

Town of Rico Memorandum

Date: March 19, 2018

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

Update on Grants

Rico has received \$7,500 from the Paradox Community Challenge Grant process. This money will be used to engage the local businesses and non-profits in developing a marketing plan that will get people to stop in Rico, and hopefully spend some money. It also gives us some funding for an intern who will help us disseminate information about Rico and activities occurring in Rico. I am meeting with Thea Chase on Wednesday (March 21st) to strategize. I will talk about what we come up with at the upcoming Trustee's meeting.

Rico has also gotten staff approval for the Colorado Water Conservancy Board for an engineering analysis and feasibility study for reactivating Silver Creek. I will likely know for sure whether or not we are going to receive this grant on Wednesday or Thursday. We have already gotten approval for a \$30,000 grant from the Southwest Water Conservancy District for this project.

Lastly, Rico has received a Department of Local Affairs Grant for a preliminary engineering report for a central sewer to serve the commercial core. Based on the outcomes of Thursday's meeting, I am going to see if we can ensure the engineering report will address alternative systems.

Update on the Community Meeting

Once again the community meeting was well attended. A rough count suggested that there were around forty people. About half had attended the last meeting and the other half of the attendees were new. I find it encouraging that the people in this community are so engaged. In addition, one of the Dolores County Commissioners, Steve Garchar, joined us. I was glad to see that he made the effort. I think it will be

helpful in receiving support from Dolores County when we need it. Marjo Curgus' analysis will be forthcoming, but I had the impression that for the most part people were very supportive of water upgrades, pretty supportive of efforts aimed toward commercial core development and somewhat hesitant about central sewer in the commercial core. I do believe however, that there is broad support for exploring options with respect to sewer. I am meeting with Patrick Rondinelli just prior to the March Trustee's meeting to discuss the grant. Based on input from the community meeting, I would like the report to focus more on alternatives to traditional systems that could perhaps reduce costs.

Letter supporting the Protection of Water Quality from Adverse Impacts Caused by Mineral Mining Act

Jennifer Thurston has requested that the Town of Rico support legislative efforts to ensure that water quality be protected from denegation as a result of mining activities. I have included a draft resolution and the information she gave me to this packet. The bill is aimed at increasing "the state's authority to require financial assurances for water quality protection and treatment" as well as "requiring a defined end point for water treatment after closure." The idea is that this bill would help to ensure that mining operations would have to bond in a sufficient amount to cover the cost of cleaning up any degraded water once they leave the area.

Request for Proposals for a Lease Agreement on 13 S. Glasgow

Based on the discussion we had at the retreat, I have attached an application for prospective leasees for the Town property on Glasgow for your review. I included a suggested scoring system in the application. Dennis gave me some information that is important to consider when reviewing the applications. That structure has a vault privy, which means that any operation we approve, has to use very little water.

Change of Meeting Time and Date for the April Board of Trustee's Meeting.

CIRSA is sending a representative to instruct us on Sunshine laws, ethics and board meeting structure. This is important information and will help us to reduce our insurance costs. The presenter is available only on April 24th at 6:15. Rather than have

two back-to-back meetings, I am suggesting that we change the time and date of our regular April meeting.

Renewal of Del Corazón Consulting Contract

I have attached a scope of work and a contract renewal for the facilitator of the community meetings. I am anticipating at least two more meetings before the November Election. These meetings will be paid for by a combination of a Rico Center Grant and a grant from the Sonoran Institute.

Adoption of the 2018 Work Plan Revision based on the Retreat.

I added a goal regarding geothermal and I have included the updated copy in this packet.

Elevating Existing Policy And Good Practice Into State Law

The Gold King spill of August 2015 was a visceral reminder to Coloradans of how risky mining practices can have significant consequences for our streams and rivers. At the state level in Colorado, we can do more to protect taxpayers and prevent future disasters from happening again. There are reasonable steps forward to reduce the risk that taxpayers rather than mining companies bear the costs of protecting water quality.

Proposed legislation to update the Colorado Mined Land Reclamation Act would:

- Eliminate the practice of corporate self-bonding to guarantee mine reclamation;
- Increase the state's authority to require financial assurances for water quality protection and treatment;
- Prevent future mines that pollute water in perpetuity by requiring a defined end point for water treatment after closure.

The Colorado Division of Mining, Reclamation and Safety already implements these concepts as preferred policy and a matter of good oversight. A proposal to be considered in the Colorado General Assembly in 2018 would elevate these government practices into state law and guarantee they will continue protecting Coloradans into the future.

