

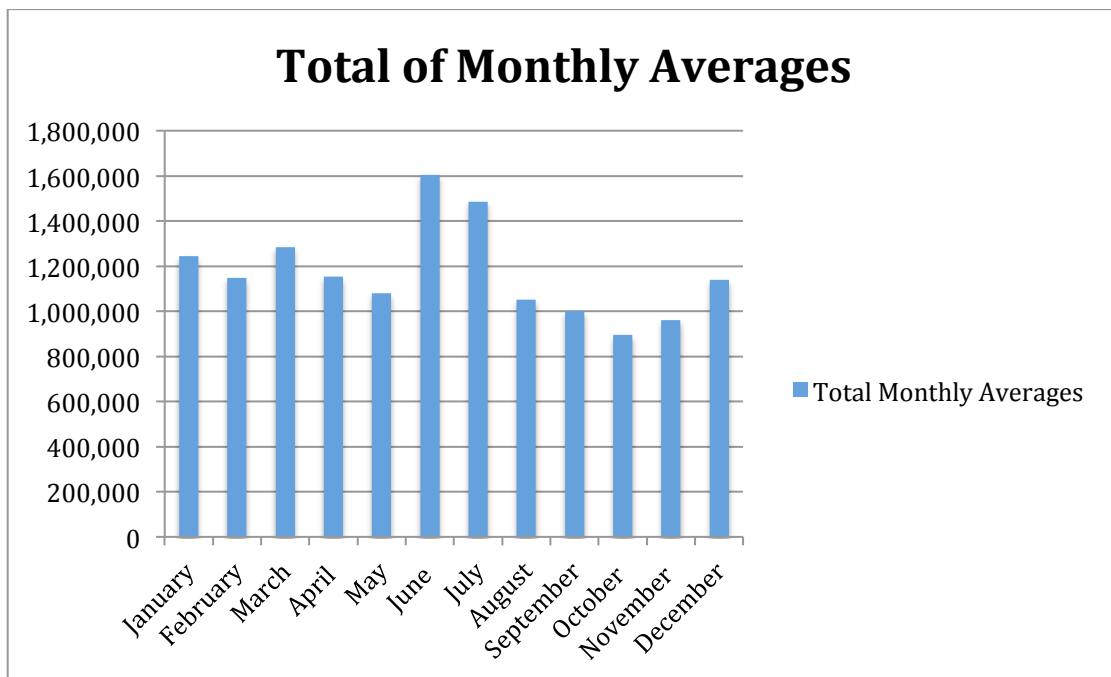
UTILITY SYSTEM CONSTRAINTS

1. Rico Lacks A Central Sewer System.

- While septic systems built in Rico subsequent to 1991 were required to conform to Colorado Department of Health and Environment (CDPHE) regulations, septic systems that were built prior to that date were not.
- There may be as many as 28 buildings, including the Rico Town Hall, that still use cesspools as waste disposal systems. The CDPHE no longer allows repairs on cesspools. If they fail, they have to be replaced with more costly new septic systems.
- Several of the historic commercial buildings on Glasgow Avenue either have substandard septic systems or lack them altogether. This is a significant drawback for potential investors and business operators who will be required to upgrade and conform to higher standards.

2. Rico's Has Limited Water Rights from the North Rico Well Field.

- The North Rico Well Field is currently being used to supply the town with water. This well, based on the settlement between Rico and the Dolores Water Conservancy District, has water rights to .178 CFS, which equates to 3.5 million gallons per month for uses including *"municipal and industrial, including domestic, commercial, irrigation and recreational uses."*
- There are 273 water accounts (taps) in the Town of Rico and monthly water use generally stays between about 1 million gallons per month and 2.4 million gallons per month. This is based on records from past years, from 2007 through 2009 and then somewhat intermittently from 2011 through 2016 kept by the former town manager.
- The following graph shows totals of monthly averages over the course of the years from 2007 to 2017. The higher water use in June and July is due to outdoor water use for watering gardens and lawns.



- The water use illustrated by these graphs also indicates that each of the 273 taps is not operating at full capacity. If that were the case, water use would be closer to 3.1 million gallons monthly, an amount that would be at the upper end of the carrying capacity of the of the well (273 taps multiplied by 2.5 persons per household at 150 gallons per person per day). 150 gallons per person per day is what the Colorado Department of Health and Environment uses to calculate water use. Gallons per day vary widely in communities depending upon conservation and efficiency.

3. The Silver Creek System Is Offline.

- The decree for the Silver Creek diversion point allows the Town of Rico 0.28 CFS (cubic feet per second) with an additional 2.72 CFS being conditional. This system is currently offline. Due to changes in the Colorado Department of Health and Environment regulations regarding filtration of surface water, this system is no longer in compliance and is being used only as a back up should the well fail.

4. The Water Delivery System Is Inefficient.

- In 2016 an average of 711,417 gallons per month were being lost due to leaks in aging and poorly bedded pipelines. This equates to an average of a 47% loss per month.

RICO'S FUTURE

1. How Much Developable Land Does Rico Have?

- The original Rico Townsite lots are 25 feet by 100 feet. However, the current Rico Land Use Code has a minimum lot size of 5000 square feet.
- Rico currently has 502 lots, of which slightly more than half (255) have existing structures.
- Approximately 47 are too small, less than 5,000 square feet, to accommodate a structure in accordance with the current Rico Land Use Code.
- 79 lots can accommodate one residence per lot provided there are no geological or environmental hazards that preclude development.
- Of the remaining lots, 119 lots could support 2 or more lots should the owners want to subdivide their property.

2. Can Rico Grow or Expand?

- Allowing for lots that are in wetlands and floodplain areas, areas that have been compromised by mining activities, and lots that are too steep to be accessible, Rico does have land development potential.
- We are constrained by our current water supply and other infrastructure limitations. Assuming current water usage remains consistent, Rico could accommodate a population of approximately 400 people on the Rico well system.

3. Is Rico A Sustainable and Fiscally Healthy Community?

- History would suggest that Rico can survive boom / bust cycles. The population dropped to 76 in 1980. It had increased to 236 by 2005.

- While the Town of Rico has reserves that can provide something of a cushion, property taxes, sales taxes and the mineral severance taxes are expected to go down next year. If predictions are accurate, Rico's general fund will have a budget shortfall of \$16,829 in 2018
- The cost of maintaining infrastructure continues to rise. Stockpiling revenue for capital improvements such as the necessary replacement of aging water lines is impossible with existing budget limitations as is implementing any long-term utility upgrade plans.
- Only 10 towns in Colorado with a population of less than 500 have a grocery store. Of those 10, only the town of Kit Carson has a population smaller than that of Rico.
- According to sales tax records, Rico has only six main street commercial operations one of which is seasonal.