

Ridgway Town Council  
Regular Meeting Agenda  
Wednesday, November 9, 2022

**Pursuant to the Town's Electronic Participation Policy, the meeting will be conducted both in person and via a virtual meeting portal. Members of the public may attend in person at the Community Center, located at 201 N. Railroad Street, Ridgway, Colorado 81432, or virtually using the meeting information below.**

**Join Zoom Meeting**

<https://us02web.zoom.us/j/85928454049?pwd=OEhNNUNLWEtQcEU0UkQ1ZUx2dmRXZz09>

Meeting ID: 859 2845 4049

Passcode: 011604

Dial by your location

+1 346 248 7799 US

+1 253 215 8782 US

**5:30 p.m.**

**ROLL CALL** Councilors Polly Enochs, Kevin Grambley, Beth Lakin, Terry Schuyler, JT Thomas, Mayor Pro Tem Russ Meyer and Mayor John Clark

**ADDITIONS & DELETIONS TO THE AGENDA**

**ADOPTION OF CONSENT CALENDAR** All matters listed under the consent calendar are considered to be routine by the Town Council and enacted by one motion. The Council has received and considered reports and recommendations prior to assigning consent calendar designations. Copies of the reports are on file in the Town Clerk's Office and are available to the public. There will be no separate discussion on these items. If discussion is requested, that item will be removed from the consent calendar and considered separately.

1. Minutes of the Regular Meeting of October 12, 2022.
2. Minutes of the Joint Workshop Meeting of October 26, 2022.
3. Minutes of the Budget Retreat and Special Meeting on October 29, 2022.
4. Register of Demands for November 2022.
5. Renewal of restaurant liquor license for Taco Del Gnar.
6. Water Leak Adjustment for Account #5170.3/Williams.

**PUBLIC COMMENTS** Established time for the public to address the Council regarding any item not otherwise listed on the agenda. Comments will be limited to 5 minutes per person.

**PUBLIC REQUESTS AND PRESENTATIONS** Public comments will be limited to 5 minutes per person; discussion of each item may be limited to 20 minutes.

7. Request to close Clinton St. from N. Cora St. to N. Laura St. for Noel Night on December 2<sup>nd</sup> - Ashley Perkins, Ridgway Area Chamber of Commerce.
8. Presentation of annual report from the Ridgway Community Garden - Agnieszka Przeszlowska, Ridgway Community Garden.

**POLICY MATTERS** Public comments will be limited to 5 minutes per person; overall discussion of each item may be limited to 20 minutes.

9. Interviews of Youth Advisory Council candidates and appointment of members - Town Manager.
10. Appointment of member to Ridgway FUSE - Community Initiatives Facilitator.
11. Review and action on amended Development Agreement between Ridgway Homes, LLC and the Town of Ridgway - Town Attorney.
12. Presentation of the Draft 2023 Fiscal Year Budget - Town Clerk/Treasurer.

**WRITTEN AND VERBAL REPORTS** Written reports may be provided for informational purposes prior to the meeting updating Council on various matters that may or may not warrant discussion and action.

13. Rights of Nature Annual Report.
14. Town Manager's Report.

**EXECUTIVE SESSION** The Town Council will enter into a closed session pursuant to 1) Colorado Revised Statutes 24-6-402(4)(b) for the purpose of receiving legal advice on specific legal questions regarding the possible purchase and/or condemnation of 539 Marion Overlook, Ridgway, CO, and 2) Colorado Revised Statutes 24-6-402(4)(b) for the purpose of receiving legal advice on specific legal questions regarding the possible purchase and/or condemnation of TBD Laura Street, Ridgway, CO.

**COUNCIL COMMITTEE REPORTS** Informational verbal reports from Councilors pertaining to the following committees, commissions and organizations:

Committees & Commissions:

Ridgway Planning Commission - Councilor Meyer and Mayor Clark  
Ridgway Parks, Trails & Open Space Committee - Councilor Enochs  
Ridgway Creative District Creative Advocacy Team - Councilor Grambley  
Ridgway Sustainability Advisory Board - Councilor Thomas; alternate - Councilor Schuyler  
Ridgway Scholarship Committee - Councilor Lakin and Mayor Clark

Board Appointments:

Ouray County Weed Board - Councilor Lakin; alternate - Town Engineer  
Ouray County Joint Planning Board - Councilor Meyer, citizens Rod Fitzhugh & Tom McKenney;  
alternate - Councilor Schuyler  
Sneffels Energy Board - Councilor Thomas and Town Manager; alternate - Mayor Clark  
Region 10 Board - Mayor Clark  
WestCO Dispatch Board - Town Marshal; alternate - Town Manager  
Gunnison Valley Transportation Planning Region - Town Manager  
Ouray County Transit Committee - Town Manager  
Ouray County Water Users Association - Councilor Meyer; alternate Councilor Thomas  
Water and Land Committee for the Uncompahgre Valley - Councilor Meyer; alternate - Town  
Manager  
Colorado Communities for Climate Action - Councilor Lakin; alternate - Town Manager

Colorado Municipal League Policy Committee - Town Manager

Liaisons:

Chamber of Commerce - Councilmember Lakin  
Communities That Care Coalition - Mayor Clark  
Ouray County Fairgrounds - Councilor Schuyler

**ADJOURNMENT**

Deadline for agenda items for next regular meeting, Wednesday, December 7, 2022 at 4:00 p.m.,  
Town Clerk's Office, 201 N. Railroad Street, Ridgway, Colorado.

# Consent Agenda

RIDGWAY TOWN COUNCIL  
MINUTES OF REGULAR MEETING  
OCTOBER 12, 2022

CALL TO ORDER

The meeting was held both in person and via a virtual meeting portal, Zoom Meeting, pursuant to the Town's Electronic Participation Policy.

The Mayor called the meeting to order at 5:30 p.m. The Council was present in its entirety with Councilors Enochs, Grambley, Lakin, Schuyler, Thomas, Mayor Pro Tem Meyer and Mayor Clark in attendance.

CONSENT AGENDA

1. Minutes of the Regular Meeting of September 14, 2022.
2. Register of Demands for October 2022.
3. Renewal of restaurant liquor license for Land Ocean Restaurant.
4. Renewal of tavern liquor license for Ouray County Fairgrounds.

ACTION:

It was moved by Mayor Pro Tem Meyer, seconded by Councilor Lakin and unanimously carried to approve the consent agenda.

PUBLIC REQUESTS AND PRESENTATIONS

5. Presentation of the 2021 Fiscal Year Audit and Financial Statements

Brian Blair with Blair and Associates, PC presented the annual 2021 audit prepared by the firm. He reviewed items from the Management Report, a synopsis of the full audit, and reported "all funds went up". The General and Sewer Funds "were well over revenues to those budgeted" within the fiscal year. He noted all funds "came in well below budgeted expenditures".

6. Presentation from the Ridgway Fire Protection District pertaining to Ballot Issue 6A

Ridgway Fire Protection District Board Member Adam Johnson, asked for Council support of a November ballot initiative to increase the districts mill levy, which has not increased since 2000. He reported the proposed funding would be used to hire professional fire fighters to be on call at the station for first response. He explained over the past 22 years the number of residences and businesses in the 80 square mile service area have increased substantially; the number of volunteers have decreased; available volunteers to respond to calls, and response times, have been severally reduced.

There were questions and comments from the Council, and questions from the audience.

7. Update from Ouray County Public Health Agency

County Public Health Director, Tanner Kingery, presented an update to the Council regarding county health statistics. He noted this summer the reported cases of West Nile Virus in Montrose and Delta Counties encompassed 93% of the cases within the State.

There were questions from the Council and audience.

8. Presentation regarding preparation of a county-wide Evacuation Plan

Glenn Boyd, Ouray County Emergency Manager, reported the County is in the process of receiving quotes to prepare a county-wide Evacuation Plan. Cost estimates are \$16,000 to \$19,000 and the City of Ouray and Town are being asked to participate and pay a third of the cost for the preparation. He explained the County has applied for a grant to prepare a Wildfire Plan which would encompass the entire county.

9. Presentation regarding dedicated pickleball courts

Gilbert Clark, President of the Ridgway Pickleball Club expressed the clubs desire for construction of an eight court complex on the east side of the Athletic Park. He explained pickleball is the “fastest growing sport”, and the “club has experienced a 60% growth in membership over the past two years”, now at a hundred members. He presented a cost estimate of \$488,931 for the construction, with sources of funding including the Town participating by providing grading, engineering and construction management. He noted a grant from Great Outdoors Colorado will be sought by the group in the next grant funding cycle.

There were questions from the Council; and comments from the audience.

The Mayor encouraged the Club to continue working with the Parks and Open Space Committee, and noted master planning for the Athletic Park needs to be addressed first.

PUBLIC HEARINGS

10. Application for Final Plat; Block 20, Lots 16-18; Address: 377 N. Laura St; Applicant: Beth Lakin

Councilmember Lakin stepped down from the Council due to a conflict of interest.

Contracted Planner TJ Dlubac, presented an application for amended plat to separate one single interest into two lots in the historic residential zoning district, on Lots 16-18 within Block 20. The applicant was required to extend the sewer line to serve the newly created lot; and access for the existing lot needed to be changed. He reported the Planning Commission approved the application with conditions at the August 30<sup>th</sup> meeting.

The applicant, Beth Lakin, addressed the Council and explained the lot split will provide a new building lot for a local resident.

ACTION:

Mayor Pro Tem Meyer moved to approve the Lakin-Arnold Amended Plat with the condition the sewer line extension shall be completed and accepted by the Town prior to a building permit being issued for Lot 2. Councilmember Schuyler seconded the motion which carried unanimously.

Councilor Lakin returned to sit with the Council.

## POLICY MATTERS

### 11. Discussion regarding furnishing the Space to Create Community Room

Community Initiatives Facilitator Tera Wick addressed the Council regarding furnishing the newly constructed Space to Create Community Room. She presented potential furnishings designs for the commercial space, from a “basic level to a high level”, and suggested Council consider budgeting funds in the next fiscal year. It was noted by Guthrie Castle, member of the Creative District Committee, the 2000 square foot room can be used by the public for “classes, performances, art exhibitions, meeting, events and celebrations”, and should be designed to meet “as many needs as possible”.

There was discussion by the Council. Consensus was to furnish the space with items designed for commercial uses, which are moveable; the process should be accomplished incrementally, including addressing acoustics and audio/visual equipment.

### 12. Presentation of the Draft 2023 Fiscal Year Budget

The Town Clerk/Treasurer presented a draft of the 2023 Fiscal Year Budget, noting time frame of the presentation meets requirements of State Statute. The 2023 priorities and goals will be discussed with Council during a Budget Retreat on October 29 and will be presented to the public at the November regular meeting and a budget meeting in late November, before being presented for adoption at the December regular meeting.

## MISCELLANEOUS REPORTS

### 13. Appointment of member to the Planning Commission

Mayor Clark announced after the resignation of Thomas Emilson from the Planning Commission, a request for letters of interest was published. Three citizens applied for the position and the appointment was awarded to Jack Petruccelli, a former member and chair of the Planning and Zoning Commission.

### 14. Monthly Managers Report

Manager Neill highlighted some items in the monthly staff report.

Councilmember Thomas reported on meetings of the Ouray County Water Users and Sustainability Advisory Boards.

## EXECUTIVE SESSION

The Town Attorney suggested the Council enter into a closed session pursuant to CRS 24-6-402(4)(b) for the purpose of receiving legal advice regarding the possible condemnation of 539 Marion Overlook, Ridgway, CO 81432.

## ACTION:

Councilmember Lakin moved to enter into closed session. Councilmember Schuyler seconded, and the motion carried unanimously.

The Council entered into closed session with the Town Attorney, Town Manager and Town Clerk at 8:25 p.m.

The Council reconvened into open session at 9:00 p.m.

ADJOURNMENT

The meeting adjourned at 9:00 p.m.

Respectfully Submitted,

Pam Kraft, MMC  
Town Clerk



RIDGWAY TOWN COUNCIL  
MINUTES OF JOINT WORKSHOP  
WITH OURAY COUNTY BOARD OF COMMISSIONERS

OCTOBER 26, 2022

The Town Council convened at 4:30 p.m. for a Joint Workshop with the Ouray County Commissioners at 201 N. Railroad Street, Ridgway, Colorado. The Council was present in its entirety with Councilors Enochs, Grambley, Lakin, Schuyler, Thomas, Mayor Pro Tem Meyer and Mayor Clark in attendance.

Town Clerk's Notice of Joint Workshop Meeting dated October 5, 2022.

Discussion regarding Ouray County Victim Assistance Program

Sheriff Justin Perry presented a history of the victim advocacy program which is a county wide program utilized by all three local jurisdictions to provide system based advocacy to citizens. He noted the program is expanding, and with the new grant cycle it would be best to transition the program, which has been based with the Town Marshals Department, to the Sheriffs Office.

Deputy Sheriff Tammy Stroup explained the difference between a community based and system based advocacy program; and reported state statutes require local jurisdictions to provide victim services. Sheriff Perry reported the department is forming a sex assault team which will assist all country agencies in investigations, and the victim advocate will become a part of the team. He noted the Sheriffs Department has more call volume for services, and the City of Ouray has given support to housing the program at the County.

Marshal Schmalz presented information on grants which have been received to fund the program over the past few years. The program provides staffing of a victim advocate for 20 hours a week, and two part time on call advocates. Two grants will provide program funding for the next year, with a contribution from all three agencies of \$1622.

The Council agreed the program should be located at the Sheriffs Department.

Discussion regarding the Preserve Planned Unit Development

The Mayor explained at the September meeting Council received a request from the Preserve Planned Unit Development (PUD) to review responses from the County Commissioners pertaining to the development which is located both in the Town and County. This includes a road within and servicing the subdivision, and location of a sewer lift station.

The County Commissioners requested the Town annex the area which would place the road entirely within Town boundaries, to avoid easements from both jurisdictions.

Chris Hawkins, planner for the PUD, presented a map detailing the proposed lift station location, which lays within adjacent property owned by the developers, and within the county limits. He explained the owners are in favor of annexing the property, and would dedicate the 3.77 acre parcel to the Town if the annexation option is approved. He noted the area is outside the Towns Urban Growth Boundary, and questioned if annexation would trigger the need for changes to be memorialized.

There was discussion by the Council and it was agreed to pursue annexation. Staff was directed to work with the developer; and the Town Attorney to work with the County Attorney to determine proposed adjustments to the Urban Growth Boundary.

The meeting adjourned at 5:30 p.m.

Respectfully Submitted,

Pam Kraft, MMC  
Town Clerk

RIDGWAY TOWN COUNCIL  
MINUTES OF BUDGET RETREAT  
AND SPECIAL MEETING

OCTOBER 29, 2022

The Town Council convened for a budget retreat at 9:10 a.m. in the Ridgway Community Center at 201 N. Railroad Street. The meeting was held both in person and via a virtual meeting portal, Zoom Meeting, pursuant to the Town's Electronic Participation Policy.

The Council was present in its entirety with Councilors Enoch, Grambley, Lakin, Schuyler, Thomas, Mayor Pro Tem Meyer and Mayor Clark in attendance.

Town Clerk's Notice of Retreat and Special Meeting dated October 17, 2022.

The Council received a draft Fiscal Year Budget for 2023; Memorandum from the Town Clerk listing line item locations by funds, for expenditures and revenues in the draft budget; Worksheets of Five and Ten Year Capital Improvement Projects for each of the three funds; Strategic Plan; Memorandum regarding changes within the classification and compensation plan; information on the Famili Program.

Through a PowerPoint presentation Town Manager Preston Neill explained the meeting goals, and an overview of the budget adoption process as it relates to the Town Charter, timelines and budget approach.

There was discussion and questions from the Town Council pertaining to grant availability from the Department of Local Affairs for projects in the next fiscal year.

The Town Clerk presented the draft 2023 Fiscal Year Budget and reviewed with Council the revenue projections and operational expenditures by each fund. It was noted revenues were projected conservatively.

There was discussion between the Council and staff. Council discussed ways to inform citizens of capital projects, and receipts of grant funding.

The Town Manager presented Statewide revenue projections and trends. He reported 2022-2023 is projected to fail to keep pace with inflation, and 2023-2024 is narrowly expected to exceed, as economic growth continues to slow. Manager Neill presented slides of Town sales tax revenues over the years, versus original budgeted amounts.

The Town Manager presented a pay movement recommendation from Logic Compensation, to keep current the classification and compensation study they performed on behalf of the Town last year. The recommendation contains a step structure adjustment of 3.3% aligned with the market average, to ensure the Town maintains a competitive position in attracting and retaining employees.

Manager Neill presented the State initiated Family and Medical Leave Insurance Policy (FAMILI) and presented background on the program. He reported staff is recommending the Town opt out of the program, noting other local jurisdictions, along with a recommendation from the Colorado Municipal League support the choice.

There was discussion by the Council.

ACTION:

It was moved by Councilor Lakin and seconded by Councilmember Grambley to decline all participation in the Family and Medical Leave Insurance Policy. The motion carried with Councilor Schuyler abstaining.

The Council took a recess for lunch between 12:30 p.m. and 1:00 p.m.

The Town Clerk presented draft worksheets of the Five and Ten Year Capital Improvement Projects by each fund, and discussed them with the Council.

Councilor Schuyler presented slides and information on a photovoltaic plan for the Space to Create Building, and construction of an Agrivoltaic Community Solar Garden.

There was discussion by the Council. Items were added to the Five Year Capital Projects sheets, including moving an item from the Ten Year Plan.

It was agreed to discuss the 2022 Strategic Plan at the next meeting.

The meeting adjourned at 2:30 p.m.

Respectfully Submitted,

Pam Kraft, MMC  
Town Clerk

**Town of Ridgway**  
**Register of Demands**  
November 2022

Name	Memo	Account	Paid Amount
<b>Ridgway Valley Enterprises, Inc.</b>		<b>Alpine-Operating Account</b>	
	Application 4	CP2100 · Construction	-266,465.17
TOTAL			-266,465.17
<b>Ouray County Road &amp; Bridge</b>		<b>Alpine-Operating Account</b>	
	9/22/22-10/19/22	660GO2 · Gas & Oil	-261.12
	9/22/22-10/19/22	760POO · Gas & Oil	-301.84
	9/22/22-10/19/22	960WOO · Gas & Oil	-257.71
	9/22/22-10/19/22	960SOO · Gas & Oil	-416.29
	9/22/22-10/19/22	860GO3 · Gas & Oil	-589.19
TOTAL			-1,826.15
<b>BnD Batteries</b>		<b>Alpine-Operating Account</b>	
	batteries - Lake O	932WOO · Supplies & Materials	-558.85
TOTAL			-558.85
<b>Browns Hill Engineering &amp; Con...</b>		<b>Alpine-Operating Account</b>	
	software - plant	931WOO · Maintenance & Repairs	-953.10
TOTAL			-953.10
<b>Western Paper Distributors</b>		<b>Alpine-Operating Account</b>	
		732PO1 · Supplies - c cntr/t hall	-506.28
		732POO · Supplies & Materials	-506.28
TOTAL			-1,012.56
<b>Pine Cone Catering Co.</b>		<b>Alpine-Operating Account</b>	
	Tri-Agency Dinner	553GOO · Meetings & Community Events	-838.00
TOTAL			-838.00
<b>Clear Networx, LLC</b>		<b>Alpine-Operating Account</b>	
	Nov 2022	543GOO · Telephone	-56.00
	Nov 2022	643GO2 · Telephone	-56.00
	Nov 2022	843GO3 · Telephone	-61.00
	Nov 2022	943WOO · Telephone	-56.00
	Nov 2022	943SOO · Telephone	-56.00
	Nov 2022	530GOO · Computer	-50.00
	Nov 2022	630GO2 · Computer	-50.00
	Nov 2022	730POO · Computer	-50.00
	Nov 2022	830GO3 · Computer	-50.00
	Nov 2022	930WOO · Computer	-50.00
	Nov 2022	930SOO · Computer	-50.00
	Nov 2022	930WOO · Computer	-50.00
	Nov 2022	930SOO · Computer	-25.00
	Nov 2022	630GO2 · Computer	-25.00
	Nov 2022	843GO3 · Telephone	-55.00
TOTAL			-740.00

**Town of Ridgway**  
**Register of Demands**  
November 2022

Name	Memo	Account	Paid Amount
<b>Xerox Financial Services</b>		<b>Alpine-Operating Account</b>	
	Xerox lease - Oct 2022	948SOO · Office Equipment - Leases	-7.63
	Xerox lease - Oct 2022	948WOO · Office Equipment - Leases	-15.26
	Xerox lease - Oct 2022	548GOO · Office Equipment - Leases	-129.75
TOTAL			-152.64
<b>Dana Kepner Company Inc</b>		<b>Alpine-Operating Account</b>	
	MXUs (27)	988WOO · Taps & Meters	-6,013.71
TOTAL			-6,013.71
<b>Sensus USA</b>		<b>Alpine-Operating Account</b>	
	sensus support 9/26/22-9/25/23	914WOO · Consulting & Engineering Ser...	-974.97
	sensus support 9/26/22-9/25/23	914SOO · Consulting & Engineering Servs	-974.97
TOTAL			-1,949.94
<b>Pro Velocity</b>		<b>Alpine-Operating Account</b>	
		556GOO · IT Services	-179.00
TOTAL			-179.00
<b>Mesa County HDR Laboratory</b>		<b>Alpine-Operating Account</b>	
		990WOO · Testing - water	-20.00
TOTAL			-20.00
<b>WestCo</b>		<b>Alpine-Operating Account</b>	
	4th qtr 2022	885GO3 · Dispatch Services	-14,124.55
TOTAL			-14,124.55
<b>City of Grand Junction</b>		<b>Alpine-Operating Account</b>	
		918SOO · Testing & Permits - sewer	-477.00
TOTAL			-477.00
<b>True Value</b>		<b>Alpine-Operating Account</b>	
		632GO2 · Supplies & Materials	-59.28
		661GO2 · Vehicle & Equip Maint & Repair	-13.05
		732POO · Supplies & Materials	-208.79
		961SOO · Vehicle & Equip Maint & Repair	-15.24
		932SOO · Supplies & Materials	-246.59
		932WOO · Supplies & Materials	-313.63
		961WOO · Vehicle & Equip Maint & Repair	-15.24
TOTAL			-871.82

**STAFF REPORT**

Subject: Request for water leak adjustment - Account #5170.3/Williams

Initiated By: Pam Kraft, Town Clerk

Date: November 4, 2022

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**BACKGROUND:**

Attached is a request for a water leak adjustment at 601 Chipeta Drive, from Jenny Williams. The leak was located between the meter and the duplex building, and created excess usage of 58,600 gallons. The leak was repaired immediately after being notified by staff of excess water use.

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**ANALYSIS:**

Pursuant to Municipal Code Section 9-1-23 the Council has the authority to make water leak adjustments. The language is as follows:

**9-1-23: WATER BREAK ADJUSTMENTS.**

(A) The Town Council shall have authority to make an equitable adjustment to a water bill when the bill is extraordinarily high due to an undiscovered break downstream of the customer's meter if the break was not caused by the customer's negligence and the customer did not have a reasonable opportunity to discover the break more quickly than it was discovered.

(B) No adjustment shall be allowed unless the customer submits a written request for the adjustment within fifteen days of the mailing of the bill in question and unless the leak has been repaired.

(C) The adjustment shall not reduce the customer's bill below the cost to the Town of producing the water supplied through the meter.

The customer used 76,800 gallons in September and was billed \$1,034. This calculates to 56,800 gallons over the base allotment; based on the leak adjustment rate of \$11.00 for each 1,000 gallons between 5,000 and 10,000 gallons; \$13.00 between 10,000 and 18,000 gallons; and \$15.00 over 18,000 gallons, the customer can be awarded a water leak adjustment credit of \$305.20.

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**FINANCIAL CONSIDERATIONS:**

There is a loss in revenue when the water rate is decreased.

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ATTACHMENT: Email from Jenny Williams dated 10-11-22

## Pam Kraft

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**From:** Jenny Williams <[REDACTED]>  
**Sent:** Tuesday, October 11, 2022 3:26 PM  
**To:** Pam Kraft  
**Subject:** Request for adjustment: water bill, acct 5170.3

Hi Pam,

I just spoke with Karen about requesting an adjustment on my September water bill for account 5170.3, and she directed me to email you. I would be very grateful if the Town Council would consider an adjustment to the \$1,034 water bill I received due to a massive underground leak between the street and my building, which I had no way of knowing about and which I fixed as soon as I became aware of it. The repair cost me over \$9,700, an expense not covered by homeowners insurance.

Here's the full background:

I own a duplex at 601 Chipeta Drive, Units A and B. I received a call from Wanda around noon on Friday, September 30, stating that my September water usage had skyrocketed from an average of 14,000 gallons/month to over 76,000, indicating a major leak. Someone from Public Works had double checked the meter and said it was spinning. I was shocked, since neither the unit I was living in nor my tenants' unit was experiencing any leaks or loss of water pressure inside the building. There also weren't any wet areas on the property or the street where a leak might have been visible.

I immediately took action, turning off the water to the house to confirm that the leak was between the meter and the building. Once that was determined, I called Wanda to have Public Works shut off all water to the property. I then called multiple plumbers and excavators in the area to find someone who could identify the issue and start repairs immediately. Benjamin Franklin Plumbing of Montrose was on site within a couple of hours, and determined that the entire water line would need to be replaced since it would be very difficult to identify a specific source of the leak and repair it satisfactorily.

They started the work on Monday, October 3, and completed the repair on Wednesday, October 5. The leak was determined to be a result of the original PVC pipe cracking (the pipe was copper at either end, but PVC in the middle). The pipe was 7 feet below ground. The project cost \$9,752, which was not covered by homeowners insurance. The cost of the water bill on top of this feels especially daunting as I am a full-time single mom to a brand-new baby (born in June).

I hope my good standing as an account holder will be taken into consideration, as I've always paid my bills on time and in full. As a landlord I have provided stable, long-term housing for two valued members of the community, and as of November 1 I will be renting the second unit also as a long-term home (minimum 2 year lease) to local retirees. In the past I've volunteered at Second Chance and the Ridgway Chautauqua Society, and I currently serve as a trustee on the Ridgway Library Board of Directors.

I'm happy to provide any other information you might find useful. I'm very grateful for your time and consideration!

Many thanks,  
Jenny Williams



## AGENDA ITEM #7



TOWN HALL PO Box 10 201 N. Railroad Street Ridgway, Colorado 81432 970.626.5308 www.town.ridgway.co.us

### Application for Use of Parks, Facilities and Right-of-Way

Applicant Name: <u>Ashley Perkins</u>	Contact Person: <u>Ashley Perkins</u>
Applicant Phone: <u>3154400937</u>	Contact Phone: <u>3154400937</u>
Applicant Email: <u>director@ridgwaycolorado.com</u>	Event Date: <u>December 2nd 2022</u>
Organization Name: <u>RACC</u>	Event Time: <u>4pm - 8pm</u>
Type of Event: <u>Noel Night</u>	# Attendees: <u>~250</u>

Specify park, facility and/or public right-of-way for the event (check all that apply):

<input type="checkbox"/> Hartwell Park	<input type="checkbox"/> Hartwell Park Stage	<input type="checkbox"/> Athletic Park
<input type="checkbox"/> Concession Area (Athletic Park)	<input type="checkbox"/> Dennis Weaver Memorial Park	<input type="checkbox"/> Rollans Park
<input type="checkbox"/> Cottonwood Park	<input checked="" type="checkbox"/> Right-of-Way (specify below)	<input type="checkbox"/> Community Center
<input type="checkbox"/> Other (specify): <u>Clinton Street</u>		

For use of Rights-of-Ways (streets, alleys, sidewalks) specify the exact location(s):

Clinton Street between Colorado Boy and  
end of Space to Create  
Close Clinton St between Cona St. 's Laure St.

