City of
Rifle

CITY COUNCIL AGENDA

Jay Miller, Mayor
Alan Lambert, Mayor Pro Tem
Richard Carter, Councilor
Keith Lambert, Councilor
Jonathan Rice, Councilor
Jennifer Sanborn, Councilor
Randy Winkler, Councilor

City Hall
City Council Chambers
202 Railroad Avenue
Rifle, CO

Cablecast Live on
Comcast Channel 10

The City of Rifle will make reasonable accommodations for access to City services, programs, and activities and will make special communication arrangements for persons with disabilities. Please call (970) 665-6405 for assistance.

REGULAR MEETING
June 18, 2012

WORKSHOP 6:00 P.M.
COUNCIL CHAMBERS

6:00 P.M. Receive update from Brenden Theatres (Walter Eichinger)

6:30 P.M. Receive update on staff discussion with Marge Fleming (Matt Sturgeon)

REGULAR MEETING 7:00 P.M.
COUNCIL CHAMBERS

The City Council may take action on any of the following agenda items as presented or modified prior to or during the meeting, and items necessary or convenient to effectuate the agenda items.

7:00 p.m. 1. Regular Meeting Call to Order and Roll Call

7:03 p.m. 2. Consent Agenda – consider approving the following items:
   A. Minutes from the June 6, 2012 Regular Meeting
   B. Liquor License Renewal – Sports Corner
   C. Orders permanently staying suspension of liquor licenses of Plaza Liquors, Rocky Mountain Liquors, Shale Country Liquors, Wing Nutz Bar and Grill, Rifle Brewing Company, Thai Chili Bistro, and Wal-Mart
   D. Accept audit of 2011 financial records
   E. Accounts Payable

7:08 p.m. 3. Citizen Comments and Live Call-In ((970) 665-6406)
(For issues NOT on the Agenda. Please limit comments to 3 minutes.)

7:11 p.m.	4.	Action, if any, on Workshop Items (Mayor Miller)
7:15 p.m.	5.	Consider approving concept of Eagle Scout project (Joseph Reyelts, Tom Whitmore)
7:25 p.m.	6.	Public Hearing – Application to Transfer Hotel & Restaurant Liquor License from Angelica Burgara d/b/a El Kora Mexican Restaurant to Arturo Sauceda d/b/a El Kora Mexican Restaurant (Lisa Cain)
7:35 p.m.	7.	Consider amending HUD/DOT grant agreement for New Ute Theatre pro forma (Nathan Lindquist)
7:45 p.m.	8.	Receive update on Colorado River Cooperative Agreement (Karl Hanlon)
7:55 p.m.	9.	Consider Ordinance No. 14, Series of 2012 (emergency or first reading), extending approval of $25,500,000 Water and Power Loan Agreement for new water treatment plant (Jim Neu)
8:05 p.m.	10.	Consider Ordinance No. 13, Series of 2012 (second reading) repealing and reenacting Rifle Municipal Code Chapter 7, Article VI, “Animals” (Daryl Meisner)
8:15 p.m.	11.	Consider Intergovernmental Agreement with Garfield County for Lease of Comingled Recycling Facility (Jim Neu)
8:25 p.m.	12.	Consider awarding contract for construction drawing update for Deerfield Park (Aleks Briedis)
8:35 p.m.	13.	Consider awarding contract for 2012 street improvements (Rick Barth)
8:45 p.m.	14.	Consider Ordinance No. 15, Series of 2012 (first reading) amending Section 4-2-50 of the Rifle Municipal Code to extend sales and use tax rebates for qualified photovoltaic and solar thermal system installations for an additional three-year period (Jim Neu)
8:55 p.m.	15.	Consider Intergovernmental Agreement with Garfield County for Wild Land Fire Mitigation (Jim Neu)
9:05 p.m.	16.	A. Public Hearing –Sunset Townhomes Annexation - Ordinance No. 8, Series of 2012 (first reading) and Resolution Nos. 9 and 10, Series of 2012) (Jim Neu) B. Consider Ordinance No. 9, Series of 2012 - Sunset Townhomes Zoning (first reading)

9:10 p.m.	17.	Administrative Reports
9:20 p.m.	18.	Comments from Mayor and Council

The order and times of agenda items listed above are approximate and intended as a guideline for the City Council.

*Next Regular Meeting of Council**: July 2, 2012 at 7:00 p.m.***

June 2012

Honorable Mayor
Honorable Council Members
City Of Rifle

Hello,

Thank you for allowing me a few minutes of your time on Monday, June 18th.

It has been six months since the theater opened for business and the first thing I wish to do is to check in with you and see how we are doing. What is going well? What do we need to improve upon? And I wish to tell you about the upcoming blockbuster movies we have as well as a few activities like our John Wayne Film Festival.

Second, we do wish to pursue permission to sell beer and wine in our theater. I realize that the Council would have to approve an ordinance changing the city code that would exempt a movie theater from the current alcohol code. I again will ask for any initial feedback, comments, or suggestions about the matter.

We realize that this will cause public discussion and time must be allowed for this. With your input perhaps this can be scheduled as an agenda item for an August or September vote.

During the next month Brenden Theatres will do it's best to inform the citizens of Rifle on what it is exactly we are asking. We would do this by posting information on what we would sell, where and when we would sell it, and how we would monitor and keep it out of the hands of minors.

We would accomplish this starting with signage in our lobby and a draft example is given on page 2 of your materials. This same information would be placed in an ad in the local newspaper over a few weeks. Citizens would be driven to our website where we would post a complete summary of our proposed alcohol operations and there would be opportunity to leave feedback if they choose too.

We would seek and participate with interviews from local newspapers, radio programs, and any business or citizens group that may wish to have us discuss the proposal.

On June 18th I will also provide you with additional background information on alcohol sales in movie theaters. This will include our figures for alcohol sales in our theater in Laughlin, NV where we have been selling beer & wine since April of this year.

I appreciate your time on the 18th as I know how busy your schedule is. Brenden Theatres has certainly enjoyed our first six months of operations and looks forward to a great rest of 2012.

Best Regards,

Walter Eichinger
Vice President
Brenden Corporation

To Our Valued Customers,

Brenden Theatres wishes to obtain permission from the City Of Rifle Council Members to sell beer and wine in this location. We would appreciate your input. For your review, below are just some of the rules and policies that we would have and rigorously follow. **First and foremost, our priority would always be to keep this alcohol out of the hands of minors and never to distract from a safe, pleasant, and enjoyable movie environment.**

Here are some of the highlights on how beer & wine would be served and monitored at the Brenden Rifle 7 Theatres. To get the full summary and an opportunity to leave your comments or suggestions, please visit www.brendentheatres.com.

1. Beer or wine would be sold only from the hours of **2:00 pm and 10:30 pm** daily. This would exclude any alcohol from our morning and early afternoon films. This also excludes any alcohol sales for any midnight shows,
2. No beer or wine would be permitted in any auditorium with a **G Rated Film**.
3. There will be a **one drink limit**. This means a customer can only purchase and consume one beer or one wine per day.
4. Beer or wine would be **sold only at one register** located at the far right side of the concession stand. This means that there are six other registers that customers can make purchases without concern that alcohol would be served in their line.
5. All employees who serve alcohol with be at least 21 years of age and will complete a **Responsible Servers Program**. This programs trains the employee to keep alcohol out of the hands of minors, how to properly check I.D, and to spot an individual who may have consumed too much alcohol already.
6. Each patron, once their ID has been approved, will be given & **required to wear a colored wrist band**. This will aide in identifying those individuals as being approved for alcohol consumption.
7. All beer & will be served in **plastic clear cups that are distinctive** from our regular soda fountain drinks. We aim to serve local micro brewed beer and locally produced wine.
8. In addition to no beer & wine in auditoriums with G rated films, there will be no alcohol permitted in auditoriums with films and nights that are popular with minors. For example, Friday night films such as Twilight and Hunger Games.
9. No alcohol will be allowed to leave the building. There will be no “to go” orders.
10. All beer & wine sales will be **monitored by Brenden Supervisors and Brenden Security** both at the point of sale and inside the auditoriums during the show. The use of surveillance cameras will also aide in this.

Again, please visit us at www.brendentheatres.com and you will find a complete summary of our proposed beer & wine sales at Brenden Rifle. There is also opportunity to leave us your comments. We sincerely appreciate your business and thank you for your input.

RIFLE CITY COUNCIL MEETING

Wednesday, June 6, 2012

REGULAR MEETING

7:00 p.m. * Council Chambers

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

PRESENT ON ROLL CALL: Councilors Rich Carter, Alan Lambert, Keith Lambert, Jen Sanborn, Randy Winkler, and Mayor Jay Miller.

Councilor A. Lambert moved to excuse Councilor Jonathan Rice from tonight's meeting; seconded by Councilor K. Lambert. Roll Call: Yes – Carter, A. Lambert, K. Lambert, Sanborn, Winkler, Miller

OTHERS PRESENT: John Hier, City Manager; Matt Sturgeon, Assistant City Manager/Director of Planning; Lisa Cain, City Clerk; Jim Neu, City Attorney; Jim Bell, Channel 10 Manager; Michael Churchill, Channel 10 Assistant Manager; Charlotte Squires, Administrative Assistant; Dick Deussen, Utilities Director; Charles Kelty, Finance Director; Kristen Tarufelli, Staff Accountant; Mike Braaten, Government Affairs Coordinator; Rick Barth, City Engineer; Robert Burns, Water Supervisor; Kristy Christensen, Deputy City Clerk; Diego Piña, Police Sergeant; José Valadez, Police Officer; Bobbi Bergman; Sarah Blakeslee; Paul Currier; Jo Ann Dodea; Gil Frontella; Keith Gilstrap; Dick Hewitt; Judy Hewitt; Betty Jones; Trudy Lowery; Tim Mayberry; Mike McKibbin; W. O. Pickett; Dick Rhoades; John Scalzo; Tom Sowieja; John Steele; John Stewart; and Leon Wooley.

CONSENT AGENDA - APPROVE THE FOLLOWING ITEMS:

A. Minutes from the May 16, 2012 Regular Meeting
B. Liquor License Renewals – La Hacienda; Red River Quick Mart; Choice Liquors; 6&13 Quick Mart; Rocky Mountain Liquors
C. Accounts Payable
D. Set hearing to consider suspension or revocation of liquor license of Fiesta Guadalajara

Councilor A. Lambert moved to approve Consent Agenda Items A, B, C, and D; seconded by Councilor Carter.

Roll Call: Yes – Carter, A. Lambert, K. Lambert, Sanborn, Winkler, Miller

CITIZEN COMMENTS AND LIVE CALL-IN

Betty Jones asked about use of charcoal at the water plant for taste and odor problems, and the advantages and disadvantages of a reverse osmosis system. Council suggested Ms. Jones meet with City staff and the City's consulting engineers to discuss these matters.

John Scalzo asked about cleaning of the water tanks.

John Steele asked about the status of the water treatment plant loan. City Attorney Jim Neu explained Council had not rescinded its decision to apply for the loan. The loan closing has not occurred because staff has been following Council's direction to hold workshops regarding the water treatment plant. Mr. Steele said that Council's special meetings on February 6, March 5, and May 9, 2012 were not called in accordance with the City Charter. Mr. Neu explained that the purpose of the Charter provision is to make sure that all Council Members are

aware that a special meeting is going to occur. All Councilors were informed that these special meetings were going to occur, and public notice of each meeting was posted at City Hall at least 24 hours prior to each meeting as required.

Dick Hewitt and Leon Wooley reported that conditions in west Rifle have not improved with respect to bad odors emanating from the CacaLoco composting operation. Council and staff assured Mr. Hewitt and Mr. Wooley that the City is taking action as quickly as possible under the law. They suggested that Mr. Hewitt and Mr. Wooley lodge complaints with the State of Colorado, because the State has more regulatory powers than the City does in this matter.

Gil Frontella suggested that the City evict CacaLoco.

Judy Hewitt demanded a solution to the CacaLoco issue.

Keith Gilstrap said the City must do something about CacaLoco.

John Scalzo thanked the City for the improved turning radius at Railroad Avenue and 16th Street. He requested improvements to the turning radius at Railroad Avenue and 14th Street.

Trudy Lowery said that in the future, the City must do a better job than it did when it leased City land to CacaLoco.

There were no other citizen comments or live call-ins.

CONSIDER ACCEPTING AUDIT OF 2011 FINANCIAL RECORDS
Finance Director Charles Kelty and Tim Mayberry, representing Johnson, Holscher & Company, P.C., presented a draft audit of the City's 2011 financial records. They will present the final audit for Council action at a future meeting.

PROCLAMATION – PAINT THE TOWN PURPLE WEEK
Mayor Miller read aloud a proclamation declaring June 25 through June 30, 2012, as Paint The Town Purple Week to bring more awareness to cancer and Rifle Area Relay for Life, and supporting the fight to find a cure for all cancers.

Councilor A. Lambert moved to approve the proclamation; seconded by Councilor Sanborn.

Roll Call: Yes - Carter, A. Lambert, K. Lambert, Sanborn, Winkler, Miller

Rifle Area Relay for Life participants received the proclamation and asked the public to support Rifle Area Relay for Life.

PUBLIC HEARING – SPECIAL EVENT LIQUOR PERMIT – RIFLE MOOSE LODGE #1345
Mayor Miller opened the public hearing and swore in John Stewart and Bobbi Bergman, representing Rifle Moose Lodge #1345, and Charlotte Squires, representing Rifle Area Relay for Life. Mr. Stewart and Ms. Bergman presented the Lodge's application for a special event permit to provide liquor service (a beer garden) at 133 East 3rd Street during the Rifle Relay for Life Paint the Town Purple fundraising event on June 29, 2012, from 6 PM to 10:30 PM. Ms. Squires described the Paint the Town Purple Week events. She explained that a portion of the beer garden proceeds would benefit Rifle Relay for Life. City Clerk Lisa Cain stated that the hearing was properly noticed, the application is complete, and the fees have been paid.

Councilor Carter moved to approve the Special Event Liquor Permit for Rifle Moose Lodge #1345 on June 29, 2012, from 6 PM to 10:30 PM, at 133 East 3rd Street; seconded by Councilor Winkler.

Roll Call: Yes - Carter, A. Lambert, K. Lambert, Sanborn, Winkler, Miller

PUBLIC HEARING – APPLICATION TO TRANSFER HOTEL & RESTAURANT LIQUOR LICENSE FROM ANGELICA BURGARA D/B/A EL KORA MEXICAN RESTAURANT TO ARTURO SAUCEDA D/B/A EL KORA MEXICAN RESTAURANT

Ms. Cain noted that previously, Council scheduled a public hearing tonight to review the application of Arturo Sauceda d/b/a El Kora Mexican Restaurant to transfer to himself the Hotel & Restaurant Liquor License for premises located at 160 East 26th Street. Although notice of the hearing was published in a timely fashion in the newspaper, the applicant did not post notice of the hearing at the premises at least 10 days before the hearing, as required. By consensus, Council cancelled tonight's hearing and set the hearing for June 18 instead.

CONSIDER ORDINANCE NO. 13, SERIES OF 2012 (SECOND READING) - REPEALING AND REENACTING RMC CHAPTER 7, ARTICLE VI, "ANIMALS"

AN ORDINANCE OF THE CITY OF RIFLE, COLORADO REPEALING AND REENACTING CHAPTER 7, ARTICLE VI OF THE RIFLE MUNICIPAL CODE, "ANIMALS."

Mr. Neu explained that the revised version of Ordinance No. 13, Series of 2012 under consideration amends the definition of pot-bellied pigs and clarifies certain enforcement and violation provisions.

The first reading text of Ordinance No. 13 carried over the City's existing chicken regulations, which limit single family residences in the City to two chickens or ducks combined. Under the existing regulations, no chickens or ducks are permitted for multi-family residences. The revised version would increase the total number of permitted chickens and/or ducks per single family residence to ten and would include some basic regulations in a new Section 7-6-130. These regulations would prohibit roosters, require chicken enclosures to protect the birds from predators, and address waste and odors, which would also be enforceable violations under the City's general nuisance provisions.

Jo Ann Dodea asked if she could keep the chickens she has. Staff advised Ms. Dodea to ask this of the City Prosecutor. The Animal Code currently prohibits chickens in a multi-family zone (where Ms. Dodea lives), and proposed Ordinance No. 13 would not change this.

There was discussion about whether to adopt more specific chicken and fowl regulations.

Councilor A. Lambert moved to table consideration of Ordinance No. 13, Series of 2012, to allow staff additional time to add more specific chicken and fowl regulations to the ordinance; seconded by Councilor Sanborn.

Roll Call: Yes - Carter, A. Lambert, K. Lambert, Sanborn, Winkler, Miller

CONSIDER SUPPORTING APPLICATION FOR GARFIELD COUNTY FEDERAL MINERAL LEASE DISTRICT GRANT – RESOLUTION NO. 13, SERIES OF 2012

Government Affairs Coordinator Mike Braaten explained that staff recently submitted a grant application to the Garfield County Federal Mineral Lease District (GCFMLD) to complete the Airport Road Mill and Overlay & Waterline Tie-in Connection project. The total estimated project cost is $491,054.00. The City is requesting $330,000 in GCFMLD funds and has committed $140,000 in a cash match and $21,054.00 in an in-kind match for a total match of 33 percent of the total project. Staff was able to identify funds that will not impact the planned 2012 street project funding (Street Contingency Funds) and, if funded by GCFMLD, will advance this project and

complete the needed tie-in connection for a redundant waterline to south Rifle. Mr. Braaten recommended that Council approve Resolution No. 13, Series of 2012, supporting the grant application.

Councilor K. Lambert moved to approve Resolution No. 13, Series of 2012, supporting a grant application to the Garfield County Federal Mineral Lease District to complete the Airport Road Mill and Overlay & Waterline Tie-in Connection project; seconded by Councilor Carter.

Roll Call: Yes - Carter, A. Lambert, K. Lambert, Sanborn, Winkler, Miller

CONSIDERATION OF LAND SURVEY WORK REQUIRED FOR STATE HIGHWAY 13/ENTRANCE TO RIFLE RELINQUISHMENT

Mike Braaten and City Engineer Rick Barth reminded Council that the Colorado Department of Transportation (CDOT) offered to relinquish to the City the surface of the bridge/entrance to Rifle. CDOT would maintain the bridge superstructure and the City would take over right-of-way and surface maintenance. Staff held a workshop with Council on May 2, 2012 to discuss the idea of relinquishment and the need to move forward with the land surveying work required for the relinquishment. At that time, staff also briefed Council on the pros and cons of taking over the bridge/entrance surface – the main being the potential $300,000 cost of a mill and overlay on the area in question. Council indicated interest in moving forward with the idea and requested that staff bring the land survey work before them for approval.

Councilor K. Lambert moved to authorize the expenditure of up to $3,000 to proceed with land surveying work related to the State Highway 13/Entrance To Rifle Relinquishment; seconded by Councilor Winkler.

Roll Call: Yes - Carter, A. Lambert, K. Lambert, Sanborn, Winkler, Miller

REVIEW OF CITY SOLAR REBATE PROGRAM (INFORMATION)

In September 2009, the City Council instituted a sales and use tax rebate to encourage the installation of solar electric and solar thermal/hot water systems in Rifle. Mr. Braaten reviewed with Council information about the program. Unless Council takes affirmative action, the solar rebate program is scheduled to end on August 31, 2012.

Councilor K. Lambert moved to continue the solar rebate program for an additional 3 years; seconded by Councilor Winkler.

Roll Call: Yes - Carter, A. Lambert, K. Lambert, Sanborn, Winkler, Miller

CONSIDER ORDINANCE NO. 12, SERIES OF 2012 (SECOND READING) - VICTIMS AND WITNESSES ASSISTANCE AND LAW ENFORCEMENT ("VALE") PROGRAM

> AN ORDINANCE OF THE CITY OF RIFLE, COLORADO ADOPTING A NEW ARTICLE XIV TO CHAPTER 2 OF THE RIFLE MUNICIPAL CODE TO ESTABLISH A VICTIMS AND WITNESSES ASSISTANCE AND LAW ENFORCEMENT PROGRAM AND AMENDING SECTION 2-4-240 OF THE RIFLE MUNICIPAL CODE TO INCLUDE COURT FEES ALTERED OR OMITTED BY CODIFICATION ERROR

Mr. Neu informed Council that the City currently participates in the Garfield County Sheriff's Office victim's rights program funded in part by the County's Victims and Witnesses Assistance and Law Enforcement ("VALE") Fund, but the receipt of such funds is not guaranteed. In order to build a fund for City VALE services and information in the event that Garfield County discontinues its funding of the program, staff proposes in Ordinance No. 12, Series of 2012, adopting a 10 percent surcharge on the costs of municipal court infractions

dedicated to a City VALE Fund. Ordinance No. 12 also establishes a VALE Board, to be comprised of five members appointed by the City Council. The VALE Board will be responsible for administering VALE funds. Ordinance No. 12 also corrects a codification error in Rifle Municipal Code Section 2-4-240 related to several municipal court surcharges.

Council directed staff to report at a future meeting the amount expected to be raised by the surcharge, and how the VALE Board would be appointed.

Councilor K. Lambert moved to approve Ordinance No. 12, Series of 2012, on second reading as presented and to order it to be published in full as required by Charter; seconded by Councilor Sanborn.

Roll Call: Yes - Carter, A. Lambert, K. Lambert, Sanborn, Winkler, Miller

SET DATE FOR POLICE CHIEF INTERVIEWS

Council's consensus was to schedule the community reception for the Police Chief finalists on June 29 and the interviews on June 30.

ADMINISTRATIVE REPORTS

Mr. Hier reported to Council on the following issues: water treatment plant; CacaLoco; street maintenance; trail maintenance; research on grant opportunities; Deerfield Park improvements.

Ms. Cain announced the rescheduling of the June 20 and July 4 Council meetings to June 18 and July 2, respectively. She reported that the City was reviewing applications for a Utility Technician position (which it was filling instead of the Water Operator position vacated earlier this year).

Assistant City Manager/Director of Planning Matt Sturgeon reported on Rifle Creek Plaza landscaping. He noted that staff is working very hard to resolve the CacaLoco problem. He acknowledged that the operation is causing problems, but the City must resolve it in a lawful manner.

COMMENTS FROM MAYOR AND COUNCIL

Councilor A. Lambert spoke in support of the need for a new water treatment plant. He noted that Council did study all the options before deciding to build a new plant. He encouraged citizens to attend the next workshop about the plant on June 13.

Councilor Sanborn asked about the status of compilation of citizens' comments made at the May 30 meeting on the water treatment plant.

Mayor Miller reminded citizens that today was the 68th anniversary of D-Day and asked citizens to remember the sacrifices made during that operation to ensure Americans' freedom.

EXECUTIVE SESSIONS

- ***FOR A CONFERENCE WITH THE CITY ATTORNEY FOR THE PURPOSE OF RECEIVING LEGAL ADVICE ON SPECIFIC LEGAL QUESTIONS UNDER CRS SECTION 24-6-402(4)(B) REGARDING PENDING LITIGATION***
- ***TO DISCUSS PERSONNEL MATTERS UNDER CRS 24-6-402(2)(F) AND NOT INVOLVING: (1) ANY SPECIFIC EMPLOYEES WHO HAVE REQUESTED DISCUSSION OF THE MATTER IN OPEN SESSION; (2) ANY MEMBER OF THIS BODY OR ANY ELECTED OFFICIAL; (3) THE APPOINTMENT OF ANY PERSON TO FILL AN OFFICE OF THIS BODY OR OF AN ELECTED OFFICIAL; OR (4) PERSONNEL POLICIES THAT DO NOT REQUIRE THE DISCUSSION OF MATTERS PERSONAL TO PARTICULAR EMPLOYEES***

Councilor A. Lambert moved to adjourn to executive sessions to receive legal advice and to discuss personnel matters; seconded by Councilor Sanborn (8:56 p.m.).

Roll Call: Yes – Carter, A. Lambert, K. Lambert, Sanborn, Winkler, Miller

Upon return to open session following conclusion of the executive sessions, meeting adjourned at 10:23 p.m.

Lisa H. Cain	Jay D. Miller
City Clerk	Mayor

To: Mayor and City Council; John Hier, City Manager

From: Lisa Cain, City Clerk

Date: Thursday, June 14, 2012

Subject: Liquor License Renewal

THIS BUSINESS HAS FILED A LIQUOR LICENSE RENEWAL APPLICATION:

Business Name/Address	Type of License
Jeffrey H. Day d/b/a Sports Corner 100 West 3rd Street	Tavern (Malt, Vinous, and Spirituous)

The following criteria have been met by this business:

- The application is complete.
- The fees have been paid.

Based on the above information, I recommend approval of this renewal application.

DR 8400 (11/09/06)
COLORADO DEPARTMENT OF REVENUE
DENVER, COLORADO 80261

LIQUOR OR 3.2 BEER LICENSE RENEWAL APPLICATION

License Number	License Type
42-06203-0000	2010

Liability Information
24 035 722110 I 072205

Business Location
100 WEST THIRD STREE
RIFLE CO

Current License Expires
JUL 21, 2012

DEPARTMENTAL USE ONLY

Total Amount Due

Total Paid $ | Date

DAY JEFFREY H
SPORTS CORNER
100 WEST THIRD STREET
RIFLE CO 81650

☑ This renewal reflects no changes from the last application. Complete page 2 and file now!

☐ **Yes there are changes from the last application.** If applicant is a Corporation or Limited Liability company, use DR 8177 and send in with this renewal. Any other changes of ownership require a transfer of ownership. See your Local Licensing Authority immediately.

Wholesaler, manufacturer, importer, and public transportation system license renewals do not need Local Licensing Authority approval and must be returned directly to the Colorado Department of Revenue at least 30 days prior to the current license expiration date.

This application for renewal must be returned to your CITY OR COUNTY Licensing Authority at least 45 days prior to the expiration date of your current license. Failure to do so may result in your license not being renewed. Include both pages of this renewal and payment.

OATH OF APPLICANT

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

Authorized Signature	Date	Business Phone
[signature]	6-7-12	970-625-9191
Title	**Sales Tax Number**	
OWNER	42-06203-0000	

REPORT AND APPROVAL OF CITY OR COUNTY LICENSING AUTHORITY

The foregoing application has been examined and the premises, business conducted and character of the applicant are satisfactory, and we do hereby report that such license, if granted, will comply with the provisions of Title 12, Articles 46 and 47, C.R.S.
THEREFORE THIS APPLICATION IS APPROVED.

Local Licensing Authority for		Date
Signature	**Title**	**Attest**

DO NOT DETACH DO NOT DETACH DO NOT DETACH

DR 8400 (11/09/06)
COLORADO DEPARTMENT OF REVENUE
DENVER, COLORADO 80261

LIQUOR OR 3.2 BEER LICENSE RENEWAL APPLICATION

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

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Business Name	LICENSE NUMBER (Use for all reference)	PERIOD
SPORTS CORNER	42-06203-0000	07-13

TYPE OF LICENSE ISSUED	CASH FUND	STATE FEE	
TAVERN LIQUOR LICENSE - MALT, VINOUS, AND SPIRITUOUS	2320-100(999) $ 50.00	2010-750(999) $ 25.00	CITY 85% OAP 2180-100(999) $ 425.00

SUB-TOTAL $ 500.00
ADD $100.00 TO RENEW RETAIL WAREHOUSE STORAGE PERMIT 2210-100(999) $____.__
TOTAL AMOUNT DUE $____.__

DR 8401 (02/19/09)
COLORADO DEPARTMENT OF REVENUE
LIQUOR ENFORCEMENT DIVISION
1881 PIERCE
LAKEWOOD, CO 80261
(303) 205-2300

ATTACHMENT TO LIQUOR OR 3.2 BEER LICENSE RENEWAL APPLICATION

This page must be completed and attached to your signed renewal application form. Failure to include this page with the application may result in your license not being renewed.

Trade Name of Establishment	State License Number
SPORTS CORNER	42-06203-0000

1. Operating Manager	Home Address	Date of Birth
JEFFERY H. DAY		

	Yes	No
2. Do you have legal possession of the premises for which this application for license is made? Are the premises owned or rented: LEASE If rented, expiration date of lease: 5-1-2015	☑	☐
3. Has there been any change in financial interest (new notes, loans, owners, etc.) since the last annual application? If yes, explain in detail and attach a listing of all liquor businesses in which these new lenders or owners, (other than licensed financial institutions) are materially interested.	☐	☑
4. Since the date of filing of the last annual application, has the applicant, or any of its agents, owners, managers, principals, or lenders (other than licensed financial institutions), been convicted of a crime? If yes, attach a detailed explanation.	☐	☑
5. Since the date of filing of the last annual application, has the applicant, or any of its agents, owners, managers, principals, or lenders (other than licensed financial institutions), been denied an alcoholic beverage license, had an alcoholic beverage license suspended or revoked, or had interest in any entity that had an alcoholic beverage license denied, suspended or revoked? If yes, attach a detailed explanation.	☑	☐
6. Does the applicant, or any of its agents, owners, managers, principals, or lenders (other than licensed financial institutions), have a direct or indirect interest in any other Colorado liquor license (include loans to or from any licensee, or interest in a loan to any licensee)? If yes, attach a detailed explanation.	☐	☑
7. **Corporation or Limited Liability Company (LLC) or Partnership applicants must answer these questions. Since the date of filing of the last annual license application:**		
(a) Are there, or have there been: any officers or directors; or managing members; or general partners added to or deleted from applicant for renewal of a 3.2 beer or liquor license?	☐	☐
(b) Are there or have there been: any stockholders with 10% or more of the issued stock of the Corporation; or any members with 10% or more membership interest in the LLC; or any partners with 10% or more interest in the partnership added to or deleted from the applicant for renewal of a 3.2 beer or liquor license?	☐	☐
(c) If Yes to (a) or (b), complete and attach Form DR 8177: Corporation, Limited Liability Company or Partnership Report of Changes, and all supporting documentation, and fees your Local Licensing Authority immediately.		

8. **Sole proprietorships, Husband-Wife Partnerships or Partners in General Partnerships:**

EVIDENCE OF LAWFUL PRESENCE

Each person identified above must complete and sign the following affidavit. Please make additional copies if necessary. Each person must also provide a copy of their driver's license or state issued identification card.

In lieu of form DR 4679, the undersigned swears or affirms under penalty of perjury under the laws of the State of Colorado that (check one):

- ☑ I am a United States Citizen
- ☐ I am not a United States Citizen but I am a Permanent Resident of the United States
- ☐ I am not a United States Citizen but I am lawfully present in the United States pursuant to Federal Law
- ☐ I am a foreign national not physically present in the United States

I understand that this sworn statement is required by law because I have applied for a public benefit. I understand that state law requires me to provide proof that I am lawfully present in the United States prior to receipt of this public benefit. I further acknowledge that making a false, or fraudulent statement or misrepresentation in this sworn affidavit is punishable under the criminal laws of Colorado Revised Statute 18-8-503 and it shall constitute a separate criminal offense each time a public benefit is fraudulently received.

Signature	Printed name	Date
[signature]	JEFFERY H. DAY	6-7-12

IN JUNE OF 2012 I WAS SUSPENDED FROM THE SALE OF ALCOHOLIC BEVERIDGES BY THE LOCAL LICENSING AUTHORITY FOR THE SERVING OF A MINOR, WE WERE SHUTDOWN FOR 3 DAYS, JUNE 6, 7 & 8TH.

BEFORE THE CITY OF RIFLE LIQUOR LICENSING AUTHORITY,
STATE OF COLORADO

ORDER

IN THE MATTER OF: PLAZA LIQUORS LLC D/B/A PLAZA LIQUORS

LICENSE NO. 21-11

This ORDER is entered by the City of Rifle Liquor Licensing Authority (the "Authority") in regard to the Stipulation, Agreement, and Order entered into by the Authority and Plaza Liquors LLC d/b/a Plaza Liquors, whose address is 2000 Railroad Avenue, Rifle, CO 81650 ("Licensee"), on April 18, 2012. The Authority hereby submits the following:

1. Pursuant to the Stipulation, Agreement, and Order, Licensee was made subject to a nine (9) day suspension of its Hotel and Restaurant license as a penalty for its violation of the Colorado Liquor Code as set forth in Section 1 of the Stipulation and Agreement, including three (3) days of active suspension and six (6) days of suspension to be held in abeyance for a period of one (1) year from the date of approval of this Agreement by the Authority, pending no further violations of the Colorado Liquor Code during this period.

2. Licensee filed a written petition to the Authority in accordance with C.R.S. §12-47-601(3) and Section 6-5-100(i) if the Rifle Municipal Code ("RMC") requesting that the Licensee be allowed to pay a fine in lieu of active suspension. The petition supported the following:

A. That the public welfare and morals will not be impaired by permitting the Licensee to operate during the period set for suspension and that the payment of the fine will achieve the desired disciplinary purpose; and

B. That the books and records of the Licensee are kept in such a manner that the loss of sales of alcohol beverages that the Licensee would have suffered had the suspension gone into effect can be determined with reasonable accuracy therefrom; and

C. That the Licensee has not had his or her license or permit suspended or revoked by the Authority, nor had any suspension stayed by payment of a fine to the Authority, during the two years immediately preceding the date of the complaint or request as described in RMC Section 6-5-100(a) which has resulted in a final decision to suspend the license or permit.

4. Licensee has paid in full the fine stipulated in the Stipulation, Agreement, and Order.

5. The Authority hereby ORDERS the suspension of License 21-11 in reference to the April 18, 2012 Stipulation, Agreement, and Order permanently stayed.

This Order shall not be effective unless and until approved by the Authority.

CITY OF RIFLE LIQUOR LICENSING AUTHORITY

By _____
Title _____

Date _____

APPROVED and ORDERED this ___ day of _____, 2012.

CITY OF RIFLE LIQUOR LICENSING AUTHORITY

_____

By Lisa Cain, City Clerk

BEFORE THE CITY OF RIFLE LIQUOR LICENSING AUTHORITY,
STATE OF COLORADO

ORDER

IN THE MATTER OF: ROCKY MOUNTAIN LIQUORS INC. D/B/A ROCKY MOUNTAIN LIQUORS

LICENSE NO. 13-11

This ORDER is entered by the City of Rifle Liquor Licensing Authority (the "Authority") in regard to the Stipulation, Agreement, and Order entered into by the Authority and Rocky Mountain Liquors Inc. d/b/a Rocky Mountain Liquors, whose address is 1735 Railroad Avenue, Rifle, CO 81650 ("Licensee"), on April 18, 2012. The Authority hereby submits the following:

1. Pursuant to the Stipulation, Agreement, and Order, Licensee was made subject to a nine (9) day suspension of its Hotel and Restaurant license as a penalty for its violation of the Colorado Liquor Code as set forth in Section 1 of the Stipulation and Agreement, including three (3) days of active suspension and six (6) days of suspension to be held in abeyance for a period of one (1) year from the date of approval of this Agreement by the Authority, pending no further violations of the Colorado Liquor Code during this period.

2. Licensee filed a written petition to the Authority in accordance with C.R.S. §12-47-601(3) and Section 6-5-100(i) if the Rifle Municipal Code ("RMC") requesting that the Licensee be allowed to pay a fine in lieu of active suspension. The petition supported the following:

A. That the public welfare and morals will not be impaired by permitting the Licensee to operate during the period set for suspension and that the payment of the fine will achieve the desired disciplinary purpose; and

B. That the books and records of the Licensee are kept in such a manner that the loss of sales of alcohol beverages that the Licensee would have suffered had the suspension gone into effect can be determined with reasonable accuracy therefrom; and

C. That the Licensee has not had his or her license or permit suspended or revoked by the Authority, nor had any suspension stayed by payment of a fine to the Authority, during the two years immediately preceding the date of the complaint or request as described in RMC Section 6-5-100(a) which has resulted in a final decision to suspend the license or permit.

4. Licensee has paid in full the fine stipulated in the Stipulation, Agreement, and Order.

5. The Authority hereby ORDERS the suspension of License 13-11 in reference to the April 18, 2012 Stipulation, Agreement, and Order permanently stayed.

This Order shall not be effective unless and until approved by the Authority.

CITY OF RIFLE LIQUOR LICENSING AUTHORITY

By _____
Title _____

Date _____

APPROVED and ORDERED this ___ day of _____, 2012.

CITY OF RIFLE LIQUOR LICENSING AUTHORITY

_____
By Lisa Cain, City Clerk

BEFORE THE CITY OF RIFLE LIQUOR LICENSING AUTHORITY,
STATE OF COLORADO

ORDER

IN THE MATTER OF: SHALE COUNTRY LIQUOR LLC D/B/A SHALE COUNTRY LIQUORS

LICENSE NO. 31-11

This ORDER is entered by the City of Rifle Liquor Licensing Authority (the "Authority") in regard to the Stipulation, Agreement, and Order entered into by the Authority and Shale Country Liquor LLC d/b/a Shale Country Liquors, whose address is 1250 Railroad Avenue, Rifle, CO 81650 ("Licensee"), on April 18, 2012. The Authority hereby submits the following:

1. Pursuant to the Stipulation, Agreement, and Order, Licensee was made subject to a nine (9) day suspension of its Hotel and Restaurant license as a penalty for its violation of the Colorado Liquor Code as set forth in Section 1 of the Stipulation and Agreement, including three (3) days of active suspension and six (6) days of suspension to be held in abeyance for a period of one (1) year from the date of approval of this Agreement by the Authority, pending no further violations of the Colorado Liquor Code during this period.

2. Licensee filed a written petition to the Authority in accordance with C.R.S. §12-47-601(3) and Section 6-5-100(i) if the Rifle Municipal Code ("RMC") requesting that the Licensee be allowed to pay a fine in lieu of active suspension. The petition supported the following:

A. That the public welfare and morals will not be impaired by permitting the Licensee to operate during the period set for suspension and that the payment of the fine will achieve the desired disciplinary purpose; and

B. That the books and records of the Licensee are kept in such a manner that the loss of sales of alcohol beverages that the Licensee would have suffered had the suspension gone into effect can be determined with reasonable accuracy therefrom; and

C. That the Licensee has not had his or her license or permit suspended or revoked by the Authority, nor had any suspension stayed by payment of a fine to the Authority, during the two years immediately preceding the date of the complaint or request as described in RMC Section 6-5-100(a) which has resulted in a final decision to suspend the license or permit.

4. Licensee has paid in full the fine stipulated in the Stipulation, Agreement, and Order.

5. The Authority hereby ORDERS the suspension of License 31-11 in reference to the April 18, 2012 Stipulation, Agreement, and Order permanently stayed.

This Order shall not be effective unless and until approved by the Authority.

CITY OF RIFLE LIQUOR LICENSING AUTHORITY

By _____
Title _____

Date _____

APPROVED and ORDERED this ___ day of _____, 2012.

CITY OF RIFLE LIQUOR LICENSING AUTHORITY

_____
By Lisa Cain, City Clerk

BEFORE THE CITY OF RIFLE LIQUOR LICENSING AUTHORITY,
STATE OF COLORADO

ORDER

IN THE MATTER OF: WESTERN SLOPE INVESTMENTS CORP. D/B/A WING NUTZ BAR AND GRILL

LICENSE NOS. 11-11 AND 6-12

This ORDER is entered by the City of Rifle Liquor Licensing Authority (the "Authority") in regard to the Stipulation, Agreement, and Order entered into by the Authority and Western Slope Investments Corp. d/b/a Wing Nutz Bar and Grill, whose address is 2178 Railroad Avenue, Rifle, CO 81650 ("Licensee"), on April 18, 2012. The Authority hereby submits the following:

1. Pursuant to the Stipulation, Agreement, and Order, Licensee was made subject to a nine (9) day suspension of its Hotel and Restaurant license as a penalty for its violation of the Colorado Liquor Code as set forth in Section 1 of the Stipulation and Agreement, including three (3) days of active suspension and six (6) days of suspension to be held in abeyance for a period of one (1) year from the date of approval of this Agreement by the Authority, pending no further violations of the Colorado Liquor Code during this period.

2. Licensee filed a written petition to the Authority in accordance with C.R.S. §12-47-601(3) and Section 6-5-100(i) if the Rifle Municipal Code ("RMC") requesting that the Licensee be allowed to pay a fine in lieu of active suspension. The petition supported the following:

A. That the public welfare and morals will not be impaired by permitting the Licensee to operate during the period set for suspension and that the payment of the fine will achieve the desired disciplinary purpose; and

B. That the books and records of the Licensee are kept in such a manner that the loss of sales of alcohol beverages that the Licensee would have suffered had the suspension gone into effect can be determined with reasonable accuracy therefrom; and

C. That the Licensee has not had his or her license or permit suspended or revoked by the Authority, nor had any suspension stayed by payment of a fine to the Authority, during the two years immediately preceding the date of the complaint or request as described in RMC Section 6-5-100(a) which has resulted in a final decision to suspend the license or permit.

4. Licensee has paid in full the fine stipulated in the Stipulation, Agreement, and Order.

5. The Authority hereby ORDERS the suspension of Licenses 11-11 and 6-12 in reference to the April 18, 2012 Stipulation, Agreement, and Order permanently stayed.

This Order shall not be effective unless and until approved by the Authority.

CITY OF RIFLE LIQUOR LICENSING AUTHORITY

By _____
Title _____

Date _____

APPROVED and ORDERED this ___ day of _____, 2012.

CITY OF RIFLE LIQUOR LICENSING AUTHORITY

_____
By Lisa Cain, City Clerk

BEFORE THE CITY OF RIFLE LIQUOR LICENSING AUTHORITY,
STATE OF COLORADO

ORDER

IN THE MATTER OF: DOC'S BREWING COMPANY INC. D/B/A RIFLE BREWING COMPANY

LICENSE NO. 26-11

This ORDER is entered by the City of Rifle Liquor Licensing Authority (the "Authority") in regard to the Stipulation, Agreement, and Order entered into by the Authority and Doc's Brewing Company Inc. d/b/a Rifle Brewing Company, whose address is 412 Park Avenue, Rifle, CO 81650 ("Licensee"), on April 18, 2012. The Authority hereby submits the following:

1. Pursuant to the Stipulation, Agreement, and Order, Licensee was made subject to a nine (9) day suspension of its Hotel and Restaurant license as a penalty for its violation of the Colorado Liquor Code as set forth in Section 1 of the Stipulation and Agreement, including three (3) days of active suspension and six (6) days of suspension to be held in abeyance for a period of one (1) year from the date of approval of this Agreement by the Authority, pending no further violations of the Colorado Liquor Code during this period.

2. Licensee filed a written petition to the Authority in accordance with C.R.S. §12-47-601(3) and Section 6-5-100(i) if the Rifle Municipal Code ("RMC") requesting that the Licensee be allowed to pay a fine in lieu of active suspension. The petition supported the following:

A. That the public welfare and morals will not be impaired by permitting the Licensee to operate during the period set for suspension and that the payment of the fine will achieve the desired disciplinary purpose; and

B. That the books and records of the Licensee are kept in such a manner that the loss of sales of alcohol beverages that the Licensee would have suffered had the suspension gone into effect can be determined with reasonable accuracy therefrom; and

C. That the Licensee has not had his or her license or permit suspended or revoked by the Authority, nor had any suspension stayed by payment of a fine to the Authority, during the two years immediately preceding the date of the complaint or request as described in RMC Section 6-5-100(a) which has resulted in a final decision to suspend the license or permit.

4. Licensee has paid in full the fine stipulated in the Stipulation, Agreement, and Order.

5. The Authority hereby ORDERS the suspension of License 26-11 in reference to the April 18, 2012 Stipulation, Agreement, and Order permanently stayed.

This Order shall not be effective unless and until approved by the Authority.

CITY OF RIFLE LIQUOR LICENSING AUTHORITY

By _____
Title _____

Date _____

APPROVED and ORDERED this ___ day of _____, 2012.

CITY OF RIFLE LIQUOR LICENSING AUTHORITY

_____
By Lisa Cain, City Clerk

BEFORE THE CITY OF RIFLE LIQUOR LICENSING AUTHORITY,
STATE OF COLORADO

ORDER

IN THE MATTER OF: THAI CHILI BISTRO INC. D/B/A THAI CHILI BISTRO

LICENSE NOS. 03-11 AND 8-12

This ORDER is entered by the City of Rifle Liquor Licensing Authority (the "Authority") in regard to the Stipulation, Agreement, and Order entered into by the Authority and Thai Chili Bistro Inc. d/b/a Thai Chili Bistro, whose address is 115 East 3rd Street, Rifle, CO 81650 ("Licensee"), on April 18, 2012. The Authority hereby submits the following:

1. Pursuant to the Stipulation, Agreement, and Order, Licensee was made subject to a nine (9) day suspension of its Hotel and Restaurant license as a penalty for its violation of the Colorado Liquor Code as set forth in Section 1 of the Stipulation and Agreement, including three (3) days of active suspension and six (6) days of suspension to be held in abeyance for a period of one (1) year from the date of approval of this Agreement by the Authority, pending no further violations of the Colorado Liquor Code during this period.

2. Licensee filed a written petition to the Authority in accordance with C.R.S. §12-47-601(3) and Section 6-5-100(i) if the Rifle Municipal Code ("RMC") requesting that the Licensee be allowed to pay a fine in lieu of active suspension. The petition supported the following:

A. That the public welfare and morals will not be impaired by permitting the Licensee to operate during the period set for suspension and that the payment of the fine will achieve the desired disciplinary purpose; and

B. That the books and records of the Licensee are kept in such a manner that the loss of sales of alcohol beverages that the Licensee would have suffered had the suspension gone into effect can be determined with reasonable accuracy therefrom; and

C. That the Licensee has not had his or her license or permit suspended or revoked by the Authority, nor had any suspension stayed by payment of a fine to the Authority, during the two years immediately preceding the date of the complaint or request as described in RMC Section 6-5-100(a) which has resulted in a final decision to suspend the license or permit.

4. Licensee has paid in full the fine stipulated in the Stipulation, Agreement, and Order.

5. The Authority hereby ORDERS the suspension of Licenses 03-11 and 8-12 in reference to the April 18, 2012 Stipulation, Agreement, and Order permanently stayed.

This Order shall not be effective unless and until approved by the Authority.

CITY OF RIFLE LIQUOR LICENSING AUTHORITY

By _____
Title _____

Date _____

APPROVED and ORDERED this ___ day of _____, 2012.

CITY OF RIFLE LIQUOR
LICENSING AUTHORITY

_____
By Lisa Cain, City Clerk

BEFORE THE CITY OF RIFLE LIQUOR LICENSING AUTHORITY,
STATE OF COLORADO

ORDER

IN THE MATTER OF: WAL-MART SUPERSTORE #5232

LICENSE NO. 17-11

This ORDER is entered by the City of Rifle Liquor Licensing Authority (the "Authority") in regard to the Stipulation, Agreement, and Order entered into by the Authority and Wal-Mart Superstore #5232, whose address is 1000 Airport Road, Rifle, CO 81650 ("Licensee"), on May 2, 2012. The Authority hereby submits the following:

1. Pursuant to the Stipulation, Agreement, and Order, Licensee was made subject to a nine (9) day suspension of its Hotel and Restaurant license as a penalty for its violation of the Colorado Liquor Code as set forth in Section 1 of the Stipulation and Agreement, including three (3) days of active suspension and six (6) days of suspension to be held in abeyance for a period of one (1) year from the date of approval of this Agreement by the Authority, pending no further violations of the Colorado Liquor Code during this period.

2. Licensee filed a written petition to the Authority in accordance with C.R.S. §12-47-601(3) and Section 6-5-100(i) if the Rifle Municipal Code ("RMC") requesting that the Licensee be allowed to pay a fine in lieu of active suspension. The petition supported the following:

A. That the public welfare and morals will not be impaired by permitting the Licensee to operate during the period set for suspension and that the payment of the fine will achieve the desired disciplinary purpose; and

B. That the books and records of the Licensee are kept in such a manner that the loss of sales of alcohol beverages that the Licensee would have suffered had the suspension gone into effect can be determined with reasonable accuracy therefrom; and

C. That the Licensee has not had his or her license or permit suspended or revoked by the Authority, nor had any suspension stayed by payment of a fine to the Authority, during the two years immediately preceding the date of the complaint or request as described in RMC Section 6-5-100(a) which has resulted in a final decision to suspend the license or permit.

4. Licensee has paid in full the fine stipulated in the Stipulation, Agreement, and Order.

5. The Authority hereby ORDERS the suspension of License 17-11 in reference to the May 2, 2012 Stipulation, Agreement, and Order permanently stayed.

This Order shall not be effective unless and until approved by the Authority.

CITY OF RIFLE LIQUOR LICENSING AUTHORITY

By _____
Title _____

Date _____

APPROVED and ORDERED this ___ day of _____, 2012.

CITY OF RIFLE LIQUOR
LICENSING AUTHORITY

_____

By Lisa Cain, City Clerk

MEMORANDUM

To: John Hier, City Manager

From: Kristen Tarufelli, Accountant

Date: June 14, 2012

Subject: 2011 Audited Financial Statements

I respectfully request City Council approve and accept the 2011 Audit as presented at the June 6th, 2012, Council workshop and meeting. Included with this memo is a complete set of the final draft of the 2011 audited financial statements. The Management's Discussion and Analysis is now included on pages i-xiii. No further modifications are expected to the final draft.

If you have any questions please contact me at extension 447.

Thank you for your time and consideration.

CITY OF RIFLE
202 RAILROAD AVENUE • P.O. BOX 1908 • RIFLE, CO 81650
970-665-6400 • WWW.RIFLECO.ORG

CITY OF RIFLE, COLORADO

AUDITED FINANCIAL STATEMENTS

DECEMBER 31, 2011

Draft

CITY OF RIFLE, COLORADO

ROSTER OF CITY OFFICIALS
DECEMBER 31, 2011

CITY COUNCIL

Jay Miller – Mayor

Alan Lambert – Mayor Pro Tem

Keith Lambert – Councilor

Jonathan Rice – Councilor

Jennifer Sanborn – Councilor

Rich Carter – Councilor

Randy Winkler – Councilor

ADMINISTRATION

John Hier – City Manager

Charles Kelty – Finance Director

Draft

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City of Rifle, Colorado

Management's Discussion and Analysis
December 31, 2011

Management of the City of Rifle offers readers of the City of Rifle's financial statements this narrative overview and analysis of the financial activities of the City for the year ended December 31, 2011. The intent of this discussion and analysis is to look at the City's financial performance as a whole. Readers should also review the notes to the financial statements and financial statement to broaden their understanding of the city's position.

The Management Discussion and Analysis (MD&A) is an element of the reporting model adopted by the Governmental Accounting Standards Board (GASB) in their Statement No. 34, Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments, issued June 1999.

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Financial Highlights

- All amounts, unless otherwise indicated, are expressed in thousands of dollars.
- City of Rifle's assets exceeded its liabilities at the close of 2011 by $110,392 (net assets). Of this amount, $18,916 may be used to meet the government's ongoing obligations.
- Total net assets, city-wide, increased by $808 or 0.7%.
- The General Fund received an energy impact severance tax payment of $604 in 2011, an increase from the $296 received in 2010. These funds are intended to help the City deal with impacts of the energy industry.
- As of December 31, 2011, combined governmental fund balances totaled $15,277, a decrease of $1,486 from the prior year.
- General fund unassigned fund balance at December 31, 2011 was $3,944 or 53% of total general fund expenditures.
- The business-type activities net assets increased $106 to $46,181 during the year.
- Restricted and Unrestricted net assets for the business-type activities decreased $476; Water Fund decreased $228; Sewer Fund decreased $622; and Sanitation Fund increased $374.

Overview of the Financial Statements

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

Government-wide financial statements – The *government-wide financial statements* are designed to provide readers with a broad overview of the City's finances, in a manner similar to private-sector business.

The *Statement of Net Assets* presents information on all of the City's assets and liabilities, with the difference between the two reported as net assets. Net asset increases or decreases, over time, may serve as a useful indicator of whether the financial position of the City of Rifle is improving or deteriorating. Other non-financial factors such as the condition of the City's roads and changes in the City's property and sales tax base will also need to be considered to assess the overall health of the City.

The *Statement of Activities* presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods, for example, uncollected taxes and earned but unpaid wages.

The *Statement of Net Assets* and the *Statement of Activities* report City activities in two categories - *government activities* and *business-type activities.*

Government activities are most of the City's basic services including general administration, police, property inspection, animal shelter, public works, cemetery, parks, maintenance and recreation, senior services, information center, Downtown Development Authority, Visitor Improvement, and Urban Renewal Authority. Taxes and intergovernmental revenues principally support these services.

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

The government-wide financial statements can be found on pages 1-2 of this report.

Fund financial statements – A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Rifle like other local governments uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the City's funds can be divided into three categories, governmental funds, proprietary funds, and fiduciary funds.

Governmental funds – Governmental funds are used to account for essentially the same functions reported as governmental activities in the *government-wide financial statements*. However, unlike the *government-wide financial statements*, governmental fund financial statements focus on near-term inflows and outflows of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the *government-wide financial statements*, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the *government-wide financial statements*. By doing so, readers may better understand the long-term impact of the City's near-term financing decisions. Both The *Balance Sheet-Governmental Funds* and *Statement of Revenues,*

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Expenditures, and Changes in Fund Equity-Governmental Funds provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The *Balance Sheet-Governmental Funds* and *Statement of Revenues, Expenditures, and Changes in Fund Equity-Governmental Funds* present the City's major governmental funds separately and combine the non-major funds into a single, aggregated presentation. The City's major governmental funds are the General, Street Improvement, Economic Development, and Parks and Recreation. The non-major funds are Capital, Conservation Trust, Visitor Improvement, Downtown Development, Rifle Information Center, Energy Efficiency Fund, and the Urban Renewal Authority.

The City of Rifle adopts an annual appropriated budget for all governmental funds. A budgetary comparison statement has been provided for all funds to demonstrate compliance with the state budget statutes.

The basic governmental financial statements for the major funds are found on pages 3-9 of this report. The basic governmental financial statements for the non-major funds are found on pages 39-47.

Proprietary funds – The City of Rifle maintains three proprietary funds. Proprietary (Enterprise) funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its water, sewer, and sanitation operations. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City of Rifle uses two internal service funds to account for its fleet maintenance and information technology operations. The fleet maintenance and information technology services predominantly benefit the governmental rather than the business-type functions, and are included with the governmental activities in the government-wide financial statements.

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

The City uses two internal service funds: Fleet Maintenance and Information Technology to report activities for services provided to the following funds: General, Parks and Recreation, Water, Sewer, and Sanitation. Because the majority of the services are provided to the General Fund, the net assets of these activities are blended into governmental activities in the government-wide reports.

The basic proprietary fund financial statements can be found on pages 10-12 of this report. The schedule of revenues, expenditures, and changes in net assets – budget and actual reports are shown on pages 48-50.

Fiduciary Funds – The City has one fiduciary fund. Fiduciary funds are used to account for resources held for the benefit of outside parties. Fiduciary funds are not reflected in the government-wide financial statements because the resources of these funds are not available to finance City operations. The City's fiduciary activities are reported in a separate *Statement of Fiduciary Net Assets* and *Statement of Changes in Fiduciary Net Assets which* are reported on pages13-14.

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Notes to the Financial Statements – The notes provide additional information that is essential to the full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 15-38 of this report.

Other Financial Statements - The combined basic financial statements referred to earlier in connection with non-major governmental funds and the individual fund statements can be found on pages 39-47 of this report.

Other information – In addition to the basic financial statements and accompanying notes, this report also includes the Local Highway Finance Report. This information is presented on pages 56-57.

Government-wide Financial Analysis

As noted earlier, the government-wide financial statements are designed to provide readers with a broad overview and long-term analysis of the City's financial position in a manner similar to a private-sector business.

Net Assets

The following table shows the City's net assets for 2011 as compared to 2010.

SUMMARY OF NET ASSETS
December 31, 2011 and 2010
In Thousands of Dollars

	Governmental Activities		Business Type Activities		Total	
	2011	2010	2011	2010	2011	2010
Current and other assets	$ 18,205	$ 19,829	$ 8,365	$ 8,867	$ 26,570	$ 28,696
Capital assets (net)	53,731	52,501	57,082	57,521	110,814	110,022
Total assets	71,936	72,330	65,447	66,387	137,383	138,718
Other liabilities	2,815	3,207	1,841	1,822	4,656	5,028
Long-term liabilities	4,910	5,615	17,425	18,491	22,335	24,106
Total liabilities	7,725	8,822	19,266	20,312	26,992	29,134
Net assets:						
Invested in capital assets net of related debt	48,542	46,621	38,627	38,045	87,169	84,666
Restricted:						
for Debt Service and O&M Reserves	447	380	765	1,048	1,212	1,428
for Emergencies	396	439	-	-	396	439
for Senior Center Meals and Capital	165	106	-	-	165	106
for Street and Drainage Improvements	561	1,241	-	-	561	1,241
for Water Capital Acquisitions	-	-	1,290	2,048	1,290	2,048
for Parks and Recreation	682	773	-	-	682	773
Unrestricted	13,418	13,948	5,499	4,933	18,917	18,881
Total net assets	$ 64,211	$ 63,508	$ 46,181	$ 46,075	$ 110,392	$ 109,584

Net assets may serve over time as a useful indicator of the City's financial position. The City of Rifle's assets exceeded its liabilities (net assets) at the close of 2011 by $110,392.

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At the end of 2011, the City of Rifle had positive balances in all three categories of net assets, both for the City as a whole and also for its governmental activities.

Total net assets for the City as a whole increased by $808 or 0.7%.

The largest portion of the City's net assets (79%) is its investment in capital assets (e.g. land, buildings, infrastructure, and equipment), less any related outstanding debt used to acquire the assets. These capital assets are used to provide services to citizens, and consequently are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, the related resources needed to repay this debt must be provided from other sources because the capital assets themselves cannot be used to liquidate these liabilities.

Governmental activities investment in capital assets net of related debt increased $1,921 or 4%. This increase was primarily due to economic development of the old Valley Lumber Site located on West 2nd street to welcome a multi-screen movie theatre, land development, street overlays, drainage improvements, and equipment purchases during 2011.

Business-type activities investment in capital assets net of related debt increased $582 or 2%. This increase was a result of water and sewer infrastructure improvements. The City of Rifle also continued designing a new Water Treatment Plant facility.

Restricted net assets are the portion of net assets legally restricted less any non-capital-related liabilities payable from those resources. In the 2011 report, more detail is provided in the restricted net asset category. As of December 31, 2011, restricted net assets in the governmental activities included the following: Debt Service and O&M Reserves ($447), TABOR Emergencies ($396), Senior Center Meals and Capital ($165), Street and Drainage Improvements ($561), and Parks and Recreation ($682). The Business-Type Activities includes restricted net assets of the following: Debt Service and O&M reserves ($765) and Water Capital Acquisitions ($1,290).

The remaining balance of net assets (unrestricted net assets) totals $18,917. These assets may be used to meet the City's ongoing obligations to citizens and creditors.

Changes in Net Assets

The following shows the detail of the City's changes in net assets for the year ended December 31, 2011. There was a prior period adjustment of $767,263 that impacted the governmental funds. The prior period adjustment was due to a sales tax vendor filing a claim for a refund. The vendor paid sales taxes for 2009-2010 based on the assumption they were located within the City limits. This was determined to not be the case. Additional information can be found in Footnote Disclosure #13 on page 38.