Colorado is just 1 of 7 states that still allow corporate self-bonds, which substitute a demonstration of current fiscal fitness with a promise to pay for tangible financial assurances that guarantee final reclamation will occur once mining ceases.¹ At the federal level, neither the U.S. Forest Service nor the Bureau of Land Management allows companies to self-bond mines on public lands.² Self-bonding also increases the administrative burden of regulatory agencies that allow it.³

Mines that require water treatment in perpetuity are the riskiest to taxpayers because of the expense of maintaining operations centuries beyond closure. Colorado has at least two dozen "perpetually polluting" legacy mines that require permanent water treatment costing millions of dollars annually, and most of these costs have fallen to the public.⁴ This liability can largely be avoided, as it is possible to design most mines in a way that prevents long-



Gold King Mine treated water discharge, Nov. 2015 EPA

term water treatment.⁵ Under historical mine practices, about 1 percent of Colorado's mines have resulted in long-term water degradation.⁶ Thus, precluding mines that are designed to require water treatment in perpetuity is likely to affect only a small number of future proposals and can be avoided by making them ineligible for permits. New Mexico and Michigan have enacted these requirements into law for hardrock mines and Pennsylvania has done so for coal mines.⁷

The Mined Land Reclamation Act currently lacks clarity on the state's authority to require financial assurances to guarantee water treatment and protect water quality. Regulators rely on promulgated rules in order to require sufficient bonding to protect the public interest. By amending the law, the state's oversight of these matters will be eased, increasing certainty for both mining companies and the public. Updating the Mined Land Reclamation Act will strengthen one of its most important bedrock provisions – that both land *and* water are returned to beneficial public use after mining.

¹ "Framework for Responsible Mining," Marta Miranda, David Chambers, Catherine Coumans, 2005, p. 42. <http://bit.ly/2mqjtjvt>

² Federal Register, Vol. 65, No. 225; Nov. 21, 2000, p. 70065. § 36 C.F.R. 228.13

³ Federal Register, Vol. 82, No. 7; Jan. 11, 2017, p. 3432

⁴ "Polluting the Future," Lisa Sumi and Bonnie Gestring, Earthworks, May 2013. <http://bit.ly/2IRBkwu>

⁵ "Position Paper on Perpetual Water Treatment for Mines," Center for Science in Public Participation, 2007. <http://bit.ly/2lhsUeD>

⁶ Environmental Policy in Mining; Corporate Strategy and Planning for Closure, eds. Alyson Warhurst, Maria Ligia Noronha, CRC Press, 1999, pp 340-341.

⁷ New Mexico Mining Act, Chapter 69, Article 36, Section 69-36-12-B; Michigan Non-Ferrous Mining Statute and Rule, Part 632, Sections 63201-63222; Pennsylvania Clean Streams Law, P.L. 1987, 35 P.S. § 691.1 et seq.

Second Regular Session
Seventy-first General Assembly
STATE OF COLORADO

UNREVISED
REDRAFT
1.29.18
Double underlining
denotes changes from
prior draft

DRAFT

LLS NO. 18-0737.01 Thomas Morris x4218

HOUSE BILL

HOUSE SPONSORSHIP

Roberts,

SENATE SPONSORSHIP

(None),

BILL TOPIC: "Protect Water Quality Adverse Mining Impacts"

DEADLINES: File by: 3/1/2018

A BILL FOR AN ACT

101 CONCERNING THE PROTECTION OF WATER QUALITY FROM ADVERSE
102 IMPACTS CAUSED BY MINERAL MINING.

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://leg.colorado.gov>.)

Current law does not address reliance on perpetual water treatment as the means to minimize impacts to water quality in a reclamation plan for a mining operation. **Section 1** of the bill requires most reclamation plans to demonstrate, by substantial evidence, an end date for any water quality treatment necessary to ensure compliance with applicable water quality standards.

*Capital letters or bold & italic numbers indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.*

Current law allows a mining permittee to submit an audited financial statement as proof that the operator has sufficient funds to meet its reclamation liabilities in lieu of a bond or other financial assurance. **Section 2** eliminates this self-bonding option and also requires that all reclamation bonds include financial assurances in an amount sufficient to protect water quality, including costs for any necessary treatment and monitoring costs.

1 *Be it enacted by the General Assembly of the State of Colorado:*

2 **SECTION 1.** In Colorado Revised Statutes, 34-32-116, **amend**
3 (3), (7) introductory portion, and (7)(g) as follows:

4 **34-32-116. Duties of operators - reclamation plans.** (3) On the
5 anniversary date of the permit each year, the operator shall submit:

6 (a) ~~a report and~~ A map showing the extent of current disturbances
7 to affected land; AND

8 (b) A REPORT DESCRIBING THE AFFECTED LAND AND THE
9 SURROUNDING AREA, INCLUDING:

10 (I) CHANGES OVER THE PRECEDING YEAR REGARDING ANY
11 DISTURBANCES TO THE PREVAILING HYDROLOGICAL BALANCE;

12 (II) CHANGES OVER THE PRECEDING YEAR REGARDING ANY
13 DISTURBANCES TO THE QUALITY AND QUANTITY OF WATER IN SURFACE
14 AND GROUNDWATER SYSTEMS;

15 (III) Reclamation accomplished to date and during the preceding
16 year;

17 (IV) New disturbances that are anticipated to occur during the
18 upcoming year; and

19 (V) Reclamation that will be performed during the upcoming year.

