



CITY COUNCIL

WORKSHOP AND REGULAR MEETING AGENDA

July 19, 2023
7:00 PM
202 Railroad Avenue, Rifle, CO

5:30 PM - Workshop Meeting

Discussion and Review

- a. Receive Presentation & Discuss the 2022 Audited Financial Statements from Hinkle & Company, PC
- b. Discuss Mind Springs SSWM (Detox) Budget
- c. Discuss Marsh Property Swap

7:00 PM - Regular Meeting

- 1. **Call to Order**
- 2. **Pledge of Allegiance**
- 3. **Roll Call**
- 4. **Public Comment** *(maximum time permitted for Public Comment is 3 minutes per person)
- 5. **Consent Agenda**
 - 5.a. Consider Minutes of the July 5, 2023, Regular Meeting
 - 5.b. Consider Liquor License Renewal for Walmart Inc., dba Walmart #5232
 - 5.c. Consider Liquor License Renewal for Plaza Liquors, LLC dba Plaza Liquors
 - 5.d. Consider Liquor License Renewal for Dillon Companies LLC, dba City Market #43
 - 5.e. Consider Liquor License Renewal for City of Rifle dba Ute Theater and Events Center
 - 5.f. Consider Approval of Ordinance No. 13, Series of 2023 - Ground Lease with Habitat for Humanity - 2nd Reading
 - 5.g. Consider Approval of Ordinance No. 14, Series of 2023 - Xcel Franchise Agreement - 2nd Reading

- 5.h.** Consider Approval of Greater Rifle Improvement Team Grant Funding Recommendations for July 2023 Grant Cycle

6. Action, if any, on Workshop Items

7. Public Hearing

- 7.a.** Consider Request for Approval - Fritzlan/Ecodwelling Annexation
 - 7.a.i.** Ordinance No. 15, Series of 2023 - Annexation - 1st Reading
 - 7.a.ii.** Ordinance No. 16, Series of 2023 - Zoning - 1st Reading
 - 7.a.iii.** Resolution No. 20, Series of 2023 - Annexation Findings
 - 7.a.iv.** Resolution No. 21, Series of 2023 - Annexation Plan
 - 7.a.v.** Fritzlan/EcoDwelling Annexation Agreement

8. Regular Agenda

- 8.a.** Consider Wastewater Expenditure - Generator Repair
- 8.b.** Consider Acceptance of the 2022 Annual Financial Report and Associated Audit Report
- 8.c.** Consider Approval of 2023 Street Striping Contract
- 8.d.** Consider Purchase of Replacement Virtual Desktop Infrastructure Hosts

9. Administrative Reports

- 9.a.** Report to City Manager

10. Comments from Mayor and Council

11. Adjournment



Agenda Item #a.

Agenda Item Name:

Receive Presentation & Discuss the 2022 Audited Financial Statements from Hinkle & Company, PC

Presenter:

Scott Rust, Finance Director

Item Description:

Jim Hinkle of Hinkle & Company will present the 2022 Financial Statements and associated audit results.

Recommended Action:

N/A

Fiscal Impact:

N/A

Operational Impact:

The City of Rifle is required to undergo an external financial audit annually. This audit fulfills that requirement.

Prior Board Motions:

N/A

Background Information:

N/A

Executive Summary:

Jim Hinkle of Hinkle & Company, PC, will review the 2022 Financial Statements and audit results for the City of Rifle. Overall, the audit determined the 2022 Financial Statements fairly presented, in all material respects, the financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City.

Notification Requirements:

N/A

Prepared By:

Scott Rust, Finance Director

Attachments:

1. 2022 Rifle City of Required Communication Ltr
2. 2022 City of Rifle Financial Statements



City Council Members
City of Rifle
Rifle, Colorado

We have audited the financial statements of the City of Rifle (the City) as of and for the year ended December 31, 2022, and have issued our report thereon dated July 14, 2023. Professional standards require that we provide you with the following information related to our audit.

Our Responsibility under Generally Accepted Auditing Standards

As communicated in our engagement letter dated December 16, 2022, our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of the City solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures specifically to identify such matters.

Office Locations:

Colorado Springs, CO
Denver, CO
Tulsa, OK

We applied certain limited procedures to the required supplementary information (RSI). However, we did not audit the RSI and do not express an opinion or provide any assurance on the RSI. With respect to the supplementary information accompanying the financial statements, we performed procedures to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing the information has not changed from the prior year, and the information is appropriate and complete in relation to our audit of the financial statements.

Denver Office:

750 W. Hampden Avenue
Suite 400
Englewood,
Colorado 80110
TEL: 303.796.1000
FAX: 303.796.1001
www.HinkleCPAs.com

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, and our firm have complied with all relevant ethical requirements regarding independence.

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the City is included in Note 1 to the financial statements. There have been no initial selection of accounting policies and no changes in significant accounting policies or their application during 2022. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments. We evaluated the key factors and assumptions used to develop the significant estimates in determining that they are reasonable in relation to the financial statements as a whole.

Corrected and Uncorrected Misstatements

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole and each applicable opinion unit. We proposed no uncorrected adjustments to the financial statements as a result of our audit procedures.

In addition, professional standards require us to communicate to you all material, corrected adjustments that were brought to the attention of management as a result of our audit procedures. In our opinion, none of the adjustments detected as a result of audit procedures, whether corrected or uncorrected by management, were material, either individually or in the aggregate, to each opinion unit's financial statements.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.



Representations Requested from Management

We have requested certain representations from management that are included in the management representation letter dated July 14, 2023.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Audit Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the City's auditors. However, these discussions occurred in the normal course of our professional relationship and the responses were not a condition to our retention.

Conclusion

This report is intended solely for the information and use of the City Council and management of the City of Rifle and is not intended to be, and should not be, used by anyone other than these specified parties.

Hick & Company, PC

Greenwood Village, Colorado
July 14, 2023



City of Rifle, Colorado
Financial Statements
with Independent Auditors' Report
December 31, 2022



City of Rifle, Colorado

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City of Rifle, Colorado

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**HINKLE &
COMPANY**
Strategic ^{PC}
Business Advisors

Independent Auditor's Report

City Council
City of Rifle, Colorado
Rifle, Colorado

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities and each major fund of the City of Rifle, Colorado (the City) as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the basic financial statements of the City, as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and each major fund of the City as of December 31, 2022, and the respective changes in financial position and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

The City's management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Office Locations:

Colorado Springs, CO
Denver, CO
Tulsa, OK

Denver Office:

750 W. Hampden Avenue
Suite 400
Englewood,
Colorado 80110
TEL: 303.796.1000
FAX: 303.796.1001
www.HinkleCPAs.com

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.



Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the required supplementary information listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The supplementary information and the local highway finance report listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling the information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Hick & Company, PC

Englewood, Colorado
July 14, 2023



City of Rifle, Colorado
Management's Discussion and Analysis
December 31, 2022

As management of the City of Rifle, Colorado, we offer readers of the City of Rifle financial statements, this narrative overview, and analysis of the financial activities of the City for the fiscal year ended December 31, 2022.

Financial Highlights

- The assets of the City of Rifle exceeded its liabilities at the close of 2021 by \$155,056,322 (net position). Of this amount; \$108,637,874 was categorized as net investment in capital assets, \$293,906 was nonspendable, \$3,021,553 was restricted, \$169,814 was assigned and \$42,933,175 was unrestricted and can be used to meet the government's ongoing obligations.
- Total net position across the entire entity increased by \$6,024,882 or 4.04%.
- The General fund unassigned fund balance at December 31, 2022, was \$9,986,249; this equates to 97.51% of 2022 total general fund expenditures.
- The business-type activities net position increased \$4,268,969 to \$76,945,561 during the year. The Water Fund increased \$2,546,914; Sewer Fund increased \$1,700,801; and the Sanitation Fund increased \$21,254.

Overview of Report

This discussion and analysis is intended to serve as an introduction to the City of Rifle's basic financial statements. The City's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

Government-Wide Financial Statements – The *government-wide financial statements* are designed to provide readers with a broad overview of the City's finances, in a manner similar to private-sector business, on an accrual basis. Note 1 to the statements, starting on p. 13, provides a further description of the related *Statement of Net Position* and *Statement of Activities*, which report City activities in two categories - *governmental activities* and *business-type activities*.

Governmental activities are most of the City's basic services including general administration, police, property inspection, public works, cemetery, parks maintenance and recreation, senior services, downtown development, visitor improvement, and urban renewal. Taxes and intergovernmental revenues principally support these services.

Business-type activities include the City's water, wastewater (sewer) and sanitation (trash) services. Customer service fees are expected to cover all or most of the cost of services provided to support these activities.

The government-wide financial statements can be found on pages 4-5 of this report and are described further in Note 1 to the Financial Statements, starting on p. 13.

City of Rifle, Colorado
Management's Discussion and Analysis
December 31, 2022

Fund Financial Statements – A fund is a grouping of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. The City of Rifle, like other local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the City's funds can be divided into three categories, **governmental funds**, **proprietary funds**, and **fiduciary funds**. The City of Rifle adopts an annual appropriated budget for all funds. A budgetary comparison statement has been provided for all funds to demonstrate compliance with the state budget statutes.

- 1) **Governmental Funds** – Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the *government-wide financial statements*. However, unlike the *government-wide financial statements*, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on balances of spendable resources available at the end of the fiscal year, using the *modified accrual basis*. See Note 1 for more detail.

Because the focus of governmental funds is narrower than that of the *government-wide financial statements*, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the City's near-term financing decisions. Both the governmental fund *balance sheet* and the governmental fund *statement of revenues, expenditures, and changes in fund balances* provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City of Rifle maintains nine individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the major funds which include the General Fund, Street Improvement Fund, Capital Improvement fund, and the Parks and Recreation Fund. Data from the other (non-major) funds are combined into a single, aggregated presentation with the column heading Other Governmental Funds. The non-major funds are Conservation Trust, Visitor Improvement, Downtown Development Authority, Rifle Tourism and Industry, and Urban Renewal Authority.

The basic governmental financial statements for the major funds are found on pages 6-9 of this report. The basic governmental financial statements for the non-major funds are found on pages 34-41.

- 2) **Proprietary Funds** – The City of Rifle maintains two different types of proprietary funds; Enterprise and Internal Service funds.

Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its water, sewer, and sanitation operations.

City of Rifle, Colorado
Management's Discussion and Analysis
December 31, 2022

Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City of Rifle uses two internal service funds to account for its fleet maintenance and information technology operations. Because most of these services predominantly benefit the governmental rather than the business-type functions and are included with the governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for each of the proprietary funds. However, only the water and sewer funds are considered major funds.

The basic proprietary fund financial statements can be found on pages 10-12 of this report. The budget and actual reports are shown on pages 42-44.

- 3) Fiduciary Funds – Fiduciary funds are used to account for resources held for the benefit of outside parties. The City's only fiduciary fund is the Cemetery Perpetual Care Fund. The fund is not reflected in the government-wide financial statements because the resources of this fund are not available to support City operations.

Notes to the Financial Statements – The notes provide additional information that is essential to the full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 13-28 of this report.

Other Information – In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City Of Rifle. This information is presented in the State Compliance section on pages 45-46.

Government-Wide Financial Results

The City of Rifle's net position may serve over time as a useful indicator of the City's financial position. The City of Rifle's assets exceeded its liabilities (net position) at the close of 2022 by \$155,056,322.

The largest portion of the City's net position (70%) is the investment in capital assets (e.g., land, buildings, infrastructure, and equipment); less any related outstanding debt used to acquire the assets. These capital assets are used to provide services to citizens, and consequently are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, the related resources needed to repay this debt must be provided from other sources because the capital assets themselves cannot be used to liquidate these liabilities.

City of Rifle, Colorado
Management's Discussion and Analysis
December 31, 2022

Net Position

The following table shows the City's net position for 2022 as compared to 2021.

STATEMENT OF NET POSITION
December 31, 2022 and 2021

	Governmental Activities		Business Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Current and other assets	\$ 27,841,318	\$ 26,205,206	\$ 23,636,799	\$ 20,408,254	\$ 51,478,117	\$ 46,613,460
Capital assets (net)	58,700,880	59,179,796	79,890,154	81,250,639	138,591,034	140,430,435
Total assets	86,542,198	85,385,002	103,526,953	101,658,893	190,069,151	187,043,895
Other liabilities	1,009,093	2,561,912	2,944,924	2,870,282	3,954,017	5,432,194
Long-term liabilities	4,264,857	4,533,619	23,566,571	26,042,122	27,831,428	30,575,741
Total liabilities	5,273,950	7,095,531	26,511,495	28,912,404	31,785,445	36,007,935
Deferred Inflows:						
Property Taxes/Tap Fees	3,157,487	1,934,623	69,897	69,897	3,227,384	2,004,520
Net position:						
Invested in capital assets net of related debt	54,684,740	54,815,644	53,953,134	52,927,704	108,637,874	107,743,348
Nonspendable						
Cemetery Perpetual Care	293,906	258,416	-	-	293,906	258,416
Restricted For:						
for Emergencies	855,000	528,338	205	143,144	855,205	671,482
for Parks and Recreation	472,734	161,953	-	-	472,734	161,953
for Debt Service and O&M Reserves	203,417	180,698	1,490,197	995,162	1,693,614	1,175,860
Assigned for:						
for Channel10	36,293	30,500	-	-	36,293	30,500
for Senior Center Meals and Capital	131,049	101,197	-	-	131,049	101,197
for Police Expenditures	2,472	2,472	-	-	2,472	2,472
Unrestricted	21,431,150	20,275,630	21,502,025	18,610,582	42,933,175	38,886,212
Total Net Position	\$ 78,110,761	\$ 76,354,848	\$ 76,945,561	\$ 72,676,592	\$ 155,056,322	\$ 149,031,440

An additional portion of the City's net position balance (2.25%) represents resources that are subject to external restrictions on how they may be used. The remaining *unrestricted* balance of (27.69%) may be used to meet the City's ongoing obligations to citizens and creditors.

Restricted net position is the portion of net position legally restricted less any non-capital-related liabilities payable from those resources. As of December 31, 2022, non-spendable and restricted net position in the governmental activities included the following: Cemetery Perpetual Care (\$293,906), Debt Service (203,417), TABOR Emergencies (\$855,000), and Parks and Recreation (\$472,734). The Business-Type Activities includes restricted net position of the following: Debt Service and O&M reserves (\$1,490,197), and TABOR Emergencies (\$205). The remaining balance of net position (unrestricted net position) totals \$42,933,175. These assets may be used to meet the City's ongoing obligations to citizens and creditors.

City of Rifle, Colorado
Management's Discussion and Analysis
December 31, 2022

Changes in Net Position

The following summarizes the Statement of Revenues, Expenditures, and Changes in Fund Balance (as on p.8 of the report), with a comparison to the prior year.

	SUMMARY OF CHANGES IN NET POSITION					
	Governmental		Business Type		Total	
	Activities		Activities			
	2022	2021	2022	2021	2022	2021
REVENUES						
Program Revenues:						
Charges for services	\$ 1,931,174	\$ 1,708,406	\$ 8,991,769	\$ 8,877,493	\$ 10,922,943	\$ 10,585,899
Operating grants and contributions	3,434,998	\$ 1,815,043	102,518	269,482	3,537,516	2,084,525
Capital grants and contributions	168,408	\$ 206,801	-	-	168,408	206,801
General Revenues:						
Property taxes	856,251	827,737	-	-	856,251	827,737
Sales and use taxes	12,252,686	11,419,731	2,475,498	2,256,632	14,728,184	13,676,363
Other taxes	703,964	604,454	-	-	703,964	604,454
Investment earnings	24,961	146,884	8,277	103,292	33,238	250,176
Other revenues	635,955	192,660	514,773	531,631	1,150,728	724,291
Total revenues	<u>20,008,397</u>	<u>16,921,716</u>	<u>12,092,835</u>	<u>12,038,530</u>	<u>32,101,232</u>	<u>28,960,246</u>
EXPENSES						
General government	4,838,419	4,861,698	-	-	4,838,419	4,861,698
Public Safety	3,171,813	2,899,224	-	-	3,171,813	2,899,224
Public Works	5,625,934	4,312,854	-	-	5,625,934	4,312,854
Cemetery	5,165	3,972	-	-	5,165	3,972
Parks and recreation	3,489,306	3,217,212	-	-	3,489,306	3,217,212
Economic development and assistance	987,467	582,602	-	-	987,467	582,602
Interest Expense	136,376	131,854	-	-	136,376	131,854
Water operations	-	-	4,205,173	4,547,934	4,205,173	4,547,934
Sewer operations	-	-	2,829,013	2,783,990	2,829,013	2,783,990
Sanitation operations	-	-	787,680	749,288	787,680	749,288
Total expenses	<u>18,254,480</u>	<u>16,009,416</u>	<u>7,821,866</u>	<u>8,081,212</u>	<u>26,076,346</u>	<u>24,090,628</u>
Increase in net assets before transfers	1,753,915	912,300	4,270,969	3,957,318	6,024,886	4,869,618
Transfers	2,000	2,000	(2,000)	(2,000)	-	-
Increase in net assets	1,755,915	914,300	4,268,969	3,955,318	6,024,886	4,869,618
Net Position, Beginning of year	76,354,846	75,440,548	72,676,592	68,721,274	149,031,438	144,161,822
Net Position, end of year	<u>\$78,110,761</u>	<u>\$76,354,846</u>	<u>\$76,945,561</u>	<u>\$ 72,676,592</u>	<u>\$ 155,056,324</u>	<u>\$ 149,031,440</u>

FINANCIAL ANALYSIS OF THE CITY'S FUND BALANCE

The City of Rifle uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

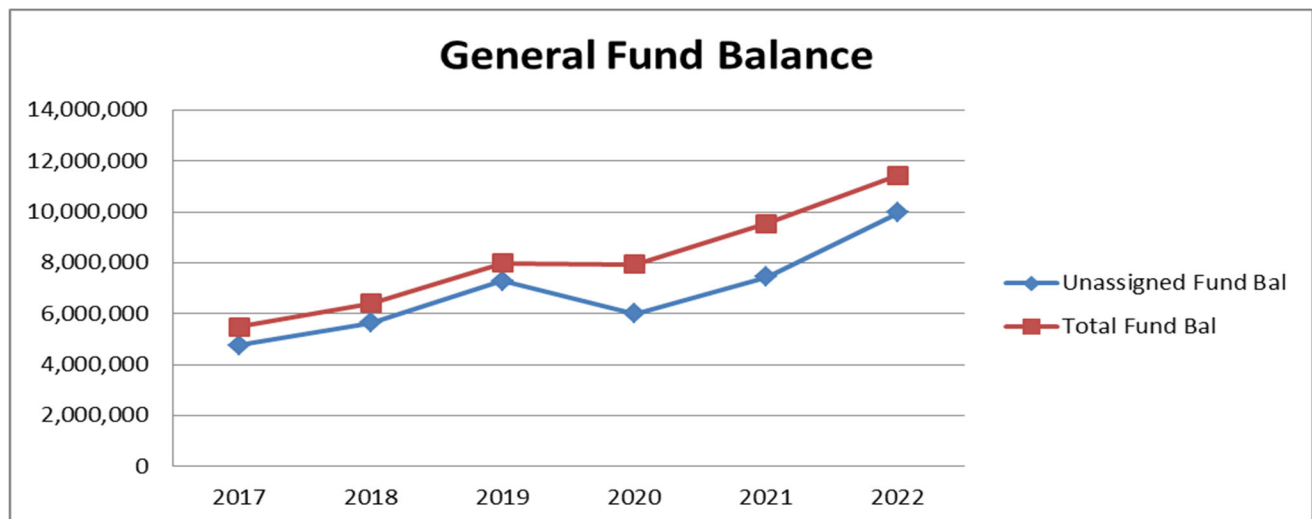
Governmental Funds – The focus of the City's governmental funds statements is to provide information on near-term inflows, outflows, and balances of spendable resources. This information is useful in assessing the City's financial requirements. In particular, unreserved fund balance may serve as a useful measure of net resources available for spending at the end of the fiscal year.

City of Rifle, Colorado
Management's Discussion and Analysis
December 31, 2022

One of the differences between the governmental activities as reported in the government-wide *Statement of Activities* and the individual governmental fund financial statements is the reporting of capital asset acquisitions. For the government-wide financial statements, any new assets are capitalized and only depreciation expense for those assets is reported in the *Statement of Activities*. In the individual governmental fund financial statements, the expenditure for the capital asset acquisitions is reported in the *Statement of Revenues, Expenditures, and Changes in Fund Balance*. Therefore, governmental fund capital outlay expenditures of \$3,026,907 acquired in 2022 (page 9) are not reflected in the *Statement of Activities*.

At year-end 2022, governmental funds as reported on the *Balance Sheet – Governmental Funds* (page 6) reported a combined fund balance of \$23,995,219, a decrease of \$2,163,718 from the prior year. The General Fund balance increased \$1,887,718 or 19.74%. The Street Improvement Fund balance decreased \$459,972 or 10.2%. The Parks and Recreation Fund balance increased \$446,844 or 17.6%.

The General Fund unassigned fund balance at December 31, 2022 was \$9,986,249, or 97.51% of 2022 annual expenditures. Unassigned fund balance increased \$2,533,536 with expenditures exceeding revenues by \$1,887,718. The following chart gives a 5-year trend analysis of these amounts.



Proprietary Funds – The City's proprietary funds statements provide the same type of information found in the government-wide financial statements, but in more detail. The Proprietary Funds include the Water, Wastewater (Sewer), and Sanitation (Trash) Funds. The Proprietary Fund Net Position increased \$4,268,969 to \$76,945,561. Investment in capital assets, net of related debt represents 70.11% of total net position.

City of Rifle, Colorado
Management's Discussion and Analysis
December 31, 2022

ENTERPRISE FUND NET POSITION
December 31, 2022 and 2021

	Water		Wastewater		Sanitation		Total	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Investment in capital assets								
net of related debt	\$ 36,520,636	\$ 35,666,983	\$ 17,432,497	\$ 17,260,721	\$ -	\$ -	\$ 53,953,133	52,927,704
Restricted:								
For Emergencies	205,000	143,114	-	-	-	-	205,000	143,114
For Operations and Maintenance Reserve	663,535	608,678	826,662	386,484	-	-	1,490,197	995,162
Unrestricted	<u>15,010,345</u>	<u>13,433,827</u>	<u>6,107,828</u>	<u>5,018,981</u>	<u>179,058</u>	<u>157,804</u>	<u>21,297,231</u>	<u>18,610,612</u>
Total net position	<u>\$52,399,516</u>	<u>\$49,852,602</u>	<u>\$24,366,987</u>	<u>\$22,666,186</u>	<u>\$179,058</u>	<u>\$157,804</u>	<u>\$76,945,561</u>	<u>\$72,676,592</u>

In the Wastewater Fund, a new treatment plant was completed in 2009. The plant was funded via Colorado Water Resources and Power Development Authority loan. Annual increases in wastewater user fees assist with meeting the debt covenants.

A replacement Water Treatment plant was constructed with \$23.8 million loan obtained from the Colorado Water Resources and Power Development Authority. Water user fees and a voter-approved .75% sales and use tax are being used to pay back the loan.

Unrestricted net position is reserved for the operation and maintenance component of all the proprietary funds. The Sewer Fund has continued to increase user fees annually to meet increasing costs of operation and to replace decaying infrastructure, which includes collection and distribution lines. The Water Fund has also continued to increase user fees to ensure proper funding for care and maintenance of existing facilities.

In 2022, the Water fund increased Net Position by \$2,546,914. Wastewater increased by \$1,700,801. The Sanitation fund incurred a net increase of \$21,254.

Total unrestricted net position increased \$2,686,619 during 2022. The Water Fund's unrestricted net position increased by \$1,576,518; Wastewater Fund increased \$1,088,847; and the Sanitation Fund increased by \$21,254.

General Fund Budgetary Highlights

The General Fund revenues increased by \$1,100,919 or 9.98% from 2021 and exceeded budget by \$1,760,390 or 16.98%. Expenditures increase \$823,743 from 2021 or 8.75% and were under budget by \$654,023, or 6.00%. Management and City Council continue to budget conservatively to ensure the City has the flexibility to address community needs.

Capital Asset and Debt Administration

Capital assets – At the end of 2022, the City had \$138,591,034 invested in capital assets net of depreciation. Investment in capital assets includes land, buildings, improvements, machinery and equipment, park facilities, roads, bridges, and trails. Total investment in capital assets for the current year decreased by 1.31%.

City of Rifle, Colorado
Management's Discussion and Analysis
December 31, 2022

CAPITAL ASSETS AT YEAR-END (Net of Depreciation) As of December 31, 2022 and 2021						
	Governmental Activities		Business Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Land & Rights	\$ 4,365,823	\$ 4,378,899	\$ 1,985,544	\$ 1,985,544	\$ 6,351,367	\$ 6,364,443
Construction in Process	699,908	1,107,558	651,352	651,352	1,351,260	1,758,910
Buildings	9,133,699	8,480,519	47,360,115	49,228,747	56,493,814	57,709,266
Improvements	42,714,799	43,471,078	28,708,648	28,392,271	71,423,447	71,863,349
Equipment	671,652	792,708	1,184,495	992,725	1,856,147	1,785,433
Int Svc Equipment & Vehicles	1,114,999	949,034	-	-	1,114,999	949,034
Total	<u>\$ 58,700,880</u>	<u>\$ 59,179,796</u>	<u>\$ 79,890,154</u>	<u>\$ 81,250,639</u>	<u>\$ 138,591,034</u>	<u>\$ 140,430,435</u>

Debt Administration – At the end of 2022, the City of Rifle had a balance of \$29,778,573 outstanding in revenue bonds; revenue notes payable, notes payable and capital leases, of which \$3,884,999 is a construction loan for the pool renovation. Footnote disclosure number 4 on page 21 provides additional information regarding this and other obligations. The City has no general obligation debt.

OUTSTANDING DEBT Years Ended December 31, 2022 and 2021						
	Governmental Activities		Business Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Revenue bonds and notes payable	\$ -	\$ -	\$ 25,893,574	\$ 28,294,438	\$ 25,893,574	\$ 28,294,438
Construction Loan	\$ 3,884,999	\$ 4,037,739	-	-	\$ 3,884,999	\$ 4,037,739
Total	<u>\$ 3,884,999</u>	<u>\$ 4,037,739</u>	<u>\$ 25,893,574</u>	<u>\$ 28,294,438</u>	<u>\$ 29,778,573</u>	<u>\$ 32,332,177</u>

Certificates of Participation - In 2015, the City issued \$5,085,000 in certificates of participation for a water tank construction project with lease payments continuing until 2035.

City of Rifle, Colorado
Management's Discussion and Analysis
December 31, 2022

Economic Factors

In 2022 the City of Rifle experienced a 9.07% increase in sales and use tax collections. A conservative approach was taken in the preparation of the 2022 budget. Therefore, the strong sales and use tax collection led the city to exceed revenue expectations. The City of Rifle, as a result of thoughtful leadership and prudent management, built up the reserves in its General Fund as well as other major funds across the reporting entity. The City continues to deal with the impacts of the recent pandemic. However, The City of Rifle believes recovery is nearly complete. The City of Rifle continues to take steps to stimulate the local economy and drive new business to the area. The local economy has made a significant start to return to pre-pandemic levels of economic activity. In 2023 the city expects continued growth in the local economy. However, with high levels of inflation and economic uncertainty continuing the City will continue to develop fiscally conservative budgets while still maintaining excellent service levels. Additionally, The City of Rifle is continuing to pursue infrastructure improvements, particularly in regard to city streets and water/wastewater.

Request for Information

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information, please contact the Finance office at the City of Rifle, 202 Railroad Ave, Rifle, CO 81650.

Basic Financial Statements

City of Rifle, Colorado
Statement of Net Position
December 31, 2022

	Governmental Activities	Business-Type Activities	Totals
Assets			
Cash and Investments	\$ 24,230,946	\$ 22,130,940	\$ 46,361,886
Accounts Receivable	210,411	1,239,232	1,449,643
Property Taxes Receivable	716,359	-	716,359
Taxes Receivable	2,672,458	-	2,672,458
Inventory	11,144	265,131	276,275
Prepaid Expenses	-	1,496	1,496
Capital Assets, <i>Not Being Depreciated</i>	5,065,731	2,636,896	7,702,627
Capital Assets, <i>Net of Accumulated Depreciation</i>	<u>53,635,149</u>	<u>77,253,258</u>	<u>130,888,407</u>
 Total Assets	 <u>86,542,198</u>	 <u>103,526,953</u>	 <u>190,069,151</u>
Liabilities			
Accounts Payable	336,870	177,184	514,054
Accrued Salaries	15,700	66,177	81,877
Accrued Liabilities	-	83,999	83,999
Accrued Interest Payable	-	239,002	239,002
Deposits	365,638	10,840	376,478
Retainage Payable	71,186	-	71,186
Noncurrent Liabilities			
Due Within One Year	219,699	2,367,722	2,587,421
Due in More Than One Year	<u>4,264,857</u>	<u>23,566,571</u>	<u>27,831,428</u>
 Total Liabilities	 <u>5,273,950</u>	 <u>26,511,495</u>	 <u>31,785,445</u>
Deferred Inflows of Resources			
Property Taxes	3,157,487	-	3,157,487
Deferred Tap Fees	<u>-</u>	<u>69,897</u>	<u>69,897</u>
 Total Deferred Inflows of Resources	 <u>3,157,487</u>	 <u>69,897</u>	 <u>3,227,384</u>
Net Position			
Net Investment in Capital Assets	54,684,740	53,953,134	108,637,874
Restricted For:			
Emergencies	855,000	205,000	1,060,000
Debt Service	203,417	-	203,417
Parks and Recreation	472,734	-	472,734
Operations and Maintenance Reserve	-	1,490,197	1,490,197
Unrestricted	<u>21,894,870</u>	<u>21,297,230</u>	<u>43,192,100</u>
 Total Net Position	 <u>\$ 78,110,761</u>	 <u>\$ 76,945,561</u>	 <u>\$ 155,056,322</u>

See Notes to the Financial Statements.

City of Rifle, Colorado
Statement of Activities
For the Year Ended December 31, 2022

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Change in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Totals
Primary Government							
<i>Governmental Activities</i>							
General Government	\$ 4,838,419	\$ 1,122,715	\$ 1,353,422	\$ 168,408	\$ (2,193,874)	\$ -	\$ (2,193,874)
Public Safety	3,171,813	33,657	1,492,553	-	(1,645,603)	-	(1,645,603)
Public Works	5,625,934	-	525,023	-	(5,100,911)	-	(5,100,911)
Cemetery	5,165	41,398	-	-	36,233	-	36,233
Parks and Recreation	3,489,306	494,691	-	-	(2,994,615)	-	(2,994,615)
Economic Development	987,467	238,713	64,000	-	(684,754)	-	(684,754)
Interest on Long-Term Debt	136,376	-	-	-	(136,376)	-	(136,376)
Total Government Activities	18,254,480	1,931,174	3,434,998	168,408	(12,719,900)	-	(12,719,900)
<i>Business-Type Activities</i>							
Water Utility	4,205,173	3,753,931	-	-	-	(451,242)	(451,242)
Wastewater Utility	2,829,013	4,426,254	102,518	-	-	1,699,759	1,699,759
Sanitation Operations	787,680	811,584	-	-	-	23,904	23,904
Total Business-Type Activities	7,821,866	8,991,769	102,518	-	-	1,272,421	1,272,421
Total Primary Government	\$ 26,076,346	\$ 10,922,943	\$ 3,537,516	\$ 168,408	(12,719,900)	1,272,421	(11,447,479)
General Revenues							
					856,251	-	856,251
					54,524	-	54,524
					12,252,686	2,475,498	14,728,184
					443,828	-	443,828
					205,612	-	205,612
					76,098	-	76,098
					24,961	8,277	33,238
					209,479	-	209,479
					350,376	514,773	865,149
					2,000	(2,000)	-
Transfers							

City of Rifle, Colorado
Balance Sheet
Governmental Funds
December 31, 2022

	General	Street Improvements	Parks and Recreation	Capital Improvement	Nonmajor Governmental Funds	Totals
Assets						
Cash and Investments	\$ 11,471,006	\$ 5,123,574	\$ 2,983,446	\$ 2,818,701	\$ 1,834,219	\$ 24,230,946
Accounts Receivable	204,661	1,750	-	-	4,000	210,411
Taxes Receivable	2,633,801	-	-	-	38,656	2,672,457
Property Taxes Receivable	669,952	-	-	-	46,407	716,359
Due from Other Fund	68,629	-	-	-	-	68,629
Total Assets	15,048,049	5,125,324	2,983,446	2,818,701	1,923,282	27,898,802
Liabilities						
Accounts Payable	126,013	99,176	28,450	3,495	52,138	309,272
Retainage Payable	-	64,805	5,403	978	-	71,186
Deferred Revenue	2,441,128	-	-	-	-	2,441,128
Deposits	362,688	-	350	-	2,600	365,638
Total Liabilities	2,929,829	163,981	34,203	4,473	54,738	3,187,224
Deferred Inflows of Resources						
Property Taxes	669,952	-	-	-	46,407	716,359
Fund Balances						
Nonspendable						
Cemetery Perpetual Care	-	-	-	-	293,906	293,906
Restricted For:						
Emergencies	855,000	-	-	-	-	855,000
Debt Service	203,417	-	-	-	-	203,417
Parks and Recreation	233,788	-	-	-	238,946	472,734
Assigned For:						
Channel 10	36,293	-	-	-	-	36,293
Senior Center Capital and Meals	131,049	-	-	-	-	131,049
Police Expenditures	2,472	-	-	-	-	2,472
Economic Development	-	-	-	-	1,289,285	1,289,285
Street Improvement	-	4,961,343	-	-	-	4,961,343
Parks and Recreation	-	-	2,949,243	-	-	2,949,243
Capital Improvements	-	-	-	2,814,228	-	2,814,228
Unrestricted, Unassigned	9,986,249	-	-	-	-	9,986,249
Total Fund Balances	11,448,268	4,961,343	2,949,243	2,814,228	1,822,137	23,995,219
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 15,048,049	\$ 5,125,324	\$ 2,983,446	\$ 2,818,701	\$ 1,923,282	\$ 27,898,802

City of Rifle, Colorado
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
December 31, 2022

**Amounts Reported for Governmental Activities
in the Statement of Net Position are Different Because:**

Total Fund Balances of Governmental Funds	\$ 23,995,219
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in governmental funds.	57,585,881
Long-term liabilities and related items are not due and payable in the current year and, therefore, are not reported in governmental funds.	
Notes Payable	(3,884,999)
Accrued Compensated Absences	(599,557)
Internal Service Funds are blended into Governmental Activities	<u>1,014,217</u>
Total Net Position of Governmental Activities	\$ <u><u>78,110,761</u></u>

City of Rifle, Colorado
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2022

	General	Street Improvements	Parks and Recreation	Capital Improvement	Nonmajor Governmental Funds	Totals
Revenues						
Taxes	\$ 8,194,165	\$ 1,650,332	\$ 3,300,665	\$ -	\$ 667,740	\$ 13,812,902
Licenses and Permits	239,077	232,853	-	-	-	471,930
Intergovernmental	2,021,217	1,415,600	45,420	-	197,268	3,679,505
Charges for Services	1,077,551	2,865	422,945	-	250,918	1,754,279
Investment Income	12,454	3,641	1,740	2,260	4,623	24,718
Other	271,569	-	341	-	68,480	340,390
Total Revenues	11,816,033	3,305,291	3,771,111	2,260	1,189,029	20,083,724
Expenditures						
Current						
General Government	3,992,102	-	-	-	-	3,992,102
Public Safety	3,441,903	-	-	-	-	3,441,903
Public Works	2,033,137	101,310	-	-	-	2,134,447
Parks and Recreation	455,248	-	2,690,207	-	-	3,145,455
Economic Development	-	-	-	-	993,108	993,108
Capital Outlay	139,912	3,044,009	82,497	643,401	122,793	4,032,612
Debt Service						
Principal	-	-	159,990	-	-	159,990
Interest and Fiscal Charges	-	-	136,376	-	-	136,376
Total Expenditures	10,062,302	3,145,319	3,069,070	643,401	1,115,901	18,035,993
Revenues Over (Under) Expenditures	1,753,731	159,972	702,041	(641,141)	73,128	2,047,731
Other Financing Sources (Uses)						
Disposal of capital assets	287,987	-	-	-	-	287,987
Debt proceeds	-	-	-	-	-	-
Transfers In	25,000	300,000	10,600	-	47,000	382,600
Transfers Out	(179,000)	-	(300,000)	-	(75,600)	(554,600)
Total Other Financing Sources (Uses)	133,987	300,000	(289,400)	-	(28,600)	115,987
Net Change in Fund Balances	1,887,718	459,972	412,641	(641,141)	44,528	2,163,718
Fund Balances, Beginning of year	9,560,550	4,501,371	2,536,602	3,455,369	1,777,609	21,831,501
Fund Balances, End of year	\$ 11,448,268	\$ 4,961,343	\$ 2,949,243	\$ 2,814,228	\$ 1,822,137	\$ 23,995,219

See Notes to the Financial Statements.

City of Rifle, Colorado
Reconciliation of the Statement of Revenues, Expenditures and Changes in
Fund Balances of Governmental Funds to the Statement of Activities
Governmental Funds
For the Year Ended December 31, 2022

**Amounts Reported for Governmental Activities
in the Statement of Activities are Different Because:**

Net Change in Fund Balances of Governmental Funds	\$ 2,163,718
Capital outlays to purchase or construct capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are capitalized in the statement of net position and are allocated over their estimated useful lives as annual depreciation expense in the statement of activities.	
Capital Outlay	3,026,907
Depreciation Expense	(3,523,166)
Disposal of Capital Assets	(148,622)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	
Payment of Note Payable Principal	152,740
Change in Accrued Compensated Absences	51,554
Internal Service Funds are blended into Governmental Activities:	
Fleet Maintenance and Information Technology Funds, Change in Net Position	<u>32,784</u>
Change in Net Position of Governmental Activities	<u>\$ 1,755,915</u>

City of Rifle, Colorado
Statement of Net Position
Proprietary Funds
December 31, 2022

	Business-Type Activities				Governmental Activities
	Water	Wastewater	Sanitation	Totals	Internal Service Funds
Assets					
<i>Current Assets</i>					
Cash and Investments	\$ 15,542,270	\$ 6,442,909	\$ 145,761	\$ 22,130,940	\$ -
Accounts Receivable	403,761	740,853	94,618	1,239,232	-
Taxes Receivable	-	-	-	-	-
Prepaid Expenses	499	499	498	1,496	-
Inventory	218,927	46,203	-	265,130	11,144
Total Current Assets	16,165,457	7,230,464	240,877	23,636,798	11,144
<i>Noncurrent Assets</i>					
Capital Assets					
<i>Not Being Depreciated</i>	1,831,192	805,704	-	2,636,896	-
Capital Assets					
<i>Net of Accumulated Depreciation</i>	53,793,134	23,460,125	-	77,253,259	1,114,999
Total Noncurrent Assets	55,624,326	24,265,829	-	79,890,155	1,114,999
Total Assets	71,789,783	31,496,293	240,877	103,526,953	1,126,143
Liabilities					
<i>Current Liabilities</i>					
Accounts Payable	81,260	34,201	61,723	177,184	27,597
Accrued Liabilities	38,431	111,649	96	150,176	15,700
Accrued Interest Payable	136,805	102,197	-	239,002	-
Due to Other Funds	-	-	-	-	68,629
Deposits	10,840	-	-	10,840	-
Compensated Absences	8,144	-	-	8,144	-
Loan Payable - Current Portion	1,138,490	996,088	-	2,134,578	-
Certificates of Participation - Current Portion	225,000	-	-	225,000	-
Total Current Liabilities	1,638,970	1,244,135	61,819	2,944,924	111,926
<i>Noncurrent Liabilities</i>					
Compensated Absences	32,575	-	-	32,575	-
Notes Payable	14,341,753	5,837,243	-	20,178,996	-
Certificates of Participation	3,355,000	-	-	3,355,000	-
Total Noncurrent Liabilities	17,729,328	5,837,243	-	23,566,571	-
Total Liabilities	19,368,298	7,081,378	61,819	26,511,495	111,926
Deferred Inflows of Resources					
Deferred Tap Fees	21,969	47,928	-	69,897	-
Net Position					
Net Investment in Capital Assets	36,520,636	17,432,497	-	53,953,133	1,114,999
Restricted for:					
Emergencies	205,000	-	-	205,000	-
Operations and Maintenance Reserve	663,535	826,662	-	1,490,197	-
Unrestricted	15,010,345	6,107,828	179,058	21,297,231	(100,782)
Total Net Position	\$ 52,399,516	\$ 24,366,987	\$ 179,058	\$ 76,945,561	\$ 1,014,217

See Notes to the Financial Statements.

City of Rifle, Colorado
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
For the Year Ended December 31, 2022

	Business-Type Activities				Governmental Activities
	Water	Wastewater	Sanitation	Total	Internal Service Funds
Operating Revenues					
Charges for Services	\$ 3,534,072	\$ 4,305,065	\$ 811,584	\$ 8,650,721	\$ 1,377,186
Sale of Materials	24,748	-	-	24,748	-
Operating Grants	-	102,518	-	102,518	-
Other	492,997	433	-	493,430	-
Total Operating Revenues	4,051,817	4,408,016	811,584	9,271,417	1,377,186
Operating Expenses					
Personal Services	915,904	634,528	14,920	1,565,352	445,176
Supplies	80,619	92,426	-	173,045	266,764
Purchased Services	917,645	643,375	741,787	2,302,807	558,957
Other Expenses	297	66	24	387	-
Management Fees	138,890	85,268	29,912	254,070	-
Fleet Maintenance	38,156	30,525	-	68,681	4,696
Information Technology Maintenance	86,739	45,270	1,037	133,046	8,639
Small Equipment Purchases	7,822	2,058	-	9,880	70,503
Depreciation	1,644,381	1,068,114	-	2,712,495	244,009
Total Operating Expenses	3,830,453	2,601,630	787,680	7,219,763	1,598,744
Operating Income (Loss)	221,364	1,806,386	23,904	2,051,654	(221,558)
Nonoperating Revenues (Expenses)					
Sales and Use Taxes	2,475,498	-	-	2,475,498	-
Investment Income	8,318	609	(650)	8,277	243
Other Revenues	21,343	-	-	21,343	9,986
Gain on Sale of Assets	-	-	-	-	70,113
Amortization of Bond Premiums	69,258	35,614	-	104,872	-
Interest and Fiscal Charges	(443,978)	(262,997)	-	(706,975)	-
Total Nonoperating Revenues (Expenses)	2,130,439	(226,774)	(650)	1,903,015	80,342
Income (Loss) Before Capital Contributions & Transfers	2,351,803	1,579,612	23,254	3,954,669	(141,216)
Capital Contributions					
System Improvement Fees	173,451	121,189	-	294,640	-
Cash in lieu of Water Rights	21,660	-	-	21,660	-
Total Capital Contributions	195,111	121,189	-	316,300	-
Transfers					
Transfers In	-	-	-	-	174,000
Transfers Out	-	-	(2,000)	(2,000)	-
Total Transfers	-	-	(2,000)	(2,000)	174,000
Change in Net Position	2,546,914	1,700,801	21,254	4,268,969	32,784
Net Position, Beginning of year	49,852,602	22,666,186	157,804	72,676,592	981,433
Net Position, End of year	\$ 52,399,516	\$ 24,366,987	\$ 179,058	\$ 76,945,561	\$ 1,014,217

See Notes to the Financial Statements.

City of Rifle, Colorado
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2022

	Business-Type Activities				Governmental Activities Internal Service Funds
	Water	Wastewater	Sanitation	Totals	
Cash Flows From Operating Activities					
Cash Received from Customers	\$ 3,477,084	\$ 4,219,957	\$ 794,086	\$ 8,491,127	\$ 1,377,186
Cash Received from Others	492,997	102,951	-	595,948	-
Cash Payments to Vendors and Suppliers	(2,132,291)	(1,667,790)	(782,460)	(4,582,541)	(1,374,948)
Cash Payments to Employees	(11,345)	79,906	(291)	68,270	1,380
Net Cash Provided (Used) by Operating Activities	1,826,445	2,735,024	11,335	4,572,804	3,618
Cash Flows From Noncapital Financing Activities					
Other Revenues	21,343	-	-	21,343	9,986
Payments from (to) Other Funds	-	-	(2,000)	(2,000)	174,000
Net Cash Provided (Used) by Noncapital Financing Activities	21,343	-	(2,000)	19,343	183,986
Cash Flows From Capital and Related Financing Activities					
Purchases of Capital Assets	(1,146,083)	(205,928)	-	(1,352,011)	(409,974)
Proceeds from Sale of Assets	-	-	-	-	70,113
Advance from General Fund	-	-	-	-	68,629
Proceeds From System Improvement Fees	173,451	121,189	-	294,640	-
Proceeds From Cash in Lieu of Fees	21,660	-	-	21,660	-
Proceeds From Sales and Use Taxes	2,692,024	-	-	2,692,024	-
Principal Payments on Debt	(1,326,140)	(969,852)	-	(2,295,992)	-
Interest Payments on Debt	(457,956)	(282,015)	-	(739,971)	-
Net Cash Provided (Used) by Capital and Related Financing Activities	(43,044)	(1,336,606)	-	(1,379,650)	(271,232)
Cash Flows from Investing Activities					
Interest Received	8,318	609	(650)	8,277	243
Net Increase in Cash and Cash Equivalents	1,813,062	1,399,027	8,685	3,220,774	(83,385)
Cash and Cash Equivalents, Beginning of Year	13,729,208	5,043,882	137,076	18,910,166	83,385
Cash and Cash Equivalents, End of Year	\$ 15,542,270	\$ 6,442,909	\$ 145,761	\$ 22,130,940	\$ -
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities					
Operating Income (Loss)	\$ 221,364	\$ 1,806,386	\$ 23,904	\$ 2,051,654	\$ (221,558)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities					
Depreciation	1,644,381	1,068,114	-	2,712,495	244,009
Changes in Asset and Liabilities					
Accounts Receivable	(81,736)	(85,108)	(17,498)	(184,342)	-
Inventory	(5,453)	(34,501)	-	(39,954)	-
Accounts Payable	59,234	(99,773)	5,220	(35,319)	(20,213)
Accrued Liabilities	(11,345)	79,906	(291)	68,270	1,380
Net Cash Provided (Used) by Operating Activities	\$ 1,826,445	\$ 2,735,024	\$ 11,335	\$ 4,572,804	\$ 3,618

See Notes to the Financial Statements.

City of Rifle, Colorado
Notes to the Financial Statements
December 31, 2022

Note 1: Summary of Significant Accounting Policies

The financial statements of the City of Rifle (the City) have been prepared in conformity with generally accepted accounting principles (GAAP) as applicable to governmental entities. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies are described below.

The City of Rifle was incorporated in 1905 and became a Home Rule City in 1963. The City operates under a Council-Manager form of government and provides the following services as authorized by its charter: public safety, highways and streets, water, sewer, sanitation, health and social services, culture and recreation, education, public improvements, planning and zoning, and general administrative services. The City's basic financial statements include the accounts of all City operations.

Reporting Entity

The financial reporting entity consists of the City, organizations for which the City is financially accountable, and organizations that raise and hold economic resources for the direct benefit of the City. All funds, organizations, institutions, agencies, departments, and offices that are not legally separate are part of the City. Legally separate organizations for which the City is financially accountable are considered part of the reporting entity. Financial accountability exists if the City appoints a voting majority of the organization's governing board and is able to impose its will on the organization, or if there is a potential for the organization to provide benefits to, or impose financial burdens on, the City.

Based on the application of these criteria, the City includes the Downtown Development Agency (DDA) and the Urban Renewal Authority (URA) as blended component units. The DDA and URA were created as separate legal entities by an act of the state legislature and "activated" by action of the City Council to plan and develop the downtown and other blighted areas of the City and to attract new businesses and residents. The governing board of the DDA is appointed by the City Council for fixed terms. The DDA has the complete authority to hire management and all other employees. There is no significant continuing relationship between the City and the DDA for carrying out day-to-day functions. The governing board of the URA is the City Council.

The DDA is a separate taxing body and levies taxes against the property owners within the designated development district and may hold referendums of its constituents. The DDA's levy and the levy of the City are independent of each other and are related only by the fact they are levied against a common tax base within the DDA's geographic boundaries. Property taxes from the DDA's levy are its primary revenue source. The URA's primary source of revenue is increment tax receipts based on the increased assessed valuation of taxes in the Urban Renewal Authority boundaries.

City of Rifle, Colorado
Notes to the Financial Statements
December 31, 2022

Note 1: Summary of Significant Accounting Policies (Continued)

Reporting Entity (Continued)

Because the DDA's governing board is appointed by the City and the budget and any amendments thereto are approved by the City, the DDA is reported as if it were part of the primary government. Similarly, since the URA's governing board is the City Council and the budget and any amendments thereto are approved by the City Council, the URA is reported as if it were part of the primary government.

Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all activities of the City and its component units. For the most part, the effect of interfund activity has been removed from these statements. Exceptions to this general rule are charges for interfund services that are reasonably equivalent to the services provided. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of the given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment.

Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when the liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are *available* when they are collected within the current year or soon enough thereafter to pay liabilities of the current year. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current year.

City of Rifle, Colorado
Notes to the Financial Statements
December 31, 2022

Note 1: Summary of Significant Accounting Policies (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation
(Continued)

Taxes, intergovernmental revenues, and interest associated with the current year are susceptible to accrual and so have been recognized as revenues of the current year. All other revenues are considered measurable and available only when cash is received by the City.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, are recorded only when payment is due.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a fund's principal ongoing operations. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for a specific use, it is the City's practice to use restricted resources first, then unrestricted resources as they are needed.

In the fund financial statements, the City reports the following major governmental funds:

The *General Fund* is the City's primary operating fund. It accounts for all financial resources of the City, except those accounted for in another fund.

The *Street Improvements Fund* receives sales, use, and street impact revenues restricted for public works street improvements.

The *Parks and Recreation Fund* accounts for the operations of the city's parks and recreation programs. It is partially funded through a 1% sales and use tax assessment.

The *Capital Improvement Program Fund* accounts for the operations of the City's Capital Improvement Projects.

Additionally, the City reports the following major proprietary funds:

The *Water Fund* accounts for the financial activities associated with the provision of water services.

The *Wastewater Fund* accounts for the financial activities associated with the provision of sewer services.

The *Sanitation Fund* accounts for the financial activities associated with the City's waste collection services.

City of Rifle, Colorado
Notes to the Financial Statements
December 31, 2022

Note 1: Summary of Significant Accounting Policies (Continued)

Assets, Liabilities and Net Position/Fund Balances

Cash Equivalents - For purposes of the statement of cash flows, cash equivalents are defined as investments with original maturities of three months or less. The City considers all pooled cash and investments to be cash equivalents.

Receivables - Receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

Interfund Receivables and Payables - During operations, certain transactions occur between individual funds. The resulting receivables and payables are classified on the balance sheet as *interfund receivables* and *interfund payables*. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as *internal balances*.

Prepaid Expenses - Certain payments to vendors reflect costs applicable to future accounting periods and are reported as prepaid expenses using the consumption method.

Capital Assets - Capital assets, which include land, buildings, equipment, and all infrastructure owned by the City, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and the proprietary funds in the fund financial statements. Capital assets are defined by the City as assets with an initial, individual cost of \$5,000 or more and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at the acquisition value on the date of donation. The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend asset lives are not capitalized.

Capital assets of the City are depreciated using the straight-line method over the following estimated useful lives.

Buildings and Improvements	10 - 50 years
Infrastructure	7 - 75 years
Water, Sewer and Storm Drainage Plants and Systems	30 - 50 years
Machinery and Equipment	5 - 10 years

Compensated Absences - Employees of the City are allowed to accumulate unused vacation and sick time depending on length of employment. Upon termination of employment from the City, an employee will be compensated for all accrued vacation time at their current rate of pay. Accumulated, unpaid vacation time is accrued when earned in the government-wide financial statements and the proprietary funds in the fund financial statements. A liability is recorded in the governmental fund financial statements only when payment is due.

City of Rifle, Colorado
Notes to the Financial Statements
December 31, 2022

Note 1: Summary of Significant Accounting Policies (Continued)

Assets, Liabilities and Net Position/Fund Balances (Continued)

Long-Term Debt - In the government-wide financial statements and the proprietary funds in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities. Debt premiums, discounts and accounting losses resulting from debt refunding's are deferred and amortized over the life of the debt using the straight-line method. In the governmental fund financial statements, the face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts are reported as other financing uses.

Debt issuance costs, whether or not withheld from the debt proceeds, are reported as current expenses or expenditures.

Deferred Inflows of Resources - Deferred inflows of resources include property taxes earned but levied for a subsequent year. In addition, grants not available as current financial resources are reported as deferred inflows in the governmental fund financial statements.

Net Position/Fund Balances - In the government-wide and fund financial statements, net position and fund balances are restricted when constraints placed on the use of resources are externally imposed. The City Council establishes a fund balance commitment through passage of an ordinance and is authorized to informally assign amounts to a specific purpose. The City has not established a formal policy for its use of restricted and unrestricted fund balances. However, if both restricted and unrestricted fund balances are available for a specific purpose, the City uses restricted amounts first, followed by committed, assigned and unassigned amounts.

Property Taxes

Property taxes attached as an enforceable lien on property on January 1, are levied the following December, and collected in the subsequent year. Taxes are payable in full on April 30 or in two installments on February 28 and June 15. The County Treasurer's Office collects property taxes and remits to the City on a monthly basis. Since property tax revenues are collected in arrears during the succeeding fiscal year, receivables and corresponding deferred inflows of resources are reported at year end.

Subsequent Events

We have evaluated subsequent events through July 14, 2023, the date the financial statements were available to be issued.

City of Rifle, Colorado
Notes to the Financial Statements
December 31, 2022

Note 2: Cash and Investments

A summary of cash and investments at December 31, 2022, follows:

Petty Cash	\$ 2,485
Cash Deposits	5,666,170
Investments	40,693,231
Total	\$ 46,361,886

Cash Deposits

The Colorado Public Deposit Protection Act (PDPA) requires all local government entities to deposit cash in eligible public depositories. Eligibility is determined by State regulations. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. The PDPA allows the financial institution to create a single collateral pool for all public funds held. The pool is to be maintained by another institution or held in trust for all uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits. At December 31, 2022, the City had bank deposits of \$9,276,855 collateralized with securities held by the financial institutions' agents but not in the City's name.

Investments

The City is required to comply with State statutes which specify investments meeting defined rating, maturity, and concentration risk criteria in which the City may invest, which include the following. Custodial risk is not addressed by State statutes.

- Obligations of the United States and certain U.S. Agency securities
- Certain international agency securities
- General obligation and revenue bonds of U.S. local government entities
- Bankers' acceptances of certain banks
- Commercial paper
- Local government investment pools
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts (GICs)
- Certificates of deposit

At December 31, 2022, the City had the following investments:

	S&P Rating	Investment Maturities (in Years)		
		Less Than 1	1 - 5 Years	Total
U.S. Treasury Securities	AA+	\$ 5,781,882	\$ 6,418,509	\$ 12,200,391
Certificates of Deposit	n/a	203,417	768,023	971,440
Money Market Funds	n/a	2,001,916	-	2,001,916
Local Government Investment Pools	AAAm	25,519,484	-	25,519,484
Total		\$ 33,506,699	\$ 7,186,532	\$ 40,693,231

City of Rifle, Colorado
Notes to the Financial Statements
December 31, 2022

Note 2: Cash and Investments (Continued)

Investments (Continued)

Fair Value Measurements - The City reports its investments using the fair value measurements established by generally accepted accounting principles. As such, a fair value hierarchy categorizes the inputs used to measure the fair value of the investments into three levels. Level 1) inputs are quoted prices in active markets for identical investments; Level 2) inputs include quoted prices in active markets for similar investments, or other observable inputs; and Level 3) inputs are unobservable inputs. At December 31, 2022, the City's investments in U.S. Treasury and Agency securities were measured utilizing quoted prices in active markets for similar investments (Level 2 inputs).

Interest Rate Risk - State statutes generally limit the maturity of investment securities to five years from the date of purchase unless the governing board authorizes the investment for a period in excess of five years.

Credit Risk - State statutes limit certain investments to those with specified ratings from nationally recognized statistical rating organizations, depending on the type of investment.

Concentration of Credit Risk - State statutes do not limit the amount the City may invest in a single issuer of investment securities, except for corporate securities. At December 31, 2022, the City's investments in the following represented more than 5% of the City's total investments.

	Rating	Total
U.S. Treasury Securities		
Federal Home Loan Bank Bond	AA+	4.4%
Federal Home Loan Mortgage Corp Note	AA+	6.6%
Federal National Mortgage Association Note	AA+	5.4%
Local Government Investment Pools		
ColoTrust Prime	AAAm	24.6%
CSAFE	AAAm	36.3%

Local Government Investment Pools - At December 31, 2022, the City had \$11,752,337 and \$13,767,147 invested in the Colorado Local Government Liquid Asset Trust (Colotrust) and the Colorado Surplus Asset Fund Trust (CSAFE), respectively. The pools are investment vehicles established for local government entities in Colorado to pool surplus funds. The Colorado Division of Securities administers and enforces the requirements of creating and operating the pools. The pools operate in conformity with the Securities and Exchange Commission's Rule 2a-7. The pools are measured at the net asset value per share, with each share valued at \$1. The pools are rated AAAm by Standard and Poor's. Investments of the pools are limited to those allowed by State statutes. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. The custodian's internal records identify the investments owned by the participating governments.

City of Rifle, Colorado
Notes to the Financial Statements
December 31, 2022

Note 3: Capital Assets

Capital asset Governmental activity for the year ended December 31, 2022, is summarized below:

Governmental Activities	Balance 12/31/21	Additions	Transfer	Deletions	Balance 12/31/22
Capital Assets, <i>Not Being Depreciated</i> :					
Land	\$ 4,378,899	\$ -	\$ -	\$ (13,076)	\$ 4,365,823
Construction in Progress	1,107,558	699,908	(1,107,558)	-	699,908
Total Capital Assets, <i>Not Being Depreciated</i>	5,486,457	699,908	(1,107,558)	(13,076)	5,065,731
Capital Assets, <i>Being Depreciated</i> :					
Buildings	16,344,721	-	1,107,558	(50,565)	17,401,714
Improvements	88,231,992	2,148,463	-	-	90,380,455
Equipment	4,313,410	178,536	-	(342,231)	4,149,715
Internal Service - Equipment	3,190,269	421,462	-	(321,543)	3,290,188
Total Capital Assets, <i>Being Depreciated</i>	112,080,392	2,748,461	1,107,558	(714,339)	115,222,072
Less Accumulated Depreciation:					
Buildings	(7,864,202)	(454,378)	-	50,565	(8,268,015)
Improvements	(44,760,914)	(2,904,742)	-	-	(47,665,656)
Equipment	(3,520,702)	(164,046)	-	206,685	(3,478,063)
Internal Service - Equipment	(2,255,594)	(241,138)	-	321,543	(2,175,189)
Total Accumulated Depreciation	(58,401,412)	(3,764,304)	-	578,793	(61,586,923)
Total Capital Assets, <i>Being Depreciated, net</i>	53,678,980	(1,015,843)	1,107,558	(135,546)	53,635,149
Governmental Activities Capital Assets, <i>net</i>	\$ 59,165,437	\$ (315,935)	-	\$ (148,622)	\$ 58,700,880

Capital asset Business-Type activity for the year ended December 31, 2022, is summarized below:

Business-Type Activities	Balance 12/31/21	Additions	Transfers	Deletions	Balance 12/31/22
Capital Assets, <i>Not Being Depreciated</i> :					
Land and improvements	\$ 1,985,544	\$ -	\$ -	\$ -	\$ 1,985,544
Water Rights	651,352	-	-	-	651,352
Total Capital Assets, <i>Not Being Depreciated</i>	2,636,896	-	-	-	2,636,896
Capital Assets, <i>Being Depreciated</i> :					
Buildings	73,822,846	-	-	-	73,822,846
Improvements	42,268,548	1,084,732	-	-	43,353,280
Equipment	2,831,505	267,278	-	-	3,098,783
Total Capital Assets, <i>Being Depreciated</i>	118,922,899	1,352,010	-	-	120,274,909
Less Accumulated Depreciation:					
Buildings	(24,594,099)	(1,868,632)	-	-	(26,462,731)
Improvements	(13,876,277)	(768,355)	-	-	(14,644,632)
Equipment	(1,838,780)	(75,508)	-	-	(1,914,288)
Total Accumulated Depreciation	(40,309,156)	(2,712,495)	-	-	(43,021,651)
Total Capital Assets, <i>Being Depreciated, net</i>	78,613,743	(1,360,485)	-	-	77,253,258
Business-Type Activities Capital Assets, <i>net</i>	\$ 81,250,639	\$ (1,360,485)	\$ -	\$ -	\$ 79,890,154

City of Rifle, Colorado
Notes to the Financial Statements
December 31, 2022

Note 3: Capital Assets (Continued)

Depreciation expense was charged to programs of the City as follows:

	Total
Governmental Activities	
General Government	\$ 219,608
Public Safety	77,063
Public Works	2,316,841
Cemetery	5,165
Parks and Recreation	831,874
Economic Development	72,615
	3,523,166
Internal Service - Equipment	241,138
Total	\$ 3,764,304

Note 4: Long-Term Debt

Governmental Activities

Following is a summary of long-term debt transactions of the governmental activities for the year ended December 31, 2022:

Compensated absences are expected to be liquidated primarily with revenues of the General Fund.

	Balance 12/31/21	Additions	Payments	Balance 12/31/22	Due Within One Year
Construction Loan	\$ 4,037,739	\$ -	\$ (152,740)	\$ 3,884,999	\$ 159,744
Compensated Absences	651,109	13,558	(65,110)	599,557	59,955
Total	\$ 4,688,848	\$ 13,558	\$ (217,850)	\$ 4,484,556	\$ 219,699

In December 2018, the City obtained a construction loan which allows the City to borrow up to \$5,800,000, towards the pool renovation. The City was allowed to draw upon the loan through December 2020, at which time the loan converted into a term loan. The loan is due on December 1, 2040, with a maximum bi-annual payment of \$144,588. Semi-annual payments are due on June 1 and December 1. Interest on the unpaid outstanding loan balance is at 3.3%. During the loan period, the City must maintain a cash deposit with the lender in a Debt Service Reserve Fund equal to 125% of the bi-annual principal and interest payable on the loan in the amount of \$180,698.

City of Rifle, Colorado
Notes to the Financial Statements
December 31, 2022

Note 4: Long-Term Debt (Continued)

Governmental Activities (Continued)

The loan's future maturities are as follows:

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 159,744	\$ 129,372	\$ 289,116
2024	165,509	123,607	289,116
2025	171,442	117,674	289,116
2026	177,226	111,890	289,116
2027	183,205	105,911	289,116
2028 - 2032	1,012,489	433,091	1,445,580
2033 - 2037	1,195,610	249,970	1,445,580
2038 - 2040	819,774	48,716	868,490
Total	\$ <u>3,884,999</u>	\$ <u>1,320,231</u>	\$ <u>5,205,230</u>

Business-Type Activities

Following are the changes in long-term debt of the business-type activities for the year ended December 31, 2022:

	<u>Balance</u> <u>12/31/21</u>	<u>Additions</u>	<u>Payments</u>	<u>Balance</u> <u>12/31/22</u>	<u>Due Within</u> <u>One Year</u>
2007 CWRPDA Loan - Wastewater	\$ 7,604,340	\$ -	\$ (969,852)	\$ 6,634,488	\$ 996,088
Premium	234,457	-	(35,614)	198,843	-
2012 CWRPDA Loan - Water	14,608,736	-	(1,009,596)	13,599,140	1,040,006
2012 CWRPDA Loan - Water (Fed)	1,175,411	-	(96,544)	1,078,867	98,484
Premium	871,494	-	(69,258)	802,236	-
2015 Certificate of Participation - Water	3,800,000	-	(220,000)	3,580,000	225,000
Compensated Absences	46,040	3,887	(9,208)	40,719	8,144
Total	\$ <u>28,340,478</u>	\$ <u>3,887</u>	\$ <u>(2,410,072)</u>	\$ <u>25,934,293</u>	\$ <u>2,367,722</u>

In May 2007, the City entered into a loan agreement with the Colorado Water Resource and Power Development Authority in the amount of \$17,852,112. The proceeds were used to complete sewer improvements. The City has also recorded \$747,848 of premiums that are being amortized over the life of the loan, with the remaining unamortized portion included in the note payable balance in the financial statements. The loan requires semi-annual principal and interest payments on February 1 and August 1 of each year through 2028. The loan bears interest at 3.5% per annum, not including administrative fees. Pursuant to the loan agreement, the City was required to establish a 3-month operations and maintenance reserve based on the subsequent years budgeted expenditures, or \$386,484. The City has funded this reserve through the restriction of net position in the Wastewater Fund. The City believes it is in compliance with all required covenants and obligations called for by the loan agreement.

City of Rifle, Colorado
Notes to the Financial Statements
December 31, 2022

Note 4: Long-Term Debt (Continued)

Business-Type Activities (Continued)

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 996,088	\$ 248,257	\$ 1,244,345
2024	1,027,736	220,857	1,248,593
2025	1,064,384	190,537	1,254,921
2026	1,096,032	156,287	1,252,319
2027	1,185,564	65,421	1,250,985
2028	1,264,684	-	1,264,684
Total	<u>\$ 6,634,488</u>	<u>\$ 881,359</u>	<u>\$ 7,515,847</u>

In August 2012, the City entered into two loan agreements with the Colorado Water Resource and Power Development Authority in the amount of \$23,858,367. The loans are comprised of \$21,858,367 of regular CWRPDA financing and an additional \$2,000,000 direct loan. The proceeds are to be used to complete water system improvements.

The City has also received the benefit of \$1,523,671 of premiums related to the \$21,858,367 CWRPDA debt issuance that are being amortized over the life of the loan. The unamortized portions of the premiums are included in the note payable balance in the financial statements. Issuance costs of \$382,038 were expensed during 2012. The \$21,858,367 loan requires semi-annual principal and interest payments on February 1 and August 1 of each year through 2034 commencing in August 2012. The loan bears interest at 1.6% per annum, not including administrative fees. Pursuant to the loan agreement, the city was required to establish a 3-month operations and maintenance reserve based on the subsequent years budgeted expenditures or \$608,678. The City has funded this reserve through the restriction of its net position balance in the Water Fund. The City believes it is in compliance with all required covenants and obligations called for by the loan agreement. All debt payments related to this loan are made by the Water Fund.

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 1,040,006	\$ 284,261	\$ 1,324,267
2024	1,052,170	270,711	1,322,881
2025	1,064,333	257,950	1,322,283
2026	1,076,497	245,840	1,322,337
2027	1,088,661	234,237	1,322,898
2028 - 2032	5,729,154	891,981	6,621,135
2033 - 2034	2,548,319	105,901	2,654,220
Total	<u>\$ 13,599,140</u>	<u>\$ 2,290,881</u>	<u>\$ 15,890,021</u>

The \$2,000,000 direct loan was previously a federally subsidized non-interest-bearing loan. However, in 2014, the project no longer qualifies as green and, therefore, the loan does not qualify for a 0% interest rate. The new rate of 2% interest began accruing on August 1, 2014, with the first payment, at the new interest rate, due on February 1, 2015. The loan requires semi-annual principal payments of \$50,000 on February 1 and August 1 of each year through 2032 commencing in February 2013. All debt payments related to this loan are made by the Water Fund.

City of Rifle, Colorado
Notes to the Financial Statements
December 31, 2022

Note 4: Long-Term Debt (Continued)

Business-Type Activities (Continued)

The Non-Federally subsidized loan future maturities are as follows:

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 98,484	\$ 21,087	\$ 119,571
2024	100,464	19,108	119,572
2025	102,483	17,089	119,572
2026	104,543	15,029	119,572
2027	106,644	12,927	119,571
2028 - 2032	566,249	31,609	597,858
Total	\$ 1,078,867	\$ 116,849	\$ 1,195,716

In 2015, the City issued \$5,085,000 in certificates of participation for a water tank construction project. Principal payments are due semi-annually on June 1 and December 1. Principal payments started at \$110,000 in 2015 and increase to \$335,000 by 2035, at an interest rate of 3.13%. Payments are made by the Water Fund.

The 2015 Certificate of Participation future maturities are as follows:

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 225,000	\$ 113,610	\$ 338,610
2024	235,000	106,762	341,762
2025	240,000	99,012	339,012
2026	250,000	91,396	341,396
2027	255,000	83,472	338,472
2028 - 2032	1,410,000	290,370	1,700,370
2033 - 2035	965,000	54,931	1,019,931
Total	\$ 3,580,000	\$ 839,553	\$ 4,419,553

Note 5: Interfund Transactions

The City has recorded the following routine transfers:

	<u>Transfer In</u>	<u>Transfer Out</u>
General Fund	\$ 25,000	\$ (179,000)
Street Improvement	300,000	-
Parks and Recreation	10,600	(300,000)
Internal Service	174,000	-
Capital Improvements	-	-
Non-major Governmental Funds	47,000	(75,600)
Sanitation Fund	-	(2,000)
Total	\$ 556,600	\$ (556,600)

City of Rifle, Colorado
Notes to the Financial Statements
December 31, 2022

Note 6: Pension Plan

The City provides pension benefits for all its full-time police officers through a defined contribution plan. The police officers contribute 8% of their compensation to the plan, which the City matches with a 12.51% contribution. The City's contributions for each employee (and interest allocated thereon) vest at the rate of 20% per year, after the first year, so that by the fifth year of participation, employees are 100% vested in all contributions made to the plan. During the year ended December 31, 2022, the City contributed \$185,084 and the employees contributed \$118,454 to the plan.

All other full-time employees of the City are eligible to participate in a defined contribution pension plan established under the provisions of Section 401(a) of the Internal Revenue Code. In this defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. The plan covers all full-time employees upon initial employment and who have attained the age of twenty-one. The City contributes 5% of compensation to the plan on behalf of each qualified employee. Employees may not make contributions to this plan. Employers' contributions vest at the rate of 20% per year, after the first year, so that by the fifth year of participation, employees are 100% vested in all contributions made to the plan. For the year ended December 31, 2022, the City contributed \$303,620 to the plan.

The City offers a deferred compensation plan in accordance with Section 457(b) of the Internal Revenue Code. The plan permits employees to contribute a portion of their current salary, based upon limits prescribed in the Internal Revenue Code. The City contributes a match of up to 3% when an employee elects to participate in the plan.

Note 7: Risk-Related Activities

The City is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; injuries to employees; and natural disasters. For risks related to property and liability, the City is a member of the Colorado Intergovernmental Risk Sharing Agency (CIRSA), a separate and independent governmental and legal entity formed by intergovernmental agreement by member municipalities pursuant to the provisions of 24-20-115.5, Colorado Revised Statutes (1982 Replacement Volume) and Colorado Constitution, Article XIV, section 18(2). The purposes of CIRSA are to provide members defined liability and property coverage and to assist members to prevent and reduce losses and injuries to municipal property and to persons or property which might result in claims being made against members of CIRSA, their employees or officers. The City has not significantly changed its insurance coverage over the past three years, nor have settlements exceeded coverage during the same period.

The City carries commercial insurance for workers' compensation claims.

City of Rifle, Colorado
Notes to the Financial Statements
December 31, 2022

Note 8: Commitments and Contingencies

TABOR Amendment

In November 1992, Colorado voters passed the TABOR Amendment to the State Constitution which limits state and local government taxing powers and imposes spending limitations. The City is subject to the TABOR Amendment. Fiscal year 1992 provides the basis for limits in future years, to which may be applied allowable increases for inflation and property valuation. Revenue received in excess of the limitations may be required to be refunded unless the City's electorate vote to retain the revenue. The TABOR Amendment is subject to many interpretations, but the City believes it is in substantial compliance with the Amendment.

Litigation

From time to time, the City is involved in various litigation. Management believes the outcome of any litigation will not have a significant impact on the City's financial position.

Note 9: Rate Maintenance

The 2012 Colorado Water Resources and Power Development Authority (CWRPDA) water loan agreement, and the 2007 CWRPDA wastewater loan agreement required that Net Revenues shall represent a sum equal to 110% of the amount necessary to pay, when due, the principal and interest on the loans and any parity debt coming due.

City of Rifle, Colorado
Notes to the Financial Statements
December 31, 2022

Note 9: Rate Maintenance (Continued)

The computation of both the Water and Wastewater rate maintenance is as follows:

	Water Fund	Wastewater Fund
Revenues		
Operating Revenues	\$ 4,051,817	\$ 4,408,016
Sales & Use Taxes	2,475,498	-
System Improvement Fees	173,451	121,189
Investment Income	8,318	609
Cash in Lieu of Water Rights Fees	21,660	-
Other Revenues	21,343	-
	<u>6,752,087</u>	<u>4,529,814</u>
Expenses		
Operating Expenses	3,830,453	2,601,630
Less Depreciation	<u>(1,644,381)</u>	<u>(1,068,114)</u>
	<u>2,186,072</u>	<u>1,533,516</u>
Net Expenses		
	<u>2,186,072</u>	<u>1,533,516</u>
Net Revenues	<u>\$ 4,566,015</u>	<u>\$ 2,996,298</u>
Debt Service Requirements (Parity and Subordinate)		
2007 CWRPDA Note Payable	\$ -	\$ 1,244,345
2012 CWRPDA - Interest Bearing	1,324,267	-
2012 CWRPDA - Federal	119,571	-
2015 Certificates of Participation	<u>338,610</u>	<u>-</u>
	<u>1,782,448</u>	<u>1,244,345</u>
Debt Service Required		
	<u>1,782,448</u>	<u>1,244,345</u>
Required Coverage		
(Water at 100%, without System Improvement Fees)	<u>110%</u>	<u>110%</u>
Debt Service Coverage at 110%	<u>\$ 1,960,693</u>	<u>\$ 1,368,780</u>
Net Revenue Excess	<u>\$ 2,605,322</u>	<u>\$ 1,627,519</u>

City of Rifle, Colorado
Notes to the Financial Statements
December 31, 2022

Note 10: West Rifle Compost Facility Closure and Post-Closure Requirements

The City of Rifle is responsible for the West Rifle Composting Facility (Caca Loco) which is no longer operable. State and Federal laws and regulations require the City to take proper remediation steps and to perform certain maintenance and monitoring functions at the site. Closure and Post Closure costs of \$83,999 have been recognized as operating expense and a corresponding liability will continue to be carried on the balance sheet. This amount is based on what it would cost to perform all closure and post closure care in 2022 and each year thereafter. Actual costs may be higher due to inflation, changes in technology or changes in regulations. The City is required by State and Federal laws and regulations to demonstrate financial assurance. The City is in compliance with these requirements through the local government financial test.