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SUMMARY OF CHANGES IN NET ASSETS
For Years Ended December 31, 2011 and 2010

	Governmental Activities		Business Type Activivies		Total	
	2011	2010	2011	2010	2011	2010
REVENUES						
Program Revenues:						
Charges for services	$ 1,013,498	$ 995,712	$ 5,001,925	$ 5,502,332	$ 6,015,423	$ 6,498,044
Operating grants and contributions	1,440,275	1,202,489	-	-	1,440,275	1,202,489
Capital grants and contributions	903,454	2,684,037	839,714	913,587	1,743,168	3,597,624
General Revenues:						
Property taxes	908,762	872,389	-	-	908,762	872,389
Sales and use taxes	7,330,046	7,254,568	-	-	7,330,046	7,254,568
Other taxes	2,174,345	1,515,229	-	-	2,174,345	1,515,229
Investment earnings	171,001	163,625	78,415	68,941	249,416	232,566
Other revenues	93,767	84,295	214,941	84,764	308,708	169,059
Total revenues	14,035,148	14,772,344	6,134,995	6,569,624	20,170,143	21,341,968
EXPENSES						
General government	2,525,018	2,604,504		-	2,525,018	2,604,504
Public Safety	2,689,148	2,627,783		-	2,689,148	2,627,783
Public Works	3,628,782	3,325,613		-	3,628,782	3,325,613
Cemetery	73,591	67,600		-	73,591	67,600
Parks and recreation	2,787,025	2,269,465	-	-	2,787,025	2,269,465
Economic development and assistance	666,142	1,083,415		-	666,142	1,083,415
Interest Expense	-	(402,000)			-	(402,000)
Water operations	-		2,537,343	2,661,270	2,537,343	2,661,270
Sewer operations	-		3,093,284	2,658,304	3,093,284	2,658,304
Sanitation operations	-	-	594,425	534,698	594,425	534,698
Total expenses	12,369,706	11,576,380	6,225,052	5,854,272	18,594,758	17,430,652
Increase in net assets before transfers	1,665,442	3,195,964	(90,057)	715,352	1,575,385	3,911,316
Transfers	(196,022)	(62,302)	196,022	62,302	-	-
Increase in net assets	1,469,420	3,133,662	105,965	777,654	1,575,385	3,911,316
Net assets, Beginning of year	63,508,462	60,374,800	46,075,266	45,297,612	109,583,728	105,672,412
Prior Period Adjustment	(767,263)		-	-	(767,263)	-
Net assets, end of year	$ 64,210,619	$ 63,508,462	$ 46,181,231	$ 46,075,266	$ 110,391,850	$ 109,583,728

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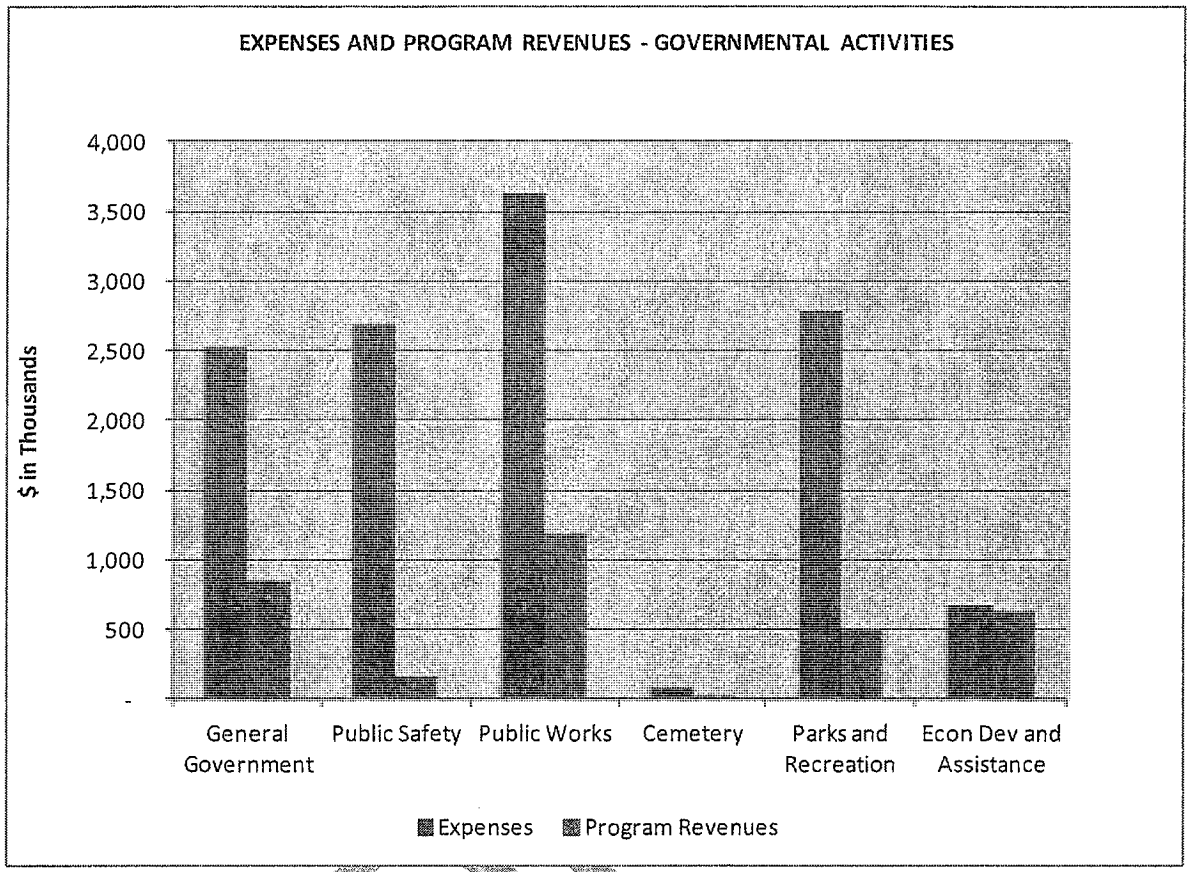
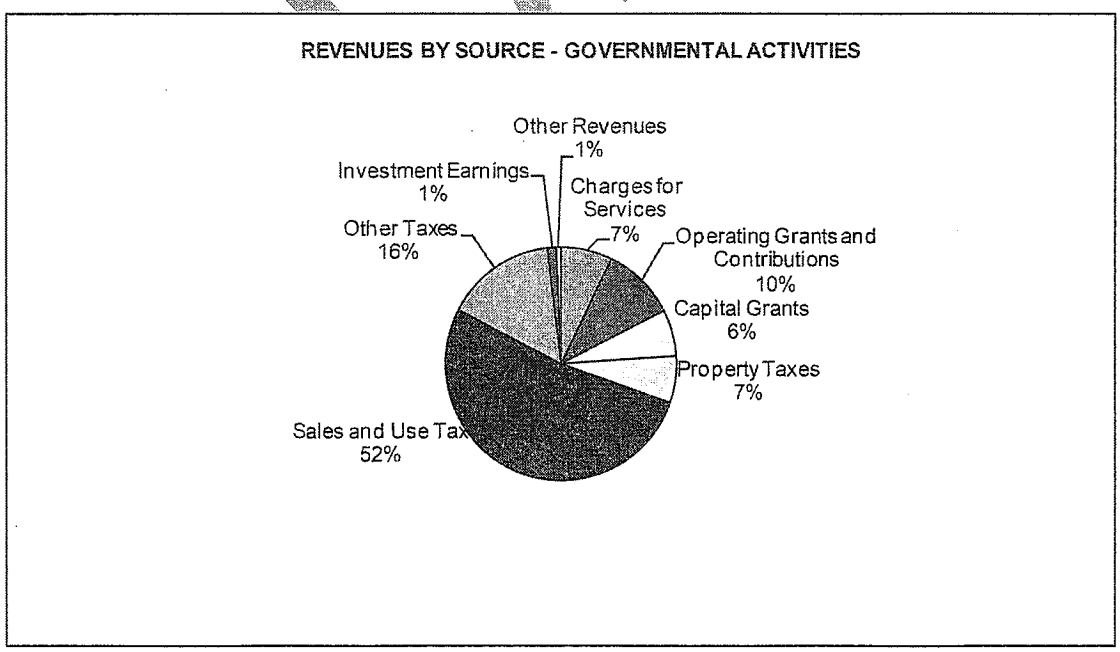
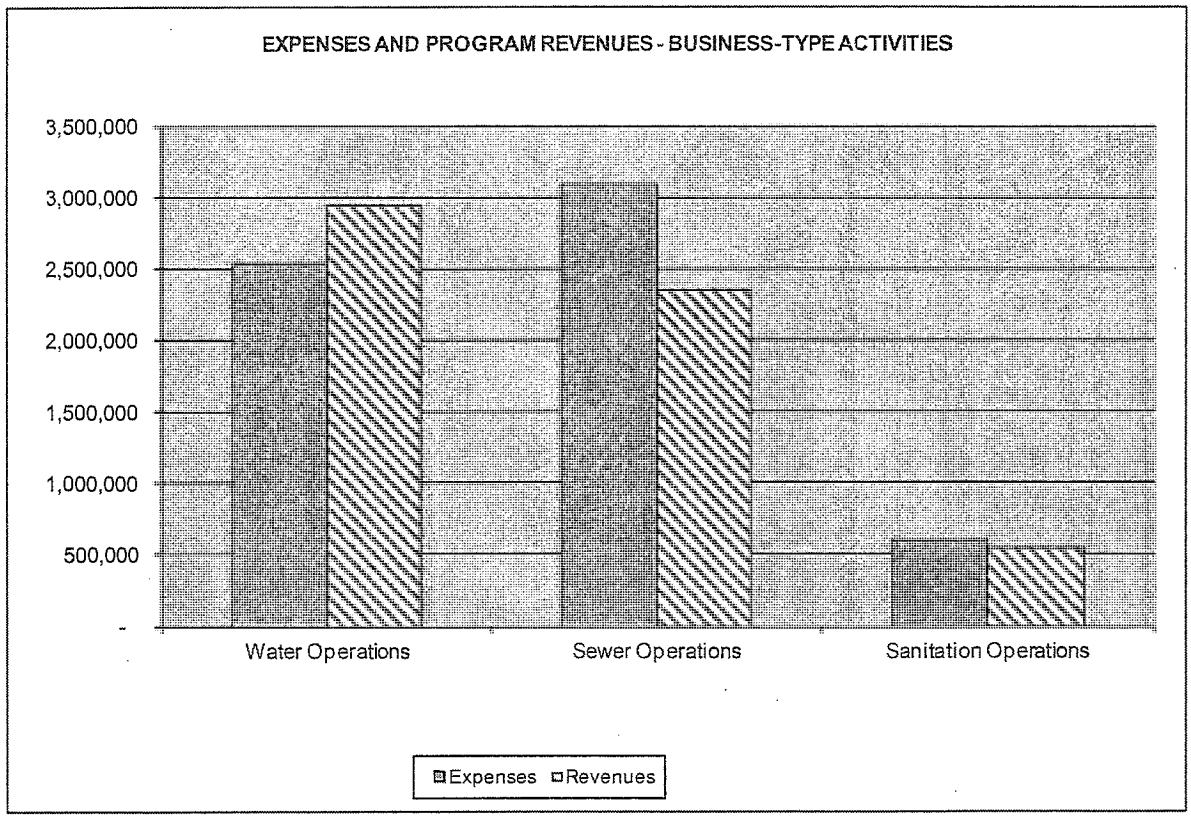
Governmental Activities



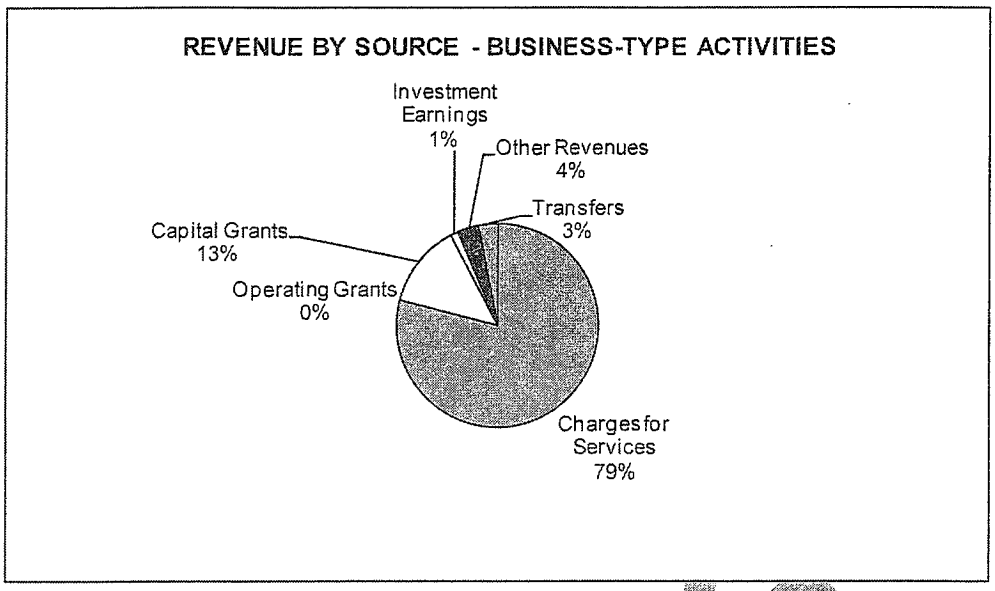


Business-Type Activities

Below is a graph of the business-type activities expenses and related program revenues. As illustrated below and in the Statement of Activities, charges for services, operating grants and contributions, and capital grants received for the services provided cover program expenses in the Water, Sewer, and Sanitation funds. The Water Fund is in need of a new treatment plant and design continues. The Sanitation Fund outsourced, in November 2011, sanitation collection services to MRI, Inc.



Below is a graph illustrating revenues by source for the business-type activities: seventy-nine percent (79%) of collected revenues are from service related fees.



FINANCIAL ANALYSIS OF THE CITY'S FUNDS

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

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

One of the differences between the governmental activities as reported in the government-wide *Statement of Activities* and the individual governmental fund financial statements is the reporting of capital asset acquisitions. For the government-wide financial statements, any new assets are capitalized and only depreciation expense for those assets is reported in the *Statement of Activities.* In the individual governmental fund financial statements, the expenditure for the capital asset acquisitions is reported in the *Statement of Revenues, Expenditures, and Changes in Fund Equity.* Therefore, governmental fund capital outlay expenditures of $3,661 acquired in 2011 (page 4) are not reflected in the *Statement of Activities.*

At year-end 2011, governmental funds as reported on the *Balance Sheet – Governmental Funds* (page 3) reported a combined fund balance of $15,277, a decrease of $1,486 or 9% from the prior year. The General Fund balance decreased $68 or 1%. The Street Improvement Fund balance decreased $395 or 12%. The Economic Development Fund increased $474 primarily due to improvements completed on West 2nd Street to encourage Brenden Theatres to build in the City of Rifle. The Parks and Recreation Fund balance decreased $190 or 20% primarily due to park improvements, start-up costs associated with the City of Rifle Fitness Center, and continuing Deerfield Park design expenses.

The General Fund unassigned fund balance at December 31, 2011 was $3,944 or 53% of annual expenditures. Unassigned fund balance decreased $369. The decrease in fund balance was primarily due to the increase in subsequent year's expenditures. Overall, the General Fund

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revenues exceeded expenditures by $352 during 2011, however, the subsequent year's expenditures increased to $858 for 2012.

General Fund revenues increased by $714 or 9% primarily due to: general sales tax (0.8% increase), building and motor vehicle use taxes (45% increase), and severance and mineral lease (64% increase).

General Fund expenditures increased $1,336 or 18% during 2011 due to additional transfers to the following funds: Capital ($535), Sewer ($200), Information Technology ($280), and Energy Efficiency ($50). Additionally, $206 was spent installing energy efficient building improvements to City of Rifle buildings.

The Street Improvement Fund revenues increased $287 or 25% in 2011 primarily due to Department of Local Affairs grant funds received to assist with Fairway Avenue re-construction performed during the year.

The Street Improvement Fund's expenditures vary depending on planned public work projects. In 2011, the City performed major street overlays ($432), traffic signals ($68), and the Fairway Ave project ($673).

Proprietary Funds – The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. The Proprietary Funds include the Water, Wastewater (Sewer), and Sanitation Funds. During 2011 the Sanitation fund trash collection services were outsourced to MRI, Inc. As a result of this change, Sanitation trash charges to the community saw a slight decrease in November 2011.

Net assets increased $106 to $46,181 for all proprietary funds. Investment in capital assets, net of related debt represents 84% of total net assets.

ENTERPRISE FUND NET ASSETS
December 31, 2011 and 2010
In Thousands of Dollars

	Water		Sewer		Sanitation		Total	
	2011	2010	2011	2010	2011	2010	2011	2010
Investment in capital assets net of related debt	$ 20,663	$ 19,950	$ 17,964	$ 17,868	$ -	$ 227	$ 38,627	38,045
Restricted:								
For Capital Improvements	1,267	1,554	0		0	0	1,267	1,554
For Operations and Maintenance Reserve	415	670	351	378	0	0	766	1,048
For Water Rights Acquisition	23	84	0	0	0	0	23	84
Unrestricted	4,067	3,691	647	1,242	785	411	5,499	5,344
Total net assets	$ 26,435	$ 25,949	$ 18,962	$ 19,488	$ 785	$ 638	$ 46,182	$ 46,075

In the Wastewater Fund, a new treatment plant was completed in 2009. The plant was funded via Colorado Water Resources and Power Development Authority. Unfortunately, the debt covenant is not being met for 2011 (see Footnote Disclosure #12: Rate Maintenance, page 37). The City transferred $235,000 from the General Fund to assist with the Debt Covenant, however it was not enough. As a result, the City increased Wastewater User rates 14.6% on January 1st, 2012. A replacement Water Treatment plant is under design, and design is estimated to be completed mid-2012. Anticipated construction start date is Fall-2012.

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Unrestricted net assets are reserves for the operation and maintenance component of all the proprietary funds. Again, both the Water Fund and Sewer Fund have been increasing user fees annually to meet increasing costs of operation and to replace decaying infrastructure, which includes collection and distribution lines.

In 2011, the Water and Sanitation funds showed positive net profits of $485 and $147 respectively. The Wastewater fund incurred a $527 net loss.

Total unrestricted net assets decreased $476 during 2011. The Water Fund's unrestricted net assets decreased $228; Sewer Fund decreased $622; and the Sanitation Fund increased $374.

General Fund Budgetary Highlights

Overall the General Fund saw an increase in revenues from 2010. The national recession continues to impact Rifle. Fortunately, the City has been building up its reserves for several years in preparation for a possible economic downturn. Overall, total revenues exceeded budget by $1,812. However, Property Tax Revenues were higher than budget by 2%; Sales Tax revenues were higher than budget by 11%; Building Use Tax was higher than budget by $81; Motor Vehicle Use Tax was higher than budget by 17%; and Severance/Mineral Lease dollars exceeded budget by $1,332. Expenditures were under budget by 0.6%. Management and City Council continues to budget conservatively to weather the recession, as well as ensure the City is responsive to community needs.

The General Fund unassigned fund balance decreased to $3,944 or approximately 53% of expenditures.

Capital Asset and Debt Administration

Capital assets – At the end of 2011, the City had $110,813 invested in capital assets. Investment in capital assets includes land, buildings, improvements, machinery and equipment, park facilities, roads, bridges, and trails. Total investment in capital assets for the current year increased 0.7% - an 2% increase for governmental activities and a 0.8% decrease in business-type activities respectively.

CAPITAL ASSETS AT YEAR-END
(Net of Depreciation)
As of December 31, 2011 and 2010
In Thousands of Dollars

	Governmental Activities		Business Type Activities		Total	
	2011	2010	2011	2010	2011	2010
Land & Rights	$ 3,216	$ 3,146	$ 2,349	$ 2,109	$ 5,565	$ 5,255
Buildings	10,663	10,786	29,399	29,956	40,062	40,742
Improvements	38,481	36,907	24,337	24,090	62,818	60,997
Equipment	1,371	1,663	997	1,365	2,368	3,028
Total	$ 53,731	$ 52,502	$ 57,082	$ 57,520	$ 110,813	$ 110,022

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Major changes in the capital assets activity include:

- Energy Efficient Building Improvements $303
- Parks and trails, and equipment improvements at $192
- Water infrastructure improvements and equipment at $552
- Water treatment plant design $874
- Sewer Treatment Plant Sludge Removal $240
- Sanitation Fund Outsourcing – sold two sanitation trucks
- Capital purchases replacing and/or improving furniture and equipment.

Debt administration – At the end of 2011, the City of Rifle had a balance of $24,114 outstanding in revenue bonds, revenue notes payable, notes payable and capital leases. The City repaid $1,672 of its outstanding obligations.

The City has no general obligation debt at this time.

OUTSTANDING DEBT
Years Ended December 31, 2011 and 2010
In Thousands of Dollars

	Governmental Activities		Business Type Activities		Total	
	2011	2010	2011	2010	2011	2010
Revenue bonds and notes payable	$ 2,280	$ 2,560	$ 17,984	$ 18,922	$ 20,264	$ 21,482
Capital leases	3,392	3,751	471	553	3,863	4,304
Total	$ 5,672	$ 6,311	$ 18,455	$ 19,475	$ 24,127	$ 25,786

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Economic Factors and Next Year's Budget

The economic downturn continues to impact the City of Rifle. However, 2011 revenues came in slightly better than anticipated. General sales tax increased 0.8%, building and motor vehicle use taxes experienced a 45% increase, and severance and mineral lease showed a 64% increase. The 2012 budget was prepared with an assumption of sales taxes growing 3.6%in the area. The first quarter of 2012 shows sales tax revenues are approximately 11% higher than the first quarter of 2011. The oil and gas industry reduced staff on the Western Slope and the building industry decreased development over the past several years. The 2012 budget reflects these economic issues since these items have a significant impact on the City of Rifle finances.

Fortunately, the City of Rifle, as a result of prudent management in prior years, has built up the reserves in its general fund. As of December 31, 2011 the audited General Fund unassigned and designated for subsequent year's expenditures fund balance is approximately $4.8 million. There continues to be adequate funds to continue weathering the economic downturn.

While the economy continues to struggle, the City of Rifle has positioned itself for just such a period. Management and City Council will make necessary changes as needed to the budget to make sure future services will continue to meet the public's needs.

Overall City growth experienced an increase during 2011. Early in 2011 the City of Rifle entered into an agreement to redevelop the old Valley Lumber site on West 2nd street into a seven screen movie theatre. This project was completed in November 2011 and Brenden Theatres officially opened for business. As part of this project, the City contributed approximately $2.0 million developing the infrastructure for this project. Funds for this project came from Garfield County ($500,000) and City of Rifle's Capital Fund ($1.5 million). Extra room was developed so that new retail businesses might be encouraged to relocate to the City of Rifle, thus possibly improving our tax base.

2012 will continue to be a year of challenges for the City as we continue adjusting to the new financial reality. We have made significant budget adjustments, and continue to explore ways to provide services at reduced costs. Possibly, the biggest challenge during 2012 will be the construction of a new Water Treatment Plant to replace the two old water treatment plants. Graham Mesa and Beaver Creek plants are approximately 30 years old and need to be replaced. The primary reason for construction is health and safety issues. Plant design is expected to be completed in the summer of 2012. City Council voted to move forward with construction and a loan of $25 million was approved by the Colorado Water Resources and Power Development Authority in May 2012. However, significant rate increases will need to be implemented to fund the annual debt service. The first phase of the rate increase is expected on September 1st 2012. The second phase of the rate increase will be implemented in April 2013 if a ½ cent sales tax being considered for the November ballot is rejected.

Finally, City Council had the foresight to set aside significant reserves over the past years and those reserves have assisted the City during the recession and as the City moves towards an economic recovery.

Request for Information

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

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FINANCIAL SECTION

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Holscher, Mayberry & Company, LLC

Certified Public Accountants

Member of the American Institute of Certified Public Accountants
Governmental Audit Quality Center
and Private Company Practice Section

City Council
City of Rifle
Rifle, Colorado

INDEPENDENT AUDITORS' REPORT

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, the aggregate remaining fund information and the budgetary comparison statements of the City of Rifle, Colorado, as of and for the year ended December 31, 2011, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Rifle, Colorado's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City of Rifle Colorado's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Rifle, Colorado, as of December 31, 2011, and the respective changes in financial position, and, where applicable, cash flows, thereof, and the respective budgetary comparison of the General, Street Improvement, Economic Development, and Parks and Recreation Funds, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Rifle, Colorado's basic financial statements. The other supplementary information as presented in the table of contents is presented for purposes of additional analysis and legal compliance and is not a required part of the basic financial statements. The other supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Holscher, Mayberry + Company, LLC

Centennial, CO
May 25, 2012

DRAFT

8310 South Valley Highway – Suite 300
Englewood, Colorado 80112

Voice (303) 993 – 2199
Fax (720) 633 – 9763

BASIC FINANCIAL STATEMENTS

The Basic Financial Statements provide a financial overview of the City's operations. These financial statements present the financial position, operating results, and cash flows, where applicable, of all funds and activities as of December 31, 2011.

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CITY OF RIFLE, COLORADO

STATEMENT OF NET ASSETS
December 31, 2011

	Governmental Activities	Business - Type Activities	Total
ASSETS			
CURRENT ASSETS			
Cash and Investments	$ 14,161,388	$ 5,494,107	$ 19,655,495
Property Taxes Receivable	701,527	-	701,527
Special Assessments Receivable	119,442	-	119,442
Other Receivable	1,054,227	484,405	1,538,632
Interest Receivable	50,616	-	50,616
Prepaid Expenses	27,767	2,276	30,043
Due from Other Governments	165,001	201,214	366,215
Inventory	29,717	109,169	138,886
TOTAL CURRENT ASSETS	16,309,685	6,291,171	22,600,856
NONCURRENT ASSETS			
Capital Assets, net	53,731,067	57,082,489	110,813,556
Restricted Cash	1,820,452	2,054,977	3,875,429
Debt Issuance Costs	74,879	18,735	93,614
TOTAL NONCURRENT ASSETS	55,626,398	59,156,201	114,782,599
TOTAL ASSETS	71,936,083	65,447,372	137,383,455
LIABILITIES			
CURRENT LIABILITIES			
Accounts Payable	675,674	392,421	1,068,095
Accrued Wages & Comp. Absences	375,174	50,330	425,504
Accrued Interest Payable	19,274	264,220	283,494
Deposits	161,767	10,000	171,767
Deferred Revenue	820,969	94,148	915,117
Current Portion - Long Term Debt	762,511	1,059,773	1,822,284
TOTAL CURRENT LIABILITIES	2,815,369	1,870,892	4,686,261
NONCURRENT LIABILITIES			
Bonds Payable	1,990,000	-	1,990,000
Bond Premiums	11,045	-	11,045
Notes Payable	-	17,011,286	17,011,286
Capital Leases Payable	2,909,050	383,963	3,293,013
TOTAL NONCURRENT LIABILITIES	4,910,095	17,395,249	22,305,344
TOTAL LIABILITIES	7,725,464	19,266,141	26,991,605
NET ASSETS			
Invested in Capital Assets Net of Related Debt	48,542,017	38,627,467	87,169,484
Restricted:			
for Debt Service and O&M Reserves	446,840	765,453	1,212,293
for Emergencies	396,000	-	396,000
for Senior Center Meals and Capital	165,086	-	165,086
for Street and Drainage Improvements	560,589	-	560,589
for Water Capital Acquisitions	-	1,289,524	1,289,524
for Parks and Recreation	682,319	-	682,319
Unrestricted	13,417,768	5,498,787	18,916,555
TOTAL NET ASSETS	$ 64,210,619	$ 46,181,231	$ 110,391,850

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The accompanying notes are an integral part of the financial statements.

CITY OF RIFLE, COLORADO

STATEMENT OF NET ASSETS
December 31, 2011

	Governmental Activities	Business - Type Activities	Total
ASSETS			
CURRENT ASSETS			
Cash and Investments	$ 14,161,388	$ 5,494,107	$ 19,655,495
Property Taxes Receivable	701,527	-	701,527
Special Assessments Receivable	119,442	-	119,442
Other Receivable	1,054,227	484,405	1,538,632
Interest Receivable	50,616	-	50,616
Prepaid Expenses	27,767	2,276	30,043
Due from Other Governments	165,001	201,214	366,215
Inventory	29,717	109,169	138,886
TOTAL CURRENT ASSETS	16,309,685	6,291,171	22,600,856
NONCURRENT ASSETS			
Capital Assets, net	53,731,067	57,082,489	110,813,556
Restricted Cash	1,820,452	2,054,977	3,875,429
Debt Issuance Costs	74,879	18,735	93,614
TOTAL NONCURRENT ASSETS	55,626,398	59,156,201	114,782,599
TOTAL ASSETS	71,936,083	65,447,372	137,383,455
LIABILITIES			
CURRENT LIABILITIES			
Accounts Payable	675,674	392,421	1,068,095
Accrued Wages & Comp. Absences	375,174	50,330	425,504
Accrued Interest Payable	19,274	264,220	283,494
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Deferred Revenue	820,969	94,148	915,117
Current Portion - Long Term Debt	762,511	1,059,773	1,822,284
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Bonds Payable	1,990,000	-	1,990,000
Bond Premiums	11,045	-	11,045
Notes Payable	-	17,011,286	17,011,286
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TOTAL LIABILITIES	7,725,464	19,266,141	26,991,605
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for Debt Service and O&M Reserves	446,840	765,453	1,212,293
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for Senior Center Meals and Capital	165,086	-	165,086
for Street and Drainage Improvements	560,589	-	560,589
for Water Capital Acquisitions	-	1,289,524	1,289,524
for Parks and Recreation	682,319	-	682,319
Unrestricted	13,417,768	5,498,787	18,916,555
TOTAL NET ASSETS	$ 64,210,619	$ 46,181,231	$ 110,391,850

Draft

The accompanying notes are an integral part of the financial statements.

CITY OF RIFLE, COLORADO

STATEMENT OF ACTIVITIES
Year Ended December 31, 2011

		PROGRAM REVENUES		
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS
FUNCTIONS/PROGRAMS				
Governmental Activities				
Current:				
General Government	$ 2,525,018	$ 569,240	$ 209,966	$ 77,500
Public Safety	2,689,148	39,849	57,393	65,000
Public Works	3,628,782	41,675	444,363	691,032
Cemetery	73,591	28,673	-	-
Parks and Recreation	2,787,025	263,888	172,865	69,922
Economic Development and Assistance	666,142	70,173	555,688	-
TOTAL GOVERNMENTAL ACTIVITIES	12,369,706	1,013,498	1,440,275	903,454
Business - Type Activities				
Current:				
Water Operations	2,537,343	2,296,232	-	645,084
Sewer Operations	3,093,284	2,158,611	-	194,630
Sanitation Operations	594,425	547,082	-	-
TOTAL BUSINESS - TYPE ACTIVITIES	6,225,052	5,001,925	-	839,714
TOTAL PRIMARY GOVERNMENT	$ 18,594,758	$ 6,015,423	$ 1,440,275	$ 1,743,168

GENERAL REVENUES
Property Taxes
Sales and Use Taxes
Other Taxes
Investment Earnings
Other Revenues
TRANSFERS
TOTAL GENERAL REVENUES AND TRANSFERS

CHANGE IN NET ASSETS

NET ASSETS - Beginning of Year

PRIOR PERIOD ADJUSTMENT

NET ASSETS - Beginning of Year (As Restated)

NET ASSETS - End of Year

Draft

The accompanying notes are an integral part of the financial statements.

NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS		
PRIMARY GOVERNMENT		
GOVERNMENT ACTIVITIES	BUSINESS - TYPE ACTIVITES	TOTAL
$ (1,668,312)	$ -	$ (1,668,312)
(2,526,906)	-	(2,526,906)
(2,451,712)	-	(2,451,712)
(44,918)	-	(44,918)
(2,280,350)	-	(2,280,350)
(40,281)	-	(40,281)
(9,012,479)	-	(9,012,479)
-	403,973	403,973
-	(740,043)	(740,043)
-	(47,343)	(47,343)
-	(383,413)	(383,413)
(9,012,479)	(383,413)	(9,395,892)
908,762	-	908,762
7,330,046	-	7,330,046
2,174,345	-	2,174,345
171,001	78,415	249,416
93,767	214,941	308,708
(196,022)	196,022	-
10,481,899	489,378	10,971,277
1,469,420	105,965	1,575,385
63,508,462	46,075,266	109,583,728
(767,263)	-	(767,263)
62,741,199	46,075,266	108,816,465
$ 64,210,619	$ 46,181,231	$ 110,391,850

Draft

CITY OF RIFLE, COLORADO

BALANCE SHEET - GOVERNMENTAL FUNDS
December 31, 2011
With Comparative Totals for December 31, 2010

		SPECIAL REVENUE FUNDS			
	GENERAL	STREET IMPROVEMENT	ECONOMIC DEVELOPMENT	PARKS & RECREATION	OTHER GOVERNMENTAL FUNDS
ASSETS					
Cash and Investments	$ 5,095,561	$ 2,413,444	$ 843,511	$ 281,550	$ 4,696,158
Property Taxes Receivable	651,639	-	-	-	49,888
Special Assessments Receivable	-	119,442	-	-	-
Other Receivable	676,471	121,937	-	229,697	26,122
Interest Receivable	50,616	-	-	-	-
Prepaid Expenses	22,997	-	-	1,853	2,917
Advance to Other Funds	120,000	-	83,400	-	67,500
Due from Other Governments	123,567	19,245	21,953	-	236
Restricted Cash and Investments	723,548	690,424	-	328,080	78,400
TOTAL ASSETS	$ 7,464,399	$ 3,364,492	$ 948,864	$ 841,180	$ 4,921,221
LIABILITIES AND FUND BALANCE					
LIABILITIES					
Accounts Payable	$ 278,199	$ 71,610	$ 211,921	$ 37,798	$ 46,293
Accrued Wages & Comp. Absences	308,578	761	-	54,206	-
Deposits	160,992	-	-	775	-
Advances from Other Funds	-	150,900	-	-	120,000
Deferred Revenue	651,639	119,442	-	-	49,888
TOTAL LIABILITIES	1,399,408	342,713	211,921	92,779	216,181
FUND BALANCE					
Unspendable:					
Interfund Advances	120,000	-	83,400	-	67,500
Prepaids	22,997	-	-	1,853	2,917
Restricted for:					
Street, Drainage & Parking Improvements	270,304	277,966		-	12,319
Senior Center Capital and Meals	165,086	-		-	-
Debt Service Reserves	-	446,840		-	-
Emergencies	396,000	-	-	-	-
Parks and Recreation	288,158			328,080	66,081
Committed for:					
Parks and Recreation	-		-	17,560	-
Assigned for:					
Subsequent Year's Expenditures	858,118	1,135,783		-	784,510
Economic Development	-	-	653,543	-	340,314
Street Improvements	-	1,161,190	-	-	-
Parks and Recreation	-	-	-	400,868	-
Capital Improvements	-	-	-	-	3,431,399
Unassigned	3,944,328	-	-	-	-
TOTAL FUND BALANCE	6,064,991	3,021,779	736,943	748,401	4,705,040
TOTAL LIABILITIES AND FUND BALANCE	$ 7,464,399	$ 3,364,492	$ 948,864	$ 841,180	$ 4,921,221

FUND BALANCE - GOVERNMENTAL FUNDS

Capital assets used in governmental activities are not resources and are not reported in the funds:
Capital Assets
Accumulated Depreciation

Long-term liabilities are not due and payable in the current period
Revenue Bonds Payable
Capital Leases Payable
Bond Premiums
Bond Issuance Costs
Accrued Interest Payable

Internal Service Funds are blended into Governmental Activities:
Internal Service Net Assets

TOTAL NET ASSETS - GOVERNMENTAL ACTIVITIES

Draft

The accompanying notes are an integral part of the financial statements.

TOTALS	
2011	2010
$ 13,330,224	$ 13,024,180
701,527	891,379
119,442	164,541
1,054,227	1,156,515
50,616	39,771
27,767	151,540
270,900	331,879
165,001	1,238,244
1,820,452	2,505,204
$ 17,540,156	$ 19,503,253
$ 645,821	$ 809,801
363,545	335,369
161,767	207,332
270,900	331,879
820,969	1,055,920
2,263,002	2,740,301
270,900	331,879
27,767	151,540
560,589	1,241,308
165,086	106,286
446,840	379,965
396,000	439,000
682,319	773,009
17,580	15,241
2,778,411	469,496
993,857	655,179
1,161,190	2,086,599
400,688	593,129
3,431,399	5,217,737
3,944,328	4,302,584
15,277,154	16,762,952
$ 17,540,156	$ 19,503,253
$ 15,277,154	
78,541,620	
(25,060,029)	
(2,280,000)	
(3,379,681)	
(12,925)	
74,879	
(19,274)	
1,068,875	
$ 64,210,619	

Draft

CITY OF RIFLE, COLORADO

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND EQUITY - GOVERNMENTAL FUNDS
Year Ended December 31, 2011
With Comparative Totals for the Year Ended December 31, 2010

		SPECIAL REVENUE FUNDS			
	GENERAL	STREET IMPROVEMENT	ECONOMIC DEVELOPMENT	PARKS & RECREATION	OTHER GOVERNMENTAL FUNDS
REVENUES					
Taxes	$ 5,186,427	$ 996,736	$ -	$ 1,995,688	$ 356,405
Special Assessments	-	55,403	-	-	-
Licenses and Permits	134,311	-	-	-	-
Intergovernmental	2,732,671	245,829	551,688	1,048	230,752
Charges for Services	317,604	89,654	-	263,888	-
Fines and Forfeitures	161,859	-	-	-	-
Miscellaneous	203,128	34,278	23,857	38,708	56,812
TOTAL REVENUES	8,736,000	1,421,900	575,545	2,299,332	643,969
EXPENDITURES					
General Government	2,629,878	-	-	19,561	-
Public Safety	2,531,126	-	-	-	-
Public Works	1,306,389	130,097	-	-	-
Cemetery	62,582	-	-	-	-
Parks and Recreation	-	-	-	1,944,895	-
Economic Development and Assistance	407,306	-	44,359	-	271,912
Capital Outlay	216,008	1,174,265	1,557,300	170,756	543,115
Debt Service	270,146	378,026	-	334,233	102
TOTAL EXPENDITURES	7,423,435	1,682,388	1,601,659	2,469,445	815,129
REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES	1,312,565	(260,488)	(1,026,114)	(170,113)	(171,160)
OTHER FINANCING SOURCES (USES)					
Proceeds from Long Term Debt	17,529	-	-	55,268	-
Transfer In	177,269	-	1,500,000	210,680	599,000
Transfer Out	(1,155,000)	(25,374)	-	(66,917)	(1,715,680)
TOTAL OTHER FINANCING SOURCES (USES)	(960,202)	(25,374)	1,500,000	199,031	(1,116,680)
CHANGE IN FUND BALANCES	352,363	(285,862)	473,886	28,918	(1,287,840)
FUND BALANCE, Beginning	6,132,956	3,417,250	263,057	938,701	6,010,988
PRIOR PERIOD ADJUSTMENT	(420,328)	(109,609)	-	(219,218)	(18,108)
FUND BALANCE, Beginning (As Restated)	5,712,628	3,307,641	263,057	719,483	5,992,880
FUND BALANCE, Ending	$ 6,064,991	$ 3,021,779	$ 736,943	$ 748,401	$ 4,705,040

Draft

The accompanying notes are an integral part of the financial statements.

TOTALS	
2011	2010
$ 8,535,256	$ 8,402,366
55,403	56,122
134,311	136,369
3,761,988	5,063,852
671,146	566,086
161,859	152,281
356,783	395,269
13,676,746	14,772,345
2,649,439	2,601,550
2,531,126	2,448,156
1,436,486	1,363,798
62,582	55,799
1,944,895	1,610,512
723,577	684,523
3,661,444	6,560,557
982,507	969,722
13,992,056	16,294,617
(315,310)	(1,522,272)
72,797	-
2,486,949	439,989
(2,962,971)	(502,291)
(403,225)	(62,302)
(718,535)	(1,584,574)
16,762,952	18,347,526
(767,263)	-
15,995,689	18,347,526
$ 15,277,154	$ 16,762,952

Draft

CITY OF RIFLE, COLORADO

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

Year Ended December 31, 2011

Amounts Reported for Governmental Activities in the Statement of Activities are Different Because:	
Net Change in Fund Balances - Total Governmental Funds	$ (718,535)
Principal payments on debt are reported as expenditures in the funds:	
Principal Payments on Outstanding Debt:	
Revenue Bonds Payable	280,000
Capital Leases Payable	443,900
Debt Proceeds	(72,797)
Interest, issuance costs and bond premiums are reported on the cash basis in the funds:	
Change in Accrued Interest Payable	2,366
Amortization of Premiums	1,880
Amortization of Issuance Costs	(10,892)
Purchases of capital assets are expensed in governmental funds and depreciated on the statement of activities:	
Purchased Capitalized Assets	3,727,899
Dedicated Capitalized Assets	358,402
Depreciation Expense	(2,806,190)
Internal Service Funds are blended into Governmental Activities:	
Fleet Maintenance Fund Change in Net Assets	263,387
Change in Net Assets - Governmental Activities	$ 1,469,420

Draft

The accompanying notes are an integral part of the financial statements.

CITY OF RIFLE, COLORADO

BUDGETARY COMPARISON SCHEDULE FOR THE GENERAL FUND
Year Ended December 31, 2011
With Comparative Totals for the Year Ended December 31, 2010

	2011				
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET FAV (UNFAV)	2010 ACTUAL
REVENUES					
Taxes	$ 4,675,118	$ 4,675,118	$ 5,186,427	$ 511,309	$ 4,993,381
Licenses and Permits	137,025	137,025	134,311	(2,714)	136,369
Intergovernmental	1,444,813	1,444,813	2,732,671	1,287,858	2,156,110
Charges for Services	310,521	310,521	317,604	7,083	345,681
Fines and Forfeitures	154,233	154,233	161,859	7,626	152,281
Miscellaneous	202,167	202,167	203,128	961	265,489
TOTAL REVENUES	6,923,877	6,923,877	8,736,000	1,812,123	8,049,311
EXPENDITURES					
General Government	2,690,272	2,690,272	2,629,878	60,394	2,590,262
Public Safety	2,563,671	2,563,671	2,531,126	32,545	2,448,156
Public Works	1,309,034	1,309,034	1,306,389	2,645	1,262,387
Cemetery	61,750	61,750	62,582	(832)	55,799
Economic Development and Assistance	439,468	439,468	407,306	32,162	419,735
Capital Outlay	40,700	40,700	216,008	(175,308)	56,426
Debt Service	270,146	270,146	270,146	-	270,146
Contingency Reserve	100,000	100,000	-	100,000	-
TOTAL EXPENDITURES	7,475,041	7,475,041	7,423,435	51,606	7,102,911
REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES	(551,164)	(551,164)	1,312,565	1,863,729	946,400
OTHER FINANCING SOURCES (USES)					
Proceeds from Long Term Debt	10,679	10,679	17,529	6,850	-
Transfers In	160,989	160,989	177,269	16,280	167,186
Transfers Out	(90,000)	(1,155,000)	(1,155,000)	-	(140,000)
TOTAL OTHER FINANCING SOURCES (USES)	81,668	(983,332)	(960,202)	23,130	27,186
CHANGE IN FUND BALANCE	(469,496)	(1,534,496)	352,363	1,886,859	973,586
FUND BALANCE, Beginning	5,595,638	5,595,638	6,132,956	537,318	5,159,370
Prior Period Adjustment	-	-	(420,328)	(420,328)	-
FUND BALANCE, Beginning (As Restated)	5,595,638	5,595,638	5,712,628	116,990	5,159,370
FUND BALANCE, Ending	$ 5,126,142	$ 4,061,142	$ 6,064,991	$ 2,003,849	$ 6,132,956

Draft

The accompanying notes are an integral part of the financial statements

CITY OF RIFLE, COLORADO

BUDGETARY COMPARISON SCHEDULE FOR THE STREET IMPROVEMENT FUND
Year Ended December 31, 2011
With Comparative Totals for the Year Ended December 31, 2010

	2011			
	ORIGINAL & FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET FAV (UNFAV)	2010 ACTUAL
REVENUES				
Taxes	$ 908,799	$ 996,736	$ 87,937	$ 1,015,723
Special Assessments	57,908	55,403	(2,505)	56,122
Intergovernmental	217,767	245,829	28,062	-
Charges for Services	6,747	89,654	82,907	25,056
Miscellaneous	51,954	34,278	(17,676)	38,437
TOTAL REVENUES	1,243,175	1,421,900	178,725	1,135,338
EXPENDITURES				
Public Works	1,033,143	130,097	903,046	101,411
Capital Outlay	2,311,500	1,174,265	1,137,235	1,065,156
Debt Service	377,876	378,026	(150)	376,801
TOTAL EXPENDITURES	3,722,519	1,682,388	2,040,131	1,543,368
REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES	(2,479,344)	(260,488)	2,218,856	(408,030)
OTHER FINANCING SOURCES (USES)				
Transfers Out	(75,674)	(25,374)	50,300	(25,374)
CHANGE IN FUND BALANCE	(2,555,018)	(285,862)	2,269,156	(433,404)
FUND BALANCE, Beginning	3,312,197	3,417,250	105,053	3,850,654
PRIOR PERIOD ADJUSTMENT	-	(109,609)	(109,609)	-
FUND BALANCE, Beginning (As Restated)	3,312,197	3,307,641	(4,556)	3,850,654
FUND BALANCE, Ending	$ 757,179	$ 3,021,779	$ 2,264,600	$ 3,417,250

Draft

The accompanying notes are an integral part of the financial statements

CITY OF RIFLE, COLORADO

BUDGETARY COMPARISON SCHEDULE FOR THE ECONOMIC DEVELOPMENT FUND
Year Ended December 31, 2011
With Comparative Totals for the Year Ended December 31, 2010

	2011				
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET FAV (UNFAV)	2010 ACTUAL
REVENUES					
Intergovernmental	$ 535,765	$ 535,765	$ 551,688	$ 15,923	$ 200,000
Miscellaneous	30,800	30,800	23,857	(6,943)	2,649
TOTAL REVENUES	566,565	566,565	575,545	8,980	202,649
EXPENDITURES					
Economic Development and Assistance	57,000	57,000	44,359	12,641	24,965
Capital Outlay	1,000,000	1,800,000	1,557,300	242,700	302,599
TOTAL EXPENDITURES	1,057,000	1,857,000	1,601,659	255,341	327,564
REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES	(490,435)	(1,290,435)	(1,026,114)	264,321	(124,915)
OTHER FINANCING SOURCES (USES)					
Transfers In	500,000	500,000	1,500,000	1,000,000	-
CHANGE IN FUND BALANCE	9,565	(790,435)	473,886	1,264,321	(124,915)
FUND BALANCE, Beginning	515,374	515,374	263,057	(252,317)	387,972
FUND BALANCE, Ending	$ 524,939	$ (275,061)	$ 736,943	$ 1,012,004	$ 263,057

Draft

The accompanying notes are an integral part of the financial statements

CITY OF RIFLE, COLORADO

BUDGETARY COMPARISON STATEMENT FOR THE PARKS & RECREATION FUND
Year Ended December 31, 2011
With Comparative Totals for the Year Ended December 31, 2010

	2011				
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET FAV (UNFAV)	2010 ACTUAL
REVENUES					
Taxes	$ 1,820,537	$ 1,820,537	$ 1,995,688	$ 175,151	$ 2,033,420
Intergovernmental	300,000	300,000	1,048	(298,952)	1,038,350
Charges for Services	177,080	177,080	263,888	86,808	187,849
Miscellaneous	232,723	232,723	38,708	(194,015)	32,959
TOTAL REVENUES	2,530,340	2,530,340	2,299,332	(231,008)	3,292,578
EXPENDITURES					
General Government	15,000	40,000	19,561	20,439	11,288
Parks and Recreation	1,771,494	1,971,374	1,944,895	26,479	1,610,512
Capital Outlay	247,000	261,497	170,756	90,741	3,091,070
Debt Service	322,327	332,950	334,233	(1,283)	322,328
TOTAL EXPENDITURES	2,355,821	2,605,821	2,469,445	136,376	5,035,198
REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES	174,519	(75,481)	(170,113)	(94,632)	(1,742,620)
OTHER FINANCING SOURCES (USES)					
Proceeds from Long Term Debt	-		55,268	55,268	-
Transfers In	214,000	214,000	210,680	(3,320)	263,803
Transfers Out	(66,917)	(66,917)	(66,917)	-	(66,917)
TOTAL OTHER FINANCING SOURCES (USES)	147,083	147,083	199,031	51,948	196,886
CHANGE IN FUND BALANCE	321,602	71,602	28,918	(42,684)	(1,545,734)
FUND BALANCE, Beginning	586,668	586,668	938,701	352,033	2,484,435
Prior Period Adjustment		-	(219,218)	(219,218)	-
FUND BALANCE, Beginning (As Restated)	586,668	586,668	719,483	132,815	2,484,435
FUND BALANCE, Ending	$ 908,270	$ 658,270	$ 748,401	$ 90,131	$ 938,701

Draft

The accompanying notes are an integral part of the financial statements.

CITY OF RIFLE, COLORADO

STATEMENT OF NET ASSETS -
PROPRIETARY FUNDS
December 31, 2011
With Comparative Totals for December 31, 2010

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS			
			NON-MAJOR	
	WATER	WASTEWATER	SANITATION	TOTAL
ASSETS				
CURRENT ASSETS				
Cash and Investments	$ 3,972,413	$ 783,174	$ 738,520	$ 5,494,107
Other Receivable	218,594	213,454	52,357	484,405
Prepaid Expenses	589	1,189	498	2,276
Due from Other Governments	201,214	-	-	201,214
Inventory	106,369	2,800	-	109,169
TOTAL CURRENT ASSETS	4,499,179	1,000,617	791,375	6,291,171
PROPERTY AND EQUIPMENT	32,921,717	42,482,237	-	75,403,954
Less Accumulated Depreciation	(10,381,650)	(7,939,815)	-	(18,321,465)
NET PROPERTY AND EQUIPMENT	22,540,067	34,542,422	-	57,082,489
OTHER ASSETS				
Restricted Cash and Investments	1,704,351	350,626	-	2,054,977
Loan Costs	2,941	15,794	-	18,735
TOTAL OTHER ASSETS	1,707,292	366,420	-	2,073,712
TOTAL ASSETS	28,746,538	35,909,459	791,375	65,447,372
LIABILITIES				
CURRENT LIABILITIES				
Accounts Payable	359,510	26,569	6,342	392,421
Accrued Wages & Comp. Absences	27,979	22,118	233	50,330
Accrued Interest Payable	4,178	260,042	-	264,220
Deposits	10,000	-	-	10,000
Deferred Revenue	33,455	60,693	-	94,148
Current Portion - Long Term Debt	256,792	802,981	-	1,059,773
TOTAL CURRENT LIABILITIES	691,914	1,172,403	6,575	1,870,892
LONG-TERM LIABILITIES				
Notes Payable	1,236,026	15,775,260	-	17,011,286
Capital Leases Payable	383,963	-	-	383,963
TOTAL LONG-TERM LIABILITIES	1,619,989	15,775,260	-	17,395,249
TOTAL LIABILITIES	2,311,903	16,947,663	6,575	19,266,141
NET ASSETS				
Invested in Capital Assets Net of Related Debt	20,663,286	17,964,181	-	38,627,467
Restricted				
For Capital Improvements	1,266,697	-	-	1,266,697
For Operations and Maintenance Reserve	414,827	350,626	-	765,453
For Water Rights Acquisitions	22,827		-	22,827
Unrestricted	4,066,998	646,989	784,800	5,498,787
TOTAL NET ASSETS	$ 26,434,635	$ 18,961,796	$ 784,800	$ 46,181,231

Draft

The accompanying notes are an integral part of the financial statements.

GOVERNMENTAL ACTIVITIES	TOTALS	
INTERNAL SERVICE	2011	2010
$ 831,164	$ 6,325,271	$ 5,512,399
-	484,405	636,891
-	2,276	51,582
-	201,214	-
29,717	138,886	120,519
860,881	7,152,052	6,321,391
933,805	76,337,759	75,029,100
(684,329)	(19,005,794)	(17,208,635)
249,476	57,331,965	57,820,465
-	2,054,977	3,096,548
-	18,735	20,725
-	2,073,712	3,117,273
1,110,357	66,557,729	67,259,129
29,853	422,274	446,920
11,629	61,959	77,418
-	264,220	274,656
-	10,000	10,000
-	94,148	94,148
-	1,059,773	984,598
41,482	1,912,374	1,887,740
-	17,011,286	18,020,536
-	383,963	470,099
-	17,395,249	18,490,635
41,482	19,307,623	20,378,375
249,476	38,876,943	38,345,232
-	1,266,697	1,964,610
-	765,453	1,048,080
-	22,827	83,858
819,399	6,318,186	5,438,974
$ 1,068,875	$ 47,250,106	$ 46,880,754

Draft

CITY OF RIFLE, COLORADO

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS -
PROPRIETARY FUNDS
Year Ended December 31, 2011
With Comparative Totals for the Year Ended December 31, 2010

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS			
			NON-MAJOR	
	WATER	WASTEWATER	SANITATION	TOTAL
OPERATING REVENUES				
Charges for Services	$ 2,079,825	$ 2,150,971	$ 544,927	$ 4,775,723
Sale of Materials	2,185	-	-	2,185
Reimbursed Expenditures	53,176	-	-	53,176
Other Revenue	161,046	7,640	2,155	170,841
TOTAL OPERATING REVENUES	2,296,232	2,158,611	547,082	5,001,925
OPERATING EXPENSES				
Personal Services	730,785	423,609	79,556	1,233,950
Supplies	135,309	87,124	30,257	252,690
Purchased Services	546,999	775,614	323,147	1,645,760
Other Expenses	12,584	-	345	12,929
Management Fees	104,949	104,949	27,481	237,379
Fleet Maintenance	74,461	36,813	64,613	175,887
Info Tech Maintenance	11,513	17,269	2,878	31,660
Small Equipment Purchases	-	-	-	-
Depreciation	832,466	1,042,078	66,148	1,940,692
TOTAL OPERATING EXPENSES	2,449,066	2,487,456	594,425	5,530,947
NET INCOME (LOSS) FROM OPERATIONS	(152,834)	(328,845)	(47,343)	(529,022)
OTHER INCOME (EXPENSE)				
System Improvement Fees	242,094	105,927	-	348,021
Dedicated Infrastructure	143,399	88,703	-	232,102
Investment Earnings	62,828	11,272	4,315	78,415
Gain (Loss) on Disposal of Fixed Assets		-	215,829	215,829
Cash in Lieu of Fees	18,376	-	-	18,376
Federal Grants	140,052	-	-	140,052
State Grants	101,163	-	-	101,163
Other Revenues	1,102	-	-	1,102
Amortization of Bond Premiums and Costs	(1,038)	(952)	-	(1,990)
Interest Expense	(88,277)	(605,828)	-	(694,105)
OTHER INCOME (EXPENSE)	619,699	(400,878)	220,144	438,965
NET INCOME (LOSS) BEFORE TRANSFERS	466,865	(729,723)	172,801	(90,057)
TRANSFERS				
Transfers In	550,000	235,000	-	785,000
Transfers Out	(531,790)	(31,790)	(25,398)	(588,978)
NET TRANSFERS	18,210	203,210	(25,398)	196,022
NET INCOME (LOSS)	485,075	(526,513)	147,403	105,965
NET ASSETS, Beginning	25,949,560	19,488,309	637,397	46,075,266
NET ASSETS, Ending	$ 26,434,635	$ 18,961,796	$ 784,800	$ 46,181,231

Draft

The accompanying notes are an integral part of the financial statements

GOVERNMENTAL ACTIVITIES	TOTALS	
INTERNAL SERVICE	2011	2010
$ 742,237	$ 5,517,960	$ 5,922,263
-	2,185	3,722
-	53,176	68,825
-	170,841	206,907
742,237	5,744,162	6,201,717
237,602	1,471,552	1,469,158
301,774	554,464	678,301
61,456	1,707,216	1,516,053
16,822	29,751	14,505
-	237,379	237,379
406	176,293	124,123
2,569	34,229	30,037
-	-	21,347
143,179	2,083,871	2,070,789
763,808	6,294,755	6,161,692
(21,571)	(550,593)	40,025
-	348,021	337,899
-	232,102	86,654
4,958	83,373	72,157
-	215,829	4,200
-	18,376	450
-	140,052	-
-	101,163	488,584
-	1,102	82,850
-	(1,990)	(1,990)
-	(694,105)	(354,532)
4,958	443,923	716,272
(16,613)	(106,670)	756,297
280,000	1,065,000	135,000
-	(588,978)	(72,698)
280,000	476,022	62,302
263,387	369,352	818,599
805,488	46,880,754	46,062,155
$ 1,068,875	$ 47,250,106	$ 46,880,754

Draft

CITY OF RIFLE, COLORADO

STATEMENT OF CASH FLOWS -
PROPRIETARY FUNDS
Increase (Decrease) in Cash and Cash Equivalents
Year Ended December 31, 2011
With Comparative Totals for the Year Ended December 31, 2010

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS			
	WATER FUND	SEWER FUND	NON-MAJOR SANITATION FUND	TOTAL
Cash Flows From Operating Activities:				
Cash Received From Customers	$ 2,346,531	$ 2,252,855	$ 555,025	$ 5,154,411
Cash Payments to Suppliers and Employees	(1,487,643)	(1,529,431)	(561,513)	(3,578,587)
Net Cash Provided by Operating Activities	858,888	723,424	(6,488)	1,575,824
Cash Flows From Capital and Related Financing Activities:				
Purchases of Property and Equipment	(1,156,104)	(275,111)	-	(1,431,215)
Proceeds From Sale of Capital Assets	-	-	376,532	376,532
Proceeds From System Improvement Fees	242,094	105,927	-	348,021
Proceeds From Cash in Lieu of Fees	18,376	-	-	18,376
Proceeds From Grants	40,000	-	-	40,000
Principal Payments on Debt	(246,117)	(774,094)	-	(1,020,211)
Interest Payments on Debt	(88,935)	(615,606)	-	(704,541)
Net Cash Provided (Used) by Capital and Related Financing Activities	(1,190,686)	(1,558,884)	376,532	(2,373,038)
Cash Flows from Non-Capital Financing Activities:				
Other Revenues	1,102	-	-	1,102
Transfers - Net	18,210	203,210	(25,398)	196,022
Net Cash Provided (Used) by Non-Capital Financing Activities	19,312	203,210	(25,398)	197,124
Cash Flows From Investing Activities:				
Investment Income	62,828	11,272	4,315	78,415
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(249,658)	(620,978)	348,961	(521,675)
CASH AND INVESTMENTS, Beginning	5,926,422	1,754,778	389,559	8,070,759
CASH AND INVESTMENTS, Ending	$ 5,676,764	$ 1,133,800	$ 738,520	$ 7,549,084
Cash and Investments	$ 3,972,413	$ 783,174	$ 738,520	$ 5,494,107
Restricted Cash and Investments	1,704,351	350,626	-	2,054,977
TOTAL CASH AND INVESTMENTS	$ 5,676,764	$ 1,133,800	$ 738,520	$ 7,549,084
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:				
Operating Income	$ (152,834)	$ (328,845)	$ (47,343)	$ (529,022)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:				
Depreciation	832,466	1,042,078	66,148	1,940,692
(Increase) Decrease in:				
Other Receivable	50,299	94,244	7,943	152,486
Prepaid Expenses	29,663	9,051	3,870	42,584
Inventory	(16,210)	667	-	(15,543)
Increase (Decrease) in:				
Accounts Payable	124,760	(94,076)	(29,898)	786
Accrued Wages & Comp. Absences	(9,256)	305	(7,208)	(16,159)
Deferred Revenue	-	-	-	-
Total Adjustments	1,011,722	1,052,269	40,855	2,104,846
Net Cash Provided by Operating Activities	$ 858,888	$ 723,424	$ (6,488)	$ 1,575,824

Draft

The accompanying notes are an integral part of the financial statements.

GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUNDS	TOTAL 2011	TOTAL 2010
$ 742,237	$ 5,896,648	$ 6,248,009
(641,464)	(4,220,051)	(5,475,959)
100,773	1,676,597	772,050
(92,755)	(1,523,970)	(2,045,105)
-	376,532	4,200
-	348,021	337,899
-	18,376	450
-	40,000	546,952
-	(1,020,211)	(1,011,344)
-	(704,541)	(364,955)
(92,755)	(2,465,793)	(2,531,903)
-	1,102	82,850
280,000	476,022	62,302
280,000	477,124	145,152
4,958	83,373	72,157
292,976	(228,699)	(1,542,544)
538,188	8,608,947	10,151,491
$ 831,164	$ 8,380,248	$ 8,608,947
$ 831,164	$ 6,325,271	$ 5,512,399
-	2,054,977	3,096,548
$ 831,164	$ 8,380,248	$ 8,608,947
$ (21,571)	$ (550,593)	$ 40,025
143,179	2,083,871	2,070,789
-	152,486	72,201
6,722	49,306	(18,051)
(2,822)	(18,365)	8,943
(25,434)	(24,648)	(1,388,521)
699	(15,460)	12,573
-	-	(25,909)
122,344	2,227,190	732,025
$ 100,773	$ 1,676,597	$ 772,050

Draft

CITY OF RIFLE, COLORADO

STATEMENT OF FIDUCIARY NET ASSETS -
FIDUCIARY FUND
December 31, 2011
With Comparative Totals for December 31, 2010

	PERPETUAL CARE	
	2011	2010
ASSETS		
Cash and Investments	$ 206,918	$ 204,040
NET ASSETS		
Held In Trust for Cemetery Maintenance	$ 206,918	$ 204,040

Draft

The accompanying notes are an integral part of the financial statements.