20 (7) Reclamation plans and the implementation thereof shall OF
21 RECLAMATION PLANS MUST conform to the following general
22 requirements:

1 (g) (I) Disturbances to the prevailing hydrologic balance of the
2 affected land and of the surrounding area and to the quality and quantity
3 of water in surface and groundwater systems both during and after the
4 mining operation and during reclamation shall be minimized.

5 (II) EXCEPT AS SPECIFIED IN SUBSECTION (7)(g)(III) OF THIS
6 SECTION, A RECLAMATION PLAN FOR A NEW OR AMENDED PERMIT MUST
7 DEMONSTRATE, BY SUBSTANTIAL EVIDENCE, AN END DATE FOR ANY
8 WATER QUALITY TREATMENT NECESSARY TO ENSURE COMPLIANCE WITH
9 APPLICABLE WATER QUALITY STANDARDS.

10 (III) THE BOARD MAY APPROVE A RECLAMATION PLAN THAT LACKS
11 SUBSTANTIAL EVIDENCE OF AN END DATE FOR ANY NECESSARY WATER
12 QUALITY TREATMENT ONLY IF THE NEW OR AMENDED PERMIT INCLUDES AN
13 ENVIRONMENTAL PROTECTION PLAN AND RECLAMATION PLAN ADEQUATE
14 TO ENSURE COMPLIANCE WITH APPLICABLE WATER QUALITY STANDARDS
15 AND UPON MAKING A WRITTEN DETERMINATION:

16 (A) FOR A RECLAMATION PLAN AMENDMENT, THAT THE WATER
17 QUALITY IMPACTS THAT HAVE OCCURRED OR ARE OCCURRING FOR WHICH
18 NO REASONABLE END DATE FOR WATER QUALITY TREATMENT CAN BE
19 ESTABLISHED WERE EITHER UNFORESEEN AT THE TIME OF APPROVAL OF
20 THE RECLAMATION PLAN OR EXISTING AT A PERMITTED MINE SITE BEFORE
21 JANUARY 1, 2018; OR

22 (B) FOR A NEW OR AMENDED RECLAMATION PLAN FOR A PERMIT
23 INVOLVING A SITE THAT WAS PREVIOUSLY MINED BUT WAS NOT PERMITTED
24 AS OF JANUARY 1, 2018, THAT EXISTING WATER QUALITY CONDITIONS DO
25 NOT MEET APPLICABLE WATER QUALITY STANDARDS AND NO REASONABLE
26 END DATE FOR WATER QUALITY TREATMENT CAN BE ESTABLISHED.

27 (IV) Nothing in this ~~paragraph (g) shall be construed to allow~~

1 SUBSECTION (7)(g) ALLOWS the operator to avoid compliance with other
2 APPLICABLE statutory provisions governing well permits, and
3 augmentation requirements, and replacement plans. ~~when applicable.~~

4 **SECTION 2.** In Colorado Revised Statutes, 34-32-117, **amend**
5 (4)(b)(I), (6)(b), and (6)(c); and **repeal** (3)(f)(VI) and (3)(f)(VII) as
6 follows:

7 **34-32-117. Warranties of performance - warranties of**
8 **financial responsibility - release of warranties - applicability.**

9 (3) (f) Proof of financial responsibility may consist of any one or more
10 of the following, subject to approval by the board:

11 (VI) ~~A certified financial statement for the financial warrantor's~~
12 ~~most recent fiscal year and a certification by an independent auditor that:~~

13 (A) ~~The financial warrantor is the issuer of one or more currently~~
14 ~~outstanding senior credit obligations that have been rated by a nationally~~
15 ~~recognized rating organization;~~

16 (B) ~~Said obligations enjoy a rating of 'A' or better; and~~

17 (C) ~~At the close of the financial warrantor's most recent fiscal~~
18 ~~year, his or her net worth was equal to or greater than two times the~~
19 ~~amount of all financial warranties;~~

20 (VII) ~~A certified financial statement for the financial warrantor's~~
21 ~~most recent fiscal year and a certification by an independent auditor that~~
22 ~~as of the close of said year:~~

23 (A) ~~The financial warrantor's net worth was at least ten million~~
24 ~~dollars and was equal to or greater than two times the amount of all~~
25 ~~financial warranties;~~

26 (B) ~~The financial warrantor's tangible fixed assets in the United~~
27 ~~States were worth at least twenty million dollars;~~

