

Town of Rico Memorandum

Date: December 9th, 2017

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

Community Meeting Summary

We have received a copy of the Rico Community Meeting Summary from our consultant, Marjo Curgus. I enclosed it in the water bill and likely you have had a chance to read it but if not, it is included in this packet. I believe that our next meeting should be dedicated to answering the questions that are in the summary. Depending on Marjo's schedule, we are looking at holding a second community meeting sometime in late January. Based on engineering work done in the past on the central sewer system, it may be possible to answer some cost questions fairly accurately by January however we won't have updated numbers until we get our preliminary engineering report after we have issued the request for proposals. Questions about the water system will be more difficult to answer since we don't really understand the extent of the problems and won't know until we have the proposed engineering analysis. Nevertheless, I believe that we should go ahead with the meeting in January and answer question to the degree possible. The grant application to DOLA for the preliminary engineering report for the sewer system has been submitted. We should get word sometime in late March whether or not the application is successful. The water system analysis grant application is due on January 1st and we should also know whether that grant has been successful in late March. I have applied for funding from Sonoran Institute for two more meetings. I believe that it will be valuable to keep the community actively engaged.

Second Reading for the Adoption of the Year 2018 Budget

There are three minor changes to the budget as it was approved on the first reading. One was an addition error that affected the general fund summary for this year. The other two are changes in the 2018 budget. After having reviewed the numbers on the grant application for the sewer proposed engineering report, I decided that the request should

be for \$148,000 rather than \$140,000. That revision is shown in the sewer page. The other revision is to the Parks, Open Space and Trails budget. We would like to apply for a Great Outdoors Colorado Mini Grant for the pocket park just north of Town Hall. I had neglected to include that in the original budget. A copy of the revised budget and ordinance is attached to this memo.

USFS Travel Plan Letter

Mike Curran would like the Town to consider signing the attached letter thanking Derek Padilla of the USFS for respecting the Town of Rico's request. We can send it, not send it or revise it depending on what you decide.

Net Neutrality Letter

The proposed revisions to the 2015 net neutrality order by the FCC were the subject of a discussion at the South West Colorado Council of Governments last Thursday. The proposal currently being considered would eliminate restrictions on such activities as paid prioritization, blocking and throttling. Throttling is the intentional slowing of certain sites by internet providers. Eliminating these restrictions is particularly detrimental to rural communities that do not have any choice of internet providers. Doing away with net neutrality would essentially allow internet providers control access to certain websites based on their ability to pay. South West Colorado Council of Governments has kindly provided us with a template for a letter of objection to the revisions. I would strongly recommend that we sign it and send it. The vote will be December 14th so this issue needs to be decided and acted upon tonight so that I can email it.

Colorado Water Board Grant Application

I need formal board approval to submit an application to the Colorado Conservation Board for an engineering analysis. I have attached a copy of the proposal to this packet.

River Corridor

The River Corridor plat is finally finished and I have begun the process of collecting signatures. The Board of Trustees needs to approve the Town of Rico's signature.

Tim Regan Plat and his Plat Amendment

As we discussed last week, Tim Regan would like to submit an application for a plat amendment to remove the reference to "institutional controls" from the plat of his

property in the Hancock Subdivision. At Genevieve's suggestion, I brought the Voluntary Clean up files from the basement and have endeavored to educate myself on the V-Cup negotiation and the origination of that plat note. The way I understand it, is that under the proposed institution controls, ARCO would have created a fund with which property owners (including the Town of Rico) could remediate vacant land that was not remediated in the first phase of the voluntary clean up as they decided to develop their lots. The Town of Rico in turn would have administered the program. The original intent of the institutional controls was to create a soil hazard overlay in Rico's land use code and use this as a mechanism by which to insure the effected vacant lots got cleaned up using ARCO's funding before they were sold. Apparently some time late in 2013, the Town backed out of the V-Cup altogether. This leaves the Town with a two questions. How do we deal with these vacant lots in the future if they are known to exceed EPA lead levels and who is responsible for the remediation? I talked to Pat Willits of Trust for Land Restoration briefly on Friday. We will continue the conversation next week.

