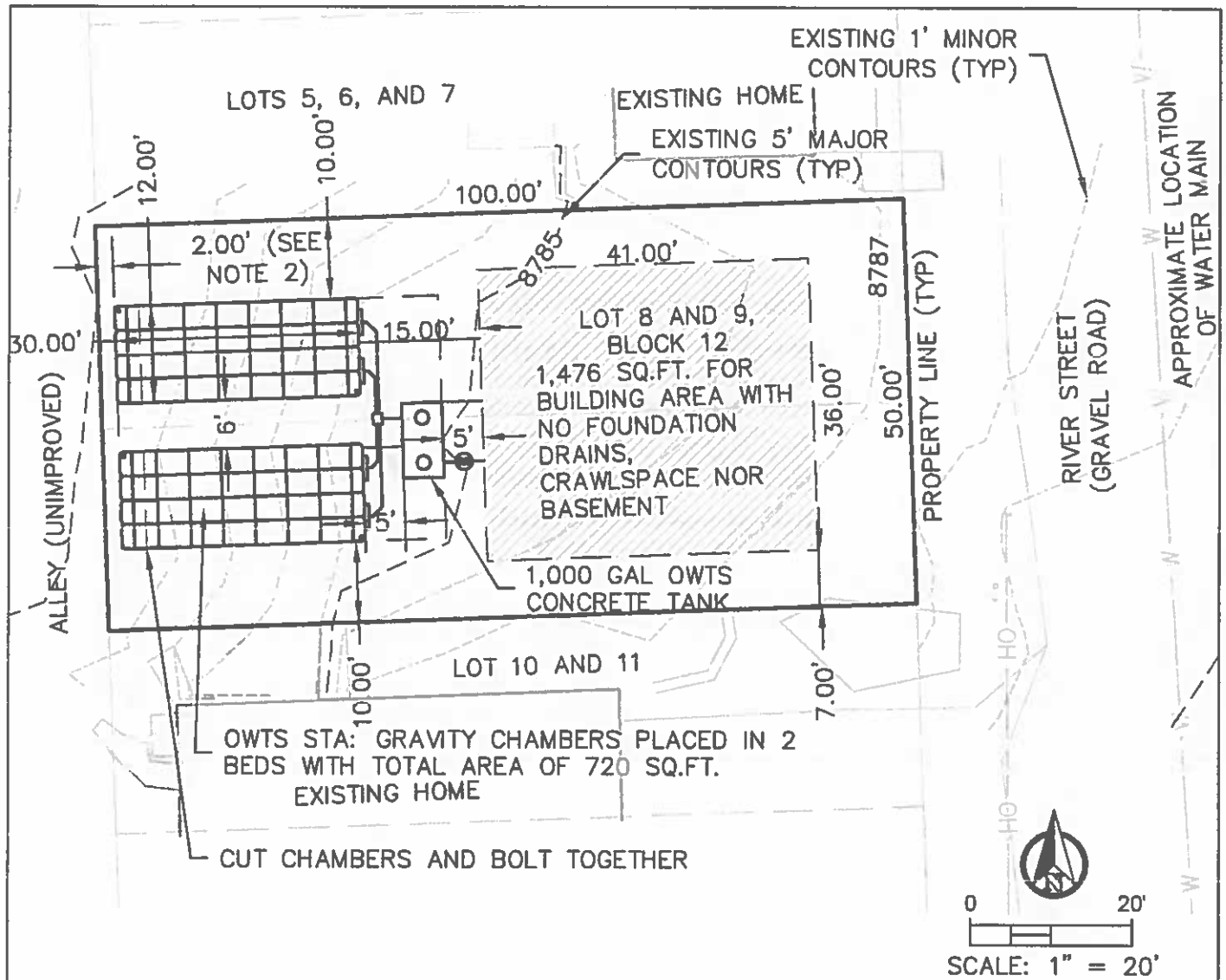
JOSEPH T. TRAVERS, OFFICER  
U.S. Bank National Association.

My Commission expires:



Witness my hand and official seal.

Megan C. Dahlin  
Notary Public  
MEGAN C. DAHLIN



### NOTES:

1. ALL BOUNDARY INFORMATION PROVIDED BY ALL POINTS LAND SURVEY LLC, TOPOGRAPHIC MAP OF LOTS 8 & 9, BLOCK 12 DATED 11/17/2020.
2. A VARIANCE FOR THE REAR PROPERTY LINE SETBACK TO THE OWTS SOIL TREATMENT AREA (STA) MUST BE GRANTED (10' MIN REDUCED TO 2' SETBACK).
3. THIS IS A CONCEPTUAL PLANNING SITE EXHIBIT AND NOT TO BE USED FOR CONSTRUCTION
4. THIS OWTS IS DESIGNED FOR A MAXIMUM OF 2 BEDROOMS WITH 4 PEOPLE MAXIMUM OCCUPYING THE HOME.
5. THE SITE HAS A SOIL TYPE 3, SANDY CLAY LOAM WITH AN LTAR=0.35
6. SOME GRADING OVER THE STA WILL BE REQUIRED AS PART OF THE OWTS CONSTRUCTION PLANS.

### LOT 8 AND 9, BLOCK 12, TOWN OF RICO CONCEPTUAL ONSITE WASTEWATER TREATMENT SYSTEM (OWTS) PLAN



ALPINE LAND  
CONSULTING, LLC

P.O. BOX 234  
RICO, COLORADO 81332  
970-708-0326  
GREGG@ALPINELANDCONSULTING.COM

PROJECT MANAGER: GEA DATE: MAY 26, 2021  
DRAWN BY: ADM PROJECT #: 2021008

**TOWN OF RICO  
ORDINANCE 2021-0**

**AN ORDINANCE OF THE TOWN OF RICO, COLORADO, DEFINING SHORT-TERM RENTAL, REPEALING SECTION 1 OF ORDINANCE 2011-3, REVISING REGULATIONS FOR SHORT-TERM RENTALS IN THE RICO LAND USE CODE ARTICLE II SECTIONS 220 AND 222, PROVIDING FOR LICENSING OF SHORT-TERM RENTALS AND LIMITING THE NUMBER OF SHORT-TERM RENTALS ALLOWED WITHIN THE TOWN OF RICO.**

**WHEREAS**, the Board of Trustees of the Town of Rico (the “Town”) believes it appropriate to define short-term rentals and license their use; and

**WHEREAS**, due to the COVID-19 pandemic, on-premises food service establishments were closed or limited for indoor dining requiring take out, and other delivery methods;

**WHEREAS**, the Board of Trustees desires to ensure that short-term rentals are not consuming a disproportionate amount of the Town’s housing supply, especially long-term rental housing; and

**WHEREAS**, the Board of Trustees desires to allow short-term rental opportunities within the Town of Rico with the resulting economic benefits, potential tourism attraction, and the ability to make one’s property more affordable; and

**WHEREAS**, the Board of Trustees desires to assure a safe and quality experience for residents, businesses and visitors; and

**WHEREAS**, the Board of Trustees desires to balance the need for regulations with the cost to the property owner and burden of enforcement to the Town; keep revenue neutral; and

**WHEREAS**, the Town has the power and authority to make and publish ordinances that are necessary and proper to provide for the safety and preserve the health of the inhabitants of the Town not inconsistent with the laws of the State of Colorado; and

**WHEREAS**, the Town has made a conscientious effort to plan for specific uses within all zoning districts and to anticipate conflicts between competing land uses, in order to protect the public's health, safety and welfare;

**SECTION 1.**

**SHORT-TERM RENTAL:** Rental of all or a portion of a residential dwelling unit for periods of less than 31 days. This definition of short-term rentals excludes hotels, motels, lodges, and bed and breakfasts.

**SECTION 2.**

Ordinance 2001-3 Section 1 is repealed and Article II, Sections 220 and 222 are amended as follows:

**I Short-term Rental Regulations:**

1. Intent and Purpose: Establish standards and procedures by which residential short-term rentals can be provided in a manner that protects both the quality of experience and the character of the

Town of Rico. It is the Town of Rico's intent to establish short-term rental regulations to promote a mix of lodging options, support the local economy, while also upholding the integrity of the Town.

