

MEETING SUMMARY

Town of Rico Community Meeting

November 2, 2017

6:30 p.m. – 8:30 p.m.

Town of Rico Courthouse

Rico's Community Challenges

Town Manager Kari Distefano welcomed community members and introduced Town officials and guests from Del Corazon Consulting and the Department of Local Affairs. Kari presented on why we all love Rico, but also our challenges for a prosperous future due to physical infrastructure constraints. A hand out summarizing these challenges was distributed and is included in Appendix B.

Community Discussion: What If.... Envisioning Our Future

Meeting participants were broken into six different groups, each discussing the same 4 questions focused on weighting community options. The questions were:

- 1. What if we do nothing different than what we are doing today? What would be better or worse for our community in the future?*
- 2. What if we make some investments in the water system but trend towards becoming a bedroom community with little to no commercial? What would be better or worse for our community?*
- 3. What if we make major investments in upgrades and can serve all the properties connected our system? What would be better or worse for our community in the future?*
- 4. What conditions do we want to see in our community in 5, 10, 25 years? What goals do we have in common?*

After about 40 minutes, the groups all came back together to share their hopes for the community. These results of this exercise are below. A common vision emerged where residents want a more sustainable community with a healthy fiscal outlook. To achieve this there is a desire to see the commercial district thrive and a recognition that to have that happen requires addressing sewer and water issues. There is also a desire that Rico grow moderately so that there are more year-round people and families. There is also a desire to remain an affordable community and keep the authenticity that everyone loves. There seems to be some agreement around developing some of the assets that exist here to attract visitors and generate sales tax revenue. There is willingness to explore the options to improve infrastructure and take action to ensure a prosperous future for Rico. However, there are still many questions and a desire for more information. Comments on individual comment sheets are shared in Appendix B: Individual Group Notes.

What are our commonly shared hopes for the future?

- Access to good clean water*
- If nothing happens....we need a town manager who can raise the funds and grants needed to move forward*
- Investment in infrastructure is not a guarantee we won't fail as a community*
- A destination – a marketing program for:
 - Trails, hot springs, a campground, a lift**
- Need to get residents invested in the town*
- We need to do something*
- Water is important*
- Infrastructure more phased than big investments all at once. Do commercial first*
- Don't want to be a bedroom community*
- Market ourselves to bring people*
- Dark skies*

- *WIFI*
- *Commercial district*
- *Don't want to dig a bigger hole, make investments*
- *Revitalize the core for a healthy commercial area. Need water and internet*
- *Independent/sustainable – we are linked to other towns, but independent*
- *Sustainable community with a store, school, 2 or more restaurants*
- *Even if big bad developer does come (common community fear), there are not many lots and few more families might appear*
- *We want to be authentic, full board, arts groups, trails group*
- *We have a weak tax base, no rentals, need start up housing for people*
- *Don't want to become a bedroom community*
- *Upgrade water – commercial sewer to have some independence*
- *No action no good. Don't feel we can just do a little investment. Do sewer first, then everything else after that.*
- *More for the future:*
 - *Functioning municipal services*
 - *More businesses*
 - *Healthy fiscally*
- *Need representation in the County*
- *Keep school building with realignment of the school district*
- *Smart growth*
- *If we do nothing, lose status quo and only get worse*
- *A little bit of fix up – always going to be a bedroom community, but what would be fixed? All fixes could be expensive. What are costs? How to pay for it? What is difference between water and sewer? We decided water. But downtown it is sewer. Willing to pay but depends upon the numbers.*
- *Sales tax!*
- *Keep fabric of our community*
- *Vibrant downtown*
- *Pot as an economic driver*

Questions that Need to Be Addressed To Move Forward

Problems to Fix?

- *What exactly needs to be done?*
- *What is the priority – fixing water system leaks or providing sewer?*

What Do We Know/Not Know About Problems?

- *What studies and initial feasibility have already been done?*
- *Can investments be phased?*
- *Are we looking for alternative solutions? Small systems projected for our growth?*
- *What are meter versus non-meter leaks?*
- *Can we get way from manual inspections – automate?*

What Are Costs?

- *What is our current Town budget (revenue and expenditures)?*
- *What is the total costs for different options? What will it cost per person? For how long?*
- *What is the cost/benefit of new system versus fixing old ones? Sustainable?*
- *What about costs of long term maintenance?*

How Do We Pay For It?

- *Are there other resources outside of the town (county/state/fed) for the funding and how are we going to get it?*
- *Where do we get maintenance funding?*
- *Are there/will there be tax breaks and/or incentives for new business/commercial buildings?*

What Is the Plan?

- *Does the town have a timeline of realistic goals?*

What Can We Do Now?

- *Need better communication. Notify people before an increase in water bill.*

Other Community Questions

- *Who is representing Rico in our County Commission?*
- *What happens is if the school closes? We just voted for a mill levy increase.*
- *What about pot as an economic development option?*
- *Who are our neighbors/other towns we are comparing ourselves to?*

Next Steps

The Town will host another community discussion after the New Year to continue this discussion and address some of the community's more specific questions.

Appendix A: Individual Group Notes

1. What if we do nothing different than what we are doing today? What would be better or worse for our community in the future?