Mine Shaft Building Land Use Code Violation

Carol Viner is working on a letter to send to the owner's of the Mine Shaft property informing them of their land use code violation.

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

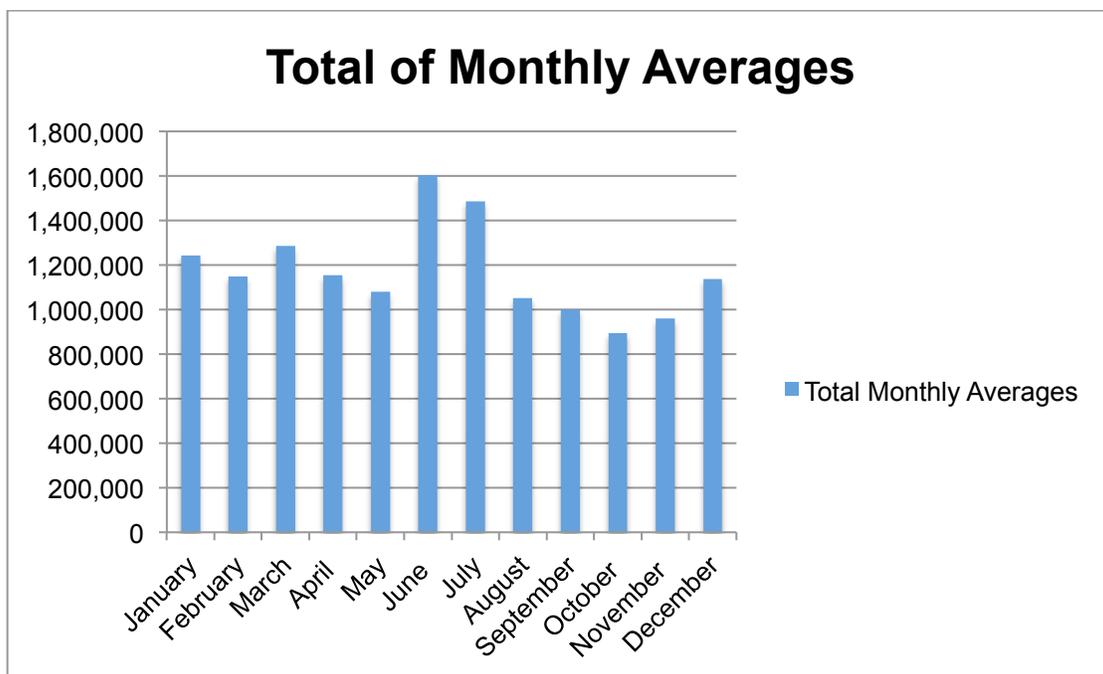
UTILITY SYSTEM CONSTRAINTS

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.

TOWN OF RICO
ORDINANCE NO. 2017-2
ADOPTING THE YEAR 2017 TOWN BUDGET; APPROPRIATING SUMS OF
MONEY; AND SETTING AND CERTIFYING TOWN MILL LEVIES

WHEREAS, the Board of Trustees designated Kari Distefano, Rico Town Manager to prepare and submit a proposed budget to the Governing Body; and

WHEREAS, a public hearing was conducted on the 18th day of October, the 15th day of November and the 13th day of December 2017 in accordance with the law;

WHEREAS, the Rico Town Board finds that the adoption of the budget is essential to the provision of basic and necessary services and finds that this ordinance is necessary for the preservation of the health, safety and general welfare of the Rico community; and,

WHEREAS, the Town of Rico has reviewed and considered the Final 2018 Budget in accordance with the Local Government Budget Law on the 13th day of December, 2017; and,

WHEREAS, the proposed budget has made provisions therein for revenues in an amount equal to or greater than the total proposed described below; and,

WHEREAS, the 2017 valuation for the Town of Rico as certified by the County Assessor is \$5,481,674 and,