## 2. Permitted Use of short-term rentals.

- a. Short-term rentals are allowed in all zoning districts where residential units are a use by right or an approved conditional use. Short-term rentals shall comply with the provisions of this Subsection (I) and shall be licensed by the State of Colorado and the Town of Rico
- b. Short-term rentals:
  - (i) Shall be a single-family dwelling structure; or
  - (ii) Shall be a single residential unit in structures with mixed uses; or
  - (iii) Shall be a property with two dwelling structures where the owner may use one of the dwelling structures as a short-term rental if both dwelling structures are owned by a single owner and one dwelling unit is owner occupied.
  - (iv) Shall not be a multiple family residence or structure as short-term rentals are prohibited in multiple family structures.

## 3. Performance Standards for short-term rentals

- a. The unit being rented, shall be a Dwelling Unit, as defined pursuant Article IX of the Rico Land Use Code and shall not have more than 5 bedrooms, nor be leased or used to any group containing more than 10 people over the age of 18.
- b. The unit shall have a minimum of 2 off-street parking spaces available and any additional spaces necessary to accommodate the tenant's vehicles off street.
- c. There shall be an owner's agent available to be at the unit within 20 minutes, who is on call full time to manage the property during any period the unit is rented. The name address and phone number of the agent must be kept current on file with the Town and posted in the short-term rental.
- d. Adequate trash and recycle containers shall be provided and information on placement for collection shall be provided in the short-term rental.
- e. The unit shall be maintained in compliance with applicable Town ordinances and regulations. The rental of residential units as provided herein shall not unreasonably annoy or interfere with the use or enjoyment of public or private property or which constitutes a health or safety hazard.
- f. The owner must have current state and Town sales tax licenses, a Town business license at such time the Town has business licensing, and collect and remit sales taxes and lodging taxes.

## **SECTION 3**

### **Licenses required.**

1. Any property owner who rents out a unit on a short-term basis within the Town of Rico shall be required to obtain a short-term rental license (hereinafter a "Short-term Rental license") for each short-term rental unit from the Town of Rico. Such Short-term Rental license and its corresponding number shall be prominently displayed in all advertising of the unit. The cost of such licensing and renewals shall be set by resolution of the Rico Board of Trustees. Short-term Rental licenses are nontransferable, except where upon death the property is transferred to an immediate family member, the Short-term license number may be transferred with the property.
2. All Short-term Rental units, except the Short-term Rental of a single room inside an owner-occupied dwelling unit, are required to have and pass a health, safety and welfare inspection by the Town Building Inspector. This inspection will be completed with the initial and renewal licensing processes.
3. The total number of Short-term Rental licenses in the Town of Rico shall be limited to 10 at any one time. The Short-term Rental of a single room inside an owner-occupied dwelling unit shall not be counted toward the maximum number of licenses to be issued.
4. Short-term Rental licenses shall be issued for a period of two years and subject to biannual renewal (every 2 years). Notwithstanding this two-year term, the Town may determine a more frequent licensing schedule is needed for any particular unit, and the initial term for licensing.

#### **SECTION 4**

##### **Licenses fees.**

1. The local application and license fees for all Short-term Rental licenses issued, and applications submitted shall be enacted by Rico Board of Trustees Resolution.
2. In addition to the above fees, the applicant/licensee shall reimburse the Town for all out-of-pocket costs incurred during review of the application, or license, including legal fees, consultant fees, postage, notice and publishing costs. The Town shall bill the applicant/licensee upon completion of the application or review process and completion of any conditions thereof. No application or license shall be finally approved until the bill is paid. Each bill shall be overdue 30 days after its date. Bills not paid by the due date shall accrue interest at the rate of 1½ %per month or part thereof. Such fees may be certified to the County Treasurer for collection as delinquent charges or collected in any other lawful manner.
3. The Town Board may revise such amounts by resolution based on costs incurred by the Town in the administration and enforcement of the Short-term Rental Licensing and related provisions.

#### **Section 5**

##### **Supplemental Regulations**

1. All Dwelling Units, for Short-term Rental licenses issued shall comply with applicable requirements of Town ordinances, including building and zoning regulations.
2. The Rico Board of Trustees shall be the local licensing authority for the Town for Short-term Rental licenses. Applications shall be reviewed and recommended to the Rico Board of Trustees. The Rico Board of Trustees shall act upon all Short-term Rental license applications without hearing.

**Section 6**  
**Revocation of License**

1. The Town Manager may revoke or suspend a Short-term Rental license. The following shall be prima fade evidence for revocation or suspension of a Short-term Rental license:
  - a. A holder of a Short-term Rental license is violation of the provisions of the permit.
  - b. holder of the Short-term Rental license has violated the rules and regulations for short-term rentals, as established by this Ordinance.
  - c. The holder of the Short-term Rental has failed to remit sales and/or lodging taxes.
2. In the event a licensee wishes to challenge the revocation or a suspension of a license by the Town Manager, they can request, in writing, an administrative hearing before the Town Board within thirty days of the license being revoked or suspended.
3. No license shall be issued to any property owner for whom a license has been revoked, until at least three years has elapsed since revocation.

**BE IT ORDAINED BY THE BOARD OF TRUSTEES OF THE TOWN OF RICO, COLORADO**  
that:

TOWEN OF RICO:

By: \_\_\_\_\_  
Barbara Betts, Mayor

ATTEST:

\_\_\_\_\_  
Linda Yellowman, City Clerk

## TERM SHEET FOR VCUP IMPLEMENTATION, FUNDING & SETTLEMENT AGREEMENT

On 5/10/21, the Town Board reviewed and provided input on a framework summarizing the proposed lead soils voluntary cleanup (VCUP) Application that would need to be approved by the Colorado Dept. of Health and Environment (CDPHE). The framework below will allow the Board to do the same for the proposed VCUP agreement between Town and Atlantic Richfield (AR) for the VCUP's implementation, funding, etc. Again, this does not contemplate a lump sum demand, suing AR for damages or asking the EPA to declare Rico a superfund site. Town could consider those processes if the Board determines we should cease VCUP negotiations.

In this framework, the term “VCUP docs” includes the VCUP Application, VCUP Work Plan, the Funding Agreement and the Town/CDPHE Intergovernmental Agreement. The term “ICs” refers to LUC amendments that would be adopted to regulate excavating/developing properties with high lead level. “NFA” refers to no further action being required by the CDPHE. “NAD” refers to A no action determination by the CDPHE and NFAD refers to a no further action determination by the CDPHE.

Term/topic	Acceptable Y/N	Suggestions/Comments
<b>ICs</b> Town will take such actions as may be required to adopt the ICs within 14 days of execution of this Agreement.		Should say “initiate” rather than “take”
Town may propose amendments to the ICs ... consistent with the VCUP docs  shall provide a copy to AR and CDPHE at least 30 days before the notice of public hearing,  shall provide AR and CDPHE with an opportunity to review and comment on all such proposed amendments  amendment or termination without AR and CDPHE consent shall be a default  Town shall implement the ICs during the term of the funding agreement		Add comment deadline  Add that consent shall not be unreasonably withheld  Add: subject to the Town's reasonable enforcement discretion, available resources, and discretionary policy powers under the LUC.
<b>Phase 1 Sampling and Remediation</b>		
AR sampling and analysis per VCUP docs at AR's expense.  Town to assist with public outreach to gain access  AR remediation of agreed upon number of developed lots at AR's expense.  Limited to lots within the Town boundary as of this agreement's effective date.		Add: sample previously remediated lots that may since have been disturbance, and sample 5 properties with soil covers that do not appear disturbed, for comparison, quality control and to confirm the assumption that lead concentrations in clean soil covers do not exceed acceptable ppm level.  Add: minor subdivisions and adjustments to lot lines and Town boundaries OK

**Commented [KKR1]:** Town can only commit to initiating action to adopt ICs Regulations, and can't commit to adopting.

Term/topic	Acceptable Y/N	Suggestions /Comments
<b>Phase 1 Remediation of Roads and Alleys</b>		
AR to complete, at its expense, sampling and analysis for certain road and alley surfaces in Town Per VCUP Docs  AR will assist Town w/preparing scope, bid package/RFP for design/construction and to develop Work Plan for road/alley of remediation		<p>Add: AR to purchase Town water truck and allow Town to fill it at AR water station</p> <p>Add: AR to pay Town the bid amount plus 10%</p> <p>Add: Town selects contractor</p> <p>Add: AR to pay for change orders discussed w/AR prior to Town approval</p> <p>Add: payment process and AR may request/review records</p> <p>Add: AR shall separately provide the Town with a stipend equal to 15% of the bid amount, to be used by the Town to cover expenses incurred by the Town in coordinating and administering the roads remediation program.</p> <p>Add process for Town requests/AR payment of cost overruns</p>
<b>Phase 1 NFADs/NADs</b>		
Phase 1 work shall be subject to ICs  AR and Town to jointly apply to CDPHE and obtain NFAD for roads/alleys  AR to apply to CDPHE and obtain NFAD for lots sampled and/or remediated in Phase 1		Add: AR must pay for these for all areas sampled and/or remediated in Phase I
<b>Phase 1 Establishment of GIS System</b>		
AR to create/maintain GIS system per VCUP Docs and provide access to Town  AR to prepare Phase 1 reports as required by VCUP Docs		Add: AR to provide and pay for Town's training on GIS System