- Lose status quo
- Nothing better
- Lose potable water
- Lose basic services
- More expensive to fix later
- Lose reserves
- May be new businesses, maybe not
- May close door as a town
- No services
- No jobs
- Infrastructure #1
- Same = not being able to remove snow
- More money loss water
- No one felt we should continue on this path
- Nothing = we fail
- Pros: Affordable housing, authentic, full board, new manager, trails, (unreadable) courthouse
- Cons: weak tax base, infrastructure failing, no rentals, water quality, (unreadable) housing
- What you see is what you get, with problems compounding
- Things get worse
- Potentially dealing with bad pipe issues putting the community at a loss of water

2. What if we make some investments in the water system but trend towards becoming a bedroom community with little to no commercial? What would be better or worse for our community?

- Pointless
- Doesn't guarantee new businesses
- We need to know what costs would be per person/per business
- Eagle house as BnB
- Make sure VRBO's pay taxes
- No pros toward trending towards a bedroom community as bedroom communities do not generate revenue
- Hard to be a bedroom community given length of community/difficulty of commute
- Question: who is paying for these investments? Grants? Mill levy?
- More second homeowners that don't need year round?
- None of us felt that we want to sacrifice community (unreadable)
- Start with water infrastructure, then more water, then sewer
- Pros: might keep school open, direct communication, co-op delivery
- Get school building deeded to Rico

3. What if we make major investments in upgrades and can serve all the properties connected our system? What would be better or worse for our community in the future?

- Too expensive
- Too many people?
- Better infrastructure
- Yes major investment is better but phased. Commercial first.
- How much investment?

- Waste water treatment plant allows for larger homes, right now we are limited to a 2 bedroom home with current system
- Office of economic development
- #1: water system to maintain current population
- Pros: more tax base, more business on main street, small ski or just a tubing hill
- Town can grow on a much bigger scale
- #4 can happen

4. What conditions do we want to see in our community in 5, 10, 25 years? What goals do we have in common?

- We really are a bedroom community
- Want services
- We need enough income to keep a town manager who pursues grants and assistance
- We need to be a destination – only way to get more people and more business.
 - A campground with hookups
 - Hot springs
 - Tourism and tourism marketing and budget
 - New forest service office?
 - Hotels, amenities, river corridor
 - Bathrooms
 - Picnic area
 - 1 chairlift
- Winter people staying more
- We need to know what to do with part-time residents and how to get them more involved and invested in Rico
- In 5 years, water system that “works” with good water
- Dark sky
- Recreation
- Lodging
- Education
- Wifi improvements
- Goals:
 - Good infrastructure
 - Vibrant commercial district
- School open and increased student population
- Artists and community gallery
- Music community that is local and inclusive
- Thriving commercial core
- Lodging
- Faster and more reliable internet
- In 10 years: hotel, hot springs, just enough local jobs
- 20 years: grocery store, geothermal amenities like greenhouse, resort, ski area??
- In 5 years: better infrastructure
- In 10 years: better commercial
- In 25 years: I won't be here
- More vibrant downtown community – grocery store, etc.
- Basic municipal services functioning
- Limited/smart growth
- Sustainable – enough businesses to be able to stay in town
- Hot springs

- Affordable place to live
- Sewer system – commercial with ability to expand but need better understanding of costs and financing

Appendix B: Hand Out Community Challenges

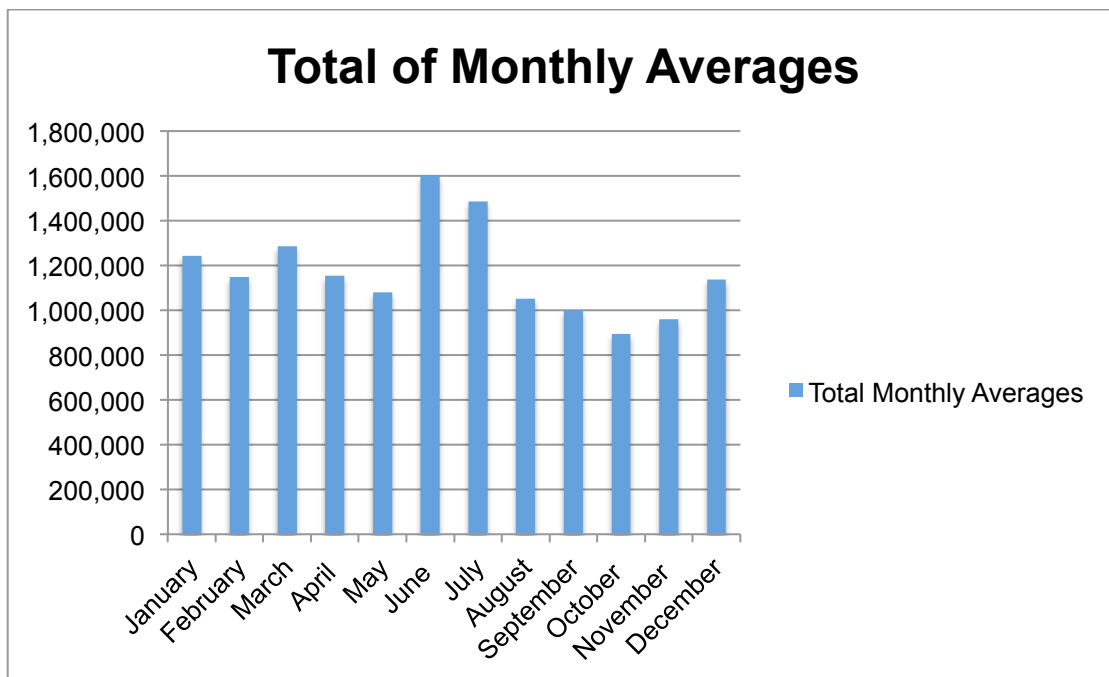
UTILITY SYSTEM CONSTRAINTS

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.