Describe in detail the proposed use and activity for the park, facility and/or right-of-way:

TO provide space For non store fronts  
to sell goods For the holidays



TOWN HALL PO Box 10 | 201 N. Railroad Street | Ridgway, Colorado 81432 | 970.626.5308 | www.town.ridgway.co.us

**\*Selling of alcoholic beverages** requires an application for a State of Colorado Special Events Liquor License. Application must be made with the Town Clerk, and the license received prior to holding the event.

The Applicant agrees to comply with all rules and regulations of the Town of Ridgway:

1. The Applicant agrees to not violate any Town ordinance or other law while using the Town property.
2. The Applicant agrees to be responsible for any and all damages to Town facilities that may occur during the period of use.
3. The Applicant agrees that the Town is not responsible for any loss whatsoever incurred by the User.
4. The Applicant is responsible for restoring the area to the same condition in which it was found. Failure to comply will result in the loss of damage deposit.
5. The Applicant agrees to immediately notify the Town of any damage.
6. The Applicant understands and agrees that the damage deposit may be used to cover any damage, cleanup, or loss incurred by the Town.
7. The Applicant hereby agrees to hold the Town of Ridgway, Colorado, their officers, agents and employees harmless on account of any damages to User's persons or property and to defend and indemnify the Town of Ridgway and their officers, agents or employees for any damages suffered, or claims made or adjudged against them arising out of the use of the Town property by Applicant.

W. Ashley Perkins, the Applicant, hereby state that I have read the foregoing terms, conditions, rules and regulations and hereby agree that, for consideration of the use of the Town property that I and the User (if different) RACC will comply with all applicable conditions herein.

Applicant Signature: \_\_\_\_\_

Date: 10/29/22

## AGENDA ITEM #8



P.O. Box 635 - Ridgway, CO 81432 • [www.RidgwayGarden.org](http://www.RidgwayGarden.org)

September 29, 2022

The Honorable John Clark, Mayor of Ridgway  
and Members of the Ridgway Town Council  
201 N. Railroad St.  
Ridgway, Colorado 81432

Dear Mayor Clark and Members of the Town Council:

Subject: Ridgway Community Garden FY 2022 report and FY 2023 request.

The Ridgway Community Garden (RCG) had another productive year in 2022:

- We rented 48 out of 50 garden plots. Two of the plots were a communal rhubarb raised bed and a flower bed. The garden served 76 adults and 20 children.
- One of the participating families grew produce specifically for the Ouray County Food Pantry. Their donations along with contributions from other members supported 170 adults and 45 children in the community.
- We also had two families from the WIC program participate this year.
- Our Master Gardener, Chris Lance, hosted nine classes on topics that included planting, soil health, garden plot maintenance, low tunnels, disease & pest management, and harvesting tips.
- Chris also led two garden sessions with Voyager youth that educated children on the values of a community garden and the importance of composting.
- Community events included Dark Skies with Val Szwarc and Seed Up Saturday (seed exchange) with Ridgway Public Library.
- We had three social gatherings/potlucks for garden members and friends.
- We coordinated four work sessions for garden members to help with special projects and general garden maintenance. We had 50% membership participation.
- We are now coordinating fall service projects with Ridgway middle and high school students.

In 2022, we were also able to improve the composting system, the main pathway, uprights for hoses, and add new features to the Children's Area. In terms of administration, the RCG obtained its 501(c)3 nonprofit status, recruited three new directors to the board, renewed the

lease with Town for a 20-yr term, maintained general liability coverage per limits outlined in the lease, and managed a sublease to the Ridgway Community Apiary.

As we prepare to shut down the garden for the 2022 season, we are also planning for next year. In 2023, we will construct four tall beds for older members that have a hard time gardening in the short raised beds, plant flowering perennials to beautify the garden, establish a communal pumpkin patch and continue to enhance the Children's Area. These projects as well as on-going maintenance of the garden will be funded by secured grants, donations, and membership fees.

We would like to request Town's assistance in spring 2023 to improve the parking area at the RCG. In spring 2019, Town generously donated materials and staff time to cut the curb/sidewalk for parking access, prepare the site, contribute and spread gravel for the parking area. Over time, weeds have encroached into portions of the parking area and some spots would benefit from additional gravel. We request Town's resources to help us mitigate the weeds and to bring in more gravel for parking.

Thank you in advance for your consideration of RCG's request for 2023. We are grateful for your continued support of the community garden and the Town's donation from one of the Music In The Park concerts this past summer.

Sincerely,

A handwritten signature in black ink, appearing to read 'Agnieszka Przeszlowska', followed by a long horizontal flourish.

Agnieszka Przeszlowska  
Ridgway Community Garden  
Board of Directors, President

## AGENDA ITEM #9



To: Honorable Mayor Clark and Ridgway Town Council  
From: Preston Neill, Town Manager  
Date: November 4, 2022  
**Agenda Topic: Interviews of Youth Advisory Council candidates and appointment of members**

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#### **ACTION BEFORE COUNCIL:**

Council is asked to discuss how to proceed with the 2022-2023 Town of Ridgway Youth Advisory Council. Only two applications were received by the extended submittal deadline and both applicants are slated to attend Wednesday's Council meeting.

#### **SUMMARY:**

In July of 2020, Council approved Resolution No. 20-09 establishing the Town of Ridgway Youth Advisory Council. According to the *Town of Ridgway Youth Advisory Council Authority and Procedures*, appended to this memo as Attachment A, the Youth Advisory Council shall be composed of five high school youth and the Council shall appoint members after candidates complete an application and interview with the Council. Members shall serve one-year terms.

In order to be eligible for appointment to the Youth Advisory Council, candidates must 1) reside in the Town of Ridgway or attend Ridgway Secondary School, 2) be between the ages of 14 and 18 and be in high school entering the 10<sup>th</sup>, 11<sup>th</sup>, or 12<sup>th</sup> grade, 3) be able to commit to one year of participation, and 4) maintain at least a 2.75 GPA throughout the school year or, if GPA is below 2.75, submit a letter of recommendation from a teacher, counselor or administrator to the Town.

On September 1<sup>st</sup>, the Town began soliciting application from area youth for appointment to the 2022-2023 Town of Ridgway Youth Advisory Council. The initial submittal deadline was October 3<sup>rd</sup> and at end of day on October 3<sup>rd</sup> the Town had only received two applications. The decision was made to extend the submittal deadline to November 1<sup>st</sup>. At end of day on November 1<sup>st</sup>, the Town had not received any additional applications.

#### **CANDIDATES AND INTERVIEW PROCESS:**

The following students have submitted completed Youth Advisory Council applications:

- River Randolph
- Jonathan Rytlewski

The information received from applicants is attached to this report as Attachment B. During Wednesday's meeting, Council can elect to interview the applicants for a few minutes at a time. The interview order is organized alphabetically by last name.

#### **PROPOSED MOTION:**

"I move to appoint [candidate names] to the 2022-2023 Youth Advisory Council, with terms expiring on June 30, 2023."

#### **ATTACHMENTS:**

Attachment A – Resolution No. 20-09  
Attachment B – Applications



# ATTACHMENT A

## RESOLUTION NO. 20-09

### **A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF RIDGWAY, COLORADO, ESTABLISHING THE TOWN OF RIDGWAY YOUTH ADVISORY COUNCIL**

**WHEREAS**, the Town of Ridgway, Colorado (“Town”) is a home rule municipality and political subdivision of the State of Colorado (“State”) organized and existing under a home rule charter (“Charter”) pursuant to Article XX of the Constitution of the State; and

**WHEREAS**, many municipalities use youth advisory councils to inject fresh ideas and youth perspectives into local decision-making; and

**WHEREAS**, the Town Council recognizes youth to be a valuable resource when given the opportunity to provide public input and citizen participation in the determination of Town policies and procedures; and

**WHEREAS**, youth advisory councils can promote community service and foster a better understanding among young people of how municipal government works; and

**WHEREAS**, the Town Council recognizes that establishing a Youth Advisory Council to serve as an advisory body to the Town Council, will empower youth, will give them opportunities for input on projects, programs, and events, and will afford them opportunities to have influence and impact on issues and decisions they care about; and

**WHEREAS**, the Town Council desires to create a Youth Advisory Council; and

**WHEREAS**, Section 5-3 of the Ridgway Charter states that the Town Council may create any commissions and boards as it deems appropriate and specify their duties, terms and responsibilities; and

**WHEREAS**, the Town Council finds that the establishment of a Youth Advisory Council will promote the health, safety and general welfare of the Ridgway community.

**NOW THEREFORE**, the Ridgway Town Council hereby **RESOLVES** to establish the **Town of Ridgway Youth Advisory Council as set forth in Exhibit A: Town of Ridgway Youth Advisory Council Authority and Procedures**, attached hereto.

ADOPTED AND APPROVED this \_\_\_\_ day of July, 2020.

ATTEST:

\_\_\_\_\_  
John Clark, Mayor

\_\_\_\_\_  
Pam Kraft, Town Clerk

# ATTACHMENT A

## EXHIBIT A

### TOWN OF RIDGWAY YOUTH ADVISORY COUNCIL AUTHORITY AND PROCEDURES

1. **Establishment and Goals.** There is hereby established the Town of Ridgway Youth Advisory Council (Youth Advisory Council). The goals of the Youth Advisory Council program are as follows:
  - a. To provide an opportunity for the youth of this community to acquire a greater knowledge of and appreciation for the American political system through active participation in that system.
  - b. To help the Ridgway Town Council solve the problems and accomplish the goals of this community by working directly with the representatives of the youth.
  - c. To serve the youth of this community by:
    - i. Informing the town government of the needs and wishes of the youth.
    - ii. Planning and implementing social, educational, cultural, athletic and recreational activities for the youth.
    - iii. Working with the Ridgway Town Council, Ridgway School District and other local organizations to provide new opportunities for Ridgway youth.
2. **Roles and Responsibilities.** The roles and responsibilities of the Youth Advisory Council are as follows:
  - a. Makes specific recommendations for youth programs and activities to town government.
  - b. Serves as a forum for the expansion of ideas, needs, concerns, and goals relating to community issues particularly as they may affect youth.
  - c. Makes recommendations to enhance the range and quality of opportunities for young people.
  - d. Enlists community-wide participation in assuming the responsibility for resolving youth concerns.
  - e. Initiates and encourages youth-driven community service projects.

## ATTACHMENT A

- f. Performs other tasks as the Ridgway Town Council may direct.
- 3. **Membership and Term.** The Youth Advisory Council shall be composed of five high school youth. The Ridgway Town Council shall appoint members after candidates complete an application and interview with the Town Council. Members shall serve one-year terms and may reapply until they graduate from high school. Current members who meet expectations shall be given preference for reappointment year to year.
- 4. **Qualification of Members.** Youth Advisory Council members shall:
  - a. Reside in the Town of Ridgway or attend Ridgway Secondary School.
  - b. Be between the ages of 14 and 18 and be in high school entering the 10<sup>th</sup>, 11<sup>th</sup>, or 12<sup>th</sup> grade.
  - c. Be able to commit to one year of participation.
  - d. Maintain at least a 2.75 GPA throughout the school year or, if GPA is below 2.75, submit a letter of recommendation from a teacher, counselor or administrator to the Town.
- 5. **Quorum.** Three (3) members of the Youth Advisory Council shall constitute a quorum for the transaction of business, but in the absence of a quorum, a lesser number may adjourn any meeting to a later time or date.
- 6. **Removal from Office.** Any member of Youth Advisory Council may be removed for just cause at the pleasure of the Ridgway Town Council by a majority vote of the entire Council in office at the time the vote is taken. Just cause shall include misconduct, conduct unbecoming of a Town official, or more than two (2) unexcused absences within a twelve-month period. Prior to removal, the Ridgway Town Council shall conduct a hearing and shall provide written notice to the Youth Advisory Council member stating the grounds for removal at least three (3) days prior to the hearing.
- 7. **Officers.** The Youth Advisory Council shall select its own Mayor and Mayor Pro-Tem. The Mayor or, in the absence of the Mayor, the Mayor Pro-Tem, shall be the presiding officer of its meetings. In the absence of both the Mayor and the Mayor Pro-Tem from a meeting, the members present shall appoint a member to serve as Acting Mayor at the meeting.
- 8. **Staff.** The Town Manager, or his or her designee, shall serve as the staff of the Youth Advisory Council and shall provide for the service of a recording secretary who shall act in the capacity of secretary for the Youth Advisory Council.

## ATTACHMENT A

9. **Meetings.** Youth Advisory Council members shall attend regular meetings held once a month at Ridgway Town Hall. Youth Advisory Council members may be required to attend other meetings during their terms, including Ridgway Town Council meetings or presentations to local groups or organizations.
10. **Appropriation Authority.** The Youth Advisory Council shall not have authority to appropriate or spend Town of Ridgway funds. The Youth Advisory Council may provide recommendations to the Town Manager and/or Ridgway Town Council with regard to any annual budget.
11. **Council Amendments.** The Ridgway Town Council reserves the right to amend, increase, reduce or change any or all of the powers, duties and procedures of the Youth Advisory Council.



ATTACHMENT B

TOWN HALL PO Box 10 | 201 N. Railroad Street | Ridgway, Colorado 81432 | 970.626.5308 | www.town.ridgway.co.us

**TOWN OF RIDGWAY YOUTH ADVISORY COUNCIL  
APPLICATION**

**APPLICANT INFORMATION**

Name: \_\_\_River Randolph\_\_\_\_\_

Date of Birth: \_\_\_\_\_

Phone: \_\_\_\_\_

Email: \_\_\_\_\_

Address: \_\_\_\_\_

City: \_\_\_Ridgway\_\_\_\_\_

ZIP Code: \_\_\_81432\_\_\_\_\_

School: \_\_\_Ridgway Secondary School\_\_\_\_\_

Grade: \_\_\_12th\_\_\_\_\_

**EMERGENCY CONTACTS**

Name of parent/guardian: \_\_\_Gin Randolph\_\_\_\_\_

Email: \_\_\_\_\_

Relationship: \_\_\_Mother\_\_\_\_\_

Phone: \_\_\_\_\_

Name of parent/guardian: \_\_\_Russell Randolph\_\_\_\_\_

Email: \_\_\_\_\_

Relationship: \_\_\_ Father \_\_\_\_\_

Phone: [REDACTED] ATTACHMENT B

I CAN BE RESPONSIBLE FOR THE FOLLOWING (INITIAL BY EACH ONE):	INITIALS
Advise the Town Council on the issue that young people in Ridgway are facing.	RR
Attend 80% of the Youth Advisory Council meetings.	RR
Actively participate in the meetings.	RR
Maintain at least a 2.75 GPA.	RR
Be respectful of others and their ideas.	RR
Demonstrate leadership skills for other youth.	RR
Present Youth Advisory Council information to schools, organizations and committees if requested.	RR
Objectively evaluate Youth Advisory Council activities for effectiveness, value and interest to other youth.	RR
Provide ideas for other teen program activities.	RR
Stay out of trouble at school and with law enforcement.	RR

### APPLICANT QUESTIONS

What issues in your community are you passionate about?

I am very passionate about the parks and outdoor areas in the city of Ridgway because I use them a lot to hang out with friends. Without the community parks, Ridgway would be a much different place.

What are your strengths and weaknesses in working on a team and accomplishing projects?

I have seen a lot of positive growth when working with others because it widens my opinions. Last year I was very quiet, but throughout the YAC last year I learned why a single voice would matter and how one opinion can be very important.

## ATTACHMENT B

You and another person have different opinions about an issue that is important to you – how do you handle the situation?

In this situation, I would listen to what others have to say and share my own opinion, but I would understand why they think the way that they do, and my opinion may change in the end rather or not they have brought up persuasive arguments.

Tell us about a time when you had a commitment at school and something else came up – how did you handle the schedule conflict?

I handled this conflict by talking with both sponsors/coaches to decide priority.

What expectations do you have about the Town of Ridgway Youth Advisory Council? Do you have any additional questions about the Council?

I expect as a member that I would be involved with the Town Council in providing a youth say in the making of decisions such as seen last year.

## ATTACHMENT B

### SIGNATURES

**By signing below, I agree to the policies, procedures, and expectations detailed in the *Town of Ridgway Youth Advisory Council Authority and Procedures*.**

Signature of applicant: \_\_\_\_\_ Riv Ran \_\_\_\_\_ Date: \_\_10/2\_\_\_\_\_

Signature of parent/guardian: \_\_\_\_\_ Gin Randolph \_\_\_\_\_ Date: \_10/2\_\_\_\_\_



ATTACHMENT B



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EXHIBIT 2

TOWN OF RIDGWAY YOUTH ADVISORY COUNCIL  
APPLICATION

APPLICANT INFORMATION

Name: Jonathan RyHewski  
Date of Birth: [REDACTED]  
Phone: [REDACTED]  
Email: [REDACTED]  
Address: [REDACTED]  
City: Ridgway  
ZIP Code: 81432  
School: Ridgway High School  
Grade: 10<sup>TH</sup>

EMERGENCY CONTACTS

Name of parent/guardian: Greta RyHewski  
Email: [REDACTED]  
Relationship: Mother  
Phone: [REDACTED]  
Name of parent/guardian: John RyHewski

## ATTACHMENT B

Email: [REDACTED]  
Relationship: father  
Phone: [REDACTED]

I CAN BE RESPONSIBLE FOR THE FOLLOWING (INITIAL BY EACH ONE):	INITIALS
Advise the Town Council on the issue that young people in Ridgway are facing.	JR
Attend 80% of the Youth Advisory Council meetings.	JR
Actively participate in the meetings.	JR
Maintain at least a 2.75 GPA.	JR
Be respectful of others and their ideas.	JR
Demonstrate leadership skills for other youth.	JR
Present Youth Advisory Council information to schools, organizations and committees if requested.	JR
Objectively evaluate Youth Advisory Council activities for effectiveness, value and interest to other youth.	JR
Provide ideas for other teen program activities.	JR
Stay out of trouble at school and with law enforcement.	JR

### APPLICANT QUESTIONS

What issues in your community are you passionate about?

Keeping our community youth away from harmful activities, such as smoking, vaping, and drugs.

What are your strengths and weaknesses in working on a team and accomplishing projects?

My strengths in working on a team is my ability to communicate with all members on the team, so all ideas can be evaluated and my ability to understand others' points of view.

You and another person have different opinions about an issue that is important to you – how do you handle the situation?

First, I would seek to understand the other person's view and reasons for their beliefs, then I would articulate my reasoning and point of view.

ATTACHMENT B

Tell us about a time when you had a commitment at school and something else came up – how did you handle the schedule conflict?

Being on the basketball and soccer team, there are many occasions when I have had to leave school early. Specifically, last year I had to make up an English exam during my lunch time. I communicated with my teacher several days in advance to establish a time that worked for both of us to complete this assignment.

What expectations do you have about the Town of Ridgway Youth Advisory Council? Do you have any additional questions about the Council?

I would expect for the five members of the Youth Advisory Council to work collaboratively and diligently to make strong recommendations that support Ridgway's youth.

SIGNATURES

By signing below, I agree to the policies, procedures, and expectations detailed in the Town of Ridgway Youth Advisory Council Authority and Procedures.

Signature of applicant: Jonathan Rytter

Date: 9/25/2022

Signature of parent/guardian: [Signature]

Date: 9/25/2022

## AGENDA ITEM #10



To: Honorable Mayor Clark and Ridgway Town Council  
From: Tera Wick, Community Initiatives Facilitator  
Date: November 4, 2022  
**Agenda Topic: Appointment of member to Ridgway FUSE**

---

**SUMMARY:**

This memo is to recommend Donna Jaffee as a new appointee to the Ridgway Fuse Creative Main Street program committee. The Fuse committee reviewed a written application from Ms. Jaffee, conducted an interview and discussed her qualifications at the October Fuse meeting.

After this consideration and in keeping with the established process, the Fuse committee voted unanimously to recommend Ms. Jaffee for appointment to the Fuse committee by the Town Council.

**RECOMMENDED MOTION:**

"I move to appoint Donna Jaffee as a Ridgway Fuse committee member."

## AGENDA ITEM #11



## DEVELOPMENT AGREEMENT RIDGWAY HOMES, LLC

This Development Agreement (this “Agreement”), dated as of ~~November~~August \_\_\_, 2022 (the “Effective Date”) is made by and between TOWN OF RIDGWAY, COLORADO, a home-rule municipality under the laws of the State of Colorado (the “Town”), and RIDGWAY HOMES, LLC, a Colorado limited liability company (“Ridgway Homes”). The Town and Ridgway Homes shall individually be referred to herein as a “Party” or collectively as the “Parties.”

**WHEREAS**, Ridgway Homes is the owner of the following real property: Lots 1- 12 of Block 30, Town of Ridgway, Colorado (the “Property”); and

**WHEREAS**, Ridgway Homes has prepared and submitted a preliminary plat for a planned unit development in accordance with Section 7-4-11 and 7-4-5 of the Town of Ridgway Municipal Code (the “Municipal Code”) on the Property: *PRELIMINARY PLAT YELLOW BRICK LANE TOWNHOMES A PLANNED UNIT DEVELOPMENT, BLOCK 30, TOWN OF RIDGWAY, COLORADO* (the “Preliminary Plat”); and

**WHEREAS**, Ridgway Homes submitted the Preliminary Plat and a Sketch Plan to the Ridgway Planning Commission on May 31, 2022, and thereafter the Ridgway Planning Commission recommend approval of the Preliminary Plat to the Ridgway Town Council; and

**WHEREAS**, Ridgway Homes intends to undertake the development and construction of affordable residential dwelling units on the Property, including fourteen (14) units of workforce and/or affordable housing, for area residents earning at or below 120% area median income (“AMI”)(the “Project”); and

**WHEREAS**, the Town has determined that it is in the best interests of the Town and its inhabitants to assist in the development of the Project by, among other things, providing certain financial incentives and waivers of certain provisions of the Municipal Code to Ridgway Homes in order to increase the availability of workforce and affordable housing within the Town.

**NOW THEREFORE**, in consideration of the promises contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. **Compliance With The Town Approvals and Town Acknowledgement of Approvals.** Ridgway Homes agrees to comply with each of the terms and conditions of the Preliminary Plat and this Agreement and any other site-specific approvals for the Project and the applicable provisions of the Municipal Code. This Agreement shall be recorded and run with the Property.

2. **Town Waiver of Certain Infrastructure Improvements.** Ridgway Homes is required to undertake and complete certain infrastructure improvements in accordance with the Town Code and the Town’s Design Standards. The Town is willing to waive the requirement of having Ridgway Homes pave with asphalt portions of Laura Street, Frederick Street, Otto Street, and the adjoining alleyway, subject to certain Preliminary Plat requirements. Ridgway Homes is required to meet all other design standards and improvements including but not limited to

sidewalks, sidewalk curbs and curb cuts, and stormwater, water and wastewater systems. The Town is willing to donate materials and labor to install the necessary stormwater culvert at the intersection of Frederick Street and North Cora Street and will endeavor to do so in a timely manner, coordinated with the Project's timeline and the availability of materials.

3. **Public Improvements Bond.** Pursuant to the Town Code, a building permit shall not be issued until both a preliminary and final plat have been issued by the Town. In order to meet certain timeframes and deadlines which have been established by Ridgway Homes and its partners, the Town is willing to issue a limited building permit for the Project to facilitate the implementation of the entirely deed-restricted development, prior to Ridgway Homes completing certain required improvements and conditions under the Town Design Guidelines, Municipal Code, Preliminary Plat and Final Plat. On or before ~~December~~ November 8, 2022, the Parties shall enter into a Subdivision Improvement Agreement which will memorialize the remaining infrastructure improvements Ridgway Homes must complete under the Town Design Guidelines, Municipal Code, Preliminary Plat and Final Plat (the "Infrastructure Improvements"). Based on the remaining Infrastructure Improvements, Ridgway Homes shall provide to the Town a Public Improvements Bond in the amount of two times the estimated cost, as provided by the Town to complete the Infrastructure Improvements. The Performance Bond shall be released upon the completion of the Infrastructure Improvements and the satisfaction of all terms of the Subdivision Improvement Agreement by Ridgway Homes. The Town will not issue Certificates of Occupancy until all required improvements in the Subdivision Improvements Agreement have been completed. The Town is agreeing to this provision in an effort to provide additional deed restricted housing within the Town limits.

4. **Fee Waiver.** The Project would ordinarily be required to submit fees in connection with the following: building permits, sewer and water connections, zoning, utility impact and plan review, among others. The Town shall review and consider all reasonable requests for the waiver of fees ordinarily required for such a project. The Town agrees to waive the costs for Fourteen (14) Water Tap Fees and (14) Sewer Tap Fees, at a total estimated cost to the Town of One Hundred Sixty-Eight Thousand Dollars (\$168,000).

5. **Town Development Assistance Funds.** The Town has applied for and received Seven Hundred and Fifty Thousand Dollars (\$750,000.00) in grant funds from the Department of Local Affairs under its Innovative Affordable Housing Strategies program. The Town shall administer and apply these grant funds, within the proper scope of the program towards the development of the Project, assisting Ridgway Homes with the construction and installation of certain project infrastructure and improvements.

6. **Deed Restricted Housing.** Ridgway Homes has agreed to designate all of the units within the Project as deed-restricted housing ("Lot" or "Lots"). All parties hereto expressly understand and acknowledge that they will mutually approve a Deed Restriction and Covenant and Guidelines that are substantially similar to the Rural Homes: for sale, for locals Deed Restriction and Covenant and the Rural Homes: for sale, for locals Affordable Housing Regulations and Guidelines ("Covenant" and "Guidelines"), attached hereto as Exhibit A and Exhibit B, respectively. Said Deed Restriction and Covenant shall be a real covenant that runs with the title to the land in perpetuity and not expire and shall survive any foreclosure on the



respective Lots, unless the restrictions are otherwise released or modified with the written consent of the Town and all Beneficiaries.

6.1 The provisions of the Deed Restriction and Covenant shall govern all conveyances and rentals of the Lots. All buyers and renters shall be required to comply with the Deed Restriction and Covenant. Specifically, the potential buyer or renter shall submit a Deed Restriction Application, pursuant to the Covenant and Guidelines to the Town of Ridgway.

6.2 The Town is granted and conveyed the right to enforce compliance with these restrictions that are applicable to the Lots. The Town may assign its enforcement ability to a qualified entity or agent.

6.3 The Lots shall be owned and occupied by persons who qualify with the terms and conditions of these restrictions which shall include, in general:

- a. Prospective owner of a Lot shall maintain his/her primary residence and abode in Ouray County, Colorado, or provide written intent of his/her desire and intent to do so within thirty (30) days of purchasing the Lot.
- b. At least one member of the household shall be a qualified employee working in Ouray County or for an employer based in Ouray County.
- c. Household income shall not exceed 120 % Area Median Income Levels (AMI) for Ouray County.
- d. The Lots shall be, and remain, owner occupied. Long-term and short-term rental of these Lots is prohibited unless approved by the Town or its designee.
- e. The maximum resale price of any Lots is limited to an annual price appreciation cap of 3% of the initial purchase price there is no guarantee that Lots will be resold for a profit. The seller of a Lot is responsible for ensuring compliance with the Deed Restriction and Guidelines and agrees submit a Notice of Intent to Sell and to consult with the Town of Ridgway Town Manager, or his/her designee, regarding any qualified buyer(s) and the maximum resale price.

6.4 All warranty deeds for the transfer and conveyance of a Lot will clearly indicate that they are deed restricted.

7. **Right of First Refusal Granted to the Town.** Ridgway Homes grants to the Town the right of first refusal (ROFR) to purchase one (1) Lot prior to the completion of the Project for qualified Town employees, meeting the terms of the Deed Restriction and Covenant and Guidelines identified in Section 6, above. The Town's ROFR will expire thirty (30) days prior to the published close of the Lottery. This ROFR granted to the Town shall be a recorded covenant which shall run with the land, binding the Project, the Lots, and the Lot Owners.