Term/topic	Acceptable Y/N	Suggestions /Comments
<b>Phase 2 Soils Management Program (SMP)</b>  AR funds, manage, and implements the SMP w/a qualified contractor AR selects w/Town input, and retains/pays  AR provides: - tech support to developers for ICs compliance, including septic permits - Confirmation of testing of mine waste and excavated soils - materials (geotextile fabric, plastic sheeting, and containers for hauling) needed to comply w/ICs - Inspections of development sites required under the ICs Regulations if requested by Town's enviro manager - Ongoing management of GIS system and other record keeping requirements  Not responsible for soil excavation/hauling, landscaping		Add: AR shall promptly replace contractor if not responsive to owner development schedules or not performing satisfactorily  Add: AR supervision of excavation and sorting of soils to ensure soils proper use of repository  Add explanation that these are "incremental costs" incurred due to ICs  Add that AR will provide "clean fill soil"  Add: incremental costs to be paid by AR will include hauling if no repository available within certain distance from Town boundary.  Add: AR will retain responsibility for maintenance/operation of lead soils repository for all time and for clean fill stockpile during Phases 2 and 3
<b>Phase 2 NFADs / NADs</b>  Town will assist AR in working with the developer to obtain a NFAD for the property upon completion of the development project  For open space parcels remediated in Phase 2, Town will obtain VCUP NFAD		
<b>Phase 2 Maintenance of Roads/Alleys</b>  Town responsible for maintenance		Add: AR will fund incremental costs associated with utility excavations and road construction work  Add: AR shall fund testing of roadbase materials to be used on remediated areas and pay incremental costs if an alternative source of materials is needed, which is more expensive
<b>Phase 2 GIS System and Reporting</b> AR maintains GIS system and provides access to Town  AR to prepare Phase 2 reports as required by VCUP Docs		Add: continued tow training

<b>Term/topic</b>	<b>Acceptable Y/N</b>	<b>Suggestions /Comments</b>
<b>Phase 2 Funding for Town Admin of SMP</b>  Every Jan 31 AR pays 25% of Town Mgr. annual salary		
<b>Phase 2 Community Outreach and Education</b>  Town implements community outreach/info program to inform and educate property owners		
<b>Phase 2 Administrative Reporting</b>  AR's SMP contractor provides an annual report to the Town Manager summarizing the tasks performed and expenses incurred by the SMP.  Town provides an annual report to AR of its Phase 2 tasks performed, labor expended, and costs incurred.		

Term/topic	Acceptable Y/N	Suggestions /Comments
<b>Phase 3 Soils Management Program</b>  Town will manage and implement the SMP in essentially the same manner using the services of a SMP contractor retained by Town with funding provided by AR  5-year contract required for SMP Contractor, renew every 5 years during Phase 3  AR responsible for operation and maintenance of the repository and the clean fill stockpile throughout Phase 3		Add: AR responsible for repository during <i>and</i> after Phase 3 and providing access thereto  Subject to Town right to terminate for failure to perform, etc.
<b>Phase 3 Budget/Funding Town SMP Contractor</b>  SMP contractor provides an annual budget  Budget subject to approval by AR each year, cannot unreasonably withhold. AR to assist with preparation of budget using Phase 2 data  Every Jan 31 AR pays Town for annual SMP contractor budget estimate.  Record keeping requirements and AR has right to review.  Either Town or AR can request budget adjustments, with reasonable detail, other party cannot unreasonably withhold approval. Increase shall be paid by AR in 60 days. If can't agree then dispute resolution process (below)		Add: Pending dispute resolution and the deposit of SMP funding with the Town, the Town has no responsibility to administer the SMP. Requests for reimbursement submitted by property owners or developers will be reserved until AR deposits SMP funding with the Town.
<b>Phase 3 NFADs / NADs</b>  Same as Phase 2: Town will assist AR in working with the developer to obtain NFAD for the property upon completion of the development project.  For development projects at previously undeveloped properties where Phase 1 testing did not occur and testing by the developer confirms soil lead levels below the action level, Town will assist AR in working with the Developer to obtain a NAD.  For open space parcels remediated in Phase 3, Town will obtain a NFAD for the remediated.		
<b>Phase 3 Maintenance of Roads and Alleys</b>  Same as Phase 2		Add same as Phase 2
<b>Phase 3 GIS System and Reporting</b>  Town assumes responsibility for and maintain GIS database system		

Term/topic	Acceptable Y/N	Suggestions /Comments
<p><b>Phase 3 Funding for Town Admin of SMP</b></p> <p>Same - every Jan 31 AR pays 25% of Town Mgr. annual salary</p>		
<p><b>Phase 3 Community Outreach and Education</b></p> <p>Same -Town implements community outreach/info program to inform and educate property owners</p>		
<p><b>Phase 3 Administrative Reporting</b></p> <p>Town requires its SMP contractor to provide annual reports to the Town and AR summarizing the tasks performed and expenses incurred by the SMP contractor.</p> <p>Town provides annual reports to AR of its Phase 3 tasks, labor expended, and costs incurred.</p>		

Term/topic	Acceptable Y/N	Suggestions /Comments
<b>Repository &amp; Clean Soil</b>		
AR maintains and manages during Phases 1-3		Add: And at all times thereafter
AR may reject unsuitable materials		Add: If needed, AR to construct a new repository at a distance and location reasonably acceptable to the Town
Clean soil will be made available by AR near repository during Phases 2 and 3, will replenish as needed, but AR not responsible for delivery		Add: If a Developer transports materials to the repository that SMP contractor determines unsuitable for disposal, AR may reject
The clean soil stockpile not available for Town road maintenance or replacement of road and alley surface materials		Add: otherwise available for Town remediation activities

Term/topic	Acceptable Y/N	Suggestions /Comments
<p><b>AR Payments for Incremental Costs</b></p> <p>AR will pay \$50,000 (amount to be pro-rated depending on timing of the Agreement) to the Town for use in issuing payments to Developers as an offset for incremental development costs incurred to comply with the requirements of the ICs, using the payment process described below.</p> <p>Town uses funds to pay developers costs schedule (attached exhibit). The schedule will establish uniform payment amounts based on tiered quantities of the soil removed in connection with a given development project</p> <p>The payment amounts will be adjusted annually for inflation using the CPI.</p> <p>The quantity of soil removed and the payment amount determined based on the area and depth of the planned excavation(s) specified in a Developer's development permit application submitted per Section D.4.E of the ICs.</p> <p>On or before Jan31 of each subsequent year during the Agreement, AR shall pay an additional amount to the Town sufficient to replenish the balance in the account to \$50,000.</p> <p>If at any time during a calendar year the balance in the Town's incremental costs account falls below \$10,000, the Town may submit a request to AR to replenish the amount in the account to \$50,000 at that time. Subject to its right to review the Town's records of payments made from the account, AR shall submit the replenishment payment within 30 days of receiving the request.</p>		<p>Change to \$75,000</p> <p>Add: may also be used to offset incremental costs incurred by the Town to comply with ICs when development occur on Town-owned properties. If planned Development Activities are anticipated to have greater incremental costs (e.g., for the installation of a central sewer system), the Town will provide an estimate of such costs to AR and AR will deposit such funds into the Town account used for incremental cost payments.</p> <p>Add: payment amounts will be increased to include the cost of OSHA compliance if it is later determined that OSHA does apply.</p> <p>Change to \$75,000</p> <p>Add: Every 5 years, the base amount of the balance in the account, initially set at \$75,000, shall be adjusted for inflation using the CPI, except that in no event shall the base amount be less than \$75,000.</p> <p>Change to \$15k/\$75k</p>