Estimated total current cost of closure and post closure care applicable to the West Rifle Composting Facility for 2022, reflected in the accompanying financial statements in accrued liabilities, are as follows:

Closure Costs	\$ 59,191
Post Closure Costs - 5 years	<u>24,808</u>
Estimated Cost in 2022 Dollars for Closure and Post Closure Costs	<u><u>\$ 83,999</u></u>

Required Supplementary Information

City of Rifle, Colorado
Budgetary Comparison Schedule
General Fund
For the Year Ended December 31, 2022

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Taxes	\$ 7,661,440	\$ 7,661,440	\$ 8,194,165	\$ 532,725
Licenses and Permits	268,714	268,714	239,077	(29,637)
Intergovernmental	1,220,105	1,311,105	2,021,217	710,112
Charges for Services	974,526	974,526	1,077,551	103,025
Interest Income	64,845	64,845	12,454	(52,391)
Gain on Sale of Assets	-	-	287,987	287,987
Miscellaneous	88,000	88,000	271,569	183,569
Total Revenue	<u>10,277,630</u>	<u>10,368,630</u>	<u>12,104,020</u>	<u>1,735,390</u>
Expenditures				
General Government	3,939,394	3,939,394	3,992,102	(52,708)
Public Safety	3,725,468	3,725,468	3,441,903	283,565
Public Works	2,184,750	2,184,750	2,033,137	151,613
Parks and Recreation	505,648	505,648	455,248	50,400
Capital Outlay	86,065	361,065	139,912	221,153
Total Expenditures	<u>10,441,325</u>	<u>10,716,325</u>	<u>10,062,302</u>	<u>654,023</u>
Excess Revenues Over (Under) Expenditures	(163,695)	(347,695)	2,041,718	2,389,413
Other Financing Sources (Uses)				
Transfers In	-	-	25,000	25,000
Transfers Out	(179,000)	(179,000)	(179,000)	-
Total Other Financing Sources (Uses)	<u>(179,000)</u>	<u>(179,000)</u>	<u>(154,000)</u>	<u>25,000</u>
Change in Fund Balance	(342,695)	(526,695)	1,887,718	2,414,413
Fund Balance, Beginning of Year	<u>9,043,381</u>	<u>9,043,381</u>	<u>9,560,550</u>	<u>517,169</u>
Fund Balance, End of Year	<u>\$ 8,700,686</u>	<u>\$ 8,516,686</u>	<u>\$ 11,448,268</u>	<u>\$ 2,931,582</u>

City of Rifle, Colorado
Budgetary Comparison Schedule
Street Improvement Fund
For the Year Ended December 31, 2022

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Taxes	\$ 1,518,996	\$ 1,518,996	\$ 1,650,332	\$ 131,336
Licenses and Permits	53,000	53,000	235,718	182,718
Intergovernmental	1,985,000	1,985,000	1,415,600	(569,400)
Investment Income	75,000	75,000	3,641	(71,359)
Total Revenues	3,631,996	3,631,996	3,305,291	(326,705)
Expenditures				
Public Works	435,272	435,272	101,310	333,962
Capital Outlay	3,785,000	4,035,000	3,044,009	990,991
Total Expenditures	4,220,272	4,470,272	3,145,319	1,324,953
Excess Revenues Over (Under) Expenditures	(588,276)	(838,276)	159,972	998,248
Other Financing Sources (Uses)				
Transfers In	-	300,000	300,000	-
Total Other Financing Sources (Uses)	-	300,000	300,000	-
Net Change in Fund Balance	(588,276)	(538,276)	459,972	998,248
Fund Balance, Beginning of year	3,906,552	3,906,552	4,501,371	594,819
Fund Balance, End of year	\$ 3,318,276	\$ 3,368,276	\$ 4,961,343	\$ 1,593,067

City of Rifle, Colorado
Budgetary Comparison Schedule
Parks and Recreation Fund
For the Year Ended December 31, 2022

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Taxes	\$ 3,129,949	\$ 3,129,949	\$ 3,300,665	\$ 170,716
Intergovernmental	63,600	61,100	45,420	(15,680)
Charges for Services	392,350	392,350	422,945	30,595
Interest Income	9,000	9,000	1,740	(7,260)
Other	40,000	-	341	341
Total Revenues	<u>3,634,899</u>	<u>3,592,399</u>	<u>3,771,111</u>	<u>178,712</u>
Expenditures				
Parks and Recreation	2,899,363	2,899,363	2,690,207	209,156
Capital Outlay	278,000	433,229	82,497	350,732
Debt Service - Principal	162,479	162,479	159,990	2,489
Debt Service - Interest	133,887	133,887	136,376	(2,489)
Total Expenditures	<u>3,473,729</u>	<u>3,628,958</u>	<u>3,069,070</u>	<u>559,888</u>
Excess Revenues Over (Under) Expenditures	161,170	(36,559)	702,041	738,600
Other Financing Sources (Uses)				
Transfers In	10,600	10,600	10,600	-
Transfers Out	-	(300,000)	(300,000)	-
Total Other Financing Sources (Uses)	<u>10,600</u>	<u>(289,400)</u>	<u>(289,400)</u>	<u>-</u>
Net Change in Fund Balance	171,770	(325,959)	412,641	738,600
Fund Balance, Beginning of year	<u>2,484,447</u>	<u>2,484,447</u>	<u>2,536,602</u>	<u>52,155</u>
Fund Balance, End of year	<u>\$ 2,656,217</u>	<u>\$ 2,158,488</u>	<u>\$ 2,949,243</u>	<u>\$ 790,755</u>

City of Rifle, Colorado
 Budgetary Comparison Schedule
 Capital Improvement Fund
 For the Year Ended December 31, 2022

	Original and Final Budget	Actual	Variance <i>Positive</i> <i>(Negative)</i>
Revenues			
Investment Income	\$ 32,400	\$ 2,260	\$ (30,140)
Total Revenues	<u>32,400</u>	<u>2,260</u>	<u>(30,140)</u>
Expenditures			
Capital Outlay	<u>1,000,000</u>	<u>643,401</u>	<u>356,599</u>
Total Expenditures	<u>1,000,000</u>	<u>643,401</u>	<u>356,599</u>
Net Change in Fund Balance	(967,600)	(641,141)	326,459
Fund Balance, Beginning of year	<u>3,152,751</u>	<u>3,455,369</u>	<u>302,618</u>
Fund Balance, End of year	<u>\$ 2,185,151</u>	<u>\$ 2,814,228</u>	<u>\$ 629,077</u>

City of Rifle, Colorado
Notes to Required Supplementary Information
December 31, 2022

Note 1: Stewardship, Compliance, and Accountability

Budgets

Budgets are legally adopted for all funds of the City, which has no operations other than depreciation expense. Budgets for the governmental funds are adopted on a basis consistent with generally accepted accounting principles (GAAP), except for certain interfund transactions that are reported as revenues and expenditures on the budgetary basis but not the GAAP basis of accounting. Budgetary comparisons for the enterprise funds are presented on a non-GAAP budgetary basis, whereby capital outlay and debt principal are budgeted as expenditures and depreciation and amortization are not budgeted.

The City adheres to the following procedures to establish the budgetary information reflected in the financial statements:

- By October 15, management submits to the City Council a proposed budget for the fiscal year commencing the following January 1. The budget includes proposed expenditures and the means of financing them.
- Public hearings are conducted by the City Council to obtain taxpayer comments.
- Prior to December 31, the budget is adopted by formal resolution.
- Expenditures may not legally exceed appropriations at the fund level. Revisions that alter the total expenditures of any fund must be approved by the City Counsel.
- All appropriations lapse at the end of each fiscal year.

Combining and Individual Fund Statements and Schedules

City of Rifle, Colorado
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2022

	Conservation Trust	Visitor Improvement	Downtown Development	Tourism and Industry	Urban Renewal Authority	Perpetual Care Fund	Totals
Assets							
Cash and Investments	\$ 238,946	\$ 378,416	\$ 71,286	\$ 714,432	\$ 137,233	\$ 293,906	\$ 1,834,219
Accounts Receivable	-	4,000	-	-	-	-	4,000
Taxes Receivable	-	-	38,656	-	-	-	38,656
Property Taxes Receivable	-	-	46,407	-	-	-	46,407
Total Assets	<u>\$ 238,946</u>	<u>\$ 382,416</u>	<u>\$ 156,349</u>	<u>\$ 714,432</u>	<u>\$ 137,233</u>	<u>\$ 293,906</u>	<u>\$ 1,923,282</u>
Liabilities							
Accounts Payable	\$ -	\$ -	\$ 1,522	\$ 48,641	\$ 1,975	\$ -	\$ 52,138
Deposit	-	-	-	2,600	-	-	2,600
Total Liabilities	<u>-</u>	<u>-</u>	<u>1,522</u>	<u>51,241</u>	<u>1,975</u>	<u>-</u>	<u>54,738</u>
Deferred Inflows of Resources							
Property Taxes	-	-	46,407	-	-	-	46,407
Fund Balances							
Nonspendable:							
Cemetery Perpetual Care	-	-	-	-	-	293,906	293,906
Restricted For:							
Parks and Recreation	238,946	-	-	-	-	-	238,946
Assigned For:							
Economic Development	-	382,416	108,420	663,191	135,258	-	1,289,285
Unrestricted, Unassigned	-	-	-	-	-	-	-
Total Fund Balances	<u>238,946</u>	<u>382,416</u>	<u>108,420</u>	<u>663,191</u>	<u>135,258</u>	<u>293,906</u>	<u>1,822,137</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 238,946</u>	<u>\$ 382,416</u>	<u>\$ 156,349</u>	<u>\$ 714,432</u>	<u>\$ 137,233</u>	<u>\$ 293,906</u>	<u>\$ 1,923,282</u>

City of Rifle, Colorado
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2022

	Conservation Trust	Visitor Improvement	Downtown Development	Tourism and Industry	Urban Renewal Authority	Perpetual Care Fund	Totals
Revenues							
Taxes	\$ -	\$ 205,612	\$ 45,157	\$ 273,773	\$ 143,198	\$ -	\$ 667,740
Intergovernmental	133,268	4,000	-	60,000	-	-	197,268
Charges for Services	-	-	-	238,713	-	12,205	250,918
Investment Income	173	280	59	545	81	3,485	4,623
Other	-	65,000	-	3,480	-	-	68,480
Total Revenues	<u>133,441</u>	<u>274,892</u>	<u>45,216</u>	<u>576,511</u>	<u>143,279</u>	<u>15,690</u>	<u>1,189,029</u>
Expenditures							
Economic Development	-	173,586	40,575	760,627	18,320	-	993,108
Capital Outlay	<u>39,253</u>	<u>45,000</u>	<u>768</u>	<u>37,772</u>	<u>-</u>	<u>-</u>	<u>122,793</u>
Total Expenditures	<u>39,253</u>	<u>218,586</u>	<u>41,343</u>	<u>798,399</u>	<u>18,320</u>	<u>-</u>	<u>1,115,901</u>
Excess of Revenues Over (Under) Expenditures	94,188	56,306	3,873	(221,888)	124,959	15,690	73,128
Other Financing Sources (Uses)							
Transfers In	-	40,000	7,000	-	-	-	47,000
Transfers Out	(40,000)	(35,600)	-	-	-	-	(75,600)
Total Other Financing Sources (Uses)	<u>(40,000)</u>	<u>4,400</u>	<u>7,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(28,600)</u>
Net Change in Fund Balances	54,188	60,706	10,873	(221,888)	124,959	15,690	44,528
Fund Balances, Beginning of year	<u>184,758</u>	<u>321,710</u>	<u>97,547</u>	<u>885,079</u>	<u>10,299</u>	<u>278,216</u>	<u>1,777,609</u>
Fund Balances, End of year	<u>\$ 238,946</u>	<u>\$ 382,416</u>	<u>\$ 108,420</u>	<u>\$ 663,191</u>	<u>\$ 135,258</u>	<u>\$ 293,906</u>	<u>\$ 1,822,137</u>

City of Rifle, Colorado
 Budgetary Comparison Schedule
 Conservation Trust Fund
 For the Year Ended December 31, 2022

	Original and Final Budget	Actual	Variance <i>Positive</i> <i>(Negative)</i>
Revenues			
Intergovernmental	\$ 90,000	\$ 133,268	\$ 43,268
Investment Income	<u>2,700</u>	<u>173</u>	<u>(2,527)</u>
Total Revenues	<u>92,700</u>	<u>133,441</u>	<u>40,741</u>
Expenditures			
Capital Outlays	<u>80,000</u>	<u>39,253</u>	<u>40,747</u>
Excess Revenues Over (Under) Expenditures	12,700	94,188	81,488
Other Financing Sources (Uses)			
Transfers In	-	-	-
Transfers Out	<u>(80,000)</u>	<u>(40,000)</u>	<u>40,000</u>
Total Other Financing Sources (Uses)	<u>(80,000)</u>	<u>(40,000)</u>	<u>40,000</u>
Net Change in Fund Balance	(67,300)	54,188	121,488
Fund Balance, Beginning of year	<u>170,671</u>	<u>184,758</u>	<u>14,087</u>
Fund Balance, End of year	<u>\$ 103,371</u>	<u>\$ 238,946</u>	<u>\$ 135,575</u>

City of Rifle, Colorado
 Budgetary Comparison Schedule
 Visitor Improvement Fund
 For the Year Ended December 31, 2022

	Original and Final Budget	Actual	Variance <i>Positive</i> <i>(Negative)</i>
Revenues			
Taxes	\$ 154,879	\$ 205,612	\$ 50,733
Intergovernmental	14,000	69,000	55,000
Investment Income	1,104	280	(824)
	<u>169,983</u>	<u>274,892</u>	<u>104,909</u>
Expenditures			
Economic Development	155,877	173,586	(17,709)
Capital Outlays	60,000	45,000	15,000
	<u>215,877</u>	<u>218,586</u>	<u>(2,709)</u>
Excess Revenues Over (Under) Expenditures	(45,894)	56,306	102,200
Other Financing Sources (Uses)			
Transfers In	40,000	40,000	-
Transfers Out	(25,000)	(35,600)	(10,600)
	<u>15,000</u>	<u>4,400</u>	<u>(10,600)</u>
Net Change in Fund Balance	(30,894)	60,706	91,600
Fund Balance, Beginning of year	<u>147,445</u>	<u>321,710</u>	<u>174,265</u>
Fund Balance, End of year	<u>\$ 116,551</u>	<u>\$ 382,416</u>	<u>\$ 265,865</u>

City of Rifle, Colorado
 Budgetary Comparison Schedule
 Downtown Development Fund
 For the Year Ended December 31, 2022

	Original and Final Budget	Actual	Variance <i>Positive</i> <i>(Negative)</i>
Revenues			
Taxes	\$ 44,500	\$ 45,157	\$ 657
Investment Income	661	59	(602)
	<u>45,161</u>	<u>45,216</u>	<u>55</u>
Total Revenues	<u>45,161</u>	<u>45,216</u>	<u>55</u>
Expenditures			
Economic Development	47,112	40,575	6,537
Capital Outlay	3,500	768	2,732
	<u>50,612</u>	<u>41,343</u>	<u>9,269</u>
Total Expenditures	<u>50,612</u>	<u>41,343</u>	<u>9,269</u>
Excess of Revenues Over (Under) Expenditures	(5,451)	3,873	9,324
Other Financing Sources (Uses)			
Transfers In	7,000	7,000	-
Total Other Financing Sources (Uses)	<u>7,000</u>	<u>7,000</u>	<u>-</u>
Net Change in Fund Balance	1,549	10,873	9,324
Fund Balance, Beginning of year	<u>88,911</u>	<u>97,547</u>	<u>8,636</u>
Fund Balance, End of year	<u>\$ 90,460</u>	<u>\$ 108,420</u>	<u>\$ 17,960</u>

City of Rifle, Colorado
 Budgetary Comparison Schedule
 Tourism and Industry Fund
 For the Year Ended December 31, 2022

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Taxes	\$ 250,374	\$ 250,374	\$ 273,773	\$ 23,399
Intergovernmental	60,000	60,000	60,000	-
Charges for Services	183,000	233,000	238,713	5,713
Investment Income	4,629	4,629	545	(4,084)
Other		-	3,480	3,480
	<u>498,003</u>	<u>548,003</u>	<u>576,511</u>	<u>28,508</u>
Total Revenues				
Expenditures				
Economic Development	582,930	770,007	760,627	9,380
Capital Outlay	28,000	42,981	37,772	5,209
	<u>610,930</u>	<u>812,988</u>	<u>798,399</u>	<u>14,589</u>
Total Expenditures				
Net Change in Fund Balance	(112,927)	(264,985)	(221,888)	43,097
Fund Balance, Beginning of year	<u>725,567</u>	<u>725,567</u>	<u>885,079</u>	<u>159,512</u>
Fund Balance, End of year	<u>\$ 612,640</u>	<u>\$ 460,582</u>	<u>\$ 663,191</u>	<u>\$ 202,609</u>

City of Rifle, Colorado
 Budgetary Comparison Schedule
 Urban Renewal Authority Fund
 For the Year Ended December 31, 2022

	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues			
Taxes	\$ 100,000	\$ 143,198	\$ 43,198
Investment Income	180	81	(99)
	<u>100,180</u>	<u>143,279</u>	<u>43,099</u>
Total Revenues	100,180	143,279	43,099
Expenditures			
Water Utility	35,000	18,320	16,680
	<u>35,000</u>	<u>18,320</u>	<u>16,680</u>
Total Expenditures	35,000	18,320	16,680
Net Change in Fund Balance	65,180	124,959	59,779
Fund Balance, Beginning of year	9,715	10,299	584
	<u>9,715</u>	<u>10,299</u>	<u>584</u>
Fund Balance, End of year	\$ 74,895	\$ 135,258	\$ 60,363
	<u>\$ 74,895</u>	<u>\$ 135,258</u>	<u>\$ 60,363</u>

City of Rifle, Colorado
 Budgetary Comparison Schedule
 Perpetual Care Fund
 For the Year Ended December 31, 2022

	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues			
Taxes	\$ 10,000	\$ 12,205	\$ 2,205
Investment Income	1,500	3,485	1,985
Total Revenues	11,500	15,690	4,190
Expenditures			
Capital Outlay	500	-	500
Total Expenditures	500	-	500
Net Change in Fund Balance	11,000	15,690	4,690
Fund Balance, Beginning of year	280,350	278,216	(2,134)
Fund Balance, End of year	\$ 291,350	\$ 293,906	\$ 2,556

City of Rifle, Colorado
 Budgetary Comparison Schedule
 Water Fund
 For the Year Ended December 31, 2022

	Original and Final Budget	Actual	Variance <i>Positive</i> <i>(Negative)</i>
Revenues			
Charges for Services	\$ 3,662,500	\$ 3,534,072	\$ (128,428)
Sale of Meters	10,000	24,748	14,748
Other - Operating	502,500	492,997	(9,503)
Sales and Use Taxes	2,266,737	2,475,498	208,761
Investment Income	124,374	8,318	(116,056)
Other - Nonoperating	10,000	21,343	11,343
System Improvement Fees	150,000	173,451	23,451
Cash in Lieu of Fees	-	21,660	21,660
Total Revenues	<u>6,726,111</u>	<u>6,752,087</u>	<u>25,976</u>
Expenditures			
Personal Services	922,927	915,904	7,023
Supplies	115,000	80,619	34,381
Purchased Services	1,071,500	917,645	153,855
Other Expenses	-	297	(297)
Management Fees	138,890	138,890	-
Fleet Maintenance	38,156	38,156	-
Information Technology Maintenance	86,739	86,739	-
Small Equipment Purchases	-	46	(46)
Capital Outlays	275,000	1,153,859	(878,859)
Interest Expense	427,575	374,720	52,855
Debt Principal Payments	1,291,078	1,326,140	(35,062)
Total Expenditures	<u>4,366,865</u>	<u>5,033,015</u>	<u>(666,150)</u>
Change in Net Position - Budgetary Basis	<u>\$ 2,359,246</u>	<u>1,719,072</u>	<u>\$ (640,174)</u>
Adjustments to GAAP Basis			
Capital Outlay		1,146,083	
Debt Principal Payments		1,326,140	
Depreciation		<u>(1,644,381)</u>	
Change in Net Position		2,546,914	
Fund Balance, Beginning of year		<u>49,852,602</u>	
Fund Balance, End of year		<u>\$ 52,399,516</u>	

City of Rifle, Colorado
 Budgetary Comparison Schedule
 Wastewater Fund
 For the Year Ended December 31, 2022

	Original and Final Budget	Actual	Variance <i>Positive</i> <i>(Negative)</i>
Revenues			
Charges for Services	\$ 3,882,879	\$ 4,305,065	\$ 422,186
Intergovernmental	-	102,518	102,518
Investment Income	16,758	609	(16,149)
Other - Nonoperating	35,614	433	(35,181)
System Improvement Fees	140,250	121,189	(19,061)
Total Revenues	<u>4,075,501</u>	<u>4,529,814</u>	<u>454,313</u>
Expenditures			
Personal Services	630,373	634,528	(4,155)
Supplies	214,500	92,426	122,074
Purchased Services	662,500	643,375	19,125
Other Expense	-	66	(66)
Management Fees	85,268	85,268	-
Fleet Maintenance	30,525	30,525	-
Information Technology Maintenance	45,270	45,270	-
Small Equipment Purchase	-	2,058	(2,058)
Capital Outlays	161,063	205,928	(44,865)
Interest Expense	282,017	227,383	54,634
Debt Principal Payments	969,852	969,852	-
Total Expenditures	<u>3,081,368</u>	<u>2,936,679</u>	<u>144,689</u>
Change in Net Position - Budgetary Basis	<u>\$ 994,133</u>	<u>1,593,135</u>	<u>\$ 599,002</u>
Adjustments to GAAP Basis			
Capital Outlay		205,928	
Debt Principal Payments		969,852	
Depreciation		<u>(1,068,114)</u>	
Change in Net Position		1,700,801	
Fund Balance, Beginning of year		<u>22,666,186</u>	
Fund Balance, End of year		<u>\$ 24,366,987</u>	

City of Rifle, Colorado
 Budgetary Comparison Schedule
 Sanitation Fund
 For the Year Ended December 31, 2022

	Original and Final Budget	Actual	Variance <i>Positive</i> <i>(Negative)</i>
Revenues			
Charges for Services	\$ 796,500	\$ 811,584	\$ 15,084
Other - Operating	-	-	-
Investment Income	1,050	(650)	(1,700)
Total Revenues	<u>797,550</u>	<u>810,934</u>	<u>13,384</u>
Expenditures			
Personal Services	14,873	14,920	(47)
Purchased Services	744,000	741,787	2,213
Other Expenses	-	24	(24)
Management Fees	29,912	29,912	-
Information Technology Maintenance	1,037	1,037	-
Total Expenditures	<u>789,822</u>	<u>787,680</u>	<u>2,142</u>
Revenues Over (Under) Expenditures	7,728	23,254	15,526
Transfers			
Transfers Out	<u>(2,000)</u>	<u>(2,000)</u>	<u>-</u>
Change in Net Position - Budgetary Basis	<u>\$ 5,728</u>	<u>21,254</u>	<u>\$ 15,526</u>
Adjustments to GAAP Basis			
None		<u>-</u>	
Change in Net Position		21,254	
Fund Balance, Beginning of year		<u>157,804</u>	
Fund Balance, End of year		<u>\$ 179,058</u>	

State Compliance Section

LOCAL HIGHWAY FINANCE REPORT	STATE: COLORADO YEAR ENDING (mm/yy): 12/22
This Information From The Records Of: City of Rifle	Prepared By: Scott Rust, Finance Director

I. DISPOSITION OF HIGHWAY-USER REVENUES AVAILABLE FOR LOCAL GOVERNMENT EXPENDITURE

ITEM	A. Local Motor-Fuel Taxes	B. Local Motor-Vehicle Taxes	C. Receipts from State Highway-User Taxes	D. Receipts from Federal Highway Administration
1. Total receipts available				
2. Minus amount used for collection expenses				
3. Minus amount used for nonhighway purposes				
4. Minus amount used for mass transit				
5. Remainder used for highway purposes				

II. RECEIPTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Receipts from local sources:	
1. Local highway-user taxes	
a. Motor Fuel (from Item I.A.5.)	
b. Motor Vehicle (from Item I.B.5.)	
c. Total (a.+b.)	
2. General fund appropriations	\$ 2,616,343.00
3. Other local imposts (from page 2)	\$ 2,299,409.00
4. Miscellaneous local receipts (from page 2)	\$ 519,191.00
5. Transfers from toll facilities	\$ -
6. Proceeds of sale of bonds and notes:	
a. Bonds - Original Issues	\$ -
b. Bonds - Refunding Issues	\$ -
c. Notes	\$ -
d. Total (a. + b. + c.)	\$ -
7. Total (1 through 6)	\$ 5,434,943.00
Private Contributions	
C. Receipts from State government (from page 2)	\$ 1,371,373.00
D. Receipts from Federal Government (from page 2)	\$ -
E. Total receipts (A.7 + B + C + D)	\$ 6,806,316.00

III. EXPENDITURES FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Local highway expenditures:	
1. Capital outlay (from page 2)	\$ 3,100,340.00
2. Maintenance:	\$ 1,842,771.00
3. Road and street services:	
a. Traffic control operations	\$ 203,810.00
b. Snow and ice removal	\$ 39,921.00
c. Other	\$ -
d. Total (a. through c.)	\$ 243,731.00
4. General administration & miscellaneous	\$ 265,551.00
5. Highway law enforcement and safety	\$ 1,307,106.00
6. Total (1 through 5)	\$ 6,759,499.00
B. Debt service on local obligations:	
1. Bonds:	
a. Interest	\$ -
b. Redemption	\$ -
c. Total (a. + b.)	\$ -
2. Notes:	
a. Interest	\$ -
b. Redemption	\$ -
c. Total (a. + b.)	\$ -
3. Total (1.c + 2.c)	\$ -
C. Payments to State for highways	\$ -
D. Payments to toll facilities	\$ -
E. Total expenditures (A.6 + B.3 + C + D)	\$ 6,759,499.00

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

	Opening Debt	Amount Issued	Redemptions	Closing Debt
A. Bonds (Total)				\$ -
1. Bonds (Refunding Portion)				\$ -
B. Notes (Total)				\$ -

V. LOCAL ROAD AND STREET FUND BALANCE (RECEIPTS AND DISBURSEMENTS ONLY)

A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
\$ (3,405,321.00)	\$ 6,806,316.00	\$ 6,759,499.00	\$ (3,358,504.00)	\$ -

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT

STATE:
COLORADO
YEAR ENDING (mm/yy):
12/22

II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL

ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		A.4. Miscellaneous local receipts:	
a. Property Taxes and Assessments		a. Interest on investments	\$ 3,641.00
b. Other local imposts:		b. Traffic Fines & Penalties	\$ 99,950.00
1. Sales Taxes	\$ 1,650,332.00	c. Parking Garage Fees	\$ -
2. Infrastructure & Impact Fees	\$ 235,718.00	d. Parking Meter Fees	\$ -
3. Liens	\$ -	e. Sale of Surplus Property	\$ -
4. Licenses	\$ -	f. Charges for Services	\$ -
5. Specific Ownership &/or Other	\$ 413,359.00	g. Other Misc. Receipts	\$ -
6. Total (1. through 5.)	\$ 2,299,409.00	h. Other	\$ 415,600.00
c. Total (a. + b.)	\$ 2,299,409.00	i. Total (a. through h.)	\$ 519,191.00
<i>(Carry forward to page 1)</i>		<i>(Carry forward to page 1)</i>	

ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes (from Item I.C.5.)	\$ 326,104.00	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	\$ -
a. State bond proceeds		b. FEMA	\$ -
b. Project Match	\$ -	c. HUD	\$ -
c. Motor Vehicle Registrations	\$ 45,269.00	d. Federal Transit Administration	\$ -
d. DOLA Grant	\$ 1,000,000.00	e. U.S. Corps of Engineers	\$ -
e. Other	\$ -	f. Other Federal	\$ -
f. Total (a. through e.)	\$ 1,045,269.00	g. Total (a. through f.)	\$ -
4. Total (1. + 2. + 3.f)	\$ 1,371,373.00	3. Total (1. + 2.g)	\$ -
<i>(Carry forward to page 1)</i>		<i>(Carry forward to page 1)</i>	

III. EXPENDITURES FOR ROAD AND STREET PURPOSES - DETAIL

	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
A.1. Capital outlay:			
a. Right-Of-Way Costs			\$ -
b. Engineering Costs		\$ 42,437.00	\$ 42,437.00
c. Construction:			
(1). New Facilities		\$ -	\$ -
(2). Capacity Improvements		\$ -	\$ -
(3). System Preservation		\$ 2,733,339.00	\$ 2,733,339.00
(4). System Enhancement And Operation		\$ 324,564.00	\$ 324,564.00
(5). Total Construction (1)+(2)+(3)+(4)	\$ -	\$ 3,057,903.00	\$ 3,057,903.00
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.4)	\$ -	\$ 3,100,340.00	\$ 3,100,340.00
<i>(Carry forward to page 1)</i>			

Notes and Comments:



Agenda Item #b.

Agenda Item Name:

Discuss Mind Springs SSWM (Detox) Budget

Presenter:

Clint Hostettler

Item Description:

Discuss Mind Springs SSWM (Detox) Budget

Recommended Action:

None

Fiscal Impact:

The total 2024 cost to Rifle is undetermined. The 2023 appropriation to fund the SSWM is \$40,000.

Operational Impact:

None

Prior Board Motions:

The Council approved funding the detox center at \$40,000 for FY 2023 in April of 2022.

Background Information:

Council authorized signing the SSWM (detox center) contract with Mind Springs, the County and the municipalities located within Garfield County in 2022. We have the option to withdraw from the agreement 90 days before the first day of the year in 2024 and in subsequent years. Rifle is committed to funding the Social Setting Withdrawal Management (SSWM) facility for \$40,000 this year. Staff budgeted this amount for 2023 based on input from the Council in April of 2022. The amount of support required for 2024 will be based upon the recommendation of the governing board and Councilor Hostettler is our representative on the board. He will present information on the current status of the 2024 SSWM budget.

Executive Summary:

Please see background field.

Notification Requirements:

None

Prepared By:

Tommy Klein, City Manager

Attachments:

1. Glenwood Detox Proforma
2. Glenwood Detox Start-Up

Mind Springs Health
Glenwood Springs Detox
Proforma - 12 Months
July 2023

	4 Beds	5 Beds	6 Beds
OPERATING INCOME			
State Funding	\$ 219,000	\$ 273,750	\$ 328,500
Medicaid	1,221,144	1,526,430	1,831,716
Commercial Insurance	215,496	215,496	215,496
Local Contributing Entities - MOU	376,500	376,500	376,500
TOTAL REVENUE	\$ 2,032,140	\$ 2,392,176	\$ 2,752,212
OPERATING EXPENSES			
SALARIES AND BENEFIT			
Salaries	813,548	813,548	813,548
Payroll Taxes	62,236	62,236	62,236
Benefits	244,064	244,064	244,064
Total Salaries and Benefits	1,119,848	1,119,848	1,119,848
DIRECT COSTS			
Client Food	73,000	91,250	109,500
Client Supplies and Purchased Services	6,720	8,400	10,080
Client Laboratory	19,200	24,000	28,800
Client Pharmacy	9,600	12,000	14,400
Total Direct Costs	108,520	135,650	162,780
OTHER OPERATING EXPENSES			
Contract - Janitorial	67,260	70,800	74,340
Rent	120,000	120,000	120,000
Admin Purchased Services	88,800	88,800	88,800
Education	10,000	10,000	10,000
Equip Leases	8,400	8,400	8,400
Insurance	9,000	9,000	9,000
Supplies	4,000	4,000	4,000
Recruiting	61,500	61,500	61,500
IT Licenses, Software, Etc	55,000	55,000	55,000
Total Other Operating Expense	423,960	427,500	431,040
OTHER COSTS			
QC, Medical Records, Etc.	109,920	109,920	109,920
Corp Overhead Allocation	480,000	480,000	480,000
Total Other Costs	589,920	589,920	589,920
Total Operating Costs	2,242,248	2,272,918	2,303,588
Net Income	\$ (210,108)	\$ 119,258	\$ 448,624

CATEGORY	BUDGETED		BILLED		REMAINING	NOTES
	AMOUNT					
General Requirements						
Architectural - Prints	n/a		Billed			Completed by Davis Partnership Architect - already paid by MSH Completed by Davis Partnership Architect - already paid by MSH
Engineering/Structural	n/a		Billed			
Building Permit	n/a		Billed			
Sanitary- Porta Potty	\$	3,500.00	\$	-	\$	
Consturction Dumpster	\$	8,000.00	\$	-	\$	8,000.00
Consturction/Final Clean	\$	2,500.00	\$	-	\$	2,500.00
Total	\$	14,000.00	\$	-	\$	14,000.00
Site Work						
Demo and Removal of eisting garage roll up door and exterior double door	\$	11,500.00	\$	-	\$	11,500.00
Excavation for new swer line installation	\$	75,000.00	\$	-	\$	75,000.00
Demo and Removal of existing Interior Walls	\$	11,500.00	\$	-	\$	11,500.00
Temp heating	\$	12,500.00	\$	-	\$	12,500.00
Total	\$	110,500.00	\$	-	\$	110,500.00
Concrete						
Concrete cut, demo, and removal for new plumbing underground and window	\$	29,500.00	\$	-	\$	29,500.00
Concrete Repair	\$	15,250.00	\$	-	\$	15,250.00
CMU Repair	\$	26,500.00	\$	-	\$	26,500.00
Total	\$	71,250.00	\$	-	\$	71,250.00
Structural Steel/Wood						
Allowance for structural reinforcement at new openings areas	\$	15,000.00	\$	-	\$	15,000.00
Total	\$	15,000.00	\$	-	\$	15,000.00
Woods and Plastic						
Framing Labor	\$	35,500.00	\$	-	\$	35,500.00
Frame Materials	\$	15,000.00	\$	-	\$	15,000.00
Finish Carpentry	\$	14,500.00	\$	-	\$	14,500.00
Finish Materials	\$	8,500.00	\$	-	\$	8,500.00
Millwork	\$	7,500.00	\$	-	\$	7,500.00
Common Labor	\$	20,000.00	\$	-	\$	20,000.00
Total	\$	101,000.00	\$	-	\$	101,000.00
Thermal and Moisture Protection						
Waterproof new Curbs for RTU	\$	8,500.00	\$	-	\$	8,500.00
Insulation/Building	\$	14,500.00	\$	-	\$	14,500.00
Roof Replacment	\$	221,000.00	\$	-	\$	221,000.00
Total	\$	244,000.00	\$	-	\$	244,000.00
Doors and Windows						
Wood Doors-Interior and Hardware	\$	55,000.00	\$	-	\$	55,000.00
Exterior Entry Doors	\$	9,500.00	\$	-	\$	9,500.00
Storefront Door Assemblies	\$	9,500.00	\$	-	\$	9,500.00
Total	\$	74,000.00	\$	-	\$	74,000.00
Finishes						
Drywall Materials/Labor	\$	35,900.00	\$	-	\$	35,900.00
Tile	\$	42,500.00	\$	-	\$	42,500.00
Grid Ceiling	\$	24,500.00	\$	-	\$	24,500.00
Interior Painting/Staining	\$	24,500.00	\$	-	\$	24,500.00
Sheet Vinyl/Lvt Flooring	\$	24,440.00	\$	-	\$	24,440.00
Vinyl Cove Base	\$	3,500.00	\$	-	\$	3,500.00
Total	\$	155,340.00	\$	-	\$	155,340.00
Specialties						
Toilet/Bath Accessories	\$	3,500.00	\$	-	\$	3,500.00
Total	\$	3,500.00	\$	-	\$	3,500.00
Appliances/Equipment						
Toaster X3	\$	300.00	\$	-	\$	300.00
Washer/Dryer	\$	2,500.00	\$	-	\$	2,500.00
Refrigerator X3	\$	4,500.00	\$	-	\$	4,500.00
Undercounter Refrigerator	\$	1,000.00	\$	-	\$	1,000.00
Countertop Icemaker X3	\$	18,000.00	\$	-	\$	18,000.00
Microwave X3	\$	1,500.00	\$	-	\$	1,500.00
Total	\$	27,800.00	\$	-	\$	27,800.00
Furnishings						
Cabinets	\$	95,000.00	\$	-	\$	95,000.00
Solid Surface Countertops	\$	95,000.00	\$	-	\$	95,000.00
Total	\$	237,300.00	\$	-	\$	237,300.00
Mechanical						
Plumbing	\$	136,000.00	\$	-	\$	136,000.00
Plumbing Fixturs	\$	20,000.00	\$	-	\$	20,000.00
Fire Suppression Monitoring System	\$	16,500.00	\$	-	\$	16,500.00
Fire Suppression System	\$	55,500.00	\$	-	\$	55,500.00
Heating and Cooling HVAC	\$	97,500.00	\$	-	\$	97,500.00
Total	\$	325,500.00	\$	-	\$	325,500.00
Electrical						
Services and Distributions	\$	197,520.00	\$	-	\$	197,520.00
Upgrade Electrical Transformer	\$	85,000.00	\$	-	\$	85,000.00
Low Voltage/Alarm System Wiring/Trim Out	\$	12,500.00	\$	-	\$	12,500.00
Total	\$	295,020.00	\$	-	\$	295,020.00
Contingency (Minimum 10%)						
Total	\$	1,674,210.00	\$	-	\$	1,674,210.00
General Conditions, OH, Supervisor, & Profit	\$	344,720.20	\$	-	\$	344,720.20

Total Construction Costs	\$	2,018,930.20	\$	-	\$	2,018,930.20
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Initial Staffing Cost

Recuriting	\$	6,000.00	\$	-	\$	6,000.00
Sign-On bonuses	\$	79,000.00	\$	-	\$	79,000.00
Onboarding	\$	89,264.12	\$	-	\$	89,264.12

Furnishings

Beds-8	\$	12,000.00	\$	12,000.00	\$	-	MSH In Kind Match- 8 beds
Nighstands/Wardrobes- 8	\$	10,400.00	\$	10,400.00	\$	-	MSH In Kind Match- 8 nightstands and wardrobes
Table and Chairs (11 x 16 Space)- 2 tables, 8 chairs	\$	4,555.09	\$	-	\$	4,555.09	
Clean linen room wire shevling with cover	\$	300.00	\$	-	\$	300.00	
Covered linen rolling cart	\$	200.00	\$	-	\$	200.00	
EVS- Rolling metal wired shelves	\$	275.00	\$	-	\$	275.00	
EVS- Cart	\$	185.00	\$	-	\$	185.00	
Med Room: 8 1/2 by 7 - Med Cart	\$	275.00	\$	-	\$	275.00	
Furnshings - Moving bedroom furniture to location	\$	1,407.80	\$	-	\$	1,407.80	

IT Equipment

Computers, Phones, Camera Equipment	\$	17,331.00	\$	8,755.00	\$	8,576.00	MSH In Kind Match
Wifi Access Points (2) with (3) Year License	\$	1,890.30	\$	1,890.30	\$	-	MSH In Kind Match

Supplies

Sanitary Supplies	\$	2,307.11	\$	-	\$	2,307.11	Includes (1) BAL machine, (1) vitals tower, (1) wheelchair, (1) walker, (1)
Medical and Other Supplies	\$	4,412.08	\$	-	\$	4,412.08	AED
Client Scrubs	\$	370.95	\$	-	\$	370.95	

Pharmacy

Medication Start-Up Inventory Purchase	\$	1,559.36	\$	-	\$	1,559.36
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Cleaning

Initial clean	\$	195.00	\$	-	\$	195.00	Extra, on top of first month's cleaning charge
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ALL Other Costs	\$	231,927.81	\$	33,045.30	\$	198,882.51
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TOTAL Costs-Construction + Additional Costs	\$	2,250,858.01	\$	33,045.30	\$	2,217,812.71
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Project Revenue	REQUESTED	AWARDED	REMAINING	
ARPA Garfield County	\$ 700,000.00	\$ 700,000.00	\$ -	Awarded, funding project fully to October
MSH - General fund	\$ 285,550.00	\$ 285,550.00	\$ -	Paid to date towards entire roof
COAC - AG Infrastrcuture Share	\$ 500,000.00	\$ -	\$ 500,000.00	SUBMITTED-PENDING
RMHP- HB19-1287	\$ 250,000.00	\$ -	\$ 250,000.00	SUBMITTED -PENDING
Boettcher Foundation	\$ 200,000.00	\$ -	\$ 200,000.00	INQUIRY LETTER SUBMITTED
FMLD Grant - operating only	\$ 200,000.00	\$ -	\$ 200,000.00	
Additional Foundation grants	\$ -	\$ -	\$ -	
Total Funding Secured	\$ 2,135,550.00	\$ 985,550.00	\$ 1,150,000.00	
Difference	\$ (115,308.01)			



Agenda Item #c.

Agenda Item Name:

Discuss Marsh Property Swap

Presenter:

Patrick Waller, Planning Director

Item Description:

Marsh Property Swap Discussion

Recommended Action:

None

Fiscal Impact:

None

Operational Impact:

None

Prior Board Motions:

City Council recently approved a license agreement for the property owners shed and fence to encroach onto City property.

Background Information:

The property owner has a vacant parcel that encroaches onto the access to the Raynard Ditch trail.

Executive Summary:

City Staff has discussed the possibility of a property swap to align existing property lines with existing conditions. The potential transfer could address the encroachment into the trail as well as the existing license agreement area.

Notification Requirements:

None

Prepared By:

Patrick Waller, Planning Director

Attachments:

None



Agenda Item #5.a.

Agenda Item Name:

Consider Minutes of the July 5, 2023, Regular Meeting

Presenter:

Misty Williams, City Clerk

Item Description:

Consider Minutes of the July 5, 2023, Regular Meeting

Recommended Action:

Move to approve the minutes of the July 5, 2023, City Council Regular Meeting

Fiscal Impact:

N/A

Operational Impact:

N/A

Prior Board Motions:

N/A

Background Information:

N/A

Executive Summary:

Minutes of the July 5, 2023, Regular Meeting

Notification Requirements:

N/A

Prepared By:

Alexis Ramirez, Deputy City Clerk

Attachments:

1. 07.05.2023 DRAFT Minutes



RIFLE CITY COUNCIL

REGULAR MEETING

July 5, 2023

7:00 p.m.

202 Railroad Avenue, Rifle, CO

CALL TO ORDER & ROLL CALL

A regular meeting of the Rifle City Council was called to order at 7:00 p.m. by Mayor Ed Green.

Present at Roll Call:

Councilor Joe Carpenter, Councilor Alicia Gresley, Mayor Ed Green, Councilor Brian Condie, Councilor Clint Hostettler and Councilor Sean Strode.

Councilor Clint Hostettler moved to excuse Councilor Chris Bornholdt from Council Meeting; seconded by Councilor Sean Strode.

Roll Call: Yes - Alicia Gresley, Sean Strode, Brian Condie, Clint Hostettler, Ed Green, and Joe Carpenter.

No – None.

Others Present:

City Manager Tommy Klein, City Clerk Misty Williams, City Attorney Jim Neu, Rifle Cable 10 Manager (RCTV) Michael Churchill, Lieutenant Mike Kuper, Planning Director Patrick Waller, Finance Director Scott Rust, Civil Engineer Craig Spaulding, Brad McCloud, David Myler, Michael Michalski, and Gail Schwartz.

PUBLIC COMMENT

No public comment was heard.

CONSENT AGENDA – CONSIDER THE FOLLOWING ITEMS:

- A. Consider Minutes of the June 7, 2023, Regular Meeting
- B. Consider Minutes of the June 21, 2023, Regular Meeting
- C. Consider Liquor License Renewal for RCG Rifle, LLC dba Rib City Grill
- D. Consider Report of Changes – Change of Manager for Kum & Go, LL dba Kum & Go #922
- E. Consider Adopting the 2024 Budget Preparation Calendar
- F. Consider Approval of Ordinance No. 12, Series of 2023 – Amending Section 6-5-170 of the Rifle Municipal Code to Update the Duration of a Responsible Service of Alcohol Certificate – 2nd Reading.

Councilor Sean Strode moved to approve Consent Agenda Item A, B, C, D, E, and F; seconded by Councilor Alicia Gresley.

Roll Call: Yes - Clint Hostettler, Brian Condie, Sean Strode, Joe Carpenter, Alicia Gresley and Ed Green.

No – None.

PRESENTATION

Receive Update from Habitat for Humanity on the Home Manufacturing Project

Roaring Fork Habitat for Humanity Director Gail Schwartz and Habitat for Humanity Attorney David Mylar presented the Council with an update on the Home Manufacturing Project. Habitat for Humanity is interested in moving forward in coming to an agreement to lease property from the City of Rifle. This property will hold a Home Manufacturing facility that can potentially provide as many as 27 full-time and 30 to 50 part-time employment positions. This is a critical project with a dual purpose that will enhance the workforce development in the region. The first stage of this project is currently in the process. Gail Schwartz stated this project has received a tremendous amount of financial support from the Colorado Governor Jared Polis and State Senators.

Habitat for Humanity Attorney David Mylar, Roaring Fork Habitat for Humanity Director Gail Schwartz and Michael Michalski answered questions for Council.

Consider Approval of Ordinance No. 13, Series of 2023 – Ground Lease with Habitat for Humanity – 1st Reading

AN ORDINANCE OF THE CITY OF RIFLE, COLORADO, APPROVING A GROUND LEASE WITH HABITAT FOR HUMANITY OF THE ROARING FORK VALLEY.

Councilor Alicia Gresley moved to approve Ordinance No. 13, Series of 2023 on 1st reading and order it to be published by title as required by Charter; seconded by Councilor Clint Hostettler.

Roll Call: Yes - Ed Green, Alicia Gresley, Sean Strode, Joe Carpenter, Brian Condie and Clint Hostettler.

No – None.

PUBLIC HEARING

Consider Approval of Ordinance No. 14, Series of 2023 – Xcel Franchise Agreement – 1st Reading

AN ORDINANCE OF THE CITY OF RIFLE, COLORADO GRANTING BY FRANCHISE TO PUBLIC SERVICE COMPANY OF COLORADO, ITS AFFILIATES, SUCCESSORS AND ASSIGNS, THE RIGHT TO USE THE STREETS WITHIN THE CITY TO FURNISH, SELL, TRANSMIT AND DISTRIBUTE GAS AND ELECTRICITY TO THE CITY AND TO ALL RESIDENTS OF THE CITY, GRANTING THE RIGHT TO ACQUIRE, CONSTRUCT, INSTALL, LOCATE, MAINTAIN, OPERATE AND EXTEND INTO, WITHIN AND THROUGH THE CITY ALL FACILITIES REASONABLY NECESSARY TO FURNISH, SELL, TRANSMIT AND DISTRIBUTE GAS AND ELECTRICITY WITHIN AND THROUGH THE CITY AND FIXING THE TERMS AND CONDITIONS THEREOF, AND REPEALING ARTICLE II OF CHAPTER 5 OF THE RIFLE MUNICIPAL CODE

Xcel Energy Western Slope Area Manager Brad McCloud presented a request to consider approval of Ordinance No. 14, Series of 2023 – Xcel Franchise Agreement – 1st Reading. Xcel Energy currently provides gas and electricity service to the City of Rifle under a franchise agreement adopted in 2003. The current franchise agreement expires on September 8, 2023. The City of Rifle has negotiated an updated agreement with Xcel Energy based on modern franchise agreements adopted by municipalities throughout the state and comments from City staff. The term of the new agreement is 20 years; beginning September 9, 2023, and terminating on

Rifle City Council Meeting July 5, 2023

September 8, 2043. The grant of the franchise agreement gives Xcel Energy the non-exclusive right to use the City streets, City public utility easements, and other City property to provide gas and electric service to the City and its residents and to install, maintain, and operate Xcel Energy facilities in and through the City reasonably necessary for the provision of utility service in the City. Xcel Energy will be expected to comply with the Rifle Municipal Code in utilizing the City's rights-of-way. Xcel Energy Area Manager Brad McCloud and City of Rifle staff will be meeting once a year throughout the 20-year franchise agreement. The franchise agreement and the adoption process complies with the provisions of Article XII of the City's Home Rule Charter addressing the granting of franchises. Public Notice requirements have been met.

Xcel Energy Western Slope Area Manager Brad McCloud answered questions for the Council.

Councilor Clint Hostettler moved to approve Ordinance No. 14, Series of 2023 on 1st reading and order it to be published by title as required by Charter; seconded by Councilor Brian Condie.

Roll Call: Yes - Brian Condie, Joe Carpenter, Alicia Gresley, Ed Green, Clint Hostettler and Sean Strode.

No – None.

REGULAR AGENDA

Consider Approval of Martin Construction for 2023 Street and Asphalt Improvements

Civil Engineer Craig Spaulding presented a request to approve the Martin Construction for 2023 Street and Asphalt Improvements. Improvements will be made to Prefontaine Ave, Wapiti St., Hospital Hill Road, E. 5th St., 26th St. and 14th St. Bids were requested publicly and two bids were received from qualified contractors. Martin Construction came as the lowest qualified bidder. Estimated construction start date will be August of 2023. Staff recommends approval of bid received by Martin Construction for the 2023 Street and Asphalt Improvements in the amount of \$595,321.00. Improvements will reduce the street repairs in the future and improve plowing conditions in the winter.

Councilor Brian Condie moved to approve Martin Construction for the 2023 Street and Asphalt Improvements in the amount of \$595,321.00; seconded by Councilor Joe Carpenter.

Roll Call: Yes - Ed Green, Alicia Gresley, Sean Strode, Joe Carpenter, Brian Condie and Clint Hostettler.

No – None.

Report to City Manager

Reports were heard from City Manager Tommy Klein.

Comments from Mayor and Council

Comments were heard from Councilor Alicia Gresley, Councilor Sean Strode, Councilor Brian Condie, and Mayor Ed Green.

Adjournment

Meeting adjourned at 7:53 p.m.

Misty Williams
City Clerk

Ed Green
Mayor



Agenda Item #5.b.

Agenda Item Name:

Consider Liquor License Renewal for Walmart Inc., dba Walmart #5232

Presenter:

Misty Williams, City Clerk

Item Description:

Consider Liquor License Renewal for Walmart Inc., dba Walmart #5232

Recommended Action:

I move to approve the Liquor License Renewal for Walmart Inc., dba Walmart #5232

Fiscal Impact:

None

Operational Impact:

None

Prior Board Motions:

None

Background Information:

Consider Liquor License Renewal for Walmart Inc., dba Walmart #5232 located at 1000 airport Road, Rifle, CO has submitted a Fermented Malt Beverage Liquor License Renewal Application.

The application is complete and the appropriate fees have been paid.

Executive Summary:

None

Notification Requirements:

None

Prepared By:

Alexis Ramirez, Deputy City Clerk

Attachments:

1. REDACTED Walmart #5232

Submit to Local Licensing Authority

WALMART #5232
702 SW 8TH ST DEPT 8916
Bentonville AR 72716-0500

RECEIVED

JUL 03 2023

City Clerk
City of Rifle

Fees Due	
Renewal Fee	146.25
Storage Permit \$100 X _____	\$
Sidewalk Service Area \$75.00	\$
Additional Optional Premise Hotel & Restaurant \$100 X _____	\$
Related Facility - Campus Liquor Complex \$160.00 per facility	\$
Amount Due/Paid	\$

Make check payable to: Colorado Department of Revenue. The State may convert your check to a one-time electronic banking transaction. Your bank account may be debited as early as the same day received by the State. If converted, your check will not be returned. If your check is rejected due to insufficient or uncollected funds, the Department may collect the payment amount directly from your banking account electronically.

Retail Liquor License Renewal Application

Please verify & update all information below

Return to city or county licensing authority by due date

Licensee Name WALMART INC.		Doing Business As Name (DBA) WALMART #5232	
Liquor License # 09-49513-0072	License Type Fermented Malt Beverage and Wine (city)		
Sales Tax License Number 09495180072	Expiration Date 09/18/2023	Due Date 08/04/2023	
Business Address 1000 AIRPORT RD Rifle CO 81650-8407		Phone Number 9706255367	
Mailing Address 702 SW 8TH ST DEPT 8916 Bentonville AR 72716-0500		Email Complic@wal-mart.com	
Operating Manager	Date of Birth	Home Address	Phone Number 970-625-5367

- Do you have legal possession of the premises at the street address above? ☒ Yes ☐ No
 Are the premises owned or rented? ☒ Owned ☐ Rented* *If rented, expiration date of lease _____
- Are you renewing a storage permit, additional optional premises, sidewalk service area, or related facility? If yes, please see the table in upper right hand corner and include all fees due. ☐ Yes ☒ No
- Are you renewing a takeout and/or delivery permit? (Note: must hold a qualifying license type and be authorized for takeout and/or delivery license privileges) ☐ Yes ☒ No
- If so, which are you renewing? ☐ Delivery ☐ Takeout ☐ Both Takeout and Delivery
- Since the date of filing of the last application, has the applicant, including its manager, partners, officer, directors, stockholders, members (LLC), managing members (LLC), or any other person with a 10% or greater financial interest in the applicant, been found in final order of a tax agency to be delinquent in the payment of any state or local taxes, penalties, or interest related to a business? ☐ Yes ☒ No
- Since the date of filing of the last application, has the applicant, including its manager, partners, officer, directors, stockholders, members (LLC), managing members (LLC), or any other person with a 10% or greater financial interest in the applicant failed to pay any fees or surcharges imposed pursuant to section 44-3-503, C.R.S.? ☐ Yes ☒ No
- Since the date of filing of the last application, has there been any change in financial interest (new notes, loans, owners, etc.) or organizational structure (addition or deletion of officers, directors, managing members or general partners)? If yes, explain in detail and attach a listing of all liquor businesses in which these new lenders, owners (other than licensed financial institutions), officers, directors, managing members, or general partners are materially interested. ☒ Yes ☐ No
- Since the date of filing of the last application, has the applicant or any of its agents, owners, managers, partners or lenders (other than licensed financial institutions) been convicted of a crime? If yes, attach a detailed explanation. ☒ Yes ☐ No

7. Since the date of filing of the last application, has the applicant or any of its agents, owners, managers, partners or lenders (other than licensed financial institutions) been denied an alcohol beverage license, had an alcohol beverage license suspended or revoked, or had interest in any entity that had an alcohol beverage license denied, suspended or revoked? If yes, attach a detailed explanation. ☒ Yes ☐ No
8. Does the applicant or any of its agents, owners, managers, partners or lenders (other than licensed financial institutions) have a direct or indirect interest in any other Colorado liquor license, including loans to or from any licensee or interest in a loan to any licensee? If yes, attach a detailed explanation. ☒ Yes ☐ No

Affirmation & Consent

I declare under penalty of perjury in the second degree that this application and all attachments are true, correct and complete to the best of my knowledge.

Type or Print Name of Applicant/Authorized Agent of Business	Title
<i>Sarah Little</i>	<i>Asst. Secretary</i>
Signature	Date
<i>Little</i>	<i>6/27/2023</i>

Report & Approval of City or County Licensing Authority

The foregoing application has been examined and the premises, business conducted and character of the applicant are satisfactory, and we do hereby report that such license, if granted, will comply with the provisions of Title 44, Articles 4 and 3, C.R.S., and Liquor Rules.

Therefore this application is approved.

Local Licensing Authority For	Date
Signature	Title
	Attest

Tax Check Authorization, Waiver, and Request to Release Information

I, Sarah Little am signing this Tax Check Authorization, Waiver and Request to Release Information (hereinafter "Waiver") on behalf of Walmart Inc. (the "Applicant/Licensee") to permit the Colorado Department of Revenue and any other state or local taxing authority to release information and documentation that may otherwise be confidential, as provided below. If I am signing this Waiver for someone other than myself, including on behalf of a business entity, I certify that I have the authority to execute this Waiver on behalf of the Applicant/Licensee.

The Executive Director of the Colorado Department of Revenue is the State Licensing Authority, and oversees the Colorado Liquor Enforcement Division as his or her agents, clerks, and employees. The information and documentation obtained pursuant to this Waiver may be used in connection with the Applicant/Licensee's liquor license application and ongoing licensure by the state and local licensing authorities. The Colorado Liquor Code, section 44-3-101, et seq. ("Liquor Code"), and the Colorado Liquor Rules, 1 CCR 203-2 ("Liquor Rules"), require compliance with certain tax obligations, and set forth the investigative, disciplinary and licensure actions the state and local licensing authorities may take for violations of the Liquor Code and Liquor Rules, including failure to meet tax reporting and payment obligations.

The Waiver is made pursuant to section 39-21-113(4), C.R.S., and any other law, regulation, resolution or ordinance concerning the confidentiality of tax information, or any document, report or return filed in connection with state or local taxes. This Waiver shall be valid until the expiration or revocation of a license, or until both the state and local licensing authorities take final action to approve or deny any application(s) for the renewal of the license, whichever is later. Applicant/Licensee agrees to execute a new waiver for each subsequent licensing period in connection with the renewal of any license, if requested.

By signing below, Applicant/Licensee requests that the Colorado Department of Revenue and any other state or local taxing authority or agency in the possession of tax documents or information, release information and documentation to the Colorado Liquor Enforcement Division, and is duly authorized employees, to act as the Applicant's/Licensee's duly authorized representative under section 39-21-113(4), C.R.S., solely to allow the state and local licensing authorities, and their duly authorized employees, to investigate compliance with the Liquor Code and Liquor Rules. Applicant/Licensee authorizes the state and local licensing authorities, their duly authorized employees, and their legal representatives, to use the information and documentation obtained using this Waiver in any administrative or judicial action regarding the application or license.

Name (Individual/Business) <u>Walmart Inc.</u>		Social Security Number/Tax Identification Number	
Address <u>702 SW 8th St.</u>			
City <u>Bentonville</u>		State <u>AR</u>	Zip <u>72716-0500</u>
Home Phone Number		Business/Work Phone Number	
Printed name of person signing on behalf of the Applicant/Licensee <u>Sarah Little</u>			
Applicant/Licensee's Signature (Signature authorizing the disclosure of confidential tax information) <u>S Little</u>			Date signed <u>6/27/2023</u>

Privacy Act Statement

Providing your Social Security Number is voluntary and no right, benefit or privilege provided by law will be denied as a result of refusal to disclose it. § 7 of Privacy Act, 5 USCS § 552a (note).



Agenda Item #5.c.

Agenda Item Name:

Consider Liquor License Renewal for Plaza Liquors, LLC dba Plaza Liquors

Presenter:

Misty Williams, City Clerk

Item Description:

Liquor Store License Renewal for Plaza Liquors, LLC dba Plaza Liquors

Recommended Action:

I move to approve the Liquor Store License Renewal application for Plaza Liquors, LLC dba Plaza Liquors

Fiscal Impact:

N/A

Operational Impact:

N/A

Prior Board Motions:

N/A

Background Information:

Plaza Liquors, LLC dba Plaza Liquors located at 1900 Railroad Avenue, Unit B, Rifle, CO has submitted a Liquor Store Liquor License Renewal Application.

The application is complete and the appropriate fees have been paid.

Executive Summary:

N/A

Notification Requirements:

N/A

Prepared By:

Alexis Ramirez, Deputy City Clerk

Attachments:

1. REDACTED Plaza Liquors Renewal

RECEIVED

JUL 12 2023

City Clerk
City of Rifle

Submit to Local Licensing Authority

PLAZA LIQUORS
1900 RAILROAD AVENUE UNIT B
Rifle CO 81650

Fees Due	
Renewal Fee	277.50
Storage Permit \$100 X _____	\$
Sidewalk Service Area \$75.00	\$
Additional Optional Premise Hotel & Restaurant \$100 X _____	\$
Related Facility - Campus Liquor Complex \$160.00 per facility	\$
Amount Due/Paid	\$ 277.50

Make check payable to: Colorado Department of Revenue. The State may convert your check to a one-time electronic banking transaction. Your bank account may be debited as early as the same day received by the State. If converted, your check will not be returned. If your check is rejected due to insufficient or uncollected funds, the Department may collect the payment amount directly from your banking account electronically.

Retail Liquor License Renewal Application

Please verify & update all information below

Return to city or county licensing authority by due date

Licensee Name PLAZA LIQUORS LLC		Doing Business As Name (DBA) PLAZA LIQUORS	
Liquor License # 42-72808-0000	License Type Liquor Store (city)		
Sales Tax License Number 042728090000	Expiration Date 08/20/2023	Due Date 07/06/2023	
Business Address 1900 RAILROAD AVENUE UNIT B Rifle CO 81650		Phone Number 9706253208	
Mailing Address 1900 RAILROAD AVENUE UNIT B Rifle CO 81650		Email <i>aliciamend1999@hotmail.com</i>	
Operating Manager	Date of Birth	Home Address	Phone Number
1. Do you have legal possession of the premises at the street address above? ☒ Yes ☐ No Are the premises owned or rented? ☒ Owned ☐ Rented* *If rented, expiration date of lease _____			
2. Are you renewing a storage permit, additional optional premises, sidewalk service area, or related facility? If yes, please see the table in upper right hand corner and include all fees due. ☐ Yes ☒ No			
3a. Are you renewing a takeout and/or delivery permit? (Note: must hold a qualifying license type and be authorized for takeout and/or delivery license privileges) ☐ Yes ☒ No			
3b. If so, which are you renewing? ☐ Delivery ☐ Takeout ☐ Both Takeout and Delivery			
4a. Since the date of filing of the last application, has the applicant, including its manager, partners, officer, directors, stockholders, members (LLC), managing members (LLC), or any other person with a 10% or greater financial interest in the applicant, been found in final order of a tax agency to be delinquent in the payment of any state or local taxes, penalties, or interest related to a business? ☐ Yes ☒ No			
4b. Since the date of filing of the last application, has the applicant, including its manager, partners, officer, directors, stockholders, members (LLC), managing members (LLC), or any other person with a 10% or greater financial interest in the applicant failed to pay any fees or surcharges imposed pursuant to section 44-3-503, C.R.S.? ☐ Yes ☒ No			
5. Since the date of filing of the last application, has there been any change in financial interest (new notes, loans, owners, etc.) or organizational structure (addition or deletion of officers, directors, managing members or general partners)? If yes, explain in detail and attach a listing of all liquor businesses in which these new lenders, owners (other than licensed financial institutions), officers, directors, managing members, or general partners are materially interested. ☐ Yes ☒ No			
6. Since the date of filing of the last application, has the applicant or any of its agents, owners, managers, partners or lenders (other than licensed financial institutions) been convicted of a crime? If yes, attach a detailed explanation. ☐ Yes ☒ No			

7. Since the date of filing of the last application, has the applicant or any of its agents, owners, managers, partners or lenders (other than licensed financial institutions) been denied an alcohol beverage license, had an alcohol beverage license suspended or revoked, or had interest in any entity that had an alcohol beverage license denied, suspended or revoked? If yes, attach a detailed explanation. ☐ Yes ☒ No
8. Does the applicant or any of its agents, owners, managers, partners or lenders (other than licensed financial institutions) have a direct or indirect interest in any other Colorado liquor license, including loans to or from any licensee or interest in a loan to any licensee? If yes, attach a detailed explanation. ☐ Yes ☒ No

Affirmation & Consent

I declare under penalty of perjury in the second degree that this application and all attachments are true, correct and complete to the best of my knowledge.

Type or Print Name of Applicant/Authorized Agent of Business

Title

Signature

Date

Report & Approval of City or County Licensing Authority

The foregoing application has been examined and the premises, business conducted and character of the applicant are satisfactory, and we do hereby report that such license, if granted, will comply with the provisions of Title 44, Articles 4 and 3, C.R.S., and Liquor Rules.

Therefore this application is approved.

Local Licensing Authority For

Date

Signature

Title

Attest

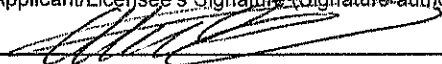
Tax Check Authorization, Waiver, and Request to Release Information

I, Plaza Liquors am signing this Tax Check Authorization, Waiver and Request to Release Information (hereinafter "Waiver") on behalf of _____ (the "Applicant/Licensee") to permit the Colorado Department of Revenue and any other state or local taxing authority to release information and documentation that may otherwise be confidential, as provided below. If I am signing this Waiver for someone other than myself, including on behalf of a business entity, I certify that I have the authority to execute this Waiver on behalf of the Applicant/Licensee.

The Executive Director of the Colorado Department of Revenue is the State Licensing Authority, and oversees the Colorado Liquor Enforcement Division as his or her agents, clerks, and employees. The information and documentation obtained pursuant to this Waiver may be used in connection with the Applicant/Licensee's liquor license application and ongoing licensure by the state and local licensing authorities. The Colorado Liquor Code, section 44-3-101, et seq. ("Liquor Code"), and the Colorado Liquor Rules, 1 CCR 203-2 ("Liquor Rules"), require compliance with certain tax obligations, and set forth the investigative, disciplinary and licensure actions the state and local licensing authorities may take for violations of the Liquor Code and Liquor Rules, including failure to meet tax reporting and payment obligations.

The Waiver is made pursuant to section 39-21-113(4), C.R.S., and any other law, regulation, resolution or ordinance concerning the confidentiality of tax information, or any document, report or return filed in connection with state or local taxes. This Waiver shall be valid until the expiration or revocation of a license, or until both the state and local licensing authorities take final action to approve or deny any application(s) for the renewal of the license, whichever is later. Applicant/Licensee agrees to execute a new waiver for each subsequent licensing period in connection with the renewal of any license, if requested.

By signing below, Applicant/Licensee requests that the Colorado Department of Revenue and any other state or local taxing authority or agency in the possession of tax documents or information, release information and documentation to the Colorado Liquor Enforcement Division, and is duly authorized employees, to act as the Applicant's/Licensee's duly authorized representative under section 39-21-113(4), C.R.S., solely to allow the state and local licensing authorities, and their duly authorized employees, to investigate compliance with the Liquor Code and Liquor Rules. Applicant/Licensee authorizes the state and local licensing authorities, their duly authorized employees, and their legal representatives, to use the information and documentation obtained using this Waiver in any administrative or judicial action regarding the application or license.

Name (Individual/Business) <u>Alicia and Jesus Prado</u>		Social Security Number/Tax Identification Number _____	
Address <u>1900 Railroad ave unit B</u>			
City <u>Rifle</u>		State <u>Co</u>	Zip <u>81650</u>
Home Phone Number _____		Business/Work Phone Number <u>970-625-3208</u>	
Printed name of person signing on behalf of the Applicant/Licensee <u>Alicia Prado</u>			
Applicant/Licensee's Signature (Signature authorizing the disclosure of confidential tax information) 			Date signed <u>7-12-23</u>

Privacy Act Statement

Providing your Social Security Number is voluntary and no right, benefit or privilege provided by law will be denied as a result of refusal to disclose it. § 7 of Privacy Act, 5 USCS § 552a (note).



Agenda Item #5.d.

Agenda Item Name:

Consider Liquor License Renewal for Dillon Companies LLC, dba City Market #43

Presenter:

Misty Williams, City Clerk

Item Description:

Consider Liquor License Renewal for Dillon Companies LLC, dba City Market #43

Recommended Action:

Move to approve the Liquor License Renewal for Dillon Companies LLC, dba City Market #43

Fiscal Impact:

None

Operational Impact:

None

Prior Board Motions:

None

Background Information:

Dillon Companies LLC, dba City Market #43 located at 1320 Railroad Avenue, Rifle, CO has submitted a Fermented Malt Beverage Liquor License Renewal Application.

The application is complete and the appropriate fees have been paid.

Executive Summary:

None

Notification Requirements:

None

Prepared By:

Alexis Ramirez, Deputy City Clerk

Attachments:

1. REDACTED City Market License Renewal

DR 8400 (03/31/23)
COLORADO DEPARTMENT OF REVENUE
 Liquor Enforcement Division

Submit to Local Licensing Authority

RECEIVED

JUN 30 2023

**City Clerk
 City of Rifle**

Fees Due	
Annual Renewal Application Fee	\$ 50.00
Renewal Fee	96.25
Storage Permit \$100 X _____	\$
Sidewalk Service Area \$75.00	\$
Additional Optional Premise Hotel & Restaurant \$100 X _____	\$
Related Facility - Campus Liquor Complex \$160.00 per facility	\$
Amount Due/Paid	\$ 146.25

Make check payable to: Colorado Department of Revenue. The State may convert your check to a one-time electronic banking transaction. Your bank account may be debited as early as the same day received by the State. If converted, your check will not be returned. If your check is rejected due to insufficient or uncollected funds, the Department may collect the payment amount directly from your banking account electronically.

Retail Liquor License Renewal Application

Please verify & update all information below

Return to city or county licensing authority by due date

Licensee Name Dillon Companies, LLC		Doing Business As Name (DBA) City Market #43	
Liquor License # 01107790175	License Type Fermented Malt Beverage and Wine (city)		
Sales Tax License Number 0110779-0175	Expiration Date 08/27/2023	Due Date 07/13/2023	
Business Address 1320 Railroad Ave. Rifle, CO 81650-3326			Phone Number 970-625-3080
Mailing Address PO Box 305103 Nashville, TN 37230-5103		Email business.license@kroger.com	
Operating Manager Jason Reisner	Date of Birth ()	Home Address ()	Phone Number ()
1. Do you have legal possession of the premises at the street address above? ☒ Yes ☐ No Are the premises owned or rented? ☒ Owned ☐ Rented* *If rented, expiration date of lease _____			
2. Are you renewing a storage permit, additional optional premises, sidewalk service area, or related facility? If yes, please see the table in the upper right hand corner and include all fees due. ☐ Yes ☒ No			
3a. Are you renewing a takeout and/or delivery permit? (Note: must hold a qualifying license type and be authorized for takeout and/or delivery license privileges) ☐ Yes ☒ No			
3b. If so, which are you renewing? ☐ Delivery ☐ Takeout ☐ Both Takeout and Delivery			
4a. Since the date of filing of the last application, has the applicant, including its manager, partners, officer, directors, stockholders, members (LLC), managing members (LLC), or any other person with a 10% or greater financial interest in the applicant, been found in final order of a tax agency to be delinquent in the payment of any state or local taxes, penalties, or interest related to a business? ☐ Yes ☒ No			
4b. Since the date of filing of the last application, has the applicant, including its manager, partners, officer, directors, stockholders, members (LLC), managing members (LLC), or any other person with a 10% or greater financial interest in the applicant failed to pay any fees or surcharges imposed pursuant to section 44-3-503, C.R.S.? ☐ Yes ☒ No			
5. Since the date of filing of the last application, has there been any change in financial interest (new notes, loans, owners, etc.) or organizational structure (addition or deletion of officers, directors, managing members or general partners)? If yes, explain in detail and attach a listing of all liquor businesses in which these new lenders, owners (other than licensed financial institutions), officers, directors, managing members, or general partners are materially interested. ☐ Yes ☒ No			
6. Since the date of filing of the last application, has the applicant or any of its agents, owners, managers, partners or lenders (other than licensed financial institutions) been convicted of a crime? If yes, attach a detailed explanation. ☐ Yes ☒ No			

DR 8400 (03/31/23)

COLORADO DEPARTMENT OF REVENUE

Liquor Enforcement Division

7. Since the date of filing of the last application, has the applicant or any of its agents, owners, managers, partners or lenders (other than licensed financial institutions) been denied an alcohol beverage license, had an alcohol beverage license suspended or revoked, or had interest in any entity that had an alcohol beverage license denied, suspended or revoked? If yes, attach a detailed explanation. ☐ Yes ☒ No
8. Does the applicant or any of its agents, owners, managers, partners or lenders (other than licensed financial institutions) have a direct or indirect interest in any other Colorado liquor license, including loans to or from any licensee or interest in a loan to any licensee? If yes, attach a detailed explanation. ☒ Yes ☐ No

Affirmation & Consent

I declare under penalty of perjury in the second degree that this application and all attachments are true, correct and complete to the best of my knowledge.

Type or Print Name of Applicant/Authorized Agent of Business Phil Nelson	Title Vice President
Signature DocuSigned by: <i>Phil Nelson</i>	Date 6/21/2023

Report & Approval of City or County Licensing Authority

The foregoing application has been examined and the premises, business conducted and character of the applicant are satisfactory, and we do hereby report that such license, if granted, will comply with the provisions of Title 44, Articles 4 and 3, C.R.S., and Liquor Rules.

Therefore this application is approved.

Local Licensing Authority For		Date
Signature	Title	Attest

DR 8495 (07/23/19)
COLORADO DEPARTMENT OF REVENUE
 Liquor Enforcement Division

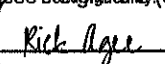
Tax Check Authorization, Waiver, and Request to Release Information

I, Rick Agee am signing this Tax Check Authorization, Waiver and Request to Release Information (hereinafter "Waiver") on behalf of Dillon Companies, LLC (the "Applicant/Licensee") to permit the Colorado Department of Revenue and any other state or local taxing authority to release information and documentation that may otherwise be confidential, as provided below. If I am signing this Waiver for someone other than myself, including on behalf of a business entity, I certify that I have the authority to execute this Waiver on behalf of the Applicant/Licensee.

The Executive Director of the Colorado Department of Revenue is the State Licensing Authority, and oversees the Colorado Liquor Enforcement Division as his or her agents, clerks, and employees. The information and documentation obtained pursuant to this Waiver may be used in connection with the Applicant/Licensee's liquor license application and ongoing licensure by the state and local licensing authorities. The Colorado Liquor Code, section 44-3-101, et seq. ("Liquor Code"), and the Colorado Liquor Rules, 1 CCR 203-2 ("Liquor Rules"), require compliance with certain tax obligations, and set forth the investigative, disciplinary and licensure actions the state and local licensing authorities may take for violations of the Liquor Code and Liquor Rules, including failure to meet tax reporting and payment obligations.

The Waiver is made pursuant to section 39-21-113(4), C.R.S., and any other law, regulation, resolution or ordinance concerning the confidentiality of tax information, or any document, report or return filed in connection with state or local taxes. This Waiver shall be valid until the expiration or revocation of a license, or until both the state and local licensing authorities take final action to approve or deny any application(s) for the renewal of the license, whichever is later. Applicant/Licensee agrees to execute a new waiver for each subsequent licensing period in connection with the renewal of any license, if requested.

By signing below, Applicant/Licensee requests that the Colorado Department of Revenue and any other state or local taxing authority or agency in the possession of tax documents or information, release information and documentation to the Colorado Liquor Enforcement Division, and is duly authorized employees, to act as the Applicant's/Licensee's duly authorized representative under section 39-21-113(4), C.R.S., solely to allow the state and local licensing authorities, and their duly authorized employees, to investigate compliance with the Liquor Code and Liquor Rules. Applicant/Licensee authorizes the state and local licensing authorities, their duly authorized employees, and their legal representatives, to use the information and documentation obtained using this Waiver in any administrative or judicial action regarding the application or license.

Name (Individual/Business) Dillon Companies, LLC dba City Market 43		Social Security Number/Tax Identification Number	
Address 1320 Railroad Ave.			
City Rifle		State CO	Zip 81650-3326
Home Phone Number 970-625-3080		Business/Work Phone Number 615-232-9486	
Printed name of person signing on behalf of the Applicant/Licensee Rick Agee			
Applicant/Licensee's Signature (Signature authorizing the disclosure of confidential tax information) 			Date signed 6/21/2023

E12A191C3B78434...

Privacy Act Statement

Providing your Social Security Number is voluntary and no right, benefit or privilege provided by law will be denied as a result of refusal to disclose it. § 7 of Privacy Act, 5 USCS § 552a (note).



Agenda Item #5.e.

Agenda Item Name:

Consider Liquor License Renewal for City of Rifle dba Ute Theater and Events Center

Presenter:

Misty Williams, City Clerk

Item Description:

Consider Liquor License Renewal for City of Rifle dba Ute Theater and Events Center

Recommended Action:

Move to approve the Liquor License Renewal for City of Rifle dba Ute Theater and Events Center

Fiscal Impact:

None

Operational Impact:

None

Prior Board Motions:

None

Background Information:

Consider Liquor License Renewal for City of Rifle dba Ute Theater and Events Center located at 132 East 4th Street, Rifle, CO has submitted a Lodging and Entertainment Liquor License Renewal Application.

The application is complete and the appropriate fees have been paid.

Executive Summary:

None

Notification Requirements:

None

Prepared By:

Alexis Ramirez, Deputy City Clerk

Attachments:

1. REDACTED Ute Theater

Submit to Local Licensing Authority

**UTE THEATER AND EVENTS CENTER
 132 EAST 4TH STREET
 Rifle CO 81650**

Fees Due	
Renewal Fee	550.00
Storage Permit \$100 X <u>1</u>	\$ <u>100.00</u>
Sidewalk Service Area \$75.00	\$
Additional Optional Premise Hotel & Restaurant \$100 X <u> </u>	\$
Related Facility - Campus Liquor Complex \$160.00 per facility	\$
Amount Due/Paid	\$ <u>650.00</u>

Make check payable to: Colorado Department of Revenue. The State may convert your check to a one-time electronic banking transaction. Your bank account may be debited as early as the same day received by the State. If converted, your check will not be returned. If your check is rejected due to insufficient or uncollected funds, the Department may collect the payment amount directly from your banking account electronically.