CITY OF RIFLE, COLORADO

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS -
FIDUCIARY FUND
Year Ended December 31, 2011
With Comparative Totals for the Year Ended December 31, 2010

	PERPETUAL CARE	
	2011	2010
ADDITIONS:		
Charges for Services	$ 2,878	$ 3,625
NET ASSETS - Beginning	204,040	200,415
NET ASSETS - Ending	$ 206,918	$ 204,040

Draft

The accompanying notes are an integral part of the financial statements.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

This summary of the City of Rifle's significant accounting policies is presented to assist the reader in interpreting the financial statements and other data in this report. The policies are considered essential and should be read in conjunction with the accompanying financial statements.

The accounting policies of the City of Rifle conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant policies:

Reporting Entity

In accordance with Governmental Accounting Standards, the City has considered the possibility of inclusion of additional entities in its basic financial statements. The definition of the reporting entity is based primarily on financial accountability. The City is financially accountable for organizations that make up its legal entity. It is also financially accountable for legally separate organizations if City officials appoint a voting majority of the organization's governing body and either it is able to impose its will on that organization or there is a potential for benefits to, or to impose specific financial burdens on, the City. The City may also be financially accountable for governmental organizations that are fiscally dependent upon it.

Based upon the application of these criteria, the following component unit is included in the City's reporting entity because of the significance of its operational or financial relationship to the City.

Blended Component Units

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

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NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Blended Component Units (Continued)

The DDA is a separate taxing body and levies taxes against the property owners within the designated development district and may hold referendums of its constituents. The DDA's levy and the levy of the City are independent of each other and are related only by the fact that they are levied against a common tax base within the DDA's geographic boundaries. Property taxes from the DDA's levy are its primary revenue source.

The URA's primary source of revenue is increment tax receipts based on the increased assessed valuation of taxes in the Urban Renewal Authority boundaries.

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

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the non-fiduciary activities of the City. For the most part, the effect of interfund activity has been removed from these statements. Governmental Activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of the given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual funds are reported as separate columns in the fund financial statements.

Draft

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

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

Property taxes, specific ownership taxes, sales and use taxes, franchise fees, state shared revenues, grants and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the City.

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

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary (enterprise) fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The City has elected not to follow subsequent private-sector guidance.

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

Draft

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

General Fund – The General Fund is the general operating fund of the City. It is used to account for all financial resources, except those required to be accounted for in another fund.

Major Special Revenue Funds
Street Improvement Fund – This fund receives sales, use, and street impact revenues restricted for public works street improvements.

Economic Development Fund – This fund receives sewer line recovery fees and other designated income to be used for economic development.

Parks and Recreation Fund – This fund accounts for the operations of the City's parks and recreation programs. It is partially funded through a 1% sales and use tax assessment.

The City also reports the following major proprietary funds:

Water and Wastewater Funds – These funds account for the activities related to offering the respective services to the City's residents.

Additionally, the City reports the following fiduciary fund:

Perpetual Care Fund – The Perpetual Care Fund is used to account for assets held by the City in a trustee capacity for the future maintenance of the City's cemetery.

Budgets

The City follows these procedures in establishing the budgetary data reflected in the financial statements:

(1) In accordance with the City Charter, on or before the second Council meeting in August, the Council adopts a resolution setting the schedule for the adoption of the following year's budget.
(2) Prior to or by the first Council meeting in December, the budget is legally enacted through passage of an ordinance, after receiving input through public hearings.
(3) The City Manager reports monthly to the City Council explaining any variance from the approved budget.
(4) The City Charter requires the adoption of a budget for proprietary funds. Depreciation expense is not a budgeted item.
(5) The City does not utilize encumbrance accounting and all appropriations lapse at year end.

The City's expenditures exceeded the allowed appropriations in the Conservation Trust Fund and Urban Renewal Authority Fund which may be a violation of State Statutes.

Draft

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property Taxes

Property taxes for the City are levied by the City Council and certified for collection to Garfield County by December 15 of each year. These taxes become due January 1 of the succeeding year and are payable in full by April 30 or in two installments by June 15 in the year of collection. Property taxes levied in the current year for collection in the subsequent year by the General Fund are included in Receivables and Deferred Revenue at year end. These taxes are classified as deferred revenues since they are not available to the City until the subsequent year.

Property, Plant and Equipment

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than $5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Property and equipment of the City is depreciated using the straight line method over the following estimated useful lives:

Buildings	10 - 50 years
Land Improvements	7 - 75 years
Machinery and Equipment	5 - 10 years
Wastewater System	30 - 50 years
Water System	30 - 50 years

Infrastructure assets, which include streets, bridges, and drainage systems, are depreciated using the straight line method over estimated useful life of 25 years.

Compensated Absences

Employees earn one day of sick-leave per month. Upon accrual of 480 hours of sick-leave, employees begin accruing three hours of vacation per month in lieu of additional sick-leave.

Vacation is earned based upon the tenure with the City up to a maximum of twenty five days. Upon termination, the amount paid is the number of days accrued.

Draft

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Compensated Absences (Continued)

The City's policy is to record a liability and a related charge to expenditures for compensated absences for employees in the appropriate funds. The City has elected this conservative method to more closely monitor its financial position. Current accrued compensated absences including accrued payroll was $425,504 at December 31, 2011, $308,578 of which was recorded in the General Fund, $50,330 in the Enterprise Funds, $54,967 in the Special Revenue Funds and $11,629 in the Internal Service Funds.

Net Assets/Fund Equity

The Urban Renewal Authority Fund has a deficit fund balance of $110,471 which is expected to be recovered through future property tax revenues.

In the government-wide financial statements and for the proprietary fund statements, net assets are either shown as invested in capital assets net of related debt, with these assets essentially being nonexpendable; restricted when constraints placed on the net assets are externally imposed; or unrestricted.

For the governmental fund presentation, fund balances that are classified as "nonspendable" include amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, for example, inventories and prepaid amounts.

Fund balance should be reported as "restricted" when constraints placed on the use of resources are either (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority, the City Council, should be reported as "committed" fund balance. Those committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of action (for example, legislation, resolution, ordinance) it employed to previously commit those amounts.

Amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed, should be reported as "assigned" fund balance. Intent should be expressed by (a) the governing body itself or (b) a body (a budget or finance committee, for example) or official to which the governing body has delegated the authority to assign amounts to be used for specific purposes.

For the classification of fund and net asset balances, the City considers an expenditure to be made from the most restrictive classification first, when more than one classification is available.

Draft

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Inventory

Inventories are valued at cost, using the first-in, first-out (FIFO) method.

Comparative Data

Comparative total data for the prior year has been presented in the accompanying financial statements in order to provide an understanding of changes in the City's financial position and operations. However, comparative (i.e., presentation of prior year totals by fund type) data has not been presented in each of the statements since their inclusion would make the statements unduly complex and difficult to read.

Cash Flow Statement

For purposes of the statement of cash flows, cash equivalents are defined as investments with original maturities of less than three months.

Draft

NOTE 2: CASH AND INVESTMENTS

A summary of cash and investments follows:

Governmental - Unrestricted	$ 14,161,388
Business-type - Unrestricted	5,494,107
Govermental - Restricted	1,820,452
Business-type - Restricted	2,054,977
Fiduciary	206,918
Total Cash and Investments	$ 23,737,842

The City's cash and investment balances are comprised of the following:

Cash and Deposits	$ 7,117,137
Investments	16,620,705
Total Cash and Investments	$ 23,737,842

NOTE 2: CASH AND INVESTMENTS (Continued)

Deposits

Custodial Credit Risk - Deposits

In the case of deposits, this is the risk that in the event of bank failure, the government's deposits may not be returned to it. The City's deposit policy is in accordance with CRS 11-10.5-101, The Colorado Public Deposit Protection Act (PDPA), which governs the investment of public funds. PDPA requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulations. Amounts on deposit in excess of federal insurance levels ($250,000) must be collateralized by eligible collateral as determined by the PDPA. The financial institution is allowed to create a single collateral pool for all public funds held. The pool is to be maintained by another institution, or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits. The institution's internal records identify collateral by depositor and as such, these deposits are considered uninsured but collateralized. The State Regulatory Commissions for banks and financial services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools. At December 31, 2011, all of the City's bank deposits as shown below were either insured by federal depository insurance or collateralized under PDPA and are therefore not deemed to be exposed to custodial credit risk.

	Bank Balance	Carrying Balance
FDIC Insured	$ 2,202,297	$ 2,202,297
PDPA Collateralized	5,001,801	4,913,405
Petty Cash	-	1,435
Total Cash and Deposits	$ 7,204,098	$ 7,117,137

Investments

Credit Risk

The City invests excess funds under the prudent investor rule. The criteria for selection of investments and their order of priority are: 1) Safety, 2) Liquidity, and 3) Yield. The Director of Finance is responsible for all of the investments of the City.

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NOTE 2: CASH AND INVESTMENTS (Continued)

Investments (Continued)

Credit Risk (Continued)

Eligible investments shall conform to state law and may include any of the following:

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

As of December 31, 2011, the City's investments consisted of the following:

	Fair Value	Weighted Avg. Maturity In Years	% of Portfolio	Rating
U.S. Instrumentalities:				
FNMA	$ 3,051,777	2.76	18.36%	AAA
FHLB	3,700,924	2.37	22.27%	AAA
Local Investment Pools	8,041,630	0.00	48.38%	AAAm
Mutual Funds	247,965	0.00	1.49%	-
Commercial Paper	1,578,409	0.96	9.50%	AA2/AA+
Total Investments held by City	$ 16,620,705	1.13	100.00%	

During the year ended December 31, 2011, the City invested funds in the Colorado Surplus Asset Fund (CSAFE) and Colotrust. As investment pools, they operate under the Colorado Revised Statutes (24-75-701) and are overseen by the Colorado Securities Commissioner. They invest in securities that are specified by Colorado Revised Statutes (24-75-601). Authorized securities include U.S. Treasuries, U.S. Agencies, commercial paper (rated A1 or better) and bank deposits (collateralized through PDPA). The pools operate similar to a 2a-7-like money market fund with a share value equal to $1.00 and a maximum weighted average maturity of 60 days. These funds are rated AAAm by the Standard and Poor's Corporation.

Interest Rate Risk

The City manages its interest rate risk by setting a maximum maturity date no more than five years from the date of purchase unless otherwise authorized by the City Council.

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NOTE 2: CASH AND INVESTMENTS (Continued)

Investments (Continued)

Concentration of Credit Risk

The City places no limit on the amount that may be invested in any one issuer. More than 5 percent of the City's investments are in Federal Home Loan Bank and Federal National Mortgage Association securities. These investments are 12.8%, and 18.2%, respectively, of the City's total investments.

Custodial Credit Risk – Investments

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. As of December 31, 2011, the City's U.S. Instrumentality securities were held by Wells Fargo Brokerage Services, LLC, or AXA Advisors, LLC in the name of the City.

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NOTE 3: RESTRICTED CASH

The City has recorded the following cash restrictions at December 31, 2011:

General Fund	
Restricted for Senior Center Improvements	$ 37,931
Restricted for Senior Center Meals	127,155
Restricted for Road Improvements	249,298
Restricted for Parkland Dedication	288,158
Restricted for Regional Drainage	21,006
Total General Fund	723,548
Street Improvement Fund	
Restricted for Street Improvements from Bond Proceeds	277,966
Restricted for Bond Principal and Interest Payments	412,458
Total Street Improvement Fund	690,424
Downtown Development Agency	
Restricted for Parking Projects	12,319
Conservation Trust Fund	
Restricted for Parks and Recreation	66,081

NOTE 3: RESTRICTED CASH (Continued)

Parks & Recreation Fund	
Restricted for Rifle Mountain Park	15,388
Restricted for Fireworks	2,192
Restricted from RE-2 School District	310,500
Total Parks & Recreation Fund	328,080
Water Fund	
Restricted for Infrastructure Improvements	1,266,697
Restricted for Water Rights	22,827
Restricted for Operations and Maintenance Reserve	414,827
Total Water Fund	1,704,351
Sewer Fund	
Restricted for Operations and Maintenance Reserve	350,626
Total Restricted Cash	**$ 3,875,429**

NOTE 4: CHANGES IN CAPITAL ASSETS

The following schedule presents changes in governmental activities capital assets during 2011:

	Balance 12/31/2010	Additions	Deletions	Balance 12/31/2011
Governmental Activities:				
Non-depreciable Capital Assets:				
Land	$ 3,145,631	$ 70,580	$ -	$ 3,216,211
Depreciable Capital Assets:				
Buildings	14,253,620	238,217	-	14,491,837
Improvements	53,804,875	3,723,574	-	57,528,449
Equipment	3,251,193	53,930	-	3,305,123
Int Svc Equipment & Vehicles	841,049	92,756	-	933,805
Total Capital Assets	75,296,368	4,179,057	-	79,475,425
Less: Accumulated Depreciation				
Buildings	3,467,614	361,108	-	3,828,722
Improvements	16,897,932	2,148,997	-	19,046,929
Equipment	1,888,293	296,085	-	2,184,378
Int Svc Equipment & Vehicles	541,150	143,179	-	684,329
Total Accumulated Depreciation	22,794,989	2,949,369	-	25,744,358
Net Capital Assets	**$ 52,501,379**	**$ 1,229,688**	**$ -**	**$ 53,731,067**

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NOTE 4: CHANGES IN CAPITAL ASSETS (Continued)

Depreciation has been charged to the various functions and programs as follows:

	Governmental Activities
General Government	$ 188,265
Public Safety	91,706
Public Works	1,893,937
Cemetery	11,009
Parks & Recreation	610,200
Economic Development	11,073
Deprec. Govt. Funds	2,806,190
Fleet Maintenance	143,179
Total Depreciation	$ 2,949,369

The following schedule presents business-type activities capital assets at December 31, 2011:

	Balance 12/31/2010	Additions	Deletions	Balance 12/31/2011
Business-Type Activities:				
Non-depreciable Capital Assets:				
Land	$ 1,614,117	$ 240,311	$ -	$ 1,854,428
Water Rights	495,000			495,000
Depreciable Capital Assets:				
Buildings	38,679,783	640,111	-	39,319,894
Improvements	30,749,056	782,895	-	31,531,951
Equipment	2,650,095	-	447,415	2,202,680
Total Capital Assets	74,188,051	1,663,317	447,415	75,403,953
Less: Accumulated Depreciation				
Buildings	8,723,557	1,197,274	-	9,920,831
Improvements	6,659,258	535,517	-	7,194,775
Equipment	1,284,670	207,901	286,713	1,205,858
Total Accumulated Depreciation	16,667,485	1,940,692	286,713	18,321,464
Net Capital Assets	**$ 57,520,566**	**$ (277,375)**	**$ 160,702**	**$ 57,082,489**

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NOTE 4: CHANGES IN CAPITAL ASSETS (Continued)

Depreciation has been charged to the various functions and programs as follows:

	Business-type Activities
Water Operations	$ 832,466
Sewer Operations	1,042,078
Sanitation Operations	66,148
Total Depreciation	$ 1,940,692

NOTE 5: LONG - TERM DEBT – GOVERNMENTAL ACTIVITIES

BONDS PAYABLE

In November, 2003, the City issued $4,155,000 of Sales and Use Tax Revenue Bonds for street improvements. These bonds are secured by a pledge of the City's sales tax revenue. The bonds mature serially beginning in 2004 through 2018. Bond principal payments are due annually on December 1, and interest is due semi-annually on June 1 and December 1. The bonds bear interest at rates ranging from 2.0% to 4.10%. The bonds require a $412,458 reserve including funding of 1/6 of the next semiannual interest payment and 1/12 of the next annual principal payment monthly. The City has established the required reserves (Note 3). These bonds are repaid through the Street Improvement Fund.

CAPITAL LEASE PAYABLE

In June 2007, the City entered into a lease purchase agreement for the construction of a new police and court facility. The lease requires semi-annual base rentals of $132,724 consisting of both principal and interest at 4.36% on June 1 and December 1 of each year after an initial interest payment of $41,531 in December 2007. Payments continue through December 2017. The initial lease proceeds were $2,133,000.

In August 2008, the City entered into a lease purchase agreement for the construction of a new parks facility. The lease requires semi-annual base rentals of $161,164 consisting of both principal and interest at 4.28% on June 1 and December 1 of each year after an initial interest payment of $28,747 in December 2008. Payments continue through December 2018. The initial lease proceeds were $2,600,000.

During 2011, the City entered into lease purchase agreements for the purchase of copier and fitness equipment. The copier lease requires 60 monthly payments of $336 consisting of both principal and interest at the rate of 5.70%. The fitness equipment requires 36 monthly payment of $1,673 consisting of both principal and interest at 5.70% through May 2014. Equipment with a value of $72,796 was capitalized through these leases.

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NOTE 5: LONG - TERM DEBT – GOVERNMENTAL ACTIVITIES (Continued)

Changes in governmental activity long-term debt are as follows:

	Balance 12/31/10	Advances	Repayments	Balance 12/31/11	Current Portion	Interest Expense
2003 Revenue Bonds	$ 2,560,000	$ -	$ 280,000	$ 2,280,000	$ 290,000	$ 97,876
2003 Revenue Bond Premiums	14,805	-	1,880	12,925	1,880	(1,880)
Capital Leases - Equipment	-	72,796	13,329	59,467	21,273	2,420
Police Facility Capital Lease	1,586,623	-	198,411	1,388,212	207,156	67,037
Parks Facility Capital Lease	2,164,161	-	232,159	1,932,002	242,202	90,168
Total Obligations	**$ 6,325,589**	**$ 72,796**	**$ 725,779**	**$ 5,672,606**	**$ 762,511**	**$ 255,621**

Scheduled payments on the bonds are due as follows:

Year	Principal	Interest	Total
2012	$ 290,000	$ 88,076	$ 378,076
2013	300,000	77,201	377,201
2014	315,000	65,951	380,951
2015	325,000	54,296	379,296
2016	335,000	41,946	376,946
2017-2018	715,000	43,930	758,930
Total	**$ 2,280,000**	**$ 371,400**	**$ 2,651,400**

Scheduled payments on the capital leases are as follows:

Year	Police Facility Payment	Parks Facility Payment	Fitness Equipment Payment	Copier Equipment Payment	Total Payment
2012	$ 265,448	$ 322,328	$ 20,076	$ 4,037	$ 611,889
2013	265,448	322,328	20,076	4,037	611,889
2014	265,448	322,328	8,176	4,037	599,989
2015	265,448	322,328	-	4,036	591,812
2016	265,448	322,328	-	-	587,776
2017-2018	265,448	644,655	-	-	910,103
Total Payments	1,592,688	2,256,295	48,328	16,147	3,913,458
Interest at 4.36%/4.28%/5.7%/5.7%	(204,476)	(324,293)	(3,270)	(1,738)	(533,777)
Present Value of Payments	**$ 1,388,212**	**$ 1,932,002**	**$ 45,058**	**$ 14,409**	**$ 3,379,681**

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NOTE 6: LONG - TERM DEBT – BUSINESS-TYPE ACTIVITIES

Changes in business-type activity long-term debt are as follows:

	Balance 12/31/10	Advances	Repayments	Balance 12/31/11	Current Portion	Interest Expense
1982 CWCB Note - Water	$ 132,777	$ -	$ 9,845	$ 122,932	$ 10,239	$ 5,310
1994 CWRPDA Loan - Water	360,000	-	83,750	276,250	96,250	18,467
2003 CWRPDA Loan - Water	1,077,500	-	70,000	1,007,500	64,167	42,773
2004 DOLA Note - Sewer	228,644	-	53,049	175,595	55,700	10,538
2006 Capital Lease - Water	552,621	-	82,522	470,099	86,136	21,907
2007 CWRPDA Loan - Sewer	16,497,484	-	685,432	15,812,052	711,668	630,904
2007 CWRPDA Premium - Sewer	626,207	-	35,613	590,594	35,613	(35,613)
Total Obligations	**$ 19,475,233**	**$ -**	**$ 1,020,211**	**$ 18,455,022**	**$ 1,059,773**	**$ 694,286**

NOTES PAYABLE

On October 19, 1994, the City entered into a loan agreement with the Colorado Water Resources and Power Development Authority for $1,295,000. The loan carries an average interest rate of 6.1% and was issued to advance refund $320,000 of outstanding 1986 General Obligation Water Bonds with an average interest rate of 7.9%, and to fund water plant improvements. The loan was subsequently refinanced in 1998 via a new Colorado Water Resource and Power Development bond issuance. This note will mature in October, 2014. Pursuant to the loan agreement, the City was required to establish a 3 month operations and maintenance reserve based on the subsequent years budgeted expenditures, or $414,827. The City has funded this reserve through the restriction of its cash balances in the Water Fund (Note 3). The City believes it is in compliance with all required covenants and obligations called for by the loan agreement. Debt service requirements to maturity are as follows:

Year	Principal	Interest	Total
2012	$ 96,250	$ 13,168	$ 109,418
2013	101,250	7,491	108,741
2014	78,750	1,972	80,722
Total	**$ 276,250**	**$ 22,631**	**$ 298,881**

In 2003, the City obtained permanent financing from the Colorado Water Resource and Power Development Authority ("CWRPDA") of $1,525,000 to fund system improvements. This permanent financing was used to repay the interim borrowing from CWRPDA that occurred in 2002. The new loan bears interest at 3.98% and required monthly principal and interest payments through October 1, 2023. Pursuant to the loan agreement, the City was required to establish a 3 month operations and maintenance reserve based on the subsequent years budgeted expenditures, or $414,827, as noted above. The City has funded this reserve through the restriction of its cash balances in the Water Fund (Note 3). The City believes it is in compliance with all required covenants and obligations called for by the loan agreement. Debt service requirements to maturity are as follows:

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NOTE 6: LONG - TERM DEBT – BUSINESS-TYPE ACTIVITIES (Continued)

NOTES PAYABLE (Continued)

Year	Principal	Interest	Total
2012	$ 64,167	$ 40,580	$ 104,747
2013	70,833	38,247	109,080
2014	75,000	35,755	110,755
2015	75,833	33,043	108,876
2016	80,833	30,223	111,056
2017-2021	452,500	100,186	552,686
2022-2023	188,334	12,329	200,663
Total	**$ 1,007,500**	**$ 290,363**	**$ 1,297,863**

In 1981, the City entered into a loan agreement with the Colorado Water Conservation Board for system improvements. The loan was for $300,000 and bears interest at 4%. Loan payments are due annually in the amount of $15,156 through November 1, 2021. Payments are made by the Water Fund. Debt service requirements to maturity are as follows:

Year	Principal	Interest	Total
2012	$ 10,239	$ 4,917	$ 15,156
2013	10,649	4,507	15,156
2014	11,075	4,081	15,156
2015	11,518	3,638	15,156
2016	11,978	3,178	15,156
2017-2021	67,473	8,307	75,780
Total	**$ 122,932**	**$ 28,628**	**$ 151,560**

In 2004, the City entered into a loan agreement with the Colorado Department of Local Affairs for sewer system improvements. The loan was for $500,000 and bears interest at 5%. Loan payments are due annually in the amount of $64,480 through September 1, 2014. Payments are made by the Wastewater Fund. Debt service requirements to maturity are as follows:

Year	Principal	Interest	Total
2012	$ 55,700	$ 8,780	$ 64,480
2013	58,485	5,995	64,480
2014	61,410	3,070	64,480
Total	**$ 175,595**	**$ 17,845**	**$ 193,440**

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NOTE 6: LONG - TERM DEBT – BUSINESS-TYPE ACTIVITIES (Continued)

NOTES PAYABLE (Continued)

In May 2007, the City entered into a loan agreement with the Colorado Water Resource and Power Development Authority in the amount of $17,852,112. The proceeds are to be used to complete sewer improvements. The City has also recorded $747,848 of premiums and $20,000 of issuance costs that are being recognized over the life of the note, with the remaining unamortized portion included in the note payable balance in the financial statements. The loan requires semi-annual principal and interest payments on February 1 and August 1 of each year through 2028. The loan bears interest at 3.5% per annum, not including administrative fees. Pursuant to the loan agreement, the City was required to establish a 3 month operations and maintenance reserve based on the subsequent years budgeted expenditures, or $350,626. The City has funded this reserve through the restriction of its cash balances in the Wastewater Fund (Note 3). The City believes it is in compliance with all required covenants and obligations called for by the loan agreement. Debt service requirements to maturity are as follows:

Year	Principal	Interest	Total
2012	$ 711,668	$ 618,421	$ 1,330,089
2013	732,904	596,233	1,329,137
2014	759,140	573,387	1,332,527
2015	780,376	549,720	1,330,096
2016	806,612	525,394	1,332,006
2017-2021	4,417,012	2,233,843	6,650,855
2022-2026	5,154,092	1,501,183	6,655,275
2027-2028	2,450,248	214,386	2,664,634
Total	**$ 15,812,052**	**$ 6,812,567**	**$ 22,624,619**

Draft

NOTE 6: LONG - TERM DEBT – BUSINESS-TYPE ACTIVITIES (Continued)

CAPITAL LEASES PAYABLE

During 2006, the City entered into a capital lease for the retrofitting of the City's water meters. Assets worth $836,241 were acquired and capitalized. The lease requires forty quarterly payments of $26,254 beginning February 2007. The lease bears interest at 4.3% per annum. The lease is being repaid by the Water Fund.

Year	Payment
2012	$ 105,018
2013	105,018
2014	105,018
2015	105,018
2016	105,018
Total Payments	525,090
4.3% Interest	(54,991)
Present Value of Payments	**$ 470,099**

NOTE 7: INTERFUND TRANSACTIONS

Following is a summary of advances to and from other funds at December 31, 2011:

	Advance To Other Fund	Advance From Other Funds
General Fund	$ 120,000	$ -
Economic Development Fund	83,400	-
Capital Fund	67,500	-
Street Improvement Fund	-	150,900
Urban Renewal Authority Fund	-	120,000
Totals	**$ 270,900**	**$ 270,900**

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NOTE 7: INTERFUND TRANSACTIONS (Continued)

The City has recorded the following routine transfers:

	Transfers In	Transfers Out
General Fund	$ 177,269	$ 1,155,000
Conservation Trust Fund	-	187,150
Street Improvement Fund	-	25,374
Visitor Improvement Fund	-	28,500
Economic Development Fund	1,500,000	-
Downtown Development Fund	14,000	30
Energy Efficiency Fund	50,000	-
Capital Fund	535,000	1,500,000
Parks Fund	210,680	66,917
Water Fund	550,000	531,790
Sewer Fund	235,000	31,790
Sanitation Fund	-	25,398
Information Technology Fund	280,000	-
Totals	**$ 3,551,949**	**$ 3,551,949**

The following funds have made payments to the internal service funds representing maintenance and capital recovery costs:

	Internal Service Charges
General Fund	$ 425,130
Parks Fund	106,584
Water Fund	82,035
Wastewater Fund	54,082
Sanitation Fund	67,491
Fleet Maintenance Fund	2,975
Total	**$ 738,297**

In 2005, the General Fund made a $400,000 transfer to the Fleet Maintenance Fund to provide resources for fleet acquisitions. The Fleet Maintenance Fund acquires assets on behalf of other operating departments. These assets are capitalized in the fund and then allocated to the activities and functions as required for the government-wide presentation. The Fleet Maintenance Fund will recover the original acquisition costs over a period of three years in the form of increased user charges to the benefiting department. These recoveries will assist in maintaining cash resources for future fleet purchases.

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NOTE 7: INTERFUND TRANSACTIONS (Continued)

The utility funds have paid the General Fund the following management fees:

	Mgmt Fees
Water Fund	$ 104,949
Wastewater Fund	104,949
Sanitation Fund	27,481
Total	**$ 237,379**

NOTE 8: EMPLOYEE BENEFIT PLANS

The City provides pension benefits for all of its full-time police officers through a defined contribution plan. The police officers contribute 8% of their compensation to the plan, which the City matches with a 12.51% contribution. The City's contributions for each employee (and interest allocated thereon) vest at the rate of 20% per year. The City's contributions were calculated using the base salary amount of $1,299,156. During the year ended December 31, 2011, the City contributed $162,524, and the employees contributed $107,040.

All other full-time employees of the City are eligible to participate in a defined contribution pension plan established under the provisions of Section 401(k) of the Internal Revenue Code. In this defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. The plan covers all full-time employees upon initial employment and who have attained the age of twenty-one. The City contributes 5% of compensation to the plan on behalf of each qualified employee. Employees may not make contributions to this plan. Employees vest at the rate of 20% per year in contributions made by the City so that, by the fifth year of participation, they are 100% vested in all contributions made to the plan. The City's total payroll was $4,969,677 and covered payroll was $3,494,067 for this plan. For the year ended December 31, 2011, the City contributed $174,703 to the plan.

The City offers a deferred compensation plan in accordance with Section 457 of the Internal Revenue Code. The plan permits employees to defer a portion of their salary to future years. This deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency. However, employees are allowed to borrow against these funds and re-pay via payroll deduction. All amounts held by the Section 457 plan are held in trust for the benefit of the employees and accordingly are not included in the City's financial statements.

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NOTE 9: RECONCILIATION OF BUDGETED REVENUE AND EXPENDITURES TO ACTUALS

The financial statements present the activities of the proprietary fund types in conformity with GAAP, as applicable to these funds. Budgets are prepared using a non-GAAP basis. A reconciliation of the two methods is provided below:

	Water Fund	Sewer Fund	Sanitation Fund	Fleet Maintenance Fund	Information Systems Fund
Total Revenues - GAAP Basis	$ 3,555,246	$ 2,599,513	$ 767,226	$ 510,082	$ 517,113
Gain (Loss) on Asset Sales	-	-	(215,829)	-	-
Dedicated Infrastructure	(143,399)	(88,703)	-	-	-
Total Revenues - Budget Basis	**$ 3,411,847**	**$ 2,510,810**	**$ 551,397**	**$ 510,082**	**$ 517,113**

	Water Fund	Sewer Fund	Sanitation Fund	Fleet Maintenance Fund	Information Systems Fund
Total Expenditures - GAAP Basis	$ 3,070,171	$ 3,126,026	$ 619,823	$ 518,785	$ 245,023
Depreciation	(832,466)	(1,042,078)	(66,148)	(131,205)	(11,974)
Debt Service Principal	246,117	774,094	-	-	-
Capital Asset Acquisition	1,156,104	275,111	-	92,755	-
Total Expenditures - Budget Basis	**$ 3,639,926**	**$ 3,133,153**	**$ 553,675**	**$ 480,335**	**$ 233,049**

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NOTE 10: RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

For risks related to property and liability, the City is a member of the Colorado Intergovernmental Risk Sharing Agency (CIRSA), a separate and independent governmental and legal entity formed by intergovernmental agreement by member municipalities pursuant to the provision of 24-10-115.5, Colorado Revised Statutes (1982 Replacement Volume) and Colorado Constitution, Article XIV, section 18(2). The purposes of CIRSA are to provide members defined liability and property coverage and to assist members to prevent and reduce losses and injuries to municipal property and to persons or property which might result in claims being made against members of CIRSA, their employees or officers.

NOTE 10: RISK MANAGEMENT (Continued)

It is the intent of the members of CIRSA to create an entity in perpetuity which will administer and use funds contributed by the members to defend and indemnify, in accordance with the bylaws, any member of CIRSA against stated liability of loss, to the limit of the financial resources of CIRSA. It is also the intent of the members to have CIRSA provide continuing stability and availability of needed coverage at reasonable costs. All income and assets of CIRSA shall be at all times dedicated to the exclusive benefit of its members. CIRSA is a separate legal entity and the City does not approve budgets nor does it have ability to significantly affect the operations of the unit.

The City carries commercial insurance for workers compensation claims.

NOTE 11: COMMITMENTS AND CONTIGENCIES

TABOR Amendment

Colorado voters passed an amendment to the State Constitution, Article X, Section 20, which has several limitations, including revenue raising, spending abilities, and other specific requirements of state and local government. In November 1995, voters within the City approved the collection, retention and expenditure of the full revenues generated by the City in 1994 and subsequent years, notwithstanding the provisions of the Amendment.

The City has established an emergency reserve, representing 3% of qualifying expenditures, as required by the Amendment. At December 31, 2011, the emergency reserve of $396,000 was recorded in the General Fund.

2012 Budget Designations

Through the adoption of the 2012 budget, the City has assigned the following resources:

General Fund	$ 858,118
Street Improvement Fund	1,135,783
Visitor Improvement Fund	113,516
Downtown Development Authority Fund	112,220
Capital Fund	523,500
Energy Efficiency Fund	52,324
Sanitation Fund	9,929

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NOTE 12: RATE MAINTENANCE

The 2003 Colorado Water Resources and Power Development Authority water loan agreement requires that Net Revenues shall represent a sum equal to 110% of the amount necessary to pay when due the principal and interest on the loan and any parity debt coming due.

The 2007 Colorado Water Resources and Power Development Authority sewer loan agreement requires that Net Revenues shall represent a sum equal to 110% of the amount necessary to pay when due the principal and interest on the loan and parity debt coming due. The computation of said rate maintenance is as follows:

	Water Fund	Wastewater Fund
Revenues		
Operating Revenues	$ 2,296,232	$ 2,158,611
System Improvement Fees	242,094	105,927
(Water Improvement not to exceed 15% of total revenues)		
Investment Earnings	62,828	11,272
Cash in Lieu of Fees	18,376	-
State Grants	101,163	-
Other Revenues	1,102	-
Total Revenues	2,721,795	2,275,810
Expenses		
Operating Expenses	(2,449,066)	(2,487,456)
Less: Discretionary Internal Charges		
(Management Fees, Fleet Maintenance, Information Systems)	190,923	159,031
Less: Depreciation	832,466	1,042,078
Net Expenses	(1,425,677)	(1,286,347)
Net Revenues	1,296,118	989,463
Debt Service Requirements (Parity and Subordinate)		
2004 DOLA Note Payable	-	64,480
2007 CWRPDA Note Payable	-	1,325,220
1994 CWRPDA Note Payable	102,285	-
2003 CWRPDA Note Payable	112,773	-
1982 CWCB Note Payable	15,156	-
Meter Retrofit Lease Payable	105,018	-
Total Debt Service	335,232	1,389,700
Required Coverage	110%	110%
(Water 100% without System Improvement Fees)		
Debt Service Coverage Amount	368,755	1,528,670
Net Revenue Excess (Shortfall)	$ 927,363	$ (539,207)

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NOTE 12: RATE MAINTENANCE (Continued)

To partially offset the shortfall for the Sewer Fund for 2011, the City elected to transfer $235,000 from the City's General Fund. In addition, the City has adopted a 14.30% sewer rate increase that was effective January 1, 2012.

NOTE 13: PRIOR PERIOD ADJUSTMENT

Subsequent to the issuance of the issuance of the December 31, 2010 financial statements, one of the City's sales tax vendors filed a claim for refund of sales taxes paid to the City. This vendor had been paying sales taxes to the city under the assumption that the business resided within the City limits, which was determined to not be the case. The total amount refunded to this vendor and two affiliates for the period 2009 and 2010 was $767,263. This resulted in reductions of beginning net assets in those funds that originally reported the sales taxes as follows:

General Fund	$ (420,328)
Street Improvement Fund	(109,609)
Rifle Information Center Fund	(18,108)
Parks and Recreation Fund	(219,218)
Total	$ (767,263)

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OTHER SUPPLEMENTARY INFORMATION

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CITY OF RIFLE, COLORADO

COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS
December 31, 2011
With Comparative Totals for December 31, 2010

	SPECIAL REVENUE FUNDS			
	CONSERVATION TRUST	VISITOR IMPROVEMENT	DOWNTOWN DEVELOPMENT	RIFLE INFORMATION CENTER
ASSETS				
Cash and Investments	$ -	$ 221,395	$ 102,842	$ 319,298
Property Taxes Receivable	-	-	49,888	-
Other Receivable	-	7,825	-	18,297
Prepaid Expenses	-	-	2,917	-
Advance to Other Funds	-	-	-	-
Due from Other Governments	-	-	236	-
Restricted Cash and Investments	66,081	-	12,319	-
TOTAL ASSETS	$ 66,081	$ 229,220	$ 168,202	$ 337,595
LIABILITIES AND FUND BALANCE				
LIABILITIES				
Accounts Payable	$ -	$ 7,245	$ 3,177	$ -
Advances from Other Funds	-	-	-	-
Deferred Revenue	-	-	49,888	-
TOTAL LIABILITIES	-	7,245	53,065	-
FUND BALANCE				
Unspendable:				
Interfund Advances	-		-	-
Prepaids	-	-	2,917	-
Restricted for:				
Parking Improvements		-	12,319	-
Parks and Recreation	66,081	-	-	-
Assigned for:				
Subsequent Year's Expenditures	-	113,516	99,901	-
Economic Development	-	108,459	-	337,595
Capital Improvements			-	-
TOTAL FUND BALANCE	66,081	221,975	115,137	337,595
TOTAL LIABILITIES AND FUND BALANCE	$ 66,081	$ 229,220	$ 168,202	$ 337,595

Draft

See the accompanying Independent Auditors' Report

SPECIAL REVENUE FUNDS		CAP. PROJ.	TOTALS	
ENERGY EFFICIENCY	URBAN RENEWAL AUTHORITY	CAPITAL	2011	2010
$ 152,138	$ 9,529	$ 3,890,956	$ 4,696,158	$ 5,822,352
-	-	-	49,888	59,650
-	-	-	26,122	28,051
-	-	-	2,917	-
-	-	67,500	67,500	90,000
-	-	-	236	179,277
-	-	-	78,400	199,929
$ 152,138	$ 9,529	$ 3,958,456	$ 4,921,221	$ 6,379,259
$ 21,444	$ -	$ 14,427	$ 46,293	$ 177,942
-	120,000	-	120,000	130,679
-	-	-	49,888	59,650
21,444	120,000	14,427	216,181	368,271
-	-	67,500	67,500	90,000
-	-	-	2,917	-
-	-	-	12,319	12,319
-	-	-	66,081	187,810
52,324	(4,731)	523,500	784,510	-
-	(105,740)	-	340,314	503,322
78,370	-	3,353,029	3,431,399	5,217,737
130,694	(110,471)	3,944,029	4,705,040	6,010,988
$ 152,138	$ 9,529	$ 3,958,456	$ 4,921,221	$ 6,379,259

Draft

CITY OF RIFLE, COLORADO

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
Year Ended December 31, 2011
With Comparative Totals for the Year Ended December 31, 2010

	SPECIAL REVENUE FUNDS			
	CONSERVATION TRUST	VISITOR IMPROVEMENT	DOWNTOWN DEVELOPMENT	RIFLE INFORMATION CENTER
REVENUES				
Taxes	$ -	$ 129,771	$ 61,790	$ 164,844
Intergovernmental	84,252	-	4,000	-
Charges for Services	-	-	-	-
Miscellaneous	2,219	2,263	1,173	3,405
TOTAL REVENUES	86,471	132,034	66,963	168,249
EXPENDITURES				
Economic Development and Assistance	-	92,915	56,285	113,170
Capital Outlay	20,850	-	14,176	-
Debt Service	-	-	-	102
TOTAL EXPENDITURES	20,850	92,915	70,461	113,272
REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES	65,621	39,119	(3,498)	54,977
OTHER FINANCING SOURCES (USES)				
Transfers In	-		14,000	-
Transfers Out	(187,150)	(28,500)	(30)	-
TOTAL OTHER FINANCING SOURCES (USES)	(187,150)	(28,500)	13,970	-
CHANGE IN FUND BALANCES	(121,529)	10,619	10,472	54,977
FUND BALANCE (DEFICIT), Beginning	187,610	211,356	104,665	300,726
PRIOR PERIOD ADJUSTMENT	-	-	-	(18,108)
FUND BALANCE, Beginning (As Restated)	187,610	211,356	104,665	282,618
FUND BALANCE (DEFICIT), Ending	$ 66,081	$ 221,975	$ 115,137	$ 337,595

Draft

See the accompanying Independent Auditors' Report.

SPECIAL REVENUE FUNDS		CAP. PROJ.	TOTALS	
ENERGY EFFICIENCY	URBAN RENEWAL AUTHORITY	CAPITAL	2011	2010
$ -	$ -	$ -	$ 356,405	$ 359,842
77,500	-	65,000	230,752	1,669,392
-	-	-	-	7,500
1,532	177	46,043	56,812	55,735
79,032	177	111,043	643,969	2,092,469
-	9,542	-	271,912	239,823
96,207	-	411,882	543,115	2,045,306
-	-	-	102	447
96,207	9,542	411,882	815,129	2,285,576
(17,175)	(9,365)	(300,839)	(171,160)	(193,107)
50,000	-	535,000	599,000	9,000
-	-	(1,500,000)	(1,715,680)	(270,000)
50,000	-	(965,000)	(1,116,680)	(261,000)
32,825	(9,365)	(1,265,839)	(1,287,840)	(454,107)
97,869	(101,106)	5,209,868	6,010,988	6,465,095
-	-	-	(18,108)	-
97,869	(101,106)	5,209,868	5,992,880	6,465,095
$ 130,694	$ (110,471)	$ 3,944,029	$ 4,705,040	$ 6,010,988

Draft

SPECIAL REVENUE FUNDS

Special Revenue Funds are established to account for the proceeds of specific revenue sources, other than special assessments, expendable trusts, or major capital projects, that are legally restricted to expenditures for specified purposes.

Conservation Trust Fund -- This fund accounts for lottery proceeds received from the State government. Expenditures are restricted to the development or improvement of City parks.

Visitor Improvement Fund -- This fund accounts for expenditures related to visitor improvements and attractions, historic preservation, special events, city beautification projects, and city promotion expenditures funded through a 2.5% lodging tax implemented in 2008.

Downtown Development Agency Fund -- This fund receives an allocation of property taxes to be used for downtown development.

Rifle Information Center Fund -- This fund accounts for the operations of the City information center.

Energy Efficiency Fund -- This fund accounts for the activity of any Energy Efficiency Grants awarded the City.

Urban Renewal Authority Fund -- This fund accounts for the activity of the Urban Renewal Authority with operations beginning in 2008.

Capital Fund – Revenues of this fund consist primarily of transfers from the General Fund to provide for long-term capital asset acquisition.

Draft

CITY OF RIFLE, COLORADO

BUDGETARY COMPARISON SCHEDULE FOR THE CONSERVATION TRUST FUND
Year Ended December 31, 2011
With Comparative Totals for the Year Ended December 31, 2010

	2011			
	ORIGINAL & FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET FAV (UNFAV)	2010 ACTUAL
REVENUES				
Intergovernmental	$ 80,503	$ 84,252	$ 3,749	$ 82,689
Miscellaneous	2,776	2,219	(557)	3,915
TOTAL REVENUES	83,279	86,471	3,192	86,604
EXPENDITURES				
Capital Outlay	-	20,850	(20,850)	-
REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES	83,279	65,621	(17,658)	86,604
OTHER FINANCING SOURCES (USES)				
Transfers Out	(208,000)	(187,150)	20,850	(260,000)
CHANGE IN FUND BALANCE	(124,721)	(121,529)	3,192	(173,396)
FUND BALANCE, Beginning	185,001	187,610	2,609	361,006
FUND BALANCE, Ending	$ 60,280	$ 66,081	$ 5,801	$ 187,610

Draft

See the accompanying Independent Auditors' Report.

CITY OF RIFLE, COLORADO

BUDGETARY COMPARISON SCHEDULE FOR THE VISITOR IMPROVEMENT FUND
Year Ended December 31, 2011
With Comparative Totals for the Year Ended December 31, 2010

	2011			
	ORIGINAL & FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET FAV (UNFAV)	2010 ACTUAL
REVENUES				
Taxes	$ 116,000	$ 129,771	$ 13,771	$ 132,574
Miscellaneous	2,686	2,263	(423)	1,350
TOTAL REVENUES	118,686	132,034	13,348	133,924
EXPENDITURES				
Economic Development and Assistance	172,825	92,915	79,910	90,007
Contingency Reserve	115,627	-	115,627	-
TOTAL EXPENDITURES	288,452	92,915	195,537	90,007
REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES	(169,766)	39,119	208,885	43,917
OTHER FINANCING SOURCES (USES)				
Transfers Out	(5,000)	(28,500)	(23,500)	(10,000)
CHANGE IN FUND BALANCE	(174,766)	10,619	185,385	33,917
FUND BALANCE, Beginning	178,327	211,356	33,029	177,439
FUND BALANCE, Ending	$ 3,561	$ 221,975	$ 218,414	$ 211,356

Draft

See the accompanying Independent Auditors' Report.

CITY OF RIFLE, COLORADO

BUDGETARY COMPARISON SCHEDULE FOR THE DOWNTOWN DEVELOPMENT FUND
Year Ended December 31, 2011
With Comparative Totals for the Year Ended December 31, 2010

	2011			
	ORIGINAL & FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET FAV (UNFAV)	2010 ACTUAL
REVENUES				
Taxes	$ 61,650	$ 61,790	$ 140	$ 59,434
Intergovernmental	-	4,000	4,000	-
Charges for Services	-	-	-	7,500
Miscellaneous	1,000	1,173	173	1,086
TOTAL REVENUES	62,650	66,963	4,313	68,020
EXPENDITURES				
Economic Development and Assistance	56,600	56,285	315	44,567
Capital Outlay	69,750	14,176	55,574	29,256
Contingency Reserve	49,001	-	49,001	-
TOTAL EXPENDITURES	175,351	70,461	104,890	73,823
REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES	(112,701)	(3,498)	109,203	(5,803)
OTHER FINANCING SOURCES (USES)				
Transfers In	14,000	14,000	-	9,000
Transfers Out		(30)	(30)	-
TOTAL OTHER FINANCING SOURCES (USES)	14,000	13,970	(30)	9,000
CHANGE IN FUND BALANCE	(98,701)	10,472	109,173	3,197
FUND BALANCE, Beginning	100,067	104,665	4,598	101,468
FUND BALANCE, Ending	$ 1,366	$ 115,137	$ 113,771	$ 104,665

Draft

See the accompanying Independent Auditors' Report.

CITY OF RIFLE, COLORADO

BUDGETARY COMPARISON SCHEDULE FOR THE RIFLE INFORMATION CENTER FUND
Year Ended December 31, 2011
With Comparative Totals for the Year Ended December 31, 2010

	2011				
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET FAV (UNFAV)	2010 ACTUAL
REVENUES					
Taxes	$ 150,289	$ 150,289	$ 164,844	$ 14,555	$ 167,834
Miscellaneous	3,044	3,044	3,405	361	2,137
TOTAL REVENUES	153,333	153,333	168,249	14,916	169,971
EXPENDITURES					
Economic Development and Assistance	103,303	113,303	113,170	133	103,163
Debt Service	10,781	10,781	102	10,679	447
TOTAL EXPENDITURES	114,084	124,084	113,272	10,812	103,610
REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES	39,249	29,249	54,977	25,728	66,361
FUND BALANCE (DEFICIT), Beginning	266,102	266,102	300,726	34,624	234,365
PRIOR PERIOD ADJUSTMENT	-	-	(18,108)	(18,108)	-
FUND BALANCE (DEFICIT), Beginning (As Restated)	266,102	266,102	282,618	16,516	234,365
FUND BALANCE (DEFICIT), Ending	$ 305,351	$ 295,351	$ 337,595	$ 42,244	$ 300,726

Draft

See the accompanying Independent Auditors' Report.

CITY OF RIFLE, COLORADO

BUDGETARY COMPARISON SCHEDULE FOR THE ENERGY EFFICIENCY FUND
Year Ended December 31, 2011

	2011			
	ORIGINAL & FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET FAV (UNFAV)	2010 ACTUAL
REVENUES				
Intergovernmental	$ -	$ 77,500	$ 77,500	$ 47,931
Miscellaneous	747	1,532	785	862
TOTAL REVENUES	747	79,032	78,285	48,793
EXPENDITURES				
Capital Outlay	-	96,207	(96,207)	52,231
Contingency Reserve	103,047	-	103,047	-
TOTAL EXPENDITURES	103,047	96,207	6,840	52,231
REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES	(102,300)	(17,175)	85,125	(3,438)
OTHER FINANCING SOURCES (USES)				
Transfers In	-	50,000	50,000	-
CHANGE IN FUND BALANCE	(102,300)	32,825	135,125	(3,438)
FUND BALANCE, Beginning	102,300	97,869	(4,431)	101,307
FUND BALANCE, Ending	$ -	$ 130,694	$ 130,694	$ 97,869

Draft

See the accompanying Independent Auditors' Report.

CITY OF RIFLE, COLORADO

BUDGETARY COMPARISON SCHEDULE FOR THE URBAN RENEWAL AUTHORITY FUND
Year Ended December 31, 2011
With Comparative Totals for the Year Ended December 31, 2010

	2011			
	ORIGINAL & FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET FAV (UNFAV)	2010 ACTUAL
REVENUES				
Miscellaneous	$ 119	$ 177	$ 58	$ 162
EXPENDITURES				
Economic Development and Assistance	5,000	9,542	(4,542)	2,086
REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES	(4,881)	(9,365)	(4,484)	(1,924)
FUND BALANCE, Beginning	17,497	(101,106)	(118,603)	(99,182)
FUND BALANCE, Ending	$ 12,616	$ (110,471)	$ (123,087)	$ (101,106)

Draft

See the accompanying Independent Auditors' Report.

CITY OF RIFLE, COLORADO

BUDGETARY COMPARISON STATEMENT FOR THE CAPITAL FUND
Year Ended December 31, 2011
With Comparative Totals for the Year Ended December 31, 2010

	2011				
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET FAV (UNFAV)	2010 ACTUAL
REVENUES					
Intergovernmental	$ -	$ -	$ 65,000	$ 65,000	$ 1,538,772
Miscellaneous	105,956	105,956	46,043	(59,913)	46,223
TOTAL REVENUES	105,956	105,956	111,043	5,087	1,584,995
EXPENDITURES					
Capital Outlay	1,230,000	1,330,000	411,882	918,118	1,963,819
Contingency Reserve	300,000	300,000	-	300,000	-
TOTAL EXPENDITURES	1,530,000	1,630,000	411,882	1,218,118	1,963,819
REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES	(1,424,044)	(1,524,044)	(300,839)	1,223,205	(378,824)
OTHER FINANCING SOURCES (USES)					
Transfers In	-		535,000	535,000	-
Transfers Out	(500,000)	(500,000)	(1,500,000)	(1,000,000)	-
TOTAL OTHER FINANCING SOURCES (USES)	(500,000)	(500,000)	(965,000)	(465,000)	-
CHANGE IN FUND BALANCE	(1,924,044)	(2,024,044)	(1,265,839)	758,205	(378,824)
FUND BALANCE, Beginning	4,944,693	4,944,693	5,209,868	265,175	5,588,692
FUND BALANCE, Ending	$ 3,020,649	$ 2,920,649	$ 3,944,029	$ 1,023,380	$ 5,209,868

Draft

See the accompanying Independent Auditors' Report.

ENTERPRISE FUNDS

Enterprise Funds are used to account for operations that are financed in a manner similar to private business enterprises. The costs of providing goods or services to the general public on a continuing basis are recovered primarily from user charges.

The following are the Enterprise Funds of the City:

Water Fund -- This fund accounts for the provision of water services to City residents.

Wastewater Fund -- This fund accounts for the provision of sewer services to City residents.

Sanitation Fund -- This fund accounts for the provision of waste management services to City residents.

Draft

CITY OF RIFLE, COLORADO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN NET ASSETS - BUDGET AND ACTUAL
WATER FUND
Year Ended December 31, 2011
With Comparative Totals for the Year Ended December 31, 2010

	2011			
	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET FAV (UNFAV)	2010 ACTUAL
REVENUES				
Charges for Services	$ 2,349,399	$ 2,079,825	$ (269,574)	$ 2,247,803
Sale of Materials	2,610	2,185	(425)	3,722
Reimbursed Expenditures	35,000	53,176	18,176	68,825
Other Revenue	82,294	161,046	78,752	152,694
System Improvement Fees	34,513	242,094	207,581	200,006
Investment Earnings	71,204	62,828	(8,376)	52,483
Cash in Lieu of Fees	-	18,376	18,376	450
Federal Grants	216,000	140,052	(75,948)	-
State Grants	47,085	101,163	54,078	288,584
Other Revenues	10,000	1,102	(8,898)	80,704
Transfers In	550,000	550,000	-	100,000
TOTAL REVENUES	3,398,105	3,411,847	13,742	3,195,271
EXPENDITURES				
Personal Services	771,607	730,785	40,822	706,203
Supplies	359,845	135,309	224,536	261,408
Purchased Services	697,008	546,999	150,009	581,808
Other Operating Expenses	58,325	12,584	45,741	-
Management Fees	104,949	104,949	-	104,949
Fleet Maintenance	49,722	74,461	(24,739)	56,172
Info Tech Maintenance	12,165	11,513	652	10,012
Acquisition of Capital Assets	2,421,292	1,156,104	1,265,188	1,305,331
Debt Principal	246,117	246,117	-	234,776
Amortization of Bond Issuance Costs	1,038	1,038	-	1,038
Interest Expense	88,939	88,277	662	99,026
Transfers Out	531,790	531,790	-	31,790
TOTAL EXPENDITURES	5,342,797	3,639,926	1,702,871	3,392,513
NET INCOME (LOSS) - Budgetary Basis	$ (1,944,692)	(228,079)	$ 1,716,613	(197,242)
ADJUSTMENTS TO GAAP BASIS				
Capital Outlay		1,156,104		1,283,984
Dedicated Infrastructure		143,399		86,654
Gain (Loss) on Disposal of Fixed Assets		-		2,700
Debt Principal		246,117		234,776
Depreciation Expense		(832,466)		(820,345)
NET INCOME - GAAP Basis		485,075		590,527
NET ASSETS, Beginning		25,949,560		25,359,033
NET ASSETS, Ending		$ 26,434,635		$ 25,949,560

Draft

See the accompanying Independent Auditors' Report.

CITY OF RIFLE, COLORADO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN NET ASSETS - BUDGET AND ACTUAL
WASTEWATER FUND
Year Ended December 31, 2011
With Comparative Totals for the Year Ended December 31, 2010

	2011			
	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET FAV (UNFAV)	2010 ACTUAL
REVENUES				
Charges for Services	$ 2,178,420	$ 2,150,971	$ (27,449)	$ 2,411,271
Other Operating Revenues	8,578	7,640	(938)	51,898
System Improvement Fees	22,429	105,927	83,498	137,893
Investment Earnings	66,895	11,272	(55,623)	13,759
State Grants	-	-	-	200,000
Proceeds from Long Term Debt	35,614	-	(35,614)	-
Transfers In	35,000	235,000	200,000	35,000
Other Revenues	-	-	-	1,055
TOTAL REVENUES	2,346,936	2,510,810	163,874	2,850,876
EXPENDITURES				
Personal Services	459,555	423,609	35,946	444,427
Supplies	76,927	87,124	(10,197)	165,325
Purchased Services	658,182	775,614	(117,432)	617,436
Other Operating Expenses	42,000	-	42,000	-
Management Fees	104,949	104,949	-	104,949
Fleet Maintenance	24,795	36,813	(12,018)	20,115
Info Tech Maintenance	18,246	17,269	977	15,019
Acquisition of Capital Assets	412,584	275,111	137,473	695,936
Amortization of Bond Issuance Costs	952	952	-	952
Debt Principal	685,432	774,094	(88,662)	776,568
Interest Expense	639,788	605,828	33,960	255,506
Transfers Out	31,790	31,790	-	31,790
Other Expenses	20,000	-	20,000	-
TOTAL EXPENDITURES	3,175,200	3,133,153	42,047	3,128,023
NET INCOME (LOSS) - Budgetary Basis	$ (828,264)	(622,343)	$ 205,921	(277,147)
ADJUSTMENTS TO GAAP BASIS				
Capital Outlay		275,111		695,936
Dedicated Infrastructure		88,703		-
Debt Principal		774,094		776,568
Gain (Loss) on Disposal of Fixed Assets		-		1,500
Depreciation Expense		(1,042,078)		(1,035,527)
NET INCOME (LOSS) - GAAP Basis		(526,513)		161,330
NET ASSETS, Beginning		19,488,309		19,326,979
NET ASSETS, Ending		$ 18,961,796		$ 19,488,309

Draft

See the accompanying Independent Auditors' Report.

CITY OF RIFLE, COLORADO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN NET ASSETS - BUDGET AND ACTUAL
SANITATION FUND
Year Ended December 31, 2011
With Comparative Totals for the Year Ended December 31, 2010

	2011			
	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET FAV (UNFAV)	2010 ACTUAL
REVENUES				
Charges for Services	$ 567,338	$ 544,927	$ (22,411)	$ 563,804
Other Revenue	2,782	2,155	(627)	2,315
Investment Earnings	5,594	4,315	(1,279)	2,699
Other Revenues	-	-	-	795
TOTAL REVENUES	575,714	551,397	(24,317)	569,613
EXPENDITURES				
Personal Services	101,024	79,556	21,468	94,308
Supplies	16,500	30,257	(13,757)	13,597
Purchased Services	280,049	323,147	(43,098)	272,848
Other Operating Expenses	2,500	345	2,155	-
Management Fees	27,481	27,481	-	27,481
Fleet Maintenance	42,223	64,613	(22,390)	47,736
Info Tech Maintenance	3,041	2,878	163	2,503
Acquisition of Capital Assets	250,000	-	250,000	-
Transfers Out	9,118	25,398	(16,280)	9,118
TOTAL EXPENDITURES	731,936	553,675	178,261	467,591
NET INCOME (LOSS) - Budgetary Basis	$ (156,222)	(2,278)	$ 153,944	102,022
ADJUSTMENTS TO GAAP BASIS				
Gain (Loss) on Disposal of Fixed Assets		215,829		-
Depreciation Expense		(66,148)		(76,225)
NET INCOME - GAAP Basis		147,403		25,797
NET ASSETS, Beginning		637,397		611,600
NET ASSETS, Ending		$ 784,800		$ 637,397

Draft

See the accompanying Independent Auditors' Report.

INTERNAL SERVICE FUNDS

Internal Service funds are established to account for the financing of goods or services provided by one department to other departments of the City on a cost-reimbursement basis.

Fleet Maintenance Fund -- This fund accounts for fleet equipment charges paid by City departments to offset maintenance and depreciation expenses.

Information Technology Fund -- This fund will account for information technology equipment charges paid by City departments to offset maintenance and depreciation expenses.

Draft

CITY OF RIFLE, COLORADO

COMBINING STATEMENT OF NET ASSETS - INTERNAL SERVICE FUNDS
December 31, 2011
With Comparative Totals for December 31, 2010

	FLEET MAINTENANCE	INFORMATION TECHNOLOGY	TOTALS 2011	TOTALS 2010
ASSETS				
CURRENT ASSETS				
Cash and Investments	$ 466,563	$ 364,601	$ 831,164	$ 127,825
Prepaid Expenses	-	-	-	6,722
Inventory	29,717	-	29,717	26,894
TOTAL CURRENT ASSETS	496,280	364,601	860,881	161,441
PROPERTY AND EQUIPMENT	873,937	59,868	933,805	841,049
Less Accumulated Depreciation	(672,257)	(12,072)	(684,329)	(541,150)
NET PROPERTY AND EQUIPMENT	201,680	47,796	249,476	299,899
OTHER ASSETS				
Restricted Cash and Investments	-	-	-	410,363
TOTAL ASSETS	697,960	412,397	1,110,357	871,703
LIABILITIES				
CURRENT LIABILITIES				
Accounts Payable	17,430	12,423	29,853	55,285
Accrued Wages & Comp. Absences	3,816	7,813	11,629	10,930
TOTAL LIABILITIES	21,246	20,236	41,482	66,215
NET ASSETS				
Invested in Capital Assets Net of Related Debt	201,680	47,796	249,476	299,899
Unrestricted	475,034	344,365	819,399	505,589
TOTAL NET ASSETS	$ 676,714	$ 392,161	$ 1,068,875	$ 805,488

Draft

See the accompanying Independent Auditors' Report.