Term/topic	Acceptable Y/N	Suggestions /Comments
<b>AR Payments for Town Legal Fees</b> [not included in initial terms received from AR]		Propose: In addition to other amounts, AR will reimburse the Town's reasonable costs, expenses, and attorneys' fees related to (i) the Town's adoption, enforcement, and implementation of the ICs Regulations and this Agreement; (ii) legal or administrative actions filed or threatened against the Town or Town Representatives arising from the Town's adoption, implementation, and enforcement of the ICs regulations and this Agreement; and (iii) disputes arising under this Agreement.
<b>Option for Lump Sum Payment</b> [not included in initial terms received from AR]		Propose: If at any time the Town and AR are able to reach agreement on a lump sum payment to cover some or all of AR's funding obligations under this Agreement, then AR shall pay this amount to the Town, and after making such payment AR shall have no further obligation pursuant to the VCUP to pay for the obligations to be covered by the lump sum payment.
<b>Indemnities</b> AR will indemnify, Town for third-party claims arising from AR's performance of or failure to perform its obligations under the Agreement, including remediation of contaminated soils, and any exacerbation of pre-existing environmental conditions by AR or AR's contractors, except to the extent claims are caused by the Town and/or its contractors.		Add: and AR will defend, and hold harmless Town  Add: management and maintenance of the repository  Add: only if caused by gross negligence, recklessness, or willful misconduct of Town"  Add: No other indemnity exists from the Town in favor of AR or any other person or entity. Nothing in this Agreement is intended to affect the rights of third-party persons or entities.
<b>Releases and Covenants not to Sue</b> Town releases AR for all conditions and matters addressed in Agreement and cannot join AR in an owner's suit against the Town regarding ICs or SMP.  AR not released if AR if EPA or CDPHE sues the Town  No release of either party's failure to perform this Agreement.  AR releases Town for same		Add: No release if either party: -if AR exacerbates lead soil conditions - for incremental costs after AR has terminated funding for incremental costs; - past VCUP work - water quality issues not addressed under the VCUP Docs

<p><b>Events of Default Defined</b></p> <p>Failure by AR or Town to perform any material duty or obligation under this Agreement for a period of thirty (30) days after written notice specifying such failure and requesting that it be remedied has been given to the party failing to perform, unless otherwise agreed.</p> <p>Town repealing or changing ICs</p>		<p>Add: If Default can't be cured in 30 days, must start cure in 30 days</p> <p>Add: Does not apply to defaults that can't be cured</p> <p>Add: If it causes CDPHE to withdraw VCUP approval</p>
<p><b>Remedies for Default</b></p> <p>Terminate this Agreement</p> <p>Indemnities and covenants not to sue shall survive termination with respect to claims that accrued prior to the termination.</p> <p>Force Majeure shall excuse default.</p> <p>No claims for consequential damages if agreement is terminated</p>		
<p><b>Insurance</b></p> <p>Both AR and Town and contractors maintain Workers comp, employer, commercial, auto, and professional liability (agreement states limits)</p> <p>Name each other as additional insureds</p>		<p>Add: Environmental Impairment Coverage or Pollution Coverage Endorsement,</p> <p>Add: AR and SMP Contractors must name Owner as additional insured while working on the property</p>
<p><b>Dispute Resolution</b></p> <p>First try to negotiate, then mediation, then court</p>		<p>Add/Change: add arbitration after mediation, can go to court if more than \$10k or specific performance is sought</p> <p>AR to reimburse Town's reasonable attorney's fees, costs, and expenses related to such dispute, on a monthly basis. If the Town does not prevail, AR may be entitled to be reimbursed by the Town for attorney's fees, etc. paid to the Town by AR (but not AR's own atty. fees, costs, and expenses), only to extent permitted by law.</p>
<p><b>Termination</b></p> <p>[not included in initial terms received from AR]</p>		<p>Add: Agreement will terminate when work required by VCUP Application is done, but property owners including Town retain claims for incremental costs</p> <p>OR Agreement may be terminated prior to completion of VCUP Application work if the parties agree on a lump sum payment</p>
<p><b>Expansion of Town</b></p> <p>[not included in initial Agreement terms received from AR, but VCUP Application says expansions and subdivision creating more lots are not included in VCUP]</p>		<p>Add/propose: VCUP applies if Town expanded less than 25 acres, larger expansion requires the parties to revisit the Agreement</p>

## Notes from the EPA discussion

### Introductions:

Board of Trustee members present: Barbara Betts, Joe Croke, Joe Dillsworth, Pat Fallon, Brandy Randall and Estaban Roberts.

Staff present: Kari Distefano

Guests present:

Andrea Madigan – EPA Superfund attorney, office of regional council.

Doug Jamison – CDPHE manager superfund and brownfields unit.

David Fronczak - site assessment manager with EPA and superfund program.

Mark Rudolph – CDPHE

Victor Kettelapper - manages superfund site assessment team in Denver.

Samantha Caravella - Attorney at Kaplin, Kirsh and Rockwell, part of the team representing the Town of Rico in negotiations with ARCO.

Tom Bloomfield Attorney at Kaplin, Kirsh and Rockwell – Attorney representing the Town of Rico in negotiations with ARCO.

Paul Peranard – CDPHE on-scene coordinator with EPA Region 8 in the removal program.

The following questions were asked at the discussion with the EPA.

### **Please describe the process a community would take if requesting EPA involvement with soil remediation.** (Question by Kari Distefano)

Victor Kettelapper answered this question. He said that there are two clean up options. The removal program, which is more of an emergency response for short term cleanups and long-term superfund sites. These are sites on the National Priorities List (NPL), such as the Bonita Peak. The program that he represents is the site assessment program. They look at the problems and assess the best opportunities to address the problem. The EPA asks; is the State Voluntary Cleanup a good option? Is it a hard, complex, expensive project to remediate? These projects tend to go more towards the NPL (superfund list) or is it more of an emergency response? Is there a release? Is there current exposure that is particularly high? These can get done quickly. Generally, there is a one-year time frame with under a two-million-dollar cleanup.

A site becomes a superfund site following an evaluation using a tool called the Hazard Ranking System. Using the Hazard Ranking System screening tool, if a site scores high enough, it is eligible to become a superfund site. That does not mean that the EPA wants to determine that the site is a superfund site because there might be a better, quicker way to address the problem. The EPA resources are limited. Listing a site as a superfund site requires a State Governor's letter of support. It is a formal process. The EPA could start evaluating the site and doing studies.



Mr. Kettelapper does not recommend going to the NPL on this site. He believes that the Town already knows a lot about the exposures and the Town has a cleanup approach. The Town also has a party (ARCO) that is willing to fund the work through a voluntary cleanup program.

**What would be the time frame if the Town were to get involved in the NPL (superfund) process?**

(Question by Kari Distefano)

Again, Victor Kettelapper answered this question. He said that the process could be long, but the EPA could also be involved in short-term cleanups if there are high levels of contaminants that could result in immediate risk to the environment or human health. A lot of smaller sites get cleaned up completely without ever making it to the NPL.

Victor Kettelapper has been hearing from the Rico community that there might be interest in sending a citizen's petition to the EPA to conduct a preliminary assessment. In that case, the EPA would evaluate existing data to determine if there needs to be further study or if immediate action is warranted at the site. The Comprehensive Environmental Response, Compensation and Liability Act (CERCLA) requires that the EPA look at other alternatives and liable parties that may contribute to the cleanup.

**What are the benefits and what are the down sides to an NPL listing?** (Question by Kari Distefano)

Andrea Madigan said that getting listed as an NPL site is a formal rule making process. After the site evaluation occurs for scoring purposes under the hazardous ranking system, the EPA would have to propose the site. The site gets published in the Federal Register. There is a public comment period. There is a final rulemaking process after the EPA reviews comments. Typically, these proposals occur no more than twice a year. It is a long process. It would probably take at least a year or more.

One of the benefits is, if there is not a liable, viable party available to do the cleanup, Federal funding can be made available to implement remedial actions. There are more sites that need to be cleaned up on the list than there is money so just because a site is on the list does not mean it automatically gets funded with Federal dollars.

In Rico's case, there appears to be a liable, viable potentially responsible party (PRP), which is where the EPA would look first for funding prior to seeking federal dollars. Because there is a PRP, looking for a federal listing would not present much of a benefit.