1 ~~(C) The financial warrantor's total liabilities-to-net-worth ratio~~
2 ~~was not more than two to one; and~~

3 ~~(D) The financial warrantor's net income, excluding nonrecurring~~
4 ~~items, was positive. Nonrecurring items which affect net income should~~
5 ~~be stated in order to determine if they materially affect self-bonding~~
6 ~~capacity.~~

7 (4) (b) (I) In any single year during the life of a permit, the amount
8 of required financial warranties ~~shall~~ MUST not exceed the estimated cost
9 of fully reclaiming all lands to be affected in said year, plus all lands
10 affected in previous permit years and not yet fully reclaimed. For the
11 purpose of this ~~paragraph (b)~~ SUBSECTION (4)(b)(I), reclamation costs
12 shall be computed with reference to current reclamation costs. The
13 amount of the financial warranty ~~shall~~ MUST be sufficient to assure the
14 completion of reclamation of affected lands if the office has to complete
15 ~~such~~ THE reclamation due to forfeiture, ~~Such~~ INCLUDING ALL MEASURES
16 COMMENCED OR REASONABLY FORESEEN TO ASSURE THE PROTECTION OF
17 WATER RESOURCES, INCLUDING COSTS NECESSARY TO COVER WATER
18 QUALITY PROTECTION, TREATMENT, AND MONITORING AS MAY BE
19 REQUIRED BY PERMIT. THE financial warranty ~~shall~~ MUST include an
20 additional amount equal to five percent of the amount of the financial
21 warranty to defray the administrative costs incurred by the office in
22 conducting the reclamation.

23 (6) (b) Each financial warrantor providing proof of financial
24 responsibility in a form described in ~~subparagraphs (IV) to (VII) of~~
25 ~~paragraph (f) of subsection (3)~~ SUBSECTION (3)(f)(IV), (3)(f)(V), or in
26 ~~subsection (8) of this section~~ shall annually cause to be filed with the
27 board a certification by an independent auditor that, as of the close of the

1 financial warrantor's most recent fiscal year, the financial warrantor
2 continued to meet all applicable requirements of ~~said subparagraphs~~ THE
3 APPLICABLE SUBSECTION. Financial warrantors ~~who~~ THAT no longer meet
4 ~~said~~ THE requirements shall instead cause to be filed an alternate form of
5 financial warranty.

6 (c) Each financial warrantor providing proof of financial
7 responsibility in a form described in ~~subparagraphs (IV) to (VII) of~~
8 ~~paragraph (f) of subsection (3)~~ SUBSECTION (3)(f)(IV), (3)(f)(V), or in
9 ~~subsection (8) of this section~~ shall notify the board within sixty days of
10 any net loss incurred in any quarterly period.

11 **SECTION 3.** In Colorado Revised Statutes, 34-32-122, **amend**
12 (2) as follows:

13 **34-32-122. Fees, civil penalties, and forfeitures - deposit -**
14 **emergency response cash fund - created.** (2) Any applicant that desires
15 to utilize the self-insurance provisions listed in section 34-32-117
16 (3)(f)(IV), ~~to (3)(f)(VII)~~ (3)(f)(V), or (8) shall pay an annual fee to the
17 office sufficient to defray the actual cost to the office of establishing and
18 reviewing the financial warranty of the applicant. These funds are hereby
19 annually made available to the office, which shall utilize outside financial
20 and legal services for this purpose.

21 **SECTION 4. Act subject to petition - effective date -**
22 **applicability.** (1) This act takes effect at 12:01 a.m. on the day following
23 the expiration of the ninety-day period after final adjournment of the
24 general assembly (August 8, 2018, if adjournment sine die is on May 9,
25 2018); except that, if a referendum petition is filed pursuant to section 1
26 (3) of article V of the state constitution against this act or an item, section,
27 or part of this act within such period, then the act, item, section, or part

1 will not take effect unless approved by the people at the general election
2 to be held in November 2018 and, in such case, will take effect on the
3 date of the official declaration of the vote thereon by the governor.

4 (2) This act applies to conduct occurring on or after the applicable
5 effective date of this act.