NOW, THEREFORE, be it resolved by the Board of Trustees, that the Final 2018 Budget for the Town of Rico is hereby adopted and approved as follows:

Section 1, BUDGETED REVENUES AND EXPENDITURES

The following sums are hereby appropriated for the revenue of each fund, for the purposes stated. The budgeted revenues and expenditures for each fund are as follows:

Section 2. ADOPTION OF BUDGET

The Budget as submitted, amended, and hereinabove summarized by fund hereby is approved and adopted as the Final Budget of the Town of Rico for the year 2018. The Budget shall be signed by the Mayor and made part of the public records of the Town.

Section 3. CERTIFICATION OF MILL LEVIES

That for the purpose of meeting all general operating expenses of the Town of Rico during the 2018 budget year there is hereby levied a tax of 18.744 mills upon each dollar of the total valuation for the assessment of all taxable property within the Town for the year 2017.

That for the purpose of meeting all Street Fund expenses of the Town of Rico during the 2018 budget year there is hereby levied a tax of 1.785 mills upon each dollar of the total valuation for assessment of all taxable property within the Town for year 2017.

That for the purpose of meeting all Sewer Fund expenses of the Town of Rico during the 2018 budget year, there is hereby levied a tax of 3.939 mills upon each dollar of the total valuation for assessment of all taxable property within the Town for year 2017.

General Fund 2018	
Non Property Tax Revenues	120,300
Property Tax Revenues	101,653
Other Revenues (payroll & contractor transfers)	159,885
Total Revenues	381,838
General Fund Expenditures	384,400
Net Activity Before Interfund Transfers	-2562
Transfers To/ From Other Funds (non payroll)	0
General Fund Net Activity	-2561.82
General Fund Projected Beginning Reserves	910,680
General Fund Projected Ending Reserves	908,118

Water Fund 2018	
Non Property Tax Revenues	126,200
Property Tax Revenues	-
Other Revenues (payroll & contractor transfers)	60,000
Total Revenues	186,200
Water Fund Expenditures	258,920
Net Activity Before Interfund Transfers	-
Transfers To/ From General Fund	-
Water Fund Net Activity	-72,720
Water Fund Projected Beginning Liquid Reserves	474,413
Water Fund Projected Ending liquid Reserves	401,693
Water Fund Capital Assets	2,971,271
Total Water Fund Net Capital	3,372,964

Street Fund 2018	
Non Property Tax Revenues	37,510
Property Tax Revenues	9,681
Other Revenues	-
Total Revenues	47,191
Street Fund Expenditures	122,992
Net Activity Before Interfund Transfers	-
Transfers To/ From General Fund	-
Street Fund Net Activity	- 75,801
Street Fund Projected Beginning Reserves	143,868
Street Fund Projected Ending Reserves	68,067

Sewer Fund	
Non Property Tax Revenues	75,225
Property Tax Revenues	21,362
Other Revenues	-
Total Revenues	96,587
Sewer Fund Expenditures	151,500
Net Activity Before Interfund Transfers	-
Transfers To/ From General Fund	-
Sewer Fund Net Activity	-54,912.
Sewer Fund Projected Beginning Reserves	204,920
Sewer Fund Projected Ending Reserves	150,008

POST Fund this includes the Conservation Trust Fund	
Non Property Tax Revenues	7,540
Conservation Trust Fund Revenues	2000
Other Revenues	78,531
Total Revenues	88,071
POST Fund Expenditures	50,010
Net Activity Before Interfund Transfers	-
Transfers To/ From General Fund	-
POST Fund Net Activity	38,061
POST Fund Projected Beginning Reserves	112,035
POST Fund Projected Ending Reserves	150,096

Section 4. EFFECTIVE DATE

This Ordinance shall take effect immediately upon final adoption.