8. **Stormwater Management.** Any and all drainage easements and stormwater improvements as depicted on the Preliminary Plat and associated engineering documents shall be maintained by Ridgway Homes, its successors and assigns, and the successive Lot Owners encumbered by the easements, jointly and severally in a manner which preserve the grade as originally established and so as not to impede the free flow of water, including and not limited to the planting and encroachment of trees and shrubs and other impeding vegetation, so as not to impede the free flow of water or cause erosion in any way. The Town is not responsible or liable in any manner for the maintenance, repair, or operation of pipelines, ditches or improvements as located within said easements. Upon failure to properly maintain the drainage easement(s) and Stormwater management system shown hereon, or in the need to abate a nuisance or public hazard, the Town may cause the maintenance or repair to be performed and assess the costs thereof to such owners and may certify such charges as delinquent charge to the County Treasurer to be collected similarly to taxes or in any lawful manner.

9. **Landscaping Requirements.** Prior to the Town providing a building permit, or accepting a Final Plat from Ridgway Homes, Ridgway Homes shall provide to the Town a completed landscaping plan, in compliance with the Town Code and Design Standards. Town staff shall review the landscaping plan, confirming its completeness and compliance with the Town Code and Design Standards. If in compliance, Town Staff may approve the landscaping plan.

10. **Representations and Warranties.**

i. **Town's Representations and Warranties.** The Town represents and warrants that:

(a) **Organization and Authority.** The Town has the full right and has obtained any and all consents required to authorize the Town to enter into this Agreement, consummate the transactions contemplated in this Agreement, and perform its other obligations under this Agreement.

(b) **Authorization and Execution.** This Agreement has been authorized and properly executed and constitutes the legal, valid and binding obligations of the Town, enforceable against the Town in accordance with its terms.

ii. **Ridgway Homes Representations and Warranties.** Ridgway Homes represents and warrants that:

(a) Organization and Authority. Ridgway Homes has the full right and authority and has obtained any and all consents required to authorize Ridgway Homes to enter into this Agreement, consummate the transactions contemplated in this Agreement, and perform its other obligations under this Agreement.

(b) Authorization and Execution. This Agreement has been authorized and properly executed and constitutes the legal, valid and binding obligations of Ridgway Homes, enforceable against Ridgway Homes in accordance with its terms.

iii. Survival of Representations and Warranties. The representations and warranties set forth in this Section 10 are made as of the Effective Date. Each Party will defend and indemnify, to the extent permitted by law, the other against any claim, liability, damage or expense asserted against or suffered by such other party arising out of the breach or inaccuracy of any such representation or warranty.

11. Amendment of Agreement. Except as otherwise set forth in this Agreement, this Agreement may not be amended except by mutual consent in writing of the Parties.

12. Notices. All notices, certificates or other written communications hereunder will be sufficiently given and will be deemed given when given by hand delivery, overnight delivery, mailed by certified or registered mail, postage prepaid, or dispatched by telegram or telecopy (if confirmed promptly telephonically), addressed to the following addresses or at such other address or addresses as any party thereto designates in writing to the other parties hereto:

If to Town:  
Town of Ridgway  
201 N. Railroad Street  
P.O. Box 10  
Ridgway, Colorado 81432

With a copy to:  
Bo James Nerlin  
Devor & Plumhoff, LLC  
152 Colorado Ave.  
Montrose, CO 81401

If to Ridgway Homes:  
Ridgway Homes, LLC  
Paul Major  
PO Box 4222  
Telluride, CO 81435

13. Waiver. No failure by any Party to insist upon the strict performance of any covenant, duty, agreement or condition of this Agreement, or to exercise any right or remedy consequent upon a breach of this Agreement, will constitute a waiver of any such breach or of such or any other covenant, agreement, term or condition. Any Party by giving notice to the other

Parties may, but will not be required to, waive any of its rights or any conditions to any of its obligations hereunder. No waiver will affect or alter the remainder of this Agreement, but each and every covenant, agreement, term and condition of this Agreement will continue in full force and effect with respect to any other then existing or subsequent breach.

14. **Attorneys' Fees.** In any proceeding brought to enforce the provisions of this Agreement, the court shall award the prevailing Party reasonable attorneys' fees, actual court costs and other expenses incurred.

15. **Town Not a Partner; Ridgway Homes Not Town's Agent.** Notwithstanding any language in this Agreement or any other agreement, representation or warranty to the contrary, the Town will not be deemed or construed to be a business partner or joint venture of Ridgway Homes, Ridgway Homes will not be deemed or construed to be the agent of the Town, and the Town will not be responsible for any debt or liability of Ridgway Homes.

16. **Applicable Law; Venue.** The laws of the State of Colorado will govern the interpretation and enforcement of this Agreement. Venue for any action arising under this Agreement or any amendment or renewal hereof shall be in the District Court of Ouray County, Colorado.

17. **Binding Effect and Assignment.** This Agreement will be binding on and inure to the benefit of the Parties, and their successors and assigns. This Agreement shall not be assigned without the prior written consent of the Parties.

18. **Further Assurances.** The Parties agree to execute such documents, and take such actions, as will be reasonably requested by the other party hereto to confirm or clarify the intent of the provisions hereof and to effectuate the agreements herein contained and the intent hereof.

19. **Severability.** If any provision, covenant, agreement or portion of this Agreement, or its application to any person, entity or property, is held invalid, such invalidity will not affect the application or validity of any other provisions, covenants or portions of this Agreement and, to that end, any provisions, covenants, agreements and portions of this Agreement and declared to be severable.

20. **Good Faith; Consent or Approval.** In performance of this Agreement or in considering any requested extension of time, the Parties agree that each will act in good faith and will not act unreasonably, arbitrarily, capriciously or unreasonably withhold or delay any approval required by this Agreement. Except as otherwise provided in this Agreement, whenever consent or approval of any party is required, such consent or approval will not be unreasonably withheld, conditioned or delayed.

21. **Counterparts.** This Agreement may be executed in several counterparts, each of which will be an original and all of which will constitute but one and the same instrument.

22. **No Waiver of Governmental Immunity.** No provision of this Agreement shall act or be deemed to be a waiver by the Town of any provision of the Colorado Governmental Immunity Act, CRS 24-10-101, et *seq.*

IN WITNESS WHEREOF, the Parties each have caused these presents to be executed in its corporate name and with its official seal hereunto affixed and attested by its duly authorized officials; and Ridgway Homes has caused these presents to be executed by its duly authorized officer, as of the date first above written.

TOWN:

RIDGWAY HOMES:

TOWN OF RIDGWAY, COLORADO,  
a Colorado home-rule municipality

RIDGWAY HOMES.,  
a Colorado limited liability company

By:

By:

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Name: John Clark  
Title: Mayor

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Name: Paul Major  
Title: Manager



## EXHIBIT A

This Form Has Important Legal Consequences and the Parties Should Consult Legal Counsel Before Signing.

**RURAL HOMES: FOR SALE, FOR LOCALS**  
**DEED RESTRICTION and COVENANT**  
**RIDGWAY WETTERHORN HOMES**

**Ouray County**

**Affordable Housing Ownership, Occupancy and Resale**

THIS DEED RESTRICTION AND COVENANT ("Covenant") is entered into this \_\_\_\_\_ day of \_\_\_\_\_, 202\_\_ ("Effective Date") by [insert Name of Purchaser], ("Declarant") for the benefit of and enforceable by Ridgway Homes, LLC, a Colorado Limited Liability Company, (the Grantor), and each the Town of Ridgway, a Colorado home rule municipality, and Rural Homes, LLC, their successors or assigns (together, the "Beneficiaries"). The Declarant and Beneficiaries are sometimes referred to herein individually as "Party" and collectively as the "Parties."

Property Subject to Deed Restriction. The following real property (the "Housing Unit") is hereby made subject to these Covenants:

(insert lot legal here)  
**County of Ouray**  
**State of Colorado.**

Commonly known as (insert street address here)

This Housing Unit has a maximum AMI of \_\_\_\_\_%.

This Housing Unit has \_\_\_\_\_ # bedrooms and \_\_\_\_\_ # bathrooms.

The Original Purchase Price: \_\_\_\_\_.

### **RECITALS**

**WHEREAS**, the Declarant is the Owner of the Housing Unit; and

**WHEREAS**, the Declarant on behalf of itself, its heirs, executors, administrators, representatives, successors, and assigns, desires to comply with the Deed Restriction and Covenant and **the Rural Homes: For Sale, For Locals Project – RIDGWAY WETTERHORN HOMES AFFORDABLE HOUSING REGULATIONS AND GUIDELINES ("Guidelines")** by restricting the use of the Housing Unit as **hereinafter described; and**

**WHEREAS**, under this Covenant the Declarant and Beneficiaries intend, declare, and agree that the regulatory and restrictive covenants set forth herein governing the use of the Housing Unit described and provided for herein shall be and are hereby covenants running with the land and are intended to be and shall be binding upon the Declarant and Beneficiaries; and

**WHEREAS**, this Covenant is intended to provide housing and help keep it affordable for residents who make a living primarily from physically working in the Ridgway School District R-2 boundary and their families who chose to be part of the greater Ridgway community; and

**WHEREAS**, Declarant understands that this property has been subsidized by the government and charitable organizations and acknowledges that it has received adequate and valuable consideration in exchange for the imposition of this Covenant upon the Housing Unit.

# EXHIBIT A

## COVENANT

**NOW, THEREFORE**, in consideration of the foregoing Recitals, which are hereby incorporated in this Covenant as substantive provisions, the mutual covenants, restrictions, and equitable servitudes stated herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties hereby represent and agree as follows:

1. **Covenant Runs with the Land.** This Covenant shall constitute covenants running with title to the Housing Unit, for benefit of, and enforceable by, each of the Beneficiaries, and their successors and assigns, and this Covenant shall bind the Beneficiaries and all subsequent Owners and Occupants of the Housing Unit. Each Owner and Occupant, upon acceptance of a deed or lease to the Housing Unit, shall be personally obligated hereunder for the full and complete performance and observance of all covenants, conditions, and restrictions contained herein during the Declarant's period of ownership or Occupant's tenancy, as may be appropriate. Each and every Transfer or lease of the Housing Unit, for all purposes, shall be deemed to include and incorporate by this reference, the covenants contained in this Covenant, even without reference to this Covenant in any document of conveyance. The Beneficiaries shall hold their interest as tenants in common, except that no Beneficiary may sell, transfer or assign their interest in the Covenant without the express written permission of the other(s), and no Beneficiary shall agree to relieve any Owner or Qualified Occupant of their obligations under the Covenant without the express written consent of the other(s). If one of the Beneficiaries ceases to exist, that Beneficiary's interest in the Covenant shall be deemed to be assigned to the remaining Beneficiary(s).

**1.1 Term.** The "Term" of this Covenant shall commence on the Effective Date and shall continue until \_\_\_\_\_ ("Expiration Date"). Said term of one hundred (100) years shall reset upon each and every Transfer.

**1.2 Administration and Enforcement.** This Covenant shall be administered by the Town of Ridgway or its duly authorized Designee acting as the housing authority administrator ("HA"). This Covenant shall be enforceable by the HA, its duly authorized Designee, or the Beneficiaries, by any appropriate legal or equitable action, including but not limited to specific performance, injunction, abatement or eviction of non-complying Housing Unit Owner(s) or Occupant(s), or such other remedies and penalties as may be specified in this Covenant, including but not limited to the Schedule of Violations and Fines found in the Guidelines.

**1.3 Replacement of Prior Agreement.** If applicable, this Covenant shall supersede and replace in its entirety that certain Deed Restriction and Covenant recorded in the official records of the \_\_\_\_\_ County Clerk and Recorder ("Official Records") on [RECORDING DATE] at Reception No. [RECORDING #].

2. **Definitions.** The Parties acknowledge and agree to the definitions in the **Rural Homes: For Sale, For Locals Project – RIDGWAY WETTERHORN HOMES AFFORDABLE HOUSING REGULATIONS AND GUIDELINES** ("Guidelines") and further agree that each definition: (a) forms a portion of the basis of this Covenant; and (b) is incorporated in this Covenant. As used in this Covenant, Guidelines shall mean the most current Guidelines in effect at the time of closing on a sale or transfer of the Housing Unit or at the commencement date of a lease or other occupation agreement, as same may be amended from time to time, or its successor document.



# EXHIBIT A

## 3. Ownership, Use, Occupancy, Rentals, and Qualification.

**3.1 Ownership.** The ownership of the Housing Unit is hereby, and shall henceforth be, limited exclusively to Qualified Owner(s) as defined in the Guidelines. In the event that the Housing Unit is owned without compliance with this Covenant, the HA shall have the remedies set forth herein, including but not limited to the rights under Section 11.

**3.2 Use and Occupancy.** The use and occupancy of Housing Unit is hereby, and shall henceforth be, limited exclusively to Qualified Owners or Qualified Occupant(s), and their Immediate Families.

3.2.1 Home Occupation. The Housing Unit may be used in conjunction with a Home Occupation by the Qualified Household or Qualified Occupants residing in the Housing Unit subject to the provisions of the Guidelines and local land use restrictions.

3.2.2 Guests are exempt from qualification requirements.

## **3.3 Initial Qualification.**

3.3.0 Qualified Entity Owners: Land Contributors, Business Owners, Local Governments, and Special Districts are exempt from the Initial Qualifications in 3.3.1 but shall comply with all Occupancy Qualification and Rental Standards required by the Covenant and Guidelines.

3.3.1 Qualified Owner: To be eligible to purchase the Housing Unit, at least one member of the Household who is an Owner must be a Qualified Employee and meet Section 3.3.1.a, below, and all Household members must meet Section 3.3.1 b- f ., below, and as further defined in the Guidelines:

3.3.1.a Meet the Minimum Work Standard physically in the Ridgway School District R-2 boundary for the twelve (12) months prior to purchase or provide evidence to the HA that Applicant will meet the Minimum Work Standard physically in the Ridgway School District R-2 boundary for the twelve (12) months following the purchase; and

3.3.1.b Must meet the Earned Income Standard or has provided evidence to the HA that Applicant will meet the Earned Income Standard within the next twelve (12) months following the purchase; and

3.3.1.c Must not own any interest in other Improved Residential Property(s) located within a one-hundred and fifty (150) mile radius from the Housing Unit.

3.3.1.d Must not have a Net Worth that exceeds three (3) times the Initial Sales Price of the Housing Unit; and

3.3.1.e Must meet the income restrictions applicable to the Housing Unit based on the Area Median Income (AMI) percentage limit and the Housing Unit designation in the legal description, and as set forth in the Guidelines to be recorded at time of sale; and

3.3.1.f Shall occupy the Housing Unit as their sole and exclusive primary residence.

3.3.1.g Qualified Entity Owners may own no more than three (2) Housing Units at one time, unless negotiated otherwise in the original development agreement, and make them available via sale or long-term rental to Qualified Occupants pursuant to this Covenant without the Qualified Entity Owner itself meeting the above-listed requirements. Qualified

## EXHIBIT A

Entity Owner shall not occupy or use the Unit for such Owner's own use or leave the Housing Unit vacant for more than three months in any twelve (12) month period. Any occupancy of a Unit pursuant to Section 3.4. shall meet all Household Size requirements.

3.3.1.h Businesses who are in the business of residential property management, residential property rentals, mobile home park ownership or rental and/or residential property ownership may not be certified as a Business Owner.

3.3.1.i A reasonable accommodation and exception may be requested from HA for any of these qualifications.

3.3.2 Qualified Occupant: To be eligible to rent the entire Housing Unit or a room in a Housing Unit, the Qualified Occupant:

3.3.2.a Shall meet the above-listed requirements of Section 3.3.1a-f.

3.3.2.b A reasonable accommodation and exception may be requested from the HA for any of these qualifications.

**3.4 Rental of Property.** Short-term rental of the Housing Unit is prohibited. Long-term rentals may be approved as follows:

3.4.1 Qualified Entity Owner Units: Long-term rental is allowed subject to the provisions of the Guidelines and the terms and provisions of this Covenant. Units, owned by the Qualified Entity Owner may be rented to Qualified Occupants for a term of no less than six (6) months. All rentals must comply with the current Guidelines.

3.4.2 All other Housing Units: Owner may not, except with prior written approval of the HA, and subject to the HA's conditions of approval, rent an entire Housing Unit for any period of time. If approved, a rental shall be for no less than one (1) month. All rentals must comply with the current Guidelines.

3.4.3 Roommates: The Qualified Owner may share occupancy of a Housing Unit with non-owners on a rental basis provided Qualified Owner continues to occupy Housing Unit as his/her sole and primary residence and meets the obligations contained in this Covenant. A roommate must be certified as a Qualified Tenant Household. Short-term rentals of any kind are strictly prohibited.

3.4.4 Copy of Lease: The Housing Unit Owner shall provide to the HA a fully executed copy of the Lease or other occupancy agreement no later than seven (7) days after it is fully executed.

3.4.5 No Indemnification or Waiver of Immunity: Nothing herein shall be construed to require any of the Beneficiaries to protect or indemnify the Owner against any losses attributable to a rental including, but not limited to, non-payment of rent or damages to a Housing Unit; nor to require any of the Beneficiaries to obtain a Qualified Occupant for the Owner in the event that none is found by the Owner. In addition, nothing herein shall be construed as a waiver by any of the Beneficiaries' governmental immunity, if applicable, provided by the Colorado Governmental Immunity Act or other applicable law.

## EXHIBIT A

- 3.5 Continued Qualification Compliance.** All Qualified Owners and Qualified Occupants, including multiple owners, must maintain compliance with all applicable requirements and shall maintain Qualified Household status on an on-going basis. Failure of any Owner or Occupant to do so shall constitute a violation. Any Owner or Occupant of a Housing Unit is required to comply with annual or biennial deed restriction monitoring certifying to the HA that they are in compliance with the requirements of this Covenant.
- 3.5.1 Continuing Compliance Standards to maintain Qualified Household status:**
- 3.5.1.a At least one member of the Household must be a Qualified Employee who meets the Minimum Work Standards physically within the Ridgway School District R-2 boundary.
- 3.5.1.b The Qualified Household shall meet the Earned Income Standard.
- 3.5.1.c The Qualified Household shall occupy the Housing Unit as their Primary Residence at all times during the ownership or rental of a Housing Unit and for at least eight (8) of every twelve (12) months on a rolling twelve (12) month basis.
- 3.5.1.d Household Net Worth shall not exceed three (3) times the Initial Sales Price of the Housing Unit:
- 3.5.1.e Household Net Income shall no longer be considered for continuing qualification for Owners.
- 3.5.1.f Tenant Household's Net Income will be considered for Tenant's continuing qualification and Tenant must continue to meet the AMI tier standard for the Housing Unit.
- 3.5.1.g Household is prohibited from ownership of other Improved Residential Property located within a one-hundred fifty (150) mile radius from the Housing Unit, see Section 5, and as further described in the Guidelines.
- 4. Restriction on Debt.** Declarant shall not incur any debt or promissory note secured by a deed of trust or other security instrument that encumbers the Housing Unit in excess of the Original Purchase Price.
- 5. Ownership Interest in Other Residential Property.** At the time of application, a Household may own other improved or unimproved residential or commercial property, however, all Improved Residential Property located within a one-hundred and fifty (150) mile radius from the Housing Unit must be listed immediately for sale and sold for fair market value within one year of taking title to the Housing Unit. In the event said other Improved Residential Property has not been sold by the Owner within twelve (12) months of its listing as required hereunder, then the Owner shall immediately list the Housing Unit for sale, pursuant to Section 7.1. a Qualified Entity Owner, qualified under Section 3.3.1 g-i, is exempt from this restriction.
- 6. Income and Household Size Restrictions.** The applicable Income Eligibility Tier, which defines household income and household size restrictions, in compliance with this Covenant and as set forth in the Guidelines, Appendix A, will apply to Declarant, Qualified Occupants and future purchasers. If Declarant's Household size falls below the minimum required, Declarant shall rent a room to a Qualified Tenant pursuant to §3.4, above.
- 7. Transfer of Property:** Transfers of the Housing Unit are subject to this section unless excepted under Section 7.2, below.
- 7.1 Requirements.** Declarant may sell the Housing Unit to a Qualified Owner, pursuant to the Guidelines, to the terms and provisions of this Covenant, and to the following:

## EXHIBIT A

- 7.1.1 Notice of Intent to Sell: Declarant or Owner must deliver a written notice of its intent to sell the Housing Unit (“Notice of Intent to Sell”) to the Beneficiaries prior to offering the Housing Unit for sale.
- 7.1.2 Right of First Refusal: The Right of First Refusal to purchase shall first be provided to Beneficiaries pursuant to the Guidelines and Section 7.4, below.
- 7.1.3 Qualification of Prospective Buyer: In order to proceed to the closing of the sale of the Housing Unit (“Closing”), HA must have first certified in writing that the prospective buyer is a Qualified Owner pursuant to the Guidelines and to the terms and provisions of this Covenant.
- 7.1.4 Void Transfer: In the event the Housing Unit is sold and/or transferred without compliance with this Covenant, such sale and/or transfer shall be wholly null and void and shall confer no title whatsoever upon the purported buyer.
- 7.1.5 Date of Notice: For purposes of this Covenant, “date of Owner's Notice of Intent to Sell” shall be the date on which written Notice of Intent to Sell is delivered to the HA.
- 7.1.6 Administration Fees: At the time of purchase, Declarant must pay any Covenant administration fees due according to the Guidelines. Such fees shall be paid by Declarant to the HA out of Declarant's proceeds of the sale of the Housing Unit and may not be added to the price of the Housing Unit.
- 7.1.7 HA Made Whole: No transfer of a Housing Unit shall occur unless and until each and every encumbrance, debt or liability owed by the Owner to any of the Beneficiaries is fully satisfied, such as fees and violation fines.
- 7.2 **Transfer Exception**. If reviewed and approved in writing by the HA prior to transfer, the following occurrences are exceptions to the definition of Transfer, provided that the new Owner, other than an estate, shall use the Housing Unit as their principal residence:
  - 7.2.1 A transfer resulting from the death of a Qualified Owner where the transfer is to the spouse or domestic partner or co-owner, who is also a Qualified Owner.
  - 7.2.2 A transfer resulting from the death of an Owner through a bequest or by intestate succession to a child of Qualified Owner who is certified as a Qualified Owner.
  - 7.2.3 A transfer resulting from a decree of dissolution of marriage or legal separation or from a settlement incidental to such a decree by which a transfer is made to a spouse who is also a Qualified Owner.
- 7.3 **Maximum Sale Price**. The Original Purchase Price (“OPP”) of the Housing Unit shall be the basis for calculating the Maximum Sale Price (“MSP”) in accordance with this Covenant and the Guidelines in effect at the time of listing the Housing Unit for re-sale.
  - 7.3.1 The Housing Unit shall meet the Minimum Resale Standards, defined in Section 7.3.4, below, to sell at MSP.

## EXHIBIT A

- 7.3.2 The MSP of a Housing Unit shall be limited to be no more than the following calculation:

The MSP may not exceed the sum of: (i) the OPP paid by the Owner for the Housing Unit, plus: (ii) an increase of three percent (3%) of such OPP per year compounded annually (prorated at the rate of 0.25 percent for each whole month, but not compounded annually) from the date of the Owner's purchase of the Housing Unit to the date of the Owner's Notice of Intent to Sell the Housing Unit; plus (iii) an amount equal to any special improvement district assessments, if applicable and not transferable, paid by the Seller during the Seller's ownership of the Housing Unit; (iv) the cost of Permitted Capital Improvements made to the Housing Unit by the Owner as set forth in Section 7.3.3, less the amount required to bring the Housing Unit up to the Minimum Resale Standards, if any.

- 7.3.3 Permitted Capital Improvements: The amount of Permitted Capital Improvements allowed to be added to the MSP shall not exceed ten per cent (10%) of the original purchase price provided that:

- 7.3.3.a Improvements are pre-approved by HA prior to commencement of any work or installation; and
  - 7.3.3.a.1 Proof of homeowners' association, if any, approval is provided to HA prior to commencement of work.
  - 7.3.3.a.2 Improvements are properly permitted and inspected by the local Building Official, if applicable.
- 7.3.3.b Improvements are documented by Declarant and submitted to HA within three months of completion.
- 7.3.3.c The depreciation of Permitted Capital Improvements calculated from the schedule in the Marshall Swift Residential Handbook or any other approved handbook in effect at the time of calculation of MSP, shall be subtracted from the cost of the improvement; and
- 7.3.3.d Any other reasonable costs allowed by HA pursuant to the Guidelines in effect on the date of Owner's Notice of Intent to Sell may be added to the MSP.
- 7.3.3.e The 10% limitation on Permitted Capital Improvements shall reset every ten (10) years of continued ownership of the Housing Unit.

- 7.3.4 Minimum Resale Standards: Pursuant to the Guidelines, Section 6.8.2, each Owner shall be responsible for ensuring that at the Transfer of his or her Housing Unit, the same is clean, the appliances are in working order, and that there are no health or safety violations regarding the Housing Unit. Seller's Property Disclosure form and Seller's Listing Checklist shall be completed and submitted prior to listing a unit for sale.

- 7.3.4.a If a Housing Unit does not meet Minimum Resale Standards, HA may, at its discretion, require that the cost of necessary repairs be deducted from the closing sale price, or that Seller place into escrow the funds necessary to ensure satisfactory repairs. Any escrow balance remaining after necessary repairs are satisfactorily made shall be returned to Seller.

- 7.3.5 Assumption of Costs: No Declarant shall permit any prospective purchaser to assume any or all of the Declarant's closing costs. No Declarant shall accept anything of

## EXHIBIT A

value from a prospective purchaser except for the MSP before, during or after closing of the transfer of the Housing Unit.

- 7.3.6 Caveat: Nothing in this Covenant represents or guarantees that the Housing Unit will be re-sold at an amount equal to the MSP. Depending upon conditions affecting the real estate market, the Housing Unit may be re-sold for less than the MSP.

**7.4 Beneficiaries Right to Acquire Ownership.** The initial Owner and each subsequent Owner shall not transfer any Housing Unit without first offering the same to each of the Beneficiaries for purchase. Each of the Beneficiaries shall have a right to purchase the Housing Unit as follows:

- 7.4.1 Upon Owner's Notice of Intent to Sell as set forth in Section 7.1.1, or upon exercise of Notice of Election to Require Sale as defined in Section 10.3, or if an Owner receives any offer to purchase or tenders any offer of sale for the Housing Unit, either of the Beneficiaries, or their successors, shall have the Right of First Refusal to purchase ("ROFR") the Housing Unit for the offered sales price or MSP. This ROFR shall be triggered at each submittal of a Notice of Intent to Sell.
- 7.4.2 Each of the Beneficiaries shall exercise its ROFR by executing a written and binding commitment to purchase ("Notice of Purchase") the Housing Unit to Owner and the other Beneficiaries within thirty (30) days after each of the Beneficiaries receives written Notice of Intent to Sell by Owner. A Party exercising the ROFR shall deposit a non-refundable deposit of 5% of the MSP in escrow for the benefit of the Seller contemporaneously with the exercise of said right. The commitment to buy shall set a closing date within sixty (60) days of delivery of Notice of Purchase.
- 7.4.3 Each of the Beneficiaries shall have the right to inspect the Housing Unit prior to exercising its ROFR.
- 7.4.4 In the event more than one Beneficiary wishes to exercise the ROFR, the priority shall first go to the Land Contributor, then to the HA, and then to the Rural Homes, LLC or their successors in interest, if applicable.
- 7.4.5 In the event the Beneficiaries do not execute a written and binding commitment to purchase the Unit within said thirty (30) day period, this ROFR shall expire.
- 7.4.6 The ROFR shall be in full force and effect from the date of initial sale in perpetuity. Any sale or attempted transfer of the Housing Unit effected without first giving each of the Beneficiaries the right of first refusal described above shall be wholly null and void and shall confer no title whatsoever upon the purported buyer.