CITY OF RIFLE, COLORADO

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS - INTERNAL SERVICE FUNDS
Year Ended December 31, 2011
With Comparative Totals for the Year Ended December 31, 2010

	FLEET MAINTENANCE	INFORMATION TECHNOLOGY	TOTALS 2011	TOTALS 2010
OPERATING REVENUES				
Charges for Services	$ 505,801	$ 236,436	$ 742,237	$ 699,385
OPERATING EXPENSES				
Personal Services	81,412	156,190	237,602	224,220
Supplies	264,492	37,282	301,774	237,971
Purchased Services	38,701	22,755	61,456	43,961
Other Expenses	-	16,822	16,822	14,505
Fleet Maintenance	406	-	406	100
Info Tech Maintenance	2,569	-	2,569	2,503
Depreciation	131,205	11,974	143,179	138,692
TOTAL OPERATING EXPENSES	518,785	245,023	763,808	661,952
NET INCOME (LOSS) FROM OPERATIONS	(12,984)	(8,587)	(21,571)	37,433
OTHER INCOME (EXPENSE)				
Investment Earnings	4,281	677	4,958	3,216
Other Revenues	-	-	-	296
OTHER INCOME (EXPENSE)	4,281	677	4,958	3,512
NET INCOME (LOSS) BEFORE TRANSFERS	(8,703)	(7,910)	(16,613)	40,945
TRANSFERS				
Transfers In	-	280,000	280,000	-
NET INCOME (LOSS)	(8,703)	272,090	263,387	40,945
NET ASSETS, Beginning	685,417	120,071	805,488	764,543
NET ASSETS, Ending	$ 676,714	$ 392,161	$ 1,068,875	$ 805,488

Draft

See the accompanying Independent Auditors' Report.

CITY OF RIFLE, COLORADO

COMBINING STATEMENT OF CASH FLOWS - INTERNAL SERVICE FUNDS
Increase (Decrease) in Cash and Cash Equivalents
Year Ended December 31, 2011
With Comparative Totals for the Year Ended December 31, 2010

	FLEET MAINTENANCE	INFORMATION TECHNOLOGY	TOTAL 2011	TOTAL 2010
Cash Flows From Operating Activities:				
Cash Received From Customers	$ 505,801	$ 236,436	$ 742,237	$ 699,385
Cash Payments to Suppliers and Employees	(408,045)	(233,419)	(641,464)	(496,262)
Net Cash Provided by Operating Activities	97,756	3,017	100,773	203,123
Cash Flows From Capital and Related Financing Activities:				
Purchases of Property and Equipment	(92,755)	-	(92,755)	(65,185)
Cash Flows from Non-Capital Financing Activities:				
Other Revenues	-	-	-	296
Transfers - Net	-	280,000	280,000	-
Net Cash Provided (Used) by Non-Capital Financing Activities	-	280,000	280,000	296
Cash Flows From Investing Activities:				
Investment Income	4,281	677	4,958	3,216
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	9,282	283,694	292,976	141,450
CASH AND INVESTMENTS, Beginning	457,281	80,907	538,188	396,738
CASH AND INVESTMENTS, Ending	$ 466,563	$ 364,601	$ 831,164	$ 538,188
Cash and Investments	$ 466,563	$ 364,601	$ 831,164	$ 127,825
Restricted Cash and Investments	-	-	-	410,363
TOTAL CASH AND INVESTMENTS	$ 466,563	$ 364,601	$ 831,164	$ 538,188
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:				
Operating Income (Loss)	$ (12,984)	$ (8,587)	$ (21,571)	$ 37,433
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:				
Depreciation	131,205	11,974	143,179	138,692
(Increase) Decrease in:				
Prepaid Expenses	3,346	3,376	6,722	(6,722)
Inventory	(2,822)	-	(2,822)	(499)
Increase (Decrease) in:				
Accounts Payable	(21,872)	(3,562)	(25,434)	25,884
Accrued Wages & Comp. Absences	883	(184)	699	8,335
Total Adjustments	110,740	11,604	122,344	165,690
Net Cash Provided by Operating Activities	$ 97,756	$ 3,017	$ 100,773	$ 203,123

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See the accompanying Independent Auditors' Report.

CITY OF RIFLE, COLORADO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN NET ASSETS - BUDGET AND ACTUAL
FLEET MAINTENANCE FUND
Year Ended December 31, 2011
With Comparative Totals for the Year Ended December 31, 2010

	2011			
	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET FAV (UNFAV)	2010 ACTUAL
REVENUES				
Charges for Services	$ 527,484	$ 505,801	$ (21,683)	$ 495,302
Investment Earnings	3,508	4,281	773	2,255
Other Revenues	-	-	-	262
TOTAL REVENUES	530,992	510,082	(20,910)	497,819
EXPENDITURES				
Personal Services	87,248	81,412	5,836	82,545
Supplies	229,200	264,492	(35,292)	235,230
Purchased Services	18,400	38,701	(20,301)	18,079
Fleet Maintenance	5	406	(401)	100
Info Tech Maintenance	2,967	2,569	398	2,503
Acquisition of Capital Assets	159,000	92,755	66,245	65,185
TOTAL EXPENDITURES	496,820	480,335	16,485	403,642
NET INCOME - Budgetary Basis	$ 34,172	29,747	$ (4,425)	94,177
ADJUSTMENTS TO GAAP BASIS				
Capital Outlay		92,755		65,185
Depreciation Expense		(131,205)		(138,594)
NET INCOME (LOSS) - GAAP Basis		(8,703)		20,768
NET ASSETS, Beginning		685,417		664,649
NET ASSETS, Ending		$ 676,714		$ 685,417

Draft

See the accompanying Independent Auditors' Report.

CITY OF RIFLE, COLORADO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN NET ASSETS - BUDGET AND ACTUAL
INFORMATION TECHNOLOGY FUND
Year Ended December 31, 2011
With Comparative Totals for the Year Ended December 31, 2010

	2011			
	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET FAV (UNFAV)	2010 ACTUAL
REVENUES				
Charges for Services	$ 248,879	$ 236,436	$ (12,443)	$ 204,083
Investment Earnings	3,614	677	(2,937)	961
Other Revenues	-	-	-	34
Transfers In	-	280,000	280,000	-
TOTAL REVENUES	252,493	517,113	264,620	205,078
EXPENDITURES				
Personal Services	156,494	156,190	304	141,675
Supplies	10,000	37,282	(27,282)	2,741
Purchased Services	28,100	22,755	5,345	25,882
Other Expenses	13,800	16,822	(3,022)	14,505
Acquisition of Capital Assets	63,333	-	63,333	59,769
TOTAL EXPENDITURES	271,727	233,049	38,678	244,572
NET INCOME (LOSS) - Budgetary Basis	$ (19,234)	284,064	$ 303,298	(39,494)
ADJUSTMENTS TO GAAP BASIS				
Capital Outlay		-		59,769
Depreciation Expense		(11,974)		(98)
NET INCOME - GAAP Basis		272,090		20,177
NET ASSETS, Beginning		120,071		99,894
NET ASSETS, Ending		$ 392,161		$ 120,071

Draft

See the accompanying Independent Auditors' Report.

COMPLIANCE SECTION

Draft

State Compliance

Draft

The public report burden for this information collection is estimated to average 380 hours annually.

LOCAL HIGHWAY FINANCE REPORT	City or County: CITY OF RIFLE YEAR ENDING : December 2011
This Information From The Records Of: City of Rifle	Prepared By: Charles Kelty, Finance Director Phone: 970.665.6449

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

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

II. RECEIPTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Receipts from local sources:	
1. Local highway-user taxes	
a. Motor Fuel (from Item I.A.5.)	
b. Motor Vehicle (from Item I.B.5.)	
c. Total (a.+b.)	
2. General fund appropriations	1,028,542
3. Other local imposts (from page 2)	1,516,128
4. Miscellaneous local receipts (from page 2)	192,525
5. Transfers from toll facilities	0
6. Proceeds of sale of bonds and notes:	
a. Bonds - Original Issues	0
b. Bonds - Refunding Issues	0
c. Notes	0
d. Total (a. + b. + c.)	0
7. Total (1 through 6)	2,737,195
B. Private Contributions	263,619
C. Receipts from State government (from page 2)	569,640
D. Receipts from Federal Government (from page 2)	0
E. Total receipts (A.7 + B + C + D)	3,570,454

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Local highway disbursements:	
1. Capital outlay (from page 2)	1,646,485
2. Maintenance	685,174
3. Road and street services:	
a. Traffic control operations	5,476
b. Snow and ice removal	33,316
c. Other	119,441
d. Total (a. through c.)	158,233
4. General administration & miscellaneous	231,884
5. Highway law enforcement and safety	866,023
6. Total (1 through 5)	3,587,799
B. Debt service on local obligations:	
1. Bonds:	
a. Interest	98,026
b. Redemption	280,000
c. Total (a. + b.)	378,026
2. Notes:	
a. Interest	0
b. Redemption	0
c. Total (a. + b.)	0
3. Total (1.c + 2.c)	378,026
C. Payments to State for highways	0
D. Payments to toll facilities	0
E. Total disbursements (A.6 + B.3 + C + D)	3,965,825

IV. LOCAL HIGHWAY DEBT STATUS
(Show all entries at par)

	Opening Debt	Amount Issued	Redemptions	Closing Debt
A. Bonds (Total)	2,560,000		280,000	2,280,000
1. Bonds (Refunding Portion)				
B. Notes (Total)				0

V. LOCAL ROAD AND STREET FUND BALANCE

A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
3,417,150	3,570,454	3,965,825	3,021,779	(0)

Notes and Comments:

{5CB86336-5F0F-414E-89F8-E80BF0E39030}

LOCAL HIGHWAY FINANCE REPORT	STATE: Colorado
	YEAR ENDING (mm/yy): December 2011

II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL

ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		**A.4. Miscellaneous local receipts:**	
a. Property Taxes and Assessments	54,295	a. Interest on investments	34,278
b. Other local imposts:		b. Traffic Fines & Penalities	158,247
1. Sales Taxes	997,844	c. Parking Garage Fees	0
2. Infrastructure & Impact Fees	92,507	d. Parking Meter Fees	0
3. Liens	0	e. Sale of Surplus Property	0
4. Licenses	0	f. Charges for Services	0
5. Specific Ownership &/or Other	371,482	g. Other Misc. Receipts	0
6. Total (1. through 5.)	1,461,833	h. Other	0
c. Total (a. + b.)	1,516,128	i. Total (a. through h.)	192,525
	(Carry forward to page 1)		(Carry forward to page 1)

ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		**D. Receipts from Federal Government**	
1. Highway-user taxes	288,867	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	0
a. State bond proceeds		b. FEMA	0
b. Project Match		c. HUD	0
c. Motor Vehicle Registrations	37,797	d. Federal Transit Admin	0
d. DOLA EIAF 5416 Fairway Ave	242,976	e. U.S. Corps of Engineers	0
e. Other (Specify)	0	f. Other Federal	0
f. Total (a. through e.)	280,773	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	569,640	3. Total (1. + 2.g)	
			(Carry forward to page 1)

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL

	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
A.1. Capital outlay:			
a. Right-Of-Way Costs		0	0
b. Engineering Costs		130,097	130,097
c. Construction:			
(1). New Facilities		342,123	342,123
(2). Capacity Improvements		0	0
(3). System Preservation		1,105,533	1,105,533
(4). System Enhancement & Operation		68,732	68,732
(5). Total Construction (1) + (2) + (3) + (4)	0	1,516,388	1,516,388
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	1,646,485	1,646,485
			(Carry forward to page 1)

Notes and Comments:

Draft

Report Criteria:
Summary report.
Invoices with totals above $0 included.
Paid and unpaid invoices included.

Vendor Name and Number	Invoice Number	Description	Invoice Date	Net Invoice Amount	Amount Paid	Date Paid
1003						
Action Shop Services, Inc						
	RI34217	CHOKE KNOB	05/25/2012	3.00	.00	
	RI34218	REPAIR	05/25/2012	95.25	.00	
	SI67025	BIKE TRIMMER	05/25/2012	809.90	.00	
	SI67085	BAR NUT	05/29/2012	1.90	.00	
	SI67090	BAR NUT	05/29/2012	49.84	.00	
	SI67378	ENGINEOIL	06/08/2012	62.74	.00	
Total 1003:				1,022.63	.00	
1004						
Verizon Wireless						
	1085101758	FINANCE	05/18/2012	5,033.80	5,033.80	06/08/2012
Total 1004:				5,033.80	5,033.80	
1009						
B & B Plumbing, Inc						
	36548	INV-1323,1345,1377	05/22/2012	159.84	.00	
	36548.	INV-1366,1344,1309,1293	05/22/2012	105.24	.00	
	36581	REPLACED BOILER DRAIN	05/29/2012	664.20	.00	
	36582	INSTALLED VALVES	05/29/2012	3,450.55	.00	
	36592	REPLACED FLANGE BOILER	05/29/2012	1,112.40	.00	
	36617	REPLACED SPLASH GUARD	05/30/2012	180.45	.00	
Total 1009:				5,672.68	.00	
1018						
Valley Lumber						
	30244	ALUMINUM GALLON	06/08/2012	15.00-	.00	
	67970	CONCRETE MIX	05/22/2012	31.14	.00	
	68142	BROOM TOOL HLDR	05/25/2012	9.49	.00	
	68240	SLEDGE HNDL	05/29/2012	408.78	.00	
	68246	GAL WATER SEALER	05/29/2012	40.47	.00	
	68315	CONCRETE MIX	05/31/2012	10.38	.00	
	68347	CONSTRUCT FIR	05/31/2012	252.91	.00	
	68357	BRACKET	05/31/2012	233.97	.00	
	68374	RULE TAPE	06/01/2012	41.50	.00	
	68385	LAG BOLT	06/01/2012	144.90	.00	
	68386	MULTI SCREW	06/01/2012	52.00	.00	
	68393	SMART LAP TEXT	06/01/2012	21.94	.00	
	68547	ALUMINUM GALLON	06/06/2012	76.58	.00	
	68549	GLU CONST PREM	06/06/2012	11.98	.00	
	68622	TREATED FIR	06/07/2012	22.40	.00	
	68651	hex nut	06/07/2012	37.25	.00	
Total 1018:				1,380.69	.00	
1022						
Central Distributing Co						
	909822	Supplies	05/23/2012	191.51	.00	
	909958	Supplies	05/23/2012	55.15	.00	

Vendor Name and Number	Invoice Number	Description	Invoice Date	Net Invoice Amount	Amount Paid	Date Paid
	910636	Supplies	05/31/2012	158.29	.00	
	910641	Supplies	05/31/2012	182.51	.00	
	910642	Supplies	05/31/2012	386.70	.00	
	910645	Supplies	05/31/2012	76.42	.00	
	911044	Supplies	06/04/2012	184.83	.00	
Total 1022:				1,235.41	.00	
1055						
Columbine Ford, Inc						
	112149	LAMP ASY	05/03/2012	56.19	.00	
	112199	MOTOR ASY	05/04/2012	58.02	.00	
	112556	CAP ASY	05/29/2012	28.83	.00	
	112565	HOSE HEA	05/30/2012	33.72	.00	
	112710	PLUG OIL	06/06/2012	33.81	.00	
Total 1055:				210.57	.00	
1059						
Consolidated Electrical Distr						
	4983-527015	120 V CONTACTOR	05/21/2012	269.90	.00	
Total 1059:				269.90	.00	
1062						
Dana Kepner Company						
	1360712-00	3/4 SRII	05/21/2012	1,146.72	1,146.72	06/07/2012
	1361459-00	3 OMNI C2 METER	06/11/2012	1,914.04	.00	
Total 1062:				3,060.76	1,146.72	
1074						
Garfield County Clerk						
	060612	RECORDING FEE UTILITY LIEN	06/06/2012	209.00	209.00	06/13/2012
	060812	RECORDING FEE/	06/08/2012	11.00	11.00	06/08/2012
Total 1074:				220.00	220.00	
1076						
Garfield County Treasurer						
	053112.	Landfill	05/31/2012	921.93	.00	
Total 1076:				921.93	.00	
1094						
Hy-way Feed & Ranch Supply						
	518092	HINGEPRESS	05/22/2012	36.96	.00	
	518106	BRACE BANDS	05/22/2012	4.69	.00	
Total 1094:				41.65	.00	
1100						
Karp, Neu, Hanlon P.c.						
	053112	PARKS REC	05/31/2012	32,416.10	.00	
Total 1100:				32,416.10	.00	

Vendor Name and Number	Invoice Number	Description	Invoice Date	Net Invoice Amount	Amount Paid	Date Paid
1105						
Meadow Gold Dairies						
	50209968	DAIRY PRODUCTS/SENIOR CT	05/31/2012	103.54	.00	
	50209994	DAIRY PRODUCTS/REC -POOL	05/31/2012	434.02	.00	
	50209995	DAIRY PRODUCTS/REC -POOL	05/31/2012	21.12	.00	
	50210042	DAIRY PRODUCTS/SENIOR CT	06/07/2012	48.00	.00	
	50210069	DAIRY PRODUCTS/REC -POOL	06/08/2012	266.63	.00	
	50210070	DAIRY PRODUCTS/REC -POOL	06/08/2012	388.08	.00	
Total 1105:				1,261.39	.00	
1110						
Napa Auto Parts						
	228561	V BELT	05/08/2012	16.88	.00	
	228859	IMPACT SOCKET SET	05/10/2012	22.97	.00	
	229537	DURABLND MERCON V QT	05/14/2012	239.32	.00	
	229893	SADDLE BLANKET	05/16/2012	142.18	.00	
	230198	OIL FILTER	05/18/2012	20.57	.00	
	230225	FHP BELT	05/18/2012	31.38	.00	
	230226	V BELT	05/18/2012	11.99	.00	
	230259	NAPA FILTER	05/18/2012	12.69	.00	
	230280	V BELT	05/18/2012	12.69	.00	
	230328	v belt	05/18/2012	11.99-	.00	
	230621	MINFOLD BOLT KIT	05/21/2012	15.76	.00	
	230758	NAPA OIL SEAL	05/22/2012	25.38	.00	
	230929	SEAT COVER	05/23/2012	26.29	.00	
	231000	GAS CAP	05/23/2012	8.69	.00	
	231238	SAE15W40	05/24/2012	59.88	.00	
	231577	HOSE END	05/26/2012	36.34	.00	
	231775	CURVED H	05/29/2012	9.69	.00	
	231844	EX LONG STD TORX KEY	05/29/2012	30.39	.00	
	231921	STRAP	05/30/2012	20.28	.00	
	231929	STRAP	05/30/2012	2.40-	.00	
	231938	SWITCH	05/30/2012	20.08	.00	
	231969	AIRFILTER	05/30/2012	79.84	.00	
	232055	HEX KEY	05/30/2012	9.00	.00	
	232057	HOSE	05/30/2012	86.55	.00	
	232103	CROWFOOT	05/31/2012	24.09	.00	
	232164	FUSE	05/31/2012	126.67	.00	
	232441	WRENCH	06/01/2012	42.97	.00	
	232940	CHAIN ROLLER	06/05/2012	39.67	.00	
	232954	COUP M AD	06/05/2012	8.44	.00	
	233166	BRAKE PADS	06/06/2012	73.69	.00	
	233298	FRONT FLOOR MATS	06/06/2012	63.99	.00	
	233422	SET W 3 WHEEL	06/07/2012	79.78	.00	
	233626	SHOP WORK EXTEN BARS	06/08/2012	4.99	.00	
	233650	WH CHOCK	06/08/2012	45.94	.00	
	234090	TUBING	06/11/2012	90.14	.00	
	234157	CHISEL	06/11/2012	16.69	.00	
	234171	CHISEL	06/11/2012	9.99	.00	
	234212	ADAPTER	06/12/2012	3.76	.00	
Total 1110:				1,555.26	.00	
1114						
Wells Fargo Bank West						
	053112	OBI CWRPDA-SWRP/CO WATE	05/31/2012	9,126.69	9,126.69	05/31/2012

Vendor Name and Number	Invoice Number	Description	Invoice Date	Net Invoice Amount	Amount Paid	Date Paid
Total 1114:				9,126.69	9,126.69	
1118						
Parts House						
	5613-18748	BLUE FILTER	05/03/2012	29.60	.00	
	5613-18979	PLUGS	05/15/2012	50.30	.00	
	5613-19015	CQ THERMOSTATS	05/16/2012	13.22	.00	
	5613-19100	INJECTOR CLEANER	05/18/2012	43.24	.00	
	5613-19113	BELT	05/19/2012	31.98	.00	
	5613-19168	NEW ALTERNATOR	05/22/2012	295.00	.00	
	5613-19201	ANTITREEZE	05/23/2012	27.80	.00	
	5613-19307	RADIATOR HOSE	05/29/2012	113.29	.00	
	5613-19496	CHAIN LUBE	06/06/2012	17.96	.00	
	5613-19534	AIR FILTER	06/07/2012	11.30	.00	
	5613-19535	ANTITREEZE	06/07/2012	75.00	.00	
	5613-19541	DECAL STRIPE ERASER WHEE	06/07/2012	246.90	.00	
Total 1118:				955.59	.00	
1120						
Xcel Energy Inc						
	0214597423	2515 W CENTENNIAL PKWY AD	05/30/2012	36.71	36.71	06/08/2012
	0214691631	2515 W CENTENNIAL PKWY WR	05/31/2012	32.94	32.94	06/08/2012
	0424072510	250 E 16TH ST	05/29/2012	13.20	13.20	06/08/2012
	327280933	2515 W CENTENNIAL PKWY W	05/31/2012	4,665.03	4,665.03	06/08/2012
	424512470	TRAFFIC LIGHT	06/01/2012	71.15	71.15	06/08/2012
	424512473	CLOCK	06/01/2012	5.34	5.34	06/08/2012
	424512818	SPRINKLER/FLASHER	06/01/2012	19.96	19.96	06/08/2012
Total 1120:				4,844.33	4,844.33	
1125						
Rifle Chamber Of Commerce						
	3775	MEMBERSHIP DUES	06/08/2012	400.00	400.00	06/08/2012
Total 1125:				400.00	400.00	
1134						
Rifle City Petty Cash						
	060812	ROAN CLIFF CHAOS	06/08/2012	1,600.00	1,600.00	06/08/2012
Total 1134:				1,600.00	1,600.00	
1138						
Schmueser/Gordon/Meyer, Inc						
	99055A-172	PROJECT 99055A	05/30/2012	472.50	.00	
	99055N-14	RIFLE WATER CONSERVATION	05/22/2012	990.00	.00	
Total 1138:				1,462.50	.00	
1143						
Swallow Oil Company						
	053112	CHARGE INVOICE 5444674	05/31/2012	5,395.49	.00	
Total 1143:				5,395.49	.00	

Vendor Name and Number	Invoice Number	Description	Invoice Date	Net Invoice Amount	Amount Paid	Date Paid
1145						
Thatcher Company						
	1282434	Aluminum Sulfate (ALUM) for wat	05/11/2012	5,224.34	.00	
Total 1145:				5,224.34	.00	
1188						
Jean's Printing						
	121276	printing	05/10/2012	154.34	.00	
	121348	printing	05/18/2012	3,348.58	3,348.58	06/07/2012
	121426	printing	05/25/2012	280.46	280.46	06/07/2012
Total 1188:				3,783.38	3,629.04	
1191						
Lewan & Associates, Inc						
	126180	B&W METER	05/24/2012	390.94	.00	
Total 1191:				390.94	.00	
1249						
Berthod Motors Inc						
	158649	COMPRESSION	05/21/2012	17.29	.00	
Total 1249:				17.29	.00	
1258						
Hach Company						
	7665096	PURIFICATION PACK	05/22/2012	529.00	.00	
	7765097	KIT STARTER	05/22/2012	762.95	.00	
	7765098	HEXANES ACS	05/22/2012	48.50	.00	
	7791710	REAGENT SET CHLORINE FRE	06/08/2012	866.36	.00	
Total 1258:				2,206.81	.00	
1300						
Kois Brothers Equip Co						
	94084	ice-nozzle	05/22/2012	234.24	.00	
Total 1300:				234.24	.00	
1339						
Grand Junction Pipe & Supply						
	C2364693	CURB BOX AMETEK	05/22/2012	1,140.72	.00	
	C2364981	CLA-VAL SCRREN ONLY	05/24/2012	18.80	.00	
	C2367005	HYMAX CPLG	06/08/2012	1,794.37	.00	
Total 1339:				2,953.89	.00	
1413						
Sharp Bros. Seed Co.						
	OP-33161	NATIVE MIX	05/10/2012	278.50	.00	
Total 1413:				278.50	.00	
1505						
Markertek Video Supply						
	1014425	VOLT	05/18/2012	155.17	155.17	05/31/2012

Vendor Name and Number	Invoice Number	Description	Invoice Date	Net Invoice Amount	Amount Paid	Date Paid
	1015029	FDN 120 VOLT 500 WATT	05/23/2012	76.87	.00	
	1016681	ADAPTER	06/04/2012	77.51	.00	
	1016979	MX51 ROLLS CHANNEL MIXER	06/05/2012	64.45	.00	
Total 1505:				374.00	155.17	
1560						
Applied Concepts,inc						
	219516	STALKER MOVING FASTEST DI	05/07/2012	2,112.50	.00	
	220460	STALKER MOVING FASTEST DI	05/31/2012	137.70	.00	
Total 1560:				2,250.20	.00	
1563						
Quill Corporation						
	3333652	SUPPLIES	05/23/2012	17.28	.00	
Total 1563:				17.28	.00	
1692						
A-1 Traffic Control						
	28659	WATER LINE BREAK 16TH WHI	05/29/2012	161.40	.00	
Total 1692:				161.40	.00	
1734						
United Companies/Oldcastle SW Group Inc						
	866066	ROAD BASE	05/30/2012	451.02	.00	
Total 1734:				451.02	.00	
1796						
Sears						
	051312	LAWNMOWER	05/13/2012	199.98	199.98	05/31/2012
Total 1796:				199.98	199.98	
1799						
Lively Electric, Inc.						
	12642	MOVE FIRE ALARM PANEL	05/21/2012	1,416.87	.00	
Total 1799:				1,416.87	.00	
1830						
Grand Valley Foods						
	121227	FOOD PRODUCT/SR CENTER	06/01/2012	1,024.43	.00	
	121284	FOOD PRODUCT/SR CENTER	06/05/2012	76.81	.00	
	121352	FOOD PRODUCT/SR CENTER	06/08/2012	1,149.22	.00	
Total 1830:				2,250.46	.00	
2021						
Gmco Corporation						
	28504	DUST GARD/STREETS	05/23/2012	580.00	.00	
Total 2021:				580.00	.00	

Vendor Name and Number	Invoice Number	Description	Invoice Date	Net Invoice Amount	Amount Paid	Date Paid
2054						
Sirchie Finger Print Lab., Inc						
	0080793-IN	COTTON APPLICATOR	05/11/2012	54.36	.00	
Total 2054:				54.36	.00	
2122						
Utility Notification Center Co						
	21205652	RTL TRANSMISSIONS	05/31/2012	120.75	.00	
Total 2122:				120.75	.00	
2181						
Nalco Chemical Company						
	96638897	POLYMERS, COAGULANTS, FIL	05/25/2012	2,813.75	.00	
Total 2181:				2,813.75	.00	
2208						
Amerigas						
	3008768661	TANK RENTAL	05/31/2012	50.00	.00	
Total 2208:				50.00	.00	
2235						
Acme Alarm Company Inc						
	7132MON 060	3RD QUARTER MONITORING 2	06/01/2012	90.00	.00	
	7251MON	3RD QUARTER MONITORING 2	06/01/2012	162.00	.00	
	7252MON	3RD QUARTER MONITORING 2	06/01/2012	105.00	.00	
Total 2235:				357.00	.00	
2309						
Sport Supply Group, Inc.						
	94693182	ULTRAK TIMER	05/22/2012	594.99	.00	
	94693183	CROWD BARRICADE BRIDGE F	05/22/2012	2,794.27	.00	
Total 2309:				3,389.26	.00	
2412						
B&H Photo - Video, Inc						
	60887717	6 CH MONO MIXER	05/25/2012	282.70	.00	
Total 2412:				282.70	.00	
2497						
Techdepot/Solution 4Sure						
	B12059512V1	CARTRIDGE	05/18/2012	167.32	.00	
Total 2497:				167.32	.00	
2573						
Mountain West Office Products						
	275952I	supplies	05/21/2012	67.32	.00	
	276017I	supplies	05/22/2012	100.79	.00	
	276046I	supplies	05/23/2012	71.20	.00	
	276234	supplies	05/29/2012	138.03	.00	
	276258	supplies	05/30/2012	258.31	.00	

Vendor Name and Number	Invoice Number	Description	Invoice Date	Net Invoice Amount	Amount Paid	Date Paid
	276366I	supplies	05/31/2012	27.80	.00	
	276710I	supplies	06/08/2012	14.97	.00	
	276871I	supplies	06/12/2012	19.95	.00	
Total 2573:				698.37	.00	
2803						
ALL TEMP SERVICES						
	28318GPK	LABOR	05/29/2012	161.65	161.65	06/08/2012
	28675GDV	LABOR	05/31/2012	99.00	99.00	06/08/2012
Total 2803:				260.65	260.65	
2846						
Colo Mtn News Media						
	7608006R	AD	03/01/2012	165.69	165.69	05/31/2012
	764235R	AD	03/08/2012	165.69	165.69	05/31/2012
	7778949A	AD	04/12/2012	80.73	80.73	06/08/2012
	7796843R 041	AD	04/19/2012	243.00	243.00	06/08/2012
Total 2846:				655.11	655.11	
2913						
Soak-N-Wet						
	5641	LABOR REPAIR SPRINKLERS	05/23/2012	105.00	.00	
Total 2913:				105.00	.00	
2960						
Walmart Community						
	006320 060612	SUPPLIES	06/06/2012	20.42	20.42	06/08/2012
	011100	SUPPLIES	05/11/2012	16.54	16.54	05/31/2012
	023272	SUPPLIES	05/23/2012	22.51	22.51	05/31/2012
	023797	SUPPLIES	05/23/2012	39.84	39.84	05/31/2012
	025252	FOOD SUPPLIES	05/25/2012	15.96	15.96	05/31/2012
	026680	SUPPLIES	05/26/2012	26.60	26.60	06/08/2012
	027034	SUPPLIES	05/27/2012	67.99	67.99	06/08/2012
	027326	SUPPLIES	05/27/2012	29.44	29.44	06/08/2012
	028473	SUPPLIES	05/28/2012	36.80	36.80	06/08/2012
	030464	FOOD SUPPLIES	05/30/2012	329.89	329.89	06/08/2012
	053012	FOOD SUPPLIES	05/30/2012	19.94-	19.94-	06/08/2012
Total 2960:				586.05	586.05	
3015						
Kroger/King Sooper Cust Charge						
	010731	FOOD /SR CENTER	05/29/2012	45.04	45.04	06/08/2012
	024791	FOOD /SR CENTER	06/04/2012	62.63	62.63	06/08/2012
	049418	SUPPLIES	05/29/2012	35.70	35.70	06/08/2012
	149672	FOOD /SR CENTER	05/31/2012	76.03	76.03	06/08/2012
	187394	FOOD /SR CENTER	05/31/2012	11.88	11.88	06/08/2012
	335681	FOOD /SR CENTER	05/25/2012	19.81	19.81	05/31/2012
	377056	WATER	05/25/2012	12.46	12.46	05/31/2012
	378340	SUPPLIES	06/03/2012	64.87	64.87	06/08/2012
Total 3015:				328.42	328.42	

Vendor Name and Number	Invoice Number	Description	Invoice Date	Net Invoice Amount	Amount Paid	Date Paid
3038						
Mountain View Tree Farm & Nurs						
	11664	MULCH	05/01/2012	200.00	.00	
	12459	CEDAR MULCH	05/01/2012	48.00	.00	
	12469	CEDAR MULCH	05/01/2012	30.00	.00	
	13392	CEDAR MULCH	04/22/2012	200.00	.00	
Total 3038:				478.00	.00	
3076						
Peak Polymer Performance Inc						
	2271	FLOCCULANT	05/10/2012	545.44	.00	
Total 3076:				545.44	.00	
3083						
ALSCO						
	1162134	work shirts and pants	05/08/2012	29.21	.00	
	1164862	work shirts and pants	05/15/2012	27.96	.00	
	1170608	work shirts and pants	05/29/2012	29.96	.00	
	1172163	LAUNDRY/senior center	06/01/2012	62.87	.00	
	1173591	work shirts and pants	06/05/2012	30.80	.00	
	1175151	LAUNDRY/senior center	06/08/2012	61.21	.00	
Total 3083:				242.01	.00	
3251						
Mountain Communications And El						
	208057	GRASS MESA RENTAL	06/01/2012	250.00	.00	
Total 3251:				250.00	.00	
3389						
Sandy's Office Supply Inc						
	974812	SUPPLIES	05/11/2012	16.99	.00	
	975911	SUPPLIES	05/21/2012	6.14	.00	
Total 3389:				23.13	.00	
3438						
Colo West Regional Mental Health						
	8839	ANNUAL SUPPORT DETOX PR	05/24/2012	9,000.00	.00	
Total 3438:				9,000.00	.00	
3454						
Transwest Freightliner Of Gj						
	4221240008	OIL FILTER	05/03/2012	216.58	.00	
Total 3454:				216.58	.00	
3737						
Lova Trails Group						
	053112	RE; LO VA TRAILS GROUP	05/31/2012	2,500.00	2,500.00	06/08/2012
Total 3737:				2,500.00	2,500.00	

Vendor Name and Number	Invoice Number	Description	Invoice Date	Net Invoice Amount	Amount Paid	Date Paid
3755						
Wagner Equipment Co						
	P2512202	RENTAL EQUIPMENT	03/20/2012	615.00	615.00	06/08/2012
Total 3755:				615.00	615.00	
3780						
Concrete Equipment						
	127827	LIMESTONE	05/08/2012	79.78	.00	
	128516	WOOD CONCRETE BROOM	05/29/2012	175.98	.00	
	128799	JUMBO UTILITY BRUSH	06/05/2012	51.58	.00	
Total 3780:				307.34	.00	
3847						
Drive Train Industries Inc						
	04550256	FILTER	04/24/2012	84.31	.00	
Total 3847:				84.31	.00	
3858						
Wells Fargo Bank Mn Na						
	053112	OBI:CWRPDA-SWRP/RIFLE-148	05/31/2012	9,247.09	9,247.09	05/31/2012
Total 3858:				9,247.09	9,247.09	
3875						
Garfeild County Road & Bridge						
	15	MAG CLORIDE-MOUNTAIN PAR	05/22/2012	6,655.00	.00	
Total 3875:				6,655.00	.00	
4021						
Rifle Equipment Inc						
	060112	ALTERNATOR CAT	06/01/2012	286.04	.00	
	060412	BELT	06/04/2012	145.68	.00	
Total 4021:				431.72	.00	
4098						
Heuton Tire Co						
	96090	TIRES/.FLEET	05/08/2012	374.68	.00	
	96554	TIRES/.FLEET	05/25/2012	466.00	.00	
Total 4098:				840.68	.00	
4123						
Mt Hood Solutions						
	0849895	MARATHON 5 GAL	06/04/2012	465.20	.00	
Total 4123:				465.20	.00	
4141						
True Brew Coffee Service						
	142671	COFFEE	05/24/2012	50.45	.00	
	142951	COFFEE	06/07/2012	68.93	.00	

Vendor Name and Number	Invoice Number	Description	Invoice Date	Net Invoice Amount	Amount Paid	Date Paid
Total 4141:				119.38	.00	
4215						
Ziegler, James						
	65956	SHOP TOOLS	05/25/2012	28.00	.00	
Total 4215:				28.00	.00	
4240						
Platinum Plus For Business						
	051112	REGISTRATION-REFUND	05/11/2012	812.64	812.64	05/31/2012
Total 4240:				812.64	812.64	
4345						
Helen Artist-Rogers/HR Design						
	053112	DDA MANAGEMENT	05/31/2012	2,333.27	2,333.27	05/31/2012
Total 4345:				2,333.27	2,333.27	
4406						
Rifle Creek Stone Inc						
	29271	ROAD BASE	06/04/2012	749.80	.00	
Total 4406:				749.80	.00	
4575						
Precision Dynamics Corporation						
	941995	TYTAN TABLESS BAND	05/21/2012	274.24	.00	
	944788	TYTAN WAVE BANDS/POOL	05/24/2012	146.31	.00	
Total 4575:				420.55	.00	
4590						
Colorado Poolscapes Inc						
	41813-1	POOL CHEMICALS	05/30/2012	379.52	.00	
Total 4590:				379.52	.00	
4630						
Kirkman, Ula						
	93	PERFORMANCE/SR CENTER	05/24/2012	75.00	75.00	06/08/2012
Total 4630:				75.00	75.00	
4682						
Lighting Accessory & Warning S						
	4843	TIMER SOLENOID	05/09/2012	94.50	.00	
Total 4682:				94.50	.00	
4701						
Tri County Fire Protection						
	87882	ANNUAL MAIN INSPECTION	05/29/2012	35.00	.00	
Total 4701:				35.00	.00	

Vendor Name and Number	Invoice Number	Description	Invoice Date	Net Invoice Amount	Amount Paid	Date Paid
4708						
H&h Woodworking Inc						
	8407	EXTRA WORK DONE GYM	06/12/2012	1,491.79	.00	
Total 4708:				1,491.79	.00	
4734						
Vandewalle & Associates, Inc.						
	201205038	CONCEPT PLAN BUSINESS PL	05/20/2012	2,322.50	2,322.50	06/07/2012
Total 4734:				2,322.50	2,322.50	
4753						
Rifle Truck & Trailer						
	5245	TRAILER AUMINUM OUTER SKI	05/24/2012	100.00	.00	
Total 4753:				100.00	.00	
4811						
United Site Services Inc						
	114-597226	PORTABLE RESTROOM CENTE	05/15/2012	150.00	.00	
	114-607141	PORTABLE RESTROOM CENTE	05/21/2012	204.29	.00	
Total 4811:				354.29	.00	
4850						
Rifle Community Foundation Inc						
	051012	2012 Contribution	05/10/2012	36,000.00	36,000.00	06/07/2012
Total 4850:				36,000.00	36,000.00	
4879						
Cardiff Cleaning Services						
	4420	CLEANING JUSTICE CENTER	05/15/2012	4,175.00	.00	
Total 4879:				4,175.00	.00	
4926						
Ge Capital						
	57255445	SHARP COPIERS/ PD	05/20/2012	575.69	.00	
Total 4926:				575.69	.00	
4964						
Western Petroleum Co						
	Q4888	MULTIFAK EP00	05/25/2012	1,282.40	.00	
Total 4964:				1,282.40	.00	
4966						
Graphic Edge						
	603576	Team uniforms/rec	05/24/2012	239.96	.00	
	605605	Team uniforms/rec	05/22/2012	16.29	.00	
	608412	Team uniforms/rec	05/29/2012	143.91	.00	
	608839	Team uniforms/rec	06/04/2012	47.97	.00	
Total 4966:				448.13	.00	

Vendor Name and Number	Invoice Number	Description	Invoice Date	Net Invoice Amount	Amount Paid	Date Paid
4989						
Mr Power S/Sandor Drucker						
	179	PRESSURE WASHING CENTEN	06/01/2012	195.00	.00	
	180	SIDEWALK CLEANING/DDA	06/01/2012	1,132.00	.00	
Total 4989:				1,327.00	.00	
5160						
Sandoval, Tina						
	060412	APPLIANCE REBATE PROGRA	06/04/2012	100.00	100.00	06/08/2012
Total 5160:				100.00	100.00	
5181						
FRED'S HARDWARE						
	20301 053112	SUPPLIES	05/31/2012	218.48	.00	
	20302 053112	SUPPLIES	05/31/2012	13.10	.00	
	20303 053112	SUPPLIES	05/31/2012	102.04	.00	
	20305 053112	SUPPLIES	05/31/2012	182.61	.00	
	20306 053112	SUPPLIES	05/31/2012	24.24	.00	
Total 5181:				540.47	.00	
5192						
PECZUH PRINTING COMPANY						
	185007	BUSINESS CARDS	05/10/2012	102.00	.00	
Total 5192:				102.00	.00	
5253						
FASTENAL						
	49825	3/8-16-1	05/14/2012	27.26	.00	
	50033	H10A EAR MUFF	05/23/2012	66.19	.00	
	50071	WHITE BRAZEAU DESIGN	05/24/2012	35.92	.00	
Total 5253:				129.37	.00	
5384						
MOUNTAIN HIGH PAINT						
	2589	PAINT AND PAINT SUPPLIES	05/10/2012	329.87	.00	
Total 5384:				329.87	.00	
5413						
Bruno, Colin, Jewell & Lowe PC						
	123222 052512	Legal Fees	05/25/2012	2,004.60	2,004.60	06/08/2012
Total 5413:				2,004.60	2,004.60	
5447						
RIB CITY GRILL						
	042112	CLEAN SWEEP-LUNCH	04/21/2012	501.35	501.35	06/08/2012
Total 5447:				501.35	501.35	
5503						
JAY-MAX SALES						
	218970-00	COTTON RAGS	05/24/2012	47.97	.00	

Vendor Name and Number	Invoice Number	Description	Invoice Date	Net Invoice Amount	Amount Paid	Date Paid
	219259-00	cable tie reg black	05/30/2012	19.00	.00	
	219259-01	UDRILL HWH SELF DRILL	06/06/2012	6.00	.00	
Total 5503:				72.97	.00	
5518						
CURRENT SOLUTIONS						
	4426	REPLACED POWER SUPPLY	05/16/2012	261.98	.00	
Total 5518:				261.98	.00	
5540						
BOBCAT OF THE ROCKIES						
	12043132	FILTERS	05/18/2012	138.89	.00	
Total 5540:				138.89	.00	
5548						
Power Equipment Company						
	H120604425	L60F HITACHI	05/31/2012	2.90	.00	
Total 5548:				2.90	.00	
5602						
Colorado State Bank and Trust						
	053112	Parks Maint. Bldg Lease	05/31/2012	161,163.80	161,163.80	05/31/2012
Total 5602:				161,163.80	161,163.80	
5752						
Accutest Mountain States						
	D5-26198	alkalinity, organic carbon/water te	05/18/2012	642.00	.00	
	D5-26556	alkalinity, organic carbon/water te	06/06/2012	153.00	.00	
Total 5752:				795.00	.00	
5769						
L.A.W.S.						
	4930	EMERGENCY EQUIPMENT TO	05/31/2012	7,715.54	.00	
Total 5769:				7,715.54	.00	
5796						
Norit Americas Inc.						
	520813	Po 444	05/21/2012	1,825.00	.00	
	520961	Powdered Activated Carbon (PAC	05/25/2012	18,792.00	.00	
Total 5796:				20,617.00	.00	
5846						
Mesa County Health Department						
	1404-12	Water Testing	04/18/2012	20.00	20.00	06/08/2012
	1405-12	Water Testing	04/18/2012	20.00	20.00	06/08/2012
	1406-12	Water Testing	04/18/2012	20.00	20.00	06/08/2012
Total 5846:				60.00	60.00	

Vendor Name and Number	Invoice Number	Description	Invoice Date	Net Invoice Amount	Amount Paid	Date Paid
5849						
NUTECH SPECIALTIES, INC						
	85108	REFUNDABLE DRUM	05/25/2012	40.00-	.00	
Total 5849:				40.00-	.00	
5958						
Utility Refund						
	1218102	REFUND-420 W 26TH ST	06/04/2012	66.36	66.36	06/08/2012
	2129103 06041	REFUND-788 CEDAR HUD-0525	06/04/2012	101.92	101.92	06/08/2012
	2251104	REFUND- 1558 E 12TH ST	06/04/2012	67.71	67.71	06/08/2012
	2493105	REFUND- 1008 W 4TH	06/04/2012	62.95	62.95	06/08/2012
	3109103	REFUND-1726 ANVIL VIEW AVE	05/31/2012	180.00	180.00	06/08/2012
	3203102	REFUND- 756 E 17TH ST	06/04/2012	55.00	55.00	06/08/2012
	3426101	REFUND-634 W 24TH ST	05/31/2012	76.40	76.40	06/08/2012
	4062103	REFUND-0162 COLT DR	06/04/2012	55.21	55.21	06/08/2012
Total 5958:				665.55	665.55	
5960						
Recreation Fee Refunds						
	2000167003	REC FEE REFUND	06/04/2012	75.00	75.00	06/08/2012
	2000775002	REC FEE REFUND	05/29/2012	50.00	50.00	05/31/2012
	2000777002	REC FEE REFUND	05/30/2012	90.00	90.00	05/31/2012
	2000779002	REC FEE REFUND	05/31/2012	120.00	120.00	06/08/2012
	2000782002	REC FEE REFUND	06/05/2012	60.00	60.00	06/08/2012
	2000783002	REC FEE REFUND	06/05/2012	15.00	15.00	06/08/2012
	2000784002	REC FEE REFUND	06/07/2012	30.00	30.00	06/08/2012
Total 5960:				440.00	440.00	
5998						
UMB BANK NA						
	053112	RIFLE SALES USE TAX 03	05/31/2012	44,038.13	44,038.13	05/31/2012
Total 5998:				44,038.13	44,038.13	
6006						
Rifle City Petty Cash /DDA						
	060812	CLEAN SWEEP -FOOD	06/08/2012	297.50	297.50	06/08/2012
Total 6006:				297.50	297.50	
6043						
Wilkins Angie						
	060112	MILE REIMBURSEMENT	06/01/2012	48.40	48.40	06/08/2012
Total 6043:				48.40	48.40	
6051						
HR Design						
	1510	INTERIOR DESIGN UTE EVENT	05/31/2012	1,143.75	1,143.75	06/08/2012
Total 6051:				1,143.75	1,143.75	
6064						
Evident Crime Scene Products						
	68492A	RED EVIDENCE SECURITY TAP	05/15/2012	113.00	.00	

Vendor Name and Number	Invoice Number	Description	Invoice Date	Net Invoice Amount	Amount Paid	Date Paid
Total 6064:				113.00	.00	
6067						
Mountain Roll-offs, Inc.						
	060112	PORTABLE RESTROOMS	06/01/2012	109.01	.00	
	060112..	MONTHLY FEE	06/01/2012	36,010.46	.00	
	060112/	RECYCLE SERVICE	06/01/2012	15.00	.00	
Total 6067:				36,134.47	.00	
6133						
GILCO, INC						
	71066	DYED DIESEL	05/29/2012	1,676.98	.00	
Total 6133:				1,676.98	.00	
6161						
Ewing Irrigation Products						
	4793729	PR TURFACE MOUND CLAY RE	05/19/2012	691.16	.00	
	4820401	RADY PLAY DRY MAT	05/24/2012	608.02	.00	
Total 6161:				1,299.18	.00	
6225						
BRUBACHER DESIGN						
	580	SIGNS	06/04/2012	110.00	.00	
	581	STREET SIGNS	06/04/2012	562.24	.00	
	584	SIGNS	06/06/2012	83.00	.00	
	591	SIGN	06/08/2012	182.00	.00	
Total 6225:				937.24	.00	
6242						
Xerox Corporation						
	061961761	BASE CHARGE	06/01/2012	258.65	.00	
Total 6242:				258.65	.00	
6282						
Kansas State Bank						
	053112	PRINCIPAL	05/31/2012	1,672.98	1,672.98	05/31/2012
Total 6282:				1,672.98	1,672.98	
6304						
Deussen Dick						
	060112	MILE REIMBURSEMENT	06/01/2012	75.48	75.48	06/08/2012
Total 6304:				75.48	75.48	
6347						
ALL HOURS CLEANING & MAINTENANCE						
	2909	MONTHLY CLEANING	05/30/2012	800.00	.00	
Total 6347:				800.00	.00	

Vendor Name and Number	Invoice Number	Description	Invoice Date	Net Invoice Amount	Amount Paid	Date Paid
6352						
HILLYARD/DENVER						
	600248759	WIPE ANITBATERIAL REFILL	05/25/2012	694.16	.00	
Total 6352:				694.16	.00	
6354						
ALL SEASONS LAUNDRY						
	23591	GYM TOWELS	05/31/2012	126.67	.00	
Total 6354:				126.67	.00	
6355						
LAFARGE WEST INC						
	23652654	ULTRAHORIZONTAL	05/04/2012	144.25	.00	
Total 6355:				144.25	.00	
6357						
FIRST STRING						
	4278	UNIFORMS	04/25/2012	494.25	.00	
Total 6357:				494.25	.00	
6386						
McCONNELL LYNN						
	052512	DRIVING YOUTH GROUP	05/25/2012	600.00	600.00	05/31/2012
Total 6386:				600.00	600.00	
6394						
ALLSTATE ENVIRONMENTAL						
	042712-01	INSECTICIDE PLUS	05/27/2012	2,401.00	.00	
	050312-01	WASP HORNET SPRAY	05/03/2012	2,232.58	.00	
Total 6394:				4,633.58	.00	
6401						
Synergy Gymnastics Academy, LLC						
	060112	FEES	06/01/2012	2,573.63	2,573.63	06/08/2012
Total 6401:				2,573.63	2,573.63	
6402						
CENTURY LINK						
	6250108 05221	FITNESS CENTER	05/22/2012	142.30	142.30	06/08/2012
	6254904 05221	POLICE	05/22/2012	102.72	102.72	06/08/2012
	6254960 05221	POLICE	05/22/2012	111.14	111.14	06/08/2012
	6257330 05221	OM	05/22/2012	419.85	419.85	06/08/2012
	6259179 05221	FINANCE	05/22/2012	88.28	88.28	06/08/2012
	K-7191113095	FITNESS CENTER	05/22/2012	949.01	949.01	06/08/2012
Total 6402:				1,813.30	1,813.30	
6413						
ENASCO SYSTEMS						
	ES-2012-601	TROUBLESHHOTING SAND FIL	06/06/2012	720.00	.00	

Vendor Name and Number	Invoice Number	Description	Invoice Date	Net Invoice Amount	Amount Paid	Date Paid
Total 6413:				720.00	.00	
6518						
Tetra Tech Inc.						
	50567473	ODOR CONTROL EVALUATION	06/04/2012	12,671.58	.00	
	50567475	SWWTP Lagoon Decommissionin	06/04/2012	3,308.00	.00	
Total 6518:				15,979.58	.00	
6547						
KnowledgeNet						
	20566	IT Dept On-line Training	03/21/2012	5,780.00	5,780.00	06/08/2012
Total 6547:				5,780.00	5,780.00	
6567						
ALPINE GARDEN CENTER						
	053112	FLOWERS DOWNTOWN	05/31/2012	1,200.00	1,200.00	06/08/2012
Total 6567:				1,200.00	1,200.00	
6568						
MICRO PLASTICS						
	91352	ENGRAVED	05/08/2012	11.44	.00	
	91498	LETTERING	05/16/2012	73.26	.00	
	91767	VINYL LETTERED SIGN	06/04/2012	939.00	.00	
Total 6568:				1,023.70	.00	
6602						
FOREMOST PROMOTIONS						
	168042	COLORING BOOK IHD	06/01/2012	271.24	.00	
Total 6602:				271.24	.00	
6614						
NICOLE HOLBROOK						
	053112	APPLIANCE REBATE PROGRA	05/31/2012	100.00	100.00	06/08/2012
Total 6614:				100.00	100.00	
6617						
DEUTSCHE BANK						
	053112	LEASE PMT JUSTICE CENTER	05/31/2012	132,724.17	132,724.17	05/31/2012
Total 6617:				132,724.17	132,724.17	
6618						
NORTHWEST COL CULTURAL HERITAGE						
	053112	TOURISM PROJECT	05/31/2012	2,500.00	2,500.00	06/08/2012
Total 6618:				2,500.00	2,500.00	
6619						
STEVEN JAMES MADDEN						
	061112	REIMBURSEMENT PROPERTY	06/11/2012	739.09	739.09	06/11/2012

Vendor Name and Number	Invoice Number	Description	Invoice Date	Net Invoice Amount	Amount Paid	Date Paid
Total 6619:				739.09	739.09	
6620						
625-WATER (9283)						
	1136	WATER	05/16/2012	31.55	.00	
Total 6620:				31.55	.00	
6621						
ID WHOLESALER						
	827961	COLOR RIBBON	03/29/2012	71.00	.00	
	828255	COLOR RIBBON	03/30/2012	55.00	.00	
Total 6621:				126.00	.00	
6622						
ROCKY MTN ALT FUELING LLC						
	053112	FUEL	05/31/2012	255.80	.00	
Total 6622:				255.80	.00	
Grand Totals:				652,400.69	442,333.19	

Dated: _____

City Finance Director: _____

Report Criteria:
Summary report.
Invoices with totals above $0 included.
Paid and unpaid invoices included.

Karp.Neu.Hanlon PC
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James S. Neu
jsn@mountainlawfirm.com

June 14, 2012

Mayor Jay Miller
Rifle City Council
P. O. Box 1908
Rifle, Colorado 81650

Re: June 18, 2012 City Council Meeting

Dear Mayor Miller and Members of the Rifle City Council:

The purpose of this letter is to briefly outline items we worked on for the June 18, 2012 Rifle City Council Meeting.

1. Ordinance Nos. 8 and 9, Series of 2012; Resolution Nos. 9 and 10, Series of 2012 (Sunset Annexation and Zoning). At its April 4, 2012 meeting, the City Council considered the Sunset Townhomes Annexation, including approval of Ordinance Nos. 8 and 9, Series of 2012, annexing and zoning the property, respectively. To briefly recap the proposal and approval, in January 2012, Sunset Townhomes, LLC filed a petition requesting that the City annex the Annexation Parcel and zone the Property Developing Resource ("DR") Zone District. The Rifle Planning Commission on February 28, 2012 recommended DR zoning for the Property subject to the conditions of the Planning Department's staff report. Ordinance No. 8, Series of 2012 would annex the Annexation Parcel to the City, and Ordinance No. 9, Series of 2012 would zone the Annexation Parcel and an adjacent parcel already within the City and also owned by Sunset Townhomes, LLC as Developing Resource. Resolution Nos. 9 and 10, Series of 2012 make the required statutory findings for annexation. On April 4th, the Council, at the request of the applicants, continued the public hearing on the annexation to the June 18, 2012 City Council meeting rather than take action. The continuance was intended to permit the applicants and staff additional time to discuss the terms and conditions of the proposed Annexation Agreement, including the construction of the Taughenbaugh Boulevard and Last Chance Drive extension.

Included in your packets is a request from David Myler, attorney for Sunset Townhomes, LLC, requesting that the City Council again continue the public hearing for the project for an additional three months. A copy of Mr. Myler's June 12, 2012 email is included in your packets. He represents that Sunset Townhomes, LLC is continuing to research financing and funding options for the improvements and expects to be able to return to the City with answers within the extension period. If the City Council agrees to the applicant's request, it should open the public hearing and continue it, most likely to the September 19, 2012 Council meeting. Further, staff

recommends as a condition of continuance that the public notice for the rescheduled annexation hearing be redone in accordance with the Rifle Municipal Code.

2. Ordinance No. 13, Series of 2012 (Repealing and Reenacting RMC Chapter 7, Article VI, "Animals"). Included in your packets is a redlined version of Ordinance No. 13, Series of 2012. Council considered the Ordinance on second reading at its June 6, 2012 meeting and continued the discussion to June 18th. On June 6th, staff received direction to further refine regulations pertaining to chickens, including the adoption of a conditional use review for chickens in multi-family dwellings. The City's typical conditional use permit procedure is somewhat abbreviated for this type of permit, as detailed at the proposed Section 7-6-130(1). The updated version of the Ordinance at Section 7-6-120 also clarifies that it is unlawful for residents to keep certain types of animals anywhere within the City, rather than in residential zone districts specifically. An exception for goats used for temporary weed abatement is also included at Section 7-6-120(e)(8) at the request of Parks staff who might this mode of eradicating weeds. The amendments since your last meeting are highlighted in the ordinance.

We recommend approval of Ordinance No. 13, Series of 2012, as amended, on second reading.

3. Ordinance No. 14, Series of 2012 (Extension of Water Plant Loan Agreement Execution). On April 18, 2012, City Council adopted Ordinance No. 11, Series of 2012, authorizing the City, through its Water Enterprise, to enter into certain loan agreements with Colorado Water Resources and Power Authority. Ordinance No. 11 authorized the Mayor, Finance Director and City Manager to execute and deliver the Loan Agreement and Government Agency Bond within sixty days of the date of final adoption. That sixty-day period expires on June 17, 2012, necessitating Council to adopt a replacement ordinance authorizing the execution of the Loan Agreement and Government Agency Bond. Ordinance No. 14, Series of 2012, is substantively identical to Ordinance No. 11, Series of 2012. Ordinance No. 14, Series of 2012, allows for up to a year to complete the transaction so we do not face this situation again, but to secure the current low interest rate if this ordinance is approved, we will close as soon as possible at Council's direction.

Ordinance No. 14, Series of 2012, is being provided as both an emergency ordinance and as a regular ordinance. We strongly recommend that if Council is inclined to approve Ordinance No. 14, Series of 2012, it do so as an emergency ordinance if possible to lock in the current interest rate and rating on the bonds. Emergency ordinances require seventy five percent (75%) of Council members present to approve the ordinance as an emergency ordinance. As Council is aware, this project has been delayed to allow for additional public comment and Council discussion. In the event Council does not approve the ordinance as an emergency ordinance but does with a regular ordinance, then the loan closing will likely occur in August. It is very likely that additional delay will result in increased transactional costs with a re-rerating of the bonds and risk increased interest

rates.

4. Ordinance No. 15, Series of 2012 (Extension of Solar and Photovoltaic Sales and Use Tax Rebate). In 2009, the City of Rifle implemented a sales and use tax rebate program for qualified photovoltaic and solar thermal system installations. The rebate is codified at Section 4-2-50 of the Rifle Municipal Code and it expires on August 31st of this year. Council approved extending the rebates for an additional three-year period at its last meeting. Because the sunset is codified, we need to amend the Code accordingly. Ordinance No. 15, Series of 2012 would amend the sunset date for the photovoltaic and solar rebates through August 31, 2015.

We recommend approval of Ordinance No. 15, Series of 2012 on first reading.

5. Intergovernmental Agreement for Wild Lands Fire Mitigation. C.R.S. §29-20-105.5, adopted by House Bill 09-1162 and amended by House Bill 11-1317, requires each local government that owns any land area that is located either entirely or partially outside its own territorial boundaries and that contains at least fifty percent forest land or wild land area to enter into an intergovernmental agreement ("IGA") with the county for the purpose of mitigating forest land or wild land fires affecting the contiguous land areas of the local government and county. The City's Rifle Mountain Park is located in unincorporated Garfield County and falls within the purview of the statute, which sets a compliance deadline of July 1, 2012. With the deadline looming in a dangerous fire season, the City opened discussions with the County to prepare an IGA addressing fire mitigation in the vicinity of Rifle Mountain Park. The Intergovernmental Agreement for Wild Lands Fire Mitigation included in your packets is the resulting product and has been reviewed by staff at the City, County, and Rifle Fire Protection District. Practically speaking, the IGA does not change the current fire response protocol at the Mountain Park. The County's Annual Operating Plan defines the relative responsibilities of responding parties and is referenced throughout the IGA.

Although no substance policy is revised by the IGA, staff supports its adoption for purposes of complying with C.R.S. §29-20-105.5. The Garfield County Board of County Commissioners will also consider adoption of the IGA at its June 18, 2012 meeting.

We recommend that the Council approve the Intergovernmental Agreement for Wild Lands Fire Mitigation by motion.

6. Intergovernmental Agreement for Lease of Comingled Recycling Facility. At your May 16th meeting you considered an IGA with Garfield County approving the lease of land at the Rifle Energy Innovation Center for the County's recycling facility to serve County residents. The Facility will be operated by the County and the City agreed that its employees can unlock and lock the fence surrounding the Facility on weekdays since they are present at the wastewater treatment plant. The IGA clearly places all other operational costs and responsibilities on the County.

Council requested additional information from the County regarding the operation of the Facility to ensure it would not cause a nuisance on the EIC. Enclosed is an Operations Plan drafted by the County. The Board of County Commissioners has already approved the IGA and if the Operations Plan suits the City Council, we recommend its approval.

7. El Kora Liquor License Transfer Public Hearing. The City Clerk has forwarded an application for a liquor license transfer to the Council to review in its capacity as City of Rifle Liquor Licensing Authority. We have prepared a privileged and confidential memorandum describing relevant statutory and case law authority for your review.

8. Approval of Liquor License Violation Orders on Consent Agenda. At the April 18, 2012 Council meeting, the City Council, acting as the City of Rifle Liquor Licensing Authority, approved Stipulation, Agreement, and Orders for a number of liquor license holders that violated the Rifle Municipal Code in 2011, mainly for sales to minors. Seven of the license holders opted to pay fines in lieu of suspension, and all of the entities have now paid their fines. Accordingly, the Orders on the consent agenda acknowledge such payment and permanently stay suspension of the respective liquor licenses in reference to the 2011 violations.

As always, please feel free to call us prior to the meeting if you have any questions.

Very truly yours,

KARP NEU HANLON, P.C.