Colorado Beer and Wine License Renewal Application

Please verify & update all information below

Return to city or county licensing authority by due date

Licensee Name CITY OF RIFLE		Doing Business As Name (DBA) UTE THEATER AND EVENTS CENTER	
Liquor License # 03-10555	License Type Lodging & Entertainment (City)		
Sales Tax License Number 00402957	Expiration Date 09/27/2023	Due Date 08/13/2023	
Business Address 132 EAST 4TH STREET Rifle CO 81650			Phone Number 9706656569
Mailing Address 132 EAST 4TH STREET Rifle CO 81650		Email	
Operating Manager	Date of Birth	Home Address	Phone Number
1. Do you have legal possession of the premises at the street address above? ☒ Yes ☐ No Are the premises owned or rented? ☒ Owned ☐ Rented* *If rented, expiration date of lease _____			
2. Are you renewing a storage permit, additional optional premises, sidewalk service area, or related facility? If yes, please see the table in upper right hand corner and include all fees due. ☒ Yes ☐ No			
3a. Are you renewing a takeout and/or delivery permit? (Note: must hold a qualifying license type and be authorized for takeout and/or delivery license privileges) ☐ Yes ☒ No			
3b. If so, which are you renewing? ☐ Delivery ☐ Takeout ☐ Both Takeout and Delivery			
4a. Since the date of filing of the last application, has the applicant, including its manager, partners, officer, directors, stockholders, members (LLC), managing members (LLC), or any other person with a 10% or greater financial interest in the applicant, been found in final order of a tax agency to be delinquent in the payment of any state or local taxes, penalties, or interest related to a business? ☐ Yes ☒ No			
4b. Since the date of filing of the last application, has the applicant, including its manager, partners, officer, directors, stockholders, members (LLC), managing members (LLC), or any other person with a 10% or greater financial interest in the applicant failed to pay any fees or surcharges imposed pursuant to section 44-3-503, C.R.S.? ☐ Yes ☒ No			
5. Since the date of filing of the last application, has there been any change in financial interest (new notes, loans, owners, etc.) or organizational structure (addition or deletion of officers, directors, managing members or general partners)? If yes, explain in detail and attach a listing of all liquor businesses in which these new lenders, owners (other than licensed financial institutions), officers, directors, managing members, or general partners are materially interested. ☐ Yes ☒ No			
6. Since the date of filing of the last application, has the applicant or any of its agents, owners, managers, partners or lenders (other than licensed financial institutions) been convicted of a crime? If yes, attach a detailed explanation. ☐ Yes ☒ No			

7. Since the date of filing of the last application, has the applicant or any of its agents, owners, managers, partners or lenders (other than licensed financial institutions) been denied an alcohol beverage license, had an alcohol beverage license suspended or revoked, or had interest in any entity that had an alcohol beverage license denied, suspended or revoked? If yes, attach a detailed explanation. ☐ Yes ☒ No
8. Does the applicant or any of its agents, owners, managers, partners or lenders (other than licensed financial institutions) have a direct or indirect interest in any other Colorado liquor license, including loans to or from any licensee or interest in a loan to any licensee? If yes, attach a detailed explanation. ☐ Yes ☒ No

Affirmation & Consent

I declare under penalty of perjury in the second degree that this application and all attachments are true, correct and complete to the best of my knowledge.

Type or Print Name of Applicant/Authorized Agent of Business

Dorman Wayne Pleasants

Title

Manager

Signature

[Signature]

Date

07/07/23

Report & Approval of City or County Licensing Authority

The foregoing application has been examined and the premises, business conducted and character of the applicant are satisfactory, and we do hereby report that such license, if granted, will comply with the provisions of Title 44, Articles 4 and 3, C.R.S., and Liquor Rules.

Therefore this application is approved.

Local Licensing Authority For

Date

Signature

Title

Attest

Tax Check Authorization, Waiver, and Request to Release Information

I, Dorman Wayne Pleasants am signing this Tax Check Authorization, Waiver and Request to Release Information (hereinafter "Waiver") on behalf of City of Rifle dba UTE Theater (the "Applicant/Licensee") to permit the Colorado Department of Revenue and any other state or local taxing authority to release information and documentation that may otherwise be confidential, as provided below. If I am signing this Waiver for someone other than myself, including on behalf of a business entity, I certify that I have the authority to execute this Waiver on behalf of the Applicant/Licensee.

The Executive Director of the Colorado Department of Revenue is the State Licensing Authority, and oversees the Colorado Liquor Enforcement Division as his or her agents, clerks, and employees. The information and documentation obtained pursuant to this Waiver may be used in connection with the Applicant/Licensee's liquor license application and ongoing licensure by the state and local licensing authorities. The Colorado Liquor Code, section 44-3-101, et seq. ("Liquor Code"), and the Colorado Liquor Rules, 1 CCR 203-2 ("Liquor Rules"), require compliance with certain tax obligations, and set forth the investigative, disciplinary and licensure actions the state and local licensing authorities may take for violations of the Liquor Code and Liquor Rules, including failure to meet tax reporting and payment obligations.

The Waiver is made pursuant to section 39-21-113(4), C.R.S., and any other law, regulation, resolution or ordinance concerning the confidentiality of tax information, or any document, report or return filed in connection with state or local taxes. This Waiver shall be valid until the expiration or revocation of a license, or until both the state and local licensing authorities take final action to approve or deny any application(s) for the renewal of the license, whichever is later. Applicant/Licensee agrees to execute a new waiver for each subsequent licensing period in connection with the renewal of any license, if requested.

By signing below, Applicant/Licensee requests that the Colorado Department of Revenue and any other state or local taxing authority or agency in the possession of tax documents or information, release information and documentation to the Colorado Liquor Enforcement Division, and is duly authorized employees, to act as the Applicant's/Licensee's duly authorized representative under section 39-21-113(4), C.R.S., solely to allow the state and local licensing authorities, and their duly authorized employees, to investigate compliance with the Liquor Code and Liquor Rules. Applicant/Licensee authorizes the state and local licensing authorities, their duly authorized employees, and their legal representatives, to use the information and documentation obtained using this Waiver in any administrative or judicial action regarding the application or license.

Name (Individual/Business) <u>City of Rifle dba UTE Theater & Events Center</u>		Social Security Number/Tax Identification Number <u>00402957</u>	
Address <u>132 East 4th STREET</u>			
City <u>Rifle</u>		State <u>CO</u>	Zip <u>81650</u>
Home Phone Number <u>970-948-1062</u>		Business/Work Phone Number <u>970-665-0569</u>	
Printed name of person signing on behalf of the Applicant/Licensee <u>Dorman Wayne Pleasants</u>			
Applicant/Licensee's Signature (Signature authorizing the disclosure of confidential tax information) <u>Dorman Wayne Pleasants</u>			Date signed <u>07/07/2023</u>

Privacy Act Statement

Providing your Social Security Number is voluntary and no right, benefit or privilege provided by law will be denied as a result of refusal to disclose it. § 7 of Privacy Act, 5 USCS § 552a (note).



Agenda Item #5.f.

Agenda Item Name:

Consider Approval of Ordinance No. 13, Series of 2023 - Ground Lease with Habitat for Humanity - 2nd Reading

Presenter:

James S. Neu, City Attorney

Item Description:

Consider Approval of Ordinance No. 13, Series of 2023 - Ground Lease with Habitat for Humanity - 2nd Reading

Recommended Action:

Move to approve Ordinance No. 13, Series of 2023 - Ground Lease with Habitat for Humanity on second reading, as presented, and order it to be published by title as required by Charter.

Fiscal Impact:

None

Operational Impact:

None

Prior Board Motions:

None

Background Information:

None

Executive Summary:

Please see the attached memo.

Notification Requirements:

None

Prepared By:

Misty Williams, City Clerk

Attachments:

1. 20230705-Memo-Ordinance No. 13, Series of 2023-Habitat Lease
2. 20230705-Ground Lease for Modular Facility with Exhibits
3. Ordinance No. 13-Habitat Lease Approval

Glenwood Springs – Main Office
201 14th Street, Suite 200
P. O. Drawer 2030
Glenwood Springs, CO 81602

Aspen
0133 Prospector Road,
Suite 4102J
Aspen, CO 81611

Montrose
1544 Oxbow Drive
Suite 224
Montrose, CO 81402

James S. Neu
Partner/Shareholder

jsn@mountainlawfirm.com

Direct: 970.928.2121

Office: 970.945.2261

Fax: 970.945.7336

**Direct Mail to Glenwood Springs*

TO: Rifle City Council

FROM: Karp Neu Hanlon, P.C.

RE: Ordinance No. 13, Series of 2023-Ground Lease to Habitat for Humanity

DATE: June 28, 2023

The City has been in discussions with Habitat for Humanity of the Roaring Fork Valley to lease vacant land near the City's wastewater treatment plant for the development of modular housing production facility (the "Facility"). The Facility will encompass up to 60,000 square feet of floor area and will be designed and operated to produce modular housing units for Habitat housing projects and for sale to third parties solely for installation in other deed restricted workforce housing developments in Western Colorado. The City Council has received presentations from Habitat in the past and we now have a final Ground Lease for your consideration.

Habitat will lease approximately 10.5 acres roughly shown on Exhibit B to the Lease in your packet and a more specific description will be prepared prior to execution of the Lease. Habitat is fully responsible for developing the Leased Premises and constructing the Facility and for continuing repair and maintenance. The blanks in Section III of the Lease regarding the completion of the Facility will be filled in when we have that information. Habitat still needs to receive a Conditional Use Permit pursuant to the Rifle Municipal Code which it will do once it prepares the full plans for the Facility. Habitat will hold title to the Facility and the City will assume ownership upon the Termination of the Lease.

Section V of the Lease sets forth the Term of the Lease which comprises a Base Term of twenty years and two options to extend the Term for an additional twenty years and a final ten years, for a total of fifty years. Upon each option to extend the Term, the City can prepare a punch list of maintenance items for Habitat to perform as a condition of the extension to ensure the Facility and Leased Premises remain in good repair.

The City is leasing the Leased Premises to Habitat for nominal Rent to support the purpose of the Facility and the associated jobs it will provide in Rifle. As mentioned, the uses permitted under the Lease are limited to the production of workforce housing in the region for Habitat projects or other deed restricted workforce housing developments in Western Colorado. Section XVI does allow Habitat to repurpose the Facility if the production of workforce housing is not economically viable, however only Habitat may utilize the repurposed Facility for a Habitat ReStore, storage or other uses

Page 2

specifically for Habitat and not for a third party. Any use not benefiting the non-profit purposes of Habitat shall be a default of the Lease.

Habitat has not received all of its funding for the Facility yet and the Lease does allow it to pledge its leasehold interest for bank financing. We will fill in the blank in Section X of the Lease once that information is known, and again, the leasehold interest pledged is limited to the uses mentioned above.

Because the Leased Premises is located on the West UMTRA site that the City received from the State of Colorado Department of Public Health and Environment, it contains deed restrictions related to the remediated nature of the property and those restrictions are stated in Section XXIV of the Lease with which Habitat acknowledges and shall comply.

We have included Ordinance No. 13, Series of 2023 in your packet approving this Lease to Habitat to comply with C.R.S. §31-15-713 that requires leases for a period of more than one year to be approved by ordinance. It is unclear if that statutory requirement applies to home-rule municipalities, but there is no harm in approving the Lease by ordinance.

Representatives of Habitat will be at your meeting to provide you with an update on the project and answer any questions.

**CITY OF RIFLE/HABITAT FOR HUMANITY
MODULAR HOUSING PRODUCTION FACILITY SITE
GROUND LEASE**

THIS GROUND LEASE, is entered into this ____ day of _____, 2023 ("Lease"), by and between the City of Rifle, Colorado, a Colorado home rule municipality whose address is 202 Railroad Avenue, P.O. Box 1908, Rifle, Colorado 81650 ("Lessor" or "the City"), and Habitat for Humanity of the Roaring Fork Valley, Inc., a Colorado nonprofit corporation whose address is 53 Calaway Court, Glenwood Springs, Colorado 81601 ("Habitat").

W I T N E S S E T H:

WHEREAS, the City is the owner of certain property known as and referred to herein as the "Rifle Property" as generally shown on Exhibit A attached hereto and incorporated herein by this reference; and

WHEREAS, the parties desire to set forth the terms and conditions of the ground lease of a portion of the Rifle Property to be known and referred to as the "Leased Premises" as more particularly described on Exhibit B attached hereto and incorporated herein by this reference.

NOW, THEREFORE, for and in consideration of the mutual promises and covenants contained herein, the adequacy and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

**SECTION I
THE MODULAR FACILITY**

This Lease is entered into by the parties to facilitate Habitat's construction of a Modular Housing Production Facility (the "Modular Facility"). The Modular Facility will encompass up to 60,000 square feet of floor area and shall be designed and operated to produce modular housing units for installation in Habitat workforce housing projects in Western Colorado and for sale to third parties solely for installation in other deed restricted workforce housing developments in Western Colorado. Although design of the Modular Facility will be at Habitat's discretion, Habitat shall work closely with the City to develop a mutually agreeable site plan and architectural drawings that correspond with the City's long-term vision for the Rifle Property. Habitat acknowledges and agrees to abide by all City of Rifle ordinances and regulations regarding design, zoning and construction together with applicable Federal and State regulations and guidelines. Operation of the Modular Facility shall include opportunities for workforce training in cooperation with BOCES or similar educational and job training organizations. Habitat agrees and Covenants to use and occupy the Leased Premises only for the purposes stated in this Section or as allowed in Section XVI, below. The parties agree and acknowledge that the City's inducement to enter into this Lease is Habitat's non-profit status, its mission to assist the housing shortage in the region and the public benefits associated with the Facility.

SECTION II LEASED PREMISES

The City hereby leases unto Habitat for the term and upon the rentals, fees, charges and conditions hereinafter stated the Leased Premises situate in the City of Rifle, County of Garfield, and State of Colorado as shown on Exhibit B (the “Leased Premises”). Upon the completion of construction of the foundation for the Modular Facility, an exhibit showing the actual location of the Modular Facility and adjacent parking and staging areas on the Leased Premises shall be prepared by Habitat and appended to this Lease as Exhibit C. Appurtenant to the Leased Premises, the City hereby further grants to Habitat a right of access across the Rifle Property from adjacent public rights-of-way to the Leased Premises. Further, appurtenant to the Leased Premises, Lessor hereby grants a temporary construction easement reasonably necessary for the construction of the Modular Facility. The parties will negotiate in good faith the details and extent of the temporary construction easement to facilitate Habitat’s construction and memorialize such by separate instrument, if necessary.

SECTION III IMPROVEMENTS

A. Improvements to Leased Premises

Habitat shall, at its own cost and expense, design and construct any site improvements that are necessary to accommodate the construction and operation of the Modular Facility in compliance with the Rifle Municipal Code and as approved by the City in Habitat’s site plan application for the Modular Facility. Further, Habitat shall, at its sole cost and expense, provide all work and materials of whatsoever nature in order to construct a first class Modular Facility on the Leased Premises as described in Section I. Habitat’s obligation for the Modular Facility will include, but is not limited to: (i) architectural and engineering services for design and construction of the Modular Facility; and (ii) all costs associated with constructing, equipping, and operating the Modular Facility. Construction of the Modular Facility shall be substantially completed by _____, 202_____, subject to delays beyond the reasonable control of Habitat. For purposes of this provision, “completion” shall mean the issuance of a final Certificate of Occupancy for the Modular Facility. If the completion of the Modular Facility has not occurred by _____, 202_____, the City shall have the right, at its option, to terminate this Lease and take control of the Leased Premises and any improvements thereon.

B. Title to Modular Facility

Upon expiration or the earlier termination of the Base Term or any extension term(s), as described in Section V. below, title to the Modular Facility, including fixtures, shall vest in and

become the property of the City without any additional compensation or further instrument of conveyance. Habitat shall, if so requested, deliver, at no cost or expense to the City, a confirmatory deed or other document requested by the City. The Modular Facility shall be surrendered and transferred to the City free and clear of all liens or claims, and Habitat shall defend and indemnify the City against all liability or loss arising from such liens or claims. Notwithstanding the foregoing, until such expiration or earlier termination of the Base Term or any extension term(s), Habitat alone shall have the right to deduct all depreciation on Habitat's income tax returns for the Modular Facility and any alterations, improvements or additions thereto and title to the Modular Facility shall be vested in Habitat; provided, however, all of Habitat's right, title and interest in and to the Modular Facility shall be non-separable. Habitat specifically covenants not to remove fixtures or other improvements from the Modular Facility during the Base Term and any extension term(s); provided however, that Habitat may repair, remodel and replace the Modular Facility at its sole discretion.

C. Modular Facility—Conditional Use Plan Approval

This Lease is premised upon a mutually agreeable Conditional Use Plan being approved by the City for the Modular Facility. As an expressed condition of the City granting this Lease, Habitat agrees to comply in full with the City's Public District Zone Code and to obtain a Conditional Use Permit prior to any use of the Leased Premises or the construction of any improvements thereon. Habitat agrees to work in good faith with the City, to the extent practicable, to make the Modular Facility energy efficient in furtherance of the City's long-term Energy Village Goals.

**SECTION IV
ACCESS AND EASEMENTS**

A. Common Areas

Habitat will have the non-exclusive right to use all common areas serving the Modular Facility within the Rifle Property, including roadways.

B. City Access

The City shall have the right enter upon the Leased Premises at all reasonable times (or at any time in the event of an emergency) to examine same for purposes of determining compliance with this Lease and, within one hundred eighty (180) days of the expiration of the Term or any extension term(s), to exhibit the Modular Facility to prospective purchasers and prospective lessees.

SECTION V TERM

A. Base Term/License

The initial term of this Lease shall commence on _____, 2023 and shall be for twenty (20) years extending through _____, 2043 (“Base Term”). Habitat shall have the unrestricted right to extend the term for one (1) additional twenty (20) year period of time and a final term of ten (10) years (50 years total), in accordance with Sections V.B. and C., below.

B. Option to Extend Through the Year 2063

1. First Twenty-Year Extension. Habitat shall have the right to extend the Term of this Lease for a period of twenty (20) years, from _____, 2043, through _____, 2063, provided that Habitat is not in default under terms of this Lease.

2. Option Exercise. Habitat shall notify the City, through the City Manager, in writing of its intention to exercise the option for the first twenty-year extension term at least 120 days prior to the expiration of the initial term.

C. Option to Extend Lease Through the Year 2073

Habitat’s right to extend the Term of this Lease by exercising the additional ten (10) year option period (through _____, 2073) shall follow the same procedures set forth in Section V.B.2 above with the dates adjusted according to the relevant option period.

D. Lessor’s Notice of Failure to Exercise

Notwithstanding the provisions of Sections V.B. or V.C., above, should Habitat fail to exercise an option to extend the term of this Lease within the time provided in Sections V.B. and V.C., above, Habitat shall not be deemed to have forfeited the option until such time as the City shall give Habitat written notice of failure to timely exercise the option, together with notice of a period of thirty (30) days, after the date of said notice, within which Habitat shall continue to have the right to exercise the option to extend the relevant term of this Lease (“Notice of Failure to Exercise”). If Habitat shall not have exercised the option, by written notice to the City within the thirty (30) day period provided in the City’s Notice of Failure to Exercise, the option shall be forfeited and Habitat shall have no further right to extend the relevant term of this Lease.

E. Holding Over

Should Habitat hold over the use of or continue to occupy the Leased Premises after expiration of the Base Term or any of the extension option terms, such holding over shall be deemed a year to year tenancy upon the conditions and agreements as to uses and operations agreed to herein.

F. Title Conveyance and Surrender of Possession.

Upon ending of the Base Term or any extension option term, Habitat shall peaceably surrender possession of the Leased Premises and remove all personal property, without further requirement of notice by the City and title to the Modular Facility and associated improvements shall vest in the City and this Agreement shall be terminated by expiration of term.

G. City's Repair and Maintenance "Punch List".

Upon notice to the City, through the City Manager, in conformance with Section V.B and C, above, that Habitat intends to exercise the option to extend the term of this Lease, defined in Section V.B and C, above, i.e., the City Manager or his or her designee shall provide Habitat with a Punch List of repair and maintenance items to be completed by Habitat, at Habitat's sole expense. The Punch List shall be provided to Habitat a minimum of One Hundred Eighty (180) days before each Option Date, and Habitat shall have the One Hundred Eighty (180) day period of time prior to each Option Date in which to complete repair and maintenance to the reasonable satisfaction of the City. Provided that Habitat is proceeding with necessary diligence to complete the Punch List items, Habitat, upon written notice to the City Manager given prior to the expiration of said One Hundred Eighty (180) day period, may extend the time for completion for a period of time not to exceed an additional sixty (60) days. It is specifically understood by the City and Habitat that the repair and maintenance required by the City, evidenced by the Punch List, shall be for the purpose of maintaining improvements in their original state, reasonable wear and tear excepted, and not for new construction.

SECTION VI RENTS, FEES AND CHARGES

A. Rent

1. Rent. In consideration of the public benefits associated with the Facility and Habitat's non-profit status, during the Base Term Habitat shall pay to the City a base rent of Ten Dollars (\$10.00) per year for the Leased Premises commencing _____, 2023 regardless of the commencement date of Modular Facility operations ("Base Rent"). The Base Rent of Two Hundred Dollars (\$200.00) for each 20-year Lease term and One Hundred Dollars (\$100.00) for the final 10-year term shall be payable in advance. In addition to the Base Rent, the total Rent for

the Leased Premises will include Habitat's share of common area expenses, if any, for the Rifle Property ("Common Area Fees").

2. Payments. All payments due and payable under this Lease shall be payable to the order of the City and delivered to the City Clerk's office at Rifle City Hall. This Lease shall not be terminated for non-payment of Rent unless the City has provided written notice of delinquency to Habitat with a period of ten (10) days in which to pay such delinquency.

B. Water and Sewer System Improvement Fees

The City and Habitat acknowledge that pursuant to the Rifle Municipal Code, water and sewer system improvement fees shall be payable to the City upon the issuance of a building permit for the Modular Facility in accordance with Section 13-4-20(b) of the Rifle Municipal Code. Habitat shall have the right to amortize payments for its total water and sewer system improvement fees in equal monthly installments over the first five (5) years of the initial Term of this Lease, commencing on the first day of each calendar month of the Lease.

C. Common Area Fees.

Habitat shall pay Common Area Fees as may be adopted by the City for similarly situated properties.

SECTION VII
NEW CONSTRUCTION PROCESS AND APPROVAL REQUIREMENTS

A. Plans and Specifications

1. Preliminary Site Plan, Construction Plans. For new construction on the Leased Premises, Habitat shall submit a preliminary site plan which is consistent with its Conditional Use Permit approval, including elevations, to the City for review. The City shall review and reasonably approve the exterior appearance of the Modular Facility, including massing, details and materials to ensure a cohesive design vocabulary for the Rifle Property. Upon written approval by the City or its designee, Habitat shall submit construction plans and associated building permit applications to the City of Rifle Building Department. All construction, development, and remodeling of improvements shall be built or installed in conformance with the Rifle Municipal Code, City, State and Federal codes and requirements in effect at the time of construction, including without limitation, building and fire codes. Plans and specifications approved for construction shall be prepared and certified by registered architects and engineers. Construction shall be in accordance with the plans so approved.

2. Record Drawings (As-Built's), Inventory of Costs. Within thirty (30) days of

issuance of a Certificate of Occupancy, and as part of the building permit process, Habitat shall file with the City Manager hard copies of as-Built record drawings and specifications, showing in-place utilities and all other improvements.

B. Signage

Habitat shall comply in full with the Rifle Municipal Code for the signage for the Modular Facility.

**SECTION VIII
MAINTENANCE AND SECURITY**

A. Maintenance of the Modular Facility

The Modular Facility, including its exterior walls, doors and windows shall be maintained by Habitat at its own expense. Habitat shall maintain the Modular Facility in a safe, neat and attractive condition and in good and serviceable repair. Habitat shall repair all damage to the Modular Facility caused by its operations and/or by its employees, customers, guests, contractors, agents and invitees. Habitat shall be responsible for day-to-day maintenance of the Leased Premises for litter and snow accumulation.

B. Security

Security of the Modular Facility shall be the responsibility of Habitat. Nothing in this Lease shall be construed to impose security obligations upon the City. The City shall not be liable for any loss or damages suffered by Habitat from use and occupancy of and operation upon the Leased Premises.

**SECTION IX
UTILITIES**

A. Utility Availability

1. Electricity and Gas. Habitat shall be responsible for the construction of the connections to the electricity and gas lines, including distribution within the Modular Facility.

2. Water and Sewage. Habitat shall have the same responsibilities for extension of water and sewer service to new construction as stated above, regarding extension of electricity and gas.

3. Telephone and Cable Communications. Habitat shall have the same responsibility for construction of the connectors and service lines necessary to extend telephone and cable services as stated above, regarding extension of electricity and gas.

4. Nonexclusive Access Rights for Installation. With respect to electricity, gas, water, waste, telephone and other communications, the City hereby grants Habitat nonexclusive rights over and across the Rifle Property, along reasonably convenient and direct routes, in order to provide utility services to the Leased Premises.

B. Monthly Service Charges

Habitat shall be liable for all set up fees, monthly service charges, and any other fees charged by utility and communication providers.

SECTION X
MORTGAGE OR OTHER ENCUMBRANCE OF LEASEHOLD INTEREST

A. Limited Permission

Habitat shall have the right to pledge its leasehold interest as security, solely for the purpose of construction of capital improvements to the Leased Premises under terms of this Lease. Such a pledge shall be subject to the prior written consent of the City, which consent shall not be unreasonably withheld or delayed.

B. Grant of Interest by Habitat to Lender

At the time of execution of this Lease, Habitat has entered into negotiations with _____ (“Bank”), for. The City agrees to give its consent, as limited in this Section X to: (1) a collateral assignment of Habitat’s leasehold interest; and (2) the conveyance to the Bank, by whatever means agreed to between the Bank and Habitat, of a collateral interest in the Facility and fixtures and Habitat’s personal property located in the Facility or otherwise on the Leased Premises.

C. Limitation on City Consent

The City’s consent shall not be given, however, unless the instrument(s) creating the collateral interest recognize: (1) the City’s ownership of the underlying real estate and the future interest of the City in the Facility; (2) the fee interest in the underlying real property cannot be sold or otherwise conveyed and is not subject to lien for non-payment by Habitat under terms of the Promissory Note or other financing agreement(s) between Habitat and the Bank; (3) should the Bank enter upon and take possession of the Leased Premises and the Facility and manage and

operate the Facility or sell or assign the Lease to a third party or parties for operation of the Facility, such assignment or sale shall only be made with the written consent of the City and within the strictures of the use requirements detailed in Section I, above; and (4) in the event of foreclosure and as an inducement for the City to consent, the City shall have the option and first right of refusal over a *bona fide* offer by a third party, but not the obligation, to purchase the Facility and fixtures, with or without in-place personal property belonging to Habitat, assuming budgeting and appropriation of funds consistent with the Local Government Budget Law of Colorado, C.R.S. §29-1-101, *et seq.* and other applicable law.

SECTION XI LIENS, SECURITY AND CONSTRUCTION NOTICE

A. Liens

In the event any individual or entity attempts to assert a mechanics', materialmen's or other type of lien against the Leased Premises, Habitat shall hold the City harmless from such claim, including the cost of defense, and shall provide the City with a Release of Lien or a Release of Verified Statement of Claim, as appropriate, recorded in the Office of the Garfield County Clerk and Recorder.

B. Landlord's Notice

Habitat and the City recognize that the construction of improvements by Habitat is not secured as a "Public Works" project under the Colorado Contractor's Bonds Lien on Funds Statute, Section 38-26-101, *et seq.*, C.R.S., as amended. The parties further acknowledge that the City's fee interest in the Leased Premises cannot be attached by labor or materialmen in order to secure payment of money due for the provision of labor, materials, supplies or equipment, under the Colorado Mechanic's Lien Law, Section 38-26-107, *et seq.*, C.R.S., as amended. Therefore, the City and Habitat agree to the posting of the Leased Premises, if and when Habitat begins construction of the Modular Facility or commences a remodeling of the Modular Facility or any other improvement authorized under terms of this Lease.

SECTION XII INDEMNITY AND INSURANCE

A. Indemnification/Hold Harmless

1. General. Habitat assumes the risk of loss or damage to the Modular Facility and any associated improvements and contents constructed on the Leased Premises, whether if from

windstorm, fire, earthquake, snow, water runoff, vandalism or any other cause or causes whatsoever. Habitat hereby agrees to indemnify and hold harmless the City, its officers, employees, agents, and assigns from and against all claims and damages of any kind, including attorney's fees, brought by anyone, arising out of this Lease or out of Habitat's or its contractors', agents', employees', or tenants' use and occupancy of and/or operations on the Leased Premises, other than those resulting from the negligence or willful misconduct on the part of the City, its officers, agents, employees, and assigns. To the extent permitted by law, the City hereby agrees to indemnify and hold harmless Habitat, its officers, employees, agents, and assigns from and against all claims and damages of any kind, including attorney's fees, brought by anyone, arising out of design, construction, maintenance or use of the Common Area.

2. Employees. It is expressly understood by the parties that employees of Habitat and its contractors, agents, and tenants are not employees of the City for any purpose, including but not limited to individuals and entities involved in operations and services engaged in by Habitat and Habitat's construction contractors for improvements built under the terms of this Lease.

B. Insurance

Habitat shall provide the insurance required by the document attached and incorporated herein as Exhibit D.

1. Application of Insurance Proceeds. Habitat shall apply insurance proceeds, payable by reason of loss or damage to the Modular Facility to the restoration of the improvements on the Leased Premises. In the event of damage due to an insurable cause and Habitat's application of proceeds to restoration, this Lease shall continue in full force and effect.

2. Workers' Compensation. Habitat shall carry Workers' Compensation Insurance, as required by Colorado law and regulation. The City, its officers, agents or employees shall not be responsible for any claims or actions occasioned by Habitat's failure to comply with the provisions of this Section. Further, during any construction permitted by this Lease, Habitat shall require proof from Habitat's general contractor documenting the contractor's Workers' Compensation coverage. Habitat shall also require the general contractor to provide proof from each subcontractor that the subcontractor is insured, as required by the Colorado Workers' Compensation Act, or, shall require the general contractor to accept coverage responsibility for subcontractors without insurance or with inadequate Workers' Compensation coverage.

SECTION XIII REMEDIES FOLLOWING DEFAULT

A. Habitat's Monetary Default or Lack of Insurance

In the event of breach by Habitat of the monetary or insurance covenants of this Lease, the City shall provide written notice to Habitat and Habitat shall be deemed to be in default as of the date the payment was due and not paid or the date on which proof of insurance was required to be delivered and no proof was supplied to the City unless such default is cured within ten (10) calendar days of Habitat's receipt of the City's written notice. The City, without termination of this Lease, may thereafter proceed in law or equity to seek injunctive relief, specific performance and/or damages incurred as a result of Habitat's default. Where Habitat's default results from failure to provide proof of insurance and Habitat is proceeding with necessary diligence to obtain such proof of insurance, Habitat shall be entitled to an extension of said thirty (30) day minimum cure period, not to exceed however an additional thirty (30) calendar days in which to obtain the required Certificates of Insurance and provide proof of insurance to the City.

Said written notice to cure, identifying the breach and stating the date by which cure is required shall be delivered to Habitat in accordance with Section XX., below. If the identified breach is not cured by 5:00 p.m. on the cure date, or an extension thereof with regard to proof of insurance, the City, at its option and with or without termination of this Lease, may enter and repossess the Leased Premises and all improvements. Such re-entry may be with or without process of law and shall be without liability for trespass or forcible entry and without prejudice to any other remedies to which the City may be entitled. In such event, Habitat agrees to peaceably surrender the Leased Premises to the City, as required by Section XIV., below, without further notice or demand.

B. Habitat's Non-Monetary Default or Abandonment

In the event of breach by Habitat of the performance of any of the conditions, covenants, agreements or obligations hereunder, other than those described in Section XIII.A., above, or in the event of abandonment by Habitat of its operations on the Leased Premises, the City shall provide written notice to Habitat and Habitat shall be deemed to be in default of this Lease as of the date of the City's notice unless the breach is cured within thirty (30) calendar days of Habitat's receipt of the City's written notice. The City, without termination of this Lease, may thereafter proceed in law or equity to seek injunctive relief, specific performance and/or damages incurred as a result of Habitat's default. In the event of any default hereunder by Habitat, other than abandonment, where Habitat is proceeding with necessary diligence to effectuate a remedy, Habitat shall be entitled to an extension of such minimum cure period not to exceed however an additional thirty (30) calendar days in which to remedy the default unless the situation necessitates a greater time period, in which case a reasonable cure period shall be imposed.

Said notice to cure, identifying the breach and stating the date by which cure is required shall be delivered to Habitat in accordance with Section XX., below. If the identified breach is not cured by 5:00 p.m. on the cure date, or an extension thereof with regard to a default other than

abandonment, the City, at its option and with or without termination of this Lease, may enter and repossess the Leased Premises and all improvements. Such re-entry may be with or without process of law and shall be without liability for trespass or forcible entry and without prejudice to any other remedies to which the City may be entitled. In such event, Habitat agrees to peaceably surrender the Leased Premises to the City, as required by Section XIV., below.

C. Notice Period for Summary Proceedings

If the City elects to retake possession of the Leased Premises from Habitat by summary judicial proceedings, demanding payment of Rent and/or other fees and charges and/or proof of insurance and/or compliance with any other term of this Lease or, in the alternative, surrender of possession of the Leased Premises, the parties recognize and agree that the applicable ten (10) or thirty (30) day notice/cure period described above shall control. In such instance, for the purpose of '13-40-104, C.R.S., as amended, the default shall be deemed to have occurred at five o'clock p.m. on the thirtieth day following receipt by Habitat of the City's notice to cure (or the last day of an extended minimum cure period), at which point in time, if Habitat is in possession of the Leased Premises, Habitat shall be holding over without permission of the City and, at the City's option, shall be subject to summary proceedings under the Colorado Forcible Entry and Detainer statutes, Section 13-40-104, *et seq.*, C.R.S., as amended.

D. Waiver

No failure to strictly enforce the terms of this Lease shall be deemed a waiver by either party unless such waiver is in writing and executed by the party against whom enforcement of the waiver is sought. No waiver by either party of any failure of a party to comply with any term or condition of this Lease shall be construed to be a waiver of any other failure by such party to comply with the same or any other term or condition of this Lease.

**SECTION XIV
SURRENDER OF POSSESSION AND TITLE TO IMPROVEMENTS**

Upon expiration of the Base Term, or any extension term(s), or other termination of this Lease, Habitat's right to use and occupy the Leased Premises and all improvements shall cease and Habitat shall surrender the Leased Premises and its rights and privileges under the provisions of this Lease to the City. Habitat shall leave the Leased Premises and improvements in good and serviceable condition, except for normal wear and tear; vacate the premises without unreasonable delay; and execute and deliver to the City a document of conveyance transferring to the City all right, title and interest to the improvements described in Section III., above, free and clear of liens and encumbrances.

SECTION XV COMPLIANCE WITH LAWS, RULES AND REGULATIONS

The right to use and occupy the Leased Premises, shall be exercised in conformity with the statutes, ordinances, codes, rules and regulations pertinent to Habitat's use of the Leased Premises as such may be promulgated from time to time by the City, the State of Colorado, the federal government, and other governmental and quasi governmental entities. Habitat shall be responsible to ensure that its employees, representatives, contractors, agents, and tenants comply with such and shall be liable for any and all fines and penalties assessed to the City as a result of action or omission by Habitat or its employees, representatives, contractors, agents, and tenants with regard to such.

Without limiting the generality of the covenants contained in this Section, Habitat specifically agrees to pay all taxes, if any, levied upon personal property and Habitat's improvements to and possessory interest in the Leased Premises. Habitat shall obtain and pay for all licenses, permits, and other authorizations required in order to make improvements to and operate its business.

SECTION XVI REPURPOSING

A. Repurposing of Modular Facility

In the event that Habitat determines, in its sole discretion, that continued operation of the Modular Facility is not economically viable, Habitat shall be entitled to change the purpose, use and operation of the structure and grounds provided that the new use complies with City ordinances and regulations applicable to the Leased Premises. Habitat shall provide written notice to the City of its intent to repurpose the Modular Facility at least ninety (90) days prior to the commencement of any such new use or uses. As required elsewhere in this Lease, only Habitat may utilize the repurposed Facility for a Habitat ReStore, storage or other uses specifically for Habitat and not for a third party. Any use not benefiting the non-profit purposes of Habitat shall be a default of this Lease.

SECTION XVII QUIET ENJOYMENT BY HABITAT

Upon payment of the rents, fees, and charges provided herein and upon observation of all covenants, warranties, agreements, and conditions of this Lease, Habitat shall have the right to exclusive possession and enjoyment of the Leased Premises during the Base Term and any

extension term(s) of this Lease. Habitat recognizes that fee simple title to the Leased Premises is vested in the City. Habitat agrees that nothing herein shall give Habitat any ownership or option to own the Leased Premises.

SECTION XVIII CONSTRUCTION INCONVENIENCES

Habitat recognizes that from time to time during the Base Term and any extension term(s) of this Lease it may be necessary for the City to engage in construction, expansion, relocation, maintenance and repair of the Rifle Property. Such activity may temporarily inconvenience Habitat's operations and will require accommodation by Habitat; however, the City shall make all reasonable efforts to minimize such inconvenience and ensure that access remains open and adequate parking exists to serve the Modular Facility.

SECTION XIX BINDING UPON SUCCESSORS AND ASSIGNS

All of the covenants, conditions, and agreements contained in this Lease shall be binding upon and inure to the benefit of the respective parties as well as their successors in interest of any kind, including assigns.

SECTION XX NOTICE

Every notice or other communication required by this Lease shall be delivered in writing to the addresses stated below, unless a new address is provided by written notice of one party to the other. Such notice of a change of address or of the identity of the contact person shall not require formal amendment of this Lease.

City of Rifle
c/o City Manager
P.O. Box 1908
Rifle, CO 81650

James S. Neu
Karp Neu Hanlon, P.C.
P.O. Drawer 2030
Glenwood Springs, CO 81602

Habitat for Humanity of the Roaring Fork Valley, Inc.
c/o President
53 Calaway Court
Glenwood Springs, CO 81601

David J. Myler
The Myler Law Firm, P.C.
211 Midland Avenue, Suite 201
Basalt, CO 81621

Delivery shall be made in person, by certified return receipt requested U.S. Mail, or receipted delivery service.

SECTION XXI HEADINGS AND NUMBERING

The Section headings and numbering system used herein are for convenience in referencing and are not intended to define or limit the scope of any provision of this Lease.

SECTION XXII PARTIAL INVALIDITY

To the extent that this Lease may be executed and performance of the obligations of the parties may be accomplished within the intent of this Lease, the terms hereof are severable. If any term or provision of this Lease is declared invalid by a Court of competent jurisdiction or becomes inoperative for any other reason, then the invalidity or failure shall not affect the validity of any other term or provision of this Lease.

SECTION XXIII AMENDMENT

All amendments to this Lease shall be made in writing executed with the same formality as this Lease, except as detailed in Section XX., regarding change of notification information; and in Section VI., above, regarding rent adjustment and licensing, percentage and other fees. No oral amendment shall be of any force or effect whatsoever.

**SECTION XXIV
MATERIALS AND ENVIRONMENTAL ISSUES**

A. Acknowledgments and Responsibilities

Habitat understands and acknowledges that the Leased Premises is located on a former uranium and vanadium processing site and the ore processing operations created radioactive tailings subject to the Uranium Mill Tailings Radiation Control Act (“UMTRCA”). Prior to the City’s ownership of the West UMTRA Site, the Colorado Department of Public Health and Environment owned the property which fell under the jurisdiction of the United States Department of Energy (“DOE”) for remediation under UMTRCA. The surface of the West UMTRA Site has been fully remediated by the DOE and pursuant to the Final Environmental Assessment of Ground Water Compliance at the New Rifle, Colorado UMTRA Project Site dated July 2003, the groundwater compliance strategy is natural flushing in conjunction with institutional controls and monitoring. Information regarding the West UMTRA Site (also known as the New Rifle Site) and the Leased Premises can be found at the DOE Office of Legacy Management website at http://www.lm.doe.gov/Rifle/Old_Processing/Documents.aspx. Habitat acknowledges that it has performed adequate due diligence and accepts the Leased Premises “as is” and assumes any associated risks related to the environmental condition of the Leased Premises. Habitat agrees that this Lease is subordinate to the restrictions set forth in the deed conveying the West UMTRA Site to the City and that a condition of this Lease is Habitat’s compliance with the conditions of approval of DOE for the Leased Premises described in Exhibit B attached hereto and incorporated herein by this reference.

The City makes no covenants or warranties, express or implied, regarding the lack of any other environmental degradation. Correction of such conditions or those stated above, if required by the authorized agency, shall be in accordance with pertinent statutory and regulatory law. Habitat shall not be responsible for the cost of investigation or correction unless such is required due to Habitat’s or its employee’s, contractor’s, subcontractor’s, agent’s or assignee’s use and occupancy of and/or operations on the Leased Premises.

B. Limitations on Habitat’s use of Hazardous Materials

Habitat shall not generate, use, handle, store, or dispose of hazardous materials on the Leased Premises except those materials commonly utilized in a Modular Facility which shall be generated, used, handled, stored or disposed of consistently with the applicable laws, orders, rules, ordinances and regulations of the authorities and agencies. No use of the Leased Premises which requires additional fire protection or environmental regulation shall be permitted without advance approval by the City.

**SECTION XXV
ATTORNEY'S FEES**

Should this Lease become the subject of litigation to resolve a claim of default in performance by the City or Habitat, the prevailing party, in addition to such other relief as may be granted, shall be entitled to attorney fees, expenses, and court costs. All rights concerning fees and costs shall survive termination of this Lease.

**SECTION XXVI
CONTROLLING LAW**

This Lease shall be governed by the laws of the State of Colorado and venue for all actions shall be in Garfield County, Colorado.

**SECTION XXVII
RECORDING**

Upon execution by the parties, this Lease shall be recorded in the records of the Garfield County Clerk and Recorder.

IN WITNESS WHEREOF, the parties hereto have set their hands and seals to be effective _____, 2023 no matter the date of execution.

CITY OF RIFLE, COLORADO

Mayor

[CITY SEAL]

ATTEST:

City Clerk

HABITAT FOR HUMANITY OF THE
ROARING FORK VALLEY, INC.

By _____
Title _____

STATE OF _____)
) ss.
_____ COUNTY)

The foregoing instrument was acknowledged before me this ____ day of _____,
2023, by _____ as _____ of Habitat for Humanity of the
Roaring Fork Valley, Inc., a Colorado nonprofit corporation.

WITNESS MY HAND AND OFFICIAL SEAL, the day and year above written.

[NOTARIAL SEAL]

Notary Public

My commission expires:

EXHIBIT “A”

Legal description of Rifle Property

EXHIBIT “B”

Description of Leased Premises

EXHIBIT “C”

As-built location of Modular Facility

EXHIBIT “D”

Insurance Information

A:\1899\990557\Energy Plant\Carabobo\DWG\Energy Innovation Center Phase 2\CONTOUR ADD.dwg Saved: Wed, 22 Aug 2012 5:10pm Plotted: Wed, 22 Aug 2012 5:12pm joatch

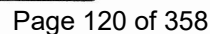


EXHIBIT B Leased Premises

1:\1999\30301\Energy Park\Contract\DWG2\Energy Innovation Center Phase 2 CONTOUR ADDING Sewer, Wet, 22 Aug 2012 11:32am Plotted: Wet, 22 Aug 2012 1:23pm Jansen

RELEASED
FOR
BID
7-17-12

SCHUESER GORDON MEYER
161 W. GLENWOOD AVENUE, SUITE 200
GLENNWOOD SPRINGS, COLORADO 81601
(970) 945-1004 (970) 925-8723
FAX (970) 925-8723
SCHUESER | GORDON | MEYER
CREATED BY: J. JANSSEN

CITY OF RIFLE Phase 2
ENERGY INNOVATION CENTER

DATE	BY	REVISION
7/20/12	JJ	ADDED CONTOURS AND DETAILS

DATE	BY	REVISION
8/10/2012	JUL/JEP	

**DIMENSION AND
LEASE PARCEL PLAN**

Job No. 390654
Scale 1" = 100' 10'

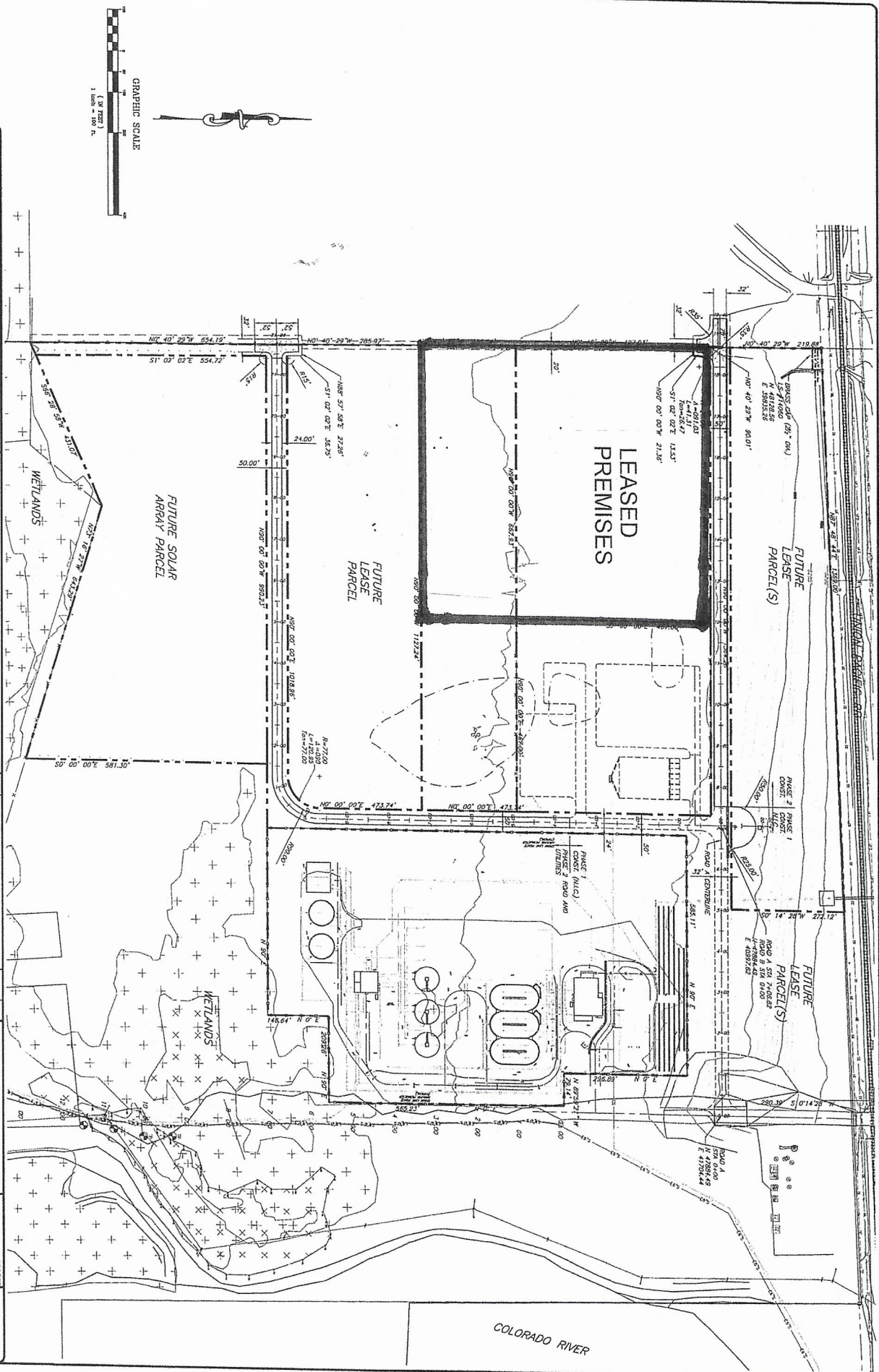


EXHIBIT "D"

The following provisions shall apply to Lessee pursuant to this Lease. In order to use or occupy the Leased Premises, the terms of this Exhibit must be satisfied prior to the commencement of work on the Leased Premises. Lessee shall procure and maintain, during the full term of the Lease all insurance required herein.

The following insurance requirements are minimum requirements and in no way limit the hold harmless and indemnity covenants contained in the Lease. The City in no way warrants that the minimum limits contained herein are sufficient to protect the Lessee from liabilities that might arise, and Lessee is free to purchase additional insurance.

Minimum Types and Limits of Insurance: Lessee shall provide coverage with limits of liability not less than those stated below. An excess liability policy or umbrella liability policy may be used to meet the minimum liability requirements provided that the coverage is written on a "following form" basis.

Commercial General Liability- Occurrence Form

The policy shall be endorsed to include the following additional insured language: "The City of Rifle, its subsidiary, parent, associated and/or affiliated entities, successors, or assigns, its elected officials, trustees, employees, agents, and volunteers shall be named as additional insured's with respect to liability arising out of the activities performed by, or on behalf of the Lessee/Operator."

Minimum Limits:

General Aggregate	\$2,000,000
Products/ Completed Operations Aggregate	\$2,000,000
Each Occurrence Limit	\$1,000,000
Personal/Advertising Injury	\$1,000,000

Worker's Compensation and Employers' Liability

Minimum Limits:

Coverage A (Workers' Compensation)	Statutory
Coverage B (Employers Liability)	\$100,000
	\$100,000
	\$500,000

Builders' Risk Insurance or Installation Floater, as appropriate

Minimum Limits:

Total Construction Value

Additional Insurance Requirements: The policies shall include, or be endorsed to include, the following provisions:

On insurance policies where the City is named as an additional insured, the City shall be an additional insured to the full limits of liability purchased by the Lessee even if those limits of liability are in excess of those required by the Lease.

The Lessee's insurance coverage shall be primary insurance and non-contributory with respect to all other available sources.

For the provisions of **Commercial General Liability** set forth above, the insurance policy must include contractual liability coverage.

All insurance shall be issued by companies authorized to do business in the State of Colorado and written on forms satisfactory to, filed with and approved by the Colorado Department of Insurance.

Notice of Cancellation: Each insurance policy shall provide the required coverage and shall not be suspended, voided or canceled except after thirty (30) days prior written notice has been given to the City, except when cancellation is for nonpayment of premium, then ten (10) days prior notice may be given. Such notice shall be sent directly to the City Manager, at the address contained in the "Notice" provision of the Lease.

Verification of Coverage: The Lessee shall furnish the City with certification of insurance (ACORD form or equivalent approved by the City).

The certificates for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf.

All certificates and endorsements are to be received and approved by the City Manager before work commences. Each insurance policy must be in effect at or prior to commencement of work on the Leased Premises and remain in effect for the duration of the construction project and for two (2) years after completion of the construction project on the Leased Premises or for the term of the Lease, as appropriate. Failure to maintain the insurance policies or to provide evidence of renewal is a material breach of the Lease.

All certificates and any required endorsement shall be sent directly to the City Manager. The City reserves the right to require complete, certified copies of all insurance policies any time.

Approval: Any modification or variation from the insurance requirements shall be made by the Office of the City Manager after consultation with the City Attorney's Office. Such action will not require a formal contract amendment, but may be made by administrative action.

CITY OF RIFLE, COLORADO
ORDINANCE NO. 13
SERIES OF 2023

AN ORDINANCE OF THE CITY OF RIFLE, COLORADO, APPROVING A
GROUND LEASE WITH HABITAT FOR HUMANITY OF THE ROARING
FORK VALLEY.

WHEREAS, the City of Rifle (“Rifle” or the “City”) is a home-rule municipality organized under Article XX of the Colorado Constitution and with the authority of the Rifle Home Rule Charter; and

WHEREAS, Habitat for Humanity of the Roaring Fork Valley (“Habitat”) approached the City to lease land on which it would construct a 60,000 square foot facility to be designed and operated to produce modular housing units for Habitat projects and for sale to third parties solely for installation in other deed restricted workforce housing developments in Western Colorado; and

WHEREAS, the City supports Habitat’s mission and the local jobs the Facility will create and desires to lease approximately 10.5 acres of vacant land to Habitat on property owned by the City near its wastewater treatment plant with Garfield County Assessor Parcel No. 217718400314; and

WHEREAS, C.R.S. §31-15-713 requires any lease for a period of more than one year to be approved by ordinance and the City desires to comply with this statutory requirement regardless if it applies to home-rule municipalities; and

WHEREAS, the City Council desires to approve a Ground Lease to Habitat.

NOW, THEREFORE, THE COUNCIL OF THE CITY OF RIFLE, COLORADO, ORDAINS THAT:

1. Incorporation. The Rifle City Council adopts the foregoing recitals and conclusions as facts and determinations and incorporates them by reference as if set forth in full herein.

2. Approval of Lease. The City hereby approves the Ground Lease to Habitat for Humanity of the Roaring Fork Valley attached hereto and incorporated herein by this reference.

INTRODUCED on July 5, 2023, read by title, passed on first reading without amendment, and ordered published as required by the Charter.

INTRODUCED a second time at a regular meeting of the Council of the City of Rifle, Colorado, held on July 19, 2023, passed without amendment, approved and ordered published in full as required by Charter.

Dated this _____ day of _____, 2023.

CITY OF RIFLE, COLORADO

By: _____
Mayor

ATTEST:

City Clerk



Agenda Item #5.g.

Agenda Item Name:

Consider Approval of Ordinance No. 14, Series of 2023 - Xcel Franchise Agreement - 2nd Reading

Presenter:

James S. Neu, City Attorney

Item Description:

Consider Ordinance No. 14, Series of 2023- Xcel Franchise Agreement - 2nd Reading

Recommended Action:

Move to approve of Ordinance No. 14, Series of 2023 on second reading, as presented, and order it to be published by title as required by charter.

Fiscal Impact:

Please see the attached memo.

Operational Impact:

None

Prior Board Motions:

None

Background Information:

The City of Rifle proposed a Charter Amendment at the 2023 General Election last November to remove the requirement to have a vote on franchise agreements. The Rifle electorate approved this Charter Amendment, which now requires at least five Council members to approve the Ordinance granting a franchise.

Executive Summary:

Please see the attached memo.

Notification Requirements:

Public Hearing Notice was published in the Glenwood Springs Post Independent on Friday, June 16, 2023, Friday, June 23, 2023, and Friday, June 30, 2023 by Xcel Energy.

Prepared By:

Misty Williams, City Clerk

Attachments:

1. 20230705-Memo-Ordinance No. 14, Series of 2023-Xcel Franchise Agreement
2. Rifle Franchise Agreement (E and G) - Final Version(4966875.2)

3. Ordinance No. 14, Series 2023-Xcel Franchise Agreement

Glenwood Springs – Main Office
201 14th Street, Suite 200
P. O. Drawer 2030
Glenwood Springs, CO 81602

Aspen
0133 Prospector Road,
Suite 4102J
Aspen, CO 81611

Montrose
1544 Oxbow Drive
Suite 224
Montrose, CO 81402

James S. Neu
Partner/Shareholder

jsn@mountainlawfirm.com

Direct: 970.928.2121

Office: 970.945.2261

Fax: 970.945.7336

**Direct Mail to Glenwood Springs*

TO: Rifle City Council

FROM: Karp Neu Hanlon, P.C.

RE: Ordinance No. 14, Series of 2023-Franchise Agreement with Xcel Energy

DATE: June 27, 2023

For your consideration on first reading at the July 5, 2023 City Council meeting is Ordinance No. 14, Series of 2023 granting a gas and electric franchise within the City of Rifle to Public Service Company of Colorado (“Xcel”). The terms of the franchise are contained in the Franchise Agreement attached to the ordinance. Pursuant to C.R.S. §31-32-102, Notice of Application must be published in a newspaper of general circulation for a City to consider approving a Franchise, and Xcel has satisfied that requirement.

Xcel currently provides gas and electricity service to the City under a franchise agreement adopted in 2003. The current franchise agreement expires on September 8, 2023. The City has negotiated an updated agreement with Xcel over the past several months based on modern franchise agreements adopted by municipalities throughout the state and comments from City staff.

The term of the new agreement is 20 years. Subject to approval by Council, it would take effect on September 9, 2023, and terminate on September 8, 2043. The grant of franchise gives Xcel the non-exclusive right to (1) use the City streets, City public utility easements, and other City property to provide gas and electric service to the City and its residents and to (2) install, maintain, and operate Xcel facilities in and through the City reasonably necessary for the provision of utility service in the City. Xcel needs to comply with the Rifle Municipal Code in utilizing the City’s rights-of-way.

Xcel will pay the City a 3% franchise fee, as it currently does, which is 3% of all gross revenues from its sale of gas and electricity to customers within the City. The franchise agreement gives Xcel the right to provide street lighting and traffic signal lighting services in the City at the City’s direction, without payment of the franchise fee. The agreement also requires Xcel to allocate and maintain an undergrounding fund (1% annually of gross electric revenues) for the purpose of moving certain existing electric distribution lines underground in specified circumstances.

The City’s relationship with Xcel is additionally governed by Xcel’s tariff sheets, which are published and applicable to all customers, including retail and business customers within the City,

and the City itself when it purchases gas or electricity as a customer. The tariffs address streetlighting service (including repair and replacement), liability and indemnification where the City is a customer, and many other aspects of Xcel's service within the City and commercial relationship with the City.

The Franchise Agreement and the adoption process complies with the provisions of Article XII of the City's Home Rule Charter addressing the granting of franchises. This franchise, subject to the Council's approval, will be authorized by an ordinance adopted by Council (required by Article 12.2). Additionally, the franchise is non-exclusive, and the term is 20 years (Article 12.4 of the Charter). The City retains the authority under the franchise agreement to construct, condemn, purchase, operate, and maintain its own utilities (Article 12.8 of the Charter). Finally, the franchise agreement expressly preserves and does not limit the City's ability to regulate using its police powers (Rifle Code Chapter 5, Article 2, section 20).

If you recall, the City proposed a Charter Amendment at the General Election last November to remove the requirement to have a vote on franchise agreements. The Rifle electorate approved this Charter Amendment which now requires at least five Council members to approve the Ordinance granting a franchise. Because the City incurred costs with that election and Xcel does not need to pay for a special election as the Charter used to require, Xcel agreed to contribute \$2,000 to the City towards those election costs.

FRANCHISE AGREEMENT
BETWEEN
THE CITY OF RIFLE, COLORADO
AND
PUBLIC SERVICE COMPANY OF COLORADO

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**PUBLIC SERVICE COMPANY OF COLORADO
AND
THE CITY OF RIFLE, COLORADO**

GAS AND ELECTRIC FRANCHISE AGREEMENT

**ARTICLE 1
DEFINITIONS AND PRINCIPLES OF CONSTRUCTION**

Section 1.1 Defined Terms. In addition to the capitalized terms defined elsewhere in this Franchise, the following capitalized words and phrases shall have the meanings set forth below. Words not defined in this Article 1 or elsewhere in this Franchise shall be given their common and ordinary meaning.

“City” means the City of Rifle, a municipal corporation of the State of Colorado.

“City Designee” has the meaning ascribed in Section 5.1.

“Clean Energy” means energy produced from Renewable Energy Resources (as defined below), eligible energy sources, and by means of advanced technologies that cost-effectively capture and sequester carbon emissions produced as a by-product of power generation. For purposes of this definition, “cost” means all those costs as determined by the PUC.

“Company” means Public Service Company of Colorado, a Colorado corporation, and an Xcel Energy company and its successors and assigns including affiliates or subsidiaries that undertake to perform any of the obligations under this Franchise.

“Company Designee” has the meaning ascribed in Section 5.2.

“Company Facilities” refer to all facilities of the Company which are reasonably necessary or desirable to provide gas and/or electric service into, within and through the City, including but not limited to plants, works, systems, substations, transmission and distribution structures and systems, lines, equipment, pipes, mains, conduit, transformers, underground lines, gas compressors, meters, meter reading devices, communication and data transfer equipment, control equipment, gas regulator stations, street lights, wire, cables and poles as well as all associated appurtenances.

“Council” refers to and is the legislative body of the City.

“Effective Date” has the meaning ascribed in Section 2.3.

“Electric Gross Revenues” refers to those amounts of money that the Company receives from the sale and/or delivery of electricity in the City, after adjusting for refunds, net write-offs of accounts, corrections, or Regulatory Adjustments (as defined below). Regulatory adjustments include, but are not limited to, credits, surcharges, refunds, and pro-forma adjustments pursuant to federal or state regulation. “Electric Gross Revenues” shall exclude

any revenue from the sale and/or delivery of electricity to the City as a customer of the Company.

“Energy Conservation” means the decrease in energy requirements of specific customers during any selected time period, resulting in a reduction in end-use services.

“Energy Efficiency” means the decrease in energy requirements of specific customers during any selected period with end-use services of such customers held constant.

“Franchise” or **“Franchise Agreement”** means this franchise agreement by and between the City and Company.

“Franchise Fee” has the meaning ascribed in Section 4.1(A).

“Force Majeure Event” means the inability to undertake an obligation of this Franchise Agreement due to a cause, condition or event that could not be reasonably anticipated by a party or is beyond a party’s reasonable control after exercise of best efforts to perform. Such cause, condition or event includes but is not limited to fire, strike, war, riots, terrorist acts, acts of governmental authority, acts of God, floods, epidemics, quarantines, labor disputes, unavailability or shortages of materials or equipment or failures or delays in the delivery of materials. Neither the City nor the Company shall be in breach of this Franchise if a failure to perform any of the duties under this Franchise is due to a Force Majeure Event.

“Gross Revenues” refers to those amounts of money the Company receives from the sale of gas and/or electricity within the City under rates authorized by the Public Utilities Commission, as well as from the transportation of gas to its customers within the City, as adjusted for refunds, net write-offs of uncollectible accounts, corrections, expense reimbursements or regulatory adjustments. Regulatory adjustments include, but are not limited to, credits, surcharges, refunds, and pro-forma adjustments pursuant to federal or state regulation. “Gross Revenues” shall exclude any revenues from the sale of gas or electricity to the City or the transportation of gas to the City.

“Industry Standards” refers to standards developed by government agencies and generally recognized organizations that engage in the business of developing utility industry standards for materials, specifications, testing, construction, repair, maintenance, manufacturing, and other facets of the electric and gas utility industries. Such agencies and organizations include, but are not limited to the U.S. Department of Transportation, the Federal Energy Regulatory Commission (FERC), the North American Electric Reliability Corporation (NERC), the Pipeline and Hazardous Materials Safety Administration (PHMSA), the Colorado Public Utilities Commission, the American National Standards Institute (ANSI), the American Society for Testing and Materials (ASTM), the Pipeline Research Council International, Inc. (PRCI), the American Society of Mechanical Engineers (ASME), the Institute of Electric and Electronic Engineers (IEEE), the Electric Power Research Institute (EPRI), the Gas Technology Institute (GTI), the National Fire Protection Association (NFPA), and specifically includes the National Electric Safety Code (NESC).

“Open Space” refers to privately-owned property protected by real covenant, or publicly-owned property protected by covenant and/or designated by ordinance or resolution of the City Council, which covenant or designation designates the property for use as one (1) or more of the following: a community buffer; a wildlife corridor and habitat area; a wetland; a view corridor; agricultural land; an area of archeological, historical, geologic or topographic significance; an area containing significant renewable and/or nonrenewable natural resources; and/or other undesignated, typically non-irrigated, undeveloped land uses. Open Space shall not include Parks.

“Other City Property” refers to the surface, the air space above the surface and the area below the surface of any property owned by the City or directly controlled by the City due to the City’s real property interest in the same or hereafter owned by the City, that would not otherwise fall under the definition of “Streets,” but which provides a suitable location for the placement of Company Facilities as specifically approved in writing by the City. Other City Property does not include Public Utility Easements.

“Parks” refers to land area owned by the City, either independently or with another governmental or quasi-governmental entity, that is developed and maintained for active or passive recreational use and is open for the general public’s use and enjoyment; which, by way of example only, may include public playfields, courts, and other recreation facilities, or may include greenways, water features, picnic areas, or natural areas.

“Private Project” refers to any project not included in the definition of Public Project.

“Public Project” refers to (1) any public work or improvement within the City that is wholly owned by the City; or (2) any public work or improvement within the City where at least fifty percent (50%) or more of the funding is provided by any combination of the City, the federal government, the State of Colorado, or any Colorado county, but excluding all entities established under Title 32 of the Colorado Revised Statutes.

“Public Utilities Commission” or **“PUC”** refers to the Public Utilities Commission of the State of Colorado or other state agency succeeding to the regulatory powers of the Public Utilities Commission.

“Public Utility Easement” refers to any platted easement over, under, or above public or private property, expressly dedicated to, and accepted by, the City for the use of public utility companies for the placement of utility facilities, including but not limited to Company Facilities.

“Relocate” and **“Relocation,”** and any variation thereof, means a temporary or permanent change or alteration by the Company in the position of any Company Facilities.

“Renewable Energy Resources” means wind, solar, and geothermal resources; energy produced from biomass from nontoxic plant matter consisting of agricultural crops or their byproducts, urban wood waste, mill residue, slash, or brush, or from animal wastes and products of animal wastes, or from methane produced at landfills or as a by-product of the

treatment of wastewater residuals; new hydroelectricity with a nameplate rating of ten (10) megawatts or less; hydroelectricity in existence on January 1, 2005 with a nameplate rating of thirty (30) megawatts or less; fuel cells using hydrogen derived from a Renewable Energy Resource; recycled energy produced by a generation unit with a nameplate capacity of not more than fifteen (15) megawatts that converts the otherwise lost energy from the heat from exhaust stacks or pipes to electricity and that does not combust additional fossil fuel, and includes any eligible renewable energy resource as defined in C.R.S. § 40-2-124(1)(a), as the same may be amended from time to time.

“Residents” refers to all persons, businesses, industries, governmental agencies, including the City, and any other entity whatsoever presently located or to be hereinafter located, in whole or in part, within the territorial boundaries of the City.

“Streets” or **“City Streets”** refers to the surface, the air space above the surface and the area below the surface of any City -dedicated or City -maintained streets, alleys, bridges, roads, lanes, access easements, and other public rights-of-way within the City, which are primarily used for motorized vehicle traffic. Streets shall not include Public Utility Easements and Other City Property.

“Supporting Documentation” refers to all information reasonably required or needed in order to allow the Company to design and construct any work performed under the provisions of this Franchise. Supporting Documentation may include, but is not limited to, construction plans, a description of known environmental issues, the identification of critical right-of-way or easement issues, the final recorded plat for the property, the date the site will be ready for the Company to begin construction, the date gas service and meter set are needed, and the name and contact information for the City’s project manager.

“Tariffs” refer to those tariffs of the Company on file and in effect with the PUC or other governing jurisdiction, as amended from time to time.

“Underground Program” has the meaning ascribed in Section 11.2(A).

“Utility Service” refers to the sale of gas or electricity to Residents by the Company under Tariffs approved by the PUC, as well as the delivery of gas to Residents by the Company.

Section 1.2 Singular/Plural. Unless the context otherwise requires, words used in the present tense include the future tense, words in the plural include the singular, and words in the singular include the plural.

Section 1.3 Mandatory/Permissive. The words “shall” and “will” are mandatory and the word “may” is permissive.

ARTICLE 2 GRANT OF FRANCHISE

Section 2.1 Grant of Franchise.

(A) Grant. The City hereby grants to the Company, subject to all conditions, limitations, terms, and provisions contained in this Franchise, the non-exclusive right to make reasonable use of City Streets, Public Utility Easements (as applicable) and Other City Property:

(1) to provide Utility Service to the City and to its Residents under the Tariffs; and

(2) to acquire, purchase, construct, install, locate, maintain, operate, upgrade and extend into, within and through the City all Company Facilities reasonably necessary for the generation, production, manufacture, sale, storage, purchase, exchange, transportation, transmission and distribution of Utility Service within and through the City.

(B) Street Lighting and Traffic Signal Lighting Service. The rights granted by this Franchise encompass the nonexclusive right to provide street lighting service and traffic signal lighting services as directed by the City and, where applicable, the provisions of this Franchise shall apply with full and equal force to street lighting service and traffic signal lighting service provided by the Company pursuant to its Tariffs. In the event of a conflict between the provisions of this Franchise and the Tariffs, the Tariffs shall control. Wherever reference is made in this Franchise to the sale or provision of Utility Service these references shall be deemed to include the provision of street lighting service and traffic signal lighting service.

Section 2.2 Conditions and Limitations.

(A) Scope of Franchise. The grant of this Franchise and the terms and conditions hereof shall extend to all areas of the City as it is now or hereafter constituted that are within the Company's PUC-certificated service territory; however, nothing contained in this Franchise shall be construed to authorize the Company to engage in activities other than the provision of Utility Service.

(B) Subject to City Usage. The Company's right to make reasonable use of City Streets and Other City Property to provide Utility Service to the City and its Residents under this Franchise is subject to and subordinate to any City usage of said Streets and Other City Property.

(C) Prior Grants Not Revoked. This grant and Franchise is not intended to and does not revoke any prior license, grant, or right to use the Streets, Other City Property or Public Utility Easements, and such licenses, grants or rights of use are hereby affirmed.

(D) Franchise Not Exclusive. The rights granted by this Franchise are not, and shall not be deemed to be, granted exclusively to the Company, and the City reserves the right to make or grant a franchise to any other person, firm, or corporation.

Section 2.3 Effective Date and Term. This Franchise shall take effect on September 9, 2023 (the “**Effective Date**”) and shall supersede any prior franchise grants to the Company by the City. This Franchise shall terminate on September 8, 2043, unless extended by mutual consent.

ARTICLE 3 CITY POLICE POWERS

Section 3.1 Police PowersThe Company expressly acknowledges the City’s right to adopt, from time to time, in addition to the provisions contained herein, such laws, including ordinances and regulations, as it may deem necessary in the exercise of its governmental powers. If the City considers making any substantive changes in its local codes or regulations that in the City’s reasonable opinion will significantly impact the Company’s operations in the City’s Streets, Public Utility Easements and Other City Property, it will make a good faith effort to advise the Company of such consideration; provided, however, that lack of notice shall not be justification for the Company’s non-compliance with any applicable local requirements.

Section 3.2 Regulation of Streets and Other City Property. The Company expressly acknowledges the City’s right to enforce regulations concerning the Company’s access to or use of the Streets and/or Other City Property. In addition, the Company acknowledges the City’s right to require the Company to obtain permits for work in Streets, Other City Property, and Public Utility Easements.

Section 3.3 Compliance with Laws. The Company shall promptly and fully comply with all laws, regulations, permits and orders lawfully enacted by the City that are consistent with Industry Standards. Nothing herein provided shall prevent the Company from legally challenging or appealing the enactment or applicability of any laws, regulations, permits and orders enacted by the City. To the extent that the Company believes that any City regulations, permits and orders are inconsistent with Industry Standards, the City agrees to meet with the Company upon the Company’s written request for consideration of the matters at issue within a reasonable period of time.

Section 3.4 Industry Standards. In enacting laws and regulations and issuing permits that affect the Company’s access to or use of the Streets, Other City Property and Public Utility Easements, the City agrees to make good faith efforts to make its regulations and permit conditions consistent with Industry Standards to the extent practicable, and the Company agrees to make good faith efforts to advise the City of Industry Standards that affect the Company’s operations within the City. Without limiting the City’s police power in any way, the City will take into consideration any input from the Company on new regulations and permit conditions that the Company believes unnecessarily increase its costs of operations within the City.

ARTICLE 4 FRANCHISE FEE

Section 4.1 Franchise Fee.

(A) Fee. In consideration for this Franchise Agreement, which provides the certain terms related to the Company's use of City Streets, Public Utility Easements (as applicable) and Other City Property, which are valuable public properties acquired and maintained by the City at the expense of its Residents, and in recognition that the grant to the Company of this Franchise is a valuable right, the Company shall pay the City a sum equal to three percent (3%) of all Gross Revenues (the "**Franchise Fee**"). To the extent required by law, the Company shall collect the Franchise Fee from a surcharge upon City Residents who are customers of the Company.

(B) Obligation in Lieu of Franchise Fee. In the event that the Franchise Fee specified herein is declared void for any reason by a court of competent jurisdiction, unless prohibited by law, the Company shall be obligated to pay the City, at the same times and in the same manner as provided in this Franchise, an aggregate amount equal to the amount that the Company would have paid as a Franchise Fee as partial consideration for use of the City Streets, Public Utility Easements and Other City Property. Such payments shall be made in accordance with applicable provisions of law. Further, to the extent required by law, the Company shall collect the amounts agreed upon through a surcharge upon Utility Service provided to City Residents who are customers of the Company.

(C) Changes in Utility Service Industries. The City and the Company recognize that utility service industries are the subject of restructuring initiatives by legislative and regulatory authorities and are also experiencing other changes as a result of mergers, acquisitions, and reorganizations. Some of such initiatives and changes may have an adverse impact upon the Franchise Fee revenues provided for herein. In recognition of the length of the term of this Franchise, the Company agrees that in the event of any such initiatives or changes and to the extent permitted by law, upon receiving a written request from the City, the Company will cooperate with and assist the City in making reasonable modifications of this Franchise Agreement in an effort to ensure that the City receives an amount in Franchise Fees or some other form of compensation that is the same amount of Franchise Fees paid to the City as of the date that such initiatives and changes adversely impact Franchise Fee revenues.

(D) Utility Service Provided to the City. No Franchise Fee shall be charged to the City for Utility Service provided directly or indirectly to the City for its own consumption, including street lighting service and traffic signal lighting service, unless otherwise directed by the City in writing and in a manner consistent with Company Tariffs.

Section 4.2 Remittance of Franchise Fee.

(A) Remittance Schedule. Franchise Fees shall be remitted by the Company to the City as directed by the City in monthly installments not more than thirty (30) days following the close of each calendar month.

(B) Correction of Franchise Fee Payments. In the event that either the City or the Company discovers that there has been an error in the calculation of the Franchise Fee payment to the City, either party shall provide written notice of the error to the other party. If the party receiving written notice of the error does not agree with the written notice of error, that party may challenge the written notice of error pursuant to Section 4.2(D) of this Franchise; otherwise, the error shall be corrected in the next monthly payment. However, if the error results in an overpayment of the Franchise Fee to the City, and said overpayment is in excess of Five Thousand Dollars (\$5,000.00), correction of the overpayment by the City shall take the form of a credit against future Franchise Fees and shall be spread over the same period the error was undiscovered or the City shall make a full refund payment to the Company. If such period would extend beyond the term of this Franchise, the Company may elect to require the City to provide it with a refund instead of a credit, with such refund to be spread over the same period the error was undiscovered, even if the refund will be paid after the termination date of this Franchise. All Franchise Fee underpayments shall be corrected in the next monthly payment, together with interest computed at the rate set by the PUC for customer security deposits held by the Company, from the date when due until the date paid. Subject to the terms of the Tariffs, in no event shall either party be required to fund or refund any overpayment or underpayment made as a result of a Company error which occurred more than five (5) years prior to the discovery of the error.

(C) Audit of Franchise Fee Payments.

- (1) Company Audit. At the request of the City, every three (3) years commencing at the end of the third calendar year of the Term of this Franchise, the Company shall conduct an internal audit, in accordance with the Company's auditing principles and policies that are applicable to electric and gas utilities that are developed in accordance with the Institute of Internal Auditors, to investigate and determine the correctness of the Franchise Fees paid to the City. Such audit shall be limited to the previous three (3) calendar years. Within a reasonable period of time after the audit, the Company shall provide a written report to the City Clerk summarizing the audit procedures followed along with any findings.
- (2) City Audit. If the City disagrees with the results of the Company's audit, and if the parties are not able to informally resolve their differences, the City may conduct its own audit at its own expense, in accordance with generally accepted auditing principles applicable to electric and gas utilities that are developed in accordance with the Institute of Internal Auditors, and the Company shall cooperate by providing the City's auditor with non-confidential information

that would be required to be disclosed under applicable state sales and use tax laws and applicable PUC rules and regulations.

- (3) Underpayments. If the results of a City audit conducted pursuant to Section 4.2(C)(2) above concludes that the Company has underpaid the City by two percent (2%) or more, in addition to the obligation to pay such amounts to the City, the Company shall also pay all reasonable costs of the City's audit. The Company shall not be responsible for the costs of the City's audit when the underpayment is caused by errors from information provided by an entity certified by the Colorado Department of Revenue as a "hold harmless entity" or other similar entity recognized by the Colorado Department of Revenue.

(D) Fee Disputes. Either party may challenge any written notification of error as provided for in Section 4.2(B) of this Franchise by filing a written notice to the other party within thirty (30) days of receipt of the written notification of error. The written notice shall contain a summary of the facts and reasons for the party's notice. The parties shall make good faith efforts to resolve any such notice of error before initiating any formal legal proceedings for the resolution of such error.

(E) Reports. To the extent allowed by law, upon written request by the City, but not more than once per year, the Company shall supply the City with a list of the names and addresses of registered natural gas suppliers and brokers of natural gas that utilize Company Facilities to sell or distribute natural gas within the City. The Company shall not be required to disclose any confidential or proprietary information.

(F) Franchise Fee Payment Not in Lieu of Permit or Other Fees. Payment of the Franchise Fee by Company to City does not exempt the Company from any other lawful tax or fee imposed generally upon persons doing business within the City, except that the Franchise Fee provided for herein shall be in lieu of any occupation, occupancy or similar tax or fee for the Company's use of City Streets, Public Utility Easements or Other City Property under the terms set forth in this Franchise.

ARTICLE 5 ADMINISTRATION OF FRANCHISE

Section 5.1 City Designee. The City Clerk shall designate in writing to the Company an official or officials having full power and authority to administer this Franchise (whether one or more, the "City Designee"). The City Clerk may also designate one or more City representatives to act as the primary liaison with the Company as to particular matters addressed by this Franchise and shall provide the Company with the name(s) and telephone number(s) of said City Designee. The City Clerk may change these designations by providing written notice to the Company. The City's Designee shall have the right, at all reasonable times and with reasonable notice to the Company, to inspect any Company Facilities in City Streets and Other City Property.