8. **No Creation of Additional Unit.** In no event shall Declarant create an additional "Dwelling Unit" as defined in the applicable Land Use Code, in or as part of the Housing Unit unless authorized by the HA in writing and allowed by the zone district and subject to all local building and planning codes and permissions.
9. **No Alteration of Housing Unit.** The Housing Unit shall not be altered, demolished, partially demolished, released from these covenants, or relocated, unless and except in compliance with the Guidelines and the applicable Land Use Code provisions in effect at the time of the application for alteration, demolition, release, or relocation.

## EXHIBIT A

### 10. **Foreclosure**

**10.1 Default.** It shall be a breach of this Covenant for Declarant to default in the payments or other obligations due or to be performed under a promissory note secured by deed of trust encumbering a Housing Unit. The Declarant hereby agrees to notify the Beneficiaries, in writing, of any notification Declarant receives from a lender, or its assigns, of past due payments or default in payment or other obligations due or to be performed under a promissory note secured by a deed of trust, as described herein, within five (5) calendar days of Declarant's notification from lender, or its assigns, of said default or past due payments.

**10.2 Right to Cure Default.**

10.2.1 Upon receipt of notice as provided herein, each of the Beneficiaries shall have the right, in its sole discretion, to cure the default or any portion thereof ("Curing Party"). In such event, the Declarant shall be personally liable to the Curing Party for past due payments made by the Curing Party, together with interest thereon at the rate specified in the promissory note secured by the deed of trust, plus one (1) percent, and all actual expenses the Curing Party incurred in curing the default.

10.2.2 In the event the Declarant does not repay the Curing Party within sixty (60) days of notice that the Curing Party has cured the Declarant's default, the Declarant agrees that the Curing Party shall be entitled to a lien against the Housing Unit to secure payment of such amounts. Such a lien may be evidenced by a notice of lien setting the amounts due and rate of interest accruing thereon, and such notice of lien may be recorded in the real property records of Town, until such lien is paid and discharged. The Curing Party shall have the additional right to bring an action to foreclose on the Housing Unit for the payment of the lien set forth in Section 12.6.

**10.3 Right to Require Sale.**

10.3.1 Upon default of Declarant, each of the Beneficiaries shall have the right to require Declarant to sell the Housing Unit to avoid the commencement of any adverse proceedings against the Housing Unit by providing Declarant written notice of HA's decision to exercise such right ("Notice of Election to Require Sale").

10.3.2 Upon receipt of a Notice of Election to Require Sale by any Qualified Holders, as defined in C.R.S. § 38-38-100.3(20), or mortgage brokers licensed by the Colorado Division of Real Estate pursuant to C.R.S. § 12-61-901 et. seq., Declarant shall immediately offer the Housing Unit for sale according to the provisions of Section 7.

**10.4 Non-Qualified Owner in Event of Foreclosure.** In the event of a foreclosure on a promissory note secured by a first deed of trust on the Housing Unit or the acceptance by the holder of such note and deed of trust ("Holder") is issued a public trustee's deed for the Housing Unit or records a deed in lieu of foreclosure for the Housing Unit, this Covenant shall remain in full force and effect and Holder shall be considered a non-Qualified Owner.

**11. Obligation to Maintain Homeowner's Insurance.** Deed-restricted housing with public and private subsidies means that the cost to build homes is greater than the sales price. Owners shall obtain full replacement cost coverage through an insurance provider licensed with and compliant with the

## EXHIBIT A

Colorado Department of Regulatory Agencies which will repair or replace the home in the event of damage or destruction.

**11.1** Request for Insurance Coverage Certificate. Owner may be required to verify compliance with §11, above at any time and is required to respond within seven (7) days.

**11.2** Failure to maintain adequate Homeowner's Insurance shall be considered a material breach of this Covenant.

### **12. Default/Breach**

**12.1 Right to Inspect.** In the event the HA has or the Beneficiaries have reasonable cause to believe a Declarant is violating the provisions of this Covenant, that entity, through its authorized representatives, may inspect the Housing Unit between the hours of 8:00 a.m. and 5:00 p.m. Monday through Friday, after providing the Declarant with no less than twenty-four (24) hours written notice; Declarant has the right to be present.

**12.2 Notice of Violation.** The HA shall send a Notice of Violation ("NOV") to the Declarant detailing the nature of the violation and allowing the Declarant fourteen (14) days to determine the merits of the allegations, or to correct the violation. The NOV shall advise the alleged violator of the fines associated with each alleged violation as required by the Schedule of Violations and Fines, Appendix E of the Guidelines, and any additional opportunity to cure before the fines or consequences escalate. In the event the Declarant disagrees with the allegation of violation of the Covenant or the Guidelines, the Declarant may request, in writing, a hearing before the HA or its designated hearing officer, who shall have absolute discretion to determine the appropriate action to be taken to either remedy the violation or to require Declarant to sell the Housing Unit. If the Declarant does not request a hearing and the violation is not cured within the fourteen-day period, the Declarant and/or Occupant shall be considered in violation of this Covenant, and fines shall continue to accrue until the violation is cured or the maximum fine has been reached. Failure to request a hearing shall constitute the failure to exhaust administrative remedies for the purpose of judicial review.

**12.3 Hearing Before the HA.** Whenever this Covenant provides for a hearing before the HA, such hearing shall be scheduled by the HA within fourteen (14) days of the date of receipt of a written request for a hearing. At any such hearing, the Declarant or other aggrieved party may be represented by counsel and may present evidence on the issues to be determined at the hearing. An electronic record of the hearing shall be made, and the decision of the HA shall be a final decision, subject to judicial review.

**12.4 Reservation of Remedies.** There is hereby reserved to the parties hereto any and all remedies provided by law for breach of this Covenant or any of its terms. In the event the Parties resort to litigation with respect to any or all provisions of this Covenant, the prevailing party shall be awarded its damages, expenses, and costs, including reasonable attorney's fees.

**12.5 Sale Without Compliance.** In the event the Housing Unit is sold and/or conveyed without compliance with the terms of this Covenant, such sale and/or conveyance shall be wholly null and void and shall confer no title whatsoever upon the purported buyer. Each and every conveyance of the Housing Unit, for all purposes, shall be deemed to include and incorporate by this reference the covenants herein contained, even without reference therein to this Covenant.



## EXHIBIT A

**12.6 Failure to Cure.** In the event a Declarant fails to cure any breach of this Covenant, each of the Beneficiaries may resort to any and all available legal or equitable actions, including but not limited to specific performance of this Covenant, a mandatory injunction requiring the sale of the Housing Unit by Declarant, and/or an injunction against future sale(s) in violation of this Covenant.

**12.7 Violation Fixes Resale Price.** In the event of a breach of any of the terms or conditions contained herein by Declarant, his or her heirs, successors or assigns, the Declarant's MSP of the Property shall, upon the date of such breach as determined by the HA, automatically cease to increase as set out in Section 7.3 and shall remain fixed until the date of cure of said breach.

### **13. General Provisions**

**13.1 Enforcement of Covenant.** This Covenant shall constitute covenants running with the land and Housing Unit as a burden thereon, for the benefit of each of the Beneficiaries and/or its respective successors and assigns, as applicable, and who may enforce the covenants and compel compliance therewith. Enforcement by any appropriate legal action may include, but is not limited to specific performance injunction, reversion, damages, or eviction of noncomplying Declarants and/or Occupants.

**13.2 Equal Housing Opportunity.** Pursuant to the Fair Housing Act and public policy, the HA shall not discriminate on the basis of race, creed, color, sex, national origin, familial status, disability, sexual orientation, or gender identity in the lease, sale, use or occupancy of the Housing Unit.

**13.3 Waiver of Exemptions.** Every Declarant, by taking title to a Housing Unit, shall be deemed to have subordinated to this Covenant any and all right of homestead and any other exemption in, or with respect to, such Housing Unit under state or federal law presently existing or hereafter enacted.

**13.4 Notices.** Any notice, consent, approval, or request which is required to be given by any party hereunder shall be given by personal delivery, by mailing the same, certified mail, return receipt requested, properly addressed and with postage fully prepaid, to the address provided herein or to the address of the Declarant. The Declarant shall advise the Housing Agency of any change in address, in writing. Mailing requirements may be waived by consent of the Parties and acknowledgment of delivery by email or regular mail.

To Beneficiaries: Mayor  
Town of Ridgway  
201 N. Railroad Street  
PO Box 10  
Ridgway, CO 81432  
Telephone: 970-626-5308

Rural Homes, LLC  
PO Box 4222  
Telluride, CO 81435  
Telephone: 970-728-8717

## EXHIBIT A

To Declarant: \_\_\_\_\_  
\_\_\_\_\_

**12.5 Severability.** Whenever possible, each provision of this Covenant and any other related document shall be interpreted in such manner as to be valid under applicable law; but if any provision of this Covenant shall be invalid or prohibited under said applicable law, such provisions shall be ineffective to the extent of such invalidity or prohibition, without invalidating the remaining provisions of this Covenant.

**12.6 Choice of Law.** This Covenant and each and every related document is to be governed and construed in accordance with the laws of the State of Colorado.

**12.7 Successors.** Except as otherwise provided herein, the provisions and covenants contained herein shall inure to and be binding upon the heirs, successors, and assigns of the parties.

**12.8 Further Actions.** Declarants and subsequent owners agree that they shall be personally liable for their participation in any of the transactions contemplated herein and that they will execute such further documents and take such further actions as may be reasonably required to carry out the provisions and intent of this Covenant or any agreement or document relating hereto or entered into in connection herewith.

**12.9 Gender and Number.** Whenever the context so requires herein, the neuter gender shall include any or all genders and vice versa and the use of the singular shall include the plural and vice versa.

**12.10 Modifications.** Any modifications of this Covenant shall be effective only when made by a duly executed instrument by the HA and Declarant, with the written consent of each of the Beneficiaries, and recorded with the Clerk and Recorder of County.

**12.11 Attorney Fees.** In the event any of the Parties resorts to litigation with respect to any of the provisions of this Covenant, the prevailing Party shall be entitled to recover damages and costs, including reasonable attorney fees.

# EXHIBIT A

# TOWN OF RIDGWAY

By: \_\_\_\_\_ EXECUTED, this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.  
[name], Mayor

State of Colorado )  
 ) ss.  
County of \_\_\_\_\_ )

The foregoing Rural Homes: For Sale, For Locals Deed Restriction and Covenant, Ridgway Wetterhorn Homes has been acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_, by [name], Mayor, Town of Ridgway

Witness my hand and official seal.  
My commission expires:

\_\_\_\_\_  
Public

\_\_\_\_\_  
Notary

---

**HOUSING AUTHORITY**

By: \_\_\_\_\_ EXECUTED, this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.  
[name], CEO

State of Colorado )  
 ) ss.  
County of \_\_\_\_\_ )

The foregoing \_\_\_\_\_ Rural Homes: For Sale, For Locals Deed Restriction and Covenant, Ridgway Wetterhorn Homes has been acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_, by [name], Chair of the Housing Authority

Witness my hand and official seal.  
My commission expires:

\_\_\_\_\_  
Public

\_\_\_\_\_  
Notary

# EXHIBIT A

## RURAL HOMES, LLC

By: \_\_\_\_\_ EXECUTED, this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.  
[name], Member

State of Colorado                    )  
  ) ss.  
County of \_\_\_\_\_                )

The foregoing Rural Homes: For Sale, For Locals Deed Restriction and Covenant, Ridgway Wetterhorn Homes has been acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_, by \_\_\_\_\_[name], Member of RURAL HOMES, LLC.

Witness my hand and official seal.  
My commission expires:

\_\_\_\_\_  
Notary Public

## DECLARANT

\_\_\_\_\_ EXECUTED, this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.  
[name]

State of Colorado                    )  
  ) ss.  
County of \_\_\_\_\_                )

The foregoing Rural Homes: For Sale, For Locals Deed Restriction and Covenant, Ridgway Wetterhorn Homes has been acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_, by \_\_\_\_\_[name].

Witness my hand and official seal.  
My commission expires:

\_\_\_\_\_  
Notary Public

EXHIBIT B

Rural Homes: For Sale, For Locals

AFFORDABLE HOUSING REGULATIONS AND GUIDELINES

**RIDGWAY WETTERHORN HOMES**

Ouray County

Approved by the Colorado Attorney General and DOLA

Adopted by the Town of Ridgway on [date]

## EXHIBIT B

### WELCOME

**GENERAL POLICY GOALS:** The general goal of the Rural Homes: For Sale, For Locals (RH) is to provide high quality homes that will remain affordable for working residents and their families who make a living primarily from employment in the Ridgway School District (R-2) boundaries, whose income and assets are below certain targeted limits, and who choose to be part of the local community. This is accomplished, for the most part, by regulating and restricting occupancy and sale of the Housing Units covered by these Affordable Housing Regulations and Guidelines (Guidelines) to “Qualified Households” as defined herein.

Qualified Households must meet specific economic means tests that may include both Household Income and Household Net Assets. Such tests of economic means are intended to promote diversity within the target community.

The Housing Units covered by these Guidelines are subject to price limitations for sale, resale and/or rental. These limitations are intended to insure affordability for the current Household and for the long-term affordability of the Housing Unit.

These Guidelines are intended to provide for clear, fair, and consistent administration of the Rural Homes: For Sale, For Locals Deed Restriction and Covenant Ridgway Wetterhorn Homes (referred to as “Covenant” or “Deed Restriction”), associated with each Housing Unit (also referred to as Unit). It is recognized that there are individual Households and Housing Units that may not fit clearly within the specific provisions of the Guidelines but still meet these general policy goals. For these cases, Exception and Appeal processes have been established (Section 11).

The Housing Authority (HA) or its designee is authorized to adopt specific policy directives as necessary to clarify and aid in the application and enforcement of the Deed Restriction. Any policy directives shall be adopted by HA at a properly noticed public meeting.

# EXHIBIT B

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# EXHIBIT B

## 1. DEFINITIONS

Definitions of terms and phrases contained within the Deed Restriction and Guidelines:

- 1.1 **ACCESSORY DWELLING UNIT (ADU)** - a building, or portion thereof, the use of which is incidental to that of the main building, and which is located on the same lot or parcel with the main building or use, and which building has a separate kitchen, separate bathroom, a separate entrance, and which is restricted by rent and occupancy requirements as described in these Guidelines.
- 1.2 **APPEAL** - is the process used when the Applicant understands and acknowledges the Covenant and Guidelines criteria and believes that after an initial determination, the criteria have been applied to him or her incorrectly.
- 1.3 **APPLICANT** - a Household that has submitted the required application either for qualification as a Buyer or a Renter or who submits a request for an Exception.
- 1.4 **AREA MEDIAN INCOME (AMI)** - a statistical number based on Household Size and Income for residents of the county in Colorado in which the Housing Unit is located and that is used in these Guidelines as a basis for the Income Eligibility Tiers applied to specific Housing Units. HA shall update the AMI once per year based upon an analysis of the best available data for County Household Incomes. Data sources and methods for this analysis are documented in Appendix A.
- 1.5 **ASSETS** - anything owned by an individual that has commercial or exchange value. Assets consist of specific property or claims against others, in contrast to obligations due others. Assets include both liquid and non-liquid assets. Liquid Assets include cash in savings, checking or other forms of bank accounts and stocks, bonds or other instruments that can readily be converted to cash. Non-liquid Assets are those items not easily converted to cash.

The most recent assessed value as provided by the applicable assessor's office will be used to determine the value of Assets, including real estate holdings, regardless of setoffs by encumbrances, costs of sale or holding, or percent of ownership interest. Assets shall include funds or property held in a living trust or any similar entity or interest, where the person has management rights or the ability to apply the assets to the payment of debts. Assets in a qualified retirement plan and intangible assets will not be included in the asset calculations for each income category. Household Net Assets equals gross Household Assets less gross Household Liabilities.

NOTE: A one-time gift of up to 30% of the Original Purchase Price used exclusively as a down payment for the purchase of a Housing Unit may be considered as a net asset, and not as Unearned Income for the purposes of initial qualification.

- 1.6 **BEDROOM** - area designed to be used for sleeping purposes that shall contain a closet, have access to a bathroom and meets applicable Building Code requirements for light, ventilation, sanitation, and egress.



## EXHIBIT B

- 1.7 **BUSINESS OWNER** - a person or entity that owns or operates a business located in and serving the County, with a local workforce working in the School District, and who has been certified by the Housing Authority to own a Housing Unit and who has agreed to the rental restrictions set forth in the Deed Restriction and these Guidelines. Note: Businesses who are in the business of residential property management, residential property rentals, mobile home park ownership or rental and/or residential property ownership may not be certified as a Business Owner.
- 1.8 **BUYER** - a person who is buying a Housing Unit.
- 1.9 **CAPITAL IMPROVEMENTS AND PERMITTED CAPITAL IMPROVEMENTS** - a Capital Improvement is any fixture, construction or installation that is erected, constructed, or installed as a permanent improvement to real property or non-recurring expenses for physical improvements that provide a long-term upgrade or improvement to the Housing Unit, not to include ordinary repair and maintenance. A Permitted Capital Improvement is a Capital Improvement that has been approved by HA prior to erection and shall NOT include luxury items, upgrades for esthetic or personal preference, landscaping, or cost associated with ordinary repair, replacement, and maintenance. For example, installing a stained-glass window in place of a functioning clear glass window would be considered a luxury item.
- Permitted Capital Improvements are established for determining Maximum Sales Price as the terms are defined in Section 6.11.
- 1.10 **COMMERCIAL PROPERTY** - property which is used for any of the following uses as defined by the applicable Land Use Code: Commercial; Industrial; Accommodations (including Hotel, Lodge, Boarding and Rooming houses, Lock-off units, and Short-term Dwelling Units); and Agricultural Land.
- 1.11 **CO-SIGNER** - a joint signatory of a promissory note whose obligations are the same as those of the primary borrower. If the primary borrower does not repay the loan, the co-signer accepts responsibility for the debt. A Co-signer shall not occupy the Housing Unit unless qualified by HA.
- 1.12 **COUNTY** - the county in the state of Colorado in which the Housing Unit is located.
- 1.13 **DECLARANT** - the person or entity who is purchasing the Housing Unit and who signs the Deed Restriction and Covenant.
- 1.14 **DEED RESTRICTION** – a contract prepared by HA in coordination with Rural Homes (RH) and entered into between HA, RH, and the Owner or Buyer of real property identifying and burdening the conditions of use, occupancy and sale which shall not be altered by any party without the written consent of all parties, also referred to as Covenant.
- 1.15 **DESIGNEE** - a person or entity that is named and authorized to act in place of the person or entity granting the designation.
- 1.16 **DISABLED PERSON** – See Individual with a Disability.

## EXHIBIT B

- 1.17 **DOWN PAYMENT** - a cash payment made by the purchaser toward the purchase price of the Housing Unit.
- 1.18 **EARNED INCOME STANDARD** - total Household Earned Income must be at least 75% of the total Household Income. Unearned Income cannot exceed 25% of total Household Income. See INCOME.
- 1.19 **ELDERLY** - a person who is at least 65 years of age.
- 1.20 **ELIGIBILITY** - qualification requirements applied to a Household based on the specific Housing Unit the Household intends to occupy.
- 1.21 **EMPLOYEE** - a person who is self-employed or is working for another person or business and is compensated for such work on an hourly, weekly, monthly or commission basis or any combination of such compensation.
- 1.22 **ESSENTIAL RESPONSE PERSONNEL** - those persons required to report to their designated work location to ensure the operation of essential functions during an emergency. Qualified Essential Response Personnel are employees (on call 12 hours/day, a minimum of 8 times per month or its equivalent) of a community-based organization, in the Ridgway School District R-2 boundaries that provides on-scene assistance and personal care to victims. Community-based organizations include but are not limited to the Fire Department, Search & Rescue, Police, Marshal, and Sheriff's Departments, Emergency Medical Services, Social Services, and Emergency Dispatch.
- 1.23 **EXCEPTION, REQUEST FOR** - the process used when the Applicant understands and acknowledges the Covenant and Guidelines criteria and believes that there exists a legitimate and compelling reason why the Applicant should be excused from such criteria or allowed a modification of the criteria.
- 1.24 **FAIR MARKET VALUE** - the price at which bona fide non-distress sales have been consummated for assets of like type, quality, and quantity in a particular market.
- 1.25 **FAMILY** - see Immediate Family
- 1.26 **FEE SIMPLE ESTATE** - the maximum possible estate that one can possess in real property, complete and absolute ownership of indefinite duration, freely transferable, and inheritable.
- 1.27 **FINANCIAL STATEMENT** - a statement detailing all personal assets, liabilities, and net assets (the difference between gross assets and liabilities) as of a specific date.
- 1.28 **FIRST MORTGAGE** - a deed of trust or mortgage that is recorded senior to any other deeds of trust or liens against a property to secure a loan used to purchase a property by a Mortgagee.

## EXHIBIT B

- 1.29 **FREE-MARKET PROPERTY** - a property that is not restricted by any Deed Restriction or covenant regarding price or terms of sale.
- 1.30 **FULL-TIME EMPLOYEE** - a person who works a minimum of 1,200 hours per year by working no less than eight (8) of every twelve (12) months on a rolling twelve (12) month basis AND during the qualifying eight (8) months must work at least forty (40) hours per month.
- 1.31 **GOVERNMENT PERSONNEL** - any Full-time Employee of a federal, state, or County agency, or any local government, including law enforcement agencies.
- 1.32 **GRIEVANCE** - any dispute that Seller, Buyer, Owner, or Applicant may have with HA with respect to an action or failure to act in accordance with the individual's rights, duties, welfare, or status.
- 1.33 **GUEST** - a person with whom a Household shares the same living quarters who has no proprietary interest including no leasehold interest in the Housing Unit, who is not on the title to the unit, who does not provide financial assistance to the Household, and whose stay is limited to less than thirty (30) days every six (6) months.
- 1.34 **GUIDELINES** - these Rural Homes: For Sale, For Locals Affordable Housing Regulations and Guidelines, Ridgway Wetterhorn Homes, are a set of operational regulations adopted by RH and the HA and are amended from time to time that set out definitions, standards and procedures that further define and detail the Rural Homes: For Sale, For Locals Deed Restriction and Covenant, Ridgway Wetterhorn Homes and are to be applied to specific Housing Units.
- 1.35 **HEALTH CARE PERSONNEL** - any Full-time Employee, who is licensed or otherwise authorized by the State of Colorado to provide health care services and who is employed as such by a nonprofit institution within the Ridgway School District R-2 boundaries.
- 1.36 **HOME OCCUPATION** - any business conducted principally within a dwelling unit, an enclosed garage or accessory building, which is carried on by the inhabitants of the Housing Unit. Home Occupation does not include: an individual working at home that does not routinely conduct meetings in the home; does not have routine contact with employer, employee, consultant and/or client in the home; and does not conduct traditional sales or retail activities on the premise of their workplace; and/or does not place any identifying signs on the exterior of the workplace.
- 1.37 **HOUSEHOLD** - one or more persons who intend to live together in a Housing Unit as a single housekeeping entity.
- 1.38 **HOUSING AUTHORITY (HA)** - Housing Authority will have the responsibility to administer the Deed Restriction and Guidelines, including qualifying owners, enforcement, and making any exceptions. Each RH development will be assigned a HA within that jurisdiction. As used in these Guidelines, HA may also mean staff and the Board of Directors of the Housing Authority or its designee, as the context requires.
- 1.39 **HOUSING UNIT** - a residential unit that is subject to the Covenant and Guidelines and any additional covenants that run with the land.

## EXHIBIT B

- 1.40 IMMEDIATE FAMILY - the Qualified Employee and the spouse of the Qualified Employee and their siblings, the parents and/or offspring of the Qualified Employee and the spouse of the Qualified Employee, all of whom may be related either biologically, by marriage, by civil union and/or by legal adoption, and regardless of age. Immediate Family also includes: a minor child for whom the Qualified Employee or the spouse of the Qualified Employee becomes a legal guardian and a minor child for whom the Qualified Employee or the spouse of the Qualified Employee becomes a legal foster parent. Such children shall be treated as biological children and have the same Immediate Family status, regardless of age.
- 1.41 IMPROVED RESIDENTIAL PROPERTY - property that contains at least one (1) dwelling unit as defined in the applicable Land Use Code.
- 1.42 INCOME -
- a. Earned Income -
    - i. Income derived from one's own labor or through active participation on a regular, continuous, and substantial basis in a business and including retirement funds from deferred income earned from employment, Social Security benefits, alimony, and child support; and
    - ii. Net income derived from a business after reasonable deductions for expenses, depreciation, taxes, and similar allowances.
    - iii. For Qualified Elderly, retirement and/or pension income, regardless of origin, is considered Earned Income.
  - b. Household Income - combined Gross Income of all individuals in the Household.
  - c. Unearned Income - income derived from investments, rental property, trusts, inheritance, etc. and any other passive activity.
  - d. Gross Income - the total of all income from whatever source before deductions.
- 1.43 INCOME ELIGIBILITY TIER - the specification and limits of Household Income that applies to a particular Housing Unit.
- 1.44 INDIVIDUAL WITH A DISABILITY - has the same meaning as set forth in the federal "Americans with Disabilities Act of 1990", 42 U.S.C. sec. 12131, and its related amendments and implementing regulation, as amended, which currently defines a person with a disability as "Any person who has a physical or mental impairment that substantially limits one or more major life activities; has a record of such impairment; or is regarded as having such an impairment." (see also, Mobility Disabled Person).
- 1.45 INITIAL SALES PRICE - the sale price for a Housing Unit that is recorded as the Original Purchase Price [OPP] of that Housing Unit at the time the original Deed Restriction for the Housing Unit is executed and recorded in the County Clerk and Recorder's Office.
- 1.46 JOINT TENANCY - ownership of real estate between two or more parties who have been named in one conveyance as joint tenants. Upon the death of one tenant, surviving joint tenant(s) have the right of survivorship.

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- 1.47 **LAND CONTRIBUTOR** - the entity that provided the land upon which the Rural Homes, For Sale, For Locals Project was built.
- 1.48 **LAND CONTRIBUTOR UNITS** - those deed-restricted properties that have been designated for purchase by the Land Contributor. A Land Contributor Unit is a Housing Unit.
- 1.49 **LANDLORD** - the owner of the Housing Unit, who, in an exchange for rent, leases the entire Housing Unit or a room in the Housing Unit to another individual known as the Tenant.
- 1.50 **LEASE** - a written agreement between an Owner/Landlord and a Tenant/Tenant Household that creates a Leasehold Interest.
- 1.51 **LEASEHOLD INTEREST** - a less than Fee Simple Estate that a Tenant possesses in real property.
- 1.52 **LEAVE OF ABSENCE** - an Exception from the requirement that a Qualified Household maintain the Housing Unit as its primary place of residence granted according to the Exception Procedure in Section 5.2.4.1.
- 1.53 **LIABILITIES** - the total amount owed to other persons including loans, liens, accounts payable, and other financial obligations as defined by generally accepted accounting practice.
- 1.54 **LONG-TERM RENTAL** - rental of a Housing Unit for any period of time equal to or greater than six consecutive months.
- 1.55 **LUXURY ITEMS** - are non-essential appliances, fixtures, or upgrades to a Housing Unit.
- 1.56 **MAXIMUM SALE PRICE (MSP)** - the maximum purchase price that can be paid by any purchaser of a Housing Unit. The MSP is not a guaranteed price, but merely the highest price an Owner may obtain for the sale of a Housing Unit. The Owner's MSP is determined as defined in Sections 5.8 and 8.2.3 and according to the Covenant covering the Housing Unit.
- 1.57 **MINIMUM WORK STANDARD** - in order to meet the Minimum Work Standard, a person must work 1,200 hours per year by working physically within the Ridgway School District R-2 boundaries no less than eight (8) of every twelve (12) months on a rolling twelve (12) month basis AND during the qualifying eight (8) months must work at least forty (40) hours per month.
- 1.58 **MOBILITY DISABLED PERSON** - a person who is an Individual with a Disability and who suffers from a long-term limitation in independent, purposeful physical movement of the body or of one or more extremities.
- 1.59 **MORTGAGEE** - any bank, savings and loan association, or any other institutional lender that is licensed to engage in the business of providing purchase money mortgage financing

## EXHIBIT B

for residential real property and that is the beneficiary of a deed of trust or the mortgagee under a mortgage encumbering the Housing Unit.