Under the Super Fund Statute, there are four parties that can potentially be held liable for cleanup and all other response costs. Current owners can be held liable. There are exceptions and exclusions but under EPA guidelines, current owners can be held liable to reimburse EPA for cleanup costs. Former owners and operators of the property can be held liable. If contamination migrated from an operation onto a nearby property, that operation can be held liable. Generators of toxic waste such as companies that sent waste to a landfill, those generators could be considered liable. The fourth category of potentially liable parties are transporters. If a company transports toxic material to a repository and that repository become a problem the transports could be held liable.

**Could the Town be held liable?** (Question by Kari Distefano)

Andrea Madigan said Town could potentially have liability for the costs that the EPA would incur when responding. Her understanding is that Atlantic Richfield has liability as well. Atlantic Richfield is not disputing that. Under the Superfund Statute, liability is called joint and several unless it can be

apportioned. Liability based on former operator liability would be broad. It would be hard to apportion the liability that a former operator would have. It is possible that an owner's liability would be divisible. It would be limited to geographic boundaries as opposed to all cleanup costs at the site.

**Could the residential or commercial property owners be held liable?** (Question by Kari Distefano)

Andrea Madigan said that under the Statute, both residential and commercial property owners have potential liability. For residential property owners there is an enforcement discretion policy. As a policy matter the EPA will not pursue residential property owners that didn't cause or contribute to the contamination as long as they cooperate with respect to access and institutional controls. This policy does not apply to owners of commercial property.

**If my memory serves me, initially Rico was considered a superfund site, more recently I have been led to believe that it would not qualify as a superfund site, is that case?** (Question by Barbara Betts)

Andrea Madigan said that the term superfund is being used loosely. Sometimes the term is used to refer to a site that is on the National Priorities List (NPL). A site can also be considered a superfund site when the EPA is doing work under the removal program. Whether Rico would be eligible for listing under the hazardous ranking system, the EPA does not know yet. They would have to go through the steps. It is questionable. You never know until you look at it.

In terms of our removal program, it is a different analysis to determine if a situation would merit a removal response.

**Victor mentioned the Hazard Ranking System (HRS) as a method to get onto the NPL, what are the criteria that fall under the HRS and what are the methods for testing?** (Question by Joe Croke)

Victor Kettelapper said that the hazard ranking system is a complex tool. It is based on technical as well as legal issues. It looks for source areas of contamination and how much source contamination is at the site. It uses methods of calculating sources based on whether the source is something that is found in soil. Is it dispersed through the air or is it found in the water? They look at the pathway; how does the source migrate to areas of impact (environmental or health). It looks at who is getting impacted. The EPA looks at the toxicity of the contaminate and how many people are getting exposed, directly, or secondarily. All those factors go through the analysis and the EPA comes up with a site score that is somewhere between 0 and 100. If a site scores 23.5, then it is eligible to be placed on the National Priorities list.

**Does it look at future populations, children, and unborn children?** (Question by Joe Croke)

Victor Kettelapper said that the hazard ranking system looks at current population. People are a factor, for example if people are using private groundwater, we would look at the number of wells and the number of people in the household that were drinking that contaminate water or have the potential of drinking that water in the future. Lead contaminated soil sites are often eligible for the NPL but that does not mean that NPL is the right approach, but it is an approach that works for a lot of communities.

**What would you consider to be the downside of the NPL approach?** (Question by Kari Distefano)

Victor Kettelapper said that on this site, the Town has made a lot of progress. He said he had heard that the Town was close to a cleanup through a voluntary cleanup program. If the parties agree and the

State agrees, the cleanup could be implemented quickly. The other downside is that going through the NPL process is lengthy. It does do a very thorough job of evaluating sites. It provides for the clean-up of the site, and it also provides for long term maintenance. In lead soil cases there will be institutional controls to make sure that if not all contaminated soil is removed, there is documentation regarding where it is. It ensures that there are procedures in place to protect remediation. Usually, the County or a Municipality will oversee those institutional controls. The State is required to be heavily involved in the long-term maintenance.

Andrea Madigan added that sites on the NPL typically present complex environmental issues that require a lot of study and analysis. The Town wants to consider all alternatives and look at the different options in terms of a remedy. Every remedy has its upside and downside. An NPL listing is going to come with a higher price tag and a longer timeline. Is it the right tool? In many instances it is.

Victor Kettelapper said that NPL sites are very costly and complex and there is no other funding source to address the problem.

**What is the source of payment if there is an able source of payment? Is it based the resources of the Town and the people in the Town, or should BP have to pay since they have the most money?**

(Question by Joe Croke)

Andrea Madigan said that the EPA would work with a corporate potentially responsible party that was financially viable to address the problem particularly when that party had joint and several liability. When there are multiple liable parties, and the EPA enters into an agreement with one, under the Superfund Statute, that party may have contribution claims against the other potentially responsible parties. That is based on a fair share. In this instance, if the EPA were to enter into an agreement with the major former operator, and they did all the work, they could have a legal claim against other potentially responsible parties. They may not pursue that. Ms. Madigan said she had not seen that in many other sites but it is important to realize that they would have that type of claim.

**So that party could go after the Town as a big landowner?** (Question by Kari Distefano)

Andrea Madigan said yes. There are also settlement tools. The EPA could enter into settlements with Local Governments for in-kind support such as the enforcement of institutional controls.

**Could you please briefly describe the risk analysis process that you would undertake? There have been questions from the Trustees about how the CDPHE and ARCO arrived at the remediation level of 1100 ppm for residential uses and the 1700 ppm for other uses.** (Question by Kari Distefano)

Victor Kettelapper said that the 400 ppm is identified as *screening* level for residential exposures. That means that concentrations above that *might* pose a risk. EPA risk assessors would evaluate the site and develop cleanup goals based on site conditions, which could be how bioavailable the lead is. How does the body ingest or uptake the lead? It could include asking how many days a year people are exposed. In Rico due to snow cover, that exposure could only be five months. Site specific cleanup levels can vary significantly depending on site conditions.

**Between the time the original risk assessment was done and now, we have been told that the baseline screening level for blood has changed from 10 micrograms per deciliter to 5 micrograms per**

**deciliter. If you were to re-evaluate this site, would you take that into consideration?** (Question by Kari Distefano)

Victor Kettelapper said that the EPA would use the current standards for blood lead concentrations.

**Would snow cover during part of the year validate an action level of 1100 ppm and in theory would there be less exposure over time? The community has had questions about why the Trustees should agree to these levels if they may be a compromise?** (Question by Brandy Randall)

Victor Kettelapper said that snow cover would result in a higher clean up goal. The model that the CDPHE and ARCO used is the same type of model that the EPA would use to establish the clean-up goals. Starting over at this point the EPA would re-evaluate the risk. A third-party evaluation of the work that was done would result in a higher comfort level.

Doug Jamison said that the State has the ability to do a health consult. The State would follow the same process as the EPA if the Town wanted to request a health consult through the voluntary cleanup program. They could update the assessment. Jamison believed the Town brought in EPA staff to go the EPA process for the original risk assessment. That is how they arrived at the 1100 and 1700 ppm. The CDPHE could do something similar without going through the NPL process by going through a health consult.

Tom Bloomfield said that the 400ppm number assumed that the lead in question was very bioavailable like that in lead paint. Lead from mining activities is less bioavailable than that in lead paint and that was a factor in the original risk analysis. A third party, Geosyntech, did review the original risk assessment. The original levels were not based on negotiations, they were based on science and EPA protocol.

**Is snow cover more important or is the bioavailability more important?** (Question by Brandy Randall)

Doug Jamison said that they were both important factors that went into the risk evaluation. Every site is a little different and bioavailability varies from site to site.

**A study that I have seen says that oral and inhalation routes are the most common form of exposure and hand to mouth activities in children are a route for dermal and oral exposure. Approximately 90% of lead particles deposited in the lungs are in ambient air small enough to be absorbed. The risk assessment needs to be much more in depth than what ARCO and the CDPHE has proposed. I got this from Stacy Baridges (sp?) doctoral thesis. Are you going to come back in and test and how are you going to test and where are you going to test?** (Question by Joe Croke)

Mark Rudolph said that the original assessment accounted for all components, bioavailability, amount of and snow cover per year but the blood lead screening reference has gone from 10 to 5 micrograms per deciliter. There was an EPA toxicologist and a CDPHE toxicologist involved in the original assessment. The Town of Rico had a hired risk assessor and ARCO had a hired risk assessor. All four agreed on the numbers. But that risk assessment was based on 10 micrograms per deciliter.