BUDGET DOCUMENT WAS PRESENTED ON THE 18TH DAY OF OCTOBER 2017. THIS ORDINANCE WAS INTRODUCED, READ, APPROVED AND ADOPTED ON THE 15TH DAY OF NOVEMBER 2017 AND CONSIDERED FOR A SECOND READING ON THE 15TH DAY OF DECEMBER.

ORDINANCE READ, APPROVED AND ADOPTED ON FINAL READING THIS 13th DAY OF DECEMBER, 2017

By: _____
Rico Mayor

Attest: _____
Rico Town Clerk

Derek Padilla

29211 Hwy 184

Dolores, Co 81323

Dear Mr. Padilla,

On behalf of the town of Rico we wish to thank you for your recent decision regarding the designation of our surrounding trails for non-motorized use. The use of motorized travel on trails such as Burnett, Horse Creek and RGS is inconsistent with the quiet use values so desired by Rico's residents. Not only will this decision improve the quality of the hiking/mountain biking experience around Rico it will also significantly reduce the amount of motorized use through our neighborhoods. We will continue to welcome the motorized use that enters and exits the town by Hwy 145.

On a further note, we were disappointed to see the seasonal use dates changed from that shown in alternative B to include all of the months of June through October 31 as being available for motorized trail use. This essentially leaves no time for hiking in the spring or fall without sloppy snow on those trails yet still open to motorized use. These seasonal use dates most certainly won't benefit hunters whom much of our economy depends on.

Although we have decided not to file a formal objection we would like you to reconsider changing the seasonal use dates back to those shown in alternative B or somewhere in between.

Sincerely,

TOWN OF RICO

DOLORES COUNTY, COLORADO

INCORPORATED OCTOBER 11, 1879

2 North Commercial Street

Post Office Box 9

Rico, Colorado 81332

Office # 970.967.2863

www.ricocolorado.gov

Federal Communications Commission
Chairman Ajit Pai
445 12th Street SW
Washington DC 20554

RE: FCC 17-60 – Reversing 2015 Net Neutrality Order

Dear Chairman Pai,

The Town of Rico is a rural community located in South West Colorado. The nearest town with a population of over 20,000 is Grand Junction Colorado, which is almost 150 miles away. Adequate internet connectivity is vital to the development of Rico- and indeed, all of rural America. The internet is critical for business, education, and economic development. We are adamantly opposed to regulatory changes related to the provision of internet service.

The digital divide remains extreme between rural and urban areas. Unfortunately, hard-to-reach locations such as Rico do not provide sufficient return on investment for strictly market-driven forces to expand infrastructure such to allow rural regions to be connected at a level commensurate with the rest of the country. We see no evidence that reinstating a “light-touch” regulatory framework would serve our communities any better than it has in the past.

Like high-speed internet, originally electricity and telephone service were not cost-effective to bring to outlying areas. Without efforts to ensure widespread infrastructure to support these technologies, rural America would have been decimated. Access to the internet is as critical in the 21st century as electricity and telephone lines were in the last century.

In underserved regions if internet access is available it is often at very slow speeds and frequently there is only one provider option. In this situation, should a provider chooses to use business practices that would create competitive pressure in more populous regions, such as blocking, throttling and paid prioritization, customers in rural areas are left without alternatives. To ensure reasonable access to the internet in areas where it is already extremely limited, we encourage you to maintain the critical “bright

line” customer protections. These protections provide assurances to customers that internet access will remain reasonably unfettered while not creating excessive limitations on businesses.

The changes in usage and prominence of the internet in the past 20 years have been so extreme as to leave the internet virtually unrecognizable compared to the 1990s. Using the same regulatory framework for a vastly different type of service is shortsighted, current and future regulation must be adaptable as the technology continues to evolve. Considering the telecommunications industry significantly impacts people’s lives and businesses on a daily basis, it is sensible to have a regulatory structure in place to ensure that Americans will retain the freedom to access lawful content, use applications, attach personal devices to the network, and obtain service plan information without arbitrary restrictions.

We urge you to maintain net-neutrality regulations for the provision of internet service. Rural America faces ongoing internet connectivity challenges, alleviating these will require higher level requirements than simple profitability for providers. Thank you for your consideration on this matter.