- 1.60 NET WORTH - the estimated sum of the assets of the Qualified Owner and/or Qualified Occupant and/or Qualified Household less liabilities, the term is synonymous with Net Assets.
- 1.61 NOTICE OF VIOLATION - a formal written notice from the HA or its Designee to a Housing Unit Owner, Occupant, or Tenant who may be in violation of provisions of the Deed Restriction for the Housing Unit or of the provisions of the Guidelines.
- 1.62 OCCUPANT - any person who occupies the Housing Unit as his or her Primary Residence but who has no ownership interest in the Housing Unit.
- 1.63 ORIGINAL PURCHASE PRICE (OPP) - the sale price for a Housing Unit that is recorded at the time the Covenant for the Housing Unit is executed and recorded in the County Clerk and Recorder's Office.
- 1.64 OWNER - individual(s) who has a legal right to the Housing Unit by deed, tenancy in common, joint tenancy, or tenancy in the entirety or other relationship; an individual who may have a proprietary interest in the Housing Unit, and may include any subsequent buyer, heir, devisee, transferee, grantee, or holder of title, or any portion of title, to the Housing Unit.
- 1.65 PURCHASE PRICE - all consideration paid by the Buyer to the Seller for a Housing Unit.
- 1.66 PREQUALIFICATION - a borrower's tentative written mortgage approval from a lender.
- 1.67 PRIMARY RESIDENCE - the sole and exclusive place of residence.
- 1.68 PRIORITY - the order in which Housing Units are offered to Applicant Households based on the applicable selection procedure (e.g., a lottery, waiting list). Priority is created by RH and the HA and not all Housing Units are subject to Priority.
- 1.69 PROPERTY - includes all real estate of any kind, improved or unimproved, including but not limited to land, commercial property, investment property, and residential property.
- 1.70 QUALIFICATION - the minimum standards of employment, residency and/or net assets that are applied to a Qualified Household according to the Covenant covering the Housing Unit and as defined in Sections 3 and 5.
- 1.71 QUALIFIED EMPLOYEE - an Employee who meets the Minimum Work Standard, is certified by the HA, and who maintains compliance pursuant to the Covenant and Guidelines.
- 1.72 QUALIFIED ENTITY OWNER - an Owner who is a Business Owner, Land Contributor, Local Government or Special District located in and serving the County, with a local workforce working in the School District, that has been certified as Qualified by the HA to own a

## EXHIBIT B

Housing Unit and who has agreed to the rental restrictions set forth in the Deed Restriction and these Guidelines.

- 1.73 **QUALIFIED HOUSEHOLD** - all Owners and Occupants who meet the requirements of Sections 3 and 5 who are certified by the HA to own and/or occupy the Housing Unit according to the terms and conditions of the Deed Restriction and Guidelines and who maintain compliance pursuant to the Covenant and Guidelines.
- 1.74 **QUALIFIED OCCUPANT** - a person who meets the requirements of Sections 3 and 5 to occupy the Housing Unit, who is certified by the HA, and who maintains compliance pursuant to the Covenant and Guidelines. Entity Owners shall not be considered Qualified Occupants.
- 1.75 **QUALIFIED OWNER** - a person who meets the requirements of Sections 3 and 5 at the time that they take initial ownership interest or transfer of interest in a Housing Unit, is certified by the HA, and who maintains compliance pursuant to the Covenant and Guidelines. Entity Owners may be considered Qualified Owners subject to the Covenant and Guidelines.
- 1.76 **RIGHT OF FIRST REFUSAL**: a provision in a lease or other agreement that gives a potentially interested party the right to buy a property before the seller negotiates any other offers.
- 1.77 **SALE** - a sale is the exchange of a Housing Unit for an agreed amount of money in a single transaction in which title to the Housing Unit is transferred to a new Qualified Household.
- 1.78 **SELF-EMPLOYED** - a person who carries on a trade or business as a sole proprietor or independent contractor who is working for oneself as a freelancer rather than for an employer including part-time business or a member of a partnership that carries on a trade or business.
- 1.79 **SELLER** - a person who owns and is selling a Housing Unit.
- 1.80 **SELLER'S LISTING CHECKLIST** - the list of items required to be in good order as defined in the "Minimum Standards" required for a sale at Maximum Sale Price (Section 6.8).
- 1.81 **SELLER'S PROPERTY DISCLOSURE** - the residential form approved by the Colorado Real Estate Commission and customarily required in transactions involving the purchase and sale of residential real estate in the State of Colorado.
- 1.82 **SCHOOL DISTRICT** – the Ridgway School District (R-2), the school district in which the Housing Unit is located.
- 1.83 **SCHOOL DISTRICT PERSONNEL** - any Full-time Employee, including independent contractors, of the Ridgway School District R-2 who provides health, educational, administrative, social, psychological, custodial, food service, transportation, law enforcement, or childcare services.

## EXHIBIT B

1.84 **SHORT-TERM RENTAL** - rental of a Housing Unit for any period of time less than thirty (30) consecutive days.

1.85 **SPECIAL DISTRICT**- is a quasi-municipal corporation and political subdivision of the State of Colorado formed to provide necessary public services that the county or municipality cannot otherwise provide. The formation and operation of a special district is governed by Title 32 of the Colorado Revised Statutes and other applicable laws.

1.86 **TENANT** - a person who has the temporary use and occupancy of real property owned by another subject to the Guidelines.

1.87 **TOWN** - the Town in which the Housing Unit is located.

1.88 **TRANSFER** - an act of a Party, or of the law, by which the title to the Housing Unit is wholly or partially transferred to another; including but not limited to the sale, assignment voluntary or involuntary transfer, or transfer by operation of law (whether by deed, contract of sale, gift, devise, bequest, trustee's sale, deed in lieu of foreclosure, or otherwise) of any interest in the Housing Unit, including but not limited to a fee simple interest, a joint tenancy interest, a tenancy in common, a life estate, a leasehold interest or any interest evidenced by a land contract by which possession of the Housing Unit is transferred and Owner retains title, except that, this definition does not include any transfer of an interest by the Housing Authority.

1.89 **UNIMPROVED RESIDENTIAL PROPERTY** - vacant property, which is restricted solely to residential uses, and uses accessory thereto, as defined in the applicable Land Use Code.



## EXHIBIT B

### 2. PURPOSE AND APPLICABILITY

The purpose of the Guidelines is to provide a comprehensive and consistent set of provisions that apply to housing created by Rural Homes: For Sale, For Locals and the Housing Authority.

Every sale or rental of a Housing Unit shall be subject to the Deed Restriction and Guidelines in effect at the time of sale or rental. Owners and Tenants are subject to the Guidelines in effect and as amended during their ownership or lease.

Violations of these Guidelines are violations of the Deed Restriction and are subject to the penalties adopted for such violations in addition to remedies provided herein.

These Guidelines are considered regulations in order to control and enforce the applicable RH Deed Restriction and have the force and effect of law and can be enforced by the Beneficiaries and the HA or its authorized agents and/or representatives. These rules have binding effect on all individuals and courts.

### 3. HOUSEHOLD QUALIFICATION and ELIGIBILITY

A Qualified Owner or a Qualified Household must maintain its Qualification continuously as long as it owns, rents, or occupies the Housing Unit.

**3.1 Household Initial Qualification.** Qualified Owners and Qualified Households must meet each of the following requirements for initial purchase or occupancy as described below in the following sections:

- 3.1.1** Minimum Work Standard
- 3.1.2** Earned Income Standard
- 3.1.3** Residency Standard
- 3.1.4** Property Ownership Standard
- 3.1.5** Net Assets Standard

#### **3.1.1 Minimum Work Standard.**

3.1.1.1 Qualified Employee. At least one member of the Household who is an Owner shall be a Qualified Employee who must demonstrate and verify 1,200 hours of employment physically performed in the School District boundaries for a minimum of forty (40) hours per month for at least eight (8) of the previous twelve (12) months immediately prior to submission of an application or provide verifiable intent to physically perform 1,200 hours of work in the School District boundaries within twelve (12) months of application at a minimum of forty (40) hours per month for eight (8) of the next twelve (12) months.

3.1.1.2 Exemptions. Those who have been determined by HA to be Qualified Elderly or Qualified Individual with a Disability as defined below, prior to application for ownership or rental, as well as Immediate Family and Dependents of a Qualified Employee are exempt from the required employment hours.

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3.1.1.2.a Qualified Individual with a Disability – Those persons with a disability may apply to be Qualified Individual with a Disability by providing a verifiable history of employment meeting the Minimum Work Standard on a rolling twelve (12) month basis for at least five (5) of the seven (7) years within the County immediately prior to application for Qualified Individual with a Disability as defined. Note: Persons with a disability who cannot meet this exemption standard may request an Exception under §11.1.3

3.1.1.2.b Qualified Elderly – Those who are 65 years or older may apply to be Qualified Elderly by providing a verifiable history of employment meeting the Minimum Work Standard on a rolling twelve (12) month basis for at least five (5) of the seven (7) years within the County, immediately prior to application for Qualified Elderly as defined.

3.1.1.3 Exception. Employees who are employed by a business located in the School District boundaries with a workforce physically located within the School District boundaries and who are required to perform tasks outside the School District boundaries, may apply for an Administrative Exception to the “physically performed” requirement, §1.1.1 above.

### **3.1.2 Earned Income Standard.**

3.1.2.1 Total Household Earned Income must be at least 75% of the total Household Income. Unearned Income cannot exceed 25% of total Household Income.

3.1.2.2 Households must qualify for the AMI standard associated with the Housing Unit and show proof of Income not to exceed the income range allowed for the Housing Unit.

3.1.2.2a For purposes of Initial Qualification under this standard for Applicants who do meet the local Minimum Work Standard, the HA shall examine historical data. Historical data is a hybrid of previous year's tax returns and current year-to-date employer payment information that creates a total income for the twelve-month period immediately prior to the application submittal. All other income received or earned in the same twelve-month period is included in the income total.

3.1.2.2.b For purposes of Initial Qualification under this standard for Applicants who do **not** meet the local Minimum Work Standard and who provide verifiable intent to work, the HA shall use prospective information and income related to the applicant's employment in the School District going forward. The start date of the “intent to work” shall begin the twelve-month period of analysis, including anticipated income from all sources.

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3.1.2.3 Applicant representations of Gross Income are subject to verification and evaluation of reasonableness by HA.

3.1.2.4 The following are exempt from the Earned Income Standard:

3.1.2.4.a Those who are Qualified Individual with a Disability per the provisions of Section 3.1.1.2.a; and

3.1.2.4.b. Those who are Qualified Elderly per the provisions of Section 3.1.1.2.b.

**3.1.3 Residency Standard.** Applicants purchasing a Housing Unit are not subject to a prior residency requirement but must intend to, and in fact, occupy the Housing Unit as their sole and Primary Residence.

**3.1.4 Property Ownership Standard.**

3.1.4.1 At the time of application, a Household may own other improved or unimproved residential or commercial property, however, Applicant must enter into an Intent to Sell Agreement for all Improved Residential Property located within a one-hundred and fifty (150) mile radius from the Housing Unit. Further all Improved Residential Property must be listed for sale within seven days of taking title to the Housing Unit and sold for fair market value within one year of taking title to the Housing Unit.

3.1.4.2 Households that desire to acquire Improved Residential Property located within a one-hundred and fifty (150) mile radius from the Housing Unit after taking ownership of a Housing Unit must apply for and be granted an Exception prior to taking ownership of the additional property.

3.1.4.3 Households that desire to retain Improved Residential Property located within a one-hundred and fifty (150) mile radius from the Housing Unit after taking ownership of a Housing Unit must apply for and be granted an Exception before purchasing the Housing Unit.

**3.1.5 Net Assets Standard.**

3.1.5.1 Total Household Net Assets shall not exceed three (3) times the Original Purchase Price (“OPP”) of the Housing Unit. All Household members’ shares of business assets, including real estate, shall be included in determination of the Household Net Assets.

3.1.5.2 Disposition of Assets. Any member of a Household who has assigned, conveyed, transferred, or otherwise disposed of property or other assets within the last two (2) years without fair consideration in order to meet the net asset limitation or the property ownership limitation shall be ineligible to purchase a Housing Unit.

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### 3.2. Household Eligibility Criteria.

**3.2.1 Income Eligibility Tiers.** Households must meet Income Eligibility Tiers in addition to the Household Initial Qualification criteria. Eligibility criteria may differ between units that are targeted to different Tiers, as defined in Appendix A, and as designated in the Covenant.

The existence of more than one Eligibility Tier does not guarantee that the HA will construct or otherwise make available housing in that Tier.

**3.2.2 Household Size.** The total number of people in a Household shall not be less than the following Minimum Household Sizes or exceed the Maximum Household Sizes:

Unit Type:*	Minimum Household Size:	Maximum Household Size
Studio/1 Bedroom	1 person	3 persons
2 Bedroom	1 person	4 persons
3 Bedroom	2 persons	6 persons
4 Bedroom	3 persons	8 persons

\*this chart does not guarantee houses will be built or available in all listed types.

3.2.2.a If Declarant's Household Size falls below the minimum size required, Declarant shall rent a room to a Qualified Tenant pursuant to the Covenant and Guidelines.

**3.3 Qualified Entity Owners.** Qualified Entity Owners shall be exempt from the Initial Qualification Standards and Eligibility Criteria. Tenants of all Qualified Entity Owner Housing Units shall meet the requirements above as required by Section 7, below.

## 4. INITIAL HOUSEHOLD APPLICATION PROCESS

**4.1 Application Process.** Applications for qualification shall be made to HA. HA may request any combination of documentation reasonably related to proof of income, assets, and employment. Household shall sign a release of information so that HA may obtain such information. HA will require a sworn statement of the facts contained in the application including at least the following certifications:

**4.1.1** That the facts contained in the application are true and correct to the best of the Applicant's knowledge; that the Applicant has been given the standard application information packet by HA; and

**4.1.2** That the Applicant, on the basis of the application presented, believes that the Household qualifies to occupy the Housing Unit in question according to the Deed Restriction, these Guidelines and all other applicable procedures, rules, and regulations.

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**4.1.3** Any material misstatement of fact or deliberate fraud by the Household in connection with any information supplied to HA shall be cause for immediate expulsion from the application process and/or forced sale or vacation of the Housing Unit.

**4.1.4 Qualified Entity Owners.** Qualified Entity Owners shall have a streamlined application process which may vary among entity type.

**4.2 Homeowners Associations.** The Housing Unit is not currently subject to a homeowner's association ("HOA"). However, HOAs and related dues are authorized in Colorado under Colorado Revised Statutes §38-33.3-101 et seq. If an HOA is formed and applicable, all Owners of Housing Units are required to timely remit payment of HOA dues. It is the Household's responsibility to be aware of any HOA dues or interest charges.

## **5. CONTINUING HOUSEHOLD QUALIFICATION AND COMPLIANCE VERIFICATION**

**5.1 Maintaining Qualified Household Status.** HA requires Households, including all occupants of Housing Units, to maintain Qualified Household status on an on-going basis.

**5.1.1 Changes to Households.** Changes to Qualified Households impact ongoing qualifications and may jeopardize qualification, such as a pending separation or divorce, the death of a Household member, or departure of a Household member, and the addition of Immediate Family members. All changes to the Household shall be reported to HA within thirty (30) days of said change. HA will make every effort to maintain stable housing for Households in transition but shall require the Household to come into compliance within a reasonable period prior to issuing a Notice of Violation.

**5.1.2 Compliance Checks.** In order to verify compliance with Deed Restrictions and the Guidelines, HA will conduct regular Compliance Checks and may initiate them to investigate complaints or reports of non-compliance. Any on-site Housing Unit inspection is subject to a twenty-four (24) hour notice requirement.

**5.1.3 Verification of Qualification.** HA shall require Households to verify that they remain a Qualified Household within twenty-one (21) days of a written notice of Compliance Check or a penalty will be assessed (see Appendix E). A sworn statement of the facts required for maintaining Qualified Status shall be required as detailed in Section 4 for initial Compliance Check submissions.

**5.2 Qualified Household Continuing Requirements.** Verification of the following shall be required:

**5.2.1 Continuing Minimum Work Standard.**

5.2.1.1 At least one member of the Household must be a Qualified Employee who meets the Minimum Work Standards.

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5.2.1.2 Qualified Elderly, Qualified Individual with a Disability and Immediate Family of Qualified Employees are exempt from the continuing Minimum Work Standard.

### **5.2.2 Continuing Earned Income Standard.**

5.2.2.1 Household shall meet the Earned Income Standard, Section 3.1.2.1.

### **5.2.3 Continuing Net Income Standard.**

5.2.3.1 Household Net Income shall not be considered for ongoing qualification for Owners.

5.2.3.2 Tenant Households shall continue to meet the Earned Income Eligibility Tier as designated by Appendix A.

**5.2.4 Continuing Residency Standard.** Qualified Households shall occupy the Housing Unit for at least eight (8) of every twelve (12) months on a rolling twelve (12) month basis.

5.2.4.1 Leave of Absence. In the event a Household wishes to not occupy the unit for more than four (4) months, the Household may apply to HA for a Leave of Absence for a term not to exceed two (2) years. The Household must provide clear and convincing evidence showing both a bona fide reason for leaving and a commitment to re-occupy the Housing Unit. HA shall condition the granting of the Leave of Absence on the Household offering the Housing Unit for rent to a Qualified Household, during the period of the requested leave. HA may include conditions on the Leave of Absence, as it deems necessary. Applications for a Leave of Absence shall be made to HA according to the Exceptions Procedure in Section 11.1. Short-term rental of Housing Units is otherwise prohibited.

**5.2.5 Ownership of Improved Residential Property.** Household is prohibited from ownership of other Improved Residential Property located within a one-hundred and fifty (150) mile radius from the Housing Unit unless the HA approves an Exception, see Section 11.1.

**5.2.6 Household Net Assets.** Household Net Assets shall not exceed three (3) times the Initial Sales Price of the Unit.

**5.2.7 Household Size.** Minimum and Maximum Household Size are on-going requirements. See Section 3.2.2, above.

**5.3 Qualified Entity Owners.** Qualified Entity Owners shall be subject to verification of Qualification of Entity Status. Tenants of all Qualified Entity Owner Housing Units shall meet all continuing requirements of the Covenant and Guidelines. Failure to do either or both is a material breach of the Covenant.

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### 6. SALE AND RESALE OF HOUSING UNITS

The initial sale of all Housing Units shall be in accordance with applicable lottery, wait list or other selection procedures as determined by the HA.

#### 6.1 **Notification Required.**

**6.1.1** Written notice to HA shall be required for any pending change in financing or ownership of a Housing Unit. Failure to timely notify HA is considered a serious breach of the Deed Restriction and violation of the Guidelines and shall be subject to a Notification Required Penalty (see Appendix E) for each day the failure to notify persists.

**6.1.2** Notice of Intent to Sell a Housing Unit must be given at least sixty (60) days prior to the sale of the unit on notice forms available from HA.

**6.1.3** Notice of transfer of any interest in a Housing Unit must be given at least thirty (30) days prior to the transfer and will require the execution of a new Deed Restriction.

**6.1.4** Notice of refinancing of a Housing Unit must be given at least thirty (30) days prior to closing of the loan.

**6.2 **Consult with HA.**** Sellers are advised to consult with HA prior to offering a Housing Unit for sale, in order to obtain the most current information about applicable Guidelines and processes, and to verify the Maximum Sale Price and other applicable provisions of the Deed Restriction concerning the Sale.

**6.3 **Independent Legal Counsel.**** All Sellers and Buyers of Housing Units are advised to consult independent legal counsel regarding the examination of title and all contracts, agreements, and title documents. The retention of such counsel, or related services, shall be at Buyer's and Seller's own expense.

**6.4 **Title Company.**** HA advises Buyers to use a local title company and escrow agent with experience in closings of Housing Units to close the sale transaction. The title documents involved in the closing of Housing Units are unique and technical. Mistakes in the closing documents are easily made and difficult to correct. Seller shall authorize HA to review the conveyance documents prior to closing.

**6.5 **Sales Fee.**** After the initial sale, at the closing of the sale, the Buyer, will pay to HA a fee equal to 1% of the sales price. HA may instruct the title company to pay such fees out of the funds held in escrow at closing. The sales fee is waived for the sale from the developer to the first purchaser. HA may also waive the fee, or a portion thereof, in its sole discretion, to promote affordable housing. Fees due to HA shall be paid regardless of any action or services that the Buyer or Seller may undertake or acquire.

**6.6 **Beneficiaries with the Right to Acquire Ownership.**** Upon Owner's Notice of Intent to Sell, or upon exercise of Notice of Election to Require Sale as defined in the Covenant, Section 10.3, or if an Owner receives any offer to purchase or tenders any offer of sale for the Housing

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Unit either of the Beneficiaries, or their successors, shall be notified within five (5) days of such event and have the Right of First Refusal to purchase the Housing Unit for the Maximum Sale Price or at the offered sales price outlined in the Covenant, Section 7.3.

**6.7 Resale Options.** Sellers of Housing Units have the following options for advertisement and marketing of their units:

**6.7.1** Seller may advertise, market, and sell a Unit directly, or list the Unit with a real estate broker licensed to do business in the State of Colorado provided that:

6.7.1.1 The Buyer meets the Qualified Household requirements of Section 3;  
and

6.7.1.2 In all events the HA will assist the Seller as it is able.

**6.8 Maximum Sales Price.**

**6.8.1 Maximum Sale Price as Only Exchange of Value.** The Maximum Sale Price of the Housing Unit shall be calculated according to its Deed Restriction. In no case shall any Housing Unit be sold for more than the Maximum Sale Price. The contracted sale price shall be the only exchange of value between parties to any sale of the Housing Unit. Both Buyer and Seller must execute a sworn statement affirming that the contracted sale price is the only exchange of value in the sale. Any exchange of value outside the contract sale price shall invalidate the sale in addition to being a violation of applicable provisions of Colorado law that provide for additional civil and criminal remedies.

**6.8.2 Minimum Standards for Maximum Sale Price.** The Owner, Buyer and HA should work together in addressing repairs necessary to bring a Housing Unit to Minimum Standards for Maximum Sale Price. Owners and Buyers shall use the following checklist of Minimum Standards for a sale at Maximum Sale Price (Seller's Listing Checklist), including but not limited to:

- Clean, odor-free interior;
- Carpets steam-cleaned within seven (7) days of closing;
- Surface scratches, marks, holes in doors, floors, walls, woodwork, cabinets, counter tops, other than normal wear and tear, repaired;
- Walls in good repair and paint-ready;
- Windows and window locks in good repair;
- Broken windowpanes replaced;
- Window screens in place and in good repair;
- Doors and door locks in good repair; keys for all locks must be delivered at closing;
- Light fixtures, outlets, switches secure and in working order;
- Plumbing in good repair with no leaks;
- Tile grout in good repair and clean;
- Roof in good repair with no leaks (if home is a single-family) including an expected remaining life of ten years; and
- Safety hazards resolved.



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### **6.9 Mitigation of Repairs.**

**6.9.1** HA shall conduct a walk-through of the Housing Unit for purposes of verifying the Seller's Listing Checklist and identifying necessary repairs pursuant to Section 6.8. The Seller shall make identified repairs to bring the unit to Minimum Standards for Maximum Sale Price prior to closing.

**6.9.2** If a unit does not meet the Minimum Standards, HA may, at its discretion, require:

- 6.9.2.1 That the cost of necessary repairs be deducted from the closing sale price; or
- 6.9.2.2 That a credit be required from the Seller to the Buyer; or
- 6.9.2.3 That the Seller places into escrow the funds necessary to ensure satisfactory repairs, the balance of which, after necessary repairs, shall be returned to the Seller.

**6.9.3** Buyer is strongly encouraged to hire, at its own expense, a licensed inspector to conduct a thorough inspection of the Housing Unit.

### **6.10. Disclosure of Relevant Contracts and Information.**

**6.10.1** Both Buyer and Seller of any Housing Unit must sign a release of information allowing HA to obtain copies of all documents relevant to the sale and must disclose all relevant information known to them. All financial information shall remain confidential except as noted in Section 12.1.

**6.10.2** Relevant documents include but are not limited to:

- 6.10.2.1 The sales contract for the Housing Unit;
- 6.10.2.2 The Buyer's application for financing and related documentation; and
- 6.10.2.3 Title and escrow documents related to the sale.

**6.10.3** Sellers must inform Buyers of any proposed or pending increases in homeowner association dues, as well as any proposed or pending assessments, if any.

**6.11 Permitted Capital Improvements.** Permitted Capital Improvements, as defined in Section 1.9 provide a long-term upgrade or improvement to the Housing Unit. Permitted Capital Improvements shall NOT include luxury items, upgrades for esthetic or personal preference, landscaping, or cost associated with ordinary repair, replacement, and maintenance.

Ordinary Repair and Maintenance including roof repair and replacement, siding repair and replacement, driveway repair and replacement, and other similar maintenance cost are not considered Capital Improvements. Labor costs provided by the Owner may be authorized for up to 50% of the Permitted Capital Improvements upon approval by the HA.

It is the Owner's responsibility to secure any approval necessary from the Housing Unit's homeowners association and HA prior to undertaking any Capital Improvements.

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**6.11.1 ADUs and Capital Improvements.** The new construction of an ADU, where permissible, will not be included in the Capital Improvement calculation for the Housing Unit. It will, however, impact the MSP based on criteria established by the HA.

### 7. RENTAL PROCEDURES

There are two types of Rental Procedures. One for the rental of the entire Housing Unit and one for a partial rental.

#### 7.1 Entire Housing Unit.

**7.1.1 Owner Occupied Units:** Owners of Housing Units may, in some instances, be permitted to rent their entire Housing Unit. Households interested in renting the entire Housing Unit shall apply to and be qualified by the HA under the standards delineated in Section 3. HOUSEHOLD QUALIFICATION, ELIGIBILITY AND PRIORITY.

**7.1.2 Qualified Entity Owner Units:** Qualified Entity Owners are required to rent their Housing Units and all applicants interested in renting the Housing Unit shall apply to and be qualified by the HA under the standards delineated in Section 3. HOUSEHOLD QUALIFICATION, ELIGIBILITY AND PRIORITY. Qualified Entity Owners must fulfill the Minimum Household Size and not exceed the Maximum Household Size (Section 3.2.2 Chart). Qualified Entity Owners may rent to unrelated/non-Household applicants and treat each as a separate Household for purposes of qualification as described in 7.2 Room Rental, below.

**7.1.3** All other rules and regulations apply to Qualified Entity Owners Housing Units.

**7.2 Room Rental.** For purposes of qualification for room rental in an Owner-occupied Unit, each room rental shall be considered independently, and Tenant Household's income and assets shall not be included in the Owner's Household for income and asset qualification purposes. However, rental income shall be considered Unearned Income for the Owner/Landlord.