**Just to clarify, the process that the EPA would go through to evaluate the site would be the same as was done in the original risk assessment, but it would use 5 micrograms per deciliter rather than 10 micrograms per deciliter, is that correct?** (Question by Kari Distefano)

Mark Rudolph said that it would be either that or re-running the calculations based on the model that was already done.

Victor Kettelapper said that the EPA had a similar process and Susan Griffin, who had reviewed the original risk assessment was one of the National Risk Assessment leaders in lead exposure.

**Is that model offered as an example for situations like this for reference for the cleanup process?**  
(Question by Brandy Randall)

Victor Kettelapper said that the EPA would decide where they would spend their resources to address the highest risk.

Mark Rudolph said that with Rico, the CDPHE initially identified areas of contamination by sampling. At the same time, they went through the risk assessment process. From that, the cleanup number was developed, and sampling for the presence of lead continued. Some properties had already been cleaned up. Mark asked if the EPA have a process similar to that of the CDPHE did or would they go down a different avenue?

Andrea Madigan said that the EPA would have a somewhat different process, but the result would be similar. The process would take longer under the removal program. The EPA would seek to enter into an order of consent with Atlantic Richfield whereby the EPA removal program would oversee the work. There would be a work plan and they would look for a follow up when the remediation was done. The contaminated soil would be hauled to the repository and replaced with clean soil, but contamination could still be encountered under the clean soil. The Town would have to make sure that future property owners knew when they went below the clean soil cap, they could encounter contaminated soil.

The EPA relies on institutional controls similar to those in Colorado to ensure that the remediation activities are preserved. The Ordinance that is provided for under Colorado Statutes is effective. The EPA would expect that type of Ordinance from the Town.

Doug Jamison said that no matter which route is taken, NPL, removal program or voluntary cleanup, there would have to be a long-term management strategy. There would have to be a Town Ordinance that would be put in place to preserve the remediation.

**Is funding from the EPA available to help cover the cost of the implementation of the Ordinance that enacts the institutional controls? How much oversight would there be by either the CDPHE or the EPA of people that wanted to engage in development activities on remediated properties?** (Question by Kari Distefano)

Andrea Madigan said that Colorado has adopted an environmental covenant statute that addresses Ordinances that Towns should enact. In the EPA world, since there appears to be a liable, viable potentially responsible party, the goal would be to have that party fund the institutional control program. She said it was her understanding that ARCO was willing to do that.

Doug Jamison brought up Leadville as an example of a typical process. Leadville has several ordinances in place. When a developer wants to develop a property, they go to the CDPHE with their plan. The CDPHE says that the developer has presented a plan, with which the CDPHE agrees, or the developer does not need a plan and they can move forward. In Kellogg Idaho, the potentially responsible party

funds some of the administration of the institutional controls. The CDPHE would endeavor to ensure that the institutional controls would not be too much of a burden on the Town.

Mark Rudolph said that Bonita Peaks had a similar ordinance, and a building permit application would start the process. In the VCUP agreement being contemplated by Rico, ARCO would pay for the enforcement of institutional controls.

Doug Jamison said that Rico was lucky to have an available repository.

**If the EPA were brought in, would the repository that is at the St. Louis Tunnel being operated by ARCO, continue to be available to the Town?** (Question by Kari Distefano)

Andrea Madigan said that would have to be worked out with Atlantic Richfield.

Mark Rudolph said that the repository is currently and will remain available to the Town. It was permitted through Dolores County for residential soils. There is a second repository that was permitted for water treatment sludge.

**Would that use be extended to excavation by the town for a sewer system or any other utility system?** (Question by Kari Distefano)

Mark Rudolph said that would be determined by capacity and space. Atlantic Richfield would like to create an additional repository for future contaminated waste.

**What happens after the EPA enforces a cleanup and lots are being developed. I would assume that the Town is on the hook for funding those incremental costs that are associated with the clean-up? After the EPA left, would the Town still have access to the repository?** (Question by Joe Dillsworth)

Victor Kettelapper said that the EPA would not know until those details were worked out with the responsible party. Those would be things that it would make sense to obtain. Some sites have a trust fund set up that provides money for those long term activities. Sometimes it has been a more pay as you go approach.

Doug Jamison used Leadville as an example. He said that there was a repository available and a developer came in to build residential units on a larger property, so the CDPHE allowed the developer to take contaminated soil to the repository. The CDPHE tries to reduce the burden on the Town.

Victor Kettelapper asked if the developer in Leadville paid for the cleanup.

Doug Jamison said that the developer did pay for the cleanup. He saved a lot of money in disposal costs because he was able to use a repository that was close to his project.

**One of the reasons we are here is to get a second opinion. Right now, we are working off the same opinion that we have had in the past. When residents here start to research lead levels, they find the 400ppm number and they cannot get beyond that. It is hard for me, as an elected official, to sell any level higher than that. Can we have an opinion from the EPA that what the Town has been negotiating is good and correct and that people should feel safe. Should we eliminate the EPA and continue with the VCUP?** (Question by Pat Fallon)

Andrea Madigan said they (the EPA) had discussed that question quite a bit in preparation for the meeting. The NPL is probably not viable. Given how far the site has come, the town would be starting

over with not any real assurance that Rico would get ranked. The Town would be backtracking and may end up stuck. That would leave the removal program as an option and the informal consensus was that the EPA would encourage the Town to see the VCUP through.

To evoke the authority of the removal program, there cannot be other programs that address the same issue. The EPA cleanup and the Voluntary Cleanup program would be similar, and the Town would be backtracking by going to the EPA. Clear information should be provided to the public about the cleanup levels and how that fits in to the remediation process. Using the EPA removal program, the Town would end up in the same place, but it would take longer.

Victor Kettelapper said that it would make sense as a Town to request that the risk assessment be updated.

Doug Jamison agreed that a conversation regarding updating the risk assessment seems appropriate. The inputs to the models have changed.

Mark Rudolph said that the CDPHE had requested that Atlantic Richfield re-run the numbers with the current blood lead levels (5 micrograms per deciliter rather than 10). He said he had a conversation with Brian Johnson (AR/BP) and Brian Johnson said that they could not release those numbers. The numbers are still being reviewed. The Board should ask for the updated risk assessment calculations. When these calculations are released by ARCO, the Board could ask that the CDPHE risk assessor review the numbers. The Town could also ask that the EPA to review them.

Pat Fallon requested that the review come from someone other than the person that had reviewed the calculations the first time.

Victor Kettelapper said that the voluntary cleanup had that review built in.

**Mayor Barbara Betts commented that there is a level of mistrust among the citizens of Rico. The citizens want to make sure that what the Trustees do what is fair to the community. When many people in town are convinced that 400ppm is the level of lead in the soil that is risky, how does the Town ensure that the remediation levels are appropriate?** (Question by Barbara)

Victor Kettelapper responded that this was a challenge.

**There has been a lot of sampling done, but all properties in Town have not been sampled. If the EPA were to undertake this project, would sampling be extended to the mining claims surrounding the Town? How does your sampling process work?** (Question by Kari Distefano)

Doug Jamison responded that in Pueblo, the CDPHE was only sampling residential properties. Subsequent phases could address commercial properties but this is a residential cleanup plan so the CDPHE would limit sampling to existing residential lots. The long-term management strategy would be crafted to address future lots that are not residential today.

**Considering a lot of these samples are dated, would they be re-done?** (Question by Kari Distefano)

Andrea Madigan said that with respect to the EPA removal program, there is an efficiency calculation. It would depend on the risk assessment.

**Would the Rico outdoor oriented lifestyle be taken into consideration? Much of the lead ingestion in the Rico population comes from the streets. Our kids play in the streets. Would the EPA have a different understanding of the allowable levels based on the streets being more of a play area than our yards?** (Question by Pat Fallon)

Victor Kettelapper responded that the EPA risk assessment would look at those types of factors.

Andrea Madigan said that until the EPA actually got involved, it would be hard for them to evaluate specific situations.

**Would the EPA give us a second opinion of the risk assessment?** (Question by Pat Fallon)

Andrea Madigan said that there was not a mechanism for the EPA to do a separate risk assessment. They could support the CDPHE re-doing what they have. The EPA does not do a risk assessment without collecting a lot of data. That would be taking a step back.