Sincerely,

Zach McManus
Mayor
Town of Rico

Concept Paper for Town of Rico Water System Engineer's Analysis

Water Activity Overview

The Town of Rico would like to engage an engineering firm to provide a detailed analysis of Rico's water systems with the goal of increasing efficiency, quality and productivity. The primary beneficiaries of this project will be the residents of Rico however our guests will also benefit from a more reliable, efficient water system.

The Town of Rico has two diversion points. One is Rico Well #1 dated June 2010 and the other is the Silver Creek Flume dated June 1968. At this time, the Silver Creek system is off-line. The proposed scope of work would include both systems. It would consist of an analysis and feasibility study to determine what it would take to re-activate the Silver Creek System. It would also include an evaluation and upgrade plan that would help resolve an average monthly water loss of 47% from the well system. Finally the Town would like to explore the possibility of combining the two systems to create a more reliable water source.

More specifically the scope of work would include the following:

Silver Creek System

- Evaluate the infiltration gallery and determine what, if any capital improvements may be required. Suggest a maintenance routine and schedule.
- Review and analyze the existing Home Spring filtration system including determining whether or not the Hach turbidity meter should be recalibrated, determining whether the pressure reducing valve that controls the pressure of the raw water into the vessels that hold the initial filters is functioning adequately, and determining whether or not the Home Spring filters are working properly.
- Determine whether or not Silver Creek could be a source for hydroelectric power.

Rico Well system

- Analyze the current condition of the mile long supply line that delivers water from the storage tanks to the Town of Rico.

- Suggest a meter replacement plan that would ultimately ensure that all meters are functioning properly and can be read remotely and thus confirm that household conservation measures are working.
- Provide the Town of Rico with a proposed water line replacement schedule.
- Evaluate Rico's water storage capacity and determine whether an additional tank may be required in the future.

System as a whole

- Provide a study of the chemical composition of the water of both the well and Silver Creek to ensure that mixing water from the two systems would not cause corrosion in the pipes and leave Rico with a Flint Michigan type situation.
- Estimate costs associated with the suggested improvements so that the Town of Rico can begin to develop a capital improvement plan.

Estimate of Cost

Without having issued a request for proposals, it is difficult to estimate the cost of this analysis. The Town of Rico has set aside approximately \$40,000 dollars for this study and we intend to seek some funding from two other local entities, the Telluride Foundation and the Rico Center. Depending on the total cost, the Town of Rico would request the balance from the WSRF.

Background

The North Rico Well is currently supplying water to the Town of Rico but the water rights on this well are limited. Based on the settlement between Rico and the Dolores Water Conservancy District, Rico has rights to .178 cubic feet per second (cfs), which equates to 80 gallons per minute or 3.5 million gallons per month for uses including municipal and industrial, domestic, commercial, irrigation and recreational.

There are 273 water taps in Rico. Records from past years show that monthly water use generally stays between 900,000 gallons per month and 2.4 millions gallons per month. These records also indicate 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.

In addition to the well that is currently serving the Town, Rico has water rights on Silver Creek and a water system that was decommissioned in 2014. The decree for the

Silver Creek diversion point allows Rico 0.28 cfs with an additional 2.72 cfs being conditional. Due to changes in the Colorado Department of Health and Environment (CDPHE) regulations regarding filtration of surface water, the Silver Creek system is no longer in compliance and is being used only as an emergency back up should the well fail.

Growth, economic activity and lack of affordable housing in the neighboring resort community of Telluride suggest that Rico is poised to experience an uptick in housing starts. Lots are still relatively reasonable and middle managers and tradesmen who would like to remain in the area but are unable to afford housing in Telluride are starting to look at Rico as a possible home. Reactivating the Silver Creek system would allow for moderate growth as well as redundancy should the well fail. Making improvements to the Rico well system and supply pipelines will increase efficiency and the ability to institute meaningful conservation measures.