Section 5.2 Company Designee. The Company shall designate a representative to act as the primary liaison with the City and shall provide the City with the name, address, and

telephone number for the Company's representative under this Franchise ("**Company Designee**"). The Company may change its designation by providing written notice to the City. The City shall use the Company Designee to communicate with the Company regarding Utility Service and related service needs for City facilities.

Section 5.3 Coordination of Work.

(A) The Company agrees to coordinate with the City its activities in City Streets, Public Utility Easements and Other City Property located in the City. The City and the Company will meet up to twice annually upon the written request of the City designee to exchange their respective short-term and long-term forecasts and/or work plans for construction and other similar work which may affect City Streets, including but not limited to any planned City Streets paving projects. The City and Company shall hold such meetings as either deems necessary to exchange additional information with a view toward coordinating their respective activities in those areas where such coordination may prove beneficial and so that the City will be assured that all applicable provisions of this Franchise, applicable building and zoning codes, and applicable City air and water pollution regulations are complied with, and that aesthetic and other relevant planning principles have been given due consideration.

(B) In addition to the foregoing meetings, the Company and the City agree to use good faith efforts to provide notice to one another whenever (i) the Company initiates plans to significantly upgrade its infrastructure within the City, including without limitation the replacement of utility poles and overhead lines; (ii) third-party applicants within the City initiate private land uses and projects requiring a significant installation of utility infrastructure; or (iii) the City initiates a project that requires significant upgrades to future gas and/or electric utility development by the Company, in order to allow for mutual City and Company input and consultation for beneficial coordination of activities.

ARTICLE 6 SUPPLY, CONSTRUCTION AND DESIGN

Section 6.1 Purpose. The Company acknowledges the critical nature of the municipal services performed or provided by the City to the Residents that require the Company to provide prompt and reliable Utility Service and the performance of related services for City facilities. The City and the Company wish to provide for certain terms and conditions under which the Company will provide Utility Service and perform related services for the City in order to facilitate and enhance the operation of City facilities. They also wish to provide for other processes and procedures related to the provision of Utility Service to the City.

Section 6.2 Supply. Subject to the jurisdiction of the PUC, the Company shall take all reasonable and necessary steps to provide a sufficient supply of gas and electricity to Residents at the lowest reasonable cost consistent with reliable supplies.

Section 6.3 Charges to the City for Service to City Facilities. No charges to the City by the Company for Utility Service (other than gas transportation which shall be subject to

negotiated contracts) shall exceed the lowest charge for similar service or supplies provided by the Company to any other similarly situated customer of the Company. The parties acknowledge the jurisdiction of the PUC over the Company's regulated intrastate electric and gas rates. All charges to the City shall be in accord with the Tariffs.

Section 6.4 Restoration of Service.

(A) Notification. The Company shall provide to the City daytime and nighttime telephone numbers of a Company Designee from whom the City may obtain status information from the Company on a twenty-four (24) hour basis concerning interruptions of Utility Service in any part of the City.

(B) Restoration. In the event the Company's gas system or electric system within the City, or any part thereof, is partially or wholly destroyed or incapacitated, the Company shall use due diligence to restore such system to satisfactory service within the shortest practicable period of time, or provide a reasonable alternative to such system if the Company elects not to restore such system.

Section 6.5 Obligations Regarding Company Facilities.

(A) Company Facilities. All Company Facilities within City Streets, Public Utility Easements and Other City Property shall be maintained in good repair and condition.

(B) Company Work within the City. All work within City Streets and Other City Property performed or caused to be performed by the Company shall be performed:

- (1) in a high-quality manner that is in accordance with Industry Standards;
- (2) in a timely and expeditious manner;
- (3) in a manner that reasonably minimizes inconvenience to the public;
- (4) in a cost-effective manner, which may include the use of qualified contractors;
and
- (5) in accordance with all applicable City laws, ordinances, and regulations that are consistent with Industry Standards and the Tariffs.

(C) No Interference with City Facilities. Company Facilities shall not unreasonably interfere with any City facilities, including water facilities, sanitary or storm sewer facilities, communications facilities, or other City uses of the Streets, Public Utility Easements, or Other City Property. Company Facilities shall be installed and maintained in City Streets and Other City Property so as to reasonably minimize interference with other property, trees, and other improvements and natural features in and adjoining the Streets and Other City Property in light of the Company's obligation under Colorado law to provide safe and reliable utility facilities and services.

(D) Permit and Inspection. The installation, renovation, and replacement of any Company Facilities in the City Streets or Other City Property by or on behalf of the Company shall be subject to permit, inspection and approval by the City in accordance with applicable City laws. Such permitting, inspection and approval may include, but shall not be limited to, the following matters: location of Company Facilities, cutting and pruning of trees and shrubs and disturbance of pavement, sidewalks and surfaces of City Streets or Other City Property; provided, however, the Company shall have the right to cut, prune, and/or remove vegetation in accordance with its standard vegetation management requirements and procedures. The Company agrees to cooperate with the City in conducting inspections and shall promptly perform any remedial action lawfully required by the City pursuant to any such inspection that is consistent with Industry Standards.

(E) Compliance. Subject to the provisions of Section 3.3 above, the Company and all of its contractors shall comply with the requirements of all applicable municipal laws, ordinances, regulations, rules, permits, and standards lawfully adopted, including but not limited to requirements of all building and zoning codes, and requirements regarding curb and pavement cuts, excavating, digging, and other construction activities. The Company shall use commercially reasonable efforts to require that its contractors working in City Streets and Other City Property hold the necessary licenses and permits required by law.

(F) Increase in Voltage. The Company shall reimburse the City for the cost of upgrading the electrical system or facility of any City building or facility that uses Utility Service where such upgrading is solely caused or occasioned by the Company's decision to increase the voltage of delivered electrical energy. This provision shall not apply to voltage increases required by law, including but not limited to a final order of the PUC, or voltage increases requested by the City.

Section 6.6 As-Built Drawings.

(A) Within thirty (30) days after written request of the City designee, but no sooner than fourteen (14) days after project completion, the Company shall commence its internal process to permit the Company to provide, on a project by project basis, as-built drawings of any Company Facility installed within the City Streets or contiguous to the City Streets. The Company shall provide the requested documents no later than forty-five (45) days after it commences its internal process.

(B) If the requested information must be limited or cannot be provided pursuant to regulatory requirements or Company data privacy policies, the Company shall promptly notify the City of such restrictions. The City acknowledges that the requested as-built drawings are confidential information of the Company and the Company asserts that disclosure to members of the public would be contrary to the public interest. Accordingly, the City shall deny the right of inspection of the Company's confidential information as set forth in C.R.S. § 24-72-204(3)(a)(IV), as may be amended from time to time (the "**Open Records Act**"). If an Open Records Act request is made by any third party as-built drawings that the Company has provided to the City pursuant to this Franchise, the City will immediately notify the Company of the request and shall allow the Company to defend

such request at its sole expense, including filing a legal action in any court of competent jurisdiction to prevent disclosure of such information. In any such legal action the Company shall join the person requesting the information and the City. In no circumstance shall the City provide to any third-party as-built drawings provided by the Company pursuant to this Franchise without first conferring with the Company. Provided the City complies with the terms of this Section, the Company shall defend, indemnify and hold the City harmless from any claim, judgment, costs or attorney fees incurred in participating in such proceeding.

(C) As used in this Section 6.6, “as-built drawings” refers to hard copies of the facility drawings as maintained in the Company’s business records and shall not include information maintained in the Company’s geographical information system. The Company shall not be required to create drawings or data that do not exist at the time of the request.

Section 6.7 Excavation and Construction. Subject to Section 3.3, the Company shall be responsible for obtaining, paying for, and complying with all applicable permits, including but not limited to excavation, street closure, and street cut permits in the manner required by the laws, ordinances, and regulations of the City; the City and Company agree to satisfy any additional permit bond or deposit required of the Company or its contractors by City ordinance by separate agreement. Although the Company shall be responsible for obtaining and complying with the terms of such permits when performing Relocations requested by the City under Section 6.9 of this Franchise and undergrounding requested by the City under Article 11 of this Franchise, the City will not require the Company to pay the fees charged for such permits. Upon the Company submitting a construction design plan, the City shall promptly and fully advise the Company in writing of all requirements for the restoration of City Streets in advance of Company excavation projects in City Streets, based upon the design submitted, if the City’s restoration requirements are not addressed in publicly available standards.

Section 6.8 Restoration.

(A) Subject to the provisions of Section 6.5(D), when the Company does any work in or affecting the City Streets or Other City Property, it shall, at its own expense, promptly remove any obstructions placed thereon or therein by the Company and within a reasonable period of time, as set forth in the applicable permit subject to subparagraph (B) below, restore at the Company’s expense the affected surface of such City Streets or Other City Property to a condition that is substantially the same as existed before the work, in accordance with applicable City standards.

(B) If weather or other conditions do not permit the complete restoration required by Section 6.8(A), the Company may with the approval of the City, temporarily restore the affected City Streets or Other City Property, provided that such temporary restoration is not at the City’s expense and provided further that the Company promptly undertakes and completes the required permanent restoration when the weather or other conditions no longer prevent such permanent restoration.

(C) Upon the request of the City, the Company shall restore the Streets or Other City Property to a better condition than existed before the Company work was undertaken, provided that the City shall be responsible for any incremental costs of such restoration not required by then-current City standards, and provided the City seeks and/or grants, as applicable, any additional required approvals.

(D) If the Company fails to promptly restore the City Streets or Other City Property as required by this Section 6.8, and if, in the reasonable discretion of the City, immediate action is required for the protection of public health, safety or welfare, the City may restore such Streets or Other City Property or remove the obstruction therefrom; provided however, City actions do not interfere with Company Facilities. The Company shall be responsible for the actual cost incurred by the City to restore such City Streets or Other City Property or to remove any obstructions therefrom. In the course of its restoration of City Streets or Other City Property under this Section 6.8, the City shall not perform work on Company Facilities unless specifically authorized by the Company in writing on a project-by-project basis and subject to the terms and conditions agreed to in such authorization.

Section 6.9 Relocation of Company Facilities.

(A) Relocation Obligation. The Company shall Relocate any Company Facility in City Streets or in Other City Property at no cost or expense to the City whenever such Relocation is necessary for the completion of any Public Project. In the case of Relocation that is necessary for the completion of any Public Project in a Public Utility Easement that is not in a City Street or Other City Property, the Company shall not be responsible for any relocation costs. For all Relocations contemplated pursuant to this Section 6.9(A), the Company and the City agree to cooperate on the location and Relocation of the Company Facilities in the City Streets or Other City Property in order to achieve Relocation in the most efficient and cost-effective manner possible. Notwithstanding the foregoing, once the Company has completed a Relocation of any Company Facility at the City's direction, if the City requests a Relocation of the same Company Facility within two (2) years, the subsequent Relocation shall not be at the Company's expense. Nothing provided herein shall prevent the Company from recovering its Relocation costs and expenses from third-parties.

(B) Private Projects. Subject to Section 6.9(F), the Company shall not be responsible for the expenses of any Relocation required by Private Projects, and the Company has the right to require the payment of estimated Relocation expenses from the party causing, or responsible for, the Relocation before undertaking the Relocation.

(C) Relocation Performance. The Relocations set forth in Section 6.9(A) of this Franchise shall be completed within a reasonable time, not to exceed one hundred twenty (120) days from the later of the date on which the City designee requests, in writing, that the Relocation commence, or the date when the Company is provided all Supporting Documentation. The Company shall notify the City within twenty (20) days of receipt of the request if the Supporting Documentation is insufficient to complete the project. The

Company shall receive an extension of time to complete a Relocation where the Company's performance was delayed due to Force Majeure Event or the failure of the City to provide adequate Supporting Documentation. The Company has the burden of presenting evidence to reasonably demonstrate the basis for the delay. Upon written request of the Company, the City may also grant the Company reasonable extensions of time for good cause shown and the City shall not unreasonably withhold or condition any such extension.

(D) City Revision of Supporting Documentation. Any revision by the City of Supporting Documentation provided to the Company that causes the Company to substantially redesign and/or change its plans regarding Company Facility Relocation shall be deemed good cause for a reasonable extension of time to complete the Relocation under this Franchise.

(E) Completion. Each such Relocation shall be complete only when the Company actually Relocates the Company Facilities, restores the Relocation site in accordance with Section 6.9 of this Franchise or as otherwise agreed with the City, and removes from the site or properly abandons on site all unused Company Facilities, equipment, material and other impediments. "Unused" for the purposes of this Franchise shall mean the Company is no longer using the Company Facilities in question and has no plans to use the Company Facilities in the foreseeable future. Any abandonment of Company Facilities as contemplated in this section shall comply with Industry Standards.

(F) Scope of Obligation. Notwithstanding anything to the contrary in this Franchise, the Company shall not be required to Relocate any Company Facilities from property (i) owned by the Company in fee; or (ii) in which the Company has a property right, grant or interest, including without limitation an easement, but excluding Public Utility Easements, which are addressed in Section 6.9(A).

(G) Underground Relocation. The Company shall Relocate underground Company Facilities underground. The Company shall Relocate above-ground Company Facilities above ground unless the Company is paid for the incremental amount by which the underground cost would exceed the above ground cost of Relocation, or the City requests that such additional incremental cost be paid out of available funds under Article 11 of this Franchise.

(H) Coordination.

- (1) When requested in writing by the City designee or the Company, representatives of the City and the Company shall meet to share information regarding anticipated projects which will require Relocation of Company Facilities in City Streets and Other City Property. Such meetings shall be for the purpose of minimizing conflicts where possible and to facilitate coordination with any reasonable timetable established by the City for any Public Project.

- (2) The City shall make reasonable best efforts to provide the Company with one (1) year advance notice of any planned Street repaving. The Company shall make reasonable best efforts to complete any necessary or anticipated repairs or upgrades to Company Facilities that are located underneath the Streets within the one-year period if practicable.

(I) Proposed Alternatives or Modifications. Upon receipt of written notice of a required Relocation, the Company may propose an alternative to or modification of the Public Project requiring the Relocation in an effort to mitigate or avoid the impact of the required Relocation of Company Facilities. The City shall in good faith review the proposed alternative or modification. The acceptance of the proposed alternative or modification shall be at the discretion of the City. In the event the City accepts the proposed alternative or modification, the Company agrees to promptly compensate the City for all additional costs, expenses or delay that the City reasonably determines resulted from the implementation of the proposed alternative.

Section 6.10 New or Modified Service Requested by City. The conditions under which the Company shall install new or modified Utility Service to the City as a customer shall be governed by this Franchise and the Company's Tariffs.

Section 6.11 Service to New Areas. If the territorial boundaries of the City are expanded during the term of this Franchise, the Company shall, to the extent permitted by law, extend service to Residents in the expanded area at the earliest practicable time if the expanded area is within the Company's PUC-certificated service territory. Service to the expanded area shall be in accordance with the terms of the Tariffs and this Franchise, including the payment of Franchise Fees.

Section 6.12 City Not Required to Advance Funds. Upon receipt of the City's authorization for billing and construction, the Company shall install Company Facilities to provide Utility Service to the City as a customer, without requiring the City to advance funds prior to construction. The City shall pay for the installation of Company Facilities once completed in accordance with the Tariffs. Notwithstanding anything to the contrary, the provisions of this Section allowing the City to not advance funds prior to construction shall apply unless prohibited by the PUC rules or the Tariffs. The parties agree that as of the date of execution of this Agreement, Company Electric Tariff Sheets R120, R167 and R175 and Gas Tariff Sheets R36 and 39 governs the terms of installation of Company Facilities for the City and allows installation of Company Facilities without the City advancing funds prior to construction.

Section 6.13 Technological Improvements. The Company shall use its best efforts to incorporate, as soon as practicable, technological advances in its equipment and service within the City when such advances are technically and economically feasible and are safe and beneficial to the City and its Residents.

ARTICLE 7 RELIABILITY

Section 7.1 Reliability. The Company shall operate and maintain Company Facilities efficiently and economically, in accordance with Industry Standards, and in accordance with the standards, systems, methods and skills consistent with the provision of adequate, safe and reliable Utility Service.

Section 7.2 Franchise Performance Obligations. The Company recognizes that, as part of its obligations and commitments under this Franchise, the Company shall carry out each of its performance obligations in a timely, expeditious, efficient, economical and workmanlike manner.

Section 7.3 Reliability Reports. Upon written request, the Company shall provide the City with a report regarding the reliability of Company Facilities and Utility Service.

ARTICLE 8 COMPANY PERFORMANCE OBLIGATIONS

Section 8.1 New or Modified Service to City Facilities. In providing new or modified Utility Service to City facilities, the Company agrees to perform as follows:

(A) Performance. The Company shall complete each project requested by the City within a reasonable time. Other than traffic facilities, where the Company's performance obligations are governed by Tariff, the parties agree that a reasonable time shall not exceed one hundred eighty (180) days from the date upon which the City designee makes a written request and provides the required Supporting Documentation for all Company Facilities other than traffic facilities, including a copy to the Area Manager as designated in Section 21.4 below. Provided that the City provides the Company's designated representative with a copy of the Supporting Documentation, the Company shall notify the City within twenty (20) days of receipt of the request if the Supporting Documentation is sufficient to complete the project. The Company shall be entitled to an extension of time to complete a project where the Company's performance was delayed due to Force Majeure. Upon request of the Company, the City designee may also grant the Company reasonable extensions of time for good cause shown and the City shall not unreasonably withhold any such extension.

(B) City Revision of Supporting Documentation. Any revision by the City of Supporting Documentation provided to the Company that causes the Company to substantially redesign and/or substantially change its plans regarding new or modified service to City facilities shall be deemed good cause for a reasonable extension of time to complete the Relocation under this Franchise.

(C) Completion/Restoration. Each such project shall be complete only when the Company actually provides the service installation or modification required, restores the project site in accordance with the terms of this Franchise or as otherwise agreed with the City and properly abandons on site any unused Company Facilities, equipment, material and other impediments.

Section 8.2 Adjustments to Company Facilities. The Company shall perform adjustments to Company Facilities that are consistent with Industry Standards, including manhole rings and other appurtenances in Streets and Other City Property, to accommodate City Street maintenance, repair and paving operations at no cost to the City. In providing such adjustments to Company Facilities, the Company agrees to perform as follows:

(A) Performance. The Company shall complete each requested adjustment within a reasonable time, not to exceed thirty (30) days from the date upon which the City makes a written request and provides to the Company all information reasonably necessary to perform the adjustment. The Company shall be entitled to an extension of time to complete an adjustment where the Company's performance was delayed due to a Force Majeure Event. Upon request of the Company, the City may also grant the Company reasonable extensions of time for good cause shown and the City shall not unreasonably withhold any such extension.

(B) Completion/Restoration. Each such adjustment shall be complete only when the Company actually adjusts and, if required, readjusts, Company Facilities to accommodate City operations in accordance with City instructions following City street maintenance, repair, or paving operations.

(C) Coordination. As requested by the City or the Company, representatives of the City and the Company shall meet regarding anticipated Street maintenance operations which will require such adjustments to Company Facilities in Streets or Other City Property. Such meetings shall be for the purpose of coordinating and facilitating performance under this Section.

Section 8.3 Third Party Damage Recovery.

(A) Damage to Company Facilities. If any individual or entity damages any Company Facilities, to the extent permitted by law the City will notify the Company of any such incident of which it has knowledge and will provide to the Company within a reasonable time all pertinent information within its possession regarding the incident and the damage, including the identity of the responsible individual or entity.

(B) Damage to Company Facilities for which the City is Responsible. If any individual or entity damages any Company Facilities for which the City is obligated to reimburse the Company for the cost of the repair or replacement of the damaged facilities, to the extent permitted by law, the Company will notify the City of any such incident of which it has knowledge and will provide to the City within a reasonable time all pertinent information within its possession regarding the incident and the damage, including the identity of the responsible individual or entity.

(C) Meeting. The Company and the City agree to meet periodically upon written request of either party for the purpose of developing, implementing, reviewing, improving and/or modifying mutually beneficial procedures and methods for the efficient gathering

and transmittal of information useful in recovery efforts against third-parties for damaging Company Facilities.

ARTICLE 9 BILLING AND PAYMENT

Section 9.1 Billing for Utility Services.

(A) Monthly Billing. Unless otherwise provided in the Tariffs, the rules and regulations of the PUC, or the Public Utility Law, the Company shall render bills monthly to the offices of the City for Utility Service and other related services for which the Company is entitled to payment.

(B) Address for Billing. Billings for service rendered during the preceding month shall be sent to the person(s) designated by the City and payment for same shall be made as prescribed in this Franchise and the applicable Tariffs.

(C) Supporting Documents. To the extent requested by the City, the Company shall provide all billings and any underlying Supporting Documentation reasonably requested by the City in an editable and manipulatable electronic format that is acceptable to the Company and the City.

(D) Annual Meetings. The Company agrees to meet with the City designee at least annually for the purpose of developing, implementing, reviewing, and/or modifying mutually beneficial and acceptable billing procedures, methods, and formats which may include, without limitation, electronic billing and upgrades or beneficial alternatives to the Company's current most advanced billing technology, for the efficient and cost effective rendering and processing of such billings submitted by the Company to the City.

(E) Payment to City In the event the City determines after written notice to the Company that the Company is liable to the City for payments, costs, expenses or damages of any nature, and subject to the Company's right to challenge such determination, the City may deduct all monies due and owing the City from any other amounts currently due and owing the Company. Upon receipt of such written notice, the Company may request a meeting between the Company's designee and a designee of the City to discuss such determination. The City agrees to attend such a meeting. As an alternative to such deduction and subject to the Company's right to challenge, the City may bill the Company for such assessment(s), in which case, the Company shall pay each such bill within thirty (30) days of the date of receipt of such bill unless it challenges the validity of the charge. If the Company challenges the City determination of liability, the City shall make such payments to the Company for Utility Service received by City pursuant to the Tariffs until the challenge has been finally resolved.

ARTICLE 10

USE OF COMPANY ELECTRIC DISTRIBUTION POLES

Section 10.1 City Use of Company Electric Distribution Poles. The City shall be permitted to make use of Company electric distribution poles in the City, subject to the Tariffs, without a use fee for the placement of City equipment or facilities necessary to serve a legitimate police, fire, emergency, public safety or traffic control purpose. The City shall notify the Company in advance and in writing of its intent to use Company's electric distribution poles, and the nature of such use. The City shall be responsible for all costs incurred by the Company associated with such use by the City, including but not limited to reviews, inspections and modifications of Company electric distribution poles to accommodate the City's use of such Company electric distribution poles and for any electricity used. The City shall not install any equipment or facilities without the express written consent and approval of the Company. No such use of Company electric distribution poles may occur if it would constitute a safety hazard or would interfere with the Company's use or use by any other authorized entity of Company Facilities. Any such City use must comply with the Company's specifications, the National Electric Safety Code, Industry Standards and all other applicable laws, rules and regulations.

Section 10.2 Third Party Use of Company Electric Distribution Poles. If requested in writing by the City, the Company may allow other companies who hold franchises, or otherwise have obtained consent from the City to use the Streets, Other City Property, and Public Utility Easements, to utilize Company electric distribution poles in City Streets, Other City Property, and Public Utility Easements, subject to the Tariffs, for the placement of their facilities upon approval by the Company and agreement upon reasonable terms and conditions, including payment of fees established by the Company. No such use shall be permitted if it would constitute a safety hazard or would interfere with the Company's use of Company Facilities. The Company shall not be required to permit the use of Company electric distribution poles for the provision of utility service except as otherwise required by law.

Section 10.3 City Use of Company Transmission Rights-of-Way. The Company shall offer to grant to the City use of transmission rights-of-way which it now, or in the future, owns in fee within the City for trails, parks and open space on terms comparable to those offered to other municipalities; provided, however, that the Company shall not be required to make such an offer in any circumstance where such use would constitute a safety hazard or would interfere with the Company's use of the transmission right-of-way. In order to exercise this right, the City must make specific, advance written request to the Company for any such use and must enter such written agreements as the Company may reasonably require.

Section 10.4 Emergencies. Upon written request, the Company shall assist the City in developing an emergency management plan that is consistent with Company policies. The City and the Company shall work cooperatively with each other in any emergency or disaster situation to address the emergency or disaster.

ARTICLE 11

UNDERGROUNDING OF OVERHEAD ELECTRIC DISTRIBUTION LINES

Section 11.1 Underground Electrical Lines in New Areas. Upon payment to the Company of the charges provided in the Tariffs or their equivalent, the Company shall place all newly constructed electrical distribution lines in newly developed areas of the City underground in accordance with applicable laws, regulations and orders of the City. Such underground construction shall be consistent with Industry Standards.

Section 11.2 Underground Conversion at Expense of Company.

(A) Underground Conversion Program. The Company shall budget and allocate an annual amount, equivalent to one percent (1%) of the preceding year's Electric Gross Revenues, for the purpose of undergrounding its existing overhead electric distribution lines in the City Streets (excluding alleys and access easements) and Other City Property, as may be requested by the City Designee (the "Underground Program"), so long as the underground conversion does not result in end use customers of the Company incurring any costs related to the conversion and does not require the Company to obtain any additional land use rights. If the City requires Relocation of overhead electric distribution lines in the Streets and Other City Property and there is no room to relocate the lines overhead, the Company may relocate the Facilities underground and may charge the cost of undergrounding to the Underground Program.

(B) Unexpended Portion and Advances. Any unexpended portion of the Underground Program shall be carried over to succeeding years and, in addition, upon request by the City, the Company agrees to advance and expend amounts anticipated to be available under the preceding paragraph for up to three (3) years in advance provided there are at least three (3) years remaining before the expiration or termination of this Franchise. During the last three (3) years of this Franchise Agreement, upon request by the City, the Company may advance and expend amounts anticipated to be available during the remaining term of this Franchise Agreement under the preceding paragraph on a project by project basis in the Company's sole discretion. Any amounts so advanced shall be credited against amounts to be expended in succeeding years. Any funds left accumulated in the Underground Program under any prior franchise shall be carried over to this Franchise. Notwithstanding the foregoing, the City shall have no vested interest in monies allocated to the Underground Program and any monies in the Underground Program not expended at the expiration or termination of this Franchise shall remain the property of the Company. At the expiration or termination of this Franchise, the Company shall not be required to underground any existing overhead electric distribution lines pursuant to this Article, but may do so in its sole discretion.

(C) System-wide Undergrounding. If, during the term of this Franchise, the Company should receive authority from the PUC to undertake a system-wide program or programs of undergrounding its electric distribution lines system wide, the Company will budget and allocate to the program of undergrounding in the City such amount as may be determined

and approved by the PUC, but in no case shall such amount be less than the one percent (1%) of annual Electric Gross Revenues provided above.

(D) City Requirement to Underground. In addition to the provisions of this Article, the City may require any above ground Company lines in Streets and Other City Property to be moved underground at the City's expense.

Section 11.3 Undergrounding Performance. Upon receipt of a written request from the City, the Company shall underground Company electric distribution lines pursuant to the provisions of this Article 11, in accordance with the procedures set forth in this Section.

(A) Estimates. Promptly upon receipt of an undergrounding request from the City and the Supporting Documentation necessary for the Company to design the undergrounding project, including a copy to the Area Manager as designated in Section 21.4 below, the Company shall prepare a detailed, good faith cost estimate of the anticipated actual cost of the requested project for the City to review and, if acceptable to the City, the City will issue a project authorization. The Company shall notify the City within twenty (20) days of receipt of the request if the Supporting Documentation is insufficient to prepare the cost estimate for the project. The City and the Company agree to meet upon the request of either party during the period when the Company is preparing its estimate to discuss all aspects of the project toward the goal of enabling the Company to prepare an accurate cost estimate. At the City's request, the Company will provide all documentation that forms the basis of the estimate that is not proprietary. The Company will not proceed with any requested project until the City has provided a written acceptance of the Company's estimate.

(B) Performance. The Company shall complete each undergrounding project requested by the City within a reasonable time considering the size and scope of each project, not to exceed two hundred forty (240) days from the later of the date upon which the City designee makes a written request or the date the City provides to the Company all Supporting Documentation. The Company shall have one hundred twenty (120) days after receiving the City's written request to design project plans, prepare the good faith estimate, and transmit same to the City designee for review. If City approval of the plans and estimate has not been granted, the Company's good faith estimate will be void sixty (60) days after delivery of the plans and estimate to the City designee. If the plans and estimate are approved by the City, the Company shall have one hundred twenty (120) days to complete the project, from the date of the City designee's authorization of the underground project, plus any of the one hundred twenty (120) unused days in preparing the good faith estimate. At the Company's sole discretion, if the good faith estimate has expired because the City designee has not approved the same within sixty (60) days, the Company may extend the good faith estimate or prepare a new estimate using current prices. The Company shall be entitled to an extension of time to complete each undergrounding project where the Company's performance was delayed due to a Force Majeure Event. Upon written request of the Company, the City may also grant the Company reasonable extensions of time for good cause shown and the City shall not unreasonably withhold any such extension.

(C) City Revision of Supporting Documentation. Any revision by the City of Supporting Documentation provided to the Company that causes the Company to substantially redesign and/or change its plans regarding an undergrounding project shall be deemed good cause for a reasonable extension of time to complete the undergrounding project under this Franchise.

(D) Completion/Restoration. Each such undergrounding project undertaken pursuant to this Article shall be complete only when the Company actually undergrounds the designated Company Facilities and restores the undergrounding site in accordance with Section 6.7 of this Franchise, or as otherwise agreed with the City. When performing underground conversions of overhead lines, the Company shall make reasonable efforts consistent with its contractual obligations to persuade joint users of Company distribution poles to remove their facilities from such poles within the time allowed by this Article.

(E) Report of Actual Costs. Upon completion of each undergrounding project undertaken pursuant to this Article, the Company shall submit to the City a detailed report of the Company's actual cost to complete the project and the Company shall reconcile this total actual cost with the accepted cost estimate. The report shall be provided within one hundred twenty (120) days after completion of the project and written request from the City.

(F) Audit of Underground Projects. The City may require the Company to undertake an independent audit of up to two (2) undergrounding projects in any calendar year. The City shall make any such request in writing within one hundred twenty (120) days of receipt of the report of actual costs, as referenced in Section 11.3(E) of this Franchise Agreement. Such audits shall be limited to projects completed within twelve (12) months prior to the date when the audit is requested. The cost of any such independent audit shall reduce the amount of the Underground Program balance. The Company shall cooperate with any audit and the independent auditor shall prepare and provide to the City and the Company a final audit report showing the actual costs associated with completion of the project. If a project audit is required by the City, only those actual project costs confirmed and verified by the independent auditor as reasonable and necessary to complete the project shall be charged against the Underground Program balance.

Section 11.4 Audit of Underground Program. Upon written request, every three (3) years commencing at the end of the third year of this Franchise, the Company shall cause an independent auditor to investigate and determine the correctness of the charges to the Underground Program. Such audits shall be limited to the previous three (3) calendar years. Audits performed pursuant to this Section shall be limited to charges to the Underground Program and shall not include an audit of individual underground projects. If the City has concerns about any material information contained in the audit, the parties shall meet and make good faith attempts to resolve any outstanding issues. The independent auditor shall provide to the City and the Company a written report containing its findings. The Company shall reconcile the Underground Program balance consistent with the findings contained in the independent auditor's written report. The costs of the audit and investigation shall be charged against the Underground Program balance.

Section 11.5 Cooperation with Other Utilities. When undertaking an undergrounding project, the City and the Company shall coordinate with other utilities or companies that have their facilities above ground to attempt to have all facilities undergrounded as part of the same project. When other utilities or companies are placing their facilities underground, to the extent the Company has received prior written notification, the Company shall cooperate with these utilities and companies and undertake to underground Company facilities as part of the same project where financially, technically and operationally feasible. The Company shall not be required to pay for any costs of undergrounding the facilities of other companies or the City.

Section 11.6 Planning and Coordination of Undergrounding Projects. The City and the Company shall mutually plan in advance the scheduling of undergrounding projects to be undertaken according to this Article as a part of the review and planning for other City and Company construction projects. The City and the Company agree to meet, as required, to review the progress of the current undergrounding projects and to review planned future undergrounding projects. The purpose of such meetings shall be to further cooperation between the City and the Company in order to achieve the orderly undergrounding of Company overhead lines. Representatives of both the City and the Company shall meet periodically to review the Company's undergrounding of Company overhead lines and at such meetings shall review:

- (A) Undergrounding, including conversions, Public Projects and replacements that have been accomplished or are underway, together with the Company's plans for additional undergrounding; and
- (B) Public Projects anticipated by the City.

ARTICLE 12 PURCHASE OR CONDEMNATION

Section 12.1 Municipal Right to Purchase or Condemn.

(A) **Right and Privilege of City.** The right and privilege of the City to construct, own and operate a municipal utility, and to purchase pursuant to a mutually acceptable agreement or condemn any Company Facilities located within the territorial boundaries of the City, and the Company's rights in connection therewith, as set forth in applicable provisions of the constitution, statutes and case law of the State of Colorado relating to the acquisition of public utilities, are expressly recognized. The City shall have the right, within the time frames and in accordance with the procedures set forth in such provisions, to condemn Company Facilities, land, rights-of-way and easements now owned or to be owned by the Company located within the territorial boundaries of the City. In the event of any such condemnation, no value shall be ascribed or given to the right to use City Streets or Other City Property granted under this Franchise in the valuation of the property thus condemned.

(B) **Notice of Intent to Purchase or Condemn.** The City shall provide the Company no less than one (1) year's prior written notice of its intent to purchase or condemn Company Facilities. Nothing in this Section 12.1 shall be deemed or construed to constitute a consent

by the Company to the City's purchase or condemnation of Company Facilities, nor a waiver of any Company defenses or challenges related thereto.

ARTICLE 13

MUNICIPALLY PRODUCED UTILITY SERVICE

Section 13.1 Municipally Produced Utility Service.

(A) City Reservation. The City expressly reserves the right to engage in the production of utility service to the extent permitted by law. The Company agrees to negotiate in good faith long term contracts to purchase City-generated power made available for sale, consistent with PUC requirements and other applicable requirements. The Company further agrees to offer transmission and delivery services to the City that are required by judicial, statutory and/or regulatory directive and that are comparable to the services offered to any other customer with similar generation facilities.

(B) Franchise Not to Limit City's or Company's Rights. Nothing in this Franchise prohibits the City from becoming an aggregator of utility service or from selling utility service to customers should it be permissible under law, nor does it affect the Company's rights and obligations pursuant to any Certificate of Public Convenience and Necessity granted by the PUC.

ARTICLE 14

ENVIRONMENT AND CONSERVATION

Section 14.1 Environmental Leadership. The City and the Company agree that sustainable development, environmental excellence and innovation shall form the foundation of the Utility Service provided by the Company under this Franchise. The Company agrees to continue to actively pursue reduction of carbon emissions attributable to its electric generation facilities with a rigorous combination of Energy Conservation and Energy Efficiency measures, Clean Energy measures, and promoting and implementing the use of Renewable Energy Resources on both a distributed and centralized basis. The Company shall continue to cost-effectively monitor its operations to mitigate environmental impacts; shall meet the requirements of environmental laws, regulations and permits; shall invest in cost-effective, environmentally sound technologies; shall consider environmental issues in its planning and decision making; and shall support environmental research and development projects and partnerships in our communities through various means, including but not limited to corporate giving and employee involvement. The Company shall continue to explore ways to reduce water consumption at its facilities and to use recycled water where feasible. The Company shall continue to work with the U.S. Fish and Wildlife Service to develop and implement avian protection plans to reduce electrocution and collision risks by eagles, raptors and other migratory birds with transmission and distribution lines. If requested in writing by the City on or before December 1st of each year, the Company shall provide the City a written report describing its progress in carbon reduction and other environmental efforts, and the parties shall meet at a mutually convenient time and place for a discussion of such. In meeting its obligation under this Section, the Company is not precluded

from providing existing internal and external reports that may be used for other reporting requirements.

Section 14.1 Conservation. The City and the Company recognize and agree that Energy Conservation programs offer opportunities for the efficient use of energy and possible reduction of energy costs. The City and the Company further recognize that creative and effective Energy Conservation solutions are crucial to sustainable development. The Company recognizes and shares the City's stated objectives to advance the implementation of cost-effective Energy Efficiency and Energy Conservation programs that direct opportunities to Residents to manage more efficiently their use of energy and thereby create the opportunity to reduce their energy bills. The Company commits to offer programs that attempt to capture market opportunities for cost-effective Energy Efficiency improvements such as municipal specific programs that provide cash rebates for efficient lighting, energy design programs to assist architects and engineers to incorporate Energy Efficiency in new construction projects, and recommissioning programs to analyze existing systems to optimize performance and conserve energy according to current and future demand side management ("DSM") programs. In doing so, the Company recognizes the importance of (i) implementing cost-effective programs, the benefits of which would otherwise be lost if not pursued in a timely fashion; and (ii) developing cost-effective programs for the various classes of the Company's customers, including low-income customers. The Company shall advise the City and its Residents of the availability of assistance that the Company makes available for investments in Energy Conservation through newspaper advertisements, bill inserts and Energy Efficiency workshops and by maintaining information about these programs on the Company's website. Further, at the City's request, the Company's Area Manager shall act as the primary liaison with the City who will provide the City with information on how the City may take advantage of reducing energy consumption in City facilities and how the City may participate in Energy Conservation and Energy Efficiency programs sponsored by the Company. As such, the Company and the City commit to work cooperatively and collaboratively to identify, develop, implement and support programs offering creative and sustainable opportunities to Company customers and Residents, including low-income customers. The Company agrees to help the City participate in Company programs and, when opportunities exist to partner with others, such as the State of Colorado, the Company will help the City pursue those opportunities. In addition, and in order to assist the City and its Residents' participation in Renewable Energy Resource programs, the Company shall: notify the City regarding eligible Renewable Energy Resource programs; provide the City with technical support regarding how the City may participate in Renewable Energy Resource programs; and advise Residents regarding eligible Renewable Energy Resource programs. Notwithstanding the foregoing, to the extent that any Company assistance is needed to support Renewable Energy Resource Programs that are solely for the benefit of Company customers located within the City, the Company retains the sole discretion as to whether to incur such costs.

Section 14.2 Continuing Commitment. It is the express intention of the City and the Company that the collaborative effort provided for in this Article continue for the entire term of this Franchise. The City and the Company also recognize, however, that the programs identified in this Article 14 may be for a limited duration and that the regulations and technologies associated with Energy Conservation are subject to change. Given this variability, the Company agrees to maintain its commitment to sustainable development and Energy Conservation for the term of this

Franchise by continuing to provide leadership, support and assistance, in collaboration with the City, to identify, develop, implement and maintain new and creative programs similar to the programs identified in this Franchise in order to help the City achieve its environmental goals.

Section 14.3 PUC Approval. Nothing in this Article shall be deemed to require the Company to invest in technologies or to incur costs that it has a good faith belief the PUC will not allow the Company to recover through the ratemaking process.

Section 14.4 Sustainability Committee. To the extent the City has a sustainability committee, it shall provide the Company an opportunity to have a Company representative on such committee. Any Company representative may participate in regular committee meetings for the purpose of providing information on Company programs and offerings and will be a meaningful participant as it relates to Company programs and offerings.

ARTICLE 15 TRANSFER OF FRANCHISE

Section 15.1 Consent of City Required. The Company shall not transfer or assign any rights under this Franchise to an unaffiliated third party, except by merger with such third party, or, except when the transfer is made in response to legislation or regulatory requirements, unless the City approves such transfer or assignment in writing. The City may impose reasonable conditions upon the transfer, but approval of the transfer or assignment shall not be unreasonably withheld, conditioned or delayed.

Section 15.2 Transfer Fee. In order that the City may share in the value this Franchise adds to the Company's operations, any transfer or assignment of rights granted under this Franchise requiring City approval, as set forth herein, shall be subject to the condition that the Company shall promptly pay to the City a transfer fee in an amount equal to the proportion of the City's then-population provided Utility Service by the Company to the then-population of the City and County of Denver provided Utility Service by the Company multiplied by one million dollars (\$1,000,000.00). Except as otherwise required by law, such transfer fee shall not be recovered from a surcharge placed only on the rates of Residents.

ARTICLE 16 CONTINUATION OF UTILITY SERVICE

Section 16.1 Continuation of Utility Service. In the event this Franchise is not renewed at the expiration of its term or is terminated for any reason, and the City has not provided for alternative utility service, the Company shall have no obligation to remove any Company Facilities from Streets, Public Utility Easements or Other City Property or discontinue providing Utility Service unless otherwise ordered by the PUC, and shall continue to provide Utility Service within the City until the City arranges for utility service from another provider. The City acknowledges and agrees that the Company has the right to use Streets, Other City Property and Public Utility Easements during any such period. The Company further agrees that it will not withhold any temporary Utility Services necessary to protect the public.

Section 16.2 Compensation. The City agrees that in the circumstances of this Article 16, the Company shall be entitled to monetary compensation as provided in the Tariffs and the Company shall be entitled to collect from Residents and, upon the City's compliance with applicable provisions of law, shall be obligated to pay the City, at the same times and in the same manner as provided in this Franchise, an aggregate amount equal to the amount which the Company would have paid as a Franchise Fee as consideration for use of the City's Streets and Other City Property. Only upon receipt of written notice from the City stating that the City has adequate alternative utility service for Residents and upon order of the PUC shall the Company be allowed to discontinue the provision of Utility Service to the City and its Residents.

ARTICLE 17 INDEMNIFICATION AND IMMUNITY

Section 17.1 City Held Harmless. The Company shall indemnify, defend and hold the City harmless from and against claims, demands, liens and all liability or damage of whatsoever kind on account of or directly arising from the grant of this Franchise, the exercise by the Company of the related rights, but in both instances only to the extent caused by the Company, and shall pay the costs of defense plus reasonable attorneys' fees. The City shall (a) give prompt written notice to the Company of any claim, demand or lien with respect to which the City seeks indemnification hereunder; and, (b) unless in the City's judgment a conflict of interest may exist between the City and the Company with respect to such claim, demand or lien, shall permit the Company to assume the defense of such claim, demand, or lien with counsel reasonably satisfactory to the City. If such defense is assumed by the Company, the Company shall not be subject to liability for any settlement made without its consent. If such defense is not assumed by the Company or if the City determines that a conflict of interest exists, the parties reserve all rights to seek all remedies available in this Franchise against each other. Notwithstanding any provision hereof to the contrary, the Company shall not be obligated to indemnify, defend or hold the City harmless to the extent any claim, demand or lien arises out of or in connection with any negligent or intentional act or failure to act of the City or any of its officers, agents or employees or to the extent that the City is acting in its capacity as a customer of record of the Company.

Section 17.2 Governmental Immunity Act. Nothing in this Article 17 or any other provision of this Franchise shall be construed as a waiver of the notice requirements, defenses, immunities and limitations the City may have under the Colorado Governmental Immunity Act (C.R.S. § 24-10-101, *et. seq.*) or of any other defenses, immunities, or limitations of liability available to the City by law.

ARTICLE 18 BREACH

Section 18.1 Change of Tariffs. The City and the Company agree to take all reasonable and necessary actions to assure that the terms of this Franchise are performed. The Company reserves the right to seek a change in its Tariffs, including but not limited to the rates, charges, terms, and conditions of providing Utility Service to the City and its Residents, and the City retains all rights that it may have to intervene and participate in any such proceedings.

Section 18.2 Breach.

(A) Notice/Cure/Remedies. Except as otherwise provided in this Franchise, if a party (the “**Breaching Party**”) to this Franchise fails or refuses to perform any of the terms or conditions of this Franchise (a “**Breach**”), the other party (the “**Non-Breaching Party**”) may provide written notice to the Breaching Party of such Breach. Upon receipt of such notice, the Breaching Party shall be given a reasonable time, not to exceed thirty (30) days, in which to remedy the Breach or, if such Breach cannot be remedied in thirty (30) days, such additional time as reasonably needed to remedy the Breach, but not exceeding an additional thirty (30) day period, or such other time as the parties may agree. If the Breaching Party does not remedy the Breach within the time allowed in the notice, the Non-Breaching Party may exercise the following remedies for such Breach:

- (1) specific performance of the applicable term or condition to the extent allowed by law; and
- (2) recovery of actual damages from the date of such Breach incurred by the Non-Breaching Party in connection with the Breach, but excluding any special, punitive or consequential damages.

(B) Termination of Franchise by City. In addition to the foregoing remedies, if the Company fails or refuses to perform any material term or condition of this Franchise (a “**Material Breach**”), the City may provide written notice to the Company of such Material Breach. Upon receipt of such notice, the Company shall be given a reasonable time, not to exceed sixty (60) days in which to remedy the Material Breach or, if such Material Breach cannot be remedied in sixty (60) days, such additional time as reasonably needed to remedy the Material Breach, but not exceeding an additional sixty (60) day period, or such other time as the parties may agree. If the Company does not remedy the Material Breach within the time allowed in the notice, the City may, in its sole discretion, terminate this Franchise. This remedy shall be in addition to the City’s right to exercise any of the remedies provided for elsewhere in this Franchise. In the event of the termination of this Franchise by the City pursuant to this Section 18.2(B), the Company shall continue to provide Utility Service to the City and its Residents in accordance with Article 16 above.

(C) Company Shall Not Terminate Franchise. In no event does the Company have the right to terminate this Franchise.

(D) No Limitation. Except as provided herein, nothing in this Franchise shall limit or restrict any legal rights or remedies that either party may possess arising from any alleged Breach of this Franchise.

ARTICLE 19 AMENDMENTS

Section 19.1 Proposed Amendments. At any time during the term of this Franchise, the City or the Company may propose amendments to this Franchise by giving thirty (30) days written

notice to the other of the proposed amendment(s) desired, and both parties thereafter, through their designated representatives, will, within a reasonable time, negotiate in good faith in an effort to agree upon mutually satisfactory amendment(s). However, nothing contained in this Section shall be deemed to require either party to consent to any amendment proposed by the other party.

Section 19.2 Effective Amendments. No alterations, amendments or modifications to this Franchise shall be valid unless executed in writing by the parties, which alterations, amendments or modifications shall be adopted with the same formality used in adopting this Franchise, to the extent required by law. Neither this Franchise, nor any term herein, may be changed, modified or abandoned, in whole or in part, except by an instrument in writing, and no subsequent oral agreement shall have any validity whatsoever. Any amendment of the Franchise shall become effective only upon the approval of the PUC, if such PUC approval is required.

ARTICLE 20 EQUAL OPPORTUNITY

Section 20.1 Economic Development. The Company is committed to the principle of stimulating, cultivating and strengthening the participation and representation of persons of color, women and members of other under-represented groups within the Company and in the local business community. The Company believes that increased participation and representation of under-represented groups will lead to mutual and sustainable benefits for the local economy. The Company is committed also to the principle that the success and economic well-being of the Company is closely tied to the economic strength and vitality of the diverse communities and people it serves. The Company believes that contributing to the development of a viable and sustainable economic base among all Company customers is in the best interests of the Company and its shareholders.

Section 20.2 Employment.

(A) **Programs.** The Company is committed to undertaking programs that identify, consider and develop persons of color, women and members of other under-represented groups for positions at all skill and management levels within the Company.

(B) **Businesses.** The Company recognizes that the City and the business community in the City, including women and minority owned businesses, provide a valuable resource in assisting the Company to develop programs to promote persons of color, women and members of under-represented communities into management positions, and agrees to keep the City regularly advised of the Company's progress by providing the City a copy of the Company's annual affirmative action report upon the City's written request.

(C) **Recruitment.** In order to enhance the diversity of the employees of the Company, the Company is committed to recruiting diverse employees by strategies such as partnering with colleges, universities and technical schools with diverse student populations, utilizing diversity-specific media to advertise employment opportunities, internships, and engaging recruiting firms with diversity-specific expertise.

(D) Advancement. The Company is committed to developing a world-class workforce through the advancement of its employees, including persons of color, women and members of under-represented groups. In order to enhance opportunities for advancement, the Company will offer training and development opportunities for its employees. Such programs may include mentoring programs, training programs, classroom training and leadership programs.

(E) Non-Discrimination. The Company is committed to a workplace free of discrimination based on race, color, religion, national origin, gender, age, military status, sexual orientation, marital status, or physical or mental disability or any other protected status in accordance with all federal, state or local laws. The Company shall not, solely because of race, creed, color, religion, gender, sexual orientation, marital status, age, military status, national origin, ancestry, or physical or mental disability, refuse to hire, discharge, promote, demote or discriminate in matters of compensation, against any person otherwise qualified.

(F) Board of Directors. The Company shall identify and consider women, persons of color and other under-represented groups to recommend for its Board of Directors, consistent with the responsibility of boards to represent the interests of the Shareholders, customers and employees of the Company.

Section 20.3 Contracting

(A) Contracts. It is the Company's policy to make available to minority and women owned business enterprises and other small and/or disadvantaged business enterprises the maximum practical opportunity to compete with other service providers, contractors, vendors and suppliers in the marketplace. The Company is committed to increasing the proportion of Company contracts awarded to minority and women owned business enterprises and other small and/or disadvantaged business enterprises for services, construction, equipment and supplies to the maximum extent consistent with the efficient and economical operation of the Company.

(B) Community Outreach. The Company agrees to maintain and continuously develop contracting and community outreach programs calculated to enhance opportunity and increase the participation of minority and women owned business enterprises and other small and/or disadvantaged business enterprises to encourage economic vitality. The Company agrees to keep the City regularly advised of the Company's programs.

(C) Community Development. The Company shall maintain and support partnerships with local chambers of commerce and business organizations, including those representing predominately minority owned, women owned and disadvantaged businesses, to preserve and strengthen open communication channels and enhance opportunities for minority owned, women owned and disadvantaged businesses to contract with the Company.

Section 20.4 Coordination. City agencies provide collaborative leadership and mutual opportunities or programs relating to City based initiatives on economic development,

employment and contracting opportunity. The Company agrees to review Company programs and mutual opportunities responsive to this Article with these agencies, upon their request, and to collaborate on best practices regarding such programs and coordinate and cooperate with the agencies in program implementation.

ARTICLE 21 MISCELLANEOUS

Section 21.1 No Waiver. Neither the City nor the Company shall be excused from complying with any of the terms and conditions of this Franchise by any failure of the other, or any of its officers, employees, or agents, upon any one or more occasions, to insist upon or to seek compliance with any such terms and conditions.

Section 21.2 Successors and Assigns. The rights, privileges, and obligations, in whole or in part, granted and contained in this Franchise shall inure to the benefit of and be binding upon the Company, its successors and assigns, to the extent that such successors or assigns have succeeded to or been assigned the rights of the Company pursuant to Article 15 of this Franchise. Upon a transfer or assignment pursuant to Article 15, the Company shall be relieved from all liability from and after the date of such transfer, except as otherwise provided in the conditions imposed by the City in authorizing the transfer or assignment and under state and federal law.

Section 21.3 Third Parties. Nothing contained in this Franchise shall be construed to provide rights to third parties.

Section 21.4 Notice. Both parties shall designate from time to time in writing representatives for the Company and the City who will be the persons to whom notices shall be sent regarding any action to be taken under this Franchise. Notice shall be in writing and forwarded by certified mail, reputable overnight courier or hand delivery to the persons and addresses as hereinafter stated, unless the persons and addresses are changed at the written request of either party, delivered in person or by certified mail. Notice shall be deemed received (a) three (3) days after being mailed via the U.S. Postal Service, (b) one (1) business day after mailed if via reputable overnight courier, or (c) upon hand delivery if delivered by courier. Until any such change shall hereafter be made, notices shall be sent as follows:

To the City:

City Clerk
City of Rifle
202 Railroad Ave
Rifle, Colorado 81650

With a copy to:

City Attorney
Karp Neu Hanlon P.C.
P.O. Drawer 2030
Glenwood Springs, Colorado 81602

To the Company: Regional Vice President, State Affairs and Community Relations
Public Service Company of Colorado
P.O. Box 840
Denver, Colorado 80201

With a copy to: Legal Department
Public Service Company of Colorado
P.O. Box 840
Denver, Colorado 80201

and Area Manager
Public Service Company of Colorado
P.O. Box 840
Denver, Colorado 80201

Any request involving any audit specifically allowed under this Franchise shall also be sent to:

Audit Services
Public Service Company of Colorado
P.O. Box 840
Denver, Colorado 80201

Section 21.5 Examination of Records.

(A) The parties agree that any duly authorized representative of the City and the Company shall have access to and the right to examine any directly pertinent non-confidential books, documents, papers, and records of the other party involving any activities related to this Franchise. All such records must be kept for a minimum of the lesser of four (4) years or the time period permitted by a party's record retention policy. To the extent that either party believes in good faith that it is necessary in order to monitor compliance with the terms of this Franchise to examine confidential books, documents, papers, and records of the other party, the parties agree to meet and discuss providing confidential materials, including without limitation providing such materials subject to a reasonable confidentiality agreement that effectively protects the confidentiality of such materials and complies with PUC rules and regulations.

(B) With respect to any information requested by the City which the Company identifies as "Confidential" or "Proprietary":

- (1) The City will maintain the confidentiality of the information by keeping it under seal and segregated from information and documents that are available to the public;
- (2) The information will be used solely for the purposes stated in the City's request;

- (3) The information shall only be made available to City employees and consultants who represent in writing that they agree to be bound by the provisions of this subsection; and
- (4) The information shall be held by the City for such time as is reasonably necessary for the City to address the Franchise issue(s) that generated the request and shall be returned to the Company when the City has concluded its use of the information. The parties agree that in most cases, the information should be returned within one hundred twenty (120) days. However, in the event that the information is needed in connection with any action that requires more time, including, but not necessarily limited to litigation, administrative proceedings and/or other disputes, the City may maintain the information until such issues are fully and finally concluded.

Section 21.6 Confidential or Proprietary Information. If an Open Records Act (C.R.S. § 24-72-201 *et seq.*) request is made by any third-party for confidential or proprietary information that the Company has provided to the City pursuant to this Franchise, the City will promptly notify the Company of the request and shall allow the Company to defend such request at its sole expense, including filing a legal action in any court of competent jurisdiction to prevent disclosure of such information. In any such legal action the Company shall join the person requesting the information and the City. In no circumstance shall the City provide to any third-party confidential information provided by the Company pursuant to this Franchise without first conferring with the Company. Unless otherwise agreed between the parties, the following information shall not be provided by the Company: confidential employment matters, specific information regarding any of the Company's customers, information related to the compromise and settlement of disputed claims including but not limited to PUC dockets, information provided to the Company which is declared by the provider to be confidential and which would be considered confidential to the provider under applicable law. If the Company requests that the City not disclose confidential information pursuant to an Open Records Act request, the Company agrees that it will indemnify, hold harmless, and defend the City for the decision not to disclose such confidential information.

Section 21.7 List of Utility Property. Upon written request by the City, but in no event more than once every two (2) years, the Company shall provide the City a list of electric utility-related real property owned in fee by the Company within the County in which the City is located. The list shall include the legal description of the real property, and where available on the deed, the physical street address. If the physical address is not available on the deed, if the City requests the physical address of the real property described in this Section 21.7, to the extent that such physical street address is readily available to the Company, the Company shall provide such address to the City. All such records must be kept for a minimum of three (3) years or such shorter duration if required by Company policy.

Section 21.8 PUC Filings. Upon written request by the City, the Company shall provide the City non-confidential copies of all applications, advice letters and periodic reports, together with any accompanying non-confidential testimony and exhibits, filed by the Company with the Public Utilities Commission. Notwithstanding the foregoing, notice regarding any gas and electric filings that may affect Utility Service rates in the City shall be sent to the City upon filing.

Section 21.9 Information. Upon written request, the Company shall provide the City Clerk or the City Clerk's designee with:

- (A) A copy of the Company's or its parent company's consolidated annual financial report, or alternatively, a URL link to a location where the same information is available on the Company's website;
- (B) Maps or schematics indicating the location of specific Company Facilities (subject to City executing a confidentiality agreement as required by Company policy), including gas or electric lines, located within the City, to the extent those maps or schematics are in existence at the time of the request and related to an ongoing project within the City. The Company does not represent or warrant the accuracy of any such maps or schematics; and
- (C) A copy of any report required to be prepared for a federal or state agency detailing the Company's efforts to comply with federal and state air and water pollution laws.

Section 21.10 Payment of Taxes and Fees.

- (A) **Impositions.** Except as otherwise provided herein, the Company shall pay and discharge as they become due, promptly and before delinquency, all taxes, assessments, rates, charges, license fees, municipal liens, levies, excises, or imposts, whether general or special, or ordinary or extraordinary, of every name, nature, and kind whatsoever, including all governmental charges of whatsoever name, nature, or kind, which may be levied, assessed, charged, or imposed, or which may become a lien or charge against this Franchise ("**Impositions**"), provided that the Company shall have the right to contest any such Impositions and shall not be in breach of this Section so long as it is actively contesting such Impositions.
- (B) **City Liability.** The City shall not be liable for the payment of late charges, interest or penalties of any nature other than pursuant to applicable Tariffs.

Section 21.11 Conflict of Interest. The parties agree that no official, officer or employee of the City shall have any personal or beneficial interest whatsoever in the services or property described herein and the Company further agrees not to hire or contract for services any official, officer or employee of the City to the extent prohibited by law, including ordinances and regulations of the City.

Section 21.12 Certificate of Public Convenience and Necessity. The City agrees to support the Company's application to the PUC to obtain a Certificate of Public Convenience and Necessity to exercise its rights and obligations under this Franchise.

Section 21.13 Authority. Each party represents and warrants that except as set forth below, it has taken all actions that are necessary or that are required by its ordinances, regulations, procedures, bylaws, or applicable law, to legally authorize the undersigned signatories to execute this Franchise on behalf of the parties and to bind the parties to its terms. The persons executing this Franchise on behalf of each of the parties warrant that they have full authorization to execute this Franchise. The City acknowledges that notwithstanding the foregoing, the Company requires

a Certificate of Public Convenience and Necessity from the PUC in order to operate under the terms of this Franchise.

Section 21.14 Severability. Should any one or more provisions of this Franchise be determined to be unconstitutional, illegal, unenforceable or otherwise void, all other provisions nevertheless shall remain effective; provided, however, to the extent allowed by law, the parties shall forthwith enter into good faith negotiations and proceed with due diligence to draft one or more substitute provisions that will achieve the original intent of the parties hereunder.

Section 21.15 Force Majeure. Neither the City nor the Company shall be in breach of this Franchise if a failure to perform any of the duties under this Franchise is due to a Force Majeure Event, as defined herein.

Section 21.16 Earlier Franchises Superseded. This Franchise shall constitute the only franchise between the City and the Company related to the furnishing of Utility Service, and it supersedes and cancels all former franchises between the parties hereto.

Section 21.17 Titles Not Controlling. Titles of the paragraphs herein are for reference only and shall not be used to construe the language of this Franchise.

Section 21.18 Applicable Law. Colorado law shall apply to the construction and enforcement of this Franchise. The parties agree that venue for any litigation arising out of this Franchise shall be in the District Court for Garfield County, State of Colorado.

Section 21.19 Payment of Expenses Incurred by City in Relation to Franchise Agreement. The Company shall pay for expenses reasonably incurred by the City for the adoption of this Franchise, limited to the publication of notices, publication of ordinances, and photocopying of documents and other similar expenses. In addition, in recognition of the City Council adoption of Ordinance No. 17, Series 2022, and voter approval of the same, the Company agrees to contribute to the City Two Thousand and 00/100 (\$2000.00) towards the costs of the election required to approve said Ordinance.

Section 21.20 Costs of Compliance with Franchise. The parties acknowledge that PUC rules, regulations and final decisions may require that costs of complying with certain provisions of this Franchise be borne by customers of the Company who are located within the City.

Section 21.21 Conveyance of City Streets, Public Utility Easements or Other City Property. In the event the City vacates, releases, sells, conveys, transfers or otherwise disposes of a City Street, or any portion of a Public Utility Easement or Other City Property in which Company Facilities are located, the City shall reserve an easement in favor of the Company over that portion of the Street, Public Utility Easement or Other City Property in which such Company Facilities are located. The Company and the City shall work together to prepare the necessary legal description to effectuate such reservation. For the purposes of Section 6.9(A) of this Franchise, the land vacated, released, sold, conveyed, transferred or otherwise disposed of by the City shall no longer be deemed to be a Street or Other City Property from which the City may

demand the Company temporarily or permanently Relocate Company Facilities at the Company's expense.

Section 21.22 Audit. For any audits specifically allowed under this Franchise, such audits shall be subject to the Tariff and PUC rules and regulations. Audits in which the auditor is compensated on the basis of a contingency fee arrangement shall not be permitted.

Section 21.23 Land Use Coordination. The City shall use reasonable efforts to coordinate with the Company regarding its land use planning affecting the Company's Facilities or property within the Company's PUC-certificated service territory or affecting the Company's property. This coordination shall include meeting with the Company and identifying areas for future utility development.

Section 21.24 Counterpart Signature. This Franchise may be executed in one or more counterparts, each of which will be deemed to be an original copy of this Franchise, and all of which, when taken together, will be deemed to constitute one and the same agreement. The facsimile, email or other electronically delivered signatures of the parties shall be deemed to constitute original signatures, and facsimile or electronic copies hereof shall be deemed to constitute duplicate originals.

Section 21.25 Approval. This Agreement shall not become effective until the City Council adopts an ordinance approving this Franchise in accordance with the City's home rule charter.

(Signature page follows.)

(remainder of page intentionally blank)

IN WITNESS WHEREOF, the parties have caused this Franchise to be executed as of the dates indicated below, effective as of the Effective Date.

CITY OF RIFLE

ATTEST:

Clerk, City of Rifle

Mayor, City of Rifle

APPROVED AS TO FORM:
(if applicable)

Date: _____, 2023

City Attorney, City of Rifle

**PUBLIC SERVICE COMPANY OF
COLORADO**, a Colorado corporation

By: _____
Robert S. Kenney
President, Public Service Company of Colorado

STATE OF COLORADO)
)ss.
COUNTY OF DENVER)

The foregoing instrument was acknowledged before me this _____ day of _____, 2023 by Robert S. Kenney, President, Public Service Company of Colorado, a Colorado corporation.

WITNESS MY HAND AND OFFICIAL SEAL.

(SEAL)

Notary Public
My Commission expires: _____.

CITY OF RIFLE, COLORADO
ORDINANCE NO. 14
SERIES OF 2023

AN ORDINANCE OF THE CITY OF RIFLE, COLORADO GRANTING BY FRANCHISE TO PUBLIC SERVICE COMPANY OF COLORADO, ITS AFFILIATES, SUCCESSORS AND ASSIGNS, THE RIGHT TO USE THE STREETS WITHIN THE CITY TO FURNISH, SELL, TRANSMIT AND DISTRIBUTE GAS AND ELECTRICITY TO THE CITY AND TO ALL RESIDENTS OF THE CITY, GRANTING THE RIGHT TO ACQUIRE, CONSTRUCT, INSTALL, LOCATE, MAINTAIN, OPERATE AND EXTEND INTO, WITHIN AND THROUGH THE CITY ALL FACILITIES REASONABLY NECESSARY TO FURNISH, SELL, TRANSMIT AND DISTRIBUTE GAS AND ELECTRICITY WITHIN AND THROUGH THE CITY AND FIXING THE TERMS AND CONDITIONS THEREOF, AND REPEALING ARTICLE II OF CHAPTER 5 OF THE RIFLE MUNICIPAL CODE.

WHEREAS, Public Service Company of Colorado has filed an Application for a Franchise with the City of Rifle for the granting to it by the City a Gas and Electric Franchise in terms as hereinafter set forth; and

WHEREAS, Public Service Company has published the Notice of Application for Franchise as required by C.R.S. Section 31-32-102; and

WHEREAS, Section 12.2 of the City of Rifle Charter requires that no franchise shall be granted except upon the affirmative vote of at least five members of Council; and

WHEREAS, the City Council desires to grant Public Service Company of Colorado a franchise to provide gas and electric service in the City on the terms and conditions stated in the Gas and Electric Franchise Agreement (“Franchise Agreement”) attached to this Ordinance as Exhibit A.

NOW, THEREFORE, THE COUNCIL OF THE CITY OF RIFLE ORDAINS THAT:

1. Recitals. The City Council incorporates the foregoing recitals as conclusions, facts, determinations and findings by the City Council.

2. Grant of Franchise. The City Council of the City of Rifle with the approval of at least five members of the City Council hereby grants to the Public Service Company of Colorado a franchise to provide gas and electric service in the City on the terms and conditions stated in the Franchise Agreement attached to this Ordinance and incorporated herein.

3. Repeal of Article II of Chapter 5 of the Rifle Municipal Code. Article II of Chapter 5 of the Rifle Municipal Code is hereby repealed in its entirety and the Franchise Agreement shall not be codified in the Rifle Municipal Code.

INTRODUCED on July 5, 2023, read by title, passed on first reading following a public hearing, and ordered published as required by the Charter.

INTRODUCED a second time at a regular meeting of the Council of the City of Rifle, Colorado, held on July 19, 2023, passed without amendment, and ordered published in full as required by the Charter.

Dated this _____ day of _____, 2023.

CITY OF RIFLE

Mayor

ATTEST:

City Clerk



Agenda Item #5.h.

Agenda Item Name:

Consider Approval of Greater Rifle Improvement Team Grant Funding Recommendations for July 2023 Grant Cycle

Presenter:

Patrick Waller, Planning Director

Item Description:

GRIT funding recommendations

Recommended Action:

Move to approval the Greater Rifle Improvement Team Grant Funding Recommendations for the July 2023 Grant Cycle in the amount of \$20,000.

Fiscal Impact:

GRIT annually budgets for grant funding that meet the GRIT mission requirements.

Operational Impact:

None

Prior Board Motions:

The Greater Rifle Improvement Team completes the review of the applications and recommends their decision to City Council.

Background Information:

The GRIT Advisory Board takes the responsibility of recommending event funding thought the grants offered by GRIT seriously. Discussing and weighing each application solely on the merit of the individual application. For the second round of grants GRIT received 5 grant applications totaling \$21,500 in requested funds. After thoroughly discussing each application the GRIT Advisory Board voted to fully fund the applications from Rifle Area Mountain Biking Organization (RAMBO), Bookcliffs Arts Center and Young Guns of Rifle, Inc for a total of \$20,000 and partially fund the applications from Middle Colorado Watershed Council and Independent Work & On Mountain Time totaling \$4,000.

Executive Summary:

The GRIT Advisory Board recommended approval of \$20,000 of the total of \$21,500 requested from grant applicants.

Notification Requirements:

No additional notification required.

Prepared By:

Patrick Waller, Planning Director

Attachments:

1. GRIT Grants - July 2023 Memo

DEPARTMENT OF PLANNING & DEVELOPMENT

202 Railroad Avenue, Rifle, CO 81650

Phone: 970-665-6490 Fax: 970-625-6268



MEMORANDUM

TO: City Council

FROM: Kim Burner, GRIT Manager; Patrick Waller, Planning Director

DATE: July 11, 2023

SUBJECT: Greater Rifle Improvement Team (GRIT) Grant Recommendations

The GRIT Advisory Board takes the responsibility of recommending event funding thought the grants offered by GRIT seriously. Discussing and weighing each application solely on the merit of the individual application. For the second round of grants GRIT received 5 grant applications totaling \$21,500 in requested funds. After thoroughly discussing each application the GRIT Advisory Board voted to fully fund the applications from Rifle Area Mountain Biking Organization (RAMBO), Bookcliffs Arts Center and Young Guns of Rifle, Inc for a total of \$20,000 and partially fund the applications from Middle Colorado Watershed Council and Independent Work & On Mountain Time totaling \$4,000.

GRIT Grant Requests Received by the Advisory Board:

Rifle Area Mountain Biking Organization (RAMBO)

RAMBO requested \$7,500 for the 3rd Annual Grand Hogback Extravaganza. This is an increase from 2022 funding of \$5,000 due to increased cost of event insurance and supplies. **GRIT Advisory Board is recommending an increase of funding to \$7,500 for 2023.**

Bookcliffs Arts Center

Bookcliffs Arts Center requested \$5,000. This is an increase from 2022 funding of \$4,000. The request includes \$1,325 for stage and sound improvements which GRIT will require before and after pictures of the improvements; the remainder is for the Summer Hilltop Concert Series. **The GRIT Advisory Board is recommending approval of funding at the requested \$5,000.**

DEPARTMENT OF PLANNING & DEVELOPMENT

202 Railroad Avenue, Rifle, CO 81650

Phone: 970-665-6490 Fax: 970-625-6268



Young Guns of Rifle Inc.

This is a new application. Young Guns of Rifle Inc. is requesting \$2,500 to build the Touch A Truck event scheduled to be held on Sept. 9, 2023 **The GRIT Advisory Board approved funding at the requested \$2,500**

Middle Colorado Watershed Council

A grant application was received from the Middle Colorado Watershed Council for the amount of \$3,000 for enhancements to River Stop and to fund the movie event at the facility. GRIT Advisory Board was not comfortable with approving funds without more detailed information on the planned enhancements to River Stop. **GRIT Advisory Board voted to partially fund the application in the amount of \$1,500, specifically for the film festival at the Ute Theater.**

Independent World & On Mountain Time

A grant application was received from Independent World and On Mountain Time for the amount of \$3,500 for the creation of a climbing event to include the showing of a movie partially featuring Rifle Mountain Park at the Ute Theater. The event would include a Q&A session with the film producer, director and professional climbers. \$10 of each ticket sold for the event will be donated to Rifle Climbing Coalition. **GRIT Advisory Board voted to partially fund the application in the amount of \$2,500, specifically to help cover the cost of renting the Ute Theater, advertising and promotion of the event and swag, flyers and posters.**



Agenda Item #7.a.

Agenda Item Name:

Consider Request for Approval - Fritzlan/Ecodwelling Annexation

Presenter:

Patrick Waller, Planning Director

Item Description:

Annexation Request

Recommended Action:

Planning Commission recommended that City Council approve the request for Annexation, Zoning, and Sketch Plan with associated conditions.

Fiscal Impact:

The roads for the project will be privately maintained by the HOA as will the proposed park space. If developed, the City will receive impact fees for each of the units.

Operational Impact:

With the private maintenance of the streets and park there are limited operations impacts to the City from the project.

Prior Board Motions:

The project was previously denied at the April 19 City Council meeting. The applicant has amended the application and re-submitted.

Background Information:

The Comprehensive Plan designates this area as both Neighborhood Commercial and High Density Residential. The density for this area is suggested to be 12-30 dwelling units/acre and the applicants proposal is for approximately 6.33 dwelling units/acre. The Comprehensive Plan specifically discusses this area as follows:

Executive Summary:

The applicant seeks Annexation, Sketch Plan Approval and MDR PUD zoning of 7.9 acres into the City of Rifle. The applicant's conceptual site plan shows 51 single-family lots that will be developed with approximately 900 square-foot, two bedroom and 1220 square foot three bedroom units that are built by the applicant. The proposal also includes approximately one 0.81 acre and two 0.2 acre park parcels.

Notification Requirements:

Notice required by State Statute and Rifle Municipal Code

Prepared By:

Patrick Waller, Planning Director

Attachments:

1. City Council Staff Report & Exhibits

DEPARTMENT OF PLANNING & DEVELOPMENT

202 Railroad Avenue, Rifle, CO 81650

Phone: 970-665-6490



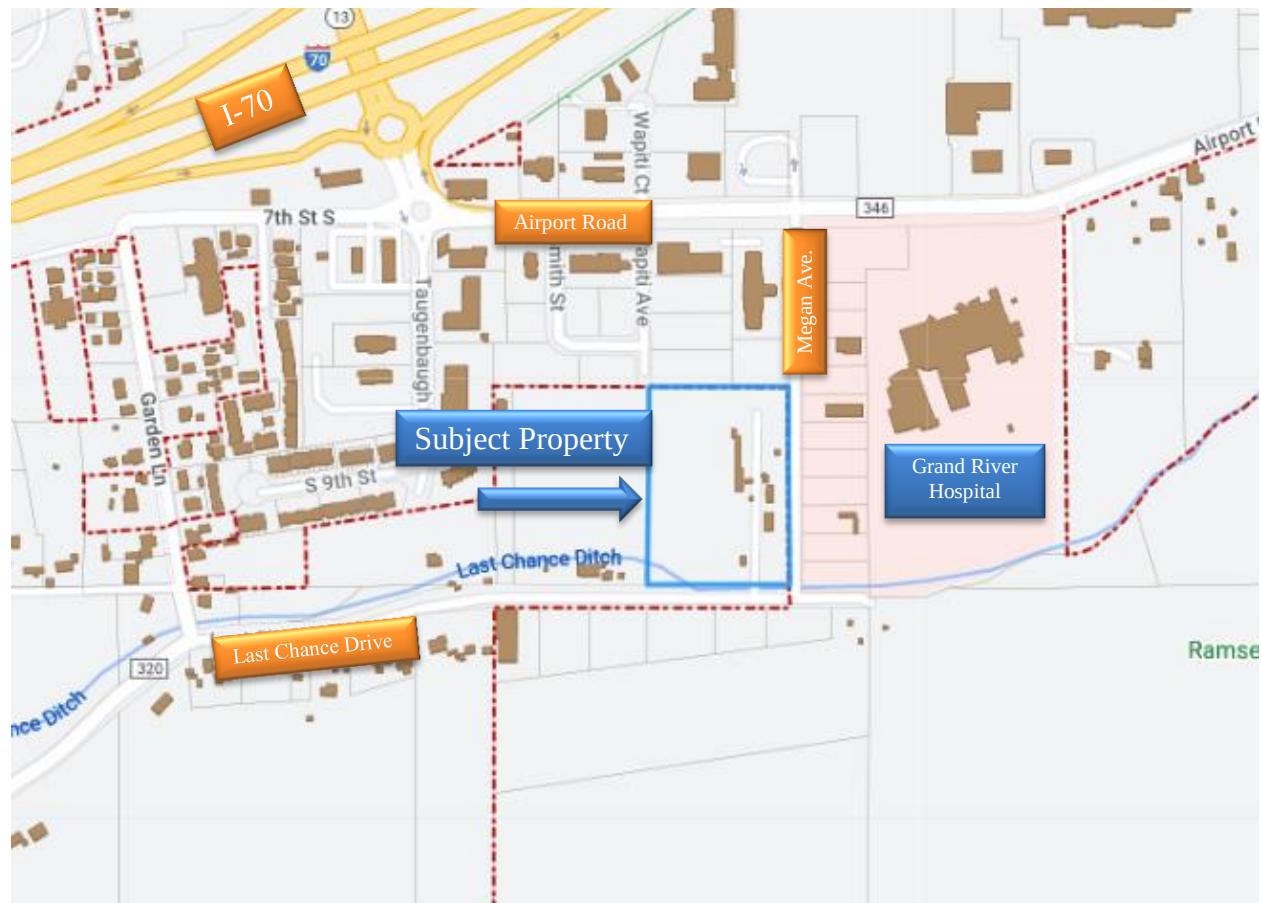
MEMORANDUM

TO: City of Rifle City Council
FROM: Patrick Waller – Planning Director, Geir Sverdrup – Senior Planner
DATE: July 16, 2023
SUBJECT: Fritzlan Annexation
LOCATION: Northwest of the intersection of Megan Avenue and Last Chance Drive
CASE #: Annexation 2023-016
APPLICANT: Eco Dwelling LLC

REQUEST

The applicant seeks Annexation, Sketch Plan Approval and MDR PUD zoning of 7.9 acres into the City of Rifle. The applicant's conceptual site plan shows 51 single-family lots that will be developed with approximately 900 square-foot, two bedroom and 1220 square foot three bedroom units that are built by the applicant. The proposal also includes approximately one 0.81 acre and two 0.2 acre park parcels.

Vicinity Map



DEPARTMENT OF PLANNING & DEVELOPMENT

202 Railroad Avenue, Rifle, CO 81650

Phone: 970-665-6490



LOCATION:

The property is located to the north of Last Chance Drive and the west of Megan Avenue. To the east is Grand River Hospital, to the northwest is the Habitat for Humanity Wapiti Project, to the west is an agricultural parcel in Garfield County and to the south is the Last Chance Commons subdivision, currently being developed with single-family homes.

ANNEXATION PROCESS

Annexation and zoning is the City's opportunity to ensure that proposed land uses and zoning standards are aligned with the City's vision for the area as described in the Comprehensive Plan and the Rifle Municipal Code.

State annexation laws and the Rifle Municipal Code give the Planning Commission and City Council a large amount of discretion to approve, deny, or modify a proposal for annexation based on the proposal's conformance with the City's vision of the property in question.