Doug Jamison suggested a couple of scenarios. First, ARCO agrees to update the work that was done previously. In that scenario, both CDPHE and EPA would review the revised report and make sure that it was done correctly. The other option is the health consult that he had mentioned earlier. It is not quite as in-depth, but it goes through a similar analysis, and would come up with a remediation level number. That could be done with funding from Agency for Toxic Substances and Disease Registry (ATSDR), which is part of the Center for Disease Control. Those are a couple of scenarios that could offer a second opinion.

**We are being told that the typical remediation action is removing a foot of the contaminated soil, putting down a Geotech marker, and putting clean soil on the Geotech marker. Is that standard remediation protocol?** (Question by Kari Distefano)

Doug Jamison said that it depends on the type of contamination, but it is a common cleanup process.

**If the EPA was going to do a cleanup in a residential area, it would be on people's lots, not the open space areas or mining claims, is that correct?** (Question by Kari Distefano)

Andrea Madigan said that it would depend. They cannot answer these questions without doing an investigation but that is not an unreasonable assumption.

Doug Jamison said that the EPA could look at ballparks or community areas as part of the cleanup.

**Would previously reclaimed brownfield sites be included? The Propatria Millsite has been capped and remediated around 2000. It still emits mine wastewater into the streets. Can we go back and retest those and get them reclaimed again? The negotiations with ARCO include the establishment of a trust for future remediations. Does the Town need to talk to BP about funding an independent, third party testing group to come and retest all properties?** (Question by Joe Croke)

Doug Jamison said that there is mining waste everywhere in these historic mining communities. There is focus on residential properties because that is where the exposure is.

**How do we get to the next step quickly and fairly? One Trustee has suggested mediation. The Town needs some sort of expert testimony to back the negotiation.** (Question by Joe Croke)



Andrea Madigan said that in her experience that if you say you are not going to start unless you have everything taken care of, and you know what the end is going to be, you never start. With residential properties, you should start cleanup as soon as possible. The EPA prioritizes human health risk. She said there was more flexibility in terms of expanding the program with a VCUP as needed. There are not as many administrative requirements.

**The people's concern is that to get anything started, the negotiation will begin with an agreement to release the ARCOs liability in the end and if the Town agrees to something that still leaves the Town with contamination, what's the point?** (Question by Pat Fallon)

Andrea Madigan said that the EPA is the safety net. There is some protection under the voluntary cleanup program but not completely.

Tom Bloomfield said that any release of liability that would occur would be specific to lead in the soil and not include water or anything else.

**Does the EPA feel as though they need to go out and collect all of their own samples or do they rely on samples collected by the PRP under the oversight of the regulatory agency? Is it a concern of the EPA that the sampling data done previously reliable?** (Question by Tom Bloomfield)

Andrea Madigan said that when the EPA selected the remedy they would evaluate existing data, the circumstances under which it was collected and at least use it as confirmatory. The EPA doesn't take anything at face value, but they wouldn't redo everything if they felt that there was a certain level of credibility. When the potentially responsible party implements a cleanup, there is rigorous oversight.

Joe Croke said he proposed to BP that they establish a trust fund for the Town. Andrea Madigan asked if they rejected that. Joe Croke said that they did reject it. He said he understood people that wanted to petition for a CERCLA action. He said he was asking for help.

**What happens if we agree to the VCUP and we still have contaminated soil?** (Question by Pat Fallon)

Andrea Madigan said that if the EPA came in under the removal program, she did not think that the EPA would have the authority to make BP set up a trust.

**How can the Town get BP to understand that the Town needs money to fund the continuation of the cleanup?** (Question by Joe Croke)

Tom Bloomfield said that he thought ARCO would be willing to fund the oversight of the program. If the Town incurs costs to implement the institutional control program, ARCO would pay the incremental costs of remediation. ARCO understands the need to pay for the cleanup program the Town implements. They are not willing to set up a fund that could be used for lots of different purposes.

**Everyone refers to the responsible party as ARCO but BP has the ultimate responsibility and authority. How do we present this and if we can't agree, what's the next step? Is it litigation, is it a mediator?** (Question by Joe Croke)

Tom Bloomfield said that there has been progress but there had not been clear direction from the Town. If there was clear direction from the Board of Trustees, work on the agreement documents could progress toward an agreement. If there are things that ARCO and the Town cannot agree upon there

are certain leverage points. If the Board would like to go forward with the VCUP, we would try to negotiate those points.

**This negotiation has been going on for almost twenty years. BP has no reason to push this through. If the EPA did the cleanup, would they just come in and do it all at once?** (Question by Barbara Betts)

Andrea Madigan said that if the EPA were to do the cleanup under a removal program it would not be when the property owner elects to do the cleanup. It would be done all at once. If BP is offering to pay the incremental costs for utility construction, that's pretty good. It is not reasonable to ask them to come in and rebuild the Town's infrastructure and they are not going to do that. The EPA cannot force BP to do that either.

She said the EPA is not going to go away. They are concerned about the samples. They believe there are health risks, and they want to work with the Town to figure out how to move forward.

**When the Town walked away from the original VCUP, did the EPA look at coming in at that point to act?** (Question by Kari Distefano)

Mark Rudolph said that his recollection was that they did not. Joe Croke said that he was on the Board then and they discussed the possibility, but the Town proceeded down the route of the VCUP.

Tom Bloomfield said that under the current proposal, all properties that are currently being used would be remediated. ARCO would also remediate the roads. Lots that are not being used would be remediated when they were developed.

**What are young families facing with respect to risk? Historically, what have other areas experienced? Have there been illnesses and deaths related to lead contamination?** (Question by Brandy Randall)

Victor Kettelapper said that it would be better to get a toxicologist to answer those questions.

Andrea Madigan said that a health consult could answer those questions.

**Has there been any documentation in any of these old mining towns of disease clusters that could be attributed to lead contamination?** (Question by Kari Distefano)

Victor Kettelapper said he was not aware of any, but it is not his area of expertise.

Doug Jamison said that he did not believe that lead was a carcinogen, but he is not a toxicologist.

**Have there been any cases in any of these old mining towns that kids had elevated blood lead levels?** (Question by Kari Distefano)

Doug Jamison said most of the mining sites in Colorado go through blood level testing and often the blood levels exceed target levels. The cleanup level is based on the goal of having less than 5% of the population have blood lead levels that exceed the target levels of 5 micrograms per deciliter. Education is the single biggest factor in reducing community blood lead levels. Education with cleanup is even better.

**If the Town were to continue with the VCUP and the residents were still unhappy and decided to continue with the citizen's petition, would the EPA respond to the petition?** (Question by Pat Fallon)

Victor Kettelapper said that the EPA would look at the petition and determine it was eligible to conduct a preliminary investigation and if the EPA determined that it was, they would review new and exiting data to evaluate the next step under CIRCLA. The question is whether that would put a little more pressure on BP. He said it looks like BP offered a comprehensive package.

Doug Jamison said that a citizen petition might get the Town some independent data.

**How long would the citizens petition delay the process that we are now involved in? Do we have a fallback? BP has been willing to pay for a lot of things for a lot of money.** (Question by Barbara Betts)

Joe Dillsworth said that he did not believe that is was in the Town's best interest to petition that EPA to have Rico be put on the National Priority List.

Andrea Madigan said that if ARCO did not follow the terms of the VCUP agreement, the EPA was the backstop.