Tenant Household requirements for room rentals:

**7.2.1** At least one member of the Tenant Household, who is not part of the Immediate Family of the Owner, must be a Qualified Employee; and

**7.2.2** Tenant Households shall meet the Minimum Work, Earned Income, Residency, Property Ownership and Net Assets Standards; and

**7.2.3** Tenant household Income Eligibility shall be determined by the Housing Unit's Income Eligibility Tier (see Appendix A) at time of initial tenancy.

**7.3 General Provisions for all Rentals.** In this section, Tenant refers to Households that rent an entire Unit and Tenant Households renting a room in a Unit.

**7.3.1** Tenant shall meet the Income Eligibility Criteria designated by the Housing Unit's Income Eligibility Tier (see Appendix A).

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**7.3.2** Maximum Rental Rate per Housing Unit is set by the HA and shall not exceed the rental rate for the same number of bedrooms designated by the Housing Unit's Income Eligibility Tier (see Appendix A).

**7.3.3** Maximum Rental Rate per room is set by the HA and shall not exceed studio/one-bedroom rental rate designated by the Housing Unit's Income Eligibility Tier (see Appendix A).

**7.3.4** Tenant Qualification shall be certified by HA prior to tenancy and/or the signing of a Lease.

**7.3.5** Tenant Qualification shall be recertified by HA yearly at Lease renewal and any time there is a change in Household/Tenant Household.

**7.3.6** Landlords must obtain proof of qualification from Tenant prior to occupancy.

**7.3.7** Rental of Housing Units must be memorialized by a written Lease.

**7.3.8** Leases must be for a minimum of six months with a maximum of twelve months.

**7.3.9** Landlords shall provide a copy of the fully executed Lease with Tenant to HA within seven (7) days of its execution.

**7.3.10** Executed copies of Leases shall be on file with HA at all times during the period in which rental of the Housing Unit is required or has been approved.

**7.3.11** A sublease to a Qualified Employee is allowed upon approval of the Owner and of HA.

## 8. DEED RESTRICTION COVENANT

**8.1** **Deed Restriction Applied with Each Transfer.** A Deed Restriction shall be applied prior to or concurrent with each Sale or Transfer of a Housing Unit. Original executed and recorded documents will be maintained by HA. Provisions herein further defining the Deed Restriction are a summary of significant policies and should not be considered the complete authority. Sellers and Buyers are advised to consult the Deed Restriction for the Housing Unit for complete specific language, which is the final authority for that Housing Unit.

### **8.2** **Specifications of the Deed Restriction.**

**8.2.1** **The Original Purchase Price ("OPP").** Each Housing Unit Sale generates a new OPP and necessitates execution of a new Deed Restriction.

**8.2.1** **The designated Income Eligibility Tier for the Housing Unit.**

**8.2.3** **The method of calculation of the allowed Maximum Sale Price ("MSP").** MSP shall be the OPP specified in the Deed Restriction plus an increase in price of three

## EXHIBIT B

percent 3%) per year from the date of purchase to the date of Owner's Notice of Intent to Sell (compounded annually and prorated at the rate of .25 percent per each whole month of any part of a year);

PLUS, the costs of any public improvements for which assessments were imposed by a government entity since the recording date of the Deed Restriction; PLUS, the costs of Permitted Capital Improvements, not to exceed ten percent (10%) of the OPP, provided that:

8.2.3.1 Improvements are pre-approved by HA prior to commencement of any work or installation to be considered in the calculation of the MSP.

8.2.3.2 Proof of homeowner's association approval, if any, must be provided to HA prior to commencement of work.

8.2.3.3 Improvements must be properly permitted and inspected by the Town or County Building Official, if applicable.

8.2.3.4 LESS the Depreciation on Permitted Capital Improvements; PLUS, any other reasonable costs allowed by HA pursuant to Guidelines in effect on the date of Owner's Notice of Intent to Sell.

**8.3 Home Occupations.** The Housing Unit may be used in a Home Occupation if:

**8.3.1** Home Occupation complies with applicable land use regulations;

**8.3.2** HOA approval of the specific Home Occupation, if applicable;

**8.3.3** The business holds a current business license, if applicable; and

**8.3.4** The business holds current sales and excise tax licenses, if applicable.

**8.4 No Guarantee of MSP.** Neither HA nor the Beneficiaries make any guarantees of the owner's ability to sell the housing unit for its MSP or rent the housing unit for its maximum rental rate.

**8.5 Violation of Deed Restriction.** Violation of any of the covenants, conditions and terms of the Deed Restriction shall also be a violation of these Guidelines whether or not a corollary provision exists.

**8.6 Deed Restriction Binding.** The Deed Restriction shall be binding on all Owners, successors and assigns including any holder of a deed in lieu of foreclosure.

**8.7 Recording of Deed Restriction.** The Deed Restriction and any amendments thereto must be recorded in the property records of the County. The original executed and recorded documents must be delivered to HA.

**8.8 Deed Restrictions may not be transferred off the Housing Unit.**

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**8.9 All Deed Restrictions must be prepared by HA.** No modification or amendment to the Deed Restriction shall be effective unless agreed to in writing by HA and other Parties.

### 9. LENDERS AND LOANS

**9.1 Purpose.** RH intends to meet the following goals in the facilitation of individual mortgage financing for Housing Units:

**9.1.1** Protect the public investment and regulatory integrity of RH in the short and long term;

**9.1.2** Minimize financial and other risks to HA and RH by prohibiting excessive debt or other obligations from being secured by Housing Units;

**9.1.3** Minimize the chance that Owners will create a financial risk for HA through creation of debt or other secured obligations against their Housing Unit; and

**9.1.4** Increase the potential financing opportunities for Applicants and Owners.

**9.2 Lenders and Mortgages.** Borrowers are restricted to either conventional or government guaranteed mortgages with a fixed rate from commercial banking and lending institutions authorized to engage in mortgage lending practices in the State of Colorado. All other mortgages will require an Exception from HA prior to purchase of a Housing Unit.

**9.3 Total Debt.** Prior to and continuing after closing on a Housing Unit, Owners shall not incur debt, judgments, liens, or other obligations secured by the Housing Unit and in no event shall any obligation secured by the Housing Unit exceed the total Original Purchase Price of the unit. This limitation shall apply also to any refinance of existing debt secured by the Housing Unit. Owners must notify HA prior to finalizing any refinancing of the Housing Unit. Failure to notify HA shall be subject to a penalty (see Appendix E).

**9.4 Co-Borrower or Co-Signor.** Co-borrowers or Co-signors who are not part of the Qualified Household must apply and be approved through the Exception Procedure (Section 11). Approved Co-borrowers and Co-signers shall be required to sign a separate agreement to sell the Housing Unit in the event the Qualified Owner becomes an Unqualified Owner, is in default under its Deed Restriction or the Guidelines or is otherwise required to sell the Housing Unit. Such Co-signers and co-borrowers shall not occupy the Housing Unit unless qualified by HA.

### 10. OWNERSHIP LOTTERIES

The purpose of these Lotteries is to create a fair and orderly process for offering Units for sale to qualifying Households and give purchase priority to those identified in the Lottery Point System Criteria, Appendix C.

#### 10.1 Ownership Lottery Procedure.

## EXHIBIT B

**10.1.1** HA shall establish a procedure for ownership lotteries for initial sales of RH as subject to these Guidelines and may establish ownership lotteries for subsequent sales as necessary.

**10.1.2** HA shall open an ownership lottery as follows:

10.1.2.1 Notice of the date, time, and location at which applications will be taken shall be published as a Legal Notice in a newspaper of general circulation in the region. Such notice shall be published at least twenty-one (21) days prior to the close of the application period, which application period shall be a minimum of fourteen (14) days.

10.1.2.2 Application and information materials shall be available at the time of publication of the Legal Notice at locations and web sites announced in the Notice.

### **10.1.3 Lottery Application Process and Applicant Responsibilities.**

10.1.3.1 Complete lottery application.

10.1.3.2 Households interested in purchasing a Housing Unit must submit an application to the HA, or its designee. All members of a Household over eighteen years of age must submit the required information necessary to determine qualification and eligibility.

10.1.3.3 A Household must submit a letter from a mortgage lender, stating the Household's ability to pre-qualify for a mortgage.

10.1.3.4 In order to participate in a lottery, Households must sign the sworn statement described in Section 4.

10.1.3.5 If a Household cannot sign the sworn statement, or if a Household does not provide HA with information required to process the application, then it will not be eligible to be entered into the lottery.

10.1.3.6 HA shall rely on the sworn statement of the Applicant as to the completeness and accuracy of the application for the purpose of determining eligibility to participate in a lottery.

## **10.2 Lottery Order.**

**10.2.1** HA shall only accept lottery applications during the time period specified in the Legal Notice. Mailed applications shall be considered received in the proper time period if postmarked at least two (2) days prior to the last day of the application period and received within two (2) business days after the application period closes. HA shall not be responsible for delays in the delivery of mail beyond two (2) business days after the

## EXHIBIT B

application period closes. Incomplete applications shall not be processed for qualification.

**10.2.2** The lottery shall be executed in two rounds; First Round for all Applicants who qualify without an Exception and Second Round for all Applicants who have requested and received an Exception(s).

**10.2.3** All Applicants deemed Qualified Households shall automatically qualify for entry in the lottery and placed in First Round. Any household lacking one or more of the Qualification and Eligibility Criteria will be placed on a separate list for unqualified Applicants (as further explained in Section 10.3.3.6) and placed in Second Round.

10.2.2.1 Exception requests submitted pursuant to Section 9.2 (Lending) shall not preclude Applicant from classification as a Qualified Household for purposes of the Lottery.

**10.2.4** Qualified Applicants shall qualify for additional entries in the lottery according to the criteria as outlined in Appendix C or according to criteria established by RH.

**10.2.5** The Lottery Point System Criteria may be modified as necessary by HA.

### **10.3 Lotteries are subject to the following guidelines:**

**10.3.1** A lottery must be conducted in a duly noticed public meeting of the HA.

**10.3.2** An independent County resident with no direct stake in the lottery outcome shall be invited to draw the Applicant names.

**10.3.3** Once an Applicant's name is drawn, any further instances of that Applicant's name drawn are recorded but ignored in establishing the order of Applicants.

**10.3.4** The results of the lottery shall be posted and certified by the resident drawing the names as soon as practically possible after the drawing.

**10.3.5** The order in which Applicant names are drawn in the lottery shall determine the order in which Applicants are contacted to purchase the Housing Units offered in the lottery and for which they qualify (except for handicapped-accessible units as noted in Section 10.3.3.7).

**10.3.6** These procedures will also be followed to establish the order of the unqualified Applicants. Unqualified Applicants will not be offered a Unit until all Qualified Applicants have been offered a Unit to purchase based on their preference, AMI designation and availability of Units. In addition, prior to being offered a Unit, the unqualified Applicant must have been provided an Exception per Section 11.1. These Applicants shall be placed in an "unqualified pool" for the Second Round lottery and shall be selected following the Qualified Applicants according to Sections 10.3.1- 10.3.5, above.

## EXHIBIT B

**10.3.7** First priority for ADA handicapped accessible units shall be given to Mobility Disabled Households that submit a lottery application based on the lottery order of all Mobility Disabled Households. If there are no Mobility Disabled Households that submit a lottery application for an available handicapped accessible Unit, the Unit will be available for purchase based on the lottery order by all lottery Applicants who are Qualified Households.

**10.3.8** Any material misstatement of fact or deliberate fraud by the Household in connection with any information supplied by the Household to the HA shall be cause for disqualification from lottery, fined pursuant to the Schedule of Violations and Fines and the Household will be prohibited from reapplying for any future ownership lottery for one year.

### **11. EXCEPTIONS, APPEALS AND GRIEVANCES.**

All applications for Exceptions and Appeals and all Grievances shall be reviewed on a case-by-case basis as provided for as follows.

#### **11.1. Request for Exception.**

**11.1.1** Request must be presented in writing to HA on forms available from HA, and must include a fully completed Request for Exception Form, including:

11.1.1.1 The particular ground(s) upon which the Exception is based; and

11.1.1.2 The action or remedy requested; and

11.1.1.3 The name, mailing and electronic addresses and telephone number of the exception Applicant and similar information of exception Applicant's representative, if any; and

11.1.1.4 Proof of notification of the Exception request to the Housing Unit's homeowner's association, if applicable; and,

11.1.1.5 Exception fee (see Appendix E).

**11.1.2 Process.** All requests for Exceptions will be reviewed by HA for completeness and handled administratively ("Administrative Exceptions") or forwarded to the HA Board for consideration at a public hearing.

11.1.2.1 Prior to consideration, HA shall prepare a written report analyzing the impact of the Exception on the Housing Program. HA shall distribute a copy of the report to the Applicant requesting the Exception and shall make the report available to the public.



## EXHIBIT B

**11.1.3 Standards for Review of Exception Applications.** Exception Applicants desiring an Exception must demonstrate, and the HA must find:

11.1.3.1 That the Exception meets the general RH policy goals; and

11.1.3.2 That the Exception meets one or more of the following review standards:

11.1.3.2.a Promotes greater affordability through decreasing the long-term operating and maintenance costs of the Housing Unit in question; enabling the Exception Applicant to take advantage of a financing opportunity that would not be available without the Exception; and/or, protecting the long-term affordability of the Housing Unit through a price control or other similar means.

11.1.3.2.b Promotes or recognizes the long-term commitment of the Exception Applicant to residency, employment, and community involvement within the County in which the Housing Unit is located or provides housing for a critical community need.

11.1.3.2.c Provides increased livability or durability in materials, finishes, fixtures or appliances or useful increased square footage (which shall not include “luxuries”).

11.1.3.2.d Creates living space for an additional member of the Household while maintaining the Income Tier for the Housing Unit

11.1.3.2.e Enables a Household to own and occupy a Housing Unit more suitable to the Household’s needs; or

11.1.3.2.f. Enables the Household to respond to life circumstances that arise beyond the reasonable control of the Household (such as need to care for an Elderly or Household member who is Individual with a Disability).

**11.1.4 Exceptions shall not be granted:**

11.1.4.1 To Applicants who have been issued a Notice of Violation and who remain in violation of provisions of applicable Deed Restriction or of the Guidelines.

11.1.4.2 To an Unqualified Household to purchase a Housing Unit if there is a Qualified Household that can purchase the same Housing Unit. However, if the Owner has shown a bona fide advertisement effort which shall be no less than forty-five (45) days in duration and no Qualified Household presents itself, an Exception may be considered for the Unqualified Household.

## EXHIBIT B

11.1.4.3 To increase the total debt against the Housing Unit in excess of the OPP.

11.1.4.4 To Households whose Net Assets exceed three times the Maximum Sales Price of the Housing Unit.

11.1.4.5 To Households whose income is in excess of 120% AMI.

### **11.2. Appeal Procedure.**

**11.2.1 Appeal Form & Process:** Any Appeal must be presented in writing to HA on forms available from HA and within twenty-one (21) days of the decision or determination being appealed.

#### **11.2.2 Appeals must include:**

11.2.2.1 Verification that appellant has fully completed the application process; and

11.2.2.2 The particular ground(s) upon which the Appeal is based; and

11.2.2.3 The action or remedy requested; and

11.2.2.4 The name, address, telephone number of the appellant and similar information of appellant's representative, if any; and

11.2.2.5 Proof of notification of the Appeal request to the Housing Unit's homeowner's association, if applicable; and

11.2.2.6 Appeal fee (see Appendix E).

#### **11.2.3 Process.**

11.2.3.1 Time Deadlines: All Appeals will be reviewed by HA for completeness and forwarded to the HA Board within twenty-one (21) days from receipt of complete Appeal packet. The HA Board shall address the Appeal at the next scheduled board meeting.

##### **11.2.3.2 Rights of Parties.**

11.2.3.2.a The appellant shall be afforded a fair hearing before the HA, providing the basic safeguards of due process, including notice and an opportunity to be heard in a timely, reasonable manner.

11.2.3.2.b The HA Board may continue the hearing to a future date.

## EXHIBIT B

11.2.3.2.c The appellant and HA shall have the opportunity to examine all documents, records and regulations of HA that are relevant to the hearing.

11.2.3.2.d Appellant shall be responsible for all photocopying expenses.

11.2.3.2.e Any document not made available after written request may not be relied upon at the hearing. Appellant has the right to be represented by counsel.

11.2.3.2.f If the appellant fails to appear at the hearing, the HA Board may make a determination to postpone the hearing or make a determination based upon the evidence submitted.

### 11.2.2.3 Hearing Process.

11.2.2.3.a The hearing shall be conducted by a designated member of the HA Board, the “Hearing Officer”.

11.2.2.3.b The hearing shall be recorded.

11.2.2.3.c Oral or documentary evidence may be received without strict compliance with the Colorado Rules of Evidence.

11.2.2.3.d The right to cross-examine shall be at the discretion of the Hearing Officer and may be regulated by the Hearing Officer as it deems necessary for a fair hearing.

11.2.2.3.e Based on the hearing, the HA will provide a written decision with findings for a final determination.

11.2.2.4 Binding Determination. The final determination of the HA Board shall be binding, and HA shall take all actions necessary to carry out the decision.

## 11.3 Grievance Procedure.

### 11.3.1 Any grievance must be presented in writing to HA and include:

11.3.1.1 The particular ground(s) upon which the grievance is based;

11.3.1.2 The action or remedy requested;

11.3.1.3 The name, address, telephone number of the complainant and similar information of complainant’s representative, if any; and

11.3.1.4 Grievance fee (see Appendix E).

## EXHIBIT B

### 11.3.2 **Process.**

11.3.2.1 The HA Board shall address the grievance at the next scheduled board meeting.

11.3.2.2 The complainant shall be afforded a fair hearing providing the basic safeguards of due process, including notice and an opportunity to be heard in a timely, reasonable manner.

11.3.2.3 HA Board may continue the hearing to a future date.

11.3.2.4 The complainant and HA shall have the opportunity to examine all documents, records and regulations of HA that are relevant to the hearing.

11.3.2.5 Complainant shall be responsible for all photocopying expenses.

11.3.2.6 Any document not made available after written request may not be relied upon at the hearing.

11.3.2.7 Complainant has the right to be represented by counsel.

11.3.2.8 If the complainant fails to appear at the hearing, the HA Board may make a determination to postpone the hearing or make a determination based upon the evidence submitted.

### 11.3.3 **Hearing.**

11.3.3.1 The hearing shall be conducted by a designated member of the HA Board, the "Hearing Officer".

11.3.3.2 The hearing shall be recorded. Oral or documentary evidence may be received without strict compliance with the Colorado Rules of Evidence.

11.3.3.3 The right to cross-examine shall be at the discretion of the Hearing Officer and may be regulated by the Hearing Officer as it deems necessary for a fair hearing.

11.3.3.4 Based on the records of the hearing, the HA Board will provide a written decision with findings to support the final determination.

**11.3.4 Binding Determination.** The final determination of the HA Board shall be binding, and HA shall take all actions necessary to carry out the decision.

## 12. ADMINISTRATIVE PROCEDURES

**12.1. Confidentiality.** All personal and financial information provided to HA will be kept strictly confidential, except as follows:

## EXHIBIT B

**12.1.1** Signed contracts between the Applicant or Household and HA or RH, including but not limited to Contracts to Purchase a Housing Unit, Deed Restrictions, any document to be recorded with the sale of the Housing Unit along with the Deed Restriction, and any document that would customarily be a matter of public record in the property records of the applicable jurisdiction;

**12.1.2** The names and lottery positions of all persons who have participated in any ownership lottery held per Section 10;

**12.1.3** Any other information that a court of competent jurisdiction orders must be released under the Freedom of Information Act or the Colorado Open Records Act;

**12.1.4** Personal and private information necessary for an independent audit of HA records, provided such person or entity provides authorization;

**12.1.5** Personal and private information to the extent HA determines the information is necessary for its deliberation of a request for an Exception or for consideration during a violation hearing;

**12.1.6** HA may require third-party verification for all self-employed Applicants at initial qualification and during compliance checks; and

**12.1.7** HA may employ outside accounting expertise to evaluate the reasonability of an Applicant's or Household's representations of Income and Assets. The expense for outside services shall be borne by the Applicant or Household.

**12.2 Fair Housing Standards.** HA shall administer this policy in compliance with all applicable fair housing standards, including but not limited to the Fair Housing Act. These standards prohibit discrimination in housing on the basis of age, race, color, religion, sex, or sexual identity, familial status, national origin, and handicapped or disabled status. In addition to any remedies available in the applicable law, any dispute between an Applicant and HA regarding these standards may be filed as a Grievance (see Section 11.3).

**12.3 Reasonable Accommodation.** HA shall administer this policy in compliance with all reasonable accommodation standards, including but not limited to the Americans with Disabilities Act. Persons requiring reasonable accommodation for their disability shall give HA at least 48-hours' notice of such need so that appropriate arrangements can be made (for example: providing sign language services for a hearing-impaired person).

**12.4 Assignment of Administrative Responsibilities.** HA shall have the right to contract with any qualified person or entity for the purpose of administering these Guidelines. The contract for administration shall provide for oversight by the HA, including access to applicable records and the ability to conduct an independent audit of administrative procedures.

**12.5 Administrative Exceptions.**

**12.5.1** HA may grant Administrative Exceptions subject to the following conditions:

## EXHIBIT B

12.5.1.1 All Administrative Exception approvals shall be noticed on the Consent Calendar at the next HA regular meeting immediately following approval; and

12.5.1.2 Administrative Exceptions shall be granted in a fair and consistent manner at the discretion of the HA.

### **12.5.2** Administrative Exceptions are limited to the following requests:

12.5.2.1 Extension of time to meet compliance for a Household that has a medical event impacting their ability to work.

12.5.2.2 Extension of time to meet compliance for a Household that has a family emergency impacting their ability fulfill the qualification requirements.

12.5.2.3 Use of a co-borrower or Co-signor for unconventional lending after legal review of documents to be recorded.

12.5.2.4 Permission to own other Improved Residential Property, within a 150-mile radius, when the other property consists of a cabin-like structure outside of a town or municipal boundary, with limited seasonal access and limited amenities, also referred to as a “cow camp” or “hunter’s camp”.

**DISCLAIMER:** Beneficiaries expressly disclaim any and all warranties, express or implied, including without limitation fitness for a particular purpose with respect to the provision of Housing Units. Beneficiaries do not represent, warrant, or promise to construct, finance, or otherwise produce, in whole or in part, any Housing Units pursuant to these guidelines or under any other programs. No Applicant may rely upon any promise implied or expressed that Housing Units shall be constructed, financed, or otherwise produced, in whole or in part, by the Beneficiaries. In no event shall the Beneficiaries be liable to any Applicant for any direct, indirect, incidental, punitive, or consequential damage of any kind whatsoever, including without limitation lost profits, lost sales, lost business, lost opportunity, lost information, lost or wasted time. None of the information contained in these Guidelines constitutes an offer to sell or the solicitation of an offer to buy a Housing Unit.

## EXHIBIT B

### Appendix A: Income Eligibility Tiers & Area Median Income and Income Limits

Area Median Income is currently determined by using the figures published by US Department of Housing and Urban Development (“HUD”) for each county in Colorado and adopted by Colorado Housing and Finance Authority (“CHFA”). They are published at:

[www.chfainfo.com/arh/asset/rent-income-limits](http://www.chfainfo.com/arh/asset/rent-income-limits)

HA shall update the schedule below after CHFA adopts the most recent HUD figures.

Based on this procedure, the Area Median Incomes for County as of 2022 are:

Table 1. County Area Median Income (AMI\*) Eligibility

	Household Size					
	1 person	2 persons	3 persons	4 persons	5 persons	6 persons
100% Area Median Income	\$62,100	\$70,900	\$79,800	\$88,600	\$95,700	\$102,800

\*This is the AMI calculation pursuant to the Housing Guidelines.

Qualification is based on Household size, NOT unit size. The following table provides a guide for determining Household Income Eligibility. See Section 3.2.2 for Minimum Household Size requirements.

Household Size	1 Person	2 Persons	3 Persons	4 Persons
60% AMI	\$37,260	\$42,540	\$47,880	\$53,160
80% AMI	\$49,680	\$56,720	\$63,840	\$70,880
100% AMI	\$62,100	\$70,900	\$79,800	\$88,600
120% AMI	\$74,520	\$85,080	\$95,760	\$106,320

#### Income Eligibility Tiers

- Tier 1 Income – Household Income shall not exceed sixty percent (60%) of AMI for County.
- Tier 2 Income – Household Income shall not exceed eighty percent (80%) of AMI for County.
- Tier 3 Income – Household income shall not exceed one hundred percent (100%) of AMI for County.
- Tier 4 Income- Household income shall not exceed one hundred and twenty percent (120%) of AMI for County.
- Sale prices for units are based on Tier affordability targets for County, as adjusted for the number of bedrooms per unit, and can be found in Appendix B.

## EXHIBIT B

### **Appendix B: Initial Sale Prices and Maximum Rental Prices**

[Ridgway Wetterhorn Homes should have a chart] [see Town of Telluride TAHG appendices for example]

[once the RWH Project housing details are finalized, we can populate a chart. We need to determine unit size by bedroom, unit tier designation and sales price.]

#### **Initial Sale Price Standards**

Initial Sale Prices shall be calculated by Beneficiaries to ensure affordability by the target Tier group both now and in the future.

#### **Rental Prices**



## EXHIBIT B

### Appendix C: Lottery Point System Criteria

#### 1. INITIAL LOTTERY ENTRY:

Completed lottery applications shall be processed for qualification of a Household. All lottery Applicants certified as Qualified Households shall be eligible for one (1) entry into the lottery.

#### 2. ADDITIONAL LOTTERY ENTRIES:

In an effort to weight Applicants based on criteria deemed to further the intent of RH, points toward additional lottery entries are given to Households meeting the criteria outlined below.

**2.1** One (1) additional entry is awarded to Households that have a member who is employed as one or more of the following types of employment, as further defined herein:

- 2.1.1 School District Personnel;
- 2.1.2 Health Care Personnel;
- 2.1.3 Government Personnel: and/or
- 2.1.4 Essential Response Personnel.

**2.2** The maximum number of entries allowed is two (2).

**2.3** Individual Household members may have different point rankings. The Household shall be evaluated for eligibility for this additional entry in the lottery based on the individual with the greatest number of points.

#### 3. UNQUALIFIED APPLICANTS:

**3.1** All lottery Applicants who did not qualify but have been provided an Exception per Section 11.1. or given a standard exception by the Lottery Administrator shall be eligible for one (1) entry in the Second Round lottery.

**3.2** All lottery Applicants who did not qualify but have been provided an Exception per Section 11.1. and currently live in the Ridgway School District R-2 shall be eligible for three (3) entries in the Second Round lottery.

**3.3** All lottery Applicants who did not qualify but have been provided an Exception per Section 11.1. and currently work a minimum of twenty (20) hours per week physically in the Ridgway School District R-2 boundaries shall be eligible for three (3) entries in the Second Round lottery.

**3.4** All lottery Applicants who did not qualify but have been provided an Exception per Section 11.1. and currently live in the Ridgway School District R-2 boundaries and work a minimum of twenty (20) hours per week physically in the Ridgway School District R-2 boundaries shall be eligible for five (5) entries in the Second Round lottery.

**3.5** Certified Entity Owner Applicants shall be eligible for three (3) entries in the lottery, except that all Entity Owner Applicants who did not qualify with a Local Work Force but have been provided an Exception per Section 11.1 shall be eligible for one (1) entry in the Second Round lottery.