6 <{*Do you want a safety clause or a specific effective date?*}>

BY COUNCIL
OF THE TOWN OF RICO, COLORADO
RESOLUTION NO. _____

A RESOLUTION IN SUPPORT OF HOUSE BILL **18-XXXX** TO AMEND THE
COLORADO MINED LAND RECLAMATION ACT

WHEREAS, the Board of Trustees of the Town of Rico, Colorado, together with its residents, agree that water bodies, streams and rivers should be protected; and that the local community of Rico has benefitted from protection of the watershed and the environment; and

WHEREAS, Colorado's rivers and streams have been impacted by historic mining activities that were not conducted in an environmentally protective manner, including the Dolores River as it flows through Rico; and

WHEREAS, the Town of Rico has participated actively and cooperatively through the years with many partners to protect local streams and water quality; and

WHEREAS, sound and reasonable mining regulations that protect the public interest and require mines to conduct operations in a manner that does not cause a public fiscal burden is in the best interests of the local economy; and

WHEREAS, the State of Colorado should have all reasonable authorities to require adequate financial assurances and guarantees from mining operators so that the costs of reclamation and protecting water quality do not fall on the public; and

WHEREAS, mines should be required to provide a defined end point for restoring water quality and completing reclamation once mining operations have ceased; and

WHEREAS, the Colorado General Assembly is currently considering legislation (**HB 18-XXXX**) to amend the Colorado Mined Land Reclamation Act in order to provide such authorities and to protect the public interest; and

WHEREAS, **HB 18-XXXX** will eliminate the practice of corporate self-bonding in order to guarantee hardrock mine reclamation; and

WHEREAS, **HB 18-XXXX** will increase the State's authority to require adequate financial assurances for water quality protection and treatment at permitted hardrock mines; and

WHEREAS, **HB 18-XXXX** will prevent the creation of new hardrock mines that pollute water in perpetuity by requiring a defined endpoint for water treatment after closure.

NOW THEREFORE, BE IT RESOLVED, that the Board of Trustees of the Town of Rico, Colorado, hereby expresses its support of **HB 18-XXXX** and urges the Colorado General Assembly to adopt the bill into law.

INTRODUCED, READ, and ADOPTED this ____ day of _____, 2018.

TOWN OF RICO, COLORADO

Mayor, Town of Rico

TOWN OF RICO
DOLORES COUNTY, COLORADO
INCORPORATED OCTOBER 11, 1879
2 North Commercial Street
Post Office Box 9
Rico, Colorado 81332
Office # 970.967.2861
Fax # 970.967.2862
www.ricocolorado.gov

Lease Application for 13 S. Glasgow

1. Name and contact information (phone, email):

2. Business Name if you have one:

3. Explain your business. What are the products or services you plan to offer? Who are your customers? How will you market / advertise your business?

5 Points

4. How long have you been in business? What is your experience and or your qualifications for this in this type of business:

10 Points

5. What do you expect your gross sales to be in the next year? (Please attach any financials or budget you have).

10 Points

6. Do you have a business plan? Yes _____ No _____. If you do, please attach it.

10 Points

8. Do you have experience operating a business in Rico?

5 Points

9. Considering the water limitations of this structure, can you still operate your business?

10. What is the best way we can contact you?

CONSULTING SERVICES AGREEMENT

This Agreement is made and entered into this 21st day of March, 2018 by and between the Board of Trustees of the Town of Rico, whose address is P.O. Box 9, Rico, Colorado 81332, hereinafter “Rico”, and Marjo Curgus of Del Corazón Consulting, whose address is 1135 F Street, Salida, Colorado 81201, hereinafter referred to as “Consultant”.

Material to this Agreement are the following points of agreement, which Rico and Consultant agree provide sufficient and good consideration for this Agreement to be binding upon the parties:

1. Consultant is qualified and willing to provide consulting services to the County related providing facilitation and public engagement design services to the Town of Rico for 2 to 3 public meetings with a goal of building public support for action.
2. Consultant is willing to provide such services on the terms and conditions set forth below:

Now therefore, in consideration of the mutual representations, promises and conditions contained herein, the parties agree as follows:

- A. Services to be Provided.** Consultant will provide services as described in Exhibit A. at the rate described in Exhibit A. Consultant will provide an invoice for work pursuant to the provisions to paragraph 2(B) below.
- B. Payment.** The Town of Rico will pay Consultant at the rates described in Exhibit A. In the absence of an express written agreement to revise the rates, Consultant’s rates shall remain as provided in Exhibit A for the term of the Agreement. The total payment shall not exceed \$5940.
- C. Term.** The term of this Agreement is from March 21st, 2018 through December 31, 2018, and may be extended as agreed upon by the parties.
- D. Insurance.** Consultant shall not be an employee for purposes of benefits, and workmen’s compensation, and shall instead be considered an independent contractor. Consultant is responsible to obtain insurance, if consultant deems it necessary.
- E. Indemnification.** Consultant shall defend, hold harmless and indemnify Rico against any tort, professional liability claim, or demand or other legal action, whether groundless or otherwise, arising out of an alleged act or omission occurring in the performance of Consultant’s duties.
- F. Governmental Immunity.** Consultant understands and acknowledges that Rico relies on, and does not waive or intend to waive by any portion of this Agreement

any provision of the Colorado Governmental Immunity Act, C.R.S. 24-10-101, et seq.