James S. Neu

Memo

To: Honorable Mayor and Council

From: Tom Whitmore, Parks Maintenance Director

Date: June 11th, 2012

Re: Joseph Reyelts Eagle Scout Project Proposal

I have been working with Joseph Reyelts to facilitate his pursuit of an Eagle Scout designation. Joseph is proposing the installation of a bus shelter. The proposed shelter would be installed at the Park-n-Ride located at Centennial Parkway and Railroad Avenue. We anticipate that the structure will be sized to shelter 12-14 persons.

Joseph is aware of the construction plans at the intersection related to Kum & Go expansion and the lane widening near the Park-N-Ride. We have met with representatives from CDOT and have received a letter of support from CDOT (see attached).

Joseph is seeking approval of the concept from City Council. If council supports the project, Joseph will move forward with soliciting funds or in-kind contributions to help purchase and install the structure. If Council approves, we would also seek approval of replacement of the Metro Park bus shelter as an alternate project, should the work at Kum & Go and US 6 be delayed beyond a reasonable timeframe for Joseph. Joseph will be researching various styles of structures and will be seeking approval from the Downtown Development Authority prior to moving forward with construction.

CDOT's Letter of Support stated that the City of Rifle has offered to maintain the bus shelter. Parks staff currently maintains the existing Park-n-Ride by mowing and trimming the perimeter and emptying trash from a receptacle we've provided. Additional labor at this site would only be related to maintenance of the structure itself and we have agreed to include this in our regular maintenance program.

Thanks,
Tom

CITY OF RIFLE
202 RAILROAD AVENUE • P.O. BOX 1908 • RIFLE, CO 81650
WWW.RIFLECO.ORG
(970) 625-6228 • FAX (970) 625-6285 • TWHITMORE@RIFLECO.ORG

STATE OF COLORADO

DEPARTMENT OF TRANSPORTATION

Region 3
Resident Engineer
202 Centennial Street
Glenwood Springs, CO 81601-2845
(970) 945-8187 Fax (970) 945-6889

February 29, 2012

Tom Whitmore, City Parks Director << via email >>
202 Railroad Ave
Rifle, CO 81650

RE: Proposed Eagle Scout Project at US 6 & Railroad Avenue Park-n-Ride

CDOT supports the installation of a new bus shelter as part of an Eagle Scout project as discussed at our December 2, 2011 site visit. A bus shelter at the park-n-ride will provide many benefits including protecting the transit customers from wind and precipitation which may improve transit ridership at this location which is a benefit to making our state roadways as efficient as possible.

CDOT understands that the City of Rifle has offered to maintain the bus shelter.

A Special Use Permit will be required if the shelter is placed within CDOT ROW.

Please note that there will be improvements on US 6 in the park-n-ride area due to the redevelopment of the Kum and Go at the intersection of US 6 and Railroad Avenue. Coordination with this project is advised.

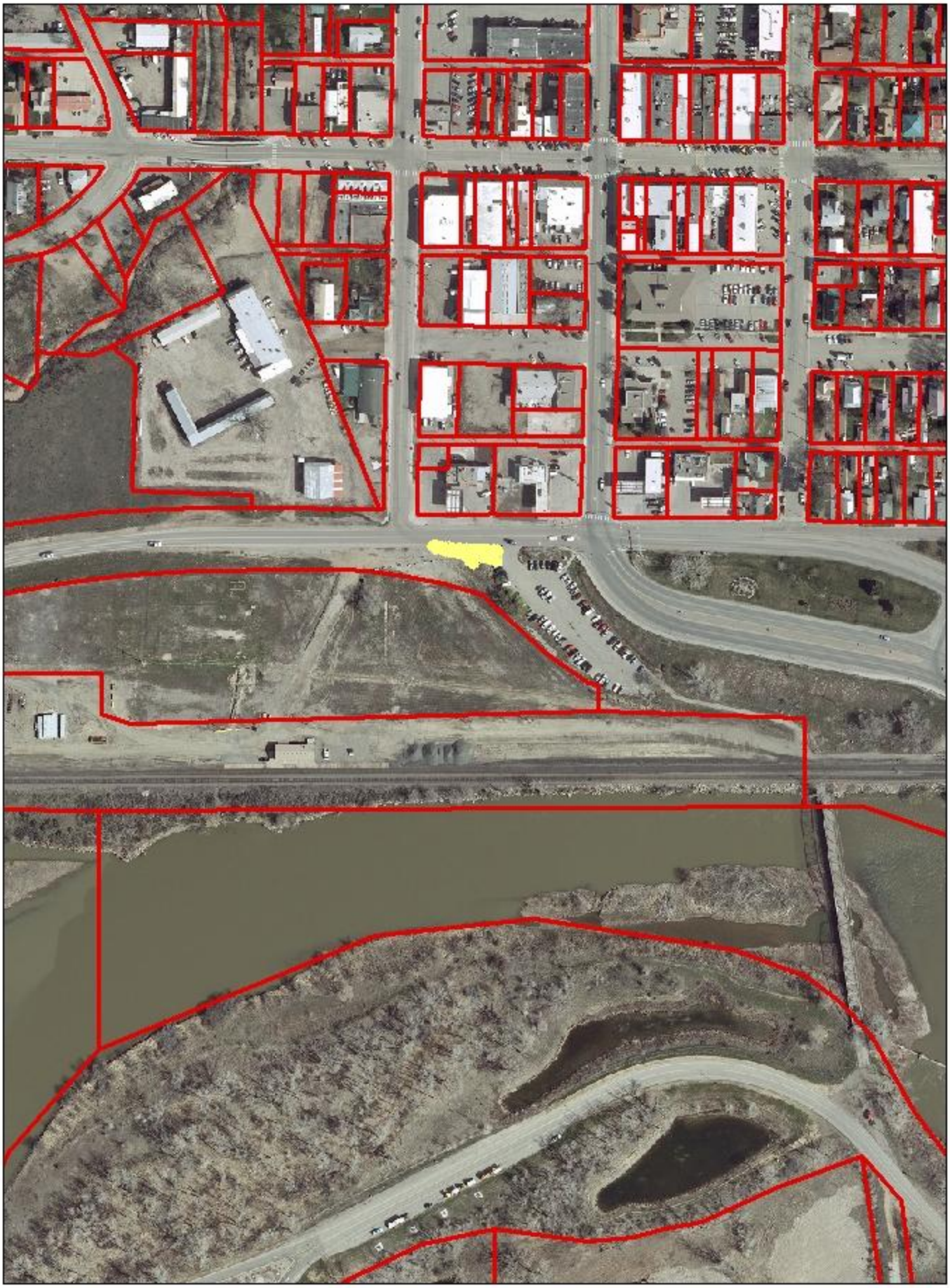
The CDOT point of contact for permitting is Mr. Dan Roussin at (970) 683-6284.

Thank you for the opportunity to discuss this proposed improvement with the Eagle Scout candidate Joseph Reyelts and yourself, and please let me know how I can be of assistance in the future.

Respectfully,

Roland Wagner
CDOT Resident Engineer

Cc: Elsen, Roussin, Hermes, Gaymon, Deussen



OR 8404 (05/07/09) Page 1
COLORADO DEPARTMENT OF REVENUE
LIQUOR ENFORCEMENT DIVISION
DENVER CO 80261

21

DEPARTMENT USE ONLY

COLORADO LIQUOR RETAIL LICENSE APPLICATION

☐ NEW LICENSE ☒ TRANSFER OF OWNERSHIP ☐ LICENSE RENEWAL

- ALL ANSWERS MUST BE PRINTED IN BLACK INK OR TYPEWRITTEN
- APPLICANT MUST CHECK THE APPROPRIATE BOX(ES)
- LOCAL LICENSE FEE $ _____
- APPLICANT SHOULD OBTAIN A COPY OF THE COLORADO LIQUOR AND BEER CODE (Call 303-370-2165)

1. Applicant is applying as a
   - ☐ Corporation
   - ☐ Partnership (includes Limited Liability and Husband and Wife Partnerships)
   - ☒ Individual
   - ☐ Limited Liability Company
   - ☐ Association or Other

2. Applicant if an LLC, name of LLC; if partnership, at least 2 partner's names; if corporation, name of corporation: Arturo Saucedo
   Fein Number: N/A

2a. Trade Name of Establishment (DBA): EL KORA MEXICAN Restaurant
State Sales Tax No.: 0430187
Business Telephone: (970) 625 0358

3. Address of Premises (specify exact location of premises): 160 E. 26th St.

City	County	State	ZIP Code
Rifle	Garfield	CO	81650

4. Mailing Address (Number and Street): 2127 Airport RD #C

City or Town	State	ZIP Code
Rifle	CO	81650

5. If the premises currently have a liquor or beer license, you MUST answer the following questions:

Present Trade Name of Establishment (DBA)	Present State License No.	Present Class of License	Present Expiration Date
EL KORA MEXICAN REST	42-28174-0000	Hotel & REST	06/20/2012

LIAB SECTION A — NONREFUNDABLE APPLICATION FEES

- 2300 ☐ Application Fee for New License $1,025.00
- 2302 ☐ Application Fee for New License - w/Concurrent Review $1,125.00
- 2310 ☒ Application Fee for Transfer $1,025.00

LIAB SECTION B — LIQUOR LICENSE FEES

- 1905 ☐ Retail Gaming Tavern License (City) $500.00
- 1906 ☐ Retail Gaming Tavern License (County) $500.00
- 1940 ☐ Retail Liquor Store License (City) $227.50
- 1941 ☐ Retail Liquor Store License (County) $312.50
- 1950 ☐ Liquor Licensed Drugstore (City) $227.50
- 1951 ☐ Liquor Licensed Drugstore (County) $312.50
- 1960 ☐ Beer and Wine License (City) $351.25
- 1981 ☐ Beer and Wine License (County) $438.25
- 1970 ☒ Hotel and Restaurant Licanse (City) $500.00
- 1971 ☐ Hotel and Restaurant License (County) $500.00
- 1975 ☐ Brew Pub License (City) $750.00
- 1978 ☐ Brew Pub License (County) $750.00
- 1980 ☐ Hotel and Restaurant License w/opt premises (City) $500.00
- 1981 ☐ Hotel and Restaurant License w/opt premises (County) $500.00
- 1983 ☐ Manager Registration - H & R ..... $ 75.00

LIAB SECTION B (CONT.) — LIQUOR LICENSE FEES

- 1985 ☐ Resort Complex License (City) $500.00
- 1988 ☐ Resort Complex License (County) $500.00
- 1988 ☐ Add Related Facility to Resort Complex ... $ 75.00 X ____ Total ___
- 1990 ☐ Club License (City) $308.75
- 1991 ☐ Club License (County) $308.75
- 2010 ☐ Tavern License (City) $500.00
- 2011 ☐ Tavern License (County) $500.00
- 2012 ☐ Manager Registration - Tavern ..... $ 75.00
- 2020 ☐ Arts License (City) $308.75
- 2021 ☐ Arts License (County) $308.75
- 2030 ☐ Racetrack License (City) $500.00
- 2031 ☐ Racetrack License (County) $500.00
- 2040 ☐ Optional Premises License (City) $500.00
- 2041 ☐ Optional Premises License (County) $500.00
- 2045 ☐ Vintners Restaurant License (City) $750.00
- 2048 ☐ Vintners Restaurant License (County) $750.00
- 2220 ☐ Add Optional Premises to H & R ..... $100.00 X ____ Total ___
- 2370 ☐ Master File Location Fee ..... $ 25.00 X ____ Total ___
- 2375 ☐ Master File Background ..... $250.00 X ____ Total ___

DO NOT WRITE IN THIS SPACE - FOR DEPARTMENT OF REVENUE USE ONLY

LIABILITY INFORMATION

County	City	Industry Type	License Account Number	Liability Date FROM	Liability Date TO	License Issued Through (Expiration Date)

State	City	County	Managers Reg
_____-750 (999)	2180-100 (999)	2190-100 (999)	_____-750 (999)

Cash Fund New License	Cash Fund Transfer License	TOTAL
2300-100 (999)	2310-100 (999)	$

APPLICATION DOCUMENTS CHECKLIST AND WORKSHEET

Instructions: This check list should be utilized to assist applicants with filing all required documents for licensure. All documents must be properly signed and correspond with the name of the applicant exactly. All documents must be typed or legibly printed. Upon final State approval the license will be mailed to the local licensing authority. Application fees are nonrefundable.

ITEMS SUBMITTED, PLEASE CHECK ALL APPROPRIATE BOXES COMPLETED OR DOCUMENTS SUBMITTED

I. APPLICANT INFORMATION

- ☐ A. Applicant/Licensee identified.
- ☒ B. State sales tax license number listed or applied for at time of application.
- ☐ C. License type or other transaction identified.
- ☐ D. Return originals to local authority.
- ☐ E. Additional information may be required by the local licensing authority.

II. DIAGRAM OF THE PREMISES

- ☐ A. No larger than 8 1/2" X 11".
- ☐ B. Dimensions included (doesn't have to be to scale). Exterior areas should show control (fences, walls, etc.).
- ☐ C. Separate diagram for each floor (if multiple levels).
- ☐ D. Kitchen - identified if Hotel and Restaurant.

III. PROOF OF PROPERTY POSSESSION

- ☐ A. Deed in name of the Applicant ONLY (or)
- ☐ B. Lease in the name of the Applicant ONLY.
- ☐ C. Lease Assignment in the name of the Applicant (ONLY) with proper consent from the Landlord and acceptance by the Applicant.
- ☐ D. Other Agreement if not deed or lease.

IV. BACKGROUND INFORMATION AND FINANCIAL DOCUMENTS

- ☐ A. Individual History Record(s) (Form DR 8404-I).
- ☐ B. Fingerprints taken and submitted to local authority. (State authority for master file applicants.)
- ☐ C. Purchase agreement, stock transfer agreement, and or authorization to transfer license.
- ☐ D. List of all notes and loans.

V. CORPORATE APPLICANT INFORMATION (If Applicable)

- ☐ A. Certificate of Incorporation (and/or)
- ☐ B. Certificate of Good Standing if incorporated more than 2 years ago.
- ☐ C. Certificate of Authorization if foreign corporation.
- ☐ D. List of officers, directors and stockholders of parent corporation (designate 1 person as "principal officer").

VI. PARTNERSHIP APPLICANT INFORMATION (If Applicable)

- ☐ A. Partnership Agreement (general or limited). Not needed if husband and wife.

VII. LIMITED LIABILITY COMPANY APPLICANT INFORMATION (If Applicable)

- ☐ A. Copy of articles of organization (date stamped by Colorado Secretary of State's Office).
- ☐ B. Copy of operating agreement.
- ☐ C. Certificate of Authority (if foreign company).

VIII. MANAGER REGISTRATION FOR HOTEL AND RESTAURANT, TAVERN LICENSES WHEN INCLUDED WITH THIS APPLICATION

- ☐ A. $75.00 fee.
- ☐ B. Individual History Record (DR 8404-I).

8. Is the applicant (including any of the partners, if a partnership; members or manager if a limited liability company; or officers, stockholders or directors if a corporation) or manager under the age of twenty-one years? Yes ☐ No ☒

7. Has the applicant (including any of the partners, if a partnership; members or manager if a limited liability company; or officers, stockholders or directors if a corporation) or manager ever (in Colorado or any other state);
   (a) been denied an alcohol baverage license? ☐ ☒
   (b) had an alcohol beverage license suspended or revoked? ☐ ☒
   (c) had interest in another entity that had an alcohol beverage license suspended or revoked? ☐ ☒
   If you answered yes to 7a, b or c, explain in detail on a separate sheet.

8. Has a liquor license application (same license class), that was located within 500 feet of the proposed premises, been denied within the preceding two years? If "yes," explain in detail. ☐ ☒

9. Are the premises to be licensed within 500 feet of any public or private school that meets compulsory education requirements of Colorado law, or the principal campus of any college, university or seminary? ☐ ☒

10. Has a liquor or beer license ever been issued to the applicant (including any of the partners, if a partnership; members or manager if a limited liability company; or officers, stockholders or directors if a corporation)? If yes, identify the name of the business and list any current or former financial interest in said business including any loans to or from a licensee. ☐ ☒

11. Does the Applicant, as listed on line 2 of this application, have legal possession of the premises by virtue of ownership, lease or other arrangement? ☒ ☐
   ☐ Ownership ☒ Lease ☐ Other (Explain in Detail) _____

a. If leased, list name of landlord and tenant, and date of expiration, EXACTLY as they appear on the lease:

Landlord	Tenant	Expires
ZL Properties LLC	Arturo Saucedo	2/14/13

Attach a diagram and outline or designate the area to be licensed (including dimensions) which shows the bare, brewery, walls, partitions, entrances, exits and what each room shall be utilized for in this business. This diagram should be no larger than 8 1/2" X 11". (Doesn't have to be to scale)

12. Who, besides the owners listed in this application (including persons, firms, partnerships, corporations, limited liability companies), will loan or give money, inventory, furniture or equipment to or for use in this business; or who will receive money from this business. Attach a separate sheet if necessary.

NAME	DATE OF BIRTH	FEIN OR SSN	INTEREST
N/A			

Attach copies of all notes and security instruments, and any written agreemant, or details of any oral agreement, by which any person (including partnerships, corporations, limited liability companies, etc.) will share in the profit or gross proceeds of this establishment, and any agreemant relating to the business which is contingent or conditional in any way by volume, profit, sales, giving of advice or consultation.

13. Optional Premises or Hotel and Restaurant Licenses with Optional Premises
   Has a local ordinance or resolution authorizing optional premises been adopted? Yes ☐ No ☐

   Number of separate Optional Premises areas requested. _____ (See License Fee Chart)

14. Liquor Licensed Drug Store applicants, answer the following:
   (a) Does the applicant for a Liquor Licensed Drug Store have a license issued by the Colorado Board of Pharmacy? COPY MUST BE ATTACHED. Yes ☐ No ☐

15. Club Liquor License applicants answer the following and attach:
   (a) Is the applicant organization operated solely for a national, social, fraternal, patriotic, political or athletic purpose and not for pecuniary gain? Yes ☐ No ☐
   (b) Is the applicant organization a regularly chartered branch, lodge or chapter of a national organization which is operated solely for the object of a patriotic or fraternal organization or society, but not for pecuniary gain? ☐ ☐
   (c) How long has the club been incorporated? (Three years required) _____
   (d) Has applicant occupied an establishment for three years that was operated solely for the reasons stated above? ☐ ☐

16. Brew-Pub License or Vintner Restaurant Applicants answer the following: Yes ☐ No ☐
   (a) Has the applicant received or applied for a Federal Permit? (Copy of permit or application must be attached)

17a. Name of Manager (for all on-premises applicants) ~~Arturo Saucedo~~ N/A (If this is an application for a Hotel, Restaurant or Tavern License, the manager must also submit an individual History Record (DR 8404-I). Date of Birth ~~12/[illegible]/69~~

17b. Does this manager act as the manager of, or have a financial interest in, any other liquor licensed establishment in the State of Colorado? If yes, provide name, type of license and account number. Yes ☐ No ☒

18. Tax Distraint Information. Does the applicant or any other person listed on this application and including its partners, officers, directors, stockholders, members (LLC) or managing members (LLC) and any other persons with a 10% or greater financial interest in the applicant currently have an outstanding tax distraint issued to them by the Colorado Department of Revenue? If yes, provide an explanation and include copies of any payment agreements. Yes ☐ No ☒

19. If applicant is a corporation, partnership, association or limited liability company, applicant must list ALL OFFICERS, DIRECTORS, GENERAL PARTNERS, AND MANAGING MEMBERS. In addition applicant must list any stockholders, partners, or members with OWNERSHIP OF 10% OR MORE IN THE APPLICANT. ALL PERSONS LISTED BELOW must also attach form DR 8404-I (Individual History record), and submit finger print cards to their local licensing authority.

NAME	HOME ADDRESS, CITY & STATE	DOB	POSITION	% OWNED*

*If total ownership percentage disclosed here does not total 100% applicant must check this box

☐ Applicant affirms that no individual other than these disclosed herein, owns 10% or more of the applicant

Additional Documents to be submitted by type of entity

☐ CORPORATION ☐ Cert. of Incorp. ☐ Cert. of Good Standing (if more than 2 yrs. old) ☐ Cert. of Auth. (if a foreign corp.)

☐ PARTNERSHIP ☐ Partnership Agreement (General or Limited) ☐ Husband and Wife partnership (no written agreement)

☐ LIMITED LIABILITY COMPANY ☐ Articles of Organization ☐ Cert. of Authority (if foreign company) ☐ Operating Agrmt.

☐ ASSOCIATION OR OTHER Attach copy of agreements creating association or relationship between the parties

Registered Agent (if applicable)	Address for Service

OATH OF APPLICANT

I declare under penalty of perjury in the second degree that this application and all attachments are true, correct, and complete to the best of my knowledge. I also acknowledge that it is my responsibility and the responsibility of my agents and employees to comply with the provisions of the Colorado Liquor or Beer Code which affect my license.

Authorized Signature	Title	Date
[signature]	Owner	2/13/12

REPORT AND APPROVAL OF LOCAL LICENSING AUTHORITY (CITY/COUNTY)

Date application filed with local authority	Date of local authority hearing (for new license applicants; cannot be less than 30 days from date of application 12-47-311 (1)) C.R.S.
2-14-2012	

THE LOCAL LICENSING AUTHORITY HEREBY AFFIRMS:

That each person required to file DR 8404-I (Individual History Record) has: Yes No

☒ Been fingerprinted ..... ☒ ☐

☒ Been subject to background investigation, including NCIC/CCIC check for outstanding warrants ..... ☒ ☐

That the local authority has conducted, or intends to conduct, an inspection of the proposed premises to ensure that the applicant is in compliance with, and aware of, liquor code provisions affecting their class of license ..... ☒ ☐

(Check One)

☐ Date of inspection or Anticipated Date _____

☐ Upon approval of state licensing authority.

The foregoing application has been examined; and the premises, business to be conducted, and character of the applicant are satisfactory. We do report that such license, if granted, will meet the reasonable requirements of the neighborhood and the desires of the adult inhabitants, and will comply with the provisions of Title 12, Article 46 or 47, C.R.S. **THEREFORE, THIS APPLICATION IS APPROVED.**

Local Licensing Authority for	Telephone Number	☐ TOWN, CITY ☐ COUNTY
Signature	Title	Date
Signature (attest)	Title	Date

BE IT KNOWN, that the undersigned Angelica Burgara transfers to Arturo Sauceda, the following described business:

El Kora Mexican Restaurant

The transfer is subject to the following conditions and representations:

In compensation of unpaid loan

Said business is transfer "as is" condition and where currently located

I Angelica Burgara warrants that I have full authority to transfer said business, and that said business is free of all liens, encumbrances, liabilities, and adverse claims of every nature and description whatsoever.

TRANSFER

Date signed: 02/10/2012
From: Angelica Burgara **Address:** 160 E. 26th ST Rifle co 81650
To: Arturo Sauceda **Address:** 2127 Airport Rd #c Rifle co 81650

Angelica Burgara.
Print name

Angelica Burgara.
signature

RIFLE POLICE DEPARTMENT

201 East 18th Street • Rifle, CO 81650-3237

Memorandum

To: Lisa Cain, City Clerk
From: Daryl Meisner, Chief of Police / vms
Date: 04-16-2012
Re: Liquor License Applicant, Arturo Sauceda

Fingerprint search results have been received regarding liquor license applicant, Arturo Sauceda. No record of arrest was found.

/vms

DEPARTMENT OF PLANNING & DEVELOPMENT
202 Railroad Avenue, Rifle, CO 81650
Phone: 970-665-6490 Fax: 970-625-6268

From: Nathan Lindquist, Planner

To: Matt Sturgeon, Assistant City Manager

Date: June 13, 2012

Re: Amendment to HUD/DOT Grant Contract

REQUEST

Staff requests that Council approve an amendment to the HUD/DOT Downtown Grant contract for the amount of $23,995 to allow consultant EPS to conduct a Business Operations Plan for the New Ute Event Center.

BACKGROUND

The HUD/DOT grant is currently in the midst of Phase 1 work that was approved in January by City Council, budgeted at $445,118. This contract amendment would move forward $23,995 from Phase 2 of the project (Phase 2 total budget $361,500) to do a Business Operations Plan for the New Ute Event Center to be carried out by EPS, the economics consultant for the project.

This request was approved by the Grant Project Steering Committee (Rich Carter, Keith Lambert, Sally Brands, Michael Langhorne).

See the attached Scope of Work and budget put together by EPS.

UTE EVENT CENTER BUSINESS OPERATIONS PLAN

Project Understanding

The City of Rifle acquired the historic Ute Theater, constructed in 1947, and has renovated the exterior and rehabilitated the interior over the past year. The current plans call for continued renovation to create a performing arts center with capacity of 250 to 350 seats. The community enjoys a high level of commitment to the theater, its historic role, and its future potential. If the theater can be restored and activated as a venue for performing arts, it has the potential to catalyze other properties downtown, increasing visitation and revenues to existing businesses, and making downtown Rifle a destination for people who might not currently patronize it.

The City is requesting a market and feasibility analysis of the theater's operating potential. The community recognizes the need for capital investment and is seeking information regarding annual operations and the degree to which an on-going investment or operating subsidy may be needed. The purpose of the feasibility study is to assess demand for events in Rifle, estimate revenues that can be generated (by type of event), and provide an annual operating budget that can be netted against projected revenues, forecasting the degree of profit/subsidy likely to occur.

The proposed work plan below outlines the steps that Economic & Planning Systems (EPS) would undertake to complete the work program. The information provided in the market and feasibility report will be geared to informing the City Council, the New Ute Theater Society, and the community as they evaluate options for the Ute Theater.

Scope of Work

Task 1: Market Analysis

EPS will conduct a market analysis to forecast the supportable event activity that can be captured by the New Ute Events Center. This will include analysis of comparable facilities and an evaluation of the potential for Rifle to capture a comparable level of activity. The following subtasks are anticipated:

1.1 - Project Initiation

EPS will participate in a conference call with City staff and New Ute Theater Society board members to review the proposed work plan and to identify project issues and concerns to be addressed over the course of the study. We will review the preliminary plans already provided to understand the proposed function and capacity of the facility.

Task 1.2 - Comparable Facilities

EPS will identify and research five to seven comparable facilities, focusing on Western Slope venues, with a limited number of examples from larger metropolitan areas. The goal is to draw from the comparable data to develop an operations profile that is realistic for the Rifle location, based on other facilities of similar size and market areas. We will contact and interview staff with these facilities regarding their current usage patterns including their annual event calendars.

We will also obtain their operating budgets to determine fees, staffing, and operating costs and revenues.

Task 1.2 –Facility Assessment

EPS will evaluate the strengths and weaknesses of the proposed plans and will provide an assessment as to the advantages or shortcomings of the facility. EPS recognizes that the plans for renovation are complete and that the historic nature of the structure is established. This task is not geared to redesigning the facility, but to understand the types of events and acts that can be hosted.

Task 1.3 – Market Potentials

Based on the above tasks, EPS will forecast the potential market utilization and overall viability for the proposed facility. EPS will interview agencies that book touring events and will contact local representatives for projections of local events. EPS will capture the full range of potential activities (including traveling performances, local performances, local events and celebrations, as well as broadcast of mass media distribution that includes both sports and arts.) EPS will generate a prospective event calendar, identifying user groups by type and by size of event. EPS will account for regional and national touring acts and how Rifle's location on the I-70 corridor could contribute to greater local event activity.

Task 2: Feasibility Analysis

Task 2.1 – Revenue Potentials

Based on the utilization figures derived from the market analysis, EPS will provide a five-year operating pro forma that will document revenue potentials. The pro forma will account for all types of users, including community, regional, and national acts with corresponding differential in terms of revenue for the New Ute Events Center.

Task 2.2 – Operating Budget

EPS will develop an estimated operating budget for the facility based on the usage, comparable facilities, and operating and staffing assumptions. We will estimate annual operating revenues to be derived from facility use fees, admissions, rentals, concessions, sponsorships, and other sources. Operating expenses including salaries and wages, utilities, sales and marketing, maintenance, and capital reserves will also be estimated. The annual operating deficit/surplus will then be estimated.

Task 3: Final Report and Presentations

EPS will provide a draft report including a summary of the market analysis and feasibility pro forma. A final report will be provided within two weeks receipt of comments. We anticipate one meeting/conference call with the NUTS board members and City staff followed by a presentation to the City Council at the conclusion of the study.

Proposed Budget

EPS proposed to complete the tasks on a time and materials budget not to exceed $23, 995. The approximate breakdown of time by task and staff level is shown in **Table 1**. EPS can complete the project within 10 weeks from contract execution. We are willing to adjust the work program and schedule to meet any project constraints.

Table 1
Proposed Project Budget
City of Rifle Ute Theater Market Analysis and Feasibility Study

	EPS Staff			
	Principal-in-Charge	**Primary Analyst**	**Production/ Research**	**EPS Total**
Billing Rate	**$210**	**$115**	**$75**	
Labor Costs				
Task 1: Market Analysis and Facility Assessment				
Task 1.1 - Project Initiation	2	4	0	$880
Task 1.2 - Comparable Facilities	8	20	19	$5,405
Task 1.3 - Facility Assessment	6	6	0	$1,950
Task 1.4 - Market Potentials	12	16	0	$4,360
Task 2: Feasibility Analysis				
Task 2.1 - Revenue Potentials	6	12	0	$2,640
Task 2.2 - Operating Budget	6	16	0	$3,100
Task 3: Final Report and Presentation	16	20	0	$5,660
Total Staff Hours and Project Cost	**56**	**94**	**19**	**$23,995**

Source: Economic & Planning Systems

G:\12304---Rifle Performing Arts Center\[12304----Pbud.xls]BUDGET (2)

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TO: Mayor and City Council
City of Rifle, Colorado

FROM: Karl J. Hanlon, Esq.

RE: Colorado River Cooperative Agreement

DATE: June 12, 2012

BACKGROUND:

After several years of negotiations, on April 28, 2011, Denver Water and thirty five west slope entities made the proposed Colorado River Cooperative Agreement ("CRCA") public at a press conference held in Grand County, Colorado. The potential signatories included water users on the Colorado River from the headwaters in Grand and Summit Counties to the lower river in the Grand Valley. A complete list of signatories is contained in Article VIII - Definitions. While the framework of the CRCA was completed by spring of 2011, a variety of implementation issues remained to be worked on. These included: The drafting of various water rights applications for implementation of the CRCA; drafting supplemental provisions and protocols for the CRCA; as well as meeting with third parties necessary for implementation, including officials from the Bureau of Reclamation and the State of Colorado.

While the CRCA addresses a number of issues affecting the Colorado River, it is important to note that there are several things it does not do. Specifically, the CRCA does not provide for mitigation or substitute mitigation that may be required by federal agencies for the Moffat Collection System project permitting. The CRCA also does not resolve water gap challenges for front range municipalities other than Denver Water (and those entities which currently contract with Denver Water for municipal supplies). However, the CRCA does address a wide variety of interests of the thirty six parties and, most importantly, sets the stage for a cooperative approach between the signatories to addressing future water needs and projects in the Colorado basin.

In short, the CRCA addresses and balances the East and West slope interests in the Colorado River. Denver Water has a vested interest in the permitting and construction of the Moffat Collection System Project (the Gross Reservoir Enlargement), resolving Blue River Decree issues that have been outstanding for many years and addressing environmental stewardship concerns and

participation in the WISE project (a water reuse project). On the West Slope, those entities also have a range of interests including stream flow protection and restoration, water for future consumptive uses, resolution of Blue River Decree issues, protection of recreational assets ranging from reservoir levels to stream flows, preservation of the Shoshone flow regime, ensuring East Slope conservation and reuse, defining the Denver Water service area and protecting future water supplies for West Slope uses. These issues are all addressed in the CRCA.

KEY PROVISIONS OF THE CRCA:

The CRCA is broken into eight different Articles, each addressing a specific component of the Agreement, along with a large number of exhibits.

First, the CRCA lays out the limitations on Denver Water's use of Colorado basin waters. Denver Water has agreed to limit its service area geographically, which is important since it effectively limits future growth of the Denver Water system beyond its current boundaries. Denver Water is also committing to further water reuse and conservation which will allow for its water supply to stretch farther with less impact on the West Slope. Denver Water has also agreed to provide $25,000,000.00 to effected entities and several thousand acre-feet of water for stream flows. In addition, new contract holders with Denver Water must abstain from coming to the West Slope for water as long as they are under contract with Denver Water to receive their water supply. Lastly, the CRCA also provides for a revenue stream to the West Slope based on WISE project leases.

From the middle river perspective, the most important components of the CRCA relate to Denver Water's agreement to limit future projects on the West Slope to cooperative ones, their support of the Shoshone flow regime, and to the operation of Green Mountain Reservoir in support of that flow regime. The Agreement also contemplates future cooperation on a permanent solution to the Shoshone flow regime including investigating the potential acquisition of the resource Shoshone facility and water right.

Denver Water has also agreed to place $500,000.00 in a fund to be managed and used by middle river entities to help offset the increased operational costs that are incurred as a result of the Shoshone Outage Protocol implementation. The Outage Protocol allows for Denver Water to take the call off at Shoshone during winter months (pursuant to their 2007 Excel agreement) and drought conditions to allow fill of Denver Water's reservoirs. This has an operational impact on water users diverting directly from the Colorado River such as Rifle of both lower water levels and increased salinity.

Protection of the Shoshone flows is also critical to the City of Rifle for both water quality and the growing local recreation industry. During the negotiations of the CRCA, we emphasized finding an interim and long term solution to maintaining the Shoshone call.

The CRCA also provides that Denver Water will not oppose an application for a recreational in-channel diversion ("RICD") above the confluence the Roaring Fork River and Colorado River

and below the Shoshone powerplant provided that the RICD is designed to mimic the Shoshone call. Denver Water has also agreed to work cooperatively on an application for a RICD on the Glenwood Springs' currently constructed white water park below the confluence of the two rivers.

CONCLUSION:

In summary, the CRCA tries to address a variety of issues and concerns of the signatories. The driving principle behind the Agreement is that working cooperatively rather than through litigation better serves the interests of any given party. There is also recognition that all of the parties have an interest in and to the waters of the Colorado River and that all of the parties have interests in their own economic development. While perhaps not a perfect solution to every concern of the parties, it is a solution that all of the parties may be able to live with. Currently, roughly half of the signatories have approved the CRCA including Denver Water, Grand, Summit and Eagle Counties and the City of Glenwood Springs.

COLORADO RIVER COOPERATIVE AGREEMENT

This Agreement is entered into among the following listed Signatories, to become effective upon the first business day at least seven days after the last Signatory has signed this Agreement. The Effective Date of this Agreement is the _____ day of _____, 20___. The Signatories acknowledge the mutual exchange of consideration in entering into this Agreement.

City and County of Denver, acting by and through its Board of Water Commissioners (Denver Water)
Board of County Commissioners, County of Eagle
Board of County Commissioners, County of Grand
Board of County Commissioners, County of Summit
Colorado River Water Conservation District
Middle Park Water Conservancy District
Clinton Ditch and Reservoir Company
Eagle Park Reservoir Company
Eagle River Water and Sanitation District
Upper Eagle Regional Water Authority
Grand Valley Water Users Association
Orchard Mesa Irrigation District
Ute Water Conservancy District
Palisade Irrigation District
Mesa County Irrigation District
Grand Valley Irrigation Company
City of Glenwood Springs
City of Rifle

This Colorado River Cooperative Agreement consists of the 51-page agreement dated May 15, 2012; Attachments A through T, which have varying dates; and the CRCA Addendum dated April 5, 2012.

COLORADO RIVER COOPERATIVE AGREEMENT

ARTICLE I
Limitations on Denver Water's Water Supply Obligations

A. Geographic Limit on Service Area. All water available to Denver Water under its existing absolute and conditional water rights listed in Attachment A ("Attachment A Rights") shall be used within the City and County of Denver and Denver Water's current Service Area described in Attachment B ("Service Area"), except as provided in Article I.B. The Service Area shall not be expanded beyond the boundaries depicted in Attachment B.

B. Limits on Use of Attachment A Water Rights Outside Service Area.

1. Fixed-Amount Contracts. The Attachment A Rights may be used outside the current Service Area to provide up to 67,927 acre-feet of water under the existing contracts listed in Attachment C ("2010 Contracts"). In addition, Denver Water may enter into contracts to deliver an additional 4,000 acre-feet of water annually to be used in new permanent contractual arrangement not listed in Attachment C.

   Of the 67,927 acre-feet currently obligated under 2010 Contracts, Denver Water may transfer up to 45,000 acre-feet from a pre-existing water delivery obligation under a 2010 Contract to a different recipient under a new permanent contract ("Future Contract"), subject to the following limitations.

   a. Previously Delivered Water. The amount of water transferred to a Future Contract recipient must fall within the volume of water previously delivered to the 2010 Contract holder during a prior calendar year, and Denver Water's obligation to the 2010 Contract holder must be reduced by a like amount. Some 2010 Contracts include an amount of water not previously delivered by Denver Water ("Unused 2010 Water") A 2010 Contract holder may not substitute Unused 2010 Water for transferred water. The 2010 Contract holder may access the volume of Unused 2010 Water only at a rate equivalent to growth in demand in the holder's service area after the date of the transfer.

   b. Future Contract Service Area. The service area of any Future Contract recipient must be located in Adams, Arapahoe, Broomfield, Douglas or Jefferson County.

c. Drought Reductions. All Future Contracts must provide for reductions in deliveries during such times as Denver Water imposes mandatory water use restrictions as part of a drought response program.

d. Reuse Under Future Contracts. If the 2010 Contract did not expressly grant to the recipient of the water the right of reuse or successive use, then the Future Contract may grant the right of reuse and successive use of the transferred water only if such reuse is subject to the provisions of Article I.B.2.e and Article II. Nothing in this paragraph shall prevent a recipient of a Future Contract from making an initial fully consumptive use of the transferred water that will not generate effluent or return flows.

e. Recycle Water Contracts. Any water transferred from one of the Recycle Water contracts listed on Attachment C shall retain recycled water as the source of water delivered under the Future Contract.

f. Payment of West Slope Charge. As a condition of receiving water under a Future Contract, any Future Contract holder shall enter into a West Slope Charge Agreement in substantially the form of Attachment D, and shall pay a West Slope Charge of 12.5%.

g. Prohibition on Seeking West Slope Supplies. Any recipient of water under a Future Contract must agree to comply with the Abstention Provisions.

2. Other Contractual Water Supply Obligations. Some of Denver Water's supply obligations to entities or areas outside the Service Area present unique circumstances or opportunities and are not included within the volumetric limit established in Article I.B.1. Denver Water may use the Attachment A Rights outside the Service Area to provide water under the following circumstances:

a. Obligations to Littleton under Littleton's Total Service Distributor Contract dated March 9, 2011.

b. Water to be provided to Public Service Company and to West Slope entities in the event of a relaxation of the Shoshone Call under the provisions of the 2007 Shoshone Agreement or the provisions of Article VI of this Agreement.

c. Use of Denver Water's water rights on the West Slope: (1) for beneficial use by the West Slope entities; or (2) to meet regulatory obligations required for Denver Water's operations or projects; or (3) for other purposes specifically authorized under this Agreement.

d. Water delivered from the potable water distribution system at Denver International Airport that would otherwise need to be discharged from the system to maintain the chlorine residual and avoid nitrification within the potable water system.

e. Reusable return flows in excess of Denver Water's obligations under Article II or not committed to a 2010 Contract may be used in Joint Use Projects, subject to the following limitations in this subsection. The use of reusable return flows under this section does not in any way diminish Denver Water's obligations under Article II. As a condition of such use, East Slope lessees or purchasers of Denver Water's reusable return flow for use outside the Service Area:

i. Shall enter into a West Slope Charge Agreement in substantially the form of Attachment D, and shall pay a West Slope Charge of 12.5%.

ii. Must comply with the Abstention Provisions.

iii. Will maximize using best efforts the reuse or successive use of reusable water available to them.

iv. Will adopt and implement a conservation plan that would achieve results similar or proportionately the same as Denver Water's.

3. Deliveries of Water on a Temporary Basis. Denver Water may use the Attachment A Rights to deliver water on a temporary basis outside the Service Area, as limited by the following provisions.

a. For spot sales, subject to the following limitations:

i. Definition. The definition of a spot sale for purposes of this agreement is a lease of water available to Denver Water on a sporadic basis as a result of temporary hydrologic conditions or operational constraints, which is delivered to the recipient over a period no longer than 14 consecutive days.

ii. Holiday Restrictions: Spot sales of Blue River water will not be made for use during the Memorial Day, Fourth of July and Labor Day weekends. For purposes of this paragraph 11, Memorial Day and Labor Day weekends means Friday, Saturday, Sunday and Monday of that holiday. Fourth of July weekend means (1) if the holiday falls on a Thursday then the weekend is Thursday, Friday, Saturday, and Sunday; (2) if the holiday falls on either Friday, Saturday, Sunday, or Monday, then the weekend is Friday, Saturday, Sunday, and Monday; (3)

if the holiday falls on a Tuesday then the weekend is Saturday, Sunday, Monday, and Tuesday; and (4) if the holiday falls on a Wednesday, then the weekend is only on Wednesday.

iii. Reservoir Level Restrictions: Spot sales of Blue River water will be made only when: (1) the Dillon Reservoir lake level is projected to be at or above the Frisco Marina elevation from June 18 to Labor Day weekend, and will not be reduced below that elevation as a result of the spot sales. For purposes of this paragraph 11, the Frisco Marina elevation means the elevation at which the Frisco Marina can be fully operational. At the time of execution of this agreement, the Signatories agree that the Frisco Marina elevation is 9012. However, Summit County and Denver Water may later agree that a lower elevation has become suitable as the result of physical changes to the Marina or the Reservoir.

If Denver Water makes a spot sale of Blue River water during the runoff season prior to June 18 based on projections of reservoir level, and the reservoir level fails to reach the Frisco Marina elevation by June 18 or falls below that elevation prior to Labor Day, then Denver Water will forfeit the revenue received from the spot sale and deposit an equivalent amount into the West Slope Fund for water supply and water quality projects.

iv. Dillon Outflow Restrictions. Spot sales of Blue River water will not be made:

a) From Memorial Day weekend to the end of July, if outflow from Dillon Reservoir is less than 300 cfs during any diversion and delivery of spot sale water; or

b) At other times of the year, if outflow from Dillon Reservoir is less than 100 cfs during any diversion and delivery of spot sale water.

v. Limit on Temporary Water Deliveries. The total combined volume of all spot sales and temporary leases of water resulting from the Attachment A Rights will not exceed a three-year running average of 7,300 acre feet, with an annual maximum of 12,300 acre-feet in a given year.

vi. Payment by Recipients. Purchasers of spot sale water shall enter into a West Slope Charge Agreement in substantially the form of Attachment D, and shall pay a West Slope Charge of

15%.

vii. Shoshone Call Restriction. Spot sales will not be made when the senior Shoshone call is subject to relaxation under the provisions of the 2007 Shoshone Agreement or the provisions of Article VI.E of this Agreement.

b. For temporary leases, subject to the following limitations:

i. The definition of temporary leases for purposes of this agreement is a lease of water for a duration not to exceed five consecutive years.

ii. Any lessee would be limited to no more than five years of water delivery in any ten year period under one or more temporary leases.

iii. The total volume of spot sales and temporary leases of water from west slope sources will not exceed 3,300 acre-feet in any given year.

iv. The total combined volume of all spot sales and temporary leases of water resulting from the Attachment A Rights will be limited as described in paragraph I(B)(3)(v).

v. Lessees shall enter into a West Slope Charge Agreement in substantially the form of Attachment D, and shall pay a West Slope Charge of 15%.

vi. All temporary leases must provide for reductions in deliveries during such times as Denver Water imposes mandatory water use restrictions as part of a drought response program.

4. WISE Partnership Agreement. The Attachment A Rights may be used to provide water under the WISE partnership agreement with the City of Aurora and the South Metro Water Authority, so long as the use of the rights is otherwise authorized under this Article I.B, and subject to the following limitations:

a. The recipients of WISE water shall enter into a West Slope Charge Agreement in substantially the form of Attachment D, and shall pay a West Slope Charge of 12.5% on all water provided by Denver Water, regardless of which provision of Article I.B authorizes the use.

b. The recipients of WISE water must comply with the Abstention Provisions.

c. The recipients of WISE water must maximize using best efforts the reuse or successive use of reusable water available to them.

d. The recipients of WISE water must adopt and implement a conservation plan that would achieve results similar or proportionately the same as Denver Water's.

C. Other Water Rights.

1. Joint Use Projects. Denver Water may use its existing East Slope water rights listed in Attachment E in Joint Use Projects on the Front Range, so long as such use of the water rights does not result in a decrease in the supply of water available to Denver Water under the Attachment A Rights or in an increase in diversions of water by participants in the Joint Project, including Denver Water, from the West Slope to the East Slope. Participants in these projects must agree to comply with the Abstention Provisions.

2. New East Slope Water Rights. Denver Water may use outside the Service Area any water made available: (a) as a result of East Slope water rights appropriated or acquired after execution of this Agreement or (b) by means of contractual arrangements with East Slope entities entered into after execution of this Agreement involving East Slope water rights. Such use of the water shall not result in a decrease in the supply of water available to Denver Water under the Attachment A Rights, or in an increase in diversions of water by participants in the project, including Denver Water, from the West Slope to the East Slope.

3 West Slope Water Rights. After the Effective Date of this Agreement, Denver Water will not seek to: (a) develop any of its Division 5 water rights listed in Attachment E; or (b) create any new depletion, not caused by the exercise of the Division 5 water rights listed in Attachment A, from the Colorado River and its tributaries, for diversion to the East Slope; or (c) acquire any water right on the West Slope that would increase the yield Denver Water currently calculates based on the full use of the Division 5 water rights listed in Attachment A, without the prior approval of the River District and the County Commissioners for each county in which a new facility would be located or in which a new water right would be exercised.

Denver Water will not seek to appropriate or acquire any other water right on the West Slope, without first consulting in good faith with potentially affected

West Slope Signatories in order to identify and attempt to mitigate any potential adverse effect on West Slope interests, subject to the other provisions of this Agreement. The West Slope Signatories reserve the right to oppose any such development, appropriation or acquisition of water rights in water court, permit proceedings, or other forums.

ARTICLE II
Denver Water's Conservation and Reuse Commitments

A. Reuse of Blue River Water. Denver agrees to reuse its Blue River water and other lawfully available reusable water through exchanges into its South Platte diversion and storage facilities and through its recycled water treatment plant that provides water for nonpotable purposes. For use within the Service Area and to provide up to 6,400 acre-feet of recycled water outside the Service Area under the Recycle Water contracts listed in Attachment C or Future Contracts resulting from the transfer of those contracts pursuant to Article I.B.1, Denver Water will fully construct its recycled water system with the capacity to provide 17,500 acre-feet annually and will maximize its exchanges within legal and water availability constraints.[1] To achieve this level of reuse, Denver Water will complete construction of at least 30,000 acre-feet of gravel pit storage or other functionally equivalent storage.[2] The fully constructed recycled water plant is scheduled to be operational in 2020. The 30,000 acre-feet of gravel pit storage is also anticipated to be completed in 2020. However, the timing of development of gravel pit storage is directly related, in part, to the need for aggregate for construction purposes in the metro area, and is not within Denver Water's control. Denver Water commits to construct sufficient infrastructure to achieve the volumes listed in this paragraph subject to the uncertainties of timing described in this paragraph.

B. Conservation Plan. Denver Water's 1996 IRP predicted that 29,000 acre-feet of water could be saved through active conservation efforts by 2045. In 2006, the Denver Water Board mandated an accelerated conservation program to accomplish that level of savings by the end of 2016. Denver Water agrees to continue to implement its existing conservation program described in Attachment F to achieve the savings of 29,000 acre-feet contemplated by the 1996 IRP, in addition to natural replacement, consistent with its goal of achieving the targeted savings by the end of 2016. (It is often not possible to measure precisely the volume of water saved as a result of a specific action, e.g., requiring soil amendment, but Denver will implement the

[1] The volume of water that can be reused is determined by legal, regulatory and hydrologic conditions that vary significantly from year to year and over time, and may be fundamentally different in the future. Over the past 20 years with an annual average demand of 285,000 acre-feet, Denver Water's reuse by exchange and replacement has averaged 16,300 acre-feet per year, with a maximum of 29,900 acre-feet and a minimum of 5,800 acre-feet. With regard to future exchanges, Denver Water's computer simulation model predicts that, with an annual average demand of 345,000 acre-feet and completion of the storage described in this Article II.A, the annual average for exchanges and replacement will be 38,000 acre-feet. These modeled predictions are based on historic hydrology, past administrative practices and numerous operational assumptions, and consequently may not be construed as any sort of mandated or targeted operational requirement.

[2] If Denver Water's water rights cannot be exercised as anticipated to operate exchanges, making a portion of the proposed 30,000 acre-feet of storage not useful in maximizing Denver Water's exchanges, then Denver Water will notify the West Slope Signatories and identify the functionally equivalent storage, other infrastructure, or other means that it proposes to utilize to maximize its exchanges and the parties shall discuss in good faith whether to modify the provisions of this Article II.A.

conservation measures necessary to result in the volume of savings described in this paragraph.) Denver Water will inform the West Slope Signatories in an annual progress report if it decides to substitute a different conservation measure than the ones listed in Attachment F. Once Denver Water determines the conservation goal has been met, it will retain a reputable and qualified third party to confirm that the methodology used to quantify savings was reasonable. If the third party determines the methodology was not reasonable, Denver Water will correct the identified defects in the methodology, and if necessary, undertake additional conservation measures to achieve the goal.

C. Commitment to Additional Efforts. In addition to taking actions necessary to achieve the results described in Articles II.A and II.B, Denver Water agrees to develop, for use within the Service Area and to satisfy the obligations listed in Article I.B, an additional 10,000 acre-feet on an average annual basis through reuse, including use of reusable sources of water for augmentation, and/or conservation measures not described in Articles II.A and II.B. The development of the additional 10,000 acre-feet will commence no later than the completion of the efforts described in Articles II.A and II.B, and are anticipated to be completed by the end of calendar year 2030. Once Denver Water determines the additional 10,000 acre-feet has been attained, it will retain a reputable and qualified third party to confirm that the methodology used to quantify the attainment was reasonable. If the third party determines the methodology was not reasonable, Denver Water will correct the identified defects in the methodology, and if necessary, undertake additional reuse or conservation measures to achieve the goal.

ARTICLE III
Denver Water's Other Commitments

A. General

1. Denver Water agrees to make a good faith effort to identify which of its West Slope conditional water rights might be needed and to abandon those conditional water rights that it deems are not needed.

2. As used in this Article III, "Resolution of Blue River Decree Issues" means the entry of final judgments and decrees no longer subject to appeals which make absolute 654 cfs in 06CW255, Water Division 5, and in 49-cv-2782, U.S. District Court, and 141,712 acre-feet in 03CW039, Water Division 5, in accord with the Amended Application to Make Absolute, filed with the court on February 16, 2006.

3. Use of Denver Water's Water Rights on West Slope.

   a. Denver Water will be responsible for providing substitution water and power interference charges to Green Mountain Reservoir and replacement water to other senior downstream water rights as necessary to ensure that West Slope recipients of the water provided by Denver Water under this Article III may use the water as provided in this Agreement.

   b. The signatories to this Agreement will cooperate to obtain such court decrees and approvals as are necessary to ensure that Denver Water's water that is made available to West Slope users under this Agreement, the 1985 Summit Agreement and the 1992 Clinton Agreement may be used on the West Slope for all uses, including but not limited to, fully consumptive uses, reuse and successive uses.

4. Replacement Water. Certain provisions of this Article III require recipients of water deliveries from Denver Water to make available to Denver Water "Replacement Water." Replacement Water may be made available to Denver Water from Green Mountain Reservoir, Wolford Mountain Reservoir, West Slope supplies of Windy Gap Project water, water made available to the West Slope from relaxation of the Shoshone Call pursuant to the 2007 Shoshone Agreement or the provisions of Article VI.E, water stored in Old Dillon Reservoir, water made available to West Slope water users pursuant to the 2003 Colorado Springs Substitution Agreement including return flows of such water, decreed consumptive use credits and reusable return flows, water diverted from Straight Creek into Dillon Reservoir by Summit County users, or any other substitution source reasonably acceptable to the Bureau of Reclamation and the Signatories. Where Replacement Water is required, Denver Water's delivery of water is contingent upon the Replacement Water

being on hand and physically and legally available for Denver Water's use for substitution purposes and will be provided to Denver Water for each acre foot of water delivered.

5. Escalation. The amounts of money that Denver Water is committed to pay under this Article III will be subject to escalation beginning on the fourth anniversary of the Effective Date of this Agreement, based on changes in the Consumer Price Index for All Urban Consumers ("CPI-U") for the Denver-Boulder-Greeley Metropolitan Area.

B. Summit County – Blue River

1. Payment by Denver Water. $11 million will be paid by Denver Water, subject to the terms set forth below.

2. Waste Water Treatment Plant Fund. $1 million of the $11 million shall be deposited into an interest-bearing fund to be administered by Summit County to offset the impacts of lower Dillon Reservoir levels or reduced outflows from Dillon Dam on permitted wastewater dischargers in Summit County.

3. Environmental Enhancement Fund. $1 million of the $11 million shall be deposited into an interest-bearing fund to be used as 50% matching funds for Environmental Enhancement projects in Summit County. The Environmental Enhancement projects shall be selected by a committee composed of one representative from each of the five entities listed in Article III.B.4 below. If these entities cannot unanimously agree on a project or projects, then each entity will be entitled to use one-fifth of the funds for a 50% match for an Environmental Enhancement project selected by that entity.

4. Payments for Projects in Summit County. $9 million of the $11 million will be distributed in five equal shares to the following entities to offset the costs of the projects listed in Attachment G:

- Town of Dillon
- Town of Silverthorne
- Town of Frisco/Frisco Sanitation District
- Town of Breckenridge
- Summit County/other water districts listed in Attachment G

5. Reallocation of Funds. Denver Water will not object to the reallocation of the $9 million as may be agreed by these entities, and these entities will determine the allocation of these funds for the projects described in Attachment G without restrictions imposed by Denver Water. Funds can be used to reimburse the sponsoring entity for project costs incurred before the funding is to be provided by Denver Water under Article III.B.6 below.

6. Timing of Payments. The schedule for payment of the $11 million is as follows:

   a. $4.5 million of the $9 million described in Article III.B.4 above within one year of Resolution of Blue River Decree issues.

   b. $4.5 million of the $9 million described in Article III.B.4 above within six months upon Issuance and Acceptance by Denver Water of Permits Necessary for the Moffat Project.

   c. The $1 million for Environmental Enhancements under Article III.B.3 will be deposited into the interest-bearing fund at the time of execution of the Agreement. These funds would be immediately available as matching funds whenever an Environmental Enhancement project is selected pursuant to Article III.B.3.

   d. The $1 million dedicated to assisting wastewater treatment plants under Article III.B.2 will be deposited into the interest-bearing fund at the time of execution of this Agreement.

7. 250 Acre Feet of Dillon Storage Water. Upon Resolution of Blue River Decree Issues, Denver Water will provide an additional 250 feet per year of water from Dillon Reservoir with a yield as reliable as the yield available to Denver Water at Dillon Reservoir. This water will be allocated as follows:

Town of Silverthorne	=	60 acre feet
Summit County	=	56 acre feet
Snake River Water District	=	45 acre feet
Town of Dillon	=	45 acre feet
Copper Mt. Metro District	=	29 acre feet
Dillon Valley Metro District	=	15 acre feet

   There shall be no Replacement Water or other compensation for this Dillon storage water.

8. Montezuma Shaft.

   a. Denver Water is willing to consider, on a case-by-case basis, use of the Montezuma Shaft by the Snake River Water District, East Dillon Water District and Summit County Government on a space available basis when the Roberts Tunnel is operating. Any such future use will be subject to written acknowledgement by all water users that the supply is interruptible and will be subject to Denver Water's ability, in its sole discretion, to take the Roberts Tunnel out of service for maintenance, inspection and operational needs.

b. Any water resulting from use of the Montezuma Shaft as described in the preceding paragraph will come out of the users' allocations of water under the 1985 Summit Agreement, the 1992 Clinton Agreement or this Agreement.

9. Old Dillon Reservoir. Denver Water will not object to the construction and operation of Old Dillon Reservoir in accordance with permits issued by the U.S. Forest Service and U.S. Army Corps of Engineers. Nothing herein shall be construed as a subordination to the operation of this project of any of Denver Water's decreed water rights and exchanges. Upon execution of the agreement between Denver Water and Old Dillon Reservoir Water Authority, Denver Water will withdraw its statements of opposition to all pending Old Dillon Reservoir water court applications by Summit County and Towns of Dillon and Silverthorne.

10. Dillon Reservoir Levels. Denver Water agrees to use its best efforts to maintain the water level of Dillon Reservoir for recreational and aesthetic purposes at or above 9012 feet in elevation, above mean sea level, from June 18 to Labor Day of each year. This is a target elevation that may not be achieved, depending upon various factors, and is subject to Denver Water's water supply obligations. Under the Blue River Decree, Denver Water's diversions are limited to municipal purposes only. Denver Water will continue to comply with the Blue River Decree and to operate the Roberts Tunnel to meet its water supply obligations and not solely for recreational or hydropower purposes.

11. Town of Frisco. Denver Water has allowed the Town of Frisco to use its Future Dillon Water under the 1985 Summit Agreement as a source of augmentation supply for snowmaking at its winter sports area pursuant to the Future Dillon Water Agreement dated November 18, 2009 between Denver Water and Frisco. Denver Water and Frisco agree to participate in a joint study on the amount and timing of snowmaking return flows from the winter sports area and to cooperate in maximizing the amount of snowmaking return flows in any Water Court proceeding.

12. Additional Exchanges. Denver Water will allow additional exchanges through Dillon Reservoir for the benefit of Summit County users, so long as Denver Water's firm yield is kept whole, such exchanges do not interfere with Denver Water's operations, and Denver Water is afforded an opportunity to protect its interests in any legal or administrative proceeding.

13. Temporary Storage. At its sole discretion, Denver Water will allow Summit County entities to temporarily store additional water in Dillon Reservoir on a space available basis.

14. Additional 1493 Acre Feet.

a. Upon resolution of Blue River Decree issues, Denver Water will provide to the entities listed below 1493 acre feet per year from Dillon Reservoir with a yield as reliable as the yield available to Denver Water at Dillon Reservoir. This water shall be made available directly in Dillon Reservoir each year or, at the option of an individual recipient, the portion of this water to which the recipient is entitled shall be provided in Clinton Gulch Reservoir (the Clinton Bookover Water") in lieu of an equal amount of water that would be available to such recipient in Dillon Reservoir, by operating Denver Water's Blue River Diversion Project water rights to allow storage of the Clinton Bookover Water in Clinton Reservoir. In the event Denver Water does not have an account balance in Clinton Gulch Reservoir pursuant to the terms of the 1992 Clinton Agreement, the Clinton Bookover Water shall be booked over to the recipient from water in storage in Clinton Gulch Reservoir, pursuant to separate operating procedures to be agreed upon by Denver Water and the Reservoir Company. In the event Denver Water has an account balance in Clinton Reservoir pursuant to the terms of the 1992 Clinton Agreement, the Clinton Bookover Water shall be booked over to that recipient from Denver Water's account in Clinton Gulch Reservoir. Any Clinton Bookover Water may not be carried over in Clinton Gulch Reservoir from year to year. Such water will be allocated as follows:

- Vail Summit Resorts (Keystone) = 302 acre feet (1)
- Unallocated future supply pool = 175 acre feet (2)
- Copper Mountain Resort = 142 acre feet (1)
- Town of Silverthorne = 140 acre feet
- Summit County = 134 acre feet
- Vail Summit Resorts (Breckenridge) = 126 acre feet (1)
- Town of Breckenridge = 108 acre feet (3)
- Town of Dillon = 105 acre feet
- Snake River Water District = 105 acre feet
- Copper Mountain Metropolitan District = 69 acre feet
- Arapahoe Basin Ski Area = 52 acre feet (1)
- Dillon Valley Metro District = 35 acre feet

[1]This water may be used for snowmaking purposes and is entitled to a snowmaking ratio of not more than 5 to 1 (or such other ratio based on the amount of credited snowmaking return flows established by subsequent decrees.) Denver Water and each ski area agree to participate in joint studies on the amount and timing of snowmaking return flows from each ski resort using the foregoing water, and to cooperate in maximizing the amount of snowmaking return flows in any Water Court proceeding. The combined

volume of water for snowmaking amounts under this Article III, excluding snowmaking by the Town of Frisco under Article III.B.11, and the 1992 Clinton Agreement shall not exceed the 6000 acre feet limit on snowmaking water contained in the 1992 Clinton Agreement.