**3.6** The maximum number of entries allowed in the Second Round lottery is five (5).

## EXHIBIT B

### Appendix D: Fee Schedule

#### Fees:

Application Fee	\$25.00
Appeal Fee	\$25.00
Exception Fee	\$25.00
Grievance Fee	\$50.00
Inspection Fee	\$100.00
Sales Fee	Buyer will pay HA a fee equal to 1% of the sales price. HA may instruct the title company to pay such fees out of the funds held in escrow at closing.

## EXHIBIT B

### Appendix E: Schedule of Violations and Fines

	Violation	Fine per day	Maximum Fine
1	Failure to submit accurate and all documentation required to establish continued compliance by original deadline set by HA.	\$20.00	\$140.00
2	Failure to submit accurate and all documentation required to establish continued compliance by second deadline set by HA.	\$25.00	\$350.00
3	Failure to submit accurate and all documentation required to establish continued compliance by third deadline set by HA.	\$30.00	\$1,000.00
4	Failure to maintain eligibility (generally).	\$20.00	\$5,000.00
5	Failure to occupy unit as sole and exclusive place of residence.	\$20.00	\$5,000.00
6	Failure to work full-time as required by Deed Restriction and/or Guidelines.	\$20.00	\$2,000.00
7	Purchasing and/or owning other Improved Residential Property within a 150-mile radius and without an exception while owning a RH Housing Unit.	\$20.00	\$2,000.00
8	Rental of all or part of a unit in violation of the Deed Restriction, Guidelines, and/or the County LUC.	\$25.00	\$5,000.00
9	Non-approved use of Unit for other than residential purposes.	\$100.00	\$5,000.00
10	Non-approved use of Unit as income-producing property.	\$100.00	\$5,000.00
11	Creating an additional dwelling unit as defined in the County LUC without HA permission.	\$100.00	\$5,000.00
12	Failure to obtain approved Leave of Absence (LOA).	\$20.00	\$2,000.00
13	Submitting false/inaccurate information (per offense).	-	\$750.00
14	All other violations not specifically named.	\$20.00	\$2,000.00
	*Owner shall be given 14 days from Notice of Violation by HA to cure all violations prior to the assessment of fines. *Violation and Fine Schedule will be reviewed and updated every five years or sooner as determined by HA		

## AGENDA ITEM #12

GENERAL FUND		2021	2022	AS OF	ESTIMATED	2023
	<b>DRAFT 11-2-22</b>	ACTUAL	ADOPTED	AUG. 1, 2022	YR. END 2022	ADOPTED
			BUDGET			BUDGET
	<b>BEGINNING FUND BALANCE</b>	<b>2,160,552</b>	<b>2,595,827</b>		<b>3,011,811</b>	<b>3,919,640</b>
ACCOUNT # <b>REVENUES</b>						
	<b>TAXES</b>					
400GOO	Property Tax	303,090	348,534	322,177	348,534	350,000
4001GOO	Property Tax - Bond Repayment	21,261	0	0	0	0
401GOO	Penalties & Interest - Property Tax	982	500	127	500	500
402GOO	Delinquent Property Tax	109	100	0	0	100
403GOO	Sales Tax	1,658,351	1,325,000	923,116	1,690,000	1,325,000
404GOO	Sales Tax - Food for Home Consumption	114,897	110,000	52,942	101,665	105,000
405GOO	Sales Tax - Capital Improvement Fund	292,880	227,655	166,621	303,552	227,655
4051GOO	Sales Tax - Cap Impr-Food Home Consump	22,985	22,000	10,591	20,338	21,005
406GOO	Penalties & Interest - Sales&Lodging Tax	16,467	10,000	10,166	18,000	15,000
407GOO	Lodging Tax	141,234	95,000	63,850	144,000	100,000
408GOO	Specific Ownership Tax	37,964	35,000	21,193	35,000	35,000
409GOO	Utility Franchise Tax	49,271	55,000	37,531	51,000	52,000
410GOO	Excise Development Tax	24,000	49,500	0	3,000	28,500
	<b>TOTAL</b>	<b>2,683,491</b>	<b>2,278,289</b>	<b>1,608,314</b>	<b>2,715,589</b>	<b>2,259,760</b>
	<b>INTERGOVERNMENTAL</b>					
411GOO	Highway Users	56,415	58,340	29,721	58,017	59,104
412GOO	Motor Vehicle Fees	7,085	6,000	3,818	6,500	6,500
413GOO	Cigarette Tax	3,824	2,500	1,412	2,000	2,500
414GOO	Conservation Trust Fund (Lottery)	13,154	13,500	7,639	14,200	14,000
415GOO	Grants - general	206,606	180,768	169,015	190,235	752,400
416GOO	Road & Bridge Apportionment	26,277	30,216	0	30,216	30,058
417GOO	Mineral Lease & Severance Taxes	1,749	20,000	0	93,505	20,000
	<b>TOTAL</b>	<b>315,110</b>	<b>311,324</b>	<b>211,605</b>	<b>394,673</b>	<b>884,562</b>
	<b>LICENSES, PERMITS &amp; FEES</b>					
420GOO	Building Permits	117,503	75,000	110,642	177,500	75,000
421GOO	Liquor Licenses	4,650	2,300	3,488	6,175	3,500
422GOO	Sales Tax Licenses	19,090	24,000	6,925	22,000	22,000
430GOO	Marijuana Facility Licenses	16,500	12,000	500	12,500	12,000
423GOO	Planning/Zoning Applications	5,795	5,000	7,270	7,270	5,000
424GOO	Excavation/Encroachment Permits	6,424	6,000	1,750	3,000	7,500
425GOO	Refuse Collection Fees	170,099	162,000	87,880	164,000	165,000
427GOO	USPS Rental Fees	8,642	8,642	5,041	8,642	8,642
428GOO	Parks, Facility & Rights of Way User Fees	2,195	2,000	2,660	4,300	6,500
429GOO	Permits - other (signs, etc)	460	500	559	1,000	1,000
431GOO	Short Term Rental Licenses	8,050	10,000	3,100	15,400	9,500
432GOO	Parking In-Lieu Fees			9,000	15,000	0
	<b>TOTAL</b>	<b>359,408</b>	<b>307,442</b>	<b>238,815</b>	<b>436,787</b>	<b>315,642</b>
	<b>FINES &amp; FORFEITURES</b>					
435GOO	Court Fines	6,440	7,500	3,508	7,500	7,500
	<b>TOTAL</b>	<b>6,440</b>	<b>7,500</b>	<b>3,508</b>	<b>7,500</b>	<b>7,500</b>
	<b>REIMBURSABLE FEES</b>					
440GOO	Consulting Services Reimbursement	69,617	110,000	26,955	64,000	70,000
441GOO	Labor & Documents Reimbursement	345	3,000	135	150	1,000
442GOO	Bonds & Permits Reimbursement	8,603	9,800	4,160	6,200	9,000
443GOO	Mosquito Control Reimbursement	8,000	8,000	0	8,000	8,000
444GOO	Administrative Reimbursement	7,045	6,500	2,294	5,800	7,000
	<b>TOTAL</b>	<b>93,610</b>	<b>137,300</b>	<b>33,544</b>	<b>84,150</b>	<b>95,000</b>
	<b>MISCELLANEOUS</b>					
450GOO	Donations	25,000	0	0	2,500	2,500
451GOO	Sales - other (copies, equip sales, misc)	6,445	250	42	100	250
452GOO	Credits & Refunds - general	7,398	8,500	5,897	9,500	8,500
453GOO	Other - general (T/Clerk & Marshal fees)	5,535	2,500	559	1,075	1,200
454GOO	Special Events (festivals,concerts,movies)	25,127	25,000	65,715	67,708	79,000
459GOO	Donations - RCD & MainStreet	2,913	2,000	0	3,000	3,000
455GOO	Interest Income	893	500	5,411	26,000	8,500
456GOO	Investment Income/Desig Reserves	111	150	868	3,000	1,500
	<b>TOTAL</b>	<b>73,422</b>	<b>38,900</b>	<b>78,492</b>	<b>112,883</b>	<b>104,450</b>
	<b>TOTAL GENERAL FUND REVENUES</b>	<b>3,531,481</b>	<b>3,080,755</b>	<b>2,174,278</b>	<b>3,751,582</b>	<b>3,666,914</b>
	<b>TOTAL AVAILABLE RESOURCES</b>	<b>5,692,033</b>	<b>5,676,582</b>	<b>2,174,278</b>	<b>6,763,393</b>	<b>7,586,554</b>

GENERAL FUND		2021	2022	AS OF	ESTIMATED	2023
	<b>DRAFT 11-2-22</b>	ACTUAL	ADOPTED	AUG. 1, 2022	YR. END 2022	ADOPTED
			BUDGET			BUDGET
ACCOUNT #	<b>EXPENDITURES</b>					
	<b>ADMINISTRATIVE SERVICES</b>					
	<b>PERSONNEL</b>					
500GOO	Administrative Wages	418,694	545,726	287,070	481,906	592,376
505GOO	Housing Stipend	6,000	6,000	4,000	4,500	
509GOO	Council Compensation	22,800	22,800	10,650	22,800	22,800
510GOO	Planning Commission Compensation	17,100	17,400	8,700	17,400	17,400
501GOO	Employer Tax Expense	34,973	45,282	23,394	39,941	48,392
502GOO	Health Insurance	65,543	106,176	43,711	72,652	107,424
503GOO	Retirement Fund	13,235	21,829	7,414	13,442	23,695
504GOO	Workers Compensation Insurance	913	3,000	0	1,492	1,500
	<b>PROFESSIONAL SERVICES</b>					
511GOO	Town Attorney	48,554	55,000	29,556	55,000	60,000
512GOO	Auditing Services	6,250	6,250	0	7,000	7,000
514GOO	Consulting Services	4,771	5,000	5,580	6,808	6,340
556GOO	IT Services	8,866	7,366	4,673	8,100	18,473
513GOO	Planning Consulting	69,300	36,000	44,335	78,661	75,000
515GOO	County Treasurer Services	6,084	7,500	6,414	7,339	7,500
519GOO	Contractual Services	81,902	85,500	28,275	55,000	85,000
538GOO	Muni-Revs Services	12,311	12,285	8,427	15,450	17,500
516GOO	Refuse Collection Franchise	170,334	167,000	101,820	164,000	165,000
	<b>ADMINISTRATIVE EXPENSE</b>					
520GOO	Insurance (Property & Casualty)	9,307	9,850	113	9,415	13,815
521GOO	Conferences, Workshops & Training	0	4,000	1,867	2,118	4,000
522GOO	Dues & Memberships	3,809	4,000	2,474	3,002	3,500
523GOO	Council/PComm - Conferences & Training	50	2,500	943	1,500	2,500
524GOO	Reimbursable Bonds & Permits	35,560	25,000	4,283	9,383	16,646
525GOO	Unemployment Tax (all)	3,249	3,500	1,846	2,650	2,664
526GOO	Life Insurance (all)	447	600	326	544	625
527GOO	Personnel - Recruitment/Testing	6,247	4,000	670	670	4,000
536GOO	Wellness Program	10,880	17,500	5,678	17,500	15,750
528GOO	Other - admin.	23,583	1,000	62	650	1,000
	<b>OFFICE EXPENSE</b>					
540GOO	Printing & Publishing	439	1,250	190	400	1,000
541GOO	Office Supplies	2,620	5,000	3,751	7,500	7,500
542GOO	Utilities	1,377	1,800	944	1,750	2,000
543GOO	Telephone	1,823	2,000	1,031	1,771	2,000
544GOO	Elections	1,631	2,500	902	902	2,500
530GOO	Computer	1,586	1,680	1,216	3,250	2,900
545GOO	Janitorial Services	3,426	3,750	1,890	3,844	3,850
546GOO	Council/Commission - Materials/Equipment	381	1,000	735	735	1,000
547GOO	Records Management	792	500	80	250	500
548GOO	Office Equipment - Leases	3,260	3,200	1,608	2,857	3,200
549GOO	Office Equipment - Maintenance/Repairs	0	500	0	0	500
550GOO	Filing Fees/Recording Costs	296	750	64	275	500
551GOO	Postage - general	653	1,400	507	1,200	1,500
552GOO	GIS Mapping - admin	1,144	2,000	184	250	1,000
553GOO	Meetings & Community Events	4,298	10,000	285	10,000	10,000
537GOO	Bank & Misc. Fees & Charges	2,182	2,500	1,057	2,500	2,500
	<b>COMMUNITY &amp; ECONOMIC DEVELOPMENT</b>					
529GOO	Tourism Promotion	102,123	66,500	38,048	100,000	70,000
531GOO	Community Outreach	244	1,000	60	120	4,000
532GOO	Creative/Main Street Program	6,960	15,000	8,444	15,000	31,500
533GOO	Economic Development	1,473	4,000	903	903	2,500
535GOO	Affordable Housing	0	35,000	10,000	10,000	75,000
781POO	Events and Festivals	67,030	80,000	68,683	91,000	128,000
557GOO	Grants - pass thru to other agencies	0	125,000	125,000	125,000	750,000
558GOO	Broadband Program	61,001	10,000	0	0	
559GOO	Regional Transportation Service					35,000

GENERAL FUND		2021	2022	AS OF	ESTIMATED	2023
	<b>DRAFT 11-2-22</b>	ACTUAL	ADOPTED	AUG. 1, 2022	YR. END 2022	ADOPTED
			BUDGET			BUDGET
	<b>VEHICLE EXPENSE</b>					
560GOO	Gas & Oil	208	300	140	200	300
561GOO	Vehicle Maintenance & Repair	11	500	0	0	500
	<b>CAPITAL OUTLAY</b>					
571GOO	Office Equipment Purchase	1,570	8,200	5,222	6,500	1,500
	<b>DEBT SERVICE</b>					
591GOO	RAMP Bond	118,828	120,647	12,824	120,647	117,712
	<b>COUNCIL INITIATIVES</b>					
5010GO1	Uncompahgre Volunteer Legal Aid	3,000	3,000	0	3,000	
5015GO1	Partners Program	1,000	1,000	0	1,000	1,000
5020GO1	Colorado West Land Trust	3,000	3,000	3,000	3,000	5,000
5025GO1	Voyager Program	7,000	7,000	7,000	7,000	9,000
5030GO1	Juvenile Diversion	8,000	8,000	8,000	8,000	8,000
5040GO1	Other Contributions	1,624	5,000	3,500	3,500	5,000
5050GO1	KVNF Radio	1,000	1,000	0	1,000	
5055GO1	Center for Mental Health	1,000	1,000	0	1,000	
5060GO1	Second Chance Humane Society	6,500	7,250	0	7,250	9,306
5065GO1	Neighbor to Neighbor Program					1,000
5085GO1	Eco Action Partners	5,000	5,000	5,000	5,000	6,000
5075601	Region 10	1,229	1,328	1,328	1,328	1,394
5095GO1	Student Scholarship	1,000	1,000	1,000	1,000	1,000
5100GO1	Public Art Ridgway Colorado	3,000	3,000	3,000	3,000	3,000
5110GO1	Uncompahgre Watershed Partnership	3,000	3,000	3,000	3,000	3,000
5115GO1	George Gardner Scholarship Fund	1,000	1,000	1,000	1,000	1,000
5120GO1	Ouray County Soccer Association	3,000	3,000	0	3,000	
5135GO1	Sherbino Theater	5,000	2,500	0	2,500	20,000
5136GO1	Ouray County Food Pantry	1,000	1,000	1,000	1,000	
5137GO1	Weehawken Creative Arts	3,000	4,000	0	4,000	5,000
5138GO1	Friends of Colorado Avalanche Info Center	2,500	2,500	2,500	2,500	3,500
5139GO1	Ridgway Western Heritage Society					500
5140GO1	Ouray Mountain Rescue Team					10,000
	<b>SUBTOTAL COUNCIL INITIATIVES</b>	<b>60,853</b>	<b>63,578</b>	<b>39,328</b>	<b>62,078</b>	<b>92,700</b>
	<b>ADMINISTRATIVE EXPEND. SUBTOTAL</b>	<b>1,526,971</b>	<b>1,791,619</b>	<b>955,377</b>	<b>1,667,855</b>	<b>2,671,062</b>

GENERAL FUND		2021	2022	AS OF	ESTIMATED	2023
	<b>DRAFT 11-2-22</b>	ACTUAL	ADOPTED	AUG. 1, 2022	YR. END 2022	ADOPTED
			BUDGET			BUDGET
ACCOUNT #	<b>EXPENDITURES</b>					
	<b>STREETS &amp; MAINTENANCE</b>					
	<b>PERSONNEL</b>					
600GO2	Streets Wages	86,044	129,830	65,111	105,482	85,028
601GO2	Employer Tax Expense	6,553	9,932	4,981	8,069	6,505
602GO2	Health Insurance	21,305	26,544	15,795	26,608	20,142
603GO2	Retirement Fund	3,291	5,193	2,576	4,219	3,401
604GO2	Workers Compensation Insurance	1,794	3,500	29	2,360	2,500
	<b>ADMINISTRATIVE EXPENSE</b>					
613GO2	Office - miscellaneous	281	750	185	300	500
621GO2	Workshops & Training	0	500	218	500	500
628GO2	Other - streets	963	500	0	105	500
614GO2	Consulting & Contractual Services	50,875	105,600	105	12,000	40,000
615GO2	IT Services	2,526	7,366	4,503	7,635	4,987
	<b>OPERATING EXPENSE</b>					
631GO2	Maintenance & Repairs	145	3,000	26	1,000	3,000
632GO2	Supplies & Materials	1,869	3,000	2,170	3,000	3,000
635GO2	Gravel & Sand	9,661	15,000	523	10,000	25,000
636GO2	Dust Prevention (mag chloride)	30,800	35,000	32,880	32,880	35,000
637GO2	Paving & Maintenance	5,547	40,000	464	7,500	40,000
667GO2	Street Sweeping	1,275				
633GO2	Tools	229	500	176	500	500
638GO2	Street Lighting	6,457	8,000	3,973	7,835	8,000
639GO2	Street Signs	2,293	2,500	1,284	2,500	10,000
634GO2	Safety Equipment	321	800	432	750	1,000
682GO2	Tree Trimming - Rights-of-Ways	0	6,000	0	6,000	6,000
666GO2	Landscaping - Rights-of-Ways	14,044	23,000	14,705	23,000	28,000
663GO2	Storm Drainage	214	10,000	0	0	0
662GO2	Snow Removal Equipment & Services	13,413	12,000	15,924	15,924	22,000
	<b>SHOP EXPENSE</b>					
642GO2	Utilities	2,282	3,000	1,590	2,550	3,000
643GO2	Telephone	1,262	1,500	784	1,177	1,500
630GO2	Computer	1,017	1,200	945	1,620	900
	<b>VEHICLE EXPENSE</b>					
660GO2	Gas, Oil & Diesel	4,058	5,500	3,703	6,500	6,750
661GO2	Vehicle & Equip Maintenance & Repair	11,804	9,000	2,849	5,500	9,000
	<b>DEBT SERVICE</b>					
	<b>CAPITAL OUTLAY</b>					
670GO2	Vehicle Purchase	115,016				75,000
671GO2	Office Equipment Purchase			285	285	500
672GO2	Equipment Purchase		10,000	10,188	10,188	3,500
	<b>STREETS &amp; MAINT. EXP. SUBTOTAL</b>	<b>395,339</b>	<b>478,715</b>	<b>186,404</b>	<b>305,987</b>	<b>445,713</b>



GENERAL FUND		2021	2022	AS OF	ESTIMATED	2023
	<b>DRAFT 11-2-22</b>	ACTUAL	ADOPTED	AUG. 1, 2022	YR. END 2022	ADOPTED
			BUDGET			BUDGET
ACCOUNT #	<b>EXPENDITURES</b>					
	<b>PARKS, FACILITIES &amp; ENVIRONMENT</b>					
	<b>PERSONNEL</b>					
700POO	Parks Maintenance Wages	49,771	38,553	24,559	39,391	67,773
706POO	Parks Maintenance - Seasonal Wages	49,936	73,440	18,845	31,817	32,000
701POO	Employer Tax Expense	7,596	8,567	3,320	5,447	7,633
702POO	Health Insurance	14,878	13,272	8,544	13,272	20,142
703POO	Retirement Fund	1,839	1,542	538	1,132	2,711
704POO	Workers Compensation Insurance	2,138	3,200	1,940	1,940	2,250
	<b>ADMINISTRATIVE EXPENSE</b>					
719POO	Contractual Services	31,933	4,000	0	0	48,000
720POO	Insurance (Property & Casualty)	7,000	9,802	9,302	9,302	12,815
721POO	Workshops & Training	0	500	0	0	500
728POO	Other - parks	13	250	0	105	750
	<b>FACILITIES</b>					
732PO1	Supplies - community center/town hall	3,841	3,000	3,040	5,000	5,000
742PO1	Utilities - community center/town hall	1,377	1,500	944	1,529	1,750
779PO1	Janitorial Services - community center/town hall	3,426	3,500	1,890	3,845	3,850
731PO1	Maintenance & Repairs - comm. center/town hall	2,395	45,000	2,055	3,000	15,000
778PO1	Space to Create Community Room		61,500	40,598	61,500	101,500
782PO1	Visitor Center	7,215	7,215	0	0	0
783PO1	Broadband Carrier Neutral Station	1,577	1,592	1,158	1,750	1,800
	<b>OPERATING EXPENSE</b>					
731POO	Maintenance & Repair	1,899	15,000	1,086	7,500	15,000
732POO	Supplies & Materials	23,145	24,000	11,247	22,000	30,200
733POO	Tools	0	1,000	0	750	1,000
734POO	Safety Equipment	500	1,000	605	1,215	1,000
741POO	Telephone	534	500	392	729	1,000
742POO	Utilities	7,103	7,500	3,798	7,263	7,500
729POO	IT Services	2,717	7,366	4,503	7,635	4,987
730POO	Computer	692	900	770	1,320	600
779POO	Janitorial Service - parks	10,277	12,000	5,670	11,530	12,000
765POO	River Corridor Maintenance&Gravel Removal	0	5,000	0	0	0
767POO	Urban Forest Management	0	20,000	7,920	20,000	20,000
768POO	Mosquito Control	11,108	12,000	12,171	12,171	12,500
769POO	Weed Control	0	1,000	0	745	1,500
	<b>VEHICLE EXPENSE</b>					
760POO	Gas & Oil	3,505	4,000	2,316	4,500	5,000
761POO	Vehicle & Equipment Maint & Repair	1,279	3,500	514	1,200	4,000
	<b>CAPITAL OUTLAY</b>					
772POO	Equipment Purchase		20,000	15,992	15,992	0
775POO	Park Improvements	5,008	50,000	15,858	35,466	45,000
	<b>PARKS &amp; FACILITIES EXPEND. SUBTOTAL</b>	<b>252,702</b>	<b>461,199</b>	<b>199,575</b>	<b>329,046</b>	<b>484,761</b>

GENERAL FUND		2021	2022	AS OF	ESTIMATED	2023
	<b>DRAFT 11-2-22</b>	ACTUAL	ADOPTED	AUG. 1, 2022	YR. END 2022	ADOPTED
			BUDGET			BUDGET
ACCOUNT #	<b>EXPENDITURES</b>					
	<b>LAW ENFORCEMENT</b>					
	<b>PERSONNEL</b>					
800GO3	Law Enforcement Wages	179,225	288,579	142,487	245,967	287,461
807GO3	Municipal Judge	1,656	1,656	426	1,656	1,656
808GO3	Municipal Court Clerk	4,140	4,140	2,415	4,140	4,140
805GO3	Housing Stipend	16,000				
801GO3	Employer Tax Expense	19,507	25,470	13,755	23,085	22,434
802GO3	Health Insurance	33,469	53,088	26,286	49,406	53,712
803GO3	Retirement Fund	7,570	10,841	6,238	10,377	11,498
804GO3	Workers Compensation Insurance	5,590	8,500	7,070	7,070	8,000
	<b>OFFICE EXPENSE</b>					
809GO3	Law Enforcement - Coverage	72,265	38,560	34,628	50,000	42,000
819GO3	Contractual Services	8,330	8,700	4,020	8,100	12,000
820GO3	IT Services	4,559	7,366	4,518	7,800	16,227
822GO3	Dues & Memberships	368	500	630	630	650
841GO3	Office Supplies	719	1,000	806	1,500	1,500
842GO3	Utilities	1,377	1,600	944	1,539	1,600
843GO3	Telephone	4,317	4,750	2,464	4,214	4,750
830GO3	Computer	2,792	3,000	1,980	4,150	3,000
849GO3	Office Equip - Maintenance/Repairs	0	100	0	0	100
	<b>OPERATING EXPENSE</b>					
832GO3	Equipment & Supplies	11,912	29,250	14,548	16,500	15,000
821GO3	Conferences, Workshops & Training	3,756	4,000	2,592	4,000	3,000
883GO3	Uniforms	1,747	2,500	889	2,500	2,500
884GO3	Traffic & Investigations	2,256	2,500	358	1,200	2,500
886GO3	Testing & Examinations	0	1,000	0	0	1,000
828GO3	Other - law enforcement	203	1,000	115	115	1,000
885GO3	Dispatch Services	41,601	56,798	28,249	56,798	66,821
834GO3	Multi-Jurisdictional Program Participation	6,000	6,000	0	6,000	15,923
835GO3	Community Outreach Programs	824	500	576	1,576	1,000
	<b>VEHICLE EXPENSE</b>					
860GO3	Gas & Oil	11,068	15,000	6,911	15,000	16,500
862GO3	Radio/Radar Repair	898	2,000	630	630	2,000
861GO3	Vehicle Maintenance & Repair	1,965	4,200	1,028	3,000	4,000
	<b>CAPITAL OUTLAY</b>					
870GO3	Vehicle Purchase		12,000	11,658	12,452	0
871GO3	Office Equipment Purchase		1,575	1,000	1,310	3,000
872GO3	Vehicle Leasing					7,000
	<b>LAW ENFORCEMENT EXP. SUBTOTAL</b>	<b>444,114</b>	<b>596,173</b>	<b>317,221</b>	<b>540,715</b>	<b>611,972</b>

GENERAL FUND						
		2021	2022	AS OF	ESTIMATED	2023
	<b>DRAFT 11-2-22</b>	ACTUAL	ADOPTED	AUG. 1, 2022	YR. END 2022	ADOPTED
			BUDGET			BUDGET
	<b>TOTAL GENERAL FUND EXPENDITURES</b>	<b>2,619,126</b>	<b>3,327,706</b>	<b>1,658,577</b>	<b>2,843,603</b>	<b>4,213,508</b>
	TRANSFER CAPITAL PROJECT - Heritage Park Improvements	61,096	20,000	150	150	70,000
	TRANSFER CAPITAL PROJECT - Lena Street Paving Reserves		225,000			
	<b>TOTAL TRANS. TO CAPITAL PROJECTS</b>	<b>61,096</b>	<b>245,000</b>	<b>150</b>	<b>150</b>	<b>70,000</b>
	Tabor Emergency Reserves (3% of expenditures)		99,831		0	
	<b>ENDING GENERAL FUND BALANCE</b>	<b>3,011,811</b>	<b>2,004,045</b>		<b>3,919,640</b>	<b>3,303,046</b>
	Restricted for Capital Improvement Fund		0			0
	(per GASBY 54)					