G. Assignment. This Agreement is a personal services contract of employment and may not be assigned by either party.

H. Modification or Amendment. No modification or amendment to this Agreement shall be binding or of any force or effect whatsoever unless mutually agreed upon as evidenced by a written amendment or modification with signatures authorized for each party.

I. Not a Multi-Year Financial Obligation. This Agreement does not obligate Rico to budget or authorize funds beyond what is described in Exhibit A

J. Notices. Any written notice required or authorized by this Agreement shall be sent, postage pre-paid by United States Postal Service addressed as follows:

County: Board of Trustees
Town of Rico
P.O. Box 9
Rico, CO 81322

Consultant: Marjo Curgus
1135 F Street
Salida, CO 81201

K. Entire Agreement. This Agreement as written contains the entire agreement of the parties with respect to the subject matter of temporary, contract employment. This Agreement replaces and supersedes any oral representations or agreements.

L. Severability. If any part, term or provision of this Agreement is held by the courts to be illegal or in conflict with any federal or state law, the validity of the remaining portions or provisions shall not be affected and the rights and obligations of the parties shall be construed and enforced as if the Agreement did not contain the particular part, term or provisions held to be invalid.

M. Governing Law. This Agreement shall be governed by the laws of the State of Colorado, both as to interpretation and performance, and the courts of the state of Colorado shall have exclusive jurisdiction to resolve any disputes arising from this Agreement, with venue in Dolores County, Colorado.

N. Attorneys' Fees. The prevailing party in any action to enforce the terms and conditions of this Agreement shall collect all reasonable costs and expenses incurred in such action, including, but not limited to, reasonable attorneys' fees.

Attested by:

Board of Trustees for the Town of Rico, Colorado

Linda Yellowman
Town of Rico Clerk

By: Zachary McManus, Mayor

Date: _____

Marjo Curgus

Date: _____

Exhibit A

Marjo Curgus

1135 F Street
Salida, Colorado 81201



Proposal for Facilitation & Public Engagement Consulting Services

Date

September 18, 2017

Services Performed For:

Town of Rico
2 N Short St.
Rico, CO 81332

Hello Kari,

Based on our email exchange, I've created a short summary of costs of services for the Town of Rico for facilitation and public engagement consultant support.

Proposal for Scope of Work

DCC would provide facilitation and public engagement design services to the Town of Rico for 1 to 2 public meetings with a goal of building public support for action.

DCC proposes for each meeting the following steps:

1. Meet with the Town staff and board members to clarify and confirm desired outcomes.
2. Provide a draft agenda for review by Town.
3. Work with Town to design interactive dialogue activity to collect desired community feedback.
4. Finalize agenda.
5. Work with Town to develop a meeting invitation to distribute to community members 2 weeks prior to event.
6. Facilitate community meeting.
7. Complete a public input meeting summary for the Town.

The Town will be responsible for:

1. Coordinating with DCC on meeting preparation.
2. Utilize Town communication channels to distribute meeting invitation.
3. Prepare opening and closing remarks for meeting.
4. Determine which staff and board members will be present and participate in community dialogue.
5. Identify any background documents relevant to the community dialogue that should be made available to inform the community prior to and after the meeting.

Fee Schedule

DCC would charge based on Time & Materials at an hourly rate of \$100/hour for meeting preparation and development of the meeting summary. This figure is based on approximately 8 – 14 hours of professional services per meeting. A flat rate is charged for the meeting date of \$500 per 2-hour meeting. An estimate is prepared below based on very basic scope of work.

DCC has chosen to work from a remote location and does not charge for travel except for mileage at current federal IRS rates. Meals and lodging will be covered by the Town of Rico on either a reimbursement or flat per diem rate. Contractor will provide laptop, projector, easel, flip chart, and all facilitation supplies at a \$50 flat materials use fee.

DCC is amenable to a contract with a to not exceed total included to keep projects within budget estimate once a scope of work is agreed upon.

DRAFT BUDGET PER MEETING			
Item Description	Rate	Estimated Number of Hours	Estimate Total Costs
1. Prepare for meeting including meeting with Town to confirm goals and develop an agenda.	\$100/hour	3-5 hours	\$300-500
2. Set up and facilitate event.	Flat fee	3-4 hours	\$500
3. Prepare a meeting summary.	\$100/hour	2-5 hours	\$200-\$500
4. Reimbursement for Lodging & Meals	Room rate up to \$150 for 1 night Meals \$40/day	~\$200/day	\$200
5. Mileage to/from Rico from Salida, CO	53.5 cents/mile	431 miles	\$230
6. Facilitation & Meeting Supplies Fee	Flat fee		\$50
TOTAL ESTIMATE PER MEETING			\$1,480-1,980

Del Corazon Consulting

Del Corazón Consulting is a sole proprietorship, owned by Marjo Curgus, that provides support to nonprofits, philanthropy, government, and collaborative partnerships. Del Corazón literally means *from the heart* in Spanish. Positive social change does not happen by accident; it happens because people care. While our head works great to help us improve how efficient and effective we can be, it is our heart that provides us the strength and perseverance necessary to achieve lasting solutions. For over 17 years, Marjo Curgus has focused her work on helping build stronger leaders, communities, and organizations because she wholeheartedly believes the most durable solutions happen when communities come together to care for their own social, economic, and natural assets.