[2]The unallocated pool will be administered by a board consisting of one representative from the Towns of Breckenridge, Dillon, Frisco and Silverthorne and the Summit County Commissioners

[3]A portion of this water is entitled to the snowmaking ratio described in note 1 above. Denver Water and the ski area agree to participate in a joint study on the amount and timing of snowmaking return flows from the ski resort, and to cooperate in maximizing the amount of snowmaking return flows in any Water Court proceeding. The combined volume of water for snowmaking amounts under this Article III, excluding snowmaking by the Town of Frisco under Article III.B.11, and the 1992 Clinton Agreement shall not exceed the 6000 acre feet limit on snowmaking water contained in the 1992 Clinton Agreement.

b. The recipients of this water shall provide to Denver Water Replacement Water for each acre foot of the yield water. The ratio shall be 1 acre foot of Replacement Water for each acre foot of water delivered above or into Dillon Reservoir and 1.4 acre feet of Replacement Water for each acre-foot made available below Dillon Reservoir.

c. The Summit County users shall be responsible for accounting for the use of all water provided by Denver Water under this Agreement. This accounting will be coordinated by a single engineering firm with accounting under the 1985 Summit Agreement and the 1992 Clinton Agreement.

15. Place of Use. The place of use of any of the water provided under this Article III.B will be a matter of internal agreement among Summit County water users and will not be limited by Denver Water, provided that any water booked over to Denver Water under the 1992 Clinton Agreement will be retained in Clinton Reservoir.

16. Dillon Bypass Flows. Denver Water's release of water from Dillon Reservoir is subject to the terms of its 1966 right-of-way from the Department of Interior for Dillon Reservoir. Upon resolution of Blue River Decree issues, Denver Water agrees: (1) to waive its right to reduce releases under section 2 (C) of the 1966 right-of-way; and (2) to add the following new limitation upon its ability to reduce releases in addition to the conditions described in the right of way: Denver Water will not reduce releases below those required by section 2 (A) of the right of way unless an emergency

declaration banning residential lawn watering during the irrigation season is in force within its Service Area. Nothing herein shall alter or amend Denver's ability to reduce bypasses under paragraph 2(A) of the right of way during an emergency or during temporary periods of time involving maintenance or repairs on the water facilities involved. Nothing herein shall alter or amend any other obligation of Denver Water with respect to releases from Dillon Reservoir, including, without limitation, the terms of the Record of Decision for the Wolford Mountain (Muddy Creek) Reservoir; the Memorandum of Agreement among the U.S. Bureau of Reclamation, Northern Colorado Water Conservancy District, Colorado River Water Conservation District, and Denver Water dated December 30, 1991, regarding substitutions from Wolford Mountain Reservoir (MOA No. 2-AG-60-01550); the decree in Case No. 91CW252, Water Division No. 5 (also entered in Consolidated Case Nos. 2782, 5016, and 5017, U.S. District Court, District of Colorado); and the 1992 Clinton Agreement.

17. Silverthorne's Dillon Storage Water. Upon resolution of Blue River Decree issues, Denver Water and Summit County will amend the 1985 Summit Agreement to eliminate the current restrictions on the use of the 300 acre feet of Dillon Storage Water made available to the Town of Silverthorne. A form of the revisions to the 1985 Summit Agreement to accomplish this result is attached as Attachment H. The Silverthorne RICD will not be used to prevent or otherwise limit the exchange or substitution of any replacement or exchange water into Dillon Reservoir under this Agreement, the 1985 Summit Agreement or the 1992 Clinton Agreement.

18. Colorado Springs Substitution Agreement. Denver Water will agree to support extension of the Colorado Springs substitution agreement adjudicated in Case No. 03CW320, Water Division 5, as long as it is in substantially the same form as the present agreement.

C. Clinton Reservoir Agreements.

1. Upon the execution of this Agreement, the 1992 Clinton Agreement shall be amended to add a new whereas clause after the second whereas clause to read as follows:

Whereas, by decree of the District Court in and for Water Division No. 5, State of Colorado, in Case No. 98CW57, Clinton Reservoir was granted a Use Enlargement and Second Filling in the amount of 4,250 acre feet for domestic, municipal, industrial, snowmaking, recreation, fish and wildlife propagation and augmentation purposes, both on the eastern and western slopes of Colorado, and an application is pending in Case No. 06CW252 for Clinton Gulch Reservoir 1st Enlargement and Refill Right for an additional

210 acre feet. All references to Clinton Reservoir herein collectively refer to the storage rights decreed in Case Nos. W-2559, 98CW57 and 06CW252;

2. Upon the execution of this Agreement, paragraph 1(b) of the 1992 Clinton Agreement shall be amended to read as follows:

   (b) Clinton Reservoir will retain for the uses set forth in paragraph 1(c) below any water stored in an accounting year if an allowable fill occurs. An allowable fill occurs each year except: (i) when Green Mountain Reservoir does not fill under its own right and the Water Board is required to provide substitution water to Green Mountain Reservoir in order to retain water diverted at Dillon Reservoir; or (ii) when the contents of Dillon Reservoir are less than 100,000 acre feet on August 1 for reasons other than the Water Board's maintenance or repair of its Dillon Reservoir facilities and the total combined contents of the Water Board's Dillon, Gross, Cheesman, Eleven Mile and Antero Reservoirs are less than 51% of their total usable capacity on August 1. Subject to the provisions of Paragraph 9 below, if an allowable fill does not occur in a given accounting year, the water stored in Clinton Reservoir during that accounting year will be credited to the Water Board's account and retained in Clinton Reservoir until the contents of Dillon Reservoir as measured above the invert of the west portal of the Roberts Tunnel are 100,000 acre feet or less, in which event the water shall be released from Clinton Reservoir to Dillon Reservoir when requested by the Water Board, or until an allowable fill occurs, whereupon the Water Board's account balance of water stored in Clinton Reservoir will be reset to zero. The release of the Water Board's water stored in Clinton Reservoir shall be scheduled in such a manner as to meet the Water Board's needs in a timely manner and also to avoid the erosion of the Clinton Canal.

3. Clinton Flood Control Exchanges. At its sole discretion, Denver Water will allow the Clinton Ditch & Reservoir Company to temporarily store Clinton Reservoir water released from storage for flood control purposes in Dillon Reservoir, limited to a space available basis, and to use the stored water as an exchange supply, pursuant to operating procedures to be agreed upon at the time of the proposed exchange.

4. Clinton Reservoir Dead Storage Pool. Upon execution of this Agreement, Denver Water and the Clinton Ditch & Reservoir Company will enter into the Interim Agreement regarding the Clinton Reservoir dead storage pool attached hereto as Attachment I. Upon Resolution of Blue River Decree Issues, Denver Water and the Clinton Ditch & Reservoir Company will enter into the permanent Agreement regarding the Clinton Reservoir dead storage pool attached hereto as Attachment J. The interim agreement will renew on a

year-to-year basis so long as the Signatories are still engaged in efforts to achieve Resolution of Blue River Decree Issues.

5. Denver Water Opposition. Upon the execution of this Agreement, Denver Water will consent to the decree in Water Division No. 5 Case No. 06CW252 attached hereto as Attachment K for a total reservoir capacity of 4460 acre feet which includes a dead storage pool of 801 acre feet.

6. Spillway Enlargement Water. Upon Resolution of Blue River Decree Issues, Denver Water and the Clinton Ditch & Reservoir Company will modify their existing 1992 Clinton Agreement to add the spillway enlargement water (up to a maximum of 500 acre feet). The water from the total reservoir capacity, including the dead storage pool and spillway enlargement, will be allocated to existing shareholders of the Clinton Ditch & Reservoir Company on a pro rata basis as either fourth year supply, or one-third of that amount will be so allocated as an increase in the "Reservoir Yield" of Clinton Reservoir, as that term is defined in the1992 Clinton Agreement.

7. Upon the execution of this Agreement, paragraph 10(a) of the 1992 Clinton Agreement shall be amended to read as follows:

(a) Whenever water cannot be diverted from the Snake River or its tributaries because of decreed instream flows, or the operation of the instream flow memorandum of agreement between Keystone Resorts Management, Inc. ("Keystone") and the Department of Natural Resources, or the water quality of the Snake River, Keystone may pump up to 1500 acre feet of water from September 1 of each year to March 31 of the following year from the Montezuma Shaft of the Roberts Tunnel, subject to the provisions of this paragraph.

D. Eagle County.

1. Any development and use of Wolcott Reservoir shall be in compliance with the terms of the settlement agreement between Denver Water and the Eagle River Water & Sanitation District and Upper Eagle Regional Water Authority and the subsequent decrees in Water Division No. 5 Case Nos. 02CW125 and 07CW126.

2. Denver Water will not seek any new appropriation of water in the Eagle River basin or pursue or participate in any acquisition of water rights or any project that would result in any new depletion from the Eagle River basin without the prior approval of the Eagle County Commissioners, the River District, the Eagle Park Reservoir Company, the Eagle River Water & Sanitation District, and the Upper Eagle Regional Water Authority.

In addition, the Abstention Provisions applied in Article I of this Agreement provide that any entity receiving water from Denver Water under any Future Contract or any contract for Reusable Return Flows will not seek any new appropriation of water, or pursue or participate in any project that would result in any new depletion from the Eagle River basin.

3. Denver Water will not oppose any future interconnect between Clinton and Eagle Park Reservoirs, provided that the water in Clinton Reservoir that has been booked over to Denver Water pursuant to the terms of the 1992 Clinton Agreement remains in Clinton Reservoir.

4. Upon execution of this Agreement, Denver Water will withdraw its pending motion and statement of opposition in Water Division No. 5 Case No. 02CW403.

E. **Grand County and Fraser, Williams Fork and Upper Colorado River Basins**

1. General Provisions for Article III.E.

a. Relationship to Moffat Project Permitting Process. Denver Water has applied for a permit for the Moffat Project from the Corps of Engineers ("COE") under Section 404 of the Clean Water Act. The Moffat Project involves enlargement of Gross Reservoir located in Boulder County and the diversion of additional water from the Upper Colorado, Williams Fork and Fraser River watersheds in Grand County. Grand County is a consulting agency in that permitting process and has submitted comments to COE that are a part of the regulatory record. As part of the permitting process, the COE will approve a Mitigation Plan designed to avoid, minimize, or mitigate any new impacts to the stream environment that might be caused by the Moffat Project.

i. Mitigation. The provisions of this Article III.E are not intended to define and do not substitute for the Mitigation Plan that will be required by COE. Denver Water will comply with the Mitigation Plan approved by COE in addition to fulfilling the commitments contained in this Article III.E. The funds committed by Denver Water in Articles III.E.2 and III.E.3 are subject to proportional reduction if the Mitigation Plan required in the permitting process mandates funds for the purposes described in those sections.

ii. Improvements. Denver Water's commitments in sections E.5 through E.24 include several measures designed to improve current stream conditions ("Improvements") and do not represent mitigation for the Moffat Project. The Signatories agree that they shall not represent

that the Improvements are designed or intended to avoid, minimize, or mitigate any impacts associated with the Moffat Project..

b. Water Rights Issues. The Signatories to this Agreement will cooperate to implement such legal mechanisms and to obtain such administrative and judicial approvals as Denver Water, Grand County, the River District, and Middle Park agree are necessary to ensure that the water provided under this Article III.E will be physically and legally available for the intended purposes of protecting and enhancing stream flows in the Fraser, Williams Fork, and Colorado Rivers and their tributaries. Denver Water agrees not to divert any water through the Moffat Project for storage in an enlarged Gross Reservoir until such time that the water committed by Denver Water pursuant to this Article III.E is legally available for use by Grand County.

c. Responsibility for Infrastructure. Several provisions of this Article III.E require Denver Water to deliver or make water available for various uses within Grand County. Except for the funding for water projects pursuant to Article III.E.14, Denver Water will not be responsible for the costs of any new infrastructure required to deliver or make the water available.

2. $2 million to Address Water Quality Upon Issuance and Acceptance by Denver Water of Permits Necessary for the Moffat Project, Denver Water will provide $2 million to pay for measures to address water quality, including but not limited to improvements to the capacity of wastewater treatment plants. If the Mitigation Plan required in the permitting process for the Moffat Project mandates funds for nutrient removal/water quality, then the direct funding to Grand County under this paragraph would be proportionately reduced. For example, if the mitigation plan requires the expenditure of $500,000 for nutrient removal/water quality, then the direct funding to Grand County would be reduced to $1.5 million. The water quality funds will be allocated and administered by a board consisting of one representative from each of the following entities: Grand County Commissioners, Town of Fraser, Grand County Water and Sanitation District No. 1, Winter Park Water and Sanitation District, Tabernash Meadows Water and Sanitation District, Granby Sanitation District, and Winter Park Ranch Water and Sanitation District.

3. $1 Million for Aquatic Habitat. Upon Issuance and Acceptance by Denver Water of Permits Necessary for the Moffat Project, Denver Water will provide $1 million to be used in the Cooperative Effort process described in Article III.E.6 for the purpose of improving aquatic habitat in the Upper Colorado, Fraser and Williams Fork River basins. If the Mitigation Plan required in the permitting process for the Moffat Project mandates funds for this purpose, then the direct funding to Grand County under this paragraph would be proportionately reduced.

4. Berthoud Pass Sedimentation Pond. Denver Water has entered into an agreement with CDOT to construct a sediment catch basin above Denver's diversion structure on the Fraser River. Denver Water has agreed to operate and maintain the project

and has also contributed $50,000 for this effort. Grand County agrees that Denver Water may seek mitigation credit for sediment removal in the Fraser River from COE for its participation in the sediment project.

5. Environmental Pool in Gross Enlargement. Denver Water has entered into an agreement with the Cities of Boulder and Lafayette dated February 24, 2010, to create a 5,000 acre-foot Environmental Pool within the enlargement of Gross Reservoir as part of the Moffat Project. Denver Water agrees not to store water, directly or by exchange, any of its West Slope water rights listed in Attachments A and E in the Environmental Pool in Gross Reservoir, unless the River District, Middle Park and Grand County have agreed in advance and in writing.

6. Cooperative Effort for Aquatic Environment. Denver Water, the River District, Middle Park, and Grand County agree to execute an intergovernmental agreement establishing the Learning by Doing Cooperative Effort ("Cooperative Effort") to protect, restore, and when possible enhance, the aquatic environment in the Upper Colorado, Fraser and Williams Fork River basins. Denver Water and Grand County will jointly request that the COE acknowledge the Learning by Doing IGA in the Record of Decision for the Moffat Project.

7. Additional $1 Million for Aquatic Habitat. Upon Issuance and Acceptance by Denver Water of Permits Necessary for the Moffat Project, Denver Water will provide $1 million to Grand County, in addition to the funds committed in Article III.E.3, to be used in the Cooperative Effort process for the purpose of improving aquatic habitat.

8. $2 Million for Future Environmental Enhancements. Denver Water will place $2 million in an interest bearing account acceptable to the Management Committee established as part of the Cooperative Effort within two years after the Moffat Project becomes operational to address potential future environmental enhancements in Grand County as part of the Cooperative Effort.

9. Funds for Windy Gap Pumps to Provide Environmental Flows. Beginning with the year the Moffat Project becomes operational, Denver Water will place $500,000 into an interest bearing fund (WG Pumping Fund) acceptable to and controlled exclusively by Grand County. Two years after the fund is established, Denver Water will place a second $500,000 into the Fund. The WG Pumping Fund shall be used by Grand County for the sole purpose of paying up to 50% of the annual costs for using the Windy Gap Pumps to pump water for environmental purposes. The WG Pumping Fund may increase over time due to interest income and lower-than-expected use of the Fund, and will be capped at $2 million dollars. Any amount in excess of $2 million at the end of a calendar year will be transferred to the Cooperative Effort established in Article III.E.6 above for environmental improvement projects identified in that process. Grand County, in its sole discretion, can elect to transfer all or a portion of the WG Pumping Fund to the Cooperative

Effort if Grand County determines that such a transfer would provide greater environmental value.

10. Annual Bypasses on Fraser River Collection System. Each calendar year beginning with the year the Moffat Project becomes operational, Denver Water agrees to make available to Grand County 1,000 acre feet of water from its Fraser Collection System ("Fraser 1,000 af") for use for environmental purposes and any incidental recreational benefit. The Fraser 1,000 af shall be in addition to bypasses of water by Denver Water required under the Amendatory Decision and existing contracts.

    a. As referenced in Article III.E.1.b, Denver Water will cooperate with Grand County and the other Signatories to implement such legal mechanisms, including the possibility of augmenting instream flows and making deliveries to downstream demands, and to obtain such court decrees and approvals as are necessary to protect the Fraser 1,000 af in the Fraser and Colorado Rivers so that it reaches critical stream segments and is not diverted directly or by exchange by intervening structures within Grand County.

    b. The Fraser 1,000 af shall be bypassed from Denver Water's existing facilities in coordination with the Cooperative Effort, at times, in locations and in the amounts requested by Grand County for environmental purposes. As part of the Cooperative Effort and on a case-by-case basis, Denver Water agrees to consider making available more than 1000 acre feet in a calendar year.

    c. The Fraser 1,000 af shall be measured at appropriate points of measurement for bypasses from the Fraser Collection System and shall be converted to acre feet with the standard factor, i.e.1 cfs for 24 hours = 1.983 af.

    d. Upon Issuance and Acceptance by Denver Water of Permits Necessary for the Moffat Project, Denver Water will undertake voluntary pilot projects using the Fraser 1,000 af for environmental purposes.

11. Annual Releases from Williams Fork. Each calendar year beginning with the year the Moffat Project becomes operational, if a portion of the Fraser 1,000 af is made available during a call on the river or when a Shoshone Outage Protocol is in effect as described in Article VI, Denver Water agrees to make available for release a like amount of water, up to 1,000 acre feet of water per year, from Williams Fork Reservoir ("Williams Fork 1,000 af") to Grand County for environmental purposes and any incidental recreational benefit. The Williams Fork 1,000 af shall be in addition to releases of water by Denver Water required under pre-existing contracts and other legal obligations.

    a. As referenced in Article III.E.1.b, Denver Water agrees to cooperate with Grand County and the other Signatories to implement such legal mechanisms, including augmenting instream flows and deliveries to downstream demands, and to obtain such court decrees and approvals as are necessary to protect the

Williams Fork 1,000 af in the Williams Fork and Colorado Rivers so that it reaches critical stream segments and is not diverted directly or by exchange by intervening structures within Grand County.

b. The Williams Fork 1,000 af releases shall be coordinated with the Cooperative Effort and shall be made available at times and in the amounts requested by Grand County for use in the stream.

c. The Williams Fork 1,000 af shall be measured at the gage immediately below Williams Fork Reservoir and converted to acre feet with the standard factor, i.e.1 cfs for 24 hours = 1.983 af.

d. All or part of the Williams Fork 1,000 af, up to 2500 acre-feet, may be carried over in Williams Fork Reservoir by Grand County into subsequent years, subject to space available, payment of pro rata evaporative loss, and so long as the carryover does not count against the Reservoir's fill or otherwise jeopardize Denver Water's decreed water rights. The Williams Fork 1,000 af and any amount carried over shall be the first to spill from Williams Fork Reservoir. Denver Water will notify Grand County as soon as it reasonably can that Williams Fork Reservoir is anticipated to spill, so that Grand County can determine whether to request a release prior to the anticipated spill.

e. In addition to carrying over all or part of the Williams Fork 1,000 af, as described in Article III.E.11.d above, Grand County may also exchange or substitute into the 2,500 acre-feet of carryover capacity in Williams Fork Reservoir, water Grand County has introduced to the river upstream of the confluence of the Colorado and the Williams Fork Rivers. The additional water stored in the carryover capacity will be subject to all the provisions of Article III.E.11.d.

f. Upon Issuance and Acceptance by Denver Water of Permits Necessary for the Moffat Project, Denver Water will undertake voluntary pilot projects using up to 1,000 acre-feet of releases from Williams Fork Reservoir, for environmental purposes.

12. Limits on Ability to Reduce USFS Bypass Flows. Denver Water is required by the United States Forest Service or the Bureau of Land Management to bypass the natural inflow at its points of diversion on the Fraser River, Vasquez Creek, St. Louis Creek and Ranch Creek under the stipulations 3(a), 3(b), 3(c), and 3(d) of the Amendatory Decision dated April 22, 1970, Serial No. 027914 (the "Amendatory Decision"). Beginning with the year the Moffat Project becomes operational, Denver Water agrees not to reduce bypasses of water as authorized by stipulations 3(e) and 5 of the Amendatory Decision, except when Denver Water has banned residential lawn watering during the irrigation season. However, Denver Water will not reduce the bypass flow on a particular stream to an extent that would cause a municipal water provider in Grand County to impose mandatory restrictions on

indoor water use, unless Denver Water is also imposing mandatory restrictions on indoor water use within its Service Area. Prior to the Moffat Project becoming operational, Denver Water agrees to undertake voluntary pilot projects limiting its ability to reduce bypass flows as described in this paragraph.

13. Ditch Operational Changes. Denver has acquired several irrigation water rights in Grand County and agrees to make those water rights available to enhance environmental flows.

    a. Big Lake Ditch. Upon execution of this Agreement, Denver Water will participate in a joint study of how to maintain the historic agricultural uses of the Big Lake Ditch so as to maximize the environmental benefits, while substantially preserving the yield for Denver Water that it has paid for and is counting on by retiring the Big Lake Ditch demand. If the study finds the balance described in this paragraph, then Denver Water will implement the study beginning with the year the Moffat Project becomes operational.

    b. Rich Ditch and Hammond No. 1 Ditch. Upon Issuance and Acceptance by Denver Water of Permits Necessary for the Moffat Project Denver Water and Grand County agree to fund a study to determine how best to enhance stream flows with Denver Water's rights in the Rich Ditch and Hammond No.1 Ditch. Any enhancements would be in addition to the Fraser 1,000 af and would begin with the year the Moffat Project becomes operational.

14. Financial Contribution to Infrastructure Projects in Grand County. Denver Water agrees to pay the following amounts to offset the costs of the water supply projects listed in Attachment L. The funds will be distributed by Grand County.

    a. Denver Water will place $1.95 million in the water supply project fund upon execution of an Article III Implementation Agreement in the form set forth in Attachment M by the recipients of those funds.

    b. Denver Water will place $2 million in the water supply project fund within six months after Issuance and Acceptance by Denver Water of Permits Necessary for the Moffat Project or Resolution of the Blue River Decree issues, whichever occurs later.

15. Year-Round Deliveries of Clinton Bypass Water. Upon the signing of an Article III Implementation Agreement by all recipients of Clinton Bypass Water, Denver Water will provide Clinton Bypass Water under the 1992 Clinton Agreement on a year round basis if the Grand County Water Users provide replacement water in accordance with the Replacement Water criterion of 4/3 to 1 in the summer, and if that water is in-hand and usable by Denver Water. Grand County Water and Sanitation District No. 1, Winter Park Water and Sanitations District, Town of Granby and Town of Fraser have previously dedicated to Denver Water Replacement Water in Wolford Mountain Reservoir at a ratio of 2/3 to 1 for winter use. If any of

those entities opts to take their Clinton Bypass Water in the summer, that entity would be credited with the previously dedicated 2/3 acre-foot, and would only owe an additional 2/3 of an acre-foot of Replacement Water for summer releases. Denver Water agrees that the Grand County Operating Plan can be amended to add the Jim Creek diversion as a point of delivery for the Clinton Bypass Water.

16. Twenty Percent Water. Denver Water has had a policy whereby any party who purchases water rights for conveyance to the east slope through Denver Water's system will make 20% of that water available to in-basin users in the Fraser River Basin. Denver Water agrees to make the temporary 20% contracts permanent after the snowmaking return flow recapture plan described in the Grand County Operating Plan is implemented, and provided that snowmaking is within the 6,000 acre-foot limit established by the 1992 Clinton Agreement.

17. Municipal Use of Denver's Facilities. On a case-by-case basis, Denver Water may allow water treatment plants on the Fraser River to use Denver Water's Fraser River Collection System to convey water as a temporary source of supply, if a back up supply is available and the necessary infrastructure has been installed.

18. Use of Unused Capacity. Denver Water is willing to explore, on a case-by-case basis, the possibilities for using its system to benefit Grand County if Denver Water's yield and operational needs are not impacted and its costs are not materially increased.

19. Future West Slope Water Rights Development. In addition to the limitations on Denver Water provided by Article I.C.3, Denver Water further agrees that it will not undertake any future water development projects or appropriations or acquisitions of water rights located in Grand County without the prior approval of the Grand County Commissioners and the River District.

20. Grand County 375 Acre-Feet of Water. Upon Issuance and Acceptance by Denver Water of Permits Necessary for the Moffat Project, Denver Water agrees to make an additional 375 acre feet of water available to Grand County Water Users, to be managed in accordance with the 2012 Grand County Operating Plan with a Replacement Water ratio of 4/3 to 1 summer and 2/3 to 1 winter.

    a. One hundred acre feet of the 375 acre feet will be allocated to the Winter Park Recreational Association for use in connection with the Winter Park Ski Area and Resort. Any use of the 100 acre-feet for snowmaking will be governed by the provisions of footnote 1 in Article III.B.14; and snowmaking return flows must be above the Denver Water system.

    b. The remaining 275 acre feet will be allocated in equal shares of 68.75 acre feet to the Town of Fraser, the Town of Granby, the Grand County Water and Sanitation District No. 1, and the Winter Park Water and Sanitation District.

21. Water Supply for Grand County from Vail Ditch Shares. A group of governmental entities in Grand County has formed the Grand County Mutual Ditch and Reservoir Company (GCMD&RC), which has acquired shares in the Grand County Irrigated Land Company (Vail Ditch shares), and may acquire additional shares in the future. Upon execution of an Article III Implementation Agreement by GCMD&RC, Denver Water agrees to allow GCMD&RC's Vail Ditch shares to be traded for a like amount of water in Denver Water's Fraser Collection System and carried through that system for delivery and use in the headwaters of the Fraser River Basin, without any increase or decrease in yield to Denver Water's system, provided that GCMD&RC pays for any necessary new infrastructure and reimburses Denver Water for any additional operational costs.

    Denver Water agrees not to oppose any changes of Vail Ditch shares or such other legal or administrative mechanisms that allow the GCMD&RC to use this water. Denver Water may file statements of opposition to such change applications for the limited purpose of ensuring compliance with the obligations of this agreement. Denver Water will cooperate in seeking Englewood's approval for use of its system to transport Vail Ditch shares. If GCMD&RC is able to divert the Vail Ditch shares at other locations, Denver Water agrees not to object to such alternative diversions, provided that there is no adverse impact to Denver Water's supply or operations.

22. Denver Water Lands for Habitat or Access. Denver Water and Grand County will study which of Denver Water's lands in Grand County may have potential value for wildlife habitat and public fishing access without impacting present and future operational needs. Within one year of Issuance and Acceptance by Denver Water of Permits Necessary for the Moffat Project, Denver Water will decide which identified lands should be set aside for these purposes and what mechanism should be used.

23. Support for CWCB Filing. If information made available on the locations being considered, the impacts of the Wild and Scenic River issues, and the purpose and amounts of the filing demonstrates the lack of an impact on Denver Water's operations, Denver Water agrees not to oppose CWCB instream flow filings on those segments of the Colorado River below the confluence of the Blue River where currently there are no instream flow rights.

24. Support for RICD. If information made available on the locations being considered, the impacts to the Wild and Scenic River issues, and the purpose and amount of the filing demonstrate the lack of an impact on Denver Water's operations, Denver Water agrees not to oppose a Recreational In-Channel Diversion ("RICD") filing for the Colorado River below Gore Canyon in the Pumphouse reach above the Grand/Eagle County line.

F. Grand Valley.

Denver Water shall pay $1.5 million into a fund (the "Grand Valley Fund") to be designated by and controlled by the Grand Valley Signatories to this Agreement (the "Grand Valley Entities"). The following provisions shall apply to the Grand Valley Fund:

1. The Grand Valley Fund and any accruals to the Grand Valley Fund shall be used for water supply, water quality and/or water infrastructure projects in or benefiting the Grand Valley. Subject to such limitation, the projects for which the money in the Grand Valley Fund will be used shall be determined in the sole discretion of the Grand Valley Entities.

2. Denver Water shall pay the $1.5 million into the Grand Valley Fund pursuant to the following schedule:

   a. $1 million shall be paid within 2 years after resolution of Blue River Decree issues.

   b. $500,000 shall be paid within 2 years after the Effective Date of this Agreement.

G. **Middle Colorado River**.

1. Within two years after the Effective Date of this Agreement , Denver Water shall place $500,000 in an interest-bearing account to offset additional operation and maintenance costs or the costs of upgrading diversion structures of water treatment plants in Garfield County, pursuant to the provisions of Article VI.E.3.

2. Within one year of issuance of an acceptable permit for the Moffat Project, Denver Water agrees to place $1 million in a fund for flow-related projects to protect Wild & Scenic Outstandingly Remarkable Values, and to propose this contribution as an element of the Mitigation Plan described in Article III.E.1.a.

ARTICLE IV
Agreements Regarding Denver Water's Water Rights

A. Blue River Decree. The West Slope Signatories shall support and cooperate in any legal or administrative proceedings necessary to implement the provisions of this Agreement related to the Blue River Decree.

1. Current Water Court Proceedings. The West Slope Signatories shall not contest and the Signatories that are parties to the case will stipulate to the entry of the proposed decrees included in Attachment N in Case No. 2006CW255 (Roberts Tunnel) making 654 cfs absolute and finding diligence for the remaining conditional amount; and Case No. 2003 CW039 (Dillon Refill) making 141,712 acre-feet absolute in accord with the Amended Application to Make Absolute, filed with the court on February 16, 2006, and finding diligence for the remaining conditional amounts and uses.

2. Waiver of Claims Related to Blue River Decree. The West Slope signatories agree that claim preclusion applies to all claims and objections to Denver Water's operations under the Blue River Decrees raised or which could have reasonably been raised in Case Nos. 06CW255 and 03CW039, or which could have reasonably been raised in previous diligence proceedings for these water rights. The Signatories agree that the resolution of the current diligence proceeding constitutes an adjudication on the merits of their statements of opposition.

3. Claims Not Precluded. The West Slope signatories may file statements of opposition in future proceedings under the Blue River Decree limited to: 1) Denver Water's compliance with this Agreement, and 2) claims that were not and could not reasonably have been raised in prior proceedings.

B. East Slope Storage of Blue River Water. " Imported Blue River Water" means any water transported through the Roberts Tunnel that was diverted under the Blue River Diversion Project direct flow or Dillon Reservoir storage priorities decreed in C.A. Nos. 1805 and 1806 and Civil Nos. 2782, 5016 and 5017, including water diverted under the decrees in Case Nos. 87CW376 and 91CW252 and water exchanged pursuant to paragraph IV.C.1 below. Denver Water may store any Imported Blue River Water, whether released from Dillon Reservoir or diverted directly through the Roberts Tunnel at any existing or future storage facility on the East Slope; provided that the amount of Imported Blue River Water in storage on the East Slope does not exceed 400,000 acre feet at any point in time. This provision and limitation on the amount of Imported Blue River Water does not apply to the storage of return flows from the use or reuse of Imported Blue River Water either directly or by exchange to any existing or future storage facility.

C. Denver Water's Exchanges.

1. Decreed Exchanges. The West Slope Signatories agree that Denver Water may operate its exchanges from Williams Fork Reservoir to Dillon Reservoir decreed in the Blue River Decrees, Civil Action No. 657, and C.A. 1430, and Case No. 88CW382; and from Williams Fork Reservoir to Williams Fork Diversion Project (Jones Pass) and to the Fraser River Diversion Project decreed in Civil Action Nos. 657 and 1430).

2. Undecreed Exchanges from Dillon Reservoir . The West Slope Signatories will not object to Denver Water's continued operation of and a decree for exchanges from Dillon Reservoir to Williams Fork Reservoir with an appropriation date of April 25, 1983, and to existing points of diversion for the Fraser River and Williams Fork Diversion Projects with an appropriation date of September 20, 1966, provided that the exchanges are exercised and operated and the decree contains terms and conditions that are at least as protective as the following;

a. An application for the exchanges was filed in Case No. 11CW21, the exchanges will be administered with a priority date of 2010, and the priority date or dates of the exchanges will not be antedated pursuant to C.R.S. § 37-92-305(10). The West Slope Signatories may file a statement of opposition but shall limit their opposition to ensuring that the protective conditions in this paragraph are part of the decree.

b. The maximum amount of the exchange to the Williams Fork Reservoir is limited to a rate of 148 cfs (absolute) based on diversions on April 25, 1983 and an annual volume of 6,095 af (absolute) based on diversions in water year 1990. The maximum amount of the exchange to the existing points of diversion on Fraser River and Williams Fork River Diversion Projects is limited to a rate of 56 cfs (absolute) based on diversions on September 9, 1985 and an annual volume of 8,747 af (absolute) based on diversions in water year 1967.

c. The exchanges from Dillon Reservoir to Williams Fork Reservoir or from Dillon Reservoir to the Fraser River and Williams Fork River Diversion Projects shall not be exercised or operated if the Division 5 Engineer advises Denver Water that curtailment of the exchanges is required to satisfy all senior instream flows existing in 2009, and located in the applicable stream reach affected by the diversion, including the following CWCB instream flow decrees:

1) Colorado River (80CW448, 80CW446, 80CW447)

2) Williams Fork River 79CW185, 79CW183, 79CW181, 79CW180, 79CW175, 79CW173, 79CW172, 79CW170, 79CW169, 79CW168, 79CW165)

(a) Bobtail Creek (79CW164, 79CW163)

(b) Steelman Creek (79CW167, 79CW166).

3) Fraser River (90CW308B, 90CW308, 90CW315, 90CW307, 90CW302, 90CW289)

(a) St. Louis Creek (90CW316, 90CW317A, 90CW317, 90CW304)
(b) Vasquez Creek (90CW318)
(c) Ranch Creek (90CW305, 90CW306A, 90CW306, 90CW314)
(d) Cabin Creek (90CW312)
(e) Hamilton Creek (90CW311)
(f) Meadow Creek (90CW310, 90CW309)

d. The provisions in this paragraph IV. C.2. shall apply irrespective of whether any of the CWCB instream flow decrees listed in Article IV.C.2.c above contain provisions that might otherwise protect Denver Water's existing exchanges through these reaches from impairment by CWCB instream flows in the reaches.

D. 1978 Judgment and Decree. The Signatories agree that operations by which Denver Water diverts under its 1946 Roberts Tunnel direct flow right prior to the completion of the annual fill of Green Mountain Reservoir are consistent with the Blue River Decree, including the Supplemental Judgment and Decree entered in the Consolidated Cases on February 9, 1978, so long as such operations are in accordance with the Green Mountain Reservoir Administrative Protocol (Attachment R-1). The Signatories will cooperate to obtain such administrative and judicial approvals as are necessary to ensure that the Protocol is made legally binding and enforceable and is implemented.

E. Substitution Agreements. The West Slope Signatories agree to support and execute, as appropriate, all future renewals of the Memorandum of Agreement among the U.S. Bureau of Reclamation, Northern Colorado Water Conservancy District, Colorado River Water Conservation District, and Denver Water dated December 30, 1991, regarding substitutions from Wolford Mountain Reservoir (MOA No. 2-AG-60-01550), provided that such renewals are consistent with this Agreement and are reasonably the same in form and substance as the existing MOA, as modified by the July 21, 1992 Agreement Amending Lease Agreement between Colorado River Water Conservation District and City and County of Denver. The West Slope Signatories reserve the right to object to the addition of new substitution, exchange or replacement sources, or amounts other than those specified in Article III.A.4 not currently decreed for such use by Denver Water

F. Straight Creek Project. Summit County agrees to extend and not challenge the validity of the 1041 permit for Denver Water's Straight Creek project dated July 17, 1985, so that a new permit will not be required for Denver Water to proceed with the project as permitted in 1985 as described in Attachment O. Consistent with its 1996 Resource Statement, Denver Water agrees that it will develop the Straight Creek project only with the prior approval of the Summit County Commissioners and the River District.

G. Wolford Mountain Reservoir.

1. Repayment Water. With regard to the 1000 acre feet of Repayment Water ("WMR 1KAF") referenced in paragraph 20(b) of the Agreement Amending Lease Agreement between the River District and Denver Water, dated July 12, 1992 ("Wolford Agreement"), the River District and Denver Water agree that the River District shall provide and account for the WMR 1KAF as follows:

a. The first 500 acre feet of the WMR 1KAF, along with the 613 acre feet of water available to Denver Water under paragraph 20(c) of the Wolford Agreement, shall be made available every year and used by Denver Water for substitution purposes.

b. The remaining 500 acre-feet of the WMR1KAF shall be stored and used for substitution purposes in the same manner as the water storage attributable to Denver Water's 40% interest in the Wolford Mountain Reservoir water right and storage space (a volume of 24,000 acre-feet), on a pro rata basis (500 acre-feet = 0.83% of 60,000 acre-feet, so water would be stored at a rate of 40.83%).

2. Second Enlargement of Wolford. Denver Water agrees to waive any right to participate in the second enlargement of Wolford Mountain Reservoir, in the same or **a** lesser amount as claimed in Case No. 03CW302, Water Division 5. The River District agrees that Denver Water is not obligated to pay any capital or OM&R costs associated with a second enlargement.

3. 1041 Permit for Wolford. The River District and Denver Water agree to work cooperatively as co-permittees to obtain any amendment to the Grand County 1041 permit for Wolford Mountain Reservoir that may be necessary (1) to address current operations of Wolford Mountain Reservoir under the Wolford Agreement; and (2) to effectuate the applicable provisions of this Agreement. Upon application for such a permit amendment, Grand County agrees to cooperate to process an amendment as quickly as possible.

4. Replacement Water. In addition to water in Wolford Mountain Reservoir that Denver Water is currently entitled to use for substitution and other purposes, this Agreement requires that Replacement Water be available to Denver Water as a condition of several water deliveries under Article III.

The estimated maximum volume of Replacement Water that might be required under this Agreement is 2,590 acre-feet in any single substitution year. Under the 1992 Clinton Agreement and the 1985 Summit Agreement, West Slope entities have agreed to provide Replacement Water to Denver Water in an amount estimated to be 1,249 acre-feet annually, which could be supplied from Wolford. The Signatories wish to ensure that Wolford Mountain Reservoir could be used to provide the full 3,839 acre feet of Replacement Water, even though it is anticipated that Replacement Water will be provided to Denver Water from other sources. The Signatories agree to cooperate to implement acceptable amendments or approvals as might be necessary to ensure that the 1991 MOA between the Bureau of Reclamation, Denver Water, the Colorado River Water Conservation District and the Northern Colorado Water Conservancy District; the decree in Case No. 91CW252; and the 1041 permit for Wolford Mountain Reservoir allow the use of the full 3,839 acre feet of Replacement Water, in addition to the water in Wolford the Denver Water is currently entitled to use for substitution and other purposes**.**

The West Slope Signatories agree that Replacement Water provided by the West Slope to Denver Water from Wolford Mountain Reservoir as Replacement Water under the 1985 Summit Agreement, the 1992 Clinton Agreement and this Agreement is a permissible use of Wolford Mountain Reservoir by Denver Water.

H. Storage in Gross and Ralston Reservoirs. The West Slope Signatories shall not contest Denver Water's storage of Williams Fork and Cabin-Meadow Creek water as decreed in Case No. 657, in Gross and Ralston Reservoirs. The agreement of the West Slope Signatories in this paragraph is premised on circumstances and consideration unique to this Agreement.

I. Deliveries of Water to the City of Golden. The West Slope Signatories shall not contest whether Denver Water's delivery of water to the City of Golden under the contract dated May 10, 2007, is consistent with Denver's water rights decrees.

J. Moffat Project Permitting. With the exception of Grand County (which is a consulting agency in the NEPA process for the Moffat Project), the West Slope Signatories agree that the concerns raised in the comment letters they submitted on the October 2009 Draft EIS for the Moffat Project will be resolved by the combination of (1) the benefits that will accrue to the West Slope pursuant to the terms of this Agreement, plus (2) the environmental mitigation requirements and conditions that will be imposed by the federal and state permitting agencies in the permits and approvals issued for the Moffat Project. Accordingly, the West Slope Signatories other than Grand County agree not to oppose the issuance of any local, state and federal approvals for the Moffat Project, including those permits listed in Attachment P. Nothing in this paragraph IV.J shall affect Grand County's continuing actions as a consulting agency in the NEPA process on the Moffat Project. Nor shall anything in this paragraph IV.J be deemed a waiver of rights a Signatory may have

upon any breach of this Agreement.

K. Water Rights in Eagle River Basin. The West Slope Signatories that are parties to the cases involving Denver Water's Eagle-Colorado water rights agree to implement the settlement of Denver Water's Eagle-Colorado diligence case and to facilitate the water court case changing the location of Denver Water's Piney River water right to State Bridge. All the West Slope Signatories agree not to oppose a water court application changing the location of Denver Water's Piney River water right to State Bridge.

L. Water Rights in Williams Fork Basin. The West Slope Signatories shall not contest and West Slope Signatories that are parties to the cases will stipulate to the entry of the proposed decrees included as Attachment Q in Case No. 2007CW031 (Jones Pass) making 245 cfs absolute and finding diligence for the remaining conditional amount; and finding diligence in Case Nos. 2007CW030 (Carr Ditch) and 2007CW029 (Darling Creek, Williams Fork Power, Moffat Tunnel.

1. Waiver of Claims. The West Slope Signatories agree that claim preclusion applies to all claims and objections to Denver Water's operations under the decrees listed in this Article IV.L raised or which could have reasonably been raised in the cases listed above, or which could have reasonably been raised in previous diligence proceedings for these water rights. The signatories agree that the resolution of the current diligence proceeding constitutes an adjudication on the merits of their statements of opposition.

2. Claims Not Precluded. The West Slope Signatories may file statements of opposition in future proceedings under the water rights listed above limited to: 1) Denver Water's compliance with this Agreement, and 2) claims that were not and could not reasonably have been raised in prior proceedings.

ARTICLE V
Green Mountain Reservoir Administration

A. Resolution of Disputes. The Signatories agree that resolution of long-standing disputes regarding the proper administration of water rights adjudicated in the Blue River Decree, including the water rights of Green Mountain Reservoir and the Green Mountain Powerplant, will provide significant benefits for water users on both the east and west slopes of Colorado, including maximizing beneficial use of the waters of the state, reducing litigation costs, and providing clarity as to water rights administration. Certain Signatories have negotiated with other entities a protocol to resolve the long-standing disputes, entitled the Green Mountain Reservoir Administrative Protocol ("Protocol"), a copy of which is attached to this Agreement as Attachment R-1.

The primary purpose of the Protocol is to clarify and implement certain provisions of the Blue River Decree by (1) setting forth a protocol for, among other things: (a) the preparation, review, and modification of a fill schedule for Green Mountain Reservoir; (b) definition and administration of the fill season for the 1935 First Fill Storage Right; (c) administration of water rights during the fill season; and (d) operation of the Green Mountain Reservoir Water Rights and the Cities' water rights in response to downstream calls senior to the Cities' water rights; (2) making as much water as possible available for upstream use, including use by the Cities, without impairment of the fill of Green Mountain Reservoir; (3) providing a clear definition of the Cities' replacement obligation operations, including Denver Water's obligations to the City Contract Beneficiaries as defined in Attachment R-1; (4) ensuring that the administration of water rights does not allow the water rights of the Cities to "hide behind" or otherwise benefit from the Green Mountain Reservoir Water Rights; (5) eliminating or reducing as much as possible, the extent to which the Green Mountain Reservoir 60 cfs bypass is accounted against the fill of the Green Mountain Reservoir Storage Rights; and (6) addressing the relative priority of the Green Mountain Water Rights, the Cities' water rights, and the Climax's C.A. 1710 rights in a manner agreed by the Blue River Decree parties and Climax; all in a manner that is consistent with the Blue River Decree.

B. Implementation of Green Mountain Administrative Protocol. The following Signatories are among the parties to an agreement entitled the Green Mountain Reservoir Administrative Protocol Agreement (the "Protocol Agreement", a copy of which is attached to this Agreement as Attachment R-2: Denver Water, the River District, Middle Park Water Conservancy District, Grand Valley Water Users Association, Orchard Mesa Irrigation District, Ute Water Conservancy District, Palisade Irrigation District, and Grand Valley Irrigation Company. The Protocol Agreement provides, among other terms and conditions, that these Signatories (and certain other parties to the Protocol Agreement) approve the Protocol and agree to its implementation. Nothing in this Agreement shall modify the obligations of the parties to the Protocol Agreement in accordance with the terms and conditions contained therein.

C. Non-opposition to Green Mountain Administrative Protocol. The following Signatories are not parties to the Protocol Agreement: the Boards of County Commissioners of Eagle, Grand, and Summit Counties, Clinton Reservoir Company, Eagle Park Reservoir Company, Eagle River Water and Sanitation District, Upper Eagle Regional Water Authority, Mesa County Irrigation District, City of Glenwood Springs, and City of Rifle. These Signatories agree not to oppose the implementation of the Protocol in any adjudication or other proceeding deemed necessary by the parties to the Protocol Agreement to make the Protocol legally binding and effective, or to confirm the consistency of the Protocol with the Blue River Decree, so long as the Protocol is substantially consistent with Attachment R-1. These Signatories may support the Protocol in any proceedings in which they have standing to participate.

ARTICLE VI
Shoshone Call

A. Shoshone Call.

1. The Shoshone Power Plant, which is owned and operated by Public Service Company of Colorado, d/b/a/ Xcel Energy ("Xcel"), is located on the mainstem of the Colorado River in Glenwood Canyon. The Shoshone Power Plant produces hydroelectric energy by means of two water rights, the 1902 Shoshone Senior Right in the amount of 1250 cfs and the 1929 Shoshone Junior Right in the amount of 158 cfs (together, "Shoshone Water Rights").

2. When the Shoshone Power Plant is operating, the Shoshone Water Rights command the flow in the river by exercising the Senior Shoshone Call against upstream junior water rights. When the Senior Shoshone Call is on, upstream reservoirs cannot store water and junior water rights cannot divert unless they provide an equal volume of replacement water to the stream. Over the years, many water users have come to rely on the river flow regime created by the Senior Shoshone Call ("Shoshone Call Flows").

3. Whenever the Shoshone Power Plant is subject to a shutdown for repair, maintenance, or other reasons ("Shoshone Outage"), the Shoshone Call cannot be exercised, and Shoshone Call Flows may not be present in the river.

4. The Signatories agree that a Shoshone Outage could adversely affect water users and recreation interests on the Colorado River. Accordingly, the Signatories agree to implement the operational procedures described in this section during a Shoshone Outage (the "Shoshone Outage Protocol") to mitigate such potential adverse effects. The Signatories also agree to cooperate to achieve permanent management of the flows of the Colorado River as described in Article VI.C, whether or not the Shoshone Power Plant remains operational.

B. Shoshone Outage Protocol.

1. Outage During Irrigation Season. If a Shoshone Outage occurs during the period from March 25 through November 10 (Irrigation Season) and results in a flow of the Colorado River at the Dotsero Gauge below 1,250 cfs (not including any water released for endangered fish species purposes), then the River District, Middle Park and Denver Water agree that they will operate their systems as if the Senior Shoshone Call were on the River, resulting in a flow of not more than 1250 cfs at the Dotsero Gauge (not including any water released for endangered fish species purposes). The Shoshone Outage Protocol

will not apply to Shoshone Outages that occur during certain very dry Irrigation Seasons, as described in the following subparagraphs.

a. The very dry Irrigation Seasons occur when the two conditions for a water shortage, as defined in paragraph 2 of the 2007 Shoshone Agreement, are met. Denver Water will make projections in March prior to March 25, and again in early May and late June to determine whether a water shortage is occurring.

b. If a projection made under subparagraph a above in March or May meets the conditions for a water shortage, then the Shoshone Outage Protocol will not apply during the period from that projection to the next projection. If a projection made in March or May does not meet the conditions for a water shortage, then the Shoshone Outage Protocol will apply during the period from that projection to the next projection; provided, however, that the Shoshone Outage Protocol will not apply during any period when the Shoshone Call is relaxed under the 2007 Shoshone Agreement.

c. If the projection made in June under subparagraph a above meets the conditions for a water shortage, then the Shoshone Outage Protocol will not apply during the remainder of the Irrigation Season that year. If the projection made in June does not meet the conditions for a water shortage, then the Shoshone Outage Protocol will apply during the remainder of the Irrigation Season that year.

2. Green Mountain Reservoir. The Signatories will cooperate with one another and use their best efforts to negotiate a separate agreement with the U. S. Bureau of Reclamation ("Reclamation") pursuant to which Reclamation would agree that if a Shoshone Outage occurs, it will continue to operate Green Mountain Reservoir as if the Senior Shoshone Call were on the river. Such agreement with Reclamation shall be subject to terms and conditions as to which the Signatories and Reclamation shall agree, including the following

a. Any water released from storage in Green Mountain Reservoir would be debited to the appropriate account within the reservoir's 100,000 Acre-Foot Pool to which the releases were attributed, e.g., the historic users pool identified in paragraph 2 of Reclamation's January 23, 1984 Operating Policy for Green Mountain Reservoir,

b. Water that would have been released from the 52,000 Acre-Foot Replacement Pool had the Senior Shoshone Call been on the river shall be debited as discretionary power releases from the 100,000 Acre-Foot

Pool, unless other arrangements are made with Reclamation and the Northern Colorado Water Conservancy District.

c. Reclamation will not be obligated to make releases from storage pursuant to this provision if water is not available in the 100,000 Acre-Foot Pool or if the total volume of Green Mountain Reservoir storage accounts is less than an amount to be agreed upon by the West Slope Signatories and Reclamation.

3. Outage During Winter Season. If a Shoshone Outage occurs during the period from November 11 to March 24 (Winter Season): (1) as a result of conditions other than scheduled maintenance on the Shoshone power plant facilities, and (2) if flows at the Dotsero Gauge are at or below 900 cfs, the River District and Denver Water agree that they will operate their systems as if the Senior Shoshone Call were on the river, subject to the following:

The Shoshone Outage Protocol will not apply fully to Shoshone Outages that occur during certain very dry Winter Seasons, when the overall storage in Denver Water's system is less than 79% of capacity on November 1. For purposes of this paragraph, the reservoirs that will be considered in determining overall storage are those reservoirs listed in Exhibit A to the 2007 Shoshone Agreement, but excluding any reservoirs under storage restrictions due to maintenance, repairs or orders from the Colorado State Engineer.

a. If the storage is less than 79%, but more than 63%, then the Shoshone Outage Protocol will be applied at half the normal effect during that Winter Season. For example, if Denver Water would be required to bypass or replace 60 c.f.s. under the full operation of the Shoshone Outage Protocol, Denver Water would be required to bypass or replace 30 c.f.s. if the Shoshone Outage Protocol is applied at half the normal effect.

b. If the storage is equal to or less than 63%, but more than 49%, then the Shoshone Outage Protocol will be applied at one-fourth the normal effect during that Winter Season.

c. If the storage is equal to or less than 49%, then the Shoshone Outage Protocol will not be applied during that Winter Season.

4. The Signatories will cooperate with one another and use their best efforts to:

a. Obtain the agreement of other diverters to participate in the Shoshone Outage Protocol.

b. Obtain the agreement of the State of Colorado water administration officials to shepherd water released from upstream reservoirs or

otherwise bypassed from upstream water rights under the Shoshone Outage Protocol to the Grand Valley under a donated instream flow, a municipal recreation delivery contract or other acceptable arrangement, and to refrain from accounting for releases from storage under the Shoshone Outage Protocol as storable inflow.

C. Permanency of Shoshone Call Flows.

1. It is the goal of the Signatories to achieve permanent management of the flow of the Colorado River so that the flow mimics the Shoshone Call Flows, whether or not the Senior Shoshone Call is on the river and whether or not the Shoshone Power Plant remains operational.

2. Denver Water and the River District agree to operate their systems on a permanent basis under the Shoshone Outage Protocol described in Article VI.B, even if the Shoshone Power Plant ceases operations altogether, and regardless of whether the plant is acquired under Article VI.D, subject to the following conditions:

a. The relaxation provisions described in Article VI.E below remain in full force and effect.

b. The Shoshone Outage Protocol would not apply for 17 cumulative days during the Winter Season, to duplicate the effect of the current scheduled outages for maintenance.

3. The Signatories agree to use their best efforts to work with Xcel Energy, other diverters, Reclamation and the State of Colorado water administration officials to devise and implement a mechanism or combination of mechanisms that will permanently preserve the Shoshone Call Flows. In addition to the amounts provided in Article VI.E.1.c., Denver Water agrees to pay one-third of the costs, not to exceed $100,000, incurred by West Slope Signatories to begin the process of implementing a mechanism to preserve the Shoshone Call Flows on a permanent basis. If total costs exceed $300,000, the Signatories will confer with regard to further actions.

D. West Slope Acquisition of Shoshone Assets

1. West Slope water users believe that one means to ensure the permanent maintenance of the Shoshone Call is the acquisition and operation of the Shoshone Power Plant and Shoshone Water Rights (the “Shoshone Assets”) by a West Slope governmental entity that is mutually acceptable to the West Slope Signatories (“West Slope Governmental Entity”).

2. Within twenty-four (24) months after the effective date of this Agreement (“Investigation Period”), any of the West Slope Signatories may agree among

themselves and at their own cost, to undertake and complete an investigation of the viability of purchasing the Shoshone Assets and operating the Shoshone Power Plant (the "Initial Investigation"). The Initial Investigation may include direct negotiations with Xcel; the hiring of consultants necessary to evaluate the Plant's physical and financial condition and the value of the Shoshone Assets; an evaluation of the legal and regulatory requirements that must be met in order to transfer the Shoshone Assets to a West Slope Governmental Entity; an evaluation of the appropriate West Slope Governmental Entity to acquire and operate the Shoshone Assets and the steps necessary to create such an entity, if a new entity is to be created; and any other matters that the West Slope Signatories believe are necessary or desirable. Denver Water shall assist the West Slope Signatories upon request in undertaking and completing the investigations during the Investigation Period. The West Slope Signatories may agree among themselves to extend the Investigation Period.

3. If the Initial Investigation determines that it is feasible for a West Slope Governmental Entity to acquire and operate the Shoshone Assets and if Xcel is willing to sell or otherwise transfer the Shoshone Assets to a West Slope Governmental Entity, the West Slope Governmental Entity may pursue the transfer of the Shoshone Assets. Denver Water agrees that it will support such acquisition and will take such reasonable actions as may be necessary to assist the West Slope Governmental Entity in completing the acquisition of the Shoshone Assets. Upon notification by any of the West Slope Governmental Entity of its intent to acquire the Shoshone Assets, Denver Water agrees not to assert its right under paragraph 13 of the 2007 Shoshone Agreement regarding the method of disposition of the Shoshone Water Rights.

4. Denver Water shall not be obligated to pay any of the purchase price for the Shoshone Assets if other mechanisms are reasonably available to preserve the Shoshone Call Flows. If other mechanisms are not reasonably available, and purchase of the Shoshone Assets is determined to be the best viable option to preserve the Shoshone Call Flows, then Denver Water agrees to contribute to the purchase price in a negotiated amount that is proportionate to its share of the overall benefits created by the purchase, and reasonable as compared to the financial contributions to the purchase price by other parties.

5. If a West Slope Governmental Entity acquires the Shoshone Assets, the Shoshone Call relaxation provisions described in Section VI.E below, shall remain permanently in effect.

E. Relaxation of Shoshone Call.

1. Existing Call Relaxation Agreement. Denver Water and Xcel are parties to the 2007 Shoshone Agreement, a copy of which is attached as Attachment S.

The 2007 Shoshone Agreement currently is set to expire on December 31, 2032. The Signatories agree that the Shoshone Call relaxation provisions of the 2007 Shoshone Agreement shall remain in effect during its term and any renewal thereof.

a. Denver Water agrees that, except as provided in Articles V and VI.E.2, it will not seek any relaxation of the Shoshone Call, other than a renewal of the specific provisions of the 2007 Shoshone Agreement beyond the year 2032.

b. The West Slope Signatories will not oppose a renewal of the 2007 Shoshone Agreement, provided that the Shoshone Outage Protocol remains in effect.

c. If the relaxation of the Shoshone Call is made permanent and Denver Water's yield is increased as a result, Denver Water agrees that 500 acre-feet of the increased yield (Relaxation Water) will be made available as potable water for use as blending water in a project using reusable return flows as described in Article I.B.2.e. The water supply created by the Relaxation Water will be added to the list of permissible fixed-amount contracts listed in Article I.B.1. In return for the availability of the Relaxation Water, the recipients must agree to pay the 2010 System Development Charge (SDC) applicable to potable water served outside the Combined Service Area. Denver Water will transmit the SDCs attributable to the Relaxation Water into a Relaxation Water Fund to be used (a) to contribute to the acquisition of the Shoshone Assets under Article VI.D; or (b) to implement a mechanism or combination of mechanisms that will permanently preserve the Shoshone Call Flows. It is anticipated that advance financing may be needed to accomplish the purposes described in this paragraph. The Signatories agree to consult with each other on an appropriate financing mechanism, should one be needed. It is also anticipated that the SDCs for the Relaxation Water may be paid pursuant to a payment schedule. If the Relaxation Water Fund is not fully expended for the purposes described in this paragraph, the money shall be used to contribute to the costs of a future cooperative project, determined by the River District and Denver Water to be beneficial to both the West Slope and the East Slope.

2. Expansion of Call Relaxation Period for Severe Drought Conditions. The 2007 Shoshone Agreement provides that the Shoshone Call may be relaxed during the period from March 14 until May 20, inclusive ("Call Relaxation Period"), under the conditions specified in the 2007 Shoshone Agreement. Denver Water desires to extend the Call Relaxation Period back into the winter months during extreme drought periods. The West Slope Signatories agree to support the amendment of the 2007 Shoshone Agreement to provide

for the relaxation of the Senior Shoshone Call down to 704 cfs (a "one-turbine call") for an expanded period during the winter months ("Expanded Call Relaxation Period"), subject to the following terms and conditions:

a. An Expanded Call Relaxation Period may occur under either of the following circumstances:

   i. The Senior Shoshone Call may be relaxed to a one-turbine call beginning on November 11 if Denver Water has banned outdoor residential lawn watering beginning no later than August 1, and the ban has remained in effect continuously from its inception through November 11.

   ii. The Senior Shoshone Call may also be relaxed to a one-turbine call beginning three (3) days after the date that the Denver Water Board formally adopts a drought declaration requiring that outdoor residential lawn watering be prohibited during the following irrigation season. The call relaxation under this section only applies to the period from November 11 until March 14 of the following year.

b. Denver Water will pay for power replacement costs as provided for in the 2007 Shoshone Agreement.

c. Denver Water will provide ten percent (10%) of the net water savings as defined in the 2007 Shoshone Agreement for use by West Slope Signatories. The West Slope Signatories will allocate the 10% as they may determine pursuant to any future agreement among them.

d. The Expanded Call Relaxation Period will end the earlier of:

   i. The date Denver Water rescinds its ban on outdoor residential lawn watering; or

   ii. The date a Cameo Call is placed on the river; or

   iii. March 14 of the year following implementation of the Extended Call Relaxation Period if implementation occurs on or prior to December 31; or March 14 of the year in which the Expanded Call Relaxation Period was implemented if implementation occurs on or after January 1.

e. Any relaxation of the Shoshone Call after March 14 of any given year shall occur only as provided in the 2007 Shoshone Agreement.

3. Call Relaxation Mitigation. The $500,000 to be placed in a special fund by Denver Water pursuant to Article III.G of this Agreement shall be managed and utilized as follows:

a. The proceeds of this fund will be used to help offset the impacts of, or prepare for, a call relaxation pursuant to the 2007 Shoshone Agreement or during the Expanded Call Relaxation Period, or a Shoshone Outage during the Winter Season pursuant to Section VI.B.3, above.

b. In order for a municipal water provider to access the funds described in this subsection, the provider must either be a signatory to this Agreement or must be located in Garfield County and agree to be bound by the terms and conditions of this Agreement.

c. The West Slope Signatories at their discretion may utilize funds available to any of them pursuant to Article III of this Agreement or the West Slope Fund to either replace or increase the funding for this special fund as may be necessary or desirable from time to time.

F. Environmental and Recreational Pilot Project. The Signatories agree to evaluate a pilot project to determine the feasibility of implementing a partial Shoshone Call relaxation in non-critical winter months and dedicating the saved water to environmental and recreation purposes.