WATER ENTERPRISE FUND		2021	2022	AS OF	ESTIMATED	2023
	<b>DRAFT 11-2-22</b>	ACTUAL	ADOPTED	AUG 1, 2022	YR. END 2022	ADOPTED
			BUDGET			BUDGET
	<b>BEGINNING FUND BALANCE</b>	<b>925,470</b>	<b>1,456,782</b>		<b>1,294,095</b>	<b>1,740,741</b>
ACCOUNT#						
460WOO	Water Service Charges	691,329	740,000	406,979	700,000	720,000
461WOO	Penalty Fees on Water Charges	3,508	3,000	2,098	3,200	3,000
462WOO	Transfer fees - water	1,316	500	300	500	500
464WOO	Material/Labor Reimbursement - water	24,530	45,524	20,140	25,000	25,000
463WOO	Tap Fees - water	149,150	200,000	41,800	54,400	48,000
465WOO	Other - water	213	100	15	15	100
466WOO	Grants - water	0	230,576	130,576	264,425	100,000
456WOO	Investment Income/Desgn Reserves	373	350	4,388	16,190	8,000
	<b>TOTAL WATER FUND REVENUES</b>	<b>870,419</b>	<b>1,220,050</b>	<b>606,296</b>	<b>1,063,730</b>	<b>904,600</b>
	<b>TOTAL AVAILABLE RESOURCES</b>	<b>1,795,889</b>	<b>2,676,832</b>	<b>606,296</b>	<b>2,357,825</b>	<b>2,645,341</b>
	<b>EXPENDITURES</b>					
	<b>PERSONNEL</b>					
900WOO	Water Wages	89,292	110,210	66,660	109,048	115,558
901WOO	Employer Tax Expense	6,955	8,431	5,100	8,342	8,840
902WOO	Health Insurance	23,822	26,544	17,134	27,342	26,856
903WOO	Retirement Fund	3,636	4,408	2,666	4,362	4,622
904WOO	Workers Compensation Insurance	3,078	4,000	744	1,218	3,000
	<b>ADMINISTRATIVE EXPENSE</b>					
920WOO	Insurance (Property & Casualty)	8,691	10,128	9,554	9,554	12,615
921WOO	Workshops & Training	759	1,500	531	531	1,500
919WOO	Wellness Program	1,274	1,400	1,079	1,400	1,750
914WOO	Consulting & Engineering Services	57,844	118,760	93,969	130,000	152,850
917WOO	IT Services	4,881	7,000	4,389	7,365	6,738
912WOO	Auditing Services	3,125	3,125	0	3,125	3,250
911WOO	Legal Services	1,129	2,500	148	500	2,500
918WOO	Permits - water	310	390	310	310	400
	<b>OFFICE EXPENSE</b>					
913WOO	Office - misc	272	1,500	152	350	1,000
915WOO	Dues & Memberships	324	300	203	407	500
916WOO	Filing Fees/Recording Costs	7	150	7	7	150
942WOO	Utilities	16,166	18,000	18,658	23,642	25,000
943WOO	Telephone	2,083	2,500	1,187	2,031	2,500
930WOO	Computer	1,608	2,065	1,386	2,825	2,900
941WOO	Office Supplies	1,281	1,500	443	1,250	1,500
947WOO	Records Management	431	200	61	200	200
948WOO	Office Equipment - Leases	384	400	189	189	400
949WOO	Office Equipment - Maint & Repairs	0	250	0	0	250
951WOO	Postage - water	2,033	2,250	1,239	2,500	2,500
952WOO	GIS Mapping - water	1,624	4,500	464	725	1,500
	<b>OPERATING EXPENSE</b>					
931WOO	Maintenance & Repairs	11,287	507,500	29,345	110,000	510,000
932WOO	Supplies & Materials	24,247	40,000	16,404	35,000	90,000
933WOO	Tools	2,753	4,000	176	1,500	3,000
988WOO	Taps & Meters	67,396	75,000	31,120	31,120	150,000
989WOO	Plant Expenses - water	19,800	22,000	11,550	19,800	22,000
934WOO	Safety Equipment	447	500	522	750	1,000
990WOO	Testing - water	6,561	8,000	3,746	8,000	8,000
987WOO	Weed Control	0	1,000	0	745	1,500
928WOO	Other - water	8	250	0	500	500
	<b>VEHICLE EXPENSE</b>					
960WOO	Gas & Oil	4,317	4,500	2,927	7,000	7,500
961WOO	Vehicle & Equipment Maint & Repair	4,077	5,000	840	11,000	7,000

WATER ENTERPRISE FUND		2021	2022	AS OF	ESTIMATED	2023
	DRAFT 11-2-22	ACTUAL	ADOPTED	AUG 1, 2022	YR. END 2022	ADOPTED
			BUDGET			BUDGET
	<b>CAPITAL OUTLAY</b>					
971WOO	Office Equipment Purchase	1,674	1,575	1,028	1,028	500
972WOO	Equipment Purchase	65,005				25,000
	<b>DEBT SERVICE</b>					
992WOO	Debt Service - DOLA	9,795				
993WOO	Debt Service - CWRPDA	22,500	22,500	11,250	22,500	22,500
998WOO	Debt Service - CWCB (2)	30,918	30,918	0	30,918	30,918
	<b>TOTAL WATER FUND EXPENDITURES</b>	<b>501,794</b>	<b>1,054,754</b>	<b>335,181</b>	<b>617,084</b>	<b>1,258,297</b>
	Reserved per financing agreement with CWCB		2,843			
	<b>ENDING WATER FUND BALANCE</b>	<b>1,294,095</b>	<b>1,619,235</b>		<b>1,740,741</b>	<b>1,387,044</b>

SEWER ENTERPRISE FUND						
		2021	2022	AS OF	ESTIMATED	2023
	<b>DRAFT 11-2-22</b>	ACTUAL	ADOPTED	AUG. 1, 2022	YR. END 2022	ADOPTED
			BUDGET			BUDGET
	<b>BEGINNING SEWER FUND BALANCE</b>	<b>950,906</b>	<b>1,150,160</b>		<b>1,134,402</b>	<b>1,221,550</b>
ACCOUNT#						
	<b>REVENUES</b>					
460SOO	Sewer Service Charges	321,161	322,250	191,475	327,500	328,000
461SOO	Penalty Fees on Sewer Charges	3,508	3,000	2,098	3,000	3,000
462SOO	Transfer Fees - sewer	1,256	500	240	500	500
464SOO	Material/Labor Reimbursement - sewer	30,863	30,000	560	560	2,500
463SOO	Tap Fees - sewer	118,650	200,000	38,040	43,640	48,000
465SOO	Other - sewer	0	100	15	15	100
466SOO	Grants - sewer	0	0	0	3,272	0
456SOO	Investment Income - Desgn Reserves	309	300	3,924	15,500	8,000
	<b>TOTAL SEWER FUND REVENUES</b>	<b>475,747</b>	<b>556,150</b>	<b>236,352</b>	<b>393,987</b>	<b>390,100</b>
	<b>TOTAL AVAILABLE RESOURCES</b>	<b>1,426,653</b>	<b>1,706,310</b>	<b>236,352</b>	<b>1,528,389</b>	<b>1,611,650</b>
	<b>EXPENDITURES</b>					
	<b>PERSONNEL</b>					
900SOO	Sewer Wages	53,255	60,710	37,228	67,102	105,375
901SOO	Employer Tax Expense	4,084	4,644	2,848	5,133	8,061
902SOO	Health Insurance	13,003	13,272	8,590	16,282	26,856
903SOO	Retirement Fund	2,135	2,428	1,489	2,423	4,215
904SOO	Workers Compensation Insurance	1,776	3,200	1,568	1,568	2,500
	<b>ADMINISTRATIVE EXPENSE</b>					
920SOO	Insurance (Property & Casualty)	8,691	10,128	9,554	9,554	12,615
921SOO	Workshops & Training	264	1,500	216	216	1,500
914SOO	Consulting & Engineering Services	35,669	1,400	15,424	25,250	75,500
917SOO	IT Services	3,355	7,000	4,374	7,353	5,571
912SOO	Auditing Services	3,125	3,125	0	3,125	3,250
911SOO	Legal Services	296	1,000	0	0	1,000
919SOO	Wellness Program	1,274	1,400	759	1,400	2,100
	<b>OFFICE EXPENSE</b>					
913SOO	Office - misc	75	1,500	55	250	1,000
915SOO	Dues & Memberships	324	300	203	342	500
916SOO	Filing Fees/Recording Costs	7	100	7	7	150
941SOO	Office Supplies	1,281	1,500	350	1,250	1,500
942SOO	Utilities	44,522	50,000	26,451	47,513	50,000
943SOO	Telephone	1,509	1,600	846	1,455	2,200
930SOO	Computer	1,283	1,765	1,211	2,620	2,600
947SOO	Records Management	431	200	61	200	200
948SOO	Office Equipment - Leases	192	400	95	174	400
949SOO	Office Equipment - Maint & Repairs	0	250	0	0	250
951SOO	Postage - sewer	1,449	2,250	792	2,000	2,000
952SOO	GIS Mapping - sewer	1,144	4,500	184	250	1,500
	<b>OPERATING EXPENSE</b>					
931SOO	Maintenance & Repairs	10,202	110,000	27,305	60,000	60,000
932SOO	Supplies & Materials	7,163	10,000	2,914	8,500	10,000
933SOO	Tools	229	500	176	500	1,000
918SOO	Testing & Permits	6,180	15,000	3,609	10,000	15,000
928SOO	Other - sewer	12	250	109	600	500
934SOO	Safety Equipment	447	500	522	1,400	900
987SOO	Weed Control	0	1,000	0	745	1,500
	<b>VEHICLE EXPENSE</b>	4,561				
960SOO	Gas & Oil	2,764	5,000	4,594	5,000	7,500
961SOO	Vehicle & Equipment Maint & Repairs		5,000	214	1,000	3,500
	<b>CAPITAL OUTLAY</b>	629				
971SOO	Office Equipment Purchase	65,005		285	285	500
972SOO	Equipment Purchase					25,000
978SOO	Bio-Solid Removal				7,427	5,000
	<b>DEBT SERVICE</b>					
996SOO	Debt Service - DOLA	15,915	15,915	15,915	15,915	15,915
	<b>TOTAL SEWER FUND EXPENDITURES</b>	<b>292,251</b>	<b>337,337</b>	<b>167,948</b>	<b>306,839</b>	<b>457,158</b>

SEWER ENTERPRISE FUND						
		2021	2022	AS OF	ESTIMATED	2023
	DRAFT 11-2-22	ACTUAL	ADOPTED	AUG. 1, 2022	YR. END 2022	ADOPTED
			BUDGET			BUDGET
	Reserves for Wastewater Plant Improvements					100,000
	ENDING SEWER FUND BALANCE	1,134,402	1,368,973		1,221,550	1,054,492

[illegible]



CAPITAL PROJECTS FUND - RAMP Project Note Account						
		2021	2022	AS OF	ESTIMATED	2023
		ACTUAL	ADOPTED	AUG. 1, 2022	YR. END 2022	ADOPTED
			BUDGET			BUDGET
ACCOUNT#						
	<b>REVENUES</b>					
4001GOO	Property Tax		0			
	Transfer from restricted Cap Imprv Acct		120,647			
	<b>TOTAL REVENUES</b>	<b>0</b>	<b>120,647</b>	<b>0</b>	<b>0</b>	<b>0</b>
	<b>PROJECT EXPENDITURES</b>					
591GOO	Note Principal & Interest Payment Amt		120,647			
	<b>TOTAL EXPENDITURES</b>		<b>120,647</b>	<b>0</b>	<b>0</b>	<b>0</b>

CAPITAL PROJECTS FUND - Space to Create						
		2021	2022	AS OF	ESTIMATED	2023
		ACTUAL	ADOPTED	AUG. 1, 2022	YR. END 2022	ADOPTED
			BUDGET			BUDGET
ACCOUNT#						
	<b>REVENUES</b>					
1700A	Boettcher Foundation Grant					
1700B	Dept of Local Affairs - Planning Grant					
1700C	Dept of Local Affairs - Prop Acq Grant					
1700D	Boettcher Foundation - PreDev Grant					
1700E	Dept of Local Affairs - PreDev Grant					
1700F	CO CreativeIndust's - PreDev Grant					
1700G	Misc Grants - Pre Development	75,000				
1700H	Property Taxes Received at Closing					
	Town Funding					
	<b>TOTAL REVENUES</b>	<b>75,000</b>				
	<b>PROJECT EXPENDITURES</b>					
CP1700	Property Option					
CP1701	Affordable Housing Study					
CP1702	Arts Market Study					
CP1703	Property Acquisition					
CP1704	Legal, Survey, Closing Fees					
CP1705	Property Taxes 1/1-10/3/2017					
CP1706	Pre-Development Phase					
CP1707	Groundbreaking Ceremony	5,419				
	<b>TOTAL EXPENDITURES</b>	<b>5,419</b>				

CAPITAL PROJECTS FUND - Athletic Park Pavilion						
		2021	2022	AS OF	ESTIMATED	2023
		ACTUAL	ADOPTED	AUG. 1, 2022	YR. END 2022	ADOPTED
			BUDGET			BUDGET
ACCOUNT#						
	<b>REVENUES</b>					
1900A	Private Donations					
	Town Contribution					
	<b>TOTAL REVENUES</b>					
	<b>PROJECT EXPENDITURES</b>					
CP1900	Design					
CP1901	Construction	5,365				
CP1902	Bank Fees					
CP1903	Town Contributions					
	<b>TOTAL EXPENDITURES</b>	<b>5,365</b>	<b>0</b>	<b>0</b>	<b>0</b>	

CAPITAL PROJECTS FUND - Heritage Park Improvements						
		2021	2022	AS OF	ESTIMATED	2023
		ACTUAL	ADOPTED	AUG. 1, 2022	YR. END 2022	ADOPTED
			BUDGET			BUDGET
ACCOUNT#						
	<b>REVENUES</b>					
2000A	Main Street Mini-Grant	30,000				
2000B	AARP Grant					
2000C	COMS Grant					
	Town Contribution		20,000		150	70,000
	<b>TOTAL REVENUES</b>	<b>30,000</b>	<b>20,000</b>	<b>0</b>	<b>150</b>	<b>70,000</b>
	<b>PROJECT EXPENDITURES</b>					
CP2000	Construction	86,616	20,000	150	150	20,000
CP2001	Construction Docs					50,000
	<b>TOTAL EXPENDITURES</b>	<b>86,616</b>	<b>20,000</b>	<b>150</b>	<b>150</b>	<b>70,000</b>

CAPITAL PROJECTS FUND - North Lena Street Paving						
		2021	CREATED	AS OF	ESTIMATED	2023
		ACTUAL	Mid Year	AUG. 1, 2022	YR. END 2022	BUDGET
			2022			
ACCOUNT#						
	<b>REVENUES</b>					
2100A	Developer Contribution		574,452	574,452		
2100B	Grant - Colorado Dept of Transportation		150,000		150,000	
	Town Budgeted Contribution		425,000			
	<b>TOTAL REVENUES</b>		<b>1,149,452</b>	<b>574,452</b>	<b>150,000</b>	<b>0</b>
	<b>PROJECT EXPENDITURES</b>					
CP2100	Construction			162,413		
CP2101	Project Management & Oversight				50,000	
CP2102	Design, Survey, Engineering			48,198		
	<b>TOTAL EXPENDITURES</b>		<b>0</b>	<b>210,611</b>	<b>50,000</b>	<b>0</b>

5 Year Capital Improvement Project  
2023-2027 **General Fund**

Project	Estimated Cost	Budget Line Item
Dennis Weaver Memorial Park - Vault Restroom Facility	\$60,000	
Amelia Street Construction Project	4.0 million	
Acquisition and Managed Use of South Railroad Street Right-of-Way		
Master Plan Implementation & Subdivision Updates	\$30,000	513GOO
Expand Middle Mile Fiber Network Through Rest of Town	\$73,000	
Heritage Park - Split Rail Fence	\$20,000	CP2001
Heritage Park - Construction Doc's	\$50,000	CP2000
Town Hall Assessment & Design for Reconfiguring	\$40,000	731PO1
Furnishings & Audio/Visual for Space to Create Meeting Room	\$85,000	778PO1
Purchase of an Affordable Housing Unit		
Acquisition of Two Blocks of N. Laura Street for Right-of-Way		
Traffic Plan and Mitigation on N. Laura Street		
Solar Array on Space to Create Building	\$37,000	778PO1
Master Plan for Athletic Park	\$40,000	719POO
Replace Two Trucks in Parks Department	\$50,000	772POO
Front End Loader (set aside funds for purchase in 2024)	\$75,000	670GO2
Purchase of parcel in River Park Subdivision		

5 Year Capital Improvement Project  
2023-2027 **Water Fund**

Project	Estimated Cost	Budget Line Item
Water Utility Augmentation (increase reliable water supply)	\$750,000	
Water Conservation Plan / Basin Protection Implementation	\$25,000	
Video Inspection of Transmission Lines	\$57,500	
Extend Water Mains Downtown (as needed)	\$135,000	
GAC Equipment (offset by \$100,000 & \$261,152 in grant funds)	\$400,000	931WOO
Second River Crossing of Lines	\$150,000	
Increase Storage East of the Uncompahgre River	\$750,000	
Water Meter at Water Treatment Plant	\$35,000	932WOO
Micro Hydro Construction	\$1,000,000	
Replace Two Modules	\$150,000	
Meter Replacement 5 Year Plan (125,000 due to non-receipt of meters in 2022)	\$125,000	988WOO
Repair Flow Measuring Devices at Ridgway Ditch and Lake O	\$50,000	931WOO
Replace Public Works Fleet Vehicle	\$25,000	972WOO

5 Year Capital Improvement Project  
2023-2027 Sewer Fund

Project	Estimated Cost	Budget Line Item
Preliminary Needs Assessment for Relocating Treatment Plant	\$35,200	914SOO
Design and Install Secondary Discharge Pipe	\$10,000	
Emergency Generator	\$80,000	
Fine Bubble Diffuser System or Replace Aeration	\$425,000	
Replace Public Works Fleet Vehicle	\$25,000	972SOO
Reserves for Wastewater Treatment Plant Improvements	\$100,000	
Sludge Removal	\$100,000	



5 Year Capital Improvement Project  
2023-2027 Sewer Fund

Project	Estimated Cost	Budget Line Item
Preliminary Needs Assessment for Relocating Treatment Plant	\$35,200	914SOO
Design and Install Secondary Discharge Pipe	\$10,000	
Emergency Generator	\$80,000	
Fine Bubble Diffuser System or Replace Aeration	\$425,000	
Replace Public Works Fleet Vehicle	\$25,000	972SOO
Reserves for Wastewater Treatment Plant Improvements	\$100,000	
Sludge Removal	\$100,000	

10 Year Capital Improvement Project  
2023-2033 **Water Fund**

Project	Estimated Cost	Budget Line Item
Third Filter Train for Water Treatment	\$500,000	
Water Storage Tank Painting (2029)	\$300,000	
Water Collection System - Piping Ridgway Ditch / Headgate	\$1,500,000	
Presedimentation Ponds Improvements and Piping	\$250,000	
Increase Capacity by the Lake Outfall (400' of 12" Line)	\$45,000	
Dallas Ditch Water into Cottonwood Creek		
Develop Hydraulic Model of Distribution System	\$50,000	
Replace John Deere Backhoe	\$95,000	
Feasibility Study of Expansion of Water Treatment Plant		
Expansion of Water Treatment Plant	\$1,000,000	

10 Year Capital Improvement Project  
2023-2033 **Sewer Fund**

Project	Estimated Cost	Budget Line Item
Lift Station Equipment Replacement (2024-2029)	\$50,000	
Upgrade the Treatment System (when loading reaches 80% of approved design capacity - 0.194 MGD and 400 ppd of BOD)	\$100,000	
Mechanical Wastewater Treatment Plant	\$7,500,000	

## AGENDA ITEM #13



**To:** Honorable Mayor Clark and Ridgway Town Council  
**From:** Preston Neill, Town Manager  
**Date:** November 4, 2022  
**RE:** **Rights of Nature Annual Report**

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### **SUMMARY**

On November 10, 2021, the Ridgway Town Council adopted [Resolution No. 21-09](#) to support the protection of the Uncompahgre River, its tributaries and its watershed by recognizing the “rights of nature” and the Town’s responsibilities to care for and protect them. This written report serves as the annual update regarding the health and state of the Uncompahgre River, its tributaries, and its watershed. It also serves as an update on the realization of the rights of nature for the Uncompahgre River, its tributaries and the Uncompahgre River Watershed.

### **THE HEALTH AND STATE OF THE UNCOMPAHGRE RIVER, ITS TRIBUTARIES AND ITS WATERSHED** *(October 2022, report produced by Uncompahgre Watershed Partnership)*

The Uncompahgre River Watershed is experiencing population growth, development, increased use, drought, and climate change. These mostly human-caused pressures are combined with historic mining impacts that have left a majority of water sources contaminated by metals. Consequently, the Uncompahgre River and its watershed requires careful management and planning for projects to improve water quality and supply. To understand the overall conditions of the watershed, you can refer to these two documents:

1. Watershed Handbook: <https://www.uncompahgrewatershed.org/wp-content/uploads/2019/12/Uncompahgre-Watershed-Basics-2019.pdf>
2. Uncompahgre Watershed Plan (especially pages 11-20):  
<https://www.uncompahgrewatershed.org/wp-content/uploads/2022/01/Uncompahgre-Watershed-Plan-2022.pdf>

While late summer precipitation and early snowfall briefly increased flows in 2022, flows in the Uncompahgre River below Ridgway were less than the median in most of July, August, and September; and year-to-date precipitation\* was 2.57 inches below normal. Abnormally dry soils and overuse in the Colorado River Basin mean local water supplies continue to be limited. For related information on Ridgway’s water supply and municipal water use, see:

[https://townofridgway.colorado.gov/sites/townofridgway/files/documents/Water%20Supply%20Assessment%20%282022-02-16%29 Public.pdf](https://townofridgway.colorado.gov/sites/townofridgway/files/documents/Water%20Supply%20Assessment%20%282022-02-16%29%20Public.pdf)

The Uncompahgre River’s 2022 peak flow, as recorded at Ouray CR24 just downstream of Ridgway, happened earlier than usual on May 14, due to unusually warm spring days as well as rainfall that contributed to faster snowmelt. The Ridgway Reservoir’s 2022 storage level, which



is an indicator of local water supply conditions, hovered between 74% and 82%, due to inflow from the Uncompahgre River, precipitation, and releases for downstream uses. This level was lower than summer 2021, which reached as high as 93%, but higher than winter 2021, which reached as low as 61%.

Decreased water supply as well as several flash flooding events led to periodic increases in sediment load, but no known long-term changes in watershed health. Besides on-going drought, the Uncompahgre River, its tributaries, and the watershed did not experience any known substantial decreases in water quality and health due to any specific event or new condition.

#### Top Watershed Health Hazards

- Acidic and metals-laden drainage from historic mine sites continue to make the Uncompahgre River and some tributaries unsuitable for aquatic life.
- Climate change, drought, and aridification are making it difficult for groundwater to recharge, reservoirs and lakes to refill, and stream flows to reach levels adequate to sustain watershed health and provide for various human uses. Stream temperatures are also reaching summer highs that impact fish populations.
- Dust and microplastics in snow are impacting the rate and timing of snowmelt as well as water quality. While water treatment can improve the quality of public water supplies, the demands on the treatment processes are increased.
- The Cow Creek Pipeline and Ramshorn Reservoir, proposed by Ouray County and partners, could impact Cow Creek's ability to maintain natural flow sufficient for ecosystem health, especially as fish habitat for bluehead sucker, which the State of Colorado\*\* identifies as a species of "highest conservation priority." Though the water rights proposal for the two projects lists environmental benefits, among others, as reasons to build, no evidence has been shown on how such benefits would be achieved. The project also could impact Uncompahgre River water quality due to additional water depletions from the river and its tributaries, attributed to the related project agreements. These and other issues such as project costs and responsible parties for operation and funding need to be resolved.
- Ouray Silver Mines Inc. has been an important partner in maintaining watershed health, both by ensuring that their operations don't contribute to decreases in water quality and by funding legacy mine site restoration projects. The company is now in receivership. If new owners are not found or if the new owners do not complete planned water quality improvement projects, metals concentrations will not be decreased. However, the Revenue Mine remains subject to permits from two state agencies, the Water Quality Control Division and the Division of Reclamation, Mining and Safety, which provide critical water quality and watershed health protections.



- Wildfires are a big concern in Colorado including our community. In addition to the risk to life, economic health, and wildlife habitats, the potential negative impacts on the watershed and public water supplies require that careful land management and source water protection measures be implemented.

#### Top Watershed Health Opportunities

- Potential collaborations between UWP, Trout Unlimited, and public and private partners like the Governor Basin Restoration Project promise to restore water quality in specific areas and incrementally improve ecosystem health. More support from various sources will be needed to complete the current Governor Basin project, as well as future projects.
- The Multi-benefit Uncompahgre River Project, funded by a public/private partnership, is being planned and designed upstream of Ridgway, aimed at improving agricultural ditch operation, reconnecting floodplains, improving water quality, and reestablishing native biodiversity.
- The Colorado Water Conservation Board approved an instream flow right on Cow Creek and filed an application for it with the state water court in 2021. This would be an important method of ensuring sufficient flows for the significant fish species that live there.
- The City of Ouray is currently building a new wastewater treatment facility. The existing facility is inadequate and failed to protect water quality in the Uncompahgre River. The new wastewater treatment facility will greatly improve the City of Ouray's ability to protect water quality in the Uncompahgre River. As part of the existing permit, monitoring is required to demonstrate that water uses, such as aquatic life, are protected.
- The Colorado Water Plan and federal infrastructure funds could fund more water quantity and quality improvement projects, if local agencies and nonprofits can make successful applications.
- The Town of Ridgway contracted with a consultant to characterize the riparian areas along the Uncompahgre River, and this 2021 report offers ideas for improving property design and management to better support river functions. See the report at: [https://townofridgway.colorado.gov/sites/townofridgway/files/documents/Ridgway\\_Channel\\_Characteristics\\_Assessment\\_Report.pdf](https://townofridgway.colorado.gov/sites/townofridgway/files/documents/Ridgway_Channel_Characteristics_Assessment_Report.pdf)
- Ouray County is planning the Corbett Creek Crossing Project that will mainly improve conditions on County Road 17, but with the right project engineering could also improve the Uncompahgre River by slightly reducing sediment flow into the river with decreased erosion of roads and mountainsides.

In conclusion, the Uncompahgre River, its tributaries, and its watershed face many challenges from the climate and human activity. Yet, dedicated stewardship and several potential solutions



can be planned, designed, and implemented to help preserve and improve river and watershed health, so that it can continue to support a rich mixture of wildlife, residents, and economic activity.

\*Source: <https://www.drought.gov/states/colorado/county/ouray>

\*\*Source: Colorado Parks & Wildlife Gunnison River Basin Management Plan, 2019

### **REALIZATION OF RIGHTS AND RECOMMENDATIONS FOR ADVANCING THEIR WELFARE AND SUSTAINABILITY**

The Town continues to recognize that the Uncompahgre River and its tributaries possess, at minimum, the following fundamental and inalienable rights:

- A. The right to maintain natural flow sufficient in quantity to maintain ecosystem health;
- B. The right to support essential functions within its ecosystems, including by horizontal and longitudinal connectivity, recharging groundwater, moving and depositing sediments, and providing adequate habitat for native plants and animals;
- C. The right to feed and be fed by sustainable precipitation, glaciers, and aquifers;
- D. The right to maintain native biodiversity;
- E. The right to restoration and preservation of adequate ecosystem health.

The Town also continues to recognize that the watershed and its living and non-living natural components and communities possess, at minimum, fundamental and inalienable rights to exist, maintain integral health, regenerate, evolve, and be restored.

As described in the Uncompahgre River Corridor Ecological Assessment and Recommendations Report produced by DHM Design in late 2021, the current river corridor function and riparian ecological health within the Town of Ridgway is in overall good health. There are opportunities for ecological interventions including restoration, creation and preservation that have been identified and mapped within the Town of Ridgway and individual projects have been identified for the Town to undertake in the future.

The Town will continue to protect the Uncompahgre River, its tributaries, and its watershed to the full extent of its ability and to effectuate the rights recognized in Resolution No. 21-09.

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