Prior to starting Del Corazón Consulting, Marjo spent three years as Associate Director of Programs for the Orton Family Foundation where she co-led the 5-year \$10 million Heart & Soul initiative, a project aimed at increasing

community participation in the field of planning. From 2005 to 2011, Marjo spent five and-a-half years first as a Program Manager and ultimately the Director of the Community Leadership & Training Program. At both Orton and Sonoran Institute, Marjo worked throughout the West providing technical assistance to communities wanting locally driven solutions to community challenges. Marjo moved to Colorado from New Mexico where she spent three years as a consultant in community planning and public process facilitation working throughout New Mexico on consensus based policy making, land use, economic development, and natural resources planning. Her community development career began with five years at the Enterprise Foundation leading an AmeriCorps program focused on community building, neighborhood revitalization, and public safety efforts in very low-income neighborhoods in Santa Fe, New Mexico. Marjo has a Master's in Community and Regional Planning with an emphasis in natural resources planning and a Master's Certificate in Social Impact Program Monitoring and Evaluation.

2018 Work Plan

Goal 1: Continue Community Engagement through Meetings					
Key Action Steps	Timeline	Expected Outcomes	Evaluation Methodology	Persons Responsible	Comments
Sign new Contract with Marjo Curgus of Del Corazón Consulting	February 21 st , 2018 Trustee's Meeting	Contract with Del Corazón Consulting for three more community meetings this year	Is there a signed contract?	Kari Distefano / Marjo Curgus	
Schedule Meetings	February – September 2018	Three more community meetings to occur prior to November election	Have the meetings been scheduled and advertises to the Community	Kari Distefano / Marjo Curgus	
Summarize Meetings	February – September 2018	Subsequent to meeting, summaries will be written and supplied to the community for comment	Are summaries available and posted to the web site and mailed out in water bills	Kari Distefano / Marjo Curgus	
Goal 2: Get Commuter Shuttle Service to and from Telluride Up and Running					
Key Action Steps	Timeline	Expected Outcomes	Evaluation Methodology	Persons Responsible	Comments
Get volunteer drivers approved by CIRSA	January 29 th – February 15 th	A pool of at least three drivers will be available to drive the Rico Shuttle	Do we have three approved volunteer drivers	Kari Distefano / Volunteer Drivers / David Averill (SMART)	

Insure that shuttle runs regularly	February 6 th	That the Rico to Telluride Shuttle begins running regularly five days a week	Is the shuttle reliable?	Kari Distefano / Volunteer Drivers	
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Goal 3: Issue Request for Proposals for Preliminary Engineering Report for Central Sewer in Commercial Core

Key Action Steps	Timeline	Expected Outcomes	Evaluation Methodology	Persons Responsible	Comments
Secure grant funding from DOLA or other source should the DOLA grant application fail	Reviews of DOLA grant applications for this round occur in March. Award notifications three weeks later and no work can occur until grant contracts are executed. Expected issue date for RFPs – June 2018	Hire a engineering team to conduct a preliminary engineering report and feasibility study for a central sewer along the commercial core	Is funding available from DOLA? Has an engineering team been hired	Kari Distefano	

Goal 4: Issue Request for Proposals for a Water System Analysis

Key Action Steps	Timeline	Expected Outcomes	Evaluation Methodology	Persons Responsible	Comments
Secure grant funding from SWCD	Reviews of CWCB grant applications	Hire a engineering team to conduct a	Is funding available from SWCD and	Kari Distefano	

and CWCB or other source should these grant applications fail	for this round occur in April. Award notifications three weeks later and no work can occur until grant contracts are executed. Expected issue date for RFPs – June to July 2018	water system analysis with the ultimate goal of re-activating the Silver Creek System	CWCB? Has an engineering team been hired		
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Goal 5: Develop an Infrastructure Ballot Initiative for the November 2018 Election

Key Action Steps	Timeline	Expected Outcomes	Evaluation Methodology	Persons Responsible	Comments
Determine if and to what degree there is public support for a tax for upgraded infrastructure and additional town services	March – September 2018	Several proposals will be discussed at community meetings. A preferred option will be generated	Will a ballot initiative pass?	Kari Distefano	