Once a property has been annexed and zoned, all future uses of the property follow the standards of the applicable zone district and any special provisions included in the annexation agreement.

COMPREHENSIVE PLAN

The Comprehensive Plan designates this area as both Neighborhood Commercial and High Density Residential. The density for this area is suggested to be 12-30 dwelling units/acre and the applicants proposal is for approximately 6.33 dwelling units/acre. The Comprehensive Plan specifically discusses this area as follows:

Undeveloped areas south of Airport Road. This area west of Grand River Health has several vacant developable parcels on both annexed and un-annexed property. The best use for the area is difficult to predict. The area does not directly front on Airport Road, so commercial development may be unlikely due to a lack of visibility. Industrial or light industrial uses should not be permitted due to the proximity to Grand River Health and other commercial/residential areas. By process of elimination, acceptable uses may include residential, office, business, or other commercial uses that are compatible in a mixed-use setting. The Future Land Use Map designates the area as "High Density Residential" and "Neighborhood Commercial". The intent is to allow for apartment buildings and ensure that any commercial use would be compatible with nearby residential use. If significant new residential development were to be proposed, a public park should be designated as one does not exist currently in South Rifle. Another potential use for the area may be affordable housing in the form of manufactured housing or mobile homes parks that are constructed and managed to a high standard of quality.

The Comprehensive Plan specifically identifies manufactured housing or mobile home parks in this area. While they are providing a park with public access that will be privately maintained,

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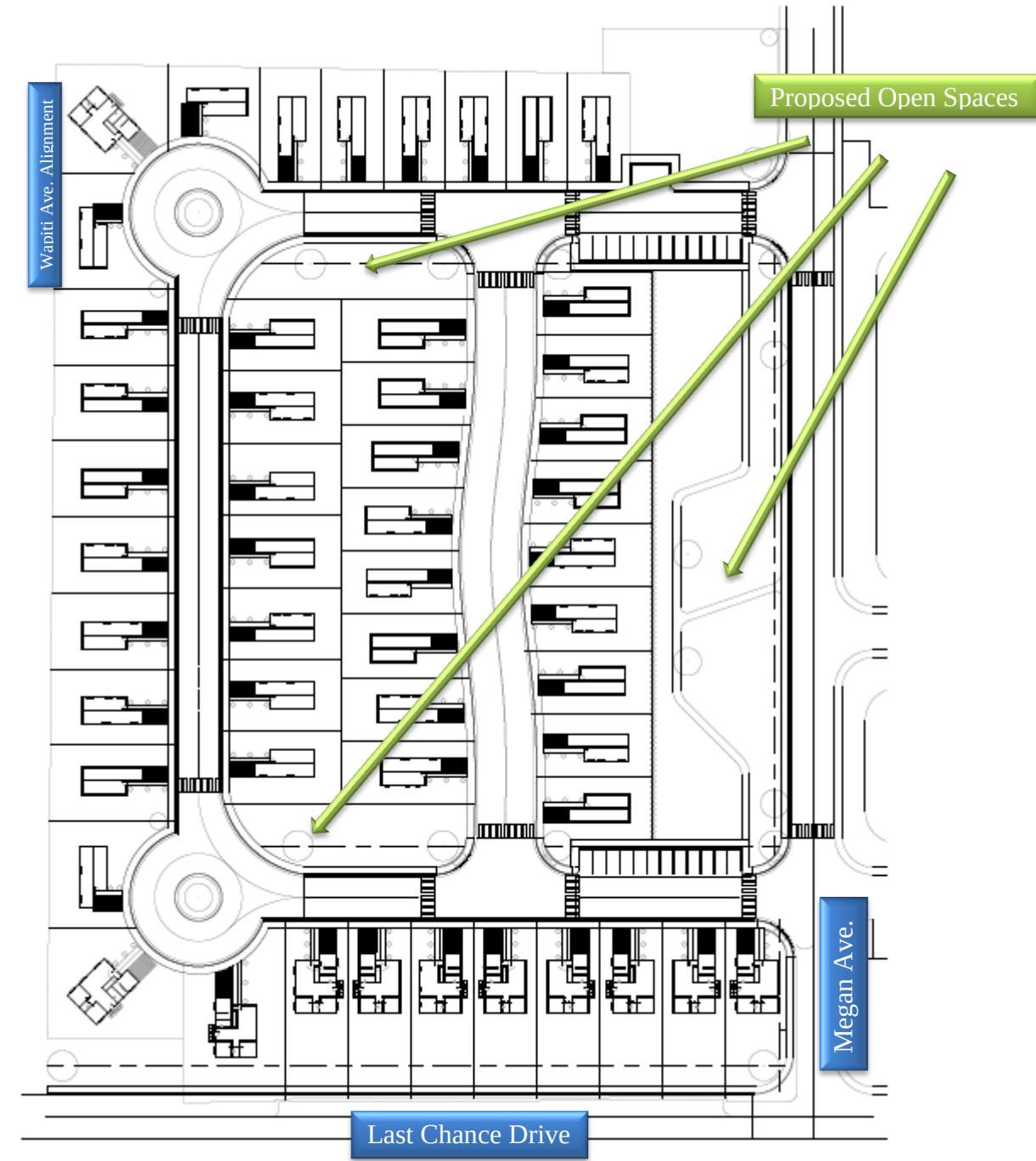
202 Railroad Avenue, Rifle, CO 81650

Phone: 970-665-6490



the applicant is not providing a public park (as requested by the Comprehensive Plan), they are providing open space for the development in the form of approximately 1.21 acre of open space.

PROPOSED SKETCH PLAN



DEPARTMENT OF PLANNING & DEVELOPMENT

202 Railroad Avenue, Rifle, CO 81650

Phone: 970-665-6490



The applicant's proposed Site Plan includes 51 residential lots that vary in size from approximately 5,500 – 8,000 square feet, with the majority of lots slightly larger than 6,000 square feet. Three park spaces are included with the larger slightly less than one-acre and the smaller two park approximately 0.20 acres. The applicant has also provided 24 guest parking spaces in addition to the 2 off-street parking spaces that will be required for each unit as well as on on-street space per unit. Stormwater detention for the development has been proposed in the north east corner. Staff feels that a pedestrian connection to the future Wapiti Ave. is warranted to allow pedestrian access from the west, i.e. Wapiti Commons through to the development. With the reduction in density a mid-block connection within the project to the park does not appear to be necessary.

REFERRAL COMMENTS

Staff referred the application to City of Rifle Departments, Xcel Energy, Colorado River Fire Rescue, the City Consulting Engineer, and Garfield County. Received comments are attached to the Staff Memo and incorporated into the following Staff Comments.

Mountain Cross Engineering

- Traffic Impact Assessment should explain connection to adjacent street.
- Sewer and Water infrastructure and treatment capacities for proposed density should be verified
- Proposed sidewalk widths appear to be narrow.
- Proposed on-street parking should be better explained.

Colorado River Fire Rescue

The design concept of the subdivision looks acceptable to us (CRFR), and we think the concept will work for us. We will be requiring 20' of unobstructed fire truck access (allowed parking will add to the street width) on all roads in the subdivision with a minimum of 45' outside wall-to-wall turning radius on the access roads. We will still look for the items below on the Site Plan Review.

As far as the annexation process CRFR has no issues with this project. CRFR will add however that we will be reviewing the following for the subdivision for P&Z review:

- Fire hydrant flow and locations.
- Street names that meet Garfield County Communications requirements.
- Proper addressing of the residential units.
- Street widths, turning radius, along with allowed parking and any required no parking signs.
- Landscaping and vegetation closeness to structures.
- Any fire apparatus access issues.
- All weather driving surfaces are designed to support the imposed loads of fire apparatus.

City of Rifle Engineering

- At Site Plan striping and signage plans for Megan Ave and Last Chance Drive will be needed and shall take into account on street parking if any at Megan Avenue and Last Chance Drive.
- It shall be verified that all existing sanitary sewer lines are properly abandoned and no connection to the City sewer remain

DEPARTMENT OF PLANNING & DEVELOPMENT

202 Railroad Avenue, Rifle, CO 81650

Phone: 970-665-6490



- The sidewalk on Megan needs to match the width of the existing sidewalk.
- It shall be verified that all irrigation piping is properly piped and or abandoned to avoid future issues
- Internal streets are private and will not be reviewed until Site Plan
- Storm Drainage will be reviewed at Site Plan but has been proved feasible
- Water and Sewer will be reviewed at Site plan
- Any review of floodplain will be at Site Plan (appears there is no floodplain on the property)

Staff feels that the aforementioned comments from Engineering and CRFR, will be addressed with the submittal of the preliminary plat, or have been included in the proposed amendments to the PUD Guidelines

Garfield County Community Development

It appears that the application is consistent with the City of Rifle Comp Plan, the adjoining roads are within the City, the proposal will not impact County infrastructure and the proposed annexation is less than 10 acres. Therefore, Garfield County Community Development does not have any comments on the proposal.

STAFF COMMENTS

Urban Design (ED1)



DEPARTMENT OF PLANNING & DEVELOPMENT

202 Railroad Avenue, Rifle, CO 81650

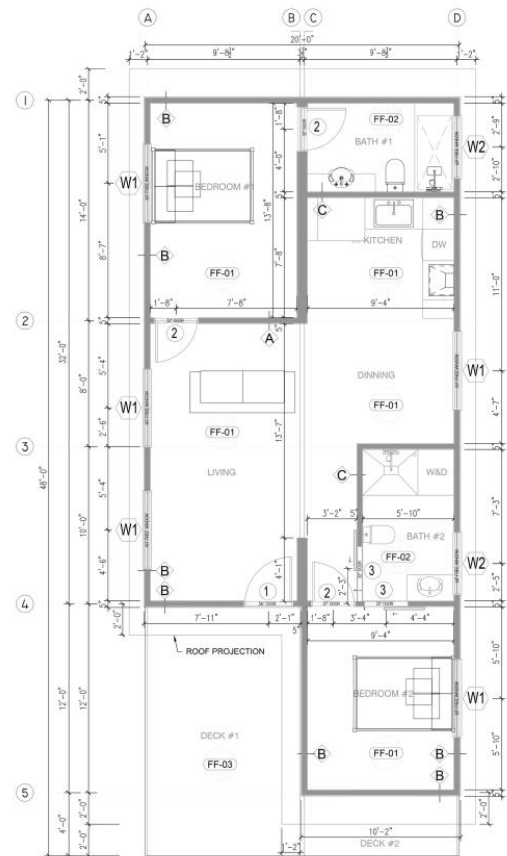
Phone: 970-665-6490



Similar to the Marketplace development, the applicant anticipates developing this parcel with 51 Eco-Dwelling specific homes. The product built by the developer currently provides two (2) floorplans. The first, ED1, has a footprint of approximately 900 square feet with two bedrooms, the second, ED2, has a foot print of 1220 square feet with three bedrooms. The applicant has identified the potential for a variety of siding options that can help break up the uniform nature of the structures. The applicant is not proposing any garages in association with the units, but is proposing individual storage structures for each lot.

While the project has a few items that will help address the uniform nature of the design, ultimately, the project will look very similar from an urban design perspective. The residences will look the same (beyond providing two models and up to four siding changes). The road design provides for a loop through the project with cul-de-sacs in the NW & SW corners.

ED1 MODEL



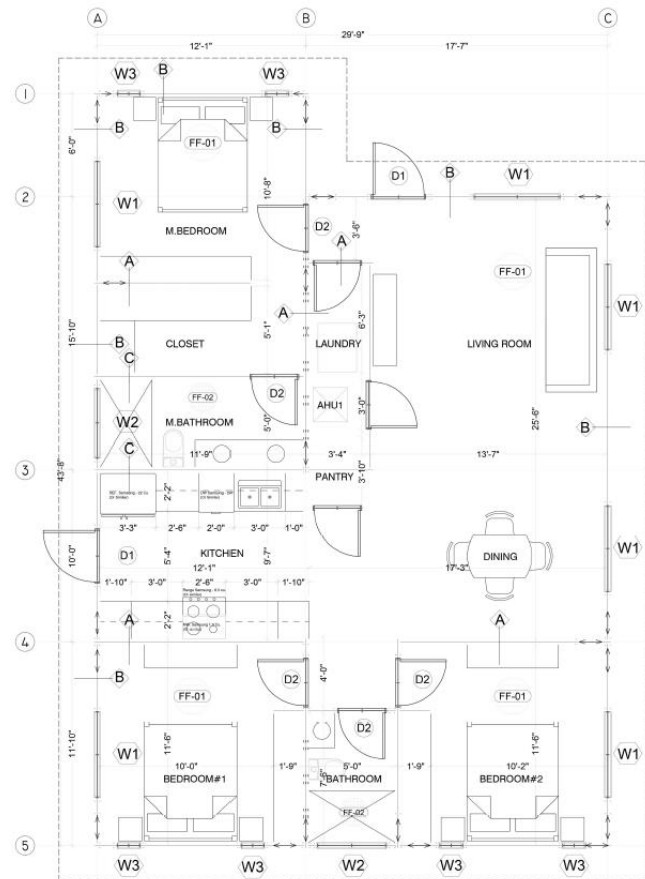
DEPARTMENT OF PLANNING & DEVELOPMENT

202 Railroad Avenue, Rifle, CO 81650

Phone: 970-665-6490



ED2 MODEL



Development Model and Less Expensive Housing

This project is different from many annexation and subdivision requests received because the development is anticipated to be built with a particular unit type in mind. Usually, a subdivision is developed and houses are "stick-built" to allow for some variation in design. Because the applicant is developing the property and providing two types of units the development will have a more uniform look than a traditional single-family development. Staff has attempted to address through the requirement of a landscaping plan, different models and different siding options.

The developer is not proposing that the property be developed as an affordable housing project, but has represented that the project will be less expensive than other single-family housing projects in the area. This is for a variety of reasons, including the small size of the units, the production of the same footprint, the technology used to build the units, the lack of a garage, and local production.

A significant benefit of the project is the subdivision of the individual lots. Potential purchasers will be able to purchase lots and units together the same as a traditional single-family project. This will allow property owners to build equity and eventually sell the units and lots. This model works best for the individual property owners, rather than other models where the lots are owned by one property owner.

Density

DEPARTMENT OF PLANNING & DEVELOPMENT

202 Railroad Avenue, Rifle, CO 81650

Phone: 970-665-6490



The applicant's project is less than the Comprehensive Plan's suggested density for the area with 6.33 dwelling units per acres, rather than the suggested 12-30 dwelling units per acre. This is driven by the open space that the applicant is proposing as well as the decision to develop the property with single-family style homes rather than multi-family, duplexes, or triplex. Higher density areas developments are supported by the City's Comprehensive Plan because of the more efficient provision of utility service and the delivery of differing unit types. While this project provides a relatively dense, single-family model. It does not provide a variety of unit types and as such is less than the recommended density in the Comprehensive Plan.

Open Space

The applicant is proposing to provide approximately 0.81 acre community park with a developed playground along Megan Ave as well as two additional internal open spaces for the project. This open space will be privately maintained by the HOA. The City of Rifle code would require approximately two acres of park dedication if the parkland was dedicated to the public. The provision of internal development open space is important because of the lack of park infrastructure on the south side of Rifle.



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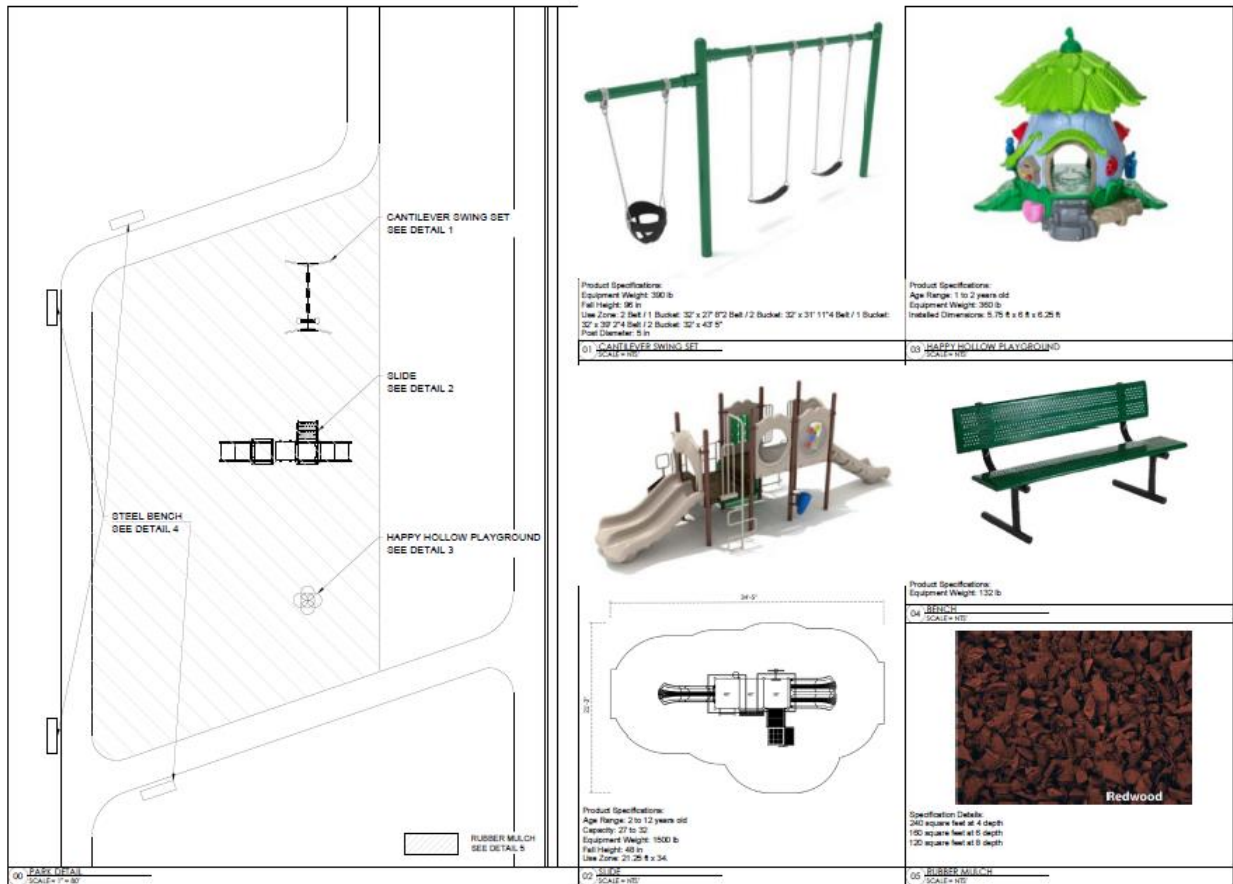
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Improvement of Megan Avenue and Last Chance Drive Sidewalk

The property is bordered by Megan Avenue and Last Chance Drive. Both roads are improved with sidewalks on the side of the street that is already developed in the City of Rifle. As required by the City of Rifle Public Works Manual, the developer will need to install sidewalks to complete Megan and Last Chance.

The applicant's conceptual site plan includes providing additional parking on Last Chance – this improvement will be required as part of the subdivision.

Landscaping Plan, Raw Water Irrigation, and Last Chance Ditch

Because of the uniform nature of the proposed development and the inclusion of the open space park area, Staff is suggesting that the applicant provide a landscape plan for the individual units as well as the park parcel. The landscape plan will need to be approved as part of the subdivision process.

The applicant did provide a landscaping plan for the development broadly. Review of the plan showed some of the plant species would not be appropriate in Rifle. The applicant should update the plan to meet City requirements.

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The parcel has irrigation water from the Last Chance Ditch. The Rifle Municipal Code requires that the applicant dedicate this water to the City. In addition to this requirement, staff is suggesting that the applicant be required to design a raw water irrigation system to service the development. This is beneficial to the City of Rifle because it does not require more expensive treated water to be used for outside irrigation. The Rifle Municipal Code identifies a process for fee waivers as part of the provision of a raw water irrigation system.

The Last Chance Ditch is on the southern area of the property. The City Engineer is requesting that the applicant provide a demonstration that this ditch is properly piped and will not negatively impact the proposed development.

Wapiti Avenue Extension – Property Dedication with License Agreement

The western portion of the property aligns with the future extension of Wapiti Avenue. Staff has requested that the applicant dedicate this portion of the property to the City for a possible future extension of Wapiti Avenue. This strip of property should be maintained by the HOA for the development.

Private Roads

As proposed in the applicant's site plan, the roads do not meet City standards (they are too narrow and only allow for parking on one side of the street). This is permitted via the PUD request, but supports the requirement that the roads be privately maintained by the HOA. In the future, Wapiti Avenue may extend to the south and it will likely be a public right-of-way, however, with no known use of the western parcel it is difficult to predict what the ultimate street layout will look like in this area. This project as designed does not connect to Wapiti. The only connection is to Megan Ave.

Park Fee Waivers for Development of Open Space Area

Staff and the applicant discussed the possibility of the waiver of parkland fees in exchange for the applicant developing the open space area with a playground that will be maintained by the HOA, but open to the public. The City of Rifle has a shortage of parks south of I-70 and the development of this open space would help address this issue specific to the development. The applicant will be required to provide a development plan and cost estimates as part of the subdivision application.

Planned Unit Development Information

The Rifle Municipal Code allows for Planned Unit Developments to permit greater flexibility in the development of a parcel provided that benefits are provided to the City including but not limited to affordable housing and high quality design. The applicant is proposing to zone the property with MDR PUD zoning; similar to what was proposed as part of the Marketplace development. The submitted PUD guide includes the following:

1. MDR Zoning to allow for smaller lot sizes
2. Setbacks/building envelope per lot plan but in no case less than 5"
3. Allow carports and storage sheds to encroach setbacks.
 - a. Zero lot line setbacks.
 - b. Limited to one story and/or 16' tall for carports and 12' tall for storage sheds.
 - c. Storage sheds not to exceed 100sf.
4. Common areas/open space managed by HOA.

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5. Use of Manufactured Housing, factory-built housing, pre-fabricated housing or pre-fabricated components to construct houses.
6. Request relief from RMC requirement to provide garages. No garages proposed or allowed.
7. Uses for this PUD shall be limited to residential use only.
8. Parking will include 2 spaces for each lot as well as parking allowed on one side of each street. There will also be additional parking spaces throughout the proposed development (see preliminary plan, approx. 40 spaces)
9. Property has 17 shares of raw water from Loesch & Crann Ditch. A portion of these will be used for irrigation within the subdivision. This includes but not limited to the open space and park areas. All excess raw water to be dedicated to the City of Rifle.

Staff is suggesting that all units be developed with a storage shed in the rear yard and that siding options are not replicated on adjoining lots. Additionally, there are minor tweaks proposed as conditions of approval.

Staff's analysis of the application shows that the main benefit that the proposed project provides to the city is additional free market, more affordable housing units. The type of construction, small units, and small lot types ensure that the units will be less expensive than larger lot and housing construction. The applicant has described the project as entry level housing with homeowners being able to purchase homes and build equity.

Architectural Criteria and Energy Efficiency Measures

The proposal has designed the units to be significantly more energy efficient than what would be required by basic compliance with the City of Rifle energy codes. This includes the use of close cell foam insulation, Zip system sheathing, and energy efficient windows. Energy efficient construction is supported by City PUD requirements.

The design of the units includes a number of items that are required by the Rifle PUD requirements, including articulated buildings and the use of a variety of siding materials.

Perimeter Criteria

The applicant will complete development of Megan Ave. and Last Chance Dr. Staff is requesting dedication a narrow strip along the western edge of the subject property to allow for future extension of Wapiti Ave.

Setbacks

The Planned Unit Development regulations allow for the City to approve smaller setbacks than those required in the underlying zone district provided that there is a greater diversity of housing types, there are sufficient parks and open space, there is an attractive streetscape and pleasant pedestrian environment, and affordable housing. The Sketch Plan currently shows an average of 24' between units and up to 45' between units (12-24 foot setbacks) where the ED1 Units are planned. ED2 Units are averaging 9 foot setbacks or 18 feet between units.

While this project provides a limited variety of housing types (2) within the development, the proposed units are a new type of housing to the City of Rifle and provide a diversity of units overall. The units are not deed restricted affordable housing, but their small footprint and smaller lot size do allow for a more affordable price than current new construction.

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Open Space

The applicant is proposing three HOA maintained open space areas to address park infrastructure and will be required to provide landscaping and playground information.

FINDINGS

Pursuant to Section 16-5-360, the Commission shall consider the following criteria before recommending an approval of an annexation to City Council (***staff comments shown in bold italics***):

1. Conformance of the proposal with the City of Rifle Municipal Code;

The proposal is following the process as described in the code regarding Annexation and zoning applications. Staff has provided suggested conditions of approval to meet Rifle Municipal Code requirements.

2. The compatibility of the proposal with the character of the surrounding area, including but not limited to the architectural character of the neighborhood, the average lot and building sizes in the neighborhood, and the relative value of the proposed structure to the value of other structures in the neighborhood;

The proposed use is somewhat unique for the area. While there are older residential units to the west, accessed off of Taugenbaugh Boulevard, those units are townhomes and multi-family. To the north is the Habitat for Humanity project, which will be developed with townhomes and multi-family units. On the south side of Last Chance the newly approved Last Chance Commons includes single-family homes.

The residential use does appear to be compatible with the surrounding neighborhood based on this other residential development. The architectural character of the proposed development is significantly different than what exists in South Rifle currently. Because the units will all be developed in the same style and footprint, there will be a uniform nature to the project.

3. The desirability for the proposed use in the specific area of the City;

South Rifle was historically identified as a major commercial area for the City. However, the City is seeing increasing demand for residential.

4. The potential for adverse environmental effects that might result from the proposed use;

No adverse environmental effects are anticipated.

5. Compatibility of the proposed use and the site plan with the City of Rifle Comprehensive Plan;

See Comprehensive Plan discussion earlier in the Staff Report.

6. The potential impact of the proposed use upon the value of property and buildings within the surrounding area; and

Minimal negative impacts are anticipated based on the proposed use.

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7. Conformance of the proposal with the approval requirements concerning water and sewer tap availability for high volume use requests pursuant to 13-4-120 of the Code, if applicable.

No issues were noted as a part of the annexation submittal.

UPDATES SINCE PLANNING COMMISSION

Landscaping and Storage

With limited outdoor storage space and a lack of garages, Staff identified a concern with property owners not having space to store landscape equipment for upkeep of their lots. To address this issue Staff discussed the possibility that the applicant require the individual properties to be maintained by the HOA. The applicant proposed to address the lack of storage by including the requirement of the development of an 8x10' storage shed as part of the development of each lot. The below conditions have been updated to incorporate the applicant's proposal.

Fence Plan

Staff recommends that the applicant provide a fence plan for the development as part of the submittal of the subdivision application.

RECOMMENDATION

This proposed use provides significant benefits to the City of Rifle regarding attainable housing. Rifle has recently been experiencing significant price increases for residential units. The applicant has indicated that these units will sell for much less than the average single-family housing unit in the City, mostly because of the technology that goes into construction, the small square footage of the units, the smaller lots, and production of just two types of models.

While the project provides these benefits to the overall housing stock of the City, the development looks and will feel very uniform. While Staff has requested a landscaping plan and siding differentiation, the units and development will still look very much the same based on the unit design and the overall design of the property. The units are being constructed without a garage, which will make the units less expensive, but also limits storage options. The applicant has attempted to mitigate this issue by requiring storage units.

Planning Commission recommended approval of the project subject to the following conditions:

Annexation Conditions

1. All representations made by the Applicant in the application and during the public hearing shall be conditions of approval, unless specifically altered by City Council.
2. Referral comments shall be addressed to the satisfaction of City Staff as part of the subdivision application.
3. The development shall require raw water irrigation for outside irrigation use and water rights shall be dedicated to the City as identified in the Annexation Agreement.

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4. The applicant shall dedicate the western portion of the property to the City for the extension of Wapiti Avenue in the future, as warranted.
5. The applicant shall supply a landscaping plan for individual lots that will be reviewed and accepted by the City of Rifle as part of the Preliminary Plan process. The landscaping shall be installed as part of the building permit process as outlined in the Annexation Agreement.
6. The provided landscaping plan for the development shall be updated with plant species that meet City of Rifle requirements.
7. Megan Avenue and Last Chance Drive shall be developed with sidewalks that meet City requirements.
8. As part of the subdivision process, the applicant shall provide a demonstration that Last Chance ditch is appropriately piped and will not impact the development.
9. In exchange for the development of the open space area with a playground, the applicant shall be eligible for parkland fee waivers as identified in the Annexation Agreement. The park shall be maintained by the HOA and open to the public.
10. Applicant shall meet all requirements of the Colorado River Fire Rescue for Fire hydrant flow and location, street naming and addressing, access for fire equipment including but not limited to street width, turning radius, no parking signage and road design.

The PUD Zoning Guide shall be amended as follows – NOTE Staff identified some minor adjustments after the Planning Commission meeting for clarification and ease of enforcement

1. ~~MDR Zoning to allow less than 6,000sf minimum lot size~~ 3,200 sf minimum lot size
2. Setbacks/building envelope to be approved with preliminary/final plat. This includes a 5' side yard and 10' front and rear yard setbacks.
3. Allow carports and storage sheds to encroach setbacks.
 - a. ~~Zero lot line setbacks.~~ 2' side and rear yard setbacks, no front yard setback for carports.
 - b. Limited to one story and/or 16' tall for carports and 12' tall for storage sheds.
 - c. Storage sheds not to exceed 100sf.
4. Common areas, open space, and private roadways managed by HOA.
5. Use of Manufactured Housing, factory-built housing, pre-fabricated housing or pre-fabricated components to construct houses is permitted.
6. ~~Request relief from RMC requirement to provide garages.~~ No garages proposed or allowed.
7. ~~Uses for this PUD shall be limited to residential use only.~~
8. Parking will include 2 spaces for each lot as well as parking allowed on one side of each street. ~~There will also be additional parking spaces throughout the proposed development (see preliminary plan, approx. 40 spaces).~~

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9. ~~Property has 17 shares of raw water from Loesch & Crann Ditch. A portion of these will be used for irrigation within the subdivision. This includes but is not limited to the open space, park areas, and individual lots. All excess raw water to be dedicated to the City of Rifle.~~ Raw water irrigation from Loesch & Crann Ditch required for all open space, park areas, and individual lots.
10. All properties shall be developed with *at minimum an 8x10 foot* storage shed located in the rear yard of the lot.
11. Siding options shall not be replicated on adjoining lots.
12. Internal sidewalks shall be minimum five feet in width.

Statement of Purpose



Statement of purpose and description

Fritzlan Ranch is proposed to be a medium density 51-unit single family residential development on 7.89 acres. Fritzlan Ranch will be fee simple ownership. These are meant to be a more affordable housing option for first time home buyers, senior citizens or even professionals not wanting a large space or large yard to maintain. These can also be used as transitional housing for large employers to offer new employees a place to live while they are working on finding a larger home in the area. By being fee simple ownership, it allows the Owner to build equity instead of spending money on rent.

To keep the costs down at or near the “affordable” levels per HUD, CHFA, Fannie Mae and Freddie Mac, Ecodwelling utilizes an “all of the above” approach.

- a. Design the homes with an overall smaller footprint but with open floor plans.
- b. Vaulted ceilings, and lots of natural light.
- c. Heated and cooled with individual electric “mini split” heat pumps by Mitsubishi.
- d. All homes have the best insulation available, closed cell polyurethane spray applied insulation.
- e. Using the factory with repetitive labor in a controlled environment and processes along with the computerized CNC and Howick machine the production time and costs are controlled.
- f. The design of the subdivision utilizes a smaller lot concept as the cost of the real estate is a major driver of the overall cost of a new home and many current housing studies indicate that most buyers do not want large yards or all the maintenance that goes with them.
- g. There are two floor plans, but the exterior appearances will have several different options, so the units are not alike next to each other. This is necessary to control overall costs as there are many efficiencies and cost savings to be realized by using the same floor plan numerous times.

All these together add up to huge cost savings and allow Ecodwelling to keep the purchase price at or near the Affordable Housing level as defined by the

various agencies referenced above. (See AMI and Ecodwelling finance information with this application)

The proposed homes are to be site-built homes using factory prefabricated components. The framing components are all manufactured from raw steel coils at the Eco Dwelling Factory in Rifle. The site-built homes will utilize local subcontractors to complete.

Key Factors:

- Parcel is surrounded on three sides by parcels already within the city limits. This makes this parcel a logical choice for development and annexation.
- The location is served by utilities at or near the lot lines.
- Demand for affordable housing is **extremely high**.
- Has good pedestrian and vehicle access to Airport Road.
- Easy access to I-70 for commuters.
- Walking distance to shopping and restaurants.

**Compliance with City of Rifle
Comprehensive Plan 2019**



Compliance with City of Rifle Comprehensive Plan 2019

- a. This Parcel is in Tier 1 Priority Growth Area where growth is encouraged. “The city should encourage Tier 1 areas to develop to encourage revitalization of core areas and ensure an adequate supply of **workforce housing**. The city should encourage a wide range of housing types and affordability programs.” (Page 6)
- b. Public Workshop, Page 9 asks, “How proactive should the city and community partners be in encouraging affordable housing?”
 - i. Answer, “Yes, not direct but make it easier for developers to build affordable housing with incentives and zoning relaxation. 40%”
- c. Annexation is encouraged in Tier 1 area.
- d. Adjacent to the Last Chance Commons (7du/acre +/-) and Habitat for Humanity Wapiti Commons Projects. Both single family Medium Density developments.
- e. Served by existing infrastructure. There are adequate utilities available at the lot lines to serve this proposed development.
- f. Proximity to businesses. Walking distance to restaurants and stores along Airport Road. This includes Walmart at about 2300 feet/.44 miles. Sonic/Culvers approximately 900 feet, Rib City 600 feet, Starbucks 1500 feet/.27 miles, Grand River Hospital 900 feet to entrance.
- g. Affordable housing in the form of manufactured housing or mobile home parks that are constructed and managed to a high standard of quality. (Page 18 and 46)
- h. Land use Map designates this area as High Density Residential.

- i. The Ecodwelling revised plan reduced the number of proposed units from 66 to 51 per City Council comments and public workshop.
- ii. This is contrary to Comprehensive Plan recommendation for High Density Residential, 12-30 du/acre, Housing types,” small homes/patio homes with less than 3,000 square foot lots.” (page 52)
- iii. Revised density is now 6.46 du/acre but is what the City Council indicated they wanted to see and would likely approve.
- i. Transportation Master Plan, page 21, “Encourage development to locate in Tier 1 areas of Rifle such as Prefontaine Mesa, Downtown Rifle, the **Colorado River development area**, Park Avenue, and Whiteriver Avenue.” “Growth in these areas add minimal vehicular stress to congested areas of the City.”
- j. Plan includes area for a park/open space.

This proposed plan meets or exceeds the desired intended use for this area.

PUD Guide



Fritzlan Ranch PUD Guide

1. MDR Zoning to allow for smaller lot sizes.
2. Setbacks/building envelope per lot plan but in no case less than 5'.
3. Allow carports and storage sheds to encroach setbacks.
 - a. Zero lot line setbacks.
 - b. Limited to one story and/or 16' tall for carports and 12' tall for storage sheds.
 - c. Storage sheds not to exceed 100sf.
4. Common areas/open space managed by HOA.
5. Use of Manufactured Housing, factory-built housing, pre-fabricated housing or pre-fabricated components to construct houses.
6. Request relief from RMC requirement to provide garages. No garages proposed or allowed.
7. Uses for this PUD shall be limited to residential use only.
8. Parking will include 2 spaces for each lot as well as parking allowed on one side of each street. There will also be additional parking spaces throughout the proposed development (see preliminary plan, approx. 40 spaces)
9. Property has 17 shares of raw water from Loesch & Crann Ditch. A portion of these will be used for irrigation within the subdivision. This includes but is not limited to the open space and park areas. All excess raw water to be dedicated to the City of Rifle.

Smaller Home Concept/Trends
Background Information



Trends towards smaller homes

Smaller Families, Smaller Homes

- Today's young Americans are starting families later and having fewer children. According to Pew Research Center, smaller families have been trending since at least the 1970s. And that doesn't seem to be changing anytime soon. Instead of a home in the suburbs with enough space for a growing family, this crowd prefers modest-sized one- and two-bedroom homes or townhomes in a more urban setting.

Mindset Shift from 'More' to 'More Fulfilled'

- Aside from the practical reasons behind choosing a smaller home, there's something bigger at work — the changing mindset of Americans. After almost 50 years of a community standard driven by consumption, the tide is turning away from filling your big home with things and more toward practical, livable spaces.
- While past generations may have been keeping up with the Joneses, today's home buyers place less importance on possessions and more on personal development. Buyers are reserving more of their money for life experiences like travelling. Millennials and Gen Xers are focused not only on saving money, time and energy, but also on more mindful consumption and reducing their carbon footprint.
- The market is seeing more pressure for smaller, two-bedroom condos and townhouses. But despite the overall shift in the housing market toward simplicity, practicality and more mindful living, as of 2016, 90 percent of homes on the market still had three or more bedrooms.

Smaller Houses Are Actually a Sign of an Improving Economy

- According to the National Association of Home Builders, the decline in the size of new single-family houses is a sign that the economy is getting stronger.
- That's because the housing recovery now includes younger buyers entering the market, and builders need to offer a larger variety of options for different budgets.
- Buying smaller, more affordable homes is becoming way more popular.
- With inflation rates and the rising cost of living, purchasing a smaller home can help mitigate some of the financial strain.
- According to an article from Bankrate.com, the Consumer Price Index (CPI) has shown a 0.4% monthly increase, with the cost of shelter, which includes housing costs, experiencing one of the most significant increases.
- Additionally, the 30-year fixed mortgage rate is now at 6.97%
- As a result, people are turning to smaller, more affordable homes and apartments to cope with the increasing cost of living.

- Additionally, as building materials become more expensive, the cost of constructing larger homes and buildings increases. As a result, smaller homes and apartments are becoming increasingly popular.
- Downsizing to a smaller home can also have other benefits, such as lower utility bills, less maintenance, and more flexibility.
- Sometimes, smaller homes and apartments may also be located in more desirable areas, closer to work or city centers, which can save time and money on transportation costs!
- Even though it is terrible how high the cost of living has gotten, wages still have not risen to meet them. Therefore, it can be difficult for many individuals and families to maintain their standard of living.
- With less square footage, the cost of the home itself, as well as the cost of utilities, property taxes, and maintenance, can all be significantly lower.
- **While the idea of downsizing may seem daunting, it can offer many benefits. Smaller homes typically come with lower mortgage payments, utility bills, and maintenance costs, making them more affordable overall.**
- Additionally, a smaller home can allow for a more minimalist lifestyle, helping to reduce clutter and simplify life.
- Finally, buying a smaller home can allow for more financial flexibility, freeing up funds for other important expenses such as education, healthcare, and retirement savings.

Lifestyle Choices

- While buying a smaller house can certainly be a financial decision, it is also often a lifestyle choice.
- Additionally, choosing a smaller house can be a way to live a greener lifestyle, as it typically requires less energy to heat, cool, and maintain.
- Downsizing to a smaller home can also encourage a minimalist lifestyle, as individuals are forced to prioritize their belongings and maximize their limited space.
- This can be a great way to reduce clutter and simplify life, allowing for more time and energy to focus on the things that truly matter.
- Ultimately, buying a smaller house can offer many financial and lifestyle-related benefits and be a great choice for those looking to simplify and prioritize their lives.
- Changing cultural ideals have been recently shifting toward valuing experiences over material possessions. This means that people focus more on enjoying their lives through travel, hobbies, and other activities rather than prioritizing large homes and having kids.

Lower Maintenance Costs

- Smaller homes are also easier to maintain and keep organized. With less space to fill and fewer rooms to clean, homeowners can focus on creating a space that is functional, stylish, and easy to live in.

- In contrast, larger homes can be time-consuming and expensive to maintain, making achieving a cohesive and organized living environment more difficult.
- Smaller homes cost much less to maintain, making them more popular among lower-wage workers, millennials, and first-time home buyers.
- Luxurious McMansions have large estates and are very expensive to maintain.
- Smaller yards and gardens require less water, fertilizer, and maintenance. They can also be watered and fertilized more efficiently, requiring less time and effort to maintain.
- Additionally, a smaller yard or garden means less lawn equipment and gardening tools are needed, resulting in lower equipment and maintenance costs.
- A smaller driveway on your land means less money spent on materials and maintenance. That means less asphalt or paving stones and less sealing or repair work over time.
- Basically, smaller houses have fewer bells and whistles that need to be checked, monitored, or maintained.

Senior Living

- It is not only young people who are looking to downsize or buy smaller houses.
- Seniors are notorious for downsizing and moving away to warmer climates and fun retirement communities. How often have you heard an older family member complain about their large house and how it is “just too hard to take care of anymore.”?
- Smaller homes are so much easier for older generations.
- Fewer rooms and a simpler layout make it easier for older adults to move around the house, which can be especially important for those with mobility issues. Also, as we’ve said, smaller homes require less maintenance, reducing the physical demands of home ownership.
- Furthermore, smaller homes can be more affordable for adults living on a fixed income. Most members of the older generations have pensions or retirement funds to account for, so they want a lower mortgage rate – especially if they can’t buy their new house outright.
- Downsizing to a smaller home can also significantly reduce housing expenses and can free up money for others, such as healthcare or travel, or provide additional financial security in retirement.

Urbanization

- The city’s land is at a premium, and smaller homes take up less space, allowing more people to live in the same area. This can help to reduce urban sprawl and preserve green spaces and natural habitats.

- Buying a smaller home can allow you to own property in the city. This can be especially important for those who work in the city and want to live close to their workplace!
- Smaller homes give me this option because they have lower mortgage payments, utility bills, and maintenance costs, requiring fewer resources to build and maintain.
- Buying a smaller home offers many benefits and can be a lifestyle choice that prioritizes simplicity, sustainability, and financial flexibility.

Sales of smaller new homes have increased 76 percent since 2015, compared with a 36 percent increase in new home sales overall.

CHFA-Affordable Housing Guidelines for Local Officials



CHFA

Affordable Housing means households pay no more than 30% of their income on housing.

Affordable Housing does NOT mean housing that receives public subsidy.

Community Benefits of Affordable Housing

- Affordable Housing options reduce financial strain, frequent moves, material hardship, and long commute time.
- Healthy, vibrant communities are a key factor in attracting industry to develop.
- Affordable housing leads to better health outcomes for residents.
- Stable and affordable housing improves school performance.

The land we have left is technical and more costly to develop, which drives up the price substantially.

Older homes are priced higher than they are worth, in addition the costs of repair and maintenance make the older housing stock unaffordable.

Business and the available workforce are negatively affected by the lack of housing options.

Typical challenges for Development

- Land/product availability
- Costs – of land, materials, labor, professional services, community amenities.
- Public process – uncertainty, length of time for approvals, NIMBYism.
- Regulatory barriers.
- Water and utilities.
- Local capacity – developers, contractors, local government.

Typical challenges that local officials can address.

- Public/Development process - fast tracking process and updating policies.
- Regulatory Barriers
- Water and Utilities
- Combating NIMBYism
- Providing land
- Fee reductions and/or waivers
- Understand community needs.
- Build Community awareness and support challenges and solutions.
- Develop a shared vision for addressing housing needs.
- Encourage inclusive and productive resident participation and dialogue.
- Improve public understanding of key policies, programs, and funding sources where needed.

Greater Roaring Fork Regional Housing Study

Housing Demand



The Greater Roaring Fork Regional Housing Study data from April 2019 is a housing needs analysis for the Roaring Fork and Colorado River Valleys.

- This study identified the most Critical or serious problem (Glenwood to Battlement Mesa) is the availability of housing from 70% of the respondents.
- Most important factor for housing is cost @ 75%
- 45% of people surveyed in the Roaring Fork and Vail Valleys said they would move if they could find a home they could afford.
- These people are looking for 2 bedroom (32%) and 3 bedroom (46%) with 2 bathrooms.
- 74% desire a Single Family detached home and 58% for Townhouse/duplex.
- 37% of these have \$0-\$10,000 for a down payment.
- 68% have household incomes less than \$99,000.
- As of 2017, 32% of the population from New Castle to Parachute is 65 and over. These people are typically on fixed income and under 60%-80% of AMI. Where will this age group live to remain in our area?

Comments from Greater Roaring Fork Regional Housing Study:

- An overwhelming number of responses include cost of living and affordability, desire to own a home with few to no options locally and having to change communities and/or retirement.
- Need for more affordable senior housing.
- Overwhelming need for lower cost market level home and lower HOA fees. Not looking for the amenities these HOA fees provide.
- Build housing to support young professionals. They don't need or want 4/5 BR homes and would rather have an inventory of 1000-1200sf homes to start families and not be burdened with deed restrictions and rent stipulations.
- 86% of local employers state that they have challenges recruiting new employees to the area due to a lack of affordable housing.
- 55%-65% of trade workers, entry level professionals and service industry workers say they have a "very difficult" time finding affordable housing in the region.
- 71% of employers said that providing entry level for sale housing is a high priority. 78% said providing rental housing is a high priority.

- The most common theme was the number of obstacles that contribute to the problem of finding affordable housing. These include a lack of information about the issue, a risk of misrepresentation in eligibility for assistance, qualifications that are too restrictive, and a lack of general community buy-in to address the issue. “there’s a lot of ‘talk’ about affordable housing and workforce-level housing in this valley, but when decent developments are presented to councils/town halls, etc. they always seem to be denied because of neighbor disapproval. **The community needs to be willing to accept some amount of workforce housing, even if it’s not exactly the ideal location for everyone in the valley.**”
- **“Very little incentive for developers to build new housing stock that matches the price point that make economic sense for the working people of the area.”**
- “All else being equal, when demand is constant and supply is constrained, the price of housing is pushed higher. This has been the case in the region for the past decade or more. Not only does this mean rising property values (property taxes), but for new residents it means locking in greater portions of household income on the cost of housing. Both of which are affordability problems.”

Housing is integral to the economy. Nationwide, housing accounts for nearly 50% of all capital and represents the largest portion of most households’ net worth. As a result, supply shortages and affordability challenges manifest as quality-of-life challenges. Rising housing costs and stagnating incomes lead households to spend more of their income on housing.

When households are spending more of their income on housing, their discretionary spending drops, which leads to lower local spending on goods and services. When households try to avoid cost-burden, many try to find affordable housing farther away from their jobs, schools, etc. Under both scenarios, household spending on housing and/or transportation increases and discretionary spending decreases.

Both scenarios lead to a diminished quality of life and negatively impact the local economy. This is why an optimally located housing supply supports resident and workforce mobility, productivity and contributes to a higher quality of life.

Affordable Housing – The federal government has defined “affordable” by the rule that no household should spend more than 30% of its income on housing regardless of income level. Affordable housing means a place to live that is affordable so that when the rent or mortgage is paid, money is left over for necessities like food, transportation, healthcare and all that contributes to one’s socioeconomic mobility and quality of life.

Area Median Income (AMI) – This metric identifies the midpoint of an area’s household income, in which 50% of households earn more and 50% earn less. Percentages of AMI are used to isolate different levels of affordability such as 60, 80, 100 and 120% AMI. AMI is used to qualify a household’s eligibility to purchase or rent a home at different levels of affordability.

Cost Burden – Owners or renters that spend more than 30% of their income on housing are considered “Cost Burdened”. At this level of housing cost expenditure, households are likely to be experiencing a level of financial stress on other quality of life expenditures.

Income Category	Units needed in 2017	Units needed in 2027
Less than 60% AMI	2,118	2,383
61% to 80% AMI	0	2,748
81% to 100% AMI	0	590
101% to 120% AMI	703	0
121% to 140% AMI	195	0
141% to 160% AMI	968	1,105

100% AMI and lower forecast to need 6,825 units in the area.

Area Median Income (AMI)
And
Finance Information for
Ecodwelling ED1(2BR/2B) & ED2(3BR/2B)



Area Median Income for 2023

Area Median Income (AMI) is the midpoint of a region's income distribution, meaning that half of households in the region earn more than the median and half earn less than the median. * (Camion Associates: [Humanizing Data: AMI and Affordable Housing Policy](#))

The Department of Housing and Urban Development (HUD) calculates AMI annually by county. HUD uses AMI to set income limits for eligibility for many housing assistance programs. The HUD AMI for a family of 4 in Garfield County is \$99,200. **
(<http://garfieldhousing.com/wp-content/uploads/2023/05/AMI-Garfield-2023-Website.pdf>)

To keep your payment below the 30% of AMI and be considered "Affordable" and not "Cost Burdened", using a conventional loan and putting 5% down (\$18,000) and buying 1.1 discount points, with an interest rate of 6.625% and APR of 7.042%, the purchase limit for a well-qualified borrower would be around \$360,000 (with no HOA dues).***

See next page for finance scenarios

Fritzlan Ranch Finance Scenarios

Ecodwelling ED1 (2BR, 2 Bath, \$75/mo HOA dues)***

	<u>66 Units</u>		<u>51 Units</u>
Sales price	\$285,000	Sales price	\$320,000
Interest Rate	6.5%	Interest Rate	6.5%
APR	6.921%	APR	6.927%
5% Down	\$14,250	5% Down	\$16,000
Est. Closing Cost	\$6,505	Est. Clos Cost	\$7,202
Est. Payment	\$2,003.32	Est. Payment	\$2,243.49
% of HUD AMI	24.2%	% of HUD AMI	27.1%

Ecodwelling ED2 (3BR, 2 Bath, \$75/mo HOA dues)***

Sales price	\$345,000	Sales price	\$395,000
Interest Rate	6.625%	Interest Rate	6.5%
APR	7.043%	APR	6.923%
5% Down	\$17,250	5% Down	\$19,750
Est. Closing Cost	\$7,593	Est. Clos Cost	\$8,365
Est. Payment	\$2,437.62	Est. Payment	\$2,751.84
% of HUD AMI	29.5%	% of HUD AMI	33.3%

\$500k and \$600k homes (no HOA dues)***

Sales price	\$500,000	Sales price	\$600,000
Interest Rate	6.5%	Interest Rate	6.5%
APR	6.935%	APR	6.92%
5% Down	\$25,000	5% Down	\$30,000
Est. Closing Cost	\$9,991	Est. Clos Cost	\$10,400
Est. Payment	\$3,397.32	Est. Payment	\$4,080.79
% of HUD AMI	41.1%	% of HUD AMI	49.4%

***Alex Daue, NMLS ID #2143473, I am authorized to do business in the state of Colorado. Guild Mortgage Company; NMLS #3274; Equal Housing Opportunity; www.nmlsconsumeraccess.org. All information, loan programs & interest rates are subject to change without notice. All loans subject to underwriter approval. Terms and conditions apply. Always consult an accountant or tax advisor for full eligibility requirements on tax deduction. Rates current as of **06/1/2023**. Rates/terms are subject to change without notice based on market conditions, as well as qualifying credit score, loan to value and asset reserve requirements. Rates/terms assume 780 credit score. Material is informational only and not an advertisement to extend credit as defined by TILA/Regulation Z nor an application for credit as defined by RESPA/Regulation X. Applications subject to underwriting and determining applicant's ability to repay. For use by Real Estate Professionals only. Not intended for public use or distribution.

Public Comments for Fritzlan Ranch



Vickie (Fritzlan) Zang

“I absolutely tell you that we have nurses and doctors that have no place to live. Right next to the hospital would be wonderful,” she said, adding that she grew up a Fritzlan but that it’s not as important as housing. “It’s an honor to my family to name the streets and all that but that’s not what it’s about. What it’s about, is the hospital needs help. The school district needs help, and I implore you to just help them.”

Sally Brands, longtime home builder

“To be honest with you, I think they’ve made a mistake. I think they need to go back to the (66) units,” Brand said, adding the new proposal is not enough to make a full yard. “It’s more important to get that price down below (\$350,000).”

Trish O’Grady, Rifle resident

“I’m not completely opposed to this. I do like the idea of smaller density, but I am concerned about the increased traffic, that this just leads into the next project, which is 16th Street, which I’m definitely against that entire project,” she said.

Seth Meyers, Eco Dwelling employee

“Currently, we do not need an answer to the housing crisis. We needed it a long time ago,” he said.

Cheryl Chandler, local real estate broker

“Don’t tell me we don’t have expensive houses, because we do. We need this project desperately,” she said. “We’ve got more teachers, we’ve got more nurses, more doctors that have nowhere to live. We just don’t have housing.

“If we just want to give up those services, that’s fine, we’ll just keep going up in price. But we need to do something. It’s way too late.”

Janessa McClain, Garfield County local

“I just had a daughter, and this project right now is a dream for me,” she said. “Me and my husband, we work so hard. We are living with my mom right now, we can’t afford anything right now. So this project right now is probably our only hope.”

HOUSE MATERIALS

EXTERIOR FINISH LEGEND

- Window frames: White PVC
- Roof: Galvalume 4X10', Color Bronze or Musket Gray
- Walls : Hardie Vertical Siding



JamesHardie™

	HARDIE PANEL VERTICAL SIDING SELECT CEDARMILL® Our natural cedar bark has a lot to teach the finished world. You can't go wrong with this show. Another siding. The perfect color is our Statement Collection products or Cream Collection products. Or get it primed for paint.
	HARDIE PANEL VERTICAL SIDING SMOOTH You can't go wrong with this show. Another siding. The perfect color is our Statement Collection products or Cream Collection products. Or get it primed for paint.
	HARDIE PANEL VERTICAL SIDING STUDIO This is the siding you've been looking for. It's the perfect color is our Statement Collection products or Cream Collection products. Or get it primed for paint.
	HARDIE PANEL VERTICAL SIDING SIERRA 6 This combination of texture and color will make your house stand out. The perfect color is our Statement Collection products or Cream Collection products. Or get it primed for paint.



TRAFFIC IMPACT ASSESSMENT

ECO DWELLING - FRITZLAN



November 2022

Prepared by



DAN COKLEY, PE
LICENSE NO. 29799
11/21/22

4.0 Existing Traffic Conditions

4.1 Local Circulation Network

Megan Avenue is the north-south local road within the City of Rifle. The roadway consists of a wide 30 ft two lane paved cross section that is striped with two northbound approach lanes (right and thru/left) with curb, gutter, and sidewalk on each edge. The speed limit is not posted and assumed to be statutory 25 mph.

Airport Road is a five-lane arterial roadway with two travel lanes in each direction and a Two-Way Left Turn Lane (TWLT) with curb, gutter, and sidewalk each side. The posted speed in the vicinity of the intersection is 35 mph.

Last Chance Drive is an east - west collector roadway that serves southwest Rifle and Garfield County, mainly the hospital and oil and gas traffic. Its intersection with Megan Drive is signalized.

5.0 Trip Generation

5.1 Project Trip Generation

ITE's Trip Generation (11th Edition) was used to provide trip generation rates for the proposed development single family homes.

TABLE 1 - ESTIMATED WEEKDAY TRAFFIC GENERATION SUMMARY

				Weekday Design Hour Traffic			
				AM	AM	PM	PM
Land Use	Number of Units	ITE Code	Weekday Traffic	IN	OUT	IN	OUT
Single Family Detached	66	210	688	13	38	42	25

5.2 Trip Distribution and Assignment

The distribution and assignment of site generated trips is based on information found in the Master Transportation Plan. The trip distribution is conservatively oriented to the north the percentages used in the analysis are shown below.

- 100% north-oriented Megan Ave
- 20% east-oriented on Airport Road
- 80% west-oriented on Airport Road

5.3 Project Generated Traffic Volumes

The developed project traffic volumes are provided in the figure on the following page.

Weekday AM					
		<----- Airport Road ----->			
	10				3
		30		8	
		Megan Ave			
Weekday PM					
		<----- Airport Road ----->			
	34				8
		20		5	
		Megan Ave			

FIGURE 3 - PROJECT TRAFFIC ASSIGNMENT

5.4 Turn Lane Assessment

- Traffic volumes of >25 vph require a left turn lane and >50 vph require a right turn lane based on CDOT State Highway Access Code guidelines. The City does not have auxiliary lane standards.
- Megan Avenue approach to Airport Road the existing right and thru/left two lane approach is adequate to convey the AM and PM design hour traffic volumes.
- For the two Megan Avenue project accesses, the project generated traffic is distributed 50/50 to each access. That results in
 - Inbound southbound right turn design hour volumes (DHF) of 6 AM and 21 PM - no right turn lane required
 - Outbound eastbound left turn DHF of 19 AM and 12 PM - Given that there is literally no right turn or through traffic, a single lane project approach will adequately serve the project.

5.5 Sight Distance and Access Conditions

The project access intersections with Megan Avenue have adequate sight distance for traffic entering the 25-mph roadway, although the development should maintain the sight triangle during the development of landscaping plans for the project entrances.

6.0 Conclusions and Proposed Mitigation Measures

6.1 Summary of Conclusions

- The project generated traffic can adequately be handled by the existing roadway infrastructure.

6.2 Proposed Mitigation Measures

- None

Fritzlan
ITE Trip Generation, 11th Edition

Land Use	Design Hour Rates										Weekday Design Hour Traffic					
	Number of Units	ITE Code	Weekday Rate	AM Rate	AM Entering	AM Exiting	PM Rate	PM Entering	PM Exiting	Weekday Traffic	AM IN	AM OUT	PM IN	PM OUT		
Single Family Detached	66	210	10.42	0.77	0.20	0.57	1.02	0.64	0.38	688	13	38	42	25		

TOTAL TRIPS: 688

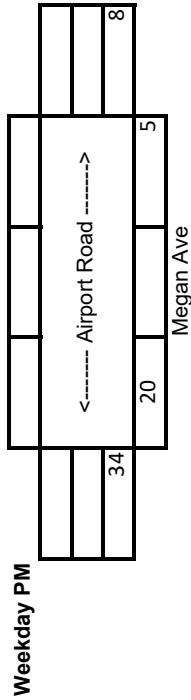
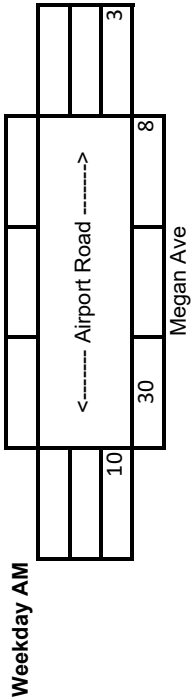
Internal Capture Reduction 0%

Transit Reduction 0%

TOTAL ADJUSTED TRIPS:

100% North
 20% East
 80% West

ITE Trip Generation	Basis of	Time Period Used	Weekday Design Hour Distribution			
Manual, 10th Edition	Rate	Above	AM IN	AM OUT	PM IN	PM OUT
Single Family Detached	210	Fitted Curve Peak Hour adjacent Street	26%	74%	63%	37%



Fritzlan Ranch

Vicinity Map

Legend

- Anytime Fitness
- Feature 1
- Feature 2
- Fritzlan Ranch
- Kum & Go
- Rifle
- Rifle Fire Protection District Station #43
- Starbucks
- Walmart Supercenter

Fritzlan Ranch

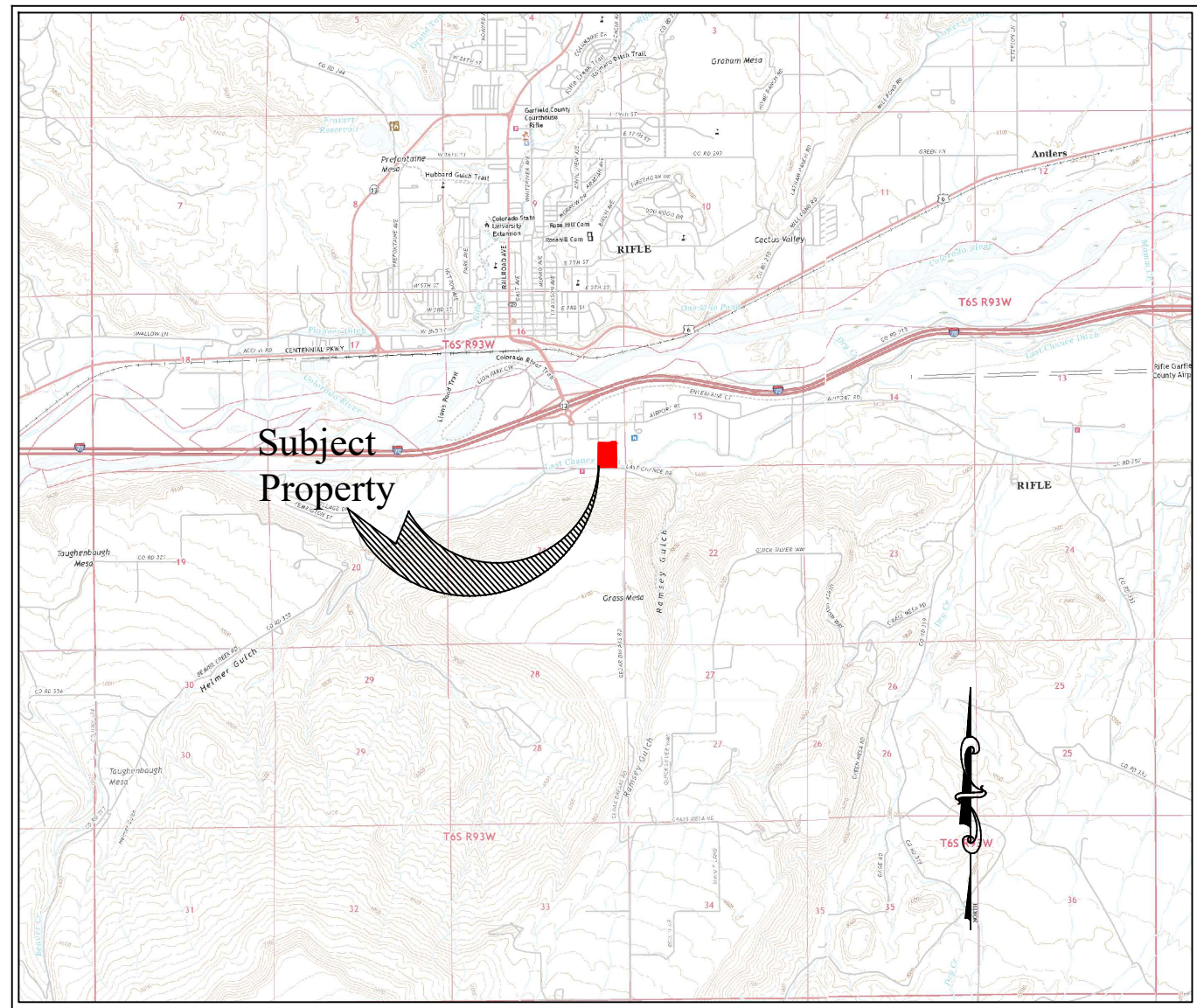


1000 ft Page 225 of 358

Google Earth

EXISTING CONDITIONS SURVEY

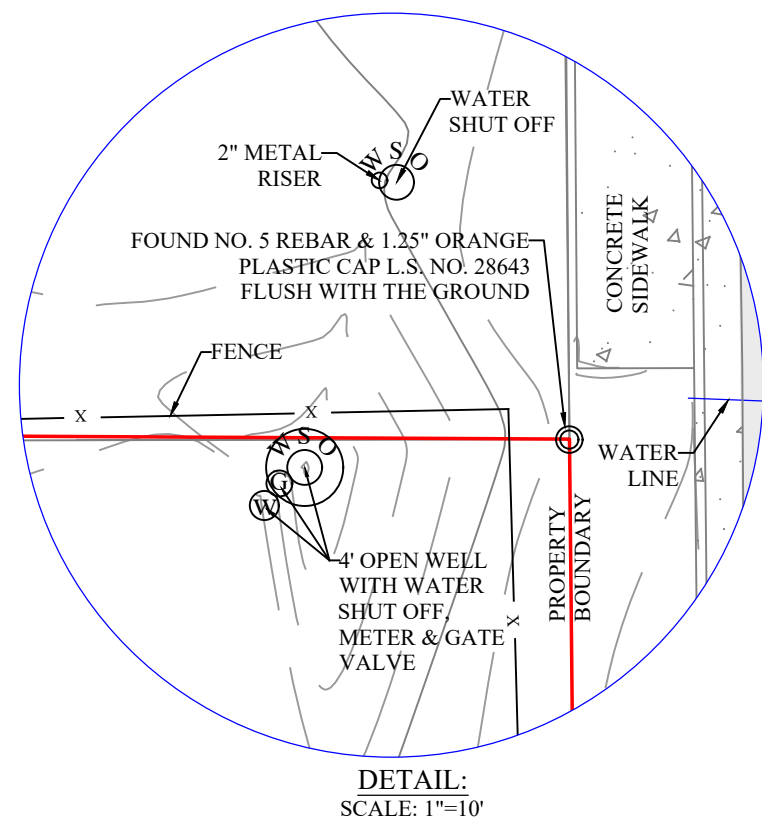
A TRACT OF LAND BEING A PORTION OF THOSE PROPERTIES DESCRIBED IN RECEPTION NOS. 271009 AND 194149
SAID TRACT OF LAND ALSO BEING A PORTION OF THE SE1/4SE1/4 OF
SECTION 16, TOWNSHIP 6 SOUTH, RANGE 93 WEST OF THE 6TH PRINCIPAL MERIDIAN,
COUNTY OF GARFIELD, STATE OF COLORADO



VICINITY MAP
SCALE 1" = 5,000'

SCHEDULE B-2 ORDER NUMBER GW63018385 DATED FEBRUARY 8, 2022

8. RIGHT OF PROPRIETOR OF A VEIN OR LODE TO EXTRACT AND REMOVE HIS ORE THEREFROM SHOULD THE SAME BE FOUND TO PENETRATE OR INTERSECT THE PREMISES AS RESERVED IN UNITED STATES PATENT RECORDED MARCH 04, 1902, IN BOOK 12 AT PAGE 587.
9. RIGHT OF WAY FOR DITCHES OR CANALS CONSTRUCTED BY THE AUTHORITY OF THE UNITED STATES AS RESERVED IN UNITED STATES PATENT RECORDED MARCH 04, 1902, IN BOOK 12 AT PAGE 587.
10. EASEMENT AND RIGHT OF WAY FOR COUNTY ROAD NO. 346, AS DESCRIBED IN DEED RECORDED NOVEMBER 18, 1938 IN BOOK 181 AT PAGE 244. DESCRIBED EASEMENT IS NORTH OF THIS PROPERTY.
11. TERMS, CONDITIONS AND PROVISIONS OF DEED PROVIDING MAINTENANCE OF A DITCH IN SUCH A WAY AS TO CAUSE NO DAMAGE TO THE ADJOINING PROPERTY RECORDED DECEMBER 06, 1945 IN BOOK 217 AT PAGE 339. ALL DITCHES HAVE BEEN SHOWN.
12. TERMS, CONDITIONS AND PROVISIONS OF DEED RECORDED NOVEMBER 24, 1959 IN BOOK 321 AT PAGE 538. NOTHING TO PLOT.
13. TERMS, CONDITIONS AND PROVISIONS OF EASEMENT RECORDED APRIL 28, 1988 IN BOOK 733 AT PAGE 236 AND 238. DESCRIBED EASEMENT IS NORTH OF THIS PROPERTY.
14. TERMS, CONDITIONS AND PROVISIONS OF ORDINANCE NO. 7-89 RECORDED NOVEMBER 03, 1989 IN BOOK 766 AT PAGE 305. NOTHING TO PLOT.
15. TERMS, CONDITIONS AND PROVISIONS OF ORDER GRANTING PETITION RECORDED IN BOOK 767 AT PAGE 576 AND RECORDED FEBRUARY 19, 1991 IN BOOK 799 AT PAGE 106. NOTHING TO PLOT.
16. TERMS, CONDITIONS AND PROVISIONS OF EASEMENT RECORDED SEPTEMBER 22, 1994 IN BOOK 916 AT PAGE 537. EASEMENT IS SHOWN AS DESCRIBED NO UTILITY LINE WAS FOUND AT THE TIME OF SURVEY.
17. TERMS, CONDITIONS AND PROVISIONS OF BOUNDARY LINE ADJUSTMENT AFFIDAVIT RECORDED OCTOBER 20, 2004 AT RECEPTION NO. 662103. AS SHOWN.
18. OIL AND GAS LEASE BETWEEN THOMAS J. FRITZLAN, LESSOR, AND ANTERO RESOURCES PICEANCE CORPORATION, LESSEE, RECORDED MAY 05, 2008 UNDER RECEPTION NO. 747906, AND ANY AND ALL ASSIGNMENTS THEREOF OR INTERESTS THEREIN. (PRIMARY TERM: 3 YEARS)



DETAIL:
SCALE 1"=10'

PROPERTY DESCRIPTION

A TRACT OF LAND BEING A PORTION OF THOSE PROPERTIES DESCRIBED IN RECEPTION NOS. 271009 AND 194149 OF THE GARFIELD COUNTY RECORDS. SAID TRACT OF LAND ALSO BEING A PORTION OF THE SE1/4 SE1/4 OF SECTION 16, TOWNSHIP 6 SOUTH, RANGE 93 WEST OF THE 6TH PRINCIPAL MERIDIAN, DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHEAST CORNER OF SAID SECTION 16; THENCE N. 89°52'53"W ALONG THE SOUTH LINE OF SAID SECTION 16, A DISTANCE OF 284.27 FEET TO THE POINT OF BEGINNING; THENCE N. 89°52'53"W CONTINUING ALONG SAID SECTION LINE, A DISTANCE OF 501.97 FEET TO THE SOUTHEAST CORNER OF THAT PROPERTY DESCRIBED AS RECEPTION NO. 243124 OF THE GARFIELD COUNTY RECORDS; THENCE N. 00°33'11"E ALONG THE EAST BOUNDARY OF SAID PROPERTY, A DISTANCE OF 691.37 (694.96 FIELD) FEET TO A POINT ON THE SOUTH BOUNDARY OF THAT PROPERTY DESCRIBED AS RECEPTION NO. 633950 OF THE GARFIELD COUNTY RECORDS; THENCE ALONG SAID SOUTHERLY BOUNDARY S. 89°00'58"E, A DISTANCE OF 370.36 FEET TO THE SOUTHEAST CORNER OF SAID PROPERTY; THENCE ALONG THE EAST BOUNDARY OF SAID PROPERTY N. 00°25'42"W, A DISTANCE OF 30.12 FEET; THENCE LEAVING SAID EAST BOUNDARY S. 89°42'09"E, A DISTANCE OF 117.81 FEET TO A POINT ON THE WEST BOUNDARY OF THAT PROPERTY DESCRIBED AS RECEPTION NO. 610069 OF THE GARFIELD COUNTY RECORDS; THENCE S. 00°35'53"E, ALONG SAID WEST BOUNDARY, A DISTANCE OF 715.57 FEET TO THE POINT OF BEGINNING.

COUNTY OF GARFIELD
STATE OF COLORADO

NOTES:

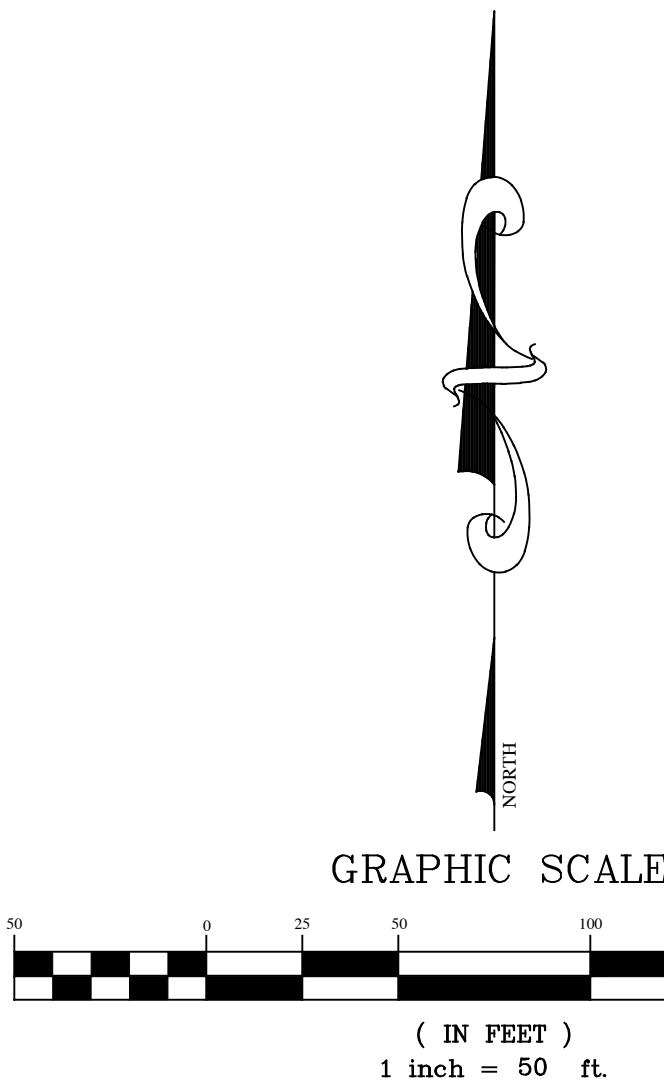
- 1) THIS PROPERTY IS SUBJECT TO RESERVATIONS, RESTRICTIONS, COVENANTS, SETBACKS AND EASEMENTS OF RECORD, OR IN PLACE. THIS SURVEY WAS PREPARED USING THE TITLE COMMITMENT PREPARED BY LAND TITLE GUARANTEE COMPANY IN ORDER NUMBER GW63018385 DATED FEBRUARY 8, 2022.
- 2) THE DATE OF THIS SURVEY WAS JANUARY 26, 2022, APRIL 1, 2022 & APRIL 8, 2022.
- 3) BASIS OF BEARINGS FOR THIS SURVEY IS A BEARING OF 500°35'35"E BETWEEN THE NORTHEAST CORNER OF SAID PARCEL, A NO. 5 REBAR & 1.25" ORANGE PLASTIC CAP L.S. NO. 28643 FOUND IN PLACE AND THE SOUTHEAST OF SAID PARCEL, A NO. 5 REBAR & 1.25" YELLOW PLASTIC CAP L.S. NO. 19598 FOUND IN PLACE. BEARINGS ARE BASED ON THE EAST LINE OF THE TRACT OF LAND DESCRIBED AT RECEPTION NO. 971509, RECORDED FEBRUARY 28, 2022 IN THE GARFIELD COUNTY CLERK AND RECORDERS OFFICE.
- 4) UNITS OF MEASURE FOR ALL DIMENSIONS SHOWN HEREON IS U.S. SURVEY FEET.
- 5) THIS SURVEY IS BASED ON THE WARRANTY DEED DATED FEBRUARY 28, 2022, RECORDED AS RECEPTION NO. 971509 IN THE GARFIELD COUNTY CLERK AND RECORDERS OFFICE AND CORNERS FOUND IN PLACE.
- 6) THERE WAS APPROXIMATELY 12" OF SNOW AT THE TIME OF JANUARY SURVEY.
- 7) THIS PROPERTY IS ZONED RURAL PER THE GARFIELD COUNTY ZONING MAP. BUILDING SETBACKS SHOULD BE VERIFIED PRIOR TO ANY CONSTRUCTION.
- 8) ELEVATIONS ARE BASED ON A GPS OBSERVATION ON WDP 5 (NAVD 88), YIELDING A ON SITE BENCHMARK ELEVATION OF 5363.85' AS SHOWN, CONTOUR INTERVALS EQUAL 1 FOOT.

SURVEY STATEMENT

I, TRAVIS J. KAISER, DO HEREBY STATE THAT THIS EXISTING CONDITIONS SURVEY WAS PREPARED BY DRAKE CONSULTING, INC. FOR ECO DWELLING LLC.

I FURTHER STATE THAT THE IMPROVEMENTS ON THE ABOVE DESCRIBED PARCEL ON THIS DATE, JANUARY 26, 2022, APRIL 1, 2022 & APRIL 8, 2022, EXCEPT UTILITY CONNECTIONS, ARE ENTIRELY WITHIN THE BOUNDARIES OF THE PARCEL, EXCEPT AS SHOWN, THAT THERE ARE NO ENCROACHMENTS UPON THE DESCRIBED PREMISES BY IMPROVEMENTS ON ANY ADJOINING PREMISES, EXCEPT AS INDICATED, AND THAT THERE IS NO APPARENT EVIDENCE OR SIGN OF ANY EASEMENT CROSSING OR BURDENING ANY PART OF SAID PARCEL, EXCEPT AS NOTED. I FURTHER STATE THAT I HAVE EXAMINED THE TITLE COMMITMENT PREPARED LAND TITLE GUARANTEE COMPANY IN ORDER NUMBER GW63018385 DATED FEBRUARY 8, 2022, AND FIND ALL EXCEPTIONS TO TITLE THAT AFFECT THE SUBJECT PROPERTY ARE SHOWN HEREON TO THE BEST OF MY KNOWLEDGE AND BELIEF.