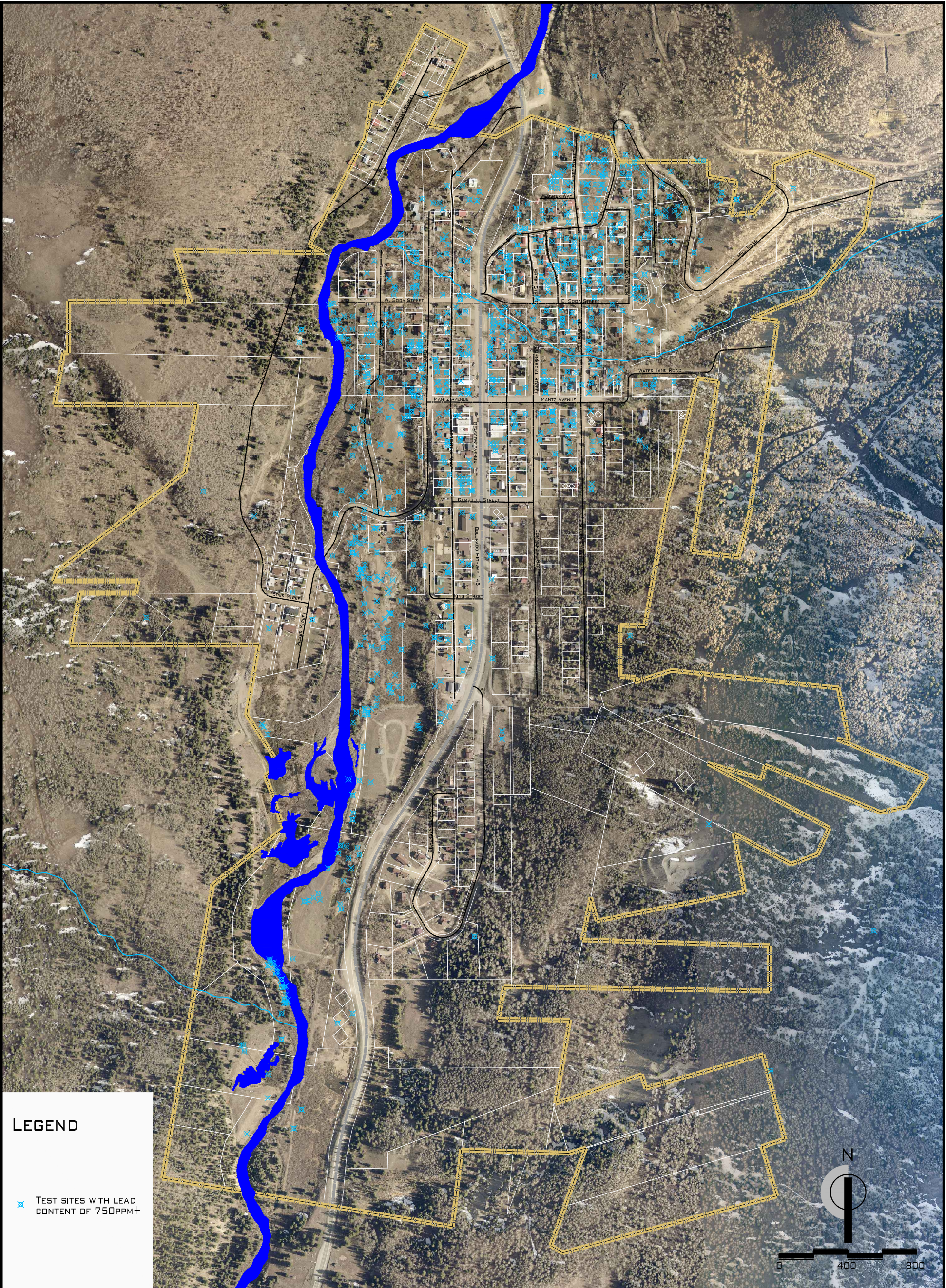
Victor Kettelapper said there is a big incentive for BP to complete this because that's what provides them with their liability protection.

Tom Bloomfield said that the VCUP is approved by the CDPHE. It's not just a negotiation.









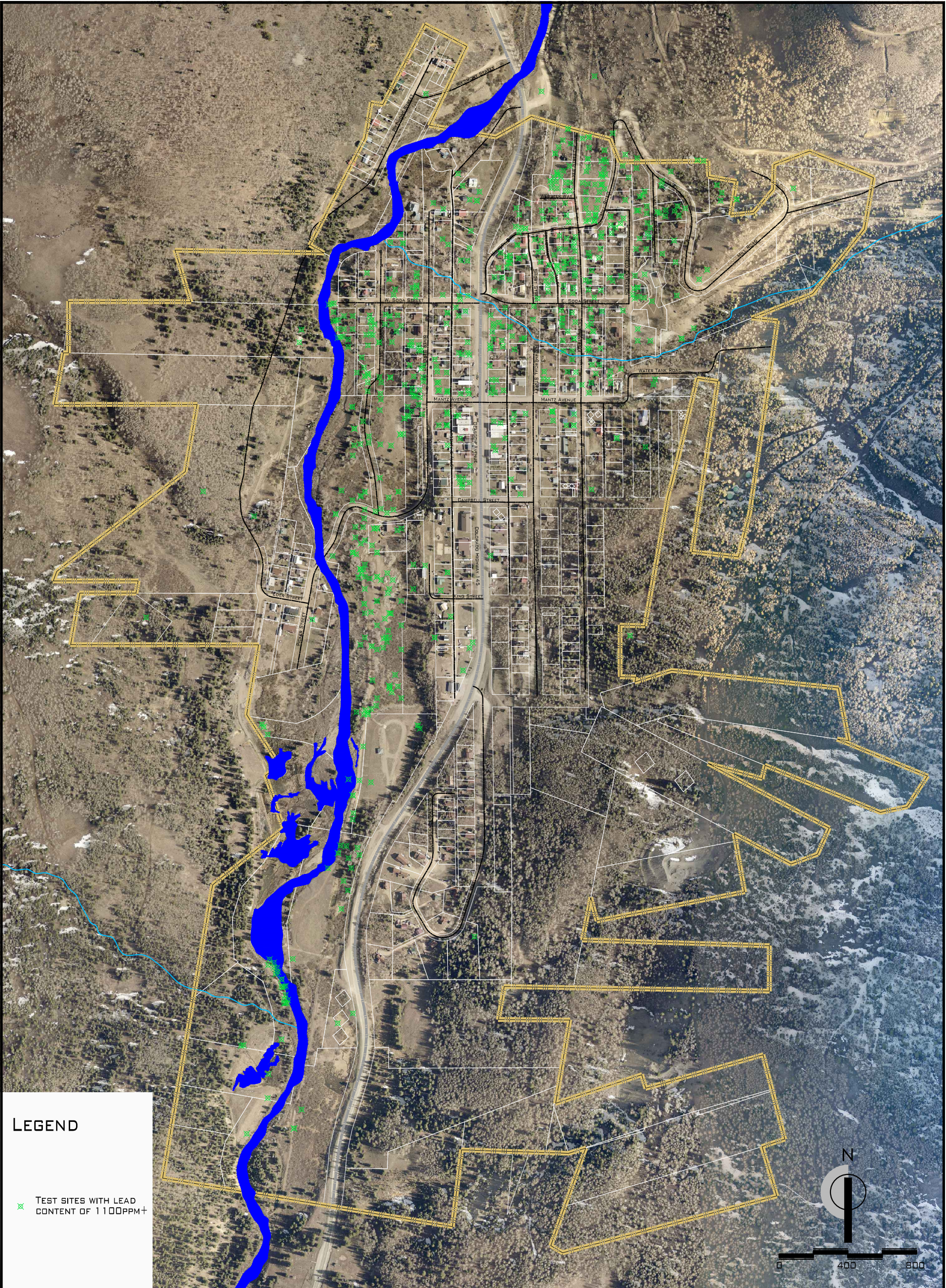
LEGEND

X TEST SITES WITH LEAD  
CONTENT OF 750PPM+

# TOWN OF RICO

TEST SITES SHOWING LEAD CONTENT OF 750PPM+





# TOWN OF RICO

TEST SITES SHOWING LEAD CONTENT OF 1100PPM+



**R.C. Hall Painting  
PO Box 331  
Rico, CO 81332  
(307) 413-3422**

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**Property:** Town of Rico Courthouse

**We propose to furnish all labor and materials necessary to perform the following:**

- Scrape, prep and prime all wooden exterior windows and apply one coat latex paint in matching color. Includes hurricane panels on North side.
- Scrape, prep and prime all wooden soffit and fascia in one coat matching color.
- Prep and prime east basement door and east entry door.
- Prep and paint wooden belfry panels.
- Prep and paint in matching color the soffit around the belfry
- Prep and paint front entry door jam.
- Stain soffit on back entry porch and scrape, prep and prime red wainscot.

**Notes:**

**For the sum of:** \$13,750

**With payments to be made as follows:** Deposit of 50% required to begin work with final balance of 50% to be made upon satisfactory completion of the project as outlined above.

**Contractor Signature:**\_\_\_\_\_

**Acceptance of Proposal:** The above price, specs and conditions are satisfactory and hereby accepted. You are authorized to do the work as specified. Payments will be made as outlined above.

**Client Signature:**\_\_\_\_\_