Goal 6: Encourage and Support Economic Development in Rico

Key Action Steps	Timeline	Expected Outcomes	Evaluation Methodology	Persons Responsible	Comments
Explore programs such as Blueprint 2.0 Tourism Initiative	?	Putting together a grant application for Rico to take part in the Office of	Has a grant application been submitted?	Kari Distefano	

		Economic Development and International Trade			
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Goal 7: Finish River Corridor Project

Key Action Steps	Timeline	Expected Outcomes	Evaluation Methodology	Persons Responsible	Comments
Continue to send survey out for signatures	This depends on potential problems with owners.	A survey filed in the Office of the Clerk & Recorder of Dolores County	Has the map been filed and easements secured	Kari Distefano	We may have challenges with two owners. One wants an easement agreement similar to that of Burnett and O’Grady and one wants a land trade
Begin discussions with River Corridor and South land owners regarding a potential trail along the old railroad right-of-way to USFS property	March 2018 – March 2019	Easement agreements with owners between the Town of Rico River Corridor easement and USFS property	Have easements been secured?	Kari Distefano	Rico Trails alliance may be interested in helping with this effort.

Goal 8: Establish a Protocol for Vacant Lots Impacted by Lead and Other Mining Activities

Key Action Steps	Timeline	Expected Outcomes	Evaluation Methodology	Persons Responsible	Comments
Obtain (if possible)	? This will depend	Rico has access to	Is updated	Kari Distefano /	

lead sampling data	on data availability possibly through the CDPHE or BP	lead sampling data	sampling available for use by the Town	CDPHE / Anderson Engineering	
Create a lead hazard overlay over-lay that will determine whether or not mitigation measures are needed on vacant lots within the Town of Rico	? This will depend on if and when we get sampling data.	Lots that are impacted by mining activities will be identified on Rico's GIS system.	Can lots impacted by mining activities be identified?	Kari Distefano / CDPHE / Anderson Engineering	
Create a protocol for mine waste clean up on vacant lots	?	Lots will be determined to be safe from contamination as per CDPHE requirements.	Are lots that were determined to have lead and other mine waste hazards considered free from contamination by CDPHE.		

Goal 9: Update and Revise Rico Land Use Code

Key Action Steps	Timeline	Expected Outcomes	Evaluation Methodology	Persons Responsible	Comments
Generate revisions based on prior and continuing discussions with the Rico Planning	February 2018 – February 2019	A more concise and user friendly Rico Land Use Code	Finished revisions by December 2019	Kari Distefano / Rico Planning Commission / consultant	

Commission					
Work with professional planner when draft updates are complete for a comprehensive review.	March 2019 – November 2019	A more concise, user friendly and professional Rico Land Use Code			
Goal 10: Coordinate with the Rico Fire Protection District and Dolores County Emergency Management to Develop a Wildfire Response Plan					
Key Action Steps	Timeline	Expected Outcomes	Evaluation Methodology	Persons Responsible	Comments
Meet with the Rico Fire Protection District, Dolores County Emergency Management Staff and USFS to develop an operation management plan should Rico have a wildfire	March 2018	Determine which entity is responsible for coordinating a wildfire response strategy and how it is implemented	A clear understanding of what would take place and who would be the point entity should Rico experience a wildfire.	Town of Rico Staff / Rico Fire Protection District Staff / Dolores County Emergency Management Staff	San Miguel County and Montezuma County Emergency Management staff may need to be included in this discussion
Meet with the Rico Fire Protection District, Dolores County Emergency	March 2018	Determine who is responsible for notifying Rico residents and where	Designate the point entity for disseminating relevant information		

Management Staff and USFS to develop a resident notification system		they should go to get updates			
Meet with the Rico Fire Protection, Dolores County Emergency Management Staff and USFS to insure that Rico residents have a clear evacuation plan should one be needed	March 2018	Develop an evacuation strategy	Rico residents will know where to go and where to get information in the event of an evacuation order.		

Goal 11: Upgrade the Town of Rico web site

Key Action Steps	Timeline	Expected Outcomes	Evaluation Methodology	Persons Responsible	Comments
Take the Rico.org web site off line	February 2018	The old web site will be gone.	The old web site will be unavailable on browsers	Kari Distefano / Judy Shafer	Judy's cooperation will be required.
Make improvements to web site including titling documents consistently, adding event information,	Ongoing	An improved web site with more relevant, accessible information	More users	Kari Distefano	

designing a notification system					
Goal 12: Explore Opportunities for Geothermal Development					
Key Action Steps	Timeline	Expected Outcomes	Evaluation Methodology	Persons Responsible	Comments
Review Geothermal Information and determine how the Town of Rico may be able to use geothermal as an economic engine	May – September 2018	A report by students and professors from the Colorado School of Mines	Can this information be translated into action	Professor Nakagawa and students and Kari Distefano	