TRAVIS J. KAISER,
COLORADO P.L.S. NO. 38294
FOR, AND ON BEHALF OF DRAKE CONSULTING, INC.

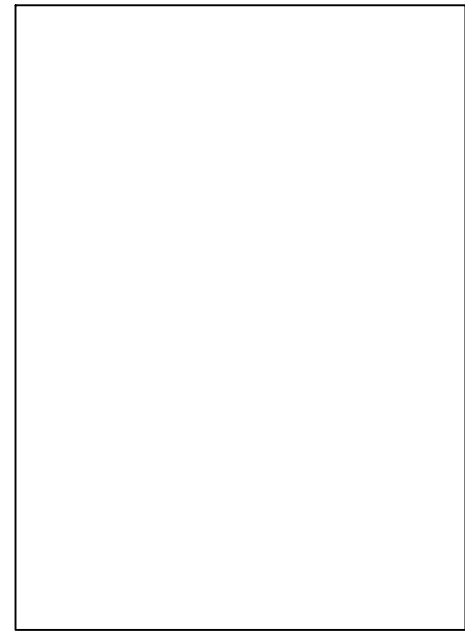
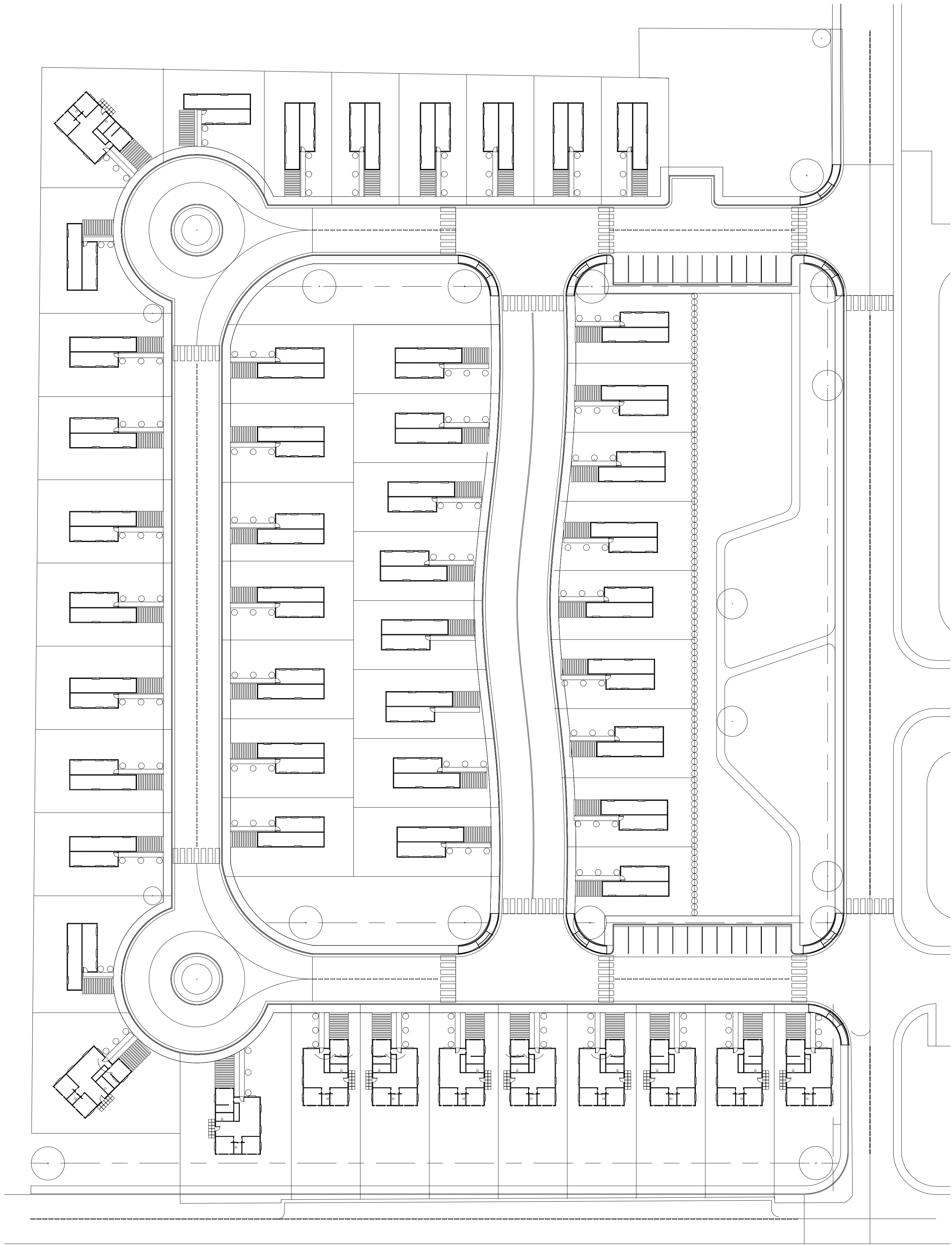


NOTICE: ACCORDING TO COLORADO LAW, YOU MUST COMMENCE ANY LEGAL ACTION BASED UPON ANY DEFECT IN THIS SURVEY WITHIN THREE YEARS AFTER YOU FIRST DISCOVER SUCH DEFECT. IN NO EVENT MAY ANY ACTION BASED UPON ANY DEFECT IN THIS SURVEY BE COMMENCED MORE THAN TEN YEARS FROM THE DATE OF THE CERTIFICATION SHOWN HEREON.

Drake Consulting, Inc.

Land Surveying
Phone 970-987-1389
Fax 970-360-1001
www.DrakeConsulting.CO

Drawn By:	JG	NO.	Date	Revision	By	ECO DWELLING, LLC 391 CR 332, RIFLE CO SEC. 16, T 6 S, R 93 W EXISTING CONDITIONS SURVEY	Project NO. 22008
Checked By:	TJK						
Date:	APRIL 20, 2022						
Computer File:	CAD/22/008/008.DWG						1 OF 1



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THE CONTRACTOR MUST CHECK AND VERIFY ALL DIMENSIONS OF THE JOB AND BE RESPONSIBLE FOR SAME. CONTRACTOR MUST REPORT ANY DISCREPANCIES TO THE LANDSCAPE ARCHITECT BEFORE COMMENCING THE REQUIRED WORK. NO DRAWINGS SHALL BE SCALED.

LANDSCAPE CALCULATIONS REQUIRED TO BE PERMANENTLY AFFIXED TO PLAN

ZONING DISTRICT :
NET LOT AREA : 9.03 ACRES
393680 SQFT

THIRTY FIVE (35%) PERCENT OF THE GROSS LOT SF SHALL BE LANDSCAPING
393680 X 35% = 137788 SQFT

TWNTY (20%) PERCENT OF VUA MAY BE USED TO FULL FILL THE GROSS 35%

TREES SITE REQUIREMENTS

A. ONE (1) /1000 SF OF NET LOT AREA
1.20% MUST BE SHADE TREE

B. 1 STREET REQUIREMENTS 235' LF/40'="

TREES-VUA REQUIREMENTS
Section 47.21

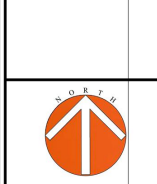
A. 25% of total trees must be 3 1/2 min cal. trees =
B. 25% of total trees must be 2 1/2" min cal. trees=
C. 10% Other species.

Total new trees included : 17
Total new shrubs included : 246

PROJECT
Fritzlan Ranch
391 Last Chance Dr
Rifle, CO

OWNER
5 Powerline Rd
Rifle, CO 81650

ARCHITECT



SCALE:
AS SHOWN

PROJECT NUMBER
24-082020-CH

DRAWN BY:
MC

CHECKED BY:
MC

DATE:
08-15-20

Digitally signed by Mariano Corral
DN: E=mcoral392@gmail.com,
CN=Mariano Corral,
O=Mariano Corral Landscape Architect P.A., L=Miami, S=Florida, C=US
Location: Miami, Florida
Reason: I attest to the accuracy and integrity of this document
Contact Info: Mariano Corral
Date: 2022.06.10
07:03:01-04:00'

SEAL:
REGISTERED LANDSCAPE ARCHITECT
LA6666671
STATE OF FLORIDA
LIC.# 1222

SHEET NUMBER:
LP-1

OF:
228 of 358

2001 SW 109 Court
Miami, Florida 33155
407.644.7447
marianocorral@comcast.net

PLANT LIST							
KEY	QUANT	BOTANICAL NAMES/COMMON NAMES	HGT	SPR	CALIPER	TYPE	NATIVE
F	11	FRANIXUS / ASH TREE	50/80	24	24	LARGE	NO
PS	6	PRUNUS SERRULATA / CH BLOSSOM	15/30	15/30	15/30	MEDIUM	NO
GP	246	BOX / BOXWOOD SHRUB	2/3	2/4	2/4	SMALL	NO
TOTAL NEW TREES		17					
TOTAL NEW SHRUB		246					

PHOTOS OF PROPOSED PLANT MATERIALS



(GP) BOXWOOD SHRUB



(GP) BOXWOOD SHRUB

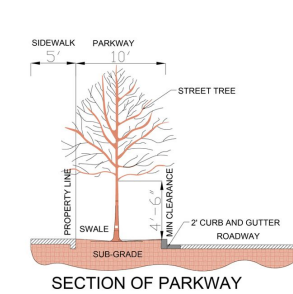
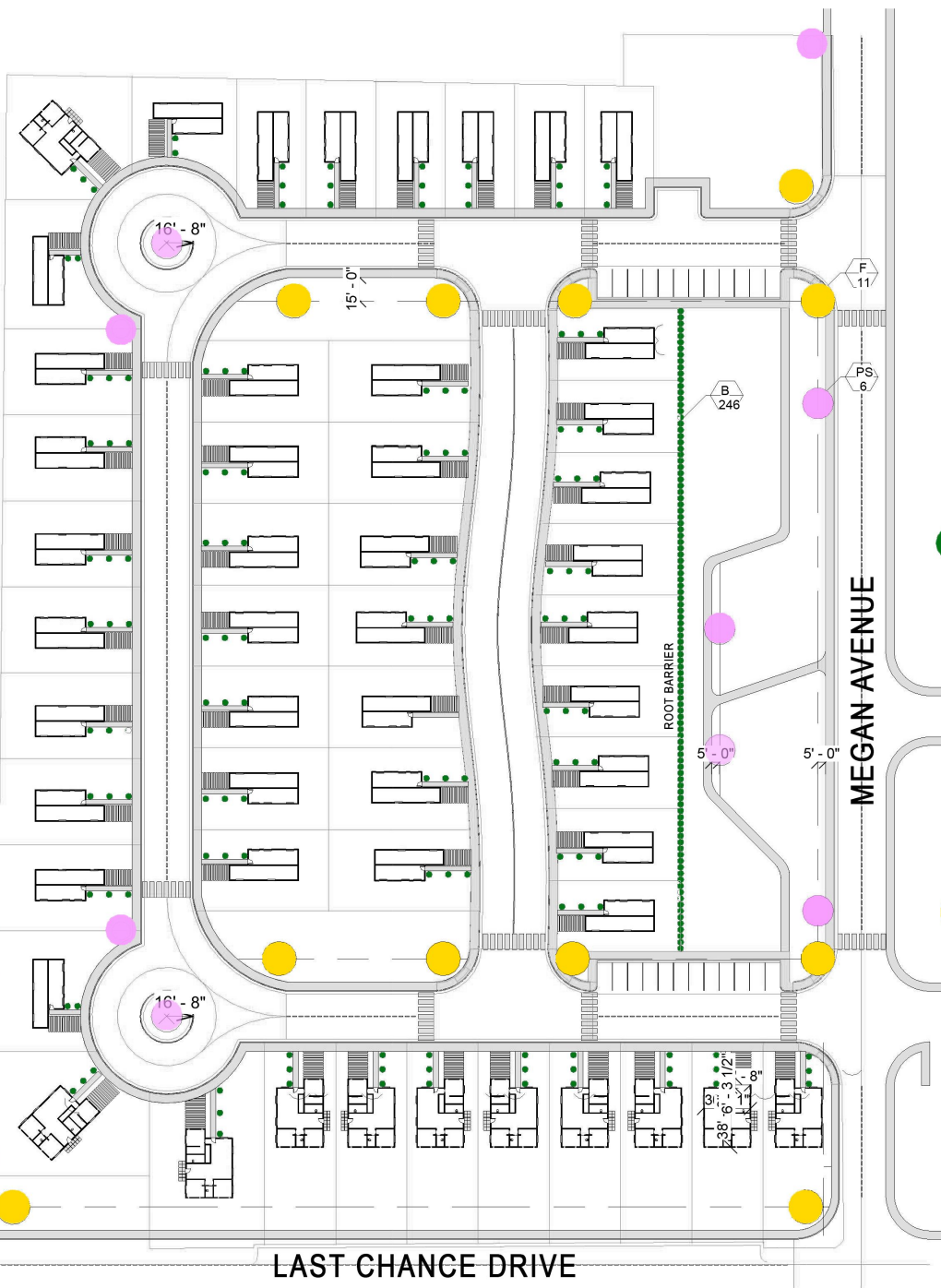


(F) ASH TREE

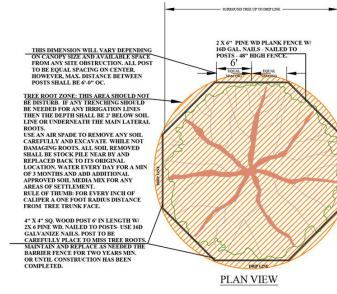


(PS) CHERRY BLOSSOM

LANDSCAPE PLAN SCALE 1" = 80' - 0"



SECTION OF PARKWAY



TREE PROTECTION BARRIER FENCE DETAILS

UDP-S21019



Know what's below.
Call before you dig.
IT'S THE LAW!



Agenda Item #7.a.i.

Agenda Item Name:

Ordinance No. 15, Series of 2023 - Annexation - 1st Reading

Presenter:

Patrick Waller, Planning Director

Item Description:

Ordinance No. 15, Series of 2023 - Annexation - 1st Reading

Recommended Action:

Move to Approve Ordinance No. 15, Series of 2023 on first reading as presented, and order it to be published as required by Charter.

Fiscal Impact:

N/A

Operational Impact:

Ordinance No. 15, Series of 2023 - Annexation - 1st Reading

Prior Board Motions:

N/A

Background Information:

N/A

Executive Summary:

N/A

Notification Requirements:

N/A

Prepared By:

Alexis Ramirez, Deputy City Clerk

Attachments:

1. Ordinance No. 15-Fritzlan Annexation

**CITY OF RIFLE, COLORADO
ORDINANCE NO. 15
SERIES OF 2023**

AN ORDINANCE OF THE CITY OF RIFLE, COLORADO ANNEXING TO
THE CITY OF RIFLE, COLORADO CERTAIN REAL PROPERTY KNOWN
AS THE FRITZLAN ANNEXATION.

WHEREAS, in May 2023, Eco Dwelling, LLC (“Petitioner”) filed with the City Clerk of the City of Rifle, Colorado, a petition and request that the City Council commence proceedings to annex to the City a certain unincorporated tract of land located in the County of Garfield, State of Colorado, known as the Fritzlan Annexation described on Exhibit A, attached hereto and incorporated herein by reference (hereinafter the “Property”); and

WHEREAS, pursuant to C.R.S. §31-12-108, the City Council by Resolution No. 16, Series of 2023 specified that the City Council would hold a hearing on the proposed annexation at its regular meeting on July 19, 2023; and

WHEREAS, pursuant to C.R.S. §§31-12-108 to -110, the City Council on July 19, 2023 held a duly-noticed public hearing to consider the proposed annexation; and

WHEREAS, notice of such hearing was published on June 15, 22, 29, and July 6, 2023 in the *Citizen Telegram* newspaper; and

WHEREAS, the City Council by Resolution No. 20, Series of 2023, set forth its Findings of Fact, Determinations and Conclusions with regard to annexation to the City of the Annexation of the Property.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF RIFLE, COLORADO, THAT:

1. The annexation to the City of the real property described on Exhibit A is hereby approved, and such real is hereby annexed to and made a part of the City of Rifle, subject to the terms and conditions of that certain Annexation Agreement which is also hereby approved.
2. Within ten (10) days after final publication of this Ordinance, the City Clerk of the City of Rifle, Colorado, on behalf of the City shall:
 - A. File one (1) copy of the Annexation Map and the original of this Annexation Ordinance in the office of the City Clerk of the City of Rifle, Colorado;
 - B. File for recording three (3) certified copies of this Annexation Ordinance and three (3) copies of the Annexation Map, containing a legal description of the annexation parcel, with the County Clerk and Recorder of Garfield County, Colorado, with directions to the Garfield County Clerk and Recorder to file one certified copy of this Annexation Ordinance and one copy of the Annexation Map with the Division

of Local Government of the Department of Local Affairs of the State of Colorado and one certified copy of this Annexation Ordinance and one copy of the Annexation Map with the Colorado Department of Revenue; and

- C. File one certified copy of this Annexation Ordinance and one copy of the Annexation Map in the office of the County Assessor of Garfield County, Colorado.

INTRODUCED on July 19, 2023, read by title, passed on first reading, and ordered published by title as required by the Charter.

INTRODUCED a second time at a regular meeting of the Council of the City of Rifle, Colorado held on August 2, 2023, passed without amendment, approved, and ordered published in full as required by the Charter.

Dated this ____ day of _____, 2023.

CITY OF RIFLE, COLORADO

BY _____
Mayor

ATTEST:

City Clerk

EXHIBIT A

A tract of land being a portion of those properties described in Reception Nos. 271009 and 194149 of the Garfield County Records. Said tract of land also being a portion of the SE¼SE¼ of Section 16, Township 6 South, Range 93 West of the 6th Principal Meridian, described as follows:

Commencing at the southeast corner of said Section 16; thence North 89°52'53" West along the South line of said Section 16, a distance of 284.27 feet to the POINT OF BEGINNING; thence North 89°52'53" West continuing along said Section line, a distance of 501.97 feet to the southeast corner of that property described as Reception No. 243124 of the Garfield County Records; thence North 00°33'11" East along the east boundary of said property, a distance of 691.37 feet to a point on the south boundary of that property described as Reception No. 633950 of the Garfield County Records; thence along said southerly boundary South 89°00'58" East a distance of 370.36 feet to the southeast corner of said property; thence along the east boundary of said property North 00°25'42" West a distance of 30.12 feet; thence leaving said east boundary South 89°42'09" East a distance of 117.81 feet to a point on the west boundary of that property described as Reception No. 610069 of the Garfield County Records; thence South 00°35'35" East along said west boundary, a distance of 715.57 feet to the Point of Beginning.



Agenda Item #7.a.ii.

Agenda Item Name:

Ordinance No. 16, Series of 2023 - Zoning - 1st Reading

Presenter:

Patrick Waller, Planning Director

Item Description:

Ordinance No. 16, Series of 2023 - Zoning - 1st Reading

Recommended Action:

Move to Approve Ordinance No. 16, Series of 2023 on first reading as presented, and order it to be published as required by Charter.

Fiscal Impact:

N/A

Operational Impact:

Ordinance No. 16, Series of 2023 - Zoning- 1st Reading

Prior Board Motions:

N/A

Background Information:

N/A

Executive Summary:

N/A

Notification Requirements:

N/A

Prepared By:

Alexis Ramirez, Deputy City Clerk

Attachments:

1. Ordinance No. 16-Fritzlan Zoning

**CITY OF RIFLE, COLORADO
ORDINANCE NO. 16
SERIES OF 2023**

AN ORDINANCE OF THE CITY OF RIFLE, COLORADO ZONING CERTAIN
REAL PROPERTY KNOWN AS THE FRITZLAN ANNEXATION MEDIUM
DENSITY RESIDENTIAL PLANNED UNIT DEVELOPMENT (MDR-PUD)
ZONE DISTRICT

WHEREAS, in May 2023, Eco Dwelling, LLC (“Petitioner”) filed with the City Clerk of the City of Rifle, Colorado, a petition and request that the City Council commence proceedings to annex to the City a certain unincorporated tract of land located in the County of Garfield, State of Colorado, known as the Fritzlan Annexation described on Exhibit A, attached hereto and incorporated herein by reference (hereinafter the “Property”); and

WHEREAS, by Ordinance No. 15, Series of 2023 the City of Rifle annexed the Property to the City; and

WHEREAS, Petitioner has filed an application to zone the Property Medium Density Residential Planned Unit Development (MDR-PUD) Zone District, and on June 27, 2023 the City of Rifle Planning Commission considered the zoning application for the Property and recommended that the City Council zone the Property MDR-PUD Zone District; and

WHEREAS, as required by the Rifle Municipal Code, the public hearing on the zoning application for the Property was held on July 19, 2023 at a regularly scheduled meeting of the Rifle City Council.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF RIFLE, COLORADO, THAT:

1. The aforementioned recitals are hereby fully incorporated herein.
2. The Property described on Exhibit A is hereby zoned Medium Density Residential Planned Unit Development (MDR-PUD) Zone District as set forth on Exhibit B.
3. Within thirty (30) days after the effective date of this Ordinance, the City Clerk shall incorporate the terms of this Ordinance into the Geographical Information System described in RMC § 16-3-20, shall cause a printed copy of the amendment to the City Zone District Map to be made, which shall be dated and signed by the Mayor and attested to by the City Clerk, and which shall bear the seal of the City. The amended map shall include the number of this Ordinance. The signed original printed copy of the Zoning Map shall be filed with the City Clerk. The Clerk shall also record a certified copy of this Ordinance with the Garfield County Clerk and Recorder. The City staff is further directed to comply with all provisions of the Rifle Land Use Regulations, RMC § 16-1-10, *et seq.*, to implement the provisions of this Ordinance.

INTRODUCED on July 19, 2023, read by title, passed on first reading, and ordered published by title as required by the Charter.

INTRODUCED a second time at a regular meeting of the Council of the City of Rifle, Colorado held on August 2, 2023, passed without amendment, approved, and ordered published in full as required by the Charter.

Dated this ____ day of _____, 2023.

CITY OF RIFLE, COLORADO

BY _____
Mayor

ATTEST:

City Clerk

EXHIBIT A

A tract of land being a portion of those properties described in Reception Nos. 271009 and 194149 of the Garfield County Records. Said tract of land also being a portion of the SE¼SE¼ of Section 16, Township 6 South, Range 93 West of the 6th Principal Meridian, described as follows:

Commencing at the southeast corner of said Section 16; thence North 89°52'53" West along the South line of said Section 16, a distance of 284.27 feet to the POINT OF BEGINNING; thence North 89°52'53" West continuing along said Section line, a distance of 501.97 feet to the southeast corner of that property described as Reception No. 243124 of the Garfield County Records; thence North 00°33'11" East along the east boundary of said property, a distance of 691.37 feet to a point on the south boundary of that property described as Reception No. 633950 of the Garfield County Records; thence along said southerly boundary South 89°00'58" East a distance of 370.36 feet to the southeast corner of said property; thence along the east boundary of said property North 00°25'42" West a distance of 30.12 feet; thence leaving said east boundary South 89°42'09" East a distance of 117.81 feet to a point on the west boundary of that property described as Reception No. 610069 of the Garfield County Records; thence South 00°35'35" East along said west boundary, a distance of 715.57 feet to the Point of Beginning.

EXHIBIT B

Planned Unit Development Text

1. 3,200sf minimum lot size
2. Setbacks/building envelope shown on final plat with a minimum 5' side yard and 10' front and rear yard setbacks.
3. Carports and storage sheds may encroach in setbacks.
 - a. 2' side and rear yard setbacks, no front yard setback for carports
 - b. Limited to one story and/or 16' tall for carports and 12' tall for storage sheds.
 - c. Storage sheds not to exceed 100sf.
4. Common areas, open space, and private roadways owned, maintained and managed by HOA.
5. Use of Manufactured Housing, factory-built housing, pre-fabricated housing or pre-fabricated components to construct houses is permitted.
6. No garages allowed.
7. Uses limited to residential use only.
8. Parking requirements: 2 off-street spaces for each lot; parking allowed on one side of each street.
9. Raw water irrigation from Loesch & Crann Ditch required for all open space, park areas, and individual lots.
10. All lots shall be developed with an 8' X 10' storage shed located in the rear yard of the lot.
11. Siding options shall not be replicated on adjoining lots.
12. Internal sidewalks shall be a minimum of 5' in width.



Agenda Item #7.a.iii.

Agenda Item Name:

Resolution No. 20, Series of 2023 - Annexation Findings

Presenter:

Patrick Waller, Planning Director

Item Description:

Resolution No. 20, Series of 2023 - Annexation Findings

Recommended Action:

Move to Approve Resolution No. 20, Series of 2023 - Annexation Findings

Fiscal Impact:

N/A

Operational Impact:

Resolution No. 20, Series of 2023 - Annexation Findings

Prior Board Motions:

N/A

Background Information:

N/A

Executive Summary:

N/A

Notification Requirements:

N/A

Prepared By:

Alexis Ramirez, Deputy City Clerk

Attachments:

1. Resolution No. 20-Fritzlan Annexation Findings

**CITY OF RIFLE, COLORADO
RESOLUTION NO. 20
SERIES OF 2023**

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RIFLE,
COLORADO, CONCERNING THE FRITZLAN ANNEXATION TO THE CITY
OF RIFLE.

WHEREAS, in May 2023, Eco Dwelling, LLC filed with the City Clerk of the City of Rifle, Colorado, a petition and request that the City Council of the City of Rifle, Colorado, commence proceedings to annex to the City of Rifle a certain unincorporated tract of land located in the County of Garfield, State of Colorado, known as the Fritzlan Annexation described on Exhibit A, attached hereto and incorporated herein by reference; and

WHEREAS, the City Council by Resolution No. 16, Series of 2023, found that the Petition is in substantial compliance with the requirements of the Municipal Annexation Act of 1965, C.R.S. §31-12-107(1), as amended, established a date, time, and place for a hearing upon the Petition, and directed the City Clerk to give notice of the hearing in accordance with C.R.S. §31-12-108(2); and

WHEREAS, notice of such hearing was published in the *Citizen Telegram* newspaper; and

WHEREAS, the public hearing on the Petition was held on July 19, 2023 at a regularly scheduled meeting of the Rifle City Council, and at such hearing any person permitted to appear pursuant to C.R.S. §31-12-109(1) had the opportunity to appear and present evidence upon any matter determined by the City Council; and

WHEREAS, a radiation hazards reports on the Annexation Parcel has been submitted to the City as required by Rifle Municipal Code §16-2-50; and

WHEREAS, the City Council finds and determines that the hearing upon the Petition is now complete.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF RIFLE, COLORADO, THAT:

FINDINGS OF FACT, DETERMINATIONS AND CONCLUSIONS

1. The City incorporates the foregoing recitals as findings and determinations by the City Council, and conclusively makes all of the Findings of Fact, Determinations and Conclusions contained herein.

2. For the Annexation Parcel, the City staff has determined, and the City Council so finds, that the landowners of one hundred percent (100%) of the Annexation Parcel to be annexed, excluding public streets and alleys, signed and filed the Petition requesting the annexation to the City of the Annexation Parcel described in the Petition.

3. The Petition is accompanied by five (5) or more copies of the Annexation Map which contains, among other things, the information required by C.R.S. §31-12-107(1)(d).

4. For the Annexation Parcel, the requirements of C.R.S. §31-12-104, as amended, exist or have been met, including without limitation the following:

- A. Not less than one-sixth (1/6th) of the perimeter of the Annexation Parcel is contiguous with the City.
- B. A community of interest exists between the Annexation Parcel and the City.
- C. The Annexation Parcel is urban or will be urbanized in the near future.
- D. The Annexation Parcel is integrated with or is capable of being integrated with the City.
- E. No election for annexation of the area proposed to be annexed to the City has been held in the preceding twelve (12) months.

5. For the Annexation Parcel, the requirements of C.R.S. §31-12-105, as amended, exist or have been met, including without limitation the following:

- A. In establishing the boundaries of the area proposed to be annexed, no land held in identical ownership, whether consisting of one tract or parcel of real estate or two or more contiguous tracts or parcels of real estate:
 - (1) has been divided into separate parts or parcels without the written consent of the landowner or landowners thereof unless such tracts or parcels are separated by a dedicated street, roadway, or other public way; or
 - (2) comprising twenty (20) acres or more (which together with buildings and improvements situated thereon having a valuation for assessment in excess of \$200,000.00 for ad valorem tax purposes for the year preceding the proposed annexation) has been included without the written consent of the landowners.
- B. No annexation proceedings have been commenced for the annexation to a municipality other than the City of all or part of the Annexation Parcel.
- C. The annexation proposed in the Petition will not result in the detachment of area from any school district and the attachment of the same area to another school district.

- D. The annexation proposed in the Petition will not have the effect of extending the municipal boundary of the City more than three (3) miles in any direction from any point on the current municipal boundary of the City.
 - E. The City has previously prepared and adopted a plan meeting the requirements of C.R.S. §31-12-105(e).
6. No election is required under C.R.S. §§31-12-112 and -107(2) for the Annexation Parcel, as no additional terms or conditions are to be imposed upon the owners of property not otherwise agreed to by such owners.
7. The signer of the Petition is the sole owner of one hundred percent (100%) of the area proposed to be annexed, exclusive of public streets and alleys.
8. The annexation to the City of the Annexation Parcel will not result in a change of county boundaries.
9. The names and mailing address of the signer of the Petition and dates of signing are included in the Petition, and the legal description of the land owned by such petitioner is attached to the Petition. No signature on the Petition is dated more than 180 days prior to the date of filing of the Petition for annexation with the City Clerk.
10. No area of the Annexation Parcel proposed to be annexed to the City is presently a part of any incorporated city, city and county, or town, and is not contiguous to any other incorporated city, city and county, or town.
11. It is desirable and necessary that the Annexation Parcel described on Exhibit A be annexed to the City.
12. On even date herewith, the City Council of the City of Rifle, Colorado, shall, by ordinance, annex the Annexation Parcel described on Exhibit A to the City of Rifle.

THIS RESOLUTION was read, passed, and adopted by the Rifle City Council at a regular meeting held this 19th day of July, 2023.

CITY OF RIFLE, COLORADO

By _____
Mayor

ATTEST:

City Clerk

EXHIBIT A

A tract of land being a portion of those properties described in Reception Nos. 271009 and 194149 of the Garfield County Records. Said tract of land also being a portion of the SE $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 16, Township 6 South, Range 93 West of the 6th Principal Meridian, described as follows:

Commencing at the southeast corner of said Section 16; thence North 89°52'53" West along the South line of said Section 16, a distance of 284.27 feet to the POINT OF BEGINNING; thence North 89°52'53" West continuing along said Section line, a distance of 501.97 feet to the southeast corner of that property described as Reception No. 243124 of the Garfield County Records; thence North 00°33'11" East along the east boundary of said property, a distance of 691.37 feet to a point on the south boundary of that property described as Reception No. 633950 of the Garfield County Records; thence along said southerly boundary South 89°00'58" East a distance of 370.36 feet to the southeast corner of said property; thence along the east boundary of said property North 00°25'42" West a distance of 30.12 feet; thence leaving said east boundary South 89°42'09" East a distance of 117.81 feet to a point on the west boundary of that property described as Reception No. 610069 of the Garfield County Records; thence South 00°35'35" East along said west boundary, a distance of 715.57 feet to the Point of Beginning.



Agenda Item #7.a.iv.

Agenda Item Name:

Resolution No. 21, Series of 2023 - Annexation Plan

Presenter:

Patrick Waller, Planning Director

Item Description:

Resolution No. 21, Series of 2023 - Annexation Plan

Recommended Action:

Move to Approve Resolution No. 21, Series of 2023 - Annexation Plan

Fiscal Impact:

N/A

Operational Impact:

Resolution No. 21, Series of 2023 - Annexation Plan

Prior Board Motions:

N/A

Background Information:

N/A

Executive Summary:

N/A

Notification Requirements:

N/A

Prepared By:

Alexis Ramirez, Deputy City Clerk

Attachments:

1. Resolution No. 21-Fritzlan Annexation Plan

**CITY OF RIFLE, COLORADO
RESOLUTION NO. 21
SERIES OF 2023**

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RIFLE,
COLORADO, APPROVING AN ANNEXATION PLAN FOR THE FRITZLAN
ANNEXATION AS REQUIRED UNDER THE MUNICIPAL ANNEXATION
ACT OF 1965, AS AMENDED.

WHEREAS, the City Council of the City of Rifle, Colorado, currently has pending before it an Annexation Petition requesting the annexation to the City of certain unincorporated property located in Garfield County, Colorado, which property is known as the Fritzlan Annexation, described on Exhibit A attached hereto and incorporated herein by reference (hereinafter the “Property”); and

WHEREAS, C.R.S. §31-12-105(1)(e) provides that prior to the completion of any annexation within a three-mile area, the municipality shall have in place a plan for that area, which generally describes the proposed location, character, and extent of streets, subways, bridges, waterways, waterfronts, parkways, playgrounds, squares, parks, aviation fields, other public ways, grounds, open spaces, public utilities and terminals for water, light, sanitation, transportation and power to be provided by the municipality and the proposed land uses for the area; and

WHEREAS, the City currently has in place a Comprehensive Plan and other long-range planning documents which constitute the City's annexation plan; and

WHEREAS, by this Resolution the City Council desires to recognize that such documents function as the City's annexation plan, as required by C.R.S. §31-12-105(1)(e), and that such plan is in place with regard to the proposed annexation to the City of the Property.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF RIFLE, COLORADO, THAT:

1. The City of Rifle's annexation plan, as required under C.R.S. §31-12-105(1)(e), consists of the following documents, each of which is incorporated herein by this reference as if set forth in full:

- A. City of Rifle Comprehensive Plan dated 2019.
- B. Bike Master Plan dated 2013.
- C. Zone District Map of the City of Rifle.
- D. Any and all staff reports and minutes of any Planning & Zoning Commission meetings relating to this development application.

2. The City, acting through its staff, consultants, and attorneys shall update the City's

annexation plan as necessary and at least once annually.

THIS RESOLUTION, was read, passed and adopted by the Rifle City Council at a regular meeting held this 19th day of July, 2023.

CITY OF RIFLE, COLORADO

By: _____
Mayor

ATTEST:

City Clerk

EXHIBIT A

A tract of land being a portion of those properties described in Reception Nos. 271009 and 194149 of the Garfield County Records. Said tract of land also being a portion of the SE $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 16, Township 6 South, Range 93 West of the 6th Principal Meridian, described as follows:

Commencing at the southeast corner of said Section 16; thence North 89°52'53" West along the South line of said Section 16, a distance of 284.27 feet to the POINT OF BEGINNING; thence North 89°52'53" West continuing along said Section line, a distance of 501.97 feet to the southeast corner of that property described as Reception No. 243124 of the Garfield County Records; thence North 00°33'11" East along the east boundary of said property, a distance of 691.37 feet to a point on the south boundary of that property described as Reception No. 633950 of the Garfield County Records; thence along said southerly boundary South 89°00'58" East a distance of 370.36 feet to the southeast corner of said property; thence along the east boundary of said property North 00°25'42" West a distance of 30.12 feet; thence leaving said east boundary South 89°42'09" East a distance of 117.81 feet to a point on the west boundary of that property described as Reception No. 610069 of the Garfield County Records; thence South 00°35'35" East along said west boundary, a distance of 715.57 feet to the Point of Beginning.



Agenda Item #7.a.v.

Agenda Item Name:

Fritzlan/EcoDwelling Annexation Agreement

Presenter:

Patrick Waller, Planning Director

Item Description:

Fritzlan/EcoDwelling Annexation Agreement

Recommended Action:

Move to Approve the Fritzlan/EcoDwelling Annexation Agreement

Fiscal Impact:

N/A

Operational Impact:

Fritzlan/EcoDwelling Annexation Agreement

Prior Board Motions:

N/A

Background Information:

N/A

Executive Summary:

N/A

Notification Requirements:

N/A

Prepared By:

Alexis Ramirez, Deputy City Clerk

Attachments:

1. 20230719-Fritzlan Annexation Agreement (1)

FRITZLAN ECO DWELLING ANNEXATION AGREEMENT

THIS AGREEMENT is made and entered into this ____ day of _____, 2023 by and between the CITY OF RIFLE, COLORADO, a Colorado home-rule municipality (hereinafter the “City”), and ECO DWELLING, LLC, a Colorado limited liability company (“Owner”).

W I T N E S S E T H:

WHEREAS, Owner filed with the City Clerk of the City of Rifle, Colorado, a petition and request that the City Council commence proceedings to annex to the City of Rifle a certain unincorporated tract of land located in the County of Garfield, State of Colorado, known as the Fritzlan Eco Dwelling Annexation described on Exhibit A, attached hereto and incorporated herein by reference (the “Property”); and

WHEREAS, the Rifle City Council held a duly noticed public hearing annexing the Property on July 19, 2023 by Ordinance No. 15, Series of 2023, and by Ordinance No. 16, Series of 2023 zoned the Property Medium Density Residential Planned Unit Development (MDR-PUD) Zone District; and

WHEREAS, the City and Owner desire to enter into this Agreement to set forth their agreements concerning the terms and conditions of the annexation of the Property to the City.

NOW, THEREFORE, for and in consideration of the mutual promises and covenants contained herein, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the City and Owner agree as follows:

1. Purpose. The purpose of this document as an annexation agreement is to set forth the terms and conditions of the annexation of the Property. Moreover, the parties agree and acknowledge that it is their intent that this Agreement shall be enforceable as an annexation agreement, and that Owner waives any objection to the enforcement of this document as a contractual obligation consistent with annexation agreements. Thus, this Agreement is intended to provide a contractual relationship between the City and Owner to ensure compliance with all requirements contained herein, including, but not limited to restrictions upon the zoning of the Property stated herein. All conditions herein are in addition to any and all requirements of the City of Rifle Municipal Code (hereinafter the “Code”) and any and all state statutes.

2. Binding Effect.

- a. This Agreement shall be binding upon and inure to the benefit of the City, Owner and any party succeeding to any interest of Owner in and to any parcel for which Final Subdivision Plat approval has not occurred. The obligations (specifically including, but not limited to, the payment of fees and compliance with any zoning requirements and covenant obligations as may be referenced herein) that run with the land following Final Subdivision Plat approval shall be limited to those set forth

herein, or on any Final Subdivision Plat or in any other development approval document, and any exhibits or attachments thereto.

- b. This Agreement and any other agreement(s) between the City and Owner may be enforced, amended, modified, removed or released only by the City, Owner and any party succeeding to any interest of Owner in and to any part of the Property which has not been granted Final Subdivision Plat approval.

3. Development Proposal. The Rifle Planning Commission on June 27, 2023 recommended Medium Density Residential PUD (“MDR-PUD”) zoning for the Property subject to conditions stated in the Planning Department’s staff report, as amended during the City Council’s review of the Annexation, regarding the application, which conditions are incorporated herein by this reference. In conjunction with its review of the Annexation, the Planning Commission reviewed and approved a Sketch Plan for the Property which proposes the subdivision of the Property into 51 single family lots that will be developed with approximately 900 square-foot, two-bedroom and 1,120 square-foot three-bedroom units that are built by Owner including onsite individual storage units. The proposal also includes two parks: 0.81 acres and 0.20 acres.

4. Fees and Dedications. Owner agrees to pay to the City the fees in the amounts and times set forth below:

- a. Processing Fees. All fees and costs hereto incurred by the City, including but not limited to engineering, surveying, and legal services rendered in connection with the review, preparation, negotiation, resolution, and finalization of any annexation, zoning, and subdivision review of the Property by the City, including recording fees, costs of legal publication, and any and all other out-of-pocket costs incurred by the City shall be paid by Owner. Interest shall be imposed at rate of 1.5% per month on all balances not paid within thirty (30) days of the date of the statement. In addition to any and all remedies available to the City and in the event the City is forced to pursue collection of any amounts due and unpaid under this provision or under this Agreement, the City shall be entitled to collect attorney’s fees and costs incurred in said collection efforts in addition to the amount due and unpaid.
- b. Water Rights Dedication Fees. Owner shall comply with the water rights dedication requirements under RMC Section 13-6-10, et. seq, as it may be amended. Owner shall construct a raw water irrigation system for the Property serving all individual lots, parks and open space. The City acknowledges that the raw water irrigation system for the Property will affect the water rights dedication requirements as provided in RMC Section 13-7-10, et. seq. Because Owner is still working on a final development plan for the Property, the final determination of water rights dedication shall be deferred until Owner provides a PUD Preliminary Development Plan to the City for its review and approval.
- c. Parkland Dedication Fees/Credit. As a condition of annexation of the Property, Developer agrees it has the obligation to comply with the City parkland dedication requirement proscribed in the Code at §§16-1-90 and 16-4-110. Because Owner is

still working on a final development plan for the Property, the final determination of parkland dedication shall be deferred until Owner provides a PUD Preliminary Development Plan to the City for its review and approval, including credits toward Owner's dedication requirement in consideration for developed parkland open to the public.

- d. Offsite and Onsite Street Impact Mitigation. As a condition of annexation of the Property to the City, Owner agrees and acknowledges that offsite street impact fees are due for the development of the Property pursuant to Code at §16-1-100. Owner shall convey to the City by separate deed at the time of Final Subdivision approval the western portion of the Property to align with the future extension of Wapiti Avenue. This strip of property shall be maintained by the HOA until Wapiti Avenue is extended. Owner shall also construct sidewalks to complete Megan Avenue and Last Chance Drive to the Property in compliance with the City of Rifle Public Works Manual and improve Last Chance Drive with additional parking. Further, Owner shall construct all internal sidewalks to at least five feet in width.
 - e. Fees as a Condition of Annexation. Any fees that may be required by this Agreement and the Code to be paid by Owner shall continue to be an obligation of Owner, and subsequent lot owners, even if the Code provisions are declared to be invalid. Payment of such fees pursuant to this Agreement is agreed to by and between the parties as a condition of annexation and, as such, Owner agrees that all such fees, whether in effect in the City by ordinance or not (if repealed or not in effect, the last fee in effect shall apply and be paid), shall be imposed on them and as a condition of any development review. Owner further agrees not to contest the validity of such fees or any ordinance imposing such fees as they pertain to the Property. This obligation to pay such fees shall be a covenant running with the land and shall bind Owner and any party succeeding to any interest of Owner in and to any part of the Property which has not been granted Final Subdivision Plat approval, and to any future lot owners, both as provided for in Section 2 above. Further, because Owner has not submitted a final development proposal for the Property, the City has not had the opportunity to analyze any additional impacts of the development on the City. Therefore, the final determination of any impact fees or other impact mitigation shall be deferred until Owner provides a PUD Preliminary Development Plan to the City for its review and approval as if those mitigation measures were negotiated prior to annexation.
5. General Conditions for the Property.
- a. Annexation Impact Mitigation. Owner agrees to fully mitigate the impacts of the development of the Property. As part of consideration of annexation of the Property and prior to the PUD Preliminary Development Plan approval, the parties will analyze the anticipated impacts of the development, including traffic, roads, water, sewer, drainage (both on-site and off-site), parks, recreation, schools, fire protection, police protection, affordable housing and any other impacts attributable to the development of the Property. The impacts and specific mitigation measures

shall be identified upon the submittal of a PUD Preliminary Development Plan and addressed in an amendment to this Agreement or in subdivision improvements agreements associated with the Development Plan or Final Plat as if those mitigation measures were negotiated prior to annexation.

- b. Subdivision Improvements Agreement. Owner agrees to enter into a Subdivision Improvements Agreement as a condition of any Final Subdivision Plat approval for the Property in the forms then in use by the City and as approved by the City Attorney.
 - c. Park(s). Owner shall construct an improved park on the Property with the first phase of development in compliance with the plans and cost estimates approved by the City in the PUD Preliminary Development Plan. The Homeowners Association shall own and maintain the park and it shall be open to the public.
 - d. Lot Landscaping. Owner shall install landscaping on each lot as a condition of certificate of occupancy for each unit (or by May 1 if a dwelling is constructed after October 15 for which Owner shall provide the City a monetary deposit securing such obligation) pursuant to landscaping plans reviewed and approved by the City as part of the Preliminary PUD Development Plan. Individual maintenance requirements shall be stated in the Covenants for the Property.
 - e. Fence Plan. Owner shall provide the City for its review and approval a fence plan for the Property and individual lots as part of the PUD Preliminary Development Plan, which fence plan will be incorporated into the Covenants for the Property.
 - f. Noxious Weed Control/Maintenance. Owner agrees and acknowledges that it shall, pending and during development of the Property, control the growth of noxious weeds on all parcels within the Property as required by the Rifle Municipal Code and maintain the Property.
 - g. Covenants and Restrictions. Owner agrees to provide a draft Declaration of Covenants and Restrictions for the Property at the time of the PUD Preliminary Development Plan submittal for review and approval by the City setting forth at a minimum the maintenance, repair, and replacement obligations of the HOA of the roads, sidewalks, parks, open space, perimeter fencing, raw water irrigation system, and the landscaping, design and use restriction on individual lots.
6. Zoning. Owner hereby consents to zoning for the Property as set forth in Ordinance No. 16, Series of 2023 zoning the Property Medium Density Residential Planned Unit Development (MDR-PUD) Zone District and the PUD requirements contained therein.
7. Breach by Owner; City Remedies. In the event of a breach of any of the terms and conditions of this Agreement by Owner, the City may take any action necessary or appropriate, including:
- a. The refusal to issue any building permit or Certificate of Occupancy to Owner;

provided, however, that this remedy shall not be available to the City until after the affidavit described in subparagraph b., below, has been recorded; provided further this remedy shall not be available against a bona fide third party.

- b. The recording with the Garfield County Clerk and Recorder of an affidavit, approved in writing by the City Attorney and signed by the City Manager or his designee, stating that the terms and conditions of this Agreement have been breached by Owner. At the next regularly scheduled City Council meeting, the City Council shall either approve the filing of said affidavit or direct the City Manager to file a second affidavit stating that the default has been cured and nullifying the previous affidavit. Upon the recording of such an affidavit, no further parcels or portions thereof may be sold until the default has been cured; an affidavit signed by the City Manager or his designee and approved by the City Council stating that the default has been cured shall remove this restriction;
- c. A demand that any security given for completion of the public improvements be paid or honored;
- d. The refusal to allow further development review for the Property; or
- e. Any other remedy available in equity or at law.

Unless necessary to protect the immediate health, safety, and welfare of the City, the City shall provide Owner ten (10) days written notice of its intent to take any action under this paragraph, during which 10-day period Owner may cure the breach described in said notice and prevent further action by the City. Furthermore, unless and until an affidavit as described in subparagraph b., above, has been recorded with the Garfield County Clerk and Recorder, any person dealing with Owner shall be entitled to assume that no default by Owner has occurred hereunder.

8. Waiver of Defects. In executing this Agreement, Owner waives all objections it may have over defects, if any, in the form of this Agreement, the formalities for execution, concerning the power of the City to impose conditions on Owner as set forth herein or over the procedure, substance, and form of the ordinances or resolutions adopting this Agreement.

9. Final Agreement. This Agreement supersedes and controls all prior written and oral agreements and representations of the parties and is the total integrated agreement between the parties.

10. Modifications. This Agreement shall not be amended or modified, except by subsequent written agreement of the parties.

11. Release of Liability. It is expressly understood that the City cannot be legally bound by the representations of any of its officers or agents, or their designees, except in accordance with the Rifle Municipal Code and ordinances and the laws of the State of Colorado, and that Owner, when dealing with the City, acts at its own risk as to any representation or

undertaking by the City or its officers or agents, or their designees, which is subsequently held unlawful by a court of law, which is in accordance with the laws of the State of Colorado; provided, however, that this paragraph shall not be construed to limit the rights and remedies of the parties otherwise provided by law, including under equitable doctrines of estoppel and the like.

12. Indemnity.

- a. To the fullest extent permitted by law, Owner shall indemnify and hold harmless the City and the City's agents and employees from and against claims, damages, losses, and expenses, including but not limited to attorneys' fees and costs, provided that such claim, damage, loss, or expense arises out of or from the following circumstances: any and all claims which may arise as a result of approving the annexation, any approval given during development review of the Property or, except to the extent of any actual negligence on the part of the City, its agents, and employees, in connection with any road enlargement, extension, realignment, improvement, or maintenance, or approval thereof, or any operation, maintenance, repair or replacement of the raw water irrigation and sprinkler system within the Property, or any other item contained in this Agreement.
- b. Owner shall reimburse the City at the City's direction for all legal fees, expenses, and costs incurred in any action brought against the City as a result of the City's approval of this annexation, and shall reimburse the City for all costs, including attorneys' fees and costs associated with any referendum election, the review of petition for referendum, protest, or any other challenge procedures to the annexation and zoning. However, nothing herein shall obligate or compel the City to take any position, stand, or proceed with any action or referendum position other than as the City Council, in its sole discretion, decides.

13. Voluntary Agreement. Owner agrees to comply with all of the terms and conditions of this Agreement on a voluntary and contractual basis, as a condition of annexation to the City. Owner agrees that the payment of all fees required under this Agreement is a condition of annexation and, therefore all such fees, whether in effect in the City by ordinance or not (if repealed or not in effect, the last fee in effect shall apply and be paid), shall be imposed on Owner as a condition of any development review. The obligation to pay such fees shall be a covenant running with the land and shall bind all successors in interest of Owner in and to any part of the Property which has not been granted Final Subdivision Plat approval. Owner represents and submits that, to the extent an election would be required pursuant to C.R.S. §31-12-112, as amended, to approve the annexation or impose terms and conditions upon the Property to be annexed, Owner owns 100 percent of the Property to be annexed, and would vote to approve the annexation and all terms and conditions as set forth herein. Thus, any election would necessarily result in a majority of the electors' approval to the annexation and the terms and conditions.

14. Owner Representations. All representations of Owner, either oral or as set forth in the annexation and zoning applications, as amended, and all documents subsequently submitted with reference thereto, shall be considered incorporated into this Agreement as if set forth in full herein. The City will, upon request from interested parties, including prospective purchasers of

all or any portion of the Property, or lenders to be granted a security interest in all or any portion of the Property, and within a reasonable period of time (not exceeding ten (10) business days) following receipt of each such request, issue appropriate written certification as to the compliance, or lack thereof, with any of the provisions hereof, including any such written representations and documents.

15. Attorney Fees; Survival. Should this Agreement become the subject of litigation between the City and Owner, the prevailing party shall be entitled to attorneys' fees and costs of suit actually incurred, including expert witness fees.

16. Notice. All notices required under this Agreement shall be in writing and shall be hand delivered or sent by registered or certified mail, return receipt requested, postage prepaid, to the addresses of the parties herein set forth. All notices so given shall be considered effective seventy-two (72) hours after deposit in the United States Mail with the proper address as set forth below. Either party by notice so given may change the address to which future notices shall be sent.

Notice to the City:	City of Rifle P.O. Box 1908 Rifle, Colorado 81650
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With copy to:	Karp Neu Hanlon, P.C. P. O. Drawer 2030 Glenwood Springs, Colorado 81602
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Notice to Owner:	Eco Dwelling, LLC 5 Powerline Road Rifle, Colorado 81650
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17. Title Policy. Whenever there appears a requirement to dedicate land to the City, Owner shall provide a title policy which shall indicate that the property is free and clear of all encumbrances, except severed mineral rights, whatsoever which would impair the use of the property as proposed in this Agreement or in any further document. Further, said title policy shall show that the property to be dedicated to the City is free and clear of all encumbrances which would make said dedications unacceptable to the City as the City, in its sole discretion, determines. Should such title policy reflect encumbrances which may impair the use of the property as proposed or which would make the public dedications unacceptable, the City shall notify Owner, who shall have sixty (60) days to cure or otherwise remove said encumbrances to the satisfaction of the City Attorney. If said encumbrances are not cured or removed, the City may take whatever action or seek whatever remedies it deems advisable, including without limitation disconnection from the City or withholding of any development review approval.

18. Terms and Conditions as Consideration for Annexation. Owner acknowledges that the City is under no obligation to annex any property into the City of Rifle city limits, and thus the City of Rifle's decision to annex Owner's property is at the City's sole discretion. In consideration for the City's agreement to annex, Owner agrees to be bound by all of the terms and conditions of

EXHIBIT A

A tract of land being a portion of those properties described in Reception Nos. 271009 and 194149 of the Garfield County Records. Said tract of land also being a portion of the SE $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 16, Township 6 South, Range 93 West of the 6th Principal Meridian, described as follows:

Commencing at the southeast corner of said Section 16; thence North 89°52'53" West along the South line of said Section 16, a distance of 284.27 feet to the POINT OF BEGINNING; thence North 89°52'53" West continuing along said Section line, a distance of 501.97 feet to the southeast corner of that property described as Reception No. 243124 of the Garfield County Records; thence North 00°33'11" East along the east boundary of said property, a distance of 691.37 feet to a point on the south boundary of that property described as Reception No. 633950 of the Garfield County Records; thence along said southerly boundary South 89°00'58" East a distance of 370.36 feet to the southeast corner of said property; thence along the east boundary of said property North 00°25'42" West a distance of 30.12 feet; thence leaving said east boundary South 89°42'09" East a distance of 117.81 feet to a point on the west boundary of that property described as Reception No. 610069 of the Garfield County Records; thence South 00°35'35" East along said west boundary, a distance of 715.57 feet to the Point of Beginning.



Agenda Item #8.a.

Agenda Item Name:

Consider Wastewater Expenditure - Generator Repair

Presenter:

Tommy Klein, City Manager

Item Description:

The Cummins generator at the wastewater plant requires repair. Staff requests Council's approval to spend funds to repair the equipment.

Recommended Action:

Move to approve backup generator repair in the amount of \$46,554.77.

Fiscal Impact:

This expense was not budgeted, but it is covered under the 2023 budget for maintenance and repairs.

Operational Impact:

N/A

Prior Board Motions:

The Council approved initially quoted repairs at the May 3, 2023 meeting.

Background Information:

N/A

Executive Summary:

During the last week of March, the wastewater treatment plant's 800 kW Cummins generator experienced coolant problems. Upon close inspection, it was discovered that the radiator was leaking coolant at a rate of four or five gallons per day. The Cummins service center in Grand Junction dispatched a technician to diagnose the problem, which was determined to be a leak caused by corrosion that could not be repaired. The originally quoted repairs were approved at the May 3, 2023 City Council meeting. However, due to a miscommunication with Cummins, the repairs needed to be re-quoted for an increased amount.

The initially approved amount was \$39,951.15 and the revised amount is \$46,554.77.

Notification Requirements:

N/A

Prepared By:

Tommy Klein, City Manager

Attachments:

1. Cummins 800kW genset radiator PO request 2
2. Cummins generator sole source memo 2
3. Estimate



**CITY OF RIFLE
PURCHASE REQUEST**

1.	Vendor Name	NEW: W-9 attached ☐
	Cummins, Inc	

2.	Vendor Address
	PO Box 772639, Detroit, MI 48277

3.	For the Purchase of (description)
	Replacement radiator for wastewater plant generator.

4.	Amount Requested	Amount Budgeted	Finance Director Verified Funds Avail.
	\$46,554.77	\$145,000	

5.	Dept. Name	General Ledger Acct #
	UTIL - WASTEWATER	320.4325.400.430

6.	Type of Purchase
☐	Capital Construction
☐	Capital Construction – Change Order
☐	Capital Equipment
☒	Plant Equipment
☐	Materials, supplies, non-profession/technical services (includes computer/software maint.)
☐	Professional Services
☐	Utilities (includes equipment installation and ongoing contracts)
☐	Land, easements, ROW

7.	Purchasing Process Required (Rifle Municipal Code sections for guidance)		
	☐ Cooperative Purchasing:	Sec 4-3-90	
	☐ Open Market:	Sec. 4-3-40(c)	
	☐ Comparative Pricing:	Sec. 4-3-40(d)	
	☐ Request for Proposal:	Sec. 4-3-40(e)	(attach bid tab)
	☐ Competitive Sealed Bid:	Sec.4-3-40(f)	(attach bid tab & advertisement)
	☒ Sole Source:	Sec. 4-3-40(a)	(attach memo)

8.	Authorization Required	
	☒	City Manager
	☒	City Council

9.	Signatures		
	Position	Signature	Date
	Department Director		
	City Manager		
	City Council Approval (meeting date)		
10.	Purchase Order # assigned by Finance		



TABLE 1 - IS A PURCHASE ORDER NECESSARY

<u>Amount of Purchase</u>	<u>Is Purchase Order Needed</u>	<u>Method of Source Selection</u>
\$0.01 - \$10,000	No – Dept Head Approval	No special sourcing
\$10,000.01 - \$25,000	Yes – City Manager Approval	Yes – see table 2 below
\$25,000.01 or Greater	Yes – Council Approval	Yes – see table 2 below

TABLE 2 - METHODS OF SOURCE SELECTION

<u>Methods of source selection</u>	<u>Contract limits</u>
Competitive sealed bidding	Greater than \$50,000.00
Competitive sealed proposals	Greater than \$10,000.00 and less than \$50,000.00.
**Greater than \$50,000 allowed for Construction Manager/General Contractor proposals, or similar type proposal.	
Small purchases	Less than \$10,000.00 - DEPARTMENT HEAD DISCRETION

TABLE 3 - LOCAL VENDOR PREFERENCE

Contract Amount	Primary Preference In City Limits	Secondary Preference In County Out of City
Less than \$1,000	10% discount	5% discount
\$1,001 to \$5,000	8% discount	4% discount
\$5,001 to \$25,000	6% discount	3% discount
\$25,001 to \$100,000	5% discount	2% discount
\$100,000 to \$200,000	4% discount	2.5% discount
\$200,001 to \$500,000	3% discount	1.5% discount
\$500,000 or greater	2% discount	1% discount



***City of Rifle, Colorado
Utility Department Memo***

To: Robert Burns, Utilities Director
Cc: Tommy Klein, City Manager
From: Jared Emmert, WWTP Supervisor
Date: 7 July 2023
Re: Wastewater 800 kW Generator Radiator Replacement

Gentlemen,

During the last week of March, the wastewater treatment plant's 800 kW Cummins generator began sporadically calling out for low coolant alarms. Upon inspection, it was discovered that the radiator was leaking coolant at a rate of four or five gallons per day. I called the Cummins service center in Grand Junction and they sent a tech to diagnose the problem. In the meantime, coolant was topped off as it was lost, to make sure the generator would run if the power went out.

The Cummins tech found the source of the leak this week and stated that the radiator had corroded through, and would need to be replaced. They cannot do spot repairs on our unit's radiator. My guess for the likely cause of the corrosion is the generator's proximity to the influent wet wells and exposure to hydrogen sulfide gas. The quoted cost for parts and labor for the new radiator was \$46,554.77.

I am requesting a sole source purchase order to Cummins for the replacement of the radiator. Cummins is the manufacturer and authorized service provider for both generators at the wastewater treatment plant.

Thank you,

Jared Emmert

Jared Emmert, WWTP Supervisor



Sales and Service

Payment terms are 30 days from invoice date unless otherwise agreed upon in writing. Remit to:
Cummins Sales and Service
PO Box 772639
Detroit, MI 48277-2639

GRAND JUNCTION CO BRANCH
731 SCARLET DR
GRAND JUNCTION, CO 81505-
(970)242-5776

INVOICE NO
ESTIMATE
TO PAY ONLINE LOGON TO customerpayment.cummins.com

BILL TO

CITY OF RIFLE
PO BOX 1908
202 RAILROAD AVE
RIFLE, CO 81650-2218

OWNER

WASTE WATER PLANT
2515 W CENTENNIAL PKY
RIFLE, CO 81650-
JARED EMMERT - 970 6656589

PAGE 1 OF 2

*** CHARGE ***

DATE	CUSTOMER ORDER NO.	DATE IN SERVICE	ENGINE MODEL	PUMP NO.	EQUIPMENT MAKE
12-JUL-2023		03-AUG-2009	800 DQFAB-7371403 A		ONAN
CUSTOMER NO.	SHIP VIA	FAIL DATE	ENGINE SERIAL NO.	CPL NO.	EQUIPMENT MODEL
484323		25-APR-2023	K080221791	C	ST
REF. NO.	SALESPERSON	PARTS DISP.	MILEAGE/HOURS	PUMP CODE	UNIT NO.
80137			490 / 490		WASTEWATER 800

QUANTITY ORDERED	BACK ORDERED	QUANTITY SHIPPED	PART NUMBER	DESCRIPTION	PRODUCT CODE	UNIT PRICE	AMOUNT
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OSN/MSN/VIN

K080221791

YEAR 2008

COMPLAINT

QUOTE TO REPLACE LEAKING RADIATOR

CONTACT FOR SITE IS JARED EMMERT 970-665-6589

UNIT LOCATION IS RIFLE CO, WASTE WATER TREATMENT PLANT FACILITY.

1	0	130-5692	RADIATOR (50 DEG C) (CAP	ONAN	36,008.93	36,008.93
2	0	503-2135	HOSE-RADIATOR	ONAN	42.94	85.88
4	0	503-2132	HOSE-RADIATOR	ONAN	27.86	111.44
8	0	503-1872-04	CLAMP-HOSE	ONAN	19.64	157.12
4	0	503-2130	HOSE-HUMP	ONAN	100.52	402.08
12	0	503-1872-07	CLAMP-HOSE	ONAN	30.50	366.00
2	0	501-0744-03	HOSE ASSY (COOLANT)	ONAN	115.86	231.72
2	0	503-1133	CLAMP-HOSE	ONAN	9.78	19.56
2	0	155-2351	GASKET-EXH	ONAN	41.86	83.72
20	0	800-2089	SCREW-HHC (M10X40)	ONAN	6.13	122.60
1	0	A055K311	SENDER,LOW COOLANT	ONAN	171.92	171.92
1	0	FREIGHT	FREIGHT CHRGS SERVICE	FREIGHT	650.00	650.00

PARTS:	38,410.97
PARTS COVERAGE CREDIT:	0.00CR
TOTAL PARTS:	38,410.97
SURCHARGE TOTAL:	0.00
LABOR:	5,127.22
LABOR COVERAGE CREDIT:	0.00CR

Completion date : 26-Apr-2023 09:39AM. Estimate expires : 29-Sep-2023 12:50PM.

Billing Inquiries? Call (877)480-6970

THERE ARE ADDITIONAL CONTRACT TERMS ON THE REVERSE SIDE OF THIS DOCUMENT, INCLUDING LIMITATION ON WARRANTIES AND REMEDIES, WHICH ARE EXPRESSLY INCORPORATED HEREIN AND WHICH PURCHASER ACKNOWLEDGES HAVE BEEN READ AND FULLY UNDERSTOOD.

AUTHORIZED BY (print name) _____ SIGNATURE _____ DATE _____

TERMS AND CONDITIONS

These Terms and Conditions, together with the estimate/quote (the "Quote") and/or invoice ("Invoice") attached to these Terms and Conditions, are hereinafter collectively referred to as this "Agreement" and shall constitute the entire agreement between the customer ("Customer") identified on the Quote and/or Invoice and Cummins Inc. ("Cummins") and supersede any previous agreement or understanding (oral or written) between the parties with respect to the subject matter of this Agreement. Customer shall be deemed to have made an unqualified acceptance of these Terms and Conditions and it shall become a binding agreement between the parties on the earliest of the following to occur: (i) Cummins' receipt of Customer's purchase order or purchase order number; (ii) Customer's signing or acknowledgment of this Agreement; (iii) Cummins' release of Products to production pursuant to Customer's oral or written instruction or direction; (iv) Customer's payment of any amounts due to Cummins; or (v) any other event constituting acceptance under applicable law. No prior inconsistent course of dealing, course of performance, or usage of trade, if any, constitutes a waiver of, or serves to explain or interpret, the Terms and Conditions set forth in this Agreement. Electronic transactions between Customer and Cummins will be solely governed by the Terms and Conditions of this Agreement, and any terms and conditions on Customer's website or other internet site will be null and void and of no legal effect on Cummins. In the event Customer delivers, references, incorporates by reference, or produces any purchase order or document, any terms and conditions related thereto: (i) shall be null and void and of no legal effect on Cummins, and (ii) this Agreement shall remain the governing terms of the transaction.

SCOPE OF SERVICES; PERFORMANCE OF SERVICES Cummins shall supply part(s) and/or component(s) and/or engine(s) and/or generator set(s) ("Goods") and/or perform the maintenance and/or repair ("Services") on the equipment identified in the Quote and/or Invoice ("Equipment"), if applicable, in accordance with the specifications in the Quote and/or Invoice. No additional services or goods are included in this Agreement unless agreed upon by the parties in writing, or otherwise, as applicable.

CUSTOMER OBLIGATIONS If necessary, Customer shall provide Cummins safe and free access to Customer's site and arrange for all related services and utilities necessary for Cummins to safely and freely perform the Services. During the performance of the Services, Customer shall fully and completely secure all or any part of any facility where the Equipment is located to remove and mitigate any and all safety issues and risks, including but not limited to injury to facility occupants, customers, invitees, or any third party and/or property damage or work interruption arising out of the Services. If applicable, Customer shall make all necessary arrangements to address and mitigate the consequences of any electrical service interruption which might occur during the Services. Customer is responsible for operating and maintaining the Equipment in accordance with the owner's manual for the Equipment.

INVOICING AND PAYMENT Unless otherwise agreed to by the parties in writing and subject to credit approval by Cummins, payments are due thirty (30) days from the date of Invoice. If Customer does not have approved credit with Cummins, as solely determined by Cummins, payments are due in advance or at the time of supply of the Goods and/or Services. If payment is not received when due, in addition to any rights Cummins may have at law, Cummins may charge Customer eighteen percent (18%) interest annually on late payments, or the maximum amount allowed by law. Customer agrees to pay all Cummins' costs and expenses (including all reasonable attorneys' fees) related to Cummins' enforcement and collection of unpaid invoices, or any other enforcement of this Agreement by Cummins.

TAXES; EXEMPTIONS The Invoice includes all applicable local, state, or federal sales and/or use or similar taxes which Cummins is required by applicable laws to collect from Customer under this Agreement. Customer must provide a valid tax exemption certificate or direct payment certificate prior to shipment of the Goods or performance of the Services, or such taxes will be included in the Invoice.

DELIVERY; TITLE AND RISK OF LOSS Unless otherwise agreed in writing by the parties, any Goods supplied under this Agreement shall be delivered FOB Origin, freight prepaid to the first destination. If agreed, any charges for third party freight are subject to adjustment to reflect any change in price at time of shipment. Unless otherwise agreed to, packaging method, shipping documents and manner, route and carrier and delivery shall be as Cummins deems appropriate. All shipments are made within normal business hours, Monday through Friday. Unless otherwise agreed in writing by the parties, title and risk of loss for any Goods sold under this Agreement shall pass to Customer upon delivery of Goods by Cummins to freight carrier or to Customer at pickup at Cummins' facility.

DELAYS Any delivery, shipping, installation, or performance dates indicated in this Agreement are estimated and not guaranteed. Further, delivery time is subject to confirmation at time of order. Cummins shall not be liable to Customer or any third party for any loss, damage, or expense suffered by Customer or third party due to any delay in delivery, shipping, installation, or performance, however occasioned, including any delays in performance that result directly or indirectly from acts of Customer or causes beyond Cummins' control, including but not limited to acts of God, accidents, fire, explosions, flood, unusual weather conditions, acts of government authority, or labor disputes. AS A RESULT OF THE OUTBREAK OF THE DISEASE COVID-19 ARISING FROM THE NOVEL CORONAVIRUS, TEMPORARY DELAYS IN DELIVERY, LABOUR OR SERVICES FROM CUMMINS AND ITS SUB-SUPPLIERS OR SUBCONTRACTORS MAY OCCUR. AMONG OTHER FACTORS, CUMMINS' DELIVERY OBLIGATIONS ARE SUBJECT TO CORRECT AND PUNCTUAL SUPPLY FROM OUR SUB-SUPPLIERS OR SUBCONTRACTORS, AND CUMMINS RESERVES THE RIGHT TO MAKE PARTIAL DELIVERIES OR MODIFY ITS LABOUR OR SERVICE. WHILE CUMMINS SHALL MAKE EVERY COMMERCIALY REASONABLE EFFORT TO MEET THE DELIVERY, SERVICE OR COMPLETION OBLIGATIONS SET FORTH HEREIN, SUCH DATES ARE SUBJECT TO CHANGE.

LIMITED WARRANTIES

New Goods: New Goods purchased or supplied under this Agreement are governed by the express written manufacturers' warranty. No other warranty for Goods supplied under this Agreement is provided under this Agreement.

Cummins Exchange Components, Other Exchange Components, and Recon: Cummins will administer the Cummins exchange component warranty and the warranties of other manufacturers' exchange components or Recon Components which are sold by Cummins. In the event of defects in such items, only manufacturers' warranties will apply.

HHP Exchange Engine: HHP Exchange Engines remanufactured by Cummins under this Agreement are governed by the express Cummins' written warranty. No other warranty for HHP exchange Engines supplied under this Agreement is provided under this Agreement.

General Service Work: All Services shall be free from defects in workmanship (i) for power generation equipment (including engines in such equipment), for a period of ninety (90) days after completion of Services or 500 hours of operation, whichever occurs first; or (ii) for engines, for a period of ninety (90) days after completion of Services, 25,000 miles or 900 hours of operation, whichever occurs first. In the event of a warrantable defect in workmanship of Services supplied under this Agreement ("Warrantable Defect"), Cummins' obligation shall be solely limited to correcting the Warrantable Defect. Cummins shall correct the Warrantable Defect where (i) such Warrantable Defect becomes apparent to Customer during the warranty period; (ii) Cummins receives written notice of the Warrantable Defect within thirty (30) days following discovery by Customer; and (iii) Cummins has determined that there is a Warrantable Defect. Warrantable Defects remedied under this provision shall be subject to the remaining warranty period of the original warranty of the Services. New Goods supplied during the remedy of Warrantable Defects are warranted for the balance of the warranty period still available from the original warranty of such Goods.

Used Goods: Used Goods are sold "as is, where is" unless exception is made in writing between Cummins and Customer. Customer agrees to inspect all used Goods before completing the purchase.

THE REMEDIES PROVIDED IN THE LIMITED WARRANTIES AND THIS AGREEMENT ARE THE SOLE AND EXCLUSIVE WARRANTIES AND REMEDIES PROVIDED BY CUMMINS TO THE CUSTOMER UNDER THIS AGREEMENT. EXCEPT AS SET OUT IN THE WARRANTY AND THIS AGREEMENT, AND TO THE EXTENT PERMITTED BY LAW, CUMMINS EXPRESSLY DISCLAIMS ALL OTHER REPRESENTATIONS, WARRANTIES, ENDORSEMENTS, AND CONDITIONS OF ANY KIND, EXPRESS OR IMPLIED, INCLUDING, WITHOUT LIMITATION, ANY STATUTORY OR COMMON LAW IMPLIED REPRESENTATIONS, WARRANTIES AND CONDITIONS OF FITNESS FOR A PURPOSE OR MERCHANTABILITY.

INDEMNIFICATION Customer shall indemnify, defend and hold harmless Cummins from and against any and all claims, actions, costs, expenses, damages and liabilities, including reasonable attorneys' fees, brought against or incurred by Cummins related to or arising out of this Agreement or the Services and/or Goods supplied under this Agreement (collectively, the "Claims"), where such Claims were caused or contributed, in whole or in part, by the acts, omissions, fault or negligence of the Customer. Customer shall present any Claims covered by this indemnity, including any tenders for defense and indemnity by Cummins to its insurance carrier unless Cummins directs that the defense will be handled by Cummins' legal counsel at Customer's expense.

LIMITATION OF LIABILITY NOTWITHSTANDING ANY OTHER TERM OF THIS AGREEMENT, IN NO EVENT SHALL CUMMINS, ITS OFFICERS, DIRECTORS, EMPLOYEES, OR AGENTS BE LIABLE TO CUSTOMER OR ANY THIRD PARTY FOR ANY INDIRECT, INCIDENTAL, SPECIAL, PUNITIVE, OR CONSEQUENTIAL DAMAGES OF ANY KIND (INCLUDING WITHOUT LIMITATION DOWNTIME, LOSS OF PROFIT OR REVENUE, LOSS OF DATA, LOSS OF OPPORTUNITY, DAMAGE TO GOODWILL, ENHANCED DAMAGES, MONETARY REQUESTS RELATING TO RECALL EXPENSES AND REPAIRS TO PROPERTY, AND/OR DAMAGES CAUSED BY DELAY) IN ANY WAY RELATED TO OR ARISING FROM CUMMINS' SUPPLY OF GOODS OR SERVICES UNDER THIS AGREEMENT. IN NO EVENT SHALL CUMMINS' LIABILITY TO CUSTOMER OR ANY THIRD PARTY CLAIMING DIRECTLY THROUGH CUSTOMER OR ON CUSTOMER'S BEHALF UNDER THIS AGREEMENT EXCEED THE TOTAL COST OF GOODS AND SERVICES SUPPLIED BY CUMMINS UNDER THIS AGREEMENT GIVING RISE TO THE CLAIM. BY ACCEPTANCE OF THIS AGREEMENT, CUSTOMER ACKNOWLEDGES CUSTOMER'S SOLE REMEDY AGAINST CUMMINS FOR ANY LOSS SHALL BE THE REMEDY PROVIDED HEREIN EVEN IF THE EXCLUSIVE REMEDY IN SECTION 7 IS DEEMED TO HAVE FAILED OF ITS ESSENTIAL PURPOSE.

GOVERNING LAW AND JURISDICTION This Agreement and all matters arising hereunder shall be governed by and construed in accordance with the laws of the State of Indiana without giving effect to any choice or conflict of law provision. The parties agree that the court of the State of Indiana shall have exclusive jurisdiction to settle any dispute or claim arising in connection with this Agreement.

ASSIGNMENT This Agreement is binding on the parties and their successors and assigns. Customer shall not assign this Agreement without the prior written consent of Cummins.

CANCELLATION. Orders placed with and accepted by Cummins may not be cancelled except with Cummins' prior written consent. Cummins may charge Customer a cancellation charge in accordance with current Cummins policy which is available upon request, in addition to the actual, non-recoverable costs incurred by Cummins.

REFUNDS/CREDITS Goods ordered and delivered by Cummins under this Agreement are not returnable unless agreed to by Cummins. Cummins may, at its sole discretion, agree to accept Goods for return and provide credit where Goods are in new and saleable condition and presented with a copy of the original invoice. Credits for returns will be subject to up to a 15% handling/restocking charge and are limited to eligible items purchased from Cummins.

INTELLECTUAL PROPERTY Any intellectual property rights created by either party, whether independently or jointly, in the course of the performance of this Agreement or otherwise related to Cummins pre-existing intellectual property or subject matter related thereto, shall be Cummins' property. Customer agrees to assign, and does hereby assign, all right, title, and interest to such intellectual property to Cummins. Any Cummins pre-existing intellectual property shall remain Cummins' property. Nothing in this Agreement shall be deemed to have given Customer a licence or any other rights to use any of the intellectual property rights of Cummins.

COMPLIANCE WITH LAWS Customer shall comply with all laws applicable to its activities under this Agreement, including without limitation, all applicable national, provincial, and local export, anti-bribery, environmental, health, and safety laws and regulations in effect. Customer acknowledges that the Goods, and any related technology that are sold or otherwise provided hereunder may be subject to export and other trade controls restricting the sale, export, re-export and/or transfer, directly or indirectly, of such Goods or technology to certain countries or parties, including, but not limited to, licensing requirements under applicable laws and regulations of the United States, the United Kingdom and other jurisdictions. It is the intention of Cummins to comply with these laws, rules, and regulations. Any other provision of this Agreement to the contrary notwithstanding, Customer shall comply with all such applicable laws relating to the cross-border movement of goods or technology, and all related orders in effect from time to time, and equivalent measures. Customer shall accept full responsibility for any and all civil or criminal liabilities and costs arising from any breaches of those laws and regulations and will defend, indemnify, and hold Cummins harmless from and against any and all fines, penalties, claim, damages, liabilities, judgments, costs, fees, and expenses incurred by Cummins or its affiliates as a result of Customer's breach.

CONFIDENTIALITY Each party shall keep confidential any information received from the other that is not generally known to the public and at the time of disclosure, would reasonably be understood by the receiving party to be proprietary or confidential, whether disclosed in oral, written, visual, electronic, or other form, and which the receiving party (or agents) learns in connection with this Agreement including, but not limited to: (a) business plans, strategies, sales, projects and analyses; (b) financial information, pricing, and fee structures; (c) business processes, methods, and models; (d) employee and supplier information; (e) specifications; and (f) the terms and conditions of this Agreement. Each party shall take necessary steps to ensure compliance with this provision by its employees and agents.