G. Support for Glenwood Springs RICD. The City of Glenwood Springs currently has whitewater features located below the confluence of the Colorado River and the Roaring Fork River near Glenwood Springs, Colorado. Glenwood Springs currently does not have an adjudicated water right for these white water features but anticipates filing for one at some point in the future. In addition, Glenwood Springs anticipates creating additional white water features on the reach of the Colorado River between the Shoshone Power Plant and South Canyon on the main stem of the Colorado River. Denver Water will not oppose the filing of a water rights application for a Recreational In-Channel Diversion ("RICD") for the existing and proposed structures by Glenwood Springs; provided that any such application filed for any proposed structure above the confluence of the Roaring Fork and Colorado Rivers does not: (1) Claim a flow rate that exceeds the amount of water needed to satisfy the senior Shoshone Call for 1,250 cfs at the Dotsero gage; (2) Seek an amount of water in excess of that needed to replicate historic operations under the Senior Shoshone Call; or (3) Impair Denver's ability to divert under Article VI.

As to structures located below the confluence of the Roaring Fork and Colorado Rivers, Denver and Glenwood Springs recognize that the contributing flows of the two rivers make it difficult to predict the exact effect of a RICD on flows above the confluence. Glenwood Springs agrees to consult with Denver regarding such application prior to filing.

ARTICLE VII
Bilateral Commitments

A. Water Rights Peace Pact. With regard to all conditional water rights presently owned by the Signatories to this Agreement, and listed in Attachment T, the Signatories agree to withdraw any statements of opposition in each others' pending diligence filings and not to oppose each other's pending or future diligence applications, including applications to make the listed conditional rights absolute, provided, however, that the parties may file statements of opposition to such applications for the limited purpose of ensuring compliance with the obligations of this agreement.

B. Water Conservation. The Signatories to this Agreement will cooperate to develop and promote best management practices for water conservation appropriate for the various types of water use and regional geographic locations within the state. The Signatories agree to adopt any best management practices developed under this paragraph for their own water uses.

C. Compact Curtailment Plan. The Signatories agree to cooperate in good faith toward the development of a plan to avoid a potential curtailment of existing Colorado water rights under the provisions of the 1922 Colorado River Compact and the 1948 Upper Colorado River Compact, and to mitigate the impacts of any unavoidable curtailment. If joint efforts do not result in agreement on such a plan, each Signatory will take such actions as it may deem necessary to protect its water rights from curtailment.

D. Freedom to Operate. So long as the Signatories meet all of their obligations under this Agreement, their independent legal obligations and any contemporaneous implementing agreements, the Signatories agree that they do not have an obligation to operate their system or to conduct their decision-making in any particular way.

E. No Third Party Beneficiaries. It is expressly understood and agreed that enforcement of the terms and conditions of this Agreement, and all rights of action relating to such enforcement, shall be strictly reserved to the Signatories, and nothing contained in this Agreement shall give or allow any such claim to a right of action by any third person. It is the expressed intention of the Signatories that any person other than a signatory receiving services or benefits under this Agreement shall be deemed to be an incidental beneficiary only.

F. No Precedent. The various commitments and agreements of the Signatories to this agreement are premised on circumstances and considerations unique to this Agreement. Nothing in this Agreement shall be construed as establishing any legal precedent regarding any matters not expressly addressed in this Agreement. The Signatories agree that they do not intend this Agreement to have the effect of precedent or preclusion on any factual or legal issues in any matter not expressly addressed in this Agreement.

G. Risk Sharing. A fundamental premise of this Agreement is that the Signatories will not actively seek to undermine, or encourage others to undermine, the Signatories' respective interests and resources that have been committed, compromised, dedicated, or otherwise addressed in this Agreement. For purposes of this paragraph, "Adverse Action" means an action of a legislature, court, administrative agency, regulatory body or other governmental

entity that would cause a material adverse impact to a Signatory's interests or resources that have been committed, compromised or otherwise addressed in this Agreement. In the event that an Adverse Action is proposed or is likely to occur, the Signatory whose interests or resources would suffer a material adverse impact will notify the other Signatories. The Signatories will meet and discuss in good faith the potential detrimental effect of such Adverse Action, with the goal of determining whether any action by one or more Signatories could avoid the Adverse Action or mitigate its impact on the affected Signatory. Each party agrees to evaluate in good faith whether it can implement changes in its operations or undertake other efforts that would achieve this goal, and to implement any such efforts as may be agreed to by the Signatories.

H. Preservation of Governmental Powers. Except as specifically provided herein, nothing in this Agreement shall be construed as a limitation on or waiver of any review, approval, or permit authority, or a predetermination of any action taken thereunder, by any governmental or quasi-municipal entity including, without limitation, the legislative or quasi-judicial power or authority of Eagle, Grand and Summit Counties and the City and County of Denver, acting by and through its Board of Water Commissioners.

I. No Property Interest Created. Any rights created by this Agreement are contractual rights. This Agreement does not create and shall not be construed to create or convey any property interest, including any covenant, easement or servitude, in the real property of any Signatory.

J. Implementation of this Agreement. In Article IV.A.1, the West Slope Signatories agree not to contest or to stipulate to the entry of the two proposed decrees included in Attachment N, in Case No. 2006CW255 (Roberts Tunnel – N1) and Case No. 2003 CW039 (Dillon Refill – N2), and to support and cooperate in any proceedings necessary to implement the provisions of this Agreement related to the Blue River Decree. The Signatories agree that, upon execution of this Agreement, Denver Water will file an amended application in 2006CW255 (Roberts Tunnel) for approval of the proposed Roberts Tunnel decree in Attachment N1 and publish supplemental notice thereof in the Division 5 Water Court. The Signatories agree that the amended application in Case No. 2006CW255 and the proposed Roberts Tunnel decree in Attachment N1 are among the mechanisms that will be used to implement Article III.A.3. If statements of opposition are filed as a result of the supplemental notice, the Signatories agree to cooperate to resolve any issues raised by such statements and to finalize the proposed Robert Tunnel decree in 2006 CW255.

1. The Signatories agree that the proposed Roberts Tunnel decree in Attachment N1 will not be presented to the federal court for entry of final judgment until the earlier of the following:

   a. The U. S. Bureau of Reclamation has executed the "separate agreement" described in Article VI.B.2, pursuant to which it agrees "that if a Shoshone Outage occurs, it will continue to operate Green Mountain Reservoir as if the Senior Shoshone Call were on the river."

b. The Signatories agree that the goal of Article VI.C.3 has been achieved, such that the Signatories, other water users, and the State of Colorado water administration officials have devised and implemented "a mechanism or combination of mechanisms that will permanently preserve the Shoshone Call Flows." If the agreed-upon mechanism requires a water court application, achievement of the goal for purposes of this paragraph 2.b is defined as the entry of a final decree approving the mechanism by the water court, which is no longer subject to appeals.

3. Several provisions of this Agreement are contingent upon the Resolution of Blue River Decree Issues, which is defined in Article III.A.2 and the Definitions as the entry of final judgments and decrees no longer subject to appeals in 06CW255 and 03CW039. The Signatories acknowledge that any delay required by Article VII.J.2 above in the entry of a final judgment will cause an equivalent delay in implementing the various provisions of this Agreement that are contingent upon Resolution of Blue River Decree Issues.

4. The Signatories acknowledge that they are contractually bound upon the Effective Date of this Agreement, regardless of any delay in the entry of a final judgment in Case No. 06CW255 required by Article VII.J.2 above.

5. The Signatories agree to coordinate and provide reasonable assistance to each other in obtaining any necessary license, permit or approval to carry out this Agreement, including those described in this Article VII.J. The Signatories agree that not every issue and problem can be foreseen and dealt with in advance, and that cooperation will be needed to handle future events that might impair implementation of particular provisions of this Agreement. If such an impairment of a particular provision occurs, the Signatories agree to cooperate in good faith in a reasonable manner to develop alternative means to accomplish as nearly as possible the desired outcome of the provision in question.

K. Severability or Reform of Invalid Provisions. Wherever possible each provision of this Agreement shall be interpreted and implemented in such manner as to be effective and valid under applicable law. If any provision or portion of this Agreement is determined to be invalid or unenforceable, the remaining provisions shall remain in full force and effect unless the remaining provision's effectiveness is explicitly dependent upon the invalid or unenforceable provision. The Signatories agree to reform this Agreement to replace any such invalid or unenforceable provision with a valid and enforceable provision that comes as close as possible to the intention of the stricken provision. The provisions of this Agreement shall be reasonably and liberally construed to achieve the intent of the Signatories.

L. Venue. Venue for resolution of any dispute of water matters under this Agreement resulting in litigation shall be the District Court, Colorado, for the appropriate Water Division or federal district court, as appropriate under the Blue River Decree. Venue for all other matters under this Agreement resulting in litigation shall be the Colorado District Court for the county in which any defendant resides.

M. Conflict Resolution. The Signatories agree that if a dispute arises between Denver Water and a West Slope Signatory, the affected Signatories will confer in good faith and endeavor to resolve the concern. If the affected Signatories reach an impasse, they will select a neutral third party mediator who would seek an acceptable voluntary solution to the conflict. For conflicts that involve a technical or scientific matter, the neutral third party mediator may select an independent technical or scientific expert, acceptable to the Signatories involved in the mediation, to review and make a recommendation on the matter. If the conflict cannot be resolved through the efforts of the mediator, then the affected Signatories may pursue any available legal or administrative recourse.

N. Information Sharing. The Signatories shall maintain records in accordance with their normal procedures with regard to their respective obligations under this Agreement, and shall make such records available to each other upon reasonable request.

Article VIII
Definitions

TERM	DEFINITION
1985 Summit Agreement	Agreement between Summit County Board of Commissioners and Denver Water, dated September 19, 1985
1992 Clinton Agreement	Clinton Reservoir - Fraser River Water Agreement, dated July 21, 1992
2007 Shoshone Agreement	Agreement between Denver Water and Public Service Company of Colorado d/b/a Xcel Energy, effective January 1, 2007, concerning reduction of the Shoshone Call
Abstention Provisions	a. Abstain permanently from pursuing or participating in any project that would result in any new depletion from the Colorado River and its tributaries above the confluence with the Gunnison River, including without limitation the Eagle River (with the exception of the Eagle River MOU for Aurora and the Upper Colorado Cooperative Project). Pursuing or participating in a project means seeking formal approval of any aspect of a project in a regulatory or judicial forum, but does not include conducting various planning activities such as feasibility studies. b. Abstain from pursuing or participating in any project that would result in diversions from the Colorado River Basin within Water Divisions Nos. 4 and 6, or downstream from the confluence of the Gunnison and Colorado Rivers in Water Division No. 5 for a period of 25 years. Pursuing or participating in a project means seeking formal approval of any aspect of a project in a regulatory or judicial forum, but does not include conducting various planning activities such as feasibility studies. This abstention period would be reduced to 15 years if, within the first 10 years following execution of this agreement, the NEPA permitting process for the Upper Colorado Cooperative Project has not been initiated. If construction of a cooperative project commences within 20 years from the date of this agreement, then the abstention period under this paragraph would be extended for an additional 10 years (a total of 35 years).
Blue River Decree	The stipulations, judgments, decrees and orders entered in Consolidated Civil Nos. 2782, 5016 and 5017, United States District Court, District of Colorado including determinations of diligence and to make absolute.
Cameo Call	A request to the state water officials to curtail diversions of junior water rights to satisfy any or all of the water rights legally divertible for irrigation and power purposes at the headgates of the Grand Valley Project's Government Highline Canal near Cameo and the Grand Valley

	Irrigation Company's Grand Valley Canal near Palisade. The water rights divertible at these headgates are owned and/or operated by Grand Valley Irrigation Company, Grand Valley Water Users Association, Mesa County Irrigation District, Palisade Irrigation District and Orchard Mesa Irrigation District and are listed on Exhibits A and B to the Stipulation and Agreement dated as of September 4, 1996, in the "Orchard Mesa Check Case," Case No. 91CW247.
Eagle River MOU	The agreement effective December 1, 1997 among the Cities of Aurora and Colorado Springs, Colorado River Water Conservation District, Cyprus Climax Metals Company, and the Vail Consortium consisting of the Eagle River Water and Sanitation District, Upper Eagle Regional Water Authority and Vail Associates, Inc.
Effective Date	The first business day at least seven days after the last Signatory has signed this Agreement.
Environmental Enhancement Project	A project that involves aquatic and riparian species habitat protection or enhancement; wetland creation or enhancement for (1) mined land reclamation or (2) other water quality protection; or watershed protection, including, without limitation, fuel reduction, erosion control or revegetation.
Fraser Collection System	Denver's Water system of diversions, canals, tunnels and other infrastructure located in the headwaters of the Fraser River Basin in Grand County
Grand County Operating Plan	Exhibit B to the 1992 Clinton Agreement
Grand County Water Users	Those entities listed in paragraph 4(c) of the Clinton Agreement
IRP	Denver Water's Integrated Resource Plan, prepared pursuant to the Denver Water Board's October 15, 1996 water resource statement, published in 1997 and updated in 2002
Issuance and Acceptance by Denver Water of Permits Necessary for the Moffat Project	The permits necessary for the Moffat Project are defined to be the 404 permit by the Corps of Engineers; the license amendment by FERC; the section 4(e) conditions and special use permit by the U. S. Forest Service; the 401 certification from the Colorado Water Quality Control Division; and the Boulder County 1041 permit, if one is required. The Denver Water Board must decide, in its sole discretion, whether to accept the permits within 6 months after the last final agency action regarding the permits on this list. If a permit is appealed during the six-month approval period, the deadline for Denver Water to decide whether to accept the permits will be extended until 30 days after the final resolution of the appeal.
Joint Use Project	A water supply project located on the East Slope agreed to by Denver Water and one or more East Slope water suppliers

Moffat Project	Denver Water's Moffat Collection System Project, which is the subject of permit application NWO-2002-80762-DEN, filed with the U. S. Army Corps of Engineers
Moffat Project becomes operational	The capacity of Gross Reservoir has been enlarged, and water has been diverted and stored in the enlarged portion of Gross Reservoir
Resolution of Blue River Decree Issues	The entry of final judgments and decrees in 06CW255, Water Division 5, and in 49-cv-2782, U.S. District Court, and in 03CW039, Water Division 5, that are no longer subject to appeals, in the form of the proposed decrees set forth as Attachment N to this Agreement.
Reusable Return Flows	Flows that return to the river system after the initial beneficial use of water, including reusable effluent, which may be reused or successively used, either directly or by exchange.
Reuse	Use of return flows or effluent directly or by exchange for the same or a different purpose as the initial use.
Senior Shoshone Call	A request to the state water officials to curtail diversions of junior water rights to produce a flow at the Dotsero Gauge of 1250 cfs for power purposes at the Shoshone Power Plant
Service Area	Denver Water's 2010 Service Area as depicted in the map in Attachment B.
Shoshone Call	A request to the state water officials to curtail diversions of junior water rights to produce a flow at the Dotsero Gauge of 1408 cfs for power purposes at the Shoshone Power Plant.
Shoshone Junior Rights	The water rights decreed for and associated with the Shoshone Power Plant (aka the Glenwood Power Canal), adjudicated for 158 cfs on February 7, 1956, with an appropriation date of May 15, 1929.
Shoshone Senior Right	The water right decreed for and associated with the Shoshone Power Plant (aka the Glenwood Power canal), adjudicated for 1,250 cfs on December 9, 1907 with and appropriation date of January 7, 1902.
Signatories	Denver Water, Colorado River Water Conservation District, Middle Park Water Conservancy District, Boards of County Commissioners of Eagle, Grand, and Summit Counties, Clinton Reservoir Company, Eagle Park Reservoir Company, Eagle River Water and Sanitation District, Upper Eagle Regional Water Authority, Grand Valley Water Users Association, Orchard Mesa Irrigation District, Ute Water Conservancy District, Palisade Irrigation District, Mesa County Irrigation District, Grand Valley Irrigation Company, City of Glenwood Springs, and City of Rifle.
Upper Colorado Cooperative Project	A water supply project located on the West Slope, agreed to by Denver Water and the West Slope Signatories to this Agreement, and designed to

	produce water for use on the East and West Slopes, including at least 20,000 acre-feet of average annual diversions for use on the East Slope.
West Slope Charge	A per-acre-foot charge that East Slope recipients of water under Articles I.B.1, I.B.2.e, and I.B.3 agree to pay into the West Slope Fund, to be collected by Denver Water pursuant to a West Slope Charge Agreement, in substantially the form of Attachment D. The payment will be equivalent to the stated percentage of the then-current standard rate for nonpotable or potable water, as applicable, charged by Denver Water to customers outside its Service Area.
West Slope Fund	A fund to be established by December 31, 2011 to serve as the depository of payments of the West Slope Charge. The West Slope Fund will be managed by the Colorado River Water Conservation District, or other trustee acceptable to the parties, and will be used solely for water supply, watershed and water quality projects that benefit the West Slope. No money from the West Slope Fund may be used for litigation costs. a. One-fifth of the West Slope Charge imposed under Articles I.B.1 and I.B.2.e, or 2.5% of the 12.5% (Forest Restoration Funds) will be dedicated to accomplishing the following activities in the watersheds in which Denver Water's facilities in Grand and Summit counties are located: • Forest thinning, prescribed fire, tree planting, riparian vegetation improvements, road decommissioning, road improvements, mine reclamation, and other forest and watershed health treatments that benefit water flows or water quality within and below the watershed; and • Aquatic restoration or improvement activities that address sediment loading or other water flow or water quality issues caused directly or indirectly by the pine beetle infestation or other forest health issues. b. The Forest Restoration Funds shall be split equally into two interest-bearing accounts, one for Summit County and one for Grand County, to be managed by the River District. The River District shall distribute Forest Restoration Funds from the accounts as directed by the counties. c. During the term of the Memorandum of Understanding between Denver Water and the USDA, Forest Service Rocky Mountain Region (USFS) dated July 29, 2010 (MOU), the Forest Restoration Funds shall be used for projects consistent with USFS activities in the Sulphur and Dillon Ranger Districts that are included in the August 19, 2010 5-Year Operating Plan that supports the MOU, as determined by agreement between Denver Water and the Board of County Commissioners of each county for projects located in that county. This use of Forest Restoration

	Funds will be in addition to, and will not reduce the total amount of planned contributions of Denver Water and USFS under the MOU and the Operating Plan. The Forest Restoration Funds may be used on non-USFS lands. d. Following termination of the MOU, Forest Restoration Funds from Grand County's account will be added to the resources available for use in the Learning by Doing Cooperative Effort established in Article III.E.6. Decisions on how best to use the funds will follow the decision process outlined in the Learning by Doing IGA. The use of Forest Restoration Funds from Summit County's account will be determined by agreement between Summit County and Denver Water.

Addendum to Colorado River Cooperative Agreement

The Signatories recognize that they have a history of cooperation with water users of all descriptions, adjusting their operations and providing water on a temporary basis to respond to the operational needs and emergency circumstances of others. The Signatories will work in good faith to support such cooperative efforts. Except as specifically described below, the following activities are not intended to be governed or constrained by the CRCA:

- Emergency potable water interconnect agreements that allow other municipal water providers to make a physical interconnection with the Denver Water's water system to allow the Denver Water's water to be delivered on a temporary basis to such provider during emergency conditions;

- Water made available temporarily by Denver Water without charge during an emergency situation that poses a risk to public safety, public health or the environment;

- Exchanges of water by Denver Water with another entity to accommodate operational constraints caused by maintenance, repair or other similar activities where the entity agrees to replace, rather than purchase, the water. Such exchanges shall be treated as spot sales for the purposes of and subject to Article I.B.3.a.ii, 3.a.iii, and 3.a.iv.

No failure on the part of a party to exercise, and no delay in exercising, any right, privilege or power under the CRCA shall ever give rise to any argument, claim, defense or theory of acquiescence, waiver, bar, merger, issue or claim preclusion, stare decisis, promissory estoppel, equitable estoppel, laches, unclean hands or any other similar position or defense concerning any factual or legal position, or to any administrative or judicial practice or precedent, by or against any of the Signatories.

Colorado River Cooperative Agreement
Counterpart Signature Page

BOARD OF COMMISSIONERS OF EAGLE COUNTY

By: _____
Chairman Pro Tem

AND ITS ATTORNEYS

By: _____

EAGLE RIVER WATER AND SANITATION DISTRICT

By: _____
Chairman of the Board of Directors

AND ITS ATTORNEYS

By: _____
Glenn E. Porzak
Porzak Browning & Bushong LLP

UPPER EAGLE REGIONAL WATER AUTHORITY

By: _____
Chairman of the Board of Directors

AND ITS ATTORNEYS

By: _____
Glenn E. Porzak
Porzak Browning & Bushong LLP

EAGLE PARK RESERVOIR COMPANY

By: _____
President

AND ITS ATTORNEYS

By: _____
Glenn E. Porzak
General Counsel

Colorado River Cooperative Agreement
Counterpart Signature Page

CITY AND COUNTY OF DENVER,
acting by and through its
BOARD OF WATER COMMISSIONERS

ATTEST:

Secretary

President

REGISTERED AND COUNTERSIGNED:
Dennis J. Gallagher, Auditor
CITY AND COUNTY OF DENVER

By: _____

APPROVED AS TO FORM:

General Counsel

BOARD OF COUNTY COMMISSIONERS, COUNTY OF SUMMIT

By: _____
Chairman

ATTEST:

By: _____
Gary Martinez, Summit County Manager

BOARD OF COUNTY COMMISSIONERS, COUNTY OF GRAND

By: _____
Chairman

ATTEST:

By: _____
Grand County Clerk and Recorder

CLINTON DITCH & RESERVOIR COMPANY

By: _____
Chairman

AND ITS ATTORNEYS

By: _____
General Counsel

MIDDLE PARK WATER CONSERVANCY DISTRICT

By: _____
President

AND ITS ATTORNEYS

By: _____
Cazier, McGowan & Walker

5/15/2012

CITY OF RIFLE, COLORADO
ORDINANCE NO. 14
SERIES OF 2012

AN ORDINANCE AUTHORIZING THE EXECUTION AND DELIVERY OF ONE OR MORE LOAN AGREEMENTS AND THE ISSUANCE OF ONE OR MORE GOVERNMENTAL AGENCY BONDS BY THE CITY OF RIFLE, COLORADO, ACTING BY AND THROUGH ITS WATER ENTERPRISE, TO THE COLORADO WATER RESOURCES AND POWER DEVELOPMENT AUTHORITY, SUCH GOVERNMENTAL AGENCY BONDS TO BE IN AN AGGREGATE PRINCIPAL AMOUNT NOT EXCEEDING $25,500,000, FOR THE PURPOSE OF FINANCING IMPROVEMENTS TO THE WATER TREATMENT SYSTEM OPERATED BY SUCH ENTERPRISE, INCLUDING CONSTRUCTION OF A NEW WATER TREATMENT FACILITY; PROVIDING FOR APPLICATION OF THE NET REVENUES OF SUCH SYSTEM TO THE PAYMENT OF THE PRINCIPAL OF AND INTEREST ON SUCH GOVERNMENTAL AGENCY BONDS; DECLARING AN EMERGENCY AND PROVIDING OTHER DETAILS IN CONNECTION THEREWITH.

W I T N E S S E T H:

WHEREAS, the City of Rifle (the "City"), in the County of Garfield and State of Colorado (the "State"), is a legally and regularly created, established, organized and existing municipal corporation under the provisions of Article XX of the Constitution of the State and the home rule charter of the City (the "Charter"); and

WHEREAS, the City has acted pursuant to Colorado Constitution Article X, Section 20 ("TABOR") and Ordinance No. 19, Series of 1994 (the "Enterprise Ordinance") duly enacted by the City Council and codified as Article I of Chapter 13 of the Rifle City Code (the "Code"), to create a water enterprise (the "Enterprise") to operate the municipal water system serving the inhabitants of the City; and

WHEREAS, under the Enterprise Ordinance the City Council acts as the governing body of the Enterprise; and

WHEREAS, the Enterprise presently qualifies as an "enterprise" for purposes of TABOR; and

WHEREAS, the Colorado Water Resources and Power Development Authority ("CWRPDA" or the "Authority") has offered to make a loan to the City, acting by and through the Enterprise, in an amount not to exceed $25,500,000 (the "Loan") at an interest rate not to exceed 4.5%, for the purpose of financing a program of improvements to the water treatment system (the "System" or the "Water System"), including the construction of a new water treatment facility operated by the Enterprise (such improvements being referred to herein as the "Project"); and

WHEREAS, the Authority has proposed that, in conjunction with the Loan and in furtherance of the Project, the City, acting by and through the Enterprise, would issue a bond (the "Governmental Agency Bond") to the Authority in an amount not to exceed $25,500,000 at an interest rate not to exceed 4.5%; and

WHEREAS, there has been filed with the City Clerk and presented to the City Council a proposed form of loan agreement between the City, acting by and through the Enterprise, and the Authority (the "Loan Agreement"), including the proposed form of bond (the "Governmental Agency Bond") to be issued to the Authority by the City, acting by and through the Enterprise (the Loan Agreement and the Governmental Agency Bond being referred to collectively herein as the "Loan Documents"); and

WHEREAS, on April 18, 2012, the City Council finally adopted on second reading an ordinance (the "Authorizing Ordinance") authorizing the issuance of the Governmental Agency Bond and the execution and delivery of the Loan Agreement for the purpose of financing the construction of the Project, and in connection therewith, delegated to the City Manager or the Finance Director the authority to make final determinations regarding various matters related to the issuance of such Governmental Agency Bond and the execution and delivery of the Loan Agreement for a period of sixty (60) days after the date of adoption of the Authorizing Ordinance; and

WHEREAS, the City did not issue the Governmental Agency Bond or execute and deliver the Loan Agreement prior to the expiration of such authority under the Authorizing Ordinance; and

WHEREAS, the City Council, as the governing body of the Enterprise, has determined and hereby declares that, due to the immediate need for the Project and the present historically favorable interest rates, it is in the best interests of the City and its inhabitants that the Loan be obtained from, and the Governmental Agency Bond be issued to, the Authority as soon as practicable; and

WHEREAS, the City Council, as the governing body of the Enterprise, has determined that it is necessary and advisable at this time to authorize the contracting of the Loan, the execution and delivery of the Loan Agreement, and the issuance of the Governmental Agency Bond as provided herein; and

WHEREAS, this ordinance constitutes an ordinance authorizing the issuance of bonds for purposes of Section 5.6 of the Rifle Home Rule Charter (the "Charter"); and

WHEREAS, the City Council hereby declares an emergency to exist and deems the passage of this Ordinance to be necessary for the immediate preservation of the public peace, health or safety of the City pursuant to Section 4.4 of the Charter and C.R.S. Section 31-16-105 for the reason that unforeseen delays have occurred and the work of financing and constructing the project contemplated by the Authorizing Ordinance must be timely completed and paid for;

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF RIFLE, COLORADO THAT:

Section 1. Authorization of Loan. The City hereby elects to apply the provisions of Part 2 of Article 57, Title 11, Colorado Revised Statutes (the "Supplemental Public Securities Act") to the Loan Agreement and the Governmental Agency Bond. The Loan, in a principal amount not to exceed $25,500,000, maturing not later than December 31, 2035 and bearing interest at a stated interest rate not to exceed 4.5% and either a maximum net effective interest rate or a true interest cost not to exceed 4.5% per annum, is hereby authorized. The Loan shall be made subject to prepayment as provided in the Loan Agreement. The execution and delivery of the Loan Documents are hereby authorized. Before the Loan Documents are delivered to the Authority, the final details of the Loan shall be approved by the City Manager or the Finance Director. To the fullest extent permitted by the Supplemental Public Securities Act, any such approval may include such additional details pertaining to the Loan and not inconsistent herewith as may be reasonably required. In the event that the Project qualifies as a "green" project under applicable Environmental Protection Agency and CWRPDA criteria, the Loan may be evidenced by one or more Governmental Agency Bonds pursuant to one or more corresponding Loan Agreements, all of which are hereby authorized, subject in the aggregate to the parameters set forth in this Section.

Section 2. Form and Execution of Loan Documents. The Loan Documents shall be in substantially the forms presented to this meeting of the City Council, with such appropriate variations as are necessary to conform to the final Loan terms approved by the City Manager or Finance Director.

Section 3. Issuance of Governmental Agency Bond. When the Governmental Agency Bond has been duly executed as authorized by this Ordinance, and the Authority has certified in writing that the moneys to be deposited in the Project Loan Subaccount created under the Loan Agreement have been deposited, the Governmental Agency Bond shall be issued and delivered to the Authority.

Section 4. Disposition of Loan Proceeds. The Loan Proceeds shall be requisitioned by the City, acting by and through the Enterprise, in the manner provided in the Loan Agreement. The funds deposited in the Project Loan Subaccount and disbursed on such requisitions are hereby appropriated for the Project. This appropriation shall be deemed a continuing appropriation and shall be effective until such funds are expended or such purpose is accomplished.

Section 5. Payment of Principal and Interest. The Loan Agreement defines the Pledged Property to mean (a) all revenues, income, rents and receipts earned by the City from or attributable to the ownership and operation of the system, (b) the proceeds of any insurance covering business interruption loss relating to the system, and (c) interest earned on any moneys or investments which are required to be paid into any fund or account pledged to the payment of the Loan Agreement and the Governmental Agency Bond, after the payment of operations and maintenance expenses of the System. The City, acting by and through the Enterprise, pledges and covenants to apply the Pledged Property to meet the interest accruing on the Governmental

Agency Bond and to pay the principal of the Governmental Agency Bond as the same respectively become due and payable, provided that the obligation of the City, acting by and through the Enterprise, is not a general obligation and does not constitute a debt, indebtedness or multiple-fiscal year financial obligation of the City within the meaning of any constitutional or statutory limitation.

Section 6. Budget and Appropriation. Sums herein provided to pay the interest on the Governmental Agency Bond and to discharge the principal thereof when due, and an amount necessary to pay all costs and expenses incidental to the issuance of said Governmental Agency Bond, are hereby appropriated for that purpose, and said amounts for each year shall also be included in the annual budget and appropriation ordinance and bills to be adopted and passed by the City Council of the City in each year, respectively, until the Project is completed and the Governmental Agency Bond has been fully paid, satisfied, and discharged.

Section 7. Special, Limited Obligations; No Covenant To Levy Taxes. The Loan Agreement and related documents and the provisions of this Ordinance shall be special, limited obligations of the City, acting by and through the Enterprise. Nothing herein shall be construed to authorize the levying of any taxes for the payment of the principal of the Governmental Agency Bond or interest thereon, the obligations thereunder being payable solely from the Pledged Property and from no other source.

Section 8. Repealer. All orders, bylaws, ordinances and resolutions, or parts thereof, inconsistent with or in conflict with this Ordinance are hereby repealed to the extent only of such inconsistency or conflict.

Section 9. Ordinance Irrepealable; Expiration. After the Loan Agreement is executed and delivered, and the Governmental Agency Bond is issued, this Ordinance shall be and remain irrepealable until the Loan and the interest thereon shall have been fully paid, satisfied, and discharged. This Ordinance shall expire by its terms if and to the extent that the Loan Agreement is not executed and delivered or the Governmental Agency Bond is not issued within one (1) year of the final adoption hereof.

Section 10. Severability. Should any one or more sections or provisions of this Ordinance be judicially determined invalid or unenforceable, such determination shall not affect, impair or invalidate the remaining provisions hereof, the intention being that the various provisions hereof are severable.

Section 11. Actions Upon Passage. This Ordinance, immediately on its passage, shall be numbered and recorded, authenticated by the signatures of the Mayor and the City Clerk, and shall be published as required by law.

Section 12. Incidental Action. The Mayor, the City Clerk, the Finance Director and the other officials of the City are hereby authorized and directed to take all such actions as may be necessary or appropriate in order to accomplish the transactions contemplated hereby.

Section 13. Emergency Declaration. The City Council hereby declares an emergency to exist and deems the passage of this Ordinance to be necessary for the immediate preservation of the public peace, health or safety of the City pursuant to Section 4.4 of the Charter and C.R.S. Section 31-16-105 for the reasons stated in the preamble to this Ordinance.

Section 14. Effective Date. Pursuant to Section 4.4 of the Charter, this Ordinance shall take effect immediately upon passage on one reading.

Section 15. Publishing. Pursuant to Section 4.4 of the Charter, this Ordinance shall be published in full as soon as reasonably possible after passage.

INTRODUCED as an emergency ordinance by the City Council of the City of Rifle, Colorado, at a regular meeting of the Council held on June 18, 2012, approved by at least seventy-five percent (75%) of the Council members present, and ordered published in full as required by the Charter.

Dated this ___ day of _____, 2012.

CITY OF RIFLE, COLORADO

BY _____
Mayor

ATTEST:

_____
City Clerk

CITY OF RIFLE, COLORADO
ORDINANCE NO. 14
SERIES OF 2012

AN ORDINANCE AUTHORIZING THE EXECUTION AND DELIVERY OF ONE OR MORE LOAN AGREEMENTS AND THE ISSUANCE OF ONE OR MORE GOVERNMENTAL AGENCY BONDS BY THE CITY OF RIFLE, COLORADO, ACTING BY AND THROUGH ITS WATER ENTERPRISE, TO THE COLORADO WATER RESOURCES AND POWER DEVELOPMENT AUTHORITY, SUCH GOVERNMENTAL AGENCY BONDS TO BE IN AN AGGREGATE PRINCIPAL AMOUNT NOT EXCEEDING $25,500,000, FOR THE PURPOSE OF FINANCING IMPROVEMENTS TO THE WATER TREATMENT SYSTEM OPERATED BY SUCH ENTERPRISE, INCLUDING CONSTRUCTION OF A NEW WATER TREATMENT FACILITY; PROVIDING FOR APPLICATION OF THE NET REVENUES OF SUCH SYSTEM TO THE PAYMENT OF THE PRINCIPAL OF AND INTEREST ON SUCH GOVERNMENTAL AGENCY BONDS AND PROVIDING OTHER DETAILS IN CONNECTION THEREWITH.

W I T N E S S E T H :

WHEREAS, the City of Rifle (the "City"), in the County of Garfield and State of Colorado (the "State"), is a legally and regularly created, established, organized and existing municipal corporation under the provisions of Article XX of the Constitution of the State and the home rule charter of the City (the "Charter"); and

WHEREAS, the City has acted pursuant to Colorado Constitution Article X, Section 20 ("TABOR") and Ordinance No. 19, Series of 1994 (the "Enterprise Ordinance") duly enacted by the City Council and codified as Article I of Chapter 13 of the Rifle City Code (the "Code"), to create a water enterprise (the "Enterprise") to operate the municipal water system serving the inhabitants of the City; and

WHEREAS, under the Enterprise Ordinance the City Council acts as the governing body of the Enterprise; and

WHEREAS, the Enterprise presently qualifies as an "enterprise" for purposes of TABOR; and

WHEREAS, the Colorado Water Resources and Power Development Authority ("CWRPDA" or the "Authority") has offered to make a loan to the City, acting by and through the Enterprise, in an amount not to exceed $25,500,000 (the "Loan") at an interest rate not to exceed 4.5%, for the purpose of financing a program of improvements to the water treatment system (the "System" or the "Water System"), including the construction of a new water treatment facility operated by the Enterprise (such improvements being referred to herein as the "Project"); and

WHEREAS, the Authority has proposed that, in conjunction with the Loan and in furtherance of the Project, the City, acting by and through the Enterprise, would issue a bond (the

"Governmental Agency Bond") to the Authority in an amount not to exceed $25,500,000 at an interest rate not to exceed 4.5%; and

WHEREAS, there has been filed with the City Clerk and presented to the City Council a proposed form of loan agreement between the City, acting by and through the Enterprise, and the Authority (the "Loan Agreement"), including the proposed form of bond (the "Governmental Agency Bond") to be issued to the Authority by the City, acting by and through the Enterprise (the Loan Agreement and the Governmental Agency Bond being referred to collectively herein as the "Loan Documents"); and

WHEREAS, on April 18, 2012, the City Council finally adopted on second reading an ordinance (the "Authorizing Ordinance") authorizing the issuance of the Governmental Agency Bond and the execution and delivery of the Loan Agreement for the purpose of financing the construction of the Project, and in connection therewith, delegated to the City Manager or the Finance Director the authority to make final determinations regarding various matters related to the issuance of such Governmental Agency Bond and the execution and delivery of the Loan Agreement for a period of sixty (60) days after the date of adoption of the Authorizing Ordinance; and

WHEREAS, the City did not issue the Governmental Agency Bond or execute and deliver the Loan Agreement prior to the expiration of such authority under the Authorizing Ordinance; and

WHEREAS, the City Council, as the governing body of the Enterprise, has determined and hereby declares that, due to the immediate need for the Project and the present historically favorable interest rates, it is in the best interests of the City and its inhabitants that the Loan be obtained from, and the Governmental Agency Bond be issued to, the Authority as soon as practicable; and

WHEREAS, the City Council, as the governing body of the Enterprise, has determined that it is necessary and advisable at this time to authorize the contracting of the Loan, the execution and delivery of the Loan Agreement, and the issuance of the Governmental Agency Bond as provided herein; and

WHEREAS, this ordinance constitutes an ordinance authorizing the issuance of bonds for purposes of Section 5.6 of the Rifle Home Rule Charter (the "Charter");

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

Section 1. Authorization of Loan. The City hereby elects to apply the provisions of Part 2 of Article 57, Title 11, Colorado Revised Statutes (the "Supplemental Public Securities Act") to the Loan Agreement and the Governmental Agency Bond. The Loan, in a principal amount not to exceed $25,500,000, maturing not later than December 31, 2035 and bearing interest at a stated interest rate not to exceed 4.5% and either a maximum net effective interest rate or a true interest cost not to exceed 4.5% per annum, is hereby authorized. The Loan shall

be made subject to prepayment as provided in the Loan Agreement. The execution and delivery of the Loan Documents are hereby authorized. Before the Loan Documents are delivered to the Authority, the final details of the Loan shall be approved by the City Manager or the Finance Director. To the fullest extent permitted by the Supplemental Public Securities Act, any such approval may include such additional details pertaining to the Loan and not inconsistent herewith as may be reasonably required. In the event that the Project qualifies as a "green" project under applicable Environmental Protection Agency and CWRPDA criteria, the Loan may be evidenced by one or more Governmental Agency Bonds pursuant to one or more corresponding Loan Agreements, all of which are hereby authorized, subject in the aggregate to the parameters set forth in this Section.

Section 2. Form and Execution of Loan Documents. The Loan Documents shall be in substantially the forms presented to this meeting of the City Council, with such appropriate variations as are necessary to conform to the final Loan terms approved by the City Manager or Finance Director.

Section 3. Issuance of Governmental Agency Bond. When the Governmental Agency Bond has been duly executed as authorized by this Ordinance, and the Authority has certified in writing that the moneys to be deposited in the Project Loan Subaccount created under the Loan Agreement have been deposited, the Governmental Agency Bond shall be issued and delivered to the Authority.

Section 4. Disposition of Loan Proceeds. The Loan Proceeds shall be requisitioned by the City, acting by and through the Enterprise, in the manner provided in the Loan Agreement. The funds deposited in the Project Loan Subaccount and disbursed on such requisitions are hereby appropriated for the Project. This appropriation shall be deemed a continuing appropriation and shall be effective until such funds are expended or such purpose is accomplished.

Section 5. Payment of Principal and Interest. The Loan Agreement defines the Pledged Property to mean (a) all revenues, income, rents and receipts earned by the City from or attributable to the ownership and operation of the system, (b) the proceeds of any insurance covering business interruption loss relating to the system, and (c) interest earned on any moneys or investments which are required to be paid into any fund or account pledged to the payment of the Loan Agreement and the Governmental Agency Bond, after the payment of operations and maintenance expenses of the System. The City, acting by and through the Enterprise, pledges and covenants to apply the Pledged Property to meet the interest accruing on the Governmental Agency Bond and to pay the principal of the Governmental Agency Bond as the same respectively become due and payable, provided that the obligation of the City, acting by and through the Enterprise, is not a general obligation and does not constitute a debt, indebtedness or multiple-fiscal year financial obligation of the City within the meaning of any constitutional or statutory limitation.

Section 6. Budget and Appropriation. Sums herein provided to pay the interest on the Governmental Agency Bond and to discharge the principal thereof when due, and an amount necessary to pay all costs and expenses incidental to the issuance of said Governmental Agency

Bond, are hereby appropriated for that purpose, and said amounts for each year shall also be included in the annual budget and appropriation ordinance and bills to be adopted and passed by the City Council of the City in each year, respectively, until the Project is completed and the Governmental Agency Bond has been fully paid, satisfied, and discharged.

Section 7. Special, Limited Obligations; No Covenant To Levy Taxes. The Loan Agreement and related documents and the provisions of this Ordinance shall be special, limited obligations of the City, acting by and through the Enterprise. Nothing herein shall be construed to authorize the levying of any taxes for the payment of the principal of the Governmental Agency Bond or interest thereon, the obligations thereunder being payable solely from the Pledged Property and from no other source.

Section 8. Repealer. All orders, bylaws, ordinances and resolutions, or parts thereof, inconsistent with or in conflict with this Ordinance are hereby repealed to the extent only of such inconsistency or conflict.

Section 9. Ordinance Irrepealable; Expiration. After the Loan Agreement is executed and delivered, and the Governmental Agency Bond is issued, this Ordinance shall be and remain irrepealable until the Loan and the interest thereon shall have been fully paid, satisfied, and discharged. This Ordinance shall expire by its terms if and to the extent that the Loan Agreement is not executed and delivered or the Governmental Agency Bond is not issued within one (1) year of the final adoption hereof.

Section 10. Severability. Should any one or more sections or provisions of this Ordinance be judicially determined invalid or unenforceable, such determination shall not affect, impair or invalidate the remaining provisions hereof, the intention being that the various provisions hereof are severable.

Section 11. Actions Upon Passage. This Ordinance, immediately on its final passage, shall be numbered and recorded, authenticated by the signatures of the Mayor and the City Clerk, and shall be published as required by law.

Section 12. Incidental Action. The Mayor, the City Clerk, the Finance Director and the other officials of the City are hereby authorized and directed to take all such actions as may be necessary or appropriate in order to accomplish the transactions contemplated hereby.

Section 13. Effective Date. Pursuant to Section 4.4 of the Charter, this Ordinance shall take effect 10 days after publication upon final passage.

Section 14. Publication. Pursuant to Section 4.4 of the Charter, the first publication of this Ordinance shall be by reference, utilizing the ordinance title. This Ordinance shall be published in full after final passage.

INTRODUCED on June 18, 2012, read by title, passed on first reading, and ordered published by title as required by the Charter.

INTRODUCED a second time at a regular meeting of the Council of the City of Rifle, Colorado held on July 2, 2012, passed without amendment, approved, and ordered published in full as required by the Charter.

Dated this ___ day of _____, 2012.

CITY OF RIFLE, COLORADO

BY _____
Mayor

ATTEST:

_____
City Clerk

CITY OF RIFLE, COLORADO
ORDINANCE NO. 13
SERIES OF 2012

AN ORDINANCE OF THE CITY OF RIFLE, COLORADO REPEALING AND REENACTING CHAPTER 7, ARTICLE VI OF THE RIFLE MUNICIPAL CODE, "ANIMALS."

WHEREAS, since the City of Rifle's animal regulations at Chapter 7, Article VI of the Rifle Municipal Code (the "RMC") were enacted in 1990, the City has grown and expanded, accepted animal control practices have changed, and numerous state statutes impacting animal control have been amended or enacted; and

WHEREAS, in the interest of public health, safety, and welfare, and to provide the best possible oversight of and care for animals within the City, Rifle staff has worked with Friends of the Rifle Animal Shelter and other animal control officials in the state to produce a comprehensive framework for animal control and regulation in the City; and

WHEREAS, the new Chapter 7, Article VI maintains many of the policies and goals of the City's current animal regulations but provides clearer guidance for City staff and members of the public regarding animal control as well as a more efficient administrative framework; and

WHEREAS, the Rifle City Council wishes to repeal and reenact Chapter 7, Article VI of the RMC accordingly.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF RIFLE, COLORADO, THAT:

Section 1. The foregoing recitals are incorporated herein as if set forth in full.

Section 2. Chapter 7, Article VI of the Rifle Municipal Code, "Animals," is hereby repealed in its entirety and reenacted to read as follows.

CHAPTER 7

Article VI

Animals

7-6-10. Definitions
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7-6-10. Definitions.

For the purposes of this Article, the following words and terms, unless the context indicates a different meaning, shall be interpreted as follows:

Abandon means the leaving of an animal by its owner or other person responsible for its care or custody without making effective provisions for its proper care for any length of time that would place the animal at risk of injury or death.

Animal means any living dumb creature.

Animal control officer means an employee or agent of the City authorized by the Chief of Police to enforce the provisions of this Article.

Animal shelter means the shelter designated for care and shelter of abandoned or neglected animals or animals impounded by the City and authorized by this Article to provide other services for animals on behalf of the City. The designated shelter is, until changed by the City or the shelter, the Rifle Animal Shelter, but the Chief of Police has the authority to designate other shelters as needed.

Cat means a domestic cat (*felis catus*) regardless of sex which can be vaccinated against rabies.

Common area means commonly owned areas in multi-family projects.

Dog means a domestic dog (*canus lupus familiaris*) regardless of sex which can be vaccinated against rabies.

Domestic animal means domesticated dogs, cats, potbellied pig, rabbits, guinea pigs, hamsters, rats, mice, ferrets, birds, reptiles, amphibians, and invertebrates commonly found in a pet store to live and breed in a tame condition. Feral cats are excluded from the definition of domestic animal.

Endangered species means any species of animal, bird or reptile which is currently listed as endangered by the United States Department of Interior or the Colorado Department of Natural Resources.

Exotic animal means a rare or unusual animal pet, or an animal kept within human households that is not commonly thought of as a pet.

Feral cat means a domestic cat that has reverted to wild, unsocialized behavior, or a descendent of such a cat.

Guard dog means any dog disciplined, through special training, to protect persons and/or property by attacking or threatening to attack any person found within the enclosed area patrolled by such dog.

Harboring means the act of keeping and caring for an animal or of providing a premises to which the animal returns for food, shelter, or care.

Humane trap means a box-type trap which does not cause bodily harm to the animal intended to be captured or to any other animal or person coming in contact with such trap.

Kennel means a premise where more than five (5) nonlivestock animals excluding offspring not exceeding four (4) months of age belonging to one of the adult animals are kept for any purpose, including boarding or training. The term "kennel" does not include a pet shop.

Livestock means any domestic or wild animal commonly kept or harbored, as a source of food, hides, income through agricultural sale, as a pack animal or draft animal or for use as transportation. Livestock includes, but is not limited to, horses, mules, sheep, goats, cattle, swine, chickens, ducks, geese, pigeons, turkeys, pea fowl, guinea hens, and bees. In the event of uncertainty concerning whether a particular animal is a species of livestock, the presumption shall be that such animal is a species of livestock until the owner of such animal proves by a preponderance of the evidence to the satisfaction of the Municipal Court that the animal is not a species of livestock.

Owner means any person who has a right of property in an animal, harbors an animal, allows an animal to remain about his premises for a period of seventy-two (72) hours or longer, claims responsibility for an animal, or is declared by court decree to be the responsible party for an animal or the authorized agent of any such person. The parent or guardian of any minor claiming ownership of an animal shall be deemed to be the owner of the animal for purposes of this Article.

Person means any natural person, corporation, partnership, association, or other entity.

Pet shop means an establishment engaged in the business of breeding, buying, or selling animals, other than livestock, in commercial, wholesale, or retail trade.

Potbellied pig means any of a breed of small pigs originating in southeastern Asia and having a straight tail, potbelly, and swayback~~, and black, white, or black and white coat~~.

Potentially dangerous animal means any animal that may reasonably be assumed to pose a threat to public safety as demonstrated by any of the following behaviors:

(1) Causing an injury to a person or domestic animal that is less severe than a serious injury;

(2) Without provocation, chasing or menacing a person or domestic animal in an aggressive manner; or

(3) Acting in a highly aggressive manner within a fenced yard/enclosure and appearing to a reasonable person to able to jump over or escape from such fenced yard/enclosure.

Prohibited animal means any animal which is ordinarily found in an unconfined state and is usually not kept as a household pet, including, but not limited to, livestock (subject to certain exceptions), crocodilians, lions, tigers, cheetahs, panthers, leopards, cougars, mountain lions, ocelots, any wild members of the genus felis, lynx, bobcats, foxes, minks, skunks, raccoons, bears, nonhuman primates,

wolves, coyotes, poisonous snakes and lizards, lethal toads and arachnids (spiders, scorpions, and tarantulas) and nonpoisonous snakes over six feet (6') in length. Alleged domestication of any prohibited animal shall not affect its status under this definition. In the event of uncertainty whether a particular animal is a prohibited animal, it shall be presumed prohibited until proven not prohibited by a preponderance of the evidence to the satisfaction of the Municipal Court.

Proper enclosure means secure confinement indoors or secure confinement in a locked pen, fenced yard, or structure measuring at least six feet (6') in width, twelve feet (12') in length, and six feet (6') in height, capped with secure sides and constructed at the bottom so as to prevent escape by digging, which provides proper protection from the elements for the animal, is suitable to prevent the entry of young children, and is designed to prevent the animal from escaping the owner's property. The proper enclosure must comply with all zoning and building ordinances/regulations of the City, be kept in a clean and sanitary condition, and be approved by the animal control officer, and such approval shall not be unreasonably withheld.

Rabies vaccination means inoculation of a domestic animal with an anti-rabies vaccine approved by the Colorado Department of Health and administered by a licensed veterinarian. The vaccination shall be valid for the period of time specified in writing by the veterinarian for the specific vaccine used.

Responsible person means a person at least 18 years old who is familiar with the animal and has the size, strength, and experience to keep the animal under complete control at all times.

Running at large means an animal not located on the premises of the owner or in a common area and not under the physical control of the owner.

Serious injury means death or any physical injury that results in severe bruising, muscle tears, or skin lacerations requiring professional medical treatment or corrective or cosmetic surgery.

Stray animal means any animal for which there is no identifiable owner.

Vicious animal means any animal that:

(1) Causes a serious injury to a person or domestic animal; or

(2) Has a previous potentially dangerous animal conviction and continues to engage in behavior that poses a threat to public safety as described in this Article's definition of potentially dangerous animal; or

(3) Has engaged in or been trained for animal fighting as described and prohibited in Section 18-9-204, C.R.S., as amended; or

(4) Has demonstrated a history of behavior that would cause a reasonable person to believe that the animal may inflict serious injury upon any person or domestic animal.

Wild animal means any animal within the boundaries of the United States which is now, or historically has been found, in the wild or is in the wild state wherein it is living in its original, natural condition and is not domesticated.

7-6-20. Rabies control.

(a) Vaccinations. It shall be unlawful for any owner of a dog or cat four (4) months of age or older to fail to have such animal vaccinated against rabies. All dogs and cats shall be vaccinated at four (4) months of age and revaccinated thereafter at the expiration of the validity of the vaccine used, as shown on the written document prepared by a licensed veterinarian. The vaccination shall be valid for the period shown on the document. Any person moving into the City from a location outside the City shall comply with this Section within thirty (30) days after having moved into the City by having the animal vaccinated or showing proof of current, valid vaccination. If the dog or cat has inflicted a bite on any person or another animal within the last ten (10) days, the owner of said dog shall report such fact to a veterinarian and no rabies vaccine shall be administered until after a ten (10) day observation period. ~~Failure to comply with this Section shall constitute a Class B municipal offense. Penalties for this violation are set forth in Section 10-1-40 of this Code.~~

(b) Proof of vaccination. It shall be unlawful for any person who owns a vaccinated animal to fail or refuse to exhibit his copy of the certificate of vaccination upon demand to any person charged with the enforcement of this Article.

(c) Harboring unvaccinated dogs and cats. It shall be unlawful for any person to harbor any dog or cat which has not been vaccinated against rabies, as provided herein, or which cannot be identified as having a current vaccination certificate.

(d) Non-transferability. Vaccination certificates are not transferable and cannot be used for any animal other than the animal which received the vaccination and for which the certificate was originally issued.

(e) Exceptions. No person charged with violating subsections (a), (b), or (c) above shall be convicted if he produces in Court a bona fide and valid certificate of vaccination which was in full force and effect, as required by subsection (a), at the time of the alleged violation.

(f) Confinement of animals. Any dog or cat which has bitten a person or is suspected of rabies infection may either be observed for a period of ten (10) days from the date of the bite or analyzed for rabies virus by a laboratory. Ferrets, potbellied pigs, wolf hybrids, wolves and other wildlife which have bitten a person must be observed for a period of not less than thirty (30) days or tested for rabies if required by Colorado Division of Wildlife or Department of Health regulations. The procedure and place of observation, or analysis, shall be designated by the investigating officer or responsible agency. If the animal is not confined on the owner's premises, confinement shall be by impoundment in an animal shelter or at any veterinary hospital of the owner's choice within the City of Rifle. Such confinement shall be at the expense of the owner. Stray animals whose owners cannot be located shall be confined as designated by the City. The owner of any animal that has been reported to have inflicted a bite on any person shall on demand produce said animal for impoundment, as prescribed in this Section, or for laboratory analysis. Refusal to produce said animal constitutes a violation of this Section punishable as a Class A municipal offense, and each day of such refusal shall constitute a separate and continuing violation.

(g) Removal of animals from confinement. It shall be unlawful for any person to kill, remove, or release any animal which has been confined, impounded, or is in the custody of the City or its agents, as authorized under this Article, without the consent of the City or the impounding agency.

7-6-30. Reporting animal bites.

(a) Duty to report. It shall be unlawful for any person having knowledge that an animal has bitten a human to fail to immediately report the incident to the Rifle Police Department, the animal control officer, or to the Colorado Department of Health. Every physician or other medical practitioner who treats a person for such bites shall, within twelve (12) hours, report such treatment to the Rifle Police Department, the animal control officer, or the Colorado Department of Health, giving the name and precise location of the bitten person and such other information as the officer or agency may require.

(b) Exclusions. Bites to humans from rodents, rabbits, birds, and reptiles are excluded from the reporting requirements of this Section, unless otherwise specified by the Colorado Department of Health.

(c) Suspected rabies. It shall be unlawful for any veterinarian who clinically diagnoses rabies or any person who suspects rabies in an animal to fail to immediately report the incident to the Rifle Police Department, the animal control officer, or to the Colorado Department of Health, stating precisely where such animal may be found. If a known or suspected rabid animal bites or attacks another animal, such shall also be reported as required above.

7-6-40. Dog licensing.

(a) The City Clerk shall issue a license upon presentation of the certificate of vaccination and payment of the required fee. The annual license fee for dogs shall be as set forth in Appendix A to this Code.

(b) The license shall contain the following information:

(1) The name and address of the owner or harborer of the licensed animal;

(2) The date of inoculation and date of license;

(3) The year and series number of the animal tag; and

(4) The breed, age, color, and sex of the inoculated animal.

(c) Every owner or harborer of an animal for which a license tag has been issued shall attach the tag evidencing the licensing to the collar or harness of the inoculated and licensed animal, and such collar or harness shall be worn by the animal at all times.

(d) The license shall be retained by the owner or harborer of the inoculated and licensed animal for inspection by any person charged with the enforcement of this Article.

(e) It shall be unlawful for any owner of any dog over the age of four (4) months, or within thirty (30) days of acquisition of said dog, whichever occurs last, to fail to obtain a license for such animal as required by this Section. It is unlawful for any person who owns or harbors a dog in the City to knowingly fail or refuse to exhibit his or her copy of a license upon request by a law enforcement officer or to knowingly fail or refuse to attach the license tag to the collar or harness of the dog.

(f) Licenses shall not be transferable. It is unlawful for any person to knowingly possess a license or to affix a license tag to any dog other than the specific animal for which the license was issued.

~~(hg) A violation of this Section is a Class C offense. Penalties for this violation are set forth in Section 10-1-40 of this Code.~~ \

7-6-50. Animals running at large.

(a) Animals running at large prohibited.

(1) It shall be unlawful for any owner of an animal, except for a domestic cat, to fail to restrain the animal by physical means from running at large.

(2) It shall be unlawful for any owner of an animal running at large to allow the animal to remain in a non-neutered or unspayed condition.

(3) It shall be the burden of the owner to prove that the animal is neutered or spayed by the production of a veterinarian's opinion or other documentary evidence.

(b) Confinement during estrus. It shall be unlawful for any owner to fail to securely confine any unspayed female dog or cat in the state of estrus (heat) in a house, building or secure enclosure in such a manner that such female dog or cat can come in contact with another animal except for planned breeding. When outside on the property of the owner or common space for metabolic waste elimination, the animal must be physically restrained on a hand held leash. Owners who do not comply may be ordered to remove the dog or cat in heat to a boarding kennel, veterinary hospital, or animal shelter. All expenses incurred as a result of the confinement shall be paid by the owner of the dog or cat. Failure to comply with the removal order shall be a violation of this Section, and the dog or cat shall then be impounded as prescribed in this Article.

(c) Sick or injured animals. Sick or injured animals found on public property or property other than that of the owner without permission of the property owner or occupant may be impounded and given adequate veterinary medical treatment pending notification of the owner. If the animal is significantly injured or sick such that recovery is improbable, the animal may be euthanized, without liability to the City, animal shelter, their employees, officers, or agents, or to any veterinarian examining, diagnosing, or treating the animal. An animal control officer or police officer may humanely euthanize any animal the officer reasonably believes to be so sick or injured that recovery is improbable even if veterinary care could be provided, in order to avoid further pain and suffering by the animal, without liability to the City or the officer. If the injured animal is treated or impounded, the owner of such animal shall be liable for all expenses of the treatment or impoundment.

(d) Any dog found to be running at large more than three (3) times in one year may be impounded and spayed or neutered as provided in this Article.

(e) It shall be unlawful to leave unattended animals chained or tied in public places, in private property open to the public, or in the common ground of condominiums, town homes, apartment complexes, and mobile home parks for more than thirty (30) minutes. ~~A violation of this subsection shall be a Class C municipal offense. Penalties for this violation are set forth in Section 10-1-40 of this Code.~~

~~(f) Every person found liable for a violation of this Section shall be punished upon a first complaint by a fine of not less than twenty-five dollars ($25.00) nor more than one thousand dollars ($1,000.00). Every person found liable for a violation of this Section shall be punished upon a second judgment within one (1) year by a fine of not less than fifty dollars ($50.00) nor more than one thousand dollars ($1,000.00). Every person convicted of a violation of this Section shall be punished upon a third~~

~~or subsequent judgment or complaint within one (1) year by a fine of not less than one hundred dollars ($100.00) nor more than one thousand dollars ($1,000.00), by imprisonment not to exceed one (1) year, or by both such fine and imprisonment. The minimum fines provided for the first, second, third, or subsequent violations are mandatory, and the Court shall have no discretion to suspend the fine therefor.~~

7-6-60. Removal of animal excrement; damage to property.

(a) It shall be unlawful:

(1) For any owner of any animal to refuse or fail to remove promptly excrement deposited by said animal upon any common thoroughfare, street, sidewalk, play area, park, other public property, or any private property when permission of the owner or tenant of said property has not been obtained, and such is hereby declared to be a public nuisance.

(2) For any owner of any animal to permit said animal, whether or not it is running at large, to euthanize, damage, or injure any shrubbery, plants, flowers, grass, lawn, fence, or anything whatsoever upon any public premises or private premises owned or occupied by a person other than the owner of said animal, and such is hereby declared to be a public nuisance.

(3) To place animal excrement in storm sewers or to dispose of excrement in any manner except by depositing it in a toilet or a receptacle ordinarily used for garbage and covered by a lid or in an otherwise lawful and sanitary manner.

(4) To fail to remove promptly all fecal wastes from private premises, including the premises of the owner of an animal or any other person consenting to the deposit of such waste on his or her premises, to fail to place such waste in a closed fly-tight container, or to fail to remove the contents of said containers from the City as necessary to prevent such contents from becoming a nuisance.

(5) To fail to maintain the premises upon which animals are kept in a clean and sanitary condition, which premises shall be subject to inspection at all reasonable hours by City representatives.

(b) With the exception of subsection (a)(2) any violation of this Section shall be considered a Class C municipal offense. A violation of subsection (a)(2) shall be considered a Class B municipal offense. ~~Penalties for these violations are set forth at Section 10-1-40 of this Code.~~

7-6-70. Disturbance.