PRICING To the extent allowed by law, actual prices may vary from the price at the time of order placement, as the same will be based on prices prevailing on the date of shipment. Subject to local laws, Cummins reserves the right to adjust pricing on goods and services due to input and labor cost changes and other unforeseen circumstances beyond Cummins' control.

MISCELLANEOUS All notices under this Agreement shall be in writing and be delivered personally, mailed via first class certified or registered mail, or sent by a nationally recognized express courier service to the addresses set forth in the Quote and/or Invoice. No amendment of this Agreement shall be valid unless it is writing and signed by the parties hereto. Failure of either party to require performance by the other party of any provision hereof shall in no way affect the right to require such performance at any time thereafter or the enforceability of the Agreement generally, nor shall the waiver by a party of a breach of any of the provisions hereof constitute a waiver of any succeeding breach. Any provision of this Agreement that is invalid or unenforceable shall not affect the validity or enforceability of the remaining terms hereof. These terms are exclusive and constitute entire agreement. Customer acknowledges that the provisions were freely negotiated and bargained for and Customer has agreed to purchase of the Goods and/or Services pursuant to these terms and conditions. Acceptance of this Agreement is expressly conditioned on Customer's assent to all such terms and conditions. Neither party has relied on any statement, representation, agreement, understanding, or promise made by the other except as expressly set out in this Agreement.

To the extent applicable, this contractor and subcontractor shall abide by the requirements of 41 CFR §§ 60-1.4(a), 60-300.5(a) and 60-741.5(a). These regulations prohibit discrimination against qualified individuals based on their status as protected veterans or individuals with disabilities and prohibit discrimination against all individuals based on their race, color, religion, sex, sexual orientation, gender identity or national origin. Moreover, these regulations require that covered prime contractors and subcontractors take affirmative action to employ and advance in employment individuals without regard to race, color, religion, sex, sexual orientation, gender identity, national origin, protected veteran status or disability. The employee notice requirements set forth in 29 CFR Part 471, Appendix A to Subpart A, are hereby incorporated by reference into this contract.



Sales and Service

Payment terms are 30 days from invoice date unless otherwise agreed upon in writing. Remit to:
Cummins Sales and Service
PO Box 772639
Detroit, MI 48277-2639

GRAND JUNCTION CO BRANCH
731 SCARLET DR
GRAND JUNCTION, CO 81505-
(970)242-5776

INVOICE NO
ESTIMATE
TO PAY ONLINE LOGON TO customerpayment.cummins.com

BILL TO

CITY OF RIFLE
PO BOX 1908
202 RAILROAD AVE
RIFLE, CO 81650-2218

OWNER

WASTE WATER PLANT
2515 W CENTENNIAL PKY
RIFLE, CO 81650-
JARED EMMERT - 970 6656589

PAGE 2 OF 2

*** CHARGE ***

DATE	CUSTOMER ORDER NO.	DATE IN SERVICE	ENGINE MODEL	PUMP NO.	EQUIPMENT MAKE
12-JUL-2023		03-AUG-2009	800 DQFAB-7371403 A		ONAN
CUSTOMER NO.	SHIP VIA	FAIL DATE	ENGINE SERIAL NO.	CPL NO.	EQUIPMENT MODEL
484323		25-APR-2023	K080221791	C	ST
REF. NO.	SALESPERSON	PARTS DISP.	MILEAGE/HOURS	PUMP CODE	UNIT NO.
80137			490 / 490		WASTEWATER 800

QUANTITY ORDERED	BACK ORDERED	QUANTITY SHIPPED	PART NUMBER	DESCRIPTION	PRODUCT CODE	UNIT PRICE	AMOUNT
OSN/MSN/VIN		K080221791		YEAR 2008			
				TOTAL LABOR:		5,127.22	
				TRAVEL:			1,494.58
				TRAVEL COVERAGE CREDIT:			0.00CR
				TOTAL TRAVEL:		1,494.58	
				MISC.:			1,522.00
				MISC. COVERAGE CREDIT:			0.00CR
				TOTAL MISC.:		1,522.00	
				HAZ WASTE DISPOSAL			100.00
				ROAD MILEAGE			1,422.00
TAX EXEMPT NUMBERS:							
SIGN UP FOR AUTO EMAIL OF INVOICES AND CREDITS AT HTTP://CUSTOMERPAYMENT.CUMMINS.COM					LOCAL		0.00

Completion date : 26-Apr-2023 09:39AM. Estimate expires : 29-Sep-2023 12:50PM.

Billing Inquiries? Call (877)480-6970

THERE ARE ADDITIONAL CONTRACT TERMS ON THE REVERSE SIDE OF THIS DOCUMENT, INCLUDING LIMITATION ON WARRANTIES AND REMEDIES, WHICH ARE EXPRESSLY INCORPORATED HEREIN AND WHICH PURCHASER ACKNOWLEDGES HAVE BEEN READ AND FULLY UNDERSTOOD.

SUB TOTAL: 46,554.77

TOTAL TAX: 0.00

TOTAL AMOUNT: US \$ 46,554.77

AUTHORIZED BY (print name) _____ SIGNATURE _____ DATE _____

TERMS AND CONDITIONS

These Terms and Conditions, together with the estimate/quote (the "Quote") and/or invoice ("Invoice") attached to these Terms and Conditions, are hereinafter collectively referred to as this "Agreement" and shall constitute the entire agreement between the customer ("Customer") identified on the Quote and/or Invoice and Cummins Inc. ("Cummins") and supersede any previous agreement or understanding (oral or written) between the parties with respect to the subject matter of this Agreement. Customer shall be deemed to have made an unqualified acceptance of these Terms and Conditions and it shall become a binding agreement between the parties on the earliest of the following to occur: (i) Cummins' receipt of Customer's purchase order or purchase order number; (ii) Customer's signing or acknowledgment of this Agreement; (iii) Cummins' release of Products to production pursuant to Customer's oral or written instruction or direction; (iv) Customer's payment of any amounts due to Cummins; or (v) any other event constituting acceptance under applicable law. No prior inconsistent course of dealing, course of performance, or usage of trade, if any, constitutes a waiver of, or serves to explain or interpret, the Terms and Conditions set forth in this Agreement. Electronic transactions between Customer and Cummins will be solely governed by the Terms and Conditions of this Agreement, and any terms and conditions on Customer's website or other internet site will be null and void and of no legal effect on Cummins. In the event Customer delivers, references, incorporates by reference, or produces any purchase order or document, any terms and conditions related thereto: (i) shall be null and void and of no legal effect on Cummins, and (ii) this Agreement shall remain the governing terms of the transaction.

SCOPE OF SERVICES; PERFORMANCE OF SERVICES Cummins shall supply part(s) and/or component(s) and/or engine(s) and/or generator set(s) ("Goods") and/or perform the maintenance and/or repair ("Services") on the equipment identified in the Quote and/or Invoice ("Equipment"), if applicable, in accordance with the specifications in the Quote and/or Invoice. No additional services or goods are included in this Agreement unless agreed upon by the parties in writing, or otherwise, as applicable.

CUSTOMER OBLIGATIONS If necessary, Customer shall provide Cummins safe and free access to Customer's site and arrange for all related services and utilities necessary for Cummins to safely and freely perform the Services. During the performance of the Services, Customer shall fully and completely secure all or any part of any facility where the Equipment is located to remove and mitigate any and all safety issues and risks, including but not limited to injury to facility occupants, customers, invitees, or any third party and/or property damage or work interruption arising out of the Services. If applicable, Customer shall make all necessary arrangements to address and mitigate the consequences of any electrical service interruption which might occur during the Services. Customer is responsible for operating and maintaining the Equipment in accordance with the owner's manual for the Equipment.

INVOICING AND PAYMENT Unless otherwise agreed to by the parties in writing and subject to credit approval by Cummins, payments are due thirty (30) days from the date of Invoice. If Customer does not have approved credit with Cummins, as solely determined by Cummins, payments are due in advance or at the time of supply of the Goods and/or Services. If payment is not received when due, in addition to any rights Cummins may have at law, Cummins may charge Customer eighteen percent (18%) interest annually on late payments, or the maximum amount allowed by law. Customer agrees to pay all Cummins' costs and expenses (including all reasonable attorneys' fees) related to Cummins' enforcement and collection of unpaid invoices, or any other enforcement of this Agreement by Cummins.

TAXES; EXEMPTIONS The Invoice includes all applicable local, state, or federal sales and/or use or similar taxes which Cummins is required by applicable laws to collect from Customer under this Agreement. Customer must provide a valid tax exemption certificate or direct payment certificate prior to shipment of the Goods or performance of the Services, or such taxes will be included in the Invoice.

DELIVERY; TITLE AND RISK OF LOSS Unless otherwise agreed in writing by the parties, any Goods supplied under this Agreement shall be delivered FOB Origin, freight prepaid to the first destination. If agreed, any charges for third party freight are subject to adjustment to reflect any change in price at time of shipment. Unless otherwise agreed to, packaging method, shipping documents and manner, route and carrier and delivery shall be as Cummins deems appropriate. All shipments are made within normal business hours, Monday through Friday. Unless otherwise agreed in writing by the parties, title and risk of loss for any Goods sold under this Agreement shall pass to Customer upon delivery of Goods by Cummins to freight carrier or to Customer at pickup at Cummins' facility.

DELAYS Any delivery, shipping, installation, or performance dates indicated in this Agreement are estimated and not guaranteed. Further, delivery time is subject to confirmation at time of order. Cummins shall not be liable to Customer or any third party for any loss, damage, or expense suffered by Customer or third party due to any delay in delivery, shipping, installation, or performance, however occasioned, including any delays in performance that result directly or indirectly from acts of Customer or causes beyond Cummins' control, including but not limited to acts of God, accidents, fire, explosions, flood, unusual weather conditions, acts of government authority, or labor disputes. AS A RESULT OF THE OUTBREAK OF THE DISEASE COVID-19 ARISING FROM THE NOVEL CORONAVIRUS, TEMPORARY DELAYS IN DELIVERY, LABOUR OR SERVICES FROM CUMMINS AND ITS SUB-SUPPLIERS OR SUBCONTRACTORS MAY OCCUR. AMONG OTHER FACTORS, CUMMINS' DELIVERY OBLIGATIONS ARE SUBJECT TO CORRECT AND PUNCTUAL SUPPLY FROM OUR SUB-SUPPLIERS OR SUBCONTRACTORS, AND CUMMINS RESERVES THE RIGHT TO MAKE PARTIAL DELIVERIES OR MODIFY ITS LABOUR OR SERVICE. WHILE CUMMINS SHALL MAKE EVERY COMMERCIALY REASONABLE EFFORT TO MEET THE DELIVERY, SERVICE OR COMPLETION OBLIGATIONS SET FORTH HEREIN, SUCH DATES ARE SUBJECT TO CHANGE.

LIMITED WARRANTIES

New Goods: New Goods purchased or supplied under this Agreement are governed by the express written manufacturers' warranty. No other warranty for Goods supplied under this Agreement is provided under this Agreement.

Cummins Exchange Components, Other Exchange Components, and Recon: Cummins will administer the Cummins exchange component warranty and the warranties of other manufacturers' exchange components or Recon Components which are sold by Cummins. In the event of defects in such items, only manufacturers' warranties will apply.

HHP Exchange Engine: HHP Exchange Engines remanufactured by Cummins under this Agreement are governed by the express Cummins' written warranty. No other warranty for HHP exchange Engines supplied under this Agreement is provided under this Agreement.

General Service Work: All Services shall be free from defects in workmanship (i) for power generation equipment (including engines in such equipment), for a period of ninety (90) days after completion of Services or 500 hours of operation, whichever occurs first; or (ii) for engines, for a period of ninety (90) days after completion of Services, 25,000 miles or 900 hours of operation, whichever occurs first. In the event of a warrantable defect in workmanship of Services supplied under this Agreement ("Warrantable Defect"), Cummins' obligation shall be solely limited to correcting the Warrantable Defect. Cummins shall correct the Warrantable Defect where (i) such Warrantable Defect becomes apparent to Customer during the warranty period; (ii) Cummins receives written notice of the Warrantable Defect within thirty (30) days following discovery by Customer; and (iii) Cummins has determined that there is a Warrantable Defect. Warrantable Defects remedied under this provision shall be subject to the remaining warranty period of the original warranty of the Services. New Goods supplied during the remedy of Warrantable Defects are warranted for the balance of the warranty period still available from the original warranty of such Goods.

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THE REMEDIES PROVIDED IN THE LIMITED WARRANTIES AND THIS AGREEMENT ARE THE SOLE AND EXCLUSIVE WARRANTIES AND REMEDIES PROVIDED BY CUMMINS TO THE CUSTOMER UNDER THIS AGREEMENT. EXCEPT AS SET OUT IN THE WARRANTY AND THIS AGREEMENT, AND TO THE EXTENT PERMITTED BY LAW, CUMMINS EXPRESSLY DISCLAIMS ALL OTHER REPRESENTATIONS, WARRANTIES, ENDORSEMENTS, AND CONDITIONS OF ANY KIND, EXPRESS OR IMPLIED, INCLUDING, WITHOUT LIMITATION, ANY STATUTORY OR COMMON LAW IMPLIED REPRESENTATIONS, WARRANTIES AND CONDITIONS OF FITNESS FOR A PURPOSE OR MERCHANTABILITY.

INDEMNIFICATION Customer shall indemnify, defend and hold harmless Cummins from and against any and all claims, actions, costs, expenses, damages and liabilities, including reasonable attorneys' fees, brought against or incurred by Cummins related to or arising out of this Agreement or the Services and/or Goods supplied under this Agreement (collectively, the "Claims"), where such Claims were caused or contributed, in whole or in part, by the acts, omissions, fault or negligence of the Customer. Customer shall present any Claims covered by this indemnity, including any tenders for defense and indemnity by Cummins to its insurance carrier unless Cummins directs that the defense will be handled by Cummins' legal counsel at Customer's expense.

LIMITATION OF LIABILITY NOTWITHSTANDING ANY OTHER TERM OF THIS AGREEMENT, IN NO EVENT SHALL CUMMINS, ITS OFFICERS, DIRECTORS, EMPLOYEES, OR AGENTS BE LIABLE TO CUSTOMER OR ANY THIRD PARTY FOR ANY INDIRECT, INCIDENTAL, SPECIAL, PUNITIVE, OR CONSEQUENTIAL DAMAGES OF ANY KIND (INCLUDING WITHOUT LIMITATION DOWNTIME, LOSS OF PROFIT OR REVENUE, LOSS OF DATA, LOSS OF OPPORTUNITY, DAMAGE TO GOODWILL, ENHANCED DAMAGES, MONETARY REQUESTS RELATING TO RECALL EXPENSES AND REPAIRS TO PROPERTY, AND/OR DAMAGES CAUSED BY DELAY) IN ANY WAY RELATED TO OR ARISING FROM CUMMINS' SUPPLY OF GOODS OR SERVICES UNDER THIS AGREEMENT. IN NO EVENT SHALL CUMMINS' LIABILITY TO CUSTOMER OR ANY THIRD PARTY CLAIMING DIRECTLY THROUGH CUSTOMER OR ON CUSTOMER'S BEHALF UNDER THIS AGREEMENT EXCEED THE TOTAL COST OF GOODS AND SERVICES SUPPLIED BY CUMMINS UNDER THIS AGREEMENT GIVING RISE TO THE CLAIM. BY ACCEPTANCE OF THIS AGREEMENT, CUSTOMER ACKNOWLEDGES CUSTOMER'S SOLE REMEDY AGAINST CUMMINS FOR ANY LOSS SHALL BE THE REMEDY PROVIDED HEREIN EVEN IF THE EXCLUSIVE REMEDY IN SECTION 7 IS DEEMED TO HAVE FAILED OF ITS ESSENTIAL PURPOSE.

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INTELLECTUAL PROPERTY Any intellectual property rights created by either party, whether independently or jointly, in the course of the performance of this Agreement or otherwise related to Cummins pre-existing intellectual property or subject matter related thereto, shall be Cummins' property. Customer agrees to assign, and does hereby assign, all right, title, and interest to such intellectual property to Cummins. Any Cummins pre-existing intellectual property shall remain Cummins' property. Nothing in this Agreement shall be deemed to have given Customer a licence or any other rights to use any of the intellectual property rights of Cummins.

COMPLIANCE WITH LAWS Customer shall comply with all laws applicable to its activities under this Agreement, including without limitation, all applicable national, provincial, and local export, anti-bribery, environmental, health, and safety laws and regulations in effect. Customer acknowledges that the Goods, and any related technology that are sold or otherwise provided hereunder may be subject to export and other trade controls restricting the sale, export, re-export and/or transfer, directly or indirectly, of such Goods or technology to certain countries or parties, including, but not limited to, licensing requirements under applicable laws and regulations of the United States, the United Kingdom and other jurisdictions. It is the intention of Cummins to comply with these laws, rules, and regulations. Any other provision of this Agreement to the contrary notwithstanding, Customer shall comply with all such applicable laws relating to the cross-border movement of goods or technology, and all related orders in effect from time to time, and equivalent measures. Customer shall accept full responsibility for any and all civil or criminal liabilities and costs arising from any breaches of those laws and regulations and will defend, indemnify, and hold Cummins harmless from and against any and all fines, penalties, claim, damages, liabilities, judgments, costs, fees, and expenses incurred by Cummins or its affiliates as a result of Customer's breach.

CONFIDENTIALITY Each party shall keep confidential any information received from the other that is not generally known to the public and at the time of disclosure, would reasonably be understood by the receiving party to be proprietary or confidential, whether disclosed in oral, written, visual, electronic, or other form, and which the receiving party (or agents) learns in connection with this Agreement including, but not limited to: (a) business plans, strategies, sales, projects and analyses; (b) financial information, pricing, and fee structures; (c) business processes, methods, and models; (d) employee and supplier information; (e) specifications; and (f) the terms and conditions of this Agreement. Each party shall take necessary steps to ensure compliance with this provision by its employees and agents.

PRICING To the extent allowed by law, actual prices may vary from the price at the time of order placement, as the same will be based on prices prevailing on the date of shipment. Subject to local laws, Cummins reserves the right to adjust pricing on goods and services due to input and labor cost changes and other unforeseen circumstances beyond Cummins' control.

MISCELLANEOUS All notices under this Agreement shall be in writing and be delivered personally, mailed via first class certified or registered mail, or sent by a nationally recognized express courier service to the addresses set forth in the Quote and/or Invoice. No amendment of this Agreement shall be valid unless it is writing and signed by the parties hereto. Failure of either party to require performance by the other party of any provision hereof shall in no way affect the right to require such performance at any time thereafter or the enforceability of the Agreement generally, nor shall the waiver by a party of a breach of any of the provisions hereof constitute a waiver of any succeeding breach. Any provision of this Agreement that is invalid or unenforceable shall not affect the validity or enforceability of the remaining terms hereof. These terms are exclusive and constitute entire agreement. Customer acknowledges that the provisions were freely negotiated and bargained for and Customer has agreed to purchase of the Goods and/or Services pursuant to these terms and conditions. Acceptance of this Agreement is expressly conditioned on Customer's assent to all such terms and conditions. Neither party has relied on any statement, representation, agreement, understanding, or promise made by the other except as expressly set out in this Agreement.

To the extent applicable, this contractor and subcontractor shall abide by the requirements of 41 CFR §§ 60-1.4(a), 60-300.5(a) and 60-741.5(a). These regulations prohibit discrimination against qualified individuals based on their status as protected veterans or individuals with disabilities and prohibit discrimination against all individuals based on their race, color, religion, sex, sexual orientation, gender identity or national origin. Moreover, these regulations require that covered prime contractors and subcontractors take affirmative action to employ and advance in employment individuals without regard to race, color, religion, sex, sexual orientation, gender identity, national origin, protected veteran status or disability. The employee notice requirements set forth in 29 CFR Part 471, Appendix A to Subpart A, are hereby incorporated by reference into this contract.



Agenda Item #8.b.

Agenda Item Name:

Consider Acceptance of the 2022 Annual Financial Report and Associated Audit Report

Presenter:

Scott Rust, Finance Director

Item Description:

Formally accept the 2022 Financial Statements and Audit Report.

Recommended Action:

Move to accept the 2022 Annual Financial Report and the Associated Audit Report.

Fiscal Impact:

Audit

Operational Impact:

Overall, the audit determined the 2022 Financial Statements fairly presented, in all material respects, the financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City.

Prior Board Motions:

N/A

Background Information:

Each year, the Council reviews the audit and financial reports and determines if the documents are acceptable.

Executive Summary:

Each year, the Council reviews the audit and financial reports and determines if the documents are acceptable.

Notification Requirements:

N/A

Prepared By:

Scott Rust, Finance Director

Attachments:

1. 2022 City of Rifle Financial Statements

City of Rifle, Colorado
Financial Statements
with Independent Auditors' Report
December 31, 2022



City of Rifle, Colorado

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**HINKLE &
COMPANY**
Strategic ^{PC}
Business Advisors

Independent Auditor's Report

City Council
City of Rifle, Colorado
Rifle, Colorado

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities and each major fund of the City of Rifle, Colorado (the City) as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the basic financial statements of the City, as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and each major fund of the City as of December 31, 2022, and the respective changes in financial position and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

The City's management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Office Locations:

Colorado Springs, CO
Denver, CO
Tulsa, OK

Denver Office:

750 W. Hampden Avenue
Suite 400
Englewood,
Colorado 80110
TEL: 303.796.1000
FAX: 303.796.1001
www.HinkleCPAs.com

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.



Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the required supplementary information listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The supplementary information and the local highway finance report listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling the information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Hick & Company, PC

Englewood, Colorado
July 14, 2023



City of Rifle, Colorado
Management's Discussion and Analysis
December 31, 2022

As management of the City of Rifle, Colorado, we offer readers of the City of Rifle financial statements, this narrative overview, and analysis of the financial activities of the City for the fiscal year ended December 31, 2022.

Financial Highlights

- The assets of the City of Rifle exceeded its liabilities at the close of 2021 by \$155,056,322 (net position). Of this amount; \$108,637,874 was categorized as net investment in capital assets, \$293,906 was nonspendable, \$3,021,553 was restricted, \$169,814 was assigned and \$42,933,175 was unrestricted and can be used to meet the government's ongoing obligations.
- Total net position across the entire entity increased by \$6,024,882 or 4.04%.
- The General fund unassigned fund balance at December 31, 2022, was \$9,986,249; this equates to 97.51% of 2022 total general fund expenditures.
- The business-type activities net position increased \$4,268,969 to \$76,945,561 during the year. The Water Fund increased \$2,546,914; Sewer Fund increased \$1,700,801; and the Sanitation Fund increased \$21,254.

Overview of Report

This discussion and analysis is intended to serve as an introduction to the City of Rifle's basic financial statements. The City's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

Government-Wide Financial Statements – The *government-wide financial statements* are designed to provide readers with a broad overview of the City's finances, in a manner similar to private-sector business, on an accrual basis. Note 1 to the statements, starting on p. 13, provides a further description of the related *Statement of Net Position* and *Statement of Activities*, which report City activities in two categories - *governmental activities* and *business-type activities*.

Governmental activities are most of the City's basic services including general administration, police, property inspection, public works, cemetery, parks maintenance and recreation, senior services, downtown development, visitor improvement, and urban renewal. Taxes and intergovernmental revenues principally support these services.

Business-type activities include the City's water, wastewater (sewer) and sanitation (trash) services. Customer service fees are expected to cover all or most of the cost of services provided to support these activities.

The government-wide financial statements can be found on pages 4-5 of this report and are described further in Note 1 to the Financial Statements, starting on p. 13.

City of Rifle, Colorado
Management's Discussion and Analysis
December 31, 2022

Fund Financial Statements – A fund is a grouping of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. The City of Rifle, like other local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the City's funds can be divided into three categories, **governmental funds**, **proprietary funds**, and **fiduciary funds**. The City of Rifle adopts an annual appropriated budget for all funds. A budgetary comparison statement has been provided for all funds to demonstrate compliance with the state budget statutes.

- 1) Governmental Funds – Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the *government-wide financial statements*. However, unlike the *government-wide financial statements*, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on balances of spendable resources available at the end of the fiscal year, using the *modified accrual basis*. See Note 1 for more detail.

Because the focus of governmental funds is narrower than that of the *government-wide financial statements*, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the City's near-term financing decisions. Both the governmental fund *balance sheet* and the governmental fund *statement of revenues, expenditures, and changes in fund balances* provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City of Rifle maintains nine individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the major funds which include the General Fund, Street Improvement Fund, Capital Improvement fund, and the Parks and Recreation Fund. Data from the other (non-major) funds are combined into a single, aggregated presentation with the column heading Other Governmental Funds. The non-major funds are Conservation Trust, Visitor Improvement, Downtown Development Authority, Rifle Tourism and Industry, and Urban Renewal Authority.

The basic governmental financial statements for the major funds are found on pages 6-9 of this report. The basic governmental financial statements for the non-major funds are found on pages 34-41.

- 2) Proprietary Funds – The City of Rifle maintains two different types of proprietary funds; Enterprise and Internal Service funds.

Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its water, sewer, and sanitation operations.

City of Rifle, Colorado
Management's Discussion and Analysis
December 31, 2022

Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City of Rifle uses two internal service funds to account for its fleet maintenance and information technology operations. Because most of these services predominantly benefit the governmental rather than the business-type functions and are included with the governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for each of the proprietary funds. However, only the water and sewer funds are considered major funds.

The basic proprietary fund financial statements can be found on pages 10-12 of this report. The budget and actual reports are shown on pages 42-44.

- 3) Fiduciary Funds – Fiduciary funds are used to account for resources held for the benefit of outside parties. The City's only fiduciary fund is the Cemetery Perpetual Care Fund. The fund is not reflected in the government-wide financial statements because the resources of this fund are not available to support City operations.

Notes to the Financial Statements – The notes provide additional information that is essential to the full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 13-28 of this report.

Other Information – In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City Of Rifle. This information is presented in the State Compliance section on pages 45-46.

Government-Wide Financial Results

The City of Rifle's net position may serve over time as a useful indicator of the City's financial position. The City of Rifle's assets exceeded its liabilities (net position) at the close of 2022 by \$155,056,322.

The largest portion of the City's net position (70%) is the investment in capital assets (e.g., land, buildings, infrastructure, and equipment); less any related outstanding debt used to acquire the assets. These capital assets are used to provide services to citizens, and consequently are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, the related resources needed to repay this debt must be provided from other sources because the capital assets themselves cannot be used to liquidate these liabilities.

City of Rifle, Colorado
Management's Discussion and Analysis
December 31, 2022

Net Position

The following table shows the City's net position for 2022 as compared to 2021.

STATEMENT OF NET POSITION
December 31, 2022 and 2021

	Governmental Activities		Business Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Current and other assets	\$ 27,841,318	\$ 26,205,206	\$ 23,636,799	\$ 20,408,254	\$ 51,478,117	\$ 46,613,460
Capital assets (net)	58,700,880	59,179,796	79,890,154	81,250,639	138,591,034	140,430,435
Total assets	86,542,198	85,385,002	103,526,953	101,658,893	190,069,151	187,043,895
Other liabilities	1,009,093	2,561,912	2,944,924	2,870,282	3,954,017	5,432,194
Long-term liabilities	4,264,857	4,533,619	23,566,571	26,042,122	27,831,428	30,575,741
Total liabilities	5,273,950	7,095,531	26,511,495	28,912,404	31,785,445	36,007,935
Deferred Inflows:						
Property Taxes/Tap Fees	3,157,487	1,934,623	69,897	69,897	3,227,384	2,004,520
Net position:						
Invested in capital assets net of related debt	54,684,740	54,815,644	53,953,134	52,927,704	108,637,874	107,743,348
Nonspendable						
Cemetery Perpetual Care	293,906	258,416	-	-	293,906	258,416
Restricted For:						
for Emergencies	855,000	528,338	205	143,144	855,205	671,482
for Parks and Recreation	472,734	161,953	-	-	472,734	161,953
for Debt Service and O&M Reserves	203,417	180,698	1,490,197	995,162	1,693,614	1,175,860
Assigned for:						
for Channel10	36,293	30,500	-	-	36,293	30,500
for Senior Center Meals and Capital	131,049	101,197	-	-	131,049	101,197
for Police Expenditures	2,472	2,472	-	-	2,472	2,472
Unrestricted	21,431,150	20,275,630	21,502,025	18,610,582	42,933,175	38,886,212
Total Net Position	\$ 78,110,761	\$ 76,354,848	\$ 76,945,561	\$ 72,676,592	\$ 155,056,322	\$ 149,031,440

An additional portion of the City's net position balance (2.25%) represents resources that are subject to external restrictions on how they may be used. The remaining *unrestricted* balance of (27.69%) may be used to meet the City's ongoing obligations to citizens and creditors.

Restricted net position is the portion of net position legally restricted less any non-capital-related liabilities payable from those resources. As of December 31, 2022, non-spendable and restricted net position in the governmental activities included the following: Cemetery Perpetual Care (\$293,906), Debt Service (203,417), TABOR Emergencies (\$855,000), and Parks and Recreation (\$472,734). The Business-Type Activities includes restricted net position of the following: Debt Service and O&M reserves (\$1,490,197), and TABOR Emergencies (\$205). The remaining balance of net position (unrestricted net position) totals \$42,933,175. These assets may be used to meet the City's ongoing obligations to citizens and creditors.

City of Rifle, Colorado
Management's Discussion and Analysis
December 31, 2022

Changes in Net Position

The following summarizes the Statement of Revenues, Expenditures, and Changes in Fund Balance (as on p.8 of the report), with a comparison to the prior year.

	SUMMARY OF CHANGES IN NET POSITION For Years Ended December 31, 2022 and 2021					
	Governmental Activities		Business Type Activities		Total	
	2022	2021	2022	2021	2022	2021
REVENUES						
Program Revenues:						
Charges for services	\$ 1,931,174	\$ 1,708,406	\$ 8,991,769	\$ 8,877,493	\$ 10,922,943	\$ 10,585,899
Operating grants and contributions	3,434,998	\$ 1,815,043	102,518	269,482	3,537,516	2,084,525
Capital grants and contributions	168,408	\$ 206,801	-	-	168,408	206,801
General Revenues:						
Property taxes	856,251	827,737	-	-	856,251	827,737
Sales and use taxes	12,252,686	11,419,731	2,475,498	2,256,632	14,728,184	13,676,363
Other taxes	703,964	604,454	-	-	703,964	604,454
Investment earnings	24,961	146,884	8,277	103,292	33,238	250,176
Other revenues	635,955	192,660	514,773	531,631	1,150,728	724,291
Total revenues	<u>20,008,397</u>	<u>16,921,716</u>	<u>12,092,835</u>	<u>12,038,530</u>	<u>32,101,232</u>	<u>28,960,246</u>
EXPENSES						
General government	4,838,419	4,861,698	-	-	4,838,419	4,861,698
Public Safety	3,171,813	2,899,224	-	-	3,171,813	2,899,224
Public Works	5,625,934	4,312,854	-	-	5,625,934	4,312,854
Cemetery	5,165	3,972	-	-	5,165	3,972
Parks and recreation	3,489,306	3,217,212	-	-	3,489,306	3,217,212
Economic development and assistance	987,467	582,602	-	-	987,467	582,602
Interest Expense	136,376	131,854	-	-	136,376	131,854
Water operations	-	-	4,205,173	4,547,934	4,205,173	4,547,934
Sewer operations	-	-	2,829,013	2,783,990	2,829,013	2,783,990
Sanitation operations	-	-	787,680	749,288	787,680	749,288
Total expenses	<u>18,254,480</u>	<u>16,009,416</u>	<u>7,821,866</u>	<u>8,081,212</u>	<u>26,076,346</u>	<u>24,090,628</u>
Increase in net assets before transfers	1,753,915	912,300	4,270,969	3,957,318	6,024,886	4,869,618
Transfers	2,000	2,000	(2,000)	(2,000)	-	-
Increase in net assets	1,755,915	914,300	4,268,969	3,955,318	6,024,886	4,869,618
Net Position, Beginning of year	76,354,846	75,440,548	72,676,592	68,721,274	149,031,438	144,161,822
Net Position, end of year	<u>\$78,110,761</u>	<u>\$76,354,846</u>	<u>\$76,945,561</u>	<u>\$ 72,676,592</u>	<u>\$ 155,056,324</u>	<u>\$ 149,031,440</u>

FINANCIAL ANALYSIS OF THE CITY'S FUND BALANCE

The City of Rifle uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

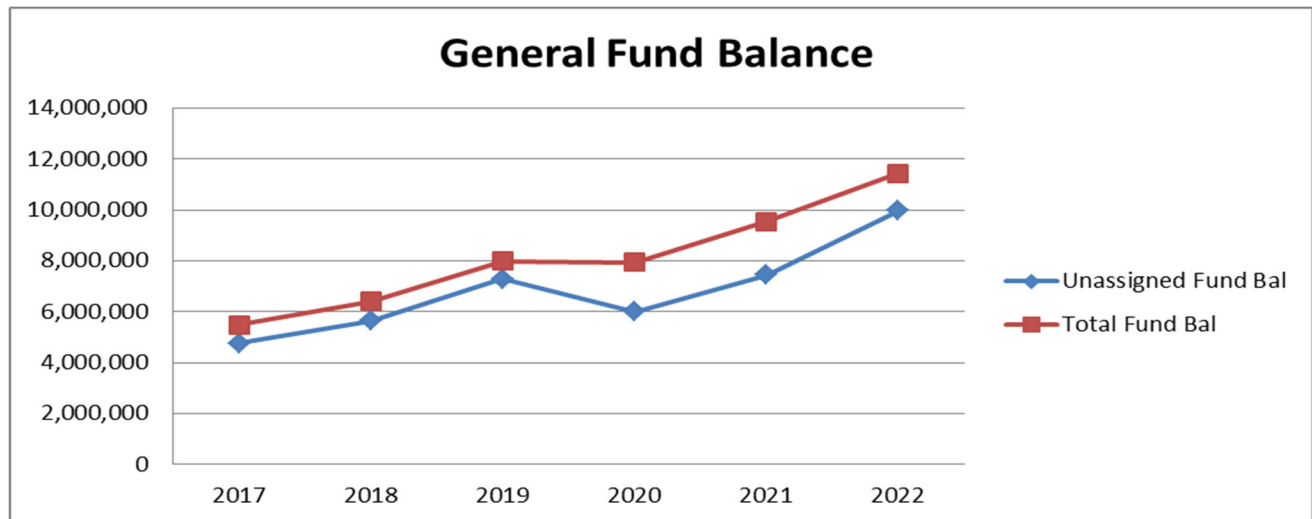
Governmental Funds – The focus of the City's governmental funds statements is to provide information on near-term inflows, outflows, and balances of spendable resources. This information is useful in assessing the City's financial requirements. In particular, unreserved fund balance may serve as a useful measure of net resources available for spending at the end of the fiscal year.

City of Rifle, Colorado
Management's Discussion and Analysis
December 31, 2022

One of the differences between the governmental activities as reported in the government-wide *Statement of Activities* and the individual governmental fund financial statements is the reporting of capital asset acquisitions. For the government-wide financial statements, any new assets are capitalized and only depreciation expense for those assets is reported in the *Statement of Activities*. In the individual governmental fund financial statements, the expenditure for the capital asset acquisitions is reported in the *Statement of Revenues, Expenditures, and Changes in Fund Balance*. Therefore, governmental fund capital outlay expenditures of \$3,026,907 acquired in 2022 (page 9) are not reflected in the *Statement of Activities*.

At year-end 2022, governmental funds as reported on the *Balance Sheet – Governmental Funds* (page 6) reported a combined fund balance of \$23,995,219, a decrease of \$2,163,718 from the prior year. The General Fund balance increased \$1,887,718 or 19.74%. The Street Improvement Fund balance decreased \$459,972 or 10.2%. The Parks and Recreation Fund balance increased \$446,844 or 17.6%.

The General Fund unassigned fund balance at December 31, 2022 was \$9,986,249, or 97.51% of 2022 annual expenditures. Unassigned fund balance increased \$2,533,536 with expenditures exceeding revenues by \$1,887,718. The following chart gives a 5-year trend analysis of these amounts.



Proprietary Funds – The City's proprietary funds statements provide the same type of information found in the government-wide financial statements, but in more detail. The Proprietary Funds include the Water, Wastewater (Sewer), and Sanitation (Trash) Funds. The Proprietary Fund Net Position increased \$4,268,969 to \$76,945,561. Investment in capital assets, net of related debt represents 70.11% of total net position.

City of Rifle, Colorado
Management's Discussion and Analysis
December 31, 2022

ENTERPRISE FUND NET POSITION
December 31, 2022 and 2021

	<u>Water</u>		<u>Wastewater</u>		<u>Sanitation</u>		<u>Total</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Investment in capital assets								
net of related debt	\$ 36,520,636	\$ 35,666,983	\$ 17,432,497	\$ 17,260,721	\$ -	\$ -	\$ 53,953,133	52,927,704
Restricted:								
For Emergencies	205,000	143,114	-	-	-	-	205,000	143,114
For Operations and Maintenance Reserve	663,535	608,678	826,662	386,484	-	-	1,490,197	995,162
Unrestricted	<u>15,010,345</u>	<u>13,433,827</u>	<u>6,107,828</u>	<u>5,018,981</u>	<u>179,058</u>	<u>157,804</u>	<u>21,297,231</u>	<u>18,610,612</u>
Total net position	<u>\$52,399,516</u>	<u>\$49,852,602</u>	<u>\$24,366,987</u>	<u>\$22,666,186</u>	<u>\$179,058</u>	<u>\$157,804</u>	<u>\$76,945,561</u>	<u>\$72,676,592</u>

In the Wastewater Fund, a new treatment plant was completed in 2009. The plant was funded via Colorado Water Resources and Power Development Authority loan. Annual increases in wastewater user fees assist with meeting the debt covenants.

A replacement Water Treatment plant was constructed with \$23.8 million loan obtained from the Colorado Water Resources and Power Development Authority. Water user fees and a voter-approved .75% sales and use tax are being used to pay back the loan.

Unrestricted net position is reserved for the operation and maintenance component of all the proprietary funds. The Sewer Fund has continued to increase user fees annually to meet increasing costs of operation and to replace decaying infrastructure, which includes collection and distribution lines. The Water Fund has also continued to increase user fees to ensure proper funding for care and maintenance of existing facilities.

In 2022, the Water fund increased Net Position by \$2,546,914. Wastewater increased by \$1,700,801. The Sanitation fund incurred a net increase of \$21,254.

Total unrestricted net position increased \$2,686,619 during 2022. The Water Fund's unrestricted net position increased by \$1,576,518; Wastewater Fund increased \$1,088,847; and the Sanitation Fund increased by \$21,254.

General Fund Budgetary Highlights

The General Fund revenues increased by \$1,100,919 or 9.98% from 2021 and exceeded budget by \$1,760,390 or 16.98%. Expenditures increase \$823,743 from 2021 or 8.75% and were under budget by \$654,023, or 6.00%. Management and City Council continue to budget conservatively to ensure the City has the flexibility to address community needs.

Capital Asset and Debt Administration

Capital assets – At the end of 2022, the City had \$138,591,034 invested in capital assets net of depreciation. Investment in capital assets includes land, buildings, improvements, machinery and equipment, park facilities, roads, bridges, and trails. Total investment in capital assets for the current year decreased by 1.31%.

City of Rifle, Colorado
Management's Discussion and Analysis
December 31, 2022

CAPITAL ASSETS AT YEAR-END (Net of Depreciation) As of December 31, 2022 and 2021						
	Governmental Activities		Business Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Land & Rights	\$ 4,365,823	\$ 4,378,899	\$ 1,985,544	\$ 1,985,544	\$ 6,351,367	\$ 6,364,443
Construction in Process	699,908	1,107,558	651,352	651,352	1,351,260	1,758,910
Buildings	9,133,699	8,480,519	47,360,115	49,228,747	56,493,814	57,709,266
Improvements	42,714,799	43,471,078	28,708,648	28,392,271	71,423,447	71,863,349
Equipment	671,652	792,708	1,184,495	992,725	1,856,147	1,785,433
Int Svc Equipment & Vehicles	1,114,999	949,034	-	-	1,114,999	949,034
Total	<u>\$ 58,700,880</u>	<u>\$ 59,179,796</u>	<u>\$ 79,890,154</u>	<u>\$ 81,250,639</u>	<u>\$ 138,591,034</u>	<u>\$ 140,430,435</u>

Debt Administration – At the end of 2022, the City of Rifle had a balance of \$29,778,573 outstanding in revenue bonds; revenue notes payable, notes payable and capital leases, of which \$3,884,999 is a construction loan for the pool renovation. Footnote disclosure number 4 on page 21 provides additional information regarding this and other obligations. The City has no general obligation debt.

OUTSTANDING DEBT Years Ended December 31, 2022 and 2021						
	Governmental Activities		Business Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Revenue bonds and notes payable	\$ -	\$ -	\$ 25,893,574	\$ 28,294,438	\$ 25,893,574	\$ 28,294,438
Construction Loan	\$ 3,884,999	\$ 4,037,739	-	-	\$ 3,884,999	\$ 4,037,739
Total	<u>\$ 3,884,999</u>	<u>\$ 4,037,739</u>	<u>\$ 25,893,574</u>	<u>\$ 28,294,438</u>	<u>\$ 29,778,573</u>	<u>\$ 32,332,177</u>

Certificates of Participation - In 2015, the City issued \$5,085,000 in certificates of participation for a water tank construction project with lease payments continuing until 2035.

City of Rifle, Colorado
Management's Discussion and Analysis
December 31, 2022

Economic Factors

In 2022 the City of Rifle experienced a 9.07% increase in sales and use tax collections. A conservative approach was taken in the preparation of the 2022 budget. Therefore, the strong sales and use tax collection led the city to exceed revenue expectations. The City of Rifle, as a result of thoughtful leadership and prudent management, built up the reserves in its General Fund as well as other major funds across the reporting entity. The City continues to deal with the impacts of the recent pandemic. However, The City of Rifle believes recovery is nearly complete. The City of Rifle continues to take steps to stimulate the local economy and drive new business to the area. The local economy has made a significant start to return to pre-pandemic levels of economic activity. In 2023 the city expects continued growth in the local economy. However, with high levels of inflation and economic uncertainty continuing the City will continue to develop fiscally conservative budgets while still maintaining excellent service levels. Additionally, The City of Rifle is continuing to pursue infrastructure improvements, particularly in regard to city streets and water/wastewater.

Request for Information

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information, please contact the Finance office at the City of Rifle, 202 Railroad Ave, Rifle, CO 81650.

Basic Financial Statements

City of Rifle, Colorado
Statement of Net Position
December 31, 2022

	Governmental Activities	Business-Type Activities	Totals
Assets			
Cash and Investments	\$ 24,230,946	\$ 22,130,940	\$ 46,361,886
Accounts Receivable	210,411	1,239,232	1,449,643
Property Taxes Receivable	716,359	-	716,359
Taxes Receivable	2,672,458	-	2,672,458
Inventory	11,144	265,131	276,275
Prepaid Expenses	-	1,496	1,496
Capital Assets, <i>Not Being Depreciated</i>	5,065,731	2,636,896	7,702,627
Capital Assets, <i>Net of Accumulated Depreciation</i>	<u>53,635,149</u>	<u>77,253,258</u>	<u>130,888,407</u>
 Total Assets	 <u><u>86,542,198</u></u>	 <u><u>103,526,953</u></u>	 <u><u>190,069,151</u></u>
Liabilities			
Accounts Payable	336,870	177,184	514,054
Accrued Salaries	15,700	66,177	81,877
Accrued Liabilities	-	83,999	83,999
Accrued Interest Payable	-	239,002	239,002
Deposits	365,638	10,840	376,478
Retainage Payable	71,186	-	71,186
Noncurrent Liabilities			
Due Within One Year	219,699	2,367,722	2,587,421
Due in More Than One Year	<u>4,264,857</u>	<u>23,566,571</u>	<u>27,831,428</u>
 Total Liabilities	 <u><u>5,273,950</u></u>	 <u><u>26,511,495</u></u>	 <u><u>31,785,445</u></u>
Deferred Inflows of Resources			
Property Taxes	3,157,487	-	3,157,487
Deferred Tap Fees	<u>-</u>	<u>69,897</u>	<u>69,897</u>
 Total Deferred Inflows of Resources	 <u><u>3,157,487</u></u>	 <u><u>69,897</u></u>	 <u><u>3,227,384</u></u>
Net Position			
Net Investment in Capital Assets	54,684,740	53,953,134	108,637,874
Restricted For:			
Emergencies	855,000	205,000	1,060,000
Debt Service	203,417	-	203,417
Parks and Recreation	472,734	-	472,734
Operations and Maintenance Reserve	-	1,490,197	1,490,197
Unrestricted	<u>21,894,870</u>	<u>21,297,230</u>	<u>43,192,100</u>
 Total Net Position	 <u><u>\$ 78,110,761</u></u>	 <u><u>\$ 76,945,561</u></u>	 <u><u>\$ 155,056,322</u></u>

See Notes to the Financial Statements.

City of Rifle, Colorado
Statement of Activities
For the Year Ended December 31, 2022

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Change in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Totals
Primary Government							
<i>Governmental Activities</i>							
General Government	\$ 4,838,419	\$ 1,122,715	\$ 1,353,422	\$ 168,408	\$ (2,193,874)	\$ -	\$ (2,193,874)
Public Safety	3,171,813	33,657	1,492,553	-	(1,645,603)	-	(1,645,603)
Public Works	5,625,934	-	525,023	-	(5,100,911)	-	(5,100,911)
Cemetery	5,165	41,398	-	-	36,233	-	36,233
Parks and Recreation	3,489,306	494,691	-	-	(2,994,615)	-	(2,994,615)
Economic Development	987,467	238,713	64,000	-	(684,754)	-	(684,754)
Interest on Long-Term Debt	136,376	-	-	-	(136,376)	-	(136,376)
Total Government Activities	18,254,480	1,931,174	3,434,998	168,408	(12,719,900)	-	(12,719,900)
<i>Business-Type Activities</i>							
Water Utility	4,205,173	3,753,931	-	-	-	(451,242)	(451,242)
Wastewater Utility	2,829,013	4,426,254	102,518	-	-	1,699,759	1,699,759
Sanitation Operations	787,680	811,584	-	-	-	23,904	23,904
Total Business-Type Activities	7,821,866	8,991,769	102,518	-	-	1,272,421	1,272,421
Total Primary Government	\$ 26,076,346	\$ 10,922,943	\$ 3,537,516	\$ 168,408	(12,719,900)	1,272,421	(11,447,479)
General Revenues							
					856,251	-	856,251
					54,524	-	54,524
					12,252,686	2,475,498	14,728,184
					443,828	-	443,828
					205,612	-	205,612
					76,098	-	76,098
					24,961	8,277	33,238
					209,479	-	209,479
					350,376	514,773	865,149
					2,000	(2,000)	-
Transfers							
					</		

City of Rifle, Colorado
Balance Sheet
Governmental Funds
December 31, 2022

	General	Street Improvements	Parks and Recreation	Capital Improvement	Nonmajor Governmental Funds	Totals
Assets						
Cash and Investments	\$ 11,471,006	\$ 5,123,574	\$ 2,983,446	\$ 2,818,701	\$ 1,834,219	\$ 24,230,946
Accounts Receivable	204,661	1,750	-	-	4,000	210,411
Taxes Receivable	2,633,801	-	-	-	38,656	2,672,457
Property Taxes Receivable	669,952	-	-	-	46,407	716,359
Due from Other Fund	68,629	-	-	-	-	68,629
Total Assets	15,048,049	5,125,324	2,983,446	2,818,701	1,923,282	27,898,802
Liabilities						
Accounts Payable	126,013	99,176	28,450	3,495	52,138	309,272
Retainage Payable	-	64,805	5,403	978	-	71,186
Deferred Revenue	2,441,128	-	-	-	-	2,441,128
Deposits	362,688	-	350	-	2,600	365,638
Total Liabilities	2,929,829	163,981	34,203	4,473	54,738	3,187,224
Deferred Inflows of Resources						
Property Taxes	669,952	-	-	-	46,407	716,359
Fund Balances						
Nonspendable						
Cemetery Perpetual Care	-	-	-	-	293,906	293,906
Restricted For:						
Emergencies	855,000	-	-	-	-	855,000
Debt Service	203,417	-	-	-	-	203,417
Parks and Recreation	233,788	-	-	-	238,946	472,734
Assigned For:						
Channel 10	36,293	-	-	-	-	36,293
Senior Center Capital and Meals	131,049	-	-	-	-	131,049
Police Expenditures	2,472	-	-	-	-	2,472
Economic Development	-	-	-	-	1,289,285	1,289,285
Street Improvement	-	4,961,343	-	-	-	4,961,343
Parks and Recreation	-	-	2,949,243	-	-	2,949,243
Capital Improvements	-	-	-	2,814,228	-	2,814,228
Unrestricted, Unassigned	9,986,249	-	-	-	-	9,986,249
Total Fund Balances	11,448,268	4,961,343	2,949,243	2,814,228	1,822,137	23,995,219
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 15,048,049	\$ 5,125,324	\$ 2,983,446	\$ 2,818,701	\$ 1,923,282	\$ 27,898,802

City of Rifle, Colorado
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
December 31, 2022

**Amounts Reported for Governmental Activities
in the Statement of Net Position are Different Because:**

Total Fund Balances of Governmental Funds	\$ 23,995,219
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in governmental funds.	57,585,881
Long-term liabilities and related items are not due and payable in the current year and, therefore, are not reported in governmental funds.	
Notes Payable	(3,884,999)
Accrued Compensated Absences	(599,557)
Internal Service Funds are blended into Governmental Activities	<u>1,014,217</u>
Total Net Position of Governmental Activities	\$ <u><u>78,110,761</u></u>

City of Rifle, Colorado
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2022

	General	Street Improvements	Parks and Recreation	Capital Improvement	Nonmajor Governmental Funds	Totals
Revenues						
Taxes	\$ 8,194,165	\$ 1,650,332	\$ 3,300,665	\$ -	\$ 667,740	\$ 13,812,902
Licenses and Permits	239,077	232,853	-	-	-	471,930
Intergovernmental	2,021,217	1,415,600	45,420	-	197,268	3,679,505
Charges for Services	1,077,551	2,865	422,945	-	250,918	1,754,279
Investment Income	12,454	3,641	1,740	2,260	4,623	24,718
Other	271,569	-	341	-	68,480	340,390
Total Revenues	11,816,033	3,305,291	3,771,111	2,260	1,189,029	20,083,724
Expenditures						
Current						
General Government	3,992,102	-	-	-	-	3,992,102
Public Safety	3,441,903	-	-	-	-	3,441,903
Public Works	2,033,137	101,310	-	-	-	2,134,447
Parks and Recreation	455,248	-	2,690,207	-	-	3,145,455
Economic Development	-	-	-	-	993,108	993,108
Capital Outlay	139,912	3,044,009	82,497	643,401	122,793	4,032,612
Debt Service						
Principal	-	-	159,990	-	-	159,990
Interest and Fiscal Charges	-	-	136,376	-	-	136,376
Total Expenditures	10,062,302	3,145,319	3,069,070	643,401	1,115,901	18,035,993
Revenues Over (Under) Expenditures	1,753,731	159,972	702,041	(641,141)	73,128	2,047,731
Other Financing Sources (Uses)						
Disposal of capital assets	287,987	-	-	-	-	287,987
Debt proceeds	-	-	-	-	-	-
Transfers In	25,000	300,000	10,600	-	47,000	382,600
Transfers Out	(179,000)	-	(300,000)	-	(75,600)	(554,600)
Total Other Financing Sources (Uses)	133,987	300,000	(289,400)	-	(28,600)	115,987
Net Change in Fund Balances	1,887,718	459,972	412,641	(641,141)	44,528	2,163,718
Fund Balances, Beginning of year	9,560,550	4,501,371	2,536,602	3,455,369	1,777,609	21,831,501
Fund Balances, End of year	\$ 11,448,268	\$ 4,961,343	\$ 2,949,243	\$ 2,814,228	\$ 1,822,137	\$ 23,995,219

See Notes to the Financial Statements.

City of Rifle, Colorado
Reconciliation of the Statement of Revenues, Expenditures and Changes in
Fund Balances of Governmental Funds to the Statement of Activities
Governmental Funds
For the Year Ended December 31, 2022

**Amounts Reported for Governmental Activities
in the Statement of Activities are Different Because:**

Net Change in Fund Balances of Governmental Funds	\$ 2,163,718
Capital outlays to purchase or construct capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are capitalized in the statement of net position and are allocated over their estimated useful lives as annual depreciation expense in the statement of activities.	
Capital Outlay	3,026,907
Depreciation Expense	(3,523,166)
Disposal of Capital Assets	(148,622)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	
Payment of Note Payable Principal	152,740
Change in Accrued Compensated Absences	51,554
Internal Service Funds are blended into Governmental Activities:	
Fleet Maintenance and Information Technology Funds, Change in Net Position	<u>32,784</u>
Change in Net Position of Governmental Activities	<u>\$ 1,755,915</u>

City of Rifle, Colorado
Statement of Net Position
Proprietary Funds
December 31, 2022

	Business-Type Activities				Governmental Activities
	Water	Wastewater	Sanitation	Totals	Internal Service Funds
Assets					
<i>Current Assets</i>					
Cash and Investments	\$ 15,542,270	\$ 6,442,909	\$ 145,761	\$ 22,130,940	\$ -
Accounts Receivable	403,761	740,853	94,618	1,239,232	-
Taxes Receivable	-	-	-	-	-
Prepaid Expenses	499	499	498	1,496	-
Inventory	218,927	46,203	-	265,130	11,144
Total Current Assets	16,165,457	7,230,464	240,877	23,636,798	11,144
<i>Noncurrent Assets</i>					
Capital Assets					
<i>Not Being Depreciated</i>	1,831,192	805,704	-	2,636,896	-
Capital Assets					
<i>Net of Accumulated Depreciation</i>	53,793,134	23,460,125	-	77,253,259	1,114,999
Total Noncurrent Assets	55,624,326	24,265,829	-	79,890,155	1,114,999
Total Assets	71,789,783	31,496,293	240,877	103,526,953	1,126,143
Liabilities					
<i>Current Liabilities</i>					
Accounts Payable	81,260	34,201	61,723	177,184	27,597
Accrued Liabilities	38,431	111,649	96	150,176	15,700
Accrued Interest Payable	136,805	102,197	-	239,002	-
Due to Other Funds	-	-	-	-	68,629
Deposits	10,840	-	-	10,840	-
Compensated Absences	8,144	-	-	8,144	-
Loan Payable - Current Portion	1,138,490	996,088	-	2,134,578	-
Certificates of Participation - Current Portion	225,000	-	-	225,000	-
Total Current Liabilities	1,638,970	1,244,135	61,819	2,944,924	111,926
<i>Noncurrent Liabilities</i>					
Compensated Absences	32,575	-	-	32,575	-
Notes Payable	14,341,753	5,837,243	-	20,178,996	-
Certificates of Participation	3,355,000	-	-	3,355,000	-
Total Noncurrent Liabilities	17,729,328	5,837,243	-	23,566,571	-
Total Liabilities	19,368,298	7,081,378	61,819	26,511,495	111,926
Deferred Inflows of Resources					
Deferred Tap Fees	21,969	47,928	-	69,897	-
Net Position					
Net Investment in Capital Assets	36,520,636	17,432,497	-	53,953,133	1,114,999
Restricted for:					
Emergencies	205,000	-	-	205,000	-
Operations and Maintenance Reserve	663,535	826,662	-	1,490,197	-
Unrestricted	15,010,345	6,107,828	179,058	21,297,231	(100,782)
Total Net Position	\$ 52,399,516	\$ 24,366,987	\$ 179,058	\$ 76,945,561	\$ 1,014,217

See Notes to the Financial Statements.

City of Rifle, Colorado
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
For the Year Ended December 31, 2022

	Business-Type Activities				Governmental Activities Internal Service Funds
	Water	Wastewater	Sanitation	Total	
Operating Revenues					
Charges for Services	\$ 3,534,072	\$ 4,305,065	\$ 811,584	\$ 8,650,721	\$ 1,377,186
Sale of Materials	24,748	-	-	24,748	-
Operating Grants	-	102,518	-	102,518	-
Other	492,997	433	-	493,430	-
Total Operating Revenues	4,051,817	4,408,016	811,584	9,271,417	1,377,186
Operating Expenses					
Personal Services	915,904	634,528	14,920	1,565,352	445,176
Supplies	80,619	92,426	-	173,045	266,764
Purchased Services	917,645	643,375	741,787	2,302,807	558,957
Other Expenses	297	66	24	387	-
Management Fees	138,890	85,268	29,912	254,070	-
Fleet Maintenance	38,156	30,525	-	68,681	4,696
Information Technology Maintenance	86,739	45,270	1,037	133,046	8,639
Small Equipment Purchases	7,822	2,058	-	9,880	70,503
Depreciation	1,644,381	1,068,114	-	2,712,495	244,009
Total Operating Expenses	3,830,453	2,601,630	787,680	7,219,763	1,598,744
Operating Income (Loss)	221,364	1,806,386	23,904	2,051,654	(221,558)
Nonoperating Revenues (Expenses)					
Sales and Use Taxes	2,475,498	-	-	2,475,498	-
Investment Income	8,318	609	(650)	8,277	243
Other Revenues	21,343	-	-	21,343	9,986
Gain on Sale of Assets	-	-	-	-	70,113
Amortization of Bond Premiums	69,258	35,614	-	104,872	-
Interest and Fiscal Charges	(443,978)	(262,997)	-	(706,975)	-
Total Nonoperating Revenues (Expenses)	2,130,439	(226,774)	(650)	1,903,015	80,342
Income (Loss) Before Capital Contributions & Transfers	2,351,803	1,579,612	23,254	3,954,669	(141,216)
Capital Contributions					
System Improvement Fees	173,451	121,189	-	294,640	-
Cash in lieu of Water Rights	21,660	-	-	21,660	-
Total Capital Contributions	195,111	121,189	-	316,300	-
Transfers					
Transfers In	-	-	-	-	174,000
Transfers Out	-	-	(2,000)	(2,000)	-
Total Transfers	-	-	(2,000)	(2,000)	174,000
Change in Net Position	2,546,914	1,700,801	21,254	4,268,969	32,784
Net Position, Beginning of year	49,852,602	22,666,186	157,804	72,676,592	981,433
Net Position, End of year	\$ 52,399,516	\$ 24,366,987	\$ 179,058	\$ 76,945,561	\$ 1,014,217

See Notes to the Financial Statements.

City of Rifle, Colorado
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2022

	Business-Type Activities				Governmental Activities Internal Service Funds
	Water	Wastewater	Sanitation	Totals	
Cash Flows From Operating Activities					
Cash Received from Customers	\$ 3,477,084	\$ 4,219,957	\$ 794,086	\$ 8,491,127	\$ 1,377,186
Cash Received from Others	492,997	102,951	-	595,948	-
Cash Payments to Vendors and Suppliers	(2,132,291)	(1,667,790)	(782,460)	(4,582,541)	(1,374,948)
Cash Payments to Employees	(11,345)	79,906	(291)	68,270	1,380
Net Cash Provided (Used) by Operating Activities	1,826,445	2,735,024	11,335	4,572,804	3,618
Cash Flows From Noncapital Financing Activities					
Other Revenues	21,343	-	-	21,343	9,986
Payments from (to) Other Funds	-	-	(2,000)	(2,000)	174,000
Net Cash Provided (Used) by Noncapital Financing Activities	21,343	-	(2,000)	19,343	183,986
Cash Flows From Capital and Related Financing Activities					
Purchases of Capital Assets	(1,146,083)	(205,928)	-	(1,352,011)	(409,974)
Proceeds from Sale of Assets	-	-	-	-	70,113
Advance from General Fund	-	-	-	-	68,629
Proceeds From System Improvement Fees	173,451	121,189	-	294,640	-
Proceeds From Cash in Lieu of Fees	21,660	-	-	21,660	-
Proceeds From Sales and Use Taxes	2,692,024	-	-	2,692,024	-
Principal Payments on Debt	(1,326,140)	(969,852)	-	(2,295,992)	-
Interest Payments on Debt	(457,956)	(282,015)	-	(739,971)	-
Net Cash Provided (Used) by Capital and Related Financing Activities	(43,044)	(1,336,606)	-	(1,379,650)	(271,232)
Cash Flows from Investing Activities					
Interest Received	8,318	609	(650)	8,277	243
Net Increase in Cash and Cash Equivalents	1,813,062	1,399,027	8,685	3,220,774	(83,385)
Cash and Cash Equivalents, Beginning of Year	13,729,208	5,043,882	137,076	18,910,166	83,385
Cash and Cash Equivalents, End of Year	<u>\$ 15,542,270</u>	<u>\$ 6,442,909</u>	<u>\$ 145,761</u>	<u>\$ 22,130,940</u>	<u>\$ -</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities					
Operating Income (Loss)	\$ 221,364	\$ 1,806,386	\$ 23,904	\$ 2,051,654	\$ (221,558)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities					
Depreciation	1,644,381	1,068,114	-	2,712,495	244,009
Changes in Asset and Liabilities					
Accounts Receivable	(81,736)	(85,108)	(17,498)	(184,342)	-
Inventory	(5,453)	(34,501)	-	(39,954)	-
Accounts Payable	59,234	(99,773)	5,220	(35,319)	(20,213)
Accrued Liabilities	(11,345)	79,906	(291)	68,270	1,380
Net Cash Provided (Used) by Operating Activities	<u>\$ 1,826,445</u>	<u>\$ 2,735,024</u>	<u>\$ 11,335</u>	<u>\$ 4,572,804</u>	<u>\$ 3,618</u>

See Notes to the Financial Statements.

City of Rifle, Colorado
Notes to the Financial Statements
December 31, 2022

Note 1: Summary of Significant Accounting Policies

The financial statements of the City of Rifle (the City) have been prepared in conformity with generally accepted accounting principles (GAAP) as applicable to governmental entities. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies are described below.

The City of Rifle was incorporated in 1905 and became a Home Rule City in 1963. The City operates under a Council-Manager form of government and provides the following services as authorized by its charter: public safety, highways and streets, water, sewer, sanitation, health and social services, culture and recreation, education, public improvements, planning and zoning, and general administrative services. The City's basic financial statements include the accounts of all City operations.

Reporting Entity

The financial reporting entity consists of the City, organizations for which the City is financially accountable, and organizations that raise and hold economic resources for the direct benefit of the City. All funds, organizations, institutions, agencies, departments, and offices that are not legally separate are part of the City. Legally separate organizations for which the City is financially accountable are considered part of the reporting entity. Financial accountability exists if the City appoints a voting majority of the organization's governing board and is able to impose its will on the organization, or if there is a potential for the organization to provide benefits to, or impose financial burdens on, the City.

Based on the application of these criteria, the City includes the Downtown Development Agency (DDA) and the Urban Renewal Authority (URA) as blended component units. The DDA and URA were created as separate legal entities by an act of the state legislature and "activated" by action of the City Council to plan and develop the downtown and other blighted areas of the City and to attract new businesses and residents. The governing board of the DDA is appointed by the City Council for fixed terms. The DDA has the complete authority to hire management and all other employees. There is no significant continuing relationship between the City and the DDA for carrying out day-to-day functions. The governing board of the URA is the City Council.

The DDA is a separate taxing body and levies taxes against the property owners within the designated development district and may hold referendums of its constituents. The DDA's levy and the levy of the City are independent of each other and are related only by the fact they are levied against a common tax base within the DDA's geographic boundaries. Property taxes from the DDA's levy are its primary revenue source. The URA's primary source of revenue is increment tax receipts based on the increased assessed valuation of taxes in the Urban Renewal Authority boundaries.

City of Rifle, Colorado
Notes to the Financial Statements
December 31, 2022

Note 1: Summary of Significant Accounting Policies (Continued)

Reporting Entity (Continued)

Because the DDA's governing board is appointed by the City and the budget and any amendments thereto are approved by the City, the DDA is reported as if it were part of the primary government. Similarly, since the URA's governing board is the City Council and the budget and any amendments thereto are approved by the City Council, the URA is reported as if it were part of the primary government.

Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all activities of the City and its component units. For the most part, the effect of interfund activity has been removed from these statements. Exceptions to this general rule are charges for interfund services that are reasonably equivalent to the services provided. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of the given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment.

Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when the liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are *available* when they are collected within the current year or soon enough thereafter to pay liabilities of the current year. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current year.

City of Rifle, Colorado
Notes to the Financial Statements
December 31, 2022

Note 1: Summary of Significant Accounting Policies (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation
(Continued)

Taxes, intergovernmental revenues, and interest associated with the current year are susceptible to accrual and so have been recognized as revenues of the current year. All other revenues are considered measurable and available only when cash is received by the City.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, are recorded only when payment is due.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a fund's principal ongoing operations. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for a specific use, it is the City's practice to use restricted resources first, then unrestricted resources as they are needed.

In the fund financial statements, the City reports the following major governmental funds:

The *General Fund* is the City's primary operating fund. It accounts for all financial resources of the City, except those accounted for in another fund.

The *Street Improvements Fund* receives sales, use, and street impact revenues restricted for public works street improvements.

The *Parks and Recreation Fund* accounts for the operations of the city's parks and recreation programs. It is partially funded through a 1% sales and use tax assessment.

The *Capital Improvement Program Fund* accounts for the operations of the City's Capital Improvement Projects.

Additionally, the City reports the following major proprietary funds:

The *Water Fund* accounts for the financial activities associated with the provision of water services.

The *Wastewater Fund* accounts for the financial activities associated with the provision of sewer services.

The *Sanitation Fund* accounts for the financial activities associated with the City's waste collection services.

City of Rifle, Colorado
Notes to the Financial Statements
December 31, 2022

Note 1: Summary of Significant Accounting Policies (Continued)

Assets, Liabilities and Net Position/Fund Balances

Cash Equivalents - For purposes of the statement of cash flows, cash equivalents are defined as investments with original maturities of three months or less. The City considers all pooled cash and investments to be cash equivalents.

Receivables - Receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

Interfund Receivables and Payables - During operations, certain transactions occur between individual funds. The resulting receivables and payables are classified on the balance sheet as *interfund receivables* and *interfund payables*. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as *internal balances*.

Prepaid Expenses - Certain payments to vendors reflect costs applicable to future accounting periods and are reported as prepaid expenses using the consumption method.

Capital Assets - Capital assets, which include land, buildings, equipment, and all infrastructure owned by the City, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and the proprietary funds in the fund financial statements. Capital assets are defined by the City as assets with an initial, individual cost of \$5,000 or more and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at the acquisition value on the date of donation. The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend asset lives are not capitalized.

Capital assets of the City are depreciated using the straight-line method over the following estimated useful lives.

Buildings and Improvements	10 - 50 years
Infrastructure	7 - 75 years
Water, Sewer and Storm Drainage Plants and Systems	30 - 50 years
Machinery and Equipment	5 - 10 years

Compensated Absences - Employees of the City are allowed to accumulate unused vacation and sick time depending on length of employment. Upon termination of employment from the City, an employee will be compensated for all accrued vacation time at their current rate of pay. Accumulated, unpaid vacation time is accrued when earned in the government-wide financial statements and the proprietary funds in the fund financial statements. A liability is recorded in the governmental fund financial statements only when payment is due.

City of Rifle, Colorado
Notes to the Financial Statements
December 31, 2022

Note 1: Summary of Significant Accounting Policies (Continued)

Assets, Liabilities and Net Position/Fund Balances (Continued)

Long-Term Debt - In the government-wide financial statements and the proprietary funds in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities. Debt premiums, discounts and accounting losses resulting from debt refunding's are deferred and amortized over the life of the debt using the straight-line method. In the governmental fund financial statements, the face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts are reported as other financing uses.

Debt issuance costs, whether or not withheld from the debt proceeds, are reported as current expenses or expenditures.

Deferred Inflows of Resources - Deferred inflows of resources include property taxes earned but levied for a subsequent year. In addition, grants not available as current financial resources are reported as deferred inflows in the governmental fund financial statements.

Net Position/Fund Balances - In the government-wide and fund financial statements, net position and fund balances are restricted when constraints placed on the use of resources are externally imposed. The City Council establishes a fund balance commitment through passage of an ordinance and is authorized to informally assign amounts to a specific purpose. The City has not established a formal policy for its use of restricted and unrestricted fund balances. However, if both restricted and unrestricted fund balances are available for a specific purpose, the City uses restricted amounts first, followed by committed, assigned and unassigned amounts.

Property Taxes

Property taxes attached as an enforceable lien on property on January 1, are levied the following December, and collected in the subsequent year. Taxes are payable in full on April 30 or in two installments on February 28 and June 15. The County Treasurer's Office collects property taxes and remits to the City on a monthly basis. Since property tax revenues are collected in arrears during the succeeding fiscal year, receivables and corresponding deferred inflows of resources are reported at year end.

Subsequent Events

We have evaluated subsequent events through July 14, 2023, the date the financial statements were available to be issued.

City of Rifle, Colorado
Notes to the Financial Statements
December 31, 2022

Note 2: Cash and Investments

A summary of cash and investments at December 31, 2022, follows:

Petty Cash	\$ 2,485
Cash Deposits	5,666,170
Investments	40,693,231
Total	\$ 46,361,886

Cash Deposits

The Colorado Public Deposit Protection Act (PDPA) requires all local government entities to deposit cash in eligible public depositories. Eligibility is determined by State regulations. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. The PDPA allows the financial institution to create a single collateral pool for all public funds held. The pool is to be maintained by another institution or held in trust for all uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits. At December 31, 2022, the City had bank deposits of \$9,276,855 collateralized with securities held by the financial institutions' agents but not in the City's name.

Investments

The City is required to comply with State statutes which specify investments meeting defined rating, maturity, and concentration risk criteria in which the City may invest, which include the following. Custodial risk is not addressed by State statutes.

- Obligations of the United States and certain U.S. Agency securities
- Certain international agency securities
- General obligation and revenue bonds of U.S. local government entities
- Bankers' acceptances of certain banks
- Commercial paper
- Local government investment pools
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts (GICs)
- Certificates of deposit

At December 31, 2022, the City had the following investments:

	S&P Rating	Investment Maturities (in Years)		
		Less Than 1	1 - 5 Years	Total
U.S. Treasury Securities	AA+	\$ 5,781,882	\$ 6,418,509	\$ 12,200,391
Certificates of Deposit	n/a	203,417	768,023	971,440
Money Market Funds	n/a	2,001,916	-	2,001,916
Local Government Investment Pools	AAAm	25,519,484	-	25,519,484
Total		\$ 33,506,699	\$ 7,186,532	\$ 40,693,231

City of Rifle, Colorado
Notes to the Financial Statements
December 31, 2022

Note 2: Cash and Investments (Continued)

Investments (Continued)

Fair Value Measurements - The City reports its investments using the fair value measurements established by generally accepted accounting principles. As such, a fair value hierarchy categorizes the inputs used to measure the fair value of the investments into three levels. Level 1) inputs are quoted prices in active markets for identical investments; Level 2) inputs include quoted prices in active markets for similar investments, or other observable inputs; and Level 3) inputs are unobservable inputs. At December 31, 2022, the City's investments in U.S. Treasury and Agency securities were measured utilizing quoted prices in active markets for similar investments (Level 2 inputs).

Interest Rate Risk - State statutes generally limit the maturity of investment securities to five years from the date of purchase unless the governing board authorizes the investment for a period in excess of five years.

Credit Risk - State statutes limit certain investments to those with specified ratings from nationally recognized statistical rating organizations, depending on the type of investment.

Concentration of Credit Risk - State statutes do not limit the amount the City may invest in a single issuer of investment securities, except for corporate securities. At December 31, 2022, the City's investments in the following represented more than 5% of the City's total investments.

	Rating	Total
U.S. Treasury Securities		
Federal Home Loan Bank Bond	AA+	4.4%
Federal Home Loan Mortgage Corp Note	AA+	6.6%
Federal National Mortgage Association Note	AA+	5.4%
Local Government Investment Pools		
ColoTrust Prime	AAAm	24.6%
CSAFE	AAAm	36.3%

Local Government Investment Pools - At December 31, 2022, the City had \$11,752,337 and \$13,767,147 invested in the Colorado Local Government Liquid Asset Trust (Colotrust) and the Colorado Surplus Asset Fund Trust (CSAFE), respectively. The pools are investment vehicles established for local government entities in Colorado to pool surplus funds. The Colorado Division of Securities administers and enforces the requirements of creating and operating the pools. The pools operate in conformity with the Securities and Exchange Commission's Rule 2a-7. The pools are measured at the net asset value per share, with each share valued at \$1. The pools are rated AAAM by Standard and Poor's. Investments of the pools are limited to those allowed by State statutes. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. The custodian's internal records identify the investments owned by the participating governments.

City of Rifle, Colorado
Notes to the Financial Statements
December 31, 2022

Note 3: Capital Assets

Capital asset Governmental activity for the year ended December 31, 2022, is summarized below:

Governmental Activities	Balance 12/31/21	Additions	Transfer	Deletions	Balance 12/31/22
Capital Assets, <i>Not Being Depreciated</i> :					
Land	\$ 4,378,899	\$ -	\$ -	\$ (13,076)	\$ 4,365,823
Construction in Progress	1,107,558	699,908	(1,107,558)	-	699,908
Total Capital Assets, <i>Not Being Depreciated</i>	5,486,457	699,908	(1,107,558)	(13,076)	5,065,731
Capital Assets, <i>Being Depreciated</i> :					
Buildings	16,344,721	-	1,107,558	(50,565)	17,401,714
Improvements	88,231,992	2,148,463	-	-	90,380,455
Equipment	4,313,410	178,536	-	(342,231)	4,149,715
Internal Service - Equipment	3,190,269	421,462	-	(321,543)	3,290,188
Total Capital Assets, <i>Being Depreciated</i>	112,080,392	2,748,461	1,107,558	(714,339)	115,222,072
Less Accumulated Depreciation:					
Buildings	(7,864,202)	(454,378)	-	50,565	(8,268,015)
Improvements	(44,760,914)	(2,904,742)	-	-	(47,665,656)
Equipment	(3,520,702)	(164,046)	-	206,685	(3,478,063)
Internal Service - Equipment	(2,255,594)	(241,138)	-	321,543	(2,175,189)
Total Accumulated Depreciation	(58,401,412)	(3,764,304)	-	578,793	(61,586,923)
Total Capital Assets, <i>Being Depreciated, net</i>	53,678,980	(1,015,843)	1,107,558	(135,546)	53,635,149
Governmental Activities Capital Assets, <i>net</i>	\$ 59,165,437	\$ (315,935)	-	\$ (148,622)	\$ 58,700,880

Capital asset Business-Type activity for the year ended December 31, 2022, is summarized below:

Business-Type Activities	Balance 12/31/21	Additions	Transfers	Deletions	Balance 12/31/22
Capital Assets, <i>Not Being Depreciated</i> :					
Land and improvements	\$ 1,985,544	\$ -	\$ -	\$ -	\$ 1,985,544
Water Rights	651,352	-	-	-	651,352
Total Capital Assets, <i>Not Being Depreciated</i>	2,636,896	-	-	-	2,636,896
Capital Assets, <i>Being Depreciated</i> :					
Buildings	73,822,846	-	-	-	73,822,846
Improvements	42,268,548	1,084,732	-	-	43,353,280
Equipment	2,831,505	267,278	-	-	3,098,783
Total Capital Assets, <i>Being Depreciated</i>	118,922,899	1,352,010	-	-	120,274,909
Less Accumulated Depreciation:					
Buildings	(24,594,099)	(1,868,632)	-	-	(26,462,731)
Improvements	(13,876,277)	(768,355)	-	-	(14,644,632)
Equipment	(1,838,780)	(75,508)	-	-	(1,914,288)
Total Accumulated Depreciation	(40,309,156)	(2,712,495)	-	-	(43,021,651)
Total Capital Assets, <i>Being Depreciated, net</i>	78,613,743	(1,360,485)	-	-	77,253,258
Business-Type Activities Capital Assets, <i>net</i>	\$ 81,250,639	\$ (1,360,485)	\$ -	\$ -	\$ 79,890,154

City of Rifle, Colorado
Notes to the Financial Statements
December 31, 2022

Note 3: Capital Assets (Continued)

Depreciation expense was charged to programs of the City as follows:

	Total
Governmental Activities	
General Government	\$ 219,608
Public Safety	77,063
Public Works	2,316,841
Cemetery	5,165
Parks and Recreation	831,874
Economic Development	72,615
	3,523,166
Internal Service - Equipment	241,138
Total	\$ 3,764,304

Note 4: Long-Term Debt

Governmental Activities

Following is a summary of long-term debt transactions of the governmental activities for the year ended December 31, 2022:

Compensated absences are expected to be liquidated primarily with revenues of the General Fund.