(a) It shall be unlawful for any owner of any animal to allow the animal to disturb any person by barking, howling, yelping, or other audible sound. ~~A violation of this Section is a Class B municipal offense. Penalties for this violation are set forth in Section 10-1-40 of this Code.~~

(b) No person shall be charged with violating this Section unless a written warning was given to the owner or person in custody of the animal by an animal control officer or police officer within twelve (12) months preceding the ~~first date alleged as a~~ date of violation in the complaint. A warning is given under this subsection if it is personally given to the owner or person in custody of the animal or it is posted upon the property of the owner or person in custody or mailed first class to such person. Such records are prima facie evidence that such warnings were given.

(c) No summons shall be issued and no person shall be convicted at trial for violating this Section unless two or more witnesses from different households testify to the loud and persistent or loud and habitual nature of the noise, or unless there is other evidence corroborating the testimony of a single witness. An animal control officer or a police officer who can corroborate the elements in this Section may issue summons and testify as the second witness.

~~(d) Every person found liable for a violation of this Section shall be punished upon a first complaint judgment by a fine of not less than twenty-five dollars ($25.00) nor more than one thousand dollars ($1,000.00). Every person found liable for a violation of this Section shall be punished upon a second judgment within one (1) year by a fine of not less than fifty dollars ($50.00) nor more than one thousand dollars ($1,000.00). Every person convicted of a violation of this Section shall be punished upon a third or subsequent judgment or complaint within one (1) year by a fine of not less than one hundred dollars ($100.00) nor more than one thousand dollars ($1,000.00), by imprisonment not to exceed one (1) year, or by both such fine and imprisonment. The minimum fines provided for the first, second, third, or subsequent violations are mandatory, and the Court shall have no discretion to suspend the fine therefor.~~

7-6-80. Vicious animals and potentially dangerous animals.

(a) Owner responsibility and liability. Any owner of a vicious animal or potentially dangerous animal shall be jointly and severally responsible with all other owners of such animal for compliance with the requirements of this Section. For the purpose of prosecution for violation of this Section, it shall not be necessary in order to obtain a conviction to prove notice or knowledge on the part of the owner of the vicious animal or potentially dangerous animal that said animal was violating any of the provisions of this Section.

(b) Requirements for possession of a potentially dangerous animal. It shall be unlawful for any person to own, possess, keep, harbor, or have custody or control of a potentially dangerous animal except in compliance with all of the following requirements:

(1) The owner shall be eighteen (18) years of age or older.

(2) The owner shall not permit a potentially dangerous animal to be outside a proper enclosure on the owner's property unless such animal is under the physical control of a responsible person and restrained by a lead not exceeding four feet (4') in length.

(3) The potentially dangerous animal and owner shall complete a socialization and/or behavior program approved by the Chief of Police.

(4) The potentially dangerous animal shall be spayed or neutered by a licensed veterinarian or a licensed animal shelter.

(5) The potentially dangerous animal shall be permanently identified through the implantation of a microchip containing owner identification information by a licensed veterinarian or a licensed shelter. The microchip information must be registered with the appropriate company responsible for maintaining such information for the microchip.

(6) The owner of a potentially dangerous animal shall notify the animal control officer in person or by telephone as soon as practicable but no later than one (1) hour after owner's knowledge of the occurrence of either of the following events:

(i) The animal has escaped or has otherwise ceased to be in the custody of the owner for any reason, unless the owner knows such animal to be physically secured and restrained or confined in the custody of another competent adult; or

(ii) The animal has attacked a human being or domestic animal.

(7) The owner of a potentially dangerous animal shall notify the animal control officer in person or by telephone within twenty-four (24) hours of the occurrence of any one of the following events:

(i) The animal has been sold, given, or otherwise transferred to the ownership or possession of another person, including the name, address, and telephone numbers of the new owner and the effective date of the transfer; or

(ii) The animal has died.

(c) Requirements for possession of a vicious animal. In addition to satisfying the requirements for possession of a potentially dangerous animal pursuant to Section 7-6-80(b), it shall be unlawful for any person to own, possess, keep, harbor, or have custody or control of a vicious animal except in compliance with all of the following requirements:

(1) Notwithstanding Section 7-6-80(b)(2), the owner shall not permit a vicious animal to be outside a proper enclosure on the owner's property, unless such animal is caged or under the physical control of a responsible person, properly muzzled, and restrained by a lead not exceeding four feet (4') in length. The muzzle shall be made in a manner that will not cause injury to the animal or interfere with its vision or respiration, but shall prevent it from biting any human being or animal.

(2) The owner of a vicious animal shall maintain at all times either a policy of insurance or a surety bond in a minimum amount of one hundred thousand dollars ($100,000.00) to cover claims for any personal injuries or property damage inflicted by the vicious animal. The insurer or surety, as the case may be, shall be required to provide the animal control officer with thirty (30) days prior written notice of any cancellation, termination, or expiration of the policy of insurance or surety bond, respectively.

(d) Impoundment; nuisance declared. Any animal which has exhibited behavior that would cause a reasonable person to believe that the animal is a vicious animal or a potentially dangerous animal may be summarily impounded when the animal control officer reasonably believes the animal is a present threat to the health or safety of the community. Such animal is hereby declared to be a public nuisance, which may be abated by the Court in proceeding brought under the procedures established in this Code for the abatement of nuisances. If impoundment of said animal cannot be made with safety to the animal control officer or other persons, the animal may be euthanized by an animal control officer or police officer without notice to the owner or harborer.

(e) Exceptions. No animal shall be found to be a vicious animal or potentially dangerous animal under this Article if:

(1) The animal is used by a police officer while the officer is engaged in the performance of police officer duties.

(2) At the time of the threat, behavior, or attack against a domestic animal, said animal was at large and entered upon the property of the owner and the threat, behavior, or attack began, but did not necessarily end, upon such property.

(3) At the time of the threat, behavior, or attack against a domestic animal, said animal was biting or otherwise attacking the dangerous animal or its owner.

(4) At the time of the threat, behavior, or attack against a person, the victim was committing or attempting to commit a criminal offense against the animal's owner and the threat, behavior, or attack did not occur on the owner's property.

(5) At the time of the threat, behavior, or attack against a person, the victim was committing or attempting to commit a criminal offense against a person on the owner's property or the property itself and the threat, behavior, or attack began, but did not necessarily end, upon such property.

(6) At the time of the threat, behavior, or attack against a person, the victim tormented, provoked, abused, or inflicted injury upon the animal in such an extreme manner that it resulted in the threat, behavior, or attack.

(7) The exceptions set forth in this subsection (e) shall not apply to any animal that has engaged in or been trained for animal fighting as described and prohibited in Section 18-9-204, C.R.S., as may be amended.

7-6-90. Impounded animals.

(a) Impoundment. If there is probable cause to believe that an animal is owned or harbored in violation of this Article or any other ordinance, regulation, state statute or regulation, the animal may be taken into custody by an animal control officer or other designated official and impounded in the animal shelter. Stray animals may be similarly impounded.

(b) Disposition. As soon as practicable after impoundment, a bona fide effort shall be made to give notice of impoundment to the owner. Any impounded animal shall be released to the owner upon payment of the impoundment fee, boarding fee, veterinary care charges, and any other costs associated with impoundment. If such animal is not redeemed within five (5) days, it shall be considered abandoned and may be euthanized or placed for adoption at the discretion of the animal shelter. The failure of the owner to redeem an animal shall release the City and the animal shelter, and their officers, employees, and agents, from any and all liability for the animal's subsequent euthanization or adoption.

(c) Disposition of impounded animal being held pending Court proceedings. If an animal is impounded and is being held pending Court proceedings for any violation of the provisions of this Article, the animal may not be released except on the order of the Court. The Court may order said animal to be euthanized in a humane manner if, after a judicial hearing, it finds that: (1) such animal is vicious and that it represents a clear and present danger to the citizens or other animals in the community; or (2) the animal is experiencing extreme pain or suffering. Any animal which remains unclaimed for five (5) days after its release has been ordered by the court may be euthanized or placed for adoption at the discretion of the animal shelter. The owner shall be liable for the costs of the care, keeping, or disposal of the animal, including, but not limited to, payment of a bond for the cost of impoundment pending court proceedings pursuant to Section 18-9-202.5, C.R.S., as may be amended.

(d) Failure to produce animal. The owner of any animal subject to impoundment under subsection (a) shall, on demand of the animal control officer or other person who may be so authorized by this Article, produce the animal for impoundment as prescribed in this Section. It shall be unlawful for the owner of any such animal to fail or refuse to produce the animal on demand. Failure or refusal to produce an animal pursuant to this Section shall subject the owner to immediate arrest should probable cause exist to believe that the owner is harboring or keeping the animal. Upon arrest, the owner shall be held to appear before the municipal judge who may order the immediate production of the animal. Each day of willful refusal to produce the animal shall constitute a separate violation and offense.

(e) The City, any employee thereof, or any other person authorized to enforce the provisions of this Article shall not be held responsible for any accident or subsequent disease that may occur to the animal, for the inadvertent adoption of any animal, or for the euthanization of any animal if done pursuant to the provisions of this Article.

7-6-100. Kennels.

It shall be unlawful for any person who operates a kennel to fail to maintain the facilities in a sanitary condition, to fail to provide proper heating and ventilation, space appropriate to the size, weight and species of animal, adequate nutrition, exercise, necessary vaccinations and medical treatment, and humane care and treatment for all animals in his care. All kennels shall be licensed through the Colorado Pet Animal Care Facilities Act (PACFA) Program.

7-6-110. Pet shops.

It shall be unlawful for any person who operates a pet shop to fail to maintain the facilities in a sanitary condition, to fail to provide proper heating and ventilation, space appropriate to the size, weight and species of the animals, adequate nutrition, exercise, necessary vaccinations and medical treatment, and humane care and treatment for all animals in his care, and to fail to take reasonable care to release for sale, trade, or adoption only those animals which are free of disease or injuries. All pet shops shall be licensed through the Colorado Pet Animal Care Facilities Act (PACFA) Program.

7-6-120. Restrictions on sale and possession of animals.

(a) ~~Animals in residential districts~~Generally.

(1) It shall be unlawful for anyone to knowingly possess, harbor, keep, maintain, or permit, on any property within the City ~~zoned for residential use~~ the following numbers of animals, when any of such animals are acquired after July 1, 2012:

~~(i) A combination of more than three (3) dogs or cats;~~

(i~~i~~) More than one (1) potbellied pig;

(ii~~i~~) More than three (3) rabbits;

(~~iv~~iii) More than five (5) exotic animals or a combination of more than five (5) domestic and exotic animals;

(iv) More than ten (10) domestic animals; or

(v~~i~~) More than two (2) litters of dogs or cats per year.

(2) In addition to being a violation of this Section, the same is hereby declared to be a public nuisance which may be abated pursuant to the provisions specified in Article 1 of this Chapter.

(3) If the keeping of animals under this subsection (a) is in conflict with any provision of this Article concerning exotic, endangered, or prohibited animals, or any state or federal statute or regulation, such other provision, statute, or regulation shall control. This subsection (a) shall not include fish.

(b) Livestock. Except in accordance with subsection (d) herein, it shall be unlawful to keep or maintain livestock within any zone district of the City.

(c) Prohibited and endangered animals. It shall be unlawful for any person to import, offer for sale, sell, keep, maintain, harbor, or permit anywhere in the City any prohibited animal or endangered species as defined in this Article.

(d) Exceptions for certain animals.

(1) Rabbits may be kept in a single-family ~~residence~~dwelling.

(2) ~~Two (2)~~Ten (10) chickens or ducks combined may be kept ~~in a single family residence~~ subject to the restrictions set forth at Section 7-6-130 herein. For purposes of this Article, regulations pertaining to chickens shall apply equally to ducks.

(3) Livestock may be kept in any area of the City zoned as "Developing Resource" as a nonconforming use, subject to the provisions of Chapter 16 of this Code.

(4) One (1) horse per acre may be kept within the City limits in an area zoned other than "Developing Resource"; provided that the minimum site for the keeping of any horse shall be two (2) acres; and further provided that the keeping of any horses shall be considered as a conditional use. A conditional use permit following a public hearing must be obtained from the Planning Commission, in accordance with the procedures set forth elsewhere in this Code. In no event may a stallion over eighteen (18) months of age be kept within the City limits.

(e) General exceptions. The prohibitions in subsections (b) and (c) of this Section shall not apply to any of the following:

(1) A bona-fide publicly or privately owned zoological park.

(2) A bona-fide research institution using animals for scientific research.

(3) A circus duly authorized to do business in the City.

(4) A veterinary hospital operated by a veterinarian currently licensed by the State of Colorado.

(5) Wildlife rehabilitators, falconers, or scientific collection permit holders who are currently licensed by the Colorado Division of Wildlife.

(6) Rodeos, livestock shows, horse shows, or other similar events held within the City.

(7) Licensed slaughterhouses or livestock sales operations, or the raising of certain animals for profit, if licensed pursuant to law.

(8) Goats used on a temporary basis for weed abatement and turf maintenance.

(f) Potbellied pigs. It shall be unlawful for any person to possess, harbor, keep, maintain, or permit at his dwelling within the City any potbellied pig or any pig purporting to be a potbellied pig unless the owner complies with the requirements of this Section. It shall be unlawful for any owner to fail to comply with these requirements.

(1) The pig must be registered through a bona fide potbellied pig registry.

(2) The owner of any potbellied pig four (4) months of age or older shall procure a license for the pig. Upon proof of registration and neutering, the City shall issue a dated and numbered receipt and corresponding tag. In the event of loss or destruction of the original license tag, the owner shall obtain another tag from the City. Pig licenses are not transferable. It shall be unlawful for any person to use or attempt to use a tag for any pig other than the pig for which the tag was originally issued.

(3) The license tag shall be attached to a harness and worn by the pig at all times.

(4) A potbellied pig shall be neutered prior to reaching four (4) months of age.

(5) No more than one potbellied pig shall be permitted on any residential property.

(6) A potbellied pig kept on residential property shall be kept as a pet for personal enjoyment and not kept or raised for breeding, sale, or human consumption.

(g) Federal and state statutes and regulations. It shall be unlawful for any person to import, offer for sale, sell, keep or willfully maintain, harbor, or permit in the City any animal in violation of any state or federal statute or regulation.

~~(h) Violations. A violation of this Section shall constitute a Class C municipal offense and upon conviction thereof shall be punished as specified in Section 10-1-40 of this Code.~~

7-6-130. Chicken regulations.

In addition to the restrictions established at Section 7-6-120(d)(2) of this Article, the keeping of chickens or ducks within the City shall comply with the following standards:

(1) Up to ten (10) chickens and ducks combined may be kept per single-family dwelling. Up to ten (10) chickens and ducks combined may be kept per multi-family dwelling as a conditional use subject to the requirements of Sections 16-3-80, 16-2-20, 16-2-130, and Chapter 16, Article V of this Code; provided, however, that conditional use permit applicants desiring to maintain chickens and/or

ducks at a multi-family dwelling shall only be required to send notice of the public hearing on such application in accordance with Section 16-1-50(1) to all adjacent property owners. Publishing of notice pursuant to Section 16-1-50(2), notice to mineral estate owners pursuant to Section 16-1-50(4), and the required submittal of the names and addresses of all property owners within two hundred (200) feet pursuant to Section 16-6-20(4) shall be waived. Applicants shall be required to submit the materials specified in Section 16-6-130 unless otherwise directed by the Planning Commission.

(2) Type of chickens. Only female chickens are permitted, and there is no restriction on chicken species.

(~~2~~3) Enclosure requirements. Chickens must be kept in enclosures or fenced areas at all times. During daylight hours, chickens may be allowed outside of their chicken enclosure in a securely fenced yard. -The securely fenced yard must include a fence of at least six (6) feet tall that is also in compliance with the other fence requirements set forth in this Code. During non-daylight hours shall be secured in an enclosure that is enclosed on all sides including a roof and doors. Access doors must be able to be closed and locked at night. Opening windows and vents must be covered with predator- and bird-proof wire of less than one-quarter-inch openings.

(~~3~~4) Waste removal. Chicken enclosures and the surrounding area shall be kept free of trash and accumulated droppings. Uneaten feed shall also be removed in a timely manner.

(~~4~~5) Odor impacts. Odors from chickens, chicken manure or chicken-related substances shall not be perceptible at the property boundaries.

7-6-~~130~~140. Care and treatment.

(a) Cruelty to animals. It shall be unlawful for any person knowingly or with criminal negligence to overload, overwork, torture, torment, deprive of necessary sustenance, unnecessarily or cruelly beat, needlessly mutilate, needlessly kill, carry or confine in or upon any vehicle in a cruel or reckless manner, or to otherwise mistreat or neglect any animal, or, having the charge or custody of any animal, fail to provide it with proper food, drink, or protection from the weather, to abandon it, or to otherwise neglect the animal in such a manner as to endanger its health or cause it to suffer. Ownership of the animal or the commission of such acts on private property shall not be a defense to prosecution for violation of this Section.

(b) Poisoning. It shall be unlawful for any person to knowingly poison any domestic animal, feral cat, or livestock or to knowingly distribute poison or toxicants on public or private property in any manner whatsoever that causes the poisoning of any domestic animal, feral cat, or livestock; provided, however, that certain poisons specifically authorized by Colorado statute for rodent and pest control shall be exempt from this regulation.

(c) Sanitation. It shall be unlawful for the owner of any animal to fail to maintain the premises upon which animals are kept in a clean and sanitary condition.

(d) Abandoning animals. It shall be unlawful for any person to knowingly abandon an animal by leaving the animal with intent not to return within a reasonable time. Abandonment includes, but is not limited to, the dumping of an animal from a moving or stationary motor vehicle. This Section shall not apply to voluntary relinquishments to the animal shelter or to a licensed veterinarian.

(e) Confinement of animals. Every person who keeps an animal confined in an enclosed area shall provide it with an adequate exercise area and access to adequate shelter, food, and water. If the animal is restricted by a leash, rope, chain, or cable, it shall be affixed in such manner that it will prevent the animal from becoming entangled or injured and will permit access to adequate shelter, food, and water.

(f) Display or sale of dyed animals. It shall be unlawful for any person to possess, display, sell, barter, or give away dyed, colored, or in any way artificially treated baby chicks, ducklings, fowl, rabbits, or any other animal as pets, playthings, novelties, gifts, or for any other purpose.

(g) Fighting animals. It shall be unlawful for any person to cause, instigate, allow, or encourage any animal to fight with another of its own or of a different species. It shall be unlawful for any person to train or keep any animal for the purpose of fighting. It shall be unlawful for any person to maintain a place where animals are permitted to fight for exhibition, wager, or sport.

7-6-~~140~~150. Capturing animals.

(a) An animal control officer or police officer is authorized to enter in or upon private property, including motor vehicles and fenced areas but not private buildings, to apprehend an animal running at large, a vicious animal, an animal suspected of being infected with rabies, or an animal which the officer reasonably believes is neglected, sick, or injured so that the animal faces a serious risk of death or substantially suffering.

(b) An animal control officer or police officer is authorized to use tranquilizer guns, humane traps, or other suitable devices to subdue or apprehend a stray animal, domestic animal running at large, or wild animal. The animal control officer is authorized to euthanize an animal which the officer reasonably believes to be an immediate danger to the officer or to the public.

(c) An animal control officer or police officer is authorized to place a humane trap on private property for the purpose of capturing a stray animal, wild animal, or pet animal running at large when requested to do so by the owner or possessor of the property.

(d) It shall be unlawful for any person to set or cause to be set any steel-jaw leg hold trap, snare, or any trap other than a humane trap for the purpose of capturing an animal, whether wild or domestic, excepting a licensed or recognized business which has been given permission by the Colorado Division of Wildlife, the Colorado Department of Health, or the animal control officer to trap a problem wild animal. Any trapping authorized under this Article must be in compliance with the Colorado Constitution and statutes.

7-6-~~150~~160. Guard dogs.

It shall be unlawful to place or maintain any dog in any area for the protection of persons or property unless the dog is physically confined to a specific enclosed area and is under complete and absolute control.

7-6-~~160~~170. Interference.

(a) It shall be unlawful for any person by using or threatening to use violence, force, physical interference, or obstacle to knowingly obstruct, impair, or hinder an animal control officer or police officer in the discharge of his duties as herein prescribed.

(b) It is no defense to a prosecution under this Section that the animal control officer or police officer was acting in an illegal manner, if he was acting in the regular course of assigned duties and in good faith based upon surrounding facts and circumstances.

(c) It shall be unlawful for any person to refuse to reveal his correct name, address, and date of birth when requested to do so by an animal control officer or police officer engaged in any of his duties prescribed herein.

7-6-~~170~~180. Fees.

Fees for license, impound, adoption, and other services rendered under this Article shall be as set forth in Appendix A to this Code. Such fees are in addition to any fines or penalties imposed in court proceedings.

7-6-~~180~~190. Penalties.

(a) Except as otherwise provided for in this Section, any person who violates any provision of this Article shall be deemed to have committed a noncriminal offense and shall be subject to imposition of a penalty assessment pursuant to the procedure set forth at Section 7-1-260 of this Code. Every person who ~~is convicted of, who~~ admits liability for, or against whom a judgment is entered for a noncriminal animal control infraction shall be penalized by imposition of a fine in an amount not less than five dollars ($5.00) and not greater than one hundred dollars ($100.00), unless otherwise specified. The Municipal Judge shall promulgate a schedule of penalties for all noncriminal animal control infractions contained in this Article. Such schedule shall be prominently posted in the office of the Court Clerk.

(b) Any person who violates any of the following provisions of this Article shall be guilty of a Class A municipal offense and upon conviction thereof shall be punished as specified in Section 10-1-40 of this Code:

(1) Section 7-6-20(f), refusal to produce animal for impoundment.

(2) Section 7-6-50, running at large prohibited, third and subsequent offenses only.

(3) Section 7-6-70, animal disturbance, third and subsequent offenses only.

(~~2~~4) Section 7-6-80, vicious animals and potentially dangerous animals.

(~~3~~5) Section 7-6-90(e), failure to produce animal.

(~~4~~6) Section 7-6-~~130~~140, cruelty to and neglect of animals prohibited.

(~~5~~7) Section 7-6-170, interference.

(c) Any person who violates any of the following provisions of this Article shall be guilty of a Class B municipal offense and upon conviction thereof shall be punished as specified in Section 10-1-40 of this Code:

(1) Section 7-6-20, failure to vaccinate against rabies.

(2) Section 7-6-60(a)(2), damage to property.

(3) Section 7-6-70, animal disturbance, first and second offenses.

(d) Any person who violates any of the following provisions of this Article shall be guilty of a Class C municipal offense and upon conviction thereof shall be punished as specified in Section 10-1-40 of this Code:

(1) Section 7-6-40, dog licensing.

(2) Section 7-6-50, unattended animal.

(3) Section 7-6-60, excrement.

(4) Section 7-6-120, prohibited animals.

(~~c~~e) The provisions of Section 7-1-260 of this Code shall not apply to the violations specified in subsections (b), (c), and (d) above, nor shall they apply when it appears that the alleged violator has, in the course of the same transaction or occurrence, violated one (1) of the provisions referred to in subsection (a) above and has also violated one (1) or more of the provisions contained in subsection (b) above, and the citing officer charges such violator with two (2) or more violations, any one (1) of which is not referred to in subsection (a).

(~~d~~f) For the purpose of prosecution for violations of this Article, it shall not be necessary in order to obtain a conviction or judgment to prove notice or knowledge on the part of the owner or keeper of a dog or other animal in question if such dog or other animal was violating any of the provisions of this Article at the time and place charged, unless otherwise provided in this Article. It is the purpose and intent of this Article to impose strict liability upon the owner or keeper of any dog or other animal for the actions, conduct, and condition of such dog or other animal.

INTRODUCED on May 16, 2012, read by title, passed on first reading, and ordered published by title as required by the Charter.

INTRODUCED a second time at a regular meeting of the Council of the City of Rifle, Colorado, held on June 6, 2012 and continued to June 18, 2012, passed with~~out~~ amendments, approved, and ordered published in full as required by the Charter.

Dated this ___ day of _____, 2012.

CITY OF RIFLE, COLORADO

BY _____
Mayor

ATTEST:

_____
City Clerk

INTERGOVERNMENTAL AGREEMENT BETWEEN GARFIELD COUNTY AND THE CITY OF RIFLE FOR LEASE OF COMINGLED RECYCLING FACILITY

This Intergovernmental Agreement is entered into by and between Garfield County, State of Colorado ("County") and the City of Rifle, Colorado ("City") (collectively, the "Parties") to establish the Parties' agreement regarding a comingled recycling facility on the City's West UMTRA Site (the "IGA").

RECITALS

WHEREAS, the County is a body politic and corporate of the State of Colorado whose powers are exercised by the Board of County Commissioners ("BOCC") pursuant to C.R.S. §§30-5-125 and 30-11-103 (2011); and

WHEREAS, the City is a Colorado home rule municipality organized pursuant to Colo. Const. art. XX, §6; and

WHEREAS, the Parties are authorized and encouraged to cooperate with each other to make the most efficient and effective use of their powers and responsibilities in accordance with Colo. Const. art. XIV, §18(2) (a)-(c) and art. XI, §2 and C.R.S. §§23-31-120 (2007) and 29-1-201 (1971); and

WHEREAS, the City owns certain real property known as the West UMTRA Site located at 2515 West Centennial Parkway, Rifle, Colorado 81650; and

WHEREAS, the City previously operated a comingled recycling collection facility that was also utilized by County residents but it now offers curbside recycling that is only available to City residents; and

WHEREAS, the County wishes to assume control over and responsibility for a recycling facility to be located on the West UMTRA Site in the location shown on Exhibit A (the "Property"); and

WHEREAS, the County's use of the Property does not conflict with the City's master plan for the West UMTRA Site to be developed as an energy innovation center with the construction of a renewable energy industrial park, and the City desires to lease the Property to the County as set forth in this IGA.

NOW, THEREFORE, in consideration of the mutual covenants and agreements identified below, the Parties agree as follows:

1. Incorporation of Recitals. The foregoing Recitals are incorporated herein as if set forth in full.

2. Term. The term of the lease shall be effective from April 1, 2012 to December 31, 2012 (the "Term"), or on such earlier date as this IGA may terminate as provided below, and shall be subject to automatic renewal for subsequent one-year terms. Either Party may terminate this IGA for any reason upon sixty (60) days written notice to the non-terminating Party.

3. Rent. The City acknowledges that the Property is provided for the public benefit of Garfield County residents and leases the Property to the County without consideration except the obligations contained herein.

4. Use and Occupancy. The County shall use and occupy the Property for the operation of a comingled recycling collection facility and for no other purpose. The City represents that the Property may lawfully be used for this purpose. The County shall commit no act of waste and shall maintain the Property in good condition at its own cost and expense. The County shall, in the use and occupancy of the Property, conform to all laws, orders, and regulations of the federal, state, and City of Rifle governments or any of their departments. The County shall make all necessary repairs, modifications, and replacements to the Property and all fixtures and appurtenances within a reasonable time and shall at all times maintain the Property in good working order. The parties acknowledge that an un-manned recycling facility can be misused by the public causing unsightliness and the littering of debris. Within a reasonable time after mutual execution of this Agreement, the County shall enclose the recycling facility on the Property with fencing so as to contain the materials within the Property and maintain the Property and the area surrounding the facility in a neat, clean, and sanitary condition and reasonably free of litter, dirt, debris, obstructions, ice, and snow. The County will install appropriate signage at its expense setting forth the hours of operation and rules and regulations of the facility. The City agrees that it will have its employees open and close, unlock and lock, the access gate to the Property on behalf of the County during the hours of operation determined by the County between 7 a.m. and 4 p.m. on weekdays, but these functions shall be performed by the County with respect to operations on weekend day(s), if any. The parties will work together in good faith to ensure the success of the recycling facility.

Fee simple title to the Property is vested in the City. The County agrees that nothing herein shall give the County any ownership or option to own the Property. All improvements made by the County which are so attached to the Property that they cannot be removed without material injury to the Property shall become the property of the City upon installation.

No later than the last day of the Term and unless otherwise agreed, the County shall, at the County's expense, remove all of the County's personal property and those improvements made by the County which have not become the property of the City. The County shall also repair all injury done by or in connection with the installation or removal of the property and improvements, and surrender the Property in as good condition as it was at the beginning of the Term, reasonable wear, and damage by the elements, or other cause not due to the misuse or neglect by the County or the County's agents, employees, visitors or licensees, excepted. All property of the County remaining on the Property after the Term shall be conclusively deemed abandoned and may be removed by the City.

Upon termination of this IGA, neither the County nor the City shall have obligation to continue recycling operations on the Property.

5. Alterations, Additions or Improvements. The County shall not, without first obtaining the written consent of the City, make any alterations, additions or improvements in, to or about the Property except as described herein.

6. Environmental Conditions. The County understands and acknowledges that the Property is located on a former uranium and vanadium processing site and the ore processing operations created radioactive tailings subject to the Uranium Mill Tailings Radiation Control Act ("UMTRCA"). Prior to the City's ownership of the West UMTRA Site, the Colorado Department of Public Health and Environment owned the property which fell under the jurisdiction of the United States Department of Energy ("DOE") for remediation under UMTRCA. The surface of the West UMTRA Site has been fully remediated by the DOE and pursuant to the Final Environmental Assessment of Ground Water Compliance at the New Rifle, Colorado UMTRA Project Site dated July 2003, the groundwater compliance strategy is natural flushing in conjunction with institutional controls and monitoring. The County accepts the Property "as is" and assumes any associated risks related to the environmental condition of the Property. The County agrees that this IGA is subordinate to the restrictions set forth in the deed conveying the West UMTRA Site to the City. The City makes no covenants or warranties, express or implied, regarding the lack of any other environmental degradation. Correction of such condition or those stated above, if required by the authorized agency, shall be in accordance with pertinent statutory and regulatory law.

7. Hazardous Materials. The County shall not permit the disposal or storage of hazardous materials on the Property.

8. Response to Default by a Party. If either Party fails to perform its respective obligations, the non-breaching Party shall provide ten (10) days' notification of such failure to the breaching Party's representative. If the breaching Party fails to correct or remedy the breach, the non-breaching Party may terminate this IGA by written notification to the other Party's representative and shall have no other further obligations under this IGA.

9. No Multi-Year Obligation. Any financial obligations under this IGA are subject to annual appropriation and budgeting by each Party. This IGA is not intended to, nor does it create a multi-year fiscal obligation as defined by Section 20, Article X of the Constitution of the State of Colorado. The Parties are not under any obligation to make any future apportionment or allocation to this IGA.

10. Indemnity/No Waiver of Governmental Immunity Act. The BOCC and the City acknowledge that each is subject to the constitutional prohibitions against indemnification pursuant to Colorado Constitution article XI, § 1 and that as governmental entities, neither party can agree to indemnify the other. Nothing herein shall be deemed a waiver of the Colorado Governmental Immunity Act for or by either party. C.R.S. § 24-10-101 et seq. (1963) as amended.

11. No Third-Party Beneficiary. No third party may enforce or rely upon this IGA.

12. Amendment and Assignment. This IGA may be amended by the Parties solely through prior written agreement signed by both Parties. This IGA may not be assigned by either Party.

13. Counterparts. This IGA may be executed in counterparts, each of which shall be deemed an original, and all of which, when taken together, shall be deemed the same instrument. Facsimile or photographic signatures of either Party to this IGA or subsequent modifications thereto shall be effective for all purposes.

14. Governing Law, Venue and Survival. The laws of the State of Colorado shall govern the validity, performance and enforcement of this IGA. Should either Party institute legal action for enforcement of this IGA, venue of such action shall be in Garfield County, Colorado.

15. Whole Agreement. This IGA sets forth the whole agreement of the Parties. No representations, either verbal or written, shall be considered binding on either Party to the extent not set forth herein.

16. Section Headings. The section headings in this IGA are inserted only for the purpose of convenient reference and are in no way to define, limit or prescribe the scope or intent of this IGA or any part thereof.

17. Authority. Each person signing this IGA represents and warrants that the individual is fully authorized to enter into and execute this IGA and to bind the Party it represents to the terms and conditions thereof.

18. Notice and Representatives. All notices required under this IGA shall be transmitted in writing and shall be deemed duly given when hand-delivered or sent by certified mail, return receipt requested and postage prepaid, or by electronic communication, addressed to the designated representative(s) as follows:

City of Rifle:	City Manager City of Rifle P.O. Box 1908 Rifle, CO 81650
With a copy to:	Jim Neu Karp Neu Hanlon, P.C. P.O. Drawer 2030 Glenwood Springs, CO 81602
Garfield County:	County Manager Garfield County, Colorado 108 8th Street, Suite 213 Glenwood Springs, CO 81601

With a copy to: Andrew Gorgey
Garfield County Attorney
Garfield County, Colorado
108 8th Street, Suite 219
Glenwood Springs, CO 81601

Either Party may change the identity of its designated representative and the address to which future notices shall be sent by providing written notice in accordance with this paragraph. Formal amendment of this IGA to affect such a change is not required.

19. Severability. Should any provision of this IGA be found to be in conflict with any law of the United States or the State of Colorado or to otherwise be unenforceable, the remaining provisions shall be deemed severable and the validity of such shall not be affected provided that the remaining provisions can be construed in substance to constitute the agreement which the Parties intended to enter into under this IGA.

IN WITNESS WHEREOF, the City and the County have executed duplicate originals of this IGA.

ATTEST:

BOARD OF COUNTY COMMISSIONERS OF GARFIELD COUNTY, COLORADO

Jean M.
Clerk to the Board

GARFIELD COUNTY SEAL COLORADO

By: _____
John Martin, Chairman

Date: 5 21 12

ATTEST:

CITY OF RIFLE, COLORADO

_____
City Clerk

By: _____
Jay Miller, Mayor

Date: _____

Garfield County Recycling Material Collection Site

Summary of Operation Plan

June 12, 2012

Garfield County is preparing a recycling collection site located at the entrance of the West Rifle UMTRA parcel (Energy Innovation Center) at 2515 West Centennial Parkway. The operation plan is summarized below:

- An 8-foot high fence with two access gates will be installed to enclose the area where the containers are placed for materials collection.
- Appropriate informational signage will also be installed.
- Containers will be provided for collection of waste paper, cardboard and comingled materials (plastic, glass and aluminum). The number of containers may vary based on need.
- Pick-ups will be schedule on an as-needed basis based on regular site inspections by Garfield County staff.
- The facility will be open to the public from 8:00 a.m. to 4:00 p.m. Monday through Saturday.
    - City of Rifle staff will be responsible for opening and closing the appropriate access gates Monday through Friday, Holidays excepted.
    - The Garfield County staff will open and close the gates on Saturdays, Holiday weekends excepted.
- County agrees to check facility daily for misuse and to provide a point of contact for this purpose.
- Garfield County staff will remove illicit trash from the site in a timely fashion.

Date: June 13, 2012
To: John Hier, City Manager
From: Aleks Briedis, Recreation Director
RE: Phasing Deerfield Park Construction Drawings

It does not seem that Great Outdoors Colorado (GOCO) will be offering a large scale grant for park development in the next few years. Due to this, I recommend the City submits a regular cycle GOCO grant for Deerfield Park.

The Re-2 school district has already contributed $300,000 and committed an additional $300,000 towards the Deerfield project specifically for restrooms, concession stand, press box, bleachers and dugouts behind Cooper Baseball field. The maximum GOCO grant for a regular cycle is $350,000. Combined, we would have approximately $1 million towards this project.

The Deerfield Park Completion Plan construction drawings were completed at the end of 2011. The construction estimate for these plans is $3.8 million. Staff would like to phase the drawings with the goal of the construction of the first phase costing $1 million.

Staff is recommending to contract with Design Concepts to work with staff to come up with the most logical and efficient way to phase the plan and then update the construction drawings. Design Concept's proposal is included in the packet. Staff recommends funding this proposal through the Conservation Trust Fund. $146,299 was budgeted in 2012 towards projects to be determined, with this being such a project.

Staff is also requesting a sole source approval of this contract, due to Design Concepts being the lead on this project since its inception and having intimate knowledge of the project.

Applications for the GOCO fall cycle will be available June 21st with the application due on August 29th. Grants will be awarded and announced on December 11th. Staff will request a resolution of support of this application from Council in the future.

Staff recommends approval of a sole source proposal from Design Concepts and authorize staff to contract with Design Concepts in the amount of not to exceed $12,190, to be paid with Colorado Trust Funds, to update the Deerfield Park Completion Plan construction drawing set.

DESIGN CONCEPTS
Community and Landscape Architects

211 North Public Rd.
Suite 200
Lafayette, CO 80026
tel. 303.664.5301
fax 303.664.5313

June 14, 2012

Aleks Briedis
Recreation Director
City of Rifle
202 Railroad Avenue
Rifle, Colorado 81650

Re: **Deerfield Park Additional Services**

Dear Aleks:

Per your request, Design Concepts will modify the existing construction drawing bid set dated 2.29.2012 to include scope of work with an approximate one million construction budget. The modified construction drawing set will be utilized to apply for a GOCO grant, determine a detailed cost estimate and provide direction for fund raising or donations. We are familiar with the grant submittal process and can support the City with guidance and documentation necessary for a successful grant submittal. If Deerfield Park were to be awarded a GOCO grant that allowed the construction budget to increase above one million, Design Concepts reserves the right to request additional fees to provide services beyond the initial expectations.

Priorities for this modified construction drawing set and construction budget is Cooper Field improvements such as the concessions/restroom building, bleachers, dugouts, associated electrical and site drainage utilities. Along with team coordination, Design Concepts will provide a revised demolition plan, site plan, enlargements, layout plan, grading plan, utility plans, site details and technical specifications. A revised cost estimate will be calculated to confirm project is within the new construction budget. Design Concepts will participate in two design meetings to determine exact priority based scope and staff review.

With the above revisions requested, Design Concepts would like to request additional fees in the amount of $ 12,190.00. Proposed schedule is to provide modified construction drawings by mid August of 2012.

Please let me know if you have any questions.

Sincerely,

Shanen Weber

Shanen Weber, PLA, ASLA, CEFPI
Principal

2012 Street Improvments BID TABULATION / May 2012

City of Rifle, Colorado

Bid Schedule B- 16th Street

				Johnson		Frontier		Hughes		Kuersten		CEI		B & B Excavating	
Pay Item	**Description**	**Unit**	**Est. Qty.**	**Unit Price**	**Amount of Bid**	**Unit Price**	**Amount of Bid**	**Unit Price**	**Amount of Bid**	**Unit Price**	**Amount of Bid**	**Unit Price**	**Amount of Bid**	**Unit Price**	**Amount of Bid**
1	Mobilization	LS	1	$2,500.00	$2,500.00	$800.00	$800.00	$850.00	$850.00	$6,300.00	$6,300.00	$5,500.00	$5,500.00	$5,020.07	$5,020.07
2	Traffic Control	LS	1	$1,200.00	$1,200.00	$550.00	$550.00	$200.00	$200.00	$3,500.00	$3,500.00	$4,500.00	$4,500.00	$2,664.05	$2,664.05
3	Rotomill Asphalt	SY	1200	$1.00	$1,100.00	$0.94	$1,034.00	$1.60	$1,760.00	$1.00	$1,100.00	$1.75	$1,925.00	$4.29	$4,719.00
4	Compact millings and light prep	SF	10800	$0.26	$2,808.00	$0.26	$2,808.00	$0.31	$3,348.00	$0.80	$8,640.00	$0.38	$4,104.00	$0.26	$2,808.00
5	3" HBP, single course, 64-22	SY	1200	$17.00	$20,400.00	$14.93	$17,916.00	$16.00	$19,200.00	$19.00	$22,800.00	$18.15	$21,780.00	$14.35	$17,220.00
6	Minor contract Revisions	DOL	10000	$1.00	$10,000.00	$1.00	$10,000.00	$1.00	$10,000.00	$1.00	$10,000.00	$1.00	$10,000.00	$1.00	$10,000.00
Total				Bid	**$38,008.00**		**$33,108.00**	Bid	**$35,358.00**	Bid	**$52,340.00**	Bid	**$47,809.00**	Bid	**$42,431.12**
			LOCAL DISCOUNT	4%	**$1,520.32**	2%	**$662.16**	2%	**$707.16**	4%	**$2,093.60**		**$0.00**		**$0.00**
					$36,487.68		**$32,445.84**		**$34,650.84**		**$50,246.40**		**$47,809.00**		**$42,431.12**
				LowBid:	**$32,445.84**	LowBid	**$32,445.84**	LowBid:	**$32,445.84**	Low Bid:	**$32,445.84**	Low Bid:	**$32,445.84**	Low Bid:	**$32,445.84**
				Difference:	**-$4,041.84**	Difference:	**$0.00**	Difference:	**-$2,205.00**	Difference:	**-$17,800.56**	Difference:	**-$15,363.16**	Difference:	**-$9,985.28**
	TOTAL 5TH AND 16TH BIDS, NO DISCOUNTS				$375,448.00		$371,639.50		$395,183.00		$473,145.00		$443,991.00		$426,642.99
	TOTAL 5TH AND 16TH BIDS, INCLUDING DISCOUNTS				$360,430.08		$364,206.71		$387,279.34		$454,219.20		$443,991.00		$426,642.99
					96%		98%		98%		96%		100%		100%
					$360,430.08		$364,206.71		$387,279.34		$454,219.20		$443,991.00		$426,642.99
	PERCENTAGE FROM LOW BID						101.0%		107.4%		126.0%		123.2%		118.4%

CITY OF RIFLE, COLORADO
ORDINANCE NO. 15
SERIES OF 2012

AN ORDINANCE OF THE CITY OF RIFLE, COLORADO, AMENDING SECTION 4-2-50 OF THE RIFLE MUNICIPAL CODE TO EXTEND SALES AND USE TAX REBATES FOR QUALIFIED PHOTOVOLTAIC AND SOLAR THERMAL SYSTEM INSTALLATIONS FOR AN ADDITIONAL THREE-YEAR PERIOD.

WHEREAS, by Ordinance No. 25, Series of 2009, the City of Rifle implemented a sales and use tax rebate program for qualified photovoltaic and solar thermal system installations codified at Section 4-2-50 of the Rifle Municipal Code; and

WHEREAS, the sales and use tax rebate is scheduled to expire on August 31, 2012, and the Rifle City Council wishes to continue to offer the rebate as part of its efforts to promote the deployment of clean, renewable energy in the community and stimulate economic development by diversifying the local economy and encouraging residents to spend their energy money locally; and

WHEREAS, the Rifle City Council finds and determines that the best interests of the City will be served by amending Section 4-2-50 of the Rifle Municipal Code to extend the sales and use tax rebate for qualified photovoltaic and solar thermal system installations through August 31, 2015.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF RIFLE, COLORADO, THAT:

Section 1. The aforementioned recitals are hereby fully incorporated herein.

Section 2. Section 4-2-50 of the Rifle Municipal Code, "Photovoltaic and Solar Thermal Systems," is hereby amended to read as follows, with additions shown in bold, double underlined text and deletions in strike-through text.

4-2-50. Photovoltaic and Solar Thermal Systems.

The City shall rebate to the taxpayer a portion of sales and use taxes paid under this Chapter for Photovoltaic and Thermal Systems professionally installed on or after September 1, 2009. The sales and use tax rebate shall apply to purchases of Photovoltaic System Components and Solar Thermal System Components as defined in Section 4-3-20 only. To be eligible, the purchaser must comply with all rules and regulations for the program promulgated by the City and available for inspection at City Hall. This program shall not be deemed a change in taxing policy and shall terminate on August 31, ~~2012~~ **2015**.

INTRODUCED on June 18, 2012, read by title, passed on first reading, and ordered published by title as required by the Charter.

INTRODUCED a second time at a regular meeting of the Council of the City of Rifle, Colorado held on July 2, 2012, passed without amendment, approved, and ordered published in full as required by the Charter.

Dated this ___ day of _____, 2012.

CITY OF RIFLE, COLORADO

BY _____
Mayor

ATTEST:

_____
City Clerk

INTERGOVERNMENTAL AGREEMENT
BETWEEN GARFIELD COUNTY AND THE CITY OF RIFLE
FOR WILD LAND FIRE MITIGATION

This Intergovernmental Agreement is entered into by and between Garfield County, State of Colorado ("County") and the City of Rifle, Colorado ("City") (collectively, the "Parties") to implement the mandate of C.R.S. §29-20-105.5 regarding wild land fire mitigation (the "IGA").

RECITALS

WHEREAS, the County is a body politic and corporate of the State of Colorado whose powers are exercised by the Board of County Commissioners ("BOCC") pursuant to C.R.S. §§30-5-125 and 30-11-103 (2011); and

WHEREAS, the City is a Colorado Home Rule Municipality organized pursuant to Colo. Const. art. XX, §6; and

WHEREAS, the Parties are authorized and encouraged to cooperate with each other to make the most efficient and effective use of their powers and responsibilities in accordance with Colo. Const. art. XIV, §18(2) (a)-(c) and art. XI, §2 and C.R.S. §§23-31-120 (2007) and 29-1-201 (1971); and

WHEREAS, C.R.S. §29-20-105.5, adopted by House Bill 09-1162 and amended by House Bill 11-1317, requires each local government that owns any land area that is located either entirely or partially outside its own territorial boundaries and that contains at least fifty percent forest land or wild land area to enter into an intergovernmental agreement with the county for the purpose of mitigating forest land or wild land fires affecting the contiguous land areas of the local government and county; and

WHEREAS, the City-owned Rifle Mountain Park, located in unincorporated Garfield County, falls within the purview of C.R.S. §29-20-105.5, and the City wishes to enter into this IGA with the County to govern fire mitigation in the vicinity of the Mountain Park.

NOW, THEREFORE, in consideration of the mutual covenants and agreements identified below, the Parties agree as follows:

1. Incorporation of Recitals. The foregoing recitals are incorporated herein as if set forth in full.

2. Purpose. The purpose of this IGA is to comply with the requirements of C.R.S. §29-20-105.5 by establishing a framework for effective fire mitigation in the Rifle Mountain Park between the City of Rifle and Garfield County. The Parties acknowledge that wildfires do not respect political boundaries and that no single jurisdiction or agency can suppress all wildfires in its jurisdiction unassisted. Mitigation actions are required before a wildfire starts to maximize response to keep fires small and minimize damage and after a wildfire to minimize impacts resulting from wildfire.

3. Parties and Entities with Wild Land Responsibilities.

(a) The City of Rifle. The City is the owner of the Rifle Mountain Park and manages use of the Mountain Park. Fire protection services for the Rifle Mountain Park are provided by the Rifle Fire Protection District (the "District") in cooperation with the City and the County.

(b) Garfield County. The County Sheriff is the fire warden of the County and is responsible for the planning for and coordination of efforts to suppress wildfires occurring in the unincorporated area of the County outside the boundaries of a fire protection district or that exceed the capabilities of the fire protection district to control or extinguish in accordance with the provisions of C.R.S. §30-10-513. The County is also a party to the February 2012 Natural Hazard Mitigation Plan, which draws from the best currently-available data to adequately describe the risk from wildfire in the District including historic occurrences, the extent and location of the hazard, the probability of and vulnerability to the hazard, and the potential damages to property. Finally, the County is a party to and coordinator of the 2012 Garfield County Wildfire Annual Operating Plan ("AOP") with the United States Forest Service ("USFS") and the Bureau of Land Management ("BLM"), which AOP is further described below. Although other jurisdictional entities, including the City and District, are not signatories to the AOP, the Parties acknowledge that the AOP is the governing wildfire action plan for Garfield County.

(c) Rifle Fire Protection District. Under the mandate of C.R.S. §29-20-105.5, the District is not a required party to this IGA but has primary wildfire jurisdiction over the Rifle Mountain Park. Additionally, the District is currently participating in the development of a County-wide Community Wildfire Protection Plan ("CWPP") that will further refine the understanding of wildfire risk in the County. Upon completion and adoption, the CWPP should be considered the primary source for wildfire risk assessment and actions.

4. Procedures for Cooperation and Coordination. The AOP, as described in Section 3(b), is adopted annually for the purpose of setting forth standard operating procedures and responsibilities to implement cooperative wildfire protection on all lands within Garfield County, including the Rifle Mountain Park, and is the only interagency wildfire plan in use within the County. It is not the intent of the Parties to this IGA to supersede or augment the procedures for wildfire cooperation and coordination established in the AOP.

The AOP establishes detailed provisions for interagency cooperation and coordination based on the premise that if a wildfire crosses or threatens jurisdictional boundaries and becomes a multi-agency fire, a Unified Command will be formed consisting of representatives of all jurisdictional agencies involved. As to the Rifle Mountain Park, those agencies could include the City, the County, the District, and the BLM as well as other responding entities. According to the AOP, the purpose of the Unified Command will be to meet as a group in order to "identify policies, objectives, strategy, and tactics resulting in one common set of objectives," which will

be given to a single Incident Commander for tactical implementation. All County and District resources are considered mutual, i.e., automatic, aid. It is agreed that there should be no delay in initial attack on a fire pending the precise location of the fire, land ownership, or responsibility.

5. Management Objectives. The pertinent fire prevention and management objectives are detailed in the AOP. To summarize, the cooperating agencies agree to coordinate prevention efforts to provide uniform and consistent information to the public concerning Red Flag notices, fire weather, fire situation, fire resources, national fire danger (NFDRS) observations, and other appropriate wildfire information. Further, the parties agree to coordinate fire restrictions during hazardous periods to include private, state, and federal lands when possible. As the jurisdictional agency, the District informs the City and County of any fire restrictions impacting the Rifle Mountain Park and is responsible for investigating all fires at the Mountain Park. The AOL further addresses inter-agency cooperation regarding prescribed burning programs and responsibility for escaped prescribed fires.

6. Available Emergency and Mutual Aid Resources. The AOP describes the various types of emergency and mutual aid resources available in the County including aerial resources and hand crews. The closest forces are dispatched without regard to jurisdiction, per the AOP, including the County and District mutual aid resources. Requests for aerial resources will be directed through the Grand Junction Interagency Dispatch Center. All state resources are considered mutual aid, with the exception of the Colorado State Forest Service single engine air tankers and state inmate crews. All federal resources posted within the Upper Colorado River Basin are considered mutual aid, with the exception of air tankers, the type 1 helicopter, and smokejumpers. The BLM type 3 helicopter stationed in the City is considered a mutual aid resource, as are severity resources. The City does not generally own or operate specialized fire equipment, but the Rifle Public Works Department does maintain heavy construction equipment that may be dispatched to the Rifle Mountain Park in the event of an emergency. No party to the AOP is required to make resources or assistance available to the requesting party if doing so would impair the dispatching party's ability to provide emergency services within its own service area.

7. Reimbursement and Billing Procedures. As provided in the AOP, a written cost sharing agreement will be considered for any mixed-jurisdiction fire that escapes initial attack, particularly when aerial resources are ordered. All costs beyond the mutual aid period shall be considered reimbursable. The AOP contemplates three options to determine reimbursable costs to the agencies involved: (1) each agency assumes its own costs as expended by it in the fire control effort; (2) division of costs based on ownership and/or acreage percentages; or (3) each agency agrees to a portion of the suppression costs. To avoid impairing response time and coordinated effort, the responding parties to a wildfire will meet after the fire is suppressed to negotiate a cost sharing agreement as needed.

8. Response to Default by a Party. If either Party to this IGA fails to perform its respective obligations, the non-breaching Party shall provide thirty (30) days' notification of such failure to the breaching Party's representative. If the breaching Party fails to correct or remedy the breach, the non-breaching Party may terminate this IGA by written notification to the other Party's representative and shall have no other further obligations under this IGA.

9. Payments Subject to Annual Appropriations. The Parties' financial obligations under this IGA are subject to annual appropriation and budgeting by each Party. This IGA is not intended to, nor does it create a multi-year fiscal obligation as defined by Section 20, Article X of the Constitution of the State of Colorado. The Parties are not under any obligation to make any future apportionment or allocation to this Agreement.

10. Indemnity/No Waiver of Governmental Immunity Act. The County and the City acknowledge that each is subject to the constitutional prohibitions against indemnification in Colo. Const. art. XI, § 1. Neither can agree to indemnify the other. Nothing herein shall be deemed a waiver of the Colorado Governmental Immunity Act for either party. C.R.S. §24-10-101, *et seq*. (1963, as amended) (the "GIA"). The Parties shall defend and hold each other harmless to ensure that there is no contravention of the intent of the GIA, regardless of which Party's property a claim from the activities subject to this IGA may arise.

11. No Third-Party Beneficiary. No third party may enforce or rely upon this IGA.

12. Amendment and Assignment. This IGA may be amended by the Parties solely through a written agreement signed by both Parties. This IGA may not be assigned by either party.

13. Counterparts. This IGA may be executed in counterparts, each of which shall be deemed an original, and all of which, when taken together, shall be deemed the same instrument. Facsimile or photographic signatures of either Party to this IGA or subsequent modifications thereto, shall be effective for all purposes.

14. Governing Law, Venue and Survival. The laws of the State of Colorado shall govern the validity, performance and enforcement of this IGA. Should either Party institute legal action for enforcement of this IGA, venue of such action shall be in Garfield County, Colorado.

15. Whole Agreement. This IGA sets forth the whole agreement of the Parties. No representations, either verbal or written, shall be considered binding on either party to the extent not set forth herein.

16. Captions. The captions in this IGA are inserted only for the purpose of convenient reference and are in no way to define, limit or prescribe the scope or intent of this Agreement or any part thereof.

17. Authority. Each person signing this IGA represents and warrants that the individual is fully authorized to enter into and execute this IGA and to bind the Party it represents to the terms and conditions thereof.

18. Notice and Representatives. All notices required under this IGA shall be transmitted in writing and shall be deemed duly given when hand-delivered or sent by certified mail, return receipt requested and postage prepaid, or by electronic communication, addressed to the designated representative(s) as follows:

City of Rifle:	City Manager City of Rifle P.O. Box 1908 Rifle, CO 81650
With a copy to:	Jim Neu Karp Neu Hanlon, P.C. P.O. Drawer 2030 Glenwood Springs, CO 81602
Garfield County:	County Manager Garfield County, Colorado 108 8th Street, Suite 213 Glenwood Springs, CO 81601
With a copy to:	County Attorney's Office Garfield County, Colorado 108 8th Street, Suite 219 Glenwood Springs, CO 81601 (970) 945-9150 (970) 384-5005 (Fax)

Either Party may change the identity of its designated representative and the address to which future notices shall be sent by providing written notice in accordance with this paragraph. Formal amendment of this IGA to affect such a change is not required.

19. Severability. Should any provision of this IGA be found to be in conflict with any law of the United States or the State of Colorado or to otherwise be unenforceable, the remaining provisions shall be deemed severable and the validity of such shall not be affected provided that the remaining provisions can be construed in substance to constitute the agreement which the parties intended to enter into under this IGA.

IN WITNESS WHEREOF, the City and the County have executed duplicate originals of this IGA.

ATTEST:

BOARD OF COUNTY COMMISSIONERS OF GARFIELD COUNTY, COLORADO

_____
Clerk to the Board

By: _____
John Martin, Chairman

Date: _____

ATTEST:

_____
City Clerk

CITY OF RIFLE, COLORADO

By: _____
Jay Miller, Mayor

Date: _____

From: David Myler [mailto:dmyler@mylerlawpc.com]
Sent: Tuesday, June 12, 2012 4:42 PM
To: James S. Neu
Cc: Craig Rathbun; Michael D. Katz
Subject: City of Rifle Ordinances 8 and 9, Series of 2012

Dear Jim:

I am writing on behalf of Sunset Townhomes, LLC to request that the Rifle City Council continue the public hearing regarding and the consideration of proposed Ordinances 8 and 9, Series of 2012, as well as related Resolutions and Agreements which call for the annexation and zoning of land owned by Sunset Townhomes, LLC for a period of three months. As we discussed, Sunset Townhomes, LLC is continuing to investigate sources of funding for the construction of the Taughenbaugh Boulevard and Last Chance Drive extensions as contemplated in the draft Annexation Agreement, together with the main line utility extensions. In that regard, we will continue discussions with representatives of Garfield County and the City in order to develop a strategy that we believe will be acceptable to those entities. We expect that we will be able to revive consideration of Ordinances 8 and 9 within the next three months.

Please call if you have questions and also, please convey to the Council our appreciation for their approval of this request.

David J. Myler
The Myler Law Firm, P.C.
211 Midland Avenue, Suite 201
Basalt, CO 81621
(970) 927-0456 Telephone
(970) 927-0374 Telefax
dmyler@mylerlawpc.com

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6/13/2012

City of Rifle

Utility Department News

Water

- The City received a notice from CDPHE that Hexachlorocyclopentadiene was detected in the potable water at the 3 mg tank sampling point during our annual sampling. This is a pesticide that the existing treatment plant cannot remove from the Colorado River water. CDPHE is now requiring monitoring quarterly for the next four calendar quarters to determine if the organic chemical continues to be detected.
- Staff is in the process of reviewing the prequalification documents from contractors for construction of the water treatment facility. The request for qualifications was sent to 19 contractors, all but one within the State.
- Water production for every month this year (except April) exceeded the production each month for all previous years. If the production exceeds that of June 2011, we may need to initiate water irrigation restrictions.
- Utility Department held a strategic planning meeting last week to discuss mission and vision statements, and 2013 and long term goals.
- The Fats, Oils and Grease (FOG) program, as required by City Municipal Code, is underway. The City sent out 90 letters to establishments requesting third party certification that grease traps have been cleaned. About 85 percent have responded positively, so far.
- The Colorado Water Conservation Board, in their annual report (pages attached) identified the City of Rifle receiving a grant in the amount of $47,085 to encourage water conservation. Most of the items included in the grant have been completed.
- We requested release of water from the Ruedi Reservoir during the fiscal year of 2012-2013 to meet anticipated drought and evaporation totaling about 150 acre-feet.

Wastewater/Collection & Distribution

- Staff removed an unnecessary valve which was leaking at 5th Street and East Avenue. The work was completed in a short period of time.
- Catwalks with handrails have been installed within the digesters at the RRWRF for operator safety during routine maintenance operations (see below).

June 20, 2012

COLORADO

Water Efficiency Grant Program Fiscal Year 2010-2011

ANNUAL REPORT

COLORADO WATER CONSERVATION BOARD

WATER CONSERVATION IMPLEMENTATION PROJECTS

Entities can further utilize WEGP money to implement goals and programs identified in a CWCB-approved Water Conservation Plan.

For Fiscal Year 2010-2011, the OWCDP awarded six grants for implementation projects to the following entities:

East Larimer County Water District

Leak Detection

South Platte Basin • $9,790

The East Larimer County Water District (ELCO) used grant money to have a professional leak detection company survey approximately 20% of the District's transmission and distribution system to locate leaks.

Town of Firestone

Rebate Program

South Platte Basin • $41,455

The Town was awarded grant funds to develop a high efficiency toilet and washing machine rebate program to achieve water savings. One of the goals set forth in Firestone's Water Conservation Plan is to reduce residential water use by 4.7% over a ten year planning horizon. The Town forecasts that this rebate program will achieve 12% or 16.6 acre feet of its residential goal.

City of Rifle

New Development Requirements/ Rebate Program

Colorado Basin • $47,085

The City is utilizing grant funds to develop various programs including:

- Establishing landscape and irrigation design requirements for new development to reduce outdoor water use by 10 %
- Establishing high efficiency indoor plumbing requirements for new development to save an estimated 20% of indoor water use
- Creating a new conservation web site
- Creating a water efficient plumbing fixture and appliance policy for the city to save 3.5 ac-ft per year.
- Creating smart irrigation controller, high efficiency toilet and clothes washer rebate programs to save an estimated 5 acre feet of water per year.

North Table Mountain Water & Sanitation District

Water Audit & Irrigation Audits

Metro Basin • $25,370

The District has used grant funds to implement a sonic leak detection audit of the distribution system; conduct irrigation audits of residential properties, commercial, parks, and Home Owners Association properties; and create new landscape regulations. The District projects an estimated water savings of 14.7 acre feet will result from these efforts.

Left Hand Water District

Commercial Audit

South Platte Basin • $45,836

The District has used grant funds to improve leak detection and repair of distribution lines with previously identified leaks and aging infrastructure in select subdivisions. The grant will also enable the District to conduct water audits of residential, commercial and industrial properties. The district projects annual water savings of 89 acre feet.

City of Aurora

GIS Water Efficiency Mapping & Identification

Metro Basin • $117,741

The City was awarded grant funds to create a map of the entire city, grading each parcel for their water use ranging from very high water use to very low water use. These grades will be determined by comparing pervious surface to outdoor water use and by examining average household size to each individual parcel's winter quarterly average water use. Once Aurora is mapped, the City will hire a company to create a database that will link water bill history to the mapped irrigated square footage in each tax parcel. Combining the outdoor water use with the indoor water use will help Aurora target 200 of its most inefficient water users & achieve a projected water savings of 44 acre feet per year.