	Balance 12/31/21	Additions	Payments	Balance 12/31/22	Due Within One Year
Construction Loan	\$ 4,037,739	\$ -	\$ (152,740)	\$ 3,884,999	\$ 159,744
Compensated Absences	651,109	13,558	(65,110)	599,557	59,955
Total	\$ 4,688,848	\$ 13,558	\$ (217,850)	\$ 4,484,556	\$ 219,699

In December 2018, the City obtained a construction loan which allows the City to borrow up to \$5,800,000, towards the pool renovation. The City was allowed to draw upon the loan through December 2020, at which time the loan converted into a term loan. The loan is due on December 1, 2040, with a maximum bi-annual payment of \$144,588. Semi-annual payments are due on June 1 and December 1. Interest on the unpaid outstanding loan balance is at 3.3%. During the loan period, the City must maintain a cash deposit with the lender in a Debt Service Reserve Fund equal to 125% of the bi-annual principal and interest payable on the loan in the amount of \$180,698.

City of Rifle, Colorado
Notes to the Financial Statements
December 31, 2022

Note 4: Long-Term Debt (Continued)

Governmental Activities (Continued)

The loan's future maturities are as follows:

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 159,744	\$ 129,372	\$ 289,116
2024	165,509	123,607	289,116
2025	171,442	117,674	289,116
2026	177,226	111,890	289,116
2027	183,205	105,911	289,116
2028 - 2032	1,012,489	433,091	1,445,580
2033 - 2037	1,195,610	249,970	1,445,580
2038 - 2040	819,774	48,716	868,490
Total	\$ <u>3,884,999</u>	\$ <u>1,320,231</u>	\$ <u>5,205,230</u>

Business-Type Activities

Following are the changes in long-term debt of the business-type activities for the year ended December 31, 2022:

	<u>Balance</u> <u>12/31/21</u>	<u>Additions</u>	<u>Payments</u>	<u>Balance</u> <u>12/31/22</u>	<u>Due Within</u> <u>One Year</u>
2007 CWRPDA Loan - Wastewater	\$ 7,604,340	\$ -	\$ (969,852)	\$ 6,634,488	\$ 996,088
Premium	234,457	-	(35,614)	198,843	-
2012 CWRPDA Loan - Water	14,608,736	-	(1,009,596)	13,599,140	1,040,006
2012 CWRPDA Loan - Water (Fed)	1,175,411	-	(96,544)	1,078,867	98,484
Premium	871,494	-	(69,258)	802,236	-
2015 Certificate of Participation - Water	3,800,000	-	(220,000)	3,580,000	225,000
Compensated Absences	46,040	3,887	(9,208)	40,719	8,144
Total	\$ <u>28,340,478</u>	\$ <u>3,887</u>	\$ <u>(2,410,072)</u>	\$ <u>25,934,293</u>	\$ <u>2,367,722</u>

In May 2007, the City entered into a loan agreement with the Colorado Water Resource and Power Development Authority in the amount of \$17,852,112. The proceeds were used to complete sewer improvements. The City has also recorded \$747,848 of premiums that are being amortized over the life of the loan, with the remaining unamortized portion included in the note payable balance in the financial statements. The loan requires semi-annual principal and interest payments on February 1 and August 1 of each year through 2028. The loan bears interest at 3.5% per annum, not including administrative fees. Pursuant to the loan agreement, the City was required to establish a 3-month operations and maintenance reserve based on the subsequent years budgeted expenditures, or \$386,484. The City has funded this reserve through the restriction of net position in the Wastewater Fund. The City believes it is in compliance with all required covenants and obligations called for by the loan agreement.

City of Rifle, Colorado
Notes to the Financial Statements
December 31, 2022

Note 4: Long-Term Debt (Continued)

Business-Type Activities (Continued)

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 996,088	\$ 248,257	\$ 1,244,345
2024	1,027,736	220,857	1,248,593
2025	1,064,384	190,537	1,254,921
2026	1,096,032	156,287	1,252,319
2027	1,185,564	65,421	1,250,985
2028	1,264,684	-	1,264,684
Total	<u>\$ 6,634,488</u>	<u>\$ 881,359</u>	<u>\$ 7,515,847</u>

In August 2012, the City entered into two loan agreements with the Colorado Water Resource and Power Development Authority in the amount of \$23,858,367. The loans are comprised of \$21,858,367 of regular CWRPDA financing and an additional \$2,000,000 direct loan. The proceeds are to be used to complete water system improvements.

The City has also received the benefit of \$1,523,671 of premiums related to the \$21,858,367 CWRPDA debt issuance that are being amortized over the life of the loan. The unamortized portions of the premiums are included in the note payable balance in the financial statements. Issuance costs of \$382,038 were expensed during 2012. The \$21,858,367 loan requires semi-annual principal and interest payments on February 1 and August 1 of each year through 2034 commencing in August 2012. The loan bears interest at 1.6% per annum, not including administrative fees. Pursuant to the loan agreement, the city was required to establish a 3-month operations and maintenance reserve based on the subsequent years budgeted expenditures or \$608,678. The City has funded this reserve through the restriction of its net position balance in the Water Fund. The City believes it is in compliance with all required covenants and obligations called for by the loan agreement. All debt payments related to this loan are made by the Water Fund.

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 1,040,006	\$ 284,261	\$ 1,324,267
2024	1,052,170	270,711	1,322,881
2025	1,064,333	257,950	1,322,283
2026	1,076,497	245,840	1,322,337
2027	1,088,661	234,237	1,322,898
2028 - 2032	5,729,154	891,981	6,621,135
2033 - 2034	2,548,319	105,901	2,654,220
Total	<u>\$ 13,599,140</u>	<u>\$ 2,290,881</u>	<u>\$ 15,890,021</u>

The \$2,000,000 direct loan was previously a federally subsidized non-interest-bearing loan. However, in 2014, the project no longer qualifies as green and, therefore, the loan does not qualify for a 0% interest rate. The new rate of 2% interest began accruing on August 1, 2014, with the first payment, at the new interest rate, due on February 1, 2015. The loan requires semi-annual principal payments of \$50,000 on February 1 and August 1 of each year through 2032 commencing in February 2013. All debt payments related to this loan are made by the Water Fund.

City of Rifle, Colorado
Notes to the Financial Statements
December 31, 2022

Note 4: Long-Term Debt (Continued)

Business-Type Activities (Continued)

The Non-Federally subsidized loan future maturities are as follows:

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 98,484	\$ 21,087	\$ 119,571
2024	100,464	19,108	119,572
2025	102,483	17,089	119,572
2026	104,543	15,029	119,572
2027	106,644	12,927	119,571
2028 - 2032	566,249	31,609	597,858
Total	\$ 1,078,867	\$ 116,849	\$ 1,195,716

In 2015, the City issued \$5,085,000 in certificates of participation for a water tank construction project. Principal payments are due semi-annually on June 1 and December 1. Principal payments started at \$110,000 in 2015 and increase to \$335,000 by 2035, at an interest rate of 3.13%. Payments are made by the Water Fund.

The 2015 Certificate of Participation future maturities are as follows:

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 225,000	\$ 113,610	\$ 338,610
2024	235,000	106,762	341,762
2025	240,000	99,012	339,012
2026	250,000	91,396	341,396
2027	255,000	83,472	338,472
2028 - 2032	1,410,000	290,370	1,700,370
2033 - 2035	965,000	54,931	1,019,931
Total	\$ 3,580,000	\$ 839,553	\$ 4,419,553

Note 5: Interfund Transactions

The City has recorded the following routine transfers:

	<u>Transfer In</u>	<u>Transfer Out</u>
General Fund	\$ 25,000	\$ (179,000)
Street Improvement	300,000	-
Parks and Recreation	10,600	(300,000)
Internal Service	174,000	-
Capital Improvements	-	-
Non-major Governmental Funds	47,000	(75,600)
Sanitation Fund	-	(2,000)
Total	\$ 556,600	\$ (556,600)

City of Rifle, Colorado
Notes to the Financial Statements
December 31, 2022

Note 6: Pension Plan

The City provides pension benefits for all its full-time police officers through a defined contribution plan. The police officers contribute 8% of their compensation to the plan, which the City matches with a 12.51% contribution. The City's contributions for each employee (and interest allocated thereon) vest at the rate of 20% per year, after the first year, so that by the fifth year of participation, employees are 100% vested in all contributions made to the plan. During the year ended December 31, 2022, the City contributed \$185,084 and the employees contributed \$118,454 to the plan.

All other full-time employees of the City are eligible to participate in a defined contribution pension plan established under the provisions of Section 401(a) of the Internal Revenue Code. In this defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. The plan covers all full-time employees upon initial employment and who have attained the age of twenty-one. The City contributes 5% of compensation to the plan on behalf of each qualified employee. Employees may not make contributions to this plan. Employers' contributions vest at the rate of 20% per year, after the first year, so that by the fifth year of participation, employees are 100% vested in all contributions made to the plan. For the year ended December 31, 2022, the City contributed \$303,620 to the plan.

The City offers a deferred compensation plan in accordance with Section 457(b) of the Internal Revenue Code. The plan permits employees to contribute a portion of their current salary, based upon limits prescribed in the Internal Revenue Code. The City contributes a match of up to 3% when an employee elects to participate in the plan.

Note 7: Risk-Related Activities

The City is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; injuries to employees; and natural disasters. For risks related to property and liability, the City is a member of the Colorado Intergovernmental Risk Sharing Agency (CIRSA), a separate and independent governmental and legal entity formed by intergovernmental agreement by member municipalities pursuant to the provisions of 24-20-115.5, Colorado Revised Statutes (1982 Replacement Volume) and Colorado Constitution, Article XIV, section 18(2). The purposes of CIRSA are to provide members defined liability and property coverage and to assist members to prevent and reduce losses and injuries to municipal property and to persons or property which might result in claims being made against members of CIRSA, their employees or officers. The City has not significantly changed its insurance coverage over the past three years, nor have settlements exceeded coverage during the same period.

The City carries commercial insurance for workers' compensation claims.

City of Rifle, Colorado
Notes to the Financial Statements
December 31, 2022

Note 8: Commitments and Contingencies

TABOR Amendment

In November 1992, Colorado voters passed the TABOR Amendment to the State Constitution which limits state and local government taxing powers and imposes spending limitations. The City is subject to the TABOR Amendment. Fiscal year 1992 provides the basis for limits in future years, to which may be applied allowable increases for inflation and property valuation. Revenue received in excess of the limitations may be required to be refunded unless the City's electorate vote to retain the revenue. The TABOR Amendment is subject to many interpretations, but the City believes it is in substantial compliance with the Amendment.

Litigation

From time to time, the City is involved in various litigation. Management believes the outcome of any litigation will not have a significant impact on the City's financial position.

Note 9: Rate Maintenance

The 2012 Colorado Water Resources and Power Development Authority (CWRPDA) water loan agreement, and the 2007 CWRPDA wastewater loan agreement required that Net Revenues shall represent a sum equal to 110% of the amount necessary to pay, when due, the principal and interest on the loans and any parity debt coming due.

City of Rifle, Colorado
Notes to the Financial Statements
December 31, 2022

Note 9: Rate Maintenance (Continued)

The computation of both the Water and Wastewater rate maintenance is as follows:

	Water Fund	Wastewater Fund
Revenues		
Operating Revenues	\$ 4,051,817	\$ 4,408,016
Sales & Use Taxes	2,475,498	-
System Improvement Fees	173,451	121,189
Investment Income	8,318	609
Cash in Lieu of Water Rights Fees	21,660	-
Other Revenues	21,343	-
	<u>6,752,087</u>	<u>4,529,814</u>
Expenses		
Operating Expenses	3,830,453	2,601,630
Less Depreciation	<u>(1,644,381)</u>	<u>(1,068,114)</u>
	<u>2,186,072</u>	<u>1,533,516</u>
Net Expenses		
	<u>2,186,072</u>	<u>1,533,516</u>
Net Revenues	<u>\$ 4,566,015</u>	<u>\$ 2,996,298</u>
Debt Service Requirements (Parity and Subordinate)		
2007 CWRPDA Note Payable	\$ -	\$ 1,244,345
2012 CWRPDA - Interest Bearing	1,324,267	-
2012 CWRPDA - Federal	119,571	-
2015 Certificates of Participation	<u>338,610</u>	<u>-</u>
	<u>1,782,448</u>	<u>1,244,345</u>
Debt Service Required		
	<u>1,782,448</u>	<u>1,244,345</u>
Required Coverage		
(Water at 100%, without System Improvement Fees)	<u>110%</u>	<u>110%</u>
Debt Service Coverage at 110%	<u>\$ 1,960,693</u>	<u>\$ 1,368,780</u>
Net Revenue Excess	<u>\$ 2,605,322</u>	<u>\$ 1,627,519</u>

City of Rifle, Colorado
Notes to the Financial Statements
December 31, 2022

Note 10: West Rifle Compost Facility Closure and Post-Closure Requirements

The City of Rifle is responsible for the West Rifle Composting Facility (Caca Loco) which is no longer operable. State and Federal laws and regulations require the City to take proper remediation steps and to perform certain maintenance and monitoring functions at the site. Closure and Post Closure costs of \$83,999 have been recognized as operating expense and a corresponding liability will continue to be carried on the balance sheet. This amount is based on what it would cost to perform all closure and post closure care in 2022 and each year thereafter. Actual costs may be higher due to inflation, changes in technology or changes in regulations. The City is required by State and Federal laws and regulations to demonstrate financial assurance. The City is in compliance with these requirements through the local government financial test.

Estimated total current cost of closure and post closure care applicable to the West Rifle Composting Facility for 2022, reflected in the accompanying financial statements in accrued liabilities, are as follows:

Closure Costs	\$ 59,191
Post Closure Costs - 5 years	<u>24,808</u>
Estimated Cost in 2022 Dollars for Closure and Post Closure Costs	<u><u>\$ 83,999</u></u>

Required Supplementary Information

City of Rifle, Colorado
 Budgetary Comparison Schedule
 General Fund
 For the Year Ended December 31, 2022

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Taxes	\$ 7,661,440	\$ 7,661,440	\$ 8,194,165	\$ 532,725
Licenses and Permits	268,714	268,714	239,077	(29,637)
Intergovernmental	1,220,105	1,311,105	2,021,217	710,112
Charges for Services	974,526	974,526	1,077,551	103,025
Interest Income	64,845	64,845	12,454	(52,391)
Gain on Sale of Assets	-	-	287,987	287,987
Miscellaneous	88,000	88,000	271,569	183,569
Total Revenue	<u>10,277,630</u>	<u>10,368,630</u>	<u>12,104,020</u>	<u>1,735,390</u>
Expenditures				
General Government	3,939,394	3,939,394	3,992,102	(52,708)
Public Safety	3,725,468	3,725,468	3,441,903	283,565
Public Works	2,184,750	2,184,750	2,033,137	151,613
Parks and Recreation	505,648	505,648	455,248	50,400
Capital Outlay	86,065	361,065	139,912	221,153
Total Expenditures	<u>10,441,325</u>	<u>10,716,325</u>	<u>10,062,302</u>	<u>654,023</u>
Excess Revenues Over (Under) Expenditures	(163,695)	(347,695)	2,041,718	2,389,413
Other Financing Sources (Uses)				
Transfers In	-	-	25,000	25,000
Transfers Out	(179,000)	(179,000)	(179,000)	-
Total Other Financing Sources (Uses)	<u>(179,000)</u>	<u>(179,000)</u>	<u>(154,000)</u>	<u>25,000</u>
Change in Fund Balance	(342,695)	(526,695)	1,887,718	2,414,413
Fund Balance, Beginning of Year	<u>9,043,381</u>	<u>9,043,381</u>	<u>9,560,550</u>	<u>517,169</u>
Fund Balance, End of Year	<u>\$ 8,700,686</u>	<u>\$ 8,516,686</u>	<u>\$ 11,448,268</u>	<u>\$ 2,931,582</u>

City of Rifle, Colorado
 Budgetary Comparison Schedule
 Street Improvement Fund
 For the Year Ended December 31, 2022

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Taxes	\$ 1,518,996	\$ 1,518,996	\$ 1,650,332	\$ 131,336
Licenses and Permits	53,000	53,000	235,718	182,718
Intergovernmental	1,985,000	1,985,000	1,415,600	(569,400)
Investment Income	75,000	75,000	3,641	(71,359)
Total Revenues	3,631,996	3,631,996	3,305,291	(326,705)
Expenditures				
Public Works	435,272	435,272	101,310	333,962
Capital Outlay	3,785,000	4,035,000	3,044,009	990,991
Total Expenditures	4,220,272	4,470,272	3,145,319	1,324,953
Excess Revenues Over (Under) Expenditures	(588,276)	(838,276)	159,972	998,248
Other Financing Sources (Uses)				
Transfers In	-	300,000	300,000	-
Total Other Financing Sources (Uses)	-	300,000	300,000	-
Net Change in Fund Balance	(588,276)	(538,276)	459,972	998,248
Fund Balance, Beginning of year	3,906,552	3,906,552	4,501,371	594,819
Fund Balance, End of year	\$ 3,318,276	\$ 3,368,276	\$ 4,961,343	\$ 1,593,067

City of Rifle, Colorado
Budgetary Comparison Schedule
Parks and Recreation Fund
For the Year Ended December 31, 2022

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Taxes	\$ 3,129,949	\$ 3,129,949	\$ 3,300,665	\$ 170,716
Intergovernmental	63,600	61,100	45,420	(15,680)
Charges for Services	392,350	392,350	422,945	30,595
Interest Income	9,000	9,000	1,740	(7,260)
Other	40,000	-	341	341
Total Revenues	<u>3,634,899</u>	<u>3,592,399</u>	<u>3,771,111</u>	<u>178,712</u>
Expenditures				
Parks and Recreation	2,899,363	2,899,363	2,690,207	209,156
Capital Outlay	278,000	433,229	82,497	350,732
Debt Service - Principal	162,479	162,479	159,990	2,489
Debt Service - Interest	133,887	133,887	136,376	(2,489)
Total Expenditures	<u>3,473,729</u>	<u>3,628,958</u>	<u>3,069,070</u>	<u>559,888</u>
Excess Revenues Over (Under) Expenditures	161,170	(36,559)	702,041	738,600
Other Financing Sources (Uses)				
Transfers In	10,600	10,600	10,600	-
Transfers Out	-	(300,000)	(300,000)	-
Total Other Financing Sources (Uses)	<u>10,600</u>	<u>(289,400)</u>	<u>(289,400)</u>	<u>-</u>
Net Change in Fund Balance	171,770	(325,959)	412,641	738,600
Fund Balance, Beginning of year	<u>2,484,447</u>	<u>2,484,447</u>	<u>2,536,602</u>	<u>52,155</u>
Fund Balance, End of year	<u>\$ 2,656,217</u>	<u>\$ 2,158,488</u>	<u>\$ 2,949,243</u>	<u>\$ 790,755</u>

City of Rifle, Colorado
 Budgetary Comparison Schedule
 Capital Improvement Fund
 For the Year Ended December 31, 2022

	Original and Final Budget	Actual	Variance <i>Positive</i> <i>(Negative)</i>
Revenues			
Investment Income	\$ 32,400	\$ 2,260	\$ (30,140)
Total Revenues	<u>32,400</u>	<u>2,260</u>	<u>(30,140)</u>
Expenditures			
Capital Outlay	<u>1,000,000</u>	<u>643,401</u>	<u>356,599</u>
Total Expenditures	<u>1,000,000</u>	<u>643,401</u>	<u>356,599</u>
Net Change in Fund Balance	(967,600)	(641,141)	326,459
Fund Balance, Beginning of year	<u>3,152,751</u>	<u>3,455,369</u>	<u>302,618</u>
Fund Balance, End of year	<u>\$ 2,185,151</u>	<u>\$ 2,814,228</u>	<u>\$ 629,077</u>

City of Rifle, Colorado
Notes to Required Supplementary Information
December 31, 2022

Note 1: Stewardship, Compliance, and Accountability

Budgets

Budgets are legally adopted for all funds of the City, which has no operations other than depreciation expense. Budgets for the governmental funds are adopted on a basis consistent with generally accepted accounting principles (GAAP), except for certain interfund transactions that are reported as revenues and expenditures on the budgetary basis but not the GAAP basis of accounting. Budgetary comparisons for the enterprise funds are presented on a non-GAAP budgetary basis, whereby capital outlay and debt principal are budgeted as expenditures and depreciation and amortization are not budgeted.

The City adheres to the following procedures to establish the budgetary information reflected in the financial statements:

- By October 15, management submits to the City Council a proposed budget for the fiscal year commencing the following January 1. The budget includes proposed expenditures and the means of financing them.
- Public hearings are conducted by the City Council to obtain taxpayer comments.
- Prior to December 31, the budget is adopted by formal resolution.
- Expenditures may not legally exceed appropriations at the fund level. Revisions that alter the total expenditures of any fund must be approved by the City Counsel.
- All appropriations lapse at the end of each fiscal year.

Combining and Individual Fund Statements and Schedules

City of Rifle, Colorado
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2022

	Conservation Trust	Visitor Improvement	Downtown Development	Tourism and Industry	Urban Renewal Authority	Perpetual Care Fund	Totals
Assets							
Cash and Investments	\$ 238,946	\$ 378,416	\$ 71,286	\$ 714,432	\$ 137,233	\$ 293,906	\$ 1,834,219
Accounts Receivable	-	4,000	-	-	-	-	4,000
Taxes Receivable	-	-	38,656	-	-	-	38,656
Property Taxes Receivable	-	-	46,407	-	-	-	46,407
Total Assets	<u>\$ 238,946</u>	<u>\$ 382,416</u>	<u>\$ 156,349</u>	<u>\$ 714,432</u>	<u>\$ 137,233</u>	<u>\$ 293,906</u>	<u>\$ 1,923,282</u>
Liabilities							
Accounts Payable	\$ -	\$ -	\$ 1,522	\$ 48,641	\$ 1,975	\$ -	\$ 52,138
Deposit	-	-	-	2,600	-	-	2,600
Total Liabilities	<u>-</u>	<u>-</u>	<u>1,522</u>	<u>51,241</u>	<u>1,975</u>	<u>-</u>	<u>54,738</u>
Deferred Inflows of Resources							
Property Taxes	-	-	46,407	-	-	-	46,407
Fund Balances							
Nonspendable:							
Cemetery Perpetual Care	-	-	-	-	-	293,906	293,906
Restricted For:							
Parks and Recreation	238,946	-	-	-	-	-	238,946
Assigned For:							
Economic Development	-	382,416	108,420	663,191	135,258	-	1,289,285
Unrestricted, Unassigned	-	-	-	-	-	-	-
Total Fund Balances	<u>238,946</u>	<u>382,416</u>	<u>108,420</u>	<u>663,191</u>	<u>135,258</u>	<u>293,906</u>	<u>1,822,137</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 238,946</u>	<u>\$ 382,416</u>	<u>\$ 156,349</u>	<u>\$ 714,432</u>	<u>\$ 137,233</u>	<u>\$ 293,906</u>	<u>\$ 1,923,282</u>

City of Rifle, Colorado
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2022

	Conservation Trust	Visitor Improvement	Downtown Development	Tourism and Industry	Urban Renewal Authority	Perpetual Care Fund	Totals
Revenues							
Taxes	\$ -	\$ 205,612	\$ 45,157	\$ 273,773	\$ 143,198	\$ -	\$ 667,740
Intergovernmental	133,268	4,000	-	60,000	-	-	197,268
Charges for Services	-	-	-	238,713	-	12,205	250,918
Investment Income	173	280	59	545	81	3,485	4,623
Other	-	65,000	-	3,480	-	-	68,480
Total Revenues	<u>133,441</u>	<u>274,892</u>	<u>45,216</u>	<u>576,511</u>	<u>143,279</u>	<u>15,690</u>	<u>1,189,029</u>
Expenditures							
Economic Development	-	173,586	40,575	760,627	18,320	-	993,108
Capital Outlay	<u>39,253</u>	<u>45,000</u>	<u>768</u>	<u>37,772</u>	<u>-</u>	<u>-</u>	<u>122,793</u>
Total Expenditures	<u>39,253</u>	<u>218,586</u>	<u>41,343</u>	<u>798,399</u>	<u>18,320</u>	<u>-</u>	<u>1,115,901</u>
Excess of Revenues Over (Under) Expenditures	94,188	56,306	3,873	(221,888)	124,959	15,690	73,128
Other Financing Sources (Uses)							
Transfers In	-	40,000	7,000	-	-	-	47,000
Transfers Out	(40,000)	(35,600)	-	-	-	-	(75,600)
Total Other Financing Sources (Uses)	<u>(40,000)</u>	<u>4,400</u>	<u>7,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(28,600)</u>
Net Change in Fund Balances	54,188	60,706	10,873	(221,888)	124,959	15,690	44,528
Fund Balances, Beginning of year	<u>184,758</u>	<u>321,710</u>	<u>97,547</u>	<u>885,079</u>	<u>10,299</u>	<u>278,216</u>	<u>1,777,609</u>
Fund Balances, End of year	<u>\$ 238,946</u>	<u>\$ 382,416</u>	<u>\$ 108,420</u>	<u>\$ 663,191</u>	<u>\$ 135,258</u>	<u>\$ 293,906</u>	<u>\$ 1,822,137</u>

City of Rifle, Colorado
 Budgetary Comparison Schedule
 Conservation Trust Fund
 For the Year Ended December 31, 2022

	Original and Final Budget	Actual	Variance <i>Positive</i> <i>(Negative)</i>
Revenues			
Intergovernmental	\$ 90,000	\$ 133,268	\$ 43,268
Investment Income	<u>2,700</u>	<u>173</u>	<u>(2,527)</u>
Total Revenues	<u>92,700</u>	<u>133,441</u>	<u>40,741</u>
Expenditures			
Capital Outlays	<u>80,000</u>	<u>39,253</u>	<u>40,747</u>
Excess Revenues Over (Under) Expenditures	12,700	94,188	81,488
Other Financing Sources (Uses)			
Transfers In	-	-	-
Transfers Out	<u>(80,000)</u>	<u>(40,000)</u>	<u>40,000</u>
Total Other Financing Sources (Uses)	<u>(80,000)</u>	<u>(40,000)</u>	<u>40,000</u>
Net Change in Fund Balance	(67,300)	54,188	121,488
Fund Balance, Beginning of year	<u>170,671</u>	<u>184,758</u>	<u>14,087</u>
Fund Balance, End of year	<u>\$ 103,371</u>	<u>\$ 238,946</u>	<u>\$ 135,575</u>

City of Rifle, Colorado
 Budgetary Comparison Schedule
 Visitor Improvement Fund
 For the Year Ended December 31, 2022

	Original and Final Budget	Actual	Variance <i>Positive</i> <i>(Negative)</i>
Revenues			
Taxes	\$ 154,879	\$ 205,612	\$ 50,733
Intergovernmental	14,000	69,000	55,000
Investment Income	1,104	280	(824)
	<u>169,983</u>	<u>274,892</u>	<u>104,909</u>
Total Revenues			
Expenditures			
Economic Development	155,877	173,586	(17,709)
Capital Outlays	60,000	45,000	15,000
	<u>215,877</u>	<u>218,586</u>	<u>(2,709)</u>
Total Expenditures			
Excess Revenues Over (Under) Expenditures	(45,894)	56,306	102,200
Other Financing Sources (Uses)			
Transfers In	40,000	40,000	-
Transfers Out	(25,000)	(35,600)	(10,600)
	<u>15,000</u>	<u>4,400</u>	<u>(10,600)</u>
Total Other Financing Sources (Uses)			
Net Change in Fund Balance	(30,894)	60,706	91,600
Fund Balance, Beginning of year	147,445	321,710	174,265
Fund Balance, End of year	<u>\$ 116,551</u>	<u>\$ 382,416</u>	<u>\$ 265,865</u>

City of Rifle, Colorado
 Budgetary Comparison Schedule
 Downtown Development Fund
 For the Year Ended December 31, 2022

	Original and Final Budget	Actual	Variance <i>Positive</i> <i>(Negative)</i>
Revenues			
Taxes	\$ 44,500	\$ 45,157	\$ 657
Investment Income	661	59	(602)
	<u>45,161</u>	<u>45,216</u>	<u>55</u>
Total Revenues	<u>45,161</u>	<u>45,216</u>	<u>55</u>
Expenditures			
Economic Development	47,112	40,575	6,537
Capital Outlay	3,500	768	2,732
	<u>50,612</u>	<u>41,343</u>	<u>9,269</u>
Total Expenditures	<u>50,612</u>	<u>41,343</u>	<u>9,269</u>
Excess of Revenues Over (Under) Expenditures	(5,451)	3,873	9,324
Other Financing Sources (Uses)			
Transfers In	7,000	7,000	-
Total Other Financing Sources (Uses)	<u>7,000</u>	<u>7,000</u>	<u>-</u>
Net Change in Fund Balance	1,549	10,873	9,324
Fund Balance, Beginning of year	<u>88,911</u>	<u>97,547</u>	<u>8,636</u>
Fund Balance, End of year	<u>\$ 90,460</u>	<u>\$ 108,420</u>	<u>\$ 17,960</u>

City of Rifle, Colorado
 Budgetary Comparison Schedule
 Tourism and Industry Fund
 For the Year Ended December 31, 2022

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Taxes	\$ 250,374	\$ 250,374	\$ 273,773	\$ 23,399
Intergovernmental	60,000	60,000	60,000	-
Charges for Services	183,000	233,000	238,713	5,713
Investment Income	4,629	4,629	545	(4,084)
Other		-	3,480	3,480
	<u>498,003</u>	<u>548,003</u>	<u>576,511</u>	<u>28,508</u>
Total Revenues				
Expenditures				
Economic Development	582,930	770,007	760,627	9,380
Capital Outlay	28,000	42,981	37,772	5,209
	<u>610,930</u>	<u>812,988</u>	<u>798,399</u>	<u>14,589</u>
Total Expenditures				
Net Change in Fund Balance	(112,927)	(264,985)	(221,888)	43,097
Fund Balance, Beginning of year	<u>725,567</u>	<u>725,567</u>	<u>885,079</u>	<u>159,512</u>
Fund Balance, End of year	<u>\$ 612,640</u>	<u>\$ 460,582</u>	<u>\$ 663,191</u>	<u>\$ 202,609</u>

City of Rifle, Colorado
 Budgetary Comparison Schedule
 Urban Renewal Authority Fund
 For the Year Ended December 31, 2022

	Original and Final Budget	Actual	Variance <i>Positive</i> <i>(Negative)</i>
Revenues			
Taxes	\$ 100,000	\$ 143,198	\$ 43,198
Investment Income	<u>180</u>	<u>81</u>	<u>(99)</u>
Total Revenues	<u>100,180</u>	<u>143,279</u>	<u>43,099</u>
Expenditures			
Water Utility	<u>35,000</u>	<u>18,320</u>	<u>16,680</u>
Total Expenditures	<u>35,000</u>	<u>18,320</u>	<u>16,680</u>
Net Change in Fund Balance	65,180	124,959	59,779
Fund Balance, Beginning of year	<u>9,715</u>	<u>10,299</u>	<u>584</u>
Fund Balance, End of year	<u>\$ 74,895</u>	<u>\$ 135,258</u>	<u>\$ 60,363</u>

City of Rifle, Colorado
 Budgetary Comparison Schedule
 Perpetual Care Fund
 For the Year Ended December 31, 2022

	Original and Final Budget	Actual	Variance <i>Positive</i> <i>(Negative)</i>
Revenues			
Taxes	\$ 10,000	\$ 12,205	\$ 2,205
Investment Income	<u>1,500</u>	<u>3,485</u>	<u>1,985</u>
Total Revenues	<u>11,500</u>	<u>15,690</u>	<u>4,190</u>
Expenditures			
Capital Outlay	<u>500</u>	<u>-</u>	<u>500</u>
Total Expenditures	<u>500</u>	<u>-</u>	<u>500</u>
Net Change in Fund Balance	11,000	15,690	4,690
Fund Balance, Beginning of year	<u>280,350</u>	<u>278,216</u>	<u>(2,134)</u>
Fund Balance, End of year	<u>\$ 291,350</u>	<u>\$ 293,906</u>	<u>\$ 2,556</u>

City of Rifle, Colorado
 Budgetary Comparison Schedule
 Water Fund
 For the Year Ended December 31, 2022

	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues			
Charges for Services	\$ 3,662,500	\$ 3,534,072	\$ (128,428)
Sale of Meters	10,000	24,748	14,748
Other - Operating	502,500	492,997	(9,503)
Sales and Use Taxes	2,266,737	2,475,498	208,761
Investment Income	124,374	8,318	(116,056)
Other - Nonoperating	10,000	21,343	11,343
System Improvement Fees	150,000	173,451	23,451
Cash in Lieu of Fees	-	21,660	21,660
Total Revenues	<u>6,726,111</u>	<u>6,752,087</u>	<u>25,976</u>
Expenditures			
Personal Services	922,927	915,904	7,023
Supplies	115,000	80,619	34,381
Purchased Services	1,071,500	917,645	153,855
Other Expenses	-	297	(297)
Management Fees	138,890	138,890	-
Fleet Maintenance	38,156	38,156	-
Information Technology Maintenance	86,739	86,739	-
Small Equipment Purchases	-	46	(46)
Capital Outlays	275,000	1,153,859	(878,859)
Interest Expense	427,575	374,720	52,855
Debt Principal Payments	1,291,078	1,326,140	(35,062)
Total Expenditures	<u>4,366,865</u>	<u>5,033,015</u>	<u>(666,150)</u>
Change in Net Position - Budgetary Basis	<u>\$ 2,359,246</u>	<u>1,719,072</u>	<u>\$ (640,174)</u>
Adjustments to GAAP Basis			
Capital Outlay		1,146,083	
Debt Principal Payments		1,326,140	
Depreciation		<u>(1,644,381)</u>	
Change in Net Position		2,546,914	
Fund Balance, Beginning of year		<u>49,852,602</u>	
Fund Balance, End of year		<u>\$ 52,399,516</u>	

City of Rifle, Colorado
 Budgetary Comparison Schedule
 Wastewater Fund
 For the Year Ended December 31, 2022

	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues			
Charges for Services	\$ 3,882,879	\$ 4,305,065	\$ 422,186
Intergovernmental	-	102,518	102,518
Investment Income	16,758	609	(16,149)
Other - Nonoperating	35,614	433	(35,181)
System Improvement Fees	140,250	121,189	(19,061)
Total Revenues	<u>4,075,501</u>	<u>4,529,814</u>	<u>454,313</u>
Expenditures			
Personal Services	630,373	634,528	(4,155)
Supplies	214,500	92,426	122,074
Purchased Services	662,500	643,375	19,125
Other Expense	-	66	(66)
Management Fees	85,268	85,268	-
Fleet Maintenance	30,525	30,525	-
Information Technology Maintenance	45,270	45,270	-
Small Equipment Purchase	-	2,058	(2,058)
Capital Outlays	161,063	205,928	(44,865)
Interest Expense	282,017	227,383	54,634
Debt Principal Payments	969,852	969,852	-
Total Expenditures	<u>3,081,368</u>	<u>2,936,679</u>	<u>144,689</u>
Change in Net Position - Budgetary Basis	<u>\$ 994,133</u>	<u>1,593,135</u>	<u>\$ 599,002</u>
Adjustments to GAAP Basis			
Capital Outlay		205,928	
Debt Principal Payments		969,852	
Depreciation		<u>(1,068,114)</u>	
Change in Net Position		1,700,801	
Fund Balance, Beginning of year		<u>22,666,186</u>	
Fund Balance, End of year		<u>\$ 24,366,987</u>	

City of Rifle, Colorado
 Budgetary Comparison Schedule
 Sanitation Fund
 For the Year Ended December 31, 2022

	Original and Final Budget	Actual	Variance <i>Positive</i> <i>(Negative)</i>
Revenues			
Charges for Services	\$ 796,500	\$ 811,584	\$ 15,084
Other - Operating	-	-	-
Investment Income	1,050	(650)	(1,700)
Total Revenues	<u>797,550</u>	<u>810,934</u>	<u>13,384</u>
Expenditures			
Personal Services	14,873	14,920	(47)
Purchased Services	744,000	741,787	2,213
Other Expenses	-	24	(24)
Management Fees	29,912	29,912	-
Information Technology Maintenance	1,037	1,037	-
Total Expenditures	<u>789,822</u>	<u>787,680</u>	<u>2,142</u>
Revenues Over (Under) Expenditures	7,728	23,254	15,526
Transfers			
Transfers Out	<u>(2,000)</u>	<u>(2,000)</u>	<u>-</u>
Change in Net Position - Budgetary Basis	<u>\$ 5,728</u>	<u>21,254</u>	<u>\$ 15,526</u>
Adjustments to GAAP Basis			
None		<u>-</u>	
Change in Net Position		21,254	
Fund Balance, Beginning of year		<u>157,804</u>	
Fund Balance, End of year		<u>\$ 179,058</u>	

State Compliance Section

LOCAL HIGHWAY FINANCE REPORT		STATE: COLORADO	
		YEAR ENDING (mm/yy): 12/22	
This Information From The Records Of: City of Rifle		Prepared By: Scott Rust, Finance Director	
I. DISPOSITION OF HIGHWAY-USER REVENUES AVAILABLE FOR LOCAL GOVERNMENT EXPENDITURE			
ITEM	A. Local Motor-Fuel Taxes	B. Local Motor-Vehicle Taxes	C. Receipts from State Highway- User Taxes
1. Total receipts available			
2. Minus amount used for collection expenses			
3. Minus amount used for nonhighway purposes			
4. Minus amount used for mass transit			
5. Remainder used for highway purposes			
II. RECEIPTS FOR ROAD AND STREET PURPOSES		III. EXPENDITURES FOR ROAD AND STREET PURPOSES	
ITEM	AMOUNT	ITEM	AMOUNT
A. Receipts from local sources:		A. Local highway expenditures:	
1. Local highway-user taxes		1. Capital outlay (from page 2)	\$ 3,100,340.00
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	\$ 1,842,771.00
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	\$ 203,810.00
2. General fund appropriations	\$ 2,616,343.00	b. Snow and ice removal	\$ 39,921.00
3. Other local imposts (from page 2)	\$ 2,299,409.00	c. Other	\$ -
4. Miscellaneous local receipts (from page 2)	\$ 519,191.00	d. Total (a. through c.)	\$ 243,731.00
5. Transfers from toll facilities	\$ -	4. General administration & miscellaneous	\$ 265,551.00
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	\$ 1,307,106.00
a. Bonds - Original Issues	\$ -	6. Total (1 through 5)	\$ 6,759,499.00
b. Bonds - Refunding Issues	\$ -	B. Debt service on local obligations:	
c. Notes	\$ -	1. Bonds:	
d. Total (a. + b. + c.)	\$ -	a. Interest	\$ -
7. Total (1 through 6)	\$ 5,434,943.00	b. Redemption	\$ -
Private Contributions		c. Total (a. + b.)	\$ -
C. Receipts from State government		2. Notes:	
(from page 2)	\$ 1,371,373.00	a. Interest	\$ -
D. Receipts from Federal Government		b. Redemption	\$ -
(from page 2)	\$ -	c. Total (a. + b.)	\$ -
E. Total receipts (A.7 + B + C + D)	\$ 6,806,316.00	3. Total (1.c + 2.c)	\$ -
		C. Payments to State for highways	\$ -
		D. Payments to toll facilities	\$ -
		E. Total expenditures (A.6 + B.3 + C + D)	\$ 6,759,499.00
IV. LOCAL HIGHWAY DEBT STATUS (Show all entries at par)			
	Opening Debt	Amount Issued	Closing Debt
A. Bonds (Total)			\$ -
1. Bonds (Refunding Portion)			\$ -
B. Notes (Total)			\$ -
V. LOCAL ROAD AND STREET FUND BALANCE (RECEIPTS AND DISBURSEMENTS ONLY)			
	A. Beginning Balance	B. Total Receipts	C. Total Disbursements
	\$ (3,405,321.00)	\$ 6,806,316.00	\$ 6,759,499.00
		D. Ending Balance	E. Reconciliation
		\$ (3,358,504.00)	\$ -
Notes and Comments:			

LOCAL HIGHWAY FINANCE REPORT

STATE:
COLORADO
YEAR ENDING (mm/yy):
12/22

II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL

ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		A.4. Miscellaneous local receipts:	
a. Property Taxes and Assessments		a. Interest on investments	\$ 3,641.00
b. Other local imposts:		b. Traffic Fines & Penalties	\$ 99,950.00
1. Sales Taxes	\$ 1,650,332.00	c. Parking Garage Fees	\$ -
2. Infrastructure & Impact Fees	\$ 235,718.00	d. Parking Meter Fees	\$ -
3. Liens	\$ -	e. Sale of Surplus Property	\$ -
4. Licenses	\$ -	f. Charges for Services	\$ -
5. Specific Ownership &/or Other	\$ 413,359.00	g. Other Misc. Receipts	\$ -
6. Total (1. through 5.)	\$ 2,299,409.00	h. Other	\$ 415,600.00
c. Total (a. + b.)	\$ 2,299,409.00	i. Total (a. through h.)	\$ 519,191.00
<i>(Carry forward to page 1)</i>		<i>(Carry forward to page 1)</i>	

ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes (from Item I.C.5.)	\$ 326,104.00	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	\$ -
a. State bond proceeds		b. FEMA	\$ -
b. Project Match	\$ -	c. HUD	\$ -
c. Motor Vehicle Registrations	\$ 45,269.00	d. Federal Transit Administration	\$ -
d. DOLA Grant	\$ 1,000,000.00	e. U.S. Corps of Engineers	\$ -
e. Other	\$ -	f. Other Federal	\$ -
f. Total (a. through e.)	\$ 1,045,269.00	g. Total (a. through f.)	\$ -
4. Total (1. + 2. + 3.f)	\$ 1,371,373.00	3. Total (1. + 2.g)	\$ -
<i>(Carry forward to page 1)</i>		<i>(Carry forward to page 1)</i>	

III. EXPENDITURES FOR ROAD AND STREET PURPOSES - DETAIL

	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
A.1. Capital outlay:			
a. Right-Of-Way Costs			\$ -
b. Engineering Costs		\$ 42,437.00	\$ 42,437.00
c. Construction:			
(1). New Facilities		\$ -	\$ -
(2). Capacity Improvements		\$ -	\$ -
(3). System Preservation		\$ 2,733,339.00	\$ 2,733,339.00
(4). System Enhancement And Operation		\$ 324,564.00	\$ 324,564.00
(5). Total Construction (1)+(2)+(3)+(4)	\$ -	\$ 3,057,903.00	\$ 3,057,903.00
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.4)	\$ -	\$ 3,100,340.00	\$ 3,100,340.00
<i>(Carry forward to page 1)</i>			

Notes and Comments:



Agenda Item #8.c.

Agenda Item Name:

Consider Approval of 2023 Street Striping Contract

Presenter:

Brian Prunty, Public Works Director

Item Description:

Consider approval of contract for 2023 Striping Contract with Stripe A Lot, Inc.

Recommended Action:

Move to approve the 2023 contract for the re-striping of City of Rifle Streets with Stripe A Lot, Inc. in the amount \$35,112.31

Fiscal Impact:

Low

Operational Impact:

N/A

Prior Board Motions:

N/A

Background Information:

This contract addresses and fulfills the annual striping requirement for motorized safety. This work has been completed numerous times over the past successive years.

Executive Summary:

While the number of bids was not high (we received only two), I recommend entering into a contract with Stripe A Lot, Inc. for the completion of the 2023 Striping Contract.

Stripe A Lot has demonstrated their ability numerous times over the past several years to be a capable and excellent partner in doing this work. They provide great value, an excellent finished product and low impact to the community.

Notification Requirements:

N/A

Prepared By:

Brian Prunty, Public Works Director

Attachments:

1. Memo to TKlein - Annual Striping Contract for 2023
2. Stripe A Lot - Striping Bid
3. Prestigious Paving - Striping Bid



TO: Tommy Klein, City Manager
FROM: Brian Prunty
CC: Scott Rust, Finance Director
DATE: July 3, 2023
RE: 2023 Street Striping Contract

This past May, we solicited bids for re-striping city streets. While four prospective contractors downloaded documents, two chose to bid and these two were competitive.

Name	Bid Unit	Value
Stripe A Lot, Inc.	Lump Sum	\$35,112.31
Prestigious Paving, LLC	Lump Sum	\$41,126.73
In-house estimate	Lump Sum	\$30,000.00

To clarify the difference in value of Prestigious Paving's bid, as found on their Estimate and what I've indicated above, is elimination of the sales tax, which they were not aware that we were not subject to. However, on further examination of the bids, the essential difference between the bids was the Mobilization costs and the costs of doing business from out-of-state.

Stripe A Lot has performed re-striping for us in years past and each time with excellent results. Their bid represents outstanding value and provides assurance that we are getting the most of our re-striping dollars.

I ask for your approval for the Stripe A Lot, Inc. bid of \$35,112.31. I have attached the Purchase Request for your signature.

Attachment.





**CITY OF RIFLE
PURCHASE REQUEST**

1.	Vendor Name	NEW: W-9 attached ☐
	Stripe A Lot, Inc.	

2.	Vendor Address
	P.O. Box 1957, Montrose, CO 81402

3.	For the Purchase of (description)
	2023 Street Striping Contract

4.	Amount Requested	Amount Budgeted	Finance Director Verified Funds Avail.
	\$35,112.31	\$30,000	

5.	Dept. Name	General Ledger Acct #
	PW/O&M	201-4132-400-431

6.	Type of Purchase
☐	Capital Construction
☐	Capital Construction – Change Order
☐	Capital Equipment
☐	Plant Equipment
☒	Materials, supplies, non-profession/technical services (includes computer/software maint.)
☐	Professional Services
☐	Utilities (includes equipment installation and ongoing contracts)
☐	Land, easements, ROW

7.	Purchasing Process Required (Rifle Municipal Code sections for guidance)		
	☐ Cooperative Purchasing:	Sec 4-3-90	
	☐ Open Market:	Sec. 4-3-40(c)	
	☐ Comparative Pricing:	Sec. 4-3-40(d)	
	☐ Request for Proposal:	Sec. 4-3-40(e)	(attach bid tab)
	☒ Competitive Sealed Bid:	Sec.4-3-40(f)	(attach bid tab & advertisement)
	☐ Sole Source:	Sec. 4-3-40(a)	(attach memo)

8.	Authorization Required	
	☒	City Manager
	☒	City Council

9.	Signatures		
	Position	Signature	Date
	Department Director	Brian Prunty	7/5/2023
	City Manager		
	City Council Approval (meeting date)		
10.	Purchase Order # assigned by Finance		



TABLE 1 - IS A PURCHASE ORDER NECESSARY

<u>Amount of Purchase</u>	<u>Is Purchase Order Needed</u>	<u>Method of Source Selection</u>
\$0.01 - \$10,000	No – Dept Head Approval	No special sourcing
\$10,000.01 - \$25,000	Yes – City Manager Approval	Yes – see table 2 below
\$25,000.01 or Greater	Yes – Council Approval	Yes – see table 2 below

TABLE 2 - METHODS OF SOURCE SELECTION

<u>Methods of source selection</u>	<u>Contract limits</u>
Competitive sealed bidding	Greater than \$50,000.00
Competitive sealed proposals	Greater than \$10,000.00 and less than \$50,000.00.
**Greater than \$50,000 allowed for Construction Manager/General Contractor proposals, or similar type proposal.	
Small purchases	Less than \$10,000.00 - DEPARTMENT HEAD DISCRETION

TABLE 3 - LOCAL VENDOR PREFERENCE

Contract Amount	Primary Preference In City Limits	Secondary Preference In County Out of City
Less than \$1,000	10% discount	5% discount
\$1,001 to \$5,000	8% discount	4% discount
\$5,001 to \$25,000	6% discount	3% discount
\$25,001 to \$100,000	5% discount	2% discount
\$100,000 to \$200,000	4% discount	2.5% discount
\$200,001 to \$500,000	3% discount	1.5% discount
\$500,000 or greater	2% discount	1% discount



May 25, 2023

TO: Vendors and Prospective Bidders for City Of Rifle
FROM: Colton Secary, Operations and Maintenance Supervisor
SUBJECT: Request for Bids, Street Striping

The City Of Rifle is requesting bids for the 2023 furnishing and installation of street striping, which will consist of approximately 109,113 feet of yellow/white waterborne TT-P-1952E type III (HI-Build) paint, and 92,754 feet of yellow/white waterborne TT-P-1952E type II paint.

Type III (Hi-Build) paint is to be applied on Highway 6 from eastern City limits to Highway 13 bypass, Airport Road, roundabouts, Colorado River Bridge and Railroad Avenue. Type II Paint will be used on other city streets that require striping. Glass beads will be applied per paint manufacture's recommendations.

Bids should be submitted as a lump sum.

Please send all questions to Colton Secary at csecary@rifleco.org.

Notwithstanding other provisions of this Article, in the awarding of contracts for goods or services, the City Council and Procurement Officer shall provide the following primary and secondary percentage preferences for local goods and services provided by local vendors when quality, delivery time and services are judged by the Procurement Officer to be essentially equal:

<i>Contract Amount</i>	<i>Primary Preference City of Rifle Goods/Vendors</i>	<i>Secondary Preference Garfield County Goods/Vendors</i>
Less than \$1,000	10% discount	5% discount
\$1,001 to \$5,000	8% discount	4% discount
\$5,001 to \$25,000	6% discount	3% discount
\$25,001 to \$100,000	5% discount	2.5% discount
\$100,000 to \$200,000	4% discount	2% discount
\$200,001 to \$500,000	3% discount	1.5% discount
\$500,000 or greater	2% discount	1% discount

(c) For all competitive bonded bid purchases in excess of one hundred thousand dollars (\$100,000.00), the City shall provide these local preference provisions within the "Instructions to Bidders" documents.

(d)Exception: Local preference shall not apply to contracts required by applicable state or federal laws or regulations to be awarded to the "lowest responsible bidder" or to any contracts that are statutorily or otherwise precluded from the use of local vendor preference. No local preference shall apply where grant funds are used which expressly prohibit the use of such local preference.

(e) The Procurement Officer may establish an administrative process to pre-qualify local vendors.



P.O. Box 1957
Montrose, CO 81402
Ph. (970)-249-7588
Fax (970)-249-9199

Estimate

Date	Estimate #
6/21/2023	1020

Name / Address
City of Rifle City Shop P.O. Box 1908 Rifle, CO 81650

Description	P.O. No.		Project	
	Qty	Cost	Total	
BID/ESTIMATE for 2023 City of Rifle Paint Striping (Reflective Beads/Traffic Control included)				
- Paint Stripe Approximately 92,754" Double Yellow/White Edge/Turn Lanes	92,754	0.15	13,913.10	
- Paint Stripe Approximately 109,113' Double Yellow/White Edge/Turn Lanes (HIGH-BUILD)	109,113	0.17	18,549.21	
Mobilization/Demobilization		2,650.00	2,650.00	
NO ADDENDUMS				
Please contact Denise or Dave with any questions at 249-7588, Thank You				
Total			\$35,112.31	

E-mail
stripealotinc@msn.com

2706 Chamisal Avenue
Gallup, NM 87301

Date	Estimate #
6/15/2023	709

Name / Address
City of Rifle

P.O. No.	Project

Item	Description	Qty	Rate	U/M	Total
81	Placement of reflectorized high durable acrylic traffic painted markings with bead application	201,867	0.175		35,326.73
Mobilization	Mobilization	1	5,800.00		5,800.00

Subtotal	\$41,126.73
Sales Tax (8.1875%)	\$3,367.25
Total	\$44,493.98



Agenda Item #8.d.

Agenda Item Name:

Consider Purchase of Replacement Virtual Desktop Infrastructure Hosts

Presenter:

Kelly Thompson, IT Director

Item Description:

Purchase request for new VDI hosts to replace our existing aging hosts.

Recommended Action:

Move to approve the purchase of replacement VDI hosts for the City of Rifle network at a cost not to exceed \$60,000.00

Fiscal Impact:

This was not included in our 2023 equipment budget, but due to savings in other areas, we have funding available.

Operational Impact:

This purchase will lead to more efficiency in completing some of our existing 2023 projects and will save staff time.

Prior Board Motions:

None

Background Information:

Existing hosts will go out of support in 2024.

Executive Summary:

While this was not budgeted for 2023, it would have been included in the 2024 budget. Cost savings elsewhere will cover the expense, and this purchase will save staff time for the IT Department.

Notification Requirements:

None

Prepared By:

Kelly Thompson, IT Director

Attachments:

1. Sole Source Memorandum - Summit Partners VDI Host Replacements

2. AAAQ37134.pdf - City of Rifle - Rifle Horizon View VDI server hosts 3x ProLiant DL385 Gen10 Plus v2 768GB Memory w NVIDIA GPU
3. Summit Partners PURCHASE REQUEST VDI Hosts



Memorandum

To: Honorable Mayor Green; City Council; Tommy Klein, City Manager

From: Kelly Thompson, IT Director

Date: 7/13/2023

Re: Sole Source Rationale for VDI Host Replacements

For the attached Purchase Request, I am requesting utilizing the sole source purchasing process as defined in **Municipal Code Section 4-3-230 (a)(5)** to maintain consistency in our virtual infrastructure hardware and support. We have standardized on HP servers and have been utilizing Summit Partners because of their familiarity with our network. The attached quote is also highly discounted due to the HPE NASPO Value Point contract pricing negotiated through the State of Colorado.

This project will replace aging hosts that go out of maintenance support in 2024. We had initially planned on replacing these hosts in 2024 and I had not included it in our 2023 budget equipment request. However, because of a change in path with our backup solution, we have not needed to add additional hardware as initially forecast, thus freeing up those funds for this project. Also, moving forward with these replacements now will allow IT to complete more efficiently some of our existing 2023 projects, saving on staff time.

The quote shows a cost of \$52,449.96 and I am requesting purchase authority not to exceed \$60,000.00 to cover potential support needs or additional hardware not presently foreseen.

Let me know if you have any questions.

Regards,

A handwritten signature in black ink, appearing to read "Kelly Thompson", with a long horizontal flourish extending to the right.

Kelly Thompson



3070 East Post Road Suite 100
Las Vegas, NV 89120

QUOTE

Number AAAQ37134

Date Jun 14, 2023

t. (702) 988-4290 f. (702) 988-4290

Sold To

City of Rifle
Accounts Payable
202 Railroad Ave.
Rifle, CO 81650
United States

Phone (970) 665-6454
Fax

Ship To

City of Rifle
Kelly Thompson
202 RAILROAD AVE
RIFLE, CO 81650-2218
UNITED STATES

Phone (970) 665-6454
Fax

Here is the quote you requested.

Sales Person	P.O. Number	Ship Via	Terms
Justin McDonald		Best	Net 30

Qty	Part Number	Description	Unit Price	Ext. Price
-----	-------------	-------------	------------	------------

**Rifle Horizon View VDI server hosts 3x ProLiant
DL385 Gen10 Plus v2 768GB Memory w/ NVIDIA
GPU – 5Y Next Bus Day Support**

**HPE: NASPO Value Point PC4 Contract #MNNVP-134
/ Participating State Contract Number PA#
201600000000000000103NASPO**

HARDWARE

3	P38411-B21	HPE DL385 G10+ V2 8SFF CTO SVR	\$1,419.27	\$4,257.81
3	P38411-B21#ABA	HPE DL385 GEN10P V2 8SFF CTO SVR	\$0.00	\$0.00
6	P38678-B21	AMD EPYC 7453 CPU FOR HPE	\$1,987.47	\$11,924.82
72	P07646-B21	HPE 32GB 2RX4 PC4-3200AA-R SMART KIT	\$236.28	\$17,012.16
6	P40497-B21	HPE 480GB SATA RI SFF BC MV SSD	\$134.41	\$806.46
3	P14587-B21	HPE DL38X GEN10+ X8/X16/X8 SEC RISER KIT	\$93.39	\$280.17
3	P06367-B21	BROADCOM MR416I-P CNTRL FOR HPE GEN10+	\$555.49	\$1,666.47
3	R9H23C	NVIDIA A2 16GB PCIE NONCEC ACCELERATOR	\$1,458.45	\$4,375.35
3	P01366-B21	HPE 96W SMART STG LI-ION BATT 145MM KIT	\$35.75	\$107.25
3	P08449-B21	INT I350 1GBE 4P BASE-T OCP3 ADPTR	\$205.63	\$616.89
3	P14608-B21	HPE DL38X GEN10+ MAX PERF FAN KIT	\$143.56	\$430.68
6	P38997-B21	HPE 1600W FS PLAT HT PLG LH PWR SPLY KIT	\$167.88	\$1,007.28
6	P38997-B21#0D1	HPE 1600W II FS PLAT HTPLG PWR SPLY KIT	\$0.00	\$0.00
3	P55467-B21	HPE DL38X 8SFF SAS/SATA TM CBL KIT	\$23.60	\$70.80
3	P13771-B21	HPE GEN10 PLUS TPM BR MODULE KIT	\$16.33	\$48.99
3	P14610-B21	HPE DL38X GEN10+ HIGH PERF HEAT SINK KIT	\$82.67	\$248.01
3	P22018-B21	HPE DL38X GEN10+ 2U SFF EI RAIL KIT	\$45.20	\$135.60

Continued On Next Page ...

This quote is valid for 30 days from date of issue. The information contained in this quote is proprietary and confidential. Summit Partners respectfully requests that you do not share this information with any third parties without prior written consent. Minimum 15% restocking fee with original packaging.

Qty	Part Number	Description	Unit Price	Ext. Price
SubTotal				\$42,988.74
SOFTWARE / SERVICE / SUPPORT				
3	E5Y44A	HPE OV FOR DL 3Y 24X7 BDL TRACK 1SVR LIC	\$434.65	\$1,303.95
1	HU4B2A5	HPE 5Y TECH CARE BASIC SVC	\$0.00	\$0.00
3	HU4B2A5#SVN	HPE ONE VIEW W/ILO SUPPORT	\$139.53	\$418.59
3	HU4B2A5#ZSF	HPE PROLIANT DL385 GEN10 PLUS V2 SUPPORT	\$2,579.56	\$7,738.68
SubTotal				\$9,461.22

Please contact me if I can be of further assistance.			SubTotal	\$52,449.96
			Tax 0.00 %	\$0.00
			Shipping	\$0.00
			Total	\$52,449.96

This quote is valid for 30 days from date of issue. The information contained in this quote is proprietary and confidential. Summit Partners respectfully requests that you do not share this information with any third parties without prior written consent. Minimum 15% restocking fee with original packaging.



**CITY OF RIFLE
PURCHASE REQUEST**

1.	Vendor Name	NEW: W-9 attached ☐
	Summit Partners	

2.	Vendor Address
	3070 East Post Road Suite 100, Las Vegas, NV 89120

3.	For the Purchase of (description)
	Replacement VDI Hosts

4.	Amount Requested	Amount Budgeted	Finance Director Verified Funds Avail.
	\$60,000	\$0	

5.	Dept. Name	General Ledger Acct #
	IT	620-4901-400-741

6.	Type of Purchase
☐	Capital Construction
☐	Capital Construction – Change Order
☐	Capital Equipment
☐	Plant Equipment
☒	Materials, supplies, non-profession/technical services (includes computer/software maint.)
☐	Professional Services
☐	Utilities (includes equipment installation and ongoing contracts)
☐	Land, easements, ROW

7.	Purchasing Process Required (Rifle Municipal Code sections for guidance)		
	☐ Cooperative Purchasing:	Sec 4-3-90	
	☐ Open Market:	Sec. 4-3-40(c)	
	☐ Comparative Pricing:	Sec. 4-3-40(d)	
	☐ Request for Proposal:	Sec. 4-3-40(e)	(attach bid tab)
	☐ Competitive Sealed Bid:	Sec.4-3-40(f)	(attach bid tab & advertisement)
	☒ Sole Source:	Sec. 4-3-40(a)	(attach memo)

8.	Authorization Required	
	☒	City Manager
	☒	City Council

9.	Signatures		
	Position	Signature	Date
	Department Director		
	City Manager		
	City Council Approval (meeting date)		
10.	Purchase Order # assigned by Finance		



TABLE 1 - IS A PURCHASE ORDER NECESSARY

<u>Amount of Purchase</u>	<u>Is Purchase Order Needed</u>	<u>Method of Source Selection</u>
\$0.01 - \$10,000	No – Dept Head Approval	No special sourcing
\$10,000.01 - \$25,000	Yes – City Manager Approval	Yes – see table 2 below
\$25,000.01 or Greater	Yes – Council Approval	Yes – see table 2 below

TABLE 2 - METHODS OF SOURCE SELECTION

<u>Methods of source selection</u>	<u>Contract limits</u>
Competitive sealed bidding	Greater than \$50,000.00
Competitive sealed proposals	Greater than \$10,000.00 and less than \$50,000.00.
**Greater than \$50,000 allowed for Construction Manager/General Contractor proposals, or similar type proposal.	
Small purchases	Less than \$10,000.00 - DEPARTMENT HEAD DISCRETION

TABLE 3 - LOCAL VENDOR PREFERENCE

Contract Amount	Primary Preference In City Limits	Secondary Preference In County Out of City
Less than \$1,000	10% discount	5% discount
\$1,001 to \$5,000	8% discount	4% discount
\$5,001 to \$25,000	6% discount	3% discount
\$25,001 to \$100,000	5% discount	2% discount
\$100,000 to \$200,000	4% discount	2.5% discount
\$200,001 to \$500,000	3% discount	1.5% discount
\$500,000 or greater	2% discount	1% discount



Agenda Item #9.a.

Agenda Item Name:

Report to City Manager

Presenter:

Tommy Klein, City Manager

Item Description:

Staff report on notable tasks completed within the individual departments.

Recommended Action:

No action necessary

Fiscal Impact:

None

Operational Impact:

None

Prior Board Motions:

None

Background Information:

None

Executive Summary:

Work Report to City Manager
07/14/2023

Notification Requirements:

None

Prepared By:

Alexis Ramirez, Deputy City Clerk

Attachments:

1. Report to City Manager 07.14.2023
2. Water Tank - Interior
3. Water Tank - Exterior
4. Memo HWY 6 and Whiteriver

5. Map for HWY 6 and Whiteriver

WORK REPORT TO CITY MANAGER

07.14.2023

PIO

- Continuing updates on website and social media on local issues and citizen concerns. Construction and fires! Summer in Colorado.
- The Garfield County PIO Group did a collaborative press release on fireworks cautions and restrictions around Garfield County.
- Attended GRIT meeting.

COURT

- Handled 63 adult cases and 16 juvenile cases on July 12 court day.
- Held 03 telephone hearings with inmates in custody.
- We finally got our text messaging system to work. On the day before court, defendants will receive a text message reminder. State court has been utilizing this technology for years and says it makes a huge difference with reducing failures to appear. Fingers crossed! 😊

POLICE

- RPD officers issued a total of 178 citations in June. Of those citations, 93 were traffic citations.
- Officers responded to 1390 calls for service in June, yielding 52 cases requiring follow-up and additional investigation.
- Officers made 25 arrests in June.

Noteworthy Events in May for the Rifle Police Department.

- RPD sponsored a successful soccer tournament on June 3rd working with approximately 60 youths in Rifle.
- RPD has begun our Abandon Vehicle Tow program.

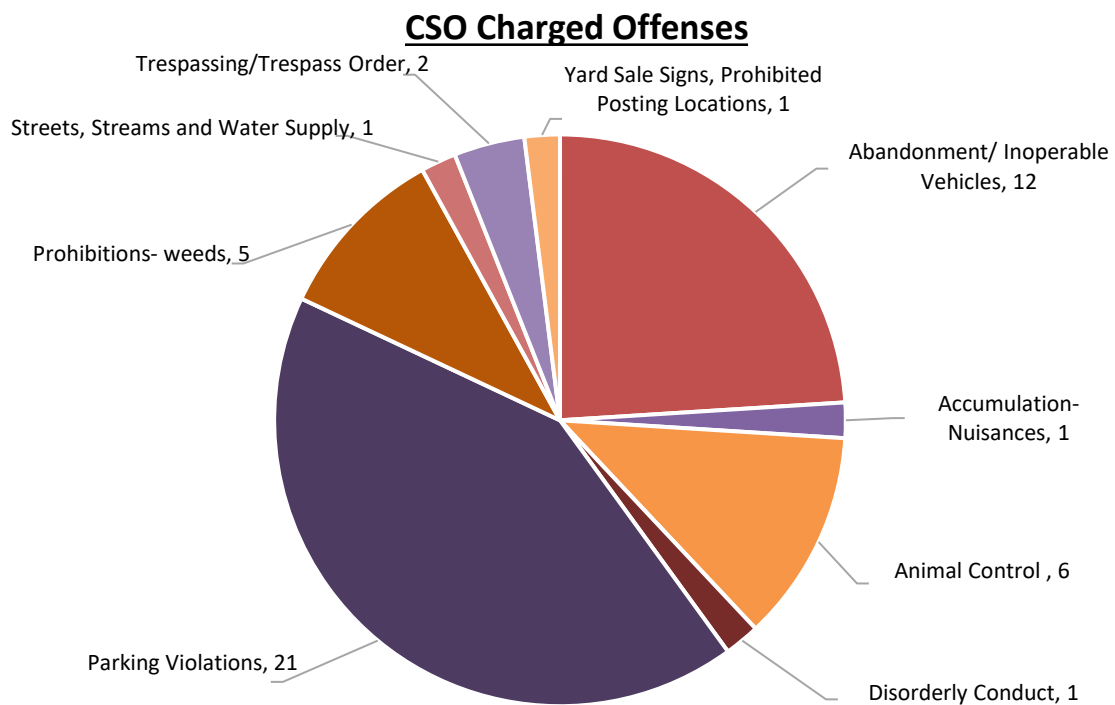
Code Compliance

Code Compliance continues to work hard to provide great services to the City of Rifle. These are code compliance statistics for June.

- CSOs issued 45 Citations in June.
- CSOs responded to 153 calls for service in June.

CSO Charged Offenses

Offense Description	Count
Abandonment of Vehicles Prohibited - (1st Offense within 12 months)	3
Accumulation to Constitute Nuisances	1
Animals Running At Large (failed to physically restrain)	1
Care and Treatment (Confinement of Animals)	1
Disorderly Conduct (Urinates or defecates in any public/private place...)	1
Disturbance (allow animal to disturb)	3
Improper Use of Disabled Parking Privileges When Not Disabled	2
Inoperable Vehicles Prohibited (leave on any public property...1st violation w/in 12 months)	8
Inoperable Vehicles Prohibited (permit to remain on property over 30 days...1st violation w/in 12 months)	1
Parking at Curb or Edge of Roadway (2-way road - wrong side or within 12 inches)	1
Parking in excess of 72 hrs (vehicle, unattached trailer, recreational vehicle)	4
Parking Privileges for Persons with Disabilities (blocking access to handicap area)	1
Prohibitions - (weeds in excess of 8 inches in height)	4
Prohibitions (Undesirable Weeds and Brush)	1
Recreational Vehicle Parked in Excess of 72 hrs	1
Removal of Animal Excrement; damage to property (fail to promptly remove; properly dispose of)	1
Stopping, Standing, or Parking Prohibited - On Sidewalk	2
Stopping, Standing, or Parking Prohibited (Prohibited by sign any street, alley, parking lot, any place in city)	10
Streets, Streams and Water Supply	1
Trespassing (other premises or motor vehicle)	1
Yard Sale Signs, Prohibited Posting Locations	1
Trespass Order	1
Grand Total	50





SPEAR (Special Problem Enforcement And Response) Update for June

The SPEAR team continues to work hard in Rifle and Garfield County.

- 73 incidents across Garfield County
- The team initiated 14 new cases
- Made 10 arrests
- Recovered 3 stolen vehicles
- Confiscated 1,328 Fentanyl pills and 73.34 grams of methamphetamine.

Agencies in Garfield County continue to seek assistance from SPEAR. The SPEAR team grew from 34 agency assists in May to 73 assists in June.

PUBLIC WORKS

Projects

- CAD renderings and development of specifications of the City of Rifle Specifications Manual
- Planning and evaluation of software solutions for Asset Management
- Planning and contract preparation for Demolition of Grand Mesa Water Treatment Plant
- 2024 Budget Planning

Fleet

- Normal fleet maintenance operations.
- Working with Enterprise Fleet Management in budget planning for 2024 Fleet Budget planning
- Repair and maintenance of pin and bushing connections on 2013 John Deere 60D mini excavator – gathering proposals.
- Coordinating upfitting of Code Enforcement vehicle
- Coordinating upfitting on Police Chief vehicle.

Operations & Maintenance

- Point street failure maintenance and asphalt patching.
- Installing cross pan to improve storm drainage flows at E. 6th and Munro Ave.
- Street striping proposal to City Council 19JUL2023

Two weeks Look-ahead

- Curb & gutter repair on 16th St.
- Speed limit sign implementation.
- Completion of package for demolition of Graham Mesa WTP.

SENIOR CENTER

- Our twelve-month Congregate Meal Contract ended on June 30, 2023. Over the past twelve months we have prepared 14,565 meals for the senior meal program up from 13,417 from previous period. Our average meal cost was \$11.56 up slightly from previous year of \$11.36.
- The bid process has been submitted to Bidnet for a new roof on Senior Center building, bid deadline will on July 31, 2023.
- I will be interviewed for a video they are making for the Maxfield Heights Senior Housing. They received the Eagle Award which is one of the highest achievements for the Colorado housing community. The Senior Center has been instrumental in how their residents are supported with connections to transportation, meals, health services, etc.

ENGINEER

Project Status Summary

Project	Status Update	Scope	Bid	Construction Time	Cost Estimate
River bridge Overlay	Proposal from SGM is incoming this week, there will be a full CDOT review process so timeline and budget will be planned accordingly	Bridge Joints and Overlay	TBD	Fall '24	TBD
Airport Water Tank	The tank is complete and inspected, coating is starting in 1 week and final completion of both tanks is expected in October	New .5MG Water Tank and Rehabilitation of Existing Water Tank	Closed	2023	\$3.8M
Gateway Intersection	Still awaiting CDOT review at which point the bid will be posted,	Improve Traffic and Pedestrian Safety at the Intersection of Centennial and Whiteriver	June '23	Fall '23-Spring '24	\$3.5M
Park and Ride	Draft agreements are complete, currently utilities and permitting are being completed	New Park and Ride with extension of streets and utilities	Fall '23	Spring '24	\$4M
Tripp Drive	Survey and Geotechnical Complete	Rebuild Road and Stabilize Bank	Spring '26	2026	\$350k
Morrow Drive	Survey and Geotechnical Complete	Rebuild Road and Stabilize Bank	Spring '25	2025	\$1M
Whiteriver Ave from 9th Street to 16th Street	Survey and Geotechnical Complete	Rebuild Road, Stabilize Bank, Replace Waterline	Spring '25	2025	\$1.1M
Ute Avenue and 5th Street	Design is nearing completion	Replace and Rehabilitate Sewer line, New Waterline, Rebuild Streets and add Sidewalk	Spring '24	2024	\$1.2M
Paradise Island	Easement documents drafted	TBD	TBD	TBD	TBD
Penwell Transmission Line	Utilities are X-raying existing line	Water Transmission Line from plants to tanks	TBD	TBD	\$8M

River bridge Waterline	Beginning next week	Repair Waterline and add Restraints	Closed	Summer '23	\$150k
Railroad Avenue 5th Street to 9th Street	CDOT delay with intersection review is making 2024 timeline uncertain	Rehab Sewer line, Replace Waterline, Rebuild Street and Sidewalk	Spring '24	Summer '24	\$2.5M
Railroad Avenue and 5th Street Intersection	Beginning after fair	New Signal, Sidewalks and Landscaping	Closed	Aug-October	\$600k
2023 Street Improvements	Beginning August	Prefontaine, 16th St, 7th St, Wapiti and Airport Road	May -23	Summer '23	
2023 Crack Sealing	Parking lots ongoing, high traffic streets will be performed at night	16th St, 7th St, Airport Road, and Parks Parking Lots	Awarded	June	\$75k
2023 HA5	Beginning end of July and first week of August	Deerfield Subdivision and Highlands East	Closed	July	\$200k
Park Avenue Extension	No further progress, land purchase	Bridge and Connection to Centennial Parkways	TBD	TBD	\$2M
Intersection of Park Avenue and Third Street	Plan to incorporate into 2024 Street Repairs	Sidewalk, Waterline, Street Rebuild	TBD	TBD	\$750k
Stormwater SEP	Public notice complete, RFP to be issued next week	Study and Improvements of Stormwater	TBD	TBD	TBD
Alley Maintenance	Will be planned for fall	Grading and Mag Chloride	Spring '23	Summer '23	\$50k
Park Hill Retaining Wall	Bids received 7/14/23, Award at August 2 nd Council	Retaining wall fixing ROW and private issue	May '23	Summer '23	\$250k

Financials

For the Street Improvement Fund:

- Professional Services for stormwater compliance currently includes mapping software and consultation, inspection software and Public Works Manual Updates
 - This consists of an estimated \$36,650.00 which is \$33,350.00 under budget
- Minor Projects includes Crack Seal, HA5, Chip Seal, Alley Maintenance, and Street Repairs
 - Due to contractor availability, no chip seal bids were received so the minor projects line is in much better shape than projected for 2023 but the chip seal is recommended to go back out to bid for 2024
 - This places minor projects a projected \$165,000 over budget
- Traffic Signals includes replacement of the 5th Street Signal is over budget by approximately \$200k if the URA is used as a supplement
- Major Projects Include Designs of Streets
 - All of this work was awarded in 2022, contracts include construction management which will take place in later years so Major Projects are projected to be \$280,000 below budget
- Capital Projects are the Whiteriver and Centennial intersection and Park and Ride.
 - The Intersection is anticipated to be below the budgeted amount

- The Park and Ride is likely not going to have an executed IGA between CDOT and the City soon enough to begin in 2023 meaning its costs will be incurred in 2024

Only because of projects rolling over into 2024 and latter years, the Street Fund is anticipated to be under the budgeted amount pending the bid for the gateway intersection.

Administration

- **ROW permits and process**-The new software is almost ready to go into a test trial and is on track for going live by September
- **GIS** -Stormwater maps have been updated internally and are being uploaded to the new collection platform at which time staff will be able to survey new information and update old in the field
- **PWM and Eng. Standards**-Changes to the Public Works Manual will likely be issued as an additional supplement to the document in August to incorporate some CDPHE changes
- **2024 budget**-Projects have been determined and the budget will be drafted next week.

ADMINISTRATION

- The Sargento Carlos Cornejo Facebook page has 2.7 million followers.
- CHFA representatives visited Rifle on July 11. The group took a tour of the airport with Mr. Condie, visited Maxfield Heights, toured the Eco Dwelling warehouse and visited the Rifle Apartments site (behind Brenden Theater).
- Members of the Colorado River Economic Development Partnership met at Rifle City Hall on July 11 to discuss hiring a consultant to formerly establish the board of directors, define objectives, produce a strategic plan, and apply for grants. More information to follow as this process moves forward.







MEMORANDUM

To: COUNCILOR CONDIE
FROM: TOMMY KLEIN
DATE: JULY 13, 2023
RE: MOTOR VEHICLE COLLISIONS HWY 6 AND WHITERIVER

In an effort to mitigate motor vehicle collisions at the intersection of State Highway 6 and Whiteriver Avenue, the police department eliminated the left turn lane for westbound Highway 6 traffic at the access to Highway 13 (River Bridge). While the exact date of the change to the intersection is no known, we estimate that the lane closure occurred in July of 2021. There were several reasons for the alteration.

1. Closing the lane minimized the number of movements a vehicle could lawfully make at a complicated intersection with multiple movement options.
2. The staging section for vehicles south of Highway 6 to make the left onto the River Bridge allows enough room for three, possibly four, standard cars. When vehicles stop on Highway 6 to make the left to access the River Bridge, the queue affects a driver's ability to observe westbound Highway 6 traffic. See the map.
3. Eliminating the option to use the left turn lane on Highway 6 is a minimal inconvenience given that westbound traffic can proceed to the Railroad Avenue intersection where traffic is regulated by a contemporary traffic signal.

The lane closure was subsequently supported by traffic engineers that provided a design study for the intersection. When the intersection is updated with a traffic light, left turns towards the bridge from Highway 6 westbound will be permitted.

Per your request, the police department gathered data concerning motor vehicle collisions that occurred at the intersection of Highway 6 and Whiteriver Avenue.

Year	Frequency
2020	14
Through June 2021	8
Estimated Lane Change	
Remainder 2021	7
2022	10
2023 YTD	2

The police department has issued 19 citations for making a left turn when traveling westbound at the intersection since July of 2021.

